



Z CONSTRUCTION MACHINERY RENTAL

BY

HAO WU

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)

SOUTHEAST ASIA UNIVERSITY

ACADEMIC YEAR 2022

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Abstract

Combing 2021 China's construction machinery leasing industry development status and pattern analysis, construction machinery leasing industry has a very large future development potential. Under the premise that the market has strong demand, the company launched a construction machinery leasing company with the main direction of the plate buckle scaffolding, tower crane and construction hoist leasing segment, and at the same time provide the corresponding operators, named "Zhongneng Construction Machinery Rental" Limited Liability Company. According to the industry and its own development, the company is initially set up in the vicinity of Zhongguancun in Haidian District, Beijing, as the company's business interface, the company's rental plant can be set up in the outskirts of Beijing. The Company expects to develop into a group company locally in Beijing within 7-8 years or go to other cities to open branches or subsidiaries and focus on building a leading brand of construction machinery leasing theme chain.

Keywords: Machinery rental industry; Equipment rental; Business plans

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Hao Wu

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Section 1

Executive Summary

1.1 Purpose of the company.

The purpose of the company "Zhongneng Construction Machinery Rental" is "customer's demand is God", and "Zhongneng" refers to the collection of major construction machinery items and the provision of rental services to the public. With the further development of society, industrial machinery and equipment has been used in large numbers, plus various engineering projects have sprung up all over the world, and the need for construction machinery and equipment has increased. Therefore, on this basis, we aim to build a construction machinery leasing enterprise to provide leasing services for machinery including coiled scaffolding, tower cranes, construction hoists and so on.

1.2 Description of the company.

"Zhongneng Construction Machinery Rental" is a construction machinery rental company that is in the process of raising funds. In the construction industry, the provision of equipment leasing services for construction is generally referred to as equipment leasing, where the provision of construction equipment services for construction projects with operators is referred to as wet leasing and the provision of construction equipment services without operators is referred to as dry leasing. The provision of construction equipment services can be divided into six main categories according to the type of equipment, namely the provision of lifting equipment, earth moving and road building machinery, piling machinery, concrete machinery, roadheading machinery and other construction machinery services, with the provision of lifting equipment and other services being the main focus. For this enterprise, it mainly focuses on providing corresponding machinery and equipment for building construction projects, etc., and providing corresponding operators, depending on the needs of leasing units and individuals.

Combing 2021 China construction machinery leasing industry development status and pattern analysis, construction machinery leasing industry has a very large future

development potential. Under the premise of this market demand, the Company has launched a construction machinery leasing company with the main direction of coil buckle scaffolding, tower crane and construction hoist leasing segment, and also provides the corresponding operators. The Company expects to develop into a group company locally in Beijing within 7-8 years, or go to other cities to open branches or subsidiaries, and focus on building a leading brand of construction machinery leasing theme chain.

The initial location of "Zhongneng Construction Machinery Rental" is near Zhongguancun in Haidian District, Beijing, because there are many construction companies in this area, and there is often a demand for large-scale construction in the surrounding area, and many projects are negotiated in this area. The company's rental premises can be located outside of Beijing.

It is expected that "Zhongneng Construction Machinery Rental" will cover an area of 50 square metres in the city and will be able to accommodate more than ten people at the same time, while 20,000 square metres of space will be available for rent in the outskirts of the city, and the company will prepare the latest company presentation materials for customers in-house.

Section 2

Company Description

2.1 Company History.

The company chose the start-up machinery and equipment leasing industry as its initial introduction under a preliminary market survey, with a registered capital estimated at 20 million and a paid-up of 20 million.

2.2 Mission Statement.

The company is named "Zhongneng Construction Machinery Rental", aiming to provide customers with professional integrated rental services, and to build its own brand by virtue of the excellent quality and price of rental equipment and services provided.

2.3 Products and Services.

The supply equipment required by the company is relatively simple, mainly in the three mentioned above, i.e. coil buckle scaffolding, tower cranes and construction hoist rental plates.

The company is set up in the Haidian district of Beijing, which has many construction companies. The company's staff will look at the world and select from the world's branded products and negotiate the price of cooperation with the brands. The company will visit the construction machinery markets around Beijing and find markets with good quality construction machinery and suitable prices for bulk purchase. Moreover, the company will discharge staff to contact the relevant construction project enterprises, discuss with the construction project manufacturers, sign contracts, and we provide rental services for them.

2.4 Current Status.

Before writing this project idea, I was already responsible for docking the relevant rental project business, and finally successfully reached rental cooperation, thus through the corresponding investigation and review, found that there is a huge blue ocean in the construction machinery rental industry.

Because it is a start-up enterprise, therefore, the company mainly focuses on coil buckle scaffolding, tower crane, construction hoist rental plate in the early stage, and later, according to the development of the situation, trying to cover the construction machinery rental of the major profitable plate.

Table2-1 Pricing of leasing products that have been made so far (partial)

Product Name	Purchase cost	Rental Price	Estimated number
Plate buckle scaffolding 2.5m riser	Purchase cost 6000yuan/ton (including freight)	180 yuan/ton/month	10,000 tones
Plate buckle scaffolding 0.6m crossbar	6488 yuan/ton (including freight)		
Tower crane QTZ80 (6010)	430,000/unit (including freight)	180,000/unit/ Month (dry lease)	50 units
Construction hoist SC200/200 (SP45)	240,000/unit (including freight)	15,000/unit/ month	75 units

In addition, our products can be adapted to the needs of our customers, for example, we can offer discounted packages depending on the length of the rental and the size of the rental.

2.4.1 Existing production capacity and production conditions.

Up to now, the company is expected to rent 50 square meters of shop space in the city in the early stage and 20,000 square meters of space in the suburbs. According to the company's business needs and departmental framework design, the relevant personnel are recruited to work in the company's office, the initial contact mainly with some small and medium-sized construction projects, according to the later project acceptance and completion of the situation, after making a name for itself, to further improve to improve the product range and quantity.

2.4.2 The original need for office equipment and the need to add factory machinery and equipment.

The original need for office equipment: desks, computers, printers and other basic office equipment.

Need to add equipment: coiled scaffolding, tower crane, construction hoist rental board and other major engineering machinery and equipment.

2.4.3 Product standards, installation, maintenance, use control

For construction machinery leasing company, should make the company the equipment management and operation into one, the implementation of management, use, maintenance, repair, rent, count comprehensive management and operation, which can change the current project construction unit machinery and equipment management is not in place.

First, first of all, there should be a smooth information channel to achieve a balance between supply and demand

Leasing machinery, first of all, to understand the market situation, to collect leasing information, price information, supply and demand information, etc., to establish dynamic information channels, and to collect, analyze, compare cost adjustment, develop a reasonable rental machinery unit price reasonable price is the key to the success of the equipment can be leased.

Second, to set up a scientific management system

Construction equipment management is a systematic project, in the market economy, the establishment and improvement of construction machinery and equipment management system is particularly important, the main points are as follows

(1) to establish a set of equipment management, use, maintenance, maintenance, methods and safety operating procedures and take the corresponding reward and punishment measures. For example, the implementation of equipment single machine accounting, the chief responsible system, etc.

(2) Information communication. Operators and equipment managers to communicate at any time the operation of the equipment and can carefully and

timely fill in the driver's handbook, to be ready for equipment managers to grasp the condition and performance of the equipment. The lessor establishes a telephone call-back system and communicates with the lessee from time to time to ensure that the equipment and driver service situation, integrity and keeping promises, and better service for the lessee.

Establish a repair and maintenance system. The company set up to equipment management personnel, machine repair team leader-based equipment inspection team, the rental of equipment outside the regular inspection, check whether the equipment operator strictly abide by the operating procedures. To "maintenance-oriented, maintenance and repair" management, repairers and operators should be in accordance with the lessee's construction gap, the appropriate increase in the number of maintenances, to avoid equipment with fault operation, to extend the service life of equipment.

Third, strengthen the signing of machinery and equipment leasing contracts

The negotiation of the contract is an important part of the establishment of the leased equipment. Before signing the lease contract, first of all, we should investigate the identity of the legal representative of the other party, investigate whether the other party has the ability to fulfill the contract, the status of payment of funds, for the main terms of the contract: the name of the leased equipment, the lease period, advance payment, the contract rental payment method, unit price, the way to bear the costs of up and down the field, the driver's salary, repair costs to assume responsibility, the responsibilities and obligations of both parties, etc., to be particularly rigorous, in the contract must not have omissions, otherwise, will cause unnecessary losses to the performance of the contract.

Fourth, the performance phase of the contract

After signing the lease contract, both parties should keep their promises in good faith and fully perform their respective responsibilities and obligations. As the lessor, in order to meet the requirements of the contract and not to affect the service life of the equipment, we should do our best to provide quality services to the lessee,

strengthen communication with the lessee and control the cost of equipment on site, so that the leasing parties become a mutually beneficial partnership.

Fifth, to establish a high-quality equipment management team

Equipment during the leasing period to track management, maintenance, inspection, so that the equipment is always in a controlled state, as the protagonist of management, people are more important. Equipment management personnel, first, should have a high quality, master the rich knowledge of machinery and equipment management, the deployment of machinery and equipment in mind, can always grasp the dynamics of equipment operators. To implement competitive recruitment, choose a responsible, high-quality business, will operate, understand the maintenance of the staff as the chief, can strictly comply with the safety operating procedures, cherish the machinery and equipment, can always grasp the operating conditions of the equipment

Sixth, do a good job in the repair and maintenance of machinery and equipment

Equipment maintenance, maintenance, is the key to improve the integrity of equipment and utilization rate. For the leased machinery and equipment, according to the length of the lease period and the lessee consultation, the development of repair and maintenance program, and strictly according to the implementation of the program, to prevent the emergence of equipment, with failure to operate and other undesirable phenomena cause unnecessary losses.

Seventh, strengthen cost management and timely settlement

For machinery and equipment leasing, the implementation of single machine accounting, regular monthly settlement of costs and revenues, real-time analysis and comparison, to find out the actual cost differences between the equipment and the plan. Regular assessment of cash and linked to the wages of the captain of the machine, saving awards over punishment. Timely settlement and recovery of rent is important for equipment leasing. If the lessee does not settle the rent in time, the lessor should take measures such as stopping or transferring back the machinery and equipment according to the contract to prevent losses such as rent recovery.

Comprehensive above points, only good daily management of equipment, use, maintenance, repair, rent, calculation and other basic work, strengthen communication, keep all kinds of information channels open, good faith and keep promises, to provide good management and service, in order to maximize the integrity of equipment and utilization rate, so that equipment to maintain the best working condition, give full play to the performance of equipment, while creating greater economic benefits for the enterprise.

2.4.4 Leasing of storage space for transport.

1. Storage environment

The warehouse environment must pay attention to the humidity cannot be too high or too low, otherwise it is easy to cause problems with the machinery. And confirm whether there are these documents: land certificate, construction planning permit, property certificate, fire record, business license or personal ID card.

