



KINGDOM OF CAMBODIA
NATION RELIGION KING



PHNOM PENH AUTONOMOUS PORT

The 3rd Quarter Report of 2021



Listed Company

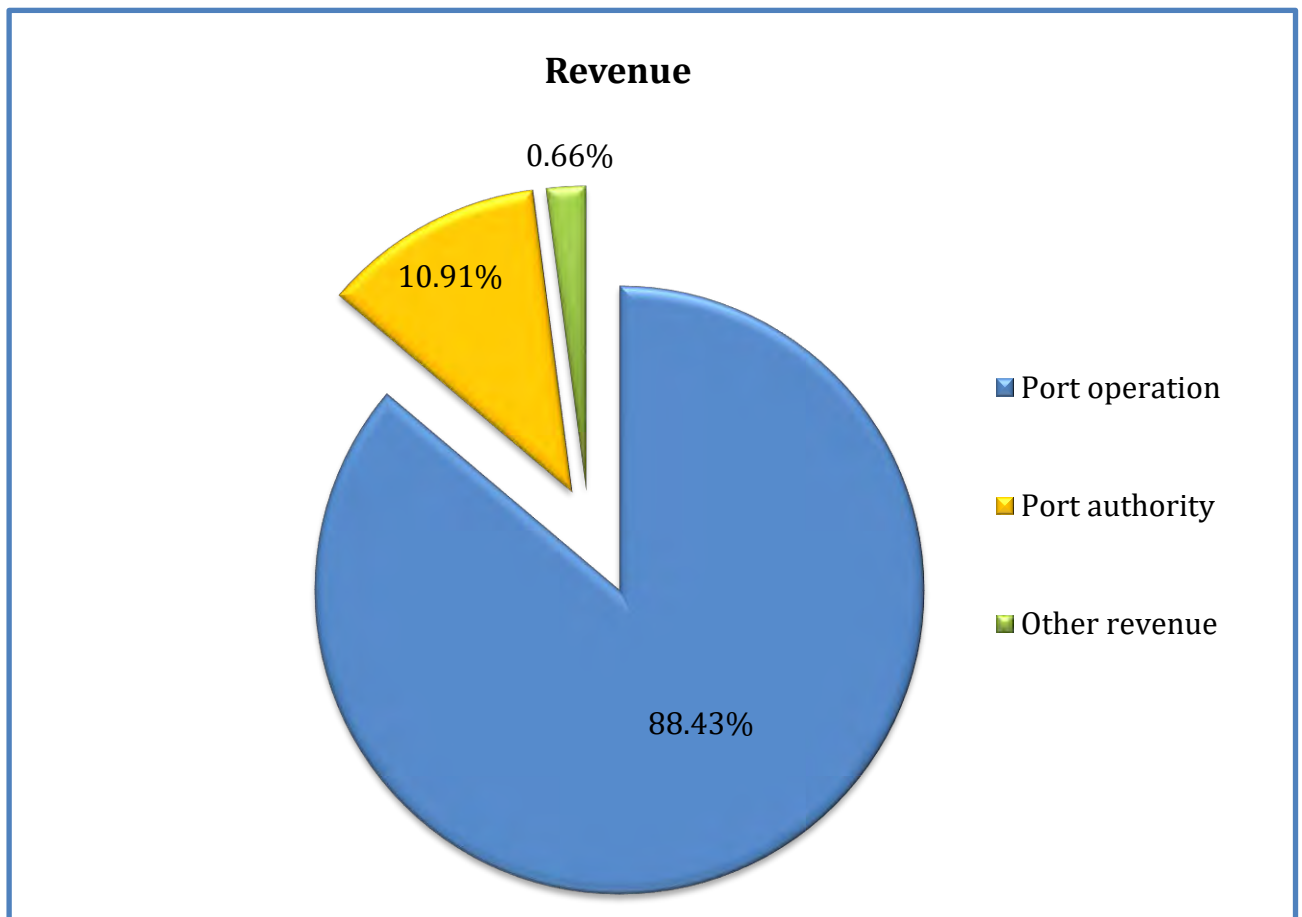
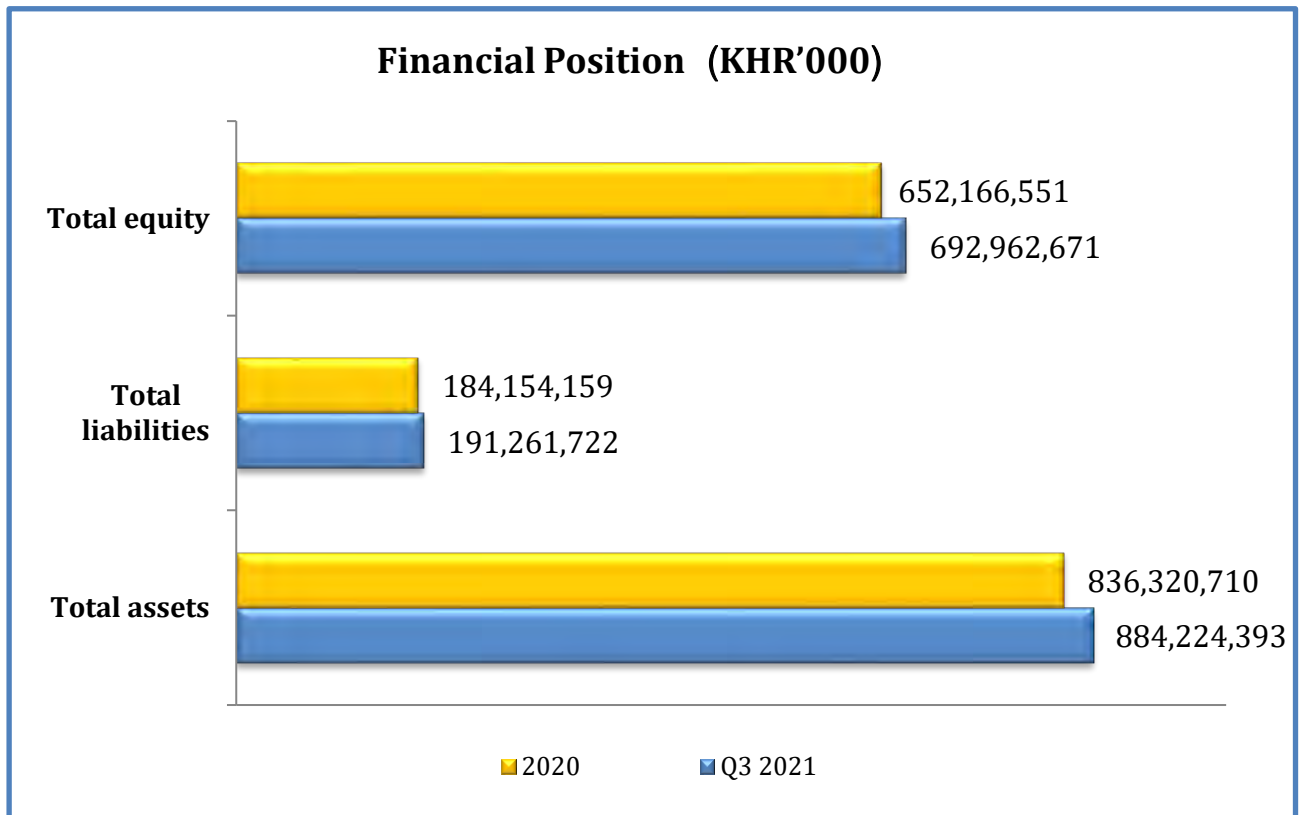
**3rd Quarterly Report of 2021
(End of 30/September/2021)
Phnom Penh Autonomous Port**

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

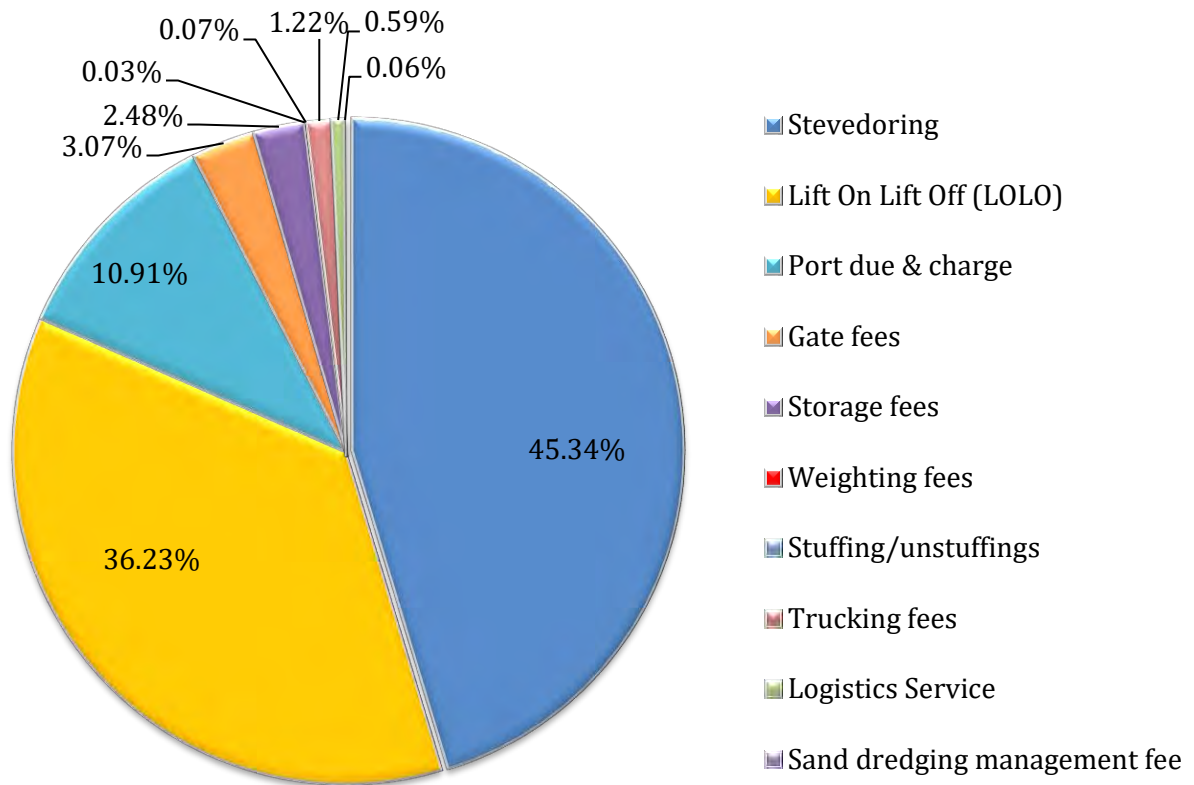
1.1. Financial Highlight

Description		30 September 2021	31 December 2020	31 December 2019
Financial Position (KHR'000)				
Total assets		884,224,393	836,320,710	817,542,948
Total liabilities		191,261,722	184,154,159	198,540,952
Total equity		692,962,671	652,166,551	619,001,996
Profit/(Loss) (KHR'000)		Q3 2021	Q3 2020	Q3 2019
Total revenues		36,893,678	31,002,618	33,206,301
Profit/(Loss) before tax		20,082,762	15,974,179	17,751,534
Profit/(Loss) after tax		15,980,630	12,620,835	14,070,421
Total comprehensive income		15,706,092	12,746,909	14,080,697
Financial Ratios		Q3 2021	31 December 2020	31 December 2019
Solvency ratio (%)		10.04	28.40	30.13
Liquidity ratio	Current ratio (times)	3.76	3.86	4.17
	Quick ratio (times)	3.76	3.86	4.17
		Q3 2021	Q3 2020	Q3 2019
Profitability ratio	Return on assets (%)	1.78	1.53	1.75
	Return on equity (%)	2.27	1.96	2.31
	Gross profit margin (%)	71.45	72.56	69.64
	Profit margin(%)	42.57	41.12	42.40
	Earning per share (Riel)	759.32	616.26	680.74
Interest coverage ratio (times)		24.31	17.87	18.09

