



KINGDOM OF CAMBODIA
NATION RELIGION KING



Phnom Penh Autonomous Port

2021 Annual Report

Listed Company

2021 Annual Report
End 31/12/2021
Phnom Penh Autonomous Port

Vision and Mission

Vision :

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

Mission:

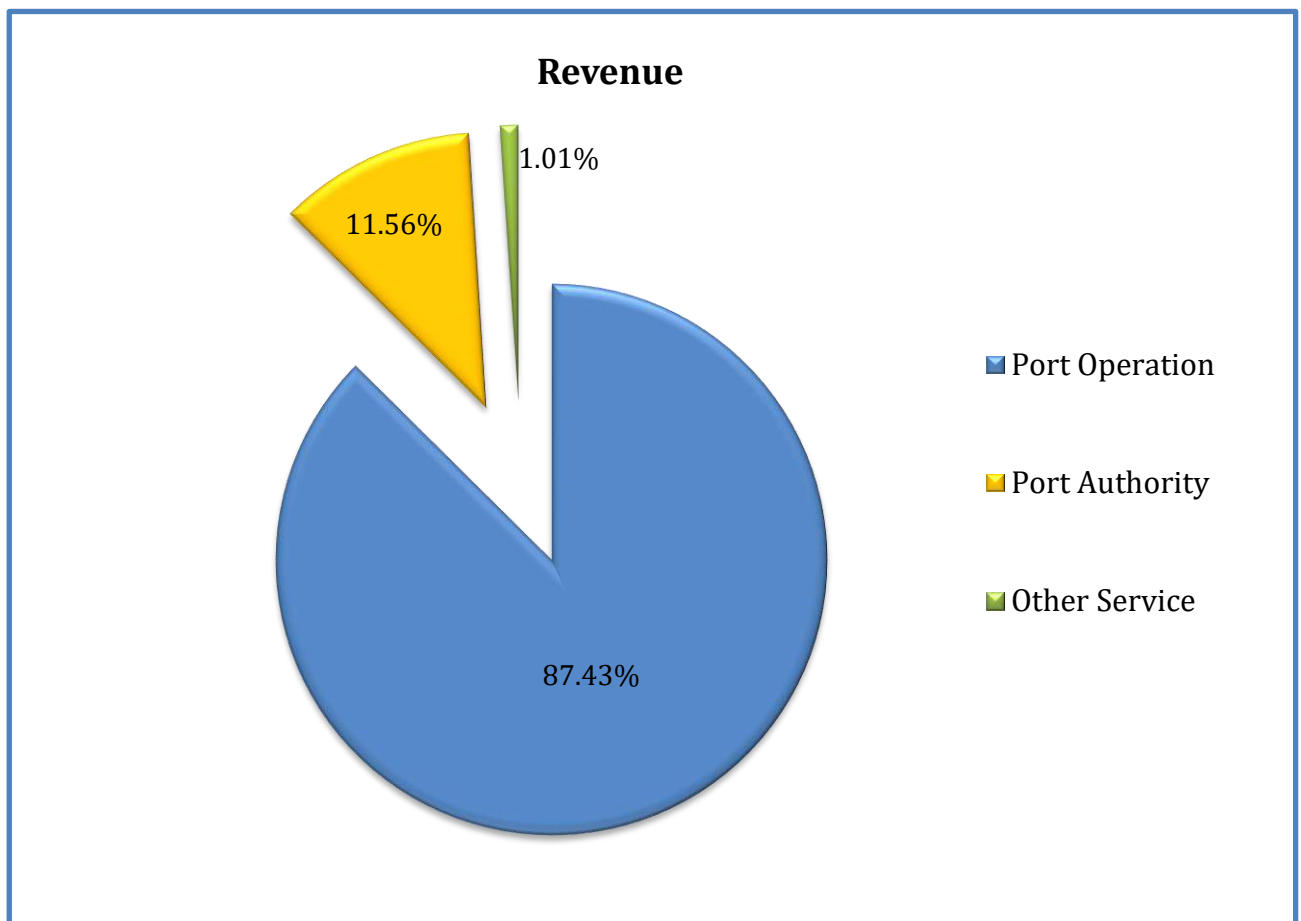
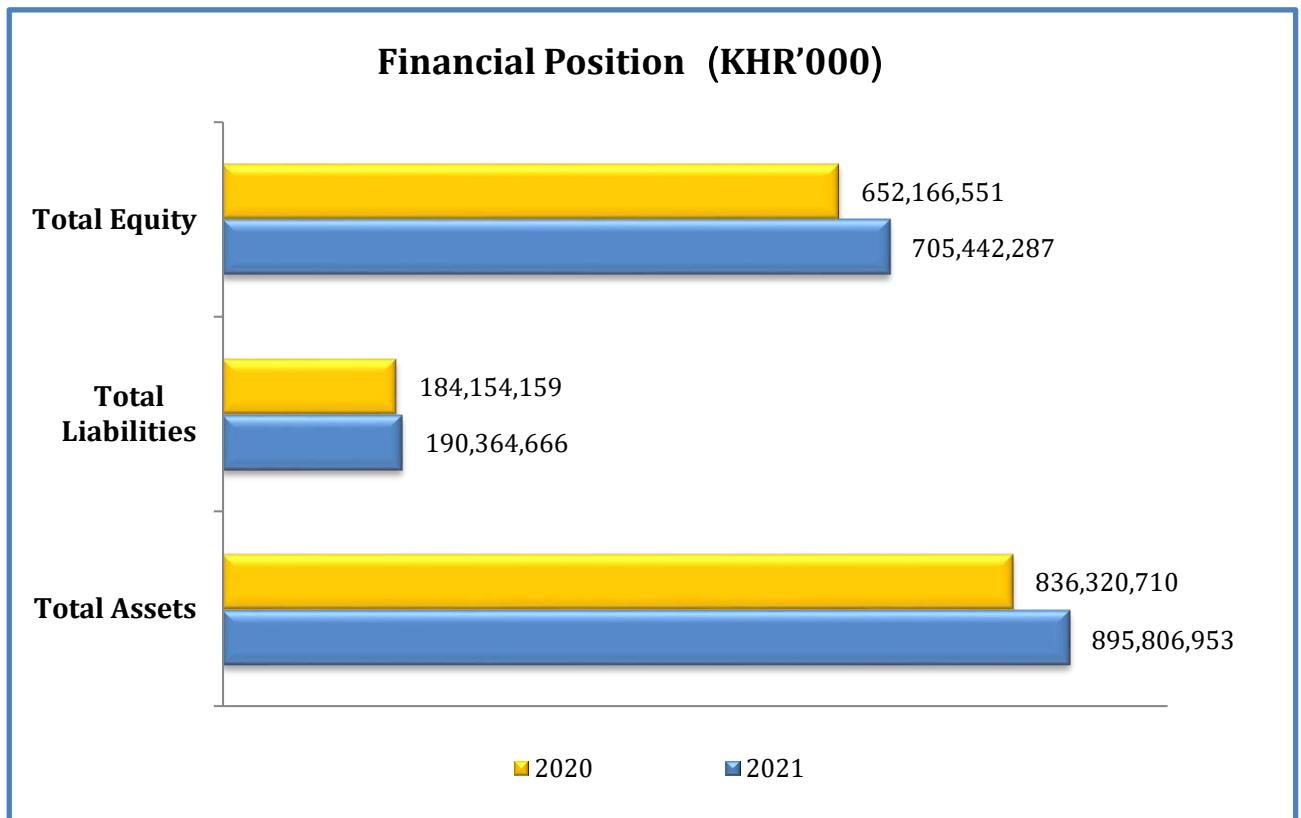
The mission of PPAP is to manage, develop, and operate port facilities and provide core and related services for the sustainable economic growth and social prosperity of Cambodia.

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

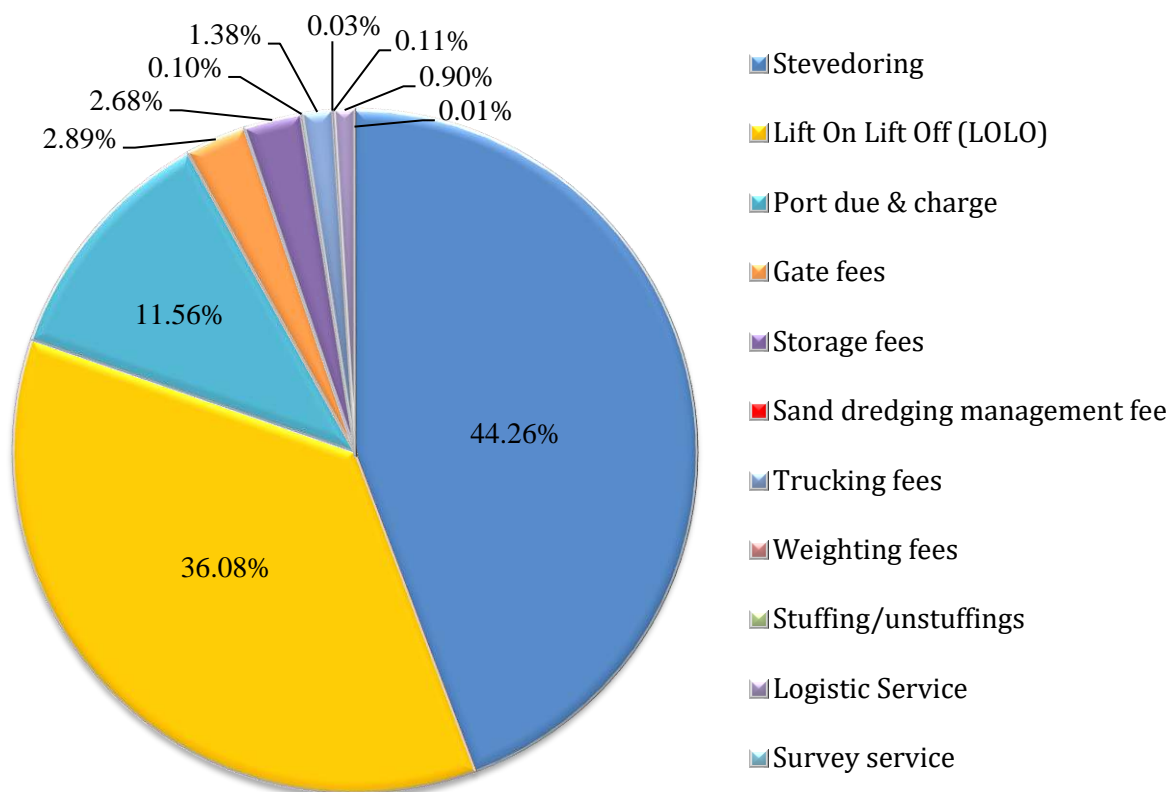
1.1. Financial Highlight

Description		2021	2020	2019
Financial Position (KHR'000)				
Total assets		895,806,953	836,320,710	817,542,948
Total liabilities		190,364,666	184,154,159	198,540,952
Total equity		705,442,287	652,166,551	619,001,996
Profit/(Loss) (KHR'000)		2021	2020	2019
Total revenues		125,228,152	110,303,424	110,174,330
Profit/(Loss) before tax		63,917,791	51,472,015	58,344,306
Profit/(Loss) after tax		51,695,457	40,212,649	46,806,244
Total comprehensive income		51,609,891	41,103,109	47,173,076
Financial Ratios		2021	2020	2019
Solvency ratio (%)		34.27	28.40	30.13
Liquidity ratio	Current Ration (times)	3.36	3.86	4.17
	Quick Ration (times)	3.36	3.86	4.17
		2021	2020	2019
Profitability ratio	Return on assets (%)	5.76	4.91	5.77
	Return on equity (%)	7.32	6.30	7.62
	Gross profit margin (%)	68.13	70.41	68.43
	Profit margin(%)	41.21	37.26	42.82
	Earning per share (Riel)	2,495.12	1,987.16	2,280.62
Interest coverage ratio (times)		19.61	14.47	15.50
Dividend per Share		-	199.51	199.51

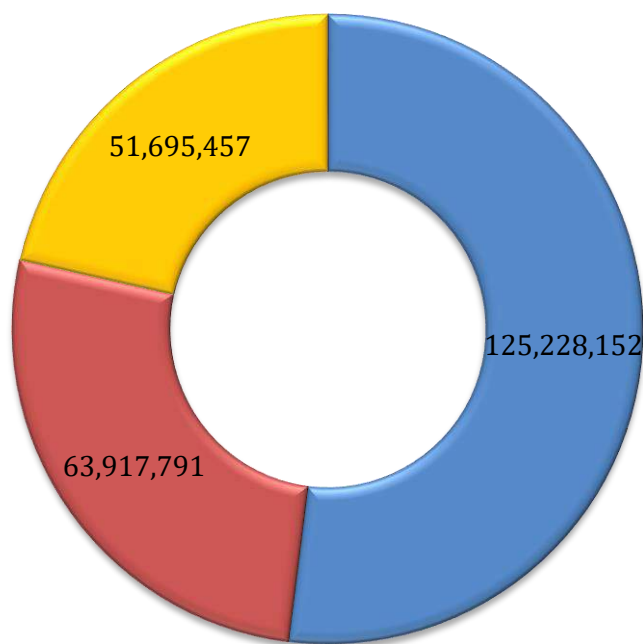
1.2. Graph of Financial Information Highlight (As of 31 December 2021)



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

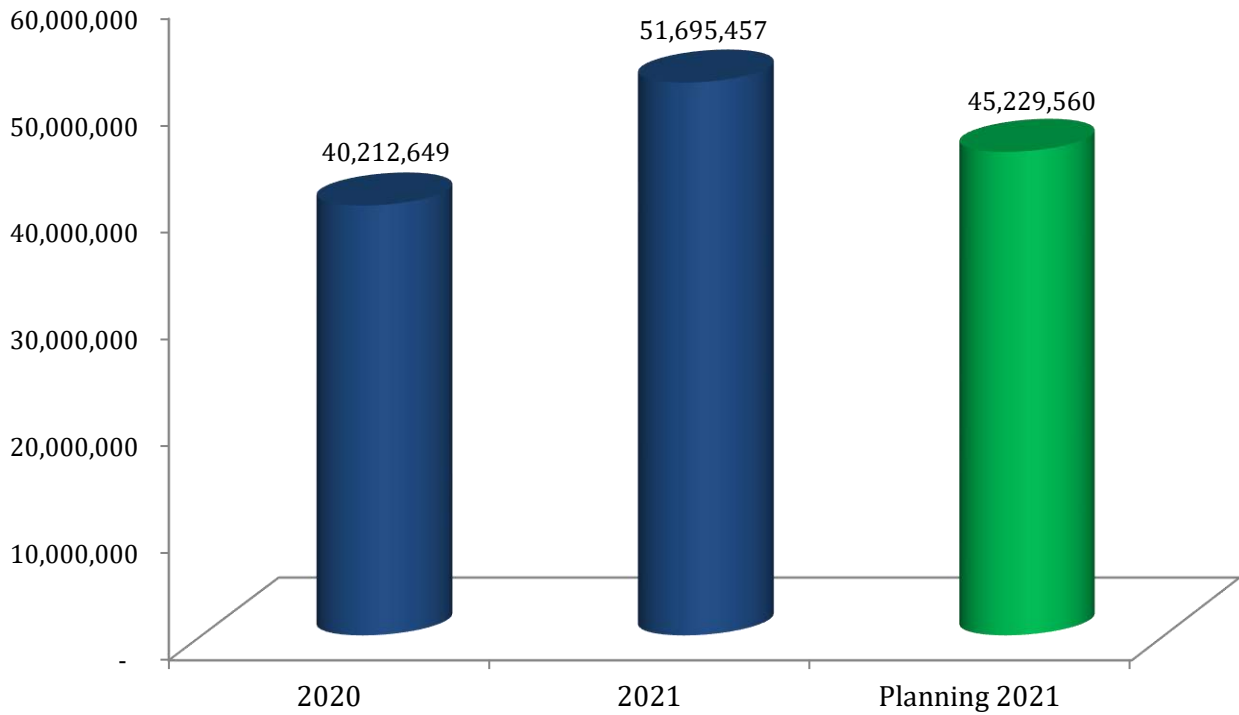


Net Profit for 2021 (KHR'000)

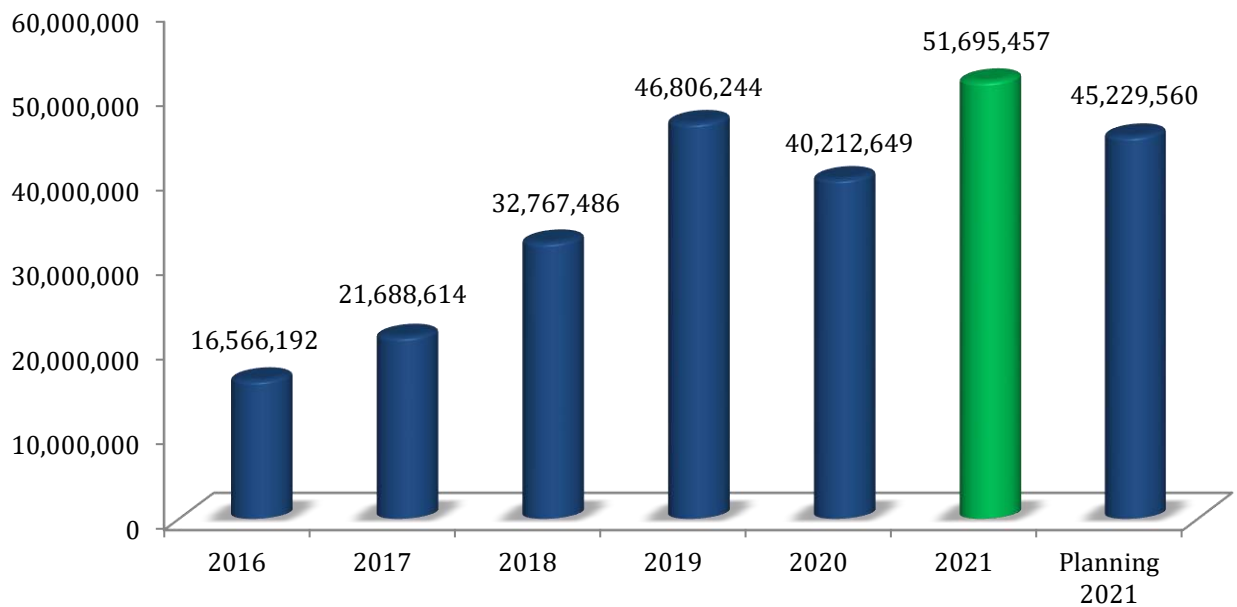


■ Revenue ■ Profit before income tax ■ Net Profit

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



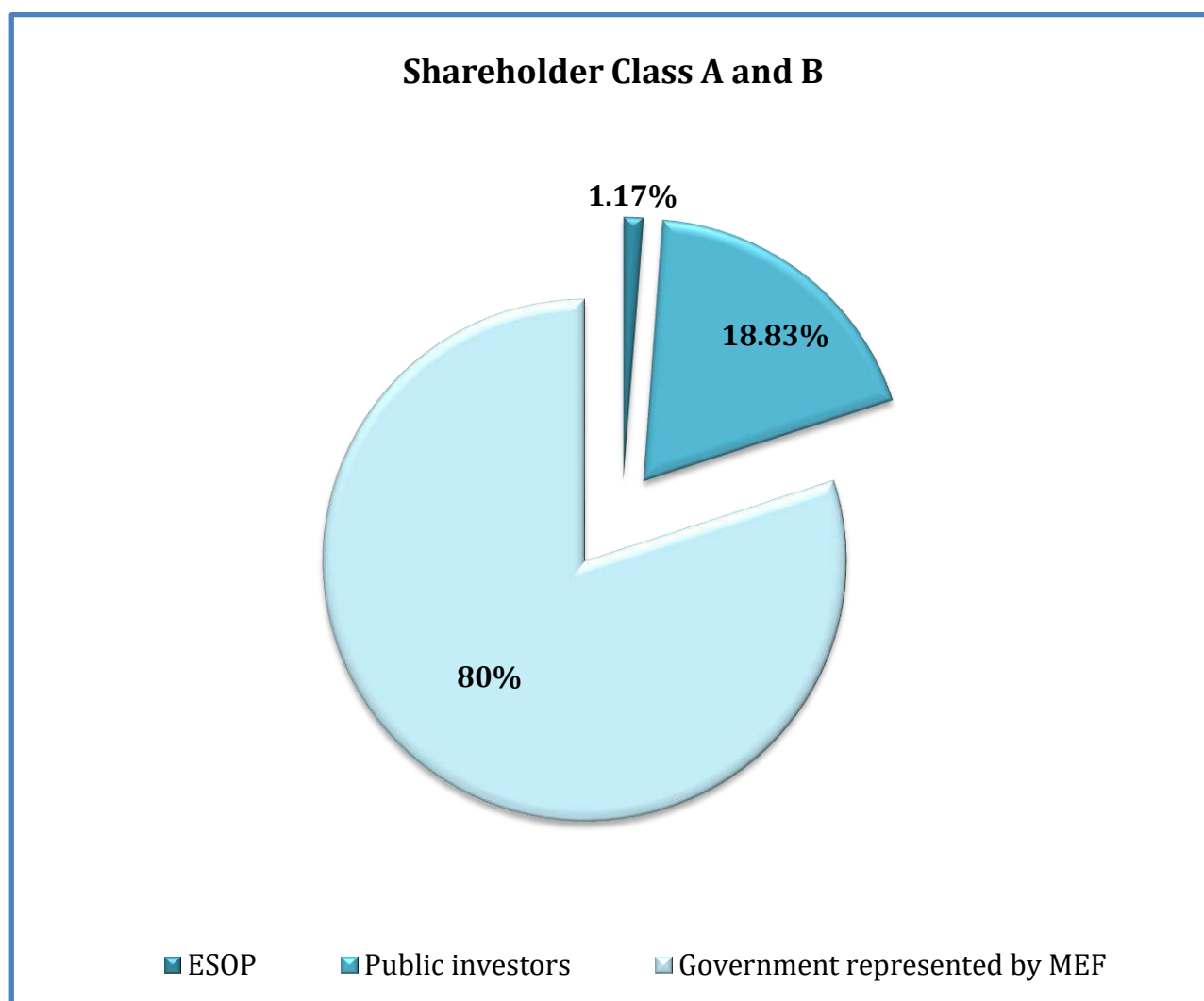
Net Profit from 2016 to 2021 and Planning 2021 (KHR'000)



