

## **.BUSINESS PLAN OUTLINE**

**COVER PAGE**

## Permarkahan Business Plan Written Report ENT-Palm

1. Permarkahan adalah secara team teaching di mana criteria:
  - a) Administrative Plan (15 marks), Marketing Plan (15 marks), Operating Plan (15 marks) dan Financial Plan (15 marks) daripada **Pensyarah ENT.**: 60%
  - b) Preliminary Material (5 marks), Executive Summary (5 marks), Business Background (5 marks), Partners Background (5 marks), Conclusion (5 marks), Appendices (5 marks), Writing style (5 marks) and Overall Report (5 marks) daripada **Pensyarah Palm.** TOTAL: 40%

### SECTION : Business Plan Written Report - (50%)

Criteria	Marks Allocated	Poor	Moderate	Satisfactory	Good	Excellent	Marks Obtained
<b>Preliminary Material:</b>	<b>5</b>	<b>0-1 mark</b> Poor presentation on the preliminary materials.	<b>2 marks</b> Moderate presentation on the preliminary materials	<b>3 marks</b> Satisfactory presentation on the preliminary materials.	<b>4 marks</b> Good presentation on the preliminary materials.	<b>5 marks</b> Excellent presentation on the preliminary materials.	
<b>Executive Summary</b>	<b>5</b>	<b>0-1 mark</b> No executive summary	<b>2 marks</b> Poorly understand on the executive summary	<b>3 marks</b> Moderate understand on the executive summary	<b>4 marks</b> Satisfactory understanding on the executive summary	<b>5 marks</b> Good understanding on the executive summary	
<b>Business Background</b>	<b>5</b>	<b>0-1 mark</b> Poor presentation on business background	<b>2 marks</b> Moderate presentation on business background	<b>3 marks</b> Satisfactory presentation on business background	<b>4 marks</b> Good presentation on business background	<b>5 marks</b> Excellent presentation on business background	
<b>Partners Background</b>	<b>5</b>	<b>0-1 mark</b> Poor presentation on partners/shareholders background	<b>2 marks</b> Moderate presentation on partners/shareholders background	<b>3 marks</b> Satisfactory presentation on partners/shareholders background	<b>4 marks</b> Good presentation on partners/ shareholders background	<b>5 marks</b> Excellent presentation on partners/shareholders background	
<b>Administrative Plan</b>	<b>15</b>	<b>0-3 marks</b> Many key elements are not highlighted	<b>4 - 6 marks</b> Few key elements are highlighted	<b>7 - 9 marks</b> Fairly highlight key elements	<b>10 - 12 marks</b> Good in highlighting key elements	<b>13- 15 marks</b> Excellent in highlighting key elements	
<b>Marketing Plan</b>	<b>15</b>	<b>0-3 marks</b> Many key elements are not highlighted	<b>4 - 6 marks</b> Few key elements are highlighted	<b>7 - 9 marks</b> Fairly highlight key elements	<b>10 - 12 marks</b> Good in highlighting key elements	<b>13- 15 marks</b> Excellent in highlighting key elements	
<b>Operation Plan</b>	<b>15</b>	<b>0-3 marks</b> Many key elements are not highlighted	<b>4 - 6 marks</b> Few key elements are highlighted	<b>7 - 9 marks</b> Fairly highlight key elements	<b>10 - 12 marks</b> Good in highlighting key elements	<b>13- 15 marks</b> Excellent in highlighting key elements	

<b>Financial Plan</b>	<b>15</b>	<b>0-3 marks</b>	<b>4 - 6 marks</b>	<b>7 - 9 marks</b>	<b>10 - 12 marks</b>	<b>13- 15 marks</b>	
		Many key elements are not highlighted	Few key elements are highlighted	Fairly highlight key elements	Good in highlighting key elements	Excellent in highlighting key elements	
<b>Conclusion</b>	<b>5</b>	<b>0-1 mark</b>	<b>2 marks</b>	<b>3 marks</b>	<b>4 marks</b>	<b>5 marks</b>	
		Poor conclusion of the business plan	Moderate conclusion of the business plan	Satisfactory conclusion of the business plan	Good conclusion of the business plan	Excellent conclusion of the business plan	
<b>Appendices</b>	<b>5</b>	<b>0-1 mark</b>	<b>2 marks</b>	<b>3 marks</b>	<b>4 marks</b>	<b>5 marks</b>	
		Provide poor evidences	Provide sufficient evidences	Provide satisfactory evidences	Provide good evidences	Provide excellent evidences	
<b>Writing Style, Spelling &amp; Grammar</b>	<b>5</b>	<b>0-1 mark</b>	<b>2 marks</b>	<b>3 marks</b>	<b>4 marks</b>	<b>5 marks</b>	
		Writing lacks sentence variety and few grammatical errors	Sentences were somewhat varied with minimal grammatical errors	Sentences were correctly constructed	Sentences were correctly constructed and well-articulated	Sentences were well written and expressed	
<b>Overall Report</b>	<b>5</b>	<b>0-1 mark</b>	<b>2 marks</b>	<b>3 marks</b>	<b>4 marks</b>	<b>5 marks</b>	
		The paper is not acceptable. The work is not up to the quality level.	The paper is acceptable and demonstrate some understanding of the topic	The paper is good and demonstrated average understanding of the topic	The paper is good and demonstrated above average understanding of the topic	The paper is excellent and demonstrated superior quality.	
<b>Total</b>	<b>100</b>						
<b>TOTAL MARKS</b>							<b>/100</b>



Nurul Hazwani Binti Sabri

Pensyarah

Pengajian Kolej Kejuruteraan (Kimia)  
UITM Cawangan Johor Kampus Pasir Gudang



UNIVERSITI  
TEKNOLOGI  
MARA

Cawangan Johor  
Kampus Pasir Gudang

**FACULTY OF CHEMICAL ENGINEERING**  
**FUNDAMENTALS OF ENTREPRENUERSHIP (ENT300)**



**AN “ARECA VEGAN CHEESE” MANUFACTURER**

PREPARED FOR:

**PN. NORHAFINI HAMBALI**

PREPARED BY:

MUHAMMAD SHUKHARI BIN MISBAH	2020845656
MUHAMMAD SYAMIN AIZAT BIN RAMLI	2020488278
NURIN DAMIA DINA BINTI ALI	2020881306
NURSYAFIQAH BINTI SAHROL @ BAHARON	2020833046

# **ACKNOWLEDGEMENT**

## **ACKNOWLEDGEMENT**

Upon completing this report to fulfill the requirements for Assignment 2 in ENT 300 (Fundamental of Entrepreneurship) subject, there is always a pleasure to remind the fine people who were involved to uphold the journey on creating this business plan.

First and foremost, we would like to express our deepest gratitude to Almighty Allah for enabling us to complete this business plan on “ARECA VEGAN CHEESE” by His will. Alhamdulillah.

Any form of project requires assistance from several individuals to be completed properly. Here, we convey our sincere gratitude to our lecturer, Madam Norhafini binti Hambali. This company concept would have been less successful without her kind leadership and sound advice. In every level of the project, her oversight and direction facilitated the flawless completion of this business plan.

Last but not least, this endeavor would not have been possible without all the efforts and full co-operation from the members of the group, Muhammad Syamin Aizat, Muhammad Shukhairi, Nurin Damia Dina and Nursyafiqah. We worked hard to produce a good assignment with our full commitment and responsibility.

# TABLE OF CONTENTS

## TABLE OF CONTENTS

LETTER OF SUBMISSION.....	4
ACKNOWLEDGEMENT.....	7
TABLE OF CONTENT.....	8
EXECUTIVE SUMMARY.....	10
INTRODUCTION.....	13
PURPOSE.....	15
BUSINESS BACKGROUND.....	17-19
BACKGROUND OF PARTNERSHIPS.....	21-23
LOCATION OF BUSINESS.....	25
MARKETING PLAN.....	27-45
OPERATIONAL PLAN.....	47-61
ADMINISTRATION PLAN.....	63-70
FINANCIAL PLAN.....	72-86
CONCLUSION.....	88-89
APPENDICES.....	91
PARTNERSHIP AGREEMENT.....	93-101



# EXECUTIVE SUMMARY

## **EXECUTIVE SUMMARY**

Natural Life Enterprise is a cheese manufacturing company that offers high value artisan cheese made from only fresh greens for our customers. We offer high quality product with added value that are not only delicious, but also healthy and safe, which people will be happy to pay for. Our company aim is to provide cheese that are made from high quality plant-based materials for our customers. Areca Natural Cheese products are tasty and are guaranteed a meat-free solution for our customers that like to avoid consume meat to follow vegan ways and as a good healthy alternative for those who are lactose intolerant but also a cheese lover.

Our product is made from plant-based material for example cashew nuts, soy, and palm oil. In terms of health, vegan cheese is generally considered a better choice than dairy cheese as vegan cheese is lower in terms of saturated fat, rich in vitamins such as B12 and vitamin D and contains nutrients like potassium and sodium. We are always looking forward for our customers satisfaction towards our products. Our company would be supplying cheese on a business-to-business basis to entities such as restaurants, bakeries, groceries and more.

As a new company and a pioneer of manufacturing different type of cheese locally, there will be a great number of aspects that we will need to take count for to ensure our company can compete with other cheese brands in the market to fulfil our customer needs. Our products are different than others in the market as we offer cheese that are not made from animal products, which has almost zero cholesterol and trans-fat. Our cheese is typically lower in fat, free from additives and gluten-free which are what most people want in an ideal cheese product which help people to follow vegan ways, to lose weight and have a healthy diet.

Our business is run by four main executives which are Tuan Aizat, Encik Shukhairi, Puan Mia Dina and Cik Syafiqah. All of us play a vital role in our business to ensure that our business will be successful and make a name throughout Malaysia as a Bumiputera product. Based on our observations, research and statistic gathered, we are targeting a big scope of business and customers as our company is in a city with wide population which will enhance our chances of getting customers and raise the name of local product.

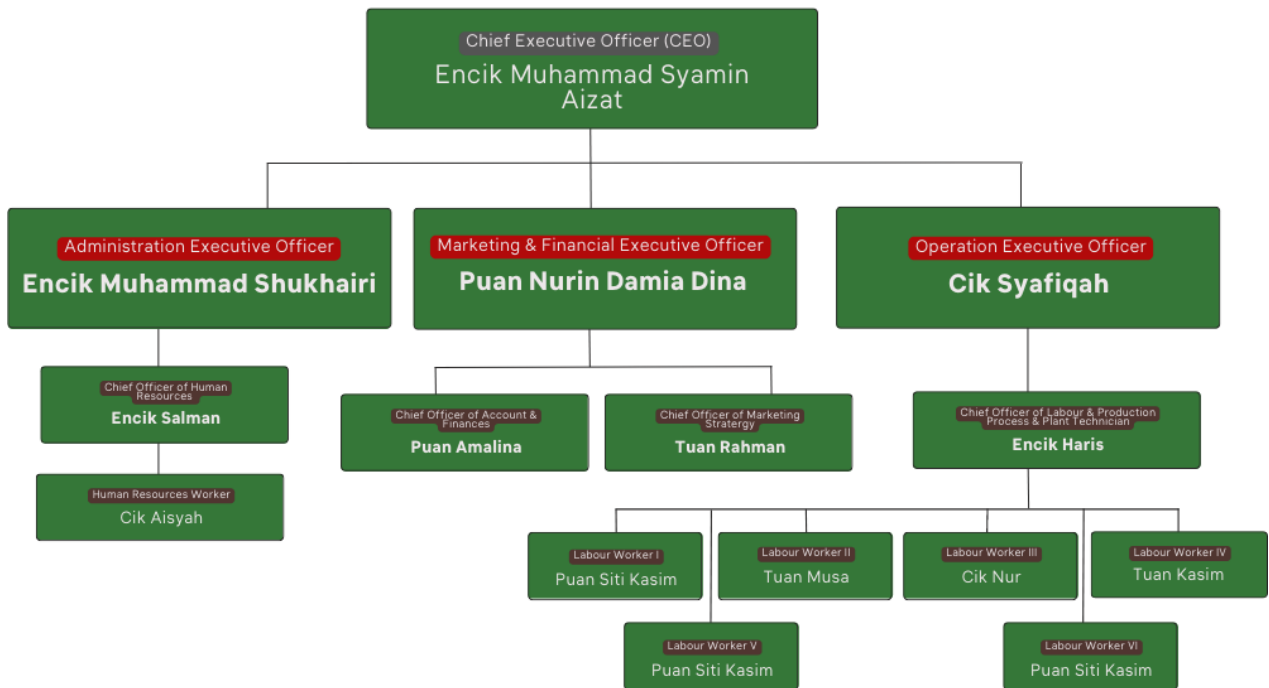
Our business is located near many marketplaces like supermarkets and shop lots and near residential areas. We believe in our capabilities as a company to achieve our goal and meet the expectations of our customers. With our products produce with good quality control to make sure it meets the required standards for a guaranteed flawless cheese product for our customers. Our company has three types of cheese products which are Mozzarella, Parmesan and Cheddar. We hope that our Natural Life Enterprise can be a well-known and creates name for itself as a local product and will be people's choice in the future.

