

NATURAL DYE PRODUCTS BUSINESS PLAN

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NOR ASHIKIN BINTI ABDUL HAMID

MASTER OF CHEMICAL ENGINEERING WITH
ENTREPRENEURSHIP
UNIVERSITI MALAYSIA PAHANG

THESIS STATUS VALIDATION

UNIVERSITI MALAYSIA PAHANG

DECLARATION OF THESIS AND COPYRIGHT

Author's full name : Nor Ashikin Binti Abdul Hamid
Date of birth : 26th March 1986
Title : Natural Dye Products Business Plan
Academic Session : 2012/2013

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(Student's Signature)

Nor Ashikin Binti Abdul Hamid

860326-26-5384

Date: 23/09/2013

(Supervisor's Signature)

**Assoc. Prof Dr.Mimi Sakinah
Abdul Munaim**

Name of Supervisor

Date: 23/09/2013

NATURAL DYE PRODUCTS BUSINESS PLAN

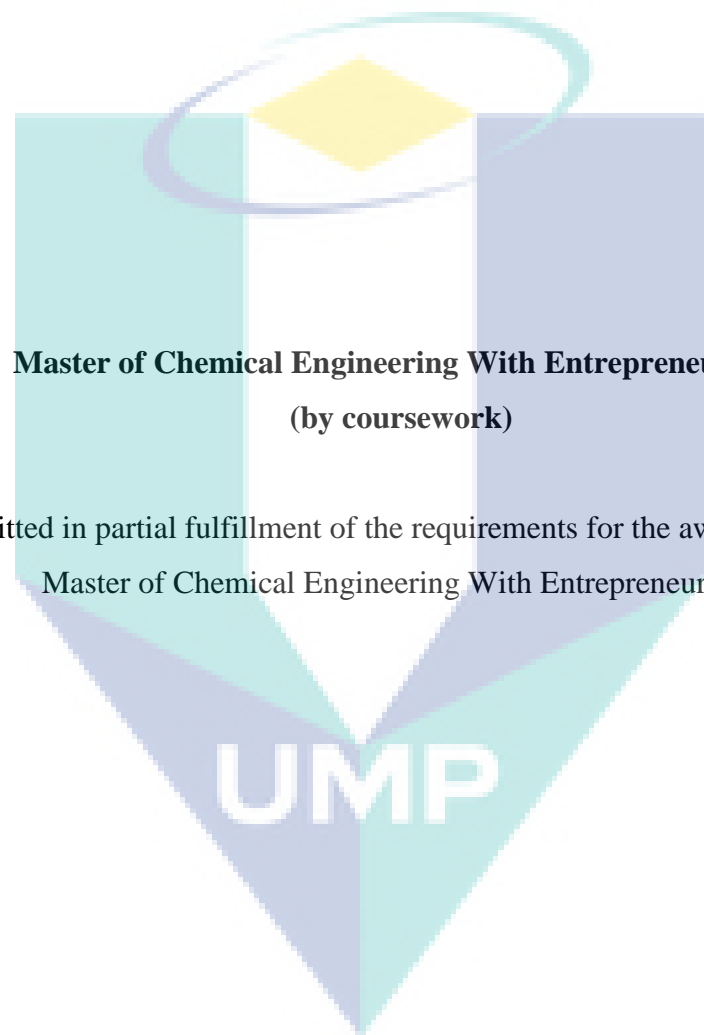


NOR ASHIKIN BINTI ABDUL HAMID

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for the award of the degree of
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UMP
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UNIVERSITI MALAYSIA PAHANG