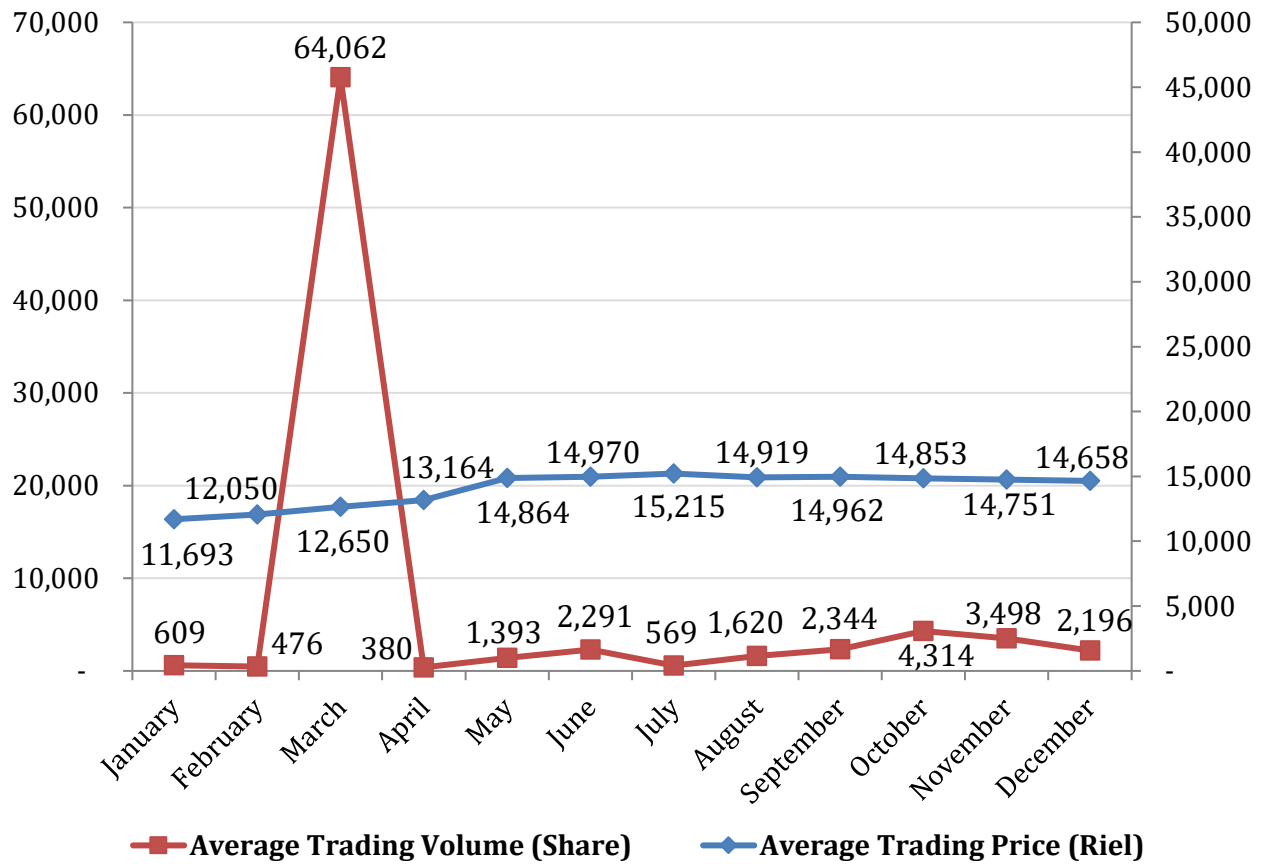
1.3. Stock Ownership (As of 31 December 2021)

Shareholders	Number of Share	Share in Percentage
Class C		
1. Government represented by MEF	93,769,120	100%
Class B		
1. Government represented by MEF	16,547,492	80%
Class A		
1. ESOP	241,814	1.17%
2. Public investors	3,895,059	18.83%
Total Shares of Class A	4,136,873	20%

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



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



2. Summary of Information on Business Operation Performance

Statistics of Vessels Throughput

(Unit)

Description	2021	2020	2019
International Container Vessels	1,770	1,824	1,715
Oil/Gas Tankers	532	539	655
Cambodian Container Vessels	0	0	39
Domestic Vessels	0	0	0
Total	2,302	2,363	2,409

Statistics of Container Throughput

(TEU)

Description		2021	2020	2019
Import	Empty	93,273	58,041	41,935
	Laden	69,940	80,456	60,424
Total Import		163,213	138,497	134,150
Export	Empty	14,637	131,366	19,887
	Laden	171,048	20,994	91,325
Total Export		185,685	152,360	146,895
Total		348,898	290,857	281,045

Statistics of International Passenger Vessel

Description		2021	2020	2019
International Passenger Vessels	Passenger	0	9,733	32,300
	Voyage	0	252	789

3. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



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



Mr. Gui Anvanith
Member (Independent
Director)



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










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

4. Message from Chairman and CEO

For 2021, total revenue from Port Operation and Port Authority is KHR 125,228,152,000 (USD 30,783,715) achieved 106.22% of planning 2021 and compared to 2020 increased by KHR 14,924,728,000 (USD 3,735,303) or 13.53%. However, net profit for 2021 is KHR 51,695,457,000 (USD 12,707,831) reached 114.30% of planning 2021 and compared to 2020 increased to KHR 11,482,808,000 (USD 2,846,956) or 28.56%. Apart from this, basic earnings per share for 2021 is 2,495.12 Riels (USD 0.61).

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 2021, the Board of Directors has attended 4 meetings and achieved the following results:

1. The 9th meeting of 7th mandate on March 18th, 2021

- Reviewed and approved on PPAP's business result reports for 2020
- Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2020 and on resolving cash shortages for current expenditures and investments
- Reviewed and discussed on the dividend distribution plan to Class A and Class B shareholders for 2020
- Reviewed and approved on the arrangement of PPAP's 6th General Shareholders Meeting
- Acknowledged the report on the progress of The City Gate Project of Chean Cheoung Thai Group and The Triumph Project of Yunnan Investment (Cambodia) Co.,Ltd
- Reviewed on the request of the implementation of Sub-Feeder Multipurpose Terminal Tonle Bet UM2, Sub-Feeder Multipurpose Terminal LM26, and Sub-Feeder Multipurpose Terminal TS11 development projects and on the construction of Tourist Hall and Terminal.

2. The 10th meeting of 7th mandate on April 29th, 2021

- Reviewed and discussed on the request for cooperation with the private company on the development of PPAP's sub-terminals: case of the development of Sub-Feeder Multipurpose Terminal TS11 at KM6
- Reviewed and approved on the management of all PPAP's sub-terminals to be managed by Deputy Director General of Business/Operation
- Acknowledged the progress of the expansion of LM17 Container Terminal, Phase 3, Step 1.

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

- Reviewed and approved on PPAP's Business Result Report for 6 months of 2021.
- Approved on PPAP's request to review and revise the Investment Cooperation Agreement on The Development of Sub-Feeder Multipurpose Terminal TS11 between PPAP and PTLs COOPERATION CO.,LTD and submit to both guardian ministries for the approval
- Allow PPAP to make request to both guardian ministries to review and approve on the principle for the investment cooperation with private sector in the development of PPAP's Sub-Feeder Multipurpose Terminal Tonle Bet UM2, Sub-Feeder Multipurpose Terminal LM26, Prek Anchanh, Prek Kdam, Kompong Chhnang, and Chhlong, Kratie Province and other suitable locations in the future
- Reviewed and approved on CCTG's request to delay the payment to PPAP
- Discussed and allow PPAP to make request to Ministry of Public Works and Transport to set the name of "KOH RORKA Multi-purpose Terminal LM26" and the terminal at K'orm Somnor as "K'orm Somnor Terminal LM27"
- Allowed PPAP to transfer 1 pontoon at TS1 to Koh Rorka Terminal to serve the loading operation.

4. The 12th meeting of the 7th mandate on November 30th, 2021

- Reviewed and approved on PPAP's Business Result Report for 10 months of 2021 and estimated result of 2021 and the business/services and financial plan for 2022.
- Allowed PPAP to continue to cooperate with PTLs COOPERATION CO., LTD on the development of Sub-Feeder Multipurpose Terminal Tonle Bet UM2 following the principle for investment cooperation on the development of Sub-Feeder Multipurpose Terminal TS11, by requesting the decision of guardian ministries in advance.
- Approved on PPAP's request to wait for the decision in principle from the Ministry of Economy and Finance before proceeding to lease the land of Lok Chumteav Oknha Seng Keang, located along National Road 6A, Prek Anchanh Commune, Muk Kampoul District, Kandal Province for the development of UM1 Multi-Purpose Terminal.
- Acknowledged report on the development of The City Gate project, CCTG. Meanwhile, PPAP must continue to cooperate and encourage the company to repay debts and perform relevant obligations in the contract.
- Checked and approved the draft of internal regulations on the election of PPAP's employee representatives.

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 Securities and Exchange Regulator of Cambodia and the shareholders who provide the trust and strong support to PPAP.

Phnom Penh, March 30 , 2022

Chairman of BOD and CEO

HEI BAVY

Contents

Vision and Mission	ii
1- Financial Highlight, Graph of Financial Information and Stock Owner Ship	iii
2- Summary of Information on Business Operation Performance	ix
3- Board of Directors	x
4- Message from Chairman and CEO	xi
Part1: General Information of PPAP	1
A-Identity of PPAP	2
B- Nature of Business	2
C- Group Structure of PPAP	7
D- Significant Event in 2020	7
E- Market Situation	10
F- Competitive Situation	13
G- Future Development Plans	14
H- Risk Factors	17
PART2: Information on Business Operation Performance	18
A- The Result of the Business Operation	19
B- Revenue Structure	25
PART3: Information on Corporate Governance	26
A- Organization Structure	27
B- Board of Director	28
C- Senior Officer	28
PART4: Information on Security Trading and PPAP's Shareholders	29
A- General Information on Offered Shares	30
B- Price and Trading Amount of Shares	30
C- Shareholders Holding Largest Voting Shares	31
D- Shareholder Holding Majority Voting Shares	31
E- Information on Dividend Distribution in the last 3 (three) years	32
PART5: Audit Report on the Internal Control Compliant	33
PART6: Financial Statements Reviewed by the External Auditor	49
PART7: Information on Related Party Transactions and Conflict of Interest	94
A- Material Transactions with Shareholder(s) who hold at least 5% or more shares of outstanding equity securities	95

B- Material Transactions with Director(s) and Senior Officer (s)	95
C- Transactions with Director(s) and Shareholder(S) related to buy/sell asset and service	95
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	95
E- Material Transactions with the person, who associated with Director(s) of PPAP, its Subsidiary or Holding Company	95
F- Material Transactions with Former Director(s) or a Person who involved with Former Director(s)	95
G- Material Transactions with Director(s) who is holding any position in a non-profit organization or in any other company other than PPAP	95
H- Material Transactions with Director(S) who get benefit whether finance or non-financial from PPAP	95
PART8: Management’s Discussion and Analysis	96
A- Overview of Operations	97
B- Significant Factors Affecting Profit	106
C- Material Changes in Sales and Revenue	108
D- Impact of Exchange, Interest Rates and Commodity Prices	108
E- Impact of Inflation	109
F- Economic/Fiscal/Monetary Policy of Royal Government	109
PART9: Other Necessary Information for Investor Protection	110
Signature of Directors of the Listed entity	113
Annex of Phnom Penh Autonomous Port 2020 Annual Report Annual Corporate Governance Report	114

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

Fax : (855) 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

 **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 2021, PPAP has completed the development of port infrastructure at container terminal LM17 for Step III, phase I; meanwhile in order to support the operation of the above achievement, PPAP is continuing to develop a new quay to install two additional FCCs, and set up an electricity connection. The overall phase III development will expand its container capacity of 200,000 TEUs more per year. Therefore, The container yard capacity at LM17 will reach 500,000 TEUs per year after the completion of the above project. Currently, PPAP is operating at this terminal as the main terminal for container cargo. The Container Terminal LM17 exists a quay with a length of 300m and a width of 22m and installs 4 traveling cargo cranes, 2 Fixed Cargo Crane, 12 RTG cranes, 5 Reach Stakers, 4 Sky Stackers, and 64 Trucks.

Address	Kandal Leu Village, Banteay Deak Commune, Kean Svay District, Kandal Province
Terminal location	Located at the right bank of the Mekong River and 25km downstream from the intersection of the Chaktomuk River (11°28'23.6"N and 105°08'49.8"E)
Total land size	379,173 m ²
Registered land size	378,367 m ²
Size of the processing land title	806 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 8.0m and 17.0m in depth, anchorage is available at 11°28'28.14"N and 105°9'2.32"E (mud and sand bottom, strong current during the rainy season).

Tidal effect	Ranges from +0.2m to +0.45m between February and April (as of December 2015)
Permitted draft	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for vessels proceeding to LM17 depends on them being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs
Handling equipment	Traveling Cargo Crane, Fixed Cargo Crane, Rubber Tyred Gantry, Reach Stacker Constacker, Sky Stacker & Empty Reach Stacker, Truck and Terminal Tractor.

4.2. Multipurpose Terminal (TS3)

Multipurpose Terminal (TS3) was PPAP's main port for general container cargoes and for tourism. Due to TS3 Terminal's limited capacity to accommodate the continual growth of container traffic, PPAP has invested in developing a new container terminal (LM17). Since the completion of LM17, TS3 has been converted into a multipurpose terminal. While it mainly handles general cargoes, it also serves as a passenger terminal. Currently, PPAP 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	7days/24hrs
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.

4.1.3. Sub-feeder Multipurpose Terminal UM2

In order to improve stevedoring operation of Subfeeder Multipurpose Terminal UM2 to be more effective, productive and attracting customers to use Subfeeder Multipurpose Terminal UM2, this Terminal must improve and develop more due to it is located next to Kompongcham and Tboung Kmom boarder which have the connection between the northern and northeast side province of Cambodia that is the necessary areas of agriculture and agro-insdustry from the south downtown to Vietnam country. Subfeeder Multipurpose Terminal UM2 play an important role in order to gathering the inland waterway transportation and cargo trading. Currently PPAP have developed the Subfeeder Multipurpose Terminal UM2 by constructing quay 12m x 46,9m and Phase I container yard.

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)
Register Land Size	160,725 m2
Berth	1 (pontoon; 6m x 28m)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	None
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7days/24hrs
Handling equipment	Mobile crane, Pontoon.

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. In 2021, the total of 28 253 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	7days/24hrs
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

4.1. Terminal which are planned to develop at the future

4.2.1. Sub-Feeder Multipurpose Terminal TS11

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

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

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Actual land size	12,533 square meters
Anchorage	The anchorage is available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
Hours of Operation	7days/24hrs
Facilities	Mobile crane and Floating crane

4.2.2. Sub-Feeder Multipurpose Terminal LM26

Sub-feeder multi-purpose terminal LM26 is located in Koh Roka commune, Peam Chor District, Prey Veng Province, in the southern part of Cambodia and it is about 3 kilometers away from Vietnam Border, Dong Thap province. It is a potential terminal for Cambodian people to export agricultural products to Vietnam and import raw material and construction materials. Moreover, this terminal will create more opportunities to boost and connect the tourism sector between the two countries. At the moment, This terminal has already finished the sand filling for the container yard, yet the machinery is being equipped and installed, infrastructure for operation is being developed.

Therefore, the acceleration to develop sub-feeder multipurpose terminal LM26 will be benefited to the two people of two countries by import-export products and goods, as well as the connection waterway transportation to export to global market efficiently, especially to lower the logistics cost and reduce the impact of land transport.

At the present time, Sub-feeder multi-purpose terminal LM26 has finished the development of the container yard, which is planned to be used for general cargo operation until there is a need for container cargo operation in the next step. PPAP has been constructing 3 conveyors to facilitate the flow of import-export which is planned to be used step by step by the end of 2021.

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

C. Group Structure of PPAP

As of 2021, there has no group structure of PPAP.

D. Significant Event in 2021

- 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 for the tax year of 2021 and 2022.

ក្រសួងសេដ្ឋកិច្ច និង ហិរញ្ញវត្ថុ

អគ្គនាយកដ្ឋានពន្ធដារ

នាយកដ្ឋានរដ្ឋបាល និងកិច្ចការទូទៅ

លេខ.....១១៥៤៧ អនក-ពន្ធដ



ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ



L20201216009 | TD2866

ថ្ងៃចុះ ១៤ ខែ កុម្ភៈ ឆ្នាំ ព្រឹក ចោល ៧ ស ២៥ ៦៤
រាជធានីភ្នំពេញ ថ្ងៃទី ២៤ ខែ ធ្នូ ឆ្នាំ ២០២០

ជម្រាយជូន

លោក-លោកស្រីនាយក

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

កម្មវត្ថុ ÷ លិខិតបញ្ជាក់ការកាន់បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្រ
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
បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្រ និងនីតិវិធីនៃការបង់ពន្ធអប្បបរមា។

សេចក្តីផ្តើមនេះ ចែងក្នុងកម្មវត្ថុនិងយោងខាងលើ ខ្ញុំសូមជម្រាបជូន លោក-លោកស្រីនាយកសហគ្រាស
ជ្រាបថា សហគ្រាសបានដាក់លិខិតមកអគ្គនាយកដ្ឋានពន្ធដារ ដើម្បីស្នើសុំលទ្ធផលនៃការវាយតម្លៃការកាន់បញ្ជី
កាតព្វកិច្ចនៃយុទ្ធសាស្ត្រ ពីគណៈកម្មការវាយតម្លៃការកាន់បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្ររបស់អ្នកជាប់ពន្ធ។

អនុលោមតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារ និងការពិនិត្យយ៉ាងហ្មត់ចត់លើឯកសារពាក់ព័ន្ធ ព្រម
ទាំងសវនាការនៃការអនុវត្តកិច្ចការពើពន្ធរបស់សហគ្រាសលោក-លោកស្រី គណៈកម្មការវាយតម្លៃការកាន់
បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្ររបស់អ្នកជាប់ពន្ធ សម្រេចវិនិច្ឆ័យថាសហគ្រាសបានកាន់បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្រ និង
ផ្តល់ជូន លិខិតបញ្ជាក់ការកាន់បញ្ជីកាតព្វកិច្ចនៃយុទ្ធសាស្ត្រចាប់ពីឆ្នាំ ២០២០ ដល់ឆ្នាំ ២០២១ ដើម្បីទទួលបាន
អត្ថប្រយោជន៍នានា ស្របតាមប្រកាសលេខ ៦៣៨ សហវ.ប្រក ចុះថ្ងៃទី ០៤ ខែ កក្កដា ឆ្នាំ ២០១៧។

ទន្ទឹមនឹងនេះ លោក-លោកស្រីនាយកសហគ្រាស ត្រូវបន្តអនុវត្តឱ្យបានម៉ឺងម៉ាត់នូវកាតព្វកិច្ចសារពើ
ពន្ធនានា ស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារជាធរមាន។ អគ្គនាយកដ្ឋានពន្ធដារ រក្សាសិទ្ធិក្នុងការដកហូត
លិខិតបញ្ជាក់ និងហោប៉ៅពន្ធអត្ថប្រយោជន៍នានាដែលបានផ្តល់ជូនក្នុងអំឡុងពេលនេះ ព្រមទាំងទទួលរងពិន័យ
និងទោសទណ្ឌផ្សេងៗទៀត ក្នុងករណីមានការរកឃើញថា សហគ្រាសលោក-លោកស្រី ពុំបានអនុវត្តកាតព្វកិច្ច
សារពើពន្ធឱ្យបានខ្ជាប់ខ្ជួនស្របតាមច្បាប់និងបទប្បញ្ញត្តិស្តីពីពន្ធដារនោះទេ។

អាស្រ័យផ្លូវច្បាប់នៃយុទ្ធសាស្ត្រនិងសូមលោក-លោកស្រីនាយកសហគ្រាស អនុវត្តតាមការសម្រេច
នេះ។
សូម លោក-លោកស្រីនាយកសហគ្រាស ទទួលនូវសេចក្តីរាប់អាន ពីខ្ញុំ

ប្រធាននាយកដ្ឋានរដ្ឋបាលនិងកិច្ចការទូទៅ
[Signature]
ឡែង ផ្លា

- ចម្លងជូន ÷**
- នាយកដ្ឋានរដ្ឋបាល និងកិច្ចការទូទៅ
 - នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធ
 - នាយកដ្ឋានបណ្តុះបណ្តាលពិសោធន៍
 - ឯកសារ-កាលប្បវត្តិ

ក្រសួងសេដ្ឋកិច្ចនិងហិរញ្ញវត្ថុ
MINISTRY OF ECONOMY AND FINANCE
អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION



ព្រះរាជាណាចក្រកម្ពុជា
KINGDOM OF CAMBODIA
ជាតិ សាសនា ព្រះមហាក្សត្រ
NATION RELIGION KING

TCG2020120011

លេខ ២៧២៤២ អពជ

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

អគ្គនាយកដ្ឋានពន្ធដារ
GENERAL DEPARTMENT OF TAXATION

**វិញ្ញាបនបត្រ
អនុលោមភាពសារពើពន្ធ**

(ប្រកាសលេខ ១៥៣៦ ស.រា.ប្រក ចុះថ្ងៃទី២៣ ខែធ្នូ ឆ្នាំ២០១៦)

អគ្គនាយកដ្ឋានពន្ធដារបញ្ជាក់ថា :
ឈ្មោះក្រុមហ៊ុន : **កំពង់ផែស្វយ័តភ្នំពេញ "ក.ស.ភ"**
លេខអត្តសញ្ញាណកម្មសារពើពន្ធ : **L001-100044999**
ស្ថិតក្រោមការគ្រប់គ្រង : នាយកដ្ឋានគ្រប់គ្រងអ្នកជាប់ពន្ធ កាលបរិច្ឆេទធ្វើបច្ចុប្បន្នភាព : ២៦ សីហា ២០១៥
សកម្មភាពអាជីវកម្ម : សេវាកម្មលើកដាក់ និងដឹកជញ្ជូនទំនិញ
អាសយដ្ឋាន : #៦៤៩ ផ្លូវ ព្រះស៊ីសុវត្ថិ ភូមិ ១២ សង្កាត់ ស្រះចក ខណ្ឌ ដូនពេញ 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**.

- ឧបទ្វេន៖
- ជា យកប្រាក់បញ្ចាំ និងកិច្ចសន្យា
 - ជា យកប្រាក់គ្រប់គ្រងអ្នកជាប់ពន្ធ
 - ជា យកប្រាក់បញ្ជូនទំនិញ
 - ឯកសារ-ការបញ្ជី



ប្រតិភូរាជរដ្ឋាភិបាល
ទទួលបន្ទុកជាអគ្គនាយក នៃអគ្គនាយកដ្ឋានពន្ធដារ

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



គង់ វិបុល

E. Market Situation

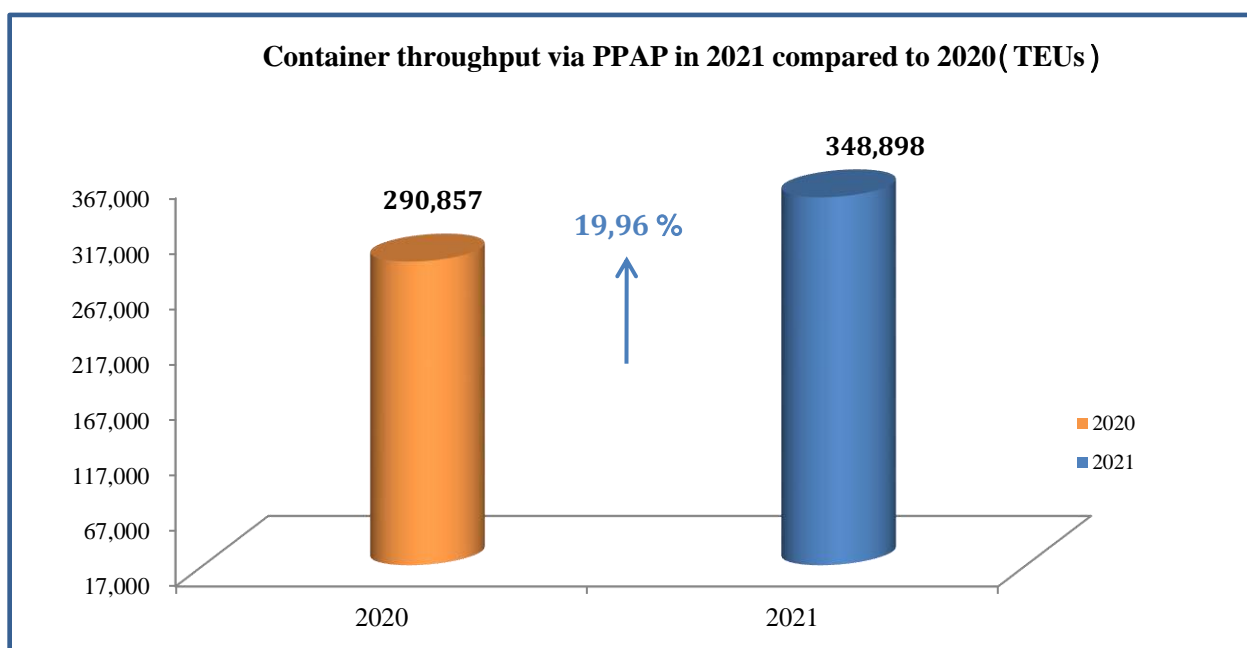
In 2021, the business situation of PPAP appeared to be eased than last year for transit cargoes in the Covid-19 pandemic, which has allowed economic growth around the world, including some businesses in Cambodia. PPAP's main markets are dependent on the growth of domestic real estate and tourism and the purchase of garment from abroad, especially the United States. In fact, in 2021, although the real estate and garment sectors appear to be uncertain, PPAP's market position will continue to grow by 19.96% compared to 2020, even though Cambodia's economy and the world economy faced a major crisis.

