FUNGUO INVESTMENTS LIMITED

Invest in Funguo Investments Limited (FIL)

Contents

Why Kenya

3^{rd} largest
economy in sub-Saharan Africa.

US$ 110.35 Bn
7.5% growth
Dominant economy in EAC
≈46% of EAC's GDP.

US$ 2,081.8
+75% growth since 2010
Growing middle-class with an increasing appetite for high-value goods and services.

- Regional economic hub
- Host to over 200 Multinational Corporations with regional & continent-wide HQs in Nairobi
- Robust financial system
    - 43 banking institutions
    - 9 representative offices of foreign banks,
    - 13 Microfinance Banks,
    - 3 credit reference bureaus
    - 19 Money Remittance Providers
    - 73 forex bureaus

- Africa's UN HQs (UNON) which is one of four main UN secretariat duty stations globally.
- Global headquarters of UNEP and UN-Habitat, together with a joint presence of 23 other UN Agencies.

- Communications & Logistics hub of the region
- Access to regional transport corridors.
    - 4 international airports
    - 2 sea ports and 2 ICDs
    - 30-freight and 2-passenger rail services daily between Nairobi and Mombasa.

The Investment Environment is Conducive

1

- Guaranteed repatriation of capital and profits
- Constitutional protection against expropriation
- Investment guarantee against non-commercial risks: ICSID, MIGA and ATIA

2

- One stop shop facilitation
- Periodic Presidential roundtables with private sector
- Digitization of government services
- Facilitative Industrial zone programs - EPZs & SEZs

3

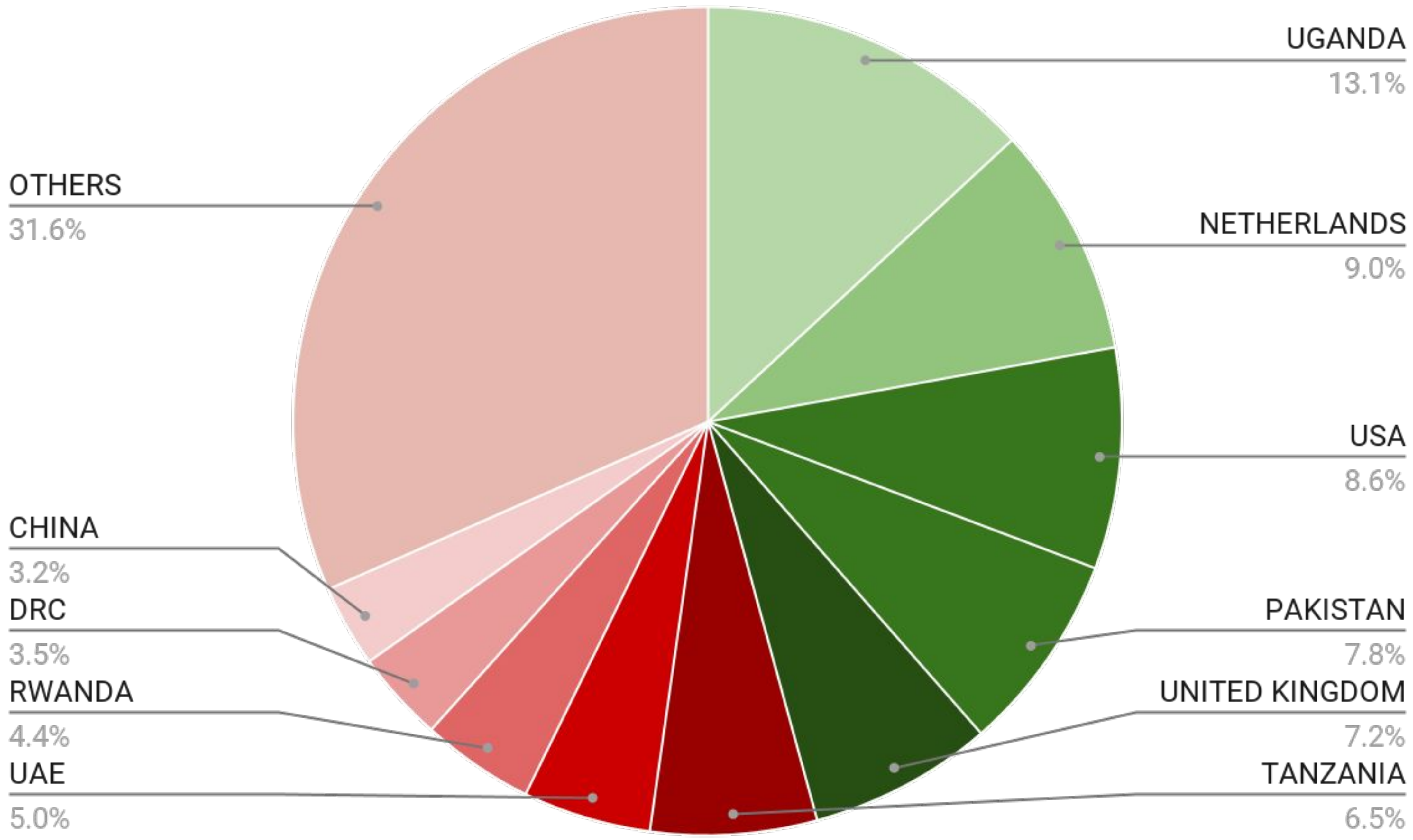
- Political and macroeconomic stability.
- High labour productivity: a large pool of youthful, trainable and literate workforce
- Globally competitive:
    - 56th in the Ease of Doing Business
    - 1st for five years in a row in financial inclusion
    - 1st globally in protection of minority investors
    - Nairobi – Africa's leading business travel destination and hub for impact investors.
    - 2nd in Africa in the logistics performance index

