



KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

2020 Annual Report



Listed Company

Annual Report of 2020
(End of 31/December/2020)
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.

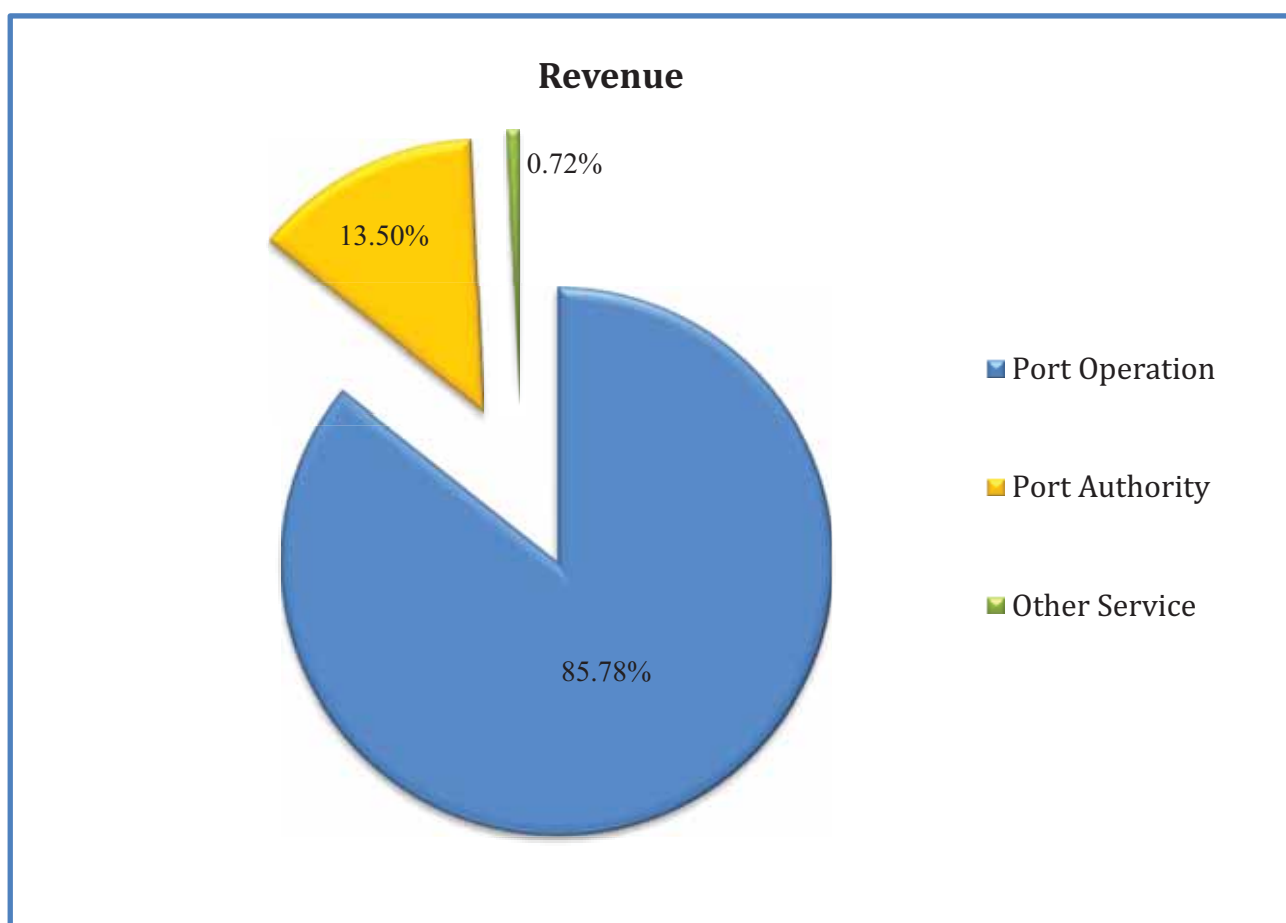
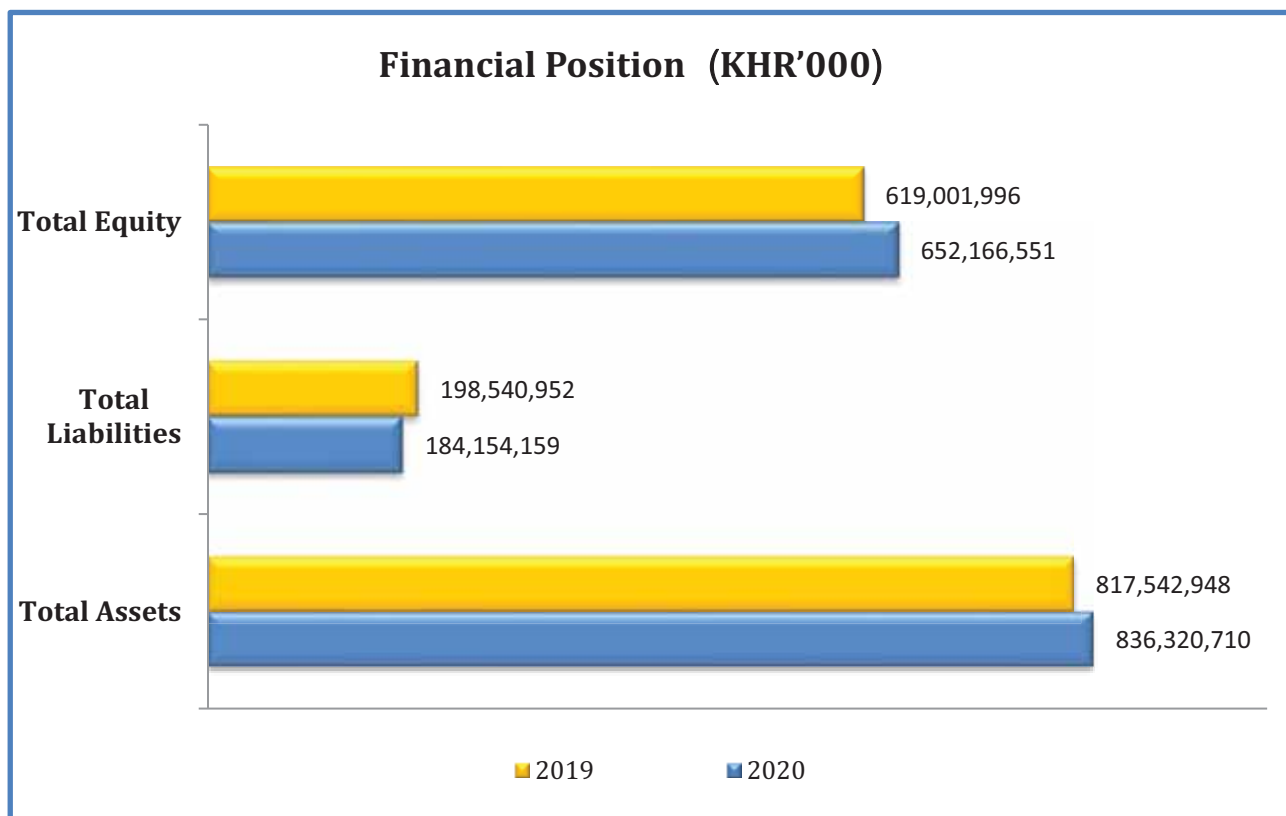
Summary of Financial Statement

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

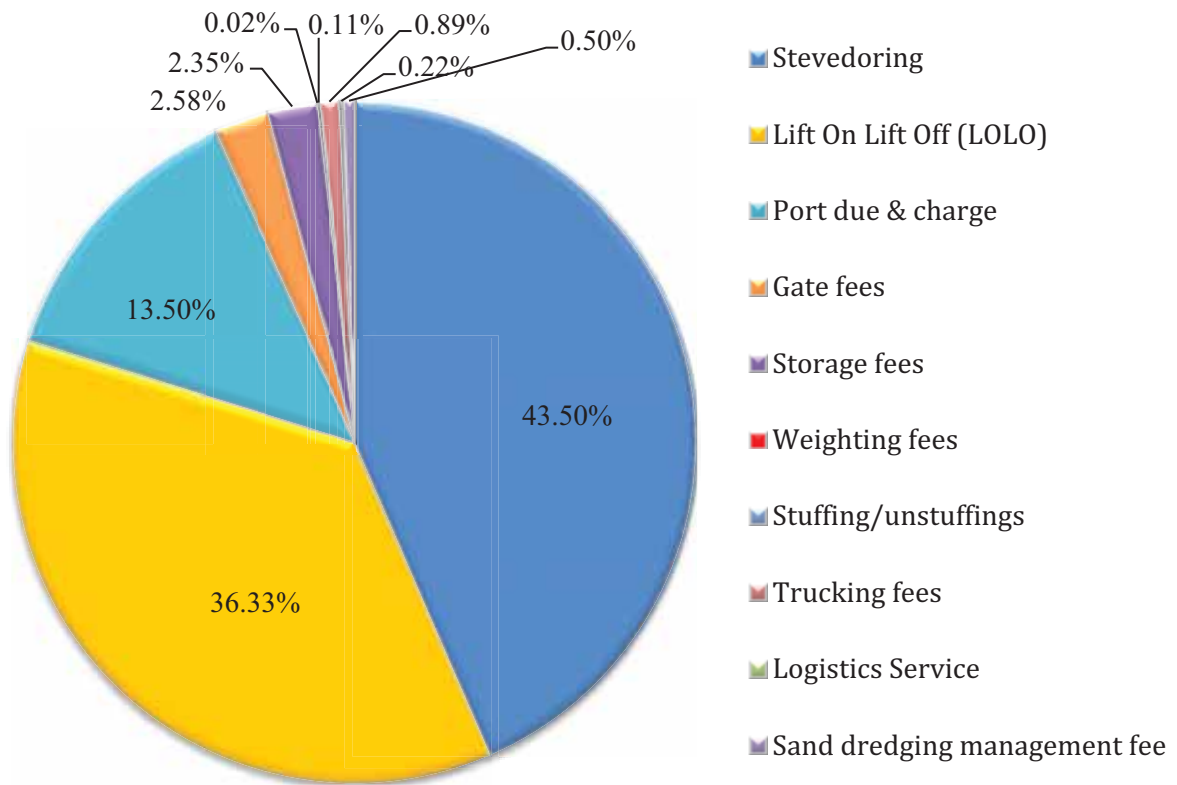
1.1. Financial Highlight

Description		2020	2019	2018
Financial Position (KHR'000)				
Total assets		836,320,710	817,542,948	751,886,705
Total liabilities		184,154,159	198,540,952	185,500,577
Total equity		652,166,551	619,001,996	566,386,128
Profit/(Loss) (KHR'000)		2020	2019	2018
Total revenues		110,303,424	110,174,330	83,824,244
Profit/(Loss) before tax		51,472,015	58,344,306	31,074,925
Profit/(Loss) after tax		40,212,649	46,806,244	32,767,486
Total comprehensive income		41,103,109	47,173,076	32,913,725
Financial Ratios		2020	2019	2018
Solvency ratio (%)		28.40	30.13	24.20
Liquidity ratio	Current Ration (times)	3.86	4.17	4.84
	Quick Ration (times)	3.86	4.17	4.84
		2020	2019	2018
Profitability ratio	Return on assets (%)	4.91	5.77	4.38
	Return on equity (%)	6.30	7.62	5.81
	Gross profit margin (%)	70.41	68.43	65.09
	Profit margin(%)	37.26	42.82	39.27
	Earning per share (Riel)	1,987.16	2,280.62	1,591.24
Interest coverage ratio (times)		14.47	15.50	8.09
Dividend per Share		-	199.51	187.42

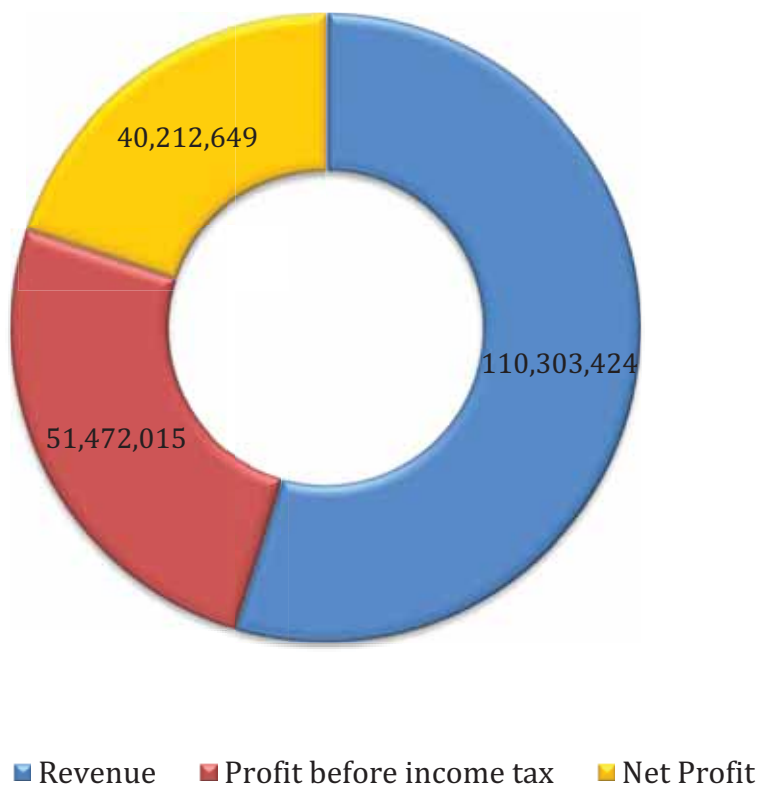
1.2. Graph of Financial Information Highlight (As of 31 December 2020)



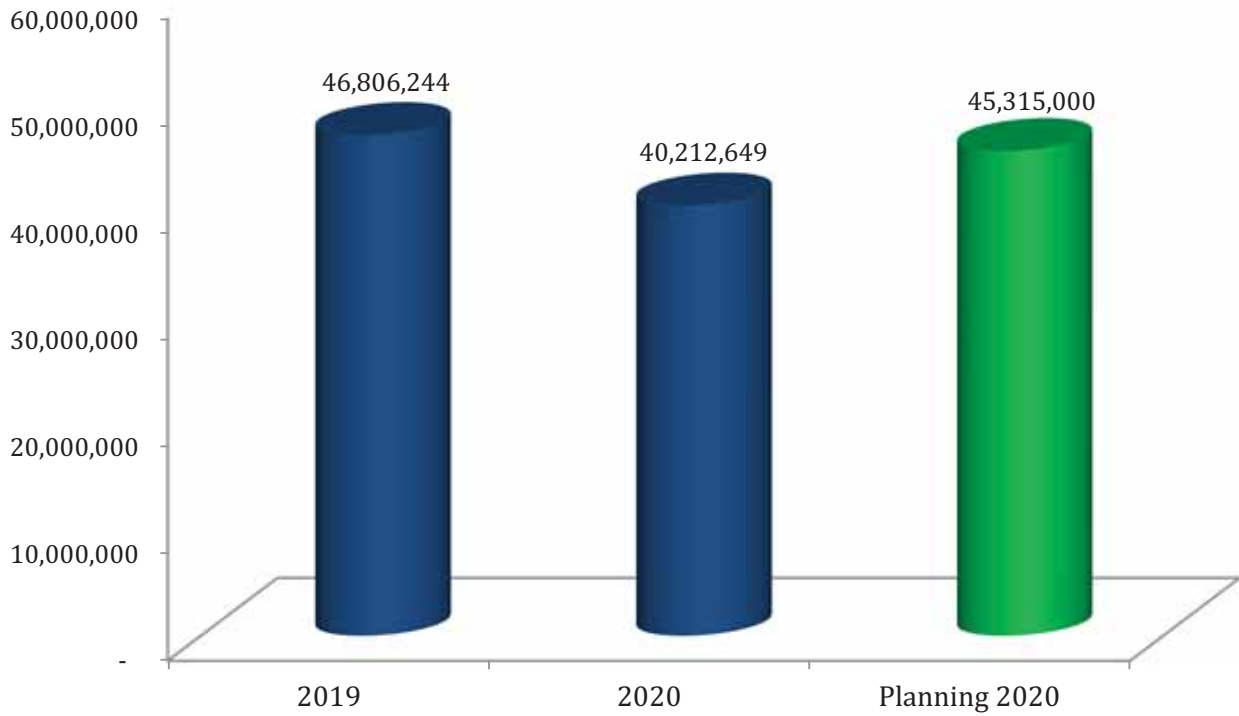
Types of Revenue Distribution Compared to Total Revenues from Operation and Services



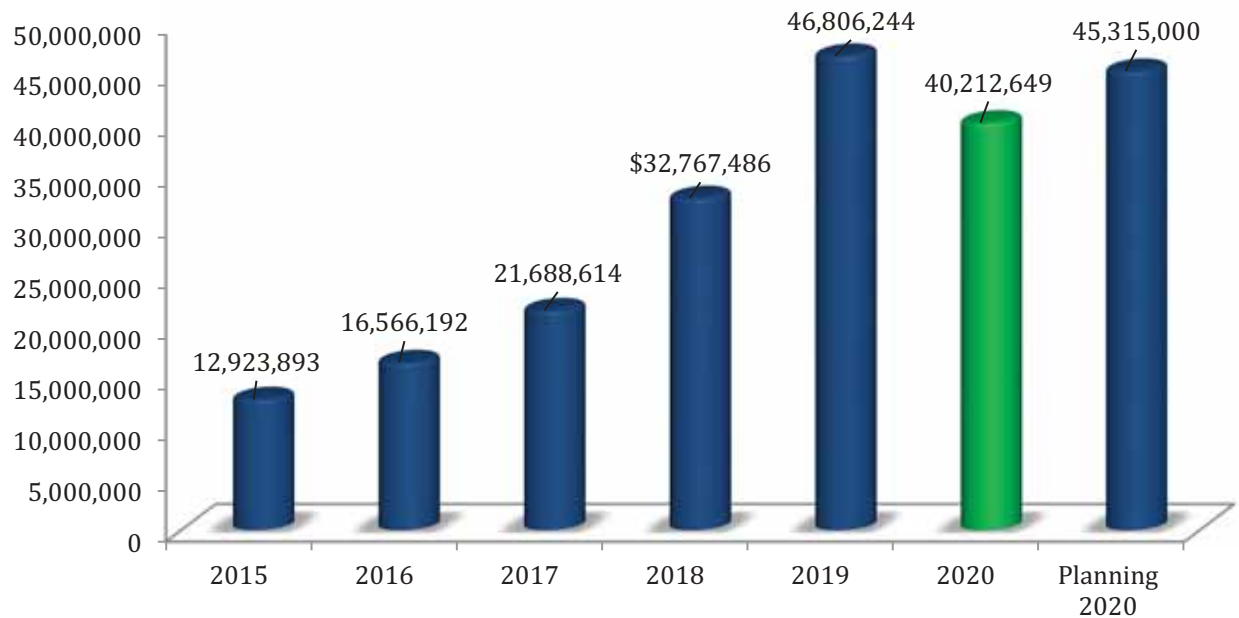
Net Profit for 2020 (KHR'000)



Net Profit for 2020 Compared to Planning 2020 (KHR'000)



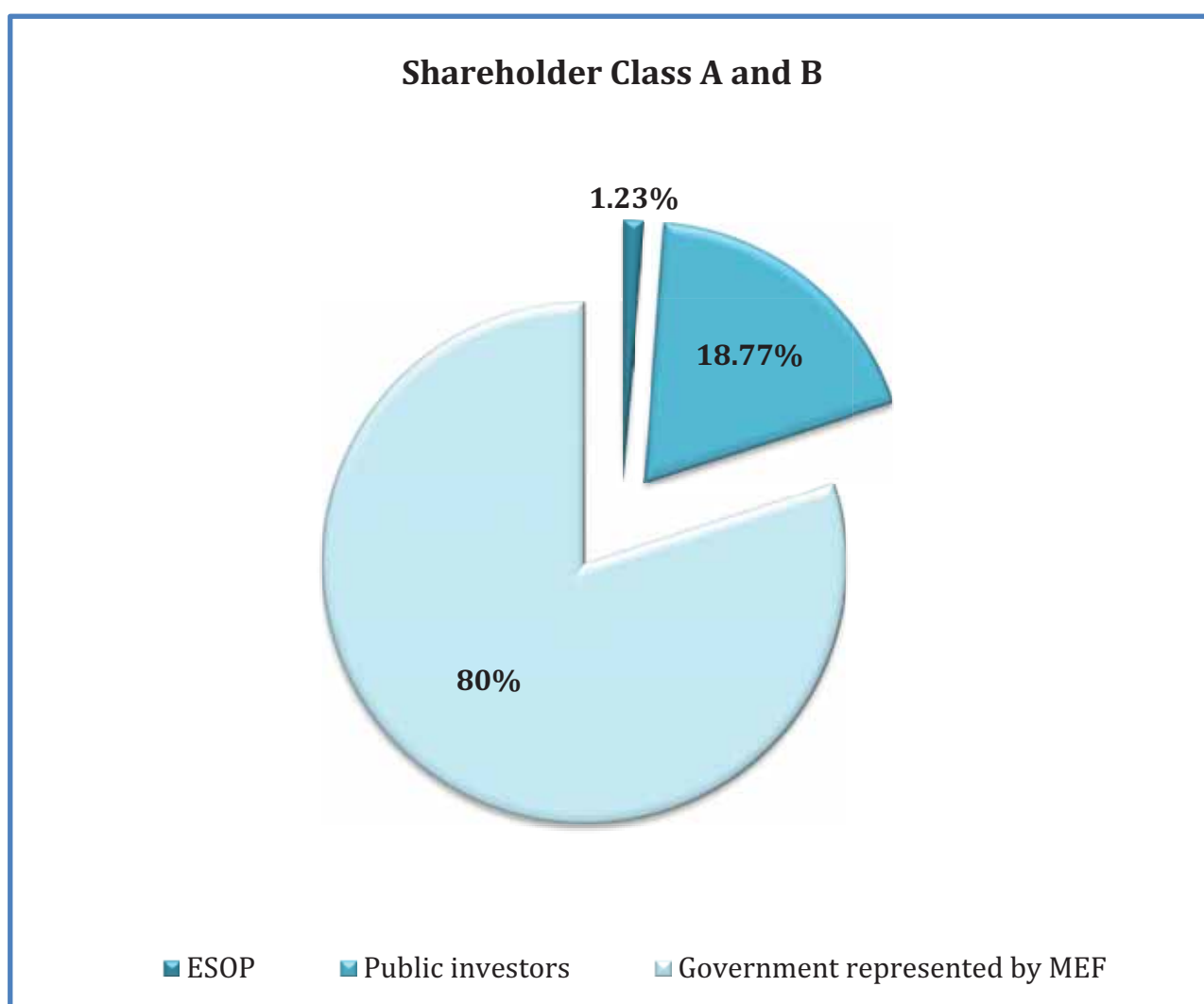
Net Profit from 2015 to 2020 and Planning 2020 (KHR'000)



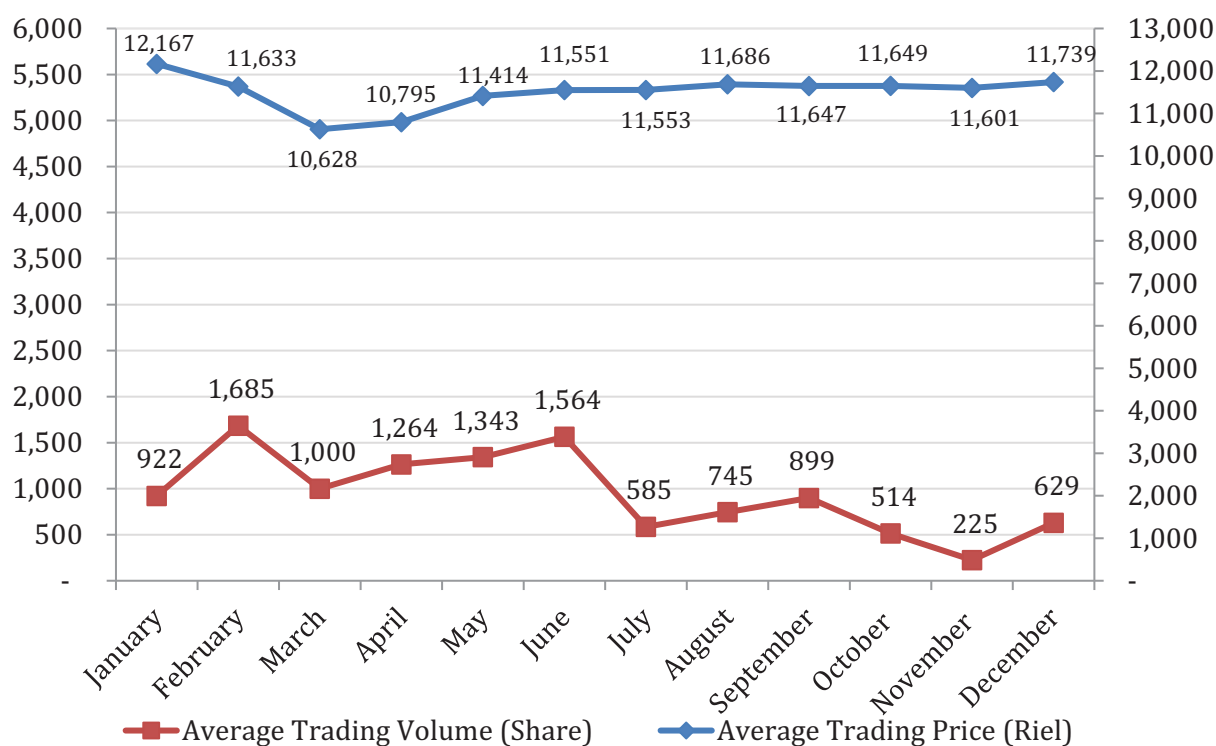
1.3. Stock Ownership (As of 31 December 2020)

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	255,368	1.23%
2. Public investors	3,881,505	18.77%
Total Shares of Class A	4,136,873	20%

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



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



2. Summary of Information on Business Operation Performance

Statistics of Vessels Throughput

(Voyage)

Description	2020	2019	2018
International Container Vessels	1,824	1,715	1,398
Oil/Gas Tankers	539	655	568
Cambodian Container Vessels	0	39	57
Domestic Vessels	0	0	0
Total	2,363	2,409	2,023

Statistics of Container Throughput

(TEU)

Description		2020	2019	2018
Import	Empty	58,041	58,014	41,935
	Laden	80,456	76,136	60,424
Total Import		138,497	134,150	102,359
Export	Empty	131,366	21,884	19,887
	Laden	20,994	125,011	91,325
Total Export		152,360	146,895	111,212
Total		290,857	281,045	213,571

Statistics of International Passenger Vessel

Description		2020	2019	2018
International Passenger Vessels	Passenger	9,733	32,300	31,890
	Voyage	252	789	745

3. Board of Directors











4. Message from Chairman and CEO

For 2020, total revenue from Port Operation and Port Authority is KHR 110,303,424,000 (USD 27,048,412) achieved 93.91% of planning 2020 and compared to 2019 increased by KHR 129,094,000 (decreased USD 141,699) or 0.12%. However, net profit for 2020 is KHR 40,212,649,000 (USD 9,860,875) reached 88.74% of planning 2020 and compared to 2019 decreased to KHR 6,593,595,000 (USD 1,690,518) or 14.09%. Apart from this, basic earnings per share for 2020 is 1,987.16 Riels (USD 0.49).

