

KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

The 2nd Quarter Report of 2023

Listed Company

2nd Quarterly Report of 2023
(End 30/06/2023)
Phnom Penh Autonomous Port

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

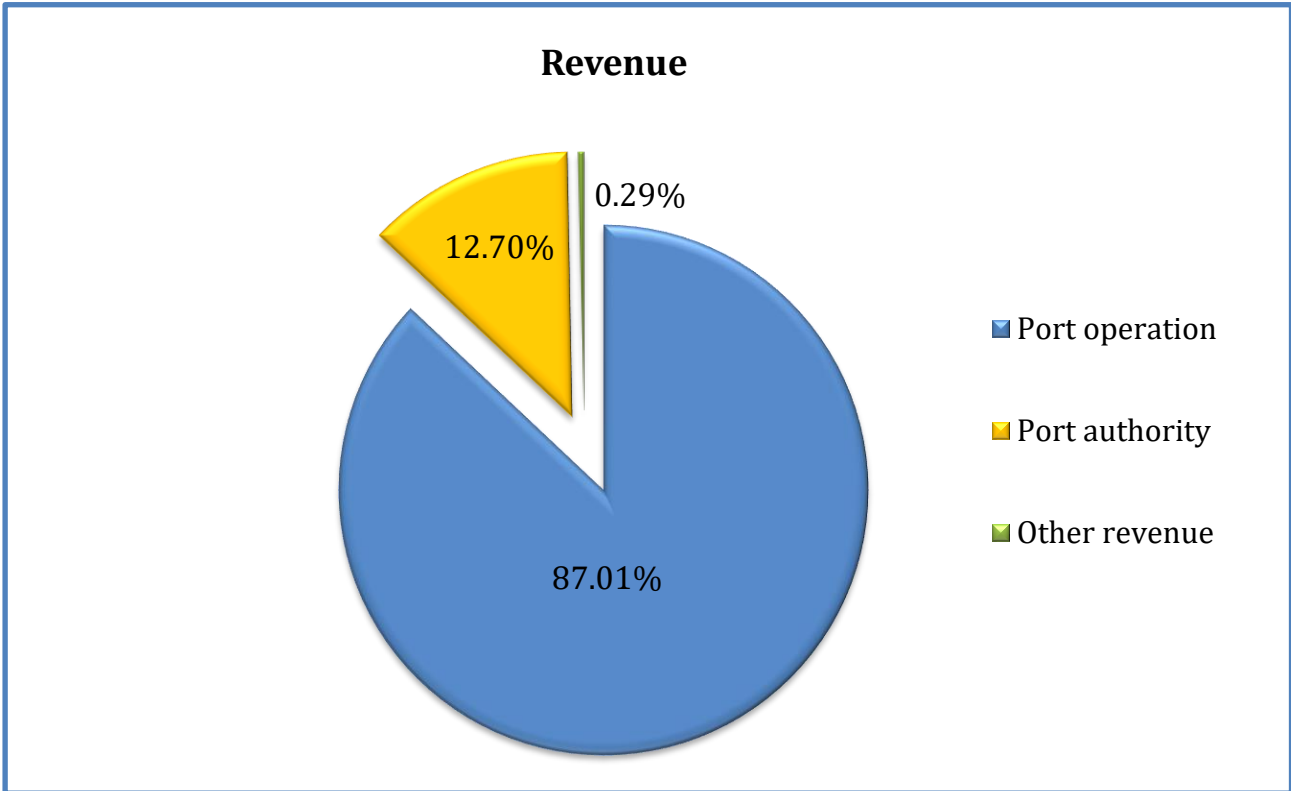
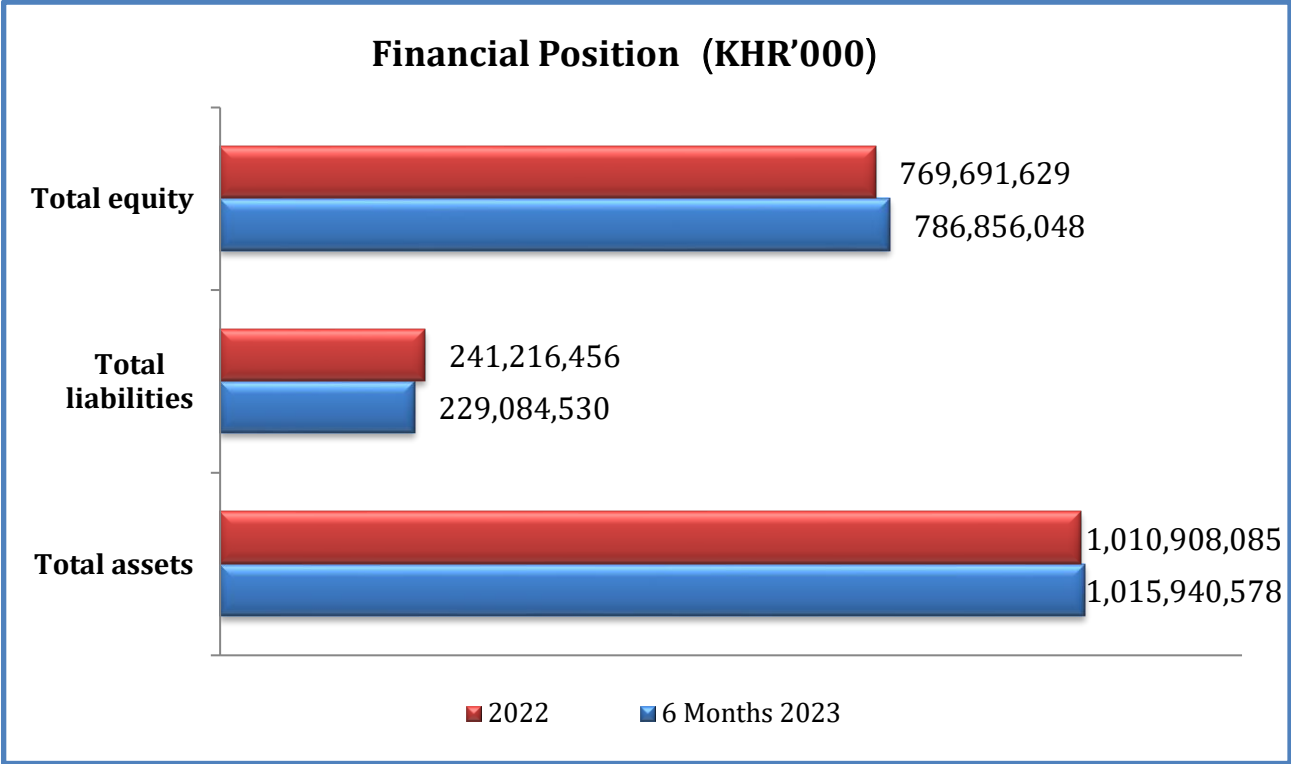
1.1. Financial Highlight

Description		30 June 2023	31 December (*) 2022 (restatement)	01 January (*) 2022 (restatement)
Financial Position (KHR'000)				
Total assets		1,015,940,578	1,010,908,085	899,130,220
Total liabilities		229,084,530	241,216,456	193,202,438
Total equity		786,856,048	769,691,629	705,927,782
Profit/(Loss) (KHR'000)		Q2 2023	Q2 2022	Q2 2021
Total revenues		36,080,784	39,287,608	26,966,111
Profit/(Loss) before tax		15,475,717	19,186,392	11,038,235
Profit/(Loss) after tax		11,333,722	15,018,694	8,657,180
Total comprehensive income		25,683,452	20,049,111	8,606,796
Financial Ratios		Q2 2023	31 December 2022	01 January 2022
Solvency ratio (%)		6.97	31.62	34.30
Liquidity ratio	Current ratio (times)	1.20	1.85	1.88
	Quick ratio (times)	1.08	1.77	1.83
		Q2 2023	Q2 2022	Q2 2021
Profitability ratio	Return on assets (%)	1.12	1.64	1.00
	Return on equity (%)	1.44	2.06	1.28
	Gross profit margin (%)	63.78	65.94	65.52
	Profit margin(%)	31.41	38.23	32.10
	Earning per share (Riel)	547.94	726.09	418.54
Interest coverage ratio (times)		20.09	23.64	13.66

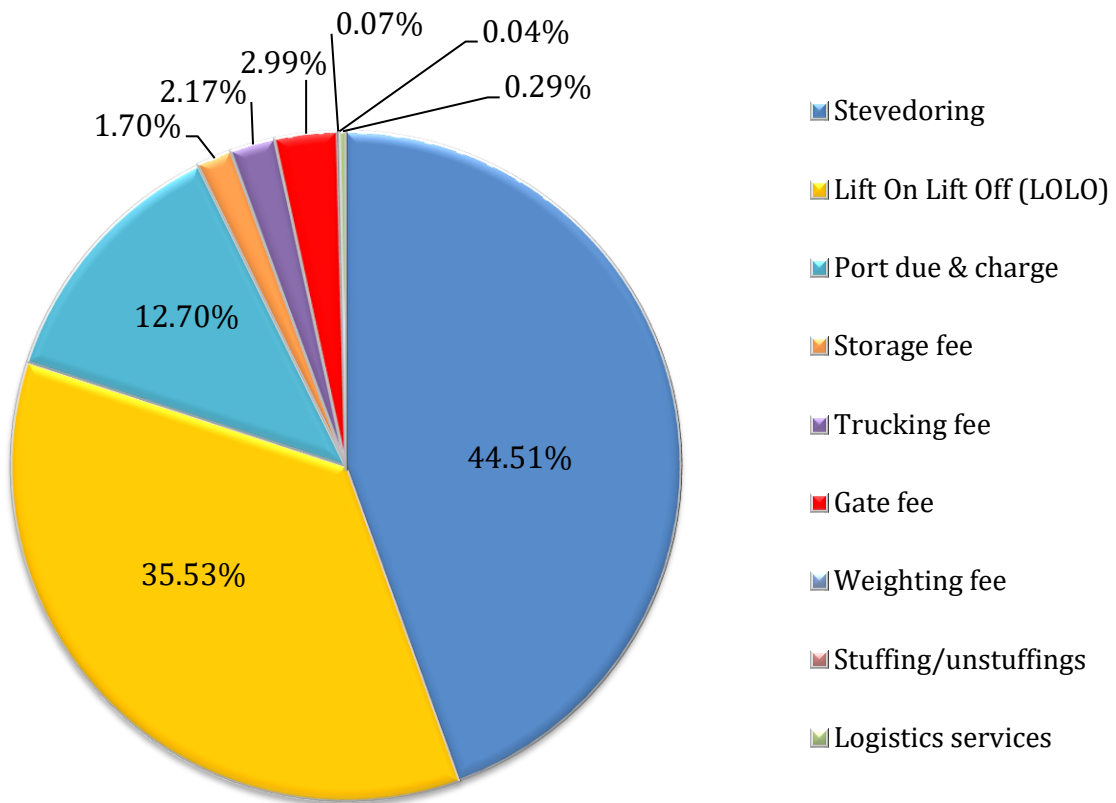
Note: The comparative information has been restated by the independent auditor as below:

- For the period ended 31 December 2022 and as at 31 December 2021 to 01 January 2022
- For the quarter 2, 2023 and quarter 2, 2022 (as of 30 June)

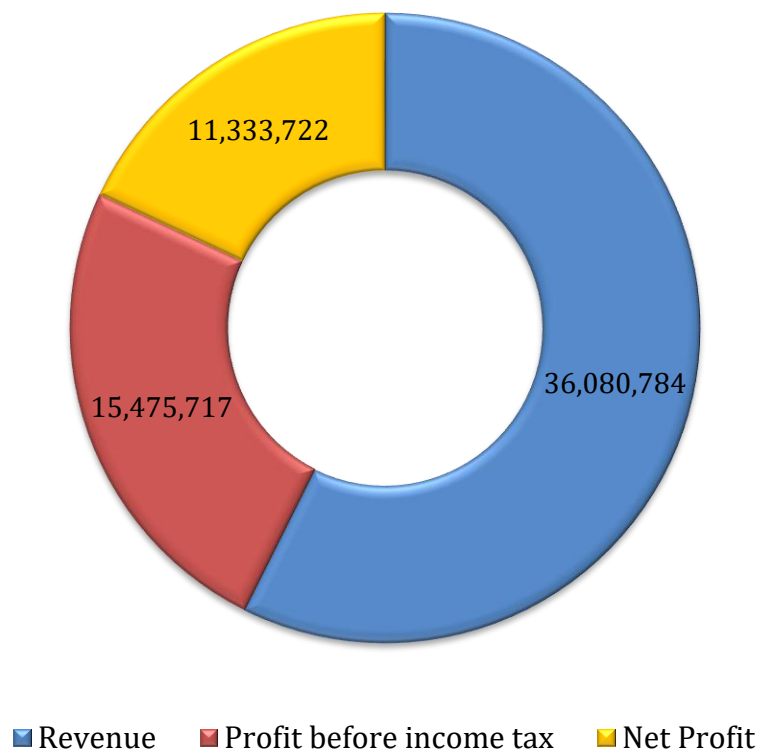
1.2. Graph of Financial Information Highlight (As of 30 June 2023)



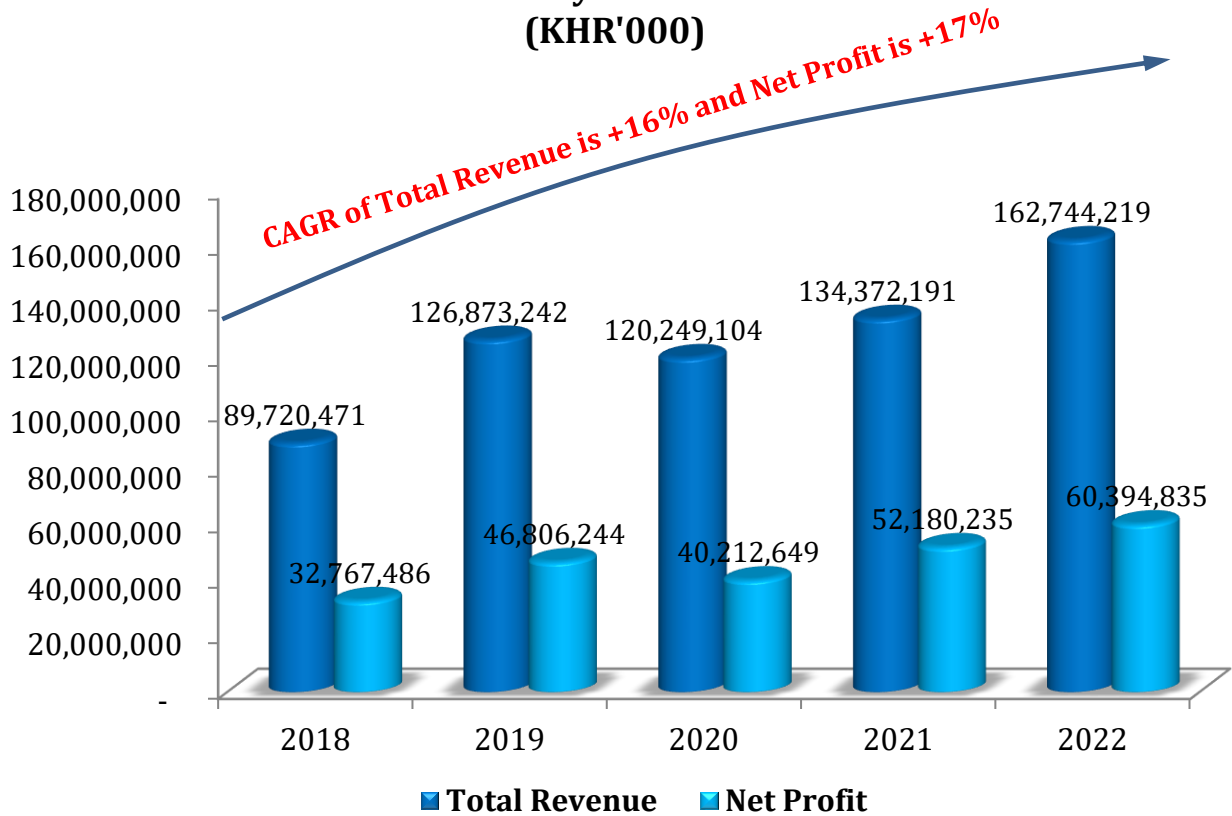
Types of Revenue Distribution Compared to Total Revenues



