



KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

The 3rd Quarter Report of 2022

Listed Company

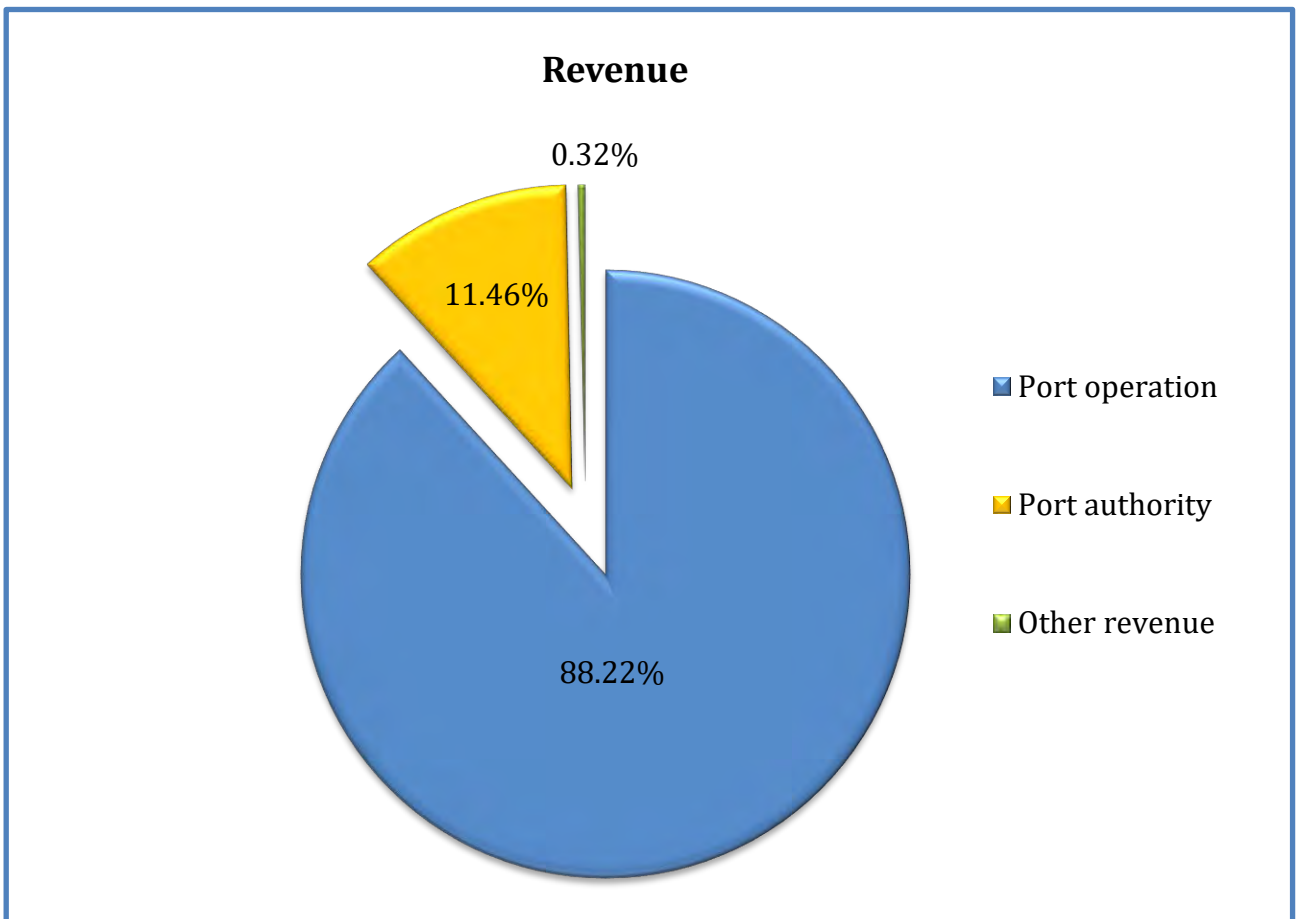
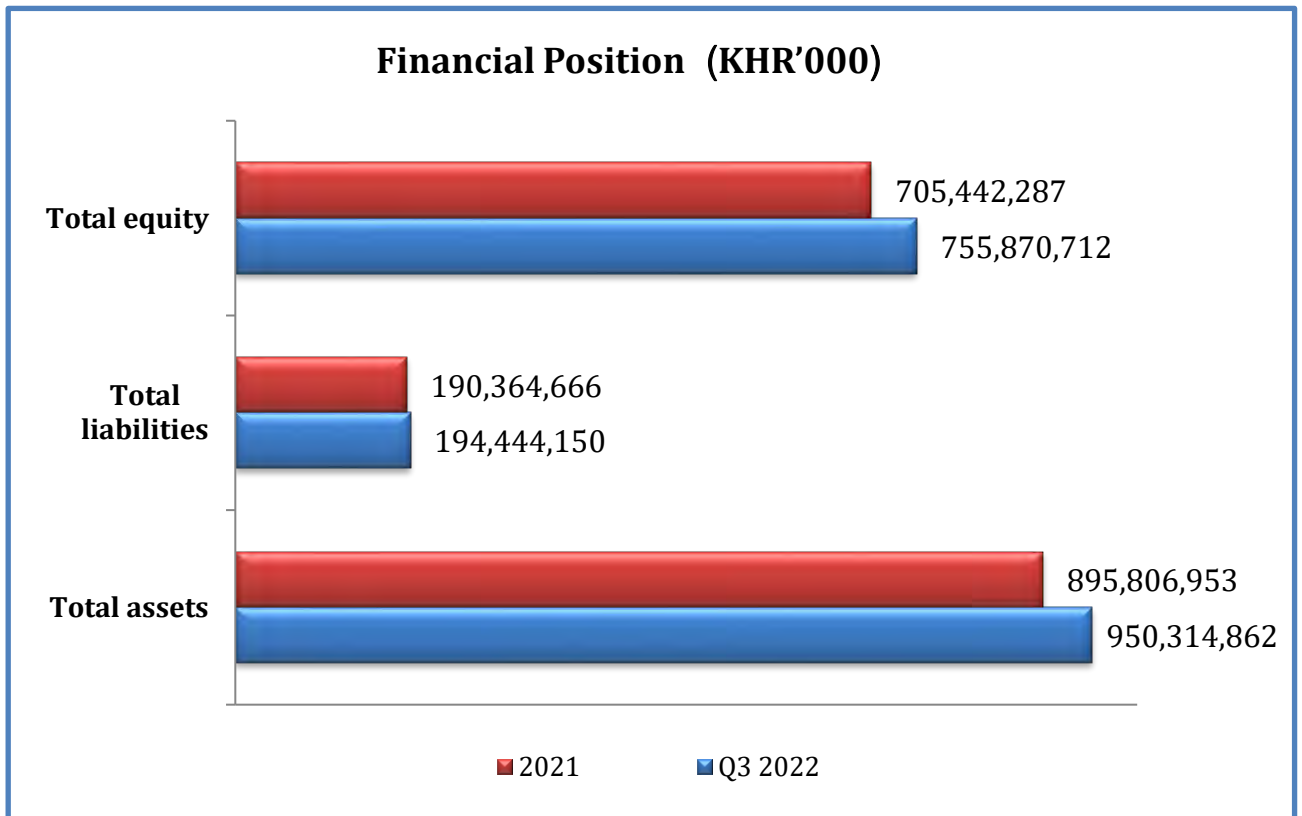
3rd Quarterly Report of 2022
(End 30/09/2022)
Phnom Penh Autonomous Port

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

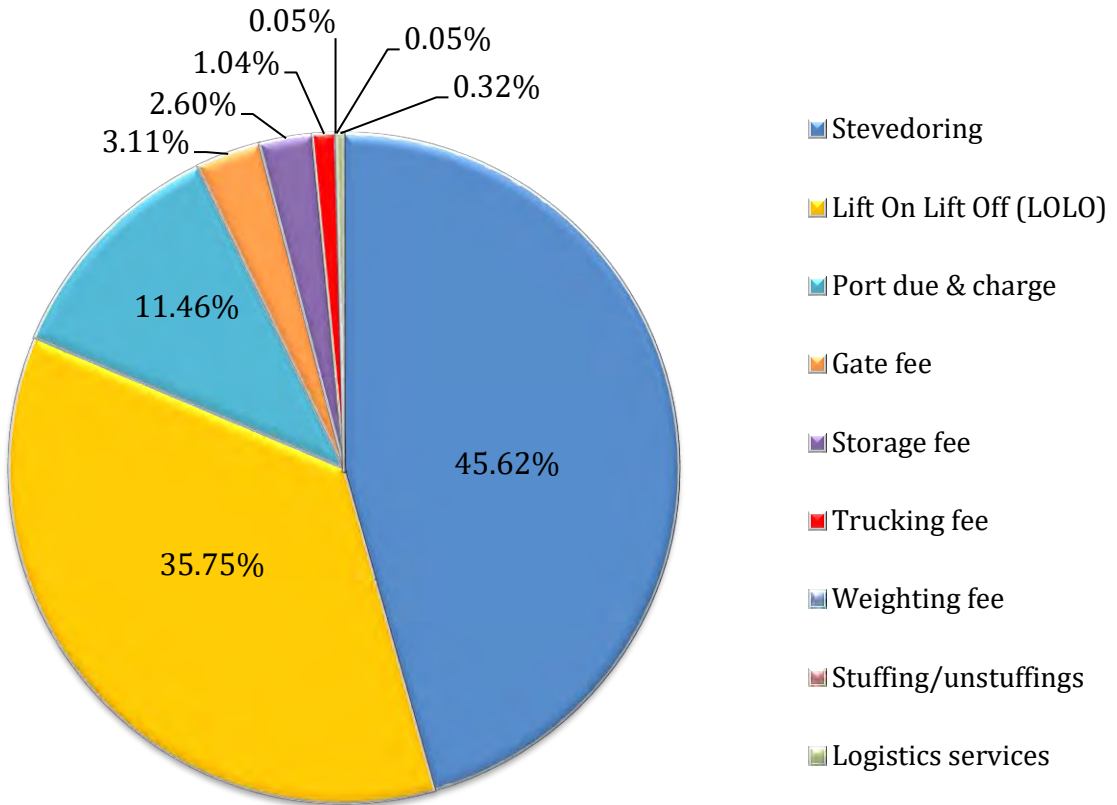
1.1. Financial Highlight

Description		30 September 2022	31 December 2021	31 December 2020
Financial Position (KHR'000)				
Total assets		950,314,862	895,806,953	836,320,710
Total liabilities		194,444,150	190,364,666	184,154,159
Total equity		755,870,712	705,442,287	652,166,551
Profit/(Loss) (KHR'000)		Q3 2022	Q3 2021	Q3 2020
Total revenues		40,340,560	36,893,678	31,002,618
Profit/(Loss) before tax		22,341,794	20,082,762	15,974,179
Profit/(Loss) after tax		17,837,846	15,980,630	12,620,835
Total comprehensive income		17,845,701	15,706,092	12,746,909
Financial Ratios		Q3 2022	31 December 2021	31 December 2020
Solvency ratio (%)		11.25	34.27	28.40
Liquidity ratio	Current ratio (times)	3.89	3.36	3.86
	Quick ratio (times)	3.89	3.36	3.86
		Q3 2022	Q3 2021	Q3 2020
Profitability ratio	Return on assets (%)	1.88	1.78	1.53
	Return on equity (%)	2.36	2.27	1.96
	Gross profit margin (%)	66.62	71.45	72.56
	Profit margin(%)	44.24	42.57	41.12
	Earning per share (Riel)	862.76	759.32	616.26
Interest coverage ratio (times)		29.57	24.31	17.87

