



កំពង់ផែស្វយ័តភ្នំពេញ
PHNOM PENH AUTONOMOUS PORT

Annual Report 2024



THE VIEW AT CONTAINER TERMINAL LM17

ក្រុមហ៊ុនចុះបញ្ជីមូលបត្រ
LISTED COMPANY

2024 Annual Report

End 31/12/2024

Phnom Penh Autonomous Port

Vision and Mission

Vision :

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

Mission:

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

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

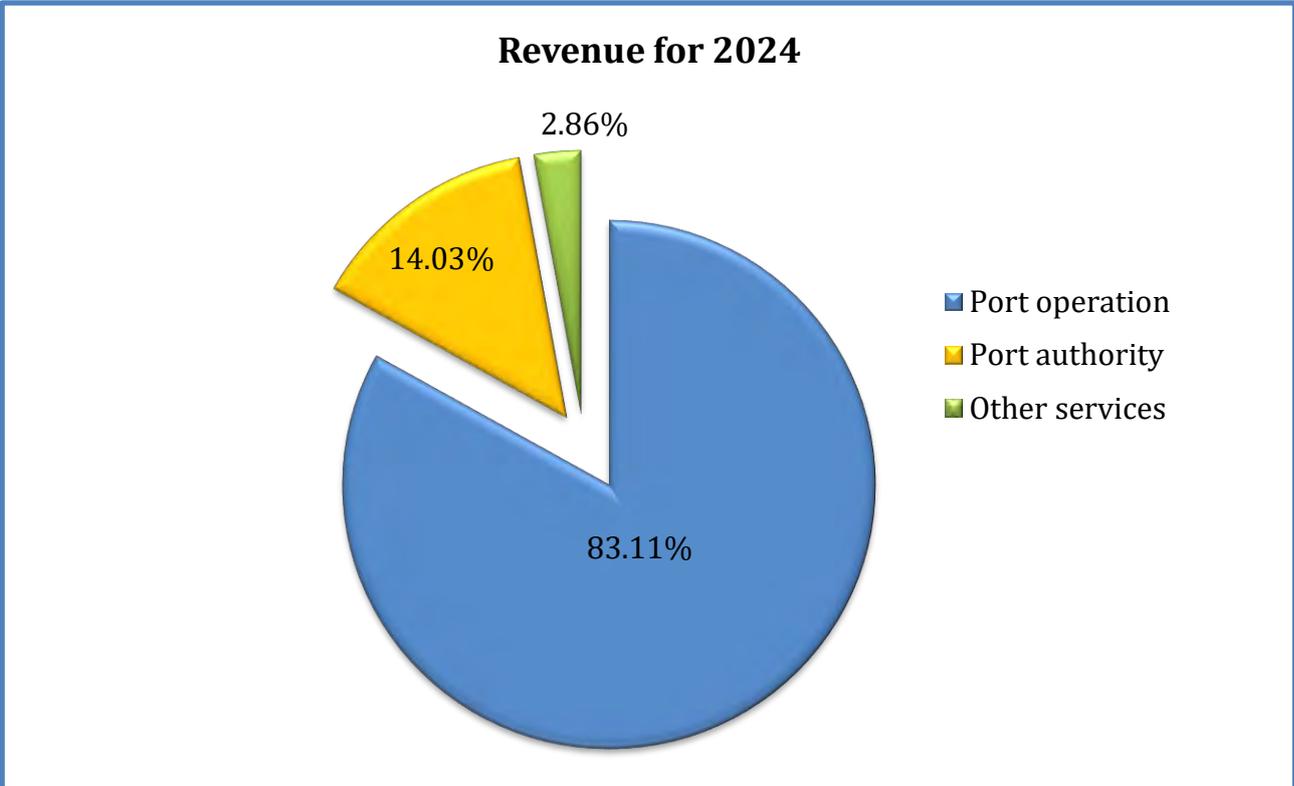
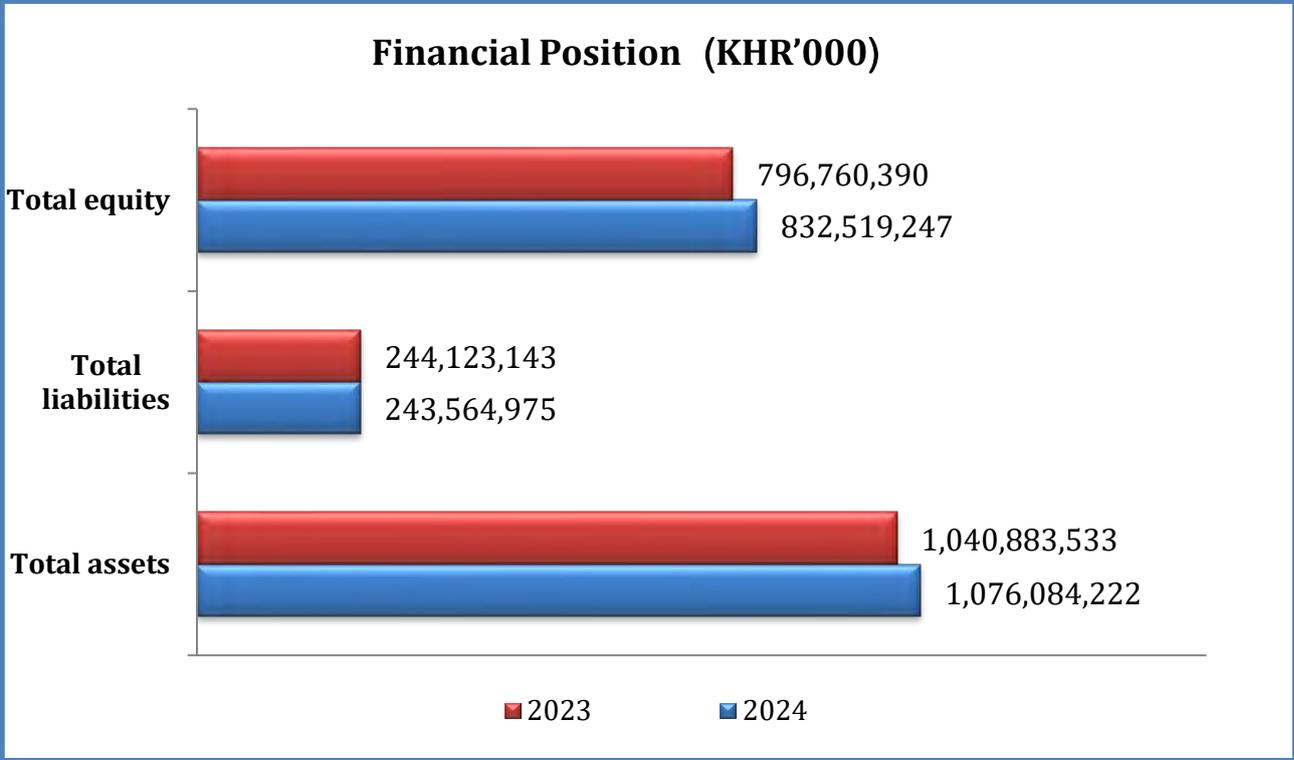
1.1. Financial Highlight

Description		31 December 2024	31 December 2023	31 December (*) 2022 (restatement)
Financial Position (KHR'000)				
Total assets		1,076,084,222	1,040,883,533	1,010,908,085
Total liabilities		243,564,975	244,123,143	241,216,456
Total equity		832,519,247	796,760,390	769,691,629
Profit/(Loss) (KHR'000)		2024	2023	2022 (*) (restatement)
Total revenues		169,305,452	142,035,480	148,815,567
Profit/(Loss) before tax		66,287,666	50,119,132	74,812,274
Profit/(Loss) after tax		52,749,645	38,605,966	59,293,690
Total comprehensive income		40,388,560	31,732,726	68,157,900
Financial Ratios		31 December 2024	31 December 2023	31 December (*) 2022 (restatement)
Solvency ratio (%)		30.58%	23.55%	31.17%
Liquidity ratio	Current Ratio (times)	1.73	1.44	1.85
	Quick Ratio (times)	1.67	1.35	1.77
		2024	2023	2022 (restatement)
Profitability ratio	Return on assets (%)	4.90%	3.71%	5.87%
	Return on equity (%)	6.34%	4.85%	7.70%
	Gross profit margin (%)	61.98%	62.14%	65.82%
	Profit margin (%)	31.16%	27.18%	39.84%
	Earning per share (Riel)	2,550.22	1,866.43	2,866.59
Interest coverage ratio (times)		26.02	17.45	23.34
Dividend per share		-	223.83	223.83

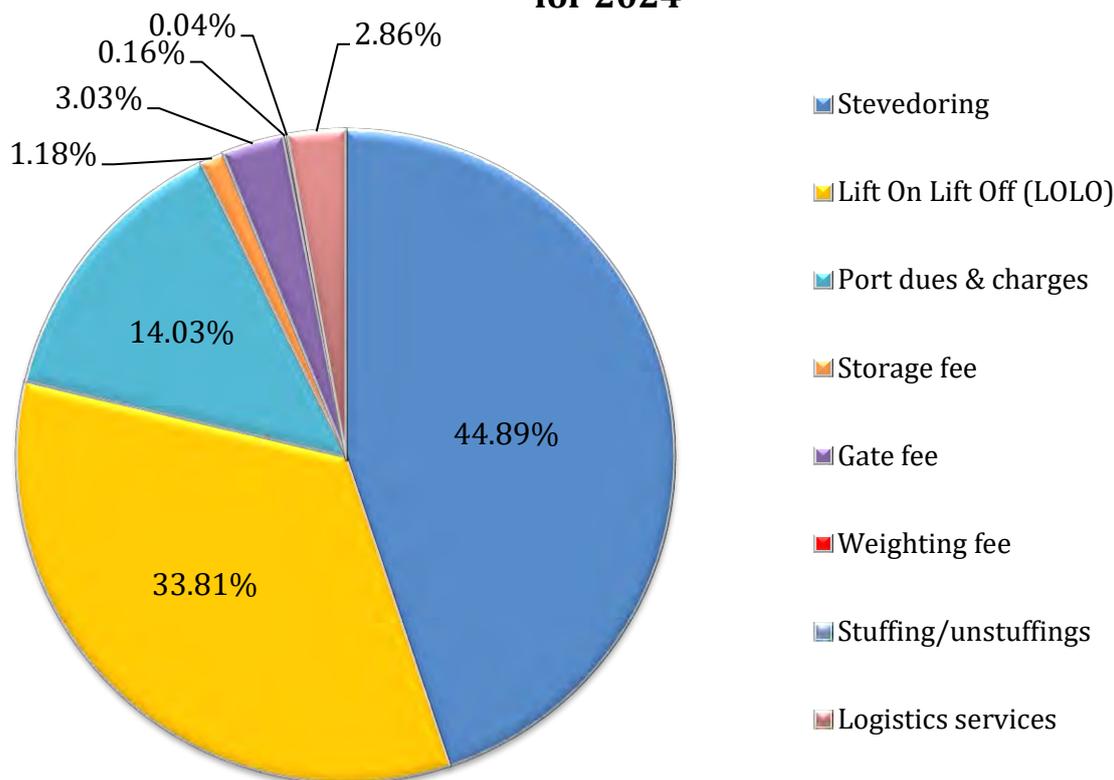
Note: The comparative information has been restated by the independent auditor as below:

- For the period ended 31 December 2022
- For the year 2022 (as of 31 December)

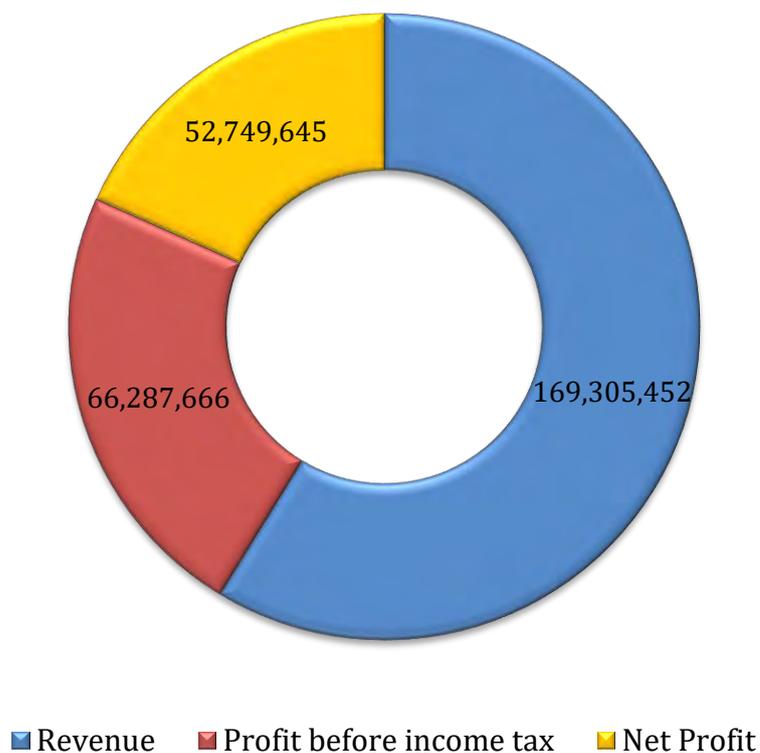
1.2. Graph of Financial Information Highlight (As at 31 December 2024)



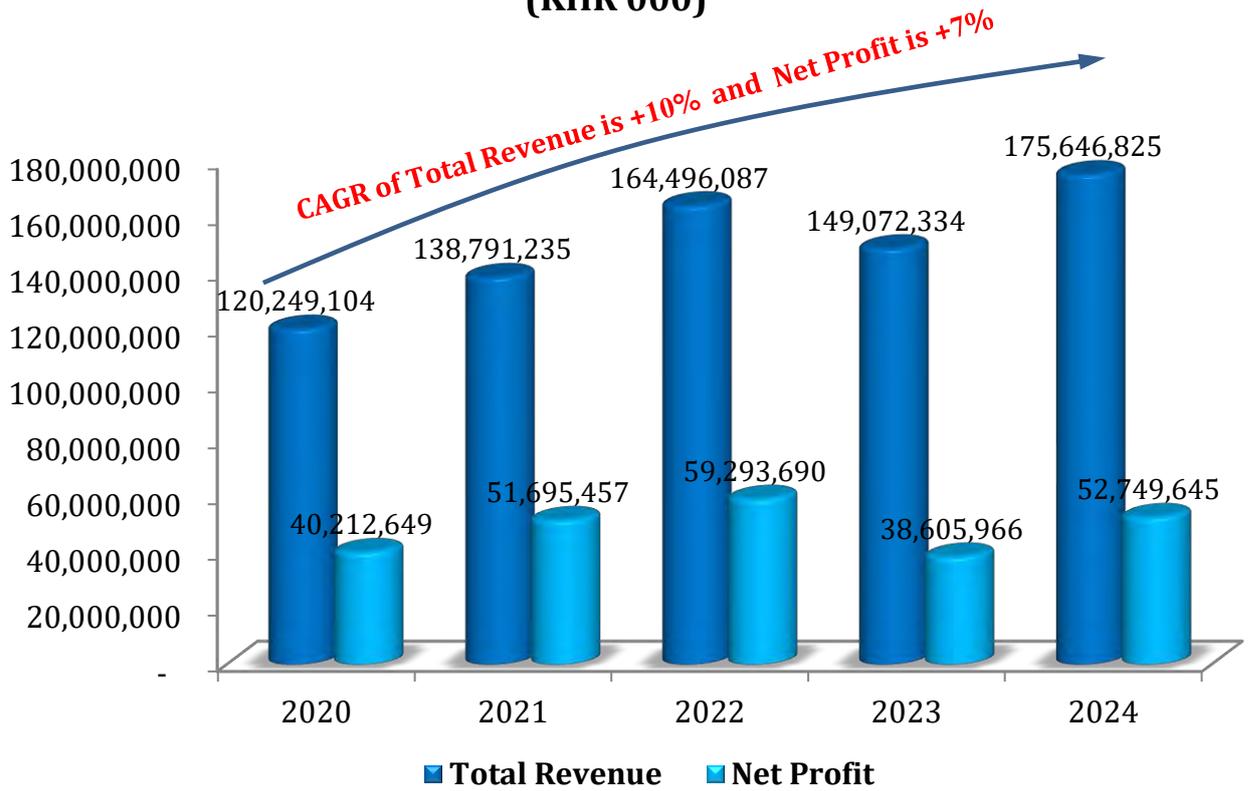
Types of Revenue Distribution Compared to Total Revenues for 2024



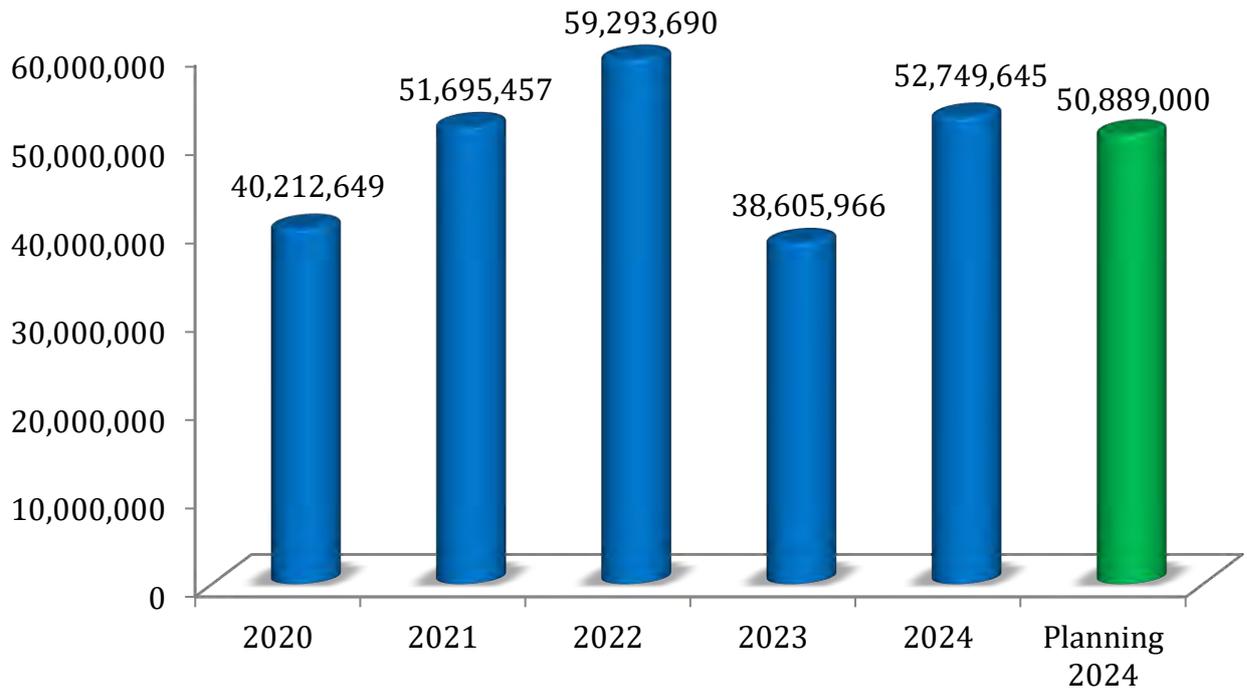
Net Profit for 2024 (KHR'000)



**Compound Annual Growth Rate (CAGR) of Total Revenue
and Net Profit for 5 years from 2020 to 2024
(KHR'000)**



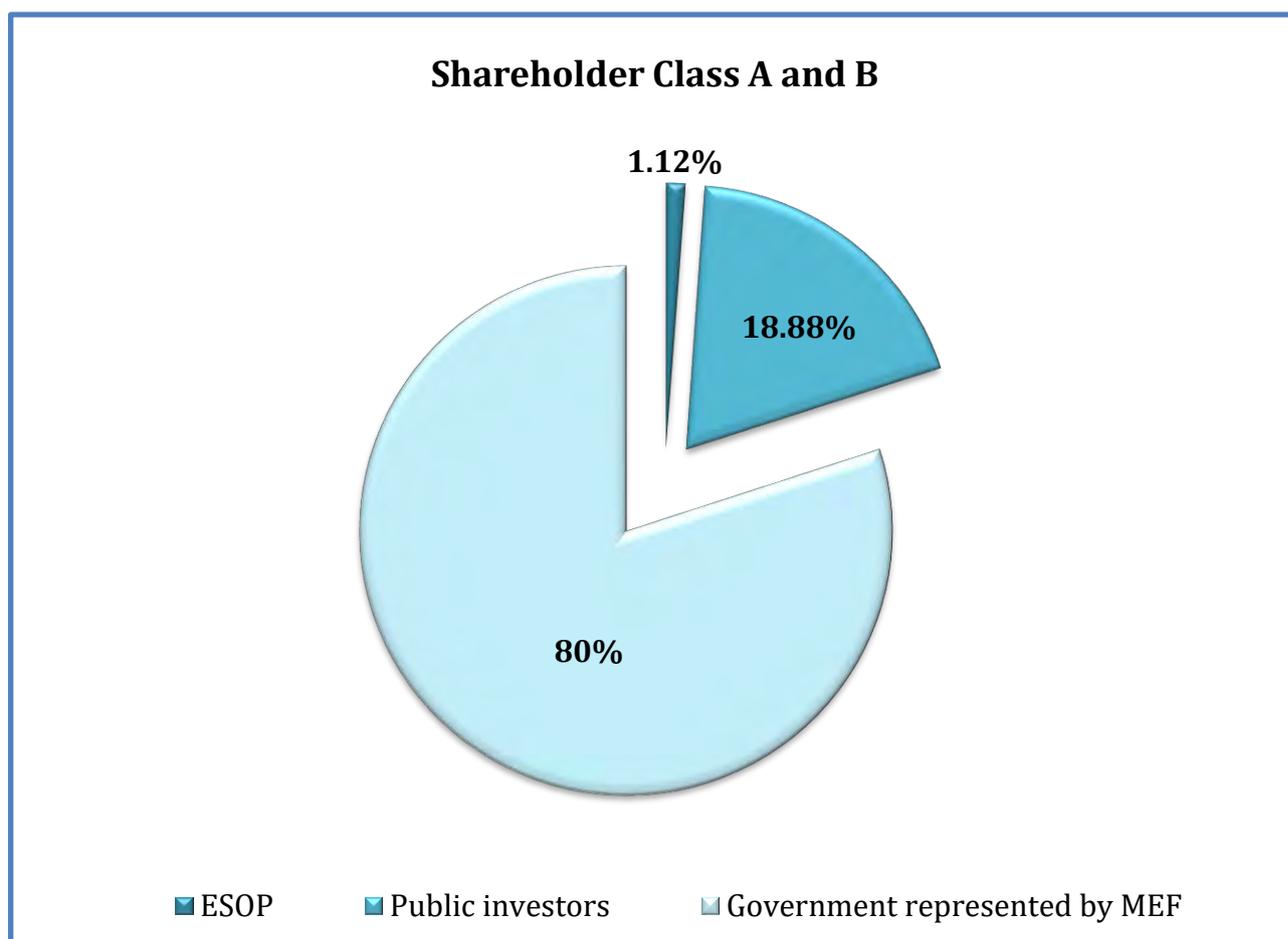
**Net Profit from 2020 to 2024 and Planning 2024
(KHR'000)**



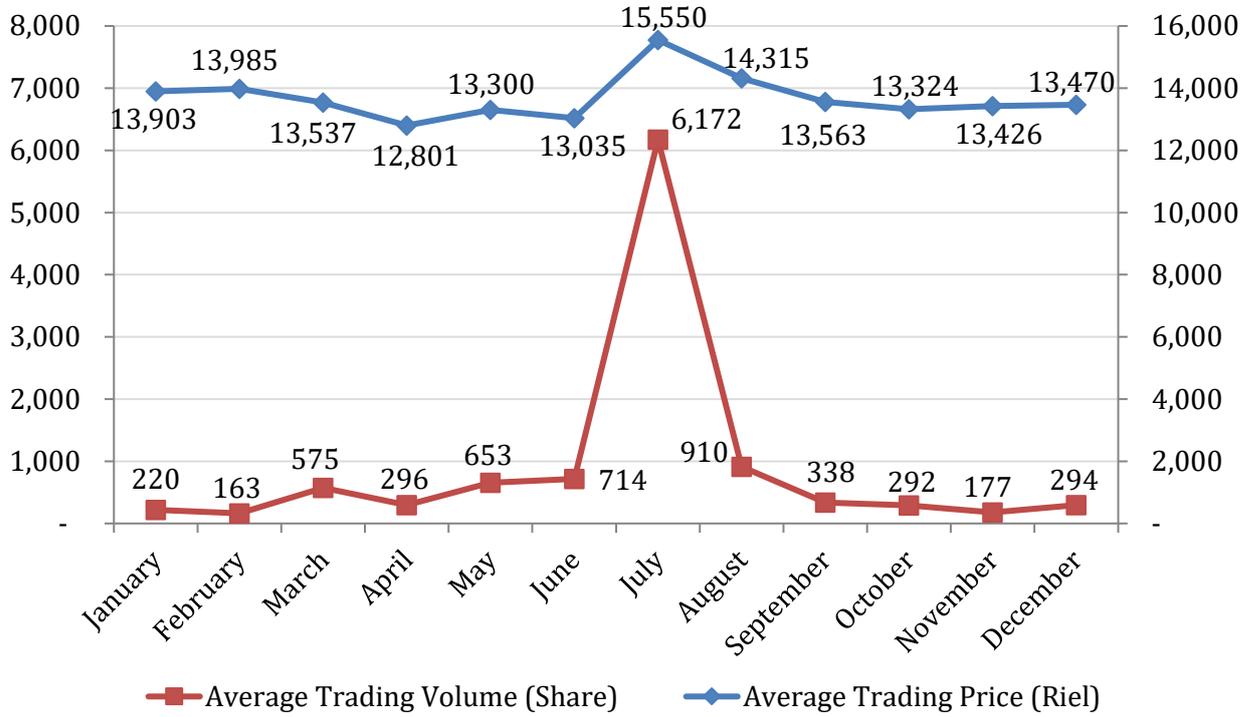
1.3. Stock Ownership (As of 31 December 2024)

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	231,141	1,12%
2. Public investors	3,905,732	18,88%
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 Shares
For 2024**



1.4. Summary of Information on Business Operation Performance (As of 31 December 2024)

Statistics of Vessels Throughput

(Unit)

Description	2024	2023	2022
International Container Vessels	5,690	3,380	3,287
Oil/Gas Tankers	509	479	496
International Curise (IN)	390	303	109
Total	6,589	4,164	3,892

Statistics of Container Throughput

(TEUs)

Description		2024	2023	2022
1.Import	Empty	168,372	131,475	129,662
	Laden	56,335	54,652	63,115
Total (1)		<u>224,707</u>	<u>186,127</u>	<u>192,777</u>
2.Export	Empty	11,235	13,784	15,624
	Laden	244,258	196,314	209,295
Total (2)		<u>255,493</u>	<u>210,098</u>	<u>224,919</u>
Total		480,200	396,225	417,696

Statistics of International Passenger Vessel

(Unit)

Description		2024	2023	2022
International Cruise	Passenger	36,312	25,152	6,947
	Voyage (IN)	390	303	109

2. Board of Directors



H.E HEI Bavy
Chairman of BOD
And CEO



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



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



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



H.E. Gui Anvanith
Member (Independent
Director)



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



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

3. Message from Chairman and CEO

For 2024, revenue is KHR 169,305,452,000 (USD 41,588,173) achieved 102.36% of planning 2024 and compared to 2023 increase by KHR 27,269,972,000 (USD 7,029,662) or +19.20%. Whereas, net profit of 2024 is KHR 52,749,645,000 (USD 12,957,417) achieved 103.66% of planning 2024 and compared to 2023 increase by KHR 14,143,679,000 (USD 3,564,238) or +36.64%.

Apart from this, basic earnings per share for 2024 is 2,550.22 Riels (USD 0.63).

The above achievement is because PPAP has paid 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.

3.1. The Direction of main work implementation of PPAP

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

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

For 2024, the Board of Directors has attended 5 meetings and achieved the following results:

1. The 8th Ordinary meeting of the 8th mandate on March 27th , 2024 and achieved the following results:

- Reviewed and approved the audited financial statements of PPAP for the year 2023
- Reviewed and approved the incentive distribution for PPAP’s employees for the year 2023, which amounts to 3 times the average annual salary and is scheduled to be disbursed on April 8th, 2024. The allocation of net profits to other funds for the year 2023 was also reviewed and approved.
- Reviewed and approved the following:
 - † Distribution of dividends for the year 2023: Shareholders class “A” will receive 6.75% of the IPO price (KHR 5,120) totalling KHR 1,429,703,309 (One billion four hundred twenty-nine million seven hundred three thousand three hundred nine riels), and shareholder class “B”

will receive KHR 3,200,000,000 (Three billion two hundred thousand), in which PPAP must prepare for approval at the annual General Shareholders Meeting.

- † The total dividend per share for both shareholders class “A” and class “B” is KHR 223.83/share, in which the dividend per share for shareholders class “A” is KHR 345.60/share and for shareholder class “B” is KHR 193.38/share.
- Reviewed and approved the organization for PPAP’s 9th General Shareholders Meeting as follows:
 - † Date of Meeting: Friday, 10th May, 2024, at 8:00 am
 - † Record Date: April 9th, 2024
 - † Location: PPAP’s Passenger and Tourist Station of Multipurpose Terminal (TS3), located on Preah Sisowath Quay, Sras Chork Commune, Daun Penh District, Phnom Penh
 - † Agenda: **Agenda 1**, Report on business performance in 2023 and performance targets for 2024; **Agenda 2**, Proposal for review and approval on dividend distribution for the year 2023 to shareholders.

2. The 9th Ordinary meeting of the 8th mandate Board of Directors, held on June 13th, 2024, has reviewed and approved the following resolution:

- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for 5 Months of 2024
- Resolved that PPAP appointed **Mrs. KHOV Chansoma** as Head of Accounting/Finance Department of PPAP and appointed **Mrs. SENG Kunthea** as Deputy Director General of Technical of PPAP. PPAP shall properly prepare the appointing procedures and formally announce the position in accordance with the procedure.
- Approved on the decision for PPAP to invite CHEAN CHHOENG THAI GROUP Co., Ltd. for the discussion regarding the progress of the company’s project, the payment amount that the company is obligated to settle to PPAP, and other concerns of the company, so the Board of Directors to ensure PPAP has a solid foundation for reporting to the two Guardian Ministries, especially Ministry of Economy and Finance.
- Authorized PPAP to shall adhere to the request for the review and approval by the two Guardian Ministries to sign The Investment Cooperation Agreement with PTL S Cooperation Co., Ltd., for the development of Sub-Feeder Multi Purpose Terminal UM1 project and to start implementing the Step 1’s project in 2024.

3. The 10th Extraordinary meeting of the 8th mandate Board of Directors, held on July 29th, 2024, has reviewed and approved the following resolution:

- Permit in principle for PPAP to participate and invest 25% in the Funan Techo Canal Project in the company FUNAN TECHO INLAND WATERWAYS AND LOGISTICS CO., LTD.
- Permit in principle for PPAP to sign the Joint Venture Agreement-JVA between PPAP, Sihanoukville Autonomous Port (PAS) and Funan Techo Canal Investment Co., Ltd. (FTCIC).

- Instruct PPAP to seek approval or wait for the two Guardian Ministries, especially the Ministry of Economy and Finance and the Securities and Exchange Regulator of Cambodia (SERC), regarding the contribution of the capital investment and the signing of the Joint Venture Agreement (JVA).

4. The 11th Ordinary meeting of the 8th mandate Board of Directors, held on September 12th, 2024, has reviewed and approved the following resolution:

- Maintain a consistent stance and uphold the trust of investors who have placed their confidence in the government after receiving approval to invest in Cambodia.
- Acknowledge the investor who holds legal rights under the long-term lease agreement, namely Mr. Chen Taian, Chairman of the Board of Directors of YUNNAN SHENGMAO INVESTMENT (CAMBODIA) CO., LTD., to proceed with the implementation of the Triumph Cambodia Commercial Center development project on the site of a container yard, covering an area of 9.3 hectares, located in Boeng Salang Village, Russey Keo Commune, Russey Keo District, Phnom Penh.
- Instruct YUNNAN SHANGMAO INVESTMENT (CAMBODIA) CO., LTD., to submit a formal request to the Ministry of Commerce for further examination of the compliance with the procedure for the registration of the transfer of 30% of shares, and the amendment of the Articles of Incorporation (AoI) of YUNNAN SHANGMAO INVESTMENT (CAMBODIA) CO., LTD., to another party, for the purpose of verifying the validity of the determination of obligations related to the exercise of rights and the continuation of the agreement with PPAP.
- Authorize PPAP to proceed with continued cooperating with the relevant ministries and institutions in facilitating the resolution of disputes with the involved parties.

