

Global Trust Company Limited

Corporate Business Plan

1. Executive Summary

1.1 Company

Global Trust Company Limited is a Company Limited by shares incorporated under the company Act 2002 having a certificate of Incorporation number 155290919. The company deals with number of activities ranging from forest production and products, mining and supply of agricultural machinery and equipments in one hand and manufacturing and production of different articles crops, services of electronics and mechanical, building, real estate, foodstuffs and other financial activities on the other hand.

Our initial plan is to process logging, production of timbers, manufacturing wood products and mixed farming activities. The purpose of GTC is to provide with the customer the products which fit their preference and standard of the Middle East, West and Far East of African customers with strong, reliable and exceptional quality wood products for both industrial and domestic uses with a competitive pricing.

1.2 Product and Service

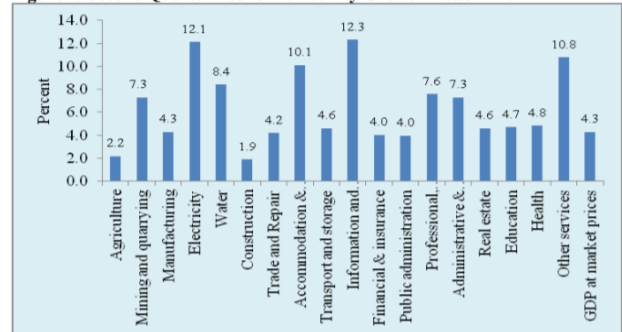
Global Trust Company Limited prepares, manufactures and supplies forest and wood products including logs, timbers and timber products of different size and types, the production of timber is mainly ranging from soft woods to hard wood, timbers processed are from various indigeneous tree including pine (paina, saplas), Podocarpus (mpodo), Milicia excels (mvule), Eucalyptus camaldulensis (Mkaratusi, Mlingoti), basing on the knowledge, expertise and experience of environment and customers need, we will work in real-time with our customers to meet their quality needs, which will reduce and even remove errors in size and defects in the use of our products. In turn, this will save the customer' s time and money for reordering. We plan to position ourselves as a forward-thinking company and service oriented that continually invests in new ideas and technologies unlike our competitors with similar manufacturing wood products. Because of our unique approach, expertise and expected new sophisticated technology and efficient

processes we will be in a position to potentially compete on price and quality. As this manufacturing business plan will outline, our unique approach gives us a definitive advantage.

1.3 Market analysis

In the United Republic of Tanzania manufacturing activity involves physical or chemical transformation of materials, substances, or components into final or semi processed goods. The materials include products of agriculture, forestry, fishing, mining and quarrying as well as products of other manufacturing activities. The activity experienced an expansion of 2.2 percent in the second quarter in 2021 compared to 2.0 percent in the similar quarter in 2020. The growth rate was attributed to a general increase in the agricultural goods.

Figure 4: Second Quarter Economic Activity Growth Rates in 2021



Source: National Bureau of Statistics

The impact of construction industry which in some extent using timber and manufacturing industries base on wood input has given a growth to 1.9 & 4.3 percent in the second quarter in 2021 within the United Republic of Tanzania.

As a timber processing company responds to this shift of consumer' s demand for timber products attached thereon.

1.4 Strategy and Implementation

To achieve our business goals, we will produce a standard, complete and international size timber, prepared through up to date efficient operations processes. We plan to promote Global Trust Company Limited and our proprietary production approach with an aggressive, targeted marketing campaign. This will include a media campaign, print and online advertising and a targeted direct-mail campaign. In addition, Global Trust Company Limited will focus as well on establishing our presence within the industry at relevant trade shows such as Saba saba and Nane nane days within the United Republic of Tanzania and in the International Trade fair along the East and Central regions.

