

KINGDOM OF CAMBODIA

Nation Religion King



The 1st Quater Report of 2020

PPAP's Port Infrastructure Development at Container Terminal LM17



Dynamic Compaction for the Construction of Phase III Container Yard



Construction of New Gate



Construction of 3 hectares of Inland Container Depot (ICD)



Your Convenience & Efficiency
Are Our Primary Concerns

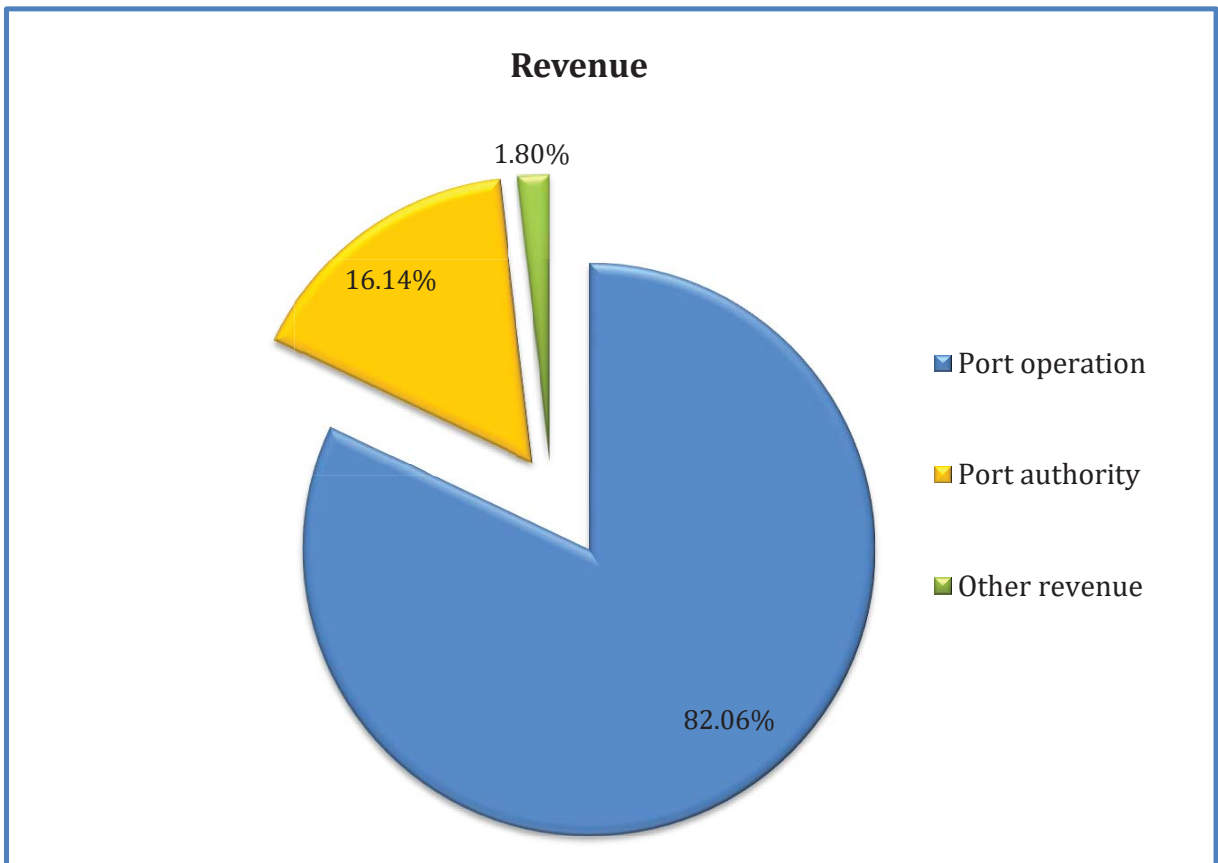
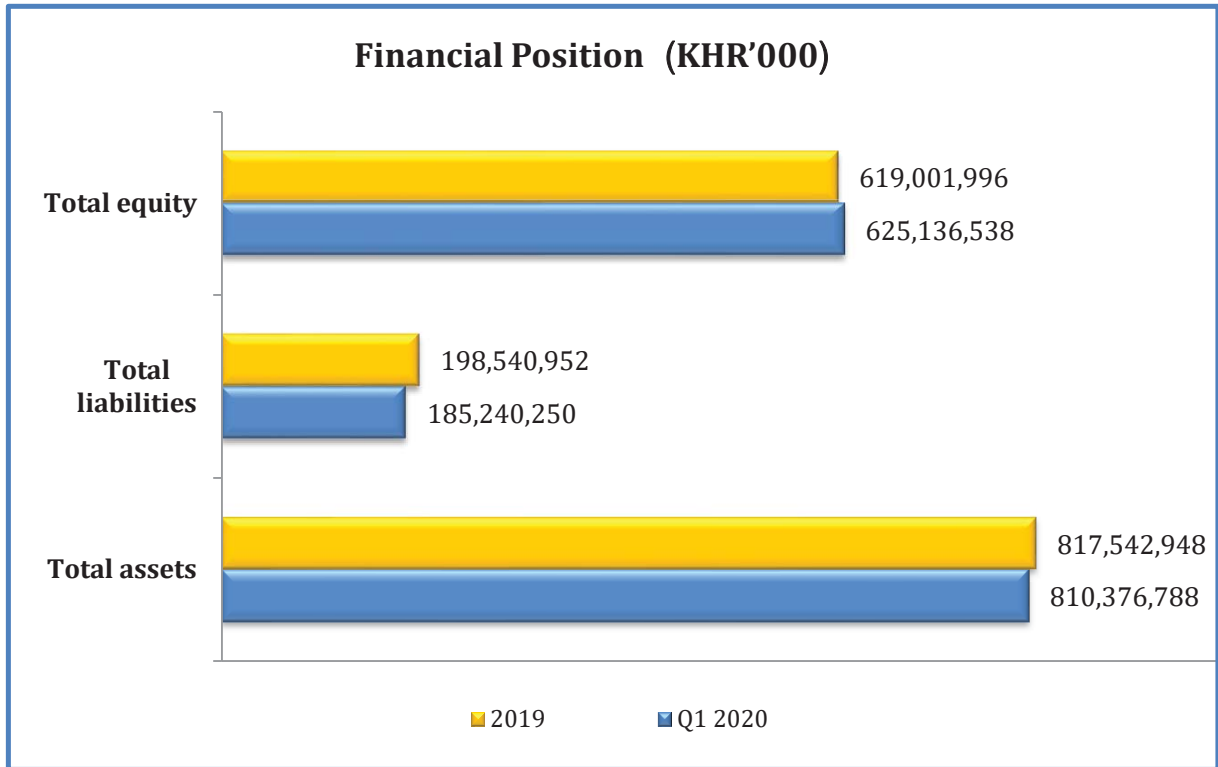
The 1st Quarter Report of 2020
(As of 31/03/2020)
Phnom Penh Autonomous Port

1. Financial Highlight, Graph of Financial Information and Stock Ownership

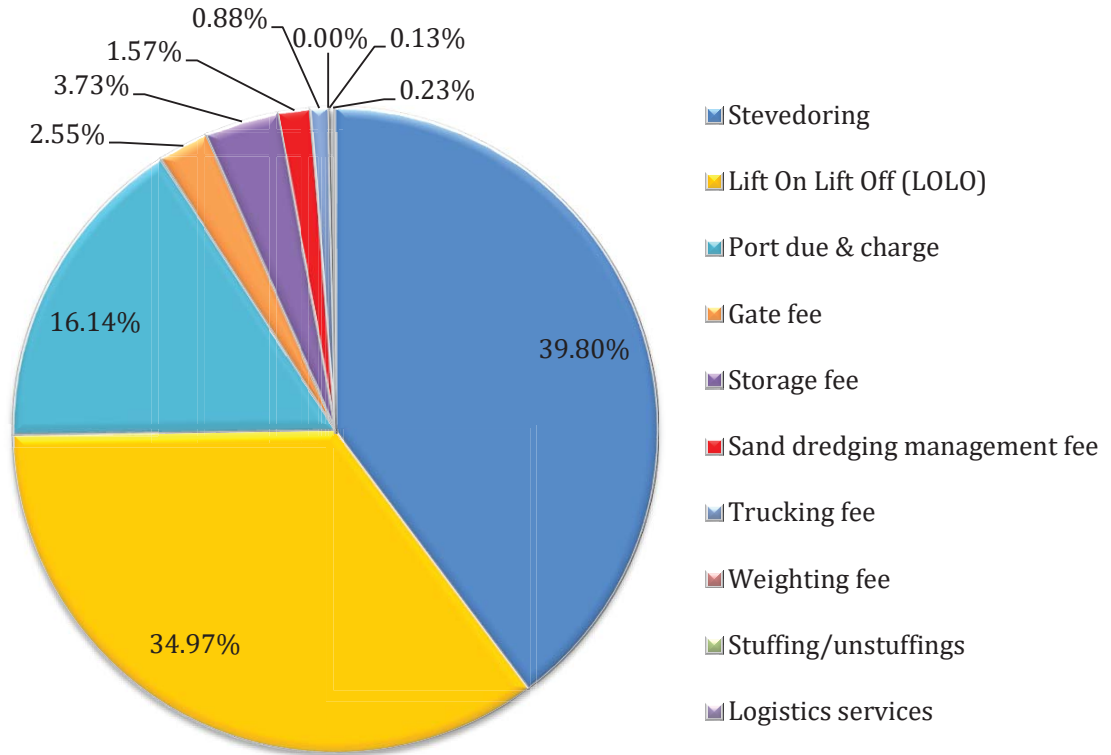
1.1. Financial Highlight

Description		31 March 2020	31 December 2019	31 December 2018
Financial Position (KHR'000)				
Total assets		810,376,788	817,542,948	751,886,705
Total liabilities		185,240,250	198,540,952	185,500,577
Total equity		625,136,538	619,001,996	566,386,128
Profit/(Loss) (KHR'000)		Q1 2020	Q1 2019	Q1 2018
Total revenues		28,411,021	23,516,374	18,688,213
Profit/(Loss) before tax		12,854,416	16,974,136	5,930,073
Profit/(Loss) after tax		9,925,518	14,576,938	4,578,559
Total comprehensive income		9,949,526	14,470,999	4,476,193
Financial Ratios		Q1 2020	2019	2018
Solvency ratio (%)		6.76	30.13	24.20
Liquidity ratio	Current ratio (times)	5.80	4.17	4.84
	Quick ratio (times)	5.80	4.17	4.84
		Q1 2020	Q1 2019	Q1 2018
Profitability ratio	Return on assets (%)	1.23	1.88	0.67
	Return on equity (%)	1.59	2.51	0.83
	Gross profit margin (%)	69.70	68.61	62.42
	Profit margin(%)	35.02	61.54	23.95
	Earning per share (Riel)	481.02	699.61	216.40
Interest coverage ratio (times)		14.45	17.86	6.77

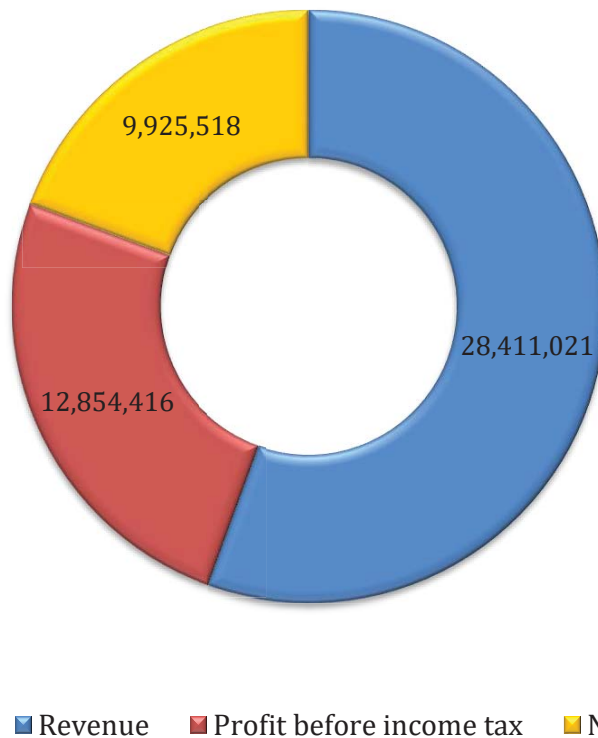
1.2. Graph of Financial Information Highlight (As of 31 March 2020)



