



Cameroon Property Company Ltd.

Business Plan

(This is the executive summary only)

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1. Forward

Cameroon Property Company Limited (CPC) is a Public limited company that is legally registered to develop property, and to provide property management and letting services in Cameroon. CPC has its head office in Buea, South West Region, Cameroon, and was created in August 2011, in response to the frustration often faced by Cameroonians living in the Diaspora and also high and middle-income earners in Cameroon in an effort to acquire property in Cameroon. We spotted the opportunity presented by this frustration and decided to establish a trustworthy, reliable and reputable company that can provide quality homes; quality land and professional property management and letting services to Cameroonians living in the Diaspora, and also to middle and high-income earners in Cameroon.

Although CPC was formally registered in August 2011, the business has been operating since 2009, mainly as an online portal, www.cameroonpropertyagent.com, that advertised land and homes for sale in Cameroon. Through this website, we received lots of interesting queries and offers, mainly from Cameroonians living in the Diaspora and also from foreign experts, in relation to acquiring a home or land in Cameroon. Most of the people who contacted us also revealed their fear and lack of trust in individuals - relatives or friends - to co-ordinate their investments in Cameroon. This was buttressed by some key revelations in the preliminary research we carried out on this project. We discovered that about 80% of Cameroonians living in the Diaspora do not believe that relatives or friends can help them acquire their desired type of home or land in Cameroon. In-fact, many Cameroonians living in the Diaspora have had bad experiences with relatives and friends, and would prefer to travel to Cameroon on a regular basis to supervise their project than entrusting this responsibility to a relative or friend who is based in Cameroon.

But traveling to Cameroon, on a regular basis, only for the purpose of acquiring a home or land or for the purpose of managing or letting a property can be very costly and may not be easy. This is one of the reasons why we strongly feel that Cameroonians living in the Diaspora will turn to CPC to help them acquire their desired home or land in Cameroon, in their most desired location. We will build a reputation by providing quality land and homes and other auxiliary services that will meet the standard and expectations of our customers.

The growing shortage of land and rented property in Cameroon's main cities, and the projected increase in the demand for homes and land over the next ten years is also an indication that the opportunities awaiting CPC are enormous and unlimited.

2. CPC's Vision

CPC's vision is to establish itself, as a trusted, reliable, reputable and successful company that enables people to acquire their desired type of property in Cameroon with no hassle and complete peace of mind.

We hope to achieve this vision by engaging in the following four major operations over the next few years:

1. Building quality, luxurious and prestigious homes for customers on contractual basis. We will distinguish ourselves out by building homes that will meet the standard and expectations of customers. Our homes will be recognized by their unique appearance but also, the interior fittings, the furnishing, the landscaping and the surrounding environment of every home we will build will hopefully meet the standard and expectations of our customers.
2. Development of modern and high security residential estates with modern housing units and selling the housing units to our customers, targeting mainly Cameroonians in Diaspora, and also high and middle-income earners living in Cameroon.
3. Acquiring large scale of affordable land in underdeveloped suburbs in Cameroon major cities, add value to the land by bringing essential amenities like pipe-born water, electricity, road etc. and sell the land to individuals in smaller pieces.
4. Providing other auxiliary services to existing and new customers. These services will include: property management and maintenance; letting services to owners of commercial properties such as student hostels, leasing property, holiday homes etc. and helping customers to acquire legal documentation such as land certificate and building permit, and also to acquire home financing from our partner financial institutions.

We have received a number of partnership requests from foreign companies, which have an interest in exploiting the lucrative housing business in Cameroon. We will seek to establish co-operation with these companies in the first quarter of this business plan, and will continue to invite other investors to inject capital into CPC to enable us develop these projects.

3. Cameroon Housing Market

Cameroon with a population of about 21 million inhabitants is situated on the Gulf of Guinea on the West coast of Africa. After more than five decades of political stability and steady economic growth, Cameroon today boasts as one of the most diversified and most dynamic economies in Sub-Sahara Africa. Cameroon is the dominant economy in the Central African Sub- Region - CEMAC, the six nations Economic and Monetary Community of Central African States, which represents a market size of 27 million people. Given its access to the sea; its ongoing improvements in the regional transport links; its growth in the oil wealth; government policy to boost the agricultural sector and increased liberalization and the growth of new sectors in the economy, Cameroon is poised to become a regional economic hub and a solid investment choice for foreign companies that will also see a boost in its housing market.

In a recent report completed by Business Monitor International UK, Cameroon's construction sector looks set to return to growth in 2012. Strong foreign investment, driven by the country's wealth of natural resources, will deliver 3% year on year (y-o-y) growth for 2012. This will take the industry value to US\$650mn. This growth is expected to continue over the forecast period with y-o-y growth averaging 3.76% until 2015 when the industry will be valued at US\$775mn.

