



KINGDOM OF CAMBODIA  
NATION RELIGION KING



# Phnom Penh Autonomous Port

## The 2nd Quarter Report of 2024

Listed Company

**2<sup>nd</sup> Quarterly Report of 2024**  
**(End 30/06/2024)**  
**Phnom Penh Autonomous Port**

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

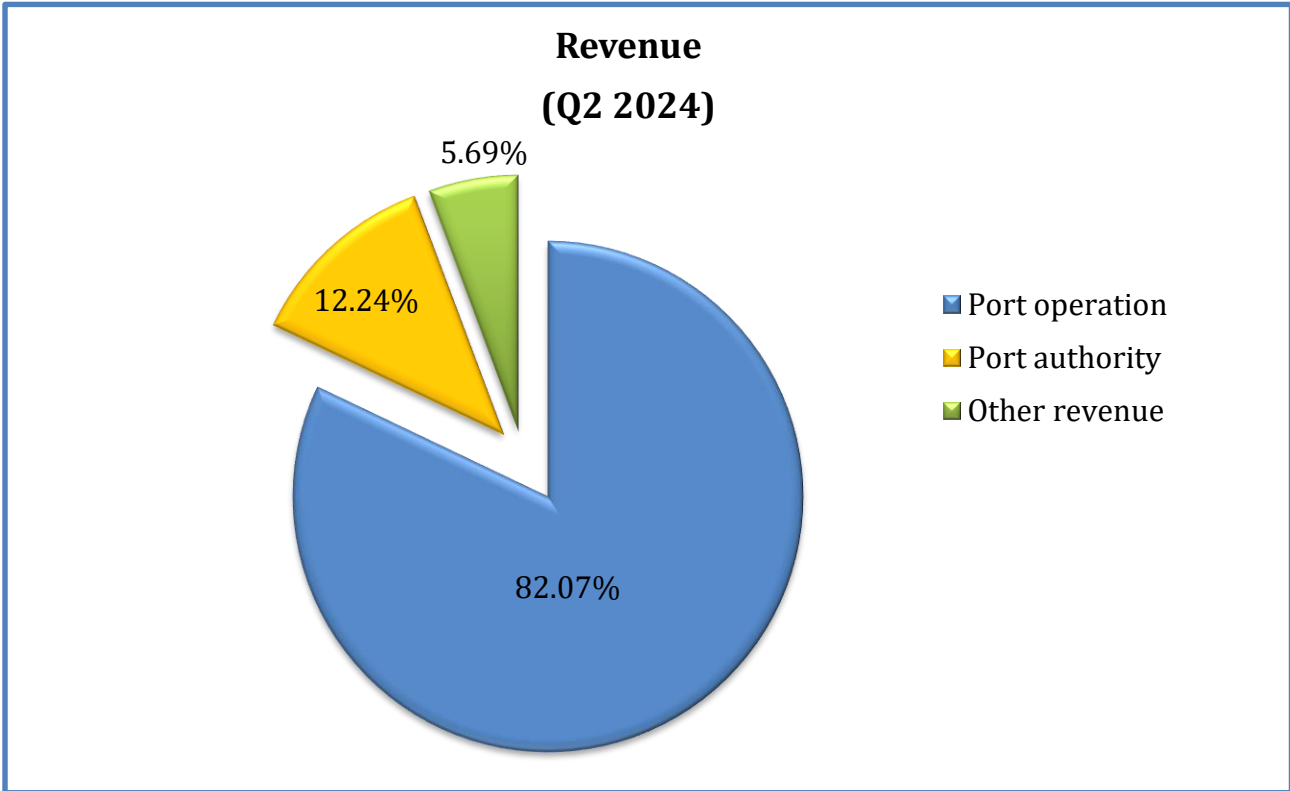
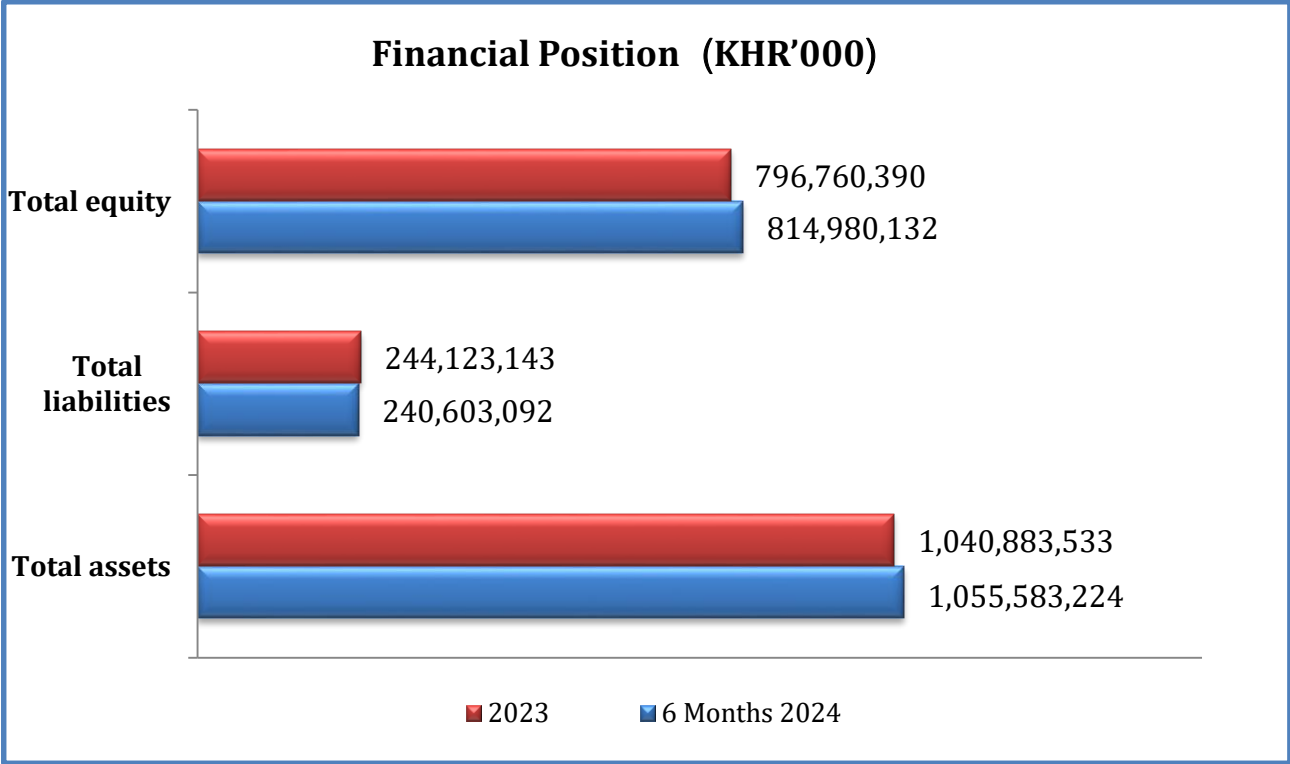
## 1.1. Financial Highlight

Description		30 June 2024	31 December 2023	31 December (*) 2022 (restatement)
<b>Financial Position (KHR'000)</b>				
Total assets		1,055,583,224	1,040,883,533	1,010,908,085
Total liabilities		240,603,092	244,123,143	241,216,456
Total equity		814,980,132	796,760,390	769,691,629
<b>Profit/(Loss) (KHR'000)</b>		<b>Q2 2024</b>	<b>Q2 2023</b>	<b>Q2 2022 (restatement)</b>
Total revenues		41,828,923	36,080,784	39,287,608
Profit/(Loss) before tax		14,992,033	15,475,717	19,186,392
Profit/(Loss) after tax		11,719,591	11,333,722	15,018,694
Total comprehensive income		25,297,999	25,683,452	20,049,111
<b>Financial Ratios</b>		<b>Q2 2024</b>	<b>31 December 2023</b>	<b>31 December 2022 (restatement)</b>
Solvency ratio (%)		7.12%	23.55%	31.17%
Liquidity ratio	Current ratio (times)	1.24	1.44	1.85
	Quick ratio (times)	1.15	1.35	1.77
		<b>Q2 2024</b>	<b>Q2 2023</b>	<b>Q2 2022 (restatement)</b>
Profitability ratio	Return on assets (%)	1.11%	1.12%	1.64%
	Return on equity (%)	1.44%	1.44%	2.06%
	Gross profit margin (%)	59.20%	63.78%	65.94%
	Profit margin(%)	28.02%	31.41%	38.23%
	Earning per share (Riel)	566.59	547.94	726.09
Interest coverage ratio (times)		23.08	20.09	23.64

**Note:** The comparative information has been restated by the independent auditor as below:

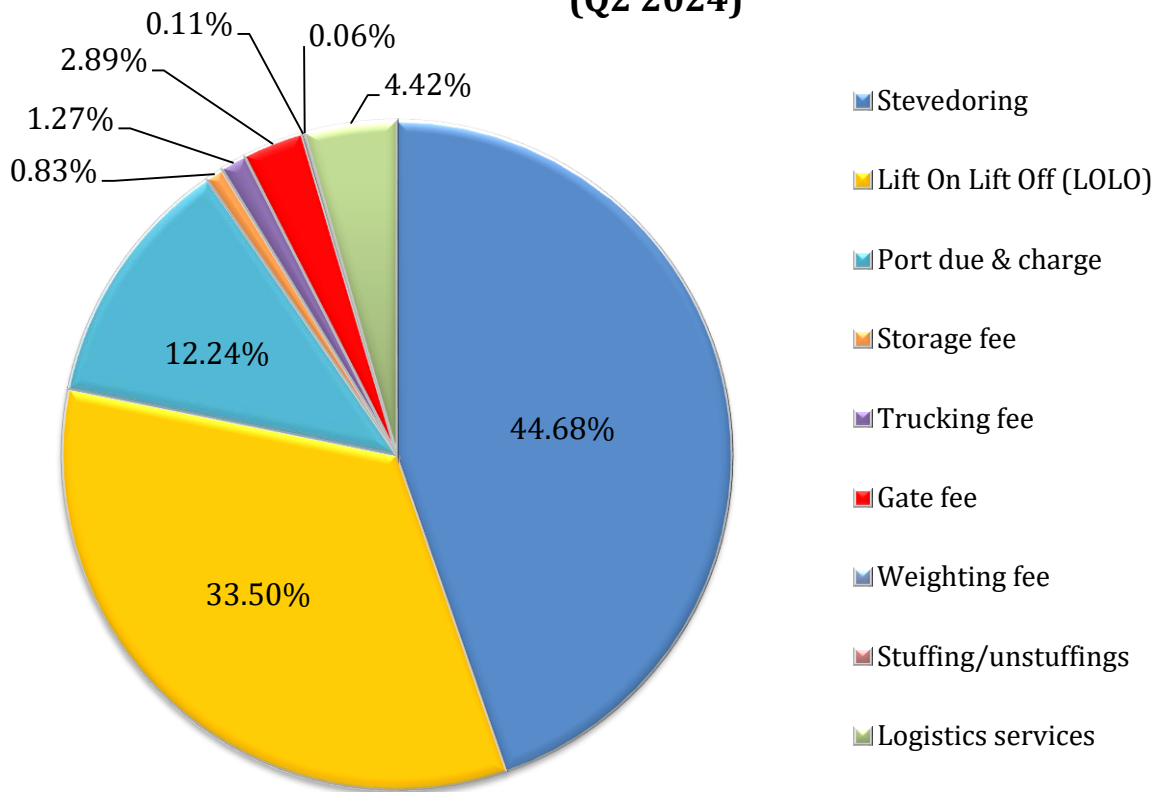
- For the period as at 31 December 2022
- For the quarter 2, 2022 (as of 30 June)

**1.2. Graph of Financial Information Highlight ( As of 30 June 2024 )**

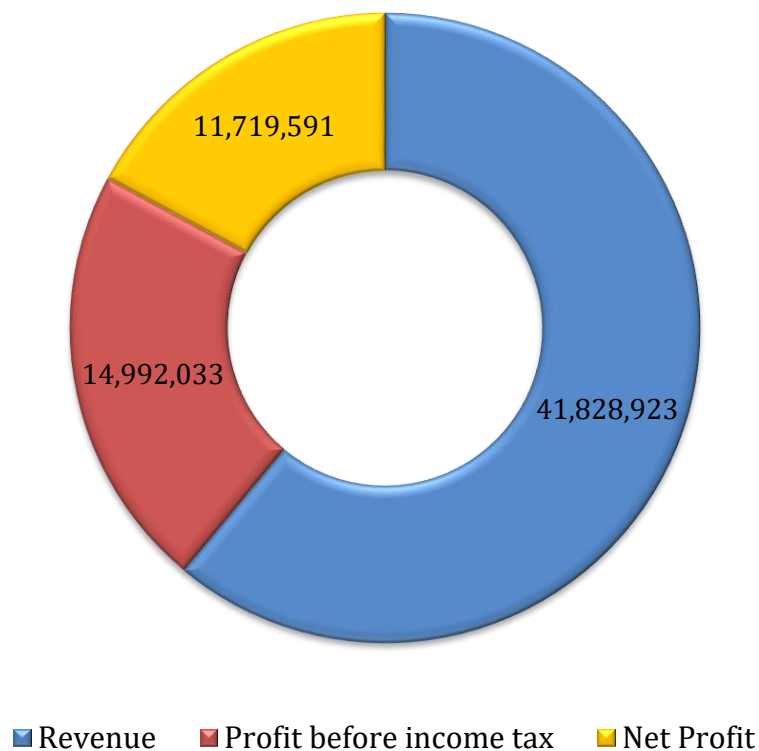




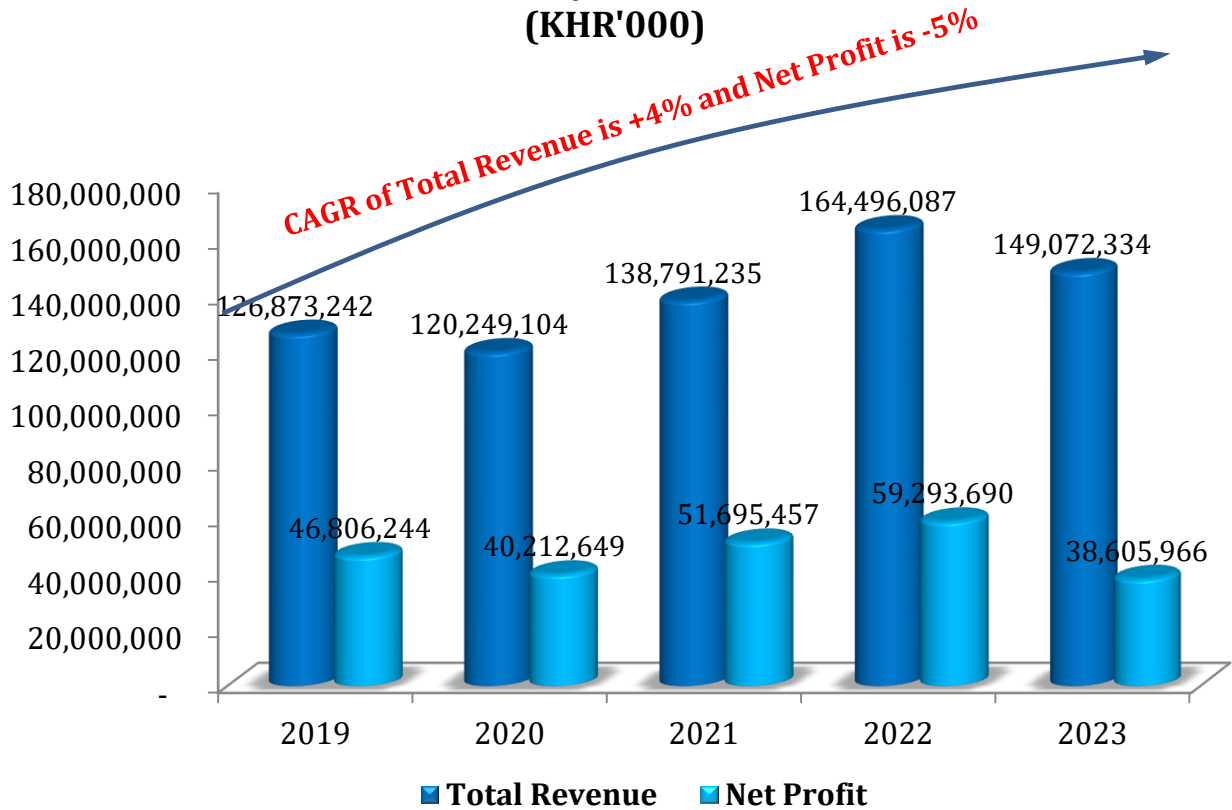
### Types of Revenue Distribution Compared to Total Revenues (Q2 2024)



