



ពិធីបញ្ចុះបំបែកសិលា
សាងសង់ប្រារម្ភសកម្មភារកម្មស្តុកទំនិញត្រជាក់
នៅម៉ោងឆ្នាំកុងតឺន័រ LM១៧

THE GROUND BREAKING CEREMONY
OF CROSS-DOCKING AND COLD STORAGE FACILITY
AT CONTAINER TERMINAL LM17

Phnom Penh Autonomous Port

The 1st Quarter Report of 2022

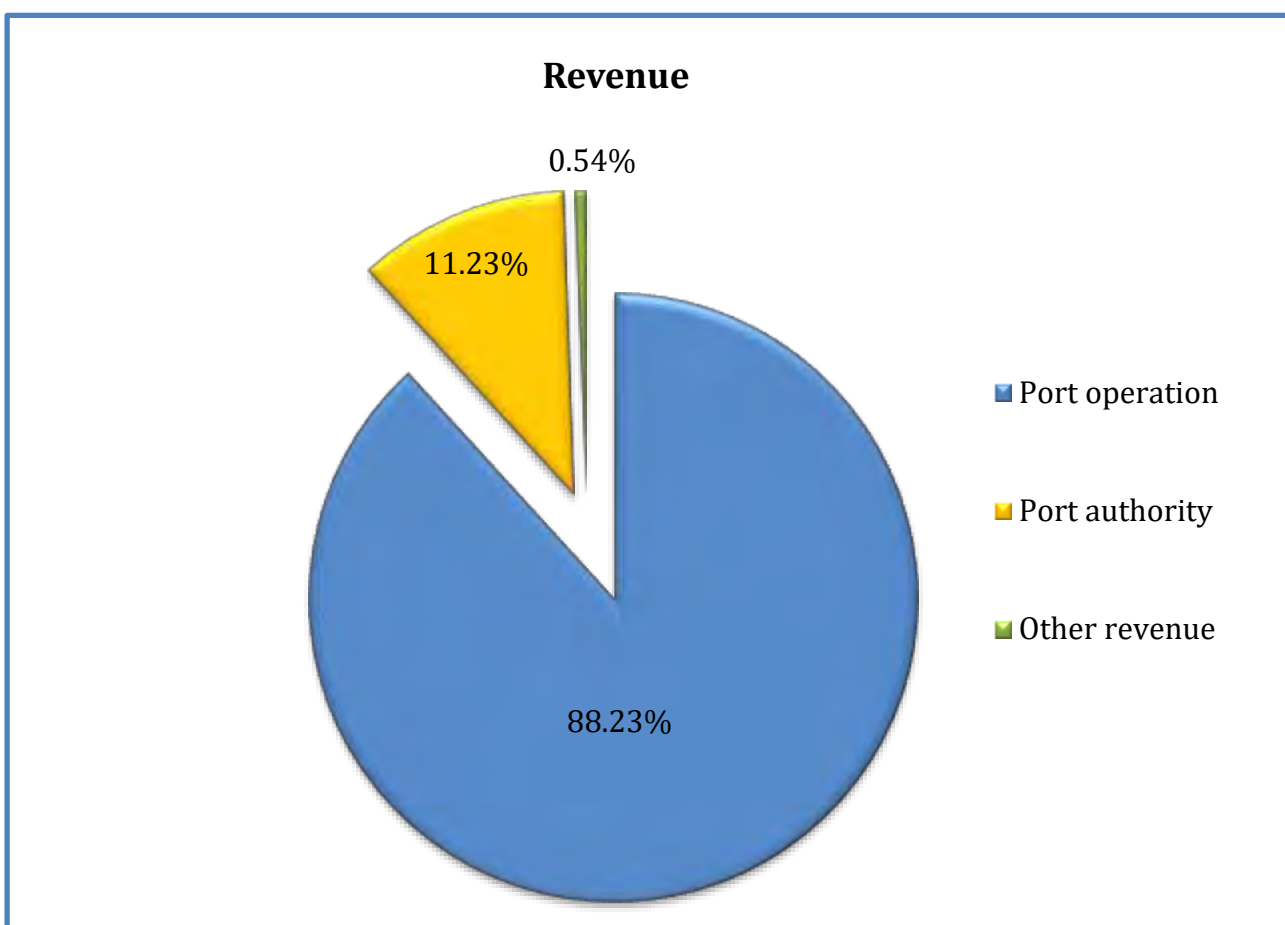
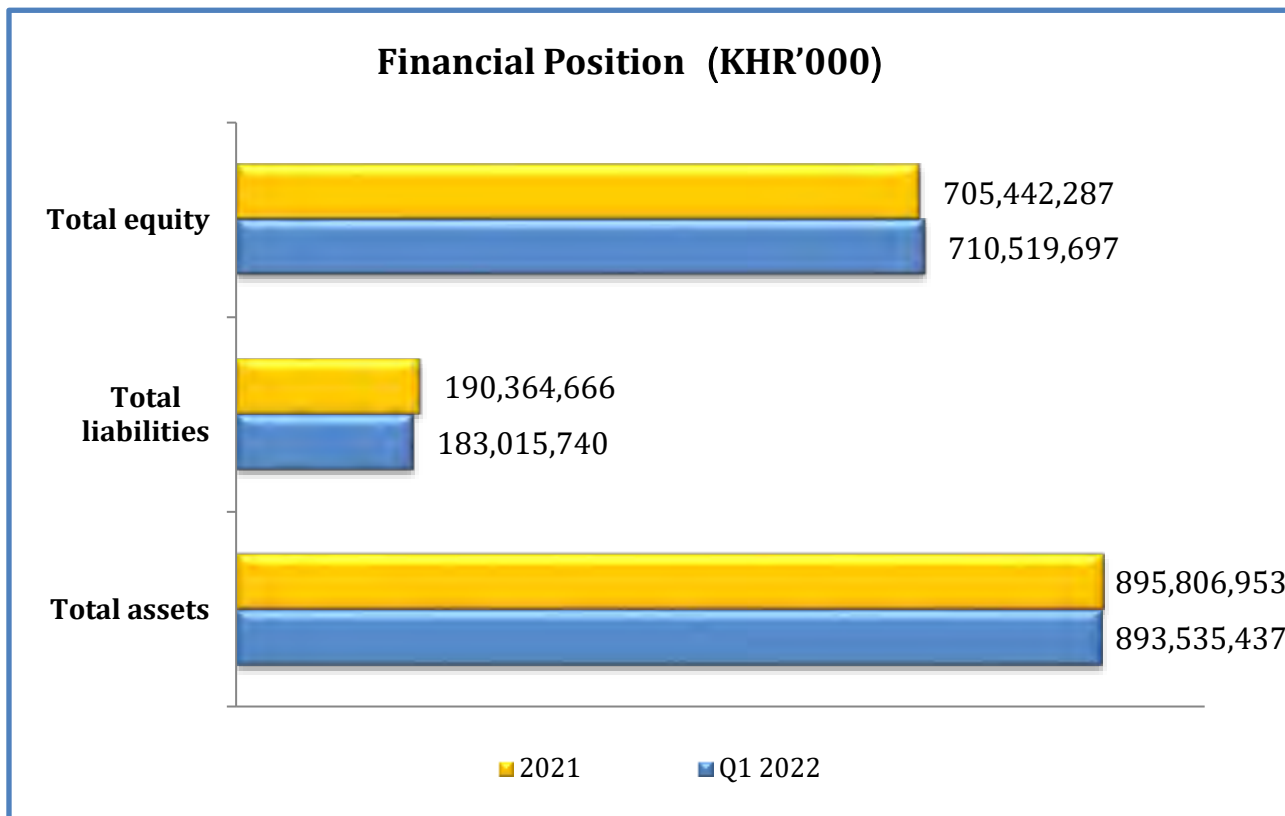
1st Quarterly Report of 2022
(End of 31/March/2022)
Phnom Penh Autonomous Port

