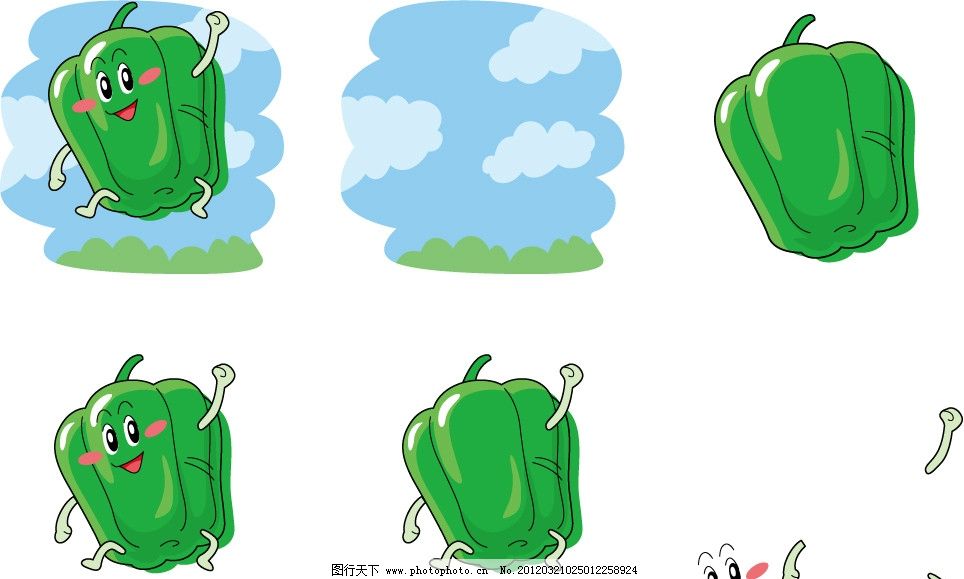
**Wenzhou-Kean University**



**Green Community Farm**

Business Plan

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Executive Summary

Problem

It is quite common these days that food security faces serious threats, and allergies and other diseases always are triggered by the bad quality food. Therefore, here comes to an opportunity for our company to offer the public to cultivate absolutely green food with farmyard manure to replace fertilizer by their own**.** It is committed to the improvement of food security and nutritional quality.

Solution

Our company is a combination of highest quality and pollution-free food production, offering customers the chance to cultivate their own products in their community. The public can rent the farmyard on our official website, directly going to our farm to grow their vegetables or outsourcing the farmers inside our company. Besides, customers can visit our fields to monitor the growth of their products at any time. The farmers our company hired will be handed severe penalties if they break food safety or other laws pertaining to the quality of food. In this case, they can be at ease the food safety of their food to the greatest extent.

Target Market

* Supplement Companies
* Processors
* Other Garden Centers

Competition

* Individuals currently have some options to buy fresh vegetables, through going to the local markets and online shopping. However, the vegetables obtained from these sources do not guarantee its quality, perhaps contaminated or genetically modified food, which may pose a potential safety hazard.
* Customers can cultivate various kinds of food in our company, and absolutely ensure that the products grown by their own are free of contamination. Only in this way can they retain the nutritious substances contained in the vegetables, which probably facilitate to keep people’s physical fitness.

Why us?

Our company is the first one that wants to tackle the existing problem of low quality food safety in Wenzhou. Peasants in our company have the conscientious attitude and professional techniques to help people to grow nutritious vegetables without any pollutants.

Financial Highlights

Revenue

|  |  |
| --- | --- |
| Land rent by customer | 10 yuan/square meter/ half a year |
| Labor rent by customer | 4,500yuan/people/months |
| Total estimated (a year) | 40,000 |

The First year, it is expected to earn￥40,000, which probably cannot afford the expense, while in the following year, we project to get profits in the third year with larger consumer group pursuing healthier lifestyle.