Source: World Bank, UNCTAD, CBK, KNBS

Wide Market Access & Good Trade Relations

US$ 17.43 Bn
Total Imports

US$ 6.09 Bn
Total Exports

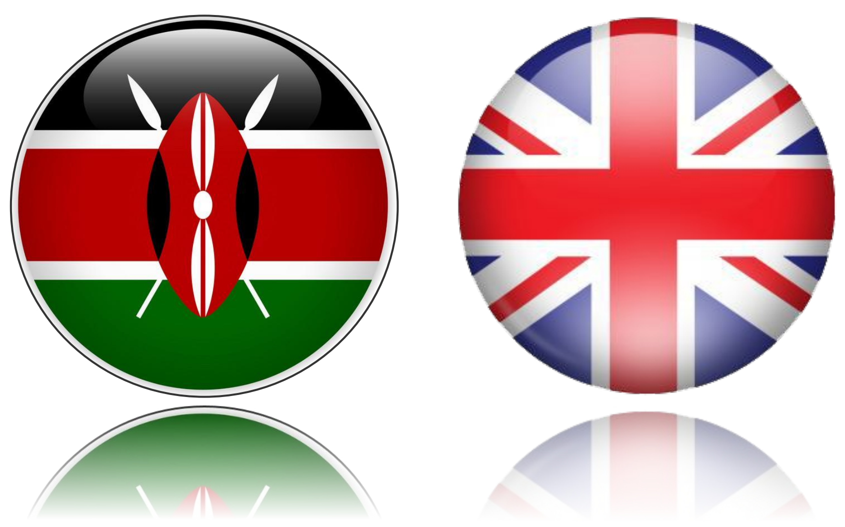


Preferential Trade Agreements

1.7Bn ~ US$ 40Tn
Population Market value

Kenya's untapped export potential ~ US$ 4.1 Bn (ITC)

Existing Bilateral Trade Treaties with United Kingdom



Economic Partnership Agreement: In 2021, Kenya and the UK signed a trade agreement that seeks to deepen trade and investment ties between the two countries by providing a framework for the elimination of tariffs and non-tariff barriers.