SEPTEMBER 2013

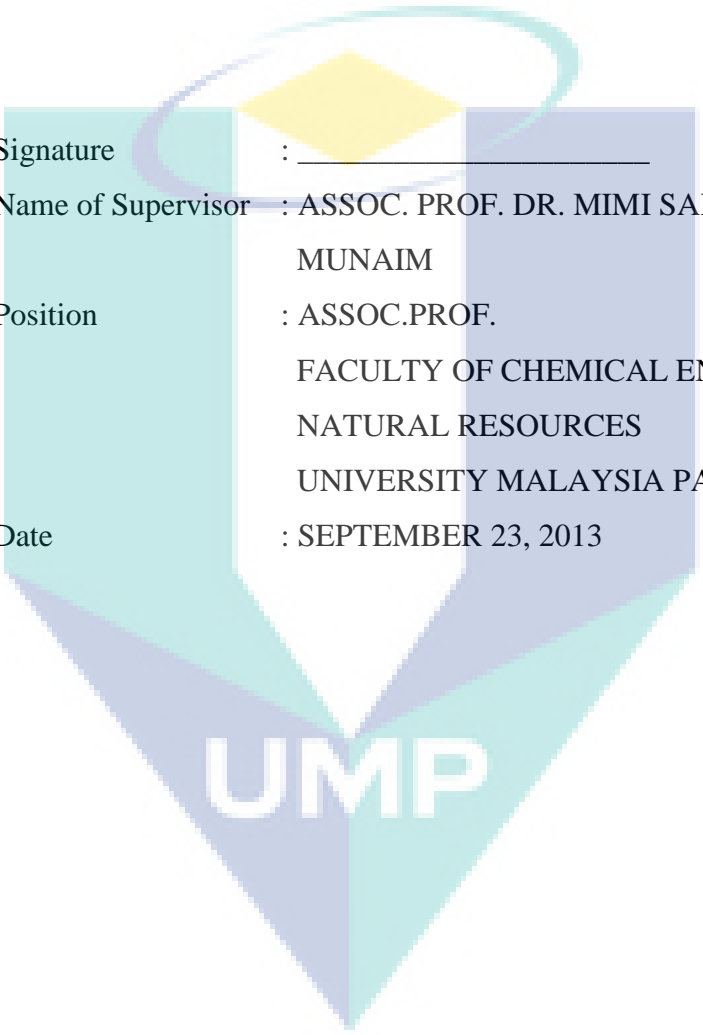


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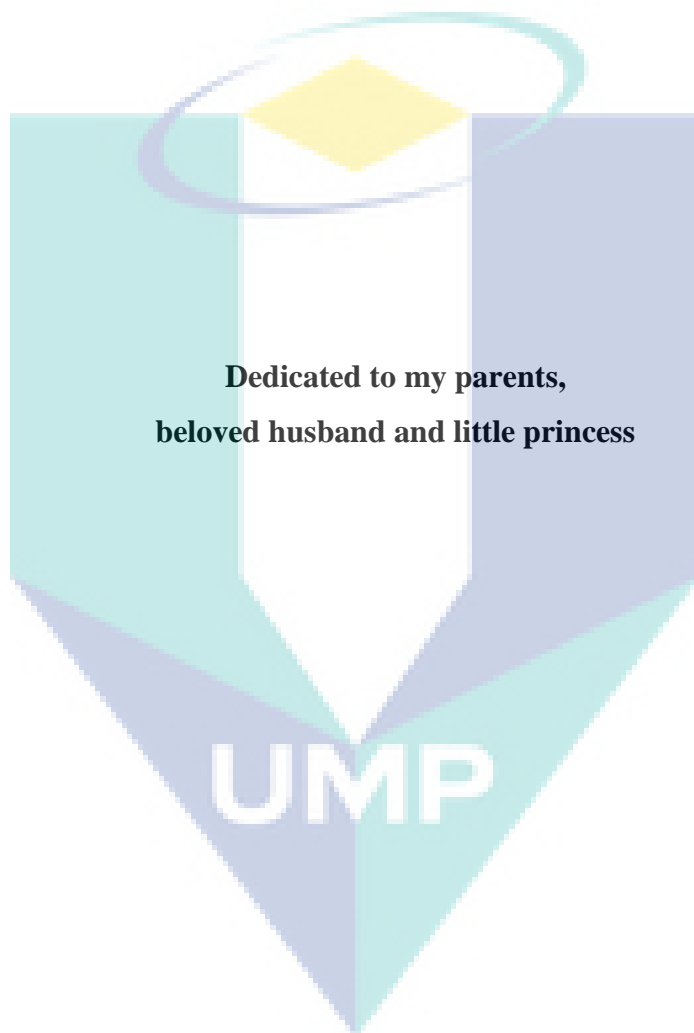
Signature : _____
Name of Supervisor : ASSOC. PROF. DR. MIMI SAKINAH ABDUL MUNAIM
Position : ASSOC.PROF.
FACULTY OF CHEMICAL ENGINEERING & NATURAL RESOURCES
UNIVERSITY MALAYSIA PAHANG.
Date : SEPTEMBER 23, 2013

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Signature : _____
Name : NOR ASHIKIN BINTI ABDUL HAMID
ID Number : KKE12001
Date : SEPTEMBER 23, 2013



ACKNOWLEDGEMENTS

I am grateful and would like to express my sincere gratitude to ALLAH S.W.T. for his blessing on me until the accomplishment of this project.

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EXECUTIVE SUMMARY

Today dyeing is important and popular amongst natural loving and health awarded people. Nearly all dyes are currently produced from synthetic compounds. This means that costs have been greatly reduced and certain applications for enhanced. Customers more aware of environmental issues are now demanding natural products, naturally sourced. If a fashion company introduces a new line of clothes produced with a natural fibre, the naturally sourced dye is needed to complete the green label. Natural dyes can offer not only a rich and varied source of dyes, but also the possibility of an income through sustainable harvest of the dye plants. They also have a far superior aesthetic quality, which is much more pleasing to the eye.

The company has developed to market the natural dye products to replace the synthetic dye that is harmful to workers during handle the work progress and for human skin to avoid from irritation and sensitive. This company has been given the name as a Natural Dye KKE Enterprise (NDKKEE).

NDKKEE has mainly focused on textile industries that produce batik and clothing. The target market is divided into the domestic market and international market. The domestic market is included Pahang, Kelantan, Terengganu, Johor and Selangor while the international market will focuses on South Asia, U.K, U.S.A, Germany, India and Italy.

The competitive position of our company is quite strong since the Malaysia has no competitors, thus need us to compare with the competitors from outside country mostly from China, India and U.K. Our company has the strength and advantages to compete with those competitors.

The objectives and mission of our business are to expand the market into the local and international market, to maximize the profit and sustain the financial growth, to reduce the risks and uncertainties and to achieve the customer demand. The mission of our company is to produce the variety types of colors that can be compete to the other

competitors and to take full advantage of ever increasing market trend of natural dye production.

NDKKEE is a joint venture owned by 4 shareholders who also the major investors in NDKKEE. The management and organization in our company has 4 types of top management. The Chief Executive Manager is Dr. Wan Rosli Bin Wan Sulaiman. He has the highest percentage sharing in the company about 40%. The other management team are Marketing Manager, Operation Manager and Financial Manager who invest about 20% of each person in the company.

The business plan is implemented to apply the loan from the bank about RM 1,000,000. The total investment was RM 500, 000 and the total capital cost budget is RM 1,500,000. Price per kilogram of natural dye products is RM 80.00. The Sales Projection, Profit and Loss Statement, Cash Flow and Balance Sheet shows the positive increment in the financial plan. The net profit of our company is RM 182,081 for the first year and RM 1,013,170 for the fifth year. The Payback Period of our company is expected to be 3.1 years approximately.

A large, semi-transparent watermark logo for UMP (Universiti Malaysia Perlis) is centered on the page. It features a stylized 'U' and 'M' in teal and purple, with the letters 'UMP' in white at the bottom.

UMP

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No.	-	Number
PVT.LTD	-	Private Limited
RM	-	Ringgit Malaysia
ROA	-	Return on Assets
ROE	-	Return on Equity
R&D	-	Research and Development
SDN.BHD.	-	Sendirian Berhad
SOCISO	-	Social Security Organization
sq	-	Square
sq.ft	-	Square Feet
USD	-	United State Dolar
YR	-	Year
\$	-	Ringgit Malaysia Currency
1st	-	First
%	-	Percentage
hr	-	Hour

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BUSINESS PLAN**

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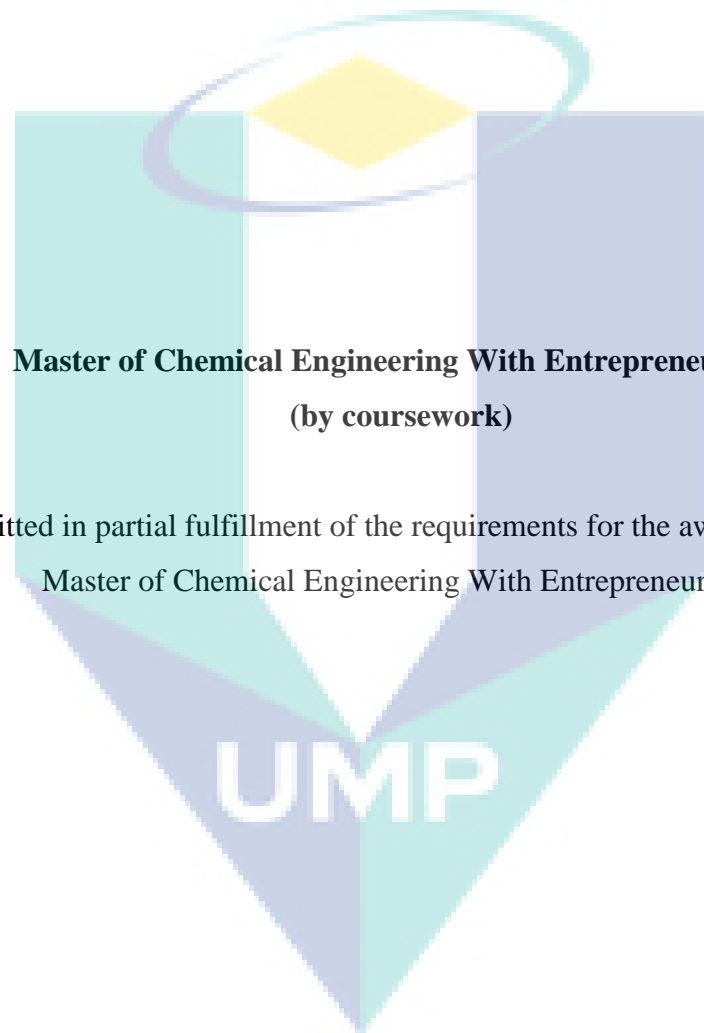


