



THE FORTH QUARTERLY REPORT

31 DECEMBER 2022

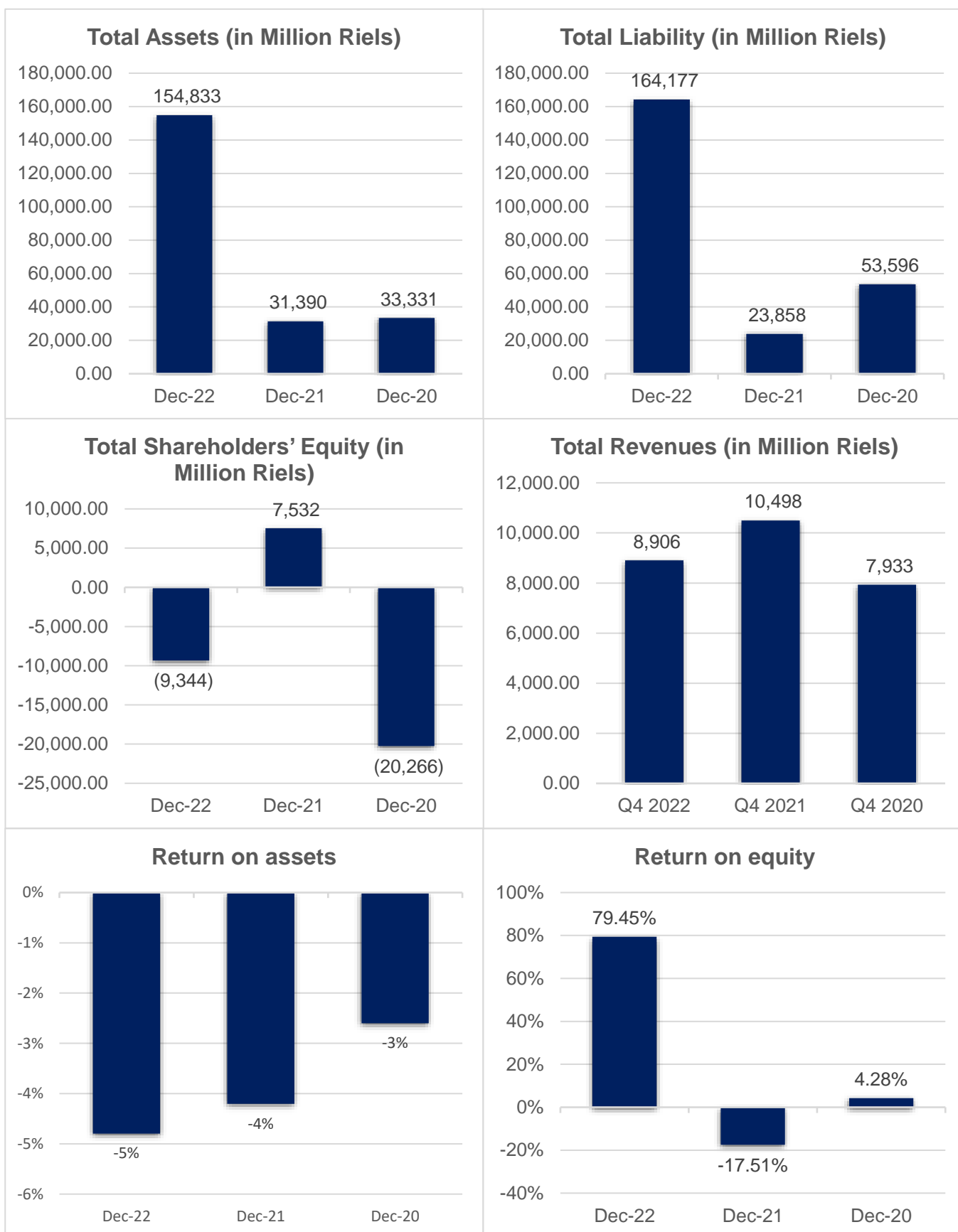
ROYAL RAILWAY PLC.