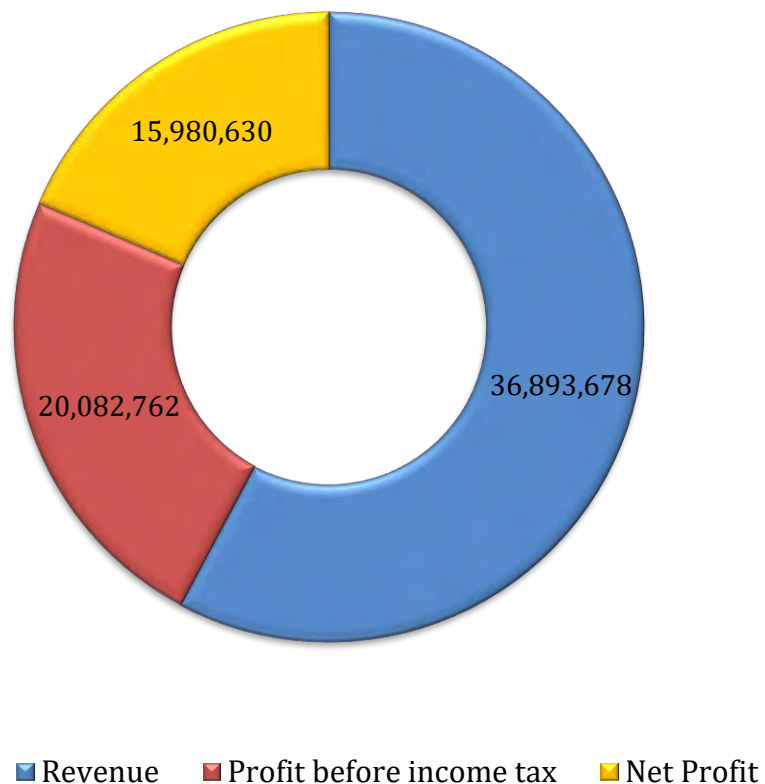
1.2. Graph of Financial Information Highlight (As of 30 June 2021)



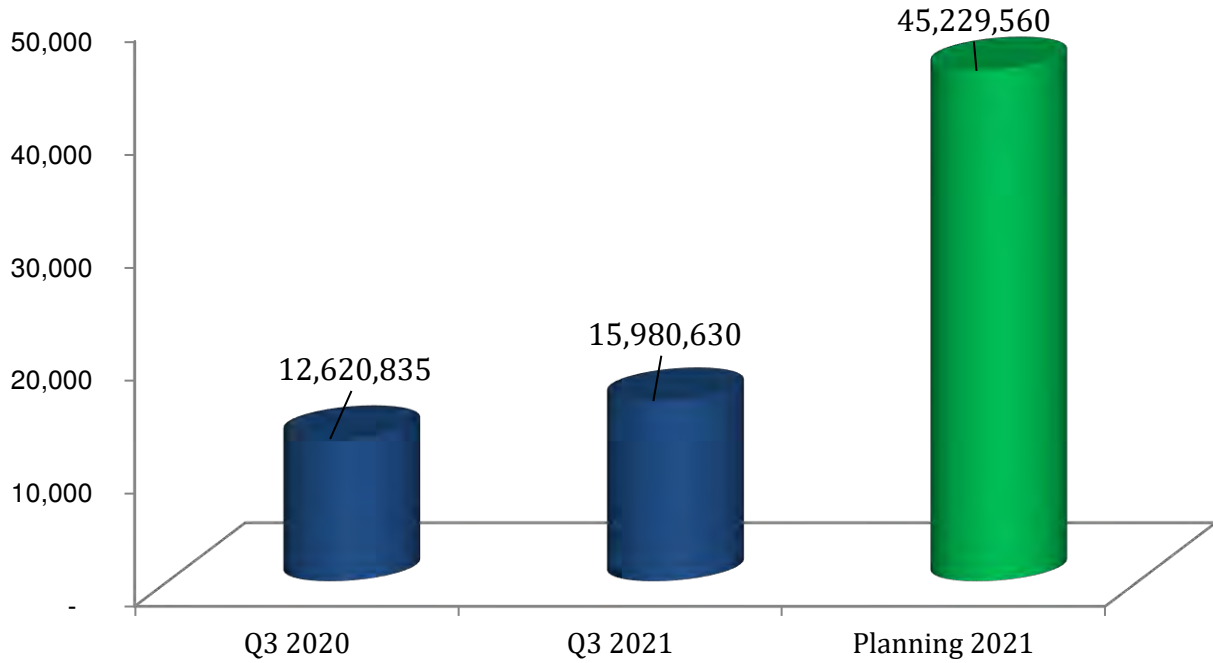
Types of Revenue Distribution Compared to Total Revenues



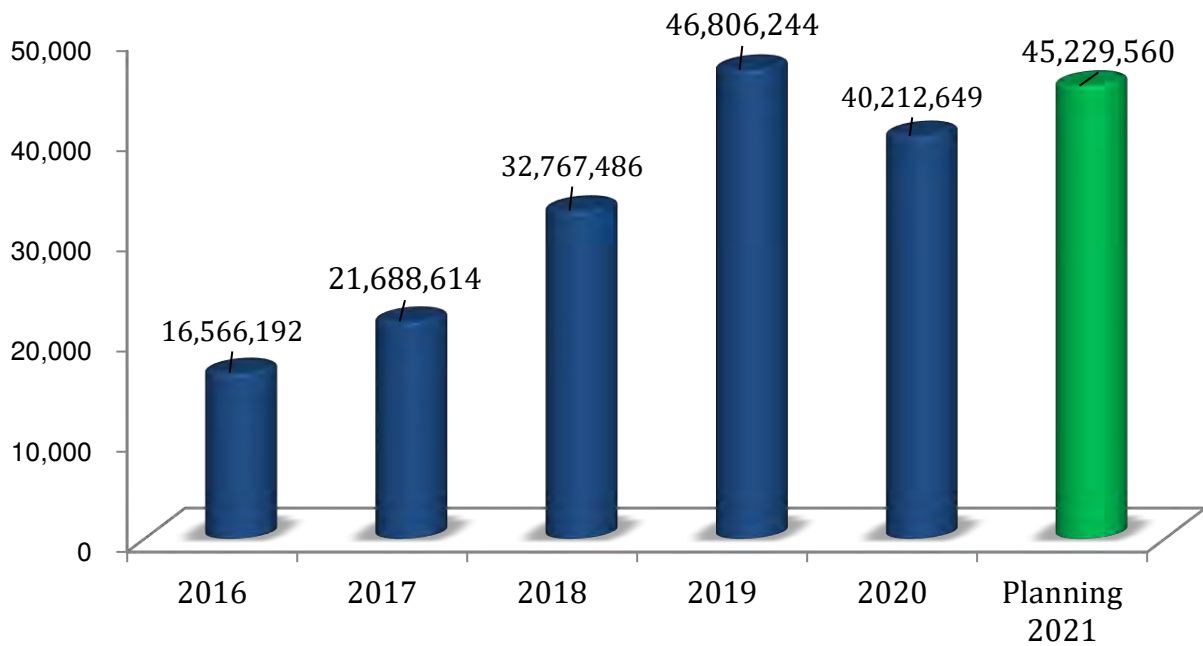
Net Profit for Q3 2021 (KHR'000)



Net Profit for Q3 2021 Compared to Planning 2021 (KHR'000)



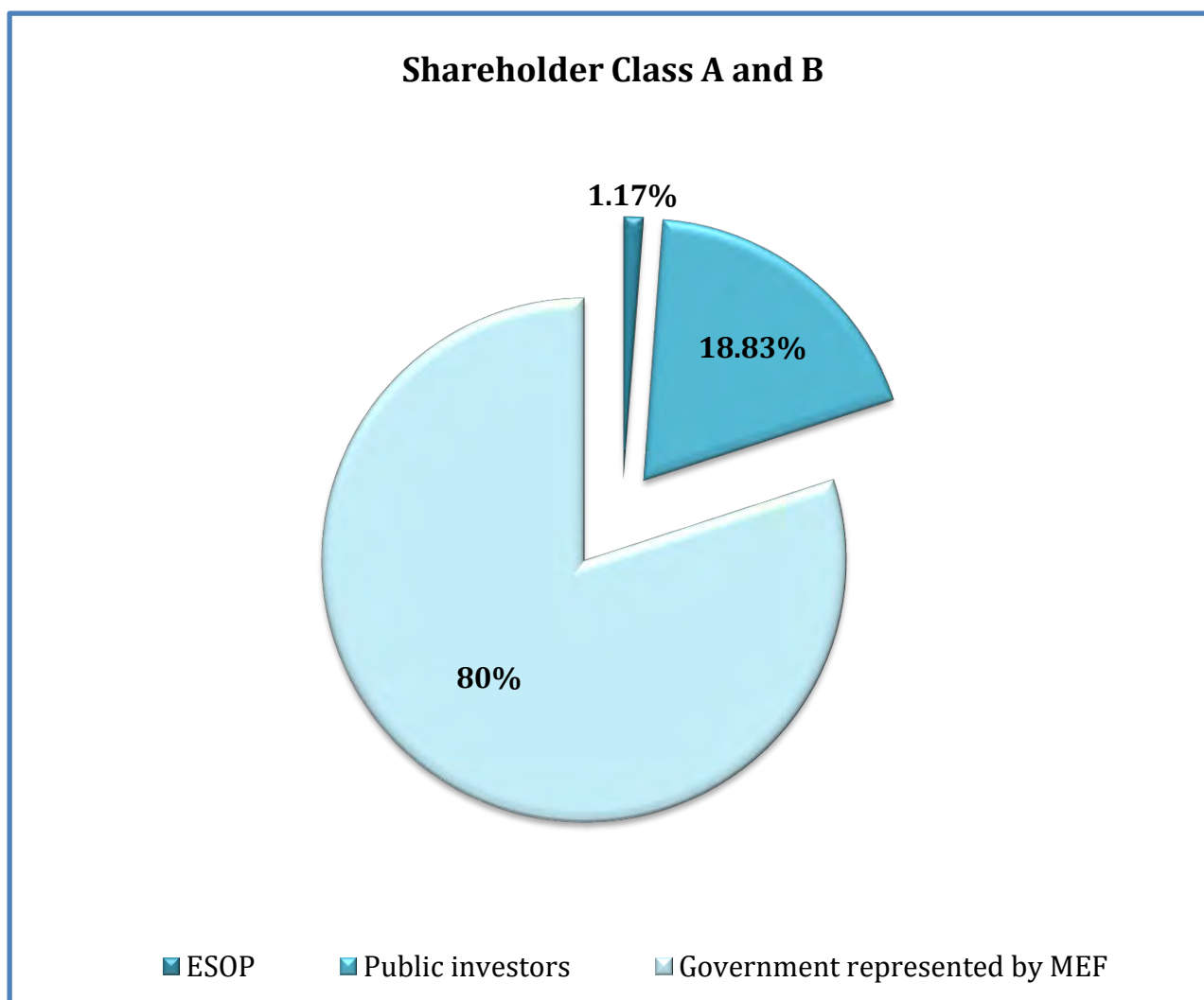
Net Profit from 2016 to 2020 and Planning 2021 (KHR'000)



