

Paragon CADG Agro

Agribusiness in Cambodia & SE Asia



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Why Cambodia?

- Location
 - Central to surging Asian demand for agriculture
 - Good transport links to main markets

- Stability
 - Ruling party has just won overwhelming majority in national elections
 - Continuity of government
 - Welcoming to foreign business and investment

- Economy and Agriculture
 - Agriculture the historic strength of the country
 - 75% of population employed in agriculture
 - Economies of scale available
 - Low labor costs

Location – Ideal for export growth



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Cambodia – Business as Usual!



- The ruling CPP party added to its majority in the recent national elections
- Continuity of government in region of instability adds to attractiveness of investment
- Dollarised economy removes exchange risk
 - Agri-investment and costs are primarily USD based
- Agriculture
 - Continues to remain under-invested
 - Land under-cultivated for past 30 years
 - Completely open markets for exports and processing
 - Lowest labor costs in region



CADG (Central Asia Development Group)

Central Asia Development Group (CADG) is a leading international organization working to rebuild and redevelop programs globally. CADG possess a track record of expertise and efficiency for worldwide projects, promoting sustainable economic development in order to reduce poverty, and improve physical infrastructure. CADG does this through the successful implementation of numerous agricultural, construction, engineering, trade, promotions, consultancy and advisory projects. www.central-asia.net

- ▶ **Agriculture projects** CADG has established itself as the preeminent group promoting and educating agricultural best practices in southern Afghanistan. Supported with a qualified group of national and international staff, CADG has carried out small to large scale agriculture programs. CADG has successfully exported cotton, raisins, pomegranates, cumin, apricots and mung beans from Afghanistan to international markets. The marketing team at CADG has exported Afghan products to Indonesia, Hong Kong, United Kingdom, Thailand, Singapore, Malaysia, Czech Republic and Germany.

Some of the projects include:

- ▶ Drip Irrigation Methods introduced to farmers in Kandahar region
- ▶ Cotton & Alternative Livelihood Crops in Afghanistan
- ▶ Expanding the Alternative Livelihoods Program into Uruzgan Province in Afghanistan
- ▶ Large irrigation development and expansion in Helmand province



Paragon Corporation, Cambodia

Paragon was first established in Canada in 1990 as an engineering company involved with designing, developing, testing and marketing electronic control systems for natural gas industries.

Paragon has rapidly expanded internationally. The company set its first office in Cambodia in 1991 to capture construction businesses. With strong commitments to serve the needs of our customers, we diversified ourselves into a group of companies involved with Designing, Construction, Engineering, Consulting, Manufacturing, Property Development, Real Estate, General Trading, Jewelry, and Shopping Centres. www.paragon-corp.com

Paragon Corporation offers consultation and representation services in all aspects of Real Estate, Construction, Dispute Resolution, Tax Management, and Business Development in the Kingdom of Cambodia.

REAL ESTATE - Paragon, with professional team who understand the cultural and legal complexity in Cambodia, offers services to cross-border real estate investments.

CONSTRUCTION - Paragon provides consultation services in respect to domestic construction issues. They cover all stages of construction and engineering projects.

Experienced Operators



Keys for optimizing yields and production:

- Embracing local communities
- Educating local management and farmers
- Water management
- Efficient infrastructure management
- Modern techniques and technology



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Community Development

Community development is an integral strategy of rebuilding a sustainable livelihood. The goodwill that is created by carrying out our community work has had positive outcomes and helps strengthen our working relationships with the local people.

- Transfer of skills and modern farming practices
- Introduce sustainable farming and management techniques
- Introduce environmental and water sustainability practices
- Work closely with local communities to ensure mutual benefit for employees, their families and the community as a whole
- Paragon Corp has been involved in educational development in rural environments through iCEO, its charity (<http://www.paragon-corp.com/iCEO.html>)
- Close cooperation with national and regional NGO's to assist local development

Paragon CADG Agro Strategy

To acquire freehold or leasehold agricultural land in SE Asia – focusing firstly in Cambodia, and in future Laos, Vietnam, and Indonesia:

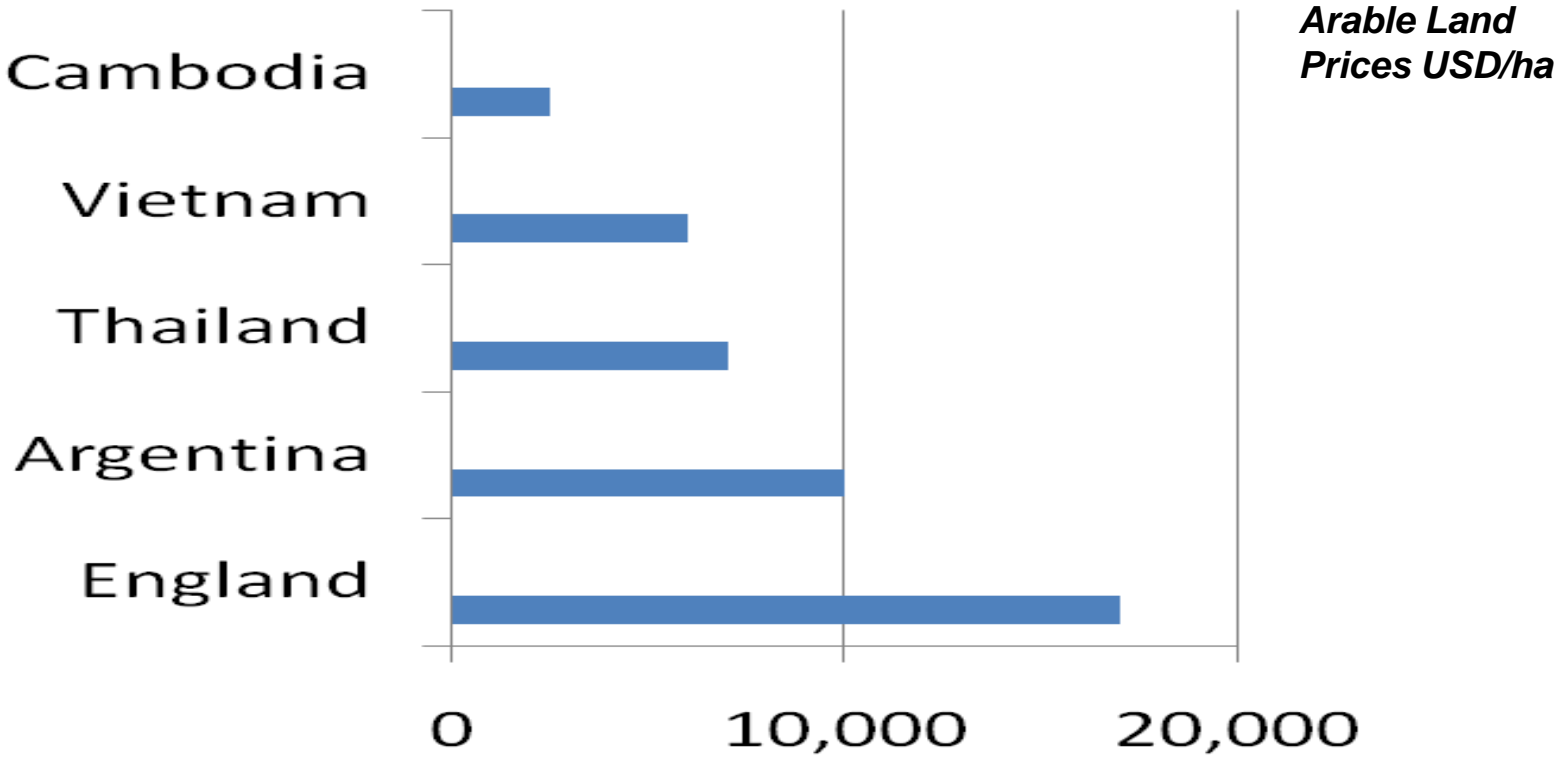
- Develop and optimize land usage
- Target 30-50,000 hectares under ownership and operation by 2010
- Implement best practices, using management and technology
- Employ state of the art water management practice
- Work closely with and empower local communities

Initial Investment

6,000+ hectares located close to Phnom Penh in one of two primary agricultural provinces

- Water source running through contiguous land
- Land has been zoned for agriculture use
- Expected to multi-crop: targeting cassava, rice and small vegetable cultivation
- Estimated to be fully planted by year-end 2009
- Estimated costs for land acquisition and cultivation of first crop USD 12-15 mm
- Ideally situated for future transport needs

Land Prices still attractive



Note: Estimates based from numerous sources

Risks of Setting up in Cambodia

- Like any other emerging market, **partnerships** are key to long-term success
 - Must think long-term in Cambodia when establishing partnerships
 - Essential that local partner(s) shares the same vision and ideals
- Government is very approachable and open for investment
 - But do not underestimate the importance of regional bodies
- Lack of senior management talent, but young generation highly trainable
- Be prepared to do everything from scratch

Conclusion

- Timing ideal for investment in Cambodia in agricultural space
- Agriculture offers economies of scale in Cambodia and is become highly sought after
- Strong and capable partnership are a must for long-term success
- Open and untapped markets offer large upside as the economy grows
- Cambodia will integrate with the regional and global economy very quickly

Appendix 1: Property Pictures



Paragon CADG Agro (Singapore)

Appendix 2: Property Pictures



Paragon CADG Agro (Singapore)