

Registration No:  
Co.7175 Et/2004

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

**AUDITED FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
31 DECEMBER 2022**

Registration No:  
Co.7175 Et/2004

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

**CORPORATE INFORMATION**

**DIRECTORS:**

H.E. Hei Bavy  
H.E. Suon Rachana  
H.E. Ken Sambath  
H.E. Penn Sovicheat  
Mr. Gui Anvanith  
Mr. Kong Sothea  
Ms. Pok Pheakdey

**REGISTERED OFFICE:**

No. 649, Preah Sisowat Quay  
Sangkat Srah Chork, Khan Daun Penh  
Phnom Penh, Cambodia

**PRINCIPAL BANKERS:**

ACLEDA Bank Plc.  
Advance Bank of Asia Ltd.  
Bank of China (Hong Kong) Ltd. Phnom Penh Branch  
J Trust Royal Bank Plc.  
Chip Mong Commercial Bank Plc.  
Phnom Penh Commercial Bank Plc.  
Foreign Trade Bank of Cambodia

**AUDITORS:**

BDO (Cambodia) Limited

Registration No:  
Co.7175 Et/2004

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

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

**DIRECTORS' REPORT**

The Directors have pleasure in submitting their report and the audited financial statements of the Phnom Penh Autonomous Port ("PPAP") for the financial year ended 31 December 2022.

**Principal activities**

PPAP is a legal entity with technical, administrative and financial autonomy and its main missions are port services and other related facilities.

PPAP has the objectives to undertake the management, maintenance and operation of the port services as well as related port facilities in order to expand and develop for the need of commercial, industrial, or tourism sectors and takes all necessary measures for the growth of PPAP.

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, 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;
- 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.

There were no significant changes to those principal activities during the financial year.

**Results of operations**

	US\$	KHR'000
Profit for the financial year	14,313,283	58,498,389

**Dividends**

Dividends paid since the end of the previous financial year were as follows:

	US\$	KHR'000
In respect of financial year ended 31 December 2021:		
Class A first and final dividend paid on 2 June 2022	340,190	1,390,357
Class B first and final dividend paid on 2 June 2022	741,290	3,029,652
	<u>1,081,480</u>	<u>4,420,009</u>

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

**DIRECTORS' REPORT (continued)**

**Reserves and provisions**

There was a transfer of US\$11,605,317 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 23 March 2022.

**Bad and doubtful debts**

Before the statement of profit or loss and other comprehensive income and statement of financial position of PPAP were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of PPAP inadequate to any material extent.

**Current assets**

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of PPAP have been written down to an amount expected if realised.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of PPAP misleading.

**Valuation methods**

At the date of this report, the Directors are not aware of any circumstances, which have arisen and which may render adherence to the existing method of valuation of assets or liabilities of PPAP misleading or inappropriate.

**Contingent and other liabilities**

At the date of this report, there does not exist:

- (i) any charge on the assets of PPAP which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability of PPAP which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of PPAP to meet its obligations when they fall due.

**Change of circumstances**

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the financial statements of PPAP, which would render any amount stated in the financial statements as misleading.

**PHNOM PENH AUTONOMOUS PORT  
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**DIRECTORS' REPORT (continued)**

**Items of an unusual nature**

The results of the operations of PPAP during the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of PPAP for the financial year for which this report is made.

**Share capital**

PPAP did not issue any shares during the current financial year.

No option to take up unissued shares in PPAP was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in PPAP.

**Directors**

The Directors who have held for office since the date of the last report are:

H.E. Hei Bavy  
H.E. Suon Rachana  
H.E. Ken Sambath  
H.E. Penn Sovicheat  
Mr. Gui Anvanith  
Mr. Kong Sothea (appointed on 27 June 2022)  
Ms. Pok Pheakdey (appointed on 27 June 2022)  
Mr. Yim Choeurn (resigned on 27 June 2022)  
Mr. Dith Sochal (resigned on 27 June 2022)

**Directors' benefits**

During and at the end of the financial year, no arrangements subsisted to which PPAP is a party, with the object or objects of enabling the Directors of PPAP to acquire benefits by means of the acquisition of shares in or debentures of PPAP or any other body corporate.

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by PPAP or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 30 to the financial statements.

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

**DIRECTORS' REPORT (continued)**

**Directors' responsibility in respect of the financial statements**

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of PPAP as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;
- (b) comply with the disclosure requirements of the Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that PPAP will continue its operations in the foreseeable future; and
- (e) control and direct effectively PPAP in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

**Significant events during the financial year**

The significant events during the financial year are disclosed in Note 33 to the financial statements.

**Significant event subsequent to the end of the reporting period**

Significant event subsequent to the end of the reporting period is disclosed in Note 34 to the financial statements.

**Statement by the Directors**

In the opinion of the Directors, the financial statements set out on pages 10 to 45 have been drawn up in accordance with Cambodian International Financial Reporting Standards so as to give a true and fair view of the financial position of PPAP as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended.

For and on behalf of the board of Directors, 



**H.E. Hei Bavy**  
Chairman and Chief Executive Officer

**Ms. Chheav Vanthea**  
Head of Accounting/Finance  
Department

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PHNOM PENH AUTONOMOUS PORT  
(Incorporated in Cambodia)  
(Registration No: Co.7175 Et/2004)**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the financial statements of Phnom Penh Autonomous Port ("PPAP"), which comprise statement of financial position as at 31 December 2022, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies, as set out on pages 10 to 45.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PPAP as at 31 December 2022, and of its financial performance and cash flows for the financial year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

**Basis for Opinion**

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence and Other Ethical Responsibilities*

We are independent of PPAP in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of PPAP for the current financial year. These matters were addressed in the context of our audit of the financial statements of PPAP as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PHNOM PENH AUTONOMOUS PORT  
(Incorporated in Cambodia)  
(Registration No: Co.7175 Et/2004) (continued)**

**Key Audit Matters (continued)**

**(a) Retirement benefit obligations**

The retirement benefit obligations were determined based on a number of actuarial assumptions and calculations, which were subject to significant judgement and estimate. Changes in these assumptions can have a material impact on the quantum of retirement benefit obligation recorded in the statement of financial position. The assumptions include the discount rate, salary growth rate, mortality rate, disability rate and turnover rates.

As at 31 December 2022, the Board of Directors has engaged an actuarial specialist in order to present actuarial estimate of liabilities as at 31 December 2022 and to provide an actuarial estimate of the defined benefit expenses for the financial year ended 31 December 2022. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using average long-term deposit rates from major banks in Cambodia of 6.30% per annum.