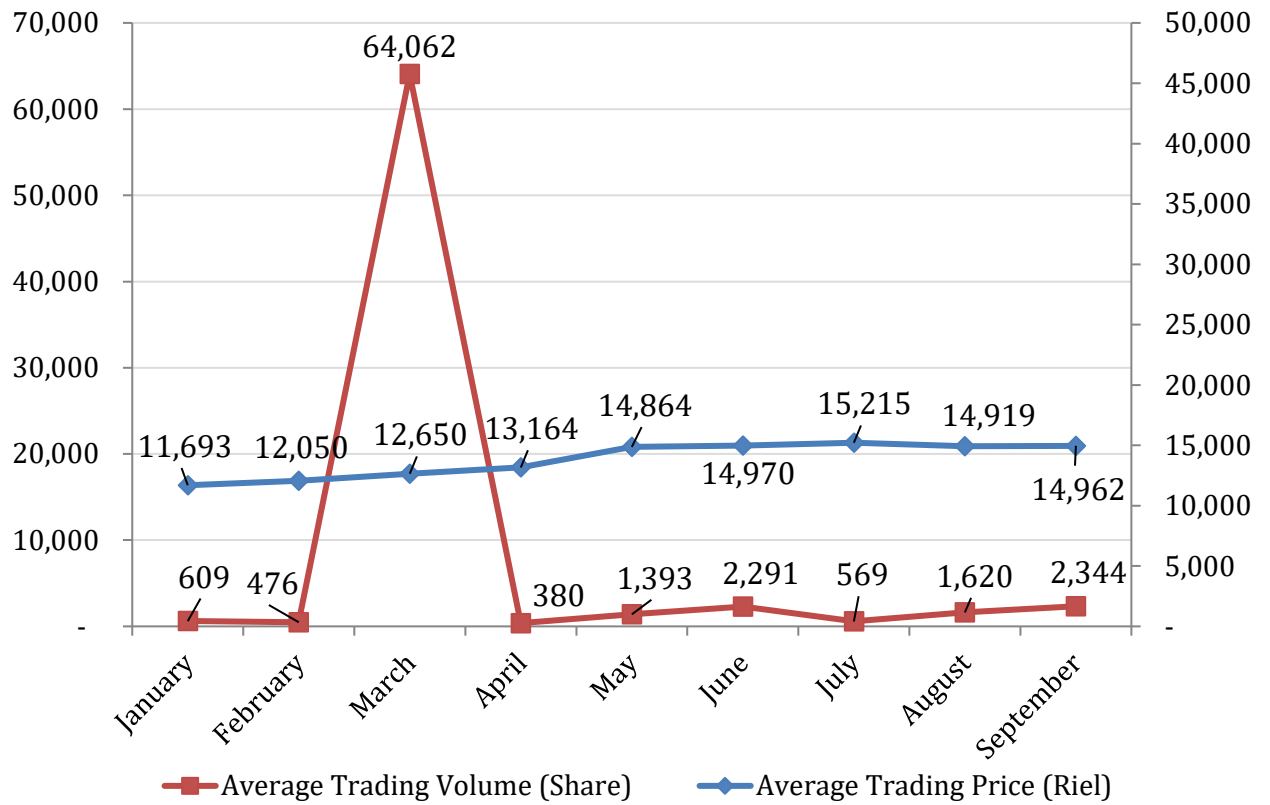
1.3. Stock Ownership (As of 30 September 2021)

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	242 724	1.17%
2. Public investors	3,894,149	18.83%
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)



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












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

3. Message from Chairman and CEO

For the third quarter 2021, total revenue is KHR 36,893,678,000 (USD 9,063,525) achieved 31.29% of planning 2021 and compared to the third quarter 2020 increased by KHR 5,891,060,000 (USD 1,487,480) or 19.00%. However, net profit in the third quarter 2021 is KHR 15,980,630,000 (USD 3,926,198) reached 35.33% of planning 2021 and compared to third quarter 2020 increased by KHR 3,359,795,000 (USD 841,011) or 26.62%. For the first 9months of 2021, total revenue from Port Operation and Port Authority is KHR 92,943,465,000 (USD 22,858,698) achieved 78.83% of planning 2021 and compared to the first 9months of 2020 increased by KHR 9,495,187,000 (USD 2,415,710) or 11.38%. However, net profit in the first 9months of 2021 is KHR 38,608,236,000 (USD 9,495,385) achieved 85.36% of planning 2021 and compared to the first 9months of 2020 increased to KHR 7,576,607,000 (USD 1,893,320) or 24.42%. Apart from this, basic earnings per share in third quarter 2021 is KHR 759.32 (USD 0.19).

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

A. The Direction of main work implementation of PPAP

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

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

For the 3rd Quarter of 2021, the Board of Directors attended an online meeting and achieved the following results:

i. The 11th meeting of the 7th mandate on August 2nd, 2021

- Reviewed and approved on PPAP's Business Result Report for 6 month of 2021.
- Approved on PPAP's request to review and revise the Investment Cooperation Agreement on The Development of Muti-purpose Terminal TS11 between PPAP and PTL COOPERATION CO.,LTD and submit to both guardian ministries for approval

- Allow PPAP to make request to both guardian ministries to review and approve on the principle for the investment cooperation with private sector in the development of PPAP's Terminal at Tonle Bet, Koh Rorka, Prek Anchanh, Prek Kdam, Kompong Chhnang, and Chhlong, Kratie Province and other suitable locations in the future
- Reviewed and approved on CCTG's request to delay the payment to PPAP
- Discussed and allowed PPAP to request to Ministry of Public Works and Transport to set codename for PPAP's terminal in Koh Rorka as "KOH RORKA Multi-purpose Terminal LM26" and terminal in K'orm Somnor as "K'orm Somnor Terminal LM27"
- Allowed PPAP to transfer 1 pontoon at Terminal TS1 to Koh Rorka Terminal to serve the loading operation.

C. Setting the Goal for 2021

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 Security and Exchange Commission of Cambodia and the shareholders who provide the trust and strong support to PPAP.

Phnom Penh, 12th August 2021
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 a varieties of main port services and other relevant services.

1. Operation as Port Operator

As a port operator, PPAP has provided main services such as :

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

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

According to Sub-Decree No. 01 ANK. BK. the of 5th January, 2009, PPAP's Commercial Zone is 166 kilometers long, stretching from Chaktumuk river : Mekong luer river 100km, Mekong krom river 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

By the first 6 months of 2021, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase I; meanwhile in order to support the operation of the above achievement, PPAP is continuing to develop a new quay to install two additional FCCs, and set up an electricity connection. The overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, The container yard capacity at LM17 will reach 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 12 RTG cranes, 5 Reach Stakers, 4 Sky Stackers, and 54 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	379,173 m²
Registered land size	378,367 m²
Size of the processing land title	806 m²
Berth	3 (5,000 DWT)

Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Handling equipment	Traveling Cargo Crane, Rubber Tyred Gantry, Reach Stacker Constacker & Sky Stacker.

4.1.2 Multipurpose Terminal (TS3)

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

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

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

4.1.3. Sub-feeder Multipurpose Terminal UM2

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. 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 Subfeeder Multipurpose Terminal 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 conveyer installed)
Berth	1 (a floating pontoon with a size of 15m x 42m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7days/24rs
Handling equipment	Mobile crane, Floating crane, Conveyer

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. . In the 3rd Quarter of 2021, the total of 7,655 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 square meters
Registered land size*	1,699 square meters
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 square meters
Anchorage	The anchorage is available at two locations: -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 Chaktomuk 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

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 square meters
Registered land size	105,192 square meters
Size of the processing land title	10,386 square meters
Anchorage	The anchorage is available at two locations: -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 Conveyor

C. Quarter's Key Events

As of 2nd Quarter of 2021, there has no any quarter's key events.

