



ROYAL GROUP PHNOM PENH SEZ

Quarterly Report Q1

(As at 31 March, 2023)



OUR VISION:

To become an outstanding SEZ by developing sustainable community by creating opportunities and by improving the quality of life.

OUR Mission:

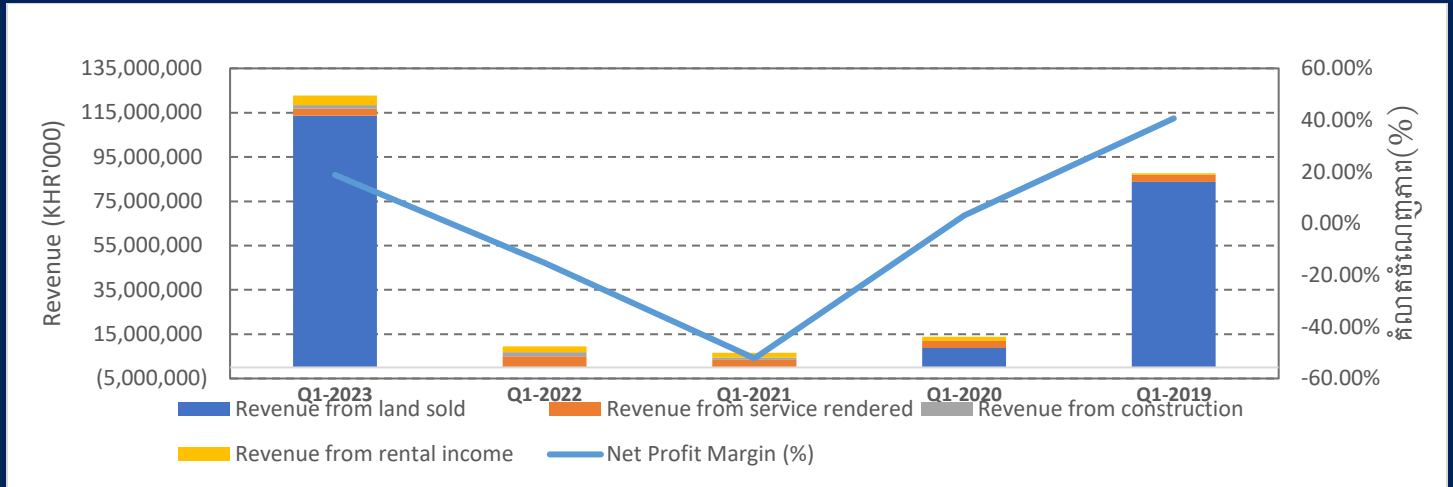
To contribute to the industrialization of the country in environment-friendly way with innovative technology

FINANCIAL HIGHLIGHTS

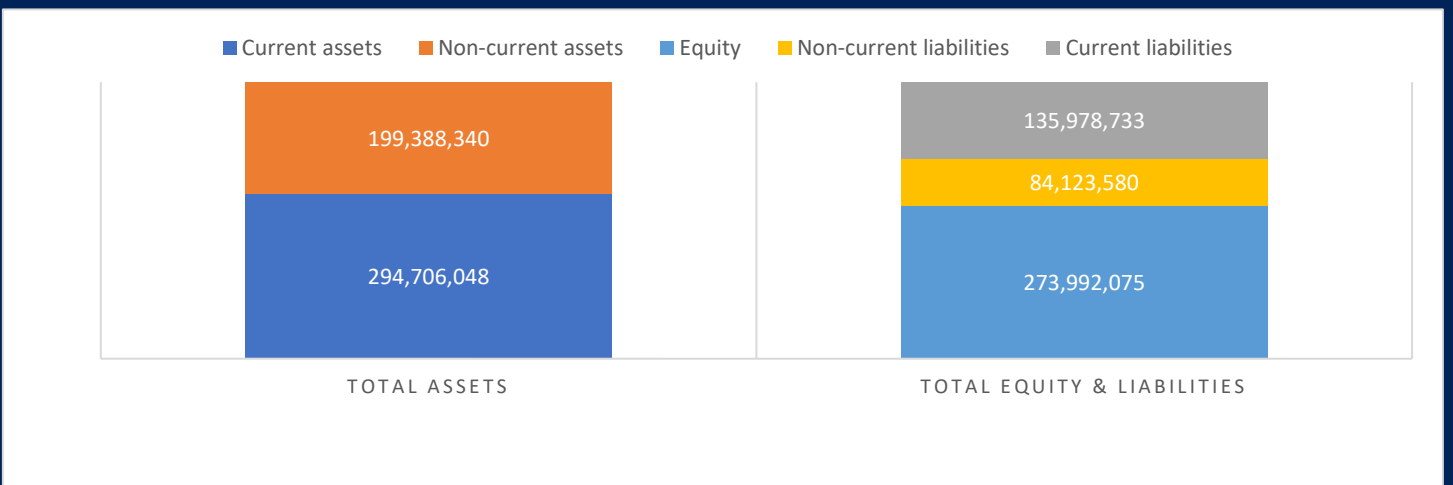
Financial Position (KHR'000)		Q1 2023	2022	2021
Total assets		494,094,388	472,057,093	426,234,002
Total liabilities		220,102,313	217,293,901	178,231,028
Total equity		273,992,075	254,763,192	248,002,974
Financial Performance (KHR'000)		Q1-2023	Q1-2022	Q1-2021
Total revenue		122,949,226	18,056,763	7,140,594
Profit/(Loss) before tax		29,598,077	(2,709,644)	(2,928,403)
Net profit/(loss) after tax		23,127,374	(2,757,009)	(3,727,048)
Financial Ratios		Q1-2023	Q1-2022	Q1-2021
Liquidity				
Liquidity ratio	Current ratio	2.17	2.79	2.90
	Quick ratio	1.29	1.16	1.24
		Q1-2023	Q1-2022	Q1-2021
Profitability	Return on assets	4.68 %	(0.65) %	(0.98) %
	Return on equity	8.44 %	(1.14) %	(1.56) %
	Gross profit margin (%)	31.81%	28.83 %	55.64%
	Net profit margin (%)	18.81 %	(15.27) %	(52.20) %
	Earnings per share	321.8	(38.4)	(51.9)
Interest Ratio (Finance Cost)		25.15	(1.26)	(0.97)
Dividend paid per share (if available) (KHR'000/Share)		-	-	-

GROUP FINANCIAL RESULTS

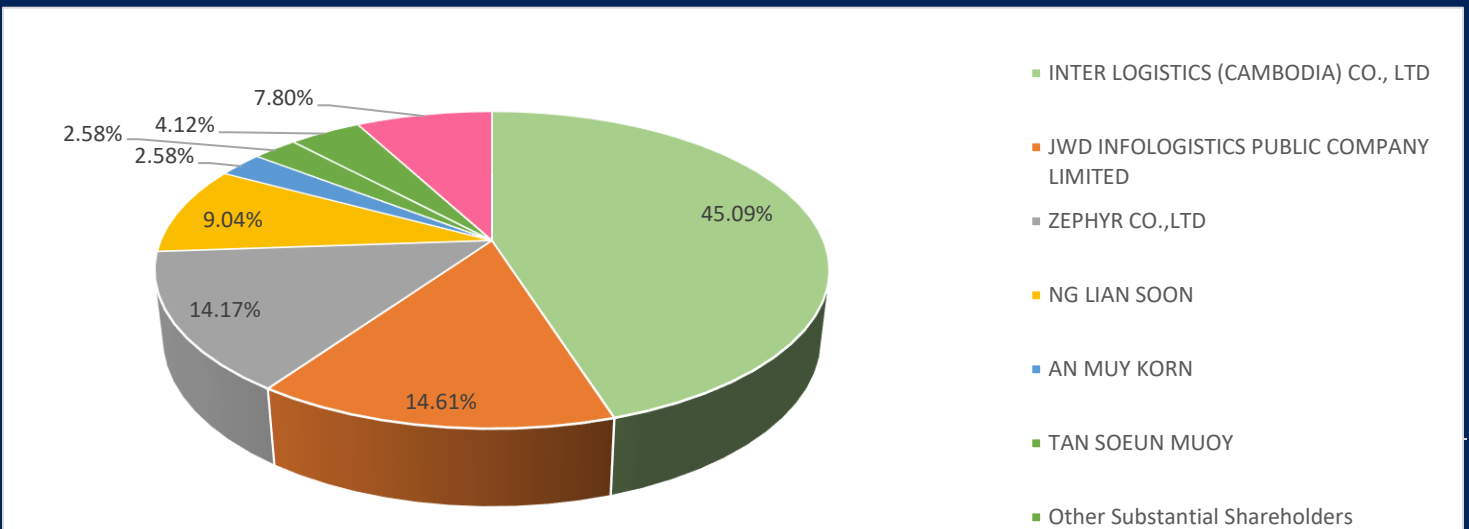
The last four quarters in each year



Capital structure (as of 31 march 2023)



Shareholding Structure (as of 31 March 2023)



Remark: Substantial Shareholders mean those who hold more than 1% of voting shares in the company.

BOARD OF DIRECTORS



Neak Oknha Kith Meng
Non-Executive Chairman



Mr. Hiroshi Uematsu
Executive Director/CEO



Mr. Billy Kang
Independent Director



Mr. Hiroshi Otsubo
Non-executive Director



Mr. William Mark Hanna
Non-executive Director



Ms. Hep Seka
Independent Director



Dr. Eakapong Tungsrisanguan
Non-executive Director

CHAIRMAN STATEMENT

Dear Fellow Shareholders

In the 1st quarter of 2023, the Company reported total revenue of 122,949,226 KHR'000, an increase of 580.90% Year-on-year compared to the amount of 18,056,763 KHR'000 in the 1st quarter of year 2022. As a result, the Company reported the net profits of 23,127,374 KHR'000, compared to the net loss of 2,757,009 KHR'000 in the same quarter of year 2022.

The financial position of the Company remains strong as at 31 March 2023 with total assets amounting 494,094,388 KHR'000, comprising non-current assets of 199,388,340 KHR'000 and current assets of 294,706,048 KHR'000. Total equity amounted to 273,992,075 KHR'000, an increase of 7.55% compared with 254,763,192 KHR'000 at the year 2022. As a result, debt-to-equity ratio was reported at 0.80X in 2023 compare with 0.85X at the year 2022.



Date: May 15, 2023



Non-Executive Chairman
Neak Oknha Kith Meng

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CHAPTER 1: CORPORATE INFORMATION



1.1 General Information

Company Name:	Phnom Penh SEZ, Plc.
Company Code:	KH1000050000
Company Address:	Phnom Penh Special Economic Zone National Road No. 4, Sangkat Kantouk Khan Kambol, Phnom Penh, Cambodia
Phone Number:	(+855) 23 729 798
Fax Number:	(+855) 23 729 799
Website:	www.ppsez.com
Email:	info@ppsez.com

Company registration number: Inv. 1076KH/2006 Date: 10 May 2006

License number: 33 ANKr. BK (Sub-decree)

Issued by Royal Government of Cambodia Date: 19 April 2006

Listed Exchange: Cambodia Securities Exchange (CSX)

Approval Date: 23 March 2016

Company Representative: Neak Oknha Kith Meng

Phnom Penh Special Economic Zone changed its name to Royal Group Phnom Penh Special Economic Zone on March 16, 2022

Poipet PP Special Economic Zone changed its name to Royal Group Poipet Special Economic Zone on March 16, 2022



1.2 Business Overview

Phnom Penh SEZ, Plc (“PPSP”) is the developer and operator of Royal Group Phnom Penh Special Economic Zone and Royal Group Poipet Special Economic Zone (was renamed on 16 March 2022). We are in the forefront of SEZ developers and operators in Cambodia.