FINANCIAL HIGHLIGHT

Financial Position (in Million Riels)		December 2022	December 2021	December 2020
Total Assets		154,833	31,390	33,331
Total Liabilities		164,177	23,858	53,596
Total Shareholders' Equity		(9,344)	7,532	(20,266)
Profit/(Loss) (in Million Riels)		Q4 2022	Q4 2021	Q4 2020
Total Revenues		8,906	10,498	7,933
Loss Before Tax		(7,424)	(1,319)	(867)
Loss After Tax		(7,424)	(1,319)	(867)
Total Comprehensive Loss		(7,404)	(1,320)	(866)
Financial Ratios		December 2022	December 2021	December 2020
Solvency Ratio		-118%	16%	18%
Liquidity Coverages Ratio	Quick Ratio	4.50	0.22	0.09
	Current Ratio	4.46	0.19	0.08
Profitability Ratios		Q4 2022	Q4 2021	Q4 2020
Return on assets ¹		-5%	-4%	-3%
Return on equity ¹		79%	-18%	4%
Interest Coverage Ratio		6.25	10.15	4.15
Gross profit margin		247%	-435%	-124%
Profit margin		247%	-435%	-124%
Earnings per Share (For equity listed entity)		N/A	N/A	N/A
Dividend per Share (For equity listed entity)		N/A	N/A	N/A
Other Important Ratios (If any)		N/A	N/A	N/A

¹ The ratios were calculated by using net loss for the three-month period from 1 October 2022 to 31 December 2022

FINANCIAL SUMMARY CHARTS



BOARD OF DIRECTORS



Neak Oknha KITH MENG
Chairman



Mr. Raymond Thornton Yager
Director



Mr. William Mark Hanna
Director



Mr. Paul Clement
Director



Mr. Lun Yeng
Director

MESSAGE FROM CHAIRMAN

It is our pleasure to present the financial performance of Royal Railway PLC (RRC). in the Q4 of 2022, following the requirements of the Securities and Exchange Regulator of Cambodia (SERC).

Cambodia's economy is recovering well after COVID-19, but global headwinds could pose risks to a positive outlook in months to come, according to the World Bank Report. The World Bank forecasts economic growth of 4.8 percent in 2022 as the post-pandemic economic recovery expands thanks to a rebound in tourism, the World Bank's Cambodia Economic Update for December 2022 said. Cambodia's garment industry, travel goods and footwear exports have been resilient. The services sector, especially travel and tourism, has done well since the introduction of the "Living with COVID-19" strategy in late 2021, and total international visitor arrivals have steadily increased, reaching 1.2 million in the first nine months of 2022. Business and consumer confidence have risen and both domestic and foreign investment have increased. Economic growth is projected to accelerate to 5.2 percent in 2023 as increased hiring supports rising domestic consumption and as inflation recedes. However, prospects for faster growth face serious risks due to developments beyond Cambodia's borders.

Despite this time of uncertainty, RRC continued to grow in all key areas, including the total assets, total revenue, as well as train control strategy. We managed to successfully listed a corporate bond and two guarantee bonds at the same quarter. The Company requested the Cambodia Securities Exchange (CSX) and Securities and Exchange Regulator of Cambodia (SERC) to list its corporate bonds on the CSX. The request was approved in principle by CSX on 24 October 2022 for principal amount of KHR 41 billion and 26 December 2022 for principal amount of KHR98.4 billion. On 19 September 2022, the Company obtained the final approval from SERC to list its corporate bonds amount of KHR 41 billion and on 19 December 2022 for amount of KHR98.4 billion on the CSX.

The Cambodia Railway consists of two lines, the Northern Line and the Southern Line, totaling of 650 kilometers. Northern Line totals length of 386 kilometers from Phnom Penh to Poi Pet (Cambodia-Thailand border). The Southern Line totals length of 264 kilometers.

RR's core service offerings include freight services (fuel, bagged cement, ballast, bulk rice, etc.), bulk fuel transport, containerized freight (garments, automotive, rice, rubber, sugar, etc.), warehousing, customs and excise clearance.