2. Warehouse location

The main reason for choosing the location of the warehouse is the convenience of access and rental issues, usually remote location of land prices are cheap so the rent will be cheap, but may not be suitable for users who need frequent access, so you can choose a chain of warehouses, usually the price of different locations of such warehouses will not be too much difference, and no intermediaries and other miscellaneous fees. Renting up more worry-free.

3. Site safety aspects

First, facilities and equipment shall comply with the relevant national norms and technical standards, such as machinery and equipment shall do "a machine a gate a protection", etc.; second, safety rules and regulations and operating procedures posted on the wall; third, evacuation routes, safety exits should be kept open, set up obvious safety warning signs, emergency evacuation signs, emergency lighting, lights Fourth, workshops and warehouses cannot be used for accommodation and catering; fifth, flammable and explosive hazardous chemicals or hazardous waste should be set up as special warehouses or storage points, and the relevant procedures should be carried out in accordance with the regulations; sixth, items

should be neatly stacked and the functional partitioning should be obvious; seventh, fire-fighting facilities should be well-equipped and clearly marked and should not be blocked or encircled; eighth, where the fire hazard level is raised, it should be modified and Ninth, if there is a need to set up management offices, they should be arranged against the external wall and separated from other parts by fireproof partition walls with a fire resistance limit of not less than 2.50h and floor slabs of 1.00h, and at least one independent safety exit should be set up; tenth, risk identification and control should be carried out, and a risk list and a four-colour chart of safety risks should be formed.

2.5 Legal Status and Ownership.

The Company has an independent legal personality and is liable for the debts of the Company with all its property. The Company is a joint stock company, and the shareholders are liable to the Company to the extent of the shares they have subscribed for.

2.6 Choice of Business Name.

The company "Zhongneng Construction Machinery Rental With the further development of society, industrial machinery and equipment has been used in large numbers, plus various engineering projects have sprung up all over the world, and the need for construction machinery and equipment has increased. Therefore, on this basis, we aim to build a construction machinery leasing enterprise to provide leasing services for machinery including coiled scaffolding, tower cranes, construction hoists and so on.

2.7 Primary Considerations for Naming a Business.

The name of a business is not the same as our personal names because, while personal names are full names, businesses are often called by their name, and this name has a much more important impact on the business than the full name of the business. The full name of the business has an impact on the producer itself, but not on the consumer, this is because, the consumer is not aware of the full name of the business, it is the name of the business that they feel psychologically. As the ultimate supporter of a company's success is the consumer, the name also

becomes the most important factor in the survival of the company. For enterprises, the name is the abbreviation, the company is called "Zhongneng Construction Machinery Rental" company, "Zhongneng" for short, "Zhong" aims to serve all customers in need, "Neng" brings together professionalism and professionalism. "The name of the company can influence the performance of the company, mainly through psychological feelings, and influence the consumer.

2.8 Legal Issues.

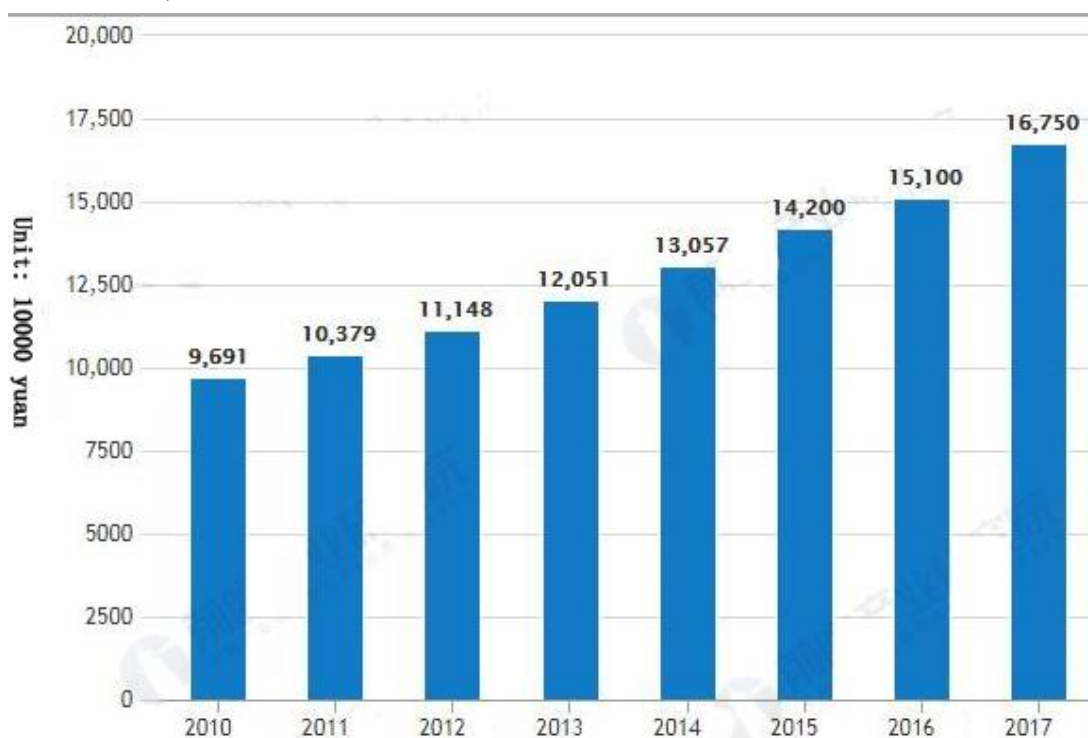
For this leasing enterprise, there are two main areas of risk, namely the legal risk of contract management and the legal risk of managing the enterprise's accounts receivable.

Section 3

Industry Analysis

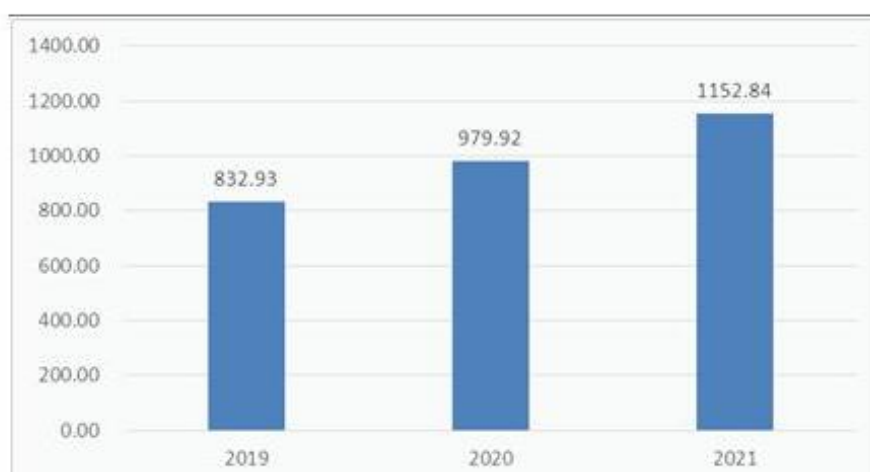
3.1 Industry Size, Growth Rate and Sales Forecast.

3.1.1 Industry Size.



China Construction Machinery Leasing Market Size Analysis, 2019-2021

The China construction machinery leasing market in 2019 is 87.677 billion yuan and reaches 121.352 billion yuan in 2021.



2019-2021 China Construction Machinery Leasing Market Supply Analysis

The supply of China's construction machinery leasing market in 2019-2021 is not meeting the requirements of demand, and there is still a very large profitable space in the market.

Looking at the penetration rate of China's construction machinery leasing industry in the entire construction machinery sector, it can be found that the penetration rate reached the level of 50% last year, along with the further smooth promotion of the national construction machinery industry, leasing business is bound to obtain a greater degree of development, will make the penetration rate of the construction machinery industry to further improve. In addition, the country attaches more importance to the construction of urbanization, speed up this to promote, such as real estate, infrastructure, energy and chemical construction projects, is inevitably inseparable from the use of construction machinery, which makes the market for construction machinery rental needs more and more significant.

China is the world's largest market for different types of machinery and equipment and has a very large potential demand for leasing, especially in order to cope with the impact of the new epidemic, the need for enterprises to optimise the allocation of equipment resources, improve the effective use of funds and reduce operating costs is even more urgent, which will make engineering enterprises further accelerate the development process of asset lightness, thus making the leasing industry more penetrating. This will lead to an increase in the penetration of the leasing industry.

3.1.2 Growth Rate.

In recent years, China's construction machinery leasing penetration rate has been continuously enhanced, the development speed of the market scale is also accelerating, looking at the development of the industry as a whole, the leasing industry with the development of the real estate industry to promote the development of recent decades, showing a wave cycle growth state.

Combing the domestic equipment leasing operation service market will find that the number of enterprises participating in this market is very large, but the lack of head

enterprises with absolute say, the industry competition pattern is located under the state of fragmentation, integrated the company's main products and positioning, the key leading enterprises are described below.

Table3-1 Leading domestic construction machinery and equipment leasing company

Company Name	Business Introduction
Hongxin C&D	Hongxin C&D's inventory of 530,000 tonnes of coiled scaffolding equipment represents 3.2% of the market, and it has created 299 service outlets in 182 cities in China, placing it above the top equipment rental service providers in the country.
Pang Yuan Leasing	Pang Yuan Leasing is the world's largest crane leasing company, providing leasing, dismantling and maintenance services and business for construction machinery and equipment required for national and local key infrastructure construction, including construction and energy projects, and has long served China Construction, China Power Construction, China Energy Construction, China Railway, China Communications, China Nuclear, Shanghai Construction and Engineering, Beijing Construction and Engineering, Shaanxi Construction and Engineering and other large central enterprises, state-owned enterprises and listed companies. The company's services include

It can be found that, at present, the more famous brands in the engineering leasing industry are Hongxin C&D and so on. For the company's main products and positioning, the head brands that have a strong competition with the company should be Hongxin C&D and Pang Yuan Leasing. However, because they have gone through branding development, the price is too high, many individuals and small and medium-sized enterprises are discouraged, plus the market cake is extremely vast, construction machinery leasing has a very large profit space. This shows that there is a large market demand for low-end construction leasing, a large market stock and a large competitive advantage.

3.1.3 Sales Forecast.

According to fieldwork, there are 52 engineering leasing companies in Beijing, most of which are located in the suburbs, while many engineering project companies in Beijing are located in the city, so it is very inconvenient to negotiate business. This will enable the company to maximize its profitability. The following chart shows the construction machinery rental companies available in Beijing.

3.2 Industry Characteristics.

3.2.1 Strengths.

- 1) Clear positioning. The product is suitable for engineering project enterprises, the focus on small and medium-sized construction projects in the early stage, the main opening place around a very large number of project enterprises, can form a fixed source of customers.
- 2) Huge business opportunities. A wide range of diversified product types, broad market prospects.
- 3) Easy to consume, moderate price and remarkable professional service capability.
- 4) Independent innovation. Strive to break the situation of Beijing engineering leasing enterprises monolithic suburban leasing office enterprise, provide more professional services, layout of tower cranes, construction hoist radiation range, save site unnecessary space waste and material payments.

