



KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port 2023 Annual Report

Listed Company

2023 Annual Report

End 31/12/2023

Phnom Penh Autonomous Port

Vision and Mission

Vision :

PPAP's vision is to maintain its leadership as the main player in the Mekong shipping business and serve as an essential link in maritime shipping by effectively and efficiently connecting the country's international trade with overseas partners.

Mission:

The mission of PPAP is to manage, develop, and operate port facilities and provide core and related services for the sustainable economic growth and social prosperity of Cambodia.

1. Financial Highlight, Graph of Financial Information, Stock Ownership, and Summary of Information on Business Operation Performance

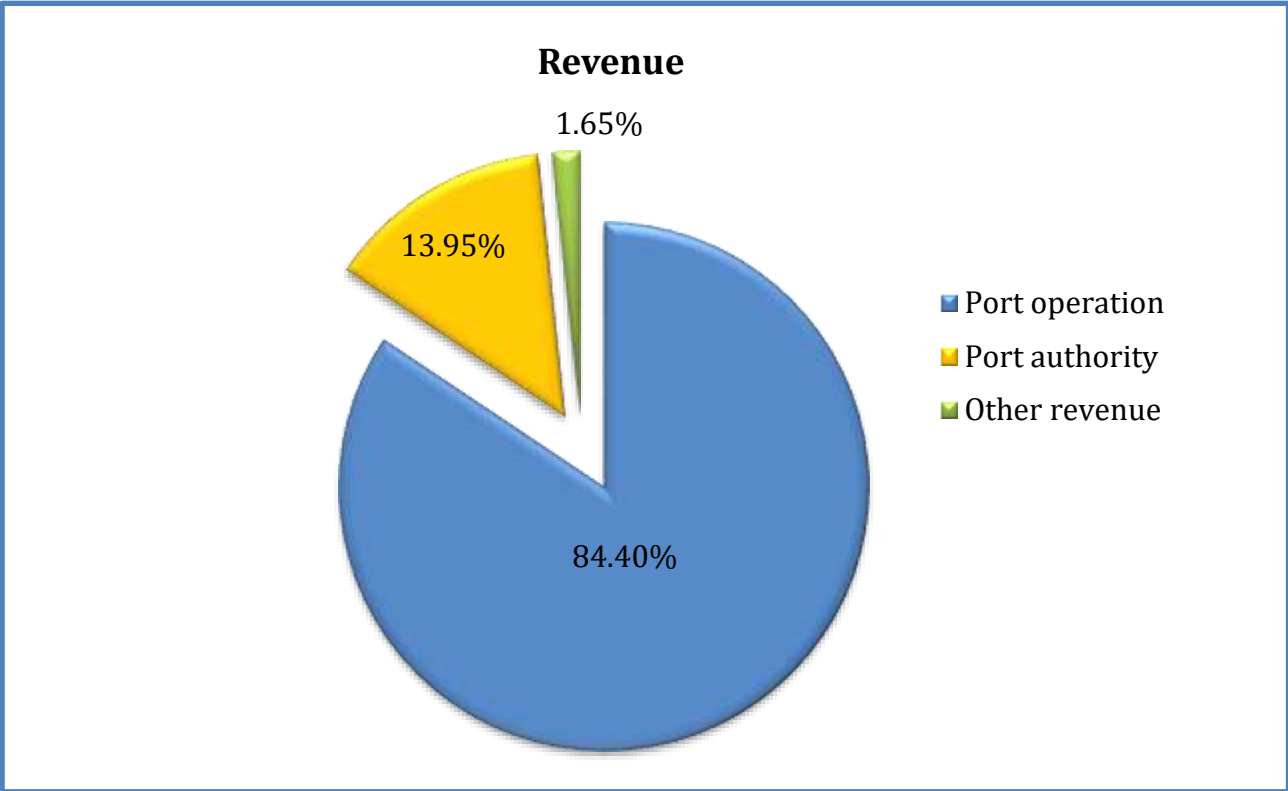
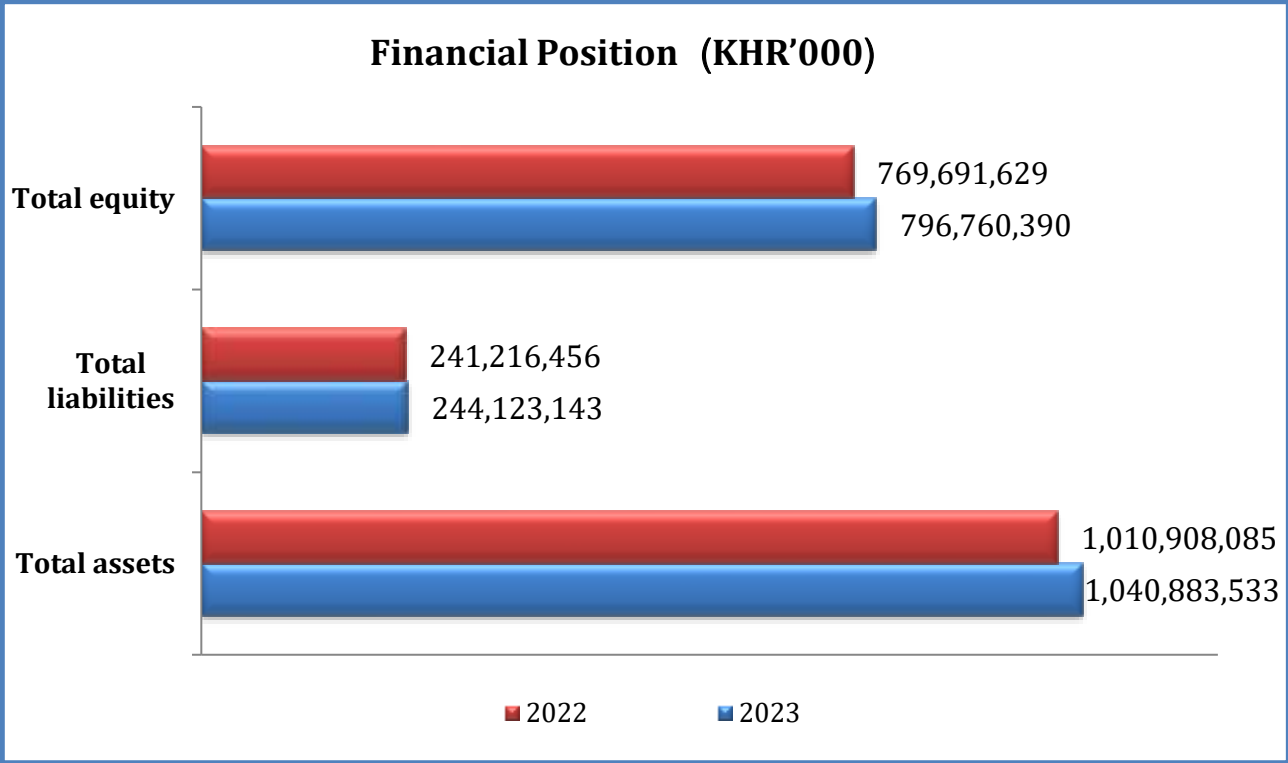
1.1. Financial Highlight

Description	31 December 2023	31 December (*) 2022 (restatement)	01 January (*) 2022 (restatement)
Financial Position (KHR'000)			
Total assets	1,040,883,533	1,010,908,085	899,130,220
Total liabilities	244,123,143	241,216,456	193,202,438
Total equity	796,760,390	769,691,629	705,927,782
Profit/(Loss) (KHR'000)	2023	2022 (*) (restatement)	2021
Total revenues	142,035,480	148,815,567	125,228,152
Profit/(Loss) before tax	50,119,132	74,812,274	63,917,791
Profit/(Loss) after tax	38,605,966	59,293,690	51,695,457
Total comprehensive income	31,732,726	68,157,900	51,609,891
Financial Ratios	31 December 2023	31 December (*) 2022 (restatement)	01 January (*) 2022 (restatement)
Solvency ratio (%)	23.55%	31.17%	34.30%
Liquidity ratio	Current Ratio (times)	1.44	1.85
	Quick Ratio (times)	1.35	1.77
	2023	2022 (restatement)	2021
Profitability ratio	Return on assets (%)	3.71%	5.87%
	Return on equity (%)	4.85%	7.70%
	Gross profit margin (%)	62.14%	65.82%
	Profit margin (%)	27.18%	39.84%
	Earning per share (Riel)	1,866.43	2,866.59
Interest coverage ratio (times)	17.45	23.34	19.30
Dividend per share	-	223.83	211.60

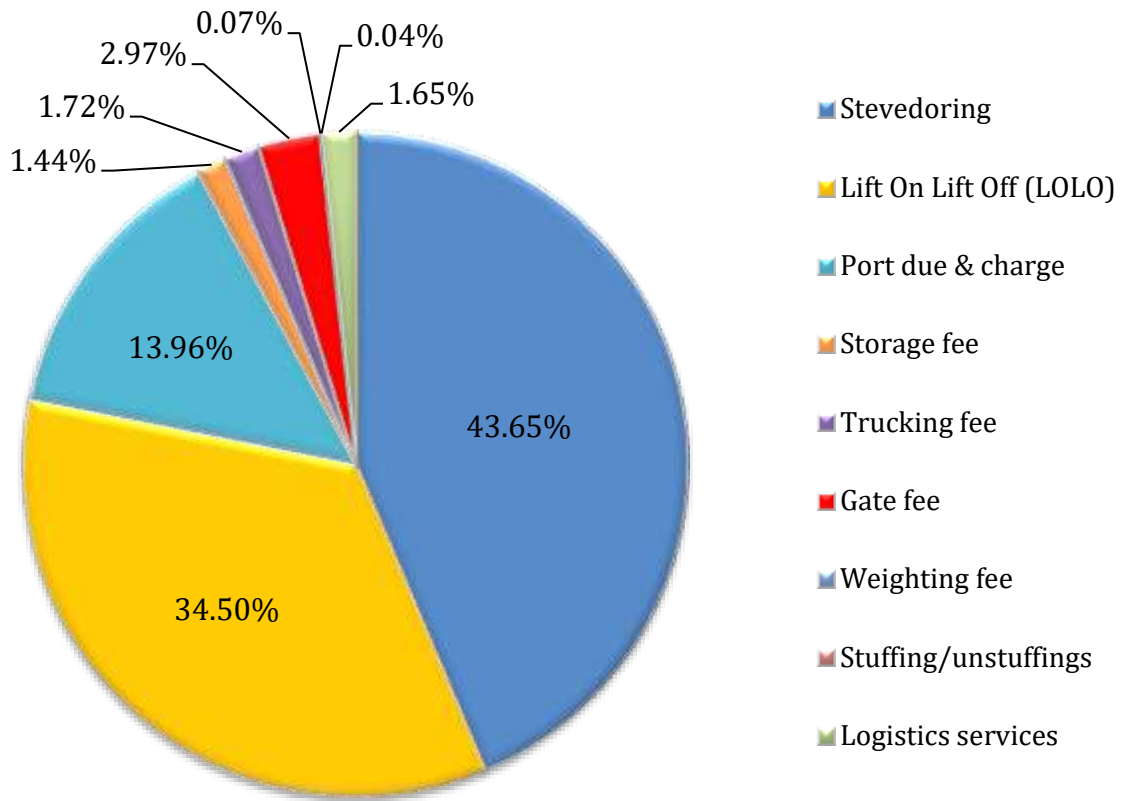
Note: The comparative information has been restated by the independent auditor as below:

- For the period ended 31 December 2022 and as at 31 December 2021 to 01 January 2022
- For the year 2023 and 2022 (as of 31 December)

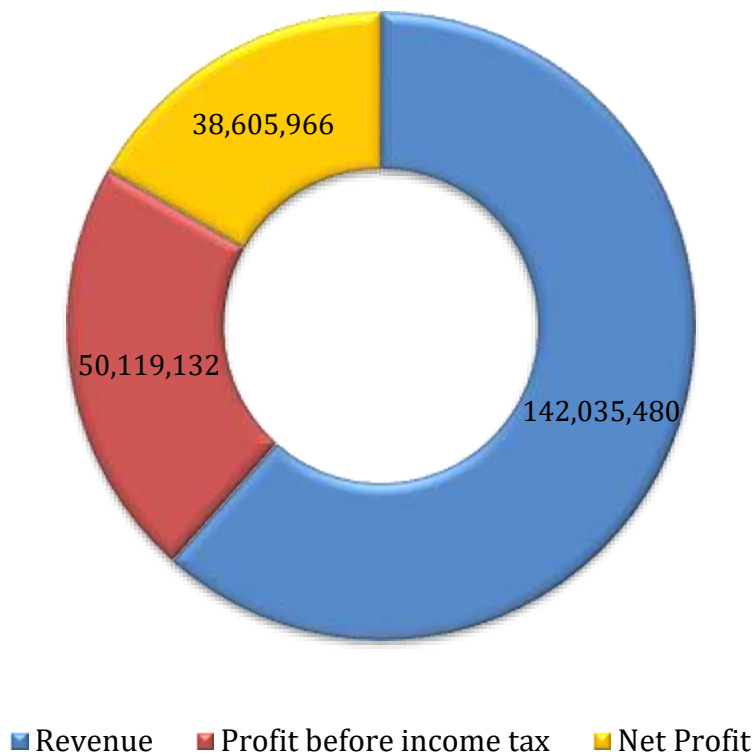
1.2. Graph of Financial Information Highlight (As at 31 December 2023)



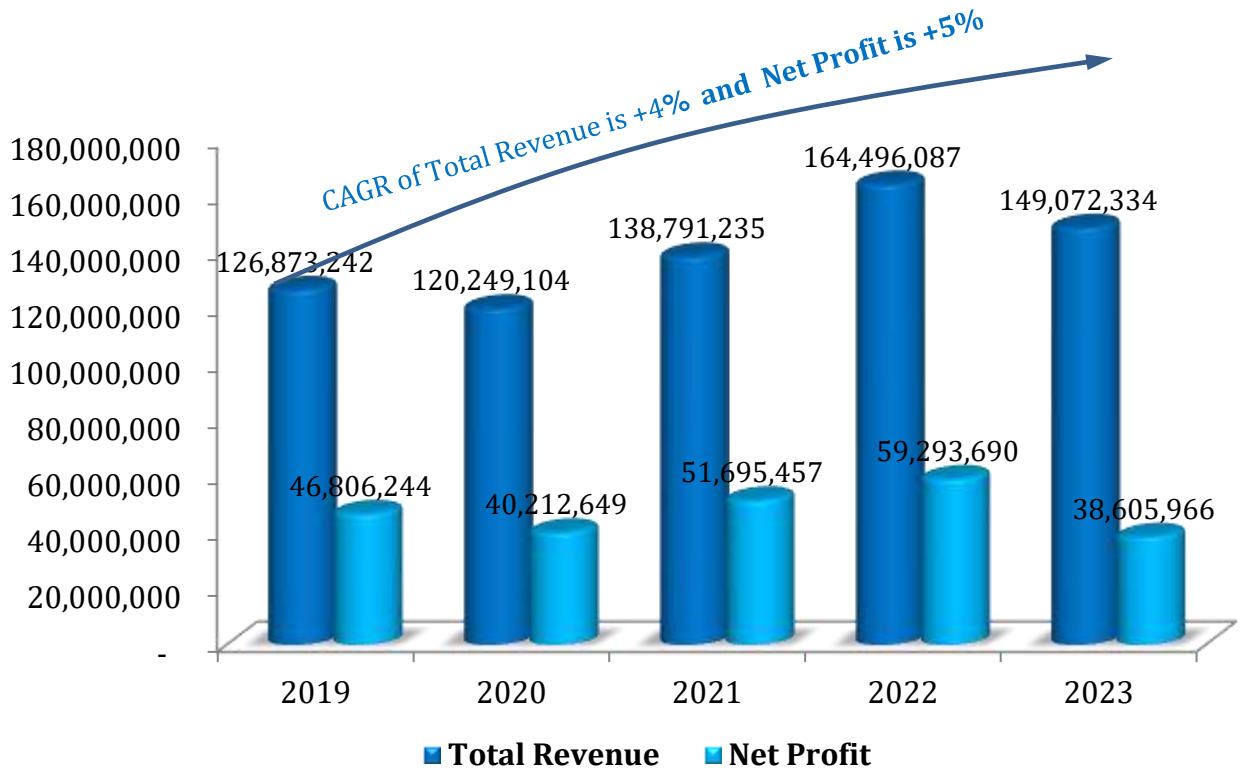
Types of Revenue Distribution Compared to Total Revenues



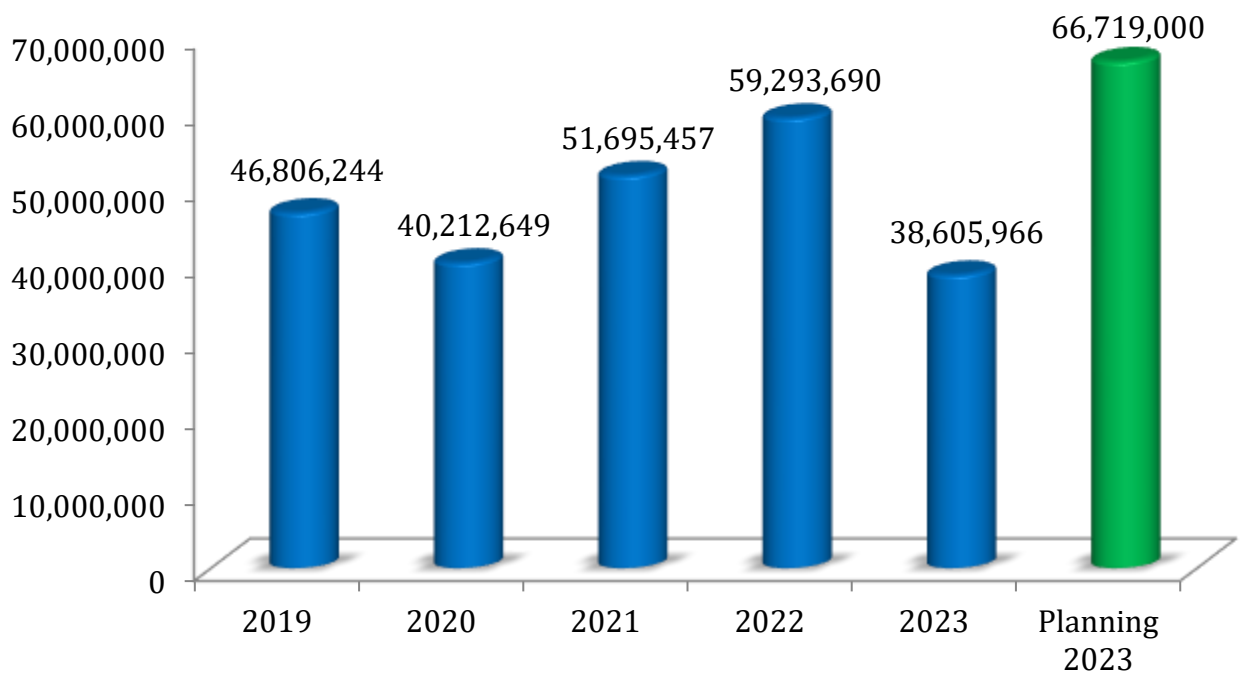
Net Profit for 2023 (KHR'000)



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



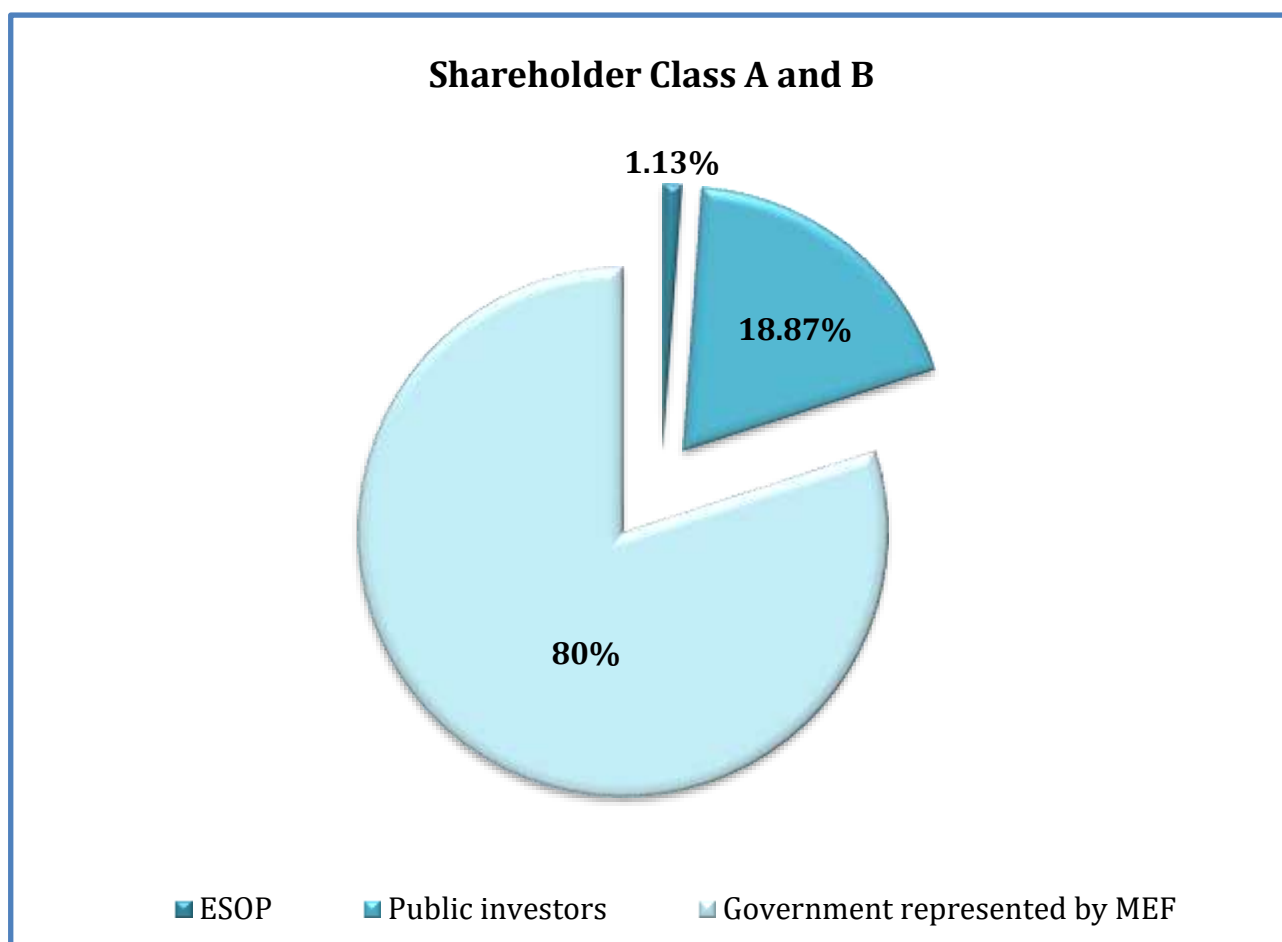
**Net Profit from 2019 to 2023 and Planning 2023
(KHR'000)**



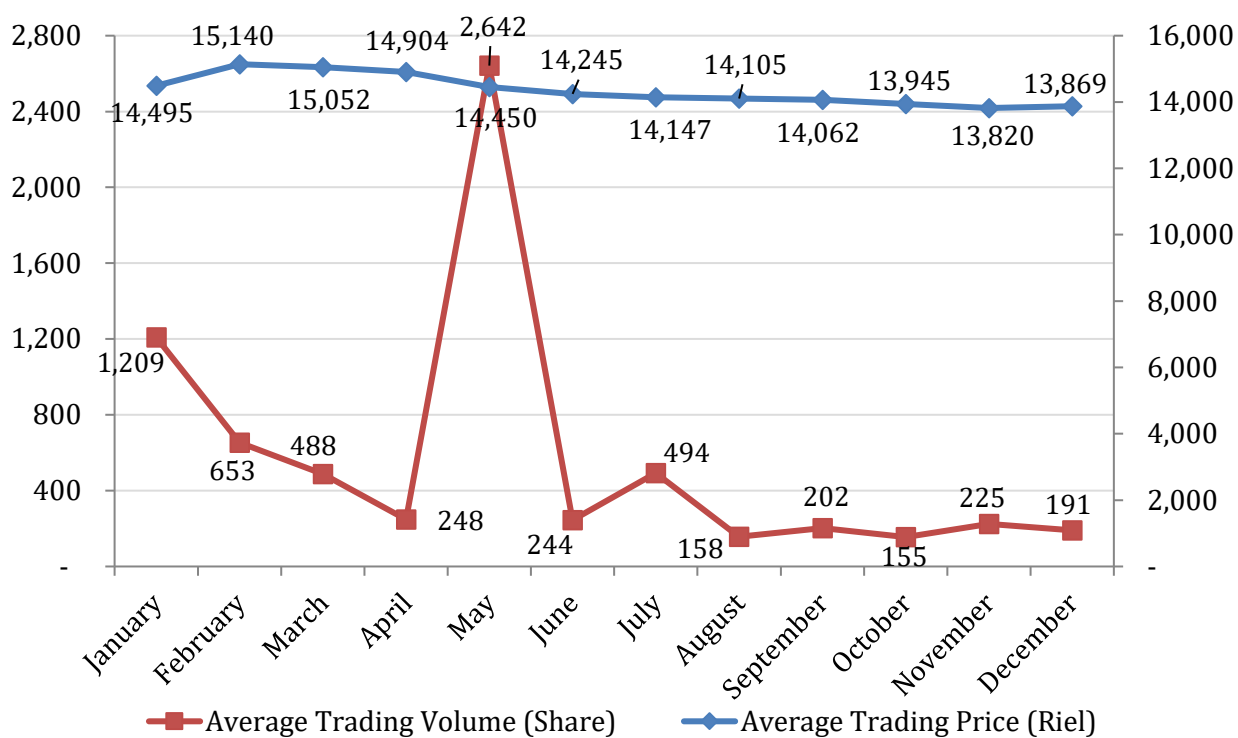
1.3. Stock Ownership (As of 31 December 2023)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	234,453	1,13%
2. Public investors	3,902,420	18,87%
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 For 2023



1.4. Summary of Information on Business Operation Performance (As of 31 December 2023)

Statistics of Vessels Throughput

(Unit)

Description	2023	2022	2021
International Container Vessels	3,380	3,287	1,770
Oil/Gas Tankers	479	496	532
Cambodian Container Vessels	0	0	0
Domestic Vessels	0	0	0
Total	3,859	3,783	2,302

Statistics of Container Throughput

(TEU)

Description		2023	2022	2021
Import	Empty	131,475	129,662	93,273
	Laden	54,652	63,115	69,940
Total Import		186,127	192,777	163,213
Export	Empty	13,784	15,624	14,637
	Laden	196,314	209,295	171,048
Total Export		210,098	224,919	185,685
Total		396,225	417,696	348,898

Statistics of International Passenger Vessel

(Unit)

Description		2023	2022	2021
International Passenger Vessels	Passenger	25,152	6,947	0
	Voyage	576	206	0

2. Board of Directors



H.E. HEI Bavy
Chairman of BOD
And CEO



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



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



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



H.E. Gui Anvanith
Member (Independent
Director)



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



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

3. Message from Chairman and CEO

For 2023, total revenue from Port Operation and Port Authority is KHR 142,035,480,000 (USD 34,558,511) achieved 81.41% of planning 2023 and compared to 2022 decrease by KHR 6,780,087,000 (USD 1,853,421) or -4.56%. Whereas, net profit of 2023 is KHR 38,605,966,000 (USD 9,393,179) achieved 57.86% of planning 2023 and compared to 2022 decrease by KHR 20,687,724,000 (USD 5,114,697) or -34.89%.

Apart from this, basic earnings per share for 2023 is 1,866.43 Riels (USD 0.45).

Despite the fact that our growth for the year 2023 is lower compared to that of the previous year, in an attempt to achieve 2024's planning result, PPAP has further implemented its strategic mechanisms such as enhancing the quality of services, expanding port capacity, further developing infrastructures and launching the opening of sub-feeder terminals along the rivers.

3.1. 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.

3.2. The Work Implementation of the Board of Directors (BoD)

For 2023, the Board of Directors has attended 5 meetings and achieved the following results:

1. The 3rd meeting of the 8 mandate on January 27th, 2023 and achieved the following results:

- Reviewed and approved on result of business/services and financial performance (unaudited) of 2022
- Reviewed and revised the wording and content of the agreement on investment cooperation on the development of Sub Feeder Multi-purposes Terminal UM1 between PPAP and PTLs Cooperation Co., Ltd. before requesting approval from both guardian ministries
- Reviewed and allowed PPAP to request the Royal Government through the two Guardian Ministries for the principal to establish 7 terminals as mentioned

- Reviewed and allowed PPAP to study the plan to lease the land for the development project of Sub Feeder Multi-purpose Terminal at Kampong Leng district, Kampong Chhnang province, and request approval from the Board of Directors
- Acknowledged the audit report on compliance with laws and regulations of PPAP for the period 2021 by the National Audit Authority
- Reviewed and approved for PPAP to set the retirement age of employees at 60 years old
- Reviewed and supported the request to both guardians ministry to request to the Royal Government to appoint H.E Hei Bavy, Delegate of Royal Government of Cambodia in charge as Chairman and CEO of PPAP to be the Deputy Prime Minister in addition to the current position.

2. The 4th meeting of the 8 mandate on March 31st, 2023 and achieved the following results:

- Reviewed and approved on PPAP’s financial statement of 2022
- Reviewed and approved on the incentive distribution to PPAP’s employees and the profit to other funds for 2022
- Reviewed and approved on the plan of dividend distribution to shareholders (Class A and Class B) for 2022
- Reviewed and approved on the plan of remuneration package of the Board of Directors for 2023 and remuneration principle.
- Reviewed and approved on the organization of PPPA’s 8th General Shareholder Meeting
- Reviewed and approved in principle for PPAP to participate in the bidding on the management of Kampot International Port and Chong Kneas Port, Siem Reap Province
- Acknowledged the report on the reserve of 3 land sites in Phnom Penh to build the national and international tourist port of PPAP
- Reviewed and discussed on the request to waive 50% of the ICD container land fee for 2 years from 2021 to 2022
- Reviewed and allow PPAP to Co-invested with Port Stevedoring Company Limited to equip 2 more crane at LM17 container terminal
- Acknowledged the report of the Memorandum of Understanding (MOU) between PPAP and the Busan Port Authority on the cooperation in domestic port operations, logistics and transportation.

3. The 5th meeting of the 8 mandate on June 16th, 2023 and achieved the following results:

- Reviewed and approved on result of business/services and finance (unaudited) performance for the 5 months of 2023
- Checked and instructed PPAP to await for the decision of the two Guardian Ministries on the request to develop the 7 Sub-Feeder Multipurpose Terminals before starting to develop any terminal.
- Checked and decided not to allow Chean Chhoeng Thai Group to transfer the leasing rights of 4,480 square meters of land to CSR Future Now Co., Ltd

- Reviewed and discussed the preliminary decision on the preparation of the Board of Directors of the draft strategy on public enterprise management reform
- Reviewed and acknowledged the report on the Terminal Operating System "TOS" of PPAP.

4. The 6th meeting of the 8 mandate on October 6th, 2023 and achieved the following results:

- Reviewed and approved
 - The result of business/services and financial performance (unaudited) for the 9 months of 2023 and the estimated results of 2023 as well as the business/services and financial plan of PPAP for 2024.
 - Approved PPAP to transfer the budget amount of KHR 65,758,150 in 2023 into the 2024 planning for the construction plan Phase 4 at container terminal LM17 with the forecasted expense of KHR 87,150,000 in which PPAP proceeds to request approval from both guardian ministries, especially Ministry of Economic and Finance.
- Checked and approved the Accounting Policy of PPAP which required review for wordings and sentence correction to reach a comprehensiveness.
- Reviewed and approved an additional fee of USD 12,500.00 to KPMG for the reexamination of the beginning balance (opening and closing balance of 2022) of the Financial Statement from the 1st quarter to the 4th quarter of the year 2023.
- Reviewed and approved PPAP :
 - To proceed acquiring legal service from Bun & Associates to litigate SAAB until the end of 2023 with the expense amount of \$7,500.00 excluding VAT to troubleshoot the Terminal Operating System "TOS system" of PPAP.
 - To choose EANWOL company in providing the Terminal Operating System "TOS system" of LM17 and other terminals of PPAP.

5. The 7th meeting of the 8 mandate on December 13th, 2023 and achieved the following results:

- Reviewed and approved the result of business/services and financial performance (unaudited) for the first 11 months of 2023 and the estimated results of 2023 as well as the business/services and financial plan of PPAP for 2024.
- Checked and allowed PPAP to discount LOLO fee for \$2.00/unit and exempt holding cost of empty container (import/export) to customers from 01 January 2024 onward.
- Reviewed and approved procurement planning for 2024 and allowed PPAP to appoint Deputy Director General of Administration and Finance as a new Procurement Committee of PPAP from 01 January 2024 onward.
- Checked and allowed PPAP to develop quay infrastructure at Sub Feeder Multi-Purposes Terminal UM1 to utilize as quay pontoon for FCC which PPAP must review and include the condition into the agreement on investment cooperation on the development of the Sub Feeder Multi-purposes Terminal UM1 for consistency of the investment size and impact as well as

request for review and approval from both guardian ministries (Ministry of Public Works and Transports and Ministry of Economic and Finance) on the agreement.

- Reviewed and allowed PPAP to create committee of inventory of state property (base year) and prepare trend comparison table of PPAP annually which include 11 attendees.

3.3 Setting the Goal for Further Implementation

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

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

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

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

Phnom Penh, March 29th, 2024
Chairman of BOD and CEO

Hei Bavy

Contents

Vision and Mission	i
1- Financial Highlight, Graph of Financial Information, Stock Owner Ship and Summary of Information on Business Operation Performance	ii
1.1- Identity of PPAP	ii
1.2- Graph of Financial Information Highlight	iii
1.3- Stock Ownership	vi
1.4- Summary of Information on Business Operation Performance	viii
2- Board of Directors	ix
3- Message from Chairman and CEO	x
Part1: General Information of PPAP	1
A- Identity of PPAP	2
B- Nature of Business	2
C- Group Structure of PPAP	9
D- Significant Event in 2022	10
E- Market Situation	12
F- Competitive Situation	15
G- Future Development Plans	16
H- Risk Factors	22
PART2: Information on Business Operation Performance	23
A- The Result of the Business Operation	24
B- Revenue Structure	32
PART3: Information on Corporate Governance	33
A- Organization Structure	34
B- Board of Director	35
C- Senior Officer	35
PART4: Information on Security Trading and PPAP's Shareholders	36
A- General Information on Offered Shares	37
B- Price and Trading Amount of Shares	37
C- Shareholders Holding Largest Voting Shares	38
D- Information on Dividend Distribution in the last 3 (three) years	38
PART5: Audit Report on the Internal Control Compliant	39
PART6: Financial Statements Reviewed by the External Auditor	72
PART7: Information on Related Party Transactions and Conflict of Interest	74

A- Material Transactions with Shareholder(s) who hold at least 5% or more shares of outstanding equity securities	75
B- Material Transactions with Director(s) and Senior Officer (s)	75
C- Transactions with Director(s) and Shareholder(S) related to buy/sell asset and service	75
D- Material Transaction with Immediate Family Members of the Director(s), Senior Officer(s) and Shareholder(s) who hold at least 5% or more shares	75
E- Material Transactions with the person, who associated with Director(s) of PPAP, its Subsidiary or Holding Company	75
F- Material Transactions with Former Director(s) or a Person who involved with Former Director(s)	75
G- Material Transactions with Director(s) who is holding any position in a non-profit organization or in any other company other than PPAP	75
H- Material Transactions with Director(S) who get benefit whether finance or non-financial from PPAP	75
PART8: Management’s Discussion and Analysis	76
A- Overview of Operations	77
B- Significant Factors Affecting Profit	86
C- Material Changes in Sales and Revenue	88
D- Impact of Exchange, Interest Rates and Commodity Prices	88
E- Impact of Inflation	89
F- Economic/Fiscal/Monetary Policy of Royal Government	89
PART9: Other Necessary Information for Investor Protection	90
Signature of Directors of the Listed entity	93
Appendix I: Phnom Penh Autonomous Port 2022 Annual Report Annual Corporate Governance Report	94
Appendix II: Audit Financial Statements and Independent Auditors and Independent Auditor’s Report	130


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)
- Services of towing / towing Vessel

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

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

4.1. Terminal which are operating

4.1.1 Container Terminal LM17

In 2023, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase II; meanwhile in order to support the operation of the above achievement, PPAP 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. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 2 Fixed Cargo Crane, 12 RTG cranes, 5 Reach Stakers, 4 Sky Stackers, and 64 Trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	390,838.57 m ²
Registered land size	377,869 m ²
Size of the processing land title	12,969.57 m ²
Berth	7 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)

Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs
Handling equipment	Traveling Cargo Crane, Fixed Cargo Crane, Tyred Gantry, Fork-Lift, Reach Stacker Cont-stacker, Sky Stacker & Empty Reach Stacker, Truck and Terminal Tractor.

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

4.1.2. Multipurpose Terminal (TS3)

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

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Register land size*	85,846 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).
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs
Handling equipment	Fork-Lift

4.1.3. Sub-Feeder Multipurpose Terminal UM2

In order to improve stevedoring operation of Subfeeder Multipurpose Terminal UM2 to be more effective, productive and attracting customers to use Subfeeder Multipurpose Terminal UM2, this Terminal must improve and develop more due to it is located next to Kompongcham and Tboung Kmom

boarder which have the connection between the northern and northeast side province of Cambodia that is the necessary areas of agriculture and agro-insdustry from the south downtown to Vietnam country. Sub-Feeder Multipurpose Terminal UM2 play an important role in order to gathering the inland waterway transportation and cargo trading. Curently, PPAP completed the construction of a 12-meters by 46.9-meters wharlf and is continuing to develop the Phase 1 of infrastructure and plans to implement the Phase 2 in 2023.

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Total land size	161,700 m ²
Register Land Size	160,725 m ²
Size of the processing land title	975 m ²
Berth	1 (pontoon; 6m x 28m) 1 (5,000 DWT)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	No effect
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7days/24hrs
Handling equipment	Mobile crane, Pontoon.

