

CAMGSM PLC.

ANNUAL REPORT 2023

END 31 DECEMBER 2023



This Annual Report 2023 of CAMGSM PLC. includes the annual report for its Initial Public Offering and Sustainability Bond.

For information related to the Annual Corporate Governance Report please refer to APPENDIX A and for information related to the Sustainability Bond of CAMGSM PLC. please refer to APPENDIX B.

Vision

To be Cambodia's premier service provider elevating our customer's digital lifestyle.

Mission

To provide innovative and insightful solutions, services, and products that complement our customers' digital needs, delivered by highly qualified employees, creating long-term shareholder value.

Core Values

- **Innovative-** We are committed to continuously finding new and improved solutions for both our customers and our operational processes.
- **Passionate-** We are bold. We believe in what we do and strive to do things better, as demonstrated by constant improvements.
- **Trusted-** We are loyal to our word and commitments.
- **Transparent-** We believe in being open and honest. That is why we try to make things simple, creating solutions that are easy to understand.
- **Fun-** We value relationships and happiness. We aim to incorporate enjoyment in our work and to provide enjoyment for our customers.

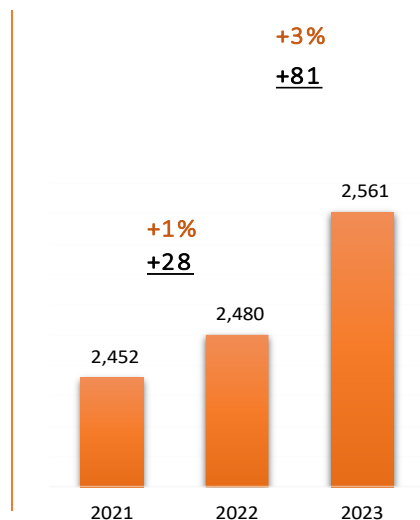
Financial Highlight

Description (Million Riels)	2023 Audited	2022 Audited	2021 Audited
Financial Position			
Total assets	2,560,996	2,480,139	2,451,939
Total liabilities	1,457,538	1,711,791	1,856,903
Total shareholders' equity	1,103,458	768,348	595,036
Profit/ (Loss) (Million Riels)	2023 Audited	2022 Audited	2021 Audited
Total revenues	747,431	781,610	694,458
Profit/(Loss) before tax	242,206	211,406	145,077
Profit/(Loss) after tax	329,817	165,815	113,073
Total Comprehensive income	325,528	173,097	116,526
Financial Ratios	2023 Audited	2022 Audited	2021 Audited
Liquidity Ratios			
Solvency ratio	0.4	0.3	0.2
Debt to equity ratio	0.6	0.8	1.2
Current ratio (%)	22	4	8
Quick ratio (%)	19	3	6
Profitability Ratios	2023 Audited	2022 Audited	2021 Audited
Return on assets (%)	13	7	5
Return on equity (%)	29	23	20
Gross profit margin (%)	74	67	76
Profit margin (%)	44	22	17
Earnings per share (Riels)	166	34,619,400	23,305,200
Interest Coverage ratio (Times)	4	3	5

Financial Summary Charts

FINANCIAL POSITION

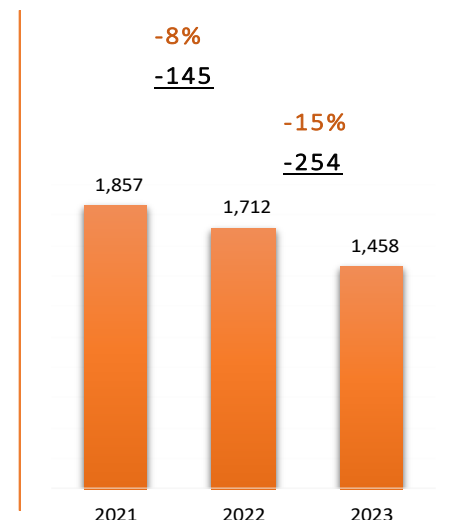
Total Asset (Billion Riels)



Total Asset:

For 2023, it has increased 3% or 81 billion riels compared to 2022.

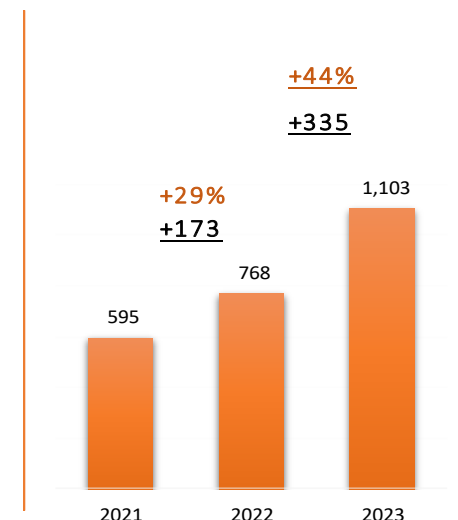
Total Liabilities (Billion Riels)



Total Liabilities:

For 2023, it has decreased 15% or 254 billion riels compared to 2022.

Total Equity (Billion Riels)



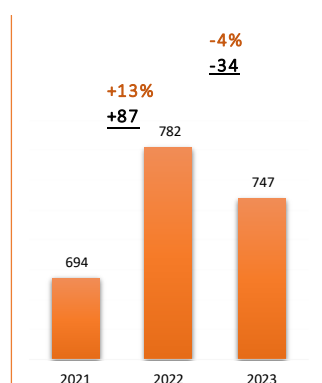
Total Shareholders' Equity:

For 2023, it has increased 44% or 335 billion riels compared to 2022.

Annual statistical summary of the CAMGSM's performance

COMPREHENSIVE INCOME

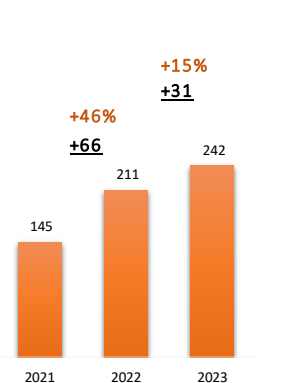
Revenues (Billion Riels)



Revenue:

For 2023, it has decreased 4% or 34 billion riels compared to 2022.

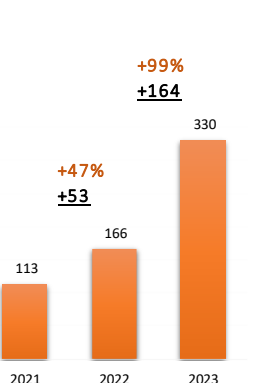
P/(L) before Tax (Billion Riels)



PBT:

For 2023, it has increased 15% or 31 billion riels compared to 2022.

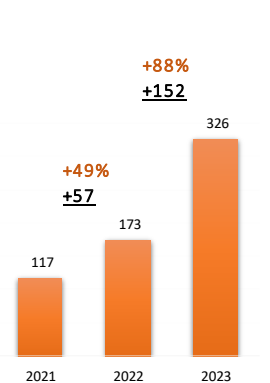
P/(L) after Tax (Billion Riels)



PAT:

For 2023, it has increased by 99% or 164 billion riels compared to 2022.

Comprehensive Income (Billion Riels)



Comprehensive Income:

For 2023, it has increased by 88% or 152 billion riels compared to 2022.

Board of Directors



NEAK OKNHA KITH MENG
CHAIRMAN



MR. WILLIAM MARK HANNA
NON-EXECUTIVE DIRECTOR



MR. PAUL CAREY CLEMENTS
NON-EXECUTIVE DIRECTOR



MR. CHRISTOPHER DONALD TIFFIN
NON-EXECUTIVE DIRECTOR



MS. HEP SEKA
INDEPENDENT DIRECTOR

MESSAGE FROM CHAIRMAN

A Year of Transformation

I am honored to present our Annual Report for 2023, a year marked by transformation and strategic re-positioning for exceptional growth. This year, we achieved significant milestones that solidified our commitment to being the frontrunner in Cambodia's telecommunications domain.

The highlight of the year was undoubtedly our much-anticipated listing on the Cambodia Securities Exchange (CSX) in June 2023. This strategic move underscores our firm belief in the company's potential, the dedication of our team, and the unwavering support of our valued customers. Not only does this listing unlock new investment opportunities, but it also accelerates our strategic initiatives, ultimately generating value for all stakeholders.

In July 2023, CAMGSM finalized term loan agreements with three different lenders, securing a total of US\$112.5 million to refinance the syndicated facility from the Bank of China Limited, which was fully settled on 08 August 2023. Additionally, by the end of 2023, we successfully raised financing totaling US\$70M through an internationally certified US\$20M sustainability bond listed on the CSX and a US\$50M loan facility from Deutsche Bank AG, Singapore Branch. These debt facilities will be utilized towards expanding CAMGSM's telecommunications infrastructure.

This annual report provides an in-depth exploration of the achievements, challenges, and significant milestones that characterized 2023. It serves as a testament to our unwavering commitment to innovation, customer-centricity, and operational excellence, all of which are instrumental in shaping the future of telecommunications in Cambodia.

This journey would not have been possible without the support and dedication of our shareholders, customers, employees, and partners. Together, we have built a strong foundation for future success.

I am confident that with your continued trust and collaboration, we will reach even greater heights in the years to come.

Thank you for being a part of this extraordinary journey.



MARCH 29, 2024
SIGNATURE AND SEAL



NEAK OKNHA KITH MENG
CHAIRMAN OF THE BOARD OF DIRECTORS

MESSAGE FROM CHIEF EXECUTIVE OFFICER

I am pleased to share with you the remarkable milestones achieved by CAMGSM as we continue to make significant strides in the telecommunications industry. Our unwavering commitment to innovation, sustainability, and community empowerment has propelled us to new heights, and I am proud to lead a team dedicated to driving positive change.

As the exclusive partner for the Southeast Asian Games (SEA Games), CAMGSM has demonstrated its leadership in supporting major sporting events and showcasing its cutting-edge technology to a global audience. This partnership not only highlighted its capabilities but also reinforced our commitment to promoting regional unity and excellence.

In addition, our successful Initial Public Offering (IPO) has not only strengthened our financial position but also provided an opportunity for investors to share in our vision for the future. The overwhelming response to our IPO is a testament to the confidence and trust that stakeholders have in our business strategy and growth potential.

Furthermore, CAMGSM's issuance of a Sustainability Bond underscores our dedication to environmental and social responsibility. By leveraging sustainable financing mechanisms, we can support initiatives that promote environmental protection, social inclusion, and community development, contributing to a more sustainable future for all.

Our relentless pursuit of excellence has been recognized through numerous network awards, affirming CAMGSM's position as a leading telecommunications provider in the region. These accolades served as a testament to our team's hard work and dedication to delivering reliable and innovative services to our customers.

Our commitment to expanding our network and connecting the underserved communities remains a top priority for CAMGSM. Through strategic financing initiatives, we are investing in infrastructure development to bridge the digital divide and empower communities with access to essential communication services.

In conclusion, I am immensely proud of the milestones we have achieved at CAMGSM and the positive impact we continue to make in the telecommunications industry. As we look towards the future, I am confident that our collective efforts will drive even greater success and create lasting value for our customers, partners, and communities.

Thank you for your unwavering dedication and commitment to excellence.



MARCH 29, 2024
SIGNATURE AND SEAL

SIMON JONH PERKINS

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PART 1 – GENERAL INFORMATION OF CAMGSM

A. Identity of Listed Entity

Entity Name in Khmer	ខេម ធីអេសអេម ម.ក
In Latin	CAMGSM PLC.
Standard Code	KH10000220009
Address	No. 246, Preah Monivong Blvd., Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Cambodia
Phone Number	+(855) 12 812 812/ 812
Fax	N/A
Website	www.cellcard.com.kh
Email	Investor_relations@cellcard.com.kh
Company Registration Number	00015274 dated 20 August 1996 Issued by the Ministry of Commerce
License Number	N/A
Disclosure Document Registration Number	061/23 SERC/SSR dated 04 April 2023 Issued by Securities and Exchange Regulator of Cambodia (SERC)
Representative of the Listed Entity	Mr. Simon John Perkins

B. Nature of Business

On April 20, 1996, CAMGSM (the Company) received a license from the Ministry of Posts and Telecommunications to provide and operate GSM Digital Cellular mobile telephone services in the Kingdom of Cambodia. The Council for the Development of Cambodia/Cambodian Investment Board granted the company Investment Approval Letter no. 1066/96 on August 7, 1996. Additionally, CAMGSM was registered with the Ministry of Commerce (MOC) with a Letter of Approval numbered 2159 M.O.C. dated August 26, 1996, and Registration number INV 231/96M.

The primary operations of the Company include:

1. The installation and management of all equipment and machinery necessary for operating the GSM mobile cellular telephone network across the Kingdom of Cambodia. This includes any products that are supplementary, complementary, or integral components of this equipment.
2. Marketing and selling of any telecommunications products and services.

On November 24, 2009, the Company was awarded two new license agreements with the validity of 30 years such as License for the provision and operation of Cellular Mobile and Fixed Wireless Telecommunications Network and Service Using GSM900 & 1800 system that permits the use of GSM technology and allocation of frequencies and License for the provision and operation of Cellular Mobile and Fixed Wireless Telecommunications Network and Service Using 3G System that permits the use of 3G technologies and allocation of frequencies. On July 15, 2013, the Company's subsidiary, Mobitel Company Limited, was granted a license with validity of 30 years, for the use of 4G technologies in addition to 2G and

3G technologies and additional frequencies. The Company received a license for the Provision and Operation of Voice-over-Internet Protocol (VoIP) services in the Kingdom of Cambodia on May 31, 2016. On January 13, 2022, the Company was authorized to provide and operate internet services (ISP) in the Kingdom of Cambodia.

Furthermore, on January 14, 2022, Telemobile (Cambodia) Corporation (T.C.C), a subsidiary of the Company, obtained a license for the operation and service of antenna towers in the Kingdom of Cambodia.

The Company is majority-owned (98.5%) by Royal Millicom Co., Ltd (RMC), with its principal office at no. 246, Preah Monivong Boulevard, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh.

C. Group Structure of CAMGSM

No.	Company Name	Type of Relation	Percentage of Share holding	Core Business	Company Registration Date	Business Address
1.	Royal Millicom Co., Ltd.	Holding Company	98.53%	Telecommunications Service	20 May 1996	No. 246, Preah Monivong Blvd., Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh
2	Mobitel Company Limited	Subsidiary	99%	Telecommunications Service	02 March 2011	House No. 33AE0+AE1+AE2, Street 274, Sangkat Chaktomuk, Khan Chamkamorn, Phnom Penh
3.	Telemobile (Cambodia) Corporation (TCC)	Subsidiary	100%	Construction project to build, install and operate antenna tower of telecommunication	27 July 2006	No. 246, Preah Monivong Blvd., Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh
4.	Everyday Company Limited	Subsidiary	99%	Internet Service Provider	17 October 2001	#33, Preah Sihanouk Blvd, Sangkat Chaktomuk, Khan Daun Penh, Phnom Penh.

D. CAMGSM's Milestones

We are delighted to share the remarkable milestones that CAMGSM has achieved in 2023, underscoring our unwavering commitment to innovation, sustainability, and community empowerment.

CAMGSM's partnership with the SEA Games stands as a testament to our dedication to excellence and regional unity. Our cutting-edge technology showcased on a global stage not only highlighted our

telecommunications prowess but also demonstrated our commitment to supporting major sporting events with seamless connectivity, thereby promoting regional unity and excellence.

Furthermore, our Initial Public Offering (IPO) in 2023 has significantly bolstered our financial position while providing investors an opportunity to share in our vision for the future. The successful IPO reflects investors' confidence in our business strategy and growth potential, further propelling us toward our goals.

CAMGSM's consistent leadership in network performance has been acknowledged through prestigious awards such as Ookla and Speedtest, reaffirming our position as a leading telecommunications provider in the region. This recognition underscores our unwavering commitment to delivering reliable and innovative services to our valued customers.

In line with our commitment to environmental and social responsibility, CAMGSM issued a Sustainability Bond in 2023. This sustainable financing mechanism will drive our network expansion initiatives, allowing us to bridge the digital divide and empower underserved communities with essential communication services, thus fostering inclusive growth and development. These milestones reflect our dedication to excellence and our mission to create lasting value for our customers, partners, and communities. We are immensely proud of the achievements of our team at CAMGSM and remain optimistic about our continued success in the future.



E. Market Situation

Industry Analysis:

The telecommunications industry in Cambodia has experienced notable expansion, fueled by a youthful demographic, rising urbanization, and heightened demand for digital offerings. There has been a significant surge in mobile penetration rates, enabling a large portion of the population to access smartphones, paralleled by a notable increase in internet usage. The ongoing emphasis and priority placed on expanding networks and enhancing capacity by major operators across the nation have been central to this growth trajectory.

Competitive Positioning:

- CAMGSM has maintained its position with market share of around 18% in 2023.
- Regarding network infrastructure, CAMGSM has consistently expanded its coverage and capacity across various regions nationwide, including critical areas such as Boreys and other emerging development zones with sizable populations.
- Once again, CAMGSM has been recognized as the Fastest Mobile Network for the fourth quarter of 2023 by both OpenSignal and Ookla. This achievement underscores the company's ongoing commitment to providing the swiftest and most dependable mobile services in Cambodia.

Regulatory Environment:

By mid-2023 under the guidance of Telecommunications Regulator of Cambodia (TRC), all prices and product offers have been standardized and are at parity.

Market Segmentation:

As a longstanding player in the market, CAMGSM commands a significant share of high Average Revenue Per User (ARPU) customers, including early adopters of mobile technology such as businessmen, high-ranking officials, and Embassies. Consequently, the CAMGSM brand has consistently been associated with premium services.

Sunset from 3G to 4G

In 2023, CAMGSM embarked on a strategic initiative to reform our 3G spectrum to the more advanced and efficient 4G technology, marking a significant step in enhancing Cambodia's telecommunications landscape. This initiative reflects our commitment to harnessing technological advancements to improve network performance and operational efficiency.

Strategic Refarming for Network Optimization

The refarming is aimed at optimizing the use of our spectrum resources, significantly enhancing network capacity, and user experience. This move not only prepares our infrastructure for future technological evolutions but also ensures that we remain at the forefront of delivering high-quality telecommunications services.

Operational Efficiency and Cost Optimization

The shift towards 4G technology is poised to deliver notable operational efficiencies, including potential reductions in CAPEX and OPEX. By reallocating our resources towards a more advanced network, we're optimizing our operational costs, ensuring a more streamlined and cost-effective deployment of services.

Enhanced Service Quality with VoLTE

- Integrating Voice over LTE (VoLTE) technology is a critical component of this spectrum refarming, offering users enhanced call quality and reliability over the 4G network. This advancement not only elevates the user experience but also underscores our commitment to leveraging cutting-edge technologies to improve service offerings.

A Forward-Looking Approach

By prioritizing technological innovation and network efficiency, we are setting the stage for sustained growth and enhanced service delivery. This approach not only benefits our subscribers but also underscores our commitment to operational excellence and strategic growth, aligning with the interests of those looking towards the long-term potential of Cambodia's digital landscape.

F. Competitive Situation

CAMGSM faces stiff competition in Cambodia's telecommunications market from other major operators. Each operator strives to provide the best customer experience, high net promoter scores, and high levels of customer satisfaction to retain and attract subscribers.

CAMGSM is committed to customer satisfaction and a “customer first” approach, emphasizing initiatives that offer personalized services alongside attentive customer support. In a significant stride towards this goal, the company has invested in dynamic contact center operating systems. These advanced systems are tailored to meet customer needs efficiently, fostering seamless communication over multiple channels. By enriching these areas, CAMGSM not only aims to refine its digital touchpoints but also to steadily improve its NPS ratings and strives to be best in class. As these improvements continue apace, omni channel contacts to the help center had reduced by 23% over the course of H2 2023 with complaints reducing by 2%; testament to CAMGSM continued emphasis on reducing friction and improving trust in our services.

CAMGSM has been focusing on delivering exceptional customer service, online channels for customer support, transparent pricing, and value-added services, mobile plans, data packages and entertainment apps. CAMGSM also provides international roaming options for customers traveling abroad.

Enterprise solutions:

CAMGSM offers enterprise solutions including a range of services and products tailored to meet specific requirements of businesses, such as:

1. Business mobile plans: CAMGSM offers customized mobile plans for businesses, providing them with cost-effective voice, data, and messaging services to meet their communication needs.
2. Data and connectivity solutions: The company provides businesses with high-speed data and connectivity solutions, such as dedicated internet access, and cloud services, data storage, backup, and collaboration tools for remote accessibility to support their operations.
3. Enterprise solutions: CAMGSM offers business communication tools, among them Fleet Management, unified communications platforms, collaboration software, and video conferencing solutions to enhance productivity and efficiency.
4. IoT (Internet of Things) solutions: The company provides IoT solutions for businesses, enabling them to connect and manage devices, sensors, and machines to streamline operations, improve decision-making, and drive innovation.

Overall, the enterprise solutions offered by CAMGSM are designed to empower businesses with reliable and innovative telecommunications services to support their growth and success in the digital age.

G. Future Plan

1. 2024 Strategy & Plan

In 2024, our focus will remain steadfast on executing the strategic blueprint outlined in the prospectus of 2023. This entails a dedicated emphasis on enhancing Customer Lifetime Value, expanding Network Coverage, fostering Growth Through Partnerships, and exploring avenues for New Revenue Streams.

2. Enhancing Customer Lifetime Value

We are committed to driving higher Average Revenue Per User (ARPU) by transitioning our customer base to premium prepaid and postpaid plans with extended contract durations. This will involve introducing bundled plans that combine Fixed broadband or Mobile phone subsidies, enticing customers with added value. Additionally, we aim to personalize our offerings through Customer Lifecycle Management (CLM), tailoring products and services based on individual usage patterns and behavior.

3. Network coverage expansion

We remain dedicated to advancing our network enhancement initiative initiated in 2023, which includes expanding our coverage footprint by 500 sites and increasing capacity to enhance performance and quality. This ongoing effort aims to elevate our network standards, as recognized by Ookla and Open Signal, thereby ensuring superior service delivery to the people of Cambodia. We have identified specific areas for network enhancement and are committed to their swift execution.

4. Growth Through Partnerships

Through strategic partnerships, CAMGSM and Ezecom have introduced the inaugural dual-play service in Cambodia, combining Fixed broadband with Mobile offerings. Additionally, we plan to capitalize on the diverse ecosystem of Royal Group Companies to enrich our product portfolio. This collaboration will encompass financial services, entertainment, transportation, and hospitality sectors, thereby actualizing our vision of becoming a comprehensive digital lifestyle provider for consumers.

5. New Revenue Streams

- Expanding into Data Monetization, transitioning towards Customer 360, and harnessing Big Data Analytics, AI, and ML technologies are paramount in enhancing customer experience through tailored and targeted services.
- Within the Enterprise Segment, which is witnessing notable growth, we aim to extend beyond traditional connectivity services. Our focus will be on delivering a range of solutions including IoT, Cyber Security, Cloud-Based, and Industry 4.0 solutions, serving as catalysts for future growth.

H. Risks Factors

1. Analysis

CAMGSM's business operations are susceptible to financial risks influenced by both global and national macroeconomic conditions, including geopolitical issues, the Russia-Ukraine war impacting the economy plus the rise of inflation and interest rates affecting foreign investment and declining global market demand. The material risk factors related to CAMGSM's business are as follows:

1.1 Cash Flow and Interest Rate Risk

CAMGSM's interest rate risk arises from borrowing. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk.

1.2 Foreign Currency Risk

CAMGSM is not significantly exposed to foreign currency risk as only an insignificant portion of future commercial transactions and recognized assets and liabilities are in currencies other than US\$, the functional currency.

1.3 Credit Risk

Credit risk arises from cash and cash equivalents, trade and other receivables, receivables from related parties and loan to a related party.

1.4 Liquidity Risk

Liquidity risk is defined as the risk that encounters difficulty in meeting obligations associated with financial liabilities. The company evaluates the ability to meet the obligations on an ongoing basis using a recurring liquidity planning tool. This tool considers the operating net cash flows generated from its operations and the future cash needs for borrowing and interest payments and the capital expenditures required to maintain and develop businesses.