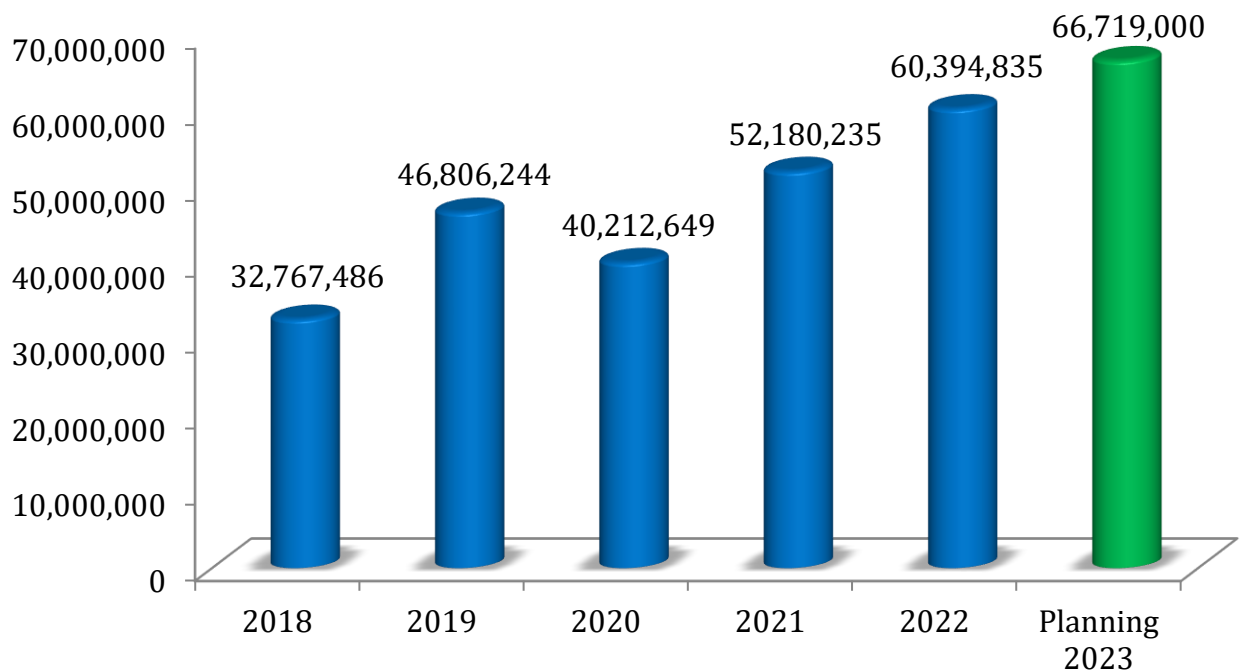
Net Profit for Q2 2023 (KHR'000)



**Compound Annual Growth Rate (CAGR) of Total Revenue
and Net Profit for 5 years from 2018 to 2022
(KHR'000)**



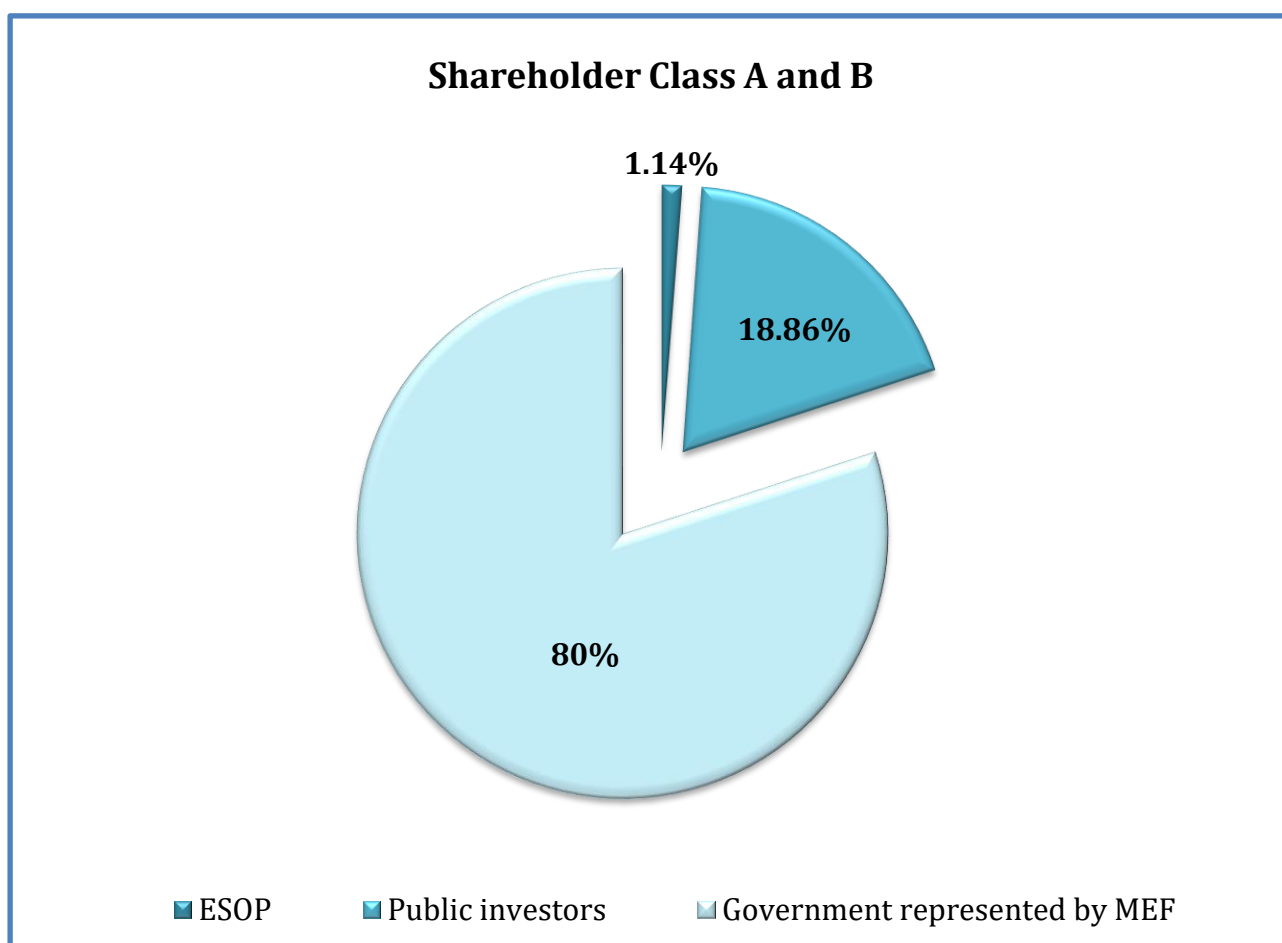
**Net Profit from 2017 to 2021 and Planning 2022
(KHR'000)**



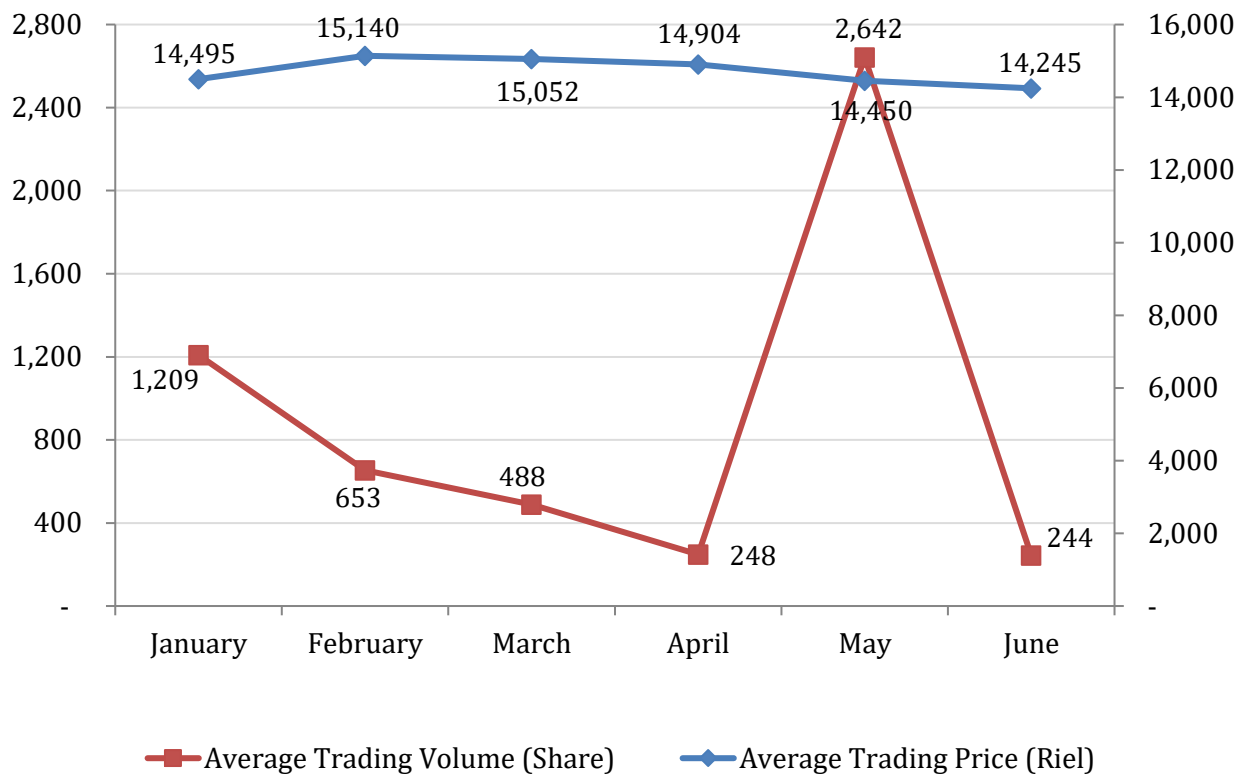
1.3. Stock Ownership (As of 30 June 2023)

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	236,251	1,14%
2. Public investors	3,900,622	18,86%
Total Shares of Class A	4,136,873	20%

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



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



2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



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



Mr. Gui Anvanith
Member (Independent
Director)



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



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

3. Message from Chairman and CEO

For the second quarter of 2023, total revenue is KHR 36,080,784,000 (USD 8,791,614) achieved 20.68% of planning 2023 and compared to the second quarter of 2022 decreased by KHR 3,206,824,000 (USD 894,680) or -8.16%. However, net profit in the second quarter of 2023 is KHR 11,333,722,000 (USD 2,761,628) reached 16.99% of planning 2023 and compared to the second quarter of 2022 decreased by KHR 3,684,972,000 (USD 941,206) or -24.54%. For the 6months of 2023, total revenue from Port Operation and Port Authority is KHR 66,829,510,000 (USD 16,323,769) achieved 38.30% of planning 2023 and compared to 2022 decreased by KHR 8,765,554,000 (USD 2,295,705) or -11.60%. However, net profit in the 6months of 2023 is KHR 19,280,958,000 (USD 4,709,565) achieved 28.90% of planning 2023 and compared to 2022 decreased to KHR 8,606,821,000 (USD 2,159,346) or -30.86%.

Apart from this, basic earnings per share in the second quarter of 2023 is 547.94 Riels (USD 0.13).

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

A. The Direction of main work implementation of PPAP

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

B. The Work Implementation of Board of Directors

For the 2nd Quarter of 2023, the Board of Directors attended 1 meeting and achieved the following results:

i. The 5th meeting of the 8th mandate on June 16th, 2023

- Reviewed and approved on result of business/services and finance (unaudited) performance for the 5 months of 2023
- Checked and instructed PPAP to await for the decision of the two Guardian Ministries on the request to develop the 7 Sub-Feeder Multipurpose Terminals before starting to develop any terminal.
- Checked and decided not to allow Chean Chhoeng Thai Group to transfer the leasing rights of 4,480 square meters of land to CSR Future Now Co., Ltd
- Reviewed and discussed the preliminary decision on the preparation of the Board of Directors of the draft strategy on public enterprise management reform
- Reviewed and acknowledged the report on the Terminal Operating System "TOS" of PPAP

C. Setting the Goal for 2023

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, 14th August 2023
Chairman of BOD and CEO

Hei Bavy

Contents

Financial Highlight	
1-Financial Highlight, Graph of Financial Information and Stock Ownership	ii
2-Board of Directors	vii
3-Message from the Chairman and CEO	viii
Part1: General Information of the Listed Entity	1
A-Identity of PPAP	2
B- Nature of Business	2
C- Quarter's Key Events	9
PART2: Information on Business Operation Performance	10
A- Business Operation	11
B- Revenue Structure	18
PART3: Financial Statements Reviewed by the External Auditor	19
PART4: Management's Discussion and Analysis	21
A-Overview of Operations	22
B-Significant Factors Affecting Profit	31
C. Material Changes in Sales and Revenue	33
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices	33
E. Impact of Inflation	34
F. Economic / Fiscal / Monetary Policy of Royal Government	34
PART5: Other Necessary Information for Investor Protection	35
Signature of Directors of the Listed entity	37
Appendix I: Condensed Interim Financial Statements for the six-month period ended 30 June 2023	38

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 ៧៧៧.៥៥៧ **Issued by**: Ministry of Commerce

Date : January 5th, 2015

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

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

B. Nature of Business

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

1. Operation as Port Operator

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

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

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

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

4.1. Container Terminal LM17

In 2021, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase I; meanwhile in order to support the operation of the above achievement, PPAP is continuing to develop a new quay to install two additional FCCs, and set up an electricity connection. The overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, The container yard capacity at LM17 will reach 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 2 Fixed Cargo Crane, 12 RTG cranes, 5 Reach Stakers, 4 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 Chaktumuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	382,209.25 m²
Registered land size	377,869 m²
Size of the processing land title	4,340.25 m²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs

Handling equipment	Traveling Cargo Crane, Fixed Cargo Crane, Tyred Gantry, Fork-Lift, Reach Stacker Cont-stacker, Sky Stacker & Empty Reach Stacker, Truck and Terminal Tractor.
---------------------------	---

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

4.2. Multipurpose Terminal (TS3)

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

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Register land size*	85,845 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	7days/24hrs
Handling equipment	Fork-Lift

4.3. 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-industry 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 completed the construction of a 12-meters

by 46.9-meters wharf and is continuing to develop the Phase 1 of infrastructure and plans to implement the Phase 2 in 2023.

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)
Total land size	161,700 m ²
Registered land size	160,725 m ²
Size of the processing land title	975 m ²
Berth	1 (pontoon; 6m x 28m) 1 (5,000 DWT)
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	No effect
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/24hrs
Handling equipment	Mobile crane, Pontoon.

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

4.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 2nd Quarter of 2023, the total of 45,875 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

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

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 2014)
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	7days/24hrs
Facilities	3 pontoons connecting them to the shore.

4.5. Sub-feeder Multipurpose Terminal TS11

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

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)
Land size	4 Hectare
Berth	1 (5,000 DWT)
Anchorage	The anchorage is available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
Tidal effect	No effect
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS11 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs
Handling equipment	Mobile crane, Fixed Cargo Crane, Constacker, Fork-Lift, Truck & Terminal Tractor

4.6. Sub-feeder Multipurpose Terminal LM26

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

Currently, the port has expanded the sand-laying infrastructure, filling the conveyor yard and designing other port infrastructure to meet the needs of the two countries' inflows and outflows and connecting waterways for work. Export to the global market more efficiently, as well as contribute to reducing logistics costs and impact on land use. At present, the construction of Koh Roka Multi-Purpose Port has been completed, which is planned to be used for the loading and unloading operation of gradually until the next stage of container loading. PPAP Equipped with 10 Conveyors to facilitate the flow of operations in the export of agricultural products that have been implemented to be put into use in 2022.

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	200,042 m²
Registered land size	150,262 m²
Size of the processing land title	49,780 m²
Anchorage	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer

4.7. Terminal which are planned to develop at the future

4.7.1 Sub-feeder Multipurpose Terminal UM1

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

this port development site, therefore, It is planned to develop Sub-feeder Multipurpose Terminal UM1 for the Phase 1 in 2023.