The growth of cargoes throughput via PPAP in 2021 resulted from the continuation of imports of food and beverage, which increased by 14% compared to total imports but increased by 18% compared to 2020. Exports of garments continued to increase by 77% of total exports but increased by 20.62% compared to 2020. (According to Graphics 1, 2, 3 and 4 of the Planning / Marketing Department).

The imports of cargoes via PPAP in 2021 were from Vietnam, which increased by 3% but imports of cargoes from Malaysia decreased by 54%, Japan decreased by 23%, European Union decreased by 37%, and China decreased by 15% compared to 2020. In particular, exports to China increased by 42%, European Union increased by 30%, United States increased by 24% and Vietnam decreased by 11% compared to 2020.

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. Although GSP is currently suspended, Cambodia still receives MFN (Most Favor Nation), which taxed approximately 12% to 33% for 79% of textile products, of which 65% is exported to the United States. These factors affect the continued growth of export to United State via PPAP, despite the global economic crisis and the outbreak of Covid-19.

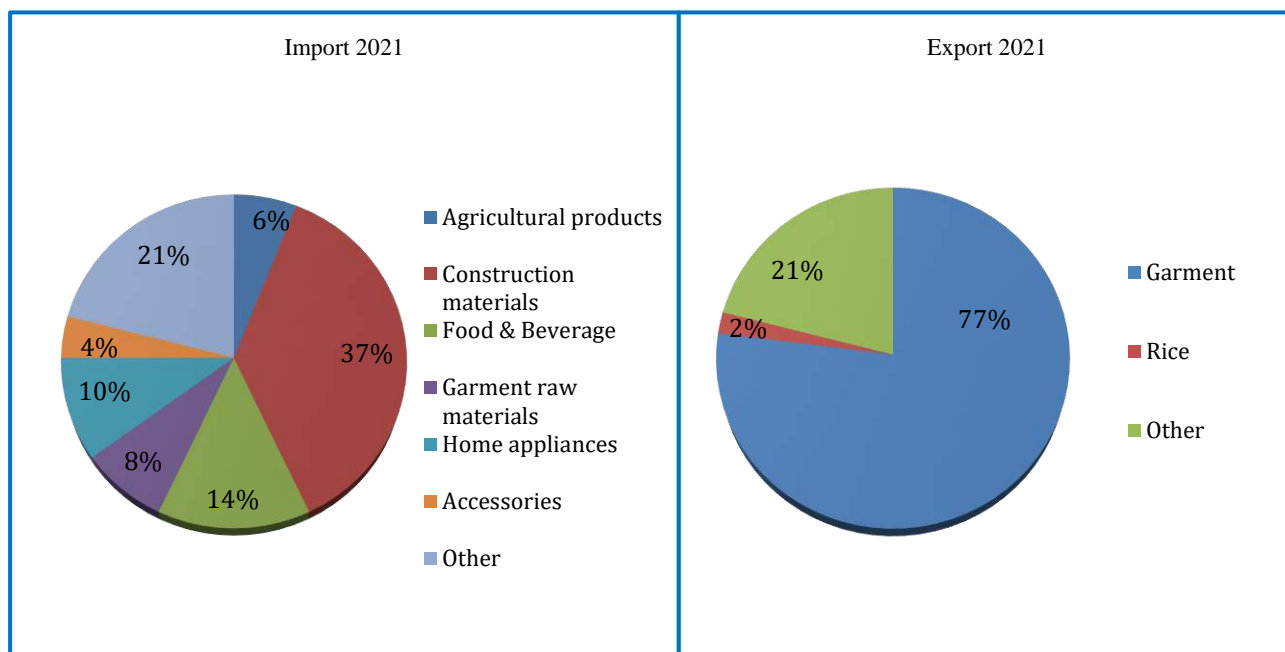
Graphic Number 1



(Source: 2020 and 2021 data of the Planning / Marketing Department)

Graphic Number 2

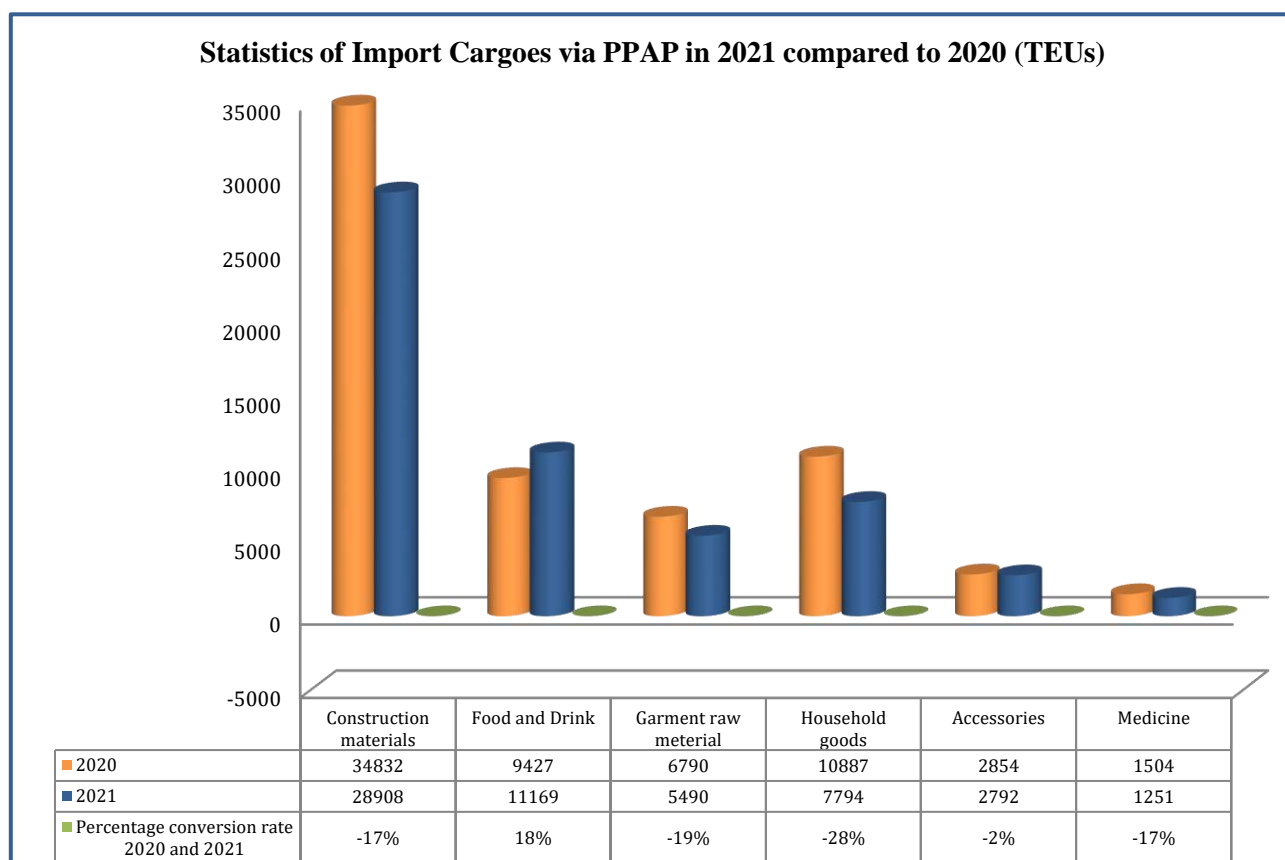
Statistics of Import-Export Container via PPAP in 2021 (TEUs)



(Source: 2021 data of the Planning / Marketing Department)

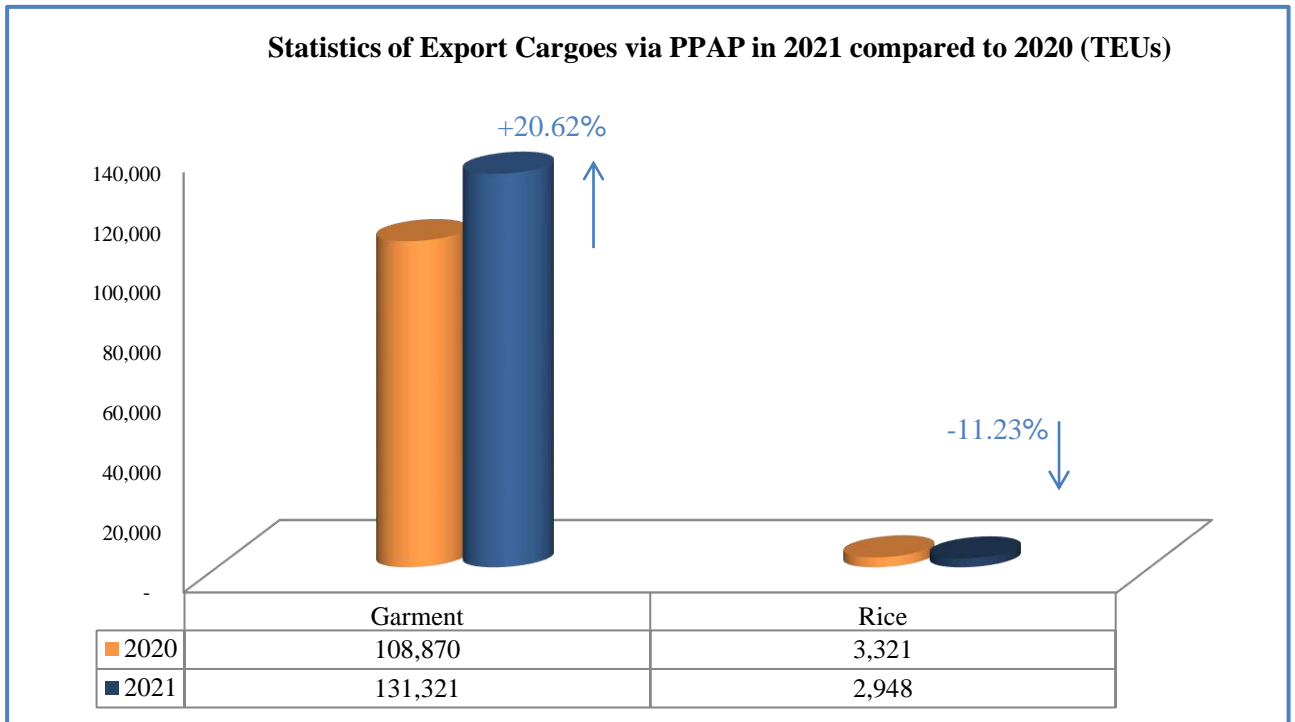
Graphic Number 3

Statistics of Import Cargoes via PPAP in 2021 compared to 2020 (TEUs)



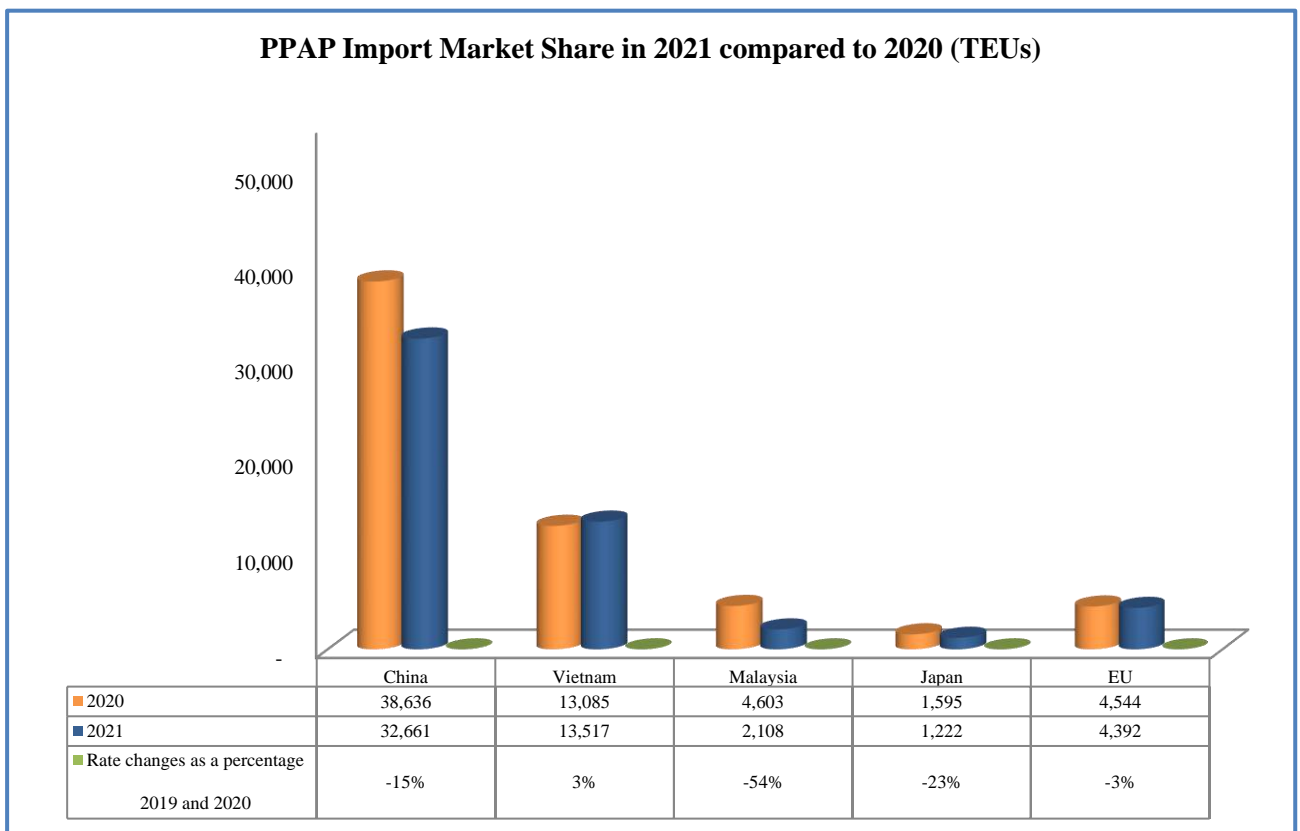
(Source: 2020 and 2021 data of the Planning / Marketing Department)

Graphic Number 4



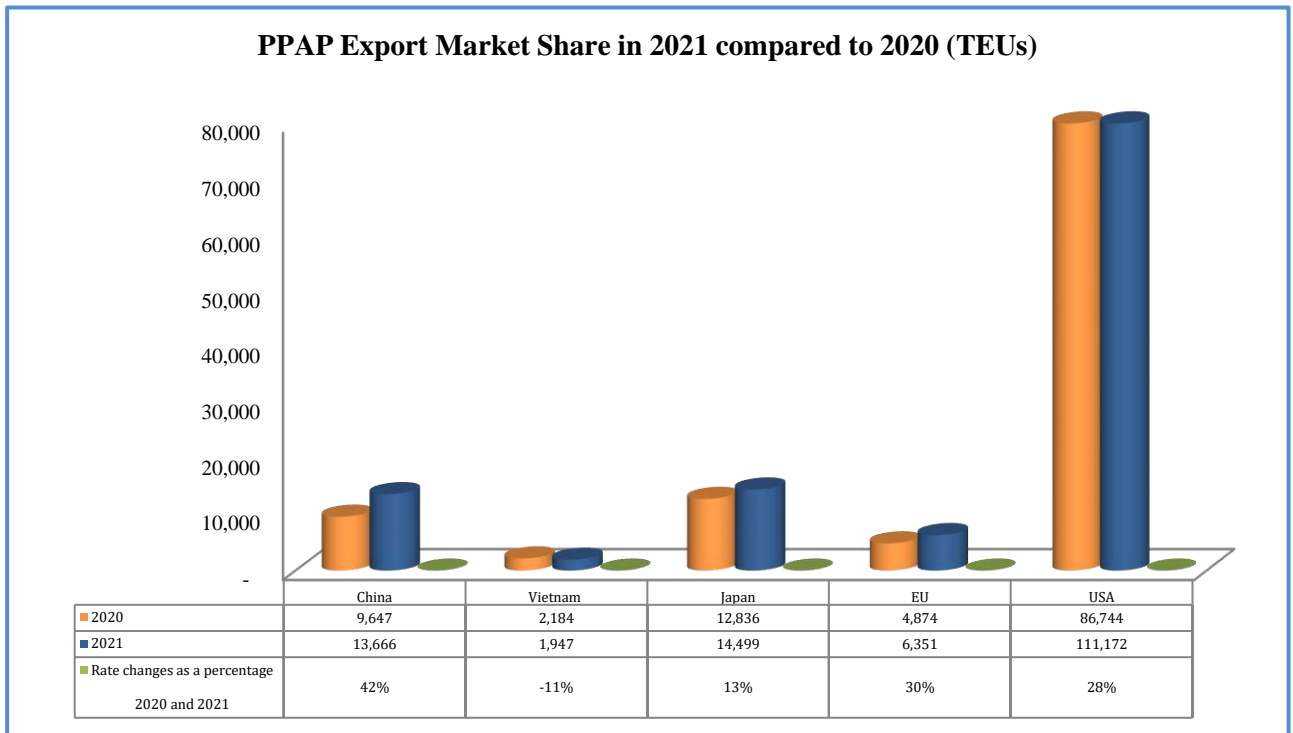
(Source: 2020 and 2021 data of the Planning / Marketing Department)

Graphic Number 5



(Source: 2020 and 2021 data of the Planning / Marketing Department)

Graphic Number 6



(Source: 2020 and 2021 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 2021, 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 19.96% compared to 2020. But compared to the 2021 plan, this growth increased 8.67%. 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 Sub-feeder Multipurpose Terminal Tonle Bet-UM2, Sub-feeder Multipurpose Terminal UM1, Sub-feeder Multipurpose Terminal TS11 and Sub-feeder Multipurpose Terminal LM26.

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.

E. PPAP continues to introduce the Royal Government's measures to strengthen the control of overweight means of transport by land. Taking this step is an opportunity that has driven the growth of waterway transport, as land transport costs customers more and provides less amount of goods transported. Especially land transport can lead to road accidents that make customers pay more shipping costs, while waterway transport will be more profitable for customers, such as large amount of goods transported, lower transport costs and more environmentally friendly than land transport.

Thus, the competitive situation of PPAP for the year 2021 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 2016-2021, the container throughput increase annually on average of 18%. Since the actual container throughput at LM17 was 348,898 TEUs in 2021, PPAP forecasts that the demand for container handling will grow to 394,679 TEUs by 2022, 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

Projects Title	Port Infrastructure development Phase III, Step 2
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 (15mx49m) with the estimated budget of 24,190,000,000 KHR. - Construction of RTG runway (1,5mx544m) 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. - New ICD expansion with the estimated budget of 1,230,000,000 KHR. - Purchasing of 4 additional RTG with the estimated budget of 22,960,000,000 KHR. - Purchasing of 10 additional Terminal Tractor with the estimated budget of 2,870,000,000 KHR.
Source of Finance	PPAP Development Fund
Project Timeframe	2022-2023
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
Environmental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

2. Project for Port Infrastructure development at Sub-Feeder Multipurpose Terminal Tonle Bet 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 District, Tboung Khmum Province
Project and Size	18 Ha
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<ul style="list-style-type: none"> - Terminal sand filling and compaction with the estimated budget of 587,000,000 KHR. - Construction of infrastructure for operation (Phase I) and Fixed Cargo Crane installation with the estimated budget of 17,712,000,000 KHR.
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2022-2023
Land Ownership	Phnom Penh Autonomous Port (PPAP)

Projects Title	Port Infrastructure development
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

3. Project for Port Infrastructure development at Multi-Purpose Termial 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). Curently, 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	<ul style="list-style-type: none"> - Construction of administration building and international tourist terminal with the estimated budget of 49,200,000,000 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
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

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

Projects Title	Port Infrastructure development
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, PPAP considered Koah Roka Terminal as a strategic location of agricultural exports for provinces at the northeastern Cambodia. Anyway, This terminal is a potential location for tourism sector as well.
Port Infrastructure development	
Objective	<ul style="list-style-type: none"> - To enhance the effectiveness of handling capacity of general cargo and container cargo. - To boost the agricultural products export such as paddles, corn,... - More tourists transit at the terminal.
Expected Output	<ul style="list-style-type: none"> - The number of inland waterway transportation will be increased. - Become the strategic location for collection and distribution of agricultural products and construction materials.. - Cost of transporation will be decreased because of the direct export to the hub port. - Job opportunities for local residences.