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

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
-  Participate in the social activities and the local community.

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

For 2020, the Board of Directors has attended 5 meetings and achieved the following results:

1. The 4th meeting of 7th mandate on February 12th, 2020

- Checked and discussed on the case of Chean Chhoeng Thai Group (CCTG) requested PPAP to witness the agreement between CCTG and CANADIA BANK PLC by approving PPAP to report this case to both guardian ministries
- Checked and discussed on the main conditions in Term Sheet between PPAP and Infunde to build a cold warehouse by approving PPAP continue to discuss more on the conditions and the contract between PPAP and Infunde will submit to the Board of Directors for reviewing and to both guardian ministries for approval.
- Checked and discussed on PPAP's request to develop the terminal in PPAP's commercial zone by approving PPAP to send a letter to both guardian ministries in order to request for final approval from the government
- Checked and discussed on the discount plan on PPAP's services for 2020
- Checked and discussed on the distribution of bonus to PPAP's employees for the period of 2019

- Checked and discussed on delaying the retirement age to 60 for civil servants of the Kingdom of Cambodia
- Checked and approved for PPAP to conduct more observation and report to both guardian ministries on the case of hiring private company to install the Trucking App
- Checked and discussed on the request Suvannphum Investment Company to regenerate the terminal
- Checked and approved for PPAP to re-study on PPAP's Special Economic Zone and submit to Board of Directors for the approval in the next meeting.

2. The 5th extraordinary meeting of 7th mandate on March 31st, 2020

- Checked and approved on the business/services and financial report of 2019
- Checked and discussed on the division of profit for the period of 2019 into various funds of PPAP
- Checked and discussed on the dividend distribution plan for shareholders holding class A and B voting shares for the period of 2019
- Checked and approved on PPAP's 5th General Shareholders Meeting
- Checked and discussed on PPAP's revision plan for 2020
- Checked and discussed on the request of Yunnan Shengmao Investment (Cambodia) Co.,Ltd to the Royal Government for longer leasing periods of ICD (from 40 to 70 years)
- Checked on the request of transferring 3 cranes that PPAP had paid instead of Chean Chhoeng Thai Group to other private company and request to collaborate with private company in order to provide handling services on the quay
- Approved in principle for PPAP to study on salary system and the amendment of PPAP's Staff Article of Incorporation and also allowed PPAP to hire private consultant company if necessary. The result of the study will be submitted to Board of Directors for approval in the next meeting
- Approved in principle for PPAP to study on the collaboration with private company to establish container terminal, general cargo terminal, passenger & tourist terminal, and gas/oil terminal. The result of the study will be submitted to Board of Directors for approval in the next meeting
- Acknowledged the report on progress of collaboration with Infunde on the project of construction cold warehouse and the new project location. Board of Directors has decided for PPAP to send a letter to guardian ministries for approval on the leasing location to Infunde.

3. The 6th meeting of the 7th mandate on July 30th, 2020

- Reviewed and approved on PPAP's Business/Services and Financial Performance reports for the first 6 months of 2020.
- Checked and approved PPAP to:
 - use PPAP's own budget of \$4,857,877 to cover the cost of land purchased in Tonle Bet and the installation of pontoon and three access bridges by requesting for the approval from both guardian ministries. This amount is recorded as an asset in the PPAP's inventory

- negotiate with Chean Cheoung Thai Group to fulfill all the obligations as stated in the leasing contract in which to make the payment with interest rate as at commercial bank's in order to divert that amount to fund other development projects and for the benefit of PPAP in the future
- Allowed PPAP to collaborate with private company to assemble the three cranes (FCC), which two cranes to be installed at LM17 and another one at Tonle Bet port (UM2), and to operate the loading/unloading as in the previous format of cooperation between PPAP and Kamsab.
- Checked and decided that PPAP to revise the draft of regulations and procedures of the election for staff representatives and to submit to the Board of Directors for review and decision in the next meeting.
- Allowed PPAP to collaborate with Orange Joseph Investment Co., Ltd to conduct a study on the development projects and the results of the study will be submitted to the Board for consideration and decision in the next meeting.
- Allowed PPAP to collaborate with China Railway 18th Bureau Group Co., Ltd (CRCC 18th) to study on the riverbank situation and measures taken to prevent landslides at two locations, Koh Keo and Roka Kong, and the results of the study will be submitted to the Board of Directors for review and decision in the next meeting.
- Allowed PPAP to renew the contract with BDO to be an Independent Auditor for the period of 2 years, 2021 to 2022. The selection of another new independent auditor will be decided after the completion of this period.
- Allowed PPAP to provide 10 scholarships of local bachelor degrees to high school graduated students with grade "A" and "B" from Preah Sdach district, Prey Veng Province, and also to support students from grade 9th and grade 12th in preparing for the upcoming exam.

4. The 7th meeting of the 7th mandate on October 27th, 2020

- Reviewed and approved on PPAP's business result reports for 9 months of 2020.
- Approved on the draft added annex of the contract on lease of ICD land 9.3 hectares by and between Phnom Penh Autonomous Port and Yunnan Sengmao Investment (Cambodia) Co.,Ltd
- Acknowledged the report on the changing status of island, water depths, and riverbanks along upper and lower Mekong rivers.

5. The 8th meeting of the 7th mandate on December 16th, 2020

- Reviewed and approved on Business and Financial result for 2020 (Estimated)
- Reviewed and approved on Business, Services, and Financial planning for 2021
- Approved and allowed PPAP to revise the management structure by setting up Machinery Management Department and Operation Departments at UM2, KM6, and Koh Rorka and other ports in the future such as in Kompong Chhnang, Kratie, and Siem Reap province.
- Checked and approved on Chean Chhoeng Thai Group request to delay in paying reimbursement to PPAP of \$ 4,857,877 on the purchase of land at Tonle Bet (UM2) by agreeing to delay paying reimbursement until the end of June 2021 at the interest rate of 7.5%. For 11 million US dollars for the construction of a new administrative building, PPAP should do more discussion with Chean

Chhoeng Thai Group to find a suitable solution. At the same time, PPAP should learn more about other options for this case.

- Approved in principle for PPAP to insert 310 contracted staffs as staffs of 2021 planning. For the salary should be increased in stages depend on the budget by inserting in yearly budget planning from 2021 onward.
- Approved in principle for PPAP to review PPAP's AOI and Staff statute. The result of this study shall be submitted to the Board for review and decision in the upcoming meeting.
- Acknowledged the MOU between PPAP and Positive Energy Industrial Co., Ltd. to do the feasibility study on the project of building a Shipyard and the result of this study shall be submitted to the Board for review and decision in the next meeting.
- Approved in principle for PPAP to use the overdraft loan from FTB bank in the future if necessary
- Decided to allow PPAP to made a request to Ministry of Industry, Science, Technology & Innovation in order to purchase the location of former board factory and continue to lease that location to the previous lessee. This will be inserted in 2021 planing.

B. Setting the Goal for 2021

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

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

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

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

Phnom Penh, March 24 , 2021

Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP


A. Identity of PPAP

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

in Latin: PHNOM PENH AUTONOMOUS PORT (PPAP)

 **Standard Code:** KH1000040001


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

 **Phone number:** +855 (0) 23 427 802

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

 **Company registration number:** CO.7174 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
Date: November 10th, 2015

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

B. Nature of Business

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

1. Operation as Port Operator

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

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

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

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

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

4. Port Commercial Zone

According to Sub-Decree No. 01 ANK. BK. the of 5th January, 2009, PPAP's Commercial Zone is 166 kilometers long, stretching from Chaktumuk river : Mekong luer river 100km, Mekong krom river 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 4 main terminals such as :

4.1. Container Terminal LM17

In 2020, PPAP has been countinuing the development of port infrastructure at container terminal LM17 for Step III, phase I; 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 to 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as a main terminal for contianer cargo. The Container Terminal LM17 exists a quay with the length of 300m and the width of 22m and installs 4 traveling cargo cranes, 8 RTG cranes , 5 reach stakers, 3 sky stackers, and 54 trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	379,319 m²
Registered land size	364,789 m²
Size of the processing land title	14,530 m²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)

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

4.2. Multipurpose Terminal (TS3)

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

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

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.

4.3. Tonle Bet Terminal (UM2)

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

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

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

4.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. In the Year of 2020, the total of 30,266 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

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

Berth	3 units of floating pontoon with a size of 15m x 45m (2units) and a size of 10m x 30m (1unit)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Tidal effect	Ranges from +0.1m to 0.35m between February and April (as of December 2014)
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	24 hours/day
Facilities	Three pontoons and three bridges connecting them to the shore.

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

C. Group Structure of PPAP

As of 2020, there has no group structure of PPAP.

D. Significant Event in 2020

- On December 28th, 2020, PPAP has received a “Confirmation Letter for Maintaining Proper Accounting Record starting from 2020 to 2021” from 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 General Department of Taxation for the period of 2 years and for the tax year of 2021 and 2022.

ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

អគ្គនាយកដ្ឋានពន្ធដារ

នាយកដ្ឋានរដ្ឋបាល និងកិច្ចការទូទៅ

លេខ.....១១៧៤៧ អនកដ ០៧១



ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ



L20201216009 | TD2866

ថ្ងៃចេញ ១៤ ខែ មេសា ឆ្នាំ ២០២០ រាជធានីភ្នំពេញ ថ្ងៃទី ២៦ ខែ ធ្នូ ឆ្នាំ ២០២០



ជម្រាយជូន

លោក-លោកស្រីនាយក

ឈ្មោះក្រុមហ៊ុន ÷ កំពង់ផែស៊ូយ៉ែតភ្នំពេញ " ក.ស.ក"
ជាអក្សរខ្មែរ ÷ PHNOM PENH AUTONOMOUS PORT "PPAP"
លេខអត្តសញ្ញាណកម្ម ÷ L001-100044999 ចុះបញ្ជីនៅ ÷ នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធនៃ
អាសយដ្ឋាន ÷ #៦៤៩ ផ្លូវ ព្រះស៊ីសុវត្ថិ ភូមិ ១២ សង្កាត់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

កម្មវត្ថុ ÷ លិខិតបញ្ជាក់ការកាន់បញ្ជីកាតពរពន្យត្រឹមត្រូវ
យោង ÷ - ច្បាប់ស្តីពីសារពើពន្ធ ដែលប្រកាសឱ្យប្រើដោយព្រះរាជក្រមលេខ នស/រកម/០២៩៧/០៣ ចុះ
ថ្ងៃទី ២៤ ខែ កុម្ភៈ ឆ្នាំ ១៩៩៧ និងវិសោធនកម្មជាបន្តបន្ទាប់
- ប្រកាសលេខ ៦៣៨ សហវ.ប្រក ចុះថ្ងៃទី ០៤ ខែ កក្កដា ឆ្នាំ ២០១៧ ស្តីពីលក្ខណវិនិច្ឆ័យនៃការកាន់
បញ្ជីកាតពរពន្យត្រឹមត្រូវ និងនីតិវិធីនៃការបង់ពន្ធអប្បបរមា។

សេចក្តីផ្តើមនេះ ចែងក្នុងកម្មវត្ថុនិងយោងខាងលើ ខ្ញុំសូមជម្រាបជូន លោក-លោកស្រីនាយកសហគ្រាស
ជ្រាបថា សហគ្រាសបានដាក់លិខិតមកអគ្គនាយកដ្ឋានពន្ធដារ ដើម្បីស្នើសុំលទ្ធផលនៃការវាយតម្លៃការកាន់បញ្ជី
កាតពរពន្យត្រឹមត្រូវ ពីគណៈកម្មការវាយតម្លៃការកាន់បញ្ជីកាតពរពន្យត្រឹមត្រូវរបស់អ្នកជាប់ពន្ធ។

អនុលោមតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារ និងការពិនិត្យយ៉ាងហ្មត់ចត់លើឯកសារពាក់ព័ន្ធ ព្រម
ទាំងសវនាការនៃការអនុវត្តកិច្ចការពន្ធរបស់សហគ្រាសលោក-លោកស្រី គណៈកម្មការវាយតម្លៃការកាន់
បញ្ជីកាតពរពន្យត្រឹមត្រូវរបស់អ្នកជាប់ពន្ធ សម្រេចវិនិច្ឆ័យថាសហគ្រាសបានកាន់បញ្ជីកាតពរពន្យត្រឹមត្រូវ និង
ផ្តល់ជូន លិខិតបញ្ជាក់ការកាន់បញ្ជីកាតពរពន្យត្រឹមត្រូវចាប់ពីឆ្នាំ ២០២០ ដល់ឆ្នាំ ២០២១ ដើម្បីទទួលបាន
អត្ថប្រយោជន៍នានា ស្របតាមប្រកាសលេខ ៦៣៨ សហវ.ប្រក ចុះថ្ងៃទី ០៤ ខែ កក្កដា ឆ្នាំ ២០១៧។

ទន្ទឹមនឹងនេះ លោក-លោកស្រីនាយកសហគ្រាស ត្រូវបន្តអនុវត្តឱ្យបានម៉ឺងម៉ាត់នូវកាតពរពន្ធសារពើ
ពន្ធនានា ស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារជាធរមាន។ អគ្គនាយកដ្ឋានពន្ធដារ រក្សាសិទ្ធិក្នុងការដកហូត
លិខិតបញ្ជាក់ និងហោប៉ៅពន្ធអត្ថប្រយោជន៍នានាដែលបានផ្តល់ជូនក្នុងអំឡុងពេលនេះ ព្រមទាំងទទួលរងពិន័យ
និងទោសទណ្ឌផ្សេងៗទៀត ក្នុងករណីមានការរកឃើញថា សហគ្រាសលោក-លោកស្រី ពុំបានអនុវត្តកាតពរពន្ធសារពើ
ពន្ធឱ្យបានខ្ជាប់ខ្ជួនស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារនោះទេ។

អាស្រ័យផ្តល់ជូនជម្រាបជូនខាងលើ សូមលោក-លោកស្រីនាយកសហគ្រាស អនុវត្តតាមការសម្រេច
នេះ។
សូម លោក-លោកស្រីនាយកសហគ្រាស ទទួលនូវសេចក្តីរាប់អាន ពីខ្ញុំ

អគ្គនាយកដ្ឋានពន្ធដារនិងកិច្ចការទូទៅ
(Signature)
ឡែង ឌីង

- ចម្លងជូន ÷**
- នាយកដ្ឋានរដ្ឋបាល និងកិច្ចការទូទៅ
 - នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធនៃ
 - នាយកដ្ឋានបច្ចេកវិទ្យាព័ត៌មាន
 - ឯកសារ-កាលប្បវត្តិ

ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ
MINISTRY OF ECONOMY AND FINANCE
អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION



ព្រះរាជាណាចក្រកម្ពុជា
KINGDOM OF CAMBODIA
ជាតិ សាសនា ព្រះមហាក្សត្រ
NATION RELIGION KING

TCG2020120011
២៧/២៤ ២០២០

រាជធានីភ្នំពេញ ថ្ងៃទី ២៧ ខែ ធ្នូ ឆ្នាំ ២០២០
Phnom Penh, 29th, Dec 2020

អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION

**វិញ្ញាបនបត្រ
អនុលោមភាពសារពើពន្ធ**

(ប្រកាសលេខ ១៥៣៦ សហវ.ប្រក ចុះថ្ងៃទី២៣ ខែធ្នូ ឆ្នាំ២០១៦)

អគ្គនាយកដ្ឋានពន្ធដារបញ្ជាក់ថា :
ឈ្មោះក្រុមហ៊ុន : **កំពង់ផែស្វយ័តភ្នំពេញ "ក.ស.ក"**
លេខអត្តសញ្ញាណកម្មសារពើពន្ធ : **L001-100044999**
ស្ថិតក្រោមការគ្រប់គ្រង : នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធនៃ កាលបរិច្ឆេទធ្វើបច្ចុប្បន្នភាព : ២៦ សីហា ២០១៥
សកម្មភាពអាជីវកម្ម : សេវាកម្មលើកដាក់ និងដឹកជញ្ជូនទំនិញ
អាសយដ្ឋាន : **៣៦៤៩ ផ្លូវ ព្រះស៊ីសុវត្ថិ ភូមិ ១២ សង្កាត់ ស្រះចក ខណ្ឌ ព្រះនរោត្តម រាជធានីភ្នំពេញ**
ទទួលបានកម្រិតអនុលោមភាពសារពើពន្ធប្រភេទ : **មាស**
មានសុពលភាពរយៈពេល **២** ឆ្នាំ សម្រាប់ឆ្នាំជាប់ពន្ធ ២០២១ ដល់ ឆ្នាំ២០២២។

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) : Handle, load, discharge and transport cargoes service
Tax Compliance Type awarded : **GOLD**
Validity period of **2 years** for the tax year of 2021 and 2022.

- បញ្ជីខ្លឹម :**
- នាយកដ្ឋានពន្ធដារ និងកិច្ចការទូទៅ
 - នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធនៃ
 - នាយកដ្ឋានបច្ចេកវិទ្យាព័ត៌មាន
 - ឯកសារ-ការព្រួយ



**ប្រតិភូរាជរដ្ឋាភិបាល
និទណ្ឌបណ្ឌិតជាអគ្គនាយក នៃអគ្គនាយកដ្ឋានពន្ធដារ**

Delegate of Royal Government in charge as Director
of General Department of Taxation

គង់ វិបុល

E. Market Situation

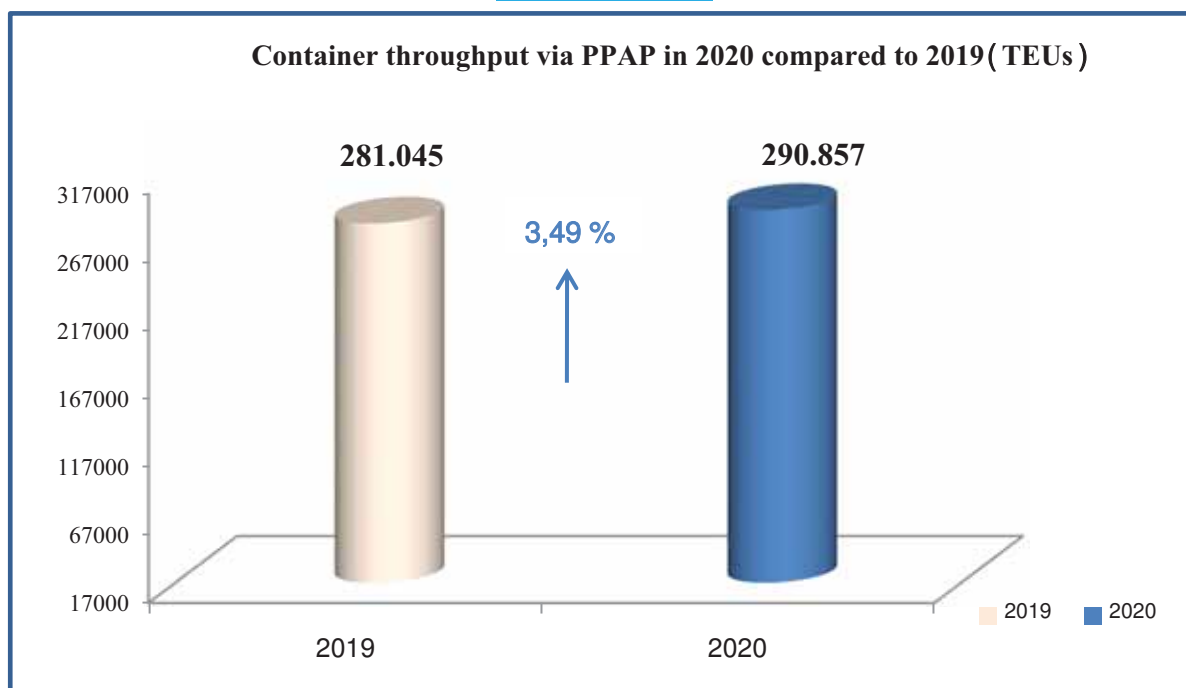
In 2020, the business situation of PPAP appeared to be even more precarious for transit cargoes due to the Covid-19 pandemic, which has hindered economic growth around the world, including some downfall of business in Cambodia. PPAP's main markets are dependent on the growth of domestic real estate and tourism and the purchase of garment from abroad, especially the United States. In fact, in 2020, although the real estate and garment sectors appear to be uncertain, PPAP's market position will continue to grow by 3.49% compared to 2019, even though Cambodia's economy and the world economy faced a major crisis.

The growth of cargoes throughput via PPAP in 2020 resulted from the continuation of imports of construction materials, which increased by 43% compared to total imports but decreased by 9% compared to 2019. In particular, imports of food increased by 57%, and home appliances increased by 67% compared to 2019. Exports of garments continued to increase by 87% of total exports but increased by 0.49% compared to 2019. (According to Graphics 1, 2, 3 and 4 of the Planning / Marketing Department).

The imports of cargoes via PPAP in 2020 were from Vietnam, which increased by 47%, Malaysia by 17%, Japan by 29% and the European Union by 37%, but imports from China fell Down 26% compared to 2019. Exports to the United States increased by 24% and Vietnam by 84% compared to 2019.

Overall, although Cambodia and countries around the world continue to suffer from the Covid-19 pandemic, PPAP market conditions continue to grow and improve. This is results from the management of the economic situation and the introduction of various measures taken by the Royal Government of Cambodia to prevent the spread of Covid-19 disease effectively. Exports to the United States via PPAP ports continued to grow, despite the global economic crisis and the outbreak of Covid-19. This is because Cambodia still receives export quotas or preferences for the United States and the demand for everyday clothing and footwear. In contrast, exports to other countries were negative compared to 2019.

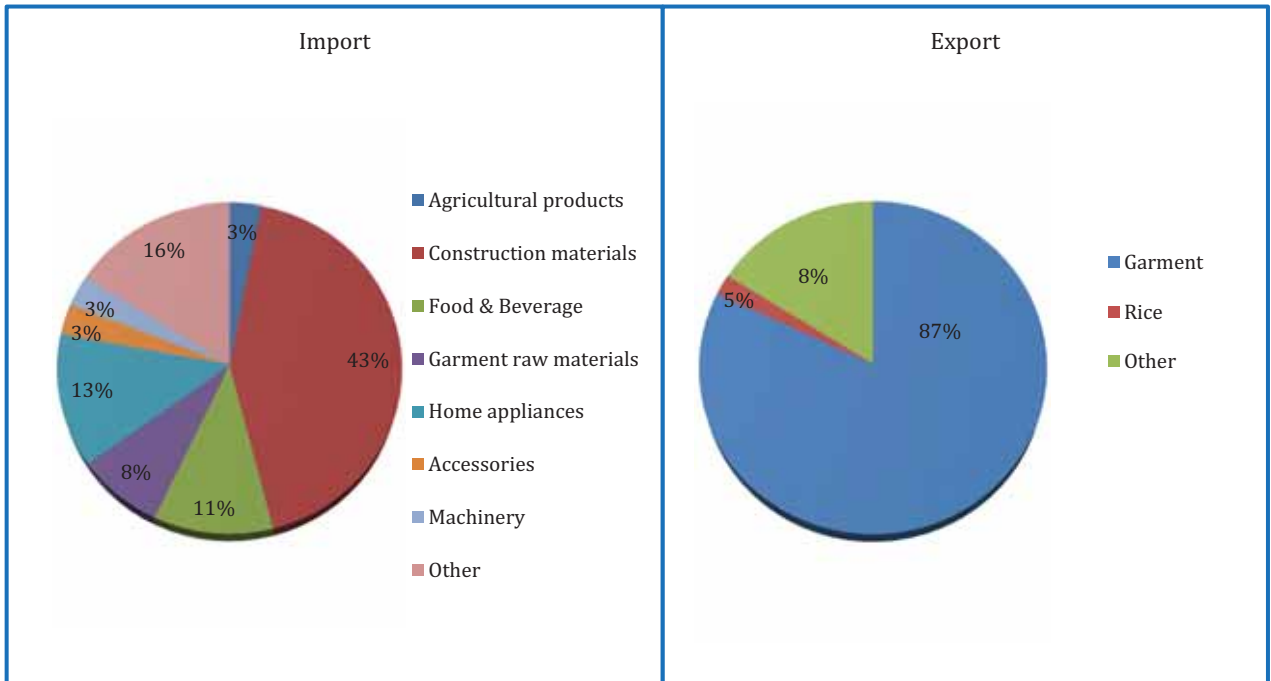
Graphic Number 1



(Source: 2019 and 2020 data of the Planning / Marketing Department)

Graphic Number 2

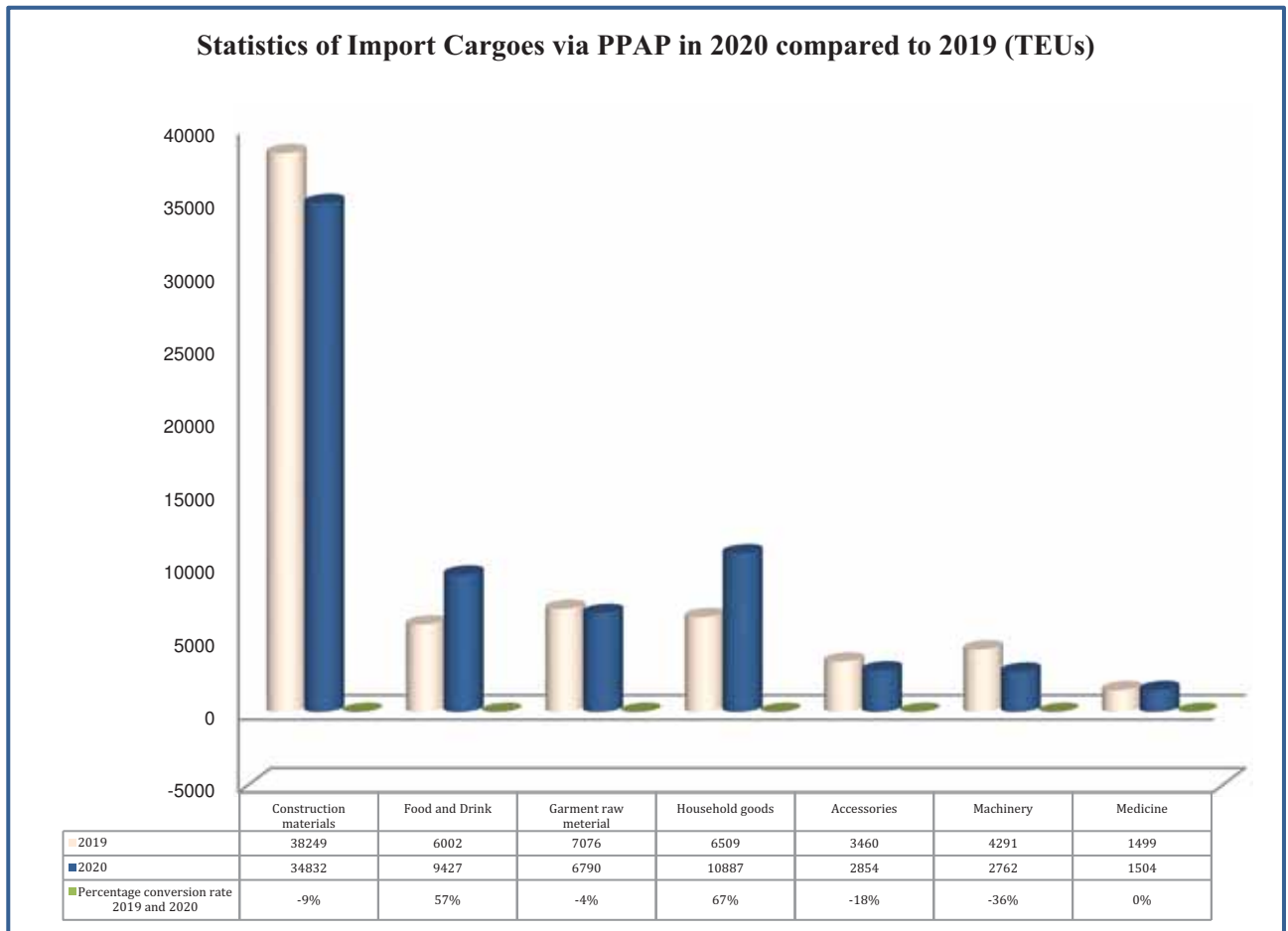
Statistics of Import-Export Container via PPAP in 2020 (TEUs)