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

4.1.4. 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 2023, the total of 206,766 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

Address	Preah Sisowath (Street 1), Sangkat Daun Penh, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap and approximately 2km from conjunction of the Chaktomuk quarter (11°34'32.45"N and 104°55'36.88"E)
Registered land size	6,637 m ²
Berth	Two units of floating pontoon
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2014)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS1 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs

4.1.5. Sub-feeder Multipurpose Terminal TS11

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

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Total land size	4 Hectar
Berth	1 (5,000 DWT)
Tidal effect	No effect
Anchorage	The anchorage si available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E

	Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
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 TS11 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs
Handling equipment	Crawler crane, Fixed Cargo Crane, Constacker, Fork-Lift, Truck & Terminal Tractor

4.1.6. Sub-feeder Multipurpose Terminal LM26

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

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

Address	Koh Roka commune, Peam Chor District, Prey Veng Province.
Terminal location	Located at eastern bank of the Lower Mekong river and approximately 103km from conjunction of the Chaktomuk quarter (10°55'40.5"N and 105°11'30.6"E)
Total land size	200,042 m ²
Register land size	150,262 m ²
Size of the processing land title	49,780 m ²
Anchorage	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Tidal effect	No effect
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer

4.2. Terminal which are planned to develop at the future

4.2.1. Sub-feeder Multipurpose Terminal UM1

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

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

4.2.2. Sub-feeder Multipurpose Chhlong (Kratie)

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

4.2.3. Sub-feeder Multipurpose Boeung Ket (Kampong Cham)

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

4.2.4. Sub-feeder Multipurpose Phnom Krom (Siem Reap)

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

4.2.5. Sub-feeder Multipurpose Kampong Chhnang

Address	Kandal Village, Sangkat Kampong Chhnang, Kampong Chhnang City, Kampong Chhnang Province.
Total land size	3,150,000 square meters

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

4.2.6. Sub-feeder Multipurpose Kampong Chhnang-Kampong Thom

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

4.2.7. Sub-feeder Multipurpose Prek Kdam

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

4.2.8. Sub-feeder Multipurpose Sovannaphum LM25

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

4.2.9. Sub-feeder Multipurpose Kdar Bontas LM5

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

C. Group Structure of PPAP

As of 2023, there has no group structure of PPAP.

D. Significant Event in 2023

On July 5th, 2023, PPAP has received a “Confirmation Letter for Maintaining Proper Accounting Record starting from 2022 to 2023” from the General Department of Taxation. Holding this certificate, PPAP will receive benefits in accordance with Prakas No.638 MEF.Prk dated on July 4th, 2017.

Meanwhile, PPAP has also received a “GOLD” Certificate of Tax Compliance from the General Department of Taxation for the period of 2 years and for the tax year of 2023 and 2024.

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ




L2023062603531D2868



ថ្ងៃពុធនាហ៍ ខែសីហា ឆ្នាំថោះ បញ្ចស័ក ព.ស.២៥៦៧
រាជធានីភ្នំពេញ ថ្ងៃទី ០៥ ខែកក្កដា ឆ្នាំ២០២៣

ជម្រាបជូន
លោក-លោកស្រីនាយក

ក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ
អគ្គនាយកដ្ឋានពន្ធដារ
នាយកដ្ឋានពន្ធដារ និងកិច្ចការពន្ធដារ
លេខ.....**០០៥១**.....អតជ.០ក១



លេខសហគ្រាស : ៖ កំពង់ផែស្វយ័តភ្នំពេញ “ក.ស.ភ”
ជាអក្សរឡាតាំង : ៖ PHNOM PENH AUTONOMOUS PORT “PPAP”
លេខអត្តសញ្ញាណកម្ម : ៖ L001-100044999 ចុះបញ្ជីនៅ : នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធដំ
អាសយដ្ឋាន : ៖ ផ្ទះលេខ ៦៤៩ ផ្លូវព្រះសីហនុ ភូមិ ១២ សង្កាត់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

កម្មវត្ថុ: លិខិតបញ្ជាក់ការកាន់បញ្ជីកាតណាឡេយ្យត្រឹមត្រូវ។
ហេតុ: ៖ - ច្បាប់ស្តីពីសារពើពន្ធ ដែលប្រកាសឱ្យប្រើដោយព្រះរាជក្រមលេខ នស/រកម/០២៩៧/០៣ ចុះថ្ងៃទី២៤ ខែកុម្ភៈ ឆ្នាំ១៩៩៧ និងវិសោធនកម្មជាបន្តបន្ទាប់
- ប្រកាសលេខ ៦៣៨ សហវ.ប្រក ចុះថ្ងៃទី០៤ ខែកក្កដា ឆ្នាំ២០១៧ ស្តីពីលក្ខណវិនិច្ឆ័យនៃការកាន់បញ្ជីកាតណាឡេយ្យមិនត្រឹមត្រូវ និងនីតិវិធីនៃការបង់ពន្ធអប្បបរមា។

សេចក្តីដូចមានចែងក្នុងកម្មវត្ថុនិងហេតុខាងលើ ខ្ញុំសូមជម្រាបជូន លោក-លោកស្រីនាយកសហគ្រាស ជ្រាបថា សហគ្រាសបានដាក់លិខិតមកអគ្គនាយកដ្ឋានពន្ធដារ ដើម្បីស្នើសុំលទ្ធផលនៃការវាយតម្លៃការកាន់បញ្ជីកាតណាឡេយ្យត្រឹមត្រូវ ពីគណៈកម្មការវាយតម្លៃការកាន់បញ្ជីកាតណាឡេយ្យរបស់អ្នកជាប់ពន្ធ។
អនុលោមតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារ និងការពិនិត្យយ៉ាងហ្មត់ចត់លើឯកសារពាក់ព័ន្ធ ព្រមទាំងសវនាការនៃការអនុវត្តកាតព្វកិច្ចសារពើពន្ធរបស់សហគ្រាសលោក-លោកស្រី គណៈកម្មការវាយតម្លៃការកាន់បញ្ជីកាតណាឡេយ្យរបស់អ្នកជាប់ពន្ធ សម្រេចវិនិច្ឆ័យថាសហគ្រាសបានកាន់បញ្ជីកាតណាឡេយ្យត្រឹមត្រូវ និងផ្តល់ជូនលិខិតបញ្ជាក់ការកាន់បញ្ជីកាតណាឡេយ្យត្រឹមត្រូវចាប់ពីឆ្នាំ ២០២២ ដល់ឆ្នាំ ២០២៣ ដើម្បីទទួលបានអត្ថប្រយោជន៍នានា ស្របតាមប្រកាសលេខ ៦៣៨ សហវ.ប្រក ចុះថ្ងៃទី០៤ ខែកក្កដា ឆ្នាំ២០១៧។

ទន្ទឹមនឹងនេះ លោក-លោកស្រីនាយកសហគ្រាស ត្រូវបន្តអនុវត្តឱ្យបានម៉ត់ចត់នូវកាតព្វកិច្ចសារពើពន្ធនានា ស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារជាធរមាន។ អគ្គនាយកដ្ឋានពន្ធដារ រក្សាសិទ្ធិក្នុងការដកហូត លិខិតបញ្ជាក់ និងរក្សាសិទ្ធិអនុវត្តប្រយោជន៍នានាដែលបានផ្តល់ជូនក្នុងអំឡុងពេលនេះ ព្រមទាំងទទួលរងពិន័យ និងទោសទណ្ឌផ្សេងៗទៀត ក្នុងករណីមានការរកឃើញថា សហគ្រាសលោក-លោកស្រី ពុំបានអនុវត្តកាតព្វកិច្ចសារពើពន្ធឱ្យបានខ្ជាប់ខ្ជួនស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារនោះទេ។
ការស្រ័យដូចបានជម្រាបជូនខាងលើ សូមលោក-លោកស្រីនាយកសហគ្រាស អនុវត្តតាមការសម្រេចនេះ។
សូម លោក-លោកស្រីនាយកសហគ្រាស ទទួលនូវសេចក្តីរាប់អាន ពីខ្ញុំ

ប្រធាននាយកដ្ឋានពន្ធដារនិងកិច្ចការពន្ធដារ 

ឃ្លេង ធួន

បង្គោលជូន:
-នាយកដ្ឋានពន្ធដារ និងកិច្ចការពន្ធដារ
-នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធដំ
-នាយកដ្ឋានបរចូកវិទ្យាស័ក្តិមាន
-ឯកសារ-កាលប្បវត្តិ

អគារកងមហាវិថី សហព័ន្ធរដ្ឋ (១១០) និងម៉ៅសេទុង (២៤៥) សង្កាត់ទឹកល្អក់១ ខណ្ឌទួលគោក រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា
ទូរស័ព្ទ: 1277 & (+855) 23 686 668 / ទូរសារ: (+855) 23 686 700, E-mail: admin.info@tax.gov.kh, Website: www.tax.gov.kh

ក្រសួងសេដ្ឋកិច្ច និងហិរញ្ញវត្ថុ
MINISTRY OF ECONOMY AND FINANCE
អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION



ព្រះរាជាណាចក្រកម្ពុជា
KINGDOM OF CAMBODIA
ជាតិ សាសនា ព្រះមហាក្សត្រ
NATION RELIGION KING

TCG23070307608

លេខ ២២៦៧២

រាជធានីភ្នំពេញ ថ្ងៃទី ០៥ ខែ កក្កដា ឆ្នាំ ២០២៣
Phnom Penh, 05th, July 2023

អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION

**វិញ្ញាបនបត្រ
អនុលោមភាពសារពើពន្ធ**

(ប្រកាសលេខ ១៥៣៦ សហវ.ប្រក ចុះថ្ងៃទី២៣ ខែធ្នូ ឆ្នាំ២០១៦)

អគ្គនាយកដ្ឋានពន្ធដារបញ្ជាក់ថា :

ឈ្មោះក្រុមហ៊ុន : **កំពង់ផែស្វយ័តភ្នំពេញ "ក.ស.ភ"**

លេខអត្តសញ្ញាណកម្មសារពើពន្ធ : **L001-100044999**

ស្ថិតក្រោមការគ្រប់គ្រង : ខោយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធ កាលបរិច្ឆេទធ្វើបច្ចុប្បន្នភាព : **២៦ សីហា ២០១៥**

សកម្មភាពអាជីវកម្ម : សេវាកម្មកសិកម្ម លើកដាក់ និងដឹកជញ្ជូនទំនិញ

កាលបរិច្ឆេទ : **២០១៥ ខែ កក្កដា ឆ្នាំ ២០២៣** សម្រាប់ ព្រះសិស្ស ភូមិ ១២ សង្កាត់ ស្រះចក ខណ្ឌ ព្រះនរោត្តម រាជធានីភ្នំពេញ

ទទួលបានប្រភេទអនុលោមភាពសារពើពន្ធប្រភេទ : **មាស**

មានសុពលភាពរយៈពេល **២** ឆ្នាំ សម្រាប់ឆ្នាំជាប់ពន្ធ ២០២៣ ដល់ ឆ្នាំ២០២៤។

CERTIFICATE OF TAX COMPLIANCE
(Prakas No 1536 MEF/PK dated 23rd December 2016)

GENERAL DEPARTMENT OF TAXATION certifies that :

Company's name : **PHNOM PENH AUTONOMOUS PORT "PPAP"**

Tax Identification Number (TIN) : **L001-100044999**

Under : **Department of large Taxpayers**

Date of Information Update : **26 Aug 2015**

Business activity(ies) : **Logistics, handle, load, discharge and transport cargoes service**

Tax Compliance Type awarded : **GOLD**

Validity period of **2 years** for the tax year of **2023 and 2024**.

- ឧបទ្វ័ស៖
- ធនាគារជាតិកម្ពុជា និងភារកិច្ច
 - ធនាគារជាតិកម្ពុជាសម្រាប់ស្តុកទំនិញ
 - ធនាគារជាតិកម្ពុជាសម្រាប់សេវា
 - ធនាគារកម្ពុជា



រដ្ឋមន្ត្រីប្រតិភូអគ្គនាយកដ្ឋានពន្ធដារ
ប្រតិភូរាជរដ្ឋាភិបាល
ទទួលបន្ទុកជាអគ្គនាយកនៃអគ្គនាយកដ្ឋានពន្ធដារ

Minister Attached to the Prime Minister
Delegate of the Royal Government
In charge as Director General of General Department of Taxation



[Signature]
គង់ វិបុល

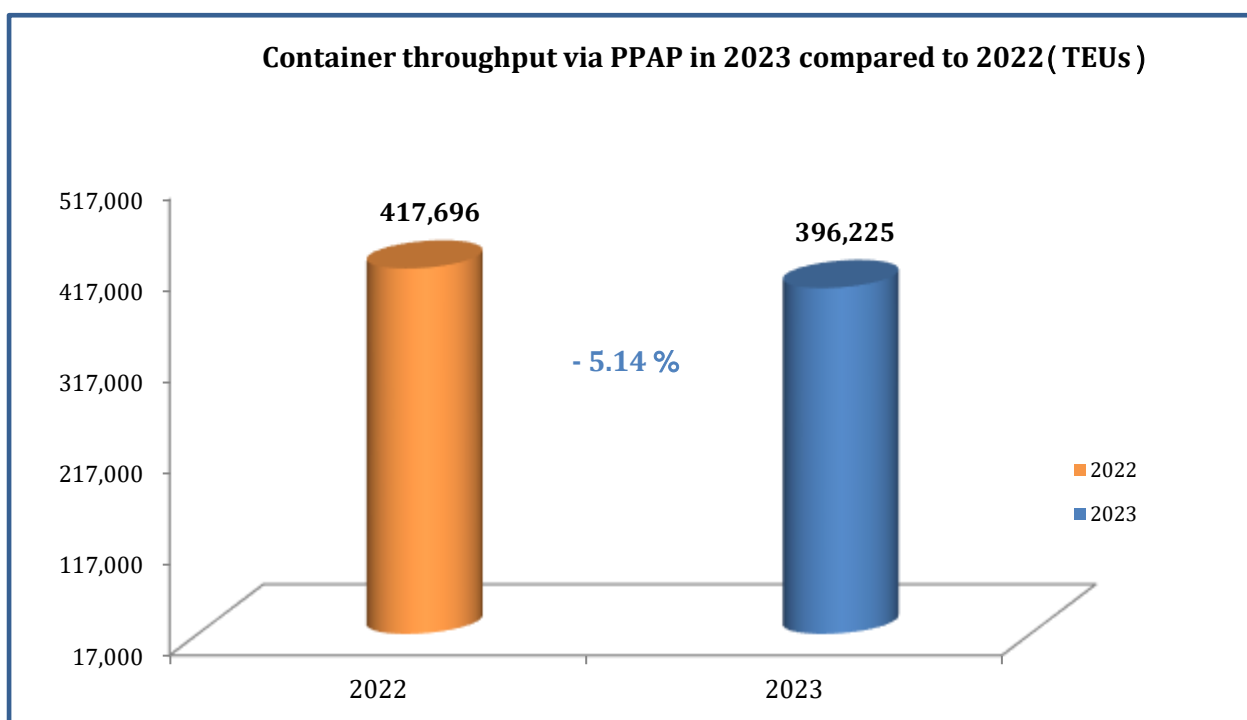
E. Market Situation

In 2023, the business situation of PPAP It does not seem to be any better than last year, as the crisis, war and global economic uncertainty have affected all sectors, as well as the transport sector in Cambodia, the real estate and garment sectors appear to be uncertain, PPAP's market position will continue to decreased by 5.14% compared to 2022, even though Cambodia's economy and the world economy faced a major crisis.

The growth of cargoes throughput via PPAP in 2023 resulted from the continuation of imports of garment raw material, which increased by 3% compared to total imports but decreased by 6% compared to 2022. Exports of garments increase by 65% of total exports but decreased by 9% compared to 2022. (According to Graphics 1, 2, 3 and 4 of the Planning/Marketing Department).

The imports of cargoes via PPAP in 2023 were from Vietnam, which decreased by 7% but imports of cargoes from Malaysia decreased by 19%, Japan increased by 18%, European Union decreased by 29%, and China decreased by 7% compared to 2022. In particular, exports to China decreased by 14%, Japan increased by 7%, United States decreased by 2% and Vietnam increased by 79% compared to 2022.

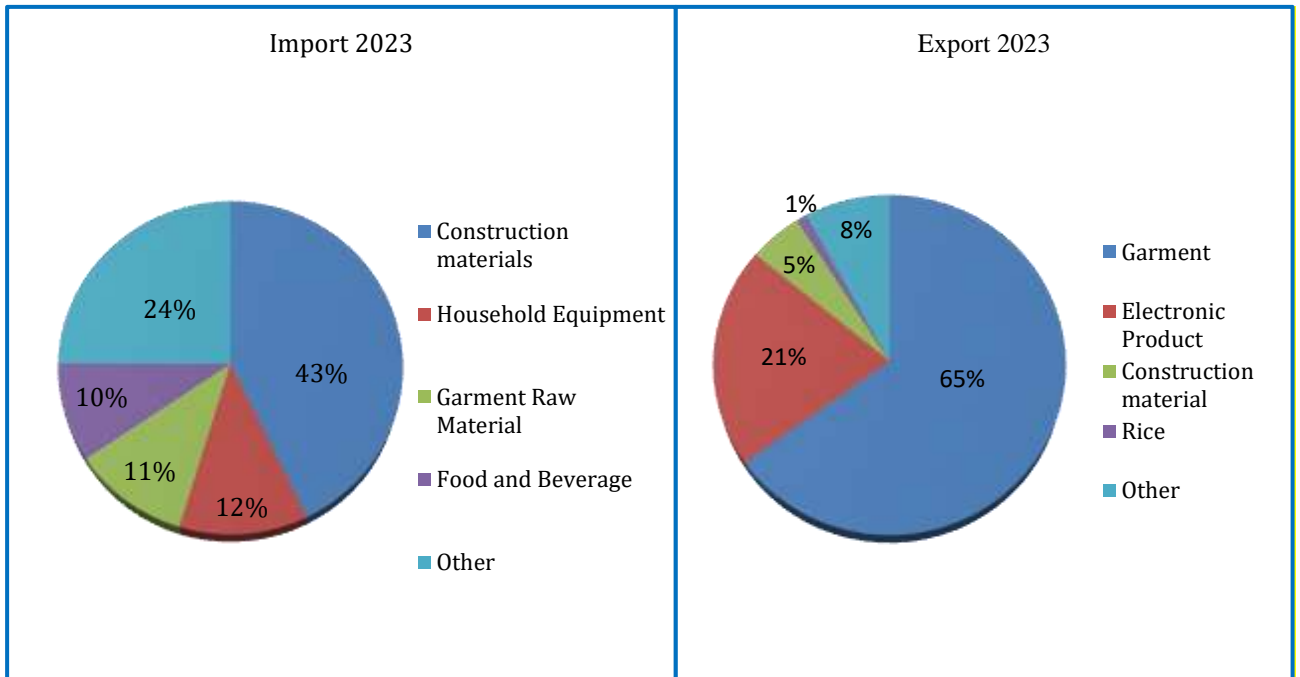
Graphic Number 1



Source: 2023 and 2022 data Planning / Marketing Department of PPAP)

Graphic Number 2

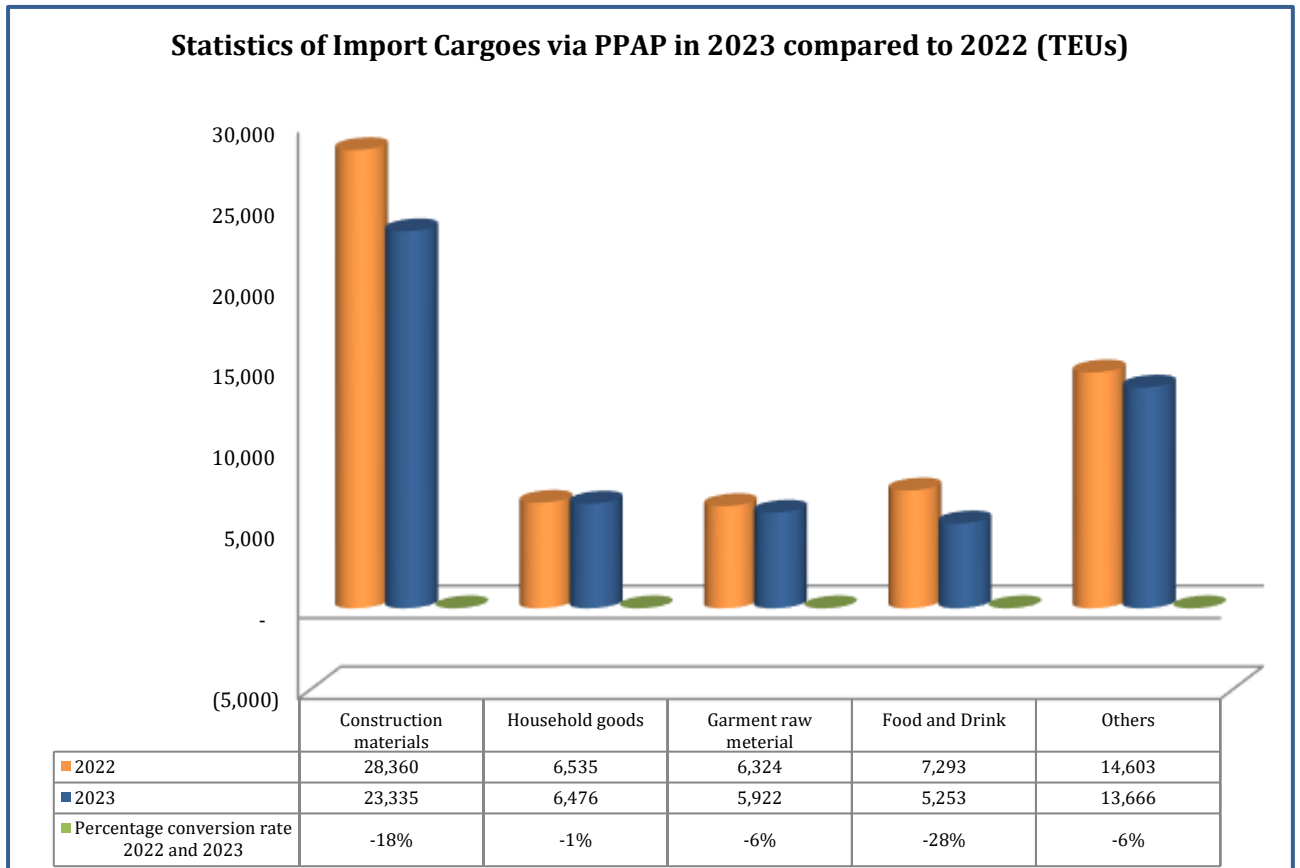
Statistics of Import-Export Container via PPAP in 2023 (TEUs)



Source: 2023 data Planning / Marketing Department of PPAP)

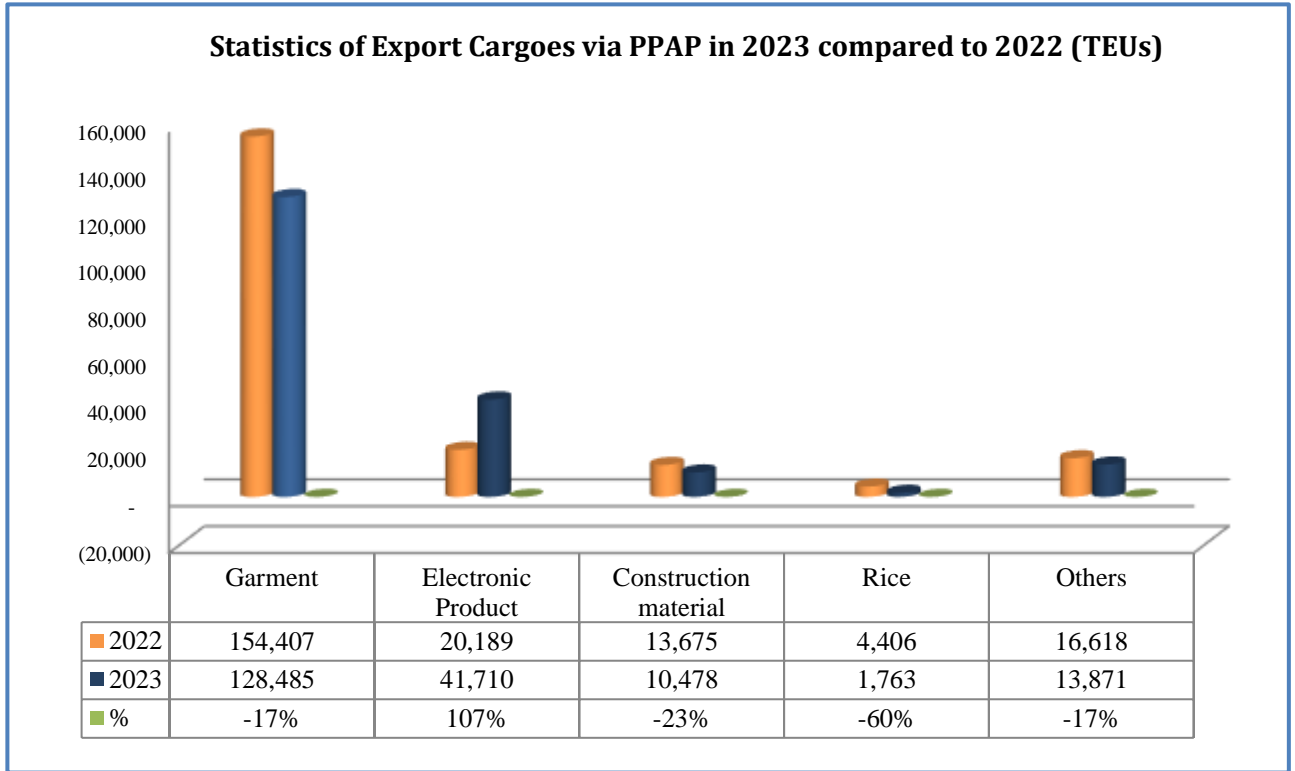
Graphic Number 3

Statistics of Import Cargoes via PPAP in 2023 compared to 2022 (TEUs)



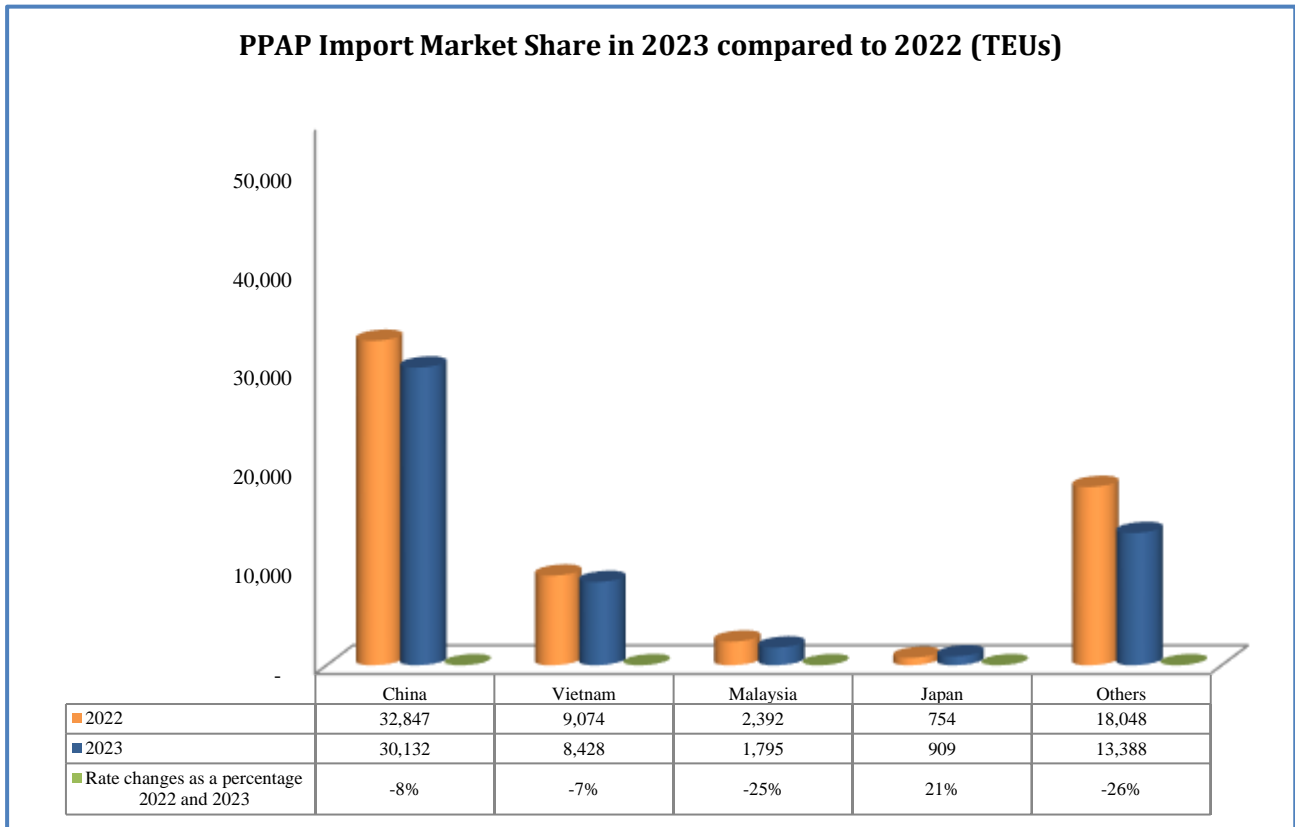
Source: 2023 and 2022 data Planning / Marketing Department of PPAP)

Graphic Number 4



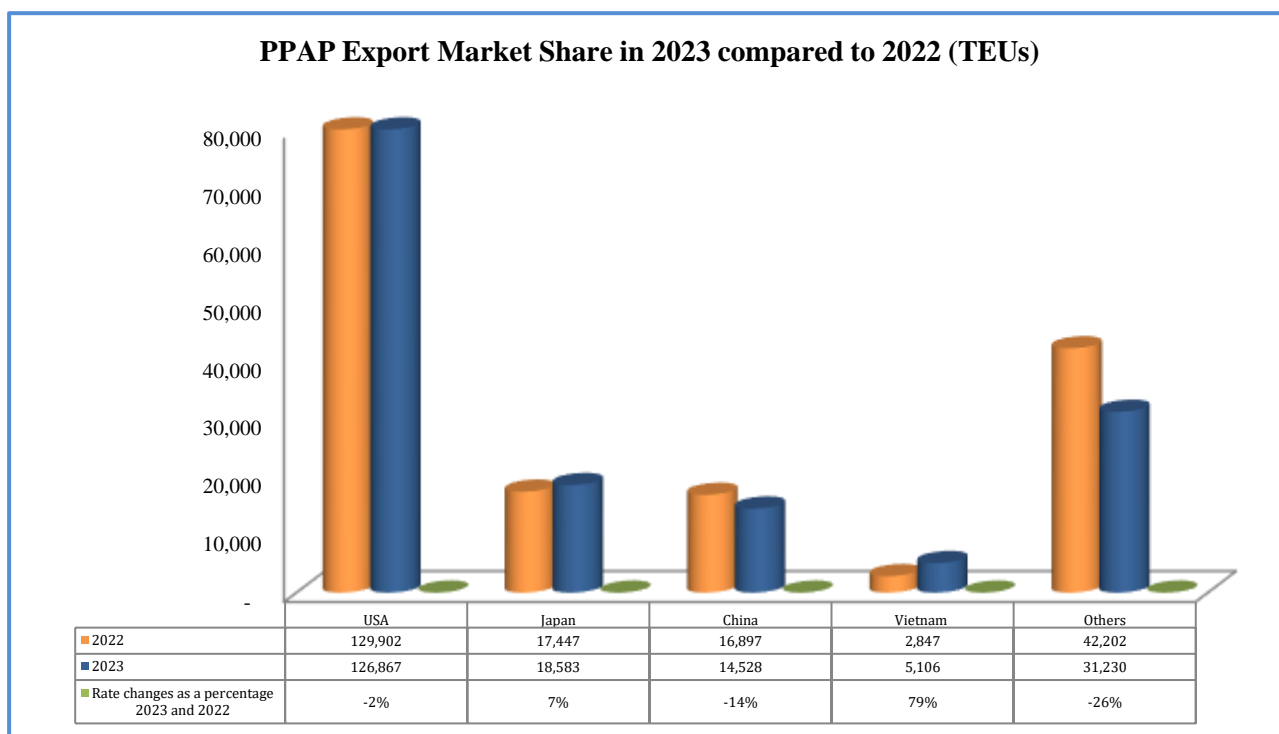
(Source: 2023 and 2022 data Planning / Marketing Department of PPAP)

Graphic Number 5



(Source: 2023 and 2022 data Planning / Marketing Department of PPAP)

Graphic Number 6



Source: 2022 and 2023 data Planning / Marketing Department of PPAP)

F. Competitive Situation

PPAP is an international river port with container service and container loading and unloading services for customers. In 2023, due to the war crisis and the uncertainty of the global economy, the growth of containers through PPAP is a decrease of 5.14% compared to 2022. If taking a look at the competitive situation, PPAP still plays the most important and robust role in the port sector as an important port for the transport of goods across the river. Key factors that still enable PPAP to maintain growth and competitive advantage are as follows:

1. Strategic Location

PPAP is located in a potential and strategic geographical location in the heart of Phnom Penh city, a commercial, industrial, factory, consumer and labor gathering zone. Shipping via PPAP provides a quick, easy and low-cost distribution and supply to consumers. At the same time, the location of PPAP is close to and has a shorter transportation distance than other ports in Cambodia, in term of the transit to Vietnam, China and the United States, where these countries have large trade volumes with Cambodia compared to other countries.

2. Services

PPAP still maintains its principles of focusing on good quality, safety, fast service of 24 hours and competitive price for customers. At the same time PPAP established a logistic service which is a package service for its customers to attract consumers and to make it convenience for exporters and importers.

PPAP has also brought its services closer to its customers by establishing sub-feeder port along the river, especially the construction of Sub-feeder Multipurpose Terminal UM2, Sub-feeder Multipurpose Terminal UM1, Sub-feeder Multipurpose Terminal TS11 and Sub-feeder Multipurpose Terminal LM26.

3. Service Charges

In 2023, At the same time PPAP keeps providing flexible price to customers who have received services from PPAP. This flexible pricing strategy is the strength of PPAP in attracting customers.

In addition, PPAP continues to provide port services for 24 hours / 7 days, by not charging OT service.

4. The advertisement of PPAP

PPAP continue to advertise and use various means to provide customers with sufficient information and knowledge about PPAP, to facilitate the decision to use the services of PPAP. Obviously, customers can get service information of PPAP through various sources of information, including:

- A. Website publishing, calendar, business cards, leaflets, souvenirs and business information books (by the Cambodian Chamber of Commerce);
- B. Dissemination of information at workshops, trainings and meetings;
- C. Dissemination of corporate information of PPAP through the Cambodia Securities Exchange; and
- D. The strategy of advertising directly to customers namely transport companies. These means are comprehensive sources of information that help customers know and use of services of PPAP in the market.
- E. PPAP continues to introduce the Royal Government's measures to strengthen the control of overweight means of transport by land. Taking this step is an opportunity that has driven the growth of waterway transport, as land transport costs customers more and provides less amount of goods transported. Especially land transport can lead to road accidents that make customers pay more shipping costs, while waterway transport will be more profitable for customers, such as large amount of goods transported, lower transport costs and more environmentally friendly than land transport.

Thus, the competitive situation of PPAP for the year 2023 is still strong, attractive and always moving forward to attract customers to continue to use the services of PPAP.

G. Future Development Plans

1. Project for Port Infrastructure development Phase IV, Step 1 at Container Terminal LM17

Projects Title	Port Infrastructure development Phase IV
Description	Between 2018 and 2023, the average number of containers passing through increases by about 18% each year. Due to the current number of containers passing through LM17 396,225 TEUs in 2023. PPAP forecasts that the demand for container handling will grow to 440,000 TEUs by 2024. Such volume requires more proper port facilities and equipments
Port Infrastructure development Phase IV, (2024-2027)	
Objective	To ensure the port capacity to handle containers that are increasing every year
Expected Output	Increase annual capacity to 900,000 TEUs/year at LM17
Project Location	Northern part of Container Terminal LM17

Projects Title	Port Infrastructure development Phase IV
Project and Size	11 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>Port Infrastructure Development Project Phase 4 is expected to cost approximately 168,610,690,000 Riels with the following projects:</p> <ul style="list-style-type: none"> - Construction of 6-lot container yards - 1 parking lot - Construction of 14 additional RTG roads - Construction of 1,962 meters of roads inside and outside the field - Construction of Jetty 16m x 149m - 2 units of FCC Foundation (9m x 10m) - 2 Units of Dolphin - 403 meters of river bank work - Construction of 6 units of 35m light poles - Embedded drainage, water pipes, fire hoses and camera system - 7 (RTGs) and 2 (FCCs) - Container Truck 10 units, Container Truck 10 units
Source of Finance	PPAP Development Fund
Project Timeframe	2024-2027
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

2. Project for Port Infrastructure development at Sub-Feeder Multipurpose Terminal UM2

Projects Title	Port Infrastructure development Phase 2 Multipurpose Terminal UM2
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, PPAP considered UM2 as a strategic location of agricultural exports for provinces at the northeastern Cambodia.
Port Infrastructure development Phase 2 Multipurpose Terminal UM2	
Objective	<ul style="list-style-type: none"> - To establish the hub for agricultural products and to promote inland waterway transportation. - Additional Port infrastructure will meet the desired of customer demand - To enhance the effectiveness of handling capacity of general cargo and container cargo.

Projects Title	Port Infrastructure development Phase 2 Multipurpose Terminal UM2
Expected Output	<ul style="list-style-type: none"> - Inland waterway transportation will be increased - Become a hub for agricultural products export - Freight transport by water has increased - Become a place to collect and distribute agricultural products and construction materials - The use of inland waterway transport services has increased due to lower shipping costs due to shorter shipping lines via direct delivery to the main port.
Project Location	Tonle Bet village, Tonle Bet commune, Tonle Bet District, Tboung Khmum Province
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>Infrastructure Development Project Phase II of UM2 Multi-Purpose Satellite Terminal is planned to cost a total of 22,700,500,000 Riels with the following construction projects:</p> <ul style="list-style-type: none"> - Construction of Jetty - FCC foundation and One FCC - One Dolphin - River bank - Construction of other infrastructure
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2022-2023
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
Environmental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

3. Project for Port Infrastructure development at Sub-Feeder Multipurpose Terminal UM1

Projects Title	Port Infrastructure development Phase 1 Sub-Feeder Multipurpose Terminal UM1
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, construction materials and other retail goods, the Sub-Feeder Multipurpose Terminal UM1 is a strategic location for the collection of agricultural products from The province is located in the northeast of Cambodia.