5. The 12th Ordinary meeting of the 8th mandate Board of Directors, held on November 21st, 2024, in which the Board of Directors has reviewed and approved as below:

- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for the period of 10 months and the forecast of 2024, also the planning for 2025.
- Reviewed and approved on PPAP’s Procurement Planning for 2025 and permitted PPAP to establish the Procurement Unit in compliance with the Sub-decree No. 13 ANKR.BK dated 23rd February, 2015 of the Royal Government of Cambodia.
- Reviewed and approved on the decision for PPAP to invite the representatives of Yunnan Shengmao Investment (Cambodia) Co., Ltd. and Zheng Chi Investment Management (Cambodia) Co., Ltd. to attend PPAP’s Board of Directors meeting in order to have further detailed discussion regarding the transfer the leasing contract on the 9.3 hectares land (ICD) and the Supplementary contract at a convenient schedule.

3.3 Setting the Goal for Further Implementation

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

- Strengthen the human resource development
- Enhance the establishment of logistics center, modern warehouse and cold warehouse

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

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

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

Phnom Penh, March 31st, 2025
Chairman of BOD and CEO

Hei Bavy

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PART 1

GENERAL INFORMATION OF PPAP

A. Identity of PPAP

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

In Latin : PHNOM PENH AUTONOMOUS PORT (PPAP)

 **Standard Code** : KH1000040001

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

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

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

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

Date: November 23rd, 2004

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

Date : January 5th, 2015

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

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

B. Nature of Business

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

1. Operation as Port Operator

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

- Stevedoring, storage, stuffing/unstuffing, loading/unloading, and transporting the containerized cargoes for the export and import
- Services of pilotage, tug assistance, mooring/ unmooring
- Berthing within Passenger and Tourist Terminal (TS1)
- Services of towing / towing Vessel

2. Operation as Port Authority

As the port authority, PPAP has the roles to :

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

3. Other Services

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

- Dredging service : PPAP has 2 dredging machines for providing the sand from dredging to customers.
- Surveying and installing bouy: PPAP has the services of surveying and installing bouy according to customer needs.

- Container maintenance and repair service: PPAP has the service of container maintenance 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 krorm river 60km, and Tonle Sap river 6km. As an authority within the zone, PPAP oversees the private terminals including petroleum/gas terminals and other general cargo terminals. PPAP also manage and operate our 6 main terminals such as :

4.1. Terminal which are operating

4.1.1 Container Terminal LM17

In 2024, PPAP completed the expansion project of the container terminal, Phase 3 and Phase 2, so after the construction of the above project is completed, the container terminal LM17 has a container handling capacity of up to 500,000 TEUs per year. At the same time, Container Terminal LM17 will continue to develop the Phase 4 expansion project which is divided into 5 steps ,starting from 2024 to 20277. After the completion of the entire Phase 4 expansion project, the Container Terminal LM17 will increase its container handling capacity by an additional 400,000 TEUs (Total 900,000 TEUs). The Container Terminal LM17 currently has 3 jetties, Jetty No.1: 300m x 22m, Jetty No.2: 149m x 12m, Jetty No.3: 149m x 16m, and equipped with 4 TCC cranes, 4 FCC cranes, and 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	393,408.57 m ²
Registered land size	380,812.00 m ²
Size of the processing land title	12,596.57 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, Tyred Gantry, Folk-Lift, Reach Stacker Cont-stacker, Sky Stacker & Empty Reach Stacker, Truck and Terminal Tractor.

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

4.1.2. Multipurpose Terminal (TS3)

Multipurpose Terminal (TS3) was PPAP's main port for general container cargoes and for tourism. Due to TS3 Terminal's limited capacity to accommodate the continual growth of container traffic, PPAP has invested in developing a new container terminal (LM17). Since the completion of LM17, TS3 has been converted into a multipurpose terminal. While it mainly handles general cargoes, it also serves as a passenger terminal. Currently, PPAP has been preparing to transform this port into an international passenger and tourist port, with the construction of a waiting hall and a tourist station (Tourist Hall), which had completed in April 2023.

Address	#649, Preah Sisowath Street, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh
Terminal location	Located at the right bank of Tonle Sap, 3.2km from the intersection of the Chaktomuk River (11°34'59.68"N and 104°55'17.41"E)
Register land size*	85,846 m ²
Berth	3 (5,000 DWT)
Anchorage	Between 5m and 15m in depth, anchorage is available at 11°33'46.98"N and 104°56'34.57"E, in front of the terminal in the Tonle Sap River and also in the Chaktomuk quarter area (mud and sand bottom, strong current during the rainy season).
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS3 depends on being able to cross the bar at Cua Tieu)
Hours of Operation	7days/24hrs

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-industry from the south downtown to Vietnam country.

Sub-Feeder Multipurpose Terminal UM2 play an important role in order to gathering the inland waterway transportation and cargo trading. Curently, PPAP completed the construction of a 12-meters by 46.9-meters wharf also finished construction Phase I and Phase II step I of infrastructure and also plans to implement the Phase II Step II in 2025.

Address	Doun Mau Leu Village, Tonle Bet commune, Thbong Khmom district, Thbong Khmom province
Terminal location	Located at the left bank of the Mekong River and 103km upstream from the intersection of the Chaktomuk River (11°57'47.73"N and 105°28'33.13"E)
Total land size	240,404.84 m ²
Register Land Size	160,725.00 m ²
Size of the processing land title	79,679.84 m ²
Berth	1 (pontoon; 6m x 28m) 1 (5,000 DWT)
Anchorage	Between 6m to 20m in depth, anchorage is available at 11°58'43.41"N and 105°28'9.58"E (mud and sand bottom, strong current during the rainy season).
Tidal effect	No effect
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to UM2 depends on being able to cross the bar at Cua Tieu)
Channel depth	Draft of 4.5m during the dry season; subject to regular maintenance from the intersection of the Chaktomuk River to Kampong Cham via the Sdao Channel (3.5km long and 60m wide)
Hours of Operation	7days/24hrs
Handling equipment	Mobile crane, FCC Crane, Pontoon.

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

4.1.4. Passenger & Tourist Terminal (TS1)

TS1 is the main passenger terminal for PPAP. From TS1, people can travel to many domestic ports in other provinces as well as Vietnam. In 2024, the total of 192,238 passengers transited at TS1. The figure includes all passenger travels from Phnom Penh to domestic ports, Phnom Penh to Vietnam, and tours of the Mekong River near Phnom Penh.

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

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

4.1.5. Sub-feeder Multipurpose Terminal TS11

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

Address	Located along the NR5, Kilometer 6 commune, Russey Keo District, Phnom Penh.
Terminal location	Located along Tonle Sap river and approximately 3km from conjunction of the Chaktomuk quarter (11°37'34.6"N and 104°54'29.4"E)
Total land size	12,533 m ²
Berth	1 (5,000 DWT)
Tidal effect	No effect
Anchorage	The anchorage si available at two location: -First Location is available at 11°34'26.6"N and 104°55'50.4"E -Second location is available at 11°33'39.9"N and 104°56'50.7"E Located at the conjunction of Chatomuk quarter because the riverbed of TS11 is narrow that is difficult for anchorage.
Permitted drafts	Varies from the minimum level of 4.5m in March to the maximum level of 5.5m in September (draft for a vessel proceeding to TS11 depends on being able to cross the bar at Cua Tieu)

Hours of Operation	7days/24hrs
Handling equipment	Crawler crane, Fixed Cargo Crane, Constacker, Fork-Lift, Truck & Terminal Tractor

4.1.6. Sub-feeder Multipurpose Terminal LM26

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

Currently, the port has expanded the sand-laying infrastructure, filling the conveyor yard and designing other port infrastructure to meet the needs of the two countries' inflows and outflows and connecting waterways for work. Export to the global market more efficiently, as well as contribute to reducing logistics costs and impact on land use. In addition, the Sub-feeder Multi-Purpose Terminal LM26 has been developing various infrastructure construction works to be fully prepared for the first phase of container loading in 2025.

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	144,750 m ²
Register land size	105,192 m ²
Size of the processing land title	39,558 m ²
Anchorage	The anchorage is available at two location: -First Location is available at 10°56'01.9"N and 105°11'17.6"E -Second location is available at 10°55'10.1"N and 105°11'24.4"E
Tidal effect	No effect
Hours of Operation	7days/24hrs
Facilities	Mobile crane , Floating crane and Conveyer

4.2. Terminal which are planned to develop at the future

4.2.1. Sub-feeder Multipurpose Terminal UM1

Sub-feeder Multipurpose Terminal UM1 covers an area of 3.8 hectares, which is a strategic location in Prek Anchanh Commune, Muk Kampoul District, Kandal Province. This multi-purpose terminal is planned to be set up to boost water transport, boosting the growth of goods passing through the PRC. Reduce transportation and logistics costs, find additional sources of revenue, establish a collection and distribution point for goods through water and land transport links, increase the competitiveness of PWR. Reduce port and inland waterway transport services to consumers, facilitate better trade, promote national economic growth and attract investment, facilitate and reduce the use of

roads, bridges and create Additional job opportunities for Cambodians. Therefore, Sub-feeder Multipurpose Terminal UM1 has played an important role as a gathering place for water transport activities and a place for exchanging local and foreign goods. The Sub-feeder multi-purpose terminal UM1 project is being developed for the handling of container for the first time by the end of 2025.

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

4.2.2. Sub-feeder Multipurpose Chhlong (Kratie)

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

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

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

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

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

4.2.5. Sub-feeder Multipurpose Kampong Chhnang

Address	Kandal Village, Sangkat Kampong Chhnang, Kampong Chhnang City, Kampong Chhnang Province.
Total land size	3,150,000 square meters
Tidal effect	from 0.10 m to 0.3 m
Channel depth	4.50 m
Hours of Operation	7days/24hrs

4.2.6. Sub-feeder Multipurpose Kampong Chhnang-Kampong Thom

Address	Kampong Boeng Village, Kampong Hao Commune, Kampong Leng District, Kampong Chhnang Province.
Total land size	250,000 square meters
Tidal effect	from 0.10 m to 0.3 m

Channel depth	4.50 m
Hours of Operation	7days/24hrs

4.2.7. Sub-feeder Multipurpose Prek Kdam

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

4.2.8. Sub-feeder Multipurpose Sovannaphum LM25

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

4.2.9. Sub-feeder Multipurpose Kdar Bontear LM5

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

C. Group Structure of PPAP

As of 2024, there has no group structure of PPAP.

D. Significant Event in 2024

As of 2024, there has no any fiscal year key events.

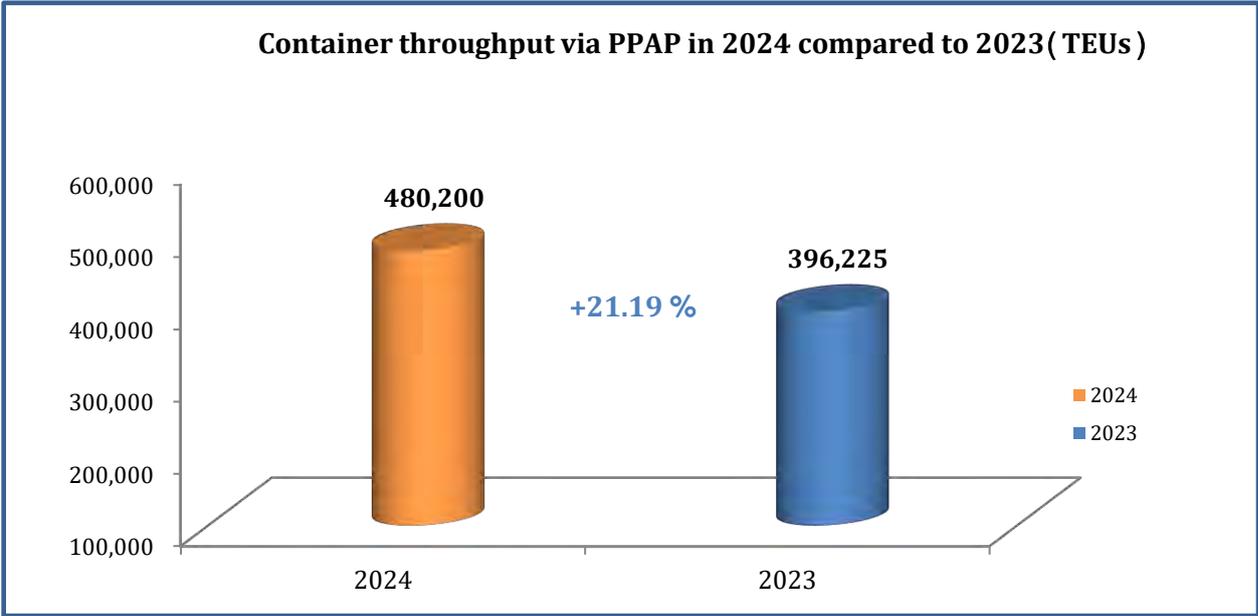
E. Market Situation

In 2024, the market situation of the PPAP is more prosperous than last year, as the war crisis and global economic uncertainty that affected all sectors, including the transportation sector in Cambodia, have eased. The main market for the PPAP is dependent on the growth of the real estate and tourism sectors in the country and orders for textile goods from abroad, especially the United States. In fact, PPAP's market in 2024 the real estate sector, the textile sector, and the supply chain in the regional and international markets appear to have positive growth, causing the volume of containers passing through the A. S. P. to increase by 21% compared to 2023.

The growth of cargoes throughput via PPAP in 2024 resulted from the continuation of imports of garment raw material, which increased by 11% compared to total imports but increased by 1% compared to 2023. Exports of garments increase by 70% of total exports but increased by 33% compared to 2023. (According to Graphics 1, 2, 3 and 4 of the Planning/Marketing Department).

The imports of cargoes via PPAP in 2024 were from China, which decreased by 10% but imports of cargoes from Malaysia increased by 62%, Korea increased by 21%, and Vietnam increased by 59%, compared to 2023. In particular, exports to China increased by 89%, Japan increased by 16%, United States increased by 27% and Canada increased by 4% compared to 2023.

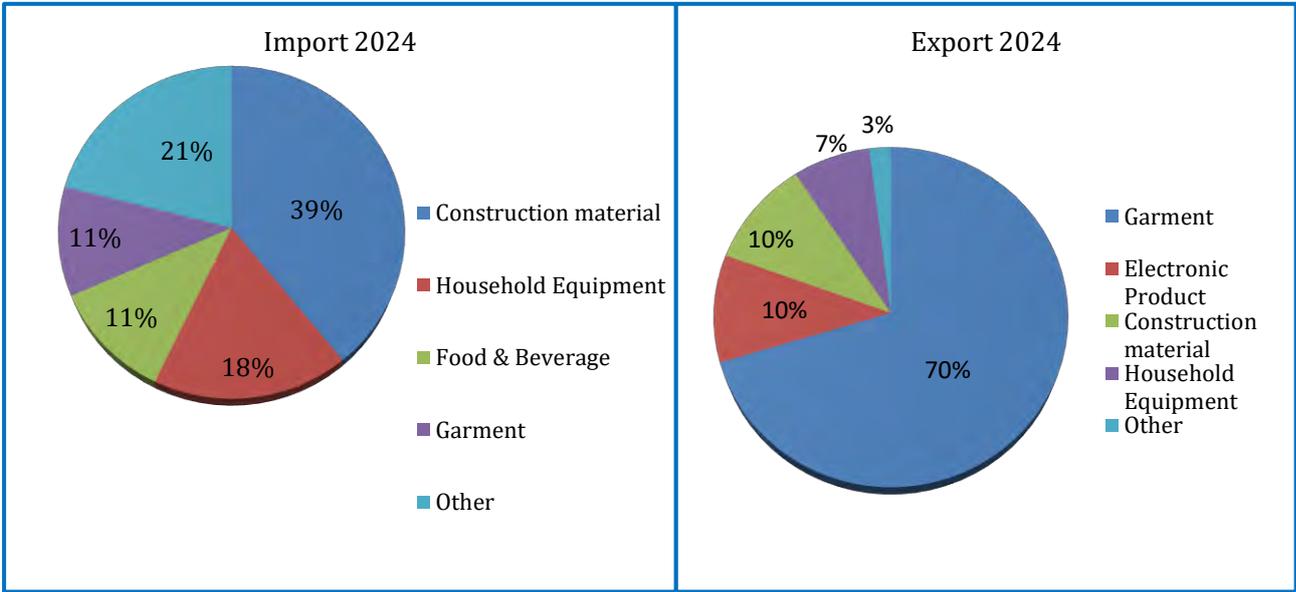
Graphic Number 1



(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

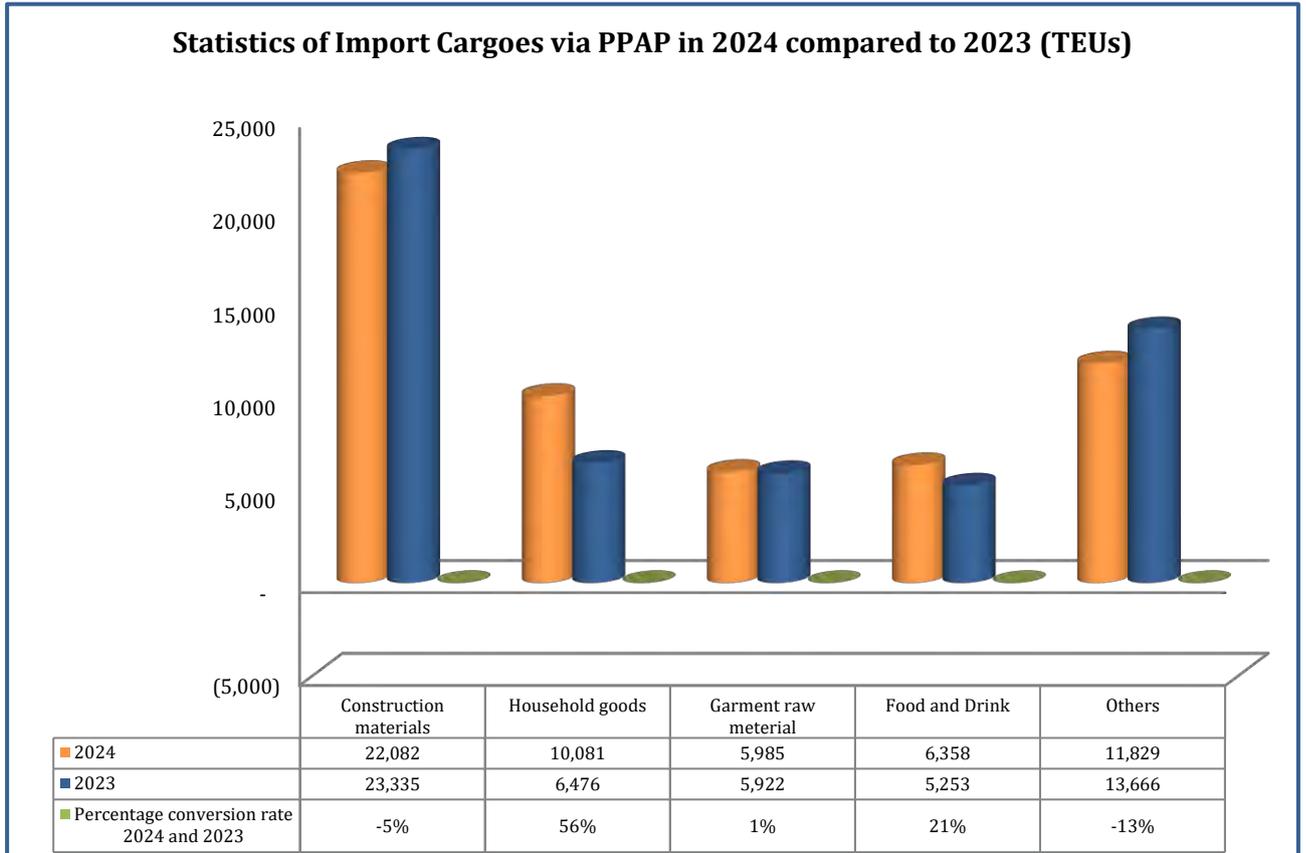
Graphic Number 2

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



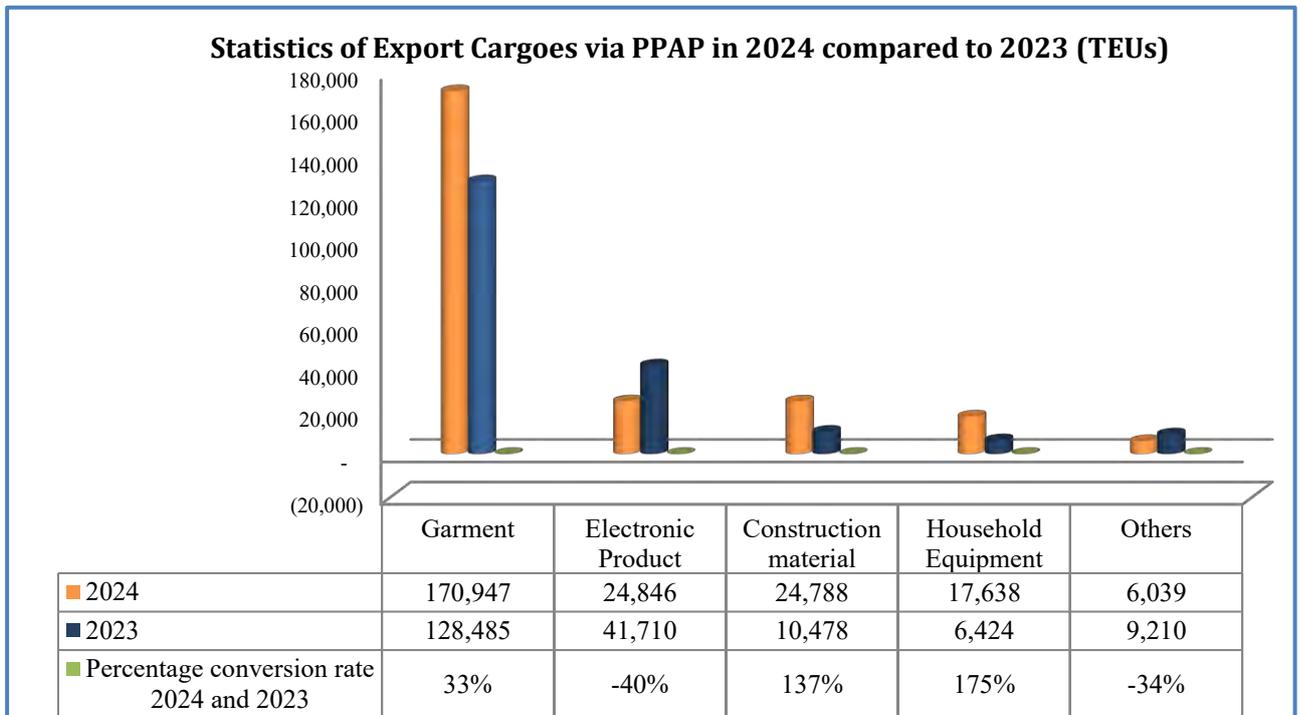
(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

Graphic Number 3



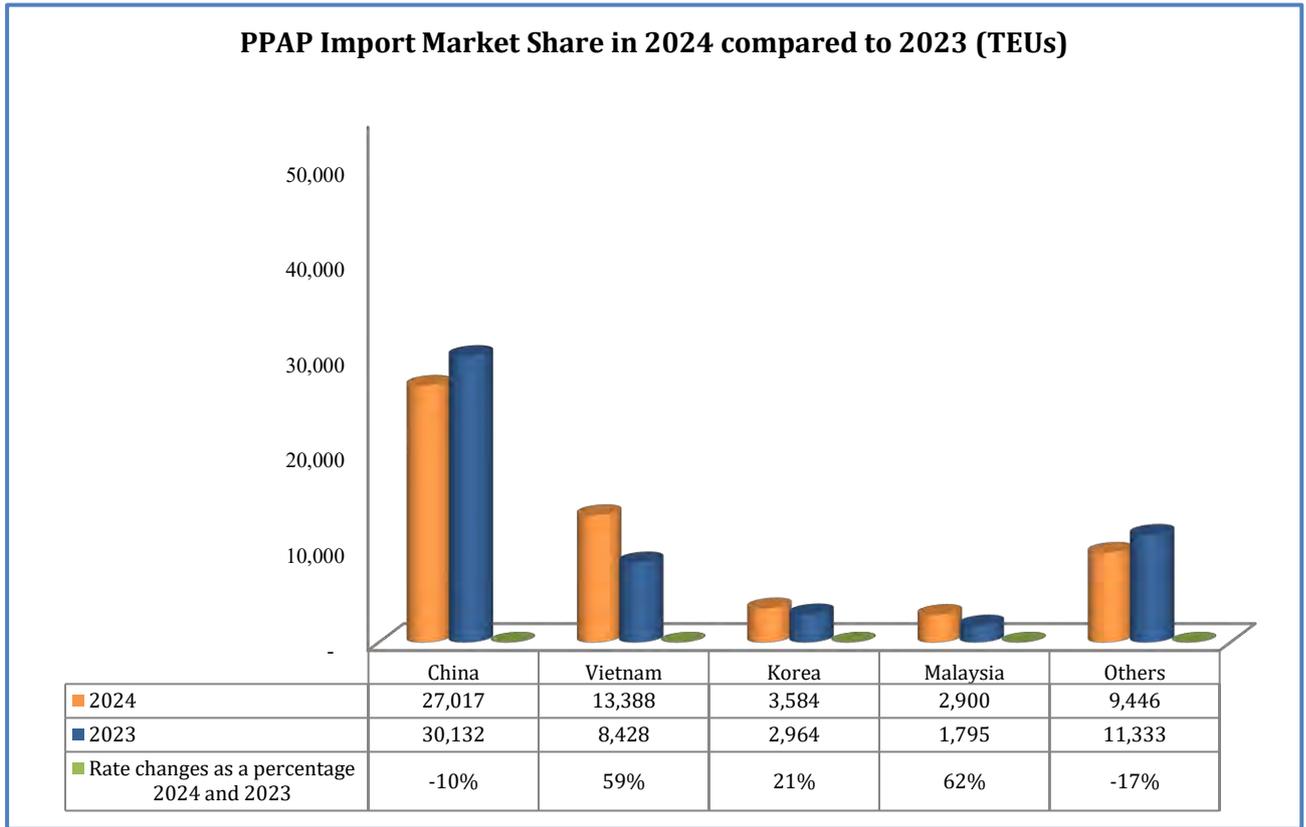
(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

Graphic Number 4



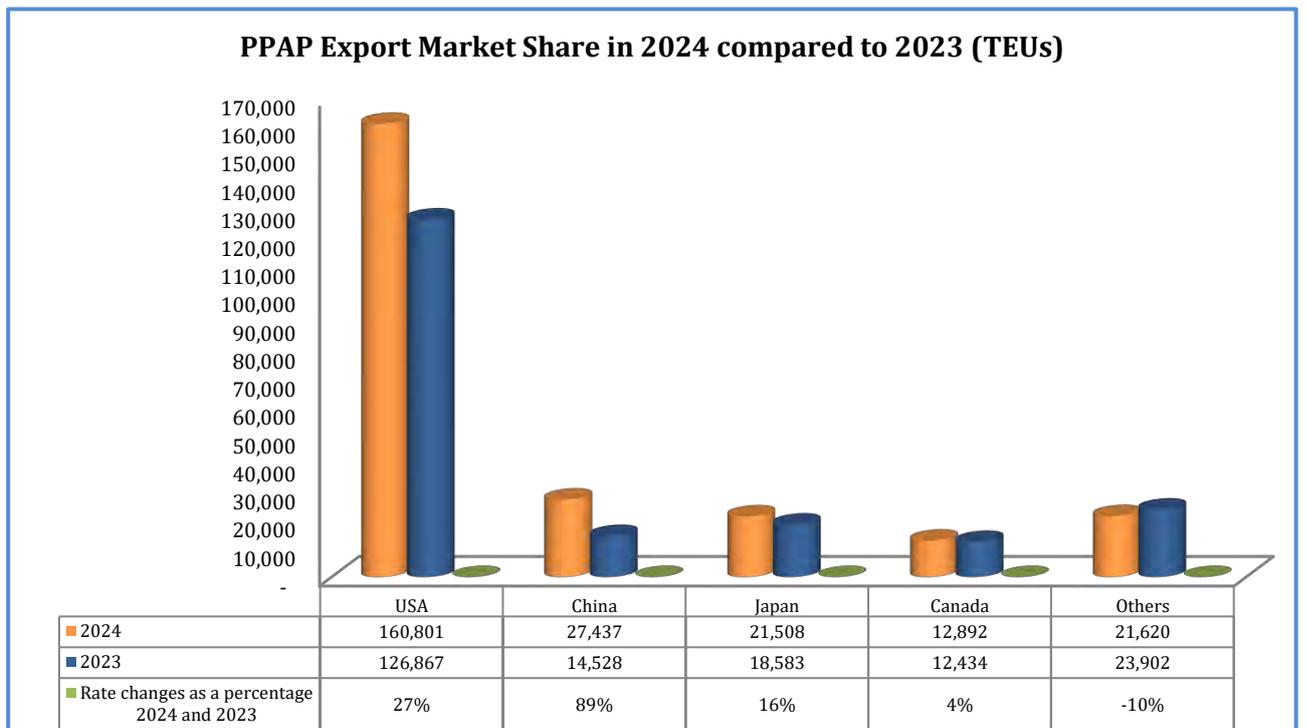
(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

Graphic Number 5



(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

Graphic Number 6



(Source: 2024 and 2023 data Planning / Marketing Department of PPAP)

F. Competitive Situation

PPAP is an international river port with container service and container loading and unloading services for customers. In 2024, due to Cambodia's economy growth with supply chains in regional and international markets become more better, So the volume of containers passing through the PPAP has increased, making the market and cargo transportation sector in Cambodia highly competitive. 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 2024 , Continue to provide the Exemption of Service Charges for loading and storage services for containers Agricultural products. In particular, PPAP has provided a Preferential Price for free gate fees for transportation containers of Rice products through the PPAP and beyond. In parallel, PPAP has also provided a discount on (LOLO) Services of Charges 2USD/Container for Laden Containers and Exemption of Storage Charges for Import–Export of Empty Containers at all terminal of PPAP

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:

- On Facebook Pages, Website publishing, calendar, business cards, leaflets, souvenirs and business information books (by the Cambodian Chamber of Commerce);

- Dissemination of information at workshops, trainings and meetings;
- Dissemination of corporate information of PPAP through the Cambodia Securities Exchange
- The strategy of advertising directly to customers namely transport companies to promote and strengthen relationships. These means are comprehensive sources of information that help customers know and use of services of PPAP in the market.

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 2024 is still strong, attractive and always moving forward to attract customers to continue to use the services of PPAP.

