

L1 VISA BUSINESS PLAN

SAMPLE

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Confidentiality Agreement

The undersigned reader acknowledges that the information provided by Sample Company, Ltd. in this business plan is confidential; therefore, reader agrees not to disclose it without the express written permission of Sample Company, Ltd..

It is acknowledged by the reader that information to be furnished in this business plan is in all respects confidential in nature, other than information which is in the public domain through other means and that any disclosure or use of same by the reader, may cause serious harm or damage to Sample Company, Ltd..

Upon request, this document is to be immediately returned to Sample Company, Ltd..

Signature _____ Date _____

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This is a business plan. It does not imply an offering of securities.

Executive Summary

Sample Company, Ltd. is a Hong Kong import/export business that has been in business for over 30 years. As they are seeking to expand their operations outside of Hong Kong, Sample Company will be opening a regional office located in New York City. The company concentrates on low-cost exportation of products from China. Currently, the company's focus is on the export and wholesale of Chinese-made watches and electronics to customers across the globe, albeit most of their customers are in the United States.



The owner has thoroughly analyzed the internal and external factors that could potentially impact the success of the business and have planned contingencies accordingly. We have determined that our business has strengths in that the business is currently experiencing tremendous growth, their multi-continental approach, management's strong visions for increasing profits in future years, it's existing network of clients in the US, and it's ability to cut costs by using Chinese manufacturers for all products. Factors such as the weight our first year in expansion will have on the future of our business are directly related to the threats our business may face.

According to the World Trade Organization, the US is the largest importer of merchandise goods in the world, accounting for 12.6% of the world's total. This compares to 10.3% accounted for by the second-largest importer, China. China is the largest source of imports to the United States, largely because of lower prices stemming from low labor costs, which more than offset transportation costs. America's resurgent prosperity and consumption fueled by debt in the years following the dot-com bust led to growing demand for imports. This drove imports up in 2007.

The company's expansion will be self funded as the company is fully capitalized, with revenues in the millions of dollars. The Company will dominate the attention of local consumers, retailers and wholesalers through online marketing strategies such as a strong social media presence and their website, which will feature all information about the company aggregated into one place.

Parent Company Description

Sample Company is a wholesale provider of Chinese goods such as electronics, sundries, jewelry, promotional products, and more. Since 1985 we've strived to provide a unique and innovative approach with a strong focus on cohesive cultural integrations. Sample Company has an in-house staff of over 50 product designers, researchers, quality controllers, and other staff. Unlike most, our expert team of product designers and researchers can meet **any** branding, packaging, or product requirements. The Company keeps this full-service approach in an effort to bridge strong, valuable relationships with our customers.

The Company currently has offices in Hong Kong and the Panama Republic. We are currently in the process of expanding our operations by opening an office in New York City, New York. These intercontinental branches allow Sample Company to both penetrate a global market, as well as cater to our existing customers across the world.

Parent Company Formation, Ownership, and Location

Sample Company, Ltd., is a Limited Liability Company founded in Hong Kong. It is owned and operated by. The company's current mailing address is Room 710, 7th Floor, Tower 1, Sample Centre, 1 Sample Street, Hum Hom, Kowloon, Hong Kong. The company's website is SampleCompany.com

Keys to Success

The founders has identified the following keys to the success of the Company:

- Working diligently to network across the world, as products distributors that lack community support may not receive the support necessary for intrastate sales.
- Utilizing online advertising to ensure cost-effective customer awareness.
- Ensuring the American branch is capitalized to sustain the first year of operations.
- Using profitable price-points to attract customers.

U.S. Company Description

Sample Company parent company has decided to open a U.S. office in New York City, New York. To accomplish this objective, the company has formed a new corporation in the United States. The new corporation will act as a subsidiary of the parent company and will market and sell electronics, sundries, jewelry, promotional products, and more. The company believes that the formation of the new subsidiary is critical to the success of the parent company's business in Hong Kong. The presence of our CEO and selected employees from the parents company are necessary to establish and grow the business within the United States of America.

U.S. Company Formation

Angels Marketing Inc. will be a Corporation founded in the State of New York in 2018.

U.S Company Ownership

Sample US Company Inc. is owned and operated by John Doe, who is the majority owner of the parent company, Sample Company, Ltd.

U.S. Company Location

The company's current mailing address is 555 West 33rd St. #555, New York, NY 10001. The company's offices total 1400 square feet, which gives adequate room for the three executives that will work from the location.

U.S Company Timeline

The executives anticipate launching the U.S. company operations immediately upon the acceptance of the applicant's visas into the United States. The parent corporation already has established clientele in the United States, which they expect to continue to service immediately. Within the first two years of operations, the company plans to expand their U.S. office by hiring new employees.

SWOT Analysis

Strengths

- Sample Company has hundreds of different products that can range from watches, electronics, glasses and so much more. Sample Company, Ltd. plans to take full advantage of this by importing many of these by year one.
- The founder and CEO has over a decade of experience importing products into the USA.
- Sample Company, Ltd. is established and profitable with operation in Hong Kong dating back over 15 years.
- The aggressive and focused marketing campaign that we will run has goals and strategies to create immediate impact towards the market and its participants.



Weaknesses

- Poor consumer confidence, uncertainty and pessimism in Chinese imports, are not only valid but fueled by media and other companies.
- Our financial resources, such as funding, sources of income and investment opportunities limit our reach and impact in the market.

Opportunities

- No better time to expand a business in the USA with low interest rates and affordable prices in technology advancements.
- Proper use of the internet will allow us to market our products to a greater number of potential customers with less marketing dollars by leveraging SEO, PPC and Social Media marketing.
- Price competing with other importers, which are often over-priced, will allow the company to steal market share from our competitors.

Threats

- High regulations on importing and tariffs can threaten our business model.
- Negative laws governing Visa application can hinder our expansion plans.

Total US Imports



Estimated Value in 2018: \$2.94 trillion

2013-2018 Compound Growth: 3.80%

Forecasted Value for 2023: \$3.48 trillion

2018-2023 Compound Growth: 3.43%

This report tracks the total imports of goods and services into the US for each calendar year. The data for this report is sourced from the Bureau of Economic Analysis and presented in chained 2009 dollars. According to the World Trade Organization, the US is the largest importer of merchandise goods in the world, accounting for 12.6% of the world's total. This compares to 10.3% accounted for by the second-largest importer, China. China is the largest source of imports to the United States, largely because of lower prices stemming from low labor costs, which more than offset transportation costs. Additionally, China's central bank has traditionally kept China's currency artificially weak relative to the dollar, which makes China's exports cheaper in the rest of the world. This action also makes imports more expensive in China. The

European Union is the second largest source of imports to the United States, primarily due to its size. Canada and Mexico are the third and fourth-largest exporters to the United States, respectively. This is attributable to their participation in the North American Free Trade Agreement (NAFTA) and their proximity, which leads to low transportation costs.

America's resurgent prosperity and consumption fueled by debt in the years following the dot-com bust led to growing demand for imports. This drove imports up in 2007. However, the financial downturn, fall in US consumer spending and the negative impact of frozen credit on world trade wiped away this expansion in two short years. The fall was particularly pronounced during the worst of the downturn in 2009, as imports crashed 13.7%, the single worst year for imports in over three decades.

Despite the depth of this downturn, imports did not stay down for long, rebounding 12.7% to near pre-recession levels in 2010. Americans purchase many low-priced goods from China and Mexico; given high unemployment and financial uncertainty, inexpensive imports from these countries grew during the economic recovery. The strengthening domestic economy in 2017, led by continued strength in consumer expenditure, has driven imports up 3.9%. Although the dollar declined in value on average in 2017 and is expected to fall further in 2018, imports are still expected to expand. Domestic demand, for both final and intermediary goods, is expected to continue growing in this year, which should enable expansion in spite of a weaker dollar.