We received the approval as a developer of a multi-product SEZ from the Royal Government of Cambodia on 19 April 2006, making us the SEZ currently operating in the close proximity of Phnom Penh, the capital of Cambodia. The SEZ designation provides considerable government incentives and benefits to SEZ developers, operators and its zone investors, including exemptions from customs tax, income tax and other taxes, resulting in reduced costs for infrastructure, utilities, raw materials and other resources, which increases export competitiveness and benefits international trade. Our Company is principally involved in the business of operating and managing of SEZ with the main purpose of developing industrial land

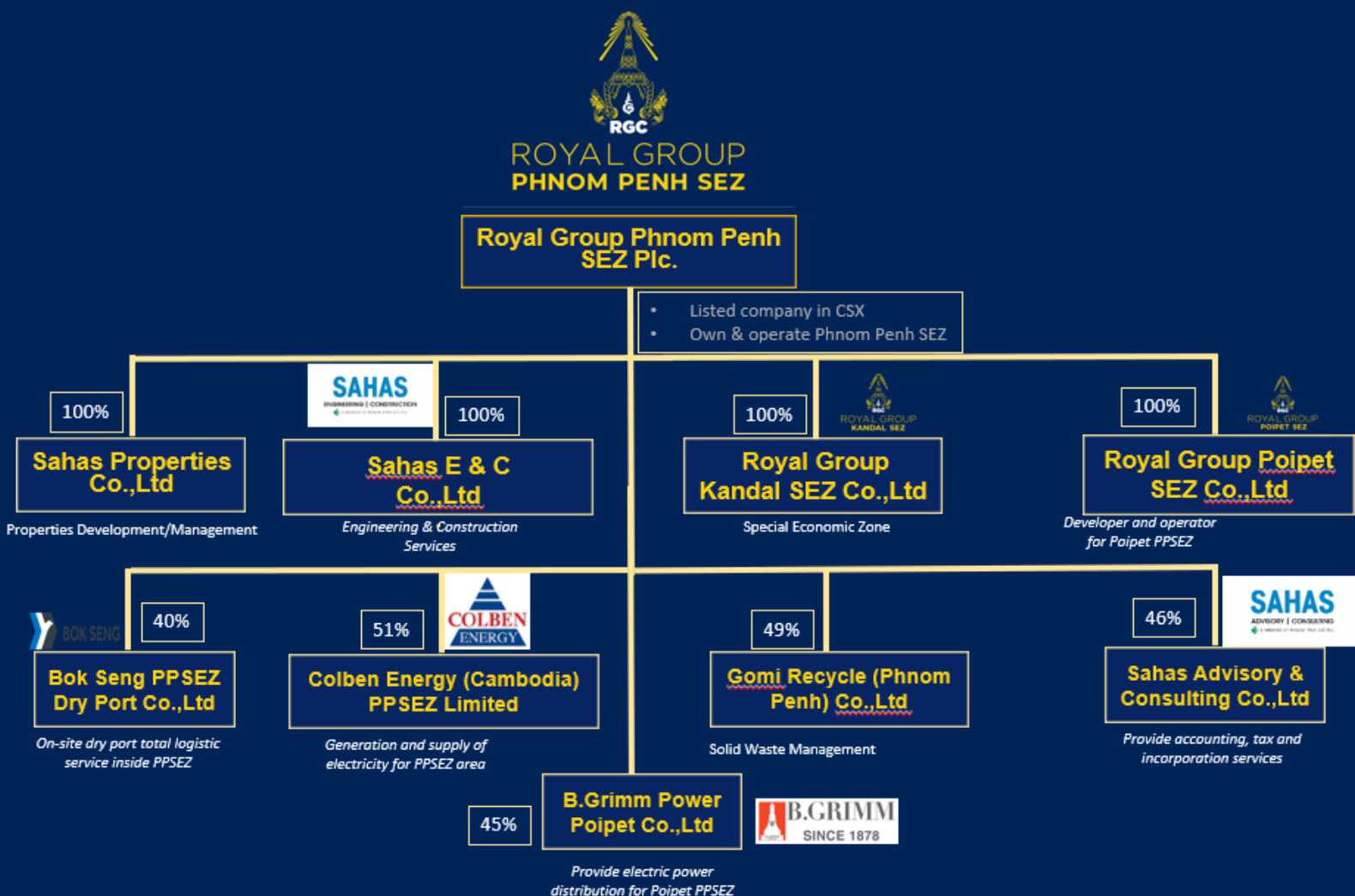
for sale/lease. In addition, as an operator, our Company is also involved in supplying other relevant services and facilities within Royal Group Phnom Penh Special Economic Zone such as supply and distribution of treated water, rental service, infrastructure maintenance, advisory service and administration support, wastewater treatment and other services. We are currently operating the Royal Group Phnom Penh Special Economic Zone located at National Road No. 4, Khan Kambol in Phnom Penh, Cambodia.

Royal Group Phnom Penh Special Economic Zone is currently operating in the proximity of the capital city of Cambodia, Phnom Penh. As at 31 March 2023, it is one (1) out of seventeen (17) operating SEZs (from a total of thirty-six (36) approved SEZs) in Cambodia. In addition, as at 31 March 2023, Royal Group Phnom Penh Special Economic Zone is a leader in term of the number of zone investors, total investment amount, and the number of workers among all the approved SEZs in Cambodia and is one of the largest SEZs in Cambodia by land size with a land size measuring approximately 357.32 HA.

As of 31 March 2023, our company employs one hundred and seventeen (117) personnel.

Through our subsidiaries and associate companies, our Group also provide security services, independent power production and distribution and dry port services to the zone tenants and zone investors of Royal Group Phnom Penh Special Economic Zone.

In this year, we established 3 new subsidiaries/associate including 1) Royal Group Phnom Penh Special Economic Zone II Co.,Ltd for new SEZ development 2) Sahas Properties Co.,Ltd as our property development flagship and 3) Gomi Recycle (Phnom Penh) Co.,Ltd, where we partner up with Japanese company for solid waste management business.



We commenced our operation in Royal Group Phnom Penh Special Economic Zone in 2007 with the construction of Phase I of Royal Group Phnom Penh Special Economic Zone and by August 2008, we received our first zone investor operating in Royal Group Phnom Penh Special Economic Zone. Throughout the years, we have experienced rapid growth in Royal Group Phnom Penh Special Economic Zone as a result of the increasing interest amongst the foreign and local investors to set up their business operations inside Royal Group Phnom Penh Special Economic Zone. As of 31 March 2023, Royal Group Phnom Penh Special Economic Zone accommodates twelve (12) investors from thirteen (13) nations where the majority comes from Japan, Malaysia, Taiwan, China, USA, and Korea in wide-ranging industries such as automobile parts, garment, food and beverage, plastic products, electronic products, and jewelry.

We are currently operating the Royal Group Phnom Penh Special Economic Zone located at National Road No. 4, Khan Kambol in Phnom Penh, Cambodia. Royal Group Phnom Penh Special Economic Zone is strategically located with access to rail and road network. It is situated at approximately eighteen (18) Km from the Phnom Penh City Center with easy access to the Phnom Penh Autonomous Port (an international river port in Phnom Penh City) and Phnom Penh International Airport (the largest international airport in Cambodia). Furthermore, its location along National Road No. 4 offers main and easy connection to the Sihanoukville Autonomous Port, the sole international and commercial deep-sea port of Cambodia.



In addition to its strategic location, Royal Group Phnom Penh Special Economic Zone facilitates and attracts its investors with key features as follows:

- I. Independent power plant operated by Colben PPSEZ, one of our associate companies, to provide power supplies in the event there is a power outage from the national power grid;
- II. Independent water supply system with water purification and sewage treatment plant;
- III. On-site dry port operated by Bok Seng PPSEZ, one of our associate companies, which provides fast and reliable loading and storage facilities to ease import/export transaction and to accommodate transportation needs;
- IV. Comprehensive telecommunication network which is able to link up with twelve (12) different internet service providers and four (4) different telephone service providers;
- V. Flood-safe dike equipped with modern drainage system providing security for smooth and dry operations for its zone investors;
- VI. In-house security services, operated by Sahas PPSEZ Co., Ltd, one of our wholly-owned subsidiaries, to oversee and maintain security in the zone
- VII. In-house construction services, operated by Sahas E&C Co.,Ltd, one of our subsidiaries; and
- VIII. "On-site, one-stop" services in partnership with relevant government agencies i.e. CSEZB, Customs and Excise Department, CAMCONTROL, MOC, and MLVT to assist with custom clearance, business registration, and compliance for its zone investors.

With modern infrastructure, Royal Group Phnom Penh Special Economic Zone has attracted more investors to set up their operation in the zone. Our company's revenue generating activities are as follows:

1.2.1 Land Sales

Over the last twelve (12) years from 2012 to 2023, the income generated from the sale of land in Royal Group Phnom Penh Special Economic Zone is the major contributor to our Group's total revenue. The revenue from the sale of land depends on the number of plots sold and size of each plot sold.

Royal Group Phnom Penh Special Economic Zone is located approximately eighteen (18) Km from the Phnom Penh City Center with access to National Road 4. The SEZ designation allows zone investors to apply and enjoy government incentives and benefits resulting in reduced infrastructure cost when the zone investors set-up their plants in Royal Group Phnom Penh Special Economic Zone.

Based on Cambodian law, only natural persons or legal entities of Cambodian nationality have the right to ownership of land in Cambodia, therefore, the land sales performed in Royal Group Phnom Penh Special Economic Zone are either through an outright sale or via a long-term lease. For outright sales of land transaction, which are solely reserved for local buyers, it is based on a sale and purchase agreement in which the land title of the sold property lot(s) will be transferred to the local buyer upon completion of the agreement. On the other hand, for long-term lease, which can be leased to a local or foreign buyer, it is performed through a non-refundable fifty (50) years term lease agreement with an option to extend for another fifty (50) years on the same terms and conditions renewable by lessee.

Over the last eleven (12) year from 2012 to 2023, the number of our company's outright sales/long-term lease of land transactions in Royal Group Phnom Penh Special Economic Zone can be categorized as follows:

As at 31 March 2023, Royal Group Phnom Penh Special Economic Zone has a total land area of approximately 357.32 HA that will be developed in three (3) phases as follows:

Description	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Outright sale	0	0	0	0	0	0	1	0	0	1	1	3
Long-term lease	2	0	5	3	8	7	9	9	8	6	14	11
Total land sales transaction	2	0	5	3	8	7	10	9	8	7	15	14

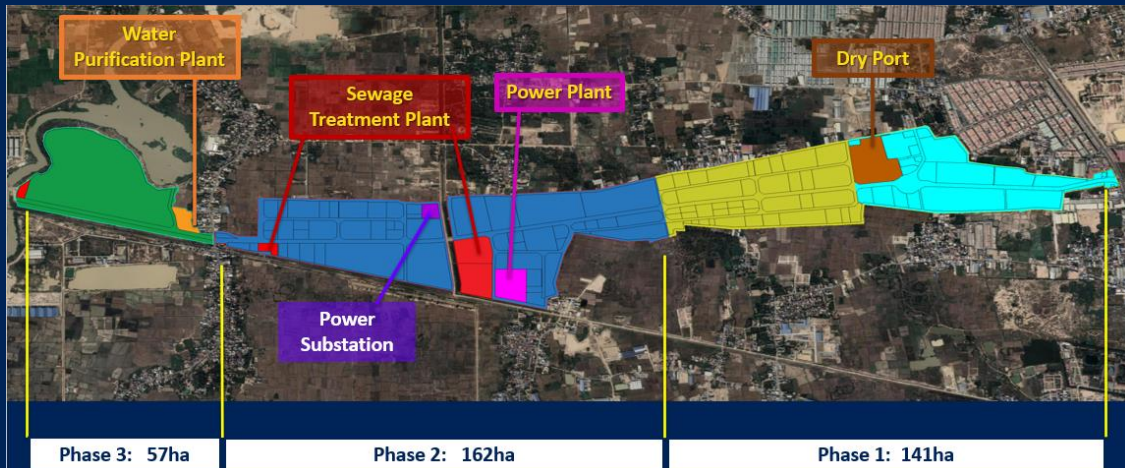
- I. Phase I has completed its major infrastructure and facilities development in 2009. It has a total area of approximately 137.94 HA where approximately 86.71 HA are developed to accommodate sixty-one (61) factory lots with size ranging from 0.19 HA to 10.57 HA each. Phase I also includes approximately 24.46 HA of land that was designed for commercial developments which could accommodate but not limited to shop lots, restaurants and banks. Further, approximately 1.53 HA of land were designated for worker hostel area. The remaining zone area are designed for infrastructure usage and service area including our headquarter;
- II. Phase II, has a land size of approximately 161.59 HA, where its development is divided into Phase II-I and Phase II-II. Phase II-I has completed its major infrastructure and facilities since 2014. Phase II-I comprises approximately 87.85 HA of land area, in which 59.85 HA are developed to accommodate twenty-eight (28) factory lots with size ranging from 0.50 HA to 10.00 HA each, approximately 2.82 HA are rented as worker hostel area and the rest of the zone area are used for infrastructure purpose. Phase II-II completed its major infrastructure and facilities since early 2016. Phase II-II covers an area of approximately 73.74 HA in
- III. Which 57.82 HA are developed to accommodate thirty-one (31) factory lots with size ranging from 0.64 HA to 9.28 HA each. The remaining zone areas were designated for infrastructure and commercial area; and
- IV. Phase III, with a land size of approximately 57.79 HA, is still under development. we, in this year, reached agreement to sell 41.3 HA to Gain Lucky Limited, a subsidiary of Shenzhou International Group, the largest manufacture of high-end knitwear in China. This transaction was considered as the largest-ever land sales transaction by the Company.