Financial Need

|  |  |
| --- | --- |
| Land rent (ten mu) | 6,000yuan/year |
| Labor cost (of ten) | 4500yuan/people/months |
| Cost of seeds and fertilizers | 200yuan |
| Infrastructure | 500yuan |
| Total (a year) | 51,700 |

We look forward to receive some government funding, because we create a new market which is conducive to the sustainable development of human race. Apart from that, our company provides more employment positions for individuals without work.

2. Opportunity

**2.1 Company Background**

Green Community Farm (GCF) is a diversified, 20-acre farm in 88 Daxue Rd, Ouhai, Wenzhou, the nearby farmland besides Wenzhou-Kean University, producing vegetables and herbs all year. GCF will be open in 2018, aiming to provide fresh, naturally-grown produce year-round to the people of Wenzhou at a fair price. We will work towards farming in an environmentally friendly and socially responsible manner in order to offer the public an opportunity to seek for a healthier lifestyle.

Mission Statement

It is Green Community Farm's mission to become the leading provider of pollution free products to the health industry. We intend to provide the best possible value to our customers who care about quality products at affordable prices, and we want every dollar spent on our products to be well spent. This will be accomplished by providing quality plants and farming practices at reasonable prices while exceeding customers’ expectations.

**2.2 Problem & Solution**

*2.2.1 Problem Worth Solving*

According to the data analysis of China's social attitudes and social development survey conducted by the Chinese academy of social sciences in 2012, food safety was the second most unsatisfactory project among urban residents. It can be seen that food safety has become the core issue of urgent concern and urgent need of the common people. Especially in recent years, the problems of milk, gutters oil and genetically modified food have been frequent, which has a direct impact on people's lives and safety, making the food security situation in China and even the world very serious.

Among all the factors that cause food safety problems, the problems caused by the production process are the most fundamental and serious ones. The production process of agricultural and sideline products requires large quantities of chemical fertilizers, pesticides and veterinary drugs. Moreover, if the quality of these materials is not qualified or improperly used, it will lead to agricultural fertilizers, pesticides and veterinary drug residues and excessive or other product safety problems. What is more serious is that these material residues can survive for a long time, which not only causes the product safety problems in the season, but also seriously pollutes the agricultural ecological environment, resulting in subsequent product pollution. Therefore, now our company urgently wants to change and improve this current situation.

*2.2.2 Our Solution*

GCF will offer an opportunity for the individuals to grow their own green products by their own cultivation or the efforts of farmers in the company. Our company is using the absolutely pollution free strategy to help customers to eat various kinds of healthy food. GCF promises that there is absolutely no use of synthetic chemical insecticides, herbicides, fungicides, or fertilizers on our crops and careful use of organically approved soil amendments and sprays. The public can rent the farmyard on our official website, directly going to our farm to grow their vegetables or outsourcing the farmers inside our company. Besides, customers can visit our fields to monitor the growth of their products at any time. In this case, they can be at ease the food safety of their food to the greatest extent as no one will suspect the safety issue of the products grown by his own.