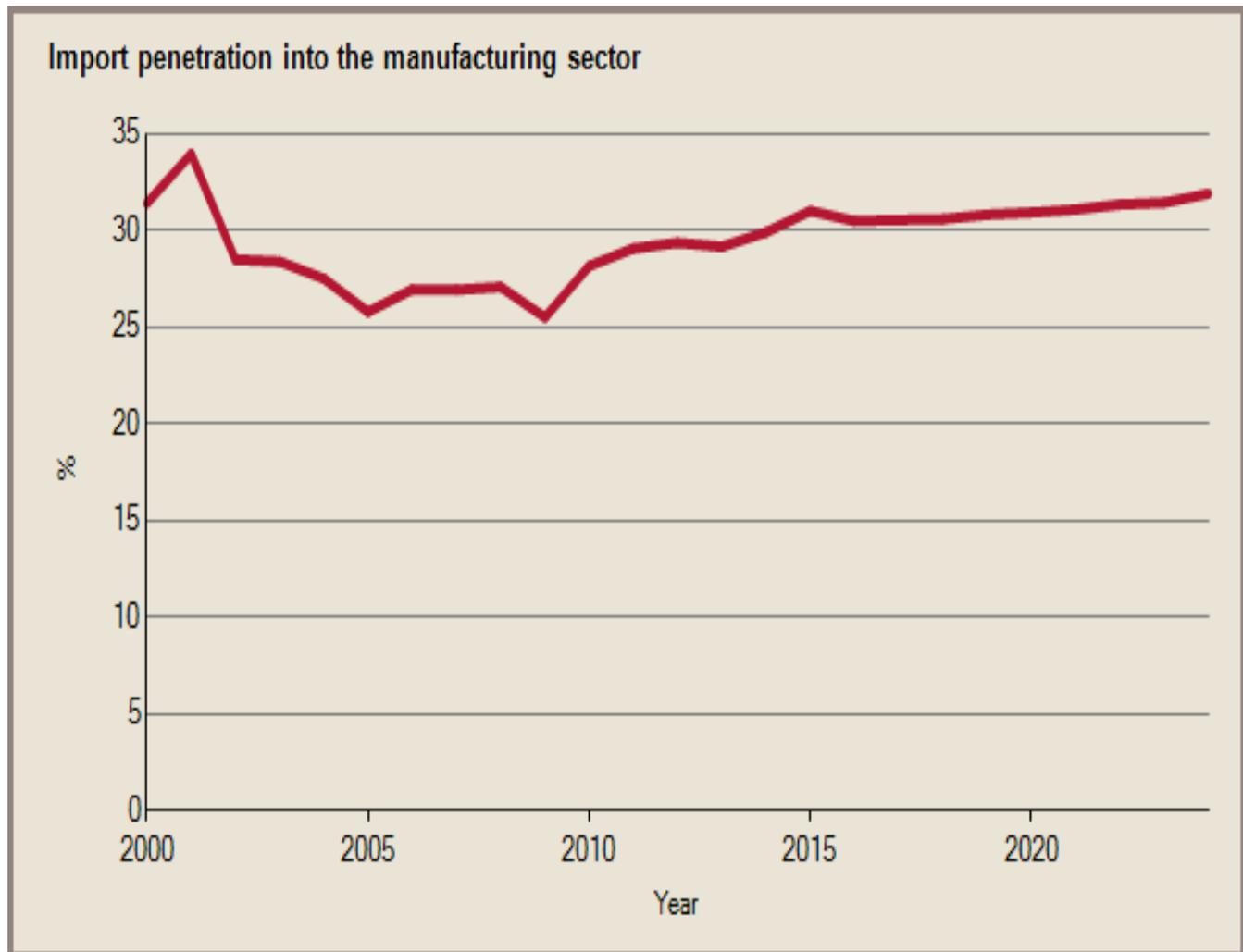
Imports are forecast to continue expanding during the five-year period. IBISWorld forecasts the trade deficit will expand over the next five years. Although the rate of change in exports will be higher than imports, the level of imports is expected to increase more. Furthermore, China's share of total imports is projected to grow as the country continues to provide a low-cost alternative to domestic manufacturing. Advancements in technology and infrastructure will allow Chinese producers to leverage their low-cost production for goods that cannot viably be produced there at the moment. The Chinese government has long been criticized for keeping their currency artificially weak. Recent trends in the Chinese economy have put a strain on

monetary policy and a slow currency appreciation may be necessary. Allowing the yuan to appreciate towards its “true” value would make Chinese goods relatively more expensive and drive demand towards goods from other countries or domestic products. Moreover, the cost of labor in China has quietly increased in recent years, and other countries are begging to gain cost advantages. In addition to this, the advent of automation in manufacturing has the potential to support greater domestic production, as the United States’ labor cost disadvantage would be mitigated.

The impact of policy initiatives from President Trump remains to be seen. Announced plans to revisit and renegotiate US trade deals could severely impact both imports and exports in the coming years. Despite potential alterations to trade deals, imports are forecast to exhibit strong growth. The recent announcement of a tariff imposed on steel and aluminum is likely to weigh on imports. However, the specific ramifications are unclear. Possible trade agreement effects are likely to support domestic goods in the near-term, but restrictions on free trade and increased import tariffs are anticipated to reduce long-term competitiveness for domestic producers that rely on imports of lower level inputs.

Imports are sensitive to changes in a wide array of variables including trade policies, transportation costs, exchange rates and US personal consumption, which is impacted by domestic households’ income and confidence. Exposure to these ever-changing variables causes imports themselves to be volatile. However, fluctuations in these drivers can sometimes have opposing effects, dampening the movements to an extent, and US personal consumption generally experiences consistent annual growth. As a result, import values display only a low level of volatility.

Import penetration into the manufacturing sector



Estimated Value in 2018: 30.6%

2013-2018 Growth: 1.43 percentage points

Forecast Value for 2023: 31.4%

2017-2022 Growth: 0.85 percentage points

This driver tracks the proportion of domestic demand captured by imported goods. Data is sourced from IBISWorld's industry reports. In general, imports have started to satisfy an increasing portion of domestic demand for goods throughout. This has particularly been the case for manufacturing that is focused on inexpensive or labor-intensive products, such as

textiles and toy manufacturing. More domestic companies have shifted the production process to low-labor-cost countries in China and South America to boost their profit margins. Some operators have contracted third-party manufacturers to undertake these activities (a trend known as outsourcing), while others have moved their own factories abroad (a trend called offshoring). As a result, low-priced goods were increasingly sourced from overseas producers.

These trends, however, temporarily reversed in 2008 and 2009 as the tremors from the financial market caused international trade activity to grind down. Consequently, import penetration into the manufacturing sector declined to just 25.5% in 2009. However, the previous trends have reasserted themselves as the world economies stabilized. As a result, the penetration rate is expected to reach 30.6% in 2018. Nonetheless, factors like the persistently low level of commodity prices through 2016 resulted in a momentary decline.

Over the next five years, IBISWorld forecasts that import penetration will continue to increase. The easiest to implement outsourcing and offshoring activities have already taken place, so any additional movements will be incremental. While domestic manufacturers will continue to send low-value production overseas, the US sector will likely experience some growth as well. IBISWorld anticipates US operators to shift their focus to high-quality, high-value items, expanding the domestic manufacturing sector.

Nevertheless, the value of the dollar is expected to remain high in comparison with other currencies, making imports more affordable for US consumers and businesses, while simultaneously making exports costlier for foreign buyers. This factor will push import penetration to increase in the next five years.

Over the length of the dataset, import penetration has exhibited a low level of volatility. While systemic, global issues have resulted in years of decline, overall, the metric has gradually ticked upward. Moreover, any shift in trend is likely to only occur gradually due to the scale of operations encompassed by the manufacturing sector.

Industries Leading the New Chinese Economy

With a population of 1.3 billion people, China has become the second largest economy in the world. As China's economy continues to mature, the country's focus is turning away from manufacturing and exports and toward domestic consumption. At the same time, GDP growth has fallen from 10.4% in 2010 to an estimated 7.0% in 2015.

IBISWorld has analyzed more than 255 Chinese industries and compiled a list of the fastest-growing industries in this new, domestically focused Chinese economy. According to our data, despite slower growth, information and communication technology related industries are booming, as well as those related to energy and environmental sustainability.

An increasingly connected urban population

Substantial government investment in infrastructure has driven China's urbanization over the past 30 years, which led to surging demand for electronic goods, particularly modern communication devices like smart phones and tablets. The **Communication Equipment Store industry**, which sells such items, is set to grow 28.0% in 2016 to \$76.8 billion. Revenue for the **Smart Phone and Computer Tablet Manufacturing industries** are projected to rise 27.1% to \$98.2 billion and 15.6% to \$44.6 billion, respectively.

In fact, most industries falling under the umbrella of information and communication technology are experiencing extremely strong growth in China's new economy. As the country becomes more globalized and income levels continue to rise, staying "connected" is an increasingly important priority, especially for China's urban citizenry.

With rising urbanization and ongoing improvements to communication and transportation (including road and rail) infrastructure, online shopping is increasing in popularity. The **Online Shopping industry** in China is growing very quickly, with revenue set to surge 27.6% in 2016 to \$689.5 billion. Supporting the online shopping trend is the strong development of the **Couriers industry**, which provides collection, transportation and delivery services for articles purchased online. This industry is set to generate \$44.0 billion in 2016, up 26.8% from 2015.

Chinese citizens are not only spending more time making purchases online, they are using the internet to connect with one another and as a source of leisure. China's **Social Networking** and

Online Games industries are booming, with revenue estimated to increase 20.7% to \$4.2 billion and 17.6% to \$16.5 billion in 2016, respectively. Part of the reason for surging internet and retail consumption is that China is still a developing country with a lot of still untapped growth. Despite double-digit GDP increases over the past 10 years, the country still has relatively low per capita income levels, leaving ample room for growth.

