

PRODUCTION OF BETA-KERATIN FROM
CHICKEN FEATHERS



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MASTER OF CHEMICAL ENGINEERING WITH
ENTREPRENEURSHIP

UNIVERSITI MALAYSIA PAHANG

PRODUCTION OF BETA-KERATIN FROM CHICKEN
FEATHERS

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A dissertation submitted in fulfillment
Of the requirements for the award of the degree of
Master of Chemical Engineering with Entrepreneurship

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SUPERVISOR'S DECLARATION

I hereby declare that I have checked this thesis and in my opinion, this thesis is adequate in terms of scope and quality for the award of Master of Chemical Engineering with Entrepreneurship.

Signature

Name of Supervisor: PM DR. ARUN GUPTA

Position: ASSOCIATE PROFESSOR

Date:



STUDENT'S DECLARATION

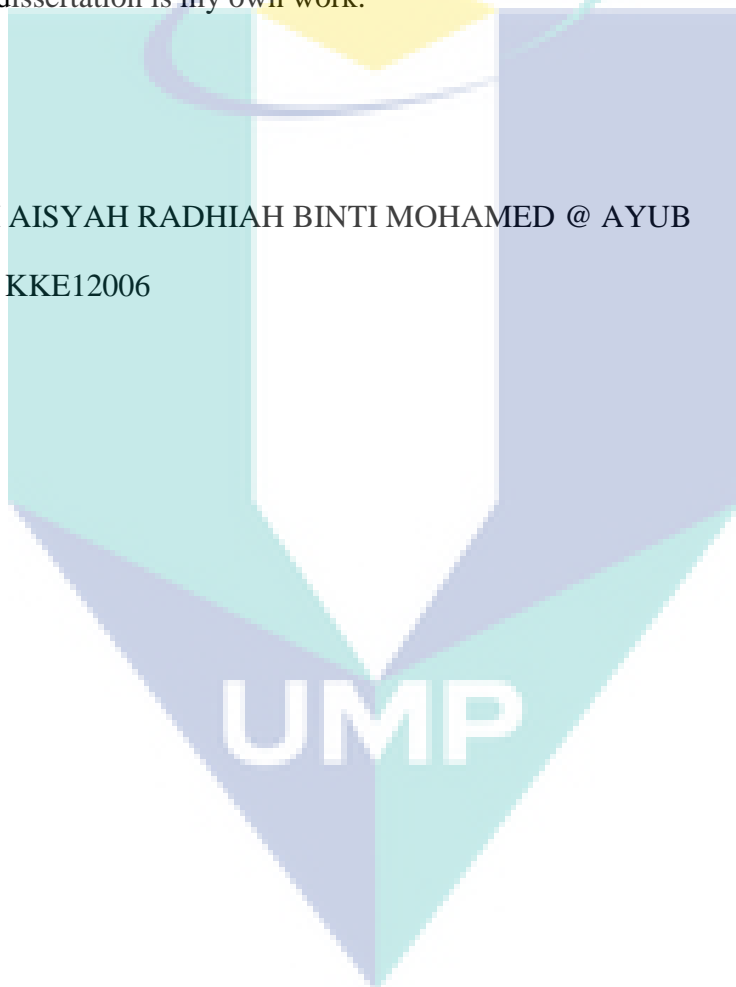
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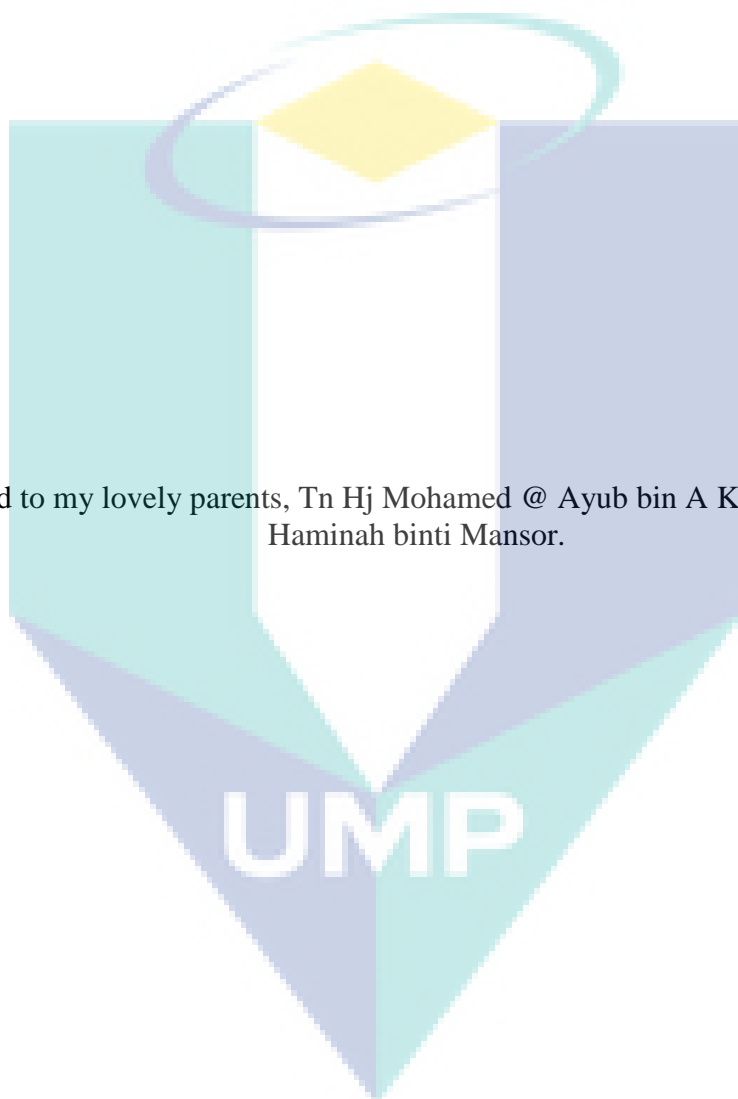
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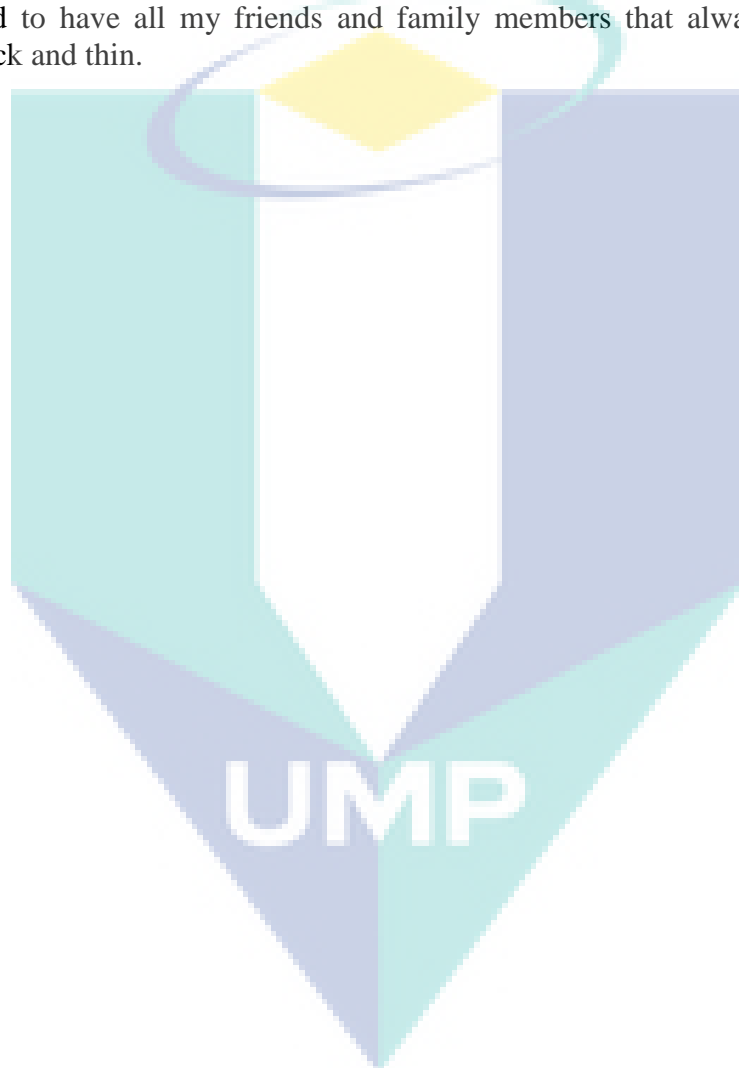




Dedicated to my lovely parents, Tn Hj Mohamed @ Ayub bin A Karim and Pn Hj
Haminah binti Mansor.

ACKNOWLEDGEMENTS

First of all, I would like to give my special thanks to my parents, Tuan Haji Mohamed @ Ayub bin A. Karim & Puan Hajah Haminah binti Mansor for giving me full support in everything I do all the time. Besides, I would like to thank my supervisor, Assoc Prof Dr Arun Gupta for give me chance to study about beta keratin. Besides, I feel blessed to have all my friends and family members that always be by my side through thick and thin.



EXECUTIVE SUMMARY

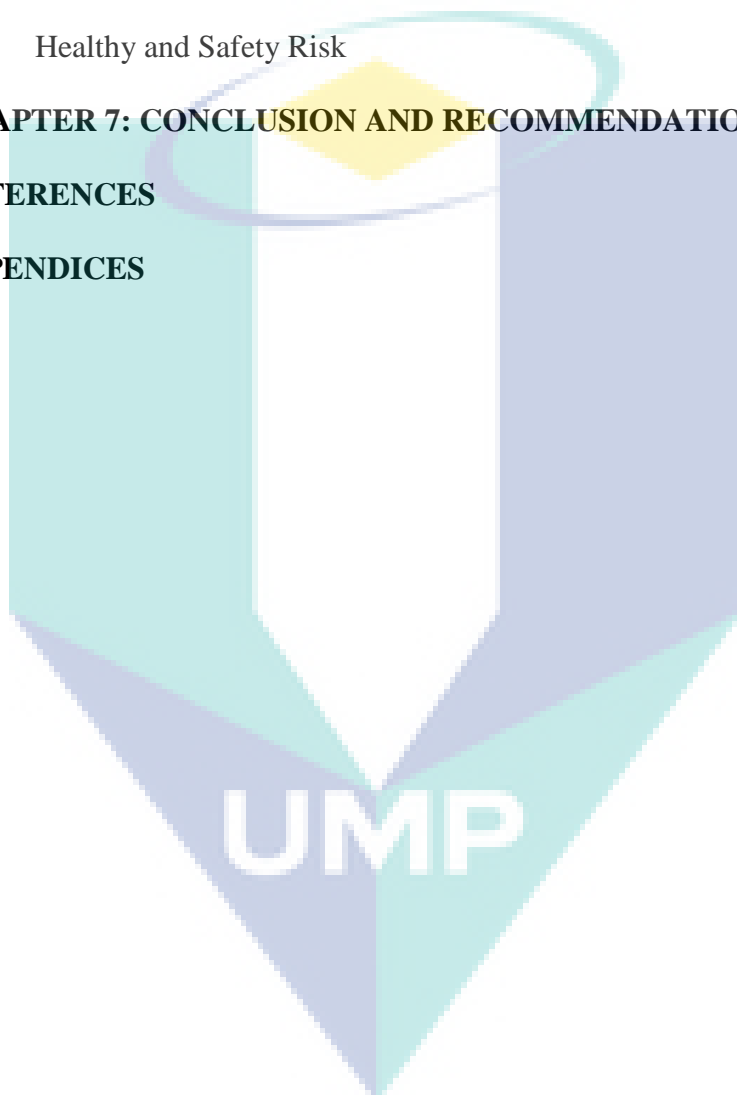
The concept of the business of K-my Sdn Bhd is a process of turning waste feathers from poultry industry into a high value product for use in the cosmetics and consumer goods industries, particularly hair-care and hair treatment. There are a few problems that become the reason for K-my Sdn Bhd has potential to become one of the most successful companies in Malaysia. It is because the production of keratin protein from sheep wool caused high cost. It is due to the price of sheep wool is quite expensive. Besides, sheep wool availability in Malaysia is limited. So, the researchers need to find other alternative as a new raw material. On the other hand, the demand of product based on keratin protein is increased. Due to availability, chicken feather is easy to find in Malaysia. The production of chicken feather in Malaysia is too high until causing the environmental problem. Based on these problems, K-my Sdn Bhd take this advantage to produce a product that is cheap but has a lot of benefits. The demand of the keratin in Malaysia is increasing every year. It is due to the demand of the cosmetic and toiletries are increasing as well. The market of keratin is contributes 5% in the cosmetic and toiletries industry. The demand of keratin in 2012 is 3465 MT per year. The market size of the keratin also increases by year. The invention relates to a process for extracting keratin from poultry feather, and provides a quicker process thus allowing large-scale productions of the keratin to be carried out untimely, efficient and productive manner. The main processes are dissolving chicken feathers and separation of proteins. Keraplast Technologies is the world's leading innovator of keratin protein technology which was established on 1996 by using the sheep wools as the raw materials. K-My Sdn Bhd has assembled a management team experienced in keratin, research and development, marketing, management and finance. Assoc Prof Dr Arun Gupta, Chief Executive Officer, currently works as a associate professor at Universiti Malaysia Pahang in Faculty of Chemical and Natural Resources Engineering. He is expert in research and development about keratin, and got a lot of award about his project. Moreover, Siti Nur Khairunisa who is appointed to be a production manager is one of researchers that do the research about beta-keratin from chicken feathers. Currently she is a Master student of Universiti Malaysia Pahang. The start up business of K-my Sdn. Bhd needs the capital about RM 2.5 million. The cash is to buy the equipments, land, building, contingency plan, and the other expenses including buying the raw materials and paying the salaries to the employers and employees. The funds will be get from the bank and Malaysia Debt Venture berhad (MDVB).

