

INVESTMENT PROFILE

Trading symbol: **PHIL**

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PHI GROUP

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PHI Group is committed to creating long-term sustainable value for shareholders through mergers and acquisitions in big, growing industries, investing in selective special situations that potentially generate superior returns and providing M&A advisory services to international clients through its wholly owned subsidiary PHI Capital Holdings. The Company's goal is to complete one or two sizable transactions in 2017 and uplist its stock onto a major exchange while continuing to further its growth and expansion.

COMPANY DESCRIPTION

PHI Group, Inc., established in June 1982, is a fully reporting company with the Securities and Exchange Commission. The Company's scope of business includes: (1) acquiring and rolling up target companies in large, growing industries, (2) investing in selective special situations and, (3) providing M&A advisory services to international private and public clients.

PORTFOLIO ACQUISITIONS AND ROLLUPS

PHI Group has signed agreements to acquire some targets in the energy and natural resources industries while continuing to vet opportunities in others. Typically, these transactions involve privately owned companies with operating history, management experience, domain expertise and cash flows whose valuation can be greatly enhanced as a component of the Company's portfolio using public company financial matrices. The Company follows the same strategy that large companies like Newell Brands (NYSE:**NWL**), Valeant Pharmaceuticals International (NYSE:**VRX**) and Berkshire Hathaway (NYSE:**BRK-B**), to name a few, have successfully used over the years to grow their companies and increase their sizes. While it is inappropriate to compare itself with any of these giant multinationals at this stage, the Company has amassed the necessary skillsets and resources in order to emulate these success stories. It is noteworthy that Newell Brands, starting from a company with \$15 million revenues in sales, has skillfully executed a long-term acquisition strategy resulting in the purchase of many other targets including multi-billion dollar Rubbermaid and has become a big company as it is today. It has set a great reproducible example for us.

PHI Group has signed an MOU to partner with Maxagro Group in Romania, an agreement to acquire 50.90% of Vimexco JSC, a Vietnamese LPG service company, and an agreement to acquire 51% of Hoang Minh Chau Hung Yen LLC ("HMC"), an Asian agricultural company specializing in turmeric. The Company intends to use these acquisitions as platforms to further acquire other targets in the same industries for its rollup plan and can spin them off as separate public companies in the future when

Stock symbol: **PHIL** (OTCQB)

Closing price:	\$0.068
Public float:	8,384,604 shares
Basic shares:	15,838,595
Fully diluted shares:	21,511,922
52-Week range	\$0.0461 - \$2.0000
Market cap:	\$1,077,024
Average daily trading	43,798
Revenue (FY ended 6/30/16):	\$322,050
Net income (FY ended 6/30/16):	\$ (7,998)
EPS (FY ended 6/30/16):	\$ (0.00)

desirable. In the meantime, the Company has also investigated other potential acquisition targets.

AGRIBUSINESS AND SPECIALTY FOODS

Organic Farming Program

The Company has signed a contract and opened escrow to purchase a 408-acre farm in Bonifay, Holmes County, Florida, U.S.A. as the launching pad for its organic farming program through Abundant Farms, Inc., a wholly owned subsidiary. Abundant Farms will use a combination of proprietary enhanced bioavailable mineral nutrients and symbiotic natural immune systems to grow selective premium organic crops for medicinal usages, food and cosmetics and raise poultry for US domestic and international markets. Abundant Farms expects to generate \$244 million in revenues and \$35.2 in profits in its third year of operations. The Company will focus on growing bitter melon (*Momordica charantia*) for export to Asia during its first planting in 2017.

The Company plans to acquire additional farms and lease more farmland to expand the scope of its organic initiative and couple it with an EB-5 Investor Visa investment program for qualified foreign investors who wish to become U.S. permanent residents and citizens.

Specialty Foods The Company has signed a Business Cooperation Agreement with Nathan Trading Company, Ltd., a Thai agricultural company specializing in the growing and processing of sacha inchi. PHI Group will start importing sacha inchi products for sale in the U.S. and cooperate with Nathan Trading Co. to increase raw material sources and expand production capacity to meet future worldwide demand. Sacha inchi has been recognized for a number of health benefits:

- Weight loss: As one of the richest sources of plant-based omega-3 fatty acids, sacha inchi nuts can help balance cortisol levels. When cortisol levels are controlled, food cravings and mood swings are reduced. In fact, medical personality Dr. Oz lists sacha inchi as one of his best snacks for weight loss.