(Source: 2019 and 2020 data of the Planning / Marketing Department)

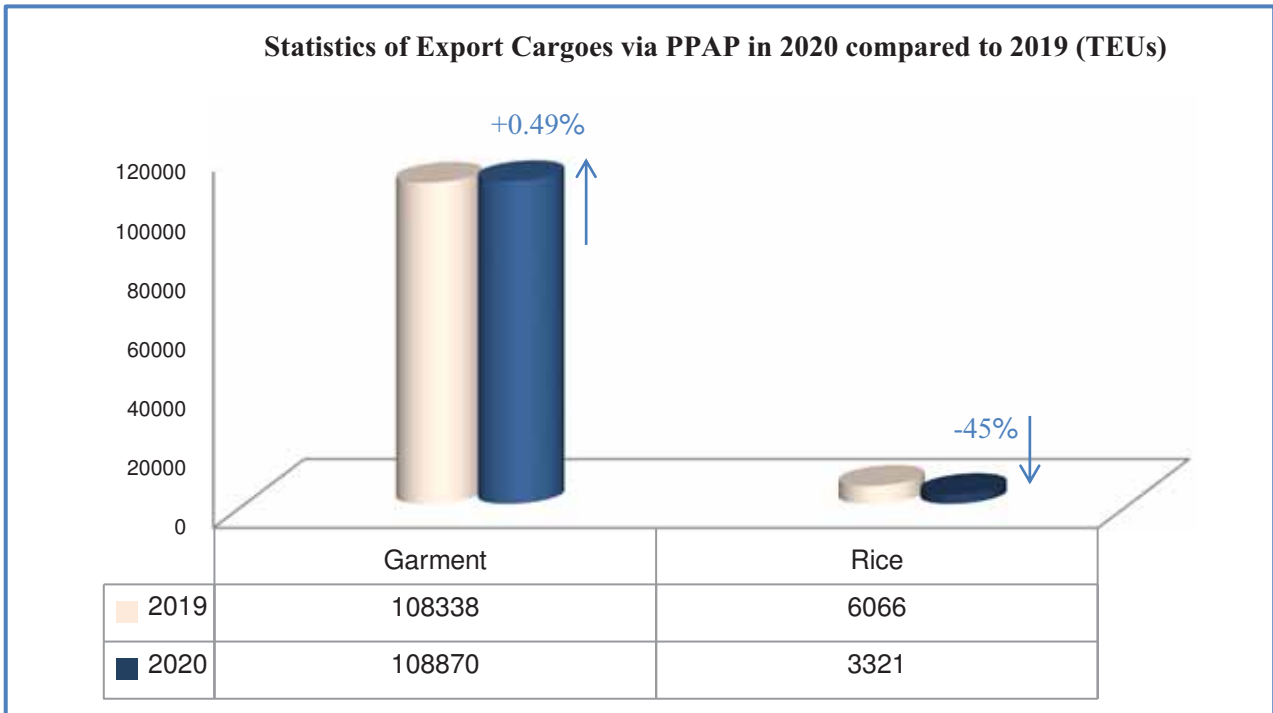
Graphic Number 3

Statistics of Import Cargoes via PPAP in 2020 compared to 2019 (TEUs)



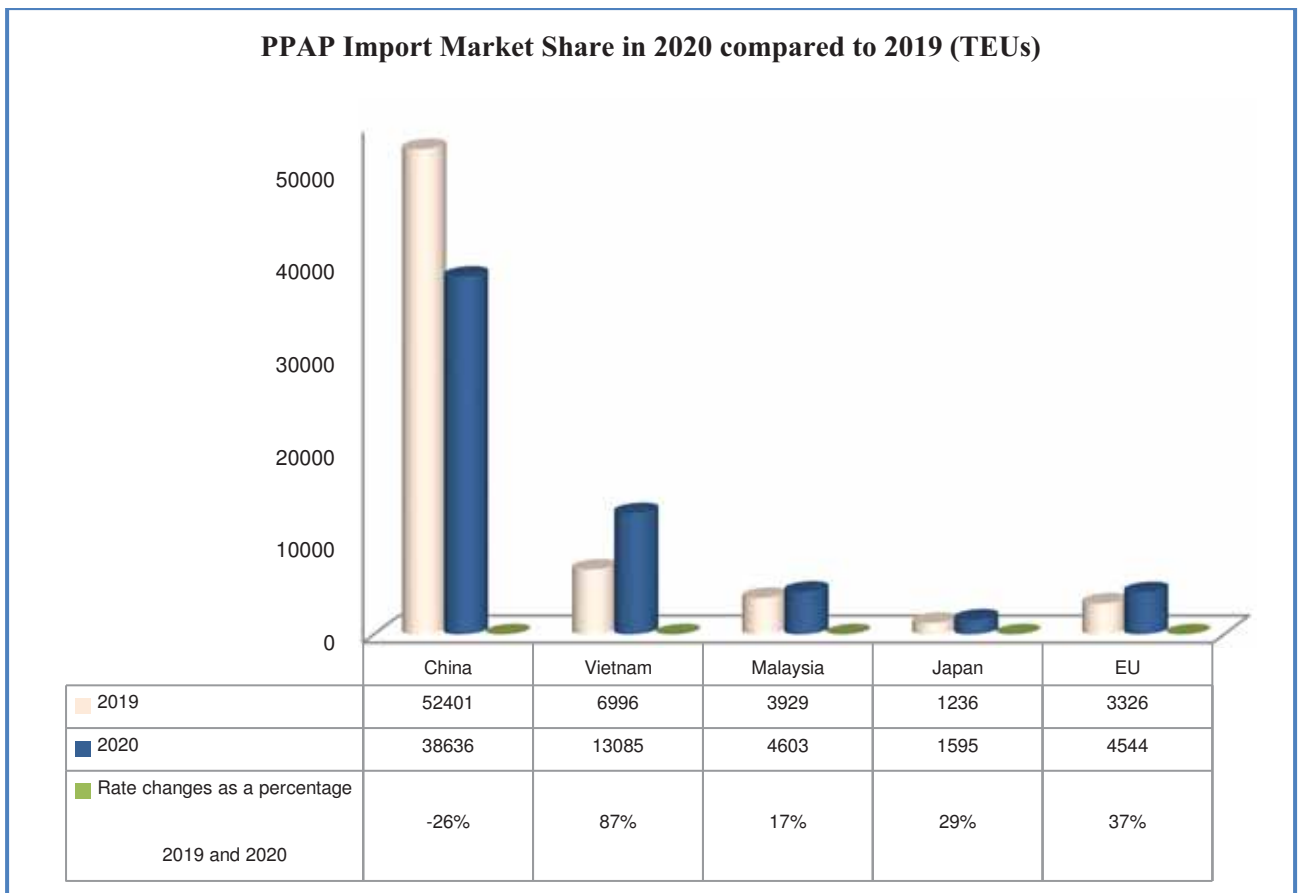
(Source: 2019 and 2020 data of the Planning / Marketing Department)

Graphic Number 4



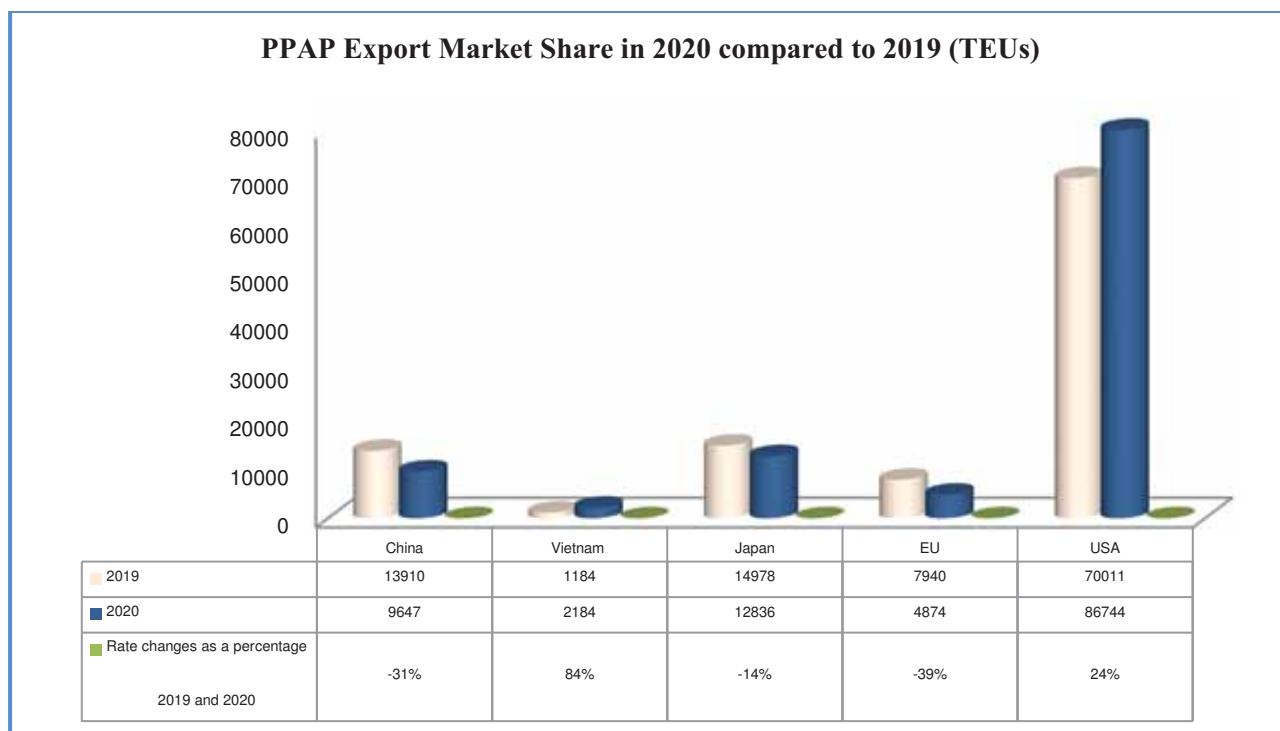
(Source: 2019 and 2020 data of the Planning / Marketing Department)

Graphic Number 5



(Source: 2019 and 2020 data of the Planning / Marketing Department)

Graphic Number 6



(Source: 2019 and 2020 data of the Planning / Marketing Department)

F. Competitive Situation

PPAP is an international river port which provides berthing services to the vessels and loading services of the container and general cargoes to the customer. In 2020, although the entire world, including Cambodia, was facing a severe economic impact due to the spread of Covid-19 disease, PPAP was able to maintain container growth of 3.49% compared to 2019. But compared to the 2020 plan, this growth dropped 6.51%. Although in 2020 the container throughput via PPAP was lower than the plan in 2020, this positive growth clearly indicates that container traffic through PPAP is growing and improving compared to some ports in the region.

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 multi-purpose terminal Tonle Bet (UM2). For example, in 2020, the volume of marble cargo containers began to be shipped through this multi-purpose terminal Tonle Bet (UM2) for the export to China.

3. Service Charges

In the context of Covid-19, PPAP continues to offer preferential prices for loading and unloading service and storage service for containers containing agricultural products. In particular, PPAP provides a favorable price by not charging the gate fee for trucks transporting rice containers through PPAP.

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.

5. PPA 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 2020 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 III, Step 2 at Container Terminal LM17

Projects Title	Port Infrastructure development Phase III, Step 2
Description	Between 2013-2020, the container throughput increase annually on average of 14,83%. Since the actual container throughput at LM17 was 290.857 TEUs in 2020, PPAP forecasts that the demand for container handling will grow to 321,066 TEUs by 202021, Such volume requires more proper port facilities and equipments
Phase III, Step 2 (2021-2022)	
Objective	To ensure the port capacity to handle containers that are increasing every year
Expected Output	Increase annual capacity to 500,000 TEUs/year at LM17
Project Location	Northern part of Container Terminal LM17
Project and Size	4.6 Ha
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<ul style="list-style-type: none"> - Construction of Jetty (12m x 49m) with the estimated budget of 27,754,400,000 KHR. - Construction of RTG runway (1,5m x 544m) 4 lanes, Concrete Blocked Yard (C50) (27,720m²), Asphalt Concrete Road (9,400 m²), Parking Area (6,268 m²), Electrical System (3 Posts), Water supply System (6 posts), CCTV System (3 Posts at Block B) with the estimated budget of 15,990,000,000 KHR. - Dropping rock along the riverbank from MSL warehouse to the location of Jetty construction (Phase III) with the estimated budget of 1,418,000,000
Source of Finance	External Funding
Project Timeframe	2021-2022
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 Tonle Bet Terminal UM2

Projects Title	Port Infrastructure development
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	
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.
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.
Project Location	Tonle Bet village, Tonle Bet commune, Tonle Bet Disrict, Tboung Khmum Province
Project and Size	18 Ha

Projects Title	Port Infrastructure development
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<ul style="list-style-type: none"> - Expansion of Container Yard (12m x 149m) with the estimated budget of 28,700,000,000 KHR - Construction of FCC Foundation with the estimated budget of 6,150,000,000 KHR - Construction infrastructure for operation with the expected budget of 4,100,000,000 KHR
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2021-2022
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 Multi-Purpose Terminal TS3

Projects Title	Port Infrastructure development
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). Currently, PPAP is renovating this terminal to be an international passenger cruises and tourist terminal.
Port Infrastructure development	
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 Ha
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	To build the Waiting Hall and Tourist Terminal (30m x 60m) with the estimated budget of 9,635,000,000 KHR
Source of Finance	PPAP development fund
Project Timeframe	2021-2022
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

4. Project for Port Infrastructure development at Kaoh Roka Terminal

Projects Title	Port Infrastructure development
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, PPAP considered Kaoh Roka Terminal as a strategic location of agricultural exports for provinces at the northeastern Cambodia. Anyway, This terminal is a potential location for tourism sector as well.
Port Infrastructure development	
	<ul style="list-style-type: none"> - To enhance the effectiveness of handling capacity of general cargo and

Projects Title	Port Infrastructure development
Objective	<ul style="list-style-type: none"> 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 transportation 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 Ha
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<ul style="list-style-type: none"> - The expansion of Port Infrastructure (20,000m²) with the estimated budget of 2,460,000,000 KHR. - The Construction of Gravel road (12m x 1,150m) with the estimated budget of 1,100,000,000 KHR. - To construct a mobile office and mobile dormitory with the estimated budget of 328,000,000 KHR. - Construction infrastructure for operation with the estimated budget of 4,775,065,000 KHR - Construction of Concrete Blocked Yard (8,600m²) with the estimated budget of 1,057,800,000KHR - To Install Conveyor with the estimated budget of 287,000,000 KHR - To build a tourist terminal with the estimated budget of 410,000,000 KHR.
Source of Finance	PPAP development fund
Project Timeframe	2021-2022
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Environmental 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 KM6 Terminal

Projects Title	Port Infrastructure development
Description	To play as a sub-feeder port for General and Container Cargo.
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	Khan Russey Keo, Phnom Penh.
Project and Size	4 Ha
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<ul style="list-style-type: none"> - The Construction of Jetty Foundation (12m x 149m) with the estimated budget of 28,700,000,000 KHR - The construction of Port infrastructure for operation with the estimated budget of 4,100,000,000 KHR.
Source of Finance	PPAP development fund
Project Timeframe	2021-2022

Projects Title	Port Infrastructure development
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 2020, 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 for the third quarter of 2020

1. Statistics of PPAP

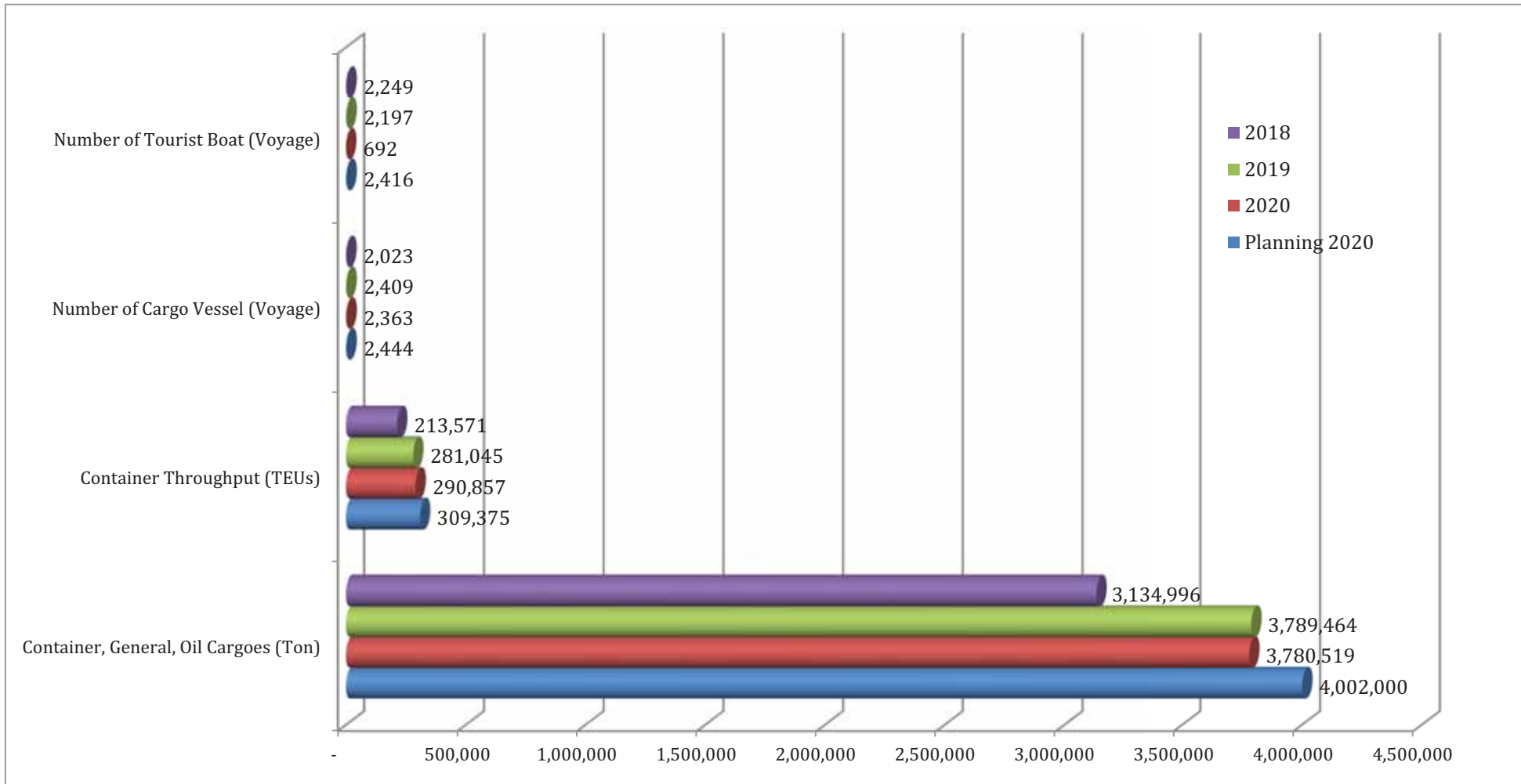
No.	Description	Unit	Planning 2020	2020	2019	2018	Compare (%)	Up/Down (%)	
<i>A</i>	<i>B</i>	<i>C</i>	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,002,000</u>	<u>3,780,521</u>	<u>3,789,464</u>	<u>3,134,996</u>	94.47%	-0.24%	20.88%
	A- Container Throughput	-	<u>2,174,000</u>	<u>2,065,277</u>	<u>2,057,084</u>	<u>1,633,704</u>	95.00%	0.40%	25.92%
	- Imported Container Cargo	-	1,413,100	1,366,749	1,360,461	1,061,249			
	- Exported Container Cargo	-	760,900	698,528	696,623	572,455			
	B - Mobile General Cargo Handling	-	<u>836,000</u>	<u>865,368</u>	<u>775,810</u>	<u>730,546</u>	103.51%	11.54%	6.20%
	- Inside Port	-	250,800	50,812	65,396	51,178			
	- Inside Port	-	585,200	814,556	710,415	679,368			
	C - Imported Oil & Gas	-	<u>992,000</u>	<u>849,876</u>	<u>956,570</u>	<u>770,746</u>	85.67%	-11.15%	24.11%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>309,375</u>	<u>290,857</u>	<u>281,045</u>	<u>213,571</u>	94.01%	3.49%	31.59%
	- Laden Cargo	-	222,750	211,822	201,147	151,749			
	- Empty Cargo	-	86,625	79,035	79,898	61,822			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,010,000</u>	<u>2,930,645</u>	<u>2,832,895</u>	<u>2,364,250</u>	97.36%	3.45%	19.77%
	- General Cargo	-	836,000	865,368	775,810	730,546			
	- Container Throughput (Ton)	-	2,174,000	2,065,277	2,057,084	1,633,704			
III	<u>Number of Cargo Vessel</u>	<u>Voyage</u>	<u>2,444</u>	<u>2,363</u>	<u>2,409</u>	<u>2,023</u>	96.69%	-1.91%	19.08%

No.	Description	Unit	Planning 2020	2020	2019	2018	Compare (%)	Up/Down (%)	
<i>A</i>	<i>B</i>	<i>C</i>	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
	- Foreign Vessels and Barge	-	1,735	1,824	1,715	1,398			
	- Cambodian Vessels and Barge	-	41	-	39	57			
	- Oil Vessels and Tanker	-	668	539	655	568			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Voyage</u>	<u>1,979</u>	<u>1,828</u>	<u>1,668</u>	<u>2,569</u>	92.37%	+9.59%	-35.07%
	- PhnomPenh-SeimReap-PhnomPenh	-	28	-	-	125			
	- Vessels in Town	-	1,951	1,828	1,668	2,444			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>11,368</u>	<u>11,932</u>	<u>9,932</u>	<u>11,496</u>	104.96%	+20.14%	-13.60%
	- PhnomPenh-SeimReap-PhnomPenh	-	588	-	-	2,724			
	- Vessels in Town	-	10,780	11,932	9,932	8,772			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>2,416</u>	<u>692</u>	<u>2,197</u>	<u>2,249</u>	28.64%	-68.50%	-2.31%
	- PhnomPenh-ChovDok-PhnomPenh	-	1,500	440	1,408	1,504			
	- Cruise Boat	-	916	252	789	745			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>53,300</u>	<u>18,334</u>	<u>50,307</u>	<u>44,290</u>	34.40%	-63.56%	13.59%
	- PhnomPenh-ChovDok-PhnomPenh	-	20,200	8,601	18,007	12,400			
	- Tourist on Cruise Boat	-	33,100	9,733	32,300	31,890			

Source: Department of Planning/Marketing

-  Cargo-fuel and gas throughput in 2020 is 3,780,521 Tons, decreased by 0.24% compared to 2019 (3,789,464 Tons). For 2020, PPAP has accomplished 94.47% compared to planning 2020 (4,002,000 Tons).
-  Cargo vessels throughput in 2020 is 2,363 Voyage, decreased by 1.91% compared to 2019 (2,409 Voyage). For 2020, PPAP has accomplished 96.69% compared to planning 2020 (2,444 Voyage).
-  International passengers and tourist cruises throughput via Cambodia-Vietnam in 2020 is 692 Voyages, decreased by 68.50% compared to 2019 (2,197 Voyages). For 2020, PPAP has accomplished 28.64% compared to planning 2020 (2,416 Voyage).
-  Containers throughput in 2020 is 290,857 TEUs, increased by 3.49% compared to 2019 (281,045 TEUs). For 2020, PPAP has accomplished 94.01% compared to planning 2020 (309,375 TEUs).
-  The number of international passengers and tourists throughput via Cambodia-Vietnam in 2020: 18,334 Passengers, decreased by 63.56% compared to 2019 (50,307 Passengers). For 2020, PPAP has accomplished 34.40% compared to planning 2020 (53,300 Passengers).

Graphs on performance comparisons of the 2020 - 2019 - 2018 and 2020 plan



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

❖ Sand Dredging Management

- 📍 In 2020, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 5,081,611 cubic meters.
- 📍 Having dredging at Sdao Canal, located at Sdao Leu village, Sdao commune, Kang Meas district, Kampong Cham province, with total amount of 272,258 cubic meters, accomplished by 91% compared to planning 2020.
- 📍 Having dredging at Koh Rokar canal for phase 1, phase2, located at Koh Rokar village, Peam Chor district, Prey Veng province with the total amount of 223,754 cubic meters accomplished by 70 % compared to planning.
- 📍 Having repaired/maintenance navigation buoy and navigation poles along the upper Mekong river from Kám Samnar to Tonlet Bet Terminal UM2, Tboung Lhmum Province.
- 📍 Having surveyed and study the riverbed condition along the upper Mekong river, Accomplished by 100% compared to planning 2020.
- 📍 Having surveyed and prepared detailed map for Koh Roka Terminal development.
- 📍 Collected data and prepared the detailed map of upper and lower Mekong river.
- 📍 Having surveyed the river depth for some locations to facilitate the navigation.
- 📍 Completed the survey of inland waterway from Banam to the front of Prey Veng Provincial Hall as requested by Prey Veng Provincial Administration.

❖ The construction of port infrastructure

- 📍 Construction of container yard at Container terminal Lm17 (Phase III Step 1), Sewage system, CCTV system, Water supply system, RTG runway (1.5m x 544m for 3lanes), Concrete Block Yard and Dynamic compaction 5Ha are accomplished 95% compares to planning.
- 📍 Construction of Jetty (12m x 149m) , Access Bridge (8m x 32m), Foundation of FCC (9m x 10m for 2 sets), Dolphin, Asphalt Concrete Road(11,310m²) and Electrical Lamp Post at Container Terminal LM17 (35meter height for 2 poles) accomplished 67% comparing to planning.
- 📍 Construction of a new gate (21m x 30m) at Container Terminal LM17, and the construction of Asphalt concrete road (6,560 m²) is 73% completed.
- 📍 Construction of 3 trestle bridges and pontoons (15m x 42m, height 2.5m) replacing the movement of pontoon location from TS1 Terminal to TS3 Terminal accomplished 65% comparing to the project.
- 📍 Construction of Barbed wired fence (950m height 1.5m) and Asphalt concrete road (12m x 205m) is 100% completed.
- 📍 Construction of Gravel road (12m x 48m) at New ICD at Container terminal Lm17 is 100% completed.
- 📍 Construction of wired fence (605m, height 3.4m) and wired sliding door around New ICD at Container Terminal Lm17 is 85% completed.
- 📍 Construction of employee accommodation at container terminal Lm17 is 15% completed .
- 📍 Construction of dam (16m x 600m) at Koh Roka Terminal.
- 📍 Construction of machinery warehouse (25m x 40m) is 100% completed. Co
- 📍 Construction of New Inland Container Depot (ICD) (30,000 m²) is 100% completed
- 📍 Electrical connection for phase 2 and phase 3 at container terminal Lm17 is 5% completed.