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

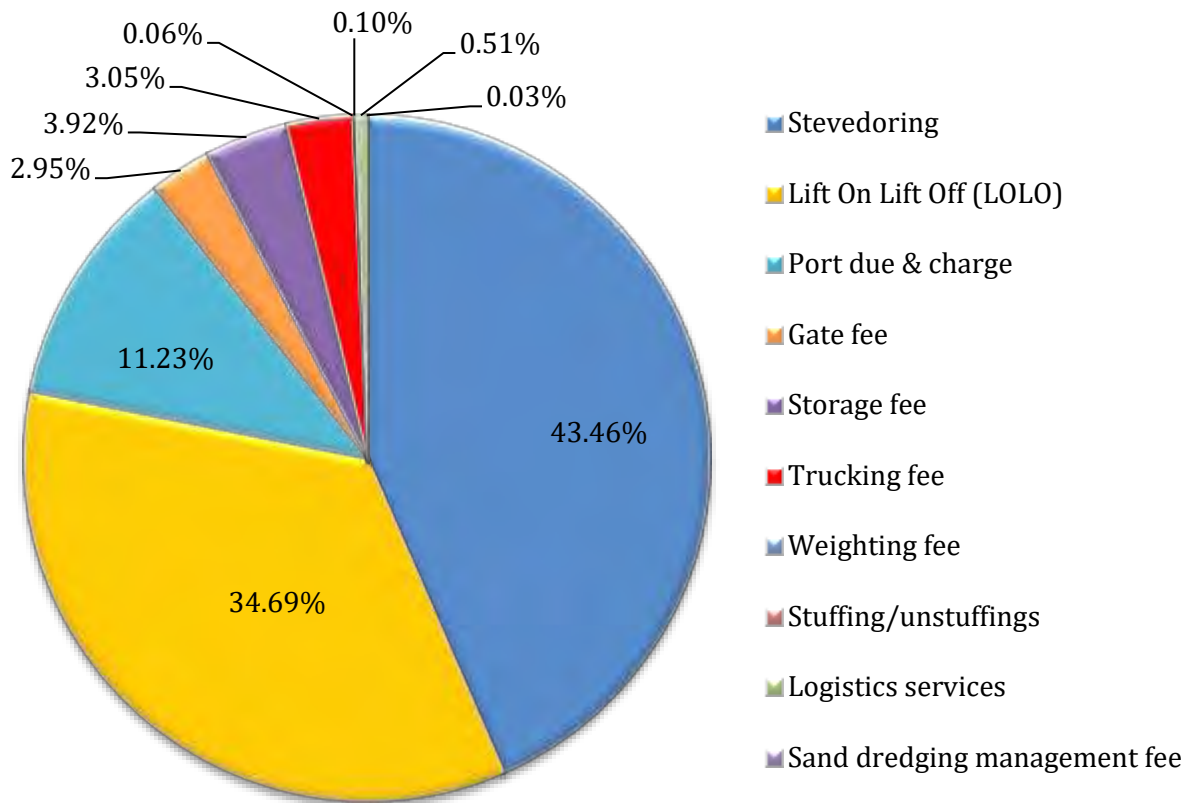
1.1. Financial Highlight

Description		31 March 2022	31 December 2021	31 December 2020
Financial Position (KHR'000)				
Total assets		893,535,437	895,806,953	836,320,710
Total liabilities		183,015,740	190,364,666	184,154,159
Total equity		710,519,697	705,442,287	652,166,551
Profit/(Loss) (KHR'000)		Q1 2022	Q1 2021	Q1 2020
Total revenues		36,295,511	29,083,676	28,411,021
Profit/(Loss) before tax		17,107,228	15,886,404	12,854,416
Profit/(Loss) after tax		13,656,872	13,970,426	9,925,518
Total comprehensive income		13,656,872	13,968,763	9,949,526
Financial Ratios		Q1 2022	31 December 2021	31 December 2020
Solvency ratio (%)		9.57	34.27	28.40
Liquidity ratio	3.48	3.36	3.86	Liquidity ratio
	3.48	3.36	3.86	4.17
		Q1 2022	Q1 2021	Q1 2020
Profitability ratio	1.53	1.63	1.23	Profitability ratio
	1.92	2.11	1.59	2.04
	67.70	68.67	69.70	69.78
	37.63	48.03	35.02	42.25
	660.25	675.33	481.02	609.68
Interest coverage ratio (times)		23.14	19.69	14.45

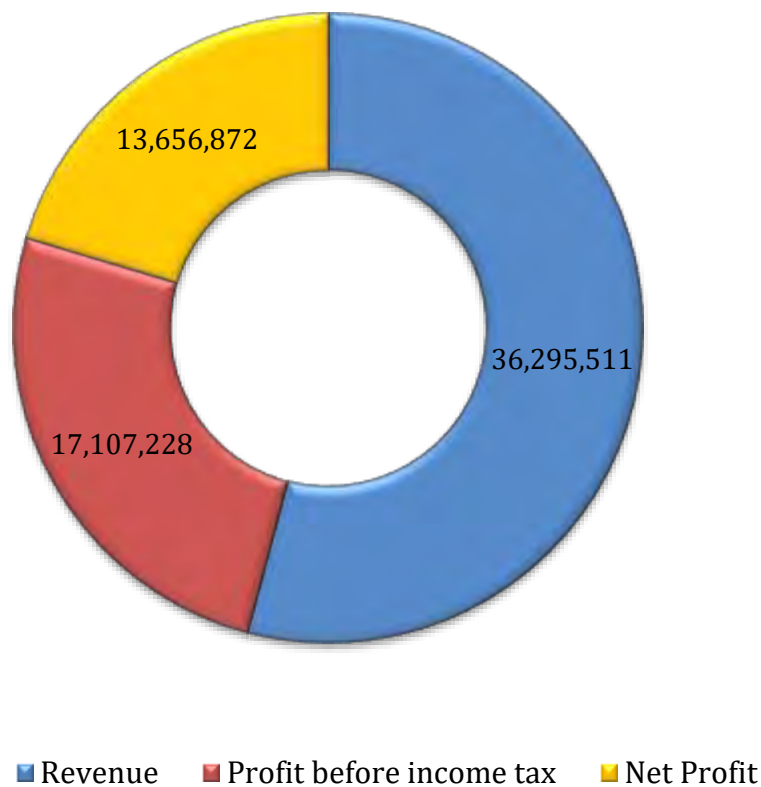
1.2. Graph of Financial Information Highlight (As of 31 March 2022)



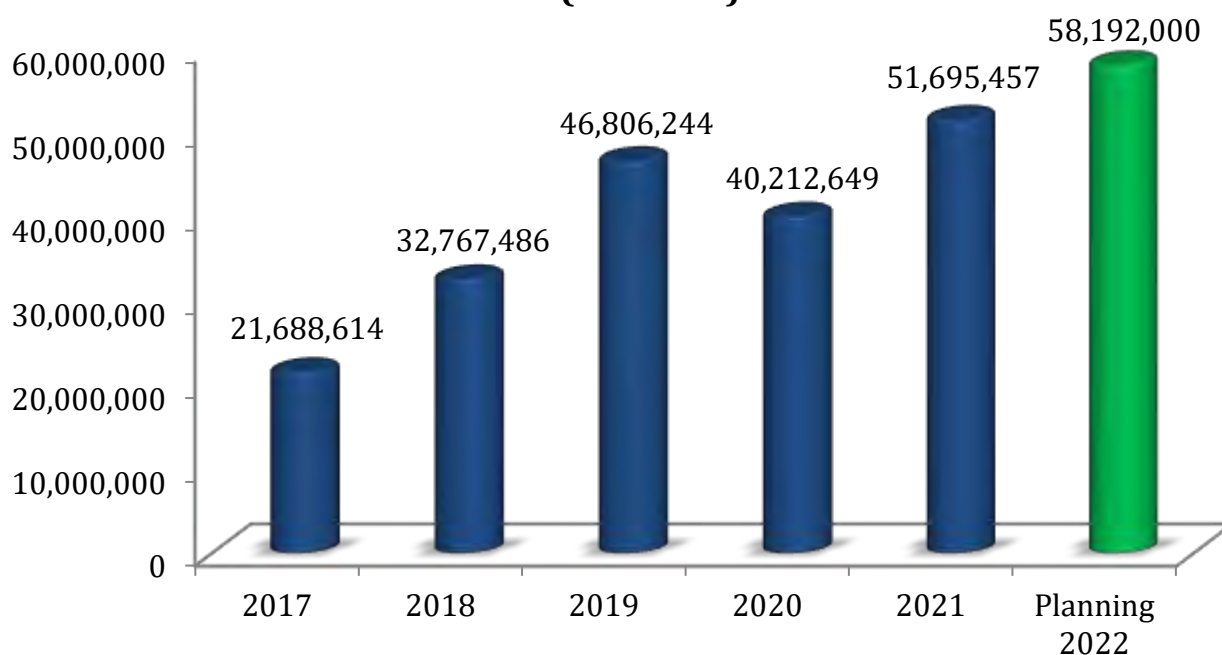
Types of Revenue Distribution Compared to Total Revenues



Net Profit for Q1 2022 (KHR'000)



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

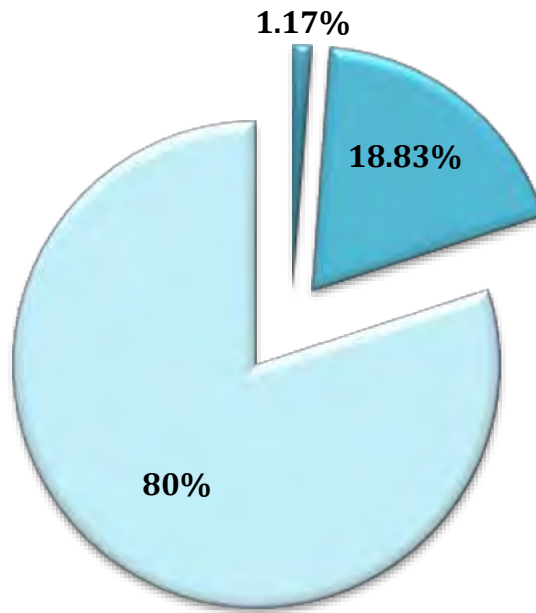


1.3. Stock Ownership (As of 31 March 2022)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	241,814	1,17%
2. Public investors	3,895,059	18,83%
Total Shares of Class A	4,136,873	20%

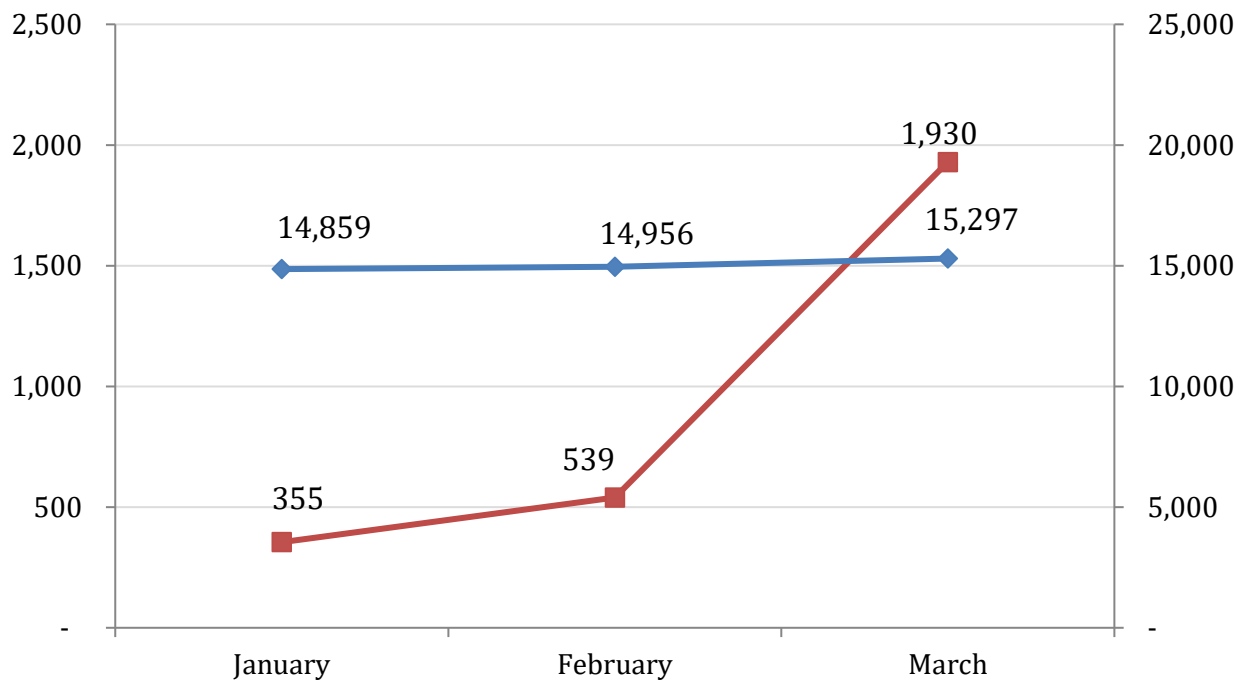
* Total shares of Class A and B 20,684,365.