***Audit response***

We performed procedures to place reliance on the actuarial valuation report, which included evaluating the competence, capabilities and objectivity of the actuarial specialist as well as assessing whether the actuarial assumptions are consistently applied and evaluated the rationale for any changes in approach.

**(b) Recoverability of trade receivables**

The carrying amount of trade receivables of US\$4,087,547 has been disclosed in Note 9 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables and appropriate forward-looking information.

***Audit response***

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward-looking information adjustment applied by the Company;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by PPAP and historical losses to determine the appropriateness of the forward-looking information used by PPAP; and
- (iii) Inquiries of management to assess the rationale underling the relationship between the forward-looking information and expected credit losses.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PHNOM PENH AUTONOMOUS PORT  
(Incorporated in Cambodia)  
(Registration No: Co.7175 Et/2004) (continued)**

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Directors of PPAP are responsible for the other information. The other information comprises the annual report but does not include the financial statements of PPAP and our auditors' report thereon.

Our opinion on the financial statements of PPAP does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of PPAP, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of PPAP or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of the Directors for the Financial Statements**

The Directors of PPAP are responsible for the preparation and fair presentation of these financial statements in accordance with CIFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of PPAP that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of PPAP, the Directors are responsible for assessing PPAP's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate PPAP, or to cease operations, or has no realistic alternative but to do so.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of PPAP as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PHNOM PENH AUTONOMOUS PORT  
(Incorporated in Cambodia)  
(Registration No: Co.7175 Et/2004) (continued)**

**Auditors' Responsibilities for the Audit of the Financial Statements (continued)**

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of PPAP, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PPAP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PPAP's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of PPAP or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause PPAP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of PPAP, including the disclosures, and whether the financial statements of PPAP represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of PPAP for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF  
PHNOM PENH AUTONOMOUS PORT  
(Incorporated in Cambodia)  
(Registration No: Co.7175 Et/2004) (continued)**

**Other Matter**

This report is made solely to the shareholders of PPAP, as a body. We do not assume responsibility to any other person for the content of this report.

For and on behalf of  
BDO (Cambodia) Limited



Lim Seng Siew  
Certified Public Accountant

Phnom Penh, Cambodia  
Date: 31 March 2023

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

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

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Concession assets	5	8,135,093	33,492,178	-	-
Property, plant and equipment	6	107,632,950	443,124,855	103,328,375	420,959,800
Right-of-use assets	7	5,766,995	23,742,718	3,660,992	14,914,881
Investment properties	8	84,234,687	346,794,206	84,626,863	344,769,840
Lease receivables	7	8,835,986	36,377,754	4,296,588	17,504,300
Other receivable	9	70,289	289,380	67,585	275,341
Deferred tax assets	10	-	-	140,376	571,892
		<u>214,676,000</u>	<u>883,821,091</u>	<u>196,120,779</u>	<u>798,996,054</u>
<b>Current assets</b>					
Inventories	11	714,982	2,943,581	-	-
Trade and other receivables	9	8,298,747	34,165,941	5,134,521	20,918,039
Lease receivables	7	34,497	142,024	13,886	56,572
Cash and bank balances	12	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>
<b>TOTAL ASSETS</b>		<u><u>245,927,061</u></u>	<u><u>1,012,481,709</u></u>	<u><u>219,883,886</u></u>	<u><u>895,806,953</u></u>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Share capital	13	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	14	155,502	622,008	155,502	622,008
Reserves	15	57,466,697	236,590,391	45,861,380	186,839,262
Retained earnings		14,565,043	59,527,332	12,686,797	51,686,011
Currency translation difference		-	13,846,200	-	8,481,066
<b>TOTAL EQUITY</b>		<u><u>186,640,727</u></u>	<u><u>768,399,871</u></u>	<u><u>173,157,164</u></u>	<u><u>705,442,287</u></u>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Other payable	16	35,145	144,692	33,793	137,673
Borrowings	17	16,559,793	68,176,668	18,629,767	75,897,671
Provision for retirement benefits	18	362,023	1,490,449	555,829	2,264,447
Lease liabilities	7	11,566,801	47,620,520	6,778,885	27,617,177
Contract liabilities	19	13,350,000	54,961,950	13,650,000	55,610,100
Deferred revenue	20	8,178,292	33,670,028	-	-
Deferred tax liabilities	10	271,230	1,116,654	-	-
		<u>50,323,284</u>	<u>207,180,961</u>	<u>39,648,274</u>	<u>161,527,068</u>

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

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

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
<b>EQUITY AND LIABILITIES</b>					
<b>(continued)</b>					
<b>LIABILITIES (continued)</b>					
<b>Current liabilities</b>					
Trade and other payables	16	3,233,202	13,311,093	2,393,907	9,752,778
Borrowings	17	2,069,974	8,522,083	2,069,974	8,433,074
Lease liabilities	7	56,396	232,182	9,261	37,729
Contract liabilities	19	300,000	1,235,100	300,000	1,222,200
Current tax liabilities		3,303,478	13,600,419	2,305,306	9,391,817
		<u>8,963,050</u>	<u>36,900,877</u>	<u>7,078,448</u>	<u>28,837,598</u>
<b>TOTAL LIABILITIES</b>		<u>59,286,334</u>	<u>244,081,838</u>	<u>46,726,722</u>	<u>190,364,666</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>245,927,061</u>	<u>1,012,481,709</u>	<u>219,883,886</u>	<u>895,806,953</u>

*The accompany notes form an integral part of the financial statements.*

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
Revenue	22	36,411,932	148,815,567	30,783,715	125,228,152
Cost of services	23	<u>(12,443,818)</u>	<u>(50,857,885)</u>	<u>(9,811,317)</u>	<u>(39,912,439)</u>
Gross profit		23,968,114	97,957,682	20,972,398	85,315,713
Other income	24	5,204,768	21,271,887	3,334,091	13,563,083
General and administrative expenses	25	<u>(9,636,691)</u>	<u>(39,385,155)</u>	<u>(7,451,365)</u>	<u>(30,312,152)</u>
Operating profit		19,536,191	79,844,414	16,855,124	68,566,644
Finance costs	26	<u>(1,086,538)</u>	<u>(4,440,681)</u>	<u>(1,142,786)</u>	<u>(4,648,853)</u>
Profit before tax		18,449,653	75,403,733	15,712,338	63,917,791
Tax expense	27	<u>(4,136,370)</u>	<u>(16,905,344)</u>	<u>(3,004,507)</u>	<u>(12,222,334)</u>
Profit for the financial year		14,313,283	58,498,389	12,707,831	51,695,457
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		<u>251,760</u>	<u>1,028,943</u>	<u>(21,034)</u>	<u>(85,566)</u>
Total comprehensive income for the financial year		<u>14,565,043</u>	<u>59,527,332</u>	<u>12,686,797</u>	<u>51,609,891</u>
Earnings per share attributable to shareholders of PPAP during the financial year are as follows:					
Basic earnings per share	28	0.70	2.88	0.61	2.50
Diluted earnings per share	28	<u>0.70</u>	<u>2.88</u>	<u>0.61</u>	<u>2.50</u>