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

- 🏗️ Installed Electricity pole (4 poles, heigh 12m) at Tonle Bet terminal UM2
- 🏗️ Purchase 4 Rubber Tyred Gantries (RTG) (procurement implementation)
- 🏗️ Completely installed the 4th Traveling Cargo Crane (TCC) with the total amount of 6,150 million Riels.
- 🏗️ Equiped GPS on Container Trucks (39 trucks) with the total amount of 35,178,000 Riels (Project out of Planning 2020).
- 🏗️ The Project of Purchasing 24 Container Trucks with the total amount of 8,364 million riels has been tranferred to purchase 12 terminal Tractors (Being negotiating the price).
- 🏗️ Has been implementing ICOM Repeater System (10 sets) with the total amount of 31 million Riels.
- 🏗️ Installed 6 Cisco Wireless with the total amount of 165.6 million Riels.
- 🏗️ Installed 1 Cisco ISE with the total amount of 112.6 million Riels.
- 🏗️ Purchased Radio data terminal equipment (2 sets) with the total amount of 13 million Riels.

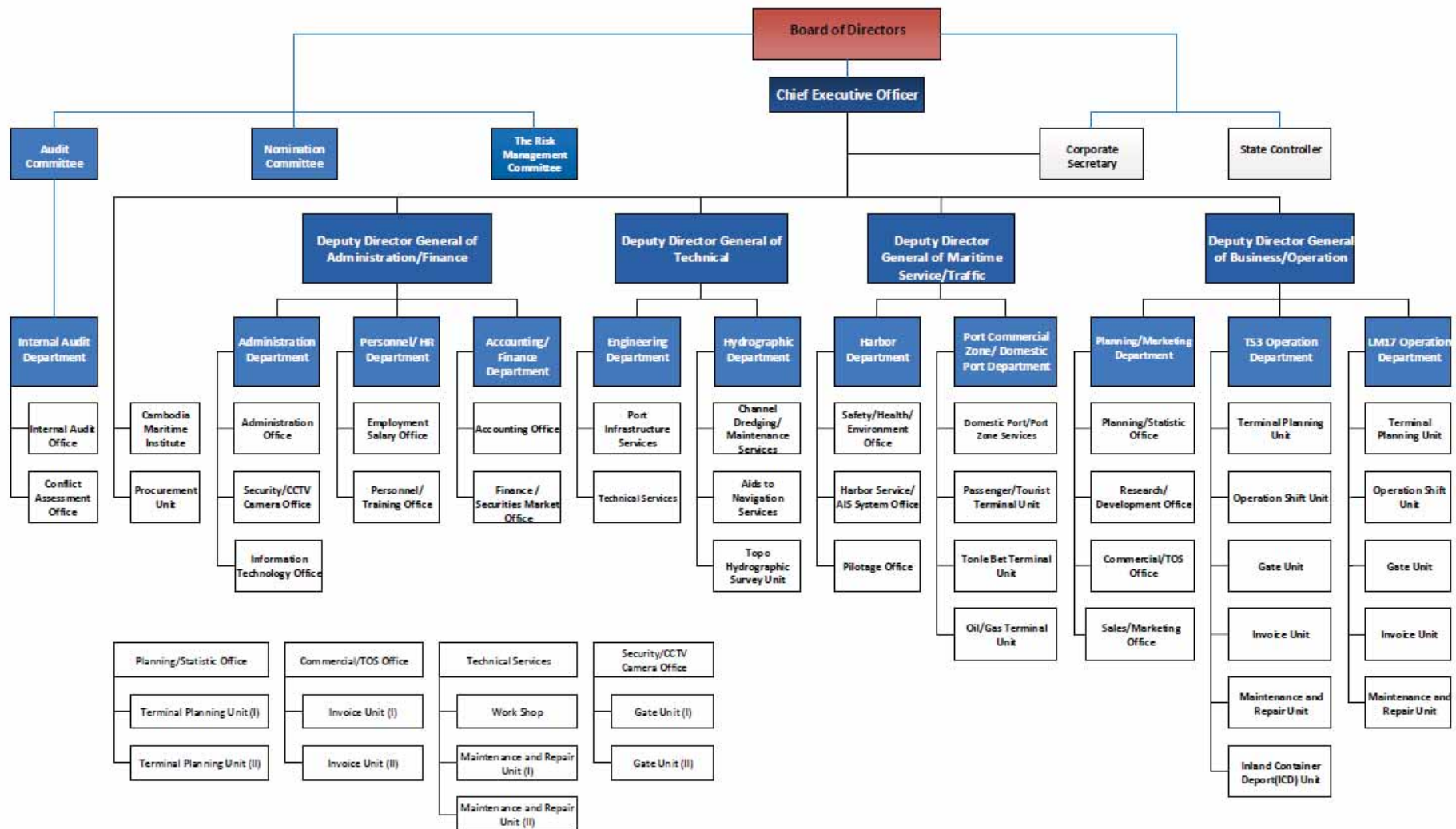
B- Revenue Structure

Source of Revenue	Period Ended 31 December 2020		Period Ended 31 December 2019		Period Ended 31 December 2018	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	47,976,516	43.50%	45,876,626	41.65%	35,377,991	42.22%
Lift On Lift Off (LOLO)	40,076,814	36.33%	37,750,701	34.26%	29,734,742	35.47%
Port dues and charges	14,889,133	13.50%	16,789,612	15.24%	13,808,809	16.47%
Gate fees	2,844,482	2.58%	2,966,498	2.69%	3,185,021	3.80%
Storage fees	2,593,041	2.35%	4,683,764	4.25%	1,496,217	1.78%
Weighting fees	18,714	0.02%	5,547	0.01%	27,243	0.03%
Stuffing/unstuffings	125,949	0.11%	104,339	0.09%	57,844	0.07%
Trucking fees	981,571	0.89%	852,808	0.77%	8,668	0.01%
Repair and maintenance container service	-	0.00%	-	0.00%	914	0.00%
Logistic Service	245,402	0.22%	789,699	0.72%	-	0.00%
Sand dredging management fee	551,802	0.50%	354,736	0.32%	126,795	0.15%
Total:	<u>110,303,424</u>	<u>100.00%</u>	<u>110,174,330</u>	<u>100.00%</u>	<u>83,824,244</u>	<u>100.00%</u>

Part 3

Information on Corporate Governance

A. Organization Structure (2020)



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	July 16 th , 2019	July 15 th , 2022
2	H.E SUON Rachana	Member	July 16 th , 2019	July 15 th , 2022
3	H.E KEN Sambath	Member	July 16 th , 2019	July 15 th , 2022
4	H.E PENN Sovicheat	Member	July 16 th , 2019	July 15 th , 2022
5	Mr. GUI Anvanith	Member	April 23 rd , 2019	April 22 nd , 2022
6	Mr. DITH Sochal	Member	April 23 rd , 2019	April 22 nd , 2022
7	Mr. YIM Choeurn	Member	July 16 th , 2019	July 15 th , 2022

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

C. Senior Officer

N.	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 Internal Audit Department
8	Mr. KONG Sothea	M	Head of Administration Department
9	Mr. SOY Sereysovathanak	M	Head of Personnel/HR Department
10	Ms. CHHEAV Vanthea	F	Head of Accounting/Finance Department
11	Mr. SAY Chantha	M	Head of Engineering Department
12	Mr. CHIEAP Vyraya	M	Head of Hydrographic Department
13	Mr. TOL Sokhom	M	Head of Harbor Department
14	Mr. CHHIV Songkaing	M	Head of Port Commercial Zone/Domestic Port Department
15	Mr. HUN Sokhalay	M	Head of Planning/Marketing
16	Mr. HOEU Song	M	Head of TS3 Operation Department
17	Mr. YIM Choeurn	M	Head of LM17 Operation Department

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	12,420	12,180	11,120	12,000	11,580	11,800	11,680	11,720	11,700	11,700	11,680	11,940
	Minimum	12,000	10,480	10,280	10,280	11,280	11,200	11,500	11,660	11,500	11,500	11,480	11,600
	Average	12,167	11,633	10,628	10,795	11,414	11,551	11,553	11,686	11,647	11,649	11,601	11,739
Trading Value	Maximum	6,505	7,725	6,716	4,523	8,108	10,536	5,726	5,810	6,069	5,210	1,021	3,995
	Minimum	6	10	100	76	3	90	25	12	57	2	10	20
	Average	922	1,685	1,000	1,264	1,343	1,564	585	745	899	514	225	629

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. Shareholders Holding Majority Voting Shares (From 5% to Less Than 30%)

No.	Name	Nationality	Address	Investor ID	Allotted Amounts (Shares)	Percentage Ownership
1	Mekong Strategic Infrastructure Ltd.	Foreign	Craigmur Chambers. Road Town. Tortola. Vg1110. Virgin Islands. British	F41876784786	1,389,244	6.71%
Total					1,389,244	6.71%

E. Information on Dividend Distribution in the last 3 (three) years

No.	Dividend Distribution	2019	2018	2017
1	Net Profit for the Year (Riel)	46,806,244,000	32,767,486,000	21,588,614,000
2	Total Dividend to be Paid (Riel)	4,126,751,334	3,876,751,334	3,513,555,386

No.	Dividend Distribution	2019	2018	2017
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 (%)	8.82	11.83	16.20
6	Dividend Yield (%)	1.60	2.44	3.30
7	Dividend per Share (Riel)	199.51	187.42	169.86

Part 5
Audit Report On
the Internal Control Compliant for 2020

Kingdom of Cambodia
Nation Religion King

Phnom Penh Autonomous Port
Audit Committee
Head of Internal Audit Department
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Audit Report
On the Internal Control Compliant for 2020

Phnom Penh Autonomous Port acts as port authority, port operator that handles the waterway transport along the Mekong River and Tonle Sap River while at the same time PPAP has a role to manage and provide waterway transport network with efficiency, capability, and transparency to establish relationships with domestic and foreign trading partners.

Meanwhile, internal control is the most significant factor that push the port to operate efficiently and achieve its prioritized goals with the activities of officials, staff, skilled workers, standardizing formalities, providing assurance in prices and services appropriate to an accountable marketplace.

A. The assessment on the effectiveness of the implementation in compliance with previous recommendations (For 2017 & 2018)

Audit outcomes	Improvement
<p>Channel Dredging /Maintenance Service Office</p> <p>1. The internal auditor observes that the fuel receipt for Sdao, channel construction site, should create a column for the authorization of officers from each shift when taking the receipt from the fuel supplier. This would help produce accurate and precise data.</p> <p>2. The service office should continually request for basic mechanic training for workers to expand their skills to be more competent and capable of repairing some machines in case any problem occur eventually during the operation. This should help reduce time consumption and obstruction to tasks.</p> <p>3. The service office should produce a list of dredging equipment, such as leaking pipes and other damaged materials that can no longer be used, and make a report to the relevant departments to remove them.</p> <p>4. The service office should have a schedule for reparation, maintenance, provision and decoration on shelters to ensure safety and health of the employees who are working in dredging service office.</p> <p>5. The service office should report to the relevant departments about the shortage of dredging experts in particular to inform the Department of Human</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Not Fully Implemented</p>

<p>Resources about the workload, roles, duties, officers, staff, workers and technicians, including the number of retirees and latter retirees in 2017. Since the auditors found that the service office will lack experts in dredging fields, the service office should plan in advance so that the task continues with no obstruction.</p>	<p>Not Fully Implemented</p>
<p>Aids to Navigation Service Office</p> <p>1. The Aids to Navigation Service Office should make a monthly report and submit it to the head of the department of the service itself so that the director of the department can make a monthly summary report to the management team for review and acknowledgement which is in line with Prakas No. 1225 dated 23 December 2016, signed by the Delegation of Royal Government in charge as Chairman and CEO of the PPAP, on how to make a monthly report.</p> <p>2. The quarterly project for the Aids to Navigation Service Office in 2017 should be signed by the head of the department and submitted to the management team for review and acknowledgement so that the documents are legitimate.</p> <p>3. The service office should cooperate with the Head of Planning / Marketing Department to organize the annual and subsequent years plan which is in line with the workload since the budget in the plan as of September 2017 has more actual balance than expenditure. This signifies the estimation in the project and implementation to have not reached its full potential.</p> <p>4. The service office should collect the buoys in the Inland Container Depot (ICD) unit to have a plan for reparable buoys. Any buoys that have been repaired and are in stock should be stored in a warehouse to avoid being exposed to the sun, wind, and corrosion.</p> <p>5. The auditors found that: The project for buoy & marker buoy reparation and maintenance plus price list of navigation route (Phnom Penh – Chnoktrou) through Tonle Sap River in 2017 has already been repaired by the service office. However, there are still two projects that have not been completed yet:</p> <ul style="list-style-type: none"> • Project on buoy & marker buoy reparation and maintenance plus price list of Lower Mekong River navigation route (Phnom Penh – Kaam Samnaar) in 2017, letter n°. 064, PPAP, dated 19 June 2017. • Project on buoy & marker buoy reparation and maintenance plus price list of Mekong River navigation route on 2017, Prakas n°. 091, dated October 2, 2017. <p>This delays the implementation of the project which should be in line with the plan for 2017. In the case of lacking towing equipment or other means, the service office should make a request to the relevant departments to speed up the process of buoy reparation and maintenance in the future. In 2018, the service office should be quicker to request on the reparation and maintenance project. Also, the service office should encourage relevant units to work in unison as to complete the document by January 15 in the subsequent years.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Not Fully Implemented</p>

<p>6. The service office should cooperate with the Personnel / Human Resources Department to request to send officers for short training courses to expand their knowledge and skills that are in line with their functions, duties to increase work efficacy.</p>	<p>Not Fully Implemented</p>
<p>7. In order to make waterway transport efficient, reduce time consumption and in accordance with the annual plan mentioned, the Channel Dredging/Maintenance Service Office should conduct approaches by the service office itself.</p>	<p>Not Fully Implemented</p>
<p>Topo Hydrographic Survey Unit</p> <p>1. The quarterly project of the Topo Hydrographic Survey Unit for 2017, which is planned after the signing of the head of the department, must be submitted to the management team for review and acknowledgement to legitimize the documents.</p> <p>2. The Topo Hydrographic Survey Unit should make a monthly work report to the head of the department of the service itself so that the head of the department can summarize the monthly work to the management team for review and acknowledgement in accordance with Prakas n°. 1225 dated 23 December 2016 on how to make a monthly report.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>
<p>Planning / Statistics Office</p> <p>1. Preparation of record books</p> <ul style="list-style-type: none"> • Lack record books • Number duplication • No yearly closure on record books – cross-year numbering <p>This produces unclear results on record book monitoring.</p> <p>2. Annual planning</p> <p>Auditors found that the Planning / Statistics Office's annual planning was progressing slowly.</p> <p>This delays the implementation of some necessary projects to the relevant units and institutions.</p> <p>3. Medium- and long-term planning</p> <p>According to the audit, the auditee did not plan for the medium- and long-term project from 2013 till present. This makes planning, expenditure and development unclear.</p> <p>4. Notes (Request for Oil, Reparation and Replacement of Equipment)</p> <p>According to the auditors' examination on some notes, the request for oil, equipment reparation and replacement was progressing slowly. This could delay the services progression.</p> <p>5. Documenting</p> <p>The auditors found that the copy of the documents, deposited in the audit department for the project, lack the signature of the Delegate of Royal Government in charge as chairman and CEO. This creates gaps in document monitoring.</p>	<p>Not Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>

<p>6.Oil inventory For oil inventories, the auditors found that the Planning / Statistics Office had consolidated them into a single table without dividing them into sections. This may affect the monitoring of oil in stock.</p> <p>7.Monthly Fuel Consumption Report The auditors found that the fuel (Rotella No. 40) for November 2017 had already been stockpiled, but the Planning / Statistics Office had not yet written it in the monthly fuel consumption report. This makes the summary of the annual report inaccurate.</p> <p>8.Monthly Report on TEUs In the 2017, the auditors found that the document format was inadequate on the monthly report on the amount of TEUs plus the transition of containers created to provide subsidies for staff and workers. This makes the document to have not met legitimate standard.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>
<p>Commercial/ TOS Office</p> <p>1. About the record book The auditors found that the office had not met recording suite. Therefore, there should be one more record book to efficiently monitor and keep track on all official letters sent to the office for acknowledgement and to record the number, date, content of the letter and place. Therefore, the management of administrative documents and customer related documents is still lacking.</p> <p>2. Updates on the roles and responsibilities of officials According to the audit, the Commercial/TOS Office has been writing about the roles and responsibilities of its officers since 2015, but now due to changes in the roles and responsibilities of the officers, the office itself has transferred duties on the monitoring of debt, shipping tax and container handling fee of the partner company which receives information from the Sale/Marketing Office to the Accounting Office. This makes the performance of roles and responsibilities in the office complicated.</p> <p>3. Monthly and annual report Upon questioning, the auditors observed that the Commercial/ TOS Office made a monthly summary report sent to the Accounting Office for verification only, without submitting it to the head of the relevant departments and the CEO. This creates gaps in the performance of office roles and responsibilities.</p> <p>4. Signing on various types of receipt According to the examination and questioning of staff and officers, it is observed that some receipts such as (handling fees, yard rent, tax and port fees) are not signed by the partnered company which lack of information being the results. This creates gaps in the document.</p> <p>5. Lack of annex to the sand bill The auditors found that there was a lack of annex in the sand bill production, and most did not find any accompanying reports, such as the Channel Dredging/Maintenance Service Office (dredging report) and the</p>	<p>Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Fully Implemented</p>

<p>Planning / Statistics Office. This could result in a lack of mangement which is not in accordance with the standard.</p>	<p>Commercial /TOS Office has shifted the responsibility to Invoicing Unit at LM17</p>
<p>6. Monthly Report on Total Gate Fee (LM17 Terminal) The auditors found that the office made a monthly gate fee, but in some months, the office summarized the second week's monthly report. This delays the verification with relevant entities on Gate Fee revenue.</p>	
<p>7. Promoting the implementation of TOS (Terminal Operation System) Upon examination and questioning, the auditors observed that in the production of all invoices, the audit produced by Excel has not yet implemented the TOS. For invoicing, this section in the TOS is already available. This makes the implementation of the TOS incomplete.</p>	<p>Not Fully Implemented</p>
<p>8. About the production of invoices for payment & renting in Phnom Penh Autonomous Port Through the interrogation of staff and officers, the auditors found that the staff was in charge of yard renting, ferries & ships terminal, land renting, renting in Commercial Port Zone, Head Office, Warehouse. However, the staff seems to not know where the charge takes place. This leads to an incurate production of receipt.</p>	<p>Not Fully Implemented</p>

<p>Port Infrastructure Service Office</p> <p>1. Gaps in making monthly report Upon examination and questioning, the Auditors observed that the Port Infrastructure Service Office had made an annual summary report but did not make a monthly summary report to the Director of the Department to make a summary report and submit it to the management team for review and acknowledgement. Prakas No. 1225 dated December 23, 2016, signed by His Excellency the Delegate of the Royal Government in charge as chairman and CEO of PPAP on how to make a monthly report. <i>This makes performance monitoring difficult, unclear and inconsistent with the above guidelines.</i></p> <p>2. Implementation of the annual plan is not in line with the proposed project In the 2018 plan, the auditors observed that the port infrastructure service office have not been implemented in accordance with the plan mentioned by some projects to be implemented in 2019. This makes the implementation inconsistent with the plan.</p> <p>3. Lack of capable officers According to officials from the Port Infrastructure Service Office, there is a shortage of capable officers in the field of plumbing and construction engineers and site inspectors. Currently, there are many construction sites and only one officer is required to study the design and be responsible for monitoring the work at other construction sites. <i>This makes it difficult for the port infrastructure services to meet the annual plan.</i></p> <p>4. The slow processing on some documents on the reparation and construction The auditorss found that the process of requesting some repairs and constructions was a long one caused by the relevant departments. <i>This can lead to delays and inefficiencies in service work and hinders PPAP.</i></p> <p>5. About training The auditors found that the port infrastructure service still lacked the capacity to send staff to the above-mentioned training courses. <i>This can lead to inefficient performance.</i></p> <p>6. About the shortage of labor protection equipment Upon examination, the auditors found that the Head of Internal Audit Department was late in requesting materials for annual labor protection. <i>This factor makes the staff on site do not have enough equipment.</i></p> <p>7. Updates on roles and responsibilities of staff According to the survey, the Port Infrastructure System has 26 employees, some employees currently have been moved under the control of the Port Safety, Health and Safety Office (SHE). However, the responsibilities and obligations of staff have not yet been updated by the audit department. This can lead to confusion about roles and responsibilities in daily work.</p>	<p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p> <p>Fully Implemented</p> <p>Not Fully Implemented</p>
<p>Technical Service Office (2017)</p>	<p>Fully</p>

<p>1. The service center should make a monthly report to the head of the department of the service center for the director of the department to summarize the monthly work to the management for review in accordance with the instruction letter No. 1225 dated 23 December 2016 on how to make a monthly report.</p> <p>2. Technical Service Office should continue to encourage relevant units to carry out small and large repairs in accordance with the technical standards of machinery and in a timely manner so as not to hinder business.</p> <p>3. For the list of standards for the use of oil and oil filters used by the Phnom Penh Autonomous Port, the service center should cooperate with the relevant units to compile a book to be submitted to the management for review in order to be legit.</p>	<p>Implemented</p> <p>Not Fully Implemented</p> <p>Not Fully Implemented</p>
<p>Sale/Marketing Unit</p> <p>1. Preparation of entry-exit book</p> <ul style="list-style-type: none"> - Number Duplication - Did not make a yearly closure on entry-exit book This makes the management of incoming and outgoing letters unclear. <p>2. Training of office staff in accordance with their skills. According to the examination and interrogation of the auditorss, it was observed that some auditorss still have some level of marketing and contracting skills. This makes the training not as planned.</p>	<p>Fully Implemented</p> <p>Not Fully Implemented</p>
<p>Head of Port Commercial Zone/Domestic Port Department</p> <p>1. The auditors found that the department has a plan for 2016, but in order for the officers to have basis adequate to carry out their work effectively in 2017, the department should make additional plans for 2017.</p> <p>2. In 2017, the auditors found that the department had made reports for the first five months of the year. However, the department failed to make monthly report which is not in accordance with Prakas No. 1225 dated 23 December 2016, signed by the Delegate of Royal Government in charge as chairman and CEO of PPAP.</p>	<p>Fully Implemented</p> <p>Fully Implemented</p>
<p>Domestic Port/Port Zone Service Office</p> <p>1. After conducting an audit at the Port Zone Service Office, it was found that the officials at the service office cooperated and advised the residents staying at the domestic port zone not to have any new or additional constructions. At the same time, a small number of people built more sheds and stalls, but were banned from building and dismantled immediately by domestic port officials and security guards, as well as relevant authorities. Therefore, the service office should organize more inspections to observe and take measures to prevent some sneaky individuals in a timely manner.</p> <p>2. After inspecting at the Domestic Port Zone (from PTT gas station to the Domestic Port Office), the auditors observed that the service center should remake fence posts on both sides of the four entrances and exits and put up signs (Domestic Port/Port Zone Service Office) to:</p>	<p>Fully Implemented</p> <p>Not Fully Implemented</p>

<ul style="list-style-type: none"> • Make the location noticable • Draw the border of the four entrances and exits (as to not allow people to build more constructions on the entrances and exits) • Encourage Port Zone Service Office to resume business activities. <p>3. The service office should cooperate with the relevant units and the companies to repair and sell the ferry, dismantle or relocate the stalls because it was built close to the road access to the Domestic Port Zone/Port Zone Service Office</p> <p>4. The service office should continue to make requests to the leaders to provide recommendations and facilitation to coordinate with the relevant authorities in allowing the Domestic Port Zone/Port Zone Service Office to receive maintenance fees from those business booths in accordance with Sub-Decree No. 01 Dated 05 January 2009 and Inter-Ministerial Proclamation No. 566 of the Royal Government of Cambodia dated 06 September 2002 on how the effectively collectfees.</p> <p>5. The auditors observed that in Domestic Port yard, there was a plot of land surrounded by a wire mesh fence (near the PTT gas station) with some damage at present, so the Port Zone Service Office should repair the mesh fence to prevent land grabbing by the surrounding locals.</p>	<p>Not Fully Implemented</p> <p>Fully Implemented</p> <p>Fully Implemented</p>
<p>Tonle Bet Terminal Unit (UM2)</p> <p>1. After the audit at the Tonle Bet Terminal Unit, auditor see that the unit should continue to cooperate with the machinery technicians to arrange the inspection and maintenance of the machines in the Tonle Bet Terminal Unit in accordance with the technical standards</p> <p>2. At Tonle Bet Terminal Unit(UM2) there is no oil storage facility for operation yet, it is located outside, in front of the headquarters, which can cause loss or high risk due to various reasons, so, to ensure safety, the unit should work on requesting the leaders to make the oil storage facility in accordance with technical standards.</p>	<p>Fully Implemented</p> <p>Not Fully Implemented</p>
<p>Oil / Gas Terminal Unit</p> <p>1. The auditors observed that the unit made efforts to collect and prepare statistics on the amount of oil and gas, but the unit still lacks information on the use of traction means, such as trailers to go out to help push the gas tanker at the port of Da Long Gas, so the unit should cooperate with the Maritime Service to check the number of hours from the trailer departing from LM17 Terminal to the completion of Da Long Gas Terminal and when returning to LM17 Terminal how many hours and how many liters of fuel consume to mark that the trailer actually did the job.</p>	<p>Fully Implemented</p>

B.Negative Survey Outcomes

According to the annual audit plan for 2020, the Internal Audit Department has inspected the following departments, offices, services and units:

1. Head of Harbour Department (1st quarter)
2. Channel Dredging /Maintenance Service Office (1st quarter)

3. Aids To Navigation Service Office (1st quarter)
4. Topo Hydrographic Survey Unit (1st quarter)
5. Head of Planning / Marketing Department (2nd Quarter)
6. Planning / Statistics Office (2nd quarter)
7. Commercial/TOS Office(2nd Quarter)
8. Head of Engineer Department(3rd quarter)
9. Port Infrastructure Service Office(3rd Quarter)
10. Technical Service Office (3rd Quarter)
11. Sale/Marketing Unit (3rd quarter)
12. Head of Port Commercial Zone/Domestic Port Department (4th quarter)
13. Domestic Port/Port Zone Service Office (4th quarter)
14. Tonle Bet Terminal Unit (4th quarter)
15. Oil / Gas Terminal Unit (4th quarter)

1. Head of Harbour Department (1st quarter)

1.1 About the department's annual plan book

Upon examination and questioning, the auditors observed that the department had never prepared an annual plan book for submission to the management team for review and acknowledgement, and the unit under its supervision was conducting separately.

This creates gaps in the implementation of roles and responsibilities.

Auditors's recommendation: Therefore, the department should compile the plan of the subordinate service offices and units into the department's book and send it to the relevant departments or offices to organize the annual plan of the PPAP for implementation.

Auditee's response: For the previous practices, the annual plan book was prepared by the relevant departments or units under its supervision with the review from the Director Of Harbour Department . The Head of Harbour Department agreed with the auditor's request and suggested that the relevant departments should develop a departmental plan book which contains a summary of the plans of the service office and its subordinates.