Development Cooperation Agreement: In 2018, Kenya and the UK signed a development cooperation agreement, which aims to strengthen cooperation in areas such as health, education, governance, and security.

Double Taxation Agreement: In 1976, Kenya and the UK signed a double taxation agreement, which seeks to prevent double taxation of income earned by residents of the two countries.

Air Services Agreement: In 1967, Kenya and the UK signed an air services agreement, which allows airlines from the two countries to operate scheduled services between them.

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Kenya's Financial Services Sector Overview

The financial system in Kenya comprises of numerous commercial banks, non-bank financial institutions, a range of insurance companies and a stock exchange.

Key Drivers Of Kenya's Financial Services Growth include;

- Increased adoption of technology
- Emergence of alternative channels of distribution
- Increased financial inclusion levels
- Stable regulatory environment

Kenya's financial sector is the third-largest in sub-Saharan Africa and it makes a significant contribution to economic growth and job creation. Through Vision 2030, the Government aims to create a ”vibrant and globally competitive financial sector

More than 70% of SMEs lack access to medium and long term finance, which creates a need for innovative debt and equity instruments for SMEs. Partnerships with local financial institutions provide opportunities for consultancy in product development.

About Funguo Investments Limited

FIL was incorporated on 23 September 1987 with the primary objective of carrying out 'the business of an investment company, unit trust and mutual fund among others.

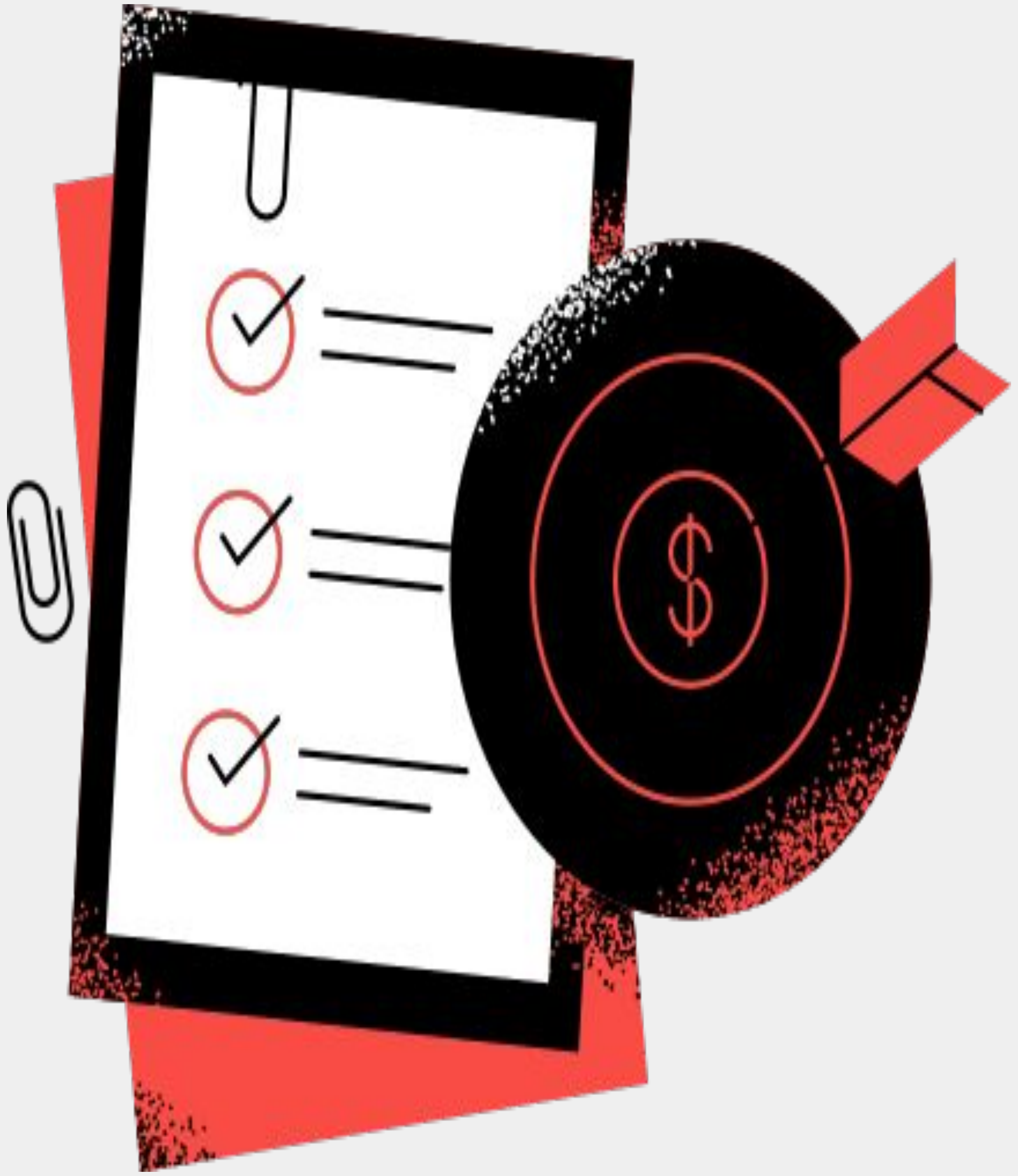
- FIL's strategy entails **acquiring influential minority stake**s in leading growth companies in Kenya.
- FIL operates in segments/industries that have demonstrated growth in the past and have a **strong prospect to sustain strong growth** equal to higher than Kenya's projected growth rate of 6% p.a.
- FIL **invests US$ 1 million to US$ 5 million per deal**, scalable if needed.
- The Company has a **current asset base of USD 15.07 million**.
- The company is **privately owned** with KDC having injected a start up capital of USD 15 million.