3.2.2 Disadvantages weakness.

- 1) Lack of operational experience. As it is just starting up, it must gradually explore the operation methods and ways, the efficiency in business operation will be relatively low, and it will be more redundant in management and other aspects, causing some unnecessary troubles.
- 2) Need to raise sufficient funds for operation and market development, and do not have much start-up capital.
- 3) has not yet established a brand image, although there are not many head enterprises like construction machinery leasing to form too large-scale positive competition impact of the product, but there are many small and medium scale competitors.

3.2.3 Opportunity.

(1) Nowadays, with the improvement of people's quality of life, plus the urgent need of the market for construction projects, the professional demand for mechanical engineering leasing is also becoming more and more diversified and high-grade. We are located under the operation mode of providing professional equipment, good service, and integration, effectively following up the after-sales work of engineering construction, to build out the company's professional brand, so that customers in the lease at the same time, know that what they get is not a lease equipment to provide, but a professional tracking type of service and guidance.

(2) as a newly opened construction machinery rental enterprises, if the preliminary advertising and publicity to do a good job, improve the quality of service, will attract fixed consumers.

(3) Beijing Haidian major enterprises have a broad consumer base resource, as opposed to leasing enterprises in the suburbs where it is difficult to directly dock, the company can directly reach construction project undertaking enterprises, there is huge room for development.

3.2.4 Threat

(1) due to the low threshold of the industry, there may be strong new competitors entering the market, substitutes grabbing sales, the main product market growth rate decline, and other threats.

(2) If Beijing is to be the main business location, it will not be easy to ensure a long-term source of customers due to the impact of rental companies that have already matured in the surrounding area.

3.3 Industry Trends.

At present, the number of construction machinery leasing enterprises in China is huge, but the professional scale of a large number of assets of construction machinery leasing companies less than a hundred, are generally small and medium-sized enterprises, while in Europe and the United States and other developed countries, with a larger number of construction machinery leasing enterprises, has

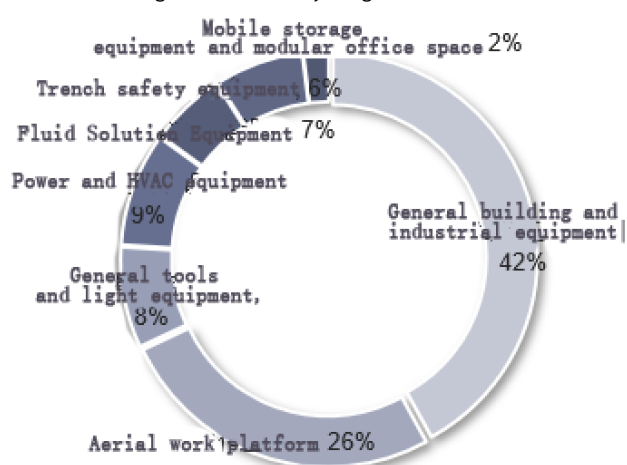
exceeded the number of a thousand. With the further development of the industry market, professional construction machinery leasing enterprises are bound to be the trend of future development. However, from another aspect, the domestic leasing business for the development, always have a relatively harsh restrictions, so the number of domestic construction machinery leasing enterprises to obtain the legal development of leasing qualifications is very large and need to face other aspects of the problem. Therefore, at the beginning, the company will mainly focus on the three major sectors of professional leasing, the company's professional brand to build out, step by step to expand the scale, for construction machinery leasing, if the early will be a good reputation to shape up, these loyal customers are less likely to be snatched away by others. Therefore, we have to seize the hearts of customers, with quality products and services to win customers, to prevent the loss of customer base.

3.4 Long-term Prospects.

Our company "Zhongneng Construction Machinery Rental", as the first to enter the market of Haidian District construction machinery leasing specialized practitioners, less competition now exists, and we mainly focus on the three main common sectors, namely the plate buckle scaffolding, tower crane, construction hoist rental sector, is very likely to reach cooperation intentions.

3.4.1 A wide range of products

We are not limited to the rental of a particular type of construction machinery alone, as can be found through the survey (figure below).



Construction Machinery Rental Market Needs Survey Chart

For the engineering leasing industry, the demand side of the urgent need to lease equipment, the first for general construction and industrial equipment, occupying a proportion of nearly half of the level, thus, the company's main three leasing plate, aimed at the blue ocean market to occupy a brand, professional status, so as to expand the company's profits and scale step by step.

3.4.2 Membership card system

Any customer who spends at least 2 million yuan at one time or 5 million yuan in total in our company can become an ordinary member of our shop. When the points of ordinary members reach 10 million points (one point per dollar), they can be upgraded to senior members, and when the points of senior members reach 50 million points, they can be upgraded to diamond members. Ordinary members are entitled to a 5% discount, senior members are entitled to a 10% discount and Diamond members are entitled to a 20% discount. For all types of members, establish customer relationship management files, number the members and establish consumption records. And to them for follow-up services, to seek their opinions and suggestions, to achieve the purpose of improving our services and enriching the variety of products. Really put our service concept through and through into our work and services and keep in constant contact with our customers.

Section 4

Market Analysis

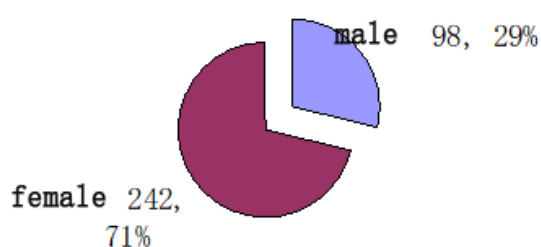
4.1 Market Segmentation and Target Market Selection.

4.1.1 Market Segmentation.

To get a true and detailed understanding of the construction machinery rental market near Haidian District in Beijing, a site visit was made to the construction project market and rental market around the area. According to the results of the inspection, there is no company specializing in construction machinery rental near Haidian District in Beijing. It is for this reason that we have finalised this area, as a major location for our company's business matchmaking. Given that our company is one of the few companies in the Haidian District in Beijing that specialises in the leasing of machinery and engineering works, our company has a strong vitality and competitiveness around this area, which has a huge clientele of various high-tech enterprises and engineering project contractors.

At the same time, we conducted a market survey of "mechanical engineering leasing companies in Haidian District, Beijing" using a simple random sampling method with questionnaires and online questionnaires. A total of 350 questionnaires were distributed and 344 questionnaires were returned, of which 340 were valid, with a valid return rate of 97.1429%. The ratio of male to female responses was 98:242.

Proportion of male and female respondents



Proportion of men and women surveyed

4.1.2 Target Market Selection.

Our company "Zhongneng Construction Machinery Rental" has set its rental targets as construction project contracting, energy engineering, technical equipment engineering, etc., supplemented by individual equipment rental. Our construction machinery and equipment leasing company operates in two main categories: "dry leasing" and "wet leasing". The "wet lease" provides "operators + equipment", while the "dry lease" only provides "equipment". "Wet leasing" serves professional subcontractors and service providers, whose source of return is the "service", and the equipment is only a necessary means of production for the service provided. "Dry leasing" focuses on equipment suppliers, and its source of return is the improvement of the efficiency of the use of equipment.

Based on the results of our market research, we have found that there is a lack of separate construction machinery rental companies in the vicinity of Haidian District in Beijing, which makes our shop less competitive among its peers. Moreover, as a general equipment urgently needed in the construction machinery leasing industry, the plate buckle scaffolding, tower crane and construction hoist leasing segment has a very large degree of demand in the market.

At the same time, our company is mainly launched to provide professional and safe equipment, plus a full range of tracking after-sales service, including regular maintenance of equipment, targeted major inspections, production safety training and so on. After investigation, our project rental prices are all within the acceptable range of the enterprise. Therefore, it is appropriate to choose our corporate target.

4.2 Buyer behaviour.

The main groups of our products are companies that contract construction projects, energy engineering, technical equipment engineering, etc., while the consumption methods are used for professional equipment leasing and technical provision. The main factors of the consumption market are the intrinsic and extrinsic factors of customer leasing.

4.2.1 External factors affecting customer leasing

1. The degree of socio-economic development: with the development of the social economy, people's living standards have improved, personal income has become higher and higher, and the development of construction projects by the state has become more and more numerous.

2. The degree of people's awareness in the market: the degree of people's awareness of a product in the market directly leads to the degree of acceptance of the product by the customers themselves, and this orientation is very important.

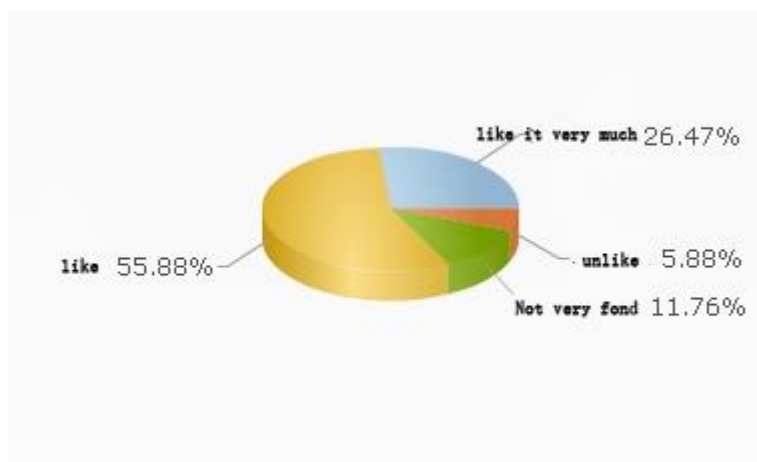
4.2.2 Intrinsic factors affecting customer leasing

1. personal preferences: different brand, professional and mechanical preferences of enterprises will have a great degree of influence on their choice. As mechanical engineering projects have relatively high professional requirements, strong brands and suitable prices are often the main factors that attract them to lease.

2. age: enterprise middle-aged management level, more recognized in the market with certain results of the head of the brand, will not take into account other contains price, service and so on other aspects of the content, and enterprise youth business docking staff, the ability to accept new things is relatively strong, high consumer desire, easy to form a new consumer habits under the brand's advertising and brand new product offensive, and then become our loyal customers.

4.3 Competitor Analysis.

According to the fieldwork, it is found that the existing construction machinery market near Haidian District in Beijing has less competitive pressure, and at the same time, there are many constructions project contracting enterprises around, occupying a larger market share. According to the survey on the degree of customers' demand for construction machinery leasing and their purchasing power in the questionnaire title, it can be found that the surrounding enterprises generally have a high degree of demand for construction machinery leasing, with 26.47% of the respondents strongly favouring the choice of construction machinery leasing services and 55.88% maintaining a favourable attitude, both of which account for 82.35% of the total number of respondents (the details (as shown in the graph).



Enjoyment of machinery rental for construction projects

In a survey on the purchasing power of customers, it can be found that, among the respondents, most of the enterprises, after receiving a project, generally choose to buy equipment on their own and to rent equipment in two ways. In addition, there are numerous circumstances that companies consider when choosing to rent, among which professional technical equipment and authentic service are the main influencing reasons for their choice.