Address	Prek Anchanh Commune, Muk Kampoul District, Kandal Province.
Total land size	38,362m ²
Tidal effect	From 0.2 m to 0.4 m
Channel depth	4.5 meters
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane

4.7.2 Sub-feeder Multipurpose Chhlong (Kratie)

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

4.7.3 Sub-feeder Multipurpose Boeung Ket (Kampong Cham)

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

4.7.4 Sub-feeder Multipurpose Phnom Krom (Siem Reap)

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

4.7.5 Sub-feeder Multipurpose Kampong Chhnang

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

4.7.6 Sub-feeder Multipurpose Kampong Chhnang-Kampong Thom

Address	Kampong Boeng Village, Kampong Hao Commune, Kampong Leng District, Kampong Chhnang Province.
Total land size	250,000 square meters
Tidal effect	from 0.10 m to 0.3 m
Channel depth	4.50 m
Hours of Operation	7days/24hrs

4.7.7 Sub-feeder Multipurpose Prek Kdam

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

4.7.8 Sub-feeder Multipurpose Sovannaphum LM25

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

4.7.9 Sub-feeder Multipurpose kdar Bontea LM5

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

C. Quarter's Key Events

As of 2nd Quarter of 2023, 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 quarter of 2023

1. Catalog of Passenger Goods

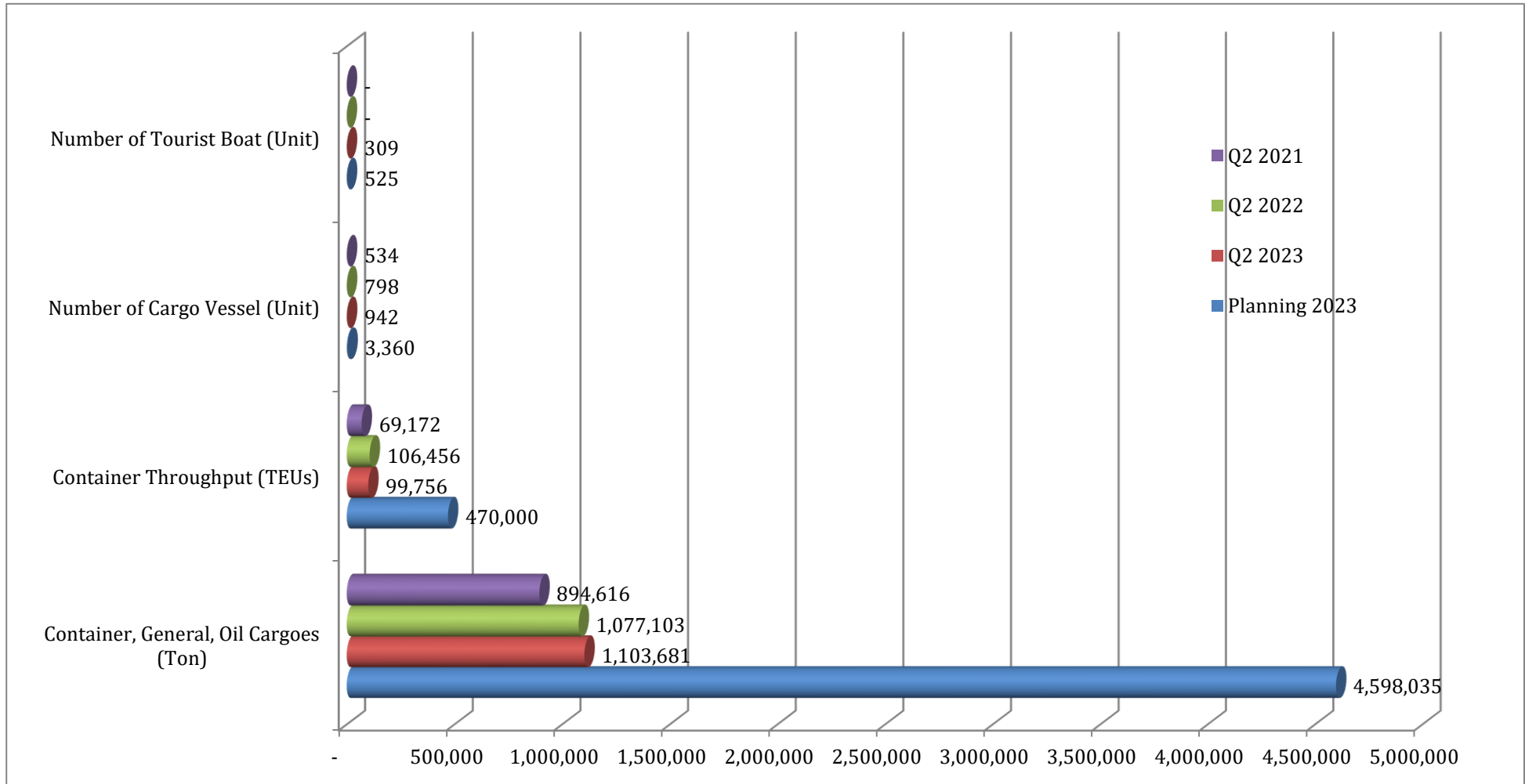
(Source from the Report of Department of Planning/Marketing of PPAP)

No.	Description	Unit	Planning 2023	Q2			1 st semester		Compare (%)	Up/Down (%)	
				2023	2022	2021	2023	2022		8=(2/3) -100%	9=(3/4) -100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3) -100%	9=(3/4) -100%
I	Container, General, Oil Cargoes	Ton	4,598,035	1,103,681	1,077,103	894,616	2,059,309	2,104,633	44.79%	+2.47%	+20.40%
	A- <u>Container Throughput</u>	-	2,711,944	665,312	642,439	467,862	1,172,331	1,181,232	43.23%	+3.56%	+37.31%
	- Imported Container Cargo	-	1,369,082	319,069	346,635	281,896	554,735	593,266			
	- Exported Container Cargo	-	1,342,862	346,243	295,804	185,966	617,596	587,966			
	B- <u>Mobile General Cargo Handling</u>	-	919,351	221,607	216,693	191,412	450,891	444,377	49.04%	+2.27%	+13.21%
	- Inside Port	-	73,548	17,215	13,310	13,772	49,798	38,532			
	- Outside Port	-	845,803	204,392	203,383	177,640	401,093	405,845			
	C- <u>Imported Oil & Gas</u>	-	966,739	216,762	217,971	235,342	436,087	479,024	45.11%	-0.55%	-7.38%
	Container Throughput (TEUs)	TEU	470,000	99,756	106,456	69,172	177,097	209,176	37.68%	-6.29%	+53.90%
	- Laden Cargo	-	338,400	65,911	74,280	50,386	118,532	141,115			
	- Empty Cargo	-	131,600	33,845	32,176	18,786	58,565	68,061			
II	Cargo Handling	Ton	3,631,295	886,919	859,132	659,274	1,623,222	1,625,609	44.70%	+3.23%	+30.31%
	- General Cargo	-	919,351	221,607	216,693	191,412	450,891	444,377			
	- Container Throughput (Ton)	-	2,711,944	665,312	642,439	467,862	1,172,331	1,181,232			
III	Number of Cargo Vessel	Unit	3,360	942	798	534	2,277	2,124	67.77%	+18.05%	+49.44%
	- Foreign Vessels and Barge	-	2,880	809	668	396	2,012	1,834			

No.	Description	Unit	Planning 2023	Q2			1 st semester		Compare (%)	Up/Down (%)	
				2023	2022	2021	2023	2022		8=(2/3) -100%	9=(3/4) -100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3) -100%	9=(3/4) -100%
	- Cambodian Vessels and Barge	-	0	0	0	0	0	-			
	- Oil Vessels and Tanker	-	480	133	130	138	265	290			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>16,078</u>	<u>1,996</u>	<u>2,284</u>	<u>344</u>	<u>4,604</u>	<u>5,096</u>	28.64%	-12.61%	+563.95%
	- PhnomPenh-SeimReap-PhnomPenh	-	0	0	0	0	0	-			
	- Vessels in Town	-	16,078	1,996	2,284	344	4,604	5,096			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>121,000</u>	<u>39,920</u>	<u>12,284</u>	<u>1,463</u>	<u>83,880</u>	<u>28,073</u>	69.32%	+224.98%	+739.64%
	- PhnomPenh-SeimReap-PhnomPenh	-	0	0	0	0	0	-			
	- Vessels in Town	-	121,000	39,920	12,284	1,463	83,880	28,073			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>525</u>	<u>309</u>	=	=	<u>875</u>	=	166.67%	+100.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	451	254	-	-	624	-			
	- Cruise Boat	-	74	55	-	-	251	-	339.19%	+100.00%	0.00%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>6,225</u>	<u>5,955</u>	=	=	<u>20,313</u>	=	326.31%	+100.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	3,600	3,368	-	-	9,795	-			
	- Tourist on Cruise Boat	-	2,625	2,587	-	-	10,518	-	400.69%	+100.00%	0.00%

- Cargo-fuel and gas throughput in Q2 2023: 1,103,681 Tons, increased by 2.47% compared to Q2 2022 (1,077,103 Tons). For Semester 1 of 2023, PPAP has accomplished 44,79% compared to planning 2023 (4,598,035 Tons).
- Cargo vessels throughput in Q2 2023: 942 Units, increased by 18.05% compared to Q2 2022 (798 Units). For Semester 1 of 2023, PPAP has accomplished 67,77% compared to planning 2023 (3,360 Units).
- International passengers and tourist cruises throughput via Cambodia-Vietnam in Q2 2023: 309 Voyages, increased by 100.00% compared to Q2 2022 (0 Voyages). For Semester 1 of 2023, PPAP has accomplished 166.67% compared to planning 2023 (525 Units).
- Containers throughput in Q2 2023: 99,756 TEUs, decreased by 6.29% compared to Q2 2022 (106,456 TEUs). For Semester 1 of 2023, PPAP has accomplished 37,68% compared to planning 2023 (470,000 TEUs).
- The number of international passengers and tourists throughput via Cambodia-Vietnam in Q2 2023: 5,955 Passengers, increased by 100.00% compared to Q2 2022 (0 Passengers). For Semester 1 of 2023, PPAP has accomplished 326,31% compared to planning 2023 (6,225 Passengers).

Graphs on performance comparisons of the second quarter of 2023 - 2022 - 2021 and 2023 planning



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
- Inspected sacks and navigation poles along the Lower Mekong River (Phnom Penh-khaorm Samnor), the Upper Mekong River (Phnom Penh-Kampong Cham), the Tonle Sap (Phnom Penh-Chhnuk Trou) and the canal lot (Koh Keo and Koh Roka).
- Conducted water depth measurements at various ports to facilitate navigation

❖ **The construction of port infrastructure**

■ **Container Terminal LM17**

- Construction of 16m × 40m container truck scanning plant at LM17 container port achieved 100% of the project
- 20 new dismantling and street light in front of the exit and along National Road 1 achieved 100% of the project
- Mesh fence construction work on the north side of LM17 container terminal achieved 100% of the project
- Temporary office 40-foot achieved 100% of the project
- Road marking and new traffic sign replacement work achieved 100% of the project
- Construction of 1070 square meters of reinforced concrete floor, construction of 91 meters of wire mesh fence and 55 meters of drainage system, achieved 100% of the project
- Repair and painting of stairs and handrails at the 300-meter pier (Phase 1) and the 149-meter-long pier (Phase 3) of Container Terminal LM17 achieved 100% of the project.
- Work to install 16 new signs, repaint 3 old concrete blocks, correct 12 missing letters, and paint RTG road size 0.2m x 2 126m achieved 100% of projects.
- Purchase of 350 cubic meters of concrete for the maintenance and maintenance of 3 hectares of ICD in the southern part of the Container terminal LM17 achieved 100% of the project
- Construction of 24.4m x 60m LCL warehouse and 1,510m² concrete floor was completed 95% of the project.
- Construction of foundation for Crawler Crane achieves 90% of the project

- Construction of 16m x 149m Jetty (3rd Port Bridge) Container Terminal LM17 achieved 87% of the project
- Construction of a car and machinery washing garage 580 square meters of reinforced concrete, 58 meters of fence removal and 75 meters of fence construction achieved 48% of the project.

■ **Sub-feeder Multipurpose Terminal UM2**

- Construction of FCC, Jetty, 50m riverbank, 2 Dolphins, achieved 100% of the project
- 630 KVA transformer installation for FCC reference poles achieves 100% of the project
- Terminal development work Phase 2 step 1 achieved 100% of the project.

■ **Sub-feeder Multipurpose Terminal LM26**

- Construction of 790 meters long river bank, 555 square meter gravel road, 550 square meter gravel Yard and 1.5m x 38m garden completed 100% of the project.
- Construction of 12m wide, 447m gravel road, 638m square gravel yard and 0.8m wide drainage, 187m long, achieved 100% of the project.
- Construction of 6m wide, 385m gravel road and 10m long concrete box culvert achieved 100% of the project
- 3 Temporary offices achieved 100% of the project
- Construction of 40-meter-long steel arm bracing and the addition of two 6-meter-long steel bridges from concrete to floating achieve 100% of the project
- Construction of 6 meters wide and 232 meters long concrete road achieved 100% of the project
- Construction of five concrete berths 2m x 2m x 1.1m achieve 100% of the project
- Construction of 12m x 85m gravel road and 20m x 105m boulder slope achieved 100% of the project.
- Construction of 2051 square meters of concrete yard achieved 100% of the project
- The work of additional gravel 803 cubic meters of 100 mm thickness on the gravel road to the police-customs office and gravel road along the riverbank achieved 100% of the project

- Construction of 6,183 square meters of bituminer coating on the gravel road to the police-customs office and the concrete road along the riverbank achieved 100% of the project.
- Installation of electricity and installation of solar street lights achieved 100% of the project.
- Construction of 544.5 m fence around the border and 3 gates for achieving 70% of the project.

■ **Multipurpose Terminal TS3**

- Construction of Passenger and Tourist Station at TS3 Multi-Purpose Port Achieved 100% of the project
- Construction of 3 steel bridges to 3 floating and walk way total length of 327 meters from the river bank to the port bridge achieved 100% of the project
- Construction of 6 berths for docking reached 100% of the project

■ **Sub-feeder Multipurpose Terminal TS11**

- Renovate rice warehouse No. N: 32, size 30m x 65m, achieved 100% of the project

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

Studying of ordering and renting machinery according to the 2023 plan as follows:

- Studied to purchase one set of 625 KVA generator for FCC.
- Studied to purchase 2 Reach-stackers.
- Has been studying to purchase 10 Terminal Tractors
- Has been studying to purchase or rent RTG
- Has been studying to purchase 10 Generators 25KVA to equip container trucks.
- Has been studying the installation 10 cell guides container
- Has been studying to purchase:
 - 1 Bulldozer
 - 1 Truck
 - 1 Yard Cleaning machine
 - 10 Trailers of Container truck
 - 1 Crawler Crane 100 ton.

B- Revenue Structure

Source of Revenue	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		2 nd Quarter for the Period Ended 30 June 2021	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	16,058,968	44.51%	17,074,884	43.46%	11,492,728	42.62%
Lift On Lift Off (LOLO)	12,818,052	35.53%	13,630,103	34.69%	9,570,199	35.49%
Port dues and charges	4,580,446	12.70%	4,311,471	10.97%	3,172,192	11.76%
Storage fees	614,750	1.70%	1,015,679	2.58%	970,517	3.60%
Trucking fee	782,978	2.17%	1,562,310	3.98%	422,675	1.57%
Gate fees	1,078,675	2.99%	1,107,154	2.82%	749,642	2.78%
Weighting fee	25,235	0.07%	22,182	0.06%	8,232	0.03%
Stuffing/Unstuffing	15,800	0.04%	25,958	0.07%	25,186	0.09%
Sand dredging management fee	-	0.00%	-	0.00%	78,205	0.29%
Survey	-	0.00%	-	0.00%	12,189	0.05%
Logistic services	105,880	0.29%	537,867	1.37%	464,346	1.72%
Total:	36,080,784	100.00%	39,287,608	100.00%	26,966,111	100.00%

PART3

**Financial Statements Reviewed by
the External Auditor**

**Condensed Interim Financial Statements
for the six-month period ended 30 June 2023
and
Independent Auditors' Report on Review of
Condensed Interim Financial Statements
Will be Attached as Appendix I**

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

A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this Second Quarter 2023 report for further information.*

The container throughput of PPAP in the second quarter 2023 has decreased 6,700 TEUs or 6,29% compared to the second quarter 2022. For vessels in the second quarter 2023 increased by 144 units or 18,05% compared to the second quarter 2022. However, ship (voyage) in the second quarter 2023 increased 309 voyage or 100.00% compared to the second quarter 2022. On the other hand, general cargo in second quarter 2023 has also increased 4,914 TONs or 2,27% compared to second quarter 2022.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the Interim financial report for Second Quarter ended 30 June 2023 and 2022 as set out in Section 3 of this Second Quarter Report.

PPAP has four main revenue source:

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

1. Revenue Analysis

1.1 Revenue analysis

For the second quarter ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	7,649,722	31,394,458	8,490,698	34,438,270	(840,976)	-9.90%	(3,043,812)	-8.84%
Port authority	1,116,093	4,580,446	1,062,986	4,311,471	53,107	5.00%	268,975	6.24%
Other revenue	25,799	105,880	132,610	537,867	(106,811)	-80.55%	(431,987)	-80.31%
Total:	8,791,614	36,080,784	9,686,294	39,287,608	(894,680)	-9.24%	(3,206,824)	-8.16%

Total revenue decreased by KHR 3,206,824,000 (USD 894,680) or -8.16% from KHR 39,287,608,000 (USD 9,686,294) in the second quarter of 2022 to KHR 36,080,784,000 (USD 8,791,614) in the second quarter 2023. This decrease in revenue is due to the decrease of revenue from port operations such as stevedoring, lift on lift off (LOLO), storage fees, trucking fees, and logistics services. etc.

