

Royal Group Phnom Penh Special Economic Zone Plc.

Credit Rating

Issuer Credit Rating	khA
Outlook	Stable

Credit Rating History

Issuer Credit Rating	khA
Outlook	Positive
Bond Credit Rating	khAAA
Issuing Date	March 25 th , 2024

Bond Information

Bond Credit Rating	khAAA
Size	USD 10 million
Settlement	Semi-annual frequency for both interest payment and principal payment
Maturity	20/06/2029 (2.5 years grace period for the issue date)
Type	Unsecured Guaranteed Green Bond
Coupon Rate	Term SOFR + 1.5% paid semi-annually
Guarantor	Credit Guarantee & Investment Facility (CGIF)

Analysts:

Mr. Meng Huy Pech
 p.menghuy@ratingagencyofcambodia.com.kh
 (+855) 17 250 777

Mr. David Zhu
 z.david@ratingagencyofcambodia.com.kh
 (+855) 17 777 643

Mr. Theamheng Poeng
 p.theamheng@ratingagencyofcambodia.com.kh
 (+855) 17 777 178

Ms. Monyroth Ren
 r.monyroth@ratingagencyofcambodia.com.kh
 (+855) 17 777 406

Key Rating Rationale

We maintain the Issuer Credit Rating (ICR) and the Bond Credit Rating (BCR) of Royal Group Special Economic Zone ("PPSP" or "the Company") at "khA" and "khAAA" (National Scale) respectively. We also maintain the outlook of "Stable".

In our view, PPSP's completion of the Royal Group Poipet SEZ expansion and management's strategy to gradually shift toward recurring-income businesses could improve earnings sustainability and cash flow stability over the medium term. Furthermore, the company continues to maintain a sizeable remaining land bank to support future monetization opportunities.

However, we believe that, at this stage, the geopolitical uncertainty surrounding the Thailand–Cambodia border area conflict could pose a risk to PPSP's future commercialization activities and investor confidence, particularly in Royal Group Poipet SEZ. While, despite PPSP's improved financial profile and ongoing revenue diversification; on balance, we maintain the outlook at "Stable".

Outlook

We expect PPSP's revenue to remain positive over the near-to-medium term. However, revenue may continue to fluctuate due to the timing and uncertainty of land sales. Nevertheless, we believe that the geopolitical uncertainty surrounding the Thailand–Cambodia border area could negatively affect investor confidence and future commercialization activities within the Poipet SEZ, given its strategic location near the Thailand–Cambodia border. In addition, PPSP is expected to continue dividend distributions. While currently manageable, continued dividend payments could reduce financial flexibility over the medium term. Hence, we maintain the outlook at "Stable".

Rating Sensitivity

On the upside, sustained improvement in recurring-income businesses and profitability, supported by stronger earnings generation and cash flow stability, would lead us to review our rating. On the downside, a drastic worsening of the financial risk profile could trigger a rating change. Moreover, the BCR is pegged to CGIF's global rating (AA by S&P Global Ratings). Thus, we may consider a BCR downgrade if CGIF's global rating is downgraded.



Issues to Monitor

Land bank management, and the revenues from the land sales and recurring service, future dividend distributions are issues to be monitored because it is critical to PPSP's ability to meet its debt obligations.

Royal Group Phnom Penh Special Economic Zone Plc. Summary

Overview

The completion of the Poipet expansion and Kampong Thom expansion plan partially alleviates previous concerns regarding declining available saleable land inventory. However, despite the company's ongoing revenue diversification efforts, land sales are still expected to remain PPSP's primary earnings contributor over the near-to-medium term. As such, the company's operating performance may continue to exhibit a degree of volatility due to the timing and cyclical nature associated with land sale activities. In addition, we believe that the geopolitical uncertainty surrounding the Thailand–Cambodia border area could affect investor confidence and future commercialization activities within the Poipet SEZ.

Performance

In FY25, PPSP's revenue increased significantly to USD 41.1mn from USD 13.0mn in FY24, marking a 214.9% year-over-year (yoy) driven by higher land sales, particularly from the Royal Group Kandal SEZ. As a result, net profit increased by approximately 109.3% yoy. PPSP's profitability profile also strengthened in FY25, with EBITDA margin improved from 9.6% in FY24 to 24.4% in FY25 while ROA and ROE improved to 7.4% and 10.7%, respectively. In addition, PPSP recorded noticeable improvement in debt serviceability ratio, with interest coverage improved to 8.4x in FY25 from 1.0x in FY24, while Debt/EBITDA improved materially to a net cash position of 0.9x in FY25 from 11.3x in FY24, supported by stronger EBITDA and improved cash position.



