

NORTHWEST TONLE SAP ECOTOURISM DEVELOPMENT

CASE STUDY

January 2024

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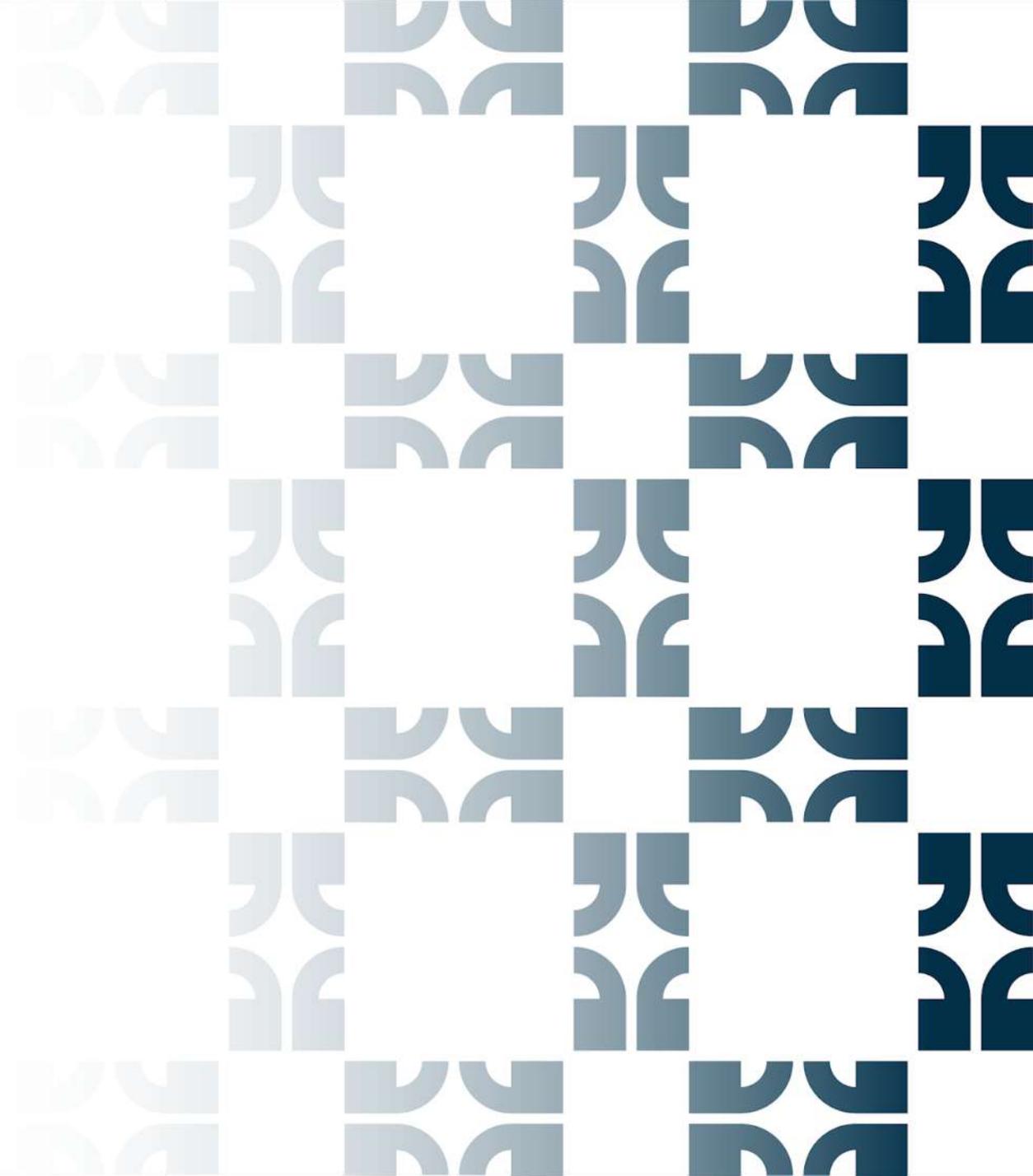
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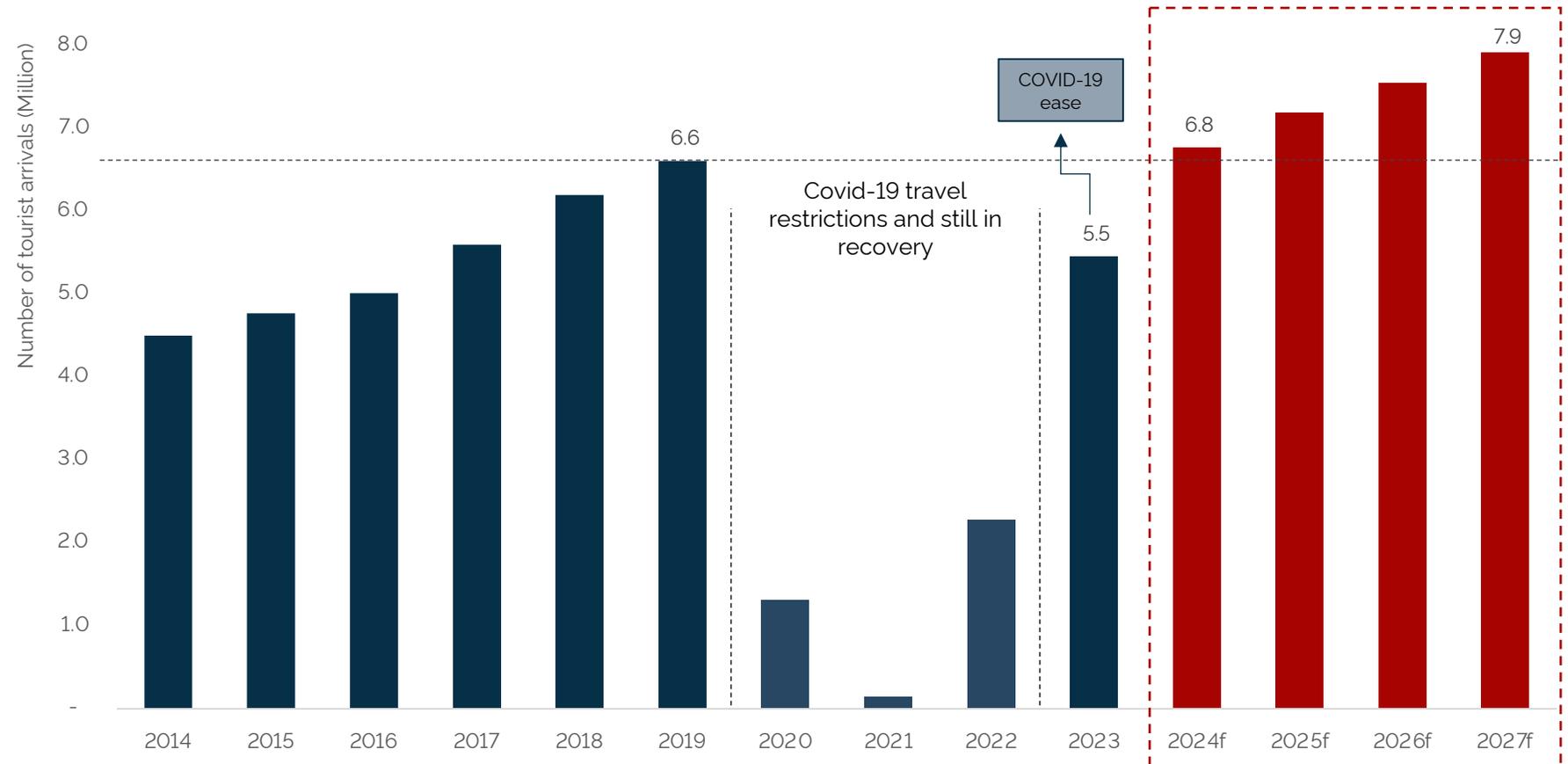
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Background



Total international arrivals reach 5.5 million arrivals in 2023 and are to surpass pre-pandemic level in 2024

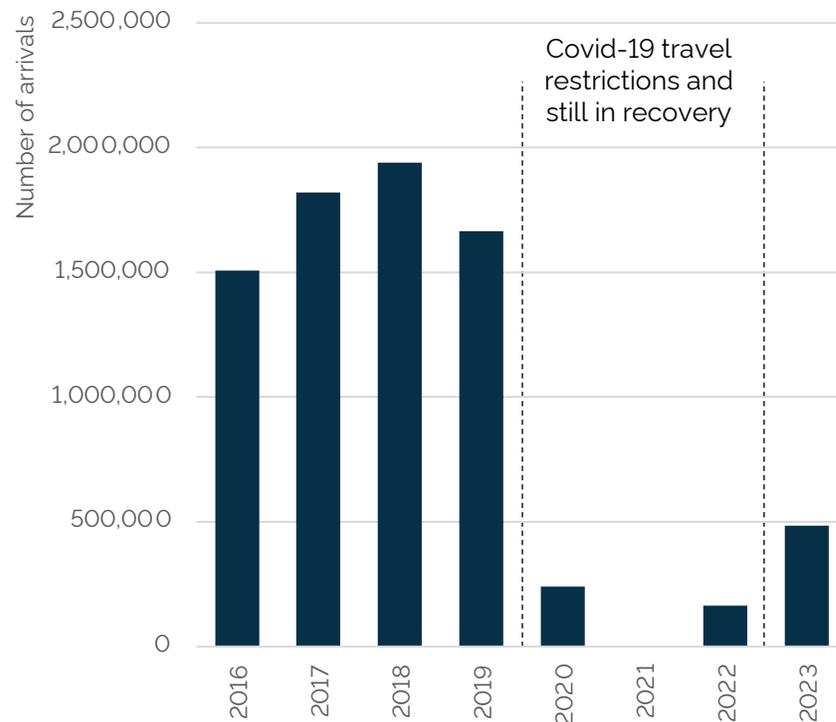
- ▶ Over a medium term, total arrivals are projected to grow at annual rate of 34.6% YoY from 2023 to 2027, by which the number of arrivals is expected to reach 7.9 million.
- ▶ The upside potential depends on a stronger than expected in arrivals from Mainland China and governmental support while downside risk remains given global inflationary pressures and high flight cost.



Source: (1) Tourism Statistics Cambodia, MOT; (2) BMI Research Forecast; (3) Långphum Capital Estimates

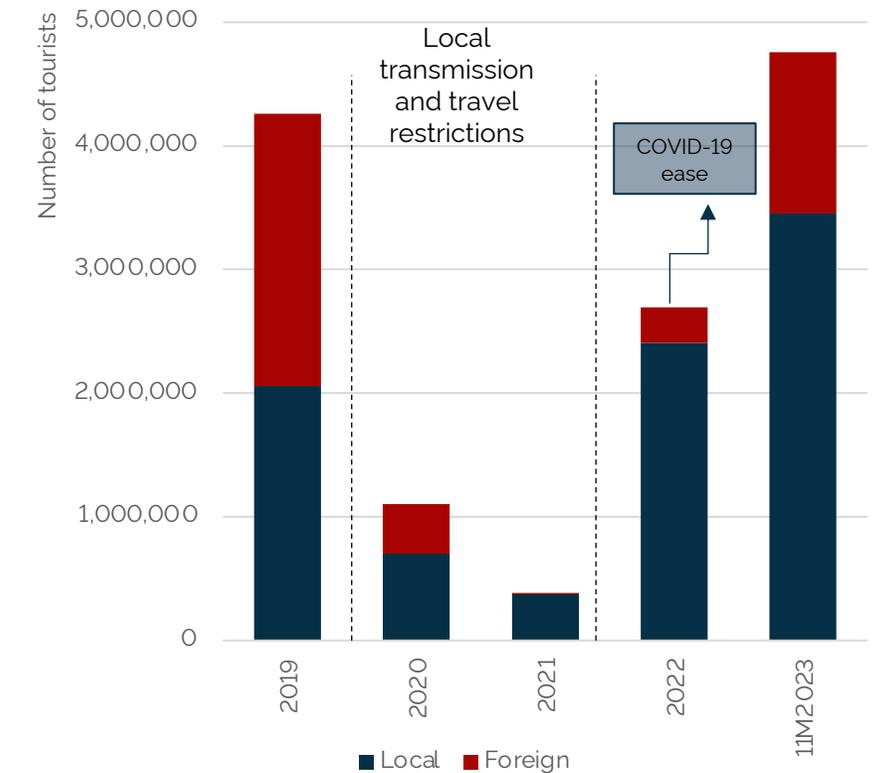
Siem Reap was a top tourist destination

- ▶ International arrivals increased at an average annual rate of 8.0% Y/Y pre-pandemic
- ▶ COVID-19-related restrictions led to a sharp drop in the number of international arrivals despite the local situation eases

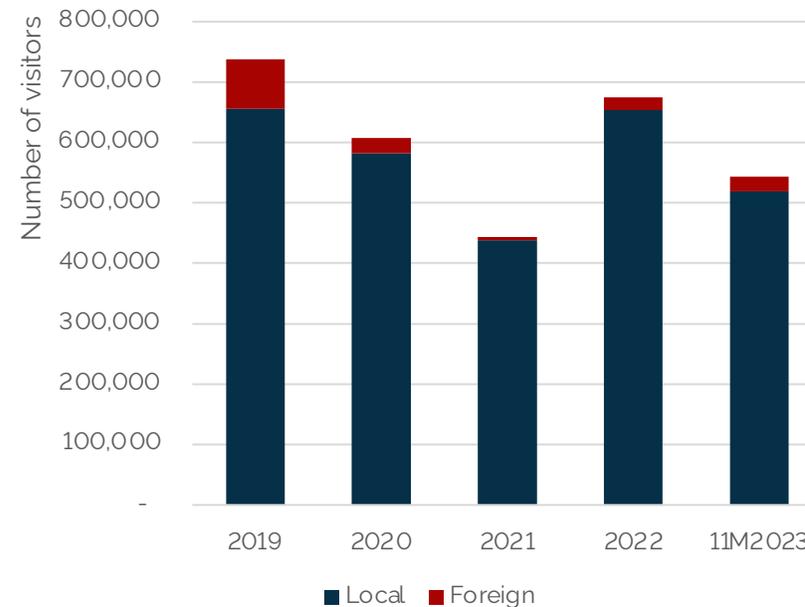


Local tourists led the tourism activities during pandemic

- ▶ While the number of visiting tourists remain significantly below pre-pandemic levels, about 2.4 million local tourists visited Siem Reap in 2022, highly contributing to recovery
- ▶ 2023 should expect higher momentum given completed infrastructure development projects and SEA Games



Ecotourism has been a local market play



- ▶ Younger generations are turning their attention towards hiking and adventure-themed tourism services, enabling opportunities for less-explored regions in the Cardamom Mountain and other eco-tourism sites
- ▶ The rise of domestic tourism during the pandemic significantly contributed to the tourism industry's pivot from mass tourism to "slow" tourism, adventure travel, and back-to-nature experience
- ▶ The World Bank is collaborating with the Ministry of Environment to develop sustainable tourism and/or eco-tourism.
- ▶ Tonle Sap Lake area was assigned as one of the Targeted Protected Areas. The area remains fairly untapped as an ecotourism destination. Despite having daily visitors, the area is currently underdeveloped compared to other ecotourism zones, given the inconsistency of water levels and seasonal accessibility.

