

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.

IQ 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 forwardthinking 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, Figure 4: Rates in 2021 or components into final or semi finished 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 Source: National Bureau of Statistics in the similar quarter in 2020. The growth rate was attributed to a general increase in the agricultural goods.

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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.

17 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.

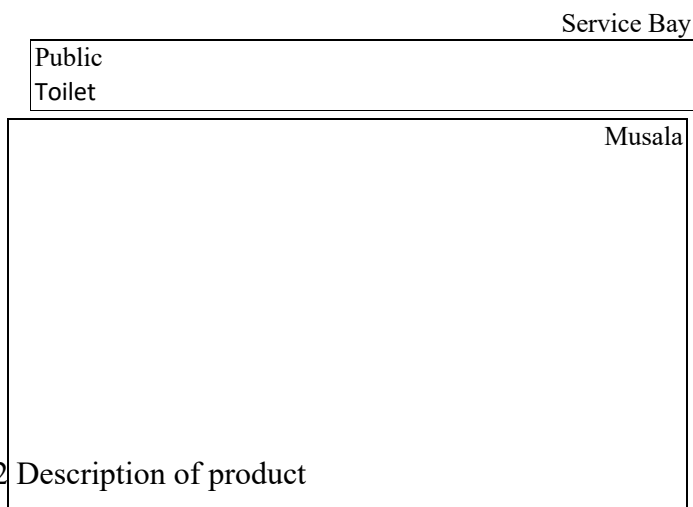
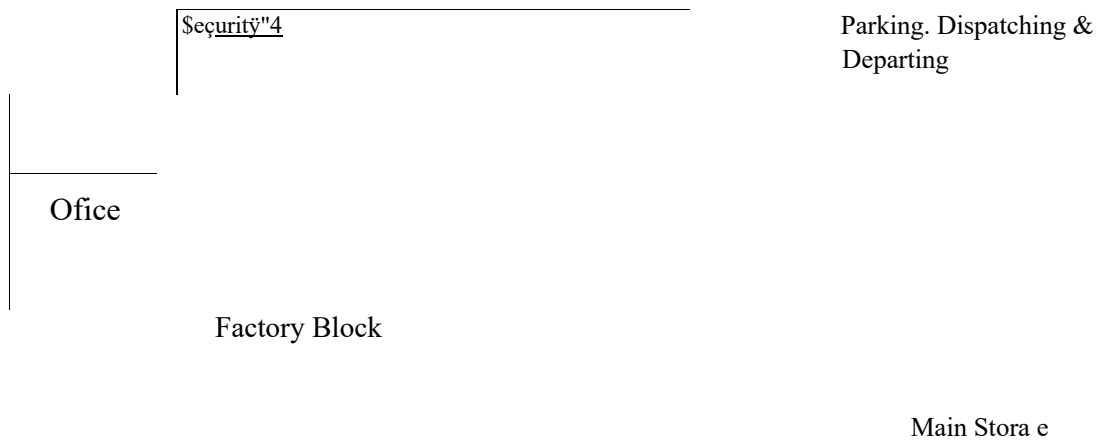
This fund will be used to cover the facilities, build-out costs, equipments, spare parts and initial operating costs including production overheads.

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. 1x2 x 12; 1x3 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. 4x4 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

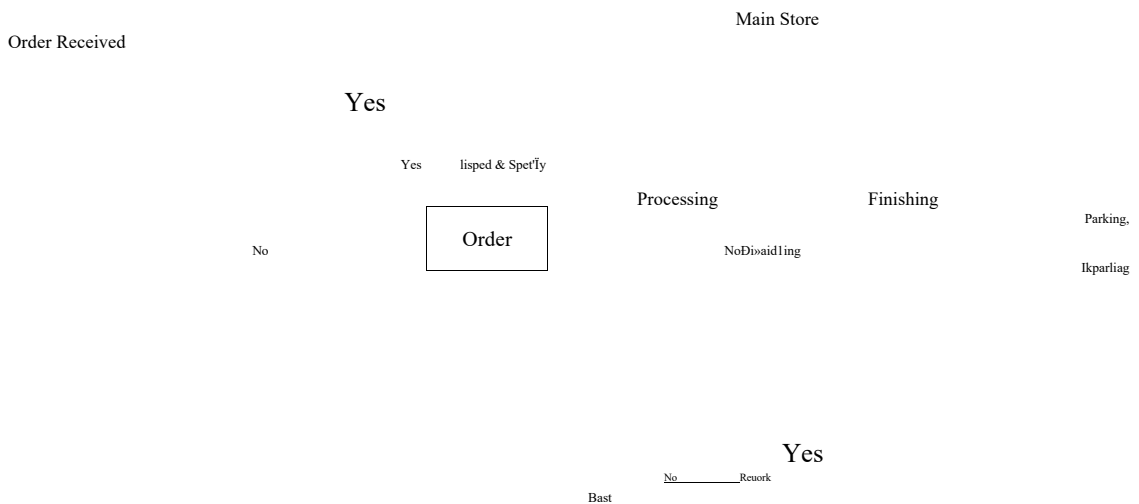
3.1.8 Reprocessing other possible products