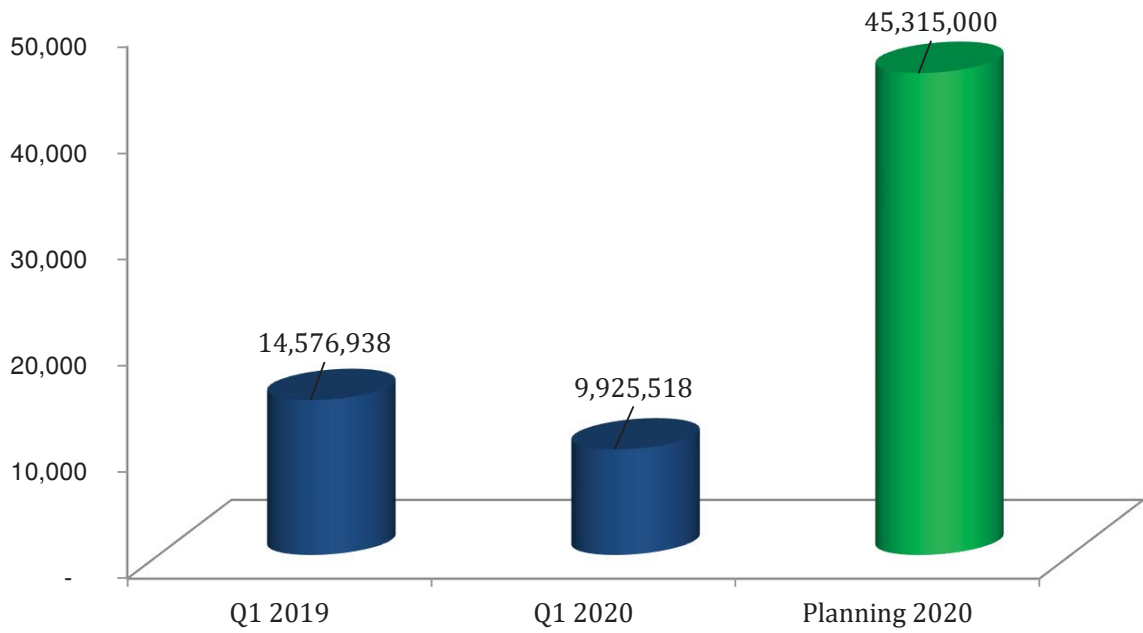
Types of Revenue Distribution Compared to Total Revenues



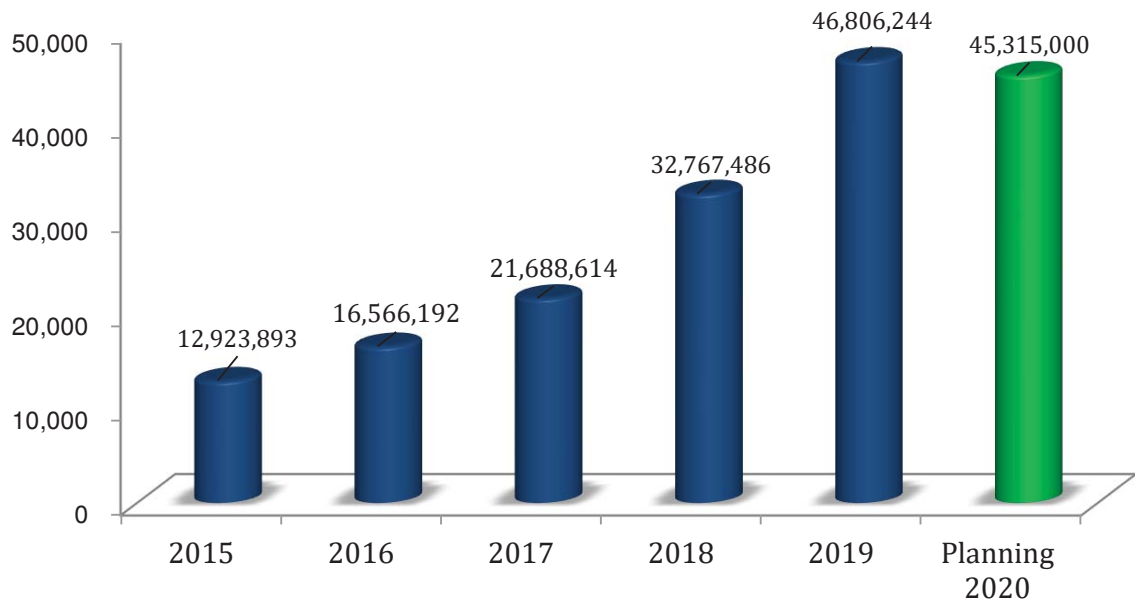
Net Profit for Q1 2020 (KHR'000)



Net Profit for Q1 2020 Compared to Planning 2020 (KHR'000)



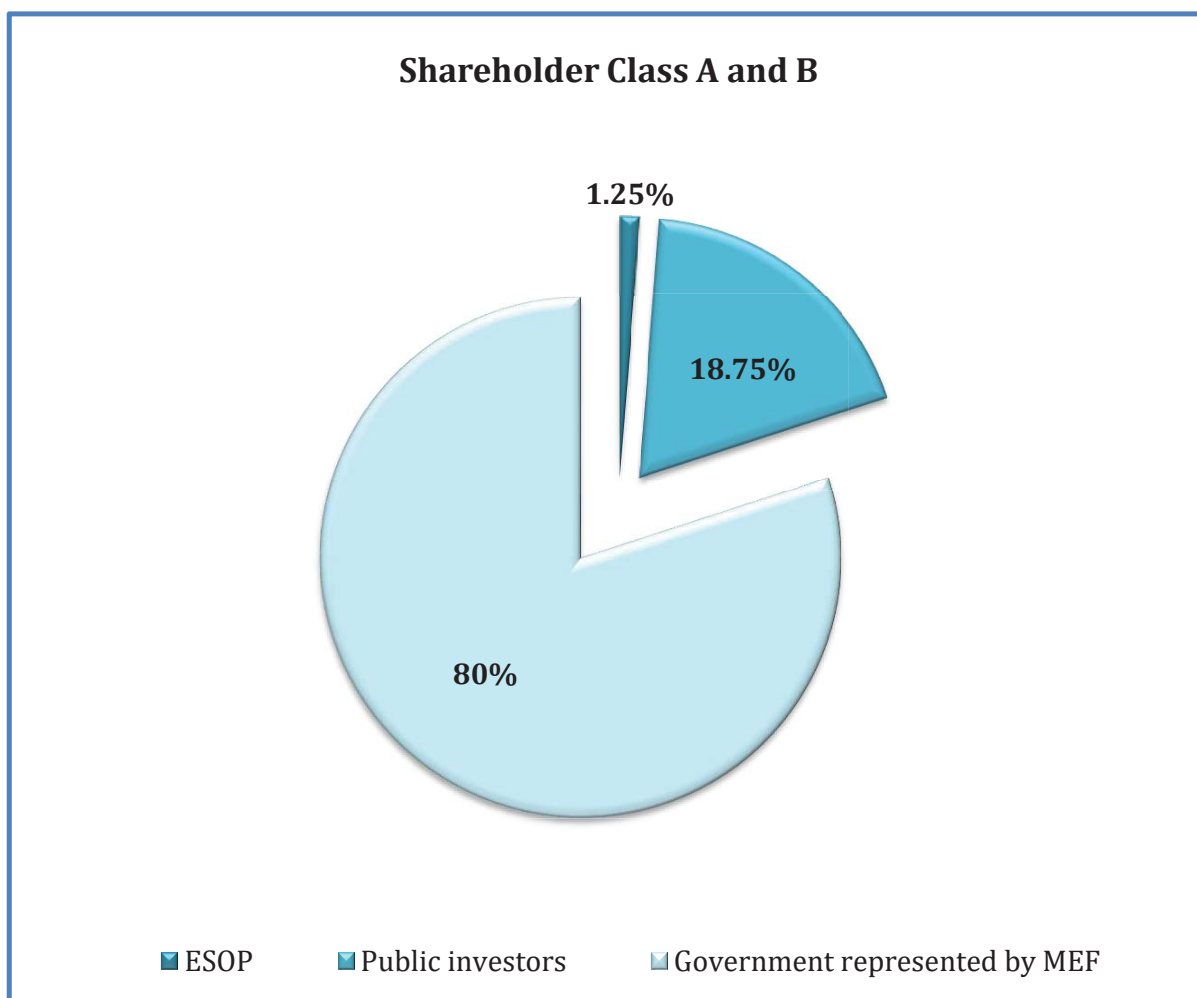
Net Profit from 2015 to 2019 and Planning 2020 (KHR'000)



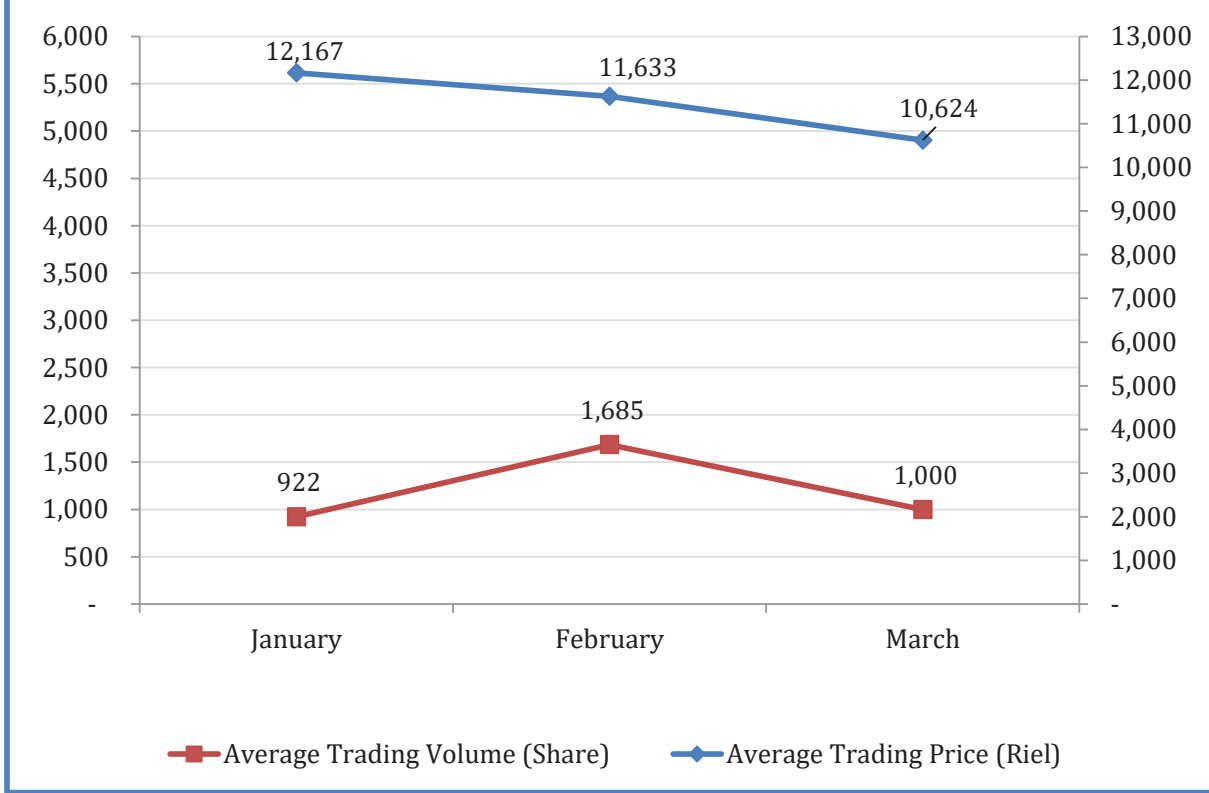
1.3. Stock Ownership (As of 31 March 2020)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	258,863	1.25%
2. Public investors	3,878,010	18.75%
Total Shares of Class A	4,136,873	20%

* Total shares of Class A and B 20,684,365.



Average of Trading Price (Riel) and Average of Trading Volume (Share) of Class A Share



Board of Directors



H.E HEI Bavy

Chairman of BOD
And CEO



H.E. Suon Rachana

Member (Rep. of Ministry of
Public Works & Transport)



H.E. Ken Sambath

Member (Rep. of Ministry of
Economy & Finance)



H.E. Penn Sovicheat

Member (Rep. of Ministry of
Commerce)



Mr. Gui Anvanith

Member (Independent
Director)



Mr. Dith Sochal

Member (Non-Executive
Director, Rep. of Private
Shareholders)



Mr. Yim Choern









Member (Rep. of PPAP
Employees)

3. Message from Chairman of BOD and CEO

For the first quarter of 2020, total revenue is KHR 28,411,021,000 (USD 6,989,181) achieved 24.19% of planning 2020 and compared to the first quarter of 2019 increased by KHR 4,894,647,000 (USD 1,118,893) or 20.81%. However, net profit in the first quarter of 2020 is KHR 9,925,518,000 (USD 2,441,702) reached 21.90% of planning 2020 and compared to the first quarter of 2019 decreased to KHR 4,651,420,000 (USD 1,197,074) or 31.91%. Apart from this, basic earnings per share in the first quarter of 2020 is 481.02 Riels (USD 0.12).

The achievement above is because PPAP has paid the attention in providing the service of port operation with transparency and efficiency in responding confidently to the needs of customers. In fact, PPAP has utilized all the mechanisms by strengthening the service quality, expanding storage capacity, infrastructure development, work of Topo Hydrographic, and installing the new machineries and facilities.