Part 2

Information on Bussiness Operation Performance






A. The results of the business operations, including partial business information for the third quarter of 2020

1. Catalog of Passenger Goods

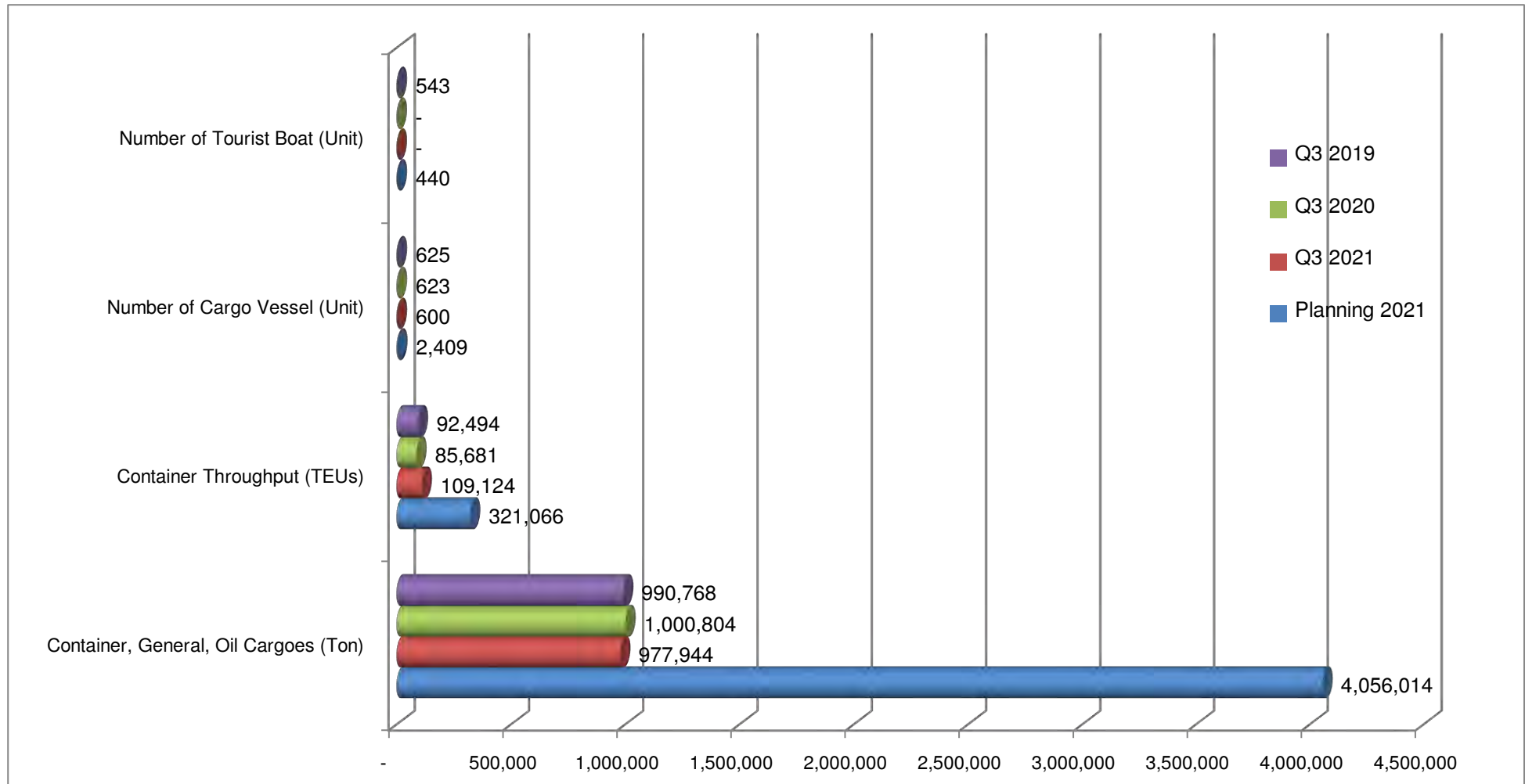
No.	Description	Unit	Planning 2021	Q3			9 Months		Compare (%)	Up / Down (%)	
				2021	2020	2019	2021	2020		8=(2/3)-100%	9=(3/4)-100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3)-100%	9=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,056,014</u>	<u>977,944</u>	<u>1,000,804</u>	<u>990,768</u>	<u>2,915,874</u>	<u>2,797,444</u>	71.89%	-2.28%	+1.01%
	A- <u>Container Throughput</u>	-	<u>2,304,440</u>	<u>614,014</u>	<u>567,604</u>	<u>635,408</u>	<u>1,572,318</u>	<u>1,544,477</u>	68.23%	+8.18%	-10.67%
	- Imported Container Cargo	-	1,497,886	365,970	377,254	423,703	928,599	1,037,300			
	- Exported Container Cargo	-	806,554	248,044	190,349	211,706	643,720	507,176			
	B - <u>Mobile General Cargo Handling</u>	-	<u>885,868</u>	<u>178,288</u>	<u>228,305</u>	<u>155,404</u>	<u>639,084</u>	<u>608,592</u>	72.14%	-21.91%	+46.91%
	- Inside Port	-	70,869	7,918	13,356	16,526	38,169	32,722			
	- Outside Port	-	814,999	170,369	214,949	138,878	600,915	575,870			
	C - <u>Imported Oil & Gas</u>	-	<u>865,706</u>	<u>185,643</u>	<u>204,895</u>	<u>199,956</u>	<u>704,471</u>	<u>644,375</u>	81.38%	-9.40%	+2.47%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>321,066</u>	<u>109,124</u>	<u>85,681</u>	<u>92,494</u>	<u>256,407</u>	<u>221,282</u>	79.86%	+27.36%	-7.37%
	- Laden Cargo	-	234,378	69,243	58,992	66,087	178,963	158,537			
	- Empty Cargo	-	86,688	39,881	26,689	26,407	77,444	62,745			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,190,308</u>	<u>792,302</u>	<u>795,908</u>	<u>790,812</u>	<u>2,211,402</u>	<u>2,153,069</u>	69.32%	-0.45%	+0.64%
	- General Cargo	-	885,868	178,288	228,305	155,404	639,084	608,592			
	- Container Throughput (Ton)	-	2,304,440	614,014	567,604	635,408	1,572,318	1,544,477			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,409</u>	<u>600</u>	<u>623</u>	<u>625</u>	<u>1,744</u>	<u>1,758</u>	72.40%	-3.69%	-0.32%
	- Foreign Vessels and Barge	-	1,802	491	497	490	1,332	1,346			

No.	Description	Unit	Planning 2021	Q3			9 Months		Compare %	Up/Down %	
				2021	2020	2019	2021	2020		8=(2/3)-100%	9=(3/4)-100%
A	B	C	1	2	3	4	5	6	7=(5/1)	8=(2/3)-100%	9=(3/4)-100%
	- Cambodian Vessels and Barge	-	10	-	-	3	-	-			
	- Oil Vessels and Tanker	-	597	109	126	132	412	412			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,898</u>	<u>1,938</u>	<u>456</u>	<u>426</u>	<u>2,714</u>	<u>1,352</u>	142.99%	+325.00%	+7.04%
	- PhnomPenh-SeimReap-PhnomPenh	-	10	-	-	-	-	-			
	- Vessels in Town	-	1,888	1,938	456	426	2,714	1,352			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>10,508</u>	<u>7,655</u>	<u>3,347</u>	<u>2,361</u>	<u>14,703</u>	<u>6,979</u>	139.92%	+128.71%	+41.76%
	- PhnomPenh-SeimReap-PhnomPenh	-	200	-	-	-	-	-			
	- Vessels in Town	-	10,308	7,655	3,347	2,361	14,703	6,979			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>440</u>	<u>=</u>	<u>=</u>	<u>543</u>	<u>=</u>	<u>692</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	264	-	-	374	-	440			
	- Cruise Boat	-	176	-	-	169	-	252	0.00%	0.00%	-100.00%
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Pax</u>	<u>14,667</u>	<u>=</u>	<u>=</u>	<u>9,772</u>	<u>=</u>	<u>18,334</u>	0.00%	0.00%	-100.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	6,881	-	-	4,087	-	8,601			
	- Tourist on Cruise Boat	-	7,786	-	-	5,685	-	9,733	0.00%	0.00%	-100.00%

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

-  Cargo-fuel and gas throughput in Q3 2021: 977,944 Tons, decreased by -2.28% compared to Q3 2020 (1,000,804 Tons). For 9 Months of 2021, PPAP has accomplished 71,89% compared to planning 2021 (4,056,014 Tons).
-  Cargo vessels throughput in Q3 2021: 600 Units, decreased by 3.69% compared to Q3 2020 (623 Units). For 9 Months of 2021, PPAP has accomplished 72,40% compared to planning 2021 (2,409 Units).
-  International passengers and tourist cruises throughput via Cambodia-Vietnam in Q3 2021: 0 Voyages, equal by 0.00% compared to Q3 2020 (0 Voyages). For 9 Months of 2021, PPAP has accomplished 0.00% compared to planning 2021 (440 Units).
-  Containers throughput in Q3 2021: 109,124 TEUs, increased by 27.36% compared to Q3 2020 (85,681 TEUs). For 9 Months of 2021, PPAP has accomplished 79,86% compared to planning 2021 (321,066 TEUs).
-  The number of international passengers and tourists throughput via Cambodia-Vietnam in Q3 2021: 0 Voyages, equal by 0.00% compared to Q3 2020 (0 Passengers). For 9 Months of 2021, PPAP has accomplished 0,00% compared to planning 2021(14,667 Passengers).

Graphs on Performance Comparisons of the 3rd Quarter of 2021 - 2022 - 2019 and Planning 2021



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

❖ **Sand Dredging Management**


- 🇰🇲 In the Second Quarter of 2021, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 244,723 cubic meters.
- 🇰🇲 The project of dredging at Sdao Canal, located at Sdao Leu village, Sdao commune, Kang Meas district, Kampong Cham province, is 100% completed.
- 🇰🇲 The project of dredging at Koh Rokar canal, located at Koh Rokar village, Peam Chor district, Prey Veng province is 100% completed.

❖ **The construction of port infrastructure**

- 🇰🇲 Construction of Jetty (12m x 149m) , Access Bridge (8m x 32m), Foundation of FCC (9m x 10m for 2 sets), Dolphin, Asphalt Concrete Road(11,310m²) and Electrical Lamp Post at Container Terminal LM17 (35meter height for 2 poles) is 100% completed.
- 🇰🇲 Construction of a new gate in-out (21m x 30m) at Container Terminal LM17, and the construction of Asphalt concrete road (6,560 m²) is 100% completed.
- 🇰🇲 Construction of 3 Ausco 40-feet as employee waiting room to process the tasks at Container Terminal LM17 is 100% completed.
- 🇰🇲 Construction of 2 dolphins at Container Terminal LM17 in order to provide safety and convenience to the ship is 100% completed.
- 🇰🇲 Construction of 16m x 45m 4-storey-high employee accommodation at Container Terminal LM17 is 85% completed
- 🇰🇲 Electrical connection for phase 2 and phase 3 at Container Terminal LM17 is 90% completed.
- 🇰🇲 Construction of 3 trestle bridges and pontoons (15m x 42m, heigh 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal is 70% completed.
- 🇰🇲 Construction of Gravel road and Container Yard in order to provide convenience for the operation at Sub-feeder multipurpose terminal Koh Roka is 99.5% completed.
- 🇰🇲 Construction of 3,051 square meters 0,5m-thickness Gravel road to facilitate the transportation in the subfeeder multipurpose terminal Koh Roka is 100% completed.
- 🇰🇲 Construction of 40-Feet Ausco as working office and mobile accommodation at subfeeder multipurpose terminal Koh Roka is 100% completed.
- 🇰🇲 Container Scanning Roof Construction (16m x 32m) which is located in Plan B-Lm17 is 9,1% completed.
- 🇰🇲 Motobike parking space (10,5m x 32m) which is next to Gate in-out Plan A-LM17 is 67% completed.

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

- 🇰🇲 Purchased 10 Terminal tractors to use on the container yard.
- 🇰🇲 Purchased 2 empty stackers for the operation on the container yards.
- 🇰🇲 Completed the installation of 4 units RTGs at Container Terminal LM17.
- 🇰🇲 Completed the installation of 4 units of Fixed Cargo Crane at Container Terminal LM17.

 The project of installing IT equipments and and network connection is 75% completed.

