



## **Leopard Capital's Clayton Says Cambodia's `Open for Business'**

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By Netty Ismail and Catherine Yang

Douglas Clayton, founder of Leopard Capital, which is setting up a \$100 million Cambodia private-equity fund, comments on the country's investment climate and the firm's plans. He spoke in an interview with Bloomberg Television today.

### **On investment climate:**

``For 40 years, there was little investment going on. Now the country wants to catch up to the rest of the world and it's very open for business. It has some of the most open regulations in Southeast Asia. Political stability has returned to Cambodia and so now it's time for everybody to come in.

``The ease of doing business there is underestimated. Cambodia uses U.S. dollars, they allow free capital inflows and outflows, they allow foreigners to hold 100 percent of virtually any business and very long-term leases of land, 99 years. It compares very favorable with other countries in the region. It also has cheaper labor and unused agricultural land."

### **On the risks for investors:**

``The legal system is still evolving. Dispute resolution has to be examined closely before you go into an investment. The second risk would be human resources; it's difficult to find skilled workers, but the government allows you to bring in foreigners."

### **On returns:**

``It reminds me of Thailand 20 years ago when I moved there or Vietnam five years ago. If you get the timing right when a country becomes investible, the returns are outsized. We're seeing some very high-return investments available there. There's not much competition so at the moment for funds, it's a buyer's market. But you have to be willing to go at an early stage and not all funds are interested in that."

### **On the fund's planned investments:**

``We're about to do our first investment. We'll be looking for 10 investments, usually a joint venture between an international company that wants to come in and a local Cambodian business group. We'll usually be the third partner to help fund that project. We're looking to do six deals in the next 12 months."