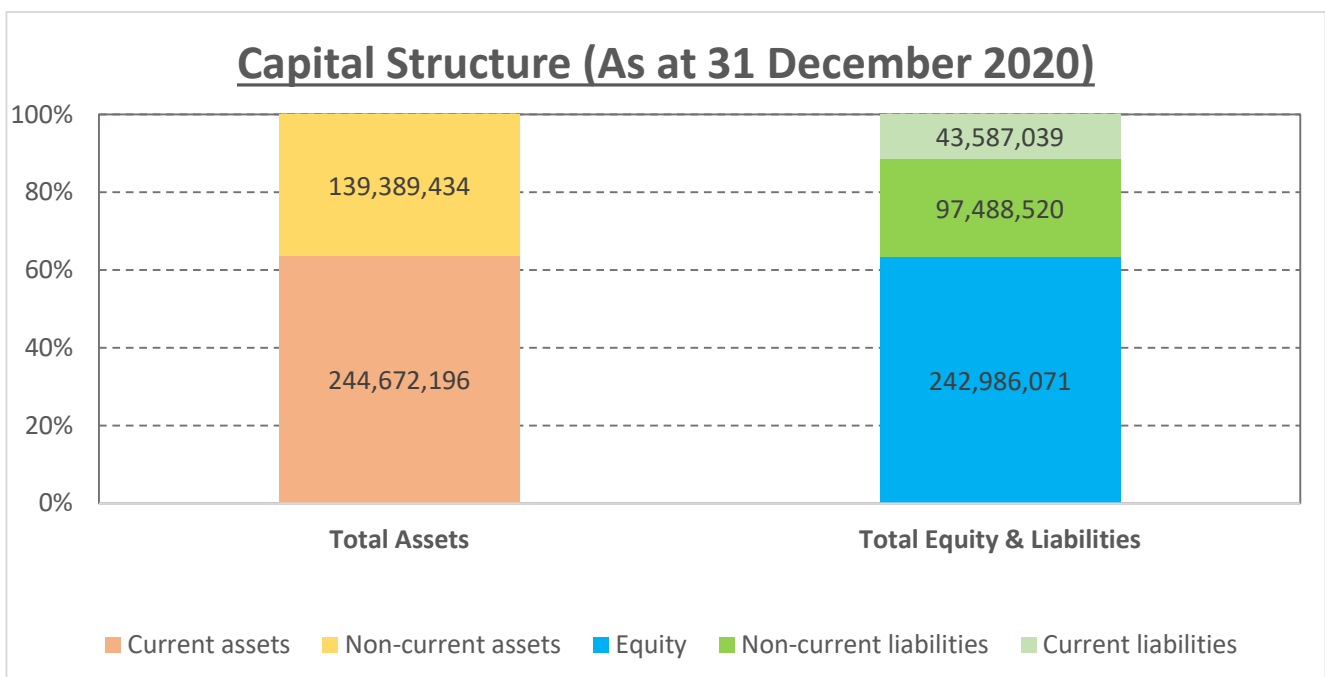
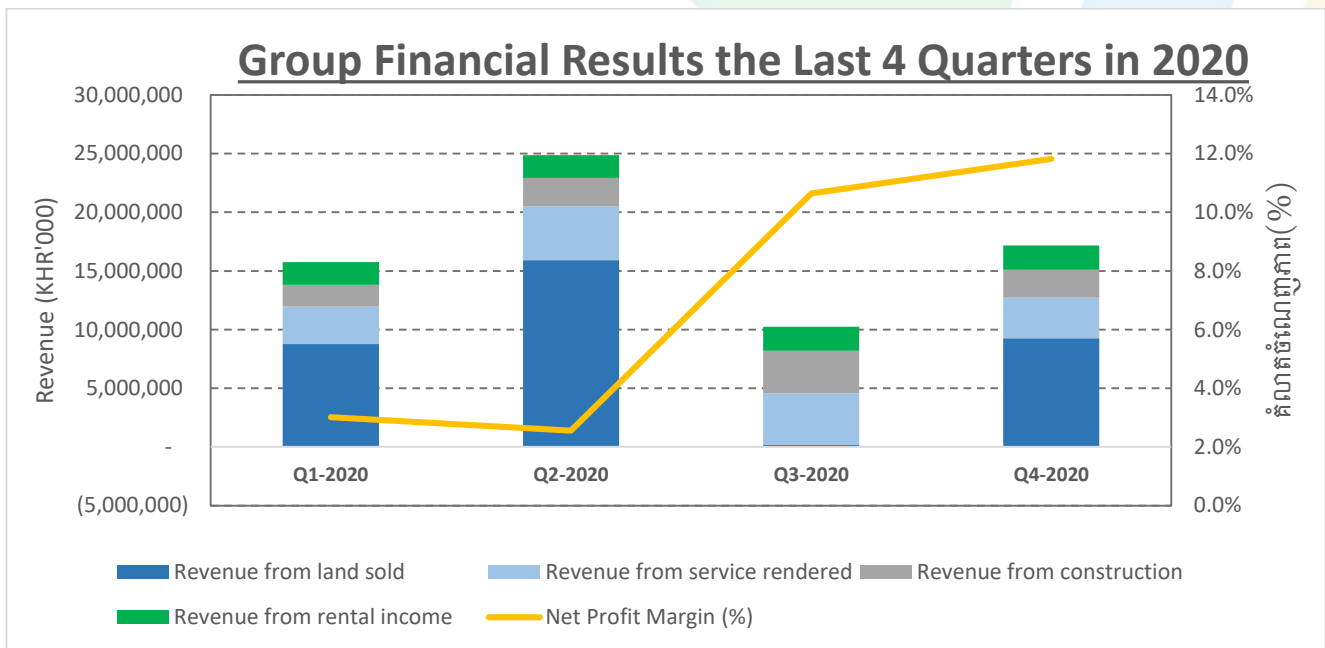


Quarterly Report Q4 (As at 31 December, 2020) Phnom Penh SEZ, Plc.

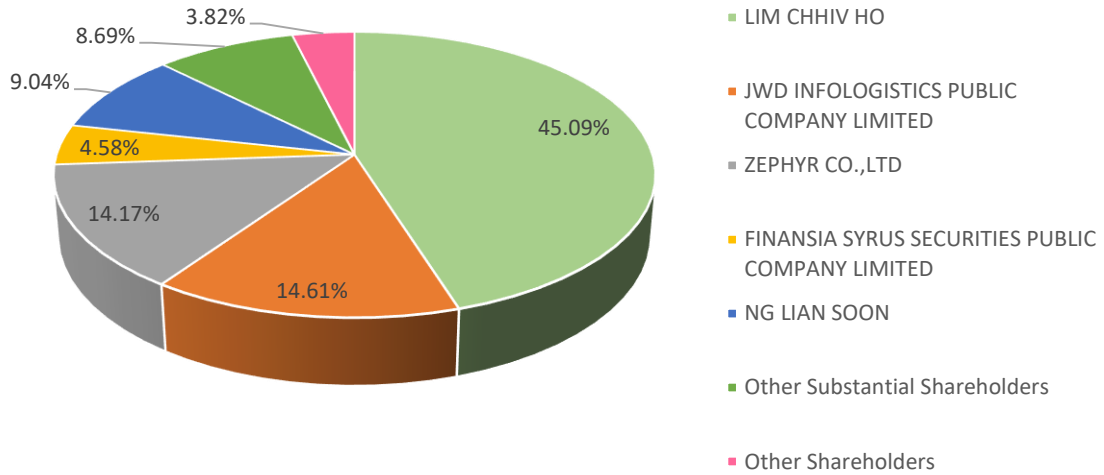
Financial Highlights

Financial Position (KHR'000)		Q4 2020	2019	2018
Total assets		384,061,630	382,349,104	370,713,946
Total liabilities		141,075,559	141,908,700	192,085,604
Total equity		242,986,071	240,440,403	178,628,342
Financial Performance (KHR'000)		Q4 2020	Q4 2019	Q4 2018
Total revenue		17,182,720	12,638,360	40,338,309
Profit/(Loss) before tax		2,268,410	1,405,105	22,300,085
Net profit/(loss) after tax		2,030,884	980,942	20,608,029
Financial Ratios		Q4 2020	2019	2018
Liquidity				
Liquidity ratio	Current ratio	5.61	4.78	2.05
	Quick ratio	2.23	2.13	0.92
		Q4 2020	Q4 2019	Q4 2018
Profitability	Return on assets	0.53%	0.26%	5.56%
	Return on equity	0.84%	0.41%	11.54%
	Gross profit margin (%)	52.10%	66.26%	6.71%
	Net profit margin (%)	11.82%	7.76%	51.09%
	Earnings per share	28.3	13.6	356.1
Interest Ratio(Finance Cost)		2.44	2.61	35.95
Dividend paid per share (if available) (KHR'000/Share)		-	-	-

Financial Summary Charts



Shareholding Structure (as at 31 December 2020)



Remark: Substantial Shareholders mean those who hold more than 1% of voting shares in the



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Board of Directors

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Mr. Tan Kak Khun

Non-Executive Chairman



Mr. Hiroshi Uematsu

Executive Director



Mr. Kang Wei Geih

Independent Director



Mr. Hem Sovath

Independent Director



Mr. Hiroshi Otsubo

Non-Executive Director



Mr. Kenji Toyota

Non-Executive Director



Mr. Tanate Piriyothinkul

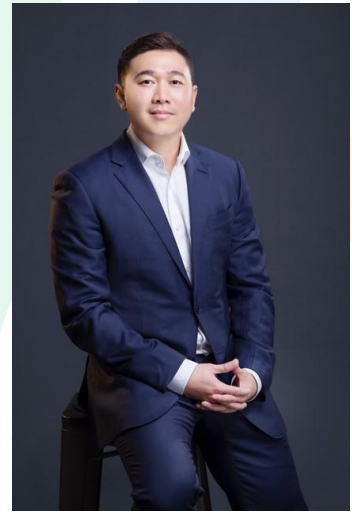
Non-Executive Director

Statement from Chairman

Dear Fellow Shareholders

In the 4th quarter of 2020, the Company reported total revenue of 17,182,720 KHR'000, an increase of 35.96% Year-on-year compared to the amount of 12,638,360 KHR'000 in the 4th quarter of year 2019. As a result, the Company reported the net income of 2,030,884 KHR'000, compared to the net income of 980,942 KHR'000 in the same quarter of year 2019.

The financial position of the Company remains strong as at 31 December 2020 with total assets amounting 384,061,630 KHR'000, comprising non-current assets of 139,389,434 KHR'000 and current assets of 244,672,196 KHR'000. Total equity amounted to 242,986,071 KHR'000, an increase of 1.06% compared with 240,440,403.5 KHR'000 at the year 2019. As a result, debt-to-equity ratio was reported at 0.58X in 2020 compare with 0.59X at the year 2019.