G. Future Development Plans

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

Projects Title	Port Infrastructure development Phase IV, Step 1
Description	Between 2019 and 2024, the average number of containers passing through increases by about 11% each year. Due to the current number of containers passing through LM17 480,200 TEUs in 2024 increases by about 9% compared to Planning 2024 (440 000 TEUs) . PPAP forecasts that the demand for container handling will grow to 520,000 TEUs by 2025. Such volume requires more proper port facilities and equipments
Port Infrastructure development Phase IV, (2024-2027)	
Objective	To ensure the port capacity to handle containers that are increasing every year
Expected Output	Increase annual capacity to 900,000 TEUs/year at LM17
Project Location	Northern part of Container Terminal LM17
Project and Size	10 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	Port Infrastructure Development Project Phase 4 is expected to cost approximately 168,610,690,000 Riels with the following projects: <ul style="list-style-type: none"> - Construction of 7-lot container storage yard - Construction of 2-lot empty container storage yard. - 1 lot of parking - Construction of 14 additional RTG roads - Construction of 1,962 meters of rubber and concrete roads inside and outside the field - Construction of a 16-meter-by-149-meter-wide

Projects Title	Port Infrastructure development Phase IV, Step 1
	<ul style="list-style-type: none"> - Pier bridge for 2 (FCC footrest, size 9m x 10m) - 2 of Dolphin bases - 403 meters of river bank work - Construction for 6 of 35-meter light poles - Embedded drainage, water pipes, fire hoses and camera system - 7 (RTGs) and 2 (FFCs) - Container Truck 10 units, Container Truck 10 units
Source of Finance	PPAP Development Fund
Project Timeframe	2024-2027
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

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

Projects Title	Port Infrastructure development Phase 2
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.
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 - Freight transport by water has increased - Become a place to collect and distribute agricultural products and construction materials - The use of inland waterway transport services has increased due to lower shipping costs due to shorter shipping lines via direct delivery to the main port.
Project Location	Tonle Bet village, Tonle Bet commune, Tonle Bet Disrict, Tboung Khmum Province

Projects Title	Port Infrastructure development Phase 2
Project and Size	18 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>Infrastructure Development Project Phase II of UM2 Multi-Purpose Satellite Terminal is planned to cost a total of 33,075,500,000 Riels with the following construction projects:</p> <p>I. CPF budget Total of 10,375,000,000 Riels:</p> <ul style="list-style-type: none"> - Pour sand to expand the pitch to 635,000 cubic meters - Solve the policy of people's houses next to the river near the pier <p>II. Investment partner budget of 22,700,500,000 Riels:</p> <ul style="list-style-type: none"> - Construction of port bridge - Port Bridge hand - The foundation is equipped with FCC support and 1 FCC support - 1 Dolphin - River bank - Construction of other infrastructure
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2023-2026
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

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

Projects Title	Port Infrastructure development Phase 1
Description	Based on government's policy to encourage inland waterway transportation and to boost agricultural exports, construction materials and other retail goods, the Sub-Feeder Multipurpose Terminal UM1 is a strategic location for the collection of agricultural products from The province is located in the northeast of Cambodia.
Objective	<ul style="list-style-type: none"> - To establish the hub for agricultural products and to promote inland waterway transportation. - Additional Port infrastructure will meet the desired of customer demand - Establish a collection and distribution point for goods through the

Projects Title	Port Infrastructure development Phase 1
	<p>transport link between waterways and land</p> <ul style="list-style-type: none"> - Increasing the competitiveness of PPAP - Reduce port services and water transport to closer users.
Expected Output	<ul style="list-style-type: none"> - Inland waterway transportation will be increased - Become a hub for agricultural products export Job opportunities for local residences. - Freight transport by water has increased Become a place to gather and distribute agricultural products, construction materials and other retail goods - The use of inland waterway transport services has increased due to lower shipping costs due to shorter shipping lines via direct delivery to the main port.
Project Location	Prek Anchanh Commune, Muk Kampoul District, Kandal Province.
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>The first phase of infrastructure development project of UM1 multi-purpose satellite terminal is planned to cost a total of 30,544,000,000 Riels, with the following construction projects:</p> <ul style="list-style-type: none"> - Bridge size 8m x 10m - Land infrastructure - Container storage capacity of 60,000 TEUs / year - Cargo Vessel from 2000-3000 tons can dock - Lifting capacity between ship and truck 20 MPH - 36 Plugs for refrigerated containers - Equipped with 1 FCC reference on pontoon - Equipped with 1 Reach Stacker machine - Forklift 6 tons on the field - Forklift 3.5 tons in warehouse
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2025-2026
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 Multi-Purpose Terminal TS3

Projects Title	Port Infrastructure development of Multi-Purpose Terminal TS3
Description	Multipurpose Terminal (TS3) was PPAP's main port for general and container cargoes. Due to TS3 Terminal's limited capacity to accommodate the continual growth of container traffic, PPAP has invested in developing a new container terminal (LM17). Currently, PPAP is renovating this terminal to be an international passenger cruises and tourist terminal.
Objective	To Construct a standard Passenger and International Tourists Terminal.
Expected Output	<ul style="list-style-type: none"> - To promote the inland waterway transportation - To increase the number of passenger and tourists by using inland waterway transportation.
Project Location	Sras Chork Commune, Daun Penh District, Phnom Penh
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	Collaborate with development partners to build an administrative building with a planned investment of 99,600,000,000 Riels
Source of Finance	PPAP development fund
Project Timeframe	2023-2024
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	Additional employment opportunities will be generated
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 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.

Projects Title	Port Infrastructure development
Expected Output	<ul style="list-style-type: none"> - The number of inland waterway transportation will be increased. - Become the strategic location for collection and distribution of agricultural products and construction materials.. - Cost of transportation will be decreased because of the direct export to the hub port. - Job opportunities for local residences.
Project Location	Koh Roka Commune, Peam Chor District, Prey Veng Province
Project and Size	12 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	<p>CPF budget Which is planned to spend the total amount 27 597 500,000 Riels with projects such as:</p> <ul style="list-style-type: none"> -Expansion of port infrastructure - Construction of port bridge - Construction of river bank -Construction of various infrastructure for operation (construction of container yard, road, water system, electricity, drainage system ...
Source of Finance	PPAP development fund
Project Timeframe	2024-2025
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Enviromental Impact	There is no indication of any environment issues
Follow up action required	Appoint a working group to follow up project implementation

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

Projects Title	Port Infrastructure development Multipurpose Terminal TS11
Description	To play as a sub-feeder port for General and Container Cargo.
Objective	To be more convenient for handling, storage and other port services.
Expected Output	To increase the handling capacity of PPAP
Project Location	Kilometer 6 commune, Russey Keo District, Phnom Penh.
Project and Size	4 Hectares
Implementing Agency	Phnom Penh Autonomous Port (PPAP)
Budget Required	Construction of infrastructure for the Phase 2 of operations is planned to cost 15,686,624,000 KHR.

Projects Title	Port Infrastructure development Multipurpose Terminal TS11
	Investment partner budget of 3,320,000,000 Riels with projects such as: 1. Construction of river bank 2. Riverside Road 3. Other infrastructure
Source of Finance	PPAP development fund and External Funding
Project Timeframe	2023-2024
Land Ownership	Phnom Penh Autonomous Port (PPAP)
Social Impact	No impact
Enviromental Impact	There is no indication of any environment issues
Follow up action requird	Appoint a working group to follow up project implementation

H. Risk Factors

In 2024, 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 2024

1. Statistics of PPAP

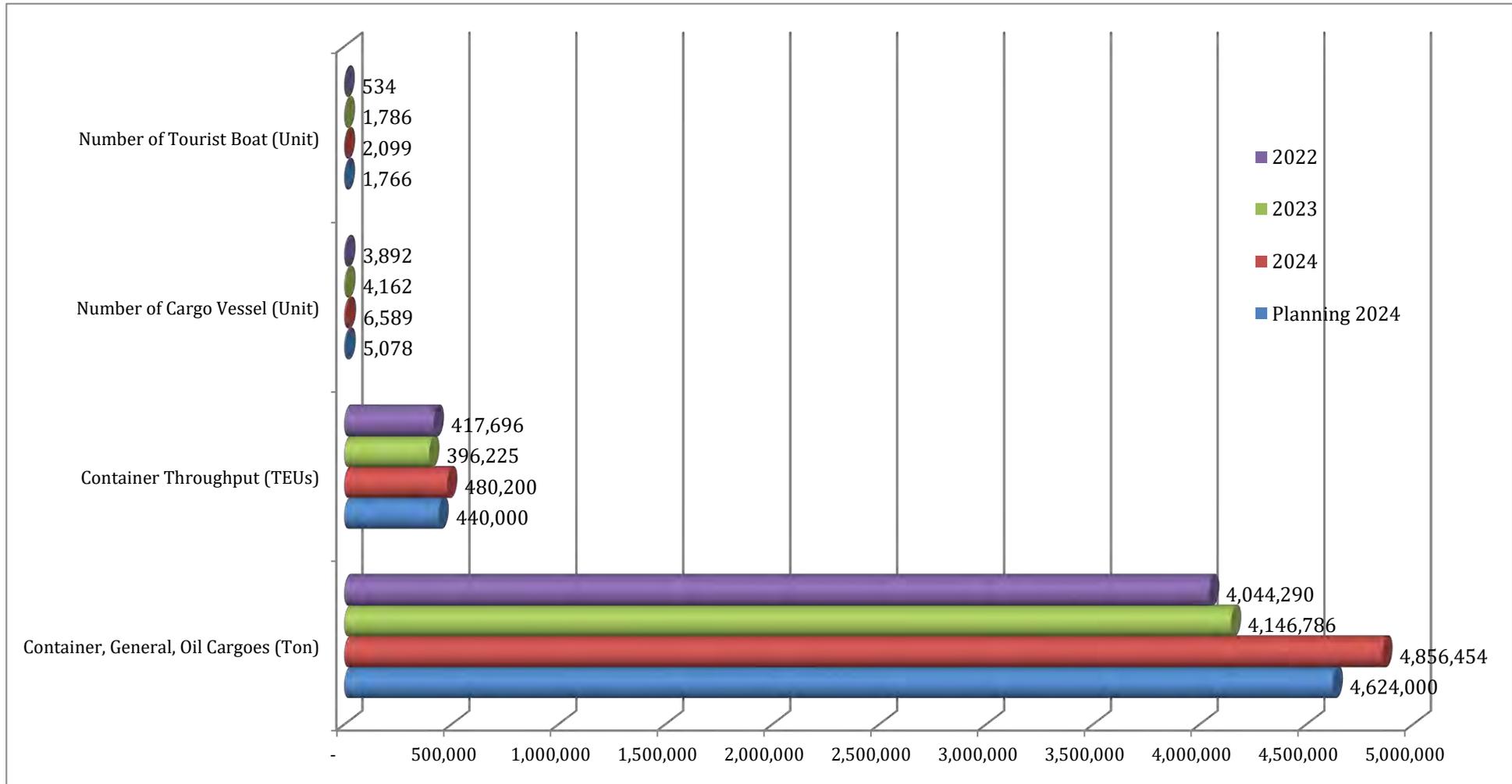
No.	Description	Unit	Planning 2024	2024	2023	2022	Compare (%)	Up/Down (%)	
A	B	C	1	2	3	4	5=(2/1)	6=(2)-(3)/3	7=(3)-(4)/4
I	<u>Container, General, Oil Cargoes</u>	<u>Ton</u>	<u>4,624,000</u>	<u>4,856,454</u>	<u>4,146,786</u>	<u>4,044,290</u>	105.03%	+17.11%	+2.53%
	A- Container Throughput	-	<u>2,747,899</u>	<u>2,833,996</u>	<u>2,432,771</u>	<u>2,437,137</u>	103.13%	+16.49%	-0.18%
	- Imported Container Cargo	-	1,310,458	1,223,878	1,159,275	1,255,987			
	- Exported Container Cargo	-	1,437,441	1,610,118	1,273,496	1,181,150			
	B - Mobile General Cargo Handling	-	<u>981,605</u>	<u>1,164,711</u>	<u>930,297</u>	<u>789,921</u>	118.65%	+25.20%	+17.77%
	- Inside Port	-	146,238	243,150	98,324	71,597			
	- Outside Port	-	835,367	921,561	831,973	718,324			
	C - Imported Oil & Gas	-	<u>894,496</u>	<u>857,747</u>	<u>783,718</u>	<u>817,232</u>	95.89%	+9.45%	-4.10%
	<u>Container Throughput (TEUs)</u>	<u>TEU</u>	<u>440,000</u>	<u>480,200</u>	<u>396,225</u>	<u>417,696</u>	109.14%	+21.19%	-5.14%
	- Laden Cargo	-	279,085	300,593	250,966	272,410			
	- Empty Cargo	-	160,915	179,607	145,259	145,286			
II	<u>Cargo Handling</u>	<u>Ton</u>	<u>3,729,504</u>	<u>3,998,707</u>	<u>3,363,068</u>	<u>3,227,058</u>	107.22%	+18.90%	+4.21%
	- General Cargo	-	981,605	1,164,711	930,297	789,921			
	- Container Throughput (Ton)	-	2,747,899	2,833,996	2,432,771	2,437,137			
III	<u>Number of Cargo Vessel</u>	<u>Unit</u>	<u>5,078</u>	<u>6,589</u>	<u>4,162</u>	<u>3,892</u>	129.76%	+58.31%	+6.94%
	- Foreign Vessels and Barge	-	4,258	5,690	3,380	3,287			

No.	Description	Unit	Planning 2024	2024	2023	2022	Compare (%)	Up/Down (%)	
A	B	C	1	2	3	4	5=(2/1)	6=(2)-(3)/3	7=(3)-(4)/4
	- Cambodian Vessels and Barge	-	-	-	-	-			
	- Oil Vessels and Tanker	-	550	509	479	496			
	-Cruise Boat(in)	-	270	390	303	109			
IV	<u>Number of Local Passenger Boat (In-Out)</u>	<u>Unit</u>	<u>9,369</u>	<u>8,124</u>	<u>8,418</u>	<u>10,236</u>	86.71%	-3.49%	-17.76%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	9,369	8,124	8,418	10,236			
V	<u>Number of Local Passenger (In-Out)</u>	<u>Passenger</u>	<u>175,355</u>	<u>162,480</u>	<u>160,160</u>	<u>69,062</u>	92.66%	+1.45%	+131.91%
	- PhnomPenh-SeimReap-PhnomPenh	-	-	-	-	-			
	- Vessels in Town	-	175,355	162,480	160,160	69,062			
VI	<u>Number of Foreign Passenger and Tourist Boat (In-Out)</u>	<u>Voyage</u>	<u>1,766</u>	<u>2,099</u>	<u>1,786</u>	<u>534</u>	118.86%	+17.53%	+234.46%
	- PhnomPenh-ChovDok-PhnomPenh	-	1,264	1,353	1,210	328			
	- Cruise Boat	-	502	746	576	206			
VII	<u>Number of Foreign Passenger and Tourist (In-Out)</u>	<u>Person</u>	<u>40,949</u>	<u>66,070</u>	<u>46,606</u>	<u>10,600</u>	161.35%	+41.76%	+339.68%
	- PhnomPenh-ChovDok-PhnomPenh	-	20,002	29,758	21,454	3,653			
	- Tourist on Cruise Boat	-	20,947	36,312	25,152	6,947			

(Source: Department of Planning/Marketing)

- Cargo-fuel and gas throughput in 2024: 4,856,454 Tons, increased by 17.11% compared to 2023 (4,146,786 Tons). For 2024, PPAP has accomplished 105.03% compared to planning 2024 (4,624,000 Tons).
- Cargo vessels throughput in 2024: 6,589Units, increased by 58.31% compared to 2023 (4,162Units). For 2024, PPAP has accomplished 129.76% compared to planning 2024 (5,078 Units).
- The number of international passengers and tourist cruises throughput via Cambodia-Vietnam in 2024: 2,099 Voyages, increased by 17.53% compared of to 2023 (1,786 Voyages). For 2024, PPAP has accomplished 118.86% Voyage compared to planning 2024 (1,766 Units).
- Containers throughput in 2024: 480,200 TEUs, increased by 21.19% compared to of 2023 (396,225 TEUs). For 2024, PPAP has accomplished 109.14% compared to planning 2024 (440,000 TEUs).
- The number of international passengers and tourists throughput via Cambodia-Vietnam in 2024: 66,070 Passengers, increased by 41.76% compared to 2023 (46,606 Passengers). For 2023, PPAP has accomplished 161.35% Passengers compared to planning 2024 (40,949 Passenger).

- Graphs on performance comparisons of the 2024 - 2023 - 2022 and 2024 plan



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

❖ Sand Dredging Management

- Completed the project to improve the Waterways Transport Canal by Dredging at Sdao, achieving 100% of the plan 2024.
- Conducted inspections and maintenance on Balloons and Navigation Poles along Lower Mekong River (Phnom Penh-Khorm Somnor) Upper Mekong River (Kompong Cham-Phnom Penh) Tonle Sap (Chnok Trou-Phnom Penh) , achieving 100% of the plan 2024.
- Conducted a study on water level at Upper and Lower Mekong River, Tonle Sap, Tonle Bassac and other related locations, achieving 100% of the plan 2024.
- Mudy and Sand dredging along river bank at Passenger & Tourist Terminal (TS1), achieved 100% of completion.
- Sand dredging and Maintenance of Sdao canal at kompong Cham province, achieved 100% of completion.
- Sand dredging and Maintenance of Sub-Feeder multipurpose LM26, with 100% completion achieved

❖ The construction of port infrastructure

Container Terminal LM17

- Construction of the crawler crane foundation with dimensions of 9m x 10m, a total of 2 units, achieved 100% completion.
- Construction of a drainage system with a length of 675 meters from the second reservoir, connected to a drainage channel, achieved 100% completion.
- Construction of a jetty with dimensions of 16m x 149m (jetty No. 3), achieved 100% completion.
- Construction of Fence with a length 130 meters around dangerous storage yard, achieved 100% of completion.
- Construction of 1,425m² concrete yard in front of machinery warehouse, achieved 100% completion.
- Construction of weigh station 2 units at First Gate, achieved 100% of completion.
- Construction of a temporary fence with a length of 854 meters at Phase 4, achieved 100% of completion .
- Construction of fixed fence with a length of 290 meters, and construction of temporary fence with a length of 854 meters, achieved 100% of completion.
- Construction of temporary electric system at Phase 4, achieved 100% of completion.
- Construction of PTT with 630 KVA to new 2 FCC with 100% completion achieved.

- Construction of a fence with a length of 447m, repair of the fence near the river with a length 20m (MSL), and removal of the wire fence near the ICD, with 100% completion achieved.
- Construction of 1 washing station and repair of 1 garage , 100% completion achieved
- Repair of the control system and the lower part of the automatic door at the entry/exit gate with 100% completion achieved
- Removal of 3 electric poles and reinstallation of 2 electric poles in the practical area of Phase 4 step 1, with 100% completion achieved.
- Construction of a 14m x 18m hall, with 100% completion achieved.
- Installation 17 of electric poles and equipped with AC lighting 21 pieces at 6m concrete road, with 100% completion achieved.
- Construction concrete foundation 4,65m x 2,55m for electric generator 750KVA 2 set, with 100% completion achieved.
- Installation of safe road signage 3 locations, slow down signage 3 locations, repairing numbering-concrete block, and limited signage on the jetty, with 100% completion achieved.
- Repairing concrete pavement at parking space, with 100% completion achieved.
- Repairing tiles at Administration building, with 100% completion achieved.
- Replacement and Repairing lighting at 35m hightmast electric poles, with 100% completion achieved.
- Repairing and maintenance crashed stone yard (CMI) and others infrastructure connected to Phase 4, with 100% completion achieved.
- Lighting replacement at jetty of Development Phase1 and Phase3, with 100% completion achieved.
- Clearing and grubbing, backfilling, and extending road at Gate 3, with 100% completion achieved.
- Phase 4 development, with 10,8% completion achieved.

Sub-Feeder Multipurpose Terminal UM2

- The development of UM2 Phase 2 step 1 project, achieved 100% completion.
- Installaion lighting system at FCC with unit of 3, achieved 100% completion.
- Construction of a 4.9m x 6.5m bathroom and preparation of the surrounding garden, achieved 100% completion.

Sub-Feeder Multipurpose Terminal LM26

- Construction of 2 project:

1. Construction of a temporary fence with a length of 544.5 meters and an exit width of 12 meters, totaling 3 locations, achieved 100% completion.
 2. Construction 3 units of 40ft container for pilotage office and related authority, achieved 100% completion.
- Construction of Asphalt Concrete on a 9,838 square meter crush stone pavement, achieved 100% completion.
 - Construction of crush stone yard with a 1,373 square meter and maintenance on the foundation pavement of a 6-meter road along the river, achieved 100% completion.
 - Construction of a warehouse with dimensions of 30m x 50m, achieved 100% completion.
 - Construction of roof container 2 units with a size of 20ft and 40ft, achieved 100% completion.
 - Construction of River bank improvement with length of 495 and installation HDPE, construction of entrance slope 2 units, construction of M30 pavement road and filling sand yard 5 857m², achieved 100% completion.
 - Installation road lighting system and along riverside, achieved 100% completion.
 - Construction M30 yard 2 231m³, achieved 100% of completion.
 - Renovation of access road with size of 1m x 0.5m x 7m, and filling M30, achieved 100% completion.
 - Improvement of a 385m riverbank and installation of HDPE at 1 location, achieved 100% completion.
 - Construction of 7 temporary bollards, achieved 100% completion.
 - Construction of the foundation and installation of 1 unit of weighing equipment, achieved 100% completion.
 - Improvement 3 units of conveyors as No.4, No.6 and No.8, achieved 100% completion.
 - Installation sapling (samanea saman) 40 nos at Police station and pitage station, achieved 100% completion.
 - 6 Locations of soil testing, achieved 50% completion.

Multipurpose Terminal TS3

- Construction of steel stair 1 unit near japanese jetty, achieved 100% completion.
- Construction of a storage warehouse for the SHE office, achieved 100% completion.
- Repair of 2 doors at the main gate and the gate under the administration building, achieved 100% completion.
- Construction 24m of Barbed wire fence and 30m of Zinc fence, achieved 100% completion.

- Construction Roof of UNICEF boat 37m² and Repairing 40m² of existing roof, achieved 100% completion.
- Preparing parking for small boat, achieved 100% completion.
- Clearing existing existing riverbank 300m for water festival, achieved 100% completion.
- Repairing 6 location of pontoon TS03-D30×10, with 100% completion achieved.
- Installation waterwash system for Administrative building, achieved 100% completion.
- Installation lighting system along road to potoon and 300m jetty, achieved 100% completion.

Multi-Purpose Terminal TS11

- Relocation of 46m of wire fence to a new location with a length of 40m, addition of 3m height to a 138m fence, clearing/grubbing of 3,402m² of yard, and construction of a 6m break wall, achieved 100% completion.
- Repair of the office building and installation of automatic gate at 5 locations, achieved 100% completion.
- Repairing 11 set of wire fence , achieved 100% completion.

Passenger & Tourist Terminal (TS1)

- Relocation of lighting system, achieved 100% completion.

❖ Purchase/installation of machinery or new equipment

Receive machinery according to the 2024 plan as

1. Reach Stacker	1 units
2. Crawler Crane 130Ton	1 units
3. Forklift	2 units
4. Terminal Tractor	10 units
5. Trailer	10 units
6. Rubber Tyred Gantry (RTG)	4 units

B- Revenue Structure

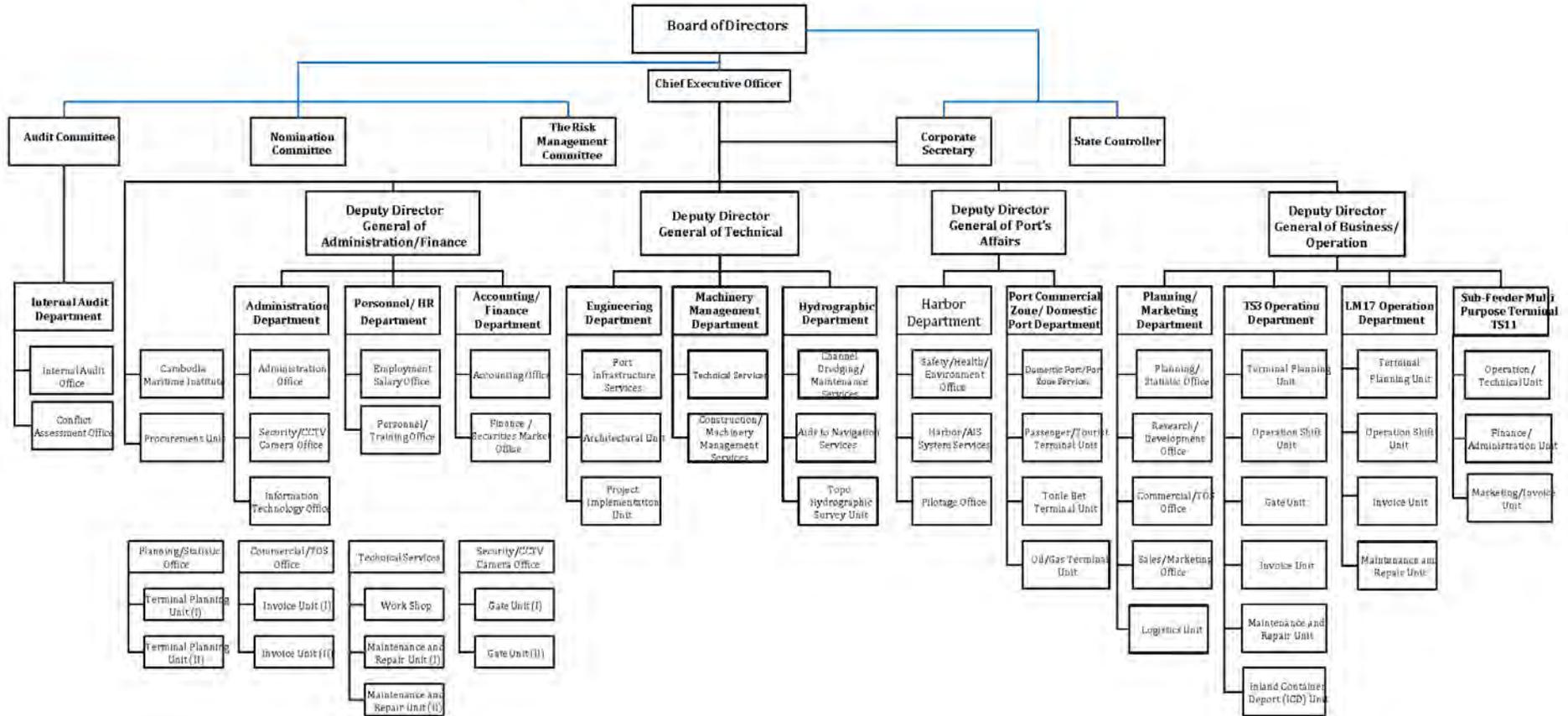
Source of Revenue	2024		2023		2022 (Restatement)	
	Period Ended 31 December 2024		Period Ended 31 December 2023		Period Ended 31 December 2022	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	76,001,564	44.89%	61,998,146	43.65%	65,527,611	44.03%
Lift On Lift Off (LOLO)	57,247,766	33.81%	49,004,179	34.50%	51,901,124	34.88%
Port dues and charges	23,752,172	14.03%	19,822,308	13.96%	17,695,897	11.89%
Gate fees	5,129,867	3.03%	4,214,160	2.97%	4,354,065	2.93%
Storage fees	2,000,070	1.18%	2,042,193	1.44%	4,076,701	2.74%
Weighting fees	269,199	0.16%	103,486	0.07%	80,158	0.05%
Stuffing/unstuffings	66,304	0.04%	60,212	0.04%	106,262	0.07%
Logistic Service	4,838,510	2.86%	4,790,796	3.37%	5,062,910	3.40%
Sand dredging management fee	0	0.00%	0	0.00%	10,839	0.01%
Total:	169,305,452	100%	142,035,480	100%	148,815,567	100%

Part 3

Information on Corporate Governance

A- Organization Structure

PPAP ORGANIZATION STRUCTURE



Note:

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

B- Board of Director

Board of Directors's Member

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

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

C- Senior Officer

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

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

PART4

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

A- General Information on Offered Shares

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

B- Price and Trading Amount of Shares

Offered Shares		January	February	March	April	May	June	July	August	September	October	November	December
Trading Price	Maximum	14,000	14,140	13,860	13,200	13,460	13,300	17,240	15,040	13,900	13,440	13,600	13,840
	Minimum	13,800	13,880	13,220	12,380	13,000	12,700	12,900	13,360	13,200	13,180	13,200	13,300
	Average	13,903	13,985	13,537	12,801	13,300	13,035	15,550	14,315	13,563	13,324	13,426	13,470
Trading Value	Maximum	1,012	1,061	3,267	1,636	1,910	2,555	31,961	2,828	1,245	1,433	559	919
	Minimum	5	1	18	17	71	21	261	122	13	6	6	24
	Average	220	163	575	296	653	714	6,172	910	338	292	177	294

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

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

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

No.	Dividend Distribution	2023	2022	2021
1	Net Profit for the Year (Riel)	38,605,966,000	58,498,389,000	51,695,457,000
2	Total Dividend to be Paid (Riel)	4,629,703,309	4,629,703,309	4,376,751,334
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 (%)	11.99%	7.91%	8.46%
6	Dividend Yield (%)	1.62%	1.60%	1.44%
7	Dividend per Share (Riel)	223.83	223.83	211.60

Part 5
Audit Report On
the Internal Control Compliant for 2024



**PHNOM PENH AUTONOMOUS PORT
DEPARTMENT OF INTERNAL AUDIT**

**KINGDOM OF CAMBODIA
NATION – RELIGION – KING**

**INTERNAL AUDIT REPORT
FOR THE YEAR 2024**

REPORT NUMBER: 007
DATE: MARCH 2025

Information Table

Department of Internal Audit	Phnom Penh Autonomous Port
Report Title	Internal Audit Report for the Year 2024 the Year then Ended
Head of Internal Audit Department	Mr. Kong Sothea
Audit Team	Mrs. Var Sreyrath and Staff
Audited Entities	<p><u>Q1:</u> TS3 Operation Department ICD Unit TS1 Passenger Terminal Machinery Management Department Machinery Management Services</p> <p><u>Q2:</u> Procurement Unit Information Technology Office Research/Development Office</p> <p><u>Q3:</u> Personnel/HR Department Personnel Training Office Employment Salary Office</p> <p><u>Q4:</u> Accounting/Finance Department Accounting Office Finance/Securities Market Office</p>
Archive (Hard Copy)	Internal Audit Department
Archive (Soft Copy)	Internal Audit Department

Document Issuance:

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

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Annex 1: Previous Audit Observation

Annex 2: Corrective Action Plan

Abbreviations

AFD	Accounting/Finance Department
AO	Accounting Office
ESO	Employment Salary Office
FSO	Finance/Securities Market Office
HR	Personnel/HR Department
IAD	Internal Audit Department
ICD	Inland Container Depot Unit
ITO	Information Technology Office
MMD	Machinery Management Department
MMS	Machinery Management Services
PPAP	Phnom Penh Autonomous Port
PTO	Personnel/Training Office
PU	Procurement Unit
R&D	Research/Development Office
TS1	TS1 Passenger Terminal Unit
TS3	TS3 Operation Department

Internal Audit Report for the Year 2024 and the Year then Ended

Executive Summary

Part A

The engagement context:

The internal audit department (IAD), as approved by the head of audit committee, conducted an audit of the entities under Phnom Penh Autonomous Port 's (PPAP) supervision – TS3 Operation Department (TS3), Inland Container Depot Unit (ICD), TS1 Passenger Terminal Unit (TS1), Machinery Management Services (MMD), Machinery Management Services (MMS), Procurement Unit (PU), Information Technology Office (ITO), Research/Development Office (R&D), Personnel/HR Department (HR), Personnel Training Office (PTO) Employment Salary Office (ESO), Accounting/Finance Department (AFD), Accounting Office (AO), Finance/Securities Market Office (FSO) – for the year 2024 and the years then ended. This report includes detailed assessment, recommendations, and management's reply.

Key risks:

In general, risks include:

- Operational risk is defined as the risk of loss resulting from inadequate internal processes, people and systems or from external events.
- Financial risk refers to the possibility that a company's cash flow will prove to be inadequate to meet its obligation.
- Compliance risks refers to failure to comply with applicable law and legislation.

In particular, the internal audit report raised three major issues as follows:

- Potential damage to the company's reputation
- Potential delay in relation to operational workflow
- Potential consequences where failure to follow laws and regulations incurred.

Audit scope

The IAD conducted the audit in accordance with its department plan for the audit year 2024, assessing operational procedures and management processes that are in place to facilitate the company's workflow. Audit testing and other audit procedures are undertaken on-site in relation to the entities –TS3, ICD, TS1, MMD, MMS– within the audit scope.

Audit objectives

The overall objective of the audit was to assess the risk management processes, controls, and governance arrangements to ensure reasonable assurance towards the achievement of processes, controls, arrangements objectives.

The purpose of the audit was to provide reasonable assurance that:

- a) The operational processes are sufficient in achieving operation objectives
- b) Reliable reporting of financial information
- c) Compliance with applicable legislation

In particular, the IAD has determined strategic priorities for the risk management practices that are listed as follows:

- a) To improve operational procedures and services;
- b) To improve staff management and disciplinary activities;
- c) To improve management of all sources of income;
- d) To improve management of finance;
- e) To improve management of state properties; and
- f) To improve compliance with applicable legislation.

Audit approach

The IAD adopted risk-based approach for this audit work. The areas of focus included:

- a) Assessing internal controls through interviewing staff responsible, reviewing report and other relevant documents.
- b) Adopting harmonized criteria for comparison with the expected criteria
- c) Assessing the effectiveness of the internal control functions.

The IAD adopted expected criteria in agreement with managements of the audited entities.

Key issues

The internal audit report raised four recommendations; all are ranked medium priority.