**2.3 Products & Services**

Products Availability Chart

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Product | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| Kale, Curly | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Kale, Dino | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Kohlrabi | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Sunchokes | **#** | **#** | **#** | **#** | **#** |  |  |  |  |  |  |  |
| MI Apples |  |  |  |  |  |  |  | **#** | **#** | **#** | **#** | **#** |
| Leeks |  |  |  |  |  |  |  |  | **#** | **#** | **#** | **#** |
| Broccoli |  |  |  |  |  |  |  |  | **#** | **#** | **#** |  |
| MI Pears |  |  |  |  |  |  |  |  | **#** | **#** |  |  |
| Arugula |  |  |  |  |  |  |  |  |  | **#** | **#** |  |
| Cucumbers |  |  |  |  |  | **#** | **#** | **#** |  |  |  |  |
| Zucchini |  |  |  |  |  | **#** | **#** | **#** | **#** |  |  |  |
| Basil |  |  |  |  |  | **#** | **#** | **#** | **#** |  |  |  |
| Tomatoes |  |  |  |  |  | **#** | **#** | **#** | **#** | **#** |  |  |
| Lettuce |  |  |  |  | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Potatoes |  |  |  |  |  |  | **#** | **#** | **#** | **#** | **#** |  |
| Spinach |  |  |  |  |  |  |  |  |  | **#** | **#** | **#** |
| Radishes |  |  |  |  |  |  |  |  |  | **#** | **#** |  |
| Beets | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Carrots | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** | **#** |
| Cilantro |  |  |  |  | **#** | **#** | **#** | **#** | **#** |  |  |  |
| Bush Beans |  |  |  |  |  |  | **#** | **#** | **#** |  |  |  |
| MI Peaches |  |  |  |  |  |  | **#** | **#** | **#** |  |  |  |

“**#**”**:** represent available in that month

*2.3.1 By-Products*

GCF intends to utilize every resource it has to the fullest possible extent. We realize that there shall be a lot of by-products that will be produced from our production of the main product lines. However not wanting to pollute the environment, and our community at large, we plan to utilize by-products whenever possible. This will ensure that our resources are fully utilized.

*2.3.2 Services*

In terms of the services our company provides, we focus on two major ones. For one thing, customers can rent our farmland and cultivate their own products by their own. Apart from that, if customers do not have free time to grow products themselves, they can employ the farmer inside my company and come to supervise the growth condition at any time.

*2.3.3 After-sales Services*GCF offers customers with systematic, satisfactory after-sales services no matter  
they purchase online or in the stores. GCF has warranty policies include return of  
goods without reason within 7 days and free exchange within 60 days with any  
non-man-made quality problems. Therefore, customers do not need to worry if they  
don’t like the products or the quality of the products is not qualified. When customers  
face problems about how to cultivate the vegetables, they can contact with the customer services employees for any help. Besides, GCF will establish quarterly feedback management system which is aimed to collect users’ experience and solve customers’ problems.

1. Market Analysis Summary
   1. **Market Segmentation**

GCF has identified three different target market segments which we will focus on:

*Supplement Companies*

This customer group manufactures botanical supplements for their own label products. The companies purchase the plants and extract the active ingredients and transform them into sellable products for their own brand. There are a handful of large companies that operate in this market space. Ten years ago there were many different ones but through consolidation the industry has grown in size but decreased in the number of different players.

*Processors*  
These customers purchase the plants, extract the botanicals and either sell the concentrated botanicals to the end producers or they themselves produce the supplement and sell the final product to other companies for their private label products. In essence they are the subcontractor for the supplement companies. These companies therefore are one layer within the manufacturing system and do not sell to the end consumer. They act as a supplier/processor for the retail brands.

*Other Garden Centers*  
This customer group purchases the plants which they in turn sell at retail to the individual end consumer. The typical consumer is a health conscious individual who is interested in either extracting the botanical from the plant immediately or growing the plant in their own garden for future use.

**3.2 Target Market Segment Strategy**

GCF has chosen the three market segments based on the consistent demand for botanical extracts. While there are other potential customers, they are smaller, less consistent in terms of demand, and more difficult to reach. The supplement companies, processors, and to a smaller degree the garden centers are attractive customers due to their consistent demand and typical long-term contract needs. There is significant value to these customers for a grower to consistently offer the same high level of active botanicals in each plant and to be able to meet the needs of large volume, long duration contracts.

We will ensure that our products' prices take into consideration peoples' budgets and that these people appreciate the product and know that it exists, including where to find it. The marketing will convey the sense of quality in every picture, every promotion, and every publication. There is already a sense of segment strategy in the way we define our target market. We are choosing to compete in areas that lend themselves to local competition, service and channel areas that match our strengths, and avoid our weaknesses.