2. Management Opinion and Risk Mitigation

CAMGSM's management is confident in its ability to effectively manage and mitigate the identified risk factors to minimize potential adverse effects on the company's performance.

2.1 Cash Flow and Interest Rate Risk Management Measures

The company diligently assesses interest rate risks, factoring in transaction costs during loan negotiations. Continuous evaluation of interest rate risk is conducted, with the company devising strategies to mitigate such risks by leveraging its cash flow forecast to adapt to market fluctuations. Furthermore, voluntary prepayments have been made on certain loans to mitigate the impact of ongoing increases in interest rates. This proactive approach demonstrates the company's commitment to effectively managing its interest rate exposure and maintaining financial stability.

2.2 Foreign Currency Risk Management Measures

At this stage, the management has not established a specific policy to manage foreign currency risk against the functional currency, primarily the US\$, as CAMGSM conducts the majority of its transactions in US\$.

2.3 Credit Risk Management Measures

Accounts receivable primarily stem from providing telecom services to a diverse array of customers, ranging from businesses and individuals to local telecommunication companies. Consequently, the concentration of credit risk associated with these receivables is deemed to be limited.

Receivables and loans extended to related parties are perceived as low risk due to their association with entities under common shareholder ownership. Management holds the view that receivables from related parties may potentially be offset with corresponding account payables owed to related parties, thereby further mitigating risk.

2.4 Liquidity Risk Management Measures

The company effectively manages liquidity by utilizing bank loans as a primary tool. Management holds the belief that there is ample liquidity available in the markets to fulfill ongoing liquidity requirements. Furthermore, the company maintains the option to arrange offshore funding, providing additional flexibility in managing liquidity needs.

PART 2 – INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including Business Segment

CAMGSM has cemented its dominance in the Cambodian mobile network landscape and secure the title of **Fastest Mobile Network** in 2023. This accolade comes from Speedtest Global Index (<https://www.speedtest.net/global-index/cambodia?mobile#market-analysis>).

The Speedtest reports that CAMGSM delivered the fastest median download speed throughout the year as shown in the below reports.

- **Download speed report as of Q1 2023**

Fastest Providers - Download

Speedtest Intelligence® reveals that among [top mobile operators](#) in Cambodia in Q1 2023, Cellcard delivered the fastest median download speed at 32.05 Mbps.



- **Download speed report as of Q2 2023**

Fastest Providers - Download

Speedtest Intelligence® reveals that among [top mobile operators](#) in Cambodia in Q2 2023, Cellcard delivered the fastest median download speed at 31.60 Mbps.



- **Download speed report as of Q3 2023**

Fastest Providers - Download

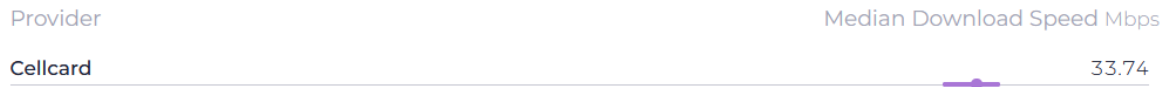
Speedtest Intelligence® reveals that among [top mobile operators](#) in Cambodia in Q3 2023, Cellcard delivered the fastest median download speed at 31.76 Mbps.



- **Download speed report as of Q4 2023**

Fastest Providers - Download

Speedtest Intelligence® reveals that among top mobile operators in Cambodia in Q4 2023, Cellcard delivered the fastest median download speed at 33.74 Mbps.



In line with the new radio rollout, some microwave links were also upgraded to bigger capacity or swapped to fiber solutions in main cities to satisfy the bigger capacity requirement. The total distance of fiber optic connection was increased by 18% compared to quarter three of 2023.

Furthermore, CAMGSM has also extended its network coverage and capacity to various locations nationwide including some critical locations such as Boreys and other new development areas with significant populations such as Phnom Penh, Koh Kong, Sihanouk Ville, Kampong Speu, Banteay Meanchey, Kandal, Takeo, Siem Reap and Kampong Cham provinces. CAMGSM has delivered 85% of its total number of sites planned in 2023.

CAMGSM also completed Energy Savings and Green initiatives by activating power savings features in the network and converting the off-grid sites to grid.

- Activation of power-saving features across the network, achieving energy savings of 5% to 10% across various site categories.
- Transition to Electricite du Cambodge (EDC) connections for 94.70% of its network infrastructure, up from 84.74% at the beginning of the year.
- Reduction in the use of Diesel Generators (DG) from 15.26% to 5.30% across the network.
- Decrease in air conditioning usage from 8.04% to 2.75% within the network infrastructure.

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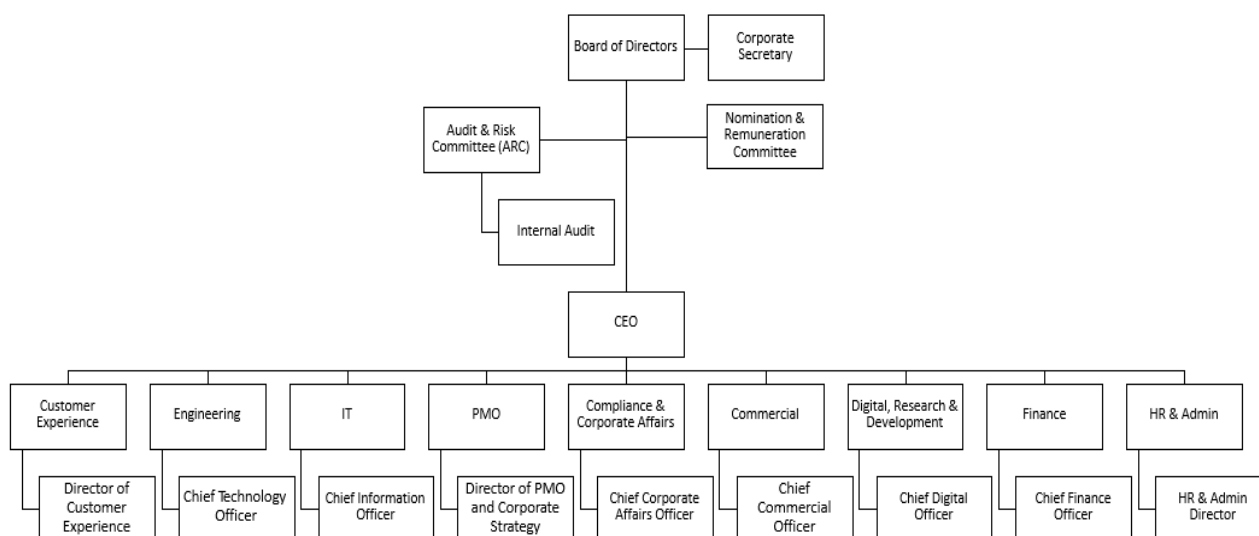
B. Revenue Structure

Please find the revenue structure summarized in the table below. Refer to further details and clarification in Part 4 of the report.

No.	Source of Revenue (Million Riels)	2023 Audited		2022 Audited		2021 Audited	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1.	Provision of telecommunication services	725,415	97%	762,434	98%	678,593	98%
2.	Connection and subscription revenues	15,399	2%	11,945	1%	7,245	1%
3.	Equipment revenues	-	0%	3	0%	-	0%
4.	Lease income	867	0%	-	0%	-	0%
5.	Other revenues	5,750	1%	7,228	1%	8,620	1%
Total revenue		747,431	100%	781,610	100%	694,458	100%

PART 3 – INFORMATION ON CORPORATE GOVERNANCE

A. Organization Structure



Mr. Laszlo Barta is the Corporate Secretary of CAMGSM.

B. Board of Directors

No.	Name	Position	Date of term being director	Expired date of being Director
1.	Neak Oknha Kith Meng	Chairman	01 February 2023	01 February 2026
2.	William Mark Hanna	Non-Executive Director	01 February 2023	01 February 2026
3.	Paul Carey Clements	Non-Executive Director	01 February 2023	01 January 2026
4.	Christopher Donald Tiffin	Non-Executive Director	01 February 2023	01 January 2026
5.	Hep Seka	Independent Director	01 February 2023	15 January 2026

B. Senior Officer

No.	Name	Gender	Position
1.	Mr. Simon John Perkins	Male	Chief Executive Officer
2.	Ms. Lynnette Gan Siau Ling	Female	Chief Financial Officer
3.	Mr. Johnny Wong Yon Siong	Male	Chief Commercial Officer
4.	Mr. Bighani Jr. Naval	Male	Chief Technical Officer
5.	Mr. Lim Soksophay	Male	Chief Information Officer
6.	Mr. Yoshiyuki Matsuoka	Male	Chief Digital Officer
7.	Mr. Laszlo Barta	Male	Chief Corporate Affair Officer
8.	Mr. Andrew Mittel	Male	Director of Customer Experience
9.	Ms. Marina Pykhteeva	Female	Director of HR & Administration
10.	Mr. Radet Phlook	Male	Internal Audit and Fraud & Revenue Assurance Manager

Note: Detail information of corporate governance is attached as appendix.

PART 4 – INFORMATION ON SECURITIES’ TRADING AND SHAREHOLDERS OF CAMGSM

A. Information on Securities

1. Information on Equity Securities

Name of equity securities	:	CAMGSM PLC.
Equity securities’ symbol	:	CGSM
Class of equity securities	:	Class A Voting Share
Par value per equity securities	:	KHR 300/US\$ 0,075
IPO Price	:	KHR 2,270
The total number of outstanding shares	:	1,959,271,206
Market capitalization	:	KHR 5,152,883,271,780
Permitted Securities Market	:	Cambodia Securities Exchange (CSX)
Listing date	:	27 June 2023

2. Information on Debt Securities

Information	:	Description
Debt securities’ type	:	Guaranteed and Sustainability Bond
Symbol	:	CGSM33A
Issuing date	:	15 November 2023
Total amount of debt securities	:	825,000
Total amount of outstanding debt securities	:	825,000
Maturity	:	15 November 2033
Coupon payment schedule	:	15 May and 15 November
Coupon rate (%)	:	Term SOFR +3% or 5.5% per annum, whichever is higher
Total amount of coupon payment	:	None
Credit rating (if any)	:	KhAAA

(Please continue to next page)

B. Securities' price and Trading volume

Securities		Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Trading Price (KHR)	Maximum	2,400	3,630	2,880	2,620	2,450	2,390	2,670
	Average	2,348	2,907	2,777	2,492	2,397	2,352	2,557
	Minimum	2,300	2,410	2,630	2,400	2,300	2,320	2,430
Trading Volume (Share)	Maximum	481,560	482,019	110,014	74,697	28,661	14,480	58,218
	Average	229,460	156,185	33,994	19,590	10,871	8,510	21,361
	Minimum	48,564	15,459	3,592	2,269	1,441	2,035	4,553

C. Controlling Shareholder(s) (30% or more)

No.	Name	National	Number of Shares	Percentage
1.	Royal Millicom Co., Ltd.	Cambodian	1,930,500,000	98.53%
Total			1,930,500,000	98.53%

D. Substantial shareholder(s) (5% or less than 30%)

None.

E. Information on dividend distribution in the last 3 (three) years (for equity listed entity)

Details of dividend distribution	2021	2022	2023	Noted
Net profit	KHR 116,526,000,000	KHR 173,097,000,000	KHR 325,528,000,000	
Total cash dividend	N/A	N/A	KHR 736,597,316	
Total share dividend	N/A	N/A	N/A	
Other dividend	N/A	N/A	N/A	
Dividend payout ratio (%)	N/A	N/A	0.23%	Net profit/total cash dividend
Dividend yield (%)	N/A	N/A	- 3 rd quarter: 1.54% - 4 th quarter: 1.54%	
Dividend per share	N/A	N/A	- 3 rd quarter: KHR 39.725 - 4 th quarter: KHR 39.725	

PART 5 – INTERNAL CONTROL AUDIT REPORT BY INTERNAL AUDITOR

According to the annual audit plan for 2023, the internal audit team conducted previous audit recommendations review and auditing on certain business operations as stated in the auditing plan of 2023.

A. Previous Audit Recommendation

Upon conducting a review of the previous audit recommendations, all identified recommendations raised in 2022 have been fully implemented.

B. Audit Activities for 2023

The annual auditing plan for 2023 was prepared and approved according to risk assessment and priority to conduct the auditing in certain business operations. The auditing objectives, scope, and procedures are comprehensively developed to evaluate and validate the controls of the selected business operation to ensure the effectiveness and efficiency of the internal controls and operation. The auditing scopes for 2023 covered such as Fraud and Revenue Assurance, Inventory Management, Customer Lifecycle Management, Commission Payment Management, Raffle Data Validation, Reseller Account Balance Management, Special Number Management, Operational Risk Review, and other monitoring for critical business operations.

As results of the work performed, several audit findings were identified and promptly reported to the responsible parties for the corrective action. The auditee accepted the recommendations and will take corrective action according to the expected timeline as stated in the action plan.

Internal audit will follow up on the recommendations for the next audit schedule as set in the annual plan of 2024.

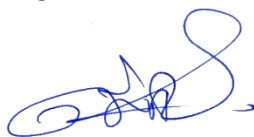
C. Conclusion

Based on the results of our review, the internal controls and operations review for 2023 in general are fine, all identified issues were swiftly reported to the responsible parties for immediate corrective actions.

Read and Approved

29 March 2024

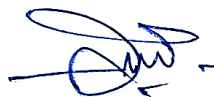
Signature



Hep Seka

29 March 2024

Signature



Radet Phlook

PART 6 – FINANCIAL STATEMENT AUDITED BY THE EXTERNAL AUDITOR

The Financial Statement Audited by External Auditor is attached separately to this document.

PART 7 – INFORMATION ON RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The material transactions information, with related parties in the last 2 (two) years is provided as follows:

A. Material Transaction with shareholders who hold at least 5% or more shares of outstanding equity securities.

None.

B. Material Transaction with Director and Senior Officer.

Please refer to Note 26 on “Related Party Transactions” in PART 6 - FINANCIAL STATEMENT AUDITED BY THE EXTERNAL AUDITOR.

C. Transaction with Director and Shareholder related to buy/sell asset and service.

Please refer to Note 26 on “Related Party Transactions” in PART 6 - FINANCIAL STATEMENT AUDITED BY THE EXTERNAL AUDITOR.

D. Material Transaction with immediate family member of the Director, Senior Officer and Shareholder who hold at least 5% or more shares.

None.

E. Material Transaction with shareholder the person who is associated with Director of the listed entity, its Subsidiary, or Holding Company, whose relationship has occurred in any transactions or have been made by the listed entity.

Please refer to Note 26 on “Related Party Transactions” in PART 6 - FINANCIAL STATEMENT AUDITED BY THE EXTERNAL AUDITOR.

F. Material Transaction with former director or person who is involved with former director.

None.

G. Material Transaction with Director who is holding any position in a non-profit organization or in any other company other than the listed Entity.

None.

H. Material Transaction with Directors who get benefit either finance or non-financial from the listed entity.

None.

PART 8 – MANAGEMENT’S DISCUSSION AND ANALYSIS (MD&A)

The discussion and analysis focused on the operational and financial results based on Audited Consolidated Financial Statements for the year ended 31 December 2023 reviewed by Independent Auditors. The Audited Consolidated Financial Statements had been prepared in accordance with Cambodian International Financial Reporting Standard “CIFRS”. Only the key components of the Interim Financial Statements and key factors that affect CAMGSM’s Profitability were discussed.

A. Overview of Operation

1. Revenue Analysis

The four revenue streams of CAMGSM are the provision of telecommunications services, connection and subscription revenues, equipment revenues, and other revenues.

- i. **Provisions of telecommunications services revenue** consist of airtime usage fees, interconnection fees, roaming fees, and other telecommunications services such as data services, short message services, and other value-added services.
- ii. **Connection and subscription revenues** consist of subscription fees, connection and preloaded credits.
- iii. **Equipment revenues** consist of the sale of internet equipment, handsets, and accessories.
- iv. **Lease Income** is generated from the leasing spare on telecommunication towers, where the customers install and maintain their individual communication network equipment.
- v. **Other revenues** consist of other services such as CellcardOne and other non-recurring revenue.

2. Revenue by Segment Analysis

No	Source of Revenue (Million riels)	2023 Audited		2022 Audited		2021 Audited	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1.	Provision of telecommunications services	725,415	97%	762,434	98%	678,593	98%
2.	Connection and subscription revenues	15,399	2%	11,945	1%	7,245	1%
3.	Equipment revenues	-	0%	3	0%	-	0%
4.	Lease income	867	0%	-	0%	-	0%
5.	Other revenues	5,750	1%	7,228	1%	8,620	1%
Total revenue		747,431	100%	781,610	100%	694,458	100%

In 2023, total revenue has decreased by 34,179 million riels or 4% compared to 2022 impacted by the decrease in provision of telecommunications services by 37,019 million riels or 5%.

3. Gross Profit Margin Analysis

Gross profit margin continues to improve to 74% in 2023 from 67% in 2022 contributed by continuous initiatives to optimize direct costs.

4. Profit/(Loss) before Tax Analysis

Statement of Profit or Loss (Million riels)	2023 Audited	2022 Audited	Variance	
			Amount	Percentage
Revenue	747,431	781,610	(34,179)	(4%)
Operating Costs				
Depreciation and amortization	(148,769)	(125,384)	23,385	19%
Interconnect costs	(12,238)	(16,345)	(4,107)	(25%)
Personnel costs	(59,496)	(39,335)	20,161	51%
Other operating costs	(328,279)	(430,522)	(102,243)	(24%)
Gain on financial liability modification	-	49,377	(49,377)	100%
Other gains – net	385	(1,536)	1,921	125%
Operating Profit	199,034	217,865	(18,831)	(9%)
Finance income	90,466	84,651	5,815	7%
Finance costs	(47,294)	(91,110)	(43,816)	(48%)
Profit before income tax	242,206	211,406	30,800	15%

In 2023, the Operating Profit decreased by 18,831 million riels or 9% compared to 2022 mainly due to depreciation and amortization of network equipment as well as one off gain on financial liabilities modification in 2022. Profit before income tax increased by 30,800 million riels or 15% compared to 2022 due to reversal of tax accrued.

5. Profit/(Loss) after Tax Analysis

Statement of Profit or Loss (Million riels)	2023 Audited	2022 Audited	Variance	
			Amount	Percentage
Profit before income tax	242,206	211,406	30,800	15%
Income tax expense	87,611	(45,591)	(133,202)	(292%)
Profit for the period	329,817	165,815	164,002	99%

CAMGSM is subject to income tax at the rate of 20% on taxable profits or the minimum tax at the rate of 1% of turnover in pursuance of the Law on Taxation. On 04 March 2024, CAMGSM received letter No. 9726 from General Department of Taxation (GDT) approving income tax incentives for 3 years from 2023 to 2025. This incentive follows the calculation method of income tax incentive decreasing proportion following to the table in the Annex to Sub-Decree No. 42, dated on February 24, 2022. GDT also approved the temporary suspension of the monthly prepayment income tax to be applied the same as the income tax incentive period.

In 2023, CAMGSM reported Profit of 329,817 million riels for the period, which is an increase of 164,002 million riels equivalent to 99% compared to 2022. The increment of profit for the period is due to a reversal of tax accrual.

6. Total Comprehensive Income (Loss) Analysis

Total Comprehensive Income (Million riels)	2023 Audited	2022 Audited	Variance	
			Amount	Percentage
Profit for the period	329,817	165,815	164,002	99%
Other comprehensive income:				
<i>Items that will not be reclassified to profit or loss</i>				
Currency translation differences	(4,289)	7,282	(11,571)	(159%)
Total comprehensive income for the period	325,528	173,097	152,431	88%

In 2023, CAMGSM reported a total comprehensive income of 325,528 million riels, an increase of 152,431 million riels equivalent to 88% compared to 2022. The increase in comprehensive income was driven by reversal of tax accrued.

7. Factors and Trends Analysis Affecting Financial Conditions and Results

Financial condition is affected by a combination of new rules and regulations by regulators, competition, environmental, fiscal, and organizational factors. The tourism industry has not returned to its pre-COVID state and hence CAMGSM has not fully gained back our international business position. Revenue was also impacted by the international political and economic situation, new rules, and regulations on product offerings. Nevertheless, with a complete suite of connectivity services for both personal and corporate needs, CAMGSM continues to drive financial growth through mobile and digital lifestyle services and continuously enhancing the network coverage and quality to better serve the customers.

B. Significant factors affecting profit

1. Demand and Supply Conditions Analysis

The sales and revenue have been impacted by i). TRC imposed regulations; ii). Seasonality; and iii). System upgrading.

- TRC Imposed Regulations: the telecommunications sector is subjected to regulatory oversight from the TRC, in which the recent regulations imposed have resulted in changes to pricing structures, service offerings or operational requirements that impacting sales and revenues generation for the company. Compliance with regulatory mandates may have necessitated adjustments to business operations, potentially affecting customers acquisition, retention or market penetration strategies.
- Seasonality: seasonal fluctuations in demand are common in the telecommunications industry with periods of peak demand coinciding with specific times of the year. Factors such as holidays, festivals, or special events may lead to variations in consumer behavior and usage patterns, affecting sales volumes and revenue streams. Understanding and adjusting seasonal variations is essential for accurately forecasting sales and revenue performance and optimizing resource allocation accordingly.
- System Upgrading: investment in system upgrading or technological advancements is essential for maintaining competitiveness and meeting evolving customer needs in the telecommunications sector. However, the implementation of system upgrades or infrastructure enhancements may

temporarily disrupt operations, affecting service availability, quality, or reliability. Additionally, associated costs incurred during the upgrade process can impact profitability and financial performance in the short term. While system upgrading is crucial for long-term sustainability and growth, it may have contributed to fluctuations in sales and revenue during the reporting period.

2. Fluctuations in Prices of Raw Material Analysis

There are no raw materials used for CAMGSM's products and service.

3. Tax Analysis

CAMGSM has an obligation to pay taxes and excises to the government under the laws of Cambodia. CAMGSM is a large taxpayer and is required to pay tax under the real regime tax system as set forth by the General Department of Taxation. Tax expenses include taxes paid during the fiscal year and deferred taxes. Income Tax expenses are recorded in the statement of profit or loss.

On 04 March 2024, CAMGSM received letter No. 9726 from the GDT approving income tax incentives for 3 years from 2023 to 2025. This incentive follows the calculation method of income tax incentive decreasing proportion following to the table in the Annex to Sub-Decree No. 42, dated on February 24, 2022. GDT also approved the temporary suspension of the monthly prepayment income tax to be applied the same as the income tax incentive period.

4. Exceptional and Extraordinary Items Analysis

There are no exceptional items that impact this period's financial performance.

C. Material Changes in Sales and Revenue

The main source of CAMGSM's revenues is telecommunication services which accounted for 98% of the Company's total revenue in 2023 and 2022. Revenue decreased by 4% compared to FY 2022 impacted by restriction imposed on providing Balance Advance (Kjey Sen) service and suspension of 10K Raffle which was highly popular among the subscribers. In addition, the changes to SIM lifecycle validity announced by the TRC in August 2023 had a negative effect on revenue.

D. Impact of Foreign Exchange, Interest Rates and Commodity Prices

The Company's sales revenue and purchases are mainly denominated and conducted in US\$. As such, CAMGSM is not materially affected by the fluctuations of the foreign exchange rates in the fourth quarter of 2023.

The borrowings of the Company are generally on floating rate-based terms and hence, the Company would have to pay more interest with the increase in market rates.

E. Impact of Inflation

Inflation is the rate of increase in prices over a given period. Inflation is typically a broad measure, such as the overall increase in prices or the increase in the cost of living in a country. The Covid-19 pandemic has had a lot of impact on the economy all over the world including inflation. For Cambodia in 2022, we can see that the inflation raised to 5.34%, marking a 2.4% increase from the previous year. This also had an impact on the utility expenses of the Company as the fuel price increased significantly.