- **Operational overview:**

First quarter

- The absence of Standard Operating Procedures (SOP) at MMD
- Un-intentional human error in relation to waste disposal
- Lack of or inadequate track/record of machinery/trucks

Second quarter

- Inadequate follow up on Firewall activities
- A lack of mail server and certain restrictions in relation to mail server is required
- The absence of official password policy

- Inadequate staff at R&D

Third quarter

- An update on organization chart and job descriptions of staff at HR is required
- The absence of TNA and TND reports

Fourth quarter

- Errors in relation to inventory journal entries

- **Compliance overview:**

First quarter

- An update of organization chart and staff job descriptions is required
- The absence of monthly and annual summary activities reports

Second quarter

- A shortfall in the execution of PU projects
- A shortfall in document keeping
- A shortfall in document arrangement

Third quarter

- Annual planning of HR
- Short-term and long-term domestic and foreign training courses for employee
- The absence of acknowledged and approved quarterly and annual summary report on expenses

Fourth quarter

- The performance of works as listed in the FSMO job descriptions

Auditor's comment

We have seen improvement and recognized several major satisfactory points; however, there are areas that need some improvement.

Action plan

The audit team gives recommendations and will follow up on the action plan as shown in detailed assessment in "Part B." Management's reply and observation/facts also are explicit in Part B.

Agreement and acceptance of recommendations are included in Annex 2.

Appreciation

The audit team, with Mr. Kong Sothea as the head, extends its appreciation towards the management and staff of the audited entities for their full cooperation during the audit.

Part B:

Detailed Assessment

1. Audit participants

1.1. The audit team:

Name	Position
Mr. Kong Sothea	Head of internal audit department
Mr. Cheam Sophane	Manager of internal audit office
Mrs. Var Sreyrath	Deputy manager of internal audit office
Mr. So Sinarith	Deputy manager of internal audit office responsible for IT audit
Mrs. Mann Sreyan	Chief of section
Mr. Kang Visotrith	Deputy chief of section

1.2. Management and staff of audited entities

(First quarter)

Name	Position
Mr. Hocu Song	Head of department (TS3)
Mr. Kong Pov	Deputy manager (TS3)
Mr. Ken Samon	Deputy manager (TS3)
Mr. Lim Voithana	Manager (MMS)
Mr. Bun Sotheara	Deputy manager (MMS)
Mr. Thay Sothary	Deputy manager (MMS)
Mr. Ouk Chanpenhboramy	Deputy manager (MMS)

(Second quarter)

Name	Position
Mrs. Nou Chanleakhena	Manager (PU)
Mrs. Leang Muykeang	Deputy manager (PU)
Mr. Hing Sokha	Deputy manager (PU)
Mrs. Um Mariya	Manager (R&D)
Mr. Kheng Sphanha	Deputy chief of section (R&D)

Mr. Nhem Seyha	Manager (ITO)
Mr. Ngin Sokchea	Chief of section (ITO)
Mr. Phat Vathana	Chief of section (ITO)
Mr. Em Touch	Chief of section (ITO)
Ms. Hak Daney	Chief of section (ITO)

(Third quarter)

Name	Position
Mr. Ouk Poly	Interim head of department (HR)
Mrs. Han Sokhemborvor	Manager (ESO)
Mr. Rim Sokrath	Interim manager (PTO)
Ms. Rim Kachay	Deputy manager (ESO)

(Fourth quarter)

Name	Position
Mrs. Khov Chansoma	Head of department (AFD)
Mr. Ngoun Sokry	Manager (FSMO)
Mr. Lor Sok	Manager (AO)

1.4. Four periodical phases of the audit in each quarter

First quarter

- | | |
|---------------------------------------------|---------------|
| a) End of audit testing and data collection | 11 April 2024 |
| b) First drafting of report | 24 April 2024 |
| c) Finalization of management's reply | 1 May 2024 |
| d) Report finalization | 8 May 2024 |

Second quarter

- | | |
|---------------------------------------------|-------------------|
| e) End of audit testing and data collection | 30 September 2024 |
| f) First drafting of report | 04 October 2024 |
| g) Finalization of management's reply | 25 October 2024 |
| h) Report finalization | 28 October 2024 |

Third quarter

- | | |
|---------------------------------------------|------------------|
| i) End of audit testing and data collection | 31 September 204 |
| j) First drafting of report | 15 November 2024 |

- | | |
|---------------------------------------|------------------|
| k) Finalization of management’s reply | 25 November 2024 |
| l) Report finalization | 06 January 2025 |

Third quarter

- | | |
|---------------------------------------------|------------------|
| m) End of audit testing and data collection | 31 January 2025 |
| n) First drafting of report | 20 February 2025 |
| o) Finalization of management’s reply | 25 February 2025 |
| p) Report finalization | 06 February 2025 |

Audit overview

The overall objective of this audit was to assist managements in their oversight on risk management, internal control, and governance arrangement. The internal control is in place in order to obtain a reasonable assurance towards achievement of internal control objectives.

The areas of focus included:

- a) Effective, efficient, and economic use of resources; and
- b) Compliance with legal legislation.

This audit report included review on arrangements and functions of internal control and control systems.

The assessed internal control

The audit team assessed internal control system to determine its potential towards the achievement of control objectives as follows:

- a) Authorization
- b) Completeness
- c) Accuracy
- d) Validity
- e) Physical safeguard and security
- f) Error handling
- g) Segregation of duties

About audited entities

Phnom Penh Autonomous Port (PPAP), as stipulated by Sub-decree No.51/ANK.BK, effective date: 17 July 1998 on the establishment of a state-owned company which operates under the supervision of Ministry of Public Works and Transport, and under the financial supervision of Ministry of Economy and Finance. PPAP functions in accordance with Law of General Statute of Public Enterprise stipulated by the Royal-Decree No. NS/RKM/0696/03 of 28 May 1996, and the company’s rules and regulations.

The IAD, in accordance with its yearly department plan for 2024, conducted an audit on entities under the supervision of PPAP which will be listed as follows:

- TS3 Operation Department (1st quarter)
 - Inland Container Unit (
 - Head of Machinery Management Department
 - Head of Machinery Management Services
- Procurement Unit (2nd quarter)
- Administration Department (2nd quarter)
 - Information Technology Office
- Planning/Marketing Department (2nd quarter)
 - Research and Development Office
- Personnel/HR Department (3rd quarter)
 - Personnel/Training Office
 - Employee Salary Office
- Accounting/Finance Department (4th quarter)
 - Account Office
 - Finance/Securities Market Office

Detailed assessment

Part A: Operation assessment

(First quarterly finding)

1.	Title:	The absence of SOP in MMD
	Audit objective:	To assess MMD's machinery management functions
	Functional Area	MMD
	Facts/observation	MMD, upon query, has yet to establish Standard Operating Procedure to facilitate machinery management processes.
	Comparison criteria:	Interviews, and document examinations.
	Cause:	Lack of human resources
	Impact:	Potential damage to machinery during operation due to lack of knowledge on technical standards.
	Recommendation:	<i>Sufficient guideline in relation to technical procedures is imperative when it comes to operation as it also provides newly</i>

	<i>recruit the resource they need to function. Therefore, MMD to establish SOP in a timely manner as a proactive approach to potential risks.</i>
Management reply:	MMD to: <ul style="list-style-type: none"> - Establish SOP of MMD - Discuss with HR in the making of guideline - Provide staff the opportunities for training
Auditor's response:	Having seen MMD's reply. The audit team will make further assessment as per our departmental audit plan.

2.	Title:	Un-intentional human error in relation to waste disposal
	Audit objective:	To assess MMS's waste arrangements
	Functional Area	MMS
	Facts/observation	During on-site inspection, we observed that wastes such as, plastic bottles, gloves, clothes disposed on the top surface of RTG (rubber-tired gantry cranes.)
	Comparison criteria:	On-site inspection
	Cause:	Un-intentional human error
	Impact:	Indicate the of lack of hygiene and minor injuries, if any, could incur.
	Recommendation:	<i>MMS to advise their staff in relation to hygiene practices during performance.</i>
	Management reply:	MMS accepted the recommendation.
	Auditor's response:	Having seen MMS' s reply. The audit team will make further assessment as per our departmental audit plan.

3.	Title:	Lack of or inadequate track/record of machinery/trucks
	Audit objective:	To assess MMS's machinery management
	Functional Area	MMS
	Facts/observation	We observed, through report examination, and upon query, that MMS has yet to arrange track/record of machinery/trucks under its management.

Comparison criteria:	On-site inspection, and through report examination
Cause:	Failure to carry out the task concerned
Impact:	Inefficient maintenance processes
Recommendation:	<i>MMS to record/re-record machinery/trucks under its management which includes, user-manual, conditions, history, and provider's brand name.</i>
Management reply:	MMS accepted the recommendation.
Auditor's response:	Having seen MMS' s reply. The audit team will make further assessment as per our departmental audit plan.

(Second quarterly finding)

1.	Title:	Inadequate follow up on Firewall activities
	Audit objective:	To push for the strengthening of cybersecurity and safeguarding of data
	Functional Area	ITO
	Facts/observation	ITO, upon query, claimed that the follow up activities had been undertaken; however, ITO did not manage to provide us the supporting activities report.
	Comparison criteria:	Inadequate follow up activities and the absence of activities report indicate a lack of accountability and ineffective performance. It, in addition, did not comply with IT regulations and legislations such as PCI DSS and National Institute of Standards and Technology (NIST).
	Cause:	Unassigned role and the absence of documented policies for Firewall.
	Impact:	Exposure to threats and potential risk to cyber-attacks
	Recommendation:	ITO to establish an IT policy and procedures to facilitate managements of cyber securities and, if efficient, implement a firewall automate tool such as Security Information and Event Management (SIEM) as a proactive approach to timely notify related parties the abnormalities within the event management and report to top managements for responses and resolutions.

Management reply:	Accepted the recommendation.
Auditor's response:	Having seen ITO's reply. The audit team will make further assessment as per our departmental audit plan.

2.	Title:	Having a mail server and certain restrictions in relation to mail server is required
	Audit objective:	To push for the strengthening of cybersecurity and preventing financial loss through phishing and other form of cyber-attacks
	Functional Area	ITO
	Facts/observation	Upon query, we observed that ITO did not have their own mail server. In the meantime, ITO was using a webhosting website www.hostgater.com, a website suitable for small business activities. Lacking certain advance features that ensure a reasonably good protection of data, PPAP, as a large-scale business of operation service is at a disadvantageous position.
	Comparison criteria:	As in this case, ITO did not comply with ISO/IEC 27001, ITIL (Information Technology Infrastructure Library), and National Institute of Standards and Technology (NIST) Special Publication 800-177: Trustworthy Email.
	Cause:	Unassigned role and the absence of documented policy.
	Impact:	Exposure to phishing, scamming, malicious email threats, and financial/data breach.
	Recommendation:	<i>ITO to consider the implementation the company's own mail server or outsource from other trustworthy companies of the same field such as Microsoft Exchange Server for Mail or Microsoft 365. There are other restrictions in relation to access to server or authorization for ITO to consider such as access control, role-based access, deactivation of accounts, password policies, email security controls, employee training and awareness and business continuity and disaster recovery plan.</i>
	Management reply:	Accepted the recommendation. ITO is planning to switch from Email cPanel to Email Xchange Server.

Auditor's response:	Having seen ITO's reply. The audit team will make further assessment as per our departmental audit plan.
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3.	Title:	The absence of official password policy
	Audit objective:	To push for the strengthening of cybersecurity and preventing financial loss through phishing and other form of cyber-attacks
	Functional Area	ITO
	Facts/observation	We observed that ITO implemented complexity password policy and multi-factor authentication for optimized protection; however, ITO failed to make restriction for certain data usage.
	Comparison criteria:	In this case, ITO did not comply with NIST Special Publication 800 – 63B: Digital Identity Guidelines – Authentication and Lifecycle Management.
	Cause:	The absence of official password policy and inadequate staff responsible for help desk system and system administrator as these roles are imperative for timely responses to issues.
	Impact:	Exposure to data breaches, privileged, accounts, financial costs, operational disruption and downtime, social engineering risks, difficulty in incident investigation and response and the loss of competitive advantage.
	Recommendation:	<i>ITO to establish an official password policy; And as well report to top managements and request to HR the recruitment of "system administrator" and "help desk" to ensure timely responses to problems and/or threats.</i>
	Management reply:	Accepted the recommendation.
	Auditor's response:	Having seen ITO's reply. The audit team will make further assessment as per our departmental audit plan.

4.	Title:	Inadequate staff at R&D
	Audit objective:	To push for effective performance
	Functional Area	R&D
	Facts/observation	We observed that, upon query, R&D had two vacant posts which are deputy manager and chief of section.

Comparison criteria:	As in this case, R&D did not comply with organization structure of PPAP's planning/marketing departmental chart dated 28 March 2023.
Cause:	Employee transfer
Impact:	R&D performance did not reach its full potential
Recommendation:	<i>R&D to report to top managements the lack of staff responsible and make a request to HR the recruitment of positions that are vacant such as deputy manager and head of section.</i>
Management reply:	R&D had requested the recruitment of two staff, one as deputy chief of section responsible data analysis/statistic and another as staff responsible for research. Thus, R&D only requested as it saw fit for the year 2024.
Auditor's response:	Having seen R&D's reply. The audit team will make further assessment as per our departmental audit plan.

(Third quarterly finding)

1.	Title:	An update on organization chart and job descriptions of staff at HR is required
	Audit objective:	To push for effective management
	Functional Area	HR
	Facts/observation	<p>Upon review, we observed that HR's organization chart and documented job descriptions were dated as the following:</p> <ul style="list-style-type: none"> - Organization chart dated 25 April 2016 - Documented job descriptions HR/057/2021 dated 8 November 2021 <p>As of the date subject to the audit, we found that role and responsibilities of staff within HR were added to the job descriptions; Meanwhile, the un-updated version the above documents were still in effect.</p>
	Comparison criteria:	<ul style="list-style-type: none"> - Organization chart dated 25 April 2016 - Documented job descriptions HR/057/2021 dated 8 November 2021

Cause:	Employee transfer
Impact:	Management within HR did not reach its full potential
Recommendation:	<i>HR to make an update of its organization chart and job descriptions to ensure effective performance and raise responsible spirit.</i>
Management reply:	HR proceeded to edit on its job descriptions and planned to submit it to top managements on January 2025 for acknowledgement and approval. As of the work within HR, with the un-updated job descriptions, staff was readily assigned the tasks to be completed to ensure effective performance and workflow.
Auditor's response:	Having seen HR's reply. The audit team will make further assessment as per our departmental audit plan.

2.	Title:	The absence of TNA and TND reports
Audit objective:	To push for effective performance	
Functional Area	PTO	
Facts/observation	Upon reviews and query, PTO did not manage to provide us the documents/reports that would support the work of Training Need Analysis (TNA) and Training Need Development (TND) as listed on its provided job descriptions on the date subject to the audit.	
Comparison criteria:	PTO's documented job descriptions	
Cause:	Staff responsible have not been assigned	
Impact:	As in this case, PTO did not manage to comply with its documented job descriptions	
Recommendation:	<i>PTO to begin the assessment for TNA and TND work and document it for future purposes.</i>	
Management reply:	PTO had included TNA and TND work into its drafted job descriptions; We have yet to make reports/documents in regards to the assessments for the work as it had not been officialized. For effective performance and human resources development, we plan to submit the finalized version to top managements for acknowledgement and approval.	
Auditor's response:	Having seen PTO's reply. The audit team will make further assessment as per our departmental audit plan.	

Fourth quarterly findings:

1.	Title:	Errors in relation to inventory journal entries
	Audit objective:	To push for effective journal entries management
	Functional Area	AO
	Facts/observation	<p>Upon review on AO's inventory journal entries, quarterly report and annual report, we could confirm that most of the materials were accurately presented. However, we also found a number of journal entries that contained errors as follows:</p> <ul style="list-style-type: none"> - The lack of supporting documents and the failure to fulfill the date of signature - Unintentional errors on product codes - Insufficient descriptions - The lack of signature of those in charge
	Comparison criteria:	AO's inventory journal entries
	Cause:	Staff responsible have not been assigned
	Impact:	As in this case, AO's performance on journal entries record need improvement.
	Recommendation:	<i>AO to enhance its controls to minimize errors within its journal entries.</i>
	Management reply:	Accepted the recommendation. AO promises to improve on the areas of focus as listed in the findings.
	Auditor's response:	Having seen AO's reply. The audit team will make further assessment as per our departmental audit plan.

Part B: Compliance assessment

(First quarterly finding)

1.	Title:	An update of organization chart and staff job descriptions is required
	Audit objective:	To assess TS3's management structure
	Functional Area	TS3

Facts/observation	Upon query, we observed that the TS3 has made some changes in relation to its role and responsibilities but have yet to make an update on its current functions.
Comparison criteria:	Interviews, and office structure of 25 April 2016.
Cause:	Employee transfer
Impact:	Potential role overlaps
Recommendation:	<i>TS3 to make an update of its job descriptions to ensure effective performance and raise responsible spirit.</i>
Management reply:	TS3 has been discussing with HR on the matter concerned.
Auditor's response:	Having seen TS3's reply. The audit team will make further assessment as per its own departmental plan.

(Second quarterly finding)

2.	Title:	The absence of monthly and annual activity summary reports
	Audit objective:	To assess and push for effective performance
		R&D
	Facts/observation	Upon reviews, we observed that the last dated of the acknowledged and approved monthly activity summary reports of R&D was at September 2023. As of the date subject to this audit, R&D have yet to resume the making monthly and annual activity summary reports and submit it to top managements for acknowledgement and approval.
	Comparison criteria:	Organization instruction no. 1225 dated 23 December 2016 on "the making of report."
	Cause:	Unintentional error
	Impact:	R&D performance did not reach its full potential
	Recommendation:	<i>R&D to resume the making of monthly and annual activity summary report and submit it to top managements for acknowledgement and approval.</i>
	Management reply:	It is true that our last dated of acknowledged and approved monthly activity reports was at September 2023. This was due to an

	adjustment in the department that suggested all entities under its supervision to make report in a unified form. In the event that the new form is officialized, R&D will submit it to the audit team for reviews.
Auditor's response:	Having seen R&D's reply. The audit team will make further assessment as per its own departmental plan.

3.	Title:	A shortfall in the execution of PU projects
	Audit objective:	To assess and push for effective performance
	Functional Area	PU
	Facts/observation	Upon reviews, we observed the result of the implementation the 2023 annual project plan of PU are as follows: <ul style="list-style-type: none"> - 15 out of 26 annual projects completed. - 1 out of 13 modified projects completed.
	Comparison criteria:	In this case, PU did not manage to complete the projects as planned in project procurement plan for 2023, dated 30 December 2022; and modified project procurement plan, dated 5 December 2023.
	Cause:	Execution of other significant projects is required.
	Impact:	In the case, PU's action failed to comply with its project plan raised for the year as approved by the Ministry of Economy and Finance.
	Recommendation:	<i>PU to thoroughly study prioritized projects and discuss with related parties before submitting the finalized project into the company's main project plan to ensure cost-effective implementation as well as compliance with domestic legislations.</i>
	Management reply:	PU will strive to execution its project plan for effective performance as well as comply with domestic legislations in the subsequent years.
	Auditor's response:	Having seen PU's reply. The audit team will make further assessment as per its own departmental plan.

4.	Title:	A shortfall in document keeping
	Audit objective:	To assess and push for effective performance
	Functional Area	PU

Facts/observation	Upon query, we found most documents of PU were hard copies.
Comparison criteria:	Appropriateness and safety aspect.
Cause:	Unintentional human error.
Impact:	In this case, PU is not acting in compliance with regulations on public procurement with the following reference: - chapter 5, article 5.3, page 90.
Recommendation:	<i>PU to make a soft copy of its documents by scanning or other effective means to ensure safety and security in case of unforeseen accident.</i>
Management reply:	PU's action resulted in some errors in relation to document keeping. As raised in the recommendation above, PU is planning to scan soft copies of important documents relating to biddings and negotiated tender.
Auditor's response:	Having seen PU's reply. The audit team will make further assessment as per its own departmental plan.

5.	Title:	A shortfall in document arrangement
	Audit objective:	To assess and push for effective performance
	Functional Area	PU
	Facts/observation	Upon query, gaps requiring certain information of negotiated tender and bidding documents needed filling which are listed as follows: - Dates of accepted bidding request and of request for open bidding (document PU/23/62, PU/23/293 were not recorded - Undated documents - Unnumbered documents - Unrecorded time of purchased requests for bidding
	Comparison criteria:	In the case, PU's action is not in compliance with this Sarachor on the implementation of procurement project plan as in point 8, page 3604 dated 08 December 2003.
	Cause:	Unintentional human error.
	Impact:	PU's action could negatively impact its performance.
	Recommendation:	<i>PU to advise responsible person to thoroughly review bidding documents before the opening of the bidding process.</i>

Management reply:	PU would like to confirm that documents PU/23/62 and PU/23/293 contained errors which were a lack of signatures. Having received the recommendation, PU has completed the shortfalls as in the date of purchased bidding and the date open for receiving bids, memos on bidding, negotiated tender, and signatures of members within the procurement committee.
Auditor's response:	Having seen PU's reply. The audit team will make further assessment as per its own departmental plan.

6.	Title:	Annual planning of HR
	Audit objective:	To assess and push for effective performance
	Functional Area	HR
	Facts/observation	Upon query, we found annual department plan of HR was a soft copy which was then sent to planning/marketing department as input for annual corporate project plan, as opposed to a formal procedure which requires a printed hard copy to submit it to top managements for acknowledgement and approval prior to the action above.
	Comparison criteria:	HR's action, in this case, was not in line with this Corporate Instruction PPAP/24/081 dated 23 August 2024. (Reference: planning/marketing department)
	Cause:	Unintentional human error
	Impact:	HR's facing compliance issue
	Recommendation:	<i>HR to raise its annual plan in a written form and submit to top managements before including it in the official corporate annual planning.</i>
	Management reply:	In response to the finding above, HR's action in relation to the making of soft copy of its annual plan was to facilitate data adjustment/modification in the event that there was an update from planning/marketing department following a discussion; submit to top managements for review and to the Board of Directors of PPAP which was then officialized. HR would like to accept the auditor's

	recommendation, and will strive to follow as recommended in the subsequent years.
Auditor's response:	Having seen HR's reply, The audit team will make further assessment as per its own departmental plan.

7.	Title:	Short-term and long-term domestic and foreign training courses for employee
	Audit objective:	To assess and push for effective performance
	Functional Area	PTO
	Facts/observation	We reviewed HR's plan for domestic and foreign training courses for employee, which resulted in the observation as follows: <ul style="list-style-type: none"> - Total foreign training courses: 23; Completed 9 (39%) - Total domestic training courses: 27; Completed 22 (81%)
	Comparison criteria:	PTO's action, in this case, was not in compliance with its 2024 plan for foreign and domestic training courses for employee which can be found at letter PPAP/23/1024 dated 23 October 2023. (Reference: planning/marketing department.)
	Cause:	A lack of communication between PTO and related entities in determining prioritized training courses
	Impact:	This may indicate ineffective performance.
	Recommendation:	<i>PTO to discuss the priorities level of staff to undergo training courses - both domestic and foreign - with related entities under the supervision of PPAP before those entities involved submit their official requests.</i>
	Management reply:	In response to the finding above, PTO would like to clarify that most the foreign training courses raised was scholarship oriented; However, due to the changes made by APEC as of 2024, requiring payment approximately 4600euros/term, PTO only managed to complete 39% of the total raised project plan. PTO, moreover, attempted a number of negotiations with APEC obtaining results that failed to meet PTO's desire as APEC only allowed the prioritized 2 candidates in a selected country. In particular, in

	<p>relation to attending foreign seminars, PTO managed to achieve 128% of its expected participants which is <i>128 of 85</i></p> <p>As for the 81% completion of the total domestic training courses, PTO would like to clarify that, despite the fact, participants involved were at 354% compared to the number as planned which is <i>3073 of 868</i>. PTO did not manage to complete <i>5 training courses</i> which are as follows:</p> <ul style="list-style-type: none"> - Training on public procurement procedures: PU staff were fully occupied with demanding tasks - Training on human resource development at Royal School of Administration (RSA): offered only for government officers - Training on workshop/machinery maintenance: trainer was occupied with other tasks – moved to January 2025 - Training on topo-hydrography (Arc Map, GIS): topo-hydrography department staff were fully occupied with demanding tasks - Training on safety policies and procedures: safety/health/environment office was fully scheduled.
Auditor's response:	Having seen PTO's reply. The audit team will make further assessment as per its own departmental plan.

8.	Title:	The absence of acknowledged and approved quarterly and annual summary report on expenses
	Audit objective:	To assess and push for effective performance
	Functional Area	ESO
	Facts/observation	Upon review, we observed that ESO only managed to make monthly summary activities report.
	Comparison criteria:	ESO's action, in this case, was not in line with this Corporate Instruction no.1225 dated 23 December 2016 on the making of reports.
	Cause:	Unintentional human error
	Impact:	ESO's action resulted in compliance issue

Recommendation:	<i>ESO to summarize report on expenses both quarterly and annually and submit it to top managements for acknowledgement and approval.</i>
Management reply:	Accepted the recommendation.
Auditor's response:	Having seen ESO's reply. The audit team will make further assessment as per its own departmental plan.

(Fourth Quarter)

1.	Title:	The performance of works as listed in the FSMO job descriptions
Audit objective:	To assess and push for effective performance	
Functional Area	FSMO	
Facts/observation	Upon review, we observed that FSMO had yet to begin certain works as listed in its job descriptions such as market research and competitive analysis, report and recommend the involved parties the replacement of fixed assets that reach the end of their useful life, SWOT analysis.	
Comparison criteria:	FSMO's job descriptions	
Cause:	Unintentional human error	
Impact:	FSMO's action resulted in compliance issues	
Recommendation:	<i>FSMO to begin the work on certain areas as listed in its FSMO job descriptions, which has yet to be performed.</i>	
Management reply:	Accepted the recommendation.	
Auditor's response:	Having seen FSMO's reply. The audit team will make further assessment as per its own departmental plan.	

Auditor's comment

The audit team recognized that the audited entities – TS3 Operation Department (TS3), Inland Container Depot Unit (ICD), TS1 Passenger Terminal Unit (TS1), Machinery Management Services (MMD), Machinery Management Services (MMS), Procurement Unit (PU) , Information Technology Office (ITO), Research/Development Office (R&D), Personnel/HR Department (HR), Personnel Training Office (PTO) Employment Salary Office (ESO),

Accounting/Finance Department (AFD), Accounting Office (AO), Finance/Securities Market Office (FSO) – have put efforts and responsible spirits into their performance, which resulted in a majority of achievements. However, few errors, inadequacy, and compliance issues were identified and recommended the practices we believe would improve their areas of focus.

Corrective action plan

The audit team recommended actions that we believed would improve the audited entities performance and compliance. The audited entities accepted the recommendations and promised to make improvement and enhancement on their areas of focus as listed in the audit findings. Corrective action plan can be found in Appendix II.

In the subsequent financial years and audit periods, the audit team will inform Conflict Assessment Office for the purpose re-auditing.

Annex 1: Previous Audit Assessment Table

Audited entities:	
First quarter: TS3 Operation Department (TS3) Machinery Management Services (MMS)	Third quarter: Personnel/Training Office (PTO)
Second quarter: IT Office (ITO) Research and Development Office (R&D) Procurement Unit (PU)	Fourth quarter: Accounting Office (AO) Finance/Securities Market Office (FSMO)
Recommendation priorities High: where failure to take action could result in major or critical consequences to the company Medium: where failure to take action could result in significant consequences Low: action is considered desirable and could result in enhanced control and value for money	Audit ratings Satisfactory (effective): where risks are managed to a desirable level Partially satisfactory: where risks are managed to an acceptable level (some improvement needed) Partially satisfactory: where risks are managed to an unacceptable level (major improvement needed) Unsatisfactory (ineffective): where risks are not managed and potential exposure to risks remains

No.	Recommendation	*Priorities	Responsible person	Date of issue	Date of re-assessment	**Ratings	Evidence/supporting document
<i>TS3 Operation Department (TS3)</i>							
1	The absence of annual project TS3 to raise annual office's projects to ensure effective and efficient performance.	Medium	Mr. Heou Song	2021	2024	Unsatisfactory (ineffective)	Internal audit report, report no. IAD/054 of 25 May 2021.
2	The absence of annual activities summary report TS3 to make annual activities summary report, and submit it to managements for approval and acknowledgement.	Medium	Mr. Heou Song	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no. IAD/054 of 25 May 2021.
3	Segregation of roles and duties TS3 to segregate roles and responsibilities of staff under its supervision to minimize the chances of role overlap.	Medium	Mr. Heou Song	2021	2024	Unsatisfactory (ineffective)	Internal audit report, report no. IAD/054 of 25 May 2021.
4	The absence of initial signature in monthly activities summary reports TS3 to authorize its staff responsible for report making to indicate responsibilities and as well conform with legislation standards.	Medium	Mr. Heou Song	2021	2024	Satisfactory (effective)	Internal audit report, report no. IAD/054 of 25 May 2021.
5	Certain activities were not included in monthly activities summary reports	Medium	Mr. Heou Song	2021	2024	Satisfactory (effective)	Internal audit report, report no. IAD/054 of 25 May 2021.

	TS3 to include activities that are within the port premise such as: -gate-in/gate-out activities -motor vessels and river vessels record -Pontoon maintenance/repairation -leased land/area.						
<i>Machinery Management Services (MMS)</i>							
6	To input machinery data and maintenance into a digital record Prompt action of inputting machinery data and maintenance into a digital record is considered imperative due to the nature of the on-going operation, where risks that result in loss of data is reasonably concerning.	Medium	Mr. Lim Voithana	2020	2024	Unsatisfactory (ineffective)	Internal audit report, report no. IAD/10 of 29 January 2020.
7	MMS staff to undergo certain training courses is required MMS to provide more opportunities to attend courses for its staff the driving training, machine operation and basic maintenance.	Medium	Mr. Lim Voithana	2020	2024	Unsatisfactory (ineffective)	Internal audit report, report no. IAD/10 of 29 January 2020.
8	Lack of detail in machinery/truck records MMS to record in further details the machinery/truck records.	Medium	Mr. Lim Voithana	2020	2024	Unsatisfactory (ineffective)	Internal audit report, report no. IAD/10 of 29 January 2020.

<i>IT Office (ITO)</i>							
9	Inadequate administrative office log Upon reviews, ITO had out-letter log while lacking of the in-letter. Having sufficient log for recording events is imperative when it comes to tracking of letters. Thus, ITO to implement the use of it-letter for better administrative office record.	Medium	Mr. Nhem Seyha	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no. IAD/25 of 28 October 2024.
10	An update of staff's roles and duties is required We observed that ITO had finalized their roles and duties arrangements. In 2015, however, some changes incurred due to job transfer, leaving areas in relation to GPS maintenance unfunctional.	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no. IAD/25 of 28 October 2024.
11	The failure to implement digital document tracking application We observed that administrative task such as letter management within the organization was challenging due to the increase of in-letters and out-letters. ITO had created a document tracking application to facilitate documents/letters processing; however, the application has yet to be implemented.	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no. IAD/25 of 28 October 2024.

12	<p>Authentication and authorization of user accounts</p> <p>We observed that ITO has yet to restrict user accounts as per their roles and tasks responsible. This could result in misuse of user accounts exposing sensitive information to the unknown users.</p>	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.
13	<p>The absence of written request submitted to ITO in relation to computer application installation</p> <p>Upon query, ITO has installed computer applications as per requests from departments, entities of PPAP; However, during the course of our audit, our reviews showed that no requests in written forms were present, and might indicate a lack of administrative procedures.</p>	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.
14	<p>Arrangements of network infrastructure within the working building did not meet standardized criteria</p> <p>Upon on-site review, we observed that the switch station of ITO had yet to meet safety and standardized criteria. According to our inspection, only some of the switches were properly shielded with protective equipment, while the others could face potential damage.</p>	Medium	Mr. Nhem Seyha	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.