# PURPOSE

## **2. Purpose of preparing the business plan**

- 2.1. To evaluate the project viability and growth potential*
- 2.2. To apply for loans or financing facilities from the relevant financial institutions*
- 2.3. To act as a guideline for the management of the proposed business*
- 2.4. To allocate business resources effectively*

3.2 Organizational Chart



3.3 *Logo and Motto*

3.3.1 Logo



3.3.2 Logo description

Designs	Reason
Label of "NATURALIFE"	<ul style="list-style-type: none"> <li>• Combination of "Natural-based materials" and "healthy lifestyle"</li> <li>• Shows that all of our products are "natural-based" material and applicable for those are in needs of healthy dietary "lifestyle"</li> </ul>
3-branch leaves	<ul style="list-style-type: none"> <li>• Shows that all of our product are made from "plant-based" materials and free of dairy-based materials.</li> </ul>
Dark green colour	<ul style="list-style-type: none"> <li>• Resembles the nature ecosystem.</li> </ul>
Light green colour	<ul style="list-style-type: none"> <li>• Resembles the "plant-based" material used for our products.</li> </ul>
Circular unique leaf-like shape	<ul style="list-style-type: none"> <li>• Resembles the strong cooperation and commitment for each of our members in this industry.</li> </ul>

3.3.3 Motto



# MARKETING PLAN



## 6. Marketing Plan

### 6.1 Marketing Objectives

**Natural Life Enterprise** objectives are as follows:

- *To introduce the company brand into local market of Malaysia.*
- *To increase Natural Life brand awareness to 25% of Gombak community.*
- *To be a well-known new local product after 1 year of opening.*
- *To increase the market share by 20% by 2025.*
- *To increase product sales by 25% by 2025.*
- *To reduce production cost by 10% by 2024.*
- *To increase company profit by RM 2 million for the next 3 years of operation.*
- *To launch a new cheese product by the end of 2025.*
- *To provide feedback from 50% of our customers.*
- *To improve Natural Life Enterprises, return of investment for the next 3 years.*
- *To open new operating base in new location after 5 years operating.*
- *To enter the global market after 7 years operating.*
- *To rank among the top cheese brand competitors by the next 10 years of operating.*

### 6.2 Description of products

Natural Life Enterprise is a cheese production company which supplies cheese to consumers and businesses. Customers nowadays prefer a product which can help them follow a healthy lifestyle, good for environment and are animal friendly. Our company is focus on a plant-based cheese product that supports the vegetarianism, prevent exploitation and animal slaughtering, good for health and are environmentally friendly.

Based on a statistical analysis of vegetarianism in Malaysia, vegetarianism has become more of a lifestyle in Malaysia. In 2017, a study on Penang based Chinese Malaysians suggested that vegetarians were driven by religious beliefs and Hindus abstained meat consumption due to religious beliefs, spiritually, health and ecology. Malaysia is a country with diversity of race with mix of cultures from China and India, ranked as the world's 3<sup>rd</sup> most vegetarian friendly country which is the cause in rise of plant-based food demand.



Our company will be launching the first three types of cheese product to the market which is Mozzarella, Parmesan and Cheddar. Our product is made from cashew nuts, soy milk, palm oil, and pea flour. Our vegan cheese is made from using similar process as normal cheese, but the ingredient used are plant-based milk, which is soy milk. A bacterial culture is added to separate the proteins in the milk and were supplemented with palm oils, emulsifying salts, and pea flours as thickeners to achieve cheese like texture.

Our customers will receive a high-quality produced cheese made from plant-based material that are surely to offer a good eating experience to our customers. Our vegan cheeses are 100 percent animal-free and are made using plant proteins. Our cheese contains a natural, high quality plant fats and proteins. It does not contain any colorant, free of hormones, have high levels of fibre and help consumers to level their sugar and cholesterols in their body. Furthermore, Areca Cheese does not contain any lactose and is a good solution for cheese lovers with lactose intolerance.

**Table 6.2.1 Product description**

<b>Product</b>	<b>Features</b>	<b>Material</b>	<b>Benefit</b>
Areca Cheddar	<ul style="list-style-type: none"> <li>▪ Versatile and melts easily</li> <li>▪ Can be used melted as addition to food like macaroni and baked potatoes.</li> <li>▪ Great addition in sandwich and burgers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Soy milk</li> <li>▪ Cashew nuts</li> <li>▪ Palm oil</li> <li>▪ Pea flour</li> <li>▪ Emulsifying salt</li> </ul>	<ul style="list-style-type: none"> <li>▪ Have high levels of fibre.</li> <li>▪ Free from hormones</li> <li>▪ Contains calcium, protein, vitamin D and vitamin B12.</li> <li>▪ A solution for lactose intolerance</li> <li>▪ Help prevent osteoporosis.</li> <li>▪ Help prevent tooth decay with provide calcium.</li> <li>▪ Free from animal content</li> <li>▪ Environmental friendly</li> <li>▪ Help level cholesterol and sugar intake.</li> <li>▪ Easier to digest than normal cheese.</li> </ul>
Areca Parmesan	<ul style="list-style-type: none"> <li>▪ Has a hard, gritty texture</li> <li>▪ Best served on pasta, melted with soup, mashed potatoes and casseroles</li> </ul>	<ul style="list-style-type: none"> <li>▪ Soy milk</li> <li>▪ Olive Extract</li> <li>▪ Potato Starch</li> <li>▪ Palm oil</li> <li>▪ Rice Protein</li> <li>▪ Emulsifying salt</li> <li>▪ Garlic</li> </ul>	<ul style="list-style-type: none"> <li>▪ Help level cholesterol and sugar intake.</li> <li>▪ Easier to digest than normal cheese.</li> </ul>
Areca Mozzarella	<ul style="list-style-type: none"> <li>▪ Melting, stretching texture</li> <li>▪ Good on most types of pizza and pasta dishes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Soy milk</li> <li>▪ Sprouted Brown rice</li> <li>▪ Apple Vinnegar</li> <li>▪ Pea flour</li> <li>▪ Palm oil</li> </ul>	

**Table 6.2.2 Product illustration**

PRODUCT	ILLUSTRATION
<p>Areca Cheddar</p>	 <p>The illustration shows two forms of Areca Cheddar. On the left is a small, upright yellow packet with a white label featuring a triangle of cheese and the text 'Areca Cheese Enterprise'. To the right is a neat stack of approximately 10-12 square, orange-colored cheese slices.</p>
<p>Areca Shredded Parmesan</p>	 <p>The illustration shows Areca Shredded Parmesan. On the left is a pile of finely shredded, light-colored cheese. To the right is a yellow packet with a white label that includes a logo and the text 'Areca Cheese Enterprise'.</p>

Areca Mozzarella



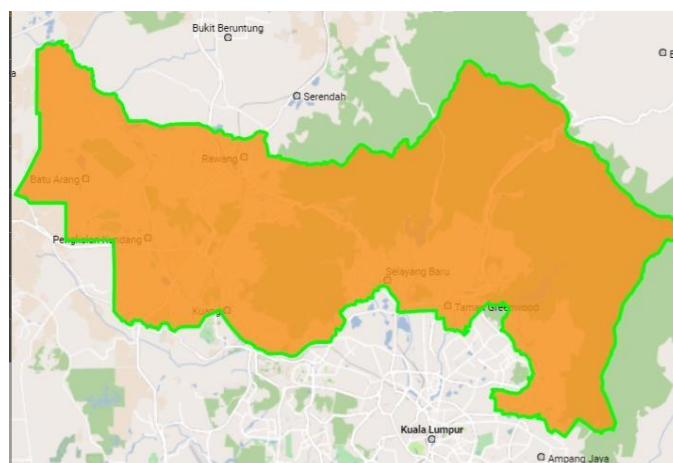
### 6.3 Target market

The activity of grouping or segmenting a market of potential customers based on different criteria is known as market segmentation. Consumers that respond similarly to marketing strategies and who have traits in common, such as similar requirements, interests, and locations, make up the segments. Its goal is to ensure that a company can segment its clientele to promote its goods and services more effectively.

#### 6.3.1 Geographic Segmentation with explanation

The division of a company's market depending on geography is known as geographic segmentation. In terms of geography, a market can be divided into cities, counties, regions, countries, and international regions. Rural, urban, and suburban areas can also be separated into separate markets. We can identify the product that the customer needs in a specific location using this segmentation.

For Areca Cheese Enterprise which are in Batu Caves. No. 1, Jalan Batu Caves, Dolomite Park Avenue, 68100 Batu Caves, Selangor, had been selected as our company-based operation location. Batu Caves is known as an urbanization area closed with many industrial area and has a large population. Our chosen place is also near with our basic main ingredients suppliers which are around Gombak.



*Above is a highlighted area of Gombak District.*

### **6.3.2 Volume Purchase with explanation.**

Cheese is weighted in grams as food items commonly weighted by in grams kilograms as measurement by weights is much more accurate and can help to ensure that a much more accurate amount are for following recipe. Our products are sold in grams and kilograms as it will help customers to pay a fair price depending on the weight of the item.

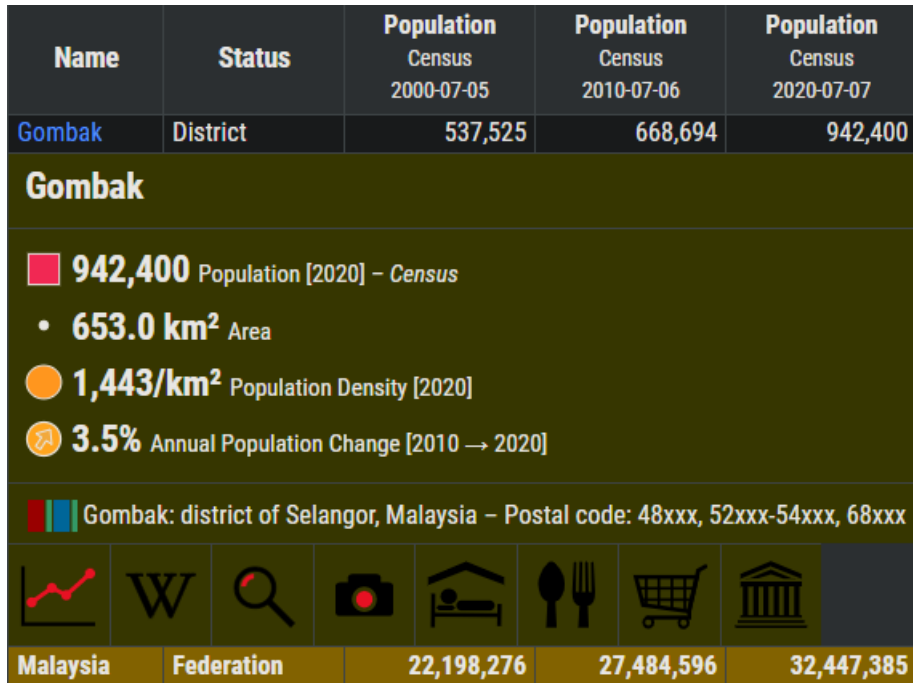
### **6.3.3 Quality Evaluation of Distributor with explanation (in a paragraph)**

Cheese quality is a function of appearance, flavor, texture, functionality, and nutritive value. Texture of cheese may be defined as the composite perception of the compositional, microstructural, geometrical (macrostructural), mechanical (rheological) and other characteristics by the senses of sight, touch (including kinesthesia and mouthfeel) and hearing during consumption.

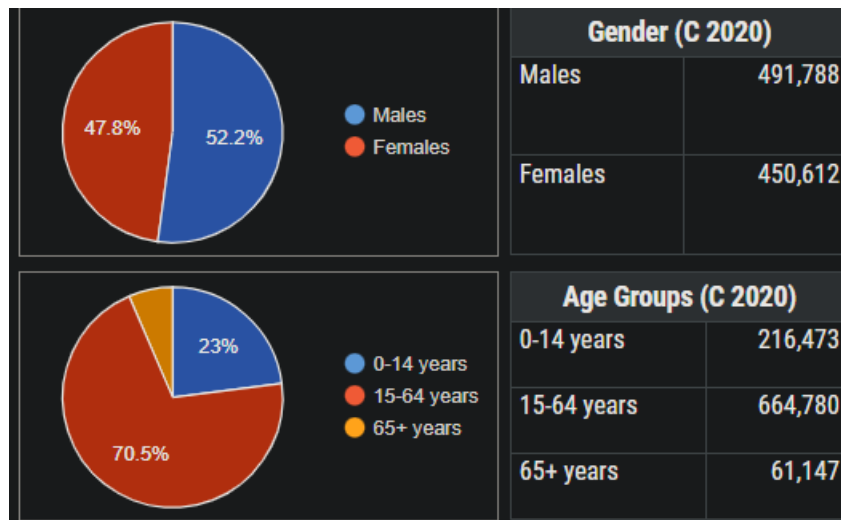
1. *Aroma (ammoniated, yeasty, moldy, fruity, etc.)*
2. *Taste (acidic, bitter, fruity, too salty, etc.)*
3. *Texture (crumbly, mealy, pasty, curdy, etc.)*
4. *Appearance/Rind Development (cracked, greasy, slipped rind, etc.)*

## 6.4 Market size

### 6.4.1 Population table

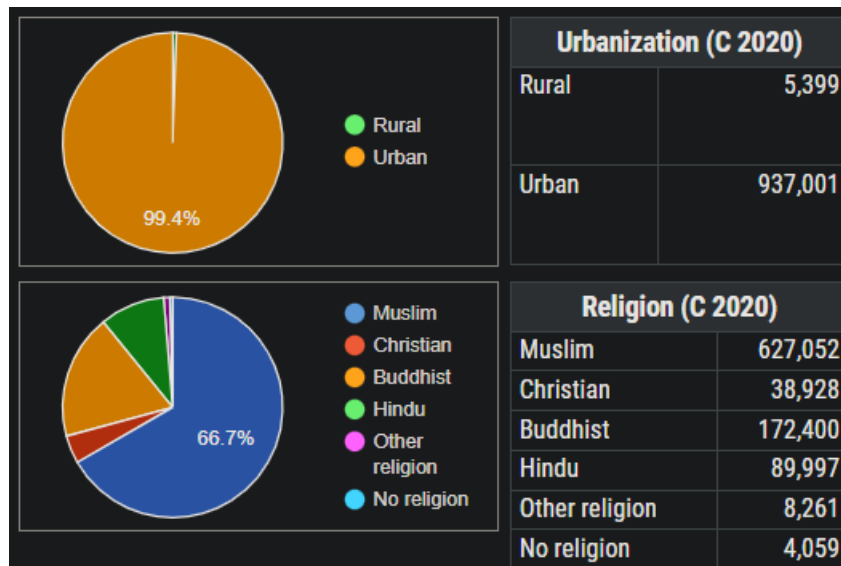


Above is a table shown for population of Gombak District in Selangor according to Census (2020).