Government Initiatives to support the tourism development

- ▶ The Ministry of Tourism has introduced 3 strategic goals to develop Cambodia's tourism industry in line with the Royal Government of Cambodia's Pentagonal Strategy-Phase 1. The 3 goals include improving the competitiveness, sustainability, and inclusiveness, which are to be supported by the 5 strategic pillars, such as (i) enhancing Cambodia's global reputation, (ii) increasing promotion to major tourist markets, (iii) improving internal affairs and soft-hard infrastructure, (iv) development of innovative and creative tourism products based on Cambodia's rich cultural and natural heritage, and (v) creation of sacred tourism sites.
- ▶ The Ministry of Environment and the Ministry of Rural Development have collectively collaborated with the World Bank Group to initiate the Cambodia Sustainable Landscape and Ecotourism Project ("CSLEP"). This project aims to improve protected areas management and to promote ecotourism opportunities in the Cardamom Mountains and Tonle Sap Area. Under the project, ecotourism corridors will be created to connect the tourism centers of Siem Reap and Phnom Penh with Cardamoms and Tonle Sap, with many development opportunities for public-private partnerships to develop.
- ▶ The Ministry of Environment has issued the Guidelines on the Implementation of Below 10-Hectare Small Scale Ecotourism Development Projects in Natural Protected Areas and Biodiversity Conservation Corridors. These projects are to be granted a 15-year renewable concession contracts. This guideline is to help enhance confidence for private sectors to invest in Cambodia's protected areas.



- ▶ Project CAPFISH aims to strengthen the socio-economic development of the Northwest region of the Tonle Sap Lake, locating in Siem Reap and Battambang.
- ▶ The Project explores the potential ecotourism interest in the Area of Interest, which includes 14 recommended points for the development.
- ▶ This investment case study conducted under this project simplifies the investment process for investors into the North-West Tonle Sap Basin Reserve by providing initial due diligence, recommended investment structure(s), and financial forecasts that highlight potential upsides and risks relating to the investment opportunities.
- ▶ The project will develop a pipeline of opportunities enabling options for investors to select, identify, screen, and consummate opportunities.



- ▶ Tonle Sap Lake is the largest lake in Southeast Asia bordering the shores of 6 provinces, Siem Reap, Banteay Meanchey, Battambang, Pursat, Kampong Chhnang, and Kampong Thom.
- ▶ The lake water flows down through Tonle Sap River and intersect with the Mekong River and Bassac River in Phnom Penh. During the Monsoon season, water levels in the Mekong River rise and reverse the water flows toward the Lake. This natural phenomenon expands the lake by almost 5 times.
- ▶ The lake and its surrounding wetlands are home to biodiversity, such as fishes, birds, snake, mammals, and insects.
- ▶ The Area of Interest situate in the Northwest region of the Lake, which covers 31,282 hectares of biosphere.

The fourteen (14) recommended sites are ranked in order of interests by considering four (4) key criteria: Attractiveness, Accessibility, Legal Permissibility, and Financial Feasibility.

Site #1 Moat Kla Island

Site #5 Sangker River

Site #9 Kampung Phluk

Site #13 Lake Bank

Site #2 Chong Kneas

Site #6 Phum Prey Chas

Site #10 Near Tahas River

Site #14 Islet near Kampung
Klaing

Site #3 Kev Paor

Site #7 Khum Chiveang

Site #11 Near Natural Lake

Site #4 Kampung Phluk

Site #8 Srangae

Site #12 Kampung Klaing







Number of Visitors: Unknown

Number of Residents: 10,709 residents

Site #1 is a flooded forest with water hyacinth fields. The total available area is approximately 64 hectares, nearby villages and open water. The site is a birdwatching point and is not crowded with fishing boats nor travelers.

The site is only accessible by boat all year long. The closest pier is Kampong Khleang boat station, which is about 2 hour from the site. The car drive from Siem Reap to Kampong Khleang is approximately 1-2 hours.

There are a number of developments that can be explored at the site, including eco-lodge, Boat tour excursions, Kayak rental station, and nature biosphere reserve.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #1	Mr. Papoo, Chief of Commune +855 77 964 311 Mr. Sein, Chief of Community-based Ecotourism +855 17 519 898

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Very Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 2 hours 30 minutes	Easily accessible by Boat Not accessible by Road Duration: 2 hours 30 minutes	Easily accessible by Boat Not accessible by Road Duration: 2 hours 30 minutes
Level of Interest	8/10	8/10	5/10
Suggested Activities	<ul style="list-style-type: none"> • Birdwatching Point • Kayaking • Sunset Boat Tour • Hotel 	<ul style="list-style-type: none"> • Birdwatching Point • Kayaking • Sunset Boat Tour • Hotel 	<ul style="list-style-type: none"> • Birdwatching Point • Kayaking • Sunset Boat Tour • Hotel





Number of Visitors: >1,000 visitors per day

Number of Residents: 5,931 residents

Site #2 is an 8-hectare flooded forest with deep water, located in Chong Kneas. The area has a close proximity to Siem Reap, exhibit opportunities to attract travelers to Siem Reap for short excursions.

The site is accessible by car during dry season and by boat during the rainy season. It takes approximately 30 minutes on a car drive from Siem Reap to Chong Kneas boat station and another 20 minutes on a boat ride to the site.

Before tourist activities were affected by the COVID-19 pandemic, the area has around 1,000 visitors on a daily basis. The area shows a potential for investments in Kayak rental, restaurant, tree top trail, and/or park with zip-line.

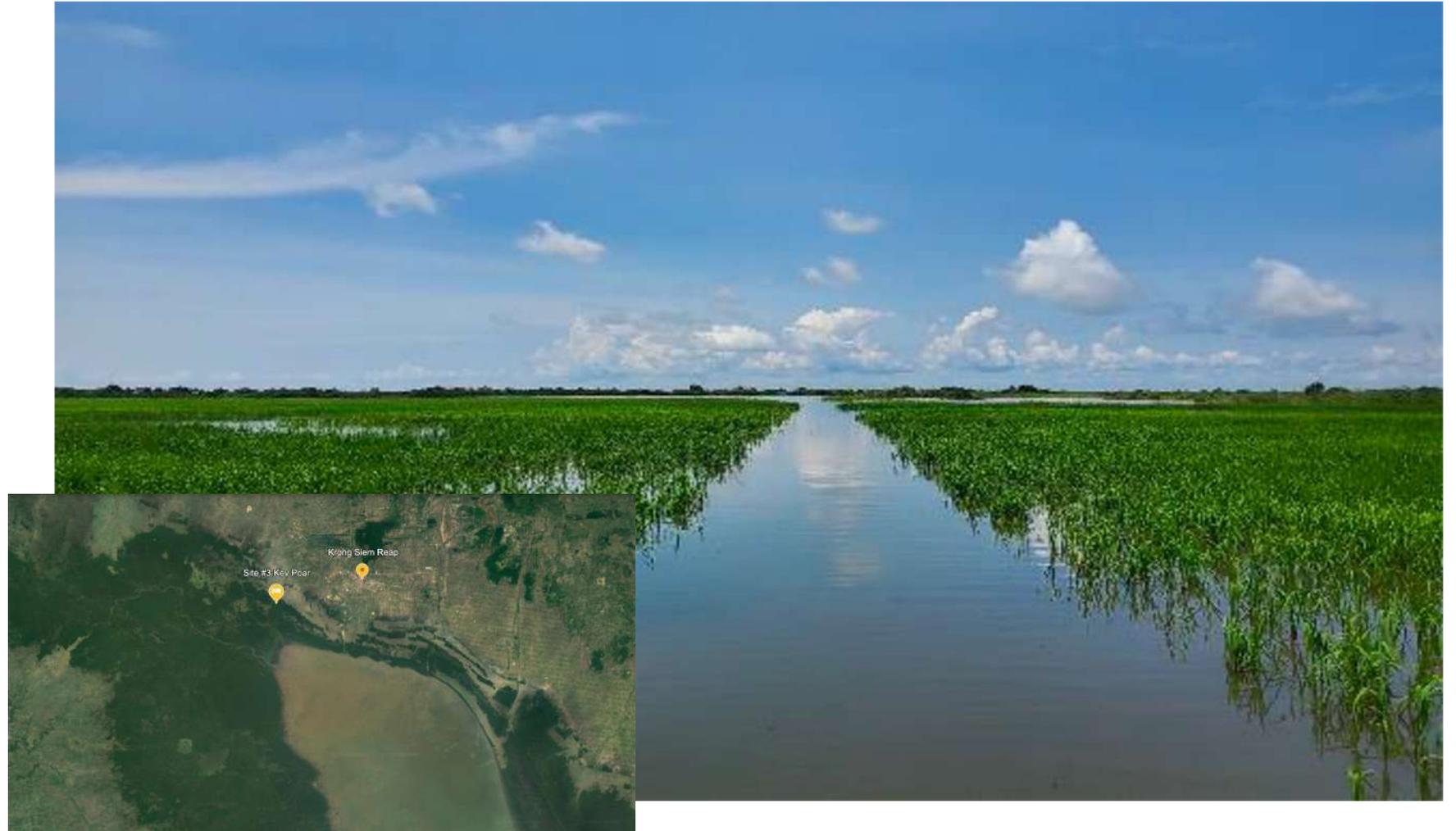
Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #2	Mr. Boran, Chief of Chong Kneas commune +855 85 771 032

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 40 minutes	Easily accessible by Boat Challenging by Road Duration: 1 hour	Not accessible by Boat Easily accessible by Road Duration: 30 minutes
Level of Interest	8/10	8/10	3/10
Suggested Activities	<ul style="list-style-type: none"> • Flooded forest kayaking • Sunset boat tour • Hotel • Restaurant • Tree top trail or zipline • Cultural attractions 	<ul style="list-style-type: none"> • Flooded forest kayaking • Sunset boat tour • Hotel • Restaurant • Tree top trail or zipline • Cultural attractions 	<ul style="list-style-type: none"> • Hotel • Restaurant • Tree top trail or zipline • Cultural attractions





Number of Visitors: 130 - 150 visitors per day

Number of Residents: 7,619 residents

Site #3 is a flooded grass field and bushes, located in Khum Kaev Paor of Pouk District, Siem Reap Province. The area is in a close proximity to Prek Toal village and Mechrey village, and is surrounded by clean fresh water. The site has potential to be a sunrise and sunset viewpoint and a bird sanctuary from December to February.

The site is mainly accessible by boat all year long. Visitors can only reach the site by cars during dry season, particularly April. However, the road infrastructure is barely developed and needs a improvement. The car drive from Siem Reap is estimated to be around 50 minutes.

Currently, there is no hospitality operations around the area. The area exhibits opportunities for floating accommodation, kayak rental station, birdwatching point, and boat excursion to nearby floating villages and Tonle Sap Biosphere Reserve Bird Sanctuary.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #3	Mr. Chang, Chief of Prek Toal commune +855 99 302 927 Mr. Chumnet, Chief of Prek Toal Environmental Office +855 17 539 996

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour 30 minutes	Easily accessible by Boat Not Accessible by Road Duration: 2 hours	Easily accessible by Boat Challenging by Road Duration: 1 hour 30 minutes
Level of Interest	6/10	6/10	6/10
Suggested Activities	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life 	<ul style="list-style-type: none"> • Hotel • Restaurant • Cultural life • Handicraft 	<ul style="list-style-type: none"> • Hotel • Restaurant • Cultural life • Handicraft





Number of Visitors: 600-800 people per day

Number of Residents: 3,202 residents

Site #4 is a flooded bushes located nearby the village of Kampong Phluk, Siem Reap Province. The site has a scenic landscape with open water to the South and flooded forest to the North.

The site is in proximity to Siem Reap and is accessible by road during dry season, which takes approximately 53 minutes from Siem Reap.

The site has potential to be a unique tourist destination, where there were about 1,000 to 1,200 visitors pre-COVID. The potential development opportunities for the area include floating hotel, kayak rental, restaurant, and boat tour service.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #4	Deputy chief of commune, +855 92 773 498

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Very Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour 30 minutes	Easily accessible by Boat Not Accessible by Road Duration: 1 hour 30 minutes	Not accessible by Boat Easily Accessible by Road Duration: 1 hour 30 minutes
Level of Interest	10/10	10/10	10/10
Suggested Activities	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline 	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline 	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline

Source: (1) The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion); (2) The site evaluation is assessed by the exploration consultant in the previous phase.

Note: High Water Level = October; Mid Water Level = January; Low Water Level = April





Number of Visitors: Unknown

Number of Residents: 1,822 residents

Site #5 is an 8-hectare flooded forest and bushes, located closed to Sangker River nearby Koh Chiveang. There are a number of nearby floating villages, such as Prey Chas, Bakprea, Thvang, Kampong Prahok, Peam Seima, Anlong Sandan, Chheu Khmau, and Prek Toal. The site is also in close proximity to Prek Toal Tonle Sap Biosphere Reserve. Visitors to the area can also explore pre-Angkor and Angkor archeological sites.

The site is mainly accessible by boat, which is about 2-hour boat ride from Bak Prea boat station and Mechrey boat Station. During dry season, the site is accessible by car, which takes about 1-2 hour from Siem Reap.

The area exhibits opportunities for floating accommodation, kayak rental station, birdwatching point, and boat excursion to nearby floating villages and Tonle Sap Biosphere Reserve Bird Sanctuary.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #5	Mr. Chang, Chief of Prek Toal commune +855 99 302 927

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 3 hours	Easily accessible by Boat Not Accessible by Road Duration: 3 hours	Not accessible by Boat Challenging by Road Duration: 2 hours
Level of Interest	7/10	5/10	0/10
Suggested Activities	<ul style="list-style-type: none"> • Boat tours • Hotel • Cultural Experience 	<ul style="list-style-type: none"> • Boat tours • Hotel • Cultural Experience 	<ul style="list-style-type: none"> • Cultural Experience





Number of Visitors: Unknown

Number of Residents: 4,773 residents

Site #6 is located with a local village of Phum Prey Chas, Battambang Province. The highlights of the area include wildlife watching, authentic village life, handicrafts, and fishing activity.

The area is mainly accessible by boat. The road is accessible from March to May, but the road condition is exceptionally bad and needs improvement. The car drive takes approximately 2.5 hours from Siem Reap and 1.5 hours from Battambang.

The site has potential for development into local homestay or campsite, boat excursion to floating villages along the Sangker river, Handicraft markets, and/or nature biosphere reserve.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #6	Mr. Chang, Chief of Prek Toal commune +855 99 302 927

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 3 hours	Easily accessible by Boat Not Accessible by Road Duration: 3 hours	Not accessible by Boat Challenging by Road Duration: 2 hours
Level of Interest	8/10	5/10	0/10
Suggested Activities	<ul style="list-style-type: none"> • Boat tour • Cultural experience 	<ul style="list-style-type: none"> • Boat tour • Cultural experience 	<ul style="list-style-type: none"> • Cultural experience





Number of Visitors: 100 - 130 visitors per day

Number of Residents: 9,873 residents

Site #7 is a flooded grass field located in Khum Koh Chiveang of Aek Phnom District, Battambang Province. The area is surrounded by huge trees and clean fresh water. The site is a potential landmark for sunrise and sunset views, as well as a bird sanctuary during dry season (December – May).

The site is only accessible by boat all year long from nearby boat stations and villages, such as Prek Toal village (~10 minutes) and Mechrey boat station (~30 minutes). The docking station at Mechrey Village is located approximately 1 hour drive from Siem Reap.

Currently, there is no hospitality operations at the area. The area exhibits opportunities for floating accommodation, kayak rental station, birdwatching point, and boat excursion to nearby floating villages and Tonle Sap Biosphere Reserve Bird Sanctuary.