15	<p>The lack of monthly, quarterly yearly summary reports in relation to the purchasing of devices/equipment</p> <p>Upon query, ITO had documented the proposals as raised from entities of PPAP in relation to the purchasing of devices/equipment. However, ITO did not manage to make monthly, quarterly, and yearly report in relation to the total number of purchases of devices/equipment as raised by entities involved. Tracking the total amount of purchased devices/equipment is imperative especially for follow-up purposes. In this case, ITO's action could indicate ineffective performance.</p>	Medium	Mr. Nhem Seyha	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.
16	<p>Information Technology Policy "IT Policy" and Standard Operating Procedure "SOP"</p> <p>Upon reviews, ITO had yet to establish its IT Policy and SOP to ensure compliance with international and domestic IT standards as well as to effectuate best practices as listed in those procedures.</p>	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.
17	<p>The absence of written reports of penetration test</p> <p>Upon reviews, we observed that ITO failed to provide us</p>	Medium	Mr. Nhem Seyha	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.

	written reports or supporting documents concerning the undertaking of penetration test as well as reports on risk assessment of the system. This could result in potential attacks from cybercriminals or hackers.						
18	Secondary Internet supply and wireless system arrangements could be improved ITO to assess on its existing secondary Internet supply 5mbps (primary:50mbps) its ability to support the primary Internet supply in the event of power cut off. ITO also to make a feasibility study on the needs to employ the suitable second bandwidth for Internet supply.	Medium	Mr. Nhem Seyha	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.
19	Inadequate restriction policy for software applications usage as per users' roles and duties ITO to limit software applications usage and installation as per the users' roles and duties, and as well employ monitor and tracking software.	Medium	Mr. Nhem Seyha	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.
<i>Research and development office (R&D)</i>							
20	The absence of annual project plan of R&D R&D to raise its annual project plan.	Medium	Mrs. Um Mariya	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.

21	The assignment of roles and duties of staff of R&D R&D to assign roles and duties of its staff to ensure responsibility during performance.	Medium	Mrs. Um Mariya	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.
<i>Procurement unit (PU)</i>							
22	Staff of procurement unit to undergo certain training courses is required Anukret no.13 of 23 February 2015 on the procedure for establishing the Procurement Committee on Article 10 states that, "A Procuring Entity shall be equipped of a Procurement Unit (PU) with clear structure and shall be staffed with officers of adequate public procurement qualifications, who are given appropriate authority to be responsible for undertaking all public procurement activities. We observed that certain public procurement qualification is required of staff of PU.	Medium	Mrs. Nou Chanleakhena	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.
23	The binding of procurement package Upon query, we found that PU did not manage to bind items such as engine oil, vehicle tire, and oil filter, and thus PU action was not in conformity to Circular 006/SHV of 22 November	Medium	Mrs. Nou Chanleakhena	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.

	2007 on the procedure for the developing of a procurement plan for the year 2008 and succeeding years; Point number of 3 of the same Circular states that "PU to bind into procurement package of any procurement target of the same type, feature or of the same characteristic in conformity to the practical needs for single bid in order to increase quality of competition, cost cutting and time saving.						
24	Procedures for procurement target need improvement Upon query, we observed that there were delays of the purchase of procurement target as a result of document processing procedures carried out by the entities concerned and PU itself.	Medium	Mrs. Nou Chanleakhena	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.IAD/25 of 28 October 2024.
25	An update on role and responsibilities of staff within PU is required PU to make an update on the role and responsibilities of its staff to ensure responsibility during performance and as well avoid role overlap.	Medium	Mrs. Nou Chanleakhena	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.
26	Untimely adjustments on procurement plan PU to make adjustment on its procurement plan no	Medium	Mrs. Nou Chanleakhena	2021	2024	Satisfactory (effective)	Internal audit report, report no.IAD/25 of 28 October 2024.

	later than 31 October of the executing year as to be compliant with this Circular No.SRNN/MEF/002 of 14 January 2014, point no.5 on the adjustments/modifications of procurement plan.						
<i>Personnel Training Office (PTO)</i>							
27	The implementation of finger-print attendant management PTO to make discussion with relevant entities concerning the official implementation of finger print-attendant to ensure effective disciplinary actions and conformity to the company's regulations.	Medium	Mr. Rim Sokrath	2018	2024	Satisfactory (effective)	Letter of notification PPAP/09 dated, 13 January 2025 on the official use of face-scanning attendance counter on all main business locations of PPAP.
28	Role allocation concerning the making of letters of transmittal and other administrative letters PTO to make discussion with relevant entities involved on the allocation of responsibilities in relation to the making of letters of transmittal and other administrative letters.	Medium	Mr. Rim Sokrath	2018	2024	Satisfactory (effective)	Satisfactory (effective)
29	The establishment of certain administrative procedure concerning the record of letter is required PTO to establish procedure concerning the record of	Medium	Mr. Rim Sokrath	2018	2024	Satisfactory (effective)	The examined logs of audited entities

	"out-letters" as to facilitate letter management within the office.						
<i>Accounting Office (AO)</i>							
30	Errors in relation to revenue and expense vouchers AO to review and push for full completion of requirements on supporting documents, and the ratifying errors in relation to administrative aspects of document handlings.	Medium	Mr. Lor Sok	2021	2024	Satisfactory (effective)	Satisfactory (effective)
31	Errors in relation to certain requirements of revenue and expense vouchers AO to push for the satisfied performance in relation to revenue and expense vouchers.	Medium	Mr. Lor Sok	2021	2024	Satisfactory (effective)	Satisfactory (effective)
32	A lapse in the inventory management procedure AO to re-assess the arrangements/stocking of certain machinery spare parts at the LM17 warehouse as per each orderly category.	Medium	Mr. Lor Sok	2021	2024	Satisfactory (effective)	Satisfactory (effective)
33	Inadequate warning signs placed at the LM17 diesel station AO to discuss with the Safety/Health/Environment Office (SHE) to ensure	Medium	Mr. Lor Sok	2021	2024	Satisfactory (effective)	Satisfactory (effective)

	adequate signs of certain prohibitions and warnings.						
34	Requirements for equipment of fire extinguishers personal protective equipment with surrounding areas of the LM17 diesel station AO to discuss with the Safety/Health/Environment Office (SHE) to ensure adequate preventions in the event of unforeseen accidents with the equipment of fire extinguishers personal protective equipment for the staff deployed.	Medium	Mr. Lor Sok	2021	2024	Satisfactory (effective)	Satisfactory (effective)
<i>Finance/Securities Market Office (FSMO)</i>							
35	Inadequate staff responsible for certain duties within FSMO FSMO to report to the head of department the employment of the chief of section whose responsibilities involves analysis of financial reports and profit & loss analysis.	Medium	Mr. Ngoun Sokry	2021	2024	Partially satisfactory (some improvement needed)	Internal audit report, report no.JAD/008 of 25 January 2022.

Annex 2: Corrective action plan

Audited entities:	
First quarter: - TS3 Operation Department (TS3) - Machinery Management Department (MMD) - Machinery Management Services (MMS)	Third quarter: - Personnel/HR Department (HR) - Personnel Training Office (PTO) - Employment Salary Office (ESO)
Second quarter: - IT Office (ITO) - Research and Development Office (R&D) - Procurement Unit (PU)	Fourth quarter: - Accounting Office (AO) - Finance/Securities Market Office (FSMO)

Recommendation priorities:
High: where failure to take action could result in major or critical consequences to the company
Medium: where failure to take action could result in significant consequences
Low: action is considered desirable and could result in enhanced control and value for money

No.	Recommendation	Management's reply	*Priorities	Responsible person	Date of issue
<i>Audited entity: TS3 Operation Department (TS3)</i>					
1	An update of staff role and responsibilities is required TS3 to make an update of its job descriptions to ensure effective performance and raise responsible spirit.	Accepted	Medium	Mr. Heou Song	2024
<i>Audited entity: Machinery Management Department (MMD)</i>					
2	The absence of SOP in MMD Sufficient guideline in relation to technical procedures is imperative when it comes to operation as it also provides newly recruits the resource they need to function. Therefore, MMD to establish SOP in a timely manner as a proactive approach to potential risks.	Accepted	Medium	Mr. Say Chantha	2024
<i>Audited entity: Machinery Management Services (MMS)</i>					
3	Un-intentional human error in relation to waste disposal MMS to advice their staff in relation to hygiene practices during performance.	Accepted	Medium	Mr. Lim Voithana	2024
4	Lack of or inadequate track/record of machinery/trucks MMS to record/re-record machinery/trucks under its management which includes, user-manual, conditions, history, and provider's brand name.	Accepted	Medium	Mr. Lim Voithana	2024
<i>Audited entity: IT Office (ITO)</i>					

5	ITO to establish an IT policy and procedures to facilitate managements of cyber securities and, if efficient, implement a firewall automate tool such as Security Information and Event Management (SIEM) as a proactive approach to timely notify related parties the abnormalities within the event management and report to top managements for responses and resolutions.	Accepted	Medium	Mr. Nhem Seyha	2024
6	ITO to consider the implementation the company's own mail server or outsource from other trustworthy companies of the same field such as Microsoft Exchange Server for Mail or Microsoft 365. There are other restrictions in relation to access to server or authorization for ITO to consider such as access control, role-based access, deactivation of accounts, password policies, email security controls, employee training and awareness and business continuity and disaster recovery plan.	Accepted	Medium	Mr. Nhem Seyha	2024
7	ITO to establish an official password policy; And as well report to top managements and request to HR the recruitment of "system administrator" and "help desk" to ensure timely responses to problems and/or threats.	Accepted	Medium	Mr. Nhem Seyha	2024
<i>Audited entity: Research and Development Office (R&D)</i>					
8	R&D to report to top managements the lack of staff responsible and make a request to HR the recruitment of positions that are vacant such as deputy manager and head of section.	Accepted		Mrs. Um Mariya	2024
9	R&D to resume the making of monthly and annual activity summary report and submit it to top managements for acknowledgement and approval.	Accepted		Mrs. Um Mariya	2024
<i>Audited entity: Procurement Unit (PU)</i>					
10	PU to thoroughly study prioritized projects and discuss with related parties before submitting the	Accepted		Mrs. Nou Chanleakhena	2024

	finalized project into the company's main project plan to ensure cost-effective implementation as well as compliance with domestic legislations.				
11	PU to make a soft copy of its documents by scanning or other effective means to ensure safety and security in case of unforeseen accident.	Accepted		Mrs. Nou Chanleakhena	2024
12	PU to advise responsible person to thoroughly review bidding documents before the opening of the bidding process.	Accepted		Mrs. Nou Chanleakhena	2024
<i>Audited entity: Personnel/HR Department (HR)</i>					
13	Annual planning of HR HR to raise its annual plan in a written form and submit to top managements before including it in the official corporate annual planning.	Accepted	Medium	Mr. Ouk Poly	2024
14	An update on role and responsibilities of staff at HR is required HR to make an update of its organization structure, role and responsibilities to ensure effective performance and raise responsible spirit.	Accepted	Medium	Mr. Ouk Poly	2024
<i>Audited entity: Personnel/Training Office (PTO)</i>					
15	Short-term and long-term domestic and foreign training courses for employee PTO to discuss the priorities level of staff to undergo training courses - both domestic and foreign - with related entities under the supervision of PPAP before those entities involved submit their official requests.	Accepted	Medium	Mr. Rim Sokhrath	2024
16	The absence of TNA and TND reports PTO to begin the assessment for TNA and TND work and document it for future purposes.	Accepted	Medium	Mr. Rim Sokhrath	2024

<i>Audited entity: Employment Salary Office (ESO)</i>					
17	<p>The absence of acknowledged and approved quarterly and annual summary report on expenses</p> <p>ESO to summarize the quarterly and annual report on expenses and submit it to top managements for acknowledgement and approval.</p>	Accepted	Medium	Mrs. Han Sokhemborvor	2024
<i>Audited entity: Accounting Office (AO)</i>					
18	<p>Errors in relation to inventory journal entries</p> <p>AO to enhance its controls to minimize errors within its journal entries.</p>	Accepted	Medium	Mr. Lor Sok	2024
<i>Audited entity: Finance/Securities Market Office (FSMO)</i>					
19	<p>The performance of works as listed in the FSMO job descriptions</p> <p>FSMO to begin the work on certain areas as listed in its FSMO job descriptions, which has yet to be performed.</p>	Accepted	Medium	Mr. Ngoun Sokry	2024

Part 6

**Financial Statements Audited by
the External Auditor**

**“Financial Statements
For the year ended 31 December 2024
and
Report of the Independent Auditors”
will be Attached as Appendix II**

Part 7

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

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

For 2024, there is no such transaction occurred.

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

For 2024, there is no such transaction occurred.

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

For 2024, 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 2024, 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 2024, there is no such transaction occurred.

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

For 2024, 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 2024, there is no such transaction occurred.

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

For 2024, 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 2024.*

The container throughput of PPAP in the 2024 has increased 83,975 TEUs or 21.19% compared to 2023. For vessels in 2024 increased by 2,427 voyages or 58.31% compared to 2023. However, Cambodian and international cruises (2,099 units) in the 2024 has increased 313 units or 17.53% compared to 2023. On the other hand, general cargo in 2024 has also increased 234,414 TONs or 25.20% compared to 2023.

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 2024 and 2023 as *set out in Section 6 of yearly report 2024.*

PPAP has four main revenue source:

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

1. Revenue Analysis

1.1. Revenue Analysis

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Port Operation	34,565,161	140,714,770	28,569,921	117,422,376	5,995,240	20.98%	23,292,394	19.84%
Port Authority	5,834,481	23,752,172	4,822,946	19,822,308	1,011,535	20.97%	3,929,864	19.83%
Other Services	1,188,531	4,838,510	1,165,644	4,790,796	22,887	1.96%	47,714	1.00%
Total:	<u>41,588,173</u>	<u>169,305,452</u>	<u>34,558,511</u>	<u>142,035,480</u>	<u>7,029,662</u>	<u>20.34%</u>	<u>27,269,972</u>	<u>19.20%</u>

Noted: Trucking fee is classified into Other Services.

Total revenue increased by KHR 27,269,972,000 (USD 7,029,662) or +19.20% from KHR 142,035,480,000 (USD 34,558,511) in 2023 to KHR 169,305,452,000 (USD 41,588,173) in 2024. This increase in revenue is due to the increase of container throughput which results in the increase in revenue from port operation [stevedoring, lift on lift off (LOLO)], gate fees, weighting fee, and stuffing/unstuffing], as well as, the increase in port authority.

1.2. Revenue by segment analysis

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Source of Revenue	2024		2023	
	Period Ended 31 December 2024		Period Ended 31 December 2023	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Stevedoring	76,001,564	44.89%	61,998,146	43.65%

Source of Revenue	2024		2023	
	Period Ended 31 December 2024		Period Ended 31 December 2023	
	KHR'000	Compared to total revenue	KHR'000	Compared to total revenue
Lift On Lift Off (LOLO)	57,247,766	33.81%	49,004,179	34.50%
Port dues and charges	23,752,172	14.03%	19,822,308	13.96%
Gate fees	5,129,867	3.03%	4,214,160	2.97%
Storage fees	2,000,070	1.18%	2,042,193	1.44%
Weighting fees	269,199	0.16%	103,486	0.07%
Stuffing/unstuffings	66,304	0.04%	60,212	0.04%
Logistic Service	4,838,510	2.86%	4,790,796	3.37%
Total:	169,305,452	100%	142,035,480	100%

For 2024 as well as 2023, PPAP has increased in 3 main revenue which represent 93% of total revenue from operation and services. Those revenue included stevedoring, lift on lift off (LOLO) and port dues and charges.

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Stevedoring	18,669,016	76,001,564	15,084,707	61,998,146	3,584,309	23.76%	14,003,418	22.59%
Lift On Lift Off (LOLO)	14,062,335	57,247,766	11,923,158	49,004,179	2,139,177	17.94%	8,243,587	16.82%
Port dues & charges	5,834,481	23,752,172	4,822,946	19,822,308	1,011,535	20.97%	3,929,864	19.83%

For 2024, the three main revenues of PPAP increased by KHR 26,176,869,000 (USD 6,735,021) or +20.01% compared to 2023.

2. Gross profit margin analysis

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

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Revenue	41,588,173	169,305,452	34,558,511	142,035,480	7,029,662	20.34%	27,269,972	19.20%
Cost of Service								
Crane charge	4,024,181	16,382,441	3,177,869	13,061,042	846,312	26.63%	3,321,399	25.43%
Depreciation	4,569,326	18,601,726	3,870,671	15,908,458	698,655	18.05%	2,693,268	16.93%
Fuel and gasoline	1,684,835	6,858,963	1,422,842	5,847,881	261,993	18.41%	1,011,082	17.29%
Salaries and wage	2,755,667	11,218,320	2,481,132	10,197,453	274,535	11.06%	1,020,867	10.01%
Maintenance costs	1,445,717	5,885,514	1,557,217	6,400,162	(111,500)	-7.16%	(514,648)	-8.04%
Logistic Costs	18,120	73,767	153,769	631,991	(135,649)	-88.22%	(558,224)	-88.33%
Barge freight	993,120	4,042,992	194,718	800,291	798,402	410.03%	3,242,701	405.19%
Others	319,932	1,302,443	224,046	920,827	95,886	42.80%	381,616	41.44%
Total Cost of Service	15,810,898	64,366,166	13,082,264	53,768,105	2,728,634	20.86%	10,598,061	19.71%
Gross profit	<u>25,777,275</u>	<u>104,939,286</u>	<u>21,476,247</u>	<u>88,267,375</u>	<u>4,301,028</u>	<u>20.03%</u>	<u>16,671,911</u>	<u>18.89%</u>
Gross Profit Margin	61.98%	61.98%	62.14%	62.14%				

- Gross Profit Margin Analysis

Gross Profit Margin decreased by -0.16% from 62.14% in 2023 to 61.98% in 2024. The decrease in gross profit margin is due to the increase in cost of service by KHR 10,598,061,000 (USD 2,728,634) or +19.71% compared to 2023, while the revenue increased by KHR 27,269,972,000 (USD 7,029,662) or +19.20% compared to 2023.

3. Profit before tax analysis

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

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Gross profit	25,777,275	104,939,286	21,476,247	88,267,375	4,301,028	20.03%	16,671,911	18.89%
Other income	(100,513)	(409,188)	(98,296)	(403,997)	(2,217)	2.26%	(5,191)	1.28%
General administration expenses								
Salaries and other benefits	5,071,995	20,648,092	4,877,165	20,045,148	194,830	3.99%	602,944	3.01%
Utilities and fuel	681,666	2,775,062	659,320	2,709,805	22,346	3.39%	65,257	2.41%
Depreciation	769,592	3,133,009	722,964	2,971,382	46,628	6.45%	161,627	5.44%
Board of Directors' fee	247,723	1,008,480	245,478	1,008,915	2,245	0.91%	(435)	-0.04%
Donation expenses	905,029	3,684,373	765,100	3,144,561	139,929	18.29%	539,812	17.17%
Office supplies	247,504	1,007,589	223,353	917,981	24,151	10.81%	89,608	9.76%
Business entertainments	257,215	1,047,122	240,189	987,177	17,026	7.09%	59,945	6.07%
Repairs and maintenance	261,059	1,062,771	303,714	1,248,265	(42,655)	-14.04%	(185,494)	-14.86%

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Communication expenses	99,476	404,967	77,665	319,203	21,811	28.08%	85,764	26.87%
Professional fee	88,753	361,313	73,092	300,408	15,661	21.43%	60,905	20.27%
Travelling expenses	93,819	381,937	94,050	386,546	(231)	-0.25%	(4,609)	-1.19%
Other tax expenses	235,227	957,609	93,340	383,627	141,887	152.01%	573,982	149.62%
Others	398,573	1,622,592	254,662	1,046,660	143,911	56.51%	575,932	55.03%
Lease receivable written off	204,904	834,164	58,984	242,424	145,920	247.39%	591,740	244.09%
Total general administration expenses	9,562,535	38,929,080	8,689,076	35,712,102	873,459	10.05%	3,216,978	9.01%
Share of loss from joint arrangement	345,518	1,406,604	401,989	1,652,175	(56,471)	-14.05%	(245,571)	-14.86%
Impairment loss on trade and other receivables	(326,883)	(1,330,740)	(1,044,910)	(4,294,580)	718,027	-68.72%	2,963,840	-69.01%
Operating profit	<u>16,132,862</u>	<u>65,676,882</u>	<u>12,045,954</u>	<u>49,508,871</u>	<u>4,086,908</u>	<u>33.93%</u>	<u>16,168,011</u>	<u>32.66%</u>
Net finance income/costs	150,033	610,784	148,482	610,261	1,551	1.04%	523	0.09%
Profit before income tax	<u>16,282,895</u>	<u>66,287,666</u>	<u>12,194,436</u>	<u>50,119,132</u>	<u>4,088,459</u>	<u>33.53%</u>	<u>16,168,534</u>	<u>32.26%</u>

For 2024, Profit before income tax increased by KHR 16,168,534,000 (USD 4,088,459) or +32.26% compared to 2023. This increased is due to the increased in gross profit for KHR 16,671,911,000 (USD 4,301,028) or +18.89%, and the impairment loss on trade and other receivables has decreased by KHR 2,963,840,000 (USD 718,027) or -69.01%.

4. Profit after tax analysis

PPAP is subject to the Law on Commercial Enterprise for taxation sector and value added tax (VAT), thus PPAP has the obligation to pay tax at 20% of taxable profit. However, from 2019 onward PPAP will have obligation to pay tax as normal after received 50% reduction on the tax on profit for three years (from 2016 to 2018).

For The Period Ended 31 December 2024 Compared to The Period Ended 31 December 2023

Description	2024		2023		Change			
	Period Ended 31 December 2024		Period Ended 31 December 2023					
	USD	KHR'000	USD	KHR'000	USD	%	KHR'000	%
Profit before income tax (a)	16,282,895	66,287,666	12,194,436	50,119,132	4,088,459	33.53%	16,168,534	32.26%
Income tax expense (b)	3,325,478	13,538,021	2,801,257	11,513,166	524,221	18.71%	2,024,855	17.59%
Net profit for the year	12,957,417	52,749,645	9,393,179	38,605,966	3,564,238	37.94%	14,143,679	36.64%
Other comprehensive income	12,937,096	40,388,560	9,232,903	31,732,726	3,704,193	40.12%	8,655,834	27.28%
Effective tax rate (b)/(a)	20.42%	20.42%	22.97%	22.97%				

PPAP Earns Profit After Tax KHR 52,749,645,000 (USD 12,957,417) in 2024 and KHR 38,605,966,000 (USD 9,393,179) in 2023, representing an increase of KHR 14,143,679,000 (USD 3,564,238) or +36.64%.

5. Factors and trends analysis affecting financial conditions and results

5.1. Level of regional, global trade and globalization

The financial condition and results of PPAP are dependent on throughput volumes and transshipment activity at ports. There rely heavily on the domestic, and global trade volume as well as the regional export and import. These may be significantly affected by the changes in regional and global economic, financial and political condition that are beyond PAPP's control.

5.2 Capacity at the Container Terminal LM17

The main handling operation is conducted at the Container Terminal LM17. PPAP has container cargo handling capacity of approximately 500,000 TEUs annually as at 31st December, 2024. In order to accommodate this increase, PPAP has plan to finish the Phase 4 of port infrastructure project which will increase its capacity more 400,000 TEUs/year of the handling capacity at Container terminal LM17.

Description	Output				
	2021	2022	2023	2024	Planning 2024
Container Terminal LM17 (TEUs)	348,898	417,696	396,225	480,200	440,000

5.3 Operation Efficiency

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

- Continue introducing new handling machinery in order to speed up the process of cargo handling and reduce wait time cause by the malfunction of machinery.
- Improving capability of operation by providing employee training.
- Expand the terminal in order to ensure that vessels are quickly and efficiently transport cargo to and from PPAP.
- Utilizing external depot to increase the container storage capacity at LM17 such as the ICD depot, Sub-Feeder Multipurpose Terminal TS11, Multipurpose Terminal TS3, and Mekong Sentosa Logistic (MSL).
- Efficiently managing the container yard by reducing the duration of storage of container at the container yard.
- Efficiently utilizing the terminal by formulating a clear the berthing plan.

5.4 Price

In order to retain existing customers and attract more new customers, PPAP Has offered favorable tariffs on cruise ships, cruise ships, retail and container ships and other types of freight vessels. PPAP also offers preferential prices for both freight services at both inside and outside of the

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

5.5 Connection to Feeder Port

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

5.6 Depreciation

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

B. Significant factors affecting profit

1. Factors and trends analysis affecting financial conditions and results

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

2. Fluctuation in prices of cost of service analysis

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

2.1. Staff salaries and other benefits

A large portion of the company’s expense is related to staff salaries and other benefits, which is **18.83%** (6.63% from operation staff and 12.20% from administration staff and other benefits) of total revenue in 2024 which recorded in Cost of Services and General Administration Expense. However, PPAP have plan which arrange appropriate human resource according to the scope of work and pay salaries base on the number of container throughput (TEU) in order to ensure that staff cost will not significantly affect our profit.

2.2. Staff salaries and other benefits

Another large portion of cost of service is crane charges which is **9.68%** of total revenue in 2024. PPAP has signed a contract with its business partner for the use of the Traveling Cargo Crane to provide handling services and share the revenue according to the terms of the contract. PPAP expect that crane charge will increase as the number of container throughput is also expected to increase.

3. Tax analysis

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

3.1. Tax on profit

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

3.2. Value added tax (VAT)

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

3.3. Tax withheld on Interest Income

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

3.4. Import Tax

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

C. Material changes in sales and revenue

The main revenue from PPAP are from handling container cargo service such as Stevedor, LOLO and Port Due & Charge which represent about **93%** of the total revenue in 2024. 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.

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 2024, PPAP has necessary information for the investor protection as follow:

- Reviewed and approved the audited financial statements of PPAP for the year 2023
- Reviewed and approved the incentive distribution for PPAP’s employees for the year 2023, which amounts to 3 times the average annual salary and is scheduled to be disbursed on April 8th, 2024. The allocation of net profits to other funds for the year 2023 was also reviewed and approved.
- Reviewed and approved the following:
 - † Distribution of dividends for the year 2023: Shareholders class “A” will receive 6.75% of the IPO price (KHR 5,120) totalling KHR 1,429,703,309 (One billion four hundred twenty-nine million seven hundred three thousand three hundred nine riels), and shareholder class “B” will receive KHR 3,200,000,000 (Three billion two hundred thousand), in which PPAP must prepare for approval at the annual General Shareholders Meeting.
 - † The total dividend per share for both shareholders class “A” and class “B” is KHR 223.83/share, in which the dividend per share for shareholders class “A” is KHR 345.60/share and for shareholder class “B” is KHR 193.38/share.
- Reviewed and approved the organization for PPAP’s 9th General Shareholders Meeting as follows:
 - † Date of Meeting: Friday, 10th May, 2024, at 8:00 am
 - † Record Date: April 9th, 2024
 - † Location: PPAP’s Passenger and Tourist Station of Multipurpose Terminal (TS3), located on Preah Sisowath Quay, Sras Chork Commune, Daun Penh District, Phnom Penh
 - † Agenda: **Agenda 1**, Report on business performance in 2023 and performance targets for 2024; **Agenda 2**, Proposal for review and approval on dividend distribution for the year 2023 to shareholders.
- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for 5 Months of 2024
- Resolved that PPAP appointed **Mrs. KHOV Chansoma** as Head of Accounting/Finance Department of PPAP and appointed **Mrs. SENG Kunthea** as Deputy Director General of Technical of PPAP. PPAP shall properly prepare the appointing procedures and formally announce the position in accordance with the procedure.
- Approved on the decision for PPAP to invite CHEAN CHHOENG THAI GROUP Co., Ltd. for the discussion regarding the progress of the company’s project, the payment amount that the company is obligated to settle to PPAP, and other concerns of the company, so the Board of Directors to ensure PPAP has a solid foundation for reporting to the two Guardian Ministries, especially Ministry of Economy and Finance.
- Authorized PPAP to shall adhere to the request for the review and approval by the two Guardian Ministries to sign The Investment Cooperation Agreement with PTL S Cooperation Co., Ltd., for the development of Sub-Feeder Multi Purpose Terminal UM1 project and to start implementing the Step 1’s project in 2024.

- Permit in principle for PPAP to participate and invest 25% in the Funan Techo Canal Project in the company FUNAN TECHO INLAND WATERWAYS AND LOGISTICS CO., LTD.
- Permit in principle for PPAP to sign the Joint Venture Agreement-JVA between PPAP, Sihanoukville Autonomous Port (PAS) and Funan Techo Canal Investment Co., Ltd. (FTCIC).
- Instruct PPAP to seek approval or wait for the two Guardian Ministries, especially the Ministry of Economy and Finance and the Securities and Exchange Regulator of Cambodia (SERC), regarding the contribution of the capital investment and the signing of the Joint Venture Agreement (JVA).
- Maintain a consistent stance and uphold the trust of investors who have placed their confidence in the government after receiving approval to invest in Cambodia.
- Acknowledge the investor who holds legal rights under the long-term lease agreement, namely Mr. Chen Taian, Chairman of the Board of Directors of YUNNAN SHENGMAO INVESTMENT (CAMBODIA) CO., LTD., to proceed with the implementation of the Triumph Cambodia Commercial Center development project on the site of a container yard, covering an area of 9.3 hectares, located in Boeng Salang Village, Russey Keo Commune, Russey Keo District, Phnom Penh.
- Instruct YUNNAN SHANGMAO INVESTMENT (CAMBODIA) CO., LTD., to submit a formal request to the Ministry of Commerce for further examination of the compliance with the procedure for the registration of the transfer of 30% of shares, and the amendment of the Articles of Incorporation (AoI) of YUNNAN SHANGMAO INVESTMENT (CAMBODIA) CO., LTD., to another party, for the purpose of verifying the validity of the determination of obligations related to the exercise of rights and the continuation of the agreement with PPAP.
- Authorize PPAP to proceed with continued cooperating with the relevant ministries and institutions in facilitating the resolution of disputes with the involved parties.
- Reviewed and approved on the result of business/services and financial performance (Unaudited) of PPAP for the period of 10 months and the forecast of 2024, also the planning for 2025.
- Reviewed and approved on PPAP's Procurement Planning for 2025 and permitted PPAP to establish the Procurement Unit in compliance with the Sub-decree No. 13 ANKR.BK dated 23rd February, 2015 of the Royal Government of Cambodia.
- Reviewed and approved on the decision for PPAP to invite the representatives of Yunnan Shengmao Investment (Cambodia) Co., Ltd. and Zheng Chi Investment Management (Cambodia) Co., Ltd. to attend PPAP's Board of Directors meeting in order to have further detailed discussion regarding the transfer the leasing contract on the 9.3 hectares land (ICD) and the Supplementary contract at a convenient schedule.

Signature of Director of the Listed Entity

Date...31/03/2025...
Read and Approved by:

Hei Bavy

H.E. HEI Bavy
Chairman of BOD
And CEO

Date...31/03/2025...
Read and Approved by:

Soun Rachana

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

Date...31/03/2025...
Read and Approved by:

Ken Sambath

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

Date...31/03/2025...
Read and Approved by:

Penn Sovicheat

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

Date...31/03/2025...
Read and Approved by:

Gui Anvanith

H.E. Gui Anvanith
Member (Independent
Director)

Date...31/03/2025...
Read and Approved by:

Pok Pheakdey

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

Date...31/03/2025...
Read and Approved by:

Kong Sothea

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

Appendix I

Phnom Penh Autonomous Port

2024 Annual Report

Annual Corporate Governance Report

Appendix I

Phnom Penh Autonomous Port 2024 Annual Report

Annual Corporate Governance Report

Part 1. Shareholders

A. Shareholders Structure (as of December 31st, 2024)

1. Shareholders' Information

Description	Nationality	Type of Shareholders	Number of shareholders	Number of shares	%
Less than 5%	Cambodian	Individual	1,578	1,056,965	5.11%
		Cooperation	4	496,772	2.40%
	Foreigner	Individual	338	1,103,670	5.34%
		Cooperation	4	1,479,466	7.15%
From 5% to less than 30%	Cambodian	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A
	Foreigner	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A
From 30% above	Cambodian	Individual	N/A	N/A	N/A
		Cooperation	1	16,547,492	80%
	Foreigner	Individual	N/A	N/A	N/A
		Cooperation	N/A	N/A	N/A

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

Shareholders	Number of shareholders	Number of shares	%
Directors	5	126,250	0.61%
Senior Officers	13	58,307	0.28%
Employees	45	41,906	0.20%
Total	63	226,463	1.09%

B. Rights of Shareholders and Protection of Shareholders

1. Rights of Shareholders

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

1.1. Rights of Shareholders Holding Class A Shares

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

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

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

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

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

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

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

1.2. Rights of Shareholders Holding Class B Shares

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

- The conversion shall be made for all and at the same time;
 - The minimum dividend guaranteed for a period of 5 years shall be fully distributed to the shareholders holding Class A share.
- **Rights to sell share:** The shareholders holding Class B share shall be entitled to sell Class B share on the Cambodia Securities Exchange or sell (share) to a third party only in case of compliance with the conditions the guaranteed minimum dividend within 5 years shall be fully distributed to the shareholders holding Class A share.

