

Registration No:
Co.7175 Et/2004

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONTENTS	PAGE
STATEMENT BY THE DIRECTORS	1
REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	2
CONDENSED STATEMENT OF FINANCIAL POSITION	3 - 4
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	5
CONDENSED STATEMENT OF CHANGES IN EQUITY	6 - 7
CONDENSED STATEMENT OF CASH FLOWS	8 - 9
NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION	10 - 24

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

STATEMENT BY THE DIRECTORS

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

For and on behalf of the board of Directors, *LR*



A handwritten signature in blue ink, appearing to be 'Chheav Vanthea'.

Ms. Chheav Vanthea
Head of Accounting/Finance
Department

Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: 12 MAY 2020

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

Introduction

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

Scope of review

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

Conclusion

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

 
BDO (Cambodia) Limited

Phnom Penh, Cambodia
Date: 12 May 2020

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

Notes:

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

Notes:

- (1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.
- (2) The comparative figures for the corresponding period were reviewed but not audited.

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

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

Notes:

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
31 MARCH 2020**

1. CORPORATE INFORMATION

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

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

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

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

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

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

2. PRINCIPAL ACTIVITIES

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

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

2. PRINCIPAL ACTIVITIES (continued)

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

3. BASIS OF PREPARATION

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

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

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

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

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

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

Amendments to CIFRS 3 *Definition of a Business*

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

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

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

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

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

3. BASIS OF PREPARATION (continued)

Amendments to CIAS 1 and CIAS 8 Definition of Material

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

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

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

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

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

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

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

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

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

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

CIFRS 17 Insurance Contracts

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

Contracts are measured using the building blocks of:

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

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

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

3. BASIS OF PREPARATION (continued)

CIFRS 17 Insurance Contracts (continued)

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

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

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

5. INVESTMENT PROPERTIES

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

6. LEASE RECEIVABLES

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

7. TRADE AND OTHER RECEIVABLES

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

8. DEFERRED TAX

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

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

(KHR'000 equivalent)

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

(KHR'000 equivalent)

9. CASH AND BANK BALANCES

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

10. SHARE CAPITAL

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

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

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

11. SHARE PREMIUM

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

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

12. RESERVES

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

12. RESERVES (continued)

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

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

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

13. TRADE AND OTHER PAYABLES

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

14. BORROWINGS

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

14. BORROWINGS (continued)

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

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

15. PROVISION FOR RETIREMENT BENEFITS

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

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

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

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

15. PROVISION FOR RETIREMENT BENEFITS (continued)

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

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

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

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

16. LEASE LIABILITIES

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

17. CONTRACT LIABILITIES

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

18. CAPITAL COMMITMENTS

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

19. REVENUE

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

20. COST OF SERVICES

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

21. OTHER INCOME

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

22. GENERAL AND ADMINISTRATIVE EXPENSES

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

23. FINANCE COSTS

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

24. TAXATION

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

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

25. EARNINGS PER SHARE

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

26. DIVIDENDS

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

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

These dividends will be paid on 26 May 2020.

27. RELATED PARTY DISCLOSURES

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

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

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

- (a) Credit risk

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

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

- (b) Liquidity and cash flow risk

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

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

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

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

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

29. TAXATION CONTINGENCIES

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

30. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

