



KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

The 1st Quarter Report of 2021



Listed Company



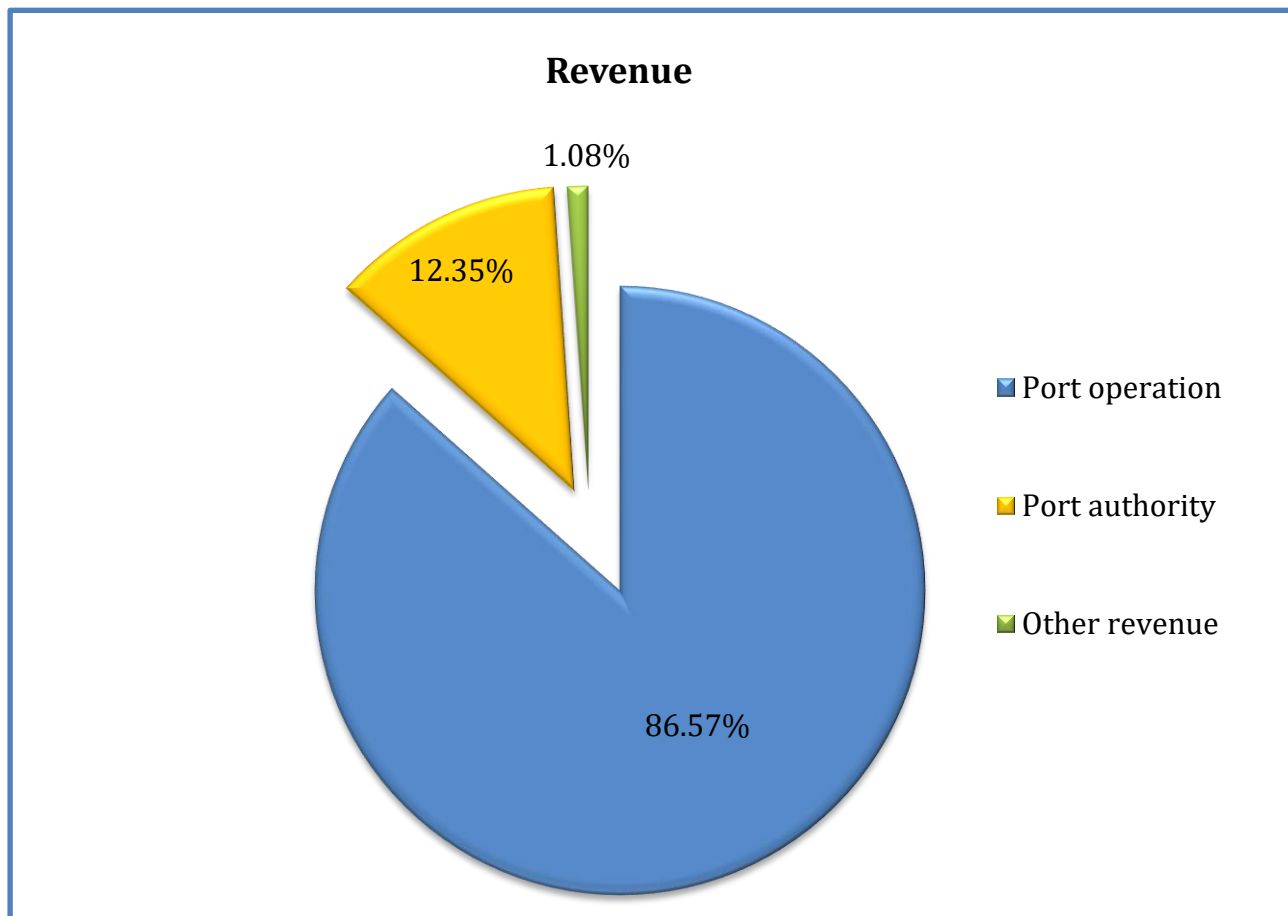
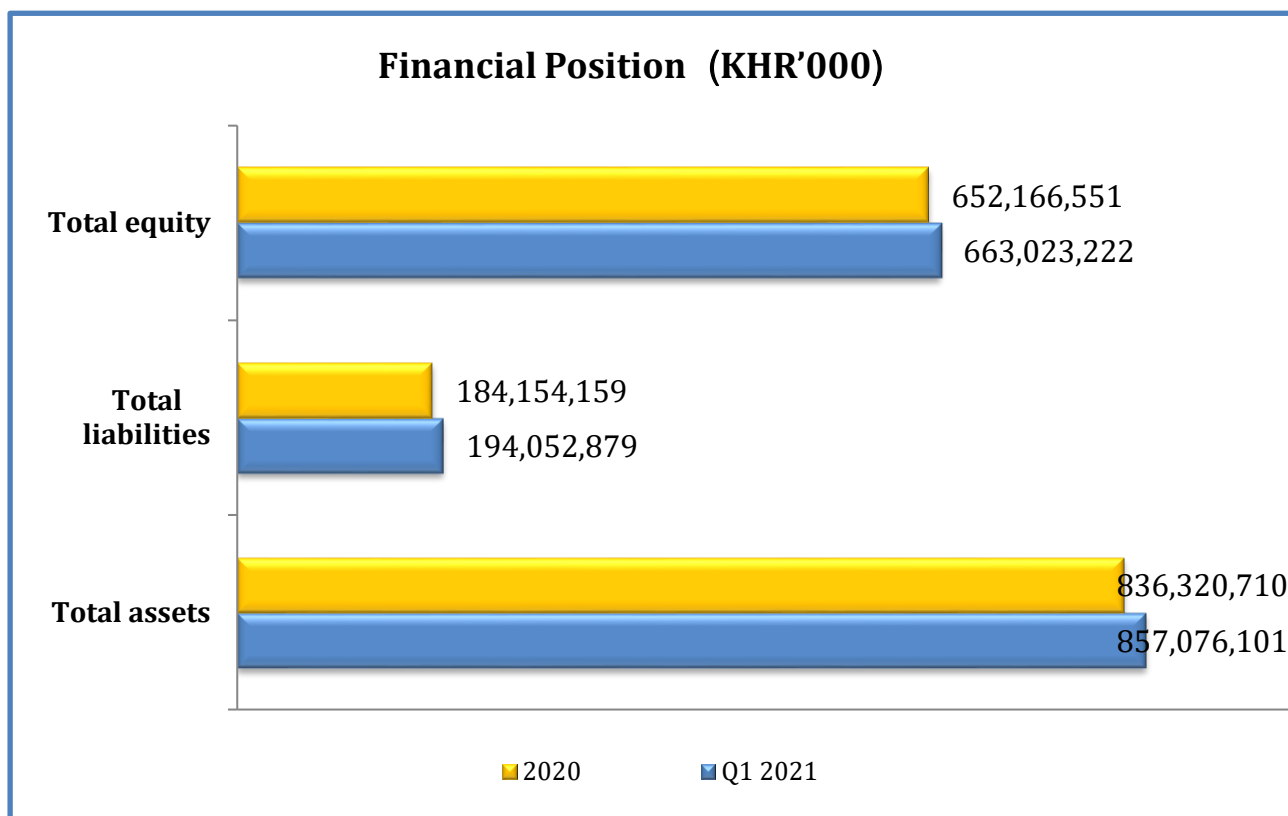
The 1st Quarter Report of 2021
(End of 31/March/2021)
Phnom Penh Autonomous Port

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

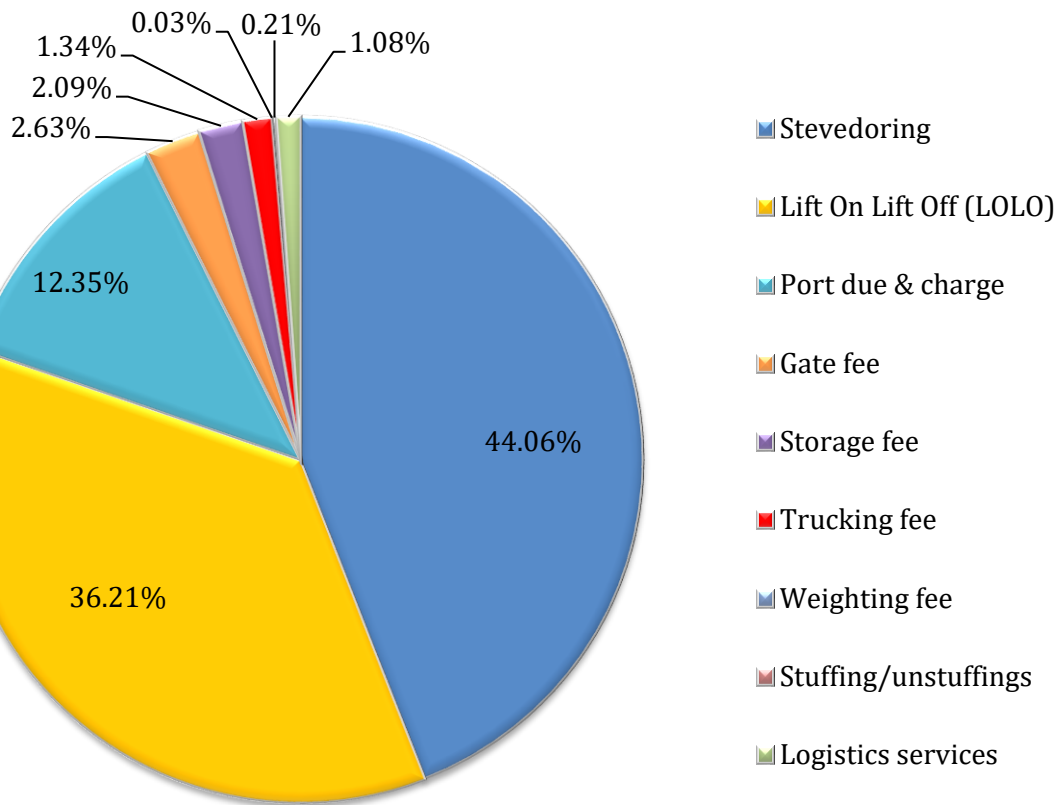
1.1. Financial Highlight

Description		31 March 2021	31 December 2020	31 December 2019
Financial Position (KHR'000)				
Total assets		857,076,101	836,320,710	817,542,948
Total liabilities		194,052,879	184,154,159	198,540,952
Total equity		663,023,222	652,166,551	619,001,996
Profit/(Loss) (KHR'000)		Q1 2021	Q1 2020	Q1 2019
Total revenues		29,083,676	28,411,021	23,516,374
Profit/(Loss) before tax		15,886,404	12,854,416	16,974,136
Profit/(Loss) after tax		13,970,426	9,925,518	14,576,938
Total comprehensive income		13,968,763	9,949,526	14,470,999
Financial Ratios		Q1 2021	31 December 2020	31 December 2019
Solvency ratio (%)		8.82	28.40	30.13
Liquidity ratio	Current ratio (times)	4.67	3.86	4.17
	Quick ratio (times)	4.67	3.86	4.17
		Q1 2021	Q1 2020	Q1 2019
Profitability ratio	Return on assets (%)	1.63	1.23	1.88
	Return on equity (%)	2.11	1.59	2.51
	Gross profit margin (%)	68.67	69.70	68.61
	Profit margin(%)	48.03	35.02	61.54
	Earning per share (Riel)	675.33	481.02	699.61
Interest coverage ratio (times)		19.69	14.45	17.86