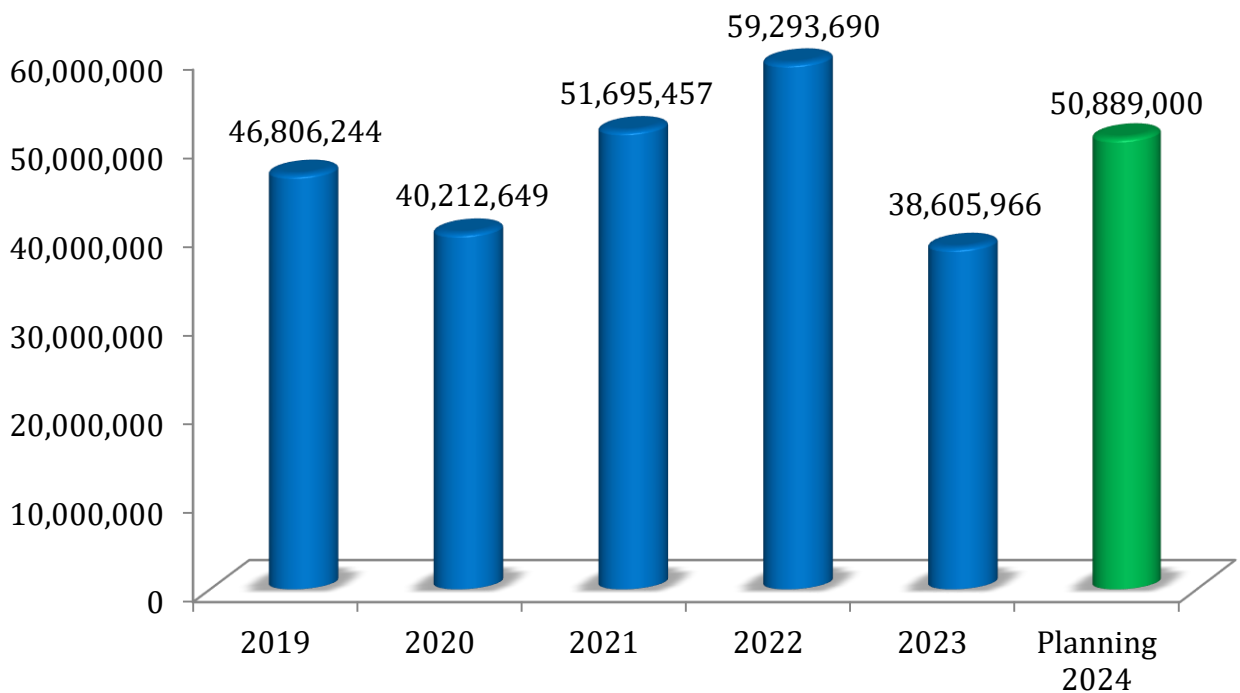
### Net Profit for Q2 2024 (KHR'000)



**Compound Annual Growth Rate (CAGR) of Total Revenue  
and Net Profit for 5 years from 2019 to 2023  
(KHR'000)**



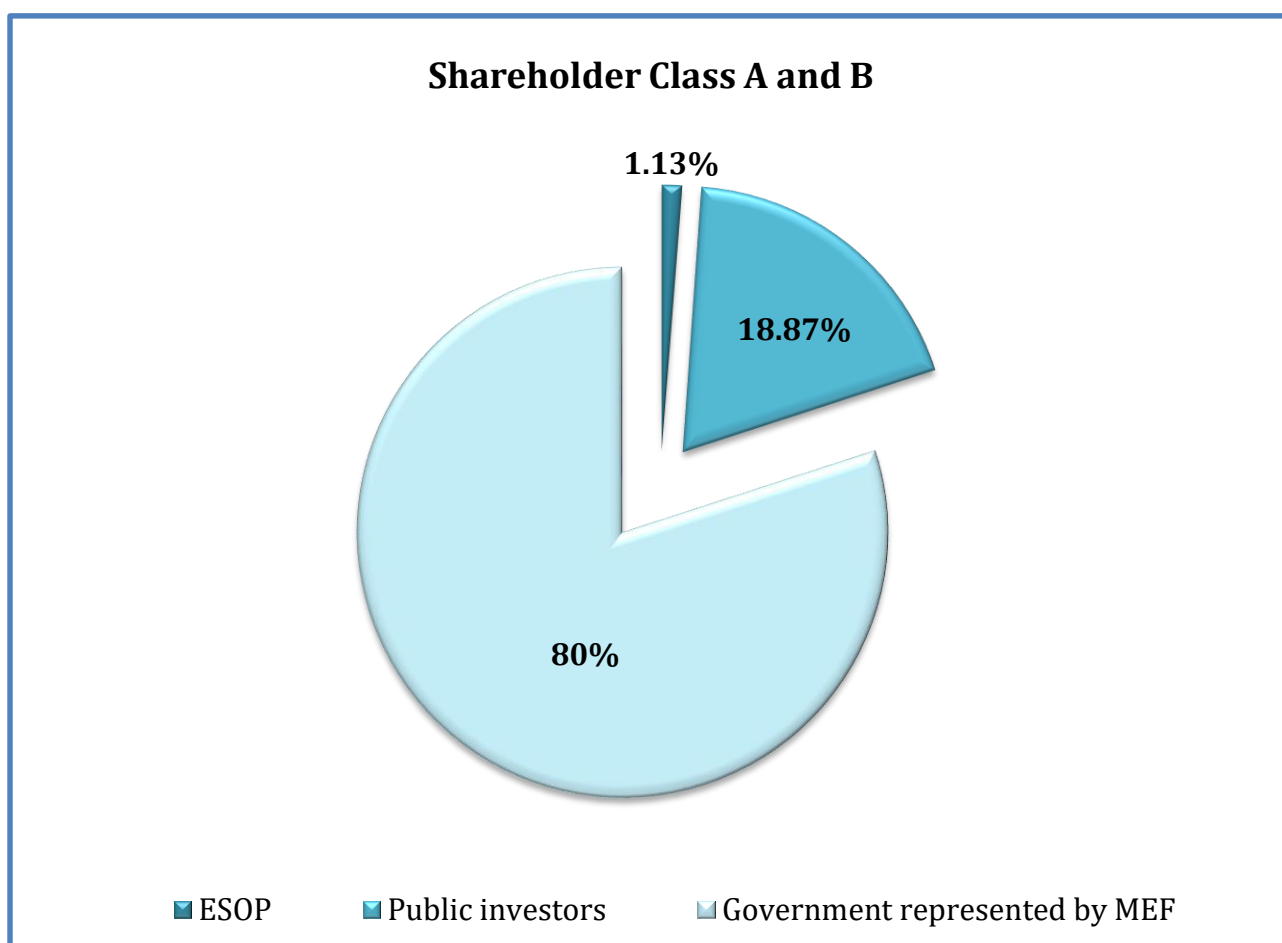
**Net Profit from 2019 to 2023 and Planning 2024  
(KHR'000)**



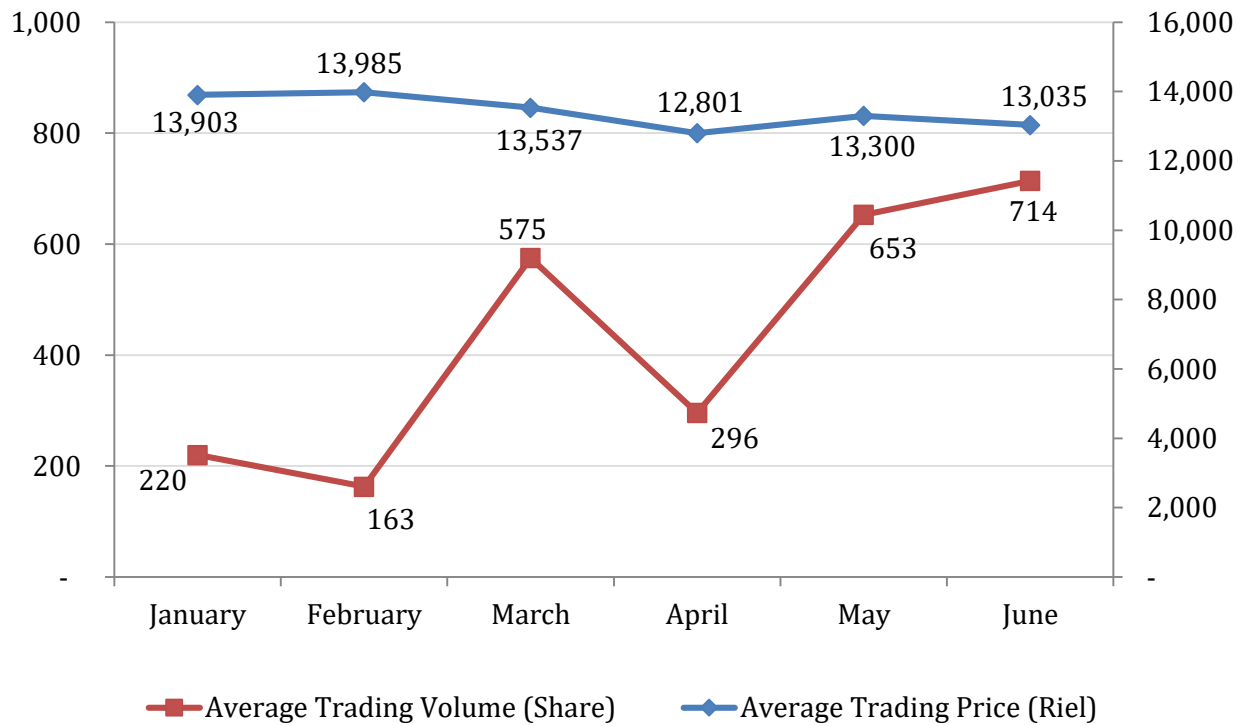
### 1.3. Stock Ownership ( As of 30 June 2024 )

Shareholders	Number of Shares	Share in Percentage
<b>Class C</b>		
1. Government represented by MEF	93,769,120	100%
<b>Class B</b>		
1. Government represented by MEF	16,547,492	80%
<b>Class A</b>		
1. ESOP	232,723	1,13%
2. Public investors	3,904,150	18,87%
<b>Total Shares of Class A</b>	<b>4,136,873</b>	<b>20%</b>

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



**Average of Trading Price (Riel)  
and Average of Trading Volume (Share) of Class A Shares  
For 6 Months 2024**





## 2. Board of Directors



H.E HEI Bavy  
Chairman of BOD  
And CEO



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



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



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



H.E. GUI Anvanith  
Member (Independent  
Director)



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



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

### 3. Message from Chairman and CEO

For the second quarter of 2024, total revenue is KHR 41,828,923,000 (USD 10,252,187) increased by KHR 5,748,139,000 (USD 1,460,573) or +15.93% compared to the second quarter of 2023. However, net profit in the second quarter of 2024 is KHR 11,719,591,000 (USD 2,872,449) increased by KHR 385,869,000 (USD 110,821) or +3.40% compared to the second quarter of 2023. For 6 months of 2024, total revenue is KHR 74,657,786,000 (USD 18,320,929) achieved 45.14% of planning 2024 and compared to 6 months of 2023 increased by KHR 7,828,276,000 (USD 1,997,160) or +11.71%. However, net profit for the 6 months of 2024 is KHR 17,897,476,000 (USD 4,392,019) achieved 35.17% of planning 2024 and compared to 6 months of 2023 decreased by KHR 1,383,482,000 (USD 317,546) or -7.18%.

Apart from this, basic earnings per share in the second quarter of 2024 is 566.59 Riels (USD 0.14).

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

#### A. The Direction of main work implementation of PPAP

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

#### B. The Work Implementation of the Board of Directors

In Quarter 2 of 2024, PPAP organized the 9th meeting of the 8th mandate Board of Directors, held on June 13th, 2024. The Board of Directors has reviewed and approved the following:

- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for 5 Months of 2024
- Resolved that PPAP appointed **Mrs. KHOV Chansoma** as Head of Accounting/Finance Department of PPAP and appointed **Mrs. SENG Kunthea** as Deputy Director General of Technical of PPAP. PPAP shall properly prepare the appointing procedures and formally announce the position in accordance with the procedure.

- Approved on the decision for PPAP to invite CHEAN CHHOENG THAI GROUP Co., Ltd. for the discussion regarding the progress of the company’s project, the payment amount that the company is obligated to settle to PPAP, and other concerns of the company, so the Board of Directors to ensure PPAP has a solid foundation for reporting to the two Guardian Ministries, especially Ministry of Economy and Finance.
- Authorized PPAP to shall adhere to the request for the review and approval by the two Guardian Ministries to sign The Investment Cooperation Agreement with PTL S Cooperation Co., Ltd., for the development of Sub-Feeder Multi Purpose Terminal UM1 project and to start implementing the Step 1’s project in 2024.

### **C. Setting the Goal for Further Implementation**

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

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

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

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

**Phnom Penh, 13<sup>th</sup> August 2024**  
Chairman of BOD and CEO

**Hei Bavy**

# Contents

Financial Highlight	
1-Financial Highlight, Graph of Financial Information and Stock Ownership	i
2-Board of Directors	vii
3-Message from the Chairman and CEO	viii
<b>Part1: General Information of the Listed Entity</b>	<b>1</b>
A-Identity of PPAP	2
B- Nature of Business	2
C- Quarter's Key Events	9
<b>PART2: Information on Business Operation Performance</b>	<b>10</b>
A- Business Operation	11
B- Revenue Structure	17
<b>PART3: Financial Statements Reviewed by the External Auditor</b>	<b>18</b>
<b>PART4: Management's Discussion and Analysis</b>	<b>20</b>
A-Overview of Operations	21
B-Significant Factors Affecting Profit	29
C. Material Changes in Sales and Revenue	31
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices	31
E. Impact of Inflation	32
F. Economic / Fiscal / Monetary Policy of Royal Government	32
<b>PART5: Other Necessary Information for Investor Protection</b>	<b>33</b>
<b>Signature of Directors of the Listed entity</b>	<b>35</b>
<b>Appendix I: Condensed Interim Financial Statements for the three-month and six-month 36 periods ended 30 June 2024 and Independent Auditors'r Report on Review of Condensed Interim Financial Statements</b>	

# **PART 1**

## **GENERAL INFORMATION OF PPAP**



**A. Identity of PPAP**

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

In Latin : **PHNOM PENH AUTONOMOUS PORT (PPAP)**

**Standard Code** : KH1000040001

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

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

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

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

**Date**: November 23<sup>rd</sup>, 2004

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

**Date** : January 5<sup>th</sup>, 2015

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

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

**B. Nature of Business**

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

**1. Operation as Port Operator**

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

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

**2. Operation as Port Authority**

As the port authority, PPAP has the roles to :

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

**3. Other Services**

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

- Dredging service : PPAP has 2 dredging machines for providing the sand from dredging to customers.
- Sand management service: According to Prakas No 001 and 002 dated on the 10th of April, 2015, of Ministry of Mines and Energy, PPAP may use the sand from dredging for commercial purposes.
- Surveying and installing bouy: PPAP has the services of surveying and installing bouy according to customer needs.

- Container maintenance and repair service: PPAP has the service of container maintenance and repair according to customer needs.
- Besides the main services, PPAP also receives the additional incomes from the use of asset such as the rental of building, land and other assets.

#### 4. Port Commercial Zone

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

##### 4.1. Container Terminal LM17

In 2022, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase II; meanwhile in order to support the operation of the above achievement, PPAP has developed a new quay to install two additional FCCs, and set up an electricity connection. The overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, the container yard capacity at LM17 will reach 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 travelling cargo cranes, 2 Fixed Cargo Crane, 12 RTG cranes, 5 Reach Stackers, 5 Sky Stackers, and 64 Trucks.

<b>Address</b>	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
<b>Terminal location</b>	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktumuk River (11°28'23.6"N and 105°08'49.8"E)
<b>Total land size</b>	<b>393,008.57 m<sup>2</sup></b>
<b>Registered land size</b>	<b>380,812.00 m<sup>2</sup></b>
<b>Size of the processing land title</b>	<b>12,196.57 m<sup>2</sup></b>
<b>Berth</b>	3 (5,000 DWT)
<b>Anchorage</b>	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
<b>Tidal effect</b>	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
<b>Permitted draft</b>	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
<b>Hours of Operation</b>	7days/24hrs

<b>Handling equipment</b>	Traveling Cargo Crane, Fixed Cargo Crane, Tyred Gantry, Folk-Lift, Reach Stacker Cont-stacker, Sky Stacker & Empty Reach Stacker, Truck and Terminal Tractor.
---------------------------	---

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

#### 4.2. Multipurpose Terminal (TS3)

Multipurpose Terminal (TS3) was PPAP's main port for general container cargoes and for tourism. Due to TS3 Terminal's limited capacity to accommodate the continual growth of container traffic, PPAP has invested in developing a new container terminal (LM17). Since the completion of LM17, TS3 has been converted into a multipurpose terminal. While it mainly handles general cargoes, it also serves as a passenger terminal. Currently, PPAP has been preparing to transform this port into an international passenger and tourist port, with the construction of a waiting hall and a tourist station (Tourist Hall), which had completed in April 2023.