Date: 15th February 2021

Non-Executive Chairman



Tan Kak Khun

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Chapter 1: Corporate Information

1.1 General Information

Company Name: **Phnom Penh SEZ, Plc.**

Company Code: **KH1000050000**

Company Address: **Phnom Penh Special Economic Zone, National Road No. 4, Sangkat Kantouk, Khan Posenchey, Phnom Penh, Cambodia**

Phone Number: **(+855) 23 729 798**

Fax Number: **(+855) 23 729 799**

Website: **www.ppsez.com**

Email: **info@ppsez.com**

Company registration number: **Inv. 1076KH/2006** Date: **10 May 2006**

License number: **33 ANKr. BK (Sub-decree)**

Issued by **Royal Government of Cambodia**
Date: **19 April 2006**

Listed Exchange: **Cambodia Securities Exchange (CSX)**

Approval Date: **23 March 2016**

Company Representative: **Lok Chumteav Oknha Lim Chhiv Ho**

1.2 Business Overview

Phnom Penh SEZ, Plc (“PPSP”) are the developer and operator of Phnom Penh Special Economic Zone (“PPSEZ”) and Poipet PP SEZ. We are in the front-running position of SEZ developers and operators in Cambodia.

We received the approval as a developer of a multi-product SEZ from the Royal Government of Cambodia on 19 April 2006, making us the SEZ currently operating in the close proximity of Phnom Penh, the capital of Cambodia.

The SEZ designation provides considerable government incentives and benefits to SEZ developers, operators and its zone investors, including exemptions from customs tax, income tax and other taxes, resulting in reduced costs for infrastructure, utilities,

raw materials and other resources, which increases export competitiveness and benefits international trade. Our Company is principally involved in the business of operating and managing of SEZ with the main purpose of developing industrial land for sale/lease. In addition, as an operator, our Company is also involved in supplying other relevant services and facilities within PPSEZ such as supply and distribution of treated water, rental service, infrastructure maintenance, advisory service and administration support, wastewater treatment and other services. We are currently operating the PPSEZ located at National Road No. 4, Sangkat Kantouk, Khan Posenchey in Phnom Penh, Cambodia.

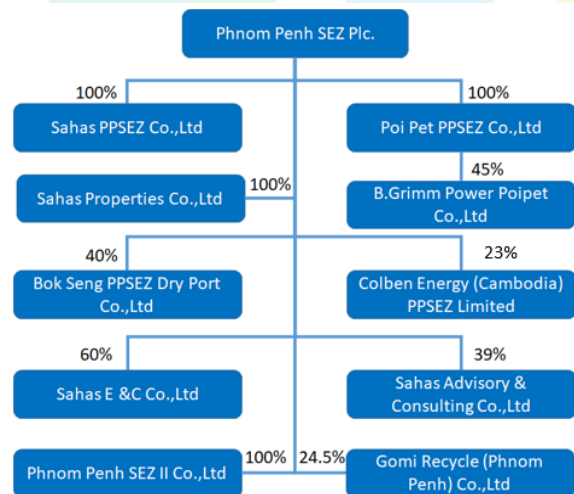


PPSEZ is currently operating in the proximity of the capital city of Cambodia, Phnom Penh. As at 31 December 2020, it is one (1) out of seventeen (17) operating SEZs (from a total of thirty-six (36) approved SEZs) in Cambodia. In addition, as at 31 December 2020, PPSEZ is a leader in term of the number of zone investors, total investment amount, and the number of workers among all the approved SEZs in Cambodia and is one of the largest SEZs in Cambodia by land size with a land size measuring approximately 357.32 HA.

As at 31 December 2020, our company employs ninety six (96) personnel.

Through our subsidiaries and associate companies, our Group also provide security services, independent power production and distribution and dry port services to the zone tenants and zone investors of PPSEZ.

In this year, we established 3 new subsidiaries/associate including 1) PPSEZ II Co.,Ltd for new SEZ development 2) Sahas Properties Co.,Ltd as our property development flagship and 3) Gomi Recycle (Phnom Penh) Co.,Ltd, where we partner up with Japanese company for solid waste management business.

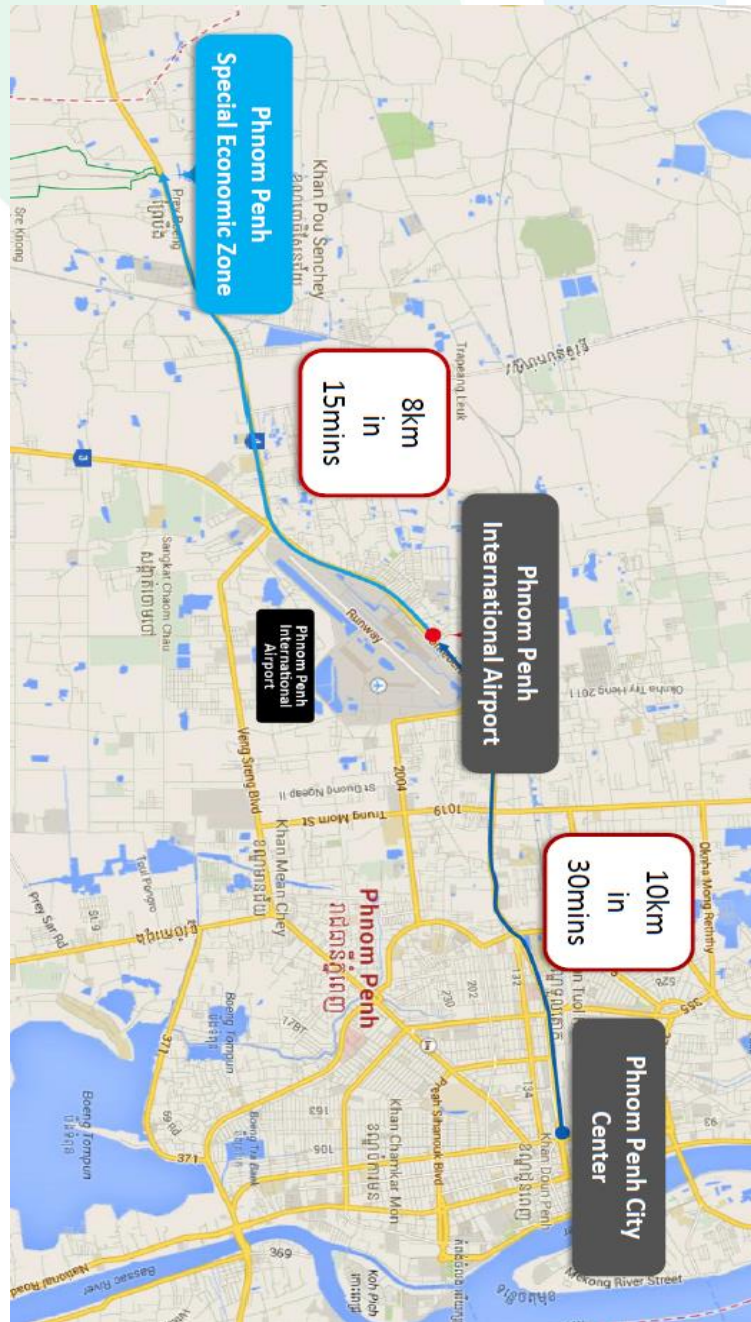


Name	Relationship	Area of Business	Incorporation date	Business location
Sahas PPSEZ	Subsidiary	Private security services	6 Nov 2013	PPSEZ, Phnom Penh City, Cambodia
Poi Pet PPSEZ	Subsidiary	SEZ development & Management	31 Dec 2014	Banteay Meanchey, Cambodia
Sahas E&C	Subsidiary	Engineering and Construction	24 Jan 2017	PPSEZ, Phnom Penh City, Cambodia
Sahas Properties	Subsidiary	Property Development	15 November 2018	PPSEZ, Phnom Penh City, Cambodia
PPSEZ II	Subsidiary	SEZ development & Management	31 October 2018	Phnom Penh City, Cambodia
Colben PPSEZ	Associate	Establishment of electricity power plant	16 June 2009	PPSEZ, Phnom Penh City, Cambodia
Bok Seng PPSEZ	Associate	Establishment of dry port	22 Jan 2008	PPSEZ, Phnom Penh City, Cambodia
Sahas Advisory & Consulting	Associate	Tax & Accounting Consulting service	14 Feb 2017	PPSEZ, Phnom Penh City, Cambodia
Gomi Recycle (Phnom Penh)	Associate	Solid Waste Management	13 November 2018	PPSEZ, Phnom Penh City, Cambodia
B.Grimm Power Poipet	Associate	Electrical Transmission and Distribution System	20 Nov 2017	Banteay Meanchey, Cambodia



We commenced our operation in PPSEZ in 2007 with the construction of Phase I of PPSEZ and by August 2008, we received our first zone investor operating in PPSEZ. Throughout the years, we have experienced rapid growth in PPSEZ as a result of the increasing interest amongst the foreign and local investors to set up their business operations inside PPSEZ. As at 31 December 2020, PPSEZ accommodates ninety-two (92) investors from fourteen (14) nations where the majority comes from Japan, Malaysia, Taiwan, China, USA, and Korea in wide-ranging industries such as automobile parts, garment, food and beverage, plastic products, electronic products, and jewelry.

We are currently operating the PPSEZ located at National Road No. 4, Khan Posenchey in Phnom Penh, Cambodia. PPSEZ is strategically located with access to rail and road network. It is situated at approximately eighteen (18) Km from the Phnom Penh City Center with easy access to the Phnom Penh Autonomous Port (an international river port in Phnom Penh City) and Phnom Penh International Airport (the largest international airport in Cambodia). Furthermore, its location along National Road No. 4 offers main and easy connection to the Sihanoukville Autonomous Port, the sole international and commercial deep-sea port of



In addition to its strategic location, PPSEZ facilitates and attracts its investors with key features as follows:

- i. Independent power plant operated by Colben PPSEZ, one of our associate companies, to provide power supplies in the event there is a power outage from the national power grid;
- ii. Independent water supply system with water purification and sewage treatment plant;



- iii. On-site dry port operated by Bok Seng PPSEZ, one of our associate companies, which provides fast and reliable loading and storage facilities to ease import/export transaction and to accommodate transportation needs;
- iv. Comprehensive telecommunication network which is able to link up with twelve (12) different internet service providers and four (4) different telephone service providers;
- v. Flood-safe dike equipped with modern drainage system providing security for smooth and dry operations for its zone investors;
- vi. In-house security services, operated by Sahas PPSEZ Co., Ltd, one of our wholly-owned subsidiaries, to oversee and maintain security in the zone
- vii. In-house construction services, operated by Sahas E&C Co.,Ltd, one of our subsidiaries; and
- viii. "On-site, one-stop" services in partnership with relevant government agencies i.e. CSEZB, Customs and Excise Department, CAMCONTROL, MOC, and MLVT to assist with custom clearance, business registration, and compliance for its zone investors.

With modern infrastructure, PPSEZ has attracted more investors to set up their operation in the zone. Our company's revenue generating activities are as follows:

1.2.1 Land Sales

Over the last seven (9) years from 2012 to 2020, the income generated from the sale of land in PPSEZ is the major contributor to our Group's total revenue. The revenue from the sale of land depends on the number of plots sold and size of each plot sold.

PPSEZ is located approximately eighteen (18) Km from the Phnom Penh City Center with access to National Road 4. The SEZ designation allows zone investors to apply and enjoy government incentives and benefits resulting in reduced infrastructure cost when the zone investors set-up their plants in PPSEZ.

Based on Cambodian law, only natural persons or legal entities of Cambodian nationality have the right to ownership of land in Cambodia, therefore, the land sales performed in PPSEZ

are either through an outright sale or via a long-term lease. For outright sales of land transaction, which are solely reserved for local buyers, it is based on a sale and purchase agreement in which the land title of the sold property lot(s) will be transferred to the local buyer upon completion of the agreement. On the other hand, for long-term lease, which can be leased to a local or foreign buyer, it is performed through a non-refundable fifty (50) years term lease agreement with an option to extend for another fifty (50) years on the same terms and conditions renewable by lessee.