RRC is a sole operator of the railway network in Cambodia. Royal Railway is a critical part of the Royal Group's transport and logistics contribution towards the growth and development of the Kingdom of Cambodia. The Cambodian landscape from a transport and logistics perspective remains relatively fragmented creating enormous opportunities for Royal Railway and its various Value-Added Services.

In the business plan and strategy for 2023 onward, RR aims to become one of the top logistics providers in Cambodia. To ensure the sustainable growth of RRC, RRC put the following plans into action:

- Deliver services to the Southern Line and Northern Line through to Poi Pet for cross border trade;
- Invest in more assets to support the railway development and realize substantial growth in transport sector for Cambodia;
- Develop land and properties that link into rail offering Sihanouk Ville, Pursat, Battambang and Poi Pet;
- Expand logistics offerings off the base rail product including warehousing, domestic transport, value adding services;
- Simplify and streamline pricing and rate cards to maximize retail and SME sales in conjunction with improved costing and business analysis to support major accounts to maximize and ensure visibility of projected and actual return;
- Practices and policies to attract, retain and develop personnel to support our business growth plans and ensure effective succession planning with particular focus on mid-tier operations management and business analysis skills;
- Develop brand and marketing strategies that draw on RR's individual strengths and focus on improving safety and governance outcomes and proactive risk appraisal and mitigation;
- Build relationships with key government and private sector stakeholders to enhance service outcomes.

As the result of the end of quarter 4 of 2022, total asset was US\$37.61 million, growing 80% compared to the same quarter of 2021. Total revenue was US\$10.23 million, decreasing 18% compared to the same quarter of 2021, due to the slowdown of fuel transport sector towards the 4th quarter of the year. The cause of this slowdown was because of shortage of fuel supply into Cambodia. The shareholder's equity also grew and reached US\$13.02 million in the reported period.

The Board and shareholders have confidence that RRC's leadership, strategy and people will enable RRC to continue its high level of performance for all investors.

On behalf of the Board of Directors, I wish to thank RRC's management and staff for their hard work, dynamism and strong dedication to grow the business along with customer's growth in harmony. I also wish to thank the Board of Directors, shareholders, customers, the Royal Government of Cambodia and especially the Securities and Exchange Regulator of Cambodia (SERC) and Cambodia Securities Exchange (CSX) for their continuous support and advice.

15 FEB 2023



Neak Oknha Kith Meng
Chairman



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PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTITY OF THE LISTED ENTITY

Entity name in Khmer	រ៉ូយ៉ាល់ រេលវេ ម.ក.	
In Lantin	Royal Railway Plc.	
Standard code	KH2000191CA4 KH2000192CC8 KH2000193CC6	
Address	Central Railway Station, Russian Federation Boulevard Sangkat Sras Chork, Khan Daun Penh, Phnom Penh Kingdom of Cambodia	
Phone number	+855 23 992 379	
Fax	+855 23 992 353	
Website	royal-railway.com	
Email	admin@trrcambodia.com	
Company registration number	00018504	Date: 06 October 2015
Disclosure document registration number issued by SECC	202/22SERC/SSR 273/22SERC/SSR	Date: 19 September 2022 Date: 19 December 2022
Representative of the listed entity	Mr. John Guiry	

B. NATURE OF BUSINESS

The Cambodia Railway consists of two lines, the Northern Line and the Southern Line, totaling of 650 kilometers. Northern Line totals length of 386 kilometers from Phnom Penh to Poi Pet (Cambodia-Thailand border). The Southern Line totals length of 264 kilometers.

RR's core service offerings include freight services (fuel, bagged cement, ballast, bulk rice, etc.), bulk fuel transport, containerized freight (garments, automotive, rice, rubber, sugar, etc.), warehousing, customs and excise clearance.