Top 12 Industries Leading the New Chinese Economy

Industry	2015-16 Growth Rate (%)	2016 Revenue (\$million)
Online Shopping	27.7	\$689.6
Smart Phone Manufacturing	27.1	\$124.8
Communication Equipment Stores	28.0	\$98.3
Energy Efficiency Consultants	23.0	\$71.7
Couriers	26.8	\$55.8
Computer Tablet Manufacturing	15.6	\$44.6
Wind Power Generation	21.7	\$26.3
Online Games	16.6	\$19.3
Social Networking	20.7	\$4.3
Solar Power Generation	40.0	\$3.6
Environmental Monitoring	44.1	\$2.8
Water Pollution Control	10.3	\$1.5

SOURCE: BUREAU OF LABOR STATISTICS

The downside to the boom

Accelerated growth over the past three decades has come with many challenges as well, such as severe environmental pollution and a heated global debate as to the role the government should play in guiding future economic development. As a developing country experiencing rapid, albeit slower, growth, one of the greatest issues facing China is environmental sustainability. Development of new energy and environmental protection industries are at the top of the China's agenda in response to severe air and water pollution problems and dramatic climate change.

Of all the alternative energy generation methods being pursued, wind and solar are growing the fastest. Wind power generation is China's highest new-energy priority and the government is encouraging further development. Advanced and inexpensive Chinese-made equipment is reducing wind turbine construction costs; meanwhile, the Ministry of Finance and the State

Administration of Taxation have been reducing the value-added tax (VAT) rate for wind power generated electricity to increase consumption. As a result, the **Wind Power Generation industry** is estimated to grow 21.7% to \$26.3 billion in 2016.

A major reason the Solar Power Generation industry is growing so quickly is that it is still in the very early stages of its development. Currently, most solar power generation capacity is located in Tibet and supplies remote residential districts with electricity. In 2016, the **Solar Power Generation industry** is estimated to grow 40.0% to \$3.6 billion.

In addition to developing alternative energy sources to traditional, high-polluting sources like oil and coal, China is investing heavily in cleaning up manufacturing processes to reduce emissions and become more energy efficient. Emerging industries benefiting from this push include Energy Efficiency Consulting, Environmental Monitoring and Water Pollution Control. Energy-efficiency consultants help manufacturers reduce energy consumption and pollutant emissions. This industry took off when the Chinese government implemented several energy conservation and emission reduction laws and policies in 2006 and 2007. Given its strong government support, the **Energy Efficiency Consulting industry** revenue is expected to grow 23.0% in 2016, amounting to \$71.7 billion.

The Environmental Monitoring industry monitors and tests for various kinds of environmental elements; ecological system items; and liquid, gas, solid, radiation and other pollutants. Environmental monitoring and testing are important complementary services to other businesses, such as environmental engineering, evaluation and consulting. However, the market for environmental monitoring services has expanded to households to reduce indoor air, noise and light pollution. In addition, the testing scope has expanded from water, air and noise to soil, waste solids, acid rain and radiation. In 2016, the **Environmental Monitoring industry** is set to grow 16.3% to \$2.8 billion.

Still, many rivers, lakes, reservoirs and underground water systems in mainland China are subject to significant pollution. According to a geological survey conducted by the Ministry of Land and Resources in 2003, about 50.0% of cities in China displayed serious underground water pollution, with about 20.0% of all underground water in China in terms of area not being drinkable. The proportion of rivers with drinkable water among all monitored rivers decreased from about 80.0% in the 1980s to less than 30.0% in 2010.

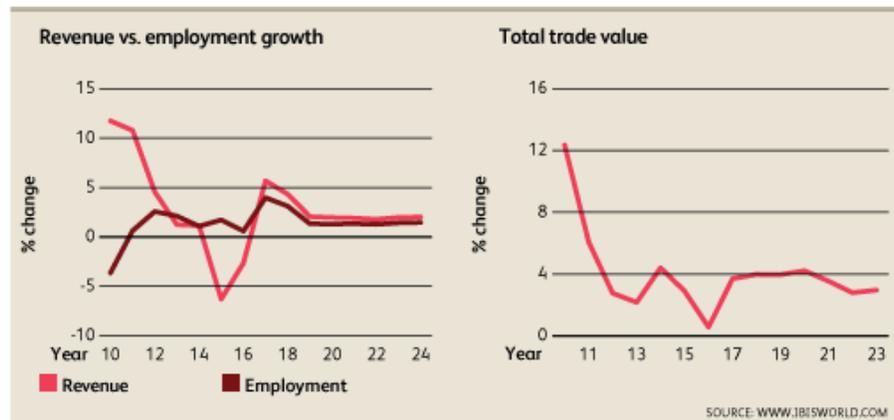
US Industry Analysis: Wholesale Trade

The Wholesale Trade sector distributes goods from across the economy to downstream markets. Over the five years to 2018, the sector has grown steadily, with revenue projected to increase at an annualized rate of 0.3% to reach \$8.3 trillion, including growth of 4.3% in the current year. Since the sector distributes goods from a range of industries including agriculture, mining, manufacturing and retail, its performance is largely driven by the overall state of the economy. Over the past five years, the sector has benefited from strong demand for goods from the retail trade sector on account of greater consumer spending, driven by a rise in both disposable income and confidence in the economy. Likewise, the Wholesale Trade sector has benefited from the steady flow of goods into the United States, necessitating their distribution. Indicative of this, the total trade value is expected to increase at an annualized rate of 3.1% during the current five-year period to 2018.

Key Statistics Snapshot



However, a wide range of industries affected by commodity prices have been negatively affected by falling prices over the past five years, hindering the sector's overall expansion. Most notably, the past five years have seen the world price of crude oil collapse, falling at an annualized rate of 11.3%, including declines of 47.2% and 14.8% in 2015 and 2016. Consequently, the petroleum and petroleum products wholesale subsector experienced a broad decline during the current five-year period, resulting in revenue declines across the sector in 2015 and 2016.



Over the next five years, the Wholesale trade sector is expected to continue expanding. In addition to strong downstream demand from retailers and businesses, commodity-driven wholesalers are expected to see a reversal of fortunes as the prices of oil and steel rise.

Consequently, sector-wide revenue is projected to grow at an annualized rate of 1.9% to \$9.1 trillion over the five years to 2023.

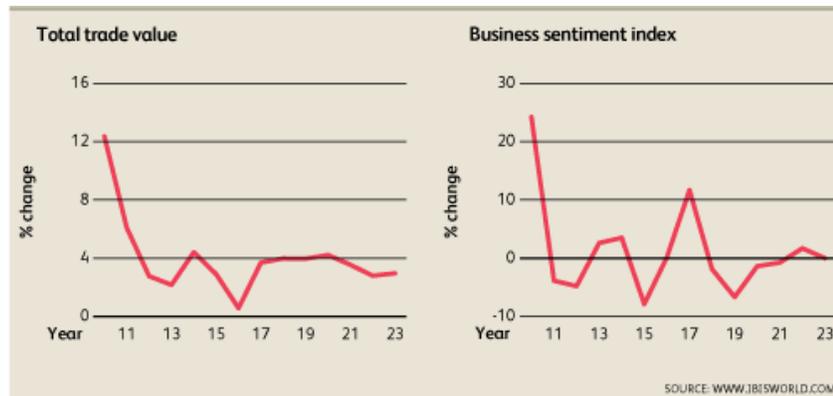
Key External Drivers

US Gross domestic product (GDP)

The performance of the US economy has a significant effect on demand for exports along with the price and demand for imports. For example, during periods of weak economic growth, there is usually only modest levels of retail spending which negatively affects demand for goods at the wholesale level. The performance of a country's dollar against its major trading partners will also affect demand for internationally imported goods. GDP is expected to increase in 2018.

Total trade value

Sector performance is influenced by the level of dealings in imported and exported goods. For example, a decline in imports of merchandise into the US negatively affects



into the

revenue of wholesalers via reduced business. Although total trade value is projected to increase in 2018, the implementation of new tariffs across a range of goods increases the cost of importing goods into the US, a potential threat to the industry.

Business sentiment index

Business sentiment levels reflect private sector confidence in the economy and as , influence the spending patterns of businesses. A rise in the Business Sentiment Index has the effect of increasing spending on goods across the economy, whereas a decline has the opposite effect. In 2018, the Business Sentiment Index is anticipated to decrease.

