

PARADISE HOTEL

Symbol:	GABPH
Assets Value Now:	9,200,000 euros
Market Value After:	18,000,000 Euros
Already invested:	5,200,000 Euros
Balance to be raised:	5,000,000 Euros or 2,000,000 Euros

EXECUTIVE SUMMARY

Paradise Hotel is designed to be a 5-star luxury hotel located in Port- Gentil, economic capital of Gabon. The ground floor and the 5 stories are partially completed. The owner is in need of funding in order to complete the hotel construction as well as the finishing touch.

The promoter, Mr. Richard Chami, who has been residing continuously in Gabon for over 35 years, has decided to cater for the demand of big companies implanted in Gabon by providing a 5 Star hotel built according to European standards.

Mr. Chami is a trained pharmacist and a prosperous businessman who has set up various business ventures in Gabon among which are 4 pharmacies, 3 photo labs, 1 pressing, 3 optical stores, and one jewellery shop branded Chopard. All these companies generate a huge amount of profit and are managed by professionals.

Mr Chami expects to receive an income not only from the sale of the luxurious rooms to the big local companies but also from the Gabonese state through tax advantages, customs facilities etc. granted to investors. The government has implemented a new tax policy exonerating investors during the first five years of operation following the end of construction of the project, as well as corporation tax (legal entity) or personal income tax (sole proprietorship). In the following five years, these enterprises are liable to corporation tax or personal income tax up to half of the taxable profit.

The Gabon Emergent Strategic Plan (PSGE) sets out the objective of positioning Gabon as a reference destination for sustainable tourism. The tourism sector plan is based on the following axes:

- Develop a global quality image around Green Gabon
- Develop tourism engineering and marketing skills
- Significantly increase investments in quality accommodation
- Increase the promotion of Gabon destination in the main business tourism and ecotourism markets
- Develop access to Gabon at the lowest cost through a competitive air travel offer and good reception services
- Training in tourism and catering occupations

Infrastructure tourism is being updated

The country has about forty airports/ airfields/ airstrips. At present, connections to the main tourist sites, especially to the national parks, are made by air or by rail (Transgabonese to the Parc de la Lopé and Franceville).

The government is investing heavily in transportation infrastructure, according to the national infrastructure master plan. The Transgabonese rail route and many roads are being renovated or even created. Thus, the International Airport of Libreville was renovated before the African Cup of Nations in 2012. The Port- Gentil airport is being renovated so that it can accommodate international traffic. The rail tracks of the TRANSGABONNAIS as well as numerous roads are either being renovated or created.

Cost of the Project

According to Mr. Massoko, who is an expert in evaluating the properties, the Paradise Hotel is estimated at 9,200,000 Euros. In order to complete the hotel, purchase the furniture and additional fittings which will be deemed fit as well as the layout, Mr Chami needs an additional investment of 2,000,000 Euros.

Mr Richard Chami, the promoter, has already invested 5,200,000 euros including the seafront land. This amount has been used in the hotel construction. Richard Chami has invested the sum of 1,700,000 Euros in addition to which 500,000 Euros must be added for the plot of land, for a total of 2,200,000 Euros in equity. He has also contracted a debt of €3,000,000 for the construction of the hotel.

In order to finalize the Hotel Mr. Chami needs €2,000,000. He also needs an additional amount of €3,000,000 to buy back the loan contracted from another investor in order to get a free and clear property.

The final cost of the hotel will be 7,200,000 Euros.

Any investor has the possibility of a second lien on the property by investing Two Million Euros or a full lien on all of the assets of the company by investing Five Million Euros.

SARL PARADISE HOTEL will issue PREFERENCE SHARES for an amount from 2 to 5 Million Euros necessary to complete the work and make the hotel operational.

The hotel manager has already been selected. His name is CLAUDE MICHEL. Mr. Claude Michel was the former hotel manager for the GROUP ACCOR. He has an experience of 32 years in hotel management.

His CV is attached to this document.

Forecast for 5 years from 2020 to 2024

The Accounting firm SGPC – Association de gestion et de comptabilite – under the signature of Mr. Jean Aubadie Ladrix has submitted a study based on a forecast for 5

years regarding the hotel from 2020 to 2024. The first financial exercise is only for 3 months.

CONCLUSION OF THE STUDY

Euros	2020 (3months)	2021	2022	2023	2024
Turnover	2 482 790	10 198 540	10 661 200	11 126 040	11 611 127
Charges	635 737	2 217 400	2 313 524	2 410 313	2 511 385
Gross Profit	1,939 553	8 073 640	8 440 175	8 808 227	9,192 242
Net Profit	1 847 053	7 981 140	8 347 675	8 715 727	9 099 742

The total Investment for this Project is 7,200,000 Euros of which Mr. Richard Chami contributed 2 200 000 Euros.

Marketing

In addition to the promotion by the state of Gabon Paradise Hotel will carry out its own marketing online with payment online using credit cards.

Paradise hotel will dispose of 56 Suites. As the demand in regard to this kind of luxurious room is high in Port Gentil, the occupancy rate is expected to be high. Demand will come from the big companies, local people and regular visitors.

SWOT ANALYSIS

Strengths	Weaknesses
<p>High added value service. Professional management. The tax advantages granted by the Gabonese State The hotel is close to major companies such as Total, Shell, Woodgroup, Addax Petroleum, Petroleum Holding Integrated services for Oil and Gas, Haliburton, Bouygues, etc. Paradise Hotel is built according to 5 Star European standards. Huge Marketing made by the Gabonese State to promote Gabon as a destination for business tourists and others. Besides, official studies have shown that almost 50% of visitors come for business purposes.</p>	<p>The explosion of tourism in Gabon will create a high demand for luxury rooms. The various forms of tax elimination and tax relief will attract big capital to Gabon in the luxury hotel sector. These investments are direct competitors to Paradise Hotel. Profitability is the only condition for the realization of luxury hotel investment projects in Gabon</p>

Opportunity	Threats
<p data-bbox="225 235 798 280">Opportunity</p> <p data-bbox="225 280 798 425">The government's strategy of doubling the number of rooms available as well as the various tax exemptions make this country very attractive for an investor.</p> <p data-bbox="225 425 798 1041">Concerning tourism, the State provides for a regime of exemption from import duties and taxes for materials, machines and capital goods intended for hotel and tourism companies presenting an investment of XAF 800 million (1.22 M €). A tax system for tourism businesses is also set up which exempts them during the first five years of operation following the end of construction of the project, from corporation tax (legal person) or income tax from individuals (sole proprietorship). For the next five years, these companies are liable to corporation tax or personal income tax on half of the taxable profit.</p> <p data-bbox="225 1086 798 1164">It is also a question of freely repatriating profits and capital.</p>	<p data-bbox="798 235 1361 347">- Force majeure such as strike, conflict with residents, disorder in the event of election, natural disasters, etc.</p>