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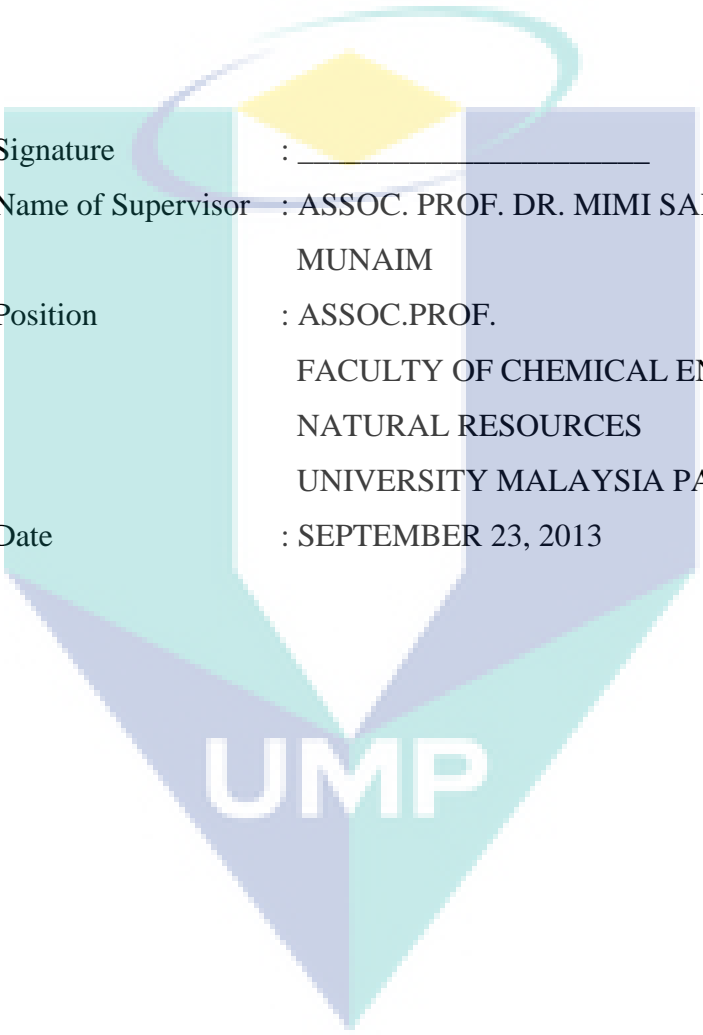


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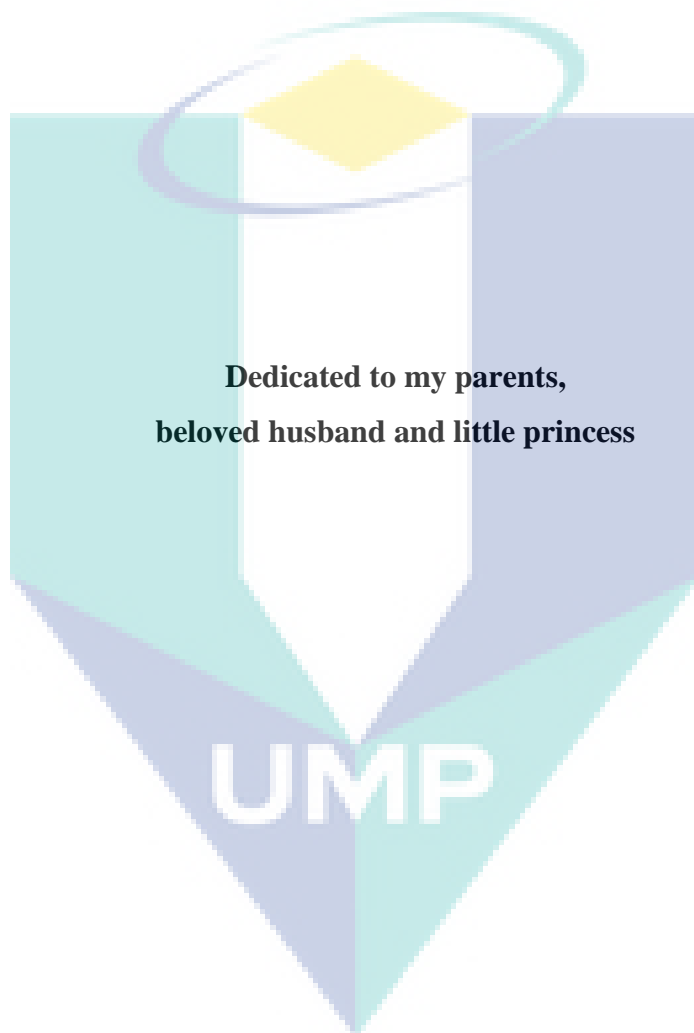
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HR	-	Human Resources
I/C	-	Identity Card
kg	-	Kilogram
NDKKEE	-	Natural Dye KKE Enterprise
No.	-	Number
PVT.LTD	-	Private Limited
RM	-	Ringgit Malaysia
ROA	-	Return on Assets
ROE	-	Return on Equity
R&D	-	Research and Development
SDN.BHD.	-	Sendirian Berhad
SOCISO	-	Social Security Organization
sq	-	Square
sq.ft	-	Square Feet
USD	-	United State Dolar
YR	-	Year
\$	-	Ringgit Malaysia Currency
1st	-	First
%	-	Percentage
hr	-	Hour

APPENDIX A. 1

THE MAIN SUPPLIERS OF RAW MATERIAL

- 1) Great Sun Pitaya Farm Sdn. Bhd.,
2935A, Jalan Masjid, Kampung Kebun Baru, Batu 9,
42500 Telok Panglima Garang, Selangor Darul Ehsan.
- 2) PJ Natural Food Product Sdn Bhd,
No.100A, Jalan KIP 9,
Taman Perindustrian KIP,
52200 Kuala Lumpur.
- 3) PROFRESH SDN BHD,
5-9 Jalan Kenanga 1A,
Seksyen BB 11 Bukit Beruntung,
48300 Rawang, Selangor Darul Ehsan,
Malaysia.
- 4) NutriVite Beverage Sdn. Bhd. (505998D)
14, Jalan Sungai Keramat 4,
Taman Klang Utama,
42100 Klang,
Selangor, Malaysia.