Over the last seven (8) year from 2012 to 2020, the number of our company's outright sales/long-term lease of land transactions in PPSEZ can be categorized as follows:



Description	2020	2019	2018	2017	2016	2015	2014	2013	2012
Outright sale	0	0	0	1	0	0	1	1	3
Long-term lease	3	8	7	9	9	8	6	14	11
Total land sales transaction	3	8	7	10	9	8	7	15	14

As at 31 December 2020, PPSEZ has a total land area of approximately 357.32 HA that will be developed in three (3) phases as follows:

- i. Phase I has completed its major infrastructure and facilities development in 2009. It has a total area of approximately 137.94 HA where approximately 86.71 HA are developed to accommodate sixty-one (61) factory lots with size ranging from 0.19 HA to 10.57 HA each. Phase I also includes approximately 24.46 HA of land that was designed for commercial developments which could accommodate but not limited to shop lots, restaurants and banks. Further, approximately 1.53 HA of land were designated for worker hostel area. The remaining zone area are designed for infrastructure usage and service area including our headquarter;
- ii. Phase II, has a land size of approximately 161.59 HA, where its development is divided into Phase II-I and Phase II-II. Phase II-I has completed its major infrastructure and facilities since 2014. Phase II-I comprises approximately 87.85 HA of land area, in which 59.85 HA are developed to accommodate twenty-eight (28) factory lots with size ranging from 0.50 HA to 10.00 HA each, approximately 2.82 HA are rented as worker hostel area and the rest of the zone area are used for infrastructure purpose. Phase II-II completed its major infrastructure and facilities since early 2016. Phase II-II covers an area of approximately 73.74 HA in
- iii. Which 57.82 HA are developed to accommodate thirty-one (31) factory lots with size ranging from 0.64 HA to 9.28 HA each. The remaining zone areas were designated for infrastructure and commercial area; and
- iv. Phase III, with a land size of approximately 57.79 HA, is still under development. we, in this year, reached agreement to sell 41.3 HA to Gain Lucky Limited, a subsidiary of Shenzhou International Group, the largest manufacture of high-end knitwear in China. This transaction was considered as the largest-ever land sales transaction by the Company.

Since 2010, our company had obtained the ISO: 9001 certification as a testament for our commitment towards quality and modern infrastructures installed in PPSEZ while providing high levels of customer service to the PPSEZ’s zone investors. In addition, our company also obtained ISO: 14001 certification for our contribution in the environmental conservation.



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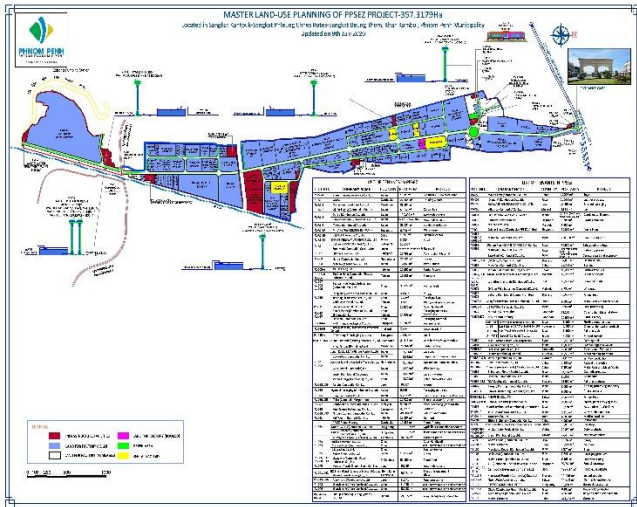
Utilities

We provide our tenants with an independent and steady supply of water. Water is supplied through the installation of a water processing plant with a capacity of producing 14,900 m3 of fresh water on a daily basis and is located within the PPSEZ where it collects water primarily from Stoeng Preak Tnot located next to PPSEZ.

water is also collected through the rain water storage pond with a capacity of 25,000 m3. The rain water storage pond also serves as temporary water supply backup system in the event that there is disruption of water supply from the river water. Prior to supplying the water to the tenants of PPSEZ, experienced engineers in water processing plant will undergo quality testing on the water with effective and modern tools and equipment in the plant's laboratory to ensure the water quality meets the industrial standards.

inside the estate in the event there is a power outage from the national electricity grid. The said power plant is built on an area of approximately 5.04 HA and has a total electric generation capacity of thirteen (13) MW via three (3) installed heavy fuel oil generators.

The pictures below show the independent power plant located in PPSEZ.



1.1.1 Services Rendered

Apart from the outright sale and long-term lease of land, we also provide the tenants of PPSEZ with services and infrastructure to facilitate their operations in PPSEZ, which includes the following:

Our company has also installed a total of five (5) elevated storage reservoirs and water tanks for water storage and proper water pressure for the tenants' usage.

Through our associate company, Colben PPSEZ, we are also involved in operating an industrial power generation plant in the PPSEZ, which supply electricity for the tenants and premises





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Infrastructure Maintenance

To maintain the infrastructure and general operation cost of the PPSEZ in the common area such as roads, electricity charges for the street lights, and other maintenance cost for the infrastructures facilities inside PPSEZ, our company also collects infrastructure maintenance fee from the zone occupants in PPSEZ. The Infrastructure maintenance fee is collected based on the land area of an occupant, multiplies by a prefixed rate of maintenance fee.

Advisory Service and Administration Support

In order to be a one-stop center for our zone investors, our company provides advisory and administration support services to our zone investors. The provision of such advisory and administration support aims to facilitate zone investors' registration activities in Cambodia. These administration support services include registration of zone investors' business operations with various authorities in Cambodia, which includes:

- QIP registration;
- Tax holiday registration;
- Preparation of master list for production;
- Factory opening declaration and certificate;
- Registration with MLVT; and
- GSP certificate (for zone investors that export their goods) for custom clearance.

Wastewater Treatment

We also provide water treatment services for the wastewater discharged by our zone occupants using our installed independent anti-corrosion pipe system in PPSEZ. The wastewater treatment plant is using aerated lagoon system that uses aeration ponds with surface aerators, settling ponds and polishing pond to treat the toxic constituents wastewater before discharge to the outside of the estate or reused for irrigation purpose within the zone area.

The pictures below show the water filtration and sewage treatment facility in PPSEZ.



1.1.2 Rental Income

We also provide building rental services which include factories, dormitories, warehouse, and shop lots in PPSEZ. Such rental services are mainly on short-term leases. Generally, the leasing period ranging from three (3) to five (5) years with options to renew for another three (3) or five (5) years

1.1.3 Construction Business

Since 2017, we established Sahas E&C Co,Ltd to grow our new business in engineering and construction. This company initially start from doing construction work within our group and later start to get the deal from other customers.

1.2.5 Market Situation

As at 31 December 2020, our company has secured a total of ninety-three (93) zone investors/tenants in PPSEZ from countries such as Japan, Singapore, Malaysia, Taiwan, Korea, Philippines, China, Vietnam, Turkey, USA, Cambodia and Thailand.

We mainly target zone investors that involved in the light to medium and more labor intensive industries and have thus far, attracted investors from the following industries:

- Mechanical and electrical products destined for both the export and the local market;
- Garment, shoes, apparel and fashion industries;
- Food processing and agricultural industries for regional and local markets;

- Consumer products (pharmaceutical, packaging, etc.);
- Automobile parts;
- Assembly of pre-produced parts to final product for regional and local markets; and
- Logistic companies.

Based on the most updated information from The Council for the Development of Cambodia ('CDC'), Phnom Penh SEZ hold the 2nd largest number of Projects among the SEZs with 92 Projects but has drawn the highest investment capital of 562,689,666 USD.

The future outlook for the SEZs in Cambodia is projected to remain strong, in line with the anticipated strong economic growth in Cambodia. Cambodia relies heavily on investments to spur economic growth. As a point of fact, the SEZ scheme was introduced by the Cambodian government to spur investments, with the objectives of streamlining administrative procedures and encouraging private sector participation in all aspects of the development and operations in the SEZ. In addition, laws and policies have also been put in place to encourage and protect foreign investments to spur the domestic Cambodian economic growth. As the nation continues to strive for industrialization, robust growth is anticipated to be experienced across major industries in Cambodia, specifically the agriculture, garment manufacturing, construction subsector and tourism industry. Strong governmental support for the development of the nation has a spillover effect to the development of SEZs.

The development of SEZs in Cambodia is still in its nascent stage. Today, some of the largest foreign investors in Cambodia include China, Korea, Malaysia, the United Kingdom and the US. Out of the 36 approved SEZ, only seventeen (17) SEZs have commenced operations. Robust development and strong industry drivers are anticipated to ensure strong growth for the

remaining developing SEZs in the coming years. Cambodia has an attractive investment environment; attributed to its relatively stable political environment, geographical advantage, open economy and fairly-competitive labor cost/availability. In addition, the Cambodian government employs tax holidays, duty free import and various incentives such as the SEZs' one-stop services to attract FDI into the SEZs. Supporting infrastructure and facilities within SEZ further attract zone investors to channel their investments in SEZs, hence accelerating the development of the SEZs.

SEZ Name	Province	Est. Year	Area (Ha)	Number of Projects
Sihanoukville SEZ	Sihanoukville	2008	1,113	109
Phnom Penh SEZ	Phnom Penh	2006	357	92
Manhattan Svay Rieng SEZ	Svay Rieng	2006	157	31
Tai Seng Bavet SEZ	Svay Rieng	2007	99	27
Sanco Poi Pet SEZ	Banteay Meanchey	2013	66.5	10
Poi Pet Ou Neang SEZ	Banteay Meanchey	2006	467	5
Neang Kok Koh Kong SEZ	Koh Kong	2007	335	5
Dragon King Bavet SEZ	Svay Rieng	2012	106.5	4
Sihanoukville Port SEZ	Sihanoukville	2009	70	3
Sihanoukville SEZ #1	Sihanoukville	2006	178	3
Shandong Sunshell SEZ	Svay Reing	2013	96	2
Goldfame Paksun SEZ	Kandal	2007	80	2
Hi-Park SEZ	Svay Rieng	2013	263.13	2
H.K.T. SEZ	Sihanoukville	2012	345	1
Kerry Worldbridge SEZ	Phnom Penh	2015	63	1
Qi Lu (Jian Pu Zhai) SEZ	Svay Rieng	2017	179.12	1
Suvannaphum SEZ	Kandal	2014	200	1



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1.2.6 Competitive Advantage

The primary elements for our competitive advantage are as follows:

1.2.7 Strategic location of PPSEZ

PPSEZ is located in the Cambodian capital and is approximately eighteen (18) Km from the Phnom Penh City Center with easy access to the Phnom Penh Autonomous Port (an international river port in Phnom Penh City) and eight (8) Km away from the Phnom Penh International Airport. PPSEZ is strategically located with access to the National Road 4 that connects to the Sihanoukville Autonomous Port. PPSEZ is also accessible by various modes of transportation. In addition, PPSEZ is located adjacent to the main railway track in Cambodia. The strategic location of PPSEZ with convenient accessibility facilitates the distribution of goods produced to inner parts of the country.