1.2 Delay in making annual work activities summary reports

According to the inquiries of the auditee as of April 2020, the Head of Harbour Department has not yet made a report summarizing the work for the year 2019 and submitted it to the management team for review and acknowledgement.

This leads to a lack of implementation of the roles and responsibilities of the department.

Auditors's recommendation: The auditee should pay attention to the summary of annual work activities in a timely manner.

Auditee's response: The preparation of the annual work activities summary report has been delayed due to the lack of staff in charge of this work, and most of the staff work in various work sites. Therefore, in order to prepare the annual work activities summary report in time, should the Head of Harbour Department recruit a staff to take the task mentioned.

2. Channel Dredging /Maintenance Service Office (1st quarter)

2.1 About record books

After a thorough inspection, the record books of the service office are fused together into a single book. For the book record, there are some gaps as the followings:

- No letter contents
- Remnant of scratches
- Lack of locations to which letters be delivered
- No signature on the annual report closure from the Head of the Department and Director of Harbour Department.

This makes the control of the entry-exit administrative letter to have not met the requirements with the PPAP administrative procedures.

Auditee's response: Agreed to the auditors's opinion and will improve the above shortcomings.

2.2 Lack of monthly, quarterly and annual work activities summary reports

After a thorough inspection on the documents, the service office did not make a report summarizing the monthly, quarterly and annual work activities in accordance with the Prakas No. 1225 dated 23 December 2016 on how to make monthly, quarterly and annual reports.

This results in a lack of implementation of the roles and responsibilities of the service office.

Auditors's recommendation: Therefore, the auditee should pay attention to the monthly, quarterly and annual reports to be consistent with the above guidelines.

Auditee's response: The auditee will be preparing monthly, quarterly and annual work activities summary reports in accordance with the above guidelines.

2.3 Lack of annual plan of labor equipments

Upon examination and inquiry, it was observed that the Channel Dredging/Maintenance Service Office did not conduct the annual labor equipment plan that was pre-considered in each annual plan book which should be requested depending on the actual needs and requirements.

This signifies that the Channel Dredging/Maintenance Service Office expenditure on labor equipment was not in accordance with the annual plan and had not considered planning in advance.

Auditors's recommendation: Therefore, the Channel Dredging/Maintenance Service Office should study the requirements clearly and request for labor equipment in annually and should cooperate with the Safety / Health / Environment Office to inspect all the actual work activities of the Channel Dredging/Maintenance Service Office.

Auditee's response: Agreed with the auditors's opinion and improve the above shortcomings.

3. Aids to Navigation Service Office (1st quarter)

3.1 About record books

According to the auditors, the Aids to Navigation Service Office lack recording suite: No record book for incoming documents. There were many number skipping, lack yearly closure on record numbering and lack signature from the head of department.

This makes the control on administrative letters difficult.

Auditors's recommendation: Therefore, the Aids To Navigation Service Office should have an additional record book for incoming documents. The record book for outgoing documents should be written in accordance with the PPAP administrative procedures.

Auditee's response: Agreed to the auditors's opinion and improve the above shortcomings.

3.2 Gaps in making summary report on material inventory and remaining of equipment after constructions

The service office did not make report on the summary of the inventory of materials and equipment (naval buoy, light buoy, chains) remaining after the construction on sites to submit to the management team for review and acknowledgement.

This create gaps in the implementation of tasks.

Auditors's recommendation: The service office should review the inventory summary to facilitate verification and further planning for the subsequent years.

Auditee's response: Agreed to the auditors's opinion and improve the above shortcomings.

3.3 Lack of labor equipment when working on various construction sites

The auditors found that when the Aids to Navigation Service Office was on the mission stated in the plan for 2019:

- Phnom Penh - Kh'orm Somnor
- Phnom Penh - Kampong Cham
- Phnom Penh - Chhnuk Trou (Kampong Chhnang)

The Aids to Navigation Service Office has launched buoys, relocated buoys, painted naval buoys while workers did not equipped with protective equipment such as helmets, belts for personal safety.

This could make staff prone to accidents/incidents, and life threatening situations which could eventually occur .

Auditors's recommendation: The Aids to Navigation Service Office should request for labor protection equipment to staff, workers in the service office. At the same time, the service should cooperate with the Safety / Health / Environment Office to provide a better resolution.

Auditee's response: Agreed with the auditors's opinion and improve the above shortcomings.

4. Topo Hydrographic Survey Unit (1st quarter)

4.1 Lack of training for staff, officers on some technical measurement related programs

According to the survey, the unit is currently carrying out regular work using measurement software and some geographic information, such as:

- Arc Geographic Information System (ArcGIS)
- AutoCad Civil 3D Land Development
- Google Earth Pro -AutoCAD 2D & 3D

To determine the geographical location and draw maps to carry out river investigation tasks. However, the understanding of the staff, officers who work on these programs was still lacking.

This makes the daily work of drawing and measuring time consuming.

Auditors's recommendation: Therefore, the unit should include in the annual training plan so that the staff of the unit can attend the training program in the above program to work more effectively and meet the needs of the PPAP.

Auditee's response: Agreed to the auditor's opinion and improve the above shortcomings.

5. Head of Planning / Marketing Department (2nd Quarter)

5.1 Gaps in making monthly summary report

Upon examination and questioning, the auditors observed that the Head of Planning/Marketing Department did not make a monthly summary report to the leaders for review and acknowledgement which is in line with the instruction Prakas No. 1225 dated 23 December 2016 on how to make a monthly report.

This makes controlling of performance difficult, inaccurate and inconsistent with the above guidelines.

Auditors's recommendation: Therefore, the department should be quicker to make the monthly summary report in accordance with the above guidelines.

Auditee's response: Agreed to the above shortcomings mentioned that the Head of Planning/Marketing Department had no monthly summary report.

5.2 About the New R&D Office

According to the structure of the Head of Planning/Marketing Department dated April 25, 2016, there are four offices as follows:

1. Sale/Marketing Office
2. Planning / Statistics Office
3. Commercial/TOS Office
4. New R&D Office

Of the four offices above, the auditorss found that the new R&D office had no staff yet.

This creates gaps for the performance of the department.

Auditors's recommendation: Therefore, the Head of Marketing/Planning Department should continue to encourage the new R&D office to operate more effectively in the department.

Auditee's response: The Head of Planning / Marketing Department has agreed with the auditors's recommendation on the above shortcomings that there are no staff in the new R&D office at the moment.

6 Planning / Statistics Office(2nd quarter)

6.1 Monthly fuel consumption report

The auditors found that the Planning / Statistics Office did not record gasoline (EA) in its monthly fuel consumption report.

This causes difficultly in validating on gasolin (EA) for monthly consumption when without data on the report. In addition, in the business planning book, financial services PPAP in 2020 Prakas No. 648/19 PPAP appeared in the table showing different sections on expenditure.

Auditors's recommendation: in order to be clear and facilitate investigation on the usage with high responsibility in reporting transparently, the Planning / Statistics Office should replenish the gasoline (EA) used monthly by the sections in accordance with the plan outlined in 2020.

Auditee's response: The Planning / Statistics Office agreed with the recommendations of the auditors. However, in order to carry out this work smoothly and efficiently, I request the Office of Administration to provide a monthly fuel cost (EA) report to the Planning / Statistics Office at the beginning of each month.

6.2 Gaps in making report on the control over the implementation of port infrastructure projects for the verification with the annual plan

With a thorough investigation, the auditors observed that after the follow up on the implementation of the port infrastructure construction project, the Planning / Statistics Office did not make a report to support and verify with the actual work mentioned in the annual plan.

This has led to a lack of the follow-up reports on construction projects to verify with the plans outlined in each annual construction project.

Auditors' recommendation: Therefore, the office should make a report after the follow up on the implementation of port infrastructure construction projects to verify with the annual plan.

Auditee's response: The Planning / Statistics Office has been working on the update of a project report in the 2020 plan for the first eight months of the year. At the same time, the Planning / Statistics Office aims to continue on the monthly follow up to submit to leaders for review and feedback.

7. Commercial/TOS Office (2nd quarter)

7.1 About controlling on the recording, verifying and producing port revenue receipts

After inspecting and inquiring from the head of internal audit department, the auditors observed that the auditee has already made port revenue receipts **Port Due** and **Stevedoring** via TOS (Automation). However, the unit is still making port revenue receipts via Microsoft Excel (Manual) to verify data and cash with invoice via TOS. In addition, the management, monitoring, recording and production of revenue receipts, such as renting of ferry terminals, lease land in port zone, offices and warehouse is still monitoring and producing invoices via Excel (Manual). The office should develop in accordance to the TOS or revenue controlling system (Automation) that can be connected to the TOS to avoid using Excel (Manual).

This factor causes receipt production and downloading revenue reports in the Commercial/ TOS Office to still demand a large amount of human resources to perform the task. Moreover, the TOS still has not met the requirements of the fundamental functions in daily work to be highly effective.

Auditor's recommendation: The auditee should continue to promote and collaborate further with the Technical / Information Technology Office and make a report to the leaders for information purpose on the current TOS version.

Auditee's response: Commercial/TOS Office would like to give thanks for the feedback of the Head of Internal Audit Department. To boost efficiency, the office is enthusiastic to implement the policy of the unit every time there is a production of invoices from Automation.

7.2 Procedures of sealing of various contracts

Upon reviewing the contract, the auditors noticed that the Commercial/TOS Office still lacked a seal on the final page of some contracts that the leaders and the parties had already agreed upon.

This has led contract sealing to have not met the requirements.

Auditor's recommendation: The Commercial/TOS Office should pay attention to the stampings to the pages of the contract, that leaders has agreed, to avoid alteration of each page that has already been agreed upon.

Auditee's response: The Commercial/ TOS Office has no comment on this and will follow the auditors' recommendation.

8. Head of Engineer Department (3rd quarter)

8.1 Gaps in making monthly reports

Upon examination and inquiring, the auditors observed that the Head of Engineer Department did not make a monthly summary report to the management team for review and acknowledgement according to Prakas No. 225 dated 23 December 2016 on how to make a monthly report.

This makes the monitoring on the department's monthly performance unclear.

Auditor's recommendation: Therefore, the Head of Engineer Department should make a monthly report to the management team according to the above guidelines.

Auditee's response: Agreed with the clarification of the auditors, the Head of Engineer Department will be preparing a monthly report to the leaders for review and acknowledgement.

8.2 Planning for the service office and subordinate units

Upon examination and questioning, the auditors observed that the department had already proposed an annual plan for the Planning/ Statistics Office to compile into an annual plan book. However, the Head of Engineer Department has not yet kept the documents provided by the subordinate offices and units for the department. In addition, the department should prepare a three-year plan for the port infrastructure projects

on new construction and repair & maintenance and technical equipment in accordance with the request from the Planning / Statistics Office that the relevant departments should provide the first five months operational plan for 2020 and monthly report starting from June 2020 Prakas No. 026 /PPAP Issued on June 8, 2020 by the Delegate of Royal Government in charge as chairman and CEO of PPAP.

This makes it difficult to monitor the implementation of all projects for the construction and repair of port infrastructure and the machinery technical management, which is not yet clear and consistent with their roles and responsibilities.

Auditor's recommendation: The department should urgently prepare a plan book for port infrastructure service office and technical service office to facilitate the control the operation of the service office itself and the plan for the future which should be in line with the responsibilities and roles of the Head of Engineer Department.

Auditee's response: Agreed with the clarification of the auditors, the Head of Engineer Department will improve the above shortcomings.

9. Port Infrastructure Service Office

9.1 About additional construction projects

The auditors examined and found that there were some projects on additional port infrastructure that were not included in the financial services business plan of the PPAP for 2020 project.

As a result, the port infrastructure service office has not received sufficient data yet from its relevant service offices/units for the additional construction projects when developing the port infrastructure in the PPAP.

Auditor's recommendation: The Port Structure Service Office should continue to encourage the relevant service offices/units to study and include the construction project in the Master Plan and send it to the Port Infrastructure Service Office to be included in the annual plan in advance.

Auditee's response: Agreed with the clarification of auditors, the Port Infrastructure Service Office will be cooperating with relevant units in order to encourage data preparation which is sufficient for the annual planning for port infrastructure development projects.

10. Technical Service Office

10.1 Lack of machinery data input on the history & maintenance on a regular basis

Upon examination and questioning, the auditors observed that the machinery work had just been shifted from the operation unit on September 1, 2020 to ensure a smooth and efficient progress, the Technical Service Office should use software in the computer system to record the history of technical standards for each machine which would facilitates management and maintenance of the machine on a regular basis. In addition, it facilitates the monitoring on the progress starting from purchase, stockpiling, and maintenance.

This makes the machinery work activities of the Technical Service Office difficult to manage.

Auditor's recommendation: Therefore, the Technical Service Office should improve the quality of work in a timely manner to facilitate the management of machinery more effectively.

Auditee's response: Agreed with the clarification of the auditors, the Technical Service Office will strive to improve the input of machinery data into the computer.

10.2 Establishing training courses for a container truck, machine operation, maintenance & repair

The Technical Service Office should provide annual plans for training on container truck driving, machinery operation and makeshift maintenance /repairation for staff.

This creates gaps on annual planning for the technical service office.

Auditor's recommendation: Therefore, in order to make the task more efficient, the Technical Service Office should further request for more training courses by inviting trainers to teach inside the organization or outsource learning.

Auditee's response: Agreed with the clarification of the auditors, the Technical Service Office will be cooperating with relevant parties to establish training courses for staff, officers in the service office.

10.3 About record books

After inspecting and questioning the auditee, the auditors observed that the record book on means for operation lack information, the standard of the machine, the real history of the machine and the aftersales service starting from the date of purchase till present.

This makes the monitor of the machine and tracking the history of each machine unclear, which makes the cost of repair and maintenance inestimable.

Auditor's recommendation: The Technical Service Office should record the history as well as the details of the machinery in each book more clearly.

Auditee's response: Agreed to the auditor's explanation. However, in the past, the service office has already compiled a book to keep track of the work of the machine and the regular replacement of equipment, and the service office will try to fill the gaps mentioned above better in the future.

11. Sale / Marketing Unit

11.1 About the advertisement on the website (PPAP Website) of Sale/ Marketing Office

After inspecting and questioning the auditee, the auditors observed that the work of disseminating the services of the PPAP daily transit of oil tankers, container vessels in the electronic website www.ppap.com.kh The Sale/Marketing Unit is responsible for monitoring, disseminating, managing and updating in collaboration with the Technology / Information Service Office to add and edit data on a regular basis. However, the Sale/Marketing Unit has no schedule and reports at the moment on the entry of oil tankers, container vessels transitioning throughput on a daily basis, and the updates on various forms and information on the PPAP website.

This creates gaps on the dissemination of information on the PPAP website and task management can be inefficient.

Auditor's recommendation: Sale/ Marketing Office should set a clear schedule for the inclusion of tanker transit information, daily container vessels, and co-operate on updating the PPAP website and design with the assistance from the Office of Technology / Information Technology for at least a maximum of 3 years and make work report on a regular basis.

Auditee's response: Approved by the auditors' clarification, the Sale/ Marketing Office held a meeting with the Department of Navigation Services, the Planning / Statistics Office and the Technical / Information Technology Office on data entry issues to related departments and offices to advertise on the PPAP Website (www.ppap.com.kh). At the moment, the Sale/Marketing Office input only the data related to the office itself.

11.2 Gaps in making monthly report

Upon examination and questioning, the Auditors observed that the Sale / Marketing Office did not make a monthly summary report to the Director to make a summary report to the leaders for review and acknowledgement in accordance with Prakas No. 1225 dated 23rd. December 2016 on how to make a monthly report.

This creates gaps on the implementation of the roles and responsibilities of the office.

Auditor's recommendation: Therefore, the auditee should pay attention to making monthly report in accordance with the above guidelines.

Auditee's response: Agree to the clarification of the auditors, the Sale / Marketing Office will be preparing a monthly report through the Director of Planning / Marketing Office to submit to the leaders for review and acknowledgement.

12. Head of Port Commercial Zone/Domestic Port Department

In 2020, the auditor examined the report and other relevant documents and found that the Head of Port Commercial Zone/Domestic Port Department has no shortcomings after the recommendations in 2017.

13. Domestic Port/Port Zone Service Office

In 2020, the auditor examined the location of report making and other relevant documents and found that the Domestic Port/ Port Zone did not have any shortcomings after the previous recommendations in 2017, because all leases are not required when renting according to Prakas No. 599 September 22, 2010 (Please be informed that, the Phnom Penh Municipality need the location for new garden construction; therefore all business companies that rent the Port Commercial Zone should the contract from the mentioned location from December 31, 2010 onwards).

14. Tonle Bet Terminal Unit

14.1 Lack of metal safety barriers for trucks

According to the audit, the riverbank at the Tonle Bet Terminal Unit is deep in the dry season as of January 2021, considering the parking area of the truck down to the water level is 26 meters, this is the maximum bank height which also has a layer of sand below and a sand dredger in the middle of the river, making it prone to landslide due to heavy loaded trucks.

To avoid any accidents in this case, the Tonle Bet Terminal Unit have to be quicker to provide a barrier to prevent the car from accidents when operating.

Auditor's recommendation: In order to avoid accidents, the Tonle Bet Terminal Unit should request for technicians and relevant departments to examine and report to the leaders for review and acknowledgement.

Auditee's response: Agreed with the auditors' clarification, the unit will improve the above shortcomings.

14.2 Shortage of oscilloscopes for equipment storage

Upon inspecting the site directly at the Tonle Bet Terminal Unit (UM2), the auditors observed that there was no storage space for equipment and thus leaving it at the station and outside the field.

This can make the equipment more fragile and even more dangerous to the staff on duty.

Auditor's recommendation: Therefore, in order to protect the equipment from damage and provide safety to the staff who are on duty, the Tonle Bet Terminal Unit (UM2) should cooperate with the relevant departments to examine and install the oscilloscopes.

Auditee's response: Agreed to the clarification of the auditors, the unit will make a request to the relevant parties to examine and improve the above shortcomings.

For the results that reflect all the above negative points and according to the feedback and recommendations for improvement, which was discussed during meeting on the summary of audit outcomes at the Head of Port Commercial Zone/Port Zone Service Office, Tonle Bet Terminal Unit (UM2) and the Oil/Gas Terminal Unit have agreed with the Internal Audit Department's recommendation to improve any shortcomings in the future effectively.

15 Oil / Gas Terminal Unit

In 2020, the Head of Internal Audit Department inspected the reports and other relevant documents and found that the Port / Gas Unit have no shortcomings after the recommendations in 2017.

Auditee's response:

For the results that reflect all the above negative points and according to the feedback and recommendations for improvement, which were discussed at the meeting to review on the audit outcomes, the departments, service offices, and the units agreed with the recommendations of the Head of Internal Audit Department to improve any shortcomings in the future effectively.

Internal auditors' replies to the feedback:

Every point of clarification of the auditee contains gaps, which in line with the reasoning of the auditee itself and will need to be improved for better results. Head of Internal Audit Department of PPAP will continue to monitor the implementation of this recommendation in the next quarters and subsequent years. Separately, the Internal Audit Department examined the operation sites and reviewed the reports and other relevant documents. Despite the fact that there were no negative points of the Head of Port Commercial Zone/Domestic Port Department, Domestic Port / Port Zone Service Office, and Oil/Gas Terminal Unit in 2020 and previous years, the Head of Internal Audit Department will continue to monitor the implementation of the projects in the subsequent years.

Phnom Penh, Date:
Head of Internal Audit Department

Part 6
Financial Statements Reviewed by
the External Auditor

Registration No:
Co.7175 Et/2004

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

**AUDITED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
31 DECEMBER 2020**

Registration No:
Co.7175 Et/2004

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

CORPORATE INFORMATION

DIRECTORS:	H.E. Hei Bavy H.E. Suon Rachana H.E. Ken Sambath H.E. Penn Sovicheat Mr. Gui Anvanith Mr. Yim Choern Mr. Dith Sochal
REGISTERED OFFICE:	No. 649, Preah Sisowat Quay Sangkat Srah Chork, Khan Daun Penh Phnom Penh Cambodia
PRINCIPAL BANKERS:	ACLEDA Bank Plc. Advance Bank of Asia Ltd. J Trust Royal Bank Chip Mong Bank PPCB Bank Foreign Trade Bank of Cambodia
AUDITORS:	BDO (Cambodia) Limited

Registration No:
Co.7175 Et/2004

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

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

DIRECTORS' REPORT

The Directors have pleasure in submitting their report and the audited financial statements of the Phnom Penh Autonomous Port ("PPAP") for the financial year ended 31 December 2020.

Principal activities

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

PPAP has the objectives to undertake the management, maintenance and operation of the port services 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 PPAP.

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, load-unload, and store cargo;
- Transport goods within port area, between the port and industrial area;
- Provide bonded warehouse service, temporary customs warehouse service and container yard;
- Provide tug-boat assistance and mooring-unmooring service;
- Provide logistics supply, pure water, and hygiene service to vessel;
- Provide container stuffing-unstuffing service;
- 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 those principal activities during the financial year.

Results of operations

	US\$	KHR'000
Profit for the financial year	9,860,875	40,212,649

Dividends

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

	US\$	KHR'000
In respect of financial year ended 31 December 2019:		
Class A first and final dividend paid on 8 July 2020	337,948	1,376,751
Class B first and final dividend paid on 8 July 2020	675,676	2,750,027
	<u>1,013,624</u>	<u>4,126,778</u>

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

DIRECTORS' REPORT (continued)

Reserves and provisions

There was a transfer of US\$10,888,187 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 31 March 2020.

Bad and doubtful debts

Before the statement of profit or loss and other comprehensive income and statement of financial position of PPAP were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there were no known bad debts and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of PPAP inadequate to any material extent.

Current assets

Before the statement of profit or loss and other comprehensive income and statement of financial position were made out, the Directors took reasonable steps to ensure that for any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of PPAP have been written down to an amount expected if realised.

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

Valuation methods

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

Contingent and other liabilities

At the date of this report, there does not exist:

- (i) any charge on the assets of PPAP which has arisen since the end of the financial year which secures the liabilities of any other person, or
- (ii) any contingent liability of PPAP which has arisen since the end of the financial year.

No contingent or other liability has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of PPAP to meet its obligations 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 in the financial statements of PPAP, which would render any amount stated in the financial statements as misleading.

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

DIRECTORS' REPORT (continued)

Items of an unusual nature

The results of the operations of PPAP during 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.

There has not arisen in the interval between the end of the financial 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 PPAP for the financial year for which this report is made.

Share capital

PPAP did not issue any shares during the current financial year.

No option to take up unissued shares in PPAP was granted during the financial year and there were no shares under options at the end of the financial year in respect of shares in PPAP.

Directors

The Directors who have held for office since the date of the last report are:

H.E. Hei Bavy
H.E. Suon Rachana
H.E. Ken Sambath
H.E. Penn Sovicheat
Mr. Gui Anvanith
Mr. Yim Choetum
Mr. Dith Sochal

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which PPAP is a party, with the object or objects of enabling the Directors of PPAP to acquire benefits by means of the acquisition of shares in or debentures of PPAP 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 PPAP or a related corporation with the Director 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 27 to the financial statements.

Registration No:
Co.7175 Et/2004

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

DIRECTORS' REPORT (continued)

Directors' responsibility in respect of the financial statements

The Directors are responsible to ascertain that the financial statements give a true and fair view of the financial position of PPAP as at 31 December 2020, and of its financial performance and cash flows for the financial year then ended. In preparing these financial statements, the Directors are required to:

- (a) adopt appropriate accounting policies which are supported by reasonable judgements and estimates and then apply them consistently;
- (b) comply with the disclosure requirements of the Cambodian International Financial Reporting Standards ("CIFRSs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (c) maintain adequate accounting records and an effective system of internal controls;
- (d) prepare the financial statements on a going concern basis unless it is inappropriate to assume that PPAP will continue its operations in the foreseeable future; and
- (e) control and direct effectively PPAP in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

Significant event during the financial year

The significant event during the financial year are disclosed in Note 30 to the financial statements.

Statement by the Directors


In the opinion of the Directors, the financial statements set out on pages 10 to 42 have been drawn up in accordance with Cambodian International Financial Reporting Standards so as to give a true and fair view of the financial position of PPAP as at 31 December 2020, and of its financial performance and cash flows for the financial year then ended. ←

For and on behalf of the board of Directors. ←



H.E. Hei Bavy
Chairman and Chief Executive Officer

Phnom Penh, Cambodia
Date 15 March 2021


Ms. Chheav Vanthea
Head of Accounting/Finance
Department

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Phnom Penh Autonomous Port ("PPAP"), which comprise statement of financial position as at 31 December 2020, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies, as set out on pages 10 to 42.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PPAP as at 31 December 2020, and of its financial performance and cash flows for the financial 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of PPAP in accordance with the *Code of Ethics for Professional Accountants and Auditors* of the Kampuchea Institute of Certified Public Accountants and Auditors ("Code of Ethics") and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics and the IESBA Code.

Key Audit Matters

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

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004) (continued)**

Key Audit Matters (continued)

(a) Retirement benefit obligation

The retirement benefit obligations were determined based on a number of actuarial assumptions and calculations, which were subject to significant judgement and estimate. Changes in these assumptions can have a material impact on the quantum of retirement benefit obligation recorded in the statement of financial position. The assumptions include the discount rate, salary growth rate, mortality rate, disability rate and turnover rates.

As at 31 December 2020, the Board of Directors has engaged an actuarial specialist in order to present actuarial estimate of liabilities as at 31 December 2020 and to provide an actuarial estimate of the defined benefit expenses for the financial year ending 31 December 2020. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using average long-term deposit rates from major banks in Cambodia of 6% per annum.

Audit response

We performed procedures to place reliance on the actuarial valuation report, which include evaluating the competence, capabilities and objectivity of the actuarial specialist as well as assessing whether the actuarial assumptions are consistently applied and evaluated the rationale for any changes in approach.

(b) Impairment of trade receivables

Gross trade receivables of PPAP as at 31 December 2020 were US\$4,090,938 as disclosed in Note 8 to the financial statements.

We determined this to be a key audit matter because it requires management to exercise significant judgement in determining the probability of default by trade receivables, appropriate forward looking information, significant increase in credit risk and estimated cash flows recoverable in worst-case scenarios, including the effects of COVID-19 pandemic.

Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward looking information adjustment, incorporating the impact of the COVID-19 pandemic, applied by PPAP;
- (ii) Recomputed the correlation coefficient between the macroeconomic indicators used by PPAP and historical losses to determine the appropriateness of the forward-looking information used by PPAP;
- (iii) Inquiries of management to assess the rationale underling the relationship between the forward-looking information and expected credit losses; and
- (iv) Assessed actual loss events subsequent to the end of reporting period for its relationship with the indicators of significant increase in credit risk applied by management.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004) (continued)**

Key Audit Matters (continued)

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of PPAP are responsible for the other information. The other information comprises the annual report but does not include the financial statements of PPAP and our auditors' report thereon.

Our opinion on the financial statements of PPAP does not cover other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of PPAP, our responsibility is to read other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of PPAP 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 the other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors of PPAP are responsible for the preparation and fair presentation of these financial statements in accordance with CIFRSs. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of PPAP that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of PPAP, the Directors are responsible for assessing PPAP'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 the Directors either intend to liquidate PPAP, or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004) (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of PPAP 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements of PPAP, 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 PPAP's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- 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 PPAP'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 of PPAP 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 PPAP to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of PPAP, including the disclosures, and whether the financial statements of PPAP represent the underlying transactions and events in a manner that achieves fair presentation.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)
(Registration No: Co.7175 Et/2004) (continued)**

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (continued)

We communicate with the Directors 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 the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to 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 the Directors, we determine those matters that were of most significance in the audit of the financial statements of PPAP for 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.