<b>Address</b>	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
<b>Terminal location</b>	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
<b>Register land size*</b>	85,846 m <sup>2</sup>
<b>Berth</b>	3 (5,000 DWT)
<b>Anchorage</b>	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
<b>Tidal effect</b>	Ranges from +0.1m to +0.35m between February and April (as of December 2015)
<b>Permitted drafts</b>	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
<b>Hours of Operation</b>	7 days/24hrs

#### 4.3. Sub-feeder Multipurpose Terminal UM2

In order to improve stevedoring operation of Sub-feeder Multipurpose Terminal UM2 to be more effective, productive and attracting customers to use Sub-feeder Multipurpose Terminal UM2, this Terminal must improve and develop more due to it is located next to Kompongcham and Tboung Kmom boarder which have the connection between the northern and northeast side province of Cambodia that is the necessary areas of agriculture and agro-industry from the south downtown to Vietnam country. Sub-feeder Multipurpose Terminal UM2 play an important role in order to gathering the inland waterway transportation and cargo trading. Currently, PPAP completed the construction of a 12-meters by 46.9-meters wharf and is continuing to develop the Phase 1 of infrastructure and plans to implement the Phase 2 in 2023.

<b>Address</b>	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
<b>Terminal location</b>	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
<b>Total land size</b>	240,404.84 m <sup>2</sup>
<b>Registered land size</b>	160,725.00 m <sup>2</sup>
<b>Size of the processing land title</b>	79,679.84 m <sup>2</sup>
<b>Berth</b>	1 (pontoon; 6m x 28m) 1 (5,000 DWT)
<b>Anchorage</b>	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
<b>Tidal effect</b>	No effect
<b>Permitted drafts</b>	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
<b>Channel depth</b>	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
<b>Hours of Operation</b>	7days/24hrs
<b>Handling equipment</b>	Mobile crane, Pontoon.

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

#### 4.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 2<sup>nd</sup> Quarter of 2024, the total of 45,369 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

<b>Address</b>	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
<b>Terminal location</b>	Located at the right bank of Tonle Sap and approximately 2km from the conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
<b>Registered land size*</b>	6,637 m <sup>2</sup>
<b>Berth</b>	3 units of floating pontoon

<b>Anchorage</b>	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
<b>Tidal effect</b>	Ranges from +0.1m to 0.35m between February and April (as of December 2014)
<b>Permitted drafts</b>	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS1 depends on being able to cross the bar at Cua Tieu)
<b>Hours of Operation</b>	7days/24hrs

#### 4.5. Sub-feeder Multipurpose Terminal TS11

Sub-feeder multipurpose terminal TS11 is located along the NR5, in Kilometer 6 commune, Russey Keo District, Phnom Penh, which is about 6.6 kilometers long or a 20mn drive from the city center Wat Phnom. It is the strategic area to distribute and collect goods between manufacturers and consumers because it is located nearby the downtown of Phnom Penh city. The development of this terminal will reduce the traffic jam in Phnom Penh City. Anyway, The multipurpose terminal TS3 can not be fully operated as it is located in the city center, which is restricted the container trucks to enter the city during the daytime. Therefore, in order to promote water transport as well as Door to Door Service, the development of Sub-feeder Multipurpose Terminal TS11 is very important and necessary to connect goods between other provinces and Phnom Penh to have a choice. And lower shipping costs.

<b>Address</b>	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
<b>Terminal location</b>	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
<b>Land size</b>	4 Hectare
<b>Berth</b>	1 (5,000 DWT)
<b>Anchorage</b>	The anchorage is available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
<b>Tidal effect</b>	No effect
<b>Permitted draft</b>	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS11 depends on being able to cross the bar at Cua Tieu)
<b>Hours of Operation</b>	7days/24hrs

**Handling equipment**

Mobile crane, Fixed Cargo Crane, Constacker, Fork-Lift, Truck & Terminal Tractor

#### 4.6. Sub-feeder Multipurpose Terminal LM26

Sub-feeder multi-purpose terminal LM26 is located in Koh Roka commune, Peam Chor District, Prey Veng Province, in the southern part of Cambodia and it is about 3 kilometers away from Vietnam Border, Dong Thap province. It is a potential terminal for Cambodian people to export agricultural products to Vietnam and import raw material and construction materials. Moreover, this terminal will create more opportunities to boost and connect the tourism sector between the two countries.

Currently, the port has expanded the sand-laying infrastructure, filling the conveyor yard and designing other port infrastructure to meet the needs of the two countries' inflows and outflows and connecting waterways for work. Export to the global market more efficiently, as well as contribute to reducing logistics costs and impact on land use. At present, the construction of Koh Roka Multi-Purpose Port has been completed, which is planned to be used for the loading and unloading operation of gradually until the next stage of container loading. PPAP is equipped with 10 Conveyors to facilitate the flow of operations in the export of agricultural products that have been implemented to be put into use in 2023.

<b>Address</b>	Koh Roka commune, Peam Chor District, Prey Veng Province.
<b>Terminal location</b>	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
<b>Total land size</b>	<b>200,042 m2</b>
<b>Registered land size</b>	<b>150,262 m2</b>
<b>Size of the processing land title</b>	<b>49,780 m2</b>
<b>Anchorage</b>	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
<b>Hours of Operation</b>	7days/24hrs
<b>Facilities</b>	Mobile crane , Floating crane and Conveyer

#### 4.7. Terminal which are planned to develop at the future

##### 4.7.1 Sub-feeder Multipurpose Terminal UM1

Sub-feeder Multipurpose Terminal UM1 covers an area of 3.8 Hectares, which is a strategic location in Prek Anchanh Commune, Muk Kampoul District, Kandal Province. This multi-purpose terminal is planned to be set up to boost water transport, boosting the growth of goods passing through the PRC, reduce transportation and logistics costs, find additional sources of revenue, establish a collection and distribution point for goods through water and land transport links, increase the competitiveness of PWR, reduce port and inland waterway transport services to consumers, facilitate better trade, promote national economic growth and attract investment, facilitate and reduce the use of roads, bridges and create Additional job opportunities for Cambodians. Therefore, Sub-feeder



Multipurpose Terminal UM1 has played an important role as a gathering place for water transport activities and a place for exchanging local and foreign goods. Considering the potential and potential of this port development site, therefore, It is planned to develop Sub-feeder Multipurpose Terminal UM1 for the Phase 1 in the future.

<b>Address</b>	Prek Anchanh Commune, Muk Kampoul District, Kandal Province.
<b>Total land size</b>	38,362 m2
<b>Tidal effect</b>	From 0.2 m to 0.4 m
<b>Channel depth</b>	4.5 meters
<b>Hours of Operation</b>	7days/24hrs
<b>Facilities</b>	Mobile crane , Floating crane

**4.7.2 Sub-feeder Multipurpose Chhlong (Kratie)**

<b>Address</b>	Prek Ta Am Village, Bos Leav Commune, Chit Borey District, Kratie Province.
<b>Total land size</b>	500,000 square meters
<b>Hours of Operation</b>	7days/24hrs

**4.7.3 Sub-feeder Multipurpose Boeung Ket (Kampong Cham)**

<b>Address</b>	Boeung Ket Krom Village, Prek Kak Commune, Stung Trang District, Kampong Cham Province.
<b>Total land size</b>	200,000 square meters
<b>Hours of Operation</b>	7days/24hrs

**4.7.4 Sub-feeder Multipurpose Phnom Krom (Siem Reap)**

<b>Address</b>	Village 5, Sangkat Chong Kneas, Siem Reap City, Siem Reap Province.
<b>Total land size</b>	100,000 square meters
<b>Hours of Operation</b>	7days/24hrs

**4.7.5 Sub-feeder Multipurpose Kampong Chhnang**

<b>Address</b>	Kandal Village, Sangkat Kampong Chhnang, Kampong Chhnang City, Kampong Chhnang Province.
<b>Total land size</b>	3,150,000 square meters
<b>Tidal effect</b>	from 0.10 m to 0.3 m
<b>Channel depth</b>	4.50 m
<b>Hours of Operation</b>	7days/24hrs

**4.7.6 Sub-feeder Multipurpose Kampong Chhnang-Kampong Thom**

<b>Address</b>	Kampong Boeng Village, Kampong Hao Commune, Kampong Leng District, Kampong Chhnang Province.
<b>Total land size</b>	250,000 square meters

<b>Tidal effect</b>	from 0.10 m to 0.3 m
<b>Channel depth</b>	4.50 m
<b>Hours of Operation</b>	7days/24hrs

#### 4.7.7 Sub-feeder Multipurpose Prek Kdam

<b>Address</b>	Peam Chumnic Village, Kampong Luong Commune, Ponhea Leu District, Kandal Province.
<b>Total land size</b>	400,000 square meters
<b>Tidal effect</b>	from 0.10 m to 0.3 m
<b>Channel depth</b>	4.50 m
<b>Hours of Operation</b>	7days/24hrs

#### 4.7.8 Sub-feeder Multipurpose Sovannaphum LM25

<b>Address</b>	Samrong Kear Village, Samrong Thom Commune, Kien Svay District, Kandal Province.
<b>Total land size</b>	156,000 square meters
<b>Tidal effect</b>	from 0.10 m to 0.4 m
<b>Channel depth</b>	4.50 m
<b>Hours of Operation</b>	7days/24hrs

#### 4.7.9 Sub-feeder Multipurpose kdar Bontas LM5

<b>Address</b>	Khsum Village, Banteay Dek Commune, Kien Svay District, Kandal Province.
<b>Total land size</b>	85 438 square meters
<b>Tidal effect</b>	from 0.10 m to 0.4 m
<b>Channel depth</b>	4.50 m
<b>Hours of Operation</b>	7days/24hrs

### C. Quarter's Key Events

As of 2<sup>nd</sup> Quarter of 2024, there has no any quarter's key events.

## **Part 2**

# **Information on Bussiness Operation Performance**

**A. The results of the business operations, including partial business information for the 2<sup>nd</sup> quarter of 2024**

**1. Catalog of Passenger Goods**

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

No.	Description	Unit	Planning 2024	Q2			Semester 1		Compare (%)	Up/Down (%)	
				2024	2023	2022	2024	2023		8=((2)-(3))/(1)	9=((3)-(4))/(1)
A	B	C	1	2	3	4	5	6	7=(5/1)	8=((2)-(3))/(1)	9=((3)-(4))/(1)
I	<b><u>Container, General, Oil Cargoes</u></b>	<u>Ton</u>	<b><u>4,624,000</u></b>	<b><u>1,267,194</u></b>	<b><u>1,103,681</u></b>	<b><u>1,077,103</u></b>	<b><u>2,288,752</u></b>	<b><u>2,059,309</u></b>	49.50%	+14.82%	+2.47%
	<b><u>A- Container Throughput</u></b>	-	<b><u>2,747,899</u></b>	<b><u>751,231</u></b>	<b><u>665,312</u></b>	<b><u>642,439</u></b>	<b><u>1,273,884</u></b>	<b><u>1,172,331</u></b>	46.36%	+12.91%	+3.56%
	- Imported Container Cargo	-	1,310,458	308,688	319,069	346,635	553,643	554,735			
	- Exported Container Cargo	-	1,437,441	442,543	346,243	295,804	720,241	617,596			
	<b><u>B - Mobile General Cargo Handling</u></b>	-	<b><u>981,605</u></b>	<b><u>285,288</u></b>	<b><u>221,607</u></b>	<b><u>216,693</u></b>	<b><u>561,311</u></b>	<b><u>450,891</u></b>	57.18%	+28.74%	+2.27%
	- Inside Port	-	146,238	62,766	17,215	13,310	132,549	49,798			
	- Outside Port	-	835,367	222,522	204,392	203,383	428,762	401,093			
	<b><u>C - Imported Oil &amp; Gas</u></b>	-	<b><u>894,496</u></b>	<b><u>230,674</u></b>	<b><u>216,762</u></b>	<b><u>217,971</u></b>	<b><u>453,557</u></b>	<b><u>436,087</u></b>	50.71%	+6.42%	-0.55%
	<b><u>Container Throughput (TEUs)</u></b>	<u>TEU</u>	<b><u>440,000</u></b>	<b><u>111,461</u></b>	<b><u>99,756</u></b>	<b><u>106,456</u></b>	<b><u>204,614</u></b>	<b><u>177,097</u></b>	46.50%	+11.73%	-6.29%
	- Laden Cargo	-	279,085	74,541	65,911	74,280	131,504	118,532			
	- Empty Cargo	-	160,915	36,920	33,845	32,176	73,110	58,565			
II	<b><u>Cargo Handling</u></b>	<u>Ton</u>	<b><u>3,729,504</u></b>	<b><u>1,036,519</u></b>	<b><u>886,919</u></b>	<b><u>859,132</u></b>	<b><u>1,835,195</u></b>	<b><u>1,623,222</u></b>	49.21%	+16.87%	+3.23%
	- General Cargo	-	981,605	285,288	221,607	216,693	561,311	450,891			
	- Container Throughput (Ton)	-	2,747,899	751,231	665,312	642,439	1,273,884	1,172,331			
III	<b><u>Number of Cargo Vessel</u></b>	<u>Unit</u>	<b><u>4,808</u></b>	<b><u>1,470</u></b>	<b><u>942</u></b>	<b><u>798</u></b>	<b><u>3,231</u></b>	<b><u>2,277</u></b>	67.20%	+56.05%	+18.05%
	- Foreign Vessels and Barge	-	4,258	1,333	809	668	2,963	2,012			

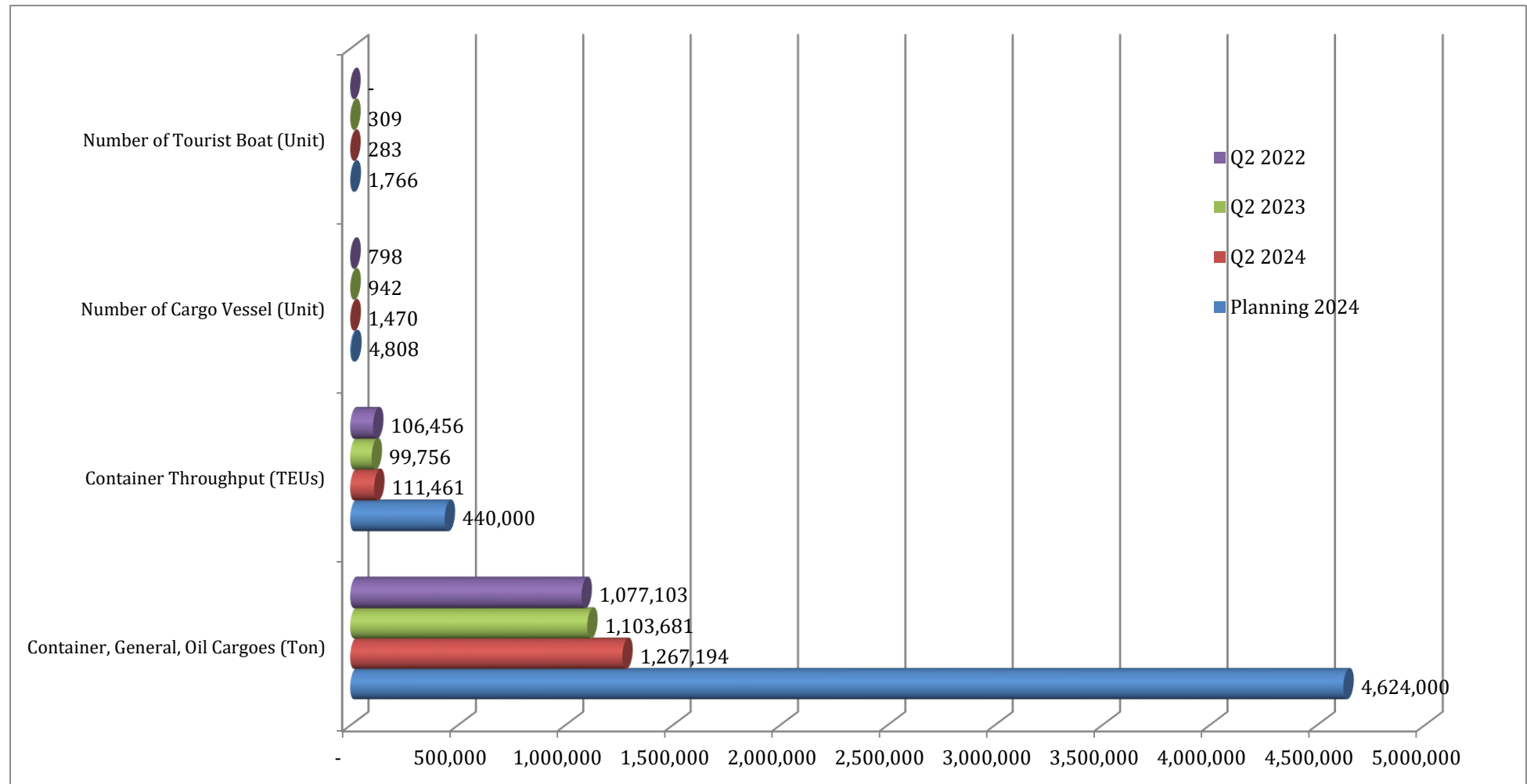
No.	Description	Unit	Planning 2024	Q2			Semester 1		Compa re (%)	Up/Down (%)	
				2024	2023	2022	2024	2023		8=((2)-(3))/(1)	9=((3)-(4))/(1)
A	B	C	1	2	3	4	5	6	7=(5/1)	8=((2)-(3))/(1)	9=((3)-(4))/(1)
	- Cambodian Vessels and Barge	-	-	-	-	-	-	-			
	- Oil Vessels and Tanker	-	550	137	133	130	268	265			
IV	<b><u>Number of Local Passenger Boat (In-Out)</u></b>	<u>Unit</u>	<b><u>9,369</u></b>	<b><u>1,926</u></b>	<b><u>1,996</u></b>	<b><u>2,284</u></b>	<b><u>4,590</u></b>	<b><u>4,604</u></b>	48.99%	-3.51%	-12.61%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	9,369	1,926	1,996	2,284	4,590	4,604			
V	<b><u>Number of Local Passenger (In-Out)</u></b>	<u>Passenger</u>	<b><u>175,355</u></b>	<b><u>38,520</u></b>	<b><u>39,920</u></b>	<b><u>12,284</u></b>	<b><u>91,800</u></b>	<b><u>83,880</u></b>	52.35%	-3.51%	+224.98%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	175,355	38,520	39,920	12,284	91,800	83,880			
VI	<b><u>Number of Foreign Passenger and Tourist Boat (In-Out)</u></b>	<u>Voyage</u>	<b><u>1,766</u></b>	<b><u>283</u></b>	<b><u>309</u></b>	-	<b><u>1,017</u></b>	<b><u>875</u></b>	57.59%	-8.41%	+100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	1,264	201	254	-	671	624			
	- Cruise Boat	-	502	82	55	-	346	251	68.92%	+49.09%	+100.00%
VII	<b><u>Number of Foreign Passenger and Tourist (In-Out)</u></b>	<u>Person</u>	<b><u>40,949</u></b>	<b><u>6,849</u></b>	<b><u>5,955</u></b>	-	<b><u>33,120</u></b>	<b><u>20,313</u></b>	80.88%	+15.01%	+100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	20,002	3,118	3,368	-	15,089	9,795			
	- Tourist on Cruise Boat	-	20,947	3,731	2,587	-	18,031	10,518	86.08%	+44.22%	+100.00%

