

PRESS RELEASE

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CGIF supports its first Cambodian Green Bond for issuer from the Special Economic Zone sector, Royal Group Phnom Penh SEZ.

Manila, 20 June 2024 – Credit Guarantee and Investment Facility ("CGIF"), a trust fund of the Asian Development Bank ("ADB") has guaranteed Royal Group Phnom Penh SEZ's ("RGPPSP") debut corporate bond issuance, five-year KHR 41.00 billion floating-rate amortizing bonds ("Bond").

RGPPSP is a key developer of Special Economic Zones (SEZs) in Cambodia and operates one of Cambodia's largest SEZs by land size, housing numerous investor companies. Through value-added services and certified environmental standards, RGPPSP attracts foreign corporations. The Bond will fund for its green infrastructure requirements to improve value added services by adding a wastewater treatment plant and other sustainable installations.

This Bond is the first CGIF-guaranteed Green Bond in Cambodia and issued under the ASEAN+3 Multi-Currency Bond Issuance Framework ("AMBIF") as well as the Cambodia Sustainable Bond Accelerator Program ("CSBA"), a joint effort by the Securities and Exchange Regulator of Cambodia (SERC), Global Green Growth Institute (GGGI), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in collaboration with the CGIF and GuarantCo, part of the Private Infrastructure Development Group. RGPPSP's Green Bond Framework has received a Second Party Opinion (SPO) from Fitch.

This CGIF-guaranteed bond was rated by the Rating Agency of Cambodia, which has given the Bond with highest rating of "khAAA". Royal Group Securities Plc. acted as Sole Arranger for the transaction.

Mr. Hongwei Wang, Chief Executive Officer of CGIF stated "CGIF is proud to guarantee Royal Group Phnom Penh SEZ's first bond issuance and CGIF's inaugural green bond in Cambodia. This initiative not only signifies a major milestone for RGPPSP but also sets a precedent for sustainable development in Cambodia. This milestone is a testament to CGIF's commitment to fostering sustainable development in the region and further promote Cambodia's bond market to support macroeconomic stability. Further, CGIF's support will enable RGPPSP to advance its green infrastructure, promoting environmentally friendly initiatives within Special Economic Zones." Mr. Wang further adds, "This bond sets a new

standard for other issuers in Cambodia, demonstrating viability and the benefits of green financing.”

“It has been an invaluable experience gained through this green bond issuance exercise working closely with Royal Group Securities (“RGS”) lead by Thoeun Seng Chan, the CEO of this securities firm, as the Underwriter and Lead Manager of the project.” said **Mr. Fong Nee Wai, Chief Financial Officer (CFO) of the Royal Group Phnom Penh SEZ**. “The green bond issuance process was completed within the 12-month period as targeted.” The CFO also added, “Working with CGIF to get our bond listed on the CSX has given our Company creditability and investment grade to our investors investing in our Green Bond.”

“Being a listed company on the CSX since 2016, this is the first time for us to go back to the CSX again to raise a debt security of equivalent to USD 10.0 million after the IPO was completed on 30 May 2016,” commented **Mr. Uematsu Hiroshi, Chief Executive Officer (CEO) of the Royal Group Phnom Penh SEZ**. “Although being listed, this is something new to raise debt security and the management team has done a very great job together with the help of our advisor, RGS, and also with CGIF as guarantor to complete within a short period of time. We would like also to thank our subscriber for putting their trust in the Company.” Mr. Hiroshi further added, “Since this is a green bond, it entails a lot of additional efforts of tracking and reporting to the relevant stakeholders after the bond issuance and receipt of the investment amount, ensuring this is compliant with ESG disclosure standards. This will further enhance our creditability and standards towards a green SEZ. However, it is worth the extra effort as this will lead to a more sustainable, cleaner and better environment for future generations, if not immediately to our own generation.”

The Chairman of RGPPSP, Neak Oknha Kith Meng, also the Chairman of Royal Group of Companies (“RGC”), shared that he is proud to have this green bond successfully issued. He further added, “As one of the leading SEZs in Cambodia, we are now the first SEZ issuing green bond successfully. This has implication to us as SEZ developer & operator, we are taking the lead to introduce the green SEZ concept in the country to cater to global climate change and related issues that everyone is concerned about. With this green bond issuance, it indicates we have taken the social responsibility ensuring sustainable development and growth in Cambodia at the same time; ESG disclosures are also taken care of, as part of our committed efforts toward sustainable development to promote integrated reporting in the country.”

“Through this bond issuance, we are pleased to contribute to the Royal Group Phnom Penh SEZ’s green transformation. This green bond issuance represents a significant milestone in advancing Cambodia’s ESG bond market, underscoring our commitment to sustainable development through collaborative efforts with key stakeholders, including the regulators, the securities exchange, legal advisors, and supporters like GGFI and UNESCAP through the Cambodia Sustainable Bond Accelerator (“CSBA”) program” said **Mr. Seng Chan Thoeun, Chief Executive Officer (CEO) of Royal Group Securities**. He further adds, “Backed by CGIF, green bonds such as this one serve as crucial financial instruments for local businesses, enabling them to raise funds, bolster their corporate social responsibility, and drive sustainable development initiatives. We believe this success will inspire further confidence in green finance, paving the way for future innovations and transformative projects.”

About CGIF

CGIF is a multilateral facility established by the Association of Southeast Asian Nations (“ASEAN”) members, China, Japan, Korea (“ASEAN+3”) and Asian Development Bank (“ADB”). It is established as a trust fund of ADB with paid-in capital of USD1,158 million from its Contributors. As a key component of the Asian Bond Markets Initiative (“ABMI”), CGIF was established to develop and strengthen local currency and regional bond markets in the ASEAN+3 region. CGIF commenced its guarantee operations on 1 May 2012 and seeks to provide credit enhancements, mainly in local currencies, issued by credit worthy ASEAN+3-domiciled bond issuers.

Also, as a contributor to CGIF, ADB acts as the Secretariat to ABMI, and has long worked with ASEAN+3 policymakers to establish the ASEAN+3 Multi-Currency Bond Issuance Framework (“AMBIF”). The ABMI, CGIF, and AMBIF were established to support development of active long-term local currency bond markets so borrowers can avoid the currency and maturity bond mismatches that caused the 1997-1998 Asian Financial Crisis.

About Royal Group Phnom Penh SEZ

Founded in 2006, Royal Group Phnom Penh SEZ Plc. (“RGPPSP”) operates strategically positioned Special Economic Zones (SEZs) in Cambodia. The company commenced operations in 2007 and welcomed its inaugural zone investor in 2008. Since then, RGPPSP has experienced significant growth and obtained international certifications as a testament towards quality installations and contributions to environmental conservation.

As of bond issuance date, RGPPSP operates three SEZs: (1) the Royal Group Phnom Penh SEZ, (2) the Royal Group Kandal SEZ, and (3) the Royal Group Poipet SEZ. RGPPSP ranks first in nationality mix of investors in the market and second in both land size (357.32 hectares) and market share.

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