Since 2010, our company had obtained the ISO: 9001 certifications as a testament for our commitment towards quality and modern infrastructures installed in Royal Group Phnom Penh Special Economic Zone while providing high levels of customer service to the Royal Group Phnom Penh Special Economic Zone's zone investors. In addition, our company also obtained ISO: 14001 certifications for our contribution in the environmental conservation.



1.2.2 Services Rendered

Apart from the outright sale and long-term lease of land, we also provide the tenants of Royal Group Phnom Penh Special Economic Zone with services and infrastructure to facilitate their operations in Royal Group Phnom Penh Special Economic Zone, which includes the following:



Utilities

We provide our tenants with an independent and steady supply of water. Water is supplied through the installation of a water processing plant with a capacity of producing 14,900 m³ of fresh water on a daily basis and is located within the Royal Group Phnom Penh Special Economic Zone where it collects water primarily from Stoeng Preak Tnot located next to Royal Group Phnom Penh Special Economic Zone.

Water is also collected through the rain water storage pond with a capacity of 25,000 m³. The rain water storage pond also serves as temporary water supply backup system in the event that there is disruption of water supply from the river water. Prior to supplying the water to the tenants of Royal Group Phnom Penh Special Economic Zone, experienced engineers in the water processing plant will undergo quality testing on the water with effective and modern tools and equipment in the plant's laboratory to ensure the water quality meets the industrial standards. Our company has also installed a total of five (5) elevated storage reservoirs and water tanks for water storage and proper water pressure for the tenants' usage.

Through our associate company, Colben PPSEZ, we are also involved in operating an industrial power generation plant in the Royal Group Phnom Penh Special Economic Zone, which supply electricity for the tenants and premises inside the estate in the event there is a power outage from the national electricity grid. The said power plant is built on an area of approximately 5.04 HA and has a total electric generation capacity of thirteen (13) MW via three (3) installed heavy fuel oil generators.

The pictures below show the independent power plant located in Royal Group Phnom Penh Special Economic Zone.



Infrastructure Maintenance

To maintain the infrastructure and general operation cost of the Royal Group Phnom Penh Special Economic Zone in the common area such as roads, electricity charges for the street lights, and other maintenance cost for the infrastructure's facilities inside Royal Group Phnom Penh Special Economic Zone, our company also collects infrastructure maintenance fee from the zone occupants in Royal Group Phnom Penh Special Economic Zone. The infrastructure maintenance fee is collected based on the land area of an occupant, multiplies by a prefixed rate of maintenance fee.



Advisory Service and Administration Support

In order to be a one-stop center for our zone investors, our company provides advisory and administration support services to our zone investors. The provision of such advisory and administration support aims to facilitate zone investors' registration activities in Cambodia. These administration support services include registration of zone investors' business

operations with various authorities in Cambodia, which includes:

- QIP registration;
- Tax holiday registration;
- Preparation of master list for production;
- Factory opening declaration and certificate;
- Registration with MLVT; and
- GSP certificate (for zone investors that export their goods) for custom clearance.

Wastewater Treatment

We also provide water treatment services for the wastewater discharged by our zone occupants using our installed independent anti-corrosion pipe system in Royal Group Phnom Penh Special Economic Zone. The wastewater treatment plant is using aerated lagoon system that uses aeration ponds with surface aerators, settling ponds and polishing pond to treat the toxic constituent's wastewater before discharge to the outside of the estate or reused for irrigation purpose within the zone area.

The pictures below show the water filtration and sewage treatment facility in Royal Group Phnom Penh Special Economic Zone.



1.2.3 Rental Income

We also provide building rental services which include factories, dormitories, warehouse, and shop lots in Royal Group Phnom Penh Special Economic Zone. Such rental services are mainly on short-term leases. Generally, the leasing period ranging from three (3) to five (5) years with options to renew for another three (3) or five (5) years.

1.2.4 Construction Business

Since 2017, we established Sahas E&C Co,Ltd to grow our new business in engineering and construction. This company initially start from doing construction work within our group and later start to get the deal from other customers.

1.2.5 Market Situation

As at 31 March 2023, our company has secured a total of ninety-eight (98) zone investors/tenants in Royal Group Phnom Penh Special Economic Zone from countries such as Japan, Singapore, Malaysia, Taiwan, Korea, Philippines, China, Vietnam, Turkey, USA, Cambodia and Thailand.

We mainly target zone investors that involved in the light to medium and more labor intensive industries and have thus far, attracted investors from the following industries:

- Mechanical and electrical products destined for both the export and the local market;
- Garment, shoes, apparel and fashion industries;
- Food processing and agricultural industries for regional and local markets;
- Consumer products (pharmaceutical, packaging, etc.);
- Automobile parts;
- Assembly of pre-produced parts to final product for regional and local markets; and
- Logistic companies.

Based on the most updated information from The Council for the Development of Cambodia ('CDC'), Phnom Penh SEZ hold the 2nd largest number of Projects among the SEZs with 92 Projects but has drawn the highest investment capital of 562,689,666 USD. The future outlook for the SEZs in Cambodia is projected to remain strong, in line with the anticipated strong economic growth in Cambodia. Cambodia relies heavily on investments to spur economic growth. As a point of fact, the SEZ scheme was introduced by the Cambodian government to spur investments, with the objectives of streamlining administrative procedures and encouraging private sector participation in all aspects of the development and operations in the SEZ. In addition, laws and policies have also been put in place to encourage and protect foreign investments to spur the domestic Cambodian economic growth. As the nation continues to strive for industrialization, robust growth is

anticipated to be experienced across major industries in Cambodia, specifically the agriculture, garment manufacturing, construction subsector and tourism industry. Strong governmental support for the development of the nation has a spillover effect to the development of SEZs.

The development of SEZs in Cambodia is still in its nascent stage. Today, some of the largest foreign investors in Cambodia include China, Korea, Malaysia, the United Kingdom and the US. Out of the 36 approved SEZ, only seventeen (17) SEZs have commenced operations. Robust development and strong industry drivers are anticipated to ensure strong growth for the remaining developing SEZs in the coming years. Cambodia has an attractive investment environment; attributed to its relatively stable political environment, geographical advantage, open economy and fairly-competitive labor cost/availability. In addition, the Cambodian government employs tax holidays, duty free import and various incentives such as the SEZs' one-stop services to attract FDI into the SEZs. Supporting infrastructure and facilities within SEZ further attract zone investors to channel their investments in SEZs, hence accelerating the development of the SEZs.

SEZ Name	Province	Est. Year	Area (Ha)	Number of Projects
Sihanoukville SEZ	Sihanoukville	2008	1,113	109
Phnom Penh SEZ	Phnom Penh	2006	357	92
Manhattan Svay Rieng SEZ	Svay Rieng	2006	157	31
Tai Seng Bavet SEZ	Svay Rieng	2007	99	27
Sanco Poi Pet SEZ	Banteay Meanchey	2013	66.5	10
Poi Pet Ou Neang SEZ	Banteay Meanchey	2006	467	5
Neang Kok Koh Kong SEZ	Koh Kong	2007	335	5
Dragon King Bavet SEZ	Svay Rieng	2012	106.5	4
Sihanoukville Port SEZ	Sihanoukville	2009	70	3
Sihanoukville SEZ #1	Sihanoukville	2006	178	3
Shandong Sunshell SEZ	Svay Reing	2013	96	2
Goldfame Paksun SEZ	Kandal	2007	80	2
Hi-Park SEZ	Svay Rieng	2013	263.13	2
H.K.T. SEZ	Sihanoukville	2012	345	1
Kerry Worldbridge SEZ	Phnom Penh	2015	63	1
Qi Lu (Jian Pu Zhai) SEZ	Svay Rieng	2017	179.12	1
Suvannaphum SEZ	Kandal	2014	200	1

1.2.6 Competitive Advantage

The primary elements for our competitive advantage are as follows:

1.2.7 Strategic location of Royal Group Phnom Penh Special Economic Zone

Royal Group Phnom Penh Special Economic Zone is located in the Cambodian capital and is approximately eighteen (18) Km from the Phnom Penh City Center with easy access to the Phnom Penh Autonomous Port (an international river port in Phnom Penh City) and eight (8) Km away from the Phnom Penh International Airport. Royal Group Phnom Penh Special Economic Zone is strategically located with access to the National Road 4 that connects to the Sihanoukville Autonomous Port. Royal Group Phnom Penh Special Economic Zone is also accessible by various modes of transportation. In addition, Royal Group Phnom Penh Special Economic Zone is located adjacent to the main railway track in Cambodia. The strategic location of Royal Group Phnom Penh Special Economic Zone with convenient accessibility facilitates the distribution of goods produced to inner parts of the country.

Royal Group Poipet Special Economic Zone is a new Special Economic Zone (SEZ), developed and operated under Poi Pet PPSEZ Co., Ltd., a wholly-owned subsidiary of Phnom Penh SEZ Plc. It is located in Banteay Meanchey Province, Northwestern Cambodia neighboring the Cambodia-Thai Border. It is approximately 8 Km East of the Poipet city center, with access to one of the key border crossing point with Thailand in the northwest of Cambodia. Its aforesaid strategic location is attractive to prospective investors who are looking for starting new manufacturer, warehouse, or distribution center. It is actually 250 km away from the deep sea port at Laem Chabang, Thailand.

Strategically located with direct access to National Road No. 5 (a designated part of the Asian Highway 1), Royal Group Poipet Special Economic Zone is an important knot along the Hoh Chi Minh – Phnom Penh – Siem Reap – Bangkok route.

1.2.8 Established relationship with customers

Currently, we have been involved in the development and management of SEZ for 12 years. As at 31 March 2023, Royal Group Phnom Penh Special Economic Zone has Ninety-two (92) zone investors (in respect of SEZs, customers are also known as zone investors as they set up their operations within the SEZs) that have already set-up or in the process of setting up manufacturing/assembling plants in Royal Group Phnom Penh Special Economic Zone. Furthermore, as at 31 March 2023, Royal Group Phnom Penh Special Economic Zone is one of the leading SEZs in term of invested capital and number of tenants among all the thirty-six (36) approved SEZs in Cambodia.

In addition, through our Japanese shareholder and the wide business network of the management of PPSP, As at 31 March 2023, our company has successfully attracted 41% of Japanese companies invested in Royal Group Phnom Penh Special Economic Zone which makes Royal Group Phnom Penh Special Economic Zone to have the largest Japanese investor base among all the SEZs in Cambodia.

1.2.9 Our experienced board of directors/management team

Our company is led by a team of experienced board of directors/management team. Our chairman has led our company since its incorporation in 2006. He has been involved in managing infrastructure development, property development and investment, trading in consumer goods, leisure and hospitality in Cambodia. On the other hand, our CEO, Mr. Hiroshi Uematsu has been involved in business administration and engineering related industries for over twenty (20) years.

Both our chairman and CEO, leads a team of Senior Officers comprising 8 personnel with diversified skills in construction, project management, engineering, customer service, marketing, accounting and finance, and investor relations management which has been instrumental in the success of our Group.

1.2.10 Our value-added services

In addition to the development and management of Royal Group Phnom Penh Special Economic Zone, our Group also able to provide value added services including:

- In-house security services provided by our wholly-owned subsidiary, namely Sahas PPSEZ;
- In-house construction services, provided by Sahas E&C Co.,Ltd, our subsidiary;
- Stable backup power supply from an independent power plant located in Royal Group Phnom Penh Special Economic Zone that is operated by Colben PPSEZ, an associate company;
- Dry port facilities inside Royal Group Phnom Penh Special Economic Zone which is operated by Bok Seng PPSEZ, an associate company; and
- Other infrastructures such as independent water purification and sewage treatment plant, comprehensive telecommunication network, sufficient warehouse rental space, dormitory rental service and other services catering the diverse needs of the tenants of Royal Group Phnom Penh Special Economic Zone.