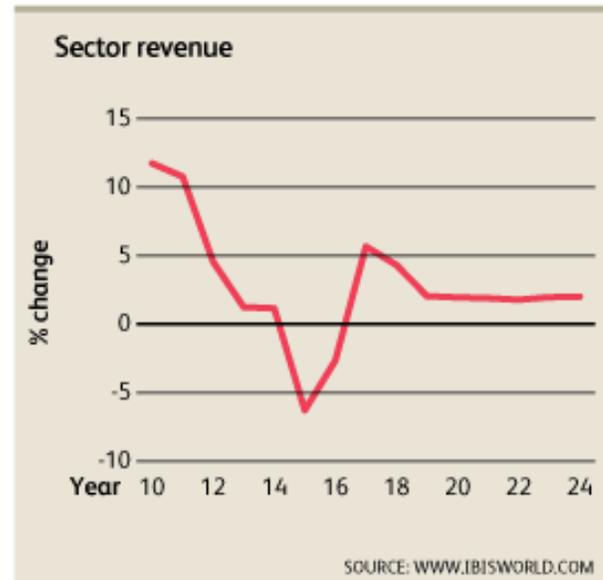
Consumer Confidence Index

Fluctuations in the consumer sentiment index influenced demand for goods at the retail level which ultimately affect the wholesale sector. A reduction in consumer spending leads to a fall in merchandise turnover and therefore lower demand for goods from wholesalers. The

consumer confidence index is expected to increase in 2018, a potential opportunity for the industry.

Current Performance

The Wholesale Trade sector is an intermediary step in the supply chain process. Companies in the sector distribute goods from agriculture, mining, manufacturing and information industries to downstream markets, typically without any transformation. The sector largely consists of merchant wholesalers, who sell goods on their own account or through manufacturers sales branch offices (MSBOs). Wholesale goods are divided into two subsectors: durable goods and nondurable goods. Durable goods, which account for 42.5% of sector revenue, are new and used merchandise such as motor vehicles, furniture, construction materials, machinery and equipment (including household appliances), metals, minerals, sporting goods, toys and hobby goods. Nondurable goods, which account for 50.5% of industry revenue, are expected to last less than three years such as paper products, chemicals, drugs, textiles, apparel, footwear, groceries, farm products, petroleum, alcoholic beverages, books, magazines, newspapers, flowers, nursery stock and tobacco products. Finally, the sector also includes trade agents and brokers that arrange sales and purchases for a fee, accounting for 7.0% of industry revenue.



Demand for wholesale goods is determined primarily by the performance of the overall economy, as industry wholesalers distribute goods to and from every sector of the economy. Consequently, the success of the Retail Trade (IBISWorld report 44-45), the Manufacturing (31-33), Construction (23) and Healthcare and Social Assistance (62) sectors, among others, drive growth. Over the five years to 2018, growth in most sectors of the economy have benefited the broad wholesale sector, with revenue anticipated to increase at an annualized rate of 0.3% to \$8.3 trillion, including growth of 4.3% in the current year. However, the downturn in commodity prices undermined manufacturing demand and severely undercut selling prices for commodity wholesalers, constraining growth in some wholesaling industries.

Consumer and business trends

The current five-year period has seen steady demand from the retail trade sector, the largest direct market for companies in the Wholesale Trade sector. Since demand from the retail sector is dependent upon consumer conditions, rising incomes and high employment have helped drive demand. For example, the rise in per capita disposable income has enabled consumers to make more discretionary purchases. Over the five years to 2018, per capita disposable income is projected to rise at an annualized rate of 1.9%, driving consumer spending upward at an annualized rate of 2.9%. Strong consumer demand at the retail level has ultimately translated into strong demand for durable and nondurable wholesale goods.

Likewise, demand for wholesale goods has been robust from a wide range of business users. Indicative of the strong business environment, the total trade value, which reflects demand for goods and services that exceed domestic production, has risen at an annualized rate of 3.1% over the five years to 2018. The total number of businesses has also risen at an annualized rate of 1.5% during the current five-year period, driving demand for a variety of wholesaled goods.

Falling prices

In contrast to the growth of the overall sector, industries affected by commodity prices have experienced substantial challenges. Since these wholesale industries generate revenue from the distribution of resources for further downstream use, they are dependent on the ultimate price of commodities. Most notably, the past five years have seen the world price of crude oil collapse, falling at an annualized rate of 11.3%, including declines of 47.2% and 14.8% in 2015 and 2016. Consequently, the Gasoline and Petroleum Bulk Stations (42471) and Gasoline and Petroleum Wholesaling industries (42472) saw revenue crater. Whereas these two industries cumulatively combined to comprise about 30.0% of all nondurable goods revenue in 2013, by 2015 their share was down to a mere 20.0%.

The decline in commodity prices was also felt by wholesalers, dependent on steel prices, which tumbled globally at an annualized rate of 2.9% over the five years to 2018. Due to global oversupply, prices tumbled, reducing the selling prices in a range of industries that use steel as a primary input. Indicative of this, the Metal Wholesaling (42351) industry has seen revenue decline 1.4% during the current five-year period. Cumulatively, the decline in revenue across

the many wholesaling industries tied to commodity prices resulted in declines of 4.8% and 1.0% in 2015 and 2016, respectively, across the Wholesale Trade sector.

Wholesaling landscape

The current five-year period has seen the number of establishments and enterprises in the Wholesale Trade sector rise, in line with rising revenue. The number of wholesaling establishments is projected to rise at an annualized rate of 1.1% to 870,896 establishments over the five years to 2018, while the number of enterprises is also projected to rise at an annualized rate of 1.0% to 756,191 companies during the period. Employment has also risen, growing at an annualized rate of 2.1% to 7.0 million people. The majority of wholesalers are small operations, employing between nine and 10 people and an average of just eight across each location. Moreover, an estimated 58.0% of all operators in the sector are nonemployers. As the wholesale sector's largest players have continued to expand, they have sought to realize operational efficiencies by incorporating automated technologies to reduce their reliance on labor. Still, wages share of revenue has risen over the five years to 2018, with total wages projected to rise at an annualized rate of 2.8% to \$4.8 trillion. Nonetheless stable revenue growth across the majority of the sector's industries has engendered profit growth, with margins expected to reach 4.2% in 2018.

Industry Outlook

Over the five years to 2023, the Wholesale Trade sector is expected to grow at a faster rate than during the previous five-year period, as stable growth in the domestic economy and the recovery of commodity prices drive demand for goods. Although the sector's largest players are expected to look to consolidate their position through further acquisitions, rising profit margins are expected to encourage new entrants across various wholesale industries. Buoyed by largely positive trends, revenue in the Wholesale Trade sector is expected to increase at an annualized rate of 1.9% to nearly \$9.1 trillion.

Stable retail and business trends

Retail demand is expected to remain steady over the next five years, driven by a low unemployment rate and rising per capita disposable income. Per capita disposable income is projected to increase at an annualized rate of 1.9%, enabling consumers to purchase discretionary goods, as well as premium products. While the national unemployment rate is anticipated to increase during the period, the overall unemployment rate will remain around the

natural rate. Consequently, the Retail Trade sector (IBISWorld report 44-45) is expected to see total revenue rise 1.2% to \$5.8 trillion over the five years to 2023, engendering growth for many of the Wholesale Trade sector's durable and nondurable goods.

In addition to steady demand from the retail sector, the Wholesale Trade sector is expected to see strong demand from across other segments of the economy. Indicative of the strong flow of goods into the United States, the total trade value is expected to increase at an annualized rate of 3.5% over the five years to 2023, eclipsing that of the previous five-year period. With the total number of businesses expected to continue rising, demand for wholesaling will be underpinned by growth from the Construction Sector (23), Healthcare Sector (62) and the return to growth of the Manufacturing sector (31-33).

Rebounding oil prices

The next five years to 2023 are expected to see the continued rebound in commodity prices, benefiting a wide range of wholesalers directly and indirectly affected by the declines of the previous five-year period. For example, the world price of crude oil is expected to grow, continuing its recovery since bottoming out in 2016. Over the five years to 2023, the world price of crude oil is projected to rise at an annualized rate of 5.9% to reach nearly \$76.0 per barrel. While this figure lies well below the highs from 2011 to 2013, its recovery is expected to the petroleum wholesaling subsector to growth. From 2018 to 2023, the Gasoline and Petroleum Bulk Stations industry (42471) is expected to grow at an annualized rate of 3.6%, while the Gasoline and Petroleum Wholesaling industry (42472) is expected to increase at an annualized rate of 5.4%.