B- Revenue Structure

Source of Revenue	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		3 rd Quarter for the Period Ended 30 September 2019	
	KHR'000	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	Compared to total revenue
Stevedoring	16,725,109	45.33%	13,879,622	44.77%	14,040,390	42.28%
Lift On Lift Off (LOLO)	13,365,839	36.23%	11,337,198	36.57%	11,877,541	35.77%
Port due & charge	4,024,963	10.91%	3,885,585	12.53%	4,379,906	13.19%
Gate fees	1,132,979	3.07%	829,726	2.68%	844,577	2.54%
Storage fees	913,628	2.48%	688,582	2.22%	1,740,267	5.24%
Weighting fees	11,434	0.03%	6,068	0.02%	1,389	0.00%
Stuffing/unstuffings	26,509	0.07%	29,889	0.10%	17,791	0.05%
Trucking fees	450,986	1.22%	260,511	0.84%	127,724	0.38%
Logistic Service	218,431	0.59%	49,078	0.16%	176,716	0.53%
Sand dredging management fee	23,800	0.06%	36,359	0.12%	-	0.00%
Total:	36,893,678	100.00%	31,002,618	100.00%	33,206,301	100.00%

PART3

**Financial Statements Reviewed by
the External Auditor**

Registration No:
Co.7175 Et/2004

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

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

Registration No:
Co.7175 Et/2004

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


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Registration No:
Co.7175 Et/2004

I

**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 2021, 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: 10 November 2021


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 2021, 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: 10 November 2021

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Note	Unaudited		Audited	
		30 September 2021		31 December 2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	4	97,007,384	395,693,119	88,829,863	359,316,796
Right-of-use assets	5	3,686,125	15,035,704	-	-
Investment properties	6	84,641,330	345,251,985	84,687,000	342,558,915
Lease receivables	5	4,300,111	17,540,153	4,310,477	17,435,879
Other receivable	7	67,585	275,679	64,986	262,868
Deferred tax assets	8	447,973	1,827,282	439,991	1,779,764
		<u>190,150,508</u>	<u>775,623,922</u>	<u>178,332,317</u>	<u>721,354,222</u>
Current assets					
Trade and other receivables	7	12,244,142	49,943,855	10,724,673	43,381,302
Lease receivables	5	13,755	56,107	13,362	54,049
Cash and bank balances	9	14,366,391	58,600,509	17,683,841	71,531,137
		<u>26,624,288</u>	<u>108,600,471</u>	<u>28,421,876</u>	<u>114,966,488</u>
TOTAL ASSETS		<u>216,774,796</u>	<u>884,224,393</u>	<u>206,754,193</u>	<u>836,320,710</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	10	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	11	155,502	622,008	155,502	622,008
Reserves	12	45,861,380	187,068,569	36,539,606	147,802,705
Retained earnings		9,415,064	38,404,046	10,079,232	41,103,110
Currency translation difference		-	9,054,108	-	4,824,788
TOTAL EQUITY		<u>169,885,431</u>	<u>692,962,671</u>	<u>161,227,825</u>	<u>652,166,551</u>
LIABILITIES					
Non-current liabilities					
Other payable	13	33,793	137,842	32,493	131,434
Borrowings	14	18,629,767	75,990,820	20,699,741	83,730,452
Provision for retirement benefits	15	676,829	2,760,785	616,422	2,493,429
Lease liabilities	5	6,742,623	27,503,159	2,873,650	11,623,914
Contract liabilities	16	13,725,000	55,984,275	13,950,000	56,427,750
		<u>39,808,012</u>	<u>162,376,881</u>	<u>38,172,306</u>	<u>154,406,979</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (continued)

	Note	Unaudited 30 September 2021		Audited 31 December 2020	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	13	2,934,254	11,968,824	3,055,400	12,359,092
Borrowings	14	2,069,974	8,443,424	2,069,974	8,373,045
Lease liabilities	5	9,173	37,417	8,909	36,037
Contract liabilities	16	300,000	1,223,700	300,000	1,213,500
Current tax liabilities		1,767,952	7,211,476	1,919,779	7,765,506
		<u>7,081,353</u>	<u>28,884,841</u>	<u>7,354,062</u>	<u>29,747,180</u>
TOTAL LIABILITIES		<u>46,889,365</u>	<u>191,261,722</u>	<u>45,526,368</u>	<u>184,154,159</u>
TOTAL EQUITY AND LIABILITIES		<u>216,774,796</u>	<u>884,224,393</u>	<u>206,754,193</u>	<u>836,320,710</u>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial information for the financial year ended 31 December 2020 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 2021

	Note	Unaudited				Unaudited			
		Three-month period ended				Nine-month period ended			
		30 September 2021 ⁽¹⁾		30 September 2020 ⁽²⁾		30 September 2021 ⁽¹⁾		30 September 2020 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	
Revenue	18	9,063,525	36,893,678	7,576,045	31,002,618	22,858,698	92,943,465	20,442,988	83,448,278
Cost of services	19	(2,587,592)	(10,534,740)	(2,078,346)	(8,507,588)	(7,118,304)	(28,943,023)	(6,041,685)	(24,662,157)
Gross profit		6,475,933	26,358,938	5,497,699	22,495,030	15,740,394	64,000,442	14,401,303	58,786,121
Other income	20	636,695	2,593,339	579,297	2,372,147	2,149,243	8,738,822	1,821,888	7,436,947
General and administrative expenses	21	(1,882,126)	(7,663,471)	(1,903,081)	(7,791,155)	(5,464,718)	(22,219,542)	(5,699,127)	(23,263,839)
Operating profit		5,230,502	21,288,806	4,173,915	17,076,022	12,424,919	50,519,722	10,524,064	42,959,229
Finance costs	22	(296,198)	(1,206,044)	(269,112)	(1,101,843)	(863,827)	(3,512,321)	(823,780)	(3,362,670)
Profit before tax		4,934,304	20,082,762	3,904,803	15,974,179	11,561,092	47,007,401	9,700,284	39,596,559
Tax expense	23	(1,008,106)	(4,102,132)	(819,616)	(3,353,344)	(2,065,707)	(8,399,165)	(2,098,219)	(8,564,930)
Profit for the financial period		3,926,198	15,980,630	3,085,187	12,620,835	9,495,385	38,608,236	7,602,065	31,031,629

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 2021 (continued)

	Note	Unaudited				Unaudited			
		Three-month period ended				Nine-month period ended			
		30 September 2021 ⁽¹⁾		30 September 2020 ⁽²⁾		30 September 2021 ⁽¹⁾		30 September 2020 ⁽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		(67,511)	(274,538)	30,871	126,074	(80,321)	(326,585)	40,709	166,174
Total comprehensive income for the financial period		3,858,687	15,706,092	3,116,058	12,746,909	9,415,064	38,281,651	7,642,774	31,197,803
Earnings per share									
Basic	24	0.19	0.76	0.15	0.62	0.46	1.85	0.37	1.51
Diluted	24	0.19	0.76	0.15	0.62	0.46	1.85	0.37	1.51

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 2020 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 2021

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial period		-	-	-	9,495,385	-	9,495,385
Actuarial loss on retirement benefit obligation		-	-	-	(80,321)	-	(80,321)
Total comprehensive income for the financial period		-	-	-	9,415,064	-	9,415,064
Transactions with owners							
Transfer to reserves	12	-	-	9,321,774	(9,321,774)	-	-
Dividends	25	-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 30 September 2021⁽¹⁾		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>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021 (continued)

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2020		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
Profit for the financial year		-	-	-	7,602,065	-	7,602,065
Actuarial gain on retirement benefit obligation		-	-	-	40,709	-	40,709
Total comprehensive income		-	-	-	7,642,774	-	7,642,774
Transactions with owners							
Transfer to reserves	12	-	-	10,888,187	(10,888,187)	-	-
Dividends		-	-	-	(753,737)	-	(753,737)
Total transactions with owners		-	-	10,888,187	(11,641,924)	-	(753,737)
Balance as at 30 September 2020⁽²⁾		114,453,485	155,502	36,539,606	7,642,774	-	158,791,367
<i>(KHR '000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>149,812,385</i>	<i>31,197,803</i>	<i>11,598,473</i>	<i>651,044,609</i>

Notes:

(1) Should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021

	Note	Unaudited			
		Nine-month period ended			
		30 September 2021 ⁽¹⁾		30 September 2020 ⁽²⁾	
	US\$	KHR'000	US\$	KHR'000	
Cash flows from operating activities					
Profit before tax		11,561,092	47,007,401	9,700,284	39,596,559
Adjustments for:					
Depreciation of property, plant and equipment	4	2,313,792	9,407,878	1,966,491	8,027,216
Depreciation of investment properties	6	45,670	185,694	47,651	194,511
Depreciation of right-of-use assets		75,399	306,572	822,530	3,357,567
Finance costs		862,527	3,507,035	257,682	1,051,858
Impairment loss on receivables		305,711	1,243,021	-	-
Interest income		(821,594)	(3,340,601)	(1,018,878)	(4,159,060)
Loss on disposal of investment properties		-	-	103,376	421,981
Loss on disposal of property, plant and equipment		-	-	60,324	246,243
Net unwinding effect of long term deposit		(1,299)	(5,282)	(1,249)	(5,098)
Property, plant and equipment written off	4	-	-	125,901	513,928
Retirement benefit obligation expenses	15	133,963	544,694	44,201	180,428
Unrealised gain on foreign exchange		-	-	(1,478)	(6,033)
Operating profit before changes in working capital		14,475,261	58,856,412	12,106,835	49,420,100
Changes in working capital					
Trade and other receivables		(1,406,560)	(5,719,073)	(170,647)	(696,581)
Trade and other payables		338,158	1,374,950	(533,121)	(2,176,200)
Contract liabilities		(225,000)	(914,850)	(225,000)	(918,450)
Cash generated from operations		13,181,859	53,597,439	11,178,067	45,628,869
Tax paid		(2,225,516)	(9,048,948)	(2,490,962)	(10,168,107)
Retirement benefit obligation paid	15	(15,878)	(64,559)	(37,922)	(154,798)
Net cash from operating activities		10,940,465	44,483,931	8,649,183	35,305,964
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(10,491,313)	(42,657,679)	(9,145,633)	(37,332,474)
Proceeds from disposal of property, plant, and equipment		-	-	1,913	7,809
Proceeds from disposal of investment properties		-	-	350	1,429
Interest received		273,391	1,111,608	200,135	816,951
Withdrawal of fixed deposits with a licensed bank		3,998,403	16,257,507	1,200,000	4,898,400
Net cash used in investing activities		(6,219,519)	(25,288,564)	(7,743,235)	(31,607,885)

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021 (continued)

Note	Unaudited				
	Nine-month period ended		30 September 2020 ⁽²⁾		
	30 September 2021 ⁽¹⁾		US\$	KHR'000	
	US\$	KHR'000	US\$	KHR'000	
Cash flows from financing activities					
Dividend paid	(1,019,272)	(4,144,360)	(1,013,624)	(4,137,613)	
Interest paid	(890,088)	(3,619,098)	(993,708)	(4,056,316)	
Payment for lease liabilities	(60,659)	(246,639)	(124,050)	(506,372)	
Repayments of borrowings	(2,069,974)	(8,416,514)	(2,069,974)	(8,449,634)	
Net cash used in financing activities	(4,039,993)	(16,426,611)	(4,201,356)	(17,149,935)	
Net increase/(decrease) in cash and cash equivalents	680,953	2,768,756	(3,295,408)	(13,451,856)	
Cash and cash equivalents at beginning of financial period	2,683,841	10,936,652	9,784,908	39,873,500	
Currency translation differences	-	19,587	-	185,306	
Cash and cash equivalents at end of financial period	9	3,364,794	13,724,995	6,489,500	26,606,950

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 2020 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 2021

1. CORPORATE INFORMATION

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

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

The 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 2021	US\$1 =	KHR4,079	KHR4,066
31 December 2020	US\$1 =	KHR4,045	KHR4,078
30 September 2020	US\$1 =	KHR4,100	KHR4,082

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 10 November 2021.

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 2020 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 2020.

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 2020 except for the adoption of the following amendments:

	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)	1 January 2021
Amendment to CIFRS 16 <i>Covid-19-Related Rent Concessions beyond 30 June 2021</i> (Amendment to CIFRS 16 Leases)	1 April 2021 (early adopted)

Interest Rate Benchmark Reform - Phase 2 (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)

The changes in *Interest Rate Benchmark Reform — Phase 2* (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16) refer to the replacement of interest reference rates, such as London Inter-Bank Offered Rate (“LIBOR”) and Euro Inter-Bank Offered Rate (“EURIBOR”) with alternative benchmark rates. These amendments follow on from the first phase of reliefs relating to Inter-Bank Offered Rate (“IBOR”) Reform issued in September 2019.