*The accompany notes form an integral part of the financial statements.*

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

**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
<b>Balance as at 1 January 2022</b>		<b>114,453,485</b>	<b>155,502</b>	<b>45,861,380</b>	<b>12,686,797</b>	-	<b>173,157,164</b>
Profit for the financial year		-	-	-	14,313,283	-	14,313,283
Actuarial gain on retirement benefit obligation		-	-	-	251,760	-	251,760
Total comprehensive income		-	-	-	14,565,043	-	14,565,043
<b>Transactions with owners</b>							
Transfer to reserves	15	-	-	11,605,317	(11,605,317)	-	-
Dividends	29	-	-	-	(1,081,480)	-	(1,081,480)
Total transactions with owners		-	-	11,605,317	(12,686,797)	-	(1,081,480)
<b>Balance as at 31 December 2022</b>		<b>114,453,485</b>	<b>155,502</b>	<b>57,466,697</b>	<b>14,565,043</b>	-	<b>186,640,727</b>
<i>(KHR '000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>236,590,391</i>	<i>59,527,332</i>	<i>13,846,200</i>	<i>768,399,871</i>



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

**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
<b>Balance as at 1 January 2021</b>		<b>114,453,485</b>	<b>155,502</b>	<b>36,539,606</b>	<b>10,079,232</b>	-	<b>161,227,825</b>
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
<b>Transactions with owners</b>							
Transfer to reserves	15	-	-	9,321,774	(9,321,774)	-	-
Dividends		-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
<b>Balance as at 31 December 2021</b>		<b>114,453,485</b>	<b>155,502</b>	<b>45,861,380</b>	<b>12,686,797</b>	-	<b>173,157,164</b>
<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>

*The accompanying notes form an integral part of the financial statements.*

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

**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
<b>Cash flows from operating activities</b>					
Profit before tax		18,449,653	75,403,733	15,712,338	63,917,791
Adjustments for:					
Depreciation of property, plant and equipment	6	3,739,459	15,283,169	3,189,600	12,975,293
Depreciation of investment properties	8	51,510	210,521	60,137	244,637
Depreciation of right-of-use assets	7	94,521	386,308	100,532	409,568
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		586,746	2,398,031	19,104	77,715
Net of unwinding effect of long term deposit		(1,352)	(5,526)	(1,299)	(5,284)
Property, plant and equipment written off		8,309	33,959	-	-
Retirement benefit obligation expenses	18	87,848	359,035	78,390	321,087
Operating profit before working capital changes		21,126,348	86,343,386	18,835,829	76,624,756
Changes in working capital:					
Inventories		(714,982)	(2,922,131)	-	-
Trade and other receivables		(3,014,901)	(12,321,901)	6,341,135	25,795,737
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		18,009,548	73,605,024	24,463,178	99,516,812
Income tax paid		(2,726,592)	(11,143,583)	(2,319,365)	(9,435,177)
Retirement benefit obligation paid		(29,894)	(122,177)	(22,558)	(91,766)
Net cash from operating activities		15,253,062	62,339,264	22,121,255	89,989,869
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	6	(7,696,962)	(31,457,484)	(17,688,112)	(71,955,240)
Purchase of investment property		(30,000)	(122,610)	-	-
Proceeds from disposals 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)	3,000,000	12,204,000
Net cash used in investing activities		(11,260,764)	(46,022,745)	(14,087,012)	(57,305,965)

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

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022 (continued)**

	Note	2022		2021	
		US\$	KHR'000	US\$	KHR'000
<b>Cash flows from financing activities</b>					
Dividends 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)
Payments of lease liabilities		(545,410)	(2,229,090)	(124,049)	(504,631)
Repayments of borrowings		(2,069,974)	(8,459,984)	(2,069,974)	(8,420,654)
Net cash used in financing activities		(4,504,163)	(18,408,514)	(4,103,384)	(16,692,565)
<b>Net (decrease)/increase in cash and cash equivalents</b>		(511,865)	(2,091,995)	3,930,859	15,991,339
<b>Cash and cash equivalents at beginning of financial year</b>		6,614,700	26,948,288	2,683,841	10,933,968
Currency translation differences		-	269,079	-	22,981
<b>Cash and cash equivalents at end of financial year</b>	12	6,102,835	25,125,372	6,614,700	26,948,288

**RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES**

	Lease liabilities (Note 7) US\$	Borrowings (Note 17) US\$
<b>At 1 January 2021</b>	2,882,559	22,769,715
Cash flows	(124,049)	(2,069,974)
Non-cash flows:		
- Addition	3,761,524	-
- Unwinding of interest	268,111	-
<b>At 31 December 2021</b>	6,788,145	20,699,741
Cash flows	(545,410)	(2,069,974)
Non-cash flows:		
- Addition	5,071,986	-
- Unwinding of interest	308,476	-
<b>At 31 December 2022</b>	11,623,197	18,629,767
<i>(KHR'000 equivalent)</i>	47,852,702	76,698,751

*The accompanying notes form an integral part of the financial statements.*

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

**NOTES TO THE FINANCIAL STATEMENTS  
31 DECEMBER 2021**

**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 financial statements were authorised for issue by the Board of Directors on 31 March 2023.

**2. PRINCIPAL ACTIVITIES**

PPAP is a legal entity with technical, administrative and financial autonomy and its main missions are port services and other related facilities.

PPAP has the objectives to undertake the management, maintenance and operation of the port services as well as related port facilities in order to expand and develop for the need of commercial, industrial, or tourism sectors and takes all necessary measures for the growth of PPAP.

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;
- 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 Financial statements of PPAP have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) as issued by the Accounting and Auditing Regulator (“ACAR”) of the Ministry of Economy and Finance.

### 4. BASIS OF ACCOUNTING

The accounting policies adopted are consistent with those of the previous financial year except for the effects, if any, of the adoption of new CIFRSs during the financial year. The new CIFRSs adopted during the financial year are disclosed in Note 36 to the financial statements.

The financial statements of PPAP have been prepared under the historical cost convention except as otherwise stated in the financial statements.