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

- Cargo-fuel and gas throughput in Q2 2024: 1,267,194 Tons, increased by 14.82% compared to Q2 2023 (1,103,681 Tons). For Q2 2024, PPAP has accomplished 49.50% compared to planning 2024 (4,624,000 Tons).
- Cargo vessels throughput in Q2 2024: 1,470 Units, increased by 56.05% compared to Q2 2023 (942 Units). For Q2 2024, PPAP has accomplished 67.20% compared to planning 2024 (4,808 Units).
- International passengers and tourist cruises throughput via Cambodia-Vietnam in Q2 2024: 283 Voyages, decreased by 8.41% compared to Q2 2023 (309 Voyages). For Q2 2024, PPAP has accomplished 57.59% compared to planning 2024 (1,766 Units).
- Containers throughput in Q2 2024: 111,461 TEUs, increased by 11.73% compared to Q2 2023 (99,756 TEUs). For Q2 2024, PPAP has accomplished 46.50% compared to planning 2024 (440,000 TEUs).
- The number of international passengers and tourists throughput via Cambodia-Vietnam in Q2 2024: 6,849 Passengers, increased by 15.01% compared to Q2 2023 (5,955 Passengers). For Q2 2024, PPAP has accomplished 80.88% compared to planning 2024 (40,949 Passengers).



Graphs on performance comparisons of the second quarter of 2024 - 2023 - 2022 and 2024 planning



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

### ❖ Sand Dredging Management

- Muddy and Sand dredging along river bank at Passenger & Tourist Terminal (TS1), achieved 100% of completion.
- Sand dredging and Maintenance of Sdao canal at kompong Cham province.

### ❖ The construction of port infrastructure

#### **Container Terminal LM17**

- Construction of Fence with a length 100 meters around dangerous storage yard, achieved 100% of completion.
- Construction of concrete yard in front of machinery warehouse, achieved 100% completion.
- Construction of a temporary fence with a length of 544 meters at Phase 4, achieved 100% of completion.
- Construction of weigh station 2 units at First Gate, achieved 100% of completion.
- Construction of fixed fence with a length of 290 meters, and construction of temporary fence with a length of 854 meters, achieved 100% of completion.
- Construction of temporary electric system at Phase 4, achieved 100% of completion.
- Construction of PTT with 630 KVA to new 2 FCC, achieved 10% of completion.

#### **Sub-feeder Multipurpose Terminal UM2**

- Installation lighting system at FCC with unit of 3, achieved 100% of completion.

#### **Sub-feeder Multipurpose Terminal LM26**

- Construction of roof container 2 units with a size of 20ft and 40ft.
- Construction of River bank improvement with length of 495 and installation HDPE, construction of entrance slope 2 units, construction of M30 pavement road and filling sand yard 5 857m<sup>2</sup>, achieved 100% of completion.
- Installation road lighting system and along riverside, achieved 100%.
- Construction M30 yard 2 231m<sup>3</sup>, achieved 50% of completion.
- Renovation of access road with size of 1m x 0.5m x 7m, and filling M30, achieved 80% of completion.

#### **Multipurpose Terminal TS3**

- Construction of steel stair 1 unit near Japanese jetty, achieved 100% of completion.

#### **Passenger & Tourist Terminal (TS1)**

- Relocation of lighting system, achieved 100% of completion.

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

Studying of ordering and renting machinery according to the 2024 plan as follows:

- Has purchased:
  - RTG 4 units
  - Terminal Tractor 10 units
  - Trailer 10 units
  - Crawler Crane 3 units
  - Constacker 2 units

## B- Revenue Structure

Source of Revenue	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2022 (restatement)	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	18,687,375	44.68%	16,058,968	44.51%	17,074,884	43.46%
Lift On Lift Off (LOLO)	14,012,944	33.50%	12,818,052	35.53%	13,630,103	34.69%
Port dues and charges	5,121,591	12.24%	4,580,446	12.70%	4,311,471	10.97%
Storage fees	347,420	0.83%	614,750	1.70%	1,015,679	2.58%
Trucking fee	531,473	1.27%	782,978	2.17%	1,562,310	3.98%
Gate fees	1,208,496	2.89%	1,078,675	2.99%	1,107,154	2.82%
Weighting fee	47,801	0.11%	25,235	0.07%	22,182	0.06%
Stuffing/Unstuffing	23,203	0.06%	15,800	0.04%	25,958	0.07%
Logistic services	1,848,620	4.42%	105,880	0.29%	537,867	1.37%
<b>Total:</b>	<b>41,828,923</b>	<b>100.00%</b>	<b>36,080,784</b>	<b>100.00%</b>	<b>39,287,608</b>	<b>100.00%</b>

**PART3**

**Financial Statements Reviewed by  
the External Auditor**

**Condensed Interim Financial Statements  
for the three-month and six-month periods ended 30 June 2024  
and  
Independent Auditors' Report on Review of  
Condensed Interim Financial Statements  
Will be Attached as Appendix I**

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



## A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this Second Quarter 2024 report for further information.*

The container throughput of PPAP in the second quarter 2024 has increased 11,705 TEUs or 11,73% compared to the second quarter 2023. For vessels in the second quarter 2024 increased by 528 units or 56,05% compared to the second quarter 2023. However, ship (voyage) in the second quarter 2024 decreased 26 voyage or 8.41% compared to the second quarter 2023. On the other hand, general cargo in second quarter 2024 has also increased 63,681 TONs or 28,74% compared to second quarter 2023.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the Interim financial report for First Quarter ended 30 June 2024 and 2023 as set out in Section 3 of this Second Quarter Report.

PPAP has four main revenue source:

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

## 1. Revenue Analysis

### 1.1 Revenue analysis

**For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023**

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	8,413,539	34,327,239	7,458,938	30,611,480	954,601	12.80%	3,715,759	12.14%
Port authority	1,255,292	5,121,591	1,116,093	4,580,446	139,199	12.47%	541,145	11.81%
Other services	583,356	2,380,093	216,583	888,858	366,773	169.35%	1,491,235	167.77%
<b>Total:</b>	<b>10,252,187</b>	<b>41,828,923</b>	<b>8,791,614</b>	<b>36,080,784</b>	<b>1,460,573</b>	<b>16.61%</b>	<b>5,748,139</b>	<b>15.93%</b>

**Noted:** *Trucking fee in Quarter 2 of 2024 is classified into Other Services.*

Total revenue increased by KHR 5,748,139,000 (USD 1,460,573) or +15.93% from KHR 36,080,784,000 (USD 8,791,614) in the second quarter of 2023 to KHR 41,828,923,000 (USD 10,252,187) in the second quarter 2024. This increase in revenue is due to the increase from port operations such as stevedoring, lift on lift off (LOLO), gate fees, the increase of port authority (port dues and charges), and other services (trucking fee and logistic services). etc.

### 1.2 Revenue by segment analysis

**For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023**

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	18,687,375	44.68%	16,058,968	44.51%
Lift On Lift Off (LOLO)	14,012,944	33.50%	12,818,052	35.53%
Port dues and charges	5,121,591	12.24%	4,580,446	12.70%
Storage fees	347,420	0.83%	614,750	1.70%

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Trucking fee	531,473	1.27%	782,978	2.17%
Gate fees	1,208,496	2.89%	1,078,675	2.99%
Weighting fee	47,801	0.11%	25,235	0.07%
Stuffing/Unstuffing	23,203	0.06%	15,800	0.04%
Logistic services	1,848,620	4.42%	105,880	0.29%
<b>Total:</b>	<b>41,828,923</b>	<b>100.00%</b>	<b>36,080,784</b>	<b>100.00%</b>

For the second quarter of 2024, the 3 main revenues of PPAP represent about 90% of total revenue from operations and services. Those revenues included stevedoring, lift on lift off (LOLO) and port dues and charges.

**For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023**

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	4,580,239	18,687,375	3,913,004	16,058,968	667,235	17.05%	2,628,407	16.37%
Lift On Lift Off (LOLO)	3,434,545	14,012,944	3,123,307	12,818,052	311,238	9.97%	1,194,892	9.32%
Port Due & Charge	1,255,292	5,121,591	1,116,093	4,580,446	139,199	12.47%	541,145	11.81%

For the second quarter of 2024, 3 main revenues has increased KHR 4,364,444,000 (USD 1,117,672) or +13.04% compared to the second quarter of 2023.

***2. Gross profit margin analysis***

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

**For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023**

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
<b>Revenue</b>	<b>10,252,187</b>	<b>41,828,923</b>	<b>8,791,614</b>	<b>36,080,784</b>	<b>1,460,573</b>	<b>16.61%</b>	<b>5,748,139</b>	<b>15.93%</b>
<b>Cost of Service</b>								
Crane charge	967,589	3,947,763	831,924	3,414,216	135,665	16.31%	533,547	15.63%
Depreciation	1,135,519	4,632,918	953,364	3,912,606	182,155	19.11%	720,312	18.41%
Fuel and gasoline	386,401	1,576,516	352,832	1,448,023	33,569	9.51%	128,493	8.87%
Salaries and wage	680,832	2,777,795	612,434	2,513,429	68,398	11.17%	264,366	10.52%
Maintenance costs	534,677	2,181,482	356,951	1,464,927	177,726	49.79%	716,555	48.91%
Barge freight	401,725	1,639,038	49,643	203,735	352,082	709.23%	1,435,303	704.50%
Logistic costs	5,730	23,378	0	0	5,730	100.00%	23,378	100.00%
Others	70,037	285,751	27,446	112,638	42,591	155.18%	173,113	153.69%
<b>Total Cost of Service</b>	<b>4,182,510</b>	<b>17,064,641</b>	<b>3,184,594</b>	<b>13,069,574</b>	<b>997,916</b>	<b>31.34%</b>	<b>3,995,067</b>	<b>30.57%</b>
<b>Gross profit</b>	<b><u>6,069,677</u></b>	<b><u>24,764,282</u></b>	<b><u>5,607,020</u></b>	<b><u>23,011,210</u></b>	<b><u>462,657</u></b>	<b><u>8.25%</u></b>	<b><u>1,753,072</u></b>	<b><u>7.62%</u></b>
<b>Gross Profit Margin</b>	<b>59.20%</b>	<b>59.20%</b>	<b>63.78%</b>	<b>63.78%</b>				

**- Gross Profit Margin Analysis**

Gross Profit Margin decreased by -4.58% from 63.78% in the second quarter of 2023 to 59.20% in the second quarter of 2024. The decrease in gross profit margin is due to the increase of Cost of Service by KHR 3,995,067,000 (USD 997,916) or +30.57% compared to the second quarter of 2023, which is due to the increase of crane charge, depreciation, salaries and wages, maintenance costs, barge freight, and other expenses, etc.

**3. Profit before tax analysis**

Profit before income tax derived from gross profit plus other income, minus general administration, plus financial income/(costs), net.

For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
<b>Gross profit</b>	<b>6,069,677</b>	<b>24,764,282</b>	<b>5,607,020</b>	<b>23,011,210</b>	<b>462,657</b>	<b>8.25%</b>	<b>1,753,072</b>	<b>7.62%</b>
<b>Other income</b>	<b>328,295</b>	<b>1,339,444</b>	<b>466,613</b>	<b>1,914,980</b>	<b>(138,318)</b>	<b>-29.64%</b>	<b>(575,536)</b>	<b>-30.05%</b>
<b>General administration and selling expenses</b>								
Salaries and other benefits	1,204,317	4,913,613	1,223,723	5,022,159	(19,406)	-1.59%	(108,546)	-2.16%
Utilities and fuel	180,260	735,461	162,420	666,572	17,840	10.98%	68,889	10.33%
Depreciation	189,640	773,731	175,223	719,115	14,417	8.23%	54,616	7.59%
Board of Directors' fee	61,773	252,034	61,475	252,293	298	0.48%	(259)	-0.10%
Donation expenses	256,834	1,047,883	307,789	1,263,166	(50,955)	-16.56%	(215,283)	-17.04%
Office supplies	50,534	206,179	60,135	246,794	(9,601)	-15.97%	(40,615)	-16.46%
Business entertainments	66,957	273,185	77,383	317,580	(10,426)	-13.47%	(44,395)	-13.98%
Repairs and maintenance	65,181	265,938	113,939	467,606	(48,758)	-42.79%	(201,668)	-43.13%
Communication expenses	19,805	80,804	19,218	78,871	587	3.05%	1,933	2.45%
Professional fee	9,351	38,152	6,567	26,951	2,784	42.39%	11,201	41.56%
Travelling expenses	24,464	99,813	23,467	96,309	997	4.25%	3,504	3.64%
Other tax expenses	44,585	181,907	26,349	108,136	18,236	69.21%	73,771	68.22%
Others	102,646	418,796	75,592	310,229	27,054	35.79%	108,567	35.00%
<b>Total general administration and selling expenses</b>	<b><u>2,276,347</u></b>	<b><u>9,287,496</u></b>	<b><u>2,333,280</u></b>	<b><u>9,575,781</u></b>	<b><u>(56,933)</u></b>	<b><u>-2.44%</u></b>	<b><u>(288,285)</u></b>	<b><u>-3.01%</u></b>

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Share of loss from joint arrangement	(72,601)	(296,212)	73,375	301,131	(145,976)	-198.95%	(597,343)	-198.37%
Impairment loss on trade and other receivables	(425,918)	(1,737,746)	(89,127)	(365,777)	(336,791)	377.88%	(1,371,969)	375.08%
<b>Operating profit</b>	<b><u>3,623,106</u></b>	<b><u>14,782,272</u></b>	<b><u>3,724,601</u></b>	<b><u>15,285,763</u></b>	<b><u>(101,495)</u></b>	<b><u>-2.72%</u></b>	<b><u>(503,491)</u></b>	<b><u>-3.29%</u></b>
<b>Financial income/(cost), net</b>	<b>51,412</b>	<b>209,761</b>	<b>46,285</b>	<b>189,954</b>	<b>5,127</b>	<b>11.08%</b>	<b>19,807</b>	<b>10.43%</b>
<b>Profit before income tax</b>	<b><u>3,674,518</u></b>	<b><u>14,992,033</u></b>	<b><u>3,770,886</u></b>	<b><u>15,475,717</u></b>	<b><u>(96,368)</u></b>	<b><u>-2.56%</u></b>	<b><u>(483,684)</u></b>	<b><u>-3.13%</u></b>

For the second quarter of 2024, Profit before income tax decreased by KHR 483,684,000 (USD 96,368) or -3.13% compared to the second quarter of 2023. The decrease is due to the decrease in other income for KHR 575,536,000 (USD 138,318) or -30.05%, while impairment losses on financial assets increase by KHR 1,371,969,000 (USD 336,791) or +375.08%.