APPENDIX A.2

LIST OF CUSTOMER (LOCAL MARKET)

1) E-TEX TRADING COMPANY

- (i) Company address : 58, Jalan Jelawat, Taman Banang, Batu Pahat Johor 83000 Malaysia.
- (ii) Description : located at 58, Jalan Jelawat, Taman Banang, Batu Pahat Johor 83000 Malaysia, Malaysia. The company is working in General business, Fashion, Fabric, Textile, Building materials business activities.

2) KAH HWA Industries Sdn Bhd

- (i) Company Address: 26, Jalan Kapal, Tongkang Pecah Industrial Estate, 83010 Batu Pahat, Johor.
- (ii) Description: located in the outskirts of Batu Pahat, a town situated in the south of Peninsular Malaysia and covers an area about 22,000 sq meters. There are three separate operations within the factory premise i.e. knitting, dyeing and garment manufacturing

3) MD Textile Sdn Bhd

- (i) Company Address: 308 Block A, Glomac Business Centre, 10, Jalan SS6/1, Kelana Jaya, 47301, Petaling Jaya, Selangor
- (ii) Description : T-Shirt factory in Malaysia

3) Firstex Knitting Industry

- (i) Company Address : Lot 4, Jalan Perusahaan 3, Kawasan Perusahaan Beranang, 43700 Beranang, Selangor, Darul Ehsan, Malaysia.
- (ii) Description: The products are diversified, ranging from Single Jersey, Double Jersey, Spandex Fabrics, Mini Jacquard, Jacquard Fabrics and Spandex Fabrics

4) Natural Batik Village Sdn Bhd

Address: Lot 4898, Batu 9 1/2, Jln Kemaman, Kampung Chengal Lempong, 26100 Balok, Pahang.

5) Batek Malaysia Bhd

Address: No. 11204, Jln Sungai Chua, 43000 Kajang, Selangor

6) Lim Boon Han Company

Address: 1st Floor, Bangunan Pasar Besar, Jln Hilir Pasar, 15000 Kota Bharu, Kelantan.

7) Syarikat Batik House

Address: 2643E, Jln Sultanah Zainab, 15050 Kota Bharu, Kelantan

8) Noor Arfa Batek

Address: 1048K, Kaw Perindustrian Chendering, 21080 Chendering, Terengganu

9) Batik RM Company

Address: E594, Jln Tanah Putih, Tanah Puteh, 25100 Kuantan, Pahang

APPENDIX B.1

ADMINISTRATION EQUIPMENT

Types	Price (RM)/unit	Unit (set)	Total (RM)
Fixtures and fitting	2000	10	20000
Computers	4000	10	40000
Photostate machine	2000	10	20000
Printers	400	10	4000
Sofa	1500	4	6000
Air-Cond	800	5	4000
Fax machine	250	2	500
Reception table	250	2	500
Exhibition board (training activities)	350	3	1050
Softboard	35	5	175
Telephone	360	5	1800
Total	11945	66	98025

APPENDIX B.2

ADMINISTRATION EXPENSES SCHEDULE

Description	Monthly Expenditure	Other Expenditure	Total
Promotion	1000		
Ink Printer	3000		
Water and electricity	345		
A4 Paper	215		
Telephone Bills	516		
Premises insurance		10000	
Deposit Utilities		2000	
Legal and Accounting Fees		12000	
R&D		8000	
Business license		1000	
Total	5076	33000	138076

APPENDIX B.3

TOTAL PHYSICAL ASSET

(i) Operating Equipment Cost

Operating Equipment			Cost	
Production Plant	Reactor	R-1	RM	28000.00
		R-2	RM	28000.00
		R-3	RM	28000.00
	Separator	T-1	RM	3000.00
		T-2	RM	3000.00
		T-3	RM	3000.00
	Dryer Storage Tank	S-1	RM	50000.00
		S-1	RM	10000.00
		S-2	RM	10000.00
		S-3	RM	10000.00
Total			RM	173000.00

(ii) Installation Cost

Installation	Cost
Onsite	
Purchased Equipment Installation	RM 10,000.00
Instrumentation and Control (installed)	RM 10,000.00
Piping (installed)	RM 10,000.00
Electrical and Material (installed)	RM 10,000.00
Deposit Utilities	RM 5,000.00
Total	RM 45000.00

(iii) Construction Cost

Construction Cost	Cost	
Offsite		
Engineering and supervision	RM	10000
Construction Expenses	RM	17000
Contractor's Fee	RM	7000
Others	RM	1362
Building	RM	20000.00
Yard Improvements	RM	2000.00
Service Facilities	RM	3000.00
Land	RM	247638.00
Total		308000

(iv) Operating Expenditure Cost

Operating Expenditure	Cost
	RM
Salary	19488
Depreciation	17300
Water and electricity	5000
Factory Insurance	15000
Tools	2000
Total	58788

APPENDIX B.5

START UP EXPENSES

Sources of Capital

Owners' Investment (name and percent ownership)

Wan Rosli Bin Wan Sulaiman (40%)	\$ 200,000
Muhammad Labib Bin Abd Jalil (20%)	100,000
Mariani Binti Abdul Hamid (20%)	100,000
Nor Ashikin Binti Abdul Hamid (20%)	100,000
Total Investment	\$ 500,000

Bank Loans

Maybank Funded Loans	\$ 1,000,000
Total Bank Loans	\$ 1,000,000

Startup Expenses

Buildings/Real Estate

Installation	45,000
Construction	308,000
Expenditures	58,788
Other	12528
Total Buildings/Real Estate	\$ 424,316

Capital Equipment List

Machine and Equipment	173,000
Total Capital Equipment	\$ 173,000

Location and Admin Expenses

Asset Expenditure	\$ 100,000
Monthly Expenditure	5,076
Other Expenditure	33,000
Other	18,444
Total Location and Admin Expenses	\$ 156,520

Reserve for Contingencies

746,164

Summary Statement**Sources of Capital**

Owners' and other investments	\$ 500,000
Bank loans	1,000,000
Total Source of Funds	\$ 1,500,000