FIL FUNGUO INVESTMENTS LIMITED

Funguo Investments Limited

Value Proposition

- FIL operates as an evergreen investment company with a long term investment horizon
- Investing in FIL is guided by the investment policy in allocating funds to various asset classes
- FIL takes board representation with a view to influence strategy formulation and implementation
- FIL has in place a qualified and suitably experienced team comprised of individuals with relevant experience in sourcing investment opportunities, screening the opportunities, structuring deals, closing them and managing them to profitability
- FIL Invests in relatively young companies that have few if any legacy issues and a long stretch of growth curve ahead
- KDC is already a co-investor in the project and is committed to its success.



Funguo Investments Limited

The Opportunity

- The FIL is seeking for a strategic investor to finance **raise USD 11.50 Million in New capital** of which 50% will be dedicated to growth capital and 50% to cash yield capital.
- Achieve a target return on growth capital of **a minimum of 25% p.a**. and a target return on **cash yield capital of 18% p.a**.
- FIL will grant investors **access to investment opportunities in private companies** that investors would otherwise not access.
- FIL offers ready to go investment management structure that an investor can ride on. A structure that **sources, screens, structures, manages and exits profitably** from investment opportunities.
- FIL has **over 29-year history of investing** and has attained a number of important milestones including holding shareholding in leading companies in Kenya such as Minet and Almasi Beverages.

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Get started with KenInvest and KDC

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Email: info@kdc.go.ke
Website: www.kdc.go.ke

MAKE IT KENYA

REPUBLIC OF KENYA

MITI

MINISTRY OF INVESTMENTS, TRADE & INDUSTRY

KenInvest

PROMOTING INVESTMENTS IN KENYA

KDC

KENYA DEVELOPMENT CORPORATION

EPZA

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DEPARTMENT of BUSINESS REFORMS & TRANSFORMATION