Options	Subtotal	Proportion
No rental of machinery and equipment	20	5.89%
Will choose to rent machinery and equipment upon receipt of project	320	94.11%
This question is valid for the number of people	340	

Selecting the strength of rental machinery and equipment

Options	Subtotal	Proportion
Professional technical equipment	230	67.65%
Authentic service	200	58.82%
Brand size	90	26.47%
After-sales follow-up	110	32.35%
Attitude to business matching	70	20.59%
This question is validly filled in for the number of people	340	

Factors influencing the choice of machinery and equipment rental brands

4.4 Estimated annual sales and market share.

4.4.1 Market trends

(1) With the development and growth of the entire engineering construction industry, production is increasing at an unprecedented rate and the market is gaining expansion dramatically. People not only have higher and higher requirements for construction machinery and equipment but are also more and more critical of the professionalism of the products, the authenticity of the services, the follow-up status of the after-sales service, the contact of the customer relationship, the rental price and so on.

(2) Today's construction machinery leasing market tends to be "professional development", although customers recognize the big brands, but the construction machinery leasing market in the head of the brand is very small, many are small and medium-sized types of start-up enterprises, big brands, although in the market has a long development, but the humanization of its service provision is not

enough. There is no way to provide timely follow-up for small and medium-sized projects, and they have so many engineering facilities that the quality of all products cannot be fully guaranteed. Thus, companies that can provide professional and safe equipment and authentic services for construction machinery, energy construction and other enterprises are a much-needed part of the market, attracting widespread attention and gradually becoming a popular trend in the industry.

(3) customers on construction machinery rental consumption, has shifted from a single equipment rental to a more comprehensive coverage of the full range of services.

4.4.2 Market opportunities

(1) Nowadays, with the improvement of people's taste in life and the continuous development of engineering projects, the consumer demand for construction machinery leasing is also becoming more and more diversified, high-grade and professional. We will create a general equipment demand brand specifically for construction machinery leasing and follow up a series of services in a timely manner, so that customers can enjoy a full range of follow-up services while obtaining professional equipment leasing and can become long-term partners of the company.

(2) As a newly opened construction machinery leasing enterprise, as long as the preliminary advertising and publicity is done well, improve the technology of the equipment and high-quality services, it will attract a fixed customer base.

(3) Beijing has a wide range of engineering manufacturing demand customer resources, compared to the not enough specialized construction machinery leasing enterprises, the company's main coil buckle scaffolding, tower crane, construction hoist rental plate, there is huge room for development.

Section 5

Marketing Plan

5.1 Overall Marketing Strategy.

Our company "Zhongneng Construction Machinery Rental" targets construction projects, energy projects, technical equipment projects and so on, supplemented by individual equipment rental. Our market research is mainly focused on the major engineering enterprises, construction enterprises and project contracting enterprises in Beijing Haidian District, and we have found through field research that there is a lack of separate professional mechanical engineering leasing companies in the vicinity of Beijing Haidian District, which makes our shop less competitive among peers. And construction machinery leasing as a future trend needs, it not only represents the trend of industry development, but also can provide professional products, full service and so on to customers, is a new era, under the construction machinery industry, a big favorite choice of enterprises. At the same time, our company mainly launches the three main general engineering construction segments of coil buckle scaffolding, tower crane and construction hoist rental, and after investigation, our construction machinery rental prices are within the acceptable range of major enterprises. Therefore, it is appropriate and correct to set our target as mainly construction project contracting, energy engineering, technical equipment engineering, etc., supplemented by individual equipment rental.

As our main business interface company is set up in the Haidian Enterprise Gathering Area, we can directly interface with major companies that need to rent construction machinery. As a result, we can create packages that best meet the requirements of our customers and their range of acceptability, in addition to having equipment available for inspection in the suburbs, thus minimising our marketing costs.

5.2 Pricing Strategy.

5.2.1 Pricing basis and price structure

As the number of mechanical engineering leases is greatly influenced by whether the project is carried out or not, and engineering construction generally has a relatively long cycle, if the project is carried out in the cold period, we mainly focus on the provision of humane services, and can design preferential leasing packages, mainly to best follow up the current project services; if located in the hot period of project development, we can consider expanding the company's technical reserve capacity according to the company's human and financial resources, etc. The company's technical reserve capacity.

At the beginning of our business, we are more concerned with promoting our brand and expanding our influence as quickly as possible, therefore, we adopt a cost-plus pricing method, where the price is set on a cost-plus basis, which is fairer to both leasing parties, with the lessor receiving a normal profit and the leaser not feeling extra exploited. The pricing formula is

Price per unit of product = total cost per unit x (1 + target profit margin)

For different models of equipment, their costs will vary, and, therefore, the rental price for each product is set on a practical basis.

5.2.2 Factors affecting price changes and countermeasures

With the improvement of the economic level, prices will certainly have a certain upward movement, when the price of raw materials rises, our product prices will also make corresponding adjustments, but before adjusting prices, we will make posters in the shop for public display, informing customers of the reasons for the increase in product prices, in order to win the trust of customers.

5.3 Sales Process and Promotional Campaign Mix.

5.3.1 Main promotion methods

Promotions are an effective way to quickly increase turnover and awareness in a short period of time, especially in the rental sector. Our main promotional activities will be carried out during the design phase of project construction. Especially for

those new projects supported by the state, we will launch corresponding discount packages; when the company's members' birthday, they can get the company's mechanical engineering rental coupons.

5.3.2 Advertising strategy

In the early stage of the company, the most common advertising strategy is to seize some small customers in the blue ocean, undertake some fast-impact construction machinery leasing projects, build out the self-brand in a short period of time, and also launch strong and attractive discount packages at the right time, and implement activities such as discounts and concessions. In addition, because the shop will design online publicity official website, around many for the construction industry in the enterprise, when they see the publicity online, can be the first time to contact the company, face to face business talk, to increase the visibility and influence of our products in the region.

5.4 Distribution and Sales.

5.4.1 Development of leasing policy.

The Company is a collection of business-to-business, commercial sales and business leasing, and service-oriented labor in one enterprise. To operate construction machinery leasing, to strictly comply with the relevant provisions of the National Construction Machinery Safety Act, to ensure the quality and safety of construction machinery and equipment, while keeping abreast of the market, catering to market demand, so that customers can be assured that they can use, get happy, get a perfect service to provide, so that they can better retain customers and improve the repeat purchase rate.

(1) to ensure the quality of machinery and equipment: for the machinery rental industry, the most important thing is the quality of equipment, only to achieve the safety and high quality of machinery and equipment, follow the norms provided by raw materials, in order to lay a solid premise for the provision of rental services afterwards. In the early stage, we mainly focus on the three main sectors, more targeted and professional in the market, the brand will be played out, there will

naturally be repeat customers, our reputation will also be enhanced, the sales road will also be opened. The customer population is relatively fixed, to ensure quality, good service, treat people with sincerity, cultivate "hardcore" consumer group is the long-term plan.

(2) direct contact with state-owned enterprises, central enterprises and other large enterprise departments: our main consumer groups are major enterprises involved in engineering construction, so we will enter the enterprise business docking, so that the target groups understand the "Zhongneng construction machinery leasing", what new preferential packages out, we will also be immediately announced on the Internet, we also We will come out with preferential packages in half a month or a month's time, so as to achieve the purpose of attracting customers' attention.

(3) Points system: In the early stages of our business we will also introduce preferential measures such as points cards, so as to stabilise the customer base. For example, if you spend a lot of money on renting, you will get points on the card, and when the points are full of certain values, they can be exchanged. At the same time every day to make a main product, each customer can enjoy special prices, if you reach a certain number of points can also be discounted, quite cost-effective, and then increase the number of repeat customers.

(4) The combination of physical and online shops: we will also use the online rental shop as another platform to expand the scope of publicity as much as possible to enhance the publicity. We will put photos of the most popular and attractive products in the shop right now on the online shop. Opening an online shop is not necessarily about doing too big a range, it's really about doing a good job of promoting our company and letting as many people in the city know about our company and our contact details more comprehensively. Open up the market outside of Haidian District, breaking through certain regional limitations.

(5) After-sales service: "Zhongneng construction machinery leasing" to implement the project after-sales follow-up policy, once customers find that the quality of leased products have problems, we will promptly provide professional after-sales

maintenance services! A good after-sales service can not only win back customers, but also enhance the corporate image and win a good reputation.

5.4.2 Leasing statistics and calculation of the leasing cycle.

According to the mechanical engineering leasing business, usually machinery leasing up to several months, therefore, in accordance with the monthly situation for statistics, monthly outgoing and incoming accounts to do a detailed report, this part of the financial to be responsible for the way of recording handwritten and computer records in two ways, two identical data, so as to avoid data loss caused by irrevocable losses.

A major financial summary is done at the end of each year and the data is used to reflect the marketing situation so that subsequent marketing planning can be made.

5.4.3 Market development planning and sales targets.

The company will first focus on business matching in the Haidian District of Beijing, and after that, chain operations will be carried out in the major corporate gathering areas of Beijing as well as major commercial areas. The shop is expected to open branches around the major urban areas of Beijing within 5-7 years, focusing on building a leading brand of construction machinery leasing theme chain.

Section 6

Management Team and Company Structure

6.1 Management Team.

The first phase is mainly to lay the foundation for the development of the company, in order to better serve everyone and to be able to better operate the company's main site, and to maximize the savings in manpower expenditure, three departments were set up, namely the finance department, the administration department and the sales department.

Table 6-1 The organisation of the main site department and its functions

Main Departments	Main Functions
Finance Department	<p>To be responsible for the day-to-day financial accounting of the company and to participate in the management of the company's operations.</p> <p>Reasonable deployment of funds according to the company's capital operation to ensure the normal operation of the company's funds.</p> <p>Collecting information on the company's operating activities, capital dynamics, operating income and expenses and analyzing and making recommendations.</p> <p>Strict financial management, strengthen financial supervision and supervise financial personnel to strictly implement the financial system and financial brokerage laws.</p> <p>To be responsible for the registration, verification and transfer of the company's various properties on a random basis, to calculate depreciation expenses in accordance with regulations and to ensure the funding of assets.</p> <p>Participating in the signing of external economic contracts for the</p>