Above is the percentage chart of gender differences and age groups in Gombak District according to Census (2020) .





Above is the percentage chart of urbanization and religion differences in Gombak District, Selangor according to Census(2020).

#### 6.4.2 Population 1

Targeted location for market trend and size: Gombak, Selangor which consist of Rawang, Selayang, Kuang, Taman Templer, Subang, Batu Caves, Gombak Setia, Hulu Klang and Ampang.

Population of Gombak District in the year of 2022 is 1,238,434 people.

### 6.4.3 Total market size

Population x Average Price = Market Size

$1,238,434 \times 20 = 24,768,680$  (Market Size)

Sales forecast 3.5% from market size.

$24,768,680 \times 3.5\% = 866,903$  (Per Year)

**A 125g vegan cheddar cheese price is RM10.**

**A 350g vegan parmesan cheese price is RM20.**

**A 250g vegan mozzarella cheese price is RM15.**

$866,903 / 10 = 86,690$  vegan cheddar cheese sold per year

$86,690 \times 125\text{g} = 10,836,250\text{g}$

10,836.25kg sold per year

$86,690 / 12 = 7,224$  sold per month (RM72,240 per month)

$7,224 \times 125\text{g} = 903,000\text{g}$

903kg sold per month.

$5,497 / 26 = 211$  sold per day (RM2,110 per day)

$211 \times 125\text{g} = 26,375\text{g}$

26.375kg sold per day

$866,903/20 = 43,345$  vegan parmesan cheese sold per year

$$43,345 \times 350\text{g} = 15,170,750\text{g}$$

15,170.75kg sold per year

$43,345/12 = 3,612$  sold per month (RM72,240 per month)

$$3,612 \times 350\text{g} = 1,264,200\text{g}$$

1,264.2kg sold per month

$3,612/26 = 138$  sold per day (RM2,760 per day)

$$138 \times 350\text{g} = 48,300\text{g}$$

48.3kg sold per day

$866,903/15 = 57,793$  vegan mozzarella cheese sold per year

$$57,793 \times 250\text{g} = 14,448,250\text{g}$$

14,448.25kg sold per month

$57,793/12 = 4,816$  sold per month (RM72,240 per month)

$$4,816 \times 250\text{g} = 1,204,000\text{g}$$

1,204kg sold per month

$4,816/26 = 185$  sold per day (RM2,775 per day)

$$185 \times 250\text{g} = 46,250\text{g}$$

46.25kg sold per day

No.	Products	Mass per item sold (gram)	Estimated sales per product	Total estimated sales/Monthly (RM)	Total estimated sales/Annually (RM)
1	Vegan Cheddar Cheese	125	RM10 x 7,224	72,240	866,880
2	Vegan Parmesan Cheese	350	RM20 x 3,612	72,240	866,880
3	Vegan Mozzarella Cheese	250	RM15 x 4,816	72,240	866,880
<b>Total</b>				<b>216,720</b>	<b>2,600,640</b>

## 6.5 Competitors

### 6.5.1 Identifying competitors (3 competitors)

*Table 6.5.1 Competitive analysis*

Competitors	Strength	Weaknesses
Bega	<ul style="list-style-type: none"> <li>Strong brand and differential brand name, big size advantage</li> </ul>	<ul style="list-style-type: none"> <li>Slow investment in Research and Development</li> </ul>
Japan MEG	<ul style="list-style-type: none"> <li>Japan's no 1 brand from Hokkaido</li> <li>Acknowledge as international cheese brand</li> </ul>	<ul style="list-style-type: none"> <li>Not sustainable farming and production practice</li> <li>No specialized food safety recommendation</li> </ul>
Chesdale	<ul style="list-style-type: none"> <li>Labels are easy to understand.</li> <li>Known for cheddar product</li> </ul>	<ul style="list-style-type: none"> <li>Unadapt to constantly changing demand in food label matters.</li> <li>Little product identification</li> </ul>

6.5.1 Ranking of the competitors

Table 6.5.2 Ranking of the competitors

Rank No	Competitors
1	Bega
2	Japan MEG
3	Chesdale

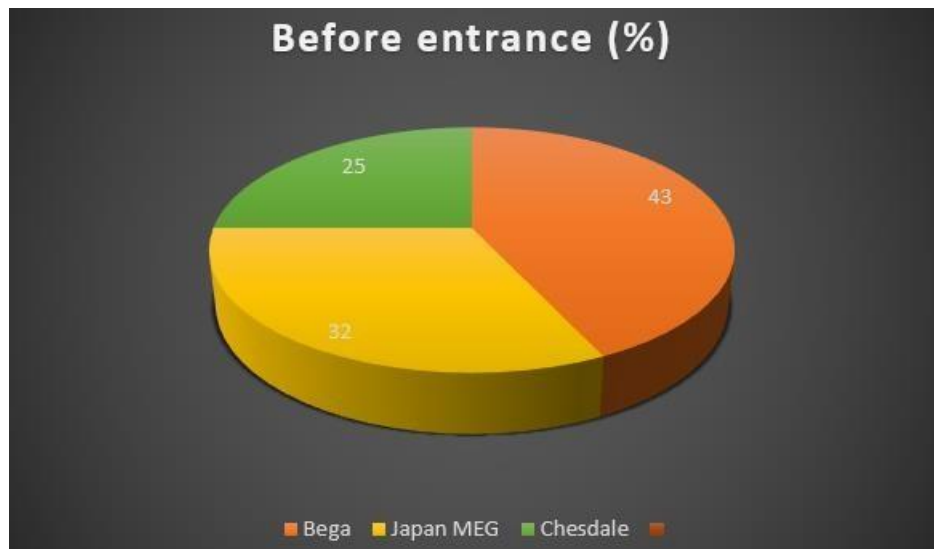
6.6 Market Share

6.6.1 Market share before the entry of *your business*.

Table 6.6.1 Market share before the entry of your business

Competitor	Before entrance (%)	Amount (RM)
Bega	43	36,380,537
Japan MEG	32	27,073,888
Chesdale	25	21,151,475
TOTAL	100	84,605,900

Use pie charts for illustration.

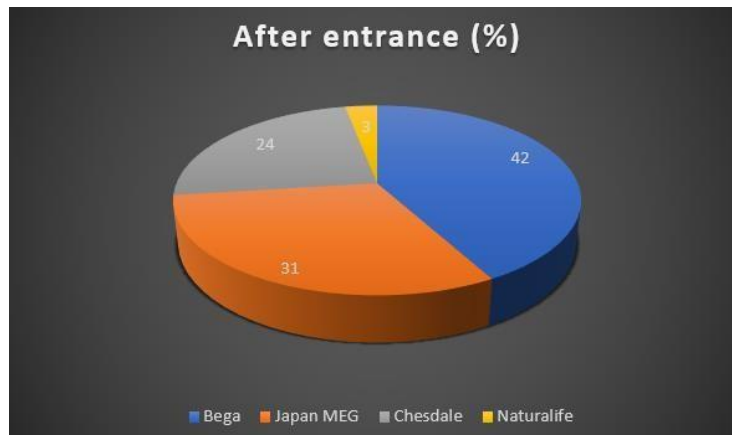


6.6.1 Adjusted market share after the entry of *your business*.

Table 6.6.2 Market share before the entry of *your business*

Competitor	After entrance (%)	Amount (RM)	Percentage of loss (%)
Bega	42	35,534,478	1
Japan MEG	31	26,227,829	1
Chesdale	24	20,305,416	1
Naturalife	3	2,538,177	-
TOTAL	100	84,605,900	3

Use pie charts for illustration.



## 6.7 Sales forecast

Table 6.7 Sales Forecasting

Month	Sales Forecast
1	72,240
2	72,240
3	72,240
4	72,240
5	72,240
6	72,240
7	72,240
8	72,240
9	72,240
10	72,240
11	72,240
12	866,880
Year 1	953,568
Year 2	1,300,320
Year 3	2,167,200

## 6.8 Market strategy

### 6.8.1 Product

Three product that has its own specialty on different type of dishes which is Vegan Cheddar Cheese, Shredded Vegan Parmesan Cheese, and Vegan Mozzarella Cheese. Our product is made 100% with animal-free material an only used plant-based materials in producing our cheese and it is gluten free, free from growth hormones, contains less saturated fat and are eco-friendly.

### 6.8.2 Price

Our company pricing strategy composed of pricing our products with a price which is in between of our competitor's price. We will offer not too high or too low for our customers while still gaining profit.

*Table below is the cheese price for a 250g Cheddar Cheese.*

Competitors	Price
Bega	RM12.90
Japan MEG	RM9.00
Chesdale	RM10.90
Naturalife	RM10.00

### 6.8.3 Place

Our business area is located near to residential areas and surrounded by many markets and stores which makes it a very strategic location for our business operation. We will be supplying our cheese to restaurants, bakeries, dairy shop, fromagerie and cheese monger. We also will distribute our products to be sell in retail stores such as MyDin, Lotus, Aeon, Econsave, Secret Recipe, KK Super Mart, 99 Speedmart and more.



#### 6.8.4 Promotion

##### 6.8.4.1 Advertisement

Our company will be advertising our products by using hung banners, signboards, and distributed flyers to help attract customers from various cities in Gombak district and to ensure that our company will be well known as a vegan cheese manufacturing company. We will also use hung banners, signboards, and distributed flyers to inform potential and current customers about our new product launches, special offers and news.

##### 6.8.4.2 Packaging

We will use an informative packaging which will be appealing to our customers as we share information about our products, such as nutritional value and how to best use our products.

#### 6.8.4.3 Website and Social Media

Our company will create an official website and social media account for our company to promote and sell our product via online. The reason for creating an official website for our company is to create a path for our product to have an online presence that will get our company products found in search bar in search engine platforms as recommendation.

Creating a website is much better as an eCommerce website costs less than a storefront. We also will be creating a TikTok, Facebook, Instagram account for our company as this will help in faster buying and ordering process, while also provides convenience to customers. Creating a media platform and website special for our company is a plus point as this is a good way to receive a faster response to buyer and market demands while also reduce costs as this strategy for marketing is very affordable

Items	Price
Sign Board	2,000
Banner	1,250
Flyers	1000
Packaging	1,000
Social Media and Website	-

## 6.9 Marketing Budget

Table 6.9.1 Marketing Budget

Item	Fixed Assets	Monthly Expenses (RM)	Other Expenses (RM)
<b>Fixed Asset</b>	Sign board		2,000
<b>Working capital</b>	Advertisement Packaging Promotion		2,250 1,000 1,250
<b>Other Expenses</b>			500
<b>TOTAL</b>			7,000

# OPERATIONAL PLAN

## 7 Operational Plan

### 7.1 Component of Operating Systems

#### 7.1.1 Business Input

Business input can be defined as any resource used to create goods and services.

In this case, resources that create our vegan cheeses are:

- Labors, Capital, Materials and Purchased Services.

#### 7.1.2 Transformation Process

- Physical: manufacturing operations
- Exchange: retail operations
- Locational: transportation or warehouse operation

#### 7.1.3 Output

- 125 g of vegan cheddar cheese
- 350 g of vegan parmesan cheese
- 250 g of vegan mozzarella cheese

#### 7.1.4 Feedback

- Reviews from the consumers
- Lab-testing
- Quality evaluation

7.1.5 External Environment

- Demographic factors

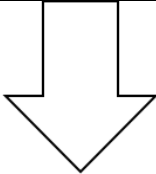
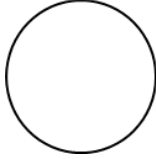
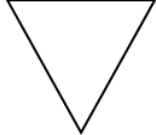

The vegan/vegetarian populations in our location, Batu Caves, are most likely to contribute to increasing demands for our products. Moreover, our products are reachable for a wide range of ages.