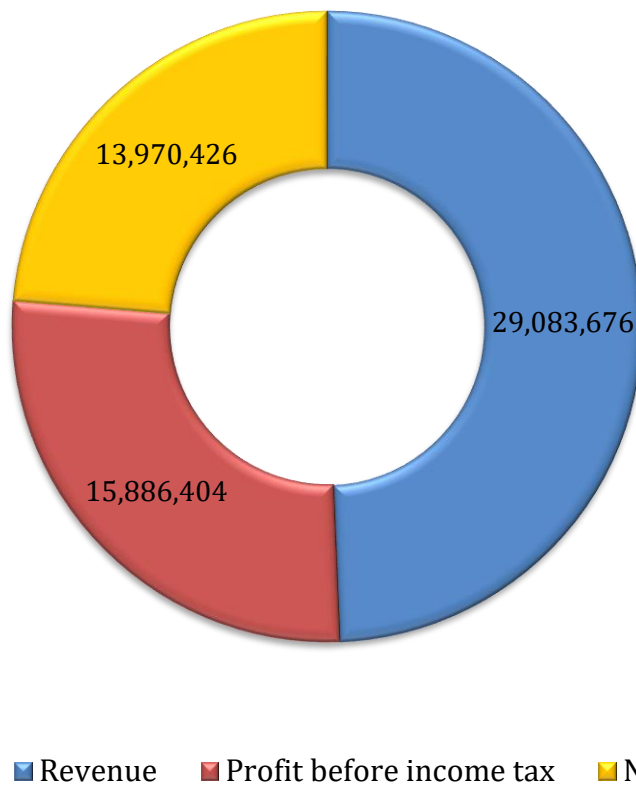
1.2. Graph of Financial Information Highlight (As of 31 March 2021)



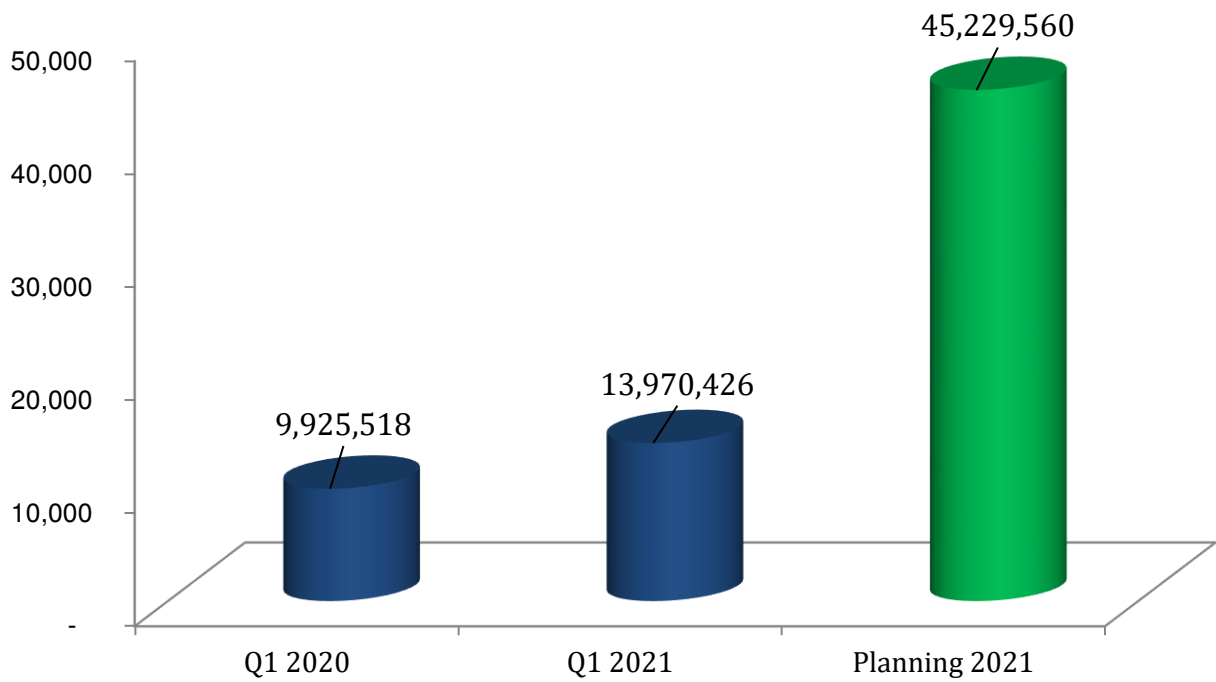
Types of Revenue Distribution Compared to Total Revenues



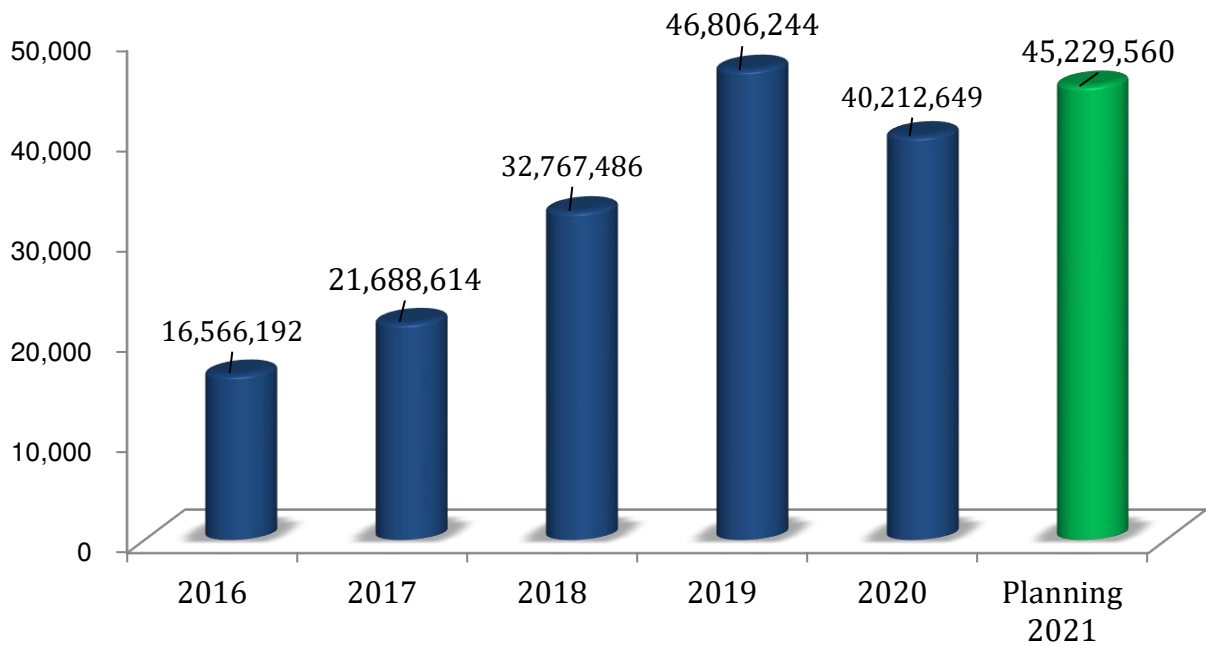
Net Profit for Q1 2021 (KHR'000)



