

Port eyes public listing amid profits recovery



Seller Info

Name: seng Sengchhorlina
First Name: seng
Last Name: Sengchhorlina
Phone: 0855 Please click to see detail
Location: Phnom Penh

Ads details

I want to:

Title: Port eyes public listing amid profits recovery

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Location Preah Sihanoukville

Description Sihanoukville Autonomous Port (SAP) could be ready to list on the Cambodian Stock Exchange (CSX) by mid 2015, the head of the state-owned enterprise says.

Lou Kimchhunn, director-general at the port said he is awaiting evaluations of the business's 2014 performance from an independent accounting firm and that the initial public offering (IPO) process is expected to be completed by June next year.

"We are a bit late due to experiencing losses in our business beyond the past three years," Kimchhunn said.

"The requirements to be listed on the CSX are strict. They require us have reported three years of consecutive profits," he added, citing the port's revenue reaching \$3 million to \$4 million annually since 2012.

He said that in 2010 and 2011, the port recorded revenue declines off the back of poor currency exchange rates between the US dollar and the Japanese yen, when the company had to repay debts to the Japanese government.

SAP received \$77 million loan in 2004 for the port's general development and a further \$126 million in 2009 for the construction of special economic zone and a multipurpose terminal, all from Japan.

"Once we evaluate the business operations next year, I think we will be ready for the bourse," Kimchhunn said.

But despite the profitable three-year run, SAP is yet to submit any official IPO application documents to the Securities and Exchange Commission of Cambodia or the CSX, according to Kimmchhunn.

The slow progress the CSX, which has attracted just two listings since it launched in 2011, is also deterring IPOs, Soleil Lamun, deputy director of market operations at the CSX said.

"The slow progress of the market would pose some concerns to some companies regarding possibility of selling their shares," he said.

"Also, some investors may not trust state-own-enterprises... but many believe in their growth stability."

Lamun said the CSX is awaiting SAP's official IPO application and that he expects a total of three new companies to join the bourse during 2015.

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