Projects Title	Port Infrastructure development
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 2,870,000,000 KHR. - Construction infrastructure for operation with the estimated budget of 7,216,000,000 KHR.
Source of Finance	PPAP development fund
Project Timeframe	2022-2023
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Environmental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

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

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 Port infrastructure for operation and FCC installation with the estimated budget of 45,340,326,000 KHR.
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2022-2023
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Environmental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

H. Risk Factors

In 2021, There is no any risk factor for PPAP

Part 2

Information on Bussiness Operation Performance






A. The results of the business operations, including partial business information of 2021

1. Statistics of PPAP

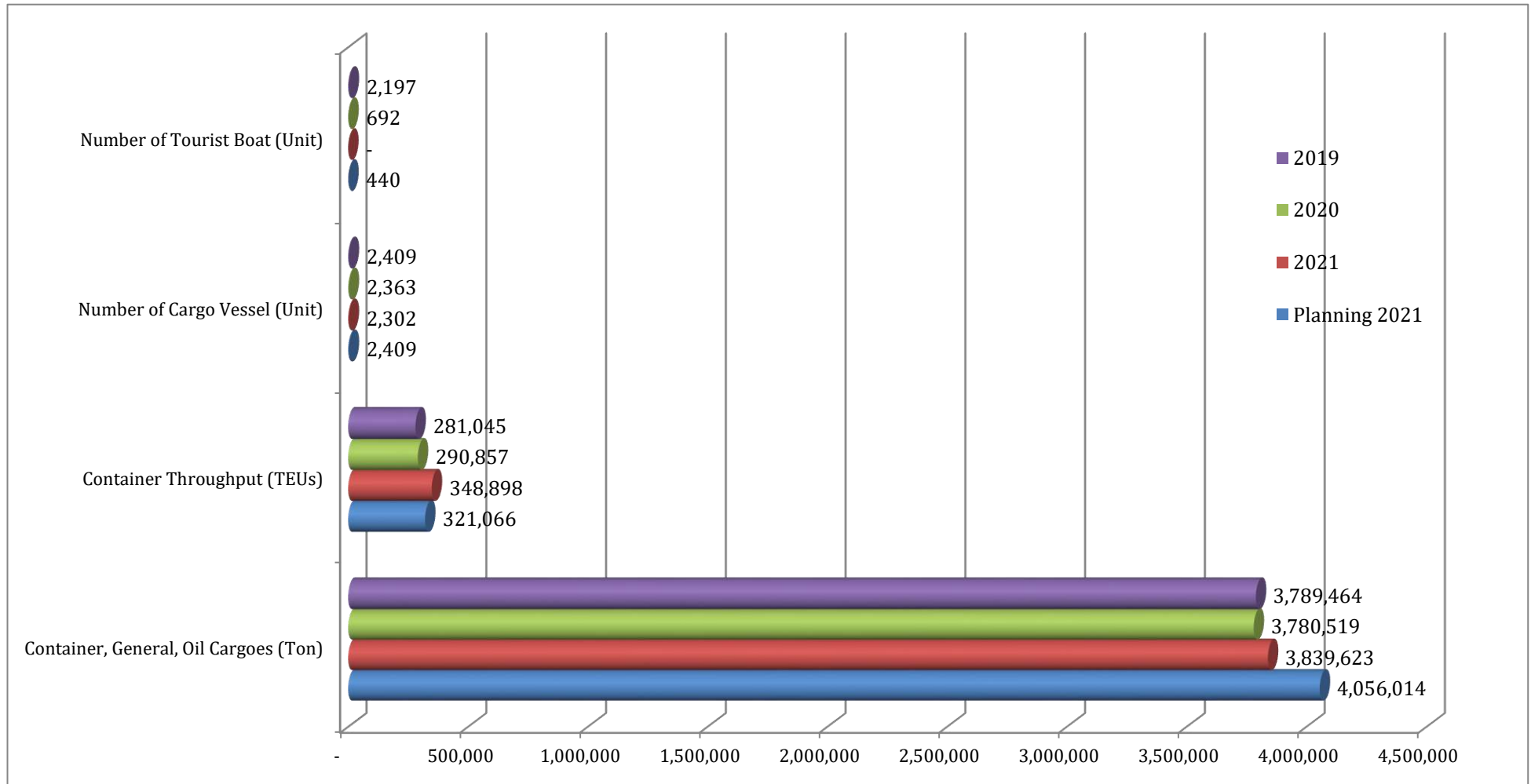
No.	Description	Unit	Planning 2021	2021	2020	2019	Compare (%)	Up/Down (%)	
A	B	C	1	2	3	4	5=(2/1)	6=(2/3)-100%	7=(3/4)-100%
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,056,014</u>	<u>3,851,453</u>	<u>3,780,519</u>	<u>3,789,464</u>	94.96%	+1.88%	-0.24%
	A- Container Throughput	-	<u>2,304,440</u>	<u>2,115,531</u>	<u>2,065,277</u>	<u>2,057,084</u>	91.80%	+2.43%	+0.40%
	- Imported Container Cargo	-	1,497,886	1,221,613	1,366,749	1,360,461			
	- Exported Container Cargo	-	806,554	893,918	698,528	696,623			
	B - Mobile General Cargo Handling	-	<u>885,868</u>	<u>836,148</u>	<u>865,368</u>	<u>775,810</u>	94.39%	-3.38%	+11.54%
	- Inside Port	-	70,869	58,316	50,812	65,396			
	- Inside Port	-	814,999	777,832	814,556	710,415			
	C - Imported Oil & Gas	-	<u>865,706</u>	<u>899,774</u>	<u>849,876</u>	<u>956,570</u>	103.94%	+5.87%	-11.15%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>321,066</u>	<u>348,898</u>	<u>290,857</u>	<u>281,045</u>	108.67%	+19.96%	+3.49%
	- Laden Cargo	-	234,378	240,988	211,822	201,147			
	- Empty Cargo	-	86,688	107,910	79,035	79,898			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,190,308</u>	<u>2,939,849</u>	<u>2,930,645</u>	<u>2,832,895</u>	92.15%	+0.31%	+3.45%
	- General Cargo	-	885,868	836,148	865,368	775,811			
	- Container Throughput (Ton)	-	2,304,440	2,115,531	2,065,277	2,057,084			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>2,409</u>	<u>2,302</u>	<u>2,363</u>	<u>2,409</u>	95.56%	-2.58%	-1.91%
	- Foreign Vessels and Barge	-	1,802	1,770	1,824	1,715			

	- Cambodian Vessels and Barge	-	10	-	-	39			
	- Oil Vessels and Tanker	-	597	532	539	655			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>1,898</u>	<u>5,004</u>	<u>1,828</u>	<u>1,668</u>	263.65%	+173.74%	+9.59%
	- PhnomPenh-SeimReap-PhnomPenh	-	10	-	-	-			
	- Vessels in Town	-	1,888	5,004	1,828	1,668			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>10,508</u>	<u>28,523</u>	<u>11,932</u>	<u>9,932</u>	271.44%	+139.05%	+20.14%
	- PhnomPenh-SeimReap-PhnomPenh	-	200	-	-	-			
	- Vessels in Town	-	10,308	28,523	11,932	9,932			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>440</u>	-	<u>692</u>	<u>2,197</u>	<u>0.00%</u>	-100.00%	-68.50%
	- PhnomPenh-ChovDok-PhnomPenh	-	264	-	440	1,408			
	- Cruise Boat	-	176	-	252	789			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>14,667</u>	-	<u>18,334</u>	<u>50,307</u>	0.00%	-100.00%	-68.50%
	- PhnomPenh-ChovDok-PhnomPenh	-	6,881	-	8,601	18,007			
	- Tourist on Cruise Boat	-	7,786	-	9,733	32,300			

Source: Department of Planning/Marketing







-  Cargo-fuel and gas throughput in 2021: 3,851,453 Tons, increased by 1.88% compared to 2020 (3,780,519 Tons). For 12 Months 2021, PPAP has accomplished 94.96% compared to planning 2021 (4,056,014 Tons)
-  Cargo vessels throughput in 2021: 2,302 Units, decreased by 2.58% compared to 2020 (2,363 Units). For 12 Months 2021, PPAP has accomplished 95.56% compared to planning 2021 (2,409 Units)
-  International passengers and tourist cruises throughput via Cambodia-Vietnam in 2021: 0 Unit, decreased by 100.00% compared to 2020 (692 Units). For 12 Months 2021, PPAP Don't has 0.00% Units compared to planning 2021 (440 Units)
-  Containers throughput in 2021: 348,898 TEUs, increased by 19.96% compared to 2020 (290,857 TEUs). For 12 Months 2021, PPAP has accomplished 108.67% compared to planning 2021 (321,066 TEUs)
-  The number of international passengers and tourists throughput via Cambodia-Vietnam in 2021: 0 Passengers, decreased by 100.00% compared to 2020 (18,334 Passengers). For 12 Months 2020, PPAP Don't has accomplished 0 Passengers compared to planning 2021 (14,667 Passengers).

Graphs on performance comparisons of the 2021 - 2020 - 2019 and 2021 plan






















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

❖ Sand Dredging Management





















-  In 2021, the management of sand dredging for domestic use dredged from Koh Keo Canal with a total amount of 505,212 cubic meters.
-  The project of dredging at Sdao Canal, located at Sdao Leu village, Sdao commune, Kang Meas district, Kampong Cham province, is 100% completed.
-  The project of dredging at Koh Rokar canal, located at Koh Rokar village, Peam Chor district, Prey Veng province is 100% completed.
-  Replaced lost Signal Bags and maintaining the remaining.
-  Maintained navigation marker from Kaom Somnor to multipurpose sub-port UM2, Tbong Khmom.
-  Conduct a study to measure river depth along with other terminal port to facilitate navigation.

❖ The construction of port infrastructure

-  Construction of Jetty (12m x 149m) , Access Bridge (8m x 32m), Foundation of FCC (9m x 10m for 2 sets), Dolphin, Asphalt Concrete Road(11,310m²) and Electrical Lamp Post at Container Terminal LM17 (35meter height for 2 poles) is 100% completed.
-  Construction of a new out gate (21m x 30m) at Container Terminal LM17, and the construction of Asphalt concrete road (5,560 m²) is 100% completed.
-  Installation of 3 Ausco 40-feet as employee waiting room to process the tasks at Container Terminal LM17 is 100% completed.
-  Construction of 2 more dolphins at Container Terminal LM17 in order to provide safety and convenience to the ship are 100% completed.
-  Construction of 16m x 45m 4-story-high dormitory at Container Terminal LM17 is 100% completed
-  Electrical connection for phase 2 and phase 3 at Container Terminal LM17 is 100% completed.
-  Construction of 3 trestle bridges and pontoons (15m x 42m, heigh 2.5m) at Terminal is 70% completed.
-  Construction of gravel road and Container Yard in order to provide convenience for the operation at Sub-feeder multi-purpose terminal Koh Rokar LM26 is 100% completed.
-  Construction of 3,051 square meters 0,5m-thickness gravel road to facilitate the transportation in the sub-feeder multipurpose terminal Koh Rokar LM26 is 100% completed.
-  Installation of 40-Foot Ausco as working office and mobile accommodation at sub-feeder multipurpose terminal Koh Rokar LM26 is 100% completed.
-  Construction of Container Scanning shelter (16m x 32m) which is located in Plan B-Lm17 is 50% completed.
-  Construction of Motorbike parking lot (10,5m x 32m) which is next to Gate in-out Plan A-LM17 is 100% completed.

-  Installation of 4 Ausco 40-feet, employee waiting room, security office, CCTV Camera and clearance offices are 100% completed.
-  Expansion of container yard Phase 3 step 1 at Container Terminal LM17 is 100% completed.
-  Installation of Truck Scale at sub-feeder multipurpose terminal Koh Rokar LM26 is 100% completed.
-  Reinforcement of 3 floating signals at sub-feeder multipurpose terminal Koh Rokar LM26 is 100% completed.
-  Installation of 7 conveyors at sub-feeder multipurpose terminal Koh Rokar LM26 is 100% completed.
-  Construction of fences around the yard at sub-feeder multipurpose terminal Tonle Bet UM2 is 100% completed
-  Construction of new Jetty (12m x 46,9m), FCC's foundation (9m x 9m) 2DOLPHINs (9m x 5m) and (12m x 10m) and river shore 50m long at sub-feeder multipurpose terminal Tonle Bet UM2 are 10% completed.

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

-  Purchased 10 Terminal tractors to use on the container yard.
-  Purchased 2 Empty stackers for the operation on the container yards.
-  Completed the installation of 4 units RTGs at Container Terminal LM17.
-  Completed the installation of 2 units of Fixed Cargo Crane at Container Terminal LM17.
-  Purchased Generator power 1000Kva to provide electricity to Container storages step 2&3
-  Purchased 2 Generators power 500Kva to provide electricity to FCCs.
-  Purchased Spreader 20-feet and 40-feet
-  The project of installing IT equipment and network connection is 75% completed.
-  Purchased 39 RDTs at Container Terminal LM17.
-  Purchased 6 hard disks for Data Centre
-  Created program to manage Do spend properly
-  Created program MSPPAP for Accounting Office, Commercial / TOS system, LM17 Invoice Unit and Operation Shift Unit
-  Purchased and operate IT line.
-  Maintained and extended Fiber line locate along river shore in front Container Scanning Shelter
-  Renew Hosting License yearly
-  Purchased Anti-Virus ESET license
-  Performed TOS operating system maintenance for 6 months
-  Signed an agreement on the work of editing and adding capabilities to the TOS system
-  Completed radio antenna pole maintenance at Kaom Somnor, TS3, LM17
-  Completed maintenance work on IT network equipment Switch PoE Industry, Switch PoE

B- Revenue Structure

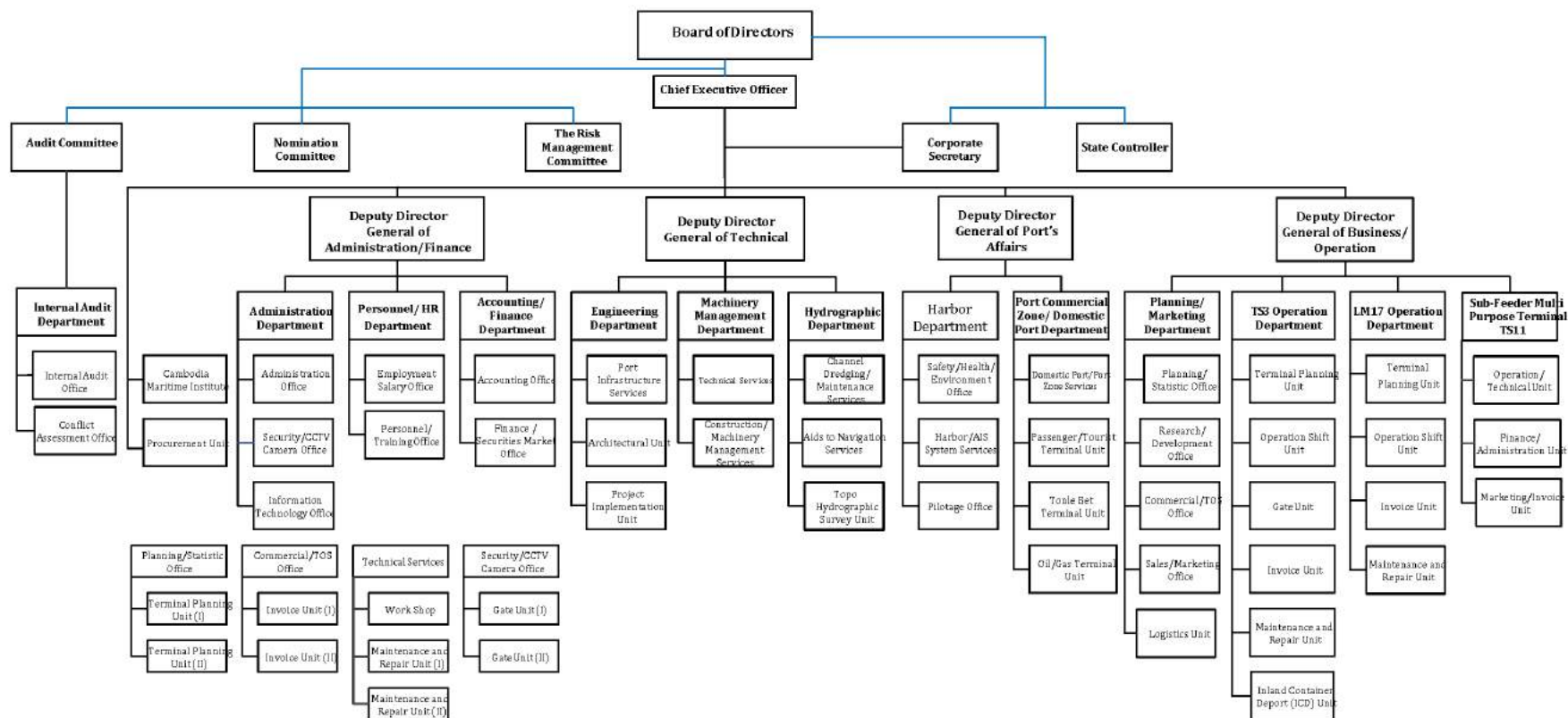
Source of Revenue	Period Ended 31 December 2021		Period Ended 31 December 2020		Period Ended 31 December 2019	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	55,424,149	44.26%	47,976,516	43.50%	45,876,626	41.65%
Lift On Lift Off (LOLO)	45,181,860	36.08%	40,076,814	36.33%	37,750,701	34.26%
Port dues and charges	14,477,910	11.56%	14,889,133	13.50%	16,789,612	15.24%
Gate fees	3,614,658	2.89%	2,844,482	2.58%	2,966,498	2.69%
Storage fees	3,356,495	2.68%	2,593,041	2.35%	4,683,764	4.25%
Weighting fees	41,136	0.03%	18,714	0.02%	5,547	0.01%
Stuffing/unstuffings	130,127	0.11%	125,949	0.11%	104,339	0.09%
Trucking fees	1,733,175	1.38%	981,571	0.89%	852,808	0.77%
Logistic Service	1,129,968	0.90%	245,402	0.22%	789,699	0.72%
Sand dredging management fee	126,470	0.10%	551,802	0.50%	354,736	0.32%
Survey Service	12,204	0.01%	-	-	-	-
Total:	125,228,152	100%	110,303,424	100%	110,174,330	100%

Part 3

Information on Corporate Governance

A. Organization Structure (2021)

PPAP ORGANIZATION STRUCTURE



Note:

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

B. Board of Director
Board of Directors's Member

N.	Name	Position	Date of Term Being Director	Expired Date of Being Director
1	H.E HEI Bavy	Chairman	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	11,780	13,940	13,180	14,400	15,720	15,220	15,380	15,000	15,000	14,980	14,980	14,900
	Minimum	11,500	11,600	12,180	13,000	13,560	14,500	15,020	14,640	14,800	14,600	14,600	14,300
	Average	11,693	12,050	12,650	13,164	14,864	14,970	15,215	14,919	14,962	14,853	14,751	14,658
Trading Value	Maximum	6,887	1,622	1,390,727	1,601	4,959	15,719	5,402	14,880	15,787	16,970	15,358	25,862
	Minimum	12	2	35	10	263	119	10	44	17	59	27	23
	Average	11,562	476	64,062	380	1,393	2,291	569	1,620	2,344	4,314	3,498	2,196

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 Capital Ltd.	Foreign	Unit Level 13(A), Main Office Tower, Financial Park Labuan, Jalan Merdeka, Labuan, Malaysia.	F55597278912	1,413,751	6.84%
Total					1,413,751	6.84%

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

No.	Dividend Distribution	2020	2019	2018
1	Net Profit for the Year (Riel)	40,212,649,000	46,806,244,000	32,767,486,000
2	Total Dividend to be Paid (Riel)	4,126,751,334	4,126,751,334	3,876,751,334
3	Dividend in Total Equity Securities	N/A	N/A	N/A
4	Other Dividend	N/A	N/A	N/A
5	Dividend Payout Ratio (%)	10.26%	8.82%	11.83%
6	Dividend Yield (%)	1.71%	1.60%	2.44%
7	Dividend per Share (Riel)	199.51	199.51	187.42

Part 5
Audit Report On
the Internal Control Compliant for 2021

Kingdom of Cambodia
Nation – Religion – King



Phnom Penh Autonomous Port
Audit Committee
Internal Audit Department

Audit Report
On the Internal Control for 2021 Financial Year

Phnom Penh Autonomous Port (PPAP) is a public entity that functions as both river port operator and port authority within Phnom Penh Port Commercial Zone. PPAP’s main businesses are handling of containers and general cargoes, storage service, stuffing/un-stuffing, transportation and other relevant services ready to meet increasing demands. With buoyant dedication of its employee and a clear foresight of the management, PPAP has put its ideas forward, which led PPAP to becoming a listed entity and is still moving forward to its untapped potential.

Internal control has been one of the significant factors and is vital for the operation in PPAP. Beyond its function to facilitate the operation process in achieving objectives, internal control has put PPAP into a position of earning and keeping client’s trust, projecting fairness in price, and meeting increasing demands with an accountable manner.

A. Evaluation on the effectiveness of performance based on the recommendations provided prior to current auditing (2017-2018)

Recommendations prior to current auditing	Assessment
<p><u>Inland Container Depot Unit (ICD)</u></p> <p>1. For the facilitation of the operation as well as ensuring safety, the Unit should cooperate with related parties within the areas and take measures.</p> <p>2. In the marking of property line with the construction of fences, the Unit should cooperate with related parties of PPAP and competent authority within the area.</p>	<p style="text-align: center;">Implemented</p> <p style="text-align: center;">Implemented</p>
<p><u>Information Communication Technology Office (ICT Office)</u></p> <p>1. A lapse in letter recording Upon inspection, the documentation procedure of the office was known to have lack generally accepted standards in letter recording. One log used for “sent letter” was seen connecting the two-year period of the record with sequential numbers; while lacking the other log used for “received letter”. Therefore, this could be the factor contributing to a lapse in letter recording.</p> <p>2. Employee’s roles and responsibilities to be updated Upon inquiry, the ICT Office was said to have a complete office structure with clear roles and responsibilities of its staff since 2015.</p>	<p style="text-align: center;">Had Yet to Fully Implement</p> <p style="text-align: center;">Had Yet to Fully Implement</p>

<p>Due to roles and responsibilities changes of some staff, the office decided to leave a blank in GPS maintenance role. Therefore, role confusion may arise in day-to-day functioning.</p>	
<p>3. Encouraging the use of computer applications in legal letter management</p> <p>By taking a close observation, we were able to determine that the administrative office, particularly on letter recording section, had been experiencing difficulty due to an increase in both received/sent legal letters. Sending to the wrong destination and losing track of the letters had been of a considerable concern. Until 2016, the ICT Office created an application software intended to facilitate the management of letters via computer; however, the application software, thereafter, was never put to use. Hence, the letter management remained difficult.</p>	<p>Had Yet to Fully Implement</p>
<p>4. User account and access control</p> <p>An examination was conducted on a software wherein no user account and access control were present. It could be, therefore, difficult when it comes to managing employee’s profiles in order to minimize risks of information leakage.</p>	<p>Had Yet to Fully Implement</p>
<p>5. Applications installation</p> <p>Upon inquiry, the ICT Office had proceeded applications installation for requestors via verbal communications or walk-in request. Installed applications, namely, were attendance management, files storing, etc... It, therefore, appeared to have lapses and as well as not in compliance with formal procedures.</p>	<p>Had Yet to Fully Implement</p>
<p>6. Assessment and report making concerning security applications: Firewall and Antivirus</p> <p>Upon inspection, reports related to cybersecurity applications such as Firewall and Anti-virus were said to have put for submission every six month to the manager of the ICT Office. Considering the stretches of time as six months, this is one of the factors that hinders proactive measures when it comes to identifying programs that are harmful for active devices.</p>	<p>Had Yet to Fully Implement</p>
<p>7. Network infrastructure</p> <p>We conducted an on-site inspection at the auditee. Results showed few network cables arranged in an improper orientation. Switch positioning – some were outside the covers – was considered inappropriate and did not comply with the standards. It could be, therefore, concluded that the network environment did not meet safety standards. In the event that an accidental cut of cables occurs, it could damage to the system.</p>	<p>Had Yet to Fully Implement</p>
<p>8. Records management and the making of summary reports on electronic devices, endpoints, and software for the quarters and years</p>	<p>Had Yet to Fully Implement</p>

<p>Upon inspection, the auditee’s responses showed it had been keeping records requisition letters applied from different unit/department under PPAP’s supervision, particularly on the purchase of electronic devices, endpoints, and software. However, the office had yet to add up the requisition letters for further usage. This may be the factor that causes lapse in the management of purchased products.</p>	
<p>9. Reports concerning resolved issues within Terminal Operating System (TOS)</p> <p>The findings showed that the IT Office regularly made reports concerning TOS-related issues and put for monthly submission; however, the office had yet to make an annual one for another submission. This could lapse the collecting and identifying the root cause of the problems.</p>	<p>Implemented</p>
<p>10. Information Technology Policy (IT Policy) & Standard Operating System (SOP)</p> <p>Upon review and inquiry, the IT unit said it had yet to conduct a policy and standard operating system. Without one, therefore, the way the office operates the system may not be effective, as well, not suitable for the company’s existing services. Moreover, the system may not be sufficient to investigate and monitor the safety and security system within PPAP while at the same time it did not comply with the international and national standards.</p>	<p>Had Yet to Fully Implement</p>
<p>11. Penetration Test</p> <p>After making penetration test, the network infrastructure section had yet to make reports concerning risk assessment and illustration as to the results of the test. Hence, the security system within PPAP has lapses which could be susceptible to errors, data loss, and other related risks such as potential attack on data by hackers.</p>	<p>Had Yet to Fully Implement</p>
<p>12. Shortcomings in Terminal Operation System (T.O.S.)</p> <p>Based on the responses obtained from the auditee, we found six factors that may contribute to the inconveniences of TOS which are listed as follows:</p> <ul style="list-style-type: none"> - Customer: inconveniences concerning the recipients and the system usage – not fully implemented to reach its potential and some functions are inappropriately used such as booking etc.... - KAMSAB and shipping line: Late submission of loading list and bay plan. - Gate unit: the verification information concerning containers and truck license plates, collection of fees (Besides TOS existing functions) - Information Technology Office: Lack disaster discovery site as a preserved alternative of T.O.S. 	<p>Implemented</p>

