

## TEAK PLANTATION- LAND AND BUSINESS AVAILABLE

### Business Investment Offer for Hardwood and Cacao farming in Southern Belize.

#### BACKGROUND (Feb 2018):

This Belizean company, incorporated in 2005, has been working in the country planting Teak hardwood trees for the export market. It owns 300 acres (136 Hectars) near Machaca, 12 miles from Punta Gorda, Toledo District, Belize.

Approximately 60 acres are planted with teak, which are now 19 to 20 year old, approximately 20 thousand trees, plus 20~25 acres planted with teak, mahogany, Spanish cedar and other local hardwood, which are younger, between 4 and 10 year old..

Cacao (3 to 6 year old) for a total of approximately 62 Acres. (400 trees / acre, more than 20 thousand cacao trees)

The farm currently well maintained by our crew of 4 workers and our resident manager.

#### SALE OF THE BUSINESS:

The farm is not profitable today, but starting this year we have had some production of cacao. On top of what we have used for seeding, cloning, and to test the fermentation and drying of seeds, we started to sell the final product (dry cacao) at \$2.28 BZ / pound, which is very close to the market price of the Chicago commodity exchange in USD/Kg.

We have been very pleased with the quality of the cacao produced, and two chocolate factories have given us good marks. We have connected with Maya Mountain Cacao who is interested in buying from us either the wet cacao or the dry finished product for their exports to the USA. We expect that in this year several of our acres will become productive. In 2016 we produced 5000 pounds, while in 2017 we produced (and sold) 19000 pounds of cacao. 2018 production was 30000 pounds. 2019 estimate, close to 50000 pounds. We have a budget for the current year of a total of \$52000 USD of expenses.

Original Price Asked: 1,250,000 USD

### SHARE OFFERING:

Why are SHARES being offered instead of the ASSETS (LAND + TREES, etc.)? There are several reasons to prefer the shares, however we are willing entertain any offer.

Reason 1: The asking price is based on the assets of the corporation. There is NO premium for acquiring the corporation.

Reason 2: The Corporation has NO DEBT. There is no financial risk and we are willing to guarantee it.

Reason 3: A buyer would pay 5% land transfer tax. There are much lower taxes on the transfer of shares.

Reason 4: The Company is fully operational. Has bank accounts with Scotia Bank. A new Owner would be operational within 1 day.

Reason 5: The Company has a good reputation; it is well known in the area. The financial control is maintained in Toronto, according to the Canadian accounting standards.

Reason 6: The "DIGITAL ASSETS" (web site, PDF's logos, etc) would remain with the new shareholder(s).

### SUMMARY OF MAJOR ASSETS including new additions (conservative):

300 acres of land @ raw land price of \$1000/acre for a quick sale \$300,000 USD

20 thousand hardwood trees, currently estimated conservatively at least \$100 tree.

Estimated value at \$900 USD per cubic meter \$900,000 USD

Note that the world market price for teak is \$1800/cubic meter

62 acres of newly planted cacao, average age 4-6 years at \$ 30/tree

20 thousand trees \$600,000 USD

Equipment: Brand new tractor New Holland 55 hp, ford f150 4x4, sheds, container for storage of cacao and lumber, 2 farm trailers, power washer, generator, chain saws, kobelko mini excavator with trailer, jeepGrand Cherokee diesel, F150 pickup and other small tools and spare parts valued at current market value:

\$59,000 USD

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**Total \$1,859,000 USD**

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## **Current asking price reduced to \$1,150.000USD**

### **RETURN ON INVESTMENT:**

- Capital gain on the land in the medium term.

The current raw land price is below world market values. Equivalent land in Costa Rica, Panama, Paraguay is valued at 6 thousand USD per acre or more.

A new highway will connect Punta Gorda to Guatemala in the next years.

Farms with more than 100 acres are becoming scarce as the land gets subdivided.

- Undervalued lumber.

The value of the lumber has been estimated very conservatively, and will be higher, and each tree value grows by \$30 each year.

- Diversification of portfolio for investors in agriculture and agro-forestry in a developing country.

- Long term.

The development of the remaining 130 acres of productive farm will increase the total value of the company. In particular a mix of cacao crop and hardwood would produce a great surplus.

- Cacao production started this year and increasing in the next years and lumber sales will pay expenses and produce a surplus.

Notes: 1 worker lives with his family adjacent to the property.

Potable water from the city. Solar and generator for electricity. Hydro available at Machaca Outreach, less than 1 mile away.

New bridge and road allow all year motorized access.

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