#### 4. Profit after tax analysis

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

#### For the second quarter ended 30 June 2024 compared to the second quarter ended 30 June 2023

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	3,674,518	14,992,033	3,770,886	15,475,717	(96,368)	-2.56%	(483,684)	-3.13%
Income tax expense (b)	802,069	3,272,442	1,009,258	4,141,995	(207,189)	-20.53%	(869,553)	-20.99%

Description	2 <sup>nd</sup> Quarter for the Period Ended 30 June 2024		2 <sup>nd</sup> Quarter for the Period Ended 30 June 2023		Change			
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Net profit for the year	2,872,449	11,719,591	2,761,628	11,333,722	110,821	4.01%	385,869	3.40%
Other comprehensive income	2,872,449	25,297,999	2,761,628	25,683,452	110,821	4.01%	(385,453)	-1.50%
<b>Effective tax rate (b)/(a)</b>	<b>21.83%</b>	<b>21.83%</b>	<b>26.76%</b>	<b>26.76%</b>				

PPAP earns profit after tax KHR 11,719,591,000 (USD 2,872,449) in the second quarter of 2024 and KHR 11,333,722,000 (USD 2,761,628) in the second quarter of 2023, representing an increase of KHR 385,869,000 (USD 110,821) or +3.40%. The decrease of an effective tax rate of 4.93% from 26.76% in the second quarter of 2023 to 21.83% in the second quarter of 2024 is due to the decrease in the profit before income tax by KHR 483,684,000 (USD 96,368) or -3.13%.

## **5. Factors and trends analysis affecting financial conditions and results**

### **5.1. Level of regional, global trade and globalization**

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

### **5.2. Capacity at the Container Terminal LM17**

The main operation was carried out at the container terminal LM17. Currently PPAP has a total Capacity of 500,000 TEUs after the completion of Phase 3 infrastructure development. In addition, in response to next year's growth, PPAP has started the development of port infrastructure, Phase 4 Step 1 as well.

Description	Output			
	2 <sup>nd</sup> Quarter 2022	2 <sup>nd</sup> Quarter 2023	2 <sup>nd</sup> Quarter 2024	Planning 2024
Container Terminal LM17 (TEUs)	106,456	99,756	111,461	440,000

### **5.3. Operation Efficiency**

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

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

### **5.4. Price**

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the container terminal. In addition to the preferential shipping costs, PPAP also offers preferential package prices for container service (Stevedore) to all container carriers based on the volume of containers that



are shipped. This means that if the container carrier of any company shipping more containers will receive a much higher discount.

### **5.5. Connection to Feeder Port**

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

### **5.6. Depreciation**

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

## **B- Significant factors affecting profit**

### **1. Demand and supply conditions analysis**

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

### **2. Fluctuation in prices of cost of service analysis**

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

#### **2.1. Staff salaries and other benefits**

A large portion of the company's expense is related to staff salaries and other benefits, which is **18.39%** (6.64% from operation staff and 11.75% from administration staff and other benefits) of total revenue in the second quarter of 2024 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

#### **2.2. Crane Charge**

Another large potion of cost of service is crane charges which is **9.44%** of total revenue in the second quarter 2024. PPAP has signed contract with three business partner in using the Traveling Cargo

Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Mao Veronica Tsai Ping (Chu Tsai Ping)	Floating Crane 1	1	80	80%	20%	01/04/2024-31/03/2027
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024
Port Stevedoring Company Limited	Fixed Crane	3	40	90%	10%	07/09/2021-07/09/2024
				85%	15%	08/09/2024-08/09/2025
				80%	20%	09/09/2025-09/09/2041

### **3. Tax analysis**

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

#### **3.1. Tax on profit**

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

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

#### **3.2. Value added tax (VAT)**

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

### **3.3. Tax withheld on Interest Income**

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

### **3.4. Import Tax**

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

## **C- Material changes in sales and revenue**

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent about **90%** of the total revenue in the second quarter 2024. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provides a more direct and faster route to East pacific country and U.S West.

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

### **1. Impact of Exchange Rate**

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

### **2. Impact of Interest Rate**

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

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

### **3. Impact of Flunctuation of Gasoline Price**

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

## E- Impact on Inflation

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

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

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

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

# **Part 5**

## **Other Necessary Information for Investor Protection**

For the 2<sup>nd</sup> Quarter of 2024, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for 5 Months of 2024
- Resolved that PPAP appointed **Mrs. KHOV Chansoma** as Head of Accounting/Finance Department of PPAP and appointed **Mrs. SENG Kunthea** as Deputy Director General of Technical of PPAP. PPAP shall properly prepare the appointing procedures and formally announce the position in accordance with the procedure.
- Approved on the decision for PPAP to invite CHEAN CHHOENG THAI GROUP Co., Ltd. for the discussion regarding the progress of the company's project, the payment amount that the company is obligated to settle to PPAP, and other concerns of the company, so the Board of Directors to ensure PPAP has a solid foundation for reporting to the two Guardian Ministries, especially Ministry of Economy and Finance.
- Authorized PPAP to shall adhere to the request for the review and approval by the two Guardian Ministries to sign The Investment Cooperation Agreement with PTLs Cooperation Co., Ltd., for the development of Sub-Feeder Multi Purpose Terminal UM1 project and to start implementing the Step 1's project in 2024.

# Signature of The Board of Directors of PPAP

13<sup>th</sup> August, 2024

Read and Approved

*Soun Rachana*

---

Signature

**Soun Rachana**

Member

(Rep. Of Ministry of Public Works and Transport)

13<sup>th</sup> August, 2024

Read and Approved

*Gui Anvanith*

---

Signature

**Gui Anvanith**

Member

(Independent Director)

# Appendix I

**Condensed Interim Financial Statements  
for the three-month and six-month periods ended 30 June 2024  
and  
Independent Auditors' Report on Review of  
Condensed Interim Financial Statements**



**PHNOM PENH AUTONOMOUS PORT**

**Condensed Interim Financial Statements  
for the three-month and six-month  
periods ended 30 June 2024**

**and**

**Independent Auditors' Report on Review of  
Condensed Interim Financial Statements**

## Corporate Information

Company	Phnom Penh Autonomous Port
Registration No	Co.7175 Et/2004
Registered office	No. 649, Preah Sisowat Quay Sangkat Sras Chork, Khan Daun Penh, Phnom Penh Kingdom of Cambodia
Majority shareholder	Ministry of Economy and Finance
Board of Directors	H.E. Hei Bavy, Chairman and Chief Executive Officer H.E. Suon Rachana, Member representing MPWT H.E. Ken Sambath, Member representing MEF H.E. Penn Sovicheat, Member representing MOC H.E. Gui Anvanith, Member as Independent Director Mrs. Pok Pheakdey, Member as Non-Executive Director representing of private shareholders Mr. Kong Sothea, Member representing of PPAP employees
Management team	H.E. Hei Bavy, Chief Executive Officer H.E. Mam Rithy, State Controller H.E. Choun Sokhem, Deputy Director General of Administration/Finance Mr. Hiek Phirun, Deputy Director General of Maritime Service/Traffic Mrs. Seng Kunthea, Deputy Director General of Technique (appointed on 2 July 2024) Mr. Koy Bunthorn, Deputy Director General of Technique (retired on 1 May 2024) Mrs. Hei Phanin, Deputy Director General of Business/Operation Mr. Kong Sothea, Head of Internal Audit Department Mr. Keo Sophanara, Head of Administration Department Mr. Ouk Poly, Acting Head of Personnel/HR Department (appointed on 2 July 2024) Mr. Im David, Head of Engineer Department Mrs. Khov Chansoma, Head of Accounting/Finance Department (appointed on 14 June 2024) Mr. Chiep Viraya, Head of Hydrographic Department Mr. Hun Sokhalay, Head of LM 17 Operation Department Mr. Prak Samit, Acting Head of Commercial Zone/Domestic Port Department Mr. Hoesu Song, Head of TS3 Operation Department Mr. Tol Sokhom, Head of Harbour Department Mr. Kong Channy, Head of Corporate Secretariat Ms. Chheav Vanthea, Head of Planning/Marketing Department Mr. Chhiv Songkaing, Head of Sub-feeder Multi-purpose Terminal UM1

## Corporate Information (continued)

Management team (continued)	Mr. Say Chantha, Head of Machinery Management Department  Mrs. Meas Visal, Head of Sub-Feeder Multipurpose Terminal TS11 Department Mr. Heng Vutha, Acting Head of Sub-Feeder Multipurpose Terminal UM2 Department
Principal bankers	ACLEDA Bank Plc. Advanced Bank of Asia Limited J Trust Royal Bank Plc. Chip Mong Commercial Bank Plc. Phnom Penh Commercial Bank Plc. Foreign Trade Bank of Cambodia Canadia Bank Plc. Bank of China Limited Phnom Penh Branch
Auditor	KPMG Cambodia Ltd

# Phnom Penh Autonomous Port

## Contents

	<b>Pages</b>
1. Statement by the Board of Directors	1
2. Independent Auditors' report on review of condensed interim financial statements	2 – 3
3. Condensed interim statement of financial position	4 – 5
4. Condensed interim statement of profit or loss and other comprehensive income	6 – 7
5. Condensed interim statement of changes in equity	8
6. Condensed interim statement of cash flows	9 – 10
7. Notes to the condensed interim financial statements	11 – 44

KINGDOM OF CAMBODIA

Nation Religion King



Phnom Penh Autonomous Port

Nº: ..911/24.....PPAP

PHNOM PENH, Date: August 13<sup>th</sup> 2024

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim financial statements of Phnom Penh Autonomous Port ("PPAP" or the "Company"), which comprises the condensed interim statement of financial position as at 30 June 2024, and the related condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six-month periods then ended, and notes to the condensed interim financial statements as set out on pages 4 to 44 are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.

Signed in accordance with a resolution of the Board of Directors,



H.E. Hei Bavy  
Chairman and Chief Executive Officer

Mrs. Khov Chansoma  
Head of Accounting/Finance Department

Phnom Penh, Kingdom of Cambodia

Date: August 13<sup>th</sup> 2024



KPMG Cambodia Ltd  
GIA Tower, Sopheak Mongkul Street, Phum 14  
Sangkat Tonle Bassac, Khan Chamkar Mon  
Phnom Penh, Cambodia  
+855 (17) 666 537 / +855 (81) 533 999 | kpmg.com.kh

## THE INDEPENDENT AUDITORS' REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS

### To the shareholders of Phnom Penh Autonomous Port

#### ***Introduction***

We have reviewed the accompanying condensed interim financial statements of Phnom Penh Autonomous Port ("PPAP" or "the Company"), as set out on pages 4 to 44 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 30 June 2024;
- the condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024;
- the condensed interim statement of changes in equity for the six-month period ended 30 June 2024;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2024; and
- other explanatory notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with the Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

#### ***Scope of Review***

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



**Conclusion**

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

For KPMG Cambodia Ltd

Yim Lundy  
Engagement Partner

Phnom Penh, Kingdom of Cambodia

13 August 2024

# Phnom Penh Autonomous Port

## Condensed interim statement of financial position as at 30 June 2024

	Notes	30 June 2024		31 December 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	5	130,051,167	534,510,298	126,656,158	517,390,405
Intangible assets		189,354	778,243	131,982	539,146
Right-of-use assets	6(a)	8,657,570	35,582,613	8,760,682	35,787,386
Lease receivables	6(b)	4,713,079	19,370,755	4,671,994	19,085,095
Investment properties	7	87,313,619	358,858,974	87,359,958	356,865,428
Other receivables	8	75,145	308,846	72,683	296,910
Other investments	10	15,000,000	61,650,000	15,000,000	61,275,000
		<u>245,999,934</u>	<u>1,011,059,729</u>	<u>242,653,457</u>	<u>991,239,370</u>
<b>Current assets</b>					
Inventories	9	833,169	3,424,325	801,808	3,275,386
Lease receivables	6(b)	102,200	420,042	430,585	1,758,940
Trade and other receivables	8	7,728,129	31,762,610	7,021,891	28,684,428
Cash and bank balances	10	2,169,469	8,916,518	3,898,509	15,925,409
		<u>10,832,967</u>	<u>44,523,495</u>	<u>12,152,793</u>	<u>49,644,163</u>
<b>TOTAL ASSETS</b>		<u>256,832,901</u>	<u>1,055,583,224</u>	<u>254,806,250</u>	<u>1,040,883,533</u>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	11	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	12	155,502	622,008	155,502	622,008
Reserves	13	78,885,751	321,721,038	70,637,971	287,822,662
Retained earnings		4,797,265	19,460,691	9,798,425	40,091,294
Currency translation reserves		-	15,362,455	-	10,410,486
<b>Total equity</b>		<u>198,292,003</u>	<u>814,980,132</u>	<u>195,045,383</u>	<u>796,760,390</u>



# Phnom Penh Autonomous Port

## Condensed interim statement of financial position (continued) as at 30 June 2024

	Notes	30 June 2024		31 December 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Other payables	14	37,574	154,429	36,830	150,451
Borrowings	15	13,454,832	55,299,360	14,489,819	59,190,911
Contract liabilities	16	12,900,000	53,019,000	13,050,000	53,309,250
Lease liabilities	6(a)	11,428,250	46,970,108	11,651,908	47,598,044
Provision for retirement benefits	17	596,234	2,450,522	563,762	2,302,968
Liability arising from joint arrangement	18	11,052,026	45,423,827	11,214,195	45,809,987
Deferred tax liabilities, net	19(c)	369,116	1,517,067	343,628	1,403,720
		<u>49,838,032</u>	<u>204,834,313</u>	<u>51,350,142</u>	<u>209,765,331</u>
<b>Current liabilities</b>					
Trade and other payables	14	4,216,438	17,329,560	3,022,642	12,347,493
Borrowings	15	2,297,670	9,443,424	2,311,056	9,440,664
Lease liabilities	6(a)	806,211	3,313,527	613,391	2,505,702
Contract liabilities	16	300,000	1,233,000	300,000	1,225,500
Current income tax liabilities		1,082,547	4,449,268	2,163,636	8,838,453
		<u>8,702,866</u>	<u>35,768,779</u>	<u>8,410,725</u>	<u>34,357,812</u>
<b>Total liabilities</b>		<u>58,540,898</u>	<u>240,603,092</u>	<u>59,760,867</u>	<u>244,123,143</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>256,832,901</u>	<u>1,055,583,224</u>	<u>254,806,250</u>	<u>1,040,883,533</u>

The accompanying notes form an integral part of these condensed interim financial statements.

## Phnom Penh Autonomous Port

### Condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2024

	Note	For the six-month period ended				For the three-month period ended			
		30 June 2024		30 June 2023		30 June 2024		30 June 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Revenue	21	18,320,929	74,657,786	16,323,769	66,829,510	10,252,187	41,828,923	8,791,614	36,080,784
Cost of services	22	(7,718,861)	(31,454,359)	(6,594,566)	(26,998,153)	(4,182,510)	(17,064,641)	(3,184,594)	(13,069,574)
<b>Gross profit</b>		10,602,068	43,203,427	9,729,203	39,831,357	6,069,677	24,764,282	5,607,020	23,011,210
Other income	23	658,752	2,684,414	793,510	3,248,630	328,295	1,339,444	466,613	1,914,980
General and administrative expenses	24	(4,768,998)	(19,433,667)	(4,482,849)	(18,352,784)	(2,276,347)	(9,287,496)	(2,333,280)	(9,575,781)
Share of loss/(profit) from joint arrangement		71,196	290,124	207,834	850,872	(72,601)	(296,212)	73,375	301,131
Impairment losses on financial assets	25	(750,343)	(3,057,648)	(140,567)	(575,481)	(425,918)	(1,737,746)	(89,127)	(365,777)
<b>Operating profit</b>		5,812,675	23,686,650	6,107,131	25,002,594	3,623,106	14,782,272	3,724,601	15,285,763
Financial income	26	664,939	2,709,626	737,777	3,020,459	319,959	1,305,433	354,536	1,455,016
Finance costs	26	(594,561)	(2,422,836)	(670,837)	(2,746,407)	(268,547)	(1,095,672)	(308,251)	(1,265,062)
<b>Financial income, net</b>	26	70,378	286,790	66,940	274,052	51,412	209,761	46,285	189,954
<b>Profit before tax</b>		5,883,053	23,973,440	6,174,071	25,276,646	3,674,518	14,992,033	3,770,886	15,475,717
Income tax expense	19(b)	(1,491,034)	(6,075,964)	(1,464,506)	(5,995,688)	(802,069)	(3,272,442)	(1,009,258)	(4,141,995)
<b>Net profit for the period</b>		4,392,019	17,897,476	4,709,565	19,280,958	2,872,449	11,719,591	2,761,628	11,333,722

## Phnom Penh Autonomous Port

### Condensed interim statement of profit or loss and other comprehensive income (continued) for the three-month and six-month periods ended 30 June 2024

Note	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Other comprehensive income</b>								
<i>Items that will not be reclassified to profit or loss</i>								
Currency translation differences	-	4,951,969	-	2,547,426	-	13,578,408	-	14,349,730
<b>Total comprehensive income for the period</b>	<u>4,392,019</u>	<u>22,849,445</u>	<u>4,709,565</u>	<u>21,828,384</u>	<u>2,872,449</u>	<u>25,297,999</u>	<u>2,761,628</u>	<u>25,683,452</u>

Earnings per share attributable to the shareholders of PPAP during the period are as follow:

Basic earnings per share	27	0.21	0.87	0.23	0.93	0.14	0.57	0.13	0.55
Diluted earnings per share	27	<u>0.21</u>	<u>0.87</u>	<u>0.23</u>	<u>0.93</u>	<u>0.14</u>	<u>0.57</u>	<u>0.13</u>	<u>0.55</u>

The accompanying notes form an integral part of these condensed interim financial statements.