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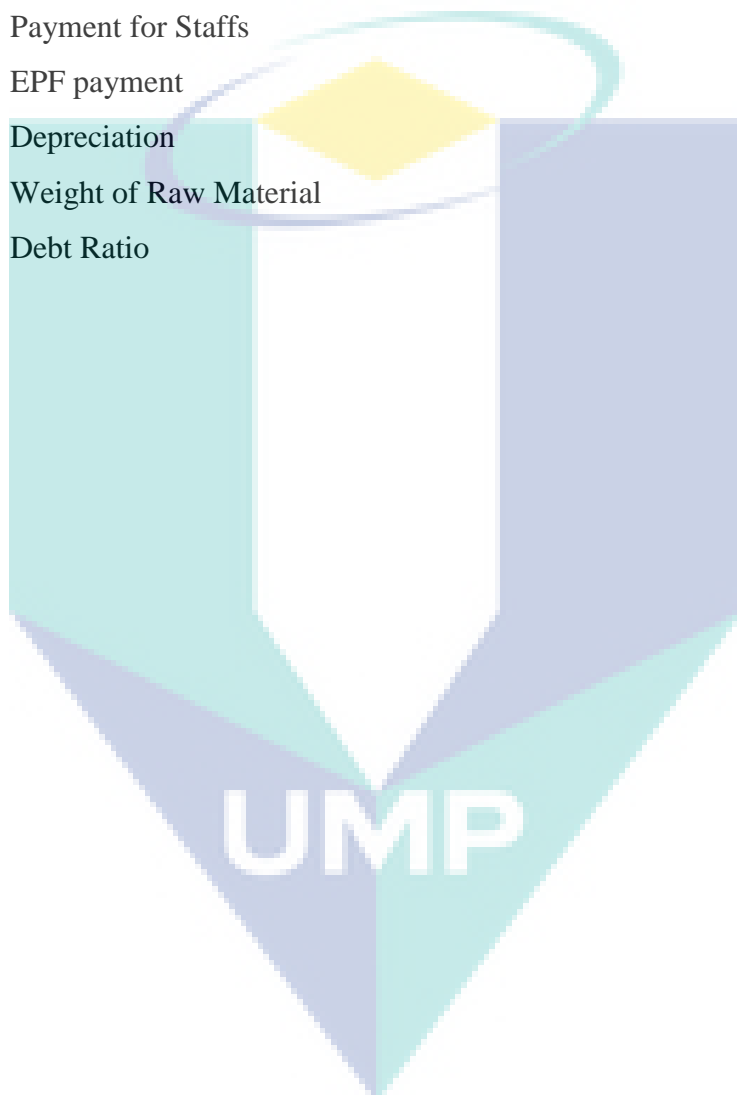
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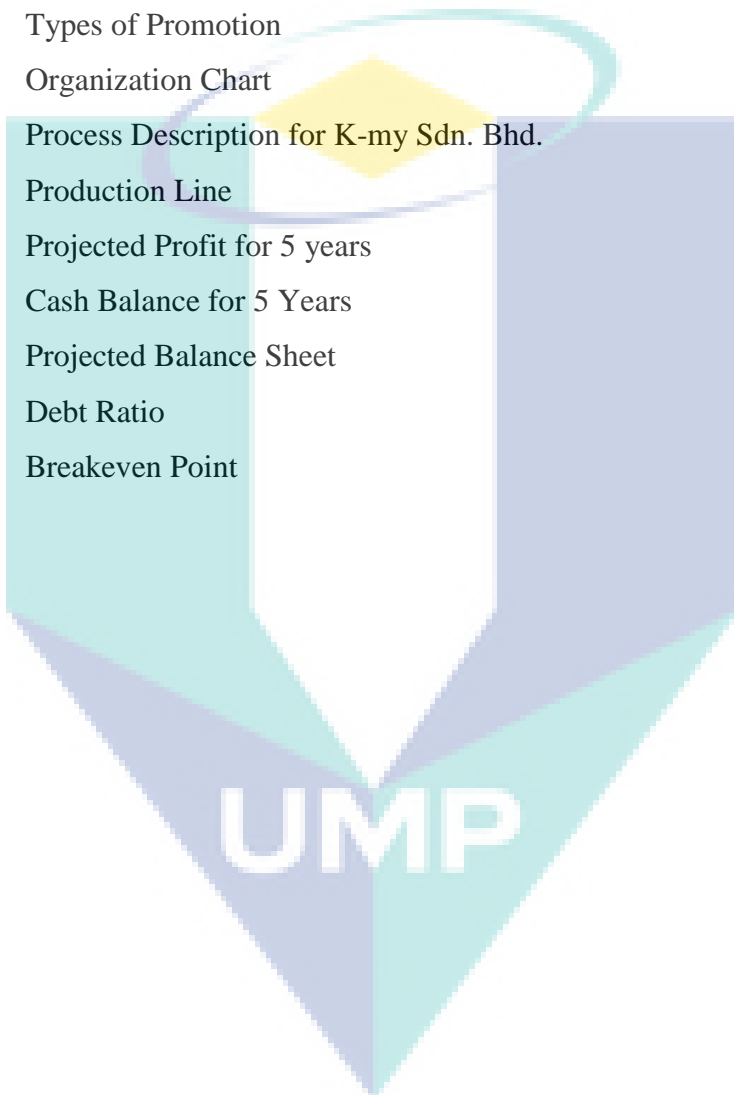
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LIST OF ABBREVIATION

MDVB	Malaysia Debt Venture Berhad
PKNP	Pahang State Development Corporation
CEO	Chief Executive Officer
MT	Metric Tonne
RM	Ringgit Malaysia
USD	United State Dollar
EPF	Employees Provident Fund
CAGR	Cumulative Annual Growth Rate
MIDA	Malaysian Industrial Development Authority
FMM-MCTIG	The Federation of Malaysia Manufactures – Malaysian Cosmetics and Toiletries Industry Group
Sdn	Sendirian
Bhd	Berhad
ROI	Return on Investment
SOP	Standard Operating Procedure
TNB	Tenaga Nasional
SESB	Sabah Electricity Sendirian Berhad
SESCO	Sarawak Electricity Supply Corporation
SAJ	Syarikat Air Johor
YTL	Yeoh Tiong Lay

CHAPTER ONE

INTRODUCTION

1.1 Products Overview

Beta-keratin is one of nature's most important building blocks at a cellular level, giving the human body structure and order, and is fundamental in the development of healthy tissues, including skin, hair and nails. Beta-keratin products have been proven to produce significant benefits for hair care, skin care and wound healing.

For hair care, beta-keratin will help to repair, rescue and renew hair suffering from chemical or environmental damages. Besides, it will protect hair from sunlight, pollution and chemical damages.

On the other hand, in terms of skin care, beta-keratin will speed up recovery from dermatological treatments to the skin. Beta-keratins are also possible to repair wrinkles where they start by helping skin cells make more collagen. Moreover, beta-keratins will boost the body's own antioxidant defense system by helping it make more of the master antioxidant, glutathione. In order to heal the wound, beta-keratins can help effectively by managing the chronic and acute wounds. The researchers found that 10% weight of poultry is the feathers and after extraction of feathers done, the keratin produced only 30% from the chicken feathers.

1.2 Market Overview

As mentioned earlier, beta-keratins suitable for protection in hair care, skin care and including wound healing as well. Beta-keratin market is not too familiar in Malaysia because of the new development of the products. Due to the growing cosmetic and toiletries industry, beta keratin extraction and production from wool can be found in New Zealand and USA. Manufacturers of cosmetic and toiletries product from Asia generally need to import the keratin from New Zealand. So, it obviously can increase the production cost.

In Malaysia, the annual growth for cosmetic and toiletries industries is 15% annually. The market sales for that product for 2010 are about USD 1.5 billion or RM 5.25 billion. As estimated, the market demand in 2012 is USD 1.98 billion. Beta keratins contribute 5% of the sales. Then, the demand for the beta keratin in 2012 is USD 99 million.

The image contains a large, semi-transparent watermark of the UMP logo. The logo is a shield-like shape divided into four quadrants: top-left is light blue, top-right is light purple, bottom-left is light purple, and bottom-right is light blue. The letters 'UMP' are written in white, bold, sans-serif font across the bottom center of the shield.

UMP

1.3 Resources and Raw Materials

The most important raw material that needed in beta-keratin is chicken feathers. The suppliers will be Pahang State Development Corporation (PKNP) poultry farm. The price of the chicken feathers is approximately RM 2 per kg. The transportation cost will be low due to the location of the supplier is near by the company. Chicken feathers have high level of keratin protein content which is 90% and can become a suitable protein source.

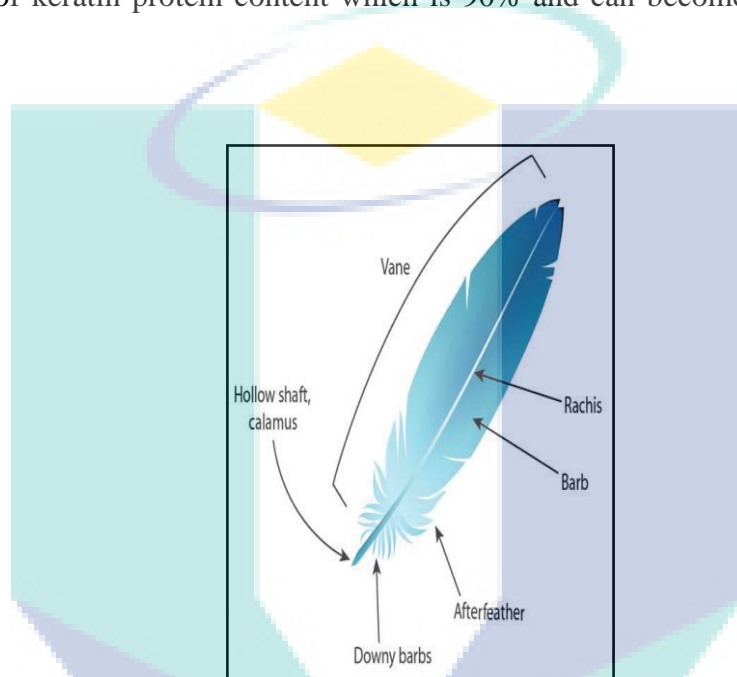


Figure 1.0: The Important Element of Chicken Feather

K-my Sdn. Bhd decided to use chicken feather as the raw material due to high production cost of production of keratin from sheep wool. Moreover, it is due to non-availability of sheep wool in Malaysia, thus we need to find other alternative as to replace the raw material. The availability of chicken feather is high and it is causing the environmental problem since chicken feather is not easily to be dissolved. In fact, 10% of poultry is feathers.

CHAPTER TWO

MARKET ANALYSIS

2.1 Market Size

The total market size for beta-keratin is related to the market size for cosmetic and toiletries products. Beta-keratin contributes 5% from the production of the cosmetic and toiletries.

According to the US Consulate General Hong Kong's report, Asia's Cosmetic and Toiletries market size are reported that, in 2008, Malaysia sales is USD 600 million, while Thailand sales is USD 351 million for hair, USD 432 million for skincare, USD 351 million for makeup in 2010; Philippines sales is USD 435 million in 2010 which growing at 10%; Indonesia sales is USD 250 million in 2008 which grow 10% to 15% annually; Hong Kong imports USD 263 million in 2010, China USD 18 billion in 2010 with double digit growth; India imported USD 400 million in 2010; Japan imported USD 16.7 billion in 2009 with an increase of 12.1% in 2010 (export-gov, 2012). The sale projected is shown in **Figure 1.1** below. The sales forecast is estimated to increase every year.

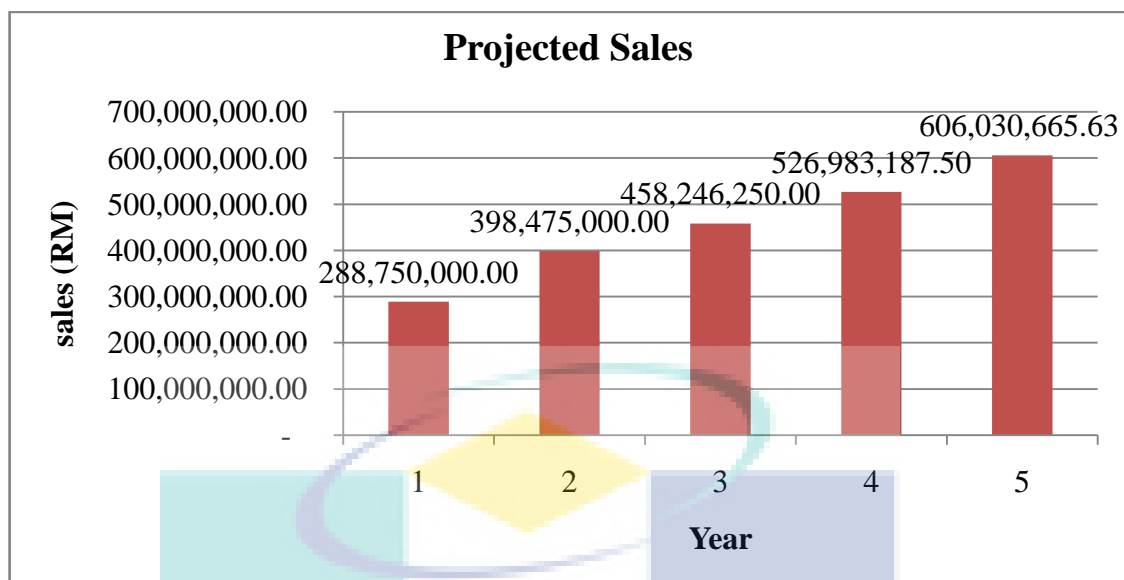


Figure 1.1: Projected Sales for 5 Years

The graph shows the projected sales increase every year. It is due to the demand of the keratin in Malaysia increase. Then, it indicates that the market size also expanding.

2.2 Market Demand

Demand of cosmetic and toiletries in Malaysia is related to demand of keratin protein. It is because keratin protein is contributing 5% of them in the market of cosmetic and toiletries industry. The demand of the cosmetic and toiletries for 2010 is USD 1.1 billion in Malaysia. The global demand for personal care products was over USD 7.6 billion in 2012 and expected to increase over USD 13 billion in world by 2018. Cumulative Annual Growth Rate (CAGR) is 9.6% from 2012 to 2018. In Asia, including Malaysia, the CAGR is 15% for 2012 to 2015. As estimated, the market demand in 2012 is USD 1.98 billion. So, the demand of the keratin is about USD 99 million or 3465 MT/year.

2.3 Target Market

The target market listed included is hair care manufacturer and skin care manufacturer in Malaysia. It is because in Malaysia, they need to import the keratin to them in order to produce their products. It caused the production cost is high.

According to the Malaysian Industrial Development Authority (MIDA), thirty companies are producing cosmetics and toiletries products in Malaysia. The Federation of Malaysian Manufacturers – Malaysian Cosmetics and Toiletries Industry Group (FMM-MCTIG) reported there are now approximately 50 small and medium sized domestic companies producing cosmetics. Main manufacturers of cosmetics and toiletries are Colgate-Palmolive (M) Sdn Bhd, Follow Me Industries Sdn Bhd, Formapac Sdn Bhd, Henkel (M) Sdn Bhd, Manufacturing Services Sdn Bhd and EngKah Enterprise Sdn Bhd.