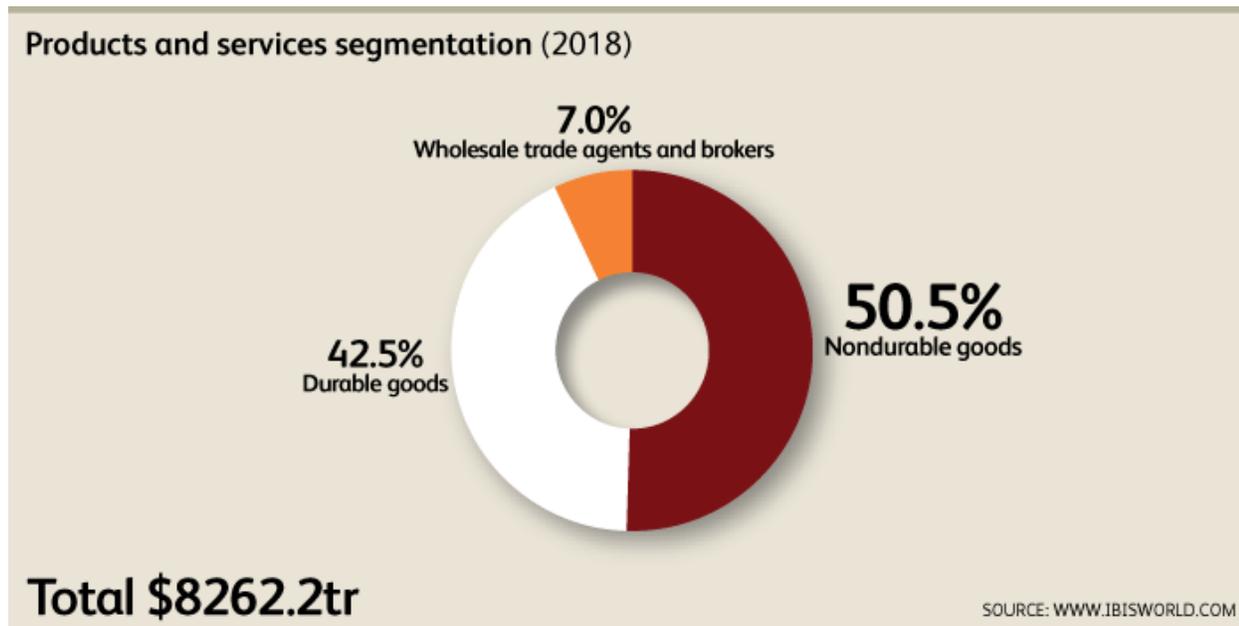
However, not all commodity wholesalers are expected to fare well, hindering the sector's overall growth. The world price of steel is projected to decline at an annualized rate of 4.7% over the next five years to 2023, resulting in stagnation across the Metal Wholesaling industry (42351). Likewise, the continued decline in global oil prices is expected to lead to a contraction in the Coal and Ore Wholesaling industry (42352).

Sector landscape

The next five years are expected to see the continuation of previous trends across the Wholesale Trade sector. While the total number of industry establishments is projected to rise at an annualized rate of 1.1% to 921,572 establishments over the five years to 2023, many of

the sector's largest companies will look to expand in scale. Moreover, many of the sector's small and medium wholesalers will look to expand the scale of their operations, as indicated by both rising revenue per employee and revenue per establishment figures across the sector. In doing so, small and medium wholesalers will be better able to invest in costly technologies that will enable them to automate inventory control and reduce their reliance on labor. While the total number of employees is expected to increase at an annualized rate of 1.3% to nearly 7.5 million workers over the five years to 2023, wages' share of revenue is projected to drop from 5.8% in 2018 to 5.7% in 2023. As a result, the next five year-period is expected to see a slight bump in profit margins, with overall sector profitability projected to reach 4.3% of revenue in 2023.

Products and Services



Nondurable goods

Nondurable goods are those that are expected to last less than three years. The nondurable goods subsector distributes paper and paper products, chemicals and chemical products, drugs, textiles and textile products, apparel, footwear, groceries, farm products, petroleum and petroleum products, alcoholic beverages, books, magazines, newspapers, flowers, nursery stock and tobacco products. The nondurable goods subsector has grown an annualized 3.4% over the five years to 2018, accounting for an estimated 50.5% of all revenue generated by the sector. This figure has grown substantially over the past two decades, as the subsector accounted for just 42.9% of all sector revenue in 2002.

Within this subsector, the Drug, Cosmetic and Toiletry Wholesaling industry (IBISWorld report 42421) has outperformed all others, driven by rising insurance rolls under the Patient Protection and Affordable Care Act (PPACA) and strong demand for less expensive generic medications. Over the five years to 2018, the industry has grown at an annualized rate of 4.9%. By comparison, the Gasoline and Petroleum Bulk Stations industry (42471) and Gasoline and Petroleum Wholesaling industry (42472) have fared the worst, the result of a drop in the world price of crude oil that has eroded selling prices.

Durable goods

Durable goods are new and used merchandise such as motor vehicles, furniture, construction materials, machinery and equipment (including household appliances), metals, minerals, sporting goods, toys and hobby goods. The durable goods subsector has grown at an annualized rate of 2.3% over the five years to 2018, accounting for an estimated 42.5% of all revenue generated by the sector. This figure has declined over the past two decades, as the subsector accounted for 48.3% of all sector revenue in 2002.

This subsector has experienced comparatively weak sales growth over the five years to 2018. In particular, industries affected by commodity prices experienced declining revenue, such as Metal Wholesaling (42351) and Coal and Ore Wholesaling (42352). Likewise, several industries within this subsector have endured increasing price competition and a shift by manufacturers toward direct sales models, undermining sales. The Computer and Packaged Software Wholesaling industry (42343) is indicative of this trend.

The decline in sales across some industries in the durable goods subsector has been balanced out by strong performance in others. Most notably, motor vehicle and motor vehicle parts wholesalers have all experienced strong growth. The Automobile Wholesaling (42311), Auto Parts Wholesaling (42312), Tire Wholesaling (42313) and Used Car Parts Wholesaling (42314) industries have all grown over the five years to 2018.

Wholesale trade agents and brokers

Wholesale trade agents and brokers act on behalf of buyers and sellers to distribute goods at a wholesale level. They refrain from taking title of goods in the selling process and instead generate income from commissions and fees for their services. This subsector consists of one industry, Wholesale Trade Agents and Brokers (42512). Over the five years to 2018, industry revenue is expected to grow at an annualized rate of 1.1%, accounting for 7.0% of sector revenue.

Demand Determinants

While demand determinants vary between subsectors, the success of the Wholesale Trade sector is affected by broad trends in the domestic economy. The Gross Domestic Product (GDP) of the United States, which measures the total value of all the goods and services produced in an economy, typically reflects the performance of the Wholesale Trade Sector.

Retail trade and business trends

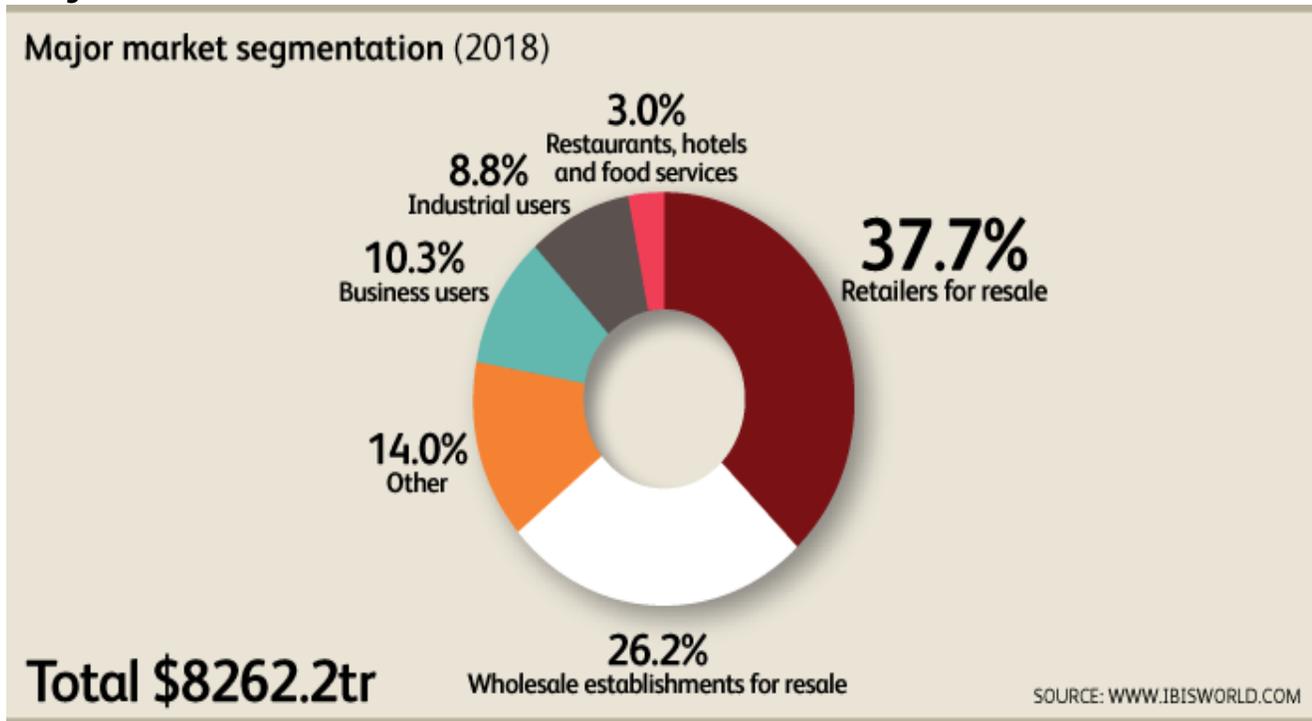
The overall performance of the economy influences demand for merchandise from wholesalers. Specifically, demand for wholesale trade is driven by the success of the Retail Trade sector (IBISWorld report 44-45), itself a reflection of several consumer trends. Per capita disposable income, which determines an individual's ability to purchase goods or services, influences the timing, quantity and quality of goods purchased by individuals. As a result, rising income levels enable consumers to purchase greater quantities of goods, as well as higher-quality premium goods. Consequently, retailers demand greater quantities of everything from automobiles to groceries from wholesalers.