IBOR Reform brings about several potentially significant implications for entities reporting under CIFRS both during the period of uncertainty prior to IBOR being replaced (pre-replacement issues), as well as at the time IBOR is replaced (replacement issues). The first phase of amendments focused solely on pre-replacement issues that relate to hedge accounting requirements. The second phase of reliefs focuses on replacement issues in relation to hedge accounting and other areas of accounting.

Amendment to CIFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to CIFRS 16 Leases)

The changes in *Covid-19-Related Rent Concessions beyond 30 June 2021* amend CIFRS 16 to:

- Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (previously only payments originally due on or before 30 June 2021);
- Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment; and
- Provide that, in the reporting period in which a lessee first applies the amendment, a lessee is not required to disclose the information required by paragraph 28(f) of CIAS 8.

3. BASIS OF PREPARATION (continued)

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

	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
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to CIAS 1 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to CIAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
<i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i> (Amendments to CIAS 12)	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:

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)

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

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.

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.

3. BASIS OF PREPARATION (continued)

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.

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.

Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to CIAS 12)

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

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

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

4. PROPERTY, PLANT AND EQUIPMENT

	Unaudited 30 September 2021 US\$	Audited 31 December 2020 US\$
Cost		
Balance at the beginning of financial period/year	110,226,053	96,414,691
Additions	10,491,313	14,132,798
Disposals	-	(195,535)
Written-off	-	(125,901)
	<u>120,717,366</u>	<u>110,226,053</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	21,396,190	18,846,135
Depreciation for financial period/year	2,313,792	2,683,353
Disposals	-	(133,298)
	<u>23,709,982</u>	<u>21,396,190</u>
Carrying amounts		
Balance at the end of financial period/year	<u>97,007,384</u>	<u>88,829,863</u>
<i>(KHR'000 equivalent)</i>	<u>395,693,119</u>	<u>359,316,796</u>

5. LEASES

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

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

6. INVESTMENT PROPERTIES

	Unaudited 30 September 2021 US\$	Audited 31 December 2020 US\$
Cost		
Balance at the beginning of financial period/year	85,186,015	85,318,810
Disposals	-	(132,795)
	<u>85,186,015</u>	<u>85,186,015</u>
Accumulated depreciation		
Balance at the beginning of financial period/year	499,015	464,664
Depreciation for financial period/year	45,670	63,420
Disposals	-	(29,069)
	<u>544,685</u>	<u>499,015</u>
Carrying amounts		
Balance at the end of financial period/year	<u>84,641,330</u>	<u>84,687,000</u>
<i>(KHR'000 equivalent)</i>	<u>345,251,985</u>	<u>342,558,915</u>

7. TRADE AND OTHER RECEIVABLES

	Unaudited 30 September 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	67,585	275,679	64,986	262,868
Current				
Trade receivables				
Third parties	5,878,657	23,979,042	4,090,938	16,547,844
Less: Impairment loss - Third parties	(942,904)	(3,846,106)	(872,101)	(3,527,648)
	4,935,753	20,132,936	3,218,837	13,020,196
Other receivables				
Third parties	6,072,067	24,767,961	6,499,817	26,291,760
Advances	146,144	596,121	83,753	338,781
Deposits	149,192	608,554	208,870	844,879
Other receivables	391,244	1,595,884	267,756	1,083,073
	6,758,647	27,568,520	7,060,196	28,558,493
Total receivables	11,694,400	47,701,456	10,279,033	41,578,687
Prepayments	549,742	2,242,399	445,640	1,802,614
	12,244,142	49,943,855	10,724,673	43,381,302

8. DEFERRED TAX

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

	At 1 January 2021 US\$	Recognised in profit or loss US\$	At 30 September 2021 US\$ (Unaudited)
Property, plant and equipment	(2,702,959)	17,031	(2,685,928)
Retirement benefit obligation	108,359	(3,203)	105,156
Deferred income	2,850,000	-	2,850,000
Impairment loss on receivables	174,420	14,161	188,581
Unrealised exchange differences	10,171	(20,007)	(9,836)
	439,991	7,982	447,973
			<u>1,827,282</u>

(KHR'000 equivalent)

8. DEFERRED TAX (continued)

	At 1 January 2020 US\$	Recognised in profit or loss US\$	At 31 December 2020 US\$ (Audited)
Property, plant and equipment	(2,265,028)	(437,931)	(2,702,959)
Retirement benefit obligation	122,685	(14,326)	108,359
Deferred income	2,916,202	(66,202)	2,850,000
Impairment loss on receivables	102,973	71,447	174,420
Unrealised exchange differences	1,632	8,539	10,171
	<u>878,464</u>	<u>(438,473)</u>	<u>439,991</u>
			<u>1,779,764</u>

(KHR'000 equivalent)

9. CASH AND BANK BALANCES

	Unaudited 30 September 2021		Audited 31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	5,846	23,846	3,807	15,399
Cash at banks	3,358,948	13,701,149	2,680,034	10,840,738
Fixed deposits	11,001,597	44,875,514	15,000,000	60,675,000
As stated in statement of financial position	14,366,391	58,600,509	17,683,841	71,531,137
Less:				
Deposits (maturity more than three months)	<u>(11,001,597)</u>	<u>(44,875,514)</u>	<u>(15,000,000)</u>	<u>(60,675,000)</u>
As stated in statement of cash flows	<u>3,364,794</u>	<u>13,724,995</u>	<u>2,683,841</u>	<u>10,856,137</u>

10. SHARE CAPITAL

	Unaudited 30 September 2021		Audited 31 December 2020	
	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>
<i>(KHR'000 equivalent)</i>		<u>457,813,940</u>		<u>457,813,940</u>

10. 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 2020. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years.

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

11. SHARE PREMIUM

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

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

12. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	493,044	493,044	8,335,686	9,321,774
As at 30 September 2021 (Unaudited)	2,539,054	2,539,054	40,783,272	45,861,380
<i>(KHR'000 equivalent)</i>	<i>10,356,801</i>	<i>10,356,801</i>	<i>166,354,967</i>	<i>187,068,569</i>
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	577,570	577,570	9,733,047	10,888,187
As at 31 December 2020 (Audited)	2,046,010	2,046,010	32,447,586	36,539,606
<i>(KHR'000 equivalent)</i>	<i>8,276,110</i>	<i>8,276,110</i>	<i>131,250,485</i>	<i>147,802,705</i>

On 18 March 2021, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$9,321,774.

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

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

13. TRADE AND OTHER PAYABLES

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	33,793	137,842	32,493	131,434
Current				
Trade payables				
Third parties	1,138,589	4,644,305	282,631	1,143,242
Other payables				
Interest payable	94,299	384,646	336,486	1,361,086
Deposits	257,184	1,049,054	384,782	1,556,443
Guaranteed dividends payable	-	-	261,814	1,059,038
Other tax payables	229,552	936,343	78,396	317,112
Other payables	1,214,630	4,954,476	1,711,291	6,922,171
	1,795,665	7,324,519	2,772,769	11,215,850
	2,934,254	11,968,824	3,055,400	12,359,092

14. BORROWINGS

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17	18,629,767	75,990,820	20,699,741	83,730,452
Current				
PPPNCTP or Phnom Penh Port LM17	2,069,974	8,443,424	2,069,974	8,373,045
	20,699,741	84,434,244	22,769,715	92,103,497

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

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

15. PROVISION FOR RETIREMENT BENEFITS

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

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	583,121	2,378,551	541,795	2,191,561
Fair value of plan asset	-	-	-	-
	<u>583,121</u>	<u>2,378,551</u>	<u>541,795</u>	<u>2,191,561</u>
Other benefits				
National Social Security Funds	93,708	382,234	74,627	301,868
Liability recognised in statement of financial position	<u>676,829</u>	<u>2,760,785</u>	<u>616,422</u>	<u>2,493,429</u>

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

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$		US\$	
Balance at 1 January		541,795		613,427
Current service costs		57,441		47,813
Interest costs		57,441		35,910
Benefits paid		(15,878)		(28,232)
Re-measurement		(57,678)		(127,123)
Balance at 30 June/31 December		<u>583,121</u>		<u>541,795</u>
<i>(KHR'000 equivalent)</i>		<u>2,378,551</u>		<u>2,191,561</u>

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

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$		US\$	
Balance at 1 January		74,627		49,088
Additional expenses		19,081		25,539
Balance at 30 September/31 December		<u>93,708</u>		<u>74,627</u>
<i>(KHR'000 equivalent)</i>		<u>382,234</u>		<u>301,868</u>

15. 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		Unaudited	
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	57,441	233,555	12,550	51,455
Interest costs	57,441	233,555	12,550	51,455
Other benefits				
Additional expenses	19,081	77,584	19,101	78,314
	<u>133,963</u>	<u>544,694</u>	<u>44,201</u>	<u>181,224</u>

16. CONTRACT LIABILITIES

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,725,000</u>	<u>55,984,275</u>	<u>13,950,000</u>	<u>56,427,750</u>
Current				
Deferred income	<u>300,000</u>	<u>1,223,700</u>	<u>300,000</u>	<u>1,213,500</u>

17. CAPITAL COMMITMENTS

	Unaudited		Audited	
	30 September 2021		31 December 2020	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	<u>1,712,076</u>	<u>6,983,556</u>	<u>8,198,352</u>	<u>33,162,334</u>

18. REVENUE

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	4,108,992	16,725,109	3,392,221	13,879,622
Lift On Lift Off (“LOLO”)	3,283,570	13,365,839	2,770,634	11,337,198
Port dues and charges	988,679	4,024,963	949,147	3,885,585
Gate fees	278,372	1,132,979	202,786	829,726
Storage fees	224,413	913,628	168,119	688,582
Weighting fee	2,809	11,434	1,485	6,068
Stuffing/Unstuffing	6,504	26,509	7,300	29,889
Sand dredging management fee	5,837	23,800	8,721	36,359
Trucking fee	110,769	450,986	63,632	260,511
Logistics services	53,580	218,431	12,000	49,078
	<u>9,063,525</u>	<u>36,893,678</u>	<u>7,576,045</u>	<u>31,002,618</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	10,091,581	41,032,368	8,821,662	36,010,024
LOLO	8,231,179	33,467,974	7,348,862	29,998,055
Port dues and charges	2,653,445	10,788,907	2,810,304	11,471,661
Gate fees	651,172	2,647,665	528,429	2,157,047
Storage fees	612,577	2,490,738	554,852	2,264,906
Weighting fee	6,953	28,271	2,412	9,846
Stuffing/Unstuffing	27,838	113,189	22,350	91,233
Sand dredging management fee	25,085	101,996	135,312	552,344
Survey	3,000	12,198	-	-
Trucking fee	310,528	1,262,607	191,058	779,899
Logistics services	245,340	997,552	27,747	113,263
	<u>22,858,698</u>	<u>92,943,465</u>	<u>20,442,988</u>	<u>83,448,278</u>