1.2 Revenue by segment analysis

For the second quarter ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	16,058,968	44.51%	17,074,884	43.46%
Lift On Lift Off (LOLO)	12,818,052	35.53%	13,630,103	34.69%
Port dues and charges	4,580,446	12.70%	4,311,471	10.97%
Storage fees	614,750	1.70%	1,015,679	2.58%
Trucking fee	782,978	2.17%	1,562,310	3.98%
Gate fees	1,078,675	2.99%	1,107,154	2.82%
Weighting fee	25,235	0.07%	22,182	0.06%
Stuffing/Unstuffing	15,800	0.04%	25,958	0.07%
Logistic services	105,880	0.29%	537,867	1.37%
Total:	36,080,784	100.00%	39,287,608	100.00%

For the second quarter of 2023 as well as the second quarter of 2022, the 3 main revenue of PPAP represents 93% of total revenue from operations and services. Those revenues included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the second second ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	3,913,004	16,058,968	4,209,784	17,074,884	(296,780)	-7.05%	(1,015,916)	-5.95%
Lift On Lift Off (LOLO)	3,123,307	12,818,052	3,360,479	13,630,103	(237,172)	-7.06%	(812,051)	-5.96%
Port Due & Charge	1,116,093	4,580,446	1,062,986	4,311,471	53,107	5.00%	268,975	6.24%

For the second quarter of 2023, 3 main revenues has decreased KHR 1,558,992,000 (USD 480,845) or -4.45% compared to the second quarter of 2022.

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 second quarter ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	8,791,614	36,080,784	9,686,294	39,287,608	(894,680)	-9.24%	(3,206,824)	-8.16%
Cost of Service								
Depreciation	953,364	3,912,606	784,574	3,182,232	168,790	21.51%	730,374	22.95%
Crane charge	831,924	3,414,216	862,727	3,499,221	(30,803)	-3.57%	(85,005)	-2.43%
Salaries and wage	612,434	2,513,429	497,561	2,018,107	114,873	23.09%	495,322	24.54%

Fuel and gasoline	352,832	1,448,023	588,148	2,385,528	(235,316)	-40.01%	(937,505)	-39.30%
Maintenance costs	356,951	1,464,927	321,180	1,302,706	35,771	11.14%	162,221	12.45%
Logistic costs	-	-	131,120	531,823	(131,120)	-100.00%	(531,823)	-100.00%
Others	77,089	316,373	113,831	461,699	(36,742)	-32.28%	(145,326)	-31.48%
Total Cost of Service	3,184,594	13,069,574	3,299,141	13,381,316	(114,547)	-3.47%	(311,742)	-2.33%
Gross profit	<u>5,607,020</u>	<u>23,011,210</u>	<u>6,387,153</u>	<u>25,906,292</u>	<u>(780,133)</u>	<u>-12.21%</u>	<u>(2,895,082)</u>	<u>-11.18%</u>
Gross Profit Margin	63.78%	63.78%	65.94%	65.94%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 2.16% from 65.94% in the second quarter of 2022 to 63.78% in the second quarter of 2023. The decrease is mainly due to the decrease of total revenue by KHR 3,206,824,000 (USD 894,680) or -8.16%. However, the total Cost of Service for the second quarter of 2023 decreased by KHR 311,742,000 (USD 114,547) or -2.33% compared to the second quarter of 2022 due to slighty increase in the cost of service from fuel and gasoline (operations & dredging), crane charge, and logistics costs and other expenses, etc.

3. Profit before tax analysis

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

For the second quarter ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	5,607,020	23,011,210	6,387,153	25,906,292	(780,133)	-12.21%	(2,895,082)	-11.18%
Other income	466,613	1,914,980	260,603	1,057,006	206,010	79.05%	857,974	81.17%
General administration and selling expenses								
Salaries and other benefits	1,209,955	4,965,655	1,097,218	4,450,316	112,737	10.27%	515,339	11.58%
Donation expenses	307,789	1,263,166	154,955	628,497	152,834	98.63%	634,669	100.98%
Utilities and fuel	162,420	666,572	189,490	768,571	(27,070)	-14.29%	(101,999)	-13.27%
Depreciation	175,223	719,115	178,663	724,657	(3,440)	-1.93%	(5,542)	-0.76%
Repairs and maintenance	113,939	467,606	48,210	195,540	65,729	136.34%	272,066	139.14%
Business entertainments	77,383	317,580	51,504	208,900	25,879	50.25%	108,680	52.02%
Travelling expenses	23,467	96,309	11,004	44,632	12,463	113.26%	51,677	115.78%
Professional fee	6,567	26,951	6,214	25,204	353	5.68%	1,747	6.93%
Board of Directors' fee	61,475	252,293	61,953	251,281	(478)	-0.77%	1,012	0.40%
Office supplies	60,135	246,794	32,791	133,000	27,344	83.39%	113,794	85.56%

Communication expenses	19,218	78,871	16,596	67,313	2,622	15.80%	11,558	17.17%
Uniforms	13,768	56,504	40,993	166,267	(27,225)	-66.41%	(109,763)	-66.02%
Other tax expenses	26,349	108,136	27,815	112,818	(1,466)	-5.27%	(4,682)	-4.15%
Others	75,592	310,229	58,083	235,587	17,509	30.14%	74,642	31.68%
Total general administration and selling expenses	2,333,280	9,575,781	1,975,489	8,012,583	357,791	18.11%	1,563,198	19.51%
Operating profit	<u>3,724,601</u>	<u>15,285,763</u>	<u>4,700,186</u>	<u>19,063,954</u>	<u>(975,585)</u>	<u>-20.76%</u>	<u>(3,778,191)</u>	<u>-19.82%</u>
Finance costs	<u>46,285</u>	<u>189,954</u>	<u>30,187</u>	<u>122,438</u>	<u>16,098</u>	<u>53.33%</u>	<u>67,516</u>	<u>55.14%</u>
Profit before income tax	<u>3,770,886</u>	<u>15,475,717</u>	<u>4,730,373</u>	<u>19,186,392</u>				

For the second quarter of 2023 General and Administrative expenses increased by KHR 1,563,198,000 (USD 357,791) or 19.51% compared to the second quarter of 2022. The increased in General and Administrative expenses is due to the increased in repairs and maintenance expenses, business entertainments, travelling expenses, office supplies expenses and others.

4. Profit after tax analysis

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

For the second quarter ended 30 June 2023 compared to the second quarter ended 30 June 2022

Description	2 nd Quarter for the Period Ended 30 June 2023		2 nd Quarter for the Period Ended 30 June 2022		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	3,770,886	15,475,717	4,730,373	19,186,392	(959,487)	-20.28%	(3,710,675)	-19.34%
Income tax expense (b)	1,009,258	4,141,995	1,027,539	4,167,698	(18,281)	-1.78%	(25,703)	-0.62%
Net profit for the year	2,761,628	11,333,722	3,702,834	15,018,694	(941,206)	-25.42%	(3,684,972)	-24.54%
Other comprehensive income	2,761,628	25,683,452	3,690,783	20,049,111	(929,155)	-25.18%	5,634,341	28.10%
Effective tax rate (b)/(a)	26.76%	26.76%	21.72%	21.72%				

PPAP earns profit after tax KHR 11,333,722,000 (USD 2,761,628) in the second quarter of 2023 and KHR 15,018,694,000 (USD 3,702,834) in the second quarter of 2022, representing a decrease of KHR 3,684,972,000 (USD 941,206) or -24.54%. The increase of an effective tax rate of 5.04% from 21.72% in the second quarter of 2022 to 26.76% in the second quarter of 2023, due to the decrease in profit before income tax for -19.34% and the decreased in income tax expense KHR 25,703,000 (USD 18,281) or -0.62%

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

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

5.2. Capacity at the Container Terminal LM17

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

Description	Output				
	2 nd Quarter 2020	2 nd Quarter 2021	2 nd Quarter 2022	2 nd Quarter 2023	Planning 2023
Container Terminal LM17 (TEUs)	61,268	69,172	106,456	99,756	470,000

5.3. Operation Efficiency

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

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

5.4. Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the container terminal. In addition to the preferential shipping costs, PPAP also offers preferential package prices for container service (Stevedore) to all container carriers based on the volume of containers that are shipped. This means that if the container carrier of any company shipping more containers will receive a much higher discount.

5.5. Connection to Feeder Port

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

5.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

Cargo volume of PPAP is directly related to the national, Regional and Global Economy. PPAP must conduct analysis on the economy and trade in order to recognize the trend of increase or decline in the demand of transportation. It is the base for a timely response on the matters as well as creating proper investment plan on the port 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 **20.73%** (6.97% from operation staff and 13.76% from administration staff and other benefits) of total revenue in the second quarter of 2023 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large potion of cost of service is crane charges which is **9.46%** of total revenue in the second quarter 2023. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will

increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

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

3. Tax analysis

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

3.1. Tax on profit

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

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

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

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **93%** of the total revenue in the second quarter 2022. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of Flunctuation of Gasoline Price

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

E- Impact on Inflation

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

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

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

- ❖ Rice Export policy of Cambodia is showing positive effect by increasing the export of rice via PPAP.
- ❖ The government policy which exempt the import tax on agriculture equipment/machinery which encourage investment in agriculture sector.
- ❖ The government's effort to establish quota or exemption with trade-partner country encourages high volume of export.
- ❖ The establishment of Special Economic Zone and Bonded Warehouse attracted direct investment from foreign country.
- ❖ Cambodia Development Industrial Policy 2015 – 2025 is attracting investment in Cambodia and large 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 2nd Quarter of 2023, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on result of business/services and finance (unaudited) performance for the 5 months of 2023
- Checked and instructed PPAP to await for the decision of the two Guardian Ministries on the request to develop the 7 Sub-Feeder Multipurpose Terminals before starting to develop any terminal
- Checked and decided not to allow Chean Chhoeng Thai Group to transfer the leasing rights of 4,480 square meters of land to CSR Future Now Co., Ltd
- Reviewed and discussed the preliminary decision on the preparation of the Board of Directors of the draft strategy on public enterprise management reform
- Reviewed and acknowledged the report on the Terminal Operating System "TOS" of PPAP.

Signature of The Board of Directors of PPAP

14th August, 2023

Read and Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

14th August, 2023

Read and Approved

Gui Anvanith

Signature

Gui Anvanith

Member

(Independent Director)

Appendix I

**Condensed Interim Financial Statements
for the six-month period ended 30 June 2023
and
Independent Auditors' Report on Review of
Condensed Interim Financial Statements**

PHNOM PENH AUTONOMOUS PORT

**Condensed Interim Financial Statements
for the three-month and six-month
periods ended 30 June 2023**

and

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

Corporate Information

Company	Phnom Penh Autonomous Port
Registration No	Co.7175 Et/2004
Registered office	No. 649, Preah Sisowat Quay Sangkat Sras Chork Khan Daun Penh Phnom Penh Kingdom of Cambodia
Majority shareholder	Ministry of Economy and Finance
Board of Directors	H.E. Hei Bavy, Chairman and Chief Executive Officer H.E. Suon Rachana, Member representing MPWT H.E. Ken Sambath, Member representing MEF H.E. Penn Sovicheat, Member representing MOC Mr. Gui Anvanith, Member as Independent Director Mrs. Pok Pheakdey, Member as Non-Executive Director representing of private shareholders Mr. Kong Sothea, Member representing of PPAP employees
Management team	H.E. Hei Bavy, Chief Executive Officer Mr. Mam Rithy, State Controller H.E. Choun Sokhem, Deputy Director General of Administration/Finance Mr. Hiek Phirun, Deputy Director General of Maritime Service/Traffic Mr. Koy Bunthorn, Deputy Director General of Technique Mrs. Hei Phanin, Deputy Director General of Business/Operation Mr. Kong Sothea, Head of Internal Audit Department Mr. Keo Sophanara, Head of Administration Department Mr. Seng Kunthea, Head of Personnel/HR Department Mr. Im David, Head of Engineer Department Ms. Chheav Vanthea, Head of Accounting/Finance Department Mr. Chiep Viraya, Head of Hydrographic Department Mr. Hun Sokhalay, Head of LM 17 Operation Department Mr. Prak Samit, Acting Head of Commercial Zone/Domestic Port Department Mr. Hoeu Song, Head of TS3 Operation Department Mr. Tol Sokhom, Head of Harbour Department Mr. Kong Channy, Head of Corporate Secretariat Mrs. Meas Visal, Head of Planing/Marketing Department Mr. Chhiv Songkaing, Head of Sub-feeder Multi-purpose Terminal UM1 Mr. Say Chantha, Head of Machinery Management Department
Principal bankers	ACLEDA Bank Plc. Advanced Bank of Asia Limited J Trust Royal Bank Plc. Chip Mong Commercial Bank Plc. Phnom Penh Commercial Bank Plc. Foreign Trade Bank of Cambodia Canadia Bank Plc. Bank of China Limited Phnom Penh Branch
Auditor	KPMG Cambodia Ltd

Phnom Penh Autonomous Port

Contents

	Pages
1. Statement by the Board of Directors	1
2. Independent Auditors' report on review of condensed interim financial statements	2 – 3
3. Condensed interim statement of financial position	4 – 6
4. Condensed interim statement of profit or loss and other comprehensive income	7 – 8
5. Condensed interim statement of changes in equity	9
6. Condensed interim statement of cash flows	10 – 11
7. Notes to the condensed interim financial statements	12 – 53

KINGDOM OF CAMBODIA

Nation Religion King



Phnom Penh Autonomous Port

N°:429/23.....PPAP

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying condensed interim financial statements of Phnom Penh Autonomous Port ("PPAP" or the "Company"), which comprises the condensed interim statement of financial position as at 30 June 2023, and the related condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and changes in equity and cash flows for the six-month period then ended, and notes to the condensed interim financial statements as set out on pages 4 to 53 are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.

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

H.E. Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

August 14th, 2023

Ms. Chheav Vanthea
Head of Accounting/Finance Department



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

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

To the shareholders of Phnom Penh Autonomous Port

Introduction

We have reviewed the accompanying condensed interim financial statements of Phnom Penh Autonomous Port ("PPAP" or "the Company"), as set out on pages 4 to 53 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 30 June 2023;
- the condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023;
- the condensed interim statement of changes in equity for the six-month period ended 30 June 2023;
- the condensed interim statement of cash flows for the six-month period ended 30 June 2023; and
- other explanatory notes to the condensed interim financial statements.

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

Scope of Review

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



Conclusion

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

Emphasis of Matter – Comparative Information

We draw attention to Note 32 to the condensed interim financial statements which indicates that the comparative information presented as at 31 December 2022 and 1 January 2022, and for the three-month and six-month periods ended 30 June 2022 has been restated. Our conclusion is not modified in respect of this matter.

Other Matter Relates to Comparative Information

The Company’s condensed interim financial statements for the three-month and six-month periods ended 30 June 2022 and financial statements for the years ended 31 December 2022 and 2021, excluding the adjustments described in Note 32 to the condensed interim financial statements, were reviewed and audited by another firm of auditors who expressed an unmodified conclusion and unmodified opinion on those financial statements on 10 August 2022, 31 March 2023 and 25 March 2022, respectively.

As part of our review of the condensed interim financial statements for the three-month and six-month periods ended 30 June 2023, we reviewed the adjustments described in Note 32 that were applied to restate the comparative information presented as at 31 December 2022 and 1 January 2022, and for the three-month and six-month periods ended 30 June 2022. We were not engaged to review or apply any procedures to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2022 or the financial statements for the years ended 31 December 2022 and 2021, other than with respect to the adjustments described in Note 32 to the condensed interim financial statements. Accordingly, we do not express a conclusion or any other form of assurance on those respective financial statements taken as a whole. However, based on our review, nothing has come to our attention that cause us to believe that the adjustments described in Note 32 are not appropriate or have not been properly applied.