Projects Title	Port Infrastructure development Phase 1 Sub-Feeder Multipurpose Terminal UM1
Port Infrastructure development Phase 1 Sub-Feeder Multipurpose Terminal UM1	
Objective	<ul style="list-style-type: none"> - To establish the hub for agricultural products and to promote inland waterway transportation. - Additional Port infrastructure will meet the desired of customer demand - Establish a collection and distribution point for goods through the transport link between waterways and land - Increasing the competitiveness of PPAP - Reduce port services and water transport to closer users.
Expected Output	<ul style="list-style-type: none"> - Inland waterway transportation will be increased - Become a hub for agricultural products export Job opportunities for local residences. - Freight transport by water has increased Become a place to gather and distribute agricultural products, construction materials and other retail goods - The use of inland waterway transport services has increased due to lower shipping costs due to shorter shipping lines via direct delivery to the main port.
Project Location	Prek Anchanh Commune, Muk Kampoul District, Kandal Province.
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>The first phase of infrastructure development project of UM1 multi-purpose satellite terminal is planned to cost a total of 30,544,000,000 Riels, with the following construction projects:</p> <ul style="list-style-type: none"> - Jetty size 8m x 10m - 36 Plugs for refrigerated containers - Equipped with 1 FCC on pontoon - Equipped with 1 Reach Stacker - Forklift 6 tons on the field and Forklift 3.5 tons in warehouse
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2023-2024
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated

Projects Title	Port Infrastructure development Phase 1 Sub-Feeder Multipurpose Terminal UM1
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

4. Project for Port Infrastructure development at Multi-Purpose Termial TS3

Projects Title	Port Infrastructure development of Multi-Purpose Termial TS3
Description	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). Curently, PPAP is renovating this terminal to be an international passenger cruises and tourist terminal.
Port Infrastructure development of Multi-Purpose Termial TS3	
Objective	To Construct a standard Passenger and International Tourists Terminal.
Expected Output	<ul style="list-style-type: none"> - To promote the inland waterway transportation - To increase the number of passenger and tourists by using inland waterway transportation.
Project Location	Sras Chork Commune, Daun Penh District, Phnom Penh
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	Collaborate with development partners to build an administrative building with a planned investment of 99,600,000,000 Riels
Source of Finance	PPAP development fund
Project Timeframe	2023-2024
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

5. Project for Port Infrastructure development at Sub-Feeder Multipurpose Terminal LM26

Projects Title	Port Infrastructure development
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, PPAP considered Koah Roka Terminal as a strategic location of agricultural exports for provinces at the northeastern

Projects Title	Port Infrastructure development
	Cambodia. Anyway, This terminal is a potential location for tourism sector as well.
Port Infrastructure development	
Objective	<ul style="list-style-type: none"> - To enhance the effectiveness of handling capacity of general cargo and container cargo. - To boost the agricultural products export such as paddles, corn,... - More tourists transit at the terminal.
Expected Output	<ul style="list-style-type: none"> - The number of inland waterway transportation will be increased. - Become the strategic location for collection and distribution of agricultural products and construction materials.. - Cost of transporation will be decreased because of the direct export to the hub port. - Job opportunities for local residences.
Project Location	Koah Roka Commune, Peam Chor District, Prey Veng Province
Project and Size	12 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	CPF budget Which is planned to spend the total amount 27 597 500 000 Riels with projects such as: <ul style="list-style-type: none"> -Expansion of port infrastructure - Construction of Jetty - Construction of river bank -Construction of various infrastructure for operation (construction of container yard, road, water system, electricity, drainage system ...
Source of Finance	PPAP development fund
Project Timeframe	2023-2024
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Enviromental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

6. Project for Port Infrastructure development at Sub-Feeder Multipurpose Terminal TS11

Projects Title	Port Infrastructure development Multipurpose Terminal TS11
Description	To play as a sub-feeder port for General and Container Cargo.

Projects Title	Port Infrastructure development Multipurpose Terminal TS11
Port Infrastructure development	
Objective	To be more convenient for handling, storage and other port services.
Expected Output	To increase the handling capacity of PPAP
Project Location	Kilometer 6 commune, Russey Keo District, Phnom Penh.
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	Construction of infrastructure for the Phase 2 of operations is planned to cost 15,686,624,000 KHR with projects such as: 1. Construction of river bank 2. Riverside Road 3. Other infrastructure
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2024-2025
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

H. Risk Factors

In 2023, There is no any risk factor for PPAP.

Part 2
Information on Bussiness Operation
Performance

A. The results of the business operations, including partial business information of 2023

1. Statistics of PPAP

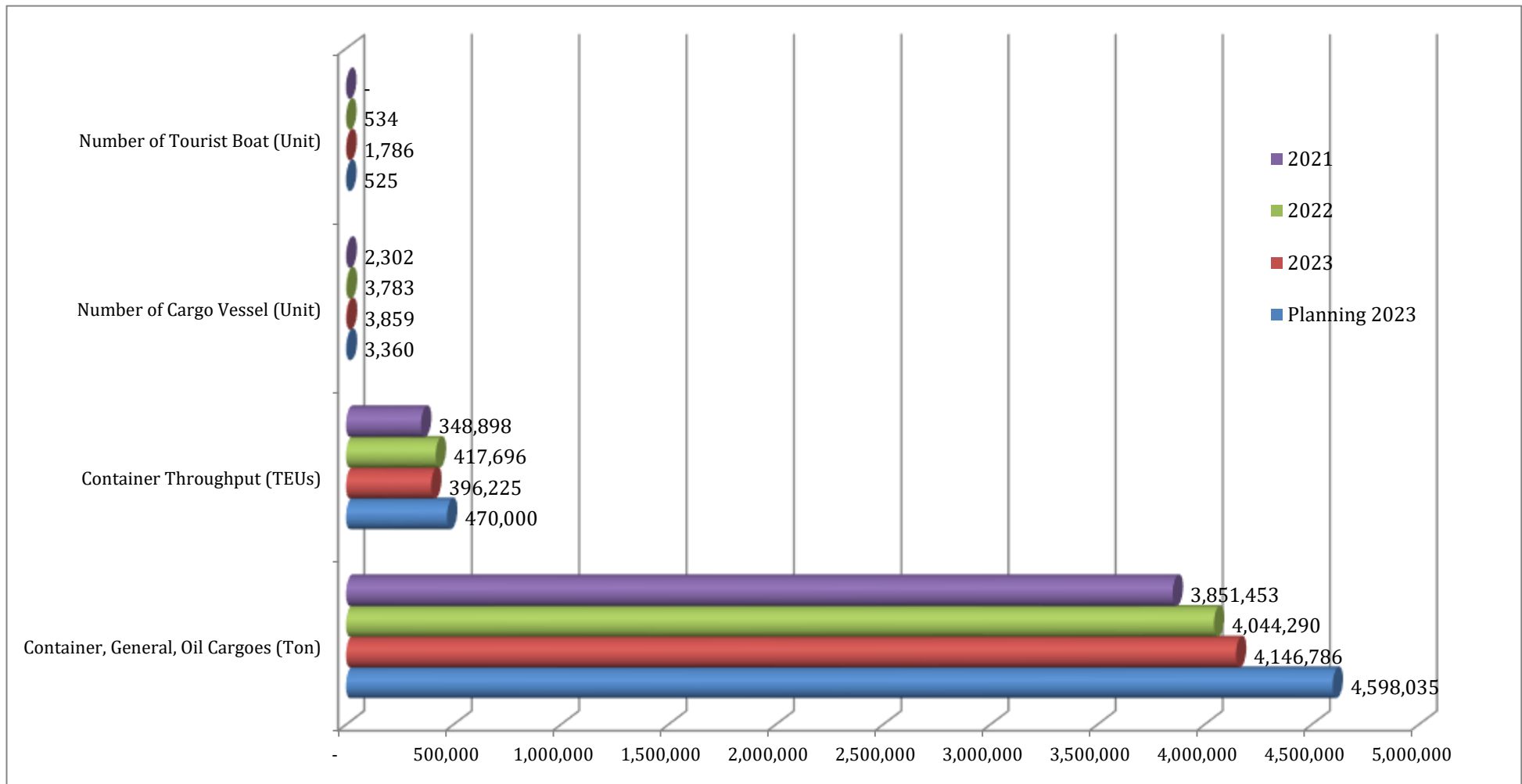
No.	Description	Unit	Planning 2023	2023	2022	2021	Compare (%)	Up/Down (%)	
A	B	C	1	2	3	4	5; &2-1'	6; (&2)-((3)'+1	7; (&3)-((4)'+1
I	Container, General, Oil Cargoes	Ton	4,598,035	4,146,786	4,044,290	3,851,453	90.19%	+2.53%	+5.01%
	A- Container Throughput	-	2,711,944	2,432,771	2,437,137	2,115,531	89.71%	-0.18%	+15.20%
	- Imported Container Cargo	-	1,369,082	1,159,275	1,255,987	1,221,613			
	- Exported Container Cargo	-	1,342,862	1,273,496	1,181,150	893,918			
	B - Mobile General Cargo Handling	-	919,351	930,297	789,921	836,148	101.19%	+17.77%	-5.53%
	- Inside Port	-	73,548	98,324	71,597	46,490			
	- Inside Port	-	845,803	831,973	718,324	789,658			
	C - Imported Oil & Gas	-	966,739	783,718	817,232	899,774	81.07%	-4.10%	-9.17%
	Container Throughput (TEUs)	TEU	470,000	396,225	417,696	348,898	84.30%	-5.14%	+19.72%
	- Laden Cargo	-	338,400	250,966	272,410	240,988			
	- Empty Cargo	-	131,600	145,259	145,286	107,910			
II	Cargo Handling	Ton	3,631,295	3,363,068	3,227,058	2,951,679	92.61%	+4.21%	+9.33%
	- General Cargo	-	919,351	930,297	789,921	836,148			
	- Container Throughput (Ton)	-	2,711,944	2,432,771	2,437,137	2,115,531			
III	Number of Cargo Vessel		3,360	3,859	3,783	2,302	114.85%	+2.01%	+64.34%
	- Foreign Vessels and Barge	-	2,880	3,380	3,287	1,770			

	- Cambodian Vessels and Barge	-	-	-	-	-			
	- Oil Vessels and Tanker	-	480	479	496	532			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>16,078</u>	<u>8,418</u>	<u>10,236</u>	<u>5,004</u>	52.36%	-17.76%	+104.56%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	16,078	8,418	10,236	5,004			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>121,000</u>	<u>160,160</u>	<u>69,062</u>	<u>28,523</u>	132.36%	+131.91%	+142.13%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	121,000	160,160	69,062	28,523			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>525</u>	<u>1,786</u>	<u>534</u>	-	340.19%	+234.46%	+534.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	451	1,210	328	-			
	- Cruise Boat	-	74	576	206	-			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>6,225</u>	<u>46,606</u>	<u>10,600</u>	-	748.69%	+339.68%	+10600.00%
	- PhnomPenh-ChovDok-PhnomPenh	-	3,600	21,454	3,653	-			
	- Tourist on Cruise Boat	-	2,625	25,152	6,947	-			

(Source: Department of Planning/Marketing)

- Cargo-fuel and gas throughput in 2023: 4,146,786 Tons, increased by 2.53% compared to 2022 (4,044,290 Tons). For 2023, PPAP has accomplished 90.19% compared to planning 2023 (4,598,035 Tons).
- Cargo vessels throughput in 2023: 3,859 Units, increased by 2.01% compared to 2022 (3,783 Units). For 2023, PPAP has accomplished 114.85% compared to planning 2023 (3,360 Units).
- The number of international passengers and tourist cruises throughput via Cambodia-Vietnam in 2023: 1,786 Voyages, increased by 234.46% compared to 2022 (534 Voyages). For 2023, PPAP has accomplished 340.19% Voyage compared to planning 2023 (525 Units).
- Containers throughput in 2023: 396,225 TEUs, decreased by 5.14% compared to of 2022 (417,696 TEUs). For 2023, PPAP has accomplished 84.30% compared to planning 2023 (470,000 TEUs).
- The number of international passengers and tourists throughput via Cambodia-Vietnam in 2023: 46,606 Passengers, increased by 339.68% compared to 2022 (10,600 Passengers). For 2023, PPAP has accomplished 748.69% Passengers compared to planning 2023 (6,225 Passenger).

- Graphs on performance comparisons of the 2023 - 2022 - 2021 and 2023 plan



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

❖ Sand Dredging Management

- Rehabilitation of Sdao navigation canal to facilitate navigation, achieving 100% of the 2023 planning
- Inspected, maintained and repaired airbags and navigation signs along the Lower Mekong River (Phnom Penh, lead pot), Upper Mekong River (Kampong Cham-Phnom Penh), Tonle Sap (Chhnuk Trou-Phnom Penh), achieved 100% of the 2023 planning
- Conducted surveys to measure the water depth of the lower Mekong River, Lower Mekong River, Tonle Sap, Chaktomuk Canal, Tonle Bassac and other locations to achieve 100% of the 2023 planning .

❖ The construction of port infrastructure

Container Terminal LM17

- Construction of 16m × 40m container truck scanner at LM17 container terminal achieved 100% of the project
- dismantling and reconnect power line for 20 new light poles in front of the exit and along National Road 1 achieved 100% of the project
- Construction of mesh fence on the north side of LM17 container terminal achieved 100%
- Construction of a 40-foot Tuosco Shelter achieved 100% of the project
- Construction of 16m x 149m Jetty (3rd Jetty), LM17 container terminal, achieved 97.6% of the project
- Construction of 24.4m x 60m LCL warehouse and 1,510 square meters of reinforced concrete floor achieved 100% of the project
- Road drawing and new traffic sign replacement work achieved 100% of the project
- Construction of 1070 square meters of reinforced concrete floor, construction of 91 meters of wire mesh fence and 55 meters of drainage system achieved 100% of the project
- Repair and painting of stairs and handrails at the 300-meter pier (Phase 1) and the 149-meter-long pier (Phase 3) of the LM17 container terminal achieved 100% of the project.
- Work on 16 new signs, repaint 3 old concrete blocks, correct 12 missing letters, and paint RTG road size 0.2m x 2,126m at LM17 container terminal. 100% of the project
- Purchase of 350 cubic meters of concrete for the maintenance of 3 hectares of ICD field in the southern location of the LM17 container terminal for 100% of the project.
- Construction of foundation for Crawler Crane achieved 100% of the project
- Construction of a car wash, machinery, 580 square meters of reinforced concrete site, dismantling of 58 meters of fence and reconstruction of 75 meters of fence, achieved 100% of the project

- 2,075 square meters of administrative parking lot, 1,075 square meters of parking lot, 1,066 square meters, 236 meters of wire mesh fence, 160 meters of drainage, 7 meters of fence and 2.2 meters x 2.2 meters 1 guard post. Achieved 82% of projects
- The project to build a 354-meter-long wire mesh fence on the north side and the construction of a 13-meter-long second-line wire mesh fence to achieve 54% of the project
- Construction of 675 meters of drainage system from the second gate connected to the wind tunnel achieved 100%
- Constructed the foundation of car scales and equipped 2 scales at the first gate, achieved 05% of the project
- Construction of a 130-meter-long wire mesh fence around the hazardous storage area achieved 05% of the project
- Construction of 854 meters of temporary fence at the fourth stage was completed 50.40%
- Construction of foundation for Crawler Crane, size 9m x 10m, 2 to achieve 100%
- Construction of 675 meters of drainage system from the second gate connected to the wind tunnel achieved 100%
- Construction of 16m x 149m port bridge (3rd bridge) achieved 97.6%
- Construction of 854 meters of temporary fence at the fourth stage was completed 50.40%

Sub-Feeder Multipurpose Terminal UM2

- Construction of bridge, pier, FCC foundation, 50 meters of river bank, 2 Dolphins, achieved 100% of the project
- Construction of 630KVA transformers for FCC reference poles achieves 100% of the project
- Sub-feeder multipurpose terminal UM2 Development Planning , Phase 2, Phase 1 Achieves 100% of the project

Sub-Feeder Multipurpose Terminal LM26

- Construction of 790 meters long river bank, 555 square meter concrete road, 550 square meter concrete field and 1.5m x 38m garden, achieved 100% of the project
- Construction of 12m wide, 447m long concrete road, 638m square of concrete field and 0.8m wide drainage network, 187m long, achieved 100% of the project
- Construction of 6m wide, 385m long concrete road and 10m long concrete drainage box achieved 100% of the project
- Installation of 3 OSCOS units achieved 100% of the project
- Construction of 544.5 m fence around the border and 3 gates for achieving 100% of the project
- Electrical network and installation of solar street lighting achieved 100% of the project.
- Construction of 40-meter-long handrails and the addition of two 6-meter-long steel bridges connecting concrete bridges to achieve 100% of the project

- Construction of 6 meters wide and 232 meters long concrete road achieved 100% of the project
- Construction of 5 bit poles 2m x 2m x 1.1m to achieve 100% of the project. Construction of 12m x 85m concrete road and 20m x 105m rock slope reached 100% Projects
- Construction work of 2051 square meters of concrete field achieved 100% of the project
- 803 cubic meters of 100 mm thick concrete layer on the concrete road to the police-customs office and the concrete road along the riverbank achieved 100% of the project
- Construction of 6,183 square meters of rubber on the concrete road to the police-customs office and the concrete road along the riverbank achieved 100% of the project
- Project work to install 9 150-watt solar poles and lamps to achieve 100% of the project
- Construction of 433 square meters of coal ramp and reinforcement of 1 bit pole achieved 100% of the project
- Construction of 1.8m x 2.7m x 1.1m bit poles for achieving 100% of the project
- Construction of 1,095 square meters of concrete road at subfeeder multipurpose terminal LM26 achieved 100% of the project
- Preparation of road and parking lighting system at subfeeder multipurpose terminal LM26 achieved 25% of the project.
- Construction of 30m x 50m warehouse achieved 42.54% of the project
- Construction of 2,000 square meters of concrete field achieved 05% of the project
- Construction of 9,832 square meters of DBST road at subfeeder multipurpose terminal LM26 achieved 100% of the project
- Equipped with 3 40-foot cabinets for the temporary office for Harbour master team and relevant authorities to complete the work 100%
- Construction of 1,373 square meters of concrete field near the Police and Customs Headquarters and repair and reinforce the foundation of the road to pave AC concrete on 6 meters along the riverbank achieved 100%

Multipurpose Terminal TS3

- Construction of Passenger and Tourist Station at Multipurpose Terminal TS3 achieved 100% of the project
- Construction of 3 floating concrete bridges and 327 meters of sidewalks from the riverbank to the port bridge achieved 100% of the project
- Construction of 6 onshore berths for docking at the dock achieved 100% of the project

Multi-Purpose Terminal TS11

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

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

Studying on ordering and renting machinery as follows:

• **Has been ordering:**

- 625 KVA generator for 1 FCC reference
- 2 Reach-stackers
- 10 Terminal Tractors

• **Has been studying acquisitions:**

- 1 Bulldozer
- 1 Trunk
- 2 Wheel loader
- 1 yard cleaning truck
- 10 container trailers
- Installation of container guide trailer
- 25KVA generator for 10 container trucks
- 3 crawler cranes 100-tons

B- Revenue Structure

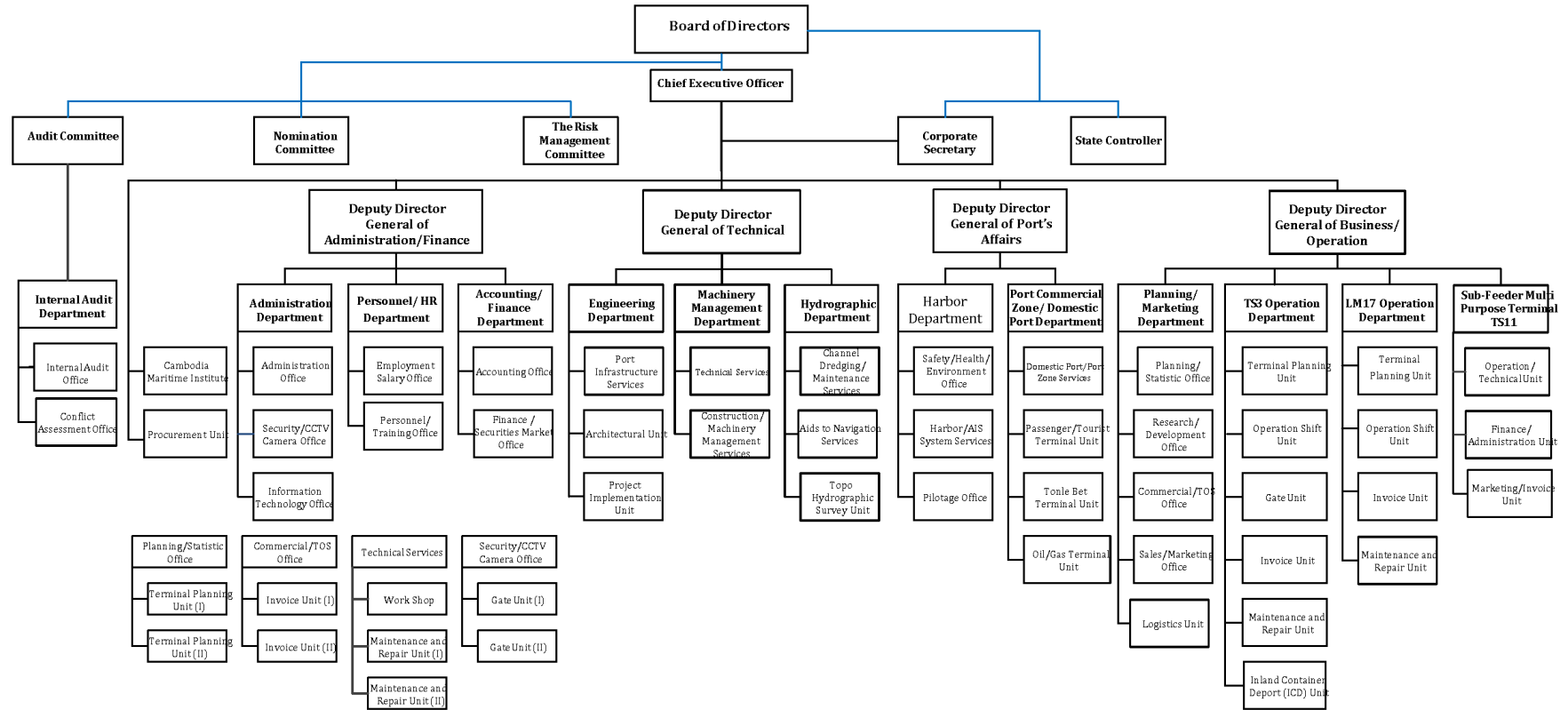
Source of Revenue	2023		2022 (Restatement)		2021	
	Period Ended 31 December 2023		Period Ended 31 December 2022		Period Ended 31 December 2021	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	61,998,146	43.65%	65,527,611	44.03%	55,424,149	44.26%
Lift On Lift Off (LOLO)	49,004,179	34.50%	51,901,124	34.88%	45,181,860	36.08%
Port dues and charges	19,822,308	13.96%	17,695,897	11.89%	14,477,910	11.56%
Gate fees	4,214,160	2.97%	4,354,065	2.93%	3,614,658	2.89%
Storage fees	2,042,193	1.44%	4,076,701	2.74%	3,356,495	2.68%
Weighting fees	103,486	0.07%	80,158	0.05%	41,136	0.03%
Stuffing/unstuffings	60,212	0.04%	106,262	0.07%	130,127	0.11%
Trucking fees	2,448,980	1.72%	3,890,391	2.61%	1,733,175	1.38%
Logistic Service	2,341,816	1.65%	1,172,519	0.79%	1,129,968	0.90%
Sand dredging management fee	0	0.00%	10,839	0.01%	126,470	0.10%
Survey Service	0	0.00%	0	0.00%	12,204	0.01%
Total:	142,035,480	100%	148,815,567	100%	125,228,152	100%

Part 3

Information on Corporate Governance

A- Organization Structure (2023)

PPAP ORGANIZATION STRUCTURE



Note:
 - Office Manager and Services Manager are assistant of Head of Department (No Deputy Head of Department)
 - Office Manager = Services Manager = Procurement Unit Manager
 - Unit Manager = Deputy Office Manager = Deputy Services Manager

B- Board of Director

Board of Directors's Member

N.	Name	Position	Date of Term Being Director	Expired Date of Being Director
1	H.E HEI Bavy	Chairman	June 27 th , 2022	June 27 th , 2025
2	H.E SUON Rachana	Member	June 27 th , 2022	June 27 th , 2025
3	H.E KEN Sambath	Member	June 27 th , 2022	June 27 th , 2025
4	H.E PENN Sovicheat	Member	June 27 th , 2022	June 27 th , 2025
5	H.E. GUI Anvanith	Member	June 27 th , 2022	June 27 th , 2025
6	Mrs. POK Pheakdey	Member	June 27 th , 2022	June 27 th , 2025
7	Mr. KONG Sothea	Member	June 27 th , 2022	June 27 th , 2025

PPAP's Secretary is Mr. KONG Channy, Head of Secretary Office

C- Senior Officer

No.	Name	Gender	Position
1	H.E HEI Bavy	M	Chairman and CEO
2	H.E CHOUN Sokhem	F	Deputy Director General of Administration/Finance
3	Mr. KOY Bunthorn	M	Deputy Director General of Technical
4	Mr. HIEK Phirun	M	Deputy Director General of Maritime Service/Traffic
5	Mrs. HEI Phanin	F	Deputy Director General of Operation
6	Mr. KONG Channy	M	Head of Corporate Secretary
7	Mr. KEO Sophanara	M	Head of Administration Department
8	Mr. KONG Sothea	M	Head of Internal Audit Department
9	Mrs. SENG Kunthea	F	Head of Personnel/HR Department
10	Ms. CHHEAV Vanthea	F	Head of Planning/Marketing Department
11	Mr. SAY Chantha	M	Head of Machinery Management Department
12	Mr. CHIEAP Vyraya	M	Head of Hydrographic Department
13	Mr. TOL Sokhom	M	Head of Harbor Service Department
14	Mr. CHHIV Songkaing	M	Head of Sub-Feeder Multipurpose Terminal UM1
15	Mr. HUN Sokhalay	M	Head of LM17 Operation Department
16	Mr. HOEU Song	M	Head of TS3 Operation Department
17	Mr. IM David	M	Head of Engineering Department
19	Mrs. MEAS Visal	F	Head of Sub-Feeder Multipurpose Terminal TS11
19	Mrs. KHOV Chansoma	F	Acting Head of Accounting/Finance Department
20	Mr. HENG Vutha	M	Acting Head of Sub-Feeder Multipurpose Terminal UM2

Note: Detail information of corporate governance is attached as appendix.

PART4

**Information on Security Trading and
PPAP's Shareholders**

A- General Information on Offered Shares

Name of Offered Shares	:	Class A (Voting) Shares
Stock Code	:	KH1000040001
Class of Offered Shares	:	Class A (Voting) Shares
Par Value	:	4,000 Riels
Offering Price	:	5,120 Riels
Number of Offered Shares	:	4,136,873 Class A (Voting) Shares
Market Capitalization	:	105,903,948,800 Riels
Securities Exchange	:	Cambodia Securities Exchange
Official Listed Date	:	09 December 2015

B- Price and Trading Amount of Shares

Offered Shares		January	February	March	April	May	June	July	August	September	October	November	December
Trading Price	Maximum	14,900	15,520	15,460	15,000	15,200	14,420	14,300	14,380	14,180	14,120	13,940	14,000
	Minimum	14,000	14,700	14,720	14,800	14,000	14,020	14,000	14,000	13,920	13,800	13,600	13,700
	Average	14,495	15,140	15,052	14,904	14,450	14,245	14,147	14,105	14,062	13,945	13,820	13,869
Trading Value	Maximum	6,663	3,237	3,172	877	39,595	1,288	2,468	772	954	913	1,455	1,309
	Minimum	50	43	25	1	21	5	1	1	5	11	1	26
	Average	1,209	653	488	248	2,642	244	494	158	202	155	225	191

C- Shareholders Holding Largest Voting Shares (From 30% Up)

No.	Name	Nationality	Address	Investor ID	Allotted Amounts (Shares)	Percentage Ownership
1	Ministry of Economy and Finance of Cambodia	Cambodia	Street 92, Sangkat Wat Phnom, Khat Daun Penh, Phnom Penh	N/A	16,547,492	80%
Total					16,547,492	80%

D- Information on Dividend Distribution in the last 3 (three) years

No.	Dividend Distribution	2022	2021	2020
1	Net Profit for the Year (Riel)	58,498,389,000	51,695,457,000	40,212,649,000
2	Total Dividend to be Paid (Riel)	4,629,703,309	4,376,751,334	4,126,751,334
3	Dividend in Total Equity Securities	N/A	N/A	N/A
4	Other Dividend	N/A	N/A	N/A
5	Dividend Payout Ratio (%)	7.91%	8.46%	10.26%
6	Dividend Yield (%)	1.60%	1.44%	1.71%
7	Dividend per Share (Riel)	223.83	211.60	199.51

Part 5
Audit Report On
the Internal Control Compliant for 2023



Phnom Penh Autonomous Port
Internal Audit Department

KINGDOM OF CAMBODIA
Nation – Religion – King

INTERNAL AUDIT REPORT
DURING 2023 AUDIT YEAR PERIOD

N° 007 IAD

Dated: February 2024

Overview

Description:

Department of Internal Audit	Phnom Penh Autonomous Port (PPAP)
Title	Yearly Report on the Internal Audit for the Year 2022
Head of Department	Mr. Kong Sothea
Inspector	Mr. Cheam Sophane and staff
Auditee(s)	<ul style="list-style-type: none"> • First Quarter - Hydrographic Department - Channel Dredging/Maintenance Services - Aids to Navigation Services - Topo-hydrographic Unit • Second Quarter - Head of Planning/Marketing Department - Planning/Statistic Office - Commercial/TOS Office • Third Quarter - Head of Engineering Department - Port Infrastructure Services - Sales/Marketing Office - Harbor/AIS System Services • Fourth Quarter - Domestic Port/Port Zone Services
Sources (Hard Copy)	<ul style="list-style-type: none"> • First Quarter - Hydrographic Department - Channel Dredging/Maintenance Services - Aids to Navigation Services - Topo-hydrographic Unit • Second Quarter - Head of Planning/Marketing Department - Planning/Statistic Office - Commercial/TOS Office • Third Quarter - Head of Engineering Department - Port Infrastructure Services - Sales/Marketing Office - Harbor/AIS System Services • Fourth Quarter

	- Domestic Port/Port Zone Services
Sources (Soft Copy)	<ul style="list-style-type: none"> • First Quarter - Hydrographic Department - Channel Dredging/Maintenance Services - Aids to Navigation Services - Topo-hydrographic Unit • Second Quarter - Head of Planning/Marketing Department - Planning/Statistic Office - Commercial/TOS Office • Third Quarter - Head of Engineering Department - Port Infrastructure Services - Sales/Marketing Office - Harbor/AIS System Services • Fourth Quarter - Domestic Port/Port Zone Services

Document Distribution:

Name	Position	Place of Distribution
H.E. Gui Anvanith	Head of Audit Committee	Phnom Penh Autonomous Port

Contents

	Page number
Part A : Excutive summary.....	1
1.The engagement context	1
2.Key risk definitions.....	2
3.Audit scope.....	2
4.Audit objectives.....	2
5.Methodology.....	2
6.Findings summary.....	2
7.Auditor’s opinion.....	3
8.Corrective action plan.....	3
9.Remark.....	3
Part B : Detailed Assessment.....	3
1.Participants during the audit.....	4
2.Audit overview.....	6
3.Internal controls.....	6
4.Auditees info.....	6
5.Audit findings (operation section).....	7
6 Audit findings (compliance section).....	10.
7.Conclusion.....	14
8.Future Assessment.....	14

Appendices:

- Appendix 1: Follow-up On Previous Recommendations
- Appendix 2: Corrective Action Plan

Acronyms

ANS	Aids to Navigation Services
CDMS	Channel Dredging/Maintenance Services
CTO	Commercial/TOS Office
HASS	Harbor/AIS System Services
HED	Head of Engineering Department
HPMD	Head of Planning/Marketing Department
HPCZDPD	Head of Port Commercial Zone/Domestic Port Department
HD	Hydrographic Department
PSO	Planning/Statistic Office
PIS	Port Infrastructure Services
SMO	Sales/Marketing Office
TU	Topo-hydrographic Unit

Phnom Penh Autonomous Port

Internal Audit Report During the 2023 Audit Period and The Year Then Ended

Part A: Executive summary

1. The engagement context

Approved by His Excellency (“Head of Audit Committee”), we conducted an audit for the 2023 audit period on entities under the supervision of Phnom Penh Autonomous Port. (“PPAP”) Those entities are as follows:

- Hydrographic Department (**HD**)
- Channel Dredging/Maintenance Services (**CDMS**)
- Aids to Navigation Services (**ANS**)
- Topo-hydrographic Unit (**TU**)
- Head of Planning/Marketing Department (**HPMD**)
- Planning/Statistic Office (**PSO**)
- Commercial/TOS Office (**CTO**)
- Head of Engineering Department (**HED**)
- Port Infrastructure Services (**PIS**)
- Sales/Marketing Office (**SMO**)
- Harbor/AIS System Services (**HASS**)
- Head of Port Commercial Zone/Domestic Port Department (**HPCZDPD**)

2. Key risk definitions

The following definitions of key risk are used:

- **Operational risk:** The risk of loss resulting from inadequate or failed internal processes, human errors, operating systems, or external events that can disrupt the flow of business operations.
- **Financial risk:** Where errors occurred as a result of failure to provide accurate financial information to top managements, resulting in an inappropriate decision making.
- **Compliance risk:** Where failure to stay in compliance with applicable laws and regulations.

During 2023 audit year period, we conducted an audit on the above-listed entities, resulting in the finding of key risks as follows:

- Exposure to risks which could affect the quality of the company’s services
- Exposure to risks which could affect work efficiency and other issues related to documentations
- Issues in staying in compliant with applicable laws and regulations

3. Scope of Audit

This periodical audit covers on business activities and other controls run by the audited entities. For this 2023 audit year period, we conducted on a total of 12 entities: HD, CDMS, ANS, TU, HPMD, PSO, CTO, HED, PIS, SMO, HASS, and HDPPCZD.

4. Audit Objective

The purpose of this audit is to make assessment and provide corrective action plan to raise the current effectiveness of existing processes such as risk management, inspection, and governance within the determined scope of audit.

Generally, audit work has an objective in providing assurance that the internal control system is able to achieving objectives as follows

- Operation objective : Accomplishing operation objectives
- Financial objective : Providing accurate financial information in full account to the top managements
- Conformity objective : Able to remain pursuant to legal and regulatory requirements.

We have set 6 significant goals, which we believe could facilitate risk management processes as follows:

- Improve the company's existing operation and services;
- Improve on staff management, disciplinary activities, and work performance;
- Improve on the company's management on all sources that generates incomes
- Improve on the company's management of finances
- Improve on the company's management on state's properties
- Improve on the competency to remain pursuant to applicable laws, regulations and legal procedures.

5. Methodology:

Risk-based approach is used during this audit and is listed below:

- Record on internal control system through document examination and interviews
- Determine current internal control system as a basis to compare with the established criteria
- Testing the current internal control system to determine its efficiency level

6. Findings summary

We categorized our findings into two distinct sections as shown below:

Operation section:

First quarter:

- Procedural inspection with checklist for the purpose of effective maintenance on machinery

Second Quarter

- The office's chart of Commercial/TOS Office (CTO)

Third Quarter

- Performing functions on a daily basis
- Adopting digital marketing via the advantage of social media platforms

- Summary report during meeting with clients
- Inadequate knowledge on basic maintenance procedures on waterway machinery

Fourth Quarter

- Pinpointing using coordinates on locations under the organization's supervision.

Compliance-related findings:

First Quarter

- Inadequate follow ups on staff performance as demonstrated in department's guideline
- Restoration projects on navigation poles and buoys as raised in the 2022 project plan
- A delay in performing functions as raised in 2022 department plan

Second Quarter

- Monthly and annual report lack of certain significant input
- Certain construction projects were not in 2023 project plan
- The office's reports during the first five months of 2023
- A delay in the making of revenue summary report

Third Quarter

- Certain performance did not meet the criteria as raised in annual plan

7. Auditor's opinion

We have made an observation and remark on the active participation and cooperative gestures of the audited entities, resulting in a satisfactory conclusion. In addition, the findings display the effectiveness of performance and the achievement of, to some degree, regulatory conformity. Despite the effectiveness of performance and regulatory conformity achieved, still, there were few lapses and errors that needs to be taken into account, such as in-office control, and operation control.

8. Corrective action plan

We give recommendations, as we strongly believe, to achieve compliance by following applicable laws and regulations during the making of administrative letters and documents. We, in addition, also disclose detailed assessment, which is in "Part B."

9. Remark

Mr.Kong Sothea, Head of Internal Audit Department, would like thank all heads, directors, and staff who participated during this audit period, and their cooperative gestures that led this satisfactory conclusion.