A report published by The African Investment Corporation, in 2008, reveals that the Cameroon housing market is facing a huge shortage in supply leading to a sharp and sustainable increase in property prices. The report reveals that the demand for houses in Cameroon increases by 10% annually and about 500,000 new residential homes are needed every year, within the next five years, to meet the demand. This in conjunction with the projected growth in the Cameroon GDP over the next ten years, and the current boom in the financial services industry with loans and other financial credits at the disposal of Cameroonians will make the Cameroonian housing market even more attractive. On this note, it is safe to say that CPC is set to be a profitable and lucrative venture to anyone who will invest in it.

4. Commercial Viability and Sustainability

Considering all of the above indicators, it can be seen that the opportunities awaiting CPC are unprecedented. CPC profitability can be determined by taking a closer look at its key projects as follows:

CURRENT PROJECT

❖ Project Reference: CPC-IRoo1

Project Name: Share issue to interested investors

Start Date: December 1st 2011

Completion Date: March 5th 2012

Value: XAF 100,000,000 or \$200,000

Description: The project involves issuing out 2,000 ordinary shares of face value XAF 10,000 to raise \$40,000 (XAF 20,000,000), and 800 preference shares of face value 100,000 XAF each to raise a further \$160,000 (XAF 80,000,000)

Objective: To finance the purchase of company assets; build company reputation and carry out intensive marketing; and also to pay for company maintenance at start of operations in 2012 to the time company is expected to be self-cash generating.

Profitability:

- ✓ Return on Investment: 14% for the first year of operation. Considering our commitment to keep developing the market. We will maintain this ROI at steady rate of at least 14% for the next 5 years to 2016 until we can control the market. Hence we expect better ROI in later years.
- ✓ Accounting Profits: XAF 13,606,588. This is the least we expect for the next 5 years (ie. in the worse senarion).
- ✓ Payback Time: mindful of our commitment to keep developing the market and creating new niche for CPC as outlined in the detail business plan, we are confident that it will take equity investors at most

6 years to get back their full investments in CPC, and then stay for life reaping huge dividends.

FUTURE PROJECTS

❖ [Project Reference: CPC-IR002A](#)

Project Name: Residential Estate Development – Buying and Developing Land for Sale

Start Date: Year 2013

Completion Date: Year 2017

Value: XAF 655,250,000 or \$1,310,500

Description: Buying large undeveloped land in strategic locations in the suburbs of fast growing towns and cities and rapidly developing the land for sale to the public.

Location: We plan to develop an estate in four major towns of Cameroon; Limbe, Buea, Douala, Yaoundé. We will consider a number of factors (natural, economic, political and social) in deciding which part of a town or city suburb we would like to develop. The analyses here are per project. We expect this data to be the same for each of the projects.

Profitability:

- ✓ Payback Time: 2 years after full investment
- ✓ Return on Investment: 46%
- ✓ Accounting Profits: XAF 303,628,484 or \$607,257
- ✓ Net Present Value: XAF 104,308,499 or \$208,619

❖ [Project Reference: CPC-IR002B](#)

Project Name: Residential Estate Development – Building & Selling Homes on the Estate

Start Date: Year 2015

Completion Date: Year 2018

Value: XAF 3,016,050,000 or \$6,032,100

Profitability:

- ✓ Payback Time: 1 year after full investment
- ✓ Return on Investment: 10%
- ✓ Accounting Profits: XAF 887,597,500 or \$1,535,773
- ✓ Net Present Value: XAF 69,310,945 or \$138,622

Location: We plan for develop an estate in four major towns of Cameroon; Limbe, Buea, Douala, Yaoundé. The analyses here are per project. We expect this data to be the same for each of the projects

Description: Buying undeveloped land and rapidly developing it for sale to the public

Property Description: Here is more about these estates:

- a) We have so far identified four major towns in Cameroon to host our estates. These are Yaoundé, Douala, Limbe and Buea.
- b) On average we plan to have each of these estates cover a minimum size of 70,000sq. Metres of land.
- c) We will host three categories of houses: luxury homes; city detached and semi-detached houses; and city condo houses
- d) In each estate there will be a minimum of 30 luxury homes with swimming pools; 40 luxury homes without swimming pools; 40 detached houses; 40 semi-detached houses; and about 50 condo city houses with each hosting at least nine residential apartments
- e) Each of the individual homes will have a private parking space, and the condo homes common parking ground