The financial statements 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 requirements of the Law on Accounting and Auditing. Translations to KHR are presented in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the notes to the financial statements as at and for the financial year ended 31 December 2022 of PPAP using the following closing and average rates of exchange:

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

These KHR amounts represent additional supplementary information and should not be construed as representations that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate.

### 5. CONCESSION ASSETS

	<b>Multi- purpose Terminal US\$</b>	<b>Construction in progress US\$</b>	<b>Total US\$</b>
<i>Cost</i>			
<b>Balance at 1 January 2021/31 December 2021</b>	-	-	-
Additions	4,888,835	3,246,258	8,135,093
<b>Balance at 31 December 2022</b>	4,888,835	3,246,258	8,135,093
<b>Carrying amounts</b>			
<b>Balance at 31 December 2022</b>	<b>4,888,835</b>	<b>3,246,258</b>	<b>8,135,093</b>
<i>(KHR'000 equivalent)</i>	<i>20,127,334</i>	<i>13,364,844</i>	<i>33,492,178</i>

## 5. CONCESSION ASSETS (continued)

- (a) On 8 November 2021, PPAP and PTLIS Cooperation Co., Ltd. (“PTLS”) entered into an agreement on Investment Cooperation for Development of Multi-purpose Terminal TS11. Pursuant to the agreement, both parties agreed to cooperate in the development of the multi-purpose terminal known as TS11 located at Spean Kpous Village, Sangkat Kilometre 6, Khan Russey Keo, Phnom Penh, whereby PPAP will grant the use of land based on development master plan, goodwill and the right to construct and operate the terminal and PTLIS will invest US\$9 million for the construction and other supporting facilities for the terminal. Under the terms of agreement, the duration of the cooperation is 40 years, starting from 8 November 2021 to 8 November 2061. PTLIS has the right to extend the cooperation for another 10 years upon the end of the cooperation period.

On 29 August 2022, PPAP and PTLIS entered into another agreement on Investment Cooperation for Development of Multi-purpose Terminal UM2. Pursuant to the agreement, both parties agreed to cooperate in the development of the multi-purpose terminal UM2 known as UM2 located at Daun Mao Leur Village, Tonle Bet Commune, Tboung Khmum District, Tboung Khmum Province, whereby PPAP will grant the use of land based on development master plan, goodwill and the right to construct and operate the terminal and PTLIS will invest US\$26.5 million for the construction and other supporting facilities for the terminal. Under the terms of agreement, the duration of the cooperation is 40 years, starting from 29 August 2022 to 29 August 2062. PTLIS has the right to extend the cooperation for another 10 years upon the end of the cooperation period.

Pursuant to the above agreements, both parties shall manage the operation of the terminals. PPAP and PTLIS shall share 51% and 49% respectively in the profit or loss arising from the operation of the terminals. PPAP agrees to guarantee the expense on operation in advance. In the event where PTLIS is unable to cover its share of losses, PPAP has the right to charge interest on the outstanding share of losses based on market interest rate or reduce the shareholding of PTLIS.

PTLIS will transfer all the assets including terminal construction and support infrastructure to PPAP at the end of the cooperation period.

In the event where the government intends to take over the terminal for public use before the end of the cooperation period, PPAP will compensate PTLIS all the investment costs without interest for the remaining duration subsequent to the takeover.

- (b) Concession assets are in respect of the development of the above Multi-purpose Terminals TS11 and UM2 undertaken by PPAP and PTLIS.
- (c) Concession assets are initially measured at cost. After initial recognition, concession assets are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (d) Depreciation is calculated to write down the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal depreciation period is 40 years.
- (e) Construction in progress represents terminals under construction and are not depreciated until such time when the assets are available for use.

**6. PROPERTY, PLANT AND EQUIPMENT**

	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Plant and machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$
<i>Cost</i>									
<b>Balance at 1 January 2021</b>	30,930,508	1,273,401	1,078,225	64,817	1,920,933	23,042,327	45,138,584	6,777,258	110,226,053
Additions	4,000,000	10,393	69,526	-	15,728	-	52,908	13,539,557	17,688,112
Reclassification	921,700	122,467	15,941	-	-	5,054,686	11,359,414	(17,474,208)	-
<b>Balance at 31 December 2021/1 January 2022</b>	35,852,208	1,406,261	1,163,692	64,817	1,936,661	28,097,013	56,550,906	2,842,607	127,914,165
Additions	198,274	39,140	4,718	-	216,809	-	-	7,238,021	7,696,962
Reclassification	935,013	98,329	325,031	-	-	1,486,981	2,131,287	(4,976,641)	-
Disposals	-	-	-	-	-	(153,978)	-	-	(153,978)
Transfer from investment properties (Note 8)	370,666	-	-	-	-	-	-	-	370,666
Written-off	-	(45,794)	(45,492)	(3,229)	(88,022)	-	-	-	(182,537)
<b>Balance at 31 December 2022</b>	37,356,161	1,497,936	1,447,949	61,588	2,065,448	29,430,016	58,682,193	5,103,987	135,645,278

**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Plant and machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$
<i>Accumulated depreciation</i>									
<b>Balance at 1 January</b>									
<b>2021</b>	-	685,523	358,903	58,566	658,665	8,558,944	11,075,589	-	21,396,190
Depreciation for the year	-	164,164	75,009	1,996	126,178	1,728,064	1,094,189	-	3,189,600
<b>Balance at 31 December</b>									
<b>2021/1 January 2022</b>	-	849,687	433,912	60,562	784,843	10,287,008	12,169,778	-	24,585,790
Depreciation for the year	-	175,998	92,789	1,480	139,123	1,999,615	1,330,454	-	3,739,459
Disposals	-	-	-	-	-	(138,693)	-	-	(138,693)
Written-off	-	(45,794)	(42,535)	(3,229)	(82,670)	-	-	-	(174,228)
<b>Balance at 31 December</b>									
<b>2022</b>	-	979,891	484,166	58,813	841,296	12,147,930	13,500,232	-	28,012,328
<i>Carrying amounts</i>									
<b>Balance at 31 December</b>									
<b>2022</b>	<b>37,356,161</b>	<b>518,045</b>	<b>963,783</b>	<b>2,775</b>	<b>1,224,152</b>	<b>17,282,086</b>	<b>45,181,961</b>	<b>5,103,987</b>	<b>107,632,950</b>
<i>(KHR'000 equivalents)</i>	<i>153,795,315</i>	<i>2,132,791</i>	<i>3,967,895</i>	<i>11,425</i>	<i>5,039,834</i>	<i>71,150,348</i>	<i>186,014,133</i>	<i>21,013,114</i>	<i>443,124,855</i>
<b>Balance at 31 December</b>									
<b>2021</b>	35,852,208	556,574	729,780	4,255	1,151,818	17,810,005	44,381,128	2,842,607	103,328,375
<i>(KHR'000 equivalents)</i>	<i>146,061,895</i>	<i>2,267,482</i>	<i>2,973,124</i>	<i>17,335</i>	<i>4,692,507</i>	<i>72,557,960</i>	<i>180,808,715</i>	<i>11,580,782</i>	<i>420,959,800</i>



**6. PROPERTY, PLANT AND EQUIPMENT (continued)**

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation periods are as follows:

Computers	5 - 15 years
Office equipment and others	5 - 15 years
Furniture and fixtures	5 years
Motor vehicles	8 - 15 years
Plant and machineries	10 - 15 years
Harbours and buildings	10 - 50 years

Land has unlimited useful life and is not depreciated.