1.2.11 Future Business Plan

Moving forward, our mission is to maintain our position as the leading SEZ in Cambodia. Our future plans are as follows:

1.2.12 Commencement of major infrastructure and facilities works for Royal Group Poipet Special Economic Zone

Since 2014, we start developing new SEZ in Banteay Meanchey Province of Cambodia under the name “Royal Group Poipet Special Economic Zone”, which has been operated by our wholly-owned subsidiary, Poi Pet PPSEZ Co.,Ltd. With the total land size of 68.4 Ha., the Royal Group Poipet Special Economic Zone is located in the proximity of Poipet city, approximately 5.60km east of the Poipet city center, where it has access to one of the border crossing check point in the northwest of Cambodia which is adjacent to the border with Thailand.

The Poipet city is located approximately 306km away from Bangkok and approximately 410km away from Phnom Penh. As at 31 March 2023, there are two (2) approved SEZs in Poipet city namely Poipet O’Neang SEZ and Sanco Poi Pet SEZ. The Royal Group Poipet Special Economic Zone is strategically located with access to the National Road No. 5 which will constitute part of the Asian Highway 1 that provides convenient accessibility and facilitates the distribution of goods to Cambodia and also the inner parts of Thailand and other Asian countries. It is also located approximately 250km away from the Laem Chabang Port, one of the main deep-sea ports located in the eastern part of Thailand.



The preliminary concept for Royal Group Poipet Special Economic Zone is to develop it into a SEZ that caters to the potential light industries investors whom would like to make Cambodia as its alternative manufacturing hub to Thailand. Currently, we are in the process of preparing the necessary documentation to obtain approval for Royal Group Poipet Special Economic Zone from the relevant Cambodian authorities for the SEZ designation. At this juncture, we are developing the Royal Group Poipet Special Economic Zone in two (2) phases, Phase I and Phase II. The development map is as shown below:



LIST OF TENANTS IN ROYAL GROUP POIPET SEZ				
PLOT NO.	COMPANY NAME	COUNTRY	PLOT AREA	PRODUCT
P1-17, 20	Sumitronics Manufacturing (Cambodia) Co., Ltd.	Japan	10,000 m2	Electronic Components
P1-01	Royal Group Poipet SEZ Rental Factory	Cambodia	7,367 m2	Rental Factory
	HGB Motors Assembly Co., Ltd.	Cambodia		Vehicle assembly
P1-02, 03, 04, 05, 06	HGB Motors Assembly Co., Ltd.	Cambodia	23,871 m2	Vehicle assembly
P1-07, 08, 09, 010	HGB Motors Assembly Co., Ltd.	Cambodia	18,731 m2	Vehicle assembly



PHASE	OCCUPATION	NAME	AREA (m ²)	%	
Phase 1	Property Phase 1		223,173	37.3	
	Commercial		12,225	2.0	
	Utilities	WTP & Water Tank and Water Tower 1		6,460	1.1
		Water Tank and Water Tower 2		2,864	0.5
		WWTP		16,424	2.7
		Garbage Collection Center		4,000	0.7
		Electrical Station		1,347	0.2
	Residential / Restaurant		5,570	0.9	
	Administration		3,500	0.6	
	Road		22,540	3.8	
	Maintenance track		6,065	1.0	
	Sidewalk		9,799	1.6	
	Drain Area		17,539	2.9	
	Grass Area		20,314	3.4	
Phase 1 Total			351,820	58.8	
Phase 2	Property Phase 2		191,434	32.0	
	Road		16,416	2.7	
	Maintenance track		3,106	0.5	
	Sidewalk		2,558	0.4	
	Drain Area		18,949	3.2	
	Grass Area		18,958	2.9	
	Phase 2 Total			246,951	41.2
Grand Total			598,651	100	

Description	Phase 1	Phase 2	Total
Industrial Plots with area <5,000m ²	8	0	8
Industrial Plots with area between 5,000m ² and 6,000 m ²	31	24	55
Industrial Plots with area >6,000m ²	3	7	10
Total	42	31	73

Future Development : 105,746 m²

Phase I of the Royal Group Poipet Special Economic Zone covers an area of approximately 34.83 HA whereby approximately 21.40 HA are allocated to accommodate a total of forty (40) factory lots with the size ranging from approximately 0.40 HA to 0.90 HA each. It will also house a commercial area, a dry port, workers' accommodation, administrative office building and other facilities and infrastructure buildings. On 10th April 2019, Sumitronics Manufacturing (Cambodia) Co.,Ltd became our first tenant in Royal Group Poipet Special Economic Zone. They agreed to purchase 1 Ha. with option to purchase another 1 Ha. in the near future.

In addition, Phase II of the Royal Group Poipet Special Economic Zone will commence its major infrastructure and facilities works. It will cover an area of approximately 20.67 HA whereby approximately 15.89 HA are allocated to accommodate a total of twenty-eight (28) factory lots with size ranging from approximately 0.38 HA to 0.80 HA each and the rest of the area are designed for infrastructure and service area. After collectively acquire additional land over the last two (2) years, Poi Pet PPSEZ has owned the total area of 68.4 H.a.

1.2.13 Expansion of other relevant services

Albeit our current revenue stream is mainly from land sale/perpetual lease, we, however, strive to build sustainable business model for industrial estate development. We endeavor to introduce and increase revenue from more sustainable sources.

Currently within Royal Group Phnom Penh Special Economic Zone, we have successfully installed an independent water supply system which consists of water reservoir cum water treatment system with the capacity to supply approximately 14,900 m3 of water per day moving forward to cater the anticipated increase in the number of diversified investors. This will mitigate any potential disruption of water supply to Royal Group Phnom Penh Special Economic Zone and ensure that investors in Royal Group Phnom Penh Special Economic Zone, particularly those that are involved in the food and beverage industry which requires a constant supply of water for their operations, do not face disruption in water supply. As at 31 March 2023, the water consumption of the independent water supply system is approximately 5,300 m3 per day, representing a utilization of 36%. Water consumption continue increasing from last year due to new operation of beverage companies inside the zone.



1.3 Significant Quarterly events of listed company

An Honorable Visit of H.E. Ambassador of Japan to RGPPSEZ

On 3 March 2023, we were highly honored to welcome the visit of H.E. UENO Atsushi, Ambassador Extraordinary and Plenipotentiary of Japan to the Kingdom of Cambodia, to the Royal Group Phnom Penh Special Economic Zone (RGPPSEZ). 2023 marks the 70th Anniversary of the diplomatic relationship of Japan and Cambodia. And it has been agreed that the two countries further upgrade the bilateral relationship to a “comprehensive strategic partnership” from 2023.

H.E. UENO has been appointed as Ambassador of Japan to Cambodia since January 2023. In his greeting message posted in the website of Embassy of Japan in Cambodia, H.E. UENO said “As Ambassador, I would like to focus on interacting with as many Cambodian people as possible, from both the public and private sectors, in order to gain a deeper understanding of the country’s society and culture. Through such exchanges, I will do my best to further develop Japan-Cambodia relations. I would also like to develop trade and investment relations, as well as continuing the economic cooperation that supports Cambodia’s economic and social development which Japan has been providing for many years.”

This is H.E.’s first time visit to our zone as a new Ambassador. The visit was organized at some well-known Japanese companies namely Ajinomoto, Sumi Wiring Systems, Minebea, and the construction site of Toyota Tsusho Manufacturing. This very visit of H.E. Ambassador does give us pride and honor, especially the courage and enthusiasm to try even harder.



Wing Bank Inaugurated a New Branch in RGPPSEZ

As the developing company of Royal Group Phnom Penh Special Economic Zone (RGPPSEZ), Royal Group Phnom Penh SEZ Plc. (PPSP) has been attracting investors from all over the world to set up their manufacturing plants in the zone. At the same time, we have been receiving investments in the non-manufacturing field as well, especially those who provide various services to our investors.

On 24 February 2023 we were honored and proud to witness the Grand Opening Ceremony of Wing Bank's branch in our zone. Wing Bank (Cambodia) Plc. is also one member in our same group, the Royal Group of Companies. Even before the company advanced to be the commercial bank in 2022, their money transfer and bills payment services etc. have been very popular and widely used by Cambodian workers and the general public for a very long time.

The ceremony was presided over by H.E. Rath Sovannorak, Assistant Governor and Director General of Banking Supervision from the National Bank of Cambodia, and Neak Oknha Kith Meng, the Chairman of Royal Group of Companies and Wing Bank (Cambodia) Plc., and participated by hundreds of distinguished guests, related partners and customers.

For this auspicious occasion, Wing Bank announced various special services and promotions to investors in the zone. We believe that having a branch of Wing Bank in our zone will largely provide benefits and convenience to both our investors and all the workers and staffs working here.



Royal Group Phnom Penh SEZ Plc. was selected as the company for the fifth CFA Institute Research Challenge

It was a great honor for Royal Group Phnom Penh SEZ Plc. (PPSP) to be selected as the fifth company for CFA Institute Research Challenge. The Kick-off meeting started on 12 October 2022 and the final Prize Ceremony was on 15 February 2023. The CFA Institute Research Challenge is a global competition that tests the equity research and valuation, investment report writings, and presentation skills of university students.

For this fifth season 2022-2023 of CFA, there were four universities taking part and they competed with each other namely American University of Phnom Penh (AUPP), CamEd Business School, Num International College, and Paragon International University, and they were supported by supervisors, mentors, graders, volunteer teams, judges and the Cambodia Community of Investment Professionals.

The final day of the prize giving ceremony was presided over by H.E Sou Socheat, Director General of Securities and Exchange Regulator of Cambodia (SERC), H.E Hong Sokhour, CEO of Cambodia Securities Exchange (CSX), Mr. UEMATSU Hiroshi, CEO, and Mr. Fong Nee Wai, CFO of PPSP, Ms. Ratana Phurik Allebaut, CFA Chairperson, Mr. Alex Tee, CFA Organization Committee, and the other partners. After their hard work for the past five months, CamEd Business School was chosen as the champion for a second consecutive year, while the runner up was American University of Phnom Penh. Num International College, and Paragon International University were the consolation winners.

The Worldwide intercollegiate competition between teams of students, the winners from the local competitions advance to sub-regional competition, and then to one of the three regional competitions, culminating in a global final. We hope that CamEd will still do their best to congratulate for being a winner of the next competition with the other regions.



13th Project of Corporate Social Responsibility by Royal Group Phnom Penh SEZ Plc.

On 11 February 2023, an official inauguration ceremony was held for the public use of a newly built kindergarten located in Mkak Village, Duem Rues Commune, Kandal Stueng District, Kandal Province. The ceremony was presided over by Mr. Ouch Sao Voeun, Governor of Kandal Stueng District and Mr. Fong Nee Wai, Chief Financial Officer of Royal Group Phnom Penh SEZ Plc., and attended by 123 people from Mkak Village, local authorities, and staffs of the company.

Furnished with classroom furniture and study materials ready for immediate use, this 6m by 8m kindergarten was a result of our 13th Project of Corporate Social Responsibility (CSR), which cost USD11,000 in total.

The aim of this CSR Project was to provide opportunity for young children to receive more education as well as to assist their parents to have more time and opportunity to work and generate income. We hope this new kindergarten will contribute to the uplift of early education of small children and betterment of the living conditions of families in the village.

Royal Group Phnom Penh SEZ Plc. has conducted the annual CSR projects and other small charitable activities since 2009 including building school libraries and toilets, repairing and paving roads, giving road safety education, and supporting the Cambodian silk production research etc. We always keep in mind that helping to improve people's living condition is one of our missions.





CHAPTER 2: BUSINESS OPERATION RESULTS



2.1 Business Operation Results & News

In the first quarter of 2023, our business operations were slight increase while land revenue and rental income was KHR'000 117,997,841 compared to KHR'000 2,528,439 in the 1st quarter of 2022.