<ul style="list-style-type: none"> - LM17 Terminal Planning Unit: Have yet to implement T.O.S. for operations on container yards (CY). - Invoice unit: Close vessel operation inconveniences as a result of some cases on containers for export. <p>Hence, it could be concluded that the factors above contribute to inconveniences regarding the TOS usage.</p> <p>13. Encouraging the use of TOS with its existing functions</p> <p>Upon examination on the system and inquiry, the unit said there were lapses in the system usage that hinder the implementation of its existing functions – to its full potential - which are listed as follows:</p> <ul style="list-style-type: none"> - A number of container loss (as in the system) when doing stevedoring invoices during re-export - Radio Data Terminal is required for Real Data Entry - Had yet to be used to adjust Show Accumulation TEUs for stevedoring invoice - Had yet to be used to collect stuffing/un-stuffing fees - Had yet to be used in reefer container fees - Had yet to be used to collect storage fees for export goods - Had yet to be used to total the number of tasks for each section monthly and annually - Had yet to be used to collect retail fees - Had yet to be used to collect fees from River Vessel or Motor Vessel <p>The factors above, therefore, could negatively impact payments and indicate lapses in the TOS. usage.</p>	<p>Implemented</p>
<p>14. Personal protective equipment</p> <p>Upon inquiry and observation, the IT unit was said to have perform tasks with considerably high risk, particularly in network infrastructure part. Most of the activities are in fields and height-related which can be said to operate in predictable manner at both TS3 and LM17 Terminals, where the staff had no personal protective equipment, such as protective helmet, VIS clothes, safety gloves, protective boots etc. Therefore, the risks that could negatively impact the staff remain of concern.</p>	<p>Implemented</p>
<p><u>Procurement Unit (PU)</u></p> <p>1. Personnel training</p> <p>According to this Anukret No. 13 dated 23 February 2015 on the procedure of establishment, organization and functioning of the procurement committee and procurement unit, article 10 stated, ‘a procuring entity shall be equipped of a procurement unit (PU) with clear structure shall be staffed with officers of adequate procurement qualifications, and who are given appropriate authority to be responsible for undertaking all public procurement activities.’ Some</p>	<p>Had Yet to Fully Implement</p>

<p>of the staff who work for procurement unit, as results showed, had yet to participate public procurement training. This might be the indication for limitation to some extent concerning the performance of some staff within the unit.</p>	
<p>2. Package procurement</p> <p>Upon inquiry, the unit ‘s responses showed that it had failed to bind into a procurement package on items of the same type such as diesel, car tyres, and car filters. In this event, it is not in line with this Sarachor 006/MEF dated 22 November 2007 on procurement plan for 2008 and the subsequent years, stated in section 3, “The procuring entities shall bind into a procurement package any procurement of the same type, feature, or of similar characteristic in conformity to the practical need for a single bid in order to increase the quality of competition, cost cutting, and time saving.” This, therefore, may be an indicator of a lack of economical characteristic of the unit.</p>	<p>Had Yet to Fully Implement</p>
<p>3. Few inconveniences concerning documentation</p> <p>Upon examination, some documents expressed inconveniences in which a disruption of workflow was evident, being the result of how the unit itself and that of related departments/units/offices operate.</p>	<p>Had Yet to Fully Implement</p>
<p>4. Procurement activities not in conformity with annual procurement plan</p> <p>According to Sarachor 002/MEF/ dated 14 January, 2014 on the undertaking of procurement activities, in section 22 stated that, “The procuring entities shall strictly implement their annual procurement plans which have been approved by the Ministry of Economy and Finance and shall regularly send the procurement report to the Ministry of Economy and Finance. The examination conducted was based on procurement plan in 2018, approved by the Ministry of Economy and Finance No.194/MEF dated 29 December, 2017; the findings showed 8 out of 22 procurement plans in 2018 had been undertaken. Therefore, it could be safely concluded that the Procurement Unit had yet to fully undertake the procuring activities in conformity to the this Sarachor.</p>	<p>Had Yet to Fully Implement</p>
<p><u>Personnel Training Office (PTO)</u></p>	
<p>1. Encouraging an update of roles and responsibilities for department/unit/office for the day-to-day operations.</p> <p>2. After each and every completion of either domestic or foreign missions, trainings, or other relevant tasks, the PTO should create requirements for individuals who completed such tasks to have their journal written or make a report for submission to the Office for recordkeeping.</p>	<p>Had Yet to Fully Implement</p>
	<p>Implemented</p>

<p>3. The making of report on training expenses. Upon inspection and inquiry, the office’s responses showed it had yet to fully implemented the 2018 training budget. Therefore, the office may fail to implemented the 2018 training expenses according to plan.</p> <p>4. Finger Print Attendant Management system. Refers to the Letter no. 258/ICT dated 22 August 2017 on the reinstallation of Finger Print Attendant Management at both terminals, the TS3 and LM17. It was known that the PTO cooperated with the Information Technology Unit in the reimplementation of this system in order to facilitate the management of PPAP’s employee and contract workers’ day-to-day attendant. However, this system was stopped and have yet to be implemented. Therefore, it gave little rooms for the violation of the PPAP internal regulations article II, on business hour.</p> <p>5. The assignment of roles and responsibilities to department/offices in the making of letter of commission and announcements. Based on our firsthand observation, the roles and responsibilities in the making of letter of commission and announcements have yet to be made separate between the Administration Office and Corporate Secretary. In the event that such roles and responsibilities remain confusing, it could be an indicator of poor responsibilities in the assignment.</p> <p>6. A shortcoming in announcements or legal documents distribution Upon examination and inquiry, the PTO’s shortcoming revealed a lack of procedure for announcements or legal documents distribution; a lack of recipient’s signature. It could, therefore, cause inconvenience and give rooms to a loss of documents.</p>	<p>Implemented</p> <p>Had Yet to Fully Implement</p> <p>Implemented</p> <p>Implemented</p>
<p><u>Employment Salary Office (ESO)</u></p> <p>1. A lack of salary and mission-related financial reports Upon examination and inquiry, the ESO had yet to make summary reports on employment salary and total expenses on missions for every quarterly and annually submission. Therefore, the reports lack details for the management to review and approve.</p> <p><u>Accounting/Finance Department (AFD)</u></p> <p>1. Upon examination and inquiry, the AFD was in the preparation phase in the making of “Accounting Policy and Procedure of PPAP) with the goals to:</p> <ul style="list-style-type: none"> • Make clarification regarding roles and responsibilities of the department 	<p>Implemented</p> <p>Implemented</p>

<ul style="list-style-type: none"> Record day-to-day operation, such as the management of revenues/expenses, assets, inventories, cash flows etc. as to be in line with the accounting policy Project accountability and fairness. <p>Having tested the policy and procedure, the AFD had yet to finish to book as some amendments were being made, particularly in the expense and cash flow management sections.</p> <p>It could therefore be an indicator of a lack of clarity for day-to-day operation in the Account/Finance Department.</p>	<p>Had Yet to Fully Implement</p>
<p>2. The structure of Accounting/Finance Department</p> <p>The examination showed that some adjustments, changes were made in the Department with the addition of roles to the existing roles assigned as in 2017. Despite the roles completed the Department structure, a lack of employee to fulfill those roles still suggest an error in the function of the Department. Therefore, the structure of the Accounting/Finance Department lack employee to work on assigned roles.</p>	<p>Had Yet to Fully Implement</p>
<p>3. Updates on roles and responsibilities of employees in the Department</p> <p>Conducting the examination, we came to know that the Department had made adjustments and additions on roles and responsibilities for its staff. However, some of the responsibilities the staff were bearing had yet to be added for the updates. Role confusion, therefore, may arise in day-to-day operation and that could be an indicator of responsibilities lacking.</p>	<p>Implemented</p>
<p><u>Accounting Office</u></p>	
<p>1. An error in inventory management</p> <p>It is based on oral evidence and on-site examination that during the distribution of spare parts, diesel and office equipment, the Accounting Office, when done in urgent manner, failed to get the receiver ‘s signature, record the items and dates. Therefore, it could lead potential losses of items.</p>	<p>Implemented</p>
<p>2. Getting a verifiable invoice when making a purchase</p> <p>It is based on observation and review that some invoices lack significant information such as:</p> <ul style="list-style-type: none"> Name of provider(s), address, and provider’s contact number Invoice numbers are not showing sequential characteristics. 	<p>Implemented</p>
<p>Therefore, the factors above could be indicators for errors in the invoices, which is not in compliance with this Prakas of General Department of Taxation.</p>	<p>Implemented</p>
<p><u>Finance/Securities Market Office</u></p>	
<p>1. A lack of financial statement analysis report for submission to PPAP</p>	

<p>Upon inquiry and inspection, the finance/securities market office had provided reports, such as schedules, revenues/expenses and ratio(s) to the Securities Exchange Commission of Cambodia (SECC); however, the Office had yet to make an analysis on financial statements, for review and approval, to the management of PPAP. It is, therefore, could be said that the financial situation within PPAP had yet to be made clear.</p> <p>2. The making of schedules for report making on useful life assets and update of lists related to inventory</p> <p>Stated in the roles and responsibilities, the Office, upon inquiry, had yet to determine a schedule for report making on useful life. The office, therefore, had yet to make reports on useful life.</p>	<p>Implemented</p>
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A. Improvement:

In accordance with departmental plan of internal audit for 2021, the auditing was conducted for each quarter on department, offices, service offices, and units which are listed below:

1. **TS3 Terminal Department** (1st Quarter)
2. **Inland Container Depot Unit** (1st Quarter)
3. **Information Technology Unit** (2nd Quarter)
4. **Research and Development Office** (2nd Quarter)
5. **Procurement Unit** (2nd Quarter)
6. **Personnel/HR Department** (3rd Quarter)
7. **Personnel Training Office** (3rd Quarter)
8. **Employment Salary Office** (3rd Quarter)
9. **Accounting/Finance Department** (4th Quarter)
10. **Accounting/Finance Office** (4th Quarter)
11. **Finance/Securities Market Office** (4th Quarter)

1 TS3 Operation Department (1st Quarter)

1.1 The making of annual plan

Upon inquiry, the department had yet to proceed the making of annual plan for a proper functioning of the department. Therefore, the work flow may not be that effective in the absence of annual plan.

Recommendation: The auditee should consider making an annual plan for proper functioning and effectiveness of the operation.

Auditee's response: Accepted the auditor's recommendation, we will consider the making of one for the improvement of the operation.

1.1 The making of annual activities report

By examining on the reports, we could see that auditee failed to make an annual activities report. However, the department had only made monthly activities report. Therefore, this could indicate a lapse in roles fulfillment.

Recommendation: The department should consider on the making of annual activities report for a yearly submission to the management.

Auditee's response: Accepted auditor's recommendation we will consider the making of annual activities report for a yearly submission.

1.2 Roles and responsibilities organization

Upon examination, we found that the department had yet to organize roles and responsibilities for its own officers/staff. Therefore, role confusion may arise within day-to-day operation.

Recommendation: The auditee should consider on roles and responsibilities organization for its own officers/staff for the effectiveness in daily operation.

Auditee's response: Accepted auditor's recommendation we will be assigning roles and responsibilities for our officers/staff.

1.3 Page authentication signatures

By making an examination on reports, we have seen that the department conduct the report making monthly, which then submitted for review and approval. However, the reports lack page authentication signatures which as per usual should be seen at the bottom right of every page in the report. Therefore, it could indicate a lack of responsibility fulfillment of the report maker as well as not in compliance with formal procedure.

Recommendation: As it should be in compliance with formal procedure, the page authentication signature should be implemented in the making of reports.

Auditee's response: Accepted the auditor's recommendation we will implement page authentication signature in the report making.

1.4 An error with the summary of activities in the reports

With our review on the reports, we have seen that the report making was conducted monthly. However, the department failed to include other relevant activities within the TS3 Terminal such as:

- Operation-related entrance/exit within the terminal;
- River vessels/Motor vessels records;
- Pontoon installation and reparation;
- Leased areas in the terminal.

This may indicate an error in terminal control.

Recommendation: The auditee should consider having the inclusion of other relevant activities in the report.

Auditee's response: Accepted the auditor's recommendation. We will consider having the addition of other relevant activities in the report.

2. Inland Container Depot Unit (1st Quarter)

In this 2021 financial year, an audit was conducted by proceeding the checking and reviewing on the reports and other related documents, which then convince us that the auditee has fully implemented the recommendations provided in the 2017 financial year.

3. Information Communication Technology Office (2nd Quarter)

3.1 Help Desk System

Concerning Help Desk System, the auditee alleged not having one. Requests made by the users were through mobile phone by calling, indicating a lack of administrative procedure which is the making of a report. This could be the factor contributing the difficulty in the identification of recurring technical problems as well as dealing with the root cause of the problems. A record, which include date of requests, requestors, and technician, would be helpful in solving and tracking of those technical problems.

Recommendation: Therefore, the Information Communication Technology Office should consider implementing Help Desk System for the facilitation, management, and investigation on technical errors. In addition, the system could be used to as a tool instruct staff in dealing with subsequent errors.

Auditee's response: Accepted the auditor's recommendation. The office will fulfill the shortcoming.

3.2 Issues concerning Internet bandwidth management

It was investigated that the wireless connection within PPAP experience recurring lags. In addition, two internet bandwidths were present. Considered as primary was the speed of 50mbps provided by NeocomISP Internet provider, while the secondary provided by Ezecome having the speed just only 5mbps.

Having seen the considerably low speed of merely 5mbps, it could be said that the secondary Internet bandwidth may not be able to replace the primary one in the event of a sudden cut of internet connection, indicating potential disruption of workflow and other core activities.

Recommendation: A study should be conducted regarding the secondary Internet bandwidth as well as a review on Internet wireless management.

Auditee's response: Accepted the auditor's recommendation. The office will bridge the abovementioned gaps.

3.3 Software monitoring, user restrictions and the granting of user's rights

In the investigation on various directions the software was used, the findings showed a loose restriction and the current rights of the users – able to install applications by themselves. This put the confidential information of PPAP at risks as well as becoming a potential victim to cyber-attack when the users install cracked programs and use open-source software.

Recommendation: The auditee should consider putting restrictions on software usage and grant rights to the users in accordance with their responsibilities and fields. In addition, monitoring and tracking software should be implemented.

Auditee's response: Accepted the auditor's recommendation. The implementation of the recommendations should be applied on departments whose risks were considerably high.

4. Research and Development Office (R&D) (2nd Quarter)

4.1 The making of annual plan

The R&D Office currently had no annual plan. Being one of the factors that indicate achievement in the office, an annual plan acts as a guideline and is essential for the core operation of the office. Therefore, without one, it is difficult to determine the efficiency of the operation.

Recommendation: The office should consider the making of annual plan to be included in 2022 operational plan.

Auditee's response: Agreed with the findings. The office shall make an annual plan to be included in the 2022 operational plan.

4.2 Requirement of qualified/skilled officers

Upon inquiry, the auditee was said to have lack skilled officers who were to be in charge of research and development section. As per current auditing, the R&D Office was in need of skilled officers to meet the workload demand.

Recommendation: Thus, the R&D office could make association with related parties in search for skilled officers to meet the office demand.

Auditee's response: Agreed with the findings; the unit had made a recruit for skilled officers, which then two were applied for the positions. The two officers, one with a Bachelor degree with some experience in the previous occupation and the other a senior volunteering as trainee in PPAP, have been active in the office since August 2021. The office had an expectation of positive outcomes in the upcoming research and development section.

4.3 The matter of monthly and annual activity report

Concerning the making of monthly and annual activity report, the findings showed a lack in the activities – making of reports - indicating an ineffective performance.

Recommendation: The office, therefore, should proceed the making of monthly and annual activity report to be reviewed and approved, as per this Instruction No. 1225 dated 23 December, 2016 on the making of monthly and annual activity report.

Auditee's response: Because of some inconvenience related to work structure and duties, instead, we would proceed the making of report and put for submission every quarterly and annually.

4.4 Roles and responsibilities within the office

The evidence showed shortcomings of the R&D Office concerning roles and responsibilities assignment. To some extent, in this case, error such as role confusion could occur and hinder the workflow.

Recommendation: To achieve operation effectiveness, the R&D Office should consider assigning roles and responsibilities for officers.

Auditee's response: The office will make a clear structure within which roles and responsibilities are assigned to ensure the effective performance of the office.

5. Procurement Unit (2nd Quarter)

5.1 An update on roles and responsibilities

Concerning the officers transferred from other department and the newly recruited officers, the Unit had yet to make an update, indicating matters related to responsibilities.

Recommendation: To bring effectiveness into the performance, the unit should consider making an update on officers' roles and responsibilities.

Auditee's response: The procurement unit has been making an update related to officers' roles and responsibilities.

5.2 The undertaking not in compliance with annual procurement plan

In 2020, based on the examination made on the reports, the unit executed some tasks not included in the procurement plan and did not manage to make adjustment. Therefore, it could be concluded that the action is not in line with this Sarachor.

Recommendation: According to Sarachor 002/MEF/ dated 14 January, 2014 on undertaking procurement activities section 5 on the rejection of procurement plan adjustment with the submission no later than 31st October in the its financial year.

Auditee's response: As for the updating of 2020 procurement plan, the unit had yet to make an update since the process involved with other relevant units and that update was only made possible in the event that the board of directors approved on such case. However, some cases were required to take action immediately depending on the actual demand of PPAP, leading to the undertaking of some tasks, which were not included in annual procurement plan. The process of updating the procurement plan has to be done in the 2nd quarter and no later than the end of October of the implementing year. Therefore, the procurement unit will cooperate with relevant units as for the updating of the plan in the subsequent years.

6. Personnel/HR Department (3rd Quarter)

6.1 An error in the making of annual and monthly activities report

The findings obtained from reports showed that the department only factored one of the two offices activities in. This is one of the factors contributing to the department incomplete version of summary activities report.

Recommendation: The department should reconsider the inclusion of summary activities report from all offices under its supervision.

Auditee's response: Accepted the auditor's recommendation and will make amends in future report making.

6.2 An error in the reinforcement of rules and regulations in PPAP

Based on the firsthand observation, in PPAP, some employees and other contract workers had little knowledge regarding the rules and regulations of PPAP itself.

Recommendation: The auditee should reconsider the reinforcement of rules and regulations by any means the department believe to be appropriate.

Auditee's response: Accepted the auditor's recommendation and will reinforce rules and regulations within PPAP.

7. Personnel Training Office (3rd Quarter)

7.1 A lack of procedure concerning resignation stage

Concerning the resignation stage, as the evidence showed, the Office had yet to prepare certificate of employment for employees to be used as needed. The form of the letter should be as follows:

- Name and surname
- Date of birth
- Address
- Date of employment
- Date of resignation
- Position, role and unit/department/office
- This certificate is presented to the bearer with all rights and privileges thereto pertaining
- In case the certificate is misused, PPAP is not responsible for any consequences.

This could indicate the office's lack of responsibility fulfillment.

Recommendation: The office should study the aforementioned cases. To be in accordance with PPAP policy, any employee who are to resign should inform to the office at least 1 month before the actual resign date.

Auditee's response: According to our previously done procedure, it involved the decision from the management and we only make removal of employee's names from the company list.

7.2 The listing of chronological and numerical order for each employment summary reports

It is based on report checking and oral evidence which showed that the making of monthly and annual employment summary reports had yet to be numerically listed, thus, indicating a lack of consideration for administrative procedure.

Recommendation: the auditee should consider the listing of numerical order for every report making.

Auditee's response: Accepted the auditor's recommendation and will implement the recommendation for the next report making.

8. Employment Salary Office (3rd Quarter)

8.1 Few minor errors in the record

The logbook used for recording letter of commission, as the evidence illustrated, gave out some minor mistakes as follows:

- Some repetition of the same numerical order,
- Lack contents in letters,
- Editing on the numbers,
- Not mentioning the commissioned unit/office/department.

Therefore, the outcomes above could be an indication for a lack of responsibility of the responsible officer.

Recommendation: To fully eliminate minor errors in the report the auditee should recheck and make amends to align with administrative procedure.

Auditee's response: Accepted the auditor's recommendation we will recheck and follow the administrative procedure.

8.2 An error concerning the listing of numerical order in monthly and annual activities summary reports

It is based on oral evidence and report checking that shows an error in the listing of numerical order in monthly and annual activities summary reports. As a result, the reports lack a clear order and not in line with administrative procedure.

Recommendation: To align with administrative procedure the auditee should consider the listing of numerical order in monthly and annual activities summary reports.

Auditee's response: Accepted the auditor's recommendation and will make amends for future report making.

9. Accounting/Finance Department (4th Quarter)

9.1 On the structure of the accounting/finance department

By making an examination, we could determine that the structure of the accounting/finance department, dated on 26 January 2021, has two offices under its supervision:

- Accounting/Finance Office
- Finance/Securities Office

Among the aforementioned offices, we have seen that the Finance/Securities Office was in need of qualified officers to work as:

- Director of Finance/Securities Office
- Deputy Director of Finance/Securities Office
- Section Manager of Finance/Securities Office

It could be, therefore, concluded that the day-to-day operation within the office may not be that effective and have yet to meet the work demands.

Recommendation: Therefore, the Accounting/Finance Department should apply for the recruitment of qualified/skilled officers for the Finance/Securities Office in order to meet the work demands.

Auditee's response: As to the findings on the shortcomings of staff within the Finance/Securities Office, the Department had already applied for the deputy director of the Finance/Securities Office. In the meantime, the Department was in the preparation for the next applications in regards to the director of the Finance/Securities Office and Section Manager of Finance/Securities Office.

10. Accounting Office (4th Quarter)

10.1 A lack of essential information for vouchers

Upon examination, vouchers were seen with a lack of essential elements and few errors which are listed as follows:

A. Expenses

- Vouchers had yet to list exchange rates from Khmer Riels (KHR) to US (\$)
- The attaching vouchers' numbers did not connect with the head voucher (BPV 2000076 dated 31 January 2021)
- Had yet to list the amount supporting documents

B. Revenues

- Vouchers were edited
- Had yet to list the amount of supporting documents

It could be, therefore, concluded that vouchers were not in compliance with accounting procedures.

Recommendation: The Accounting office, therefore, should make revision and strengthen the vouchering procedures.

Auditee's response: Revenue/expense section will try fulfill the essential information on the vouchers, make proper attachment of vouchers, and list exchange rates from KHR to US\$.

10.2 Shortcomings of supporting documents for revenue/expense vouchers

Upon inspection, the supporting document for the revenue/expense vouchers did not meet some criteria which are listed below:

A. Expense

- Lack customer's signature on invoices

B. Revenue

- Payment-related reports lack report maker's signature
- Revenue-related invoices lack supporting documents.

Recommendation: The accounting office should push the voucher management section to be more responsible.

Auditee's response: The accounting office will attach invoices for some revenue-related documents.

Shortcomings on inventory management at new container terminal (LM17)

Upon inspection and inquiry, the inventory at LM17 was seen to have some shortcomings. We found that the actual stock codes did not match with the stock codes listed in monthly reports, which led to difficulty in the finding of spare parts. In addition, some spare parts of KAMAZ lack stock codes and some found with repeated stock codes. Based on the factor found, therefore, it could be concluded that the spare part management and inventory work may not be sufficient for, if not, any given timely manner as some spare parts are difficult to locate.

Recommendation: Therefore, the accounting office should recheck and improve on spare part keeping and arrangement in the inventory. As for spare parts should be arrangement in sequential numbers and with different blocks, such as KAMAZ block, RTG block... etc.

