

KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

The 4th Quarter Report of 2022

Listed Company

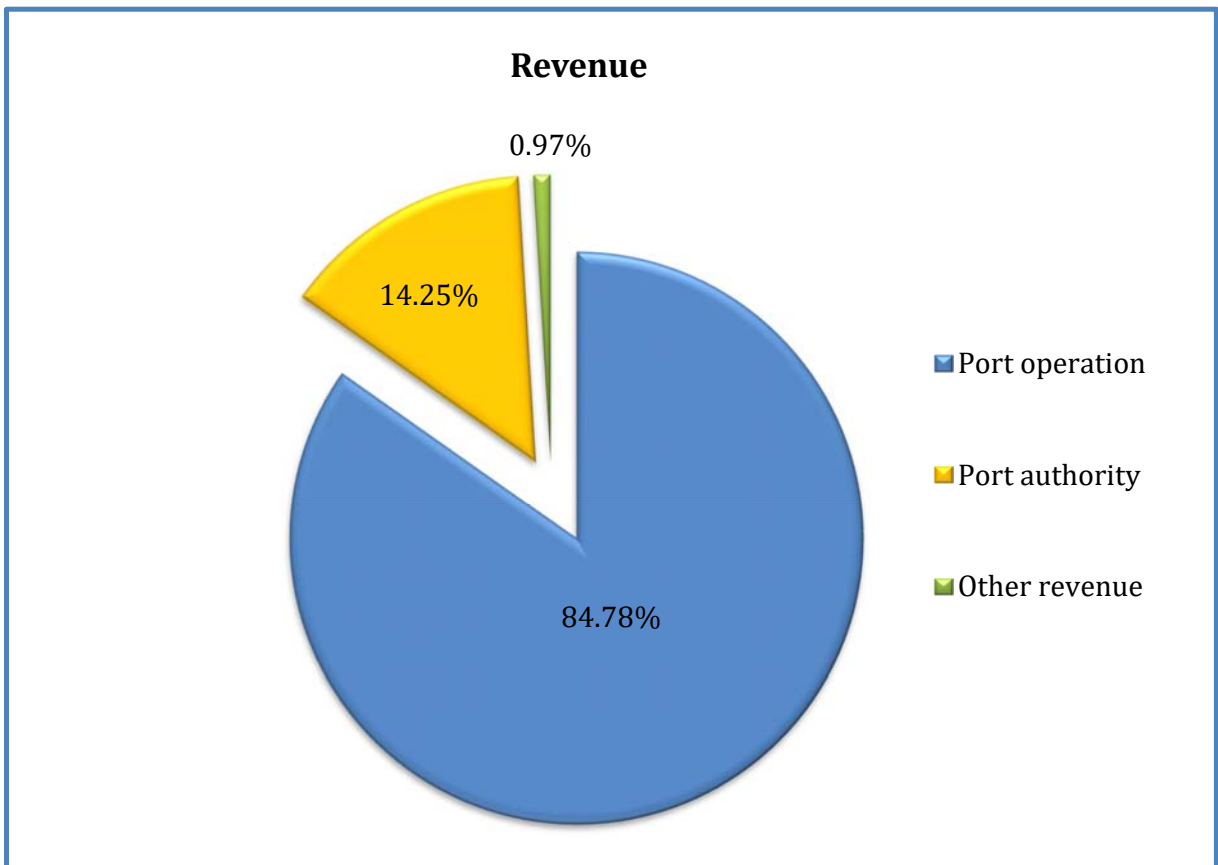
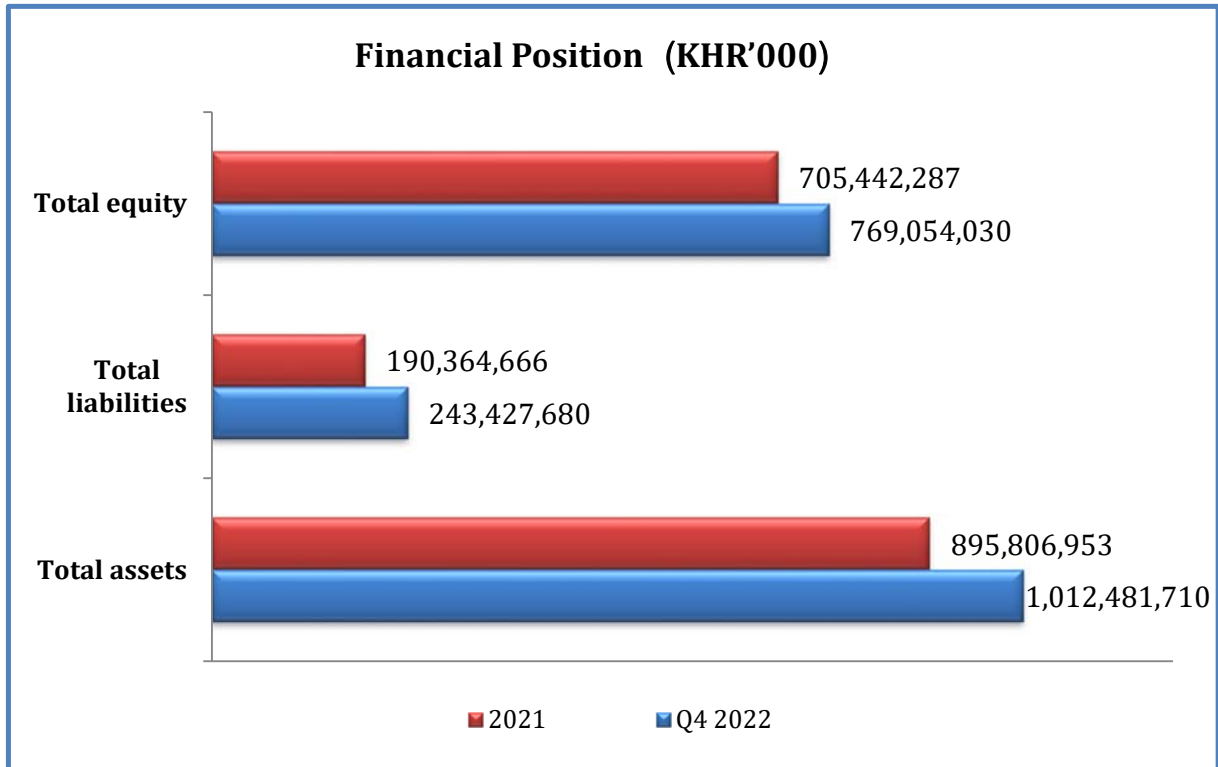
4th Quarterly Report of 2022
(End 31/12/2022)
Phnom Penh Autonomous Port

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

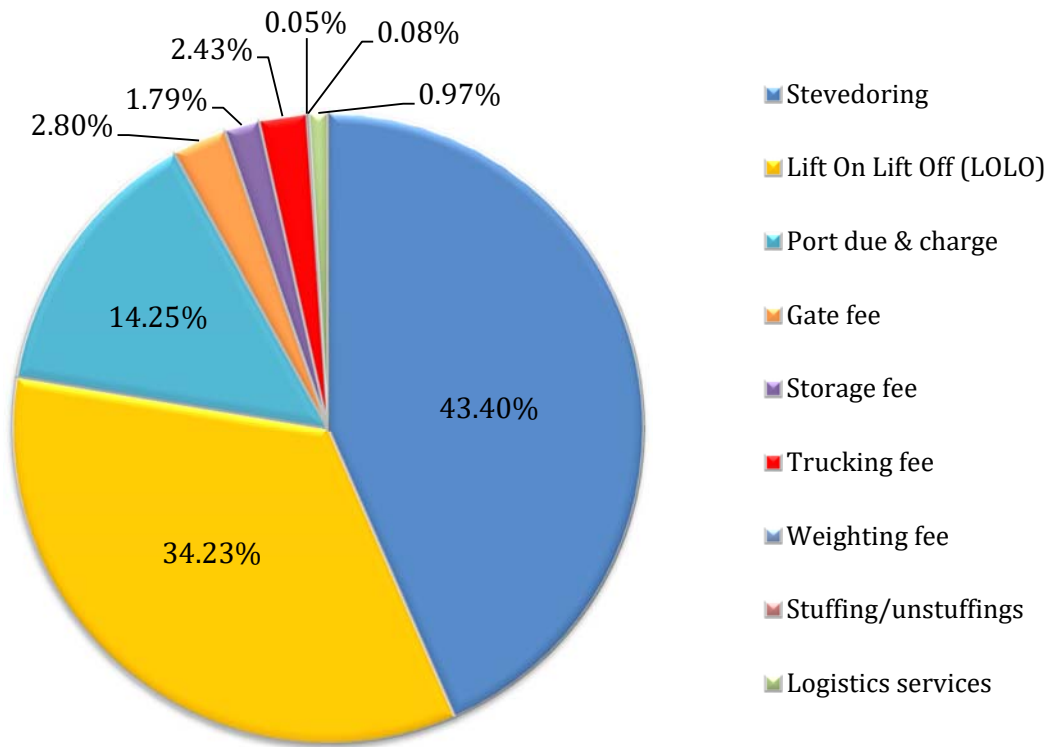
1.1. Financial Highlight

Description		31 December 2022	31 December 2021	31 December 2020
Financial Position (KHR'000)				
Total assets		1,012,481,710	895,806,953	836,320,710
Total liabilities		243,427,680	190,364,666	184,154,159
Total equity		769,054,030	705,442,287	652,166,551
Profit/(Loss) (KHR'000)		Q4 2022	Q4 2021	Q4 2020
Total revenues		32,879,869	32,284,687	26,855,146
Profit/(Loss) before tax		16,802,278	16,910,390	11,601,561
Profit/(Loss) after tax		12,521,379	13,087,221	8,961,905
Total comprehensive income		13,591,490	13,328,240	9,686,191
Financial Ratios		Q4 2022	31 December 2021	31 December 2020
Solvency ratio (%)		7.25	34.27	28.40
Liquidity ratio	Current ratio (times)	3.47	3.36	3.86
	Quick ratio (times)	3.39	3.36	3.86
		Q4 2022	Q4 2021	Q4 2020
Profitability ratio	Return on assets (%)	1.34	1.49	1.16
	Return on equity (%)	1.77	1.89	1.49
	Gross profit margin (%)	62.64	66.02	70.31
	Profit margin(%)	41.34	41.28	36.07
	Earning per share (Riel)	657.09	644.36	468.29
Interest coverage ratio (times)		22.76	20.93	13.41

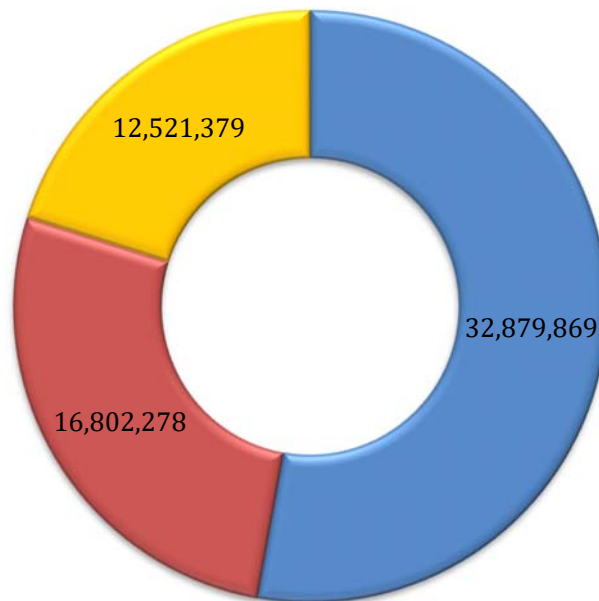
1.2. Graph of Financial Information Highlight (As of 31 December 2022)