- Environmental and social factors

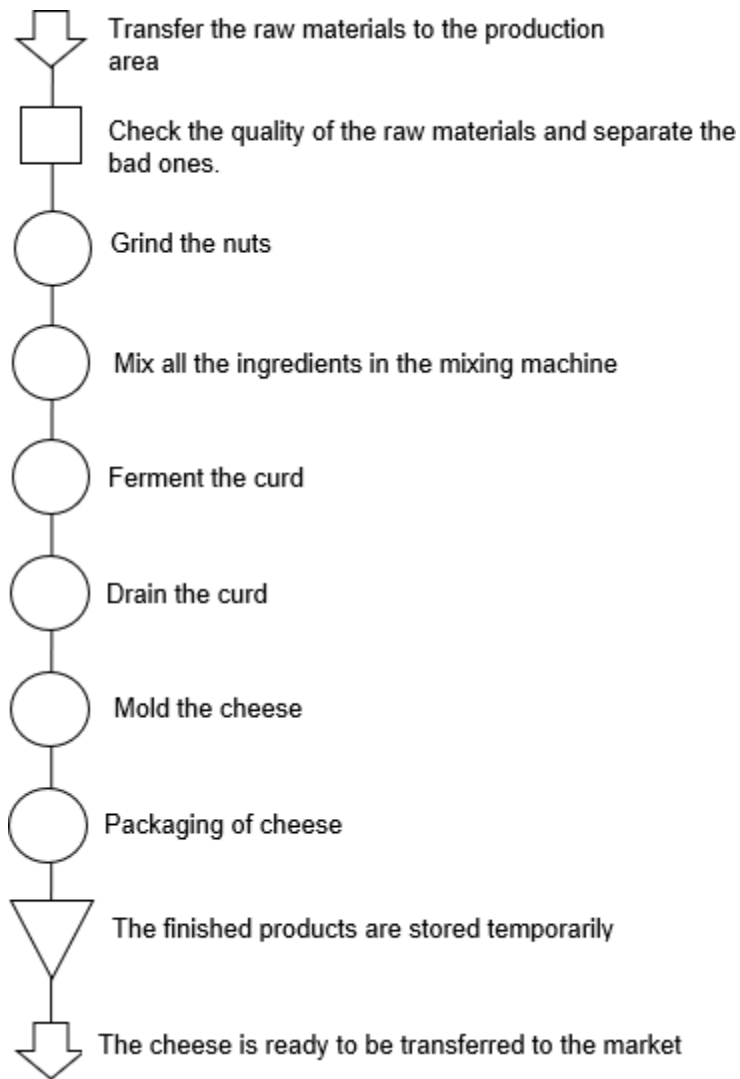
We make sure that we pass certain legislation regarding the environment in our manufacturing process in order to protect the environment. Social factors also are taken into account when the manufacturing process is conducted which is we catered mainly for the vegans who consume plant-based foods.

7.2 Process Planning for Manufacturing

7.2.1 Symbol of Process Chart

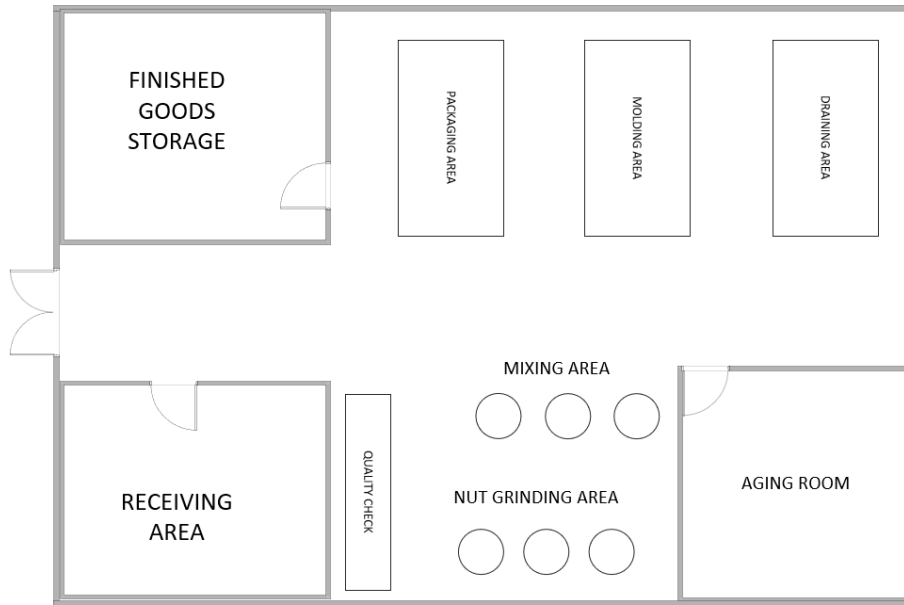
Symbol	Activity	Description
	Transportation	Movement of materials or goods from one place to another.
	Operation	Activity that modifies, transforms or gives added value to the input.
	Storage	Finished products or goods are stored in the storage area or warehouse.
	Inspection	Activity that measures the standard or quality.

7.2.2 Process flow chart



7.3 Operations Layout

7.3.1 Layout based on the product



PARTITION	DESCRIPTION
<b>RECEIVING AREA</b>	The area where all the raw materials from the suppliers are stored before the manufacturing process.
<b>QUALITY CHECK</b>	A station to measure the quality of the raw materials so that only excellent quality materials are being processed.
<b>NUT GRINDING AREA</b>	The nuts will be transferred to this area to be grinded into powder to add texture to the cheese.



<b>MIXING AREA</b>	All the ingredients in a product will be mixed in the mixing machine.
<b>AGING ROOM</b>	The mixture will be sent to this area so that the cheese will solidify.
<b>DRAINING AREA</b>	The fermented cheeses are drained to remove the excess liquid in this area.
<b>MOLDING AREA</b>	The cheeses will be molded into standardized shapes.
<b>PACKAGING AREA</b>	The finished product will be packed to ensure the quality of the product.
<b>FINISHED GOODS STORAGE</b>	The finished products are sent to this area before the it sent to the market.

#### 7.4 Production Planning

##### 7.4.1 Sales forecast per month

Population x Average Price = Market Size

1,238,434 x RM 20 = RM 24,768,680 (Market Size)

Sales forecast 3.5% from market size

RM 24,768,680 x 3.5% = RM 866,903 (Per Year)

Sales forecast per month = RM 866, 903 ÷ 12

= RM 72,241.92

**Output per month**

Average sales forecast per month = RM 72,241.92

The sales price = 125 g of vegan cheddar cheese: RM 10

350 g of vegan parmesan cheese: RM 20

250 g of vegan mozzarella cheese: RM 15

Number of outputs per month = Average sales forecast/Sale price per unit

Vegan cheddar cheese:  $RM\ 72,241.92 \div RM\ 10 = 7224$  unit

Vegan parmesan cheese:  $RM\ 72,241.92 \div RM\ 20 = 3612$  unit

Vegan mozzarella cheese:  $RM\ 72,241.92 \div RM\ 15 = 4816$  unit

7.4.2 Number of outputs per day

If the number of working days per month is 24 days (6 days/week)

= No. of output per month / no. working days per month

Vegan cheddar cheese:  $7224 \div 24 = 301$  units

Vegan parmesan cheese:  $3612 \div 24 = 151$  units

Vegan mozzarella cheese:  $4816 \div 24 = 201$  units

7.4.3 Number of units per hour

Such as daily working hour = 9 hours

= No. of output per day / daily working hours

Vegan cheddar cheese:  $301 \div 9\ \text{hours} = 33$  units

Vegan parmesan cheese:  $151 \div 9\ \text{hours} = 17$  units

Vegan mozzarella cheese:  $201 \div 9\ \text{hours} = 22$  units

## 7.5 Material Planning

### 7.5.1 Material Requirement Planning

#### 7.5.1.1 Raw Material Required per Month (Bill of Material)

Material	Quantity	Safety Stock	Total Material Requirement	Price / unit (RM)	Total price (RM)
Soy milk	4300 L	100 L	4400 L	6.40/L	28,160
Cashew nuts	383 kg	5 kg	388 kg	17.00/kg	6,596
Palm oil	70 kg	3 kg	73 kg	12.80/L	934.4
Pea flour	70 kg	10 kg	80 kg	15.90/kg	1272
Emulsifying salt	30 kg	10 kg	40 kg	24.90/kg	996
Olive extract	20 kg	5 kg	25 kg	34.35/kg	858.75
Potato starch	70 kg	3 kg	73 kg	8.00/kg	584
Rice protein	105 kg	5 kg	110 kg	26.01/kg	2861.1
Garlic	20 kg	5 kg	25 kg	12.99/kg	324.75
Sprouted brown rice	105 kg	5 kg	110 kg	17.93/kg	1972.3
Apple vinegar	8 L	2 L	10 L	28.37/L	283.7

					Total	44,843

## 7.5.2 Identify supplier

No	Material	Supplier
1	Soy milk	Bonlife Sdn. Bhd.
2	Cashew nuts	Jannat Asia Trading
3	Palm oil	Golden Palm Oil Industries
4	Pea flour	Bakewell Sdn. Bhd.
5	Emulsifying salt	ICL Food Sdn. Bhd.
6	Olive extract	Hunan World Well-Being Bio-Tech Co., Ltd.
7	Potato starch	Bakewell Sdn. Bhd.
8	Rice protein	Qingdao Haosail Science Co., Ltd.
9	Garlic	Asfara Enterprise
10	Sprouted brown rice	Matahari Sdn. Bhd.
11	Apple vinegar	Ballun Distribution (M) Sdn. Bhd.

7.6 Machine and Equipment Planning

7.6.1 Amount of machine & equipment required

$$\frac{\text{Planned Rate of Production per day}}{\text{Machine productive time per day}} \times \text{standard production time}$$

Planned rate of production per day: 33 + 17 + 22 units = 72 units per day

Machine productive time per day = 420 min

1) Pasteurizer machine

$$\frac{72}{420} \times 11.21 = 1.9 @ 2 \text{ machines}$$

2) Nut- grinding machine

$$\frac{72}{420} \times 14.64 = 2.5 @ 3 \text{ machines}$$

3) Mixing machine

$$\frac{72}{420} \times 13.45 = 2.3 @ 2 \text{ machines}$$

4) Molding machine

$$\frac{72}{420} \times 12.36 = 2.1 @ 2 \text{ machines}$$

\*\* Standard production time = one process cycle in minute/ quantity product per cycle

7.6.2 List of machine & equipment

Machine	No of machine
Pasteurizer machine	2
Nut-grinding machine	3
Mixing machine	2
Molding machine	2

7.6.3 List of machine supplier

No	Machine	Supplier
1	Pasteurizer machine	Excellentpack Machinery Sdn Bhd
2	Nut grinding machine	Knight Auto Sdn Bhd
3	Mixing machine	CKE Holdings
4	Molding machine	Southern Machineries Sdn Bhd

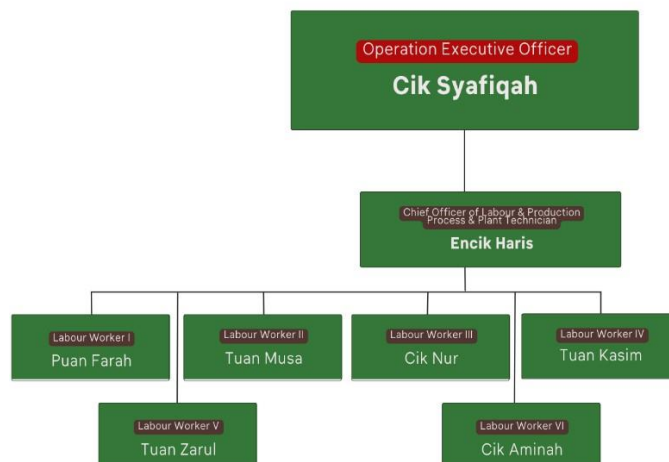
7.6.4 Machine and Equipment (rental or purchase)

No	Machine	Quantity	Price per Unit (RM)	Total Price (RM)
1	Pasteurizer machine	2	7849	15,698
2	Nut grinding machine	3	1814	5442
3	Mixing machine	2	8695	17,390
4	Molding machine	2	6338	12,676
Total				51,206

7.7 Manpower Planning

7.7.1 Organization Chart for Operation Department

**NATURALIFE** Operational Organizational Chart



## 7.7.2 Amount of direct labor required

$$\frac{\text{Planned Rate of Production per day}}{\text{Machine productive time per day}} \times \text{Standard production time}$$

Plant and process technician

$$\frac{72}{420} \times 3.9 = 0.66 @ 1 \text{ technician}$$

Labour

1) Packaging operator

$$\frac{72}{420} \times 9.64 = 1.6 @ 2 \text{ operators}$$

2) Mixer operator

$$\frac{72}{420} \times 6.21 = 1.06 @ 1 \text{ operator}$$

3) Quality operator

$$\frac{72}{420} \times 9.54 = 1.6 @ 2 \text{ operators}$$

4) Molding operator

$$\frac{72}{420} \times 8.11 = 1.4 @ 1 \text{ operator}$$

\*\* Standard production time = one process cycle in minute/ quantity product per cycle

7.7.3 List of Operation Personnel

	<b>Position</b>	<b>No of personnel</b>
	Plant and process technician	1
7.7.4	Packaging operator	2
S	Mixer operator	1
c	Quality inspector	2
n	Molding operator	1
e		
d		

Table of task and responsibilities

<b>Position</b>	<b>Task and Responsibilities</b>
Plant and process technician	<ul style="list-style-type: none"> <li>• Monitor and diagnose problems within the equipment, and machinery.</li> <li>• Perform troubleshooting functions, and run tests to improve existing systems.</li> </ul>
Packaging operator	<ul style="list-style-type: none"> <li>• Pack the finished products</li> <li>• Weighing packages and labeling them appropriately.</li> <li>• Inspecting packages to ensure they are not damaged</li> <li>• Inspecting shipping containers to ensure they meet shipping regulations.</li> </ul>
Mixer operator	<ul style="list-style-type: none"> <li>• Measuring ingredients and products to ensure they meet the stated requirements</li> <li>• Tending to the machines used for mixing</li> </ul>
Quality inspector	<ul style="list-style-type: none"> <li>• Reviewing products and materials during manufacturing to make sure they meet company requirements.</li> <li>• Check for any defects on products before sending them to the storage area.</li> </ul>
Molding operator	<ul style="list-style-type: none"> <li>• Tending to the machines used for molding</li> <li>• Ensure the products mold into standardized shapes.</li> </ul>



