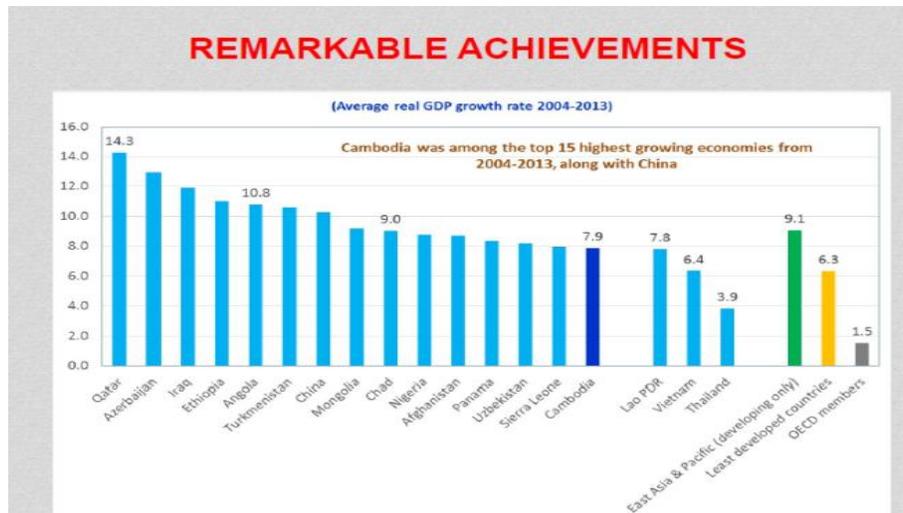




## RFC Capital Entry & Exit Strategies

I have been in this region for last 17 years and built my network and credibility by having a solid back bone which gives the unique competency of risk mitigation. Many of us can succeed because of our relationship rest can be acquired. Rural Thrust is a must to ensure 20-30% IRR.



**Q. What effect will the launch of Cambodia's Stock Market (CSE Launched since 2012) have on RFC Capital, its future investments, and investment harvesting?**

Cambodia is in its introductory stage of development cycle and dollarized economy. We are looking forward to listing some of our portfolio companies on the Cambodia Stock Exchange and hopefully exiting through the market. One of our investment themes is to buy up tomorrow's blue chips across the basic sectors of the economy and groom them to go public. Fledgling markets tend to be volatile, and patient sellers can take advantage of periods of irrational exuberance to enhance their returns. We can start off green ventures build a company and execute trade sales within three to five years' time frame.

**RFC - Cambodia SG Fund**

**Robust Economy and Broad Based Growth**

**Milestones of ASEAN**

**CAMBODIA AT A GLANCE**

Population: 154,035  
GDP: \$1,220  
Growth: 1.0%  
BEST RATING

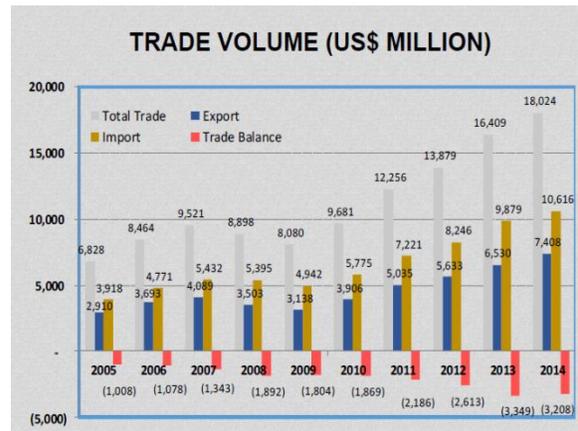
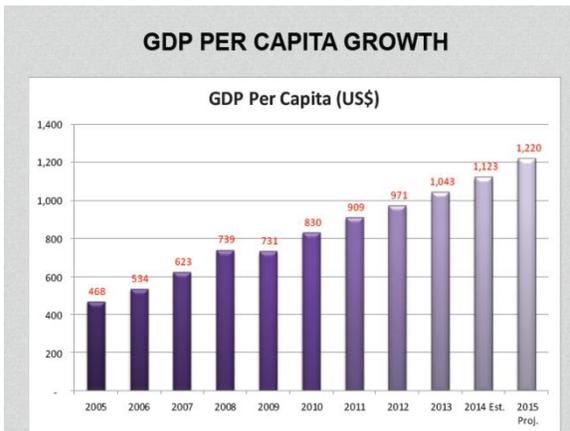
**REASONS TO INVEST IN CAMBODIA**

- Macroeconomic Stability
- Pro-business Government
- Competitive Investment Incentives
- One-Stop Service Investment Promotion Agency
- Preferential Access to Regional & World Markets
- Investment Protection
- Efficient Infrastructure and Strategic Location
- Sound Financial Sector
- Abundant Resources, Labor, Land

**CONFIDENTIAL**

**RFC (SINGAPORE & CAMBODIA OFFICE)**

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Here we would choose companies in basic industry – Food, Energy and Water sectors via cooperative rice farming and rice milling, Water Harvesting, Plantations, sea food and meat processing units, microbreweries, ISP provider with PPP Bandwidth through PSU alliance to launch wimax services based on 5G etc to integrate online banking MFI's and e Health care Platforms and Diagnostic Centers. We have chosen these sectors as up scaling possibility are immense in core sectors that are non-cyclical.