## Phnom Penh Autonomous Port

### Condensed interim statement of changes in equity for the six-month period ended 30 June 2024

	Share capital		Share premium		Reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January 2024	114,453,485	457,813,940	155,502	622,008	70,637,971	287,822,662	9,798,425	40,091,294	-	10,410,486	195,045,383	796,760,390
<b>Transaction with the shareholders of PPAP</b>												
Dividends (Note 28)	-	-	-	-	-	-	(1,145,399)	(4,629,703)	-	-	(1,145,399)	(4,629,703)
<b>Transaction recognised directly in equity</b>												
Transfers from retained earning to reserves (Note 13)	-	-	-	-	8,247,780	33,898,376	(8,247,780)	(33,898,376)	-	-	-	-
<b>Total comprehensive incomes</b>												
Net profit for the period	-	-	-	-	-	-	4,392,019	17,897,476	-	-	4,392,019	17,897,476
Currency translation differences	-	-	-	-	-	-	-	-	-	4,951,969	-	4,951,969
	-	-	-	-	-	-	4,392,019	17,897,476	-	4,951,969	4,392,019	22,849,445
<b>Balance at 30 June 2024</b>	<b>114,453,485</b>	<b>457,813,940</b>	<b>155,502</b>	<b>622,008</b>	<b>78,885,751</b>	<b>321,721,038</b>	<b>4,797,265</b>	<b>19,460,691</b>	<b>-</b>	<b>15,362,455</b>	<b>198,292,003</b>	<b>814,980,132</b>
Balance at 1 January 2023	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	14,878,805	60,334,539	-	16,929,477	186,954,489	769,691,629
<b>Transaction with the shareholders of PPAP</b>												
Dividends (Note 28)	-	-	-	-	-	-	(1,142,009)	(4,663,965)	-	-	(1,142,009)	(4,663,965)
<b>Transaction recognised directly in equity</b>												
Transfers from retained earning to reserves (Note 13)	-	-	-	-	13,171,274	53,830,997	(13,171,274)	(53,830,997)	-	-	-	-
<b>Total comprehensive incomes</b>												
Net profit for the period	-	-	-	-	-	-	4,709,565	19,280,958	-	-	4,709,565	19,280,958
Currency translation differences	-	-	-	-	-	-	-	-	-	2,547,426	-	2,547,426
	-	-	-	-	-	-	4,709,565	19,280,958	-	2,547,426	4,709,565	21,828,384
<b>Balance at 30 June 2023</b>	<b>114,453,485</b>	<b>457,813,940</b>	<b>155,502</b>	<b>622,008</b>	<b>70,637,971</b>	<b>287,822,662</b>	<b>5,275,087</b>	<b>21,120,535</b>	<b>-</b>	<b>19,476,903</b>	<b>190,522,045</b>	<b>786,856,048</b>

The accompanying notes form an integral part of these condensed interim financial statements.

# Phnom Penh Autonomous Port

## Condensed interim statement of cash flows for the six-month period ended 30 June 2024

	For the six-month period ended 30 June 2024		For the six-month period ended 30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Cash flows from operating activities</b>				
Profit before tax	5,883,053	23,973,440	6,174,071	25,276,646
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	2,411,135	9,825,374	2,095,834	8,580,344
Depreciation of intangible assets	6,333	25,807	320	1,310
Depreciation of right-of-use assets	136,846	557,647	101,369	415,005
Depreciation of investment property	46,339	188,831	32,664	133,726
Interest expenses	573,799	2,338,231	608,296	2,490,364
Interest income from lease receivables	(92,314)	(376,180)	(172,724)	(707,132)
Interest from fixed deposit	(570,163)	(2,323,414)	(562,659)	(2,303,526)
Net unwinding effect of long-term deposit	(2,462)	(10,032)	(2,394)	(9,801)
Impairment losses on financial assets	750,343	3,057,648	140,567	575,481
Lease receivable written off	102,452	417,491	-	-
Retirement benefits obligation expenses	20,965	85,432	12,918	52,886
Amortisation of liabilities from joint arrangement	(162,170)	(660,844)	(59,079)	(241,869)
	<u>9,104,156</u>	<u>37,099,431</u>	<u>8,369,183</u>	<u>34,263,434</u>
<i>Changes in working capital:</i>				
Inventories	(31,361)	(127,796)	(64,949)	(265,901)
Lease receivable	(7,134)	(29,071)	-	-
Trade and other receivables	(1,172,285)	(4,777,061)	1,931,472	7,907,446
Trade and other payables	1,193,795	4,864,715	(364,972)	(1,494,195)
Short-term fixed deposit	3,614	14,727	-	-
Contract liabilities	(150,000)	(611,250)	(150,000)	(614,100)
Cash generated from operations	8,940,785	36,433,695	9,720,734	39,796,684
Income tax paid	(2,513,172)	(10,241,176)	(3,388,955)	(13,874,382)
Withholding tax credit	(33,463)	(136,362)	(34,416)	(140,899)
Retirement benefits obligation paid	(4,979)	(20,289)	(832)	(3,406)
Net cash generated from operating activities	<u>6,389,171</u>	<u>26,035,868</u>	<u>6,296,531</u>	<u>25,777,997</u>

## Phnom Penh Autonomous Port

### Condensed interim statement of cash flows (continued) for the six-month period ended 30 June 2024

	For the six-month period ended 30 June 2024		For the six-month period ended 30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(5,806,144)	(23,660,037)	(10,131,804)	(41,479,606)
Purchase of intangible assets	(63,704)	(259,594)	(103,238)	(422,656)
Purchase of investment property	-	-	(776,771)	(3,180,100)
Cash received from lease receivables	-	-	328,489	1,344,834
Interest received	566,549	2,308,687	575,796	2,357,309
Withdrawal of fixed deposits	-	-	1,100,000	4,503,400
Net cash used in investing activities	<u>(5,303,299)</u>	<u>(21,610,944)</u>	<u>(9,007,528)</u>	<u>(36,876,819)</u>
<b>Cash flows from financing activities</b>				
Dividends paid	(1,145,399)	(4,667,501)	(1,142,009)	(4,675,385)
Interest paid	(604,222)	(2,462,205)	(468,383)	(1,917,560)
Payment of principal portion of lease liabilities	(30,304)	(123,489)	(119,462)	(489,077)
Repayments of borrowings	<u>(1,034,987)</u>	<u>(4,217,572)</u>	<u>(1,034,987)</u>	<u>(4,237,237)</u>
Net cash used in financing activities	<u>(2,814,912)</u>	<u>(11,470,767)</u>	<u>(2,764,841)</u>	<u>(11,319,259)</u>
<b>Net decrease in cash and cash equivalents</b>	(1,729,040)	(7,045,843)	(5,475,838)	(22,418,081)
<b>Cash and cash equivalents at beginning of period</b>	3,898,509	15,925,409	6,194,089	25,501,064
Currency translation differences	-	36,952	-	(116,606)
<b>Cash and cash equivalents at end of period (Note 10)</b>	<u>2,169,469</u>	<u>8,916,518</u>	<u>718,251</u>	<u>2,966,377</u>

The accompanying notes form an integral part of these condensed interim financial statements.

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2024

These notes form an integral part of and should be read conjunction with the accompanying condensed interim financial statements.

### 1. Background 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.

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;

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 1. Background information (continued)

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

- 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.

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.

As at 30 June 2024, the Company had 839 employees (31 December 2023: 775 employees).

### 2. Basis of preparation

#### (a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard (“CIAS”) 34, “*Interim Financial Reporting*”. They do not include all the information required for a complete set of CIFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and financial performance since the last annual financial statements as at and for the year ended 31 December 2023.

These condensed interim financial statements were authorised for issue by the Company’s Board of Directors on 13 August 2024.

#### (b) Functional currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Company transacts and maintains its accounting records primarily in United States Dollars (“US\$”), management has determined the US\$ to be the Company’s functional currency as it reflects the economic substance of the underlying events and circumstances of the Company.

The condensed interim financial statements are presented in US\$, which is the Company’s functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.



# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 2. Basis of preparation (continued)

#### (c) Use of estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

### 3. Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2023.

### 4. Translation of United States Dollars into Khmer Riel

The condensed interim financial statements are expressed in United States Dollars ("US\$"), which is the Company's functional currency. The translations of US\$ amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS21 – *the Effects of changes in Foreign Exchange Rate*.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital and other equity account are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR at the average rate for the reporting period, which has been deemed to approximate the exchange rate on the date of transactions as exchange rates have not fluctuated significantly during the period. Exchange differences arising from the translation are recognised as "Currency Translation Differences" in other comprehensive income.

The Company uses the following exchange rates:

For the three-month and six-month periods			Closing rate	Average rate six-month	Average rate three-month
30 June 2024	US\$1	=	KHR 4,110	KHR 4,075	KHR 4,080
30 June 2023	US\$1	=	KHR 4,130	KHR 4,094	KHR 4,104
31 December 2023	US\$1	=	KHR 4,085	N/A	N/A

These convenience translations should not be construed as representations that the US\$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 5. Property, plant and equipment

For the six-month period ended 30 June 2024

	Land US\$	Computer US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicle US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	US\$	Total KHR'000 (Note 4)
<b>Cost</b>										
Balance at beginning of the period	40,682,318	1,250,460	1,713,723	61,588	2,067,898	29,515,766	77,324,274	5,964,819	158,580,846	647,802,756
Additions	174,751	38,543	13,092	-	8,170	-	96,700	5,474,888	5,806,144	23,660,037
Transfers	1,368,419	-	-	-	18,000	2,032,301	7,084,241	(10,502,961)	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	4,167,736
Balance at end of the period	<u>42,225,488</u>	<u>1,289,003</u>	<u>1,726,815</u>	<u>61,588</u>	<u>2,094,068</u>	<u>31,548,067</u>	<u>84,505,215</u>	<u>936,746</u>	<u>164,386,990</u>	<u>675,630,529</u>
<b>Less: Accumulated depreciation</b>										
Balance at beginning of the period	-	803,634	613,135	59,214	982,174	14,173,755	15,292,776	-	31,924,688	130,412,351
Depreciation for the period	-	111,712	69,895	200	70,927	1,041,247	1,117,154	-	2,411,135	9,825,374
Currency translation differences	-	-	-	-	-	-	-	-	-	882,506
Balance at end of the period	-	<u>915,346</u>	<u>683,030</u>	<u>59,414</u>	<u>1,053,101</u>	<u>15,215,002</u>	<u>16,409,930</u>	-	<u>34,335,823</u>	<u>141,120,231</u>
<b>Carrying amounts</b>										
Balance at beginning of the period	<u>40,682,318</u>	<u>446,826</u>	<u>1,100,588</u>	<u>2,374</u>	<u>1,085,724</u>	<u>15,342,011</u>	<u>62,031,498</u>	<u>5,964,819</u>	<u>126,656,158</u>	<u>517,390,405</u>
Balance at end of the period	<u>42,225,488</u>	<u>373,657</u>	<u>1,043,785</u>	<u>2,174</u>	<u>1,040,967</u>	<u>16,333,065</u>	<u>68,095,285</u>	<u>936,746</u>	<u>130,051,167</u>	<u>534,510,298</u>

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 5. Property, plant and equipment (continued)

For the six-month period ended 30 June 2023

	Land US\$	Computer US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicle US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$	Total KHR'000 (Note 4)
<b>Cost</b>										
Balance at beginning of the period	34,928,635	1,586,632	1,519,314	61,588	2,065,448	29,430,016	63,027,742	8,282,902	140,902,277	580,094,674
Additions	193,872	36,568	14,599	-	2,450	-	38,192	9,846,123	10,131,804	41,479,606
Transfers	4,064,397	18,919	109,409	-	-	50,750	8,065,658	(12,309,133)	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	2,196,475
Balance at end of the period	<u>39,186,904</u>	<u>1,642,119</u>	<u>1,643,322</u>	<u>61,588</u>	<u>2,067,898</u>	<u>29,480,766</u>	<u>71,131,592</u>	<u>5,819,892</u>	<u>151,034,081</u>	<u>623,770,755</u>
<b>Less: Accumulated depreciation</b>										
Balance at beginning of the period	-	979,891	484,166	58,813	841,296	12,147,930	13,500,232	-	28,012,328	115,326,754
Depreciation for the period	-	110,012	62,463	200	70,366	1,010,558	842,235	-	2,095,834	8,580,344
Currency translation differences	-	-	-	-	-	-	-	-	-	439,612
Balance at end of the period	-	<u>1,089,903</u>	<u>546,629</u>	<u>59,013</u>	<u>911,662</u>	<u>13,158,488</u>	<u>14,342,467</u>	-	<u>30,108,162</u>	<u>124,346,710</u>
<b>Carrying amounts</b>										
Balance at beginning of the period	<u>34,928,635</u>	<u>606,741</u>	<u>1,035,148</u>	<u>2,775</u>	<u>1,224,152</u>	<u>17,282,086</u>	<u>49,527,510</u>	<u>8,282,902</u>	<u>112,889,949</u>	<u>464,767,920</u>
Balance at end of the period	<u>39,186,904</u>	<u>552,216</u>	<u>1,096,693</u>	<u>2,575</u>	<u>1,156,236</u>	<u>16,322,278</u>	<u>56,789,125</u>	<u>5,819,892</u>	<u>120,925,919</u>	<u>499,424,045</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 6. Leases

##### (a) Company as lessee

The right-of-use assets and lease liabilities are in respects of 2 leases of lands with the terms of 40 and 30 years.

##### (i) *Right-of-use assets*

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Cost</b>				
Balance at beginning of the period	9,186,899	37,528,482	6,130,269	25,238,317
Additions	33,734	137,466	389,213	1,593,438
Currency translation differences	-	230,854	-	93,706
Balance at end of the period	<u>9,220,633</u>	<u>37,896,802</u>	<u>6,519,482</u>	<u>26,925,461</u>
<b>Less: Accumulated depreciation</b>				
Balance at beginning of the period	426,217	1,741,096	222,584	916,378
Depreciation for the period	136,846	557,647	101,369	415,005
Currency translation differences	-	15,446	-	6,543
Balance at end of the period	<u>563,063</u>	<u>2,314,189</u>	<u>323,953</u>	<u>1,337,926</u>
<b>Carrying amounts</b>				
Balance at beginning of the period	<u>8,760,682</u>	<u>35,787,386</u>	<u>5,907,685</u>	<u>24,321,939</u>
Balance at end of the period	<u>8,657,570</u>	<u>35,582,613</u>	<u>6,195,529</u>	<u>25,587,535</u>

##### (ii) *Lease liabilities*

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	11,428,250	46,970,108	11,651,908	47,598,044
Current	806,211	3,313,527	613,391	2,505,702
	<u>12,234,461</u>	<u>50,283,635</u>	<u>12,265,299</u>	<u>50,103,746</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 6. Leases (continued)

##### (a) Company as lessee (continued)

##### (ii) Lease liabilities (continued)

Movements of the lease liabilities during the periods were as follow:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	12,265,299	50,103,746	11,710,723	48,213,047
Additions	33,734	137,466	389,213	1,593,438
Interest expense	238,758	972,939	237,367	971,780
Interest paid (*)	(273,026)	(1,112,581)	(83,738)	(342,823)
Principal paid	(30,304)	(123,489)	(119,462)	(489,077)
Currency translation differences	-	305,554	-	167,481
Balance at end of the period	<u>12,234,461</u>	<u>50,283,635</u>	<u>12,134,103</u>	<u>50,113,846</u>

(\*) This include advance interest payment for the remainder period of the year.

##### (b) Company as lessor

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Non-current</b>				
Finance lease receivable (i)	4,661,959	19,160,651	4,620,874	18,876,270
Operating lease receivable (ii)	51,120	210,104	51,120	208,825
	<u>4,713,079</u>	<u>19,370,755</u>	<u>4,671,994</u>	<u>19,085,095</u>
<b>Current</b>				
Finance lease receivable (i)	23,061	94,781	358,583	1,464,812
Operating lease receivable (ii)	79,139	325,261	72,002	294,128
	<u>102,200</u>	<u>420,042</u>	<u>430,585</u>	<u>1,758,940</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 6. Leases (continued)

##### (b) Company as lessor (continued)

###### (i) Finance lease

Lease receivables are in respects of the sub-leasing of the right-of-uses asset on the leased lands to various customers. The Company has classified the sub-leases as finance lease, because the sub-leases are for the whole of the remaining term of the head lease.