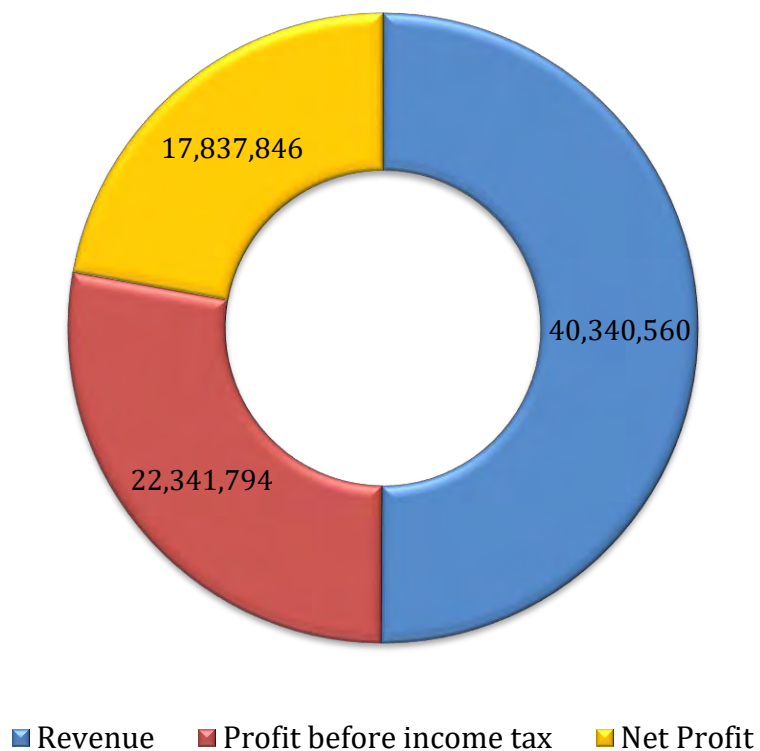
1.2. Graph of Financial Information Highlight (As of 30 September 2022)



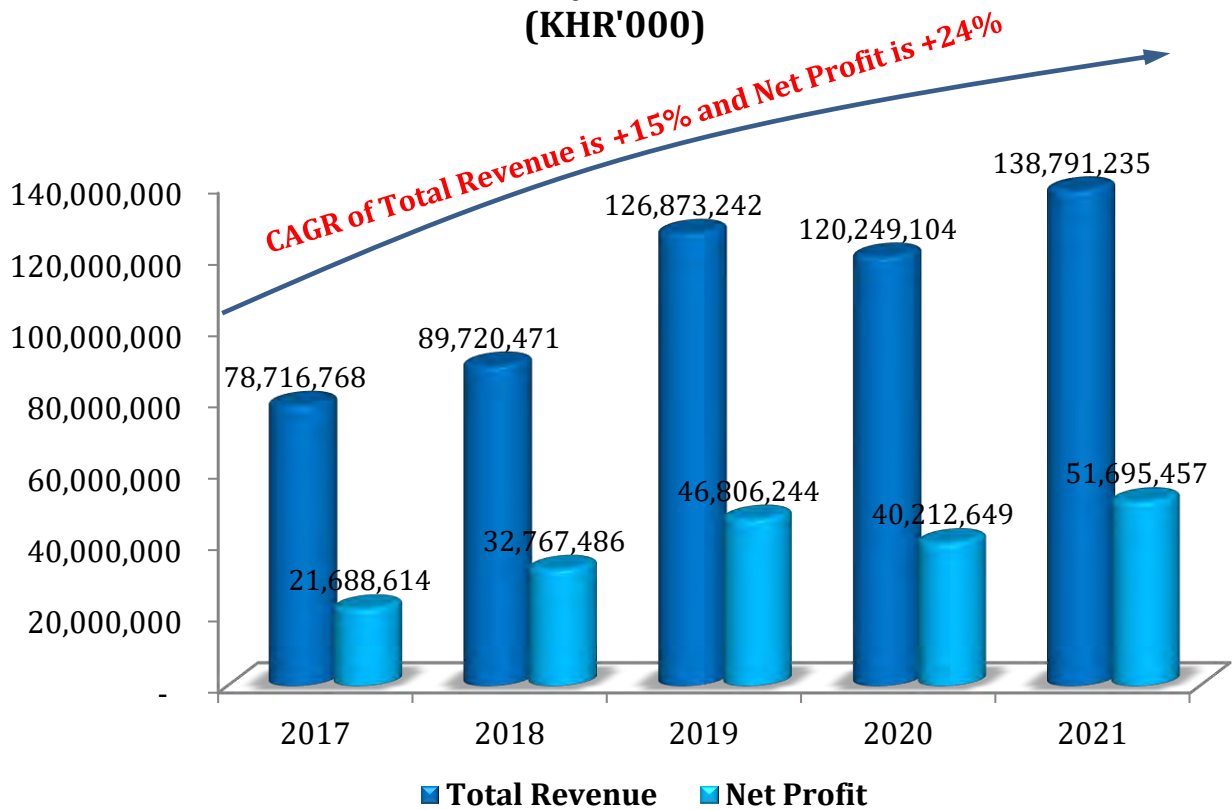
Types of Revenue Distribution Compared to Total Revenues



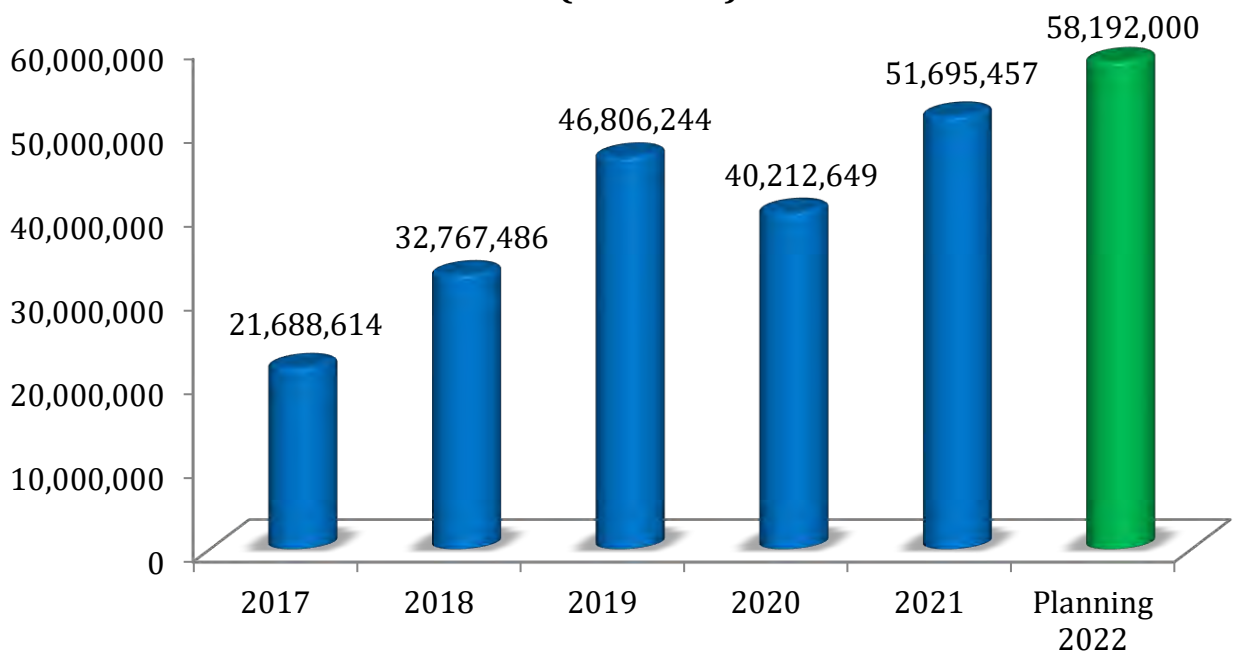
Net Profit for Q3 2022 (KHR'000)