*3.2.1 Market Trends*

Our target markets are increasingly growing towards recognizing the difference between poor quality vegetables and those of high quality. This development is an important trend for us as it represents our target market. We now are having an increasing number of people who concern more about the food quality pursuing a healthier lifestyle. With this in mind we intend to ensure that our production is respectable and pollution free.

Today's extremely stressful work environment dictates that individuals consume healthy foods especially in the summer season; this presents an opportunity that we may exploit, marketing the health aspect of our foods.

*3.2.2 Market Needs*

Green Community Farm will set out to provide good quality products that will help instill a environmentally friendly environment. GCF intends to provide the customer with more than a food to satisfy one’s taste. We intend to provide a quality crop that not only satisfy one’s taste but enables one to enjoy them and be proud of it. The quality of raw materials and assembly technology evident in our products will serve to enhance the appearance of our customers, in turn adding to their status. The large market is due to the fact that the current severe problems caused by food quality do pose a enormous threat on individuals’ physical fitness. Hence our program appeals to a vast majority of the population.

**3.3 SWOT Analysis**

We are in a highly lucrative market in a rapidly growing economy. We foresee our strengths as the ability to respond quickly to what the market strong demand and to provide quality products in a growing market. Our key personnel have a wide and thorough knowledge of the local manufacturing market and expertise, which will go towards penetrating the market. However we acknowledge our weakness of a start-up company without a lot of experience and fame, and the threat of new competition taking aim at our niche. Below are the summarized strengths, weaknesses, opportunities and threats.

*Strengths*

* Located on the outskirts of the city with fresh air, fertile land and superior location.
* In addition to recreational planting, people can taste delicious, nutritious, green and healthy organic vegetables.
* No use of chemically treated or Genetically Modified seeds. We purchase primarily Organic seeds, though on occasional, we purchase conventional seed for varieties that are unavailable on a commercial level.
* Establishment and maintenance of strong capital base.
* An aggressive and focused marketing campaign with clear goals and strategies.

*Weaknesses*

* Lack of a reputation in comparison to our competitors.
* The introduction of new organizational practices and personnel who have not previously worked together presents a challenge to the company.
* Lack of clear-cut channels of distribution.
* Establishment on the Internet will produce technological challenges.

*Opportunities*

* Strongly meet the public’s current demand
* The new generation of individuals and families has a far greater recognition and appreciation of healthier lifestyle.
* Internet marketing and sales--though still in its infancy.
* Increasing number of foreign firms, looking at penetrating the market.

*Threats*

The present growth in the market may result in market saturation, through competition. This competition could emerge from a variety of given sources including:

* Established mass-market companies' development of new lines and vertically integrating so as to be totally in control of supplies and products being sold on the respective markets.
* New marketing strategies and tactics by established products and companies.
* Existing competition.
* Other start-up companies generated by healthy economic growth nationwide.

**3.4 Competition**

Agricultural production based on family also provides green organic foods on a small scale but actually skilled. After many years of operation, they have a wide range of knowledge and experience in the market, and already have the certain market coverage. However, the small scale of production limits the development of this kind of projects, because they almost sell identical and uncharacteristic products without any scientific business mode. In addition, most of this kind of agricultural production is owned by the local farmers in Wenzhou, who have no good and stable sales channels and capable teams.

Our company’s competitive edge is that customers can cultivate various kinds of food in our company, and absolutely ensure that the products grown by their own are free of contamination. Only in this way can they retain the nutritious substances contained in the vegetables, which probably facilitate to keep people’s physical fitness. We are committed to the health of the land, the water, the biology within the farm, the consumer's health - our wonderful customers, and the health and well-being of our employees. On top of that, our company aims to be transparent and are open to any questions regarding how we farm.

4. Operation

**4.1 Operational Strategy**

GCF adopts its own operation strategies in order to have access to a more successful and competitive business, pursuing to use the operational model to bring values for all customers, investors and suppliers, as well as building the loyal and enduring relationships.