- Heart health: Medical studies have shown that sacha inchi's high concentration and proper balance of omega-3 and omega-6 fatty acids reduce the risk of heart disease. Its fats are largely monounsaturated and polyunsaturated.

- Complete protein: As a complete protein, sacha inchi contains every amino acid our body needs to function properly. Sacha inchi provides 9 grams of protein per serving.

- Bone health: Since sacha inchi is high in omega-3 fatty acids, it can support bone structure. Omega-3 fatty acids enhance bone mineral content by helping the body absorb calcium. Eating more foods rich in omega-3s can help protect bones as people age.

- Skin and hair: Sacha inchi nuts provide nutrients that promote supple skin and silky hair. Omega-3 fatty acids support hydration and protect against inflammation, while the vitamin E found in sacha inchi prevents free radical damage that can harm skin.

With these tremendous health benefits, the Company believes sacha inchi can be a multibillion-dollar business compared to coconut.

M&A ADVISORY SERVICES AND SPINOFFS

Over the years, the Company's subsidiary PHI Capital Holdings, Inc. has successfully assisted a number of U.S. and international client companies to consummate domestic and cross-border M&A transactions, including corporate combinations, business cooperation, strategic alliance and spinoffs. PHI Capital Holdings was instrumental in taking the first Vietnamese company to the Nasdaq Stock Market (Cavico Corp) and is currently assisting Myson Group, Inc. (OTC:[MYSN](#)) and Sports Pouch Beverage Company (OTC:[SPBV](#)) to become fully reporting with the Securities and Exchange Commission.

Since we usually receive both cash and equity for our M&A services, the value of our holdings in these companies can become very significant when they successfully carry out their business plans. As a reference, one of our former subsidiaries, ATC Technology Corp., became Cellular Biomedicine Group (Nasdaq: [CBMG](#)) after it went public through a spinoff and merger CBMG later went onto Nasdaq with a very significant market capitalization. This was one of the success stories we would like reproduce for our shareholders.

MARKET OUTLOOK

Demand Growth for Energy and Natural Resources

The level and pattern of economic activity and demographic changes will be important determinants of future energy resource needs. World GDP is assumed to grow at an average annual rate of 3.5% over 2013-2040, from 7.1 billion in 2013 to 9 billion in 2040, with the increase concentrated in Africa, India, Southeast Asia and the Middle East. India overtakes China to become the world's most populous country by the mid-2020s. According to the International Energy Agency, the world's appetite for electricity lifts demand by more than 70% by 2040. Around 550 million people in the world remain without any access to electricity in 2040 – the majority of them in sub-Saharan Africa. The world will continue to need more and more energy and natural resources to meet its growth.

Demand Growth for Organic Foods

Globally, the organic food and beverages market reached \$104.5 billion in 2015, up from \$57.2 billion in 2010, a 82.69% increase (MarketsandMarkets). According to the [Organic Trade Association](#), U.S. retail sales of organic food more than tripled between 2004-2014 from \$11.1 billion to nearly \$36 billion, a 224% increase. In fact, U.S. demand for organic food has increased, faster than farmers can grow their products. Consumers prefer organically produced food because of their concerns regarding health, the environment, and animal welfare, and they show a willingness to pay the price premiums established in the marketplace. Organic products have shifted from being a lifestyle choice for a small share of consumers to being increasingly consumed by more and more people worldwide.

FINANCIAL PLAN

We have secured \$10-million equity line facility from Azure Capital to fund our working capital and acquisition expenses and plan to raise \$15 million for our organic farming initiative through the EB-5 Investor Visa program. Our goal is to reach consolidated revenues of \$350 million and profits of \$45 million by the end of 2020.

MAIN RISK FACTORS

- Strength of the global economy;
- Demand for food, healthcare and energy;
- Political and inflation risks;
- Financing and operational risks.

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