**Net Profit for Q1 2021 Compared to Planning 2021
(KHR'000)**



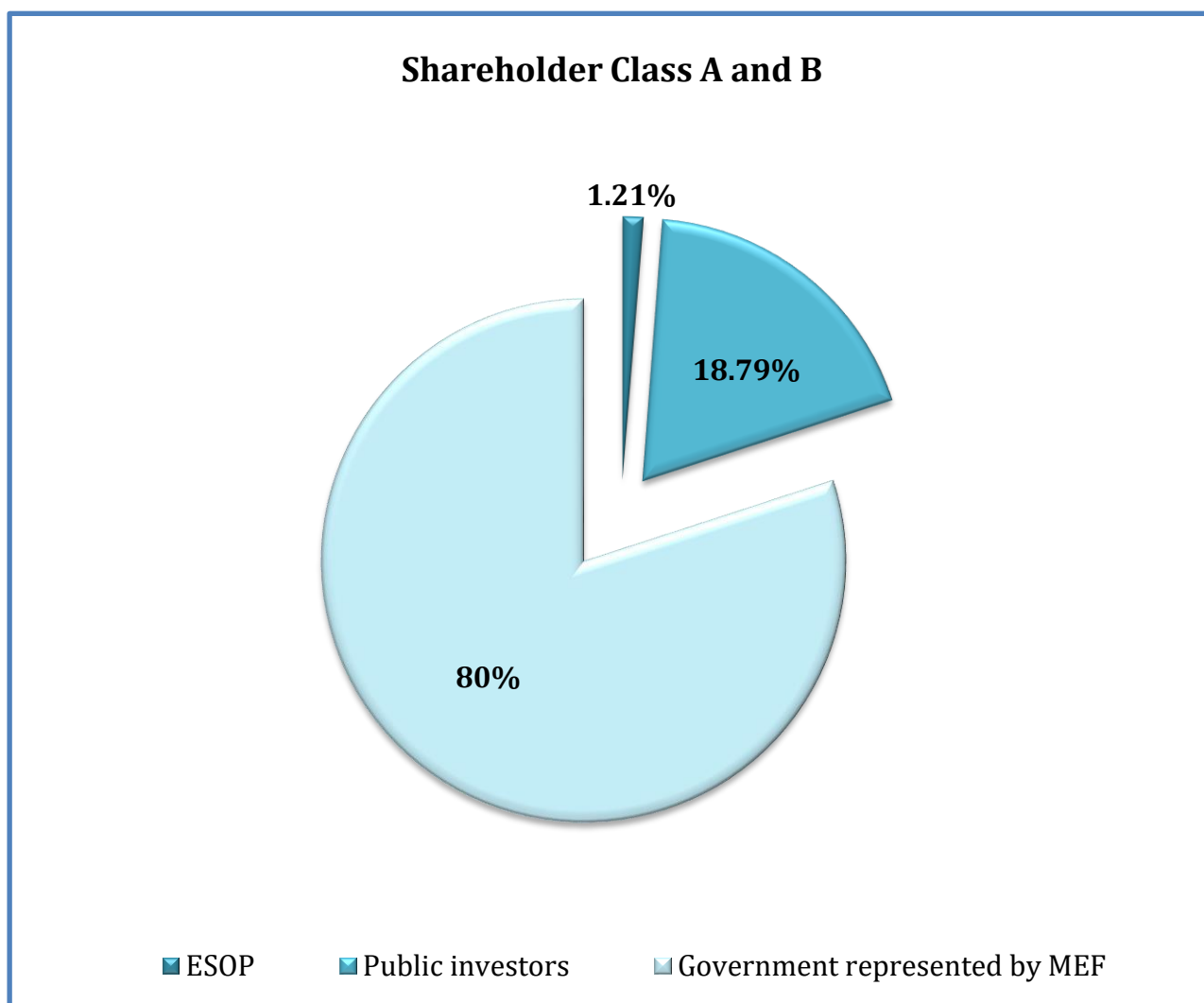
**Net Profit from 2016 to 2020 and Planning 2021
(KHR'000)**



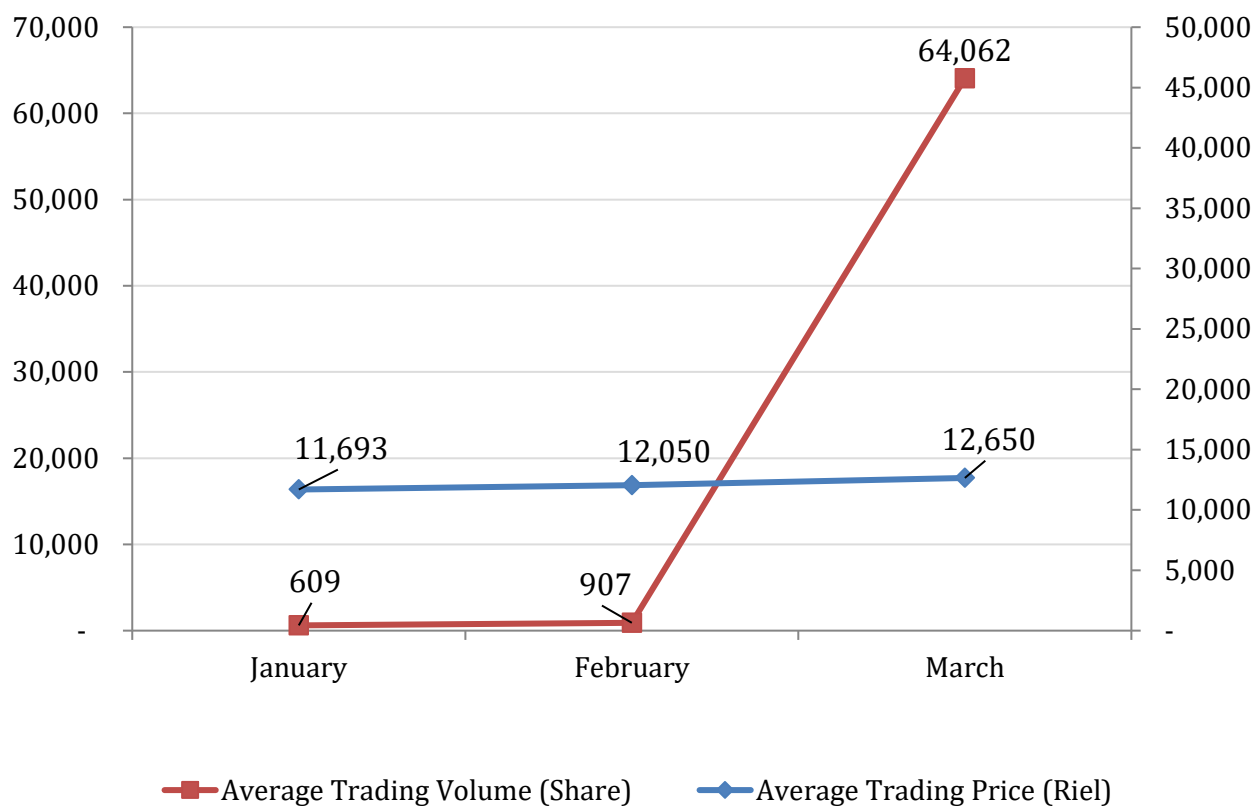
1.3. Stock Ownership (As of 31 March 2021)

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	249,479	1,21%
2. Public investors	3,887,394	18,79%
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



2. 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 Choeurn
Member (Rep. of PPAP
Employees)

3. Message from Chairman and CEO

For the first quarter 2021, total revenue is KHR 29,083,676,000 (USD 7,165,232) achieved 24.67% of planning 2021 and compared to the first quarter 2020 increased by KHR 672,655,000 (USD 176,051) or 2.37%. However, net profit in the first quarter 2021 is KHR 13,970,426,000 (USD 3,441,841) reached 30.89% of planning 2021 and compared to first quarter 2020 increased by KHR 4,044,908,000 (USD 1,000,139) or 40.75%. Apart from this, basic earnings per share in first quarter 2021 is 675.33 Riels (USD 0.17).

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 2021, the Board of Directors attended a meetings and achieved the following results:














i. The 9th meeting of the 7th mandate on March 18th, 2021

-  Reviewed and approved on PPAP's business result reports for 2020
-  Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2020 and on resolving cash shortages for current expenditures and investments
-  Reviewed and discussed on the devidend disribution plan to Class A and Class B shareholders for 2020
-  Reviewed and approved on the arrangement of PPAP's 6th General Shareholders Meeting
-  Acknowledged the report on the progress of The City Gate Project of Chean Cheoung Thai Group and The Triumph Project of Yunnan Investment (Cambodia) Co.,Ltd.

 Reviewed on the request of the implementation of Tonle Bet Terminal (UM2), Koh Rorka Terminal, and KM6 Terminal development projects and on the construction of Tourist Hall and Terminal.

C. Setting the Goal for 2021

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, 12th May 2021
Chairman of BOD and CEO

HEI Bavy

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PART 1

GENERAL INFORMATION OF PPAP


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

 **Phone Number** : +855 (0)23 427 802 **Fax** : +855 (0)23 427 802

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

 **Company registration number**: CO.7175 Et/2004

Date: November 23rd, 2004

 **License number**: 0014 ៧៧៧.៥៦៧

Date : January 5th, 2015

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

 **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
- berthing within Passenger and Tourist Terminal
- services of pilotage, tug assistance, mooring/ unmooring

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 maintanance and repair service: PPAP has the service of container maintanance 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

By the end of 2020, PPAP has been countinuing the development of port infrastructure at container terminal LM17 for Step III, phase I; the overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, The container yard capacity at LM17 will reach to 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as a main terminal for contianer cargo. The Container Terminal LM17 exists a quay with the length of 300m and the width of 22m and 4 traveling cargo cranes, 12 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	379,319 m²
Registered land size	377,869 m²
Size of the processing land title	1,450 m²
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 continual growth of 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. Currently, PPAP is renovating this terminal to be an international passenger cruises and tourist 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)

Currently, The multi purpose terminal UM2 is continuing the handling operation either rainy season or dry season. The handing operation is separated into two steps, by using 100 tons crane installed on pontoon for handling from ship to jetty and using 100tons crane for handing from jetty to truck. Meanwhile, General cargo handling operation; PPAP use a 100tons crane installed on pontoon to handling directly from ship to truck. But at the moment, PPAP is looking for partners to develop additional infrastructure such as construction of quay, install cargo crane, and expanse significant infrastructure to support the export-import at 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 conveyer 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, Conveyer

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 2021, thereis no 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. Significant Event in the first quarter 2021

As of 1st Quarter of 2021, 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 2021