1.3. Rights of Shareholders Holding Class C Shares

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

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

1.4. Rights of Shareholders Holding Class C Shares

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

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

For 2024, PPAP's shareholders participated in the 9th General Shareholders Meeting on May 10th, 2024 to acknowledge the results achieved in 2023 and the future plan for 2024, and also participated in the vote to approve the dividends distributed to shareholders for 2023.

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 10 th , 2024	Ordinary	50+1	- Business results achieved in 2023 and future plan for 2024 - Request for review and approval on dividend distribution to shareholders for 2023	- Dividend distribution to shareholder for 2022 is 6.75%

D. Dividend Distribution

1. Dividend Policy

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

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

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

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

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

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

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

No.	Detail of dividend distribution	Year 2023	Year 2022	Year 2021
1	Announcement Date of Dividend Distribution	13 May 2024	12 May 2023	11 May 2022
2	Record date	28 May 2024	25 May 2023	24 May 2022
3	Dividend Payment Date	06 Jun 2024	05 Jun 2023	02 Jun 2022

Part 2. Board of Directors

A. Board of Directors

1. Board Composition

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

2. Directors Biography



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

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



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

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



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

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



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

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



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

❖ <u>Nationality</u>	Cambodian
❖ <u>Date of Birth</u>	November 15 th , 1953
❖ <u>Study Records</u>	
- 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.
❖ <u>Work Experiences</u>	
- 1976 - 1978	Assistant of Technical Manager of Bechtel Quebec Ltd/ James Bay Energy Corporation
- 1980 - 1982	Credit Analyst of Toronto Dominican Bank, Toronto, Canada
- 1982 - 1983	Regional Officer of Toronto Dominican Bank, Toronto, Canada
- 1983 - 1984	Assistant Director of Toronto Dominican Bank, Toronto, Canada
- 1984 - 1986	Accounting Officer (Corporate and Government Bank) of Toronto Dominican Bank, Toronto, Canada
- 1986 - 1988	Director of Accounting (Corporate and Government Bank) of Montreal Bank, Montreal City
- 1988 - 1994	Assistant Treasurer of The Laurentian Group Corporation, Montreal
- 1994 - 2004	Director and Chief in Section of Corporate of Credit Agricole Indosuez Bank, Phnom Penh
- 2003 - 2004	Secretary General of Phnom Penh International Airport
- 2004 - 2005	Head of Cabinet of Ministry of Public Works and Transport
- Jun 2005 - Dec 2005	Senior Director, ANZ Royal Bank, Phnom Penh
- Dec 2005 - Apr 2009	Deputy Director General and Member of the Board of Directors of Foreign Trade Bank (FTB)
- Apr 2009 - Jan 2019	General Director and Member of the Board of Directors
- Mar 2003 - Present	Professor, Mekong Project Development Facility (MPDF)/IFC
- Jun 2016 - Present	Member of the Board of Directors of PPAP
- Jan 2019 - Present	Vice Chairman of FTB Board of Directors.



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

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



Mr. KONG Sothea
Member of the Board of Directors
Employee's Representative

- ❖ **Nationality** Cambodian
- ❖ **Date of Birth** May 15th, 1968

❖ **Study Records**

- 1988 High School Graduated, Secondary Diploma Level II
- 1993 Associate Degree Secondary School of Finance/Accounting
- 2002 Bachelor Degree of Enterprise Management
- 2006 Master Degree of Economics

❖ **Work Experiences**

- 1989 – 1990 Staff of Technical School of Communication of the Ministry of Transportation
- 1993 – 2004 Staff of Accounting / Finance of Phnom Penh Autonomous Port
- 2004 – 2011 Deputy Manager of Accounting / Finance Office
- 2011 – 2013 Manager of Accounting / Finance Office
- 2014 – 2015 Manager of Personnel / HR
- 2015 – 2019 Head of Personnel / HR Department
- 2019 – Feb 2023 Head of Administration Department
- Feb 2023 – Present Head of Internal Audit Department

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

No.	Name	Company	Director or Shareholder or Co-Owner
1	H.E. 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

No.	Date	Type of Meeting	Name of Directors Attended the Meeting
1	March 27 th , 2024	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs.POK Pheakdey Mr. KONG Sothea
2	June 13 th , 2024	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs.POK Pheakdey Mr. KONG Sothea
3	July 29 th , 2024	Extraordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat Mr. GUI Anvanith Mrs.POK Pheakdey Mr. KONG Sothea

No.	Date	Type of Meeting	Name of Directors Attended the Meeting
4	September 12 th , 2024	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat H.E. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea
5	November 21 st , 2024	Ordinary	H.E. HEI Bavy H.E. SUON Rachana H.E. KEN Sambath H.E. PENN Sovicheat H.E. GUI Anvanith Mrs. POK Pheakdey Mr. KONG Sothea

B. Board of Directors' Committees

1. Structure of the Board of Directors' Committees

1.1. Audit Committee

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

Roles and Responsibilities of Audit Committee

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

Performance of the Audit Committee

For 2024, the Audit Committee held 4 meetings as follows:

1. Session on March 7, 2024

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

2. Session on May 3, 2024

- Review and discuss the draft financial statements for the first quarter of 2024 after being audited by an independent auditor
- Review and approve the internal audit report for the first quarter of 2024

3. Session on August 2, 2024

- Review and discuss the draft financial statements for the Second quarter of 2024 after being audited by an independent auditor
- Review and approve the internal audit report for the Second quarter of 2024.

4. Session on October 29, 2024

- Review and discuss the draft financial statements for the Second quarter of 2024 after being audited by an independent auditor
- Review and approve the internal audit report for the Third quarter of 2024.

1.2. [Remuneration and Nomination Committee](#)

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
1	Director, Representative of Ministry of Public Works and Transport	Chairman	November 28 th , 2019	1	1
2	Director, Representative of Ministry of Economic and Finance	Vice Chairman	November 28 th , 2019	1	
3	Non-Executive Director, Representative of Private Shareholders	Member	November 28 th , 2019	1	
4	Director, Representative of PPAP's Employees	Member	November 28 th , 2019	1	

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
5	Head of Personnel/ HR Department	Member	November 28 th , 2019	1	
6	Staff of Personnel/HR Department	Secretary	November 28 th , 2019	1	

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 2024, the Remuneration and Nomination Committee held 1 meeting in which has reviewed and discussed the fulfillment of one acting director and the position of Deputy Director General of Technical and approved to fulfill the director position to **Mrs. Khov Chansoma** as Director of Accounting/Finance and the position of Deputy Director General of Technical to **Mrs. Seng Kunthea** on June 13, 2024.

1.3. Risk Management Committee

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

No.	Name	Position	Appointing Date	Number of the Meeting Attended	Total Number of Meetings
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 2024, the Risk Management Committee of PPAP has no any performance yet.

2. Changing of Committee Member

In 2024, there has no changed in PPAP's committee member.

C. Remuneration or Compensation

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

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

2. Remuneration or Compensation Receivers

(Unit: Thousand Riel)

No.	Directors	Position at PPAP	Remuneration for 2024
1	H.E. HEI Bavy	Chairman and CEO	279,072
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	H.E. GUI Anvanith	Independent Director	144,000
6	Mrs. POK Pheakdey	Non-Executive Director Representative of Private Shareholders	144,000
7	Mr. KONG Sothea	Employee Representative	216,085
Total			1,215,157

(Unit: Thousand Riel)

N.	Executive Directors	Position at PPAP	Remuneration for 2024
1	H.E. HEI Bavy	Chairman and CEO	279,072
2	Mr. KONG Sothea	Employee Representative	216,085
Total			495,157

(Unit: Thousand Riel)

No.	Senior Officers	Position at PPAP	Remuneration for 2024
1	H.E. HEI Bavy	Chairman and CEO	279,072
2	H.E. CHOUN Sokhem	Deputy Director General of Administration/Finance	95,383
3	Mr. HIEK Phirun	Deputy Director General of Maritime Service/Traffic	95,383
4	Mrs. HEI Phanin	Deputy Director General of Business/Operation	95,383
5	Mrs. SENG Kunthea	Deputy Director General of Technical	83,644
6	Mr. KONG Channy	Head of Corporate Secretary	89,785
7	Mr. KEO Sophanara	Head of Administration Department	71,725
8	Mr. KONG Sothea	Head of Internal Audit Department	216,085
9	Ms. CHHEAV Vanthea	Head of Planning/Marketing Department	83,188
10	Mr. SAY Chantha	Head of Machinery Management Department	71,425
11	Mr. CHIEAP Vyraya	Head of Hydrographic Department	70,524
12	Mr. TOL Sokhom	Head of Harbor Department	71,834
13	Mr. CHHIV Songkaing	Head of Sub-Feeder Multipurpose Terminal UM1	71,725
14	Mr. HUN Sokhalay	Head of LM17 Operation Department	71,605
15	Mr. HOEU Song	Head of TS3 Operation Department	71,665
16	Mr. IM David	Head of Engineering Department	71,425
17	Mrs. MEAS Visal	Head of Sub-Feeder Multipurpose Terminal TS11	71,785
18	Mrs. KHOV Chansoma	Acting Head of Accounting/Finance Department	76,804
19	Mr. OUK Poly	Acting Head of Personnel/HR Department	61,905
20	Mr. HENG Vutha	Acting Head of Sub-Feeder Multipurpose Terminal UM2	54,958
Total			1,875,303

(Unit: Thousand Riel)

No.	Highest Remuneration receiving Officers	Position at PPAP	Remuneration for 2024
1	Mr. AY Samnang	Manager of Port Safety/Health/Environment Office	61,605
2	Mr. PRAK Samet	Manager of Domestic Port/Port Commercial Zone	55,581
3	Mr. SOK Channara	Manager of Harbor / AIS System Service	55,521
4	Mr. CHENG Srun	Manager of Project Monitoring / Implementation Unit	55,498
Total			228,205

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

For 2024, PPAP has no performance evaluation on Board of Directors, Directors, Committee and CEO.

E. Training for Directors and Senior Officers

For 2024, Directors and Senior Officers of PPAP attended the training courses as follows:

No	Name	Course	Date of Attending	Venue
Local Training				
1	Mr. Hun Sokhalay Mr. Chiep Viraya Mr. Heou Song Mr. Say Chantha	Road traffic training course	11 January 2024	LM17
2	Mr. Im David	Workshop on Green Infrastructure Project Development and Experience of Green Special Economic Zone (Green SEZ) Pilot Project	22-26 January 2024	Hyatt Regency Phnom Penh Hotel
3	Mrs. Khov Chansoma	Asian Development Bank (ADB) Technical Assistance Workshop for the Repayment Assessment Agency (RAC) in Cambodia on "Capacity Building for Stakeholders"	07 February 2024	Securities and Exchange Commission of Cambodia
4	Mrs. Hei Phanin	Dissemination workshop on the policy framework for the development of government securities, 2023-2024	27-28 February 2024	Hyatt Regency Phnom Penh Hotel

No	Name	Course	Date of Attending	Venue
5	Ms. Chheav Vanthea	Training workshop on Public Private Partnership (PPP) project management in Cambodia for the third phase	29 February – 01 March 2024	MEF
6	Mrs. Hei Phanin Mr. Kong Channy Ms. Chheav Vanthea Mrs. Khov Chansoma	Training course on promotion mechanisms in the public works and transportation sector	06 March 2024	MPWT
7	H.E Choun Sokhem Mr. Kong Sothea Mrs. Khov Chansoma	Consultation workshop on common guidelines for inspection at the Ministry of Public Works and Transport	18-19 March 2024	Siem Reap
8	Mrs. Khov Chansoma	Publicity seminar on annual income tax obligations and the General Department of Taxation's (GDT e-administration) electronic tax administration program	20 March 2024	Sofitel Phnom Penh Phukitra Hotel
9	Mr. Kong Sothea	Workshop on "Preparation and Operation of Internal Audit Unit"	21 May 2024	Sofitel Phnom Penh Phukitra Hotel
10	Mrs. Khov Chansoma	Workshop on the Implementation of Common Guidelines on Public Financial Management	21 May 2024	Sokha Phnom Penh Hotel
11	Mr. Kong Channy	Training workshop on "Legal standards for private sector financing for public-private partnership projects"	27-30 May 2024	Sofitel Phnom Penh Phukitra Hotel
12	Mrs. Seng Kunthea	Talent Management Training Course	10-14 May 2024	CAMBODIA JAPAN COOPERATION CENTER (CJCC)

No	Name	Course	Date of Attending	Venue
13	H.E Choun Sokhem	Training course on review and analysis of functions and structures of ministries and institutions	11 June 2024	MPWT
14	Ms. Chheav Vanthea Mr. Im David	Workshop on discussion on collecting inputs for compiling documents under the project to strengthen the capacity of port administration in the Kingdom of Cambodia	12 June 2024	Fairfield by Marriottt Phnom Penh Hotel
15	Mrs. Hei Phanin Ms. Chheav Vanthea Mrs. Khov Chansoma	Workshop to disseminate the draft strategy on reforming the management of public enterprises, state ownership and shares based on the principles that have received the high decision of His Majesty the King, Prime Minister of the Kingdom of Cambodia	24 June 2024	Empress Angkor Hotel, Siem Reap
16	Mr. Heik Phirun Mr. Kong Channy	Workshop on promoting water transport laws	25 June 2024	Phnom Penh Hotel
17	Ms. Chheav Vanthea Mr. Hun Sokhalay	Publicity seminar on "The importance of connecting the Southern Economic Corridor"	23 July 2024	Phnom Penh Hotel
18	Mr. Kong Sothea	Seminar on "Law on Auditing and Public Auditing Standards of the Kingdom of Cambodia"	01 August 2024	Garden City Hotel
19	Mrs. Khov Chansoma	The 27th training, examination, and continuing professional education program in the securities sector	06 August 2024	Securities and Exchange Commission of Cambodia

No	Name	Course	Date of Attending	Venue
20	Mrs. Khov Chansoma	Workshop on "Sustainability Reporting"	30 August 2024	Sokha Phnom Penh Hotel
21	Ms. Chheav Vanthea	Effective Communication at Workplace Training Course	31 August – 01 September 2024	EDI
22	Mr. Kong Channy Ms. Chheav Vanthea Mrs. Khov Chansoma	Workshop on Public Debt Management Strategy 2024-2028	17 September 2024	Sofitel Phnom Penh Phukitra Hotel
23	Mrs. Khov Chansoma	Training course on awareness raising and promotion of securities issuance	23 September 2024	Office of the Non-Banking Financial Services Authority
24	Mr. Kong Channy	Consultation workshop on 2 sub-decrees and 1 proclamation related to procurement	25 September 2024	Sokha Phnom Penh Hotel
25	H. E Hei Bavy H. E Choun Sokhem Mrs. Hei Phanin Mr. Kong Sothea Mr. Keo Sophanara Mr. Im David Mr. Chhiv Songkang Mr. Say Chantha Mr. Heou Song Mr. Heng Vutha Mrs. Meas Visal Mrs. Khov Chansoma	Experience sharing session on "Methods for managing and strengthening human resource capacity in organizations"	25 September 2024	TS3
26	Mrs. Khov Chansoma	First consultation workshop on the preparation of draft guidelines	26-27 September 2024	Sokha Beach Hotel
27	Mrs. Hei Phanin Mr. Hun Sokhalay	Workshop to disseminate study report on improving Trapeang Sre International Border Gate	30 September 2024	MPWT

No	Name	Course	Date of Attending	Venue
28	H. E Choun Sokhem Mrs. Khov Chansoma	Dissemination workshop on legal documents related to the management of state assets and non-tax revenues	07 October 2024	Preh Sihanouk Province
29	Mrs. Chheav Vanthea	Workshop to disseminate the results of the Time Release Study-2023	10 October 2024	General Department of Customs and Excise of Cambodia
30	Ms. Chheav Vanthea	Workshop to promote the 3-year public investment program plan for 2024-2026 and the training program for national and sub-national focal points for 2024	14 October 2024	MPWT
31	Ms. Chheav Vanthea Mrs. Khov Chansoma	Workshop on the pilot implementation of the corporate information disclosure system for securities registration and sales staff	18 October 2024	Non-Banking Financial Services Authority Building
32	Mrs. Khov Chansoma	Training course on the effectiveness of financial reporting standards (CIFRS)	19 October 2024	ACLEDA University of Business
33	Mrs. Khov Chansoma	Training Course on Tax Professional Skills, 19th Promotion	21 October 2024	National Tax School
34	Mrs. Khov Chansoma	Training course on the use of SARMIS Ver. 2 Online system for user units of public enterprises	25 October 2024	Zoom
35	Mr. Kong Channy Mrs. Khov Chansoma Ms. Chheav Vanthea	Training Workshop on Corporate Governance of Public Enterprises	05-06 November 2024	Sokha Hotel, Siem Reap

No	Name	Course	Date of Attending	Venue
36	Mrs. Hei Phanin Mr. Heik Phirun Mr. Kong Channy	Workshop on document dissemination under the project to strengthen the capacity of port administration in the Kingdom of Cambodia	06 November 2024	Fairfield Marriot Phnom Penh Hotel
37	Mrs. Seng Kunthea	Workshop on understanding how AI can help your daily tasks better	11 November 2024	Cambodian Chamber of Commerce
38	Mr. Kong Channy Mrs. Khov Chansoma	Training course on Project Proposal Writing Methods	20-21 November 2024	MPWT
39	Ms. Chheav Vanthea	Training workshop on the mechanism of priority action planning in the public works and transportation sector	20-21 November 2024	Phnom Penh Hotel
40	Mrs. Seng Kunthea	Cambodia's Regional Conectivity: Unlocking the Full Potential of Transportation Corridors Workshop	21 November 2024	Raffle Hotel Le Royal
41	Mrs. Khov Chansoma	Training course on the use of SARMIS Ver.2 Online system and dissemination of legal documents related to the preparation and management of state property inventories	04-05 December 2024	Raffles Hotel Le Royal
42	Mr. Kong Channy Mr. Keo Sophanara Ms. Chheav Vanthea Mrs. Khov Chansoma	Training course on techniques for using social media systems in the public works and transportation sector	09 December 2024	MPWT

No	Name	Course	Date of Attending	Venue
Oversea Training				
1	Mr. Kon Bunthon Ms. Chheav Vanthea Mrs. Seng Kunthea Mr. Tol Sokhom	Site Visit at Long Nep Rice Mile Factory	07-08 January 2024	Vietnam
2	H. E Hei Bavy	Accompanying H. E Hun Manet, Prime Minister of the Kingdom of Cambodia, on his official visit to Malaysia	27 February 2024	Malaysia
3	Mr. Say Chantha	Check and Evaluate 150 T Crawler Crane at Nhat Nyuyen Trading Service Produce Co. Ltd	10 April 2024	Vietnam
4	H. E Hei Bavy	Visit to Chongqing, China to explore business opportunities between Phnom Penh Autonomous Port and FURA HOLDING STE LTD	06-08 May 2024	China
5	Mrs. Seng Kunthea	Visit to the trailer tailgate manufacturing plant of Port Equipment Co., Ltd.	12 May 2024	China
6	Ms. Chheav Vanthea	Second training course on strengthening projects for port administration in the Kingdom of Cambodia	13 May 2024	Japan
7	H. E Hei Bavy	Accompanying H. E Hun Manet, Prime Minister of the Kingdom of Cambodia, for the official visit	15 May 2024	Korea
8	Mr. Heik Phirun	Quality Development of World Pilotage Services Forum	26-29 June 2024	China
9	Mr. Say Chantha	Check and Test 150T Crawler Crane	13 October 2024	Vietnam

No	Name	Course	Date of Attending	Venue
10	Mr. Heik Phirun Mrs. Hei Phanin Mr. Hun Sokhalay Mr. Heou Song Mrs. Meas Visal Ms. Chheav Vanthea	Site Visit at Tan Cang Hiep Phuoc Port and DP World's Container Terminal and Gemalink Port	13-15 October 2024	Vietnam
11	Mrs. Khov Chansoma	ASEAN Capital Markets Forum (ACMF) and International Conference and Technical Training Course of ACMF and International Sustainability Standards Board (ISSB)	22-23 October 2024	Lao
12	Mrs. Seng Kunthea Mr. Say Chantha Mr. Hun Sokhalay	Site Visit on Trucking Quality Manufacturing at SANNY Marine Heavy Industry Co., Ltd	24-27 October 2024	China
13	Mrs. Seng Kunthea Mr. Hun Sokhalay Ms. Chheav Vanthea Mr. Say Chantha Mr. Im David	Site Visit at Laem Chabang Port and Bangkok Port	27-30 October 2024	Thailand
14	H. E Hei Bavy	Visit and discussion on water transport and port sectors with leaders of Hau Giang Port, Vietnam	05 November 2024	Vietnam
15	Mrs. Seng Kunthea Mr. Say Chantha	Check and Test Crawler Crane	07 November 2024	Vietnam
16	H. E Hei Bavy Mrs. Seng Kunthea Mr. Say Chantha	Visit and discussion with China Danong Agricultural Development Group, a partner company between PPAP and the Cambodian Agricultural Development Agency	26-30 November 2024	China

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 2024, 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 2024, 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 2024, PPAP has no system for Risk Management or Risk Management Policy. As of 2024, 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 2024, 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 2024, there was not 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 2023, PPAP has not had any new appointment of head and/or Deputy head of internal auditor.

2. External Auditor

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

Part 5. Stakeholders

A. Identify Policies and Actions to the Followings:

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

B. Describe the Corporate Social Responsibilities of PPAP

No.	Beneficiary	Donation amount		Purpose of donation
		USD	KHR	
1	Kantha Bopha Hospital		KHR 50,000,000	Social Contribution
2	Red cross of Kandal Province Branch		KHR 10,000,000	
3	Red Cross Headquarters	USD 10,000		
4	Foundation for Border Infrastructure Development	USD 100,000		
5	Filling the land throughout the yard of Ampovantaramak Mongal Pagoda and School (a.k.a. Koh Rorka Kraom Pagoda) located in Koh Roka Commune, Peam Chor District, Prey Veng Province	USD 158,966		
6	Free Examination and Treatment Program for Citizens in Preah Sdach District, Prey Veng Province	USD 1,300	KHR 20,000,000	
7	The Cambodia-ASEAN Business Summit 2024	USD 10,000		
8	Construction of a 16-meter-wide road extension (Phase 1), 500 meters in length, located in Lvea Commune, Preah Sdach District, Prey Veng Province	USD 69,085		
9	Donation of 100 tons of cement to resolve the construction of the new Salachan building of Wat Sirei-Sarapech (Takork), located in Somrong Village, Lvea Commune, Preah Sdach District, Prey Veng Province.	USD 11,000		
10	Whiteshadow Night for social work in Prey Veng Province	USD 10,100		
11	A gathering of Khmer artists under the theme 'The Custodians of Heritage' by the Khmer Artists Association.	USD 5,000		

No.	Beneficiary	Donation amount		Purpose of donation
		USD	KHR	
12	Contribution to soldiers who were injured in an explosion incident at the 3rd Military Region, Kampong Speu Province		KHR 28,000,000	
13	The construction of a 10m x 21m residential building for the soldiers at the Intelligence Battalion, 3rd Military Region, for accommodation and work purposes.	USD 32,542		
14	The groundbreaking ceremony of the Funan Techo Canal Project	USD 37,500		
15	Offering tribute and dedicating merit to the ancestors, soldiers, and female soldiers who sacrificed in the service of the defense of the nation and the motherland of Cambodia.	USD 5,000		
16	Support for marine navigation students to undergo training in Vietnam	USD 13,284		
17	Donation for the Bun Pka Prak Samaki, funding for the construction of the Autism and Mental Disabilities Children's School building	USD 1,000		
18	Donation to Les Restaurants Des Enfants		KHR 2,000,000	
Total		USD 464,777	KHR 110,000,000	

Part 6. Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No.	Information	Yes/No	Reason
1	Visions/Missions/Objectives	Yes	N/A
2	Financial Indicator	Yes	
3	Non-financial Indicator	Yes	
4	Main Risk Factors	NO	As of 2024, PPAP has no analysis of main risk factors.
5	Dividend Policy	Yes	N/A
6	Biography of Directors	Yes	
7	Training for Directors	Yes	
8	Number of Board Meeting	Yes	
9	Attendance of Directors in Board Meetings	Yes	
10	Remuneration or Compensation for Directors and Senior Officers	Yes	

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

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

C. Investor Relations

1. Demonstrate Mechanisms and Procedures for Investor Relations

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

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

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

As of 2024, PPAP has contacted with our investors via General Shareholders Meeting.

Appendix II
Audited Financial Statements and
Independent Auditor's Report

PHNOM PENH AUTONOMOUS PORT

Financial Statements
for the year ended 31 December 2024
and
Report of the Independent Auditors

Corporate information

Company	Phnom Penh Autonomous Port
Registration No	Co.7175 Et/2004
Registered office	No. 649, Preah Sisowat Quay Sangkat Sras Chork, Khan Daun Penh, Phnom Penh Kingdom of Cambodia
Majority shareholder	Ministry of Economy and Finance
Board of Directors	H.E. Hei Bavy, Chairman and Chief Executive Officer H.E. Suon Rachana, Member representing MPWT H.E. Ken Sambath, Member representing MEF H.E. Penn Sovicheat, Member representing MOC H.E. Gui Anvanith, Member as Independent Director Mrs. Pok Pheakdey, Member as Non-Executive Director representing of private shareholders Mr. Kong Sothea, Member representing of PPAP employees
Management team	H.E. Hei Bavy, Chief Executive Officer H.E. Mam Rithy, State Controller H.E. Choun Sokhem, Deputy Director General of Administration/Finance Mr. Hiek Phirun, Deputy Director General of Port's Affairs Mrs. Seng Kunthea, Deputy Director General of Technical (appointed on 2 July 2024) Mr. Koy Bunthom, Deputy Director General of Technical (retired on 1 May 2024) Mrs. Hei Phanin, Deputy Director General of Business/Operation Mr. Kong Sothea, Director of Internal Audit Department Mr. Keo Sophanara, Director of Administration Department Mr. Ouk Poly, Acting Director of Personnel/HR Department (appointed on 2 July 2024) Mr. Im David, Director of Engineer Department Mrs. Khov Chansoma, Director of Accounting/Finance Department (appointed on 14 June 2024) Mr. Chiep Viraya, Director of Hydrographic Department Mr. Hun Sokhalay, Director of LM 17 Operation Department Mr. Prak Samit, Acting Director of Commercial Zone/Domestic Port Department Mr. Hoen Song, Director of TS3 Operation Department Mr. Tol Sokhom, Director of Harbour Department Mr. Kong Channy, Director of Corporate Secretariat Ms. Chheav Vanthea, Director of Planning/Marketing Department Mr. Chhiv Songkaing, Director of Sub-feeder Multi-purpose Terminal UM1 Mr. Say Chantha, Director of Machinery Management Department Mrs. Meas Visal, Director of Sub-Feeder Multipurpose Terminal TS11 Department Mr. Heng Vutha, Acting Director of Sub-Feeder Multipurpose Terminal UM2 Department

Corporate information (continued)

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

Phnom Penh Autonomous Port

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Phnom Penh Autonomous Port

N°:495.....PPAP

PHNOM PENH, Date: March 27th, 2025

Report of the Board of Directors

The Board of Directors have pleasure in submitting their report together with the audited financial statements of Phnom Penh Autonomous Port ("PPAP" or "the Company") for the year ended 31 December 2024.

Principal activities

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

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

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

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

Phnom Penh Autonomous Port

Principal activities (continued)

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

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

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

Financial results

The financial results of PPAP for the year ended 31 December 2024 were as follow:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Profit before tax	16,282,895	66,287,666	12,194,436	50,119,132
Income tax expense	<u>(3,325,478)</u>	<u>(13,538,021)</u>	<u>(2,801,257)</u>	<u>(11,513,166)</u>
Net profit for the year	<u>12,957,417</u>	<u>52,749,645</u>	<u>9,393,179</u>	<u>38,605,966</u>

Dividends

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

	2024	
	US\$	KHR'000 (Note 4)
In respect of financial year ended 31 December 2023:		
Class A first and final dividend paid on 6 June 2024	353,712	1,429,703
Class B first and final dividend paid on 6 June 2024	<u>791,687</u>	<u>3,200,000</u>
	<u>1,145,399</u>	<u>4,629,703</u>

Phnom Penh Autonomous Port

Dividends (continued)

Subsequent to the reporting date, in the Board of Directors meeting on 20 March 2025, the Board of Directors resolved to distribute the dividends in respect to the financial year ended 31 December 2024 to shareholders of each class of shares as follows:

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

This dividend is subject to a voting approval from shareholders at the Annual Shareholder Meeting, which will be held in May 2025.

Share capital

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

Reserves and provisions

There was a transfer of US\$8,247,780 from retained earnings to legal, general and development reserves, as approved during the Board of Directors meeting on 27 March 2024.

Subsequent to the reporting date, on 20 March 2025, the Board of Directors resolved to distribute the Company's net profit to legal reserve amounting to KHR2,637,482,000, general reserve amounting to KHR2,637,482,000, and to development fund amounting to KHR42,844,978,000.

Expected credit losses on trade and other receivables

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

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

Assets

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

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

Phnom Penh Autonomous Port

Valuation methods

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

Contingent and other liabilities

At the date of this report, there is:

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

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

Change of circumstances

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

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

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

The Board of Directors

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

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

Phnom Penh Autonomous Port

Directors' benefits

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

Since the end of the previous financial year, the Directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 29 to the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ascertaining that the financial statements, as set out on pages 11 to 68, present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Board of Directors is required to:

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

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

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



Phnom Penh Autonomous Port

Approval of the financial statements

We hereby approve the accompanying financial statements together with the notes thereto which, in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

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



H.E. Hei Bavy
Chairman and Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'Mrs. Khov Chansoma'.

Mrs. Khov Chansoma
Director of Accounting/Finance Department

Phnom Penh, Kingdom of Cambodia

Date: March 27th, 2025



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Report of the Independent Auditors

To the shareholders

Phnom Penh Autonomous Port

Opinion

We have audited the financial statements Phnom Penh Autonomous Port (“PPAP” or “the Company”), which comprise the statement of financial position as at 31 December 2024, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising material accounting policies and other explanatory information as set out on pages 11 to 68 (hereafter referred to as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for opinion

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

Key Audit Matters

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



Revenue Recognition	
The key audit matter	How the matter was addressed in our audit
<p>For the year ended 31 December 2024, the Company reported the total revenue of US\$41,588,173 (2023: US\$34,558,511). The Company's revenue is primarily derived from provision of port and related services.</p> <p>The risk of material misstatement pertaining to revenue recognition is determined as significant due to the intricate nature of the accounting requirements concerning the timing of revenue recognition, and the risk of management override to distort revenue transactions, aiming to achieve financial targets by recording fictitious transactions in the records. Consequently, we have determined that revenue recognition is the key audit matter.</p>	<p>Our audit procedures in this area included, among others:</p> <ul style="list-style-type: none"> - Performing walkthroughs to gain an understanding of processes and internal controls; - Assessed the design and implementation of the Company's controls, and tested the operating effectiveness of certain relevant controls with respect to revenue recognition; - Testing journal entries posted to the revenue accounts in the general ledger that may seem irregular or unusual in nature; - Extending the cut-off testing beyond the periods normally covered to obtain evidence that revenue has been recognised in the correct accounting period in accordance with the revenue recognition criteria under CIFRS15; - On a sample basis, inspecting revenue transactions to the supporting documents, such as sales contract, sales order, price lists, invoices, and proof of service completion report to obtain evidence about its existence and accuracy; - On a sample basis, evaluating validity of new customers by tracing the existence of the customers to their official website or checking their business registration information online; - On a sample basis, evaluating validity of long outstanding debtors by obtaining management explanations for any delays in payment and assessing the reasonableness of the provided justifications and confirming balances with long outstanding debtors directly through accounts receivable confirmations; and - Evaluating the adequacy of the financial statement disclosures related to revenue recognition in accordance with CIFRS15.