Please refer to below information for the detail revenue of service:

	For the twelve-month period ended				For the three-month period ended			
	31 December 2022		31 December 2021		31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Southern line:								
Rail freight	5,874,759	24,010,141	8,477,770	34,486,155	993,968	4,103,640	2,193,618	8,932,412
Train related value-added services	591,565	2,417,726	502,588	2,044,444	69,468	286,802	143,424	584,023
Passengers' fare	416,865	1,703,727	67,650	275,189	137,775	568,810	38,911	158,446
Transportation	59,864	244,664	32,873	133,722	16,375	67,605	11,783	47,980
Other revenue	23,377	95,542	59,992	244,037	-	-	16,842	68,581
	<u>6,966,430</u>	<u>28,471,800</u>	<u>9,140,873</u>	<u>37,183,547</u>	<u>1,217,586</u>	<u>5,026,857</u>	<u>2,404,578</u>	<u>9,791,442</u>
Northern line:								
Rail freight	3,020,183	12,343,488	231,316	940,955	851,092	3,513,770	173,503	706,504
Passengers' fare	195,861	800,484	-	-	65,244	269,363	-	-
Train related value-added services	15,343	62,707	450	1,831	13,803	56,986	-	-
Transportation	1,000	4,087	-	-	-	-	-	-
Other revenue	30,890	126,247	-	-	9,450	39,015	-	-
	<u>3,263,277</u>	<u>13,337,013</u>	<u>231,766</u>	<u>942,786</u>	<u>939,589</u>	<u>3,879,134</u>	<u>173,503</u>	<u>706,504</u>
	<u>10,229,707</u>	<u>41,808,813</u>	<u>9,372,639</u>	<u>38,126,333</u>	<u>2,157,175</u>	<u>8,905,991</u>	<u>2,578,081</u>	<u>10,497,946</u>

C. QUARTER'S KEY EVENTS

In 2022, the Company requested to the Securities and Regulator of Cambodia (SERC) and Cambodia Securities Exchange (CSX) to list its corporate bonds.

The request was approved on 19 September 2022 by SERC and 24 October 2022 by CSX for the 1st principal bond amount of KHR 41 billion equivalent to US\$9,958,708.

On 19 December 2022 and 26 December 2022, the Company got the approval from SERC and CSX respectively for the 2nd principal bond amount of KHR98.4 billion equivalent to US\$23,929,961.

The Company's 1st Corporate bond is a public placement bond issued to qualified investors with the principal amount of KHR 41 billion, a tenor of 10 years with a coupon rate of 7% p.a.

The Company's second Corporate bond is guaranteed by GuarantCo Ltd as a private placement bond to the qualified investors with two series of bonds. Bond 1 with the principal amount of KHR 49.2 billion (US\$11,964,981), a tenor of 5 years with a coupon rate of Term Secured Overnight Financing Rate ("SOFR") plus 3.5% or 5% p.a, whichever is higher and Bond 2 with the principal amount of KHR 49.2 billion (US\$11,964,981), a tenor of 10 years with a coupon rate of Term SOFR plus 3.5% or 5% p.a, whichever is higher for Year 1 to Year 5 and Term SOFR plus 3.75% or 5% p.a, whichever is higher for Year 6 to Year 10.

As at 31 December 2022, the carrying value of the two bond payables are US\$ 33,285,006 (31 December 2021: Nil). During the year, the Company had accrued interest payment amounting to US\$233,763 (31 December 2021: Nil).

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENTS INFORMATION

Key Achievement	December 2022	December 2021	December 2020
Freight service in tons			
Ballast	11,403	17,307	29,850
Cement	19,052	15,920	29,075
Coal	-	-	28,878
Container	507,737	277,407	520,331
Diesel	273,668	366,547	493,072
Fertilizer	2,100	72,873	9,064
Gasoline	97,485	-	-
Total gross revenue (In Million Riels)	39,305	37,851	33,671
Passenger service			
Number of passengers	79,558	3,546	23,998
Total gross revenue (In Million Riels)	2,504	275	750