1. Catalog of Passenger Goods

No.	Description	Unit	Planning 2021	Q1			Compare (%)	Up/Down (%)	
				2021	2020	2019			
<i>n</i>	<i>B</i>	<i>n</i>	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,056,014</u>	<u>1,043,314</u>	<u>930,023</u>	<u>906,493</u>	25.72%	+12.18%	+2.60%
	A- Container Throughput	-	<u>2,304,440</u>	<u>490,442</u>	<u>492,789</u>	<u>441,904</u>	21.28%	-0.48%	+11.51%
	- Imported Container Cargo	-	1,497,886	280,733	303,778	275,692			
	- Exported Container Cargo	-	806,554	209,709	189,011	166,212			
	B - Mobile General Cargo Handling	-	<u>885,868</u>	<u>269,385</u>	<u>214,808</u>	<u>203,751</u>	30.41%	+25.41%	+5.43%
	- Inside Port	-	70,869	16,479	11,153	15,327			
	- Inside Port	-	814,999	252,906	203,655	188,424			
	C - Imported Oil & Gas	-	<u>865,706</u>	<u>283,487</u>	<u>222,426</u>	<u>260,837</u>	32.75%	+27.45%	-14.73%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>321,066</u>	<u>78,111</u>	<u>74,333</u>	<u>59,215</u>	24.33%	+5.08%	+25.53%
	- Laden Cargo	-	234,378	59,334	51,951	41,056			
	- Empty Cargo	-	86,688	18,777	22,382	18,159			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,190,308</u>	<u>759,827</u>	<u>707,597</u>	<u>645,655</u>	23.82%	+7.38%	+9.59%
	- General Cargo	-	885,868	269,385	214,808	203,751			
	- Container Throughput (Ton)	-	2,304,440	490,442	492,789	441,904			
III	<u>Number of Cargo Vessel</u>	<u>Voyage</u>	<u>2,409</u>	<u>610</u>	<u>625</u>	<u>548</u>	25.32%	-2.40%	+14.05%
	- Foreign Vessels and Barge	-	1,802	445	474	343			
	- Cambodian Vessels and Barge	-	10	0	-	16			

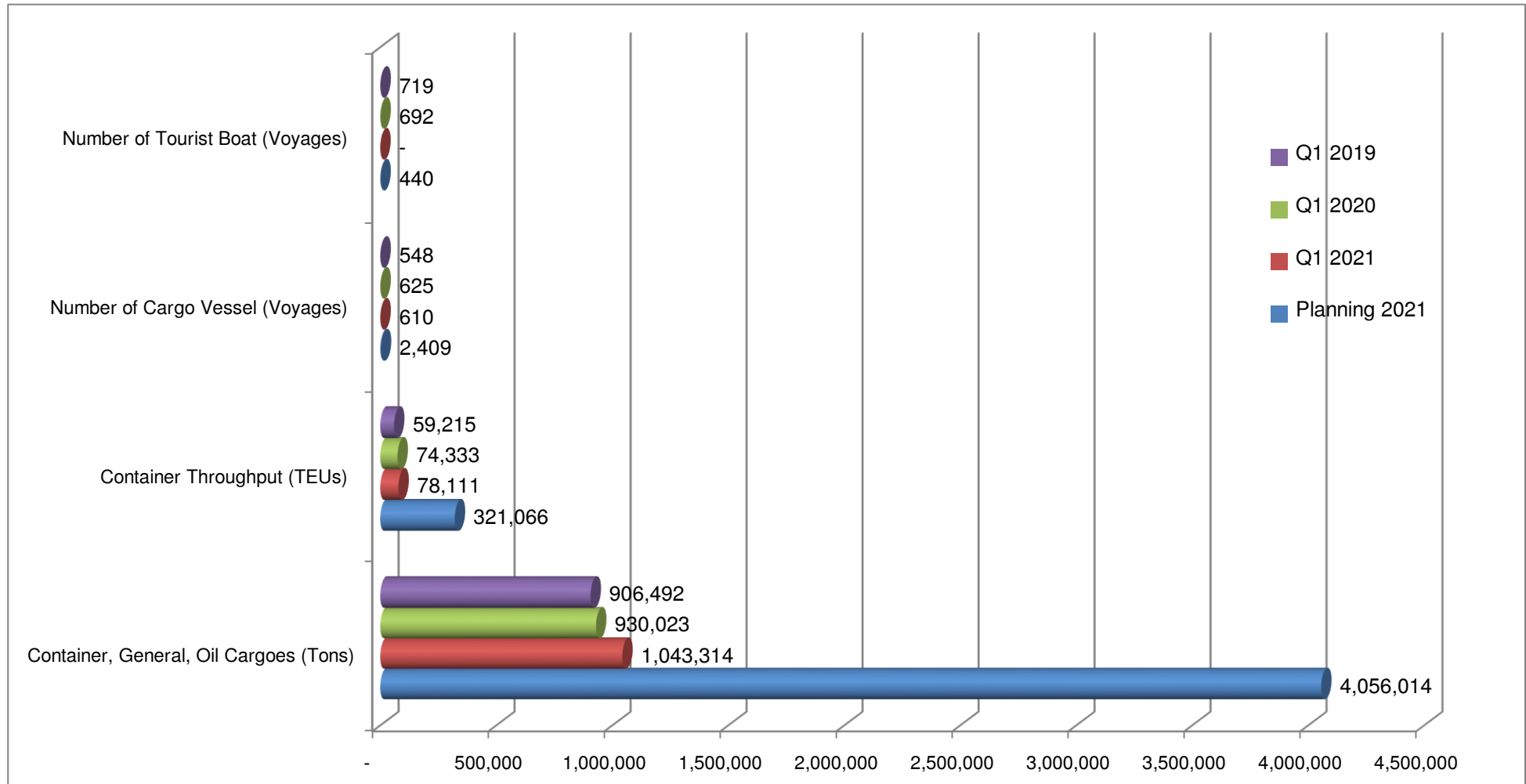
	- Oil Vessels and Tanker	-	597	165	151	189			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Voyage</u>	<u>1,898</u>	<u>432</u>	<u>570</u>	<u>444</u>	22.76%	-24.21%	+28.38%
	- PhnomPenh-SeimReap-PhnomPenh	-	10	0	-	-			
	- Vessels in Town	-	1,888	432	570	444			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>10,508</u>	<u>5,585</u>	<u>1,922</u>	<u>2,867</u>	53.15%	+190.58%	-32.96%
	- PhnomPenh-SeimReap-PhnomPenh	-	200	0	-	-			
	- Vessels in Town	-	10,308	5,585	1,922	2,867			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>440</u>	<u>-</u>	<u>692</u>	<u>719</u>	0.00%	-100.00%	-3.76%
	- PhnomPenh-ChovDok-PhnomPenh	-	264	-	440	450			
	- Cruise Boat	-	176	0	252	269			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>14,667</u>	<u>-</u>	<u>18,334</u>	<u>19,615</u>	0.00%	-100.00%	-6.53%
	- PhnomPenh-ChovDok-PhnomPenh	-	6,881	-	8,601	7,077			
	- Tourist on Cruise Boat	-	7,786	-	9,733	12,538			

Source: Department of Planning/Marketing

-  Cargo-fuel and gas throughput in Q1 2021: 1,043,314 Tons, increased by 12.18% compared to Q1 2020 (930,023 Tons). For Q1 2021, PPAP has accomplished 25.72% compared to planning 2020 (4,056,014 Tons)
-  Cargo vessels throughput in Q1 2021: 610 Voyages, decreased by 2.40% compared to Q1 2020 (625 Voyages). For Q1 2021, PPAP has accomplished 25.32% compared to planning 2020 (2,409 Voyages)
-  International passengers and tourist cruises throughput via Cambodia-Vietnam in Q1 2021: 0 Voyages, decreased by 100.00% compared to Q1 2020 (692 Voyages). For Q1 2021, PPAP has accomplished 0.00% compared to planning 2020 (440 Voyages)

- 🇰🇲 Containers throughput in Q1 2021: 78,111 TEUs, increased by 5.08% compared to Q1 2020 (74,333 TEUs). For Q1 2021, PPAP has accomplished 24.33% compared to planning 2020 (321,066 TEUs)
- 🇰🇲 The number of international passengers and tourists throughput via Cambodia-Vietnam in Q1 2021: 0 Passengers, decreased by 100.00% compared to Q1 2020 (18,334 Passengers). For Q1 2021, PPAP has accomplished 0.00% compared to planning 2020 (14,667 Passengers).

 **Graphs on performance comparisons of the first quarter of 2021 - 2020 - 2019 and 2021 planning**



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

❖ **Hydrographic Work**

- 🇰🇲 In the First Quarter of 2021, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 182,625 cubic meters.
- 🇰🇲 Having dredging at Sdao Canal with total amount of 45,755 cubic meters, accomplished by 15.25% compared to planning 2021.
- 🇰🇲 Having dredging at Koh Rokar canal for phase 1, phase2, phase 3, located at Koh Rokar village, Peam Chor district, Prey Veng province with the total amount of 37,470 cubic meters for the first quarter 2021.

❖ **The construction of port infrastructure**

- 🇰🇲 The project of Port infrastructure expansion for Phase III, Step I is 100% completed.
- 🇰🇲 The construction of 12m x 149m quay, 8m x 32m access bridge, 9m x 10m foundation of FCC for 2 units, a 5mx5m Dolphin, Asphalt Concrete Road and 35meter height Electrical Lamp Post for 2 poles at Container Terminal Lm17 is 82,33% completed.
- 🇰🇲 The construction of 21m x 30m, 10m heigh new gate and Asphalt Concrete road at Container Terminal LM17 is 98% completed.
- 🇰🇲 The construction of 605m Height 3,4m wired fence and 37m wired sliding door around 3ha New ICD at Container Terminal Lm17 is 85% completed.
- 🇰🇲 The construction of 16m x 45m dormitory at Constainer Terminal LM17 is 35,68% completed.
- 🇰🇲 The project of electricity network connection for CY phase II and III is 51.83% completed.
- 🇰🇲 The Project of installing 8 electricity lamp posts, a 421m drainage system, a 3m x 2m drainage wall for 2 locations at new ICD of Container Terminal LM17 is 65% completed.
- 🇰🇲 The installation of 18 set of Foundation and Sola Lamp pole with 10m heigh from the Gate to CY parking at Container Terminal LM17 is 100% completed.
- 🇰🇲 The project of eletricity connection for New Gate is 100% completed.
- 🇰🇲 The construction of 12m x 1,150m and 12m x 470m crushed stone road, 40mx120m and 50m x 26m crushed stone yard at Koh Roka Multi-puirpose terminal is 46% completed.
- 🇰🇲 The construction of 3 trestle bridges and poontoons (15m x 42m, heigh 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal accomplished 65% compare to the project.