Poipet PP SEZ is a new Special Economic Zone (SEZ), developed and operated under Poi Pet PPSEZ Co., Ltd., a wholly-owned subsidiary of Phnom Penh SEZ Plc. It is located in Banteay Meanchey Province, Northwestern Cambodia neighboring the Cambodia-Thai Border. It is approximately 8 Km East of the Poipet city center, with access to one of the key border crossing point with Thailand in the northwest of Cambodia. Its aforesaid strategic location is attractive to prospective investors who are looking for starting new manufacturer, warehouse, or distribution center. It is actually 250 km away from the deep sea port at Laem Chabang, Thailand.

Strategically located with direct access to National Road No. 5 (a designated part of the Asian Highway 1), Poipet PP SEZ is an important

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knot along the Hoh Chi Minh – Phnom Penh – Siem Reap – Bangkok route.

1.2.8 Established relationship with customers

Currently, we have been involved in the development and management of SEZ for over eleven (12) years. As at 31 December 2020, PPSEZ has Ninety-two (92) zone investors (in respect of SEZs, customers are also known as zone investors as they set up their operations within the SEZs) that have already set-up or in the process of setting up manufacturing/assembling plants in PPSEZ. Furthermore, as at 31 December 2018, PPSEZ is one of the leading SEZs in term of invested capital and number of tenants among all the thirty-six (36) approved SEZs in Cambodia.

In addition, through our Japanese shareholder and the wide business network of the management of PPSP, As at 31 December 2018, our company has successfully attracted forty-seven (47) Japanese companies invested in PPSEZ which makes PPSEZ to have the largest Japanese investor base among all the SEZs in Cambodia.

1.2.9 Our experienced board of directors/management team

Our company is led by a team of experienced board of directors/management team. Our Chairman has led our company since its incorporation in 2006. She has been involved in managing infrastructure development, property development and investment, trading in consumer goods, leisure and hospitality in Cambodia for over thirty (30) years. On the other hand, our CEO, Mr. Hiroshi Uematsu has been involved in business administration and



engineering related industries for over twenty (20) years.

Both our chairman and CEO, leads a team of Senior Officers comprising nine (9) personnel with diversified skills in construction, project management, engineering, customer service, marketing, accounting and finance, and investor relations management which has been instrumental in the success of our Group.

1.2.10 Our value added services

In addition to the development and management of PPSEZ, our Group also able to provide value added services including:

- In-house security services provided by our wholly-owned subsidiary, namely Sahas PPSEZ;
- In-house construction services, provided by Sahas E&C Co.,Ltd, our subsidiary;
- Stable backup power supply from an independent power plant located in PPSEZ that is operated by Colben PPSEZ, an associate company;
- Dry port facilities inside PPSEZ which is operated by Bok Seng PPSEZ, an associate company; and
- Other infrastructures such as independent water purification and sewage treatment plant, comprehensive telecommunication network, sufficient warehouse rental space, dormitory rental service and other services catering the diverse needs of the tenants of PPSEZ.

1.2.11.Future Business Plan

Moving forward, our mission is to maintain our position as the leading SEZ in Cambodia. Our future plans are as follows:

1.2.12 Commencement of major infrastructure and facilities works for Poipet PP SEZ

Since 2014, we start developing new SEZ in Banteay Meanchey Province of Cambodia under the name “Poipet PP SEZ”, which has been operated by our wholly-owned subsidiary, Poi Pet PPSEZ Co.,Ltd. With the total land size of 68.4 Ha., the Poipet PP SEZ is located in the proximity of Poipet city, approximately 5.60km east of the Poipet city center, where it has access to one of the border crossing check point in the northwest of Cambodia which is adjacent to the border with Thailand.

The Poipet city is located approximately 306km away from Bangkok and approximately 410km away from Phnom Penh. As at 31 December 2020, there are two (2) approved SEZs in Poipet city namely Poipet O’Neang SEZ and Sanco Poi Pet SEZ. The Poipet PP SEZ is strategically located with access to the National Road No. 5 which will constitute part of the Asian Highway 1 that provides convenient accessibility and facilitates the distribution of goods to Cambodia and also the inner parts of Thailand and other Asian countries. It is also located approximately 250km away from the Laem Chabang Port, one of the main deep-sea ports located in the eastern part of Thailand.

The preliminary concept for Poipet PP SEZ is to develop it into a SEZ that caters to the potential light industries investors whom would like to make Cambodia as its alternative manufacturing hub to Thailand. Currently, we are in the process of preparing the necessary documentation to obtain approval for Poipet PP SEZ from the relevant Cambodian authorities for the SEZ designation.

At this juncture, we are developing the Poipet PP SEZ in two (2) phases, Phase I and Phase II. The development map is as shown below:



Phase I of the Poipet PP SEZ covers an area of approximately 34.83 HA whereby approximately 21.40 HA are allocated to accommodate a total of forty (40) factory lots with the size ranging from approximately 0.40 HA to 0.90 HA each. It will also house a commercial area, a dry port, workers' accommodation, administrative office building and other facilities and infrastructure buildings.

On 10th April 2019, Sumitronics Manufacturing (Cambodia) Co.,Ltd became our first tenant in Poipet PP SEZ. They agreed to purchase 1 Ha. with option to purchase another 1 Ha. in the near future.

In addition, Phase II of the Poipet PP SEZ will commence its major infrastructure and facilities works. It will cover an area of approximately 20.67 HA whereby approximately 15.89 HA are allocated to accommodate a total of twenty-eight (28) factory lots with size ranging from approximately 0.38 HA to 0.80 HA each and the rest of the area are designed for infrastructure and service area. After collectively acquire additional land over the last two (2) years, Poi Pet PPSEZ has owned the total area of 68.4 H.a.

1.2.13 Expansion of other relevant services

Albeit our current revenue stream is mainly from land sale/perpetual lease, we, however, strive to build sustainable business model for industrial estate development. We endeavor to introduce and increase revenue from more sustainable sources.

1.3 Significant Quarterly events of listed company

Poipet PPSEZ Co., Ltd. (Poipet PPSEZ) and B.Grimm Power (Poipet) Co., Ltd. provided Humanitarian Aid for Flood Victims in Sangkat Phsar Kandal, Poipet City, Banteay Meanchey Province

On October 24, 2020, in collaboration with the local authorities of three villages in Sangkat Phsar Kandal, Poipet PPSEZ and B.Grimm Power Poipet, our business partner for electricity supply, provided humanitarian gifts including

Currently within PPSEZ, we have successfully installed an independent water supply system which consists of water reservoir cum water treatment system with the capacity to supply approximately 14,900 m3 of water per day moving forward to cater the anticipated increase in the number of diversified investors. This will mitigate any potential disruption of water supply to PPSEZ and ensure that investors in PPSEZ, particularly those that are involved in the food and beverage industry which requires a constant supply of water for their operations, do not face disruption in water supply. As at 31 December 2020, the water consumption of the independent water supply system is approximately 5,300 m3 per day, representing a utilization of 36%. Water consumption continue increasing from last year due to new operation of beverage companies inside the zone.

In year 2019, we successfully established 3 new subsidiaries/associates for properties development, waste management, and new SEZ development.

two tons and half of rice, instant noodles, canned fish and other daily foodstuff to 101 families affected by flood in Phsar Kandal Village, Steung Bot Village, and Andoung Thmor Meas Village.

Mr. Khat Thea, Deputy Chief of Administration of Poipet city hall took this opportunity to remind all villagers to continue to take care of health and stay safe from the flood by following the instruction and guidance from the local authority such as beware fallen power lines, stay away from drains, keep children away from floodwaters, avoid wading even in shallow

water as it may be contaminated and so on. Poipet PPSEZ and B.Grimm Power Poipet always keep paying close attention to this natural disaster by joining hands with local authorities. We are willing to help our communities while they are in need as we believe that helping each other in such crisis is the most important thing for us to do for the nation and whole world.



Phnom Penh SEZ Plc. Holds Extraordinary General Shareholders' Meeting (EGM)

On Wednesday 28, October 2020 Phnom Penh SEZ Plc held its Extraordinary General Shareholders' Meeting for ordinary shareholders to vote and approve the two (2) resolutions to be presented during the meeting.

On behalf of the Chairman and the Board of Directors, Mr. Hiroshi Uematsu Executive Director/CEO of Phnom Penh SEZ Plc in his welcoming speech, said due to the existing Covid 19 situation worldwide, as with this year's AGM which was held in June, this EGM is

conducted as before with some of our Directors "seated" in their home countries via video conferencing. As a matter of Good Corporate Governance, the EGM is to seek the approval of shareholders to vote on two resolutions to be presented. The 1st resolution is to approve the non-payment of a dividend for the financial year ended 31 December 2019. The 2nd resolution is to approve the Shares Buyback of the company's shares. The result of the Extraordinary General Shareholders' Meeting, with their votes cast are as listed below:

1/ To approve No dividend distribution: 62,334,667shares= 86.73%

2/ Against to approve No dividend distribution: 1,435,234shares= 2.00%

3/To Approve Shares Buyback: 63,767,578 shares = 88.72%

4/ Against to Approve Shares Buyback: 2,023shares = 0.00%

As such, the resolutions are carried.



New Rental Warehouse Construction by a New Subsidiary of Phnom Penh SEZ Plc

Since its establishment in 2006, Phnom Penh SEZ Plc. (PPSP) has been developing and expanding non-stop. While the main business is

to develop and operate Phnom Penh Special Economic Zone, there are now several new businesses like construction, security, tax consultation and support, properties development and management, etc.

Among other subsidiaries of PPSP, Sahas Properties Co., Ltd. has been established since November 2018 to take charge of properties development and management inside Phnom Penh SEZ.

As at today, Phnom Penh SEZ has been accommodating more than 30 investors from Japan, China and other countries to the rental factory buildings.

Maru-T Ohtsuka (manufacturer of painting tools), Sumi Wiring Systems (manufacturer of automobile wire harnesses), Taiyo Kogyo

Unofficial Translation

(manufacturer of industrial packaging materials) are the example of tenants.

More rental factory and warehouse buildings are to be built and managed by Sahas Properties Co., Ltd. to meet the continuous demand of investors from Japan and other countries. Today's Ground Breaking Ceremony for a new rental warehouse is another achievement to look forward to for 2021, after one rental factory building of four units has been built and nearly leased out in 2020.



Chapter 2: Business Operation Results

2.1 Business Operation Results & News

In the fourth quarter of 2020, our business operations were profitable while land revenue and rental income was KHR 11,350,410,000 compared to KHR 9,328,543,000 in the 4th quarter of 2019.

2.2 Revenue Structure

We measure revenue at fair value of the consideration received or receivable, net of discounts and rebates. We recognize revenue to the extent that it is probable that the economic benefits associated with any transaction will flow to our company and the

amount of revenue and the cost incurred or to be incurred in respect of such transaction can be reliably measured and specific recognition criteria have been met for each of our activities as follows:

2.2.1 Sale of land

Revenue from sale of land is recognized when significant risk and rewards of ownership of the land are transferred to the buyer and the amount of the revenue can be measured reliably.

service to serve our tenants and also customer outside the zones.

2.2.2 Services rendered

Revenue from services is mainly in respect of the provision of maintenance services, utilities, used of transmission lines and security services, which is recognized when the services are rendered.

2.2.3 Construction Revenue

We start to recognize revenue from construction business. Due to our strategic direction, we aim to expand our construction

2.2.4 Rental income

Rental income is accounted for on a straight line basis over the lease term of an ongoing lease. The aggregated cost of incentives provided to the lessee is recognized as reduction of rental income over the lease term on a straight line basis.