The average inflation rate in Cambodia is projected to increase by a total of one percent point during the period from 2023 - 2028.

F. Economic/Fiscal/Monetary Policy of Royal Government

The Royal Government of Cambodia's economic direction has been led by a series of national economic plans and socioeconomic goals with an aim to be on track to become an upper-middle-income country by

2030 and a high-income country by 2050. Despite the impact of COVID-19, many policies have been introduced to ensure sustainable economic growth of circa 7% annually to widen the growth base and enhance competitiveness while maintaining macro-economic stability and promoting sound financial management policies (Cambodian Macroeconomic Performance Fiscal Outcome and Policy Direction, Ministry of Economy, and Finance, 2022). In 2024, the Royal Government of Cambodia implemented various economic, fiscal, and monetary policies aimed at fostering sustainable economic growth, promoting investment, and addressing key challenges facing the country. Some of the notable policies include:

- Economic diversification: the government continued its efforts to diversify the economy beyond traditional sectors such as agriculture and garments manufacturing. Policies were directed towards promoting sectors such as tourism, manufacturing, construction, and services to reduce reliance on a few key industries and create more employment opportunities.
- Investment promotion: to attract foreign direct investment (FDI) and stimulate domestic investment, the government implemented policies to improve the business environment, streamline regulatory processes, and provide incentives for investors. Special economic zones (SEZs) were further developed to facilitate investment and enhance export-oriented industries.
- Infrastructure development: the government prioritized infrastructure development projects, including road construction, port expansion, and energy sector investments. These initiatives aimed to improve connectivity, facilitate trade, and enhance the country's competitiveness on the regional and global stages.
- Fiscal policy: fiscal policy measures focused on maintaining macroeconomic stability, improving revenue collection, and managing public expenditure effectively. Efforts were made to broaden the tax base, enhance tax compliance, and strengthen public financial management systems to ensure fiscal sustainability.
- Monetary policy: the National Bank of Cambodia (NBC) continued to pursue a prudent monetary policy aimed at maintaining price stability and supporting sustainable economic growth. Measures included managing interest rates, controlling inflationary pressures, and supervising the banking sector to ensure financial stability.
- Social welfare programs: the government expanded social welfare programs to address poverty alleviation, improve healthcare, and enhance education access. Investments were made in social infrastructure, including healthcare facilities and schools, to improve the quality of life for citizens across the country.
- Digital economy development: policies were introduced to promote the development of the digital economy, including e-commerce, digital payments, and information technology services. Initiatives aimed to foster innovation, entrepreneurship, and digital inclusion to harness the potential of technology for economic growth and social development.

In the medium and long run, Cambodia's economy is projected to continue to expand with an annual average growth rate of 7% similar to the rate of growth in the pre-Covid-19 pandemic. Fiscal policy refers to the use of government spending and taxation to steer the economy. Governments typically use fiscal policy to promote strong and sustainable growth and reduce poverty. In Cambodia, fiscal policy has been a key tool for promoting economic growth, reducing poverty, and providing short-term demand stimulus in the context of a highly dollarized economy. Overall, the economic, fiscal, and monetary policies of the Royal Government of Cambodia in 2024 were geared towards achieving inclusive and sustainable development, enhancing competitiveness, and improving the well-being of the population. These policies played a crucial role in navigating challenges and seizing opportunities in an increasingly globalized and dynamic economic environment.

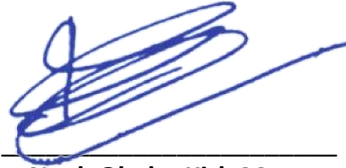
PART 9 – OTHER NECESSARY INFORMATION FOR INVESTORS PROTECTION (if any)

CAMGSM has implemented the mechanism to ensure the protection of the minority shareholders' rights and interests following Article 8 of Prakas No. 011/18, dated 19 December 2018 on Corporate Governance for the Listed Companies, provided as follows:

- All shareholders' rights, specifically minority shareholders' rights and their legal benefits shall be protected by the Board of Directors.
- Minority shareholders shall have the right to seek redress in case their rights are violated either directly or indirectly by the substantial shareholders and/or the controlling shareholders of the listed companies.
- The Board of directors shall ensure good communication and appropriate interaction between minority shareholders, senior officers, and the Board of Directors.

Signature of Director of CamGSM Plc.

29 March 2024
Read and Approved by:



Neak Oknha Kith Meng
Chairman

29 March 2024
Read and Approved by:



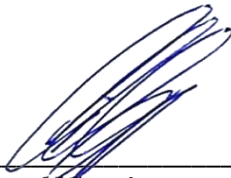
Mr. William Mark Hanna
Non-Executive Director

29 March 2024
Read and Approved by:



Mr. Paul Carey Clements
Non-Executive Director

29 March 2024
Read and Approved by:



Mr. Christopher Donald Tiffin
Non-Executive Director

29 March 2024
Read and Approved by:



Ms. Hep Seka
Independent Director

**APPENDIX A - ANNUAL CORPORATE GOVERNANCE REPORT OF
CAMGSM PLC.**

PART 1. SHAREHOLDERS

A. Shareholders Structure as 31 December 2023

1. Shareholder Information

Description	Nationality	Types of Shareholders	Number of Shareholders	Number of Shares	Percentage
Less than 5%	Cambodian	Individual	2510	27,641,315	1.41%
		Legal Person	2	756,669	0.04%
	Non-Cambodian	Individual	138	373,222	0.02%
		Legal Person	No	No	No
From 5% to less than 30%	Cambodian	Individual	No	No	No
		Legal Person	No	No	No
More than 30%	Cambodian	Individual	No	No	No
		Legal Person	1	1,930,500,000	98.53%

2. Shareholders Who Are Directors, Senior Officials, and Employees of CAMGSM

Shareholders	Number of Shareholders	Number of Shares	Number of Shares Percentage
Directors	5	19,500,000	0.995%
Senior Officers	6	59,635	0.01%
Employees	92	146,970	0.003%
Total	99	19,706,605	1.008%

B. Shareholders' and Protection of Shareholders' Rights

1. Right of Shareholders

In accordance with the Articles of Incorporation of CAMGSM dated 13 March 2023, unless otherwise stipulated differently in the Articles or in any special resolutions of Shareholders, any holder of each share shall be entitled to the following:

- 1.1 right to attend a General Meeting of shareholders including the right to vote directly or through a proxy at any meeting of shareholders. Each ordinary share of the company entitles the holders to 01 (one) vote in the General Meeting of Shareholders.
- 1.2 Right to receive dividends or benefits declared by the company.
- 1.3 Right to receive the remaining assets of the company after dissolution and liquidation.
- 1.4 Right to access all kinds of information, including business information and the accounting book and record of the company, and check the shareholder list at the company's head office during working hours or at the General Meeting of shareholders.

2. Protection of Shareholders' Rights and the Company's Practice of the Protection of Shareholders' Rights

In 2023, CAMGSM have practiced these mechanisms by conducting regular Annual General Meeting (AGM) and Extraordinary General Meeting (EGM), facilitating proxy voting, publishing detailed financial reports, ensuring board accountability, and fostering transparent communication with shareholders. The adherence to these practices would contribute to safeguarding shareholders' rights and fostering trust in the company's management.

3. Protection of Minority's Rights and Practice

CAMGSM has been implemented on the mechanism on ensuring the protection of the minority shareholders' rights and interests following Article 8 of Prakas No. 011/18, dated 19 December 2018 on Corporate Governance for the Listed Companies, provided as follows:

- All shareholders' rights, specifically minority shareholders' rights and their legal benefits shall be protected by the Board of Directors.
- Minority shareholders shall have the right to seek redress in case their rights are violated either directly or indirectly by the substantial shareholders and/or the controlling shareholders of the listed companies.
- The Board of directors shall ensure good communication and appropriate interaction between minority shareholders, senior officers, and the Board of Directors.

C. Ordinary Shareholders' Meeting and Extraordinary Shareholders' Meeting

1. Procedures of Shareholders' Meeting and Voting

According to the Articles of Incorporation of the CAMGSM, there are 2 types of shareholders' meetings as following:

- Annual General Meeting of Shareholders; and
- Extraordinary General Meeting of Shareholders.

Listed below is the procedure of the Shareholders' Meeting and Voting:

Condition	- The Annual General Meeting of Shareholders shall be held at least once a year, no later than 06 (six) months after the end of each fiscal year. - Shall be held at the company's registered address or at any other place within or outside Cambodia as determined by the Board of Directors, provided that the shareholders may participate in the General Meeting by means of video/audio conference, without the needs for the shareholders to be physically present at the meeting or participation by the shareholders at a General Meeting via such means constitutes participation in person. - Extraordinary General Meeting of Shareholders may be proposed to be held at any time by a decision of 1/3 of Board of Directors or by a written petition signed by the shareholders holding not less than 51% (fifty-one percent) of the voting shares.
Notice	- At least 20 days prior to every General Meeting shall be given in writing to the shareholders and every director and auditor. - The notice shall specify the date, place and agenda of the General Meeting. Attendance by the Shareholders (in person or by proxy) at a General Meeting shall constitute a waiver of such notice.

Delivery of notice	Notice may be delivered by recorded hand delivery mail, facsimile or email, as appropriate.
Modification of Agenda	Only Shareholders present at the meeting in person or by proxy who hold at least 51% (fifty-one percent) of the voting shares can modify the agenda of the General Meeting of Shareholders at or before the meeting.
Quorum	- Quorum of the General Meeting shall be shareholders present in person or by proxy who hold at least 51% (fifty-one percent) of the voting shares. - Shareholders present by proxy shall be included to determine the presence of the quorum. - If the quorum is not obtained for any general meeting, the meeting shall be adjourned for 30 (thirty) days. - The notice of the adjournment shall be sent to all shareholders. Upon the resumption of the adjourned General Meeting, a quorum shall be all shareholders present at such meeting. - Shareholders or proxies attending the meeting by electronic means proposed by the Board of Director or by the shareholders holding not less than 51% (fifty-one percent) of the total voting shares in accordance with these Articles and applicable laws, are deemed to be present at the meeting.
Proxies	- Any Shareholder may give a written proxy to any person to attend and vote at a General Meeting. - An Individual may represent a shareholder in this General Meeting. The proxy shall be valid only for one such general meeting (the adjourned shareholders meeting is considered as the same part of the general meeting of shareholders). - The proxy may be revoked at any time and automatically if the shareholder who gave the proxy personally attends a general meeting of shareholders. - In the case a proxy proposes to vote at a general meeting of shareholders, the instrument appointing a proxy shall be dated and signed by the Shareholder who gave the proxy and shall contain the following particulars: - o The number of shares held by the Shareholders. - o The full name and address of the proxy; and - o The meeting or meetings or the period for which the proxy is appointed. - If a proxy proposes to vote at a General Meeting, the instrument of appointment of the proxy must be deposited with the Chairperson at or before the commencement of the General Meeting.
Voting Rights	- Shareholders shall have one (1) vote for each share held. Only a Shareholder duly registered and having paid all sums due and payable to the Company in respect of its share(s) shall be entitled to its vote(s) on any question either personally or by proxy at any General Meeting. - Votes at General Meeting of Shareholders shall be by hand raising or voting paper unless otherwise directed by the Chairman or head of the meeting.

	All resolutions made by the Shareholders shall require a majority vote of all attendees entitled to vote. - Shareholders may organize and vote at the Extraordinary General Meeting of Shareholders directly in person or through electronic communication, including voice and video communication, message by phone or other electronic means as requested by the Board of director or by a shareholder who holds not less than 51% (fifty-one percent) of the shares that have a right to vote in accordance with the requirements and procedures set forth in these Articles and applicable laws and regulations.
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2. Information of General Shareholders' Meeting

No.	Meeting Date	Type of the Meeting	Quorum	Items of Agenda	Resolutions
1.	16 June 2023	Annual General Meeting	100%	- Acknowledgement of the Circular Resolutions - Reporting of the Board of Directors to the Shareholders - Review of Chairmanship and Directorship of the Board of CAMGSM	Approved
2.	19 October 2023	Extraordinary General Meeting	99.55%	- The amendment of the Articles of Incorporation of the CAMGSM pursuant to the successful Initial Public Offering - The decision about the distribution of the Guaranteed Minimum Dividend for the period until the next General Meeting of the Shareholders.	Approved

D. Dividend Distribution

1. Dividend Policy

This policy is established by CAMGSM in order to:

- set out the guidelines and procedures for the calculation, declaration and settlement of dividends and the determination of form and time periods within which dividends are declared and paid;
- ensure that the Company has sufficient distributable profits and/or general reserves for the long-term development of the Company which any declaration and/or payment of dividends will be determined upon review of the Company's financial statements; and
- ensure that dividends are paid to each class of shareholders and/or persons entitled to receive dividends in accordance with the laws of the Kingdom of Cambodia.

1.1. Dividend Declaration

Notice of dividend distribution shall be notified to the shareholders in writing.

The following guidelines shall be applied to the declaration of dividends:

- a. the Company's Board of Directors has the right to propose and recommend dividends in accordance with accounting principles and to determine the terms of payment of each class of shares entitled to receive dividends;
- b. dividends (if any) payable to the shareholders shall be approved by the majority votes of all directors' present at the meeting pursuant to the Memorandum and Articles of Association of the Company before proposing to the Shareholders for approval and declaration;
- c. such sum (if any) as determined by the Board of Directors to be retained for daily operations of the Company as approved by the majority of shareholders present or represented at the General Meeting of the Shareholders pursuant to the Memorandum and Articles of Association of the Company;
- d. dividends may be interim dividends or final dividends;
- e. any declaration to pay dividends shall identify the classes of shareholders and/or persons entitled to receive dividends, the amount of the dividend per share, the period of payment and the form and method of payment; and
- f. to the extent permissible by the applicable law, the Company may pay dividends by issuance shares, in money or in-kind.

1.2. Dividend Distribution

According to the Articles of Incorporation, dated 13 March 2023 and Dividend Policy dated 25 April 2023, the shareholders of Class A (Voting) Shares shall be guaranteed an annual dividend yield of 7% of the total number of shares held as of the day immediately preceding the ex-dividend date multiplied by the initial public offering price for the period of 5 years, payable quarterly, effective after initial 3-month period from listing date.

Notwithstanding this remarkable distribution, CAMGSM also set eligibility criteria prior to distribute the dividend to the shareholders that the shareholder shall be an active CAMGSM subscriber and have the same valid identification card of the registered mobile number with the ID registered in the share registry book.

CAMGSM publicly announced the first distribution of guaranteed dividend on 23 October 2023, and distributed the first payment from 06 to 14 November 2023. Our latest distribution, the Fourth Quarterly Guaranteed Dividend of 2023 was released on 29 January 2024 until 06 February 2024, which constituted of KHR 368,298,658 distributed to the Class A Voting Shareholders.

2. Historical Information on Dividend Distribution for the last three years

No.	Details of Dividend Distribution	2022	2021	2020
1	Announcement Date of Dividend Distribution (Approved by Shareholders)	1 st time: 19 October 2023 2 nd time: 11 January 2024	N/A	N/A
2	Record Date	1 st time: 26 October 2023 2 nd time: 18 January 2024	N/A	N/A

3	Payment Date	1 st time: 31 October 2023 - 07 November 2023 2 nd time: 29 January 2024 - 26 February 2024	N/A	N/A
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PART 2. BOARD OF DIRECTORS

A. Board of Directors

1. Board Composition

No.	Name	Position	Appointing Date	Ending Date
1	Neak Oknha Kith Meng	Chairman	01 February 2023	01 February 2026
2	William Mark Hanna	Non-Executive Director	01 February 2023	01 February 2026
3	Paul Carey Clements	Non-Executive Director	01 February 2023	01 January 2026
4	Christopher Donald Tiffin	Non-Executive Director	01 February 2023	01 January 2026
5	Hep Seka	Independent Director	01 February 2023	15 January 2026

2. A Brief Biography of the Board of Directors

No.	Name	Role	Educational Background and Experience
1	Neak Oknha Kith Meng	Chairman	A philanthropist and businessman, Cambodian-born; Neak Oknha Kith Meng spent his youth in Australia after escaping the Khmer Rouge. Upon completion of his studies at the Australian National University, Canberra, he returned to Cambodia at the start of the UNTAC administration in the early 1990s. During this time, he realized the need for his country to be rebuilt from scratch with the support of local businessmen. A young man with a vision, he saw this as an opportunity to build a business empire while investing in his country's infrastructure and technology development. This was the beginning of the Royal Group of Companies (RGC); becoming the first conglomerate in Cambodia. Over the past three decades RGC grew from strength to strength with an extensive business portfolio ranging from Banking & Finance, Railway, Aviation, Telecommunications, Technology, Media, Hospitality, Property & Real Estate, and Education. Currently, he is also the President of the Cambodia Chamber of Commerce, bridging relations between domestic and international corporates and the Royal Government of Cambodia. Kith Meng resides in Phnom Penh with his wife and four children.
2	William Mark Hanna	Non-Executive Director	A British National, Mr. William Mark Hanna joined Royal Group in 2007 as Group Chief Financial Officer. With over 30 years of experience from overseas and Cambodia Mark has contributed to the Royal Group substantial growth.

			Currently Mark also serves as a director of Royal Railway Plc, a subsidiary company of Royal Group. Prior to joining Royal Group, Mark was a Chief Executive Officer at Warf Telecom International and Wataniya telecom, Maldives. Mark was also a Chief Financial Officer at Millicom International Cellular, Cambodia, a mobile communication provider which included an ISP, wireless broadband internet access provider, an international voice and data gateway and a commercial television station. Mark is a graduate from Napier University, majoring in accounting. He is also a Zenger Miller Certified Trainer and a Chartered Management Accountant (CIMA).
3	Paul Carey Clements	Non-Executive Director	A senior executive with over 30 years of experience in the Financial Services sector with significant international exposure and holding leadership roles across a range of organizations and business units spanning both front office (sales, P&L) and back office (business operations, transformation, and risk) in Australia, Indonesia, China and Cambodia (Westpac Banking Corporation, ANZ Bank, and JP Morgan among others) Paul held senior roles developing the strategic direction, restructuring, establishing, and growing businesses in different geographic and cultural locations leveraging his leadership, partnering, sales, and business skills. In Cambodia, Paul had previously been involved with ANZ Royal Bank, Cambodia Mekong Bank Public Limited, WorldBridge Outsourcing Solutions Co., Ltd and HCC Group Co., Ltd (EnviroCam). Paul holds a Bachelor of Business (majoring in Banking and Finance) and a Postgraduate degree majoring in accounting.
4	Christopher Donald Tiffin	Non-Executive Director	Mr. Christopher Donald Tiffin is an experienced senior executive specializing in the Telecommunication, ICT & Digital Services sectors, providing financial & commercial leadership, along with being an integral part of setting up two new businesses within the last 7 years outside the traditional Telco: a TowerCo Infrastructure business and most recently a fully digital Mobile Money (Digital Financial Services) business. Skilled in Business Planning, Business Partnering, development & implementation of the overall Business Strategy, staff management & building High-performing Teams, Financial Leadership, Product/Services development, Customer Experience strategy/management and Channel/Retail/Distribution/Supply Chain leadership. An influential and humble leader, with the proven ability to

			drive and influence positive cross-cultural and market transformations. He holds Bachelor of Accounting Science from University of South Africa. Chris is a qualified Chartered Accountant – CA (SA) member of SAICA (South Africa Institute of Chartered Accountants) as well as an FCA (Fellow Chartered Accountant) member of the Institute of Chartered Accountants England & Wales (ICAEW)
5	Hep Seka	Independent Director	Seka is a lawyer licensed by BACK, an arbitrator admitted by NCAC and accredited mediator by CEDR. She has extensive regulatory expertise specializing in corporate law and real estate, infrastructure and construction. With her superb legal acumen, stakeholder management and technical skills, Seka has assisted on numerous major property projects and regularly acts on significant commercial, industrial and residential developments throughout Cambodia. She holds a Master 2 of Business Comparative Law (LL.M.) from the University Lumière Lyon 2, France, which included an exchange program at the University of Montreal, Canada. Seka is recognized as a distinguished practitioner in Infrastructure in Cambodia and notable practitioner in real estate by Asialaw in 2022.

3. Directors who are also a director, a shareholder, or Co-owner of other companies

No.	Name of Director	Company Name	Director, Shareholder, or Co-owner
1	Neak Oknha Kith Meng	J Trust Royal Bank Plc.	Chairman of the Board
		Royal Group Phnom Penh SEZ Plc.	Chairman of the Board
		Infinity General Insurance Plc.	Chairman of the Board
		Wing Bank (Cambodia) Plc.	Chairman of the Board
		Chailease Royal Leasing Plc.	Indirect Shareholder
		Cambodia Life Micro Insurance “CAMLIFE” Plc.	Chairman of the Board
		SBI Royal Securities Plc.	Chairman of the Board
		Royal Financial Consultancy Co., Ltd.	Chairman of the Board
		Cambodian Broadcasting Service Co., Ltd.	Chairman of the Board
		Digital Sky Multimedia Co., Ltd.	Chairman of the Board
		Royal Railway Plc.	Chairman of the Board
		Ezecom Co., Ltd.	Chairman of the Board
		Nitrogen Chemicals & Fertilizers (Cambodia) Ltd.	Chairman of the Board
		The Royal Sands Koh Rong Co., Ltd.	Chairman of the Board
		Cambodiana Investment (Phnom Penh) Pte. Ltd.	Chairman of the Board
		Royal Group Koh Rong Development Company Ltd.	Chairman of the Board

		Northbridge Development Company Limited	Chairman of the Board
		Khaou Chuly Land Company Limited	Chairman of the Board
		Royal Cambodian Limousine Service Co., Ltd.	Chairman of the Board
		Giant Ibis Transport Co., Ltd.	Chairman of the Board
		Cambodia Airlines Co., Ltd.	Chairman of the Board
		Helicopters (Cambodia) Ltd.	Chairman of the Board
		Royal Cambodia Co., Ltd.	Chairman of the Board
		Kampuchea Food Corporation Co. Ltd.	Indirect Shareholder
		Northbridge International School (Cambodia) Limited	Chairman of the Board
		Southbridge International School (Cambodia) Limited	Chairman of the Board
		Royal Group Phnom Penh SEZ Plc.	Chairman of the Board
		Hydro Power Lower Sesan 2 Co., Ltd.	Indirect Shareholder
2	Mr. William Mark HANNA	Royal Group Phnom Penh SEZ Plc.	Director
		Jtrust Royal Bank Plc.	Director
		Cambodia Life Micro Insurance "CAMLIFE" Plc.	Director
		Chailease Royal Leasing Plc.	Director
		Chailease Royal Finance	Director
		Hydro Power Lower Sesan 2 Co., Ltd.	Director
		KFC	Director
		NCFC	Director
		Royal Railway Plc.	Director
		Royal Group Phnom Penh SEZ Plc.	Director
		SBI Royal Securities Plc.	Director
3	Mr. Paul Carey CLEMENTS	J Trust Royal Bank Plc.	Director
		WorldBridge Outsourcing Solutions Co., Ltd.	Shareholder & Director
		International Business Chamber of Cambodia (IBC)	Director
		Royal Railway Plc.	Director
4	Mr. Christopher Donald TIFFIN	Royal Group of Companies Ltd.	Group Chief Operating Officer
		United (Cambodia) Land Co., Ltd.	Director
		Kampuchea Food Corporation Co., Ltd.	Director
		Royal Group Funds Co., Ltd.	Director
5	Ms. HEP Seka	DFDL Mekong (Cambodia) Co., Ltd.	Partner and Deputy Managing Director
		J Trust Royal Bank Plc.	Independent Director
		CAMLIFE MICRO INSURANCE "CAMLIFE" PLC	Independent Director
		Royal Group Phnom Penh SEZ Plc.	Independent Director

4. Board Roles, Duties, Responsibilities, and Performance

The Independent Director shall independently exercise his or her best judgment without any interference in order to promote transparency, accountability, and effectiveness of the business operations and management performance to serve and protect the interests of the Company and its shareholders.