For **KPMG Cambodia Ltd**



Yim Lundy
Engagement Partner

Phnom Penh, Kingdom of Cambodia

14 August 2023

Phnom Penh Autonomous Port

Condensed interim statement of financial position as at 30 June 2023

	Notes	30 June 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4) <i>(Restated)</i>
ASSETS							
Non-current assets							
Property, plant and equipment	5	120,925,919	499,424,045	112,889,949	464,767,920	100,900,850	411,070,063
Intangible assets		102,918	425,051	-	-	-	-
Right-of-use assets	6(a)	6,195,529	25,587,535	5,907,685	24,321,939	3,533,872	14,396,995
Lease receivables	6(b)	8,310,073	34,320,601	8,527,740	35,108,706	5,422,294	22,090,426
Investment properties	7	87,406,319	360,988,097	86,662,212	356,788,327	87,054,388	354,659,577
Other receivable	8	72,683	300,181	70,289	289,380	67,585	275,341
Other investments	10	15,000,000	61,950,000	15,000,000	61,755,000	10,000,000	40,740,001
		<u>238,013,441</u>	<u>982,995,510</u>	<u>229,057,875</u>	<u>943,031,272</u>	<u>206,978,989</u>	<u>843,232,403</u>
Current assets							
Inventories	9	779,931	3,221,115	714,982	2,943,581	352,114	1,434,512
Lease receivables	6(b)	823,138	3,399,560	650,694	2,678,907	295,721	1,204,767
Trade and other receivables	8	5,655,694	23,358,016	7,827,195	32,224,561	4,425,974	18,031,418
Cash and bank balances	10	718,251	2,966,377	7,294,089	30,029,764	8,646,814	35,227,120
		<u>7,977,014</u>	<u>32,945,068</u>	<u>16,486,960</u>	<u>67,876,813</u>	<u>13,720,623</u>	<u>55,897,817</u>
TOTAL ASSETS		<u>245,990,455</u>	<u>1,015,940,578</u>	<u>245,544,835</u>	<u>1,010,908,085</u>	<u>220,699,612</u>	<u>899,130,220</u>

Phnom Penh Autonomous Port

Condensed interim statement of financial position (continued) as at 30 June 2023

	Notes	30 June 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4) <i>(Restated)</i>
EQUITY AND LIABILITIES							
EQUITY							
Share capital	11	114,453,485	457,813,940	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	12	155,502	622,008	155,502	622,008	155,502	622,008
Retained earnings		5,275,087	21,120,535	14,878,805	60,334,539	12,805,966	51,862,847
Reserves	13	70,637,971	287,822,662	57,466,697	233,991,665	45,861,380	186,839,262
Currency translation reserves		-	19,476,903	-	16,929,477	-	8,789,725
Total equity		190,522,045	786,856,048	186,954,489	769,691,629	173,276,333	705,927,782
LIABILITIES							
Non-current liabilities							
Other payable	14	84,236	347,889	83,650	344,386	33,793	137,672
Borrowings	15	15,524,806	64,117,449	16,559,793	68,176,668	18,629,767	75,897,671
Contract liabilities	16	13,200,000	54,516,000	13,350,000	54,961,950	13,650,000	55,610,100
Lease liabilities	6(a)	11,581,116	47,830,009	11,330,427	46,647,368	7,110,611	28,968,629
Provision for retirement benefits	17	380,967	1,573,394	362,023	1,490,449	555,829	2,264,447
Liability arising from joint arrangement	18	7,692,860	31,771,512	7,727,723	31,815,036	-	-
Deferred tax liabilities, net	19(c)	338,869	1,399,529	264,928	1,090,709	136,559	556,341
		48,802,854	201,555,782	49,678,544	204,526,566	40,116,559	163,434,860

Phnom Penh Autonomous Port

Condensed interim statement of financial position (continued) as at 30 June 2023

	Notes	30 June 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Current liabilities							
Trade and other payables	14	2,392,923	9,882,772	2,757,895	11,354,254	2,088,011	8,506,557
Borrowings	15	2,324,121	9,598,620	2,345,281	9,655,522	2,375,870	9,679,295
Lease liabilities	6(a)	552,987	2,283,837	380,296	1,565,679	356,608	1,452,821
Contract liabilities	16	300,000	1,239,000	300,000	1,235,100	300,000	1,222,200
Current income tax liabilities		1,095,525	4,524,519	3,128,330	12,879,335	2,186,231	8,906,705
		<u>6,665,556</u>	<u>27,528,748</u>	<u>8,911,802</u>	<u>36,689,890</u>	<u>7,306,720</u>	<u>29,767,578</u>
Total liabilities		<u>55,468,410</u>	<u>229,084,530</u>	<u>58,590,346</u>	<u>241,216,456</u>	<u>47,423,279</u>	<u>193,202,438</u>
TOTAL EQUITY AND LIABILITIES		<u>245,990,455</u>	<u>1,015,940,578</u>	<u>245,544,835</u>	<u>1,010,908,085</u>	<u>220,699,612</u>	<u>899,130,220</u>

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

Phnom Penh Autonomous Port

Condensed interim statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2023

	Note	For the six-month period ended				For the three-month period ended			
		30 June 2023		30 June 2022		30 June 2023		30 June 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Revenue	21	16,323,769	66,829,510	18,619,474	75,595,064	8,791,614	36,080,784	9,686,294	39,287,608
Cost of services	22	(6,594,566)	(26,998,153)	(6,184,459)	(25,108,904)	(3,184,594)	(13,069,574)	(3,299,141)	(13,381,316)
Gross profit		9,729,203	39,831,357	12,435,015	50,486,160	5,607,020	23,011,210	6,387,153	25,906,292
Other income	23	793,510	3,248,630	426,155	1,730,189	466,613	1,914,980	260,603	1,057,006
General and administrative expenses	24	(4,482,849)	(18,352,784)	(3,739,170)	(15,181,030)	(2,333,280)	(9,575,781)	(1,975,489)	(8,012,583)
Share of loss from joint arrangement		207,834	850,872	-	-	73,375	301,131	-	-
Impairment loss on trade and other receivables	8	(140,567)	(575,481)	(346,272)	(1,405,864)	(89,127)	(365,777)	27,919	113,239
Operating profit		6,107,131	25,002,594	8,775,728	35,629,455	3,724,601	15,285,763	4,700,186	19,063,954
Financial income		737,777	3,020,459	558,226	2,266,398	354,536	1,455,016	300,786	1,219,988
Finance costs		(670,837)	(2,746,407)	(538,403)	(2,185,916)	(308,251)	(1,265,062)	(270,599)	(1,097,550)
Financial income/(cost), net	25	66,940	274,052	19,823	80,482	46,285	189,954	30,187	122,438
Profit before tax		6,174,071	25,276,646	8,795,551	35,709,937	3,770,886	15,475,717	4,730,373	19,186,392
Income tax expense	19(b)	(1,464,506)	(5,995,688)	(1,926,640)	(7,822,158)	(1,009,258)	(4,141,995)	(1,027,539)	(4,167,698)
Net profit for the period		4,709,565	19,280,958	6,868,911	27,887,779	2,761,628	11,333,722	3,702,834	15,018,694

Phnom Penh Autonomous Port

Condensed interim statement of profit or loss and other comprehensive income (continued) for the three-month and six-month periods ended 30 June 2023

Note	For the six-month period ended				For the three-month period ended				
	30 June 2023		30 June 2022		30 June 2023		30 June 2022		
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	
Other comprehensive income									
<i>Items that will not be reclassified to profit or loss</i>									
Remeasurement of defined benefit liability	-	-	(12,051)	(48,927)	-	-	(12,051)	(48,879)	
Currency translation differences	-	2,547,426	-	(632,109)	-	14,349,730	-	5,079,296	
	-	2,547,426	(12,051)	(681,036)	-	14,349,730	(12,051)	5,030,417	
Total comprehensive income for the period	4,709,565	21,828,384	6,856,860	27,206,743	2,761,628	25,683,452	3,690,783	20,049,111	
Earnings per share attributable to the shareholders of PPAP during the period are as follow:									
Basic earnings per share	26	0.23	0.93	0.33	1.35	0.13	0.55	0.18	0.73
Diluted earnings per share	26	0.23	0.93	0.33	1.35	0.13	0.55	0.18	0.73

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

Phnom Penh Autonomous Port

Condensed interim statement of changes in equity for the six-month period ended 30 June 2023

	Share capital		Share premium		Reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January 2023	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	14,878,805	60,334,539	-	16,929,477	186,954,489	769,691,629
Transaction with the shareholders of PPAP												
Dividends	-	-	-	-	-	-	(1,142,009)	(4,663,965)	-	-	(1,142,009)	(4,663,965)
Transaction recognised directly in equity												
Transfer to reserves	-	-	-	-	13,171,274	53,830,997	(13,171,274)	(53,830,997)	-	-	-	-
Total comprehensive incomes												
Net profit for the period	-	-	-	-	-	-	4,709,565	19,280,958	-	-	4,709,565	19,280,958
Other comprehensive income	-	-	-	-	-	-	-	-	-	2,547,426	-	2,547,426
	-	-	-	-	-	-	4,709,565	19,280,958	-	2,547,426	4,709,565	21,828,384
Balance at 30 June 2023	114,453,485	457,813,940	155,502	622,008	70,637,971	287,822,662	5,275,087	21,120,535	-	19,476,903	190,522,045	786,856,048
Balance at 1 January 2022 (Restated)	114,453,485	457,813,940	155,502	622,008	45,861,380	186,839,262	12,805,966	51,862,847	-	8,789,725	173,276,333	705,927,782
Transaction with shareholders of PPAP												
Dividends	-	-	-	-	-	-	(1,081,480)	(4,394,053)	-	-	(1,081,480)	(4,394,053)
Transaction recognised directly in equity												
Transfer to reserves	-	-	-	-	11,605,317	47,152,403	(11,605,317)	(47,152,403)	-	-	-	-
Total comprehensive incomes												
Net profit for the period (Restated)	-	-	-	-	-	-	6,868,911	27,887,779	-	-	6,868,911	27,887,779
Other comprehensive income	-	-	-	-	-	-	(12,051)	(48,927)	-	(632,109)	(12,051)	(681,036)
	-	-	-	-	-	-	6,856,860	27,838,852	-	(632,109)	6,856,860	27,206,743
Balance at 30 June 2022 (Restated)	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	6,976,029	28,155,243	-	8,157,616	179,051,713	728,740,472

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

Phnom Penh Autonomous Port

Condensed interim statement of cash flows for the six-month period ended 30 June 2023

	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash flows from operating activities				
Profit before tax	6,174,071	25,276,646	8,795,551	35,709,937
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	2,095,834	8,580,344	1,841,268	7,475,548
Depreciation of intangible assets	320	1,310	-	-
Depreciation of investment property	32,664	133,726	25,655	104,159
Depreciation of right-of-use assets	101,369	415,005	45,064	182,960
Interest expenses	608,296	2,490,364	538,403	2,185,916
Interest income from lease receivables	(172,724)	(707,132)	(92,642)	(376,127)
Interest from other investments and bank balances	(562,659)	(2,303,526)	(462,880)	(1,879,293)
Net unwinding effect of long-term deposit	(2,394)	(9,801)	(2,704)	(10,978)
Impairment loss on trade and other receivables	140,567	575,481	346,272	1,405,864
Loss from sub-leasing right-of-use assets	-	-	135,853	551,563
Loss on disposal of property, plant and equipment	-	-	11,930	48,436
Property, plant and equipment written off	-	-	8,309	33,735
Retirement benefits obligation expenses	12,918	52,886	44,328	179,972
Amortisation of liabilities from joint arrangement	(59,079)	(241,869)	-	-
	<u>8,369,183</u>	<u>34,263,434</u>	<u>11,234,407</u>	<u>45,611,692</u>
<i>Changes in working capital:</i>				
Inventories	(64,949)	(265,901)	(212,840)	(864,130)
Trade and other receivables	1,931,472	7,907,446	(2,998,525)	(12,174,012)
Trade and other payables	(364,972)	(1,494,195)	314,069	1,275,120
Contract liabilities	(150,000)	(614,100)	(150,000)	(609,000)
Cash generated from operations	9,720,734	39,796,684	8,187,111	33,239,670
Income tax paid	(3,388,955)	(13,874,382)	(2,484,892)	(10,088,662)
Withholding tax credit	(34,416)	(140,899)	(24,206)	(98,276)
Retirement benefits obligation paid	(832)	(3,406)	(18,990)	(77,099)
Net cash generated from operating activities	<u>6,296,531</u>	<u>25,777,997</u>	<u>5,659,023</u>	<u>22,975,633</u>

Phnom Penh Autonomous Port

Condensed interim statement of cash flows (continued) for the six-month period ended 30 June 2023

	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash flows from investing activities				
Purchase of property, plant and equipment	(10,131,804)	(41,479,606)	(3,083,616)	(12,519,481)
Purchase of intangible assets	(103,238)	(422,656)	-	-
Purchase of investment property	(776,771)	(3,180,100)	-	-
Cash received from lease receivables	328,489	1,344,834	-	-
Proceeds from disposal of property, plant and equipment	-	-	3,355	13,621
Interest received	575,796	2,357,309	326,932	1,327,344
Withdrawal/(Placement) of fixed deposits	1,100,000	4,503,400	(5,000,000)	(20,300,000)
Net cash used in investing activities	<u>(9,007,528)</u>	<u>(36,876,819)</u>	<u>(7,753,329)</u>	<u>(31,478,516)</u>
Cash flows from financing activities				
Dividends paid	(1,142,009)	(4,675,385)	(1,081,480)	(4,390,809)
Interest paid	(468,383)	(1,917,560)	(586,517)	(2,381,259)
Payment of principal portion of lease liabilities	(119,462)	(489,077)	(14,387)	(58,411)
Repayments of borrowings	<u>(1,034,987)</u>	<u>(4,237,237)</u>	<u>(1,034,987)</u>	<u>(4,202,047)</u>
Net cash used in financing activities	<u>(2,764,841)</u>	<u>(11,319,259)</u>	<u>(2,717,371)</u>	<u>(11,032,526)</u>
Net decrease in cash and cash equivalents	(5,475,838)	(22,418,081)	(4,811,677)	(19,535,409)
Cash and cash equivalents at beginning of period	6,194,089	25,501,064	8,646,814	35,227,120
Currency translation differences	<u>-</u>	<u>(116,606)</u>	<u>-</u>	<u>(82,703)</u>
Cash and cash equivalents at end of period (Note 10)	<u>718,251</u>	<u>2,966,377</u>	<u>3,835,137</u>	<u>15,609,008</u>

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements for the three-month and six-month periods ended 30 June 2023

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

1. Background information

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

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

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

1. Background information (continued)

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

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

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

As at 30 June 2023, the Company had 759 employees (31 December 2022: 755 employees).

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard (“CIAS”) 34, “*Interim Financial Reporting*”. They do not include all the information required for a complete set of CIFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company’s financial position and financial performance since the last annual financial statements as at and for the year ended 31 December 2022.

These condensed interim financial statements were authorised for issue by the Company’s Board of Directors on 14 August 2023.