Here we have preselected companies – e-MFI Banks that will be listed whose pre IPO shares we are planning to acquire and exit on listing. There are companies in the public sector that is to be privatized we will be taking part equity before listing ( PPP route to Infrastructure Investment - Hospitals, Electricity, Port etc.)

#### COMPETITIVE INVESTMENT INCENTIVES

- Corporate tax - 20%
- Tax holiday up to 9 Years
- Full import and export duty exemption (QIP Projects)
- No discrimination, no nationalization
- No local participation requirement
- No price control on any products or services
- No foreign exchange control
- No restriction on capital repatriation: free repatriation of profits & free remittance of royalty, interest, loan repayment, dividend, investment capital, etc.
- No trade restrictions
- Long-term land lease

#### PRO-BUSINESS GOVERNMENT

Government and Private Sector Working Groups  
Government and Private Sector Forum  
Private sector is an engine of economic growth  
Easy access to relevant government officials

**Q. What make Vietnam, Cambodia and Laos attractive areas of investment for RFC Capital?**

There are few emerging markets in the world as open to foreign investment as Cambodia and other targeted isolated small exotic frontier markets. If you believe in free markets, light regulation, and low taxes, you have to believe these economies will outperform over time. Then you toss in all the natural resources, youthful population, proximity to the global growth centers of China, India and ASEAN, and political stability - the story only gets better. Lastly, we are early movers here and get to enter at cheap valuations.

**Q. What are the local barriers to investing?**



In an economy this underdeveloped or developing at introductory stage of economy, you have to be willing to enter companies at an early stage, sometimes even in the seed round, and get involved in all sorts of micro decision-making. Unusual operational challenges arise, but that is part of the fun as each of the sector that we enter we chose a veteran specialist with 30-40 years of experience in excellence in ASIA and WEST the operator is the key to succeed in these market which is a huge gap currently. We call it Frontier Equity: a combination of private equity, venture capital, and entrepreneurship.

## ACCESS TO WORLD MARKETS

Access to the U.S. market - 1996

Access to the E.U. market - 1996

Member of the Association of South-East Asian Nations (ASEAN) - 1999

Member of the World Customs Organization (WCO) - 2001

Member of the World Trade Organization (WTO) - 2004

Member of various regional trade agreements

**Q. How is RFC fund different from others? How is the market in Cambodia and Laos different post-recession and current volatility due to deflation, QE based central government interventions debt laded economies executing currency war scenario inbetween east and the west?**

Our first fund would be focused only on Cambodia hence it is quite opportunistic. Our fund will include cover Vietnam, Cambodia and Laos SPV via infrastructure acquisition, and will focus more on funding small and medium enterprises (SMEs) and stat ups. Networks of solid power backbone very few can acquire within few years in this region we are backed by the top network.

Vietnam, Cambodia and Laos all maintained a healthy banking sector so rebounded quite quickly from the global financial crisis an current infrastructure based FDI flows. There is less foreign speculation now which is probably a good thing for the economy and for long term investors like us.

**Q. How important is managerial selection in the region? Is there a burgeoning entrepreneurial spirit?**

In Vietnam, Cambodia and Lao the entrepreneurial class is unusually young, reflecting the demographic mix and the tragic history of especially Cambodia three decades ago. A lot of them are bicultural, having spent a period of their lives abroad, and are thus quite easy to work with. Since their business experience and financial capital are limited most find the prospect of partnering with foreign investors appealing.

**Q. Which industries represent the greatest opportunities?**

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We have focused on really basic industries in core sector FOOD, ENERGY, WATER sector infrastructure investment focused on integrating gaps in value chain in financial services, utilities, and food production. We like to build local brands and to bring goods, services and jobs to rural areas, where 80% of the people live and penetration rates are extremely low. This is like investing in rural America 150 years or India and China 20 years ago.

### Fund Structure

- **Type:** Singapore-exempted Limited Partnership
- **Term:** 8 years from Initial Closing, extendable by General Partner for up to two consecutive one-year periods
- **Size:** USD 300,000,000 - drawdown structure
- **Management Fees:** 2% management fee per annum
- **Performance Fee:** 20% of annual profit with an 8% per annum hurdle including catch-up and claw-back clauses
- **Cost:** establishment expenses capped at USD 500,000
- **Minimum investment:** USD 100,000
- **Initial Closing:** 2 April 2017
- **Final Closing:** 31 December 2018
- **Late Admission Fee:** 8% per annum after Initial Closing Date based on invested amount.
- **Minimum Funding:** 15% of committed funds up to Initial Closing Date
- **Valuation:** Fund Manager will provide quarterly valuation summary reports and detailed audited annual reports
- **RFC Registration Number:** 53160621W

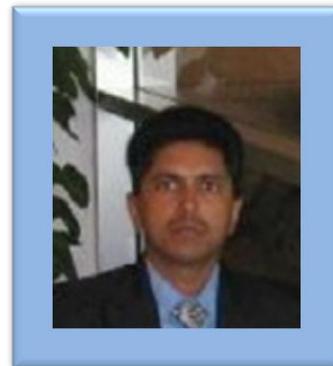


Cambodia's first  
sustainable  
investment fund

15

Abhoy Pattnaik

Chairman & CEO



28 March 2016

**RFC (SINGAPORE & CAMBODIA OFFICE)**

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