1.5 Management

The leadership team is currently consists of Managing Director Mr. Ahmed Mohamed Ahmed Mohamed Abdelrahman, assisted by Operation Officer Mr Ibrahim Ahmed Mohamed Ahmed Abdelrahman, Personnel & Marketing Officer Mr. Yusuph Athuman Luwumba, in this time of establishment, key leaders will include directors of finance, Marketing and Sales, Human Resources and Information Technology. These positions remain unfilled for the time being, we do have several extremely qualified candidates interested in joining with us in this venture.

1.6 Financial plan

Our Company will earn revenue from the sale of timber. It is expected to raise sales revenue from targeted market of about USD ?? a 50% of the market size for the next year. We are expecting to break the even by ?? orders by the next year year.

1.7 Source and use of fund

Global Trust Company Limited requires one billion shilling (Tzs. 1,000,000,000) to launch business operation. At present, the company has so far raised Tanzania shillings five hundred and fifty million (550,000,000.) in venture capital funds. Of which Tanzania shillings three hundred and fifty million (350,000,000.00) is injected by Mohamed Ahmed Mohamed Ahmed Abdelrahman, Tanzania shillings one hundred million 100,000,000.00 is injected by Ahmed Mohamed Ahmed Mohamed Abdelrahman and Tanzania shillings one hundred million 100,000,000.00 is injected by Ibrahim Ahmed Mohamed Ahmed Abdelrahman who were the owners of the company. Currently the company is seeking four hundred and fifty million Tanzania shillings (450,000,000.00) from outside investors or business loans.

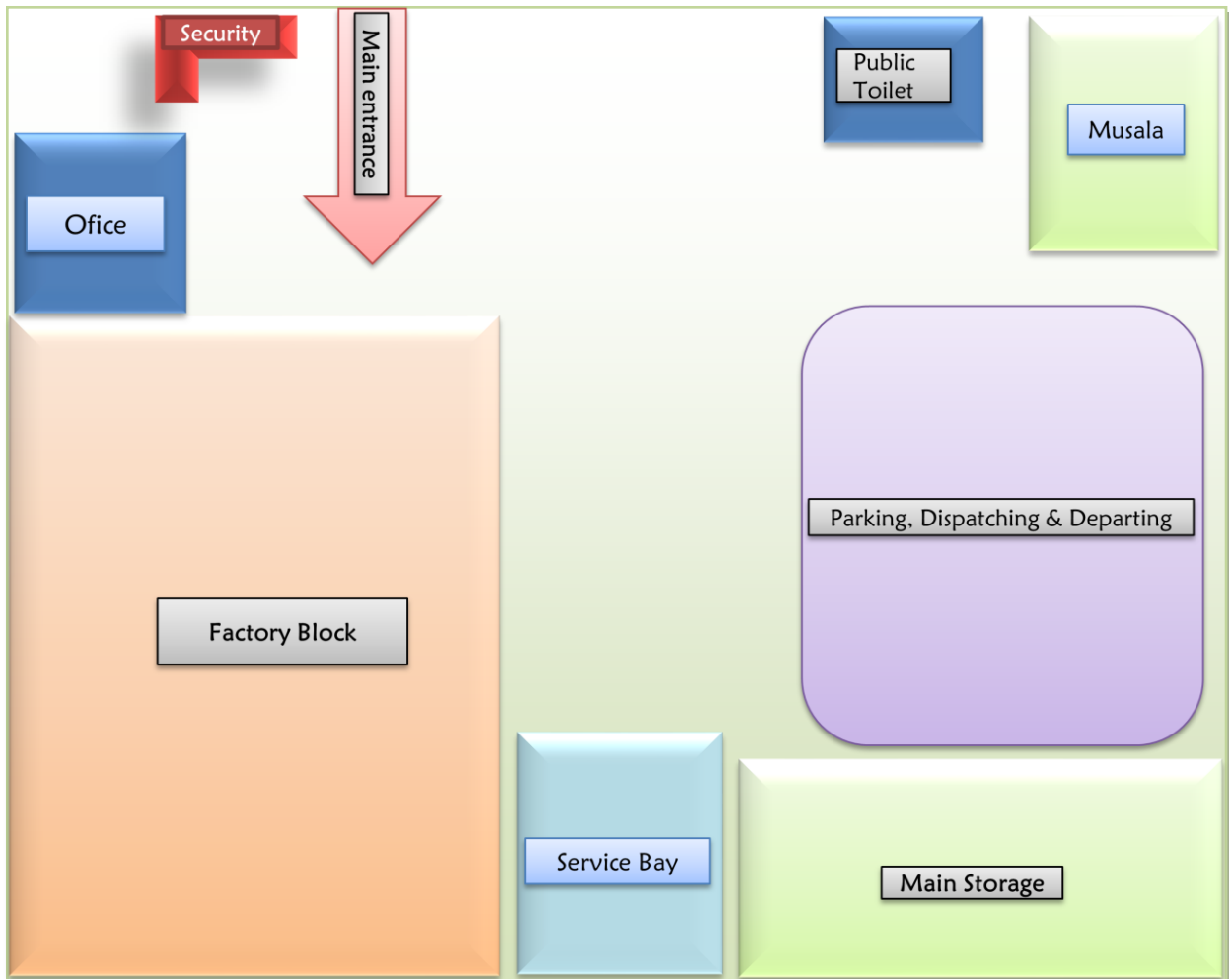
This fund will be used to cover the facilities, build-out costs, equipments, spare parts and initial operating costs including production overheads.