The Independent Director must not have a material or pecuniary relationship with the Company or related persons, other than the Director's fees paid to the Independent Director.

The Independent Director has the following responsibilities:

- To participate in the Board of Directors' meeting and to bring an independent judgment to bear on the issues of strategy, policy, accountability, resources, the appointment of senior management, and other matters;
- Taking the lead role in solving and preventing potential conflicts of interest;
- Serving on the Board committees such as the Audit and Risk Committee; and
- Strictly monitor CAMGSM to ensure the achievement of goals and objectives.

CAMGSM is under the leadership of the BOD, the BOD shall have general powers to manage the Company which includes the following:

- Ensure that the Company communicates effectively with shareholders and other stakeholders;
- Set-up, monitor, and evaluate the strategic plan and business plan of the Company, and ensure that the necessary resources are in place for the Company to meet its objectives;
- Set-up, monitor, and evaluate internal control systems;
- Set-up, monitor, and evaluate audit efficiency;
- Set-up and monitor the risk management policy;
- Prepare the policy on compensation;
- Determine the criteria and the procedure to appoint Directors;
- Nominate and remove individuals from the positions of corporate secretary, chief of internal audit, and staff in charge of providing information;
- Monitor, control, and evaluate the efficiency of the Board of Directors and other committees of the Board;
- Ensure the financial stability of the Company by fulfilling its duty and responsibility as much as possible;
- Create mechanisms and procedures to protect the rights of shareholders by guaranteeing that minority shareholders also have the right to stand as the Director and request to be a candidate as a Director;
- Create mechanisms and procedures of voting in shareholder general meetings such as implementation of the voting system in order to guarantee the interest of the minority shareholders;
- Create mechanisms to allow the substantial shareholders and controlling shareholders to disclose to the public through the Company any information relevant to changes in shareholders;
- Create mechanisms and procedures in regards to related parties' transactions;
- Create policies for the Company;
- Comply with applicable laws and regulations;
- And any other roles required by laws and relevant regulations.

5. Board Meetings

No.	Date	Type of Meeting	Numbers of Directors' Attendance
1	16 January 2023	Online	Neak Oknha Kith Meng William Mark Hanna
2	23 January 2023	Online	Neak Oknha Kith Meng William Mark Hanna
3	16 February 2023	Online	Neak Oknha Kith Meng William Mark Hanna
4	23 March 2023	Online	Neak Oknha Kith Meng William Mark Hanna
5	03 July 2023	Online	Neak Oknha Kith Meng William Mark Hanna Paul Carey Clements Christopher Donald Tiffin Hep Seka
6	18 August 2023	Online	Neak Oknha Kith Meng William Mark Hanna Paul Carey Clements Christopher Donald Tiffin Hep Seka
7	11 September 2023	Online	Neak Oknha Kith Meng William Mark Hanna Paul Carey Clements Christopher Donald Tiffin Hep Seka
8	28 September 2023	Online	Neak Oknha Kith Meng William Mark Hanna Paul Carey Clements Christopher Donald Tiffin Hep Seka
9	21 December 2023	Online	Neak Oknha Kith Meng William Mark Hanna Paul Carey Clements Christopher Donald Tiffin Hep Seka

B. Board Committee

1. Board Committee Structure

1.1. Audit and Risk Committee

No.	Name	Position	Appointing Date	Numbers of Meeting Attendance	Total Numbers of the Meeting
1	Ms. Hep Seka	Independent Director	16 February 2023	N/A	N/A
2	Mr. William Mark Hanna	Non-Executive Director	16 February 2023	N/A	N/A
3	Mr. Christopher Donald Tiffin	Non-Executive Director	16 February 2023	N/A	N/A

- Roles and Responsibilities of Audit and Risk Committee
 - To review financial statements of the Company in accordance with Cambodian International Financial Reporting Standards (CIFRS) and endorse to the Board of Directors for final approval;
 - To review and ensure that internal control is properly performed;
 - To review the internal & external audit reports and analyze any unusual nature or incidents;
 - To review and oversee the risk management processes, including risk identification and risk mitigation;
 - To report and provide recommendations to the Board of Directors; and
 - To perform other actions as determined by the Board of Directors.
- Results of Audit and Risk Committee Performance
 - The Audit and Risk committee successfully resolved the issues as per recommendations from the independent auditor provided under the audited 2022 financial statements.
 - The Audit and Risk committee ensured the standardization of the audited 2023 financial statements of the Company.
 - The Audit and Risk committee reviewed the internal audits as implemented by the Internal Auditor.
 - The Audit and Risk committee reviews and approved the audited Financial Statement for Fiscal year 2022 before circulating and recommending for approval to the Board of Directors.

1.2. Nomination and Remuneration Committee

No.	Name	Position	Appointing Date	Numbers of Meeting Attendance	Total Numbers of the Meeting
1	Mr. William Mark Hanna	Non-Executive Director	16 February 2023	2	2

2	Mr. Paul Carey Clements	Non-Executive Director	16 February 2023	2	2
3	Mr. Christopher Donald Tiffin	Non-Executive Director	16 February 2023	2	2

- The responsibilities of the NRC are as follows:
 - a) To assess and set the requirements, qualifications, and procedures for the nomination of Directors and Senior Officers.
 - b) To evaluate the performance of Directors and Senior Officers and to report the same to the Board of Directors.
 - c) To set, review and recommend compensation and remuneration for the Board of Directors and Senior Officers.
 - d) To review and update the mechanism and evaluate the performance of the Board of Directors, Directors, and other committees at least 1 time a year.
 - e) Other duties as determined by the Board of Directors.

2. Changes of Committee Member

There is no change in the board committee members.

C. Remuneration or Compensation

1. Policies of Remuneration or Compensation for Board and Senior Officers

Based on Resolution of the Board of Directors dated 05 March 2024, the Chairman of the Board and the Non-Executive Directors of the Board do not receive remuneration. Remuneration and Compensation of Senior Officers is in line with the Cambodian Labor Law and the Royal Group of Companies Internal Compensation and Benefit Policy, encompassing monthly gross pay, annual leave, transportation allowance, health insurance, housing and home leave flights.

2. Remunerated Persons

No.	Remunerated Persons	Aggregate Amount Paid in US\$
1	Directors	US\$ 7,000
2	Executive Directors	No
3	Senior Officer	US\$ 1,552,627.22
4	Top 5 Employees Paid the Highest Remuneration	US\$ 517,362.52

D. Annual Performance Evaluation of Board of Directors, Directors, Committee, and CEO

CAMGSM's management and the Board of Directors have established a productive collaborative environment with regular consultative reviews and discussions. The Board of Directors has been effectively overseeing the operations and implementation of the Company's business plans, understanding the competitive landscape, industry trends and regulatory framework. The members of the Board of Directors underscore, in particular, the efficacy of clear and open communication channels with management in

relation to the IPO process and the long-term debt restructuring, as well as ensuring the implementation of continued growth strategy. In 2024, the Board of Directors is directing its focus to improving the annual calendar planning and driving further synergies within the ICT framework and companies.

The company has not yet implemented the annual performance assessment of board of directors, director, board committees and CEO due to the fact that the company has recently gone public in a mid of 2023; thus, the board of directors is still in the progress to comply with the requirements set by Parkas on Corporate Governance for Listed Companies in place.

E. Training for Directors and Senior Officers

No.	Name of Participants	Training/Short Courses	Date
1	Mr. Simon John Perkins	• GSMA MWC Shanghai • Mobile 360 in London • TM Forum Meeting in Denmark	• June 2023 • July 2023 • September 2023
2	Ms. Lynnette Gan Siau Ling	• New Law on Taxation • Tax Forum	• July 2023 • September 2023
3	Mr. Bighani Jr. Naval	• MWC Barcelona 2023	• February 2023
4	Ms. Marina Pykhteva	• Career Fair Seminar	• November 2023
5	Mr. Soksophay Lim	• Mobile World Congress-Spain • Telco to tech-co & sharing session organized by F5 Security • Backbase Digital Platform "Big Shift" Conference-Bangkok • Executive Workshop in France organized by Thales	• February 2023 • August 2023 • November 2023 • June 2023
6	Mr. Johnny Wong	• MWC Barcelona 2023 • Telecoms World Asia Forum in Bangkok	• February 2023 • November 2023

PART 3. CODE OF BUSINESS CONDUCT

A. Code of Conducts

The Business Code of Conduct applies to all directors, and Senior Officers. The Board of Directors expects all members of the Company to respect the values, principles and rules contained therein and apply them in their professional activities and their internal and external relations.

The Code of Conduct will be based on the values of quality, trust and social commitment to all stakeholders and will promote the following principles for action:

- **Compliance** with the laws and regulations of the Kingdom of Cambodia.
- **Respect** for people, cultures, institutions, politics pluralism, and the environment. Any discrimination against race, gender, political views or religious view are not tolerated.
- **Integrity:** All members of the company should work and make decisions with integrity and sincerity. We must ensure that all our statements, communications, and representation to any stakeholders are accurate and complete.
- **Transparency:** All critical and main policies, procedures and relevant information shall be disseminated to all relevant members of the company. The Board of Directors and HR department shall conduct regular training on those policies and procedures. Furthermore, those main policy, relevant information and audited financial statements shall be publishes on the corporate website.
- **Excellence and professionalism:** All members of the company shall work with professionalism. Members shall continue to improve their performance and efficiency. We shall strive for excellence in any aspects of what we do.
- **Confidentiality of information:** All private and confidential information entrusted by shareholders and customers shall be safeguarded.
- **Conflict of Interest:** All members shall comply with the comply with the company policy on conflict of interest and shall not participate in those activities. If any member is in doubt, he/she shall report it to the HR Department for clarification. If the issue is critical, it must be reported to the Board of Directors for investigation.
- **Social responsibility:** The company is committed to performing its business with social responsibility in mind.

B. Publishing Code of Conducts

The Code of Conducts for Directors and Senior Management is formulated and published by the Board of Directors of the Company for all members of the Board of Directors and Senior Officers to follow.

C. Mechanisms and Procedures for Monitoring the Implementation of Code of Conducts

The Company has been implementing the Code of Conducts through the internal control mechanism and procedure as follows:

- **Whistleblower Mechanism:** Provide a confidential channel for employees to report any unethical behavior, fraud, or compliance violations. Encourage a culture of transparency and accountability within the organization.
- **Training and Awareness:** Provide training to employees on internal controls, compliance requirements, and ethical practices. Regular awareness programs help reinforce the importance of internal controls.

D. Related-Parties Transactions

1. Related-Parties Transactions Policies

No.	Related Parties	Policies
1	Holding Company	At arm's length
2	Joint Venture	No
3	Subsidiary	At arm's length
4	Substantial Shareholders and Controlling Shareholders	No
5	Directors and Their Direct Family Members	At arm's length
6	Employees and Their Direct Family Members	At arm's length

2. Material Related-Party Transactions

There were no material related-party transactions; however, the company had entered into some transactions reviewed by the external auditor considered as material transactions with our related parties in the financial note numbered 26 of the Audited Financial Report 2023.

PART 4. RISK MANAGEMENT, INTERNAL CONTROL AND AUDITING

A. Risk Management Policy

Risk management in the telecommunications industry is crucial to ensure the smooth operation of services and networks.

Here are some common risks and how they are managed at CAMGSM:

- **Security Risk:** Telecommunications networks, critical system, platform, and application are susceptible to hacking, data breaches, and cyberattacks. To manage security risks, CAMGSM implements IT-Network General controls and robust cybersecurity measures such as firewalls, encryption, access controls, and regular security audits.
- **Regulatory Risks:** Telecommunications companies must comply with various regulations related to data privacy, spectrum allocation, competition laws, etc. To manage regulatory risks, CAMGSM stays updated with regulatory changes, maintains transparency in operations, and has a legal team to ensure compliance.
- **Operational Risks:** Issues such as network failures, natural disasters, billing issues or equipment malfunctions can disrupt telecommunications services. To manage operational risks, CAMGSM invests in redundancy in networks, disaster recovery plans, regular maintenance of infrastructure, and established digital operational team to monitor the operation.
- **Market Risks:** Changes in technology, consumer preferences, competition, or economic conditions pose market risks. To manage these risks, companies conduct market research, diversify the services, and adapt to market trends quickly.
- **Financial Risks:** Financial risks such as debt management, operation expense management, investment risks, etc. To manage financial risks, CAMGSM performs and manages such tasks as payback calculation, P&L analysis, cash flow management, cost management, etc.

Effective risk management involves identifying, assessing, mitigating, and monitoring risks on an ongoing basis to ensure business continuity and protect stakeholders' interests.

B. Internal Control System

Internal control is essential for the company to ensure operational efficiency, identify potential risks, and maintain regulatory compliance.

Here are some key aspects of internal control:

1. **Segregation of Duties:** Divide responsibilities among different employees to prevent fraud and errors. For example, the employee who processes payments should not be the same person who reconciles accounts.
2. **Access Controls:** Limit access to sensitive data and systems only to authorized personnel. Implement user access controls, strong passwords, and regular reviews of access privileges to prevent unauthorized access.
3. **Regular Audits and Monitoring:** Conduct regular internal audits to assess the effectiveness of controls, identify weaknesses, and ensure compliance with policies and regulations. Use automated monitoring tools to detect anomalies and potential fraud.
4. **Documentation and Policies:** Maintain detailed documentation of processes, corporate governance policy, policies, and standard operating procedures. Clear policies help employees understand their roles and responsibilities, reducing the risk of errors and misconduct.

5. **Risk Assessment:** Conduct regular risk assessments to identify internal and external threats that could impact on the company's operations. Develop strategies to mitigate these risks effectively.
6. **Whistleblower Mechanism:** Provide a confidential channel for employees to report any unethical behavior, fraud, or compliance violations. Encourage a culture of transparency and accountability within the organization.
7. **Training and Awareness:** Provide training to employees on internal controls, compliance requirements, and ethical practices. Regular awareness programs help reinforce the importance of internal controls.

In order to be successful of internal controls, it is required involvement from every stakeholder such as the Board of directors, senior management, middle management, and staff by applying and following internal control frameworks (COSO).

The COSO Framework consists of five key components that work together to help companies achieve their objectives effectively and efficiently:

1. **Control Environment:** This component sets the tone at the top of the organization and establishes the foundation for all other internal control components. It includes factors such as integrity and ethical values, the governance structure, management's philosophy and operating style, organizational structure, and the assignment of authority and responsibility.
2. **Risk Assessment:** Organizations must identify and analyze risks relevant to the achievement of their objectives. This component involves assessing the potential impact of risks on the organization's ability to achieve its goals and objectives.
3. **Control Activities:** Control activities are the policies, procedures, and practices that ensure that management's directives are carried out. This component includes a range of activities such as approvals, verifications, reconciliations, segregation of duties, and security measures.
4. **Information and Communication:** Communication is key in any organization. This component ensures that relevant information is captured and communicated effectively throughout the organization, enabling individuals to carry out their responsibilities.
5. **Monitoring Activities:** The organization's internal control system should be subject to ongoing monitoring activities. This involves assessing the quality of internal control performance over time, identifying weaknesses, and taking corrective action as needed.

The COSO Framework provides a comprehensive and integrated approach to internal control that can help organizations strengthen their governance, risk management, and compliance processes.

C. Auditing

1. Internal Audit

Appointment of Internal Auditors:

1.1. Responsibilities of the Internal Auditor

Article 3.1.2 of CAMGSM Corporate Governance policy dated 15 February 2023 the corporate secretary determines the organization structure including the internal audit. In particular, article 3.1.2.2 has assigned responsibilities of the Internal Auditor. That forms a base for setting up and operating the internal auditing in CAMGSM.

- Produce all internal audit reports and provide these reports to the Audit and Risk Committee to review, evaluate and circulate to the Board of Directors.

- Circulate all significant findings which may affect AP's operation to the Audit and Risk Committee or Independent Director.
- Prepare a meeting with the Audit and Risk Committee at least once a year without the presence of Senior Management.
- Perform other duties assigned by the Audit and Risk Committee and the Board of Directors; and
- Other duties as determined by the Audit and Risk Committee and the Board of Directors.

In the current structure, internal audit unit shall report to the audit committee directly and administratively report to CFO for day-to-day operations. The internal audit consists of two sub-teams: Fraud and Assurance of Revenues and Internal Auditing. These teams work together to detect frauds from telecommunication, revenue leaks (the assurance of revenues), the operational risk controls for new goods and services, inspection of fraud, value added aids in randomly data selection and UAT validation, non-fee advisory from processes and policies and conducts. The regular auditing of financial operation, assessment of effectiveness of internal controls, risk appetites and recommended actions.

1.2. Appointment of Internal Auditor:

No.	Name	Appointment Date
1.	Mr. Phlook Radet	11 August 2014

1.3. Appointment of External Auditor:

No.	Name of Audit Firm	Agreement Date	Audit Fee (US\$)
1.	Baker Tilly (Cambodia) Co., Ltd.	18 August 2023	USD 44,000

1.4. New Appointment and Removal/Resignation External Auditor

There is no such transaction.

PART 5. STAKEHOLDERS

A. Policies and Activities Related to the Following:

No.	Description	Policies	Practice
1	Consumer welfare	Customer Service Policy	Facilitate and support customers as for necessary procedures and challenges
2	Suppliers and Subcontractors Selection	Procurement Policy	Non bias supervision and assessment by concentrating on value, quality and time
3	Management and Protection of Employees	Diversity, Equity and Inclusion Policy; Staff Representatives policy; Code of Conduct; Individual Employment Contracts	Regular election for every 2 years
4	Environment Protection	HSES Policy	Management plan impacting on the environment, society and social health
5	Community Interaction	Code of Conduct (Whistleblower policy); HSES Policy (Incident reporting)	Produce supporting programs for community around the economic zone every year
6	Creditors' Rights Protection	No	No
7	Anti-Corruption Program	Code of Conduct	All expenses shall be receipted properly from

			related stakeholders
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B. Corporate Social Responsibilities

Name of Activities	Amount	Purpose
Kantha Bopha Hospital	15cents per 1 subscriber to Serey	To help the Cambodian Children
NEA's Career Fair	1000 SMS	To support local communities through job opportunities in career fair
SabaiCode	14 Graduates	To provide training and internship opportunities to young Cambodians within the digital innovation field

PART 6. DISCLOSURE AND TRANSPARENCY

A. Information in the Annual Report:

No.	Information	Yes / No
1	Visions/Missions/Objectives	Yes
2	Financial Indicator	Yes
3	Non-financial Indicator	Yes
4	Main Risk Factors	Yes
5	Dividend Policy	Yes
6	Biography of Directors	Yes
7	Training for Directors	Yes
8	Number of Board Meetings	Yes
9	Attendance of Directors in Board Meetings	Yes
10	Remuneration or Compensation for Directors and Senior Officers	Yes

B. Mechanism of Disclosure Including Means, Procedures, and Responsible Person in Charge of Disclosure

The disclosure mechanism of CAMGSM encompasses several key components aimed at ensuring transparent communication with stakeholders. Through official announcements distributed, the company disseminates crucial information via the CSX's website, complemented by main CAMGSM's website providing access to press releases, financial reports, and corporate detail.

Procedures for disclosure are meticulously followed to uphold accuracy and compliance. Information gathering involves collaboration among departments, including Legal, Finance, and Corporate Communications, while a rigorous approval process ensures scrutiny by senior management, legal counsel, and compliance officers. Communications materials undergo meticulous drafting and review to maintain clarity, transparency, and adherence to corporate standards. The timing of disclosure is carefully managed, ensuring prompt dissemination of material information in compliance with regulatory guidelines, thereby ensuring equitable access to information for all stakeholders.

At the helm of the disclosure process is the disclosure officer, who oversees the entire mechanism, working to ensure adherence to laws and regulations. This disclosure framework underscores CAMGSM's commitment to transparency, integrity, and accountability, although specifics may be tailored to suit the company's organizational structure and regulatory landscape. In 2023, the company has appointed key senior officers to be in charge the corporate disclosure:

Mr. Laszlo Imre Barta

And assistants to the senior officers to be in charge the corporate disclosure:

Mr. Lim Sothy

Ms. Khy Amara

Ms. Seap Botttreikhemara

Ms. Vann Socheata

Ms. Chea Mannita

C. Investor Relations

Investor Relations at CAMGSM involves the communication and interaction between the company and its investors, shareholders, and other stakeholders. The primary goal of Investor Relations is to ensure transparent and timely communication with the investment community, providing accurate and relevant information about the company's financial performance, operations, strategies, and future prospects. The company has established investor relation website: <https://www.cellcard.com.kh/cellcard-ir/> to disclose information for investors of the company as well as public.

Mechanisms and Procedures and Brief for Investor Relations in 2023

- A. Regular financial reporting: CAMGSM provides quarterly and annual financial reports to keep investors informed about the company's financial performance. These reports include income statements, balance sheets, cash flow statements, and other relevant financial information.
- B. Investor meetings: CAMGSM organizes investor online meetings and presentations to update investors on the company's performance, strategy, and future outlook. These events provide an opportunity for investors to ask questions and engage with company management.
- C. Investor website: CAMGSM maintains an investor relations section on its website, where investors can access financial reports, presentations, press releases, and other relevant information. This website serves as a centralized hub for investor communications.
- D. Investor relations team: CAMGSM has a dedicated investor relations team responsible for managing relationships with investors, analysts, and other stakeholders. This team is responsible for ensuring clear and consistent communication with the investment community.
- E. Corporate governance practices: CAMGSM follows best practices in corporate governance to ensure transparency, accountability, and ethical behavior. This includes having a strong board of directors, independent auditors, and robust internal controls.

Overall, effective Investor Relations at CAMGSM involves open and transparent communication with investors, providing them with the information they need to make informed decisions about their investment in the company.

APPENDIX B – ANNUAL REPORT OF THE SUSTAINABILITY BOND OF CAMGSM PLC.

PART 1 – USE OF PROCEEDS OF THE DESIGNATED PROJECTS OR ASSET DETERMINED

The funds raised by CAMGSM's Sustainability Financing Facility are and will be used to finance and refinance projects with environmental and social benefits. Only those assets and projects that adhere to the list of eligible assets and projects below are regarded as being eligible for funding from sustainability financing facility. For each category of Eligible Assets and Projects, a brief explanation of the essential context is included to foster clarity and transparency.

Investments in the production of fossil or nuclear energy, research and/or development for weapons and defense, the extraction of potentially environmentally hazardous resources, gambling, or the production of tobacco will not be financed with sustainability financing facility.

A. Eligible Environmental Projects

Eligible Projects Categories	Description of Projects	SDG Mapping	Impact Indicators
Energy Efficiency	- Investment in new software features and special software licenses to improve energy usage of certified equipment and improve power efficiency. - Investment related to expenditure in reducing network carbon emission by replacing diesel generators by connecting to ON GRID power directly. - Modifying to natural ventilation of indoor sites enclosures and purchase of outdoor type equipment to remove air conditioning system to save on power consumption.	- SDG7 - SDG13	- Annual energy savings (MWh) - Annual GHG emissions (tCO2e) - Annual GHG emissions avoided (tCO2e)
Renewable Energy	Investment in providing Solar PV equipment on sites to reduce EDC consumption. 1) On-Grid 2) Off-Grid		- Annual solar power capacity installed (MW) - Annual solar power generation (MWh) - Annual GHG emissions avoided (tCO2e)

B. Eligible Social Projects

Eligible Projects	Description of Projects	Target Group	SDG Mapping	Impact Indicators
Access to Essential Services	Expand and improve CAMGSM services countrywide through building more sites, towers, antennas, optical fiber connectivity, etc. especially underserved community	Evaluation of the underserved community aspect when selecting sites include the following factors: Based on poor coverage and low data speed on areas with	- SDG7 - SDG13	- Annual energy savings (MWh) - Annual GHG emissions (tCO2e) - Annual GHG emissions avoided (tCO2e)

	to bridge digital gap while minimizing environmental impact. • Introduction of VOLTE (Voice Over LTE) and VOWIFI (Voice Over Wifi) to all subscribers with available devices.	high population and density • Critical infrastructure implementation on key locations such as commercial establishments, shopping malls, offices, schools, hospitals and government offices.		
--	--	---	--	--

C. Process for Project Evaluation & Selection

An internal Sustainability Financing Committee has been established by CAMGSM, and it is made up of representatives from the Treasury Department, the Corporate Responsibility Department, the Commercial Department, and the Technical Department. The Sustainability Financing Committee will evaluate and select the assets and projects that qualify for funding through Sustainability Financing. Investments will be made with internal corporate responsibility in mind, according to the Sustainability Financing Committee. The Corporate Responsibility division has the right to reject in the decision-making process. The Sustainability Financing Committee will hold quarterly meetings to review and approve any projects to be implemented. All the committee's decisions will be recorded.