B. REVENUE STRUCTURE

Source of Revenue	Quarter 4 2022		Quarter 4 2021		Quarter 4 2020	
	Amount (in Million Riel)	%	Amount (in Million Riel)	%	Amount (in Million Riel)	%
<i>Southern line:</i>						
Rail freight	4,104	41.92%	8,932	79.68%	5,690	65.53%
Train related value-added services	287	2.93%	584	5.21%	446	5.13%
Passengers' fare	569	5.81%	158	1.41%	154	1.77%
Transportation	68	0.69%	48	0.43%	40	0.46%
Other revenue	-	0.00%	69	0.61%	-	0.00%
	<u>5,027</u>	<u>51.36%</u>	<u>9,791</u>	<u>87.34%</u>	<u>6,329.38</u>	<u>72.90%</u>
<i>Northern line:</i>						
Rail freight	3,514	35.90%	707	6.30%	1,604	18.47%
Passengers' fare	269	2.75%	-	0.00%	-	0.00%
Train related value-added services	57	0.58%	-	0.00%	-	0.00%
Transportation	-	0.00%	-	0.00%	-	0.00%
Other revenue	39	0.40%	-	0.00%	-	0.00%
	<u>3,879</u>	<u>39.63%</u>	<u>707</u>	<u>6.30%</u>	<u>1604</u>	<u>18.47%</u>
Other operating income						
Warehouse rental income	687	7.02%	708	6.31%	745	8.58%
Finance income	95	0.97%	0	0.00%	0	0.01%
Others income	100	1.03%	5	0.04%	4	0.04%
	<u>882</u>	<u>9.02%</u>	<u>713</u>	<u>6.36%</u>	<u>749</u>	<u>8.63%</u>
Total revenue	<u>9,788</u>	<u>100.00%</u>	<u>11,211</u>	<u>100.00%</u>	<u>8,682</u>	<u>100.00%</u>

PART 3 - FINANCIAL STATEMENTS REVIEWED BY THE EXTERNAL AUDITOR

Please refer to the annex for interim financial statement reviewed by the independent auditor.

PART 4 - MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

The following discussion and analysis are the discussion of RRC's management team on the operational results and financial situation based on Financial Statement as of 31 December 2022, which is reviewed by KPMG Cambodia Ltd (Independent Auditors). Financial Statement have been prepared in accordance with Cambodian International Financial Reporting Standard (CIFRS). The management team discussed and analysed only the key component of the Financial Statement and key factors that affect RRC's profitability.

A. OVERVIEW OF OPERATIONS

1. REVENUE ANALYSIS

RRC generates revenue from the three major sources as follows:

- Rail freight income: freight service provided to customer on both Northern Line and Southern Line.
- Train related value-added services income: Fee income from lift on lift off containers, customs scanned containers, service on clearance document for customers and storage fee in the process of clearance the containers at Railway Dry Port located at ODEM (10KM out of Phnom Penh)
- Passengers' fare: passenger service on the Southern Line i.e., Phnom Penh to Takeo Province, Kep Station, Kampot station, Sihanoukville station and on the Northern Line from the capital to Pursat station, Battambang station and Poi Pet station.
- Warehousing service/lease income.

2. REVENUE BY SEGMENT ANALYSIS

Source of Revenue	Quarter 4 2022		Quarter 4 2021	
	Amount (in Million Riel)	%	Amount (in Million Riel)	%
<i>Southern line:</i>				
Rail freight	4,104	46.08%	8,932	85.09%
Train related value-added services	287	3.22%	584	5.56%
Passengers' fare	569	6.39%	158	1.51%
Transportation	68	0.76%	48	0.46%
Other revenue	-	0.00%	69	0.65%
	<u>5,027</u>	<u>56.44%</u>	<u>9,791</u>	<u>93.27%</u>
<i>Northern line:</i>				
Rail freight	3,514	39.45%	707	6.73%
Passengers' fare	269	3.02%	-	0.00%
Train related value-added services	57	0.64%	-	0.00%
Transportation	-	0.00%	-	0.00%
Other revenue	39	0.44%	-	0.00%
	<u>3,879</u>	<u>43.56%</u>	<u>707</u>	<u>6.73%</u>
Total revenue	<u>8,906</u>	<u>100%</u>	<u>10,498</u>	<u>100%</u>

Rail freight income is the main source for RRC to generate revenue. In fourth quarter of 2022, Rail freight income represents 91.82% of the total revenue. Comparing to prior year with the same period, there is no much fluctuation movement of RRC's revenue by segment except the revenue from passengers from Northern Line which saw significant increase as RRC operates its services daily.