CONDENSED FINANCIAL STATEMENTS

	31 Dec 2021	31 Dec 2022	31 Dec 2023	31 Dec 2024	31 Dec 2025
	Restated	Restated			
	USD	USD	USD	USD	USD
Statement of Profit or Loss					
Revenue	28,065,282	26,258,526	61,969,331	13,050,996	41,107,408
Gross profit	10,846,473	10,476,789	18,251,131	8,421,662	17,604,963
Profit from operations	4,266,202	3,607,583	10,607,289	5,684,338	9,227,906
Profit before income tax	3,057,950	2,453,892	9,970,240	4,965,172	8,310,040
Profit for the year	1,883,508	2,091,043	7,877,353	3,877,753	8,115,260
Statement of Financial Position					
Assets					
Cash and cash equivalents	5,716,017	4,276,289	4,147,034	13,945,735	16,552,168
Current assets	63,836,114	67,458,059	70,451,572	68,999,518	66,398,009
Property, plant and equipment	17,651,996	17,686,840	14,672,813	12,435,686	13,692,580
Non-current assets	34,091,675	40,507,210	43,869,007	40,862,113	43,896,012
Total Assets	97,927,789	107,965,269	114,320,579	109,861,631	110,294,021
Liabilities					
Loans and Borrowings	3,371,527	4,952,092	4,671,019	12,231,269	11,331,879
Total Current liabilities	22,046,697	31,578,834	35,273,880	28,617,862	25,195,282
Loans and Borrowings	13,481,714	13,528,836	9,814,445	5,624,283	3,126,505
Non-current liabilities	21,701,714	21,200,836	16,938,445	12,200,283	9,154,505
Total liabilities	43,748,411	52,779,670	52,212,325	40,818,145	34,349,787
Equities					
Share capital	35,937,500	35,937,500	35,937,500	35,937,500	35,937,500
Retained earnings	13,673,493	14,681,921	21,617,328	28,739,025	35,504,215
Total equity	54,179,378	55,185,599	62,108,254	69,043,486	75,944,234
Total liabilities and equity	97,927,789	107,965,269	114,320,579	109,861,631	110,294,021
Statement of Cash Flow					
Net cash (used in)/generated by operating :	16,905,408	10,172,087	15,386,144	1,623,586	9,769,988
Net cash (used in)/generated by investing a	(9,513,255)	(10,577,662)	(9,435,160)	6,446,283	(12,398,502)
Net cash (used in)/generated by financing a	(3,298,770)	(1,034,153)	(6,080,239)	1,728,832	(4,765,053)
Net change in cash and cash equivalent:	4,093,383	(1,439,728)	(129,255)	9,798,701	(7,393,567)

©រក្សាសិទ្ធិគ្រប់យ៉ាងដោយក្រុមហ៊ុនរេតឺង អេជេនស៊ី អហ្វ (ខេមបូឌា) ម.ក ឆ្នាំ២០២៦

©Copyright 2026, RATING AGENCY OF (CAMBODIA) PLC. All rights reserved.

អាសយដ្ឋាន: អគារលេខ២៤៦, មហាវិថីព្រះមុនីវង្ស ភូមិ១០ សង្កាត់បឹងកាំង ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា

Address: #246, Preah Monivong Blvd, Village 10, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia

ទូរស័ព្ទ: (៨៥៥)២៣ ៩០២ ៤០៨

សារអេឡិចត្រូនិច: info@ratingagency.com.kh

Phone: (+855)23 902 408

Email: info@ratingagency.com.kh



RAC website

Rating Definition

Issuer Credit Rating – National Scale			
National Rating	Definition		
khAAA	Extremely Strong Capacity to meet financial commitments	1	Very low risk
khAA	Very strong capacity to meet financial commitments	2	
khA	Strong capacity to meet financial commitments but somewhat susceptible to adverse changes in circumstances and economic environment	3	Low risk
khBBB	Adequate capacity to meet financial commitments but more susceptible to adverse changes in circumstances and economic environment	4	
khBB	Adequate capacity to meet financial commitment but more vulnerable to adverse changes in circumstances and economic environment	5	Moderate risk
khB	Adequate capacity to meet financial commitments but more likely to be affected by adverse changes in circumstances and economic environment	6	
khCCC	Capacity to meet financial commitments dependent on favorable business, financial and economic conditions	7	High risk
khCC	Weak capacity to meet financial commitments	8	
khC	Unlikely to be able to meet financial commitments	9	Very high risk
khD	In default partially or for all financial commitments	10	

Disclaimer:

The information and statistical data herein have been obtained from sources we believe to be reliable. Such information has not been independently verified and we make no representation or warranty as to its accuracy, completeness, or correctness. Any opinions or estimates herein reflect the judgment of the Rating Agency of (Cambodia) Plc. (henceforth "RAC") at the date of this communication and are subject to change at any time without notice. Any scoring, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such scoring, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed and it may not contain all material information concerning the company (or companies) referred to in this report and RAC is under no obligation to update the information in this report. To the extent permitted by law, RAC and its directors, officers, employees, agent, and representatives disclaim liability for any direct or compensatory losses or damages cause to any person or entity, including but not limited to by any negligence on the part of, or any contingency within or beyond the control of RAC, or any of its directors, officers, employees, agents and representatives, arising from or in connection with the information contained herein or the use of or inability to use any such information.

©ក្រុមហ៊ុនរ៉េឡង់ដេអាយក្រុមហ៊ុនរ៉េឡង់ដេអេស៊ី អ៊ី (ខេមបូឌា) ម.ក ឆ្នាំ២០២២

©Copyright 2026, RATING AGENCY OF (CAMBODIA) PLC. All rights reserved.

អាសយដ្ឋាន: អគារលេខ២៤៦, មហាវិថីព្រះមុនីវង្ស ភូមិ១០ សង្កាត់បឹងកេងកង ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា

Address: #246, Preah Monivong Blvd, Village 10, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia

ទូរស័ព្ទ: (៨៥៥)២៣ ៩០២ ៤០៨

សារអេឡិចត្រូនិច: info@ratingagency.com.kh

Phone: (+855)23 902 408

Email: info@ratingagency.com.kh



RAC website