Construction in progress represents mainly harbours and buildings under construction. Construction in progress are not depreciated until such time when the assets are available for use.

- (b) The depreciation charges are allocated as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Cost of services	3,151,067	12,878,411	2,641,381	10,745,138
Administrative expenses	588,392	2,404,758	548,219	2,230,155
	<u>3,739,459</u>	<u>15,283,169</u>	<u>3,189,600</u>	<u>13,628,893</u>

- (c) The title to the land with a carrying amount of US\$2,384,559 (2021: US\$1,443,012) is in the process of being issued by the authority.

**7. LEASES**

**PPAP as lessee**

**Right-of-use assets**

**Carrying amount**

	<b>Land US\$</b>
<b>Balance at 1 January 2021</b>	-
Additions	3,761,524
Depreciation	<u>(100,532)</u>
<b>Balance at 31 December 2021</b>	3,660,992
Additions	5,071,985
Increase	2,094,813
Derecognition	(4,966,274)
Depreciation	<u>(94,521)</u>
<b>Balance at 31 December 2022</b>	<b><u>5,766,995</u></b>
<i>(KHR'000 equivalents)</i>	<u><u>23,742,718</u></u>

**Lease liabilities**

**Carrying amount**

	<b>Land US\$</b>
<b>Balance at 1 January 2021</b>	2,882,559
Additions	3,761,524
Interest expense	268,111
Lease payments	<u>(124,049)</u>
<b>Balance at 31 December 2021</b>	6,788,145
Addition	5,071,986
Interest expense	308,476
Lease payments	<u>(545,410)</u>
<b>Balance at 31 December 2022</b>	<b><u>11,623,197</u></b>
<i>(KHR'000 equivalents)</i>	<u><u>47,852,702</u></u>

Represented by:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Current liabilities	56,396	232,182	9,261	37,729
Non-current liabilities	<u>11,566,801</u>	<u>47,620,520</u>	<u>6,778,885</u>	<u>27,617,177</u>
	<u>11,623,197</u>	<u>47,852,702</u>	<u>6,788,146</u>	<u>27,654,906</u>

## 7. LEASES (continued)

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease term of right-of-use assets is 30 and 40 years (2021: 40 years).

- (b) Increase of right-of-use assets during the financial year is as a result of termination of sub-lease.

PPAP recognised a loss of US\$1,046,966 on recognition of the right-of-use assets pertaining to the terminated sub-lease and presented the loss as “loss on termination of sublease”, as disclosed in Note 25 to the financial statements.

- (c) Derecognition of right-of-use assets during the financial year is as a result of entering into sub-leases.

PPAP recognised a gain of US\$2,763,422 on derecognition of the right-of-use assets pertaining to the sub-leases and presented the gain as “income from net investment in sublease”, as disclosed in Note 24 to the financial statements.

- (d) The following are the amounts recognised in profit or loss:

	<b>2022</b>	<b>2021</b>
	<b>US\$</b>	<b>US\$</b>
Depreciation charge of right-of-use assets (included in general and administrative costs)	94,521	100,532
Interest expense on lease liabilities (included in finance costs)	308,476	268,111
	<u>402,997</u>	<u>368,643</u>

- (e) At the end of the financial year, PPAP had total cash outflow for leases of US\$545,410 (2021: US\$124,049).

- (f) The table below summarises the maturity profile of the lease liabilities of PPAP at the end of the reporting period based on contractual undiscounted repayment obligations:

	<b>Weighted average incremental borrowing per annum</b>	<b>Within 1 year</b>	<b>1 - 2 years</b>	<b>2 - 5 years</b>	<b>More than 5 years</b>	<b>Total</b>
<b>31 December 2022</b>	%	US\$	US\$	US\$	US\$	US\$
Lease liabilities	4.00	349,060	533,613	1,606,551	19,867,166	<u>22,356,390</u>
<b>31 December 2021</b>						
Lease liabilities	4.00	290,549	593,720	915,228	11,955,856	<u>13,755,353</u>

**7. LEASES (continued)**

**PPAP as lessor**

PPAP has entered into sub-lease agreements on seven pieces of land for a term ranging from 37 to 40 years each and renewable 2 years before the end of the lease period. The monthly rental consists of a fixed rent for the first 23 years and 25 years with an increase of 5% every 5 years and for the remaining 15 years, the monthly rental will be at a fixed rent.

PPAP has aggregate future minimum lease receivables as at the end of each reporting period as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Less than one year	381,857	1,572,105	186,074	757,323
One to two years	381,857	1,572,105	186,074	757,323
Two to three years	400,950	1,650,711	194,603	787,168
Three to four years	400,950	1,650,711	195,378	795,189
Four to five years	400,950	1,650,711	195,378	795,189
More than five years	15,518,532	63,889,797	7,850,599	31,951,938
	17,485,096	71,986,140	8,808,106	35,844,130
Less: unearned interest income	(8,614,613)	(35,466,362)	(4,497,632)	(15,584,902)
	8,870,483	36,519,778	4,310,474	20,259,228
Presented as follows:				
Current	34,497	142,024	13,886	56,572
Non-current	8,835,986	36,377,754	4,296,588	17,504,300
	8,870,483	36,519,778	4,310,474	17,560,872