Types of Revenue Distribution Compared to Total Revenues

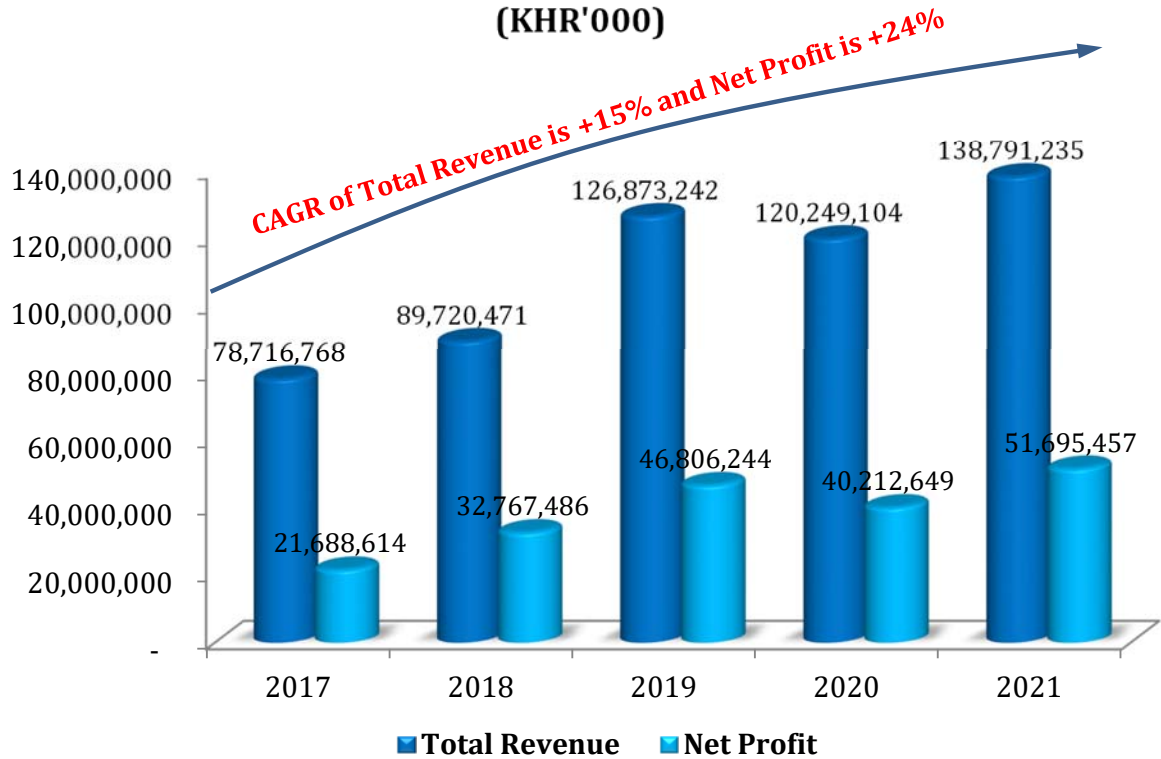


Net Profit for Q4 2022 (KHR'000)

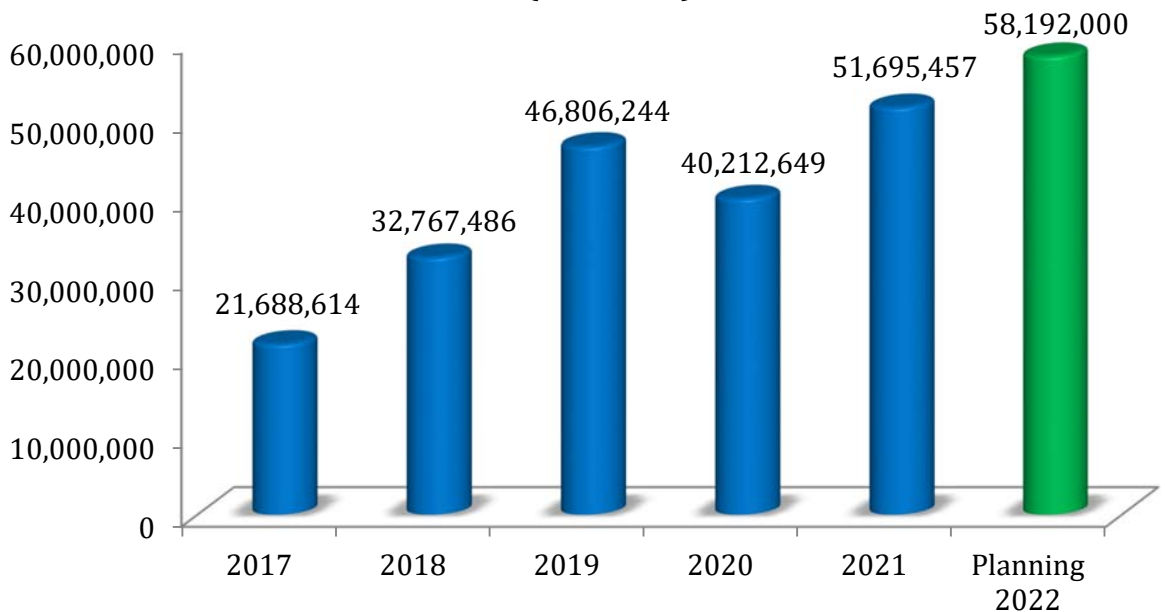


■ Revenue ■ Profit before income tax ■ Net Profit

Compound Annual Growth Rate (CAGR) of Total Revenue and Net Profit for 5 years from 2017 to 2021 (KHR'000)



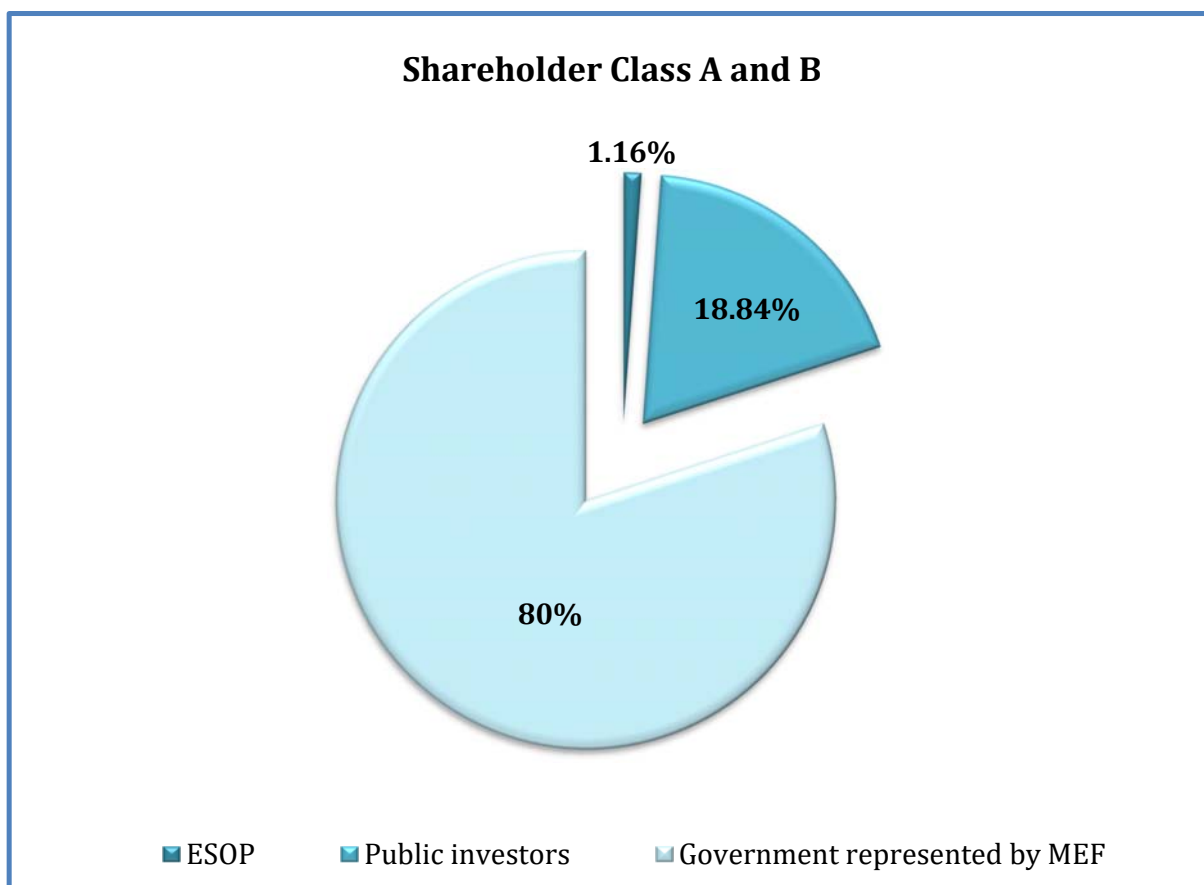
Net Profit from 2017 to 2021 and Planning 2022 (KHR'000)



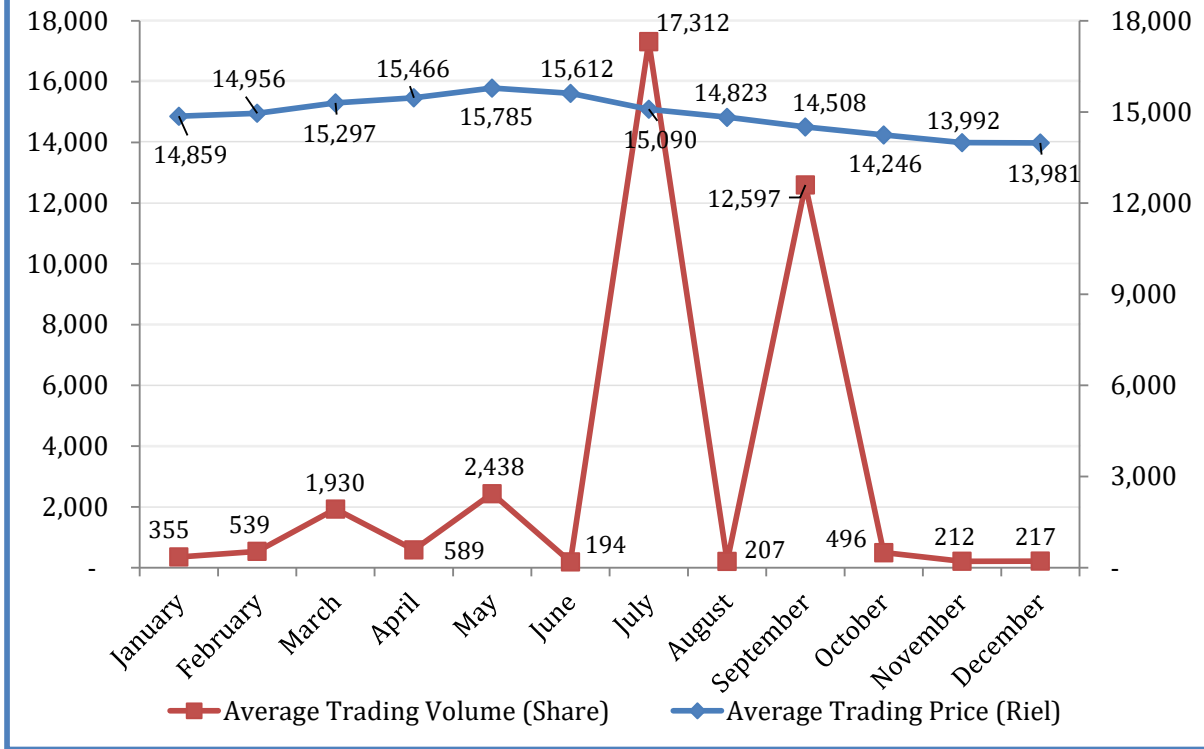
1.3. Stock Ownership (As of 31 December 2022)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	240,340	1,16%
2. Public investors	3,896,533	18,84%
Total Shares of Class A	4,136,873	20%

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



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



2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



H.E. Penn Sovicheat
Member (Rep. of Ministry of
Commerce)



Mr. Gui Anvanith
Member (Independent
Director)



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



Mr. KONG Sothea
Member (Rep. of PPAP
Employees)

3. Message from Chairman and CEO

For the fourth quarter 2022, total revenue is KHR 32,879,869,000 (USD 7,954,479) achieved 22.49% of planning 2022 and compared to the fourth quarter 2021 increased by KHR 595,182,000 (USD 29,462) or 1.84%. However, net profit in the fourth quarter 2022 is KHR 12,521,379,000 (USD 3,029,450) reached 21.52% of planning 2022 and compared to fourth quarter 2021 decreased by KHR 565,842,000 (USD 182,996) or -4.32%. For the 12months of 2022, total revenue from Port Operation and Port Authority is KHR 148,815,567,000 (USD 36,411,932) achieved 101.78% of planning 2022 and compared to 2021 increased by KHR 23,587,415,000 (USD 5,628,217) or 18.84%. However, net profit in the 12months of 2022 is KHR 59,147,779,000 (USD 14,472,175) achieved 101.64% of planning 2022 and compared to 2021 increased to KHR 7,452,322,000 (USD 1,764,344) or 14.42%.