3. GROSS LOSS MARGIN ANALYSIS

Gross Loss margin does not present in the format of statement of comprehensive income prepared by RRC. However, it presents net income resulting from revenue less cost of sale which is indicated in section 4. Profit / (loss) before tax analysis.

4. PROFIT / (LOSS) BEFORE INCOME TAX ANALYSIS

Statement of Profit or Loss Before Income Tax	Quarter 4 2022 Amount (in Million Riel)	Quarter 4 2021 Amount (in Million Riel)	Variance (in Million Riel)	Variance %
Revenue	8,906	10,498	(1,592)	-15.16%
Cost of services	(11,907)	(10,194)	(1,712)	16.80%
Gross (loss)/profit	(3,001)	304	(3,304)	-1088.58%
Other operating income	882	713	170	23.78%
Operating and administrative expense	(3,071)	(2,200)	(935)	39.59%
Allowance for impairment losses on trade receivables	(948)	107	(1,055)	-989.28%
Minimum tax expense	(98)	(112)	14	-12.62%
Operating loss	(6,236)	(1,189)	(5,046)	424.38%
Finance costs	(1,189)	(130)	(1,059)	814.55%
Loss before income tax	(7,424)	(1,319)	(6,105)	462.82%

In fourth quarter of 2022, loss before income tax decreased by KHR 5,046 million equivalent to -424.38% compared to the same period in 2021. This declining amount of the profit for this quarter mainly due to the increase of cost of service and operating expenses amounting to KHR 2,583 million equivalent to 20.84% and allowance of provisions for expected credit losses amounting to KHR 1,055 million equivalent to -989.28% compared to fourth quarter in 2021.

5. PROFIT / (LOSS) AFTER INCOME TAX ANALYSIS

Statement of Profit or Loss After Income Tax	Quarter 4 2022 Amount (in Million Riel)	Quarter 4 2021 Amount (in Million Riel)	Variance (in Million Riel)	Variance %
Loss before income tax	(7,424)	(1,319)	(6,105)	462.82%
Income tax expense	-	-	-	0%
Net loss for the period	(7,424)	(1,319)	(6,105)	462.82%

Tax on income is calculated on taxable loss on tax rate 20%. As RRC generated loss before income tax, hence RRC paid only the minimum tax on revenue.

6. TOTAL COMPREHENSIVE INCOME / (LOSS) ANALYSIS

Statement of Comprehensive Loss	Quarter 4 2022 Amount (in Million Riel)	Quarter 4 2021 Amount (in Million Riel)	Variance (in Million Riel)	Variance %
Net loss for the year	(7,424)	(1,319)	(6,105)	462.82%
Currency translation differences	21	-1	21	-3303.40%
Total comprehensive loss for the period	(7,404)	(1,320)	(6,084)	460.98%

Other comprehensive loss item consisting of only translation difference resulting from assets and liabilities are translated at the closing rate as at the statement of financial position date whereas the items in the statements of comprehensive loss and cash flows are translated into KHR using the average rate for the period while share capital is translated at the historical rate of KHR 4,000 per USD 1.

7. FACTORS AND TRENDS ANALYSIS AFFECTING FINANCIAL CONDITIONS AND RESULTS

There is significant impact to financial conditions and results of RRC for the last quarter of 2022 due to the increasing of the cost of services specifically fuel cost and as well as the increase of allowance of provisions for expected credit losses on trade receivable and balance at banks.