A. The Direction of main work implementation of PPAP

-  Continue to implement the action plans as planned
-  Ensure the quality, price, transparency, efficiency and prompt delivery of services to customers
-  Expand widely the existing businesses and services and create more services related to the port and logistics sectors
-  Strengthen the capacity development of institutions and staffs to respond to the organizational development in line with globalization and efficient delivery of services
-  Strengthen the cooperation of the strategic partnership with the domestic ports and other ports in the world
-  Work hard and continue to focus on the modernization of the port operations in accordance with standards and technology
-  Increase the competitive advantages to be honest with domestic and oversea ports
-  Participate in the social activities and the local community.

B. The Work Implementation of Board of Directors (BoD)

For the 1st Quarter of 2020, the Board of Directors (BoD) attended 2 meetings and achieved the following results:

1. BoD's 4th meeting of the 7th mandate on February 12th, 2020

- Checked and discussed on the case of Chean Chhoeng Thai Group (CCTG) that requested PPAP to be the witness on the agreement between CCTG and CANADIA BANK PLC by approving and advising PPAP to report this case to both guardian ministries
- Checked and discussed on the main terms and conditions in the Term Sheet between PPAP and Infunde to build a cold warehouse by approving PPAP to continue more discussion on the additional terms and conditions in the land lease contract between PPAP and Infunde in order to submit to BoD for reviewing and also to have it checked and approved by both guardian ministries

- Checked and discussed on PPAP's request for development of the terminal in PPAP's commercial zone by allowing PPAP to send a letter to both guardian ministries in order to request for final approval from the royal government
- Checked and discussed on the plan to discount on PPAP's services for 2020
- Checked and discussed on the incentive distribution to PPAP's employees for 2019
- Checked and discussed on the delay of retirement age to 60 years old for civil servants in the Kingdom of Cambodia
- Checked and decided on PPAP to continue studying more on the case of hiring private company to install Trucking App and report to both guardian ministries
- Checked and discussed on Suvannphum Investment Company's request for re-establishment of its terminal
- Checked and approved that PPAP re-study on PPAP's plan for Special Economic Zone and to submit to the BoD for approval in the next meeting.

2. The 5th extraordinary meeting of the BoD's, 7th mandate on March 31st, 2020

- Checked and approved on the business/services and financial report of PPAP for 2019
- Checked and discussed on the division of profit for the period of 2019 into PPAP's types of funds
- Checked and discussed on the dividend distribution plan to PPAP's fund for 2019
- Checked and approved on arrangement of the 5th General Shareholders Meeting of PPAP
- Checked and discussed on PPAP's revision plan for 2020
- Checked and discussed on the request of Yunnan Shengmao Investment (Cambodia) Co.,Ltd for extension of leasing period leasing periods of ICD (from 40 to 70 years) to the Royal Government
- Checked on the request of transferring of 3 cranes that PPAP had paid instead of Chean Chhoeng Thai Group to other private company, and request to collaborate with private company in order to provide stevedoring services on the quay
- Approved in principle for PPAP to study on salary arrangement system and the amendment of PPAP's Statute of Employees and allowed PPAP to hire private consultant company if necessary. The result will be submitted to the BoD for approval in the next meeting.
- Approved in principle for PPAP to study on the collaboration with private company to establish container terminal, general cargo terminal, passenger & tourist terminal, and oil/gas terminal, in which the result will be submitted to the BoD for approval in the next meeting
- Acknowledged the report on the progress of collaboration with Infunde on the project of construction cold warehouse and the new proposed project location. The BoD has decided that PPAP shall prepare a letter to guardian ministries for approval on the leasing location to Infunde.

C. Setting the Goal for 2020

The future version of PPAP will be set the goal for the following implementation:

- Strengthen the human resource development
- Enhance the establishment of logistics center, modern warehouse and cold warehouse
- Enhance the establishment of supporting areas for port
- Enhance the establishment of barge operators to other hub ports beside Cai Mep
- Enhance the import of second hand cargoes through PPAP
- Continue to focus on the installation of the modern facilities to strengthen the capacity of handling equipment at Container Terminal LM17
- Improve the capacity of handling of the bulk cargoes and establish the terminal for the bulk cargoes
- Modernize and expand the Passenger and Tourist Terminal (TS3)
- Enhance the establishment of multi-purposed terminal along the rivers
- Strengthen the capacity of handling of agricultural products along the terminals of the provinces located in upper Mekong River
- Maintain the navigation and dredge the Sdao Canal to facilitate the transportation of cargoes between the northeastern provinces and Phnom Penh via Mekong River and the Cambodia-Vietnam border
- Continue to promote the service of inland transportation of container between Container Terminal LM17 of PPAP and the customers' factories/ warehouses or vice-versa
- Continue to promote package services for cold fruit export via Container Terminal LM17 of PPAP.

PPAP do believes and strongly stands to implement the daily work and the operation along the other terminals to be transparency and effective in order to improve confidence and attractiveness of port services with the modernization and standardization to the customers.

PPAP would like to express sincere thanks to the two supervised ministries, Ministry of Public Works and Transport and Ministry of Economics and Finance, as well as Security and Exchange Commission of Cambodia and the shareholders who provide the trust and strong support to PPAP.

Phnom Penh, 13 May 2020
Chairman of BOD and CEO

Hei Bavy

Signature and Stamp

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PART 1
GENERAL INFORMATION OF
The Listed Entity


A. Identity of PPAP

Name of the listed entity in Khmer: កំពង់ផែស្វយ័តភ្នំពេញ (ក. ស. ភ.)


in Latin: PHNOM PENH AUTONOMOUS PORT (PPAP)


 **Standard Code:** KH1000040001

 **Address:** #649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh, Cambodia.

 **Phone number:** +855 (0) 23 427 802

 **Website:** www.ppap.com.kh **Email:** ppapmpwt@online.com.kh

 **Company registration number:** C0.7174 Et/2004 **Date:** November 23rd, 2004

 **License number:** 0014 ពណ.ចបព **Issued by:** Ministry of Commerce
Date: January 5th, 2015

 **Disclosure Document registration number issued by SECC:** 074/15/SECC

Date: November 10th, 2015

 **Representative of the listed entity:** H.E HEI Bavy

B. Nature of Business

Phnom Penh Autonomous Port (PPAP) is one of the two international ports in Cambodia. Functioning as Port Operator and Port Authority, PPAP is now providing a varieties of main port services and other relevant services.

1. Operation as Port Operator

As a port operator, PPAP has provided main services such as :

- stevedoring, storage, stuffing/unstuffing, loading/unloading, and transporting the containerized cargoes for the export and import
- services of pilotage, tug assistance, mooring/ unmooring
- berthing within Passenger and Tourist Terminal (TS1)

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

- maintain navigation channels, installation of aids to navigation such as buoys and landmarks and protection of environment within its commercial zone.
- ensure the enforcement of rules and regulations related to port and water transport.

3. Other Services

Within the main services on Port Operation and Port Authority, PPAP also provides other services / businesses that can generate additional revenue such as :

- Dredging service : PPAP has 2 dredging machines for providing the sand from dredging to customers.

- Sand management service: According to Prakas No 001 and 002 dated on the 10th of April, 2015, of Ministry of Mines and Energy, PPAP may use the sand from dredging for commercial purposes.
- Surveying and installing bouy: PPAP has the services of surveying and installing bouy according to customer needs.
- Container maintainance and repair service: PPAP has the service of container maintainance and repair according to customer needs.
- Besides the main services, PPAP also receives the additional incomes from the use of asset such as the rental of building, land and other assets.

4. Port Commercial Zone

According to Sub-Decree No. 01 ANK. BK. the of 5th January, 2009, PPAP's Commercial Zone is 166 kilometers long, stretching from Chaktumuk river : Mekong luer river 100km, Mekong krom river 60km, and Tonle Sap river 6km. As an authority within the zone, PPAP oversees the private terminals including petroleum/gas terminals and other general cargo terminals. PPAP also manage and operate our 4 main terminals such as :

4.1. Container Terminal LM17

At the end of 2018, PPAP completed the construction of LM17 container terminal in Phase 2 on the land of 4.5 hectares in addition to the 10 hectares of phase 1. Therefore, PPAP has constructed 14.5 hectares of a total area of 30 hectares. Currently, PPAP is operating at this terminal as a main terminal for contianer cargo. This continer yard capacity is available for 300,000 TEUs per year. The Container Terminal LM17 exists a qay with the length of 300m and the width of 22m and installs 3 traveling cargo crane, 8 RTG cranes , 5 reach stakers, 3 sky stackers, and 54 trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	364,644 m ²
Registered land size	346,003 m ²
Size of the processing land title	18,250 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).

Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Traveling Cargo Crane, Rubber Tyred Gantry, Reach Stacker Constacker & Sky Stacker.

4.2. Multipurpose Terminal (TS3)

Multipurpose Terminal (TS3) was PPAP's main port for general and container cargoes. Due to TS3 Terminal's limited capacity to accommodate the continued growth in container traffic, PPAP has invested in developing a new container terminal (LM17). Since the completion of LM17, TS3 has been converted into a multipurpose terminal. While it mainly handles general cargoes, it also serves as a passenger terminal.

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Actual land size	48,438.76 m ²
Register land size*	32,854 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to +0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Crawler crane, and Floating crane

Note: * The difference between registered land size and actual land size is because part of the land adjacent to the street and river bank cannot receive the ownership.

4.3. Tonle Bet Terminal (UM2)

PPAP has signed the agreement on October 22nd, 2012 with Meing Ly Heng Investment In order to cooperate and develop Tonle Bet Terminal. This agreement lasts for 20 years starting from October 22nd, 2012 until October 21st, 2032. According to the agreement, PPAP is responsible for stevedoring service while the private partner will be responsible for providing the storage facility. The revenues are charged separately based on the services provided by each entity. PPAP has not acquired the ownership of the land, but has built a pontoon and installed mobile cranes and forklifts. The terminal was constructed with a vision of it becoming a consolidation center for agricultural products and to encourage their inland waterway transport. Currently, cassava is the main product being exported via Tonle Bet Port (UM2).

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Land Size	Small size, river shore berth of 100m (with the pontoon, mobile crane and conveyor installed)
Berth	1 (a floating pontoon with a size of 15m x 42m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Floating crane, Conveyor

4.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. In the 1st Quarter of 2020, the total of 20,256 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

Address	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap and approximately 2km from conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
Actual land size	6,676 square meters
Registered land size*	1,699 square meters
Berth	2
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2014)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Two pontoons and a bridge connecting them to the shore.

Note: * The difference between registered land size and actual land size is because part of the land adjacent to the street and river bank cannot receive the ownership

C. Quarter's Key Events

As of 1st Quarter of 2020, there has no any quarter's key events.