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	4,661,959	19,160,651	4,620,874	18,876,270
Current	307,357	1,263,238	358,583	1,464,812
	4,969,316	20,423,889	4,979,457	20,341,082
Less: Allowance for impairment losses	(284,296)	(1,168,457)	-	-
	<u>4,685,020</u>	<u>19,255,432</u>	<u>4,979,457</u>	<u>20,341,082</u>

Movements of allowance for impairment losses on lease receivables during the period were as follow:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	-	-	-	-
Recognised in profit or loss (Note 25)	284,296	1,158,506	-	-
Currency translation differences	-	9,951	-	-
Balance at end of the period	<u>284,296</u>	<u>1,168,457</u>	<u>-</u>	<u>-</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 6. Leases (continued)

##### (b) Company as lessor (continued)

###### (ii) Operating lease

The Company leases out its investment property. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 set outs information about the operating leases of investment property.

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	51,120	210,104	51,120	208,825
Current	79,139	325,261	72,002	294,128
	<u>130,259</u>	<u>535,365</u>	<u>123,122</u>	<u>502,953</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 7. Investment properties

Investment properties comprises lands and buildings that are leased to third parties under operating leases.

	For the six-month period ended 30 June 2024				For the six-month period ended 30 June 2023			
	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)
<b>Cost</b>								
Balance at beginning of the period	85,762,296	2,287,349	88,049,645	359,682,800	85,762,296	1,510,578	87,272,874	359,302,422
Addition	-	-	-	-	-	776,771	776,771	3,180,100
Currency translation differences	-	-	-	2,201,241	-	-	-	1,162,512
Balance at end of the period	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>361,884,041</u>	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>363,645,034</u>
<b>Less: Accumulated depreciation</b>								
Balance at beginning of the period	-	689,687	689,687	2,817,372	-	610,662	610,662	2,514,095
Depreciation for the period	-	46,339	46,339	188,831	-	32,664	32,664	133,726
Currency translation differences	-	-	-	18,864	-	-	-	9,116
Balance at end of the period	-	<u>736,026</u>	<u>736,026</u>	<u>3,025,067</u>	-	<u>643,326</u>	<u>643,326</u>	<u>2,656,937</u>
<b>Carrying amounts</b>								
Balance at beginning of the period	<u>85,762,296</u>	<u>1,597,662</u>	<u>87,359,958</u>	<u>356,865,428</u>	<u>85,762,296</u>	<u>899,916</u>	<u>86,662,212</u>	<u>356,788,327</u>
Balance at end of the period	<u>85,762,296</u>	<u>1,551,323</u>	<u>87,313,619</u>	<u>358,858,974</u>	<u>85,762,296</u>	<u>1,644,023</u>	<u>87,406,319</u>	<u>360,988,097</u>



## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 8. Trade and other receivables

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Non-current</b>				
<i>Other receivables</i>				
Deposit	<u>75,145</u>	<u>308,846</u>	<u>72,683</u>	<u>296,910</u>
<b>Current</b>				
<i>Trade receivables</i>				
Third parties	<u>9,307,502</u>	<u>38,253,833</u>	<u>8,075,496</u>	<u>32,988,401</u>
<i>Other receivables</i>				
Advances	59,909	246,226	39,144	159,903
Deposits	20,446	84,033	15,347	62,697
Other receivables	1,810,463	7,441,003	1,885,675	7,702,982
Prepayments	<u>150,632</u>	<u>619,098</u>	<u>161,005</u>	<u>657,705</u>
	<u>2,041,450</u>	<u>8,390,360</u>	<u>2,101,171</u>	<u>8,583,287</u>
Less: Allowance for impairment losses	<u>(3,620,823)</u>	<u>(14,881,583)</u>	<u>(3,154,776)</u>	<u>(12,887,260)</u>
	<u>7,728,129</u>	<u>31,762,610</u>	<u>7,021,891</u>	<u>28,684,428</u>

Movements of allowance for impairment losses on trade and other receivables during the period were as follow:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	3,154,776	12,887,260	1,377,419	5,670,834
Recognised in profit or loss (Note 25)	466,047	1,899,142	140,567	575,481
Currency translation differences	-	95,181	-	22,967
Balance at end of the period	<u>3,620,823</u>	<u>14,881,583</u>	<u>1,517,986</u>	<u>6,269,282</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 9. Inventories

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Diesel oil	82,137	337,583	100,577	410,857
Lubricant oil	42,760	175,744	25,033	102,260
Spare parts	686,363	2,820,952	656,403	2,681,406
Stationery	21,909	90,046	19,795	80,863
	<u>833,169</u>	<u>3,424,325</u>	<u>801,808</u>	<u>3,275,386</u>

#### 10. Other investments, cash and bank balances

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Non-current</b>				
Other investments – term deposit (*)	<u>15,000,000</u>	<u>61,650,000</u>	<u>15,000,000</u>	<u>61,275,000</u>
<b>Current</b>				
Cash on hand	9,677	39,772	12,540	51,226
<i>Cash at Bank:</i>				
Saving Account	342,496	1,407,659	2,183,434	8,919,328
Current Account	1,736,423	7,136,699	1,625,275	6,639,248
Term deposits (original maturity up to three months)	<u>80,873</u>	<u>332,388</u>	<u>77,260</u>	<u>315,607</u>
	<u>2,169,469</u>	<u>8,916,518</u>	<u>3,898,509</u>	<u>15,925,409</u>

(\*) These represent term deposits with the maturity date ranging from 48 months to 240 months and earning annual interest at rates ranging from 6.25% to 7.75% (2023: 6.25% to 7.75%) during the period.

The Company has a letter of credit (“LC”) with Foreign Trade Bank (“FTB”) amounting to US\$782,000. It is secured by the long-term fixed deposit which has maturity date on 2 August 2024 for the purpose of acquiring of property, plant and equipment. The LC was settled on 3 July 2024.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 10. Other investments, cash and bank balances (continued)

For purpose of the condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash on hand	9,677	39,772	4,185	17,284
<i>Cash at Bank:</i>				
Current accounts	1,736,423	7,136,699	295,782	1,221,580
Savings accounts	342,496	1,407,659	340,168	1,404,894
Term deposits (original maturity up to three months)	80,873	332,388	78,116	322,619
	<u>2,169,469</u>	<u>8,916,518</u>	<u>718,251</u>	<u>2,966,377</u>

The Company has an overdraft facility with Foreign Trade Bank (“FTB”) with a limit of US\$4,500,000. It is secured by the long-term fixed deposit, bore interest rate at 7% per annum and has the maturity date on 2 May 2025. There is no outstanding balance as at 30 June 2024 (30 June 2023: nil).

#### 11. Share capital

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Voting shares of US\$1 each:				
Class A	4,136,873	16,547,492	4,136,873	16,547,492
Class B	16,547,492	66,189,968	16,547,492	66,189,968
	<u>20,684,365</u>	<u>82,737,460</u>	<u>20,684,365</u>	<u>82,737,460</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	375,076,480	93,769,120	375,076,480
	<u>114,453,485</u>	<u>457,813,940</u>	<u>114,453,485</u>	<u>457,813,940</u>

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

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 12. 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, MEF 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.

#### 13. Reserves

	Legal reserve US\$	General reserve US\$	Development fund US\$	US\$	Total KHR'000 (Note 4)
Balance at 1 January 2024	3,890,110	3,890,110	62,857,751	70,637,971	287,822,662
Transfer from retained earnings (*)	<u>469,659</u>	<u>469,659</u>	<u>7,308,462</u>	<u>8,247,780</u>	<u>33,898,376</u>
Balance at 30 June 2024	<u>4,359,769</u>	<u>4,359,769</u>	<u>70,166,213</u>	<u>78,885,751</u>	<u>321,721,038</u>
Balance at 1 January 2023	3,174,446	3,174,446	51,117,805	57,466,697	233,991,665
Transfer from retained earnings	<u>715,664</u>	<u>715,664</u>	<u>11,739,946</u>	<u>13,171,274</u>	<u>53,830,997</u>
Balance at 30 June 2023	<u>3,890,110</u>	<u>3,890,110</u>	<u>62,857,751</u>	<u>70,637,971</u>	<u>287,822,662</u>

In accordance with PPAP’s Articles of Incorporation, article 66, dated 5 September 2016, the Board of Directors can decide to distribute the PPAP’s profit, after offsetting with losses carried forward (if any), as follows:

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

(\*) The transfer from retained earnings to reserves was done followed the resolution on the Board of Directors on 27 March 2024.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 14. Trade and other payables

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Non-current</b>				
<i>Other payables</i>				
Deposit	<u>37,574</u>	<u>154,429</u>	<u>36,830</u>	<u>150,451</u>
<b>Current</b>				
<i>Trade payables</i>				
Third parties	2,207,329	9,072,122	642,102	2,622,986
Amount due to related party (Note 29(c))	<u>303,764</u>	<u>1,248,470</u>	<u>219,974</u>	<u>898,594</u>
	<u>2,511,093</u>	<u>10,320,592</u>	<u>862,076</u>	<u>3,521,580</u>
<i>Other payables</i>				
Deposits	336,133	1,381,507	390,449	1,594,984
Seniority payable	140,906	579,124	-	-
Other tax payables	317,525	1,305,028	260,072	1,062,394
Other payables	<u>910,781</u>	<u>3,743,309</u>	<u>1,510,045</u>	<u>6,168,535</u>
	<u>1,705,345</u>	<u>7,008,968</u>	<u>2,160,566</u>	<u>8,825,913</u>
	<u>4,216,438</u>	<u>17,329,560</u>	<u>3,022,642</u>	<u>12,347,493</u>

#### 15. Borrowings

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<i>Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17</i>				
Non-current	13,454,832	55,299,360	14,489,819	59,190,911
Current	<u>2,297,670</u>	<u>9,443,424</u>	<u>2,311,056</u>	<u>9,440,664</u>
	<u>15,752,502</u>	<u>64,742,784</u>	<u>16,800,875</u>	<u>68,631,575</u>

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

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 15. Borrowings (continued)

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 period is for 20 years, including a grace period of not exceeding 7 years from the date of the conclusion of the Loan Agreement.

Movements of Borrowings during the period were as follow:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	16,800,875	68,631,575	18,905,074	77,832,190
Interest expense	317,810	1,295,076	363,485	1,488,108
Interest paid	(331,196)	(1,349,624)	(384,645)	(1,574,737)
Principal paid	(1,034,987)	(4,217,572)	(1,034,987)	(4,237,237)
Currency translation differences	-	383,329	-	207,745
Balance at end of the period	<u>15,752,502</u>	<u>64,742,784</u>	<u>17,848,927</u>	<u>73,716,069</u>

#### 16. Contract liabilities

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	12,900,000	53,019,000	13,050,000	53,309,250
Current	<u>300,000</u>	<u>1,233,000</u>	<u>300,000</u>	<u>1,225,500</u>
	<u>13,200,000</u>	<u>54,252,000</u>	<u>13,350,000</u>	<u>54,534,750</u>

Contract liabilities are in respect of deferred income arising from lease of land to Chean Chhoeng Thai Group, in which they had prepaid the lease in full at the beginning of the lease. The total consideration is amortised on a straight-line basis over the term of 50 years.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 17. Provision for retirement benefits

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Defined benefits obligation</b>				
Present value of defined benefits obligation	<u>478,274</u>	<u>1,965,706</u>	<u>440,823</u>	<u>1,800,762</u>
<b>Other benefits</b>				
National Social Security Funds	<u>117,960</u>	<u>484,816</u>	<u>122,939</u>	<u>502,206</u>
	<u>596,234</u>	<u>2,450,522</u>	<u>563,762</u>	<u>2,302,968</u>

Movements of the defined benefits obligation during the period were as follows:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	440,823	1,800,762	235,835	970,933
Current service costs (*)	20,965	85,432	12,918	52,886
Interest costs	16,486	67,180	6,858	28,077
Benefits paid	-	-	(832)	(3,406)
Currency translation differences	-	12,332	-	3,748
Balance at end of the period	<u>478,274</u>	<u>1,965,706</u>	<u>254,779</u>	<u>1,052,238</u>

(\*) These amounts were recognised within salaries, wages and related expenses in the condensed interim statement of profit or loss and other comprehensive income.

Movements of the other benefits during the period were as follows:

	For the six-month period ended			
	30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	122,939	502,206	126,188	519,516
Payment	(4,979)	(20,289)	-	-
Currency translation differences	-	2,899	-	1,640
Balance at end of the period	<u>117,960</u>	<u>484,816</u>	<u>126,188</u>	<u>521,156</u>

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 18. Liability arising from joint arrangement

Liability arising from joint arrangement is in respect of the property, plant and equipment arising from the agreement on Investment Cooperation for the development of the multi-purpose terminals between PPAP and PTLs Cooperation Co., Ltd. The details are as follow:

#### Sub-Feeder Multi-purpose Terminal TS11 (“TS11”)

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

#### Sub-Feeder Multi-purpose Terminal UM2 (“UM2”)

On 29 August 2022, PPAP and PTLs entered into another agreement on Investment Cooperation for Development of Sub-Feeder Multi-purpose Terminal UM2 (“UM2”). Pursuant to the agreement, both parties agreed to cooperate in the development of the sub-feeder 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 contribute land for the operation, and PTLs will invest US\$26.5 million for the construction and other supporting facilities for the terminal based on development master plan. Under the terms of agreement, the duration of the cooperation is 40 years, starting from 29 August 2022 to 29 August 2062. PTLs 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, TS11 and UM2. PPAP and PTLs shall share 51% and 49%, respectively, in respect of profit or loss arising from the operation of the terminals.

### 19. Income tax

#### (a) Applicable tax rates

In accordance with Cambodian tax law, the Company has the obligation to pay tax on income (“TOI”) at the rate of 20% of taxable income or minimum tax at 1% of turnover inclusive of all taxes except value-added tax, whichever is higher.

On 5 July 2023, the Company obtained a gold status certificate of tax compliance from the General Department of Taxation (“GDT”) for the fiscal year 2023 and 2024, respectively. As such, the Company is qualified for the exemption of minimum tax during these years.



## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 19. Income tax (continued)

##### (b) Income tax expense

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Current tax at applicable tax rate	1,297,881	5,288,865	1,306,198	5,347,575	790,098	3,223,600	847,122	3,476,589
Change to estimates related to prior period	167,665	683,235	84,368	345,403	-	-	175,147	718,803
Current income tax	1,465,546	5,972,100	1,390,566	5,692,978	790,098	3,223,600	1,022,269	4,195,392
Deferred tax	25,488	103,864	73,940	302,710	11,971	48,842	(13,011)	(53,397)
	<u>1,491,034</u>	<u>6,075,964</u>	<u>1,464,506</u>	<u>5,995,688</u>	<u>802,069</u>	<u>3,272,442</u>	<u>1,009,258</u>	<u>4,141,995</u>

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 19. Income tax (continued)

#### (b) Income tax expense (continued)

The reconciliation of income tax expense shown in the condensed interim statement of profit or loss and other comprehensive income was as follows:

	For the six-month period ended						For the three-month period ended					
	30 June 2024			30 June 2023			30 June 2024			30 June 2023		
	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4)
Profit before tax		5,883,053	23,973,440		6,174,071	25,276,646		3,674,518	14,992,033		3,770,886	15,475,717
Income tax expense at applicable tax rate	20.00	1,176,611	4,794,690	20.00	1,234,814	5,055,329	20.00	734,904	2,998,408	20.00	754,177	3,095,142
Non-deductible expenses	2.83	166,630	679,017	2.35	145,324	594,956	1.81	66,603	271,740	2.12	79,934	328,050
Change to estimates related to prior period	2.85	167,665	683,235	1.37	84,368	345,403	0.00	-	-	4.64	175,147	718,803
Effect of temporary differences	(0.34)	(19,872)	(80,978)	-	-	-	0.02	562	2,294	-	-	-
	25.34	1,491,034	6,075,964	23.72	1,464,506	5,995,688	21.83	802,069	3,272,442	26.76	1,009,258	4,141,995

During the periods, the Company has paid US\$2,513,172 in respect to the tax on income for the fiscal year 2023 and prepayment tax on income for the six-month period ended 30 June 2024 (30 June 2023: US\$3,388,955).