Other Information

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



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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

For KPMG Cambodia Ltd



Yim Lundy

Engagement Partner

Phnom Penh, Kingdom of Cambodia

27 March 2025

Phnom Penh Autonomous Port

Statement of financial position as at 31 December 2024

	Notes	31 December 2024		31 December 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
ASSETS					
Non-current assets					
Property, plant and equipment	5	131,579,526	529,607,591	126,656,158	517,390,405
Intangible assets		198,760	800,006	131,982	539,146
Right-of-use assets	6(a)	9,769,749	39,323,240	8,760,682	35,787,386
Lease receivables	6(b)	2,053,172	8,264,017	4,671,994	19,085,095
Investment properties	7	87,267,416	351,251,349	87,359,958	356,865,428
Other receivable	8	1,471,661	5,923,436	72,683	296,910
Other investments	10	15,000,000	60,375,000	15,000,000	61,275,000
		<u>247,340,284</u>	<u>995,544,639</u>	<u>242,653,457</u>	<u>991,239,370</u>
Current assets					
Inventories	9	793,580	3,194,160	801,808	3,275,386
Lease receivables	6(b)	178,359	717,895	430,585	1,758,940
Trade and other receivables	8	7,036,270	28,320,987	7,021,891	28,684,428
Cash and bank balances	10	12,001,625	48,306,541	3,898,509	15,925,409
		<u>20,009,834</u>	<u>80,539,583</u>	<u>12,152,793</u>	<u>49,644,163</u>
TOTAL ASSETS		<u>267,350,118</u>	<u>1,076,084,222</u>	<u>254,806,250</u>	<u>1,040,883,533</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	78,885,751	321,721,038	70,637,971	287,822,662
Retained earnings		13,342,342	54,230,134	9,798,425	40,091,294
Currency translation reserves		-	(1,867,873)	-	10,410,486
Total equity		<u>206,837,080</u>	<u>832,519,247</u>	<u>195,045,383</u>	<u>796,760,390</u>

Phnom Penh Autonomous Port

Statement of financial position (continued) as at 31 December 2024

	Notes	31 December 2024		31 December 2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
LIABILITIES					
Non-current liabilities					
Other payable	14	15,571	62,673	36,830	150,451
Borrowings	15	12,419,845	49,989,876	14,489,819	59,190,911
Contract liabilities	16	12,750,000	51,318,750	13,050,000	53,309,250
Lease liabilities	6(a)	11,778,139	47,407,009	11,651,908	47,598,044
Provision for retirement benefits	17	650,388	2,617,812	563,762	2,302,968
Liability arising from joint arrangement	18	10,890,371	43,833,743	11,214,195	45,809,987
Deferred tax liabilities, net	19(d)	473,093	1,904,199	343,628	1,403,720
		<u>48,977,407</u>	<u>197,134,062</u>	<u>51,350,142</u>	<u>209,765,331</u>
Current liabilities					
Trade and other payables	14	5,957,901	23,980,550	3,022,642	12,347,493
Borrowings	15	2,289,274	9,214,328	2,311,056	9,440,664
Lease liabilities	6(a)	457,242	1,840,399	613,391	2,505,702
Contract liabilities	16	300,000	1,207,500	300,000	1,225,500
Current income tax liabilities	19(b)	2,531,214	10,188,136	2,163,636	8,838,453
		<u>11,535,631</u>	<u>46,430,913</u>	<u>8,410,725</u>	<u>34,357,812</u>
Total liabilities		<u>60,513,038</u>	<u>243,564,975</u>	<u>59,760,867</u>	<u>244,123,143</u>
TOTAL EQUITY AND LIABILITIES		<u>267,350,118</u>	<u>1,076,084,222</u>	<u>254,806,250</u>	<u>1,040,883,533</u>

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

Phnom Penh Autonomous Port

Statement of profit or loss and other comprehensive income for the year ended 31 December 2024

	Note	2024		2023	
		US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Revenue	21	41,588,173	169,305,452	34,558,511	142,035,480
Cost of services	22	(15,810,898)	(64,366,166)	(13,082,264)	(53,768,105)
Gross profit		25,777,275	104,939,286	21,476,247	88,267,375
Other loss	23	(100,513)	(409,188)	(98,296)	(403,997)
General and administrative expenses	24	(9,562,535)	(38,929,080)	(8,689,076)	(35,712,102)
Share of loss from joint arrangement		345,518	1,406,604	401,989	1,652,175
Impairment losses on financial assets	25	(326,883)	(1,330,740)	(1,044,910)	(4,294,580)
Operating profit		16,132,862	65,676,882	12,045,954	49,508,871
Finance income	26	1,312,689	5,343,957	1,408,437	5,788,676
Finance costs	26	(1,162,656)	(4,733,173)	(1,259,955)	(5,178,415)
Finance income, net	26	150,033	610,784	148,482	610,261
Profit before tax		16,282,895	66,287,666	12,194,436	50,119,132
Income tax expense	19(c)	(3,325,478)	(13,538,021)	(2,801,257)	(11,513,166)
Net profit for the year		12,957,417	52,749,645	9,393,179	38,605,966
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Remeasurements of defined benefit liability	17	(25,401)	(103,407)	(200,345)	(823,418)
Related tax	19(c)	5,080	20,681	40,069	164,684
		(20,321)	(82,726)	(160,276)	(658,734)
Currency translation differences		-	(12,278,359)	-	(6,214,506)
Other comprehensive income, net of tax		(20,321)	(12,361,085)	(160,276)	(6,873,240)
Total comprehensive income for the year		12,937,096	40,388,560	9,232,903	31,732,726

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

Basic earnings per share	27	0.63	2.55	0.45	1.87
Diluted earnings per share	27	0.63	2.55	0.45	1.87

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

Phnom Penh Autonomous Port

Statement of changes in equity for the year ended 31 December 2024

	Share capital		Share premium		Reserves		Retained earnings		Currency translation reserves		Total	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January 2024	114,453,485	457,813,940	155,502	622,008	70,637,971	287,822,662	9,798,425	40,091,294	-	10,410,486	195,045,383	796,760,390
Transaction with the shareholders of PPAP												
Dividends (Note 28)	-	-	-	-	-	-	(1,145,399)	(4,629,703)	-	-	(1,145,399)	(4,629,703)
Transaction recognised directly in equity												
Transfer to reserves (Note 13)	-	-	-	-	8,247,780	33,898,376	(8,247,780)	(33,898,376)	-	-	-	-
Total comprehensive incomes												
Net profit for the year	-	-	-	-	-	-	12,957,417	52,749,645	-	-	12,957,417	52,749,645
Other comprehensive income	-	-	-	-	-	-	(20,321)	(82,726)	-	(12,278,359)	(20,321)	(12,361,085)
	-	-	-	-	-	-	12,937,096	52,666,919	-	(12,278,359)	12,937,096	40,388,560
Balance at 31 December 2024	114,453,485	457,813,940	155,502	622,008	78,885,751	321,721,038	13,342,342	54,230,134	-	(1,867,873)	206,837,080	832,519,247
Balance at 1 January 2023	114,453,485	457,813,940	155,502	622,008	57,466,697	233,991,665	14,878,805	60,639,024	-	16,624,992	186,954,489	769,691,629
Transaction with the shareholders of PPAP												
Dividends (Note 28)	-	-	-	-	-	-	(1,142,009)	(4,663,965)	-	-	(1,142,009)	(4,663,965)
Transaction recognised directly in equity												
Transfer to reserves (Note 13)	-	-	-	-	13,171,274	53,830,997	(13,171,274)	(53,830,997)	-	-	-	-
Total comprehensive incomes												
Net profit for the year	-	-	-	-	-	-	9,393,179	38,605,966	-	-	9,393,179	38,605,966
Other comprehensive income	-	-	-	-	-	-	(160,276)	(658,734)	-	(6,214,506)	(160,276)	(6,873,240)
	-	-	-	-	-	-	9,232,903	37,947,232	-	(6,214,506)	9,232,903	31,732,726
Balance at 31 December 2023	114,453,485	457,813,940	155,502	622,008	70,637,971	287,822,662	9,798,425	40,091,294	-	10,410,486	195,045,383	796,760,390

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

Phnom Penh Autonomous Port

Statement of cash flows for the year ended 31 December 2024

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash flows from operating activities				
Profit before tax	16,282,895	66,287,666	12,194,436	50,119,132
<i>Adjustments for:</i>				
Depreciation of property, plant and equipment	4,944,818	20,130,354	4,310,144	17,714,692
Depreciation of intangible assets	12,703	51,714	829	3,407
Depreciation of investment property	92,542	376,738	79,025	324,793
Depreciation of right-of-use assets	288,855	1,175,929	203,633	836,932
Interest expenses	1,132,613	4,610,868	1,197,414	4,921,371
Interest income from lease receivables	(160,196)	(652,158)	(293,422)	(1,205,964)
Interest from deposits	(1,148,515)	(4,675,605)	(1,112,621)	(4,572,872)
Net unwinding effect of long-term deposit	(3,978)	(16,194)	(2,394)	(9,840)
Impairment loss on financial assets	326,883	1,330,740	1,044,910	4,294,580
Loss from termination of sub-leasing right-of-use assets	1,394,101	5,675,385	1,529,904	6,287,906
Lease receivable written off	204,904	834,164	58,984	242,424
Gain on disposal of property, plant and equipment	(2,723)	(11,085)	-	-
Retirement benefits obligation expenses/(benefits)	42,494	172,993	(3,540)	(14,549)
Amortisation of liabilities from joint arrangement	(323,824)	(1,318,288)	(159,696)	(656,351)
	<u>23,083,572</u>	<u>93,973,221</u>	<u>19,047,606</u>	<u>78,285,661</u>
<i>Changes in working capital:</i>				
Inventories	8,228	33,496	(86,827)	(356,859)
Lease receivables	(11,269)	(45,876)	(95,745)	(393,512)
Trade and other receivables	(280,584)	(1,142,257)	(282,804)	(1,162,324)
Trade and other payables	2,935,259	11,949,439	51,668	212,355
Short-term fixed deposit	2,761	11,240	(13,993)	(57,510)
Contract liabilities	(300,000)	(1,221,300)	(300,000)	(1,233,000)
Cash generated from operations	25,437,967	103,557,963	18,319,905	75,294,811
Income tax paid	(2,755,860)	(11,219,106)	(3,579,824)	(14,713,077)
Withholding tax credit	(67,495)	(274,772)	(67,358)	(276,841)
Retirement benefits obligation paid	(14,683)	(59,774)	(8,781)	(36,090)
Net cash generated from operating activities	<u>22,599,929</u>	<u>92,004,311</u>	<u>14,663,942</u>	<u>60,268,803</u>

Phnom Penh Autonomous Port

Statement of cash flows (continued) for the year ended 31 December 2024

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cash flows from investing activities				
Purchase of property, plant and equipment	(9,918,263)	(40,377,249)	(14,386,986)	(59,130,512)
Prepayment for the purchase of property, plant and equipment	(1,395,000)	(5,679,045)	-	-
Purchase of intangible assets	(79,480)	(323,563)	(132,811)	(545,853)
Purchase of investment property	-	-	(776,771)	(3,192,529)
Cash received from lease receivables	95,884	390,344	360,098	1,480,003
Proceeds from disposal of property, plant and equipment	52,800	214,949	-	-
Interest received	1,145,754	4,664,365	1,126,614	4,630,384
Withdrawal of fixed deposits	-	-	1,100,000	4,521,000
Net cash used in investing activities	<u>(10,098,305)</u>	<u>(41,110,199)</u>	<u>(12,709,856)</u>	<u>(52,237,507)</u>
Cash flows from financing activities				
Dividends paid	(1,145,399)	(4,662,919)	(1,142,009)	(4,693,657)
Interest paid	(1,119,483)	(4,557,415)	(1,019,634)	(4,190,696)
Payment of principal portion of lease liabilities	(63,652)	(259,127)	(18,049)	(74,181)
Repayments of borrowings	<u>(2,069,974)</u>	<u>(8,426,864)</u>	<u>(2,069,974)</u>	<u>(8,507,593)</u>
Net cash used in financing activities	<u>(4,398,508)</u>	<u>(17,906,325)</u>	<u>(4,249,666)</u>	<u>(17,466,127)</u>
Net increase/(decrease) in cash and cash equivalents	8,103,116	32,987,787	(2,295,580)	(9,434,831)
Cash and cash equivalents at beginning of year	3,898,509	15,925,409	6,194,089	25,501,064
Currency translation differences	-	(606,655)	-	(140,824)
Cash and cash equivalents at end of year (Note 10)	<u>12,001,625</u>	<u>48,306,541</u>	<u>3,898,509</u>	<u>15,925,409</u>
Significant non-cash transaction from investing activities				
Acquisition of property, plant and equipment through liabilities from joint management	-	-	3,689,367	15,163,299

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

Phnom Penh Autonomous Port

Notes to the financial statements for the year ended 31 December 2024

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

1. Reporting entity

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

1. Reporting entity (continued)

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

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

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

On 29 July 2024, the Board of Directors of PPAP resolved in principle to invest 25% in Funan Techo Inland Waterways and Logistics Co., Ltd. for the Funan Techo Canal project. The investment was preliminary approved by the Ministry of Public Works and Transport and subsequently received final approval from the Ministry of Economy and Finance on 2 August 2024. The groundbreaking ceremony for this project was completed on 5 August 2024. The objective of PPAP's investment is to participate in the first section of the waterways, spanning 21 km of the Funan Techo Canal, and to operate this canal to expand the shipping route from PPAP to both domestic seaports and international destinations.

As at 31 December 2024, PPAP had 876 employees (31 December 2023: 775 employees).

2. Basis of preparation

(a) Statement of compliance

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

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

These financial statements were authorised for issue by the Company's Board of Directors on 27 March 2025.

(b) Basis of measurement

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

2. Basis of preparation (continued)

(c) Functional and presentation currency

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

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

(d) Use of estimates and judgements

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

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

(i) Judgements

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

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

(ii) Assumptions and estimation uncertainties

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

2. Basis of preparation (continued)

(d) Use of estimates and judgements (continued)

(iii) *Measurement of fair values*

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

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

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

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

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

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

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

- Note 7 Investment properties.
- Note 30 Financial instruments – fair values and risk management.

3. Material accounting policies

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(a) Foreign currency transactions

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

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

(b) Property, plant and equipment

(i) *Recognition and measurement*

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

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

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

(ii) *Subsequent expenditure*

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

(iii) *Depreciation*

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(b) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

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

(c) Leases

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

(i) As a lessee

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

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

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(c) Leases (continued)

(i) As a lessee (continued)

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

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

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

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

Short-term leases and leases of low-value assets

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

(ii) As a lessor

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(c) Leases (continued)

(ii) *As a lessor (continued)*

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

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

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

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

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

(d) Financial instruments

(i) *Recognition and initial measurement*

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(ii) *Classification and subsequent measurement*

Non-derivative financial assets

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

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

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

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

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

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments (continued)

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

Financial assets – Business model assessment

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

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

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

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

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments (continued)

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

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

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

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

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

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

Financial assets at amortised cost

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

Other investments

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments (continued)

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

Financial liabilities – Classification, subsequent measurement and gains and losses

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

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

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

(iii) *Derecognition*

Financial assets

The Company derecognises a financial asset when:

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

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

Financial liabilities

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(d) Financial instruments (continued)

(iv) *Offsetting*

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

(e) Investment properties

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

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

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

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

(f) Inventories

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

(g) Cash and cash equivalents

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(h) Impairment

(i) *Non-derivative financial assets*

Financial instruments

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

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

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

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

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

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

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

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

Measurement of ECLs

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(h) Impairment (continued)

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

(ii) *Non-financial assets*

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

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(h) Impairment (continued)

(ii) *Non-financial assets (continued)*

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

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

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

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

(i) Share capital – ordinary shares

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

(j) Borrowings

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

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

(k) Liability arising from joint arrangement

Liabilities arising from joint arrangement is recognised initially at the cost of the assets when the Company receives from the joint arrangement (see Note 18). Subsequent to initial recognition, the liability will be unwound as the asset is depreciated over its useful life. The unwinding of the liability is recognised in profit or loss in the period in which they are incurred.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(l) Employee benefits (continued)

(i) Short-term employee benefits

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

(ii) Other long-term employee benefits

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

(iii) Defined benefit obligation

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

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

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

(m) Provisions

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(n) Revenue recognition

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

(o) Finance income and finance costs

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

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

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

(p) Income tax

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

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

(i) Current tax

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

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

(ii) Deferred tax

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

(p) Income tax (continued)

(ii) *Deferred tax (continued)*

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

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

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

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

A number of new standards, amendments to standards and interpretations that are effective for annual periods beginning after 1 January 2024 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these financial statements.

(i) *CIFRS 18 Presentation and Disclosure in Financial Statements*

CIFRS 18 will replace CIAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after 1 January 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard, particularly with respect to the structure of the Company's statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Company is also assessing the impact on how information is grouped in the financial statements, including for items currently labelled as "other".

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

3. Material accounting policies (continued)

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

(ii) Other accounting standards

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

- *Lack of Exchangeability* (Amendments to CIAS21);
- *Classification and Measurement of Financial Instruments* (Amendments to CIFRS 9 and CIFRS 7);
- *Annual Improvements to CIFRS Accounting Standards – Volume 11; and*
- *CIFRS 19 Subsidiaries without Public Accountability: Disclosures.*

4. Translation of the United States Dollars into Khmer Riel

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

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

The Company uses the following exchange rates:

Financial year end		Closing rate	Average rate
31 December 2024	US\$1	= KHR 4,025	KHR 4,071
31 December 2023	US\$1	= KHR 4,085	KHR 4,110

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

5. Property, plant and equipment

2024	Land US\$	Computers US\$	Office equipment and others US\$	Furniture and fixtures US\$	Motor vehicles US\$	Machineries US\$	Harbours and buildings US\$	Construction in progress US\$	US\$	Total KHR'000 (Note 4)
Cost										
Balance at 1 January	40,682,318	1,250,460	1,713,723	61,588	2,067,898	29,515,766	77,324,274	5,964,819	158,580,846	647,802,756
Additions	276,792	74,762	36,099	6,600	221,070	4,000	364,336	8,934,604	9,918,263	40,377,249
Transfers	3,335,207	60,434	203,700	-	18,000	2,032,301	7,233,042	(12,882,684)	-	-
Disposals	-	-	-	-	-	-	(52,800)	-	(52,800)	(214,949)
Currency translation differences	-	-	-	-	-	-	-	-	-	(9,968,663)
Balance at 31 December	<u>44,294,317</u>	<u>1,385,656</u>	<u>1,953,522</u>	<u>68,188</u>	<u>2,306,968</u>	<u>31,552,067</u>	<u>84,868,852</u>	<u>2,016,739</u>	<u>168,446,309</u>	<u>677,996,393</u>
Less: Accumulated depreciation										
Balance at 1 January	-	803,634	613,135	59,214	982,174	14,173,755	15,292,776	-	31,924,688	130,412,351
Depreciation for the year	-	204,406	143,888	555	149,504	2,116,821	2,329,644	-	4,944,818	20,130,354
Disposals	-	-	-	-	-	-	(2,723)	-	(2,723)	(11,085)
Currency translation differences	-	-	-	-	-	-	-	-	-	(2,142,818)
Balance at 31 December	<u>-</u>	<u>1,008,040</u>	<u>757,023</u>	<u>59,769</u>	<u>1,131,678</u>	<u>16,290,576</u>	<u>17,619,697</u>	<u>-</u>	<u>36,866,783</u>	<u>148,388,802</u>
Carrying amounts										
Balance at 1 January	<u>40,682,318</u>	<u>446,826</u>	<u>1,100,588</u>	<u>2,374</u>	<u>1,085,724</u>	<u>15,342,011</u>	<u>62,031,498</u>	<u>5,964,819</u>	<u>126,656,158</u>	<u>517,390,405</u>
Balance at 31 December	<u>44,294,317</u>	<u>377,616</u>	<u>1,196,499</u>	<u>8,419</u>	<u>1,175,290</u>	<u>15,261,491</u>	<u>67,249,155</u>	<u>2,016,739</u>	<u>131,579,526</u>	<u>529,607,591</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

5. Property, plant and equipment (continued)

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

5. Property, plant and equipment (continued)

(a) The depreciation charge was allocated as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cost of services	4,280,471	17,425,797	3,667,038	15,071,526
General and administrative expense	664,347	2,704,557	643,106	2,643,166
	<u>4,944,818</u>	<u>20,130,354</u>	<u>4,310,144</u>	<u>17,714,692</u>

(b) The title to the land with a carrying amount of US\$7,757,580 (2023: US\$6,200,233) is in the process of being issued by the authority.

6. Leases

(a) Company as lessee

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

(i) *Right-of-use assets*

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Cost				
Balance at 1 January	9,186,899	37,528,482	6,130,269	25,238,317
Additions	33,734	137,331	389,213	1,599,665
Termination of sub-leases	1,264,188	5,146,509	2,667,417	10,963,084
Currency translation differences	-	(610,917)	-	(272,584)
Balance at 31 December	<u>10,484,821</u>	<u>42,201,405</u>	<u>9,186,899</u>	<u>37,528,482</u>
Less: Accumulated depreciation				
Balance at 1 January	426,217	1,741,096	222,584	916,378
Depreciation for the year	288,855	1,175,929	203,633	836,932
Currency translation differences	-	(38,860)	-	(12,214)
Balance at 31 December	<u>715,072</u>	<u>2,878,165</u>	<u>426,217</u>	<u>1,741,096</u>
Carrying amounts				
Balance at 1 January	<u>8,760,682</u>	<u>35,787,386</u>	<u>5,907,685</u>	<u>24,321,939</u>
Balance at 31 December	<u>9,769,749</u>	<u>39,323,240</u>	<u>8,760,682</u>	<u>35,787,386</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

6. Leases (continued)

(a) Company as lessee (continued)

(ii) Lease liabilities

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	11,778,139	47,407,009	11,651,908	47,598,044
Current	457,242	1,840,399	613,391	2,505,702
	<u>12,235,381</u>	<u>49,247,408</u>	<u>12,265,299</u>	<u>50,103,746</u>

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

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Less than one year	567,601	2,284,594	651,032	2,659,466
One to two years	554,519	2,231,939	552,987	2,258,952
Two to five years	1,681,042	6,766,194	1,658,962	6,776,860
More than five years	19,417,097	78,153,815	19,930,909	81,417,763
Total undiscounted lease liabilities	22,220,259	89,436,542	22,793,890	93,113,041
Unamortised lease liabilities	(9,984,878)	(40,189,134)	(10,528,591)	(43,009,295)
	<u>12,235,381</u>	<u>49,247,408</u>	<u>12,265,299</u>	<u>50,103,746</u>

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

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	12,265,299	50,103,746	11,710,723	48,213,047
Additions	33,734	137,331	389,213	1,599,665
Interest expense	477,791	1,945,087	478,555	1,966,861
Interest paid	(477,791)	(1,945,087)	(295,143)	(1,213,038)
Principal paid	(63,652)	(259,127)	(18,049)	(74,181)
Currency translation differences	-	(734,542)	-	(388,608)
Balance at 31 December	<u>12,235,381</u>	<u>49,247,408</u>	<u>12,265,299</u>	<u>50,103,746</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

6. Leases (continued)

(a) Company as lessee (continued)

(ii) Lease liabilities (continued)

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

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Expenses relating to short-term leases and lower-value assets	<u>61,177</u>	<u>249,052</u>	<u>55,474</u>	<u>227,998</u>

(b) Company as lessor

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current				
Finance lease receivable (i)	2,002,052	8,058,259	4,620,874	18,876,270
Operating lease receivable (ii)	<u>51,120</u>	<u>205,758</u>	<u>51,120</u>	<u>208,825</u>
	<u>2,053,172</u>	<u>8,264,017</u>	<u>4,671,994</u>	<u>19,085,095</u>
Current				
Finance lease receivable (i)	95,084	382,712	358,583	1,464,812
Operating lease receivable (ii)	<u>83,275</u>	<u>335,183</u>	<u>72,002</u>	<u>294,128</u>
	<u>178,359</u>	<u>717,895</u>	<u>430,585</u>	<u>1,758,940</u>

(i) Finance lease

Lease receivables are in respects of the sub-leasing of the right-of-uses asset on the leased lands to various customers. The Company has classified the sub-leases as finance lease, because the sub-leases are for the whole of the remaining term of the head lease.

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	2,059,979	8,291,414	4,620,874	18,876,270
Current	<u>97,835</u>	<u>393,786</u>	<u>358,583</u>	<u>1,464,812</u>
	<u>2,157,814</u>	<u>8,685,200</u>	<u>4,979,457</u>	<u>20,341,082</u>
Less: Allowance for impairment losses	<u>(60,678)</u>	<u>(244,229)</u>	-	-
	<u>2,097,136</u>	<u>8,440,971</u>	<u>4,979,457</u>	<u>20,341,082</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

6. Leases (continued)

(b) Company as lessor (continued)

(i) Finance lease (continued)

Movements of allowance for impairment losses on lease receivables during the period were as follow:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at beginning of the period	-	-	-	-
Recognised in profit or loss (Note 25)	60,678	247,020	-	-
Currency translation differences	-	(2,791)	-	-
Balance at end of the period	<u>60,678</u>	<u>244,229</u>	<u>-</u>	<u>-</u>

The following table sets out a maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Less than one year	109,144	439,305	409,810	1,674,074
One to two years	97,834	393,782	215,150	878,888
Two to five years	293,501	1,181,342	645,450	2,636,663
More than five years	<u>3,597,764</u>	<u>14,481,000</u>	<u>8,130,245</u>	<u>33,212,051</u>
Total undiscounted lease receivable	4,098,243	16,495,429	9,400,655	38,401,676
Unearned finance income	<u>(1,940,429)</u>	<u>(7,810,229)</u>	<u>(4,421,198)</u>	<u>(18,060,594)</u>
	<u>2,157,814</u>	<u>8,685,200</u>	<u>4,979,457</u>	<u>20,341,082</u>

(ii) Operating lease

The Company leases out its investment property. The Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Note 7 set outs information about the operating leases of investment property.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

6. Leases (continued)

(b) Company as lessor (continued)

(ii) Operating lease (continued)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	51,120	205,758	51,120	208,825
Current	83,275	335,183	72,002	294,128
	<u>134,395</u>	<u>540,941</u>	<u>123,122</u>	<u>502,953</u>

Rental income recognised by the Company during 2024 was US\$1,116,723 (2023:US\$1,225,917).

The following table sets out a maturity analysis of lease payments, showing undiscounted lease payment to be received after the reporting date:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Less than one year	903,508	3,636,620	1,008,042	4,117,853
One to two years	825,741	3,323,608	998,878	4,080,417
Two to five years	2,535,117	10,203,846	2,857,616	11,673,362
More than five years	28,820,786	116,003,664	28,481,456	116,346,748
	<u>33,085,152</u>	<u>133,167,738</u>	<u>33,345,992</u>	<u>136,218,380</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

7. Investment properties

Investment properties comprises lands and buildings that are leased to third parties under operating leases.

	2024				2023			
	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)	Land US\$	Buildings US\$	Total US\$	Total KHR'000 (Note 4)
Cost								
Balance at 1 January	85,762,296	2,287,349	88,049,645	359,682,800	85,762,296	1,510,578	87,272,874	359,302,420
Addition	-	-	-	-	-	776,771	776,771	3,192,529
Currency translation differences	-	-	-	(5,282,979)	-	-	-	(2,812,149)
Balance at 31 December	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>354,399,821</u>	<u>85,762,296</u>	<u>2,287,349</u>	<u>88,049,645</u>	<u>359,682,800</u>
Less: Accumulated depreciation								
Balance at 1 January	-	689,687	689,687	2,817,372	-	610,662	610,662	2,514,093
Depreciation for the year	-	92,542	92,542	376,738	-	79,025	79,025	324,793
Currency translation differences	-	-	-	(45,638)	-	-	-	(21,514)
Balance at 31 December	<u>-</u>	<u>782,229</u>	<u>782,229</u>	<u>3,148,472</u>	<u>-</u>	<u>689,687</u>	<u>689,687</u>	<u>2,817,372</u>
Carrying amounts								
Balance at 1 January	<u>85,762,296</u>	<u>1,597,662</u>	<u>87,359,958</u>	<u>356,865,428</u>	<u>85,762,296</u>	<u>899,916</u>	<u>86,662,212</u>	<u>356,788,327</u>
Balance at 31 December	<u>85,762,296</u>	<u>1,505,120</u>	<u>87,267,416</u>	<u>351,251,349</u>	<u>85,762,296</u>	<u>1,597,662</u>	<u>87,359,958</u>	<u>356,865,428</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

7. Investment properties (continued)

The fair value of investment property was determined by external and independent property valuers, with professional qualifications and experience in the location and category of the property being valued. The independent valuers provide that the fair value of the Company's investment property as at 31 December 2024 is approximately US\$447,941,610 (31 December 2023: US\$443,259,966).

The fair value measurement for all of the investment properties has been categorised as a level 2 fair value based on the inputs to the valuation technique used (see Note 2(d)(iii)).

The title to the land with a carrying amount of US\$1,347,300 (31 December 2023: US\$1,347,300) is in the process of being issued by the authority.

8. Trade and other receivables

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current				
<i>Other receivables</i>				
Deposit	76,661	308,561	72,683	296,910
Prepayments	1,395,000	5,614,875	-	-
	<u>1,471,661</u>	<u>5,923,436</u>	<u>72,683</u>	<u>296,910</u>
Current				
<i>Trade receivables</i>				
Third parties	8,132,632	32,733,844	8,075,496	32,988,401
<i>Other receivables</i>				
Advances	61,505	247,558	39,144	159,903
Deposits	59,445	239,265	15,347	62,697
Other receivables	2,031,966	8,178,664	1,885,675	7,702,982
Prepayments	171,703	691,105	161,005	657,705
	<u>2,324,619</u>	<u>9,356,592</u>	<u>2,101,171</u>	<u>8,583,287</u>
Less: Allowance for impairment losses	<u>(3,420,981)</u>	<u>(13,769,449)</u>	<u>(3,154,776)</u>	<u>(12,887,260)</u>
	<u>7,036,270</u>	<u>28,320,987</u>	<u>7,021,891</u>	<u>28,684,428</u>

Movements of allowance for impairment losses on trade and other receivables were as follow:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	3,154,776	12,887,260	1,377,419	5,670,834
Recognised in profit or loss (Note 25)	266,205	1,083,720	1,044,910	4,294,580
Others	-	-	732,447	3,010,357
Currency translation differences	-	(201,531)	-	(88,511)
Balance at 31 December	<u>3,420,981</u>	<u>13,769,449</u>	<u>3,154,776</u>	<u>12,887,260</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

8. Trade and other receivables (continued)

The table in Note 30(b) (ii) provides information about the exposure to credit risk and ECLs for trade and other receivables as at reporting date.

9. Inventories

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Diesel oil	80,918	325,695	100,577	410,857
Lubricant oil	37,321	150,217	25,033	102,260
Spare parts	657,453	2,646,249	656,403	2,681,406
Stationery	17,888	71,999	19,795	80,863
	<u>793,580</u>	<u>3,194,160</u>	<u>801,808</u>	<u>3,275,386</u>

In 2024, inventories of US\$1,684,835 (2023: US\$1,422,842) were recognised as an expense and included in “cost of services”.

10. Other investments, cash and bank balances

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current				
Other investments – term deposit (*)	<u>15,000,000</u>	<u>60,375,000</u>	<u>15,000,000</u>	<u>61,275,000</u>
Current				
Cash on hand	8,198	32,997	12,540	51,226
<i>Cash at Bank:</i>				
Saving Account	6,638,726	26,720,872	2,183,434	8,919,328
Current Account	5,274,680	21,230,587	1,625,275	6,639,248
Term deposits (original maturity up to three months)	<u>80,021</u>	<u>322,085</u>	<u>77,260</u>	<u>315,607</u>
Cash and cash equivalents	<u>12,001,625</u>	<u>48,306,541</u>	<u>3,898,509</u>	<u>15,925,409</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

10. Other investments, cash and bank balances (continued)

- (*) These represent term deposits with the maturity date ranging from 48 months to 240 months and earning annual interest at rates ranging from 6.25% to 7.75% (2023: 6.25% to 7.75%) during the year.

The Company has an overdraft facility with Foreign Trade Bank (“FTB”) with a limit of US\$4,500,000. It is secured by the long-term fixed deposit, bore interest rate at 7% per annum and has the maturity date on 2 May 2025. There is no outstanding balance as at 31 December 2024 (31 December 2023: nil).