Shareholder Class A and B



■ ESOP ■ Public investors ■ Government represented by MEF

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



■ Average Trading Volume (Share) ◆ Average Trading Price (Riel)

2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



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



Mr. Gui Anvanith
Member (Independent
Director)



Mr. Dith Sochal
Member (Non-Executive
Director, Rep. of Private
Shareholders)



Mr. Yim Choeurn
Member (Rep. of PPAP
Employees)

3. Message from Chairman and CEO

For the first quarter 2022, total revenue is KHR 36,295,511,000 (USD 8,933,180) achieved 24.82% of planning 2022 and compared to the first quarter 2021 increased by KHR 7,211,835,000 (USD 1,767,948) or 24.80%. However, net profit in the first quarter 2022 is KHR 13,656,872,000 (USD 3,361,278) reached 23.47% of planning 2022 and compared to first quarter 2021 decreased by KHR 313,544,000 (USD 80,563) or 2.24%. Apart from this, basic earnings per share in first quarter 2022 is 660.25 Riels (USD 0.16).

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

A. The Direction of main work implementation of PPAP

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

B. The Work Implementation of Board of Directors (BoD)

For the 1st Quarter of 2022, the Board of Directors attended 3 meetings and achieved the following results:

i. The 13th meeting of the 7th mandate on February 2nd, 2022

- Reviewed and discussed the case of Chean Chhoeug Thai Group's debt of 4,731,376 USD (as of December 31, 2021) and the amount of 126,501 USD (as of January 10th, 2022)
- Reviewed and approved Mekong Oryza Trading Company to transfer the leasing rights of the land leased from PPAP to PTLs Cooperation Co., Ltd. with the rights and obligations and all conditions set out in the original contract, PTLs Cooperation Co., Ltd. must ensure to continued the implementation

ii. The 14th meeting of the 7th mandate on March 10th, 2022

- Reviewed and approved on result of business/services performance of 2021
- Reviewed and discuss on the mandate renewal of PPAP Board of Directors
- Reviewed and approved the request for investment cooperation with PTL S COOPERATION CO., LTD to develop the UM1 sub-feeder multi-purpose terminal of PPAP following the principles achieved on TS11 sub feeder multi-purpose terminal investment cooperation
- Approved for PPAP to register LM17 container terminal as a branch and also register for other sub feeders multi-purpose terminals when starting the operation
- Decided that the Customs and Excise Department of Phnom Penh International Port should ask for review and decision from the Ministry of Economy and Finance on the request to waive the container storage fee at PPAP
- Checked and discussed on the construction of a new 16-meter x 149-meter port bridge, which is in the project to expand the port infrastructure, Phase 3, Phase 2, at LM17, and cooperation with the private sector on the installation of 3 FCCs
- Checked and decided on the deposit of 5 million USD as a fixed deposit to replenish the 15 million USD at FTB Bank and request to use Overdraft in case of need
- Checked and approved on the financial report of 2021
- Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2021
- Checked and discussed on the plan of dividend distribution to shareholders (class A and class B) for 2021
- Checked and approved on the organization of PPAP's 7th General Shareholder Meeting
- Checked and discussed the request for 50% fee waiver for 2021 and 50% fee waiver for 2022 of 9.3-hectare ICD container land of Yunnan Sheng Mao Investment (Cambodia).

C. Setting the Goal for 2022

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

- Strengthen the human resource development
- Enhance the establishment of logistics center, modern warehouse and cold warehouse
- Enhance the establishment of supporting areas for port
- Enhance the establishment of barge operators to other hub ports beside Cai Mep
- Enhance the import of second hand cargoes through PPAP
- Continue to focus on the installation of the modern facilities to strengthen the capacity of handling equipment at Container Terminal LM17
- Improve the capacity of handling of the bulk cargoes and establish the terminal for the bulk cargoes

- Modernize and expand the Passenger and Tourist Terminal (TS3 and TS1)
- Enhance the establishment of multi-purposed terminal along the rivers
- Strengthen the capacity of handling of agricultural products along the terminals of the provinces located in upper Mekong River
- Maintain the navigation and dredge the Sdao Canal to facilitate the transportation of cargoes between the northeastern provinces and Phnom Penh via Mekong River and the Cambodia-Vietnam border
- Continue to promote the service of inland transportation of container between Container Terminal LM17 of PPAP and the customers' factories/ warehouses or vice-versa
- Continue to promote package services for cold fruit export via Container Terminal LM17 of PPAP.

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

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

Phnom Penh, 12th May 2022
Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP


A. Identity of PPAP

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

In Latin : PHNOM PENH AUTONOMOUS PORT (PPAP)

 **Standard Code** : KH1000040001

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

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

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

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

Date: November 23rd, 2004

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

Date : January 5th, 2015

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

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

B. Nature of Business

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

1. Operation as Port Operator

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

4. Port Commercial Zone

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

4.1 Terminals are in operation

4.1.1 Container Terminal LM17

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

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	379,216.55 m²
Registered land size	378,367 m²
Size of the processing land title	849.55 m²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)

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

4.1.2 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 is renovating this terminal to be an international passenger cruises and tourist terminal.

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Actual land size	48,438.76 m ²
Register land size*	32,854 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to +0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Crawler crane, and Floating crane

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

4.1.3. Sub-feeder Multipurpose Terminal UM2

In order to improve stevedoring operation of Subfeeder Multipurpose Terminal UM2 to be more effective, productive and attracting customers to use Subfeeder 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-insdustry from the south downtown to Vietnam country. Subfeeder Multipurpose Terminal UM2 play an important role in order to gathering the inland waterway transportation and cargo trading. Currently PPAP have developed the Subfeeder Multipurpose Terminal UM2 by constructing quay 12m x 46,9m and Phase I container yard.

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Registered Land Size	160,725 m ²
Berth	1 (a floating pontoon with a size of 15m x 42m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7days/24rs
Handling equipment	Mobile crane, Floating crane, Conveyer

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 1st Quarter of 2022, the total of 15,789 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

Address	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap and approximately 2km from conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
Actual land size	6,676 m ²
Registered land size*	1,699 m ²

Berth	2
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Two pontoons and a bridge connecting them to the shore.

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. Terminal which are planned to develop at the future

4.2.1. Sub-Feeder Multipurpose Terminal TS11 (KM6)

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

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

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

4.2.2. Sub-Feeder Multipurpose Terminal Koh Roka LM26

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

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

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

Address	Koh Roka commune, Peam Chor District, Prey Veng Province.
Terminal location	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
Total land size	115,560 m2s
Registered land size	105,192 m2s
Size of the processing land title	10,386 m2s
Anchorage	The anchorage si available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer)

C. Quarter's Key Events

As of 1st Quarter of 2022, 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 third quarter of 2020