Apart from this, basic earnings per share in fourth quarter 2022 is 657.09 Riels (USD 0.16).

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

A. The Direction of main work implementation of PPAP

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

B. The Work Implementation of Board of Directors

For the 4th Quarter of 2022, the Board of Directors attended a meeting and achieved the following results:

i. The 1st meeting of the 8th mandate on July 5th, 2022

- Acknowledged the members of the 8th mandate Board of Directors of PPAP and members of the 8th mandate Board of Directors' Secretary
- Checked and approved the request to cooperate with a private company on the construction of a new administrative building of PPAP and Tourist Hall
- Checked and approved the request to select a new External Auditor for PPAP

- Checked and approved the request to study on the 6 locations to develop as sub-feeder terminals of PPAP.

B. Setting the Goal for 2022

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

- Strengthen the human resource development
- Enhance the establishment of logistics center, modern warehouse and cold warehouse
- Enhance the establishment of supporting areas for port
- Enhance the establishment of barge operators to other hub ports beside Cai Mep
- Enhance the import of second hand cargoes through PPAP
- Continue to focus on the installation of the modern facilities to strengthen the capacity of handling equipment at Container Terminal LM17
- Improve the capacity of handling of the bulk cargoes and establish the terminal for the bulk cargoes
- Modernize and expand the Passenger and Tourist Terminal (TS3 and TS1)
- Enhance the establishment of multi-purposed terminal along the rivers
- Strengthen the capacity of handling of agricultural products along the terminals of the provinces located in upper Mekong River
- Maintain the navigation and dredge the Sdao Canal to facilitate the transportation of cargoes between the northeastern provinces and Phnom Penh via Mekong River and the Cambodia-Vietnam border
- Continue to promote the service of inland transportation of container between Container Terminal LM17 of PPAP and the customers' factories/ warehouses or vice-versa
- Continue to promote package services for cold fruit export via Container Terminal LM17 of PPAP.

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

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

Phnom Penh, 22nd FEBRUARY 2023
Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP


A. Identity of PPAP

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

In Latin : PHNOM PENH AUTONOMOUS PORT (PPAP)

 **Standard Code** : KH1000040001

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

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

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

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

Date: November 23rd, 2004

 **License number**: 0014 ពណ.ចបព **Issued by**: Ministry of Commerce

Date : January 5th, 2015

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

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

B. Nature of Business

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

1. Operation as Port Operator

As a port operator, PPAP provides main services such as :

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

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

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

4.1 Terminals are in operation

4.1.1 Container Terminal LM17

In 2022, PPAP has started to develope the phase III step 2 and the new quay projects of port infrastructure at container terminal LM17 meanwhile in order to support the total container throughput of 500,000 TEUs per year. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 2 Fixed Cargo Crane, 12 RTG cranes, 7 Reach Stakers, 3 Sky Stackers, and 64 Trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	380,007.25 m²
Registered land size	377,869 m²
Size of the processing land title	2,138.25 m²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)

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

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

4.1. Multipurpose Terminal (TS3)

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

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Register land size*	85,846 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to +0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Crawler crane, and Floating crane

4.1.3. Sub-feeder Multipurpose Terminal UM2

PPAP has signed the agreement on October 22nd, 2012 with Meing Ly Heng Investment in order to cooperate and develop Tonle Bet Terminal. This agreement lasts for 20 years starting from October 22nd, 2012 until October 21st, 2032. According to the agreement, PPAP is responsible for stevedoring

service while the private partner will be responsible for providing the storage facility. The revenues are charged separately based on the services provided by each entity. PPAP has not acquired the ownership of the land, but has built a pontoon and installed mobile cranes and forklifts. The terminal was constructed with a vision of it becoming a consolidation center for agricultural products and to encourage their inland waterway transport. Currently, cassava is the main product being exported via Tonle Bet Port (UM2).

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Land Size	160,725 m ²
Berth	1 (a floating pontoon with a size of 6m x 28m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Floating crane, Conveyer

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 4rd Quarter of 2022, the total of 31,071 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

Address	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap and approximately 2km from conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
Registered land size*	6,637 m ²
Berth	2

Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Two pontoons and a bridge connecting them to the shore.

4.2. Terminal which are planned to develop at the future

4.2.1. Sub-Feeder Multipurpose Terminal TS11 (KM6)

Sub-feeder multipurpose terminal TS11 (KM6) is located along the NR5, in Kilometer 6 commune, Russey Keo District, Phnom Penh, which is about 6.6 kilometers long or a 20mn drive from the city center Wat Phnom. It is the strategic area to distribute and collect goods between manufacturers and consumers because it is located nearby the downtown of Phnom Penh city. The development of this terminal will reduce the traffic jam in Phnom Penh City. Anyway, The multipurpose terminal TS3 can not be fully operated as it is located in the city center, which is restricted the container trucks to enter the city during the daytime.

Therefore, in order to promote inland waterway transport as well as to provide Door to Door service, the development of Sub-feeder multipurpose terminal TS11(KM6) is really significant to connect the flow of goods from other provinces for multiple choices with lower prices.

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Actual land size	12,533 m ²
Anchorage	The anchorage si available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
Hours of Operation	7days/24hrs
Facilities	Mobile crane and Floating crane

4.2.2. Sub-Feeder Multipurpose Terminal Koh Roka LM26

Sub-feeder multi-purpose terminal Koh Roka is located in Koh Roka commune, Peam Chor District, Prey Veng Province, in the southern part of Cambodia and it is about 3 kilometers away from Vietnam Border, Dong Thap province. It is a potential terminal for Cambodian people to export agricultural products to Vietnam and import raw material and construction materials. Moreover, this terminal will create more opportunities to boost and connect the tourism sector between the two countries. At the moment, This terminal has already finished the sand filling for the container yard, yet the machinery is being equipped and installed, infrastructure for operation is being developed.

Therefore, the acceleration to develop sub-feeder multipurpose terminal Koh Roka will be benefited to the two people of two countries by import-export products and goods, as well as the connection waterway transportation to export to global market efficiently, especially to lower the logistics cost and reduce the impact of land transport.

At the present time, Sub-feeder multi-purpose terminal Koh Roka has finished the development of the container yard, which is planned to be used for general cargo operation until there is a need for container cargo operation in the next step. PPAP has been constructing 3 conveyors to facilitate the flow of import-export which is planned to be used step by step by the end of 2021.

Address	Koh Roka commune, Peam Chor District, Prey Veng Province.
Terminal location	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
Total land size	144,750 m ²
Registered land size	105,192 m ²
Size of the processing land title	39,558 m ²
Anchorage	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer)

C. Quarter's Key Events

As of 4th Quarter of 2022, there has no any quarter's key events.

Part 2

Information on Business Operation Performance

A. The results of the business operations, including partial business information for the fourth quarter of 2022

1. Statistics of PPAP

A	Description	Unit	Planning 2022	Q4			12 Months		Compare (%)	Up/Down (%)	
				2022	2021	2020	2022	2021		8=(2/3)- 100%	9=(3/4)- 100%
	B	C	1	2	3	4	5	6	7=(5/1)		
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,719,387</u>	<u>976,042</u>	<u>935,576</u>	<u>983,075</u>	<u>4,044,289</u>	<u>3,851,453</u>	85.70%	+4.33%	-4.83%
	A- <u>Container Throughput</u>	-	<u>2,736,695</u>	<u>599,392</u>	<u>543,212</u>	<u>520,800</u>	<u>2,437,137</u>	<u>2,115,531</u>	89.05%	+10.34%	4.30%
	- Imported Container Cargo	-	1,755,624	327,930	293,015	329,449	1,255,987	1,221,613			
	- Exported Container Cargo	-	981,071	271,462	250,197	191,351	1,181,150	893,918			
	<u>B - Mobile General Cargo Handling</u>	-	<u>960,641</u>	<u>190,444</u>	<u>197,062</u>	<u>256,774</u>	<u>789,921</u>	<u>836,148</u>	82.23%	-3.36%	-23.25%
	- Inside Port	-	68,161	23,448	8,320	18,090	71,597	46,490			
	- Outside Port	-	892,480	166,996	188,742	238,684	718,324	789,658			
	<u>C - Imported Oil & Gas</u>	-	<u>1,022,051</u>	<u>186,206</u>	<u>195,302</u>	<u>205,501</u>	<u>817,232</u>	<u>899,774</u>	79.96%	-4.66%	-4.96%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>394,679</u>	<u>88,653</u>	<u>92,491</u>	<u>69,575</u>	<u>417,696</u>	<u>348,898</u>	105.83%	-4.15%	32.94%
	- Laden Cargo	-	281,755	59,117	62,025	53,285	272,410	240,988			
	- Empty Cargo	-	112,924	29,536	30,466	16,290	145,286	107,910			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,697,336</u>	<u>789,836</u>	<u>740,274</u>	<u>777,574</u>	<u>3,227,058</u>	<u>2,951,679</u>	87.28%	+6.70%	-4.80%
	- General Cargo	-	960,641	190,444	197,062	256,774	789,921	836,148			
	- Container Throughput (Ton)	-	2,736,695	599,392	543,212	520,800	2,437,137	2,115,531			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,485</u>	<u>1,040</u>	<u>558</u>	<u>605</u>	<u>3,783</u>	<u>2,302</u>	152.23%	+86.38%	-7.77%
	- Foreign Vessels and Barge	-	1,044	929	438	478	3,287	1,770			
	- Cambodian Vessels and Barge	-	843	-	-	-	-	-			
	- Oil Vessels and Tanker	-	598	111	120	127	496	532			