Part B: Detailed assessment

1. Participants during the audit

1.1 Internal auditor

- | | |
|-----------------------|--|
| 1. Mr. Cheam Sophane | manager of internal audit office |
| 2. Mrs. Var Sreyrath | deputy manager of internal audit office |
| 3. Mr. So Sinarith | deputy manager of internal audit I.T. office |
| 4. Mrs. Mann Sreyan | head of section of internal audit office |
| 5. Mr. Kang Visotrith | officer of internal audit office |

1.2 Participants

First Quarter

- | | |
|------------------------|--|
| 1. Mr. Chiep Viraya | head of hydrographic department |
| 2. Mr. Phok Piseth | deputy manager of channel dredging/maintenance services |
| 3. Mr. Tim Thol | deputy manager of aids to navigation services |
| 4. Mr. Pech Bunny | manager of topo-hydrographic unit |
| 5. Mr. Pin Sophaly | deputy manager of channel dredging/maintenance services |
| 6. Mr. Ouk Eang | deputy manager of aids to navigation services |
| 7. Mr. Ny Sonath | deputy manager of topo-hydrographic unit |
| 8. Mr. Rocun Chunleng | chief of section of channel dredging/maintenance services |
| 9. Mr. Ouk Phearak | chief of section of channel dredging/maintenance services |
| 10. Mr. Nong Chakrey | chief of section of aids to navigation services |
| 11. Mr. Mom Monyransei | deputy chief of section of channel dredging/maintenance services |
| 12. Mr. Cheang Sokry | deputy chief of section of channel dredging/maintenance services |
| 13. Mr. Un Houngkong | deputy chief of section of channel dredging/maintenance services |
| 14. Mr. Keo La | staff at channel dredging/maintenance services |
| 15. Mr. Sim Khema | staff at channel dredging/maintenance services |
| 16. Mr. Von Sarim | staff at aids to navigation services |
| 17. Mrs. Tim Chanty | staff at topo-hydrographic unit |

Second Quarter

- | | |
|--------------------------|---|
| 18. Mrs. Meas Visal | head of planning/marketing department |
| 19. Mr. Ngoun Leangsreng | manager of planning/statistic office |
| 20. Mr. Ung Chhayngoun | manager of commercial/tos office |
| 21. Mrs. Bo Sophea | deputy manager of commercial/tos office |
| 22. Mr. Rim Sreyvuth | deputy manager of planning/statistic office |
| 23. Mrs. Chey Chanthavy | deputy chief of section planning/statistic office |
| 24. Mrs. Heng Sina | deputy chief of section planning/statistic office |
| 25. Mrs. Ek Channavy | deputy chief of section planning/statistic office |
| 26. Mrs. Sous Chanthavy | deputy chief of section planning/statistic office |
| 27. Mr. Seng Piseth | deputy chief of section planning/statistic office |
| 28. Mrs. Khim Sokha | chief of section of commercial/tos office |
| 29. Mrs. Leng Sangvouch | chief of section of commercial/tos office |
| 30. Mrs. Noup Sokhorn | deputy chief of section of commercial/tos office |

Third Quarter

- | | |
|----------------------|--|
| 31. Mr. Im David | head of engineering department |
| 32. Mr. Sok Channara | manager of harbor/ais system services |
| 33. Mr. Hak Rany | reserved manager of port infrastructure services |
| 34. Mrs. Krui Sola | deputy manager of sales/marketing office |
| 35. Mr. Nov Sokcheap | deputy manager of harbor/ais system services |

36. Mr. Yong Lamo	deputy manager of port infrastructure services
37. Mr. Phoeukchrun Puthyrath	chief of section of harbor/ais system services
38. Mr. Phon Phira	chief of section of harbor/ais system services
39. Mr. Eang Choung	chief of section of harbor/ais system services
40. Mrs. Lay Maylong	deputy chief of section of harbor/ais system services
41. Ms. Sok Sophea	deputy chief of section of sales/marketing office
42. Ms. Chan Chanvothey	deputy chief of section of sales/marketing office
43. Mr. Sem Visal	deputy chief of section of sales/marketing office
44. Mr. Buy Boeun	staff at harbor/ais system services
45. Mr. Duch Daleap	harbor/ais system services
46. Mr. Chhuon Sokhea	chief of section of harbor/ais system services
47. Mr. Nhim Sen	staff at harbor/ais system services
48. Mr. Chheon Bunrong	staff at harbor/ais system services
49. Mr. Nov Chanthong	staff at harbor/ais system services
50. Mr. Yin Som	staff at port infrastructure services
51. Mr. Koy Sophearak	staff at port infrastructure services
52. Mr. Lun Manan	staff at port infrastructure services
53. Mr. Lim Raksmeay	staff at port infrastructure services
54. Mr. Chhay Panha	staff at sales/marketing office

Fourth Quarter

55. Mr. Prak Samith	reserved head of domestic port/port commercial zone department
56. Mr. Lim Sovibol	deputy manager of domestic port/port commercial zone office
57. Mr. Chan Sophon	chief of section of domestic port/port commercial zone
58. Mr. Pov Saravong	chief of section of domestic port/port commercial zone

1.3 Phases of Audit Documentation

Below are four phases in each quarter during the audit:

First quarter

- Date of the completion of the audit work	28 April 2023
- Date of first draft's completion	05 May 2023
- Latest responses received from managements	10 May 2023
- Date of report completion	19 May 2023

Second quarter

- Date of the completion of the audit work	14 July 2023
- Date of first draft's completion	20 July 2023
- Latest responses received from managements	24 July 2023
- Date of report completion	01 August 2023

Third quarter

- Date of the completion of the audit work	31 October 2023
- Date of first draft's completion	01 November 2023
- Latest responses received from managements	10 November 2023
- Date of report completion	16 November 2023

Fourth quarter

- Date of the completion of the audit work	02 January 2024
- Date of first draft's completion	09 January 2024

- Latest responses received from managements
- Date of report completion

17 January 2024
22 January 2024

2. Audit overview

The aim of internal auditing is to facilitate the top managements in achieving objectives that were set to improve their governance, internal control assessment and risk management. Internal control system is implemented by the top managements and relevant officers to ensure the achievement of the three objectives as follows:

- Make valid the activities summary report and the reliability of the company's operations such as stuffing/unstuffing, shipping and trucking;
- Achieve effectiveness, efficiency and cost effectiveness of the company's operations;
- Achieve capability to stay in compliant with law, standards, regulations, and other legal procedures.

This report also includes the establishment of internal control system, functions, and auditing and, as well, the function and operation of internal controls.

3. Internal controls

We have made an observation on the internal control system by observing on each of its processes as a basis to compare with the seven established criteria as follows:

- Authorization;
- Completeness;
- Accuracy;
- Validity;
- Work safety;
- Rectification; and
- Role allocation.

4. Auditees info

Phnom Penh Autonomous Port was established under Sub-Decree no. 51 dated 17 July, 1998. Abbreviated as (PPAP), the port is under the technical supervision of the Ministry of Public Works and Transport and with financial support from the Ministry of Economy and Finance. PPAP functions in accordance with the Royal-Decree no.0693/03 dated 28 May, 1996; and laws and regulations of employment of PPAP, according to the decision made following the 12th Board of Director meeting, on the 5th mandate, dated 24 July 2015.

Following the departmental plan for the year 2023, we have conducted audits on entities as follows:

- | | |
|--------|------------------|
| • HD | (First quarter) |
| - CDMS | (First quarter) |
| - ANS | (First quarter) |
| - TU | (First quarter) |
| • HPMD | (Second quarter) |
| - PSO | (Second quarter) |
| - CTO | (Second quarter) |

- SMO (Second quarter)
- HED (Third quarter)
- PIS (Third quarter)
- HDPPCZD (Fourth quarter)

The total participant during this audit period was 102 – while 24 were females.

5. Audit findings

Operation section:

First quarter:

5.1 Procedural inspection with checklist for the purpose of effective maintenance on machinery

Audit Objective: Achieve cost-effective through the adoption of procedural inspection using checklist.

Upon query, CDMS (Services) disclosed that they perform regular maintenance before each use of the machinery as guided by their supervisor. However, we failed to see any evidence or written report to support their performance. Scheduling and a well-prepared documentation are helpful when performing each maintenance to ensure the well-being of machinery. Also, documents are essential when reporting to top managements for acknowledgement.

Assessment

- Criteria : Not in compliant with organization’s instruction no.1225, dated 23 December 2016.
- Root cause : Inadequate review
- Consequence : Inadequate elements when performing maintenance
- Recommendation : Services should make a schedule and checklist for future maintenance procedures.
- Auditee’s response : Accepted the recommendation.
- Auditor’s opinion : Having seen the response from the auditee and will follow up during future audit period.

Second quarter:

5.2 The office’s chart of CTO

Audit Objective: Achieve work efficiency and effective management.

Upon query, we observed that, CTO (Office) had inadequate staff as in “chief of section” who responsible for Revenue Review, “deputy manager of TOS”, and “deputy manager of sub-feeder terminal.”

Assessment

- Criteria : Not in compliant with planning/marketing department's chart, dated 28 March 2023.
- Root cause : Retirement of responsible person
- Consequence : A decrease in work efficiency
- Recommendation : Office should proposal to its head of department for the recruit of new staff to responsible for functions that are currently in demand.
- Auditee's response : Accepted the recommendation.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

Third quarter:

5.3 The performance of functions of PIS

Audit objective: Achieve effectiveness in management and compliance.

Upon query, PIS (Services) had inadequate staff who will responsible for planning and evaluating construction projects. Having reviewed PPAP organization plan for the year 2023 no. 881/22 PPAP, we did not manage to see that the Services had raised certain technical training programs such as piers, and container yard construction for their staff.

Assessment

- Criteria : PPAP organization plan for the year 2023 no. 881/22 PPAP
- Root cause : Lack of experts in port construction fields
- Consequence : Finished projects might face future re-adjustments due to lack of human resources to make a follow up during construction process
- Recommendation : The Services should communicate to HR Department the demand of experts who specializes in the fields or find relevant training programs for its staff.
- Auditee's response : Accepted the recommendation. The Services would like to express that the Services has done and will do as recommended.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

5.4 Adopting digital marketing via the advantage of social media platforms

Audit objective: To achieve effective control over performance of functions and other relevant duties.

Upon query, we observed that, SMO (Office) should take the advantage of social media platforms such as Facebook, TikTok, WeChat and many more to achieve effectiveness in their marketing fields.

Assessment

- Criteria : The Office's functions chat, dated 29 March 20223.
- Root cause : Lack of staff who specialize that field.

- **Consequence** : Advertisement might not reach that many target clients.
- **Recommendation** : The Office should communicate to HR Department regarding the lack of staff who specialize in the abovementioned field and propose to HR Department for the recruitment or for any training programs relevant to the field in order to improve the advertisement fields as to meet the increasing demand for the services.
- **Auditee's response** : Accepted the recommendation. We, the Office, would like to express that the proposal for recruitment had been sent to HR Department.
- **Auditor's opinion** : Having seen the response from the auditee and will follow up during future audit period.

5.5 Lack of summary report during post clients meeting

Audit objective: To achieve effective control over performance of functions and other relevant duties.

Upon query, SMO (Office) did not make written report to top managements regarding their meeting with interested clients. The Office, in addition, had several shortcomings during the making of some reports.

Assessment

- **Criteria** : Our interview seemed to indicate that if the clients had not made any response related to the meeting, the Office might have deemed it unnecessary.
- **Root cause** : Clients did not respond back after the meetings.
- **Consequence** : top managements might miss certain key inputs.
- **Recommendation** : The Office should make a written report to top managements the discussion and other relevant matter during each meeting despite the fact that clients had not made their response.
- **Auditee's response** : Accepted the recommendation. We, the Office, would like to express that we had photographs during each meeting. However, the Office will make a written report during post future meetings.
- **Auditor's opinion** : Having seen the response from the auditee and will follow up during future audit period.

5.6 Certain training is required for staff responsible for waterway machinery maintenance (Tugboat R001, R002)

Audit Objective: To achieve cost-effective workflow and effective maintenance before, during, after staff functions performance as to avoid unnecessary breakdowns.

We observed that, upon query, HASS (Services) had regularly performed maintenance procedures by their responsible persons. However, we did not manage to see evidence or checklist regarding their performances. Evidence or checklist is an essential input and can be used in written report and submit to top managements for acknowledgement.

Assessment

- **Criteria** : Our interview suggested that undergoing certain relevant training is required

- Root cause : Lack of proposal for training programs
- Consequence : This could limit the potential of the Services when performing their functions
- Recommendation : The Services should communicate to Technical Services the requirement of undergoing basic technical training for waterway machinery maintenance and make a schedule or checklist for each maintenance as input to add into written reports.
- Auditee's response : Accepted the recommendation. We, the Services, will communicate to Technical Services regarding the case.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

Fourth quarter:

5.7 Coordination of terminals under supervision of port commercial zone/domestic port

Audit Objective: To give domestic map a coordination of terminals under supervision of port commercial zone/domestic port.

Upon query, Port Commercial Zone/Domestic Port Department (Department) had made an update on waterway terminals within PPAP authority; however, the department did not manage to make coordination of those terminals on a domestic map for documentation purposes, and, as well, an announcement to clients or relevant parties who might not be aware of PPAP waterway authority.

Assessment

- Criteria : Document of no.006 Department, dated 13 November 2023
- Root cause : Lack of staff responsible for the coordination task.
- Consequence : Newly recruits, clients, related parties might find it difficult to make a follow up and determine the location of terminals based on the domestic map.
- Recommendation : The Department should communicate to Topo-hydrographic Unit (TU) the coordination of waterway terminals to facilitate Department workflow and other relevant interested parties.
- Auditee's response : Accepted the recommendation.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

Compliance section:

First quarter

5.8 A follow up on staff performing their functions based on department role and responsibilities guideline

Audit objective: To achieve effective management.

Upon query, staff who were working within HED (Department) supervision did not manage to fully abide department guideline during their daily functioning.

Assessment

- Criteria : Based on Department's guideline
- Root cause : An error during follow up phase of Department
- Consequence : Management did not reach its full potential
- Recommendation : The Department make an update on its role and responsibilities guideline to avoid errors when performing duties.
- Auditee's response : Accepted the recommendation.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

5.9 Implementation of projects of navigation buoys and poles for the year 2022

Audit objective: To achieve expected progress as raised the project plan of the Services.

Upon query, Aids to Navigation Services (Services) had proposed a project plan no.012/22 ANS, PPAP, dated 19 April 2022. However, the ANS faced a delay when carrying out the projects.

Assessment

- Criteria : The project plan no.012/22 ANS of the Services
- Root cause : Inadequate equipment in waterway transportation for the project and the documentation process with related parties took a delay almost two-month period.
- Consequence : Not in compliant with the expected progress as raised in the project plan
- Recommendation : The Services should report to Head of Hydrographic Department regarding documentation processing period, and plan for a discussion with related parties.
- Auditee's response : The Services faced a delay in progress due to long period of purchasing process and a lack of equipment for waterway transportation such as tugboat, anchors, mooring chains, and crane pontoon; the lack of skilled staff. In conclusion, the Services would like to accept the auditor's recommendation.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

6. The delay in the implementation of the 2022 project plan

Audit objective: To achieve work efficiency.

Upon query, Topo-hydrographic Unit (Unit) did not manage to timely complete project plan as expected. The target locations are on four distinct waterways; however, the Services managed to complete projects on only three.

Assessment

- Criteria : The approved annual project plan of the Unit, dated 12 April 2022.
- Root cause : Inadequate skilled staff

- Consequence : Not in compliant with the expected progress as raised in the project plan
- Recommendation : The Unit should timely complete the project to facilitate workflows of other related entities
- Auditee's response : The Unit's delay in implementation of project was due to official external projects, and the lack of skilled staff. The Unit would like to accept audit's recommendation.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

Second quarter

6.1 Monthly and annual reports lack of certain input

Audit objective: To achieve effective management of machinery repairation project input

Upon query, Planning/Statistic Office (Office) did manage to put certain input such as machinery repairation project into their monthly and annual report.

Assessment

- Criteria : Not in compliant with organization's instruction no.1225, dated 23 December 2016.
- Root cause : An error during report making process.
- Consequence : A lapse in the management of machinery repairation project input
- Recommendation : The Office should include machinery repairation project input into their monthly and annual report as to facilitate future management processes.
- Auditee's response : The Office accepted the recommendations. The Office would like to express that the failure to include machinery repairation project input into our report was due to the documentation process taking almost 2-month period. However, the Office will make separate reports for both minimal and batch repairation project.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

6.2 Business report during the first five months of 2023

Audit objective: To achieve effectiveness when implementing the 2023 annual plan.

Upon query, the container throughputs accomplished was 30% of the first five months in 2023 annual plan, which is a 19% decline comparing to that of 2022.

Assessment

- Criteria : The PPAP business plan for 2023 dated 03 November 2022
- Root cause : The impact of covid-19 epidemic
- Consequence : Not in compliant with the expected progress as raised in the plan
- Recommendation : The Office should do a SWOT analysis to achieve further improvement for future implementation.
- Auditee's response : The Office accepted auditor's recommendation.

- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

6. A delay in the making of monthly revenue summary report

Audit objective: to achieve work effectiveness.

Upon query, Commercial/TOS Office (Office) did not manage to complete their monthly revenue summary report during the first two weeks of the next month – third or fourth final completion.

Assessment

- Criteria : Not in compliant with organization's instruction no.1225, dated 23 December 2016.
- Root cause : A delay cause by other related parties
- Consequence : Not in compliant with organization's instruction no.1225, dated 23 December 2016.
- Recommendation : The Office should inform other related parties the delay of the making of their monthly revenue summary report.
- Auditee's response : The Office would like to report to top managements the re-scheduling of report submission to the third week of subsequent month due to three main reasons: A delay in recording of Discharge List from LM17 Terminal; A verification procedure with Accounting Office; Account Receivable verification procedure to ensure accuracy of data.
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

Third quarter

6.4 Implementation on projects need improvement

Audit objective: to achieve effective implementation of project.

Upon query, Head of Engineering Department (Department) did not manage to achieve expected progress in their implementation of project raised in 2022 project plans such as: accomplishing 3 out of 16 projects for the new port infrastructure project plan; 7 out of 21 projects for maintenance existing infrastructure.

Assessment

- Criteria : The approved 2022 project plan of Department dated 30 November 2021
- Root cause : Inadequate information informed by related entities to report to top managements
- Consequence : Affecting the Department's annual budget
- Recommendation : The Department should communicate with related parties in collection necessary input for future planning.
- Auditee's response : Accepted the auditor's recommendation
- Auditor's opinion : Having seen the response from the auditee and will follow up during future audit period.

7. Conclusion

During the 2023 audit period and the year then ended, we observed that the entities had performed their functions admirably excellent in achieving their prioritized goals. However, we also noticed shortfalls and errors during our auditing period, which the 12 entities promise to improve in the future.

8. Plan for rectification

Corrective action plan is shown in the form of recommendation and is shown in Appendix 2, which the 12 audited entities promise follow.

In future assessment, the conflict assessment office will continue to follow up on the recommendations as part of re-auditing process.

Appendix 1: **Follow-ups on previous recommendations**

Auditees:

First Quarter:

- Hydrographic Department
- Channel Dredging/Maintenance Services
- Aids to Navigation Services
- Topo-hydrographic Unit

Second Quarter:

- Head of Planning/Marketing Department
- Planning/Statistic Office
- Commercial/TOS Office

Third Quarter:

- Head of Engineering Department
- Port Infrastructure Services
- Sales/Marketing Office
- Harbor/AIS System Services

Fourth Quarter:

- Domestic Port/Port Zone Services

<u>Priorities</u>	<u>Rating</u>
<p>High: Where failure to take action could result in critical or major consequences to the company's reputation.</p>	<p>Satisfactory (S): having fully implemented recommendations and minimized the related risks to an acceptable level.</p>
<p>Medium: Where failure to take action could result in significant consequences to the company's operation.</p>	<p>Partially Satisfactory (PS): having partially implemented recommendations and the risks remain an issue.</p>
<p>Low: Action is considered desirable and should result in enhanced control (that is, storing documents of least importance in archive)</p>	<p>Yet to Implement (YI): have yet to implement recommendations and the risks continue to pose threat.</p>
	<p>Irrelevant (IR): having completely cleared the remaining risks.</p>

No.	Recommendations	Priority	Responsible Person	Date of previous audit	Date of follow up	Rating	Evidence
<u>First Quarter</u>							
Head of Hydrography Department (HHD)							
1	<u>Annual Departmental Plan</u> We observed that HHD should consider making its own departmental plan by combining those of subordinate units instead of submitting them individually to Top Managements.	Average	Mr. Chiep Viraya	2017	2020	S	- HHD has fully implemented the recommendation.
2	<u>Annual Activities Summary Report</u> On April 2020, HHD, upon queries, had yet to submit its annual activities summary report for the year 2019.	Average	Mr. Chiep Viraya	2017	2020	YI	- HHD has yet to recruit new staff to responsible for administrative tasks.
Channel Dredging/Maintenance Services (CDMS)							
3	We observed that the Service's "floating house" need improvement, such as re-painting, basic maintenance, and other measurement to ensure health and safety for its in-field staff.	Average	Mr. Phok Piseth	2017	2020	YI	-
4	In 2017, we observed that CDMS had a list of retired and retiring skilled workers. CDMS, in addition, could experience a lack of staff in the event that the recruitment was untimely, which	Average	Mr. Phok Piseth	2017	2020	YI	-

	could potentially hinder current and up-coming work progresses.						
5	<p><u>The Service's Logbook</u></p> <p>Upon reviews over relevant documents, we observed that the Service had been using a logbook to record in-and-out administrative documents. Inside the logbook, we further found that the logbook lacked of contents, displaying signs of rough cut, no information of delivery destination, no sign of a closure of contents from previous years.</p>	Average	Mr. Phok Piseth	2020	2023	S	- The Services has implemented the recommendation almost 100%.
6	<p><u>Monthly, Quarterly, and Annual Activities Summary Report</u></p> <p>We, upon reviews over relevant documents, observed that the Services did not have monthly, quarterly and annual activities summary report, which is not in compliant with the organization's Instruction no.1225, dated 23 December 2016.</p>	Average	Mr. Phok Piseth	2020	2023	YI	- The Services has yet to fully implement the recommendation.
7	<p><u>The CDMS's Protective Personal Equipment (PPE)</u></p> <p>Upon queries, we found that CDMS did not make an annual proposal regarding the use or the purchasing of PPE which usually be included in department plan. But, instead, CDMS made the</p>	Average	Mr. Phok Piseth	2020	2023	YI	- The Services has yet to implement the recommendation.

	proposal based on real-time demand, which made it difficult to determine the CDMS's actual annual budget.						
Aids to Navigation Services (ANS)							
8	While on-site inspection, we noticed that navigation buoys located within ICD were in open air areas, which made them prone to rust and a decrease in quality. ANS, thus, should consider on rehabilitating the renewable buoys and placing within an inventory.	Average	Mr. Tim Thol	2017	2020	YI	-
9	ANS should propose the assignment of staff to undergo short-course trainings to HR Department as to improve work efficiency with skilled workers being the result.	Average	Mr. Tim Thol	2017	2020	YI	-
10	To improve work efficiency, and in timely manner, on waterway work projects, ANS should request for its personal means of transportation instead of using shared company's vehicles.	Average	Mr. Tim Thol	2017	2020	YI	-
11	<u>The ANS's Logbook</u> Upon reviews over relevant documents, we observed that the ANS's way of recording documents/letters need	Average	Mr. Tim Thol	2020	2023	S	- The Services has fully implement the recommendation.

	improvement. ANS had a logbook for only the incoming documents. The logbook, in addition, record following a serial number but some numbers were not present during our inspection. The book, moreover, had no sign of closure of contents from previous years.						
12	<p><u>Report on the remaining resources following the completion of projects</u></p> <p>The ANS did not report to Top Managements for acknowledgement the remaining resources, such as navigation buoys, navigation lanterns, mooring chains following the completion of projects.</p>	Average	Mr. Tim Thol	2020	2023	S	- The Services has fully implement the recommendation.
13	<p><u>The ANS's Personal Protective Equipment (PPE)</u></p> <p>As proposed in 2019 the waterway projects of ANS on three target areas Phnom Penh -Kaám Samnar, Phnom – Kompong Cham, Phnom Penh, Chnok Trou (Kompong Chhang), we observed that the ANS's staff perform their duty without PPE present, indicating high change of injuries or potential death.</p>	Average	Mr. Tim Thol	2020	2023	S	- The Services has fully implement the recommendation.
Topo-hydrographic Unit (TU)							

14	<p><u>The Trainings for Skilled Staff</u></p> <p>Upon queries, TU had been implementing software applications, such as Arc Geographic Information System (Arc GIS), AutoCad Civil 3D Land Development, Google Earth Pro, AutoCad 2D & 3D for their work processes. However, the staff's knowledge of these applications was limited, and needed improvement.</p>	Average	Mr. Pech Bunny	2020	2023	YI	- The postponement of undergoing trainings was due to Covid-19 Epidemic.
<u>Second Quarter</u>							
Head of Planning/Marketing Department (HPMD)							
15	<p><u>Monthly Activities Summary Report</u></p> <p>To be in compliant with the Organization's Instruction no. 1225, dated 23 December 2016, the Department should consider the making of monthly activities summary report.</p>	Average	Mrs. Meas Visal	2017	2023	PS	- Report No. 050/21 of Conflict Assessment Office on re-assessment on audit findings during the second quarter audit period of the year 2020
Planning/Statistic Office (PSO)							
16	<p><u>Monthly Report on Oil Usage</u></p> <p>PSO should continue to include the amount of EA Petroleum within their monthly report as approved in the 2020 department plan.</p>	Average	Mr. Ngoun Leangsreng	2020	2023	S	- Report No. 050/21 of Conflict Assessment Office on re-assessment on audit findings during the second quarter audit period of the year 2020

17	<u>Report on the Progress of Port Infrastructure</u> PSO should consider the making of progress report to make a follow up on the construction of port infrastructures.	Average	Mr.Ngoun Leangstreng	2020	2023	S	- Report No. 050/21 of Conflict Assessment Office on re-assessment on audit findings during the second quarter audit period of the year 2020
Commercial/TOS Office (CTO)							
18	<u>Automation on Invoicing Workflow</u> CTO should discuss with Information Technology Unit and report to Top Managements on the full implementation of Terminal Operating System (TOS) instead of the current use of Microsoft Excel.	Average	Mr. Ung Chhay Ngoun	2020	2023	PS	- Report No. 050/21 of Conflict Assessment Office on re-assessment on audit findings during the second quarter audit period of the year 2020
19	<u>Signing/Stamping on Contract</u> CTO should check and verify each page of the signed contract to ensure the validity of the agreement and that no act of alteration have occurred.	Average	Mr. Ung Chhay Ngoun	2020	2023	S	
Head of Engineering Department (HED)							
20	<u>Monthly Activities Summary Report</u> HED should consider the making of monthly activities summary report and submit to Top Managements to be in compliant with Organization's Instruction	Average	Mr. Im David	2017	2020	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.

	no.1225, dated 23 December 2016.						
21	<u>Documenting Technical Procedures</u> To improve work efficiency, HED should consider documenting technical procedures regarding the nature of workflow within department; it acts as guidelines and could facilitate the tracking of work progresses on current and future projects.	Average	Mr. Im David	2017	2020	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
Port Infrastructure Services (PIS)							
22	PIS should focus on certain areas that need improvement as to meet the increasing demand of the organization and, as well, staying in compliant with its own office plan.	Average	Mr. Hak Rany	2017	2023	PS	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
23	PIS should make a proposal the undergoing trainings relevant to the Services workflow as broaden the knowledge of its staff.	Average	Mr. Hak Rany	2017	2023	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
24	PIS should update on staff role and responsibilities to avoid errors when they perform their duties.	Average	Mr. Hak Rany	2017	2023	PS	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
25	PIS should contact relevant units that they submit their project plans before the organization of its annual master plan.	Average	Mr. Hak Rany	2017	2023	PS	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.

Sales/Marketing Office (SMO)							
26	<u>Advertisement on PPAP Official Website</u> SMO should work with IT Office that the PPAP Official Website be updated at least once in three years period and that they regularly report to Top Managements.	Average	Mrs. Krui Sola	2020	2023	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
27	<u>The Making of Monthly Report</u> SMO should consider resume the making of their monthly report to stay in compliant with Organization's Instruction no.1225, dated 23 December 2016.	Average	Mrs. Krui Sola	2020	2023	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
Harbor/AIS System Services (HASS)							
28	<u>The Making of Monthly Report and Annual Plan</u> HASS should separately make their annual plan and annual report.	Average	Mr. Sok Channara	2019	2023	S	- Internal audit report no.10 on internal auditing during the year 2020, dated 29 January 2021.
Domestic Port/Port Commercial Zone (DPPCZ)							
29	Upon on-site inspection, we observed that, from PTT Petrol Station to HASS's areas, boundaries were unclear for outsiders. We recommended that HASS should restore its banner, plant four poles on target areas to	Average	Mr. Prak Samit	2020	2023	IR	-

	mark boundaries, resume activities that HASS once performed.						
30	HASS should communicate to relevant parties to ensure that the entrance to HASS itself should not be blocked or partially blocked, and that the other parties should move their business activities to a more appropriate location.	Average	Mr. Prak Samit	2020	2023	IR	-

Conclusion: 30 assessed recommendations are totaled as follows:

1. Satisfactory: 13
2. Partially Satisfactory: 6
3. Yet to Implement: 9
4. Irrelevant: 2

Appendix II: Corrective Action Plan

Auditees:

First Quarter:

- Hydrographic Department
- Channel Dredging/Maintenance Services
- Aids to Navigation Services
- Topo-hydrographic Unit

Third Quarter:

- Head of Engineering Department
- Port Infrastructure Services
- Sales/Marketing Office
- Harbor/AIS System Services

- **Risk level (If any):**

- **High:** to reduce key risks those with the potential of causing harm to the company's brand name.
- **Medium:** to take into account on matters that need improvement as to reinforce on the system and procedures.
- **Low:** to reinforce on the existing control system and storing of documents at less important spots.

Second Quarter:

- Head of Planning/Marketing Department
- Planning/Statistic Office
- Commercial/TOS Office

Fourth Quarter:

- Domestic Port/Port Zone Services

No.	Recommendation	Auditees' responses	Rating	Those responsible	Date of correction
First quarter					
Hydrographic Department (HD)					
1	The Department make an update on its role and responsibilities guideline to avoid errors when performing duties.	Accepted	Medium	Mr. Chiep Viraya	2023
Channel Dredging/Maintenance Services (CDMS)					
2	Services should make a schedule and checklist for future maintenance procedures.	Accepted	Medium	Mr. Phok Piseth	2023
Aids to Navigation Services (ANS)					
3	The Services should report to Head of Hydrographic Department regarding documentation processing period, and plan for a discussion with related parties.	Accepted	Medium	Mr. Tim Thol	2023
Topo-hydrographic Unit (TU)					
4	The Unit should timely complete the project to facilitate workflows of other related entities	Accepted	Medium	Mr. Pech Bunny	2023
Second Quarter					
Planning/Statistic Office					
5	The Office should include machinery reparation project input into their monthly and annual report as to facilitate future management processes.	Accepted	Medium	Mr. Ngoun Leangreng	2023
6	The Office should do a SWOT analysis to achieve further improvement for future implementation.	Accepted	Medium	Mr. Ngoun Leangreng	2023
Commercial/TOS Office					
7	The Office should inform other related parties the delay of the making of their monthly revenue summary report.	Accepted	Medium	Mr. Ung Chhayngoun	2023
8	Office should proposal to its head of department for the recruit of new staff to responsible for functions that are currently in demand.	Accepted	Medium	Mr. Ung Chhayngoun	2023

Third quarter					
Head of Engineering Department (HED)					
9	The Department should communicate with related parties in collection necessary input for future planning.	Accepted	Medium	Mr. Im David	2023
Sales/Marketing Office (SMO)					
10	The Office should communicate to HR Department regarding the lack of staff who specialize in the abovementioned field and propose to HR Department for the recruitment or for any training programs relevant to the field in order to improve the advertisement fields as to meet the increasing demand for the services.	Accepted	Medium	Mrs. Krui Sola	2023
11	The Office should make a written report to top managements the discussion and other relevant matter during each meeting despite the fact that clients had not made their response.	Accepted	Medium	Mrs. Krui Sola	2023
Port Infrastructure Services (PIS)					
12	The Services should communicate to HR Department the demand of experts who specializes in the fields or find relevant training programs for its staff.	Accepted	Medium	Mr. Hak Rany	2023
Harbor/AIS System Services (HASS)					
13	The Services should communicate to Technical Services the requirement of undergoing basic technical training for waterway machinery maintenance and make a schedule or checklist for each maintenance as input to add into written reports.	Accepted	Medium	Mr. Sok Channara	2023
Fourth quarter					
Head of Port Commercial/Domestic Port Zone Department (HPCDPZD)					
14	The Department should communicate to Topo-hydrographic Unit (TU) the coordination of waterway terminals to facilitate Department workflow and other relevant interested parties were completed within the second week of the month, which may be an indicator of delayed workflow.	Accepted	Mediu	Mr. Prak Samith	2023

Part 6

**Financial Statements Audited by
the External Auditor**

**“Financial Statements
For the year ended 31 December 2023
and
Report of the Independent Auditors”
will be Attached as Appendix II**

Part 7

**Information on Related Party Transactions
and Conflict of Interest**

A. Material Transactions with Shareholder(s) who hold at least 5% or more shares of outstanding equity securities

For 2023, there is no such transaction occurred.

B. Material Transactions with Director(s) and Senior Officer(s)

For 2023, there is no such transaction occurred.

C. Transactions with Director(s) and Shareholder(s) related to buy/sell asset and service

For 2023, there is no such transaction occurred.

D. Material Transaction with Immediate Family Members of the Director(s), Senior Officer(s) and Shareholder(s) who hold at least 5% or more shares

For 2023, there is no such transaction occurred.

E. Material Transactions with the Person, who associated with Director(s) of PPAP, its Subsidiary or Holding Company

For 2023, there is no such transaction occurred.

F. Material Transactions with Former Director(s) or a Person who involved with Former Director(s)

For 2023, there is no such transaction occurred.

G. Material Transactions with Director(s) who is holding any position in a non-profit organization or in any other company other than PPAP

For 2023, there is no such transaction occurred.

H. Material Transactions with Director(s) who get benefit whether finance or non-financial from PPAP

For 2023 there is no such transaction occurred.

Part 8
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 Yearly Report 2023.*

The container throughput of PPAP in the 2023 has decreased 21,471 TEUs or 5.14% compared to 2022. For vessels in 2023 increased by 76 voyages or 2.01% compared to 2022. However, Cambodian and international cruises (1,786 units) in the 2023 has increased 1,252 units or 234.46.00% compared to 2022. On the other hand, general cargo in 2023 has also decreased 140,376 TONs or 17.77% compared to 2022.

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 Year End 31 December 2023 and 2022 as *set out in Section 6 of yearly report 2023.*

PPAP has four main revenue source:

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

1. Revenue Analysis

1.1. Revenue Analysis

For The Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port Operation	29,165,780	119,871,356	31,792,589	129,936,312	(2,626,809)	-8.26%	(10,064,956)	-7.75%
Port Authority	4,822,946	19,822,308	4,329,801	17,695,897	493,145	11.39%	2,126,411	12.02%
Other Revenue	569,785	2,341,816	289,542	1,183,358	280,243	96.79%	1,158,458	97.90%
Total:	<u>34,558,511</u>	<u>142,035,480</u>	<u>36,411,932</u>	<u>148,815,567</u>	<u>(1,853,421)</u>	<u>-5.09%</u>	<u>(6,780,087)</u>	<u>-4.56%</u>

Total revenue decreased by KHR 6,780,087,000 (USD 1,853,421) or -4.56% from KHR 148,815,567,000 (USD 36,411,932) in 2022 to KHR 142,035,480,000 (USD 34,558,511) in 2023. This decrease in revenue is due to the decrease of container throughput which results in the decrease in revenue from port operation [stevedoring, lift on lift off (LOLO)], gate fees, and storage fees.]

1.2. Revenue by segment analysis

For The Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Source of Revenue	2023		2022 (restatement)	
	Period Ended 31 December 2023		Period Ended 31 December 2022	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	61,998,146	43.65%	65,527,611	44.03%
Lift On Lift Off (LOLO)	49,004,179	34.50%	51,901,124	34.88%

Source of Revenue	2023		2022 (restatement)	
	Period Ended 31 December 2023		Period Ended 31 December 2022	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Port dues and charges	19,822,308	13.96%	17,695,897	11.89%
Gate fees	4,214,160	2.97%	4,354,065	2.93%
Storage fees	2,042,193	1.44%	4,076,701	2.74%
Weighting fees	103,486	0.07%	80,158	0.05%
Stuffing/unstuffings	60,212	0.04%	106,262	0.07%
Trucking fees	2,448,980	1.72%	3,890,391	2.61%
Logistic Service	2,341,816	1.65%	1,172,519	0.79%
Sand dredging management fee	0	0.00%	10,839	0.01%
Survey Service	0	0.00%	0	0.00%
Total:	142,035,480	100%	148,815,567	100%

For 2023 as well as 2022, 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 Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	15,084,707	61,998,146	16,033,181	65,527,611	(948,474)	-5.92%	(3,529,465)	-5.39%

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Lift On Lift Off (LOLO)	11,923,158	49,004,179	12,699,076	51,901,124	(775,918)	-6.11%	(2,896,945)	-5.58%
Port dues & charges	4,822,946	19,822,308	4,329,801	17,695,897	493,145	11.39%	2,126,411	12.02%

For 2023, the three main revenues of PPAP increased by KHR 4,299,999,000 (USD 1,231,247) or -3.18% compared to 2022.

2. Gross profit margin analysis

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

For The Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	34,558,511	142,035,480	36,411,932	148,815,567	(1,853,421)	-5.09%	(6,780,087)	-4.56%
Cost of Service								
Crane charge	3,177,869	13,061,042	3,260,793	13,326,861	(82,924)	-2.54%	(265,819)	-1.99%
Depreciation	3,870,671	15,908,458	3,151,067	12,878,411	719,604	22.84%	3,030,047	23.53%
Fuel and gasoline	1,422,842	5,847,881	1,826,353	7,464,305	(403,511)	-22.09%	(1,616,424)	-21.66%
Salaries and wage	2,481,132	10,197,453	2,070,401	8,461,729	410,731	19.84%	1,735,724	20.51%
Maintenance costs	1,557,217	6,400,162	1,394,321	5,698,590	162,896	11.68%	701,572	12.31%

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022		USD	%	KHR'000	%
	USD	KHR'000	USD	KHR'000				
Logistic Costs	153,769	631,991	282,045	1,152,178	(128,276)	-45.48%	(520,727)	-45.17%
Others	418,764	1,721,118	458,838	1,875,271	(40,074)	-8.73%	(154,153)	-8.22%
Total Cost of Service	13,082,264	53,768,105	12,443,818	50,857,885	638,446	5.13%	2,910,220	5.72%
Gross profit	<u>21,476,247</u>	<u>88,267,375</u>	<u>23,968,114</u>	<u>97,957,682</u>	<u>(2,491,867)</u>	<u>-10.40%</u>	<u>(9,690,307)</u>	<u>-9.89%</u>
Gross Profit Margin	62.14%	62.14%	65.82%	65.82%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by 3.68% from 65.82% in 2022 to 62.14% in 2023. The decrease is mainly due to the decrease of total revenue by KHR 6,780,087,000 (USD 1,853,421) or -4.56%. However, the total Cost of Service for 2023 increased by KHR 2,910,220,000 (USD 638,446) or 5.72% compared to 2022 due to the increase of cost of service from depreciation, maintenance costs, and salaries and wage.