## 8. INVESTMENT PROPERTIES

	<b>Land US\$</b>	<b>Buildings US\$</b>	<b>Total US\$</b>
<i>Cost</i>			
<b>Balance at 1 January 2021/31 December 2021</b>	83,705,437	1,480,578	85,186,015
Addition	-	30,000	30,000
Transfer to property, plant and equipment (Note 6)	(370,666)	-	(370,666)
<b>Balance at 31 December 2022</b>	<b>83,334,771</b>	<b>1,510,578</b>	<b>84,845,349</b>
<i>Accumulated depreciation</i>			
<b>Balance at 1 January 2021</b>	-	499,015	499,015
Depreciation for the financial year	-	60,137	60,137
<b>Balance at 31 December 2021</b>	-	559,152	559,152
Depreciation for the financial year	-	51,510	51,510
<b>Balance at 31 December 2022</b>	-	<b>610,662</b>	<b>610,662</b>
<i>Carrying amounts</i>			
<b>Balance at 31 December 2022</b>	<b>83,334,771</b>	<b>899,916</b>	<b>84,234,687</b>
<i>(KHR'000 equivalents)</i>	<i>343,089,252</i>	<i>3,704,954</i>	<i>346,794,206</i>
<b>Balance at 31 December 2021</b>	<b>83,705,437</b>	<b>921,426</b>	<b>84,626,863</b>
<i>(KHR'000 equivalents)</i>	<i>341,015,950</i>	<i>3,753,890</i>	<i>344,769,840</i>
<i>Fair value</i>			
<b>Balance at 31 December 2022</b>	<b>439,851,950</b>	<b>821,997</b>	<b>440,673,947</b>
<i>(KHR'000 equivalents)</i>	<i>1,810,870,478</i>	<i>3,384,162</i>	<i>1,814,254,640</i>
<b>Balance at 31 December 2021</b>	<b>136,922,392</b>	<b>739,227</b>	<b>137,661,619</b>
<i>(KHR'000 equivalents)</i>	<i>557,821,825</i>	<i>3,011,611</i>	<i>560,833,436</i>

- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Land has an unlimited useful life and therefore is not depreciated. The principal depreciation period for the buildings ranges from 5 to 50 years (2021: 5 to 50 years).
- (c) Fair value of investment properties for disclosure purposes, which are at Level 3 fair value, were derived by the Directors as at the end of the reporting period based on estimation from available market information and/or valuation determined by external and independent property valuer.
- (d) The title to the land with a carrying amount of US\$1,347,300 (2021: US\$1,347,300) is in the process of being issued by the authority.

**9. TRADE AND OTHER RECEIVABLES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<b>Non-current</b>				
<b>Other receivable</b>				
Deposit	70,289	289,380	67,585	275,341
<b>Trade receivables</b>				
Third parties	5,464,966	22,499,265	4,418,182	17,999,673
Less: Impairment loss				
- Third parties	(1,377,419)	(5,670,834)	(790,673)	(3,221,201)
	<u>4,087,547</u>	<u>16,828,431</u>	<u>3,627,509</u>	<u>14,778,472</u>
<b>Other receivables</b>				
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	3,829,436	15,765,789	422,989	1,723,258
	<u>4,047,575</u>	<u>16,663,867</u>	<u>953,981</u>	<u>3,886,519</u>
<b>Total receivables</b>	<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>

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by PPAP is 30 days (2021: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Trade and other receivables are denominated in US\$.

## 9. TRADE AND OTHER RECEIVABLES (continued)

- (d) For impairment of trade receivables that do not contain a significant financing component, PPAP applies the CIFRS 9 simplified approach to measuring expected credit loss using a lifetime credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on PPAP's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting PPAP's customers.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Lifetime expected loss provision for trade receivables are as follows:

	1-30 days	31-60 days	61-90 days	91-120 days	121- 150 days	151- 180 days	Over 180 days	Total US\$
<b>31 December 2022</b>								
Expected loss rate	4.85%	6.51%	13.80%	28.23%	44.20%	74.35%	100.00%	
Gross carrying amount (US\$)	2,322,828	748,648	794,838	238,265	47,449	104,717	1,208,221	5,464,966
Impairment (US\$)	126,824	48,758	82,028	66,153	18,422	77,856	957,378	1,377,419
<b>31 December 2021</b>								
Expected loss rate	4.20%	5.67%	13.08%	23.99%	38.07%	70.34%	100.00%	
Gross carrying amount (US\$)	2,132,856	1,273,506	287,037	113,538	48,551	22,989	539,705	4,418,182
Impairment (US\$)	79,724	72,153	37,534	27,233	18,483	15,841	539,705	790,673

During the financial year, PPAP did not renegotiate the terms of any trade receivables.

- (e) Movements in the impairment allowance for trade receivables are as follows:

	2022 US\$	2021 US\$
At 1 January	790,673	872,101
Charge for the financial year	664,431	415,503
Reversal of impairment loss	(77,685)	(496,931)
At 31 December	<u>1,377,419</u>	<u>790,673</u>

- (f) Impairment for other receivables are recognised based on the general approach within CIFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

## 10. DEFERRED TAX

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

	At 1 January 2022 US\$	Recognised in profit or loss (Note 27) US\$	At 31 December 2022 US\$
Property, plant and equipment	(2,823,842)	(413,311)	(3,237,153)
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>(411,606)</u>	<u>(271,230)</u>

*(KHR'000 equivalent)*

(1,116,654)

	At 1 January 2021 US\$	Recognised in profit or loss (Note 27) US\$	At 31 December 2021 US\$
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

## 11. INVENTORIES

	2022		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>

- (a) Inventories costs are determined using the weighted average cost basis and stated at the lower of cost and net reliable value.
- (b) During the financial year, inventories of the PPAP recognised as cost of services amounted to US\$3,301,001.



## 12. CASH AND BANK BALANCES

	2022		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
	<hr/>		<hr/>	
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)
	<hr/>		<hr/>	
As stated in statement of cash flows	6,102,835	25,125,372	6,614,700	26,948,288

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with a licensed bank of PPAP have maturity period ranging from 1 to 240 months (2021: 1 to 240 months).
- (c) The currency exposure profile of cash and bank balances is as follows:

	2022 US\$	2021 US\$
United States Dollar	22,070,304	18,445,093
Khmer Riel	132,531	169,607
	<hr/>	<hr/>
	22,202,835	18,614,700

- (d) Weighted average effective interest rate of deposits with a licensed bank of PPAP as at the end of each reporting period are as follows:

	2022 %	2021 %
Fixed rates	6.80	6.25

## 13. SHARE CAPITAL

	2022		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
	<hr/>		<hr/>	
	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
	<hr/>		<hr/>	
	114,453,485	114,453,485	114,453,485	114,453,485
	<hr/>		<hr/>	
<i>(KHR'000 equivalent)</i>	<u>457,813,940</u>		<u>457,813,940</u>	

### 13. SHARE CAPITAL (continued)

Share capital of US\$114,453,485 is divided into 114,453,485 shares at KHR4,000 (equivalent to US\$1) each, divided into three classes:

- (a) 4,136,873 Class A (Voting) shares (3.61%) with a total value of US\$4,136,873 (equivalent to KHR16,547,492,000)
- (b) 16,547,492 Class B (Voting) shares (14.46%) with a total value of US\$16,547,492 (equivalent to KHR66,189,968,000)
- (c) 93,769,120 Class C (Non-voting) shares (81.93%) with a total value of US\$93,769,120 (equivalent to KHR375,076,480,000).