For daily business, in terms of the sales outlets, we will start our business at 8:00 am until 7:00 pm in summer and 5:00 pm in winter concerning about the different day lengths. As for the online store, it will open from 9:00 in the morning to the midnight. Besides, if customers have any problems about our products and services, please feel free to contact us either through our website or email address.

**4.2 Production**

At our green farmlands:

• Absolutely no use of synthetic chemical insecticides, herbicides, fungicides, or fertilizers on our crops.

• Careful use of organically approved soil amendments and sprays.

• Care for our soil, water and air quality with crop rotations, cover crops, protective buffer strips, and ecologically sustainable farming practices.

• No use of chemically treated or Genetically Modified seeds. We purchase primarily Organic seeds, though on occasional, we purchase conventional seed for varieties that are unavailable on a commercial level.

• Adherence to sanitary post-harvest practices including proper transport, storage, and the use of only potable water for the washing of produce.

• A commitment to pass on the land and surrounding environment in an even better condition than it was passed on to us.

Also, we aim to be transparent and are open to any questions regarding how we farm.

**4.3 Inbound logistic**

Recognizing that the receiving of our raw materials is an essential element in our entire business, we intend to ensure that it is done by responsible persons who will be present during off loading to check the quantity and condition of the consignment. We will take rigorous inspection of the quality, and non-confirming raw materials in terms of quality will only be approved with the consent of the managing director who would have undertaken further analysis of it.

**4.4 Storage**

There will be the strict policy of the company to ensure that all raw materials are stored in a secure, clean and pest free manner. Stock takes and reconciliations shall be undertaken on a regular basis, initially done at least once a week. The stock principle of First In First Out (FIFO) shall be implemented. Whenever stock is taken out it shall be recorded on a separate stock or bin card, with reconciliations of raw materials issued to the suppliers, issued to production, losses, opening and closing stock taken. any deviations arise must be explained.

1. Company and Management Summary

The management team is vital in the process of absorption of investment. Therefore, in this part, it will introduce the detailed information of the team and highlight how the team can contribute the development of the business.

**5.1 Company Organization**

GCF is a privately-operated company, however it later will have 3 three main owners, so it actually a partnership corporation. For the ownership, the three members respectively own 25% shares of HSF, investors totally get 20% shares, and employees wholly gain the rest 5% shares. Since GCF starts as a relatively small business, it is not necessary for us to establish a board of director. Instead, The three owners should have the strong sense of responsibility because they need to concern much about the whole operation.

**5.2 Management Team**

Executive Team:

HR, Finance, General Management

Manager 1

Technology Development:

Hardware & Software engineer

Manager 2

Owners

Sales and Customer Service:

Sales Director, Customer Service Rep.

Manager 3

* 1. **Personnel Plan**

Apart from the three managers, we still have some employees to help building the whole structure of our business.

* **Susan:** Operations including vendor relations, accounting, and some growing responsibility.
* **Bob:** Head grower and sales. As head grower she is responsible for supervising, scheduling plant production, the cutting schedules, crop selection, growing schedules, fertilizer selection and application schedules, irrigation system development, and pest control. Because Bob has the technical knowledge regarding the plants and their industry leading botanical concentrations, she will be in charge of sales which will include qualifying leads as well as participating in the final negotiations and account management.
* **Grower:** Bob will have the assistance of a full-time grower in order to allow her to meet her sales responsibilities.
* **Laborers:** The laborer positions will be seasonal as there is more work required in the summer months, however, there will always be some laborers on staff throughout the year. Some of the responsibilities of the laborers are soil tilling, compost distribution, plant collections and trimming.

|  |  |
| --- | --- |
| Personnel Plan (Year) | |
| Susan | ￥66,000 |
| Bob | ￥66,000 |
| Grower | ￥60,000 |
| Laborers (ten) | ￥540,000 |
| Total Payroll | ￥732,000 |

1. Financial Plan

GCF requires ¥2,500,000 start-up capital in total. Among this ¥ 2,500,000, ¥1,000,000 will be from three founders’ parents and ¥ 500,000 will be from the bank by using their parents’ credit as guaranty. The rest ¥ 100,000 will from other investors like government funds, angel investing and some business investors.