19. COST OF SERVICES

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	699,799	2,848,405	694,415	2,841,440
Depreciation	707,574	2,880,593	572,999	2,345,529
Fuel and gasoline	263,860	1,074,131	214,021	876,518
Salaries and wages	449,157	1,828,789	403,986	1,653,752
Maintenance costs	209,103	850,213	180,485	739,456
Logistic costs	66,270	269,454	12,440	50,893
Sand dredging management cost	4,625	18,805	-	-
Others	187,204	764,350	-	-
	<u>2,587,592</u>	<u>10,534,740</u>	<u>2,078,346</u>	<u>8,507,588</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	1,707,273	6,941,772	1,833,985	7,486,327
Depreciation	1,906,758	7,752,878	1,664,174	6,793,158
Fuel and gasoline	689,058	2,801,710	694,745	2,835,949
Salaries and wages	1,288,067	5,237,280	1,184,093	4,833,468
Maintenance costs	856,810	3,483,789	546,957	2,232,678
Sand dredging management cost	4,625	18,805	-	-
Repair and maintenance container fee	-	-	345	1,408
Logistic costs	254,090	1,033,130	30,925	126,235
Others	411,623	1,673,659	86,461	352,934
	<u>7,118,304</u>	<u>28,943,023</u>	<u>6,041,685</u>	<u>24,662,157</u>

20. OTHER INCOME

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	221,101	900,360	193,790	793,720
Interest income from:				
- deposits with financial institutions	201,600	821,177	308,373	1,262,262
- lease receivables	43,161	175,751	43,293	177,242
Others	170,833	696,051	33,841	138,923
	<u>636,695</u>	<u>2,593,339</u>	<u>579,297</u>	<u>2,372,147</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	675,450	2,746,380	638,582	2,606,692
Interest income from:				
- deposits with financial institutions	692,011	2,813,717	888,904	3,628,506
- lease receivables	129,583	526,884	129,974	530,554
Unwinding effect of long term deposit	2,599	10,568	2,499	10,201
Reversal of impairment loss on receivables	344,700	1,401,550	-	-
Others	304,900	1,239,723	161,929	660,994
	<u>2,149,243</u>	<u>8,738,822</u>	<u>1,821,888</u>	<u>7,436,947</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	912,956	3,718,222	993,301	4,066,844
Utilities and fuel	136,988	557,752	111,348	455,923
Depreciation	176,991	719,645	132,990	544,167
Board of Directors' fees	61,815	251,712	61,588	252,195
Donation	95,304	387,899	186,212	760,974
Office supplies	72,378	294,522	58,342	238,884
Business entertainment	23,045	93,839	31,362	128,361
Repair and maintenance	52,257	212,711	37,888	155,057
Communication expenses	18,577	75,635	17,445	71,408
Professional fees	5,326	21,694	5,140	21,109
Travelling expenses	11,874	48,376	9,062	37,179
Other tax expenses	15,004	61,624	14,290	60,033
Other expenses	19,033	77,551	117,073	479,660
Impairment loss on receivables	280,578	1,142,289	127,040	519,361
	<u>1,882,126</u>	<u>7,663,471</u>	<u>1,903,081</u>	<u>7,791,155</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	2,960,558	12,037,629	3,024,811	12,347,279
Utilities and fuel	390,157	1,586,378	344,678	1,406,976
Depreciation	528,102	2,147,263	349,968	1,428,569
Board of Directors' fees	185,908	755,902	193,606	790,300
Donation	226,216	919,794	329,013	1,343,031
Office supplies	149,934	609,632	180,275	735,883
Business entertainment	69,186	281,310	88,252	360,245
Repair and maintenance	130,190	529,353	104,177	425,251
Communication expenses	52,398	213,050	50,340	205,488
Professional fees	18,158	73,830	26,362	107,610
Travelling expenses	44,077	179,217	40,350	164,709
Other tax expenses	220,915	898,240	297,856	1,215,848
Other expenses	73,416	298,509	236,795	966,597
Loss on disposal of property, plant and equipment and investment property	-	-	174,962	714,195
Impairment loss on receivables	415,503	1,689,435	257,682	1,051,858
	<u>5,464,718</u>	<u>22,219,542</u>	<u>5,699,127</u>	<u>23,263,839</u>

22. FINANCE COSTS

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	215,047	875,679	233,332	955,352
- lease liabilities	81,151	330,365	28,861	118,157
Unwinding effect of:				
- guaranteed dividend	-	-	6,919	28,334
	<u>296,198</u>	<u>1,206,044</u>	<u>269,112</u>	<u>1,101,843</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	647,901	2,634,365	715,061	2,918,879
- lease liabilities	214,626	872,669	86,649	353,701
Unwinding effect of:				
- long term deposit	1,300	5,287	1,250	5,103
- guaranteed dividend	-	-	20,820	84,987
	<u>863,827</u>	<u>3,512,321</u>	<u>823,780</u>	<u>3,362,670</u>

23. TAX EXPENSE

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	876,580	3,567,765	703,212	2,877,051
Deferred tax:				
Origination and reversal of temporary differences	131,526	534,367	116,404	476,293
	<u>1,008,106</u>	<u>4,102,132</u>	<u>819,616</u>	<u>3,353,344</u>

23. TAX EXPENSE (continued)

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	2,043,534	8,309,009	1,759,289	7,181,418
Under provision in prior year	30,155	122,610	33,854	138,192
	<u>2,073,689</u>	<u>8,431,619</u>	<u>1,793,143</u>	<u>7,319,610</u>
Deferred tax expense:				
Origination and reversal of temporary differences	(7,982)	(32,454)	305,076	1,245,320
Total tax expense	<u>2,065,707</u>	<u>8,399,165</u>	<u>2,098,219</u>	<u>8,564,930</u>

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2020: 20%) of the taxable profit or a minimum tax at 1% (2020: 1%) of total revenue, whichever is higher.

24. EARNINGS PER SHARE

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	3,858,687	15,706,092	3,116,058	12,746,909
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	0.19	0.76	0.15	0.62
Diluted earnings per share	<u>0.19</u>	<u>0.76</u>	<u>0.15</u>	<u>0.62</u>

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	9,415,065	38,281,651	7,642,774	31,197,803
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	0.46	1.85	0.37	1.51
Diluted earnings per share	<u>0.46</u>	<u>1.85</u>	<u>0.37</u>	<u>1.51</u>

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

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

25. DIVIDENDS

On 18 March 2021, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2020 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,446 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$679,012 (equivalent to KHR2,750,000,000).

These dividends was paid on 28 May 2021.

26. RELATED PARTY DISCLOSURES

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

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	215,047	875,679	233,332	955,352
MEF and MPWT				
Donation and charities	31,480	128,009	27,361	111,745

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	647,901	2,634,365	715,061	2,918,879
MEF and MPWT				
Donation and charities	35,175	143,022	36,954	150,846

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	Unaudited			
	Three-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	61,815	251,713	61,588	252,195

	Unaudited			
	Nine-month period ended			
	30 September 2021		30 September 2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	185,908	755,903	193,606	790,300

27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

(a) Credit risk

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

PPAP's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2020: 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.

28. TAXATION CONTINGENCIES

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

29. SEASONALITY OR CYCLICALITY OF OPERATIONS

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

30. SIGNIFICANT EVENTS DURING THE PERIOD

- (a) The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020.

As at the date of authorisation of the financial statements, the COVID-19 situation is still evolving and unpredictable. Based on the assessment of PPAP, there is no significant impact arising from the COVID-19 pandemic in respect of the judgements and assumptions used in the preparation of the financial statements for the financial period ended 30 June 2021. PPAP will continue to assess the impact of the COVID-19 pandemic on the financial statements of PPAP for the financial year ending 31 December 2021.

PPAP has also considered the impact of the COVID-19 pandemic across its business operations and took the necessary precautions and provisions, where necessary. PPAP will also continue to actively monitor and manage its funds and operations to minimise any impact arising from the COVID-19 pandemic.

- (b) On 1 January 2021, parcels of land situated at Kilometre No. 6 Commune, Khan Russeykeo and Sihanouk Ville measuring 34,687.29 metre square were handed over to PPAP pursuant to the 40 year lease agreement, which was entered into with Green Trade Co., Ltd. on 15 February 2019.

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

A- Overview of operations

PPAP is one of the Cambodia's two international port. The port commercial zone covered from Phnom Penh to lower Mekong River (Neak Leoung) and Phnom Penh to upper Mekong River (Tonle Bet) in accordance to the sub-decree number 01 dated 5th January 2009. PPAP has two function as a port operation and port authority. *Please refer to Section 1.2 of this Second Quarter 2021 report for further information.*

The container throughput of PPAP in the second quarter 2021 has increased 23,443 TEUs or 12.90% compared to the third quarter 2020. For vessels in the third quarter 2021 decreased by 23 units or 3.69% compared to the third quarter 2020. However, ship (voyage) in the third quarter 2021 is 0% compared to the second quarter 2020. On the other hand, general cargo in third quarter 2021 has also decreased 50,017 TONs or 21.91 % compared to third quarter 2020.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the audited financial report for third Quarter ended 30 September 2020 and 2021 as *set out in Section 3 of this Second Quarter Report.*

PPAP has four main revenue source:

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

1. Revenue Analysis

1.1 Revenue analysis

For the Third Quarter ended 30 September 2021 compared to Third Quarter ended 30 September 2020

Description	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port operation	8,015,429	32,626,484	6,606,177	27,031,596	1,409,252	21.33%	5,594,888	20.70%
Port authority	988,679	4,024,963	949,147	3,885,585	39,532	4.17%	139,378	3.59%
Other revenue	59,417	242,231	20,721	85,437	38,696	186.75%	156,794	183.52%
Total:	<u>9,063,525</u>	<u>36,893,678</u>	<u>7,576,045</u>	<u>31,002,618</u>	<u>1,487,480</u>	<u>19.63%</u>	<u>5,891,060</u>	<u>19.00%</u>

Total revenue increased by KHR 5,891,060,000 (USD 1,487,480) or 19.00% from KHR 31,002,618,000 (USD 7,576,045) in the third quarter 2020 to KHR 36,893,678,000 (USD 9,063,525) in the third quarter 2021. 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 2021 compared to Third Quarter ended 30 September 2020

Description	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
Stevedoring	16,725,109	45.33%	13,879,622	44.77%
Lift On Lift Off (LOLO)	13,365,839	36.23%	11,337,198	36.57%
Port dues and charges	4,024,963	10.91%	3,885,585	12.53%
Gate fees	1,132,979	3.07%	829,726	2.68%
Storage fees	913,628	2.48%	688,582	2.22%
Weighting fee	11,434	0.03%	6,068	0.02%
Stuffing/Unstuffing	26,509	0.07%	29,889	0.10%
Trucking fee	450,986	1.22%	260,511	0.84%
Logistic services	218,431	0.59%	49,078	0.16%
Sand dredging management fee	23,800	0.06%	36,359	0.12%
Survey service	-	0.00%	-	0.00%
Total:	<u>36,893,678</u>	<u>100.00%</u>	<u>31,002,618</u>	<u>100.00%</u>

For the third quarter 2021, PPAP has increased in 3 main revenue which represent 92% 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 2021 compared to Third Quarter ended 30 September 2020

For the third quarter 2021, 3 main revenue has increased KHR 5,013,506 (USD 1,269,239) or 17.23% compared to the third quarter 2020