❖ **Purchase/installation of machinery or new equipment**

- 🇰🇲 The Project of Installing IT equipments and network connection is 10% completed.

B- Revenue Structure

Source of Revenue	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		1 st Quarter for the Period Ended 31 March 2019	
	KHR'000	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	Compared to total revenue
Stevedoring	12,814,531	44.06%	11,307,826	39.80%	10,002,225	42.53%
Lift On Lift Off (LOLO)	10,531,936	36.21%	9,934,332	34.97%	7,993,220	33.99%
Port dues and charges	3,591,752	12.35%	4,585,170	16.14%	4,027,512	17.13%
Gate fees	765,044	2.63%	724,639	2.55%	879,421	3.74%
Storage fees	606,593	2.09%	1,059,111	3.73%	584,624	2.49%
Sand dredging management fee	-	0.00%	446,874	1.57%	-	0.00%
Trucking fee	388,946	1.34%	250,571	0.88%	9,734	0.04%
Weighting fee	8,605	0.03%	1,089	0.00%	1,210	0.01%
Stuffing/Unstuffing	61,494	0.21%	37,398	0.13%	18,428	0.08%
Logistic services	314,775	1.08%	64,011	0.23%	-	0.00%
Total:	29,083,676	100.00%	28,411,021	100.00%	23,516,374	100.00%

PART3

**Financial Statements Reviewed by
the 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 2021**

Registration No:
Co.7175 Et/2004

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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Registration No:
Co.7175 Et/2004

1

**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 2021, 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”) are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. *LA*

For and on behalf of the board of Directors *LA*



Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: *10 May 2021*

Qw
Ms. Chheav Vanthea
Head of Accounting/Finance
Department

**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 2021, 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: 10 May 2021

BDO (Cambodia) Limited, Certified Public Accountants, a Cambodian limited liability company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	Unaudited 31 March 2021		Audited 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	90,177,423	364,767,676	88,829,863	359,316,796
Right-of-use assets	5	3,736,391	15,113,702	-	-
Investment properties	6	84,671,231	342,495,129	84,687,000	342,558,915
Lease receivables	5	4,307,054	17,422,033	4,310,477	17,435,879
Other receivable	7	67,585	273,381	64,986	262,868
Deferred tax assets	8	646,407	2,614,716	439,991	1,779,764
		<u>183,606,091</u>	<u>742,686,637</u>	<u>178,332,317</u>	<u>721,354,222</u>
Current assets					
Trade and other receivables	7	10,827,499	43,797,233	10,724,673	43,381,302
Lease receivables	5	13,493	54,579	13,362	54,049
Cash and bank balances	9	17,438,233	70,537,652	17,683,841	71,531,137
		<u>28,279,225</u>	<u>114,389,464</u>	<u>28,421,876</u>	<u>114,966,488</u>
TOTAL ASSETS		<u>211,885,316</u>	<u>857,076,101</u>	<u>206,754,193</u>	<u>836,320,710</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	45,861,380	185,509,281	36,539,606	147,802,705
Retained earnings		3,441,431	13,920,588	10,079,232	41,103,110
Currency translation difference		-	5,157,405	-	4,824,788
TOTAL EQUITY		<u>163,911,798</u>	<u>663,023,222</u>	<u>161,227,825</u>	<u>652,166,551</u>
LIABILITIES					
Non-current liabilities					
Other payable	13	33,793	136,693	32,493	131,434
Borrowings	14	20,699,741	83,730,452	20,699,741	83,730,452
Provision for retirement benefits	15	641,761	2,595,923	616,422	2,493,429
Lease liabilities	5	6,670,632	26,982,706	2,873,650	11,623,914
Contract liabilities	16	13,875,000	56,124,375	13,950,000	56,427,750
		<u>41,920,927</u>	<u>169,570,149</u>	<u>38,172,306</u>	<u>154,406,979</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021 (continued)

	Note	Unaudited 31 March 2021		Audited 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	13	4,151,029	16,790,912	3,055,400	12,359,092
Borrowings	14	1,034,987	4,186,522	2,069,974	8,373,045
Lease liabilities	5	8,997	36,393	8,909	36,037
Contract liabilities	16	300,000	1,213,500	300,000	1,213,500
Current tax liabilities		557,578	2,255,403	1,919,779	7,765,506
		<u>6,052,591</u>	<u>24,482,730</u>	<u>7,354,062</u>	<u>29,747,180</u>
TOTAL LIABILITIES		<u>47,973,518</u>	<u>194,052,879</u>	<u>45,526,368</u>	<u>184,154,159</u>
TOTAL EQUITY AND LIABILITIES		<u>211,885,316</u>	<u>857,076,101</u>	<u>206,754,193</u>	<u>836,320,710</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2020 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 2021

	Note	Three-month period ended			
		Unaudited		Unaudited	
		31 March 2021 ⁽¹⁾		31 March 2020 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Revenue	18	7,165,232	29,083,676	6,989,181	28,411,021
Cost of services	19	(2,244,724)	(9,111,335)	(2,118,060)	(8,609,914)
Gross profit		4,920,508	19,972,341	4,871,121	19,801,107
Other income	20	952,810	3,867,454	614,696	2,498,739
General and administrative expenses	21	(1,678,494)	(6,813,011)	(2,046,687)	(8,319,783)
Operating profit		4,194,824	17,026,784	3,439,130	13,980,063
Finance costs	22	(280,951)	(1,140,380)	(276,912)	(1,125,647)
Profit before tax		3,913,873	15,886,404	3,162,218	12,854,416
Taxation	23	(472,032)	(1,915,978)	(720,516)	(2,928,898)
Profit for the financial period		3,441,841	13,970,426	2,441,702	9,925,518
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		(410)	(1,663)	5,906	24,008
Total comprehensive income for the financial period		3,441,431	13,968,763	2,447,608	9,949,526
Earnings per share					
Basic	24	0.17	0.68	0.12	0.48
Diluted	24	0.17	0.68	0.12	0.48

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 2020 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 CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021	114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial period	-	-	-	3,441,841	-	3,441,841
Actuarial loss on retirement benefit obligation	-	-	-	(410)	-	(410)
Total comprehensive income for the financial period	-	-	-	3,441,431	-	3,441,431
Transactions with owners						
Transfer to reserves	12	-	9,321,774	(9,321,774)	-	-
Dividends	25	-	-	(757,458)	-	(757,458)
Total transactions with owners	-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 31 March 2021⁽¹⁾	114,453,485	155,502	45,861,380	3,441,431	-	163,911,798
<i>(KHR '000 equivalent)</i>	<i>457,813,940</i>	<i>622,008</i>	<i>185,509,281</i>	<i>13,968,763</i>	<i>5,157,405</i>	<i>663,071,397</i>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (continued)

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 year	-	-	-	9,860,875	-	9,860,875
Actuarial gain on retirement benefit obligation	-	-	-	218,357	-	218,357
Total comprehensive income	-	-	-	10,079,232	-	10,079,232
Transactions with owners						
Transfer to reserves	12	-	10,888,187	(10,888,187)	-	-
Dividends	-	-	-	(753,737)	-	(753,737)
Total transactions with owners	-	-	10,888,187	(11,641,924)	-	(753,737)
Balance as at 31 December 2020⁽²⁾	114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
<i>(KHR '000 equivalent)</i>	<i>457,813,940</i>	<i>622,008</i>	<i>147,802,705</i>	<i>41,103,110</i>	<i>4,824,788</i>	<i>663,023,222</i>

Notes:

(1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021

	Note	Unaudited			
		Three-month period ended		31 March 2020 ⁽²⁾	
		31 March 2021 ⁽¹⁾		31 March 2020 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		3,913,873	15,886,404	3,162,218	12,854,416
Adjustments for:					
Depreciation of property, plant and equipment	4	732,698	2,974,021	615,456	2,501,829
Depreciation of investment properties	6	15,769	64,006	16,113	65,499
Depreciation of right-of-use assets		25,133	102,015	-	-
Finance costs		279,651	1,135,103	276,912	1,125,647
Interest income		(333,943)	(1,355,474)	(325,033)	(1,321,259)
Investment property written off		-	-	103,726	421,646
Loss on disposal of property, plant and equipment		-	-	62,237	252,993
Net of unwinding effect of long term deposit		(1,299)	(5,273)	-	-
Property, plant and equipment written off		-	-	125,901	511,788
Retirement benefit obligation expenses (Reversal of impairment)/Impairment loss on receivables	15	25,600	103,910	27,392	111,348
Unrealised loss on foreign exchange		(344,700)	(1,399,137)	47,890	194,673
		-	-	285	1,159
Operating profit before changes in working capital		4,312,782	17,505,575	4,113,097	16,719,739
Changes in working capital					
Trade and other receivables		259,199	1,052,088	(468,868)	(1,905,948)
Trade and other payables		615,549	2,498,514	(955,543)	(3,884,282)
Contract liabilities		(75,000)	(304,425)	(75,000)	(304,875)
Cash generated from operations		5,112,530	20,751,752	2,613,686	10,624,634
Tax paid		(2,040,649)	(8,282,994)	(2,308,375)	(9,383,544)
Retirement benefit obligation paid	15	(4,735)	(19,219)	(593)	(2,411)
Net cash from operating activities		3,067,146	12,449,539	304,718	1,238,679
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(2,080,258)	(8,443,767)	(3,953,208)	(16,069,791)
Interest received		273,391	1,109,694	241,436	981,437
Net cash used in investing activities		(1,806,867)	(7,334,073)	(3,711,772)	(15,088,354)

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021 (continued)

Note	Unaudited Three-month period ended				
	31 March 2021 ⁽¹⁾		31 March 2020 ⁽²⁾		
	US\$	KHR'000	US\$	KHR'000	
Cash flows from financing activities					
Interest paid	(455,394)	(1,848,444)	(503,765)	(2,047,805)	
Payment for lease liabilities	(15,506)	(62,939)	(15,505)	(63,028)	
Repayments of borrowings	(1,034,987)	(4,201,012)	(1,034,987)	(4,207,222)	
Net cash used in financing activities	(1,505,887)	(6,112,395)	(1,554,257)	(6,318,055)	
Net decrease in cash and cash equivalents					
	(245,608)	(996,929)	(4,961,311)	(20,167,730)	
Cash and cash equivalents at beginning of financial period	2,683,841	10,856,137	9,784,908	39,873,500	
Currency translation differences	-	3,444	-	(73,731)	
Cash and cash equivalents at end of financial period	9	2,438,233	9,862,652	4,823,597	19,632,039

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 2020 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 2021	US\$1 =	KHR4,045	KHR4,059
31 December 2020	US\$1 =	KHR4,045	KHR4,078
31 March 2020	US\$1 =	KHR4,070	KHR4,065

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 10 May 2021.