Auditee's response: At the present time, the accounting office is in the process of matching the actual stock numbers with that listed in the monthly reports.

10.3A lack of essential warning sign boards for diesel station at new container terminal (LM17)

Upon inspection, the warning sign boards within and around the stations were seen with only letters and without diagraph attached. Some other essential warning sign boards should be in use for further warning such as "Explosive", "No smoking", "No weapons", "Stop engines", and "No mobile phones". Therefore, the awareness on the environment surrounding the station could be, to some extent, limited.

Recommendation: The accounting office should make cooperation with Safety Health Environment (SHE) office in providing sufficient warning signs and bring awareness within the station.

Auditee's response: The office made a discussion with SHE office regarding warning signs. As a result, SHE is in the documentation processing.

10.4 The equipping of fire extinguishers, personal protective equipment, and the station

Upon inquiry and inspection, the existing fire extinguishers were considered to be insufficient in the case of a fire breakout. Staff who work at the station, in addition, had yet to be equipped with personal protective equipment. To maintain an ideal temperature for the surrounding environment of the station, water drainage system and water sprinklers were considered necessary but had yet to be constructed and arranged. It is, therefore, could be the obstacles in achieving a safe environment for the station; the day-by-day accumulated drops of diesel partly filled the ground, being the result of leakage from fuel pump, could easily produce an outburst in case of an accident.

Recommendation: Therefore, the office should consider having the cooperation with Security Health Environment (SHE) office in order to further study and take measure on the aforementioned matters.

Auditee's response: the SHE office has applied for the Property Plant and Equipment for the station work. As to the environment, the staff will regularly sprinkle water to prevent and reduce the related risks.

11 Finance/Securities Market Office (4th Quarter)

11.1 A shortcoming in the finance/securities market office

Upon examination and inquiry, the office structure dated on 26 January 2021; particularly on the structure of deputy director of finance/securities market, two sections are under its supervision: The Finance section and BAE analysis section. However, the office had yet to hire a skilled officer for the Finance section. It could, therefore, cause difficulty to day-to-day operation of the deputy director of finance/securities market.

Recommendation: The office, therefore, should provide the information to the head of accounting/finance department on the shortcoming of staff within its structure.

Auditee's response: As to the findings raised by the auditor, the finance/securities market office had yet to have a head of section responsible for Finance. As of now, the office has only two cashiers, one in TS3 terminal and the other in LM17, and its assistants. The office, regarding the aforementioned shortcomings, had requested to the head of finance/accounting department and was known to be in the documentation process; in the meantime, in the case of BAE analysis section position, the finance/securities market office had already applied to the management.

Responses from the auditees

Regarding the findings which reflected the aforementioned gaps and errors, the Internal Audit Department had made discussions with related department, service offices, and units. As a result, all auditees accepted the provided recommendations with the intention to improve their performance.

Comment of auditor on responses received

We deeply acknowledge shortcomings and errors of audited department, service offices, and units under PPAP's supervision, which is to be assessed for further improvement. Using our auditing procedures such as on-site inspections, reviewing reports and other related documents, the Internal Audit Department of PPAP will continue to assess the implementation of the provided recommendations in subsequent quarters and years. Even though the findings prove to have no shortcomings, still, we proceed our procedures based on our department annual plan

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 2021**

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 PPC Bank Foreign Trade Bank of Cambodia
AUDITORS:	BDO (Cambodia) Limited

Registration No:
Co.7175 Et/2004

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

CONTENTS	PAGE
DIRECTORS' REPORT	1 - 4
INDEPENDENT AUDITORS' REPORT	5 - 9
STATEMENT OF FINANCIAL POSITION	10 - 11
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	12
STATEMENT OF CHANGES IN EQUITY	13 - 14
STATEMENT OF CASH FLOWS	15 - 16
NOTES TO THE FINANCIAL STATEMENTS	17 - 43

**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 2021.

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-ummooing 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 bussiness 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	12,707,831	51,695,457

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 2020:		
Class A first and final dividend paid on 28 May 2021	340,260	1,376,751
Class B first and final dividend paid on 28 May 2021	679,012	2,750,027
	<u>1,019,272</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\$9,321,774 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 18 March 2021.

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 Choern
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.

**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 2021, 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 events during the financial year

The significant events 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 43 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 2021, 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



Ms. Chheav Vanthea
Head of Accounting/Finance
Department

Phnom Penh, Cambodia
Date: 25 March 2022

**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 2021, 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 43.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PPAP as at 31 December 2021, 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 2021, the Board of Directors has engaged an actuarial specialist in order to present actuarial estimate of liabilities as at 31 December 2021 and to provide an actuarial estimate of the defined benefit expenses for the financial year ending 31 December 2021. 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 2021 were US\$4,418,182 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.

Audit response

Our audit procedures included the following:

- (i) Recomputed the probability of default using historical data and forward looking information adjustment;
- (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; and
- (iii) Inquiries of management to assess the rationale underling the relationship between the forward-looking information and expected credit losses.

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

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.

**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:

- 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.

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.

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

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: 25 March 2022

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021		2020	
		US\$	KHR'000	US\$	KHR'000
ASSETS					
Non-current assets					
Property, plant and equipment	5	103,328,375	420,959,800	88,829,863	359,316,796
Right-of-use assets	6	3,660,992	14,914,881	-	-
Investment properties	7	84,626,863	344,769,840	84,687,000	342,558,915
Lease receivables	6	4,296,588	17,504,300	4,310,477	17,435,879
Other receivable	8	67,585	275,341	64,986	262,868
Deferred tax assets	9	140,376	571,892	439,991	1,779,764
		<u>196,120,779</u>	<u>798,996,054</u>	<u>178,332,317</u>	<u>721,354,222</u>
Current assets					
Trade and other receivables	8	5,134,521	20,918,039	10,724,673	43,381,302
Lease receivables	6	13,886	56,572	13,362	54,049
Cash and bank balances	10	18,614,700	75,836,288	17,683,841	71,531,137
		<u>23,763,107</u>	<u>96,810,899</u>	<u>28,421,876</u>	<u>114,966,488</u>
TOTAL ASSETS		<u>219,883,886</u>	<u>895,806,953</u>	<u>206,754,193</u>	<u>836,320,710</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	45,861,380	186,839,262	36,539,606	147,802,705
Retained earnings		12,686,797	51,686,011	10,079,232	41,103,110
Currency translation difference		-	8,481,066	-	4,824,788
TOTAL EQUITY		<u>173,157,164</u>	<u>705,442,287</u>	<u>161,227,825</u>	<u>652,166,551</u>
LIABILITIES					
Non-current liabilities					
Other payable	14	33,793	137,673	32,493	131,434
Borrowings	15	18,629,767	75,897,671	20,699,741	83,730,452
Provision for retirement benefits	16	555,829	2,264,447	616,422	2,493,429
Lease liabilities	6	6,778,885	27,617,177	2,873,650	11,623,914
Contract liabilities	17	13,650,000	55,610,100	13,950,000	56,427,750
		<u>39,648,274</u>	<u>161,527,068</u>	<u>38,172,306</u>	<u>154,406,979</u>

PHNOM PENH AUTONOMOUS PORT
(Incorporated in Cambodia)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021 (continued)

	Note	2021		2020	
		US\$	KHR'000	US\$	KHR'000
EQUITY AND LIABILITIES					
(continued)					
LIABILITIES (continued)					
Current liabilities					
Trade and other payables	14	2,393,907	9,752,778	3,055,400	12,359,092
Borrowings	15	2,069,974	8,433,074	2,069,974	8,373,045
Lease liabilities	6	9,261	37,729	8,909	36,037
Contract liabilities	17	300,000	1,222,200	300,000	1,213,500
Current tax liabilities		2,305,306	9,391,817	1,919,779	7,765,506
		<u>7,078,448</u>	<u>28,837,598</u>	<u>7,354,062</u>	<u>29,747,180</u>
TOTAL LIABILITIES		<u>46,726,722</u>	<u>190,364,666</u>	<u>45,526,368</u>	<u>184,154,159</u>
TOTAL EQUITY AND LIABILITIES		<u>219,883,886</u>	<u>895,806,953</u>	<u>206,754,193</u>	<u>836,320,710</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 2021**

	Note	2021		2020	
		US\$	KHR'000	US\$	KHR'000
Revenue	19	30,783,715	125,228,152	27,048,412	110,303,424
Cost of services	20	<u>(9,811,317)</u>	<u>(39,912,439)</u>	<u>(8,002,746)</u>	<u>(32,635,199)</u>
Gross profit		20,972,398	85,315,713	19,045,666	77,668,225
Other income	21	3,334,091	13,563,083	2,438,862	9,945,680
General and administrative expenses	22	<u>(7,451,365)</u>	<u>(30,312,152)</u>	<u>(7,770,261)</u>	<u>(31,687,124)</u>
Operating profit		16,855,124	68,566,644	13,714,267	55,926,781
Finance costs	23	<u>(1,142,786)</u>	<u>(4,648,853)</u>	<u>(1,092,390)</u>	<u>(4,454,766)</u>
Profit before tax		15,712,338	63,917,791	12,621,877	51,472,015
Tax expense	24	<u>(3,004,507)</u>	<u>(12,222,334)</u>	<u>(2,761,002)</u>	<u>(11,259,366)</u>
Profit for the financial year		12,707,831	51,695,457	9,860,875	40,212,649
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss:					
Re-measurements of defined benefit liability		<u>(21,034)</u>	<u>(85,566)</u>	<u>218,357</u>	<u>890,460</u>
Total comprehensive income for the financial year		<u>12,686,797</u>	<u>51,609,891</u>	<u>10,079,232</u>	<u>41,103,109</u>
Earnings per share attributable to shareholders of PPAP during the financial year are as follows:					
Basic earnings per share	25	0.61	2.50	0.49	1.99
Diluted earnings per share	25	<u>0.61</u>	<u>2.50</u>	<u>0.49</u>	<u>1.99</u>

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 2021**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2021		114,453,485	155,502	36,539,606	10,079,232	-	161,227,825
Profit for the financial year		-	-	-	12,707,831	-	12,707,831
Actuarial loss on retirement benefit obligation		-	-	-	(21,034)	-	(21,034)
Total comprehensive income		-	-	-	12,686,797	-	12,686,797
Transactions with owners							
Transfer to reserves	13	-	-	9,321,774	(9,321,774)	-	-
Dividends	26	-	-	-	(757,458)	-	(757,458)
Total transactions with owners		-	-	9,321,774	(10,079,232)	-	(757,458)
Balance as at 31 December 2021		114,453,485	155,502	45,861,380	12,686,797	-	173,157,164
<i>(KHR '000 equivalent)</i>		<i>457,813,940</i>	<i>622,008</i>	<i>186,839,262</i>	<i>51,686,011</i>	<i>8,481,066</i>	<i>705,442,287</i>

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)**

	Note	Share capital US\$	Share premium US\$	Reserves US\$	Retained earnings US\$	Currency translation difference US\$	Total US\$
Balance as at 1 January 2020		114,453,485	155,502	25,651,419	11,641,924	-	151,902,330
Profit for the financial year		-	-	-	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)	-	-
Dividends	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>

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 2021**

	Note	2021		2020	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		15,712,338	63,917,791	12,621,877	51,472,015
Adjustments for:					
Depreciation of property, plant and equipment	5	3,189,600	12,975,293	2,683,353	10,942,714
Depreciation of investment properties	7	60,137	244,637	63,420	258,627
Depreciation of right-of-use assets	6	100,532	409,568	-	-
Finance costs		1,141,486	4,643,565	1,091,140	4,449,669
Interest income		(1,464,999)	(5,959,616)	(1,361,192)	(5,550,941)
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		19,104	77,715	357,238	1,456,818
Net of unwinding effect of long term deposit		(1,299)	(5,284)	(1,249)	(5,093)
Property, plant and equipment written off		-	-	125,901	513,424
Retirement benefit obligation expenses	16	78,390	321,087	109,262	445,570
Unrealised loss on foreign exchange		-	-	1,939	7,907
Operating profit before working capital changes		18,835,829	76,624,756	15,855,389	64,658,277
Changes in working capital:					
Trade and other receivables		6,279,053	25,543,188	(3,061,327)	(12,484,092)
Trade and other payables		(413,786)	(1,683,281)	(110,429)	(450,329)
Contract liabilities		(300,000)	(1,220,400)	(300,000)	(1,223,400)
Cash generated from operations		24,401,096	99,264,263	12,383,633	50,500,456
Income tax paid		(2,319,365)	(9,435,177)	(2,578,796)	(10,516,330)
Retirement benefit obligation paid		(22,558)	(91,766)	(28,232)	(115,130)
Net cash from operating activities		22,059,173	89,737,320	9,776,605	39,868,996
Cash flows from investing activities					
Purchase of property, plant and equipment	5	(17,688,112)	(71,955,240)	(14,132,798)	(57,633,550)
Proceeds from disposals of property, plant and equipment		-	-	1,913	7,801
Proceeds from disposals of investment properties		-	-	350	1,427
Interest received		601,100	2,445,275	261,231	1,065,300
Withdrawal of fixed deposits with a licensed bank		3,000,000	12,204,000	1,200,000	4,893,600
Net cash used in investing activities		(14,087,012)	(57,305,965)	(12,669,304)	(51,665,422)

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (continued)**

	Note	2021		2020	
		US\$	KHR'000	US\$	KHR'000
Cash flows from financing activities					
Dividends paid		(1,019,272)	(4,146,398)	(1,013,624)	(4,126,778)
Interest paid		(890,089)	(3,620,882)	(1,000,721)	(4,080,940)
Payments of lease liabilities		(124,049)	(504,631)	(124,049)	(505,872)
Repayments of borrowings		(2,069,974)	(8,420,654)	(2,069,974)	(8,441,354)
Net cash used in financing activities		(4,103,384)	(16,692,565)	(4,208,368)	(17,154,944)
Net increase/(decrease) in cash and cash equivalents		3,930,859	15,991,339	(7,101,067)	(28,951,370)
Cash and cash equivalents at beginning of financial year		2,683,841	10,933,968	9,784,908	39,579,953
Currency translation differences		-	22,981	-	227,554
Cash and cash equivalents at end of financial year	10	6,614,700	26,948,288	2,683,841	10,856,137

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

		Lease liabilities (Note 6) US\$	Borrowings (Note 15) US\$
At 1 January 2020		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
Cash flows		(124,049)	(2,069,974)
Non-cash flows:			
- Addition		3,914,496	
- Unwinding of interest	23	268,111	-
At 31 December 2021		6,788,146	20,699,741
<i>(KHR'000 equivalent)</i>		<u>27,654,906</u>	<u>84,330,745</u>

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 25 March 2022.

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.

The Company has also early adopted Amendment to CIFRS 16 *Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to CIFRS 16 Leases)* 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 2021 of PPAP using the following official closing and average rates of exchange for the translation:

		Closing rate	Average rate
31 December 2021	US\$1 =	KHR4,074	KHR4,068
31 December 2020	US\$1 =	KHR4,045	KHR4,078

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 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 2020/1 January 2021	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
Additions	4,000,000	10,393	69,526	-	15,728	-	52,908	13,539,557	17,688,112
Reclassification	921,700	122,467	15,941	-	-	5,054,686	11,359,414	(17,474,208)	-
Balance at 31 December 2021	35,852,208	1,406,261	1,163,692	64,817	1,936,661	28,097,013	56,550,906	2,842,607	127,914,165

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 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 2020/1 January 2021	-	685,523	358,903	58,566	658,665	8,558,944	11,075,589	-	21,396,190
Depreciation for the year	-	164,164	75,009	1,996	126,178	1,728,064	1,094,189	-	3,189,600
Balance at 31 December 2021	-	849,687	433,912	60,562	784,843	10,287,008	12,169,778	-	24,585,790
<i>Carrying amounts</i>									
Balance at 31 December 2021	35,852,208	556,574	729,780	4,255	1,151,818	17,810,005	44,381,128	2,842,607	103,328,375
<i>(KHR '000 equivalents)</i>	<i>146,061,895</i>	<i>2,267,482</i>	<i>2,973,124</i>	<i>17,335</i>	<i>4,692,507</i>	<i>72,557,960</i>	<i>180,808,715</i>	<i>11,580,781</i>	<i>420,959,800</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>

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:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Cost of services	2,641,381	10,745,138	2,252,907	9,187,355
Administrative expenses	708,888	2,883,756	430,446	1,755,359
	<u>3,350,269</u>	<u>13,628,894</u>	<u>2,683,353</u>	<u>10,942,714</u>

6. LEASES

PPAP as lessee

Right-of-use assets

Carrying amount

	Land	
	US\$	KHR'000
Balance at 1 January 2020/31 December 2020	-	-
Additions	3,761,524	15,324,449
Depreciation	<u>(100,532)</u>	<u>(409,568)</u>
Balance at 31 December 2021	<u>3,660,992</u>	<u>14,914,881</u>

Lease liabilities

Carrying amount

	Land	
	US\$	KHR'000
Balance at 1 January 2020	2,891,119	11,781,310
Interest expense	115,489	467,153
Lease payments	<u>(124,049)</u>	<u>(501,778)</u>
Balance at 31 December 2020	2,882,559	11,746,685
Addition	3,761,524	15,324,449
Interest expense	268,111	1,089,146
Lease payments	<u>(124,049)</u>	<u>(505,374)</u>
Balance at 31 December 2021	<u>6,788,146</u>	<u>27,654,906</u>

Represented by:	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Current liabilities	9,261	37,729	8,909	36,037
Non-current liabilities	<u>6,778,885</u>	<u>27,617,177</u>	<u>2,873,650</u>	<u>11,623,914</u>
	<u>6,788,146</u>	<u>27,654,906</u>	<u>2,882,559</u>	<u>11,659,951</u>

- (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 assets is 40 years (2020: 40 years).

6. LEASES (continued)

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

	2021	2020
	US\$	US\$
Depreciation charge of right-of-use assets (included in general and administrative costs)	100,532	-
Interest expense on lease liabilities (included in finance costs)	268,111	115,489
	<u>368,643</u>	<u>115,489</u>

(c) At the end of the financial year, PPAP had total cash outflow for leases of US\$124,049 (2020: US\$124,049).

(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:

31 December 2021	Weighted average incremental borrowing rate per annum	Within	1 - 2	2 - 5	More than	Total
		1 year	years	years	5 years	
		US\$	US\$	US\$	US\$	US\$
Fixed rates	4.00%	9,261	71,013	80,942	6,626,930	6,788,146
31 December 2020						
Fixed rates	4.00%	8,909	18,922	32,830	2,821,898	2,882,559

(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:

31 December 2021	On demand or	1 - 2	2 - 5	More than	Total
	within 1 year	years	years	5 years	
	US\$	US\$	US\$	US\$	US\$
Lease liabilities	290,549	593,720	915,228	11,955,856	13,755,354
31 December 2020					
Lease liabilities	124,050	124,050	384,036	5,363,985	5,996,121

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 with an increase of 5% every 5 years and for the remaining 15 years, the monthly rental will be at a fixed rent.

6. LEASES (continued)

PPAP as lessor (continued)

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Less than one year	186,074	757,323	186,074	752,671
One to two years	186,074	757,323	186,074	752,671
Two to three years	194,603	787,168	186,074	752,671
Three to four years	195,378	795,189	194,603	787,168
Four to five years	195,378	795,189	195,378	790,304
More than five years	7,850,599	31,951,938	8,045,977	32,545,977
	8,808,106	35,844,130	8,994,180	36,381,462
Less: unearned interest income	(4,497,632)	(15,584,902)	(4,670,341)	(18,891,534)
	<u>4,310,474</u>	<u>20,259,228</u>	<u>4,323,839</u>	<u>17,489,928</u>
Presented as follows:				
Current	13,886	56,572	13,362	54,049
Non-current	4,296,588	17,504,300	4,310,477	17,435,879
	<u>4,310,474</u>	<u>17,560,872</u>	<u>4,323,839</u>	<u>17,489,928</u>

7. INVESTMENT PROPERTIES

	Land US\$	Buildings US\$	Total US\$
<i>Cost</i>			
Balance at 1 January 2020	83,705,437	1,613,373	85,318,810
Disposals	-	(132,795)	(132,795)
Balance at 31 December 2020/31 December 2021	<u>83,705,437</u>	<u>1,480,578</u>	<u>85,186,015</u>
<i>Accumulated depreciation</i>			
Balance at 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 2020/1 January 2021	-	499,015	499,015
Depreciation for the financial year	-	60,137	60,137
Balance at 31 December 2021	<u>-</u>	<u>559,152</u>	<u>559,152</u>
<i>Carrying amounts</i>			
Balance at 31 December 2021	<u>83,705,437</u>	<u>921,426</u>	<u>84,626,863</u>
<i>(KHR'000 equivalents)</i>	<u>341,015,950</u>	<u>3,753,890</u>	<u>344,769,840</u>
Balance at 31 December 2020	<u>83,705,437</u>	<u>981,563</u>	<u>84,687,000</u>
<i>(KHR'000 equivalents)</i>	<u>338,588,493</u>	<u>3,970,422</u>	<u>342,558,915</u>
<i>Fair value</i>			
Balance at 31 December 2021	<u>136,922,392</u>	<u>739,227</u>	<u>137,661,619</u>
<i>(KHR'000 equivalents)</i>	<u>557,821,825</u>	<u>3,011,611</u>	<u>560,833,436</u>
Balance at 31 December 2020	<u>136,996,740</u>	<u>940,333</u>	<u>137,937,073</u>
<i>(KHR'000 equivalents)</i>	<u>554,151,813</u>	<u>3,803,647</u>	<u>557,955,460</u>

- (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 (2020: 5 to 50 years).
- (c) The fair value of investment properties is derived by the Directors based on estimation from available market information.

8. TRADE AND OTHER RECEIVABLES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other receivable				
Deposit	67,585	275,341	64,986	262,868
Trade receivables				
Third parties	4,418,182	17,999,673	4,090,938	16,547,844
Less: Impairment loss				
-Third parties	(790,673)	(3,221,201)	(872,101)	(3,527,648)
	<u>3,627,509</u>	<u>14,778,472</u>	<u>3,218,837</u>	<u>13,020,196</u>
Other receivables				
Third parties	447,544	1,823,294	6,499,817	26,291,760
Advances	76,141	310,198	83,753	338,781
Deposits	7,307	29,769	208,870	844,879
Other receivables	422,989	1,723,257	267,756	1,083,073
	<u>953,981</u>	<u>3,886,519</u>	<u>7,060,196</u>	<u>28,558,493</u>
Total receivables	<u>4,581,490</u>	<u>18,664,991</u>	<u>10,279,033</u>	<u>41,578,687</u>
Prepayments	553,031	2,253,048	445,640	1,802,614
	<u>5,134,521</u>	<u>20,918,039</u>	<u>10,724,673</u>	<u>43,381,302</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 (2020: 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\$.