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



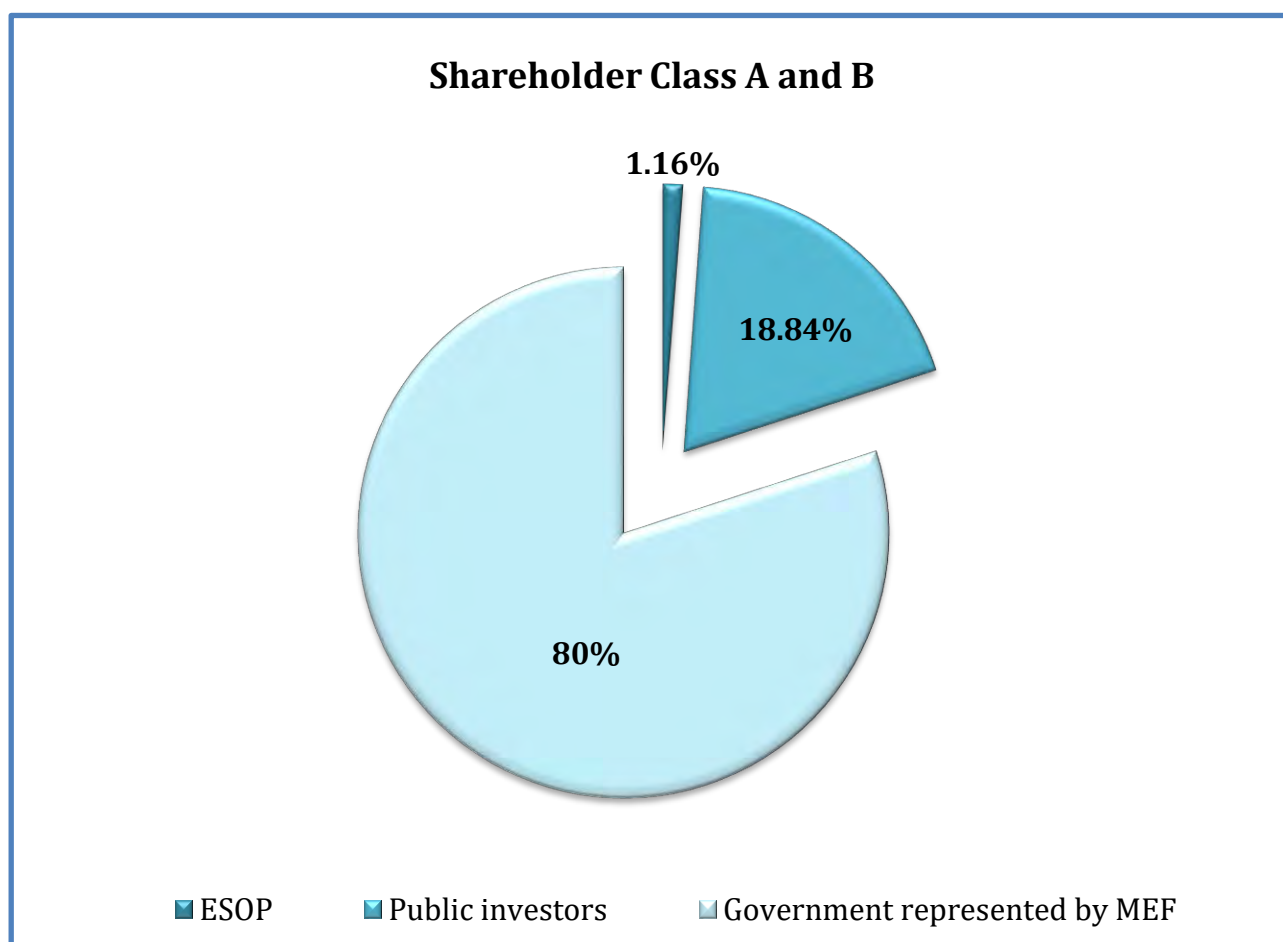
**Net Profit from 2017 to 2021 and Planning 2022
(KHR'000)**



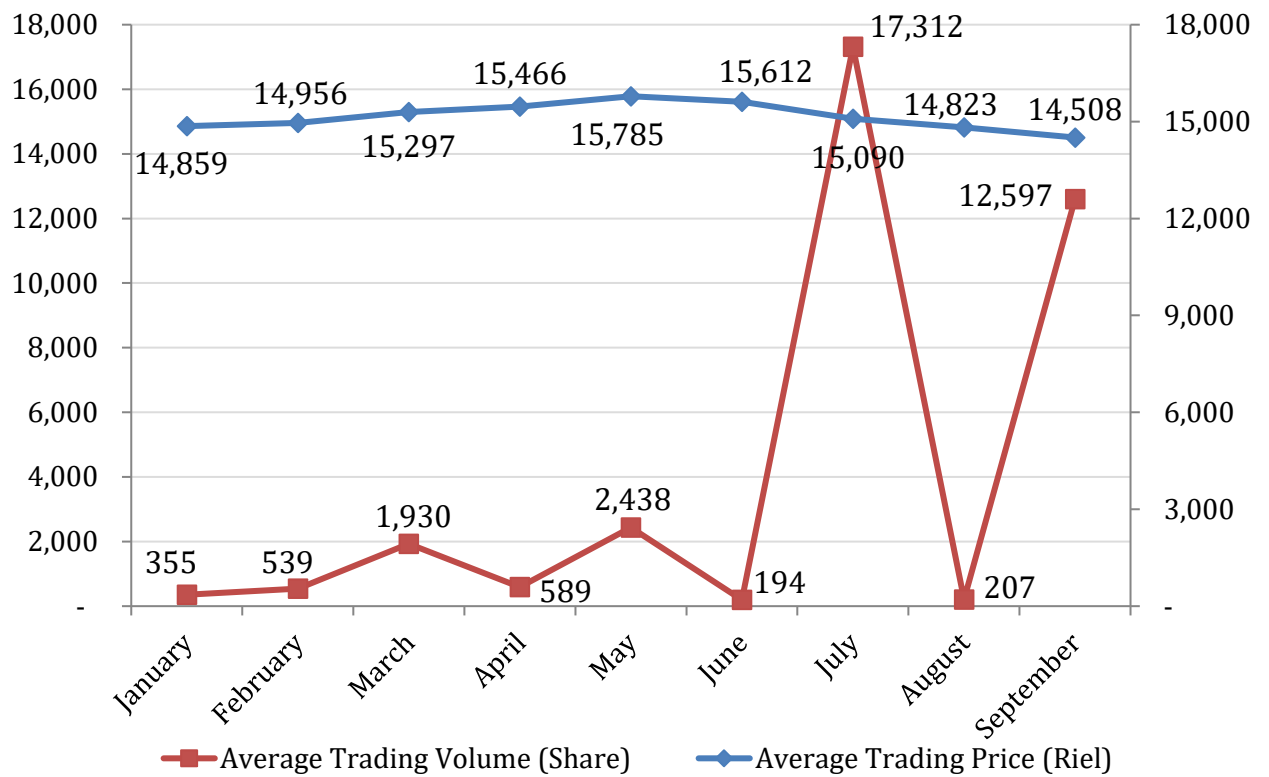
1.3. Stock Ownership (As of 30 September 2022)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	240,440	1,16%
2. Public investors	3,896,433	18,84%
Total Shares of Class A	4,136,873	20%

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



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



2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



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



Mr. Gui Anvanith
Member (Independent
Director)



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



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

3. Message from Chairman and CEO

For the third quarter 2022, total revenue is KHR 40,340,560,000 (USD 9,837,979) achieved 27.59% of planning 2022 and compared to the third quarter 2021 increased by KHR 3,446,882,000 (USD 774,454) or 9.34%. However, net profit in the third quarter 2022 is KHR 17,837,846,000 (USD 4,352,857) reached 30.65% of planning 2022 and compared to third quarter 2021 increased by KHR 1,857,216,000 (USD 426,659) or 11.62%. For the first 9months of 2022, total revenue from Port Operation and Port Authority is KHR 115,935,663,000 (USD 28,457,453) achieved 79.29% of planning 2022 and compared to the first 9months of 2021 increased by KHR 22,992,198,000 (USD 5,598,755) or 24.74%. However, net profit in the first 9months of 2022 is KHR 46,617,670,000 (USD 11,442,727) achieved 80.11% of planning 2022 and compared to the first 9months of 2021 increased to KHR 8,009,434,000 (USD 1,947,342) or 20.75%.

Apart from this, basic earnings per share in third quarter 2022 is 862.76 Riels (USD 0.21).

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

A. The Direction of main work implementation of PPAP

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

B. The Work Implementation of Board of Directors

For the 3rd Quarter of 2022, the Board of Directors attended a meeting and achieved the following results:

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

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

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

B. Setting the Goal for 2022

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

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

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

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

Phnom Penh, 15th DECEMBER 2022
Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP

A. Identity of PPAP

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

In Latin : PHNOM PENH AUTONOMOUS PORT (PPAP)

■ **Standard Code** : KH1000040001

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

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

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

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

Date: November 23rd, 2004

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

Date : January 5th, 2015

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

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

B. Nature of Business

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

1. Operation as Port Operator

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

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

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

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

4.1 Terminals are in operation

4.1.1 Container Terminal LM17

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

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

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

4.1. Multipurpose Terminal (TS3)

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

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

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

4.1.3. Sub-feeder Multipurpose Terminal UM2

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

22nd, 2012 until October 21st, 2032. According to the agreement, PPAP is responsible for stevedoring service while the private partner will be responsible for providing the storage facility. The revenues are charged separately based on the services provided by each entity. PPAP has not acquired the ownership of the land, but has built a pontoon and installed mobile cranes and forklifts. The terminal was constructed with a vision of it becoming a consolidation center for agricultural products and to encourage their inland waterway transport. Currently, cassava is the main product being exported via Tonle Bet Port (UM2).

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Land Size	Small size, river shore berth of 100m (with the pontoon, mobile crane and conveyor installed)
Berth	1 (a floating pontoon with a size of 6m x 28m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	24 hours/day
Handling equipment	Mobile crane, Floating crane, Conveyer

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 3rd Quarter of 2022, the total of 19,149 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

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

Actual land size	6,676 m ²
Registered land size*	1,699 m ²
Berth	2
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2015)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Two pontoons and a bridge connecting them to the shore.

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

4.2. Terminal which are planned to develop at the future

4.2.1. Sub-Feeder Multipurpose Terminal TS11 (KM6)

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

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

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Actual land size	12,533 m ²
Anchorage	The anchorage 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.
Hours of Operation	7days/24hrs
Facilities	Mobile crane and Floating crane

4.2.2. Sub-Feeder Multipurpose Terminal Koh Roka LM26

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

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

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

Address	Koh Roka commune, Peam Chor District, Prey Veng Province.
Terminal location	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
Total land size	115,560 m ²
Registered land size	105,192 m ²
Size of the processing land title	10,386 m ²
Anchorage	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer)

C. Quarter's Key Events

As of 1st Quarter of 2022, there has no any quarter's key events.