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 bussiness 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 2020 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 the PPAP since the financial year ended 31 December 2020.

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 2020 except for the adoption of the following amendments:

	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)	1 January 2021
Amendment to CIFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>	1 April 2021 (early adopted)

Interest Rate Benchmark Reform - Phase 2 (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)

The changes in *Interest Rate Benchmark Reform — Phase 2* (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16) refer to the replacement of interest reference rates, such as London Inter-Bank Offered Rate (“LIBOR”) and Euro Inter-Bank Offered Rate (“EURIBOR”) with alternative benchmark rates. These amendments follow on from the first phase of reliefs relating to Inter-Bank Offered Rate (“IBOR”) Reform issued in September 2019.

IBOR Reform brings about several potentially significant implications for entities reporting under CIFRS both during the period of uncertainty prior to IBOR being replaced (pre-replacement issues), as well as at the time IBOR is replaced (replacement issues). The first phase of amendments focused solely on pre-replacement issues that relate to hedge accounting requirements. The second phase of reliefs focuses on replacement issues in relation to hedge accounting and other areas of accounting.

Amendment to CIFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021

The changes in *Covid-19-Related Rent Concessions beyond 30 June 2021* amend CIFRS 16 to:

- Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (previously only payments originally due on or before 30 June 2021);
- Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- Provide that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of CIAS 8.

3. BASIS OF PREPARATION (continued)

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

	Effective Date
Annual Improvements to CIFRS Standards 2018 – 2020	1 January 2022
Amendments to CIFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to CIAS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to CIAS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
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:

Annual Improvements to CIFRS Standards 2018 – 2020

The annual improvement amend the following standards:

- CIFRS 1 *First-time Adoption of International Financial Reporting Standards* to permit a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs.
- CIFRS 9 *Financial Instruments* to clarify the fees included in the "10 per cent" test in paragraph B3.3.6 of CIFRS 9 in assessing whether to derecognise a financial liability, explaining that only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf are included.
- CIFRS 16 *Leases* to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.
- CIAS 41 *Agriculture* to remove the requirement to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Amendments to CIFRS 3 *Reference to the Conceptual Framework*

Amendments are made to various accounting standards to reflect the issue of the revised *Conceptual Framework for Financial Reporting* and apply to for-profit sector entities that have public accountability and are required by legislation to comply with CIFRSs and other for-profit entities that elect to apply the *Conceptual Framework*, for annual reporting periods beginning on or after 1 January 2020.

Amendments to CIAS 16 *Property, Plant and Equipment - Proceeds before Intended Use*

The amendments to CIAS16 *Property, Plant and Equipment* prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

3. BASIS OF PREPARATION (continued)

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

Amendments to CIAS 37 *Onerous Contracts - Cost of Fulfilling a Contract*

The amendments to CIAS 37 *Provisions, Contingent Liabilities and Contingent Assets* to specify that the “cost of fulfilling” a contract comprises the “costs that relate directly to the contract”. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (e.g. direct labour and materials) or an allocation of other costs that relate directly to fulfilling contracts (e.g. the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Amendments to CIAS 1 *Classification of Liabilities as Current or Non-current*

CIAS 1 *Presentation of Financial Statements* has been amended to:

- Clarify that the classification of liabilities as current or non-current is based on rights that in existence at the end of the reporting period;
- Specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
- Explain that rights are in existence if covenants are complied with at the end of the reporting period; and
- Introduce a definition of “settlement” to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

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.

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 17 *Insurance Contracts*

The amendments to CIFRS 17 *Insurance Contracts* defer the effective date from annual periods beginning on or after 1 January 2021 to 1 January 2023. For entities that have elected to defer CIFRS 9 *Financial Instruments*, the mandatory effective date has also been deferred until 1 January 2023.

3. BASIS OF PREPARATION (continued)

Amendments to CIFRS 17 Insurance Contracts (continued)

The IASB has amended CIFRS 17 to:

- Reduce costs (some requirements have been simplified to reduce costs such as systems development costs);
- Make results easier to explain; and
- Ease transition (the deferred application date gives insurers more time to prepare for first-time adoption of CIFRS 17 and in some cases, CIFRS 9 as well, and also provides more transition reliefs to reduce complexity of applying CIFRS 17 for the first time).

Amendments to CIFRS 4 Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9

CIFRS 4 was amended to require insurers applying the temporary exemption from CIFRS 9 (i.e. those insurers that continue to apply CIAS 39) to apply the same practical expedient as those entities applying CIFRS 9.

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 2021	31 December 2020
	US\$	US\$
Cost		
Balance at the beginning of financial period/year	110,226,053	96,414,691
Additions	2,080,258	14,132,798
Disposals	-	(195,535)
Written-off	-	(125,901)
	<u>112,306,311</u>	<u>110,226,053</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	21,396,190	18,846,135
Depreciation for financial period/year	732,698	2,683,353
Disposals	-	(133,298)
	<u>22,128,888</u>	<u>21,396,190</u>
Carrying amounts		
Balance at the end of financial period/year	<u>90,177,423</u>	<u>88,829,863</u>
<i>(KHR'000 equivalent)</i>	<u><i>364,767,676</i></u>	<u><i>359,316,796</i></u>

5. LEASES

Right-of-use assets and lease liabilities are in respect of a 40 year lease of land from Green Trade Co., Ltd.

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.

6. INVESTMENT PROPERTIES

	Unaudited	Audited
	31 March 2021	31 December 2020
	US\$	US\$
Cost		
Balance at the beginning of financial period/year	85,186,015	85,318,810
Disposals	-	(132,795)
Balance at the end of financial period/year	<u>85,186,015</u>	<u>85,186,015</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	499,015	464,664
Depreciation for financial period/year	15,769	63,420
Disposals	-	(29,069)
Balance at the end of financial period/year	<u>514,784</u>	<u>499,015</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,671,231</u>	<u>84,687,000</u>
<i>(KHR'000 equivalent)</i>	<u><i>342,495,129</i></u>	<u><i>342,558,915</i></u>

7. TRADE AND OTHER RECEIVABLES

	Unaudited		Audited	
	31 March 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	67,585	273,381	64,986	262,868
Current				
Trade receivables				
Third parties	4,276,882	17,299,988	4,090,938	16,547,844
Less: Impairment loss				
- Third parties	(527,401)	(2,133,337)	(872,101)	(3,527,648)
	<u>3,749,481</u>	<u>15,166,651</u>	<u>3,218,837</u>	<u>13,020,196</u>
Other receivables				
Third parties	6,072,067	24,561,511	6,499,817	26,291,760
Advances	82,625	334,218	83,753	338,781
Deposits	149,870	606,224	208,870	844,879
Other receivables	315,247	1,275,174	267,756	1,083,073
	<u>6,619,809</u>	<u>26,777,127</u>	<u>7,060,196</u>	<u>28,558,493</u>
Total receivables	<u>10,369,290</u>	<u>41,943,778</u>	<u>10,279,033</u>	<u>41,578,687</u>
Prepayments	458,209	1,853,455	445,640	1,802,614
	<u>10,827,499</u>	<u>43,797,233</u>	<u>10,724,673</u>	<u>43,381,302</u>

8. DEFERRED TAX

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

	At 1 January 2021 US\$	Recognised in profit or loss US\$	At 31 March 2021 US\$ (Unaudited)
Property, plant and equipment	(2,702,959)	350,780	(2,352,179)
Retirement benefit obligation	108,359	3,787	112,146
Deferred income	2,850,000	(75,000)	2,775,000
Impairment loss on receivables	174,420	(68,940)	105,480
Unrealised exchange differences	10,171	(4,211)	5,960
	<u>439,991</u>	<u>206,416</u>	<u>646,407</u>
<i>(KHR'000 equivalent)</i>			<u>2,614,716</u>

	At 1 January 2020 US\$	Recognised in profit or loss US\$	At 31 December 2020 US\$ (Audited)
Property, plant and equipment	(2,265,028)	(437,931)	(2,702,959)
Retirement benefit obligation	122,685	(14,326)	108,359
Deferred income	2,916,202	(66,202)	2,850,000
Impairment loss on receivables	102,973	71,447	174,420
Unrealised exchange differences	1,632	8,539	10,171
	<u>878,464</u>	<u>(438,473)</u>	<u>439,991</u>
<i>(KHR'000 equivalent)</i>			<u>1,779,764</u>

9. CASH AND BANK BALANCES

	Unaudited 31 March 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	4,331	17,518	3,807	15,399
Cash at banks	2,433,902	9,845,134	2,680,034	10,840,738
Fixed deposits	15,000,000	60,675,000	15,000,000	60,675,000
As stated in statement of financial position	17,438,233	70,537,652	17,683,841	71,531,137
Less:				
Deposits (maturity more than three months)	<u>(15,000,000)</u>	<u>(60,675,000)</u>	<u>(15,000,000)</u>	<u>(60,675,000)</u>
As stated in statement of cash flows	<u>2,438,233</u>	<u>9,862,652</u>	<u>2,683,841</u>	<u>10,856,137</u>

10. SHARE CAPITAL

	Unaudited 31 March 2021		Audited 31 December 2020	
	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 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	493,044	493,044	8,335,686	9,321,774
As at 31 March 2021 (Unaudited)	2,539,054	2,539,054	40,783,272	45,861,380
<i>(KHR'000 equivalent)</i>	<u>10,270,473</u>	<u>10,270,473</u>	<u>164,968,335</u>	<u>185,509,281</u>
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	577,570	577,570	9,733,047	10,888,187
As at 31 December 2020 (Audited)	2,046,010	2,046,010	32,447,586	36,539,606
<i>(KHR'000 equivalent)</i>	<u>8,276,110</u>	<u>8,276,110</u>	<u>131,250,485</u>	<u>147,802,705</u>

12. RESERVES (continued)

On 18 March 2021, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$9,321,774.