3.1.9 Finishing (final touching, smoothing, retreating as requested and necessary)

3.1.10 Storage or parking and dispatching

3.1.11 Delivery

Global Trust Company Limited Flow Chart



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: 3.21 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

There is a cost of labour in different sections of operation to be set aside. 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

Including the cost of fuel, blades, and lubricants are to be allocated during the production plan.

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

3.25 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

- 3.3.1 Machine Operator
- 3.3.2 Plumbers
- 3.3.3 Drivers
- 3.3.4 Store keeper
- 3.3.5 Sellers
- 3.3.6 Administrators

3.4 Capital requirement

- 3.4.1 Fund for construction
- 3.4.2 Fund for Machines
- 3.4B Fund for Raw materials
- 3.4.4 Fund for Salaries and Wages
 - Direct materials
 - Direct labour
 - Direct expenses
 - Prime cost
 - Overhead Cost
 - Indirect materials
 - Indirect labour
 - Indirect expenses
 - Total factory/production cost
 - Administration/Distribution Overhead
 - Transport
 - Selling & Distribution
 - Full*Cost

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

Municipalities of Tanzania.

The Outside market includes Egypt,

4.2 Market size & trend

Home market shows the targeted customers and their profile depend much on both

construction industry of Public and private sector mainly in the newly regions and cities of Dar es Salaam, Tanga, Dodoma and Arusha.

Define Target Estimate No. of

Customer Targeted Customer

Three steps involved in calculating the potential Market

Size (by Volume and Value). That's through estimation of total number of targeted customer available and determination of the penetration by knowing as whether

Calc Potential

it's a mission critical or specialized purpose.

Market Size Penetration Rate

Through profile screening of targeted customers involved,

it's found out that in most cases they have no national or religious limitations when it comes to the use or

consumption of timber products.

The estimated number of customers in the market in the cities and Municipality is 250,000, of different ethnics, tribal and sectoral background.

Through our marketing strategy, value-based positioning, nature and demand pull due to the need of GTCL product is falling under 75% as penetration rate as it is categorized as life purpose product.

Potential Market Size

Potential Market Volume

No. of targeted customer x Penetration rate 250,000 x

187,00

Potential Market Value

Potential Market Size (Volume) x Average Price

187,500 x 5,000

4.3 Competition

No study has been conducted due to time limit and nature of the targeted outside market — Egypt.

4.4 Estimated sales

The same reason as above

5. Marketing and Selling Strategy/Plan [limiting factor — time]

5.1 Marketing strategy

5.2 Methods of sales

5.3 Advertising and promotion

6. Management/Organization

6.1 Management description

GTCL main Objectives shall be met through clear line of managerial approach; there shall be