(b) Functional currency

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

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

2. Basis of preparation (continued)

(c) Use of estimates and judgements

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

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

3. Significant accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2022.

4. Translation of United States Dollars into Khmer Riel

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

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

The Company uses the following exchange rates:

For the three-month and six-month periods/year ended		Closing rate	Average rate six-month	Average rate three-month
30 June 2023	USD1 =	4,130KHR	4,094KHR	4,104KHR
30 June 2022	USD1 =	4,070KHR	4,060KHR	4,056KHR
31 December 2022	USD1 =	4,117KHR	N/A	N/A

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

5. Property, plant and equipment

For the six-month period ended 30 June 2023

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

5. Property, plant and equipment (continued)

For the six-month period ended 30 June 2022

	Land US\$	Computer US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicle US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$	Total KHR'000 (Note 4)
Cost										
Balance at beginning of the period (restated)	33,424,683	1,406,261	1,163,692	64,817	1,936,661	28,097,013	56,550,906	2,842,607	125,486,640	511,232,571
Additions	6,532	1,795	1,250	-	216,809	-	-	2,857,230	3,083,616	12,519,481
Transfers	-	-	204,785	-	-	1,448,389	169,342	(1,822,516)	-	-
Disposals	-	-	-	-	-	(153,978)	-	-	(153,978)	(625,151)
Written off	-	(45,794)	(45,492)	(3,229)	(88,022)	-	-	-	(182,537)	(741,100)
Currency translation differences	-	-	-	-	-	-	-	-	-	(474,475)
Balance at end of the period	<u>33,431,215</u>	<u>1,362,262</u>	<u>1,324,235</u>	<u>61,588</u>	<u>2,065,448</u>	<u>29,391,424</u>	<u>56,720,248</u>	<u>3,877,321</u>	<u>128,233,741</u>	<u>521,911,326</u>
Less: Accumulated depreciation										
Balance at beginning of the period	-	849,687	433,912	60,562	784,843	10,287,008	12,169,778	-	24,585,790	100,162,508
Depreciation for the period	-	87,461	39,536	915	68,764	991,553	653,039	-	1,841,268	7,475,548
Disposals	-	-	-	-	-	(138,693)	-	-	(138,693)	(563,094)
Written off	-	(45,794)	(42,535)	(3,229)	(82,670)	-	-	-	(174,228)	(707,365)
Currency translation differences	-	-	-	-	-	-	-	-	-	(83,059)
Balance at end of the period	<u>-</u>	<u>891,354</u>	<u>430,913</u>	<u>58,248</u>	<u>770,937</u>	<u>11,139,868</u>	<u>12,822,817</u>	<u>-</u>	<u>26,114,137</u>	<u>106,284,538</u>
Carrying amounts										
Balance at beginning of the period (restated)	<u>33,424,683</u>	<u>556,574</u>	<u>729,780</u>	<u>4,255</u>	<u>1,151,818</u>	<u>17,810,005</u>	<u>44,381,128</u>	<u>2,842,607</u>	<u>100,900,850</u>	<u>411,070,063</u>
Balance at end of the period (restated)	<u>33,431,215</u>	<u>470,908</u>	<u>893,322</u>	<u>3,340</u>	<u>1,294,511</u>	<u>18,251,556</u>	<u>43,897,431</u>	<u>3,877,321</u>	<u>102,119,604</u>	<u>415,626,788</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

6. Leases

(a) Company as lessee

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

(i) *Right-of-use assets*

	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cost				
Balance at beginning of the period	6,130,269	25,238,317	3,659,892	14,910,400
Additions	389,213	1,593,438	-	-
Termination of sub-leases	-	-	3,645,221	14,799,597
Sub-leasing of right-of-use assets	-	-	(3,829,468)	(15,547,640)
Currency translation differences	-	93,706	-	(16,482)
Balance at end of the period	<u>6,519,482</u>	<u>26,925,461</u>	<u>3,475,645</u>	<u>14,145,875</u>
Less: Accumulated depreciation				
Balance at beginning of the period	222,584	916,378	126,020	513,405
Depreciation for the period	101,369	415,005	45,064	182,960
Currency translation differences	-	6,543	-	(53)
Balance at end of the period	<u>323,953</u>	<u>1,337,926</u>	<u>171,084</u>	<u>696,312</u>
Carrying amounts				
Balance at beginning of the period	<u>5,907,685</u>	<u>24,321,939</u>	<u>3,533,872</u>	<u>14,396,995</u>
Balance at end of the period	<u>6,195,529</u>	<u>25,587,535</u>	<u>3,304,561</u>	<u>13,449,563</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

6. Leases (continued)

(a) Company as lessee (continued)

(ii) Lease liabilities

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current	11,581,116	47,830,009	11,330,427	46,647,368
Current	552,987	2,283,837	380,296	1,565,679
	<u>12,134,103</u>	<u>50,113,846</u>	<u>11,710,723</u>	<u>48,213,047</u>

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

	For the six-month period ended			
	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Balance at beginning of the period	11,710,723	48,213,047	7,467,219	30,421,450
Additions	389,213	1,593,438	-	-
Interest expense	237,367	971,780	144,897	588,282
Interest paid	(83,738)	(342,823)	(172,513)	(700,403)
Principal paid	(119,462)	(489,077)	(14,387)	(58,411)
Currency translation differences	-	167,481	-	(30,289)
Balance at end of the period	<u>12,134,103</u>	<u>50,113,846</u>	<u>7,425,216</u>	<u>30,220,629</u>

(b) Company as lessor

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

7. Investment properties

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

	For the six-month period ended 30 June 2023				For the six-month period ended 30 June 2022			
	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)	Land US\$ <i>(Restated)</i>	Buildings US\$	Total US\$ <i>(Restated)</i>	Total KHR'000 (Note 4) <i>(Restated)</i>
Cost								
Balance at beginning of the period	85,762,296	1,510,578	87,272,874	359,302,422	86,132,962	1,480,578	87,613,540	356,937,562
Addition	-	776,771	776,771	3,180,100	-	-	-	-
Currency translation differences	-	-	-	1,162,512	-	-	-	(350,455)
Balance at end of the period	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>363,645,034</u>	<u>86,132,962</u>	<u>1,480,578</u>	<u>87,613,540</u>	<u>356,587,107</u>
Less: Accumulated depreciation								
Balance at beginning of the period	-	610,662	610,662	2,514,095	-	559,152	559,152	2,277,985
Depreciation for the period	-	32,664	32,664	133,726	-	25,655	25,655	104,159
Currency translation differences	-	-	-	9,116	-	-	-	(1,980)
Balance at end of the period	-	<u>643,326</u>	<u>643,326</u>	<u>2,656,937</u>	-	<u>584,807</u>	<u>584,807</u>	<u>2,380,164</u>
Carrying amounts								
Balance at beginning of the period	<u>85,762,296</u>	<u>899,916</u>	<u>86,662,212</u>	<u>356,788,327</u>	<u>86,132,962</u>	<u>921,426</u>	<u>87,054,388</u>	<u>354,659,577</u>
Balance at end of the period	<u>85,762,296</u>	<u>1,644,023</u>	<u>87,406,319</u>	<u>360,988,097</u>	<u>86,132,962</u>	<u>895,771</u>	<u>87,028,733</u>	<u>354,206,943</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

8. Trade and other receivable

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current				
<i>Other receivables</i>				
Deposit	<u>72,683</u>	<u>300,181</u>	<u>70,289</u>	<u>289,380</u>
Current				
<i>Trade receivables</i>				
Third parties	<u>5,170,500</u>	<u>21,354,165</u>	<u>5,545,813</u>	<u>22,832,112</u>
<i>Other receivables</i>				
Advances	67,644	279,369	23,563	97,009
Deposits	17,729	73,221	17,729	72,990
Other receivables	1,790,206	7,393,551	3,453,885	14,219,644
Prepayments	<u>127,601</u>	<u>526,992</u>	<u>163,624</u>	<u>673,640</u>
	<u>2,003,180</u>	<u>8,273,133</u>	<u>3,658,801</u>	<u>15,063,283</u>
Less: Allowance for impairment losses	<u>(1,517,986)</u>	<u>(6,269,282)</u>	<u>(1,377,419)</u>	<u>(5,670,834)</u>
	<u>5,655,694</u>	<u>23,358,016</u>	<u>7,827,195</u>	<u>32,224,561</u>

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

	For the six-month period ended			
	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	1,377,419	5,670,834	790,673	3,202,225
Recognised in profit or loss	140,567	575,481	346,272	1,405,864
Currency translation differences	-	22,967	-	19,277
Balance at end of the period	<u>1,517,986</u>	<u>6,269,282</u>	<u>1,136,945</u>	<u>4,627,366</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

9. Inventories

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Diesel oil	76,943	317,775	123,770	509,561
Lubricant oil	52,368	216,280	32,202	132,576
Spare parts	636,857	2,630,219	553,307	2,277,965
Stationery	13,763	56,841	5,703	23,479
	<u>779,931</u>	<u>3,221,115</u>	<u>714,982</u>	<u>2,943,581</u>

10. Other investments, cash and bank balances

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current				
Other investments – term deposit (*)	<u>15,000,000</u>	<u>61,950,000</u>	<u>15,000,000</u>	<u>61,755,000</u>
Current				
Cash on hand	4,185	17,284	6,746	27,772
<i>Cash at Bank:</i>				
Saving Account	340,168	1,404,894	705,125	2,903,000
Current Account	295,782	1,221,580	4,389,792	18,072,774
Term deposits (original maturity up to three months)	78,116	322,619	1,092,426	4,497,518
Term deposits (original maturity of less than 1 year)	-	-	1,100,000	4,528,700
	<u>718,251</u>	<u>2,966,377</u>	<u>7,294,089</u>	<u>30,029,764</u>

(*) These represent term deposits with the maturity date ranging from 48 months to 240 months and earning annual interest at rates ranging from 6.25% to 7.75% (2022: 6.25% to 7.75%) during the periods.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

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

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

	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash on hand	4,185	17,284	2,457	10,000
<i>Cash at Bank:</i>				
Current accounts	295,782	1,221,580	3,276,894	13,336,959
Savings accounts	340,168	1,404,894	477,670	1,944,117
Term deposits (original maturity up to three months)	78,116	322,619	78,116	317,932
	<u>718,251</u>	<u>2,966,377</u>	<u>3,835,137</u>	<u>15,609,008</u>

The Company has an overdraft facility with Foreign Trade Bank (“FTB”) with a limit of US\$4,500,000. It is secured by the fixed deposit, bore interest rate at 7% per annum and has the maturity date on 2 May 2024. There is no outstanding balance as at 30 June 2023 (30 June 2022: Nil).

11. Share capital

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Voting shares of US\$1 each:				
Class A	4,136,873	16,547,492	4,136,873	16,547,492
Class B	16,547,492	66,189,968	16,547,492	66,189,968
	<u>20,684,365</u>	<u>82,737,460</u>	<u>20,684,365</u>	<u>82,737,460</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	375,076,480	93,769,120	375,076,480
	<u>114,453,485</u>	<u>457,813,940</u>	<u>114,453,485</u>	<u>457,813,940</u>

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

12. Share premium

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

13. Reserves

	Legal reserve US\$	General reserve US\$	Development fund US\$	US\$	Total KHR'000 (Note 4)
Balance at 1 January 2023	3,174,446	3,174,446	51,117,805	57,466,697	233,991,665
Transfer from retained earnings (*)	<u>715,664</u>	<u>715,664</u>	<u>11,739,946</u>	<u>13,171,274</u>	<u>53,830,997</u>
Balance at 30 June 2023	<u>3,890,110</u>	<u>3,890,110</u>	<u>62,857,751</u>	<u>70,637,971</u>	<u>287,822,662</u>
Balance at 1 January 2022	2,539,054	2,539,054	40,783,272	45,861,380	186,839,262
Transfer from retained earnings	<u>635,392</u>	<u>635,392</u>	<u>10,334,533</u>	<u>11,605,317</u>	<u>47,152,403</u>
Balance at 30 June 2022	<u>3,174,446</u>	<u>3,174,446</u>	<u>51,117,805</u>	<u>57,466,697</u>	<u>233,991,665</u>

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

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

(*) The transfer from retained earnings to reserves was done followed the resolution on the Board of Directors on 31 March 2023.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

14. Trade and other payables

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current				
<i>Other payables</i>				
Deposit	<u>84,236</u>	<u>347,889</u>	<u>83,650</u>	<u>344,386</u>
Current				
<i>Trade payables</i>				
Third parties	<u>1,041,115</u>	<u>4,299,805</u>	<u>629,216</u>	<u>2,590,482</u>
<i>Other payables</i>				
Deposits	403,888	1,668,057	295,001	1,214,519
Seniority payable	-	-	130,859	538,747
Other tax payables	113,672	469,465	213,219	877,823
Other payables	<u>834,248</u>	<u>3,445,445</u>	<u>1,489,600</u>	<u>6,132,683</u>
	<u>1,351,808</u>	<u>5,582,967</u>	<u>2,128,679</u>	<u>8,763,772</u>
	<u>2,392,923</u>	<u>9,882,772</u>	<u>2,757,895</u>	<u>11,354,254</u>

15. Borrowings

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
<i>Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17</i>				
Non-current	15,524,806	64,117,449	16,559,793	68,176,668
Current	<u>2,324,121</u>	<u>9,598,620</u>	<u>2,345,281</u>	<u>9,655,522</u>
	<u>17,848,927</u>	<u>73,716,069</u>	<u>18,905,074</u>	<u>77,832,190</u>

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

15. Borrowings (continued)

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

Movements of Borrowings during the periods were as follow:

	For the six-month period ended			
	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Balance at beginning of the period	18,905,074	77,832,190	21,005,637	85,576,966
Interest expense	363,485	1,488,108	392,155	1,592,149
Interest paid	(384,645)	(1,574,737)	(414,004)	(1,680,856)
Principal paid	(1,034,987)	(4,237,237)	(1,034,987)	(4,202,047)
Currency translation differences	-	207,745	-	(94,592)
Balance at end of the period	<u>17,848,927</u>	<u>73,716,069</u>	<u>19,948,801</u>	<u>81,191,620</u>

16. Contract liabilities

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	13,200,000	54,516,000	13,350,000	54,961,950
Current	300,000	1,239,000	300,000	1,235,100
	<u>13,500,000</u>	<u>55,755,000</u>	<u>13,650,000</u>	<u>56,197,050</u>

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

17. Provision for retirement benefits

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Defined benefits obligation				
Present value of defined benefits obligation	<u>254,779</u>	<u>1,052,238</u>	<u>235,835</u>	<u>970,933</u>
Other benefits				
National Social Security Funds	<u>126,188</u>	<u>521,156</u>	<u>126,188</u>	<u>519,516</u>
	<u>380,967</u>	<u>1,573,394</u>	<u>362,023</u>	<u>1,490,449</u>

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

	For the six-month period ended			
	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	235,835	970,933	455,842	1,857,100
Current service costs (*)	12,918	52,886	31,200	126,672
Interest costs	6,858	28,077	-	-
Benefits paid	(832)	(3,406)	(18,990)	(77,099)
Remeasurement	-	-	12,051	48,927
Currency translation differences	-	3,748	-	(1,581)
Balance at end of the period	<u>254,779</u>	<u>1,052,238</u>	<u>480,103</u>	<u>1,954,019</u>

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

	For the six-month period ended			
	30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	126,188	519,516	99,987	407,347
Additional expenses (*)	-	-	13,128	53,300
Currency translation differences	-	1,640	-	(269)
Balance at end of the period	<u>126,188</u>	<u>521,156</u>	<u>113,115</u>	<u>460,378</u>

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

18. Liability arising from joint arrangement

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

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

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

Pursuant to the above agreements, both parties shall manage the operation of the terminals, TS11 and UM2. PPAP and PTLs shall share 51% and 49%, respectively, in respect of profit or loss arising from the operation of the terminals.

19. Income tax

(a) Applicable tax rates

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

19. Income tax (continued)

(b) Income tax expense

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Current tax at applicable tax rate	1,306,198	5,347,575	2,015,530	8,183,052	847,122	3,476,589	1,188,514	4,820,613
Change to estimates related to prior period	<u>84,368</u>	<u>345,403</u>	<u>121,991</u>	<u>495,283</u>	<u>175,147</u>	<u>718,803</u>	<u>132,673</u>	<u>538,121</u>
Current income tax	1,390,566	5,692,978	2,137,521	8,678,335	1,022,269	4,195,392	1,321,187	5,358,734
Deferred tax expense	<u>67,399</u>	<u>275,932</u>	<u>(210,881)</u>	<u>(856,177)</u>	<u>(15,861)</u>	<u>(65,094)</u>	<u>(293,648)</u>	<u>(1,191,036)</u>
Income tax expense	1,457,965	5,968,910	1,926,640	7,822,158	1,006,408	4,130,298	1,027,539	4,167,698
Tax resulting from share of loss from joint arrangement	<u>6,541</u>	<u>26,778</u>	<u>-</u>	<u>-</u>	<u>2,850</u>	<u>11,697</u>	<u>-</u>	<u>-</u>
	<u>1,464,506</u>	<u>5,995,688</u>	<u>1,926,640</u>	<u>7,822,158</u>	<u>1,009,258</u>	<u>4,141,995</u>	<u>1,027,539</u>	<u>4,167,698</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

19. Income tax (continued)

(b) Income tax expense (continued)

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

	For the six-month period ended						For the three-month period ended					
	30 June 2023			30 June 2022			30 June 2023			30 June 2022		
	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4) <i>(Restated)</i>	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Profit before tax		6,174,071	25,276,646		8,795,551	35,709,937		3,770,886	15,475,717		4,730,373	19,186,392
Income tax expense at applicable tax rate	20.00	1,234,814	5,055,329	20.00	1,759,110	7,141,987	20.00	754,177	3,095,142	20.00	946,074	3,837,276
Non-deductible expenses	2.25	138,783	568,178	0.52	45,539	184,888	2.04	77,084	316,353	-1.08	(51,208)	(207,699)
Change to estimates related to prior period	1.36	84,368	345,403	1.38	121,991	495,283	4.65	175,147	718,803	2.80	132,673	538,121
	23.61	1,457,965	5,968,910	21.90	1,926,640	7,822,158	26.69	1,006,408	4,130,298	21.72	1,027,539	4,167,698
Tax resulting from share of loss from joint arrangement	0.11	6,541	26,778	-	-	-	0.07	2,850	11,697	-	-	-
	23.72	1,464,506	5,995,688	21.90	1,926,640	7,822,158	26.76	1,009,258	4,141,995	21.72	1,027,539	4,167,698

During the periods, the Company has paid US\$3,388,955 in respect to the income tax expenses for the six-month period ended 30 June 2023 (30 June 2022: US\$2,484,892).