**6.1 Star-up Financial Funds**

|  |  |
| --- | --- |
| Green Community Farm | |
| Start-up Expense |  |
| Legal | ￥3,000 |
| Stationary | 4,000 |
| Farmyard manure | 2,000 |
| Rent Expense | 370,000 |
| Insurance | 5,000 |
| Research and Development | 1,000 |
| Others | 1,000 |
| Total Start-up Expense | 386,000 |
|  |  |
| Start-up Assets |  |
| Cash balance on start date | 1,648,100 |
| Start-up inventory | 147,500 |
| Other short-term Assets | 0 |
| Total short-term Assets | 147,500 |
| Long-term Assets | 318,400 |
| Total start-up Assets | 2,114,000 |
| Total | ￥2,500,000 |

**6.2 Projected Income Statement (5yr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Green Community Farm | | | | | |
| Projected Income Statement | | | | | |
| December 31 | | | | | |
|  | 2018 | 2019 | 2020 | 2021 | 2022 |
| Sales revenue | 2,450,000 | 4,287,500 | 7,288,750 | 11,662,000 | 18,076,100 |
| Cost of Goods Sold | 1,750,000 | 2,940,000 | 4,789,750 | 7,497,000 | 11,620,350 |
| Gross Profit | 700,000 | 1,347,500 | 2,499,000 | 4,165,000 | 6,455,750 |
| Operating expenses |  |  |  |  |  |
| Legal fee | 3,000 | 0 | 0 | 0 | 0 |
| Office supplies expense | 10,800 | 8,000 | 9,000 | 9,000 | 10,000 |
| Salaries expense | 1,272,000 | 1,399,200 | 1,609,080 | 1,769,988 | 2035,486 |
| Renting expense | 370,000 | 370,000 | 520,000 | 520,000 | 670,000 |
| Advertising expense | 100,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| R&D expense | 5,000 | 6,000 | 7,000 | 8,000 | 9,000 |
| Insurance expense | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Depreciation expense | 34,252 | 34,252 | 38,181 | 38,181 | 42,110 |
| Utilities expense | 9,000 | 9,000 | 10,000 | 10,000 | 11,000 |
| Maintenance expense | 1,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Decoration expense | 60,000 | 0 | 60,000 | 0 | 60,000 |
| Other expenses | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Total operating expense | 1,885,052 | 1,906,452 | 2,333,261 | 2,435,169 | 2,917,596 |
| Income from operations | -1,185,052 | -558,952 | 165,739 | 1,729,831 | 3,538,154 |
| Other expense and losses |  |  |  |  |  |
| Interest expense | 30,000 | 29,700 | 29,400 | 29,100 | 28,800 |
| Income before taxes | -1,215,052 | -588,652 | 136,339 | 1,700,731 | 3,509,354 |
| Income tax expense (25%) | 0 | 0 | 34,085 | 425,183 | 877,339 |
| Net income | -1,215,052 | -588,652 | 102,254 | 1,275,548 | 2,632,016 |