2.4 Market Share

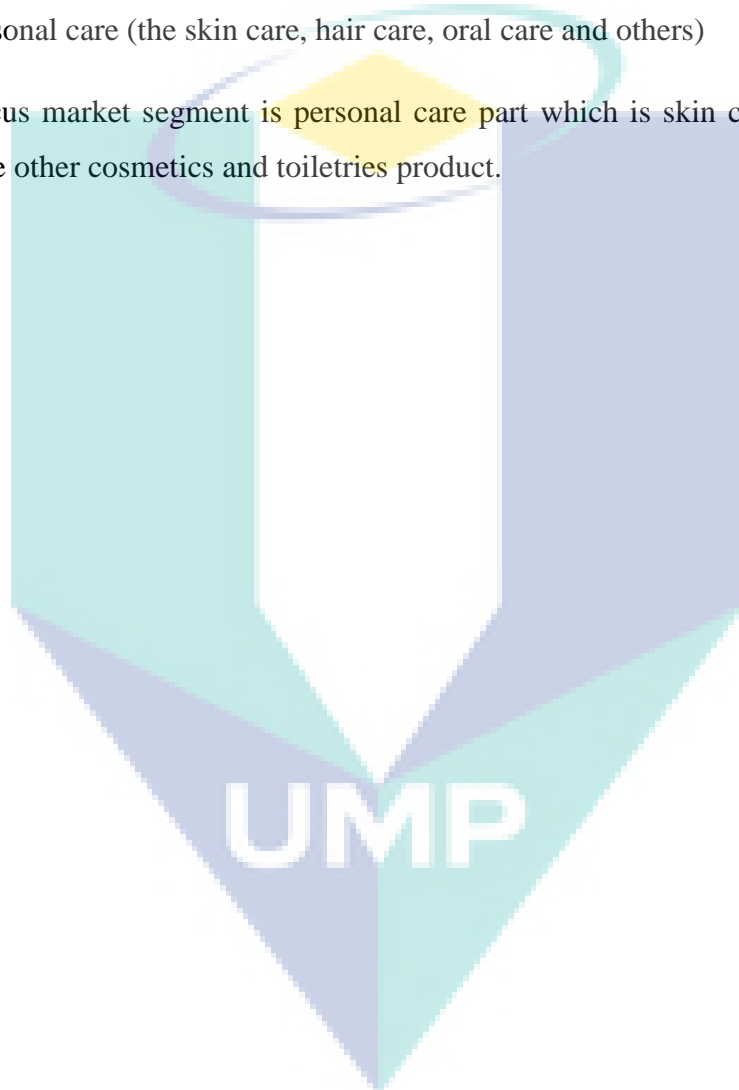
Throughout 2010 skincare was the most significant segment, with its 23% of the market share and its growth driven primarily by the Asian Market (Lennard, 2010). The global haircare market, comprises of shampoos, conditioners, styling agents and hair colorants, has only shown moderate growth. It shares in the Global beauty Market went from almost 21% to 17.3%. In Malaysia, the market share for hair care and skincare product is about 35%. K-my decided to penetrate into the market about 5% of them because keratin contribution in the market.

2.5 Market Segment

There are a few segmentations that are related to this business. There are:

- a) Human health and nutrition (dietary supplement and food ingredients)
- b) Animal health and nutrition (poultry, swine, aquacultures, ruminants, pets and others)
- c) Personal care (the skin care, hair care, oral care and others)

The focus market segment is personal care part which is skin care, hair care, oral care and the other cosmetics and toiletries product.



2.6 Competitor Evaluation

Table 1.0: Competitor Evaluation

Name of Company	Established	Location	Customers
Keraplast Technology	1996	New Zealand	Hair care & Skin care manufacturer

Keraplast Technology is a well-known company. It was established on 1996 in New Zealand. However, they are producing keratin protein from sheep wool. The price of the sheep wool is quite expensive compared to chicken feathers. It is RM17.50/kg. It is due to the limited availability of sheep wool in Malaysia.

UMP

CHAPTER THREE

COMPANY DESCRIPTION

3.1 Nature of Business

Name of the company is decided to be K-my. Sdn. Bhd. The concept of the business of K-my Sdn Bhd is a process of turning waste feathers from poultry industry into a high value product for use in the cosmetics and consumer goods industries. Aims for K-my Sdn. Bhd is to reduce the problem of waste management that involving feathers. The plant capacity is 3465 MT/year.

The nature of business for this company is divided into two types. They are comprised of manufacturing and marketing. This company is manufacture the intermediate product, which is beta-keratin, and end up it will be sold to the manufacturer of cosmetics and toiletries products.

3.2 Marketing Strategies

3.2.1 Product

Our environmental-friendly product is produced by high technology equipments. The availability of raw material is high and do not need to import. The raw materials will be sterilized before start to produce keratin protein. It is to avoid any bacteria to affect the product's quality and cause the infection. The process of the production will be monitored by the experts and at the end quality and the safety of the product will be certified by Ministry of Health Malaysia and Good Manufacturing Practice (GMP). Other than that, the product is patented.

3.2.2 Price

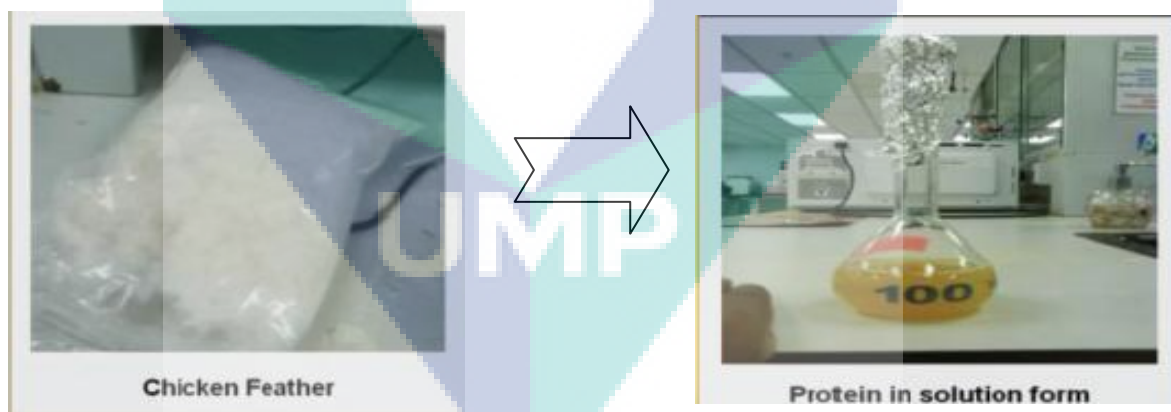


Figure 1.2: The Image of Chicken Feather and the Solution

The raw material price is RM2/kg. After calculating the labor cost, production cost, and delivery cost, the price of the product is summed up to become RM100/kg. The raw material will be supplied by PKNP.

3.2.3 Promotion

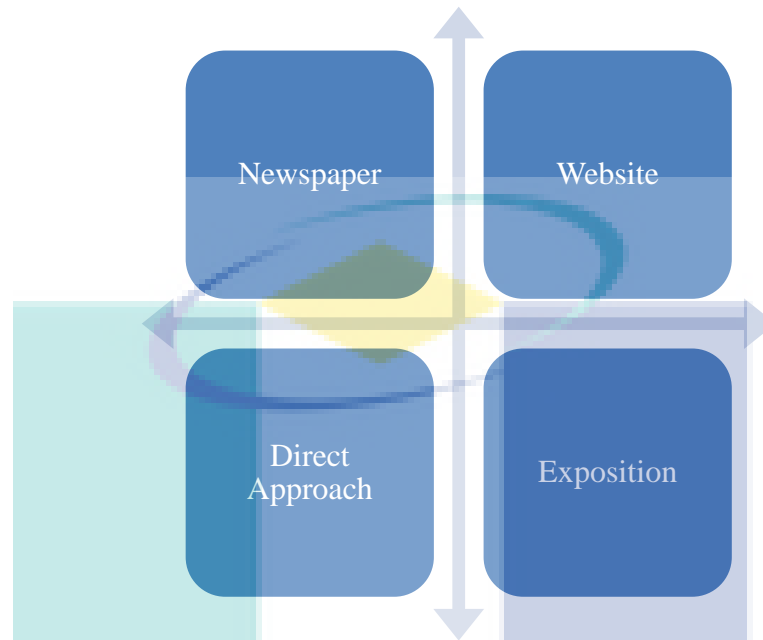


Figure 1.3: Types of Promotion

K-my Sdn Bhd can be promoted through newspaper, website, direct approach and exposition or exhibition. Through all of these, the customers will know us and easy to contact in order to order the keratin. The interesting advertisement can attract the investors to invest into the company as well. Direct approach to the customers can be easier to make a deal with them. It is one way that purposely to explain everything directly by face to face with the customers. Exposition is a way to promote the products too. At that time, the coupon can be given to the customers.

3.3 Organization and Management

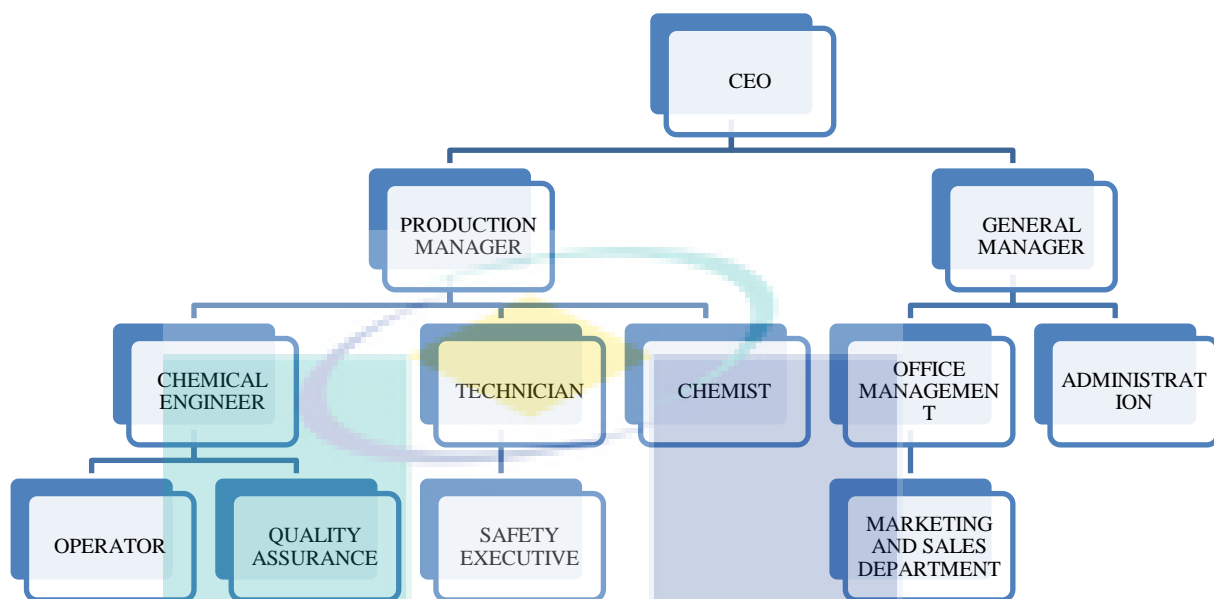


Figure 1.4: Organization Chart

3.3.1 Key Personnel

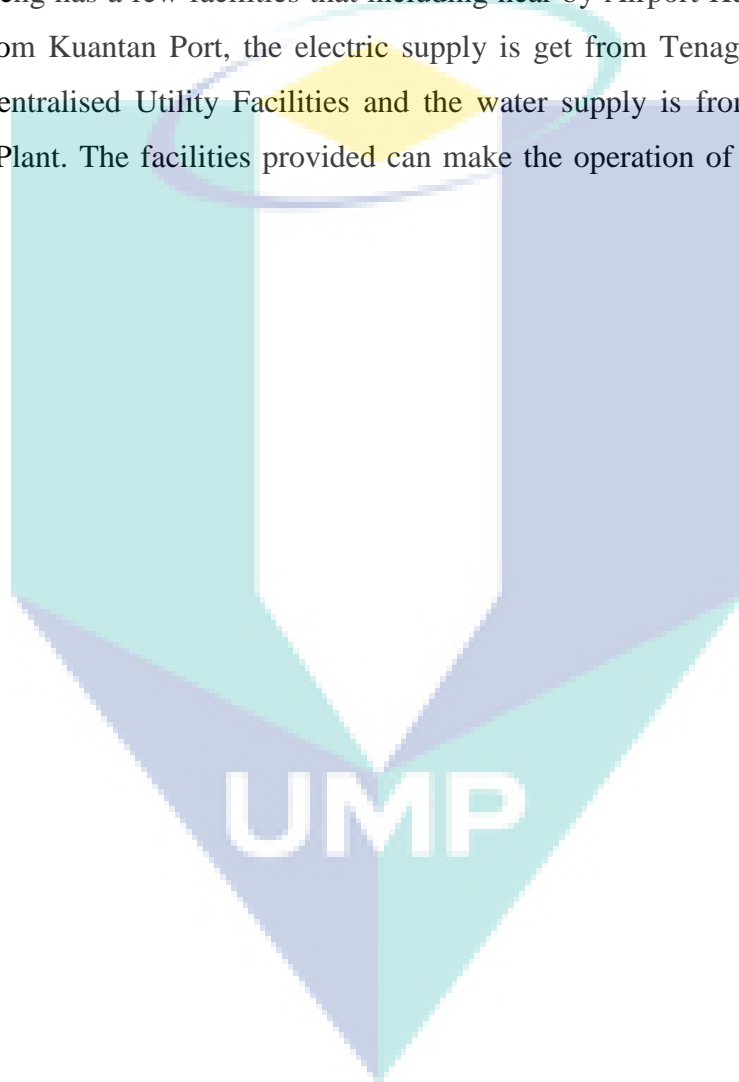
Assoc Prof Dr Arun Gupta, Chief Executive Officer, currently works as an associate professor at Universiti Malaysia Pahang in Faculty of Chemical and Natural Resources Engineering. He is expert in research and development about keratin, and got a lot of award about his project.

Siti Nur Khairunisa, Production Manager, one of researchers that research about beta-keratin from chicken feathers. She won a gold medal in Bio Malaysia 2012. Currently, she is a Master Degree student at Universiti Malaysia Pahang under responsibility of Assoc Prof Dr. Arun Gupta.

3.4 Location of Operation

The chosen location is in Gebeng. It is due to the good facilities there. Besides, our company is a biotechnology plant based, thus, the location must be near to Universiti Malaysia Pahang. The research and development can be done at there.

Gebeng has a few facilities that including near by Airport Kuantan, it is located 68.9 km from Kuantan Port, the electric supply is get from Tenaga Nasional Berhad Petronas Centralised Utility Facilities and the water supply is from Semambu water Treatment Plant. The facilities provided can make the operation of the business move smoothly.



CHAPTER FOUR

OPERATION DESCRIPTION

4.1 Product Descriptions

Beta keratin protein is organic product that is extracted from chicken feathers. It will be applied as one of raw materials of other products especially personal care products like hair care and skin care products. Keratin is formed through formation of different kinds of amino acids.

Keratin is a family of more than 200 normally non-soluble proteins. Keratin is an extremely strong protein which is a major component in skin, hair, nails, hooves, horns and tooth. Mechanical stability and high resistance to proteolytic degradation of keratin are due to their disulfide bonds, hydrogen bonds, salt linkages and cross linking.

Beta-keratin is one of nature's most important building blocks at a cellular level, giving the human body structure and order, and is fundamental in the development of healthy tissues, including skin, hair and nails. Beta-keratin products have been proven to produce significant benefits for hair care, skin care and wound healing.