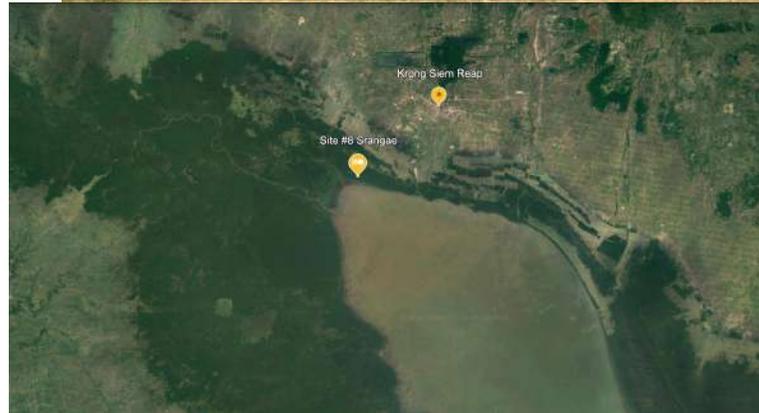
Relevant Authority Contacts

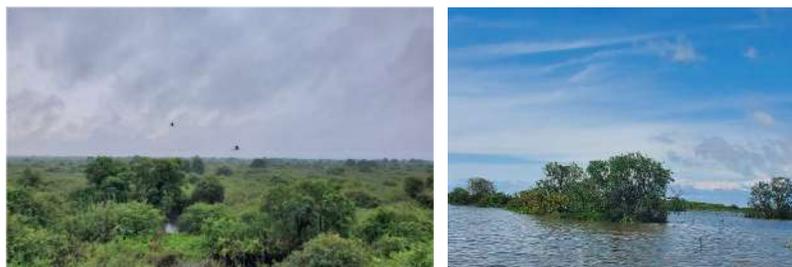
Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #7	Mr. Chang, Chief of Prek Toal commune +855 99 302 927 Mr. Chumnet, Chief of Prek Toal Environmental Office +855 17 539 996

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 3 hours	Easily accessible by Boat Not accessible by Road Duration: 3 hours	Easily accessible by Boat Not accessible by Road Duration: 3 hours
Level of Interest	3/10	3/10	3/10
Suggested Activities	<ul style="list-style-type: none"> • Boat tours • Cultural experience 	<ul style="list-style-type: none"> • Boat tours • Cultural experience 	<ul style="list-style-type: none"> • Boat tours • Cultural experience





Number of Visitors: 130 - 150 visitors per day

Number of Residents: 7,816 residents

Site #8 is a flooded forest with an area of 24 hectares, located in Siem Reap with a close proximity to Prek Toal village and Mechrey village. The site is a quite isolated wild area and is in close proximity to open water of the Tonle Sap Lake.

The site is only accessible by boat all year long. The closest pier is Chong Kneas Pier, which is about 1 hour from the site. The car drive from Siem Reap to Chong Kneas is approximately 30 minutes. The area is also accessible from Mechrey village, which is about 30-minute boat ride.

Currently, there is no hospitality operations at the area. The area exhibits opportunities for floating accommodation, kayak rental station, birdwatching point, and boat excursion to nearby floating villages and Tonle Sap Biosphere Reserve Bird Sanctuary.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #8	Mr. Bot, Chief of Mechrey commune +855 92 648 626

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour	Easily accessible by Boat Not accessible by Road Duration: 1 hour	Easily accessible by Boat Not accessible by Road Duration: 1 hour
Level of Interest	8/10	5/10	0/10
Suggested Activities	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours • Sunset tours • Flooded forest tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Sunset tours • Tree top trail or zip line 	<ul style="list-style-type: none"> • Hotel • Restaurant • Sunset tours





Number of Visitors: 600-800 people per day

Number of Residents: 3,202 residents

Site #9 is field with flooded forest and bushes located in proximity to Kampong Phluk village, Siem Reap. The site is closed to Siem Reap, which takes about an 1-hour drive during dry season. However, the road infrastructure needs improvement to attract visitors. The site is also accessible on a 40-minute boat ride from Kampong Phluk boat station and 1.5-hour boat ride from Chong Kneas boat station.

The area presents a potential to be a unique tourist destination. However, the area has lost approximately 40% of its visitors due to COVID-19 pandemic. Before the pandemic, the area has attracted around 1,000 to 1,200 visitors on a daily basis.

There are a number of developments that can be explored at the site, including hotel with stilt or floating structure, Kayak rental station, restaurant, and boat excursion to Chong Kneas and Prek Toal.

Relevant Authority Contacts

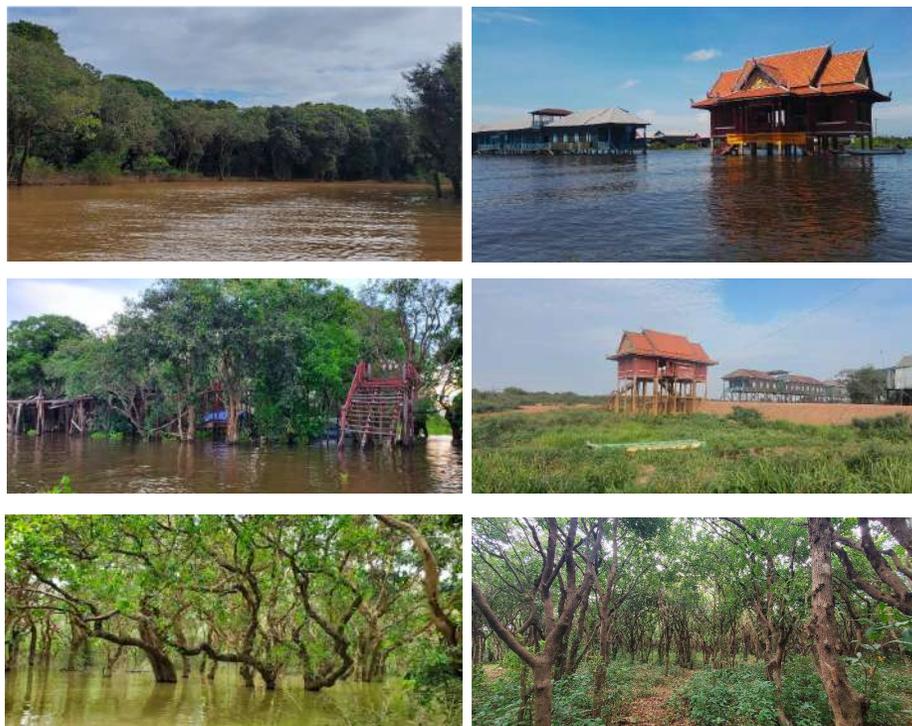
Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #9	Mr. Serei +855 92 773 498

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Very Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour 30 minutes	Easily accessible by Boat Not Accessible by Road Duration: 1 hour 30 minutes	Not accessible by Boat Easily Accessible by Road Duration: 1 hour 30 minutes
Level of Interest	10/10	10/10	5/10
Suggested Activities	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline 	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline 	<ul style="list-style-type: none"> • Birdwatching • Flooded forest kayaking • Hotel • Restaurant • Cultural life • Sunset tours • Tree top trail or zipline





Number of Visitors: 600-800 people per day

Number of Residents: 3,202 residents

Site #10 is a flooded forest located near Tahas river to the Southeast of Siem Reap city center. It takes about a 1-hour drive during dry season. However, the road infrastructure needs improvement to attract visitors. The site is also accessible on a 40-minute boat ride from Kampong Phluk boat station and 1.5-hour boat ride from Chong Kneas boat station.

The area presents a potential to be a unique tourist destination. However, the area has lost approximately 40% of its visitors due to COVID-19 pandemic. Before the pandemic, the area has attracted around 1,000 to 1,200 visitors on a daily basis.

There are a number of developments that can be explored at the site, including Kayak rental station, restaurant, and tree top trail with zip line.

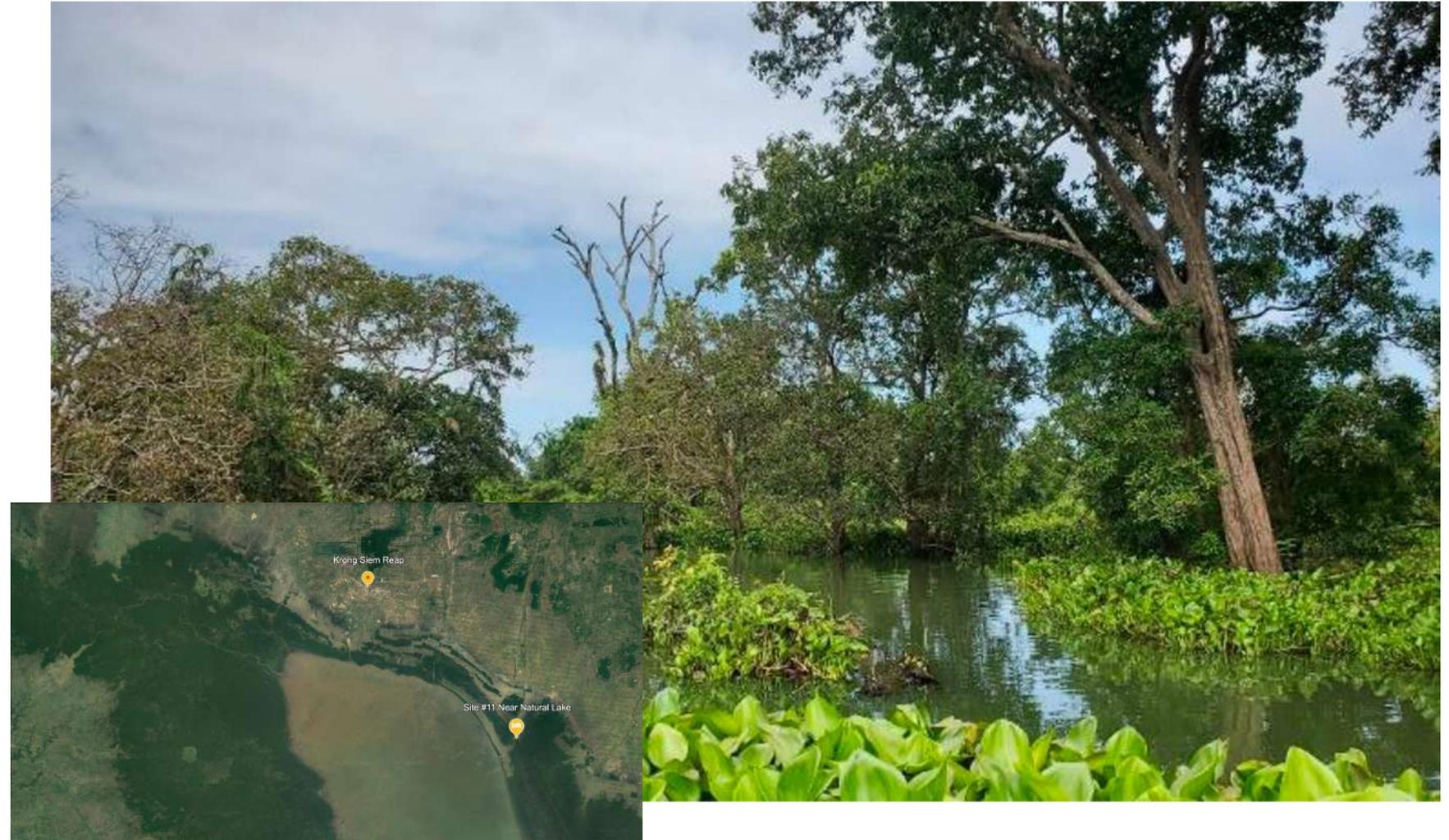
Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #10	Mr. Serei +855 92 773 498

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour 30 minutes	Easily accessible by Boat Not accessible by Road Duration: 1 hour 30 minutes	Challenging by Boat Challenging by Road Duration: 1 hour 30 minutes
Level of Interest	8/10	6/10	4/10
Suggested Activities	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Sunset





Number of Visitors: Unknown

Number of Residents: 10,709 residents

Site #11 is a field covered by flooded forests and surrounded with rice fields. The site has a spectacular views and seasonal scenery. The site becomes a water land for 8 months and will be covered by rice fields for 4 months during dry season.

The site is mainly accessible by boat, which takes approximately 20 minutes from Kampong Khleang boat station. During dry season from January to April, the site can be accessible by car, which takes approximately 1-2 hours from Siem Reap.

The site presents some potential development opportunities for investors, such as eco-lodge or hotel with stilt and/or floating structure.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #11	Mr. Papoo, Chief of Commune +855 77 964 311 Mr. Sein, Chief of Community-based Ecotourism +855 17 519 898

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Very Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 30 minutes	Easily accessible by Boat Challenging by Road Duration: 30 minutes	Easily accessible by Boat Challenging by Road Duration: 30 minutes
Level of Interest	10/10	10/10	10/10
Suggested Activities	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Birdwatching • Hiking





Number of Visitors: Unknown

Number of Residents: 10,709 residents

Site #12 is a field with lake located nearby Kampong Khleang Village. The site has a countryside landscape and is accessible to the open water of Tonle Sap all year long. The area presents cultural attractions, including village life, water hyacinth handicrafts, floating gardens, fishing, and crocodile farms.

The area is located to the Southwest of Siem Reap city center. It takes approximately an hour on a car drive to the site during dry season.

The site presents some potential development opportunities for investors, such as eco-lodge and boat tour service to Kampong Phluk and Moat Kla.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #12	Mr. Papoo, Chief of Commune +855 77 964 311 Mr. Sein, Chief of Community-based Ecotourism +855 17 519 898

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Good	Good	Good
Accessibility	Easily accessible by Boat Challenging by Road Duration: 1 hour 30 minutes	Easily accessible by Boat Challenging by Road Duration: 1 hour 30 minutes	Challenging by Boat Easily Accessible by Road Duration: 1 hour
Level of Interest	6/10	6/10	5/10
Suggested Activities	Boat tours	Boat tours	Boat tours





Number of Visitors: >1,000 visitors per day

Number of Residents: 5,931 residents

Site #13 is a flooded forest and bushes with 360° views, located in proximity to Chong Kneas, Siem Reap. The highlight of the area is the ever changing landscape and scenery. The site is also a sunrise and sunset viewpoint.

The site is accessible by car from Siem Reap, which takes approximately 30 minutes. This indicates opportunity to leverage the travelers to Siem Reap to visit the area.

Currently, there is no hospitality operations at the area. The area exhibits opportunities for hotel with stilt structure, restaurant, and boat station to Tonle Sap open water.

Relevant Authority Contacts

Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #13	Mr. Mongkol Kong, owner +855 12 961 766

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Very Good	Very Good	Good
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 40 minutes	Easily accessible by Boat Not accessible by Road Duration: 40 minutes	Easily accessible by Boat Not accessible by Road Duration: 40 minutes
Level of Interest	8/10	8/10	6/10
Suggested Activities	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours 	<ul style="list-style-type: none"> • Hotel • Restaurant • Boat tours





Number of Visitors: Unknown

Number of Residents: 10,709 residents

Site #14 is flooded forest with an area of approximately 4 hectares, located nearby Kampong Khleang, Siem Reap Province. The site is accessible to open water and is a potential sunset viewpoint.

The site is mainly accessible by boat, which takes approximately an hour from Kampong Khleang boat station. During dry season, particularly in April, the site can be accessible by car, which takes approximately 1-2 hours from Siem Reap. However, there needs infrastructure improvement.

The site presents some potential development opportunities for investors, such as restaurant, kayak rental station, and tree top trail with zip line.