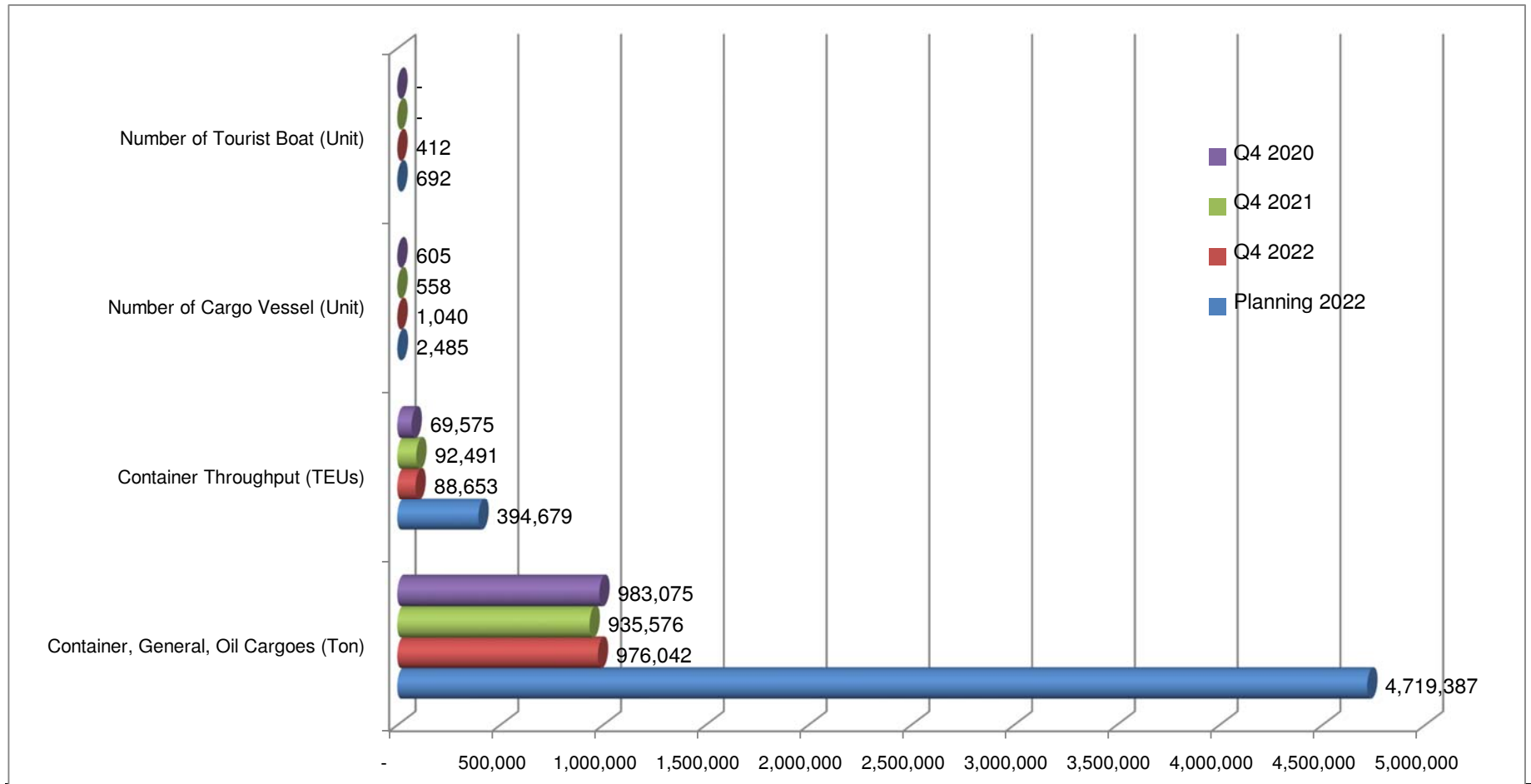
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,915</u>	<u>2,326</u>	<u>2,290</u>	<u>476</u>	<u>10,236</u>	<u>5,004</u>	534.52%	+1.57%	381.09%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	1,915	2,326	2,290	476	10,236	5,004			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>21,348</u>	<u>21,840</u>	<u>13,820</u>	<u>4,953</u>	<u>69,062</u>	<u>28,523</u>	323.51%	+58.03%	179.02%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	21,348	21,840	13,820	4,953	69,062	28,523			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>692</u>	<u>412</u>	<u>-</u>	<u>-</u>	<u>534</u>	<u>=</u>	77.17%	+412.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	440	234	-	-	328	-			
	- Cruise Boat	-	252	178	-	-	206	-	81.75%	+178.00%	0.00%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>18,334</u>	<u>9,231</u>	<u>-</u>	<u>-</u>	<u>10,600</u>	<u>=</u>	57.82%	+9,231.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	8,601	3,152	-	-	3,653	-			
	- Tourist on Cruise Boat	-	9,733	6,079	-	-	6,947	-	71.38%	+6,079.00%	0.00%

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

- 🚢 Cargo-fuel and gas throughput in Q4 2022 : 976,042 Tons, increased by 4.33% compared to Q4 of 2021 (935,576 Tons). For 12 Months of 2022, PPAP has accomplished 85,70% compared to planning 2022 (4,719,387 Tons).
- 🚢 Cargo vessels throughput in Q4 2022 : 1,040 Units, increased by 86.38% compared to Q4 2021 (558 Units). For 12 Months of 2022, PPAP has accomplished 152,23% compared to planning 2022 (2,485 Units).
- 🚢 ~~The number of international~~ International passengers and tourist cruises throughput via Cambodia-Vietnam in Q4 2022 : 412 Voyages, increased by 412.00% compared to Q4 2021 (0 Voyages). For 12 Months of 2022, PPAP has accomplished 77.17% compared to planning 2022 (692 Units).

- 🌐 Containers throughput in Q4 2022 : 88,653 TEUs, decreased by 4.15% compared to Q4 ~~of~~ 2021 (92,491 TEUs). For 12 Months of 2022, PPAP has accomplished 105,83% compared to planning 2022 (394,679 TEUs).
- 🌐 The number of international passengers and tourists throughput via Cambodia-Vietnam in Q4 2022 : 9,231 Passengers, increased by 9,231.00% compared to Q4 2021 (0 Passengers). For 12 Months of 2022, PPAP has accomplished 57.82% compared to planning 2022 (18,334 Passengers).

Graphs on Performance Comparisons of the 4th Quarter of 2022 - 2021 - 2020 and Planning 2022



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

❖ **Sand Dredging Management**

- 🏗️ Maintenance and Restoration of Sdao navigation canal to facilitate navigation
- 🏗️ Implemented a project to repair and maintain airbags and navigation signs along the Mekong River (Phnom Penh-Khorm Somnor)
- 🏗️ Conducted water depth measurements at various ports to facilitate navigation

❖ **The construction of port infrastructure**

- 🏗️ Construction of 16m × 40m container truck scanning plant at container terminal LM17 is 100% completed.
- 🏗️ Construction of the third gate in the purpose of supporting the phase IV container yard at the container terminal LM17 is 100% completed.
- 🏗️ Construction of additional foundations to address RPM engines and protection systems near at the third gate is 100% completed.
- 🏗️ Construction of Phase III step 2 is 100% completed.
- 🏗️ Construction of 3 trestle bridges and poontoons (15m x 42m, heigh 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal is 100% completed.
- 🏗️ Construction of Drainage work, concrete field and dam at the sub-feeder multipurpose terminal LM26 is 100% completed
- 🏗️ Construction of Quay, foundations of FCC, 50m of river bank, 2 dolphins at sub-feeder multipurpose terminal UM2 is 100% completed
- 🏗️ Construction of 16m x 149m Port Bridge (Port 3) at LM17 Container Terminal achieved 12% of the project
- 🏗️ Construction of 24.4m x 60m LCL warehouse at LM17 container terminal achieved 10% of the project
- 🏗️ Construction of roads and mix stone at LM26 multi-purpose satellite terminal achieved 55% of the project
- 🏗️ Construction of Waiting Hall and Tourist Hall at TS3 Multi-Purpose Port Achieved 45% of the project

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

- 🏗️ Preparing the order for purchasing and renting of machinery according to the 2022 plan as follows:
 - Rent RTG 03 Units
 - Purchase Reach Stacker 04 Units
 - Ordered boat for transportation the crew 01 Unit
 - Purchased solar lights to repair and maintain airbags 26 Units

B- Revenue Structure

Source of Revenue	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		4 th Quarter for the Period Ended 31 December 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	14,272,593	43.40%	14,391,781	44.58%	11,966,492	44.56%
Lift On Lift Off (LOLO)	11,255,185	34.23%	11,713,886	36.28%	10,078,759	37.53%
Port dues and charges	4,684,889	14.25%	3,689,003	11.42%	3,417,472	12.73%
Gate fees	919,532	2.80%	966,993	3.00%	687,435	2.56%
Storage fees	589,870	1.79%	865,757	2.68%	328,135	1.22%
Sand dredging management fee	-	0.00%	24,480	0.08%	-	0.00%
Trucking fee	798,722	2.43%	470,568	1.46%	201,130	0.75%
Weighting fee	15,626	0.05%	12,865	0.04%	8,868	0.03%
Stuffing/Unstuffing	24,986	0.08%	16,938	0.05%	34,716	0.13%
Logistic services	318,466	0.97%	132,416	0.41%	132,139	0.49%
Total:	32,879,869	100%	32,284,687	100%	26,855,146	100%

PART3

**Financial Statements Reviewed by
the External Auditor**

**Condensed Interim Financial Information Report
For the Quarter and Twelve-Month Period Ended 31 December 2022
Will be Attached as Appendix I**

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

A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this Fourth Quarter 2022 report for further information.*

The container throughput of PPAP in the 4th quarter 2022 has decreased 3,838 TEUs or 4,15% compared to the 4th quarter 2021. For vessels in the 4th quarter 2022 increased by 482 units or 86,38% compared to the 4th quarter 2021. However, ship (412 voyage) in the 4th quarter 2022 increased 412 voyage or 412% compared to the 4th quarter 2021. On the other hand, general cargo in second quarter 2022 has also decreased 6,618 TONs or 3,36% compared to 4th quarter 2021.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the Interim financial report for Fourth Quarter ended 31 December 2022 and 2021 as *set out in Section 3 of this Fourth Quarter Report.*

PPAP has four main revenue source:

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

1. Revenue Analysis

1.1 Revenue analysis

For the fourth quarter ended 31 December 2022 compared to fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	6,741,092	27,876,514	6,981,053	28,438,788	(239,961)	-3.44%	(562,274)	-1.98%
Port authority	1,136,132	4,684,889	905,530	3,689,003	230,602	25.47%	995,886	27.00%
Other revenue	77,255	318,466	38,434	156,896	38,821	101.01%	161,570	102.98%
Total:	<u>7,954,479</u>	<u>32,879,869</u>	<u>7,925,017</u>	<u>32,284,687</u>	<u>29,462</u>	<u>0.37%</u>	<u>595,182</u>	<u>1.84%</u>

Total revenue increased by KHR 595,182,000 (USD 29,462) or 1.84% from KHR 32,284,687,000 (USD 7,925,017) in the fourth quarter 2021 to KHR 32,879,869,000 (USD 7,954,479) in the fourth quarter 2022. This increase in revenue is due to the increase of revenue from port authority (port dues and charges) and other revenue (logistic service).

1.2 Revenue by segment analysis

For the fourth quarter ended 31 December 2022 compared to fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	14,272,593	43.40%	14,391,781	44.58%
Lift On Lift Off (LOLO)	11,255,185	34.23%	11,713,886	36.28%
Port dues and charges	4,684,889	14.25%	3,689,003	11.42%
Gate fees	919,532	2.80%	966,993	3.00%
Storage fees	589,870	1.79%	865,757	2.68%
Sand dredging management fee	-	0.00%	24,480	0.08%
Trucking fee	798,722	2.43%	470,568	1.46%
Weighting fee	15,626	0.05%	12,865	0.04%
Stuffing/Unstuffing	24,986	0.08%	16,938	0.05%
Logistic services	318,466	0.97%	132,416	0.41%
Total:	32,879,869	100%	32,284,687	100%

For the fourth quarter 2022 as well as the fourth quarter 2021, PPAP has increased in 3 main revenue which represent 92% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the fourth quarter ended 31 December 2022 compared to fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	3,452,175	14,272,593	3,532,841	14,391,781	(80,666)	-2.28%	(119,188)	-0.83%
Lift On Lift Off (LOLO)	2,722,164	11,255,185	2,875,473	11,713,886	(153,309)	-5.33%	(458,701)	-3.92%
Port Due & Charge	1,136,132	4,684,889	905,530	3,689,003	230,602	25.47%	995,886	27.00%

For the fourth quarter 2022, 3 main revenue has increased KHR 417,997,000 (USD -3,373) or 1.40% compared to the fourth quarter 2021.