2. Business/Company Description

2.1 Industry Overview

Our company is preparing to lease manufacturing facilities, including chain saw, ????.

We are requiring 8,093.70 sq meters facility to accommodate production area, products development and engineering, service bay, inventory storage and administrative building and Musala. As the business grows, we intend to establish carpentry section for simple affordable home and office furniture line.



2.2 Description of product

Global Trust Company Limited is aiming at production of timber with different size and type basing on the customer' s purposes and demand. For the time being Pine, Cyprus, Saplas and Eucalyptus will be available.

They will be treated and untreated ranging from

- a. 1 x 2 x 12; 1 x 3 x 12; 1 x 4 x 12; 1 x 8 x 12; 1 x 10 x 12;
- b. 2 x 2 x 12; 2 x 3 x 12; 2 x 4 x 12; 2 x 6 x 12;
- c. 3 x 6 x 12
- d. 4 x 4 x 12; and
- e. Any other size specified by customer for special need.

The next level of production will involve wood products including, home and office furniture and small wood items.

2.3 Business/Company positioning

2.4 Business pricing strategy

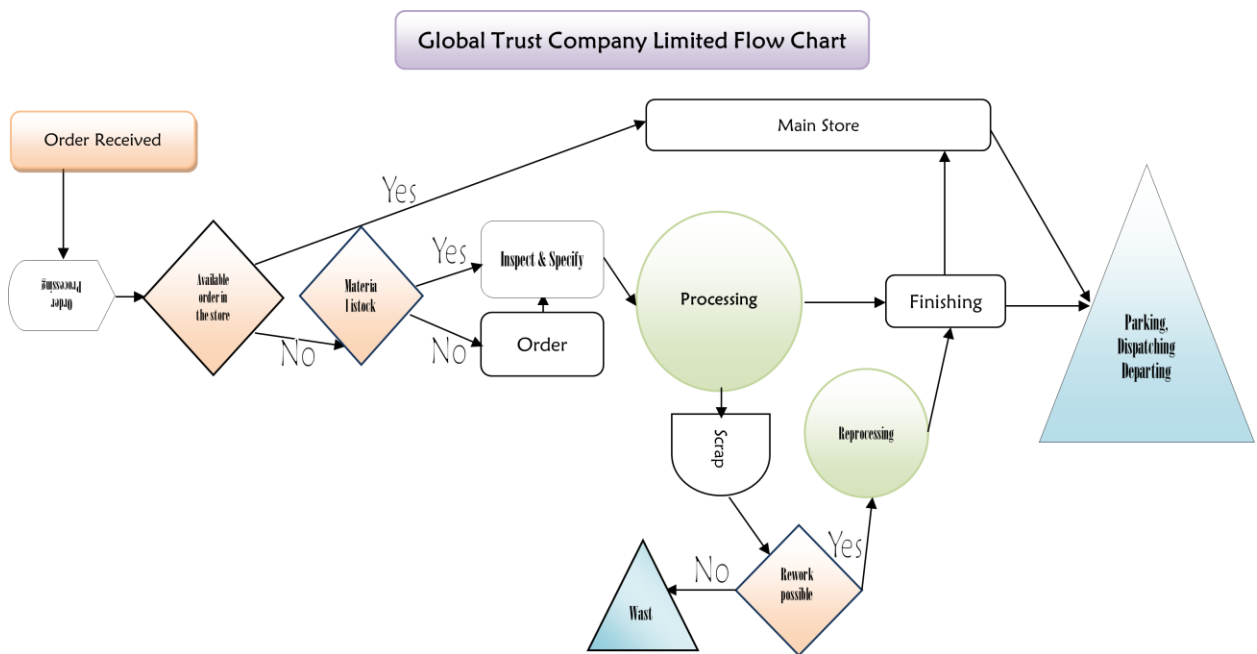
3. Production Plan

3.1 Production & Operation process

Simple and complete reliable processing shall be involved in the production of timber from when the order is placed to the delivery, steps involved with logic and professional processing includes

- 3.1.1 Receiving Orders
- 3.1.2 Order processing, type of order (normal, special or urgent), agreement of technical specification, Quantity involved, type of products needed,
- 3.1.3 Checking out presence of Order in the warehouse
- 3.1.4 Checking the status of raw material available to fit the order
- 3.1.5 Decision on ordering the raw materials

- 3.1.6 Inspection of the input and specification
- 3.1.7 Processing involving cutting, sizing, cleaning, resizing, treating, grading
- 3.1.8 Reprocessing other possible products
- 3.1.9 Finishing (final touching, smoothing, retreating as requested and necessary)
- 3.1.10 Storage or parking and dispatching
- 3.1.11 Delivery



Materials costs

The target cost should allow for expected wastage rates or loss in processing. The price of materials should also allow for any possible increases up to the time when the new product development has been completed. Estimating prices of materials can be difficult when prices are volatile – such as commodity prices, which can be subject to large increases and falls within relatively short periods of time.