Part 2

Information on Bussiness Operation Performance

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

1. Statistics of PPAP

No.	Description	Unit	Planning 2022	Q3			9Months		Compare (%)	Up/Down (%)	
				2022	2021	2020	2022	2021		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	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,719,387</u>	<u>963,610</u>	<u>977,944</u>	<u>1,000,804</u>	<u>3,068,247</u>	<u>2,915,873</u>	65.01%	-1.47%	-2.28%
	A- <u>Container Throughput</u>	-	<u>2,736,695</u>	<u>656,511</u>	<u>614,014</u>	<u>567,604</u>	<u>1,837,744</u>	<u>1,572,318</u>	67.15%	+6.92%	+8.18%
	- Imported Container Cargo	-	1,755,624	334,790	365,969	377,254	928,057	928,598			
	- Exported Container Cargo	-	981,071	321,721	248,044	190,349	909,687	643,720			
	<u>B - Mobile General Cargo Handling</u>	-	<u>960,641</u>	<u>155,097</u>	<u>178,288</u>	<u>228,305</u>	<u>599,477</u>	<u>639,084</u>	62.40%	-13.01%	-21.91%
	- Inside Port	-	68,161	9,616	7,918	13,356	48,148	38,169			
	- Outside Port	-	892,480	145,481	170,369	214,949	551,329	600,915			
	<u>C - Imported Oil & Gas</u>	-	<u>1,022,051</u>	<u>152,002</u>	<u>185,643</u>	<u>204,895</u>	<u>631,026</u>	<u>704,471</u>	61.74%	-18.12%	-9.40%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>394,679</u>	<u>119,867</u>	<u>109,124</u>	<u>85,681</u>	<u>329,043</u>	<u>256,407</u>	83.37%	+9.84%	+27.36%
	- Laden Cargo	-	281,755	72,178	69,243	58,992	213,293	178,963			
	- Empty Cargo	-	112,924	47,689	39,881	26,689	115,750	77,444			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,697,336</u>	<u>811,609</u>	<u>792,301</u>	<u>795,908</u>	<u>2,437,221</u>	<u>2,211,402</u>	65.92%	+2.44%	-0.45%
	- General Cargo	-	960,641	155,097	178,288	228,305	599,477	639,084			
	- Container Throughput (Ton)	-	2,736,695	656,511	614,014	567,604	1,837,744	1,572,318			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,485</u>	<u>619</u>	<u>600</u>	<u>623</u>	<u>2,743</u>	<u>1,744</u>	110.38%	+3.17%	-3.69%
	- Foreign Vessels and Barge	-	1,044	524	491	497	2,358	1,332			
	- Cambodian Vessels and Barge	-	843	-	-	-	-	-			
	- Oil Vessels and Tanker	-	598	95	109	126	385	412			

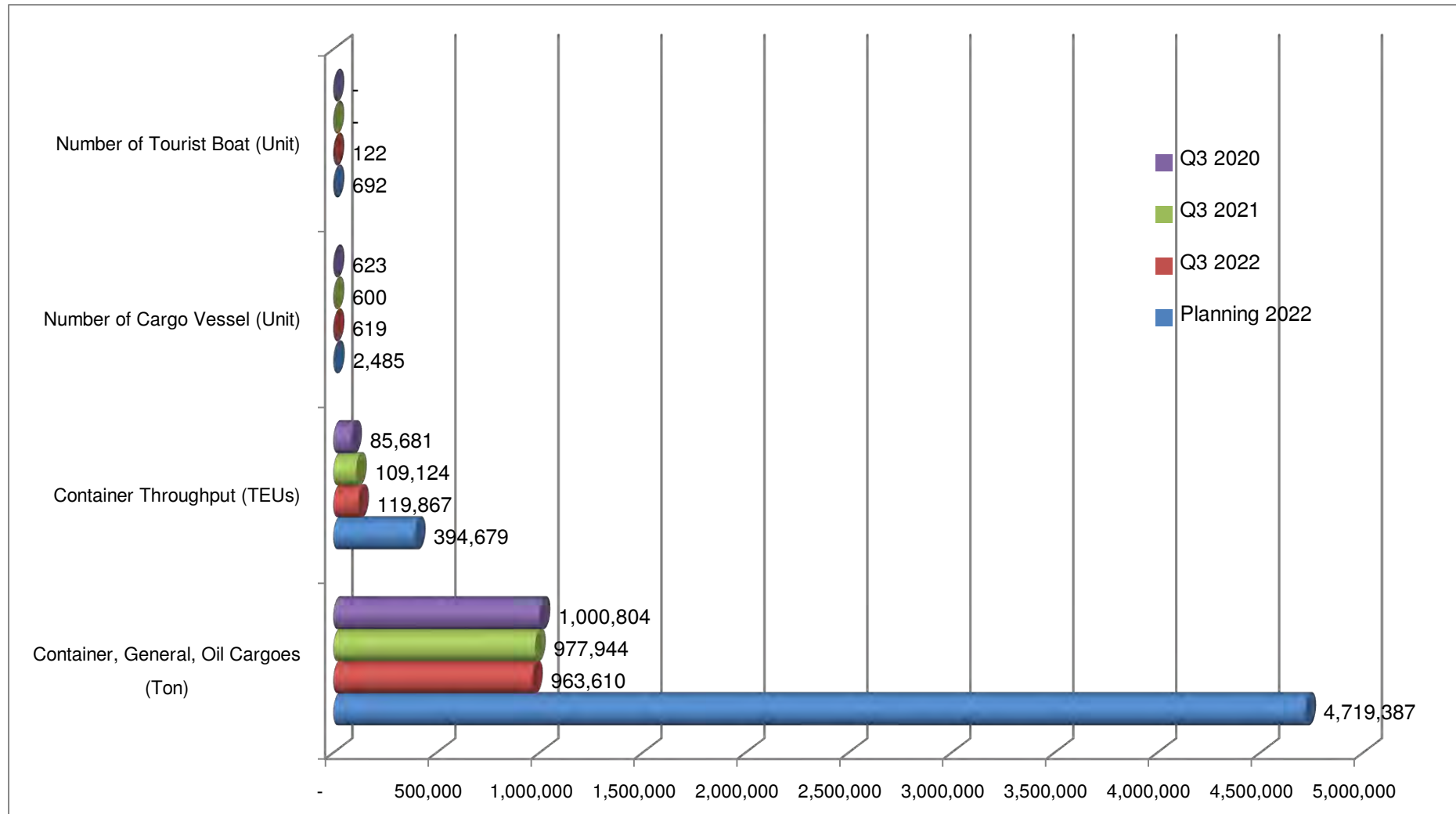
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,915</u>	<u>2,814</u>	<u>1,938</u>	<u>456</u>	<u>7,910</u>	<u>2,714</u>	413.05%	+45.20	+325.00%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	1,915	2,814	1,938	456	7,910	2,714			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>21,348</u>	<u>19,149</u>	<u>7,655</u>	<u>3,347</u>	<u>47,222</u>	<u>14,703</u>	221.20%	+150.15%	+128.71%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-	-	-			
	- Vessels in Town	-	21,348	19,149	7,655	3,347	47,222	14,703			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>692</u>	<u>122</u>	<u>=</u>	<u>=</u>	<u>122</u>	<u>=</u>	17.63%	+122.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	440	94	-	-	94	-			
	- Cruise Boat	-	252	28	-	-	28	-	11.11%	+28.00%	0.00%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>18,334</u>	<u>1,369</u>	<u>=</u>	<u>=</u>	<u>1,369</u>	<u>=</u>	7.47%	+1,369.00%	0.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	8,601	501	-	-	501	-			
	- Tourist on Cruise Boat	-	9,733	868	-	-	868	-	8.92%	+868.00%	0.00%

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

- Cargo-fuel and gas throughput in Q3 2022: 963,610 Tons, decreased by -1.47% compared to Q3 2021 (977,944 Tons). For 9 Months of 2022, PPAP has accomplished 65,01% compared to planning 2022 (4,719,387 Tons).
- Cargo vessels throughput in Q3 2022: 619 Units, increased by 3.17% compared to Q3 2021 (600 Units). For 9 Months of 2022, PPAP has accomplished 110,38% compared to planning 2022 (2,485 Units).
- International passengers and tourist cruises throughput via Cambodia-Vietnam in Q3 2022: 122 Voyages, increased by 122.00% compared to Q3 2021 (0 Voyages). For 9 Months of 2022, PPAP has accomplished 17.63% compared to planning 2022 (692 Units).
- Containers throughput in Q3 2022: 119,867 TEUs, increased by 9.84% compared to Q3 2021 (109,124 TEUs). For 9 Months of 2022, PPAP has accomplished 83,37% compared to planning 2022 (394,679 TEUs).

■ The number of international passengers and tourists throughput via Cambodia-Vietnam in Q3 2022: 1,369 Passengers, increased by 1,369.00% compared to Q3 2021 (0 Passengers). For 9 Months of 2022, PPAP has accomplished 7,47% compared to planning 2022 (18,334 Passengers).

Graphs on Performance Comparisons of the 3^d Quarter of 2022 - 2021 - 2020 and Planning 2022



B- Revenue Structure

Source of Revenue	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	18,401,876	45.62%	16,725,109	45.33%	13,879,622	44.77%
Lift On Lift Off (LOLO)	14,421,010	35.75%	13,365,839	36.23%	11,337,198	36.57%
Port dues and charges	4,622,715	11.46%	4,024,963	10.91%	3,885,585	12.53%
Gate fees	1,257,102	3.11%	1,132,979	3.07%	829,726	2.67%
Storage fees	1,048,468	2.60%	913,628	2.48%	688,582	2.22%
Sand dredging management fee	-	0.00%	23,800	0.06%	36,359	0.12%
Trucking fee	419,884	1.04%	450,986	1.22%	260,511	0.84%
Weighting fee	20,375	0.05%	11,434	0.03%	6,068	0.02%
Stuffing/Unstuffing	19,158	0.05%	26,509	0.07%	29,889	0.10%
Logistic services	129,972	0.32%	218,431	0.59%	49,078	0.16%
Total:	40,340,560	100.00%	36,893,678	100.00%	31,002,618	100.00%

PART3

**Financial Statements Reviewed by
the External Auditor**

Registration No:
Co.7175 It/2004

**PHNOM PENH AUTONOMOUS PORT
(INCORPORATED IN CAMBODIA)**
**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

Registration No:
Co.7175 Et/2004

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

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Registration No:
Co.7175 E/2004

1

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

STATEMENT BY THE DIRECTORS

In the opinion of the Directors, the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 30 September 2022, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”) are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

For and on behalf of the board of Directors. 



Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date: 15 DEC 2022



Ms. Chheav Vanthea
Head of Accounting/Finance
Department

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

Introduction

We have reviewed the accompanying condensed statement of financial position of Phnom Penh Autonomous Port (“PPAP”) as at 30 September 2022, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and condensed notes to the interim financial information (collectively known as “Condensed Interim Financial Information”). The Directors of PPAP are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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


BDO (Cambodia) Limited
Phnom Penh, Cambodia
Date: 15 December 2022

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	Unaudited		Audited	
		30 September 2022		31 December 2021	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Concession assets	4	1,954,585	8,050,936	-	-
Property, plant and equipment	5	107,176,082	441,458,282	103,328,375	420,959,800
Right-of-use assets	6	3,313,403	13,647,907	3,660,992	14,914,881
Investment properties	7	84,588,381	348,419,541	84,626,863	344,769,840
Lease receivables	6	5,639,886	23,230,690	4,296,588	17,504,300
Other receivable	8	70,289	289,520	67,585	275,341
Deferred tax assets	9	-	-	140,376	571,892
		<u>202,742,626</u>	<u>835,096,876</u>	<u>196,120,779</u>	<u>798,996,054</u>
Current assets					
Trade and other receivables	8	6,492,555	26,742,834	5,134,521	20,918,039
Lease receivables	6	272,191	1,121,155	13,886	56,572
Cash and bank balances	10	21,207,574	87,353,997	18,614,700	75,836,288
		<u>27,972,320</u>	<u>115,217,986</u>	<u>23,763,107</u>	<u>96,810,899</u>
TOTAL ASSETS		<u>230,714,946</u>	<u>950,314,862</u>	<u>219,883,886</u>	<u>895,806,953</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	11	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	12	155,502	622,008	155,502	622,008
Reserves	13	57,466,697	236,705,325	45,861,380	186,839,262
Retained earnings		11,432,622	46,576,502	12,686,797	51,686,011
Currency translation difference		-	14,152,937	-	8,481,066
TOTAL EQUITY		<u>183,508,306</u>	<u>755,870,712</u>	<u>173,157,164</u>	<u>705,442,287</u>
LIABILITIES					
Non-current liabilities					
Other payable	14	35,145	144,762	33,793	137,673
Borrowings	15	16,559,793	68,209,787	18,629,767	75,897,671
Provision for retirement benefits	16	611,870	2,520,293	555,829	2,264,447
Lease liabilities	6	7,270,787	29,948,372	6,778,885	27,617,177
Contract liabilities	17	13,425,000	55,297,575	13,650,000	55,610,100
Deferred revenue	18	1,969,957	8,114,253	-	-
Deferred tax liabilities	9	149,279	614,880	-	-
		<u>40,021,831</u>	<u>164,849,922</u>	<u>39,648,274</u>	<u>161,527,068</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022 (continued)

	Note	Unaudited 30 September 2022		Audited 31 December 2021	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	14	2,443,808	10,066,045	2,393,907	9,752,778
Borrowings	15	2,069,974	8,526,223	2,069,974	8,433,074
Lease liabilities	6	43,289	178,307	9,261	37,729
Contract liabilities	17	300,000	1,235,700	300,000	1,222,200
Current tax liabilities		2,327,738	9,587,953	2,305,306	9,391,817
		<u>7,184,809</u>	<u>29,594,228</u>	<u>7,078,448</u>	<u>28,837,598</u>
TOTAL LIABILITIES		<u>47,206,640</u>	<u>194,444,150</u>	<u>46,726,722</u>	<u>190,364,666</u>
TOTAL EQUITY AND LIABILITIES		<u>230,714,946</u>	<u>950,314,862</u>	<u>219,883,886</u>	<u>895,806,953</u>

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Note	Unaudited Three-month period ended				Unaudited Nine-month period ended			
		30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾		30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Revenue	20	9,837,979	40,340,560	9,063,525	36,893,678	28,457,453	115,935,663	22,858,698	92,943,465
Cost of services	21	(3,284,164)	(13,466,266)	(2,587,592)	(10,534,740)	(9,468,623)	(38,575,170)	(7,118,304)	(28,943,023)
Gross profit		6,553,815	26,874,294	6,475,933	26,358,938	18,988,830	77,360,493	15,740,394	64,000,442
Other income	22	2,316,566	9,453,245	636,695	2,593,339	3,430,310	13,975,083	2,149,243	8,738,822
General and administrative expenses	23	(3,123,137)	(12,775,805)	(1,882,126)	(7,663,471)	(7,213,781)	(29,388,944)	(5,464,718)	(22,219,542)
Operating profit		5,747,244	23,551,734	5,230,502	21,288,806	15,205,359	61,946,632	12,424,919	50,519,722
Finance costs	24	(295,176)	(1,209,940)	(296,198)	(1,206,044)	(823,247)	(3,353,908)	(863,827)	(3,512,321)
Profit before tax		5,452,068	22,341,794	4,934,304	20,082,762	14,382,112	58,592,724	11,561,092	47,007,401
Tax expense	25	(1,099,211)	(4,503,948)	(1,008,106)	(4,102,132)	(2,939,385)	(11,975,054)	(2,065,707)	(8,399,165)
Profit for the financial period		4,352,857	17,837,846	3,926,198	15,980,630	11,442,727	46,617,670	9,495,385	38,608,236

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (continued)

	Note	Unaudited Three-month period ended				Unaudited Nine-month period ended			
		30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾		30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
Other comprehensive income, net of tax									
Items that will not be reclassified subsequently to profit or loss:									
Re-measurements of defined benefit liability		1,946	7,855	(67,511)	(274,538)	(10,105)	(41,168)	(80,321)	(326,585)
Total comprehensive income for the financial period		4,354,803	17,845,701	3,858,687	15,706,092	11,432,622	46,576,502	9,415,064	38,281,651
Earnings per share									
Basic	26	0.21	0.86	0.19	0.76	0.55	2.25	0.46	1.85
Diluted	26	0.21	0.86	0.19	0.76	0.55	2.25	0.46	1.85

Notes:

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

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

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2022		114,453,485	155,502	45,861,380	12,686,797	-	173,157,164
Profit for the financial period		-	-	-	11,442,727	-	11,442,727
Actuarial loss on retirement benefit obligation		-	-	-	(10,105)	-	(10,105)
Total comprehensive income for the financial period		-	-	-	11,432,622	-	11,432,622
Transactions with owners							
Transfer to reserves	12	-	-	11,605,317	(11,605,317)	-	-
Dividends	26	-	-	-	(1,081,480)	-	(1,081,480)
Total transactions with owners		-	-	11,605,317	(12,686,797)	-	(1,081,480)
Balance as at 30 September 2022⁽¹⁾		114,453,485	155,502	57,466,697	11,432,622	-	183,508,306
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>236,705,325</i>	<i>46,576,502</i>	<i>14,152,937</i>	<i>755,870,712</i>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (continued)

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial year		-	-	-	9,495,385	-	9,495,385
Actuarial gain on retirement benefit obligation		-	-	-	(80,321)	-	(80,321)
Total comprehensive income		-	-	-	9,415,064	-	9,415,064
Transactions with owners							
Transfer to reserves	12	-	-	9,321,774	(9,321,774)	-	-
Dividends		-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 30 September 2021⁽²⁾		114,453,485	155,502	45,861,380	9,415,064	-	169,885,431
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>187,068,569</i>	<i>38,404,046</i>	<i>9,054,108</i>	<i>692,962,671</i>

Notes:

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

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

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

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022**

	Note	Unaudited			
		Nine-month period ended			
		30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	
Cash flows from operating activities					
Profit before tax		14,382,112	58,592,724	11,561,092	47,007,401
Adjustments for:					
Depreciation of property, plant and equipment	5	2,782,613	11,336,365	2,313,792	9,407,878
Depreciation of investment properties	7	38,482	156,776	45,670	185,694
Depreciation of right-of-use assets		80,900	329,587	75,399	306,572
Finance costs		821,895	3,348,400	862,527	3,507,035
Income from net of investment from subleases		(1,655,658)	(6,745,151)	-	-
Interest income		(906,479)	(3,692,996)	(821,594)	(3,340,601)
Loss on disposal of property, plant and equipment		11,930	48,603	-	-
Loss on termination of sublease		1,046,966	4,265,339	-	-
Net impairment loss on receivables		268,587	1,094,223	70,803	287,885
Net unwinding effect of long term deposit		(1,352)	(5,508)	(1,299)	(5,282)
Property, plant and equipment written off	5	8,309	33,851	-	-
Retirement benefit obligation expenses	16	66,251	269,906	133,963	544,694
Operating profit before changes in working capital		16,944,556	69,032,119	14,240,353	57,901,276
Changes in working capital					
Trade and other receivables		(1,450,980)	(5,911,293)	(1,171,652)	(4,763,937)
Trade and other payables		270,928	1,103,761	338,158	1,374,950
Deferred revenue		15,372	62,626	-	-
Contract liabilities		(225,000)	(916,650)	(225,000)	(914,850)
Cash generated from operations		15,554,876	63,370,563	13,181,859	53,597,439
Tax paid		(2,627,298)	(10,703,612)	(2,225,516)	(9,048,948)
Retirement benefit obligation paid	16	(20,315)	(82,762)	(15,878)	(64,559)
Net cash from operating activities		12,907,263	52,584,189	10,940,465	44,483,931
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(6,653,914)	(27,108,046)	(10,491,313)	(42,657,679)
Proceeds from disposal of property, plant, and equipment		3,355	13,668	-	-
Interest received		562,843	2,293,020	273,391	1,111,608
(Placement)/Withdrawal of fixed deposits with a licensed bank		(3,000,000)	(12,222,000)	3,998,403	16,257,507
Net cash used in investing activities		(9,087,716)	(37,023,358)	(6,219,519)	(25,288,564)

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

**CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2022 (continued)**

Note	Unaudited				
	Nine-month period ended 30 September 2022 ⁽¹⁾		30 September 2021 ⁽²⁾		
	US\$	KHR'000	US\$	KHR'000	
Cash flows from financing activities					
Dividend paid	(1,081,480)	(4,405,950)	(1,019,272)	(4,144,360)	
Interest paid	(807,299)	(3,288,936)	(890,088)	(3,619,098)	
Payment for lease liabilities	(267,920)	(1,091,507)	(60,659)	(246,639)	
Repayments of borrowings	<u>(2,069,974)</u>	<u>(8,433,074)</u>	<u>(2,069,974)</u>	<u>(8,416,514)</u>	
Net cash used in financing activities	<u>(4,226,673)</u>	<u>(17,219,467)</u>	<u>(4,039,993)</u>	<u>(16,426,611)</u>	
Net (decrease)/increase in cash and cash equivalents	(407,126)	(1,658,636)	680,953	2,768,756	
Cash and cash equivalents at beginning of financial period	6,614,700	26,948,288	2,683,841	10,936,652	
Currency translation differences	-	279,345	-	19,587	
Cash and cash equivalents at end of financial period	10	<u>6,207,574</u>	<u>25,568,997</u>	<u>3,364,794</u>	<u>13,724,995</u>

Notes:

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

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

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 2022**

1. CORPORATE INFORMATION

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

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

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

		Closing rate	Average rate
30 September 2022	US\$1 =	KHR4,119	KHR4,074
31 December 2021	US\$1 =	KHR4,074	KHR4,068
30 September 2021	US\$1 =	KHR4,079	KHR4,066

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

The condensed interim financial information were authorised for issue by the Board of Directors on 15 December 2022.