Other Matters

This report is made solely to the shareholders of PPAP, as a body. We do not assume responsibility to any other person for the content of this report.

For and on behalf of
BDO (Cambodia) Limited



Lim Seng Siew
Certified Public Accountant



Phnom Penh, Cambodia
Date: 15 March 2021

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020		2019	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	88,829,863	359,316,796	77,568,556	316,091,866
Investment properties	6	84,687,000	342,558,915	84,854,146	345,780,645
Lease receivables	7	4,310,477	17,435,879	4,323,839	17,619,644
Other receivable	8	64,986	262,868	62,487	254,635
Deferred tax assets	9	439,991	1,779,764	878,464	3,579,741
		<u>178,332,317</u>	<u>721,354,222</u>	<u>167,687,492</u>	<u>683,326,531</u>
Current assets					
Trade and other receivables	8	10,724,673	43,381,302	6,938,795	28,275,590
Lease receivables	7	13,362	54,049	12,841	52,327
Cash and bank balances	10	17,683,841	71,531,137	25,984,908	105,888,500
		<u>28,421,876</u>	<u>114,966,488</u>	<u>32,936,544</u>	<u>134,216,417</u>
TOTAL ASSETS		<u>206,754,193</u>	<u>836,320,710</u>	<u>200,624,036</u>	<u>817,542,948</u>
EQUITY AND LIABILITIES					
Equity					
Share capital	11	114,453,485	457,813,940	114,453,485	457,813,940
Share premium	12	155,502	622,008	155,502	622,008
Reserves	13	36,539,606	147,802,705	25,651,419	104,529,532
Retained earnings		10,079,232	41,103,110	11,641,924	47,173,076
Currency translation difference		-	4,824,788	-	8,863,440
TOTAL EQUITY		<u>161,227,825</u>	<u>652,166,551</u>	<u>151,902,330</u>	<u>619,001,996</u>
LIABILITIES					
Non-current liabilities					
Guaranteed dividends payable		-	-	232,042	945,571
Other payable	14	32,493	131,434	31,243	127,315
Borrowings	15	20,699,741	83,730,452	22,769,715	92,786,589
Provision for retirement benefits	16	616,422	2,493,429	662,515	2,699,749
Lease liabilities	7	2,873,650	11,623,914	2,882,558	11,746,424
Contract liabilities	17	13,950,000	56,427,750	14,250,000	58,068,750
		<u>38,172,306</u>	<u>154,406,979</u>	<u>40,828,073</u>	<u>166,374,398</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020 (continued)

	Note	2020		2019	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES (continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	14	3,055,400	12,359,092	3,339,052	13,606,637
Borrowings	15	2,069,974	8,373,045	2,069,974	8,435,144
Lease liabilities	7	8,909	36,037	8,561	34,886
Contract liabilities	17	300,000	1,213,500	300,000	1,222,500
Current tax liabilities		1,919,779	7,765,506	2,176,046	8,867,387
		<u>7,354,062</u>	<u>29,747,180</u>	<u>7,893,633</u>	<u>32,166,554</u>
TOTAL LIABILITIES		<u>45,526,368</u>	<u>184,154,159</u>	<u>48,721,706</u>	<u>198,540,952</u>
TOTAL EQUITY AND LIABILITIES		<u>206,754,193</u>	<u>836,320,710</u>	<u>200,624,036</u>	<u>817,542,948</u>

The accompany notes form an integral part of the financial statements.

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

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020		2019	
		US\$	KHR'000	US\$	KHR'000
Revenue	19	27,048,412	110,303,424	27,190,111	110,174,330
Cost of services	20	(8,002,746)	(32,635,199)	(8,583,244)	(34,779,305)
Gross profit		19,045,666	77,668,225	18,606,867	75,395,025
Other income	21	2,438,862	9,945,680	4,121,153	16,698,912
General and administrative expenses	22	(7,770,261)	(31,687,124)	(6,923,900)	(28,055,643)
Operating profit		13,714,267	55,926,781	15,804,120	64,038,294
Finance costs	23	(1,092,390)	(4,454,766)	(1,405,229)	(5,693,988)
Profit before tax		12,621,877	51,472,015	14,398,891	58,344,306
Taxation	24	(2,761,002)	(11,259,366)	(2,847,498)	(11,538,062)
Profit for the financial year		9,860,875	40,212,649	11,551,393	46,806,244
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		218,357	890,460	90,531	366,832
Total comprehensive income for the financial year		10,079,232	41,103,109	11,641,924	47,173,076
Earnings per share attributable to shareholders of PPAP during the financial year are as follows:					
Basic earnings per share	25	0.49	1.99	0.56	2.28
Diluted earnings per share	25	0.49	1.99	0.56	2.28

The accompany notes form an integral part of the financial statements.

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2020		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
Profit for the financial year		-	-	-	9,860,875	-	9,860,875
Actuarial gain on retirement benefit obligation		-	-	-	218,357	-	218,357
Total comprehensive income		-	-	-	10,079,232	-	10,079,232
Transactions with owners							
Transfer to reserves	13	-	-	10,888,187	(10,888,187)	-	-
Dividend	26	-	-	-	(753,737)	-	(753,737)
Total transactions with owners		-	-	10,888,187	(11,641,924)	-	(753,737)
Balance as at 31 December 2020		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>147,802,705</i>	<i>41,103,110</i>	<i>4,824,788</i>	<i>652,166,551</i>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONTINUED)**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2019		114,453,485	155,502	18,675,142	7,678,073	-	140,962,202
Profit for the financial year		-	-	-	11,551,393	-	11,551,393
Actuarial gain on retirement benefit obligation		-	-	-	90,531	-	90,531
Total comprehensive income		-	-	-	11,641,924	-	11,641,924
Transactions with owners							
Transfer to reserves	13	-	-	6,976,277	(6,976,277)	-	-
Dividend	26	-	-	-	(701,796)	-	(701,796)
Total transactions with owners		-	-	6,976,277	(7,678,073)	-	(701,796)
Balance as at 31 December 2019		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
<i>(KHR'000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>104,529,532</i>	<i>47,173,076</i>	<i>8,863,440</i>	<i>619,001,996</i>

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

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020		2019	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		12,621,877	51,472,015	14,398,891	58,344,306
Adjustments for:					
Depreciation of property, plant and equipment	5	2,683,353	10,942,714	3,043,003	12,330,248
Depreciation of investment properties	6	63,420	258,627	76,954	311,818
Finance costs		1,091,140	4,449,669	1,167,716	4,731,585
Income from net of investment from subleases		-	-	(1,408,262)	(5,706,278)
Interest income		(1,361,192)	(5,550,941)	(1,506,682)	(6,105,075)
Investment properties written off		-	-	184,151	746,180
Loss on disposals of investment properties		103,376	421,567	-	-
Loss on disposals of property, plant and equipment		60,324	246,001	-	-
Net of impairment loss on receivables		357,234	1,456,800	170,932	692,616
Net of unwinding effect of long term deposit		(1,249)	(5,093)	118,756	481,199
Property, plant and equipment written off		125,901	513,424	66,182	268,169
Retirement benefit obligation expenses	16	109,262	445,570	125,936	510,293
Unrealised loss/(gain) on foreign exchange		1,939	7,907	(6,393)	(25,904)
Operating profit before working capital changes		15,855,385	64,658,260	16,431,184	66,579,157
Changes in working capital:					
Trade and other receivables		(3,061,323)	(12,484,075)	(3,109,597)	(12,600,087)
Trade and other payables		(110,429)	(450,329)	836,898	3,391,111
Contract liabilities		(300,000)	(1,223,400)	(300,000)	(1,215,600)
Cash generated from operations		12,383,633	50,500,456	13,858,485	56,154,581
Income tax paid		(2,578,796)	(10,516,330)	(1,049,597)	(4,252,967)
Retirement benefit obligation paid		(28,232)	(115,130)	(17,534)	(71,048)
Net cash from operating activities		9,776,605	39,868,996	12,791,354	51,830,566
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(14,132,798)	(57,633,550)	(6,904,347)	(27,976,414)
Purchase of investment properties	6	-	-	(53,000)	(214,756)
Proceeds from disposals of property, plant and equipment		1,913	7,801	-	-
Proceeds from disposals of investment properties		350	1,427	-	-
Interest received		261,231	1,065,300	267,196	1,082,678
Withdrawal/(Placement) of fixed deposits with a licensed bank		1,200,000	4,893,600	(1,200,000)	(4,862,400)
Net cash used in investing activities		(12,669,304)	(51,665,422)	(7,890,151)	(31,970,892)

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (continued)

	Note	2020		2019	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Dividends paid		(1,013,624)	(4,126,778)	(965,370)	(3,876,751)
Interest paid		(1,000,721)	(4,080,940)	(1,055,686)	(4,277,640)
Payments of lease liabilities		(124,049)	(505,872)	(20,675)	(83,775)
Repayments of borrowings		(2,069,974)	(8,441,354)	(2,069,974)	(8,387,535)
Net cash used in financing activities		(4,208,368)	(17,154,944)	(4,111,705)	(16,625,701)
Net (decrease)/increase in cash and cash equivalents		(7,101,067)	(28,951,370)	789,498	3,233,973
Cash and cash equivalents at beginning of financial year		9,784,908	39,579,953	8,995,410	36,143,557
Currency translation differences		-	227,554	-	495,970
Cash and cash equivalents at end of financial year	10	2,683,841	10,856,137	9,784,908	39,873,500

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Lease liabilities (Note 7) US\$	Borrowings (Note 15) US\$
At 1 January 2019		-	26,909,663
Cash flows		(20,675)	(2,069,974)
Non-cash flows:			
- Additions of lease liabilities		2,816,524	-
- Unwinding of interest	23	95,270	-
At 31 December 2019		2,891,119	24,839,689
Cash flows		(124,049)	(2,069,974)
Non-cash flows:			
- Unwinding of interest	23	115,489	-
At 31 December 2020		2,882,559	22,769,715
<i>(KHR'000 equivalent)</i>		11,659,951	92,103,497

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

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

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020**

1. CORPORATE INFORMATION

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

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

The financial statements are presented in United States Dollar (“US\$”), which is also PPAP’s functional currency.

The financial statements were authorised for issue by the Board of Directors on 15 March 2021.

2. PRINCIPAL ACTIVITIES

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

PPAP has the objectives to undertake the management, maintenance and operation of the port services 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 PPAP.

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

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

3. BASIS OF PREPARATION

The financial statements of PPAP have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) as issued by the National Accounting Council of the Ministry of Economy and Finance.

4. BASIS OF ACCOUNTING

The accounting policies adopted are consistent with those of the previous financial year except for the effects, if any, of the adoption of new CIFRSs during the financial year. The new CIFRSs adopted during the financial year are disclosed in Note 32 to the financial statements.

PPAP has also early adopted Amendment to CIFRS 16 Covid-19-Related Rent Concessions in the current financial year and elected to apply the practical expedient to all rent concessions relating to leases with similar characteristics and similar circumstances.

The financial statements of PPAP have been prepared under the historical cost convention except as otherwise stated in the financial statements.

Translations to Khmer Riel (“KHR”) are presented in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows and the notes to the financial statements as at and for the financial year ended 31 December 2020 of PPAP using the following official closing and average rates of exchange for the translation:

		Closing rate	Average rate
31 December 2020	US\$1 =	KHR4,045	KHR4,078
31 December 2019	US\$1 =	KHR4,075	KHR4,052

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

5. PROPERTY, PLANT AND EQUIPMENT

	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Plant and machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$
<i>Cost</i>									
Balance at 1 January 2019	23,551,391	577,028	611,818	64,817	1,531,033	19,337,236	42,254,876	1,727,604	89,655,803
Additions	-	43,945	25,819	-	158,428	34,246	49,173	6,592,736	6,904,347
Reclassification	3,407,400	251,995	37,600	-	-	-	2,354,424	(6,051,419)	-
Transfers to investment properties (Note 6)	-	-	-	-	-	-	-	(36,053)	(36,053)
Written-off	-	-	(24,267)	-	-	-	(85,139)	-	(109,406)
Balance at 31 December 2019/1 January 2020	26,958,791	872,968	650,970	64,817	1,689,461	19,371,482	44,573,334	2,232,868	96,414,691
Additions	979,232	6,233	232,621	-	16,472	-	16,419	12,881,821	14,132,798
Reclassification	2,992,485	394,200	194,634	-	215,000	3,670,845	744,366	(8,211,530)	-
Disposals	-	-	-	-	-	-	(195,535)	-	(195,535)
Written-off	-	-	-	-	-	-	-	(125,901)	(125,901)
Balance at 31 December 2020	30,930,508	1,273,401	1,078,225	64,817	1,920,933	23,042,327	45,138,584	6,777,258	110,226,053

5. PROPERTY, PLANT AND EQUIPMENT (continued)

	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Plant and machineries US\$	Harbours and buildings US\$	Construction in progress US\$	Total US\$
<i>Accumulated depreciation</i>									
Balance at 1 January 2019	-	499,386	263,013	52,428	435,840	5,735,927	8,859,762	-	15,846,356
Depreciation for the year	-	57,231	51,239	3,619	110,132	1,362,354	1,458,428	-	3,043,003
Written-off	-	-	(15,600)	-	-	-	(27,624)	-	(43,224)
Balance at 31 December 2019/1 January 2020	-	556,617	298,652	56,047	545,972	7,098,281	10,290,566	-	18,846,135
Depreciation for the year	-	128,906	60,251	2,519	112,693	1,460,663	918,321	-	2,683,353
Disposals	-	-	-	-	-	-	(133,298)	-	(133,298)
Balance at 31 December 2020	-	685,523	358,903	58,566	658,665	8,558,944	11,075,589	-	21,396,190
<i>Carrying amounts</i>									
Balance at 31 December 2020	30,930,508	587,878	719,322	6,251	1,262,268	14,483,383	34,062,995	6,777,258	88,829,863
<i>(KHR'000 equivalents)</i>	<i>125,113,905</i>	<i>2,377,967</i>	<i>2,909,657</i>	<i>25,285</i>	<i>5,105,874</i>	<i>58,585,284</i>	<i>137,784,815</i>	<i>27,414,009</i>	<i>359,316,796</i>
Balance at 31 December 2019	26,958,791	316,351	352,318	8,770	1,143,489	12,273,201	34,282,768	2,232,868	77,568,556
<i>(KHR'000 equivalents)</i>	<i>109,857,073</i>	<i>1,289,130</i>	<i>1,435,696</i>	<i>35,738</i>	<i>4,659,718</i>	<i>50,013,294</i>	<i>139,702,280</i>	<i>9,098,937</i>	<i>316,091,866</i>

5. PROPERTY, PLANT AND EQUIPMENT (continued)

- (a) All items of property, plant and equipment are initially measured at cost. After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation 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
Plant and machineries	10 - 15 years
Harbours and buildings	10 - 50 years

Land has unlimited useful life and is not depreciated.

Construction in progress represents mainly harbours and buildings under construction. Construction in progress are not depreciated until such time when the assets are available for use.

- (b) The depreciation charges are allocated as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Cost of services	2,252,907	9,187,355	2,724,435	11,039,411
Administrative expenses	430,446	2,013,998	318,568	1,290,837
	<u>2,683,353</u>	<u>11,201,353</u>	<u>3,043,003</u>	<u>12,330,248</u>

6. INVESTMENT PROPERTIES

	Land US\$	Buildings US\$	Total US\$
<i>Cost</i>			
Balance at 1 January 2019	83,652,437	1,842,205	85,494,642
Addition	53,000	-	53,000
Written off	-	(264,885)	(264,885)
Transfers from property, plant and equipment (Note 5)	-	36,053	36,053
Balance at 31 December 2019/1 January 2020	83,705,437	1,613,373	85,318,810
Disposals	-	(132,795)	(132,795)
Balance at 31 December 2020	83,705,437	1,480,578	85,186,015
<i>Accumulated depreciation</i>			
Balance at 1 January 2019	-	468,444	468,444
Depreciation for the year	-	76,954	76,954
Written off	-	(80,734)	(80,734)
Balance at 31 December 2019/1 January 2020	-	464,664	464,664
Depreciation for the financial year	-	63,420	63,420
Disposals	-	(29,069)	(29,069)
Balance at 31 December 2020	-	499,015	499,015
<i>Carrying amounts</i>			
Balance at 31 December 2020	83,705,437	981,563	84,687,000
<i>(KHR'000 equivalents)</i>	<i>338,588,493</i>	<i>3,970,422</i>	<i>342,558,915</i>
Balance at 31 December 2019	83,705,437	1,148,709	84,854,146
<i>(KHR'000 equivalents)</i>	<i>341,099,656</i>	<i>4,680,989</i>	<i>345,780,645</i>
<i>Fair value</i>			
Balance at 31 December 2020	136,996,740	940,333	137,937,073
<i>(KHR'000 equivalents)</i>	<i>554,151,813</i>	<i>3,803,647</i>	<i>557,955,460</i>
Balance at 31 December 2019	136,996,740	1,109,254	138,105,994
<i>(KHR'000 equivalents)</i>	<i>558,261,715</i>	<i>4,520,210</i>	<i>562,781,925</i>

- (a) Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.
- (b) Land has an unlimited useful life and therefore is not depreciated. The principal depreciation period for the buildings ranges from 5 to 50 years (2019: 5 to 50 years).
- (c) The fair value of investment properties is derived by the Directors based on estimation from available market information.

7. LEASES

PPAP as lessee

Right-of-use assets

Carrying amount

	Land	
	US\$	KHR'000
Balance at 1 January 2019		
Additions	2,816,524	11,477,335
Derecognition	(2,816,524)	(11,477,335)

Balance at 31 December 2019

- -

Lease liabilities

Carrying amount

	Land	
	US\$	KHR'000
Balance at 1 January 2019		
Additions	2,816,524	11,477,335
Interest expense	95,270	388,226
Lease payments	(20,675)	(84,251)
Balance at 31 December 2019	2,891,119	11,781,310
Interest expense	115,489	467,153
Lease payments	(124,049)	(501,778)

Balance at 31 December 2020

2,882,559 11,746,685

Represented by:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Current liabilities	8,909	36,037	8,561	34,886
Non-current liabilities	2,873,650	11,623,914	2,882,558	11,746,424
	2,882,559	11,659,951	2,891,119	11,781,310

- (a) The right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any re-measurement of the lease liabilities.

The right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease term of right-of-use asset is 40 years (2019: 40 years).

- (b) The following are the amounts recognised in profit or loss:

	2020	2019
	US\$	US\$
Interest expense on lease liabilities (included in finance costs)	115,489	95,270

- (c) At the end of the financial year, PPAP had total cash outflow for leases of US\$124,049 (2019: US\$20,675).

7. LEASES (continued)

- (d) The following table sets out the carrying amounts, the weighted average incremental borrowing rates and the remaining maturities of the lease liabilities of PPAP that are exposed to interest rate risk:

	Weighted average incremental borrowing rate per annum	Within 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	More than 5 years US\$	Total US\$
31 December 2020						
Fixed rates	4.00%	8,909	18,922	32,830	2,821,898	2,882,559
31 December 2019						
Fixed rates	4.00%	8,561	18,182	25,475	2,838,901	2,891,119

- (e) The table below summarises the maturity profile of the lease liabilities of PPAP at the end of the reporting period based on contractual undiscounted repayment obligations:

	On demand or within 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	More than 5 years US\$	Total US\$
31 December 2020					
Lease liabilities	124,050	124,050	384,036	5,363,985	5,996,121
31 December 2019					
Lease liabilities	124,050	124,050	377,834	5,494,236	6,120,170

PPAP as lessor

PPAP has entered into sub-lease agreements on two pieces of land for a term of 40 years each and renewable 2 years before the end of the lease period. The monthly rental consists of a fixed rent for the first 25 years which increase of 5% every 5 years and for the remaining 15 years, the monthly rental will be at a fixed rent.

PPAP has aggregate future minimum lease receivables as at the end of each reporting period as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Less than one year	186,074	752,671	186,074	758,253
One to two years	186,074	752,671	186,074	758,253
Two to three years	186,074	752,671	186,074	758,253
Three to four years	194,603	787,168	186,074	758,253
Four to five years	195,378	790,304	194,603	793,006
More than five years	8,045,977	32,545,977	8,241,355	33,583,522
	<u>8,994,180</u>	<u>36,381,462</u>	<u>9,180,254</u>	<u>37,409,540</u>
Less: unearned interest income	<u>(4,670,341)</u>	<u>(18,891,534)</u>	<u>(4,843,574)</u>	<u>(19,737,569)</u>
	<u>4,323,839</u>	<u>17,489,928</u>	<u>4,336,680</u>	<u>17,671,971</u>
Presented as follows				
Current	13,362	54,049	12,841	52,327
Non-current	<u>4,310,477</u>	<u>17,435,879</u>	<u>4,323,839</u>	<u>17,619,644</u>
	<u>4,323,839</u>	<u>17,489,928</u>	<u>4,336,680</u>	<u>17,671,971</u>

8. TRADE AND OTHER RECEIVABLES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	64,986	262,868	62,487	254,635
Trade receivables				
Third parties	4,090,938	16,547,844	4,184,751	17,052,860
Less: Impairment loss				
-Third parties	(872,101)	(3,527,648)	(514,863)	(2,098,067)
	<u>3,218,837</u>	<u>13,020,196</u>	<u>3,669,888</u>	<u>14,954,793</u>
Other receivables				
Third parties	6,499,817	26,291,760	2,522,395	10,278,760
Advances	83,753	338,781	107,770	439,163
Deposits	208,870	844,879	100,870	411,045
Other receivables	267,756	1,083,073	193,647	789,112
	<u>7,060,196</u>	<u>28,558,493</u>	<u>2,924,682</u>	<u>11,918,080</u>
Total receivables	<u>10,279,033</u>	<u>41,578,687</u>	<u>6,594,570</u>	<u>26,872,873</u>
Prepayments	445,640	1,802,614	344,225	1,402,717
	<u>10,724,673</u>	<u>43,381,302</u>	<u>6,938,795</u>	<u>28,275,590</u>

- (a) Total receivables are classified as financial assets measured at amortised cost.
- (b) Trade receivables are non-interest bearing and the normal trade credit terms granted by PPAP is 30 days (2019: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.
- (c) Trade and other receivables are denominated in US\$.
- (d) For impairment of trade receivables that do not contain a significant financing component, PPAP applies the CIFRS 9 simplified approach to measuring expected credit loss using a lifetime credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables are grouped based on similar credit risk and aging. The expected loss rates are based on PPAP's historical credit losses experienced. The historical loss rates are then adjusted for current and forward-looking information on macroeconomic factors affecting PPAP's customers.

Management exercised significant judgement in determining the probability of default by trade receivables and appropriate forward looking information.

Lifetime expected loss provision for trade receivables are as follows:

	1-30 days	31-60 days	61-90 days	91-120 days	121- 150 days	151- 180 days	Over 180 days	Total US\$
31 December 2020								
Expected loss rate	4.03%	5.47%	12.52%	22.94%	36.32%	70.05%	100.00%	
Gross carrying amount (US\$)	1,821,594	1,045,101	255,637	143,819	163,729	112,044	549,014	4,090,938
Impairment (US\$)	62,964	57,161	32,007	32,994	59,474	78,486	549,015	872,101

8. TRADE AND OTHER RECEIVABLES (continued)

(d) Lifetime expected loss provision for trade receivables as are as follows: (continued)

	1-30 days	31-60 days	61-90 days	91-120 days	121- 150 days	151- 180 days	Over 180 days	Total US\$
31 December 2019								
Expected loss rate	5.13%	7.24%	15.93%	26.75%	44.79%	96.49%	100.00%	
Gross carrying amount (US\$)	2,009,536	1,010,339	861,328	92,161	51,261	30,957	129,170	4,184,751
Impairment (US\$)	97,825	73,148	137,234	24,656	22,959	29,872	129,170	514,863

During the financial year, PPAP did not renegotiate the terms of any trade receivables.

(e) Movements in the impairment allowance for trade receivables are as follows:

	2020 US\$	2019 US\$
At 1 January under CIAS 39	514,863	343,931
Charge for the financial year	357,238	173,814
Reversal of impairment loss	-	(2,882)
At 31 December	872,101	514,863

(f) Impairment for other receivables are recognised based on the general approach within CIFRS 9 using the forward looking expected credit loss model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those in which the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those in which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

9. DEFERRED TAX

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

	At 1 January 2020 US\$	Recognised in profit or loss (Note 24) US\$	At 31 December 2020 US\$
Property, plant and equipment	(2,265,028)	(437,931)	(2,702,959)
Retirement benefit obligation	122,685	(14,326)	108,359
Deferred income	2,916,202	(66,202)	2,850,000
Impairment loss on receivables	102,973	71,447	174,420
Unrealised exchange differences	1,632	8,539	10,171
	878,464	(438,473)	439,991
<i>(KHR '000 equivalent)</i>			<u>1,779,764</u>

9. DEFERRED TAX (continued)

	At 1 January 2019 US\$	Recognised in profit or loss (Note 24) US\$	At 31 December 2019 US\$
Property, plant and equipment	(2,038,447)	(226,581)	(2,265,028)
Retirement benefit obligation	124,192	(1,507)	122,685
Deferred income	2,970,000	(53,798)	2,916,202
Impairment loss on receivables	68,786	34,187	102,973
Unrealised exchange differences	1,469	163	1,632
	<u>1,126,000</u>	<u>(247,536)</u>	<u>878,464</u>
			<u>3,579,741</u>

(KHR'000 equivalent)

10. CASH AND BANK BALANCES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	3,807	15,399	4,833	19,694
Cash at banks	2,680,034	10,840,738	6,647,685	27,089,317
Fixed deposits	<u>15,000,000</u>	<u>60,675,000</u>	<u>19,332,390</u>	<u>78,779,489</u>
As stated in statement of financial position	17,683,841	71,531,137	25,984,908	105,888,500
Less:				
Fixed deposits (maturity more than three months)	<u>(15,000,000)</u>	<u>(60,675,000)</u>	<u>(16,200,000)</u>	<u>(66,015,000)</u>
As stated in statement of cash flows	<u>2,683,841</u>	<u>10,856,137</u>	<u>9,784,908</u>	<u>39,873,500</u>

- (a) Cash and bank balances are classified as financial assets measured at amortised cost.
- (b) Fixed deposits with a licensed bank of PPAP have maturity period of 240 months (2019: 1 to 240 months).
- (c) The currency exposure profile of cash and bank balances is as follows:

	2020 US\$	2019 US\$
United States Dollar	17,130,785	25,741,236
Khmer Riel	<u>553,056</u>	<u>243,672</u>
	<u>17,683,841</u>	<u>25,984,908</u>

- (d) Weighted average effective interest rate of deposits with a licensed bank of PPAP as at the end of each reporting period are as follows:

	2020 %	2019 %
Fixed rates	<u>7.75</u>	<u>6.62</u>

11. SHARE CAPITAL

	2020		2019	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	16,547,492	16,547,492	16,547,492	16,547,492
	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	93,769,120	93,769,120	93,769,120
	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>	<u>114,453,485</u>
<i>(KHR '000 equivalent)</i>		<u>457,813,940</u>		<u>457,813,940</u>

Share capital of US\$114,453,485 is divided into 114,453,485 shares at KHR4,000 (equivalent to US\$1) each, divided into three classes:

- (a) 4,136,873 Class A (Voting) shares (3.61%) with a total value of US\$4,136,873 (equivalent to KHR16,547,492,000)
- (b) 16,547,492 Class B (Voting) shares (14.46%) with a total value of US\$16,547,492 (equivalent to KHR66,189,968,000)
- (c) 93,769,120 Class C (Non-voting) shares (81.93%) with a total value of US\$93,769,120 (equivalent to KHR375,076,480,000).