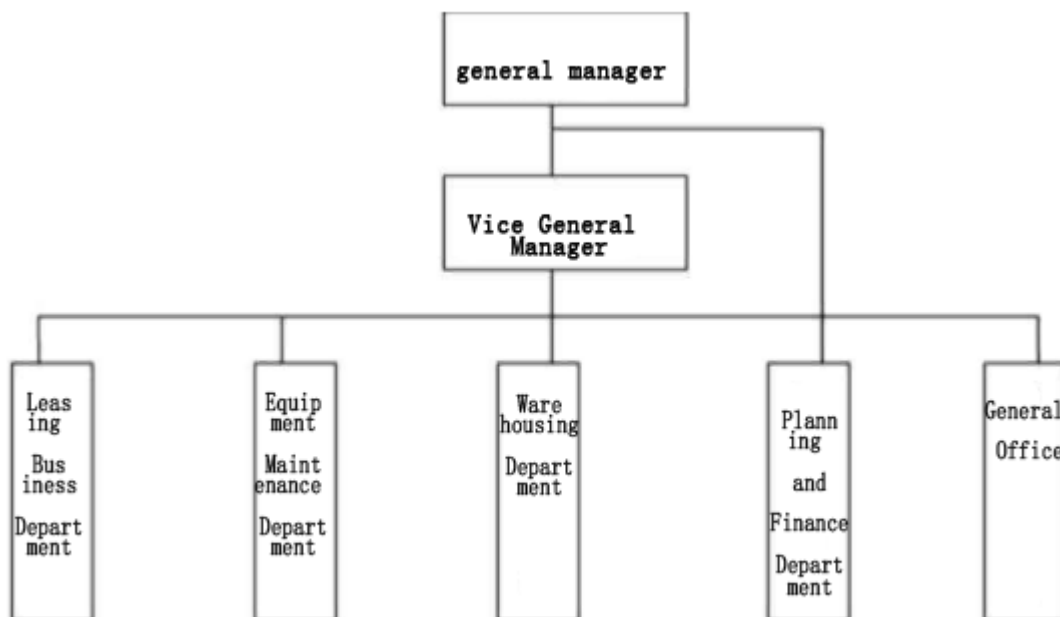
	<p>company and all departments.</p> <p>Income related documents audit and account processing; various expenses payment audit and account processing; accounts receivable, account processing.</p> <p>General ledger, diary and other accounts processing; financial statements and accounting account schedules.</p>
Administration	<p>To complete the administrative work of the company and the daily work of the internal affairs of the department.</p> <p>Assisting in drafting and revising the various management rules and regulations of the company and organizing and managing the daily administrative work.</p> <p>Supervision and implementation of various rules and regulations.</p> <p>Participating in the company's performance management, attendance and other work.</p> <p>Meeting arrangements: preparing for meetings, taking minutes and organising content after meetings.</p> <p>Participating in the management of the company's administrative and office supplies procurement affairs.</p> <p>Being responsible for the management of front office positions.</p> <p>To do the work of material collection, drafting of instruments and formulation of official documents.</p> <p>To do the coordination work between the various departments of the company.</p> <p>Maintaining the environmental hygiene of the shop.</p>

Operations	<p>Organising learning for personnel within the department, good materials management and improving stock turnover.</p> <p>Organizing the preparation and revision of rules and regulations in all aspects of planning, material control and lease management.</p> <p>Formulating annual and monthly plans, weekly plans, daily plans, project plans, production plans, material plans and supervising the implementation of the plans and preparing daily production plans according to leasing orders and organising and supervising production planners and material planners to prepare production plans and material requirement plans according to leasing orders.</p> <p>Develop monthly production value and material requirement budget. Keeping abreast of the production progress and work saturation of the production department and preparing for the placing of production orders.</p> <p>Develop appropriate leasing and customer maintenance strategies to expand and stabilize market share and ensure the successful completion of the enterprise's economic efficiency targets.</p> <p>Coordinating after-sales service work to ensure customer satisfaction.</p> <p>Market and customer information statistics, feedback and tracking.</p>
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On this basis, each department is obliged to perform other types of work.

In addition to this, in the outskirts of the countryside where the mechanical engineering equipment is located, there is to be a corresponding department for the good management of this equipment. The specific diagram is described below.

Organisation of the suburban rental site and its functions



The Leasing Department is responsible for setting up and contacting the leasing business of construction equipment, collecting and registering equipment, etc.; the Equipment Maintenance Department is responsible for the repair and maintenance of equipment; the Storage Department is responsible for the storage of equipment; the Planning and Finance Department is responsible for the financial and accounting work; and the General Office is responsible for the logistics and manpower work.

6.2 Management system and employment contract

6.2.1 Labour Contracts

The Company enters into labour contracts with its employees in strict accordance with national laws and regulations, the contents of which include

- (1) The term of the labour contract shall not be less than one year and a probationary period of one month.
- (2) Work content and working hours in accordance with the corresponding national job requirements, but according to the specific circumstances of the shop to make the corresponding adjustments, but if the overtime does not exceed 4 hours, and will be paid accordingly overtime.
- (3) Labour remuneration is differentiated according to the position, precisely the employee has five insurance and one gold.

(4) The production conditions or working conditions guarantee the safety and health of the employees.

(5) If there is force majeure leading to the alteration and termination of the labour contract, this can be achieved without compensation, but if there is malice or those who can overcome but challenge the termination of the contract are required to pay liquidated damages to the other party, the amount of which will be decided by mutual agreement.

(6) Other matters as agreed by the parties according to the circumstances.

6.2.2 Company management system

Chapter I General Provisions

Article 1: To strengthen the management and accounting work of the company for the leasing of machinery and equipment for the project and to improve the efficiency of the use of machinery and equipment, these measures are formulated.

Article 2: The machinery and equipment to be rented for the construction projects of the company must be unified by the company after bidding and confirmed and approved by the leader in charge before use, and sign a long-term rental contract.

Article 3: The source of large machinery required for the construction projects of the company is: rented from social equipment rental units.

Article 4: Equipment rental units must have the corresponding qualification requirements. For large lifting equipment and special equipment, leasing units should provide business license, leasing qualification, equipment installation qualification, safety use permit, equipment safety and technical periodic inspection certificate, mechanical machine registration record information in the region, mechanical operators operating certificate and regional registration information, meet the requirements before renting.

Article 5: Special operators of machinery and equipment must hold a valid operating certificate approved by the competent administrative department before they can be employed, and other machinery operators must also be qualified by training and examination before they can be employed.

Article 6: The construction project management personnel of the company shall not sublet the machinery and equipment rented by the project without authorization.

Article 7: These provisions shall apply to the construction and production units of the projects belonging to the company.

Chapter II Leasing Principles

Article 8: According to the approved construction organization design and construction plan, choose the type and quantity of machinery and equipment selected. The machinery and equipment to be rented shall be managed and independently accounted for by the project.

Article 9: The equipment rented from outside is leased. By three equipment rental units above the goods to participate in the bidding. By the company's management personnel to fully evaluate the situation of the supplier, equipment condition, service capacity and price, etc. to determine the supplier on merit.

Article 10: The rented equipment should choose the equipment with good performance, safety and reliability, high efficiency, low failure, easy maintenance and interchangeability, and avoid using obsolete products.

Chapter III project rental process

Article 11: The managers (full-time) according to the construction organization design and program to the equipment rental unit issued a notice of construction tasks. Construction site acceptance form. The construction task notice should indicate the specific work tasks of the equipment leasing party, the size and model of the machinery, and the telephone number of the site contact person. Construction site acceptance form is retained by the equipment rental unit, construction by the machinery operator to the construction site, the work is completed by the construction team leader with project management personnel (full-time) signatures to approve the workload. The construction site acceptance form is retained by the equipment rental unit to take a copy of the original to the project management personnel (full-time) to keep and account for.

Chapter IV Management of leased machinery and personnel

Article 12: Equipment rental units must be subject to the company's deployment management, the project management needs to contact the equipment rental unit in advance of the planned work, such as emergency repairs and other emergency equipment rental units need to try to arrive at the construction site according to the requirements of the project management time.

Article 13: Equipment operators must comply with the "safety regulations" provisions. The company management needs to organize the corresponding safety regulations for equipment operators to learn before they are allowed to operate. In the process of construction on site. The company's safety management personnel found that the equipment operators violate the rules, can be economic assessment, the assessment amount in the rental fee settlement amount deducted.

Article 14: Equipment rental units should be replaced in a timely manner if there is a failure to ensure the construction progress.

6.2.3 Staff assessment, reward and punishment system

The ability of the staff and the attitude of the work directly affects the business efficiency of the shop, therefore, we use certain work performance measurement, develop a corresponding reward and punishment system, which is not only conducive to obtaining feedback information on the work of the staff, according to which to make the corresponding decisions and measures, but also to motivate the staff to work hard, mobilize staff motivation, and obtain more profits for the shop.

Table 6-2 Employee Performance Measurement Form

Judging Items	Weighting	
	Management staff	Non-managerial staff
Discipline	10%	15%
Motivation	15%	20%
Sense of responsibility	15%	20%
Creativity	20%	5%

Expressive communication	20%	15%
Salesmanship	20%	25%
Total	100%	100%

To make the appraisal fairer and more comprehensive, we use the performance appraisal model shown below.

6.3 Personnel Plan.

The members of the shop and the leased premises in the suburbs each contain six people, a group in which everyone has their own speciality and their own positions and tasks respectively. As the shop has only been established for a short period of time, after marketing, the business has just entered the right track and started to make a profit, so for the time being, there is no plan to increase the number of staff for the current situation, and the team members will mainly work together to achieve effective operation of the shop. In terms of staffing arrangements to do "everyone has something to do, everything has someone to do", each in their own way while helping each other. This allows us to maximise the strengths of each member.

The members of the team have their own characteristics, so we assign them to projects according to their respective strengths as follows.

6.3.1 Main person in charge.

The person in charge of this shop has many years of experience in engineering projects and has previously led the team to achieve excellent results. Strong co-ordination skills, able to reasonably arrange the allocation and management of personnel, strengthen the cohesion of the team and catalyse the combat effectiveness of the whole team. He is a good communicator and can make the team work better together. At the same time, this person has a strong sense of principle in his work. Discipline is a guarantee of combat power and a prerequisite for the perfect implementation of the programme, in which meticulous provisions are made for the discipline of the personnel involved in all aspects of the activities,

and this person in charge will strictly follow the rules and regulations, which is conducive to the sustainable development of the shop.

6.3.2 Finance.

The team member in charge of finance is cautious and economically minded, having studied economics at school and has strong expertise in financial management. They are also able to keep abreast of the latest financial policies, taxation policies, tax relief policies and analyse the future direction of the enterprise through the new economic dynamics. Therefore, it is most suitable to arrange it as financial management and planning to be responsible for the planning of the shop. In addition, its creativity is richer and its ideas are more innovative, so it is very suitable to be responsible for the update of the shop boards, with the trend of commodity fashions. Arrange for it to conduct regular market surveys, carry out data analysis, grasp the market dynamics, adjust the types and numbers of goods so that our company can keep up with the needs of the market.

6.3.3 Leasing equipment procurement.

The team member responsible for leasing equipment procurement has a better understanding of the channels of purchase, as well as strong sociability and communication skills, has spent a lot of time mulling over the channels of purchase, and has a strong sensitivity to the products to ensure the adequacy of the supply and the professional security of the goods.

The technical product offering is the basis of the shop's operation, and to ensure the quality and availability of the products, the technical aspect is handled by two people. The two students are passionate about mechanical engineering research and have had a period of relevant experience in the field. In terms of technology, we also have to undergo more professional training to achieve a more comprehensive knowledge of mechanical equipment so as to be able to convince customers.

6.3.4 Business matching and customer service.

The team members responsible for business matching and customer service are patient and have a strong ability to collect and obtain information. They are able to

judge clients accurately and have the ability to attack their targets. Also studied management in school and have strong professional knowledge, mentality, ability to learn and interpersonal skills. All have a gentle personality and are able to listen to customers' opinions and suggestions in a timely manner, and can solve some of their irrational requests very well, making them happier with their choices.