1. Catalog of Passenger Goods

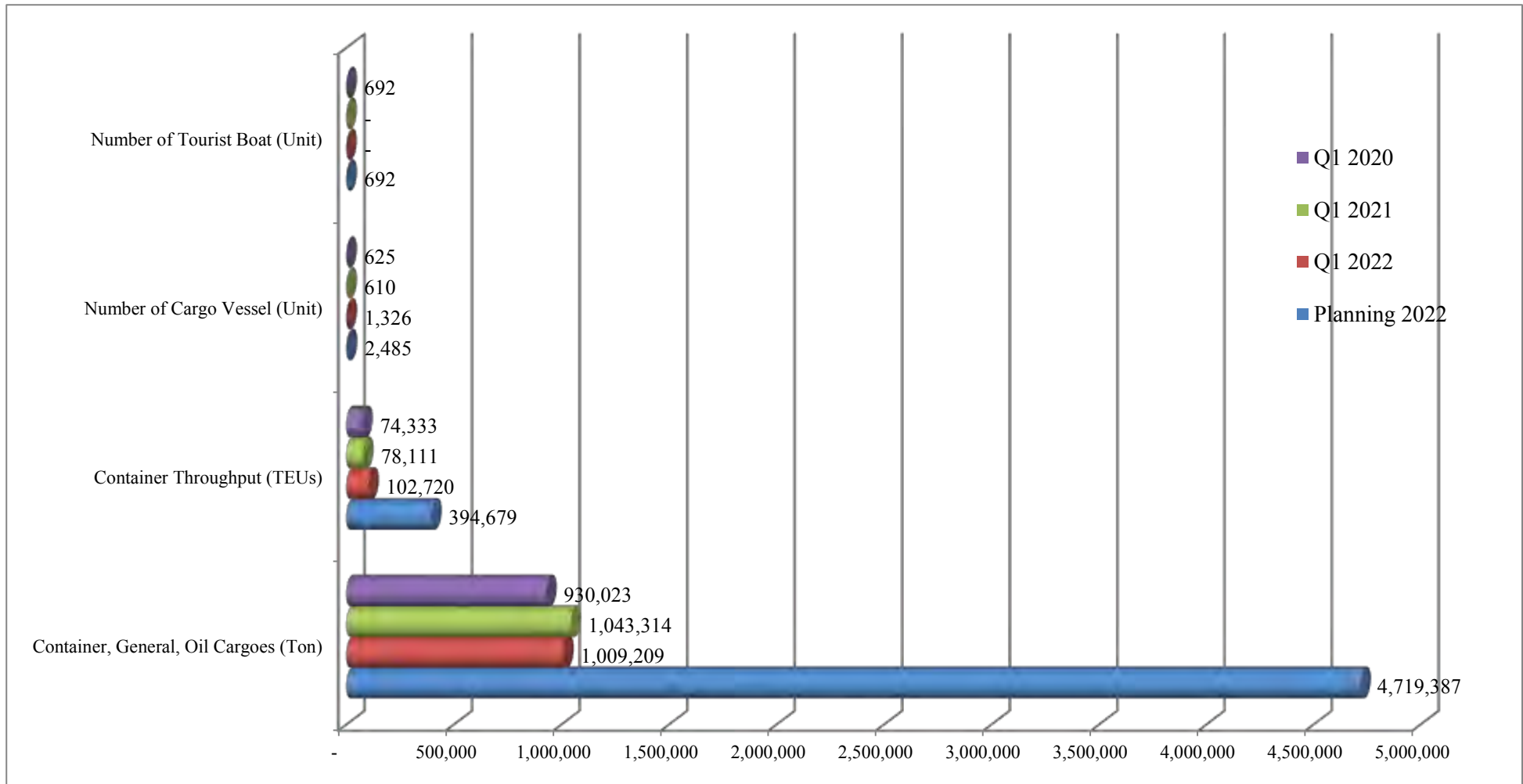
No.	Description	Unit	Planning 2022	Q1			Compare (%)	Up/Down (%)	
				2022	2021	2020			
A	B	C	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,719,387</u>	<u>1,009,209</u>	<u>1,043,314</u>	<u>930,023</u>	21.38%	-3.27%	+12.18%
	A- Container Throughput	-	<u>2,736,695</u>	<u>538,794</u>	<u>490,442</u>	<u>492,789</u>	19.69%	+9.86%	-0.48%
	- Imported Container Cargo	-	1,755,624	246,632	280,733	303,778			
	- Exported Container Cargo	-	981,071	292,162	209,709	189,011			
	B - Mobile General Cargo Handling	-	<u>960,641</u>	<u>209,362</u>	<u>269,385</u>	<u>214,808</u>	21.79%	-22.28%	+25.41%
	- Inside Port	-	68,161	6,900	16,479	11,153			
	- Inside Port	-	892,480	202,462	252,906	203,655			
	C - Imported Oil & Gas	-	<u>1,022,051</u>	<u>261,054</u>	<u>283,487</u>	<u>222,426</u>	25.54%	-7.91%	+27.45%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>394,679</u>	<u>102,720</u>	<u>78,111</u>	<u>74,333</u>	26.03%	+31.51%	+5.08%
	- Laden Cargo	-	281,755	66,835	59,334	51,951			
	- Empty Cargo	-	112,924	35,885	18,777	22,382			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,697,336</u>	<u>748,155</u>	<u>759,827</u>	<u>707,597</u>	20.23%	-1.54%	+7.38%
	- General Cargo	-	960,641	209,362	269,385	214,808			
	- Container Throughput	-	2,736,695	538,794	490,442	492,789			

No.	Description	Unit	Planning 2022	Q1			Compare (%)	Up/Down (%)	
				2022	2021	2020			
A	B	C	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,485</u>	<u>1,326</u>	<u>610</u>	<u>625</u>	53.36%	+117.38%	-2.40%
	- Foreign Vessels and Barge	-	1,044	1,166	445	474			
	- Cambodian Vessels and Barge	-	843	-	-	-			
	- Oil Vessels and Tanker	-	598	160	165	151			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,915</u>	<u>2,812</u>	<u>432</u>	<u>570</u>	146.84%	+550.93%	-24.21%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	1,915	2,812	432	570			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>21,348</u>	<u>15,789</u>	<u>5,585</u>	<u>1,922</u>	73.96%	+182.70%	+190.58%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	21,348	15,789	5,585	1,922			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>692</u>	-	-	<u>692</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	440	-	-	440			
	- Cruise Boat	-	252	-	-	252			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>18,334</u>	-	-	<u>18,334</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	8,601	-	-	8,601			
	- Tourist on Cruise Boat	-	9,733	-	-	9,733			

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

- 📊 Cargo-fuel and gas throughput in Q1 2022: 1,009,209 Tons, decreased by 3.27% compared to Q1 2021 (1,043,314 Tons). For Q1 2022, PPAP has accomplished 21.38% compared to planning 2022 (4,719,387 Tons)
- 📊 Cargo vessels throughput in Q1 2022: 1,326 Units, increased by 117.38% compared to Q1 2021 (610 Units). For Q1 2022, PPAP has accomplished 53.36% compared to planning 2022 (2,485 Units)
- 📊 International passengers and tourist cruises throughput via Cambodia-Vietnam in Q1 2022: 0 Voyages, equal by 0.00% compared to Q1 2021 (0 Voyages). For Q1 2022, PPAP has accomplished 0.00% compared to planning 2022 (692 Units)
- 📊 Containers throughput in Q1 2022: 102,720 TEUs, increased by 31.51% compared to Q1 2021 (78,111 TEUs). For Q1 2022, PPAP has accomplished 26.03% compared to planning 2022 (394,679 TEUs)
- 📊 The number of international passengers and tourists throughput via Cambodia-Vietnam in Q1 2022: 0 Passengers, equal by 0.00% compared to Q1 2021 (0 Passengers). For Q1 2022, PPAP has accomplished 0.00% compared to planning 2022 (18,334 Passengers).

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



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

❖ **Sand Dredging Management**

- 📌 Maintenance and Restoration of Sdao navigation canal to facilitate navigation
- 📌 Implemented a project to repair and maintain airbags and navigation signs from Koh Longvek to the Tonle Sap Lake along the Tonle Sap River Phnom Penh-Chhnuk Trou
- 📌 Determined the location of 5 navigation balloon study points along the Upper Mekong and Tonle Sap rivers to provide to the Ministry of Public Works and Transport
- 📌 In the first quarter 2022, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 58,336 cubic meters.

❖ **The construction of port infrastructure**

- 📌 Construction of 16m × 40m container truck scanning plant at container terminal LM17 is 70,17% completed.
- 📌 Construction of the third gate in the purpose of supporting the phase IV container yard at the container terminal LM17 is 16% completed.
- 📌 Construction of 3 trestle bridges and pontoons (15m x 42m, heigh 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal is 70% completed.
- 📌 Construction of Drainage work, concrete field and dam at the sub-feeder multipurpose terminal LM26 is 54,62% completed
- 📌 Construction of Quay, foundations of FCC, 50m of river bank, 2 dolphins at sub-feeder multipurpose terminal UM2 is 57,35% completed
- 📌 Filling and compacting of 5,495 cubic meters Brittle stones at the sub-feeder multipurpose terminal UM2 is 100% completed.

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

- 📌 Purchased 48 Sim Card Module to use internet on RDT
- 📌 Preparing the order for purchasing of machinery according to the 2022 plan as follows:
 - RTG 04 Units
 - Terminal Tractors 10 Units
 - Trailers 10 Units
 - Boat 01 Unit

B- Revenue Structure

Source of Revenue	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		1 st Quarter for the Period Ended 31 March 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	15,773,066	43.46%	12,814,531	44.06%	11,307,826	39.80%
Lift On Lift Off (LOLO)	12,590,680	34.69%	10,531,936	36.21%	9,934,332	34.97%
Port due & charge	4,075,579	11.23%	3,591,752	12.35%	4,585,170	16.14%
Gate fees	1,069,975	2.95%	765,044	2.63%	724,639	2.55%
Storage fees	1,422,733	3.92%	606,593	2.09%	1,059,111	3.73%
Weighting fees	10,775	0.03%	-	0.00%	446,874	1.57%
Stuffing/unstuffings	1,108,752	3.05%	388,946	1.34%	250,571	0.88%
Trucking fees	21,969	0.06%	8,605	0.03%	1,089	0.00%
Logistic Service	36,161	0.10%	61,494	0.21%	37,398	0.13%
Sand dredging management fee	185,821	0.51%	314,775	1.08%	64,011	0.23%
Total:	36,295,511	100%	29,083,676	100%	28,411,021	100%

PART3

**Financial Statements Reviewed by
the External Auditor**

Registration No:
Co.7175 Et/2004

**PHNOM PENH AUTONOMOUS PORT
(INCORPORATED IN CAMBODIA)**
**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED 31 MARCH 2022**

Registration No:
Co.7175 Et/2004


PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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Registration No:
Co.7175 Et/2004

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed statement of financial position of Phnom Penh Autonomous Port ("PPAP") as at 31 March 2022, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and condensed notes to the interim financial information (collectively known as "Condensed Interim Financial Information") are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. 

For and on behalf of the board of Directors,



Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: *11 May 2022*


Ms. Chheav Vanthea
Head of Accounting/Finance
Department

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Autonomous Port ("PPAP") as at 31 March 2022, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and condensed notes to the interim financial information (collectively known as "Condensed Interim Financial Information"). The Directors of PPAP are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Information of PPAP is not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.