4.2 Process Descriptions

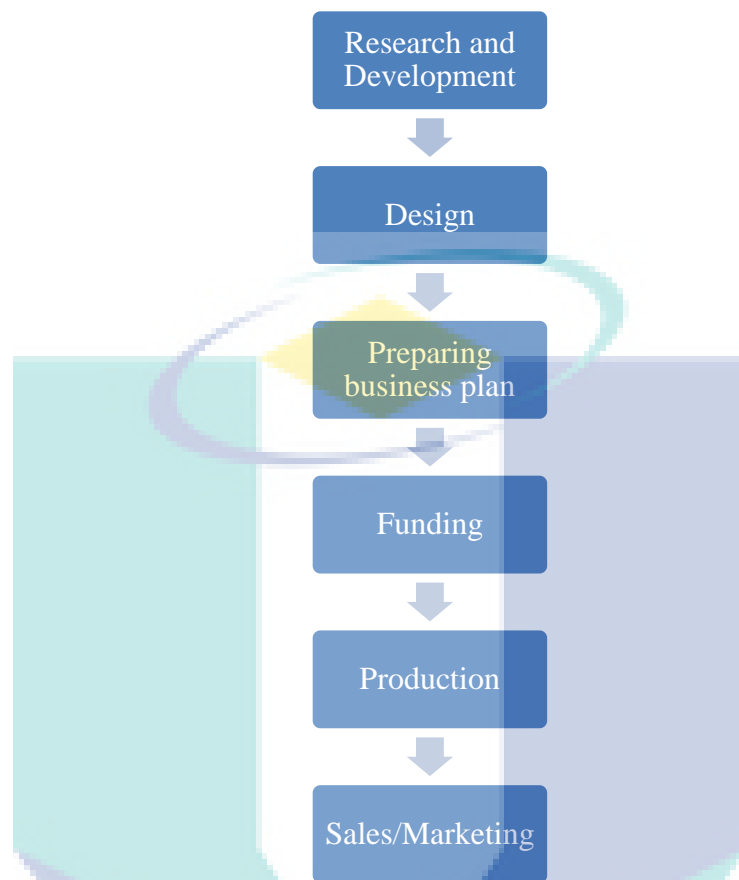


Figure 1.5: Process Description for K-my Sdn. Bhd.

There are few processes involved before and after producing the beta keratin. The initial process is started with the idea. Then, the research and development is done including the design of the plant. After that, the business plan is prepared to find the funding from bank and from Malaysia Debt Venture which give the fund for the new company in Malaysia. After settled all of that, then the plant can be build up and then the production can be operated. Lastly, part of sales and marketing involved in order to get the profit.

4.3 Production Line



Figure 1.6: Production Line

The operating days are 330 days. The production of keratin protein will be done in batch system. One batch needs about two days of operation. The production is including the process of preparing the raw materials. After production done, the product will be send to packaging line to put into a 50 kg of container. The quality of the product will be tested at the laboratory. In the end, the products will be delivered to the customers. The capacity plant is 3465 MT/year.

CHAPTER FIVE

FINANCIALS

5.1 Funding Request

Table 1.1: Total Funding

Sources of Capital

Owners' and other investments	RM	1,000,000.00
Bank loans	RM	1,000,000.00
Other loans	RM	500,000.00
Total Source of Funds	RM	2,500,000.00

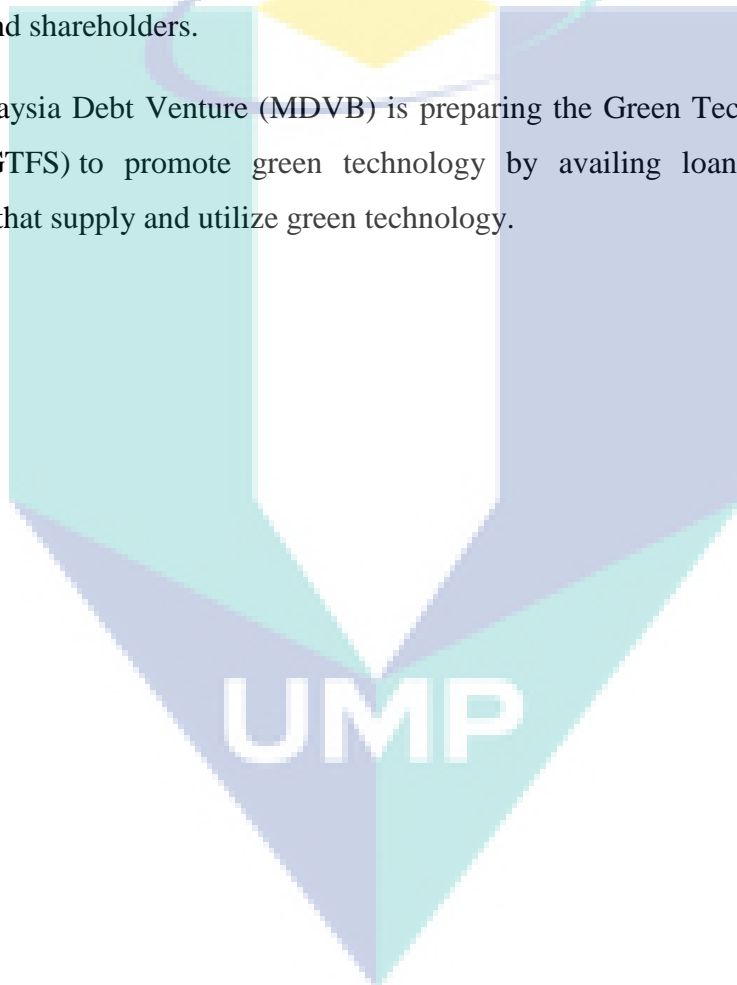
Startup Expenses

Buildings/real estate	RM	965,000.00
Capital equipment	RM	1,230,000.00
Location/administration expenses	RM	52,256.00
Opening inventory	RM	-
Other expenses	RM	-
Contingency fund	RM	252,744.00

Working capital	RM	-
Total Startup Expenses	RM	2,500,000.00

The money required to start up is about RM2.5 million. It is due to startup expenses that shown in the table. It is including the raw materials, advertisements, salaries and others. The funding type that preferred is bank loan from bank, investor's contribution and family members' contribution, Malaysia Debt Venture Berhad (MDVB) and shareholders.

Malaysia Debt Venture (MDVB) is preparing the Green Technology Financing Scheme (GTFS) to promote green technology by availing loans or financing to companies that supply and utilize green technology.



5.2 List of Assumptions

- Salaries expenses are increase 8% every year.
- Repair and maintenance is 5% from the total cost of equipment.
- Income tax is 25% of the profit before income tax. (Malaysia Business Advisory, 2013)
- Advertising cost is 0.7% of the revenue.
- Office supplies are 0.1% of total cost of equipment.
- Payroll Taxes is 8.6% of salary expenses.
- The cost of repair and maintenance is under warranty for the first two years. At the third year, the cost should be paid monthly.
- Salary (monthly):

Table 1.2: Payment for Staffs

Position	Year 1	Year 2	Year 3	Year 4	Year 5
Management					
CEO	15000	16200	17496	18896	20407
General Manager	10000	10800	11664	12597	13605
Production Manager	10000	10800	11664	12597	13605
Operation					
Engineer	4500	4860	5249	5669	6122
Technician	2800	3024	3266	3527	3809
Chemist	3500	3780	4082	4409	4762
Safety Executive	3500	3780	4082	4409	4762
Operator	3000	3240	3500	3779	4081
Quality Assistant	2800	3024	3266	3527	3809
Marketing & Support					
Marketing & Sales	2700	2916	3150	3401	3673
Office Management	2500	2700	2916	3149	3401
Administration	2300	2484	2683	2897	3129

- EPF (monthly):

Table 1.3: EPF payment

Position	Year 1	Year2	Year3	Year4	Year5
Management					
CEO	1290	1393	1505	1625	1755
General Manager	860	929	1003	1083	1170
Production Manager	860	929	1003	1083	1170
Operation					
Engineer	1161	1254	1354	1463	1580
Technician	482	520	562	607	655
Team Leader	602	650	702	758	819
Safety Excecutive	903	975	1053	1138	1229
Operator	1290	1393	1505	1625	1755
Quality Assisstant	722	780	843	910	983
Marketing & Support					
Marketing & Sales	464	502	542	585	631
Office Mangement	430	464	502	542	585
Administration	198	214	231	249	269

- Interest rate is 5.55% of the bank loan.
- Depreciation :

Table 1.4: Depreciation

Year 1	Year 2	Year 3	Year 4	Year 5
129,000	258,000	387,000	516,000	645,000

- Composition to produce 1 kg of keratin

Table 1.5: Weight of Raw Material

Raw Material A	3 kg
Raw Material B	2.1 kg
Raw Material C	3.2 kg
Raw Material D	3.5 kg
Raw Material E	6.4 kg
Raw Material F	0.3 kg

- Cost of packaging per kg is RM3.50

5.3 Prospective Financial Data

5.3.1 Projected Profit

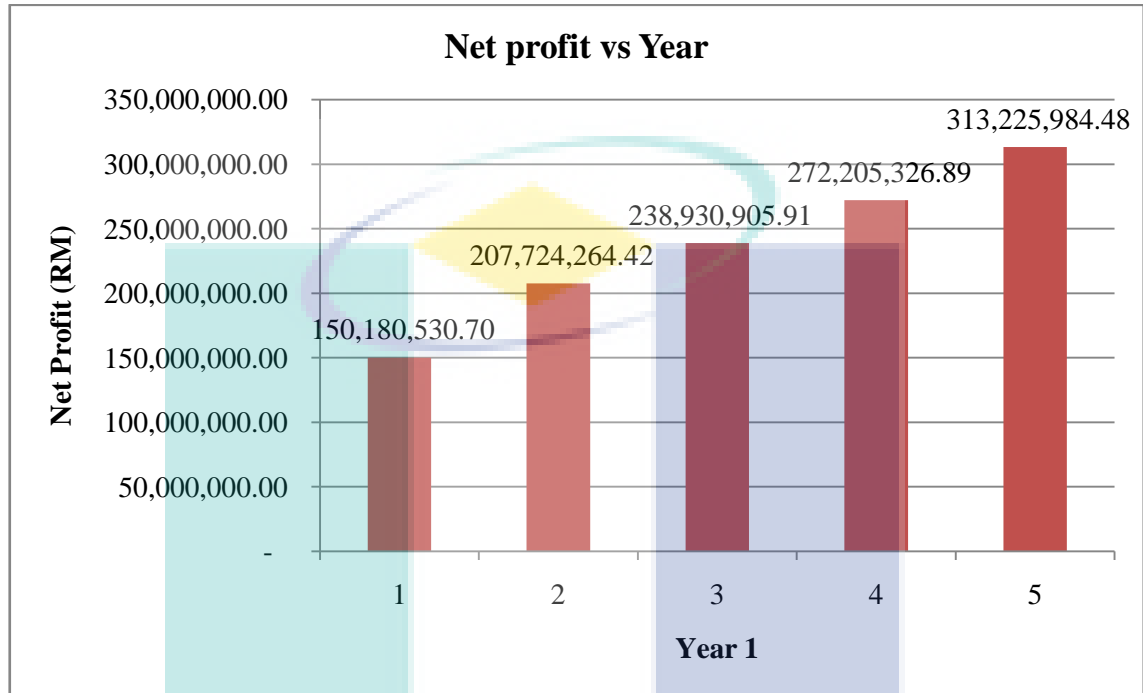


Figure 1.7: Projected Profit for 5 years

This graph is about profit earned at the end of the year for five years. According to the graph, the net profit is increasing annually. The net profit for the second year is increase about 38.22% due to the increase of annual growth which is 15% annually. At the first year, the production started at the third month. That is why the net profit is increase quite impressive for the second year and so on.

5.3.2 Projected Cash Flow

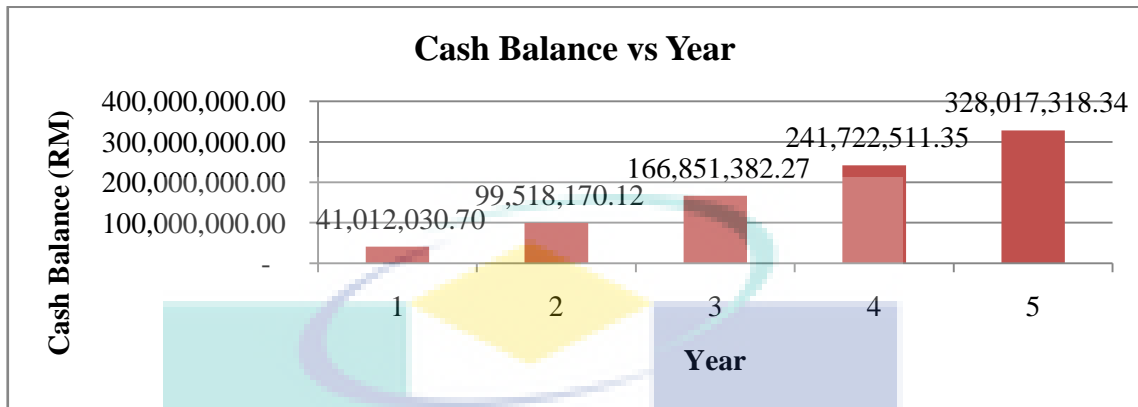


Figure 1.8: Cash Balance for 5 Years

The cash balance is shown to measure the cash that can be safe after pay the expenses per month. At the first year, the cash balance is low because it is the year that needs to use a lot of money. It is due to start up the plant. There are a lot of expenses that need to be purchase including purchase the equipments, transports, advertising and others. Based on the graph, the cash balance in hand is increase every year due to net profit earned.

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5.3.3 Projected Balance Sheet

Balance Sheet	Year 1	Year 2	Year 3	Year 4	Year 5
Assets					
Current Assets					
cash	41,012,031	99,518,170	166,851,382	241,722,511.35	328,017,318.34
Account Receivable	106,260,000	255,024,000	426,102,600	622,842,990.00	849,094,438.50
Inventory	2,887,500	3,320,625	3,818,719	4,391,526.56	5,050,255.55
Total Current Assets	150,159,531	357,862,795	596,772,701	868,957,028	1,182,162,012
Fixed Assets					
Equipment	1,210,000	1,210,000	1,210,000	1,210,000	1,210,000
Furniture & Fixtures	20,000	20,000	20,000	20,000	20,000
Land & Building	965,000	965,000	965,000	965,000	965,000
Less: Accumulated Depreciation	(129,000)	(258,000)	(387,000)	(516,000)	(645,000)
Total Fixed Assets	2,066,000	1,937,000	1,808,000	1,679,000	1,550,000
Other Assets					
Deposits	52,256	52,256	52,256	52,256	52,256
Contingency	252,744	252,744	252,744	252,744	252,744
Total Other Assets	305,000	305,000	305,000	305,000	305,000
Total Assets	152,530,531	360,104,795	598,885,701	870,941,028	1,184,017,012
Liabilities & Equity					
Long-Term Liabilities					
Bank Loan Payable	1,350,000	1,200,000	1,050,000	900,000	750,000
Total Long-Term Liabilities	1,350,000	1,200,000	1,050,000	900,000	750,000
Total Liabilities	1,350,000	1,200,000	1,050,000	900,000	750,000
Equity					
Owners' Contributions	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Retained Earnings	150,180,531	357,904,795	596,835,701	869,041,027.91	1,182,267,012.39
Total Equity	151,180,531	358,904,795	597,835,701	870,041,028	1,183,267,012
Liabilities & Equity	152,530,531	360,104,795	598,885,701	870,941,028	1,184,017,012

Figure 1.9: Projected Balance Sheet

The balance sheet is to show the equality of total assets and total liabilities and equity for K-my Sdn. Bhd. It shows that the total assets and liabilities and equity is balanced and increase by year. The total assets are increase by year and the liabilities is shows its decreases by year.