6.4 Salary and benefits package.

Table 6-3 Staff Salary Scale

Staff Category	Composition %				
	Base salary	Job salary	Innovation	Bonus	Sales commission
Managerial staff	50	10	20	10	10
Non-managerial staff	80	none	10	5	5

6.5 Share allocation and share subscription plans.

6.5.1 Current shareholding distribution

Our company was formed as a partnership with equal investment by the partners, so the most important (equity distribution) principle: fairness, and perceived fairness, is more valuable than actually owning a large share. In a startup, almost everything that can go wrong does, and the biggest issue that can go wrong is the huge, infuriating, in-your-face arguments between the founders about "who works harder", who has more shares, who comes up with the ideas, etc. That's why I always split the equity in a new company 50-50 with a friend, rather than insisting I own 60% because "it's my idea", or because "I have more experience than you", or any other reason. Why? Because if I split the equity into 60-40, the company will fail in the middle of our (the founders') constant bickering! If you just say, "We'll never know the right split, let's just split it 50-50 like buddies", we'll remain friends and the company will survive.

6.5.2 Share subscription plans

Purpose:

1. To create a chain of companies, to perpetuate the business and to strengthen the centripetal force of the employees within the company
2. To gradually implement a share subscription scheme for employees

Qualifications.

1. All employees who have served for at least two years and are recognized by the company as having excellent performance (mainly employees who have been certified as A-grade or above in terms of skills) are eligible.
2. After the employees have decided to subscribe to the shares, they must wait until the funds are in place before enjoying the rights of shareholders

The final summary is that

The founder should end up with approximately 50% of the shares of the entire company. Each of the 3 tiers of employees below the first tier will eventually receive approximately 15% of the company's shares, and each tier of employees will receive approximately 15% of the shares.

Table 6-4 Shareholding chart

Founders	Administrators		Team Leader	General staff	
50%	Finance, administration, operations (main company premises); leasing operations, equipment maintenance, storage and warehousing, planning and finance, general office (suburban leased premises)	Deputy Manager	Up to 10%	Technicians	General labourers
	10%-20%	10%-20%	Total 15%	Total 8%	Total 5%

Section 7

Operation Plan

7.1 Technical description and technical holdings.

The general construction machinery leasing company, either the head type of enterprise, leasing a very wide and complicated scope, professionalism is not enough, only to achieve the scale effect; or is a very small-scale enterprises, technical leasing is not well understood, usually only as a business intermediary. Therefore, our company mainly focuses on the three major segments of construction projects, namely the rental of coiled scaffolding, tower cranes and construction hoists, occupying a professional place in the vast construction machinery rental market, plus providing a full range of services, and being able to quickly occupy a position and gain profits in the still vacant market.

7.2 Product status.

7.2.1 Major rental catalogues and their characteristics

(1) Disc buckle scaffolding

Disc scaffolding is a new type of scaffolding, which was introduced from Europe in the 1980s and is an upgraded product after the bowl buckle scaffolding. It is also known as daisy disc scaffolding system, insert disc scaffolding system, wheel disc scaffolding system, buckle disc scaffolding, layher frame (layer frame, Layher frame, because the basic principle of the scaffolding is invented by the German LAYHER (Layher) company, also known as "Layher frame" by the industry. It is mainly used for lighting and backdrops for large concerts. The disc-type multifunctional scaffold is an upgraded product after the bowl-buckle scaffold. The socket of this scaffold is a disc of 133mm diameter and 10mm thickness, with 8 holes opened on the disc. The crossbar is made of plugs with pins welded on both ends of the steel pipe.

(2) Tower crane

Tower cranes (tower crane), also known as tower cranes, originated in Western Europe. A rotating crane with a moving arm mounted on the upper part of a tower.

It has a large working space and is mainly used for the vertical and horizontal transport of materials and the installation of building elements in the construction of buildings. It consists of a metal structure, a working mechanism and an electrical system. The metal structure includes the tower body, the moving arm and the base. The working mechanism has four parts: hoisting, luffing, slewing and travelling. The electrical system includes the motor, controller, distribution cabinet, connecting lines, signal and lighting devices, etc.

(3) Construction hoist

Construction lifts are usually referred to as construction lifts, but construction lifts include a broader definition, and construction platforms also belong to the construction lift series. The construction lift alone is composed of several parts such as car, driving mechanism, standard section, attached wall, chassis, fence, electrical system, etc. It is a frequently used construction machine for carrying people and goods in construction, due to its unique box structure makes it both comfortable and safe to ride, the construction lift is usually used in conjunction with tower cranes on construction sites, with a general load capacity of 0.3-3.6 tons and a running speed ranging from 1-96M/min. The speed of operation ranges from 1-96M/min.

7.2.2 Product characteristics

Our products are mainly used in construction projects in general three rental framework, almost all projects opened, all need these equipment, keep the same moment of professional safety equipment provided, will also provide the whole type of follow-up service, will certainly be loved and praised by everyone.

7.3 Business model and cycle.

After detailed analysis, this construction machinery rental company is in the input phase of the product life cycle (in terms of the Beijing Haidian District market). However, it will soon enter the growth period. This is due to the relatively high and familiar demand from customers for the Company's main rental segment, the large number of customers who will make enquiries and further rental options, and the

wide market coverage. With a larger volume of product rental sales and relatively low costs paid, sales of rental shops rise rapidly and profits will grow rapidly.

7.4 Operational strategies and plans.

The company will be guided by meeting market demand and satisfying customers' needs, taking mechanical engineering equipment leasing as the carrier to provide customers with professional, high-speed, accurate and green equipment leasing and after-sales services. The company will adopt a three-step strategy of initial, medium and long term. In the initial stage, the company will devote itself to the provision of leasing services for small and medium-sized construction projects, make it good and precise, and create a company website to establish the company's image; at the same time, it will establish certain long-term partners to lay the foundation for the development of the company. In the medium term, the company will be committed to expanding the customer base and the scale of the company, undertaking large construction projects, and highly combined with information technology means, so that the company has a set of its own operating system, to further increase the company's visibility; at the same time expand the recruitment of company personnel, expand the company to undertake the product package selection categories, to establish more cooperation. In the later period, the company will be committed to developing the company's business cooperation, vigorously carry out the company's publicity, and expand the coverage of the construction machinery leasing business to the whole country.

Section 8

Production and Development Plan

8.1 Development Status and Mission.

The "Zhongneng Construction Machinery Rental" company was chosen by the members after a study of the market and the companies and professionals involved, in order to be able to quickly meet the requirements and objectives of the development of the company in the early stages of its creation. In the middle and later stages, the tasks were arranged according to the development of the company.

8.1.1 Initial strategy (two years).

- Development core: small and medium-sized project undertaking

The leasing of construction machinery projects is the foundation of the Company and the basis for the establishment of the Company's image. As the company has just been established, various technologies and construction have not yet matured, therefore, in the initial stage of development, the Company will devote itself to the undertaking of small projects and the building of brand reputation. The company will learn from the basis of the creation of the company's own characteristics of several leasing segment model, including the lease mode, lease content, lease price, after-sales service innovation. In this way, the construction of construction machinery leasing projects belonging to the company's own characteristics of cooperation mode.

- Publicity means: offline marketing and website construction

As a newly established company, marketing is one of the important means of publicity for the Company. The company will take the initiative strategy to investigate and analyze the enterprises in the commercial area, and to market the enterprises that are more suitable for the enterprise.

The establishment and construction of a website is also one of the most important ways to promote the company. The company will establish its own website, the company's construction machinery leasing services and leasing business professional

and characteristics on the website to expand the publicity, increase the visibility of the enterprise.

At the same time, the company will also open its own website home page, in Tencent microblogging, Sina microblogging, Douban group active, using the more popular network communication platform, to promote the company's mobile phone newspaper and the concept of the enterprise, advantages, etc., so as to obtain a higher visibility.

Preparing for future growth: finding companies to develop long-term relationships with

Although the company is in its infancy, we have decided to lay the foundations for future development for the sake of sustainability from the very beginning. In terms of the selection of companies to work with, the Company will focus more on companies with which it can establish long-term relationships.

8.1.2 Medium-term strategy (three years).

- Core of development: providing leasing services for large construction projects

When the Company has reached the middle stage of development, the reserve of relevant equipment and facilities and the reserve of professional and technical mastery talents have become mature. At this time, the major problem faced by the enterprise should be the lack of information and customer coverage and the problem of brand building influence, therefore, the most important thing in this period is to make use of large-scale construction projects to build up the reputation of self-professional brand.

- Further development: expanding the number of employees and the types of construction machinery leased

As the Company was newly established, it was less well known and signed fewer partnerships, so in the early stages, there were enough staff. After the initial strategy has been implemented and the benefits gained, the number of staff will be significantly insufficient. At that time, we will expand our recruitment to fill the vacancies in the company to ensure that the professional leasing services can be

delivered on time and with quality even when the business volume grows. At the same time, we will be able to expand the size of our company.

In the early stages of establishing the company, for reasons of credibility and popularity, the company will not provide rental services for large projects for the time being, as these projects take longer to pay back and are not conducive to the rapid accumulation of brand credibility. After the initial brand building, the company will win the trust of a certain number of partners, at this time the company can develop product categories, increase the selection of construction machinery rental categories, and cooperation with larger companies and projects, targeted publicity for these customers.

- Propaganda means: you can use package discounts, word-of-mouth influence, third-party introduction discounts and so on to implement

With the gradual building of the enterprise brand, the number of customers coming to consult the enterprise business will rise significantly. The Company takes advantage of this advantage and, after optimising the design of the leasing business packages, enables the Company's advertising and publicity influence to be further developed.

8.1.3 Later strategy.

- Core of development: expanding the sphere of influence of the Company's brand
After the initial and medium-term development, the company will have a certain number of long-term cooperative customers, which should include domestic chain enterprises as envisaged. The Company can make use of online and offline channels to send out information about the company to Beijing and promote it nationwide.

8.2 Risk Forecasting.

8.2.1 Market uncertainty risk.

This "Zhongneng Construction Machinery Leasing" company is a certain innovation in the traditional construction machinery leasing, there will inevitably be customers who have doubts about the safety and professionalism of our products and will take a wait-and-see attitude towards our products, and the actual number of customers will be less than expected, thus affecting our plans and profitability. Each

new brand and product requires a certain amount of time for market acceptance and therefore there is a risk of market acceptance time for the products. If the product acceptance time is too long, it will affect the Company's capital turnover and reduce the efficiency of capital utilisation, thus causing the Store to suffer losses.

8.2.2 Risk of research and development.

As this "Zhongneng Construction Machinery Leasing" company strives to be innovative compared to traditional construction machinery leasing companies, there is inevitably a risk of failure to a large extent in the acquisition process of new products. This could result in an unpredictable blow to the store's financial chain.

8.2.3 Production uncertainty risk

There is bound to be a certain difference between the actual amount of leasing and the expected amount of leasing, so the amount of machinery and equipment to be purchased will be difficult to determine. If it is too much, it will result in too much equipment being purchased and left idle; if it is not enough, it will result in a waste of manpower, materials and time, and also missed profit opportunities.

8.2.4 Cost control risk.

As we are running a company for the first time, our awareness of cost control is relatively weak, which may lead to insufficient attention being paid to the importance of cost control, resulting in arbitrary cost expenditure and the role of cost control not being given full play.