3. Profit before tax analysis

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

For The Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022		USD	%	KHR'000	%
	USD	KHR'000	USD	KHR'000				
Gross profit	21,476,247	88,267,375	23,968,114	97,957,682	(2,491,867)	-10.40%	(9,690,307)	-9.89%
Other income	(98,296)	(403,997)	2,592,455	10,595,364	(2,690,751)	-103.79%	(10,999,361)	-103.81%

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
General administration expenses								
Salaries and other benefits	4,877,165	20,045,148	4,501,048	18,395,783	376,117	8.36%	1,649,365	8.97%
Utilities and fuel	659,320	2,709,805	671,154	2,743,006	(11,834)	-1.76%	(33,201)	-1.21%
Depreciation	722,964	2,971,382	736,462	3,009,920	(13,498)	-1.83%	(38,538)	-1.28%
Board of Directors' fee	245,478	1,008,915	246,331	1,006,755	(853)	-0.35%	2,160	0.21%
Donation expenses	765,100	3,144,561	571,414	2,335,369	193,686	33.90%	809,192	34.65%
Office supplies	223,353	917,981	203,538	831,860	19,815	9.74%	86,121	10.35%
Business entertainments	240,189	987,177	220,821	902,495	19,368	8.77%	84,682	9.38%
Repairs and maintenance	303,714	1,248,265	160,691	656,744	143,023	89.00%	591,521	90.07%
Communication expenses	77,665	319,203	69,091	282,375	8,574	12.41%	36,828	13.04%
Professional fee	73,092	300,408	45,699	186,772	27,393	59.94%	113,636	60.84%
Travelling expenses	94,050	386,546	66,097	270,138	27,953	42.29%	116,408	43.09%
Other tax expenses	93,340	383,627	79,719	325,812	13,621	17.09%	57,815	17.74%
Others	254,662	1,046,660	272,407	1,113,328	(17,745)	-6.51%	(66,668)	-5.99%
Lease receivable written off	58,984	242,424	0	0	58,984	100.00%	242,424	100.00%
Total general administration expenses	8,689,076	35,712,102	7,844,472	32,060,357	844,604	10.77%	3,651,745	11.39%
Operating profit	<u>12,045,954</u>	<u>49,508,871</u>	<u>18,129,351</u>	<u>74,094,658</u>	<u>(6,083,397)</u>	<u>-33.56%</u>	<u>(24,585,787)</u>	<u>-33.18%</u>

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Finance costs	148,482	610,261	175,585	717,616	(27,103)	-15.44%	(107,355)	-14.96%
Profit before income tax	<u>12,194,436</u>	<u>50,119,132</u>	<u>18,304,936</u>	<u>74,812,274</u>	<u>(6,110,500)</u>	<u>-33.38%</u>	<u>(24,693,142)</u>	<u>-33.01%</u>

For 2023, General and Administrative expenses increased by KHR 3,651,745,000 (USD 844,604) or +11.39% compared to 2022. The increased in General and Administrative expenses is due to the increased in salaries and other benefits, repairs and maintenance expense, professional feem and lease receivable written off, etc.

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 year (from 2016 to 2018).

For The Period Ended 31 December 2023 Compared to The Period Ended 31 December 2022

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	12,194,436	50,119,132	18,304,936	74,812,274	(6,110,500)	-33.38%	(24,693,142)	-33.01%
Income tax expense (b)	2,801,257	11,513,166	3,797,060	15,518,584	(995,803)	-26.23%	(4,005,418)	-25.81%
Net profit for the year	9,393,179	38,605,966	14,507,876	59,293,690	(5,114,697)	-35.25%	(20,687,724)	-34.89%

Description	2023		2022 (restatement)		Change			
	Period Ended 31 December 2023		Period Ended 31 December 2022		USD	%	KHR'000	%
	USD	KHR'000	USD	KHR'000				
Other comprehensive income	9,232,903	31,732,726	14,759,636	68,157,900	(5,526,733)	-37.44%	(36,425,174)	-53.44%
Effective tax rate (b)/(a)	22.97%	22.97%	20.74%	20.74%				

PPAP Earns Profit After Tax KHR 38,605,966,000 (USD 9,393,179) in 2023 and KHR 59,293,690,000 (USD 14,507,876) in 2022, representing a decrease of KHR 20,687,724,000 (USD 5,114,697) or -34.89%. The increase of effective tax rate of 2.23% from 20.74% in 2022 to 22.97% in 2023, due to the decrease of 33.01% of profit before income tax and the decrease of income tax expense KHR 4,005,418,000 (USD 995,803) or -25.81%.

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.

5.1. 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 500,000 TEUs annually as at 31st December, 2023. In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 400,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	2020	2021	2022	2023	Planning 2023
Container Terminal LM17 (TEUs)	290,857	348,898	417,696	396,225	470,000

5.2. 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, Sub-Feeder Multipurpose Terminal TS11, 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.

5.3. 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.

5.4. 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.

5.5. 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. Factors and trends analysis affecting financial conditions and results

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 transportation.

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 **21.29%** (7.18% from operation staff and 14.11% from administration staff and other benefits) of total revenue in 2023 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Staff salaries and other benefits

Another large portion of cost of service is crane charges which is **9.20%** of total revenue in 2023. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

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

3. Tax analysis

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

3.1. Tax on profit

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

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

C. Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent about **92%** of the total revenue in 2022. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of Flunctuation of Gasoline Price

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

E. Impact on Inflation

Increase in inflation rate may impact the expenditure and investment of the company because of the increase in price of commodity, thus diminish in purchasing power. According to Asian Development Bank (ADB), the Cambodia inflation rate is averaging of 3% in 2023 which we believe that it will not materially impact our financial position and operation of PPAP.

F. 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 9

**Other Necessary Information for
Investor Protection**

For 2023, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on result of business/services and finance (unaudited) performance of 2022
- Reviewed and revised the wording and content of the agreement on investment cooperation on the development of Sub Feeder Multi-purposes Terminal UM1 between PPAP and PTL S Cooperation Co., Ltd. before requesting approval from both guardian ministries
- Reviewed and allowed PPAP to request the Royal Government through the two Guardian Ministries for the principal to establish 7 terminals as mentioned
- Reviewed and allowed PPAP to study the plan to lease the land for the development project of Sub Feeder Multi-purpose Terminal at Kampong Leng district, Kampong Chhnang province, and request approval from the Board of Directors
- Acknowledged the audit report on compliance with laws and regulations of PPAP for the period 2021 by the National Audit Authority
- Reviewed and approved for PPAP to set the retirement age of employees at 60 years old
- Reviewed and supported the request to both guardians ministry to request to the Royal Government to appoint H.E Hei Bavy, Delegate of Royal Government of Cambodia in charge as Chairman and CEO of PPAP to be the Deputy Prime Minister in addition to the current position.
- Reviewed and approved on PPAP's financial statement of 2022
- Reviewed and approved on the incentive distribution to PPAP's employees and the profit to other fund for 2022
- Reviewed and approved on the plan of dividend distribution to shareholders (Class A and Class B) for 2022
- Reviewed and approved on the plan of remuneration package of the Board of Directors for 2023 and remuneration principle.
- Reviewed and approved on the organization of PPPA's 8th Gernerall Shareholder Meeting
- Reviewed and approved in principle for PPAP to participate in the bidding on the management of Kampot International Port and Chong Kneas Port, Siem Reap Province
- Acknowledged the report on the reserve of 3 land sites in Phnom Penh to build the national and international tourist port of PPAP
- Reviewed and discussed on the request to waive 50% of the ICD container land fee for 2 years from 2021 to 2022
- Reviewed and allow PPAP to Co-invested with Port Stevedoring Company Limited to equip 2 more crane at LM17 container terminal
- Acknowledged the report of the Memorandum of Understanding (MOU) between PPAP and the Busan Port Authority on the cooperation in domestic port operations, logistics and transportation.
- Reviewed and approved on result of business/services and finance (unaudited) performance for the 5 months of 2023
- Checked and instructed PPAP to await for the decision of the two Guardian Ministries on the request to develop the 7 Sub-Feeder Multipurpose Terminals before starting to develop any terminal.
- Checked and decided not to allow Chean Chhoeng Thai Group to transfer the leasing rights of 4,480 square meters of land to CSR Future Now Co., Ltd

- Reviewed and discussed the preliminary decision on the preparation of the Board of Directors of the draft strategy on public enterprise management reform
- Reviewed and acknowledged the report on the Terminal Operating System "TOS" of PPAP
- Reviewed and approved
 - The result of business/services and financial performance (unaudited) for the 9 months of 2023 and the estimated results of 2023 as well as the business/services and financial plan of PPAP for 2024.
 - Approved PPAP to transfer the budget amount of KHR 65,758,150 in 2023 into the 2024 planning for the construction plan Phase 4 at container terminal LM17 with the forecasted expense of KHR 87,150,000 in which PPAP proceeds to request approval from both guardian ministries, especially Ministry of Economic and Finance.
- Checked and approved the Accounting Policy of PPAP which required review for wordings and sentence correction to reach a comprehensiveness.
- Reviewed and approved an additional fee of USD 12,500.00 to KPMG for the reexamination of the beginning balance (opening and closing balance of 2022) of the Financial Statement from the 1st quarter to the 4th quarter of the year 2023.
- Reviewed and approved PPAP :
 - To proceed acquiring legal service from Bun & Associates to litigate SAAB until the end of 2023 with the expense amount of \$7,500.00 excluding VAT to troubleshoot the Terminal Operating System "TOS system" of PPAP.
 - To choose EANWOL company in providing the Terminal Operating System "TOS system" of LM17 and other terminals of PPAP.
- Reviewed and approved the result of business/services and financial performance (unaudited) for the first 11 months of 2023 and the estimated results of 2023 as well as the business/services and financial plan of PPAP for 2024.
- Checked and allowed PPAP to discount LOLO fee for \$2.00/unit and exempt holding cost of empty container (import/export) to customers from 01 January 2024 onward.
- Reviewed and approved procurement planning for 2024 and allowed PPAP to appoint Deputy Director General of Administration and Finance as a new Procurement Committee of PPAP from 01 January 2024 onward.
- Checked and allowed PPAP to develop quay infrastructure at Sub Feeder Multi-Purposes Terminal UM1 to utilize as quay pontoon for FCC which PPAP must review and include the condition into the agreement on investment cooperation on the development of the Sub Feeder Multi-purposes Terminal UM1 for consistency of the investment size and impact as well as request for review and approval from both guardian ministries (Ministry of Public Works and Transports and Ministry of Economic and Finance) on the agreement.
- Reviewed and allowed PPAP to create committee of inventory of state property (base year) and prepare trend comparison table of PPAP annually which include 11 attendees.

Signature of Director of the Listed Entity

Date...29/03/2024...
Read and Approved by:

Hei Bavy

H.E. HEI Bavy
Chairman of BOD
And CEO

Date...29/03/2024...
Read and Approved by:

Soun Rachana

H.E. Soun Rachana.
Member (Rep. of Ministry of
Public works&Transport)

Date...29/03/2024...
Read and Approved by:

Ken Sambath

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

Date...29/03/2024...
Read and Approved by:

Penn Sovicheat

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

Date...29/03/2024...
Read and Approved by:

Gui Anvanith

H.E. Gui Anvanith
Member (Independent
Director)

Date...29/03/2024...
Read and Approved by:

Pok Pheakdey

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

Date...29/03/2024...
Read and Approved by:

Kong Sothea

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

Appendix I
Phnom Penh Autonomous Port
2023 Annual Report
Annual Corporate Governance Report

Appendix I

Phnom Penh Autonomous Port 2023 Annual Report Annual Corporate Governance Report

Part 1. Shareholders

A. Shareholders Structure (as of December 31st, 2023)

1. Shareholders' Information

Description	Nationality	Type of Shareholders	Number of shareholders	Number of shares	%
Less than 5%	Cambodian	Individual	1,404	1,072,040	5.18%
		Cooperation	4	521,911	2.52%
	Foreigner	Individual	316	1,065,107	5.15%
		Cooperation	4	1,477,815	7.14%
From 5% to less than 30%	Cambodian	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A
	Foreigner	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A
From 30% above	Cambodian	Individual	N/A	N/A	N/A
		Cooperation	1	16,547,492	80%
	Foreigner	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A

2. Shareholders as Directors, Senior Officers, and Employees of PPAP

Shareholders	Number of shareholders	Number of shares	%
Directors	5	130,535	0.63%
Senior Officers	8	62,856	0.30%
Employees	42	46,949	0.23%
Total	55	240,340	1.16%

B. Rights of Shareholders and Protection of Shareholders

1. Rights of Shareholders

PPAP shareholder's rights are classified into 3 types as follows:

1.1. Rights of Shareholders Holding Class A Shares

- **Rights to Vote:** The shareholders holding Class A share shall be entitled to have full voting rights, with 1 share equal 1 vote.

- **Rights to Dividend:** The shareholders holding Class A share shall be entitled to dividend to be divided among the shareholders holding Class A share and Class B share according to the proportion of shares in each class. Minimum dividend shall be guaranteed only for the shareholders holding Class A share. This guaranteed minimum dividend shall be (distributed) in cash or share at 5% rate of the total Class A share before the Ex-dividend date multiplied by the price of share at the Initial Public Offering (IPO). The distribution of the minimum dividend shall be guaranteed within a period of 5 years from the time PPAP was listed on the Cambodia Securities Exchange. The guaranteed minimum dividend for Class A share shall be transferred from retained earnings by the resolution of the Board of Directors.

(Guaranteed minimum dividend calculated in cash = 5% × total Class A share held before Ex-dividend date × IPO price)

In case that PPAP distributes the guaranteed minimum dividend in share, the number of guaranteed minimum share shall be calculated by the guaranteed minimum dividend divided by the closing price, 1 trading day before the Ex-dividend date.

Number of guaranteed minimum share = guaranteed minimum dividend ÷ the closing price, 1 trading day before the Ex-dividend date)

In case that the guaranteed minimum dividend cannot be fully distributed in any fiscal year, the portion of the guaranteed minimum dividend shall be accumulated to the following year of to any appropriate time decided by the Board of Directors.

- **Rights to assets:** The shareholders holding Class A shall be entitled to obtain assets of PPAP remaining from liquidation dissolution or termination of business, respecting the preferential rights of shareholder holding Class C share.

1.2. Rights of Shareholders Holding Class B Shares

- **Rights to Vote:** The shareholders holding Class B share shall be entitled to fully vote, with 1 share equal 1 vote.
- **Rights to Dividend:** The shareholders holding Class A share shall be entitled to dividend to be distributed among the shareholders holding Class A share and Class B share according to the proportion of shares in each class. However, the shareholders holding Class B share shall not be entitled to share dividend within a period of 5 years from the time PPAP was listed on the Cambodia Securities Exchange and in case that the guaranteed minimum dividend has yet to be fully distributed to the shareholders holding Class A share.
- **Rights to assets:** The shareholders holding Class B share shall be entitled to assets of PPAP remaining from the liquidation, dissolution or termination of business, by respecting the preferential rights of the shareholders holding Class C share.

- **Rights to convert share:** The shareholders holding Class B share shall be entitled to make conversion in order to convert all their shares into Class A share, in which 1 Class B share can be converted into 1 Class A share, by complying with the following conditions:
 - The conversion shall be made for all and at the same time;
 - The minimum dividend guaranteed for a period of 5 years shall be fully distributed to the shareholders holding Class A share.
- **Rights to sell share:** The shareholders holding Class B share shall be entitled to sell Class B share on the Cambodia Securities Exchange or sell (share) to a third party only in case of compliance with the conditions the guaranteed minimum dividend within 5 years shall be fully distributed to the shareholders holding Class A share.

1.3. Rights of Shareholders Holding Class C Shares

- **Rights to Vote:** The shareholders holding Class C share is not entitled to vote, unless it is related to any of the following conditions:
 - Amendment to Articles of Incorporation: that directly or indirectly affects the privilege right, limitation and conditions associated with the class of share of the shareholders holding Class C share;
 - Request for merging PPAP with other legal entities;
 - Request for dissolution of PPAP;
- **Rights to assets:** In case of company dissolution, by will or law, the shareholder holding Class C share shall have the preferential right to obtain assets of PPAP, remaining from the liquidation, before shareholder holding Class A share and Class B share, obtaining distribution or payment in advance equivalent to the total amount according to the number of Class C share based on the par value.
- If the remaining asset from the company liquidation is not sufficient to settle in full as determined for Class C share, all remaining assets shall be divided only to shareholder holding Class C share.

Rights and characteristics of each class of share determined above may be changed by the General Shareholders Meeting with two-thirds (2/3) resolution, at the request of the Board of Directors.

1.4. Rights of Shareholders Holding Class C Shares

- **Pre-emptive Rights:** All existing shareholders shall have the pre-emptive rights to first acquire the new shares issued by PPAP in proportion to their respective shareholding, and those new shares fall into the same type of share with those they are holding.
- **Rights to information:** All shareholders have the rights to access corporate information related to PPAP according to the formalities stipulated in laws and relevant legal norms;
- Other rights of shareholders stipulated in laws on Commercial Enterprises.

2. Protection of Shareholders' Rights and the Company's Practice of the Protection of Shareholders' Rights

For 2023, PPAP's shareholders participated in the 8th General Shareholders Meeting on May 11th, 2023 to acknowledge the results achieved in 2022 and the future plan for 2023, and also participated in the vote to approve the dividends distributed to shareholders for 2022 and the Vote for Board of Directors Remuneration for 2023 and subsequent years until the end of 8th mandate.

3. Protection of Minority Shareholders' Rights and the Company's Practice of the Protection of Shareholders' Rights

PPAP's minority shareholders also received equal rights protection the same as other shareholders.

C. General Shareholders Meeting

1. Procedure of General Shareholders Meeting and the Election

The General Shareholder Meeting shall be held 1 (once) a year during the 1st quarter following the end of the fiscal year. The date and agenda of which shall be decided by Board of Directors.

The Extraordinary General Shareholder Meeting can be held only if there is a request (from shareholders) holding at least 51% (fifty-one percent) of Class A Share and Class B Share.

The request to convene a General Shareholders Meeting shall be submitted at least 21 (Twenty-one) days before the meeting day to the Board of Directors bearing the signature and agenda.

If the General Shareholders Meeting cannot be held in accordance with the procedures as stipulated above, each member of the Board of Directors or any shareholders entitled to vote in the General Shareholders Meeting or the Ministry of Commerce may request the court to convene the General Shareholders Meeting in accordance with any procedures which the court considers appropriate.

The General Shareholders Meeting shall be held under the presidency of the Chairman of the Board of Directors. In case that the Chairman of the Board of Director is absent, the Director-General shall act as the Chairman.

The Chairman of the General Shareholders Meeting shall not be entitled to vote unless he/she obtains the delegation of rights from any shareholder or he/she is the shareholders.

The General Shareholders Meeting shall be held at the registered office of PPAP unless otherwise decided by the Board of Directors as circumstances require.

The notice of the General Shareholders Meeting shall be made in writing and sent to the shareholders via letter or e-mail or any appropriate means specifying the date, time, venue and agenda.

The notice shall be sent to the voting shareholders, director, internal auditor and independent auditor of PPAP, at least 21 (twenty-one) days before the date of the General Shareholders Meeting.

2. Information of General Shareholders Meeting

No.	Date	Type of Meeting	Quorum	Agenda	Decision
1.	May 11 th , 2023	Ordinary	50+1	<ul style="list-style-type: none"> - Business results achieved in 2022 and future plan for 2023 - Request for review and approval on dividend distribution to shareholders for 2022 - The Vote for Director Remuneration for 2023 and subsequent years until the end of the 8th mandate. 	<ul style="list-style-type: none"> - Dividend distribution to shareholder for 2022 is 6.75% - The remuneration for 2023 and subsequent years until the end of 8th mandate is 1,152,000,000 (One billion one hundred and fifty-two million riel) per year.

D. Dividend Distribution

1. Dividend Policy

To encourage the investors who purchase Class A Share, PPAP has adopted a dividend policy with the minimum guaranteed dividend yield of 5% based on the IPO price for the period of 5 years after being listed. This minimum guaranteed dividend yield of 5% is only available for the shareholders of Class A Share. The Royal Government, which is holding Class B Share, and Class C Shareholders are not entitled to receive the guaranteed dividend. This minimum guaranteed dividend shall distribute in the form of cash or shares.

In case that the minimum guaranteed dividend distributed in cash, it shall be the 5% of total Class A share (holding before Ex-Dividend Date) multiplies by the IPO price.

If the minimum guaranteed dividend could not be made during any fiscal year, the unpaid amount will be accumulated to the following year or any appropriate time decided by the Board of Directors.

In case that the minimum guaranteed dividend distributed in share, the number of minimum guaranteed dividend shall be calculated by taking the minimum dividend guaranteed divided by the closing price 1 day before the Ex-Dividend Date.

Following approval of the annual financial statement by the Board of Directors, if there is profit, the Board of Directors of PPAP can decide to distribute the profit to:

- ❖ Settle payment for the loss of the previous fiscal year
- ❖ After settling payment for the loss of the previous fiscal year, and if there is still profit, the Board of Directors may distribute the profit as follows:
 - Appreciation to the management and employees according to the following conditions:

- In case the net profit remains from 5% to 10% of the total operating expense of PPAP in that year, the amount to show appreciation is equivalent to 1 month of the total annual average salary of the management and each employee;
 - In case the net profit remains from 10% to 20% of the total operating expense of PPAP in that year, the amount to show appreciation is equivalent to 2 months of the total annual average salary of the management and each employee;
 - In case the net profit remains at a rate exceeding 20% of the total operating expense of PPAP in that year, the amount to show appreciation is equivalent to 3 months of the total annual average salary of the management and each employee.
- Creation of 5% (of net profit) for legal reserve and 5% of net profit for free reserve;
 - 5% of profit for Corporate Social Responsibility (fund) which will be recorded as expense in this fiscal year when the operating expense is incurred;
 - Profit remaining after the above distribution shall be distributed as dividend to the shareholders according to the resolution of the Board of Directors;
 - The final remaining profit shall be transferred into the development fund of PPAP.

2. Historical Information on Dividend Distribution (for the last 3 years)

No.	Detail of dividend distribution	Year 2022	Year 2021	Year 2020
1	Announcement Date of Dividend Distribution	12 May 2023	11 May 2022	05 May 2021
2	Record date	25 May 2023	24 May 2022	20 May 2021
3	Dividend Payment Date	05 Jun 2023	02 Jun 2022	28 May 2021

Part 2. Board of Directors

A. Board of Directors

1. Board Composition

N.	Name	Position	Appointing Date	Ending Date
1	H.E. HEI Bavy	Chairman	June 27 th , 2022	June 27 th , 2025
2	H.E. SUON Rachana	Member	June 27 th , 2022	June 27 th , 2025
3	H.E. KEN Sambath	Member	June 27 th , 2022	June 27 th , 2025
4	H.E. PENN Sovicheat	Member	June 27 th , 2022	June 27 th , 2025
5	H.E. GUI Anvanith	Member	June 27 th , 2022	June 27 th , 2025
6	Mrs. POK Pheakdey	Member	June 27 th , 2022	June 27 th , 2025
7	Mr. KONG Sothea	Member	June 27 th , 2022	June 27 th , 2025

2. Directors Biography



H.E. HEI Bavy
Chairman and CEO
of Phnom Penh Autonomous Port

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** September 7th, 1955
- ❖ **Study Records**
 - 1974 High school graduation from Daun Penh High School
 - 2008 Graduated Master of Business Administration from Charles Sturt, Australia
 - 2009 Graduated PhD in Economic from Chamroeun Polytechnic University of Cambodia.
- ❖ **Work Experiences**
 - 1979 Started working at PPAP
 - 2000-Present Chairman and CEO of PPAP.



H.E. SUON Rachana
Member of the Board of Directors
Representative of Ministry of Public Works and Transport

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** June 7th, 1954
- ❖ **Study Records**
 - 1973 High school graduation from 18-March high school (Preah Yukunthor High School)
 - 1975 Graduated from Faculty of Medicine.
- ❖ **Work Experiences**
 - 2009 - Present Secretary of State, Ministry of Public Works and Transport
 - 2015 – Present Member of PPAP’s Board of Directors



H.E. KEN Sambath
Member of the Board of Directors
Representative of Ministry of Economy and Finance

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** February 7th, 1968
- ❖ **Study Records**
 - 1995 Graduated Master Degree of Economic from University of Lomonosov State, Russia
 - 2000 Graduated Master Degree of Public Policy from Saitama University, Japan
 - 2008 Graduated PhD of Economic from International University, England.
- ❖ **Work Experiences**
 - 2009 – 2013 Advisor and Deputy Director of the Cabinet of the Deputy Prime Minister and Minister of Economy and Finance
 - 2013 – Present
 - + Deputy Director General of General Department of Taxation
 - + Member of PPAP’s Board of Directors.



H.E. PENN Sovicheat
Member of the Board of Directors
Representative of Ministry of Commerce

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** November 1st, 1963
- ❖ **Study Records**
 - 1990 Graduated Bachelor Degree of Economic from Cambodia Institute of Economics
 - 1997 Graduated Master Degree of Business from New England University, Australia.
- ❖ **Work Experiences**
 - 1998 – 2000 Deputy Head of FTA system department
 - 2000 – 2007 Deputy Head of Intellectual Property Rights Department
 - 2007 – 2012 Head of Information and Legal Verification Department of Ministry of Commerce
 - Early 2012-2014 Deputy Director General of General Department of Domestic Trade
 - 2014 - Nov 2019 Director General of General Department of Domestic Trade, Ministry of Commerce
 - 2014 – Present
 - + Member of the National Committee for the Management of Intellectual Property Rights of Cambodia
 - + Member of PPAP’s Board of Directors.
 - Nov 2019 – Jan 2023 Under Secretary of State, Ministry of Commerce
 - Jan 2023 – Present Secretary of State, Ministry of Commerce



H.E. GUI Anvanith
Member of the Board of Directors
Independent Director

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** November 15th, 1953
- ❖ **Study Records**
 - 1959 - 1970 Graduated from Lycée Descartes High School, Phnom Penh, Cambodia
 - 1972 Graduated Mathematic in France Language from Stanislaus College of Montreal, Canada
 - 1976 Graduated B.A.Sc. of Industrial Engineering from Universite de Montreal Baccalaureate, Canada
 - 1980 Graduated Master of Business Management from Western Ontario University, London, Canada.
- ❖ **Work Experiences**
 - 1976 - 1978 Assistant of Technical Manager of Bechtel Quebec Ltd/ James Bay Energy Corporation
 - 1980 - 1982 Credit Analyst of Toronto Dominican Bank, Toronto, Canada
 - 1982 - 1983 Regional Officer of Toronto Dominican Bank, Toronto, Canada
 - 1983 - 1984 Assistant Director of Toronto Dominican Bank, Toronto, Canada
 - 1984 - 1986 Accounting Officer (Corporate and Government Bank) of Toronto Dominican Bank, Toronto, Canada
 - 1986 - 1988 Director of Accounting (Corporate and Government Bank) of Montreal Bank, Montreal City
 - 1988 - 1994 Assistant Treasurer of The Laurentian Group Corporation, Montreal
 - 1994 - 2004 Director and Chief in Section of Corporate of Credit Agricole Indosuez Bank, Phnom Penh
 - 2003 - 2004 Secretary General of Phnom Penh International Airport
 - 2004 - 2005 Head of Cabinet of Ministry of Public Works and Transport
 - Jun 2005 - Dec 2005 Senior Director, ANZ Royal Bank, Phnom Penh
 - Dec 2005 - Apr 2009 Deputy Director General and Member of the Board of Directors of Foreign Trade Bank (FTB)

- Apr 2009 - Jan 2019 General Director and Member of the Board of Directors
- Mar 2003 - Present Professor, Mekong Project Development Facility (MPDF)/IFC
- Jun 2016 - Present Member of the Board of Directors of PPAP
- Jan 2019 - Present Vice Chairman of FTB Board of Directors.



Mrs. POK Pheakdey
Member of the Board of Directors
Non-Executive Director, Representative of Private Shareholders

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** February 7th, 1982
- ❖ **Study Records**
 - 2002 Bachelor of Accounting and Finance, National University of Management
 - 2007 ACCA (Association of Chartered Certified Accountants) F1-F6
 - 2022 Associate Member of Chartered Certified Accountants, Australia
Associate Member of Institute of Public Accountants, Australia
- ❖ **Work Experiences**
 - Oct 2002 – June 2003 Internal Auditor, World Relief Cambodia/Credit Micro Finance
 - July 2003 – May 2005 Assistant Auditor, KPMG Cambodia Ltd
 - May 2006 – Mar 2008 Marketing Finance Executive, British American Tobacco (Cambodia)
 - July 2006 – Mar 2008 Management Accounting Manager, British American Tobacco (Cambodia)
 - Mar 2008 – Nov 2009 Finance Manager, ANZ Royal Bank (Cambodia)
 - Nov 2009 – April 2010 Senior Finance Manager, ANZ Royal Bank (Cambodia)
 - April 2010 – Aug 2019 Chief Financial Officer, ANZ Royal Bank (Cambodia)
 - Aug 2019 – Present Chief Financial Officer, J Trust Royal Bank

- Manage general obligations of PPAP
- Manage the process of the committee and commission using the context of the establishment of PPAP or the articles of incorporation of PPAP and create new committee if necessary
- Determine the number of the employees as approved for PPAP
- Regularly evaluate the level of achievement in regards to goals set by PPAP and introduce any necessary measures for improvement
- Approve the CEO's requests in regards to the changes in organizational structure, internal regulations of corporation, articles of incorporation, basic salary, bonus, allowance, and other benefits of the employees in accordance with to the effective law and regulations
- Plan recruitment, promotion, and remuneration of all members of the management
- Select and set the bonus for the commissioner of accounting
- Request to amend the Articles of Incorporation
- Review and determine the services business-related charges of PPAP
- Approve procurements in according to the effective law and regulation
- Determine the opening and closing of any necessary office/service, agent or representative branch to achieve the goals and duties of PPAP
- Approve any contracts that are not related to tariff and follow-up on the Announcement on the Procurement of Public Enterprise which the CEO needs to discuss with the Board of Directors.

5. Board of Directors Meeting

No.	Date	Type of Meeting	Name of Directors Attended the Meeting
1	February 27 th , 2023	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea
2	March 31 st , 2023	Extraordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea

No.	Date	Type of Meeting	Name of Directors Attended the Meeting
3	June 16 th , 2023	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea
4	October 06 th , 2023	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat H.E. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea
5	December 13 rd , 2023	Extraordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat H.E. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea

B. Board of Directors' Committees

1. Structure of the Board of Directors' Committees

1.1. Audit Committee

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Independent Director	Chairman	November 28 th , 2019	4	4
2	State Controller	Vice Chairman	November 28 th , 2019	4	
3	Deputy Director General of Administration/Finance	Member	November 28 th , 2019	4	
4	Head of Planning /Marketing Department	Member	November 28 th , 2019	4	

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
5	Head of Accounting /Finance Department	Member	November 28 th , 2019	4	
6	Head of Internal Audit Department	Member	November 28 th , 2019	4	
7	Staff of Internal Audit Department	Secretary	November 28 th , 2019	4	

Roles and Responsibilities of Audit Committee

- Review reports related to finance, operations and management
- Check the internal control of finance, operation and management
- Review the internal audit of finance, operations and management
- Examine the external audit
- Report to the Board of Directors
- Perform other duties as determined by the Board of Directors.

Performance of the Audit Committee

For 2023, the Audit Committee held 4 meetings as follows:

1. Session on January 24, 2023

- Review and discuss on key issues identified by BDO Independent Audit

2. Session on June 9, 2023

- Review and discuss the draft financial statements for the first quarter of 2023 after being audited by an independent auditor
- Review and approve the internal audit report for the first quarter of 2023.

3. Session on June 29, 2023

- Discuss on additional fees for reviewing the opening balance at the beginning of the year 2022 and end of 2022 for the first quarter to fourth quarter of fiscal year 2023 and annual 2023 with KPMG Company

4. Session on August 3, 2023

- Review and discuss the draft financial statements for the Second quarter of 2023 after being audited by an independent auditor
- Review and approve the internal audit report for the Second quarter of 2023

1.2. Remuneration and Nomination Committee

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Director, Representative of Ministry of Public Works and Transport	Chairman	November 28 th , 2019	N/A	N/A
2	Director, Representative of Ministry of Economic and Finance	Vice Chairman	November 28 th , 2019	N/A	N/A
3	Non-Executive Director, Representative of Private Shareholders	Member	November 28 th , 2019	N/A	N/A
4	Director, Representative of PPAP's Employees	Member	November 28 th , 2019	N/A	N/A
5	Head of Personnel/ HR Department	Member	November 28 th , 2019	N/A	N/A
6	Staff of Personnel/HR Department	Secretary	November 28 th , 2019	N/A	N/A

Roles and Responsibilities of Remuneration and Nomination Committee

- Review and recommend on the conditions and procedure for choosing candidate as Directors and Senior Officers
- Evaluate on the candidates as Director and Senior Officer to be submitted to the Board of Directors
- Review and modernize the mechanism and evaluate the work effectiveness of the Board of Directors and committees at least once a year.
- Organize the procedure, review and recommend of salary or bonus for Directors and Senior Officer
- Perform other duties as determined by the Board of Directors.

Performance of Remuneration and Nomination Committee

In 2023, the Remuneration and Nomination Committee of PPAP has no any performance yet.

1.3. Risk Management Committee

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Independent Director	Chairman	November 28 th , 2019	N/A	N/A
2	Chief Executive Officer	Vice Chairman	November 28 th , 2019	N/A	N/A
3	Director, Representative of Ministry of Economic and Finance	Member	November 28 th , 2019	N/A	N/A

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
4	Director, Representative of Ministry of Commerce	Member	November 28 th , 2019	N/A	N/A
5	Deputy Director General of Maritime Service/Traffic	Member	November 28 th , 2019	N/A	N/A
6	Deputy Director General of Business/ Operation	Member	November 28 th , 2019	N/A	N/A
7	Head of Planning/ Marketing Department	Member	November 28 th , 2019	N/A	N/A
8	Head of Corporate Secretary	Secretary	November 28 th , 2019	N/A	N/A

Roles and Responsibilities of Risk Management Committee

- Review the analysis of risks including: risk description, risk identification, risk estimation related to business/operation and finance
- Review the risk assessment related to business/operation and finance
- Review risk reporting related to business/operation and finance
- Review risk measures related to business/operation and finance
- Review risk monitoring related to business/operation and finance
- Perform other duties as determined by the Board of Directors.

Performance of Risk Management Committee

In 2023, the Risk Management Committee of PPAP has no any performance yet.

2. Changing of Committee Member

In 2023, there has no changed in PPAP's committee member.

C. Remuneration or Compensation

1. Brief Policies of Remuneration of Compensation for Directors and Senior Officers

Remuneration or compensation for Directors and Senior Officers of PPAP has been stated in PPAP's Staff Statute and PPAP's Article of Incorporation. Likewise, Member of the Board of Directors has the rights to receive remuneration or compensation in which the amount shall be decided by General Shareholders Meeting according to the request of the Board of Directors.

2. Remuneration or Compensation Receivers

(Unit: Thousand Riel)

No.	Directors	Position at PPAP	Remuneration for 2023
1	H.E. HEI Bavy	Chairman and CEO	279,070
2	H.E. SUON Rachana	Director	144,000

No.	Directors	Position at PPAP	Remuneration for 2023
3	H.E. KEN Sambath	Director	144,000
4	H.E. PENN Sovicheat	Director	144,000
5	H.E. GUI Anvanith	Independent Director	144,000
6	Mrs. POK Pheakdey	Non-Executive Director Representative of Private Shareholders	144,000
7	Mr. KONG Sothea	Employee Representative	279,070
Total			1,359,153

(Unit: Thousand Riel)

N.	Executive Directors	Position at PPAP	Remuneration for 2023
1	H.E. HEI Bavy	Chairman and CEO	279,070
2	Mr. KONG Sothea	Employee Representative	216,083
Total			459,153

(Unit: Thousand Riel)

No.	Senior Officers	Position at PPAP	Remuneration for 2023
1	H.E. HEI Bavy	Chairman and CEO	279,113
2	H.E. CHOUN Sokhem	Deputy Director General of Administration/Finance	95,391
3	Mr. KOY Bunthorn	Deputy Director General of Technical	96,571
4	Mr. HIEK Phirun	Deputy Director General of Maritime Service/Traffic	95,391
5	Mrs. HEI Phanin	Deputy Director General of Business/Operation	95,391
6	Mr. KONG Channy	Head of Corporate Secretary	89,783
7	Mr. KEO Sophanara	Head of Administration Department	71,723
8	Mr. KONG Sothea	Head of Internal Audit Department	216,083
9	Mrs. SENG Kunthea	Head of Personnel/HR Department	71,663
10	Ms. CHHEAV Vanthea	Head of Planning/Marketing Department	83,423
11	Mr. SAY Chantha	Head of Machinery Management Department	80,423
12	Mr. CHIEAP Vyraya	Head of Hydrographic Department	71,543
13	Mr. TOL Sokhom	Head of Harbor Department	71,832
14	Mr. CHHIV Songkaing	Head of Sub-Feeder Multipurpose Terminal UM1	71,723
15	Mr. HUN Sokhalay	Head of LM17 Operation Department	80,603

No.	Senior Officers	Position at PPAP	Remuneration for 2023
16	Mr. HOEU Song	Head of TS3 Operation Department	71,663
17	Mr. IM David	Head of Engineering Department	68,678
18	Mrs. MEAS Visal	Head of Sub-Feeder Multipurpose Terminal TS11	69,038
19	Mrs. KHOV Chansoma	Acting Head of Accounting/Finance Department	21,398
20	Mr. HENG Vutha	Acting Head of Sub-Feeder Multipurpose Terminal UM2	18,318
Total			1,819,678

(Unit: Thousand Riel)

No.	Highest Remuneration receiving Officers	Position at PPAP	Remuneration for 2023
1	Mr. OUK Poly	Manager of Personnel/Training Office	61,903
2	Mr. AY Samnang	Manager of Port Safety/Health/Environment Office	61,603
3	Mr. PRAK Samet	Manager of Domestic Port/Port Commercial Zone	55,579
3	Mr. SOK Channara	Manager of Harbor / AIS System Service	55,519
4	Mr. CHENG Srun	Manager of Project Monitoring / Implementation Unit	55,496
Total			289,252

D. Annual Performance Evaluation of Board of Directors, Directors, Committee and CEO

For 2023, PPAP has no performance evaluation on Board of Directors, Directors, Committee and CEO.