2. Gross profit margin analysis

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

For the fourth quarter ended 31 December 2022 compared to fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	7,954,479	32,879,869	7,925,017	32,284,687	29,462	0.37%	595,182	1.84%
Cost of Service								
Depreciation	802,460	3,310,186	734,623	2,992,260	67,837	9.23%	317,926	10.62%
Crane charge	703,982	2,910,413	665,176	2,709,351	38,806	5.83%	201,062	7.42%

Salaries and wage	546,511	2,253,401	451,620	1,839,767	94,891	21.01%	413,634	22.48%
Fuel and gasoline	368,675	1,525,725	272,791	1,111,092	95,884	35.15%	414,633	37.32%
Maintenance costs	318,197	1,314,471	380,530	1,549,720	(62,333)	-16.38%	(235,249)	-15.18%
Logistic costs	61,090	252,547	19,740	80,810	41,350	209.47%	171,737	212.52%
Others	174,280	715,982	168,533	686,416	5,747	3.41%	29,566	4.31%
Total Cost of Service	2,975,195	12,282,725	2,693,013	10,969,416	282,182	10.48%	1,313,309	11.97%
Gross profit	<u>4,979,284</u>	<u>20,597,144</u>	<u>5,232,004</u>	<u>21,315,271</u>	<u>(252,720)</u>	<u>-4.83%</u>	<u>(718,127)</u>	<u>-3.37%</u>
Gross Profit Margin	62.60%	62.64%	66.02%	66.02%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 3.37% from 66.02% in the fourth quarter 2021 to 62.64% in the fourth quarter 2022. The decreased is mainly due to the increase of total revenue by KHR 595,182,000 (USD 29,462) or 1.84%. However, the total Cost of Service for fourth quarter 2022 increased by KHR 1,313,309,000 (USD 282,182) or 11.97% compared to the fourth quarter 2021 due to the slightly increase of cost of service from fuel and gasoline, crane charge, and logistic costs, etc.

3. Profit before tax analysis

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

For the fourth quarter ended 31 December 2022 compared to the fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	4,979,284	20,597,144	5,232,004	21,315,271	(252,720)	-4.83%	(718,127)	-3.37%
Other income	1,774,459	7,274,240	1,184,848	4,824,261	589,611	49.76%	2,449,979	50.78%
General administration and selling expenses								
Salaries and other benefits	1,153,133	4,754,936	1,005,089	4,094,623	148,044	14.73%	660,313	16.13%
Donation expenses	215,210	884,194	264,124	1,074,909	(48,914)	-18.52%	(190,715)	-17.74%
Utilities and fuel	147,905	611,290	154,858	630,743	(6,953)	-4.49%	(19,453)	-3.08%
Depreciation	181,034	747,080	180,786	737,168	248	0.14%	9,912	1.34%
Repairs and maintenance	45,566	187,725	33,404	136,147	12,162	36.41%	51,578	37.88%
Business entertainments	58,496	241,183	32,016	130,380	26,480	82.71%	110,803	84.98%
Travelling expenses	35,312	144,720	17,655	71,909	17,657	100.01%	72,811	101.25%
Professional fee	25,200	103,259	25,113	102,196	87	0.35%	1,063	1.04%
Board of Directors' fee	60,984	251,651	61,901	252,185	(917)	-1.48%	(534)	-0.21%
Office supplies	42,396	175,367	76,240	310,444	(33,844)	-44.39%	(135,077)	-43.51%

Communication expenses	18,449	76,059	18,526	75,469	(77)	-0.42%	590	0.78%
Other tax expenses	17,546	72,519	24,241	99,055	(6,695)	-27.62%	(26,536)	-26.79%
Others	103,519	427,533	92,694	377,382	10,825	11.68%	50,151	13.29%
Impairment loss on receivable	318,159	1,304,817	-	-	318,159	N/A	1,304,817	N/A
Total general administration and selling expenses	2,422,909	9,982,333	1,986,647	8,092,610	436,262	21.96%	1,889,723	23.35%
Operating profit	<u>4,330,834</u>	<u>17,889,051</u>	<u>4,430,205</u>	<u>18,046,922</u>	<u>(99,371)</u>	<u>-2.24%</u>	<u>(157,871)</u>	<u>-0.87%</u>
Finance costs	(263,291)	(1,086,773)	(278,959)	(1,136,532)	15,668	-5.62%	49,759	-4.38%
Profit before income tax	<u>4,067,543</u>	<u>16,802,278</u>	<u>4,151,246</u>	<u>16,910,390</u>	<u>(83,703)</u>	<u>-2.02%</u>	<u>(108,112)</u>	<u>-0.64%</u>

For the fourth quarter 2022 General and Administrative expenses increased by KHR 1,889,723,000 (USD 436,262) or 23.35% compared to the fourth quarter 2021. The increased in General and Administrative expenses is due to the increased in repairs and maintenance expenses, business entertainments, travelling expenses, and others.

4. Profit after tax analysis

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

For the fourth quarter ended 31 December 2022 compared to the fourth quarter ended 31 December 2021

Description	4 th Quarter for the Period Ended 31 December 2022		4 th Quarter for the Period Ended 31 December 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	4,067,543	16,802,278	4,151,246	16,910,390	(83,703)	-2.02%	(108,112)	-0.64%
Income tax expense (b)	1,038,093	4,280,899	938,800	3,823,169	99,293	10.58%	457,730	11.97%
Net profit for the year	3,029,450	12,521,379	3,212,446	13,087,221	(182,996)	-5.70%	(565,842)	-4.32%
Other comprehensive income	3,291,315	13,591,490	3,271,733	13,328,240	19,582	0.60%	263,250	1.98%
Effective tax rate (b)/(a)	25.52%	25.48%	22.61%	22.61%				

PPAP earn profit after tax KHR 12,521,379,000 (USD 3,029,450) in the fourth quarter 2022 and KHR 13,087,221,000 (USD 3,212,446) in the fourth quarter 2021, representing an decreases of KHR 565,842,000 (USD 182,996) or -4.32%. The increased of effective tax rate of 2.87% from 22.61% in the fourth quarter 2021 to 25.48% in the fourth quarter 2022, due to the decreased in profit before income tax for 0.64% and the increased in income tax expense KHR 457,730,000 (USD 99,293) or 11.97%

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

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







5.2. Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 417,696 TEUs on the 12months 2022 as at 31th December ,2022.In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 200,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	4th Quarter 2019	4th Quarter 2020	4th Quarter 2021	4th Quarter 2022	Planning 2022
Container Terminal LM17 (TEUs)	68,461	69,575	92,491	88,653	394,679

5.3. Operation Efficiency

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

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

5.4. Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the

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

5.5. Connection to Feeder Port

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

5.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

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

2. Fluctuation in prices of cost of service analysis

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

2.1. Staff salaries and other benefits

A large portion of the company's expense is related to staff salaries and other benefits, which is **21.31%** (6.85% from operation staff and 14.46% from administration staff and other benefits) of total revenue in the fourth quarter 2022 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is **8.85%** of total revenue in the fourth quarter 2022. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/01/2022-31/12/2023
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024
Port Stevedoring Company Limited	Fixed Crane	3	40	90%	10%	07/09/2021-07/09/2024
				85%	15%	08/09/2024-08/09/2025
				80%	20%	09/09/2025-09/09/2041

3. Tax analysis

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

3.1. Tax on profit

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

for three year from the date of the Anukret enforce. Therefore, from 2019 onward PPAP will not received Tax Incentive in Securities Sector, thus PPAP will have obligation to pay tax as normal.

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

PPAP has an obligation to pay import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods, as determined by the General Department of Customs and Excise. According to the Project of Port infrastructure at LM17 in 2022, PPAP will import additional container handling equipment. As such, the expense on import tax will rise.

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **92%** of the total revenue in the fourth quarter 2022. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of Flunctuation of Gasoline Price

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

E- Impact on Inflation

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

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

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

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

Part 5

Other Necessary Information for Investor Protection

For the 4th Quarter of 2022, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved the result of business/services and financial performance for the 9 months of 2022 and estimated results for 2022 and the business/services and financial plan for 2023
- Acknowledged a report on the progress of the construction of Tourist Hall
- Acknowledged a report on the progress of the construction project of Chien Chean Chhoeng Thai Group and Yunnan Sengmao Investment (Cambodia) Co., Ltd. and the amount that both companies owed PPAP
- Acknowledged a report on the request of PTLs Cooperation Co., Ltd. and Ms. Ly Channy to sublease the land of PPAP, which was transferred 50% of the total land lease from Huybang International Investment Group
- Allowed PPAP to study further the 5% fund management policy on profits for social benefit.

Signature of The Board of Directors of PPAP

22nd FEBRUARY, 2023

Read and Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

22nd FEBRUARY, 2023

Read and Approved

Gui Anvanith

Signature

Gui Anvanith

Member

(Independent Director)

Appendix I

Condensed Interim Financial Information Report For the Quarter and Twelve-Month Period Ended 31 December 2022

Registration No:
Co.7175 Et/2004

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

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022**

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

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

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 31 December 2022, and the related condensed statements of profit or loss and other 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*.

For and on behalf of the board of Directors,



Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: 22 FEB 2023

A blue ink signature of Ms. Chheav Vanthea.

Ms. Chheav Vanthea
Head of Accounting/Finance
Department

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 31 December 2022, and the related condensed statements of profit or loss and other 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”). 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: 22 February 2023

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

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Note	Unaudited		Audited	
		31 December 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Concession assets	4	8,135,093	33,492,178	-	-
Property, plant and equipment	5	107,664,646	443,255,348	103,328,375	420,959,800
Right-of-use assets	6	5,766,995	23,742,718	3,660,992	14,914,881
Investment properties	7	84,202,991	346,663,714	84,626,863	344,769,840
Lease receivables	6	8,835,986	36,377,754	4,296,588	17,504,300
Other receivable	8	70,289	289,380	67,585	275,341
Deferred tax assets	9	-	-	140,376	571,892
		<u>214,676,000</u>	<u>883,821,092</u>	<u>196,120,779</u>	<u>798,996,054</u>
Current assets					
Inventories	10	714,982	2,943,581	-	-
Trade and other receivables	8	8,298,747	34,165,941	5,134,521	20,918,039
Lease receivables	6	34,497	142,024	13,886	56,572
Cash and bank balances	11	22,202,835	91,409,072	18,614,700	75,836,288
		<u>31,251,061</u>	<u>128,660,618</u>	<u>23,763,107</u>	<u>96,810,899</u>
TOTAL ASSETS		<u>245,927,061</u>	<u>1,012,481,710</u>	<u>219,883,886</u>	<u>895,806,953</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	12	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	13	155,502	622,008	155,502	622,008
Reserves	14	57,466,697	236,590,391	45,861,380	186,839,262
Retained earnings		14,723,935	60,176,722	12,686,797	51,686,011
Currency translation difference		-	13,850,969	-	8,481,066
TOTAL EQUITY		<u>186,799,619</u>	<u>769,054,030</u>	<u>173,157,164</u>	<u>705,442,287</u>
LIABILITIES					
Non-current liabilities					
Other payable	15	35,145	144,692	33,793	137,673
Borrowings	16	16,559,793	68,176,668	18,629,767	75,897,671
Provision for retirement benefits	17	362,023	1,490,449	555,829	2,264,447
Lease liabilities	6	11,370,217	46,811,183	6,778,885	27,617,177
Contract liabilities	18	13,350,000	54,961,950	13,650,000	55,610,100
Deferred revenue	19	8,178,292	33,670,028	-	-
Deferred tax liabilities	9	261,398	1,076,176	-	-
		<u>50,116,868</u>	<u>206,331,146</u>	<u>39,648,274</u>	<u>161,527,068</u>