2.2 Revenue Structure

We measure revenue at fair value of the consideration received or receivable, net of discounts and rebates. We recognize revenue to the extent that it is probable that the economic benefits associated with any transaction will flow to our company and the amount of revenue and the cost incurred or to be incurred in respect of such transaction can be reliably measured and specific recognition criteria have been met for each of our activities as follows:

2.2.1 Sale of land

Revenue from sale of land is recognized when significant risk and rewards of ownership of the land are transferred to the buyer and the amount of the revenue can be measured reliably.

2.2.2 Services rendered

Revenue from services is mainly in respect of the provision of maintenance services, utilities, used of transmission lines and security services, which is recognized when the services are rendered.

2.2.3 Construction Revenue

We start to recognize revenue from construction business. Due to our strategic direction, we aim to expand our construction service to serve our tenants and also customer outside the zones.

2.2.4 Rental income

Rental income is accounted for on a straight-line basis over the lease term of an ongoing lease. The aggregated cost of incentives provided to the lessee is recognized as reduction of rental income over the lease term on a straight line basis.

2.2.5 Our total revenue over the last three (3) fiscal years can be tabulated as below:

No.	Source	Q1 2023		Q1 2022		Q1 2021	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Sales of Land	113,611,639	92.41 %	-	0.00 %	-	0.00 %
2	Service Rendered	3,210,577	2.61 %	5,061,439	28.03 %	3,431,713	48.06 %
3	Construction Revenue	1,740,808	1.42 %	10,466,885	57.97 %	1,582,271	22.16 %
4	Rental Income	4,386,202	3.57 %	2,528,439	14.00 %	2,126,610	29.78 %
	Total	122,949,226	100.0 %	18,056,763	100.0 %	7,140,594	100.0 %

(Unit: KHR'000)



CHAPTER 3: REVIEWED FINANCIAL STATEMENTS

PHNOM PENH SEZ PLC.
(Company No. 00006448)
(Incorporated in Cambodia)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND THREE-MONTH PERIOD ENDED 31 MARCH 2023

Company No. 00006448

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

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Company No. 00006448

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed interim statements of financial position of PHNOM PENH SEZ PLC. ("the Company") and its subsidiaries ("the Group") as at 31 March 2023, and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and three-month period then ended, and the notes to the condensed interim financial information (collectively referred to as "Condensed Interim Financial Information") are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

Signed on behalf of the Board of Directors,



.....
UEMATSU HIROSHI
Director

Phnom Penh, Kingdom of Cambodia

Date: 10 May 2023

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	Group			Company		
		(Unaudited)		(Audited)	(Unaudited)		(Audited)
		31 March 2023	31 December 2022	31 December 2022	31 March 2023	31 December 2022	31 December 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
ASSETS							
Non-current assets							
Property, plant and equipment	3	19,799,103	80,265,564	17,686,840	13,986,765	56,702,345	13,910,630
Investment properties	4	16,488,839	66,845,753	16,635,088	7,247,986	29,383,335	7,343,263
Investment in subsidiaries	5	-	-	-	39,783,104	161,280,704	39,783,104
Investment in associates	6	12,818,176	51,964,885	12,809,568	11,790,194	47,797,446	11,770,321
Investment in joint venture	14	76,995	312,138	70,900	76,995	312,138	70,900
Total non-current assets		49,183,113	199,388,340	47,202,396	72,885,044	295,475,968	72,878,218
Current assets							
Inventories	7	29,286,339	118,726,818	41,006,441	12,951,312	52,504,619	12,948,312
Trade and other receivables	8	31,743,907	128,689,799	21,216,159	8,762,187	35,521,906	7,685,942
Contract assets	12	567,020	2,298,699	959,170	-	-	-
Cash and cash equivalents	9	11,097,862	44,990,732	4,276,289	182,100	738,233	523,108
Total current assets		72,695,128	294,706,048	67,458,059	21,895,599	88,764,758	21,157,362
TOTAL ASSETS		121,878,241	494,094,388	114,660,455	94,780,643	384,240,726	94,035,580
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	10	35,937,500	145,690,625	35,937,500	35,937,500	145,690,625	35,937,500
Share premium	11	4,575,051	18,547,257	4,575,051	4,575,051	18,547,257	4,575,051
Retained earnings		27,082,227	109,791,348	21,377,107	20,543,931	83,285,096	20,633,456
		67,594,778	274,029,230	61,889,658	61,056,482	247,522,978	61,146,007
Non-controlling interests		(9,165)	(37,155)	(8,873)	-	-	-
TOTAL EQUITY		67,585,613	273,992,075	61,880,785	61,056,482	247,522,978	61,146,007
Non-current liabilities							
Loans and borrowings	13	13,215,760	53,576,690	13,528,836	5,629,452	22,821,798	5,595,463
Contract liabilities	12	7,535,000	30,546,890	7,672,000	7,535,000	30,546,890	7,672,000
Total non-current liabilities		20,750,760	84,123,580	21,200,836	13,164,452	53,368,688	13,267,463
Current liabilities							
Loans and borrowings	13	4,124,260	16,719,749	4,952,092	2,465,053	9,993,325	3,264,662
Current tax liabilities		1,505,265	6,102,344	159,704	-	-	30,869
Trade and other payables	16	27,364,343	110,935,048	25,919,038	17,546,656	71,134,143	15,778,579
Contract liabilities	12	548,000	2,221,592	548,000	548,000	2,221,592	548,000
Total current liabilities		33,541,868	135,978,733	31,578,834	20,559,709	83,349,060	19,622,110
TOTAL LIABILITIES		54,292,628	220,102,313	52,779,670	33,724,161	136,717,748	32,889,573
TOTAL EQUITY AND LIABILITIES		121,878,241	494,094,388	114,660,455	94,780,643	384,240,726	94,035,580

The Condensed Interim Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED INTERIM STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE-MONTH PERIOD ENDED 31 MARCH 2023**

	Note	(Unaudited)					
		Group			Company		
		31 March 2023		31 March 2022	31 March 2023		31 March 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Revenue	17	30,327,880	122,949,226	4,223,976	1,269,255	5,145,560	1,210,929
Cost of revenues	18	(20,681,167)	(83,841,451)	(2,993,052)	(251,841)	(1,020,963)	(392,437)
Gross profit		9,646,713	39,107,775	1,230,924	1,017,414	4,124,597	818,492
Other income	19	16,491	66,855	127,127	300,091	1,216,569	422,705
Administrative expenses	20	(2,074,578)	(8,410,339)	(1,814,036)	(1,238,203)	(5,019,675)	(1,101,149)
Operating profit/(loss)		7,588,626	30,764,291	(455,985)	79,302	321,491	140,048
Finance costs	21	(302,373)	(1,225,820)	(296,388)	(148,749)	(603,028)	(201,467)
Share of results of associates		14,703	59,606	50,659	25,968	105,274	50,659
Profit/(Loss) before tax		7,300,956	29,598,077	(701,714)	(43,479)	(176,263)	(10,760)
Income tax expense	22	(1,596,128)	(6,470,703)	(2,580)	(46,046)	(186,670)	-
Profit/(Loss) for the financial period from continuing operation		5,704,828	23,127,374	(704,294)	(89,525)	(362,933)	(10,760)
Profit from discontinuing operation		-	-	23,551	-	-	-
Profit/(Loss) for the financial period, representing total comprehensive income/(loss)		5,704,828	23,127,374	(680,743)	(89,525)	(362,933)	(10,760)
Profit/(Loss) attributable to:							
Owners of the Company		5,705,120	23,128,558	(686,315)			
Non-controlling interests		(292)	(1,184)	5,572			
		5,704,828	23,127,374	(680,743)			
Total comprehensive income/(loss) attributable to:							
Owners of the Company		5,705,120	23,128,558	(686,315)			
Non-controlling interests		(292)	(1,184)	5,572			
		5,704,828	23,127,374	(680,743)			
Total comprehensive income attributable to the Company:							
Continuing operation		5,705,120	23,128,558	(709,866)			
Discontinued operation		-	-	23,551			
		5,705,120	23,128,558	(686,315)			
Basic/Diluted profit/(loss) per share	23	0.079	0.322	(0.010)			

The Condensed Interim Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interests US\$	Total equity US\$
Group						
At 1 January 2023 (Audited)		35,937,500	4,575,051	21,377,107	(8,873)	61,880,785
Profit/(Loss) for the financial period, representing total comprehensive income (Unaudited)		-	-	5,705,120	(292)	5,704,828
At 31 March 2023 (Unaudited)		35,937,500	4,575,051	27,082,227	(9,165)	67,585,613
(KHR'000 equivalent)		145,690,625	18,547,257	109,791,348	(37,155)	273,992,075
Group (Audited)						
At 1 January 2022		35,937,500	4,575,051	20,368,679	(6,666)	60,874,564
Adjustment of Sahas Securities		-	-	84,980	-	84,980
Dividend paid	27	-	-	(1,169,693)	(12,436)	(1,182,129)
Profit for the financial period, representing total comprehensive income		-	-	2,093,141	10,229	2,103,370
At 31 December 2022		35,937,500	4,575,051	21,377,107	(8,873)	61,880,785
(KHR'000 equivalent)		147,954,688	18,835,485	88,009,549	(36,530)	254,763,192

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (CONTINUED)**

Company	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
At 1 January 2023 (Audited)		35,937,500	4,575,051	20,633,456	61,146,007
Loss for the financial period, representing total comprehensive income (Unaudited)		-	-	(89,525)	(89,525)
At 31 March 2023 (Unaudited)		35,937,500	4,575,051	20,543,931	61,056,482
(KHR'000 equivalent)		145,690,625	18,547,257	83,285,096	247,522,978
Company (Audited)					
At 1 January 2022		35,937,500	4,575,051	21,386,718	61,899,269
Dividend paid	27	-	-	(1,169,693)	(1,169,693)
Profit for the financial period, representing total comprehensive income		-	-	416,431	416,431
At 31 December 2022		35,937,500	4,575,051	20,633,456	61,146,007
(KHR'000 equivalent)		147,954,688	18,835,485	84,947,938	251,738,111

The Condensed Interim Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023**

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023	31 March 2022	31 March 2023	31 March 2022	31 March 2022	31 March 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from operating activities						
Profit/(Loss) before tax:	7,300,956	29,598,077	(701,714)	(43,479)	(176,263)	(10,760)
<i>Adjustments for non-cash items:</i>						
Deferred revenue	(137,000)	(555,398)	(137,000)	(137,000)	(555,398)	(137,000)
Depreciation of:						
- Property, plant and equipment	385,373	1,562,302	392,950	306,501	1,242,555	303,235
- Investment properties	236,290	957,920	131,562	95,277	386,253	95,280
Property, plant and equipment written off	-	-	20,917	-	-	-
Finance costs	302,373	1,225,820	296,388	148,749	603,028	201,467
Interest income	(11,322)	(45,899)	(433)	(74)	(300)	(43)
Share of results of associates	(14,703)	(59,606)	(50,659)	(25,968)	(105,274)	(50,659)
Operating profit/(loss) before changes in working capital	8,061,967	32,683,216	(47,989)	344,006	1,394,601	401,520
<i>Changes in working capital:</i>						
Inventories	12,235,696	49,603,512	(215,912)	75,978	308,015	(254,871)
Trade and other receivables	(10,635,031)	(43,114,416)	(1,051,974)	(146,249)	(592,893)	387,202
Contract assets	392,150	1,589,776	(622,721)	-	-	-
Trade and other payables	1,428,049	5,789,310	(34,935)	(90,093)	(365,237)	(1,115,645)
Contract liabilities	-	-	188,121	-	-	-
Net cash inflow from discontinuing operation	-	-	23,551	-	-	-
Net cash generated from/(used in) operations	11,482,831	46,551,398	(1,761,859)	183,642	744,486	(581,794)
Tax paid	(250,567)	(1,015,799)	(5,868)	(76,915)	(311,813)	-
Net cash generated from/(used in) operating activities	11,232,264	45,535,599	(1,767,727)	106,727	432,673	(581,794)
Cash flows from investing activities						
Purchase of property, plant and equipment	(3,013,230)	(12,215,636)	(2,131,957)	(461,614)	(1,871,383)	(154,867)
Purchase of investment properties	(90,041)	(365,026)	-	-	-	-
Interest received	11,322	45,899	433	74	300	43
Net advances to/(repayments from):						
- Subsidiaries	-	-	-	801,993	3,251,276	1,853,242
- Related parties	15,978	64,775	(521,702)	17,602	71,359	2,870
- Associates	108,561	440,106	95,777	108,579	440,179	95,884
- Directors	-	-	(32,774)	-	-	(18,044)
- Shareholders	-	-	265	-	-	265
Net cash (used in)/generated from investing activities	(2,967,410)	(12,029,882)	(2,589,958)	466,634	1,891,731	1,779,393

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (CONTINUED)**

	Group		(Unaudited) Three-month period ended		Company	
	31 March 2023		31 March 2022	31 March 2023		31 March 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from financing activities						
Dividend paid	-	-	(400,645)	-	-	(400,645)
Drawdown of loans	-	-	3,333,323	-	-	-
Repayment of loans	(1,140,908)	(4,625,241)	(808,196)	(765,620)	(3,103,823)	(739,512)
Interest paid	(302,373)	(1,225,820)	(296,388)	(148,749)	(603,028)	(201,467)
Net cash (used in)/generated from financing activities	(1,443,281)	(5,851,061)	1,828,094	(914,369)	(3,706,851)	(1,341,624)
Net increase/(decrease) in cash and cash equivalents	6,821,573	27,654,656	(2,529,591)	(341,008)	(1,382,447)	(144,025)
Cash and cash equivalents at the beginning of the financial period	4,276,289	17,605,482	5,716,017	523,108	2,153,636	682,473
Currency translation differences	-	(269,406)	-	-	(32,956)	-
Cash and cash equivalents at the end of the financial period	11,097,862	44,990,732	3,186,426	182,100	738,233	538,448

The Condensed Interim Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying notes attached to this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Phnom Penh SEZ Plc. (the “Company”) is a public limited company, incorporated and domiciled in the Kingdom of Cambodia and is listed on the Cambodia Securities Exchange.