B. SIGNIFICANT FACTORS AFFECTING PROFIT

1. DEMAND AND SUPPLY CONDITIONS ANALYSIS

RRC is the only rail transport service provider in Cambodia, offering a wide range of commodities transportation across the country with safety and efficiency as railway is able to carry the products in large volume compared with road transport, fully secured by insurance and directly accessible into the Port of Sihanoukville.

RRC is continuously updating and expanding its line of products and services to meet the satisfaction of its customers. RRC is investing heavily in locomotive and railway improvement of freight and services to increase accessibility, convenience, ease of use, and to allow customers to trust in its services.

2. FLUCTUATIONS IN PRICES OF RAW MATERIALS ANALYSIS

RRC is a railway operator providing freight service transportation, therefore the analysis of fluctuations in prices of raw material is not applicable to the Company.

3. TAX ANALYSIS

RRC is obliged to pay taxes and excises to the state under the existing laws of Cambodia. RRC is a large taxpayer and is required to pay tax under the real regime tax system as set forth by the General Department of Taxation. Tax expenses include current tax and deferred tax. Tax expenses are recorded in the statement of comprehensive income.

4. EXCEPTIONAL AND EXTRAORDINARY ITEMS ANALYSIS

During the period, the Company successfully listed its corporate bonds on the CSX amounting to KHR 41 billion on 10 October 2022 and on 23 December 2022 KHR 49.2 billion respectively. Other than the two significant events, management is not aware of any exceptional and extraordinary items, transaction or event of a material and unusual nature accruing that may significantly impact to the financial statement of the Company.

C. MATERIAL CHANGES IN SALES AND REVENUE

In quarter 4 of 2022, RRC earned total revenue around KHR 8,906 million slightly decreased -15.16% compared to the same period in prior year. Net income increased from KHR 1,319million to KHR 7,323 million.

D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATES AND COMMODITY PRICES

1. FOREIGN EXCHANGE RISK

The Company is exposed to foreign exchange risk arising from purchases and transactions that are denominated in a currency other than the Company's functional currency which is Khmer Riel.

The currency that gives rise to the foreign exchange risk to the Company is primarily United States of Dollar (USD) from borrowings and transactions with related parties and payment of operating expenses. The Company does not hedge its foreign currency exposure. To manage its foreign currency exposure, the Company's policy is to ensure that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary.

2. INTEREST RATE RISK

The Company does not account for any fixed-rate financial assets at fair value through profit or loss, and the Company does not have derivatives at the reporting date. Therefore, a change in interest rates at the end of reporting period would not affect profit or loss.

E. IMPACT OF INFLATION

- Inflation is very important for RRC because fuel is one of the main cost of services.
- Cambodia's economy recovered strongly during the period from 2016-21 with real GDP growth of 7.0%, 7.0%, 7.5% and 7.0% p.a.
- In the last 5 years record the CPI stood at an average year-on year of 2.5% p.a.
- The economy is to a large extent dollarized; the exchange rate moves within a small bandwidth for the last ten years.
- Registered unemployment at 1.02% in 2019.
- Inflation Rate in Cambodia decreased to 3.20 percent in November 2022 from 3.60 percent in October of 2022.

F. ECONOMIC, FISCAL AND MONETARY POLICY OF ROYAL GOVERNMENT

During Covid-19 the Government of Cambodia has subsidised tourism sector through tax incentive, improvement of infrastructure and reducing cost of operation and cut down 6 holidays in a year to increase productivities.

- Reserve USD 3 billion ahead for possible impacts COVID-19 and European Union's everything but Arm's (EBA) trade scheme.
- Reserve USD 600 million to 800 million to lend to banks and MFIs to stimulus economy.
- Cambodia reduces all expenses for 3 years (strategic plan for 2021-2023).
- The government adjusted quarantine measures and prepared special arrangements for potential investors, technical experts and consultants who come to the Kingdom.
- The RGC has planned to launch the Post-COVID-19 Economic Recovery Plan 2021-2023 based on 3 approaches, survival, reform, and resilience. The plan focuses on high value-added manufacturing, agriculture, domestic production (SME), E-commerce, and tourism.