2. PRINCIPAL ACTIVITIES

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

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

2. PRINCIPAL ACTIVITIES (continued)

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

3. BASIS OF PREPARATION

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

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

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

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

Annual Improvements to CIFRS Standards 2018 - 2020

The annual improvement amend the following standards:

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

Amendments to CIFRS 3 *Reference to the Conceptual Framework*

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

3. BASIS OF PREPARATION (continued)

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

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

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

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

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

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

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

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

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

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

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

3. BASIS OF PREPARATION (continued)

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

CIFRS 17 Insurance Contracts

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

Contracts are measured using the building blocks of:

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

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

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

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

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

Amendments to CIFRS 17 Insurance Contracts

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

The IASB has amended CIFRS 17 to:

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

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

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

3. BASIS OF PREPARATION (continued)

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

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

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

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

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

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

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

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

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

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

4. CONCESSION ASSETS

	Unaudited 30 September 2022 US\$
<i>Cost</i>	
Balance at the beginning of financial period	-
Additions	1,954,585
Balance at the end of financial period	1,954,585
Carrying amounts	
Balance at the end of financial period	1,954,585
<i>(KHR '000 equivalent)</i>	8,050,936

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

5. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30 September 2022 US\$	Audited 31 December 2021 US\$
Cost		
Balance at the beginning of financial period/year	127,914,165	110,226,053
Additions	6,653,914	17,688,112
Disposals	(153,978)	-
Written-off	(182,537)	-
	<u>134,231,564</u>	<u>127,914,165</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	24,585,790	21,396,190
Depreciation for financial period/year	2,782,613	3,189,600
Disposals	(138,693)	-
Written-off	(174,228)	-
	<u>27,055,482</u>	<u>24,585,790</u>
Carrying amounts		
Balance at the end of financial period/year	<u>107,176,082</u>	<u>103,328,375</u>
	<u>441,458,282</u>	<u>420,959,800</u>
	<i>(KHR'000 equivalent)</i>	

6. LEASES

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

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

7. INVESTMENT PROPERTIES

	Unaudited 30 September 2022 US\$	Audited 31 December 2021 US\$
Cost		
Balance at the beginning of financial period/year	85,186,015	85,186,015
Accumulated depreciation		
Balance at the beginning of financial period/year	559,152	499,015
Depreciation for financial period/year	38,482	60,137
	<u>597,634</u>	<u>559,152</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,588,381</u>	<u>84,626,863</u>
	<u>348,419,541</u>	<u>344,769,840</u>
	<i>(KHR'000 equivalent)</i>	

8. TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	70,289	289,520	67,585	275,341
Current				
Trade receivables				
Third parties	6,025,255	24,818,025	4,418,182	17,999,673
Less: Impairment loss - Third parties	(1,059,260)	(4,363,092)	(790,673)	(3,221,201)
	4,965,995	20,454,933	3,627,509	14,778,472
Other receivables				
Third parties	80,847	333,009	447,544	1,823,294
Advances	133,253	548,869	76,141	310,198
Deposits	99,807	411,105	7,307	29,769
Other receivables	79,700	328,285	422,989	1,723,258
	393,607	1,621,268	953,981	3,886,519
Total receivables	5,359,602	22,076,201	4,581,490	18,664,991
Prepayments	1,132,953	4,666,633	553,031	2,253,048
	6,492,555	26,742,834	5,134,521	20,918,039

9. DEFERRED TAX

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

	At 1 January 2022 US\$	Recognised in profit or loss US\$	At 30 September 2022 US\$ (Unaudited)
Property, plant and equipment	(2,823,842)	(293,742)	(3,117,584)
Retirement benefit obligation	91,168	7,278	98,446
Deferred income	2,730,000	(45,000)	2,685,000
Impairment loss on receivables	158,135	53,717	211,852
Unrealised exchange differences	(15,085)	(11,908)	(26,993)
	140,376	(289,655)	(149,279)
			(614,880)

(KHR'000 equivalent)

9. DEFERRED TAX (continued)

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

(KHR'000 equivalent)

10. CASH AND BANK BALANCES

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	1,744	7,183	2,151	8,763
Cash at banks	6,205,830	25,561,814	5,607,444	22,844,727
Fixed deposits	15,000,000	61,785,000	13,005,105	52,982,798
As stated in statement of financial position	21,207,574	87,353,997	18,614,700	75,836,288
Less:				
Deposits (maturity more than three months)	(15,000,000)	(61,785,000)	(12,000,000)	(48,888,000)
As stated in statement of cash flows	<u>6,207,574</u>	<u>25,568,997</u>	<u>6,614,700</u>	<u>26,948,288</u>

11. SHARE CAPITAL

	Unaudited 30 September 2022		Audited 31 December 2021	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	16,547,492	16,547,492	16,547,492	16,547,492
	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>
		<u>457,813,940</u>		<u>457,813,940</u>

(KHR'000 equivalent)

11. SHARE CAPITAL (continued)

Class A shareholders will enjoy the minimum guaranteed dividend yield of 5% per year based on the Initial Public Offering ("IPO") price for the period of at least 5 years, starting from 2016 to 2021. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years.

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

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, MoEF holds 80% of the total number of shares. PPAP received the proceeds from the IPO amounting to US\$5,193,915 and incurred IPO costs of US\$901,540.

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

13. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2022	2,539,054	2,539,054	40,783,272	45,861,380
Transfer from retained earnings	<u>635,392</u>	<u>635,392</u>	<u>10,334,533</u>	<u>11,605,317</u>
As at 30 September 2022 (Unaudited)	<u>3,174,446</u>	<u>3,174,446</u>	<u>51,117,805</u>	<u>57,466,697</u>
<i>(KHR'000 equivalent)</i>	<u>13,075,543</u>	<u>13,075,543</u>	<u>210,554,239</u>	<u>236,705,325</u>
As at 1 January 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	<u>493,044</u>	<u>493,044</u>	<u>8,335,686</u>	<u>9,321,774</u>
As at 31 December 2021 (Audited)	<u>2,539,054</u>	<u>2,539,054</u>	<u>40,783,272</u>	<u>45,861,380</u>
<i>(KHR'000 equivalent)</i>	<u>10,344,106</u>	<u>10,344,106</u>	<u>166,151,050</u>	<u>186,839,262</u>

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

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

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

14. TRADE AND OTHER PAYABLES

	Unaudited		Audited	
	30 September 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	35,145	144,762	33,793	137,673
Current				
Trade payables				
Third parties	614,747	2,532,143	487,291	1,985,224
Other payables				
Interest payable	84,869	349,575	305,896	1,246,220
Deposits	294,772	1,214,166	236,442	963,265
Other tax payables	232,958	959,554	248,403	1,011,994
Other payables	1,216,462	5,010,607	1,115,875	4,546,075
	1,829,061	7,533,902	1,906,616	7,767,554
	2,443,808	10,066,045	2,393,907	9,752,778

15. BORROWINGS

	Unaudited		Audited	
	30 September 2022		31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNECTP”) or Phnom Penh Port LM17	16,559,793	68,209,787	18,629,767	75,897,671
Current				
PPPNECTP or Phnom Penh Port LM17	2,069,974	8,526,223	2,069,974	8,433,074
	18,629,767	76,736,010	20,699,741	84,330,745

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

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

16. PROVISION FOR RETIREMENT BENEFITS

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

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	492,232	2,027,504	455,842	1,857,100
Other benefits				
National Social Security Funds	119,638	492,789	99,987	407,347
Liability recognised in statement of financial position	611,870	2,520,293	555,829	2,264,447

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

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$		US\$	
Balance at 1 January		455,842		541,795
Current service costs		24,380		44,731
Interest costs		22,220		32,043
Past service costs		-		(23,204)
Benefits paid		(20,315)		(22,558)
Re-measurement		10,105		(116,965)
Balance at 30 September/31 December		492,232		455,842
<i>(KHR'000 equivalent)</i>		2,027,504		1,857,100

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

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$		US\$	
Balance at 1 January		99,987		74,627
Additional expenses		19,651		25,360
Balance at 30 September/31 December		119,638		99,987
<i>(KHR'000 equivalent)</i>		492,789		407,347

16. PROVISION FOR RETIREMENT BENEFITS (continued)

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

	Unaudited 30 September 2022		Unaudited 30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	24,380	99,325	57,441	233,555
Interest costs	22,220	90,523	57,441	233,555
Other benefits				
Additional expenses	19,651	80,058	19,081	77,584
	<u>66,251</u>	<u>269,906</u>	<u>133,963</u>	<u>544,694</u>

17. CONTRACT LIABILITIES

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	13,425,000	55,297,575	13,650,000	55,610,100
Current				
Deferred income	300,000	1,235,700	300,000	1,222,200

18. DEFERRED REVENUE

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

19. CAPITAL COMMITMENTS

	Unaudited 30 September 2022		Audited 31 December 2021	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	3,050,829	12,566,365	1,031,111	4,200,746

20. REVENUE

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	4,489,099	18,401,876	4,108,992	16,725,109
Lift On Lift Off ("LOLO")	3,517,570	14,421,010	3,283,570	13,365,839
Port dues and charges	1,127,587	4,622,715	988,679	4,024,963
Gate fees	306,724	1,257,102	278,372	1,132,979
Storage fees	255,292	1,048,468	224,413	913,628
Weighting fee	4,964	20,375	2,809	11,434
Stuffing/Unstuffing	4,650	19,158	6,504	26,509
Sand dredging management fee	-	-	5,837	23,800
Trucking fee	100,803	419,884	110,769	450,986
Logistics services	31,290	129,972	53,580	218,431
	<u>9,837,979</u>	<u>40,340,560</u>	<u>9,063,525</u>	<u>36,893,678</u>