During the Sixth Annual General Meeting on 28 April 2022, shareholders approved the change in the Company name from Phnom Penh SEZ Plc. to Royal Group Phnom Penh SEZ Plc. The Company has filed the necessary documentation to Ministry of Commerce and General Department of Taxation and is waiting for approval to complete the name-changing process.

The principal activities of the Company are to establish, develop and operate the Special Economic Zone in Phnom Penh and to engage in other related commercial activities. The principal activities of the subsidiaries are disclosed in Note 5 to the condensed interim financial information. There have been no significant changes in the nature of these activities during the financial period.

The condensed interim financial information was approved and authorised for issue by the Board of Directors on 10 May 2023.

The condensed interim financial information for the quarter and three-month period ended 31 March 2023 has been reviewed, but not audited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial information for the three-month period ended 31 March 2023 has been prepared in accordance with Cambodian International Accounting Standards (“CIAS”) 34 Interim Financial Reporting.

This condensed interim financial information does not include all the notes normally included in an annual financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2022, which have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”), and any public announcements made by the Company during the interim reporting period.

2.2 Standards, amendments to published standards and interpretations that are effective

Multiple standards, amendments to published standards and interpretations are effective for reporting period commencing 1 January 2023. However, the Board of Directors are in the opinion that the adoption of these standards, amendments to published standards and interpretations did not have any significant impact on the current period or any prior period and is not likely to affect the future periods.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 Significant accounting policies

The significant accounting policies used in preparing the condensed interim financial information are consistent with the significant accounting policies used in the preparation of the annual audited financial statements for the financial year ended 31 December 2022.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's decision makers. Those whom are responsible for allocating resources to and assessing the performance of the operating segments have been identified as the key management team. The Group mainly operates in one operating segment, being the real estate related business. As such, no further segmentation is required.

Seasonality or cyclicity of operations

The Group and the Company are mainly involved in the real estate related business. There is no significant seasonality factor associated with the Group's businesses.

2.4 Significant accounting judgements, estimates and assumptions

When preparing the condensed interim financial information, the Board of Directors undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by the Board of Directors, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the condensed interim financial information, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual audited financial statements for the financial year ended 31 December 2022.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT

Group (Audited)	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	*Construction in-progress US\$	Total US\$
Movement in net carrying amount						
At 1 January 2022	721,224	13,679,214	505,888	274,572	2,471,098	17,651,996
Additions	1,215,177	59,410	46,312	8,744,936	10,065,835	1,215,177
Written off	-	(20,618)	(299)	(528)	247,944	226,499
Transfer within property, plant and equipment	-	712,657	86,000	-	(798,657)	-
Transfer to investment properties	-	-	-	-	(6,908,601)	(6,908,601)
Transfer to inventories	-	-	-	-	(1,767,954)	(1,767,954)
Depreciation charge	-	(1,291,139)	(186,193)	(103,603)	-	(1,580,935)
At 31 December 2022	721,224	14,295,291	464,806	216,753	1,988,766	17,686,840
(Unaudited)						
Additions	-	18,720	4,339	6,870	3,066,301	3,096,230
Transfer within property, plant and equipment	-	248,356	-	-	(248,356)	-
Transfer within investment properties	-	-	-	-	(83,000)	(83,000)
Transfer to inventories	-	(436,616)	-	-	(78,978)	(515,594)
Depreciation charge	-	(322,320)	(37,475)	(25,578)	-	(385,373)
At 31 March 2023	721,224	13,803,431	431,670	198,045	4,644,733	19,799,103
(KHR'000 equivalent)	2,923,842	55,959,109	1,749,990	802,874	18,829,749	80,265,564

* Construction in-progress represents infrastructure under construction stated at cost. Construction in-progress is not depreciated until such time when the asset is available for use.

As at 31 March 2023, the capital commitment of the Group arising from the construction in-progress amounted to US\$9,819,478 (2022: US\$4,899,434) as at the date of this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company (Audited)	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	*Construction in-progress US\$	Total US\$
Movement in net carrying amount						
At 1 January 2022	721,224	13,777,113	128,652	51,115	44,029	14,722,133
Additions	-	13,761	39,510	9,075	1,727,008	1,789,354
Transfer within property, plant and equipment	-	44,029	86,000	-	(130,029)	-
Transfer to inventories	-	-	-	-	(1,389,295)	(1,389,295)
Depreciation charge	-	(1,138,518)	(52,076)	(20,968)	-	(1,211,562)
At 31 December 2022	721,224	12,696,385	202,086	39,222	251,713	13,910,630
(Unaudited)						
Additions	-	-	-	1,796	459,818	461,614
Transfer within property, plant and equipment	-	248,356	-	-	(248,356)	-
Transfer to inventories	-	-	-	-	(78,978)	(78,978)
Depreciation charge	-	(286,710)	(15,238)	(4,553)	-	(306,501)
At 31 March 2023	721,224	12,658,031	186,848	36,465	384,197	13,986,765
(KHR'000 equivalent)	2,923,842	51,315,657	757,482	147,829	1,557,535	56,702,345

* Construction in-progress represents infrastructure under construction stated at cost. Construction in-progress is not depreciated until such time when the asset is available for use.

As at 31 March 2023, the capital commitment of the Company arising from the construction in-progress amounted to US\$2,365,053 (2022: US\$135,902) as at the date of this condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

4. INVESTMENT PROPERTIES

	Freehold land US\$	Buildings US\$	Total US\$
Group			
(Audited)			
Movement in net carrying amount			
At 1 January 2022	2,515,656	7,921,947	10,437,603
Additions	-	32,926	32,926
Transferred from property, plant and equipment	-	6,908,601	6,908,601
Transferred to joint ventures	(6,851)	-	(6,851)
Depreciation charge	-	(737,191)	(737,191)
At 31 December 2022	2,508,805	14,126,283	16,635,088
(Unaudited)			
Addition	-	90,041	90,041
Depreciation charge	-	(236,290)	(236,290)
At 31 March 2023	2,508,805	13,980,034	16,488,839
(KHR'000 equivalent)	10,170,695	56,675,058	66,845,753
Company			
(Audited)			
Movement in net carrying amount			
At 1 January 2022	2,515,656	5,215,572	7,731,228
Transferred to joint ventures	(6,851)	-	(6,851)
Depreciation charge	-	(381,114)	(381,114)
At 31 December 2022	2,508,805	4,834,458	7,343,263
(Unaudited)			
Depreciation charge	-	(95,277)	(95,277)
At 31 March 2023	2,508,805	4,739,181	7,247,986
(KHR'000 equivalent)	10,170,695	19,212,640	29,383,335

As at 31 March 2023, investment properties with a carrying amount of US\$16,488,839 and US\$7,247,986 of the Group and of the Company, respectively, have been pledged as security to secure term loans granted to the Group and the Company as disclosed in Note 13 to the condensed interim financial information.

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

5. INVESTMENT IN SUBSIDIARIES

Company	(Unaudited) 31 March 2023		(Audited) 31 December 2022
	US\$	KHR'000	US\$
Unquoted shares, at cost	39,783,104	161,280,704	39,783,104

The Company's effective equity interest in the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
Royal Group Poipet SEZ Co., Ltd.	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas E&C Co., Ltd.	Cambodia	100	100	Construction services
Royal Group Kandal SEZ Co., Ltd.	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas Properties Co., Ltd.	Cambodia	100	100	Real estate activity
Sahas Advisory & Consulting Co., Ltd.	Cambodia	46	46	Advisory and consultant services

6. INVESTMENT IN ASSOCIATES

Group	(Unaudited) 31 March 2023		(Audited) 31 December 2022
	US\$	KHR'000	US\$
Unquoted shares, at cost	8,591,361	34,829,377	8,591,361
Shares of post-acquisition reserves	5,662,222	22,954,648	5,439,898
Dividend received	-	-	213,716
Less: Allowance for impairment loss	(1,435,407)	(5,819,140)	(1,435,407)
	12,818,176	51,964,885	12,809,568
Company			
Unquoted shares, at cost	7,466,811	30,270,452	7,466,811
Shares of post-acquisition reserves	5,758,790	23,346,134	5,525,201
Dividend received	-	-	213,716
Less: Allowance for impairment loss	(1,435,407)	(5,819,140)	(1,435,407)
	11,790,194	47,797,446	11,770,321

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

6. INVESTMENT IN ASSOCIATES (CONTINUED)

The Group's effective equity interest in the associates are as follows:

Name of associates	Country of incorporation	Effective equity interest		Principal activities
		2023 %	2022 %	
<u>Associate of Phnom Penh SEZ Plc.</u>				
Colben Energy (Cambodia) PPSEZ Ltd.*	Cambodia	51	51	Supply of electricity
Bok Seng PPSEZ Dry Port Co., Ltd.	Cambodia	40	40	Dry port
Gomi Recycle (Phnom Penh) Co., Ltd.*	Cambodia	49	49	Waste recycle factory
<u>Associate of Royal Group Poipet SEZ Co., Ltd.</u>				
B.Grimm Power (Poipet) Co., Ltd.	Cambodia	45	45	Supply of electricity

* Not audited by Baker Tilly (Cambodia) Co., Ltd. or Baker Tilly International member firms.

7. INVENTORIES

	Group		Company			
	(Unaudited) 31 March 2023	(Audited) 31 December 2022	(Unaudited) 31 March 2023	(Audited) 31 December 2022	(Unaudited) 31 March 2023	(Audited) 31 December 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
At cost						
Freehold lands and development cost	29,286,339	118,726,818	41,006,441	12,951,312	52,504,619	12,948,312

Included in the net carrying amount of inventories of the Group and of the Company were assets transferred from property, plant and equipment of US\$515,594 and US\$78,978, respectively, as disclosed in Note 3 to the condensed interim financial information.

As at 31 March 2023, inventories with a carrying amount of US\$15,703,721 of the Group and US\$6,508,001 of the Company have been pledged as security to secure term loans granted to the Group and the Company as disclosed in Note 13 to the condensed interim financial information.