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

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

The owners of shares in Class A and Class B are entitled to receive dividends as and when declared by PPAP and are entitled to one vote per ordinary share at meetings of PPAP. All ordinary shares rank pari passu with regard to PPAP's residual assets.

12. SHARE PREMIUM

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

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

13. RESERVES

	Legal reserve US\$	General reserve US\$	Development fund US\$	Total US\$
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	<u>577,570</u>	<u>577,570</u>	<u>9,733,047</u>	<u>10,888,187</u>
As at 31 December 2020	<u>2,046,010</u>	<u>2,046,010</u>	<u>32,447,586</u>	<u>36,539,606</u>
<i>(KHR'000 equivalent)</i>	<u>8,276,110</u>	<u>8,276,110</u>	<u>131,250,485</u>	<u>147,802,705</u>
As at 1 January 2019	1,063,403	1,063,403	16,548,336	18,675,142
Transfer from retained earnings	<u>405,037</u>	<u>405,037</u>	<u>6,166,203</u>	<u>6,976,277</u>
As at 31 December 2019	<u>1,468,440</u>	<u>1,468,440</u>	<u>22,714,539</u>	<u>25,651,419</u>
<i>(KHR'000 equivalent)</i>	<u>5,983,893</u>	<u>5,983,893</u>	<u>92,561,746</u>	<u>104,529,532</u>

On 31 March 2020, the Board of Directors approved the transfer of retained earnings to reserves amounting to US\$10,888,187.

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

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

14. TRADE AND OTHER PAYABLES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	<u>32,493</u>	<u>131,434</u>	<u>31,243</u>	<u>127,315</u>
Current				
Trade payables				
Third parties	282,631	1,143,242	1,060,640	4,322,108
Other payables				
Interest payable	336,486	1,361,086	361,556	1,473,341
Deposits	384,782	1,556,443	438,825	1,788,212
Guaranteed dividends payable	261,814	1,059,038	259,887	1,059,040
Deferred income	-	-	31,012	126,374
Other tax payables	78,396	317,112	138,740	565,365
Other payables	<u>1,711,291</u>	<u>6,922,171</u>	<u>1,048,392</u>	<u>4,272,197</u>
	<u>2,772,769</u>	<u>11,215,850</u>	<u>2,278,412</u>	<u>9,284,529</u>
	<u>3,055,400</u>	<u>12,359,092</u>	<u>3,339,052</u>	<u>13,606,637</u>

14. TRADE AND OTHER PAYABLES (continued)

- (a) Trade and other payables are classified as financial liabilities measured at amortised cost.
- (b) Trade payables are non-interest bearing and the normal trade credit terms granted to the PPAP range from one to two months (2019: one to two months).
- (c) Guaranteed dividends payable is in respect of minimum guaranteed dividend yield of 5% per year based on the IPO price for the period of at least five years, starting from 2016 to 2020. The present value of these guaranteed dividends amounting to US\$936,145 is expected to be paid over five years to Class A shareholders.
- (d) The currency exposure profile of trade and other payables is as follows:

	2020	2019
	US\$	US\$
United States Dollar	1,463,534	1,975,802
Khmer Riel	<u>1,591,866</u>	<u>1,363,250</u>
	<u>3,055,400</u>	<u>3,339,052</u>

- (e) Maturity profile of trade and other payables of PPAP at the end of the reporting period based on contractual undiscounted repayment obligations is repayable on demand or within one year, except the non-current deposit as recorded above.

15. BORROWINGS

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPPNCTP”) or Phnom Penh Port LM17	20,699,741	83,730,452	22,769,715	92,786,589
Current				
PPPNCTP or Phnom Penh Port LM17	<u>2,069,974</u>	<u>8,373,045</u>	<u>2,069,974</u>	<u>8,435,144</u>
	<u>22,769,715</u>	<u>92,103,497</u>	<u>24,839,689</u>	<u>101,221,733</u>

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

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

15. BORROWINGS (continued)

- (b) Borrowings are classified as financial liabilities measured at amortised cost.
- (c) The borrowings are repayable twice per year, on 20 February and 20 August, commencing February 2018.
- (d) Fair values of the borrowings of PPAP are categorised as Level 3 in the fair value hierarchy. There is no transfer between levels in the hierarchy during the financial year.

Valuation techniques used and key inputs to valuation on the borrowings measured at level 3 are described below:

Financial liability	Valuation technique used	Significant unobservable input	Inter-relationship Between key unobservable inputs and fair value
Borrowings	Discounted cash flow method	8.00%	The higher the discount rate, the lower the fair value of the financial liability would be

- (e) Borrowings that are not carried at fair values and whose carrying amounts do not approximate of fair values are as follows:

	2020		2019	
	Carrying amount US\$	Fair value US\$	Carrying amount US\$	Fair value US\$
Borrowings (fixed rates)	22,769,715	21,083,080	24,839,689	22,999,722

- (f) The following table sets out the carrying amounts, the weighted average effective interest rates as at the end of each reporting period and the remaining maturities of the borrowings of PPAP that are exposed to interest rate risk:

31 December 2020	Weighted average effective interest rate per annum %	Within 1 year	1 - 2 years	2 - 5 years	More than 5 years	Total US\$
		US\$	US\$	US\$	US\$	
Borrowings						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	12,419,845	22,769,715
31 December 2019						
Borrowings						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	14,489,819	24,839,689

15. BORROWINGS (continued)

(g) The table below summarises the maturity profile of the borrowings of PPAP at the end of each reporting period based on contractual undiscounted repayment obligations as follows:

31 December 2020	On demand or within 1 year US\$	1 - 2 years US\$	More than 5 years US\$	Total US\$
Borrowings	2,960,063	11,012,262	14,034,424	28,006,749
31 December 2019				
Borrowings	3,042,862	11,343,458	16,663,291	31,049,611

(h) Borrowings are denominated in US\$.

16. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

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

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	541,795	2,191,561	613,427	2,499,715
Fair value of plan asset	-	-	-	-
	541,795	2,191,561	613,427	2,499,715
Other benefits				
National Social Security Funds of Civil	74,627	301,868	49,088	200,034
Liability recognised in statement of financial position	616,422	2,493,429	662,515	2,699,749

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

	2020	2019
	US\$	US\$
Balance at 1 January	613,427	620,961
Current service cost	47,813	48,709
Interest cost	35,910	35,885
Past service costs	-	15,937
Benefits paid	(28,232)	(17,534)
Re-measurement	(127,123)	(90,531)
Balance at 31 December	541,795	613,427
<i>(KHR'000 equivalent)</i>	<i>2,191,561</i>	<i>2,499,715</i>

16. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2020	2019
	US\$	US\$
Balance at 1 January	49,088	23,683
Additional expenses	<u>25,539</u>	<u>25,405</u>
Balance at 31 December	<u>74,627</u>	<u>49,088</u>
<i>(KHR'000 equivalent)</i>	<u>301,868</u>	<u>200,034</u>

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

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	47,813	194,981	48,709	197,369
Interest costs	35,910	146,441	35,885	145,406
Past service cost	-	-	15,937	64,577
Other benefits				
Additional expenses	<u>25,539</u>	<u>104,148</u>	<u>25,405</u>	<u>102,941</u>
	<u>109,262</u>	<u>445,570</u>	<u>125,936</u>	<u>510,293</u>

(a) Defined benefit obligation

The principal actuarial assumptions are as follows:

Discount rate (i)	6.00% (2019: 6.00%)
Salary growth rate	19% (2019: 20%) per annum, and gradually decreasing to 5% per annum by 2034 for both of their basic and total salary
Mortality rate (ii)	Thailand Mortality Ordinary Life Table 2017
Disability rate	10% (2019: 10%) of mortality rate
Turnover rate	1.3% (2019: 1.1%)

(i) Discount rate

As information on Cambodian corporate or government bonds are not readily available, PPAP has analysed the average long term deposit rates of major banks in Cambodia.

(ii) Mortality rate

Assumptions regarding future mortality are based on published statistics and mortality tables. As standard life tables are not available for Cambodia, PPAP used the standard Thailand Mortality Ordinary Life Table 2017 (TM2017) without modification (see below for comparison). 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.

16. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined benefit obligation (continued)

Life expectancy at birth in Cambodia

Males	68 (2019: 61) years old
Females	73 (2019: 64) years old

Life expectancy at birth for proposed TM2017

Males	74 (2019: 66) years old
Females	81 (2019: 74) years old

Sensitivity analysis

- 0.25% decrease in discount rate results in a 2.32% (2019: 2.27%) increase in defined benefit plan obligation. 0.25% increase in discount rate results in a 2.23% (2019: 2.19%) decrease in defined benefit plan obligation.
- 0.50% decrease in salary increase rate results in a 3.79% (2019: 4.06%) decrease in defined benefit obligation. 0.50% increase in salary increase rate results in a 4.52% (2019: 4.33%) increase in defined benefit obligations.

(b) Other benefits

PPAP has paid an amount equal 3% of monthly basic salary to National Social Security Funds of Civil ("NSSFC") annually. After retirement employees will get monthly retirements from NSSFC.

17. CONTRACT LIABILITIES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,950,000</u>	<u>56,427,750</u>	<u>14,250,000</u>	<u>58,068,750</u>
Current				
Deferred income	<u>300,000</u>	<u>1,213,500</u>	<u>300,000</u>	<u>1,222,500</u>

- (c) Contract liabilities are in respect of deferred income arising from lease of land to Chean Chhoeng Thai Group. The total consideration is amortised on a straight-line basis over the term of 50 years (2019: 50 years).
- (d) Income expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is US\$300,000 annually.

18. CAPITAL COMMITMENTS

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	8,198,352	33,162,334	990,809	4,037,547

19. REVENUE

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	11,764,717	47,976,516	11,321,971	45,876,626
Lift On Lift Off ("LOLO")	9,827,566	40,076,814	9,316,560	37,750,701
Port dues and charges	3,651,087	14,889,133	4,143,537	16,789,612
Gate fees	697,519	2,844,482	732,107	2,966,498
Storage fees	635,861	2,593,041	1,155,914	4,683,764
Weighting fee	4,589	18,714	1,369	5,547
Stuffing/Unstuffing	30,885	125,949	25,750	104,339
Sand dredging management fee	135,312	551,802	87,546	354,736
Trucking fee	240,699	981,571	210,466	852,808
Logistic services	60,177	245,402	194,891	789,699
	27,048,412	110,303,424	27,190,111	110,174,330

Revenue from services rendered is recognised over time as the performance obligations are being satisfied which coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from services rendered as the services are provided on the normal credit terms not exceeding twelve months.

20. COST OF SERVICES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Crane charges	2,327,278	9,490,640	2,264,540	9,175,916
Depreciation	2,252,907	9,187,355	2,724,435	11,039,411
Fuel and gasoline	866,423	3,533,273	932,262	3,777,526
Salaries and wages	1,589,948	6,483,808	1,549,419	6,278,246
Maintenance costs	768,197	3,132,707	690,505	2,797,926
Sand dredging management cost	-	-	21,000	85,092
Repair and maintenance container fee	345	1,407	-	-
Logistic costs	68,995	281,362	148,882	603,270
Others	128,653	524,647	252,201	1,021,918
	8,002,746	32,635,199	8,583,244	34,779,305

21. OTHER INCOME

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Rental income	882,571	3,599,125	972,224	3,939,452
Interest income from:				
- deposits with financial institutions	1,187,958	4,844,493	1,363,776	5,526,020
- lease receivables	173,234	706,448	142,906	579,055
Unwinding effect of long term deposit	2,499	10,191	118,757	481,203
Reversal of impairment loss on receivables	-	-	2,882	11,678
Income from net of investment sublease	-	-	1,408,262	5,706,278
Others	192,600	785,423	112,346	455,226
	<u>2,438,862</u>	<u>9,945,680</u>	<u>4,121,153</u>	<u>16,698,912</u>

(a) Rental income

Rental income is recognised on a straight-line basis over the lease term of an ongoing lease.

(b) Interest income

Interest income is recognised as it accrues, using the effective interest method.

22. GENERAL AND ADMINISTRATIVE EXPENSES

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	4,139,730	16,881,820	3,771,593	15,282,495
Utilities and fuel	475,405	1,938,702	456,132	1,848,247
Depreciation	493,869	2,013,998	395,522	1,602,655
Board of Directors' fees	255,530	1,042,051	208,787	846,005
Donation	473,321	1,930,203	454,737	1,842,594
Office supplies	217,231	885,868	159,163	644,928
Business entertainment	134,527	548,601	304,781	1,234,973
Repair and maintenance	150,578	614,057	190,634	772,449
Communication expenses	68,401	278,939	60,712	246,005
Professional fees	47,862	195,181	86,943	352,293
Travelling expenses	53,607	218,609	103,122	417,850
Other tax expenses	368,396	1,502,319	37,088	150,281
Other expenses	359,608	1,466,481	270,539	1,096,225
Property, plant and equipment written off	-	-	66,182	268,169
Investment properties written off	-	-	184,151	746,180
Loss on disposals of property, plant and equipment and investment properties	174,962	713,495	-	-
Impairment loss on receivables	357,234	1,456,800	173,814	704,294
	<u>7,770,261</u>	<u>31,687,124</u>	<u>6,923,900</u>	<u>28,055,643</u>

23. FINANCE COSTS

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	947,818	3,865,202	1,019,577	4,131,326
- lease liabilities	115,489	470,964	95,270	386,034
Unwinding effect of:				
- long term deposit	1,250	5,098	237,513	962,403
- guaranteed dividend	27,833	113,502	52,869	214,225
	<u>1,092,390</u>	<u>4,454,766</u>	<u>1,405,229</u>	<u>5,693,988</u>

24. TAXATION

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	2,288,675	9,333,217	2,585,009	10,474,456
Under provision in prior year	33,854	138,057	14,953	60,590
	<u>2,322,529</u>	<u>9,471,274</u>	<u>2,599,962</u>	<u>10,535,046</u>
Deferred tax expense (Note 9):				
Origination and reversal of temporary differences	438,473	1,788,092	247,536	1,003,016
	<u>2,761,002</u>	<u>11,259,366</u>	<u>2,847,498</u>	<u>11,538,062</u>

Under the Cambodian Law on Taxation, PPAP has an obligation to pay tax on profit at 20% (2019: 20%) of the taxable profit or a minimum tax at 1% (2019: 1%) of total revenue, whichever is higher.

The numerical reconciliation between the tax expense and the product of accounting profit multiplied by the applicable tax rate of PPAP is as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Profit before tax	<u>12,621,877</u>	<u>51,472,015</u>	<u>14,398,891</u>	<u>58,344,306</u>
Tax at Cambodian statutory tax rate of 20% (2019: 20%)	2,524,376	10,294,405	2,879,778	11,668,860
Tax effects in respect of:				
Non-allowable expenses	237,919	970,234	286,752	1,161,919
Non-allowable income	(35,147)	(143,329)	(333,985)	(1,353,307)
	<u>202,772</u>	<u>826,904</u>	<u>(47,233)</u>	<u>(191,388)</u>
Under provision in prior year:				
Income tax	<u>33,854</u>	<u>138,057</u>	<u>14,953</u>	<u>60,590</u>
Total taxation	<u>2,761,002</u>	<u>11,259,366</u>	<u>2,847,498</u>	<u>11,538,062</u>

25. EARNINGS PER SHARE

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	10,079,232	41,103,109	11,641,924	47,173,076
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	0.49	1.99	0.56	2.28
Diluted earnings per share	<u>0.49</u>	<u>1.99</u>	<u>0.56</u>	<u>2.28</u>

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

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

26. DIVIDENDS

During to the 5th Annual General Shareholder Meeting held on 26 June 2020, the shareholder of PPAP approved the distribution of dividends in respect of the financial year ended 31 December 2019 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,061 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$675,676 (equivalent to KHR2,750,027,695).

These dividends were paid on 8 July 2020.

27. RELATED PARTY DISCLOSURES

- (a) Parties are considered related to PPAP if PPAP 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 PPAP and the party are subject to common control or common significant influence. Related parties can be individuals or other parties.

Key management personnel comprises persons (including the Directors of PPAP) having the authority and responsibility for planning, directing and controlling the activities of PPAP directly and indirectly.

27. RELATED PARTY DISCLOSURES (continued)

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

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
<u>Related parties</u>				
MEF				
Interest expense	947,818	3,865,202	1,019,577	4,131,326
Interest paid	1,000,721	4,080,940	1,055,686	4,277,640
Payment of principal and interest	2,069,974	8,441,354	2,069,974	8,387,535
MEF and MPWT				
Donation and charities	44,320	180,737	34,035	137,910

The related party transactions described above were carried out on negotiated commercial terms.

- (b) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	255,530	1,042,052	208,787	846,005

28. CAPITAL AND FINANCIAL RISK MANAGEMENT

- (a) Capital management

The primary objective of PPAP's capital management is to ensure that PPAP would be able to continue as a going concern whilst maximising the return to shareholders through the optimisation of the debt and equity ratios. The overall strategy of PPAP remains unchanged from that in the previous financial year.

PPAP manages its capital structure and makes adjustments to it, in response to changes in economic conditions. In order to maintain or adjust the capital structure, PPAP may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2020 and 31 December 2019.

PPAP monitors and maintains a prudent level of total debts and to ensure compliance with any externally imposed capital requirements.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management

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

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

PPAP is exposed mainly to interest rate risk, credit risk and liquidity and cash flow risk. Information on the management of the related exposures is detailed below:

(i) Interest rate risk

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

The exposure of PPAP to interest rate risk arises primarily from 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.

Sensitivity analysis for interest rate risk

The following table demonstrates the sensitivity analysis of PPAP if interest rates at the end of reporting period changed by 10 basis points with all other variables held constant:

	2020		2019	
	US\$	KHR'000	US\$	KHR'000
Profit net of tax				
- Increased by 0.1% (2019: 0.1%)	6,216	25,143	4,406	17,852
- Decreased by 0.1% (2019: 0.1%)	(6,216)	(25,143)	(4,406)	(17,852)

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(ii) Credit risk

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

PPAP's primary exposure to credit risk arises through its trade receivables from its customers. PPAP controls the credit risk on service rendered by ensuring that its customers have sound financial position and credit history. PPAP also seeks to invest cash assets safely and profitably with approved financial institutions.

PPAP determines a financial asset to be in default when contractual payments are past due and when internal or external information indicates that financial asset is not recoverable. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Exposure to credit risk and credit risk concentration profile

The maximum exposure to credit risk for PPAP is represented by the carrying amounts of each financial asset.

At the end of the reporting period, approximately 78% (2019: 82%) of PPAP's trade receivables were due from four (2019: seven) major customers.

PPAP does not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

(iii) Liquidity and cash flow risk

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

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

29. 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.

30. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

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

As at the date of authorisation of the financial statements, the COVID-19 situation is still evolving and unpredictable. Consequently, the Company is unable to estimate the financial effects of COVID-19 pandemic at this juncture. The Company is actively monitoring and managing its operations to minimise any impact arising from the COVID-19 pandemic.

31. TAXATION CONTINGENCIES

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

32. ADOPTION OF NEW CIFRSs

32.1 New CIFRSs adopted during the current financial year

PPAP adopted the following amendments during the financial year.

	Effective Date
Amendments to <i>References to the Conceptual Framework in CIFRS Standards</i>	1 January 2020
Amendments to CIFRS 3 <i>Definition of a Business</i>	1 January 2020
Amendments to CIAS 1 and CIAS 8 <i>Definition of Material</i>	1 January 2020
Amendments to CIFRS 9, CIAS 39 and CIFRS 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendment to CIFRS 16 <i>Covid-19-Related Rent Concessions</i>	1 June 2020 (early adopted)

Adoption of the above amendments did not have any material effect on the financial performance or position of PPAP.

32.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2021

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

	Effective Date
<i>Interest Rate Benchmark Reform - Phase 2</i> (Amendments to CIFRS 9, CIAS 39, CIFRS 7, CIFRS 4 and CIFRS 16)	1 January 2021
Annual Improvements to CIFRS Standards 2018 - 2020	1 January 2022
Amendments to CIFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to CIAS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to CIAS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

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 2020, there is no such transaction occurred.

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

For 2020, there is no such transaction occurred.

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

For 2020, 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 2020, 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 2020, there is no such transaction occurred.

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

For 2020, 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 2020, there is no such transaction occurred.

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

For 2020 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 2020.*

The container throughput of PPAP in the 2020 has increased 9,812 TEUs or +3.49% compared to 2019. For vessels in 2020 decreased by 46 voyages or -1.91% compared to 2019. However, Cambodian and international cruises (voyages) in the 2020 has decreased 1,505 voyages or -68.50% compared to 2019. On the other hand, general cargo in 2020 has also decreased 14,583 TONs or -22.30% compared to 2019.

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 2020 and 2019 as *set out in Section 6 of yearly report 2020.*

PPAP has four main revenue source:

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

1. Revenue Analysis

For The Period Ended 31 December 2020 Compared to The Period Ended 31 December 2019

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port Operation	23,201,836	94,617,087	22,764,137	92,240,283	437,699	1.92%	2,376,804	2.58%
Port Authority	3,651,087	14,889,133	4,143,537	16,789,612	(492,450)	-11.88%	(1,900,479)	-11.32%
Other Revenue	195,489	797,204	282,437	1,144,435	(86,948)	-30.78%	(347,231)	-30.34%
Total:	<u>27,048,412</u>	<u>110,303,424</u>	<u>27,190,111</u>	<u>110,174,330</u>	<u>(141,699)</u>	<u>-0.52%</u>	<u>129,094</u>	<u>0.12%</u>

Total revenue increased by KHR 129,094,000 (USD 141,699) or 0.12% from KHR 110,174,330,000 (USD 27,190,111) in 2019 to KHR 110,303,424,000 (USD 27,048,412) in 2020. This increase in revenue is due to the increase of revenue from port operation such as stevedoring, LOLO.

2. Revenue by segment analysis

For The Period Ended 31 December 2020 Compared to The Period Ended 31 December 2019

Source of Revenue	Period Ended 31 December 2020		Period Ended 31 December 2019	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	47,976,516	43.50%	45,876,626	41.64%
Lift On Lift Off (LOLO)	40,076,814	36.33%	37,750,701	34.26%
Port dues and charges	14,889,133	13.50%	16,789,612	15.24%
Gate fees	2,844,482	2.58%	2,966,498	2.69%
Storage fees	2,593,041	2.35%	4,683,764	4.25%
Weighting fees	18,714	0.02%	5,547	0.01%
Stuffing/unstuffings	125,949	0.11%	104,339	0.09%
Trucking fees	981,571	0.89%	852,808	0.77%
Repair and maintenance container service	-	0.00%	-	0.00%
Logistic Service	245,402	0.22%	789,699	0.72%
Sand dredging management fee	551,802	0.50%	354,736	0.32%
Total:	<u>110,303,424</u>	<u>100.00%</u>	<u>110,174,330</u>	<u>100.00%</u>

As much as 2019, 3 main revenues of PPAP in 2020 which represents 93% of total revenue. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For The Period Ended 31 December 2020 Compared to The Period Ended 31 December 2019

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	11,764,717	47,976,516	11,321,971	45,876,626	442,746	3.91%	2,099,890	4.58%
Lift On Lift Off (LOLO)	9,827,566	40,076,814	9,316,560	37,750,701	511,006	5.48%	2,326,113	6.16%

For 2020, 2 main revenues of PPAP increased by KHR 4,426,002,000 (USD 953,752) or 5.29% compared to 2019.

3. 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 2020 Compared to The Period Ended 31 December 2019

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	27,048,412	110,303,424	27,190,111	110,174,330	(141,699)	-0.52%	129,094	0.12%
Cost of Service								
Depreciation	2,252,907	9,187,355	2,724,435	11,039,411	(471,528)	-17.31%	(1,852,056)	-16.78%
Crane charge	2,327,278	9,490,640	2,264,540	9,175,916	62,738	2.77%	314,724	3.43%
Salaries and wage	1,589,948	6,483,808	1,549,419	6,278,246	40,529	2.62%	205,562	3.27%
Fuel and gasoline	866,423	3,533,273	932,262	3,777,526	(65,839)	-7.06%	(244,253)	-6.47%
Maintenance costs	768,197	3,132,707	690,505	2,797,926	77,692	11.25%	334,781	11.97%
Repair and maintenance container fee`	345	1,407	-	-	345	N/A	1,407	N/A

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Sand dredging management cost	-	-	21,000	85,092	(21,000)	-100.00%	(85,092)	-100.00%
Logistic Costs	68,995	281,362	148,882	603,270	(79,887)	-53.66%	(321,908)	-53.36%
Others	128,653	524,647	252,201	1,021,918	(123,548)	-48.99%	(497,271)	-48.66%
Total Cost of Service	<u>8,002,746</u>	<u>32,635,199</u>	<u>8,583,244</u>	<u>34,779,305</u>	<u>(580,498)</u>	<u>-6.76%</u>	<u>(2,144,106)</u>	<u>-6.16%</u>
Gross profit	<u>19,045,666</u>	<u>77,668,225</u>	<u>18,606,867</u>	<u>75,395,025</u>	<u>438,799</u>	<u>2.36%</u>	<u>2,273,200</u>	<u>3.02%</u>
Gross Profit Margin	70.41%	70.41%	68.43%	68.43%				

-Gross Profit Margin Analysis

Gross Profit Margin increased by 1.98% from 68.43% in 2019 to 70.41% in 2020. The increase in Gross Profit Margin due to the increase in revenue by KHR 129,094,000 (USD 141,699) or 0.12%. As for Cost of Service decreased by KHR 2,144,106,000 (USD 580,498) or 6.16% compared to 2019 due to the decreased in depreciation and other costs.