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	12,581,006	51,255,018	10,091,581	41,032,368
LOLO	9,976,912	40,645,939	8,231,179	33,467,974
Port dues and charges	3,193,669	13,011,008	2,653,445	10,788,907
Gate fees	843,037	3,434,533	651,172	2,647,665
Storage fees	855,874	3,486,831	612,577	2,490,738
Weighting fee	15,840	64,532	6,953	28,271
Stuffing/Unstuffing	19,950	81,276	27,838	113,189
Sand dredging management fee	2,652	10,804	25,085	101,996
Survey	-	-	3,000	12,198
Trucking fee	758,878	3,091,669	310,528	1,262,607
Logistics services	209,635	854,053	245,340	997,552
	<u>28,457,453</u>	<u>115,935,663</u>	<u>22,858,698</u>	<u>92,943,465</u>

21. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Crane charges	926,699	3,798,193	699,799	2,848,405
Depreciation	793,658	3,255,132	707,574	2,880,593
Fuel and gasoline	473,456	1,942,639	263,860	1,074,131
Salaries and wages	528,308	2,166,265	449,157	1,828,789
Maintenance costs	425,370	1,742,068	209,103	850,213
Logistic costs	40,975	169,452	66,270	269,454
Sand dredging management cost	-	-	4,625	18,805
Others	95,698	392,517	187,204	764,350
	<u>3,284,164</u>	<u>13,466,266</u>	<u>2,587,592</u>	<u>10,534,740</u>

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Crane charges	2,556,811	10,416,448	1,707,273	6,941,772
Depreciation	2,348,607	9,568,225	1,906,758	7,752,878
Fuel and gasoline	1,457,678	5,938,580	689,058	2,801,710
Salaries and wages	1,523,890	6,208,328	1,288,067	5,237,280
Maintenance costs	1,076,124	4,384,129	856,810	3,483,789
Logistic costs	220,955	900,171	254,090	1,033,130
Sand dredging management cost	-	-	4,625	18,805
Others	284,558	1,159,289	411,623	1,673,659
	<u>9,468,623</u>	<u>38,575,170</u>	<u>7,118,304</u>	<u>28,943,023</u>

22. OTHER INCOME

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Rental income	117,196	483,097	221,101	900,360
Interest income from:				
- deposits with financial institutions	275,604	1,129,291	201,600	821,177
- lease receivables	81,843	334,635	43,161	175,751
Reversal of impairment loss on receivables	77,685	316,489	-	-
Income from net investment in subleases	1,655,658	6,745,151	-	-
Others	108,580	444,582	170,833	696,051
	<u>2,316,566</u>	<u>9,453,245</u>	<u>636,695</u>	<u>2,593,339</u>

22. OTHER INCOME (continued)

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Rental income	520,086	2,118,830	675,450	2,746,380
Interest income from:				
- deposits with financial institutions	738,484	3,008,584	692,011	2,813,717
- lease receivables	167,995	684,412	129,583	526,884
Unwinding effect of long term deposit	2,704	11,016	2,599	10,568
Reversal of impairment loss on receivables	77,685	316,489	344,700	1,401,550
Income from net investment in subleases	1,655,658	6,745,151	-	-
Others	267,698	1,090,601	304,900	1,239,723
	<u>3,430,310</u>	<u>13,975,083</u>	<u>2,149,243</u>	<u>8,738,822</u>

23. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	1,110,197	4,552,718	912,956	3,718,222
Utilities and fuel	164,204	673,993	136,988	557,752
Depreciation	191,147	783,805	176,991	719,645
Board of Directors' fees	61,329	251,591	61,815	251,712
Donation	116,540	478,139	95,304	387,899
Office supplies	53,961	221,338	72,378	294,522
Business entertainment	57,849	237,139	23,045	93,839
Repair and maintenance	35,093	144,089	52,257	212,711
Communication expenses	17,874	73,278	18,577	75,635
Professional fees	5,388	22,162	5,326	21,694
Travelling expenses	13,239	54,181	11,874	48,376
Other tax expenses	15,563	64,056	15,004	61,624
Other expenses	233,787	953,977	19,033	77,551
Loss on termination of sublease	1,046,966	4,265,339	-	-
Impairment loss on receivables	-	-	280,578	1,142,289
	<u>3,123,137</u>	<u>12,775,805</u>	<u>1,882,126</u>	<u>7,663,471</u>

23. GENERAL AND ADMINISTRATIVE EXPENSES (continued)

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	3,237,032	13,187,668	2,960,558	12,037,629
Utilities and fuel	523,249	2,131,716	390,157	1,586,378
Depreciation	553,388	2,254,503	528,102	2,147,263
Board of Directors' fees	185,347	755,104	185,908	755,902
Donation	356,204	1,451,175	226,216	919,794
Office supplies	161,142	656,493	149,934	609,632
Business entertainment	162,325	661,312	69,186	281,310
Repair and maintenance	115,125	469,019	130,190	529,353
Communication expenses	50,642	206,316	52,398	213,050
Professional fees	20,499	83,513	18,158	73,830
Travelling expenses	30,785	125,418	44,077	179,217
Other tax expenses	62,173	253,293	220,915	898,240
Other expenses	342,393	1,394,909	73,416	298,509
Loss on disposal of property, plant and equipment	11,930	48,603	-	-
Loss on termination of sublease	1,046,966	4,265,339	-	-
Property, plant and equipment written off	8,309	33,851	-	-
Impairment loss on receivables	346,272	1,410,712	415,503	1,689,435
	<u>7,213,781</u>	<u>29,388,944</u>	<u>5,464,718</u>	<u>22,219,542</u>

24. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	194,117	796,342	215,047	875,679
- lease liabilities	101,059	413,598	81,151	330,365
	<u>295,176</u>	<u>1,209,940</u>	<u>296,198</u>	<u>1,206,044</u>

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	586,272	2,388,472	647,901	2,634,365
- lease liabilities	235,623	959,928	214,626	872,669
Unwinding effect of:				
- long term deposit	1,352	5,508	1,300	5,287
	<u>823,247</u>	<u>3,353,908</u>	<u>863,827</u>	<u>3,512,321</u>

25. TAX EXPENSE

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	967,914	3,966,827	876,580	3,567,765
Deferred tax:				
Origination and reversal of temporary differences	131,297	537,121	131,526	534,367
	<u>1,099,211</u>	<u>4,503,948</u>	<u>1,008,106</u>	<u>4,102,132</u>
	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	2,660,412	10,838,518	2,043,534	8,309,009
(Over)/Under provision in prior year	(10,682)	(43,518)	30,155	122,610
	<u>2,649,730</u>	<u>10,795,000</u>	<u>2,073,689</u>	<u>8,431,619</u>
Deferred tax expense:				
Origination and reversal of temporary differences	289,655	1,180,054	(7,982)	(32,454)
Total tax expense	<u>2,939,385</u>	<u>11,975,054</u>	<u>2,065,707</u>	<u>8,399,165</u>

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

26. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	4,354,803	17,845,701	3,858,687	15,706,092
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.21	0.86	0.19	0.76
Diluted earnings per share	<u>0.21</u>	<u>0.86</u>	<u>0.19</u>	<u>0.76</u>

26. EARNINGS PER SHARE (continued)

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	11,432,622	46,576,502	9,415,065	38,281,651
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.55	2.25	0.46	1.85
Diluted earnings per share	<u>0.55</u>	<u>2.25</u>	<u>0.46</u>	<u>1.85</u>

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

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

27. DIVIDENDS

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

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

These dividends were paid on 2 June 2022.

28. RELATED PARTY DISCLOSURES

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

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	194,108	796,342	215,047	875,679
MEF and MPWT				
Donation and charities	<u>3,655</u>	<u>15,172</u>	<u>31,480</u>	<u>128,009</u>

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	586,263	2,388,435	647,901	2,634,365
MEF and MPWT				
Donation and charities	<u>23,675</u>	<u>96,453</u>	<u>35,175</u>	<u>143,022</u>

28. RELATED PARTY DISCLOSURES (continued)

(b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	61,329	251,592	61,815	251,713

	Unaudited			
	Nine-month period ended			
	30 September 2022		30 September 2021	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	185,347	755,105	185,908	755,903

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 (2021: one to three months) and PPAP seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

(b) Liquidity and cash flow risk

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

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

(c) Interest rate risk

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

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

30. TAXATION CONTINGENCIES

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

31. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

32. SIGNIFICANT EVENTS DURING THE PERIOD

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

On 21 February 2022, PPAP entered into a 30-year lease agreement with H.E. Seang Keang for the lease of land situated at Prek Anchanh Commune, Muk Kampul District, Kandal Province measuring 38,362 metre square, whereby the handover of the said land to PPAP will be on 215 December 2022.

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

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

33. SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

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

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

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 Third Quarter 2022 report for further information.*

The container throughput of PPAP in the second quarter 2022 has increased 37,284 TEUs or 53,90% compared to the second quarter 2021. For vessels in the second quarter 2022 increased by 264 units or 49,44% compared to the second quarter 2021. However, ship (voyage) in the second quarter 2022 is 0% compared to the second quarter 2021. On the other hand, general cargo in second quarter 2022 has also increased 25,281 TONs or 13,21% compared to second quarter 2021.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the Interim financial report for Third Quarter ended 30 September 2022 and 2021 as *set out in Section 3 of this Third 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 third quarter ended 30 September 2022 compared to third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	8,679,102	35,587,873	8,015,429	32,626,484	663,673	8.28%	2,961,389	9.08%
Port authority	1,127,587	4,622,715	988,679	4,024,963	138,908	14.05%	597,752	14.85%
Other revenue	31,290	129,972	59,417	242,231	(28,127)	-47.34%	(112,259)	-46.34%
Total:	<u>9,837,979</u>	<u>40,340,560</u>	<u>9,063,525</u>	<u>36,893,678</u>	<u>774,454</u>	<u>8.54%</u>	<u>3,446,882</u>	<u>9.34%</u>

Total revenue increased by KHR 3,446,882,000 (USD 774,454) or 9.34% from KHR 36,893,678,000 (USD 9,063,525) in the third quarter 2021 to KHR 40,340,560,000 (USD 9,837,979) in the third quarter 2022. This increase in revenue is due to the increase of revenue from port operation and port authority such as stevedoring, lift on lift off (LOLO) and port dues and charges.