Startup Expenses

Buildings/real estate	\$ 424,316
Capital equipment	173,000
Location/administration expenses	156,520
Contingency fund	746,164
Total Startup Expenses	\$ 1,500,000

APPENDIX B.9

BALANCE SHEET

End of year 1

Assets

Cash	160918
Buildings/real estate	424316
Equipment	173000
Location/administration expenses	156520
Contingency fund	746164
Accumulated depreciation	-78837
Total asstes	<u>1582081</u>

Liabilities

Loan payable	<u>900000</u>
Total liabilities	<u>900000</u>

Owner's equity

Owner's contributions	500000
Retained earnings (Beginning)	0
Retained earnings (Current)	<u>182081</u>
Total owner's equity	<u>682081</u>
Total liabilities and owner's equity	<u>1582081</u>

End of year 2**Assets**

Cash	636185
Buildings/real estate	424316
Equipment	173000
Location/administration expenses	156520
Contingency fund	746164
Accumulated depreciation	<u>-157674</u>

Total asstes	<u>1978511</u>
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Liabilities

Loan payable	<u>800000</u>
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Total liabilities	<u>800000</u>
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Owner's equity

Owner's contributions	500000
Retained earnings (Beginning)	182081
Retained earnings (Current)	<u>496430</u>

Total owner's equity	<u>1178511</u>
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Total liabilities and owner's equity	<u>1978511</u>
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End of Year 3**Assets**

Cash	1291940
Buildings/real estate	424316
Equipment	173000
Location/administration expenses	156520
Contingency fund	746164
Accumulated depreciation	<u>-236511</u>

Total asstes	<u>2555429</u>
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Liabilities

Loan payable	<u>700000</u>
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Total liabilities	<u>700000</u>
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Owner's equity

Owner's contributions	500000
Retained earnings (Beginning)	678511
Retained earnings (Current)	<u>676918</u>

Total owner's equity	<u>1855429</u>
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Total liabilities and owner's equity	<u>2555429</u>
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End of Year 4**Assets**

Cash	2023461
Buildings/real estate	424316
Equipment	173000
Location/administration expenses	156520
Contingency fund	746164
Accumulated depreciation	-315348
Total asstes	3208113

Liabilities

Loan payable	600000
Total liabilities	600000

Owner's equity

Owner's contributions	500000
Retained earnings (Beginning)	1355429
Retained earnings (Current)	752684
Total owner's equity	2608113

Total liabilities and owner's equity	3208113
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End of Year 5**Assets**

Cash	3015469
Buildings/real estate	424316
Equipment	173000
Location/administration expenses	156520
Contingency fund	746164
Accumulated depreciation	-394185
Total asstes	4121284

Liabilities

Loan payable	500000
Total liabilities	500000

Owner's equity

Owner's contributions	500000
Retained earnings (Beginning)	2108113
Retained earnings (Current)	1013170
Total owner's equity	3621284

Total liabilities and owner's equity	4121284
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APPENDIX C.1

PRODUCT CERTIFICATION



APPENDIX A.3

THE ADDRESS OF THE MAIN CUSTOMER IN MALAYSIA

No	Name of Company	Company Address	Product
1	E-Trex Trading Company	58, Jalan Jelawat, Taman Banang, Batu Pahat Johor, 83000 Malaysia, Johor.	Fashion, Fabric, Textile, Building Materials
2	KAH HWA Industries Sdn Bhd	Jalan Kapal, Tongkang Pecah Industrial Estate, 83010 Batu Pahat, Johor, Malaysia	T-Shirt
3	Firstex Knitting Industry	Lot 4, Jalan Perusahaan 3, Kawasan Perusahaan Beranang, 43700 Beranang, Selangor, Darul Ehsan, Malaysia	Jersey, Double Jersey, Spandex Fabrics, Mini Jacquard, Jacquard Fabrics and Ribs, specialized in Jacquard Fabrics and Spandex Fabrics
4	Natural Batik Village Sdn Bhd	Lot 4898, Batu 9 1/2, Jln Kemaman, Kampung Chengal Lempong, 26100 Balok, Pahang	Batik
5	Batek Malaysia Bhd Company	No. 11204, Jln Sungai Chua, 43000 Kajang, Selangor	Batik
6	Lim Boon Han Core Business	1st Floor, Bangunan Pasar Besar, Jln Hilir Pasar, 15000 Kota Bharu, Kelantan	Batik
7	Noor Arfa Batek	1048K, Kaw Perindustrian Chendering, 21080 Chendering, Terengganu	Batik

APPENDIX A.4

COMPETITOR'S MARKET TARGET

No	Competitor's Name	Market Target						
		North America	South America	Eastern Europe	Africa	Oceania	Mid East	Western Europe
1	Shijiazhuang Xunda Chemical Co., Ltd.	/	/	/	/	/	/	/
2	K.M.A Exports	/	/	/				
3	Zhengding Shengguo Chemical Factory	/	/	/	/	/	/	/
4	Henan Premtec Enterprise Corporation	/	/		/	/	/	/
5	Cangzhou Xincheng Weiye Chemical Co.Ltd	/	/	/	/	/	/	/
6	M/S A.M.A. HERBAL LABORATORIES PVT.LTD	/	/	/			/	/
7	INVERSIONES Y COM GENESIS LTDA	/	/					/
8	BIOPREX LABS	/	/	/	/	/	/	/
	Total	8	8	6	5	5	6	7

No	Competitor's Name	Market Target						
		Central America	Northern Europe	Southern Europe	Russia	India	South Asia	Southeast Asia
1	Shijiazhuang Xunda Chemical Co., Ltd.	/	/	/	/	/	/	/
2	K.M.A Exports					/		
3	Zhengding Shengguo Chemical Factory	/	/	/				/
4	Henan Premtec Enterprise Corporation	/					/	/
5	Cangzhou Xincheng Weiye Chemical Co.Ltd	/						/
6	M/S A.M.A. HERBAL LABORATORIES PVT.LTD							/
7	INVERSIONES Y COM GENESIS LTDA							
8	BIOPREX LABS							/
	Total	4	2	2	1	2	2	6

APPENDIX A.5

COMPETITOR'S MARKET TARGET AND MARKET SIZE

No.	Competitor Name	Market Target			Market Size		Total (RM)
		Eastern Asia	Turkey	China	Before	After	
1	Shijiazhuang Xunda Chemical Co., Ltd.	/		/	15%	13.7%	18,115,980.40
2	K.M.A Exports				3.7%	2.3%	123,298,742.10
3	Zhengding Shengguo Chemical Factory	/			8.2%	6.8%	4,123,669.27
4	Henan Premtec Enterprise Corporation				19.4%	18%	80,515,847.11
5	Cangzhou Xincheng Weiye Chemical Co.Ltd	/	/		22%	20.5%	172,533,958.10
6	M/S A.M.A. HERBAL LABORATORIES PVT.LTD	/			12.8%	11.4%	4,158,591.22
7	INVERSIONES Y COM GENESIS LTDA	/			1.6%	0.2%	3,974,741.38
8	BIOPREX LABS	/			17.3%	16%	8,713,648.22
	Total	6	1	1	100%	88.9%	415,435,648.80