**6.3 Projected Balance Sheet (5yr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Green Community Farm | | | | | |
| Projected Balance Sheet | | | | | |
| December 31 | | | | | |
|  | 2018 | 2019 | 2020 | 2021 | 2022 |
| Assets |  |  |  |  |  |
| Current assets |  |  |  |  |  |
| Cash | 725,092 | 116,350 | 173,702 | 1,336,962 | 3,621,005 |
| Accounts receivable | 49,000 | 85,750 | 145,775 | 233,240 | 361,522 |
| Inventory | 255,208 | 416,500 | 638,633 | 968,363 | 1,597,798 |
| Prepaid expenses | 60,000 | 60,000 | 80,000 | 80,000 | 100,000 |
| Property, plant, and equipment |  |  |  |  |  |
| Equipment | 318,400 | 318,400 | 339,100 | 339,100 | 359,800 |
| Less: Accumulated depreciation | 34,252 | 68,505 | 106,686 | 144,867 | 186,976 |
| Total assets | 1,373,448 | 928,495 | 1,270,525 | 2,812,798 | 5,853,149 |
|  |  |  |  |  |  |
| Liabilities and Stockholders’ Equity |  |  |  |  |  |
| Current Liabilities |  |  |  |  |  |
| Accounts payables | 87,500 | 235,200 | 478,975 | 749,700 | 1,162,035 |
| Interest payables | 1,000 | 2,000 | 3,000 | 4,000 | 5,000 |
| Long-term liability | 500,000 | 495,000 | 490,000 | 485,000 | 480,000 |
| Stockholders’ equity |  |  |  |  |  |
| Owner’s capital | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Retained earnings | -1,215,052 | -1,803,703 | -1,701,450 | -425,902 | 2,206,114 |
| Total liabilities and Stockholders’ Equity | 1,373,448 | 928,495 | 1,270,525 | 2,812,798 | 5,853,149 |

**6.4 Projected Cash Flow Statement (5yr)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Green Community Farm | | | | | |
| Statement of cash flow | | | | | |
| December 31 | | | | | |
|  | 2018 | 2019 | 2020 | 2021 | 2022 |
| Cash flow from operating activities |  |  |  |  |  |
| Net income | -1,215,052 | -588,652 | 102,254 | 1,275,548 | 2,632,016 |
| Adjustments to reconcile net income to net cash from operating activities |  |  |  |  |  |
| Depreciation expense | 34,252 | 34,252 | 38,181 | 38,181 | 42,110 |
| Increase in accounts receivable | -49,000 | -36,750 | -60,025 | -87,465 | -128,282 |
| Increase in inventory | -255,208 | -161,292 | -222,133 | -329,729 | -629,436 |
| Increase in prepaid expenses | -60,000 | 0 | -20,000 | 0 | -20,000 |
| Increase in accounts payables | 87,500 | 147,700 | 243,775 | 270,725 | 412,335 |
| Increase in interest payables | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Net cash from operating activities | -241,456 | -15,089 | -19,202 | -107,288 | -322,273 |
| Cash flows from investing activities |  |  |  |  |  |
| Purchase of equipment | -318,400 | 0 | -20,700 | 0 | -20,700 |
| Net cash from investing activities | -318,400 | 0 | -20,700 | 0 | -20,700 |
| Cash flows from financial activities |  |  |  |  |  |
| Issuance of shares | 2,000,000 | 0 | 0 | 0 | 0 |
| Issuance of long-term debt | 500,000 | -5,000 | -5,000 | -5,000 | -5,000 |
| Payment of cash dividends | 0 | 0 | 0 | 0 | 0 |
| Net cash from financing activities | 2,500,000 | -5,000 | -5,000 | -5,000 | -5,000 |
| Net increase in cash | 725,092 | -608,742 | 57,352 | 1,163,260 | 2,284,043 |
| Cash at beginning period | 0 | 725,092 | 116,350 | 173,702 | 1,336,962 |
| Cash at end period | 725,092 | 116,350 | 173,702 | 1,336,962 | 3,621,005 |

1. Appendix

**7.1 Customer basis**

**7.2 Profits trend**

**7.3 Growth rate and cost**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | 2018 | 2019 | 2020 | 2021 | 2022 |
| Sales/unit | 35,000 | 61,250 | 104,125 | 166,600 | 258,230 |
| Growth Rate |  | 70% | 65% | 60% | 54% |
| Average cost/unit | 50 | 48 | 48 | 46 | 45 |