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

**CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022 (continued)**

	Note	Unaudited 31 December 2022		Audited 31 December 2021	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	15	3,233,202	13,311,093	2,393,907	9,752,778
Borrowings	16	2,069,974	8,522,083	2,069,974	8,433,074
Lease liabilities	6	252,980	1,041,519	9,261	37,729
Contract liabilities	18	300,000	1,235,100	300,000	1,222,200
Current tax liabilities		3,154,418	12,986,739	2,305,306	9,391,817
		<u>9,010,574</u>	<u>37,096,534</u>	<u>7,078,448</u>	<u>28,837,598</u>
TOTAL LIABILITIES		<u>59,127,442</u>	<u>243,427,680</u>	<u>46,726,722</u>	<u>190,364,666</u>
TOTAL EQUITY AND LIABILITIES		<u>245,927,061</u>	<u>1,012,481,710</u>	<u>219,883,886</u>	<u>895,806,953</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2021 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 QUARTER AND TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	Unaudited				Unaudited			
		Three-month period ended				Twelve-month period ended			
		31 December 2022 ⁽¹⁾		31 December 2021 ⁽²⁾		31 December 2022 ⁽¹⁾		31 December 2021 ⁽¹⁾	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
Revenue	21	7,954,479	32,879,869	7,925,017	32,284,687	36,411,932	148,815,567	30,783,715	125,228,152
Cost of services	22	(2,975,195)	(12,282,725)	(2,693,013)	(10,969,416)	(12,443,818)	(50,857,885)	(9,811,317)	(39,912,439)
Gross profit		4,979,284	20,597,144	5,232,004	21,315,271	23,968,114	97,957,682	20,972,398	85,315,713
Other income	23	1,774,459	7,274,240	1,184,848	4,824,261	5,204,767	21,271,882	3,334,091	13,563,083
General and administrative expenses	24	(2,422,909)	(9,982,333)	(1,986,647)	(8,092,610)	(9,636,690)	(39,385,151)	(7,451,365)	(30,312,152)
Operating profit		4,330,834	17,889,051	4,430,205	18,046,922	19,536,191	79,844,413	16,855,124	68,566,644
Finance costs	25	(263,291)	(1,086,773)	(278,959)	(1,136,532)	(1,086,538)	(4,440,681)	(1,142,786)	(4,648,853)
Profit before tax		4,067,543	16,802,278	4,151,246	16,910,390	18,449,653	75,403,732	15,712,338	63,917,791
Tax expense	26	(1,038,093)	(4,280,899)	(938,800)	(3,823,169)	(3,977,478)	(16,255,953)	(3,004,507)	(12,222,334)
Profit for the financial period		3,029,450	12,521,379	3,212,446	13,087,221	14,472,175	59,147,779	12,707,831	51,695,457

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022 (continued)

	Note	Unaudited				Unaudited			
		Three-month period ended				Twelve-month period ended			
		31 December 2022 ⁽¹⁾		31 December 2021 ⁽²⁾		31 December 2022 ⁽¹⁾		31 December 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other comprehensive income, net of tax									
Items that will not be reclassified subsequently to profit or loss:									
Re-measurements of defined benefit liability		261,865	1,070,111	59,287	241,019	251,760	1,028,943	(21,034)	(85,566)
Total comprehensive income for the financial period		3,291,315	13,591,490	3,271,733	13,328,240	14,723,935	60,176,722	12,686,797	51,609,891
Earnings per share									
Basic	27	0.16	0.66	0.16	0.64	0.71	2.91	0.61	2.50
Diluted	27	0.16	0.66	0.16	0.64	0.71	2.91	0.61	2.50

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 2021 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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2022		114,453,485	155,502	45,861,380	12,686,797	-	173,157,164
Profit for the financial period		-	-	-	14,472,175	-	14,472,175
Actuarial gain on retirement benefit obligation		-	-	-	251,760	-	251,760
Total comprehensive income for the financial period		-	-	-	14,723,935	-	14,723,935
Transactions with owners							
Transfer to reserves	14	-	-	11,605,317	(11,605,317)	-	-
Dividends	28	-	-	-	(1,081,480)	-	(1,081,480)
Total transactions with owners		-	-	11,605,317	(12,686,797)	-	(1,081,480)
Balance as at 31 December 2022⁽¹⁾		114,453,485	155,502	57,466,697	14,723,935	-	186,799,619
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>236,590,391</i>	<i>60,176,722</i>	<i>13,850,969</i>	<i>769,054,030</i>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022 (continued)

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial year		-	-	-	12,707,831	-	12,707,831
Actuarial loss on retirement benefit obligation		-	-	-	(21,034)	-	(21,034)
Total comprehensive income		-	-	-	12,686,797	-	12,686,797
Transactions with owners							
Transfer to reserves	14	-	-	9,321,774	(9,321,774)	-	-
Dividends		-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 31 December 2021⁽²⁾		114,453,485	155,502	45,861,380	12,686,797	-	173,157,164
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>186,839,262</i>	<i>51,686,011</i>	<i>8,481,066</i>	<i>705,442,287</i>

Notes:

- (1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022

	Note	Unaudited Twelve-month period ended			
		31 December 2022 ⁽¹⁾		31 December 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		18,449,653	75,403,732	15,712,338	63,917,791
Adjustments for:					
Depreciation of property, plant and equipment	5	3,739,459	15,283,169	3,189,600	12,975,293
Depreciation of investment properties	7	51,510	210,521	60,137	244,637
Depreciation of right-of-use assets		94,520	386,304	100,532	408,964
Finance costs		1,085,186	4,435,155	1,141,486	4,643,565
Income from net of investment from subleases		(2,763,422)	(11,294,106)	-	-
Interest income		(1,271,006)	(5,194,601)	(1,464,999)	(5,959,616)
Loss on disposal of property, plant and equipment		11,930	48,758	-	-
Loss on termination of sublease		1,046,966	4,278,950		
Net impairment loss on receivables		586,748	2,398,039	19,104	77,715
Net unwinding effect of long term deposit		(1,352)	(5,526)	(1,299)	(5,284)
Property, plant and equipment written off	5	8,309	33,959	-	-
Retirement benefit obligation expenses	17	87,848	359,035	78,930	321,087
Operating profit before changes in working capital		21,126,349	86,343,389	18,835,829	76,624,152
Changes in working capital					
Inventories		(714,982)	(2,922,131)	-	-
Trade and other receivables		(3,014,903)	(12,321,909)	6,279,053	25,543,188
Trade and other payables		869,884	3,555,216	(413,786)	(1,683,281)
Contract liabilities		(300,000)	(1,226,100)	(300,000)	(1,220,400)
Deferred revenue		43,199	176,554	-	-
Cash generated from operations		18,009,547	73,605,019	24,401,096	99,263,659
Tax paid		(2,726,592)	(11,143,583)	(2,319,365)	(9,435,177)
Retirement benefit obligation paid	17	(29,894)	(122,177)	(22,558)	(91,766)
Net cash from operating activities		15,253,061	62,339,259	22,059,173	89,736,716
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(7,696,962)	(31,457,484)	(17,688,112)	(71,955,240)
Purchase of investment property	7	(30,000)	(122,610)		
Proceeds from disposal of property, plant, and equipment		3,355	13,712	-	-
Interest received		562,843	2,300,337	601,100	2,445,275
(Placement)/Withdrawal of fixed deposits with licensed banks		(4,100,000)	(16,756,700)	1,994,895	8,115,233
Net cash used in investing activities		(11,260,764)	(46,022,745)	(15,092,117)	(61,394,732)

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2022 (continued)

	Note	Unaudited			
		Twelve-month period ended			
		31 December 2022 ⁽¹⁾		31 December 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Dividend paid		(1,081,480)	(4,420,009)	(1,019,272)	(4,146,398)
Interest paid		(807,299)	(3,299,431)	(890,089)	(3,620,882)
Payment for lease liabilities		(545,409)	(2,229,086)	(61,967)	(252,082)
Repayments of borrowings		(2,069,974)	(8,459,984)	(2,069,974)	(8,420,654)
Net cash used in financing activities		(4,504,162)	(18,408,510)	(4,041,302)	(16,440,016)
Net (decrease)/increase in cash and cash equivalents		(511,865)	(2,091,996)	2,925,754	11,901,968
Cash and cash equivalents at beginning of financial period		6,614,700	26,948,288	2,683,841	10,933,968
Currency translation differences		-	269,080	-	17,554
Cash and cash equivalents at end of financial period	11	<u>6,102,835</u>	<u>25,125,372</u>	<u>5,609,595</u>	<u>22,853,490</u>

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 2021 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 DECEMBER 2022

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 December 2022	US\$1 =	KHR4,117	KHR4,087
31 December 2021	US\$1 =	KHR4,074	KHR4,068

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 22 February 2023.

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 2021 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the PPAP since the financial year ended 31 December 2021.

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 2021 except for the adoption of the following amendments:

	Effective Date
Annual Improvements to CIFRS Standards 2018 - 2020	1 January 2022
Amendments to CIFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to CIAS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to CIAS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022

Annual Improvements to CIFRS Standards 2018 - 2020

The annual improvement amend the following standards:

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

Amendments to CIFRS 3 *Reference to the Conceptual Framework*

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

3. BASIS OF PREPARATION (continued)

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

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

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

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

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 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
<i>Initial Application of CIFRS 17 and CIFRS 9 - Comparative Information</i> (Amendments to CIFRS 17 <i>Insurance Contracts</i>)	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to CIAS 1 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to CIAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to CIAS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to CIFRS 16 <i>Lease Liability in Sale and Leaseback</i>	1 January 2024
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to CIAS 1 <i>Non-current Liabilities with Covenants</i>	1 January 2024
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.

3. BASIS OF PREPARATION (continued)

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.

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

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

Amendments to CIFRS 17 Insurance Contracts

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

The IASB has amended CIFRS 17 to:

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

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

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

Initial Application of CIFRS 17 and CIFRS 9 - Comparative Information (Amendments to CIFRS 17 Insurance Contracts)

The amendments remove accounting mismatches between insurance contract liabilities and financial assets in scope of CIFRS 9 within comparative prior periods when initially applying CIFRS 17 and CIFRS 9. The amendments allow insurers to present comparative information on financial assets as if CIFRS 9 were fully applicable during the comparative period. The amendments do not permit application of CIFRS 9 hedge accounting principles to the comparative period.

3. BASIS OF PREPARATION (continued)

Disclosure of Accounting Policies (Amendments to CIAS 1 Presentation of Financial Statements)

The amendments to IAS 1 require companies to disclose their material accounting policy information rather than their significant accounting policies.

Definition of Accounting Estimates (Amendments to CIAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. That distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, but changes in accounting policies are generally also applied retrospectively to past transactions and other past events.

Amendments to CIAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of CIAS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

Amendments to CIFRS 16 Lease Liability in Sale and Leaseback

This amendment requires a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease.

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

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

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

Amendments to CIAS 1 Non-current Liabilities with Covenants

The amendment modifies the requirements introduced by *Classification of Liabilities as Current or Non-current* on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances: Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity has to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

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. CONCESSION ASSETS

	Unaudited 31 December 2022 US\$
<i>Cost</i>	
Balance at the beginning of financial period/year	-
Additions	8,135,093
	<hr/>
Balance at the end of financial period/year	8,135,093
	<hr/>
Carrying amounts	
Balance at the end of financial period/year	8,135,093
	<hr/> <hr/>
<i>(KHR '000 equivalent)</i>	<i>33,492,178</i>
	<hr/> <hr/>

Concession assets consist of the Multi-purpose Terminal TS11 and UM2 undertaken by PTLs Cooperation Co., Ltd.