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

19. Income tax (continued)

(c) Deferred tax liabilities, net

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

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
<i>Deferred tax assets:</i>				
Lease liabilities	2,426,821	10,022,771	2,342,145	9,642,611
Contract Liabilities	2,700,000	11,151,000	2,730,000	11,239,410
Provision for retirement benefits	76,193	314,677	72,405	298,091
Impairment loss on trade and other receivables	303,597	1,253,856	275,484	1,134,168
Long-term deposits	16,848	69,582	16,730	68,877
	<u>5,523,459</u>	<u>22,811,886</u>	<u>5,436,764</u>	<u>22,383,157</u>
<i>Deferred tax liabilities:</i>				
Property, plant and equipment	(3,371,372)	(13,923,766)	(3,237,153)	(13,327,359)
Right-of-use assets	(1,239,106)	(5,117,508)	(1,181,537)	(4,864,388)
Lease receivables	<u>(1,251,850)</u>	<u>(5,170,141)</u>	<u>(1,283,002)</u>	<u>(5,282,119)</u>
	<u>(5,862,328)</u>	<u>(24,211,415)</u>	<u>(5,701,692)</u>	<u>(23,473,866)</u>
Deferred tax liabilities, net	<u>(338,869)</u>	<u>(1,399,529)</u>	<u>(264,928)</u>	<u>(1,090,709)</u>

(d) Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

20. Capital commitments

	30 June 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Capital expenditure in respect of property, plant and equipment:				
Contracted but not yet provided	<u>2,587,746</u>	<u>10,687,391</u>	<u>1,896,145</u>	<u>7,806,429</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

21. Revenue

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Stevedoring	6,919,655	28,329,068	8,091,907	32,853,142	3,913,004	16,058,968	4,209,784	17,074,884
Lift On Lift Off (“LOLO”)	5,572,737	22,814,785	6,459,342	26,224,929	3,123,307	12,818,052	3,360,479	13,630,103
Port dues and charges	2,266,234	9,277,962	2,066,082	8,388,293	1,116,093	4,580,446	1,062,986	4,311,471
Logistics services	497,192	2,035,503	178,345	724,079	25,799	105,880	132,610	537,867
Gate fees	463,444	1,897,340	536,313	2,177,431	262,835	1,078,675	272,967	1,107,154
Trucking fee	307,442	1,258,668	658,075	2,671,785	190,784	782,978	385,185	1,562,310
Storage fees	279,340	1,143,618	600,582	2,438,363	149,793	614,750	250,414	1,015,679
Weighting fee	10,675	43,703	10,876	44,157	6,149	25,235	5,469	22,182
Stuffing/Unstuffing	7,050	28,863	15,300	62,118	3,850	15,800	6,400	25,958
Sand dredging management fee	-	-	2,652	10,767	-	-	-	-
	<u>16,323,769</u>	<u>66,829,510</u>	<u>18,619,474</u>	<u>75,595,064</u>	<u>8,791,614</u>	<u>36,080,784</u>	<u>9,686,294</u>	<u>39,287,608</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

22. Cost of services

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Crane charges	1,471,335	6,023,645	1,630,112	6,618,255	831,924	3,414,216	862,727	3,499,221
Depreciation	1,878,197	7,689,339	1,554,949	6,313,093	953,364	3,912,606	784,574	3,182,232
Fuel and gasoline	871,643	3,568,506	984,222	3,995,941	352,832	1,448,023	588,148	2,385,528
Salaries and wages	1,233,700	5,050,768	995,582	4,042,063	612,434	2,513,429	497,561	2,018,107
Maintenance costs	786,266	3,218,973	650,754	2,642,061	356,951	1,464,927	321,180	1,302,706
Logistic costs	152,469	624,208	179,980	730,719	-	-	131,120	531,823
Others	200,956	822,714	188,860	766,772	77,089	316,373	113,831	461,699
	<u>6,594,566</u>	<u>26,998,153</u>	<u>6,184,459</u>	<u>25,108,904</u>	<u>3,184,594</u>	<u>13,069,574</u>	<u>3,299,141</u>	<u>13,381,316</u>

23. Other income

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Rental income	623,601	2,553,022	402,890	1,635,733	392,395	1,610,389	172,652	700,277
Loss from sub-leasing right-of-use assets	-	-	(135,853)	(551,563)	-	-	-	-
Others	169,909	695,608	159,118	646,019	74,218	304,591	87,951	356,729
	<u>793,510</u>	<u>3,248,630</u>	<u>426,155</u>	<u>1,730,189</u>	<u>466,613</u>	<u>1,914,980</u>	<u>260,603</u>	<u>1,057,006</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

24. General and administrative expenses

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Salaries and other benefits	2,385,599	9,766,642	2,126,835	8,634,950	1,209,955	4,965,655	1,097,218	4,450,316
Utilities and fuel	325,618	1,333,080	359,045	1,457,723	162,420	666,572	189,490	768,571
Depreciation	351,854	1,440,490	357,039	1,449,578	175,223	719,115	178,663	724,657
Board of Directors' fees	123,177	504,287	124,018	503,513	61,475	252,293	61,953	251,281
Donation	538,759	2,205,679	239,664	973,036	307,789	1,263,166	154,955	628,497
Office supplies	111,145	455,028	107,181	435,155	60,135	246,794	32,791	133,000
Business entertainment	120,246	492,287	104,476	424,173	77,383	317,580	51,504	208,900
Repair and maintenance	170,568	698,305	80,032	324,930	113,939	467,606	48,210	195,540
Communication expenses	37,632	154,065	32,768	133,038	19,218	78,871	16,596	67,313
Professional fees	14,218	58,208	15,111	61,351	6,567	26,951	6,214	25,204
Travelling expenses	44,613	182,646	17,546	71,237	23,467	96,309	11,004	44,632
Other tax expenses	53,279	218,124	46,610	189,237	26,349	108,136	27,815	112,818
Uniforms	53,662	219,692	55,615	225,796	13,768	56,504	40,993	166,267
Others	152,479	624,251	73,230	297,313	75,592	310,229	58,083	235,587
	<u>4,482,849</u>	<u>18,352,784</u>	<u>3,739,170</u>	<u>15,181,030</u>	<u>2,333,280</u>	<u>9,575,781</u>	<u>1,975,489</u>	<u>8,012,583</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

25. Financial income/(cost), net

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Finance cost								
Net loss on currencies exchange	62,541	256,043	-	-	-	-	-	-
Interest expenses from:								
Lease liabilities	237,367	971,780	144,897	588,282	118,800	487,555	71,758	291,050
Borrowings	363,485	1,488,108	392,155	1,592,149	185,434	761,021	198,841	806,500
Provision for retirement benefits	6,858	28,077	-	-	3,429	14,073	-	-
Others	586	2,399	1,351	5,485	588	2,413	-	-
	608,296	2,490,364	538,403	2,185,916	308,251	1,265,062	270,599	1,097,550
Finance cost	670,837	2,746,407	538,403	2,185,916	308,251	1,265,062	270,599	1,097,550
Finance income								
Interest incomes from:								
Other investments and bank balances	562,659	2,303,526	462,880	1,879,293	275,800	1,131,883	245,016	993,785
Lease receivables	172,724	707,132	92,642	376,127	77,539	318,220	55,770	226,203
Others	2,394	9,801	2,704	10,978	1,197	4,913	-	-
Finance income	737,777	3,020,459	558,226	2,266,398	354,536	1,455,016	300,786	1,219,988
Financial income/(cost), net	66,940	274,052	19,823	80,482	46,285	189,954	30,187	122,438

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

26. Earnings per share

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Profit attributable to ordinary equity holders	4,709,565	19,280,958	6,868,911	27,887,779	2,761,628	11,333,722	3,702,834	15,018,694
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.23	0.93	0.33	1.35	0.13	0.55	0.18	0.73
Diluted earnings per share	<u>0.23</u>	<u>0.93</u>	<u>0.33</u>	<u>1.35</u>	<u>0.13</u>	<u>0.55</u>	<u>0.18</u>	<u>0.73</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

27. Dividends

On 31 March 2023, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2022 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to total dividend of US\$352,665 (equivalent to KHR1,429,703,809).
- Shareholders in Class B is entitled to total dividend of US\$789,344 (equivalent to KHR3,200,000,000).

The dividends were paid on 5 June 2023 after approval from the Company's 8th shareholder general meeting on 11 May 2023.

28. Related party transactions and balances

(a) Identity of related party

For the purposes of these condensed interim financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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

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

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

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

28. Related party transactions and balances (continued)

(b) Significant transactions with related parties

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:								
<i>Interest expense</i>								
MEF	<u>351,436</u>	<u>1,438,779</u>	<u>392,146</u>	<u>1,592,113</u>	<u>173,385</u>	<u>711,572</u>	<u>198,833</u>	<u>806,468</u>
<i>Donation and charities</i>								
MEF and MPWT	<u>10,552</u>	<u>43,200</u>	<u>20,020</u>	<u>81,281</u>	<u>3,704</u>	<u>15,201</u>	<u>5,744</u>	<u>23,298</u>

(c) Compensation of key management personnel

Key management compensation during the financial periods are as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2023		30 June 2022		30 June 2023		30 June 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Short term employee benefits	<u>123,177</u>	<u>504,287</u>	<u>124,018</u>	<u>503,513</u>	<u>61,475</u>	<u>252,295</u>	<u>61,953</u>	<u>251,281</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

29. 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 and PPAP seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

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

There is impairment allowance amounting to US\$1,517,986 recognised for trade and other receivables at 30 June 2023 (31 December 2022: US\$1,377,419).

(b) Liquidity and cash flow risk

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

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

(c) Interest rate risk

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

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

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

30. Seasonality or cyclicity of operations

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

31. Segment Reporting

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

32. Restatement of comparative information

During the preparation of the condensed interim financial statements for the three-month and six-month periods ended 30 June 2023, the management has identified errors in the prior years' financial statements relating to the following:

- A. Other investments – Non-current vs Current asset;
- B. Financial instrument measured at amortised cost;
- C. Present interest revenue as a separate line item in the statement of profit or loss and other comprehensive income;
- D. Present impairment loss as a separate line item in the statement of profit or loss and other comprehensive income;
- E. Leases
- F. Classification and measurement of Property, plant and equipment (“PPE”)
- G. Measurement of current tax income liabilities and deferred tax
- H. Classification of inventory
- I. Earnings per share
- J. Corresponding impacts to Retained earnings
- K. Corresponding impacts on Statement of Cash flows

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

The details of the adjustments are as follows:

A. Other investments – Non-current vs Current asset

In accordance with paragraph 60 of CIAS 1, the current and non-current assets shall be presented as separate classifications in the statement of financial position. According to certificate of deposit, the maturities of the Company's fixed deposits were more than 1 year as at 31 December 2022 and 2021. However, as at 31 December 2022 and 2021, these balances were classified as current assets under "cash and bank balances" instead of non-current assets. As a result, the current assets and non-current assets were overstated and understated by US\$15,000,000 and US\$10,000,000 as at 31 December 2022 and 2021, respectively.

B. Financial instrument measured at amortised cost

Under CIFRS 9, the accrued interest receivable and payable are included as cash flows in the amortised cost measurement method of financial assets and financial liabilities, respectively. However, as at 31 December 2022 and 2021, the Company classified the accrued interest receivable (to be received every 3 months) and payable (to be paid every 6 months) to other receivables (current assets) and other liabilities (current liabilities), respectively. As a result:

- The other receivables and cash and bank balances were overstated and understated by US\$91,254 and US\$32,114 as at 31 December 2022 and 2021, respectively; and
- The current other liabilities and borrowings were overstated and understated by US\$275,307 and US\$305,896 as at 31 December 2022 and 2021, respectively.

C. Present interest revenue as a separate line item in the statement of profit or loss and other comprehensive income

In accordance with paragraph 82(a) of CIAS 1, the revenue items such as interest revenue calculated using the effective interest rate method shall be presented separately as a line item in the statement of profit or loss. However, the Company presented the interest income from deposits with financial institutions, lease receivables, and the unwinding effect of long-term deposit amount totalling to US\$288,075 and US\$551,736 as "other income" in the statement of profit or loss for the three-month and six-month periods ended 30 June 2022, respectively. Consequently, these amounts shall be reclassified to a separate line item as "Financial income" in the statement of profit or loss for the three-month and six-month periods ended 30 June 2022.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

D. Present impairment loss as a separate line item in the statement of profit or loss and other comprehensive income

In accordance with paragraph 82(ba) of CIAS 1, items such as impairment loss (including reversal of impairment losses or impairment gain) determined in accordance with the section 5.5 of CIFRS 9 shall be presented separately as a line item in the statement of profit or loss. However, in relation to the trade and other receivables, the Company has presented the impairment gain and losses amounting to US\$27,919 and US\$346,272 under “General and administrative expenses” for the three-month and six-month periods ended 30 June 2022, respectively. Consequently, the balance of these amounts shall be reclassified to a separate line item as “Impairment losses on trade and other receivables” in the statement of profit or loss for the three-month and six-month periods ended 30 June 2022.

E. Leases

(i) Recognition and measurement of right-of-use assets and lease liabilities

In accordance with paragraph 22 of CIFRS 16, a lessee shall recognise a right-of-use asset and a lease liability at the commencement date of the lease. However, the Company recognised the right-of-use assets and lease liabilities for 2 leases, which had commenced on 1 February 2021 and 1 May 2021, in September 2022 instead of the respective commencement dates of each lease. Additionally, there was another new lease of land in December 2022 which the Company has made an error in the calculation. As a result, the following items were impacted:

As at 31 December 2021:

- The right-of-use assets were understated by US\$658,135.
- The lease liabilities were understated by US\$639,954 (non-current and current was understated by US\$292,607 and US\$347,347, respectively).
- Retained earnings was understated by US\$18,181.

As at 31 December 2022:

- The right-of-use assets were understated by US\$178,444.
- The other current receivables were overstated by US\$96,000.
- The lease liabilities were understated by US\$48,407 (non-current was overstated by US\$275,493 and current was understated by US\$323,900).
- Retained earnings were understated by US\$34,037.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

E. Leases (continued)

(i) Recognition and measurement of right-of-use assets and lease liabilities (continued)

For the three-month and six-month periods ended and as at 30 June 2022:

- The depreciation expense was overstated by US\$2,612 and US\$5,202, respectively.
- The interest expenses were understated by US\$4,502 and US\$10,332, respectively.
- The right-of-use assets were understated by US\$663,337.
- The lease liabilities were understated by US\$650,286 (non-current and current was understated by US\$302,939 and US\$347,347, respectively).
- The opening retained earnings were understated by US\$18,181.

(ii) Recognition and measurement of sub-leases transactions

- a) In accordance with CIFRS16.B58, the intermediate lessor shall classify the sub-lease as finance lease or as an operating lease with reference to the right-of-use asset arising from the head lease. However, the Company has identified an error such that a transaction relating to the sub-leasing of the Company's right-of-use assets for a piece of land with a size 9,057 m² located at Kilometre no.6 to a lessee for a period of 38 years (starting from January 2021), which is almost the entirety of the head lease's remaining terms of 38.25 years, was classified as operating lease instead of finance lease.

The Company identified other recording errors in relation to the calculation and recording of the head lease and sub-lease of a piece of land with size totalling 14,247 m² located at Kilometre no.6. Consequently, the following items were impacted:

As at 31 December 2021:

- The right-of-use assets were overstated by US\$785,255.
- The lease receivables were understated by US\$1,407,541 (non-current and current was understated by US\$1,125,706 and US\$281,835, respectively).
- The other current receivables were overstated by US\$324,319.
- Non-current lease liability was understated by US\$39,119.
- Retained earnings was understated by US\$258,848.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

E. Leases (continued)

(ii) Recognition and measurement of sub-leases transactions (continued)

- b) On 1 January 2022, all the Company's sub-leases were terminated; and 2 locations were sub-leased to various lessees in the same month (i.e. January 2022). The Company, however, recognised these transactions in September 2022 instead of January, and recorded an incorrect amount when it recognised this transaction. Furthermore, the refundable security deposits from these leases were inaccurately reported at cost rather than amortised cost. Additionally, There were a number of transactions in relation to these transactions that were recorded incorrectly across various accounts. Consequently, the following items were impacted:

As at 31 December 2022:

- The right of use assets was overstated by US\$37,754.
- The lease receivables were understated by US\$307,951 (non-current and current were overstated and understated by US\$308,246 and US\$616,197, respectively).
- The other current receivables were overstated by US\$284,298.
- The other non-current and current payables were understated and overstated by US\$48,505 and US\$200,000, respectively.
- Non-current lease liability was understated by US\$39,119.
- Retained earnings was understated by US\$98,275.