2.2.5 Our total revenue over the last three (3) fiscal years can be tabulated as below:

(Unit: KHR'000)

No.	Source	Q4 2020		Q4 2019		Q4 2018	
		Amount	Percentage	Amount	Percentage	Amount	Percentage
1	Sales of Land	9,256,869	53.87%	8,061,862	63.79%	36,200,484	91.18%
2	Service Rendered	3,469,579	20.19%	2,951,490	23.35%	2,742,044	6.91%
3	Construction Revenue	2,362,731	13.75%	358,327	2.84%	-	-
4	Rental Income	2,093,541	12.18%	1,266,681	10.02%	760,017	1.91%
	Total	17,182,720	100.0%	12,638,360	100.0%	39,702,545	100.0%



PHNOM PENH
SPECIAL ECONOMIC ZONE

COMMITTED TO THE FUTURE

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Chapter 3: Reviewed Financial Statements

PHNOM PENH SEZ PLC.
(00006448)
(Incorporated in Cambodia)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

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Company No. 00006448

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed statements of financial position of PHNOM PENH SEZ PLC. ("the Company") and its subsidiaries ("the Group") as at 31 December 2020, and the related condensed statements of comprehensive income, changes in equity and cash flows for the quarter and twelve-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.

Signed on behalf of the Board,



.....
HIROSHI UEMATSU
Director

Phnom Penh, Kingdom of Cambodia

Date: 15 February 2021

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	Group			Company		
		Unaudited		Audited	Unaudited		Audited
		31.12.2020		31.12.2019	31.12.2020		31.12.2019
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
ASSETS							
Non-current assets							
Property, plant and equipment	3	13,584,990	54,951,285	17,780,328	13,735,616	55,560,567	17,111,765
Investment properties	4	9,998,571	40,444,219	3,394,493	8,112,341	32,814,419	3,394,493
Investment in subsidiaries	5	-	-	-	21,800,000	88,181,000	15,605,000
Investment in associates	6	10,876,126	43,993,930	10,212,183	10,876,126	43,993,930	9,997,262
Total non-current assets		34,459,687	139,389,434	31,387,004	54,524,083	220,549,916	46,108,520
Current assets							
Inventories	7	36,499,627	147,640,991	34,602,982	12,778,447	51,688,818	14,460,409
Trade and other receivables	8	22,365,303	90,467,650	26,496,605	26,242,491	106,150,876	34,111,343
Cash and bank balances	10	1,622,634	6,563,555	1,341,410	278,243	1,125,492	843,998
Total current assets		60,487,564	244,672,196	62,440,997	39,299,181	158,965,186	49,415,750
TOTAL ASSETS		94,947,251	384,061,630	93,828,001	93,823,264	379,515,102	95,524,270
EQUITY AND LIABILITIES							
Equity attributable to owners of the Company							
Share capital	11	35,937,500	145,367,188	35,937,500	35,937,500	145,367,188	35,937,500
Share premium	12	4,575,051	18,506,081	4,575,051	4,575,051	18,506,081	4,575,051
Retained earnings		18,475,706	74,734,232	17,659,652	21,021,456	85,031,790	20,392,994
		58,988,257	238,607,501	58,172,203	61,534,007	248,905,059	60,905,545
Non-controlling interests		1,082,465	4,378,570	831,577	-	-	-
TOTAL EQUITY		60,070,722	242,986,071	59,003,780	61,534,007	248,905,059	60,905,545
Non-current liabilities							
Loans and borrowings	13	15,332,994	62,021,960	12,452,339	14,021,933	56,718,718	11,462,078
Contract liabilities	9	8,768,000	35,466,560	9,316,000	8,768,000	35,466,560	9,316,000
Total non-current liabilities		24,100,994	97,488,520	21,768,339	22,789,933	92,185,278	20,778,078
Current liabilities							
Loans and borrowings	13	3,339,821	13,509,576	5,218,838	3,209,454	12,982,241	5,076,763
Current tax liabilities		2,976	12,038	1,460,730	-	-	1,456,262
Trade and other payables	14	6,884,738	27,848,765	5,828,314	5,741,870	23,225,864	6,759,622
Contract liabilities	9	548,000	2,216,660	548,000	548,000	2,216,660	548,000
Total current liabilities		10,775,535	43,587,039	13,055,882	9,499,324	38,424,765	13,840,647
TOTAL LIABILITIES		34,876,529	141,075,559	34,824,221	32,289,257	130,610,043	34,618,725
TOTAL EQUITY AND LIABILITIES		94,947,251	384,061,630	93,828,001	93,823,264	379,515,102	95,524,270

The Condensed Statement of Financial Position 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.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Note	Unaudited Three-month period ended					
		Group		Company			
		31.12.2020 ⁽¹⁾	31.12.2019 ⁽²⁾	31.12.2020 ⁽¹⁾	31.12.2019 ⁽²⁾	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue	15	4,247,891	17,182,720	3,101,438	1,127,286	4,559,872	3,077,148
Cost of sales	16	(2,034,941)	(8,231,336)	(1,046,553)	(377,290)	(1,526,138)	(1,099,202)
Gross profit		<u>2,212,950</u>	<u>8,951,384</u>	<u>2,054,885</u>	<u>749,996</u>	<u>3,033,734</u>	<u>1,977,946</u>
Other income	17	1,205,821	4,877,546	63,021	1,205,738	4,877,210	62,148
Administrative expenses	18	(2,578,715)	(10,430,902)	(1,718,021)	(930,010)	(3,761,890)	(1,328,955)
Operating profit		<u>840,056</u>	<u>3,398,028</u>	<u>399,885</u>	<u>1,025,724</u>	<u>4,149,054</u>	<u>711,139</u>
Finance costs	19	(388,164)	(1,570,123)	(406,303)	(362,725)	(1,467,223)	(386,584)
Share of profit of associates		108,901	440,505	351,229	108,901	440,505	346,661
Profit before tax		<u>560,793</u>	<u>2,268,410</u>	<u>344,811</u>	<u>771,900</u>	<u>3,122,336</u>	<u>671,216</u>
Income tax expense	20	(58,721)	(237,526)	(104,089)	(68,437)	(276,828)	(31,199)
Profit for the financial period		<u>502,072</u>	<u>2,030,884</u>	<u>240,722</u>	<u>703,463</u>	<u>2,845,508</u>	<u>640,017</u>
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income for the financial period		<u>502,072</u>	<u>2,030,884</u>	<u>240,722</u>	<u>703,463</u>	<u>2,845,508</u>	<u>640,017</u>
Profit attributable to:							
Owners of the Company		592,217	2,395,521	207,990			
Non-controlling interests		(90,145)	(364,637)	32,732			
		<u>502,072</u>	<u>2,030,884</u>	<u>240,722</u>			
Total comprehensive income attributable to:							
Owners of the Company		592,217	2,395,521	207,990			
Non-controlling interests		(90,145)	(364,637)	32,732			
		<u>502,072</u>	<u>2,030,884</u>	<u>240,722</u>			
Earnings per share	21						
- Basic		0.008	0.033	0.003			
- Diluted		<u>0.008</u>	<u>0.033</u>	<u>0.003</u>			

Notes:

(1) The Condensed Statements of 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 SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Note	Unaudited Twelve-month period ended					
		Group		Company			
		31.12.2020 ⁽¹⁾	31.12.2019 ⁽²⁾	31.12.2020 ⁽¹⁾		31.12.2019 ⁽²⁾	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Revenue	15	16,681,632	67,477,201	37,313,781	6,620,454	26,779,736	36,440,016
Cost of sales	16	(8,542,705)	(34,555,240)	(14,553,269)	(2,510,482)	(10,154,900)	(13,891,925)
Gross profit		8,138,927	32,921,961	22,760,512	4,109,972	16,624,836	22,548,091
Other income	17	1,235,783	4,998,742	372,879	1,235,470	4,997,476	369,597
Administrative expenses	18	(6,941,854)	(28,079,799)	(6,269,182)	(4,178,579)	(16,902,352)	(5,019,023)
Operating profit		2,432,856	9,840,904	16,864,209	1,166,863	4,719,960	17,898,665
Finance costs	19	(1,453,065)	(5,877,648)	(1,184,070)	(1,348,830)	(5,456,017)	(1,134,788)
Share of profit of associates		663,945	2,685,658	976,560	878,866	3,555,013	761,639
Profit before tax		1,643,736	6,648,914	16,656,699	696,899	2,818,956	17,525,516
Income tax expense	20	(576,794)	(2,333,132)	(1,531,279)	(68,437)	(276,828)	(1,456,262)
Profit for the financial period		1,066,942	4,315,782	15,125,420	628,462	2,542,128	16,069,254
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income for the financial period		1,066,942	4,315,782	15,125,420	628,462	2,542,128	16,069,254
Profit attributable to:							
Owners of the Company		816,054	3,300,940	14,761,820			
Non-controlling interests		250,888	1,014,842	363,600			
		1,066,942	4,315,782	15,125,420			
Total comprehensive income attributable to:							
Owners of the Company		816,054	3,300,940	14,761,820			
Non-controlling interests		250,888	1,014,842	363,600			
		1,066,942	4,315,782	15,125,420			
Earnings per share	21						
- Basic		0.011	0.046	0.205			
- Diluted		0.011	0.046	0.205			

Notes:

(1) The Condensed Statements of 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 SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interests US\$	Total equity US\$
Group Unaudited					
At 1 January 2020	35,937,500	4,575,051	17,659,652	831,577	59,003,780
Total comprehensive income for the financial period	-	-	816,054	250,888	1,066,942
At 31 December 2020	35,937,500	4,575,051	18,475,706	1,082,465	60,070,722
<i>(KHR'000 equivalent)</i>	145,367,188	18,506,081	74,734,232	4,378,570	242,986,071
Group Unaudited					
At 1 January 2019	35,937,500	4,575,051	3,476,501	467,977	44,457,029
Total comprehensive income for the financial period	-	-	14,761,820	363,600	15,125,420
Transaction with owners: Dividends paid on shares	-	-	(578,669)	-	(578,669)
At 31 December 2019	35,937,500	4,575,051	17,659,652	831,577	59,003,780

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020 (CONTINUED)**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
Company Unaudited				
At 1 January 2020	35,937,500	4,575,051	20,392,994	60,905,545
Total comprehensive income for the financial period	-	-	628,462	628,462
At 31 December 2020	35,937,500	4,575,051	21,021,456	61,534,007
<i>(KHR'000 equivalent)</i>	145,367,188	18,506,081	85,031,790	248,905,059
	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
Company Unaudited				
At 1 January 2019	35,937,500	4,575,051	4,902,409	45,414,960
Total comprehensive income for the financial period	-	-	16,069,254	16,069,254
Transaction with owners: Dividends paid on shares	-	-	(578,669)	(578,669)
At 31 December 2019	35,937,500	4,575,051	20,392,994	60,905,545

The Condensed Statements of Changes in Equity 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 the interim financial report.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020**