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 December 2022 US\$	Audited 31 December 2021 US\$
<i>Cost</i>		
Balance at the beginning of financial period/year	127,914,165	110,226,053
Additions	7,696,962	17,688,112
Disposals	(153,978)	-
Transfer from investment properties (Note 7)	402,362	-
Written-off	(182,537)	-
	<hr/>	<hr/>
Balance at the end of financial period/year	135,676,974	127,914,165
	<hr/>	<hr/>
<i>Accumulated depreciation</i>		
Balance at the beginning of financial period/year	24,585,790	21,396,190
Depreciation for financial period/year	3,739,459	3,189,600
Disposals	(138,693)	-
Written-off	(174,228)	-
	<hr/>	<hr/>
Balance at the end of financial period/year	28,012,328	24,585,790
	<hr/>	<hr/>
Carrying amounts		
Balance at the end of financial period/year	107,664,646	103,328,375
	<hr/> <hr/>	<hr/> <hr/>
<i>(KHR '000 equivalent)</i>	<i>443,255,348</i>	<i>420,959,800</i>
	<hr/> <hr/>	<hr/> <hr/>

6. LEASES

Right-of-use assets and lease liabilities are in respect of a 40 year lease of land from Green Trade Co., Ltd and a 30 year lease of land from H.E. Seang Keang.

Lease receivables are in respect of leases of land to Hui Bang International Investment Group Co., Ltd., PTLs Cooperation Co., Ltd. and Mrs. Ly Channy.

7. INVESTMENT PROPERTIES

	Unaudited	Audited
	31 December 2022	31 December 2021
	US\$	US\$
Cost		
Balance at the beginning of financial period/year	85,186,015	85,186,015
Addition	30,000	-
Transfer to property, plant and equipment (Note 5)	<u>(402,362)</u>	<u>-</u>
Balance at the end of financial period/year	<u>84,813,653</u>	<u>85,186,015</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	559,152	499,015
Depreciation for financial period/year	<u>51,510</u>	<u>60,137</u>
Balance at the end of financial period/year	<u>610,662</u>	<u>559,152</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,202,991</u>	<u>84,626,863</u>
<i>(KHR'000 equivalent)</i>	<u>346,663,714</u>	<u>344,769,840</u>

8. TRADE AND OTHER RECEIVABLES

	Unaudited		Audited	
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	<u>70,289</u>	<u>289,380</u>	<u>67,585</u>	<u>275,341</u>
Current				
Trade receivables				
Third parties	5,464,966	22,499,265	4,418,182	17,999,673
Less: Impairment loss				
- Third parties	<u>(1,377,419)</u>	<u>(5,670,834)</u>	<u>(790,673)</u>	<u>(3,221,201)</u>
	<u>4,087,547</u>	<u>16,828,431</u>	<u>3,627,509</u>	<u>14,778,472</u>
Other receivables				
Third parties	80,847	332,847	447,544	1,823,294
Advances	23,563	97,009	76,141	310,198
Deposits	113,729	468,222	7,307	29,769
Other receivables	<u>3,829,436</u>	<u>15,765,789</u>	<u>422,989</u>	<u>1,723,258</u>
	<u>4,047,575</u>	<u>16,663,867</u>	<u>953,981</u>	<u>3,886,519</u>
Total receivables	<u>8,135,122</u>	<u>33,492,298</u>	<u>4,581,490</u>	<u>18,664,991</u>
Prepayments	<u>163,625</u>	<u>673,643</u>	<u>553,031</u>	<u>2,253,048</u>
	<u>8,298,747</u>	<u>34,165,941</u>	<u>5,134,521</u>	<u>20,918,039</u>

9. DEFERRED TAX

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

	At 1 January 2022 US\$	Recognised in profit or loss US\$	At 31 December 2022 US\$ (unaudited)
Property, plant and equipment	(2,823,842)	(403,479)	(3,227,321)
Retirement benefit obligation	91,168	(44,001)	47,167
Deferred income	2,730,000	(60,000)	2,670,000
Impairment loss on receivables	158,135	117,349	275,484
Unrealised exchange differences	(15,085)	(11,643)	(26,728)
	<u>140,376</u>	<u>(401,774)</u>	<u>(261,398)</u>

(KHR'000 equivalent)

(1,076,176)

	At 1 January 2021 US\$	Recognised in profit or loss US\$	At 31 December 2021 US\$ (audited)
Property, plant and equipment	(2,702,959)	(120,883)	(2,823,842)
Retirement benefit obligation	108,359	(17,191)	91,168
Deferred income	2,850,000	(120,000)	2,730,000
Impairment loss on receivables	174,420	(16,285)	158,135
Unrealised exchange differences	10,171	(25,256)	(15,085)
	<u>439,991</u>	<u>(299,615)</u>	<u>140,376</u>

(KHR'000 equivalent)

571,892

10. INVENTORIES

	Unaudited		Audited	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	US\$	KHR'000	US\$	KHR'000
Diesel oil	123,770	509,562	-	-
Lubricant oil	32,203	132,580	-	-
Spare parts	553,306	2,277,961	-	-
Stationary	5,703	23,478	-	-
	<u>714,982</u>	<u>2,943,581</u>	<u>-</u>	<u>-</u>

11. CASH AND BANK BALANCES

	Unaudited 31 December 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	6,746	27,774	2,151	8,763
Cash at banks	5,094,917	20,975,773	5,607,444	22,844,727
Deposits	17,101,172	70,405,525	13,005,105	52,982,798
As stated in statement of financial position	22,202,835	91,409,072	18,614,700	75,836,288
Less:				
Deposits (maturity more than three months)	(16,100,000)	(66,283,700)	(12,000,000)	(48,888,000)
As stated in statement of cash flows	6,102,835	25,125,372	6,614,700	26,948,288

12. SHARE CAPITAL

	Unaudited 31 December 2022		Audited 31 December 2021	
	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
	20,684,365	20,684,365	20,684,365	20,684,365
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	114,453,485	114,453,485	114,453,485	114,453,485
<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 2021. 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.

13. 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.

14. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2022	2,539,054	2,539,054	40,783,272	45,861,380
Transfer from retained earnings	<u>635,392</u>	<u>635,392</u>	<u>10,334,533</u>	<u>11,605,317</u>
As at 31 December 2022 (Unaudited)	<u>3,174,446</u>	<u>3,174,446</u>	<u>51,117,805</u>	<u>57,466,697</u>
<i>(KHR'000 equivalent)</i>	<u>13,069,194</u>	<u>13,069,194</u>	<u>210,452,003</u>	<u>236,590,391</u>
As at 1 January 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	<u>493,044</u>	<u>493,044</u>	<u>8,335,686</u>	<u>9,321,774</u>
As at 31 December 2021 (Audited)	<u>2,539,054</u>	<u>2,539,054</u>	<u>40,783,272</u>	<u>45,861,380</u>
<i>(KHR'000 equivalent)</i>	<u>10,344,106</u>	<u>10,344,106</u>	<u>166,151,050</u>	<u>186,839,262</u>

On 23 March 2022, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$11,605,317.

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

15. TRADE AND OTHER PAYABLES

	Unaudited 31 December 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	<u>35,145</u>	<u>144,692</u>	<u>33,793</u>	<u>137,673</u>
Current				
Trade payables				
Third parties	<u>629,216</u>	<u>2,590,482</u>	<u>487,291</u>	<u>1,985,224</u>
Other payables				
Interest payable	275,307	1,133,439	305,896	1,246,220
Deposits	495,001	2,037,919	236,442	963,265
Other tax payables	213,219	877,823	248,403	1,011,994
Other payables	<u>1,620,459</u>	<u>6,671,430</u>	<u>1,115,875</u>	<u>4,546,075</u>
	<u>2,603,986</u>	<u>10,720,611</u>	<u>1,906,616</u>	<u>7,767,554</u>
	<u>3,233,202</u>	<u>13,311,093</u>	<u>2,393,907</u>	<u>9,752,778</u>

16. BORROWINGS

	Unaudited		Audited	
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17	16,559,793	68,176,668	18,629,767	75,897,671
Current				
PPPNCTP or Phnom Penh Port LM17	2,069,974	8,522,083	2,069,974	8,433,074
	<u>18,629,767</u>	<u>76,698,751</u>	<u>20,699,741</u>	<u>84,330,745</u>

PPPNCTP 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.

17. PROVISION FOR RETIREMENT BENEFITS

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

	Unaudited		Audited	
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	235,835	970,933	455,842	1,857,100
Other benefits				
National Social Security Funds	126,188	519,516	99,987	407,347
Liability recognised in statement of financial position	<u>362,023</u>	<u>1,490,449</u>	<u>555,829</u>	<u>2,264,447</u>

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

	Unaudited	Audited
	31 December 2022	31 December 2021
	US\$	US\$
Balance at 1 January	455,842	541,795
Current service costs	35,089	44,731
Interest costs	26,558	32,043
Past service costs	-	(23,204)
Benefits paid	(29,894)	(22,558)
Re-measurement	(251,760)	(116,965)
Balance at 31 December	<u>235,835</u>	<u>455,842</u>
<i>(KHR'000 equivalent)</i>	<u>970,933</u>	<u>1,857,100</u>

17. PROVISION FOR RETIREMENT BENEFITS (continued)

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

	Unaudited 31 December 2022 US\$	Audited 31 December 2021 US\$
Balance at 1 January	99,987	74,627
Additional expenses	26,201	25,360
Balance at 31 December	<u>126,188</u>	<u>99,987</u>
<i>(KHR'000 equivalent)</i>	<u>519,516</u>	<u>407,347</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 December 2022		Unaudited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	35,089	143,409	44,731	181,966
Interest costs	26,558	108,543	32,043	130,351
Past service cost	-	-	(23,204)	(94,394)
Other benefits				
Additional expenses	26,201	107,083	25,360	103,164
	<u>87,848</u>	<u>359,035</u>	<u>78,930</u>	<u>321,087</u>

18. CONTRACT LIABILITIES

	Unaudited 31 December 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,350,000</u>	<u>54,961,950</u>	<u>13,650,000</u>	<u>55,610,100</u>
Current				
Deferred income	<u>300,000</u>	<u>1,235,100</u>	<u>300,000</u>	<u>1,222,200</u>

19. DEFERRED REVENUE

Deferred revenue is in respect of the service concession arrangement arising from the Multi-purpose Terminal TS11 and UM2.

20. CAPITAL COMMITMENTS

	Unaudited 31 December 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	<u>1,896,145</u>	<u>7,806,428</u>	<u>1,031,111</u>	<u>4,200,746</u>

21. REVENUE

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	3,452,175	14,272,593	3,532,841	14,391,781
Lift On Lift Off (“LOLO”)	2,722,164	11,255,185	2,875,473	11,713,886
Port dues and charges	1,136,132	4,684,889	905,530	3,689,003
Gate fees	222,308	919,532	237,387	966,993
Storage fees	141,606	589,870	212,520	865,757
Weighting fee	3,773	15,626	3,159	12,865
Stuffing/Unstuffing	6,050	24,986	4,150	16,938
Sand dredging management fee	-	-	6,004	24,480
Trucking fee	193,016	798,722	115,523	470,568
Logistics services	77,255	318,466	32,430	132,416
	<u>7,954,479</u>	<u>32,879,869</u>	<u>7,925,017</u>	<u>32,284,687</u>

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	16,033,181	65,527,611	13,624,422	55,424,149
LOLO	12,699,076	51,901,124	11,106,652	45,181,860
Port dues and charges	4,329,801	17,695,897	3,558,975	14,477,910
Gate fees	1,065,345	4,354,065	888,559	3,614,658
Storage fees	997,480	4,076,701	825,097	3,356,495
Weighting fee	19,613	80,158	10,112	41,136
Stuffing/Unstuffing	26,000	106,262	31,988	130,127
Sand dredging management fee	2,652	10,839	31,089	126,470
Survey	-	-	3,000	12,204
Trucking fee	951,894	3,890,391	426,051	1,733,175
Logistics services	286,890	1,172,519	277,770	1,129,968
	<u>36,411,932</u>	<u>148,815,567</u>	<u>30,783,715</u>	<u>125,228,152</u>

22. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Crane charges	703,982	2,910,413	665,176	2,709,351
Depreciation	802,460	3,310,186	734,623	2,992,260
Fuel and gasoline	368,675	1,525,725	272,791	1,111,092
Salaries and wages	546,511	2,253,401	451,620	1,839,767
Maintenance costs	318,197	1,314,471	380,530	1,549,720
Logistic costs	61,090	252,547	19,740	80,810
Others	174,280	715,982	168,533	686,416
	<u>2,975,195</u>	<u>12,282,725</u>	<u>2,693,013</u>	<u>10,969,416</u>