E. Training for Directors and Senior Officers

For 2023, Directors and Senior Officers of PPAP attended the training courses as follows:

No.	Name	Courses	Date of Attending	Venue
Local Training				
1	Ms. Chheav Vannthea	Training on Income Tax Skills and Tax Declaration Procedures	30 January 2023	National Tax School
2	Mr. Say Chantha	Training on Access Programming	31 January 2023	Master Information Technology Center
3	Ms. Chheav Vannthea Mrs. Meas Visal	Workshop on "Financial Reporting and Sustainability Disclosure"	23 February 2023	World Bank Office (Exchange Square)

No.	Name	Courses	Date of Attending	Venue
4	H.E. Chhuon Sokhem Ms. Chheav Vannthea Mrs. Meas Visal	workshop on the implementation of the updated action plan 2022-2023 for the three strategies	1 March 2023	MEF
5	Mrs. Hei Phanin Mr. Kong Channy Mr. Hun Sokhalay Ms. Chheav Vannthea	2nd Dissemination Workshop on "Public-Private Partnership Law and Joint Operations Management Procedures for Public-Private Partnership Projects	25 April 2023	Sofitel Hotel
6	H.E. Chhuon Sokhem Mr. Koy Bunthorn Mr. Heik Phirun Mrs. Hei Phanin Mr. Chhiv Songkaing Mrs. Meas Visal Mr. Kong Channy Ms. Chheav Vannthea Mr. Hun Sokhalay Mr. Kong Sothea Mr. Keo Sophanara Mr. Heou Song Mr. Say Chantha Mrs. Seng Kunthear Mr. Tol Sokhom	Training on the use of operating systems and action planning to achieve the PPAP Vision	3 May 2023	LM17
7	Ms. Chheav Vannthea	Workshop on the dissemination of Prakas on the implementation of corporate agreements and Prakas on the preparation of reports on the implementation of public procurement as international graduates	10 May 2023	Sofitel Hotel

No.	Name	Courses	Date of Attending	Venue
8	Ms. Chheav Vannthea	workshop on dissemination of legal documents related to the management of state assets and non-tax revenue	19 May 2023	Preah Sihanouk Province
9	Mr. Koy Bunthorn	Participate in the workshop on Advancing Geospatial Infrastructure of Organization with ArcGIS Technology	23 May 2023	Himawary Hotel
10	Ms. Chheav Vannthea	Participate in the training course on "Investment Potential over the Sustainable Bond of Cambodia"	6 June 2023	Non-Banking Financial Services Authority Building
11	Ms. Chheav Vannthea	consultation workshop on the preliminary draft of detailed joint guidelines on the public investment project cycle	7 June 2023	Raffles Le Royal Hotel
12	Ms. Chheav Vannthea Mrs. Meas Visal	consultation workshop on "Modernization of the state budget expenditure chain"	9 June 2023	Hyatt Regency Phnom Penh Hotel
13	Mrs. Meas Visal	Training on the basics of warehouse management organized by Cambodia Logistics Association	23-24 June 2023	Cambodia Logistics Association
14	Ms. Chheav Vannthea	25th training course in continuing education program in the securities sector	7-14 August 2023	Securities and Exchange Regulator of Cambodia
15	Mrs. Hei Phanin Mr. Hun Sokhalay Mrs. Seng Kunthear	consultative workshop with investors for the Kampot Tourism Port Project on Operation and Maintenance- O & M through a public-private partnership mechanism.	17 August 2023	Hyatt Regency Phnom Penh Hotel

No.	Name	Courses	Date of Attending	Venue
16	Ms. Chheav Vannthea	workshop "Disclosure of information about sustainability"	18 August 2023	Exchange Square
17	Mr. Heik Phirun Mr. Tol Sokhom	seminar to disseminate the sub-decree on "Port EDI"	21 August 2023	TS3
18	Ms. Chheav Vannthea	workshop to gather basic inputs to prepare a draft law on the management of public enterprises and state-owned shares	21 September 2023	Siem Reap Province
19	Mr. Hun Sokhalay	Participate in a consultation workshop to collect inputs for the feasibility study of the Phnom Penh Logistics Center Development Project (PP-CL)	25-26 September 2023	Hyatt Regency Phnom Penh Hotel
20	Mrs. Seng Kunthear	Participate in the training course on Success Plan	30 September 2023	HR
21	Mrs. Hei Phanin Ms. Chheav Vannthea	training workshop on Public-Private Partnership (PPP) project management in Cambodia to relevant ministries and institutions (Phase 1)	30 September 2023	Sofitel Hotel
22	Ms. Chheav Vannthea Mrs. Seng Kunthear	Consultative Workshop on the Draft Joint Guidelines on Public Financial Management of the Royal Government	4-5 October 2023	Sokha Hotel, Phnom Penh
23	Mr. Keo Sophanara	Participate in the Blueprint Consultative Workshop on State Property Management	6 October 2023	Phreah Sihanouk Province
24	Mr. Heik Phirun Mr. Tol Sokhom	National Workshop to Support Framework and Update on Draft National Emergency Plan in Response to Oil Spill	24-26 October 2023	Cambodiana Hotel

No.	Name	Courses	Date of Attending	Venue
25	H.E Chhuon Sokhem Mrs. Seng Kunthear	workshop on "Management and governance for public enterprises in Cambodia"	2-3 November 2023	Sofitel Angkor Phokeethra Golf and Spa Resort, Siem Reap
26	Mrs. Seng Kunthear	Participate in training on human resource management system strategy and KPI	8 November 2023- 8 March 2024	Online
27	H.E Hei Bavy Mr. Heik Phirun Mr. Hun Sokhalay Ms. Chheav Vannthea	Workshop on "Technical Workshop-Improving Regional Transport Connetivtiy and Logistics in Cambodia	23 November 2023	World Bank Office (Exchange Square)
28	Ms. Chheav Vannthea	Participate in Workshop on (Time Release Study-2023)	24 November 2023	National Tax School
29	Mr. Heik Phirun Mr. Tol Sokhom	Participate in Workshop on Technical Workshop Oil Spill Management (Enhancing Oil Spill preparedness and response in Cambodia through Collaboration)	5 December 2023	Fairfield by marriott Phnom Penh Hotel
30	Mr. Kong Sothea	Participate in the workshop on strengthening accountability between the external audit and the internal audit of the Kingdom of Cambodia	11 November 2023	Raffles Hotel Le Roya
31	Mrs. Hei Phanin Mrs. Seng Kunthear	Participate in the consultation workshop on the draft law on the management of public enterprises and state-owned shares	12 December 2023	Siem Reap
32	Mr. Tol Sokhom	Participated in the workshop on Dissemination of the results of the evaluation of the work of Chatalysak, the exercises and the update of the contingency plan, the second part	13-15 December 2023	Sokhom Hotel, Kampot

No.	Name	Courses	Date of Attending	Venue
33	Mrs. Seng Kunthear	Participate in training on managerial training	16 December 2023	Aceda Business Institute
Overseas Training				
1	H.E Hei Bavy	To Accompany Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia to Visit the Lao People's Democratic Republic	13-14 February 2023	Lao
2	Mr. Tol Sokhom Mr. Hun Sokhalay	Sit Visit at CMIT Terminal and SSIT Terminal in CAI MEP	27-30 March 2023	Vietnam
3	Mr. Tol Sokhom	Participated in the first training course for the Port Administration Capacity Building Project in the Kingdom of Cambodia	15-24 May 2023	Japan
4	Miss. Chheav Vannthea	Attend the ASEAN Securities and Exchange Commission (ACMF) Conference and the Sustainability Standards Board (ISSB) and the Joint Technical Training for Regulators on the "Sustainable Information Standards of the International Financial Reporting Standards (IFRS)"	27-28 June 2023	Singapore
5	Mr. Chiep Viraya Mr. Heik Phirun Mr. Tol Sokhom Mr. Hun Sokhalay Mrs. Hei Phanin	Online Workshop on "Siltation of Navigation Channels in Asian Region"	9 April 2023	PIANC-Japan (the World Association for Waterborne Transport Infrastructure)

No.	Name	Courses	Date of Attending	Venue
6	Mrs. Hei Phanin Mrs. Meas Visal Mrs. Seng Kunthear Mr. Hun Sokhalay Mr. Im David	Site Visit at Libher Company in Vietnam on CCTV Camera System and WIFI	20-22 September 2023	Vietnam
7	H.E Hei Bavy	Join the International Conference on "Building the Border, Peace, Friendship and Cooperation in All Fields of Cambodia-Laos"	02-05 October 2023	Lao
8	Mr. Heik Phirun	Workshop on "NextGEN Connect Workshop On the science of developing water transport action plans "	4 October 2023	Singapore
9	Mr. Tol Sokhom	Site Visit to Mekong River Commission Headquarters in Vieng Chan	16-18 November 2023	Lao

Part 3. Business Code of Ethics

A. Policy related to Code of Ethics for Directors, Senior Officer, and Employee

❖ Principle of Code of Ethics

This code of ethics serves as a code of conduct for staff in their capacity as Board members and also applies to senior officers employed by PPAP.

Code violations may result in sanctions imposed under the Procedures adopted by the Board. The principles and requirements that comprise the code and procedures are based on and are designed to ensure full compliance by PPAP and its officers, directors, and employees with Cambodian laws and regulations. At the same time, the code and procedures are not designed to supplant courts of law in the resolution of disputes.

Moreover, the checks and balances built into the code and procedures are designed to strike the proper balance between ensuring full compliance with the legal obligations described here and ensuring the integrity and efficacy of the code on the one hand and, on the other, the protection of Board members and senior officer, through the use of reasonable due process procedures, against patently false, malicious, or groundless accusations that could result in significant business or personal harm if not properly handled. The Directors and senior officer affirm their endorsement of the code and acknowledge their commitment to uphold its principles and obligations.

❖ Definitions

- Board** : refer to the Board of Directors of the Phnom Penh Autonomous Port.
- Director** : means a member of the Board, and may be an executive director, a non-executive director, or an independent director.
- Independent Director** : mean the independent members who satisfies the requirements of Chapter V of the Prakas on Corporate Governance for the Listed Public Enterprise (2010), and which are generally capable of carrying out their duties without conflicts of interest arising from their association with PPAP.
- Executive Director** : means a director who holds position as senior officer in PPAP.
- Non-Executive Director** : mean a director, who doesn't execute daily operation in PPAP, who is a non-executive director as the representative of private shareholders and public shareholders.
- Senior Officer** : means, individually or collectively as context requires, an employee of PPAP holding a position from head of department to chief executive officer, or equivalent, including the corporate secretary and head of internal audit and any other important positions of PPAP.

❖ **Legal Compliance**

Each member of the Board of Directors and all the Senior Officer must comply with all laws and regulations applicable in Cambodia.

❖ **Conduct of business**

Directors and Senior Management will conduct the business affairs of PPAP in good faith and with honesty, due diligence, integrity, and reasonable competence. It means that each Director or Senior officer:

- act with sufficient information about the subject matter related to a decision;
- act with good faith and proper purposes;
- act without personal interests which may affect their performance of their duties; and
- make decisions which the Director or Senior Officer is confident will truly serve the best interest of all shareholders.

Directors and Senior Officers shall not engage directly or indirectly in insider trading or unfair self-dealing. Directors and Senior Officers shall make a public announcement on his or her conflicts of interest related to PPAP. Directors and Senior Officers of PPAP shall not be allowed to trade PPAP's securities during the following periods:

- Ten (10) working days before the release of financial information to one (01) day after the release of financial information; and
- Seven (07) working days before a board meeting to one (01) day after the board meeting.

Directors and Senior Officers may enter into transactions on behalf of PPAP in which they have an interest where such Director or Senior Officer complies with all approved policies and procedures, and Cambodian laws and regulations.

❖ **Confidentiality**

Except as the Board may otherwise require or as otherwise required by law, no Director or Senior Officer shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of PPAP and each Director will uphold the strict confidentiality of all meetings and other deliberations and communications of the Board.

No Director or Senior Officer will use any information provided by PPAP or acquired as a consequence of the Director's service to PPAP in any manner other than in furtherance of his or her board duties. Special care must be taken when dealing with the company's results, forecasts and other financial information, know-how and technologies and human resources information. All employees – including all members of the Board of Directors and Senior Officer – are under a duty of confidentiality even after they leave PPAP.

❖ **Respect for employees**

Directors and Senior Officers will exercise proper authority and good judgment in their dealings with PPAP staff, suppliers, and the general public and will respond to the needs of PPAP's members in a responsible, respectful, and professional manner.

In general, the relationship that is formed among employees must be built on the principles of trust and mutual respect, with the aim of treating every person with dignity.

PPAP shall ensure its human resources policy is both fair and complies with the law. It will not tolerate any slander or discrimination. Any pressure, harassment, persecution or violence of a moral or sexual nature is prohibited.

These principles apply to all Directors and employees of PPAP regarding their conduct towards any person who is not employed by PPAP.

❖ **Protection of Assets**

Directors and Senior Officers must protect the integrity of PPAP's assets. This includes the furniture, property and intangible items as well as ideas, know-how elaborated by PPAP.

No Director or Senior Officer may misuse PPAP's property or resources for personal reasons or to benefit a third party, and will at all times keep PPAP's property secure and not allow any person not authorized by the Board to have or use such property.

❖ **Internal Audits**

Every member of Board of Directors and Senior Officer must adopt a transparent and honest approach when dealing with internal audits and inspections in order to ensure that any major weaknesses or shortcomings can be identified and corrected.

Nothing must be done to hamper any audit or inspection, whether conducted internally of by PPAP's auditors, and no information must be concealed. Any such practice is forbidden and constitutes a serious breach of this Code of Ethics.

❖ **Development Activities**

Each Director and Senior Officer will use his or her best efforts to regularly participate in professional development activities and will perform his or her assigned duties in a professional and timely manner pursuant to the Board's direction and oversight.

❖ **Interest of PPAP**

The Board of Directors and senior officers dedicate themselves to leading by example in serving the needs of PPAP.

The Directors must act at all times in the best interests of PPAP and not for personal or third-party gain or financial enrichment. All employees - including Directors and Senior Officers - must in all circumstances remain loyal to and act in the best interests of PPAP. They must refrain from any public defamation and attacks on the honor and honesty of PPAP and the professionalism of its work.

❖ **Conflict of interest**

PPAP's Directors and Senior Officers must ensure that any outside activity or personal interest is kept separate from their position at PPAP and does not influence their business judgment on PPAP's behalf. They need to use common sense and keep the interests of PPAP paramount at all times. In addition to avoiding actual conflicts of interests, they should avoid situations that could appear to be a conflict of interest.

When encountering potential conflicts of interest, Directors and Senior Officers will identify the conflict, make public announcement of the conflict of interest and, as required, remove themselves from all discussion and voting (if applicable) on the matter.

❖ **Corruption**

All employees of PPAP, including Directors and Senior Officers must not directly or indirectly provide a donation or gift, make a promise or provide any benefit to a public official or a citizen entrusted with a public mandate through election in order that such public official or elected public official: (i) performs any acts of his/her functions or facilitate any acts by using his/her functions; or (ii) refrain from performing his/her duties or facilitating any acts by using his/her function.

Directors and Senior Officers must not accept gifts which are offered or appear to be offered to such Director or Senior Manager as a result of their position at PPAP.

❖ **Political activity**

PPAP respects the commitments of members of the Board of Directors and Senior Officers, who, as citizens, wish to participate in public affairs, but PPAP shall at all times remain politically neutral. A Director or Senior Officer may, therefore, exercise their freedom of speech and political activity outside of working hours, at their own cost, and on a strictly personal basis.

Directors and Senior Officers must not morally involve PPAP in their personal activities. Directors and Senior Officers must not discuss their membership of PPAP in any political context.

❖ **Termination**

Upon termination of service, a retiring Director or Senior Officer will promptly return to PPAP all documents, electronic and hard files, reference materials, and other property entrusted to them for the purpose of fulfilling his or her job responsibilities. Such return will not abrogate the retiring Director or Senior Officer from his or her continuing obligations of confidentiality with respect to information acquired as a consequence of his or her tenure on the Board of Directors or high position in PPAP.

❖ **Interpretation**

Director or Senior Officer shall understand and strictly comply with the terms of this Code. If any Director or Senior Officer has a problem interpreting these rules, they should contact the legal division, allowing enough time for it to provide relevant advice or take a suitable decision.

❖ **Revision**

This code may be revised by the Board of Directors of PPAP in accordance with the disclosure requirement and applicable laws.

❖ **The Implementation of Code of Ethics**

This Board of Directors code of ethics was adopted by the Board of Directors of PPAP on August 27, 2015 and shall be effective upon the date that PHNOM PENH AUTONOMOUS PORT (PPAP) is approved for initial public offering by Securities and Exchange Commission of Cambodia (SECC) and listing on the Cambodia Securities Exchange (CSX). The Board shall take an appropriate measure in response to the code violation.

B. Publishing Code of Ethic to Directors, Senior Officers, and Employee

PPAP’s code of ethic has been shown in this Annual Corporate Governance Report in order to share to Directors, Senior Officers, Employee, Publics, and especially, PPAP’s investors. At the same time, PPAP also formally announced this code of conduct to all employees through orientation training by introducing the flow of operations and work, as well as the main points of the staff’s statute and code of ethic of PPAP.

C. Mechanisms and Procedures for Monitoring the Implementation of Code of Ethic

As of 2023, PPAP has no mechanisms and procedure for monitoring the implementation of the code of ethic yet. In the event of unethical practices by Directors and Senior officers, the Board of Directors shall review and find a solution. However, employees who make mistakes in violation of the staff statute and ethics will be examined and punished by the Disciplinary Council of PPAP.

D. Transaction with Related Parties

1. Policy for Monitoring Transaction with Related Parties

No.	Related Parties	Policies
1	Holding Company	N/A
2	Joint Venture	N/A
3	Subsidiary	N/A
4	Majority Shareholders and Controlling Shareholders	N/A
5	Director and Director’s family members	N/A
6	Employee and Employee’s family members	N/A

2. Important Transaction with Related Parties

As of 2023, there has no important transaction with related parties for PPAP.

Part 4. Risk Management, Internal Control, and Auditing

A. Summary of Risk Management System or Risk Management Policy

As of 2023, PPAP has no system for Risk Management or Risk Management Policy. As of 2023, PPAP has no official system for risk management or risk management policy yet since we are looking for expert services to prepare for us. In practice, in case of any risk, PPAP's management will meet and discuss to find any solutions before requesting a decision from the Board.

B. Summary of Internal Control

As of 2023, PPAP has no official system for internal control yet since we are looking for expert services to prepare for us. In practice, the Internal Audit Department is responsible for supervising, monitoring, and auditing quarterly and annually in the offices and departments of PPAP by reviewing the implementation of work following plans, statutes, and other legal documents.

C. Auditing

1. Internal Audit

1.1. Role and Responsibility of Internal Audit

- Conduct three-years audit strategic plan and annual plan
- Conduct quarterly & annual audit report
- Review on functions, work activities, and programs of PPAP during the fiscal year to comply with the procedures and policy of management as to properly implement on roadmap planning, assignments and examinations
- Determine the appropriateness of internal control results on Accounting, Administration, and Operations of PPAP
- Review on the reliability, punctuality, and accuracy of financial data & operations as well as methods for classification and report making on such data
- Review on existing systems to ensure that the procedures and regulations are legitimate, which particularly impact on the report conducting and operations and at the same time determine that the audited units are following the recommendations and making improvements in accordance with the provided guidelines
- Review on proper management, maintenance, protection, and validation of existing properties.
- Assessment on savings and the effectiveness on resources usage
- Review on operational programs and capital expenditure plan to ensure that the results are match with the objectives and goals
- Participate in project planning, development, implementation, and operations via computer systems to ensure that:
 - The consumers' demands are identified;
 - Internal control information is inputted;

- Testing on computer systems in a proper phase;
 - The copy of data from the input is fully and accurately implemented;
- Conducting auditing via electronic devices on current year, and the after installation assessment on the data processing systems to ensure that the set systems are functioning in accordance with set goals as well as providing safety and efficiency
 - Review on the procedures and the implementations on fraud risk assessment, in the case of fraud occurrence, the systems are able to address it on time;
 - Facilitate internal auditing in Corporation with National Audit Authority to ensure an appropriate workload and lessen the risk of duplicate auditing;
 - Conduct reports to the CEO, sending audit reports and making report conclusions to the National Audit Authority
 - Evaluate on projects or improvements on internal audit findings. In the case of inappropriate recommendations given, should the discussion be made to comply with acceptable suggestions
 - Provided with capability to monitor the improvements on the recommendations
 - The Head of Internal Audit Department conduct reports and verbally report to the PPAP management or the Audit Committee
 - Conduct and conclude audit reports, and send to units under its supervision as well as the National Audit Authority
 - Implement task & other obligations assigned by the management.

1.2. Appointment and Removal/Resignation of Head and/or Deputy Head of Internal Auditor

As of 2023, PPAP has appointed Mr. KONG Sothea to be Head of Internal Audit Department in stead of Mr. KEO Sophanara.

1.3. New Appointment of Head and/or Deputy Head of Internal Auditor

As of 2023, PPAP has not had any new appointment of head and/or Deputy head of internal auditor.

2. External Auditor

No.	Company name	Agreement Date	Auditing Fees	Non-audit Fees
1	KPMG Cambodia	Year 2023 to year 2027	<ul style="list-style-type: none"> • Year 2023 costs USD 55,022 • Year 2024 costs USD 58,443 • Year 2025 costs USD 62,711 • Year 2026 costs USD 67,287 • Year 2027 costs USD 77,737 	N/A

Part 5. Stakeholders

A. Identify Policies and Actions to the Followings:

No.	Description	Policies	Actions
1	Customer welfare	N/A	N/A
2	Suppliers and Subcontractors Selection	To implement in accordance with Procurement Procedure as determined in Sub-Decree No.105 ANKr.BK dated on 18 th October, 2006, on the Public Procurement	PPAP has been selecting suppliers and subcontractors through competitive bidding internationally /locally based on the amount of the expense plan), price consultation and assessment.
3	Management and Protection of Employees	Employees at PPAP are managed and protected under the Law on Labor and PPAP's Staff Statute.	During working hours, employees with sickness or incurred accidents are urgently sent to nearby hospital and then to be transferred to other specific hospital determined by the NSSF (National Social Security Fund).
4	Environment Protection	PPAP applies the principles of Safety, Health, and Environment to implement the environment protection.	PPAP has been implemented the existing principles to ultimately minimize all the negative environmental harms to the surrounding community.
5	Community Interaction	N/A	N/A
6	Creditors' Rights Protection	N/A	N/A
7	Anti-Corruption Program	At each and every PPAP's bidding procedure is strictly required the participation of a representative of Ministry of Finance and Economics and under the observation of officials from Anti-Corruption Unit.	During bidding, PPAP implement bidding procedure with the participation of a representative of Ministry of Finance and Economics and under the observation of officials from Anti-Corruption Unit.

B. Describe the Corporate Social Responsibilities of PPAP

No.	Beneficiary	Donation amount		Purpose of donation
		USD	KHR	
1	Kantha Bopha Hospital		KHR 100,000,000	Contribution
2	Red cross of Kandal Province Branch		KHR 10,000,000	
3	Red cross of Prey Veng Province Branch		KHR 10,000,000	
4	Red Cross Headquarters	USD 10,000		
5	Elderly care center of Rorka Chhour Pagoda	USD 124,000		
6	Residences for disadvantaged people in Prey Veng Province	USD 15,000		
7	Principal office building at Promol Prom High School	USD 72,000		
8	Preah Vihear province-based, 393 Battalion, Intervention Brigade 9	USD 5.080		
9	Phnom Penh International Port Checkpoint		KHR 50,000,000	
10	Handover ceremony of “Kambojika Putta Khemara Tarei” dragon boat “and boat storage “Kambojika Putta Khemara Tarei Storage” of Prey Veng Administration		KHR 10,000,000	
11	Commemorate the 25th Cambodian Day of Persons with Disabilities and the 41st International Day of Persons with Disabilities		KHR 10,000,000	
Total		USD 226,080	KHR 190,000,000	

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No.	Information	Yes/No	Reason
1	Visions/Missions/Objectives	Yes	N/A
2	Financial Indicator	Yes	
3	Non-financial Indicator	Yes	
4	Main Risk Factors	NO	As of 2023, PPAP has no analysis of main risk factors.
5	Dividend Policy	Yes	N/A
6	Biography of Directors	Yes	
7	Training for Directors	Yes	
8	Number of Board Meeting	Yes	
9	Attendance of Directors in Board Meetings	Yes	
10	Remuneration or Compensation for Directors and Senior Officers	Yes	

B. Describe the Mechanism of Disclosure Including Means, Procedures, and Responsible Person in Charge of Disclosure

PPAP is using disclosure method via Cambodia Securities Exchange (CSX) and PPAP Website. Those disclosures including timely information, periodic information, and voluntary information. The responsible person in charge of PPAP's disclosure is **Mrs. HEI Phanin**, Deputy Director of Business/Operation.

C. Investor Relations

1. Demonstrate Mechanisms and Procedures for Investor Relations

If there are any quires, PPAP's investors could contact to PPAP via E-mail and Telephone Number or visit our head office located at and with the phone number as follows:

- Email : ppapmpwt@online.com.kh
- Phone Number : 023 427 802
- Address : Building N.649, Preah Sisowat Street, Songkat Sras Chork, Khan Daun Penh, Phnom Penh.

2. Briefly Describe on Investor Relation for the Last Year.

As of 2023, PPAP has contacted with our investors via General Shareholders Meeting.

Appendix II

**Audited Financial Statements and
Independent Auditor's Report**

PHNOM PENH AUTONOMOUS PORT

Financial Statements
for the year ended 31 December 2023
and
Report of the Independent Auditors

Corporate information

Company	Phnom Penh Autonomous Port
Registration No	Co.7175 Et/2004
Registered office	No. 649, Preah Sisowat Quay Sangkat Sras Chork Khan Daun Penh Phnom Penh Kingdom of Cambodia
Majority shareholder	Ministry of Economy and Finance
Board of Directors	H.E. Hei Bavy, Chairman and Chief Executive Officer H.E. Suon Rachana, Member representing MPWT H.E. Ken Sambath, Member representing MEF H.E. Penn Sovicheat, Member representing MOC H.E. Gui Anvanith, Member as Independent Director Mrs. Pok Pheakdey, Member as Non-Executive Director representing of private shareholders Mr. Kong Sothea, Member representing of PPAP employees
Management team	H.E. Hei Bavy, Chief Executive Officer Mr. Mam Rithy, State Controller H.E. Choun Sokhem, Deputy Director General of Administration/Finance Mr. Hiek Phirun, Deputy Director General of Maritime Service/Traffic Mr. Koy Bunthorn, Deputy Director General of Technique Mrs. Hei Phanin, Deputy Director General of Business/Operation Mr. Kong Sothea, Head of Internal Audit Department Mr. Keo Sophanara, Head of Administration Department Mr. Seng Kunthea, Head of Personnel/HR Department Mr. Im David, Head of Engineer Department Mrs. Khov Chansoma, Acting Head of Accounting/Finance Department (appointed on 1 October 2023) Mr. Chiep Viraya, Head of Hydrographic Department Mr. Hun Sokhalay, Head of LM 17 Operation Department Mr. Prak Samit, Acting Head of Commercial Zone/Domestic Port Department Mr. Hoesu Song, Head of TS3 Operation Department Mr. Tol Sokhom, Head of Harbour Department Mr. Kong Channy, Head of Corporate Secretariat Ms. Chheav Vanthea, Head of Planning/Marketing Department (appointed on 1 October 2023) Mr. Chhiv Songkaing, Head of Sub-feeder Multi-purpose Terminal UM1 Mr. Say Chantha, Head of Machinery Management Department Mrs. Meas Visal, Head of Sub-Feeder Multipurpose Terminal TS11 Department (appointed on 1 October 2023) Mr. Heng Vutha, Acting Head of Sub-Feeder Multipurpose Terminal UM2 Department (appointed on 1 October 2023)

Corporate information (continued)

Principal bankers	ACLEDA Bank Plc. Advanced Bank of Asia Limited J Trust Royal Bank Plc. Chip Mong Commercial Bank Plc. Phnom Penh Commercial Bank Plc. Foreign Trade Bank of Cambodia Canadia Bank Plc. Bank of China Limited Phnom Penh Branch
Auditor	KPMG Cambodia Ltd

Phnom Penh Autonomous Port

Contentsp

	Pages
1. Report of the Board of Directors	1 – 6
2. Report of the Independent Auditors	7 – 11
3. Statement of financial position	12 – 14
4. Statement of profit or loss and other comprehensive income	15
5. Statement of changes in equity	16
6. Statement of cash flows	17 – 18
7. Notes to the financial statements	19 – 83



Phnom Penh Autonomous Port

N^o: 320/24.....PPAP

PHNOM PENH, Date: March 28th 2024

Report of the Board of Directors

The Board of Directors have pleasure in submitting their report together with the audited financial statements of Phnom Penh Autonomous Port ("PPAP" or "the Company") for the year ended 31 December 2023.

Principal activities

The Company is a legal entity with technical, administrative and financial autonomy and its main missions are port services and other related facilities.

The Company has the objectives to undertake the management, maintenance and operation of the port service as well as related port facilities in order to expand and develop for the need of commercial, industrial, or tourism sectors and takes all necessary measures for the growth of the Company.

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"), loading-unloading, and cargo storages;
- Transport goods within port area, between the port and industrial area;
- Provide bonded warehouse service, temporary customs warehouse service and container yard;
- Provide tug-boat assistance and mooring-unmooring service;
- Provide logistics supply, pure water, and hygiene service to vessel;

Phnom Penh Autonomous Port

Principal activities (continued)

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

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

There were no significant changes to these principal activities during the financial year.

Financial results

The financial results of PPAP for the year ended 31 December 2023 were as follow:

	US\$	2023 KHR'000 (Note 4)
Profit before tax	12,194,436	50,119,132
Income tax expense	<u>(2,801,257)</u>	<u>(11,513,166)</u>
Net profit for the year	<u>9,393,179</u>	<u>38,605,966</u>

Dividends

Dividends paid since the end of the previous financial year were as follows:

	US\$	2023 KHR'000 (Note 4)
In respect of financial year ended 31 December 2022:		
Class A first and final dividend paid on 5 June 2023	352,665	1,440,284
Class B first and final dividend paid on 5 June 2023	<u>789,344</u>	<u>3,223,681</u>
	<u>1,142,009</u>	<u>4,663,965</u>

Phnom Penh Autonomous Port

Dividends (continued)

Subsequent to the reporting date, in the Board of Directors meeting on 27 March 2024, the Board of Directors resolved to distribute the dividends in respect to the financial year ended 31 December 2023 to shareholders of each class of shares. The dividend for each class of share is as follows:

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

This dividend is subject to a voting approval from shareholders at the Annual Shareholder Meeting.

Share capital

The Company did not issue any shares during the current financial year.

Reserves and provisions

There was a transfer of US\$13,171,274 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 31 March 2023.

On 27 March 2024, the Board of Directors resolved to distribute the Company's net profit to legal reserve amounting to KHR1,930,298,000, general reserve amounting to KHR1,930,298,000, and to development fund amounting to KHR30,115,667,000.

Expected credit losses on trade and other receivables

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that action had been taken and satisfied themselves that all known bad trade and other receivables had been written off and that adequate allowance for expected credit losses on trade and other receivables had been made.

At the date of this report, the Directors are not aware of any circumstances, which would render the amount written off for bad trade and other receivables or the amount of allowance for expected credit losses on trade and other receivables in the financial statements of the Company, inadequate to any material extent.

Assets

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any assets, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company have been written down to an amount which they might be expected to realised.

At the date of this report, the Directors are not aware of any circumstances, which would render the values attributed to the assets in the financial statements of the Company misleading.

Phnom Penh Autonomous Port

Valuation methods

At the date of this report, the Directors are not aware of any circumstances which have arisen which render adherence to the existing method of valuation of assets and liabilities in the financial statements of PPAP misleading or inappropriate.

Contingent and other liabilities

At the date of this report, there is:

- (a) No change on the assets of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (b) Except as disclosed in Note 32 to the financial statements, no other contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of business.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

Change of circumstances

At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company, which would render any amount stated in the financial statements misleading.

The results of the operations of the Company for the financial year were not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

Nothing has arisen during the interval between the end of the reporting year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the results of the operations of the Company for the current financial year for which this report is made.

The Board of Directors

The Directors who served as of the date of this report are as follows:

H.E. Hei Bavy,	Chairman and Chief Executive Officer
H.E. Suon Rachana,	Member representing MPWT
H.E. Ken Sambath,	Member representing MEF
H.E. Penn Sovicheat,	Member representing MOC
H.E. Gui Anvanith,	Member as Independent Director
Mrs. Pok Pheakdey	Member as Non-Executive Director representing of private shareholders
Mr. Kong Sothea	Member representing of PPAP employees

Phnom Penh Autonomous Port

Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party with the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 28 to the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- (i) adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- (ii) comply with Cambodian International Financial Reporting Standards ("CIFRSs"), if there have been any departure in the interest of fair presentation, ensure these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) maintain adequate accounting records and an effective system of internal controls;
- (iv) prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- (v) set overall policies for the Company, ratify all decisions and actions by management that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.


Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms they have complied with the above requirements in preparing the financial statements.

Phnom Penh Autonomous Port

Approval of the financial statements

We hereby approve the accompanying financial statements together with the notes thereto as set out on pages 12 to 83 which, in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

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




H.E. Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

28 March 2024



Mrs. Khov Chansoma
Acting Head of Accounting/Finance Department 



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Report of the Independent Auditors

To the shareholders Phnom Penh Autonomous Port

Opinion

We have audited the financial statements Phnom Penh Autonomous Port (“PPAP” or “the Company”), which comprise the statement of financial position as at 31 December 2023, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 12 to 83 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Revenue Recognition	
The key audit matter	How the matter was addressed in our audit
<p>For the year ended 31 December 2023, the Company reported the total revenue of US\$34,558,511 (2022: US\$36,411,932). The Company's revenue is primarily derived from provision of port services.</p> <p>The risk of material misstatement pertaining to revenue recognition is determined as significant due to the intricate nature of the accounting requirements concerning the timing of revenue recognition, and the risk of management override to distort revenue transactions, aiming to achieve financial targets by recording fictitious transactions in the records. Consequently, we have determined that revenue recognition to be the key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Walkthroughs were performed to gain an understanding of processes and internal controls, and assessed the design and implementation of the Company's controls with respect to revenue recognition; - Testing journal entries posted to the revenue accounts in the general ledger that may seem irregular or unusual in nature; - Extending the cut-off testing beyond the periods normally covered to obtain evidence that revenue has been recognised in the correct accounting period in accordance with the revenue recognition criteria under CIFRS15; - On a sample basis, inspecting revenue transactions to the supporting documents, such as sales contract, sales order, price lists, invoices, official receipts, and proof of payment to obtain evidence about its existence and accuracy; - On a sample basis, evaluating validity of new customers by tracing the existence of the customers to their official website and checking their business registration information online; - Evaluating validity of long outstanding debtors by obtaining management explanations for any delays in payment and assessing the reasonableness of the provided justifications and confirming balances with long outstanding debtors directly through accounts receivable confirmations; and - Evaluating the adequacy of the financial statement disclosures.



Emphasis of Matter – Comparative Information

We draw attention to Note 31 to the financial statements which indicates that the comparative information presented as at and for the year ended 31 December 2022, and as at 1 January 2022 has been restated. Our opinion is not modified in respect of this matter.

Other Matter Relating to Comparative Information

The Company's financial statements for the year ended 31 December 2022 and 31 December 2021 (from which the statement of financial position as at 1 January 2022 has been derived), excluding the adjustments described in Note 31 to the financial statements, were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 31 March 2023 and 25 March 2022, respectively.

As part of our audit of the financial statements as at and for the year ended 31 December 2023, we audited the adjustments described in Note 31 that were applied to restate the comparative information presented as at and for the year ended 31 December 2022 and the statement of financial position as at 1 January 2022. We were not engaged to audit, review or apply any procedures to the financial statements for the year ended 31 December 2022 or 31 December 2021 (not presented herein) or the statement of financial position as at 1 January 2022, other than with respect to the adjustments described in Note 31 to the financial statements. Accordingly, we do not express an opinion or any other form of assurance on those respective financial statements taken as a whole. However, in our opinion, the adjustments described in Note 31 are appropriate and have been properly applied.