- f) The entire estate will be provided with modern security amenities as well as leisure facilities like gyms, common swimming pools, party halls, supermarkets, relaxing spots for adults and kids, etc.
- g) The estates will be equipped with first class technology
- h) Description of property is as below:
 - i. Luxury Homes Cat. 1 – Land size 400m², building space 250m², swimming pool space 20m², parking 40m², and rest for garden and other grounds.
 - ii. Luxury Homes Cat. 2 – Land size 350m², building space 230m², parking 40m², and rest for garden and other grounds.
 - iii. Detached homes (single) – Land size 250m², building space 180m², parking 20m², and rest for garden and other grounds.
 - iv. Semi-detached homes (two flats) – Land size 500m², building space 360m², parking for two 40m², rest for garden and other grounds
 - v. Condo City homes – Land size 650m², building space 360m³, parking for nine 180m², and rest for garden and others



Luxury Homes Cat. 1 – Land size 400m², building space 250m², swimming pool space 20m², parking 40m², and rest for garden and other grounds. 4 bedrooms, 1 great room, 3 baths, a kitchen and garage. Building Cost: XAF 41,250,000; Sales Price: XAF 50,000,000



Condo City homes – Land size 650m², building space 360m³, parking for nine 180m², and rest for garden and others. Made up of 9 apartments, each with 3 bed rooms, 1 great room, 2 baths. Building Cost/apartment: XAF 11,311,111; Sales Price: XAF 13,333,333



Luxury Homes Cat. 2 – Land size 350m², building space 230m², parking 40m², and rest for garden and other grounds. 4 bedrooms, 1 great room, 3 baths, a kitchen and garage. Building Cost: XAF 31,823,077; Sales Price: XAF 36,000,000

5. Some Interesting Developments in CPC:

- ❖ A professionally designed website: www.cameroonpropertyagent.com, has been established and its popularity is growing from strength to strength. The website will be a vital tool to market our products and services.
- ❖ An office space of 2 big rooms, which can accommodate up to 7 staff, has been secured in ITV Building, Great Soppo, Buea, Cameroon.
- ❖ We are currently negotiating two home construction projects and one home refurbishing contract worth XAF 150,000,000. We are confident that we will win these contracts.

6. Company Ownership and Capital Structure

CPC has been created as a Limited Liability Company and will require an initial investment of about XAF 100,000,000. This will involve issuing out 2,000 ordinary shares of face value XAF 10,000 to raise \$40,000 (XAF 20,000,000), and 800 preference shares of face value 100,000 XAF each to raise a further \$160,000 (XAF 80,000,000). See detailed financial plan.

Ownership in the company shall be on purchase of at least a stock of 50 ordinary shares. The company's equity share capital shall be divided into 2,000 shares of 10,000 XAF divided into 40 stocks.

By virtue of the market we have gained already as seen in the rest of the plan, we have reasons to believe that CPC has a great goodwill. In this regard, shares will be issued at premium of 25%, i.e. XAF 12,500 per share.

7. Preliminary Milestone

- ❖ November 1st – December 15th 2011: Issuing of share ownership and partnership invitations to prospective investors.
- ❖ December 25th 2011: Deadline for receipt of responses from potential shareholders
- ❖ December 31st 2011: Communication to selected investors of share allotment results and communication of the company's bank account for payment of share fees
- ❖ January 20th 2012: AGM of shareholders to agree on articles and memorandum of association and other by-laws
- ❖ January 30th 2012: Deadline for payment of 1st installment for shares, which will be a minimum of 40% of total share value allotted
- ❖ February 5th 2012: Formal launch of business operations
- ❖ March 5st 2012: Deadline for receipt of final payment for share call

8. About the Promoters:

The two main promoters of this company are:

- a. **Jipe Kelly Ajang Etone:** A Cameroonian citizen who is a reputable Social Entrepreneur in Ireland, and who won the prestigious Social Entrepreneurs Ireland Award in 2009. Jipe is also a member of the Institute of Management Consultants and Advisers (IMCA) and a member of the Institute of Business Analyst and Consultants (IBAC), both based in the Republic of Ireland. He is a member of the Ministerial Council of Integration and was recently appointed to the European Integration Forum, by the Irish government, to represent the Irish State. Jipe was also listed in the prestigious Powerlist Magazine as one of the most influential Africans living in Ireland.
- b. **Derick Etoe:** Also a Cameroonian and a member of the New York Information Systems Audit and Control Association (ISACA), a past finalist of good standing to the Association of Chartered Certified Accountants (ACCA). An expert in Cameroon financial and tax regimes and the CEMAC business

laws, with excellent hands on experience in financial reporting (focus being on IFRS and OHADA).

- c. **Emmanuel Ediage Kwene:** He is Licensed in sonstruction by City and Guilds of the London Institute. He worked with the Ministry of Public Works for over 25 years as controller for many popular projects including the University of Buea design and construction, building of major government buildings as well as several road constructions throughout the country. In the past years, he has worked as a consultant to South West Development Authority, Buea for road construction projects.

These individuals will take full responsibility in committing the company and ensuring an efficient start up. Other individuals who can demonstrate that they can make things happen are very welcome to this team.

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