8. TRADE AND OTHER RECEIVABLES (continued)

- (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 2021								
Expected loss rate	4.20%	5.67%	13.08%	23.99%	38.07%	70.34%	100.00%	
Gross carrying amount (US\$)	2,132,856	1,273,506	287,037	113,538	48,551	22,988	539,705	4,418,182
Impairment (US\$)	79,724	72,153	37,534	27,233	18,483	15,841	539,705	790,673
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

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:

	2021 US\$	2020 US\$
At 1 January	872,101	514,863
Charge for the financial year	-	357,238
Reversal of impairment loss	(81,428)	-
At 31 December	790,673	872,101

- (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 2021 US\$	Recognised in profit or loss (Note 24) US\$	At 31 December 2021 US\$
Property, plant and equipment	(2,702,959)	(120,883)	(2,823,842)
Retirement benefit obligation	108,359	(17,191)	91,168
Deferred income	2,850,000	(120,000)	2,730,000
Impairment loss on receivables	174,420	(16,285)	158,135
Unrealised exchange differences	10,171	(25,256)	(15,085)
	<u>439,991</u>	<u>(299,615)</u>	<u>140,376</u>
<i>(KHR'000 equivalent)</i>			<u>571,892</u>

	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
	<u>878,464</u>	<u>(438,473)</u>	<u>439,991</u>
<i>(KHR'000 equivalent)</i>			<u>1,779,764</u>

10. CASH AND BANK BALANCES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	2,151	8,763	3,807	15,399
Cash at banks	5,607,444	22,844,727	2,680,034	10,840,738
Deposits	<u>13,005,105</u>	<u>52,982,798</u>	<u>15,000,000</u>	<u>60,675,000</u>
As stated in statement of financial position	18,614,700	75,836,288	17,683,841	71,531,137
Less:				
Deposits (maturity more than three months)	<u>(12,000,000)</u>	<u>(48,888,000)</u>	<u>(15,000,000)</u>	<u>(60,675,000)</u>
As stated in statement of cash flows	<u>6,614,700</u>	<u>26,948,288</u>	<u>2,683,841</u>	<u>10,856,137</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 1 to 240 months (2020: 240 months).

10. CASH AND BANK BALANCES (continued)

(c) The currency exposure profile of cash and bank balances is as follows:

	2021	2020
	US\$	US\$
United States Dollar	18,445,093	17,130,785
Khmer Riel	<u>169,607</u>	<u>553,056</u>
	<u>18,614,700</u>	<u>17,683,841</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:

	2021	2020
	%	%
Fixed rates	<u>6.25</u>	<u>7.75</u>

11. SHARE CAPITAL

	2021		2020	
	Number	US\$	Number	US\$
Voting shares of US\$1 each:				
Class A	4,136,873	4,136,873	4,136,873	4,136,873
Class B	<u>16,547,492</u>	<u>16,547,492</u>	<u>16,547,492</u>	<u>16,547,492</u>
	<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	<u>93,769,120</u>	<u>93,769,120</u>	<u>93,769,120</u>	<u>93,769,120</u>
	<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 2021	2,046,010	2,046,010	32,447,586	36,539,606
Transfer from retained earnings	493,044	493,044	8,335,686	9,321,774
As at 31 December 2021	<u>2,539,054</u>	<u>2,539,054</u>	<u>40,783,272</u>	<u>45,861,380</u>
<i>(KHR '000 equivalent)</i>	<u>10,344,106</u>	<u>10,344,106</u>	<u>166,151,050</u>	<u>186,839,262</u>
As at 1 January 2020	1,468,440	1,468,440	22,714,539	25,651,419
Transfer from retained earnings	577,570	577,570	9,733,047	10,888,187
As at 31 December 2020	<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>

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

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

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

14. TRADE AND OTHER PAYABLES

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Other payable				
Deposit	<u>33,793</u>	<u>137,673</u>	<u>32,493</u>	<u>131,434</u>
Current				
Trade payables				
Third parties	487,291	1,985,224	282,631	1,143,242
Other payables				
Interest payable	305,896	1,246,220	336,486	1,361,086
Deposits	236,442	963,265	384,782	1,556,443
Guaranteed dividends payable	-	-	261,814	1,059,038
Other tax payables	248,403	1,011,994	78,396	317,112
Other payables	<u>1,115,875</u>	<u>4,546,075</u>	<u>1,711,291</u>	<u>6,922,171</u>
	<u>1,906,616</u>	<u>7,767,554</u>	<u>2,772,769</u>	<u>11,215,850</u>
	<u>2,393,907</u>	<u>9,752,778</u>	<u>3,055,400</u>	<u>12,359,092</u>

- (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 (2020: 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:

	2021	2020
	US\$	US\$
United States Dollar	1,105,488	1,463,534
Khmer Riel	<u>1,288,419</u>	<u>1,591,866</u>
	<u>2,393,907</u>	<u>3,055,400</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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Phnom Penh Port – New Container Terminal Project (“PPNCTP”) or Phnom Penh Port LM17	18,629,767	75,897,671	20,699,741	83,730,452
Current				
PPNCTP or Phnom Penh Port LM17	2,069,974	8,433,074	2,069,974	8,373,045
	<u>20,699,741</u>	<u>84,330,745</u>	<u>22,769,715</u>	<u>92,103,497</u>

- (a) PPNCTP 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.

- (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:

	2021		2020	
	Carrying amount US\$	Fair value US\$	Carrying amount US\$	Fair value US\$
Borrowings (fixed rates)	<u>20,699,741</u>	<u>19,166,427</u>	<u>22,769,715</u>	<u>21,083,080</u>

15. BORROWINGS (continued)

- (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 2021	Weighted average effective interest rate per annum %	Within 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	More than 5 years US\$	Total US\$
Borrowings						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	10,349,870	20,699,741
31 December 2020						
Borrowings						
Fixed rates	4.00	2,069,974	2,069,974	6,209,922	12,419,845	22,769,715

- (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 2021	On demand or within 1 year US\$	1 - 2 years US\$	More than 5 years US\$	Total US\$
Borrowings	2,877,264	10,681,066	11,488,356	25,046,686
31 December 2020				
Borrowings	2,960,063	11,012,262	14,034,424	28,006,749

- (h) Borrowings are denominated in US\$.

16. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefits obligation				
Present value of defined benefits obligation	455,842	1,857,100	541,795	2,191,561
Fair value of plan asset	-	-	-	-
	455,842	1,857,100	541,795	2,191,561
Other benefits				
National Social Security Funds of Civil	99,987	407,347	74,627	301,868
Liability recognised in statement of financial position	555,829	2,264,447	616,422	2,493,429

16. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	2021	2020
	US\$	US\$
Balance at 1 January	541,795	613,427
Current service cost	44,731	47,813
Interest cost	32,043	35,910
Past service costs	(23,204)	-
Benefits paid	(22,558)	(28,232)
Re-measurement	(116,965)	(127,123)
	<u>455,842</u>	<u>541,795</u>
<i>(KHR'000 equivalent)</i>	<u>1,857,100</u>	<u>2,191,561</u>

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

	2021	2020
	US\$	US\$
Balance at 1 January	74,627	49,088
Additional expenses	25,360	25,539
	<u>99,987</u>	<u>74,627</u>
<i>(KHR'000 equivalent)</i>	<u>407,347</u>	<u>301,868</u>

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Defined benefit obligation				
Current service costs	44,731	181,966	47,813	194,981
Interest costs	32,043	130,351	35,910	146,441
Past service cost	(23,204)	(94,394)	-	-
Other benefits				
Additional expenses	25,360	103,164	25,539	104,148
	<u>78,930</u>	<u>321,087</u>	<u>109,262</u>	<u>445,570</u>

(a) Defined benefit obligation

The principal actuarial assumptions are as follows:

Discount rate (i)	6.00% (2020: 6.00%)
Salary growth rate	17% (2020: 19%) 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% (2020: 10%) of mortality rate
Turnover rate	1.1% (2020: 1.3%)

17. PROVISION FOR RETIREMENT BENEFIT OBLIGATIONS (continued)

(a) Defined benefit obligation (continued)

(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.

Life expectancy at birth in Cambodia

Males	64 (2020: 68) years old
Females	67 (2020: 73) years old

Life expectancy at birth for proposed TM2017

Males	73 (2020: 74) years old
Females	81 (2020: 81) years old

Sensitivity analysis

- 0.25% decrease in discount rate results in a 2.59% (2020: 2.32%) increase in defined benefit plan obligation. 0.25% increase in discount rate results in a 2.49% (2020: 2.23%) decrease in defined benefit plan obligation.
- 0.50% decrease in salary increase rate results in a 4.26% (2020: 3.79%) decrease in defined benefit obligation. 0.50% increase in salary increase rate results in a 4.57% (2020: 4.52%) 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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Non-current				
Deferred income	<u>13,650,000</u>	<u>55,610,00</u>	<u>13,950,000</u>	<u>56,427,750</u>
Current				
Deferred income	<u>300,000</u>	<u>1,222,200</u>	<u>300,000</u>	<u>1,213,500</u>

- (c) Contract liabilities are in respect of deferred income arising from lease of land to Chean Choeng Thai Group. The total consideration is amortised on a straight-line basis over the term of 50 years (2020: 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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Capital expenditure in respect of purchase of property, plant and equipment:				
Contracted but not provided	1,031,111	4,200,746	8,198,352	33,162,334

19. REVENUE

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Stevedoring	13,624,422	55,424,149	11,764,717	47,976,516
Lift On Lift Off ("LOLO")	11,106,652	45,181,860	9,827,566	40,076,814
Port dues and charges	3,558,975	14,477,910	3,651,087	14,889,133
Gate fees	888,559	3,614,658	697,519	2,844,482
Storage fees	825,097	3,356,495	635,861	2,593,041
Weighting fee	10,112	41,136	4,589	18,714
Stuffing/Unstuffing	31,988	130,127	30,885	125,949
Sand dredging management fee	31,089	126,470	135,312	551,802
Survey	3,000	12,204	-	-
Trucking fee	426,051	1,733,175	240,699	981,571
Logistic services	277,770	1,129,968	60,177	245,402
	30,783,715	125,228,152	27,048,412	110,303,424

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Crane charges	2,372,449	9,651,123	2,327,278	9,490,640
Depreciation	2,641,381	10,745,138	2,252,907	9,187,355
Fuel and gasoline	961,849	3,912,802	866,423	3,533,273
Salaries and wages	1,739,687	7,077,047	1,589,948	6,483,808
Maintenance costs	1,237,340	5,033,499	768,197	3,132,707
Sand dredging management cost	4,625	18,815	-	-
Repair and maintenance container fee	-	-	345	1,407
Logistic costs	273,830	1,113,940	68,995	281,362
Others	580,156	2,360,075	128,653	524,647
	9,811,317	39,912,439	8,002,746	32,635,199

21. OTHER INCOME

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Rental income	993,802	4,042,787	882,571	3,599,125
Interest income from:				
- deposits with financial institutions	1,309,105	5,325,439	1,187,958	4,844,493
- lease receivables	155,894	634,177	173,234	706,448
Unwinding effect of long term deposit	2,599	10,573	2,499	10,191
Reversal of impairment loss on receivables	496,931	2,021,515	-	-
Others	375,760	1,528,592	192,600	785,423
	<u>3,334,091</u>	<u>13,563,083</u>	<u>2,438,862</u>	<u>9,945,680</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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Salaries and other benefits	3,965,647	16,132,252	4,139,730	16,881,820
Utilities and fuel	545,015	2,217,121	475,405	1,938,702
Depreciation	708,888	2,883,756	493,869	2,013,998
Board of Directors' fees	247,809	1,008,087	255,530	1,042,051
Donation	490,340	1,994,703	473,321	1,930,203
Office supplies	226,174	920,076	217,231	885,868
Business entertainment	101,202	411,690	134,527	548,601
Repair and maintenance	163,594	665,500	150,578	614,057
Communication expenses	70,924	288,519	68,401	278,939
Professional fees	43,271	176,026	47,862	195,181
Travelling expenses	61,732	251,126	53,607	218,609
Other tax expenses	245,156	997,295	368,396	1,502,319
Other expenses	166,110	675,735	359,608	1,466,481
Loss on disposals of property, plant and equipment and investment properties	-	-	174,962	713,495
Impairment loss on receivables	415,503	1,690,266	357,234	1,456,801
	<u>7,451,365</u>	<u>30,312,152</u>	<u>7,770,261</u>	<u>31,687,124</u>

23. FINANCE COSTS

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Interest expense on:				
- borrowings	873,375	3,552,890	947,818	3,865,202
- lease liabilities	268,111	1,090,675	115,489	470,964
Unwinding effect of:				
- long term deposit	1,300	5,288	1,250	5,098
- guaranteed dividend	-	-	27,833	113,502
	<u>1,142,786</u>	<u>4,648,853</u>	<u>1,092,390</u>	<u>4,454,766</u>

24. TAX EXPENSE

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Income tax expense:				
Current year	2,674,737	10,880,830	2,288,675	9,333,217
Under provision in prior year	30,155	122,671	33,854	138,057
	<u>2,704,892</u>	<u>11,003,501</u>	<u>2,322,529</u>	<u>9,471,274</u>
Deferred tax expense (Note 9):				
Origination and reversal of temporary differences	299,615	1,218,833	438,473	1,788,092
	<u>3,004,507</u>	<u>12,222,334</u>	<u>2,761,002</u>	<u>11,259,366</u>

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

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

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Profit before tax	15,712,338	63,917,791	12,621,877	51,472,015
Tax at Cambodian statutory tax rate of 20% (2020: 20%)	3,142,468	12,783,560	2,524,376	10,294,405
Tax effects in respect of:				
Non-allowable expenses	210,152	854,898	237,919	970,234
Non-allowable income	(31,698)	(128,947)	(35,147)	(143,329)
Tax incentive and allowances	(346,570)	(1,409,847)	-	-
	<u>2,974,352</u>	<u>12,099,664</u>	<u>202,772</u>	<u>826,904</u>
Under provision in prior year:				
Income tax	30,155	122,671	33,854	138,057
Total taxation	<u>3,004,507</u>	<u>12,222,334</u>	<u>2,761,002</u>	<u>11,259,366</u>

25. EARNINGS PER SHARE

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Profit attributable to ordinary equity holders	12,686,797	51,609,891	10,079,232	41,103,109
Weighted average number of ordinary shares in issue	20,684,365	20,684,365	20,684,365	20,684,365
Basic earnings per share	0.61	2.50	0.49	1.99
Diluted earnings per share	0.61	2.50	0.49	1.99

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 6th Annual General Shareholder Meeting held on 05 May 2021, the shareholder of PPAP approved the distribution of dividends in respect of the financial year ended 31 December 2020 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to the additional dividend of US\$78,446 (equivalent to KHR317,711,846) on the top of total guaranteed dividend.
- Shareholders in Class B is entitled to total dividend of US\$679,012 (equivalent to KHR2,750,027,695).

These dividends were paid on 28 May 2021.

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.

Related parties	2021		2020	
	US\$	KHR'000	US\$	KHR'000
MEF				
Interest expense	859,499	3,496,442	947,818	3,865,202
Interest paid	890,089	3,620,882	1,000,721	4,080,940
Payment of principal and interest	2,069,974	8,420,654	2,069,974	8,441,354
MEF and MPWT				
Donation and charities	38,859	158,079	44,320	180,737

Balances with related parties at the end of the reporting period are disclosed in Note 15 to the financial statements.

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

27. RELATED PARTY DISCLOSURES (continued)

(a) Compensation of key management personnel

Key management compensation during the financial period is as follows:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Short term employee benefits	<u>247,809</u>	<u>1,008,087</u>	<u>255,530</u>	<u>1,042,052</u>

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 2021 and 31 December 2020.

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

(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.

28. CAPITAL AND FINANCIAL RISK MANAGEMENT (continued)

(b) Financial risk management (continued)

(i) Interest rate risk (continued)

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:

	2021		2020	
	US\$	KHR'000	US\$	KHR'000
Profit net of tax				
- Increased by 0.1% (2020: 0.1%)	(3,189)	(12,973)	6,216	25,143
- Decreased by 0.1% (2020: 0.1%)	3,189	12,973	(6,216)	(25,143)

(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 61% (2020: 78%) of PPAP's trade receivables were due from three (2020: four) 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 EVENTS DURING THE FINANCIAL YEAR

- (a) On 1 January 2021, parcels of land situated at Kilometre No. 6 Commune, Khan Russeykeo and Sihamk Ville measuring 34,687.29 metre square were handed over to PPAP pursuant to the 40 years lease agreement, which was entered into with Green Trade Co., Ltd. On 15 February 2019.
- (b) With effect from 31 December 2021, PPAP has taken over the land situated in Tboung Khmum Province and construction of pontoon and bridge arms situated in Phnom Penh from Chean Chhoeng Thai Group ("CCTG"), where originally CCTG was obligated to construct pursuant to the lease agreement entered into between PPAP and CCTG on 29 June 2018. In conjunction with this, all the titles of the said land have been transferred to PPAP and the construction of the pontoon and bridge arms is expected to be completed in year 2022.

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

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

32. ADOPTION OF NEW CIFRSs (continued)

32.2 New CIFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2022

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

	Effective Date
Annual Improvements to CIFRS Standards 2018 - 2020	1 January 2022
Amendments to CIFRS 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to CIAS 16 <i>Property, Plant and Equipment - Proceeds before Intended Use</i>	1 January 2022
Amendments to CIAS 37 <i>Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to CIAS 1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 17 <i>Insurance Contracts</i>	1 January 2023
Amendments to CIFRS 4 <i>Insurance Contract - Extension of the Temporary Exemption from Applying CIFRS 9</i>	1 January 2023
<i>Disclosure of Accounting Policies</i> (Amendments to CIAS 1 <i>Presentation of Financial Statements</i>)	1 January 2023
<i>Definition of Accounting Estimates</i> (Amendments to CIAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>)	1 January 2023
<i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction</i> (Amendments to CIAS 12)	1 January 2023
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Deferred

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

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 2021, there is no such transaction occurred.

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

For 2021, there is no such transaction occurred.

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

For 2021, 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 2021, 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 2021, there is no such transaction occurred.

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

For 2021, 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 2021, there is no such transaction occurred.

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

For 2021 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 2021.*

The container throughput of PPAP in the 2021 has increased 58,041 TEUs or +19.96% compared to 2020. For vessels in 2021 decreased by 61 voyages or -2.58% compared to 2020. However, Cambodian and international cruises (units) in the 2021 has decreased 692 units or -100% compared to 2020. On the other hand, general cargo in 2021 has also decreased 29,220 TONs or -3.38% compared to 2020.

The following discussion and analysis of PPAP's top management on the financial position and result of operation is conducted base on the Audited Financial Report for Year End 31 December 2021 and 2020 as *set out in Section 6 of yearly report 2021.*

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 2021 Compared to The Period Ended 31 December 2020

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port Operation	26,912,881	109,481,600	23,201,836	94,617,087	3,711,045	15.99%	14,864,513	15.71%
Port Authority	3,558,975	14,477,910	3,651,087	14,889,133	(92,112)	-2.52%	(411,223)	-2.76%
Other Revenue	311,859	1,268,642	195,489	797,204	116,370	59.53%	471,438	59.14%
Total:	<u>30,783,715</u>	<u>125,228,152</u>	<u>27,048,412</u>	<u>110,303,424</u>	<u>3,735,303</u>	<u>13.81%</u>	<u>14,924,728</u>	<u>13.53%</u>

Total revenue increased by KHR 14,924,728,000 (USD 3,735,303) or 13.53% from KHR 110,303,424,000 (USD 27,048,412) in 2020 to KHR 125,228,152,000 (USD 30,783,715) in 2021. 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 2021 Compared to The Period Ended 31 December 2020

Source of Revenue	Period Ended 31 December 2021		Period Ended 31 December 2020	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	55,424,149	44.26%	47,976,516	43.50%
Lift On Lift Off (LOLO)	45,181,860	36.08%	40,076,814	36.33%
Port dues and charges	14,477,910	11.56%	14,889,133	13.50%
Gate fees	3,614,658	2.89%	2,844,482	2.58%
Storage fees	3,356,495	2.68%	2,593,041	2.35%
Weighting fees	41,136	0.03%	18,714	0.02%
Stuffing/unstuffings	130,127	0.11%	125,949	0.11%
Trucking fees	1,733,175	1.38%	981,571	0.89%
Repair and maintenance container service	1,129,968	0.90%	245,402	0.22%
Logistic Service	126,470	0.10%	551,802	0.50%
Sand dredging management fee	12,204	0.01%	-	-
Total:	125,228,152	100%	110,303,424	100%

As much as 2020, 3 main revenues of PPAP in 2021 which represents about 92% of total revenue. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For The Period Ended 31 December 2021 Compared to The Period Ended 31 December 2020

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	13,624,422	55,424,149	11,764,717	47,976,516	1,859,705	15.81%	7,447,633	15.52%
Lift On Lift Off (LOLO)	11,106,652	45,181,860	9,827,566	40,076,814	1,279,086	13.02%	5,105,046	12.74%

For 2021, 2 main revenues of PPAP increased by KHR 12,552,679,000 (USD 3,138,791) or 14.26% compared to 2020.

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 2021 Compared to The Period Ended 31 December 2020

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	30,783,715	125,228,152	27,048,412	110,303,424	3,735,303	13.81%	14,924,728	13.53%
Cost of Service								
Depreciation	2,641,381	10,745,138	2,252,907	9,187,355	388,474	17.24%	1,557,783	16.96%
Crane charge	2,372,449	9,651,123	2,327,278	9,490,640	45,171	1.94%	160,483	1.69%
Salaries and wage	1,739,687	7,077,047	1,589,948	6,483,808	149,739	9.42%	593,239	9.15%
Fuel and gasoline	961,849	3,912,802	866,423	3,533,273	95,426	11.01%	379,529	10.74%
Maintenance costs	1,237,340	5,033,499	768,197	3,132,707	469,143	61.07%	1,900,792	60.68%
Repair and maintenance container fee`	-	-	345	1,407	(345)	-100%	(1,407)	-100%

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Sand dredging management cost	4,625	18,815	-	-	4,625	N/A	18,815	N/A
Logistic Costs	273,830	1,113,940	68,995	281,362	204,835	296.88%	832,578	295.91%
Others	580,156	2,360,075	128,653	524,647	451,503	350.95%	1,835,428	349.84%
Total Cost of Service	<u>9,811,317</u>	<u>39,912,439</u>	<u>8,002,746</u>	<u>32,635,199</u>	1,808,571	22.60%	7,277,240	22.30%
Gross profit	<u>20,972,398</u>	<u>85,315,713</u>	<u>19,045,666</u>	<u>77,668,225</u>	<u>1,926,732</u>	<u>10.12%</u>	<u>7,647,488</u>	<u>9.85%</u>
Gross Profit Margin	68.13%	68.13%	70.41%	70.41%				

-Gross Profit Margin Analysis

Gross Profit Margin decreased by 2.28% from 70.41% in 2020 to 68.13% in 2021. The decrease in Gross Profit Margin due to the increase in revenue by KHR 14,924,728,000 (USD 3,735,303) or 13.53%. As for Cost of Service increased by KHR 7,277,240,000 (USD 1,808,571) or 22.30% compared to 2020 due to the increased in depreciation, maintenance costs 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 2021 Compared to The Period Ended 31 December 2020

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	20,972,398	85,315,713	19,045,666	77,668,225	1,926,732	10.12%	7,647,488	9.85%
Other income	3,334,091	13,563,083	2,438,862	9,945,680	895,229	36.71%	3,617,403	36.37%
General administration and selling expenses								

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Salaries and other benefits	3,965,647	16,132,252	4,139,730	16,881,820	(174,083)	-4.21%	(749,568)	-4.44%
Donation expenses	490,340	1,994,703	473,321	1,930,203	17,019	3.60%	64,500	3.34%
Utilities and fuel	545,015	2,217,121	475,405	1,938,702	69,610	14.64%	278,419	14.36%
Depreciation	708,888	2,883,756	493,869	2,013,998	215,019	43.54%	869,758	43.19%
Repairs and maintenance	163,594	665,500	150,578	614,057	13,016	8.64%	51,443	8.38%
Business entertainments	101,202	411,690	134,527	548,601	(33,325)	-24.77%	(136,911)	-24.96%
Travelling expenses	61,732	251,126	53,607	218,609	8,125	15.16%	32,517	14.87%
Professional fee	43,271	176,026	47,862	195,181	(4,591)	-9.59%	(19,155)	-9.81%
Board of Directors' fee	247,809	1,008,087	255,530	1,042,051	(7,721)	-3.02%	(33,964)	-3.26%
Office supplies	226,174	920,076	217,231	885,868	8,943	4.12%	34,208	3.86%
Communication expenses	70,924	288,519	68,401	278,939	2,523	3.69%	9,580	3.43%
Other tax expenses	245,156	997,295	368,396	1,502,319	(123,240)	-33.45%	(505,024)	-33.62%
Others	166,110	675,735	359,608	1,466,481	(193,498)	-53.81%	(790,746)	-53.92%
Impairment loss on receivables	415,503	1,690,266	357,234	1,456,800	58,269	16.31%	233,466	16.03%
Investment Property	-	-	174,962	713,495	(174,962)	-100.00%	(713,495)	-100.00%

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Total general administration and selling expenses	<u>7,451,365</u>	<u>30,312,152</u>	<u>7,770,261</u>	<u>31,687,124</u>	<u>(318,896)</u>	<u>-4.10%</u>	<u>(1,374,972)</u>	<u>-4.34%</u>
Operating profit	<u>16,855,124</u>	<u>68,566,644</u>	<u>13,714,267</u>	<u>55,926,781</u>	<u>3,140,857</u>	<u>22.90%</u>	<u>12,639,863</u>	<u>22.60%</u>
Finance costs	(1,142,786)	(4,648,853)	(1,092,390)	(4,454,766)	(50,396)	4.61%	(194,087)	4.36%
Profit before income tax	15,712,338	63,917,791	12,621,877	51,472,015	3,090,461	24.48%	12,445,776	24.18%

For 2021, General and Administrative expenses increased by KHR 1,374,972,000 (USD 318,896) or -4.34% compared to 2020.