5.4 Financial Ratios

5.4.1 Debt Ratio

Table 1.6: Debt Ratio

Year 1	Year 2	Year 3	Year 4	Year 5
0.008851	0.003332	0.001753	0.001033	0.0006334

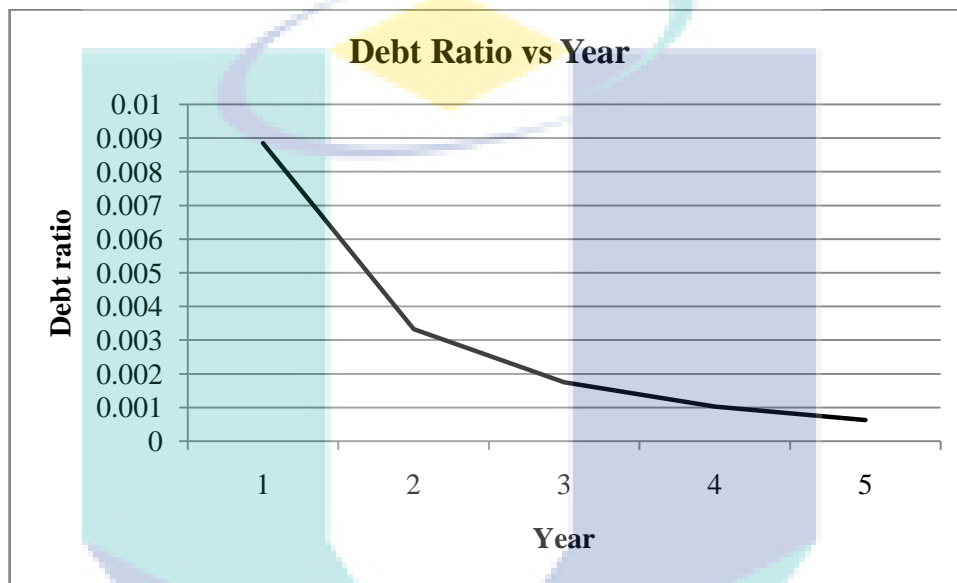


Figure 2.0: Debt Ratio for 5 Years

The debt ratio shown above measures the debt of K-my Sdn Bhd in the balance sheet. From the table, it shows that the debt ratio is decrease every year. In general, the higher the ratio, the more risk that company is considered to have taken on. Based on the graph, it means the risk of the company is become lesser by year. The lower the percentage, the less leverage a company is using and the stronger its equity position.

5.4.2 Breakeven Analysis

Based on the calculation, the breakeven units are 21,322 units. The breakeven sales are RM 2,132,168.29. It shows that the cost is covered after 21,322 units of products are sold.

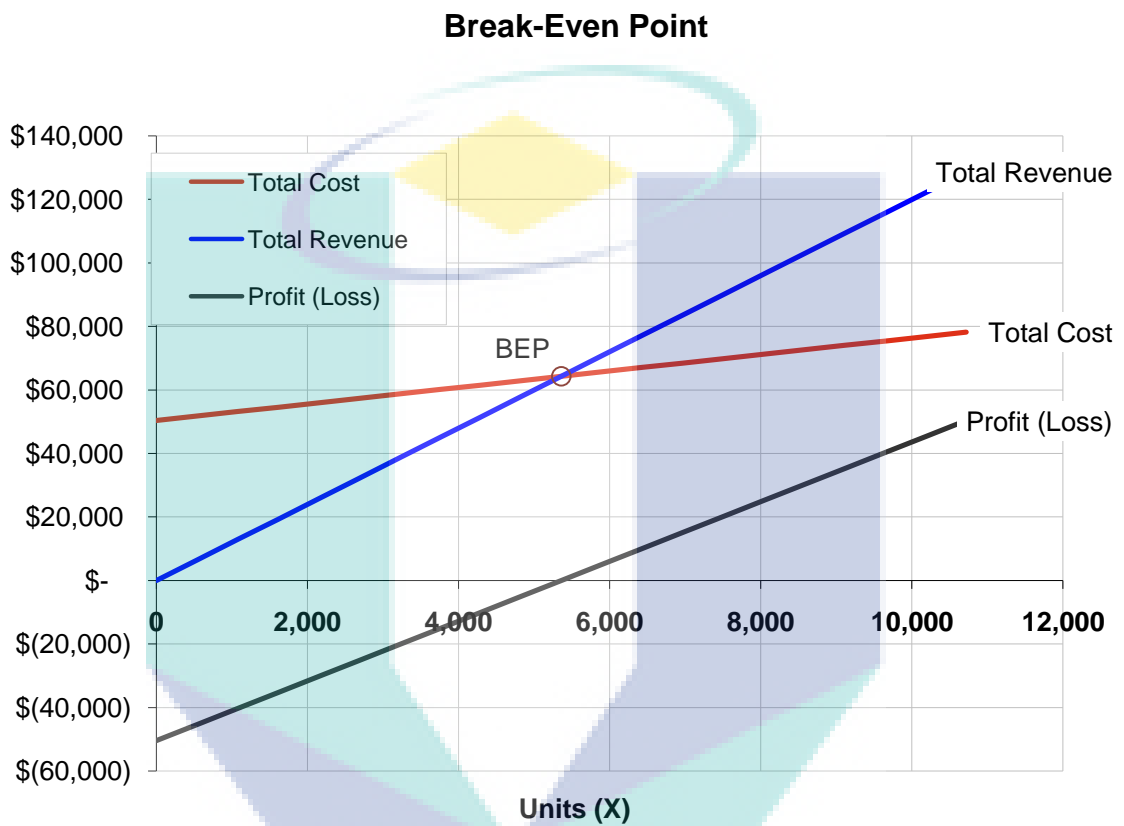


Figure 2.1: Breakeven Point



CHAPTER SIX

RISK ANALYSIS

6.1 Industry Risk

A few of risks are possible to happen in this industry. K-my Sdn. Bhd is one of biotechnology plant that also including in the pharmaceutical industry. It is because K-my Sdn. Bhd is producing the product that related to human body. One of the risks that could happen is cross contamination that caused by human error. It might be because of using the contaminated equipment or the raw material is not sterilized first before start to be extracted. Other than that, material which is left from the previous due to failure or inadequate cleaning possible to cause contamination as well. So one of the way that can be use to avoid the problem is by monitor the production from time to time. Before production started, all the equipments and materials need to be sterilized get adequate cleaning.

6.2 Market Risk

The market risk is related to the customers and product. The new customers do not want to become one of customers of us. So, we decided to persuade them and show the production system to them. It is including the unique selling proposition of the products. Other than that, the market risk happens when the investors are stop from being an investor of K-my Sdn Bhd. As the solution, the investors need to sign a contract which mentions that they could not withdraw themselves from being the investors. Once they breach the contract, they are liable and can be sued. When suddenly there is a competitor that builds up a new plant with same production, it might affect the market of the company. Then, as the solution, the management needs to improve the marketing strategies, the advertising all around the Asia. On the other hand, the unique selling proposition must be strong enough to attract the customers.

6.3 Operation Risk

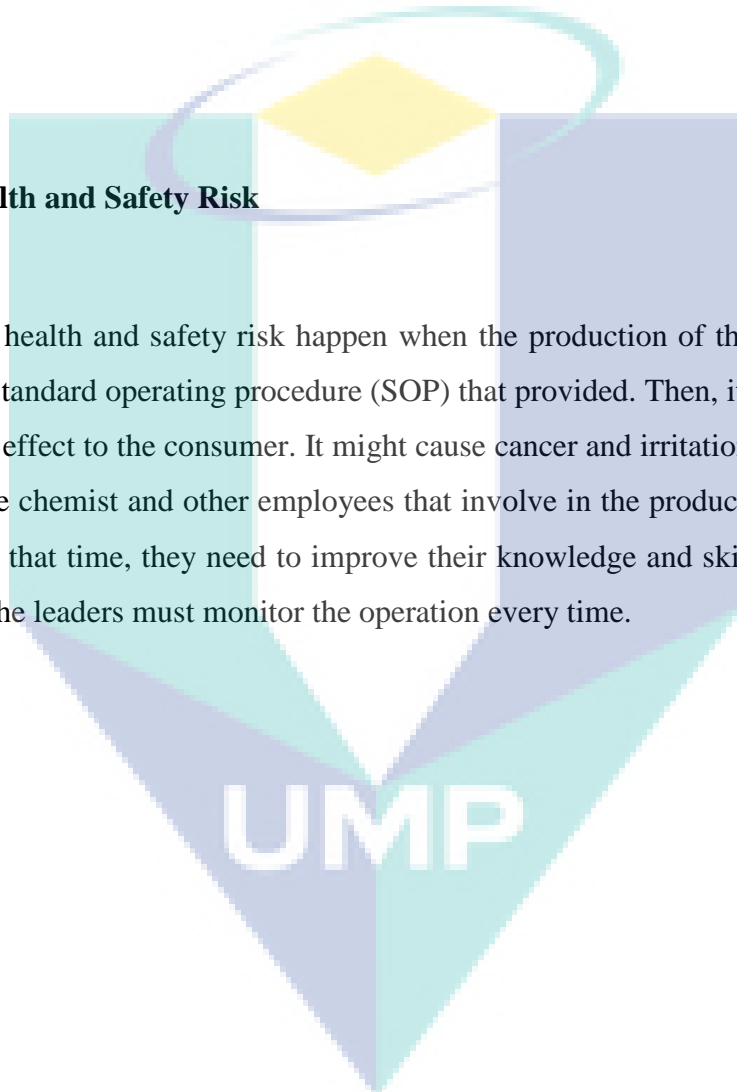
The operation risk happens when the supplier of the raw material, PKNP suddenly can not supply the chicken feather to our company. It will cause a big problem to us because PKNP is a producer of chicken feathers that sell the raw materials with cheap price and the cost of transportation is cheap as well. In order to prevent the problem, we need a back up plan which get the supplies from poultry farms throughout Malaysia. Besides, the risk happen if suddenly the equipments are break down or malfunctioned. So, the contingency plan is needed. The maintenance should be done often. The mechanics should be well-trained and be aware about the unexpected incident that will happen in the plant.

6.4 Social and Economic Risk

We can not expect the economy crisis in Malaysia. When crisis happens, the costs of goods and services will increase. One of the solutions that we decided to use is reducing the salaries of the employees and gets the back up plans by increasing the price of the product as well.

6.5 Health and Safety Risk

The health and safety risk happen when the production of the product does not follow the standard operating procedure (SOP) that provided. Then, it is possible to give the adverse effect to the consumer. It might cause cancer and irritation. In order to avoid this risk, the chemist and other employees that involve in the production must go to the training. At that time, they need to improve their knowledge and skill of producing the products. The leaders must monitor the operation every time.



CHAPTER SEVEN

CONCLUSION AND RECOMMENDATION

7.1 Conclusion

Beta-keratin is a type of protein that is important for humans. Beta-keratin products have been proven to produce significant benefits for hair care, skin care and wound healing. The demand of the keratin is increase every year due to expanding of the cosmetic and toiletries industry. Beta-keratin contributes 5% into that industry. Based on the forecast, the projected sales, projected profit and projected cash flow is increase by year. That means, the K-my Sdn Bhd, which is the company's name, has potential to be successful.

7.2 Recommendation

In order to make sure the risks can be avoided from happen into the company, all the employees including the management department need to be trained first before appoint to do the job in the company.

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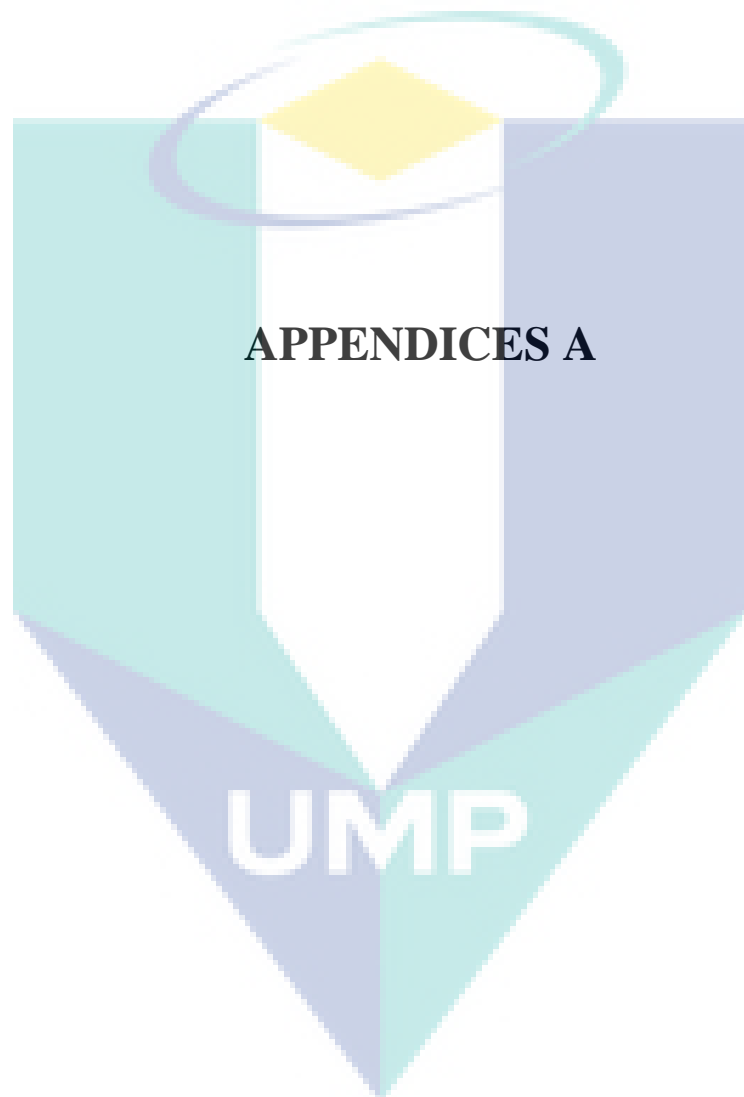
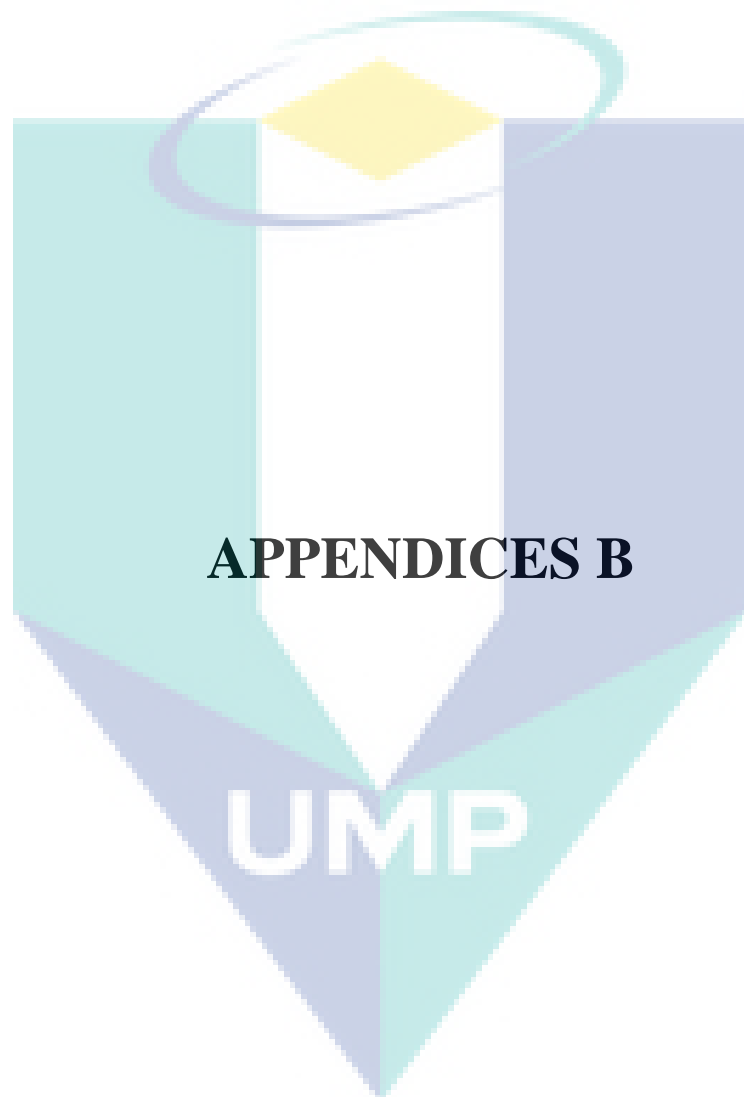