BDO (Cambodia) Limited

Phnom Penh, Cambodia
Date: 11 May 2022

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Unaudited 31 March 2022		Audited 31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	104,658,589	423,867,285	103,328,375	420,959,800
Right-of-use assets	5	3,635,859	14,725,229	3,660,992	14,914,881
Investment properties	6	84,614,036	342,686,846	84,626,863	344,769,840
Lease receivables	5	4,293,032	17,386,780	4,296,588	17,504,300
Other receivable	7	70,289	284,670	67,585	275,341
Deferred tax assets	8	95,385	386,309	140,376	571,892
		<u>197,367,190</u>	<u>799,337,119</u>	<u>196,120,779</u>	<u>798,996,054</u>
Current assets					
Trade and other receivables	7	7,891,188	31,959,311	5,134,521	20,918,039
Lease receivables	5	14,017	56,769	13,886	56,572
Cash and bank balances	9	15,353,639	62,182,238	18,614,700	75,836,288
		<u>23,258,844</u>	<u>94,198,318</u>	<u>23,763,107</u>	<u>96,810,899</u>
TOTAL ASSETS		<u>220,626,034</u>	<u>893,535,437</u>	<u>219,883,886</u>	<u>895,806,953</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	10	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	11	155,502	622,008	155,502	622,008
Reserves	12	57,466,697	232,740,123	45,861,380	186,839,262
Retained earnings		3,361,278	13,656,872	12,686,797	51,686,011
Currency translation difference		-	5,686,754	-	8,481,066
TOTAL EQUITY		<u>175,436,962</u>	<u>710,519,697</u>	<u>173,157,164</u>	<u>705,442,287</u>
LIABILITIES					
Non-current liabilities					
Other payable	13	35,145	142,337	33,793	137,673
Borrowings	14	17,594,780	71,258,859	18,629,767	75,897,671
Provision for retirement benefits	15	572,589	2,318,985	555,829	2,264,447
Lease liabilities	5	6,731,843	27,263,964	6,778,885	27,617,177
Contract liabilities	16	13,575,000	54,978,750	13,650,000	55,610,100
		<u>38,509,357</u>	<u>155,962,895</u>	<u>39,648,274</u>	<u>161,527,068</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

	Note	Unaudited 31 March 2022		Audited 31 December 2021	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	13	3,589,586	14,537,823	2,393,907	9,752,778
Borrowings	14	2,069,974	8,383,395	2,069,974	8,433,074
Lease liabilities	5	9,349	37,863	9,261	37,729
Contract liabilities	16	300,000	1,215,000	300,000	1,222,200
Current tax liabilities		710,806	2,878,764	2,305,306	9,391,817
		<u>6,679,715</u>	<u>27,052,845</u>	<u>7,078,448</u>	<u>28,837,598</u>
TOTAL LIABILITIES		<u>45,189,072</u>	<u>183,015,740</u>	<u>46,726,722</u>	<u>190,364,666</u>
TOTAL EQUITY AND LIABILITIES		<u>220,626,034</u>	<u>893,535,437</u>	<u>219,883,886</u>	<u>895,806,953</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Note	Three-month period ended			
		Unaudited		Unaudited	
		31 March 2022 ⁽¹⁾		31 March 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Revenue	18	8,933,180	36,295,511	7,165,232	29,083,676
Cost of services	19	(2,885,318)	(11,723,047)	(2,244,724)	(9,111,335)
Gross profit		6,047,862	24,572,464	4,920,508	19,972,341
Other income	20	565,066	2,295,863	952,810	3,867,454
General and administrative expenses	21	(2,140,462)	(8,696,699)	(1,678,494)	(6,813,011)
Operating profit		4,472,466	18,171,628	4,194,824	17,026,784
Finance costs	22	(261,974)	(1,064,400)	(280,951)	(1,140,380)
Profit before tax		4,210,492	17,107,228	3,913,873	15,886,404
Taxation	23	(849,214)	(3,450,356)	(472,032)	(1,915,978)
Profit for the financial period		3,361,278	13,656,872	3,441,841	13,970,426
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		-	-	(410)	(1,663)
Total comprehensive income for the financial period		3,361,278	13,656,872	3,441,431	13,968,763
Earnings per share					
Basic	24	0.16	0.66	0.17	0.68
Diluted	24	0.16	0.66	0.17	0.68

Notes:

(1) *The Condensed Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2022	114,453,485	155,502	45,861,380	12,686,797	-	173,157,164
Profit for the financial period, representing total comprehensive income for the financial period	-	-	-	3,361,278	-	3,361,278
Transactions with owners						
Transfer to reserves	12	-	11,605,317	(11,605,317)	-	-
Dividends	25	-	-	(1,081,480)	-	(1,081,480)
Total transactions with owners	-	-	11,605,317	(12,686,797)	-	(1,081,480)
Balance as at 31 March 2022⁽²⁾	114,453,485	155,502	57,466,697	3,361,278	-	175,436,962
<i>(KHR'000 equivalent)</i>	<i>457,813,940</i>	<i>622,008</i>	<i>232,740,123</i>	<i>13,656,872</i>	<i>3,686,754</i>	<i>710,519,697</i>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

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

Notes:

(1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Note	Unaudited			
		Three-month period ended			
		31 March 2022 ⁽¹⁾		31 March 2021 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	
Cash flows from operating activities					
Profit before tax		4,210,492	17,107,228	3,913,873	15,886,404
Adjustments for:					
Depreciation of property, plant and equipment	4	913,392	3,711,112	732,698	2,974,021
Depreciation of investment properties	6	12,827	52,116	15,769	64,006
Depreciation of right-of-use assets		25,133	102,115	25,133	102,015
Finance costs		260,622	1,058,907	279,651	1,135,103
Impairment/(Reversal of impairment) loss on receivables		374,191	1,520,338	(344,700)	(1,399,137)
Interest income		(260,957)	(1,060,268)	(333,943)	(1,355,474)
Net of unwinding effect of long term deposit		(1,352)	(5,493)	(1,299)	(5,273)
Retirement benefit obligation expenses	15	22,207	90,227	25,600	103,910
Operating profit before changes in working capital		5,556,555	22,576,282	4,312,782	17,505,575
Changes in working capital					
Trade and other receivables		(3,060,834)	(12,436,169)	259,199	1,052,088
Trade and other payables		334,880	1,360,617	615,549	2,498,514
Contract liabilities		(75,000)	(304,725)	(75,000)	(304,425)
Cash generated from operations		2,755,601	11,196,005	5,112,530	20,751,752
Tax paid		(2,398,723)	(9,746,012)	(2,040,649)	(8,282,994)
Retirement benefit obligation paid	15	(5,447)	(22,131)	(4,735)	(19,219)
Net cash from operating activities		351,431	1,427,862	3,067,146	12,449,539
Cash flows from investing activities					
Purchase of property, plant, and equipment	4	(2,243,606)	(9,115,771)	(2,080,258)	(8,443,767)
Interest received		194,359	789,681	273,391	1,109,694
Withdrawal of fixed deposits		1,000,000	4,063,000	-	-
Net cash used in investing activities		(1,049,247)	(4,263,090)	(1,806,867)	(7,334,073)

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

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

	Note	Unaudited Three-month period ended			
		31 March 2022 ⁽¹⁾		31 March 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Interest paid		(413,995)	(1,682,062)	(455,394)	(1,848,444)
Payment for lease liabilities		(114,263)	(464,251)	(15,506)	(62,939)
Repayments of borrowings		(1,034,987)	(4,205,152)	(1,034,987)	(4,201,012)
Net cash used in financing activities		(1,563,245)	(6,351,465)	(1,505,887)	(6,112,395)
Net decrease in cash and cash equivalents					
Cash and cash equivalents at beginning of financial period		6,614,700	26,948,288	2,683,841	10,856,137
Currency translation differences		-	(129,357)	-	3,444
Cash and cash equivalents at end of financial period	9	<u>4,353,639</u>	<u>17,632,238</u>	<u>2,438,233</u>	<u>9,862,652</u>

Notes:

(1) *The Condensed Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were reviewed but not audited.*

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
31 MARCH 2022

1. CORPORATE INFORMATION

Phnom Penh Autonomous Port (“PPAP”) was registered under the Sub-Decree number 51 អន្តរា on 17 July 1998 as a state-owned public enterprise supervised by the Ministry of Economy and Finance (“MEF”) and the Ministry of Public Works and Transport (“MPWT”). PPAP was listed on the Cambodia Securities Exchange on 9 December 2015 with the security certificate number 003 CSX/SC and became a state-owned public enterprise offering shares to the public.

The registered office and principal place of business of PPAP is located at No. 649, Preah Sisowat Quay, Sangkat Sras Chork, Khan Duan Penh, Phnom Penh, Kingdom of Cambodia.

The condensed interim financial information are presented in United States Dollar (“US\$”), which is also PPAP’s functional currency. Additional disclosures are also made in Khmer Riel (“KHR”) to meet the requirement of the Law on Accounting and Auditing. PPAP uses the following official closing and average rates of exchange for the translation:

		Closing rate	Average rate
31 March 2022	US\$1 =	KHR4,050	KHR4,063
31 December 2021	US\$1 =	KHR4,074	KHR4,068
31 March 2021	US\$1 =	KHR4,045	KHR4,059

These convenience translations should not be constructed as representations that the United States Dollars amounts have been, could have been, or could be in the future be, converted into Khmer Riel at this or any other rate of exchange.

The condensed interim financial information was authorised for issue by the Board of Directors on 11 May 2022.

2. PRINCIPAL ACTIVITIES

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

- Provide pilotage navigating the vessel entering into or departing from port;
- Provide vessel’s berth;
- Provide a location for vessel repairing and fuel refilling;
- Provide dredging service and maintain navigation channel;
- Monitor operation according to technical standard and ensure safety, environmental sustainability, and orders in the port’s commercial zone;
- Check ship documents in order to complete the formalities for vessel entering into-departing from the port;
- Train human resources in navigation and port sector through the Cambodia Maritime Institute;
- Develop port infrastructure through cooperation with the domestic and foreign development partners in order to expand container terminal, general/bulk cargo terminal, feeder port, and passenger/tourist terminal;
- Establish port supporting areas, including special economic zone, industrial zone, agricultural products procession zone and logistics zone;
- Take various measures in order to ensure the enforcement of laws and legal norms related to port and means of water transportation;
- Lift on- lift off (“LOLO”), load-unload, and store cargo;
- Transport goods within port area, between the port and industrial area;
- Provide bonded warehouse service, temporary customs warehouse service and container yard;
- Provide tug-boat assistance and mooring-unmooring service;
- Provide logistics supply, pure water, and hygiene service to vessel;
- Provide container stuffing-unstuffing service;

2. PRINCIPAL ACTIVITIES (continued)

- Provide container repair and maintenance service;
- Provide tourist/passenger terminal and domestic port service; and
- Operate other business of any kinds authorised by the laws and legal norms in force to support the growth of PPAP.

3. BASIS OF PREPARATION

The interim financial report is unaudited and has been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 and the accompanying explanatory notes attached herein.