Direct labour

The target cost should allow for any expected idle time that will occur during the manufacture of the product. This might be the normal level of idle time in the company's manufacturing operations.

Production overheads

A target cost could be a target marginal cost. However production overhead costs are often a large proportion of total manufacturing costs, and it is therefore more likely that the target cost will be a full cost, including production overheads. If activity-based costing is used, it might be possible to identify opportunities for limiting the amount of production overheads absorbed into the product cost by designing the product in a way that limits the use of activities that drive costs, for example by reducing the need for materials movements or quality inspections

3.2 Cost of production

The Cost of production will involve four areas of processes of which both direct expenses and indirect expenses will be borne, these areas includes:-

3.2.1 Direct Materials

35% of the cost shall involve direct materials, material needed for the production of GTC timber products.

These materials include the logs of different type and size, posts, spare parts, consumables blades, chains for chainsaw machines, fuel, chemical substance for timber treatment and lubricant.

3.2.2 Direct Labour

The target cost should allow for any expected idle time that will occur during the manufacture of the product. This might be the normal level of idle time in the company's manufacturing operations.

3.2.3 Direct Expenses

3.2.4 Variable Production Overhead

A target cost could be a target marginal cost. However production overhead costs are often a large proportion of total manufacturing costs, and it is therefore more likely that the target cost will be a full cost, including production overheads. If activity-based costing is used, it might be possible to identify opportunities for limiting the amount of production overheads absorbed into the product cost by designing the product in a way that limits the use of activities that drive costs, for example by reducing the need for materials movements or quality inspections.

