

## Leopard Cambodia Fund Update

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The Leopard Cambodia Fund continues to expand its activities. On May 6 Leopard acquired a 31.48 percent equity stake in Nautisco Seafood, which operates Cambodia's largest and most modern seafood processing plant, Leopard reported. Nautisco's major shareholders are Canadians with seafood processing experience in Eastern Europe. Production has already started at the newly-built factory in Preah Sihanouk province, with hundreds of workers peeling, processing, and packaging wild-caught shrimp netted by local fishermen in small boats.

That investment comes on the heels of a Mar 1 announcement of a US\$3 million investment for a minority shareholding of ASA Pic, the vehicle through which the ACEDA Staff Association holds a 19 percent stake in ACLEDA Bank Pic. Two of the Fund's LPs co-invested another US\$2 million in ASA, and the Fund represents the syndicate on ASN's board. The Fund's ASA shares will be converted into ACLEDA shares prior to ACLEDN's expected eventual public listing.

Kingdom Breweries, a startup venture of Leopard Cambodia Fund, which continues to hold majority ownership, remains on track for a July-end commercial launch. The brewing equipment has now been installed, and the bottling line will soon arrive, Leopard said in a press release. Bottles, caps, labels, and raw materials have been selected and ordered, and the brewery building is in its final stages of renovation.

But two other projects, Cambodia Plantations and Angkor Residences, are not proceeding quite so rapidly. Cambodia Plantations search for a land concession "has dragged on due to evolving Government irrigation policies in the targeted area," said the Leopard statement. Despite the fact that "multiple arms of the government must give consent to an agricultural land concession," Leopard "remain bullish about the rice production business" because "we believe our application may now have reached the final stage."

The development of the Angkor Residences site is on hold due to a subdued Siem Reap property market, Leopard said.

CamGSM seems to be off to a strong start in 2010, Leopard claimed, as it on April 28 repaid over 4.5 percent of its outstanding US\$5 million loan principal balance owed to the Fund. Ministry of Post and Telecoms' 1Q10 data confirmed that CamGSM remains the largest among Cambodia's nine mobile phone operators, holding a 37.7 percent share of the Kingdom's 7.1 million issued SIM cards.