

# GOODWOOD MANAGEMENT CORPORATION LIMITED

REF: OGC-0092-JKJ-GWMC

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Strategy "C" would be the least attractive option in my opinion.

## D. Profit/Sales Potential of Individual Plants.

### 1. General Physical Condition.

Because it was largely overbuilt to start with and was never worked at full capacity, the plants appear to be largely intact and in reasonable mechanical condition. However, without seeing them in actual operation, it is not possible to conduct a detailed assessment.

### 2. Woodworking Plant.

This facility probably has the greatest single potential for export sales and profits. Its principal value lies in the kilns and industrial woodworking section. The highly sophisticated furniture-making section, because of its high-tech complexity is probably of secondary interest. Unless the wood preservative plant is needed to treat house components, it has little value. Similar plants are sitting virtually idle elsewhere in the Philippines.

### 3. Sawmill.

This appears to be in good condition but it is a fairly rudimentary mill with limited capacity. It can make a contribution to the lumber requirements of the woodworking plant but cannot come close to supplying its total needs.

### 4. OSB Plant.

This was constructed as a particleboard plant and converted to an Oriented Strandboard facility. There is an export market for OSB as veneer substrate but the samples I saw were not of export quality. The only other OSB plant in the Philippines sells almost its entire output domestically.

The plant can be operated on sawmill waste and plantation woods such as Ipil-Ipil and Falcata. If these supply sources can be marshalled in sufficient