However, not all demand for wholesaling is driven by consumer trends, as demand from businesses plays an important role across a variety of business-oriented wholesale industries. Businesses purchase goods from wholesalers to outfit offices, while industrial customers purchase machinery and equipment from wholesalers to manufacture goods and extract resources.

US trade

The total value of the US trade plays a key role in demand for goods from wholesalers. When the total trade value rises, demand for goods and services exceeds the volume that the United States is able provide. Consequently, during periods of economic boom, trade is at its highest driving goods into the United States and necessitating their distribution to wholesalers for downstream markets.

Major Markets



Retailers for resale

Retailers and predominantly purchase goods from wholesalers, which are then resold via their own stores to consumers. For example, in the Stone, Concrete and Clay Wholesaling industry (IBISWorld report 42332), materials are sold to downstream retailers for purchases for smaller construction companies and individual consumers. Over the past two decades, the retail segment has expanded as a share of industry revenue, accounting for an estimated 37.7% in 2018. By comparison, the retail segment accounted for an estimated 35.5% of revenue in 2013, and just 31.7% in 2002.

Wholesale establishments for resale

Individual wholesalers purchase merchandise from larger wholesalers to resell to other business. In the food sector, for example, distributors of the Grocery Wholesaling industry (42441) acquire merchandise from other players for resale in their own market. Over the past two decades, the sale to downstream wholesale establishments has declined as a share of industry revenue, accounting for an estimated 26.2% in 2018. By comparison, the retail segment accounted for an estimated 27.4% of revenue in 2013, and just 30.7% in 2002.

Business users

Businesses in this segment acquire a wide variety of goods from wholesalers, such as computers, peripherals software and other office and business equipment. For example, in the Laboratory Supply Wholesaling industry (42349), distributors sell laboratory equipment and supplies to private laboratories and private research facilities. Over the past two decades, this segment has grown marginally as a share of industry revenue, accounting for an estimated 10.3% in 2018. By comparison, the retail segment accounted for an estimated 10.8% of revenue in 2013, and 9.7% in 2002.

Industrial users

The industrial market includes manufacturing and mining companies that purchase new and used machinery and equipment. This equipment is then used by companies for their own production and extraction activities. Over the past two decades, the sale to companies in this segment has declined as a share of industry revenue, accounting for an estimated 8.8% in 2018. By comparison, industrial users accounted for an estimated 9.2% of revenue in 2013, and 10.2% in 2002.

Restaurants, hotels, foodservices

This category consists of operators in industries such as Hotels and Motels (72111), Single Location Full-Service Restaurants (72211b) and Coffee and Snack Shops (IBISWorld report 72221b). Due to the nature of these industries they often buy merchandise in bulk from wholesalers at competitive prices. For example, in the Restaurant and Hotel Equipment Wholesaling industry (42344), distributors sell display cases, electrical signs, store fixtures, commercial shelving, showcases, soda fountains and vending machines to companies in the food service and accommodation business. Over the past two decades, the sale to establishments in this segment has declined as a share of industry revenue, accounting for an estimated 3.0% in 2018. By comparison, the restaurants, hotels, foodservices category accounted for an estimated 3.2% of revenue in 2013, and 3.6% in 2002.

Other

The other category consists of builders and contractors, who almost exclusively purchase durable goods; households consumers and individuals; and government bodies, including departments and agencies at the local, state and federal levels. Over the past two decades, the sale to establishments in this segment has remained virtually unchanged as a share of

industry revenue, accounting for an estimated 14.0% in 2018. By comparison, this segment for an estimated 13.9% of revenue in 2013, and 14.1% in 2002.

Barriers to Entry

Barriers to entry in this in this sector are low and are steady definition More Info

Across the Wholesale Trade sector, barriers to entry range from low to medium. Key factors that determine the ease of entry into an industry include the presence of economies of scale, the level of capital intensity, product differentiation, relationships with suppliers and licensing requirements.

Economies of scale

The sector has a low level of concentration with the top four players estimated to account for just 5.4% percent of the available market share in 2018. However, economies of scale vary between industries within this sector.

For example, the Automobile Wholesaling industry (IBISWorld report 42311) has a medium level of industry concentration with the top four players accounting for 31.2% of industry sales. This would provide a challenging environment for prospective new entrants. Alternatively, prospective entrants into the Piece Goods, Notions and Other Apparel Wholesaling industry (42431) contend with lower competition levels, as 61.9% of the industry's operators are nonemployers and no individual operator accounts for more than 5.0% of revenue.

Capital Intensity

The level of capital intensity within each wholesaling industry reflects how much companies are expected to invest in technology, a key barrier to entry for new entrants. Certain industries, such as Automobile Wholesaling (42311), are characterized by a high level of capital intensity, as it is reliant on machinery to move vehicle stock. Likewise, industries like Fruit and Vegetable Wholesaling (42448) are characterized by a low level of capital intensity, as integral tasks like tracking inventory, taking orders, preparing purchase orders by weight, checking produce for abnormalities and transporting produce to its end-user are labor intensive.

Product differentiation, distribution networks and licensing

In the Wholesale Trade sector, the level of product differentiation determines the dominance that an individual company can exert across an industry. Many industries in this sector

experience a low level of product differentiation. For example, merchandise sold by Stone, Concrete and Clay Wholesaling industry (42332) is virtually indistinguishable from one company to another, limiting players' ability to establish dominance. However, companies that operate in industries with a higher degree of differentiation are able to exert more influence through their exclusive control of products.

The existence of distribution networks between operators and suppliers also serves as a potential barrier to entry across the Wholesale Trade sector. Existing operators from industry to industry benefit from the relationships they have established with suppliers over a period of time. Finally, the requirement of licenses in various heavily regulated wholesaling industries can limit new companies from entering an industry.

Key Success Factors

- **Ability to control stock on hand:** Wholesalers must have sufficient stock and ensure that they are not overstocked during periods of economic slowdown.
- **Upstream vertical integration (ownership links):** Many of the largest players within the sector are vertically integrated manufacturers and wholesale. To be successful, companies need to have control over their costs and product design, which comes from being vertically integrated.
- **Having contacts within key markets:** Wholesalers must have strong relationships with retailers, as they have some influence over the marketing of their product.
- **Guaranteed supply of key inputs:** Access to, or contracts with, reliable manufacturers and importers are key to the success of operators across the sector.
- **Having an extensive distribution/collection network:** Strong distribution networks minimize distribution costs and maximize market penetration.
- **Ability to pass on cost increases:** Commodity prices fluctuate drastically, so it is imperative for distributors affected by raw resource prices to be able to pass on any cost increases over the medium to long-term to ensure profitability.
- **Automation reduces costs, particularly those associated with labor:** Wholesalers must invest in their technology and equipment to successfully compete with the largest distributors, who are able to reduce costs through automation.

Capital Intensity

The majority of industries in the Wholesale Trade sector are characterized by a medium degree of capital intensity. Capital costs across the sector consist of machinery and equipment to assist in the day to day operations of the wholesale business. The sector is considered moderately capital-intensive, with depreciation (a proxy for capital input) expected to absorb 0.7% of revenue in 2018. While this figure is relatively low, the industry does not rely heavily on labor, with wages forecast to consume 5.8% of revenue in 2018. Labor costs in the sector consist of merchandise packing, forklift driving, order filling, truck loading, and lastly, sales. Therefore, for every dollar invested in capital equipment, \$0.12 is spent on labor. As a result, the sector as a whole exhibits low capital intensity.

However, some industries represent outliers to the norms across the sector. Certain industries, such as Automobile Wholesaling (IBISWorld Report 42311), are characterized by a high level of capital intensity, as it is reliant on machinery to move vehicle stock. Likewise, industries like Fruit and Vegetable Wholesaling (42448) are characterized by a low level of capital intensity, as integral tasks like tracking inventory, taking orders, preparing purchase orders by weight, checking produce for abnormalities and transporting produce to its end-user are labor intensive.