Table A.1 : The Comparison between The Site Location

Site / Characteristics	Sabah Lumadan	Sarawak Galasah	Johor Semenchu	Pahang Gebeng
Nearest Town	Labuan (87.5km) (2)	Miri (120 km) (1)	<i>Kota Tinggi</i> (42km) (3)	Kuantan (25km) (4)
Air Transportation	Labuan Airport (87.50km) (2)	Bintulu Airport (141.5km) (1)	International Airport, Senai (82.2km) (3)	Airport Kuantan (21km) (4)
Land Transportation	Road - Sabah State Railway (<i>Jabatan Keretapi Negeri Sabah</i>) line from TanjungAru to Tenom. -Jalanraya Kota Kinabalu/Beaufort : 90 km Jalanraya Beaufort/Sipiting: 45 km (1)	2hours from Borneo Highway or Miri-Bintulu Highway. (2)	Road Desaru to TanjungBalau (3)	Connected to Kuala Lumpur by East, Coast Highway and Karak highway, Railway linking Kerteh, Gebeng and Kuantan Port (4)

Water Transportation (ie. port)	Kota Kinabalu Port (103 km) (1)	Miri Port (10.2 km) (4)	Tanjung Pelepas Port (82.1 km) (2)	Kuantan Port (68.9km) (3)
Electricity Supply	Tenaga Nasional Berhad (TNB) Sabah Electricity Sdn Bhd (SESB) (4)	Sarawak Electricity Supply Corporation (SESCO) (4)	The Sultan Iskandar Power Station Tenaga Nasional Berhad YTL Power International Sdn. Bhd. (2)	Tenaga Nasional Berhad Petronas Centralised Utility Facilities (2)
Water Supply	Sabah State Water Department (4)	Nearest stream – Sg Belasah - LAKU Management Sdn Bhd (4)	Syarikat Air Johor (SAJ) from Sungai Layang (2)	Semambu Water Treatment Plant (2)
Total	14	16	15	19



Startup Expenses

K-My Sdn Bhd

Sources of Capital**Owners' Investment (name and percent ownership)**

	RM
Arun Gupta (50%)	500,000.00
	RM
Siti Nur Khairunisa (30%)	300,000.00
	RM
Siti Aisyah Radhiah (20%)	200,000.00
	RM
Other investor	-
	RM
Total Investment	1,000,000.00

Bank Loans

	RM
Bank 1	1,000,000.00
	RM
MDV	500,000.00
	RM
Total Bank Loans	1,500,000.00


 UMP

Year 1

Supplies (office and operating)

1210

Repairs and maintenance

(Estimate to be 0.1% from total cost of equipment)

Cost/month

12500

* Maintenance only be considered at the year 3 since for the first two years still under warranty

Advertising

0.7% of revenue
202125

revenue

28,875,000

Transportation

3000

Accounting

2000

Total

Utilities

For overall monthly consumption more than 200 kWh per month:

0.38

Total kw/h used in a month

80000

Total cost/month

30400

For overall monthly water consumption more than 35m³ per month:

1.6

Total m³ used in a month

70

Total cost/month

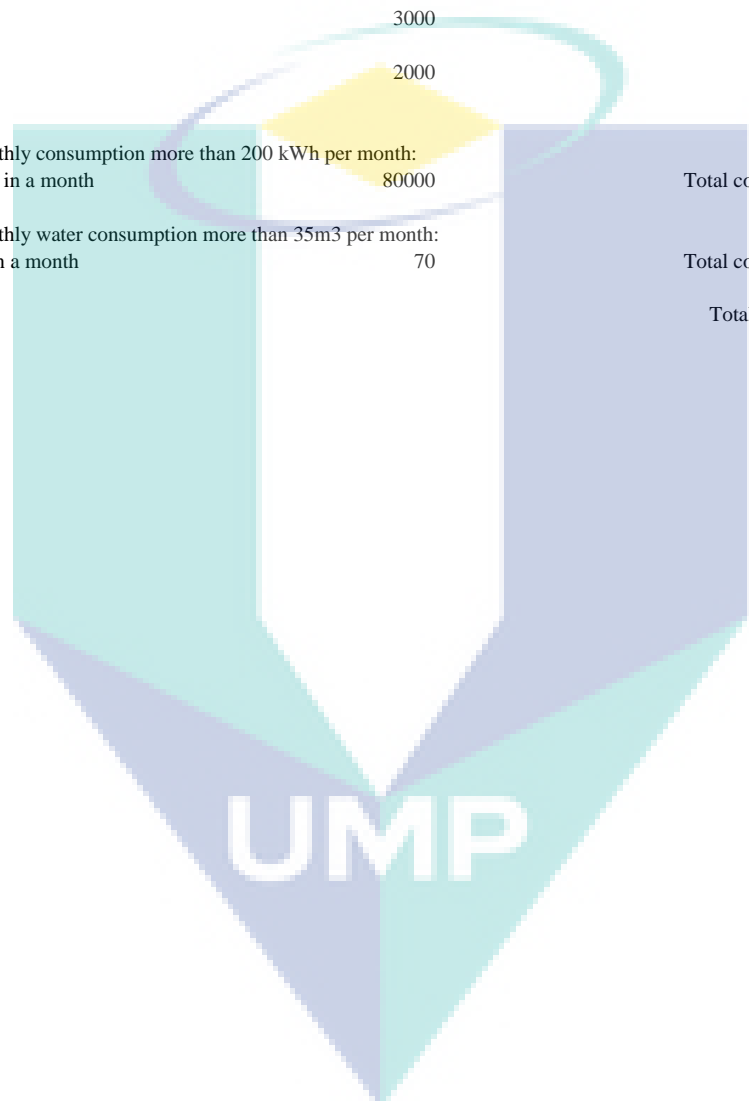
112

Total Utilities

30512

30%

9153.6



Year 2

Supplies (office and operating)

1210

Repairs and maintenance

(Estimate to be 0.01% from total cost of equipment)

Cost/month

12500

* Maintenance only be considered at the year 3 since for the first two years still under warranty

Advertising

0.7% of revenue

revenue

33,206,250

232443.75

Transportation

3000

Accounting and legal

2000

Total

Utilities

For overall monthly consumption more than 200 kWh per month:

0.38

Total kw/h used in a month

80000

Total cost/month

30400

For overall monthly water consumption more than 35m3 per month:

1.6

Total m3 used in a month

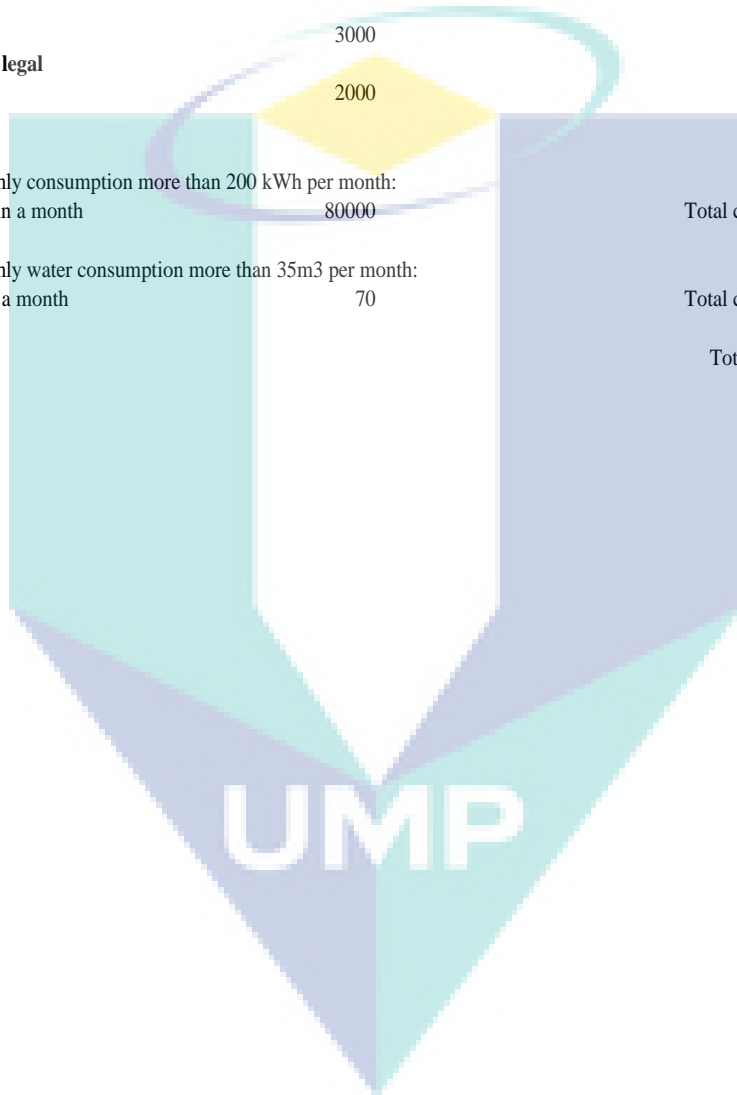
70

Total cost/month

112

Total Utilities

30512



Year 3

Supplies (office and operating)

1210

Repairs and maintenance

(Estimate to be 0.01% from total cost of equipment)

Cost/month

12500

* Maintenance only be considered at the year 3 since for the first two years still under warranty

Advertising

0.7% of revenue
267310.3125

revenue

38,187,188

Car, delivery and travel

3000

Accounting and legal

2000

Total

Utilities

For overall monthly consumption more than 200 kWh per month:

0.38

Total kw/h used in a month

100000

Total cost/month

38000

For overall monthly water consumption more than 35m3 per month:

1.6

Total m3 used in a month

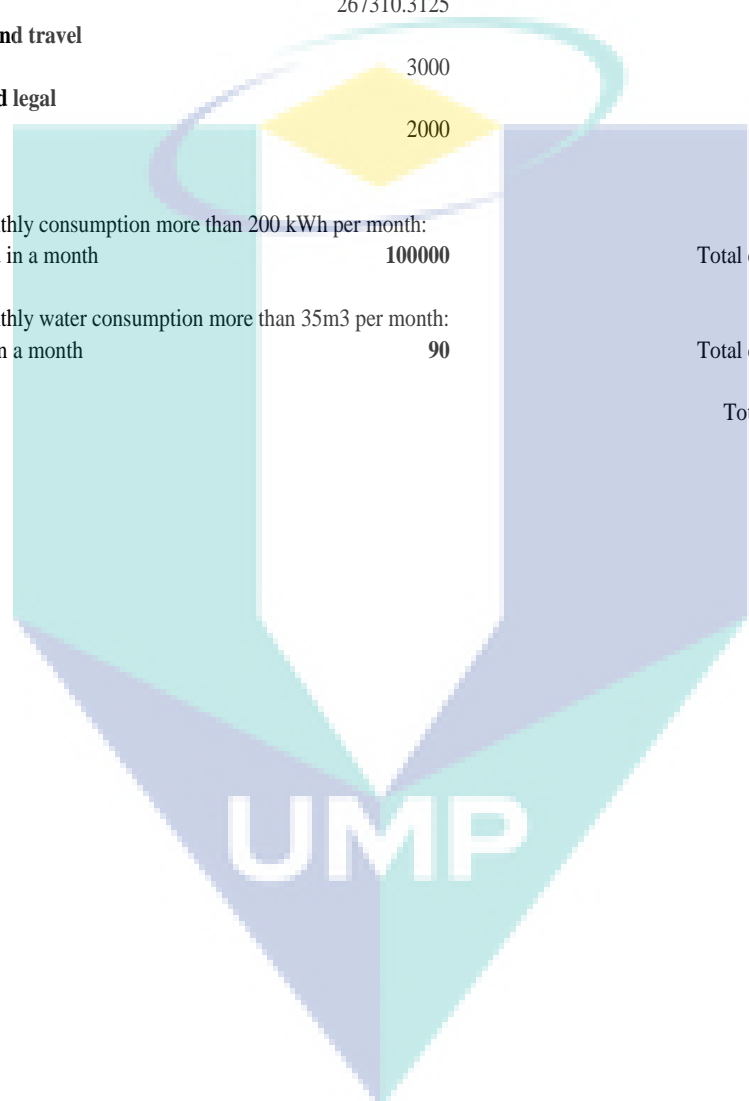
90

Total cost/month

144

Total Utilities

38144



Year 4

Supplies (office and operating)

1210

Repairs and maintenance

(Estimate to be 0.01% from total cost of equipment)

Cost/month

12500

* Maintenance only be considered at the year 3 since for the first two years still under warranty

Advertising

0.7% of revenue

revenue

43,915,266

307406.8594

Car, delivery and travel

3000

Accounting and legal

Total

2000

Utilities

For overall monthly consumption more than 200 kWh per month:

0.38

Total kw/h used in a month

100000

Total cost/month

38000

For overall monthly water consumption more than 35m³ per month:

1.6

Total m³ used in a month

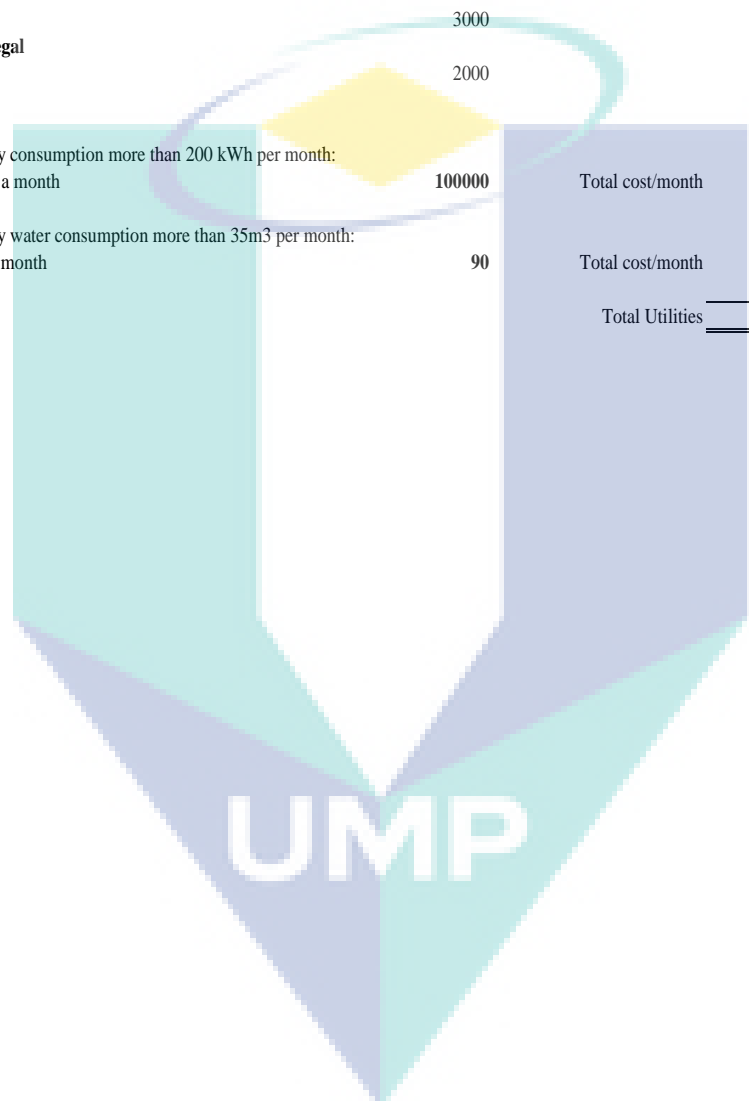
90

Total cost/month

144

Total Utilities

38144



Year 5

Supplies (office and operating)

1210

Repairs and maintenance

(Estimate to be 0.01% from total cost of equipment)

Cost/month

12500

* Maintenance only be considered at the year 3 since for the first two years still under warranty

Advertising

ng

0.7% of revenue

revenue

50,502,555

353517.8883

Car, delivery and travel

3000

Accounting and legal

Total

2000

Utilities

For overall monthly consumption more than 200 kWh per month:

0.38

Total kw/h used in a month

100000

Total cost/month

38000

For overall monthly water consumption more than 35m3 per month:

1.6

Total m3 used in a month

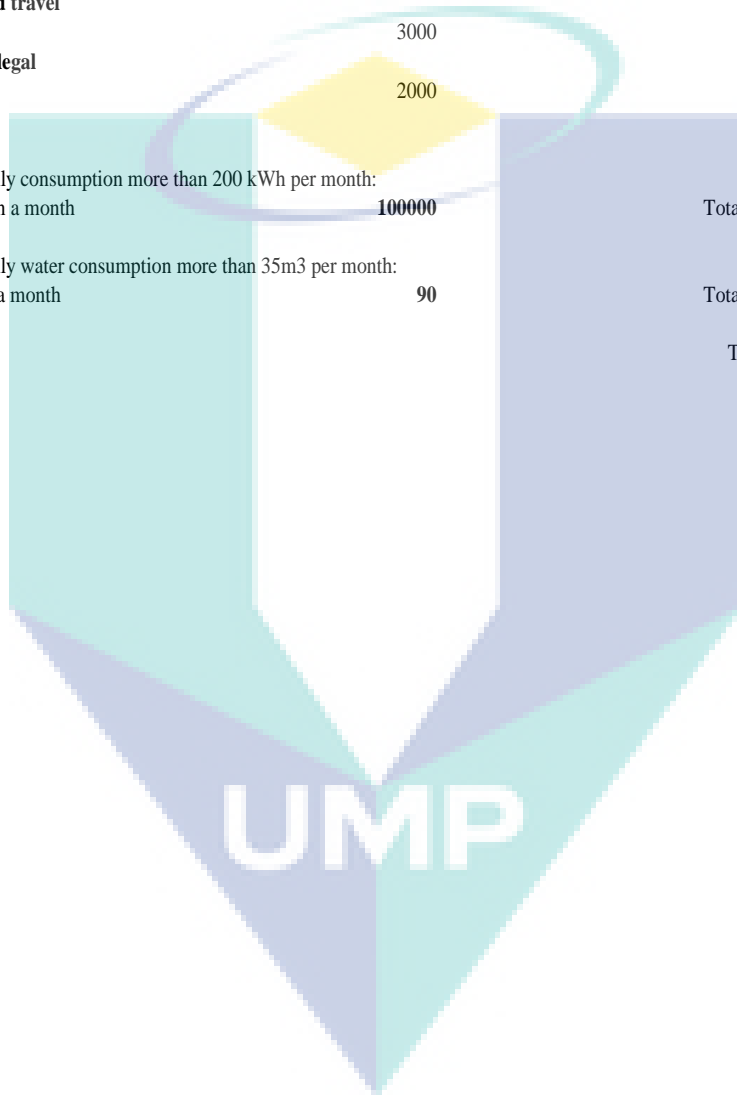
90

Total cost/month

144

Total Utilities

38144



Year 1**Insurance**

The price paid for payment protection insurance can vary quite significantly depending on the lender. A survey of forty-eight major lenders by Which? Ltd found the price of PPI was 16-25% of the amount of the debt.

Total insurance cover		135000
Total payment/year	20%	<u>27000</u>
total payment/month	20%	<u><u>2250</u></u>

Interest

Loan from bank Negara Malaysia Funded loans (Bank Islam) with 5.55% rates of interest

Total Loans		1500000
Interest %/year		5.55%
Total interest/year		<u>83250</u>
Total interest/month		<u><u>6937.5</u></u>

Depreciation

This equipment is estimated to have 5 year useful life

Equipment cost .		1210000
At the end of the 5th year		350000
Depreciation expense/year		<u>129000</u>
Depreciation expense/month		<u><u>10750</u></u>
Total cost		7500

Income Tax

Current income tax rate 25%

Total income tax 0.25xEBIT

Year 2 Insurance

The price paid for payment protection insurance can vary quite significantly depending on the lender. A survey of forty-eight major lenders by Which? Ltd found the price of PPI was 16-25% of the amount of the debt.

Total insurance cover		135000
Total payment/year	20%	<u>27000</u>
total payment/month	20%	<u><u>2250</u></u>

Interest

Loan from bank Negara Malaysia Funded loans (CIMB) with 5.55% rates of interest

Total Loans		1350000
Interest %/year		5.55%
Total interest/year		<u>74925</u>
Total interest/month		<u><u>6243.75</u></u>

Depreciation

This equipment is estimated to have 5 year useful life

Equipment cost .		1210000
At the end of the 5th year		350000
Depreciation expense/year		<u>129000</u>
Depreciation expense/month		<u><u>10750</u></u>

Total cost		7500
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Income Tax

Current income tax rate		25%
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Total income tax	0.25xEBIT	
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Year 3 Insurance

The price paid for payment protection insurance can vary quite significantly depending on the lender. A survey of forty-eight major lenders by Which? Ltd found the price of PPI was 16-25% of the amount of the debt.

Total insurance cover		135000
Total payment/year	20%	<u>27000</u>
total payment/month	20%	<u><u>2250</u></u>

Interest

Loan from bank Negara Malaysia Funded loans (CIMB) with 5.55% rates of interest

Total Loans		1200000
Interest %/year		5.55%
Total interest/year		<u>66600</u>
Total interest/month		<u><u>5550</u></u>

Depreciation This equipment is estimated to have 5 year useful life

Equipment cost .		1210000
At the end of the 5th year		350000
Depreciation expense/year		<u>129000</u>
Depreciation expense/month		<u><u>10750</u></u>
Total cost		7500

Income Tax

Current income tax rate 25%

Total income tax 0.25xEBIT

Year 4**Insurance**

The price paid for payment protection insurance can vary quite significantly depending on the lender. A survey of forty-eight major lenders by Which? Ltd found the price of PPI was 16-25% of the amount of the debt.

Total insurance cover		135000
Total payment/year	20%	<u>27000</u>
total payment/month	20%	<u><u>2250</u></u>

Interest

Loan from bank Negara Malaysia Funded loans (CIMB) with 5.55% rates of interest

Total Loans		1050000
Interest %/year		5.55%
Total interest/year		<u>58275</u>
Total interest/month		<u><u>4856.25</u></u>

Depreciation

This equipment is estimated to have 5 year useful life

Equipment cost .		1210000
At the end of the 5th year		350000
Depreciation expense/year		<u>129000</u>
Depreciation expense/month		<u><u>10750</u></u>

Other expenses (Royalties)

5% from revenue paid to the owner of the patent

Total cost		7500
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Income Tax

Current income tax rate		25%
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Total income tax	0.25xEBIT	
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Year 5**Insurance**

The price paid for payment protection insurance can vary quite significantly depending on the lender. A survey of forty-eight major lenders by Which? Ltd found the price of PPI was 16-25% of the amount of the debt.

Total insurance cover		135000
Total payment/year	20%	<u>27000</u>
total payment/month	20%	<u><u>2250</u></u>

Interest

Loan from bank Negara Malaysia Funded loans (CIMB) with 5.55% rates of interest

Total Loans		900,000
Interest %/year		5.55%
Total interest/year		<u>49950</u>
Total interest/month		<u><u>4162.5</u></u>

Depreciation

This equipment is estimated to have 5 year useful life

Equipment cost .		1210000
At the end of the 5th year		350000
Depreciation expense/year		<u>129000</u>
Depreciation expense/month		<u><u>10750</u></u>

Total cost		7500
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Income Tax

Current income tax rate		25%
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Total income tax	0.25xEBIT	
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Sales Projection

Year 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	-	-	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	288,750	2,887,500
Price per unit	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Sales (MYR)	-	-	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	288,750,000.00

Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	332,063	332,063	332,063	332,063	332,063	332,063	332,063	332,063	332,063	332,063	332,063	332,063	3,984,750
Price per unit	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Sales (MYR)	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	398,475,000.00

Year 3

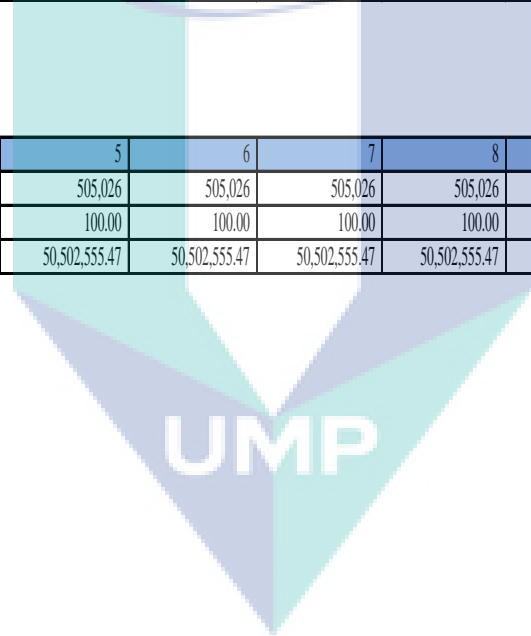
Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	381,872	381,872	381,872	381,872	381,872	381,872	381,872	381,872	381,872	381,872	381,872	381,872	4,582,463
Price per unit	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Sales (MYR)	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	458,246,250.00

Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	439,153	439,153	439,153	439,153	439,153	439,153	439,153	439,153	439,153	439,153	439,153	439,153	5,269,832
Price per unit	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Sales (MYR)	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	526,983,187.50

Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	505,026	505,026	505,026	505,026	505,026	505,026	505,026	505,026	505,026	505,026	505,026	505,026	6,060,307
Price per unit	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	
Sales (MYR)	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	606,030,665.63



Projected Profit

Year 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Sales													
Total Sales	-	-	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	288,750,000.00
Cost of Good Sold	-	-	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	86,451,750.00
Gross Profit	-	-	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	20,229,825.00	202,298,250.00
Expenses:													
Salary Expenses	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	1,292,400.00
EPF	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	111,146.40
Depreciation	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	129,000.00
Utilities	9,153.00	9,153.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	323,426.00
Insurance	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	27,000.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Interest	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	83,250.00
Advertising	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Expenses	153,662.70	153,662.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	175,021.70	2,057,542.40
Profit (loss) before income tax	(153,662.70)	(153,662.70)	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	20,054,803.30	200,240,707.60
Income tax (credit)	(38,415.68)	(38,415.68)	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	5,013,700.83	50,060,176.90
Net profit (loss)	(115,247.03)	(115,247.03)	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	15,041,102.48	150,180,530.70

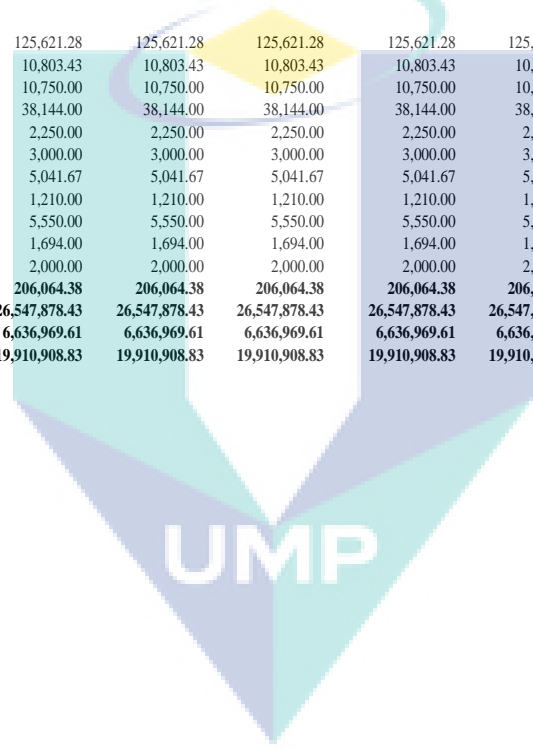
Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total	
Sales														
Total Sales	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	398,475,000.00
Cost of Good Sold	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	119,303,415.00
Gross Profit	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	23,264,298.75	279,171,585.00
Expenses:														
Salary Expenses	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	1,395,792.00
EPF	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	120,038.11
Depreciation	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	129,000.00
Utilities	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	366,144.00
Insurance	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	27,000.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Repairs and Maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Interest	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	74,925.00
Advertising	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	18,480.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Expenses	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	183,824.93	2,205,899.11
Profit (loss) before income tax	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	23,080,473.82	276,965,685.89
Income tax (credit)	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	5,770,118.46	69,241,421.47
Net profit (loss)	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	17,310,355.37	207,724,264.42