Salary of the production manager

Material handling and Storage

Customer order processing and chasing

Materials purchasing

Inspection and Quality Control

Production planning and other post production cost such as

Selling activities

Warehousing and dispatching

3.2.5 Management has set aside pro-action of the full costs reduction strategy through the following actions:-

3.2.5.1 Re-designing or reprocessing products or components those are already used or become scrap during production process for the future use or new possible order of same products.

3.2.5.2 Discussing with key suppliers methods of reducing materials costs. This strategy involves the entire 'value chain' from original suppliers of raw materials to the customers of the end-product, and negotiations and collaborations with suppliers might be an appropriate method of finding important reductions in cost during contract draft as required by TFS

3.2.5.3 Elimination of non value-added activities or non-value added features of the timber products design. The cost of non-value added product features or activities can therefore be saved without any loss of value for the intended customer.

Value analysis may be used to systematically examine all aspects of a GTC product cost to provide the product with the required quality and at the lowest possible cost.

3.2.5.4 Achieve economies of scale; GTC shall produce in larger quantities which will in turn reduce unit cost due to the fact that fixed overhead costs will be spread over a larger quantity of GTC products. However, production in larger quantities will reflect the projected sales demand increase by the same amount.

3.2.5.5 GTC will train staff in more efficient techniques and working methods for the idea of Improving efficiency and costs reduction.

To achieve cost reductions as a result of the learning curve or, more likely, the experience curve effect. The learning curve is most likely to exist in a labour intensive environment. It results in cost savings as labour becomes more familiar with performing a new and complex task. The experience curve effect relates to cost savings made in costs other than labour costs as the GTC becomes more familiar with production of a new products line.

3.3 Labour requirement

From the planed of production operation there are

3.4 Capital requirement

4. Market and Competition

4.1 Customers

Customers vary from individual person to regal person, from private sectors to public sector. Ministries, Departments, Agencies and institutions require the wood products for construction, domestic and office furniture within United Republic of Tanzania and Outside Tanzania.

Within the United Republic of Tanzania, the main regions using timber products excessively include but not limited to Dar es Salaam, Tanga, Dodoma, Arusha, Mwanza and other Manicipals of Tanzania.

