

INVESTMENT PROFILE

Trading symbol: **PHIL**

August 2, 2017



PHI GROUP

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PHI Group is committed to creating long-term, sustainable value by acquiring target companies in big, growing industries and investing in selective special situations that potentially generate superior returns for shareholders. In addition, the Company also provides M&A advisory services to international clients through its wholly owned subsidiary PHI Capital Holdings. The Company's short-term goal is to complete one or two sizable transactions in 2017 and uplist its stock onto a senior 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.

ACQUISITIONS AND ROLLUPS

- 1) Eastern European Construction and Manufacturing Company (AQ1):** PHI Group has signed an agreement to acquire 51% equity interest in a construction and manufacturing company in Eastern Europe for \$15 million in cash. AQ1 has been in business since 1950 and is a profitable company with approximately \$34 million in revenues and \$90million in backlog orders. This company is in the process of bidding for new projects in excess of \$350 million. The final closing of this transaction is scheduled for September 27, 2017. A partner of PHI Group will provide breakthrough technologies for steel rebar replacement, sheathing and coating to AQ1 to supply building materials to Europe that should also help to substantially increase revenues for AQ1. PHI Group has formed a subsidiary as the holding company to take AQ1 public in the U.S. in the near future.
- 2) Maxagro Farm in Romania (AQ2):** The Company has signed agreement to acquire 51% of Maxagro Farm SRL in Timis County, Romania. The Company is still in the process of further due diligence to reach a mutually agreeable purchase and sale price as well as the terms and conditions for the closing of this transaction.
- 3) Infrastructure Project in Southeast Asia (AQ3):** PHI Group is in partnership with a privately-owned company to acquire 85% of an infrastructure project in Southeast Asia involving 105 km of operating toll road and 2,500 hectares of land for development of urban centers and industrial zones. The Company has received indications of interest from major international banks for approximately \$2 billion financing to complete this transaction, subject to further due diligence and analysis.

Stock symbol: **PHIL** (OTCQB)

Closing price:	\$0.10 (8/2/17)
Basic shares:	41,082,982
Fully diluted shares:	46,756,309
Shares in street name:	8,630,807
52-Week range	\$0.0131 - \$0.9563
Market cap:	\$4,108,300
Average daily trading	195,400
Revenue (FY ended 6/30/16):	\$322,050
Net income (loss) (FY ended 6/30/16):	\$ (7,998)
EPS (FY ended 6/30/16):	\$ (0.00)

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, together with proprietary water treatment technology, 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 initially focus on growing bitter melon (*momordica charantia*) for export to Asia.

The Company plans to acquire and/or lease additional farmland to expand the scope of its organic initiative and couple it with an EB-5 Investor Visa investment program for qualified foreign investors.

The Company is currently in discussion with TNB Vietnam JSC to distribute forest bitter melon products to the U.S. and European markets.

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, including weight loss, heart health, complete protein, bone health, and skin and hair health. Sacha inchi could be a multibillion-dollar business compared to coconut.

RENEWABLE ENERGY

Yen Bai Power Plant Project: PHI Group has entered into a joint venture agreement with Hung Vuong JSC, a Vietnamese company, to build a 100-MW renewable energy power plant in Yen Binh District, Yen Bai Province, Northern Vietnam. The joint venture has received preliminary approval from the Yen Bai Provincial People's Committee to conduct additional study, survey and planning for this project. The Company is also in the process of reviewing available alternative technologies in order to determine the most optimum application. This project will require the approval of both the provincial and central government of Vietnam.

M&A ADVISORY & CONSULTING SERVICES

PHI Capital Holdings: 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 and implement their M&A strategies.

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.

Note: The transactions mentioned herein are subject to change due to domestic and international political, social and economic conditions.

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. In addition, we will need to arrange approximately \$2 billion for the infrastructure project in Southeast Asia. Our goal is to reach consolidated revenues of \$500 million and net profits of \$60 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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