Part 2
Information on Bussiness Operation
Performance

A. The results of the business operations, including partial business information for the first quarter of 2020

1. Catalog of Passenger Goods

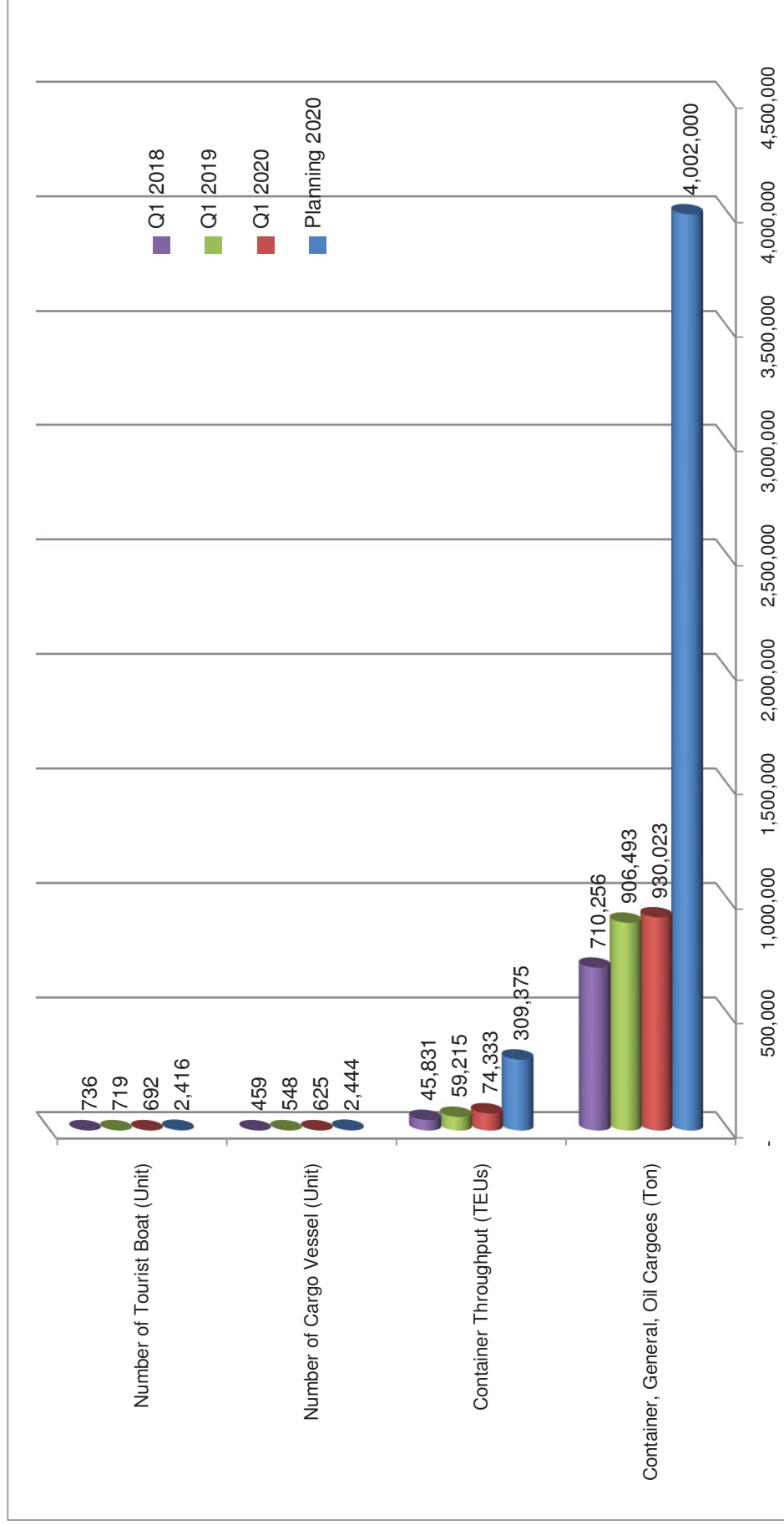
No.	Description	Unit	Planning 2020	Q1			Compare (%)	Increase / Decrease (%)	
				2020	2019	2018		6=(2/3)- 100%	7=(3/4)- 100%
A	B	C	1	2	3	4	5=(2/1)	6=(2/3)- 100%	7=(3/4)- 100%
I	Container, General, Oil Cargoes	Tons	4,002,000	930,023	906,493	710,256	23.24%	+2.60%	+27.63%
	A- <u>Container Throughput</u>	-	2,174,000	492,789	441,904	338,071	22.67%	+11.51%	+30.71%
	- Imported Container Cargo	-	1,413,100	303,778	275,692	198,643			
	- Exported Container Cargo	-	760,900	189,011	166,212	139,428			
	B - Mobile General Cargo Handling	-	836,000	214,808	203,751	170,172	25.69%	+5.43%	+19.73%
	- Inside Port	-	250,800	11,153	15,327	3,793			
	- Outside Port	-	585,200	203,655	188,424	166,379			
	C - <u>Imported Oil & Gas</u>	-	992,000	222,426	260,837	202,013	22.42%	-14.73%	+29.12%
	Container Throughput (TEUs)	TEUs	309,375	74,333	59,215	45,831	24.03%	+25.53%	+29.20%
	- Laden Cargo	-	222,750	51,951	41,056	33,328			
	- Empty Cargo	-	86,625	22,382	18,159	12,503			
II	Cargo Handling	Tons	3,010,000	707,597	645,655	508,243	23.51%	+9.59%	+27.04%
	- General Cargo	-	836,000	214,808	203,751	170,172			
	- Container Throughput (Ton)	-	2,174,000	492,789	441,904	338,071			
III	Number of Cargo Vessel	Units	2,444	625	548	459	25.57%	+14.05%	+19.39%

No.	Description	Unit	Planning 2020	Q1			Compare (%)	Increase / Decrease (%)	
				2020	2019	2018		6=(2/3)-100%	7=(3/4)-100%
A	B	C	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
	- Foreign Vessels and Barge	-	1,735	474	343	289			
	- Cambodian Vessels and Barge	-	41	-	16	16			
	- Oil Vessels and Tanker	-	668	151	189	154			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	Units	1,979	570	444	1,047	28.80%	+28.38%	-57.59%
	- PhnomPenh-SeimReap-PhnomPenh	-	28	-	-	125			
	- Vessels in Town	-	1,951	570	444	922			
V	<u>Number of Local Passenger (In-Out)</u>	Passengers	11,368	1,922	2,867	5,490	16.91%	-32.96%	-47.78%
	- PhnomPenh-SeimReap-PhnomPenh	-	588	-	-	2,724			
	- Vessels in Town	-	10,780	1,922	2,867	2,766			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	Voyages	2,416	692	719	736	28.64%	-3.76%	-2.31%
	- PhnomPenh-ChovDok-PhnomPenh	-	1,500	440	450	490			
	- Cruise Boat	-	916	252	269	246	27.51%	-6.32%	+9.35%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	Passengers	53,300	18,334	19,615	14,796	34.40%	-6.53%	+32.57%
	- PhnomPenh-ChovDok-PhnomPenh	-	20,200	8,601	7,077	2,592			
	- Tourist on Cruise Boat	-	33,100	9,733	12,538	12,204	29.40%	-22.37%	+2.74%

(Source from the Report of Department of Planning/Marketing of PPAP)

- 🌐 Cargo-fuel and gas throughput in Q1 2020: 930,023 Tons, increased by 2.60% compared to Q1 2019 (906,493 Tons). For Q1 2020, PPAP has accomplished 23.24% compared to planning 2020 (4,002,000 Tons)
- 🌐 Cargo vessels throughput in Q1 2020: 625 Units, increased by 14.05% compared to Q1 2019 (548 Units). For Q1 2020, PPAP has accomplished 25.57% compared to planning 2020 (2,444 Units)
- 🌐 International passengers and tourist cruises throughput via Cambodia-Vietnam in Q1 2020: 692 Voyages, decreased by 3.76% compared to Q1 2019 (719 Voyages). For Q1 2020, PPAP has accomplished 28.64% compared to planning 2020 (2,416 Units)
- 🌐 Containers throughput in Q1 2020: 74,333 TEUs, increased by 25.53% compared to Q1 2019 (59,215 TEUs). For Q1 2020, PPAP has accomplished 24.03% compared to planning 2020 (309,375 TEUs)
- 🌐 The number of international passengers and tourists throughput via Cambodia-Vietnam in Q1 2020: 18,334 Passengers, decreased by 6.53% compared to Q1 2019 (4,001 Passengers). For Q1 2020, PPAP has accomplished 34.40% compared to planning 2020 (53,300 Passengers).

Graphs on performance comparisons of the first quarter of 2020 - 2019 - 2018 and 2020 plan



2. The implementation of Hydrographic work and the construction of port infrastructure and machinery installation

❖ Sand Dredging Management

- 🇰🇲 In the first Quarter of 2020, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 4,619,040 cubic meters.
- 🇰🇲 Have finished dredging at Sdao Canal, located at Sdao Leu village, Sdao commune, Kang Meas district, Kampong Cham province, in March 2020.
- 🇰🇲 Have started dredging at Koh Rokar canal, located at Koh Rokar village, Peam Chor district, Prey Veng province at the end of March 2020.

❖ The construction of port infrastructure

- 🇰🇲 Construction of a new gate at Container Terminal LM17, which is 45% completed.
- 🇰🇲 Construction of port infrastructure (Phase III), which is 10% completed.
- 🇰🇲 Construction of Inland Container Depot (ICD), which is 95% completed.
- 🇰🇲 Construction of Asphalt concrete road and Drainage system 10mx205m from the National Road No.1 to the back of the Administration building, which is 55% completed.

❖ Purchase/installation of machinery or new equipment

- 🇰🇲 Purchase 1 (one) unit of GPS Trimble.
- 🇰🇲 Expand infrastructure (purchase of land) of Koh Rokar Terminal with a total area of 3.17 hectares.
- 🇰🇲 Purchase 1(one) unit of Electric car.

B- Revenue Structure

Source of Revenue	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		1 st Quarter for the Period Ended 31 March 2018	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	11,307,826	39.80%	10,002,225	42.53%	7,870,918	42.12%
Lift On Lift Off (LOLO)	9,934,332	34.97%	7,993,220	33.99%	6,329,620	33.87%
Port dues and charges	4,585,170	16.14%	4,027,512	17.13%	3,400,198	18.19%
Gate fees	724,639	2.55%	879,421	3.74%	672,512	3.60%
Storage fees	1,059,111	3.73%	584,624	2.49%	348,137	1.86%
Sand dredging management fee	446,874	1.57%	-	0.00%	34,062	0.18%
Trucking fee	250,571	0.88%	9,734	0.04%	-	0.00%
Weighting fee	1,089	0.00%	1,210	0.01%	22,736	0.12%
Stuffing/Unstuffing	37,398	0.13%	18,428	0.08%	10,030	0.05%
Logistic services	64,011	0.23%	-	0.00%	-	0.00%
Total:	28,411,021	100%	23,516,374	100.00%	18,688,213	100.00%

Part 3
Financial Statement
Reviewed by External Auditor

Registration No:
Co.7175 Et/2004

**PHNOM PENH AUTONOMOUS PORT
(INCORPORATED IN CAMBODIA)**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER PERIOD ENDED 31 MARCH 2020**

Registration No:
Co.7175 Et/2004

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)


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Registration No:
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**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 31 March 2020, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for three-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”) are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. 

For and on behalf of the board of Directors, 




Ms. Chheav Vanthea
Head of Accounting/Finance
Department

Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: 12 MAY 2020

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004)**

Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 31 March 2020, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of PPAP are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information of PPAP is not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.



BDO (Cambodia) Limited

Phnom Penh, Cambodia
Date: 12 May 2020

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	Note	Unaudited 31 March 2020		Audited 31 December 2019	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	80,718,170	328,522,952	77,568,556	316,091,866
Investment properties	5	84,734,307	344,868,629	84,854,146	345,780,645
Lease receivables	6	4,320,548	17,584,630	4,323,839	17,619,644
Other receivable	7	62,487	254,322	62,487	254,635
Deferred tax assets	8	837,684	3,409,374	878,464	3,579,741
		<u>170,673,196</u>	<u>694,639,907</u>	<u>167,687,492</u>	<u>683,326,531</u>
Current assets					
Trade and other receivables	7	7,400,013	30,118,053	6,938,795	28,275,590
Lease receivables	6	12,970	52,788	12,841	52,327
Cash and bank balances	9	21,023,597	85,566,040	25,984,908	105,888,500
		<u>28,436,580</u>	<u>115,736,881</u>	<u>32,936,544</u>	<u>134,216,417</u>
TOTAL ASSETS		<u>199,109,776</u>	<u>810,376,788</u>	<u>200,624,036</u>	<u>817,542,948</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	10	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	11	155,502	622,008	155,502	622,008
Reserves	12	36,449,075	148,347,735	25,651,419	104,529,532
Retained earnings		2,538,139	10,330,226	11,641,924	47,173,076
Currency translation difference		-	8,022,629	-	8,863,440
TOTAL EQUITY		<u>153,596,201</u>	<u>625,136,538</u>	<u>151,902,330</u>	<u>619,001,996</u>
LIABILITIES					
Non-current liabilities					
Guaranteed dividends payable		-	-	232,042	945,571
Other payable	13	31,243	127,159	31,243	127,315
Borrowings	14	22,769,715	92,672,740	22,769,715	92,786,589
Provision for retirement benefits	15	683,407	2,781,466	662,515	2,699,749
Lease liabilities	16	2,880,365	11,723,086	2,882,558	11,746,424
Contract liabilities	17	14,250,000	57,997,500	14,250,000	58,068,750
		<u>40,614,730</u>	<u>165,301,951</u>	<u>40,828,073</u>	<u>166,374,398</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020 (continued)

	Note	Unaudited		Audited	
		31 March	2020	31 December	2019
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	13	3,082,805	12,547,016	3,339,052	13,606,637
Borrowings	14	1,034,987	4,212,397	2,069,974	8,435,144
Lease liabilities	16	8,646	35,189	8,561	34,886
Contract liabilities	17	225,000	915,750	300,000	1,222,500
Current tax liabilities		547,407	2,227,947	2,176,046	8,867,387
		<u>4,898,845</u>	<u>19,938,299</u>	<u>7,893,633</u>	<u>32,166,554</u>
TOTAL LIABILITIES		<u>45,513,575</u>	<u>185,240,250</u>	<u>48,721,706</u>	<u>198,540,952</u>
TOTAL EQUITY AND LIABILITIES		<u>199,109,776</u>	<u>810,376,788</u>	<u>200,624,036</u>	<u>817,542,948</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