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

8. TRADE AND OTHER RECEIVABLES

	Group			Company		
	(Unaudited)		(Audited)	(Unaudited)		(Audited)
	31 March		31 December	31 March		31 December
	2023		2022	2023		2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Trade receivables from contract with customers:						
Third parties	19,055,962	77,252,870	8,713,456	771,217	3,126,514	771,217
Non-trade receivables:						
Prepayments*	5,632,858	22,835,606	5,417,579	540,276	2,190,279	588,885
Withholding tax credit	3,711,706	15,047,256	3,515,206	3,666,706	14,864,826	3,470,206
Input value added taxes	2,116,905	8,581,933	1,935,854	-	-	-
Associates	688,622	2,791,674	797,183	688,579	2,791,499	797,158
Other receivables	306,706	1,243,386	354,307	214,613	870,041	216,255
Third parties	202,562	821,186	201,284	2,562	10,386	161,284
Deposits	28,586	115,888	281,290	4,330	17,554	4,330
Subsidiaries	-	-	-	2,873,904	11,650,807	1,836,607
Directors	-	-	-	-	-	(160,000)
	12,687,945	51,436,929	12,502,703	7,990,970	32,395,392	6,914,725
Total trade and other receivables	31,743,907	128,689,799	21,216,159	8,762,187	35,521,906	7,685,942

*Included in the Group's prepayments is an amount of US\$4,819,615 (2022: US\$4,819,615) made in relation to land acquisitions.

As at 31 March 2023, the capital commitment of the Group and the Company arising from the land acquisition amounted to US\$482,696 and Nil respectively (2022: US\$482,696 and Nil) as at the date of this condensed interim financial information.

9. CASH AND CASH EQUIVALENTS

	Group			Company		
	(Unaudited)		(Audited)	(Unaudited)		(Audited)
	31 March		31 December	31 March		31 December
	2023		2022	2023		2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash on hand	352,692	1,429,813	12,806	3,506	14,213	2,924
Deposits held at call with licensed banks	10,745,170	43,560,919	4,263,483	178,594	724,020	520,184
	11,097,862	44,990,732	4,276,289	182,100	738,233	523,108

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

10. SHARE CAPITAL

	Group and Company			
	(Unaudited) 31 March 2023		(Audited) 31 December 2022	
	Number of share of US\$ 0.50 each	US\$	Number of share of US\$ 0.50 each	US\$
Ordinary shares				
Registered:				
At beginning/end of financial period	71,875,000	35,937,500	71,875,000	35,937,500
Fully paid:				
At beginning/end of financial period	71,875,000	35,937,500	71,875,000	35,937,500
(KHR'000 equivalent)		<u>145,690,625</u>		<u>147,954,688</u>

There were no issuances, cancellations, repurchases, re-sales and repayments of equity securities during the financial period.

11. SHARE PREMIUM

The share premium mainly represents the excess amount received by the Company over the par value of its shares pursuant to the issuance of shares, net of transaction costs directly distributable to the issuance.

12. CONTRACT ASSETS/(LIABILITIES)

	Group			Company		
	(Unaudited) 31 March 2023		(Audited) 31 December 2022	(Unaudited) 31 March 2023		(Audited) 31 December 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Current:						
Contract assets	567,020	2,298,699	959,170	-	-	-
Non-current:						
Contract liabilities	(7,535,000)	(30,546,890)	(7,672,000)	(7,535,000)	(30,546,890)	(7,672,000)
Current:						
Contract liabilities	(548,000)	(2,221,592)	(548,000)	(548,000)	(2,221,592)	(548,000)
Total contract liabilities	<u>(8,083,000)</u>	<u>(32,768,482)</u>	<u>(8,220,000)</u>	<u>(8,083,000)</u>	<u>(32,768,482)</u>	<u>(8,220,000)</u>

The contract assets relate to the Group's rights to consideration for construction work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

12. CONTRACT ASSETS/(LIABILITIES) (CONTINUED)

Contract liabilities represent as follows:

- (i) Contract liabilities represent deferred revenue. Deferred revenue was in respect of granting the right of use on the transmission lines of the Company to Colben Energy (Cambodia) PPSEZ Limited ("CEZ") pursuant to the transfer agreement with CEZ on 31 August 2012. The total consideration was amortised on a straight-line basis over the term of 25 years.
- (ii) Contract liabilities arising from construction revenue that generated from Sahas E&C Co., Ltd. are the obligation to transfer goods or services to customers for which the Group and the Company have received the consideration or have billed the customers.

13. LOANS AND BORROWINGS

	Group			Company		
	(Unaudited) 31 March 2023		(Audited) 31 December 2022	(Unaudited) 31 March 2023		(Audited) 31 December 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Non-current:						
Secured						
Term loan VII	4,920,193	19,946,462	4,923,454	3,461,215	14,031,766	3,434,079
Term loan IX	7,625,730	30,914,709	7,942,398	1,498,400	6,074,514	1,498,400
Term loan XI	669,837	2,715,519	662,984	669,837	2,715,518	662,984
	13,215,760	53,576,690	13,528,836	5,629,452	22,821,798	5,595,463
Current:						
Secured						
Term loan VII	2,023,434	8,203,001	2,612,721	1,694,043	6,867,650	2,240,718
Term loan IX	1,705,116	6,912,540	1,815,827	375,300	1,521,466	500,400
Term loan XI	395,710	1,604,208	523,544	395,710	1,604,209	523,544
	4,124,260	16,719,749	4,952,092	2,465,053	9,993,325	3,264,662
Total loans and borrowings	17,340,020	70,296,439	18,480,928	8,094,505	32,815,123	8,860,125

CIAS 7 require the Group and the Company to provide disclosures that enable users of financial statements to evaluate the changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The change in liabilities is disclosed as follows:

	Group			Company		
	(Unaudited) 31 March 2023		(Audited) 31 December 2022	(Unaudited) 31 March 2023		(Audited) 31 December 2022
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Term loans						
At the beginning of the financial period	18,480,928	74,921,682	16,853,241	8,860,125	35,918,947	11,966,512
Drawdowns	-	-	8,784,001	-	-	-
Repayments	(1,140,908)	(4,625,243)	(7,156,314)	(765,620)	(3,103,824)	(3,106,387)
Finance costs	302,061	1,224,554	1,479,711	148,750	603,031	815,814
Interest paid	(302,061)	(1,224,554)	(1,479,711)	(148,750)	(603,031)	(815,814)
At the end of the financial period	17,340,020	70,296,439	18,480,928	8,094,505	32,815,123	8,860,125

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

13. LOANS AND BORROWINGS (COTINUED)

Other information on loans and borrowings are disclosed as follows:

Term Loan	Licensed Bank	Principal Amount (USD)	Interest Term	Repayable in Number of Years	Monthly Instalment	Commence Date	Remark
Term loan VII	First Commercial Bank	2,000,000	6.80%	6	29,169	07/07/2018	*
		2,300,000	6.80%	7	34,489	02/11/2018	*
		3,500,000	LIBOR rate plus 3.75% ≥ 6.87%	5	69,090	12/09/2019	*
		2,500,000	LIBOR rate plus 3.75% ≥ 6.87%	5	43,013	10/09/2019	*
		2,530,488	LPCO plus 1.00% ≥ 6.90%	7	38,068	02/09/2020	*
		1,521,261	LIBOR plus 1.90% ≥ 7%	7	23,198	01/02/2021	
Term loan VIII	Phnom Penh Commercial Bank	3,050,000	8.00%	1	41,667	28/12/2018	#
		2,000,000	8.00%	5	33,333	01/02/2017	#
		1,300,000	8.00%	43 months	34,884	31/08/2020	#
		102,300	8.00%	3 months	682	31/05/2021	
Term loan IX	Kasikornbank	3,500,000	7.00%	7	41,700	02/05/2019	*
		500,000	6.50%	5	9,700	23/03/2020	
		250,000	6.50%	5	4,900	29/01/2021	
		2,096,512	6.65%	34 months	92,638	28/06/2024	
Term loan XI	Advanced Bank of Asia Limited	1,500,000	7.50%	5	30,130	13/02/2020	#
		980,392	7.50%	5	19,597	13/02/2020	#
Term loan V	CIMB Bank PLC.	2,050,000	8.00%	5	41,687	01/01/2017	*
Term loan X	First Commercial Bank	1,200,000	LIBOR plus 3.30% to 6.80%	5	17,994	19/07/2019	#

* The loans are secured by a mortgage over the investment properties and inventories as disclosed in Note 4 and Note 7 to the condensed interim financial information.

The loans are secured by a mortgage over the inventories as disclosed in Note 7 to the condensed interim financial information.

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

14. INVESTMENT IN JOINT VENTURE

Phnom Penh SEZ Plc. has signed a US\$150,500 called "Initial Capital" joint venture agreement with Dr. Nath Sereyroth and Mrs. Yem Sophary on Clinic Investment. The Clinic is called "PPSEZ Clinic" located at Phnom Penh Special Economic Zone, National road 4, Sangkat Kantouk, Khan Kambol, Phnom Penh.

The initial capital was paid entirely by each shareholder according to his/her own shares and all shareholders as having been wholly paid recognized these contributions. The initial capital shall be divided into 100 shares with each share having a value of US\$1,505.

On 29 August 2022, due to the need of more medical equipment and salary for staff, shareholders decided and agreed to inject additional capital amount US\$60,000 in which each share price increased from US\$1,505 to US\$2,105.

The above shares shall be paid wholly and completely to the cooperating Clinic and are divided for each shareholder according to his own initial shares proportion, namely:

Shareholders	Number of shares	Initial capital	Additional capital	Total Capital for each shareholder
	%	US\$	US\$	US\$
Phnom Penh SEZ Plc.	34	50,500	20,400	70,900
Dr. Nath Sereyroth	33	50,000	19,800	69,800
Mrs. Yem Sophary	33	50,000	19,800	69,800
Total	100	150,500	60,000	210,500

15. DISCONTINUED OPERATION

The group has announced its intention to exit the security business from Sahas Security Co., Ltd. The subsidiary was closed for operation on 31 May 2022. The subsidiary was reported in the financial statement of Group for the three-month ended 31 March 2023 as a discontinued operation. For further information about the discontinued operation, please refer to note 17 in the group's annual financial statements for the year ended 31 December 2022.

16. TRADE AND OTHER PAYABLES

	Group		Company			
	(Unaudited) 31 March 2023	(Audited) 31 December 2022	(Unaudited) 31 March 2023	(Audited) 31 December 2022		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Trade payables:						
Third parties	1,054,935	4,276,706	233,391	-	-	-
Non-trade payables:						
Other payables	18,663,776	75,662,951	10,397,300	401,543	1,627,855	478,347
Deposits	5,844,390	23,693,157	13,483,865	1,730,071	7,013,708	1,724,844
Subsidiaries	-	-	-	14,055,018	56,979,043	12,215,728
Associates	902,509	3,658,771	953,888	480,000	1,945,920	480,000
Third parties	867,137	3,515,373	849,881	867,137	3,515,373	848,257
Contract liability	31,596	128,090	713	-	-	-
Output Value-added taxes	-	-	-	12,887	52,244	31,403
	26,309,408	106,658,342	25,685,647	17,546,656	71,134,143	15,778,579
Total trade and other payables	27,364,343	110,935,048	25,919,038	17,546,656	71,134,143	15,778,579

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

17. REVENUE

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023		31 March 2022		31 March 2023	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue from contract customers:						
Sale of land	28,024,578	113,611,639	-	-	-	-
Construction revenue	429,405	1,740,808	2,584,416	-	-	-
Rendering of services	791,953	3,210,577	1,015,254	771,425	3,127,357	744,394
	<u>29,245,936</u>	<u>118,563,024</u>	<u>3,599,670</u>	<u>771,425</u>	<u>3,127,357</u>	<u>744,394</u>
Revenue from other source:						
Rental of investment property	1,081,944	4,386,202	624,306	497,830	2,018,203	466,535
	<u>30,327,880</u>	<u>122,949,226</u>	<u>4,223,976</u>	<u>1,269,255</u>	<u>5,145,560</u>	<u>1,210,929</u>
Timing of revenue recognition:						
At point in time	29,898,475	121,208,418	1,639,560	1,269,255	5,145,560	1,210,929
Over time	429,405	1,740,808	2,584,416	-	-	-
	<u>30,327,880</u>	<u>122,949,226</u>	<u>4,223,976</u>	<u>1,269,255</u>	<u>5,145,560</u>	<u>1,210,929</u>

18. COST OF REVENUES

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023		31 March 2022		31 March 2023	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold	19,899,055	80,670,769	328,438	-	-	95,740
Cost of services rendered	137,703	558,248	166,401	156,562	634,702	201,417
Cost of construction	408,119	1,654,514	2,366,651	-	-	-
Depreciation charge	236,290	957,920	131,562	95,279	386,261	95,280
	<u>20,681,167</u>	<u>83,841,451</u>	<u>2,993,052</u>	<u>251,841</u>	<u>1,020,963</u>	<u>392,437</u>