Total Market Target that was ticked in the table is 74. So, the total market size, 438% is divided by 74, we got 6% for each. After our company enter to the global market, the market size from the other competitors are reduce about 6% because our company take 6% for each of the global market size. NDKKEE new market share is $(100-88.9) \% = 11.1\%$

APPENDIX A.6

NDKKEE MARKET TARGET AND MARKET SIZE

No.	Market Target	Export/Import Market	Market Size
1	USA	1%	5.8%
2	UK	1%	5.8%
3	Germany	1%	5.8%
4	India	1%	5.8%
5	East Asia	1%	5.8%
6	Southeast Asia	1%	5.8%
7	Western Asia	1%	5.8%
8	Italy	1%	5.8%
9	Domestic	3.1%	7.6%
	TOTAL	11.1%	54%

The target market size of our company estimated to be 54% including export and domestic market

APPENDIX A.7

COMPETITOR'S PRODUCTION ABILITY/CAPACITY AND FACTORY SIZE

No	Competitors	Types Of Dye	Production Ability/Capacity	Factory Size (SQUARE METERS)
1	Shijiazhuang Xunda Chemical Co., Ltd.	SYNTHETIC	16534.65 tons/year	75000
2	K.M.A Exports	NATURAL	10 tons/year	8000
3	Zhengding Shengguo Chemical Factory	SYNTHETIC	18,000 tons/year	25,000
4	Henan Premtec Enterprise Corporation	SYNTHETIC	600 tons/year	2000
5	Cangzhou Xincheng Weiye Chemical Co.Ltd	SYNTHETIC	2000 tons/year	20,000
6	M/S A.M.A. HERBAL LABORATORIES PVT.LTD	NATURAL	2500 tons/year	20,000
7	INVERSIONES Y COM GENESIS LTDA	SYNTHETIC	4,500 tons/year	45,000
8	BIOPREX LABS	NATURAL	5000 tons/year	15,000
9	NDKKEE (TARGET PRICE)	NATURAL	10 tons/year	7000

APPENDIX B.4

ALL ASSUMPTIONS IN FINANCIAL PLAN

- 1) Patent and royalties : Increase RM 5000 by month
- 2) Physical Asset : Equipment, Furniture, Computer, etc.
- 3) Depreciation of equipment (monthly) :

- i) Administration Equipment
10% based on straight line method every year

Types	Price (RM)/unit	Unit (set)	Total (RM)	Depreciation
Fixtures and fitting	2000	10	20000	2000
Computers	4000	10	40000	4000
Photostate machine	2000	10	20000	2000
Printers	400	10	4000	400
Sofa	1500	4	6000	600
Air-Cond	800	5	4000	400
Fax machine	250	2	500	50
Reception table	250	2	500	50
Exhibition board (training activities)	350	3	1050	105
Softboard	35	5	175	17.5
Telephone	360	5	1800	180
Total	11945	66	788370	78837

ii) Operating Equipment

10% based on the straight line method every year

Operating Equipment			Cost		Depreciation
Production Plant	Reactor	R-1	RM	28000.00	2800
		R-2	RM	28000.00	2800
		R-3	RM	28000.00	2800
		R-4	RM	0.00	0
		R-5	RM	0.00	0
	Separator	T-1	RM	3000.00	300
		T-2	RM	3000.00	300
		T-3	RM	3000.00	300
	Dryer Storage Tank	S-1	RM	50000.00	5000
		S-1	RM	10000.00	1000
		S-2	RM	10000.00	1000
		S-3	RM	10000.00	1000
		S-4	RM	0.00	0
Total			RM	173000.00	17300

Total Equipment = Total Administration Equipment + Total
Operating Equipment =

961370.00

192274

4) Salaries (monthly)
 - increase 10% every year

Operating Salary	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)	Year 4 (RM)	Year 5 (RM)
Operator (15 workers)	14,400	15,840	17,424	19,166	21,083
Total Gross Salary	14,400	15,840	17,424	19,166	21,083
(-) EPF (2%)	288	317	348	383	422
SOCSSO (11%)	1,584	1,742	1,917	2,108	2,319
Net Salary Operating Labor (by month)	12,528	13,781	15,159	16,675	18,342
Net Salary Operating Labor (by year)	150,336	165,370	181,907	200,097	220,107
Supervisor	3,000	3,300	3,630	3,993	4,392
Manager	5,000	5,500	6,050	6,655	7,321
Total Gross Salary	8,000	8,800	9,680	10,648	11,713
(-) EPF (2%)	160	176	194	213	234
SOCSSO (11%)	880	968	1,065	1,171	1,288
Net Salary Operating Labor (by month)	6,960	7,656	8,422	9,264	10,190
Net Salary Operating Labor (by year)	83,520	91,872	101,059	111,165	122,282

Admin Salary	Year 1 (RM)	Year 2 (RM)	Year 3 (RM)	Year 4 (RM)	Year 5 (RM)
Shareholder partners (4 workers)	19600	21560	23716	26087.6	28696.36
Clerk (2 workers)	1600	1760	1936	2129.6	2342.56
Total Gross Salary	21200	23320	25652	28217.2	31038.92
(-) EPF (2%)	424	466.4	513.04	564.344	620.7784
SOCSO (11%)	2332	2565.2	2821.72	3103.892	3414.2812
Total Salary	43,600	47,960	52,756	58,032	63,835
Payroll	5,668	6,235	6,858	7,544	8,299

Advertising	1500	1800	2160	2592	3110.4
Interest	5000	4500	4000	3500	3000
Maintenance (5% increase every year)	0	0	0	19227	20189

- 5) Revenues/Sales : 10% increase monthly
- 6) Payroll expenses : 11% of salary
- 7) Raw material : Increase 20% by year
- 8) Interest : Decrease RM 500 per year
- 9) Advertising cost : 1.25% of revenue
- 10) Income tax : 25% of earning before income tax (EBIT)

Cost of Raw Material	\$/kg
Raw Material A	0.25
Raw Material B	0.05
Total	0.3

Raw Material Requirement for 1 kg of Nat Dye = 20 kg of raw material

Cost of Production for 1kg Nat Dye RM6

Description	Year 1 (by month)	Year 2 (by month)	Year 3 (by month)	Year 4 (by month)	Year 5 (by month)
Raw Material	1,500	1,800	2,160	2,592	3,110
Production Cost of Raw Material (RM)	9,000	10,800	12,960	15,552	18,662