	Note	Three-month period ended			
		Unaudited 31 March 2020 ⁽¹⁾		Unaudited 31 March 2019 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Revenue	19	6,989,181	28,411,021	5,870,288	23,516,374
Cost of services	20	(2,118,060)	(8,609,914)	(1,842,485)	(7,380,995)
Gross profit		4,871,121	19,801,107	4,027,803	16,135,379
Other income	21	614,696	2,498,739	2,010,947	8,055,854
General and administrative expenses	22	(2,046,687)	(8,319,783)	(1,526,158)	(6,113,789)
Operating profit		3,439,130	13,980,063	4,512,592	18,077,444
Finance costs	23	(276,912)	(1,125,647)	(275,414)	(1,103,308)
Profit before tax		3,162,218	12,854,416	4,237,178	16,974,136
Taxation	24	(720,516)	(2,928,898)	(598,402)	(2,397,198)
Profit for the financial period		2,441,702	9,925,518	3,638,776	14,576,938
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		5,906	24,008	(26,445)	(105,939)
Total comprehensive income for the financial period		2,447,608	9,949,526	3,612,331	14,470,999
Earnings per share					
Basic	25	0.12	0.48	0.17	0.70
Diluted	25	0.12	0.48	0.17	0.70

Notes:

(1) *The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

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PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2020		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
Profit for the financial period		-	-	-	2,441,702	-	2,441,702
Actuarial gain on retirement benefit obligation		-	-	-	5,906	-	5,906
Total comprehensive income for the financial period		-	-	-	2,447,608	-	2,447,608
Transactions with owners							
Transfer to reserves	12	-	-	10,797,656	(10,797,656)	-	-
Dividends	26	-	-	-	(753,737)	-	(753,737)
Total transactions with owners		-	-	10,797,656	(11,551,393)	-	(753,737)
Balance as at 31 March 2020⁽¹⁾		114,453,485	155,502	36,449,075	2,538,139	-	153,596,201
<i>(KHR '000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>148,347,735</i>	<i>10,330,226</i>	<i>8,022,629</i>	<i>625,136,538</i>

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PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020 (continued)**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2019		114,453,485	155,502	18,675,142	7,678,073	-	140,962,202
Profit for the financial year		-	-	-	11,551,393	-	11,551,393
Actuarial gain on retirement benefit obligation		-	-	-	90,531	-	90,531
Total comprehensive income		-	-	-	11,641,924	-	11,641,924
Transactions with owners							
Transfer to reserves	12	-	-	6,976,277	(6,976,277)	-	-
Dividends		-	-	-	(701,796)	-	(701,796)
Total transactions with owners		-	-	6,976,277	(7,678,073)	-	(701,796)
Balance as at 31 December 2019⁽²⁾		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
<i>(KHR '000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>104,529,532</i>	<i>47,173,076</i>	<i>8,863,440</i>	<i>619,001,996</i>

Notes:

(1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

	Note	Unaudited Three-month period ended			
		31 March 2020 ⁽¹⁾		31 March 2019 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		3,162,218	12,854,416	4,237,178	16,974,136
Adjustments for:					
Depreciation of property, plant and equipment	4	615,456	2,501,829	751,543	3,010,681
Depreciation of investment properties	5	16,113	65,499	18,342	73,478
Finance costs	23	276,912	1,125,647	275,414	1,103,308
Impairment loss on receivables		47,890	194,673	78,850	315,873
Income from net of investment from sublease	21	-	-	(1,408,262)	(5,641,498)
Interest income	21	(325,033)	(1,321,259)	(384,216)	(1,539,169)
Loss on disposal of investment properties		103,726	421,646	-	-
Loss on disposal of property, plant and equipment		62,237	252,993	-	-
Property, plant and equipment written off		125,901	511,788	-	-
Retirement benefit obligation expenses		27,392	111,348	26,466	106,023
Unrealised loss on foreign exchange		285	1,159	530	2,123
Operating profit before changes in working capital		4,113,097	16,719,739	3,595,845	14,404,955
Changes in working capital					
Trade and other receivables		(468,868)	(1,905,948)	(786,524)	(3,150,815)
Trade and other payables		(955,543)	(3,884,282)	(891,851)	(3,572,755)
Contract liabilities		(75,000)	(304,875)	(75,000)	(300,450)
Cash generated from operations		2,613,686	10,624,634	1,842,470	7,380,935
Tax paid		(2,308,374)	(9,383,544)	(733,477)	(2,938,309)
Retirement benefit obligation paid	15	(594)	(2,411)	-	-
Net cash from operating activities		304,718	1,238,679	1,108,993	4,442,626
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(3,953,208)	(16,069,791)	(579,791)	(2,322,643)
Interest received		241,436	981,437	316,072	1,266,184
Net cash used in investing activities		(3,711,772)	(15,088,354)	(263,719)	(1,056,459)

**PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)**

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020 (continued)**

	Note	Unaudited			
		Three-month period ended			
		31 March 2020 ⁽¹⁾		31 March 2019 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	
Cash flows from financing activities					
Interest paid		(503,765)	(2,047,805)	(538,193)	(2,156,001)
Payment for lease liabilities		(15,505)	(63,028)	-	-
Repayments of borrowings		(1,034,987)	(4,207,222)	(1,034,987)	(4,146,158)
Net cash used in financing activities		(1,554,257)	(6,318,055)	(1,573,180)	(6,302,159)
Net decrease in cash and cash equivalents					
		(4,961,311)	(20,167,730)	(727,906)	(2,915,992)
Cash and cash equivalents at beginning of financial period					
		9,784,908	39,873,500	8,995,410	36,143,557
Currency translation differences		-	(73,731)	-	(33,536)
Cash and cash equivalents at end of financial period					
	9	4,823,597	19,632,039	8,267,504	33,194,029

Notes:

(1) *The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
31 MARCH 2020

1. CORPORATE INFORMATION

Phnom Penh Autonomous Port (“PPAP”) was registered under the Sub-Decree number 51 អនក្រឹត្យ on 17 July 1998 as a state-owned public enterprise supervised by the Ministry of Economy and Finance (“MEF”) and the Ministry of Public Works and Transport (“MPWT”). PPAP was listed on the Cambodia Securities Exchange on 9 December 2015 with the security certificate number 003 CSX/SC and became a state-owned public enterprise offering shares to the public.

The registered office and principal place of business of PPAP is located at No. 649, Preah Sisowat Quay, Sangkat Sras Chork, Khan Duan Penh, Phnom Penh, Kingdom of Cambodia.

The condensed interim financial information are presented in United States Dollar (“US\$”), which is also PPAP’s functional currency. Additional disclosures are also made in Khmer Riel (“KHR”) to meet the requirement of the Law on Accounting and Auditing. PPAP uses the following official closing and average rates of exchange for the translation:

		Closing rate	Average rate
31 March 2020	US\$1 =	KHR4,070	KHR4,065
31 December 2019	US\$1 =	KHR4,075	KHR4,052
31 March 2019	US\$1 =	KHR4,015	KHR4,006

These convenience translations should not be constructed as representations that the United States Dollars amounts have been, could have been, or could be in the future be, converted into Khmer Riel at this or any other rate of exchange.

The condensed interim financial information were authorised for issue by the Board of Directors on 12 May 2020.

2. PRINCIPAL ACTIVITIES

PPAP has responsibilities as port authority and port operator, including but not limited to:

- Provide pilotage navigating the vessel entering into or departing from port;
- Provide vessel’s berth;
- Provide a location for vessel repairing and fuel refilling;
- Provide dredging service and maintain navigation channel;
- Monitor operation according to technical standard and ensure safety, environmental sustainability, and orders in the port’s commercial zone;
- Check ship documents in order to complete the formalities for vessel entering into-departing from the port;
- Train human resources in navigation and port sector through the Cambodia Maritime Institute;
- Develop port infrastructure through cooperation with the domestic and foreign development partners in order to expand container terminal, general/bulk cargo terminal, feeder port, and passenger/tourist terminal;
- Establish port supporting areas, including special economic zone, industrial zone, agricultural products procession zone and logistics zone;
- Take various measures in order to ensure the enforcement of laws and legal norms related to port and means of water transportation;
- Lift on- lift off (“LOLO”), load-unload, and store cargo;
- Transport goods within port area, between the port and industrial area;
- Provide bonded warehouse service, temporary customs warehouse service and container yard;
- Provide tug-boat assistance and mooring-unmooring service;
- Provide logistics supply, pure water, and hygiene service to vessel;
- Provide container stuffing-unstuffing service;

2. PRINCIPAL ACTIVITIES (continued)

- Provide container repair and maintenance service;
- Provide tourist/passenger terminal and domestic port service; and
- Operate other business of any kinds authorised by the laws and legal norms in force to support the growth of PPAP.

3. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of PPAP since the financial year ended 31 December 2019.

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2019 except for the adoption of the following accounting standards, amendments and interpretations:

	Effective Date
Amendments to <i>References to the Conceptual Framework in CIFRS Standards</i>	1 January 2020
Amendments to CIFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to CIAS 1 and CIAS 8 <i>Definition of Material</i>	1 January 2020
Amendments to CIFRS 9, CIAS 39 and CIFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020

Amendments to *References to the Conceptual Framework in CIFRS Standards*

Together with the revised *Conceptual Framework*, the IASB issued *Amendments to References to the Conceptual Framework in CIFRS Standards*, which contains amendments to CIFRS 2, CIFRS 6, CIFRS 14, CIAS 1, CIAS 8, CIAS 34, CIAS 37, CIAS 38, IC Interpretations 12, 19, 20 and 22 as well Standard Interpretations Committee-32.

Amendments to CIFRS 3 *Definition of a Business*

The amendments change the definition of a business to help companies determine whether an acquisition made is of a business or a group of assets.

The new definition of business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing goods or services to customers, generating investment income (such as dividends or interest) or generating other income from ordinary activities.

This emphasises that the output of a business is to provide goods and services to customers. This contrasts with the previous definition which focused on economic benefits to investors and others.

The amendments also clarify that, to be considered a business, an acquisition must include an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include a framework to assist when evaluating when an input and substantive process are present – including for early stage companies that have not yet generated outputs.

In addition, the amendments introduced an optional “concentration test” to permit a simplified assessment of whether or not an acquired set of activities and assets is a business. The test can be applied by choice on a transaction by transaction basis. A transaction will be treated as an acquisition of assets (ie not a business) if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or groups of similar identifiable assets.

3. BASIS OF PREPARATION (continued)

Amendments to CIAS 1 and CIAS 8 *Definition of Material*

The amendments clarify the definition of material in the context of applying CIFRS. As the concept of what is and is not material is crucial in preparing financial statements in accordance with CIFRS, a change in the definition may fundamentally affect how preparers make judgments in preparing financial statements.

The new definition of material is information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Amendments to CIFRS 9, CIAS 39 and CIFRS 7 *Interest Rate Benchmark Reform*

The amendments affect entities that apply the hedge accounting requirements of IFRS 9 or IAS 39 to hedging relationships affected by the interest rate benchmark reform.

Pursuant to the amendments, entities would apply hedge accounting requirements assuming that the interest rate benchmark is not altered as a result of the interest rate benchmark reform.

The amendments apply to all hedging relationships that are directly affected by the interest rate benchmark reform.

The following are accounting standards and amendments that have been issued but have not been early adopted by PPAP:

	Effective Date
CIFRS 17 <i>Insurance Contracts</i>	1 January 2021
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

PPAP is in the process of making an assessment of the potential impact from the adoption of these accounting standards and amendments hence the Directors are not yet in a position to conclude on the potential impact on the results and the financial position of PPAP.

The possible effects from the adoption of the above accounting standards and amendments are as follows:

CIFRS 17 *Insurance Contracts*

CIFRS 17 replaces CIFRS 4 and requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under CIFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

3. **BASIS OF PREPARATION (continued)**

CIFRS 17 Insurance Contracts (continued)

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity’s share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

Amendments to CIFRS 10 and CIAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

4. **PROPERTY, PLANT AND EQUIPMENT**

	Unaudited	Audited
	31 March 2020	31 December 2019
	US\$	US\$
<i>Cost</i>		
Balance at the beginning of financial period/year	96,414,691	89,655,803
Additions	3,953,208	6,904,347
Transfer to investment properties (Note 5)	-	(36,053)
Disposals	(195,535)	-
Written-off	(125,901)	(109,406)
	<u>100,046,463</u>	<u>96,414,691</u>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	18,846,135	15,846,356
Depreciation for financial period/year	615,456	3,043,003
Disposals	(133,298)	-
Written-off	-	(43,224)
	<u>19,328,293</u>	<u>18,846,135</u>
Carrying amounts		
Balance at the end of financial period/year	<u>80,718,170</u>	<u>77,568,556</u>
<i>(KHR'000 equivalent)</i>	<u>328,522,952</u>	<u>316,091,866</u>

5. INVESTMENT PROPERTIES

	Unaudited 31 March 2020 US\$	Audited 31 December 2019 US\$
<i>Cost</i>		
Balance at the beginning of financial period/year	85,318,810	85,494,642
Additions	-	53,000
Transfer from property, plant and equipment (Note 4)	-	36,053
Written-off	(132,795)	(264,885)
	<u>85,186,015</u>	<u>85,318,810</u>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	464,664	468,444
Depreciation for financial period/year	16,113	76,954
Written-off	(29,069)	(80,734)
	<u>451,708</u>	<u>464,664</u>
<i>Carrying amounts</i>		
Balance at the end of financial period/year	<u>84,734,307</u>	<u>84,854,146</u>
	<u>344,868,629</u>	<u>345,780,645</u>
	<i>(KHR'000 equivalent)</i>	

6. LEASE RECEIVABLES

Lease receivables are in respect of 40 year leases of land to Hui Bang International Investment Group Co., Ltd. and Mekong Oriza Trading Co., Ltd.