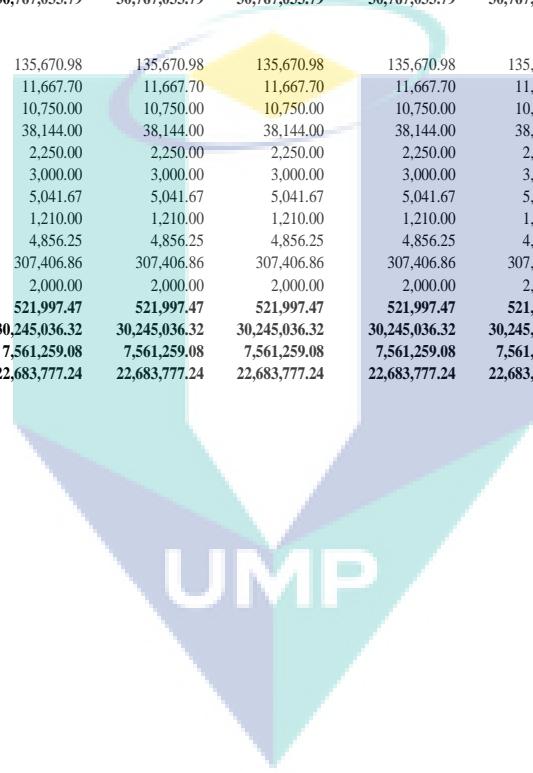
Year 3

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total	
Sales														
Total Sales	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	458,246,250.00
Cost of Good Sold	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	137,198,936.23
Gross Profit	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	26,753,942.81	321,047,313.77
Expenses:														
Salary Expenses	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	1,507,455.36
EPF	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	129,641.16
Depreciation	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	129,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Insurance	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	27,000.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Repairs and Maintenance	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Interest	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	66,600.00
Advertising	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	20,328.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Expenses	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	206,064.38	2,472,772.56
Profit (loss) before income tax	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	26,547,878.43	318,574,541.21
Income tax (credit)	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	6,636,969.61	79,643,635.30
Net profit (loss)	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	19,910,908.83	238,930,905.91



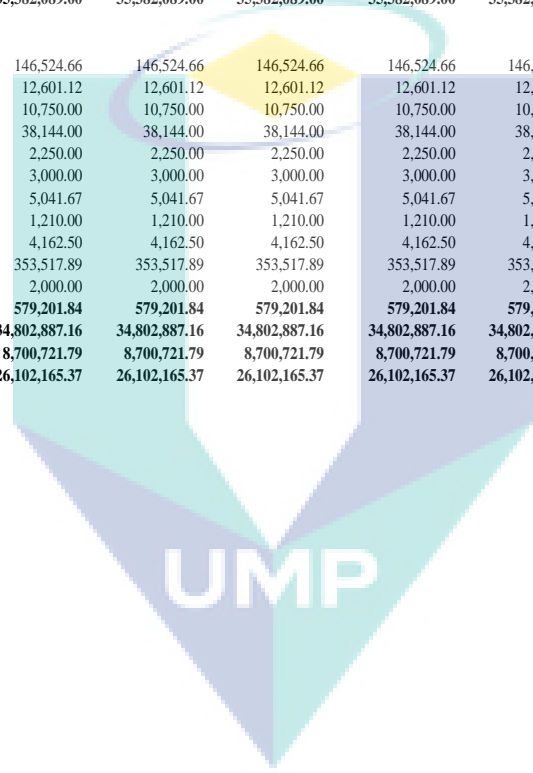
Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total	
Sales														
Total Sales	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	526,983,187.50
Cost of Good Sold	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	157,778,782.06
Gross Profit	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	30,767,033.79	369,204,405.44
Expenses:														
Salary Expenses	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	1,628,051.79
EPF	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	140,012.45
Depreciation	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	129,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Insurance	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	27,000.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Repairs and Maintenance	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Interest	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	58,275.00
Advertising	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	3,688,882.31
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Expenses	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	521,997.47	6,263,969.60
Profit (loss) before income tax	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	30,245,036.32	362,940,435.85
Income tax (credit)	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	7,561,259.08	90,735,108.96
Net profit (loss)	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	22,683,777.24	272,205,326.89



Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total	
Sales														
Total Sales	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	606,030,665.63
Cost of Good Sold	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	181,445,597.57
Gross Profit	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	35,382,089.00	424,585,068.06
Expenses:														
Salary Expenses	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	1,758,295.93
EPF	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	151,213.45
Depreciation	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	10,750.00	129,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Insurance	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	2,250.00	27,000.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Repairs and Maintenance	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Interest	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	49,950.00
Advertising	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	4,242,214.66
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Total Expenses	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	579,201.84	6,950,422.08
Profit (loss) before income tax	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	34,802,887.16	417,634,645.98
Income tax (credit)	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	8,700,721.79	104,408,661.49
Net profit (loss)	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	26,102,165.37	313,225,984.48



Projected Cash Flow

Year 1

Month	Pre-startup	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Cash in hand		-	(140,663)	(281,325)	5,342,228	13,860,031	22,377,835	35,508,888	44,026,691	52,544,494	61,055,548	69,573,351	78,091,154	-
<i>Cash Incoming</i>														
Cash Sales		-	-	14,437,500.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	170,362,500.00
Credit Account		-	-	-	-	-	4,620,000.00	-	-	-	-	-	-	9,240,000.00
Owner Contribution	1,000,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	1,500,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incoming	2,500,000.00	-	-	14,437,500.00	17,325,000.00	17,325,000.00	21,945,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	17,325,000.00	21,945,000.00	179,602,500.00
Total Cash Available	2,500,000.00	-	(140,662.70)	14,156,174.60	22,667,227.90	31,185,031.20	44,322,834.50	52,833,887.80	61,351,691.10	69,869,494.40	78,380,547.70	86,898,351.00	100,036,154.30	179,602,500.00
<i>Cash Outgoing</i>														
Building	965,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	1,230,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Contingency Fund	252,744.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin Expenses	52,256.00	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	-	-	-	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	8,645,175.00	86,451,750.00
Salary Expenses	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	107,700.00	1,292,400.00
Payroll Expenses	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	9,262.20	111,146.40
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Repairs and maintenances	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	27,000.00
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	50,060,176.90	50,060,176.90
Advertising	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	1,400.00	16,800.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Utilities	9,153.00	9,153.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	323,426.00
Interest	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	6,937.50	83,250.00
Loan Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-	150,000.00	150,000.00
Total Cash Outgoing	2,500,000.00	140,662.70	140,662.70	8,813,946.70	8,807,196.70	8,807,196.70	8,813,946.70	8,807,196.70	8,807,196.70	8,813,946.70	8,807,196.70	8,807,196.70	59,024,123.60	138,590,469.30
Cash Position (end of month)	-	(140,662.70)	(281,325.40)	5,342,227.90	13,860,031.20	22,377,834.50	35,508,887.80	44,026,691.10	52,544,494.40	61,055,547.70	69,573,351.00	78,091,154.30	41,012,030.70	41,012,030.70
ESSENTIAL OPERATING DATA														
Sales Volume				28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	28,875,000.00	288,750,000.00
Account Receivable				11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	11,550,000.00	106,260,000.00
Inventory in hand				2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00	2,887,500.00

Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Cash in hand	41,012,031	50,389,880	60,200,853	70,005,077	79,816,051	89,627,025	104,744,249	114,555,222	124,366,196	134,170,420	143,981,394	153,792,368	41,012,031
<i>Cash Incoming</i>													
Cash Sales	19,490,625.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	238,651,875.00
Credit Account						5,313,000.00							5,313,000.00
Owner Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incoming	19,490,625.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	25,236,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	19,923,750.00	25,236,750.00	249,277,875.00
Total Cash Available	60,502,655.70	70,313,629.52	80,124,603.35	89,928,827.17	99,739,801.00	114,863,774.82	124,667,998.64	134,478,972.47	144,289,946.29	154,094,170.12	163,905,143.94	179,029,117.76	290,289,905.70
<i>Cash Outgoing</i>													
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	9,941,951.25	119,303,415.00
Salary Expenses	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	116,316.00	1,395,792.00
Payroll Expenses	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	10,003.18	120,038.11
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Repairs and maintenances	-	-	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	27,000.00
Income tax	-	-	-	-	-	-	-	-	-	-	-	69,241,421.47	69,241,421.47
Advertising	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	1,540.00	18,480.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Utilities	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	30,512.00	366,144.00
Interest	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	6,243.75	74,925.00
Loan Principal Payment	-	-	-	-	-	-	-	-	-	-	-	150,000.00	150,000.00
Total Cash Outgoing	10,112,776.18	10,112,776.18	10,119,526.18	10,112,776.18	10,112,776.18	10,119,526.18	10,112,776.18	10,112,776.18	10,119,526.18	10,112,776.18	10,112,776.18	79,510,947.65	190,771,735.58
Cash Position (end of month)	50,389,879.52	60,200,853.35	70,005,077.17	79,816,051.00	89,627,024.82	104,744,248.64	114,555,222.47	124,366,196.29	134,170,420.12	143,981,393.94	153,792,367.76	163,905,143.94	179,029,117.76
ESSENTIAL OPERATING DATA													
Sales Volume	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	33,206,250.00	398,475,000.00
Account Receivable	119,542,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	13,282,500.00	255,024,000.00
Inventory in hand	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00	3,320,625.00



Year 3

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Cash in hand	99,518,170	110,306,080	121,592,083	132,871,337	144,157,340	155,443,344	172,832,547	184,118,550	195,404,554	206,683,807	217,969,811	229,255,814	99,518,170
<i>Cash Incoming</i>													
Cash Sales	22,414,218.75	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	274,449,656.25
Credit Account	-	-	-	-	-	-	-	-	-	-	-	-	6,109,950.00
Owner Contribution	-	-	-	-	-	-	-	-	-	-	-	-	12,219,900.00
Bank Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incoming	22,414,218.75	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	29,022,262.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	22,912,312.50	286,669,556.25
Total Cash Available	121,932,388.87	133,218,392.30	144,504,395.73	155,783,649.17	167,069,652.60	184,465,606.04	195,744,859.47	207,030,862.90	218,316,866.34	229,596,119.77	240,882,123.21	258,278,076.64	386,187,726.37
<i>Cash Outgoing</i>													
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	11,433,244.69	137,198,936.23
Salary Expenses	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	125,621.28	1,507,455.36
Payroll Expenses	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	10,803.43	129,641.16
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Repairs and maintenances	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Insurance	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	27,000.00
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	79,643,635.30
Advertising	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	1,694.00	20,328.00
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Interest	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	5,550.00	66,600.00
Loan Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-	150,000.00
Total Cash Outgoing	11,626,309.07	11,626,309.07	11,633,059.07	11,626,309.07	11,626,309.07	11,633,059.07	11,626,309.07	11,626,309.07	11,633,059.07	11,626,309.07	11,626,309.07	11,626,309.07	219,336,344.09
Cash Position (end of month)	110,306,079.80	121,592,083.23	132,871,336.67	144,157,340.10	155,443,343.54	172,832,546.97	184,118,550.40	195,404,553.84	206,683,807.27	217,969,810.71	229,255,814.14	166,851,382.27	166,851,382.27
ESSENTIAL OPERATING DATA													
Sales Volume	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	38,187,187.50	458,246,250.00
Account Receivable	270,298,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	15,274,875.00	426,102,600.00
Inventory in hand	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75	3,818,718.75



Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Cash in hand	166,851,382	178,970,505	191,662,435	204,347,615	217,039,545	229,731,475	249,443,097	262,135,027	274,826,958	287,512,138	300,204,068	312,895,998	166,851,382
<i>Cash Incoming</i>													
Cash Sales	25,776,351.56	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	315,617,104.69
Credit Account						7,026,442.50							14,052,885.00
Owner Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan													
Total Incoming	25,776,351.56	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	33,375,601.88	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	26,349,159.38	329,669,989.69
Total Cash Available	192,627,733.83	205,319,663.90	218,011,593.98	230,696,774.05	243,388,704.12	263,107,076.69	275,792,256.76	288,484,186.83	301,176,116.90	313,861,296.97	326,553,227.04	346,271,599.61	496,521,371.96
<i>Cash Outgoing</i>													
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	13,148,231.84	157,778,782.06
Salary Expenses	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	135,670.98	1,628,051.79
Payroll Expenses	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	11,667.70	140,012.45
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Repairs and maintenances	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Insurance	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	27,000.00
Income tax	-	-	-	-	-	-	-	-	-	-	-	-	90,735,108.96
Advertising	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	307,406.86	3,688,882.31
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Interest	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	4,856.25	58,275.00
Loan Principal Payment	-	-	-	-	-	-	-	-	-	-	-	-	150,000.00
Total Cash Outgoing	13,657,229.30	13,657,229.30	13,663,979.30	13,657,229.30	13,657,229.30	13,663,979.30	13,657,229.30	13,657,229.30	13,663,979.30	13,657,229.30	13,657,229.30	104,549,088.27	254,798,860.61
Cash Position (end of month)	178,970,504.53	191,662,434.60	204,347,614.67	217,039,544.74	229,731,474.81	249,443,097.38	262,135,027.45	274,826,957.52	287,512,137.60	300,204,067.67	312,895,997.74	241,722,511.35	241,722,511.35
ESSENTIAL OPERATING DATA													
Sales Volume	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	43,915,265.63	526,983,187.50
Account Receivable	443,668,706.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	17,566,106.25	622,842,990.00
Inventory in Hand	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56	4,391,526.56



Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Cash in hand	241,722,511	255,678,647	270,293,512	284,901,627	299,516,492	314,131,357	336,819,881	351,434,746	366,049,611	380,657,726	395,272,591	409,887,456	241,722,511
<i>Cash Incoming</i>													
Cash Sales	29,642,804.30	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	362,959,670.39
Credit Account	-	-	-	-	-	8,080,408.88	-	-	-	-	-	-	8,080,408.88
Owner Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Incoming	29,642,804.30	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	38,381,942.16	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	30,301,533.28	38,381,942.16	379,120,488.14
Total Cash Available	271,365,315.64	285,980,180.62	300,595,045.60	315,203,160.57	329,818,025.55	352,513,299.40	367,121,414.38	381,736,279.36	396,351,144.33	410,959,259.31	425,574,124.29	448,269,398.14	620,842,999.49
<i>Cash Outgoing</i>													
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Admin Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of Goods Sold	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	15,120,466.46	181,445,597.57
Salary Expenses	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	146,524.66	1,758,295.93
Payroll Expenses	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	12,601.12	151,213.45
Office Supplies	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	1,210.00	14,520.00
Repairs and maintenances	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	5,041.67	60,500.04
Insurance	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	-	-	6,750.00	27,000.00
Income tax	-	-	-	-	-	-	-	-	-	-	-	104,408,661.49	104,408,661.49
Advertising	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	353,517.89	4,242,214.66
Transportation	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00	36,000.00
Accounting	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00	24,000.00
Utilities	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	38,144.00	457,728.00
Interest	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	4,162.50	49,950.00
Loan Principal Payment	-	-	-	-	-	-	-	-	-	-	-	150,000.00	150,000.00
Total Cash Outgoing	15,686,668.30	15,686,668.30	15,693,418.30	15,686,668.30	15,686,668.30	15,693,418.30	15,686,668.30	15,686,668.30	15,693,418.30	15,686,668.30	15,686,668.30	120,252,079.80	292,825,681.14
Cash Position (end of month)	255,678,647.34	270,293,512.32	284,901,627.29	299,516,492.27	314,131,357.25	336,819,881.10	351,434,746.08	366,049,611.05	380,657,726.03	395,272,591.01	409,887,455.98	328,017,318.34	328,017,318.34
ESSENTIAL OPERATING DATA													
Sales Volume	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	50,502,555.47	606,030,665.63
Account Receivable	643,044,012.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	20,201,022.19	849,094,438.50
Inventory in Hand	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55	5,050,255.55