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.

The owners of shares in Class A and Class B are entitled to receive dividends as and when declared by PPAP and are entitled to one vote per ordinary share at meetings of PPAP. All ordinary shares rank pari passu with regard to PPAP’s residual assets.

### 14. 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.

### 15. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
<b>As at 1 January 2022</b>	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>
<b>As at 31 December 2022</b>	<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>
<b>As at 1 January 2021</b>	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>
<b>As at 31 December 2021</b>	<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>

## 15. RESERVES (continued)

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

## 16. TRADE AND OTHER PAYABLES

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<b>Non-current</b>				
<b>Other payable</b>				
Deposit	35,145	144,692	33,793	137,673
<b>Current</b>				
<b>Trade payables</b>				
Third parties	629,216	2,590,482	487,291	1,985,224
<b>Other payables</b>				
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	1,620,459	6,671,430	1,115,875	4,546,075
	<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>

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the PPAP range from one to two months (2021: one to two months).
- (c) The currency exposure profile of trade and other payables is as follows:

	2022	2021
	US\$	US\$
United States Dollar	1,606,053	1,139,281
Khmer Riel	<u>1,662,294</u>	<u>1,288,419</u>
	<u>3,268,347</u>	<u>2,427,700</u>

- (d) Maturity profile of trade and other payables of PPAP at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year, except the non-current deposit as recorded above.

## 17. BORROWINGS

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

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

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.

- (b) Borrowings are classified as financial liabilities measured at amortised cost.
- (c) The borrowings are repayable twice per year, on 20 February and 20 August, commencing February 2018.
- (d) Fair values of the borrowings of PPAP are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Valuation techniques used and key inputs to valuation on the borrowings measured at level 3 are described below:

Financial liability	Valuation technique used	Significant unobservable input	Inter-relationship Between key unobservable inputs and fair value
Borrowings	Discounted cash flow method	8.00%	The higher the discount rate, the lower the fair value of the financial liability would be

- (e) Borrowings that are not carried at fair values and whose carrying amounts do not approximate of fair values are as follows:

	2022		2021	
	Carrying amount US\$	Fair value US\$	Carrying amount US\$	Fair value US\$
Borrowings (fixed rates)	<u>18,629,767</u>	<u>17,249,792</u>	<u>20,699,741</u>	<u>19,166,427</u>

## 17. BORROWINGS (continued)

- (f) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of PPAP that are exposed to interest rate risk:

31 December 2022	Weighted average effective interest rate per annum %	Within 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	More than 5 years US\$	Total US\$
<b>Borrowings</b>						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	8,279,897	18,629,767
<b>31 December 2021</b>						
<b>Borrowings</b>						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	10,349,870	20,699,740

- (g) The table below summarises the maturity profile of the borrowings of PPAP at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

31 December 2022	On demand or within one US\$	One to five years US\$	Over five years US\$	Total US\$
Borrowings	2,794,465	10,349,870	9,025,087	22,169,422
<b>31 December 2021</b>				
Borrowings	2,877,264	10,681,066	11,488,356	25,046,686

- (h) Borrowings are denominated in US\$.

## 18. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

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

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

## 18. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

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

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

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

	2022 US\$	2021 US\$
Balance at 1 January	99,987	74,627
Additional expenses	26,201	25,360
	<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:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<b>Defined benefit obligation</b>				
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)
<b>Other benefits</b>				
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>

### (a) Defined benefit obligation

The principal actuarial assumptions are as follows:

Discount rate (i)	6.30% (2021: 6.00%)
Salary growth rate	16% (2021: 17%) per annum, and gradually decreasing to 5% per annum by 2034 for both of their basic and total salary
Mortality rate (ii)	Thailand Mortality Ordinary Life Table 2017
Disability rate	10% (2021: 10%) of mortality rate
Turnover rate	1.1% (2021: 1.1%)

## 18. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

### (a) Defined benefit obligation (continued)

#### (i) Discount rate

As information on Cambodian corporate or government bonds are not readily available, PPAP has analysed the average long term deposit rates of major banks in Cambodia.

#### (ii) Mortality rate

Assumptions regarding future mortality are based on published statistics and mortality tables. As standard life tables are not available for Cambodia, PPAP used the standard Thailand Mortality Ordinary Life Table 2017 (TM2017) without modification. The rates are published as a standard table TM2017. As those employed the formal sector are likely to experience better mortality than the general population, an allowance for this has been made.

#### Sensitivity analysis

- 0.25% decrease in discount rate results in a 1.63% (2021: 2.59%) increase in defined benefit plan obligation. 0.25% increase in discount rate results in a 1.57% (2021: 2.49% ) decrease in defined benefit plan obligation.
- 0.50% decrease in salary increase rate results in a 0.12% (2021: 4.26%) decrease in defined benefit obligation. 0.50% increase in salary increase rate results in a 0.14% (2021: 4.57%) increase in defined benefit obligations.

### (b) Other benefits

PPAP has paid an amount equal 3% of monthly basic salary to National Social Security Funds (“NSSF”) annually. After retirement, employees will get monthly retirements from NSSF.

## 19. CONTRACT LIABILITIES

	<b>2022</b>		<b>2021</b>	
	US\$	KHR'000	US\$	KHR'000
<b>Non-current</b>				
Deferred income	<u>13,350,000</u>	<u>54,961,950</u>	<u>13,650,000</u>	<u>55,610,00</u>
<b>Current</b>				
Deferred income	<u>300,000</u>	<u>1,235,100</u>	<u>300,000</u>	<u>1,222,200</u>

- (c) Contract liabilities are in respect of deferred income arising from lease of land to Chean Chhoeng Thai Group. The total consideration is amortised on a straight-line basis over the term of 50 years (2021: 50 years).
- (d) Income expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is US\$300,000 annually.

## 20. DEFERRED REVENUE

	<b>Multi-purpose Terminal US\$</b>
<b>Balance at 1 January 2021/31 December 2021</b>	-
Liabilities recognised along with concession assets	8,135,093
Share of profit or loss	43,199
	<u>8,178,292</u>
<i>(KHR'000 equivalent)</i>	<u>33,670,028</u>

Deferred revenue is in respect of the concession assets arising from the development of the Multi-purpose terminals TS11 and UM2 as disclosed in Note 5 to the financial statements.