7. TRADE AND OTHER RECEIVABLES

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	62,487	254,322	62,487	254,635
Current				
Trade receivables				
Third parties	4,651,344	18,930,970	4,184,751	17,052,860
Less: Impairment loss				
- Third parties	(614,144)	(2,499,566)	(514,863)	(2,098,067)
	<u>4,037,200</u>	<u>16,431,404</u>	<u>3,669,888</u>	<u>14,954,793</u>
Other receivables				
Third parties	2,702,065	10,997,404	2,522,395	10,278,760
Advances	113,280	461,050	107,770	439,163
Deposits	100,870	410,541	100,870	411,045
Other receivables	172,990	704,069	193,647	789,112
	<u>3,089,205</u>	<u>12,573,064</u>	<u>2,924,682</u>	<u>11,918,080</u>
Total receivables	<u>7,126,405</u>	<u>29,004,468</u>	<u>6,594,570</u>	<u>26,872,873</u>
Prepayments	273,608	1,113,585	344,225	1,402,717
	<u>7,400,013</u>	<u>30,118,053</u>	<u>6,938,795</u>	<u>28,275,590</u>

8. DEFERRED TAX

The components and movements of deferred tax assets/(liabilities) are as follows:

	At 1 January 2020 US\$	Recognised in profit or loss US\$	At 31 March 2020 US\$ (Unaudited)
Property, plant and equipment	(2,265,028)	(30,935)	(2,295,963)
Retirement benefit obligation	122,685	2,895	125,580
Deferred income	2,916,202	(21,202)	2,895,000
Impairment loss on receivables	102,973	10,278	113,251
Unrealised exchange differences	1,632	(1,816)	(184)
	<u>878,464</u>	<u>(40,780)</u>	<u>837,684</u>
			<u>3,409,374</u>

(KHR'000 equivalent)

	At 1 January 2019 US\$	Recognised in profit or loss US\$	At 31 December 2019 US\$ (Audited)
Property, plant and equipment	(2,038,447)	(226,581)	(2,265,028)
Retirement benefit obligation	124,192	(1,507)	122,685
Deferred income	2,970,000	(53,798)	2,916,202
Impairment loss on receivables	68,786	34,187	102,973
Unrealised exchange differences	1,469	163	1,632
	<u>1,126,000</u>	<u>(247,536)</u>	<u>878,464</u>
			<u>3,579,741</u>

(KHR'000 equivalent)

9. CASH AND BANK BALANCES

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	8,334	33,919	4,833	19,694
Cash at banks	4,815,263	19,598,120	6,647,685	27,089,317
Fixed deposits	16,200,000	65,934,001	19,332,390	78,779,489
As stated in statement of financial position	21,023,597	85,566,040	25,984,908	105,888,500
Less:				
Deposits (maturity more than three months)	(16,200,000)	(65,934,001)	(16,200,000)	(66,015,000)
As stated in statement of cash flows	<u>4,823,597</u>	<u>19,632,039</u>	<u>9,784,908</u>	<u>39,873,500</u>

10. SHARE CAPITAL

	Unaudited 31 March 2020		Audited 31 December 2019	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	16,547,492	16,547,492	16,547,492	16,547,492
	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>
<i>(KHR'000 equivalent)</i>		<u>457,813,940</u>		<u>457,813,940</u>

Class A shareholders will enjoy the minimum guaranteed dividend yield of 5% per year based on the Initial Public Offering (“IPO”) price for the period of at least 5 years, starting from 2016 to 2020. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years.

Class C shareholders are not entitled to dividend but have first priority in case of PPAP’s liquidation.

11. SHARE PREMIUM

On 9 December 2015, PPAP was successfully listed on the Cambodia Securities Exchange (“CSX”). The total number of ordinary shares (voting) is 20,684,365 shares, of which 4,136,873 (Class A) shares was from the IPO with a par value of KHR4,000 per share. After the listing, MoEF holds 80% of the total number of shares. PPAP received the proceeds from the IPO amounting to US\$5,193,915 and incurred IPO costs of US\$901,540.

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

12. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	<u>577,570</u>	<u>577,570</u>	<u>9,642,516</u>	<u>10,797,656</u>
As at 31 March 2020 (Unaudited)	<u>2,046,010</u>	<u>2,046,010</u>	<u>32,357,055</u>	<u>36,449,075</u>
<i>(KHR'000 equivalent)</i>	<u>8,327,261</u>	<u>8,327,261</u>	<u>131,693,213</u>	<u>148,347,735</u>
As at 1 January 2019	1,063,403	1,063,403	16,548,336	18,675,142
Transfer from retained earnings	<u>405,037</u>	<u>405,037</u>	<u>6,166,203</u>	<u>6,976,277</u>
As at 31 December 2019 (Audited)	<u>1,468,440</u>	<u>1,468,440</u>	<u>22,714,539</u>	<u>25,651,419</u>
<i>(KHR'000 equivalent)</i>	<u>5,983,893</u>	<u>5,983,893</u>	<u>92,561,746</u>	<u>104,529,532</u>

12. RESERVES (continued)

On 31 March 2020, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$10,797,656.

In accordance with PPAP's Articles of Incorporation, article 66, dated 5 September 2016, PPAP's profit, after offsetting with losses carried forward (if any), can be used as follows:

- for legal reserve – 5%
- for general reserve – 5%
- the remaining balance for dividend and development fund

13. TRADE AND OTHER PAYABLES

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	31,243	127,159	31,243	127,315
Current				
Trade payables				
Third parties	525,306	2,137,995	1,060,640	4,322,108
Other payables				
Interest payable	105,799	430,602	361,556	1,473,341
Deposits	427,991	1,741,923	438,825	1,788,212
Dividend payable	753,737	3,067,710	-	-
Guaranteed dividends payable	499,184	2,031,679	259,887	1,059,040
Deferred income	-	-	31,012	126,374
Other tax payables	157,953	642,869	138,740	565,365
Other payables	612,835	2,494,238	1,048,392	4,272,197
	2,557,499	10,409,021	2,278,412	9,284,529
	3,082,805	12,547,016	3,339,052	13,606,637

14. BORROWINGS

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPNCTP”) or Phnom Penh Port LM17	22,769,715	92,672,740	22,769,715	92,786,589
Current				
PPNCTP or Phnom Penh Port LM17	1,034,987	4,212,397	2,069,974	8,435,144
	23,804,702	96,885,137	24,839,689	101,221,733

14. BORROWINGS (continued)

PPPNECTP represents an on-lending agreement between the MEF and PPAP for the lending of proceeds of the Import-Export Bank of China (“the Eximbank”) under the Preferential Buyer Credit Loan Agreement: No. (2010)29(136) dated 4 November 2010 for the Phnom Penh Port-New Container Terminal Project (“Project”).

The amount to be re-lent to PPAP shall be deemed to be simultaneously lent to PPAP on the same dates, in the same currency and the same amount as those disbursed by the Eximbank for the purposes of financing the implementation of the Project. PPAP pays interest to the MEF semi-annually at the rate of 4% per annum. The loan on-lent is for 20 years, including a grace period of not exceeding 7 years from the date of the conclusion of the Loan Agreement.

15. PROVISION FOR RETIREMENT BENEFITS

The amounts recognised in the statement of financial position are as follows:

	Unaudited		Audited	
	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	627,899	2,555,549	613,427	2,499,715
Fair value of plan asset	-	-	-	-
	<u>627,899</u>	<u>2,555,549</u>	<u>613,427</u>	<u>2,499,715</u>
Other benefits				
National Social Security Funds	55,508	225,917	49,088	200,034
Liability recognised in statement of financial position	<u>683,407</u>	<u>2,781,466</u>	<u>662,515</u>	<u>2,699,749</u>

The movements in the defined benefits obligations during the period are as follows:

	Unaudited	Audited
	31 March 2020	31 December 2019
	US\$	US\$
Balance at 1 January	613,427	620,961
Current service costs	11,977	48,709
Interest costs	8,995	35,885
Past service costs	-	15,937
Benefits paid	(594)	(17,534)
Re-measurement	(5,906)	(90,531)
Balance at 31 March/31 December	<u>627,899</u>	<u>613,427</u>
<i>(KHR'000 equivalent)</i>	<u>2,555,549</u>	<u>2,499,715</u>

15. PROVISION FOR RETIREMENT BENEFITS (continued)

The movements in the other benefits during the period are as follows:

	Unaudited 31 March 2020 US\$	Audited 31 December 2019 US\$
Balance at 1 January	49,088	23,683
Benefits paid	-	-
Additional expenses	6,420	25,405
Balance at 31 March/31 December	<u>55,508</u>	<u>49,088</u>
<i>(KHR'000 equivalent)</i>	<u>225,917</u>	<u>200,034</u>

The amounts recognised within salaries, wages and related expenses in the statement of profit or loss and other comprehensive income are as follows:

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	11,977	48,746	48,709	197,369
Interest costs	8,995	36,610	35,885	145,406
Past service costs	-	-	15,937	64,577
Other benefits				
Additional expenses	6,420	26,129	25,405	102,941
	<u>27,392</u>	<u>111,485</u>	<u>125,936</u>	<u>510,293</u>

16. LEASE LIABILITIES

Lease liabilities are in respect of a 40 year lease of land from Green Trade Co., Ltd.

17. CONTRACT LIABILITIES

	Unaudited 31 March 2020		Audited 31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>14,250,000</u>	<u>57,997,500</u>	<u>14,250,000</u>	<u>58,068,750</u>
Current				
Deferred income	<u>225,000</u>	<u>915,750</u>	<u>300,000</u>	<u>1,222,500</u>

18. CAPITAL COMMITMENTS

	Unaudited		Audited	
	31 March 2020		31 December 2019	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	926,004	3,768,836	990,809	4,037,547

19. REVENUE

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	2,781,753	11,307,826	2,496,811	10,002,225
Lift On Lift Off ("LOLO")	2,443,870	9,934,332	1,995,312	7,993,220
Port dues and charges	1,127,963	4,585,170	1,005,370	4,027,512
Gate fees	178,263	724,639	219,526	879,421
Storage fees	260,544	1,059,111	145,937	584,624
Weighting fee	268	1,089	302	1,210
Stuffing/Unstuffing	9,200	37,398	4,600	18,428
Sand dredging management fee	109,932	446,874	-	-
Trucking fee	61,641	250,571	2,430	9,734
Logistic services	15,747	64,011	-	-
	6,989,181	28,411,021	5,870,288	23,516,374

20. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Crane charges	616,478	2,505,983	378,505	1,516,291
Depreciation	527,550	2,144,491	680,619	2,726,560
Fuel and gasoline	303,354	1,233,134	257,423	1,031,237
Salaries and wages	397,483	1,615,768	381,047	1,526,474
Maintenance costs	184,778	751,122	121,141	485,291
Repair and maintenance container fee	224	911	-	-
Logistic costs	16,132	65,577	-	-
Others	72,061	292,928	23,750	95,142
	2,118,060	8,609,914	1,842,485	7,380,995

21. OTHER INCOME

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Rental income	264,655	1,075,823	205,555	823,453
Interest income from:				
- deposits with financial institutions	281,676	1,145,013	370,133	1,482,753
- lease receivables	43,357	176,246	14,083	56,416
Income from net investment in sublease	-	-	1,408,262	5,641,498
Others	25,008	101,657	12,914	51,734
	<u>614,696</u>	<u>2,498,739</u>	<u>2,010,947</u>	<u>8,055,854</u>

22. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	961,460	3,908,335	894,429	3,583,083
Utilities and fuel	111,328	452,548	106,774	427,737
Depreciation	104,019	422,837	89,266	357,600
Board of Directors' fees	70,931	288,335	52,823	211,609
Donation	40,755	165,669	28,347	113,558
Office supplies	52,264	212,453	18,032	72,236
Business entertainment	41,036	166,811	41,722	167,138
Repair and maintenance	38,334	155,828	43,715	175,122
Communication expenses	15,524	63,105	15,279	61,208
Professional fees	9,921	40,329	42,403	169,866
Travelling expenses	13,644	55,463	24,497	98,135
Other tax expenses	193,255	785,582	6,134	24,573
Loss on disposal of investment properties	103,726	421,646	-	-
Loss on disposal of property, plant and equipment	62,237	252,993	-	-
Impairment loss on receivables	47,890	194,673	78,850	315,873
Other expenses	180,363	733,176	83,887	336,051
	<u>2,046,687</u>	<u>8,319,783</u>	<u>1,526,158</u>	<u>6,113,789</u>

23. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	238,038	967,624	252,652	1,012,124
- lease liabilities	28,904	117,495	9,388	37,608
Unwinding effect of:				
- guaranteed dividend	9,970	40,528	13,374	53,576
	<u>276,912</u>	<u>1,125,647</u>	<u>275,414</u>	<u>1,103,308</u>

24. TAXATION

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	645,882	2,625,510	589,763	2,362,591
Under provision in prior year	33,854	137,617	14,953	59,902
	679,736	2,763,127	604,716	2,422,493
Deferred tax:				
Origination and reversal of temporary differences	40,780	165,771	(6,314)	(25,295)
	720,516	2,928,898	598,402	2,397,198

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2019: 20%) of the taxable profit or a minimum tax at 1% (2019: 1%) of total revenue, whichever is higher.

25. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	2,447,608	9,949,526	3,612,331	14,470,999
Weighted average number of ordinary shares in issue	20,684,365	20,684,365	20,684,365	20,684,365
Basic earnings per share	0.12	0.48	0.17	0.70
Diluted earnings per share	0.12	0.48	0.17	0.70

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.

PPAP had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share were equivalent to the basic earnings per share.

26. DIVIDENDS

On 31 March 2020, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2019 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,061 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$675,676 (equivalent to KHR2,750,000,000).

These dividends will be paid on 26 May 2020.

27. RELATED PARTY DISCLOSURES

- (a) PPAP had the following transactions with related parties during the financial period.

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	241,037	979,815	252,652	1,012,124
MEF and MPWT				
Donation and charities	5,929	24,101	5,999	24,032

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	31 March 2020		31 March 2019	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	70,931	288,335	52,823	211,609

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

- (a) Credit risk

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

PPAP's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2019: one to three months) and PPAP seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

- (b) Liquidity and cash flow risk

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

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

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

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

29. TAXATION CONTINGENCIES

Law on taxation in Cambodia including Sub Decree, Prakas, Circular and Notification is frequently changing based on the amendment of tax authorities and subject to interpretation. Often, differing interpretations on law of taxation exist among relevant parties and this could result in higher tax risks. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided tax liabilities based on its interpretation of tax legislation.

30. SEASONALITY OR CYCLICALITY OF OPERATIONS

The demand for PPAP services is subject to seasonal fluctuation as a result of the high demand for mainly garment, commodity, rice, textile raw materials and construction materials. Historically, peak demand is in the third quarter of the year and attributed to the high volume of export to America and import from China.

Part 4
**Management's Discussion
and Analysis (MD&A)**

A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this First Quarter 2020 report for further information.*

The container throughput of PPAP in the first quarter 2020 has increased 15,118 TEUs or 25.53% compared to the first quarter 2019. For vessels in the first quarter 2020 increased by 77 or 14.05% compared to the first quarter 2019. However, ship (voyage) in the first quarter 2020 has decreased 17 or 6.32% compared to the first quarter 2019. On the other hand, general cargo in first quarter 2020 has also increased 11,057 TONs or 5.43% compared to first quarter 2019.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the audited financial report for First Quarter ended 31 March 2019 and 2020 as *set out in Section 3 of this First Quarter Report.*

PPAP has four main revenue source:

1. **Stevedoring:** refer to revenue from the service of loading or discharging goods/containers into/from vessel and moving cargo from quay to container yard and vice versa.
2. **Lift On/Lift off (LOLO):** refer to revenue from service of loading or discharging good/containers from container yard to truck and vice versa.
3. **Port Due & Charge:** refer to revenue from maritime service and berthing service which include tonnage due, berthing due, channeling due, pilotage fee, tug boat fee, mooring/unmooring fee, open/close vessel's hatch fee, and cleaning service for vessel.
4. **Storage Fee:** refer to revenue from storage of goods/containers in the container yards or warehouse. General cargos are exempted from stroage fee for 5 days for both import and export cargos, and container cargos as exempted from storage fee for 5 days for export cargos and 7 days for import cargos.

1. Revenue Analysis

1.1 Revenue analysis

For the first quarter ended 31 March 2020 compared to first quarter ended 31 March 2019

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	5,735,539	23,314,966	4,864,918	19,488,862	870,621	17.90%	3,826,104	19.63%
Port authority	1,127,963	4,585,170	1,005,370	4,027,512	122,593	12.19%	557,658	13.85%
Other revenue	125,679	510,885	-	-	125,679	N/A	510,885	N/A
Total:	6,989,181	28,411,021	5,870,288	23,516,374	1,118,893	19.06%	4,894,647	20.81%

Total revenue increased by KHR 4,894,647,000 (USD 1,118,893) or 20.81% from KHR 23,516,374,000 (USD 5,870,288) in the first quarter 2019 to KHR 28,411,021,000 (USD 6,989,181) in the first quarter 2020. This increase in revenue is due to the increase of revenue from port operation and port authority such as stevedoring, lift on lift off (LOLO) and port dues and charges.

1.2 Revenue by segment analysis

[For the first quarter ended 31 March 2020 compared to first quarter ended 31 March 2019](#)

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	11,307,826	39.80%	10,002,225	42.53%
Lift On Lift Off (LOLO)	9,934,332	34.97%	7,993,220	33.99%
Port dues and charges	4,585,170	16.14%	4,027,512	17.13%
Gate fees	724,639	2.55%	879,421	3.74%
Storage fees	1,059,111	3.73%	584,624	2.49%
Sand dredging management fee	446,874	1.57%	-	0.00%
Trucking fee	250,571	0.88%	9,734	0.04%
Weighting fee	1,089	0.00%	1,210	0.01%
Stuffing/Unstuffing	37,398	0.13%	18,428	0.08%
Logistic services	64,011	0.23%	-	0.00%
Total:	28,411,021	100%	23,516,374	100.00%

For the first quarter 2020 as well as the first quarter 2019, PPAP has increased in 3 main revenue which represent 91% of total revenue. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the first quarter ended 31 March 2020 compared to first quarter ended 31 March 2019

For the first quarter 2020, 3 main revenue has increased KHR 3,804,371,000 (USD 856,093) or 17.27% compared to the first quarter 2019.

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	2,781,753	11,307,826	2,496,811	10,002,225	284,942	11.41%	1,305,601	13.05%
Lift On Lift Off (LOLO)	2,443,870	9,934,332	1,995,312	7,993,220	448,558	22.48%	1,941,112	24.28%
Port dues and charges	1,127,963	4,585,170	1,005,370	4,027,512	122,593	12.19%	557,658	13.85%

2. Gross profit margin analysis

Gross profit is presented in the statement of profit or loss of PPAP came from the total revenue minus the cost of services (operating costs).

For the first quarter ended 31 March 2020 compared to first quarter ended 31 March 2019

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	6,989,181	28,411,021	5,870,288	23,516,374	1,118,893	19.06%	4,894,647	20.81%
Cost of Service								
Depreciation	527,550	2,144,491	680,619	2,726,560	(153,069)	-22.49%	(582,069)	-21.35%
Crane charge	616,478	2,505,983	378,505	1,516,291	237,973	62.87%	989,692	65.27%
Salaries and wage	397,483	1,615,768	381,047	1,526,474	16,436	4.31%	89,294	5.85%
Fuel and gasoline	303,354	1,233,134	257,423	1,031,237	45,931	17.84%	201,897	19.58%
Maintenance costs	184,778	751,122	121,141	485,291	63,637	52.53%	265,831	54.78%

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Repair and maintenance container fee	224	911	-	-	224	N/A	911	N/A
Logistic costs	16,132	65,577	-	-	16,132	N/A	65,577	N/A
Others	72,061	292,928	23,750	95,142	48,311	203.41%	197,786	207.89%
Total Cost of Service	2,118,060	8,609,914	1,842,485	7,380,995	275,575	14.96%	1,228,919	16.65%
Gross profit	4,871,121	19,801,107	4,027,803	16,135,379	843,318	20.94%	3,665,728	22.72%
Gross Profit Margin	69.70%	69.70%	68.61%	68.61%				

For the first quarter 2020 Cost of Services increased by KHR 1,228,919,000 (USD 275,575) or 16.65% compared to the first quarter 2019 .

- Gross Profit Margin Analysis

Gross Profit Margin increased by 1.09% from 68.61% in the first quarter 2019 to 69.70% in the first quarter 2020. The increase is mainly due to the increase of total revenue by KHR 4,894,647,000 (USD 1,118,893) or 20.81%. However, the total Cost of Service increased by KHR 1,228,919,000 (USD 275,575) or 16.65% is because of the slightly increase of crane charge, maintenance costs, fuel and gasoline, and other expenses.

1. Profit before tax analysis

Profit before income tax derived from gross profit plus other income, minus general administration and selling expenses and finance costs.

For the first quarter ended 31 March 2020 compared to the first quarter ended 31 March 2019

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	4,871,121	19,801,107	4,027,803	16,135,379	843,318	20.94%	3,665,728	22.72%
Other income	614,696	2,498,739	2,010,947	8,055,854	(1,396,251)	-69.43%	(5,557,115)	-68.98%
General administration and selling expenses								
Salaries and other benefits	961,460	3,908,335	894,429	3,583,083	67,031	7.49%	325,252	9.08%
Donation expenses	40,755	165,669	28,347	113,558	12,408	43.77%	52,111	45.89%
Utilities and fuel	111,328	452,548	106,774	427,737	4,554	4.27%	24,811	5.80%
Depreciation	104,019	422,837	89,266	357,600	14,753	16.53%	65,237	18.24%
Repairs and maintenance	38,334	155,828	43,715	175,122	(5,381)	-12.31%	(19,294)	-11.02%
Business entertainments	41,036	166,811	41,722	167,138	(686)	-1.64%	(327)	-0.20%
Travelling expenses	13,644	55,463	24,497	98,135	(10,853)	-44.30%	(42,672)	-43.48%
Professional fee	9,921	40,329	42,403	169,866	(32,482)	-76.60%	(129,537)	-76.26%
Board of Directors' fee	70,931	288,335	52,823	211,609	18,108	34.28%	76,726	36.26%
Office supplies	52,264	212,453	18,032	72,236	34,232	189.84%	140,217	194.11%
Communication expenses	15,524	63,105	15,279	61,208	245	1.60%	1,897	3.10%
Other tax expenses	193,255	785,582	6,134	24,573	187,121	3050.55%	761,009	3096.93%

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Others	182,627	742,379	83,887	336,051	98,740	117.71%	406,328	120.91%
Loss on disposal of property, plant and equipment	163,699	665,436	-	-	163,699	N/A	665,436	N/A
Impairment loss on receivable	47,890	194,673	78,850	315,873	(30,960)	-39.26%	(121,200)	-38.37%
Total general administration and selling expenses	2,046,687	8,319,783	1,526,158	6,113,789	520,529	34.11%	2,205,994	36.08%
Finance costs	(276,912)	(1,125,647)	(275,414)	(1,103,308)	(1,498)	0.54%	(22,339)	2.02%
Profit before income tax	3,162,218	12,854,416	4,237,178	16,974,136	(1,074,960)	-25.37%	(4,119,720)	-24.27%

For the first quarter 2020 General and Administrative expenses increased by KHR 2,205,994,000 (USD 520,529) or 36.08% compared to the first quarter 2019.

2. Profit after tax analysis

PPAP is subject to the Law on Commercial Enterprise for taxation sector and value added tax (VAT), thus PPAP has the obligation to pay tax at 20% of taxable profit. However, from 2019 onward PPAP will have obligation to pay tax as normal after received 50% reduction on the tax on profit for three year (from 2016 to 2018)

For the first quarter ended 31 March 2020 compared to the first quarter ended 31 March 2019

Description	1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	3,162,218	12,854,416	4,237,178	16,974,136	(1,074,960)	-25.37%	(4,119,720)	-24.27%
Income tax expense (b)	720,516	2,928,898	598,402	2,397,198	122,114	20.41%	531,700	22.18%
Net profit for the year	2,441,702	9,925,518	3,638,776	14,576,938	(1,197,074)	-32.90%	(4,651,420)	-31.91%
Other comprehensive income	2,447,608	9,949,526	3,612,331	14,470,999	(1,164,723)	-32.24%	(4,521,473)	-31.25%
Effective tax rate (b)/(a)	22.79%	22.79%	14.12%	14.12%				

PPAP earn profit after tax KHR 9,925,518,000 (USD 2,441,702) in the first quarter 2020 and KHR 14,576,938,000 (USD 3,638,776) in the first quarter 2019, representing a decrease of KHR 4,651,420,000 (USD 1,197,074) or 31.91%. This decrease is because of the increase in general administration expenses KHR 2,205,994,000 (USD 520,529) or 36.08% and the income from sublease is not recognized.