Description	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	4,108,992	16,725,109	3,392,221	13,879,622	716,771	21.13%	2,845,487	20.50%
Lift On Lift Off (LOLO)	3,283,570	13,365,839	2,770,634	11,337,198	512,936	18.51%	2,028,641	17.89%
Port dues and charges	988,679	4,024,963	949,147	3,885,585	39,532	4.17%	139,378	3.59%

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 2021 compared to Third Quarter ended 30 September 2020

Description	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	9,063,525	36,893,678	7,576,045	31,002,618	1,487,480	19.63%	5,891,060	19.00%
Cost of Service								
Depreciation	707,574	2,880,593	572,999	2,345,529	134,575	23.49%	535,064	22.81%
Crane charge	699,799	2,848,405	694,415	2,841,440	5,384	0.78%	6,965	0.25%

Salaries and wage	449,157	1,828,789	403,986	1,653,752	45,171	11.18%	175,037	10.58%
Fuel and gasoline	263,860	1,074,131	214,021	876,518	49,839	23.29%	197,613	22.55%
Maintenance costs	209,103	850,213	180,488	739,456	20,443	10.84%	79,897	10.35%
Sand dredging management cost	4,625	18,805	-	-	4,625	N/A	18,805	N/A
Logistic Costs	66,270	270,017	12,440	50,893	53,830	432.72%	219,124	430.56%
Others	187,204	764,350	-	-	187,204	- N/A	764,350	N/A
Total Cost of Service	2,587,592	10,534,740	2,078,346	8,507,588	509,246	24.50%	2,027,152	23.83%
Gross profit	6,475,933	26,358,938	5,497,699	22,495,030	978,234	17.79%	3,863,908	17.18%
Gross Profit Margin	71.45%	71.45%	72.57%	72.56%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 1.11% from 72.56% in the third quarter 2020 to 71.45% in the third quarter 2021. The decrease is mainly due to the increase of total revenue by KHR 5,891,060,00 (USD 1,487,480) or 19.00%. However, the total Cost of Service for third quarter 2021 increased by KHR 2,027,152,000 (USD 509,246) or 23.83% compared to the third quarter 2020 due to the slightly increase of Cost of Service from maintenance costs, depreciation, and fuel and gasoline.

3. Profit before tax analysis

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

For the Third Quarter ended 30 September 2021 compared to the Third Quarter ended 30 September 2020

Description	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	6,475,933	26,358,938	5,497,699	22,495,030	978,234	17.79%	3,863,908	17.18%
Other income	636,695	2,593,339	579,297	2,372,147	57,398	9.91%	221,192	9.32%
General administration and selling expenses								
Salaries and other benefits	912,956	3,718,222	993,301	4,066,844	(80,345)	-8.09%	(348,622)	-8.57%
Donation expenses	95,304	387,899	186,212	760,974	(90,908)	-48.82%	(373,075)	-49.03%
Utilities and fuel	136,988	557,752	111,348	455,923	25,640	23.03%	101,829	22.33%
Depreciation	171,991	719,645	132,990	544,167	18,868	14.19%	74,190	13.63%
Repairs and maintenance	52,257	212,711	37,888	155,057	14,369	37.92%	57,654	37.18%
Business entertainments	23,045	93,839	31,362	128,361	(8,317)	-26.52%	(34,522)	-26.89%
Travelling expenses	11,874	48,376	9,062	37,179	2,812	31.03%	11,197	30.12%
Professional fee	5,326	21,694	5,140	21,109	186	3.62%	585	2.77%
Board of Directors' fee	61,815	251,712	61,588	252,195	227	0.37%	(483)	-0.19%
Office supplies	72,378	294,522	58,342	238,884	14,036	24.06%	55,638	23.29%

Communication expenses	18,577	75,635	17,445	71,408	1,132	6.49%	4,227	5.92%
Other tax expenses	15,004	61,624	14,290	60,033	714	5.00%	1,591	2.65%
Others	19,033	77,551	117,073	479,660	(98,040)	-83.74%	(402,109)	-83.83%
Impairment loss on receivables	280,578	1,142,289	127,040	519,361	153,538	120.86%	622,928	119.94%
Total general administration and selling expenses	1,882,126	7,663,471	1,903,081	7,791,155	(20,955)	-1.10%	(127,684)	-1.64%
Operating profit	<u>5,230,502</u>	<u>21,288,806</u>	<u>4,173,915</u>	<u>17,076,022</u>	<u>1,056,587</u>	<u>25.31%</u>	<u>4,212,784</u>	<u>24.67%</u>
Finance costs	(296,198)	(1,206,044)	(269,112)	(1,101,843)	(27,086)	10.06%	(104,201)	9.46%
Profit before income tax	4,934,304	20,082,762	3,904,803	15,974,179	1,029,501	26.36%	4,108,583	25.72%

For the third quarter 2021 General and Administrative expenses decreased by KHR 127,684,000 (USD 20,955) or 1.64% compared to the third quarter 2020.

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 2021 compared to the Third Quarter ended 30 September 2020

Description	3 rd Quarter for the Period Ended 30 September 2021		3 rd Quarter for the Period Ended 30 September 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	4,934,304	20,082,762	3,904,803	15,974,179	1,029,501	26.36%	4,108,583	25.72%

Income tax expense (b)	(1,008,106)	(4,102,132)	(819,616)	(3,353,344)	(188,490)	23.00%	(748,788)	22.33%
Net profit for the year	3,926,198	15,980,630	3,085,187	12,620,835	841,011	27.26%	3,359,795	26.62%
Other comprehensive income	3,858,687	15,706,092	3,116,058	12,746,909	742,629	23.83%	2,959,183	23.21%
Effective tax rate (b)/(a)	-20.43%	-20.43%	-20.99%	-20.99%				

PPAP earns profit after tax KHR 15,980,630,000 (USD 3,926,198) in the third quarter 2021 and KHR 12,620,835,000 (USD 3,085,187) in the third quarter 2020, representing an increase of KHR 3,359,795,000 (USD 841,011) or 26.62%. The increase of effective tax rate of 0.56% from 20.99% in the third quarter 2020 to 20.43% in the third quarter 2021, due to the increase in income tax expense KHR 748,788,000 (USD 188,490) or 22.33%.

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 290,857 TEUs annually as at 31st December, 2020. 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				
	2017	2018	2019	2020	Planning 2021
Container Terminal LM17 (TEUs)	184,805	213,571	281,045	290,857	321,066

5.3. Operation Efficiency

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

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

5.4. Price

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

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

5.5. Connection to Feeder Port

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

5.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

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

2. Fluctuation in prices of cost of service analysis

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

2.1. Staff salaries and other benefits

A large portion of the company's expense is related to staff salaries and other benefits, which is **15.04%** (4.96% from operation staff and 10.08 % from administration staff and other benefits) of total revenue in the third quarter 2021 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 7.72% of total revenue in the third quarter 2021. 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%	01/02/2021-31/01/2022
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024
Port Stevedoring Company Limited	Fixed Crane 3 (3 Units)	3	40	90%	10%	07/09/2021-07/09/2024
				85%	15%	07/09/2024-07/09/2025
				80%	20%	07/09/2025-07/09/2041

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

3. Tax analysis

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

3.1. Tax on profit

PPAP has the obligation to pay tax at 20% of taxable profit by preparing tax, by preparing tax on a monthly basis based on 1% of monthly turnover. This prepayment tax of 1% turnover will be settled with the payment of 20% profit tax at the end of fiscal year. PPAP's share was officially listed on the 9th of December 2015. According to Anukret No.01 ANK.BK dated on the 8th of January 2015 on Tax Incentive in Securities Sector, Listed enterprise will received 50% reduction on the tax on profit

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

PPAP has an obligation to pay import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods, as determined by the General Department of Customs and Excise. According to the Project of Port infrastructure at LM17 in 2021, 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 **92%** of the total revenue in the third quarter 2021. 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 3.1% in year 2021 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 2021, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on PPAP's Business Result Report for 6 month of 2021.
- Approved on PPAP's request to review and revise the Investment Cooperation Agreement on The Development of Multi-purpose Terminal TS11 between PPAP and PTL COOPERATION CO.,LTD and submit to both guardian ministries for approval
- Allow PPAP to make request to both guardian ministries to review and approve on the principle for the investment cooperation with private sector in the development of PPAP's Terminal at Tonle Bet, Koh Rorka, Prek Anchanh, Prek Kdam, Kompong Chhnang, and Chhlong, Kratie Province and other suitable locations in the future
- Reviewd and approved on CCTG's request to delay the payment to PPAP
- Discussed and allowed PPAP to request to Ministry of Public Works and Transport to set codename for PPAP's terminal in Koh Rorka as "KOH RORKA Multi-purpose Terminal LM26" and terminal in K'orm Somnor as "K'orm Somnor Terminal LM27"
- Allowed PPAP to transfer 1 pontoon at Terminal TS1 to Koh Rorka Terminal to serve the loading operation.

Signature of Board of Director of PPAP

12th November, 2021

Read and Approved

Soun Rachana

Signature

Soun Rachana

Member

(Rep. Of Ministry of Public Works and Transport)

12th November, 2021

Read and Approved

Dith Sochal

Signature

Dith Sochal

Member

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



អាសយដ្ឋាន / Address

ចំណតផ្ទុកគំនរ LM១៧ / Container Terminal LM17

ភូមិកណ្តាលលើ ឃុំបន្ទាយដែក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល
Kandal Leu Village, Bantey Dek Commune,
Kien Svay District, Kandal Province.

ចំណតផ្ទុកធុរ្យចំណុះ TS៣ / Container Terminal TS3

#៦៤៩ តិរៈវិថីព្រះស៊ីសុវត្ថិ សង្កាត់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ
#649, Street 1 (Preah Sisowath), Sras Chork Commune,
Daun Penh District, Phnom Penh City.

ចំណតផ្ទេរអ្នកដំណើរ និងទេសចរ TS១ / Passenger and Tourist Terminal TS1

តិរៈវិថីព្រះស៊ីសុវត្ថិ សង្កាត់វត្តភ្នំ ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ
Street 1 (Preah Sisowath), Wat Phnom Commune,
Daun Penh District, Phnom Penh City.

ចំណតផ្ទេរធុរ្យចំណុះគោរកោ / Multipurpose Terminal Koh Roka

ភូមិគោរកោ ឃុំគោរកោ ស្រុកតាមជរ ខេត្តព្រៃវែង
Koh Roka Village, Koh Roka Commune,
Peam Chor District, Prey Veng Province.

ចំណតផ្ទេរធុរ្យចំណុះ UM២ / Tonle Bet Port UM2

ភូមិទន្លេបឹង ឃុំទន្លេបឹង ស្រុកត្បូងឃ្មុំ ខេត្តត្បូងឃ្មុំ
Tonle Bet Village, Tonle Bet Commune,
Thbong Khmoum District, Thbong Khmoum Province.

មជ្ឈមណ្ឌលពាណិជ្ជកម្មប្រៀបយ៉ាង / Triumph Commercial Center

ភូមិបឹងសាឡាង សង្កាត់ឫស្សីកែវ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ
Boeung Salang Village, Reusseykeo Commune
Reusseykeo District, Phnom Penh City.

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