4. Profit before tax analysis

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

For The Period Ended 31 December 2020 Compared to The Period Ended 31 December 2019

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	19,045,666	77,668,225	18,606,867	75,395,025	438,799	2.36%	2,273,200	3.02%
Other income	2,438,862	9,945,680	4,121,153	16,698,912	(1,682,291)	-40.82%	(6,753,232)	-40.44%

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Salaries and other benefits	4,139,730	16,881,820	3,771,593	15,282,495	368,137	9.76%	1,599,325	10.47%
Donation expenses	473,321	1,930,203	454,737	1,842,594	18,584	4.09%	87,609	4.75%
Utilities and fuel	475,405	1,938,702	456,132	1,848,247	19,273	4.23%	90,455	4.89%
Depreciation	493,869	2,013,998	395,522	1,602,655	98,347	24.87%	411,343	25.67%
Repairs and maintenance	150,578	614,057	190,634	772,449	(40,056)	-21.01%	(158,392)	-20.51%
Business entertainments	134,527	548,601	304,781	1,234,973	(170,254)	-55.86%	(686,372)	-55.58%
Travelling expenses	53,607	218,609	103,122	417,850	(49,515)	-48.02%	(199,241)	-47.68%
Professional fee	47,862	195,181	86,943	352,293	(39,081)	-44.95%	(157,112)	-44.60%
Board of Directors' fee	255,530	1,042,051	208,787	846,005	46,743	22.39%	196,046	23.17%
Office supplies	217,231	885,868	159,163	644,928	58,068	36.48%	240,940	37.36%
Communication expenses	68,401	278,939	60,712	246,005	7,689	12.66%	32,934	13.39%
Other tax expenses	368,396	1,502,319	37,088	150,281	331,308	893.30%	1,352,038	899.68%
Others	359,608	1,466,481	270,539	1,096,225	89,069	32.92%	370,256	33.78%
Impairment loss on receivables	357,234	1,456,800	173,814	704,294	183,420	105.53%	752,506	106.85%
Property, Plant and Equipment Written-off	-	-	66,182	268,169	(66,182)	-100.00%	(268,169)	-100.00%

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Investment Property	174,962	713,495	-	-	174,962	N/A	713,495	N/A
Loss on disposal of PPE	-	-	184,151	746,180	(184,151)	-100.00%	(746,180)	-100.00%
Total general administration and selling expenses	<u>7,770,261</u>	<u>31,687,124</u>	<u>6,923,900</u>	<u>28,055,643</u>	<u>846,361</u>	<u>12.22%</u>	<u>3,631,481</u>	<u>12.94%</u>
Operating profit	<u>13,714,267</u>	<u>55,926,781</u>	<u>15,804,120</u>	<u>64,038,294</u>	<u>(2,089,853)</u>	<u>-13.22%</u>	<u>(8,111,513)</u>	<u>-12.67%</u>
Finance costs	<u>(1,092,390)</u>	<u>(4,454,766)</u>	<u>(1,405,229)</u>	<u>(5,693,988)</u>	<u>312,839</u>	<u>-22.26%</u>	<u>1,239,222</u>	<u>-21.76%</u>
Profit before income tax	<u>12,621,877</u>	<u>51,472,015</u>	<u>14,398,891</u>	<u>58,344,306</u>	<u>(1,777,014)</u>	<u>-12.34%</u>	<u>(6,872,291)</u>	<u>-11.78%</u>

For 2020, General and Administrative expenses increased by KHR 3,631,481,000 (USD 846,361) or 12.94% compared to 2019.

5. 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 2020 Compared to The Period Ended 31 December 2019

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	12,621,877	51,472,015	14,398,891	58,344,306	(1,777,014)	-12.34%	(6,872,291)	-11.78%
Income tax expense (b)	(2,761,002)	(11,259,366)	(2,847,498)	(11,538,062)	(86,496)	-3.04%	(278,696)	-2.42%

Description	Period Ended 31 December 2020		Period Ended 31 December 2019		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Net profit for the year	9,860,875	40,212,649	11,551,393	46,806,244	(1,690,518)	-14.63%	(6,593,595)	-14.09%
Other comprehensive income	10,079,232	41,103,109	11,641,924	47,173,076	(1,562,692)	-13.42%	(6,069,967)	-12.87%
Effective tax rate (b)/(a)	-21.87%	-21.87%	-19.78%	-19.78%				

PPAP Earns Profit After Tax KHR 40,212,649,000 (USD 9,860,875) in 2020 and KHR 46,806,244,000 (USD 11,551,393) in 2019, representing a decrease of KHR 6,593,595,000 (USD 1,690,518) or 14.09%. This decrease is because of the increase in revenue by 0.12% compared to 2019. and the increase in general and administration expense KHR 1,554,831,000 (USD 380,478) or 21.77%.

The decrease of effective tax rate of 2.09% from 19.78% in 2019 to 21.87% in 2020, due to the decreased in income tax expense KHR 6,872,291 (USD 1,777,014) or 11.78%.

6. Factors and trends analysis affecting financial conditions and results

6.1. 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.

6.2. Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 290,857 TEUs annually as at 31st December, 2020. In order to accommodate this increase, PPAP has plan to finish the Phase III of port infrastructure project which will increase its capacity more 200,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	2017	2018	2019	2020	Planning 2020
Container Terminal LM17 (TEUs)	184,805	213,571	281,045	290,857	309,375

6.3. Operation Efficiency

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

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

6.4. Price

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

6.5. Connection to Feeder Port

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

6.6. Depreciation

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

B- Significant factors affecting profit

1. Demand and supply conditions analysis

Cargo volume of PPAP is directly related to the national, Regional and Global Economy. PPAP must conduct analysis on the economy and trade in order to recognize the trend of increase or decline in the demand of transportation. It is the base for a timely response on the matters as well as creating proper investment plan on the port infrastructure and machinery. It can avert losses on the expenditure of capital by avoiding excessive investment over the demand of 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 **21.18%** (5.88% from operation staff and 15.30% from administration staff and other benefits) of total revenue in 2020 which recorded in Cost of Services and General Administration Expense.

However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Crane Charge

Another large portion of cost of service is crane charges which is 8.60% of total revenue in 2020. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/02/2021-31/01/2022
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024

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

3. Tax analysis

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

3.1. Tax on profit

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

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 2019, PPAP will import additional container handling equipment. As such, the expense on import tax will rise.

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent more than **93%** of the total revenue in 2020. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of Cap Mei Hub Port in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of Flunctuation of Gasoline Price

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

E- Impact on Inflation

Increase in inflation rate may impact the expenditure and investment of the company because of the increase in price of commodity, thus diminish in purchasing power. According to Worldbank.org, the Cambodia inflation rate is averaging 2.1% from year 2020 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 entriprise 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

- The World Health Organisation declared the 2019 Novel Coronavirus infection (“COVID-19”) a pandemic on 11 March 2020. Since this development occurred subsequent to the end of the reporting period, the COVID-19 pandemic is treated as a non adjusting event in accordance with CIAS 10 Events after Reporting Period. Consequently the financial statements for the financial year ended 31 December 2019 do not reflect the effects arising from this non-adjusting event.
- PPAP is in the process of assessing the financial reporting impact of COVID-19 pandemic since ongoing developments remain incertail and cannot be reasonably predicted as at the date of authorization of the financial statements.
- PPAP anticipates that the potential financial reporting impact of COVID-19 would be recognized in the financial statements of PPAP during the financial year ending 31 December 2020.

For 2020, PPAP has necessary information for the investor protection as follow:

- Checked and discussed on the case of Chean Chhoeng Thai Group (CCTG) requested PPAP to witness the agreement between CCTG and CANADIA BANK PLC by approving PPAP to report this case to both guardian ministries
- Checked and discussed on the main conditions in Term Sheet between PPAP and Infunde to build a cold warehouse by approving PPAP continue to discuss more on the conditions and the contract between PPAP and Infunde will submit to the Board of Directors for reviewing and to both guardian ministries for approval.
- Checked and discussed on PPAP’s request to develop the terminal in PPAP’s commercial zone by approving PPAP to send a letter to both guardian ministries in order to request for final approval from the government
- Checked and discussed on the discount plan on PPAP’s services for 2020
- Checked and discussed on the distribution of bonus to PPAP’s employees for the period of 2019
- Checked and discussed on delaying the retirement age to 60 for civil servants of the Kingdom of Cambodia
- Checked and approved for PPAP to conduct more observation and report to both guardian ministries on the case of hiring private company to install the Trucking App
- Checked and discussed on the request Suvannphum Investment Company to regenerate the terminal
- Checked and approved for PPAP to re-study on PPAP’s Special Economic Zone and submit to Board of Directors for the approval in the next meeting.
- Checked and approved on the business/services and financial report of 2019
- Checked and discussed on the division of profit for the period of 2019 into various funds of PPAP
- Checked and discussed on the dividend distribution plan for shareholders holding class A and B voting shares for the period of 2019
- Checked and approved on PPAP’s 5th Gernal Shareholders Meeting
- Checked and discussed on PPAP’s revision plan for 2020

- Checked and discussed on the request of Yunnan Shengmao Investment (Cambodia) Co.,Ltd of the Royal Government for longer leasing periods of ICD (from 40 to 70 years)
- Checked on the request of transferring 3 cranes that PPAP had paid instead of Chean Chhoeng Thai Group to other private company and request to collaborate with private company in order to provide handling services on the quay
- Approved in principle for PPAP to study on salary system and the amendment of PPAP's Staff Article of Incorporation and also allowed PPAP to hire private consultant company if necessary. The result of the study will be submitted to Board of Directors for approval in the next meeting
- Approved in principle for PPAP to study on the collaboration with private company to establish container terminal, general cargo terminal, passenger & tourist terminal, and gas/oil terminal. The result of the study will be submitted to Board of Directors for approval in the next meeting
- Acknowledged the report on progress of collaboration with Infunde on the project of construction cold warehouse and the new project location. Board of Directors has decided for PPAP to send a letter to guardian ministries for approval on the leasing location to Infunde.
- Reviewed and approved on PPAP's Business/Services and Financial Performance reports for the first 6 months of 2020.
- Checked and approved PPAP to:
 - use PPAP's own budget of \$4,857,877 to cover the cost of land purchased in Tonle Bet and the installation of pontoon and three access bridges by requesting for the approval from both guardian ministries. This amount is recorded as an asset in the PPAP's inventory
 - negotiate with Chean Cheoung Thai Group to fulfill all the obligations as stated in the leasing contract in which to make the payment with interest rate as at commercial bank's in order to divert that amount to fund other development projects and for the benefit of PPAP in the future
- Allowed PPAP to collaborate with private company to assemble the three cranes (FCC), which two cranes to be installed at LM17 and another one at Tonle Bet port (UM2), and to operate the loading/unloading as in the previous format of cooperation between PPAP and Kamsab.
- Checked and decided that PPAP to revise the draft of regulations and procedures of the election for staff representatives and to submit to the Board of Directors for review and decision in the next meeting.
- Allowed PPAP to collaborate with Orange Joseph Investment Co., Ltd to conduct a study on the development projects and the results of the study will be submitted to the Board for consideration and decision in the next meeting.
- Allowed PPAP to collaborate with China Railway 18th Bureau Group Co., Ltd (CRCC 18th) to study on the riverbank situation and measures taken to prevent landslides at two locations, Koh Keo and Roka Kong, and the results of the study will be submitted to the Board of Directors for review and decision in the next meeting.

- Allowed PPAP to renew the contract with BDO to be an Independent Auditor for the period of 2 years, 2021 to 2022. The selection of another new independent auditor will be decided after the completion of this period.
- Allowed PPAP to provide 10 scholarships of local bachelor degrees to high school graduated students with grade “A” and “B” from Preah Sdach district, Prey Veng Province, and also to support students from grade 9th and grade 12th in preparing for the upcoming exam.
- Reviewed and approved on PPAP’s business result reports for 9 months of 2020.
- Approved on the draft added annex of the contract on lease of ICD land 9.3 hectares by and between Phnom Penh Autonomous Port and Yunnan Sengmao Investment (Cambodia) Co.,Ltd
- Acknowledged the report on the changing status of island, water depths, and riverbanks along upper and lower Mekong rivers.
- Reviewed and approved on Business and Financial result for 2020 (Estimated)
- Reviewed and approved on Business, Services, and Financial planning for 2021
- Approved and allowed PPAP to revise the management structure by setting up Machinery Management Department and Operation Departments at UM2, KM6, and Koh Rorka and other ports in the future such as in Kompong Chhnang, Kratie, and Siem Reap province.
- Checked and approved on Chean Chhoeng Thai Group request to delay in paying reimbursement to PPAP of \$ 4,857,877 on the purchase of land at Tonle Bet (UM2) by agreeing to delay paying reimbursement until the end of June 2021 at the interest rate of 7.5%. For 11 million US dollars for the construction of a new administrative building, PPAP should do more discussion with Chean Chhoeng Thai Group to find a suitable solution. At the same time, PPAP should learn more about other options for this case.
- Approved in principle for PPAP to insert 310 contracted staffs as staffs of 2021 planning. For the salary should be increased in stages depend on the budget by inserting in yearly budget planning from 2021 onward.
- Approved in principle for PPAP to review PPAP’s AOI and Staff statute. The result of this study shall be submitted to the Board for review and decision in the upcoming meeting.
- Acknowledged the MOU between PPAP and Positive Energy Industrial Co., Ltd. to do the feasibility study on the project of building a Shipyard and the result of this study shall be submitted to the Board for review and decision in the next meeting.
- Approved in principle for PPAP to use the overdraft loan from FTB bank in the future if necessary
- Decided to allow PPAP to made a request to Ministry of Industry, Science, Technology & Innovation in order to purchase the location of former board factory and continue to lease that location to the previous lessee. This will be inserted in 2021 planing.

Signature of Director of the Listed Entity

Date...25/03/2021..

Read and Approved by:

Hei Bavy

H.E HEI Bavy
Chairman of BOD
And CEO

Date...25/03/2021..

Read and Approved by:

Soun Rachana

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

Date...25/03/2021..

Read and Approved by:

Ken Sambath

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

Date...25/03/2021..

Read and Approved by:

Penn Sovicheat

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

Date...25/03/2021..

Read and Approved by:

Gui Anvanith

Mr. Gui Anvanith
Member (Independent
Director)

Date...25/03/2021..

Read and Approved by:

Dith Sochal

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

Date...25/03/2021..

Read and Approved by:

Yim Choourn

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

Annex of
Phnom Penh Autonomous Port
2020 Annual Report
Annual Corporate Governance Report

Part 1. Shareholders

A. Shareholders Structure (as on December 31st, 2020)

1. Shareholders Information

Description	Nationality	Type of Shareholders	Number of shareholders	Number of Shares	%
Less than 5%	Cambodian	Individual	534	802,847	3.88%
		Cooperation	4	817,147	3.95%
	Foreigner	Individual	287	1,056,667	5.11%
		Cooperation	2	70,968	0.34%
From 5% to 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	1	1,389,244	6.71%
From 30%	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	128,863	0.62%
Senior Officers	8	65,361	0.32%
Employee	51	61,144	0.30%
Total	64	255,368	1.23%

B. Shareholders' and Protection of Shareholders' Rights

1. Rights of Shareholders

PPAP shareholder's right is classified into 3 types such as:

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 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 or 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 2020, PPAP shareholders had attended PPAP's General Shareholder Meeting on June 26th, 2020, when PPAP presented the business performance of 2019 and future plan for 2020; shareholders also participated in voting to approve the dividend distribution to shareholders for 2019 and to approve on the Board's remuneration for 2020.

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.	June 26th, 2020	Ordinary	50+1	<ul style="list-style-type: none"> - Business results achieved in 2019 and future plan for 2020 - Request for review and approval on dividend distribution to shareholders for 2019 - Request for review and approval on Board's remuneration for 2020 	<ul style="list-style-type: none"> - Dividend distribution to shareholder for 2019 is 6.5% - Board's remuneration for 2020 and subsequent years until the end of 7th mandate is 1,152,000KHR 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)

N.	Detail of dividend distribution	2019	2018	2017
1	Announcement Date of Dividend Distribution	26 June 2020	02 April 2019	27 February 2018
2	Record` date	01 July 2020	04 April 2019	12 March 2018
3	Dividend Payment Date	08 July 2020	10 April 2019	16 March 2018

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	July 16 th , 2019	July 15 th , 2022
2	H.E SUON Rachana	Member	July 16 th , 2019	July 15 th , 2022
3	H.E KEN Sambath	Member	July 16 th , 2019	July 15 th , 2022
4	H.E PENN Sovicheat	Member	July 16 th , 2019	July 15 th , 2022
5	Mr. GUI Anvanith	Member	April 23 rd , 2019	April 22 nd , 2022
6	Mr. DITH Sochal	Member	April 23 rd , 2019	April 22 nd , 2022
7	Mr. YIM Choeurn	Member	July 16 th , 2019	July 15 th , 2022

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 - Present Secretary of State, Ministry of Commerce.



Mr. 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.



Mr. DITH Sochal
Member of the Board of Directors
Non-Executive Director, Representative of Private Shareholders

❖ **Nationality**

Cambodian

❖ **Date of Birth**

March 18th, 1979

❖ **Study Records**

- 1996 Graduated from Kompong Thmor High School, Kompong Thom

- 1996 - 2000 Bachelor Degree of Accounting, University of Cheasim Komchaymea, Prey Veng Province
- 2002 - 2004 Master Degree of Business Management, Majoring in Finance, Wuhan University of Technology, China.

❖ **Work Experiences**

- Oct 2001 - May 2005 Inspector of Inspection Department of the National Bank of Cambodia
- May 2005 - Oct 2006 Head of Business Loan Relation, Business Financial Service Department, ANZ Royal Bank
- Nov 2006 - Mar 2008 Head of Business Relation Division, ANZ Royal Bank
- Apr 2008 - Oct 2009 Head of Communication Division of the Department of Agriculture and Commerce of ANZ Royal Bank, New Zealand
- Oct 2009 - Mar 2010 Head of Small and Medium Enterprise Department, ANZ Royal Bank
- Apr 2010 - Mar 2016 Head of Business Banking Services Department, ANZ Royal Bank
- Mar 2016 - Jan 2019 Deputy Director General of Foreign Trade Bank of Cambodia (FTB)
- Jun 2016 - Present Member of the Board of Directors of PPAP
- Jan 2019 - Present Director General of Foreign Trade Bank of Cambodia (FTB).



Mr. YIM Choeurn
Member of the Board of Directors
Employee's Representative

❖ **Nationality** Cambodian

❖ **Date of Birth** July 22nd, 1962

❖ **Study Records**

- 1986 High School Graduated from Middle East Fulfillment School
- 1993 Master of Science Degree in Engineering of Navigation on Sea Routes from Odessa State Maritime Academy, Ukraine

❖ **Work Experiences**

- 1979 Start working at PPAP
- 2009 Manager of Harbor Office
- 2011 Head of Harbor Department
- Jun 2016 - Present Head of LM17 Operation Department
- July 2019 - Present Member of PPAP Board of Directors, Employee's Representative.

3. If Any Director is Director, Shareholder, or Co-Owner of other company

No.	Name	Company	Director or Shareholder or Co-Owner
1	H.E SUON Rachana	Star Shipping Company	Shareholder
2	Mr. GUI Anvanith	Foreign Trade Bank of Cambodia (FTB)	Vice Chairman of the Board of Directors

4. Roles and Responsibilities of the Board of Directors

The Board of Directors has the roles and responsibility to set the goal and control general affairs of PPAP. In this framework, the Board of Directors has the power to:

- Make decisions on development plans within a framework set by the Government
- Review and approve PPAP's investments as well as business, service, and financial plans
- Approve the annual reports of business activities, accounting and finance
- 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

N.	Date	Type of Meeting	Name of Directors Attending the Meeting
1	February 12 th , 2020	Ordinary	H.E HEI Bavy H.E SUON Rachana H.E KEN Sambath H.E PENN Sovicheat Mr. GUI Anvanith Mr. DITH Sochal Mr. YIM Choern
2	March 31 st , 2020	Extraordinary	H.E HEI Bavy H.E SUON Rachana H.E KEN Sambath H.E PENN Sovicheat Mr. GUI Anvanith Mr. DITH Sochal Mr. YIM Choern
3	July 30 th , 2020	Ordinary	H.E HEI Bavy H.E SUON Rachana H.E KEN Sambath H.E PENN Sovicheat Mr. GUI Anvanith Mr. DITH Sochal Mr. YIM Choern
4	October 27 th , 2020	Ordinary	H.E HEI Bavy H.E SUON Rachana H.E KEN Sambath H.E PENN Sovicheat Mr. GUI Anvanith Mr. DITH Sochal Mr. YIM Choern

N.	Date	Type of Meeting	Name of Directors Attending the Meeting
5	December 16 th , 2020	Ordinary	H.E HEI Bavy H.E SUON Rachana H.E KEN Sambath H.E PENN Sovicheat Mr. GUI Anvanith Mr. DITH Sochal Mr. YIM Choeurn

B. Board of Directors' Committees

1. Structure of the Board of Directors' Committees

1.1 Audit Committee

N.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Independent Director	Chairman	November 28 th , 2019		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	
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

The Audit Committee reviewed and decided on the annual plan of the Internal Audit Department before implementing the plan. The internal audit plan must be divided into 4 quarters per year to inspect the departments, offices, service units under the supervision of PPAP. In every quarter, the Audit Committee reviews and approve on the internal audit report before submitting to the Securities and Exchange Commission of Cambodia (SECC).

In 2020, the Internal Audit Department conducted auditing in accordance with the 2020 plan, in which there were few shortcomings in the units. The Internal Audit Department will try to strengthen each unit to carry out their work in a transparent, accountable and legal manner.

1.2 Remuneration and Nomination Committee

N.	Name	Position	Appointing Date	Number of Attending the Meeting	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 2020, the Remuneration and Nomination Committee of PPAP has no any performance yet.

1.3 Risk Management Committee

N.	Name	Position	Appointing Date	Number of Attending the Meeting	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
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 2020, the Risk Management Committee of PPAP has no any performance yet.

2. Changing of Committee Member

In 2020, 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)

N.	Directors	Position at PPAP	Remuneration for 2020
1	H.E HEI Bavy	Chairman and CEO	278,446
2	H.E SUON Rachana	Director	143,400
3	H.E KEN Sambath	Director	143,400
4	H.E PENN Sovicheat	Director	143,400
5	Mr. GUI Anvanith	Independent Director	143,400
6	Mr. DITH Sochal	Non-Executive Director Representative of Private Shareholders	143,400
7	Mr. YIM Choeurn	Employee Representative	215,447
8	Mr. MORM Rithy	State Controller	143,400
Total			1,354,293

(Unit: Thousand Riel)

N.	Executive Directors	Position at PPAP	Remuneration for 2020
1	H.E HEI Bavy	Chairman and CEO	278,446
2	Mr. YIM Choeurn	Employee Representative	215,447
Total			493,893

(Unit: Thousand Riel)

N.	Senior Officers	Position at PPAP	Remuneration for 2020
1	H.E HEI Bavy	Chairman and CEO	278,446
2	H.E CHOUN Sokhem	Deputy Director General of Administration/Finance	94,766
3	Mr. KOY Bunthorn	Deputy Director General of Technical	95,906
4	Mr. HIEK Phirun	Deputy Director General of Maritime Service/Traffic	94,766
5	Mrs. HEI Phanin	Deputy Director General of Operation	94,766
6	Mr. KONG Channy	Head of Corporate Secretary	89,178
7	Mr. KEO Sophanara	Head of Internal Audit Department	71,238
8	Mr. KONG Sothea	Head of Administration Department	71,478
9	Mr. SOY Sereysovathanak	Head of Personnel/HR Department	70,818
10	Ms. CHHEAV Vanthea	Head of Accounting/Finance Department	82,818
11	Mr. SAY Chantha	Head of Engineering Department	82,818
12	Mr. CHIEAP Vyraya	Head of Hydrographic Department	70,938
13	Mr. TOL Sokhom	Head of Harbor Department	71,267
14	Mr. CHHIV Songkaing	Head of Port Commercial Zone/Domestic Port Department	71,118
15	Mr. HUN Sokhalay	Head of Planning/Marketing Department	82,998
16	Mr. HOEU Song	Head of TS3 Operation Department	71,058
17	Mr. YIM Choeurn	Head of LM17 Operation Department	215,447
Total			1,709,824

(Unit: Thousand Riel)

No.	Highest Remuneration receiving Officers	Position at PPAP	Remuneration for 2020
1	Mr. HORM Vuthny	Manager of Commercial/TOS Office	55,084
2	Mr. OUK Poly	Manager of Personnel/Training Office	55,044
3	Mr. PRAK Samet	Manager of Port Infrastructure Services	54,984
4	Mr. SOK Channara	Manager of Harbor / AIS System Service	54,924
5	Mr. BOUY Daravuth	Manager of Technical Service	54,744
Total			274,780

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

For 2020, PPAP has no performance evaluation on Board of Directors, Directors, Committee and CEO.

E. Training for Directors and Senior Officers

For 2020, Directors and Senior Officers of PPAP attended the training courses as follows:

No.	Name	Courses	Date of Attending	Venue
Local Training				
1	Mr. KEO Sophanara	Online Training on Guideline of Audit Achievement, Audit on Project Financing by Development Partners and Information Technology Audit.	24-28 August 2020	TS3
2	Mr. KOY Bunthorn	Discussing Seminar on Ring Road Number 4, Road Management, Wastewater and Sewage Systems Management.	10 October 2020	Ministry of Public Works and Transport
3	Mr. KEO Sophanara	Seminar on Internal Audit via Information Technology.	23 October 2020	Garden City Hotel
Overseas Training				
1	Mr. HOEU Song	Training course on "Strategic Port Administration and Management" (For port manager)	13 January-28 February 2020	Japan
2	H.E HEI Bavy H.E SUON Rachana Mr. YIM Choeurn Mr. TOL Sokhom Mr. HUN Sokhalay	For international relations and review the agreements between the three provinces (Kanthé, Hov Yao, Dong Thap)	18-19 January 2020	Vietnam

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 or 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.

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

As of 2020, PPAP has no mechanisms and procedure for monitoring the implementation of the code of ethic yet.

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 2020, there has no important transaction with related parties for PPAP.

Part 4. Risk Management, Internal Control, and Auditing

A. Summarize of Risk Management System or Risk Management Policy

As of 2020, PPAP has no system for Risk Management or Risk Management Policy.

B. Summarize of Internal Control

As of 2020, PPAP has no system for internal control.

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 cooperation 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 2020, PPAP has not had any appointment and removal/resignation of head and/or deputy head of internal auditor.

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

As of 2020, PPAP has not had any new appointment of head and/or Deputy head of internal auditor.

2. External Auditor

N.	Company name	Agreement Date	Auditing Fees	Non-audit Fees
1	BDO (Cambodia) Limited	Year 2018 to year 2020	<ul style="list-style-type: none"> • Year 2018 price USD 24,000 • Year 2019 price USD 26,000 • Year 2020 price USD 28,500 	N/A
		Year 2021 to year 2022	<ul style="list-style-type: none"> • Year 2021 price USD 31,000 • Year 2022 price USD 32,000 	

Part 5. Stakeholders

A. Identify Policies and Actions to the Followings:

N.	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 apply 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 Listed Companies

N.	Beneficiaries	Amount	Purpose of CSR
1	Administration at Kien Svay District (Covid-19 Prevention)	KHR 15,000,000	Contribution
2	Red cross of Kandal Province Branch	KHR 10,000,000	Contribution

N.	Beneficiaries	Amount	Purpose of CSR
3	Red cross of Prey Veng Province Branch	KHR 10,000,000	Contribution
2	Government (Covid-19 Prevention)	USD 20,000	Contribution
4	Government (Covid-19 Vaccination Contribution)	USD 20,000	Contribution

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

N.	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 2020, 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	

C. 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.

D. 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 2020, PPAP has contacted with our investors via General Shareholders Meeting.



Address

Container Terminal LM17

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

Multipurposed Terminal TS3

#649, Street 1 (Preah Sisowath), Sras Chork Commune,
Daun Penh District, Phnom Penh City.

Passenger and Tourist Terminal TS1

Street 1 (Preah Sisowath), Wat Phnom Commune,
Daun Penh District, Phnom Penh City.

Tonle Bet Port UM2

Tonle Bet Village, Tonle Bet Commune,
Thbong Khmoum District, Thbong Khmoum Province.

Construction Materials Supply Center (CMSC)

Boeung Salang Village, Reusseykeo Commune
Reusseykeo District, Phnom Penh City.

Contact

Email : ppapmpwt@online.com.kh

Tel/Fax : +855 23 427 802

Website : www.ppap.com.kh