8.2.5 Policy risk.

In the daily operation, due to certain unexpected events, many national related policies may produce unpredictable dangers to the Company's business development, such as the price, quality and availability of raw materials. At the same time, there are also relevant national regulations for the industry, for the preparation of the shop and for the various impacts arising from production operations.

8.2.6 Financial risks.

As the Company operates with debt, it can also borrow funds to make up for the shortfall in its own capital to achieve profitability. The interest burden of debt needs to be taken into account in production and operation, and the proportion of debt in the total capital is significant and the interest burden is relatively large. Moreover, as we are all operating construction machinery leasing shops for the first time, we do not have sufficient understanding of the objectivity of financial risks, and there are unclear authority and responsibility and ineffective management among various departments in the management and use of funds and distribution of interests, resulting in inefficient use of funds, serious loss of funds and failure to ensure the safety and integrity of funds.

8.2.7 Management risks.

As we will be directly involved in the innovation of leasing product design, the lack of our innovation awareness will affect the innovative development of our products. Our company has a simple organizational structure with a simple hierarchy and relatively few personnel, so the flow of information and communication is smoother, and the content and direction of technological innovation can easily and quickly reach agreement, but negative information also works quickly, so in the case of managers The requirements are high and the organisational results fundamentally affect the management risk of the Company. The Store is new and does not have a suitable corporate culture and the team is not strongly centred, so the ability to establish a positive corporate culture is an unknowable risk for the Company.

8.2.8 Bankruptcy risk.

As loans account for a large proportion of the Company's capital results, resulting in a relatively large interest rate on the Company's liabilities, a problem at any point in the production and operation of the Company could lead to a stagnation of the Company's capital movement, resulting in the Company's inability to repay its liabilities leading to bankruptcy.

8.2.9 Other risks.

When you first enter the market, firstly, you may be unfamiliar with the channels for purchasing equipment, and due to the risk of information asymmetry, you may buy inferior products or overpriced equipment in the process of purchasing equipment; secondly, there is a risk of not being professional enough in the selection of equipment, and you may buy outdated machinery and equipment, which may cause problems such as waste of raw materials and time; thirdly, there is a risk of purchasing quantity of equipment, as the actual sales can deviate from expectations, so the quantity of equipment to be purchased becomes difficult to determine. If it is too much, it will result in excessive idleness of the equipment; if it is not enough, it will result in a waste of manpower, material and time, and also a missed opportunity for profitability.

8.3 Risk Control Strategy.

Risks are objective and the following strategies have been developed to control these risks.

8.3.1 Market risk control.

Firstly, before entering the market, we will further increase our efforts to investigate the market and effectively formulate development strategies based on the market survey results. Establish timely and effective information feedback channels to keep abreast of market dynamics, i.e. consumer demand trends, and adopt a variety of marketing approaches to attract customers. Secondly, we must actively promote our products to make them popular and become the star products that everyone is looking forward to. Again, actively observe the market trends and grasp the direction of the major changes in the market so that we can formulate strategies accordingly.

8.3.2 Operational risk control.

First of all, before starting the business, we must receive professional skills training, familiar with the relevant knowledge of the products, skilled in the use of equipment, more learning, more practice, practice makes perfect. Staff should also receive professional skills training before they start work, and new staff should wear trainee badges to let customers know. Secondly, for the recruitment of staff, it is

important to choose professional aspects to be able to guarantee security and professionalism.

8.3.3 Financial risk control.

Firstly, in the management of financial affairs, a "one person management, everyone supervision" approach is adopted, with managers regularly disclosing financial statements to management, who should scrutinise them. Secondly, it is important to establish a good reputation in the course of business so that financial support is more readily available for expansion and the size of liabilities is strictly controlled.

8.3.4 Other risk controls.

Firstly, before purchasing equipment, make unannounced visits to various suppliers to gain a detailed understanding of their reputation. When purchasing, sign a product quality agreement with the supplier, and if there are quality problems with the equipment, give an unconditional refund and compensate for the relevant losses. Secondly, before purchasing the equipment, you should carefully understand the relevant equipment expertise and find a professional to guide you. Once again, before determining the quantity of equipment to be purchased, a scientific expectation of turnover should be made and the storage of raw materials should be appropriate.

8.4 Intellectual Property Strategy.

As a construction machinery rental enterprise, professional technology and professional equipment, is the key to the company's production and development, while important commercial secrets such as market information, sales channels, customer lists, etc., are directly related to the interests of the enterprise. Therefore it is very important for them to be protected. The company mainly takes the following measures.

- (1) The company will apply for registration of its product trademarks with the Intellectual Property Office in order to obtain the protection of the exclusive right to register trademarks.
- (2) Formulation of strict and standardized enterprise rules and regulations for the protection of commercial secrets, including a registration system for access to

important production and business premises, a system for printing, storing and destroying confidential documents and information, as well as the obligations of the personnel concerned to maintain confidentiality and the responsibilities to be borne for breach of such obligations.

(3) Protection letter system. There are three types of protection letters as follows.

I , for the company's employees to join the Company on the occasion of, require them to make a guarantee that after joining the enterprise shall not engage in any activities that violate commercial secrets and respect the company's intellectual property rights.

II . For employees who participate in special projects such as production research and development, business planning, etc., they are required to issue a special guarantee in order to prevent problems before they occur.

(III) For employees who leave the company, they are required to issue a guarantee that they will not disclose company secrets.

(4) Establish a confidentiality clause in the employment contract or sign a special confidentiality contract to protect the company's trade secrets.

(5) Special management measures for departing employees. The Company will take the following measures to prevent the risk of departing employees disclosing the Company's trade secrets: **I** Establishment of a system for the return of information on departing employees; **II** System of investigation letters for departing employees. A proper investigation may be conducted into the business direction of the new enterprise that the departing employee joins and the position held by the departing employee in that enterprise, in order to remind him/her of his/her duty of confidentiality to the Company. **III** Letter of guarantee system.

(6) Measures to prevent infringement of intellectual property rights of others. The Company is an enterprise in the field of high technology and the movement of personnel is likely to raise the issue of infringement of others' trade secrets. In order to maintain the Company's image and create a good and orderly competitive environment, the Company will take the following measures to prevent such problems: **I** Letter of investigation for the recruitment of employees who jump

ship. The letter of inquiry can serve to clarify the facts and show that the Company has exercised reasonable care; **II** When a re-employed employee joins the Company, he/she is required to give a guarantee that he/she will not infringe the intellectual property rights of others based on his/her true intention.

(7) Non-compete agreements are entered into for different targets.

8.5 Fees.

For the Company, the main costs involved are

(i) Patent rights: refers to the exclusive rights granted by the competent state patent authority to the applicant for a patent for an invention creation within a legal period of time. It includes the patent right for invention, the patent right for utility model and the patent right for design. The term of an invention patent is 20 years, and the term of a utility model patent and a design patent is 10 years, both calculated from the date of application.

(ii) Non-patented technology: also known as proprietary technology. It refers to various technologies and know-how that are not known to the outside world, have been adopted in production and operation activities, do not enjoy legal protection and can bring economic benefits. Non-patented technology generally includes industrial know-how, commercial trade know-how, management know-how, etc.

(iii) Trademark rights: A trademark is a mark used to identify specific goods or services. Trademark rights refer to the right to use a specific name or design exclusively on a designated class of goods or products. Trademarks approved by the Trademark Office are registered trademarks, including commodity trademarks, service trademarks and collective trademarks, certification trademarks, and trademark registrants enjoy the exclusive right to use trademarks and are protected by law.

(iv) Land use right: refers to the right of the state to permit an enterprise to enjoy the development, utilization and operation of state-owned land within a certain period of time. According to the provisions of China's Land Administration Law, land in China is under public ownership and no unit or individual may appropriate, buy, sell or otherwise illegally transfer it. Enterprises can acquire the right to use land in

the following ways: by administrative allocation or by acquisition. For example, by paying land premiums, and by investor investment. Our company accounts for land use rights acquired by paying land premiums and land use rights acquired by investors as intangible assets.

Section 9

Financial Projections

9.1 Sources and Use of Funds Description.

The project is expected to invest \$20 million in capital, mainly for the purchase of leased equipment, rental support for leased premises, staff hiring costs and other expenses. The main two aspects are self-investment by investors and bank loans.

Table 9-1 Plan for the use of funds

Projects	Funding requirements (million)	Remarks
Machinery Rental	1200	Three main panels first
Venue hire	100	Venue rental expenses
Personnel costs	200	Salaries and benefits for company and external staff
Other costs	500	including management of back-office software systems, agency cooperation, training and other expenses
Total	2000	

9.2 Assumptions Table.

A. Corporate income tax rate: 25%

B. One-year short-term bank loan interest rate: 6.56%; five-year loan interest rate: 6.90%; ten-year loan interest rate: 7.05%

C. Fixed assets are expected to be used for ten years, with a depreciation rate of 20% and a net residual value rate of 3%.

D. The company pays annual dividends in profitable years. The company plans to use 40% of the annual profits as retained earnings to accumulate capital for the

company's development, and the remaining 60% of the earnings are distributed according to shares.

9.3 Pro Forma Financial Statements.

Table 9-2 Office expenses budget table Unit: yuan

Projects	Q1	Q2	Q3	Q4	Total
Staff remuneration	122127	122127	122127	122127	488508
Machine consumables	8219345	1009456	839553	609572	10677926
Labour protection costs	53750	53750	53750	53750	215000
Water	8767	7655	7407	6899	30728
Electricity	18672	17876	17743	17772	72063
Transport costs	18800	18800	18800	18800	75200
Office expenses	15000	10000	10000	10000	45000
Other	4500	4500	4500	4500	18000
Total expenses	8460961	1244164	1073880	843420	11622425

Table 9-3 Overhead budget statement Unit: yuan

Projects	Q1	Q2	Q3	Q4	Total
Conference fees	73450	54509	43508	23501	194968
Business Hospitality	200000	200000	200000	200000	800000
Intermediary fees	100000	100000	0	0	200000
Taxes	17853	17853	17853	17853	71412

Training fees	80000	80000	40000	20000	220000
Venue rental fees	134000	134000	134000	134000	536000
Total	605303	586362	435361	395354	2022380

9.4 Forecast Income Statement.

Table 9-4 Rental Income Forecast Table Unit: million

Projects	2022.1	2022.2	2022.3	2022.4	2022.5	2022.6	2022.7	2022.8	2022.9	2022.10	2022.11	2022.12	Total
Revenue	325.2	148.5	176.7	78.2	68.5	107.28	57.21	31.8	97.34	126.65	25.12	71.8	1400.00
Share of	52.58%			18.14%			13.31%			15.97%			100%

Table 9-5 Profit forecast table for the next five years Unit: million

Project Year	2022	2023	2024	2025	2026
I. Total operating revenue	1400.00	1505.28	1722.42	1947.69	1059.47
Of which: Revenue from main business	1400.00	1495.28	1711.31	1935.90	1050.92
Other business income	-	10.00	11.11	11.79	8.55
II. Total operating costs	1364.48	1457.26	1683.57	1891.53	981.87
Of which: Cost of main business	1067.79	1357.75	1526.75	1715.55	795.15
Cost of other business	93.45	3.39	3.45	5.40	4.29
Operating taxes and surcharges	7.14	8.10	8.90	9.51	10.11
Venue rental expenses	53.60	41.83	54.56	55.16	60.90
Other expenses	141.50	44.72	50.01	65.01	70.52