Other Information

Management is responsible for the other information. The other information obtained as of the date of this auditors' report is the information included in the Report of the Board of Directors as set out on pages 1 to 6, and annual report, which is expected to make available to us after that date. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For KPMG Cambodia Ltd

Yim Lundy
Engagement Partner

Phnom Penh, Kingdom of Cambodia

28 March 2024

Phnom Penh Autonomous Port

Statement of financial position as at 31 December 2023

	Notes	31 December 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>	US\$	KHR'000 (Note 4) <i>(Restated)</i>
ASSETS							
Non-current assets							
Property, plant and equipment	5	126,656,158	517,390,405	112,889,949	464,767,920	100,900,850	411,070,063
Intangible assets		131,982	539,146	-	-	-	-
Right-of-use assets.	6(a)	8,760,682	35,787,386	5,907,685	24,321,939	3,533,872	14,396,995
Lease receivables	6(b)	4,671,994	19,085,095	8,527,740	35,108,706	5,422,294	22,090,426
Investment properties	7	87,359,958	356,865,428	86,662,212	356,788,327	87,054,388	354,659,577
Other receivable	8	72,683	296,910	70,289	289,380	67,585	275,341
Other investments	10	15,000,000	61,275,000	15,000,000	61,755,000	10,000,000	40,740,001
		<u>242,653,457</u>	<u>991,239,370</u>	<u>229,057,875</u>	<u>943,031,272</u>	<u>206,978,989</u>	<u>843,232,403</u>
Current assets							
Inventories	9	801,808	3,275,386	714,982	2,943,581	352,114	1,434,512
Lease receivables	6(b)	430,585	1,758,940	650,694	2,678,907	295,721	1,204,767
Trade and other receivables	8	7,021,891	28,684,428	7,827,195	32,224,561	4,425,974	18,031,418
Cash and bank balances	10	3,898,509	15,925,409	7,294,089	30,029,764	8,646,814	35,227,120
		<u>12,152,793</u>	<u>49,644,163</u>	<u>16,486,960</u>	<u>67,876,813</u>	<u>13,720,623</u>	<u>55,897,817</u>
TOTAL ASSETS		<u>254,806,250</u>	<u>1,040,883,533</u>	<u>245,544,835</u>	<u>1,010,908,085</u>	<u>220,699,612</u>	<u>899,130,220</u>

Phnom Penh Autonomous Port

Statement of financial position (continued) as at 31 December 2023

	Notes	31 December 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$ <i>(Restated)</i>	KHR'000 (Note 4) <i>(Restated)</i>	US\$ <i>(Restated)</i>	KHR'000 (Note 4) <i>(Restated)</i>
EQUITY AND LIABILITIES							
EQUITY							
Share capital	11	114,453,485	457,813,940	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	12	155,502	622,008	155,502	622,008	155,502	622,008
Reserves	13	70,637,971	287,822,662	57,466,697	233,991,665	45,861,380	186,839,262
Retained earnings		9,798,425	40,091,294	14,878,805	60,639,024	12,805,966	51,862,847
Currency translation reserves		-	10,410,486	-	16,624,992	-	8,789,725
Total equity		195,045,383	796,760,390	186,954,489	769,691,629	173,276,333	705,927,782
LIABILITIES							
Non-current liabilities							
Other payable	14	36,830	150,451	83,650	344,386	33,793	137,672
Borrowings	15	14,489,819	59,190,911	16,559,793	68,176,668	18,629,767	75,897,671
Contract liabilities	16	13,050,000	53,309,250	13,350,000	54,961,950	13,650,000	55,610,100
Lease liabilities	6(a)	11,651,908	47,598,044	11,330,427	46,647,368	7,110,611	28,968,629
Provision for retirement benefits	17	563,762	2,302,968	362,023	1,490,449	555,829	2,264,447
Liability arising from joint arrangement	18	11,214,195	45,809,987	7,727,723	31,815,036	-	-
Deferred tax liabilities, net	19(d)	343,628	1,403,720	264,928	1,090,709	136,559	556,341
		51,350,142	209,765,331	49,678,544	204,526,566	40,116,559	163,434,860

Phnom Penh Autonomous Port

Statement of financial position (continued) as at 31 December 2023

	Notes	31 December 2023		31 December 2022		1 January 2022	
		US\$	KHR'000 (Note 4)	US\$ <i>(Restated)</i>	KHR'000 (Note 4) <i>(Restated)</i>	US\$ <i>(Restated)</i>	KHR'000 (Note 4) <i>(Restated)</i>
Current liabilities							
Trade and other payables	14	3,022,642	12,347,493	2,757,895	11,354,254	2,088,011	8,506,557
Borrowings	15	2,311,056	9,440,664	2,345,281	9,655,522	2,375,870	9,679,295
Lease liabilities	6(a)	613,391	2,505,702	380,296	1,565,679	356,608	1,452,821
Contract liabilities	16	300,000	1,225,500	300,000	1,235,100	300,000	1,222,200
Current income tax liabilities	19(b)	2,163,636	8,838,453	3,128,330	12,879,335	2,186,231	8,906,705
		<u>8,410,725</u>	<u>34,357,812</u>	<u>8,911,802</u>	<u>36,689,890</u>	<u>7,306,720</u>	<u>29,767,578</u>
Total liabilities		<u>59,760,867</u>	<u>244,123,143</u>	<u>58,590,346</u>	<u>241,216,456</u>	<u>47,423,279</u>	<u>193,202,438</u>
TOTAL EQUITY AND LIABILITIES		<u>254,806,250</u>	<u>1,040,883,533</u>	<u>245,544,835</u>	<u>1,010,908,085</u>	<u>220,699,612</u>	<u>899,130,220</u>

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

Phnom Penh Autonomous Port

Statement of profit or loss and other comprehensive income for the year ended 31 December 2023

	Note	2023		2022	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Revenue	21	34,558,511	142,035,480	36,411,932	148,815,567
Cost of services	22	(13,082,264)	(53,768,105)	(12,443,818)	(50,857,885)
Gross profit		<u>21,476,247</u>	<u>88,267,375</u>	<u>23,968,114</u>	<u>97,957,682</u>
Other (loss)/income	23	(98,296)	(403,997)	2,592,455	10,595,364
General and administrative expenses	24	(8,689,076)	(35,712,102)	(7,844,472)	(32,060,357)
Share of loss from joint arrangement		401,989	1,652,175	-	-
Impairment loss on trade and other receivables	8	(1,044,910)	(4,294,580)	(586,746)	(2,398,031)
Operating profit		<u>12,045,954</u>	<u>49,508,871</u>	<u>18,129,351</u>	<u>74,094,658</u>
Financial income	25	1,408,437	5,788,676	1,244,227	5,085,156
Finance costs	25	(1,259,955)	(5,178,415)	(1,068,642)	(4,367,540)
Financial income, net	25	<u>148,482</u>	<u>610,261</u>	<u>175,585</u>	<u>717,616</u>
Profit before tax		<u>12,194,436</u>	<u>50,119,132</u>	<u>18,304,936</u>	<u>74,812,274</u>
Income tax expense	19(c)	(2,801,257)	(11,513,166)	(3,797,060)	(15,518,584)
Net profit for the year		<u>9,393,179</u>	<u>38,605,966</u>	<u>14,507,876</u>	<u>59,293,690</u>
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurement of defined benefit liability	17	(200,345)	(823,418)	251,760	1,028,943
Related tax	19(c)	40,069	164,684	-	-
		<u>(160,276)</u>	<u>(658,734)</u>	<u>251,760</u>	<u>1,028,943</u>
Currency translation differences		-	(6,214,506)	-	7,835,267
Other comprehensive income, net of tax		<u>(160,276)</u>	<u>(6,873,240)</u>	<u>251,760</u>	<u>8,864,210</u>
Total comprehensive income for the year		<u>9,232,903</u>	<u>31,732,726</u>	<u>14,759,636</u>	<u>68,157,900</u>

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

Basic earnings per share	26	0.45	1.87	0.70	2.87
Diluted earnings per share	26	<u>0.45</u>	<u>1.87</u>	<u>0.70</u>	<u>2.87</u>

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

Phnom Penh Autonomous Port

Statement of changes in equity for the year ended 31 December 2023

	Share capital		Share premium		Reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January 2023	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	14,878,805	60,639,024	-	16,624,992	186,954,489	769,691,629
Transaction with the shareholders of PPAP												
Dividends (Note 27)	-	-	-	-	-	-	(1,142,009)	(4,663,965)	-	-	(1,142,009)	(4,663,965)
Transaction recognised directly in equity												
Transfer to reserves (Note 13)	-	-	-	-	13,171,274	53,830,997	(13,171,274)	(53,830,997)	-	-	-	-
Total comprehensive incomes												
Net profit for the year	-	-	-	-	-	-	9,393,179	38,605,966	-	-	9,393,179	38,605,966
Other comprehensive income	-	-	-	-	-	-	(160,276)	(658,734)	-	(6,214,506)	(160,276)	(6,873,240)
	-	-	-	-	-	-	9,232,903	37,947,232	-	(6,214,506)	9,232,903	31,732,726
Balance at 31 December 2023	114,453,485	457,813,940	155,502	622,008	70,637,971	287,822,662	9,798,425	40,091,294	-	10,410,486	195,045,383	796,760,390
Balance at 1 January 2022 (Restated)	114,453,485	457,813,940	155,502	622,008	45,861,380	186,839,262	12,805,966	51,862,847	-	8,789,725	173,276,333	705,927,782
Transaction with shareholders of PPAP												
Dividends	-	-	-	-	-	-	(1,081,480)	(4,394,053)	-	-	(1,081,480)	(4,394,053)
Transaction recognised directly in equity												
Transfer to reserves (Note 13)	-	-	-	-	11,605,317	47,152,403	(11,605,317)	(47,152,403)	-	-	-	-
Total comprehensive incomes												
Net profit for the year (Restated)	-	-	-	-	-	-	14,507,876	59,293,690	-	-	14,507,876	59,293,690
Other comprehensive income	-	-	-	-	-	-	251,760	1,028,943	-	7,835,267	251,760	8,864,210
	-	-	-	-	-	-	14,759,636	60,322,633	-	7,835,267	14,759,636	68,157,900
Balance at 31 December 2022 (Restated)	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	14,878,805	60,639,024	-	16,624,992	186,954,489	769,691,629

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

Phnom Penh Autonomous Port

Statement of cash flows for the year ended 31 December 2023

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash flows from operating activities				
Profit before tax	12,194,436	50,119,132	18,304,936	74,812,274
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	4,310,144	17,714,692	3,739,459	15,283,169
Depreciation of intangible assets	829	3,407	-	-
Depreciation of investment property	79,025	324,793	51,510	210,521
Depreciation of right-of-use assets	203,633	836,932	96,564	394,657
Interest expenses	1,197,414	4,921,371	1,068,642	4,367,540
Interest income from lease receivables	(293,422)	(1,205,964)	(216,348)	(884,214)
Interest from other investments and bank balances	(1,112,621)	(4,572,872)	(1,025,175)	(4,189,891)
Net unwinding effect of long-term deposit	(2,394)	(9,840)	(2,704)	(11,051)
Impairment loss on trade and other receivables	1,044,910	4,294,580	586,746	2,398,031
Loss/(Gain) from termination of sub- leasing right-of-use assets	1,529,904	6,287,906	(1,388,331)	(5,674,109)
Lease receivable written off	58,984	242,424	-	-
Loss on disposal of property, plant and equipment	-	-	11,930	48,758
Property, plant and equipment written off	-	-	8,309	33,959
Retirement benefits obligation (benefits)/expenses	(3,540)	(14,549)	87,848	359,034
Amortisation of liabilities from joint arrangement	(159,696)	(656,351)	-	-
	<u>19,047,606</u>	<u>78,285,661</u>	<u>21,323,386</u>	<u>87,148,678</u>
<i>Changes in working capital:</i>				
Inventories	(86,827)	(356,859)	(362,868)	(1,483,042)
Lease receivables	(95,745)	(393,512)	-	-
Trade and other receivables	(282,804)	(1,162,324)	(3,972,144)	(16,234,153)
Short-term fixed deposit	(13,993)	(57,510)	59,139	241,701
Trade and other payables	51,668	212,355	869,884	3,555,216
Contract liabilities	(300,000)	(1,233,000)	(300,000)	(1,226,100)
Cash generated from operations	18,319,905	75,294,811	17,617,397	72,002,300
Income tax paid	(3,579,824)	(14,713,077)	(2,669,458)	(10,910,075)
Withholding tax credit	(67,358)	(276,841)	(57,134)	(233,507)
Retirement benefits obligation paid	(8,781)	(36,090)	(29,894)	(122,177)
Net cash generated from operating activities	<u>14,663,942</u>	<u>60,268,803</u>	<u>14,860,911</u>	<u>60,736,541</u>

Phnom Penh Autonomous Port

Statement of cash flows (continued) for the year ended 31 December 2023

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash flows from investing activities				
Purchase of property, plant and equipment	(14,386,986)	(59,130,512)	(7,696,962)	(31,457,484)
Purchase of intangible assets	(132,811)	(545,853)	-	-
Purchase of investment property	(776,771)	(3,192,529)	(30,000)	(122,610)
Cash received from lease receivables	360,098	1,480,003	144,101	588,941
Proceeds from disposal of property, plant and equipment	-	-	3,355	13,712
Interest received	1,126,614	4,630,384	966,036	3,948,189
Withdrawal/(Placement) of fixed deposits	1,100,000	4,521,000	(6,100,000)	(24,930,700)
Net cash used in investing activities	<u>(12,709,856)</u>	<u>(52,237,507)</u>	<u>(12,713,470)</u>	<u>(51,959,952)</u>
Cash flows from financing activities				
Dividends paid	(1,142,009)	(4,693,657)	(1,081,480)	(4,420,009)
Interest paid	(1,019,634)	(4,190,696)	(1,297,337)	(5,302,216)
Payment of principal portion of lease liabilities	(18,049)	(74,181)	(151,375)	(618,670)
Repayments of borrowings	<u>(2,069,974)</u>	<u>(8,507,593)</u>	<u>(2,069,974)</u>	<u>(8,459,984)</u>
Net cash used in financing activities	<u>(4,249,666)</u>	<u>(17,466,127)</u>	<u>(4,600,166)</u>	<u>(18,800,879)</u>
Net decrease in cash and cash equivalents	(2,295,580)	(9,434,831)	(2,452,725)	(10,024,290)
Cash and cash equivalents at beginning of year	6,194,089	25,501,064	8,646,814	35,227,120
Currency translation differences	-	(140,824)	-	298,234
Cash and cash equivalents at end of year (Note 10)	<u>3,898,509</u>	<u>15,925,409</u>	<u>6,194,089</u>	<u>25,501,064</u>
Significant non-cash transaction from investing activities				
Acquisition of property, plant and equipment through liabilities from joint management	<u>3,689,367</u>	<u>15,163,299</u>	<u>7,684,524</u>	<u>31,406,650</u>

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

Phnom Penh Autonomous Port

Notes to the financial statements for the year ended 31 December 2023

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

1. Reporting entity

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

1. Reporting entity (continued)

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

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

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

As at 31 December 2023, PPAP had 775 employees (31 December 2022: 755 employees).

2. Basis of preparation

(a) Statement of compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Details of the Company’s material accounting policies are included in Note 3.

These financial statements were authorised for issue by the Company’s Board of Directors on 28 March 2024.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except if mentioned otherwise.

(c) Functional and presentation currency

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

These financial statements are presented in US\$, which is the Company’s functional currency. All amounts were rounded to the nearest dollars, unless otherwise indicated.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Basis of preparation (continued)

(d) Use of estimates and judgements

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

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

(i) Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Note 6 – lease term: whether the Company is reasonably certain to exercise extension options.

(ii) Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year are as follows:

- Note 8 – measurement of ECL allowance for trade and other receivables: key assumptions in determining the weighted-average loss rate.
- Note 17 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 32 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

(iii) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of CIFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) *Measurement of fair values (continued)*

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Information about the assumptions made in measuring fair values is included in the following notes:

- Note 7 Investment properties.
- Note 29 Financial instruments – fair values and risk management.

3. Material accounting policies

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, except if mentioned otherwise.

(a) Foreign currency transactions

Transactions in currencies other than US\$ are translated into US\$ at the exchange rates ruling at the dates of the transactions.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(a) Foreign currency transactions (continued)

Monetary assets and liabilities denominated in currencies other than US\$ at the reporting date are translated into US\$ at the exchange rates ruling at that date. Exchange differences arising on translation are recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rates as at the respective dates of initial transactions.

(b) Property, plant and equipment

(i) *Recognition and measurement*

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) *Subsequent expenditure*

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) *Depreciation*

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Computers	5 – 15 years
Office equipment and others	5 – 15 years
Furniture and fixtures	5 years
Motor vehicles	8 – 15 years
Machineries	10 – 15 years
Harbours and buildings	10 – 50 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Construction in progress is not depreciated until such time as the relevant assets are completed and put into operational uses.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(c) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) *As a lessee*

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise lease payment in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(c) Leases (continued)

(i) As a lessee (continued)

The lease liability is measured at amortised cost using the effective interest method. It is measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in substance fixed loan payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right of use assets and lease liabilities for leases of low value assets and short-term leases, including rental equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(ii) As a lessor

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies CIFRS 15 to allocate the consideration in the contract.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(c) Leases (continued)

(ii) As a lessor (continued)

The Company applies the derecognition and impairment requirements in CIFRS 9 to the net investment in the lease (see Note 3(h)(i)). The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Other income'.

(d) Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual term give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Non-derivative financial assets (continued)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Financial assets – Business model assessment (continued)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Non-derivative financial assets – Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) *Classification and subsequent measurement (continued)*

Non-derivative financial assets – Subsequent measurement and gains and losses (continued)

Other investments

Other investments are initially recognised at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method. These represent investment in long-term fixed deposits with banks in Cambodia with maturity of more than 3 months.

Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

(iii) *Derecognition*

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
- substantially all of the risks and rewards of ownership of the financial asset are transferred; or
- the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(iii) *Derecognition (continued)*

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) *Offsetting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the enforceable asset and settle the liability simultaneously.

(e) Investment properties

Investment properties are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose.

Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. Land is not depreciated.

Investment property is depreciated on a straight-line basis over their estimated useful lives of 5 to 50 years.

Rental income from investment properties is recognised as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

(f) Inventories

Inventories are measured at the lower of cost net realisable value. The cost of inventories is calculated based on the first-in, first-out allocation method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits with maturities of three months or less from the transaction date that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(h) Impairment

(i) *Non-derivative financial assets*

Financial instruments

The Company recognises loss allowances for expected credit loss (“ECLs”) on financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for cash and cash equivalents for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition, which is measured at 12-month ECLs. Loss allowance for trade and other receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company’s historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Company considers a financial asset to be default when:

- the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECL that result from default events that are possible within the 12 months after the reporting date (or shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(h) Impairment (continued)

(i) *Non-derivative financial assets (continued)*

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial assets.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is “credit-impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise; or
- it is probable that the debtor will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subjected to enforcement activities in order to comply with the Company’s procedures for recovery of amounts due.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(h) Impairment (continued)

(ii) *Non-financial assets*

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories) to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation and amortisation, if no impairment loss had been recognised.

(i) **Share capital – ordinary shares**

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

(j) **Borrowings**

Borrowings are recognised initially at the transaction price (that is, the present value of cash payable to the lenders, including transaction costs). Borrowings are subsequently stated at amortised cost. All borrowing costs are recognised in profit or loss in the period in which they are incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(k) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

(iii) Defined benefit obligation

The Company's net obligation in respect of defined benefit obligation is the discounting amount of future benefit that employees have earned in return for their service in the current and prior periods.

Remeasurement of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The company determines the interest expense on the net defined benefit liability for the year by applying the discount rate to measure the defined benefit obligations, take into account any changes in the net defined benefit liability during the year as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit obligations are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that related to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gain or loss on the settlement of defined benefit obligation when the settlement occurs.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(m) Revenue recognition

Revenue is recognised when the services are provided to the customers. Revenue is measured at the fair value of the consideration received or receivable, net of value added taxes.

(n) Finance income and finance costs

The Company's finance income and finance costs include interest income, interest expense and the foreign exchange gain or loss on financial assets and financial liabilities. Foreign exchange gain or loss is reported on a net basis as either finance income or finance cost depending on whether foreign exchange movements are in net gain or net loss position.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

(o) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except items recognised directly in equity or in other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under CIAS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset only if certain criteria are met.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(o) Income tax (continued)

(ii) *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered based on the business plan of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

(p) New and amended CIFRS Standards that are effective for the current year

(i) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CIAS 12)*

The Company has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CIAS 12)* from 1 January 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognise the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, an entity applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(p) New and amended CIFRS Standards that are effective for the current year (continued)

(i) *Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to CIAS 12) (continued)*

The Company previously accounted for deferred tax on leases and decommissioning liabilities by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognised on a net basis. Following the amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of CIAS 12. There was also no impact on the opening retained earnings as at 1 January 2023 as a result of the change. The key impact for the Company relates to disclosure of the deferred tax assets and liabilities recognised (see Note 19(d)).

(ii) *Material accounting policy information*

The Company also adopted *Disclosure of Accounting Policies (Amendments to CIAS 1 and CIFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and noted that there is no any update to the information disclosed in Note 3 Material accounting policies (2022: Significant accounting policies) as all accounting policies are in line with the amendments.

(q) New standards, amendments and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2023 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

3. Material accounting policies (continued)

(q) New standards, amendments and interpretations not yet adopted (continued)

The following amended standards and interpretations are not expected to have a significant impact on the Company's financial statements:

- *Non-current liabilities with Covenants* (Amendments to CIAS1) and *Classification of Liabilities as Current or Non-current* (Amendments to CIAS 1);
- *Lease liability in a Sale and Leaseback* (Amendments to CIFRS 16);
- *Supplier Finance Arrangements* (Amendments to CIAS7 and CIFRS7); and
- *Lack of Exchangeability* (Amendments to CIAS21).

4. Translation of the United States Dollars into Khmer Riel

The financial statements are expressed in United States Dollars ("US\$") which is the Company's functional currency. The translations of United States Dollars ("US\$") amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

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

The Company uses the following exchange rates:

Financial year end		Closing rate	Average rate
31 December 2023	US\$1	= KHR 4,085	KHR 4,110
31 December 2022	US\$1	= KHR 4,117	KHR 4,087
1 January 2022	US\$1	= KHR 4,074	N/A

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

5. Property, plant and equipment

2023	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	US\$	Total KHR'000 (Note 4)
Cost										
Balance at 1 January	34,928,635	1,586,632	1,519,314	61,588	2,065,448	29,430,016	63,027,742	8,282,902	140,902,277	580,094,676
Additions	193,871	42,693	22,699	-	2,450	-	263,145	17,551,495	18,076,353	74,293,811
Transfers	5,559,812	18,919	171,710	-	-	85,750	14,033,387	(19,869,578)	-	-
Written off	-	(397,784)	-	-	-	-	-	-	(397,784)	(1,634,892)
Currency translation differences	-	-	-	-	-	-	-	-	-	(4,950,839)
Balance at 31 December	<u>40,682,318</u>	<u>1,250,460</u>	<u>1,713,723</u>	<u>61,588</u>	<u>2,067,898</u>	<u>29,515,766</u>	<u>77,324,274</u>	<u>5,964,819</u>	<u>158,580,846</u>	<u>647,802,756</u>
Less: Accumulated depreciation										
Balance at 1 January	-	979,891	484,166	58,813	841,296	12,147,930	13,500,232	-	28,012,328	115,326,756
Depreciation for the year	-	221,527	128,969	401	140,878	2,025,825	1,792,544	-	4,310,144	17,714,692
Written off	-	(397,784)	-	-	-	-	-	-	(397,784)	(1,634,892)
Currency translation differences	-	-	-	-	-	-	-	-	-	(994,205)
Balance at 31 December	<u>-</u>	<u>803,634</u>	<u>613,135</u>	<u>59,214</u>	<u>982,174</u>	<u>14,173,755</u>	<u>15,292,776</u>	<u>-</u>	<u>31,924,688</u>	<u>130,412,351</u>
Carrying amounts										
Balance at 1 January	<u>34,928,635</u>	<u>606,741</u>	<u>1,035,148</u>	<u>2,775</u>	<u>1,224,152</u>	<u>17,282,086</u>	<u>49,527,510</u>	<u>8,282,902</u>	<u>112,889,949</u>	<u>464,767,920</u>
Balance at 31 December	<u>40,682,318</u>	<u>446,826</u>	<u>1,100,588</u>	<u>2,374</u>	<u>1,085,724</u>	<u>15,342,011</u>	<u>62,031,498</u>	<u>5,964,819</u>	<u>126,656,158</u>	<u>517,390,405</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

5. Property, plant and equipment (continued)

2022	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	US\$	Total KHR'000 (Note 4)
Cost										
Balance at 1 January (restated)	33,424,683	1,406,261	1,163,692	64,817	1,936,661	28,097,013	56,550,906	2,842,607	125,486,640	511,232,571
Additions	198,273	127,836	76,083	-	216,809	-	4,345,549	10,416,936	15,381,486	62,864,133
Transfers	935,013	98,329	325,031	-	-	1,486,981	2,131,287	(4,976,641)	-	-
Transfer from investment properties (Note 7)	370,666	-	-	-	-	-	-	-	370,666	1,514,912
Disposals	-	-	-	-	-	(153,978)	-	-	(153,978)	(629,308)
Written off	-	(45,794)	(45,492)	(3,229)	(88,022)	-	-	-	(182,537)	(746,029)
Currency translation differences	-	-	-	-	-	-	-	-	-	5,858,397
Balance at 31 December (restated)	<u>34,928,635</u>	<u>1,586,632</u>	<u>1,519,314</u>	<u>61,588</u>	<u>2,065,448</u>	<u>29,430,016</u>	<u>63,027,742</u>	<u>8,282,902</u>	<u>140,902,277</u>	<u>580,094,676</u>
Less: Accumulated depreciation										
Balance at 1 January	-	849,687	433,912	60,562	784,843	10,287,008	12,169,778	-	24,585,790	100,162,508
Depreciation for the year	-	175,998	92,789	1,480	139,123	1,999,615	1,330,454	-	3,739,459	15,283,169
Disposals	-	-	-	-	-	(138,693)	-	-	(138,693)	(566,838)
Written off	-	(45,794)	(42,535)	(3,229)	(82,670)	-	-	-	(174,228)	(712,070)
Currency translation differences	-	-	-	-	-	-	-	-	-	1,159,987
Balance at 31 December	<u>-</u>	<u>979,891</u>	<u>484,166</u>	<u>58,813</u>	<u>841,296</u>	<u>12,147,930</u>	<u>13,500,232</u>	<u>-</u>	<u>28,012,328</u>	<u>115,326,756</u>
Carrying amounts										
Balance at 1 January (restated)	<u>33,424,683</u>	<u>556,574</u>	<u>729,780</u>	<u>4,255</u>	<u>1,151,818</u>	<u>17,810,005</u>	<u>44,381,128</u>	<u>2,842,607</u>	<u>100,900,850</u>	<u>411,070,063</u>
Balance at 31 December (restated)	<u>34,928,635</u>	<u>606,741</u>	<u>1,035,148</u>	<u>2,775</u>	<u>1,224,152</u>	<u>17,282,086</u>	<u>49,527,510</u>	<u>8,282,902</u>	<u>112,889,949</u>	<u>464,767,920</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

5. Property, plant and equipment (continued)

(a) The depreciation charge was allocated as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cost of services	3,667,038	15,071,526	3,151,067	12,878,411
General and administrative expense	643,106	2,643,166	588,392	2,404,758
	<u>4,310,144</u>	<u>17,714,692</u>	<u>3,739,459</u>	<u>15,283,169</u>

(b) The title to the land with a carrying amount of US\$6,200,233 (2022: US\$2,384,559) is in the process of being issued by the authority.

6. Leases

(a) Company as lessee

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

(i) *Right-of-use assets*

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) (Restated)
Cost				
Balance at 1 January	6,130,269	25,238,317	3,659,892	14,910,400
Additions	389,213	1,599,665	4,594,338	18,777,059
Termination of sub-leases	2,667,417	10,963,084	3,645,221	14,898,018
Sub-leasing of right-of-use assets	-	-	(5,769,182)	(23,578,647)
Currency translation differences	-	(272,584)	-	231,487
Balance at 31 December	<u>9,186,899</u>	<u>37,528,482</u>	<u>6,130,269</u>	<u>25,238,317</u>
Less: Accumulated depreciation				
Balance at 1 January	222,584	916,378	126,020	513,405
Depreciation for the year	203,633	836,932	96,564	394,657
Currency translation differences	-	(12,214)	-	8,316
Balance at 31 December	<u>426,217</u>	<u>1,741,096</u>	<u>222,584</u>	<u>916,378</u>
Carrying amounts				
Balance at 1 January	<u>5,907,685</u>	<u>24,321,939</u>	<u>3,533,872</u>	<u>14,396,995</u>
Balance at 31 December	<u>8,760,682</u>	<u>35,787,386</u>	<u>5,907,685</u>	<u>24,321,939</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

6. Leases (continued)

(a) Company as lessee (continued)

(ii) Lease liabilities

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current	11,651,908	47,598,044	11,330,427	46,647,368
Current	613,391	2,505,702	380,296	1,565,679
	<u>12,265,299</u>	<u>50,103,746</u>	<u>11,710,723</u>	<u>48,213,047</u>

The following table sets out a maturity analysis of lease liabilities, showing the undiscounted lease payments after the reporting date.

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Less than one year	651,032	2,659,466	394,857	1,625,626
One to two years	552,987	2,258,952	651,032	2,680,299
Two to five years	1,658,962	6,776,860	1,658,962	6,829,947
More than five years	19,930,909	81,417,763	20,483,897	84,332,204
Total undiscounted lease liabilities	22,793,890	93,113,041	23,188,748	95,468,076
Unamortised lease liabilities	<u>(10,528,591)</u>	<u>(43,009,295)</u>	<u>(11,478,025)</u>	<u>(47,255,029)</u>
	<u>12,265,299</u>	<u>50,103,746</u>	<u>11,710,723</u>	<u>48,213,047</u>

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

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Balance at 1 January	11,710,723	48,213,047	7,467,219	30,421,450
Additions	389,213	1,599,665	4,594,338	18,777,059
Interest expense	478,555	1,966,861	290,579	1,187,596
Interest paid	(295,143)	(1,213,038)	(490,038)	(2,002,785)
Principal paid	(18,049)	(74,181)	(151,375)	(618,670)
Currency translation differences	-	(388,608)	-	448,397
Balance at 31 December	<u>12,265,299</u>	<u>50,103,746</u>	<u>11,710,723</u>	<u>48,213,047</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

6. Leases (continued)

(ii) Lease liabilities (continued)

Expenses relating to short-term leases and lower-value assets recognised in statement of profit or loss are as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Expenses relating to short-term leases and lower-value assets	<u>55,474</u>	<u>227,998</u>	<u>50,939</u>	<u>208,188</u>

(b) Company as lessor

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) (Restated)
Non-current				
Finance lease receivable (i)	4,620,874	18,876,270	8,527,740	35,108,706
Operating lease receivable (ii)	<u>51,120</u>	<u>208,825</u>	<u>-</u>	<u>-</u>
	<u>4,671,994</u>	<u>19,085,095</u>	<u>8,527,740</u>	<u>35,108,706</u>
Current				
Finance lease receivable (i)	358,583	1,464,812	650,694	2,678,907
Operating lease receivable (ii)	<u>72,002</u>	<u>294,128</u>	<u>-</u>	<u>-</u>
	<u>430,585</u>	<u>1,758,940</u>	<u>650,694</u>	<u>2,678,907</u>

(i) Finance lease

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

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) (Restated)
Non-current	4,620,874	18,876,270	8,527,740	35,108,706
Current	<u>358,583</u>	<u>1,464,812</u>	<u>650,694</u>	<u>2,678,907</u>
	<u>4,979,457</u>	<u>20,341,082</u>	<u>9,178,434</u>	<u>37,787,613</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

6. Leases (continued)

(b) Company as lessor (continued)

(i) Finance lease (continued)

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Less than one year	409,810	1,674,074	678,068	2,791,606
One to two years	215,150	878,888	381,857	1,572,105
Two to five years	645,450	2,636,663	1,202,849	4,952,129
More than five years	8,130,245	33,212,051	15,552,330	64,028,943
Total undiscounted lease receivable	9,400,655	38,401,676	17,815,104	73,344,783
Unearned finance income	(4,421,198)	(18,060,594)	(8,636,670)	(35,557,170)
	<u>4,979,457</u>	<u>20,341,082</u>	<u>9,178,434</u>	<u>37,787,613</u>

(ii) Operating lease

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

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Non-current	51,120	208,825	-	-
Current	72,002	294,128	-	-
	<u>123,122</u>	<u>502,953</u>	<u>-</u>	<u>-</u>

Rental income recognised by the Company during 2023 was US\$1,225,917 (2022: US\$862,403).

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

6. Leases (continued)

(b) Company as lessor (continued)

(ii) Operating lease (continued)

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payment to be received after the reporting date:

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Less than one year	1,008,042	4,117,853	1,000,346	4,118,424
One to two years	998,878	4,080,417	990,306	4,077,091
Two to five years	2,857,616	11,673,362	2,882,083	11,865,534
More than five years	28,481,456	116,346,748	29,400,742	121,042,856
	<u>33,345,992</u>	<u>136,218,380</u>	<u>34,273,477</u>	<u>141,103,905</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

7. Investment properties

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

	2023				2022			
	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)	Land US\$ <i>(Restated)</i>	Buildings US\$	Total US\$ <i>(Restated)</i>	Total KHR'000 (Note 4) <i>(Restated)</i>
Cost								
Balance at 1 January	85,762,296	1,510,578	87,272,874	359,302,420	86,132,962	1,480,578	87,613,540	356,937,562
Addition	-	776,771	776,771	3,192,529	-	30,000	30,000	122,610
Transfer to property, plant and equipment (Note 5)	-	-	-	-	(370,666)	-	(370,666)	(1,514,912)
Currency translation differences	-	-	-	(2,812,149)	-	-	-	3,757,160
Balance at 31 December	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>359,682,800</u>	<u>85,762,296</u>	<u>1,510,578</u>	<u>87,272,874</u>	<u>359,302,420</u>
Less: Accumulated depreciation								
Balance at 1 January	-	610,662	610,662	2,514,093	-	559,152	559,152	2,277,985
Depreciation for the year	-	79,025	79,025	324,793	-	51,510	51,510	210,521
Currency translation differences	-	-	-	(21,514)	-	-	-	25,587
Balance at 31 December	<u>-</u>	<u>689,687</u>	<u>689,687</u>	<u>2,817,372</u>	<u>-</u>	<u>610,662</u>	<u>610,662</u>	<u>2,514,093</u>
Carrying amounts								
Balance at 1 January	<u>85,762,296</u>	<u>899,916</u>	<u>86,662,212</u>	<u>356,788,327</u>	<u>86,132,962</u>	<u>921,426</u>	<u>87,054,388</u>	<u>354,659,577</u>
Balance at 31 December	<u>85,762,296</u>	<u>1,597,662</u>	<u>87,359,958</u>	<u>356,865,428</u>	<u>85,762,296</u>	<u>899,916</u>	<u>86,662,212</u>	<u>356,788,327</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

7. Investment properties (continued)

The fair value of investment property was determined by external and independent property valuers, with professional qualifications and experience in the location and category of the property being valued. The independent valuers provide that the fair value of the Company's investment property as at 31 December 2023 is approximately US\$443,259,966 (31 December 2022: US\$439,851,950).

The fair value measurement for all of the investment properties has been categorised as a level 2 fair value based on the inputs to the valuation technique used (see Note 2(d)(iii)).

The title to the land with a carrying amount of US\$1,347,300 (31 December 2022: US\$1,347,300) is in the process of being issued by the authority.

8. Trade and other receivables

	31 December 2023		31 December 2022	
	US\$	KHR'000	US\$	KHR'000
		(Note 4)		(Note 4)
			<i>(Restated)</i>	
Non-current				
<i>Other receivables</i>				
Deposit	<u>72,683</u>	<u>296,910</u>	<u>70,289</u>	<u>289,380</u>
Current				
<i>Trade receivables</i>				
Third parties	<u>8,075,496</u>	<u>32,988,401</u>	<u>5,545,813</u>	<u>22,832,112</u>
<i>Other receivables</i>				
Advances	39,144	159,903	23,563	97,009
Deposits	15,347	62,697	17,729	72,990
Other receivables	1,885,675	7,702,982	3,453,885	14,219,644
Prepayments	<u>161,005</u>	<u>657,705</u>	<u>163,624</u>	<u>673,640</u>
	<u>2,101,171</u>	<u>8,583,287</u>	<u>3,658,801</u>	<u>15,063,283</u>
Less: Allowance for impairment losses	<u>(3,154,776)</u>	<u>(12,887,260)</u>	<u>(1,377,419)</u>	<u>(5,670,834)</u>
	<u>7,021,891</u>	<u>28,684,428</u>	<u>7,827,195</u>	<u>32,224,561</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

8. Trade and other receivables (continued)

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

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	1,377,419	5,670,834	790,673	3,221,202
Recognised in profit or loss	1,044,910	4,294,580	586,746	2,398,031
Others	732,447	3,010,357	-	-
Currency translation differences	-	(88,511)	-	51,601
Balance at 31 December	<u>3,154,776</u>	<u>12,887,260</u>	<u>1,377,419</u>	<u>5,670,834</u>

The table in Note 29(b) (ii) provides information about the exposure to credit risk and ECLs for trade receivables as at reporting date.

9. Inventories

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Diesel oil	100,577	410,857	123,770	509,561
Lubricant oil	25,033	102,260	32,202	132,576
Spare parts	656,403	2,681,406	553,307	2,277,965
Stationery	19,795	80,863	5,703	23,479
	<u>801,808</u>	<u>3,275,386</u>	<u>714,982</u>	<u>2,943,581</u>

In 2023, inventories of US\$1,422,842 (2022: US\$1,826,353) were recognised as an expense and included in "cost of services".

10. Other investments, cash and bank balances

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current				<i>(Restated)</i>
Other investments – term deposit (*)	<u>15,000,000</u>	<u>61,275,000</u>	<u>15,000,000</u>	<u>61,755,000</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

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

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Current				
Cash on hand	12,540	51,226	6,746	27,772
<i>Cash at Bank:</i>				
Saving Account	2,183,434	8,919,328	705,125	2,903,000
Current Account	1,625,275	6,639,248	4,389,792	18,072,774
Term deposits (original maturity up to three months)	77,260	315,607	1,092,426	4,497,518
Term deposits (original maturity of less than 1 year)	-	-	1,100,000	4,528,700
	<u>3,898,509</u>	<u>15,925,409</u>	<u>7,294,089</u>	<u>30,029,764</u>

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

The Company has letter of credit ("LC") with Foreign Trade Bank ("FTB") amounting to US\$705,500 and US\$782,000. It is secured by the long-term fixed deposit which has maturity date on 3 May 2024 and 2 August 2024, respectively, for the purpose of acquiring of property, plant and equipment.