7.7.5 Schedule of remuneration

Position	No.	Monthly Salary (RM)	EPF Contribution (13%) (RM)	SOCSSO (1.75%) (RM)	Amount (RM)
Plant and process technician	1	2100	273	9.25	1262.50
Packaging operator	2	1647	215	28.82	2155.90
Mixer operator	1	1647	215	28.82	1077.95
Quality inspector	2	1647	215	28.82	2155.90
Molding operator	1	1647	215	28.82	1077.95
<b>TOTAL</b>					<b>7,730.20</b>

7.8 Overhead requirement

7.8.1 Operations Overhead (indirect labour/indirect material/insurance/maintenance and utilities)

No	Types of Overhead	Monthly Cost (RM)
1	Electricity	2,500
2	Water	2,500
3	Rental	7,000
6	Box for transportation	300
7	Machine maintenance	800
8	Cleaner	1,250
	<b>TOTAL</b>	<b>14,350</b>

7.9 Total Operations Cost

**Total Operation Cost** = Direct Material Cost (total raw material) + Direct Labor Cost (total remuneration) + Overhead Cost (total operations overhead)

$$= 44,843 + 7,730.20 + 14,350 = \text{RM } 66, 923.20$$

### 7.10 Cost per unit

$$\begin{aligned} \text{Cost per unit} &= \frac{\text{total operation costs (RM)}}{\text{total number of output (output per month)}} \\ &= \frac{\text{RM } 66,923.20}{(7224+3612+4816)} = \text{RM } 4.28 \end{aligned}$$

### 7.11 Productivity Index (PI)

$$\begin{aligned} \text{Productivity Index} &= \frac{\text{Total value of Output (Sales forecast per month)}}{\text{Total Value of input (Total Operation Cost)}} \\ &= \frac{\text{RM } 72,241.92}{\text{RM } 66,923.20} = 1.08 \end{aligned}$$

### 7.12 Business and operation hours

Business hour = 9 hours per day (8.00 a.m. until 5.00 p.m.)

Operating hours = 11 hours per day (7.00 a.m. until 6.00 p.m.)

Working days = 6 days per week (Monday – Saturday)

### 7.13 License, permits and regulations required

#### 7.13.1 General licenses

- Company Registration
- Company and Employees Income Tax Registration
- Employees Provident Fund (EPF)
- Social Security Organization (PERKESO)
- Human Resources Development Fund (HRDF)
- Business Premise Licenses and Signboard Licenses

7.13.2 Building license

- Building Plan Approval

7.13.3 Environment license

- Approval to install/resite/alter Air Pollution Control Equipment

7.13.4 Manufacturing license

- Certificate of Fitness for Certified Machinery
- Sales Tax License

7.14 Operations Budget

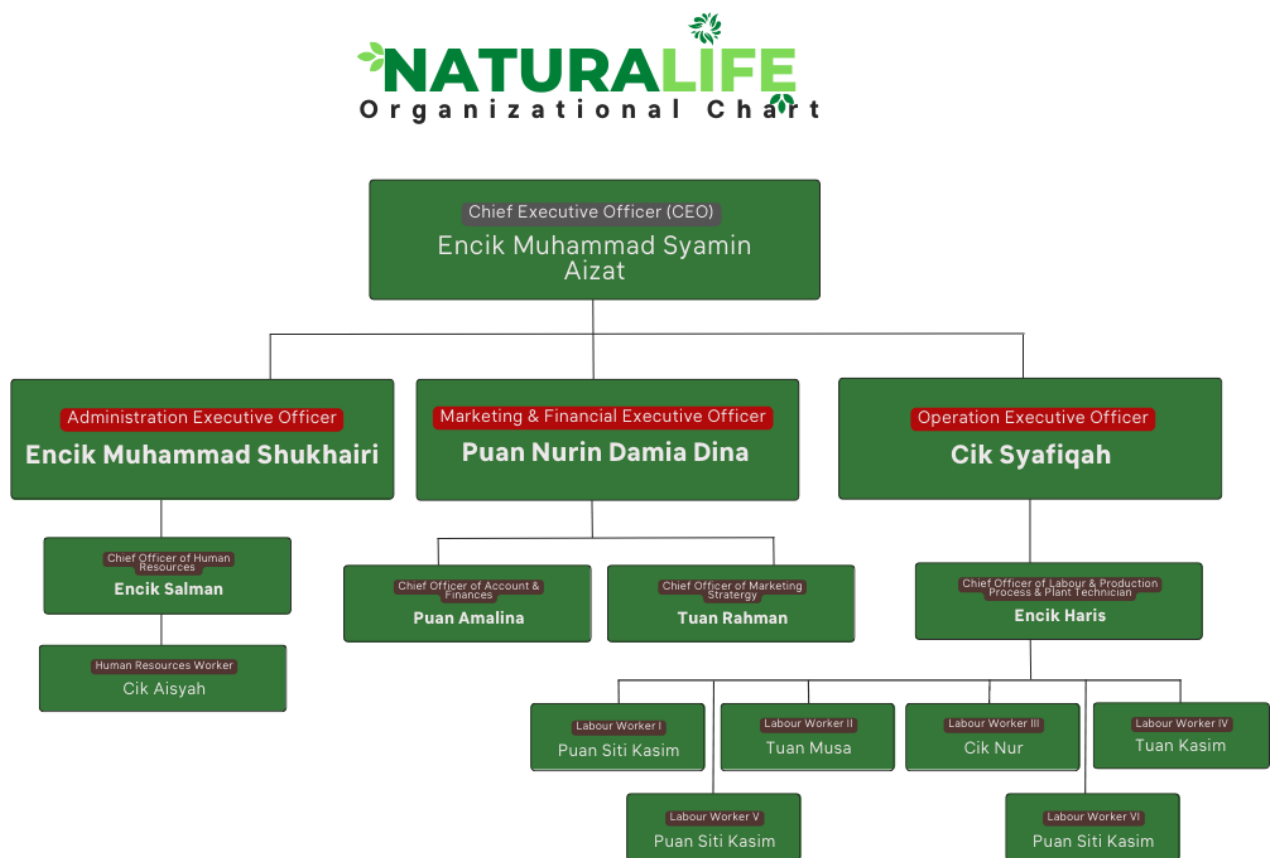
OPERATIONS EXPENDITURE	
Fixed Assets	RM
Pasturizer machine	15,698
Nut grinding machine	5,442
Molding machine	17,390
Mixing machine	12,676
<b>Working Capital</b>	
Raw Materials & Packaging	44,843
Carriage Inward & Duty	10,000
Salaries, EPF & SOCSO	7,730
Electricity	1,500
Water Bill	1,500
<b>Other Expenditure</b>	
Other Expenditure	
<b>Pre-Operations</b>	
Deposit (rent, utilities, etc.)	5,000
Business Registration & Licences	50,000
Insurance & Road Tax for Motor Vehicle	1500
Other Expenditure	
<b>TOTAL</b>	<b>173,279</b>

# **ADMINISTRATION PLAN**

## 8. Administration Plan

### 8.1 Organizational Chart for Administration and other related department

Figure 8.1 Organizational Chart (GM + Head and workers of Administration and other related department)



## 8.2 Manpower Planning

*Table 8.2 List of Personnel (GM + Head and workers of Administration and Finance Department)*

<b>Position</b>	<b>No. of Personnel</b>
Chief Executive Officer	1
Administration Executive Officer	1
Financial & Marketing Executive Officer	1
Operation Executive Officer	1
Human Resources Department Worker	2
Financial & Marketing Department Worker	2
Labour Worker	5
Cashier	1
Delivery men	1

## 8.3 Schedule of Task and Responsibilities

*Table 8.3 Task and Responsibilities (GM + Head and workers of Administration and Finance Department)*

<b>Position</b>	<b>Task and Responsibilities</b>
1. Chief Executive Officer	<ul style="list-style-type: none"> <li>• To form the objectives, planning strategies &amp; monitor the organization policies and lead the organization towards mission, vision and objective of company.</li> <li>• To plan and monitor the strategic progress of the business.</li> <li>• To maintain good communications skills and relationship mainly towards clients and workers.</li> <li>• Ensure all activities to run smoothly with a proper procedure.</li> <li>• Able to cooperate and interact with people.</li> </ul>

<p>2. Administration Executive Officer</p>	<ul style="list-style-type: none"> <li>• To carry out interview session for workers and to evaluate workers performances.</li> <li>• Ensure all the business objective able to achieve.</li> <li>• To plan the administration system and ensure it become efficient and effective.</li> <li>• To help the general Executive Officer and plan systematic management.</li> </ul>
<p>3. Financial &amp; Marketing Executive Officer</p>	<ul style="list-style-type: none"> <li>• To prepare cash flow, trading profit and loss account and also the balance sheet for the company.</li> <li>• Responsible to the entire activities that involves the company finance.</li> <li>• To manage all financial management.</li> <li>• To identify the marketing target, current market and determine the strategy that is are required.</li> <li>• Doing consistent promotions that ensures the sales reach company's objective.</li> </ul>
<p>4. Operation Executive Officer</p>	<ul style="list-style-type: none"> <li>• Arrange the set of services and education that will be offered.</li> <li>• To ensure the stock flow run smoothly without any shortage.</li> <li>• To ensure the quality of product is at the rate of company expectation.</li> <li>• Plan out the programme that will be done.</li> <li>• To lead production process according to designated production target and plan.</li> <li>• To plan and monitor the production progress of the business.</li> <li>• To maintain good communications skills and relationship mainly towards suppliers.</li> <li>• Ensure all production process to run smoothly with a proper procedure and production cost does not overuse.</li> <li>• Responsible in providing training session to labour workers and safety of workers.</li> </ul>
<p>5. Human Resources Department Workers</p>	<ul style="list-style-type: none"> <li>• Help in maintaining workers welfare and salaries.</li> <li>• Ensuring every furniture and office fittings in good condition.</li> <li>• Maintaining workers health in good condition and working in safe environment.</li> </ul>

<p>6. Accounts and Financial &amp; Marketing Strategy Department Workers</p>	<ul style="list-style-type: none"> <li>• Help in calculate product sales for the next few years.</li> <li>• Providing new marketing approach to gain new clients.</li> <li>• Ensuring the company making profit throughout the whole operation years.</li> <li>• Ordering new equipment if require</li> <li>• Responsible in calculate every profit and loss of production from all section during production timeline.</li> </ul>
<p>7. Labour &amp; Production Process Department Workers</p>	<ul style="list-style-type: none"> <li>• Help in preparation of raw ingredients.</li> <li>• Loading and unloading stocks.</li> <li>• Handle machinery and production of product</li> <li>• Packaging of product.</li> </ul>
<p>8. Cashier</p>	<ul style="list-style-type: none"> <li>• Manage daily sales transaction.</li> <li>• Manages and arrange stock at premise.</li> </ul>
<p>9. Deliverymen</p>	<ul style="list-style-type: none"> <li>• To deliver the product to customer by company's vehicle.</li> </ul>



## 8.4 Schedule of Remuneration

Table 8.4 Schedule of Remuneration

Position	Quantity	Monthly Salary (RM) (A)	EPF (RM) (13 %) (B)	SOCSSO (RM) (1.75 %) (C)	Total (A)+(B)+(C)
Chief Executive Officer	1	4500.00	585.00	78.75	5163.75
Administration Executive Officer	1	3000.00	390.00	52.50	3442.25
Financial & Marketing Executive Officer	1	3000.00	390.00	52.50	3442.25
Operation Executive Officer	1	3000.00	390.00	52.50	3442.25
Human Resources Department Worker	2	1500.00	195.00	26.25	3442.50
Financial & Marketing Department Worker	2	1500.00	195.00	26.25	3442.50
Labour Workers	5	1500.00	195.00	26.25	8606.25
Cashier	1	1500.00	195.00	26.25	1721.25
Delivery Men	1	1500.00	195.00	26.25	1721.25
<b>TOTAL</b>			<b>15</b>		<b>34,423.75</b>

## 8.5 Office Furniture, Fitting and Office Supplies

Table 8.5.1 List of Office Equipments and supplies.

Type	Quantity	Price/Unit (RM)	Total (RM)
<b>EQUIPMENT</b>			
Computer	10	4000.00	40000.00
Telephone	5	2500.00	12500.00
Printer	3	850.00	2550.00
Wireless Router	2	1500.00	3000.00
External Hard Disk	1	200.00	200.00
Air Condition	5	850.00	4250.00
Photocopy Machine	3	850.00	2550.00
Fax Machine	2	850.00	1700.00
<b>TOTAL</b>			<b>66750.00</b>
<b>SUPPLIES</b>			
A4 Paper	5 caton	60.00	300.00
Pen	5 box	40.00	200.00
Files	100	4.00	400.00
Printer Ink	10	50.00	500.00
Calculator	10	30.00	300.00
Extension	5	30.00	150.00
Blue Board	3	150.00	450.00
White Board	3	150.00	450.00
Marken Pen with Duster	5 box	40.00	200.00
Pin	5 box	40.00	200.00
<b>TOTAL</b>			<b>3150.00</b>

Table 8.5.2 List of Office's Furniture and Fittings.