22. COST OF SERVICES (continued)

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Crane charges	3,260,793	13,326,861	2,372,449	9,651,123
Depreciation	3,151,067	12,878,411	2,641,381	10,745,138
Fuel and gasoline	1,826,353	7,464,305	961,849	3,912,802
Salaries and wages	2,070,401	8,461,729	1,739,687	7,077,047
Maintenance costs	1,394,321	5,698,590	1,237,340	5,033,499
Sand dredging management cost	-	-	4,625	18,815
Logistic costs	282,045	1,152,718	273,830	1,113,940
Others	458,838	1,875,271	580,156	2,360,075
	<u>12,443,818</u>	<u>50,857,885</u>	<u>9,811,317</u>	<u>39,912,439</u>

23. OTHER INCOME

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Rental income	228,144	939,186	318,352	1,296,407
Interest income from:				
- deposits with financial institutions	286,691	1,181,306	617,094	2,511,722
- lease receivables	77,836	320,299	26,311	107,293
Reversal of impairment loss on receivables	-	-	152,231	619,965
Income from net investment in subleases	1,107,764	4,527,432	-	-
Others	74,024	306,017	70,860	288,874
	<u>1,774,459</u>	<u>7,274,240</u>	<u>1,184,848</u>	<u>4,824,261</u>

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Rental income	748,230	3,058,016	993,802	4,042,787
Interest income from:				
- deposits with financial institutions	1,025,175	4,189,890	1,309,105	5,325,439
- lease receivables	245,831	1,004,711	155,894	634,177
Unwinding effect of long term deposit	2,704	11,051	2,599	10,573
Reversal of impairment loss on receivables	77,683	317,490	496,931	2,021,515
Income from net investment in subleases	2,763,422	11,294,106	-	-
Others	341,722	1,396,618	375,760	1,528,592
	<u>5,204,767</u>	<u>21,271,882</u>	<u>3,334,091</u>	<u>13,563,083</u>

24. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	1,153,133	4,754,936	1,005,089	4,094,623
Utilities and fuel	147,905	611,290	154,858	630,743
Depreciation	181,034	747,080	180,786	737,168
Board of Directors' fees	60,984	251,651	61,901	252,185
Donation	215,210	884,194	264,124	1,074,909
Office supplies	42,396	175,367	76,240	310,444
Business entertainment	58,496	241,183	32,016	130,380
Repair and maintenance	45,566	187,725	33,404	136,147
Communication expenses	18,449	76,059	18,526	75,469
Professional fees	25,200	103,259	25,113	102,196
Travelling expenses	35,312	144,720	17,655	71,909
Other tax expenses	17,546	72,519	24,241	99,055
Impairment loss on receivables	318,159	1,304,817	-	-
Others	103,519	427,533	92,694	377,382
	<u>2,422,909</u>	<u>9,982,333</u>	<u>1,986,647</u>	<u>8,092,610</u>

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	4,390,165	17,942,604	3,965,647	16,132,252
Utilities and fuel	671,154	2,743,006	545,015	2,217,121
Depreciation	734,422	3,001,583	708,888	2,883,756
Board of Directors' fees	246,331	1,006,755	247,809	1,008,087
Donation	571,414	2,335,369	490,340	1,994,703
Office supplies	203,538	831,860	226,174	920,076
Business entertainment	220,821	902,495	101,202	411,690
Repair and maintenance	160,691	656,744	163,594	665,500
Communication expenses	69,091	282,375	70,924	288,519
Professional fees	45,699	186,772	43,271	176,026
Travelling expenses	66,097	270,138	61,732	251,126
Other tax expenses	79,719	325,812	245,156	997,295
Loss on disposal of property, plant and equipment	11,930	48,758	-	-
Loss on termination of sublease	1,046,966	4,278,950	-	-
Property, plant and equipment written off	8,309	33,959	-	-
Impairment loss on receivables	664,431	2,715,529	415,503	1,690,266
Others	445,912	1,822,442	166,110	675,735
	<u>9,636,690</u>	<u>39,385,151</u>	<u>7,451,365</u>	<u>30,312,152</u>

25. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	190,438	785,960	211,598	862,077
- lease liabilities	72,853	300,813	67,361	274,455
	<u>263,291</u>	<u>1,086,773</u>	<u>278,959</u>	<u>1,136,532</u>

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	776,710	3,174,414	859,499	3,496,442
- lease liabilities	308,476	1,260,741	281,987	1,147,123
Unwinding effect of:				
- long term deposit	1,352	5,526	1,300	5,288
	<u>1,086,538</u>	<u>4,440,681</u>	<u>1,142,786</u>	<u>4,648,853</u>

26. TAX EXPENSE

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	925,974	3,818,903	631,203	2,571,882
Deferred tax:				
Origination and reversal of temporary differences	112,119	461,996	307,597	1,251,287
	<u>1,038,093</u>	<u>4,280,899</u>	<u>938,800</u>	<u>3,823,169</u>

26. TAX EXPENSE (continued)

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	3,586,386	14,657,560	2,674,737	10,880,830
(Over)/Under provision in prior year	(10,682)	(43,657)	30,155	122,671
	<u>3,575,704</u>	<u>14,613,903</u>	<u>2,704,892</u>	<u>11,003,501</u>
Deferred tax expense:				
Origination and reversal of temporary differences	401,774	1,642,050	299,615	1,218,833
Total tax expense	<u>3,977,478</u>	<u>16,255,953</u>	<u>3,004,507</u>	<u>12,222,334</u>

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2021: 20%) of the taxable profit or a minimum tax at 1% (2021: 1%) of total revenue, whichever is higher.

27. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	3,291,315	13,591,490	3,271,733	13,328,240
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	0.16	0.66	0.16	0.64
Diluted earnings per share	<u>0.16</u>	<u>0.66</u>	<u>0.16</u>	<u>0.64</u>

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	14,723,935	60,176,722	12,686,797	51,609,891
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	0.71	2.91	0.61	2.50
Diluted earnings per share	<u>0.71</u>	<u>2.91</u>	<u>0.61</u>	<u>2.50</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.

28. DIVIDENDS

On 23 March 2022, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2021 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to total dividend of US\$340,190 (equivalent to KHR1,376,751,334).
- Shareholders in Class B is entitled to total dividend of US\$741,290 (equivalent to KHR3,000,000,000).

These dividends were paid on 2 June 2022.

29. RELATED PARTY DISCLOSURES

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

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	190,447	785,960	211,598	862,077
MEF and MPWT				
Donation and charities	6,052	25,042	3,684	15,057

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	776,710	3,174,414	859,499	3,496,442
MEF and MPWT				
Donation and charities	29,727	121,495	38,859	158,079

(b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	60,983	251,649	61,901	251,813

	Unaudited			
	Twelve-month period ended			
	31 December 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	246,331	1,006,754	247,809	1,008,087

30. 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 (2021: 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.

(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.

31. 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.

32. 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.

33. SIGNIFICANT EVENTS DURING THE PERIOD

On 1 January 2022, Mekong Oryza Trading Co., Ltd. (“Mekong”) transferred the rights, obligations and other conditions stated in the sublease contract between PPAP and Mekong Oryza Trading Co., Ltd. dated 15 March 2019 to PTLs Cooperation Co., Ltd. (“PTLS”). On 7 February 2022, Mekong and PTLs entered into another agreement (with PPAP as a witness) to revise the land size, which was reduced from 17,000 metre square to 15,520 metre square.

On 21 February 2022, PPAP entered into a 30-year lease agreement with H.E. Seang Keang for the lease of land situated at Prek Anchanh Commune, Muk Kampul District, Kandal Province measuring 38,362 metre square, whereby the handover of the said land to PPAP was on 21 December 2022.

On 19 August 2022, the construction of the Multi-purpose Terminal TS11 located at Kilometre No.6 Commune, Khan Russey Keo, Phnom Penh has commenced and it is expected to be completed in year 2023.

PPAP and PTLs Cooperation Co., Ltd. entered into an Agreement on Investment Cooperation for Development of Multi-purpose International Terminal UM2 on 29 August 2022. Both parties agree to cooperate in the investment on the development of the multi-purpose international terminal of PPAP located in Tonle Bet Village, Tonle Bet Commune, Tboung Khmum District, Tboung Khmum Province.

On 13 September 2022, Hui Bang International Investment Group Co., Ltd. (“Hui Bang”) and PPAP amended the 40-year lease agreement dated 15 March 2019, whereby Hui Bang returned the land under phase 1 situated at Kilometre No.6 Commune, Khan Russey Keo, Phnom Penh measuring 9,057 metre square and along National Road No. 4, Sangkat 1, Preah Sihanoukville City measuring 9,780 metre square to PPAP. In addition, parcels of land under phase 2 situated along National Road No. 4, Sangkat 1, Preah Sihanoukville City measuring 18,679 metre square were handed over to Hui Bang. The effective date of this amendment is 1 January 2022.

On 1 November 2022, PPAP entered into a 36-year lease agreement with Mrs. Ly Channy for the lease of land situated along National Road No. 4, Sangkat 1, Preah Sihanoukville City measuring 9,780 metre square.

On 1 November 2022, PPAP entered into a 36-year lease agreement with PTLs Cooperation Co., Ltd. for the lease of land situated at Kilometre No.6 Commune, Khan Russey Keo, Phnom Penh measuring 9,057 metre square.

34. SIGNIFICANT EVENT SUBSEQUENT TO THE END OF THE REPORTING PERIOD

On 4 January 2023, parcels of land situated at Kilometre No. 6 Commune, Khan Russey Keo measuring 3,466 metre square were handed over to PPAP pursuant to the 40 years lease agreement, which was entered into with Green Trade Co., Ltd. on 15 February 2019.



ចំណតផែនការបណ្តាញចំណុចឆ្នេរមិន UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិឆ្នេរមិន យ៉ុងឆ្នេរមិន ស្រុកក្បាលយ៉ុង ខេត្តក្បាលយ៉ុង

Tonle Bet Village, Tonle Bet Commune, Tboung Khmum District, Tboung Khmum Province

ចំណតផែនការបណ្តាញចំណុច UM១

Sub-Feeder Multipurpose Terminal UM1

ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល យ៉ុងព្រែកអញ្ញាញ, ស្រុកមុខកំពូល, ខេត្តកណ្តាល

National Road No. 6A, Kandal Village, Prek Anhchanh Commune, Mok Kampul District, Kandal Province

ចំណតផែនការបណ្តាញចំណុច TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវបឹងព្រះសីសុវត្ថិ សង្កាត់ស្រះមេក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

#649, Preah Sisowath Street, Sras Chork Commune, Daun Penh District, Phnom Penh

ចំណតផែនការបណ្តាញចំណុច TS១

Passenger and Tourist Terminal TS1

ផ្លូវបឹងព្រះសីសុវត្ថិ សង្កាត់វត្តភ្នំពេញ ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

Preah Sisowath Street, Wat Phnom Commune, Daun Penh District, Phnom Penh

ចំណតផែនការបណ្តាញចំណុច TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សង្កាត់គីឡូម៉ែត្រលេខ៦ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ

National Road 5, Spean Khpos Village, Kilometer 6 Commune, Reusseykeo District, Phnom Penh

ចំណតផែនការបណ្តាញចំណុច LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ

Container Terminal LM17 /ICD-LM១៧/ and Inland Container Depot ICD-LM17

ភូមិកណ្តាលលើ យ៉ុងបន្ទាយជ័ក ស្រុកភ្នំពេញ ខេត្តកណ្តាល

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

ចំណតផែនការបណ្តាញចំណុច LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា យ៉ុងកោះរកា ស្រុកពរម្រះ ខេត្តព្រៃវែង

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

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