Capital intensity across the sector has increased throughout the past two decades as a result of the introduction and implementation of computerized warehouse systems, which have better enabled operators to label, track, maintain, and control inventory. By comparison, for every dollar invested in capital equipment in 2013, \$0.11 was spent on labor across the Wholesale Trade sector.

Company Team



John Doe - President

As president, Mr. Doe is responsible for the day-to-day activities. In his CEO capacity, he:

- Serves as the principal representative of Sample Company, Ltd.
- Serves as the principal contact with the Board of Directors
- Implements all organization policies and procedures
- Develops and implements strategic and operational plans that define priorities and allocates resources to best achieve Company's mission, within the bounds of fiscal and programmatic regulations and other constraints
- Fosters cooperation among partners to broaden and enrich trade programs and to expand and encourage customer engagement
- Oversees the implementation of all personnel policies and procedures, hiring and evaluation of staff and maintenance of appropriate facilities and equipment
- Oversees the annual budgeting process, including the establishment of compensation policies and practices affecting salaries, wages and benefits.
- Ensures the production of fiscal reports for internal and external audiences
- Oversees and ensures compliance with all federal, state and grantor/contractor requirements

- Executes deeds, contracts and other instruments on behalf of Sample Company, Ltd.
- Completes performance evaluations for key management staff

Chief Financial Officer

The every-day duties of the CFO are:

- Analyze, refine and forecast financial data in real time and on a periodic basis throughout each year, including revenue based on market data, capital and operating budgets and strategic plans.
- Recommend strategic optimization plans based upon financial data
- Recommend operational optimization plans based upon financial data.
- Lead the planning, coordination and implementation of the annual capital and operating budget process in collaboration with other department leaders.
- Analyze and identify financial opportunities
- Identify and source new growth opportunities.
- Refine existing key performance indicators and financial ratios for measuring financial performance of the company and its component parts.
- Develop a standing financial reporting process and report weekly, monthly, quarterly and annually on key financial data.
- Monitor and report on overall financial status by analyzing yield results.

Chief Marketing Officer

- Work with CEO, agency and any outside resources to develop sound long-term marketing plans
- Work with the CEO on long-term brand strategy and direction
- Regularly and consistently communicate with corporate team to ensure integration of marketing programs and build greater understanding of marketing strategies
- Maintain and develop consistent brand image; Work with GM to maintain compliance of promotional and brand standards
- Manage and direct all PR efforts to build brand awareness
- Assist with research and new product development
- Develop effective programs to increase sales and profits
- Plan/manage execution of all marketing tactics, including advertising and promotions
- Approve all media and special events

Chief Operating Officer

- Design and implement business strategies, plans, and procedures relating to all aspects of business operations
- Develop comprehensive goals and strategies for performance and growth in all areas of business including product development, sales, production, distribution, and marketing
- Establish and enforce policies that promote company culture and vision
- Oversee daily operations of the company and the work of managers (production, purchasing, sales, marketing, etc.)
- Lead employees to encourage maximum performance and dedication
- Evaluate business performance by analyzing and interpreting data and metrics
- Write and submit relevant reports to the CEO and Board of Directors
- Participate in expansion activities (investments, acquisitions, corporate alliances etc.)
- Manage relationships with vendors, customers, and partners
- Manage product certifications and company compliance with all regulating agencies

Account Employee

- Participates in weekly staff meetings.
- Organizes daily work flow and appropriate staffing.
- Resolves complex customer account problems.

Office Systems & IT

- Help customers keep technology in alignment with business objectives and best practise
- Remote support to customers via phone and onsite
- Provide proactive and reactive support services for workstations, servers, wireless, printers, firewalls, applications, backup and disaster recovery, antivirus and network installations and consulting
- Need to take instructions well and learn more technical skills as taught
- Some after-hours or weekend work as needed for projects and group rotating as on-call technician

VP Sales & Production

- Recruit, hire, and train extraordinary sales professionals

- Refine existing inbound sales practices and tools to create repeatable, scalable sales processes that accelerate growth.
- Analyze existing and new business opportunities, developing a keen understanding of market conditions, product requirements, demand for products, and resource requirements.
- Assist in sales as necessary, providing sales leadership on strategic target accounts.
- Set and achieve sales goals informed by historical data and accurately forecast monthly, quarterly and yearly revenues.
- Develop and lead sales compensation plans that drive company objectives and motivate outcome-based behaviors.
- Partner with the management team to identify and execute on key commercial strategies and tactics.
- Collaborate with Marketing to ensure strong growth.
- Report on key sales metrics and projections.

Marketing Team Member

- Work with Marketing team on projects and initiatives pertaining to digital marketing, social media, and research projects
- Track and maintain marketing spend allocated to projects and specific markets
- Assist with coordination and facilitation of marketing events
- Work on additional marketing initiatives as determined by the Marketing team

Senior Merchandiser

- Create & Execute online merchandising strategies to maximize conversion and sales for specific categories.
- Manage online merchandising strategies and/or execution & adjust as necessary based upon analytics, selling trends, competitive patterning, and inventory availability, etc
- Maintain site navigation & sequence categories to support marketing/buying strategies, trends, web analytics, and on-site search, etc
- Analyze business performance, & participate in business review/cross functional meetings for assigned categories
- Represents merchandising team on special committees and/or transversal initiatives or projects as needed

- Review key performance indicators.. Determine root causes of why execution worked/didn't work and develop action plans to maximize opportunities and minimize risks.
- Provide technical and managerial leadership to recruits. Integrate and develop direct reports ensuring goals and activities are aligned with individual and business expectations.

Merchandiser

Merchandisers must work with our Merchandising team to perform the following duties:

- Planning and Execution - Drives sales and conversion at a total company level. Develops site merchandising standards and executes these standards on Target.com and app. Key responsibilities include, but not limited to:
- Defines site merchandising strategy and tactics for key enterprise priorities to meet business objectives. Strategies and tactics include, but not limited to, business prioritization, optimized navigation, product imagery, storytelling, product information, etc.
- Responsible for partnering with partners of all levels (i.e. Site Merchandising, Marketing, Product, Creative) to develop and prioritize experiences and site initiatives. This involves regular presentations to leadership.
- Implements the site merchandising strategies that focus on key conversion drivers, optimal site presentation, maximizing guest engagement and shopping experience, and drives multichannel efforts. Ability to influence peers is essential

Production coordinator

- Identify products to be sold by Sample Company
- Build relationships with product manufacturers
- Maintain the product room, making sure products are organized, put away at the end of each day, properly labeled and shelved.
- Receive, unpack, photograph, label, track, manage and record all incoming products.
- Display samples in appropriate seasonal shelving area
- Ensure samples are organized and moved from product rooms to sample archives upon approval
- Identify opportunities for improvements to drive efficiency and simplicity

- Conduct bi-annual review of product sales and direct obsolete products away from the company.

Inspections

- Will ensure all orders that are to be shipped out are accurate

Designer

Oversee all marketing content initiatives to ensure customer engagement, brand consistency and a positive customer experience.

- Understanding of our customers and target customers to ensure we're actively pursuing the correct audience as well as meeting (and exceeding) customer expectations.
- Develop a well-rounded editorial calendar that is strategy aligned with short-term and long-term marketing targets
- Understand company objectives and develop cross-platform, industry campaigns to reach them
- Create and publish new and engaging content: website, blog, newsletters, press releases, whitepapers, magazine articles and advertising and marketing collateral such as brochures
- Rewrite the existing content as needed for marketing collateral and website copy
- Manage content on social media and develop unique ideas to grow audience

Kwai Lan Cheung - Logistics

- Reconciles shipments to invoice specifications, packing slips, or other documents
- Receives, inspects, checks-in, and labels items and places in proper bin location
- Locates and pulls computer-generated orders to accurately and efficiently complete orders

Marketing Plan

The company currently has its management members focused on executing this business plan. The team is focused on creating a strong brand, mainly by marketing themselves to retailers and local vendors in the USA. In addition, we will make an effort to attend importing trade shows across the country, increasing brand awareness on a national level. We will be executing the following marketing strategies post-investment:

- **A Facebook & Instagram Page:** A Facebook and Instagram page will be started. Administration duties will be outsourced. Each post will engage users by asking a question, propose an idea, calls to action, or a sale of some form. Content will mainly be pictures of our products or customer submitted photos of them enjoying our products, effectively creating marketing/sales collateral to initially establish ourselves as a trusted brand. Our business will include the hashtags and geolocations with the heaviest pertinent traffic in our posts. These will be hashtags such as #Style, #Watches, #Wholesale, #ChineseGoods, #Style, #Electronics, #Tablets, or any other trending hashtag that will generate targeted traffic. We will assure that these platforms are a lead generation service driving pertinent traffic to our website. Posts will be daily.
- **Strong Cost Per Click Advertising:** Our business will have an aggressive targeted cost-per-click advertising campaigns on platforms such as Facebook, Twitter, and Instagram. This strategy will be used to drive traffic to our website in the most cost-effective, efficient manner possible.
- **Trade Shows Across NY & The US:** Our business will have a strong presence at trade shows across New York and the US. At these shows we will hand out free business cards, flyers with information on our products, and discounts on our products.
- **Rewards Programs & Email Lists:** We will give every customer the opportunity to sign up for a “Rewards Programs” by providing their name and email. Their information will then be added to a list of people to be contacted with exclusive sales, raffles, and rewards. In addition, any customer who enters our website will have the opportunity to sign up for the same rewards program.
- **Internal Sales Platforms / Our Website:** Our website will act as the main mode of finding information about our business. This website will feature all of our discounts, information about our business, pricing, and news aggregated into a single platform for potential and returning customers.
- **Blogging & SEO:** We will create several wristwatch and chinese goods blogs to position ourselves as an authority in the stone design and imagery industry. This will effectively increase our website traffic by driving search engine optimization, lead generation, and brand awareness.
- **Online Local Listings:** Listing services such as Yelp and Google My Business can drive many local consumers into seeking further information about our business. We plan to encourage customers to rate their experience so we can establish ourselves as a trusted and honest business.
- **Micro Influencers:** We will be in contact with and do sponsored posts on cheap goods page on Instagram and Twitter that have a moderately strong following of 10,000-20,000 people.