Type	Quantity	Price/Unit (RM)	Total (RM)
Table & Chair Office	12	2500.00	30000.00
Front Desk	1	1000.00	1000.00
Cabinet	5	700.00	3500.00
Cupboard	5	350.00	1750.00
Coffee Table	3	500.00	1500.00
Sofa	2	1500.00	3000.00
Curtain	5	50.00	250.00
Curtain Rod	5	50.00	250.00
Pantry Set	1	750.00	750.00
Chair	12	35.00	420.00
<b>TOTAL</b>			<b>42,420.00</b>

## 8.6 Production Plant's &amp; Warehouse's Furniture, Fitting and Office Supplies

Table 8.6.1 List of Production Plant &amp; Warehouse Equipment and supplies.

Type	Quantity	Price/Unit (RM)	Total (RM)
<b>EQUIPMENT</b>			
Computer	2	4000.00	8000.00
Telephone	1	1000.00	1000.00
Cashier Set	2	1000.00	2000.00
Wireless Router	1	100.00	100.00
Rack	10	150.00	1500.00
Fridge	5	950.00	4750.00
Television	2	1000.00	2000.00
Machine Processing	6	5500.00	33000.00
<b>TOTAL</b>			<b>50550.00</b>
<b>SUPPLIES</b>			
A4 Paper	5 caton	60.00	300.00
Pen	5 box	40.00	200.00
Files	100	4.00	400.00
Printer Ink	10	50.00	500.00
Calculator	10	30.00	300.00
Extension	5	30.00	150.00
Blue Board	3	150.00	450.00
Pin	5 box	40.00	200.00
Box	50	25.00	1250.00
Container	100	5.00	500.00
Sealer	100	2.50	250.00
Sticker	100	2.50	250.00
<b>TOTAL</b>			<b>4750.00</b>

## 8.7 Administration Budget

Table 8.7.1 Administration Budget

Item	Fixed Assets	Monthly Expenses (RM)	Other Expenses (RM)
<b>FIXED ASSETS</b>			
Office Equipment	69900.00		
Furniture & Fittings	42420.00		
Store & Warehouse Equipment	22300.00		
Company's Vehicle	1500.00		
<b>WORKING CAPITAL</b>			
Rent		15000.00	
Bill Utilities (Electricity + Water)		1000.00	
Salaries, EPF & SOCSO		34423.75	
<b>PRE-OPERATIONS</b>			
Deposit			5000.00
Business Registration & License			2500.00
Insurance & Road Tax			1500.00
Other Expenditure			2500.00
<b>TOTAL</b>		<b>203,043.75</b>	

# **FINANCIAL PLAN**

## 9.1 Financial Plan

### Overview

The financial plan provides an assessment of our company's finances and future growth prospects. Financial terms that refer to or concern money. A financial strategy aids a business in establishing reasonable goals for its success. A solid financial strategy enhances a company's appeal to investors in addition to helping it manage its operations. As a result, it reduces business risk and demonstrates that the organization has a clear strategy for commercial expansion.

All business financial plans should include the following:

- ❖ Project implementation cost
- ❖ Sources of finance
- ❖ Loan and hire-purchase amortization repayment schedule
- ❖ Pro forma income statement and balance sheet
- ❖ Financial analysis and performance

### Objectives

Naturalife is a highly driven organization with aspirations of being one of Malaysia's most profitable companies. Cash flow problems are sure to arise in the absence of financial planning. Additionally, late payments may incur additional interest charges or penalties on profits. Cash flow issues may become so severe that it becomes impossible to pay staff on schedule. Consequently, the goals of this firm financial plan are essential. The following is a list of this financial plan's goals.

- ❖ To ensure the internal source is generated to its maximum capacity
- ❖ Utilizing internal resources to the fullest extent possible
- ❖ To ensure adequate initial capital investment
- ❖ To ensure the implementation of the project must be 100% successful
- ❖ Restructuring the debt at least minimally is essential.
- ❖ To attain a 15% operating profit margin.
- ❖ To make sure the company does not invest excessively in resources.

## 9.2 Operating Budget

### 9.2.1 Administrative Department

<b>ADMINISTRATIVE EXPENDITURE</b>	
<b>Fixed Assets</b>	<b>RM</b>
Land & Building	-
Office Furniture & Fitting	69,900
Office Equipment	42,420
Store & Warehouse Equipment	22,300
Company's Vehicle	1,500
<b>Working Capital</b>	
Rental	15000
Electricity	500
Water bill	500
Salaries, EPF & SOCSO	45,816
<b>Other Expenditure</b>	
Other Expenditure	2500
<b>Pre-operations</b>	
Deposits (rent, utilities, etc.)	5000
Business Registration & Licences	2500
Insurance & Road Tax for Motor Vehicle	1500
<b>Total</b>	<b>209,436</b>

## 9.2.2 Marketing Department

<b>MARKETING EXPENDITURE</b>	
<b>Fixed Assets</b>	<b>RM</b>
Signboard	2,000
<b>Working Capital</b>	
Advertisement	2,250
Promotion	1,000
Packaging	1,250
<b>Other Expenditure</b>	
Other Expenditure	500
<b>Pre-operations</b>	
Deposits (rent, utilities, etc.)	
Business Registration & Licences	
Insurance & Road Tax for Motor Vehicle	
<b>Total</b>	<b>7,000</b>



## 9.2.3 Operations Department

<b>OPERATIONS EXPENDITURE</b>	
<b>Fixed Assets</b>	<b>RM</b>
Pasturizer machine	15,698
Nut grinding machine	5,442
Molding machine	17,390
Mixing machine	12,676
<b>Working Capital</b>	
Raw material & packaging	44,843
Carriage inward & duty	10,000
Salaries, EPF & SOCSO	7,730
Electricity	1,500
Water bill	1,500
<b>Other Expenditure</b>	
Other Expenditure	-
<b>Pre-operations</b>	
Deposits (rent, utilities, etc.)	5,000
Business Registration & Licences	50,000
Insurance & Road Tax for Motor Vehicle	1,500
<b>Total</b>	<b>173,279</b>

### 9.3 Project Implementation Cost and Sources of Finance

#### 9.3.1 Source of finance

The source of finance is the allocation of funds for a business to meet its operating needs. To expand their company, companies constantly look for financing sources. Providing resources to finance a program, project, or necessity is referred to as "funding," often known as "financing." This includes working capital for the short term, fixed assets, and other long-term investments.

Three primary sources of finance are:

- ❖ Retained earnings
- ❖ Loan financing
- ❖ Equity financing

Finance comes from both internal and external sources.

- ❖ External sources of financing come from outside the company, while
- ❖ internal sources of financing are found within the company.

A firm needs to have sources of funding since different sources have varied expenses, such as interest rates and fees, which can significantly impact a company's financial situation. Besides, a company's financial flexibility may be impacted by the terms and circumstances of various sources of financing, such as payback timelines and collateral requirements. Consequently, it is crucial for a business to thoroughly weigh its financing alternatives and select the financing options that best suit its requirements and objectives.

## 9.3.2 Project implementation cost &amp; Source of finance

Requirements			Cost	Loan	Hire-Purchase	Own Contribution (cash)
<b>Fixed Assets</b>						
Land & Building						
Office Furniture & Fittings			69,900	49,350		20,550
Office Equipment			42,420		33,000	9,420
Store & Warehouse Equipment			22,300		14,750	7,550
Company's Vehicle			1,500			1,500
Signboard			2,000			2,000
Pasturizer machine			15,698	8,049	7,649	
Nut grinding machine			5,442	3,628		1,814
Molding machine			17,390	8,695	8,695	
Mixing machine			12,676	6,338	6,338	
<b>Working Capital</b> 1      months						
Administrative			61,816	61,816		
Marketing			4,500			4,500
Operations			65,573	42,573		23,000
<b>Pre-Operations &amp; Other Expenditure</b>			68,500	68,500		
<b>Contingencies</b> 10%			38,972	29,610		9,362
<b>TOTAL</b>			<b>428,687</b>	<b>278,559</b>	<b>70,432</b>	<b>79,696</b>

9.4 Fixed Asset Depreciation Schedule

<b>Fixed Asset</b>		<b>Office Furniture &amp; Fittings</b>	
<b>Cost (RM)</b>		<b>69,900</b>	
<b>Method</b>		<b>Straight Line</b>	
<b>Economic Life (yrs)</b>		<b>5</b>	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	69,900
1	13,980	13,980	55,920
2	13,980	27,960	41,940
3	13,980	41,940	27,960
4	13,980	55,920	13,980
5	13,980	69,900	-

<b>Fixed Asset</b>		<b>Office Equipment</b>	
<b>Cost (RM)</b>		<b>42,420</b>	
<b>Method</b>		<b>Straight Line</b>	
<b>Economic Life (yrs)</b>		<b>5</b>	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	42,420
1	8,484	8,484	33,936
2	8,484	16,968	25,452
3	8,484	25,452	16,968
4	8,484	33,936	8,484
5	8,484	42,420	-

<b>Fixed Asset</b>		<b>Store &amp; Warehouse Equipment</b>	
<b>Cost (RM)</b>		<b>22,300</b>	
<b>Method</b>		<b>Straight Line</b>	
<b>Economic Life (yrs)</b>		<b>5</b>	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	22,300
1	4,460	4,460	17,840
2	4,460	8,920	13,380
3	4,460	13,380	8,920
4	4,460	17,840	4,460
5	4,460	22,300	-

<b>Fixed Asset</b>		<b>Company's Vehicle</b>	
<b>Cost (RM)</b>		<b>1,500</b>	
<b>Method</b>		<b>Straight Line</b>	
<b>Economic Life (yrs)</b>		<b>5</b>	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	1,500
1	300	300	1,200
2	300	600	900
3	300	900	600
4	300	1,200	300
5	300	1,500	-

<b>Fixed Asset</b>		<b>Signboard</b>	
<b>Cost (RM)</b>		<b>2,000</b>	
<b>Method</b>		<b>Straight Line</b>	
<b>Economic Life (yrs)</b>		<b>5</b>	
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	2,000
1	400	400	1,600
2	400	800	1,200
3	400	1,200	800
4	400	1,600	400
5	400	2,000	-

<b>Fixed Asset</b> <b>Pasturizer machine</b> <b>Cost (RM)</b> <b>7,649</b> <b>Method</b> <b>Straight Line</b> <b>Economic Life (yrs)</b> <b>5</b>			
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	15,698
1	3,140	3,140	12,558
2	3,140	6,279	9,419
3	3,140	9,419	6,279
4	3,140	12,558	3,140
5	3,140	15,698	-

<b>Fixed Asset</b> <b>Nut grinding machine</b> <b>Cost (RM)</b> <b>1,814</b> <b>Method</b> <b>Straight Line</b> <b>Economic Life (yrs)</b> <b>5</b>			
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	5,442
1	1,088	1,088	4,354
2	1,088	2,177	3,265
3	1,088	3,265	2,177
4	1,088	4,354	1,088
5	1,088	5,442	-

<b>Fixed Asset</b> <b>Molding machine</b> <b>Cost (RM)</b> <b>8,695</b> <b>Method</b> <b>Straight Line</b> <b>Economic Life (yrs)</b> <b>5</b>			
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	17,390
1	3,478	3,478	13,912
2	3,478	6,956	10,434
3	3,478	10,434	6,956
4	3,478	13,912	3,478
5	3,478	17,390	-

<b>Fixed Asset</b> <b>Mixing machine</b> <b>Cost (RM)</b> <b>6,338</b> <b>Method</b> <b>Straight Line</b> <b>Economic Life (yrs)</b> <b>5</b>			
Year	Annual Depreciation	Accumulated Depreciation	Book Value
	-	-	12,676
1	2,535	2,535	10,141
2	2,535	5,070	7,606
3	2,535	7,606	5,070
4	2,535	10,141	2,535
5	2,535	12,676	-

**9.5 Loan and Hire Purchase Depreciation Schedule**

<b>LOAN REPAYMENT SCHEDULE</b>				
<b>Amount</b>		<b>265,193</b>		
<b>Interest Rate</b>		<b>5%</b>		
<b>Duration (yrs)</b>		<b>10</b>		
<b>Method</b>		<b>Kadar tetap</b>		
<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Payment</i>	<i>Principal Balance</i>
	-	-		278,559
1	27,856	13,928	41,784	250,703
2	27,856	13,928	41,784	222,847
3	27,856	13,928	41,784	194,991
4	27,856	13,928	41,784	167,135
5	27,856	13,928	41,784	139,279
6	27,856	13,928	41,784	111,423
7	27,856	13,928	41,784	83,568
8	27,856	13,928	41,784	55,712
9	27,856	13,928	41,784	27,856
10	27,856	13,928	41,784	0

<b>HIRE-PURCHASE REPAYMENT SCHEDULE</b>				
<b>Amount</b>		<b>70,432</b>		
<b>Interest Rate</b>		<b>5%</b>		
<b>Duration (yrs)</b>		<b>7</b>		
<i>Year</i>	<i>Principal</i>	<i>Interest</i>	<i>Total Payment</i>	<i>Principal Balance</i>
	-	-		70,432
1	10,062	3,522	13,583	60,370
2	10,062	3,522	13,583	50,309
3	10,062	3,522	13,583	40,247
4	10,062	3,522	13,583	30,185
5	10,062	3,522	13,583	20,123
6	10,062	3,522	13,583	10,062
7	10,062	3,522	13,583	(0)