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 2021 Compared to The Period Ended 31 December 2020

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	15,712,338	63,917,791	12,621,877	51,472,015	3,090,461	24.48%	12,445,776	24.18%
Income tax expense (b)	3,004,507	12,222,334	2,761,002	11,259,366	243,505	8.82%	962,968	8.55%

Description	Period Ended 31 December 2021		Period Ended 31 December 2020		Change		Change	
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Net profit for the year	12,707,831	51,695,457	9,860,875	40,212,649	2,846,956	28.87%	11,482,808	28.56%
Other comprehensive income	12,686,797	51,609,891	10,079,232	41,103,109	2,607,565	25.87%	10,506,782	25.56%
Effective tax rate (b)/(a)	19.12%	19.12%	21.87%	21.87%				

PPAP Earns Profit After Tax KHR 51,695,457,000 (USD 12,707,831) in 2021 and KHR 40,212,649,000 (USD 9,860,875) in 2020, representing an increase of KHR 11,482,808,000 (USD 2,846,956) or 28.56%. The decrease of effective tax rate of 2.75% from 21.87% in 2020 to 19.12% in 2021, due to the increased in income tax expense KHR 962,968 (USD 243,505) or 8.55%.

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 348,898 TEUs annually as at 31st December, 2021. 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				
	2018	2019	2020	2021	Planning 2021
Container Terminal LM17 (TEUs)	213,571	281,045	290,857	348,898	321,066

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, Sub-Feeder Multipurpose Terminal TS11, Multipurpose Terminal TS3, and Mekong Sentosa Logistic (MSL).
-  Efficiently managing the container yard by reducing the duration of storage of container at the container yard.
-  Efficiently utilizing the terminal by formulating a clear the berthing plan.

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 **18.53%** (5.65% from operation staff and 12.88% from administration staff and other benefits) of total revenue in 2021 which recorded in Cost of Services and General Administration Expense.

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

2.2. Crane Charge

Another large portion of cost of service is crane charges which is **7.71%** of total revenue in 2021. PPAP has signed contract with three business partner in using the Traveling Cargo Crane to provide the handling service. According to the contracts, the percentage of revenue sharing to the business partners drop to 80% after 3 to 4 years of operation. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase. However, crane charge will not significantly affect our profit because the increase in container throughput also lead to the increase in revenue. Table below shows the revenue sharing scheme with the business partners:

Crane Owner	Crane Name	Unit	Capacity (Ton)	% of Revenue To Crane Owner	% of Revenue To PPAP	Date
Sovereign	Floating Crane 1	1	80	80%	20%	01/02/2021-31/01/2022
	Floating Crane 2	1	60	80%	20%	
Jeong Myeong International Co.,Ltd	Traveling Cargo Crane 1	1	41	90%	10%	01/01/2013-31/12/2013
				85%	15%	01/01/2014-31/12/2014
				80%	20%	01/01/2015-31/12/2024
Port Stevedoring Company Limited	Fixed Crane	3	40	90%	10%	07/09/2021-07/09/2024
				85%	15%	07/09/2024-07/09/2025
				80%	20%	07/09/2025-07/09/2041

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

3. Tax analysis

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

3.1. Tax on profit

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

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

PPAP has an obligation to pay import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods, as determined by the General Department of Customs and Excise. According to the Project of Port infrastructure at LM17 in 2021, PPAP will import additional container handling equipment. As such, the expense on import tax will rise.

C- Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent about **92%** of the total revenue in 2021. This revenue increase mainly contributed by the increase of container throughput and number of vessel which mainly due the growth of construction of industry and other commercial industries such as textile, apparel & footwear manufacturing industry. Moreover, the opening of **Cap Mei Hub Port** in Vietnam also contribute to the increase of container throughput from our terminals as it provide a more direct and faster route to East pacific country and U.S West.

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

1. Impact of Exchange Rate

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

2. Impact of Interest Rate

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

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

3. Impact of 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 of 3.1% in 2021 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

For 2021, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved on PPAP's business result reports for 2020
- Reviewed and discussed on the incentive distribution to PPAP's employees and the profit to other fund for 2020 and on resolving cash shortages for current expenditures and investments
- Reviewed and discussed on the dividend distribution plan to Class A and Class B shareholders for 2020
- Reviewed and approved on the arrangement of PPAP's 6th General Shareholders Meeting
- Acknowledged the report on the progress of The City Gate Project of Chean Cheoung Thai Group and The Triumph Project of Yunnan Investment (Cambodia) Co.,Ltd
- Reviewed on the request of the implementation of Sub-Feeder Multipurpose Terminal Tonle Bet Terminal (UM2), Sub-Feeder Multipurpose Terminal LM26, and Sub-Feeder Multipurpose Terminal TS11 development projects and on the construction of Tourist Hall and Terminal.
- Reviewed and discussed on the request for cooperation with the private company on the development of PPAP's sub-terminals: case of the development of Sub-Feeder Multipurpose Terminal TS11 at KM6
- Reviewed and approved on the management of all PPAP's sub-terminals to be managed by Deputy Director General of Business/Operation
- Acknowledged the progress of the expansion of LM17 Container Terminal, Phase 3, Step 1.
- Reviewed and approved on PPAP's Business Result Report for 6 months of 2021.
- Approved on PPAP's request to review and revise the Investment Cooperation Agreement on The Development of Sub-Feeder Multipurpose Terminal TS11 between PPAP and PTL COOPERATION CO.,LTD and submit to both guardian ministries for the approval
- Allow PPAP to make request to both guardian ministries to review and approve on the principle for the investment cooperation with private sector in the development of PPAP's Terminal at Tonle Bet, Koh Rorka, Prek Anchanh, Prek Kdam, Kompong Chhnang, and Chhlong, Kratie Province and other suitable locations in the future
- Reviewed and approved on CCTG's request to delay the payment to PPAP
- Discussed and allow PPAP to make request to Ministry of Public Works and Transport to set the name of "KOH RORKA Multi-purpose Terminal LM26" and the terminal at K'orm Somnor as "K'orm Somnor Terminal LM27"
- Allowed PPAP to transfer 1 pontoon at TS1 to Koh Rorka Terminal to serve the loading operation.
- Reviewed and approved on PPAP's Business Result Report for 10 months of 2021 and estimated result of 2021 and the business/services and financial plan for 2022.
- Allowed PPAP to continue to cooperate with PTL COOPERATION CO., LTD on the development of Sub-Feeder Multipurpose Terminal Tonle Bet UM2 following the principle

for investment cooperation on the development of TS11 Multi-purpose Terminal, by requesting the decision of guardian ministries in advance.

- Approved on PPAP's request to wait for the decision in principle from the Ministry of Economy and Finance before proceeding to lease the land of Lok Chumteav Oknha Seng Keang, located along National Road 6A, Prek Anchanh Commune, Muk Kampoul District, Kandal Province for the development of UM1 Multi-Purpose Terminal.
- Acknowledged report on the development of The City Gate project, CCTG. Meanwhile, PPAP must continue to cooperate and encourage the company to repay debts and perform relevant obligations in the contract.
- Checked and approved the draft of internal regulations on the election of PPAP's employee representatives.

Signature of Director of the Listed Entity

Date...30/03/2022..

Read and Approved by:

Hoi Bavy

H.E HEI Bavy

Chairman of BOD
And CEO

Date...30/03/2022..

Read and Approved by:

Soun Rachana

H.E. Soun Rachana.

Member (Rep. of
Ministry of Public
Works & Transport).

Date...30/03/2022..

Read and Approved by:

Ken Sambath

H.E. Ken Sambath

Member (Rep. of
Ministry of Economy
& Finance)

Date...30/03/2022..

Read and Approved by:

Penn Sovicheat

H.E. Penn Sovicheat

Member (Rep. of
Ministry of Commerce)

Date...30/03/2022..

Read and Approved by:

Gui Anvanith

Mr. Gui Anvanith

Member (Independent
Director)

Date...30/03/2022..

Read and Approved by:

Dith Sochal

Mr. Dith Sochal

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

Date...30/03/2022..

Read and Approved by:

Yim Choern

Mr. Yim Choern

Member (Rep. of PPAP
Employees)

Annex of
Phnom Penh Autonomous Port
2021 Annual Report
Annual Corporate Governance Report

Annex of Phnom Penh Autonomous Port 2021 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	832	1,025,794	4.96%
		Corporation	4	543,830	2.63%
	Foreigner	Individual	301	1,082,530	5.23%
		Corporation	2	70,968	0.34%
From 5% to 30%	Cambodian	Individual	N/A	N/A	N/A
		Corporation	N/A	N/A	N/A
	Foreigner	Individual	N/A	N/A	N/A
		Corporation	1	1,413,751	6.84%
From 30% above	Cambodian	Individual	N/A	N/A	N/A
		Corporation	1	16,547,492	80%
	Foreigner	Individual	N/A	N/A	N/A
		Corporation	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	62,856	0.31%
Employees	44	50,095	0.24%
Total	57	241,814	1.17%

B. Rights of Shareholders and Protection of Shareholders

1. Rights of Shareholders

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

1.1. Rights of Shareholders Holding Class A Shares

- **Rights to Vote:** The shareholders holding Class A share shall be entitled to have full voting rights, with 1 share equal 1 vote.
- **Rights to Dividend:** The shareholders holding Class A share shall be entitled to dividend to be divided among the shareholders holding Class A share and Class B share according to the proportion of shares in each class. Minimum dividend shall be guaranteed only for the shareholders holding Class A share. This guaranteed minimum dividend shall be (distributed) in cash or share at 5% rate of the total Class A share before the Ex-dividend date multiplied by the price of share at the Initial Public Offering (IPO). The distribution of the minimum dividend shall be guaranteed within a period of 5 years from the time PPAP was listed on the Cambodia Securities Exchange. The guaranteed minimum dividend for Class A share shall be transferred from retained earnings by the resolution of the Board of Directors.

(Guaranteed minimum dividend calculated in cash = $5\% \times$ total Class A share held before Ex-dividend date \times 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 \div 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 2021, PPAP's shareholders participated in the 6th General Shareholders Meeting on May 5th, 2021 to acknowledge the results achieved in 2020 and the future plan for 2021, and also participated in the vote to approve the dividends distributed to shareholders 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.	May 5 th , 2021	Ordinary	50+1	<ul style="list-style-type: none"> - Business results achieved in 2020 and future plan for 2021 - Request for review and approval on dividend distribution to shareholders for 2020 	Dividend distribution to shareholder for 2020 is 6.5%

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	2020	2019	2018
1	Announcement Date of Dividend Distribution	5 May 2021	26 June 2020	02 April 2019
2	Record date	20 May 2021	01 July 2020	04 April 2019
3	Dividend Payment Date	28 May 2021	08 July 2020	10 April 2019

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	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 Attended the Meeting
1	March 18 th , 2021	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
2	April 29 th , 2021	Ordinary (Online)	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
3	August 2 nd , 2021	Ordinary (online)	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

4	November 30 th , 2021	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
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B. Board of Directors' Committees

1. Structure of the Board of Directors' Committees

1.1 Audit Committee

N.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Independent Director	Chairman	November 28 th , 2019	4	4
2	State Controller	Vice Chairman	November 28 th , 2019	4	
3	Deputy Director General of Administration/Finance	Member	November 28 th , 2019	4	
4	Head of Planning /Marketing Department	Member	November 28 th , 2019	4	
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

- Reviewed on interim financial report
- Reviewed and approved the quarterly and annual internal audit report for 2021
- Reviewed and approved the departmental plan of internal audit for 2022

1.2 Remuneration and Nomination Committee

N.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Director, Representative of Ministry of Public Works and Transport	Chairman	November 28 th , 2019	N/A	N/A
2	Director, Representative of Ministry of Economic and Finance	Vice Chairman	November 28 th , 2019	N/A	N/A
3	Non-Executive Director, Representative of Private Shareholders	Member	November 28 th , 2019	N/A	N/A
4	Director, Representative of PPAP's Employees	Member	November 28 th , 2019	N/A	N/A
5	Head of Personnel/ HR Department	Member	November 28 th , 2019	N/A	N/A
6	Staff of Personnel/HR Department	Secretary	November 28 th , 2019	N/A	N/A

Roles and Responsibilities of Remuneration and Nomination Committee

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

Performance of Remuneration and Nomination Committee

In 2021, the Remuneration and Nomination Committee of PPAP has no any performance yet.

1.3 Risk Management Committee

N.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Independent Director	Chairman	November 28 th , 2019	N/A	N/A
2	Chief Executive Officer	Vice Chairman	November 28 th , 2019	N/A	N/A
3	Director, Representative of Ministry of Economic and Finance	Member	November 28 th , 2019	N/A	N/A
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 2021, the Risk Management Committee of PPAP has no any performance yet.

2. Changing of Committee Member

In 2021, 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 2021
1	H.E. HEI Bavy	Chairman and CEO	279,098
2	H.E. SUON Rachana	Director	144,000
3	H.E. KEN Sambath	Director	144,000
4	H.E. PENN Sovicheat	Director	144,000
5	Mr. GUI Anvanith	Independent Director	144,000
6	Mr. DITH Sochal	Non-Executive Director Representative of Private Shareholders	144,000
7	Mr. YIM Choeurn	Employee Representative	216,023
8	Mr. MORM Rithy	State Controller	144,000
Total			1,359,121

(Unit: Thousand Riel)

N.	Executive Directors	Position at PPAP	Remuneration for 2021
1	H.E. HEI Bavy	Chairman and CEO	279,098
2	Mr. YIM Choeurn	Employee Representative	216,023
Total			495,121

(Unit: Thousand Riel)

N.	Senior Officers	Position at PPAP	Remuneration for 2021
1	H.E. HEI Bavy	Chairman and CEO	279,098
2	H.E. CHOUN Sokhem	Deputy Director General of Administration/Finance	95,392
3	Mr. KOY Bunthorn	Deputy Director General of Technical	96,532
4	Mr. HIEK Phirun	Deputy Director General of Maritime Service/Traffic	95,392
5	Mrs. HEI Phanin	Deputy Director General of Business/Operation	95,392
6	Mr. KONG Channy	Head of Corporate Secretary	89,794
7	Mr. KEO Sophanara	Head of Internal Audit Department	71,854
8	Mr. KONG Sothea	Head of Administration Department	72,094
9	Mr. SOY Sereysovathanak	Head of Personnel/HR Department	71,464

10	Ms. CHHEAV Vanthea	Head of Accounting/Finance Department	83,434
11	Mr. SAY Chantha	Head of Engineering Department	83,434
12	Mr. CHIEAP Vyraya	Head of Hydrographic Department	71,554
13	Mr. TOL Sokhom	Head of Harbor Department	71,843
14	Mr. CHHIV Songkaing	Head of Machinery Department	71,734
15	Mr. HUN Sokhalay	Head of Planning/Marketing Department	83,614
16	Mr. HOEU Song	Head of TS3 Operation Department	71,674
17	Mr. YIM Choeurn	Head of LM17 Operation Department	216,023
Total			1,720,322

(Unit: Thousand Riel)

No.	Highest Remuneration receiving Officers	Position at PPAP	Remuneration for 2020
1	Mr. HORM Vuthny	Manager of Commercial/TOS Office	61,391
2	Mr. OUK Poly	Manager of Personnel/Training Office	61,391
3	Mr. PRAK Samet	Manager of Port Infrastructure Services	55,590
4	Mr. SOK Channara	Manager of Harbor / AIS System Service	55,530
5	Mr. BOUY Daravuth	Manager of Technical Service	55,350
Total			289,252

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

For 2021, PPAP has no performance evaluation on Board of Directors, Directors, Committee and CEO.

E. Training for Directors and Senior Officers

For 2021, Directors and Senior Officers of PPAP attended the training courses as follows:

No.	Name	Courses	Date of Attending	Venue
Local Training				
1	Mr. KONG Channy Mr. KEO Sophanara Mr. YIM Choeurn Mr. KONG Sothea Mr. SOY Sereysovatanak Ms. CHHEAV Vanthea Mr. SAY Chantha Mr. CHIEAP Vyraya Mr. TOL Sokhom Mr. CHIV Songkang Mr. HUN Sokhalay Mr. HOEU Song	Training on Port General Knowledge	25-29 January 2021	TS3

2	Mr. CHIV Songkang Mr. YIM Choeurn	Training on the use and control of RTG Kalmar	21-25 June 2021	LM17
3	H.E.. HEI Bavy H.E.. CHHOUN Sokhem Mr. HIEK Phirun Mrs. HEI Phanin Mr. KOY Bunthorn Mr. KONG Sothea Mr. CHIV Songkang Mr. HUN Sokhalay Ms. CHHEAV Vanthea Mr. KONG Channy Mr. YIM Choeurn Mr. TOL Sokhom Mr. HOEU Song Mr. SOY Sereysovatanak Mr. CHIEAP Vyraya Mr. SAY Chantha	Training on "Profits from securities trading and related regulations in the securities sector" (online training)	30-31 August 2021	TS3
	Mr. HUN Sokhalay Mr. KONG Channy	Workshop on Dissemination of the Second Progress Report on the Implementation of the Transitional Master Plan on the Connection of Multipurpose Transport and Logistics Systems in Cambodia. (Via online)	20 September 2021	MPWT
Oversea Training				
1	Mr. CHIEAP Vyraya	Training course on "Strategic Port Administration and Management" (For port manager)	12 April-25 May 2021	Japan

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. At the same time, PPAP also formally announced this code of conduct to all employees through orientation training by introducing the flow of operations and work, as well as the main points of the staff's statute and code of ethic of PPAP.

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

As of 2021, PPAP has no mechanisms and procedure for monitoring the implementation of the code of ethic yet. In the event of unethical practices by Directors and Senior officers, the Board of Directors shall review and find a solution. However, employees who make mistakes in violation of the staff statute and ethics will be examined and punished by the Disciplinary Council of PPAP.

D. Transaction with Related Parties

1. Policy for Monitoring Transaction with Related Parties

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

2. Important Transaction with Related Parties

As of 2021, there has no important transaction with related parties for PPAP.

Part 4. Risk Management, Internal Control, and Auditing

A. Summary of Risk Management System or Risk Management Policy

As of 2021, PPAP has no system for Risk Management or Risk Management Policy. As of 2021, PPAP has no official system for risk management or risk management policy yet since we are looking for expert services to prepare for us. In practice, in case of any risk, PPAP's management will meet and discuss to find any solutions before requesting a decision from the Board.

B. Summary of Internal Control

As of 2021, PPAP has no official system for internal control yet since we are looking for expert services to prepare for us. In practice, the Internal Audit Department is responsible for supervising, monitoring, and auditing quarterly and annually in the offices and departments of PPAP by reviewing the implementation of work following plans, statutes, and other legal documents.

C. Auditing

1. Internal Audit

1.1. Role and Responsibility of Internal Audit

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

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

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

As of 2021, 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 2021, 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 applies the principles of Safety, Health, and Environment to implement the environment protection.	PPAP has been implemented the existing principles to ultimately minimize all the negative environmental harms to the surrounding community.
5	Community Interaction	N/A	N/A
6	Creditors' Rights Protection	N/A	N/A
7	Anti-Corruption Program	At each and every PPAP's bidding procedure is strictly required the participation of a representative of Ministry of Finance and Economics and under the observation of officials from Anti-Corruption Unit.	During bidding, PPAP implement bidding procedure with the participation of a representative of Ministry of Finance and Economics and under the observation of officials from Anti-Corruption Unit.

B. Describe the Corporate Social Responsibilities of PPAP

N.	Beneficiaries	Amount	Purpose of CSR
1	Red cross of Kandal Province Branch	KHR 10,000,000	Contribution
2	Red cross of Prey Veng Province Branch	KHR 10,000,000	Contribution
3	Red Cross Headquarters	USD 10,000	Contribution
4	Road construction of 2,553 meter at Prey Veng Province	USD 156,124	Contribution

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No.	Information	Yes/No	Reason
1	Visions/Missions/Objectives	Yes	N/A
2	Financial Indicator	Yes	
3	Non-financial Indicator	Yes	
4	Main Risk Factors	NO	As of 2021, 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 2021, PPAP has contacted with our investors via General Shareholders Meeting.



ចំណតផែនទីរមាបពហុបំណងទន្លេមិន UM២

Sub-Feeder Multipurpose Terminal Tonle Bet-UM2

ភូមិទន្លេមិន យ៉ុងទន្លេមិន ស្រុកតូបេ ខេត្តតូបេ

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

ចំណតផែនទីរមាបពហុបំណង UM១

Sub-Feeder Multipurpose Terminal UM1

ផ្លូវជាតិលេខ ៦A, ភូមិកណ្តាល ឃុំព្រៃកង្វារ ក្រុងមុខកំពូល ខេត្តកណ្តាល

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

ចំណតផែនទីពហុបំណង TS៣

Multipurpose Terminal TS3

#៦៤៩ ផ្លូវស៊ីសុវត្ថិ សង្កាត់ស្រះចក ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផែនទីអ្នកដំណើរ និងទេសចរ TS១

Passenger and Tourist Terminal TS1

ផ្លូវស៊ីសុវត្ថិ សង្កាត់បឹងកេងកង ខណ្ឌដូនពេញ រាជធានីភ្នំពេញ

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

ចំណតផែនទីរមាបពហុបំណង TS១១

Sub-Feeder Multipurpose Terminal TS11

ផ្លូវជាតិលេខ៥ ភូមិស្ពានខ្ពស់ សង្កាត់គីឡូម៉ែត្រលេខ៦ ខណ្ឌឫស្សីកែវ រាជធានីភ្នំពេញ

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

ចំណតផែនទីកុងតឺន័រ LM១៧ និងទីលានស្តុកទុកកុងតឺន័រ

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

ភូមិកណ្តាលលើ ឃុំបន្ទាយដេក ស្រុកកៀនស្វាយ ខេត្តកណ្តាល

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

ចំណតផែនទីរមាបពហុបំណង LM២៦

Sub-Feeder Multipurpose Terminal LM២៦

ភូមិកោះរកា ឃុំកោះរកា ស្រុកព្រះវិហារ ខេត្តព្រៃវែង

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

ទំនាក់ទំនង/ Contact

Email ppapmpwt@online.com.kh

Tel/Fax +855 23 427 802

Website www.ppap.com.kh

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