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		Audited	
	31 March 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	33,793	136,693	32,493	131,434
Current				
Trade payables				
Third parties	468,587	1,895,434	282,631	1,143,242
Other payables				
Interest payable	94,184	380,974	336,486	1,361,086
Deposits	381,593	1,543,544	384,782	1,556,443
Dividend payable	757,458	3,063,918	-	-
Guaranteed dividends payable	261,814	1,059,038	261,814	1,059,038
Other tax payables	253,384	1,024,938	78,396	317,112
Other payables	1,934,009	7,823,066	1,711,291	6,922,171
	3,682,442	14,895,478	2,772,769	11,215,850
	4,151,029	16,790,912	3,055,400	12,359,092

14. BORROWINGS

	Unaudited		Audited	
	31 March 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPNCTP”) or Phnom Penh Port LM17				
	20,699,741	83,730,452	20,699,741	83,730,452
Current				
PPNCTP or Phnom Penh Port LM17				
	1,034,987	4,186,522	2,069,974	8,373,045
	21,734,728	87,916,974	22,769,715	92,103,497

PPNCTP 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”).

14. BORROWINGS (continued)

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 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	560,728	2,268,145	541,795	2,191,561
Fair value of plan asset	-	-	-	-
	<u>560,728</u>	<u>2,268,145</u>	<u>541,795</u>	<u>2,191,561</u>
Other benefits				
National Social Security Funds	81,033	327,778	74,627	301,868
Liability recognised in statement of financial position	<u>641,761</u>	<u>2,595,923</u>	<u>616,422</u>	<u>2,493,429</u>

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

	Unaudited		Audited	
	31 March 2021		31 December 2020	
	US\$		US\$	
Balance at 1 January		541,795		613,427
Current service costs		9,597		47,813
Interest costs		9,597		35,910
Benefits paid		(4,735)		(28,232)
Re-measurement		4,474		(127,123)
Balance at 31 March/31 December		<u>560,728</u>		<u>541,795</u>
<i>(KHR'000 equivalent)</i>		<u>2,268,145</u>		<u>2,191,561</u>

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

	Unaudited		Audited	
	31 March 2021		31 December 2020	
	US\$		US\$	
Balance at 1 January		74,627		49,088
Additional expenses		6,406		25,539
Balance at 31 March/31 December		<u>81,033</u>		<u>74,627</u>
<i>(KHR'000 equivalent)</i>		<u>327,778</u>		<u>301,868</u>

15. PROVISION FOR RETIREMENT BENEFITS (continued)

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 2021		Unaudited 31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	9,597	38,954	11,977	48,746
Interest costs	9,597	38,954	8,995	36,610
Other benefits				
Additional expenses	6,406	26,002	6,420	26,129
	<u>25,600</u>	<u>103,910</u>	<u>27,392</u>	<u>111,485</u>

16. CONTRACT LIABILITIES

	Unaudited 31 March 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,875,000</u>	<u>56,124,375</u>	<u>13,950,000</u>	<u>56,427,750</u>
Current				
Deferred income	<u>300,000</u>	<u>1,213,500</u>	<u>300,000</u>	<u>1,213,500</u>

17. CAPITAL COMMITMENTS

	Unaudited 31 March 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	<u>5,820,395</u>	<u>23,543,499</u>	<u>8,198,352</u>	<u>33,162,334</u>

18. REVENUE

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	3,157,066	12,814,531	2,781,753	11,307,826
Lift On Lift Off (“LOLO”)	2,594,712	10,531,936	2,443,870	9,934,332
Port dues and charges	884,886	3,591,752	1,127,963	4,585,170
Gate fees	188,481	765,044	178,263	724,639
Storage fees	149,444	606,593	260,544	1,059,111
Weighting fee	2,120	8,605	268	1,089
Stuffing/Unstuffing	15,150	61,494	9,200	37,398
Sand dredging management fee	-	-	109,932	446,874
Trucking fee	95,823	388,946	61,641	250,571
Logistic services	77,550	314,775	15,747	64,011
	<u>7,165,232</u>	<u>29,083,676</u>	<u>6,989,181</u>	<u>28,411,021</u>

19. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	536,578	2,177,970	616,478	2,505,983
Depreciation	597,420	2,424,928	527,550	2,144,491
Fuel and gasoline	228,360	926,913	303,354	1,233,134
Salaries and wages	414,204	1,681,254	397,483	1,615,768
Maintenance costs	361,712	1,468,189	184,778	751,122
Repair and maintenance container fee	-	-	224	911
Logistic costs	66,560	270,167	16,132	65,577
Others	39,890	161,914	72,061	292,928
	<u>2,244,724</u>	<u>9,111,335</u>	<u>2,118,060</u>	<u>8,609,914</u>

20. OTHER INCOME

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	228,141	926,024	264,655	1,075,823
Interest income from:				
- deposits with financial institutions	290,716	1,180,016	281,676	1,145,013
- lease receivables	43,227	175,458	43,357	176,246
Unwinding effect of long term deposit	2,599	10,549	-	-
Reversal of impairment loss on receivables	344,700	1,399,137	-	-
Others	43,427	176,270	25,008	101,657
	<u>952,810</u>	<u>3,867,454</u>	<u>614,696</u>	<u>2,498,739</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	965,903	3,920,602	961,460	3,908,335
Utilities and fuel	119,421	484,730	111,328	452,548
Depreciation	176,180	715,115	104,019	422,837
Board of Directors' fees	62,084	251,999	70,931	288,335
Donation	38,657	156,909	40,755	165,669
Office supplies	37,221	151,080	52,264	212,453
Business entertainment	28,658	116,323	41,036	166,811
Repair and maintenance	23,603	95,805	38,334	155,828
Communication expenses	15,026	60,991	15,524	63,105
Professional fees	7,494	30,418	9,921	40,329
Travelling expenses	14,418	58,523	13,644	55,463
Other tax expenses	176,590	716,779	193,255	785,582
Loss on disposal of property, plant and equipment	-	-	163,699	665,436
Impairment loss on receivables	-	-	47,890	194,673
Other expenses	13,239	53,737	182,627	742,379
	<u>1,678,494</u>	<u>6,813,011</u>	<u>2,046,687</u>	<u>8,319,783</u>

22. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	213,092	864,941	238,038	967,624
- lease liabilities	66,559	270,162	28,904	117,495
Unwinding effect of:				
- long term deposit	1,300	5,277	-	-
- guaranteed dividend	-	-	9,970	40,528
	<u>280,951</u>	<u>1,140,380</u>	<u>276,912</u>	<u>1,125,647</u>

23. TAXATION

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	648,293	2,631,421	645,882	2,625,510
Under provision in prior year	30,155	122,399	33,854	137,617
	<u>678,448</u>	<u>2,753,820</u>	<u>679,736</u>	<u>2,763,127</u>
Deferred tax:				
Origination and reversal of temporary differences	(206,416)	(837,842)	40,780	165,771
	<u>(206,416)</u>	<u>(837,842)</u>	<u>40,780</u>	<u>165,771</u>
	<u>472,032</u>	<u>1,915,978</u>	<u>720,516</u>	<u>2,928,898</u>

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2020: 20%) of the taxable profit or a minimum tax at 1% (2020: 1%) of total revenue, whichever is higher.

24. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	3,441,431	13,968,763	2,447,608	9,949,526
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.17	0.68	0.12	0.48
Diluted earnings per share	<u>0.17</u>	<u>0.68</u>	<u>0.12</u>	<u>0.48</u>

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.

25. DIVIDENDS

On 18 March 2021, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2020 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,446 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$679,012 (equivalent to KHR2,750,000,000).

26. RELATED PARTY DISCLOSURES

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

<u>Related parties</u>	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
MEF				
Interest expense	213,092	864,942	241,037	979,815
MEF and MPWT				
Donation and charities	1,231	4,996	5,929	24,101

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	31 March 2021		31 March 2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	62,084	252,001	70,931	288,335

27. 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 (2020: 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.

27. 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.

28. 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.

29. 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.

30. SIGNIFICANT EVENTS DURING THE PERIOD

- (a) The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020.

As at the date of authorisation of the financial statements, the COVID-19 situation is still evolving and unpredictable. Consequently, the Company is unable to estimate the financial effects of COVID-19 pandemic at this juncture. The Company is actively monitoring and managing its operations to minimise any impact arising from the COVID-19 pandemic.

- (b) On 1 January 2021, parcels of land situated at Kilometre No. 6 Commune, Khan Russeykeo and Sihanouk Ville measuring 34,687.29 metre square were handed over to PPAP pursuant to the 40 year lease agreement, which was entered into with Green Trade Co., Ltd. on 15 February 2019.

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 2021 report for further information.*

The container throughput of PPAP in the first quarter 2021 has increased 3,778 TEUs or 5,08% compared to the first quarter 2020. For vessels in the first quarter 2021 decreased by 15 units or 2.40% compared to the first quarter 2021. However, ship (voyage) in the first quarter 2021 has decreased 100% compared to the first quarter 2021. On the other hand, general cargo in first quarter 2021 has also increased 113,291 TONs or 12.18 % compared to first quarter 2021.