For purpose of the year ended statement of cash flows, cash and cash equivalents comprise the following:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Cash on hand	12,540	51,226	6,746	27,772
<i>Cash at Bank:</i>				
Current accounts	1,625,275	6,639,248	4,389,792	18,072,774
Savings accounts	2,183,434	8,919,328	705,125	2,903,000
Term deposits (original maturity up to three months)	77,260	315,607	1,092,426	4,497,518
	<u>3,898,509</u>	<u>15,925,409</u>	<u>6,194,089</u>	<u>25,501,064</u>

The Company has an overdraft facility with Foreign Trade Bank ("FTB") with a limit of US\$4,500,000. It is secured by the long-term fixed deposit, bore interest rate at 7% per annum and has the maturity date on 2 May 2024. There is no outstanding balance as at 31 December 2023 (31 December 2022: nil).

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

11. Share capital

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

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

12. Share premium

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

13. Reserves

	Legal reserve	General reserve	Development fund	Total	
	US\$	US\$	US\$	US\$	KHR'000 (Note 4)
Balance at 1 January 2023	3,174,446	3,174,446	51,117,805	57,466,697	233,991,665
Transfer from retained earnings (*)	<u>715,664</u>	<u>715,664</u>	<u>11,739,946</u>	<u>13,171,274</u>	<u>53,830,997</u>
Balance at 31 December 2023	<u>3,890,110</u>	<u>3,890,110</u>	<u>62,857,751</u>	<u>70,637,971</u>	<u>287,822,662</u>
Balance at 1 January 2022	2,539,054	2,539,054	40,783,272	45,861,380	186,839,262
Transfer from retained earnings	<u>635,392</u>	<u>635,392</u>	<u>10,334,533</u>	<u>11,605,317</u>	<u>47,152,403</u>
Balance at 31 December 2022	<u>3,174,446</u>	<u>3,174,446</u>	<u>51,117,805</u>	<u>57,466,697</u>	<u>233,991,665</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

13. Reserves (continued)

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

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

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

14. Trade and other payables

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
			<i>(Restated)</i>	
Non-current				
<i>Other payables</i>				
Deposit	<u>36,830</u>	<u>150,451</u>	<u>83,650</u>	<u>344,386</u>
Current				
<i>Trade payables</i>				
Third parties	642,102	2,622,986	547,510	2,254,098
Amount due to a related party (Note 28(c))	<u>219,974</u>	<u>898,594</u>	<u>81,706</u>	<u>336,384</u>
	<u>862,076</u>	<u>3,521,580</u>	<u>629,216</u>	<u>2,590,482</u>
<i>Other payables</i>				
Deposits	390,449	1,594,984	295,001	1,214,519
Seniority payable	-	-	130,859	538,747
Other tax payables	260,072	1,062,394	213,219	877,823
Other payables	<u>1,510,045</u>	<u>6,168,535</u>	<u>1,489,600</u>	<u>6,132,683</u>
	<u>2,160,566</u>	<u>8,825,913</u>	<u>2,128,679</u>	<u>8,763,772</u>
	<u>3,022,642</u>	<u>12,347,493</u>	<u>2,757,895</u>	<u>11,354,254</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

15. Borrowings

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) (Restated)
<i>Phnom Penh Port – New Container Terminal Project ("PPPNCTP") or Phnom Penh Port LM17</i>				
Non-current	14,489,819	59,190,911	16,559,793	68,176,668
Current	2,311,056	9,440,664	2,345,281	9,655,522
	<u>16,800,875</u>	<u>68,631,575</u>	<u>18,905,074</u>	<u>77,832,190</u>

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

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

Movements of Borrowings during the year were as follow:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) (Restated)
Balance at 1 January	18,905,074	77,832,190	21,005,637	85,576,965
Interest expense	690,266	2,836,993	776,710	3,174,414
Interest paid	(724,491)	(2,977,658)	(807,299)	(3,299,431)
Principal paid	(2,069,974)	(8,507,593)	(2,069,974)	(8,459,984)
Currency translation differences	-	(552,357)	-	840,226
Balance at 31 December	<u>16,800,875</u>	<u>68,631,575</u>	<u>18,905,074</u>	<u>77,832,190</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

16. Contract liabilities

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	13,050,000	53,309,250	13,350,000	54,961,950
Current	<u>300,000</u>	<u>1,225,500</u>	<u>300,000</u>	<u>1,235,100</u>
	<u>13,350,000</u>	<u>54,534,750</u>	<u>13,650,000</u>	<u>56,197,050</u>

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

17. Provision for retirement benefits

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Defined benefits obligation (a)				
Present value of defined benefits obligation	<u>440,823</u>	<u>1,800,762</u>	<u>235,835</u>	<u>970,933</u>
Other benefits (b)				
National Social Security Funds	<u>122,939</u>	<u>502,206</u>	<u>126,188</u>	<u>519,516</u>
	<u>563,762</u>	<u>2,302,968</u>	<u>362,023</u>	<u>1,490,449</u>

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

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	235,835	970,933	455,842	1,857,100
Current service costs (*)	25,836	106,186	61,647	251,951
Interest costs	13,715	56,369	-	-
Past service costs (*)	(29,376)	(120,735)	-	-
Benefits paid	(5,532)	(22,737)	(29,894)	(122,177)
Remeasurement	200,345	823,418	(251,760)	(1,028,943)
Currency translation differences	-	(12,672)	-	13,002
Balance at 31 December	<u>440,823</u>	<u>1,800,762</u>	<u>235,835</u>	<u>970,933</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

17. Provision for retirement benefits (continued)

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

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	126,188	519,516	99,987	407,347
Additional expenses (*)	-	-	26,201	107,083
Payment	(3,249)	(13,353)	-	-
Currency translation differences	-	(3,957)	-	5,086
Balance at 31 December	<u>122,939</u>	<u>502,206</u>	<u>126,188</u>	<u>519,516</u>

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

(a) Defined benefits obligation

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted average):

Assumption	2023	2022
Discount rate (*)	7%	6.3%
Salary growth rate	15% (gradually decrease to 5% from 2034 onwards)	16% (gradually decrease to 5% from 2034 onwards)
Mortality rate (**)	Thailand Morality Ordinary Life Table 2017	Thailand Morality Ordinary Life Table 2017
Disability rate	10%	10%
Turnover rate	1.1%	1.1%

(*) As information on Cambodia corporate of government bonds are not readily available, the Company has analysed the average long term deposit rates of major banks in Cambodia.

(**) Assumptions regarding future mortality are based on published statistics and mortality tables. As standard life tables are not available for Cambodia, the Company used the standard Thailand Mortality Ordinary Life Table 2017 (TM2017) without modification. The rates are published as a standard table TM2017. As those employed the formal sector are likely to experience better mortality than the general population, an allowance for this has been made.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

17. Provision for retirement benefits (continued)

(a) Defined benefits obligation (continued)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

<i>Effect in US\$</i>	31 December 2023		31 December 2022	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(11,612)	12,145	(3,714)	3,851
Salary growth rate (0.5% movement)	<u>24,078</u>	<u>(22,164)</u>	<u>328</u>	<u>(279)</u>

(b) Other benefits

The Company has paid an amount equal 3% of monthly basic salary to National Social Security Funds (NSSF) annually. After retirement, employees will get monthly retirements from NSSF.

18. Liability arising from joint arrangement

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

Sub-Feeder Multi-purpose Terminal TS11 ("TS11")

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

18. Liability arising from joint arrangement (continued)

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

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

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

19. Income tax

(a) Applicable tax rates

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

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

(b) Current income tax liabilities

Movement of current income tax liabilities during the year were as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
				<i>(Restated)</i>
At 1 January	3,128,330	12,879,335	2,186,231	8,906,705
Recognised in profit or loss	2,598,120	10,678,273	3,546,700	14,495,363
Under provision from prior year	84,368	346,752	121,991	498,577
Income tax paid	(3,579,824)	(14,713,077)	(2,669,458)	(10,910,075)
Withholding tax credit utilised	(67,358)	(276,841)	(57,134)	(233,507)
Currency translation difference	-	(75,989)	-	122,272
At 31 December	<u>2,163,636</u>	<u>8,838,453</u>	<u>3,128,330</u>	<u>12,879,335</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

19. Income tax (continued)

(c) Income tax expense

i. Amount recognised in profit or loss

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Current year	2,598,120	10,678,273	3,546,700	14,495,363
Change to estimates related to prior year	<u>84,368</u>	<u>346,752</u>	<u>121,991</u>	<u>498,577</u>
Current income tax	2,682,488	11,025,025	3,668,691	14,993,940
Deferred tax expense	<u>118,769</u>	<u>488,141</u>	<u>128,369</u>	<u>524,644</u>
	<u>2,801,257</u>	<u>11,513,166</u>	<u>3,797,060</u>	<u>15,518,584</u>

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

	2023			2022		
	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Profit before tax		<u>12,194,436</u>	<u>50,119,132</u>		<u>18,304,936</u>	<u>74,812,274</u>
Income tax expense at applicable tax rate	20.00	2,438,887	10,023,826	20.00	3,660,987	14,962,455
Non-deductible expenses	1.82	222,376	913,965	0.91	166,537	680,637
Change to estimates related to prior year	0.69	84,368	346,752	0.67	121,991	498,577
Effect of temporary differences	0.46	55,626	228,623	(0.83)	(152,455)	(623,085)
	<u>22.97</u>	<u>2,801,257</u>	<u>11,513,166</u>	<u>20.75</u>	<u>3,797,060</u>	<u>15,518,584</u>

ii. Amount recognised in OCI

	Before tax US\$	Tax benefit US\$	Net of tax	
			US\$	KHR'000 (Note 4)
31 December 2023				
Remeasurement of defined benefit liability	<u>(200,345)</u>	<u>40,069</u>	<u>(160,276)</u>	<u>(658,734)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

19. Income tax (continued)

(d) Deferred tax liabilities, net

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

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Deferred tax assets:				
Lease liabilities	2,453,060	10,020,750	2,342,145	9,642,611
Contract Liabilities	2,670,000	10,906,950	2,730,000	11,239,410
Provision for retirement benefits	72,683	296,910	72,405	298,091
Impairment loss on trade and other receivables	484,466	1,979,044	275,484	1,134,168
Remeasurement of defined benefit liability	40,069	163,682	-	-
Long-term deposits	-	-	16,730	68,877
	<u>5,720,278</u>	<u>23,367,336</u>	<u>5,436,764</u>	<u>22,383,157</u>
Deferred tax liabilities:				
Property, plant and equipment	(3,623,985)	(14,803,979)	(3,237,153)	(13,327,359)
Right-of-use assets	(1,752,137)	(7,157,480)	(1,181,537)	(4,864,388)
Lease receivables	(665,150)	(2,717,138)	(1,283,002)	(5,282,119)
Long-term deposits	(22,634)	(92,459)	-	-
	<u>(6,063,906)</u>	<u>(24,771,056)</u>	<u>(5,701,692)</u>	<u>(23,473,866)</u>
Deferred tax liabilities, net	<u>(343,628)</u>	<u>(1,403,720)</u>	<u>(264,928)</u>	<u>(1,090,709)</u>

Movement of net deferred tax liabilities during the year were as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
At 1 January	264,928	1,090,709	136,559	556,341
Recognised in profit or loss	118,769	488,141	128,369	524,644
Recognised in OCI	(40,069)	(164,684)	-	-
Currency translation difference	-	(10,446)	-	9,724
At 31 December	<u>343,628</u>	<u>1,403,720</u>	<u>264,928</u>	<u>1,090,709</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

19. Income tax (continued)

(e) Tax contingencies

On 7 September 2021, General Department of Taxation (“GDT”) has issued tax notification letter for comprehensive tax audit in respect of the period from 1 January 2020 to 31 December 2020. As at the date of this report, the Company has already submitted all documents to the GDT but has not yet received any further communication.

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

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

20. Commitments

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Capital and credit commitments				
<i>In respect of property, plant and equipment:</i>				
Contracted but not yet provided	2,117,855	8,651,438	1,896,145	7,806,429
Letter of credits (*)	<u>1,487,500</u>	<u>6,076,438</u>	<u>-</u>	<u>-</u>
	<u>3,605,355</u>	<u>14,727,876</u>	<u>1,896,145</u>	<u>7,806,429</u>

(*) On 14 December 2023, the Company entered into a letter of credit facility with Foreign Trade Bank (“FTB”) amounting to US\$705,500 and US\$782,000, which will be matured on 3 May 2024 and 2 August 2024, respectively, for the purpose of acquiring of property, plant and equipment.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

21. Revenue

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Stevedoring	15,084,707	61,998,146	16,033,181	65,527,611
Lift On Lift Off ("LOLO")	11,923,158	49,004,179	12,699,076	51,901,124
Port dues and charges	4,822,946	19,822,308	4,329,801	17,695,897
Logistics services	569,785	2,341,816	1,064,673	4,351,319
Gate fees	1,025,343	4,214,160	1,065,345	4,354,065
Trucking fee	595,859	2,448,980	174,111	711,593
Storage fees	496,884	2,042,193	997,480	4,076,701
Weighting fee	25,179	103,486	19,613	80,158
Stuffing/Unstuffing	14,650	60,212	26,000	106,260
Sand dredging management fee	-	-	2,652	10,839
	<u>34,558,511</u>	<u>142,035,480</u>	<u>36,411,932</u>	<u>148,815,567</u>

22. Cost of services

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Crane charges	3,177,869	13,061,042	3,260,793	13,326,861
Depreciation	3,870,671	15,908,458	3,151,067	12,878,411
Fuel and gasoline	1,422,842	5,847,881	1,826,353	7,464,305
Salaries and wages	2,481,132	10,197,453	2,070,401	8,461,729
Maintenance costs	1,557,217	6,400,162	1,394,321	5,698,590
Logistic costs	153,769	631,991	282,045	1,152,718
Others	418,764	1,721,118	458,838	1,875,271
	<u>13,082,264</u>	<u>53,768,105</u>	<u>12,443,818</u>	<u>50,857,885</u>

23. Other (loss)/income

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Rental income	1,225,917	5,038,519	862,403	3,524,641
(Loss)/Gain from (termination of) sub-leasing right-of-use assets	(1,529,904)	(6,287,906)	1,388,331	5,674,109
Others	205,691	845,390	341,721	1,396,614
	<u>(98,296)</u>	<u>(403,997)</u>	<u>2,592,455</u>	<u>10,595,364</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

24. General and administrative expenses

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Salaries and other benefits	4,877,165	20,045,148	4,501,048	18,395,783
Utilities and fuel	659,320	2,709,805	671,154	2,743,006
Depreciation	722,964	2,971,382	736,462	3,009,920
Board of Directors' fees	245,478	1,008,915	246,331	1,006,755
Donation	765,100	3,144,561	571,414	2,335,369
Office supplies	223,353	917,981	203,538	831,860
Business entertainment	240,189	987,177	220,821	902,495
Repair and maintenance	303,714	1,248,265	160,691	656,744
Communication expenses	77,665	319,203	69,091	282,375
Professional fees	73,092	300,408	45,699	186,772
Travelling expenses	94,050	386,546	66,097	270,138
Other tax expenses	93,340	383,627	79,719	325,812
Lease receivable written off	58,984	242,424	-	-
Others	254,662	1,046,660	272,407	1,113,328
	<u>8,689,076</u>	<u>35,712,102</u>	<u>7,844,472</u>	<u>32,060,357</u>

25. Financial income, net

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
<i>Finance income</i>				
Interest incomes from:				
Other investments and bank balances	1,112,621	4,572,872	1,025,175	4,189,891
Lease receivables	293,422	1,205,964	216,348	884,214
Others	2,394	9,840	2,704	11,051
Finance income	<u>1,408,437</u>	<u>5,788,676</u>	<u>1,244,227</u>	<u>5,085,156</u>
<i>Finance cost</i>				
Net loss on currencies exchange	<u>62,541</u>	<u>257,044</u>	<u>-</u>	<u>-</u>
Interest expenses from:				
Lease liabilities	478,555	1,966,861	290,579	1,187,596
Borrowings	690,266	2,836,993	776,710	3,174,414
Provision for retirement benefits	13,715	56,369	-	-
Others	14,878	61,148	1,353	5,530
	<u>1,197,414</u>	<u>4,921,371</u>	<u>1,068,642</u>	<u>4,367,540</u>
Finance cost	<u>1,259,955</u>	<u>5,178,415</u>	<u>1,068,642</u>	<u>4,367,540</u>
Financial income, net	<u>148,482</u>	<u>610,261</u>	<u>175,585</u>	<u>717,616</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

26. Earnings per share

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4) <i>(Restated)</i>
Profit attributable to ordinary equity holders	9,393,179	38,605,966	14,507,876	59,293,690
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	0.45	1.87	0.70	2.87
Diluted earnings per share	<u>0.45</u>	<u>1.87</u>	<u>0.70</u>	<u>2.87</u>

27. Dividends

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

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

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

28. Related party transactions and balances

(a) Identity of related party

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

28. Related party transactions and balances (continued)

(a) Identity of related party (continued)

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

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

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

(b) Significant transactions with related parties

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:				
<i>MEF</i>				
Interest expense	<u>690,266</u>	<u>2,836,993</u>	<u>776,710</u>	<u>3,174,414</u>
<i>MPWT</i>				
Donation and charities	31,633	130,011	29,727	121,495
Crane charge	<u>1,017,518</u>	<u>4,181,999</u>	<u>1,004,526</u>	<u>4,105,498</u>

(c) Significant balances with related parties

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:				
<i>MEF</i>				
Borrowing from shareholder (Note 15)	<u>16,800,875</u>	<u>68,631,575</u>	<u>18,905,074</u>	<u>77,832,190</u>
<i>MPWT</i>				
Amount due to a related party (Note 14)	<u>219,974</u>	<u>898,594</u>	<u>81,706</u>	<u>336,384</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

28. Related party transactions and balances (continued)

(d) Compensation of key management personnel

Key management compensation during the financial year are as follows:

	2023		2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Short term employee benefits	<u>895,938</u>	<u>3,682,305</u>	<u>745,903</u>	<u>3,048,506</u>

29. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value because their carrying amounts are a reasonable approximation of fair value.

	31 December 2023		31 December 2022	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Financial assets measured at amortised cost				
Lease receivables	5,102,579	20,844,035	9,178,434	37,787,613
Other receivables	72,683	296,910	70,289	289,380
Other investments	15,000,000	61,275,000	15,000,000	61,755,000
Trade and other receivables	6,821,742	27,866,820	7,640,008	31,453,912
Cash and bank balances	<u>3,898,509</u>	<u>15,925,409</u>	<u>7,294,089</u>	<u>30,029,764</u>
	<u>30,895,513</u>	<u>126,208,174</u>	<u>39,182,820</u>	<u>161,315,669</u>
Financial liabilities at amortised cost				
Other payable	36,830	150,451	83,650	344,386
Borrowings	16,800,875	68,631,575	18,905,074	77,832,190
Lease liabilities	12,265,299	50,103,746	11,710,723	48,213,047
Trade and other payables	<u>2,762,570</u>	<u>11,285,099</u>	<u>2,544,676</u>	<u>10,476,431</u>
	<u>31,865,574</u>	<u>130,170,871</u>	<u>33,244,123</u>	<u>136,866,054</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

29. Financial instruments – fair values and risk management (continued)

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity and cash flow risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(i) *Risk management framework*

The financial risk management objective of the Company 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 the Company. 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.

(ii) *Credit risk*

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

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

Recognition and measurement of impairment loss

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

Loss rates are based on actual credit loss experience over the past twelve months. The Company also considers economic conditions during the period over which the historic data has been collected and over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

There is impairment allowance amounting to US\$3,154,776 recognised for trade and other receivables at 31 December 2023 (31 December 2022: US\$1,377,419).

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

29. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at reporting date:

31 December 2023	Weighted average loss rate (%)	Gross carrying amount (US\$)	Loss allowance (US\$)
1 – 30 days	3.75%	2,120,641	78,232
31 – 60 days	5.30%	1,334,947	70,011
61 – 90 days	10.30%	1,150,421	115,104
91 – 120 days	30.16%	278,109	71,489
121 – 150 days	53.32%	256,760	136,242
151 – 180 days	90.36%	278,016	227,483
Over 180 days	100.00%	135,770	116,230
Specific provision	100.00%	2,520,832	2,339,985
Total		8,075,496	3,154,776

31 December 2022	Weighted average loss rate (%)	Gross carrying amount (US\$)	Loss allowance (US\$)
1 – 30 days	4.85%	2,299,472	126,824
31 – 60 days	6.51%	748,648	48,758
61 – 90 days	13.80%	794,838	82,028
91 – 120 days	28.23%	261,621	66,153
121 – 150 days	44.20%	47,449	18,422
151 – 180 days	74.35%	104,717	77,856
Over 180 days	100.00%	1,289,068	957,378
Total		5,545,813	1,377,419

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

29. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity and cash flow risk

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

The Company 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, the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's activities.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount US\$	Contractual cash flows				
		Gross outflow US\$	Less than 1 year US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
31 December 2023						
Other payable	36,830	(36,830)	(36,830)	-	-	-
Borrowings	16,800,875	(19,374,958)	(2,711,666)	(2,628,867)	(7,389,808)	(6,644,617)
Lease liabilities	12,265,299	(22,793,890)	(651,032)	(552,987)	(1,658,962)	(19,930,909)
Trade and other payables	2,762,570	(2,762,570)	(2,762,570)	-	-	-
	<u>31,865,574</u>	<u>(44,968,248)</u>	<u>(6,162,098)</u>	<u>(3,181,854)</u>	<u>(9,048,770)</u>	<u>(26,575,526)</u>
<i>KHR'000 equivalent (Note 4)</i>	<u>130,170,871</u>	<u>(183,695,291)</u>	<u>(25,172,171)</u>	<u>(12,997,874)</u>	<u>(36,964,224)</u>	<u>(108,561,023)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

29. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity and cash flow risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:
(continued)

	Carrying amount US\$	Contractual cash flows				
		Gross outflow US\$	Less than 1 year US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
31 December 2022						
Other payable	83,650	(83,650)	(83,650)	-	-	-
Borrowings	18,905,074	(22,169,422)	(2,794,465)	(2,711,666)	(7,638,204)	(9,025,087)
Lease liabilities	11,710,723	(23,188,748)	(394,857)	(651,032)	(1,658,962)	(20,483,897)
Trade and other payables	2,544,676	(2,544,676)	(2,544,676)	-	-	-
	<u>33,244,123</u>	<u>(47,986,496)</u>	<u>(5,817,648)</u>	<u>(3,362,698)</u>	<u>(9,297,166)</u>	<u>(29,508,984)</u>
<i>KHR'000 equivalent (Note 4)</i>	<u>136,866,054</u>	<u>(197,560,404)</u>	<u>(23,951,257)</u>	<u>(13,844,228)</u>	<u>(38,276,432)</u>	<u>(121,488,487)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

29. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iv) *Market risk*

Market risk is the risk that changes in market prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The foreign currency exchange risk of the Company arises from the transactions denominated in foreign currencies.

During the year, the Company's exposure to this risk, which normally arises from changes in foreign currency exchange rates, is minimal as most of its transactions are conducted in US\$.

Interest rate risk

Interest rate sensitivity is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company does not have any financial assets and financial liabilities subject to floating interest rate.

30. Segment Reporting

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

31. Restatement of comparative information

During the preparation of the financial statements for the year ended 31 December 2023, the management has identified errors in the prior years' financial statements relating to the following:

- A. Other investments – Non-current vs Current asset;
- B. Financial instrument measured at amortised cost;
- C. Present interest revenue as a separate line item in the statement of profit or loss and other comprehensive income;
- D. Present impairment loss as a separate line item in the statement of profit or loss and other comprehensive income;

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

During the preparation of the financial statements for the year ended 31 December 2023, the management has identified errors in the prior years' financial statements relating to the following: (continued)

- E. Leases;
- F. Classification and measurement of Property, plant and equipment ("PPE");
- G. Measurement of current tax income liabilities and deferred tax;
- H. Classification of inventory;
- I. Earnings per share;
- J. Corresponding impacts to Retained earnings; and
- K. Corresponding impacts on Statement of Cash flows.

The details of the adjustments are as follows:

A. Other investments – Non-current vs Current asset

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

Similarly, the placement of fixed deposit reported in cash from investing activities for the year ended 31 December 2022 was understated by US\$2,000,000.

B. Financial instrument measured at amortised cost

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

- The other receivables and cash and bank balances were overstated and understated by US\$91,244 and US\$32,114 as at 31 December 2022 and 2021, respectively; and
- The current other liabilities and borrowings were overstated and understated by US\$275,307 and US\$305,896 as at 31 December 2022 and 2021, respectively.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

In accordance with paragraph 82(a) of CIAS 1, the revenue items such as interest revenue calculated using the effective interest rate method shall be presented separately as a line item in the statement of profit or loss. However, the Company presented the interest income from deposits with financial institutions, lease receivables, and the unwinding effect of long-term deposit amount totalling to US\$1,273,710 as “other income” in the statement of profit or loss for the year ended 31 December 2022. Consequently, these amounts shall be reclassified to a separate line item as “Financial income” in the statement of profit or loss for the year ended 31 December 2022.

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

In accordance with paragraph 82(ba) of CIAS 1, items such as impairment loss (including reversal of impairment losses or impairment gain) determined in accordance with the section 5.5 of CIFRS 9 shall be presented separately as a line item in the statement of profit or loss. However, in relation to the trade and other receivables, the Company has presented the impairment gain and losses amounting to US\$77,685 under “Other income” for the year ended 31 December 2022 and US\$664,431 under “General and administrative expenses” for the year ended 31 December 2022. Consequently, the balance of these amounts shall be reclassified to a separate line item as “Impairment loss on trade and other receivables” amount netting to US\$586,746 in the statement of profit or loss for the year ended 31 December 2022.

E. Leases

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

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

As at 31 December 2021:

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

E. Leases (continued)

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

As at 31 December 2022:

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

For the year ended 31 December 2022:

- The depreciation expense was understated by US\$2,043.
- The interest expenses were overstated by US\$17,896.

(ii) Recognition and measurement of sub-leases transactions

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

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

As at 31 December 2021:

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

E. Leases (continued)

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

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

As at 31 December 2022:

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

For the year ended 31 December 2022:

- The net income from sub-leasing of right-of-use assets was overstated by US\$1,519,192.
- Other rental income was understated US\$258,274.
- The general and administrative expenses was overstated by US\$1,129,821.
- The Interest income were overstated by US\$29,483.

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

(i) Classification of concession assets vs. PPE

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

(i) Classification of concession assets vs. PPE (continued)

Similarly, the significant non-cash transaction from investing activities on acquisition of property, plant and equipment through this joint arrangement for the development of TS11 and UM2 for the year ended 31 December 2022 was understated by US\$7,684,524.

(ii) Measurement of the PPE

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

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

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

G. Measurement of current income tax liabilities and deferred tax

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

As at 31 December 2021:

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

G. Measurement of current income tax liabilities and deferred tax (continued)

As at 31 December 2022:

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

For the year ended 31 December 2022:

- The income tax expense was overstated by US\$339,310.

H. Classification of inventory

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

I. Earnings per share

As a result from items E and G above, the earnings per share and diluted earnings per share for the year ended 31 December 2022 was consequently adjusted to US\$0.70 per share.

J. Corresponding impacts to Retained earnings

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

K. Corresponding impacts on Statement of Cash flows

For the year ended 31 December 2022:

Operating activities:

The trade and other receivables, and liability arising from joint arrangement were overstated by US\$43,199.

The short-term fixed deposits was understated by US\$59,139.

The income tax paid and withholding tax credit were overstated and understated by US\$57,134, respectively.

As a result from the above restatement including items B, C, D, E, and H, the cash generated from operating activities were overstated by US\$392,161.

Investing activities:

The cash received from lease receivables was understated by US\$144,101.

The interest received and trade and other receivables were understated by US\$403,193.

As a result from the above restatement including items A and E, the net cash used in investing activities for the year ended 31 December 2022 was overstated by US\$1,452,706.

Financing activities:

As a result from the above restatement E, the interest paid portion was understated by US\$490,038 and the principal portion payment for lease liability was overstated by US\$394,035. Consequently, the net cash from financing activities was overstated by US\$96,003.

Cash and cash equivalents at beginning of year:

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

Cash and cash equivalents at end of year:

As a result from the above restatement B, the cash and cash equivalents were understated by US\$91,244 as at 31 December 2022.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

Items	31 December 2022				1 January 2022				
	Previously reported US\$	Adjustments US\$	As restated US\$	As restated KHR'000 (Note 4)	Previously reported US\$	Adjustments US\$	As restated US\$	As restated KHR'000 (Note 4)	
Statement of financial position									
Equity									
Retained earnings	J	<u>14,565,043</u>	<u>313,762</u>	<u>14,878,805</u>	<u>60,639,024</u>	<u>12,686,797</u>	<u>119,169</u>	<u>12,805,966</u>	<u>51,862,847</u>
Liabilities									
Non-current liabilities									
Other payable	E(ii)	35,145	48,505	83,650	344,386	33,793	-	33,793	137,672
Lease liabilities	E(i)	11,566,801	(236,374)	11,330,427	46,647,368	6,778,885	331,726	7,110,611	28,968,629
Liability arising from joint arrangement	F	8,178,292	(450,569)	7,727,723	31,815,036	-	-	-	-
Deferred tax liabilities, net	G	<u>271,230</u>	<u>(6,302)</u>	<u>264,928</u>	<u>1,090,709</u>	<u>-</u>	<u>136,559</u>	<u>136,559</u>	<u>556,341</u>
Current liabilities									
Trade and other payables	B, E(ii)	3,233,202	(475,307)	2,757,895	11,354,254	2,393,907	(305,896)	2,088,011	8,506,557
Borrowings	B	2,069,974	275,307	2,345,281	9,655,522	2,069,974	305,896	2,375,870	9,679,295
Lease liabilities	E(i), E(ii)	56,396	323,900	380,296	1,565,679	9,261	347,347	356,608	1,452,821
Current income tax liabilities	G	<u>3,303,478</u>	<u>(175,148)</u>	<u>3,128,330</u>	<u>12,879,335</u>	<u>2,305,306</u>	<u>(119,075)</u>	<u>2,186,231</u>	<u>8,906,705</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

Items	Year ended 31 December 2022			
	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)
Statement of profit or loss				
Revenue	36,411,932	-	36,411,932	148,815,567
Cost of services	(12,443,818)	-	(12,443,818)	(50,857,885)
Gross profit	23,968,114	-	23,968,114	97,957,682
Other income	5,204,768	(2,612,313)	2,592,455	10,595,364
General and administrative expenses	(9,636,681)	1,792,209	(7,844,472)	(32,060,357)
Impairments loss on trade and other receivables	-	(586,746)	(586,746)	(2,398,031)
Operating profit	19,536,201	(1,406,850)	18,129,351	74,094,658
Financial income	-	1,244,227	1,244,227	5,085,156
Finance costs	(1,086,538)	17,896	(1,068,642)	(4,367,540)
Finance income, net	(1,086,538)	1,262,123	175,585	717,616
Profit before tax	18,449,663	(144,727)	18,304,936	74,812,274
Income tax expense	(4,136,370)	339,310	(3,797,060)	(15,518,584)
Profit for the year	14,313,293	194,583	14,507,876	59,293,690

Earnings per share attributable to shareholder of PPAP during the year are as follow:

Basic earnings per share	I	0.69	0.01	0.70	2.87
Diluted earnings per share	I	0.69	0.01	0.70	2.87

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

Items	Year ended 31 December 2022				
	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)	
Cash flows from operating activities					
Profit before tax	C, D, E(i),E(ii)	18,449,663	(144,727)	18,304,936	74,812,274
<i>Adjustments for:</i>					
Depreciation of property, plant and equipment		3,739,459	-	3,739,459	15,283,169
Depreciation of investment property		51,510	-	51,510	210,521
Depreciation of right-of-use assets	E(i)	94,521	2,043	96,564	394,657
Interest expenses	E(i)	1,085,186	(16,544)	1,068,642	4,367,540
Interest income from lease receivables	E(ii)	(245,831)	29,483	(216,348)	(884,214)
Interest from fixed deposit		(1,025,175)	-	(1,025,175)	(4,189,891)
Net unwinding effect of long-term deposit	E(i)	(1,352)	(1,352)	(2,704)	(11,051)
Net impairment loss on receivables		586,746	-	586,746	2,398,031
Loss/(income) from sub-leasing right-of-use assets	E(ii)	1,046,966	(2,435,297)	(1,388,331)	(5,674,109)
Loss/(income) on disposal of property, plant and equipment		11,930	-	11,930	48,758
Property, plant and equipment written off		8,309	-	8,309	33,959
Retirement benefits obligation expenses		87,848	-	87,848	359,034
Income from net of investment from sublease	E(ii)	(2,763,422)	2,763,422	-	-
		21,126,358	197,028	21,323,386	87,148,678
<i>Changes in working capital:</i>					
Inventories	H	(714,982)	352,114	(362,868)	(1,483,042)
Trade and other receivables	B, E(ii), H, K	(3,014,901)	(957,243)	(3,972,144)	(16,234,153)
Short-term fixed deposit	K	-	59,139	59,139	241,701
Trade and other payables		869,884	-	869,884	3,555,216
Liability arising from joint arrangement	K	43,199	(43,199)	-	-
Contract Liability		(300,000)	-	(300,000)	(1,226,100)
Cash generated from operations		18,009,558	(392,161)	17,617,397	72,002,300
Income tax paid	K	(2,726,592)	57,134	(2,669,458)	(10,910,075)
Withholding tax credit	K	-	(57,134)	(57,134)	(233,507)
Retirement benefits obligation paid		(29,894)	-	(29,894)	(122,177)
Net cash generated from operating activities	K	15,253,072	(392,161)	14,860,911	60,736,541

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

Items	Year ended 31 December 2022			
	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)
Cash flows from investing activities				
Purchase of property, plant and equipment	(7,696,962)	-	(7,696,962)	(31,457,484)
Purchase of investment property	(30,000)	-	(30,000)	(122,610)
Cash received from lease receivables	-	144,101	144,101	588,941
Proceeds from disposal of property, plant and equipment	3,355	-	3,355	13,712
Interest received	562,843	403,193	966,036	3,948,189
Placement of fixed deposit	(4,100,000)	(2,000,000)	(6,100,000)	(24,930,700)
Net cash used in investing activities	<u>(11,260,764)</u>	<u>(1,452,706)</u>	<u>(12,713,470)</u>	<u>(51,959,952)</u>
Cash flows from financing activities				
Dividend paid	(1,081,480)	-	(1,081,480)	(4,420,009)
Interest paid	(807,299)	(490,038)	(1,297,337)	(5,302,216)
Payment of principal portion of lease liabilities	(545,410)	394,035	(151,375)	(618,670)
Repayments of borrowings	(2,069,974)	-	(2,069,974)	(8,459,984)
Net cash used in financing activities	<u>(4,504,163)</u>	<u>(96,003)</u>	<u>(4,600,166)</u>	<u>(18,800,879)</u>
Net decrease in cash and cash equivalents	(511,855)	(1,940,870)	(2,452,725)	(10,024,290)
Cash and cash equivalents at beginning of period	6,614,700	2,032,114	8,646,814	35,227,120
Currency translation differences	-	-	-	298,234
Cash and cash equivalents at end of period	<u>6,102,845</u>	<u>91,244</u>	<u>6,194,089</u>	<u>25,501,064</u>
Significant non-cash transaction from investing activities				
Acquisition of property, plant and equipment through liabilities from joint management	F(i)	-	<u>7,684,524</u>	<u>31,406,650</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

31. Restatement of comparative information (continued)

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

Item	Year ended 31 December 2022				
	Previously reported US\$	Adjustments US\$	As restated US\$	KHR'000 (Note 4)	
Statement of changes in equity					
Retained earnings	J	14,565,043	313,762	14,878,805	60,639,024

32. Contingent liability

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

On 14 July 2023, the Company has engaged an external legal counsel to conduct the assessment of the claims made by SAAB. Subsequently, the Company has deputed the invoices from SAAB, citing the aforementioned reason. On 12 September 2023, the Company has been notified through a copy of writ of summons that SAAB’s legal counsel commenced a lawsuit at Belgian court. The preliminary hearing was set for 12 December 2023 at the Antwerp Court of Enterprises, Belgium. In accordance with the writ of summons, SAAB has claimed a sum of US\$1,281,613, excluding the present summons costs and the court fee, against the Company. On 19 December 2023, the Company has received another letter from Belgian Court instructing them to appear in the hearing on 25 June 2024.

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2023

33. Subsequent events

Subsequent to the reporting date, in the Board of Directors meeting on 27 March 2024, the Board of Directors resolved to distribute the dividends in respect to the financial year ended 31 December 2023 to shareholders of each class of shares. The dividend for each class of shares is as follows:

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

This dividend is subject to a voting approval from shareholders at the Annual Shareholder Meeting.

Additionally, the Board of Directors resolved to distribute the Company's net profit to legal reserve amounting to KHR1,930,298,000, general reserve amounting to KHR1,930,298,000, and to development fund amounting to KHR30,115,667,000.



ចំណតផែនការពហុបំណងឧបទ្វីប UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិឧបទ្វីប យ៉ុងឧបទ្វីប ស្រុកត្បូងឃ្មុំ ខេត្តត្បូងឃ្មុំ

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

ចំណតផែនការពហុបំណង UM១

Sub-Feeder Multipurpose Terminal UM1

ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល ឃុំព្រែកអញ្ជាញ ស្រុកមុខកំពូល ខេត្តកណ្តាល

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

ចំណតផែនការពហុបំណង TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវវិថីព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផែនការដំណើរ និងទេសចរ TS១

Passenger and Tourist Terminal TS1

ផ្លូវវិថីព្រះសីហនុ ភូមិស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផែនការពហុបំណង TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សង្កាត់អូរម៉ែតលេខ៦ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ

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

ចំណតផែនការកុងតឺន័រ LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ

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

ភូមិកណ្តាល ឃុំបន្ទាយដេក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល

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

ចំណតផែនការពហុបំណង LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា ឃុំកោះរកា ស្រុកពរម្រះ ខេត្តព្រៃវែង

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

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