## 21. CAPITAL COMMITMENTS

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

## 22. REVENUE

	<b>2022</b>		<b>2021</b>	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	16,033,181	65,527,611	13,624,422	55,424,149
Lift On Lift Off ("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
Logistic 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>

Revenue from services rendered is recognised over time as the performance obligations are being satisfied which coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services are provided on the normal credit terms not exceeding twelve months.



**23. COST OF SERVICES**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
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>

**24. OTHER INCOME**

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
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	77,685	317,490	496,931	2,021,515
Income from net of investment from subleases	2,763,422	11,294,106	-	-
Others	341,721	1,396,622	375,760	1,528,592
	<u>5,204,768</u>	<u>21,271,886</u>	<u>3,334,091</u>	<u>13,563,083</u>

(a) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

## 25. GENERAL AND ADMINISTRATIVE EXPENSES

	2022		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	734,423	3,001,587	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 disposals 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>9,636,691</u>	<u>39,385,155</u>	<u>7,451,365</u>	<u>30,312,152</u>

## 26. FINANCE COSTS

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	776,710	3,174,414	873,375	3,552,890
- lease liabilities	308,476	1,260,741	268,111	1,090,675
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>

## 27. TAX EXPENSE

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	3,735,446	15,266,768	2,674,737	10,880,830
(Over)/Under provision in prior year	(10,682)	(43,656)	30,155	122,671
	<u>3,724,764</u>	<u>15,223,112</u>	<u>2,704,892</u>	<u>11,003,501</u>
Deferred tax expense (Note 10):				
Origination and reversal of temporary differences	411,606	1,682,232	299,615	1,218,833
	<u>4,136,370</u>	<u>16,905,344</u>	<u>3,004,507</u>	<u>12,222,334</u>

## 27. TAX EXPENSE (continued)

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.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of PPAP is as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Profit before tax	18,449,653	75,403,733	15,712,338	63,917,791
Tax at Cambodian statutory tax rate of 20% (2021: 20%)	3,689,931	15,080,748	3,142,468	12,783,560
Tax effects in respect of:				
Non-allowable expenses	615,910	2,517,224	210,152	854,897
Non-allowable income	(158,789)	(648,972)	(31,698)	(128,947)
Tax incentive and allowances	-	-	(346,570)	(1,409,847)
	4,147,052	16,949,000	2,974,352	12,099,663
(Over)/Under provision in prior year:				
Income tax	(10,682)	(43,656)	30,155	122,671
Total taxation	4,136,370	16,905,344	3,004,507	12,222,334

## 28. EARNINGS PER SHARE

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	14,565,043	59,527,332	12,686,797	51,609,891
Weighted average number of ordinary shares in issue	20,684,365	20,684,365	20,684,365	20,684,365
Basic earnings per share	0.70	2.88	0.61	2.50
Diluted earnings per share	0.70	2.88	0.61	2.50

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.

## 29. DIVIDENDS

During to the 7<sup>th</sup> Annual General Shareholder Meeting held on 23 March 2022, the shareholder of PPAP approved the distribution of dividends in respect of 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.

## 30. RELATED PARTY DISCLOSURES

- (a) Parties are considered related to PPAP if PPAP has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where PPAP and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

Key management personnel comprises persons (including the Directors of PPAP) having the authority and responsibility for planning, directing and controlling the activities of PPAP directly and indirectly.

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
<u>Related parties</u>				
MEF				
Interest expense	776,710	3,174,414	859,499	3,496,442
Interest paid	807,299	3,299,431	890,089	3,620,882
Payment of principal	2,069,974	8,459,984	2,069,974	8,420,654
MEF and MPWT				
Donation and charities	<u>29,727</u>	<u>121,495</u>	<u>38,859</u>	<u>158,079</u>

Balances with related parties at the end of the reporting period are disclosed in Note 17 to the financial statements.

The related party transactions described above were carried out on negotiated commercial terms.

- (a) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	<b>2022</b>		<b>2021</b>	
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>	<b>KHR'000</b>
Short term employee benefits	<u>246,331</u>	<u>1,006,754</u>	<u>247,809</u>	<u>1,008,087</u>

### 31. CAPITAL AND FINANCIAL RISK MANAGEMENT

(a) Capital management

The primary objective of PPAP's capital management is to ensure that PPAP would be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of PPAP remains unchanged from that in the previous financial year.

PPAP manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, PPAP may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

PPAP monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

(b) Financial risk management

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.

PPAP is exposed mainly to interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

(i) 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 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.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of PPAP if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
<b>Profit net of tax</b>				
- Increased by 0.1% (2021: 0.1%)	(4,728)	(19,234)	(3,189)	(12,973)
- Decreased by 0.1% (2021: 0.1%)	4,728	19,234	3,189	12,973

### **31. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)**

(b) Financial risk management (continued)

(ii) 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. PPAP is mainly exposed to credit risk from credit sales. 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 trade receivables from its customers. PPAP controls the credit risk on service rendered by ensuring that its customers have sound financial position and credit history. PPAP also seeks to invest cash assets safely and profitably with approved financial institutions.

PPAP determines a financial asset to be in default when contractual payments are past due and when internal or external information indicates that financial asset is not recoverable. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Exposure to credit risk and credit risk concentration profile

The maximum exposure to credit risk for PPAP is represented by the carrying amounts of each financial asset.

At the end of the reporting period, approximately 63% (2021: 61%) of PPAP's trade receivables were due from three (2021: three) major customers.

PPAP does not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

(iii) 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 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.

### **32. SEGMENT REPORTING**

Operating segments are reported in a manner consistent with the internal reporting provided to the PPAP's decision makers. Those whom is responsible for allocating resources to and assessing the performance of the operating segments has been identified as the key management team. PPAP operates in one operating segment being port related business.

### **33. SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR**

- (a) 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.
- (b) 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.
- (c) 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.
- (d) PPAP and PTLs Cooperation Co., Ltd. entered into an Agreement on Investment Cooperation for Development of Multi-purpose Terminal UM2 on 29 August 2022. Both parties agree to cooperate in the investment on the development of the multi-purpose terminal of PPAP located in Daun Mao Leur Village, Tonle Bet Commune, Tboung Khmum District, Tboung Khmum Province.
- (e) 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.
- (f) 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.
- (g) 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, Phnom Penh 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.

### **35. 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.

### 36. ADOPTION OF NEW CIFRSs

#### 36.1 New CIFRSs adopted during the current financial year

PPAP adopted the following amendments during the financial year.

	<b>Effective Date</b>
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

Adoption of the above amendments did not have any material effect on the financial performance or position of PPAP.

#### 36.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2023

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

	<b>Effective Date</b>
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</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
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</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.