Finance costs	1.00	1.47	39.90	40.90	40.90
III. Operating profit	35.52	48.02	38.85	56.16	77.60
Add: Non-operating income	-	5.50	7.79	10.97	12.66
Less: Non-operating expenses	-	2.11	4.34	5.57	6.65
IV. Total profit	35.52	51.41	42.30	61.56	83.61
Less: Income tax	-	12.85	10.58	15.39	20.90
V. Net profit	-9.59	38.56	31.73	46.17	62.71

9.5 Projected Balance Sheet.

Table 9-6 Balance Sheet (Year 1) Unit: million

Assets		Liabilities and Owner's Equity	
Current assets.		Current liabilities.	
Money funds	100.00	Short-term borrowings	28.97
Accounts receivable	5.57	Accounts payable	20.66
Less: Provision for bad debts	—	Salaries payable	35.91
Accounts receivable, net	5.57	Taxes payable	15.19
Prepaid accounts	3.72	Withholding costs	—
Amortization of expenses	17.36	Dividends payable	0.00
Other current assets	—	Other current liabilities	27.95
Total current assets	126.65	Total current liabilities	128.68

Fixed assets.		Long-term liabilities.	
Original cost of fixed assets	47.00	Total long-term debt	—
Less: Accumulated depreciation	4.56	Total liabilities	128.68
Net fixed assets	42.44	Owner's equity.	
Construction in progress	—	Paid-in capital	100.00
Total fixed assets	42.44	Surplus reserves	0.00
Intangible and other assets.		Of which: public benefit	0.00
Other long-term assets	50.00	Undistributed profit	(9.59)
Total intangible and other assets	50.00	Total owners' equity	90.41
Total assets	219.09	Total liabilities and owners' equity	219.09

9.6 Projected Cash Flows.

Table 9-7 Company cash flow statement for the next five years Unit: million

	2023	2024	2025
I. Cash flows from operating activities			
Cash received from leasing of goods and provision of labour services	321.63	424.27	779.68
Other cash received in connection with operating activities	-	4.95	7.01
Subtotal cash inflow	321.63	429.22	786.69

Cash paid for the purchase of goods and services	174.30	213.74	427.14
Cash paid to and for employees	15.68	17.77	19.86
Various taxes and fees paid	15.45	30.29	48.71
Other cash paid in relation to operating activities	-	2.11	4.34
Sub-total of cash outflow	205.43	263.91	500.05
Net cash flows from operating activities	116.20	165.31	286.65
II. Cash flows from investing activities			
Net cash received from disposal of fixed assets and other long-term assets	12.54	18.81	30.33
Other cash received in connection with investing activities	-	4.70	7.00
Sub-total of cash inflow	12.54	23.51	37.33
Cash paid for the construction of fixed assets, intangible assets and other long-term assets	76.71	107.99	133.22
Other cash paid in relation to investing activities	-	3.80	5.55
Subtotal of cash outflow	76.71	111.79	138.77
Net cash flows from investing activities	(64.17)	(88.28)	(101.44)
III. Cash flows from financing activities			
Cash received from absorption of equity investments	50.00	10.00	10.00
Cash received from borrowings	-	-	200.00
Other cash received in connection with financing activities	-	50.00	50.00
Subtotal cash inflow	50.00	60.00	260.00

Cash paid for repayment of debts	-	-	39.90
Cash paid for financing expenses incurred	4.00	6.67	14.89
Cash paid for distribution of dividends, profits or repayment of interest	6.00	5.20	9.13
Other cash paid in connection with financing activities	-	8.20	10.57
Sub-total of cash outflow	10.00	20.07	74.49
Net cash flows from financing activities	40.00	39.93	185.51
IV. Net increase in cash and cash equivalents	367.44	555.50	656.99

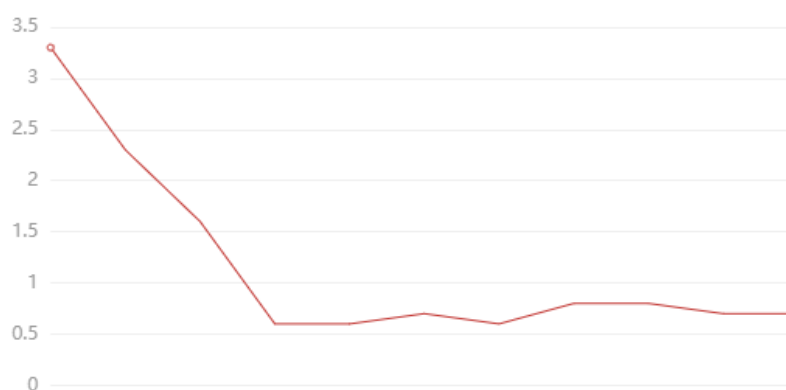
9.7 Ratio Analysis.

(1) Total asset turnover ratio

当前固定资产周转率(次/年)
0.7次/年

近11年中位数
0.7次/年

工程机械行业中位数
6.4次/年

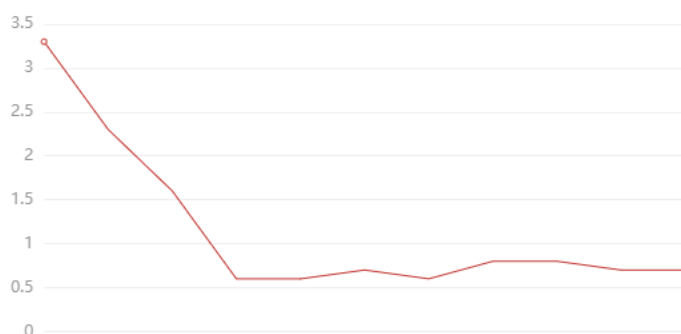


(2) Fixed asset turnover rate

当前固定资产周转率(次/年)
0.7次/年

近11年中位数
0.7次/年

工程机械行业中位数
6.4次/年



(3) Operating Profit Chart

Table 9-8 Operating Profit(Year 1) Unit: million

project	2022.1	2022.2	2022.3	2022.4	2022.5	2022.6	2022.7	2022.8	2022.9	2022.10	2022.11	2022.12	total
income	325.2	148.5	176.7	78.2	68.5	107.28	57.21	31.8	97.34	126.65	25.12	71.8	1400.00

(4) Net Profit Margin Chart

Table 9-9 Net Profit Statement (Five Years) Unit: million

Projects	Year1	Year2	Year3	Year4	Year5
Total profit	35.52	51.41	42.30	61.56	83.61
Less: Income tax	-	12.85	10.58	15.39	20.90
Net profit	-9.59	38.56	31.73	46.17	62.71

(5) Rate of return charts

project \ time	Year 1	Year 2	Year 3	Year 4	Year 5
Rate of return (%)	-12.69	45.49	162.03	284.71	291.88

(6) Return on investment schedule

Projects	Before income tax	After income tax
Static payback period of project investment (Pt)	2.16 years	2.67years
Dynamic payback period of project investment (Pt)	3.01years	3.87years

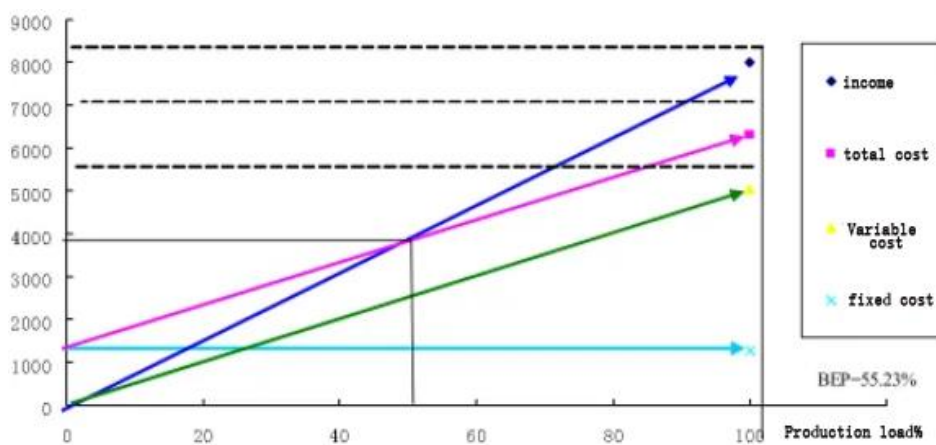
(7) Return on Investment (ROI) Table

Year	2023	2024	2025	2026	2027
Sales Margin	-3.43%	9.50%	5.38%	5.93%	7.32%
Net asset recovery rate	-22.60%	19.05%	16.13%	15.05%	13.91%

(8) Net present value and internal revenue statement

Year t	0	1	2	3	4	5
Net cash flow NCF_t	-100.00	-9.59	38.56	31.73	46.17	62.71
Cumulative net cash flows	-100.00	-109.59	-71.03	-39.31	6.87	69.58

(9) Break-even point



Appendices

Questionnaire for "Zhongneng Construction Machinery Rental" Ltd.

Hello! We are "Zhongneng Construction Machinery Rental" Co., Ltd. and we are trying to make our company and your dreams for the future come true, we would like to know your opinion about the machinery rental market through this questionnaire. There is no right or wrong answer, only true or false. We will keep your answers strictly confidential, so you can fully express your true thoughts. Please fill in the questionnaire according to the description of the questions, taking into account the actual situation of the company and your work. Please fill it out carefully and thank you for your active participation and support!

1. Your gender

A Male B Female

2. Your age

A 19 years old or younger B 20 to 29 years old C 30 to 39 years old D 40 to 49 years old E 50 to 59 years old F 60 years old or older

3. Your marital status: A Unmarried B Married C Divorced D Widowed

4. Do you work for an engineering and construction company A Yes B No

5. Your main job functions are: A Human resources B Finance C Project interface D Project implementation supervision E Equipment leasing F Tendering G Other

6. What kind of attitude does your company have towards construction machinery leasing services? A Like it very much B Like it more C Like it less D Don't like it

7. When your company needs construction machinery leasing services, through what channels will you get them: A online collection B offline shop visits C referrals from other companies D bidding for leasing needs E others

8. When your company receives a certain project, do you usually choose to rent machinery and equipment: A Do not rent machinery and equipment B Will choose to rent machinery and equipment after receiving the project

9. What factors will affect the company's choice of leasing machinery and equipment as a partner (multiple choice): (1) professional technical equipment (2) authentic service (3) the company's brand size (4) after-sales follow-up (5) business matching attitude

10. In recent years, whether the company has carried out machinery rental business:
A Yes B No

15. The company's satisfaction with machinery leasing services: A very satisfied B relatively satisfied C general D dissatisfied E very dissatisfied

16. Do you think that the services of the surrounding machinery rental companies have fully met the requirements? A completely did not reach B general C did not reach D unclear

17. What do you think about the leasing of construction machinery? _____

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