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Cambodia to Finish Bourse Listing Details by April

By Daniel Ten Kate, January 19, 2009

[Cambodia](#), the second-poorest country in Southeast Asia, plans to complete the listing requirements for its first stock exchange by April in preparation for a December opening, a top exchange official said today.

“Everything is on schedule so far,” Ming Bankosal, director-general of the Securities and Exchange Commission of Cambodia, said by phone from Phnom Penh. “We will finalize the issuing requirements by the end of the first quarter, and after that we’ll accept applications from companies.”

Cambodia, which abolished money under the Khmer Rouge three decades ago, is seeking to lure foreign funds as the global economic recession has led to drops in tourism, garment exports and commodity prices. The International Monetary Fund said the [economy](#) may grow 4.75 percent this year, which would be the slowest since 1998.

The government has targeted 20 companies to sell shares during the exchange’s first year of operation. They include Sokimex Group, the country’s biggest petroleum company, and Acleda Bank Plc, its largest bank, Kao Thach, head of the Ministry of Economy and Finance’s financial market division, said last year.

Regulations

“The starting date is not really the key issue,” said [Douglas Clayton](#), chief executive officer of Leopard Capital, one of several private equity firms that plans to invest in companies and cash out through share sales in the local market. “I won’t mind if it’s delayed for another year because it might give them more time to get the regulations in order.”

Leopard Capital has raised about a quarter of the \$100 million it’s targeting for a fund that closes at the end of March. Opportunities are rife for those with cash on hand who can benefit from falling prices, Clayton said.

The global financial crisis, which cut the value of stock markets in neighboring Thailand and Vietnam by at least half last year, has not deterred Cambodia from pressing forward with a stock exchange, Ming said. The [SECC](#) is in the process of developing tax breaks and other incentives for companies to list, he added.

“Now the U.S. is in the process of recovery and this recovery can spread to the world,” Ming said. “We hope that in late 2009, everything will be okay.”

The listing requirements in Cambodia will likely be modeled on the [Kosdaq](#), South Korea’s second stock market that was set up 12 years ago for small- and medium-sized firms as well as venture start-ups, according to Kao Thach. Companies seeking a Kosdaq listing need to be in business for at least three years with minimum paid-in capital of 500 million won (\$495,417) and debt-to-equity ratio of less than 150 percent of the industry mean.

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