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 2021 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 2021 compared to first quarter ended 31 March 2020

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	6,202,796	25,177,149	5,735,539	23,314,966	467,257	8.15%	1,862,183	7.99%
Port authority	884,886	3,591,752	1,127,963	4,585,170	(243,077)	-21.55%	(993,418)	-21.67%
Other revenue	77,550	314,775	125,679	510,885	(48,129)	-38.30%	(196,110)	-38.39%
Total:	7,165,232	29,083,676	6,989,181	28,411,021	176,051	2.52%	672,655	2.37%

Total revenue increased by KHR 672,655,000 (USD 176,051) or 2.37% from KHR 28,411,021,000 (USD 6,989,181) in the first quarter 2020 to KHR 29,083,676,000 (USD 7,165,232) in the first quarter 2021. 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 2021 compared to first quarter ended 31 March 2020

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	12,814,531	44.06%	11,307,826	39.80%
Lift On Lift Off (LOLO)	10,531,936	36.21%	9,934,332	34.97%

Port dues and charges	3,591,752	12.35%	4,585,170	16.14%
Gate fees	765,044	2.63%	724,639	2.55%
Storage fees	606,593	2.09%	1,059,111	3.73%
Sand dredging management fee	-	0.00%	446,874	1.57%
Trucking fee	388,946	1.34%	250,571	0.88%
Weighting fee	8,605	0.03%	1,089	0.00%
Stuffing/Unstuffing	61,494	0.21%	37,398	0.13%
Logistic services	314,775	1.08%	64,011	0.23%
Total:	29,083,676	100.00%	28,411,021	100%

For the first quarter 2021 as well as the first quarter 2020, PPAP has increased in 3 main revenue which represent 93% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the first quarter ended 31 March 2021 compared to first quarter ended 31 March 2020

For the first quarter 2021, 3 main revenue has increased KHR 1,110,891,000 (USD 283,078) or 4.30% compared to the first quarter 2020.

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	3,157,066	12,814,531	2,781,753	11,307,826	375,313	13.49%	1,506,705	13.32%
Lift On Lift Off (LOLO)	2,594,712	10,531,936	2,443,870	9,934,332	150,842	6.17%	597,604	6.02%
Port dues and charges	884,886	3,591,752	1,127,963	4,585,170	(243,077)	-21.55%	(993,418)	-21.67%

2. Gross profit margin analysis

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

For the first quarter ended 31 March 2021 compared to first quarter ended 31 March 2020

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	7,165,232	29,083,676	6,989,181	28,411,021	176,051	2.52%	672,655	2.37%
Cost of Service								
Depreciation	597,420	2,424,928	527,550	2,144,491	69,870	13.24%	280,437	13.08%
Crane charge	536,578	2,177,970	616,478	2,505,983	(79,900)	-12.96%	(328,013)	-13.09%
Salaries and wage	414,204	1,681,254	397,483	1,615,768	16,721	4.21%	65,486	4.05%
Fuel and gasoline	228,360	926,913	303,354	1,233,134	(74,994)	-24.72%	(306,221)	-24.83%
Maintenance costs	361,712	1,468,189	184,778	751,122	176,934	95.75%	717,067	95.47%
Repair and maintenance container fee`	-	-	224	911	(224)	-100.00%	(911)	-100.00%
Logistic costs	66,560	270,167	16,132	65,577	50,428	312.60%	204,590	311.98%
Others	39,890	161,914	72,061	292,928	(32,171)	-44.64%	(131,014)	-44.73%
Total Cost of Service	2,244,724	9,111,335	2,118,060	8,609,914	126,664	5.98%	501,421	5.82%
Gross profit	<u>4,920,508</u>	<u>19,972,341</u>	<u>4,871,121</u>	<u>19,801,107</u>	<u>49,387</u>	<u>1.01%</u>	<u>171,234</u>	<u>0.86%</u>
Gross Profit Margin	68.67%	68.67%	69.70%	69.70%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 1.03% from 69.70% in the first quarter 2020 to 68.67% in the first quarter 2021. The increase is mainly due to the increase of total revenue by KHR 672,655,000 (USD 176,051) or 2.37%. However, the total Cost of Service for first quarter 2021 increased by KHR

501,421,000 (USD 126,664) or 5.82% compared to the first quarter 2020 due to the slightly increase of Cost of Service from maintenance costs, depreciation, and logistics costs.

3. 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 2021 compared to the first quarter ended 31 March 2020

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	4,920,508	19,972,341	4,871,121	19,801,107	49,387	1.01%	171,234	0.86%
Other income	952,810	3,867,454	614,696	2,498,739	338,114	55.01%	1,368,715	54.78%
General administration and selling expenses								
Salaries and other benefits	965,903	3,920,602	961,460	3,908,335	4,443	0.46%	12,267	0.31%
Donation expenses	38,657	156,909	40,755	165,669	(2,098)	-5.15%	(8,760)	-5.29%
Utilities and fuel	119,421	484,730	111,328	452,548	8,093	7.27%	32,182	7.11%
Depreciation	176,180	715,115	104,019	422,837	72,161	69.37%	292,278	69.12%
Repairs and maintenance	23,603	95,805	38,334	155,828	(14,731)	-38.43%	(60,023)	-38.52%
Business entertainments	28,658	116,323	41,036	166,811	(12,378)	-30.16%	(50,488)	-30.27%
Travelling expenses	14,418	58,523	13,644	55,463	774	5.67%	3,060	5.52%
Professional fee	7,494	30,418	9,921	40,329	(2,427)	-24.46%	(9,911)	-24.58%

Board of Directors' fee	62,084	251,999	70,931	288,335	(8,847)	-12.47%	(36,336)	-12.60%
Office supplies	37,221	151,080	52,264	212,453	(15,043)	-28.78%	(61,373)	-28.89%
Communication expenses	15,026	60,991	15,524	63,105	(498)	-3.21%	(2,114)	-3.35%
Other tax expenses	176,590	716,779	193,255	785,582	(16,665)	-8.62%	(68,803)	-8.76%
Others	13,239	53,737	182,627	742,379	(169,388)	-92.75%	(688,642)	-92.76%
Loss on disposal of property, plant and equipment	-	-	163,699	665,436	(163,699)	-100.00%	(665,436)	-100.00%
Impairment loss on receivable	-	-	47,890	194,673	(47,890)	-100.00%	(194,673)	-100.00%
Total general administration and selling expenses	1,678,494	6,813,011	2,046,687	8,319,783	(368,193)	-17.99%	(1,506,772)	-18.11%
Finance costs	(280,951)	(1,140,380)	(276,912)	(1,125,647)	(4,039)	1.46%	(14,733)	1.31%
Profit before income tax	<u>3,913,873</u>	<u>15,886,404</u>	<u>3,162,218</u>	<u>12,854,416</u>	<u>751,655</u>	<u>23.77%</u>	<u>3,031,988</u>	<u>23.59%</u>

For the first quarter 2021 General and Administrative expenses decreased by KHR 1,506,772,000 (USD 368,193) or 18.11% compared to the first quarter 2020.

4. 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 years (from 2016 to 2018).

For the first quarter ended 31 March 2021 compared to the first quarter ended 31 March 2020

Description	1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	3,913,873	15,886,404	3,162,218	12,854,416	751,655	23.77%	3,031,988	23.59%

Income tax expense (b)	472,032	1,915,978	720,516	2,928,898	(248,484)	-34.49%	(1,012,920)	-34.58%
Net profit for the year	3,441,841	13,970,426	2,441,702	9,925,518	1,000,139	40.96%	4,044,908	40.75%
Other comprehensive income	3,441,431	13,968,763	2,447,608	9,949,526	993,823	40.60%	4,019,237	40.40%
Effective tax rate (b)/(a)	12.06%	12.06%	22.79%	22.79%				

PPAP earn profit after tax KHR 13,970,426,000 (USD 3,441,841) in the first quarter 2021 and KHR 9,925,518,000 (USD 2,441,702) in the first quarter 2020, representing a increase of KHR 4,044,908,000 (USD 1,000,139) or 40.75%. This increase is because of the decrease in general administration expenses KHR 1,506,772,000 (USD 368,193) or 18.11%. The decrease of effective tax rate of 10.73% from 22.79% in the first quarter 2020 to 12.06% in the first quarter 2021, due to the decreased in income tax expense KHR 1,012,920,000 (USD 248,484) or 34.58%.

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 290,875 TEUs annually as at 31st December, 2020. 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				
	2017	2018	2019	2020	Planning 2021
Container Terminal LM17 (TEUs)	184,805	213,571	281,045	290,875	321,066

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 **19.26%** (5.78% from operation staff and 13.48% from administration staff and other benefits) of total revenue in the first quarter 2021 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 7.49% of total revenue in the first quarter 2021. 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%	01/02/2021-31/01/2022
	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).

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 2021, 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 **93%** of the total revenue in the first quarter 2021. 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 machinery in lifting by substitute to electricity 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 2.1% in 2020 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 enterprise 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 2021, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on PPAP's business result reports for 2020
- Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2020 and on resolving cash shortages for current expenditures and investments
- Reviewed and discussed on the dividend distribution plan to Class A and Class B shareholders for 2020
- Reviewed and approved on the arrangement of PPAP's 6th General Shareholders Meeting
- Acknowledged the report on the progress of The City Gate Project of Chean Cheoung Thai Group and The Triumph Project of Yunnan Investment (Cambodia) Co.,Ltd
- Reviewed on the request of the implementation of Tonle Bet Terminal (UM2), Koh Rorka Terminal, and KM6 Terminal development projects and on the construction of Tourist Hall and Terminal.

Signature of Board of Directors of PPAP

13th May, 2021 Read and
Approved

Soun Rachana

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

13th May, 2021 Read and
Approved

Dith Sochal

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



Address

Container Terminal LM17

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

Multipurpose 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.

Multipurpose Terminal Koh Roka

Koh Roka Village, Koh Roka Commune,
Peam Chor District, Prey Veng Province.

Multipurpose Tonle Bet Port UM2

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

Triumph Commercial Center (TCC)

Boeung Salang Village, Reusseykeo Commune
Reusseykeo District, Phnom Penh City.

Contact

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