19. OTHER INCOME

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023		31 March 2022		31 March 2023	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	11,322	45,899	433	74	300	43
Others	5,169	20,956	126,694	300,017	1,216,269	422,662
	<u>16,491</u>	<u>66,855</u>	<u>127,127</u>	<u>300,091</u>	<u>1,216,569</u>	<u>422,705</u>

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

20. ADMINISTRATIVE EXPENSES

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023	31 March 2022	31 March 2023	31 March 2023	31 March 2022	31 March 2022
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Personnel costs	927,999	3,762,108	668,925	342,448	1,388,284	232,120
Maintenance fees	146,893	595,504	162,280	138,060	559,695	143,438
Depreciation charge	385,373	1,562,302	392,421	306,501	1,242,555	303,235
Professional fees	127,567	517,157	158,844	119,749	485,462	132,798
Security services	48,355	196,031	42,730	43,927	178,080	38,232
Withholding tax, fringe benefit and other tax expenses	40,700	164,998	79,007	32,798	132,963	72,237
Leases of low value assets	16,454	66,705	18,615	4,526	18,348	4,420
Electricity	7,445	30,182	5,169	5,430	22,013	3,471
Selling and marketing expenses	6,246	25,321	11,053	3,804	15,421	9,011
Handling fees	6,225	25,236	5,342	552	2,238	183
Other expenses	361,321	1,464,795	269,650	240,408	974,616	162,004
	2,074,578	8,410,339	1,814,036	1,238,203	5,019,675	1,101,149

21. FINANCE COSTS

	(Unaudited)					
	Three-month period ended					
	Group		Company			
	31 March 2023	31 March 2022	31 March 2023	31 March 2023	31 March 2022	31 March 2022
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Interest expense on term loans	302,373	1,225,820	296,388	148,749	603,028	201,467

22. INCOME TAX EXPENSE

In income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year, adjusted for the tax effect of certain items recognised in full in the interim period. As such, the effective tax rate for the annual financial statements may differ from management's estimate of the effective tax rate for the annual financial statements.

The Group and the Company's effective tax rate for the quarter and three-month period ended 31 March 2023 was 22% and 105% (quarter and three-month period ended 31 March 2022: 0% and 0%).

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

23. PROFIT PER SHARE

	(Unaudited)		
	Three-month period ended		
	Group		
	31 March 2023		31 March 2022
	US\$	KHR'000	US\$
Profit/(Loss) attributable to owners of the Company	5,705,120	23,128,558	(686,315)
	Units	Units	Units
Weighted average number of ordinary shares	71,875,000	71,875,000	71,875,000
	US\$	KHR'000	US\$
Basic profit/(loss) per share	0.079	0.322	(0.010)
Diluted profit/(loss) per share	0.079	0.322	(0.010)

Diluted profit/(loss) per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company had no dilutive potential ordinary shares as at the period end. As such, the diluted profit/(loss) per share is equivalent to the basic profit/(loss) per share.

24. RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the condensed interim financial information, set out below are other significant related party transactions.

	(Unaudited)					
	Group			Company		
	31 March 2023		31 March 2022		31 March 2022	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<u>Associate</u>						
Colben Energy (Cambodia)						
PPSEZ Ltd.						
- Rental income	137,000	555,398	137,000	137,000	555,398	137,000
- Purchase of electricity	(103,164)	(418,228)	(103,885)	(103,164)	(418,228)	(103,885)
<u>Subsidiary</u>						
Sahas E&C Co., Ltd.						
- Construction cost	-	-	(234,318)	(2,427,760)	(9,842,138)	(234,318)
Royal Group Kandal SEZ Co., Ltd.						
- Management fee	-	-	-	300,000	1,216,200	300,000

Balances with related parties at the end of the reporting period are disclosed in Note 8 and Note 14 to the condensed interim financial information.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

Other than the investment properties, loans and borrowings, the carrying amount of all financial assets and liabilities are approximate to their fair value due to relatively short-term nature of these financial instruments. The Group and the Company measure the investment properties, loans and borrowings as Level 3 in the fair value hierarchy of CIFRS 13.

26. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Group is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management of the Group. The Senior Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Board of Directors.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2022: one to three months) and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by the Senior Management.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of the changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from loans and borrowings. The Group manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. The Group does not use derivative financial instruments to hedge any debt obligations.

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (CONTINUED)

27. DIVIDEND

Dividend declared and paid by the Company since the end of the previous financial period was as follows:

	(Unaudited)		(Audited)
	31 March 2023		31 December 2022
	US\$	KHR'000	US\$
Group			
Recognised during the financial period:			
Dividends on ordinary shares:			
- Phnom Penh SEZ Plc.			
Dividend distribution for year 2020: US\$0.0056 per ordinary share, paid within 27 th January 2022 to 4 th February 2022	-	-	400,645
Dividend distribution for year 2021: US\$0.0106508 per ordinary share, paid within 6 th to 14 th December 2022	-	-	769,048
- Sahas Advisory & Consulting Co., Ltd.			
Dividend for the financial period ended 30 June 2022: US\$4.0312 per ordinary share, paid on 24 June 2022	-	-	12,436
	-	-	<u>1,182,129</u>
Company			
Recognised during the financial period:			
Dividends on ordinary shares:			
- Dividend distribution for year 2020: US\$0.0056 per ordinary share, paid within 27 th January 2022 to 4 th February 2022	-	-	400,645
- Dividend distribution for year 2021: US\$0.0106508 per ordinary share, paid within 6 th to 14 th December 2022	-	-	769,048
	-	-	<u>1,169,693</u>

28. EFFECT OF CHANGES IN THE COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the interim period including business combinations, acquisition, long-term investments, and restructuring. Except reported in note 15 of the disposal of a subsidiary.

29. ITEMS AFFECTING ASSETS, LIABILITIES, EQUITY, NET INCOME OR CASH FLOWS

There were no items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence.

30. COMPARATIVE FIGURES

Certain figures have been reclassified to conform to the current quarter and three-month period ended's presentation of the financial statements.

Company No. 00006448

**REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION
TO THE MEMBERS OF PHNOM PENH SEZ PLC.**

(Incorporated in Cambodia)

Introduction

We have reviewed the accompanying condensed interim statements of financial position of Phnom Penh SEZ Plc. (the "Company") and its subsidiaries (altogether, the "Group") as at 31 March 2023, and the related condensed interim statements of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim statements of cash flows for the quarter and three-month period then ended, and notes to the condensed interim financial information (collectively referred to as "Condensed Interim Financial Information of the Group and of the Company"). Management is responsible for the preparation and presentation of these condensed interim financial information of the Group and of the Company in accordance with the Cambodian International Accounting Standard ("CIAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial information of the Group and of the Company based on our review.

Scope of review

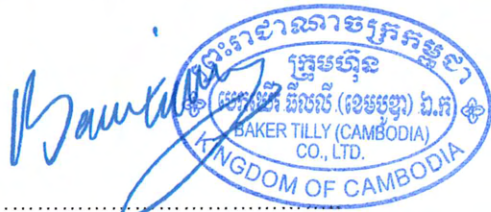
We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2410"). A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Company No. 00006448

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION
TO THE MEMBERS OF PHNOM PENH SEZ PLC. (CONTINUED)**
(Incorporated in Cambodia)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information of the Group and of the Company are not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.



Baker Tilly (Cambodia) Co., Ltd.
Certified Public Accountants



Oknha Tan Khee Meng
Certified Public Accountant

Phnom Penh, Kingdom of Cambodia

Date: 10 May 2023



CHAPTER 4: MANAGEMENT DESCRIPTION & ANALYSIS (MD&A)

4.1 Overview of operations

4.1.1 Revenue Analysis

Total Revenue for the Period of first quarter is 122,949,226 KHR'000 in FY 2023, an increase of 580.90% Y-o-Y	In first quarter, PPSP reported total revenue of 122,949,226 KHR'000, an increase of 580.90% Y-o-Y compared to the amount 18,056,763 KHR'000 in year 2022 mainly from substantial increase in land sale and rental income.
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4.1.2 Revenue Breakdown by sector

Land sales revenue is increased rapidly during the Q1.	Total revenue breakdown over the last two (2) fiscal years are shown as follow:					
	No	Source	Q1 2023		Q1 2022	
			Quantity	%	Quantity	%
	1	Sale of land	113,611,639	92.41 %	-	0.00 %
	2	Service rendered	3,210,577	2.61 %	5,061,439	28.03 %
	3	Construction Revenue	1,740,808	1.42 %	10,466,885	57.97 %
4	Rental income	4,386,202	3.57 %	2,528,439	14.00 %	
Total		122,949,226	100.0%	18,056,763	100.0%	

Unit: KHR '000

4.1.3 Gross profit gap analysis

Gross profit for the Period of 39,107,775 KHR'000 in Q1-2023, an increase of 651.16%	In the first quarter of 2023, PPSP reported a total Gross profit of the period 39,107,775 KHR'000, an increase of 651.16% compared to the previous year of 5,206,295 KHR'000 in the first quarter of 2022.
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4.1.4 Analysis of pre-tax profits

Profits before tax for the Period of 29,598,077 KHR'000 in the first quarter of 2023, an increase of 1192.32%	In Q1-2023, PPSP reported consolidated profits before tax of 29,598,077 KHR'000, compared to the loss before tax of 2,709,644 KHR'000 in FY 2022.
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4.1.5 After tax profit Analysis

Profit after tax for the Period of 23,127,374 KHR'000 in the first quarter of 2023, an increase 938.86 %

In Q1-2023, PPSP reported consolidated Net profits after tax of 23,127,374 KHR'000, increase 938.86 % compared to the loss after tax of 2,757,009 KHR'000 in FY 2022.

4.1.6 Analysis of factors and trends affecting the financial condition and results

As previously mentioned, total revenues and profit after tax are largely affected by the land sales



4.2 Key factors which have an effect on profitability

4.2.1 Supply vs. Demand

The recently published IMF staff report on Cambodia projects economic activity to grow by around seven percent over the next few years. Some investors appear in wait-and-see mode ahead of next year's general elections. Country is on the verge of climbing up the manufacturing value chains. These further efforts can help facilitate higher growth. On the upside, the global outlook is favorable, public spending is increasing, construction momentum remains robust and tourism activity has picked up pace.

Looking further ahead, growth will likely decline to about six percent a year. This reflects an expected slowdown in credit and real-estate cycles and challenges in improving diversification and competitiveness.

4.2.2 Fluctuation of raw materials price

There was no raw materials required during 2023 since we are industrial estate development business.

4.2.3 Change of Tax Scheme

This was no change on the related tax scheme during 2023.

4.2.4 Unusual or extraordinary items

There was no extraordinary income and expense during the 1st quarter of 2023.



4.3 Significant variation in sales and revenue

As previously mentioned, total revenues and profit after taxes were largely improved as the revenue from land sales significantly increased.



4.4 The impact of currency exchange rates and commodity prices

Recent US dollar depreciation against other regional currencies like Yen, Thai Baht may be positive to investment decision by foreign manufacturers.



4.5 Impact of Inflation

Inflation has not affected significantly on our financial performance.



4.6 Economic policy, the government's fiscal and monetary

The key policies that influence our business are:

The 2015-2025 Industry Development Policy of Cambodia, aiming to orient market and create favorable conditions to promote development of the industry, is attracting foreign direct investment focusing on major industries, expanding the market, transferring technology, training human resources, developing infrastructure and developing special economic zones as well as the industrial zone preparation.

In addition, the tax incentives in securities sector to listed companies are encouraging rapid development of infrastructure and strengthening management to attract investment in the development of long-term financing.

On the contrary, government policies also have negative implications for our business. In that case, while patent registration charge in 2015 is only 1,400,000 KHR, change of Fiscal law in 2016 has effect on the charge as follow:

- 400,000 KHR for small enterprise
- 1,200,000 KHR for medium enterprise
- For large enterprise 3,000,000 KHR will be charged for the company with revenue from 2,000 million riel to 10,000 million riel.
- 5,000,000 KHR will be charged for the company with revenue exceed 10,000 million riel.
- In spite of change as above, it, however, does not significantly affect the investment decision.



Date: May 15, 2023
Read and Approved
Non-Executive Chairman



Neak Oknha Kith Meng