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020 ⁽¹⁾		31.12.2019 ⁽²⁾		31.12.2019 ⁽²⁾	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from operating activities						
Profit before tax:	1,643,736	6,648,914	16,656,699	696,899	2,818,956	17,525,516
Adjustments for:						
Deferred revenue	(548,000)	(2,216,660)	(13,971,371)	(548,000)	(2,216,660)	(13,971,371)
Assets transfer to investment properties	2,945,045	11,912,707	-	3,173,000	12,834,785	-
Assets transfer to property, plant and equipment	2,411,009	9,752,531	-	-	-	-
Depreciation for:						
- property, plant and equipment	1,276,495	5,163,422	1,133,068	999,661	4,043,629	1,006,341
- written off	2,138	8,648	-	-	-	-
- investment properties	465,773	1,884,052	214,114	395,030	1,597,896	214,114
Interest expenses	1,453,065	5,877,648	1,184,070	1,348,830	5,456,017	1,134,788
Interest income	(378)	(1,529)	(223)	(360)	(1,456)	(223)
Share of profit of associates	(663,943)	(2,685,649)	(976,560)	(878,864)	(3,555,005)	(761,639)
Operating profit before changes in working capital	8,984,940	36,344,084	4,239,797	5,186,196	20,978,162	5,147,526
<u>Changes in working capital:</u>						
Inventories	(1,031,663)	(4,173,077)	5,269,274	2,258,438	9,135,382	10,255,649
Trade and other receivables	3,678,217	14,878,388	880,843	5,176,204	20,937,745	3,160,930
Contract assets	-	-	29,572	-	-	-
Trade and other payables	858,001	3,470,610	(8,239,117)	(1,603,540)	(6,486,319)	(6,863,140)
Contract liabilities	-	-	(61,989)	-	-	-
Net cash generated from operations	12,489,495	50,520,005	2,118,380	11,017,298	44,564,970	11,700,965
Interest paid	(1,453,065)	(5,877,648)	(1,184,070)	(1,348,830)	(5,456,017)	(1,134,788)
Tax paid	(2,034,548)	(8,229,747)	(80,398)	(1,524,699)	(6,167,407)	-
Net cash from operating activities	9,001,882	36,412,610	853,912	8,143,769	32,941,546	10,566,177

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2020 (CONTINUED)**

	Group		Unaudited Twelve-month period ended		Company	
	31.12.2020 ⁽¹⁾		31.12.2019 ⁽²⁾	31.12.2020 ⁽¹⁾		31.12.2019 ⁽²⁾
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from investing activities						
Purchase of property, plant and equipment	(3,304,331)	(13,366,019)	(8,761,372)	(1,372,988)	(5,553,736)	(5,886,650)
Purchase of investment properties	(7,069,851)	(28,597,547)	-	(5,112,878)	(20,681,592)	-
Investment in associates	-	-	(245,000)	-	-	(245,000)
Investment in subsidiaries	-	-	-	(6,195,000)	(25,058,775)	(10,000,000)
Interest income	378	1,529	223	360	1,456	223
Net advances from/(repayments to) subsidiaries	-	-	-	2,563,518	10,369,430	(1,493,783)
Net advances from/(repayments to) related parties	783,859	3,170,710	529,519	786,179	3,180,094	(12,552)
Net repayment from associates	457,083	1,848,901	454,269	518,173	2,096,010	888,324
Net advances to directors	(777,088)	(3,143,321)	(7,417)	(777,088)	(3,143,321)	(9,117)
Net repayment from/(advances to) shareholders	187,654	759,061	(4,583)	187,654	759,060	(4,583)
Net cash used in investing activities	(9,722,296)	(39,326,686)	(8,034,361)	(9,402,070)	(38,031,374)	(16,763,138)
Cash flows from financing activities						
Dividend paid	-	-	(578,669)	-	-	(578,669)
Drawdown of bank loans	1,001,638	4,051,626	-	692,546	2,801,348	-
Repayment of borrowings	-	-	(2,963,800)	-	-	(2,896,136)
Proceeds from term loan	-	-	10,200,000	-	-	9,000,000
Net cash from financing activities	1,001,638	4,051,626	6,657,531	692,546	2,801,348	5,525,195
Net increase in cash and cash equivalents	281,224	1,137,550	(522,918)	(565,755)	(2,288,480)	(671,766)
Cash and cash equivalents at the beginning of the financial period	1,341,410	5,426,005	1,864,328	843,998	3,413,972	1,515,764
Cash and cash equivalents at the end of the financial period	1,622,634	6,563,555	1,341,410	278,243	1,125,492	843,998

Notes:

- (1) The Condensed Statements 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 SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Phnom Penh SEZ PLC. (“the Company”) is a public limited company, incorporated and domiciled in the Kingdom of Cambodia, and is listed on the Cambodia Securities Exchange. The registered office of the Company and the principal place of business are located at Phnom Penh Special Economic Zone, National Road 4, Sangkat Kantouk, Khan Kambol, Phnom Penh, Kingdom of Cambodia.

The principal activities of the Company are to establish, develop and operate the Special Economic Zone in Phnom Penh and to engage in other related commercial activities. The principal activities of the subsidiaries are set out in Note 5 to the condensed financial information. There have been no significant changes in the nature of these principal activities during the financial period.

The condensed financial information were authorised for issue by the Board of Directors on 15 February 2021.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The condensed interim financial information of the Group and of the Company are unaudited and have been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

The condensed interim financial information does not include all notes of the type normally included in an annual financial statements. Accordingly, this condensed interim financial information is to be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

2.2 New and amended standards adopted by the Group and the Company

The Group and the Company has applied the following standards and amendments for the first time for its reporting period commencing 1 January 2020:

- Amendments to CIFRS 3 – *Definition of a Business*
- Amendments to CIFRS 7, CIFRS 9 and CIAS39 – *Interest Rate Benchmark Reform*
- Amendments to CIAS 1 and CIAS 8 – *Definition of Material*

The adoption of the above-mentioned accounting standards, amendments and interpretations have no significant impact on the financial statements of the Group and of the Company.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

2. BASIS OF PREPARATION (CONTINUED)

2.3 New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting period and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	Construction in progress US\$	Total US\$
Net carrying amount						
At 1 January 2019	697,450	11,296,232	513,491	164,890	1,320,043	13,992,106
Additions	-	182,302	115,902	145,867	8,317,301	8,761,372
Movement in inventories	23,774	52,729	-	-	(3,916,585)	(3,840,082)
Depreciation	-	(875,525)	(169,247)	(88,296)	-	(1,133,068)
At 31 December 2019	721,224	10,655,738	460,146	222,461	5,720,759	17,780,328
Additions	-	173,338	-	37,163	3,093,830	3,304,331
Written off	-	(1,591)	-	(547)	-	(2,138)
Transfer to property, plant and equipment	-	2,039,664	-	-	(4,450,673)	(2,411,009)
Transfer to investment properties	-	-	-	-	(2,945,045)	(2,945,045)
Movement in inventories	-	19,500	-	-	(884,482)	(864,982)
Depreciation	-	(1,057,811)	(136,094)	(82,590)	-	(1,276,495)
At 31 December 2020 (unaudited)	721,224	11,828,838	324,052	176,487	534,389	13,584,990
<i>(KHR'000 equivalent)</i>	2,917,351	47,847,650	1,310,790	713,890	2,161,604	54,951,285

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	Construction in progress US\$	Total US\$
Net carrying amount						
At 1 January 2019	697,450	11,231,597	297,134	79,807	526,947	12,832,935
Additions	-	-	350	39,688	5,846,612	5,886,650
Movement in inventories	23,774	52,729	-	-	(677,982)	(601,479)
Depreciation	-	(869,765)	(91,812)	(44,764)	-	(1,006,341)
At 31 December 2019	721,224	10,414,561	205,672	74,731	5,695,577	17,111,765
Additions	-	27,799	-	13,005	1,332,184	1,372,988
Transfer to property, plant and equipment	-	2,506,123	-	-	(2,506,123)	-
Transfer to investment properties	-	-	-	-	(3,173,000)	(3,173,000)
Movement in inventories	-	-	-	-	(576,476)	(576,476)
Depreciation	-	(913,036)	(58,744)	(27,881)	-	(999,661)
At 31 December 2020 (unaudited)	721,224	12,035,447	146,928	59,855	772,162	13,735,616
<i>(KHR'000 equivalent)</i>	2,917,351	48,683,384	594,324	242,113	3,123,395	55,560,567

4. INVESTMENT PROPERTIES

Group	Freehold land US\$	Buildings US\$	Total US\$
Net carrying amount at cost			
At 1 January 2019	742,778	2,865,829	3,608,607
Depreciation	-	(214,114)	(214,114)
At 31 December 2019	742,778	2,651,715	3,394,493
Additions	1,772,878	5,296,973	7,069,851
Depreciation	-	(465,773)	(465,773)
At 31 December 2020 (unaudited)	2,515,656	7,482,915	9,998,571
<i>(KHR'000 equivalent)</i>	10,175,828	30,268,391	40,444,219
Fair value			
At 31 December 2020 (unaudited)	5,562,490	3,426,167	8,988,657
<i>(KHR'000 equivalent)</i>	22,500,272	13,858,846	36,359,118
At 31 December 2019	5,562,490	3,426,167	8,988,657

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

4. INVESTMENT PROPERTIES (CONTINUED)

Company	Freehold land US\$	Buildings US\$	Total US\$
Net carrying amount at cost			
At 1 January 2019	742,778	2,865,829	3,608,607
Depreciation	-	(214,114)	(214,114)
At 31 December 2019	742,778	2,651,715	3,394,493
Additions	1,772,878	3,340,000	5,112,878
Depreciation	-	(395,030)	(395,030)
At 31 December 2020 (unaudited)	2,515,656	5,596,685	8,112,341
<i>(KHR'000 equivalent)</i>	10,175,829	22,638,590	32,814,419
Fair value			
At 31 December 2020 (unaudited)	5,562,490	3,426,167	8,988,657
<i>(KHR'000 equivalent)</i>	22,500,272	13,858,846	36,359,118
At 31 December 2019	5,562,490	3,426,167	8,988,657

5. INVESTMENT IN SUBSIDIARIES

	Company Unaudited 31.12.2020 US\$	Company Audited 31.12.2019 KHR'000	Audited 31.12.2019 US\$
Unquoted shares, at cost	21,800,000	88,181,000	15,605,000

The details of the subsidiaries are as follows:

Name	Country of incorporation	Ownership interest		Principal activities
		2020 %	2019 %	
Sahas Security Co., Ltd. (formerly known as Sahas PPSEZ Co., Ltd.)	Cambodia	100	100	Security services
Poi Pet PPSEZ Co., Ltd	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas E&C Co., Ltd	Cambodia	60	60	Construction services
Phnom Penh SEZ II Co., Ltd *	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas Properties Co., Ltd *	Cambodia	100	100	Real estate activity

* Not audited by Baker Tilly (Cambodia) Co., Ltd or Baker Tilly International member firms.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

6. INVESTMENT IN ASSOCIATES

	Group		Audited 31.12.2019 US\$
	Unaudited 31.12.2020 US\$	KHR'000	
Unquoted shares, at cost	6,997,400	28,304,483	6,752,400
Additional investment	-	-	245,000
Shares of post-acquisition reserves	5,314,133	21,495,668	4,650,190
Less: Impairment losses	(1,435,407)	(5,806,221)	(1,435,407)
	10,876,126	43,993,930	10,212,183

	Company		Audited 31.12.2019 US\$
	Unaudited 31.12.2020 US\$	KHR'000	
Unquoted shares, at cost	6,997,400	28,304,483	6,751,950
Additional investment	-	-	245,000
Shares of post-acquisition reserves	5,314,133	21,495,668	4,435,719
Less: Impairment losses	(1,435,407)	(5,806,221)	(1,435,407)
	10,876,126	43,993,930	9,997,262

The details of the associates are as follows:

Name	Country of incorporation	Ownership interest		Principal activities
		2020 %	2019 %	
<u>Associate of Phnom Penh SEZ PLC</u>				
Colben Energy (Cambodia) PPSEZ Limited *	Cambodia	51	51	Supply electricity
Bok Seng PPSEZ Dry Port Co., Ltd *	Cambodia	40	40	Dry port
Sahas Advisory & Consultant Co., Ltd *	Cambodia	39	39	Advisory and consultant services
Gomi Recycle (Phnom Penh) Co., Ltd *	Cambodia	24.5	24.5	Waste recycle factory
<u>Associate of Poi Pet PPSEZ Co., Ltd</u>				
B. Grimm Power (Poipet) Co., Ltd *	Cambodia	45	45	Supply electricity

* Not audited by Baker Tilly (Cambodia) Co., Ltd or Baker Tilly International member firms.