The increase of effective tax rate of 8.67% from 14.12% in the first quarter 2019 to 22.79% in the first quarter 2020, due to the increased in income tax expense KHR 531,700,000 (USD 122,114) or 22.18%.

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

The financial condition and results of PPAP are dependent on throughput volumes and transshipment activity at ports. There rely heavily on the domestic, and global trade volume as well as the regional export and import. These may be significantly affected by the changes in regional and global economic, financial and political condition that are beyond PAPP's control.







5.2. Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 281,045 TEUs annually as at 31st December, 2019. In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 200,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	2016	2017	2018	2019	Planning 2020
Container Terminal LM17 (TEUs)	151,781	184,805	213,571	281,045	309,375

5.3. Operation Efficiency

In order to increase the efficiency of operation, PPAP seeks to reduce its costs and achieve optimal operating efficiency by utilizing its existing resources and install the modern equipment and handling machinery. PPAP, therefore, has the following methods to increase the efficiency of operation:

-  Continue introducing new handling machinery in order to speed up the process of cargo handling and reduce wait time cause by the malfunction of machinery.
-  Improving capability of operation by providing employee training.
-  Expand the terminal in order to ensure that vessels are quickly and efficiently transport cargo to and from PPAP.
-  Utilizing external depot to increase the container storage capacity at LM17 such as the ICD depot, KM6 Terminal, Multipurpose Terminal TS3, and Mekong Sentosa Logistic (MSL).
-  Efficiently managing the container yard by reducing the duration of storage of container at the container yard.
-  Efficiently utilizing the terminal by formulating a clear the berthing plan.

5.4. Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight

vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the container terminal. In addition to the preferential shipping costs, PPAP also offers preferential package prices for container service (Stevedore) to all container carriers based on the volume of containers that are shipped. This means that if the container carrier of any company shipping more containers will receive a much higher discount.

5.5. Connection to Feeder Port

The connection to feeder port plays an important role when Transport Company selecting a port to transport cargo. Efficient connectivity enable shipper to reduce shipping time. Efficient transportation between feeder-ports depend on the service of other feeder port that managing the flow of transportation. PPAP's location in Phnom Penh Capital is advantageous in consolidating cargo for waterway transshipment.

5.6. Depreciation

Depreciation arise from the depreciated of property, plant and equipment of PPAP such as quay, storage facilities, and handling machinery. The useful lives is estimated on key assets such as harbours and building (10-50 years), plants and machinery (10-15 years), furniture and fixtures (5 years), computer (5-15years), office equipment and others (5-15 years), moto vehicles (8-15 years). Depreciation method, useful lives, and residual values are reviewed at each reporting date and adjusted if appropriate.

B- Significant factors affecting profit

1. Demand and supply conditions analysis

Cargo volume of PPAP is directly related to the national, Regional and Global Economy. PPAP must conduct analysis on the economy and trade in order to recognize the trend of increase or decline in the demand of transportation. It is the base for a timely response on the matters as well as creating proper investment plan on the port insfrastructure and machinery. It can avert losses on the expenditure of capital by avoiding excessive investment over the demand of transporation.

2. Fluctuation in prices of cost of service analysis

Maintaining competitiveness in the market is an important factors for the long-term growth of PPAP which include the quality and price of service provided. To ensure quality and competitiveness of our service, PPAP focus on the management of some operating expense as below:

2.1. Staff salaries and other benefits

A large portion of the company's expense is related to staff salaries and other benefits, which is **19.45%** (5.69% from operation staff and 13.76% from administration staff and other benefits) of total revenue in the first quarter 2020 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource

according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is 8.82% of total revenue in the first quarter 2020. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/02/2019-31/01/2020
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024

* Sung Kwang Co.,Ltd have changed company name to *Jeong Myeong International Co., Ltd.*

3. Tax analysis

PPAP is subject to the Law on Commercial Enterprise for matter of taxation. PPAP has an obligation to pay tax as stipulated in the laws and regulation in force. The General Department of Taxation require PPAP to pay tax under the real regime tax system and is a large taxpayer.

3.1. Tax on profit

PPAP has the obligation to pay tax at 20% of taxable profit by preparing tax, by preparing tax on a monthly basis based on 1% of monthly turnover. This prepayment tax of 1% turnover will be settled with the payment of 20% profit tax at the end of fiscal year. PPAP's share was officially listed on the 9th of December 2015. According to Anukret No.01 ANK.BK dated on the 8th of January 2015 on Tax Incentive in Securities Sector, Listed enterprise will received 50% reduction on the tax on profit for three year from the date of the Anukret enforce. Therefore, from 2019 onward PPAP will not received Tax Incentive in Securities Sector, thus PPAP will have obligation to pay tax as normal.

3.2. Value added tax (VAT)

PPAP is a VAT registered company. PPAP has to charge VAT of 10% on invoice amount when issuing invoice to its customers. This tax is collected for the government as an output VAT. This output VAT is settled with the 10% input VAT that PPAP has to pay to its supplier when making purchase.

3.3. Tax withheld on Interest Income

PPAP has an obligation to pay withholding tax on interest income at the rate of 4% on deposit and 6% on fixed deposit. PPAP has fixed deposit at the Foreign Trade Bank (FTB) and Advanced Bank of Asia (ABA).

3.4. Import Tax

PPAP has an obligation to pay import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods, as determined by the General Department of Customs and Excise. According to the Project of Port infrastructure at LM17 in 2019, PPAP will import additional container handling equipment. As such, the expense on import tax will rise.

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **91%** of the total revenue in the first quarter 2020. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

D- Impact of exchange rate, interest rate and commodity prices

1. Impact of Exchange Rate

PPAP maintain its accounting record in USD which is its functional currency because most of the revenue from the business is USD currency. In addition, most of the payment on machinery maintaining, fuel and gasoline, and other expense is also in USD currency except salary and tax expense. Therefore, the impact from exchange rate is minimum for PPAP.

2. Impact of Interest Rate

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

The exposure of PPAP to interest rate risk arises primarily from fixed deposits. PPAP manages its interest rate exposure by closely monitoring the market interest rate. PPAP does not use derivative financial instruments to hedge any debt obligations.

3. Impact of Flunctuation of Gasoline Price

The operation of PPAP depend heavily on the machinery which require high consumption of gasoline. The flunctuation of gasoline price will impact on the cost of service. Hence, PPAP is work to improve our operation by efficient management of container yard which can lead to the reduction of gasoline usage, reduction in unnecessary movement of machinery. Therefore, PPAP equipped with modern marchinery in lifting by substitute to electicity base machinery.

E- Impact on Inflation

Increase in inflation rate may impact the expenditure and investment of the company because of the increase in price of commodity, thus diminish in purchasing power. According to Worldbank.org, the Cambodia inflation rate is averaging 3.8% from year 2011 to 2014 which we believe that it will not materially impact our financial position and operation of PPAP.

F- Governmental/ Economic/ Fiscal/ Monetary Policy of Royal Government

PPAP is benefiting from the some of the government policy as the following:

- ❖ Rice Export policy of Cambodia is showing positive effect by increasing the export of rice via PPAP.
- ❖ The government policy which exempt the import tax on agriculture equipment/machinery which encourage investment in agriculture sector.
- ❖ The government's effort to establish quota or exemption with trade-partner country encourages high volume of export.
- ❖ The establishment of Special Economic Zone and Bonded Warehouse attracted direct investment from foreign country.
- ❖ Cambodia Development Industrial Policy 2015 – 2025 is attracting investment in Cambodia and large entriprise as well as some small and medium size enterprise.
- ❖ Government policy to encourage waterway transportation.
- ❖ The National Bank of Cambodia continued the adoption of tight monetary policy and managed floating exchange rate system. It has boosted public confidence in the macroeconomic environment of Cambodia and facilitated the private sector in carrying out business.

The tax incentive in securities sectors which provided to the listed enterprise in Cambodia is encouraging more private and public enterprise to goes IPO. This will contributed to the development of Cambodia economy.

Part 5

Other Necessary Information for Investor Protection

For the 1st Quarter of 2020, PPAP has necessary informations for investor protection as the following:

- Checked and discussed on the case of Chean Chhoeng Thai Group (CCTG) that requested PPAP to be the witness on the agreement between CCTG and CANADIA BANK PLC by approving and advising PPAP to report this case to both guardian ministries
- Checked and discussed on the main terms and conditions in the Term Sheet between PPAP and Infunde to build a cold warehouse by approving PPAP to continue more discussion on the additional terms and conditions in the land lease contract between PPAP and Infunde in order to submit to BoD for reviewing and also to have it checked and approved by both guardian ministries
- Checked and discussed on PPAP's request to develop the terminal in PPAP's zone by approving PPAP to send a letter to both guardian ministries in order to request for final approval from the government
- Checked and discussed on the plan for the discount on services of PPAP for 2020
- Checked and discussed on the bonus distribution to PPAP's employees for 2019
- Checked and discussed on the delaying of the retirement age to 60 for civil servants in the Kingdom of Cambodia
- Checked and approved of PPAP to do more study on the case of hiring private company to install Trucking App and report to both guardian ministries
- Checked and discussed on Suvannphum Investment Company's request to regenerate the terminal
- Checked and approved of PPAP to re-study on PPAP's plan for Special Economic Zone and to submit to BoD for the approval in the next meeting.
- Checked and approved on the business/services and financial report of PPAP for 2019
- Checked and discussed on the division of profit for the period of 2019 into PPAP's types of funds
- Checked and discussed on the dividend distribution plan for shareholders holding class A and B voting shares for the period of 2019
- Checked and approved on the arranging PPAP's 5th Gernerall Shareholders Meeting
- Checked and discussed on PPAP's revision plan for 2020
- Checked and discussed on the request of Yunnan Shengmao Investment (Cambodia) Co.,Ltd to the Royal Government for more leasing periods of ICD (from 40 to 70 years)
- Checked on the request of transferring 3 cranes that PPAP had paid instead of Chean Chhoeng Thai Group to other private company, and request to collaborate with private company in order to provide handling services on the quay
- Approved in principle for PPAP to study on salary arrangement system and the amendment of PPAP's Statute of Employees and allowed PPAP to hire private consultant

company if necessary. The study result will submit to BoD for approval in the next meeting.

- Approved in principle for PPAP to study on the collaboration with private company to establish container terminal, general cargo terminal, passenger & tourist terminal, and oil/gas terminal in which the study result will be submitted to BoD for approval in the next meeting
- Acknowledged the report on the progress of collaboration with Infunde on the project of construction cold warehouse and the new proposed project location. BoD has decided PPAP to send a letter to guardian ministries for approval on the leasing location to Infunde.
- The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. Since this development occurred subsequent to the end of the reporting period, the COVID-19 pandemic is treated as a non adjusting event in accordance with CIAS 10 Events after Reporting Period. Consequently the financial statements for the financial year ended 31 December 2019 do not reflect the effects arising from this non-adjusting event.
- PPAP is in the process of assessing the financial reporting impact of COVID-19 pandemic since ongoing developments remain incertain and cannot be reasonably predicted as at the date of authorization of the financial statements.
- PPAP anticipates that the potential financial reporting impact of COVID-19 would be recognized in the financial statements of PPAP during the financial year ending 31 December 2020.

Signature of Board of Directors of PPAP

13th May, 2020
Read and Approved

Hei Bavy

Signature
Hei Bavy
Chairman of BOD and CEO

13th May, 2020
Read and Approved

Suon Rachana

Signature
Suon Rachana
Member (Rep. of Ministry of
Public Works & Transport)

13th May, 2020
Read and Approved

Ken Sambath

Signature
Ken Sambath
Member (Rep. of Ministry of
Economy & Finance)

13th May, 2020
Read and Approved

Penn Sovicheat

Signature
Penn Sovicheat
Member (Rep. of Ministry of
Commerce)

13th May, 2020
Read and Approved

Gui Anvanith

Signature
Gui Anvanith
Member
(Independent Director)

13th May, 2020
Read and Approved

Dith Sochal

Signature
Dith Sochal
Member (Non-Executive
Director, Rep. of Private
Shareholders)

13th May, 2020
Read and Approved

Yim Choeurn

Signature
Yim Choeurn
Member (Rep. of PPAP
Employees)



Address

Container Terminal LM17
Kandal Leu Village, Bantey Dek Commune,
Kien Svay District, Kandal Province.

Multipurposed Terminal TS3
#649, Street 1 (Preah Sisowath), Sras Chork Commune,
Daun Penh District, Phnom Penh City.

Passenger and Tourist Terminal TS1
Street 1 (Preah Sisowath), Wat Phnom Commune,
Daun Penh District, Phnom Penh City.

Tonle Bet Port UM2
Tonle Bet Village, Tonle Bet Commune,
Thbong Khmoum District, Thbong Khmoum Province.

Construction Materials Supply Center (CMSC)
Boeung Salang Village, Reusseykeo Commune
Reusseykeo District, Phnom Penh City.

Contact
Email : ppapmpwt@online.com.kh
Tel/Fax : +855 23 427 802
Website : www.ppap.com.kh