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

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2021 except for the adoption of the following amendments:

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

Annual Improvements to CIFRS Standards 2018 - 2020

The annual improvement amend the following standards:

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

Amendments to CIFRS 3 *Reference to the Conceptual Framework*

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

3. BASIS OF PREPARATION (continued)

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

The amendments to CIAS 16 *Property, Plant and Equipment* prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, the proceeds from selling such items, and the cost of producing those items, is recognised in profit or loss.

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

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

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

	Effective Date
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
<i>Initial Application of CIFRS 17 and CIFRS 9 - Comparative Information</i> (Amendments to CIFRS 17 <i>Insurance Contracts</i>)	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to CIAS 1 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to CIAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
Amendments to CIAS 12 <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

PPAP is in the process of making an assessment of the potential impact from the adoption of these accounting standards and amendments hence the Directors are not yet in a position to conclude on the potential impact on the results and the financial position of PPAP.

The possible effects from the adoption of the above accounting standards and amendments are as follows:

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

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

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

3. BASIS OF PREPARATION (continued)

The possible effects from the adoption of the above accounting standards and amendments are as follows: (continued)

CIFRS 17 Insurance Contracts

CIFRS 17 replaces CIFRS 4 and requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows;
- an explicit risk adjustment; and
- a contractual service margin ("CSM") representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under CIFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

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

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

Amendments to CIFRS 17 Insurance Contracts

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

The IASB has amended CIFRS 17 to:

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

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

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

3. BASIS OF PREPARATION (continued)

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

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

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

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

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

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

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

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

Amendments to CIFRS 10 and CIAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors' interests in the joint venture or associate.

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 31 March 2022 US\$	Audited 31 December 2021 US\$
Cost		
Balance at the beginning of financial period/year	127,914,165	110,226,053
Additions	<u>2,243,606</u>	<u>17,688,112</u>
Balance at the end of financial period/year	<u>130,157,771</u>	<u>127,914,165</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	24,585,790	21,396,190
Depreciation for financial period/year	<u>913,392</u>	<u>3,189,600</u>
Balance at the end of financial period/year	<u>25,499,182</u>	<u>24,585,790</u>
Carrying amounts		
Balance at the end of financial period/year	<u>104,658,589</u>	<u>103,328,375</u>
<i>(KHR'000 equivalent)</i>	<u><i>423,867,285</i></u>	<u><i>420,959,800</i></u>

5. LEASES

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

Lease receivables are in respect of 40 years leases of land to Hui Bang International Investment Group Co., Ltd. and Mekong Oriza Trading Co., Ltd.

6. INVESTMENT PROPERTIES

	Unaudited 31 March 2022 US\$	Audited 31 December 2021 US\$
Cost		
Balance at the beginning/end of financial period/year	<u>85,186,015</u>	<u>85,186,015</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	559,152	499,015
Depreciation for financial period/year	<u>12,827</u>	<u>60,137</u>
Balance at the end of financial period/year	<u>571,979</u>	<u>559,152</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,614,036</u>	<u>84,626,863</u>
<i>(KHR'000 equivalent)</i>	<u><i>342,686,846</i></u>	<u><i>344,769,840</i></u>

7. TRADE AND OTHER RECEIVABLES

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	70,289	284,670	67,585	275,341
Current				
Trade receivables				
Third parties	7,456,505	30,198,845	4,418,182	17,999,673
Less: Impairment loss - Third parties	(1,164,864)	(4,717,699)	(790,673)	(3,221,201)
	6,291,641	25,481,146	3,627,509	14,778,472
Other receivables				
Third parties	80,847	327,430	447,544	1,823,294
Advances	70,456	285,347	76,141	310,198
Deposits	102,307	414,343	7,307	29,769
Other receivables	470,002	1,903,508	422,989	1,723,258
	723,612	2,930,628	953,981	3,886,519
Total receivables	7,015,253	28,411,774	4,581,490	18,664,991
Prepayments	875,935	3,547,537	553,031	2,253,048
	7,891,188	31,959,311	5,134,521	20,918,039

8. DEFERRED TAX

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

	At 1 January 2022 US\$	Recognised in profit or loss US\$	At 31 March 2022 US\$ (unaudited)
Property, plant and equipment	(2,823,842)	(95,582)	(2,919,424)
Retirement benefit obligation	91,168	2,034	93,202
Deferred income	2,730,000	(15,000)	2,715,000
Impairment loss on receivables	158,135	74,838	232,973
Unrealised exchange differences	(15,085)	(11,281)	(26,366)
	140,376	(44,991)	95,385
<i>(KHR'000 equivalent)</i>			<u>386,309</u>

8. DEFERRED TAX

	At 1 January 2021 US\$	Recognised in profit or loss US\$	At 31 December 2021 US\$ (audited)
Property, plant, and equipment	(2,702,959)	(120,883)	(2,823,842)
Retirement benefit obligation	108,359	(17,191)	91,168
Deferred income	2,850,000	(120,000)	2,730,000
Impairment loss on receivables	174,420	(16,285)	158,135
Unrealised exchange differences	10,171	(25,256)	(15,085)
	<u>439,991</u>	<u>(299,615)</u>	<u>140,376</u>
			<u>571,892</u>

(KHR'000 equivalent)

9. CASH AND BANK BALANCES

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	2,698	10,927	2,151	8,763
Cash at banks	3,344,666	13,545,897	5,607,444	22,844,727
Deposits	12,006,275	48,625,414	13,005,105	52,982,798
As stated in statement of financial position	15,353,639	62,182,238	18,614,700	75,836,288
Less:				
Deposits (maturity more than three months)	(11,000,000)	(44,550,000)	(12,000,000)	(48,888,000)
As stated in statement of cash flows	<u>4,353,639</u>	<u>17,632,238</u>	<u>6,614,700</u>	<u>26,948,288</u>

10. SHARE CAPITAL

	Unaudited 31 March 2022		Audited 31 December 2021	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	16,547,492	16,547,492	16,547,492	16,547,492
	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>
		<u>457,813,940</u>		<u>457,813,940</u>

(KHR'000 equivalent)

Class A shareholders will enjoy the minimum guaranteed dividend yield of 5% per year based on the Initial Public Offering ("IPO") price for the period of at least 5 years, starting from 2016 to 2020. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years.

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

11. SHARE PREMIUM

On 9 December 2015, PPAP was successfully listed on the Cambodia Securities Exchange (“CSX”). The total number of ordinary shares (voting) is 20,684,365 shares, of which 4,136,873 (Class A) shares was from the IPO with a par value of KHR4,000 per share. After the listing, MoEF holds 80% of the total number of shares. PPAP received the proceeds from the IPO amounting to US\$5,193,915 and incurred IPO costs of US\$901,540.

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

12. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2022	2,539,054	2,539,054	40,783,272	45,861,380
Transfer from retained earnings	635,392	635,392	10,334,533	11,605,317
As at 31 March 2022 (unaudited)	<u>3,174,446</u>	<u>3,174,446</u>	<u>51,117,805</u>	<u>57,466,697</u>
<i>(KHR'000 equivalent)</i>	<u>12,856,506</u>	<u>12,856,506</u>	<u>207,027,111</u>	<u>232,740,123</u>
As at 1 January 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	493,044	493,044	8,335,686	9,321,774
As at 31 December 2021 (audited)	<u>2,539,054</u>	<u>2,539,054</u>	<u>40,783,272</u>	<u>45,861,380</u>
<i>(KHR'000 equivalent)</i>	<u>10,344,106</u>	<u>10,344,106</u>	<u>166,151,050</u>	<u>186,839,262</u>

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

In accordance with PPAP’s Articles of Incorporation, article 66, dated 5 September 2016, PPAP’s profit, after offsetting with losses carried forward (if any), can be used as follows:

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

13. TRADE AND OTHER PAYABLES

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	35,145	142,337	33,793	137,673

13. TRADE AND OTHER PAYABLES (continued)

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Current				
Trade payables				
Third parties	631,729	2,558,502	487,291	1,985,224
Other payables				
Interest payable	85,214	345,117	305,896	1,246,220
Deposits	232,376	941,123	236,442	963,265
Dividend payable	1,081,480	4,379,994	-	-
Other tax payables	157,384	637,405	248,403	1,011,994
Other payables	1,401,403	5,675,682	1,115,875	4,546,075
	<u>2,957,857</u>	<u>11,979,321</u>	<u>1,906,616</u>	<u>7,767,554</u>
	<u>3,589,586</u>	<u>14,537,823</u>	<u>2,393,907</u>	<u>9,752,778</u>

14. BORROWINGS

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNCCTP”) or Phnom Penh Port LM17	17,594,780	71,258,859	18,629,767	75,897,671
Current				
PPPNCCTP or Phnom Penh Port LM17	2,069,974	8,383,395	2,069,974	8,433,074
	<u>19,664,754</u>	<u>79,642,254</u>	<u>20,699,741</u>	<u>84,330,745</u>

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

The amount to be re-lent to PPAP shall be deemed to be simultaneously lent to PPAP on the same dates, in the same currency and the same amount as those disbursed by the Eximbank for the purposes of financing the implementation of the Project. PPAP pays interest to the MEF semi-annually at the rate of 4% per annum. The loan on-lent is for 20 years, including a grace period of not exceeding 7 years from the date of the conclusion of the Loan Agreement.