D. Management of Proceeds

CAMGSM deposits its net proceeds from the issuance of the sustainability financing facility to a separate bank account for allocation to all eligible projects as set under its Sustainability Financing Framework. The net proceeds allocation will be monitored and administered by the treasury department. If any proposed projects under the framework are no longer qualified, the proceeds will be allocated to other eligible green or social projects or assets in accordance with the framework. Pending allocation of net proceeds will be held by the company in cash or cash equivalent or investment based on the liquidity management policy of the company.

The disbursements related to the eligible projects are:

- In case of financing of eligible projects, the disbursements shall be made until the full allocation, which CAMGSM commits on a best effort basis to reach full allocation within the 36 months following the issue date of the facility.
- In case of refinancing, the disbursements related to the Eligible Projects made in the last 36 months prior to the issue date of the facility shall be eligible for allocation.

E. Reporting

To enable investors and other stakeholders to follow the development of CAMGSM's Sustainability Financing Facility issuance and of the assets and projects being funded by the company's Sustainability Financing Facility, an allocation report and impact report will be made available to investors of the debt facility and published annually until full allocation.

F. Allocation report

The allocation report will include the following elements:

- A list of eligible assets and projects financed by Sustainability Financing Facility. If there are many assets and projects, this reporting may be done on a portfolio basis based on the investment categories described under Use of Proceeds.

- Examples of assets or projects that have been financed by Sustainability Financing Facility.
- Amounts invested in each investment category described under Use of Proceeds and the amount of new financing versus refinancing.
- The amount of outstanding Sustainability Financing Facility.
- The amount of Sustainability Financing Facility net proceeds awaiting allocation to eligible assets and projects.
- Information on types of temporary investments.
- Any material developments/issues/controversies related to the projects or assets.

G. Impact report

CAMGSM strives to report on the social and environmental impact of the investments financed by Sustainability Financing Facility. Different impact indicators will be relevant for different investments, and the above table (Table 1: Eligible Environmental Projects and Table 2: Eligible Social Projects) shows example indicators for the different investment categories defined in this Sustainability Financing Framework. For ongoing investments in assets and projects, where final impact is not yet observable, CAMGSM will aim to provide an estimate of the final impact. The relevant metrics may be updated over time as standards emerge.

PART 2 – CAPACITY TO MEET THE REQUIREMENT OF THE SUSTAINABILITY BONDS BASED ON THE APPLICABLE STANDARDS

CAMGSM has established its use-of- proceeds framework with the aim to finance projects in two green categories and one social category. The framework is aligned with the four core components of the International Capital Market Association's (ICMA) Green Bond Principles (GBP) 2021 (including the June 2022 Appendix 1) and Social Bond Principles (SBP) 2023, and the Green Loan Principles (GLP) 2023 and Social Loan Principles (SLP) 2023 of the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications & Trading Association (LMA/APLMA/LSTA). The framework demonstrates a moderate contribution to sustainability.

PART 3 – POSITIVE AND NEGATIVE EFFECT RELATED TO THE IMPLEMENTATION OF THE PROJECT/ ON THE USE OF CURRENT AND FIXED ASSET FOLLOWING THE TERMS OR APPLICABLE STANDARDS

Investments in renewables, such as solar photovoltaic (PV) installations on telecommunications towers, to power radio equipment, including antennas, will have a positive long-term sustainable impact.

Despite the issuer's effort to improve energy efficiency on its 500 new sites, the expected increase in data traffic could lead to increased absolute greenhouse gas (GHG) emissions.



CAMGSM PLC.

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CAMGSM PLC.
(formerly known as CAMGSM CO., LTD.)

**DIRECTORS' REPORT
AND
AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

CAMGSM PLC.

**AUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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CAMGSM PLC.

DIRECTORS' REPORT

The Board of Directors (or the "Directors") hereby submit their report together with the audited consolidated financial statements of CAMGSM PLC. (formerly known as CAMGSM Co., Ltd.) (the "Company") and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The principal activities of the Group are to:

- (a) install and operate any and all equipment and machinery used in connection with the operation of the GSM mobile cellular telephone network in the entire Kingdom of Cambodia and all products which are ancillary, complementary or component parts of such equipment; and
- (b) market and sell any of the Group's telecommunications products and/or services.

There has been no significant change in the nature of these activities during the year.

RESULTS

	US\$	Riel million
Profit for the year	80,247,092	329,817

RESERVES AND PROVISIONS

There were no material reserves or provisions during the year other than those disclosed in the consolidated financial statements.

BAD AND DOUBTFUL DEBTS

Before the consolidated financial statements of the Group were prepared, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off for bad debts and the making of loss allowance for doubtful debts and had satisfied themselves that there were no known bad debts and no loss allowance for doubtful debts was required.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the consolidated financial statements of the Group.

CAMGSM PLC.

DIRECTORS' REPORT

ASSETS

Before the consolidated financial statements of the Group were prepared, the Directors took reasonable steps to ensure that any assets which were unlikely to be realized in the ordinary course of business including their values as shown in the accounting records of the Group had been written down to an amount which they might be expected to realize.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the consolidated financial statements of the Group misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances that could have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group that have arisen since the end of the year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group which have arisen since the end of the year.

In the opinion of the Directors, no contingent or other liability of the Group have become enforceable, or is likely to become enforceable, within the period of twelve months after the end of the year which will or may affect the ability of the Group to meet its obligations as and when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements of the Group which would render any amount stated in the consolidated financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors,

- (i) the results of the operations of the Group for the year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operations of the Group for the year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the year, the Company successfully listed its shares on the Cambodia Securities Exchange ("CSX"). The Company received US\$5,284,587 in proceeds from the Initial Public Offering ("IPO") for the newly issued shares. Detail of Company's shares are disclosed in Note 13 to the consolidated financial statements.

In November 2023, the Company issued US\$20,000,000, ten-year debt securities in the form of sustainable bonds as disclosed in Note 16 to the consolidated financial statements. The bond has a coupon rate of SOFR +3% or 5.5% per annum, whichever is higher, and payable in semi-annual basis. The proceeds raised from this debt securities issuance will be utilized for network expansion and debt financing purposes.

CAMGSM PLC.

DIRECTORS' REPORT

DIRECTORS

The Directors in office during the year and during the period from the end of the year to the date of this report are:

Neak Oknha Kith Meng	Chairman
Mr. William Mark Hanna	Non-executive director
Mr. Paul Carey Clements	Non-executive director
Mr. Christopher Donald Tiffin	Non-executive director
Ms. Hep Seka	Independent director

DIRECTORS' BENEFITS

Since the end of the previous year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by of the Group and of the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during, nor at the end of the year, was the Group and the Company a party to any arrangements where the object is to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Group and the Company or any other corporate body.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

Details of significant events subsequent to the end of the year are disclosed in Note 30 to the consolidated financial statements.

ULTIMATE HOLDING COMPANY

The Directors regard Royal Millicom Co., Ltd. a company incorporated in Cambodia, as the ultimate holding company.

AUDITORS

The auditors, Baker Tilly (Cambodia) Co., Ltd., have expressed their willingness to continue in office.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Group are responsible for ascertaining that the consolidated financial statements of the Group give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended. In preparing these consolidated financial statements, the Directors of the Group are required to:

- (i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- (ii) comply with the disclosure requirements of CIFRSs or, if there have been any departures from such standards, in the interest of fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the consolidated financial statements;
- (iii) maintain adequate accounting records that enable the Group to prepare the consolidated financial statements under CIFRSs and an effective system of internal controls;
- (iv) prepare the consolidated financial statements on a going concern basis unless it is inappropriate to assume that the Group will continue operations in the reasonable future; and
- (v) effectively control and direct the Group and be involved in all material decisions affecting its operations and performance, and ascertain that such matters have been properly reflected in the consolidated financial statements.

The Directors confirm that the Group have complied with the above requirements in preparing the consolidated financial statements.

CAMGSM PLC.

DIRECTORS' REPORT

APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

I, **Simon Perkins**, being the Chief Executive Officer of Group, do hereby state that in the opinion of the Directors, the accompanying consolidated statement of financial position of the Group as at 31 December 2023, and the related consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements are presented fairly, in all material respects, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Signed in accordance with a resolution of the Board of Directors,



Simon Perkins
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

Date: **28 MAR 2024**

CAMGSM PLC.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023**

		2023		2022	
	Notes	US\$	Riel million	US\$	Riel million
ASSETS					
Non-current assets					
Property, plant and equipment	6	86,986,035	355,338	91,296,587	375,868
Right-of-use assets	7	110,572,209	451,687	115,855,423	476,977
Intangible assets		1,858,355	7,591	2,232,138	9,190
Advances to suppliers for capital expenditure	8	6,625,418	27,065	10,262,975	42,255
Refundable deposits		516,200	2,109	500,000	2,061
Loan to a related party	9	386,199,513	1,577,625	373,584,018	1,538,045
Total non-current assets		<u>592,757,730</u>	<u>2,421,415</u>	<u>593,731,141</u>	<u>2,444,396</u>
Current assets					
Prepayments and deposits	10	3,526,109	14,404	1,507,627	6,207
Inventories		771,067	3,150	902,887	3,717
Receivables from related parties		28,377	115	106,338	438
Trade and other receivables	11	3,542,381	14,471	3,301,537	13,593
Cash and cash equivalents	12	26,301,371	107,441	2,863,187	11,788
Total current assets		<u>34,169,305</u>	<u>139,581</u>	<u>8,681,576</u>	<u>35,743</u>
TOTAL ASSETS		<u>626,927,035</u>	<u>2,560,996</u>	<u>602,412,717</u>	<u>2,480,139</u>
EQUITY					
Equity attributable to shareholders					
Share capital	13	146,945,340	600,272	5,000,000	20,585
Share premium	13	2,553,907	10,433	-	-
Retained earnings		120,625,208	487,807	181,628,116	738,528
Currency translation differences		-	4,946	-	9,235
TOTAL EQUITY		<u>270,124,455</u>	<u>1,103,458</u>	<u>186,628,116</u>	<u>768,348</u>
LIABILITIES					
Non-current liabilities					
Lease liabilities	7	30,607,490	125,032	35,170,945	144,799
Borrowings	15	132,797,692	542,479	142,871,389	588,202
Debt securities	16	19,519,546	79,737	-	-
Other financial liabilities	18	1,214,651	4,962	8,549,687	35,199
Deferred tax liabilities - net	23	9,578,873	39,130	11,791,305	48,545
Employment seniority payment obligations		635,818	2,597	1,115,960	4,594
Trade and other payables	14	3,852,024	15,736	3,204,111	13,191
Total non-current liabilities		<u>198,206,094</u>	<u>809,673</u>	<u>202,703,397</u>	<u>834,530</u>
Current liabilities					
Trade and other payables	14	50,985,179	208,274	76,550,552	315,159
Other financial liabilities	18	9,413,759	38,455	9,264,565	38,142
Contract liabilities		22,964,056	93,808	23,897,682	98,393
Payables for capital expenditure		498,687	2,037	751,157	3,093
Current tax liabilities	23	8,746,010	35,727	41,252,442	169,836
Borrowings	15	12,525,499	51,167	15,484,709	63,751
Debt securities	16	147,149	600	-	-
Lease liabilities	7	8,079,483	33,005	6,603,657	27,187
Employment seniority payment obligations		47,285	193	53,096	218
Payables to related parties	26	6,352,041	25,948	4,258,555	17,532
Accrued liabilities	17	38,837,338	158,651	34,964,789	143,950
Total current liabilities		<u>158,596,486</u>	<u>647,865</u>	<u>213,081,204</u>	<u>877,261</u>
TOTAL LIABILITIES		<u>356,802,580</u>	<u>1,457,538</u>	<u>415,784,601</u>	<u>1,711,791</u>
TOTAL EQUITY AND LIABILITIES		<u>626,927,035</u>	<u>2,560,996</u>	<u>602,412,717</u>	<u>2,480,139</u>

The accompanying notes form an integral part of these consolidated financial statements.

CAMGSM PLC.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023		2022	
	Notes	US\$	Riel million	US\$	Riel million
Revenues	19	181,856,578	747,431	191,242,931	781,610
Operating costs					
Depreciation and amortisation		(36,196,806)	(148,769)	(30,678,683)	(125,384)
Interconnect costs		(2,977,717)	(12,238)	(3,999,319)	(16,345)
Personnel costs		(14,475,988)	(59,496)	(9,624,372)	(39,335)
Other operating costs	20	(79,873,204)	(328,279)	(105,339,421)	(430,522)
Gain on modification of other financial liabilities	18	-	-	12,081,555	49,377
Other gain/(losses)-net		93,607	385	(375,918)	(1,536)
Operating profit		48,426,470	199,034	53,306,773	217,865
Finance income	21	22,011,112	90,466	20,712,160	84,651
Finance costs	22	(11,507,119)	(47,294)	(22,292,712)	(91,110)
Profit before income tax		58,930,463	242,206	51,726,221	211,406
Income tax credit/(expense)	23	21,316,629	87,611	(11,155,027)	(45,591)
Profit for the year		80,247,092	329,817	40,571,194	165,815
Other comprehensive (loss)/income					
<i>Items that will not be reclassified to profit or loss</i>					
Currency translation differences		-	(4,289)	-	7,282
Total comprehensive income for the year		80,247,092	325,528	40,571,194	173,097
Profit for the year attributable to the shareholders of the Company		80,247,092	329,817	40,571,194	165,815
Total comprehensive income attributable to the shareholders of the Company		80,247,092	325,528	40,571,194	173,097
Earnings per share for profit attributable to the ordinary equity holder of the Company during the year are as follows:					
Basic/Diluted earnings per share (US\$/ Riel) (full amount)	27	0.04	168	8,114	33,163,000

The accompanying notes form an integral part of these consolidated financial statements.

CAMGSM PLC.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Attributable to owners of the shareholders									
	Share capital		Share premium		Retained earnings		Currency translation differences		Total	
	US\$	Riel million	US\$	Riel million	US\$	Riel million	US\$	Riel million	US\$	Riel million
Balance as at 1 January 2022	5,000,000	20,370	-	-	141,056,922	572,713	-	1,953	146,056,922	595,036
Comprehensive income										
Profit for the year	-	-	-	-	40,571,194	165,815	-	-	40,571,194	165,815
Other comprehensive income - currency translation differences	-	-	-	-	-	-	-	7,282	-	7,282
Total comprehensive income for the year	-	-	-	-	40,571,194	165,815	-	7,282	40,571,194	173,097
Transactions with owners										
Currency translation differences	-	215	-	-	-	-	-	-	-	215
Balance as at 31 December 2022/ 1 January 2023	5,000,000	20,585	-	-	181,628,116	738,528	-	9,235	186,628,116	768,348
Comprehensive income										
Profit for the year	-	-	-	-	80,247,092	329,817	-	-	80,247,092	329,817
Other comprehensive loss - currency translation differences	-	-	-	-	-	-	-	(4,289)	-	(4,289)
Total comprehensive income for the year	-	-	-	-	80,247,092	329,817	-	(4,289)	80,247,092	325,528
Transactions with owners										
Proceeds from shares issued (see Note 13)	695,340	2,858	2,553,907	10,497	-	-	-	-	3,249,247	13,355
Transfer from retained earnings to share capital (see Note 13)	141,250,000	580,538	-	-	(141,250,000)	(580,538)	-	-	-	-
Currency translation differences	-	(3,709)	-	(64)	-	-	-	-	-	(3,773)
Total transactions with owners	141,945,340	579,687	2,553,907	10,433	(141,250,000)	(580,538)	-	-	3,249,247	9,582
Balance as at 31 December 2023	146,945,340	600,272	2,553,907	10,433	120,625,208	487,807	-	4,946	270,124,455	1,103,458

The accompanying notes form an integral part of these consolidated financial statements.

CAMGSM PLC.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	2023		2022	
		US\$	Riel million	US\$	Riel million
Cash flows from operating activities					
Profit before income tax		58,930,463	242,206	51,726,221	211,406
Adjustments for:					
Depreciation and amortisation charge		36,196,806	148,769	30,678,683	123,856
Finance costs	22	11,507,119	47,294	22,292,712	91,110
Provision/(reversal) of impairment of trade receivables	11	60,995	251	(126,798)	(518)
Gain on modification of other financial liabilities	18	-	-	(12,081,555)	(49,377)
Other (gains)/losses		(93,607)	(385)	320,766	1,311
Gain on disposal of property, plant and equipment		(303,524)	(1,247)	(337,294)	(1,379)
Employment seniority payment obligations		(485,953)	(1,997)	(765,631)	(3,129)
Reversal of accrual		(2,706,084)	(11,122)	-	-
Finance income	21	<u>(22,011,112)</u>	<u>(90,466)</u>	<u>(20,712,160)</u>	<u>(84,651)</u>
		81,095,103	333,303	70,994,944	288,629
Changes in working capital:					
Prepayments and deposits		(1,623,376)	(6,672)	(731,892)	(2,991)
Inventories		131,820	542	(54,754)	(224)
Receivables from related parties		77,961	320	23,672	97
Trade and other receivables		(301,839)	(1,241)	379,460	1,551
Trade and other payables		(6,567,292)	(26,992)	6,222,561	25,432
Contract liabilities		(933,626)	(3,837)	(2,549,449)	(10,420)
Payables to related parties		1,941,249	7,979	(8,096,485)	(33,090)
Accrued liabilities		<u>3,872,548</u>	<u>15,916</u>	<u>16,017,342</u>	<u>65,463</u>
Cash generated from operations		77,692,548	319,318	82,205,399	334,447
Income tax paid	23	(1,837,471)	(7,552)	(1,755,356)	(7,174)
Interest received from banks		<u>508,720</u>	<u>2,091</u>	<u>329,616</u>	<u>1,347</u>
Net cash generated from operating activities		<u>76,363,797</u>	<u>313,857</u>	<u>80,779,659</u>	<u>328,620</u>
Cash flows from investing activities					
Withdrawal of short-term deposit		-	-	1,500,000	6,131
Payments for property, plant and equipment	6	(17,581,809)	(72,261)	(15,832,923)	(64,709)
Proceeds from sales of property, plant and equipment		<u>352,112</u>	<u>1,447</u>	<u>3,026,962</u>	<u>12,371</u>
Net cash used in investing activities		<u>(17,229,697)</u>	<u>(70,814)</u>	<u>(11,305,961)</u>	<u>(46,207)</u>

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023		2022	
	Notes	US\$	Riel million	US\$	Riel million
Cash flows from financing activities					
Principal elements of lease payments		(8,561,142)	(35,186)	(6,433,657)	(26,294)
Repayments of borrowings		(151,127,481)	(621,134)	(29,325,648)	(119,854)
Repayments of other financial liabilities	24	(9,600,000)	(39,456)	(15,600,000)	(63,757)
Repayments of long-term trade payables	24	(23,711,687)	(97,455)	(18,037,367)	(73,719)
Proceeds from borrowings		155,427,906	638,809	10,020,797	40,955
Proceeds from debt securities issued	24	19,519,546	80,225	-	-
Proceeds from issuance of shares		4,812,506	19,779	-	-
Payment of guaranteed dividend		(92,481)	(380)	-	-
Payments of finance costs		(3,827,154)	(15,730)	(1,619,814)	(6,620)
Interest paid		(18,535,929)	(76,183)	(13,946,305)	(56,999)
Net cash used in financing activities		(35,695,916)	(146,711)	(74,941,994)	(306,288)
Net increase/(decrease) in cash and cash equivalents					
		23,438,184	96,332	(5,468,296)	(23,875)
Cash and cash equivalents at the beginning of the year		2,863,187	11,788	8,331,483	33,942
Currency translation differences		-	(679)	-	1,721
Cash and cash equivalents at the end of the year	12	26,301,371	107,441	2,863,187	11,788

Non-cash financing and investing transactions

Non-cash financing and investing activities are disclosed in Notes 6, 7 and 24 to the consolidated financial statements.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

1. CORPORATE INFORMATION

CAMGSM PLC. (formerly known as CAMGSM Co., Ltd. (the “Company”)) and its wholly owned subsidiaries (collectively referred to as the “Group”) are the companies established in the Kingdom of Cambodia under the Law on Foreign Investment. The registered office of CAMGSM PLC. is at Building 246 Preah Monivong Boulevard, Sangkat Boeung Raing, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

The Company obtained the investment approval letter number 1066/96 from the Council for the Development of Cambodia/Cambodian Investment Board dated 7 August 1996. The Company was registered with the Ministry of Commerce (MoC) and received letter reference 2159 M.O.C. dated 26 August 1996. The Company’s Registration number is INV 231E/1996.

The Company is majority-owned by Royal Millicom Co., Ltd. (“RMC”) with its registered and principal office at 246 H-I Monivong Boulevard, Phnom Penh. RMC is a joint venture between Three Star Investment Cambodia Ltd., a Company incorporated in Cayman Islands, with a 61.5% share and Royal Group Co., Ltd, a company incorporated in Cambodia, with a 38.5% share.

On 17 March 2023, the Company obtained the approval from the MoC for changing its legal name from CAMGSM Co., Ltd. to CAMGSM PLC. to meet the listing requirement of Cambodia Securities Exchange (“CSX”). On 27 June 2023, the Company successfully listed its shares on the CSX. The Company received US\$5,284,587 in proceeds from the Initial Public Offering (“IPO”) for the newly issued shares.

The Company obtained the license for the provision and operation of GSM Digital Cellular mobile telephone services within the Kingdom of Cambodia from the Ministry of Posts and Telecommunications on 20 April 1996. Two new license agreement was received on 24 November 2009 with a validity of 30 years from the date of issuance and renewable for an additional 5 years. One for using the GSM technology and allocated frequencies and another for using 3G technologies and allocated frequencies. On 16 May 2016, the Company obtained a license for the provision an operating of voice over internet protocol services (VoIP) in the Kingdom of Cambodia. On 13 January 2022, the Company obtained a license for the provision and operation of internet service (ISP) in the Kingdom of Cambodia. The Group is using “Cellcard” as its brand name for its mobile phone and internet connections.

The Company’s subsidiaries are as follows:

- On 20 March 2019, Telemobile (Cambodia) Corporation was established as a wholly owned subsidiary of CAMGSM PLC. On 14 January 2022, Telemobile (Cambodia) Corporation received a license from TRC for the operation and services of antenna towers in Kingdom of Cambodia.
- Mobitel Company Limited was established as wholly owned subsidiary of CAMGSM PLC., and was registered with MoC on 20 January 1997 as per licence reference CO 2824E/1997. On 15 July 2013, Mobitel Company Limited received a licence from Telecommunication Regulator of Cambodia (“TRC”) to operate 4G, a long term evolution technology. Currently, Mobitel Company Limited is dormant.
- Everyday Company Limited was established as wholly owned subsidiary of CAMGSM PLC., and was registered with MoC on 9 August 2001 as per licence reference CO 5561/01P. Currently, Everyday Company Limited is dormant.

The principal activities of the Group are to:

- (a) install and operate any and all equipment and machinery used in connection with the operation of the GSM mobile cellular telephone network in the entire Kingdom of Cambodia and all products which are ancillary, complementary or component parts of such equipment; and
- (b) market and sell any of the Group’s telecommunications products and/or services.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. BASIS OF PREPARATION

2.1 Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs") and interpretations applicable to companies reporting under CIFRSs.

2.2 Basis of measurement

The consolidated financial statements of the Group have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the consolidated financial statements.