Relevant Authority Contacts

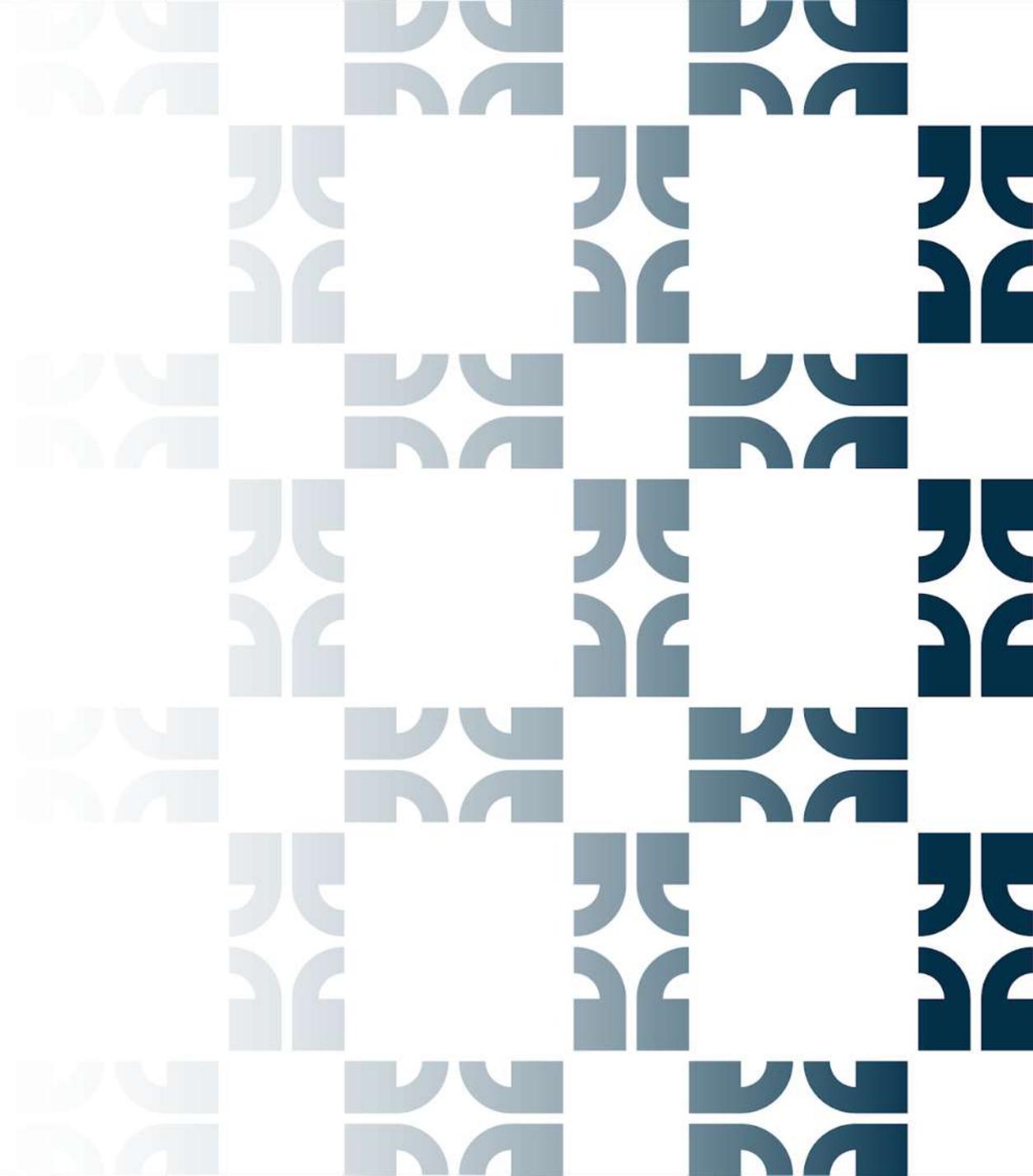
Department of Ecotourism of the Ministry of Environment ¹	Mr. Khin Meng Kheang, Director of Department of Ecotourism Contact Number: +855 12 927 406
Site #14	Mr. Papoo, Chief of Commune +855 77 964 311 Mr. Sein, Chief of Community-based Ecotourism +855 17 519 898

Source: The Ecotourism Potential, CAPFISH Program 'Support to Cambodian Fishing Communities Livelihoods' (MAADS/Pavilion)

Note: In order to request for meeting with the Department of Ecotourism, there requires a formal meeting request letter be delivered to the Ministry of Environment. The procedures may take weeks before a meeting request can be approved.

	High Water Level	Mid Water Level	Low Water Level
Presentability	Good	Good	Not Recommended
Accessibility	Easily accessible by Boat Not accessible by Road Duration: 1 hour	Easily accessible by Boat Not accessible by Road Duration: 1 hour	Easily accessible by Boat Challenging by Road Duration: 1 hour
Level of Interest	6/10	4/10	3/10
Suggested Activities	Boat tours	Boat tours	Boat tours

Investment Proposal



Tatai, Cambodia



Tatai is a ecotourism destination located in the Southwestern province of Koh Kong, with a mix of rain forest, river, and waterfalls. The area spans 10 kilometers along the Tatai River and 4 kilometers along the Preat River. Tatai has a number of floating bungalows and riverside resorts, where visitors can enjoy activities such as kayaking, swimming, trekking, wildlife watching, and boating to see fireflies in the evening.

Competitiveness:

- ▶ Located within the Cardamom Mountains, the area is surrounded by biodiversity and conservation, enabling the visitors to re-engage with the nature.
- ▶ Fairly developed infrastructure: accessible within 4.5 hours from Phnom Penh
- ▶ Over a decade of community exposure to ecotourism operations

Weaknesses/Threats:

- ▶ Lack of internet access
- ▶ Illegal logging operations near the construction of the hydropower dam

Tatai River, Cambodia



Canvas & Orchids



Koh Andet Eco Resort

Location	Koh Andet Island, Koh Kong Province	Koh Andet Island, Koh Kong Province
Types of Units	Floating tents, On-land tents	Floating Khmer wooden houses
No. of Keys	13	12
Average Room Rate (USD per night)	\$173	\$58
Estimated Occupancy	60%	23%
Features	Canoeing, Fishing, Water Sports, Restaurant	Canoeing, Fishing, Water Sports, Restaurant

Source: (1) Agoda; (2) Canvas & Orchids; (3) Långphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

Canvas & Orchids Retreat



Canvas & Orchids Retreat (previously known as 4 Rivers Floating Lodges) is a luxury eco-lodges, offering a collection of floating and on-land tented villas, which can accommodate up to 36 guests. They are the first floating tents in the world, launching in 2009 by the Valentin and Anna in collaboration with the Wild Alliance. The lodge was jointly built with 60 locals, who have currently become hotel staffs ever since.

No. of keys

- ▶ 8 Floating Tents: 45 m²
- ▶ 5 Island Family Tents: 65 m²

Est. Occupancy

60%

Est. Annual Revenue

\$492,000

Energy

- ▶ Initial: Diesel-powered generators
- ▶ Current:
 - 12-hour floating solar panel
 - 12-hour biodiesel-powered generator

Water and Waste Management

- ▶ Water pumping and treating system
- ▶ Waste management system
- ▶ Sustainable and Recycled materials

Community Contribution

- ▶ Work closely with the local communities for organizing ecotourism activities
- ▶ Employ the majority of hotel crew from the local community
- ▶ Partner with Pour un Sourire d'Enfant (PSE) school to employ disadvantaged people

Cheow Lan Lake, Thailand



Cheow Lan Lake is an 165-km² artificial lake nestled in Khao Sok National Park in the Southern province of Thailand, Surat Thani. Constructed in 1987 for hydropower dam, the lake is now home to a number of floating resorts, which have been operating in a smaller scale by ecotourism companies and local villagers.

Competitiveness:

- ▶ Stunning landscape from the mix of towering limestone cliffs, rainforests, and emerald lake
- ▶ Abundant wildlife with over 311 species of birds, large mammals, amphibians
- ▶ Long history of Khao Sok National Park dated 160 million years ago
- ▶ Well-developed infrastructure
- ▶ Government support as part of the National Park

Weaknesses/Threats:

- ▶ Foreign tourists are not allowed on the lake without a local tour guide
- ▶ Limited online access to accommodation
- ▶ Lack of mobile reception
- ▶ Low English proficiency

Cheow Lan Lake, Thailand



500 Rai Floating Resort



Panvaree Resort



Elephant Hills Rainforest Camp

Location	Ban Ta Khun, Surat Thani	Ban Ta Khun, Surat Thani	Ban Ta Khun, Surat Thani
Types of Units	Floating	Floating	All-inclusive Tour Package, Floating tents
No. of Keys	18	15	20
Average Room Rate (USD per night)	\$434	\$221	\$361
Estimated Occupancy	55%	61%	N/A
Features	Canoeing, Trekking, Water Sports, Restaurant, Swimming Pool	Canoeing, Hiking, Water Sports, Restaurant	Canoeing, Restaurant

Source: (1) Agoda; (2) Elephant Hills Rainforest Camp; (3) Làngphum Capital Estimates
Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

Cheow Lan Lake, Thailand



Khao Sok Eco Raft



Praise Raft House



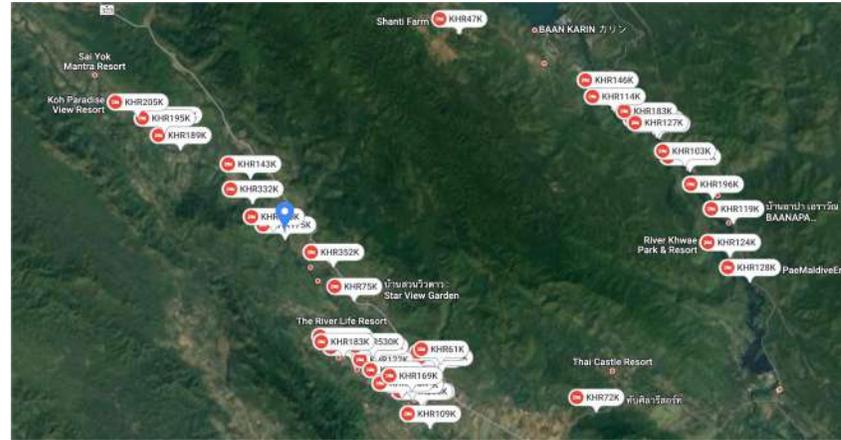
Orchid Lake House

Location	Ban Ta Khun, Surat Thani	Ban Ta Khun, Surat Thani	Ban Ta Khun, Surat Thani
Types of Units	Floating	Floating	Floating
No. of Keys	29	30	16
Average Room Rate (USD per night)	\$137	\$308	\$297
Estimated Occupancy	34%	35%	61%
Features	Canoeing, Restaurant	Canoeing, Fishing, Water Sports, Restaurant	Canoeing, Water Sports, Restaurant

Source: (1) Agoda; (2) Booking.com; (3) Praise Raft House; (4) Långphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda and Booking.com.

River Khwae Noi, Thailand



River Khwae Noi is a river spanning 279 kilometers across the Western province of Thailand, Kanchanaburi. The river is known for its scenic beauty of jungles closes in from both sides of the river banks and the mountainous rise above. Khwae Noi flows in parallel with Khwae Yai and merge at the town of Kanchanaburi into Mae Khlong River.

Competitiveness:

- ▶ Well-developed tourist destination and infrastructure
- ▶ Online availability of accommodation such as floating bungalows, riverside resorts, camp sites
- ▶ Engagement with the Mon community
- ▶ Historical landmarks in Kanchanaburi (i.e., River Kwai Bridge, Death Railways, War Cemetery)

Weaknesses/Threats:

- ▶ Lack of electricity in some of the accommodations
- ▶ Mainly privately owned establishments
- ▶ Mass tourism vs Ecotourism

River Kwae, Thailand



The Floathouse River Kwai



River Kwai Jungle Rafts Resort



RV Cruise River Kwai

Location	Sai Yok, Kanchanaburi	Sai Yok, Kanchanaburi	Nong Ya, Kanchanaburi
Types of Units	Floating	Floating	Cruise
No. of Keys	30	120	10
Average Room Rate (USD per night)	\$151	\$118	\$761
Estimated Occupancy	87%	63%	N/A
Features	Canoeing, Water Sports, Restaurant	Canoeing, Water Sports, Restaurant	Canoeing, Fishing, Restaurant

Source: (1) Agoda; (2) RV Cruise River Kwai; (3) Långphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

River Khwae, Thailand



Tayan Resort Kanchanaburi



Koh Mueangkarn Paradise View Resort



Kwai Tara Riverside Villas

Location	Sai Yok, Kanchanaburi	Sai Yok, Kanchanaburi	Sai Yok, Kanchanaburi
Types of Units	Floating Raft, On-land Raft	Floating	Floating House, On-land Villa
No. of Keys	30	23	20
Average Room Rate (USD per night)	\$45	\$59	\$65
Estimated Occupancy	56%	30%	52%
Features	Fishing, Rafting, Restaurant	Canoeing, Fishing, Water Sports, Restaurant	Water Sports, Restaurant

Source: (1) Agoda; (3) Långphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

River Khwae, Thailand



Baan Rai Darun Home Stay and Scenery Raft



Saiyok Place Resort



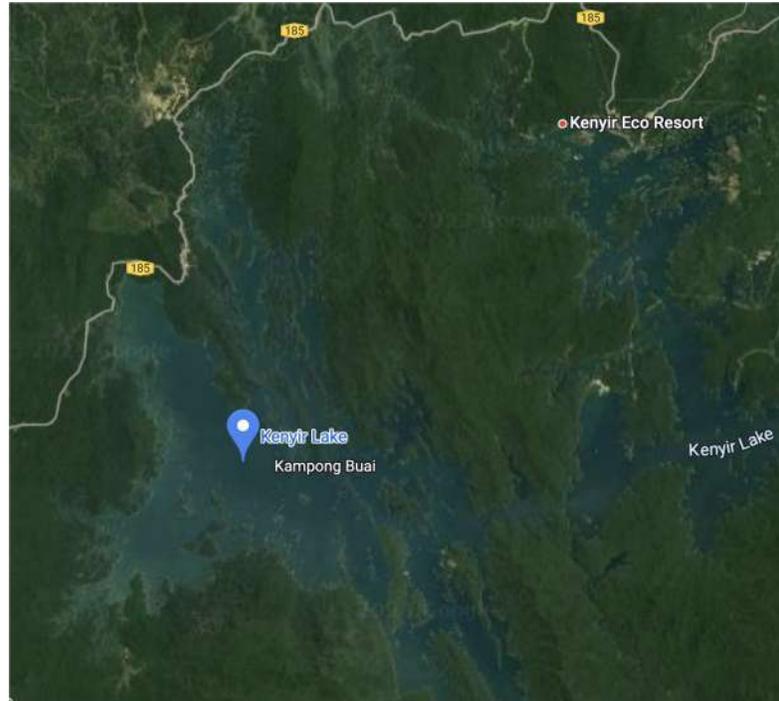
Blue sky raft at Kanchanaburi

Location	Thong Pha Phum, Kanchanaburi	Sai Yok, Kanchanaburi	Mae Khlong, Kanchanaburi
Types of Units	Floating Raft, On-land Villa	Floating Raft, On-land House	Floating House, On-land Villa
No. of Keys	13	16	8
Average Room Rate (USD per night)	\$88	\$20	\$167
Estimated Occupancy	22%	N/A	20%
Features	Rafting, Garden	Camping, Volleyball	Water Sports, Restaurant

Source: (1) Agoda; (2) Saiyok Place Resort; (3) Långphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

Kenyir Lake, Malaysia



Kenyir Lake is the largest artificial lake in mainland Southeast Asia with an area of 260 km². The lake is located in Terengganu, Malaysia. The interesting features are the tourist houseboats that travel across the lake.

Competitiveness:

- ▶ Stunning greenery mountainous landscape and abundant wildlife
- ▶ Successful ecotourism development with numerous resorts on shore
- ▶ Experience on houseboats to tour the lake

Weaknesses/Threats:

- ▶ Lack of floating resorts
- ▶ Lack of online presence for accommodation
- ▶ Low English proficiency
- ▶ Steep pricing due to lack of tourist

Kenyir Lake, Malaysia



Kenyir Eco Resort



Persona Houseboat

Location	Kuala Berang, Terengganu	Kuala Berang, Terengganu
Types of Units	Floating	Houseboat
No. of Keys	14	9
Average Room Rate (USD per night)	\$82	\$193
Estimated Occupancy	N/A	N/A
Features	Canoeing, Fishing	Canoeing, Fishing, Water Sports, Restaurant

Source: (1) Kenyir Eco Resort; (2) 2D1N Persona Houseboat (Holidaygogogo)
Note: Average room rate was determined as an arithmetic mean of the listed prices listed on the website.