The Outside market includes Egypt,

4.2 Market size & trend

4.3 Competition

4.4 Estimated sales

5. Marketing and Selling Strategy/Plan

5.1 Marketing strategy

5.2 Methods of sales

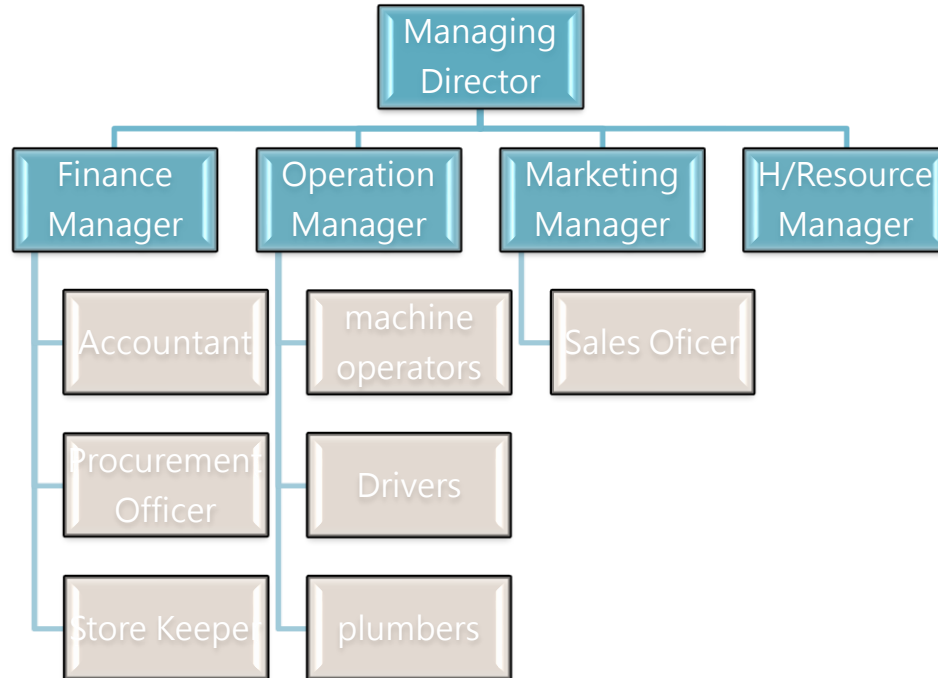
5.3 Advertising and promotion

6. Management/Organization

6.1 Management description

6.2 Organization Structure

The structure of Grobal Trust Company Limited involves three levels of administration namely, the tactical level, the technical level and the operational level, the



6.3 Ownership

The Global Trust Company Limited is currently owned by Mohamed Ahmed Mohamed Ahmed Abdelrahman, Ahmed Mohamed Ahmed Mohamed Abdelrahman and Ibrahim Ahmed Mohamed Ahmed Abdelrahman through total of 55% of share capital.

6.4 Board of Directors

6.5 Supportive service

GTC needs supporting team from various angle of its operation, by now the company is new and has not even make s

7. Financial Plan

7.1 financial risk

Risk faced by the business in term of handling its finances, this risk has number of kind but its causes has been taken care and due to strategical calculation and preparation has been set to minimal and others been nullified such cause include risk on loans, risk on debt load, with the remaining cause delay in delivery of timbers.

Managing Financial risk is a high-priority risk for business irrespective of the industry they operate in. It can be categorized into four categories

i. Market risk

It arises due to movement in prices of financial instruments in the market.

Subcategories of market risks are as follows

a) Interest rate risk, a risk associated with the movement of interest rates. This can affect the price of interest bearing assets, such as bond or loans. For example, an increase in interest rates can lead to a loss of value of bonds issued by a company as the prices of the bonds decrease. To manage interest rate risk, various hedging instruments are available, such as interest rate swaps and forward rate agreements.

b) Equity price risk

This risk is associated with the change in prices of equity shares of a company. It can be differentiated into two categories systematic risk and unsystematic risk

1. Systematic risk

Refer to the risk caused by market factors which affect the entire industry. It cannot be diversified. When an entire industry is affected by some event, it becomes a systematic risk.

2. Unsystematic risk

Refer to risk that is specific to a company, such as management changes or fraud. This can affect the price of equity shares. Suppose a company launches a new product. The market will have uncertainty in terms of response to the product that can lead to fluctuations in its share price. This risk is borne by shareholders and is unsystematic risk.

The most effective method of managing equity price risk is to create a diversified portfolio, including securities that have low or negative correlation among themselves. In this way the losses from one security can be balanced with gain from the other. Derivative contracts to hedge the portfolio holdings are also a common way to manage this risk.

c) Foreign exchange risk

This risk is associated with the fluctuation in currency values. It happens when a financial transaction is denominated in a currency other than the base currency

of the business. Let's assume a company that is based in Hong Kong has clients in the USA and earn the majority of revenue in USD. This company faces a currency exchange risk as the revenues need to be converted from USD to HKD, and is exposed to exchange rate fluctuations between the two currencies.

This risk is usually managed by hedging the exposure in one currency to another so that the fluctuations in the exchange rate do not impact the transaction. Various instruments such as future and forward contracts, forex swaps are available for managing exchange risk.

d) Commodity price risk

It relates to the change in the price of input raw materials (production inputs) needed by a business, which can impact the profit margins of the company. For a company that makes potato chips, potatoes are an important raw material. Any increase in the prices of potatoes will increase the cost of production for the company. So there's a commodity price risk.

Companies generally use long term supply contracts to manage commodity price risks. Other measures can include passing the increase in price to the customers looking for alternatives of the commodity or hedging with other financial exposures.

ii. Credit risk

A risk business incur by extending credit to customers. It can also refer to a company's own credit risk with suppliers.

iii. Liquid risk

iv. Operational risk

7.2 description of Financial plan

8. Supporting Documents

8.1 funding requirement

8.2 cash flow statement