11. Share capital

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Voting shares of US\$1 each:				
Class A	4,136,873	16,547,492	4,136,873	16,547,492
Class B	16,547,492	66,189,968	16,547,492	66,189,968
	<u>20,684,365</u>	<u>82,737,460</u>	<u>20,684,365</u>	<u>82,737,460</u>
Non-voting shares of US\$1 each:				
Class C	93,769,120	375,076,480	93,769,120	375,076,480
	<u>114,453,485</u>	<u>457,813,940</u>	<u>114,453,485</u>	<u>457,813,940</u>

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

12. Share premium

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

13. Reserves

	Legal reserve US\$	General reserve US\$	Development fund US\$	US\$	Total KHR'000 (Note 4)
Balance at 1 January 2024	3,890,110	3,890,110	62,857,751	70,637,971	287,822,662
Transfer from retained earnings (*)	<u>469,659</u>	<u>469,659</u>	<u>7,308,462</u>	<u>8,247,780</u>	<u>33,898,376</u>
Balance at 31 December 2024	<u>4,359,769</u>	<u>4,359,769</u>	<u>70,166,213</u>	<u>78,885,751</u>	<u>321,721,038</u>
Balance at 1 January 2023	3,174,446	3,174,446	51,117,805	57,466,697	233,991,665
Transfer from retained earnings (*)	<u>715,664</u>	<u>715,664</u>	<u>11,739,946</u>	<u>13,171,274</u>	<u>53,830,997</u>
Balance at 31 December 2023	<u>3,890,110</u>	<u>3,890,110</u>	<u>62,857,751</u>	<u>70,637,971</u>	<u>287,822,662</u>

In accordance with PPAP's Articles of Incorporation, article 66, dated 5 September 2016, the Board of Directors can decide to distribute the PPAP's profit, after offsetting with losses carried forward (if any), as follows:

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

(*) The transfer from retained earnings to reserves was done followed the resolution on the Board of Directors on 27 March 2024.

14. Trade and other payables

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current				
<i>Other payables</i>				
Deposit	<u>15,571</u>	<u>62,673</u>	<u>36,830</u>	<u>150,451</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

14. Trade and other payables (continued)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Current				
<i>Trade payables</i>				
Third parties	2,886,999	11,620,171	642,102	2,622,986
Amount due to a related party (Note 29(c))	<u>180,447</u>	<u>726,299</u>	<u>219,974</u>	<u>898,594</u>
	<u>3,067,446</u>	<u>12,346,470</u>	<u>862,076</u>	<u>3,521,580</u>
<i>Other payables</i>				
Deposits	333,250	1,341,331	390,449	1,594,984
Other tax payables	229,655	924,361	260,072	1,062,394
Other payables	<u>2,327,550</u>	<u>9,368,388</u>	<u>1,510,045</u>	<u>6,168,535</u>
	<u>2,890,455</u>	<u>11,634,080</u>	<u>2,160,566</u>	<u>8,825,913</u>
	<u>5,957,901</u>	<u>23,980,550</u>	<u>3,022,642</u>	<u>12,347,493</u>

15. Borrowings

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<i>Phnom Penh Port – New Container Terminal Project (“PPNCTP”) or Phnom Penh Port LM17</i>				
Non-current	12,419,845	49,989,876	14,489,819	59,190,911
Current	<u>2,289,274</u>	<u>9,214,328</u>	<u>2,311,056</u>	<u>9,440,664</u>
	<u>14,709,119</u>	<u>59,204,204</u>	<u>16,800,875</u>	<u>68,631,575</u>

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 period is for 20 years, including a grace period of not exceeding 7 years from the date of the conclusion of the Loan Agreement.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

15. Borrowings (continued)

Movements of Borrowings during the year were as follow:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	16,800,875	68,631,575	18,905,074	77,832,190
Interest expense	619,910	2,523,654	690,266	2,836,993
Interest paid	(641,692)	(2,612,328)	(724,491)	(2,977,658)
Principal paid	(2,069,974)	(8,426,864)	(2,069,974)	(8,507,593)
Currency translation differences	-	(911,833)	-	(552,357)
Balance at 31 December	<u>14,709,119</u>	<u>59,204,204</u>	<u>16,800,875</u>	<u>68,631,575</u>

16. Contract liabilities

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Non-current	12,750,000	51,318,750	13,050,000	53,309,250
Current	<u>300,000</u>	<u>1,207,500</u>	<u>300,000</u>	<u>1,225,500</u>
	<u>13,050,000</u>	<u>52,526,250</u>	<u>13,350,000</u>	<u>54,534,750</u>

Contract liabilities are in respect of deferred income arising from lease of land to Chean Chhoeng Thai Group, in which they had prepaid the lease in full at the beginning of the lease. The total consideration is amortised on a straight-line basis over the term of 50 years.

17. Provision for retirement benefits

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Defined benefits obligation (a)				
Present value of defined benefits obligation	<u>536,224</u>	<u>2,158,302</u>	<u>440,823</u>	<u>1,800,762</u>
Other benefits (b)				
National Social Security Funds	<u>114,164</u>	<u>459,510</u>	<u>122,939</u>	<u>502,206</u>
	<u>650,388</u>	<u>2,617,812</u>	<u>563,762</u>	<u>2,302,968</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

17. Provision for retirement benefits (continued)

Movements of the defined benefits obligation during the year were as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	440,823	1,800,762	235,835	970,933
Current service costs (*)	42,494	172,993	25,836	106,186
Interest costs	33,414	136,028	13,715	56,369
Past service costs (*)	-	-	(29,376)	(120,735)
Benefits paid	(5,908)	(24,051)	(5,532)	(22,737)
Remeasurement	25,401	103,407	200,345	823,418
Currency translation differences	-	(30,837)	-	(12,672)
Balance at 31 December	<u>536,224</u>	<u>2,158,302</u>	<u>440,823</u>	<u>1,800,762</u>

Movements of the other benefits during the year were as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Balance at 1 January	122,939	502,206	126,188	519,516
Payment	(8,775)	(35,723)	(3,249)	(13,353)
Currency translation differences	-	(6,973)	-	(3,957)
Balance at 31 December	<u>114,164</u>	<u>459,510</u>	<u>122,939</u>	<u>502,206</u>

(*) These amounts were recognised within salaries, wages and related expenses in the year ended statement of profit or loss and other comprehensive income.

(a) Defined benefits obligation

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted average):

Assumption	2024	2023
Discount rate (*)	5.5%	7%
Salary growth rate	14% (gradually decrease to 5% from 2034 onwards)	15% (gradually decrease to 5% from 2034 onwards)
Mortality rate (**)	Thailand Morality Ordinary Life Table 2017	Thailand Morality Ordinary Life Table 2017
Disability rate	10% of mortality rate	10% of mortality rate
Turnover rate	1.1%	1.1%

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

17. Provision for retirement benefits (continued)

(a) Defined benefits obligation (continued)

Actuarial assumptions (continued)

(*) As information on Cambodia corporate of government bonds are not readily available, the Company has analysed the average long term deposit rates of major banks in Cambodia.

(**) Assumptions regarding future mortality are based on published statistics and mortality tables. As standard life tables are not available for Cambodia, the Company used the standard Thailand Mortality Ordinary Life Table 2017 (TM2017) without modification. The rates are published as a standard table TM2017. As those employed the formal sector are likely to experience better mortality than the general population, an allowance for this has been made.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

<i>Effect in US\$</i>	31 December 2024		31 December 2023	
	Increase	Decrease	Increase	Decrease
Discount rate (0.25% movement)	(15,643)	16,422	(11,612)	12,145
Salary growth rate (0.5% movement)	<u>32,188</u>	<u>(29,483)</u>	<u>24,078</u>	<u>(22,164)</u>

(b) Other benefits

The Company has paid an amount equal 3% of monthly basic salary to National Social Security Funds (NSSF) annually. After retirement, employees will get monthly retirements from NSSF.

18. Liability arising from joint arrangement

Liability arising from joint arrangement is in respect of the property, plant and equipment arising from the agreement on Investment Cooperation for the development of the multi-purpose terminals between PPAP and PTLs Cooperation Co., Ltd. The details are as follow:

Sub-Feeder Multi-purpose Terminal TS11 ("TS11")

On 8 November 2021, PPAP and PTLs Cooperation Co., Ltd. ("PTLS") entered into an agreement on Investment Cooperation for Development of Sub-Feeder Multi-purpose Terminal TS11 ("TS11"). Pursuant to the agreement, both parties agreed to cooperate in the development of the sub-feeder multipurpose terminal known as TS11 located at Spean Kpous Village, Sangkat Kilometre 6, Khan Russey Keo, Phnom Penh, whereby PPAP will contribute the right-of-uses of leased land, and PTLs will invest US\$9 million for the construction and other supporting facilities for the terminal based on development master plan. Under the terms of agreement, the duration of the cooperation is 40 years, starting from 8 November 2021 to 8 November 2061. PTLs has the right to extend the cooperation for another 10 years upon the end of the cooperation period.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

18. Liability arising from joint arrangement (continued)

Sub-Feeder Multi-purpose Terminal UM2 (“UM2”)

On 29 August 2022, PPAP and PTLs entered into another agreement on Investment Cooperation for Development of Sub-Feeder Multi-purpose Terminal UM2 (“UM2”). Pursuant to the agreement, both parties agreed to cooperate in the development of the sub-feeder multi-purpose terminal UM2 known as UM2 located at Daun Mao Leur Village, Tonle Bet Commune, Tboung Khmum District, Tboung Khmum Province, whereby PPAP will contribute land for the operation, and PTLs will invest US\$26.5 million for the construction and other supporting facilities for the terminal based on development master plan. Under the terms of agreement, the duration of the cooperation is 40 years, starting from 29 August 2022 to 29 August 2062. PTLs has the right to extend the cooperation for another 10 years upon the end of the cooperation period.

Pursuant to the above agreements, both parties shall manage the operation of the terminals, TS11 and UM2. PPAP and PTLs shall share 51% and 49%, respectively, in respect of profit or loss arising from the operation of the terminals.

19. Income tax

(a) Applicable tax rates

In accordance with Cambodian tax law, the Company has the obligation to pay tax on income (“TOI”) at the rate of 20% of taxable income or minimum tax at 1% of turnover inclusive of all taxes except value-added tax, whichever is higher.

On 5 July 2023, the Company obtained a gold status certificate of tax compliance from the General Department of Taxation (“GDT”) for the fiscal year 2023 and 2024, respectively. As such, the Company is qualified for the exemption of minimum tax during these years.

(b) Current income tax liabilities

Movement of current income tax liabilities during the year were as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January	2,163,636	8,838,453	3,128,330	12,879,335
Recognised in profit or loss	3,484,986	14,187,378	2,598,120	10,678,273
Under provision from prior year	167,665	682,564	84,368	346,752
Income tax paid	(2,755,860)	(11,219,106)	(3,579,824)	(14,713,077)
Income tax credit utilised	(461,718)	(1,879,654)	-	-
Withholding tax credit utilised	(67,495)	(274,772)	(67,358)	(276,841)
Currency translation difference	-	(146,727)	-	(75,989)
At 31 December	<u>2,531,214</u>	<u>10,188,136</u>	<u>2,163,636</u>	<u>8,838,453</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax (continued)

(c) Income tax expense

i. Amount recognised in profit or loss

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Current year	3,484,986	14,187,378	2,598,120	10,678,273
Change to estimates related to prior year	167,665	682,564	84,368	346,752
Income tax credit (*)	<u>(461,718)</u>	<u>(1,879,654)</u>	-	-
Current income tax	3,190,933	12,990,288	2,682,488	11,025,025
Deferred tax expense	<u>134,545</u>	<u>547,733</u>	<u>118,769</u>	<u>488,141</u>
	<u>3,325,478</u>	<u>13,538,021</u>	<u>2,801,257</u>	<u>11,513,166</u>

(*) On 12 June 2024, the Company filed an amendment on the return on the tax on income for the fiscal year 2022 to the GDT. Subsequently, on 22 November 2024, the GDT approved the amendment and granted the income tax credit carried forward amounting to KHR1,879,653,188 equivalent to US\$461,718, which can be utilised against the tax on income for the fiscal year 2024.

The reconciliation of income tax expense shown in the statement of profit or loss and other comprehensive income was as follows:

	2024			2023		
	%	US\$	KHR'000 (Note 4)	%	US\$	KHR'000 (Note 4)
Profit before tax		<u>16,282,895</u>	<u>66,287,666</u>		<u>12,194,436</u>	<u>50,119,132</u>
Income tax expense at applicable tax rate	20.00	3,256,579	13,257,533	20.00	2,438,887	10,023,826
Non-deductible expenses	3.13	509,444	2,073,948	1.82	222,376	913,965
Income tax credit	1.03	(461,718)	(1,879,654)	-	-	-
Change to estimates related to prior year	(2.84)	167,665	682,564	0.69	84,368	346,752
Effect of temporary differences	<u>(0.90)</u>	<u>(146,492)</u>	<u>(596,370)</u>	<u>0.46</u>	<u>55,626</u>	<u>228,623</u>
	<u>20.42</u>	<u>3,325,478</u>	<u>13,538,021</u>	<u>22.97</u>	<u>2,801,257</u>	<u>11,513,166</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax (continued)

(c) Income tax expense (continued)

ii. Amount recognised in OCI

	Before tax US\$	Tax benefit US\$	Net of tax	
			US\$	KHR'000 (Note 4)
<i>31 December 2023</i>				
Remeasurement of defined benefit liability	<u>(200,345)</u>	<u>40,069</u>	<u>(160,276)</u>	<u>(658,734)</u>
<i>31 December 2024</i>				
Remeasurement of defined benefit liability	<u>(25,401)</u>	<u>5,080</u>	<u>(20,321)</u>	<u>(82,726)</u>

(d) Deferred tax liabilities, net

The deferred tax assets/(liabilities) comprises the following:

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
<i>Deferred tax assets:</i>				
Lease liabilities	2,447,076	9,849,481	2,453,060	10,020,750
Contract Liabilities	2,610,000	10,505,250	2,670,000	10,906,950
Impairment losses				
on financial assets	696,332	2,802,736	484,466	1,979,044
Provision for retirement benefits	130,077	523,560	112,752	460,592
Long-term deposit	<u>3,115</u>	<u>12,538</u>	<u>-</u>	<u>-</u>
	<u>5,886,600</u>	<u>23,693,565</u>	<u>5,720,278</u>	<u>23,367,336</u>
<i>Deferred tax liabilities:</i>				
Property, plant and equipment	(3,972,687)	(15,990,065)	(3,623,985)	(14,803,979)
Right-of-use assets	(1,953,950)	(7,864,649)	(1,752,137)	(7,157,480)
Lease receivables	(433,056)	(1,743,050)	(665,150)	(2,717,138)
Long-term deposits	<u>-</u>	<u>-</u>	<u>(22,634)</u>	<u>(92,459)</u>
	<u>(6,359,693)</u>	<u>(25,597,764)</u>	<u>(6,063,906)</u>	<u>(24,771,056)</u>
Deferred tax liabilities, net	<u>(473,093)</u>	<u>(1,904,199)</u>	<u>(343,628)</u>	<u>(1,403,720)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

19. Income tax (continued)

(d) Deferred tax liabilities, net (continued)

Movement of net deferred tax liabilities during the year were as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
At 1 January	343,628	1,403,720	264,928	1,090,709
Recognised in profit or loss	134,545	547,733	118,769	488,141
Recognised in OCI	(5,080)	(20,681)	(40,069)	(164,684)
Currency translation difference	-	(26,573)	-	(10,446)
At 31 December	<u>473,093</u>	<u>1,904,199</u>	<u>343,628</u>	<u>1,403,720</u>

(e) Tax contingencies

The Company assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Company's tax positions and continually monitors regulatory developments. While the Company strives to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

20. Commitments

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Capital and credit commitments				
<i>In respect of property, plant and equipment:</i>				
Contracted but not yet provided	23,052,352	92,785,717	2,117,855	8,651,438
Letter of credits (*)	4,185,000	16,844,625	1,487,500	6,076,438
	<u>27,237,352</u>	<u>109,630,342</u>	<u>3,605,355</u>	<u>14,727,876</u>

(*) On 16 October 2024, the Company entered into a letter of credit facility with Foreign Trade Bank ("FTB") amounting to US\$4,185,000, which will be matured on 13 September 2025 for the purpose of acquiring of property, plant and equipment.

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Notes to the financial statements (continued) for the year ended 31 December 2024

21. Revenue

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Stevedoring	18,669,016	76,001,564	15,084,707	61,998,146
Lift On Lift Off ("LOLO")	14,062,335	57,247,766	11,923,158	49,004,179
Port dues and charges	5,834,481	23,752,172	4,822,946	19,822,308
Gate fees	1,260,100	5,129,867	1,025,343	4,214,160
Trucking and logistics services	1,188,531	4,838,510	1,165,644	4,790,796
Storage fees	491,297	2,000,070	496,884	2,042,193
Weighting fee	66,126	269,199	25,179	103,486
Stuffing/Unstuffing	16,287	66,304	14,650	60,212
	<u>41,588,173</u>	<u>169,305,452</u>	<u>34,558,511</u>	<u>142,035,480</u>

22. Cost of services

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Depreciation	4,569,326	18,601,726	3,870,671	15,908,458
Crane charges	4,024,181	16,382,441	3,177,869	13,061,042
Salaries and wages	2,755,667	11,218,320	2,481,132	10,197,453
Fuel and gasoline	1,684,835	6,858,963	1,422,842	5,847,881
Maintenance costs	1,445,717	5,885,514	1,557,217	6,400,162
Barge freight	993,120	4,042,992	194,718	800,291
Logistic costs	18,120	73,767	153,769	631,991
Others	319,932	1,302,443	224,046	920,827
	<u>15,810,898</u>	<u>64,366,166</u>	<u>13,082,264</u>	<u>53,768,105</u>

23. Other loss

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Rental income	1,116,723	4,546,179	1,225,917	5,038,519
Loss from termination of sub-leasing right-of-use assets	(1,394,101)	(5,675,385)	(1,529,904)	(6,287,906)
Others	176,865	720,018	205,691	845,390
	<u>(100,513)</u>	<u>(409,188)</u>	<u>(98,296)</u>	<u>(403,997)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

24. General and administrative expenses

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Salaries and other benefits	5,071,995	20,648,092	4,877,165	20,045,148
Donation	905,029	3,684,373	765,100	3,144,561
Depreciation	769,592	3,133,009	722,960	2,971,366
Utilities and fuel	681,666	2,775,062	659,320	2,709,805
Repair and maintenance	261,059	1,062,771	303,714	1,248,265
Business entertainment	257,215	1,047,122	240,189	987,177
Board of Directors' fees	247,723	1,008,480	245,478	1,008,915
Office supplies	247,504	1,007,589	223,353	917,981
Other tax expenses	235,227	957,609	93,340	383,627
Lease receivable written off	204,904	834,164	58,984	242,424
Security expenses	147,803	601,706	87,720	360,529
Communication expenses	99,476	404,967	77,665	319,203
Travelling expenses	93,819	381,937	94,050	386,546
Professional fees	88,753	361,313	73,092	300,408
Others	250,770	1,020,886	166,946	686,147
	<u>9,562,535</u>	<u>38,929,080</u>	<u>8,689,076</u>	<u>35,712,102</u>

25. Impairment losses on financial assets

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Impairment losses on trade and other receivables (Note 8)	266,205	1,083,720	1,044,910	4,294,580
Impairment loss on lease receivables (Note 6(b(i)))	60,678	247,020	-	-
	<u>326,883</u>	<u>1,330,740</u>	<u>1,044,910</u>	<u>4,294,580</u>

26. Finance income, net

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Finance income				
Interest incomes from:				
Other investments and bank balances	1,148,515	4,675,605	1,112,621	4,572,872
Lease receivables	160,196	652,158	293,422	1,205,964
Others	3,978	16,194	2,394	9,840
Finance income	<u>1,312,689</u>	<u>5,343,957</u>	<u>1,408,437</u>	<u>5,788,676</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

26. Finance income, net (continued)

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Finance cost				
Net loss on currencies exchange	30,043	122,305	62,541	257,044
Interest expenses from:				
Lease liabilities	477,791	1,945,087	478,555	1,966,861
Borrowings	619,910	2,523,654	690,266	2,836,993
Provision for retirement benefits	33,414	136,028	13,715	56,369
Others	1,498	6,099	14,878	61,148
	<u>1,132,613</u>	<u>4,610,868</u>	<u>1,197,414</u>	<u>4,921,371</u>
Finance cost	<u>1,162,656</u>	<u>4,733,173</u>	<u>1,259,955</u>	<u>5,178,415</u>
Finance income, net	<u>150,033</u>	<u>610,784</u>	<u>148,482</u>	<u>610,261</u>

27. Earnings per share

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Profit attributable to ordinary equity holders	12,957,417	52,749,645	9,393,179	38,605,966
Weighted average number of ordinary shares in issue	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>	<u>20,684,365</u>
Basic earnings per share	0.63	2.55	0.45	1.87
Diluted earnings per share	<u>0.63</u>	<u>2.55</u>	<u>0.45</u>	<u>1.87</u>

28. Dividends

On 27 March 2024, the Board of Directors of PPAP resolved to distribute the dividends in respect to the financial year ended 31 December 2023 to shareholders of each class of shares as follows:

- Shareholders in Class A is entitled to total dividend of KHR1,429,703,000 (equivalent to US\$353,712).
- Shareholders in Class B is entitled to total dividend of KHR3,200,000,000 (equivalent to US\$791,687)

The dividends were paid on 6 June 2024 after approval from the Company's 8th shareholder general meeting on 10 May 2024.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

29. Related parties

(a) Identity of related party

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company have related party relationships with its substantial shareholders and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The key management personnel include all the Directors of the Company, and certain senior management members of the Company.

Key management have relationships with the Company which are entered into in the normal course of business and on substantially the same terms, including warehouse rental, purchase of goods and services, insurance, telephone expense and other expense, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

(b) Significant transactions with related parties

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:				
<i>MEF</i>				
Interest expense	<u>619,910</u>	<u>2,523,654</u>	<u>690,266</u>	<u>2,836,993</u>
<i>MPWT</i>				
Donation and charities	39,942	162,604	31,633	130,011
Crane charge	1,205,370	4,907,061	1,017,518	4,181,999
Crane Rental	<u>28,000</u>	<u>113,988</u>	<u>-</u>	<u>-</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

29. Related parties (continued)

(c) Significant balances with related parties

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Related parties:				
<i>MEF</i>				
Borrowing from shareholder (Note 15)	<u>14,709,119</u>	<u>59,204,204</u>	<u>16,800,875</u>	<u>68,631,575</u>
<i>MPWT</i>				
Amount due to a related party (Note 14)	<u>180,447</u>	<u>726,299</u>	<u>219,974</u>	<u>898,594</u>

(d) Compensation of key management personnel

Key management compensation during the financial year are as follows:

	2024		2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Employee benefits	<u>914,334</u>	<u>3,722,254</u>	<u>895,938</u>	<u>3,682,305</u>

30. Financial instruments – fair values and risk management

(a) Accounting classifications and fair values

The following table shows the carrying amounts of financial assets and financial liabilities. It does not include fair value information for financial assets and financial liabilities not measured at fair value because their carrying amounts are a reasonable approximation of fair value.

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Financial assets measured at amortised cost				
Lease receivables	2,231,531	8,981,912	5,102,579	20,844,035
Other receivables	76,661	308,561	72,683	296,910
Other investments	15,000,000	61,650,000	15,000,000	61,275,000
Trade and other receivables	6,803,062	27,382,324	6,821,742	27,866,820
Cash and bank balances	<u>12,001,625</u>	<u>48,306,541</u>	<u>3,898,509</u>	<u>15,925,409</u>
	<u>36,112,879</u>	<u>146,629,338</u>	<u>30,895,513</u>	<u>126,208,174</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(a) Accounting classifications and fair values (continued)

	31 December 2024		31 December 2023	
	US\$	KHR'000 (Note 4)	US\$	KHR'000 (Note 4)
Financial liabilities at amortised cost				
Other payable	15,571	62,673	36,830	150,451
Borrowings	14,709,119	59,204,204	16,800,875	68,631,575
Lease liabilities	12,235,381	49,247,408	12,265,299	50,103,746
Trade and other payables	5,728,246	23,056,189	2,762,570	11,285,099
	<u>32,688,317</u>	<u>131,570,474</u>	<u>31,865,574</u>	<u>130,170,871</u>

(b) Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- credit risk
- liquidity and cash flow risk
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(i) Risk management framework

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

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

(ii) Credit risk

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

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

The Company's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months and the Company seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

Recognition and measurement of impairment losses on trade and other receivables

The Company use an allowance matrix to measure ECLs of receivables with its loss rates being calculated using a 'roll rate' method.

Loss rates are based on actual credit loss experience over the past twelve months. The Company also considers economic conditions during the period over which the historic data has been collected and over the expected lives of the receivables. Nevertheless, the Company believes that these factors are immaterial for the purpose of impairment calculation for the year.

There is impairment allowance amounting to US\$3,420,981 recognised for trade and other receivables at 31 December 2024 (31 December 2023: US\$3,154,776).

The following table provides information about the exposure to credit risk and ECLs for trade and other receivables as at reporting date:

31 December 2024	Weighted average loss rate (%)	Gross carrying amount (US\$)	Loss allowance (US\$)
1 – 30 days	3.90%	2,990,252	134,061
31 – 60 days	5.06%	1,207,096	80,172
61 – 90 days	7.80%	662,587	49,479
91 – 120 days	17.97%	106,254	17,146
121 – 150 days	39.62%	29,023	9,701
151 – 180 days	83.58%	11,132	6,310
Over 180 days	100.00%	198,016	184,212
Specific provision	100.00%	3,039,900	2,939,900
Total		8,244,260	3,420,981

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(ii) Credit risk (continued)

31 December 2023	Weighted average loss rate (%)	Gross carrying amount (US\$)	Loss allowance (US\$)
1 – 30 days	3.75%	2,120,641	78,232
31 – 60 days	5.30%	1,334,947	70,011
61 – 90 days	10.30%	1,150,421	115,104
91 – 120 days	30.16%	278,109	71,489
121 – 150 days	53.32%	256,760	136,242
151 – 180 days	90.36%	278,016	227,483
Over 180 days	100.00%	135,770	116,230
Specific provision	100.00%	2,520,832	2,339,985
Total		8,075,496	3,154,776

Recognition and measurement of impairment loss on lease receivables

The Company measure ECL of lease receivables that reflect an unbiased and probability-weighted amount which is determined by evaluating a range of possible outcomes, current conditions, forecasts of future economic conditions, the time value of money and reasonable and supportable information about past events including historical collection and cash shortfalls of its lease receivables.

There is impairment allowance amounting to US\$60,678 recognised for lease receivables at 31 December 2024 (31 December 2023: nil).

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) *Liquidity and cash flow risk*

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

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

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount US\$	Contractual cash flows				
		Gross outflow US\$	Less than 1 year US\$	1 - 2 years US\$	2 - 5 years US\$	More than 5 years US\$
31 December 2024						
Other payable	15,571	(15,571)	(15,571)	-	-	-
Borrowings	14,709,119	(16,663,292)	(2,628,867)	(2,546,068)	(7,141,411)	(4,346,946)
Lease liabilities	12,235,381	(22,220,259)	(567,601)	(554,519)	(1,681,042)	(19,417,097)
Trade and other payables	5,728,246	(5,728,246)	(5,728,246)	-	-	-
	<u>32,688,317</u>	<u>(44,627,368)</u>	<u>(8,940,285)</u>	<u>(3,100,587)</u>	<u>(8,822,453)</u>	<u>(23,764,043)</u>
KHR'000 equivalent (Note 4)	<u>131,570,474</u>	<u>(179,625,156)</u>	<u>(35,984,647)</u>	<u>(12,479,863)</u>	<u>(35,510,373)</u>	<u>(95,650,273)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iii) Liquidity and cash flow risk (continued)

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:
(continued)

	Carrying amount US\$	Contractual cash flows				
		Gross outflow US\$	Less than 1 year US\$	1-2 years US\$	2-5 years US\$	More than 5 years US\$
31 December 2023						
Other payable	36,830	(36,830)	(36,830)	-	-	-
Borrowings	16,800,875	(19,374,958)	(2,711,666)	(2,628,867)	(7,389,808)	(6,644,617)
Lease liabilities	12,265,299	(22,793,890)	(651,032)	(552,987)	(1,658,962)	(19,930,909)
Trade and other payables	2,762,570	(2,762,570)	(2,762,570)	-	-	-
	<u>31,865,574</u>	<u>(44,968,248)</u>	<u>(6,162,098)</u>	<u>(3,181,854)</u>	<u>(9,048,770)</u>	<u>(26,575,526)</u>
KHR'000 equivalent (Note 4)	<u>130,170,871</u>	<u>(183,695,291)</u>	<u>(25,172,171)</u>	<u>(12,997,874)</u>	<u>(36,964,224)</u>	<u>(108,561,023)</u>

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

30. Financial instruments – fair values and risk management (continued)

(b) Financial risk management (continued)

(iv) *Market risk*

Market risk is the risk that changes in market prices that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

The foreign currency exchange risk of the Company arises from the transactions denominated in foreign currencies.

During the year, the Company's exposure to this risk, which normally arises from changes in foreign currency exchange rates, is minimal as most of its transactions are conducted in US\$.

Interest rate risk

Interest rate sensitivity is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company is not exposed to interest rate risk as the Company does not have any financial assets and financial liabilities subject to floating interest rate.

31. 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.

32. Contingent liability

The Company is currently disputing the invoices received from Saab Technologies Bv ("SAAB") with the amount totalling to US\$1,084,498 for the services rendered under the Support and Maintenance contract (contract no. CP20120224) for Integrated Terminal Operation System dated 24 February 2012 and subsequent invoices in relation to the Growth Paths and Maintenance and Support Fee starting from January 2023. The Company has identified certain performance obligations mentioned in the contract have not been fully satisfied. These include the dysfunctional cargo system for booking stuffing and unstuffing service, booking of refer service, booking weight bridge service, and other system bugs. Moreover, there are limited functionalities for the billing system over services such as additional storage fee charge and stuffing-unstuffing charges among others. Furthermore, the Electronic Data Interchange ("EDI") system for contacting with shipping line and customers and Yard View for monitoring over container masterplan function remains incomplete to date.

Phnom Penh Autonomous Port

Notes to the financial statements (continued) for the year ended 31 December 2024

32. Contingent liability (continued)

On 14 July 2023, the Company has engaged an external legal counsel to conduct the assessment of the claims made by SAAB. Subsequently, the Company has deputed the invoices from SAAB, citing the aforementioned reason. On 12 September 2023, the Company has been notified through a copy of writ of summons that SAAB's legal counsel commenced a lawsuit at Belgian court. The preliminary hearing was set for 12 December 2023 at the Antwerp Court of Enterprises, Belgium. In accordance with the writ of summons, SAAB has claimed a sum of US\$1,281,613, excluding the present summons costs and the court fee, against the Company. On 19 December 2023, the Company has received another letter from Belgian Court instructing them to appear in the hearing on 25 June 2024. On 6 May 2024, a default judgement was issued by the Belgian court without the presence of PPAP or its legal counsel, ordering the payment of US\$1,281,613 plus interest at 12% per annum from 2 September 2023 until the settlement date.

As of the date of this report, the Company denies all allegations of false and misleading facts regarding the claim against the Company initiated by SAAB. Management believes that the amount claim is not equivalent, nor does it reflect to the actual performance obligations being fulfilled by the vendor as at the date of this report.

33. Subsequent events

(a) Funan Techo Canal project

Subsequent to the reporting date, at the Board of Directors meeting on 17 January 2025, the Board of Directors of PPAP resolved to inject US\$2,500,000 in Funan Techo Inland Waterways and Logistics Co., Ltd., equivalent to 25% of the registered capital, for the Funan Techo Canal project. This capital was injected and paid on 12 March 2025.

(b) Dividends

Subsequent to the reporting date, at the Board of Directors meeting on 20 March 2025, the Board of Directors resolved to distribute the dividends in respect to the financial year ended 31 December 2024 to shareholders of each class of shares as follows:

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

This dividend is subject to a voting approval from shareholders at the Annual Shareholder Meeting, which will be held in May 2025.

Additionally, the Board of Directors resolved to distribute the Company's net profit to legal reserve amounting to KHR2,637,482,000, general reserve amounting to KHR2,637,482,000, and to development fund amounting to KHR42,844,978,000.



កំពង់ផែស្វយ័តភ្នំពេញ

PHNOM PENH AUTONOMOUS PORT

ក្រុមហ៊ុនចុះបញ្ជីមូលបត្រ

LISTED COMPANY



CONTAINER TERMINAL LM17

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



MULTIPURPOSE TERMINAL TS3

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



SUB-FEEDER MULTIPURPOSE TERMINAL UM2

Doun Mau Leu Village, Tonle Bet Commune,
Tboung Khmum District, Tboung Khmu Province.



PASSENGER AND TOURIST TERMINAL TS1

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



SUB-FEEDER MULTIPURPOSE TERMINAL UM1

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



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SUB-FEEDER MULTIPURPOSE TERMINAL TS11

National Road No.5, Spean Khpos Village, Kilometer 6
Commune, Reussey Keo District, Phnom Penh.



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#649, Preah Sisowath Quay, Sangkat
Sras Chork, Khan Daun Penh, Phnom Penh,
Cambodia.



SUB-FEEDER MULTIPURPOSE TERMINAL LM26

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