2.3 Adoption of new CIFRSs and amendments/improvements to CIFRSs

(a) Amendments/Improvements to standards adopted during the year

- Disclosure of Accounting Policies – Amendments to CIAS 1 and CIFRS Practice Statement 2

The amendments require an entity to disclose its material accounting policy information rather than significant accounting policies. The amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its consolidated financial statements. To support this amendments, CIFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the CIFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of CIFRSs in the accounting policy information disclosures.

Although the amendments did not result in any changes to the accounting policy themselves, they impacted the accounting policy information disclosed in the consolidated financial statements.

The following amendments/improvements were adopted by the Group but did not have significant impact on the current period or any prior period and it is not likely to affect the future periods.

- Definition of Accounting Estimates – Amendments to CIAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to CIAS 12

(b) Standards and amendments/improvements that have been issued but not yet effective

		Effective for the year beginning on or after
<u>Amendments/Improvements</u>		
CIAS 1	Classification of Liabilities as Current or Non-current	1 January 2024
CIAS 1	Non-current Liabilities with Covenants	1 January 2024
CIFRS 16	Lease Liability in a Sale and Leaseback	1 January 2024
CIAS 7 and CIFRS 7	Supplier finance arrangements	1 January 2024

The above standards/ amendments have been published but not yet effective for year beginning on or after 1 January 2023 and have not been early adopted by the Group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

2. BASIS OF PREPARATION (CONTINUED)

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Group transacts its businesses and maintains its accounting records primarily in United States Dollar (“US\$”), the Board of Directors has determined the US\$ to be the Group’s currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Group.

The translations of US\$ amounts into KHR presented in the consolidated financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of US\$1 to KHR4,085 and US\$1 to KHR4,110, respectively, for the year ended 31 December 2023 (2022: KHR4,117 and 4,087) as announced by the National Bank of Cambodia.

The consolidated statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the year. Assets and liabilities for each statement of financial position presented and shareholders’ capital are translated at the closing rate as at the reporting date.

These translations should not be construed as representations that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate.

All amounts in US\$ disclosed in the consolidated financial statements and notes are in the whole US\$ currency unit. All amounts in Riel in the consolidated financial statements and notes have been rounded off to the riel million currency unit unless otherwise stated.

3. MATERIAL ACCOUNTING POLICY INFORMATION

Unless otherwise stated, the following material accounting policy information have been applied consistently to all the years presented in the consolidated financial statements of the Group.

3.1 Basis of consolidation

Subsidiaries and business combination

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary amounts reported by subsidiaries have been adjusted to conform with the Group’s accounting policies.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments

(i) Financial assets

(a) Classification

The Group classifies its financial assets to be measured at amortised cost. The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies the financial assets when and only when its business model for managing those assets changes.

The Group's financial assets consist of loan to a related party, receivables from related parties, refundable deposits trade and other receivables and cash and cash equivalents.

(b) Initial measurement

At initial recognition, the Group measures a financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(c) Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group classifies its debt instruments at amortised cost. Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised costs. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss.

(d) Impairment of financial assets

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to the contracts and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

For trade receivables, the Group applies the simplified approach permitted by CIFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments (Continued)

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- actual or expected significant changes in the operating results of the debtor;
- significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the Group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria: When the counterparty fails to make contractual payments within one hundred and eighty (180) days after they fall due.

Qualitative criteria: The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty.

The Group considers the following instances:

- concessions have been made by the lender relating to the debtor's financial difficulty;
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the debtor is insolvent.

Financial instruments that are credit-impaired are assessed on an individual basis.

Groupings of instruments of ECL measured on collective basis

- Collective assessment

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and of customer's behaviour and the days past due.

- Individual assessment

Loan to a related party and receivables from related parties, which are in default or credit-impaired or have individually significant balances, are separately assessed for ECL measurement.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Financial instruments (Continued)

Write-off

Trade and other receivables are written off when there is no reasonable expectation of recovery.

Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables are presented within 'Others operating costs - Others' in the profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item in the profit or loss.

(ii) Financial liabilities

The Group classifies its financial liabilities at amortised cost using the effective interest rate. There are no changes in classification and measurement for the Company's financial liabilities.

Financial liabilities are recognised when the Group becomes a party to the contractual provision of the instruments. Financial liabilities of the Group are disclosed in the Note 5.1 to the consolidated financial statements.

3.3 Property, plant and equipment

Items of property, plant and equipment are recorded at cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Network spares are recorded at cost. Network spares are reclassified as network equipment upon installation. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated using the straight-line method on all property, plant and equipment to allocate their cost to their residual values over their estimated useful lives as follows:

Building and leasehold improvements	20 to 25 years or life of lease if shorter
Network equipment except for:	8 years
Optical fibre	15 years
Base tower	10 years
Billing system	5 years
Motor vehicles	5 years
Equipment, furniture and fixtures	3 - 5 years

Depreciation of network spares will commence only upon installation and transfer to network equipment.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.3 Property, plant and equipment (Continued)

When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss from their disposal is included in the consolidated statement of profit or loss and other comprehensive income.

Capital work-in-progress (CIP)

Capital work-in-progress consists of the cost of assets, labour and other direct costs associated with property, plant and equipment being constructed or installed by the Group. Once the assets become operational, the related costs are transferred from capital work-in-progress to the appropriate asset category and start to be depreciated.

3.4 Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected in one (1) year or less (or in the normal operating cycle of the business if longer), they are classified as current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

See Note 3.2 (i) (a) for further information about the Group's accounting for trade receivables and Note 5.1 (b) for a description of the Group's impairment policies.

3.5 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, cash at banks.

3.6 Trade and other payables and payable for capital expenditures

Trade and other payables and payables for capital expenditures are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in normal operating cycles of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables and payables for capital expenditures are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.7 Borrowings and other financial liabilities

Borrowings and other financial liabilities are recognised initially at fair value, net of transaction costs incurred. Borrowings and other financial liabilities are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

Borrowings and other financial liabilities are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.7 Borrowings and other financial liabilities (Continued)

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. Borrowing costs which are not capitalised are recognised as an expense when incurred. Other borrowing costs are expensed.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

3.8 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated statement of profit or loss and other comprehensive income. The current income tax charge is calculated on the basis of the tax laws enacted or substantially enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on the taxable entity where there is an intention to settle the balances on a net basis.

3.9 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the value of the expenditures expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at the present value of such expenditures, using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as an interest expense.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Revenue recognition

Revenues from provision of telecom services

These recurring revenues consist of monthly subscription fees, airtime usage fees, interconnection fees, roaming fees, and other telecommunications services such as data services, short message services and other Value-Added Services. Recurring revenues are recognised on an accrual basis, i.e. as the related services are rendered.

Post-paid

Post-paid mobile services are recognised over the relevant enforceable/subscribed service period (recurring monthly access fees that do not vary based on usage). The service provision is usually considered as a series of distinct services that have the same pattern of transfer to the customer. Unbilled revenues for airtime usage and subscription fees resulting from services provided from the billing cycle date to the end of each month are estimated and recorded.

Value-Added Services

Revenues from Value-Added Services such as wallpapers, backup services and games etc., are recognised net of payment to the providers of these services when they are responsible for the contents and for determining the price paid by the subscriber and as such the Group is considered to be acting in substance as an agent only. Where the Group is responsible for the content and determines the price paid by the subscriber then the revenue is recognised gross.

Prepayments

Prepayments allow the forward purchase of a specified amount of airtime by customers. Revenues are recognised as credit is used. Unutilised airtime is carried in the balance sheet as contract liabilities. Upon expiration of the validity period, the portion of the contract liability relating to the expiring credit is recognised as revenue, since there is no longer an obligation to provide those services.

As a practical expedient, information about its remaining performance obligations is not disclosed because the original expected contract term is less than 1 year.

Connection revenue

Connection revenue and related cost are deferred and amortised on a straight-line basis over the estimated life of customer relationship.

Sales of prepaid cards with a sim card and preloaded credits are accounted for as one performance obligation as the sim card cannot be used on its own. Consideration received for prepaid credits is initially recognised as contract liability and recognised as revenue upon usage by the customer. Any credits not used are recognised in full upon expiry or customer churn, whichever is earlier.

Telecom services are offered separately and/or as a bundle along with other services and/or devices. For bundled contracts, the Group accounts for individual products and services separately if they are distinct i.e. if a product or service is separately identifiable from other items in the bundled contract and if customers can benefit from it. Revenue is recognised on fulfilment of the individual obligations to the customer.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.10 Revenue recognition (Continued)

The total transaction price of bundled contracts is allocated among the individual performance obligations based on their relative standalone selling prices. The stand-alone selling prices are determined based on the observable price at which the Group sells the products and services on a stand-alone basis. For products and services that are not sold separately, the Group estimates stand-alone selling prices using other methods such as adjusted market assessment approach, cost plus margin approach or residual approach.

Lease income

Lease income is generated from the leasing spare on telecommunication towers, where the customers install and maintain their individual communication network equipment. Lease income from operating lease is recognised on a straight-line basis over the fixed and non-cancellable term of the lease agreement, irrespective of when payments are due.

Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial assets except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets after deduction of the loss allowance, if any.

3.11 Contract liabilities

A contract liability is the obligation to transfer the goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (which is earlier). Contract liabilities are recognised as revenue when the Group performs the services under the contract.

3.12 Earnings per share

The Company presents basic earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of Company by the weighted average number of ordinary shares outstanding during the year. As at 31 December 2023, there are no dilutive potential ordinary shares. Hence, diluted earnings per shares is the same as basic EPS.

3.13 Share capital and share premium

Share capital and share premium are classified as equity.

Share capital represents the nominal (par) value of share that have been issued. Other shares, if any, are classified as equity and/or liability according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged directly to equity.

Share premium represents the excess amount received by the Company over the par value of its share issuance, net of transaction costs directly attributable to the issuance.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.14 Leases

Accounting by lessee

The Group leases land lots and buildings for its business operations. At the inception of a lease contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- the exercises price of a purchase option if the Group is reasonably certain to exercise that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group, where possible, uses the recent third-party financing received by the Group as a starting point, adjusted to reflect changes in financing conditions since third party financing was received.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received; and
- any initial direct costs incurred by the lessee.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of equipment and vehicles are recognised as outright expense in profit or loss.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.14 Leases (Continued)

Modification of a lease

Lease modification is a change in the scope of a lease that was not part of the original terms and conditions of the lease. The effective date of the modification is the date when both parties agree to a lease modification.

If the lease is modified to terminate the right of use of one or more underlying assets or to shorten the contractual lease term, the lessee remeasures the lease liability at the effective date of the modification using a revised discount rate. It decreases the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. Any gain or loss relating to the partial or full termination is recognised in profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the consolidated financial statements.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that may cause material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Depreciation and useful of property, plant and equipment

Accounting for property, plant and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of the useful lives of the assets is based on the Management's judgement. In making this judgement, the Group evaluates among other factors, the expected usage of the asset, expected physical wear and tear which depends on operational and environmental factors and technical or commercial obsolescence arising from changes or improvements in technology.

(b) Recoverability of loan to a related party

The Group believes that there is no concern about the recoverability of the loan to Three Star Investment Cambodia Ltd which is wholly owned by Neak Oknha Kith Meng amounting to US\$386,199,513 as at 31 December 2023 (2022: US\$373,584,018).

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4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

(c) Waiver of other financial liabilities

In 2021, the Company agreed with its suppliers, namely Nokia Shanghai Bell Co., Ltd. and Branch of Nokia Shanghai Bell Co., Ltd., to settle the overdue debts in instalments without interest charges on the current debts. In 2022, both parties agreed that when the Company makes additional one-off cycle payment of US\$6 million to the existing instalment, it will be entitled to 75% waiver of the overdue interest payable charged in the previous periods (prior interest) and it will be entitled to remaining 25% waiver of the prior interest when it fully settles the remaining debt in accordance with the agreed instalment (Note 18). Because the management of the Company believes it will be able to settle the remaining debts based on the agreed instalment, it assumes there is no prior interest in its outstanding payables to the suppliers as at year ended 31 December 2023.

(d) Tax matters

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. Those positions include the management's assumption on utilisation of tax losses carried forward and withholding taxes. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the taxes liabilities and balances in the period in which the determination is made.

5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to some financial risk. Risk management is carried out to minimise potential adverse effects on the Group's performance.

5.1 Financial risk factors

(a) Market risk

(i) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest-rate risk. The Group evaluates the interest rate risks and considers them together with the transaction cost on negotiations of each loan. The Group evaluates the interest rate risk on an ongoing basis and devises strategies to manage its risk. The Group actively monitors the interest rates and uses its cash flow forecast to manage changes in the market. As at 31 December 2023 the outstanding loan is at floating interest rates 6.75% - 10.24% (2022: 5.45% - 9.83%).

A hundred basis point fall or rise in market interest rates for the Group's borrowings, loan to a related party and current bank deposits would not have a significant impact on the profit before tax for the year.

The Group's fixed rate loan receivable is carried at amortised costs. It is therefore not subject to cash flow interest rate risk, since neither the carrying amount nor the future cash flow will fluctuate because of a change in market interest rates. Although it is subject to fair value interest rate risk, the Management believes it would not have a significant impact on the consolidated financial statements because the loan is receivable from the shareholder.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (Continued)

(ii) Foreign currency risk

The Group is not significantly exposed to foreign currency risk as only an insignificant portion of future commercial transactions and recognised assets and liabilities are in currencies other than US\$, the functional currency.

The Management, at this stage, has not set up any policy to manage their foreign currency risk against their functional currency as the Group transacts mainly in US\$, the functional currency.

(iii) Price risk

The Group has no commodity price risk or security price risk since sales prices of services provided are reviewed annually and the Group does not have any investment in securities.

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade and other receivables, receivables from related parties and loans to a related party.

(i) Risk management

For banks and financial institutions, only well-known commercial banks are accepted. Accounts receivables are derived from the provision of telecom services to a large number of customers, including businesses and individuals as well as local telecommunication companies and the related concentration of credit risk is therefore limited. Receivables from and loans to related parties are considered low risk because they are with related parties under common shareholder. The Management believes that receivables from related parties may be offset with the Group's payables to related parties and borrowing from a shareholder because those related parties are under a common shareholder and they have done that in the past.

(ii) Impairment loss of financial assets

The Group has the following types of financial instruments that are subject to the ECL model:

- Trade and other receivables;
- Loans to a related party; and
- Receivables from related parties.

While cash and cash equivalents are also subject to the impairment requirements of CIFRS 9, the identified impairment loss was immaterial.

Trade and other receivables

The Group applies the CIFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime of ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment. The provision for expected credit losses is recognised in the consolidated statement of profit or loss and other comprehensive income within other operating costs.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (Continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2023 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the Gross Domestic Product (GDP) and the unemployment rate of the countries in which it sells its goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 determined as follows for both trade and other receivables:

	Current US\$	Less than 90 days past due US\$	More than 90 days past due US\$	More than 180 days past due US\$	Total US\$
31 December 2022					
Expected loss rate	0%	17.96%	80%	100%	
Gross carrying amount	1,398,645	345,357	116,354	149,067	2,009,423
Loss allowance	-	62,040	93,083	149,067	304,190
31 December 2023					
Expected loss rate	0%	12.79%	80%	100%	
Gross carrying amount	1,773,786	1,123,262	173,623	82,595	3,153,266
Loss allowance	-	143,692	138,898	82,595	365,185

The closing loss allowances for trade and other receivables as at 31 December 2023 reconcile to the opening loss allowances as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
At 1 January	304,190	1,252	430,988	1,743
Provision/(reversal) of impairment losses	60,995	249	(126,798)	(522)
Currency translation differences	-	(9)	-	31
At 31 December	365,185	1,492	304,190	1,252

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 180 days past due.

Impairment losses on trade and other receivables are presented as net impairment losses other operating cost. Subsequent recoveries of amounts previously written off are credited against the same line item.

Other financial assets at amortised cost

Other financial assets at amortised cost include loans to a related party and receivables from related parties.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.1 Financial risk factors (Continued)

There was no impairment for loans to a related party because it was guaranteed for full repayments by the ultimate shareholder, who has strong cash flow capacity.

The loan to a related party is expected to be settled in the future during dividend payout. The Company does not expect any loss because although the loan is not repaid by the borrower when it is due, it is guaranteed to be repaid in full by the ultimate shareholder of the Company.

There was no impairment for receivables from related parties because there was no objective evidence that the receivables are not collected.

(c) Liquidity risk

Liquidity risk is defined as the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group has incurred significant indebtedness. The Group evaluates its ability to meet its obligations on an ongoing basis using a recurring liquidity planning tool. This tool considers the operating net cash flows generated from its operations and the future cash needs for borrowing and interest payments and the capital expenditures required to maintain and develop businesses.

The Group manages its liquidity through the use of bank loans. The Management believes that there is sufficient liquidity available in the markets to meet on-going liquidity needs.

The table below summarises the maturity profiles of the Group's net financial liabilities at reporting date based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Total		Less than	1 - 5 year	More than
	US\$	Riel million	1 year	US\$	5 years
			US\$		US\$
As at 31 December 2023					
Borrowings	190,015,654	776,214	22,504,373	167,028,203	483,078
Debt securities	30,206,714	123,394	1,668,822	13,303,829	15,234,063
Other financial liabilities	11,183,440	45,684	9,888,716	1,294,724	-
Trade and other payables	54,196,761	221,394	50,280,918	3,915,843	-
Payables for capital expenditure	498,687	2,037	498,687	-	-
Payables to related parties	6,352,041	25,948	6,352,041	-	-
Accrued liabilities	38,837,338	158,651	38,837,338	-	-
Lease liabilities	48,261,660	197,149	11,637,831	28,995,241	7,628,588
	<u>379,552,295</u>	<u>1,550,471</u>	<u>141,668,726</u>	<u>214,537,840</u>	<u>23,345,729</u>
As at 31 December 2022					
Borrowings	179,303,356	738,192	24,127,340	155,104,912	71,104
Other financial liabilities	19,026,315	78,331	9,600,000	9,426,315	-
Trade and other payables	52,937,426	217,943	49,514,474	3,422,952	-
Payables for capital expenditure	751,157	3,093	751,157	-	-
Payables to related parties	4,258,555	17,532	4,258,555	-	-
Accrued liabilities	34,964,789	143,950	34,964,789	-	-
Lease liabilities	55,305,318	227,692	11,740,239	40,531,735	3,033,344
	<u>346,546,916</u>	<u>1,426,733</u>	<u>134,956,554</u>	<u>248,485,914</u>	<u>3,104,448</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes the adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may make dividend payments to shareholders, and issue new shares.

The Group monitors capital by adopting the formula provided in the facility agreement with the following lenders in calculating the relevant ratios.

1. Malayan Banking Berhad, Singapore Branch,
2. Deutsche Bank AG, and
3. GuarantCo Ltd.

(i) Leverage Ratio

	2023		2022	
	US\$	Riel million	US\$	Riel million
Total debt (Note 15)	143,330,530	585,505	157,957,844	650,312
Debt securities (Note 16)	20,000,000	81,700	-	-
Less: Cash and cash equivalents (Note12)	<u>(26,301,371)</u>	<u>(107,441)</u>	<u>(2,863,187)</u>	<u>(11,788)</u>
Net debt	137,029,159	559,764	155,094,657	638,524
Operating profit before finance costs and income tax	<u>48,426,470</u>	<u>199,034</u>	<u>53,306,773</u>	<u>217,865</u>
Add back:				
Depreciation and amortisation	36,196,806	148,769	30,678,683	125,384
Gain on modification of financial liabilities	-	-	(12,081,555)	(49,377)
Gain on disposal of property, plant and equipment	<u>(303,524)</u>	<u>(1,247)</u>	<u>(337,294)</u>	<u>(1,379)</u>
Earnings Before Interest, Taxes, Depreciation, and Amortisation (EBITDA)	84,319,752	346,556	71,566,607	292,493
Add: Equity cure	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Leverage Ratio	<u>2</u>		<u>2</u>	

Total debt refers to the principal amount of borrowings of all obligations of all subsidiaries of the Group.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Capital management (Continued)

(ii) Interest Cover Ratio

	2023		2022	
	US\$	Riel million	US\$	Riel million
EBITDA	84,319,752	346,556	71,566,607	292,493
Add: Equity cure	-	-	-	-
Total EBITDA	84,319,752	346,556	71,566,607	292,493
Finance costs (Note 22)	11,507,119	47,294	22,292,712	91,110
Less: Interest expense from lease liabilities (Note 22)	(4,015,905)	(16,505)	(5,378,668)	(21,982)
Finance income from Banks (Note 21)	(508,718)	(2,091)	(329,616)	(1,348)
Net finance charge	6,982,496	28,698	16,584,428	67,780
Interest Cover Ratio	12		4	

(iii) Senior Debt to EBITDA Ratio

	2023		2022	
	US\$	Riel million	US\$	Riel million
Non-current borrowing (Note 15)	132,797,692	542,479	142,871,389	588,202
Current borrowing (Note 15)	12,525,499	51,167	15,484,709	63,751
Debt securities (Note 16)	20,000,000	81,700	-	-
Less:				
Subordinated Loan	-	-	(11,433,796)	(47,073)
Debt Service Reserve Account (DSRA) balance	(1,189,597)	(4,860)	-	-
Debt Service Account (DSA) balance	-	-	-	-
Senior Debt	164,133,594	670,486	146,922,302	604,880
EBITDA	84,319,752	346,556	71,566,607	292,493
Senior Debt to EBITDA Ratio	2		2	

(iv) EBITDA to Finance Charge Ratio

	2023		2022	
	US\$	Riel million	US\$	Riel million
Finance costs (Note 22)	11,507,119	47,294	22,292,712	91,110
Less: Interest expense from lease liabilities (Note 22)	(4,015,905)	(16,505)	(5,378,668)	(21,982)
Finance Charge	7,491,214	30,789	16,914,044	69,128
EBITDA	84,319,752	346,556	71,566,607	292,493
EBITDA to Finance Charge Ratio	11		4	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.2 Capital management (Continued)

(v) Cash Flows from Operating Activities to Senior Debt

	2023		2022	
	US\$	Riel million	US\$	Riel million
Net cash generated from operating activities	76,363,797	313,857	80,779,659	330,148
Senior debt	<u>164,133,594</u>	670,486	<u>146,922,302</u>	604,880
Cash Flows from Operating Activities to Senior Debt	<u>47%</u>		<u>55%</u>	

5.3 Fair value estimation

This note provides an update on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual audited consolidated financial statements.

(a) Fair value hierarchy

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The estimated fair values of other financial instruments are based on the following methodologies and assumptions:

- i) *Cash and cash equivalents* – The carrying values of these amounts approximate fair values due to their short-term nature.
- ii) *Accounts receivable* – The carrying amounts less impairment provision approximate fair value because these are subject to normal credit terms and are short-term in nature.
- iii) *Loan to a related party* – The carrying amount approximates fair value since the interest receivable is close to current market rates.
- iv) *Borrowings, debt securities and other financial liabilities* – the fair values are not materially different from their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

5. FINANCIAL RISK MANAGEMENT (CONTINUED)

5.3 Fair value estimation (Continued)

- v) *Long-term trade payables* – The fair value of the long-term trade payables is estimated by discounting the future contractual cash flows using a market lending rate in the year.
- vi) *Other assets and other liabilities* – The carrying amounts of other financial assets and other financial liabilities are assumed to approximate their fair values as these items are not materially sensitive to the shift in market interest rates.