APPENDIX B.6

SALES PROJECTIONS FOR THE EXPECTED GROWTH RATE

Year 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	-	-	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Price per kg	-	-	80	80	80	80	80	80	80	80	80	80	
Sales (RM)	-	-	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000

Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Price per kg	80	80	80	80	80	80	80	80	80	80	80	80	
Sales (RM)	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	1,728,000

Year 3

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	25,920
Price per kg	80	80	80	80	80	80	80	80	80	80	80	80	
Sales (RM)	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	2,073,600

Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	31,104
Price per kg	80	80	80	80	80	80	80	80	80	80	80	80	
Sales (RM)	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	2,488,320

Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
Units	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	37,325
Price per kg	80	80	80	80	80	80	80	80	80	80	80	80	
Sales (RM)	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	2,985,984

APPENDIX B.7

PROJECTED PROFIT AND LOSS STATEMENT

Year 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
SALES	-	-	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	120,000	1,200,000
MINUS : COST OF PRODUCTION	-	-	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	9,000	90,000
GROSS PROFIT	-	-	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	111,000	1,110,000
MINUS : EXPENDITURES													
Salary	43,600	43,600	43,600	43,600	43,600	43,600	43,600	43,600	43,600	43,600	43,600	43,600	523,200
Payroll Expenses (EPF, SOCSO)	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	5,668	68,016
Promotion/Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Ink Printer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Water and electricity	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	3,450	41,400
A4 Paper	215	215	215	215	215	215	215	215	215	215	215	215	2,580
Telephone Bills	516	516	516	516	516	516	516	516	516	516	516	516	6,192
Premises insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal and Accounting Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
R&D	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Interest	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Business license	1,000	-	-	-	-	-	-	-	-	-	-	-	1,000
TOTAL EXPENSES	73,185	72,185	72,185	72,185	72,185	72,185	72,185	72,185	72,185	72,185	72,185	72,185	867,225
Earning Before Income Tax (EBIT)	(73,185)	(72,185)	38,815	38,815	38,815	38,815	38,815	38,815	38,815	38,815	38,815	38,815	242,775
Income Tax	(18,296)	(18,046)	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	9,704	60,694
NET PROFIT/LOSS	(54,889)	(54,139)	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	182,081

Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
SALES	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	144,000	1,728,000
MINUS : COST OF PRODUCTION	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	10,800	129,600
GROSS PROFIT	133,200	133,200	133,200	133,200	133,200	133,200	133,200	133,200	133,200	133,200	133,200	133,200	1,598,400
MINUS : EXPENDITURES													
Salary	47,960	47,960	47,960	47,960	47,960	47,960	47,960	47,960	47,960	47,960	47,960	47,960	575,520
Payroll Expenses (EPF, SOCSO)	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	6,235	74,818
Promotion/Advertising	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
Ink Printer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Water and electricity	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	4,313	51,750
A4 Paper	269	269	269	269	269	269	269	269	269	269	269	269	3,225
Telephone Bills	645	645	645	645	645	645	645	645	645	645	645	645	7,740
Premises insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal and Accounting Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
R&D	667	667	667	667	667	667	667	667	667	667	667	667	8,004
Interest	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Business license	1,000												1,000
TOTAL EXPENSES	78,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	77,958	936,494
Earning Before Income Tax (EBIT)	54,242	55,242	55,242	55,242	55,242	55,242	55,242	55,242	55,242	55,242	55,242	55,242	661,906
Income Tax	13,561	13,811	13,811	13,811	13,811	13,811	13,811	13,811	13,811	13,811	13,811	13,811	165,477
NET PROFIT/LOSS	40,682	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	496,430

Year 3

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
SALES	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	172,800	2,073,600
MINUS : COST OF PRODUCTION	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	12,960	155,520
GROSS PROFIT	159,840	159,840	159,840	159,840	159,840	159,840	159,840	159,840	159,840	159,840	159,840	159,840	1,918,080
MINUS : EXPENDITURES													
Salary	52,756	52,756	52,756	52,756	52,756	52,756	52,756	52,756	52,756	52,756	52,756	52,756	633,072
Payroll Expenses (EPF, SOCSO)	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	6,858	82,299
Promotion/Advertising	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	2,160	25,920
Ink Printer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Water and electricity	5,391	5,391	5,391	5,391	5,391	5,391	5,391	5,391	5,391	5,391	5,391	5,391	64,688
A4 Paper	336	336	336	336	336	336	336	336	336	336	336	336	4,031
Telephone Bills	806	806	806	806	806	806	806	806	806	806	806	806	9,675
Premises insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal and Accounting Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
R&D	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Interest	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Business license	1,000												1,000
TOTAL EXPENSES	85,544	84,544	84,544	84,544	84,544	84,544	84,544	84,544	84,544	84,544	84,544	84,544	1,015,522
Earning Before Income Tax (EBIT)	74,296	75,296	75,296	75,296	75,296	75,296	75,296	75,296	75,296	75,296	75,296	75,296	902,558
Income Tax	18,574	18,824	18,824	18,824	18,824	18,824	18,824	18,824	18,824	18,824	18,824	18,824	225,639
NET PROFIT/LOSS	55,722	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	676,918

Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
SALES	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	207,360	2,488,320
MINUS : COST OF PRODUCTION	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	15,552	186,624
GROSS PROFIT	191,808	191,808	191,808	191,808	191,808	191,808	191,808	191,808	191,808	191,808	191,808	191,808	2,301,696
MINUS : EXPENDITURES													
Salary	58,032	58,032	58,032	58,032	58,032	58,032	58,032	58,032	58,032	58,032	58,032	58,032	696,379
Payroll Expenses (EPF, SOCSO)	7,544	7,544	7,544	7,544	7,544	7,544	7,544	7,544	7,544	7,544	7,544	7,544	90,529
Promotion/Advertising	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	2,592	31,104
Ink Printer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Water and electricity	6,738	6,738	6,738	6,738	6,738	6,738	6,738	6,738	6,738	6,738	6,738	6,738	80,859
A4 Paper	420	420	420	420	420	420	420	420	420	420	420	420	5,039
Telephone Bills	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	1,008	12,094
Renovation/Maintenance expenses	16,023	16,023	16,023	16,023	16,023	16,023	16,023	16,023	16,023	16,023	16,023	16,023	192,276
Premises insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal and Accounting Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
R&D	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Interest	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Business license	1,000												1,000
TOTAL EXPENSES	109,093	108,093	108,093	108,093	108,093	108,093	108,093	108,093	108,093	108,093	108,093	108,093	1,298,118
Earning Before Income Tax (EBIT)	82,715	83,715	83,715	83,715	83,715	83,715	83,715	83,715	83,715	83,715	83,715	83,715	1,003,578
Income Tax	20,679	20,929	20,929	20,929	20,929	20,929	20,929	20,929	20,929	20,929	20,929	20,929	250,895
NET PROFIT/LOSS	62,036	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	752,684

Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Year Total
	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
SALES	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	248,832	2,985,984
MINUS : COST OF PRODUCTION	18,662	18,662	18,662	18,662	18,662	18,662	18,662	18,662	18,662	18,662	18,662	18,662	223,949
GROSS PROFIT	230,170	230,170	230,170	230,170	230,170	230,170	230,170	230,170	230,170	230,170	230,170	230,170	2,762,035
MINUS : EXPENDITURES													
Salary	63,835	63,835	63,835	63,835	63,835	63,835	63,835	63,835	63,835	63,835	63,835	63,835	766,017
Payroll Expenses (EPF, SOCSO)	8,299	8,299	8,299	8,299	8,299	8,299	8,299	8,299	8,299	8,299	8,299	8,299	99,582
Promotion/Advertising	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	3,110	37,325
Ink Printer	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Water and electricity	8,423	8,423	8,423	8,423	8,423	8,423	8,423	8,423	8,423	8,423	8,423	8,423	101,074
A4 Paper	525	525	525	525	525	525	525	525	525	525	525	525	6,299
Telephone Bills	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	1,260	15,117
Renovation/Maintenance expenses	16,824	16,824	16,824	16,824	16,824	16,824	16,824	16,824	16,824	16,824	16,824	16,824	201,890
Premises insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Legal and Accounting Fees	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
R&D	667	667	667	667	667	667	667	667	667	667	667	667	8,000
Interest	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Business license	1,000												1,000
TOTAL EXPENSES	118,512	117,512	117,512	117,512	117,512	117,512	117,512	117,512	117,512	117,512	117,512	117,512	1,411,141
Earning Before Income Tax (EBIT)	111,658	112,658	112,658	112,658	112,658	112,658	112,658	112,658	112,658	112,658	112,658	112,658	1,350,894
Income Tax	27,914	28,164	28,164	28,164	28,164	28,164	28,164	28,164	28,164	28,164	28,164	28,164	337,723
NET PROFIT/LOSS	83,743	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	1,013,170

APPENDIX B.8

CASH FLOW STATEMENT

Year 1

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Year
<i>Operating activities</i>													
Net profit (loss)	(54,889)	(54,139)	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	29,111	182,081
Add :													
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Cash flow from operations	(48,319)	(47,569)	35,681	35,681	35,681	35,681	35,681	35,681	35,681	35,681	35,681	35,681	260,918
<i>Investing activities</i>													
Buildings/real estate	(424,316)												(424,316)
Capital equipment	(173,000)												(173,000)
Location/administration expenses	(156,520)												(156,520)
Contingency fund	(746,164)												(746,164)
<i>Financing activities</i>													
Loan Payment						(50,000)	(50,000)	(20,000)				(100,000)	(220,000)
Bank Loan	1,000,000												1,000,000
Owner's cash contribution	500,000	120,000											620,000
Increase (decrease in cash)	(48,319)	72,431	35,681	35,681	35,681	35,681	(14,319)	(14,319)	15,681	35,681	35,681	(64,319)	160,918
Beginning cash balance	-	(48,319)	24,111	59,792	95,473	131,153	166,834	152,515	138,195	153,876	189,557	225,238	-
Ending cash balance	(48,319)	24,111	59,792	95,473	131,153	166,834	152,515	138,195	153,876	189,557	225,238	160,918	160,918

Year 2

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Year
<i>Operating activities</i>													
Net profit (loss)	40,682	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	41,432	496,430
Add :													
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Cash flow from operations	47,251	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	575,267
<i>Financing Activities</i>													
Loan Payment												(100,000)	(100,000)
Increase (decrease in cash)	47,251	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	48,001	(51,999)	475,267
Beginning cash balance	160,918	208,170	256,171	304,172	352,174	400,175	448,177	496,178	544,179	592,181	640,182	688,184	160,918
Ending cash balance	208,170	256,171	304,172	352,174	400,175	448,177	496,178	544,179	592,181	640,182	688,184	636,185	636,185

Year 3

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Year
<i>Operating activities</i>													
Net profit (loss)	55,722	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	56,472	676,918
Add :													
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Cash flow from operations	62,292	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	755,755
<i>Financing Activities</i>													
Loan Payment												(100,000)	(100,000)
Increase (decrease in cash)	62,292	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	63,042	(36,958)	655,755
Beginning cash balance	636,185	698,477	761,519	824,561	887,603	950,646	1,013,688	1,076,730	1,139,772	1,202,814	1,265,856	1,328,898	636,185
Ending cash balance	698,477	761,519	824,561	887,603	950,646	1,013,688	1,076,730	1,139,772	1,202,814	1,265,856	1,328,898	1,291,940	1,291,940

Year 4

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Year
<i>Operating activities</i>													
Net profit (loss)	62,036	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	62,786	752,684
Add :													
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Cash flow from operations	68,606	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	831,521
<i>Financing Activities</i>													
Loan Payment												(100,000)	(100,000)
Increase (decrease in cash)	68,606	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	69,356	(30,644)	731,521
Beginning cash balance	1,291,940	1,360,546	1,429,902	1,499,258	1,568,614	1,637,970	1,707,326	1,776,682	1,846,038	1,915,393	1,984,749	2,054,105	1,291,940
Ending cash balance	1,360,546	1,429,902	1,499,258	1,568,614	1,637,970	1,707,326	1,776,682	1,846,038	1,915,393	1,984,749	2,054,105	2,023,461	2,023,461

Year 5

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total Year
<i>Operating activities</i>													
Net profit (loss)	83,743	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	84,493	1,013,170
Add :													
Depreciation	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	6,570	78,837
Cash flow from operations	90,313	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	1,092,007
<i>Financing Activities</i>													
Loan Payment												(100,000)	(100,000)
Increase (decrease in cash)	90,313	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	91,063	(8,937)	992,007
Beginning cash balance	2,023,461	2,113,774	2,204,837	2,295,900	2,386,964	2,478,027	2,569,090	2,660,153	2,751,216	2,842,279	2,933,342	3,024,405	2,023,461
Ending cash balance	2,113,774	2,204,837	2,295,900	2,386,964	2,478,027	2,569,090	2,660,153	2,751,216	2,842,279	2,933,342	3,024,405	3,015,469	3,015,469