1.2 Revenue by segment analysis

For the third quarter ended 30 September 2022 compared to third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	18,401,876	45.62%	16,725,109	45.33%
Lift On Lift Off (LOLO)	14,421,010	35.75%	13,365,839	36.23%
Port dues and charges	4,622,715	11.46%	4,024,963	10.91%
Gate fees	1,257,102	3.11%	1,132,979	3.07%
Storage fees	1,048,468	2.60%	913,628	2.48%
Sand dredging management fee	-	0.00%	23,800	0.06%
Trucking fee	419,884	1.04%	450,986	1.22%
Weighting fee	20,375	0.05%	11,434	0.03%
Stuffing/Unstuffing	19,158	0.05%	26,509	0.07%
Logistic services	129,972	0.32%	218,431	0.59%
Total:	40,340,560	100.00%	36,893,678	100.00%

For the third quarter 2022 as well as the third quarter 2021, PPAP has increased in 3 main revenue which represent 93% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For the third quarter ended 30 September 2022 compared to third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	4,489,099	18,401,876	4,108,992	16,725,109	380,107	9.25%	1,676,767	10.03%
Lift On Lift Off (LOLO)	3,517,570	14,421,010	3,283,570	13,365,839	234,000	7.13%	1,055,171	7.89%
Port Due & Charge	1,127,587	4,622,715	988,679	4,024,963	138,908	14.05%	597,752	14.85%

For the third quarter 2022, 3 main revenue has increased KHR 3,329,690,000 (USD 753,015) or 9.76% compared to the third quarter 2021.

2. Gross profit margin analysis

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

For the third quarter ended 30 September 2022 compared to third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	9,837,979	40,340,560	9,063,525	36,893,678	774,454	8.54%	3,446,882	9.34%
Cost of Service								
Depreciation	793,658	3,255,132	707,574	2,880,593	86,084	12.17%	374,539	13.00%
Crane charge	926,699	3,798,193	699,799	2,848,405	226,900	32.42%	949,788	33.34%

Salaries and wage	528,308	2,166,265	449,157	1,828,789	79,151	17.62%	337,476	18.45%
Fuel and gasoline	473,456	1,942,639	263,860	1,074,131	209,596	79.43%	868,508	80.86%
Maintenance costs	425,370	1,742,068	209,103	850,213	216,267	103.43%	891,855	104.90%
Logistic costs	40,975	169,452	66,270	269,454	(25,295)	-38.17%	(100,002)	-37.11%
Sand dredging management cost	-	-	4,625	18,805	(4,625)	-100.00%	(18,805)	-100.00%
Others	95,698	392,517	187,204	764,350	(91,506)	-48.88%	(371,833)	-48.65%
Total Cost of Service	3,284,164	13,466,266	2,587,592	10,534,740	696,572	26.92%	2,931,526	27.83%
Gross profit	<u>6,553,815</u>	<u>26,874,294</u>	<u>6,475,933</u>	<u>26,358,938</u>	<u>77,882</u>	<u>1.20%</u>	<u>515,356</u>	<u>1.96%</u>
Gross Profit Margin	66.62%	66.62%	71.45%	71.45%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 4.83% from 71.45% in the third quarter 2021 to 66.62% in the third quarter 2022. The decreased is mainly due to the increase of total revenue by KHR 3,446,882,000 (USD 774,454) or 9.34%. However, the total Cost of Service for third quarter 2022 increased by KHR 2,931,526,000 (USD 696,572) or 27.83% compared to the third quarter 2021 due to the slightly increase of cost of service from fuel and gasoline, crane charge, and maintenance costs.

3. Profit before tax analysis

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

For the third quarter ended 30 September 2022 compared to the third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	6,553,815	26,874,294	6,475,933	26,358,938	77,882	1.20%	515,356	1.96%
Other income	2,316,566	9,453,245	636,695	2,593,339	1,679,871	263.84%	6,859,906	264.52%
General administration and selling expenses								
Salaries and other benefits	1,110,197	4,552,718	912,956	3,718,222	197,241	21.60%	834,496	22.44%
Donation expenses	116,540	478,139	95,304	387,899	21,236	22.28%	90,240	23.26%
Utilities and fuel	164,204	673,993	136,988	557,752	27,216	19.87%	116,241	20.84%
Depreciation	191,147	783,805	176,991	719,645	14,156	8.00%	64,160	8.92%
Repairs and maintenance	35,093	144,089	52,257	212,711	(17,164)	-32.85%	(68,622)	-32.26%
Business entertainments	57,849	237,139	23,045	93,839	34,804	151.03%	143,300	152.71%
Travelling expenses	13,239	54,181	11,874	48,376	1,365	11.50%	5,805	12.00%
Professional fee	5,388	22,162	5,326	21,694	62	1.16%	468	2.16%
Board of Directors' fee	61,329	251,591	61,815	251,712	(486)	-0.79%	(121)	-0.05%
Office supplies	53,961	221,338	72,378	294,522	(18,417)	-25.45%	(73,184)	-24.85%

Communication expenses	17,874	73,278	18,577	75,635	(703)	-3.78%	(2,357)	-3.12%
Other tax expenses	15,563	64,056	15,004	61,624	559	3.73%	2,432	3.95%
Others	233,787	953,977	19,033	77,551	214,754	1128.32%	876,426	1130.13%
Impairment loss on receivable	-	-	280,578	1,142,289	(280,578)	-100.00%	(1,142,289)	-100.00%
Loss on termination of sublease	1,046,966	4,265,339	-	-	1,046,966	N/A	4,265,339	N/A
Total general administration and selling expenses	3,123,137	12,775,805	1,882,126	7,663,471	1,241,011	65.94%	5,112,334	66.71%
Operating profit	<u>5,747,244</u>	<u>23,551,734</u>	<u>5,230,502</u>	<u>21,288,806</u>	<u>516,742</u>	<u>9.88%</u>	<u>2,262,928</u>	<u>10.63%</u>
Finance costs	(295,176)	(1,209,940)	(296,198)	(1,206,044)	1,022	-0.35%	(3,896)	0.32%
Profit before income tax	<u>5,452,068</u>	<u>22,341,794</u>	<u>4,934,304</u>	<u>20,082,762</u>	<u>517,764</u>	<u>10.49%</u>	<u>2,259,032</u>	<u>11.25%</u>

For the third quarter 2022 General and Administrative expenses increased by KHR 5,112,334,000 (USD 1,241,011) or 66.71% compared to the third quarter 2021. The increased in General and Administrative expenses is due to the increased in utilities and fuel, salaries and other benefits, 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 third quarter ended 30 September 2022 compared to the third quarter ended 30 September 2021

Description	3 rd Quarter for the Period Ended 30 September 2022		3 rd Quarter for the Period Ended 30 September 2021		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	5,452,068	22,341,794	4,934,304	20,082,762	517,764	10.49%	2,259,032	11.25%
Income tax expense (b)	1,099,211	4,503,948	1,008,106	4,102,132	91,105	9.04%	401,816	9.80%
Net profit for the year	4,352,857	17,837,846	3,926,198	15,980,630	426,659	10.87%	1,857,216	11.62%
Other comprehensive income	4,354,803	17,845,701	3,858,687	15,706,092	496,116	12.86%	2,139,609	13.62%
Effective tax rate (b)/(a)	20.16%	20.16%	20.43%	20.43%				

PPAP earn profit after tax KHR 17,837,846,000 (USD 4,352,857) in the third quarter 2022 and KHR 15,980,630,000 (USD 3,926,198) in the third quarter 2021, representing an increases of KHR 1,857,216,000 (USD 426,659) or 11.62%. The decreased of effective tax rate of 0.27% from 20.43% in the third quarter 2021 to 20.16% in the third quarter 2022, due to the increased in profit before income tax for 11.25% and the increased in income tax expense KHR 401,816,000 (USD 91,105) or 9.80%.

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 329,043 TEUs on the 9months 2022 as at 30th September ,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				
	3 rd Quarter 2019	3 rd Quarter 2020	3 rd Quarter 2021	3 rd Quarter 2022	Planning 2022
Container Terminal LM17 (TEUs)	92,494	85,681	109,124	119,867	394,679

5.3. Operation Efficiency

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

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

5.4. Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight

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

5.5. Connection to Feeder Port

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

5.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

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

2. Fluctuation in prices of cost of service analysis

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

2.1. Staff salaries and other benefits

A large portion of the company’s expense is related to staff salaries and other benefits, which is **16.66%** (5.37% from operation staff and 11.29% from administration staff and other benefits) of total revenue in the third quarter 2022 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope

of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is **9.42%** of total revenue in the third quarter 2022. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

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

3. Tax analysis

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

3.1. Tax on profit

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

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

3.2. Value added tax (VAT)

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 third 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 Fluctuation of Gasoline Price

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

E- Impact on Inflation

Increase in inflation rate may impact the expenditure and investment of the company because of the increase in price of commodity, thus diminish in purchasing power. According to Worldbank.org, the Cambodia inflation rate is averaging 3.8% 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 3rd Quarter of 2022, PPAP has necessary information for the investor protection as follow:

- Acknowledged the members of the 8th mandate Board of Directors of PPAP and members of the 8th mandate Board of Directors' Secretary
- Checked and approved the request to cooperate with a private company on the construction of a new administrative building of PPAP and Tourist Hall
- Checked and approved the request to select a new External Auditor for PPAP
- Checked and approved the request to study on the 6 locations to develop as sub-feeder terminals of PPAP.

Signature of Board of Director of PPAP

15th DECEMBER, 2022

Read and Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

15th DECEMBER, 2022

Read and Approved

Gui Anvanith

Signature

Gui Anvanith

Member

(Independent Director)



ចំណតផែនការបញ្ចប់នៃបណ្តាញ UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិទន្លេបឹង យ៉ុងទន្លេបឹង ស្រុកត្បូងឃ្មុំ ខេត្តត្បូងឃ្មុំ

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

ចំណតផែនការបញ្ចប់នៃបណ្តាញ 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

ចំណតផែនការបញ្ចប់នៃបណ្តាញ TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវបឹងព្រះសីហនុ ភូមិស្រះចក ស្រុកចក ខេត្តព្រះសីហនុ

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

ចំណតផែនការដំណើរ និងទេសចរ TS១

Passenger and Tourist Terminal TS1

ផ្លូវបឹងព្រះសីហនុ ភូមិស្រះចក ស្រុកចក ខេត្តព្រះសីហនុ

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

ចំណតផែនការបញ្ចប់នៃបណ្តាញ TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្រះចក ស្រុកចក ខេត្តព្រះសីហនុ

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

ចំណតផែនការកុងតឺន័រ 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

ចំណតផែនការបញ្ចប់នៃបណ្តាញ LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា ឃុំកោះរកា ស្រុកព្រៃវែង 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