Inle Lake, Myanmar



Inle Lake is the second largest lake in Myanmar, spanning 116 km² and elevating 900 m above sea level. The lake is located in Nyaung Shwe, Shan state, famous for its stilt villages and the unique lifestyles of the local Intha people.

Competitiveness:

- ▶ Myanmar's first UNESCO Biosphere Reserve
- ▶ Natural beauty of the lake in combination with the local tradition especially the silversmithing
- ▶ Numerous festivals and traditional activities of the local villages
- ▶ Proximity to the Heho airport
- ▶ Fairly developed tourism activities

Weaknesses/Threats:

- ▶ Closure of accommodation
- ▶ Inauthentic development degrade the local lifestyles
- ▶ Environmental impacts: Lake shrinkage, Pollution from wastewater etc.
- ▶ Lack of government intervention
- ▶ Political Instability

Inle Lake, Myanmar



Shwe Inn Tha Floating Resort



KMA Inle Hotel

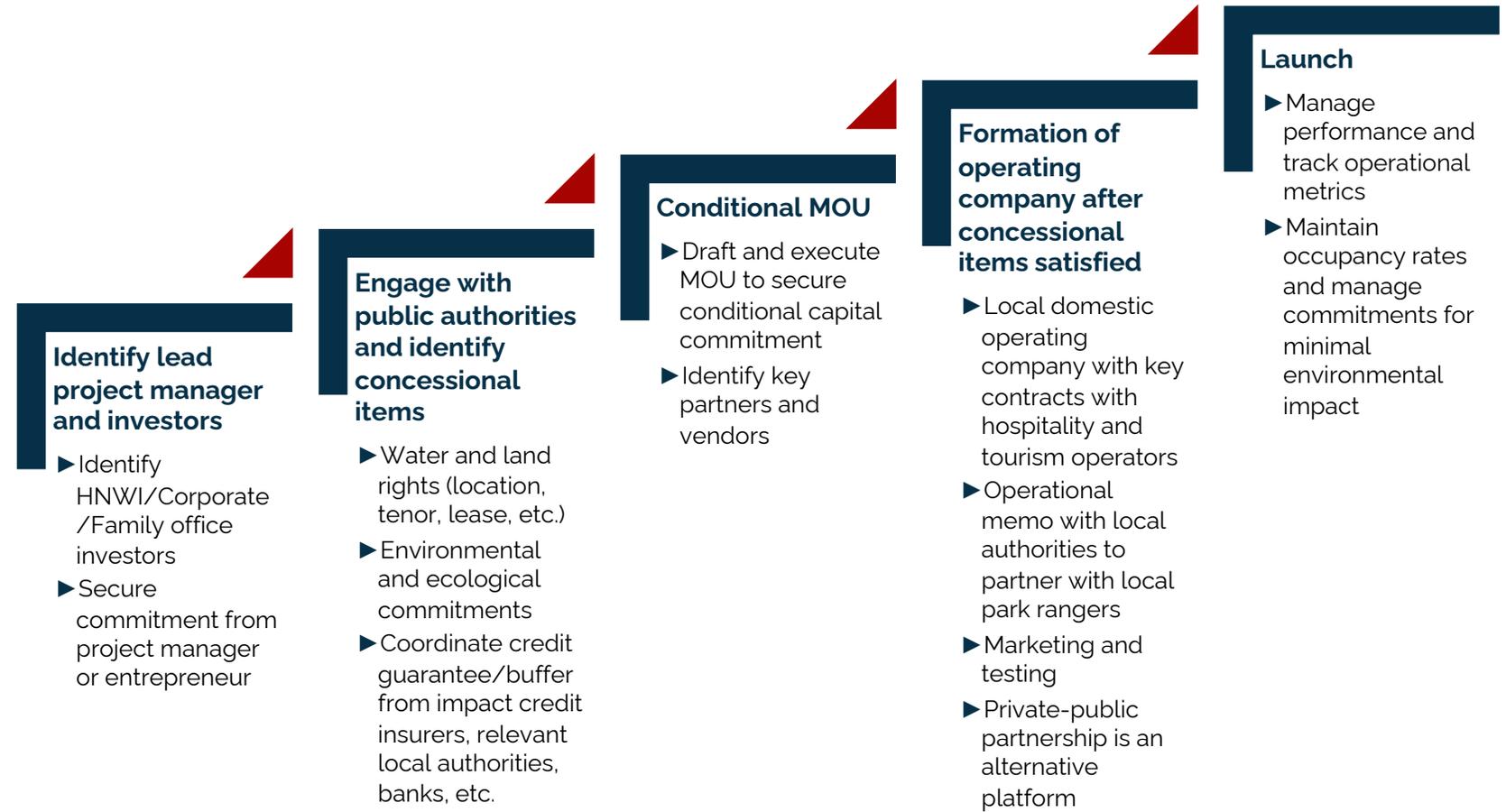


Skylake Inle Resort

Location	Southern Inle Lake, Nyaung Shwe	Eastern Inle Lake, Taunggyi	Eastern Inle Lake, Taunggyi
Types of Units	Stilt Houses	Stilt Houses	Stilt Houses
No. of Keys	36	47	45
Average Room Rate (USD per night)	\$52	\$65	\$76
Estimated Occupancy	66%	67%	69%
Features	Canoeing, Fishing, Hiking, Water Sports, Restaurant	Massage, Restaurant	Massage, Tours, Restaurant

Source: (1) Agoda; (2) Lângphum Capital Estimates

Note: Average room rate was determined as an arithmetic mean of the listed prices on Agoda.

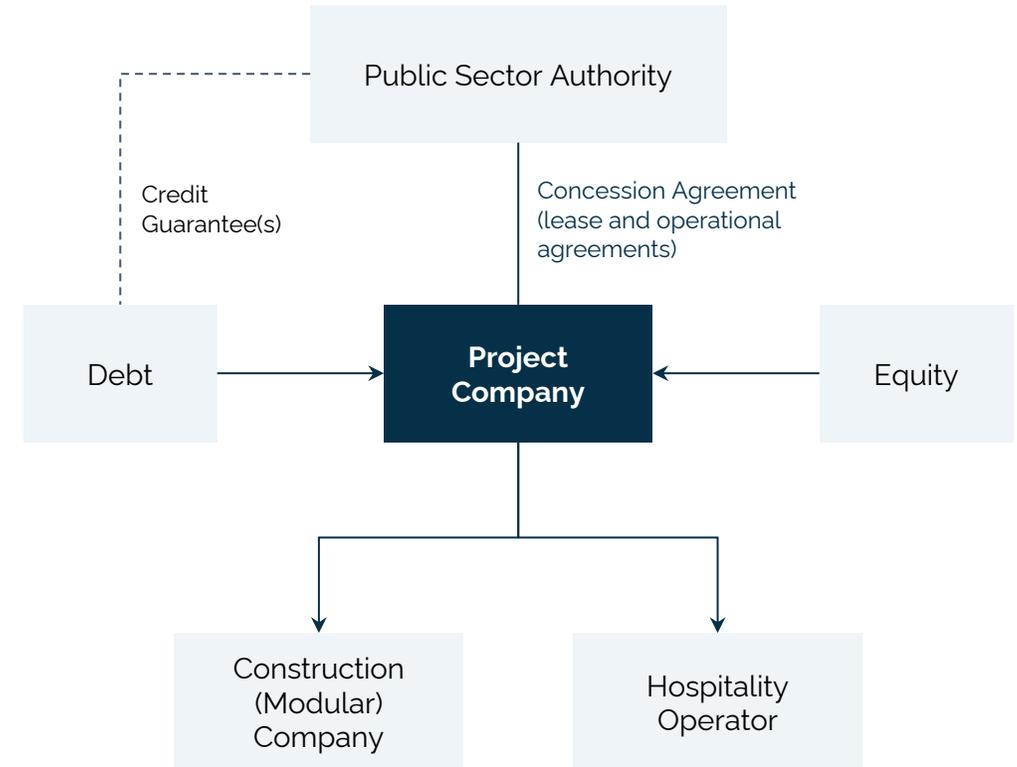


Given the lack of appropriate framework(s) re: land registration and water use rights, we note that *an investment roadmap through a private-public partnership is an alternative move to involve private capital for eco-tourism development in Tonle Sap.*

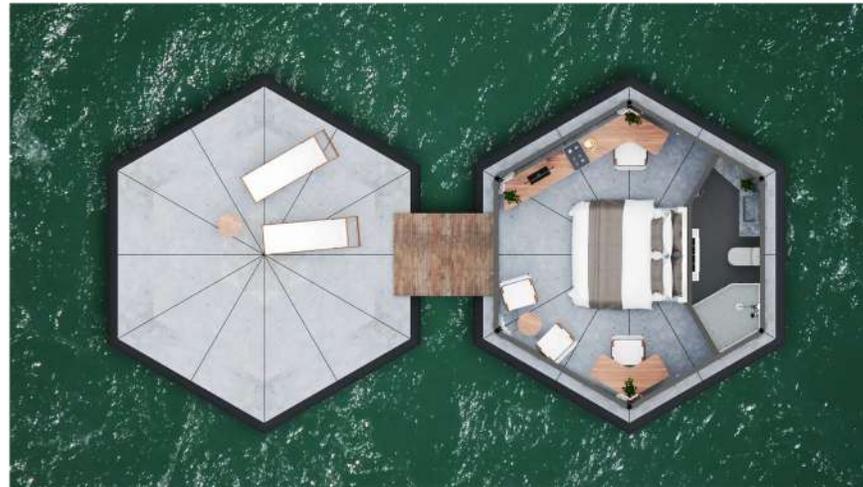
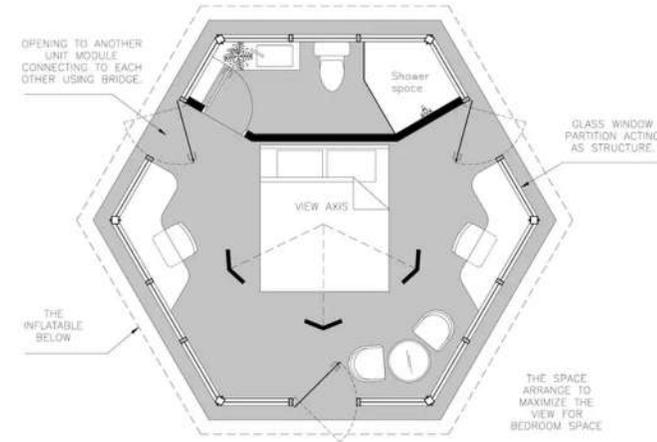
Disbursement of private capital for this project should be conditional based on public authorities providing proper rights of use, and guarantees which will lead to eco-tourism development in the area.

Relevant agencies and government organizations should be able to create land/water use rights and help support investors' loan applications with commercial banks through clarifications on aforementioned assets and potential guarantees for debt obligations.

Alternatively, the respective authority may be able to help access concessional loans through non-commercial creditors such as the Asian Development Bank, IFC, etc.



- ▶ Given inconsistent water levels at the Tonle Sap Lake, we propose floating structures for eco-hospitality establishment.
- ▶ For instance, MAADS, an integrated hospitality operator with 16 years of experience in Cambodia, designed "Floating Jungloo". The floating platform is made using hybrid inflatable and concrete construction, which allows the rooms to either float on the water or land on the ground.



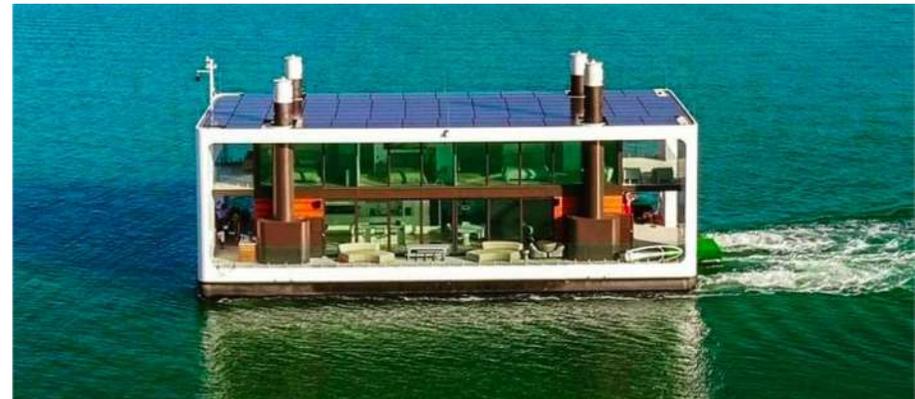
Ecotourism Package:

- ▶ To highlight Tonle Sap Lake as an ecotourism destination, we propose to launch an ecotourism package, which includes accommodation and a soft-adventure tour activities, such as boating, sightseeing, bird watching, fishing, kayaking, and non-motorized water sports.
- ▶ Trained local guide to host guests as to provide safe experience and authentic biosphere of the Tonle Sap Lake.

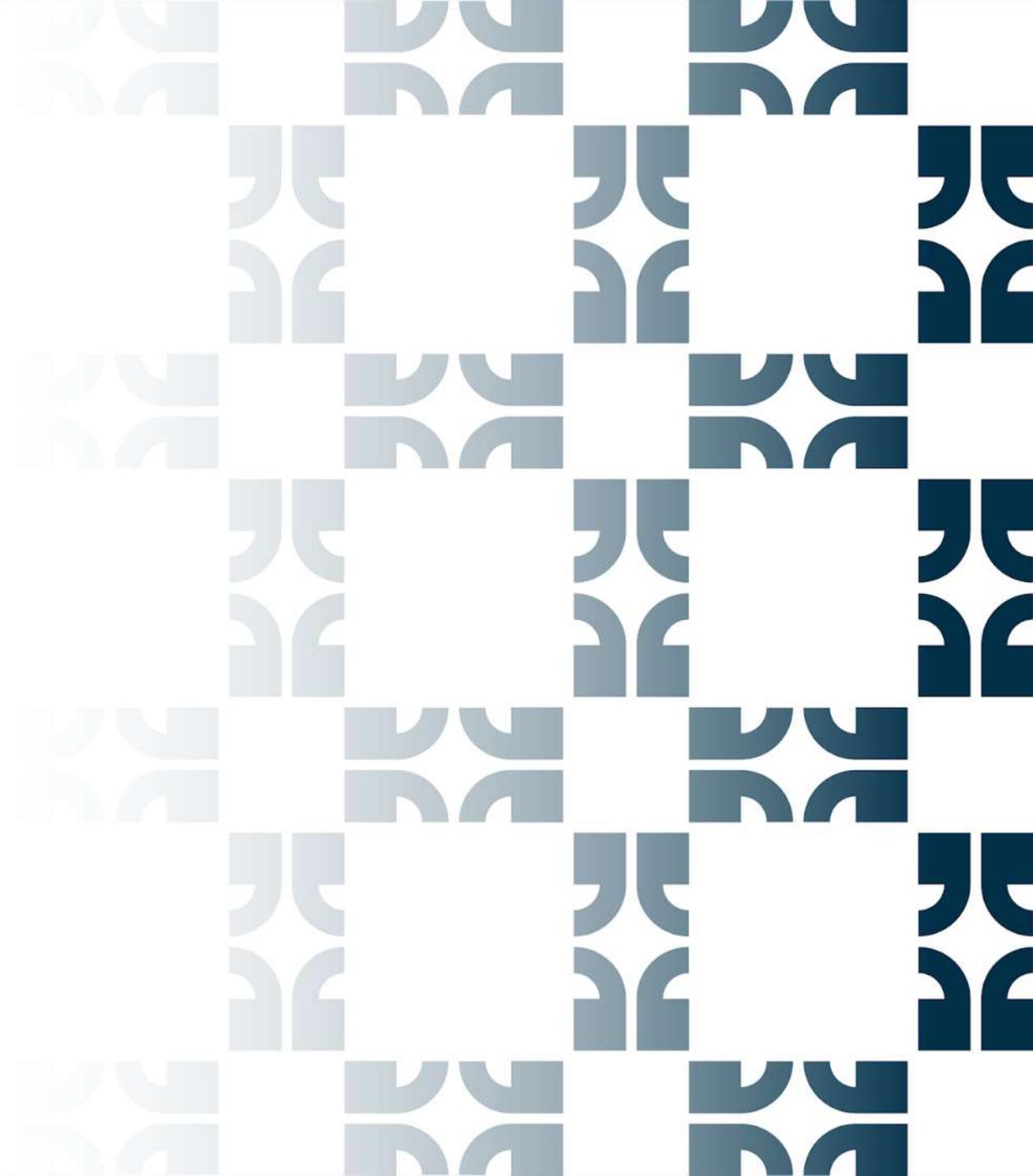


Utility and Waste Management:

- ▶ Solar panels installed to generate ample electricity.
- ▶ Water pumps and proper treatment system to ensure clean water and prevent water pollution.
- ▶ Utilization of sustainable and recyclable materials



Financial Projections



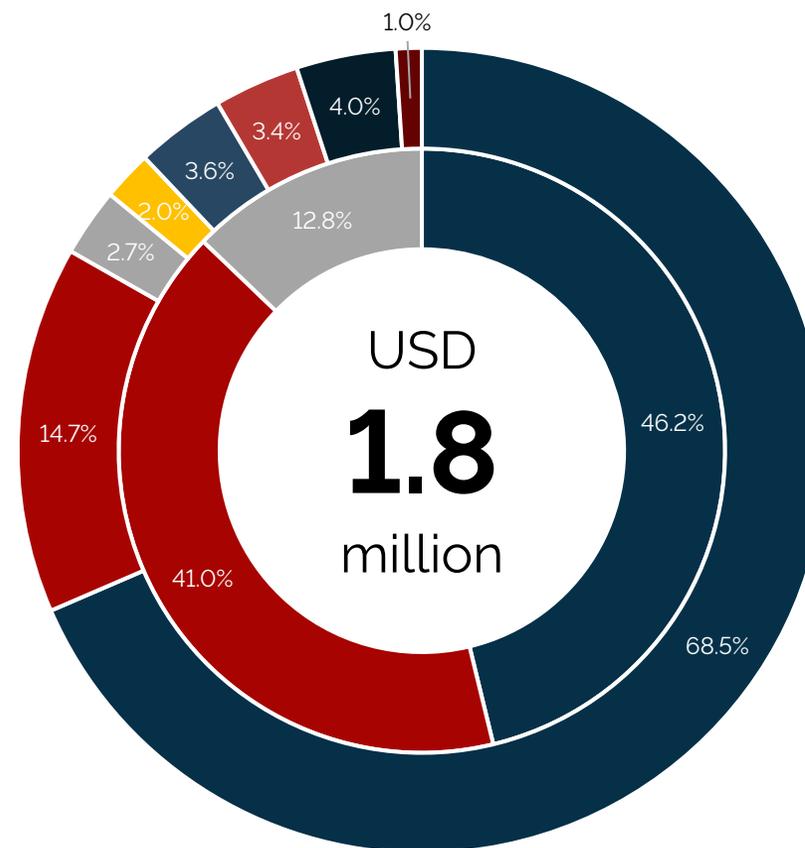
We anticipate total investment capital to be at **USD1.8 million**, including construction, utility infrastructure, and other associated costs. This exercise was completed with assumptions that concessions, operational memos, etc. have been satisfied by public authorities.

Funding Structure

<i>In USD'000</i>	Value	%
Equity	846	46.2%
Loan	750	41.0%
Cash from Operation	235	12.8%

Investment Cost Structure

<i>In USD'000</i>	Value	%
Construction cost	1,254	68.5%
Land Lease	270	14.7%
Hospitality Operating Fund	50	2.7%
Solar Panel Installation	37	2.0%
Design, PM, CM cost	66	3.6%
Provision	63	3.4%
Capitalized interest	73	4.0%
Others ¹	19	1.0%



Note: (1) Other expenses include legal transactions cost, licensing fees, and technical infrastructure costs; (2) These assumptions are subject to revision after consulting with industry experts and competent authority.

Revenue Performance

Room Revenue

# of Units	20 Keys
Average Daily Rate	USD170 per room
% Price Increase	1.0% per year
Average Room Occupancy ¹	40% per year
Days in Operation	365 Days/Year

Food & Beverage Revenue 30% of Room Revenue

Other Revenue 10% of Room Revenue

Investment Return

Operating IRR	16.4%
IRR - Project	30.2%
IRR - Equity	30.7%
Project NPV	USD5 million
Exit Valuation	USD30 million

Operating Cost Structure

Direct Costs

Rooms	14% of Room Revenue
Food & Beverage	31% of F&B Revenue
Other Operating Dept	30% of Other Revenue

Operating Expenses

Administration & General	5% of Total Revenue
Sales and Marketing	2% of Total Revenue
Marketing fee of Operator	1% of Total Revenue
Performance fee	20% of GOP

Depreciation Duration 15 Years

Financing & Timeline

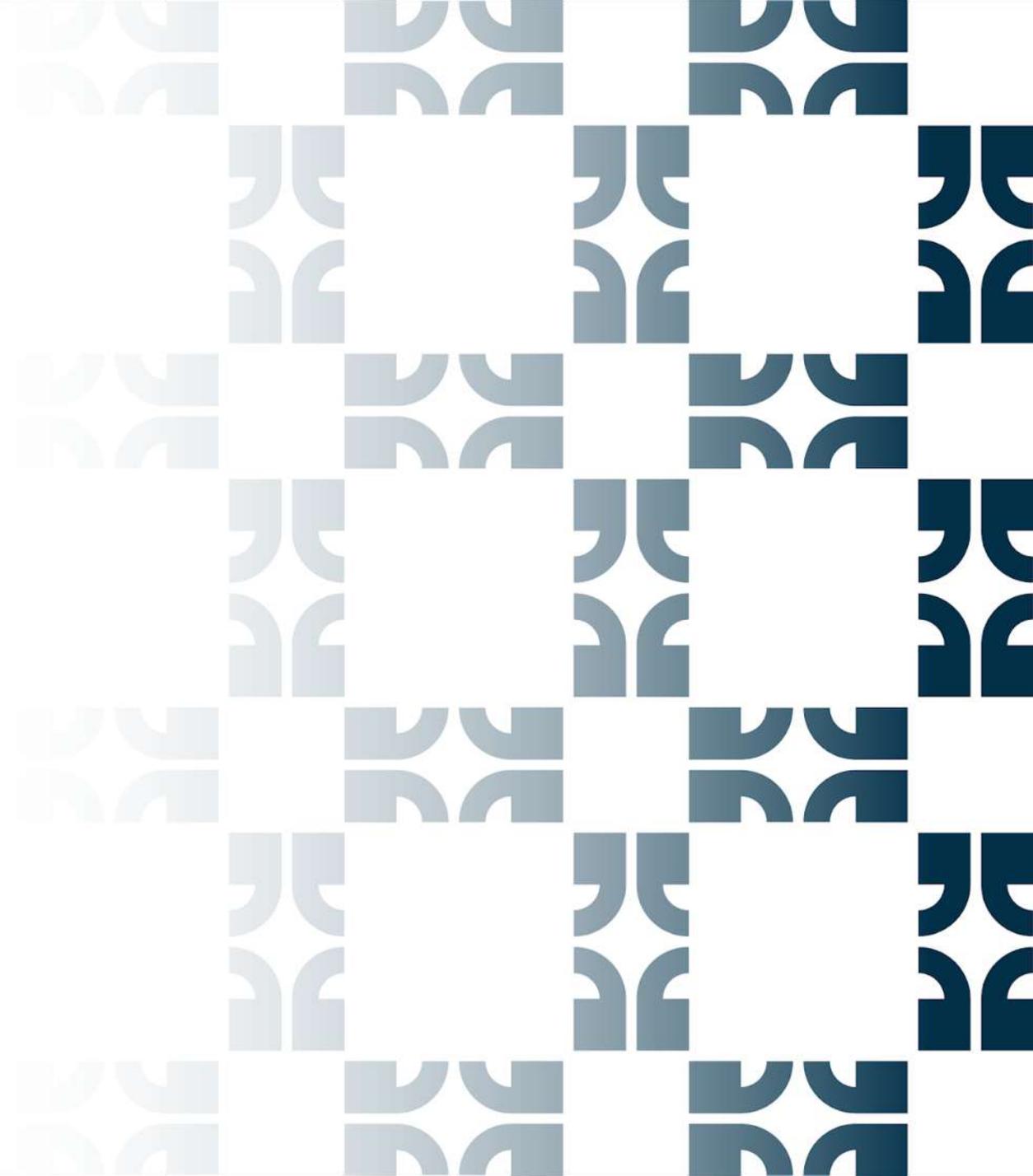
WACC	14.0%
Exit timeline	15 years
Capitalization Rate	1.5%

<i>USD'000</i>	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
<i>Occupancy</i>	20%	25%	30%	35%	40%	45%	50%	50%	50%	50%	50%	50%	50%	50%
Room revenue	248	313	380	448	517	587	659	665	672	679	685	692	699	706
Service revenue	99	125	152	179	207	235	263	266	269	271	274	277	280	282
Total revenue	347	439	532	627	723	822	922	931	941	950	960	969	979	989
Operational expenses														
Rooms expenses	35	44	53	63	72	82	92	93	94	95	96	97	98	99
F&B expenses	23	29	35	42	48	55	61	62	62	63	64	64	65	66
Other operational expenses	58	44	54	64	73	83	94	94	95	96	97	98	99	100
GOP	231	321	389	459	529	602	675	682	689	696	703	710	717	724
Performance fee (20% of GOP)	46	64	78	92	106	120	135	136	138	139	141	142	143	145
EBITDA	185	257	311	367	424	481	540	546	551	556	562	568	573	579
<i>EBITDA margin</i>	<i>53%</i>	<i>59%</i>												
Depreciation	92	92	92	92	92	92	92	92	92	92	92	92	92	92
Interest expenses	73	73	64	55	45	36	27	18	9	-	-	-	-	-
EBT	20	92	156	220	286	353	421	435	450	464	470	476	481	487
Income Tax	4	18	31	44	57	71	84	87	90	93	94	95	96	97
Net profit	16	74	125	176	229	282	337	348	360	372	376	380	385	390
<i>Net margin</i>	<i>5%</i>	<i>17%</i>	<i>23%</i>	<i>28%</i>	<i>32%</i>	<i>34%</i>	<i>37%</i>	<i>37%</i>	<i>38%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>

USD'000	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
ASSET															
Current assets	129	238	292	397	553	762	1,025	1,342	1,670	2,010	2,456	2,906	3,360	3,819	4,283
Cash	-	127	206	342	536	762	1,025	1,342	1,670	2,010	2,456	2,906	3,360	3,819	4,283
Accounts receivable	129	111	85	54	17	-	-	-	-	-	-	-	-	-	-
Long-term assets	1,398	1,374	1,301	1,227	1,153	1,079	1,005	931	857	782	708	634	560	486	412
Fix assets	1,380	1,356	1,283	1,209	1,135	1,061	987	913	839	764	690	616	542	468	394
Land Use Right	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
TOTAL ASSET	1,528	1,612	1,592	1,623	1,706	1,841	2,029	2,272	2,527	2,793	3,164	3,540	3,921	4,306	4,695
RESOURCES															
Liabilities	750	750	656	563	469	375	281	188	94	-	-	-	-	-	-
Curent liabilities	-	94	94	94	94	94	94	94	94	-	-	-	-	-	-
Long-term liabilities	750	656	563	469	375	281	188	94	-	-	-	-	-	-	-
Equity	778	862	936	1,061	1,237	1,466	1,748	2,085	2,433	2,793	3,164	3,540	3,921	4,306	4,695
Owner's Equity	778	846	846	846	846	846	846	846	846	846	846	846	846	846	846
Retained profits	-	16	90	215	391	620	902	1,239	1,587	1,947	2,318	2,694	3,075	3,460	3,849
TOTAL RESOURCES	1,528	1,612	1,592	1,623	1,706	1,841	2,029	2,272	2,527	2,793	3,164	3,540	3,921	4,306	4,695

USD'000	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
Cash flows from Operating Activities															
Collect from operating revenue	-	382	483	585	689	795	904	1,014	1,025	1,035	1,045	1,056	1,066	1,077	1,088
Pay for operating expenses	-	(179)	(200)	(242)	(286)	(330)	(374)	(420)	(424)	(429)	(433)	(437)	(442)	(446)	(451)
Pay Income Tax	-	(4)	(18)	(31)	(44)	(57)	(71)	(84)	(87)	(90)	(93)	(94)	(95)	(96)	(97)
Pay VAT Tax	-	-	-	-	-	(25)	(48)	(54)	(55)	(55)	(56)	(56)	(57)	(57)	(58)
Pay Interest for loan	(73)	(73)	(73)	(64)	(55)	(45)	(36)	(27)	(18)	(9)	-	-	-	-	-
Net CFO	(73)	127	191	248	305	338	374	429	440	452	464	468	473	477	482
Cash flows from Investing Activities															
Pay for investing	(1,455)	(68)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Net CFI	(1,455)	(68)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)	(18)
Cash flow from Financing Activities															
Disburse from bank	750	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Repay of bank loan	-	-	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	-	-	-	-	-
Cash flow of equity	778	68	-	-	-	-	-	-	-	-	-	-	-	-	-
Net CFF	1,528	68	(94)	(94)	(94)	(94)	(94)	(94)	(94)	(94)	-	-	-	-	-
Net cash flow in Period	-	127	80	136	193	227	263	317	328	340	446	450	454	459	464
Opening cash balance	-	-	127	206	342	536	762	1,025	1,342	1,670	2,010	2,456	2,906	3,360	3,819
Ending cash balance	-	127	206	342	536	762	1,025	1,342	1,670	2,010	2,456	2,906	3,360	3,819	4,283

Risk Management



Free Cash Flow to Project

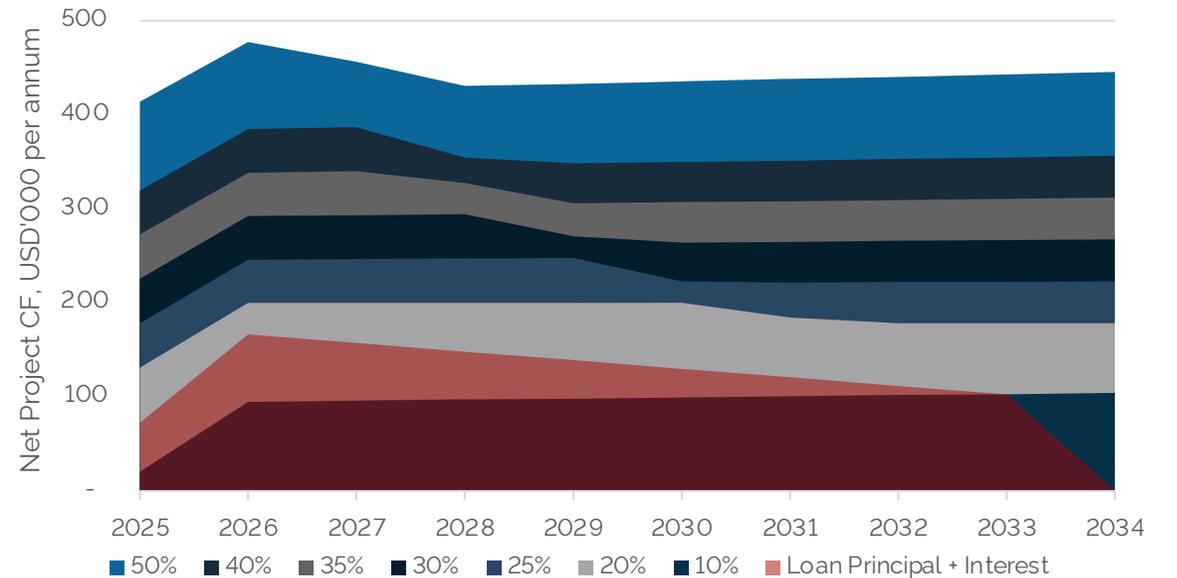
Free cash flow to project remain steady over the course of 10 years.