RGC's strategies has helped RRC to attract more customers and as well as increase its line of freight and passenger services.

PART 5 - OTHER NECESSARY INFORMATION FOR INVESTOR PROTECTION

In 2022, the Company requested the Cambodia Securities Exchange (CSX) and Securities and Exchange Regulator of Cambodia (SERC) to list its corporate bonds on the CSX. The request was approved in principle by CSX on 24 October 2022 for principal amount of KHR 41 billion and 26 December 2022 for principal amount of KHR98.4 billion. On 19 September 2022, the Company obtained the final approval from SERC to list its corporate bonds amount of KHR 41 billion and on 19 December 2022 for amount of KHR98.4 billion on the CSX.

On 10 October 2022, the Company issued its first corporate bond as a public placement bond to the qualified investors with the principal amount of KHR 41 billion, a tenor of 10 years with a coupon rate of 7% p.a.

On 23 December 2022 the Company issued its second corporate bond guaranteed by GuarantCo Ltd as a private placement bond to the qualified investors with two series of bonds, Bond 1 with the principal amount of KHR 49.2 billion, a tenor of 5 years with a coupon rate of Term SOFR plus 3.5% or 5% p.a, whichever is higher and Bond 2 with the principal amount of KHR 49.2 billion, a tenor of 10 years with a coupon rate of Term SOFR plus 3.5% or 5% p.a, whichever is higher for Year 1 to Year 5 and Term SOFR plus 3.75% or 5% p.a, whichever is higher for Year 6 to Year 10.

GuarantCo has a strong credit due to the following reasons:

- a) GuarantCo has a track record of periodic equity injections provided by its owners.
- b) GuarantCo is part of PIDG, with over USD 2.4 billion of total funding.
- c) GuarantCo has no debt on its balance sheet.
- d) The Board allows for leverage up to 3 times equity and callable capital.
- e) Moody's and Fitch are both comfortable with the GuarantCo Board's leverage definition and threshold.

Rating	Credit rating agent	Date
AA-	FitchRatings	May 2022
A1	Moody's	June 2022
AAA	Parcra	June 2022
AAA	Bloomfield Investment	September 2021

Guaranteed by GuarantCo . Pursuant to and subject to the terms of the Deed of Guarantee (as defined below and a form of which is attached as Annex B hereto), the Guarantor unconditionally and irrevocably:

- guarantees to the Bondholders' Representative, acting on behalf of the Bondholders, the full and complete payment by the Issuer of the Guaranteed Amount;
- undertakes to indemnify Bondholders' Representative, acting on behalf of the Bondholders, on demand, against any loss in respect of the Guaranteed Amount suffered by the Bondholders' Representative, acting on behalf of the Bondholders, if any obligation guaranteed by the Guarantor is or becomes unenforceable, invalid or illegal for any reason (whether or not the Guarantor or the Bondholders' Representative, acting on behalf of the Bondholders, was aware of it); the amount of such loss being the amount which the Bondholders' Representative, acting on behalf of the Bondholders, would otherwise have been entitled to recover under paragraph 2 (a) of the Deed of Guarantee; and provided, for the avoidance of doubt, that any such amount payable by the Guarantor shall not exceed the Maximum Guarantee Amount to the extent applicable; and (as each term is defined in the Deed of Guarantee) subject to the terms of the Deed of Guarantee, including that a Notice of Payment Demand (as defined in the Deed of Guarantee) in respect of such amounts is made to the Guarantor pursuant to the Deed of Guarantee.

As at 31 December 2022, the carrying value of the two bonds payable are US\$ 33,888,669 (equivalent to KHR90,200,000,000) (31 December 2021: Nil). During the year, the Company had accrued interest payment on the issued bonds amounting to US\$198,643 (equivalent to KHR816,820,587) (31 December 2021: Nil).

Signature of Directors of the Listed Entity

15 FEB 2023

Seen and Agreed



Neak Oknha Kith Meng
Chairman