5.4 Financial instruments

Financial instruments by category

	Financial assets at amortised cost			
	2023		2022	
	US\$	Riel million	US\$	Riel million
Assets as per consolidated statement of financial position				
Loan to a related party	386,199,513	1,577,625	373,584,018	1,538,045
Cash and cash equivalents	26,301,371	107,441	2,863,187	11,788
Trade and other receivables	3,244,360	13,253	2,326,623	9,579
Refundable deposits	516,200	2,109	500,000	2,059
Receivables from related parties	28,377	116	106,338	438
	<u>416,289,821</u>	<u>1,700,544</u>	<u>379,380,166</u>	<u>1,561,909</u>

	Financial liabilities at amortised cost			
	2023		2022	
	US\$	Riel million	US\$	Riel million
Liabilities as per consolidated statement of financial position				
Borrowings	145,323,191	593,646	158,356,098	651,952
Trade and other payables	49,060,807	200,413	48,294,363	198,828
Lease liabilities	38,686,973	158,036	41,774,602	171,986
Accrued liabilities	38,837,338	158,651	34,964,789	143,950
Debt securities	19,666,695	80,337	-	-
Other financial liabilities	10,628,410	43,417	17,814,252	73,341
Payables to related parties	6,352,041	25,948	4,258,555	17,532
Payables for capital expenditure	498,689	2,037	751,157	3,093
	<u>309,054,144</u>	<u>1,262,485</u>	<u>306,213,816</u>	<u>1,260,682</u>

CAMGSM PLC.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. PROPERTY, PLANT AND EQUIPMENT

	Land US\$	Building and leasehold improvement US\$	Network equipment US\$	Billing system US\$	Equipment, furniture and fixtures US\$	Motor vehicles US\$	Capital work-in- progress US\$	Total US\$
<i>Carrying value as at 1 January 2022</i>	2,579,136	509,721	83,209,150	3,970,345	2,611,775	149,649	10,333,521	103,363,297
Additions	-	-	93,790	-	268,595	-	9,855,266	10,217,651
Transfers	-	321,421	10,993,275	-	-	-	(11,314,696)	-
Disposals/written off - cost	(2,579,136)	-	(1,813,159)	-	10,704	(692,118)	-	(5,073,709)
Disposals/written off - accumulated depreciation	-	-	1,691,819	-	104	692,118	-	2,384,041
Depreciation charge for the year	-	(144,578)	(16,682,893)	(1,703,516)	(1,029,177)	(34,529)	-	(19,594,693)
As at 31 December 2022	-	686,564	77,491,982	2,266,829	1,862,001	115,120	8,874,091	91,296,587
As at 31 December 2022								
Cost	-	5,953,737	642,354,859	13,736,180	17,526,270	1,506,084	8,874,091	689,951,221
Accumulated depreciation	-	(5,267,173)	(564,862,877)	(11,469,351)	(15,664,269)	(1,390,964)	-	(598,654,634)
	-	686,564	77,491,982	2,266,829	1,862,001	115,120	8,874,091	91,296,587
(Riel million equivalent)	-	2,827	319,034	9,333	7,666	474	36,534	375,868
<i>Carrying value as at 1 January 2023</i>	-	686,564	77,491,982	2,266,829	1,862,001	115,120	8,874,091	91,296,587
Additions	-	-	-	-	-	-	20,987,204	20,987,204
Transfers	-	716,891	20,015,373	-	986,597	-	(21,718,861)	-
Disposals/written off - cost	-	-	(15,313,902)	(14,500)	(35,412)	(190,089)	-	(15,553,903)
Disposals/written off - accumulated depreciation	-	-	15,296,554	14,500	36,556	157,705	-	15,505,315
Depreciation charge for the year	-	(305,263)	(22,157,195)	(1,703,515)	(1,056,285)	(26,910)	-	(25,249,168)
As at 31 December 2023	-	1,098,192	75,332,812	563,314	1,793,457	55,826	8,142,434	86,986,035
As at 31 December 2023								
Cost	-	6,670,628	647,056,330	13,721,680	18,477,455	1,315,995	8,142,434	695,384,522
Accumulated depreciation	-	(5,572,436)	(571,723,518)	(13,158,366)	(16,683,998)	(1,260,169)	-	(608,398,487)
	-	1,098,192	75,332,812	563,314	1,793,457	55,826	8,142,434	86,986,035
(Riel million equivalent)	-	4,486	307,735	2,301	7,326	229	33,261	355,338

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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6. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The following table provides details of cash used for the purchases of property, plant and equipment:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Additions	21,026,390	86,418	10,217,651	41,760
Increase in accrued capital expenditure	(211,731)	(870)	(10,726)	(44)
(Decrease)/Increase in suppliers' advances for capital expenditure	(3,729,167)	(15,327)	3,144,976	12,854
Decrease in payables for capital expenditure to third parties	344,080	1,414	1,579,679	6,456
Decrease in payable for capital expenditure to related parties	152,237	626	901,343	3,683
Cash used for purchases of property, plant and equipment	17,581,809	72,261	15,832,923	64,709

7. LEASES

(i). Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Right-of-use assets</i>				
Land for office space	77,746,367	317,594	78,886,080	324,774
Land for cell sites	32,270,944	131,826	36,278,978	149,361
Buildings for service centres	554,898	2,267	690,365	2,842
	<u>110,572,209</u>	<u>451,687</u>	<u>115,855,423</u>	<u>476,977</u>
<i>Lease liabilities</i>				
Current	8,079,483	33,005	6,603,657	27,187
Non-current	30,607,490	125,032	35,170,945	144,799
	<u>38,686,973</u>	<u>158,037</u>	<u>41,774,602</u>	<u>171,986</u>

Additions to the right-of-use assets during 2023 amounting to US\$7,878,082 (2022: US\$7,252,107)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. LEASES (CONTINUED)

(ii) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Depreciation charge of right-of-use assets				
Land for cell sites	8,118,035	33,365	8,146,929	33,296
Land for office space	2,194,418	9,019	2,265,902	9,261
Buildings for service centres	261,401	1,074	297,375	1,215
	<u>10,573,854</u>	<u>43,458</u>	<u>10,710,206</u>	<u>43,772</u>
Interest expense (included in finance costs)	4,015,905	16,505	5,378,668	21,983
Expense relating to short-term leases (included in other operating costs)	556,780	2,288	679,086	2,775
	<u>4,572,685</u>	<u>18,793</u>	<u>6,057,754</u>	<u>24,758</u>
	<u>15,146,539</u>	<u>62,251</u>	<u>16,767,960</u>	<u>68,530</u>

The total cash outflow for leases in 2023 was US\$12,577,047 (2022: US\$11,806,451).

8. ADVANCES TO SUPPLIERS FOR CAPITAL EXPENDITURE

	2023		2022	
	US\$	Riel million	US\$	Riel million
Branch of Nokia Shanghai Bell Co., Ltd.	4,057,033	16,573	-	-
Nokia Solutions and Networks Oy	535,615	2,188	5,400,000	22,232
ZTE Corporation	446,846	1,825	851,555	3,506
Huawei International Pte	155,250	634	2,375,582	9,780
ZTE HK (Cambodia) Co., Ltd	-	-	558,259	2,298
Huawei Technologies (Cambodia) Co., Ltd	-	-	600,864	2,474
Other suppliers	1,430,674	5,845	476,715	1,965
	<u>6,625,418</u>	<u>27,065</u>	<u>10,262,975</u>	<u>42,255</u>

9. LOAN TO A RELATED PARTY

	2023		2022	
	US\$	Riel million	US\$	Riel million
Principal	125,519,544	512,747	134,406,443	553,351
Interest receivable	260,679,969	1,064,878	239,177,575	984,694
	<u>386,199,513</u>	<u>1,577,625</u>	<u>373,584,018</u>	<u>1,538,045</u>

On 25 November 2009, the Company granted a loan to Three Star Investment Cambodia., its related party. This loan was back to back with a consortium of banks led by Bank of China Limited, Shenzhen Branch.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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9. LOAN TO A RELATED PARTY (CONTINUED)

The movement of the loan to a related party is as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
At 1 January	373,584,018	1,538,045	353,522,240	1,440,251
Interest charged	12,615,495	51,850	20,061,778	81,992
Currency translation difference	-	(12,270)	-	15,802
At 31 December	<u>386,199,513</u>	<u>1,577,625</u>	<u>373,584,018</u>	<u>1,538,045</u>

The loan bears interest at the rate of 7.5% per annum. The fair value of the loan is US\$386,199,513 (2022: US\$373,584,018). Its fair value is based on cash flows discounted.

10. PREPAYMENTS AND DEPOSITS

Prepayments and deposits represent prepayments made for rentals, insurance, lease lines, advertising, consultancy, loan transaction cost and other expenses and deposits to the customs department for temporary importation of equipment.

	2023		2022	
	US\$	Riel million	US\$	Riel million
Prepaid others	2,833,523	11,575	876,331	3,608
Deposits	672,906	2,749	589,338	2,426
Prepaid insurance – networks	17,390	71	12,188	50
Prepaid advertising	2,290	9	29,770	123
	<u>3,526,109</u>	<u>14,404</u>	<u>1,507,627</u>	<u>6,207</u>

11. TRADE AND OTHER RECEIVABLES

	2023		2022	
	US\$	Riel million	US\$	Riel million
Trade receivables				
Interconnect	1,942,928	7,937	891,113	3,669
Airtime and subscription	635,366	2,595	789,077	3,249
Roaming	574,972	2,349	329,233	1,355
	<u>3,153,266</u>	<u>12,881</u>	<u>2,009,423</u>	<u>8,273</u>
Less: Provision for impairment loss	(365,185)	(1,492)	(304,190)	(1,252)
Trade receivables – net	<u>2,788,081</u>	<u>11,389</u>	<u>1,705,233</u>	<u>7,021</u>
Other receivables	456,279	1,865	621,389	2,558
Other advances	124,431	508	114,888	473
VAT input receivables	92,741	379	41,722	172
Accrued revenues	80,849	330	818,305	3,369
	<u>3,542,381</u>	<u>14,471</u>	<u>3,301,537</u>	<u>13,593</u>

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11. TRADE AND OTHER RECEIVABLES (CONTINUED)

The nominal value less impairment of trade receivables is assumed to approximate their fair values.

Trade receivables are derived from the provision of telecom services to a large number of customers. Trade receivables from individual customers, from operators and roaming partners are reviewed at least annually and loss allowance is recognised using the CIFRS 9 simplified approach (see Note 5.1(b)).

Movement of provision of impairment loss:

	2023		2022	
	US\$	Riel million	US\$	Riel million
At 1 January	304,190	1,252	430,988	1,761
Provision/(reversal) of impairment loss	60,995	251	(126,798)	(518)
Currency translation differences	-	(11)	-	9
At 31 December	<u>365,185</u>	<u>1,492</u>	<u>304,190</u>	<u>1,252</u>

The carrying value of trade receivable balances represents maximum credit risk exposure.

12. CASH AND CASH EQUIVALENTS

	2023		2022	
	US\$	Riel million	US\$	Riel million
Cash in banks	25,064,408	102,388	2,754,379	11,340
Debt service reserve account	1,189,597	4,860	-	-
Cash on hand	47,366	193	108,808	448
	<u>26,301,371</u>	<u>107,441</u>	<u>2,863,187</u>	<u>11,788</u>

Debt Service Reserve Account ("DSRA") is the account opened in the name of the Company and accepted by the Guarantor (namely "GuaranCo Ltd."), and pledge at all times in favour of the Guarantor pursuant to the charge over Facility Agreement.

Included in the cash in banks is a current deposit account with J Trust Royal Bank Plc amounting to US\$340,424 (2022: US\$687,560) which earns interest of ranging from 0.25% to 1.50% per annum (2022: 0.25% to 1.50% per annum).

Included in the cash in banks is a current deposit account with Wing Bank (Cambodia) PLC. amounting to US\$23,170,91 (2022: US\$925,942) which earns interest of ranging from 3% to 5% per annum (2022: 3% to 5% per annum).

The other balances are held at other local and overseas commercial banks as current accounts and saving accounts bearing the interest rates ranging from 0.50% to 5% per annum (2022: 0.50% to 5% per annum).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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13. SHARE CAPITAL AND SHARE PREMIUM

Share capital

As at 31 December 2023, the authorised share capital comprised of 1,959,271,206 shares (2022: 5,000 shares) at a par value of US\$ 0.075 (equivalent to Riel 300) per share. All issued shares are fully paid.

	2023		2022	
	US\$	Riel million	US\$	Riel million
Issued and fully paid:				
At 1 January	5,000,000	20,585	5,000,000	20,370
Proceeds from share issued in the IPO	695,340	2,858	-	-
Conversion of retained earnings to share capital	141,250,000	580,538	-	-
Currency translation differences	-	(3,709)	-	215
At 31 December	<u>146,945,340</u>	<u>600,272</u>	<u>5,000,000</u>	<u>20,585</u>

In 2023, the Company transferred its retained earnings amounting to US\$141,250,000 to be its share capital. The new registered share capital was approved by the Ministry of Commerce on 17 March 2023.

Share capital is divided into two classes, as follows:

- 9,271,206 Class A shares with total value of US\$5,284,587 with the par value of Riel 300 were from the share issued in the IPO on 27 June 2023. Class A shareholders are entitled to the minimum guaranteed dividend yield of 7% of total number of shares held as of the day immediately preceding the ex-dividend date multiplied by the initial public offering price for the period of 5 years (either cash or non-cash dividend), payable quarterly, effective after an initial 3-month period from listing date. The holders of Class A shares must be active customers, who are active subscribers of telecommunication services provided by the Company.
- 1,950,000,000 Class B shares with total value of US\$146,250,000 were from the conversion of US\$141,250,000 from the retained earnings to share capital with the par value of Riel 300 per share and the conversion of the prior registered capital of US\$5,000,000 with the par value of Riel 300 (2022: Riel 4,000,000 per share). Class B shareholders are entitled to a dividend as approved by Board of Directors and its lenders following to terms and conditions of the loan facilities.

Total shares are summarised as follows:

	Number of Shares	Par value US\$
Class A	9,271,206	695,340
Class B	<u>1,950,000,000</u>	<u>146,250,000</u>
Total	<u>1,959,271,206</u>	<u>146,945,340</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

13. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

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 attributable to the issuance.

There are 9,271,206 newly issued shares with a par value of Riel 300 (US\$0.075) per share, at an offering price of Riel 2,270 (US\$0.57) per share. The share premium is calculated as follows:

	2023	
	US\$	Riel million
Share proceeds	5,284,587	21,588
Less: share capital at par value	(695,340)	(2,840)
Less: IPO costs	(472,081)	(1,928)
Less: guaranteed dividends payable (Note 18)	(1,496,701)	(6,114)
Less: guaranteed dividend paid for third quarter of 2023, net	(66,558)	(273)
Share premium	<u>2,553,907</u>	<u>10,433</u>

14. TRADE AND OTHER PAYABLES

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Current</i>				
Ministry of Post and Telecommunication (MPTC)	42,057,131	171,803	38,908,580	160,187
Accounts payable – roaming	1,495,614	6,110	1,825,903	7,517
VAT payables	1,298,887	5,306	8,083,660	33,280
Other taxes payable	625,485	2,555	20,172,529	83,050
Telecom Cambodia (TC)	362,603	1,481	1,987,296	8,182
Subscribers' deposits	205,703	840	330,796	1,362
Telecom Regulator of Cambodia (TRC)	122,173	499	1,218,796	5,018
Other payables	4,817,583	19,680	4,022,992	16,563
	<u>50,985,179</u>	<u>208,274</u>	<u>76,550,552</u>	<u>315,159</u>

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Non-current</i>				
Ministry of Post and Telecommunication (MPTC)	3,852,024	15,736	2,692,858	11,086
Telecom Cambodia (TC)	-	-	511,253	2,105
	<u>3,852,024</u>	<u>15,736</u>	<u>3,204,111</u>	<u>13,191</u>

MPTC agreed with the Company for the instalment payments from 2023 to 2025 for the revenue sharing, contribution fund, transit fees and microwave fees. As at 31 December 2023, payable to MPTC amounted to US\$45,909,155 (2022: US\$41,601,438).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. BORROWINGS

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Current</i>				
Maybank (Cambodia) Plc.	4,950,676	20,225	579,479	2,386
Malayan Banking Berhad, Singapore Branch	2,283,918	9,329	-	-
Mega International Commercial Bank Co., Ltd., Phnom Penh Branch	2,043,470	8,348	1,894,748	7,801
Union Commercial Bank Plc.	1,989,695	8,127	2,000,000	8,234
Canadia Bank Plc.	1,241,944	5,073	1,464,035	6,027
Neak Oknha Kith Meng	15,796	65	15,796	65
Bank of China Limited – CFA	-	-	9,530,651	39,238
	<u>12,525,499</u>	<u>51,167</u>	<u>15,484,709</u>	<u>63,751</u>
<i>Non-current</i>				
Maybank (Cambodia) Plc.	59,076,407	241,327	3,645,834	15,010
Malayan Banking Berhad, Singapore Branch	37,664,828	153,861	-	-
Canadia Bank Plc.	18,856,667	77,029	15,466,667	63,676
Industrial and Commercial Bank of China Limited, Phnom Penh Branch (ICBC)	7,704,095	31,471	-	-
Union Commercial Bank Plc.	5,471,661	22,353	7,500,000	30,878
Mega International Commercial Bank Co., Ltd., Phnom Penh Branch	4,024,034	16,438	5,912,346	24,341
Neak Oknha Kith Meng	-	-	11,418,000	47,008
Bank of China Limited – CFA	-	-	98,928,542	407,289
	<u>132,797,692</u>	<u>542,479</u>	<u>142,871,389</u>	<u>588,202</u>
Total	<u>145,323,191</u>	<u>593,646</u>	<u>158,356,098</u>	<u>651,953</u>

	2023		2022	
	US\$	Riel million	US\$	Riel million
Gross loan outstanding (Note5.2(i))	143,330,530	585,505	157,957,844	650,312
Accrued interest expenses	3,108,884	12,701	2,350,321	9,678
Less: Transaction costs	(1,116,223)	(4,560)	(1,952,067)	(8,037)
Total	<u>145,323,191</u>	<u>593,646</u>	<u>158,356,098</u>	<u>651,953</u>

Loans from Maybank (Cambodia) Plc.

On 23 September 2021, the Company obtained US\$5,000,000 loan from Maybank (Cambodia) Plc., with interest rate of 7% per annum or Base Rate + 0.75% per annum, whichever is higher and is secured by hypothec over the proffered property owned by Neak Oknha Kith Meng. The Company shall repay the interest and principal on monthly basis. The maturity date is on 23 September 2029.

On 22 November 2022, the Company entered into another loan agreement to obtain additional loan amounting to US\$10,000,000. The loan was drawn down in April 2023. There are two types of loan facilities under this loan agreement, which are term loan 2 ("TL2") amounting to US\$8,000,000 with interest rate of 7.25% per annum or Base Rate + 1% per annum, and term loan 3 ("TL3") amounting to KHR 8,300,000,000 (equivalent to US\$ 2,000,000) with interest rate 8.84% per annum or Base Rate +6.25% per annum. The Company shall repay the interest and principal on monthly basis. The maturity date is on 5 April 2028.

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15. BORROWINGS (CONTINUED)

Loans from Maybank (Cambodia) Plc. (Continued)

On 21 July 2023, the Company entered into another loan agreement amounting to US\$52,500,000. The loan was drawn down in August 2023. There are two types of loan facilities under this loan agreement, which are term loan 1 ("TL1") amounting to US\$42,500,000 with interest rate of 7% per annum or 2% over interest bearing US\$ current accounting pledge (current stands at 5% per annum), and term loan 2 ("TL2") amounting to KHR41,500,000,000 (equivalent to US\$ 10,000,000) with interest rate 8% per annum or 2% over interest bearing KHR current accounting pledge (current stands at 6% per annum). The Company shall repay the interest and principal on monthly basis. The maturity date is on 3 August 2028.

Loan from Malayan Banking Berhad, Singapore Branch

On 3 August 2023, the Company obtained US\$40,000,000 loan from Malayan Banking Berhad, Singapore Branch, with interest rate of 10.22% per annum for 2023, and 10.24% per annum for 2024 to 2028 with the loan term of 60 months and secured by the property owned by Neak Oknha Kith Meng. The Company shall repay the interest and principal on monthly basis. The maturity date is on 3 August 2028.

Loan from Canadia Bank Plc.

On 3 August 2023, the Company obtained US\$20,000,000 loan from Canadia Bank Plc., with interest rate of 8.75% per annum with the loan term of 60 months and secured by the property owned by Neak Oknha Kith Meng. The Company shall repay the interest and principal on monthly basis. The maturity date is on 27 July 2028.

Loan from Industrial and Commercial Bank of China Limited, Phnom Penh Branch ("ICBC")

In July 2023, ICBC issued letters of credit to the Company to provide US\$7,704,095 in bank financing to purchase the telecommunication equipment and related services from Huawei International Pte. Ltd. and Huawei Technologies (Cambodia) Co., Ltd (the "Suppliers") with deferred payments up to 540 days. The bank financing is secured by the property owned by Neak Oknha Kith Meng.

Loan from Union Commercial Bank Plc.

On 5 October 2022, the Company obtained US\$10,000,000 loan from Union Commercial Bank Plc., with interest rate of 6.75% per annum with the loan term of 60 months and secured by the property owned by Neak Oknha Kith Meng. The Company shall repay the interest and principal on monthly basis. The maturity date is on 30 September 2027.

Loan from Mega International Commercial Bank Co., Ltd., Phnom Penh Branch

On 30 September 2021, the Company obtained US\$10,000,000 loan from Mega International Commercial Bank Co., Ltd Phnom Penh Branch, with interest rate of 6.75% or higher rate based on the Negotiable Certificate Deposit (NCD) issued by National Bank of Cambodia per annum and secured by the hypothec over the proffered property owned by Neak Oknha Kith Meng. The Company shall repay the interest and principal on monthly basis. The maturity date is on 30 September 2026.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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15. BORROWINGS (CONTINUED)

Limits on borrowing and financial covenants:

Base on the loan agreements with Malayan Banking Berhad, Singapore Branch, Deutsche Bank AG, and GuarantCo Ltd. the Group is required to comply with the following limitations and covenants:

- (a) Leverage Ratio of Net Debt as at the end of any relevant period to EBITDA in respect of such relevant period shall not exceed 3:1.
- (b) Interest Cover Ratio in respect of any relevant period to Net Finance charges in respect of any relevant period shall equal or exceed 3:1.
- (c) Senior Debt to EBITDA Ratio in respect of any relevant period to the ratio of Senior Debt on the last day of that relevant period to EBITDA in respect of that relevant period shall not exceed 3:1.
- (d) EBITDA to Finance Charge shall equal or exceed 3:1.
- (e) Cash Flows from Operating Activities to Senior Debt shall equal or exceed 20%.

The Group has complied with the above mentioned financial covenant.

Bank of China Limited - CFA

In July 2023, the Company entered into term loan agreements with three lenders, Maybank (Cambodia) Plc., Malayan Banking Berhad, Singapore Branch and Canadia Bank Plc. for total loan amounting to US\$112.5 million to refinance its outstanding term loan payable to Bank of China Limited which was fully settled on 8 August 2023.

16. DEBT SECURITIES

In November 2023, the Company issued US\$20,000,000, ten-year debt securities in the form of sustainable bonds with a coupon rate of SOFR +3% or 5.5% per annum, whichever is higher, and payable in semi-annual basis. The proceeds raised from this debt securities issuance will be utilised for network expansion and debt financing purposes. The bond issued is guaranteed by GuarantCo Ltd to support the sustainability bond.

	2023	
	US\$	Riel million
Current	147,149	600
Non-current	<u>19,519,546</u>	<u>79,737</u>
	<u>19,666,695</u>	<u>80,337</u>
	2023	
	US\$	Riel million
Gross debt securities outstanding	20,000,000	81,700
Accrued interest expense	200,623	818
Less: Transaction costs	<u>(533,928)</u>	<u>(2,181)</u>
	<u>19,666,695</u>	<u>80,337</u>

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17. ACCRUED LIABILITIES

	2023		2022	
	US\$	Riel million	US\$	Riel million
Provision and accrued operating expenses (*)	28,955,204	118,282	4,943,118	20,351
Accrued direct costs	8,261,139	33,747	28,612,408	117,797
Accrued capital expenditure	1,620,995	6,622	1,409,263	5,802
	<u>38,837,338</u>	<u>158,651</u>	<u>34,964,789</u>	<u>143,950</u>

(*) In 2023, the Company reclassified the current income tax and other tax payables to accrued liabilities, amounting to US\$11,527,901 and US\$11,615,472, respectively.