9.6 Proforma Cashflow Statement

MONTH	Pre-Operations	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL YR 1	YEAR 2	YEAR 3
<b>CASH INFLOW</b>																
Capital (Cash)	79,696													79,696		
Loan	278,559													263,930		
Cash Sales		216,720	216,720	216,720	216,720	216,720	216,720	216,720	216,720	216,720	216,720	216,720	216,720	2,600,640	2,990,736	3,379,532
Collection of Accounts Receivable																
<b>TOTAL CASH INFLOW</b>	<b>358,255</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>216,720</b>	<b>2,944,266</b>	<b>2,990,736</b>	<b>3,379,532</b>
<b>CASH OUTFLOW</b>																
<b>Administrative Expenditure</b>																
Rental		15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000	207,000	233,910
Electricity		500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,900	7,797
Water Bill		500	500	500	500	500	500	500	500	500	500	500	500	6,000	6,900	7,797
Salaries, EPF & SOCSO		45,816	45,816	45,816	45,816	45,816	45,816	45,816	45,816	45,816	45,816	45,816	45,816	549,791	632,259	714,453
<b>Marketing Expenditure</b>																
Advertisement		2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,250	27,000	31,050	35,087
Promotion		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000	13,800	15,594
Packaging		1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	1,250	15,000	17,250	19,493
<b>Operations Expenditure</b>																
Cash Purchase		22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	269,058	309,417	340,358
Payment of Account Payable			22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	22,422	246,637	269,058	309,417

Carriage Inward & Duty		10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000	138,000	155,940
Salaries, EPF & SOCSO		7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	7,730	92,762	106,677	120,545
Electricity		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	20,700	23,391
Water Bill		1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000	20,700	23,391
<b>Other Expenditure</b>		3,000												3,000	3,450	3,899
<b>Pre-Operations</b>																
Deposit (rent, utilities, etc.)	10,000													10,000		
Business Registration & Licences	52,500													52,500		
Insurance & Road Tax for Motor Vehicle	3,000													3,000	3,000	3,000
Other Pre-Operations Expenditure																
<b>Fixed Assets</b>																
Purchase of Fixed Assets - Land & Building																
Purchase of Fixed Assets - Others	101,924													101,924		
Hire-Purchase Down Payment	16,970													16,970		
<b>Hire-Purchase Repayment:</b>																
Principal		838	838	838	838	838	838	838	838	838	838	838	838	10,062	10,062	10,062
Interest		293	293	293	293	293	293	293	293	293	293	293	293	3,522	3,522	3,522
<b>Loan Repayment:</b>																
Principal		2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	2,321	27,856	27,856	27,856
Interest		1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	1,161	13,928	13,928	13,928
Tax Payable													0	0	0	0
<b>TOTAL CASH OUTFLOW</b>	<b>184,394</b>	<b>117,082</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>136,503</b>	<b>1,803,009</b>	<b>1,841,528</b>	<b>2,069,438</b>
<b>CASH SURPLUS (DEFICIT)</b>	<b>173,861</b>	<b>99,638</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>80,217</b>	<b>1,155,886</b>	<b>1,149,208</b>	<b>1,310,094</b>
<b>BEGINNING CASH BALANCE</b>		<b>173,861</b>	<b>273,499</b>	<b>353,716</b>	<b>433,933</b>	<b>514,150</b>	<b>594,367</b>	<b>674,584</b>	<b>754,801</b>	<b>835,018</b>	<b>915,235</b>	<b>995,452</b>	<b>1,075,669</b>		<b>1,155,886</b>	<b>2,305,094</b>
<b>ENDING CASH BALANCE</b>	<b>173,861</b>	<b>273,499</b>	<b>353,716</b>	<b>433,933</b>	<b>514,150</b>	<b>594,367</b>	<b>674,584</b>	<b>754,801</b>	<b>835,018</b>	<b>915,235</b>	<b>995,452</b>	<b>1,075,669</b>	<b>1,155,886</b>	<b>1,155,886</b>	<b>2,305,094</b>	<b>3,615,188</b>



## 9.7 Proforma Income Statement

<b>NATURALIFE PRO-FORMA INCOME STATEMENT</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>Sales</b>	<b>2,600,640</b>	<b>2,990,736</b>	<b>3,379,532</b>
<b>Less: Cost of Sales</b>			
Opening Stock of Finished Goods		500	575
Production Cost	796,620	915,076	1,014,156
less: Ending Stock of Finished Goods	500	575	644
	0	0	0
	<b>796,120</b>	<b>915,001</b>	<b>1,014,087</b>
<b>Gross Profit</b>	<b>1,804,520</b>	<b>2,075,735</b>	<b>2,365,445</b>
<b>Less: Expenditure</b>			
Administrative Expenditure	741,791	853,059	963,957
Marketing Expenditure	54,000	62,100	70,173
Other Expenditure	3,000	3,450	3,899
Business Registration & Licences	52,500		
Insurance & Road Tax for Motor Vehicle	3,000	3,000	3,000
Other Pre-Operations Expenditure			
Interest on Hire-Purchase	3,522	3,522	3,522
Interest on Loan	13,928	13,928	13,928
Depreciation of Fixed Assets	27,624	27,624	27,624
<b>Total Expenditure</b>	<b>899,364</b>	<b>966,683</b>	<b>1,086,102</b>
<b>Net Profit Before Tax</b>	<b>905,156</b>	<b>1,109,052</b>	<b>1,279,343</b>
<b>Tax</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Profit After Tax</b>	<b>905,156</b>	<b>1,109,052</b>	<b>1,279,343</b>
<b>Accumulated Net Profit</b>	<b>905,156</b>	<b>2,014,208</b>	<b>3,293,551</b>

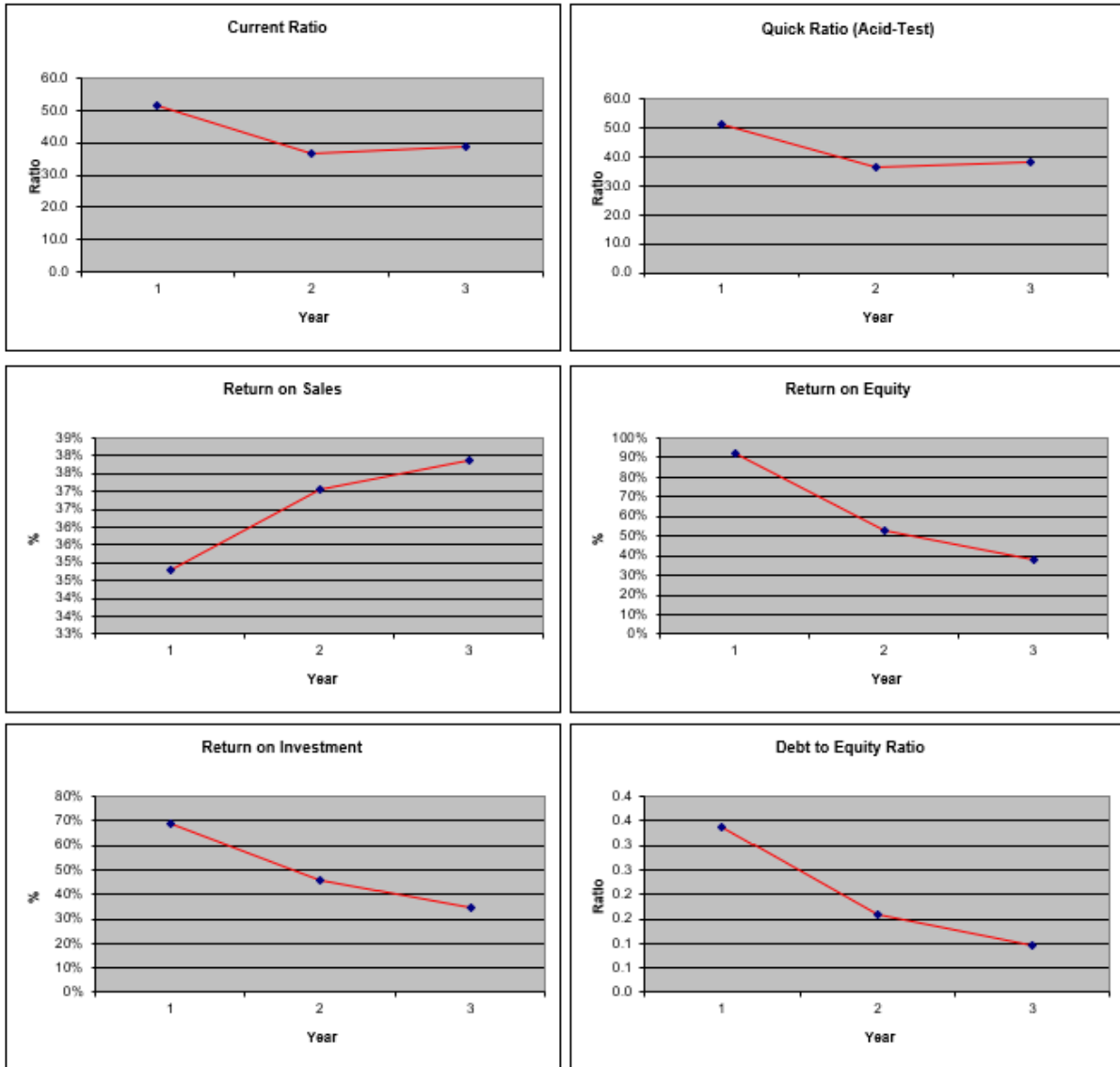
9.8 Proforma Balance Sheet

<b>NATURALIFE PRO-FORMA BALANCE SHEET</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>ASSETS</b>			
<b>Fixed Assets (Book Value)</b>			
Land & Building			
Office Furniture & Fittings	55,920	41,940	27,960
Office Equipment	33,936	25,452	16,968
Store & Warehouse Equipment	17,840	13,380	8,920
Company's Vehicle	1,200	900	600
Signboard	1,600	1,200	800
Pasturizer machine	12,558	9,419	6,279
Nut grinding machine	4,354	3,265	2,177
Molding machine	13,912	10,434	6,956
Mixing machine	10,141	7,606	5,070
	151,461	113,596	75,730
<b>Current Assets</b>			
Stock of Raw Materials	500	575	644
Stock of Finished Goods	500	575	644
Accounts Receivable			
Cash Balance	1,155,886	2,305,094	3,615,188
	1,156,886	2,306,244	3,616,476
<b>Other Assets</b>			
Deposit	12,000	10,000	10,000
<b>TOTAL ASSETS</b>	<b>1,318,347</b>	<b>2,429,839</b>	<b>3,702,206</b>
<b>Owners' Equity</b>			
Capital	79,696	79,696	79,696
Accumulated Profit	905,156	2,014,208	3,293,551
	984,852	2,093,904	3,373,247
<b>Long Term Liabilities</b>			
Loan Balance	250,703	222,847	194,991
Hire-Purchase Balance	60,370	50,309	40,247
	311,073	273,155	235,238
<b>Current Liabilities</b>			
Accounts Payable	22,422	62,780	93,722
<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>1,318,347</b>	<b>2,429,839</b>	<b>3,702,206</b>

## 9.9 Financial Ratio Analysis

<b>NATURALIFE FINANCIAL PERFORMANCE</b>			
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b><u>PROFITABILITY</u></b>			
Sales	2,600,640	2,990,736	3,379,532
Gross Profit	1,804,520	2,075,735	2,365,445
Profit Before Tax	905,156	1,109,052	1,279,343
Profit After Tax	905,156	1,109,052	1,279,343
Accumulated Profit	905,156	2,014,208	3,293,551
<b><u>LIQUIDITY</u></b>			
Total Cash Inflow	2,958,895	2,990,736	3,379,532
Total Cash Outflow	1,803,009	1,841,528	2,069,438
Surplus (Deficit)	1,155,886	1,149,208	1,310,094
Accumulated Cash	1,155,886	2,305,094	3,615,188
<b><u>SAFETY</u></b>			
Owners' Equity	984,852	2,093,904	3,373,247
Fixed Assets	151,461	113,596	75,730
Current Assets	1,156,886	2,306,244	3,616,476
Long Term Liabilities	311,073	273,155	235,238
Current Liabilities	22,422	62,780	93,722
<b><u>FINANCIAL RATIOS</u></b>			
<b><i>Profitability</i></b>			
Return on Sales	35%	37%	38%
Return on Equity	92%	53%	38%
Return on Investment	69%	46%	35%
<b><i>Liquidity</i></b>			
Current Ratio	51.6	36.7	38.6
Quick Ratio (Acid Test)	51.6	36.7	38.6
<b><i>Safety</i></b>			
Debt to Equity Ratio	0.3	0.2	0.1
<b><u>BREAK-EVEN ANALYSIS</u></b>			
Break-Even Point (Sales)	1,324,882	1,525,773	1,698,708
Break-Even Point (%)	51%	51%	50%

9.1.1 Graph



# CONCLUSION

## CONCLUSION

Considering everything, we believe that areca vegan cheese will be a successful business in the future because vegan cheese has fewer competitors compared to other products. We are working hard to meet all of the goals we have set for ourselves. Vegan cheese needs to be introduced to the world as a healthy food that brings choices to vegans. With the current surge in demand for vegan products and lifestyles, it seems clear that vegan cheese is poised to become an integral part of many people's lives. As such, we believe vegan cheese is an excellent opportunity for entrepreneurs.

By acknowledging everything, becoming a vegan cheese manufacturer won't be an easy task. By having such idea in the first place really shows that NATURALIFE Inc. is a strong and determined company to start the business eventhough there are lots of competitors. This determination shall stand together with each strong commitment by each of its 15 members of the group. These will be the strong foundation in providing route to success in selling areca cheese products to consumers. Hence, NATURALIFE Inc. won't be easily swayed by all such problems and circumstance but instead, will keep moving forward to achieve our desired mission and vision.