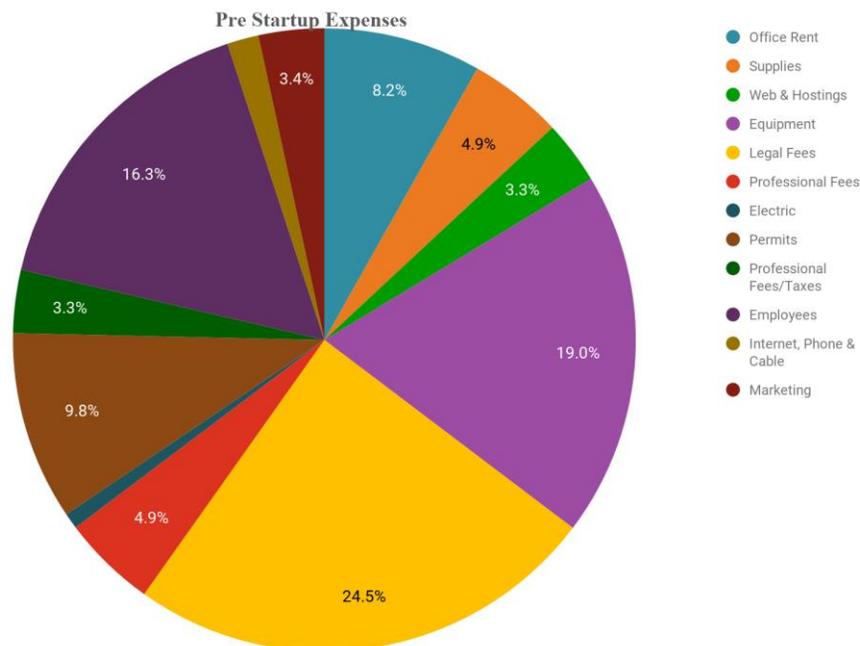


Financial Projections

The Company, while minimal, will have expenses as it moves to initiate operations of its US based subsidiary scaled profitability. It's important that the company estimate these expenses accurately and then plan on obtaining sufficient capital. Even with the best of research, however, expanding the business has a way of costing more or less than anticipated. The company has made allowances for surprise expenses, called contingencies to account for the unforeseeable. After careful research and talking to others who have started similar businesses to get a good idea of how much to allow for contingencies, and careful market research, the Company projects distribution of capitalization in the amount recorded below to operate and sustain the business for the first years of operations and beyond.

Pre-Startup Expenses

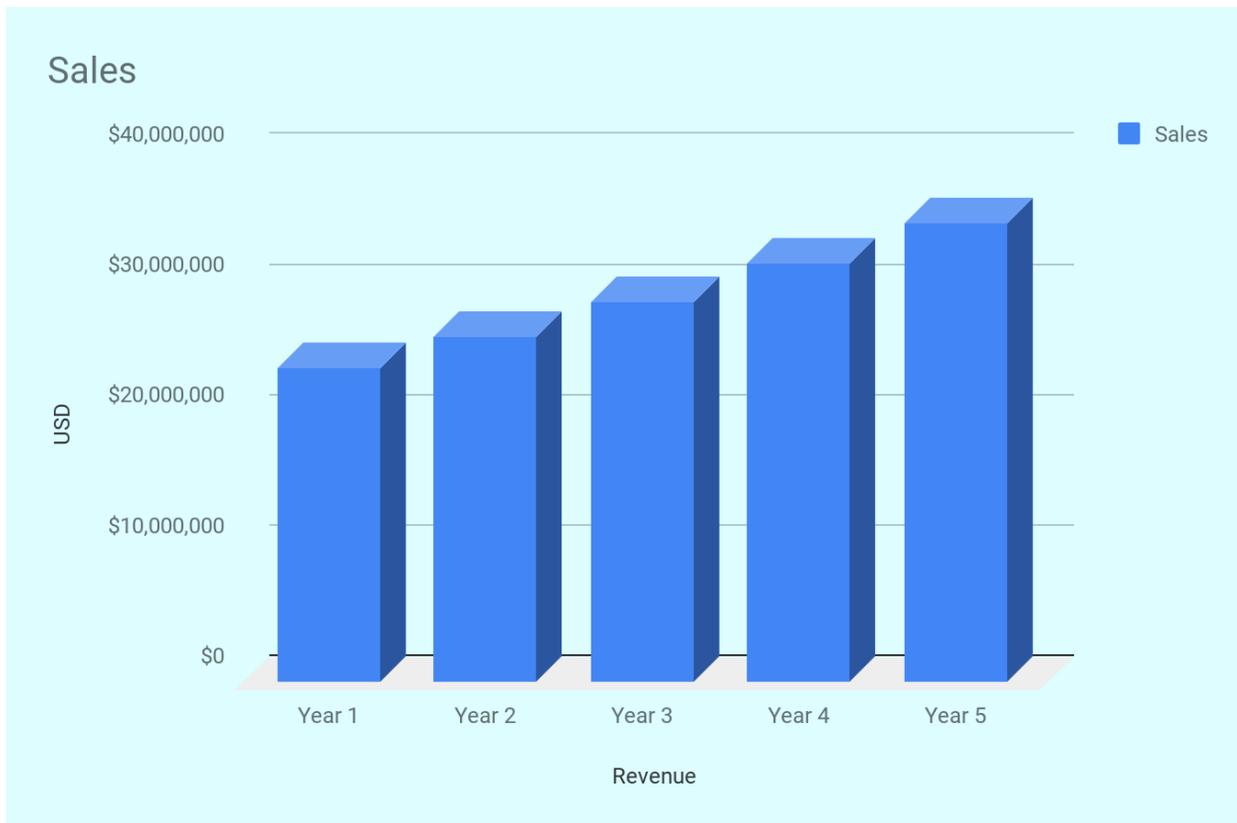
The company will invest the capital for startup operations in the following manner:



The foregoing represents our current intentions based upon our present plans and business conditions to use and allocate the net proceeds of this offering. The amounts and timing of any expenditure will vary depending on the amount of cash generated by our operations, and the rate of growth of our business. If an unforeseen event occurs or business conditions change, we may use the proceeds of this offering differently than as described in this business plan prospectus.

Financial Projections

The following is the company's financial revenue and expense projections and break-even for the Company. Together they constitute a reasonable estimate of our company's financial future. More important, the projections through the financial plan will improve our insight into the inner financial workings of our company. We estimate that we will have sales of \$20,000,000 in year one with sales growing 10% per year for the first five years of operations.



Conclusion

The company's management is confident that Sample Company, Ltd, via Angels Marketing, can achieve its conservative financial projections, generating a gross revenue in excess of \$20 million in year one after the opening of the business. In addition, management has carefully considered its market, potential customer base, and its ability to grow its sales average to capture market share of the total population in our area of business. With our projected numbers, and the total market share and revenue in the industry, we confidently project over a \$50 million entity value in year four.

As owners, the Managers' commitment is to take personal accountability for all financial debt. The Company has taken the necessary precautions to ensure the business is fully capitalized and has addressed all financial shortfalls to ensure a successful business expansion.

In all the above we intend to communicate our ability to create a product that will satisfy and exceed our audience's wants and needs. All the above promotional tools that we have mentioned throughout the plan shall be well integrated and utilized in tandem so as to maximize their effect.

Entrepreneurs have a tendency to paint any business plan with a very optimistic brush, highlighting strengths and camouflaging the risks. The Company Managers, as business owners, have a vested stake and financial commitment in the success of this business. The Company has taken all precautions to validate the Company business and financial models, focusing on realistic projections. If you have any questions, please contact us directly.