18. OTHER FINANCIAL LIABILITIES

	2023		2022	
	US\$	Riel million	US\$	Riel million
Current				
Payables to suppliers	9,131,709	37,303	9,264,565	38,142
Guaranteed dividend payable	282,050	1,152	-	-
	<u>9,413,759</u>	<u>38,455</u>	<u>9,264,565</u>	<u>38,142</u>
Non-current				
Payables to suppliers	-	-	8,549,687	35,199
Guaranteed dividend payable	1,214,651	4,962	-	-
	<u>1,214,651</u>	<u>4,962</u>	<u>8,549,687</u>	<u>35,199</u>
Total	<u>10,628,410</u>	<u>43,417</u>	<u>17,814,252</u>	<u>73,341</u>

Payables to suppliers

Payables to suppliers represent the overdue trade payables to Nokia Shanghai Bell Co., Ltd and Branch of Nokia Shanghai Bell Co., Ltd., which were agreed in the settlement agreement in November 2021 that the trade payables shall be settled in instalments with the initial payment of US\$5,000,000 and subsequent minimum instalment payment of US\$1,000,000 each month.

In 2022, both parties agreed when the Company makes additional one-off cycle payment of US\$6 million to the existing instalment, it will be entitled to 75% waiver of the overdue interest payable charged in the previous periods (prior interest) and it will be entitled to remaining 25% waiver of the prior interest when it fully settles the remaining debt in accordance with the agreed instalment. The Company expects to settle it based on the settlement terms so it will be entitled to waiver of the prior interest of US\$13,778,884. In 2022, the Company recognised a gain from this debt modification of US\$12,081,555 was recognised in consolidated profit or loss.

Guaranteed dividend payable

The guaranteed dividend payable represent the dividend payables to Class A shares issued on the CSX during the year, which is the present value of dividend yield of 7% for the period of 5 years (Note 13).

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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19. REVENUES

	2023		2022	
	US\$	Riel million	US\$	Riel million
Provision of telecom services	176,500,016	725,415	186,551,012	762,434
Connection and subscription revenues	3,746,783	15,399	2,922,651	11,945
Equipment revenues	-	-	655	3
Lease income	210,943	867	-	-
Other revenues	1,398,836	5,750	1,768,613	7,228
	<u>181,856,578</u>	<u>747,431</u>	<u>191,242,931</u>	<u>781,610</u>
<i>Timing of revenue recognition</i>				
Over time	181,856,578	747,431	191,242,276	781,607
At a point in time	-	-	655	3
	<u>181,856,578</u>	<u>747,431</u>	<u>191,242,931</u>	<u>781,610</u>

20. OTHER OPERATING COSTS

	2023		2022	
	US\$	Riel million	US\$	Riel million
Operational costs to MPTC	30,542,638	125,530	41,448,350	169,399
Utilities	12,280,353	50,472	15,129,647	61,835
Dealers' commissions	11,962,751	49,167	13,979,347	57,134
Leased line charges	9,494,028	39,020	9,409,005	38,455
Maintenance	6,671,843	27,421	7,038,142	28,765
Advertising and promotion costs	3,668,576	15,078	3,928,398	16,055
Specific tax expenses	617,679	2,539	2,202,364	9,001
Roaming costs	477,275	1,962	620,777	2,537
Rentals	419,479	1,724	679,086	2,775
Insurance charges	14,616	60	22,219	91
Customers' rewards	3,096	13	2,930,000	11,975
Others (*)	3,720,870	15,293	7,952,086	32,500
	<u>79,873,204</u>	<u>328,279</u>	<u>105,339,421</u>	<u>430,522</u>

(*) In 2023, the Company reversed the accrued tax expenses amounting to US\$2,763,924 and recognised in other operating costs after the receipt of the tax clearance for years 2013 to 2020.

21. FINANCE INCOME

	2023		2022	
	US\$	Riel million	US\$	Riel million
Three Star Investment Cambodia Ltd	21,502,394	88,375	20,382,544	83,303
Banks	508,718	2,091	329,616	1,348
	<u>22,011,112</u>	<u>90,466</u>	<u>20,712,160</u>	<u>84,651</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

22. FINANCE COSTS

	2023		2022	
	US\$	Riel million	US\$	Riel million
Banks (*)	4,220,793	17,347	15,913,803	65,040
Lease liabilities	4,015,905	16,505	5,378,668	21,982
Others	3,270,421	13,442	1,000,241	4,088
	<u>11,507,119</u>	<u>47,294</u>	<u>22,292,712</u>	<u>91,110</u>

(*) In 2023, the Company reversed the accrued tax expenses amounting to US\$13,293,554 and recognised in finance costs of borrowings after the receipt of the tax clearance for years 2013 to 2020.

23. INCOME TAX CREDIT/ (EXPENSE)

Income tax is calculated on the basis of the current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of the profit tax expense will be made following inspection by the tax authorities.

	2023		2022	
	US\$	Riel million	US\$	Riel million
Current tax	(19,104,197)	(78,518)	15,648,936	63,957
Deferred income tax	(2,212,432)	(9,093)	(4,493,909)	(18,366)
	<u>(21,316,629)</u>	<u>(87,611)</u>	<u>11,155,027</u>	<u>45,591</u>

Reconciliation of income tax credit/ (expense) is as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Profit before income tax	58,930,463	242,206	51,726,221	211,406
Calculated at tax rates 20%	11,786,093	48,441	10,345,245	42,281
Adjustments:				
- Effect from temporary and permanent differences	(2,360,473)	(9,701)	809,782	3,310
- Tax clearance	(30,742,249)	(126,351)	-	-
	<u>(21,316,629)</u>	<u>(87,611)</u>	<u>11,155,027</u>	<u>45,591</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. INCOME TAX CREDIT/ (EXPENSE) (CONTINUED)

(a) Current tax liabilities

The movement of current income tax liabilities is as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
At 1 January	41,252,442	169,836	27,358,862	111,460
Income tax credit/(expense)	(19,104,197)	(78,518)	15,648,936	63,957
Income tax paid	(1,837,471)	(7,552)	(1,755,356)	(7,174)
Reclassified to accrued liabilities	(11,564,764)	(47,531)	-	-
Currency translation differences	-	(508)	-	1,593
At 31 December	<u>8,746,010</u>	<u>35,727</u>	<u>41,252,442</u>	<u>169,836</u>

In 2023, the Company reversed the accrued current income tax of US\$29,523,605 and adjusted in income tax expense after the tax clearance for years 2013 to 2020.

(b) Deferred tax liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Deferred tax assets	(2,340,445)	(9,560)	(2,786,295)	(11,471)
Deferred tax liabilities	<u>11,919,318</u>	<u>48,690</u>	<u>14,577,600</u>	<u>60,016</u>
Deferred tax liabilities – net	<u>9,578,873</u>	<u>39,130</u>	<u>11,791,305</u>	<u>48,545</u>

The movement on the deferred tax account is as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
At 1 January	11,791,305	48,545	16,285,214	66,346
Charge to the consolidated profit or loss	(2,212,432)	(9,093)	(4,493,909)	(18,366)
Currency translation differences	-	(322)	-	565
At 31 December	<u>9,578,873</u>	<u>39,130</u>	<u>11,791,305</u>	<u>48,545</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. INCOME TAX CREDIT/ (EXPENSE) (CONTINUED)

The movement of deferred tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same jurisdiction, is as follows:

(i) Deferred tax assets

	Loss allowance of trade and other receivables US\$	Right-of- use assets US\$	Accrued expenses US\$	Total US\$	Riel million
At 1 January 2022	(86,198)	-	(276,798)	(362,996)	(1,479)
(Credited)/charged to consolidated profit or loss	25,360	(259,324)	(2,189,335)	(2,423,299)	(9,977)
Currency translation differences	-	-	-	-	(15)
At 31 December 2022/ 1 January 2023	(60,838)	(259,324)	(2,466,133)	(2,786,295)	(11,471)
(Credited)/charged to consolidated profit or loss	(12,199)	458,049	-	445,850	1,832
Currency translation differences	-	-	-	-	79
As at 31 December 2023	<u>(73,037)</u>	<u>198,725</u>	<u>(2,466,133)</u>	<u>(2,340,445)</u>	<u>(9,560)</u>

(ii) Deferred tax liabilities

	Deferred trade payable US\$	Deferred loan transaction costs US\$	Accelerate tax depreciation US\$	Right-of- use assets US\$	Total US\$	Riel million
At 1 January 2022	719,264	336,326	15,314,217	278,403	16,648,210	67,825
(Credited)/charged to consolidated profit or loss	(432,646)	54,087	(1,413,648)	(278,403)	(2,070,610)	(8,525)
Currency translation differences	-	-	-	-	-	716
At 31 December 2022/1 January 2023	286,618	390,413	13,900,569	-	14,577,600	60,016
(Credited)/charged to consolidated profit or loss	(654,084)	(108,957)	(1,333,554)	(561,687)	(2,658,282)	(10,926)
Currency translation differences	-	-	-	-	-	(400)
At 31 December 2023	<u>(367,466)</u>	<u>281,456</u>	<u>12,567,015</u>	<u>(561,687)</u>	<u>11,919,318</u>	<u>48,690</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

23. INCOME TAX CREDIT/ (EXPENSE) (CONTINUED)

	2023		2022	
	US\$	Riel million	US\$	Riel million
Deferred tax assets:				
Deferred tax assets to be recovered after more than 12 months	(1,894,595)	(7,740)	(5,209,594)	(21,448)
Deferred tax asset to be recovered within 12 months	(445,850)	(1,820)	2,423,299	9,977
	<u>(2,340,445)</u>	<u>(9,560)</u>	<u>(2,786,295)</u>	<u>(11,471)</u>
Deferred tax liabilities:				
Deferred tax liabilities to be recovered after more than 12 months	14,577,600	59,549	16,648,210	68,541
Deferred tax liabilities to be recovered within 12 months	(2,658,282)	(10,859)	(2,070,610)	(8,525)
	<u>11,919,318</u>	<u>48,690</u>	<u>14,577,600</u>	<u>60,016</u>
Deferred tax liabilities – net	<u>9,578,873</u>	<u>39,130</u>	<u>11,791,305</u>	<u>48,545</u>

24. CASH FLOW INFORMATION

Net debt reconciliation

This section sets out an analysis of net debt and the movement in net debt for each of the years presented.

	2023		2022	
	US\$	Riel million	US\$	Riel million
Cash and cash equivalents	26,301,371	107,441	2,863,187	11,529
Loan to a related party	386,199,513	1,577,625	373,584,018	1,538,045
Borrowings	(145,323,191)	(593,645)	(158,356,098)	(651,908)
Debt securities	(19,666,695)	(80,338)	-	-
Other financial liabilities	(10,628,410)	(43,417)	(17,814,252)	(73,341)
Non-current trade and other payables	(3,852,024)	(15,736)	(3,204,111)	(13,191)
Lease liabilities	<u>(38,686,973)</u>	<u>(158,036)</u>	<u>(41,774,602)</u>	<u>(171,197)</u>
Net debt	<u>194,343,591</u>	<u>793,894</u>	<u>155,298,142</u>	<u>639,937</u>

CAMGSM PLC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

24. CASH FLOW INFORMATION (CONTINUED)

Net debt reconciliation (Continued)

	Liabilities from financing activities						Other assets				
	Long term trade payable US\$	Borrowings US\$	Debt securities US\$	Other financial liabilities US\$	Leases US\$	Sub-total US\$	Cash and cash equivalents US\$	Short-term deposit US\$	Loan to a related party US\$	Sub-total US\$	Net Debt US\$
As at 1 January 2023	(3,204,111)	(158,356,098)	-	(17,814,252)	(41,774,602)	(221,149,063)	2,863,187	-	373,584,018	376,447,205	155,298,142
Cash flows	23,711,687	(4,300,425)	(19,519,546)	9,600,000	8,561,142	18,052,858	23,438,184	-	-	23,438,184	41,491,042
Accrued interest income/(expense)	(647,913)	(1,308,261)	(147,149)	(2,414,158)	-	(4,517,481)	-	-	12,615,495	12,615,495	8,098,014
New leases	-	-	-	-	(7,878,082)	(7,878,082)	-	-	-	-	(7,878,082)
Interest on leases	-	-	-	-	(4,015,905)	(4,015,905)	-	-	-	-	(4,015,905)
Transfers to payable in working capitals	(23,711,687)	-	-	-	-	(23,711,687)	-	-	-	-	(23,711,687)
Termination of leases	-	-	-	-	2,404,569	2,404,569	-	-	-	-	2,404,569
Other changes	-	-	-	-	-	-	-	-	-	-	-
- Interest payments	-	14,814,440	-	-	4,015,905	18,830,345	-	-	-	-	18,830,345
- Transaction costs paid	-	3,827,153	-	-	-	3,827,153	-	-	-	-	3,827,153
As at 31 December 2023	<u>(3,852,024)</u>	<u>(145,323,191)</u>	<u>(19,666,695)</u>	<u>(10,628,410)</u>	<u>(38,686,973)</u>	<u>(218,157,293)</u>	<u>26,301,371</u>	<u>-</u>	<u>386,199,513</u>	<u>412,500,884</u>	<u>194,343,591</u>
Riel million equivalent	<u>(15,736)</u>	<u>(593,645)</u>	<u>(80,338)</u>	<u>(43,417)</u>	<u>(158,036)</u>	<u>(891,172)</u>	<u>107,441</u>	<u>-</u>	<u>1,577,625</u>	<u>1,685,066</u>	<u>793,894</u>

	Liabilities from financing activities						Other assets				
	Long term trade payable US\$	Borrowings US\$	Debt securities US\$	Other financial liabilities US\$	Leases US\$	Sub-total US\$	Cash and cash equivalents US\$	Short-term deposit US\$	Loan to a related party US\$	Sub-total US\$	Net Debt US\$
As at 1 January 2022	(19,302,953)	(176,233,738)	-	(44,495,565)	(40,956,152)	(280,988,408)	8,331,483	1,500,000	353,522,240	363,353,723	82,365,315
Cash flows	18,037,367	29,901,396	-	15,600,000	11,794,642	75,333,405	(5,468,296)	(1,500,000)	-	(6,968,296)	68,365,109
Accrued interest income/ (expense)	(1,938,525)	(12,023,756)	-	(1,000,242)	-	(14,962,523)	-	-	20,061,778	20,061,778	5,099,255
Gain on modification of other financial liabilities	-	-	-	12,081,555	-	12,081,555	-	-	-	-	12,081,555
New leases	-	-	-	-	(7,240,299)	(7,240,299)	-	-	-	-	(7,240,299)
Interest on leases	-	-	-	-	(5,372,793)	(5,372,793)	-	-	-	-	(5,372,793)
As at 31 December 2022	<u>(3,204,111)</u>	<u>(158,356,098)</u>	<u>-</u>	<u>(17,814,252)</u>	<u>(41,774,602)</u>	<u>(221,149,063)</u>	<u>2,863,187</u>	<u>-</u>	<u>373,584,018</u>	<u>376,447,205</u>	<u>155,298,142</u>
Riel million equivalent	<u>(13,191)</u>	<u>(651,908)</u>	<u>-</u>	<u>(73,341)</u>	<u>(171,197)</u>	<u>(909,637)</u>	<u>11,529</u>	<u>-</u>	<u>1,538,045</u>	<u>1,549,574</u>	<u>639,937</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

25. CAPITAL COMMITMENTS

	2023		2022	
	US\$	Riel million	US\$	Riel million
Property, plant and equipment	<u>14,214,437</u>	<u>58,066</u>	<u>15,717,494</u>	<u>64,709</u>

26. RELATED PARTY TRANSACTIONS AND BALANCES

(i) Related parties

(a) Parent and ultimate parent

The Royal Millicom Co., Ltd. (the “Parents company”) is disclosed in Note 1 to the consolidated financial statements.

Neak Oknha Kith Meng is the ultimate controlling party of the Group. He is a Director of the Company and both the parent companies, Three Star Investment Cambodia Ltd and Royal Group Co., Ltd. He is also a shareholder of Three Star Investment Cambodia Ltd and Royal Group Co., Ltd.

(b) Subsidiaries

The Company’s subsidiaries are disclosed in Note 1 to the consolidated financial statements.

(c) Fellow subsidiaries

Cambodian Broadcasting Services Co., Ltd. is a subsidiary of the Modern Times Group (MTG). MTG is owned by Three Star Investment Cambodia Ltd.

(d) Other related parties

Royal Technology Co. Ltd, Cambodia Catering and Supply Co., Ltd. and Hotel Cambodiana Phnom Penh are wholly owned by Royal Group Co., Ltd.

Mobile Refresh Company Limited is a subsidiary of Inter Logistics (Cambodia) Co., Ltd., a company owned by the Royal Group.

J Trust Royal Bank Plc, Infinity General Insurance Plc, Telcotech Ltd, Wing (Cambodia) Limited, Hotel Cambodiana Phnom Penh, and Toll (Cambodia) Co., Ltd. are related companies as Royal Group Co., Ltd. is one of their shareholders. Cambodia Life Micro Insurance Plc. and a few other companies whose balances and transactions disclosed below are related companies, with whom Neak Oknha Kith Meng is a shareholder.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(ii) Balances with related parties

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Receivables from:</i>				
Other related parties	<u>28,377</u>	<u>115</u>	<u>106,338</u>	<u>438</u>

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Payables to:</i>				
Ultimate shareholders	-	-	2,574,184	10,598
Other related parties	<u>6,352,041</u>	<u>25,948</u>	<u>1,684,371</u>	<u>6,934</u>
	<u>6,352,041</u>	<u>25,948</u>	<u>4,258,555</u>	<u>17,532</u>

The receivables and payables are unsecured, interest free and due to be settled in normal commercial terms.

Year-end balances arising from loan to a related party and borrowings are disclosed under Notes 9 and 15.

(iii) The following transactions were carried out with fellow subsidiaries and other related parties

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Sales of various services:</i>				
Fellow subsidiaries	14,536	59	610	2
Other related parties	<u>28,698,776</u>	<u>117,234</u>	<u>25,587,292</u>	<u>104,575</u>
	<u>28,713,312</u>	<u>117,293</u>	<u>25,587,902</u>	<u>104,577</u>

	2023		2022	
	US\$	Riel million	US\$	Riel million
<i>Purchases of various goods and services:</i>				
Fellow subsidiaries	139,228	569	299,654	1,225
Other related parties	<u>9,501,422</u>	<u>38,813</u>	<u>7,060,758</u>	<u>28,857</u>
	<u>9,640,650</u>	<u>39,382</u>	<u>7,360,412</u>	<u>30,082</u>

The outstanding receivables and payables arising from these transactions are unsecured, interest free and due to be settled in normal commercial terms.

(iv) Transactions with ultimate shareholder

The loan transaction with ultimate shareholder is disclosed in Note 9.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

26. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

(v) Key management compensation

Key management include the Head of Departments and above of the Group and the compensation paid to them during the year as follows:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Salaries and other short-term employee benefits	<u>2,197,125</u>	<u>9,030</u>	<u>1,374,988</u>	<u>5,620</u>

27. EARNINGS PER SHARE

i) Basic earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to equity holders of the Company by number of ordinary shares in issue during the period as shown below:

	2023		2022	
	US\$	Riel million	US\$	Riel million
Earning attributable to the owners of the Company	80,247,092	329,817	40,571,194	165,815
Number of shares	<u>1,959,271,206</u>	<u>1,959,271,206</u>	<u>5,000</u>	<u>5,000</u>
Basic earnings per share (US\$/Riel) (full amount)	<u>0.04</u>	<u>168</u>	<u>8,114</u>	<u>33,163,000</u>

ii) Diluted earnings per share

Diluted earnings per share are 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 during the year. As such, the diluted earnings per share were equivalent to the basic earnings per share.

28. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

On 29 January 2024, the Company paid the guaranteed dividend for the fourth quarter of 2023 totaling US\$90,174 or Riel 368 million (at US\$0.0097 or Riel39.73 per share) to its Class A shareholders.

On 24 January 2024, Telemobile (Cambodia) Corporation (TCC) obtained a loan amounting to US\$10,000,000 from Union Commercial Bank Plc. The loan is charged with an interest rate of 7.75% per annum with the loan term of 60 months. The loan is secured by the property owned by Neak Okhna Kith Meng and corporate guarantee by the Company. TCC repays the interest and principal on a monthly basis.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

29. COMPARATIVE FIGURES

Certain amounts in the comparative consolidated statement of profit or loss and other comprehensive income and its related disclosures have been reclassified to conform with the current year's presentation of accounts. Management believes that these reclassifications would better reflect the nature of the transactions.

Summary of the changes arising from the reclassifications are shown below:

Consolidated statement of profit or loss and other comprehensive income

	As at 31 December 2022 (As previously stated)	Effects of reclassification	As at 31 December 2022 (As reclassified)	
	US\$	US\$	US\$	Riel million
Interconnect costs	(10,720,325)	6,721,006	(3,999,319)	(16,345)
Personnel costs	(11,691,420)	2,067,048	(9,624,372)	(39,335)
Other operating costs	(96,551,367)	(8,788,054)	(105,339,421)	(430,522)
	<u>(118,963,112)</u>	<u>-</u>	<u>(118,963,112)</u>	<u>(486,202)</u>

30. AUTHORISATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Group for the year ended 31 December 2023 were authorised for issue by the Board of Directors on 28 March 2024.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CAMGSM PLC. (formerly known as CAMGSM CO., LTD.)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of CAMGSM PLC. (the "Company"), and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, as set out on pages 5 to 50.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs").

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* ("IESBA Code") and the ethical requirements that are relevant to our audit of the consolidated financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the Group for the current year. The matter described below was addressed in the context of our audit of the consolidated financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key Audit Matter (Continued)Accuracy of Revenue

Refer to Note 3.10 and Note 19 to the consolidated financial statements.

For the year ended 31 December 2023, the Group recognised revenues from provision of telecom services amounting to US\$176,500,016. Due to inherent risk, we focused on the area of the audit around the accuracy of revenue recorded given the complexity of systems involved and the impact of changes in pricing models to revenue recognition. Revenues processed by billing systems are complex and involves large volume of data, different products sold, services and price changes.

Accordingly, we have identified this as a key audit matter.

Our responses:

- We obtained an understanding and evaluated the significant revenue processes and identified the relevant controls (including IT systems) and performed validation procedures through tests of key manual, automated and IT dependent controls;
- We involved IT specialists to test IT general controls, data/information reporting and certain automated controls surrounding relevant revenue system on a sample basis;
- We identified and examined the key reconciliations prepared by the management between different IT systems within the revenue process;
- We tested the design and implementation as well as the operating effectiveness of the relevant controls;
- We performed data analysis and substantive analytical procedures of significant revenue streams;
- We reviewed key reconciliations performed by the management's revenue assurance team;
- We examined material non-standard journal entries and the adjustments posted to revenue accounts;
- We performed substantive tests of details in relation to certain revenue streams; and
- We assessed the adequacy of the disclosures in the consolidated financial statements relating to revenue against the requirements of CIFRSs.

Based on the above procedures performed, we did not identify any material exceptions.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those consolidated statements on 12 June 2023.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

The management of the Group is responsible for the other information. The other information comprises the Annual Report and Directors' Report (but does not include the consolidated financial statements of the Group and our auditors' report thereon). The Directors' Report was obtained prior to the date of this auditors' report, and other sections included in the annual report are expected to be made available to us after that date.

Our opinion on the consolidated financial statements of the Group does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements of the Group, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements of the Group or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon (Continued)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance, and respond to that matter in accordance with the requirements of CISA.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the CIFRSs. Management is also responsible for such internal controls as the management determines are necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with CISA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures by the management.
- conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the Group for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determined that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh public interest benefits of such communication.



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

Phnom Penh, Kingdom of Cambodia

Date: **28 MAR 2024**

Oknha Tan Khee Meng
Certified Public Accountant