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

7. INVENTORIES

	Group			Company		
	Unaudited		Audited	Unaudited		Audited
	31.12.2020		31.12.2019	31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
At lower of cost and net realizable value						
Land	36,499,627	147,640,991	34,602,982	12,778,447	51,688,818	14,460,409

29.11 (2019: 68.22) hectares of saleable land with a carrying amount of US\$9,122,962 (2019: US\$15,078,630) have been pledged to First Commercial Bank, Kasikorn Bank, Phnom Penh Commercial Bank and Advanced Bank of Asia as security for borrowings (Note 13).

8. TRADE AND OTHER RECEIVABLES

	Group			Company		
	Unaudited		Audited	Unaudited		Audited
	31.12.2020		31.12.2019	31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Current:						
Trade						
Third parties	2,692,597	10,891,555	2,156,054	-	-	2,116,419
Shareholder	3,020	12,216	-	-	-	-
Related parties	789,096	3,191,893	784,077	771,217	3,119,573	771,217
	3,484,713	14,095,664	2,940,131	771,217	3,119,573	2,887,636
Non-trade						
Other receivables	204,002	825,188	199,677	173,792	702,989	194,394
Input value added taxes	1,276,161	5,162,071	1,214,196	216,164	874,383	526,538
Withholding tax credit	3,345,231	13,531,459	4,753,947	3,300,231	13,349,434	4,708,947
Subsidiaries	-	-	-	9,053,582	36,621,739	11,224,718
Associates	2,104,741	8,513,677	2,561,824	1,597,163	6,460,524	2,122,673
Related parties	621,553	2,514,182	307,372	421,553	1,705,182	107,372
Directors	-	-	321,071	-	-	321,071
Shareholders	16,720	67,632	5,832	16,720	67,632	5,832
Deposits	64,852	262,326	18,380	47,978	194,071	4,880
Prepayments	11,247,330	45,495,451	14,174,175	10,644,091	43,055,349	12,007,282
	18,880,590	76,371,986	23,556,474	25,471,274	103,031,303	31,223,707
Total trade and other receivables	22,365,303	90,467,650	26,496,605	26,242,491	106,150,876	34,111,343

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

9. CONTRACT LIABILITIES

	Group		Company			
	Unaudited		Audited	Unaudited		Audited
	31.12.2020		31.12.2019	31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Contract liabilities						
Non-current						
Deferred revenue	8,768,000	35,466,560	9,316,000	8,768,000	35,466,560	9,316,000
Current						
Deferred revenue	548,000	2,216,660	548,000	548,000	2,216,660	548,000
Total contract liabilities	<u>9,316,000</u>	<u>37,683,220</u>	<u>9,864,000</u>	<u>9,316,000</u>	<u>37,683,220</u>	<u>9,864,000</u>

Deferred revenue amounting to US\$9,316,000 (2019: US\$9,864,000) is in respect of granting the right of use on the transmission lines of the Company to Colben Energy (Cambodia) PPSEZ Limited ("CEZ") pursuant to the transfer agreement with CEZ on 31 August 2012. The total consideration is amortised on a straight-line basis over the term of 25 years.

10. CASH AND BANK BALANCES

	Group		Company			
	Unaudited		Audited	Unaudited		Audited
	31.12.2020		31.12.2019	31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash in hand	9,934	40,183	4,161	5,659	22,891	1,151
Cash at banks	1,612,700	6,523,372	1,337,249	272,584	1,102,601	842,847
	<u>1,622,634</u>	<u>6,563,555</u>	<u>1,341,410</u>	<u>278,243</u>	<u>1,125,492</u>	<u>843,998</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and cash at banks.

11. SHARE CAPITAL

	Group and Company			
	Unaudited		Audited	
	31.12.2020		31.12.2019	
	Number of share of US\$ 0.50 each	US\$	Number of share of US\$ 0.50 each	US\$
Ordinary shares				
Authorised:				
At 1 January/31 December	71,875,000	35,937,500	71,875,000	35,937,500
Registered and fully issued:				
At 1 January/31 December	71,875,000	35,937,500	71,875,000	35,937,500
(KHR'000 equivalent)		<u>145,367,188</u>		

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

11. SHARE CAPITAL (CONTINUED)

In conjunction with the listing and quotation of the Company's shares on the Cambodia Securities Exchange on 30 May 2016, the Company issued 11,575,000 new ordinary shares of US\$0.50 each to the public, at an issue price of KHR2,860 per share. The total proceeds arising from the listing exercise amounted to US\$8,125,302 and listing expenses of US\$614,259 had been set off against share premium.

On 19 October 2018, the Company issued 14,000,000 new ordinary shares of US\$0.50 each at an issue price of approximately US\$0.70 for cash for working capital purposes. The total proceeds amounted to US\$9,851,508.

As a consequence of these share issues, the registered and issued ordinary share capital of the Company was increased to US\$35,937,500.

There were no issuance, cancellation, repurchases, resales and repayment of equity securities during the financial period.

12. SHARE PREMIUM

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

13. LOANS AND BORROWINGS

	Group		Company			
	Unaudited 31.12.2020		Audited 31.12.2019	Unaudited 31.12.2020		Audited 31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Non-current:						
Secured						
Bank loans:						
Term loan VII	9,035,631	36,549,127	7,262,078	8,175,521	33,069,982	7,262,078
Term loan VIII	717,248	2,901,268	1,200,000	717,248	2,901,268	1,200,000
Term loan IX	3,450,551	13,957,479	3,000,000	2,999,600	12,133,382	3,000,000
Term loan X	-	-	990,261	-	-	-
Term loan XI	2,129,564	8,614,086	-	2,129,564	8,614,086	-
	<u>15,332,994</u>	<u>62,021,960</u>	<u>12,452,339</u>	<u>14,021,933</u>	<u>56,718,718</u>	<u>11,462,078</u>
Current:						
Secured						
Bank loans:						
Term loan V	-	-	75,643	-	-	75,643
Term loan VII	1,681,487	6,801,615	1,551,120	1,551,120	6,274,280	1,551,120
Term loan VIII	1,658,334	6,707,961	3,450,000	1,658,334	6,707,961	3,450,000
Term loan X	-	-	142,075	-	-	-
	<u>3,339,821</u>	<u>13,509,576</u>	<u>5,218,838</u>	<u>3,209,454</u>	<u>12,982,241</u>	<u>5,076,763</u>
Total loans and borrowings	<u>18,672,815</u>	<u>75,531,536</u>	<u>17,671,177</u>	<u>17,231,387</u>	<u>69,700,959</u>	<u>16,538,841</u>

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

14. TRADE AND OTHER PAYABLES

	Group		Company				
	Unaudited		Audited		Unaudited		Audited
	31.12.2020		31.12.2019		31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Trade							
Third parties	207,045	837,497	843,628	-	-	606,329	
Associates	-	-	639,914	-	-	639,914	
	207,045	837,497	1,483,542	-	-	1,246,243	
Non-trade							
Other payables	2,499,832	10,111,820	97,607	405,595	1,640,633	219,718	
Deposits	1,958,900	7,923,751	2,195,424	1,482,674	5,997,416	2,025,848	
Provision for seniority	-	-	22,094	-	-	-	
Subsidiary	-	-	-	1,638,580	6,628,055	1,246,198	
Associates	31,912	129,084	41,021	28,588	115,638	35,925	
Related parties	1,984,698	8,028,103	886,658	1,984,082	8,025,612	883,722	
Directors	1,841	7,447	1,100,000	1,841	7,447	1,100,000	
Shareholders	200,510	811,063	1,968	200,510	811,063	1,968	
	6,677,693	27,011,268	4,344,772	5,741,870	23,225,864	5,513,379	
Total trade and other payables	6,884,738	27,848,765	5,828,314	5,741,870	23,225,864	6,759,622	

15. REVENUE

	Group		Unaudited Three-month period ended				
	31.12.2020		31.12.2019		31.12.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Revenue from contract customers:							
Construction contracts	584,111	2,362,731	87,933	-	-	-	
Revenue from other sources:							
Sale of land	2,288,472	9,256,869	1,978,371	-	-	2,158,371	
Services rendered	857,745	3,469,579	724,292	663,791	2,685,035	603,906	
Rental income	517,563	2,093,541	310,842	463,495	1,874,837	314,871	
	4,247,891	17,182,720	3,101,438	1,127,286	4,559,872	3,077,148	
Timing of revenue recognition:							
At point in time	3,663,780	14,819,989	3,013,505	1,127,286	4,559,872	3,077,148	
Over time	584,111	2,362,731	87,933	-	-	-	

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NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

15. REVENUE (CONTINUED)

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2020	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue from contract customers:						
Construction contracts	2,513,199	10,165,889	401,484	-	-	-
Revenue from other sources:						
Sale of land	8,380,253	33,898,123	33,020,441	2,093,773	8,469,312	33,020,441
Services rendered	3,824,323	15,469,387	2,920,246	2,650,895	10,722,870	2,442,736
Rental income	1,963,857	7,943,802	971,610	1,875,786	7,587,554	976,839
	<u>16,681,632</u>	<u>67,477,201</u>	<u>37,313,781</u>	<u>6,620,454</u>	<u>26,779,736</u>	<u>36,440,016</u>
Timing of revenue recognition:						
At point in time	14,168,433	57,311,312	36,912,297	6,620,454	26,779,736	36,440,016
Over time	2,513,199	10,165,889	401,484	-	-	-

16. COST OF SALES

	Unaudited					
	Three-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2020	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold	1,074,664	4,347,016	642,762	40,939	165,598	789,602
Cost of services rendered	337,831	1,528,327	343,010	241,072	975,136	256,073
Construction cost	475,944	1,925,192	7,254	-	-	-
Depreciation	106,502	430,801	53,527	95,279	385,404	53,527
	<u>2,034,941</u>	<u>8,231,336</u>	<u>1,046,553</u>	<u>377,290</u>	<u>1,526,138</u>	<u>1,099,202</u>

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2020	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold	4,667,255	18,879,046	12,707,405	1,106,119	4,474,252	12,707,405
Cost of services rendered	1,429,830	5,783,662	1,364,057	1,009,333	4,082,752	965,862
Construction cost	2,031,392	8,216,981	263,149	-	-	-
Depreciation	414,228	1,675,551	214,114	395,030	1,597,896	214,114
Other cost	-	-	4,544	-	-	4,544
	<u>8,542,705</u>	<u>34,555,240</u>	<u>14,553,269</u>	<u>2,510,482</u>	<u>10,154,900</u>	<u>13,891,925</u>