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 19. Income tax (continued)

##### (c) Deferred tax liabilities, net

The deferred tax assets/(liabilities) comprises the following:

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<i>Deferred tax assets:</i>				
Lease liabilities	2,446,892	10,056,726	2,453,060	10,020,750
Contract Liabilities	2,640,000	10,850,400	2,670,000	10,906,950
Impairment losses on financial assets	634,535	2,607,939	484,466	1,979,044
Provision for retirement benefits	119,247	490,106	112,752	460,592
	<u>5,840,674</u>	<u>24,005,171</u>	<u>5,720,278</u>	<u>23,367,336</u>
<i>Deferred tax liabilities:</i>				
Property, plant and equipment	(3,792,669)	(15,587,870)	(3,623,985)	(14,803,979)
Right-of-use assets	(1,731,514)	(7,116,523)	(1,752,137)	(7,157,480)
Lease receivables	(663,122)	(2,725,432)	(665,150)	(2,717,138)
Long-term deposit	(22,485)	(92,413)	(22,634)	(92,459)
	<u>(6,209,790)</u>	<u>(25,522,238)</u>	<u>(6,063,906)</u>	<u>(24,771,056)</u>
Deferred tax liabilities, net	<u>(369,116)</u>	<u>(1,517,067)</u>	<u>(343,628)</u>	<u>(1,403,720)</u>

##### (d) Tax contingencies

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. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 20. Capital commitments

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b>Capital and credit commitments</b>				
<i>In respect of property, plant and equipment:</i>				
Contracted but not yet provided	1,100,812	4,524,337	2,117,855	8,651,438
Letter of credits (*)	<u>782,000</u>	<u>3,214,020</u>	<u>1,487,500</u>	<u>6,076,438</u>
	<u>1,882,812</u>	<u>7,738,357</u>	<u>3,605,355</u>	<u>14,727,876</u>

(\*) On 14 December 2023, the Company entered into a letter of credit ("LC") facility with Foreign Trade Bank ("FTB") amounting to US\$782,000, which will be matured on 2 August 2024, for the purpose of acquiring of property, plant and equipment. The LC was settled on 3 July 2024.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 21. Revenue

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Stevedoring	8,157,038	33,239,930	6,919,655	28,329,068	4,580,239	18,687,375	3,913,004	16,058,968
Lift On Lift Off ("LOLO")	6,085,289	24,797,553	5,572,737	22,814,785	3,434,545	14,012,944	3,123,307	12,818,052
Port dues and charges	2,563,093	10,444,604	2,266,234	9,277,962	1,255,292	5,121,591	1,116,093	4,580,446
Gate fees	544,132	2,217,338	463,444	1,897,340	296,200	1,208,496	262,835	1,078,675
Logistics services	503,244	2,050,719	497,192	2,035,503	453,093	1,848,620	25,799	105,880
Trucking fee	313,825	1,278,837	307,442	1,258,668	130,263	531,473	190,784	782,978
Storage fees	126,638	516,050	279,340	1,143,618	85,152	347,420	149,793	614,750
Weighting fee	18,883	76,948	10,675	43,703	11,716	47,801	6,149	25,235
Stuffing/Unstuffing	8,787	35,807	7,050	28,863	5,687	23,203	3,850	15,800
	<u>18,320,929</u>	<u>74,657,786</u>	<u>16,323,769</u>	<u>66,829,510</u>	<u>10,252,187</u>	<u>41,828,923</u>	<u>8,791,614</u>	<u>36,080,784</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 22. Cost of services

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Depreciation	2,220,297	9,047,710	1,878,197	7,689,339	1,135,519	4,632,918	953,364	3,912,606
Crane charges	1,691,076	6,891,135	1,471,335	6,023,645	967,589	3,947,763	831,924	3,414,216
Salaries and wages	1,336,978	5,448,185	1,233,700	5,050,768	680,832	2,777,795	612,434	2,513,429
Fuel and gasoline	869,386	3,542,748	871,643	3,568,506	386,401	1,576,516	352,832	1,448,023
Maintenance costs	875,741	3,568,645	786,266	3,218,973	534,677	2,181,482	356,951	1,464,927
Barge freight	585,065	2,384,140	72,058	295,006	401,725	1,639,038	49,643	203,735
Logistic costs	5,730	23,350	152,469	624,208	5,730	23,378	-	-
Others	134,588	548,446	128,898	527,708	70,037	285,751	27,446	112,638
	<u>7,718,861</u>	<u>31,454,359</u>	<u>6,594,566</u>	<u>26,998,153</u>	<u>4,182,510</u>	<u>17,064,641</u>	<u>3,184,594</u>	<u>13,069,574</u>

#### 23. Other income

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Rental income	559,344	2,279,327	623,601	2,553,022	278,206	1,135,080	392,395	1,610,389
Others	99,408	405,087	169,909	695,608	50,089	204,364	74,218	304,591
	<u>658,752</u>	<u>2,684,414</u>	<u>793,510</u>	<u>3,248,630</u>	<u>328,295</u>	<u>1,339,444</u>	<u>466,613</u>	<u>1,914,980</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 24. General and administrative expenses

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Salaries and other benefits	2,561,275	10,437,196	2,439,261	9,986,334	1,204,317	4,913,613	1,223,723	5,022,159
Donation	539,177	2,197,146	538,759	2,205,679	256,834	1,047,883	307,789	1,263,166
Depreciation	380,356	1,549,951	351,854	1,440,490	189,640	773,731	175,223	719,115
Utilities and fuel	349,418	1,423,878	325,618	1,333,080	180,260	735,461	162,420	666,572
Business entertainment	149,749	610,227	120,246	492,287	66,957	273,185	77,383	317,580
Board of Directors' fees	123,721	504,163	123,177	504,287	61,773	252,034	61,475	252,293
Repair and maintenance	120,808	492,293	170,568	698,305	65,181	265,938	113,939	467,606
Lease receivable written off	102,452	417,491	-	-	-	-	-	-
Office supplies	94,375	384,578	111,145	455,028	50,534	206,179	60,135	246,794
Other tax expenses	75,920	309,374	53,279	218,124	44,585	181,907	26,349	108,136
Travelling expenses	42,149	171,757	44,613	182,646	24,464	99,813	23,467	96,309
Communication expenses	41,368	168,575	37,632	154,065	19,805	80,804	19,218	78,871
Professional fees	22,500	91,688	14,218	58,208	9,351	38,152	6,567	26,951
Others	165,730	675,350	152,479	624,251	102,646	418,796	75,592	310,229
	<u>4,768,998</u>	<u>19,433,667</u>	<u>4,482,849</u>	<u>18,352,784</u>	<u>2,276,347</u>	<u>9,287,496</u>	<u>2,333,280</u>	<u>9,575,781</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 25. Impairment losses on financial assets

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Impairment losses on trade and other receivables (Note 8)	466,047	1,899,142	140,567	575,481	141,622	577,818	89,127	365,777
Impairment loss on lease receivables (Note 6(b(i)))	284,296	1,158,506	-	-	284,296	1,159,928	-	-
	<u>750,343</u>	<u>3,057,648</u>	<u>140,567</u>	<u>575,481</u>	<u>425,918</u>	<u>1,737,746</u>	<u>89,127</u>	<u>365,777</u>



## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 26. Financial income, net

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<b><i>Finance income</i></b>								
Interest incomes from:								
Other investments and bank balances	570,163	2,323,414	562,659	2,303,526	273,168	1,114,525	275,800	1,131,883
Lease receivables	92,314	376,180	172,724	707,132	46,045	187,864	77,539	318,220
Others	2,462	10,032	2,394	9,801	746	3,044	1,197	4,913
Finance income	<u>664,939</u>	<u>2,709,626</u>	<u>737,777</u>	<u>3,020,459</u>	<u>319,959</u>	<u>1,305,433</u>	<u>354,536</u>	<u>1,455,016</u>
<b><i>Finance cost</i></b>								
Net loss on currencies exchange	20,762	84,605	62,541	256,043	(14,781)	(60,306)	-	-
Interest expenses from:								
Lease liabilities	238,758	972,939	237,367	971,780	117,733	480,351	118,800	487,555
Borrowings	317,810	1,295,076	363,485	1,488,108	156,972	640,446	185,434	761,021
Provision for retirement benefits	16,486	67,180	6,858	28,077	8,242	33,627	3,429	14,073
Others	745	3,036	586	2,399	381	1,554	588	2,413
Finance cost	<u>573,799</u>	<u>2,338,231</u>	<u>608,296</u>	<u>2,490,364</u>	<u>283,328</u>	<u>1,155,978</u>	<u>308,251</u>	<u>1,265,062</u>
Finance cost	<u>594,561</u>	<u>2,422,836</u>	<u>670,837</u>	<u>2,746,407</u>	<u>268,547</u>	<u>1,095,672</u>	<u>308,251</u>	<u>1,265,062</u>
<b>Financial income, net</b>	<u>70,378</u>	<u>286,790</u>	<u>66,940</u>	<u>274,052</u>	<u>51,412</u>	<u>209,761</u>	<u>46,285</u>	<u>189,954</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 27. Earnings per share

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Profit attributable to ordinary equity holders	4,392,019	17,897,476	4,709,565	19,280,958	2,872,449	11,719,591	2,761,628	11,333,722
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.21	0.87	0.23	0.93	0.14	0.57	0.13	0.55
Diluted earnings per share	<u>0.21</u>	<u>0.87</u>	<u>0.23</u>	<u>0.93</u>	<u>0.14</u>	<u>0.57</u>	<u>0.13</u>	<u>0.55</u>

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 28. Dividends

On 27 March 2024, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2023 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to total dividend of KHR1,429,703,000.
- Shareholders in Class B is entitled to total dividend of KHR3,200,000,000.

The dividends were paid on 6 June 2024 after approval from the Company's 9<sup>th</sup> shareholder general meeting on 10 May 2024.

### 29. Related party transactions and balances

#### (a) Identity of related party

For the purposes of these condensed interim financial statements, parties are considered to be related to the Company if the Company 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 the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company have related party relationships with its substantial shareholders and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The key management personnel include all the Directors of the Company, and certain senior management members of the Company.

Key management have relationships with the Company which are entered into in the normal course of business and on substantially the same terms, including warehouse rental, purchase of goods and services, insurance, telephone expense and other expense, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 29. Related party transactions and balances (continued)

##### (b) Significant transactions with related parties

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:								
<i>MEF</i>								
Interest expense	<u>317,810</u>	<u>1,295,076</u>	<u>363,485</u>	<u>1,488,108</u>	<u>156,972</u>	<u>640,446</u>	<u>185,434</u>	<u>761,021</u>
<i>MPWT</i>								
Donation and charities	26,281	107,095	10,552	43,200	10,669	43,530	3,704	15,201
Crane Charge	<u>554,177</u>	<u>2,258,271</u>	<u>460,299</u>	<u>1,884,464</u>	<u>303,764</u>	<u>1,239,358</u>	<u>254,735</u>	<u>1,045,432</u>

## Phnom Penh Autonomous Port

### Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

#### 29. Related party transactions and balances (continued)

##### (c) Significant balances with related parties

	30 June 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:				
<i>MEF</i>				
Borrowing from shareholder (Note 15)	<u>15,752,502</u>	<u>64,742,784</u>	<u>16,800,875</u>	<u>68,631,575</u>
<i>MPWT</i>				
Amount due to a related party (Note 14)	<u>303,764</u>	<u>1,248,470</u>	<u>219,974</u>	<u>898,594</u>

##### (d) Compensation of key management personnel

Key management compensation during the financial periods are as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2024		30 June 2023		30 June 2024		30 June 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Employee benefits	<u>454,547</u>	<u>1,852,279</u>	<u>448,130</u>	<u>1,834,644</u>	<u>237,222</u>	<u>967,866</u>	<u>225,306</u>	<u>924,656</u>

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 30. Financial risk management objectives and policies

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

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

#### (a) Credit risk

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

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

##### *Trade and other receivables*

The Company use an allowance matrix to measure ECLs of trade and other receivables with its loss rates being calculated using a 'roll rate' method.

There is impairment allowance amounting to US\$3,620,823 recognised for trade and other receivables at 30 June 2024 (31 December 2023: US\$3,154,776).

##### *Lease receivables*

The Company measure ECL of lease receivables that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, current conditions, forecasts of future economic conditions, the time value of money and reasonable and supportable information about past events including historical collection and cash shortfalls of its lease receivables.

There is impairment allowance amounting to US\$284,296 recognised for lease receivables at 30 June 2024 (31 December 2023: nil).

#### (b) Liquidity and cash flow risk

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

## **Phnom Penh Autonomous Port**

### **Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024**

#### **30. Financial risk management objectives and policies (continued)**

##### **(b) Liquidity and cash flow risk (continued)**

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

##### **(c) Interest rate risk**

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

The exposure of PPAP to interest rate risk arises primarily from deposits at banks, leases transactions and Borrowings. PPAP manages its interest rate exposure by closely monitoring the debt market. PPAP does not use derivative financial instruments to hedge any debt obligations.

#### **31. Seasonality or cyclicity of operations**

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

#### **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. Contingent liability**

The Company is currently disputing the invoices received from Saab Technologies Bv ("SAAB") with the amount totalling to US\$1,084,498 for the services rendered under the Support and Maintenance contract (contract no. CP20120224) for Integrated Terminal Operation System dated 24 February 2012 and subsequent invoices in relation to the Growth Paths and Maintenance and Support Fee starting from January 2023. The Company has identified certain performance obligations mentioned in the contract have not been fully satisfied. These include the dysfunctional cargo system for booking stuffing and unstuffing service, booking of refer service, booking weight bridge service, and other system bugs. Moreover, there are limited functionalities for the billing system over services such as additional storage fee charge and stuffing-unstuffing charges among others. Furthermore, the Electronic Data Interchange ("EDI") system for contacting with shipping line and customers and Yard View for monitoring over container masterplan function remains incomplete to date.

# Phnom Penh Autonomous Port

## Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2024

### 33. Contingent liability (continued)

On 14 July 2023, the Company has engaged an external legal counsel to conduct the assessment of the claims made by SAAB. Subsequently, the Company has deputed the invoices from SAAB, citing the aforementioned reason. On 12 September 2023, the Company has been notified through a copy of writ of summons that SAAB's legal counsel commenced a lawsuit at Belgian court. The preliminary hearing was set for 12 December 2023 at the Antwerp Court of Enterprises, Belgium. In accordance with the writ of summons, SAAB has claimed a sum of US\$1,281,613, excluding the present summons costs and the court fee, against the Company. On 19 December 2023, the Company has received another letter from Belgian Court instructing them to appear in the hearing on 25 June 2024. On 28 May 2024, the Company received a letter from the Belgian Court, ordering the payment of US\$1,281,613 plus interest at 12% per annum from 2 September 2023 until the settlement date. The Court has granted the Company a 3-month period from the date of the letter to submit an appeal or objection to the Court's decision.

As of the date of this report, the Company denies all allegations of false and misleading facts regarding the claim against the Company initiated by SAAB. Management believes that the amount claim is not equivalent, nor does it reflect to the actual performance obligations being fulfilled by the vendor as at the date of this report.

### 34. Financial instruments – fair values

The Company has not disclosed the fair value information for the financial assets and financial liabilities because their carrying amounts are a reasonable approximation of the fair value.

### 35. Subsequent events

Subsequent to the reporting date, at the Board of Directors meeting on 29 July 2024, the Board of Directors of PPAP resolved in principle to invest 25% in Funan Techo Inland Waterways and Logistics Co., Ltd. for the Funan Techo Canal project. The investment was preliminary approved by the Ministry of Public Works and Transport and subsequently received final approval from the Ministry of Economy and Finance on 2 August 2024. The groundbreaking ceremony for this project was completed on 5 August 2024.

The objective of PPAP's investment is to participate in the first section of the waterways, spanning 21 km of the Funan Techo Canal, and to operate this canal to expand the shipping route from PPAP to both domestic seaports and international destinations.





**ចំណតផែនការពហុបំណងឧស្ម័ន លេខ UM២**

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

**ភូមិឧស្ម័ន យ៉ុងឧស្ម័ន ស្រុកត្បូងឃ្មុំ ខេត្តត្បូងឃ្មុំ**

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

**ចំណតផែនការពហុបំណង លេខ UM១**

Sub-Feeder Multipurpose Terminal UM1

**ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល ឃុំព្រែកអញ្ជាញ ស្រុកមុខកំពូល ខេត្តកណ្តាល**

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

**ចំណតផែនការពហុបំណង TS៣**

Multipurpose Terminal TS3

**#៦៤៩ ផ្លូវវិថីព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ**

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

**ចំណតផែនការដំណើរ និងទេសចរ TS១**

Passenger and Tourist Terminal TS1

**ផ្លូវវិថីព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ**

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

**ចំណតផែនការពហុបំណង លេខ TS១១**

Sub-Feeder Multipurpose Terminal TS11

**ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សង្កាត់អូរម៉ែតលេខ៦ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ**

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

**ចំណតផែនការកុងតឺន័រ លេខ LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ**

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

**ភូមិកណ្តាល ឃុំបន្ទាយដេក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល**

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

**ចំណតផែនការពហុបំណង លេខ LM២៦**

Sub-Feeder Multipurpose Terminal LM26

**ភូមិកោះរកា ឃុំកោះរកា ស្រុកព្រះវិហារ ខេត្តព្រៃវែង**

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

**ទំនាក់ទំនង/ Contact**

Email ppapmpwt@online.com.kh

Tel/Fax +855 23 427 802

Website www.ppap.com.kh

Headquarter's Address #649, Preah Sisowath Street, Sras Chork Commune, Daun Penh District, Phnom Penh