The project is prone to occupancy risk. At a 9.7% p.a. cost of debt, free cash flow is sufficient to cover the loan principal + interest payments (amortized payments) only if the occupancy rate remain well above 20%.

USD'000	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
10% Occupancy	20	95	96	97	98	100	101	102	103	104
20%	131	200	200	200	200	200	185	179	178	178
25%	178	246	247	247	248	223	222	222	223	223
30%	226	292	293	294	271	264	265	266	267	267
35%	273	339	340	328	306	307	308	309	311	312
40%	320	385	387	354	348	350	351	353	355	357
50%	414	477	457	431	433	435	438	440	443	446
Loan Principal + Interest	73	167	157	148	139	130	121	112	103	-

Key Takeaways:

- ▶ Government guarantee is key to protect financial institutions and equity investors against default risk.
- ▶ Protections needed if occupancy rate drops below 20%. Consider provisions and covenants with hospitality operator.



Note: These assumptions are subject to revision after consulting with industry experts and competent authority.

EBITDA

Net profit remain positive at any level of occupancy rate above 18%.

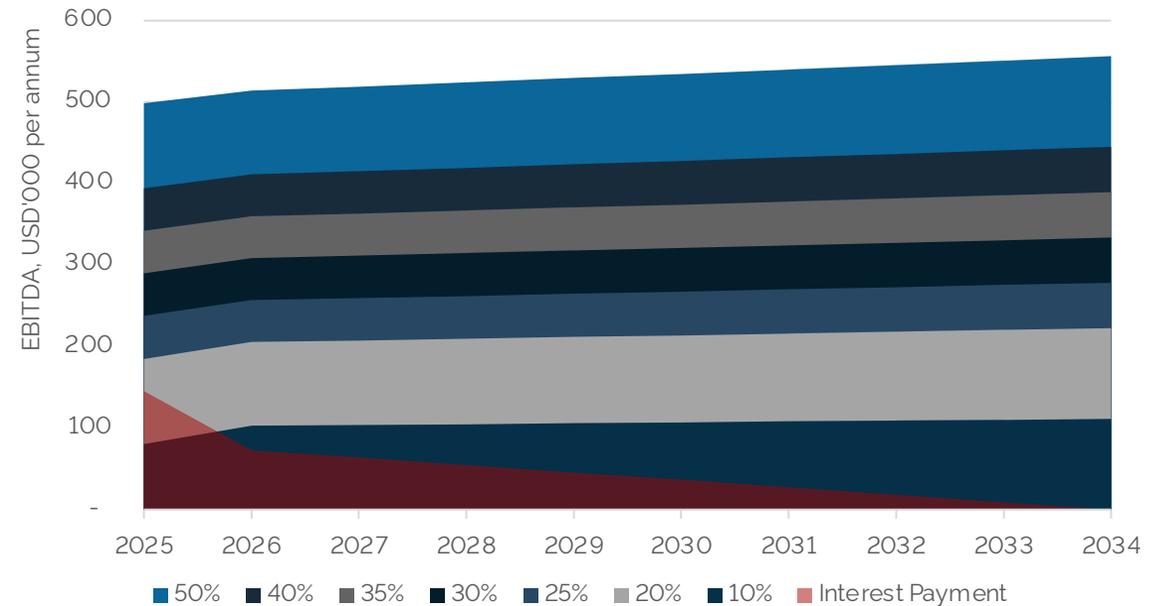
At occupancy above 20%, annual EBITDA will be sufficient to cover the interest payments. At a 30% occupancy rate, the interest coverage ratio will be at least 2x.

However, if the occupancy is low around or below 19%, interest payments will not be sufficiently covered due to high operating costs; therefore, equity capital will be needed to fill in the gap.

Key Takeaways:

- ▶ Occupancy Rate of 30% is key to sufficient coverage of interest payments
- ▶ Protections needed if occupancy rate drops below 20%. Consider provisions and covenants with hospitality operator.

USD'000	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11
10% Occupancy	81	103	104	105	106	107	108	109	110	111
20%	185	206	208	210	212	214	216	218	220	223
25%	237	257	260	262	265	267	270	273	275	278
30%	290	308	311	315	318	321	324	327	331	334
35%	342	360	363	367	371	374	378	382	386	390
40%	394	411	415	419	424	428	432	436	441	445
50%	499	514	519	524	529	535	540	546	551	556
Interest Payment	146	73	64	55	45	36	27	18	9	-



Note: These assumptions are subject to revision after consulting with industry experts and competent authority.

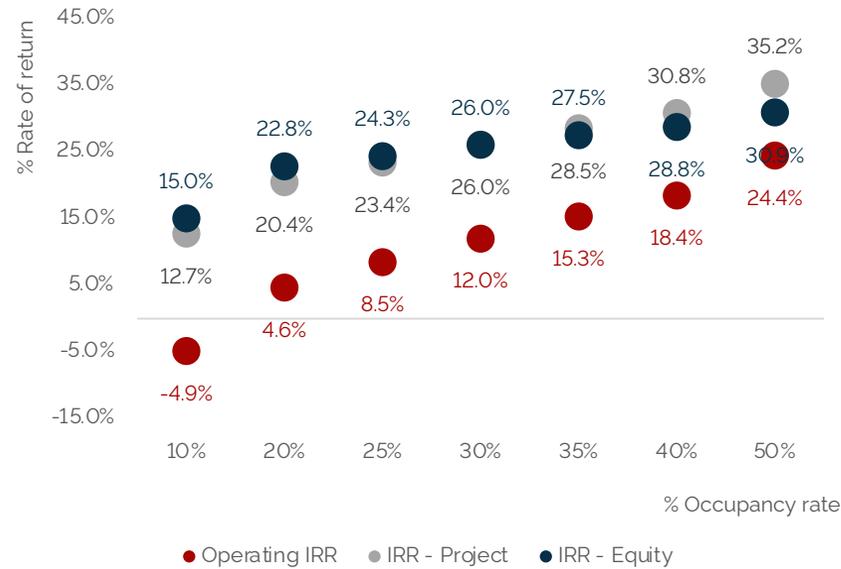
NPV & IRR

Key Takeaways:

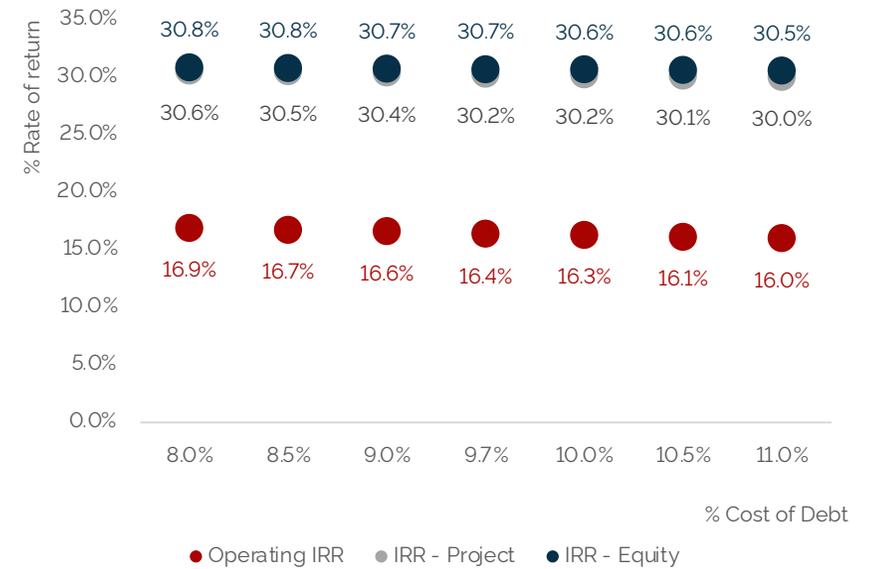
- ▶ Occupancy of at least 15% is required for the project to be financially feasible.
- ▶ To achieve a meaningful returns, the project needs at least 20% annual occupancy.

NPV	Occupancy Rate						
	10%	20%	25%	30%	35%	40%	50%
8.0%	(166)	1,627	2,343	3,146	3,949	4,751	6,354
8.5%	(217)	1,547	2,253	3,042	3,829	4,616	6,188
9.0%	(265)	1,470	2,166	2,940	3,713	4,485	6,027
9.7%	(330)	1,365	2,048	2,802	3,554	4,306	5,809
10.0%	(357)	1,321	1,998	2,744	3,488	4,232	5,718
10.5%	(400)	1,249	1,918	2,649	3,380	4,110	5,569
11.0%	(442)	1,179	1,839	2,557	3,275	3,992	5,424

Sensitivity against Occupancy Rate



Sensitivity against Cost of Debt



Note: These assumptions are subject to revision after consulting with industry experts and competent authority.

Risk	Description	Impact	Mitigation Measures
Business Dynamic	<p>Key risk is the variation of occupancy rates including seasonal occupancy rates, macroeconomic outlook, and increased competition.</p> <p>Occupancy rate is a crucial factor to determine the profitability and cash flow sustainability of the project.</p>	High	<ul style="list-style-type: none"> ▶ Maintain demand forecast accuracy to efficiently control costs ▶ Strengthen operational policy to maximize customer satisfaction ▶ Marketing initiatives, including discounting, all-inclusive bundles, loyalty programs etc.
Business Operations	<p>Organization and management risk with regards to planning, monitoring, and reporting in day-to-day operations.</p> <p>Unclear flow of communication and lack of supervision can cause dissatisfactory customer experience.</p>	Low	<ul style="list-style-type: none"> ▶ Well-defined organizational structure ▶ Proper policies for inventory management ▶ Given that "Hotel Operator" will assume this responsibility, investors shall reserve rights to monitor performance through period performance report with verified customer reviews
Liquidity	In conjunction with occupancy risk, cash flow instability could lead to financial insolvency and liquidity, where the project may fail to service due debt obligations.	High	<ul style="list-style-type: none"> ▶ Regularly analyze the cash flow sensitivity based on demand forecast ▶ Raise equity capital to cover debt obligations when necessary ▶ Set covenants on "Hotel Operator" to maintain occupancy rate above a certain level

Risk	Description	Impact	Mitigation Measures
Interest rate	Interest rate fluctuation during the course of debt financing	Low	<ul style="list-style-type: none"> ▶ Continuously monitor market rate movement ▶ Explore fixed lower-than-market rate financing ▶ Consider refinancing the debt had the market rate significantly decrease
Construction	Key risk associated with the project failing to complete within the time frame and low-quality construction, thus incurring higher costs, and late realizable profitability.	Medium	<ul style="list-style-type: none"> ▶ Contract reliable construction company, especially in construction management ▶ Set appropriate matrix to evaluate and select construction company ▶ Set covenants in construction agreement, holding contractor liable for delay in completion
Regulatory	Key risk associated with authority approval process for the project to commence. Any delay in approval process may push back construction timeline, thus impact the profitability.	Medium	<ul style="list-style-type: none"> ▶ Research the maximum length of approval process for all necessary permits and license ▶ Create timeline for permit or licensing application
Legal	There lacks a clear governmental framework associated with the ecotourism development around Tonle Sap. The lack of land registration leads to uncertain property operation right.	High	<ul style="list-style-type: none"> ▶ Consult with competent authority on the legal requirements and procedures ▶ Seek concession agreements to ensure ownership right over the developed property

Risk	Description	Impact	Mitigation Measures
Hotel Supply	Key risk in relation to quantities, qualities, suppliers, lead time, and costs of hotel supply	Low	<ul style="list-style-type: none"> ▶ Procure from different sources at competitive prices ▶ "Hotel Operator" shall utilize their expertise to ensure uninterrupted supply
Disaster	Key risks include fire, floods	High	<ul style="list-style-type: none"> ▶ Fire extinguishers are placed at fire sensitive locations ▶ Property insurance and staff insurance
Hazard	Hazard is the key risk for hospitality operations, such as food contamination, safety hazards (i.e., slips, trips, and falls), hazardous chemicals etc.	Medium	<ul style="list-style-type: none"> ▶ Appropriate kitchen operations management ▶ Appropriate housekeeping management ▶ Always practice HACCP protocols
Accessibility	Underdeveloped infrastructure hinder travelers' interest in visiting Tonle Sap, which will highly affect the occupancy	High	<ul style="list-style-type: none"> ▶ Conduct thorough feasibility study ▶ Consult with the competent authorities over the timeline of infrastructure development

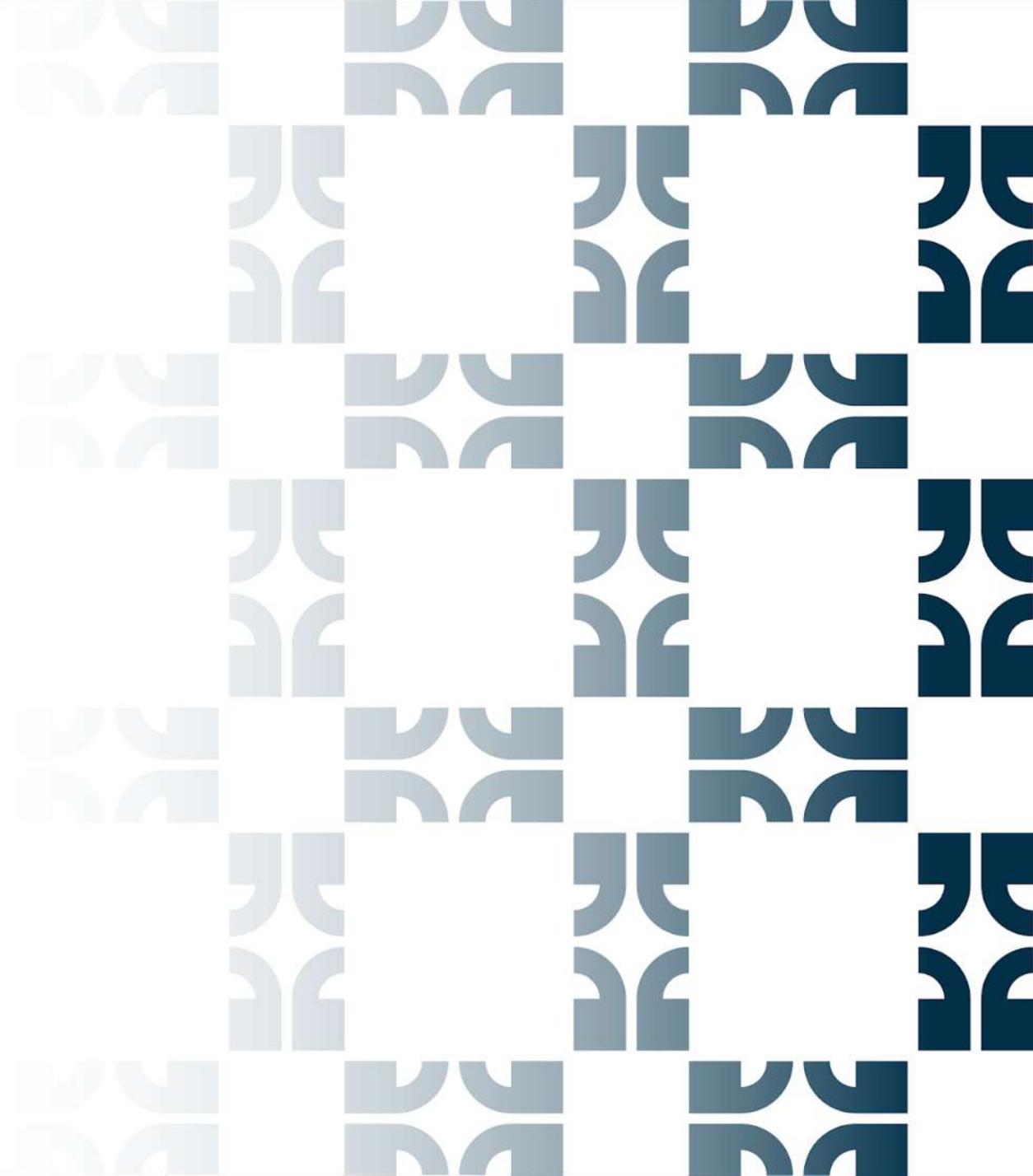
Implementation Suggestions



No.	Architects	Years in Operation	Portfolio	Contact Details
1	Bloom Architecture	8 Years	<ul style="list-style-type: none"> ▶ Amber Kampot ▶ The Wave ▶ FCC Angkor & Phnom Penh ▶ Novotel Sihanoukville ▶ Khom – Marriott Autograph ▶ Central Mansions ▶ Khou Tower ▶ Plantation Urban Resort Renovation 	<p>Address: California Social House, 2nd floor, Russian Confederation Boulevard (St 110), Phnom Penh, Cambodia</p> <p>Email: bd@bloom-architecture.com Tel: +855 76 344 442 0</p>
2	Asma Architects	16 Years	<ul style="list-style-type: none"> ▶ Viroth's Hotel and Viroth's Villa ▶ Somadevi Hotel ▶ AHA Restaurant ▶ The One Hotel 	<p>Address: Aquation Diamon Island, Koh Pich St, Phnom Penh</p> <p>Email: contact@asma-architects.net</p>
3	K-Architecture Yvon Chalm	15 Years	<ul style="list-style-type: none"> ▶ La Plantation ▶ Villa Phnom ▶ The Sixties Serviced Apartment ▶ Kampot Fish Market Renovation 	<p>Address: H8, Borey Mongkul, Phum Kroal Kou, Kiloumaetr Lekh Prammuoy, Ruessei Kaev, Phnom Penh, 12106, Cambodia</p> <p>Email: info@k-architecturesolution.com Tel: +855 70 348 348</p>