15. PROVISION FOR RETIREMENT BENEFITS

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

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	466,009	1,887,336	455,842	1,857,100
Other benefits				
National Social Security Funds	106,580	431,649	99,987	407,347
Liability recognised in statement of financial position	<u>572,589</u>	<u>2,318,985</u>	<u>555,829</u>	<u>2,264,447</u>

15. PROVISION FOR RETIREMENT BENEFITS (continued)

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

	Unaudited	Audited
	31 March 2022	31 December 2021
	US\$	US\$
Balance at 1 January	455,842	541,795
Current service costs	8,888	44,731
Interest costs	6,726	32,043
Past service costs	-	(23,204)
Benefits paid	(5,447)	(22,558)
Re-measurement	-	(116,965)
	<u>466,009</u>	<u>455,842</u>
<i>(KHR'000 equivalent)</i>	<u>1,887,336</u>	<u>1,857,100</u>

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

	Unaudited	Audited
	31 March 2022	31 December 2021
	US\$	US\$
Balance at 1 January	99,987	74,627
Additional expenses	<u>6,593</u>	<u>25,360</u>
Balance at 31 March/31 December	<u>106,580</u>	<u>99,987</u>
<i>(KHR'000 equivalent)</i>	<u>431,649</u>	<u>407,347</u>

The amounts recognised within salaries, wages, and related expenses in the statement of profit or loss and other comprehensive income are as follows:

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	8,888	36,112	9,597	38,954
Interest costs	6,726	27,328	9,597	38,954
Other benefits				
Additional expenses	<u>6,593</u>	<u>26,787</u>	<u>6,406</u>	<u>26,002</u>
	<u>22,207</u>	<u>90,227</u>	<u>25,600</u>	<u>103,910</u>

16. CONTRACT LIABILITIES

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	13,575,000	54,978,750	13,650,000	55,610,100
Current				
Deferred income	300,000	1,215,000	300,000	1,222,200

17. CAPITAL COMMITMENTS

	Unaudited 31 March 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	2,351,213	9,522,413	1,031,111	4,200,746

18. REVENUE

	Unaudited Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	3,882,123	15,773,066	3,157,066	12,814,531
Lift On Lift Off ("LOLO")	3,098,863	12,590,680	2,594,712	10,531,936
Port dues and charges	1,003,096	4,075,579	884,886	3,591,752
Gate fees	263,346	1,069,975	188,481	765,044
Storage fees	350,168	1,422,733	149,444	606,593
Weighting fee	5,407	21,969	2,120	8,605
Stuffing/Unstuffing	8,900	36,161	15,150	61,494
Sand dredging management fee	2,652	10,775	-	-
Trucking fee	272,890	1,108,752	95,823	388,946
Logistics services	45,735	185,821	77,550	314,775
	8,933,180	36,295,511	7,165,232	29,083,676

19. COST OF SERVICES

	Unaudited Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Crane charges	767,385	3,117,885	536,578	2,177,970
Depreciation	770,375	3,130,034	597,420	2,424,928
Fuel and gasoline	396,074	1,609,249	228,360	926,913
Salaries and wages	498,021	2,023,459	414,204	1,681,254
Maintenance costs	329,574	1,339,059	361,712	1,468,189
Logistic costs	48,860	198,518	66,560	270,167
Others	75,029	304,843	39,890	161,914
	2,885,318	11,723,047	2,244,724	9,111,335

20. OTHER INCOME

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Rental income	230,238	935,457	228,141	926,024
Interest income from:				
- deposits with financial institutions	217,864	885,181	290,716	1,180,016
- lease receivables	43,093	175,087	43,227	175,458
Unwinding effect of long-term deposit	2,704	10,986	2,599	10,549
Reversal of impairment loss on receivables	-	-	344,700	1,399,137
Others	71,167	289,152	43,427	176,270
	<u>565,066</u>	<u>2,295,863</u>	<u>952,810</u>	<u>3,867,454</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	1,029,617	4,183,334	965,903	3,920,602
Utilities and fuel	169,555	688,902	119,421	484,730
Depreciation	180,977	735,310	176,180	715,115
Board of Directors' fees	62,065	252,170	62,084	251,999
Donation	84,709	344,173	38,657	156,909
Office supplies	74,390	302,247	37,221	151,080
Business entertainment	52,972	215,225	28,658	116,323
Repair and maintenance	31,822	129,293	23,603	95,805
Communication expenses	16,172	65,707	15,026	60,991
Professional fees	8,897	36,149	7,494	30,418
Travelling expenses	6,542	26,580	14,418	58,523
Other tax expenses	18,795	76,364	176,590	716,779
Impairment loss on receivables	374,191	1,520,338	-	-
Other expenses	29,758	120,907	13,239	53,737
	<u>2,140,462</u>	<u>8,696,699</u>	<u>1,678,494</u>	<u>6,813,011</u>

22. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	193,313	785,431	213,092	864,941
- lease liabilities	67,309	273,476	66,559	270,162
Unwinding effect of:				
- long term deposit	1,352	5,493	1,300	5,277
	<u>261,974</u>	<u>1,064,400</u>	<u>280,951</u>	<u>1,140,380</u>

23. TAX EXPENSE

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	814,905	3,310,959	648,293	2,631,421
(Over)/Under provision in prior year	(10,682)	(43,401)	30,155	122,399
	<u>804,223</u>	<u>3,267,558</u>	<u>678,448</u>	<u>2,753,820</u>
Deferred tax:				
Origination and reversal of temporary differences	44,991	182,798	(206,416)	(837,842)
	<u>849,214</u>	<u>3,450,356</u>	<u>472,032</u>	<u>1,915,978</u>

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

24. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	3,361,278	13,656,872	3,441,431	13,968,763
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.16	0.66	0.17	0.68
Diluted earnings per share	<u>0.16</u>	<u>0.66</u>	<u>0.17</u>	<u>0.68</u>

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

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

25. DIVIDENDS

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

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

The dividend distribution was approved by the shareholders of PPAP during the Annual General Shareholder Meeting held on 10 May 2022 and the dividend will be paid on 2 June 2022.

26. RELATED PARTY DISCLOSURES

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

	Unaudited			
	Three-month period ended			
	31 March 2022		31 March 2021	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	193,313	785,431	213,092	864,942
MEF and MPWT				
Donation and charities	14,276	58,003	1,231	4,996

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	31 March 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	62,065	252,170	62,084	252,001

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

- (a) Credit risk

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

PPAP's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2021: one to three months) and PPAP seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

- (b) Liquidity and cash flow risk

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

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

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(c) Interest rate risk

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

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

28. TAXATION CONTINGENCIES

Law on taxation in Cambodia including Sub Decree, Prakas, Circular and Notification is frequently changing based on the amendment of tax authorities and subject to interpretation. Often, differing interpretations on law of taxation exist among relevant parties and this could result in higher tax risks. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided tax liabilities based on its interpretation of tax legislation.

29. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

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 First Quarter 2022 report for further information.*

The container throughput of PPAP in the first quarter 2022 has increased 24,609 TEUs or 32%% compared to the first quarter 2021. For vessels in the first quarter 2022 increased by 716 units or 117% compared to the first quarter 2021. However, ship (voyage) in the first quarter 2022 is 0% compared to the first quarter 2021. On the other hand, general cargo in first quarter 2022 has also decreased 15,781 TONS or 2% compared to first quarter 20221.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the audited financial report for First Quarter ended 31 March 2022 and 2021 as *set out in Section 3 of this First 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 Due & Charge:** 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 5 days for export cargos and 7 days for import cargos.

1. Revenue Analysis

1.1 Revenue analysis

For the first quarter ended 31 March 2022 compared to first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	7,811,697	32,023,336	6,202,796	25,177,149	1,678,901	27.07%	6,846,187	27.19%
Port authority	1,003,096	4,075,579	884,886	3,591,752	118,210	13.36%	483,827	13.47%
Other revenue	48,387	196,596	77,550	314,775	(29,163)	-37.61%	(118,179)	-37.54%
Total:	8,933,180	36,295,511	7,165,232	29,083,676	1,767,948	24.67%	7,211,835	24.80%

Total revenue increased by KHR 7,211,835 (USD 1,767,948) or 24.80% from KHR 29,083,676 (USD 7,165,232) in the first quarter 2021 to KHR 36,295,511 (USD 8,933,180) in the first quarter 2022. This increase in revenue is due to the increase of revenue from port operation and port authority such as stevedoring, lift on lift off (LOLO) and port dues and charges.

1.2 Revenue by segment analysis

For the first quarter ended 31 March 2022 compared to first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	15,773,066	43.46%	12,814,531	44.06%
Lift On Lift Off (LOLO)	12,590,680	34.69%	10,531,936	36.21%
Port dues and charges	4,075,579	11.23%	3,591,752	12.35%
Gate fees	1,069,975	2.95%	765,044	2.63%
Storage fees	1,422,733	3.92%	606,593	2.09%
Weighting fee	10,775	0.03%	-	0.00%
Stuffing/Unstuffing	1,108,752	3.05%	388,946	1.34%
Trucking fee	21,969	0.06%	8,605	0.03%
Logistic services	36,161	0.10%	61,494	0.21%
Sand dredging management fee	185,821	0.51%	314,775	1.08%
Total:	36,295,511	100 %	29,083,676	100 %

For the first quarter 2022 as well as the first quarter 2021, PPAP has increased in 3 main revenue which represent 89% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the first quarter ended 31 March 2022 compared to first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	3,882,123	15,773,066	3,157,066	12,814,531	725,057	22.97%	2,958,535	23.09%
Lift On Lift Off (LOLO)	3,098,863	12,590,680	2,594,712	10,531,936	504,151	17.43%	2,058,744	19.55%
Port dues and charges	1,003,096	4,075,579	884,886	3,591,752	118,210	13.36%	483,827	13.47%

For the fourth quarter 2021, 3 main revenue has increased KHR 4,331,947 (USD 1,051,302) or 17.01% compared to the fourth quarter 2020.