Board Of Directors where the following key Result Areas are thought

6.1.1 Establishment of Vision, Mission and Values

6.1.2 Delegation of management done

6.1.3 Structure and Management strategy are borne

6.1.4 Corner stone of accountability to both shareholders and stakeholders.

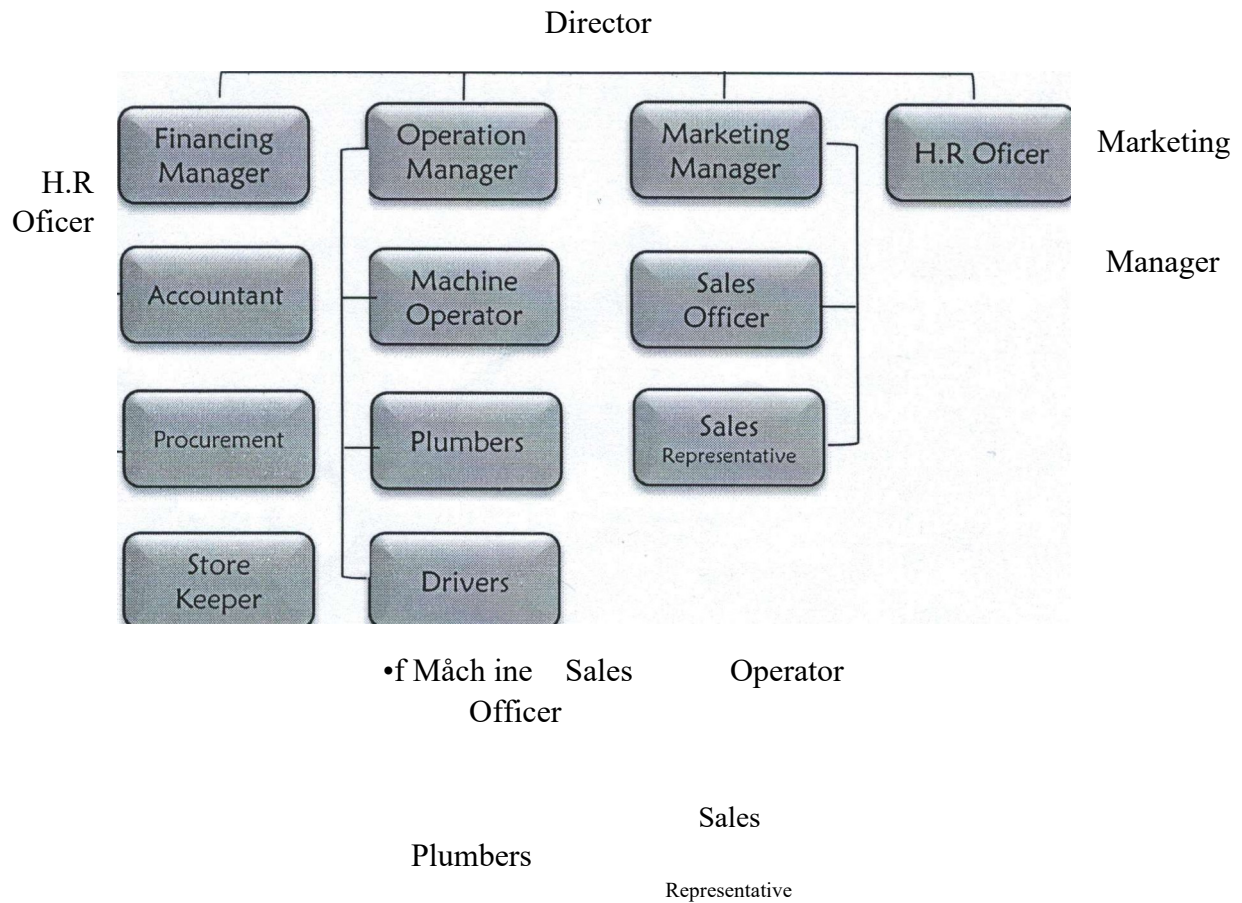
6.2 Organization Structure

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

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Director

Board Of
Director

Board of



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 a total of 55% of Ordinary share capital. The company shall make decision on issue of shares at anytime once resolution has been made to cover required amount of Tanzania shilling five hundred and fifty million through fifty five thousand Ordinary share (55,000/=).

6.4 Board of Directors

The Global Trust Company Limited has two Members of the Board of Director who are the think tank and propeller of the business in the future, management shall appoint in the near future the members of the BOD according to the tune of the agreement laid down in the six month to come.

In the mean time un-frastructured decisions and directions are given by Ahmed Mohamed Ahmed Mohamed Abdelrahman of P.O. Box 51108 Iringa and Mohamed Ahmed Mohamed

Ahmed Abdelrahman of P.O. Box 51108 Iringa.

6.5 Supportive service

GTC needs supporting team from various angle of its operation, through the Corporate Strategical Plan, the following shall be consulted time to time for services

6.5.1 Tanzania Forest Service Agency (TFS)

Global Trust Company shall seek a support of registration of forest product business with number of supporting documents and on the marketing of products through Tanzania Forest Service within the country and outside as being one among its specific role and responsibility.

6.5.2 Business Registration and Licensing Agency (BRELA)

Where GTCL could be registered and handle the Certificate of Incorporation of a Company (by drafting the Memorandum and Article of Association of the Company) and Obtaining Business License through handing number of documents.

6.5B Financial Institution

When transactions of supplier and customers of outside involved, banking system will take care through acceptable and known standards of monetary service despite of their credit facility available at any time.

6.5.4 Tanzania Tree Seed Agency (TTSA)

For GTCL to meet standard and run smoothly in the future as going concern, the management should plan future benefit through cultivation of trees of various species, in order to win the TTSA shall be the guideline of the kind, place, whether and techniques of good harvesting.

6.5.5 Local Government Authority

The local authority shall be your working partners as nature of business environment exist. This is where you can plan a place to harvest raw materials, plan a plantation of trees of various species by consulting local leader, getting introduction of the owner of the trees in the villages and wards.

6.5.6 Other Private Sector including Supplier of Machine, Fuel and transporters

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 strategically 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 lunches 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

[left to the implementer]