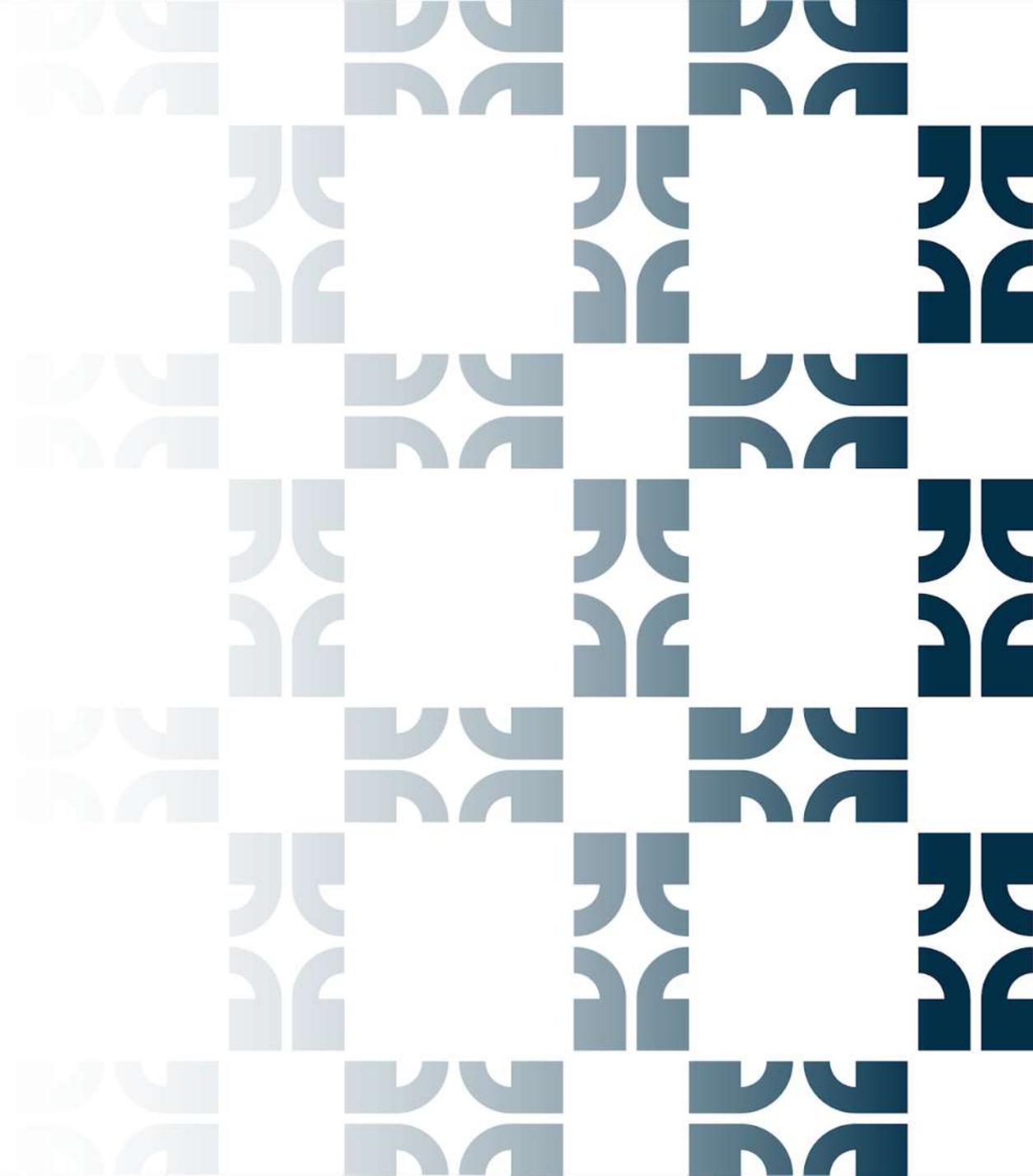
No.	Company	Portfolio	Contact Details
1	Almond Hospitality	<ul style="list-style-type: none"> ▶ Almond Hotels ▶ World Dining ▶ Yi Sang Restaurant ▶ Uy Kuyteav ▶ Sevens seas Seafood Restaurant ▶ Kroeung Garden Restaurant 	<p>Address: The Almond Hospitality Group No 128F, Sotheaors Blvd, Phnom Penh, Cambodia</p> <p>Email: info@almondgroup.biz Tel: +855 23 22 08 22</p>
2	Lifestyle Retreats	<ul style="list-style-type: none"> ▶ The Balé Phnom Penh ▶ The Balé Nusa Dua, Bali Indonesia ▶ The Menjangan, Bali Indonesia ▶ IZE, Bali Indonesia 	<p>Address: Block 7, Kallang Place # 07- 01/02 Kallang Basin Ind. Est. Singapore 339153</p> <p>Email: jose@lifestyleretreats.com</p>
3	Amatak Innovest	<ul style="list-style-type: none"> ▶ Amatak Boutique Hotel 	<p>Address: Sala Kamreuk St., Sala Kamreuk Village, Siem Reap</p> <p>Email: amatak@amatak-innovest.com Tel: +855 93 411 777</p>
4	HMD Asia	<ul style="list-style-type: none"> ▶ Shinta Mani Angkor & WILD ▶ Tribe, Phnom Penh ▶ JATI Private Island Resort, Sihanoukville ▶ Park Hyatt, Siem Reap 	<p>Address: 1778 Summer Hub Offices, 3rd Floor, Room no. 303 Sukhumvit Road, Prakhnong, Klongtoey Bangkok 10110 Thailand</p> <p>Email: info@hmdasia.com</p>
5	Elite Hospitality and Trading	<ul style="list-style-type: none"> ▶ Palace Gate Hotel & Resort ▶ Mealea Restaurant ▶ Eden Garden 	<p>Address: Eden Garden Mall, Phnom Pehn City Center(PPCC), Sangkat Sgrass Chak, Khan Daun Phen, Phnom Penh</p> <p>Email: info@eht.com.kh</p>
7	MAADS	<ul style="list-style-type: none"> ▶ Pavilion Heritage Oasis Hotel ▶ Templation Angkor Resort ▶ White Mansion Legend Boutique Hotel ▶ Floatation ▶ Aquation 	<p>Address: Aquation, Koh Pich Street, Koh Pich (Diamond Island); Phnom Penh, Cambodia</p> <p>Email: info@maads.asia</p>

Funding Strategy



Investor Type	Description	Investment Type	Feedback and Recommendations
HNWI/UHNWI	Individual investors with significant capital and interest in Cambodia. We identified two types of HNWI/UHNWI investors: (1) "cow-boy" or foreign investors with keen interest in emerging/frontier markets; (2) domestic investors with significant knowledge of local tourism.	Equity/Debt	<ul style="list-style-type: none"> ▶ Investors are okay to commit capital if conditions relating to land/water rights requirements are satisfied by local authorities. ▶ Most likely to raise capital from individual investors over other investor types. Priority should be given to local HNWI/UHNW's.
Family Office(s)	Investment offices of local and Asian families. Family offices keen into this investment direction likely to have more influence from family members who are keen to invest in Cambodia.	Equity/Debt	<ul style="list-style-type: none"> ▶ Family offices driven by members with keen interest in Cambodia are ideal within this investor profile type. ▶ Local family offices limited; work with family offices w/ regional reach. ▶ Family offices noted that even if conditions relating to land/water rights requirements are satisfied, they would prefer entrepreneur or HNWI to lead the project as this opportunity would require significant resources/time.
Commercial Banks	Commercial banks are instrumental to this investment direction as they are the most likely to serve as creditors for such a novel concept in Cambodia.	Debt	<ul style="list-style-type: none"> ▶ Various lending solutions exist but asset status of land and water-use rights need to be clarified, especially relating to the marketability of such rights in the event of default and collateral seizure. ▶ Preferential loans for this project are nil ▶ Credit guarantee may be required from social impact credit insurers or government.
Corporates	Corporate investments can be attracted to serve a number of strategic hospitality, tourism, operational interests of existing companies. We identified domestic real estate/hospitality developers.	Equity	<ul style="list-style-type: none"> ▶ Corporate tourism or hospitality operators may satisfy a number of business interests and objectives through this project (i.e. expanding services and offerings in portfolio) ▶ Corporates may be able to offer strategic support and infrastructure given stronger capacities and relationships. ▶ We recommend identifying key operators and developers in the aforementioned slides as potential investment partners and operators.
Investment Funds	Investment vehicles professionally managed by professionals. We identified social impact investment funds as being realistic targets for this strategy.	Equity/Debt	<ul style="list-style-type: none"> ▶ Not likely to raise from pension funds, sovereign funds, or institutional private equity funds, etc. ▶ Social impact funds and domestic funds with investment mandates to invest into Cambodia. Screening of local funds are required to prove solvency and avoid KYC/AML issues.

Regulatory Requirements



In order to operate a hotel or accommodation services, all hotels are required to have the following certificates/licenses:

Certificates/Licenses	Issuing Entity
Certificate of Incorporation	Ministry of Commerce ("MoC")
Tourism License for Hotel	Ministry of Tourism ("MoT")
Tax Registration for Patent Tax, VAT Number, and Registration Tax	General Department of Taxation ("GDT")
Location Approval License	Phnom Penh Municipality or Provincial Hall (Siem Reap/Battambang)
Registration for Opening Enterprise, Establishment Ledger, Payroll and Internal Work Rule (within 30 days).	Ministry of Labor and Vocational Training ("MoLVT")

A Tourism License for Hotel shall be issued by the MoT or the Provincial Department of Tourism according to the size of the facilities:

MoT: Hotel having more than 20 rooms

Provincial Department of Tourism: Hotel having less than 20 rooms

The licensing process typically take **28 days after the Ministry receive application**. A license shall have a validity of **maximum one year**, which can be renewed.

In order to open another branch at a different location, business owner must submit the required documents for opening the main premise and a new application for opening the additional location branch to the Ministry of Tourism.

To receive a license to operate a hotel or accommodation business, the applicant needs to submit, but not limited to, the following documents:

1. A copy of location approval certificate/license issued by local authority;
2. A copy of identification card or passport;
3. A copy of certificate of incorporation (business registration);
4. A copy of construction permit or renovation permit issued by MLMUPC;
5. A copy of fire safety and security certificate issued by Ministry of Interior/Fire Police;
6. A copy of certificate of hygiene issued by Ministry of Health/Health Department; and
7. An agreement letter to respect and comply with tourism law and other law.

To receive a license, the hotel shall pay a **license fee** in accordance to the size of business the hotel to operate in.

Hotel Capacity	License Fees
Less than 10 rooms	~USD75
11 – 20 rooms	~USD100
21 – 30 rooms	~USD200
31 – 60 rooms	~USD275
61 – 100 rooms	~USD325

Hotel Capacity	License Fees
101 – 150 rooms	~USD500
151 – 200 rooms	~USD650
201 – 300 rooms	~USD825
More than 300 rooms	~USD1,000

In order to develop a small-scale ecotourism development project ("SSEDP") in the Protected Area, all private companies/investors are required to receive approvals from the Ministry of Environment ("MoE"), where the General Directorate of Local Community is the sole authority for facilitating and implementing the approval procedures.

The Procedure for SSEDP in Protected Areas follows the four (4) phases below:

Phase 1: Proposition Process

Project proponent(s) shall submit the following required documents to the One-Window Service Office of the MoE:

Required Documents	Issuing Entity
Certificate of Incorporation	Ministry of Commerce ("MoC")
SSEDP Proposition with Specified UTM points and proposed location	Proponent(s)
SSEDP Concept Note	Proponent(s)

Phase 2: Assessment Process (45 Working Days)

- 1) Review of SSEDP Proposition Documents;
- 2) Verification of proposed location to avoid duplicated locations on the existing allocated land;
- 3) Field visit to study the proposed location using the SSEDP assessment criteria;
- 4) Department of Ecotourism will submit the assessment report to the MoE for decision; and
- 5) Department of Ecotourism will prepare a permission notification letter in principle upon decision from the MoE.

Phase 3: Procedure Completion Process (180 Working Days)

- 1) Proponent(s) shall submit proposition to MoE for site demarcation and pole installation after receiving MoE's permission letter;
- 2) MoE will issue a notification letter to the Provincial Line Department of Ecotourism to facilitate with the Provincial Administration and responsible units to set up a working group with the Proponent(s) to demarcate and install the poles for proposed site;
- 3) Proponent(s) shall provide company registration-related document(s) and submit a proposition to MoE to sign the "Right of Use" contract;
- 4) General Directorate of Local Community shall prepare the contract upon receiving the proposition and sign the contract with the Proponent(s);
- 5) Proponent(s) shall submit the draft SSEDP master plan and the Environmental & Social Impact Assessment report to MoE for review and decision within 60 working days after signing the "Right of Use" contract; and
- 6) Proponent(s) signs the environmental protection contract with the MoE.

Phase 4: SSEDP Implementation Process

- 1) Project owner(s) shall implement the SSEDP operation activities in the allocated site(s) in accordance to the approved master plan and signed environmental protection contract;
- 2) Project owner(s) shall submit semiannual progress report to MoE; and
- 3) MoE's responsible unit shall conduct monitoring and evaluation of the SSEDP implement semiannually.

A Right of Use Contract shall have a validity of **maximum 15 years**. Allocated land size shall be fixed on the contract and neither land encroachment and/nor additional acquisition shall be permissible.

Approved project owner(s) shall pay **a public service fee of ~USD2,000** for preparing ecotourism development investment contract and pay annual environmental fund to the MoE.

Approved project owner(s) shall not transfer and/nor lease the allocated land to a third party without consent approval from the MoE. In any attempt to partner with a third party, the approved project owner(s) shall implement at least 30% of the master plan and still remain the sole responsibility for contract implementation before the MoE.

Thank You!

For more information, please contact

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