For the three-month and six-month periods ended and as at 30 June 2022:

- The net income from sub-leasing of right-of-use assets was overstated by nil and US\$135,853, respectively.
- The Interest income were understated by US\$12,711 and US\$6,490, respectively.
- The right of use assets was overstated by US\$969,502.
- The lease receivables were understated by US\$1,556,941 (non-current and current was understated by US\$1,275,106 and US\$281,835, respectively).
- The other current receivables were overstated by US\$417,357.
- The other payable was understated by US\$1,477.
- Non-current lease liability was understated by US\$39,120.
- The opening retained earnings was understated by US\$258,848.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

F. Classification and measurement of Property, plant and equipment (“PPE”)

(i) Classification of concession assets vs. PPE

CIAS16 defines PPE as tangible items that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and are expected to be used during more than one period. However, as at 31 December 2022, the Company classified the non-current assets, including construction in progress, and harbours and buildings among others, which resulted from the joint arrangement for the development of TS11 and UM2 ports, in the financial statement caption called “concession asset”, instead of PPE. Consequently, the concession assets and PPE were overstated and understated by US\$8,135,093, respectively, as at 31 December 2022.

(ii) Measurement of the PPE

In accordance with CIAS 16.16, the element of cost of property, plant, and equipment comprises the purchases price including non-refundable purchase taxes. However, as at 31 December 2022, the Company has recorded the refundable valued-added tax (“VAT”) amounting to US\$450,569 as a cost of the above PPE. As a result, the cost of PPE and the liability arising from joint arrangement was overstated by the US\$450,569, respectively, as at 31 December 2022.

(iii) Classification of PPE vs Investment property (“IP”)

CIAS 40 defines IP as property held to earn rental income or for capital appreciation, or both, rather than for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business. On 31 December 2021, the Company has entered into an agreement with Khmer Cold Chain Company Limited (“KCCC”) to lease two plots of land, located at Kien Svay District, Kandal Province, with a total areas of 12,380 square meters for a period of around 15 years. However, the leased land amounting to US\$2,427,525 was reported under PPE instead of IP. Consequently, the PPE and IP were overstated and understated by US\$2,427,525, respectively, as at 31 December 2021 and 31 December 2022.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

G. Measurement of current income tax liabilities and deferred tax

As at 31 December 2022 and 2021, the Company reported net deferred tax liabilities amounting to US\$271,230 and net deferred tax assets amounting US\$140,376, respectively. However, the Company identified errors in their calculation of current income tax and deferred tax for the years ended 31 December 2022 and 2021 and for the three-month and six-month periods ended 30 June 2022 together with the impact from the restatements mentioned herein this Note. Consequently, the following items were impacted:

As at 31 December 2021:

- Net deferred tax asset was overstated by US\$140,376.
- Net deferred tax liability was understated by US\$136,559.
- The current income tax liability was overstated by US\$119,075.
- Retained earnings was overstated by US\$157,860.

As at 31 December 2022:

- Net deferred tax liability was overstated by US\$6,302.
- The current income tax liability was overstated by US\$175,148.
- Retained earnings was understated by US\$181,450.

For the three-month and six-month periods ended and as at 30 June 2022:

- The income tax expense was understated by US\$36,579 and US\$86,466, respectively.
- Net deferred tax liability was overstated by US\$92,304.
- The current income tax liability was understated by US\$336,630.
- The opening retained earnings was overstated by US\$157,860.

H. Classification of inventory

The Company has identified an error in classification of its recording of the inventory balance as at 31 December 2021 of US\$352,114 under the Trade and other receivables. As a result, as at 31 December 2021, the Inventory and Trade and other receivables were understated and overstated, respectively, by US\$352,114. Consequently, under the statement of cash flows for six-month period ended 30 June 2022, the changes in the Inventory, and Trade and other receivables were overstated and understated, respectively by US\$212,840.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

I. Earnings per share

As a result from items E and G above, the earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2022 were consequently adjusted to US\$0.18 per share and US\$0.33 per share, respectively.

J. Corresponding impacts to Retained earnings

As a result from items E and G, the retained earnings were impacted as follows:

- As at 31 December 2021, retained earnings was understated by US\$119,169.
- As at 31 December 2022, retained earnings was understated by US\$313,762.
- As at 30 June 2022, retained earnings was overstated by US\$101,790.

K. Corresponding impacts on Statement of Cash flows

For the six-month period ended 30 June 2022:

Operating activities:

As a result from the above restatement A, B, E, F, G, and H, the cash generated from operating activities were understated by US\$46,002.

Investing activities:

As a result from the above restatement A, the net cash used in investing activities for the six-month period ended 30 June 2022 was understated by US\$2,000,000.

Financing activities:

As a result from the above restatement E, the interest paid portion was understated by US\$172,513 and the principal portion payment for lease liability was overstated by US\$172,513.

Cash and cash equivalents at beginning of period:

As a result from the above restatement A and B, the cash and cash equivalents were understated by US\$2,032,114 as at 1 January 2022.

Cash and cash equivalents at end of period:

As a result from the above restatement B, the cash and cash equivalents were understated by US\$78,116 as at 30 June 2022.

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows:

Items	31 December 2022				1 January 2022				
	Previously reported US\$	Adjustments US\$	As restated		Previously reported US\$	Adjustments US\$	As restated		
			US\$	KHR'000 (Note 4)			US\$	KHR'000 (Note 4)	
Statement of financial position									
Assets									
Non-current assets									
Concession assets	F	8,135,093	(8,135,093)	-	-	-	-	-	
Property, plant and equipment	F(i),(ii), (iii)	107,632,950	5,256,999	112,889,949	464,767,920	103,328,375	(2,427,525)	100,900,850	411,070,063
Right-of-use assets	E(i), E(ii)	5,766,995	140,690	5,907,685	24,321,939	3,660,992	(127,120)	3,533,872	14,396,995
Lease receivables	E(ii)	8,835,986	(308,246)	8,527,740	35,108,706	4,296,588	1,125,706	5,422,294	22,090,426
Investment properties	F(iii)	84,234,687	2,427,525	86,662,212	356,788,327	84,626,863	2,427,525	87,054,388	354,659,577
Other investments	A	-	15,000,000	15,000,000	61,755,000	-	10,000,000	10,000,000	40,740,001
Deferred tax assets	G	-	-	-	-	140,376	(140,376)	-	-
Current assets									
Inventories	H	714,982	-	714,982	2,943,581	-	352,114	352,114	1,434,512
Lease receivables	E(ii)	34,497	616,197	650,694	2,678,907	13,886	281,835	295,721	1,204,767
Trade and other receivables	B,E(i), E(ii),H	8,298,747	(471,552)	7,827,195	32,224,561	5,134,521	(708,547)	4,425,974	18,031,418
Cash and bank balances	A,B	22,202,835	(14,908,746)	7,294,089	30,029,764	18,614,700	(9,967,886)	8,646,814	35,227,120

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

	Items	31 December 2022				1 January 2022			
		Previously reported US\$	Adjustments US\$	As restated US\$	As restated KHR'000 (Note 4)	Previously reported US\$	Adjustments US\$	As restated US\$	As restated KHR'000 (Note 4)
Statement of financial position									
Equity									
Retained earnings	J	<u>14,565,043</u>	<u>313,762</u>	<u>14,878,805</u>	<u>60,334,539</u>	<u>12,686,797</u>	<u>119,169</u>	<u>12,805,966</u>	<u>51,862,847</u>
Liabilities									
Non-current liabilities									
Other payable	E(ii)	35,145	48,505	83,650	344,386	33,793	-	33,793	137,672
Lease liabilities	E(i)	11,566,801	(236,374)	11,330,427	46,647,368	6,778,885	331,726	7,110,611	28,968,629
Liability arising from joint arrangement	F	8,178,292	(450,569)	7,727,723	31,815,036	-	-	-	-
Deferred tax liabilities, net	G	<u>271,230</u>	<u>(6,302)</u>	<u>264,928</u>	<u>1,090,709</u>	<u>-</u>	<u>136,559</u>	<u>136,559</u>	<u>556,341</u>
Current liabilities									
Trade and other payables	B, E(ii)	3,233,202	(475,307)	2,757,895	11,354,254	2,393,907	(305,896)	2,088,011	8,506,557
Borrowings	B	2,069,974	275,307	2,345,281	9,655,522	2,069,974	305,896	2,375,870	9,679,295
Lease liabilities	E(i), E(ii)	56,396	323,900	380,296	1,565,679	9,261	347,347	356,608	1,452,821
Current income tax liabilities	G	<u>3,303,478</u>	<u>(175,148)</u>	<u>3,128,330</u>	<u>12,879,335</u>	<u>2,305,306</u>	<u>(119,075)</u>	<u>2,186,231</u>	<u>8,906,705</u>

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

A summary of the line items effected by the restatements of the comparative information and correction of those errors is as follows: (continued)

Items	For the six-month period ended 30 June 2022				For the three-month period ended 30 June 2022				
	Previously reported US\$	Adjustments US\$	As restated		Previously reported US\$	Adjustments US\$	As restated		
			US\$	KHR'000 (Note 4)			US\$	KHR'000 (Note 4)	
Statement of profit or loss									
Revenue	18,619,474	-	18,619,474	75,595,064	9,686,294	-	9,686,294	39,287,608	
Cost of sales and services	(6,184,459)	-	(6,184,459)	(25,108,904)	(3,299,141)	-	(3,299,141)	(13,381,316)	
Gross profit	12,435,015	-	12,435,015	50,486,160	6,387,153	-	6,387,153	25,906,292	
Other income	C,E(ii) 1,113,744	(687,589)	426,155	1,730,189	548,678	(288,075)	260,603	1,057,006	
General and administrative expenses	D,E(i) (4,090,644)	351,474	(3,739,170)	(15,181,030)	(1,950,182)	(25,307)	(1,975,489)	(8,012,583)	
Impairments loss on trade and other receivables	D -	(346,272)	(346,272)	(1,405,864)	-	27,919	27,919	113,239	
Operating profit	9,458,115	(682,387)	8,775,728	35,629,455	4,985,649	(285,463)	4,700,186	19,063,954	
Financial income	C,E(ii) -	558,226	558,226	2,266,398	-	300,786	300,786	1,219,988	
Finance costs	E(i) (528,071)	(10,332)	(538,403)	(2,185,916)	(266,097)	(4,502)	(270,599)	(1,097,550)	
Finance income, net	(528,071)	547,894	19,823	80,482	(266,097)	296,284	30,187	122,438	
Profit before tax	8,930,044	(134,493)	8,795,551	35,709,937	4,719,552	10,821	4,730,373	19,186,392	
Income tax expense	G (1,840,174)	(86,466)	(1,926,640)	(7,822,158)	(990,960)	(36,579)	(1,027,539)	(4,167,698)	
Profit for the period	7,089,870	(220,959)	6,868,911	27,887,779	3,728,592	(25,758)	3,702,834	15,018,694	
Earnings per share attributable to shareholder of PPAP during the period are as follow:									
Basic earnings per share	I 0.34	-0.01	0.33	1.35	0.18	-0.001	0.18	0.73	
Diluted earnings per share	I 0.34	-0.01	0.33	1.35	0.18	-0.001	0.18	0.73	

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows: (continued)

		For the six-month period ended 30 June 2022			
Items	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)	
Cash flows from operating activities					
Profit before tax	8,930,044	(134,493)	8,795,551	35,709,937	
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment	1,841,268	-	1,841,268	7,475,548	
Depreciation of investment property	25,655	-	25,655	104,159	
Depreciation of right-of-use assets	E(i) 50,266	(5,202)	45,064	182,960	
Interest expenses	E(i) 526,719	11,684	538,403	2,185,916	
Interest income from lease receivables	E(ii) (86,152)	(6,490)	(92,642)	(376,127)	
Interest from fixed deposit	(462,880)	-	(462,880)	(1,879,293)	
Net unwinding effect of long-term deposit	E(ii) (1,352)	(1,352)	(2,704)	(10,978)	
Net impairment loss on receivables	346,272	-	346,272	1,405,864	
Loss from sub-leasing right-of-use assets	-	E(ii) 135,853	135,853	551,563	
Loss on disposal of property, plant and equipment	11,930	-	11,930	48,436	
Property, plant and equipment written off	8,309	-	8,309	33,735	
Retirement benefits obligation expenses	44,328	-	44,328	179,972	
	<u>11,234,407</u>	<u>-</u>	<u>11,234,407</u>	<u>45,611,692</u>	
<i>Changes in working capital:</i>					
Inventories	H -	(212,840)	(212,840)	(864,130)	
Trade and other receivables	B, E(i), H (3,255,889)	257,364	(2,998,525)	(12,174,012)	
Trade and other payables	312,591	1,478	314,069	1,275,120	
Contract liabilities	(150,000)	-	(150,000)	(609,000)	
Cash generated from operations	8,141,109	46,002	8,187,111	33,239,670	
Income tax paid	(2,509,098)	24,206	(2,484,892)	(10,088,662)	
Withholding tax credit	-	(24,206)	(24,206)	(98,276)	
Retirement benefits obligation paid	(18,990)	-	(18,990)	(77,099)	
Net cash generated from operating activities	K 5,613,021	46,002	5,659,023	22,975,633	

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

32. Restatement of comparative information (continued)

A summary of the line items affected by the restatements of the comparative information and correction of those errors is as follows: (continued)

					For the six-month period ended 30 June 2022			
Items	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)				
Cash flows from investing activities								
Purchase of property, plant and equipment	(3,083,616)	-	(3,083,616)	(12,519,481)				
Proceeds from disposal of property, plant and equipment	3,355	-	3,355	13,621				
Interest received	326,932	-	326,932	1,327,344				
Placement of fixed deposit	K (3,000,000)	(2,000,000)	(5,000,000)	(20,300,000)				
Net cash used in investing activities	K (5,753,329)	(2,000,000)	(7,753,329)	(31,478,516)				
Cash flows from financing activities								
Dividend paid	(1,081,480)	-	(1,081,480)	(4,390,809)				
Interest paid	K (414,004)	(172,513)	(586,517)	(2,381,259)				
Payment of principal portion of lease liabilities	K (186,900)	172,513	(14,387)	(58,411)				
Repayments of borrowings	(1,034,987)	-	(1,034,987)	(4,202,047)				
Net cash used in financing activities	(2,717,371)	-	(2,717,371)	(11,032,526)				
Net decrease in cash and cash equivalents	(2,857,679)	(1,953,998)	(4,811,677)	(19,535,409)				
Cash and cash equivalents at beginning of period	6,614,700	2,032,114	8,646,814	35,227,120				
Currency translation differences	-	-	-	(82,703)				
Cash and cash equivalents at end of period	K 3,757,021	78,116	3,835,137	15,609,008				

					For the six-month period ended 30 June 2022			
Item	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)				
Statement of change in equity								
Retained earnings	J 7,077,819	(101,790)	6,976,029	28,155,243				

Phnom Penh Autonomous Port

Notes to the condensed interim financial statements (continued) for the three-month and six-month periods ended 30 June 2023

33. Contingent liability

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

On 14 July 2023, the management has engaged an external legal counsel to conduct a preliminary assessment of the claims from SAAB and response to SAAB. As of the date of this report, the management is not aware of any lawsuit initiated against the Company regarding the claim or counterclaim against SAAB initiated by the Company. Management believes that the amount billed is not equivalent nor does it reflect to the actual performance obligations being fulfilled by the vendor as at the date of this report.

34. Financial instruments – fair values

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



ចំណតផែនការពហុបំណងឧស្ម័ន លេខ UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិឧស្ម័ន យ៉ុងឧស្ម័ន ស្រុកតូប៉េ ខេត្តតូប៉េ

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

ចំណតផែនការពហុបំណង លេខ UM១

Sub-Feeder Multipurpose Terminal UM1

ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល ឃុំព្រែកអញ្ជាញ ស្រុកមុខកំពូល ខេត្តកណ្តាល

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

ចំណតផែនការពហុបំណង TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវបឹងព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផ្លូវអ្នកដំណើរ និងទេសចរ TS១

Passenger and Tourist Terminal TS1

ផ្លូវបឹងព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផែនការពហុបំណង លេខ TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សង្កាត់អូរម៉ែតលេខ៦ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ

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

ចំណតផែនការកុងតឺន័រ លេខ LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ

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

ភូមិកណ្តាល ឃុំបន្ទាយដេក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល

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

ចំណតផែនការពហុបំណង លេខ LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា ឃុំកោះរកា ស្រុកពរម្រះ ខេត្តព្រៃវែង

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

ទំនាក់ទំនង/ Contact

Email ppapmpwt@online.com.kh

Tel/Fax +855 23 427 802

Website www.ppap.com.kh

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