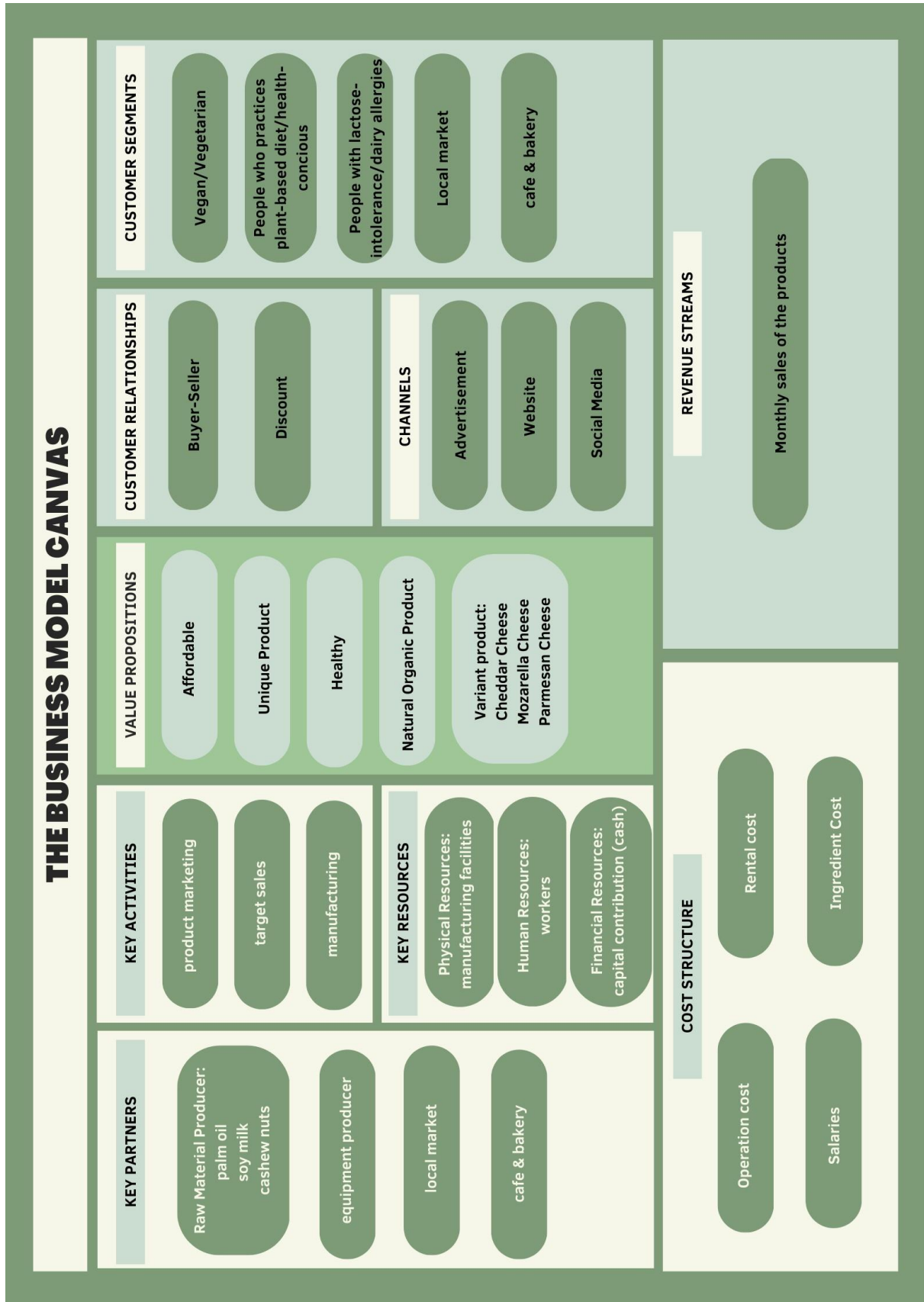
The manufacturing of three different kinds of cheese at a total of 15,652 units per month. The operation sector is led by one operational Executive Officer who has seven employees, consisting of a technician and six operators who have their own roles and responsibilities in every area of the manufacturing process. The calculations of every specification that is involved in the operation sector have been detailed in this operational plan such as bill of material, manpower planning, machine/equipment planning and many others. In order to start a business in Malaysia, we must first obtain a valid business license. Licenses, registrations, permits, and approvals are all important. The Pihak Berkuasa Melesen (PBM) can issue a business license based on the location and type of business. Before it can legally begin operating, our NATURALIFE INC. Must get a license, which might be a general license, an industry/sector-specific license, or an activity particular license.

To conclude, for financial plan, the total cost for this project implementation is around RM 428,687 but it can be paid for with loan and hire purchase. Total cost for loan is RM278,559 while hire purchase total is RM70,432. The company contribution cash is RM 79,696 not exceeding the total partnership contribution, which is RM100,000. Each partner contributes around RM25,000 for the company to start this business. Thus, the business is having cash surplus for the first 3 year and the return of sale increase significantly with the decreasing of debt-to-equity ratio. If this business maintains its consistency, NATURALIFE Inc. will achieve success and be the most known cheese brand around the world.

# APPENDICES



**Business Model Canvas (BMC)**



## **PARTNERSHIP AGREEMENT**

This Business Partnership Agreement (“Agreement”), dated on this 2nd day of December 2022 (the “Effective Date”) is entered into by and between the following Partners (collectively referred to as the “Partners”):

Name:

1. Muhammad Syamin Aizat bin Ramli
2. Muhammad Shukhairi bin Misbah
3. Nursyafiqah binti Sahrol @ Baharon
4. Nurin Damia Dina binti Ali

**WHEREAS**, the above-named Partners wish to associate themselves as Partners in a business enterprise (hereinafter referred to as the “Partnership”) as set forth in this Agreement; and

**WHEREAS**, the Partners acknowledge that they have read and understood all of the terms and conditions herein and agree to be bound by the same; and

**WHEREAS**, this Partnership Agreement shall remain in effect and full force unless otherwise terminated or dissolved in accordance with the terms set forth herein or by operation of law;

**NOW, THEREFORE**, in consideration of the mutual covenants, terms, and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

**Name.**

The Partnership formed under this Agreement shall be known as NATURALIFE. The business of this Partnership shall be constructed under this name, or other name as mutually agreed upon by the Partners.

**Ownership Interest and Authority.**

The Partners' ownership interest in this Partnership shall be as follows:

<b>Partner Name</b>	<b>Ownership percentage (%)</b>
Muhammad Syamin Aizat bin Ramli	25%
Muhammad Shukhairi bin Misbah	25%
Nursyafiqah binti Sahrol @ Baharon	25%
Nurin Damia Dina binti Ali	25%

The Partners' authority to make decisions on behalf of the Partnership shall be defined as stated below:

Dato' Sri Muhammad Syamin Aizat in charge of the daily operations of the company.

**Costs.**

The Partners shall share the costs according to the below percentages:

<b>Partner Name</b>	<b>Costs (%)</b>
Muhammad Syamin Aizat bin Ramli	25%
Muhammad Shukhairi bin Misbah	25%
Nursyafiqah binti Sahrol @ Baharon	25%
Nurin Damia Dina binti Ali	25%

**Profits and Losses.**

The Partners agree that the Partnerships finances and applicable assets shall be audited on the following basis: The Profits will be accounted by Muhammad Syamin Aizat and distributed twice a year.

The Partnership's accounting will be conducted on 10<sup>th</sup> November and the Partner in charge of the Partnership's accounting of all profits and losses will be Muhammad Syamin Aizat bin Ramli, Muhammad Shukhairi bin Misbah, Nursyafiqah binti Sahrol @ Baharon and Nurin Damia Dina binti Ali

While auditing the Partnership's finances and relevant assets, the net profit and loss of the Partnership subject to this Agreement shall be divided in the same manner or proportion as the Partner's respective Capital Contributions and after the costs of the Partnership have been satisfied according to the above listed cost percentages.

The Partners may decide to allocate or distribute such profits to the Partnership. If approved, the distributions shall be made on the last day of each month.

**Accounting.**

All accounts related to the Partnership subject to this Agreement, including contribution and distribution accounts will be audited. Each Partner will sustain a joint contribution account. The Partners agree to keep accurate and complete books for any and all accounts related to the Partnership. Any Partner, majority or minority, will be entitled to review all books at any time upon request.

Each Partner understands that he or she will be responsible for his or her own taxes on any distributions made.

The Partners shall provide their report on the status of the Partnership within two (2) weeks of the end of the fiscal year. The fiscal year and the taxable year of the Partnership is the calendar year.

The below listed Partner(s) have the authority to execute checks from any joint Partner Account: Muhammad Syamin Aizat bin Ramli, Muhammad Shukhairi bin Misbah, Nursyafiqah binti Sahrol @ Baharon and Nurin Damia Dina binti Ali

**Voting.** Unless otherwise specified in this Agreement, any affairs of the Partnership will be determined by majority vote. Votes are to be cast in the same percentage as Capital Contributions unless otherwise agreed upon by the Partners.

**Salary.** Partners must agree to and provide unanimous consent should a permanent salary is to be established. Moreover, unanimous consent by the Partners is also required for the amount of the salary provided to each Partner.

**New Partners.** The Partnership shall amend this Agreement to include any new Partners upon the express and unanimous vote of all Partners. The name of the Partnership can be amended if a new Partner is added to the Partnership upon the express and unanimous vote of all Partners.

**Death or Withdrawal.** The Partners reserve the right to withdrawal from the Partnership at any given time. Upon the withdrawal of a Partner by choice of by death, the remaining Partners shall have the option to buy out the remaining shares of the Partnership.

If the Partners decide to buy out the shares, the shares shall be brought in equal amounts by all Partners under the Partnership. The Partners understand and agree to retain an outside firm to evaluate the value of the remaining shares. Moreover, the Partners must come to a unanimous agreement that the outside firm's overall valuation of the share to be considered final.

The Partners shall have 30 days to determine whether they wish to buy the remaining shares together and equally dispense the same. However, if the Partners do not agree to buy the shares, individual Partners shall have the right to buy the shares individually. If more than one Partner wishes to acquire the remaining shares, the shares shall be equally divided among the requesting Partners. In the event that all Partners, by unanimous vote, the Partnership can choose to allow a non-Partner to buy the shares effectively replacing the previous Partner.

In the event that no individual Partner(s) proceed to finalize a purchase agreement within 30 days, the Partnership will be dissolved. The name of the Partnership can be amended upon an express and unanimous vote of all Partners if a Partner is effectively bought out.

**Dissolution.** In the event the Partnership is dissolved by majority vote, the Partnership shall be liquidated, and the debts shall be paid. Any remaining funds after all of the debts have been paid shall be distributed based on the percentage of ownership interest as defined in this Agreement.

**Dispute Resolution.** Parties to this Agreement shall first attempt to settle any dispute through good-faith negotiation. If the dispute cannot be settled between the parties via negotiation, either Party may initiate mediation or binding arbitration in the State of Malaysia.

If the Parties do not wish to mediate or arbitrate the dispute and litigation is necessary, this Agreement will be interpreted based on the laws of the State of Malaysia, without regard to the conflict of law provisions of such state. The Parties agree the dispute will be resolved in a court of competent jurisdiction in the State of Malaysia.

**Legal Fees.** In the event of any suit or action to enforce or interpret any provision of this Agreement (or that is based on this Agreement), the prevailing party is entitled to recover, in addition to other costs, reasonable attorney fees in connection with the suit, action, or arbitration, and in any appeals. The determination of who is the prevailing party and the amount of reasonable attorney fees to be paid to the prevailing party will be decided by the court or courts, including any appellate courts, in which the matter is tried, heard, or decided.

**Amendments.** Amendments to this Agreement may be proposed by any Partner. A proposed amendment will be adopted and become effective as an amendment only on the written approval of all of the Partners.

**Further Effect.** The parties agree to execute other documents reasonably necessary to further effect and evidence the terms of this Agreement, as long as the terms and provisions of the other documents are fully consistent with the terms of this Agreement.

**Severability.** If any term or provision of this Agreement is held to be void or unenforceable, that term or provision will be severed from this Agreement, the balance of the Agreement will survive, and the balance of this Agreement will be reasonably construed to carry out the intent of the parties as evidenced by the terms of this Agreement.

**Notices.** All notices required to be given by this Agreement will be in writing and will be effective when actually delivered or, if mailed, when deposited as certified mail, postage prepaid, directed to the addresses first shown above for each Partner or to such other address as a Partner may specify by notice given in conformance with these provisions to the other Partners.

**Captions for Convenience.** All captions herein are for convenience or reference only and do not constitute part of this Agreement and shall not be deemed to limit or otherwise affect any of the provisions hereof.

**Counterparts.** This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

**Electronic Signatures.** This Agreement and related documents entered into in connection with this Agreement are signed when a party's signature is delivered electronically, and these signatures must be treated in all respects as having the same force and effect as original signatures.

**Entire Agreement; Modification.** This Agreement constitutes the entire understanding and agreement between the Partners with respect to the subject matter of this Agreement. No agreements, understandings, restrictions, representations, or warranties exist between or among the members other than those in this Agreement or referred to or provided for in this Agreement. No modification or amendment of any provision of this Agreement will be binding on any Partner unless in writing and signed by all the Partners.