2. Gross profit margin analysis

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

For the first quarter ended 31 March 2022 compared to first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	8,933,180	36,295,511	7,165,232	29,083,676	1,767,948	24.67%	7,211,835	24.80%
Cost of Service								
Depreciation	770,375	3,130,034	597,420	2,424,928	172,955	28.95%	705,106	29.08%
Crane charge	767,385	3,117,885	536,578	2,177,970	230,807	43.01%	939,915	43.16%
Salaries and wage	498,021	2,023,459	414,204	1,681,254	83,817	20.24%	342,205	20.35%
Fuel and gasoline	396,074	1,609,249	228,360	926,913	167,714	73.44%	682,336	73.61%

Maintenance costs	329,574	1,339,059	361,712	1,468,189	(32,138)	-8.88%	(129,130)	-8.80%
Logistic costs	48,860	198,518	66,560	270,167	(17,700)	-26.59%	(71,649)	-26.52%
Others	75,029	304,843	39,890	161,914	35,139	88.09%	142,929	88.27%
Total Cost of Service	2,885,318	11,723,047	2,244,724	9,111,335	640,594	28.54%	2,611,712	28.66%
Gross profit	<u>6,047,862</u>	<u>24,572,464</u>	<u>4,920,508</u>	<u>19,972,341</u>	<u>1,127,354</u>	<u>22.91%</u>	<u>4,600,123</u>	<u>23.03%</u>
Gross Profit Margin	67.70%	67.70%	68.67%	68.67%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 0.97% from 68.67% in the first quarter 2021 to 67.70% in the first quarter 2022. The decrease is mainly due to the decrease of total revenue by KHR 7,211,835 (USD 1,767,948) or 24.80%. However, the total Cost of Service for first quarter 2022 increased by KHR 2,611,712 (USD 640,594) or 28.66% compared to the first quarter 2021 due to the slightly increase of Cost of Service from crane charge, depreciation, and fuel and gasoline.

3. Profit before tax analysis

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

For the first quarter ended 31 March 2022 compared to the first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	6,047,862	24,572,464	4,920,508	19,972,341	1,127,354	22.91%	4,600,123	23.03%
Other income	565,066	2,295,863	952,810	3,867,454	(387,744)	-40.69%	(1,571,591)	-40.64%
General administration and selling expenses								
Salaries and other benefits	1,029,617	4,183,334	965,903	3,920,602	63,714	6.60%	262,732	6.70%

Donation expenses	84,709	344,173	38,657	156,909	46,052	119.13%	187,264	119.35%
Utilities and fuel	169,555	688,902	119,421	484,730	50,134	41.98%	204,172	42.12%
Depreciation	180,977	735,310	176,180	715,115	4,797	2.72%	20,195	2.82%
Repairs and maintenance	31,822	129,293	23,603	95,805	8,219	34.82%	33,488	34.95%
Business entertainments	52,972	215,225	28,658	116,323	24,314	84.84%	98,902	85.02%
Travelling expenses	6,542	26,580	14,418	58,523	(7,876)	-54.63%	(31,943)	-54.58%
Professional fee	8,897	36,149	7,494	30,418	1,403	18.72%	5,731	18.84%
Board of Directors' fee	62,065	252,170	62,084	251,999	(19)	-0.03%	171	0.07%
Office supplies	74,390	302,247	37,221	151,080	37,169	99.86%	151,167	100.06%
Communication expenses	16,172	65,707	15,026	60,991	1,146	7.63%	4,716	7.73%
Other tax expenses	18,795	76,364	176,590	716,779	(157,795)	-89.36%	(640,415)	-89.35%
Others	29,758	120,907	13,239	53,737	16,519	124.78%	67,170	125.00%
Impairment loss on receivable	374,191	1,520,338	-	-	374,191	N/A	1,520,338	N/A
Total general administration and selling expenses	2,140,462	8,696,699	1,678,494	6,813,011	461,968	27.52%	1,883,688	27.65%
Operating profit	<u>4,472,466</u>	<u>18,171,628</u>	<u>4,194,824</u>	<u>17,026,784</u>	<u>277,642</u>	<u>6.62%</u>	<u>1,144,844</u>	<u>6.72%</u>
Finance costs	(261,974)	(1,064,400)	(280,951)	(1,140,380)	18,977	-6.75%	75,980	-6.66%
Profit before income tax	4,210,492	17,107,228	3,913,873	15,886,404	296,619	7.58%	1,220,824	7.68%

For the first quarter 2022 General and Administrative expenses increased by KHR 1,883,688,000 (USD 461,968) or 27.65% compared to the first quarter 2021.

4. Profit after tax analysis

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

For the first quarter ended 31 March 2022 compared to the first quarter ended 31 March 2021

Description	1 st Quarter for the Period Ended 31 March 2022		1 st Quarter for the Period Ended 31 March 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	4,210,492	17,107,228	3,913,873	15,886,404	296,619	7.58%	1,220,824	7.68%
Income tax expense (b)	849,214	3,450,356	472,032	1,915,978	377,182	79.91%	1,534,378	80.08%
Net profit for the year(a)-(b)	3,361,278	13,656,872	3,441,841	13,970,426	(80,563)	-2.34%	(313,554)	-2.24%
Other comprehensive income	3,361,278	13,656,872	3,441,431	13,968,763	(80,153)	-2.33%	(311,891)	-2.23%
Effective tax rate (b)/(a)	20.17%	20.17%	12.06%	12.06%				

PPAP earn profit after tax KHR 13,656,872,000 (USD 3,361,278) in the first quarter 2022 and KHR 13,970,426,000 (USD 3,441,841) in the first quarter 2021, representing a decrease of KHR 313,554,000 (USD 80,563) or -2.24%. The increase of effective tax rate of 8.11% from 12.06% in the first quarter 2021 to 20.17% in the first quarter 2022, due to the increased in income tax expense KHR 1,534,378,000 (USD 377,182) or 80.08%.

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

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







5.2. Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 348,898 TEUs annually as at 31st March, 2022. In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 200,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	1 st Quarter 2019	1 st Quarter 2020	1 st Quarter 2021	1 st Quarter 2022	Planning 2022
Container Terminal LM17 (TEUs)	59,215	74,333	78,111	102,720	394,679

5.3. Operation Efficiency

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

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

5.4. Price

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

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

5.5. Connection to Feeder Port

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

5.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

Cargo volume of PPAP is directly related to the national, Regional and Global Economy. PPAP must conduct analysis on the economy and trade in order to recognize the trend of increase or decline in the demand of transportation. It is the base for a timely response on the matters as well as creating proper investment plan on the port insfrastructure 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 **17.09%** (5.57% from operation staff and 11.52% from administration staff and other benefits) of total revenue in the first quarter 2022 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is **8.59%** of total revenue in the first quarter 2022. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/01/2021-31/01/2022
	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%	07/09/2024-07/09/2025
				80%	20%	07/09/2025-07/09/2041

* Sung Kwang Co.,Ltd have changed company name to *Jeong Myeong International Co., Ltd.*

3. Tax analysis

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

3.1. Tax on profit

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

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) and Advanced Bank of Asia (ABA).

3.4. Import Tax

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

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **89%** of the total revenue in the first quarter 2022. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of Flunctuation of Gasoline Price

The operation of PPAP depend heavily on the machinery which require high consumption of

gasoline. The fluctuation 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 machinery in lifting by substitute to electricity 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 3.04% in year 2022 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 1st Quarter of 2022, PPAP has necessary information for the investor protection as follow:

- Reviewed and discussed the case of Chean Chhoeug Thai Group's debt of 4,731,376 USD (as of December 31, 2021) and the amount of 126,501 USD (as of January 10th, 2022)
- Reviewed and approved Mekong Oryza Trading Company to transfer the leasing rights of the land leased from PPAP to PTLs Cooperation Co., Ltd. with the rights and obligations and all conditions set out in the original contract, PTLs Cooperation Co., Ltd. must ensure to continued the implementation
- Reviewed and approved on result of business/services performance of 2021
- Reviewed and discuss on the mandate renewal of PPAP Board of Directors
- Reviewed and approved the request for investment cooperation with PTLs COOPERATION CO., LTD to develop the UM1 sub-feeder multi-purpose terminal of PPAP following the principles achieved on TS11 sub feeder multi-purpose terminal investment cooperation
- Approved for PPAP to register LM17 container terminal as a branch and also register for other sub feeders multi-purpose terminals when starting the operation
- Decided that the Customs and Excise Department of Phnom Penh International Port should ask for review and decision from the Ministry of Economy and Finance on the request to waive the container storage fee at PPAP
- Checked and discussed on the construction of a new 16-meter x 149-meter port bridge, which is in the project to expand the port infrastructure, Phase 3, Phase 2, at LM17, and cooperation with the private sector on the installation of 3 FCCs
- Checked and decided on the deposit of 5 million USD as a fixed deposit to replenish the 15 million USD at FTB Bank and request to use Overdraft in case of need
- Checked and approved on the financial report of 2021
- Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2021
- Checked and discussed on the plan of dividend distribution to shareholders (class A and class B) for 2021
- Checked and approved on the organization of PPAP's 7th General Shareholder Meeting
- Checked and discussed the request for 50% fee waiver for 2021 and 50% fee waiver for 2022 of 9.3-hectare ICD container land of Yunnan Sheng Mao Investment (Cambodia).

Signature of Board of Director of PPAP

12th May, 2022

Read and Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

12th May, 2022

Read and Approved

Dith Sochal

Signature

Dith Sochal

Member

(Non-Executive Director, Rep. of Private Shareholder)



បំណកផែនការបណ្តាញបំណងនៃឆ្នេរមិន UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិនៃឆ្នេរមិន យ៉ុងឆ្នេរមិន ស្រុកក្បួនយ៉ុង ខេត្តក្បួនយ៉ុង

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

បំណកផែនការបណ្តាញបំណងនៃ UM១

Sub-Feeder Multipurpose Terminal UM1

ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល, ឃុំព្រែកអង្វារញ្ញ, ស្រុកមុខកំពូល, ខេត្តកណ្តាល

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

បំណកផែនការបណ្តាញបំណងនៃ TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវស៊ីសុវត្ថិ សន្តាន់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

បំណកផែនការបណ្តាញបំណងនៃ និងទេសចរ TS១

Passenger and Tourist Terminal TS1

ផ្លូវស៊ីសុវត្ថិ សន្តាន់បង្កំពេញ ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

បំណកផែនការបណ្តាញបំណងនៃ TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សន្តាន់អ៊ីនធឺណិត ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ

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

បំណកផែនការបណ្តាញបំណងនៃ LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ

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

ភូមិកណ្តាលលើ យ៉ុងឆ្នេរមិន ស្រុកអង្វារញ្ញ ខេត្តកណ្តាល

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

បំណកផែនការបណ្តាញបំណងនៃ LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា យ៉ុងកោះរកា ស្រុកព្រៃវែង ខេត្តព្រៃវែង

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

ទំនាក់ទំនង/ Contact

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