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

17. OTHER INCOME

	Unaudited					
	Three-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	99	400	29	96	388	29
Others	1,205,722	4,877,146	62,992	1,205,642	4,876,822	62,119
	<u>1,205,821</u>	<u>4,877,546</u>	<u>63,021</u>	<u>1,205,738</u>	<u>4,877,210</u>	<u>62,148</u>

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	378	1,529	223	360	1,456	223
Others	1,235,405	4,997,213	372,656	1,235,110	4,996,020	369,374
	<u>1,235,783</u>	<u>4,998,742</u>	<u>372,879</u>	<u>1,235,470</u>	<u>4,997,476</u>	<u>369,597</u>

18. ADMINISTRATIVE EXPENSES

	Unaudited					
	Three-month period ended					
	Group		Company			
	31.12.2020		31.12.2019		31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	346,819	1,402,883	303,444	267,574	1,082,337	247,986
Electricity	7,880	31,875	8,800	6,312	25,532	4,493
Handling fees	4,086	16,528	8,686	20	81	725
Maintenance	53,805	217,641	155,279	49,811	201,485	137,139
Professional fees	93,626	378,717	153,747	82,611	334,161	115,053
Personnel costs	657,395	2,659,163	774,284	346,818	1,402,879	571,287
Rental	13,959	56,464	16,726	2,825	11,427	6,317
Selling and marketing expenses	3,866	15,638	18,529	3,224	13,041	2,043
Security services	50,595	204,657	47,539	46,098	186,466	40,944
Withholding tax, fringe benefit and others tax expenses	9,051	36,611	13,959	6,091	24,638	8,264
Other expenses	1,337,633	5,410,725	217,078	118,626	479,843	194,704
	<u>2,578,715</u>	<u>10,430,902</u>	<u>1,718,021</u>	<u>930,010</u>	<u>3,761,890</u>	<u>1,328,955</u>

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

18. ADMINISTRATIVE EXPENSES (CONTINUED)

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020		31.12.2019	31.12.2020	31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	1,276,495	5,163,422	1,133,068	999,661	4,043,629	1,006,341
Electricity	44,171	178,672	49,332	33,572	135,799	31,808
Handling fees	28,523	115,376	14,703	3,249	13,142	2,146
Maintenance	539,114	2,180,715	381,248	503,838	2,038,025	314,421
Professional fees	372,276	1,505,856	517,073	275,058	1,112,610	403,932
Personnel costs	2,370,078	9,586,965	2,524,017	1,496,641	6,053,912	1,829,600
Rental	78,213	316,372	63,523	26,539	107,350	25,921
Selling and marketing expenses	14,080	56,954	55,125	16,088	65,076	26,246
Security services	188,322	761,762	173,373	169,080	683,929	151,575
Withholding tax, fringe benefit and others tax expenses	75,546	305,584	332,138	67,075	271,318	305,521
Other expenses	1,955,036	7,908,121	1,025,582	587,778	2,377,562	921,512
	<u>6,941,854</u>	<u>28,079,799</u>	<u>6,269,182</u>	<u>4,178,579</u>	<u>16,902,352</u>	<u>5,019,023</u>

19. FINANCE COSTS

	Unaudited					
	Three-month period ended					
	Group		Company			
	31.12.2020		31.12.2019	31.12.2020	31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest expense on term loans	388,164	1,570,123	406,303	362,725	1,467,223	386,584

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020		31.12.2019	31.12.2020	31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest expense on term loans	1,453,065	5,877,648	1,184,070	1,348,830	5,456,017	1,134,788

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

20. INCOME TAX EXPENSE

	Unaudited					
	Three-month period ended					
	Group		Company			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Statements of comprehensive income						
Current income tax:						
- Current period	58,721	237,526	104,089	68,437	276,828	31,199

	Unaudited					
	Twelve-month period ended					
	Group		Company			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Statements of comprehensive income						
Current income tax:						
- Current period	576,794	2,333,132	1,531,279	68,437	276,828	1,456,262

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on profit at 20% (2019: 20%) of taxable profit.

21. EARNINGS PER SHARE

	Unaudited		
	Three-month period ended		
	Group		
	31.12.2020	31.12.2019	
	US\$	KHR'000	US\$
Profit attributable to owners of the Company	592,217	2,395,521	207,990
Weighted average number of ordinary shares	Units	Units	Units
	71,875,000	71,875,000	71,875,000
	US\$	KHR'000	US\$
Basic earnings per share	0.008	0.033	0.003
Diluted earnings per share	0.008	0.033	0.003

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

21. EARNINGS PER SHARE (CONTINUED)

	Unaudited Twelve-month period ended Group		
	31.12.2020		31.12.2019
	US\$	KHR'000	US\$
Profit attributable to owners of the Company	816,054	3,300,940	14,761,820
	Units	Units	Units
Weighted average number of ordinary shares	71,875,000	71,875,000	71,875,000
	US\$	KHR'000	US\$
Basic earnings per share	0.011	0.046	0.205
Diluted earnings per share	0.011	0.046	0.205

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

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

22. RELATED PARTIES

The Group and the Company had the following significant transactions with related parties during the financial period:

	Unaudited Twelve-month period ended					
	Group		Company			
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<u>Associates</u>						
Colben Energy (Cambodia)						
PPSEZ Limited						
- Rental income	548,000	2,216,660	548,000	548,000	2,216,660	548,000
- Purchase of electricity	(429,010)	(1,735,345)	(471,367)	(429,010)	(1,735,345)	(471,367)
<u>Subsidiary</u>						
Sahas E&C Co., Ltd						
- Construction cost	-	-	-	(3,840,323)	(15,534,107)	(4,236,712)

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)

23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

The Group'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 the Group 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 the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due.

The Group 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, the Group maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

(c) Interest rate risk

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

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

Company No. 00006448

REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH SEZ PLC.

(Incorporated in Cambodia)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Phnom Penh SEZ Plc. ("the Company") and its subsidiaries ("the Group") as at 31 December 2020 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the quarter and twelve-month period then ended, and condensed notes to the interim financial information (collectively referred to as "condensed interim financial information of the Group"). The directors of the Company are responsible for the preparation and fair presentation of the condensed interim financial information of the Group in accordance with the Cambodian International Accounting Standard ("CIAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the condensed interim financial information of the Group 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* ("ISRE 2410"). A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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 opinion.

Company No. 00006448

REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH SEZ PLC. (CONTINUED)
(Incorporated in Cambodia)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information of the Group are not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.



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



Tan Khee Meng
Certified Public Accountant

Phnom Penh, Kingdom of Cambodia

Date: 15 February 2021

Chapter 4: Management Description & Analysis (MD&A)

4.1 Overview of operations

A. Revenue Analysis

Total Revenue for the Period of quarter 4 is 17,182,720 KHR'000 in FY 2020, an increase of 35.96% Y-o-Y	In quarter 4, PPSP reported total revenue of 17,182,720 KHR'000, an increase of 35.96% Y-o-Y compared to the amount 12,638,360 KHR'000 in year 2019 ("FY 2019") mainly from substantial Increase in revenue from land sold (9,256,869 KHR'000 vs. 8,061,862 KHR'000 in FY 2019).
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B. Revenue Breakdown by sector

Land sales revenue decrease 53.87% year-on-year to 63.79% of total revenue	Total revenue breakdown over the last two (2) fiscal years are shown as follow:					
	No	Source	Q4 2020		Q4 2019	
			Quantity	%	Quantity	%
	1	Sale of land	9,256,869	53.87%	8,061,862	63.79%
	2	Service rendered	3,469,579	20.19%	2,951,490	23.35%
	3	Construction Revenue	2,362,731	13.75%	358,327	2.84%
	4	Rental income	2,093,541	12.18%	1,266,681	10.02%
Total		17,182,720	100.0%	12,638,360	100.0%	
Unit: KHR '000						

C. Gross profit gap analysis

Gross profit for the Period of 8,951,384 KHR'000 in FY 2020, an increase of 6.90%	In the fourth quarter of 2020, PPSP reported a total Gross profit of the period 8,951,384 KHR'000, an increase of 6.90% compared to the previous year of 8,373,657 KHR'000 in the fourth quarter of 2019.
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D. Analysis of pre-tax profits

Profit before tax for the Period of 2,268,410 KHR'000 in the fourth quarter of 2020, an increase of 61.44%	In FY 2020, PPSP reported consolidated profit before tax of 2,268,410 KHR'000, compared to the profit before tax of 1,405,105 KHR'000 in FY 2019.
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E. After tax profit Analysis

Profit after tax for the Period of 2,030,884 KHR'000 in the fourth quarter of 2020, an increase 107.03%	In FY 2020, PPSP reported consolidated profit after tax of 2,030,884 KHR'000, increase 107.03% compared to the profit after tax of 980,942 KHR'000 in FY 2019.
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F. Analysis of factors and trends affecting the financial condition and results

As previously mentioned, total revenues and profit after tax are largely effected by the land sales

4.2 Key factors which have an effect on profitability

A. Supply vs. Demand

The recently published IMF staff report on Cambodia projects economic activity to grow by around seven percent over the next few years. Some investors appear in wait-and-see mode ahead of next year's general elections. Country is on the verge of climbing up the manufacturing value chains. These further efforts can help facilitate higher growth. On the upside, the global outlook is favorable, public spending is increasing, construction momentum remains robust and tourism activity has picked up pace.

4.6 Economic policy, the government's fiscal and monetary

The key policies that influence our business are:

The 2015-2025 Industry Development Policy of Cambodia, aiming to orient market and create favorable conditions to promote development of the industry, is attracting foreign direct investment focusing on major industries, expanding the market, transferring technology, training human resources, developing infrastructure and developing special economic zones as well as the industrial zone preparation.

In addition, the tax incentives in securities sector to listed companies are encouraging rapid development of infrastructure and strengthening management to attract investment in the development of long-term financing.

On the contrary, government policies also have negative implications for our business. In that case, while patent registration charge in 2015 is only 1,400,000 KHR, change of Fiscal law in 2016 has effect on the charge as follow:

400,000 KHR for small enterprise

1,200,000 KHR for medium enterprise

For large enterprise 3,000,000 KHR will be charged for the company with revenue from 2,000 million riel to 10,000 million riel.

5,000,000 KHR will be charged for the company with revenue exceed 10,000 million riel.

In spite of change as above, it, however, does not significantly affect the investment decision.

Looking further ahead, growth will likely decline to about six percent a year. This reflects an expected slowdown in credit and real-estate cycles and challenges in improving diversification and competitiveness.

B. Fluctuation of raw materials price

There was no raw materials required during 2020 since we are industrial estate development business.

C. Change of Tax Scheme

This was no change on the related tax scheme during 2020.

D. Unusual or extraordinary items

There was no extraordinary income and expense during the 4th quarter of 2020.

4.3 Significant variation in sales and revenue

As previously mentioned, total revenues and profit after taxes were largely improved as the revenue from land sales significantly increased.

4.4 The impact of currency exchange rates and commodity prices

Recent US dollar depreciation against other regional currencies like Yen, Thai Baht may be positive to investment decision by foreign manufacturers.

4.5 Impact of Inflation

Inflation has not effect significantly on our financial performance.

Date: 15th February 2021

Read and Approved

Non-Executive Chairman



Tan Kak Khun