



KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanoukville Autonomous Port

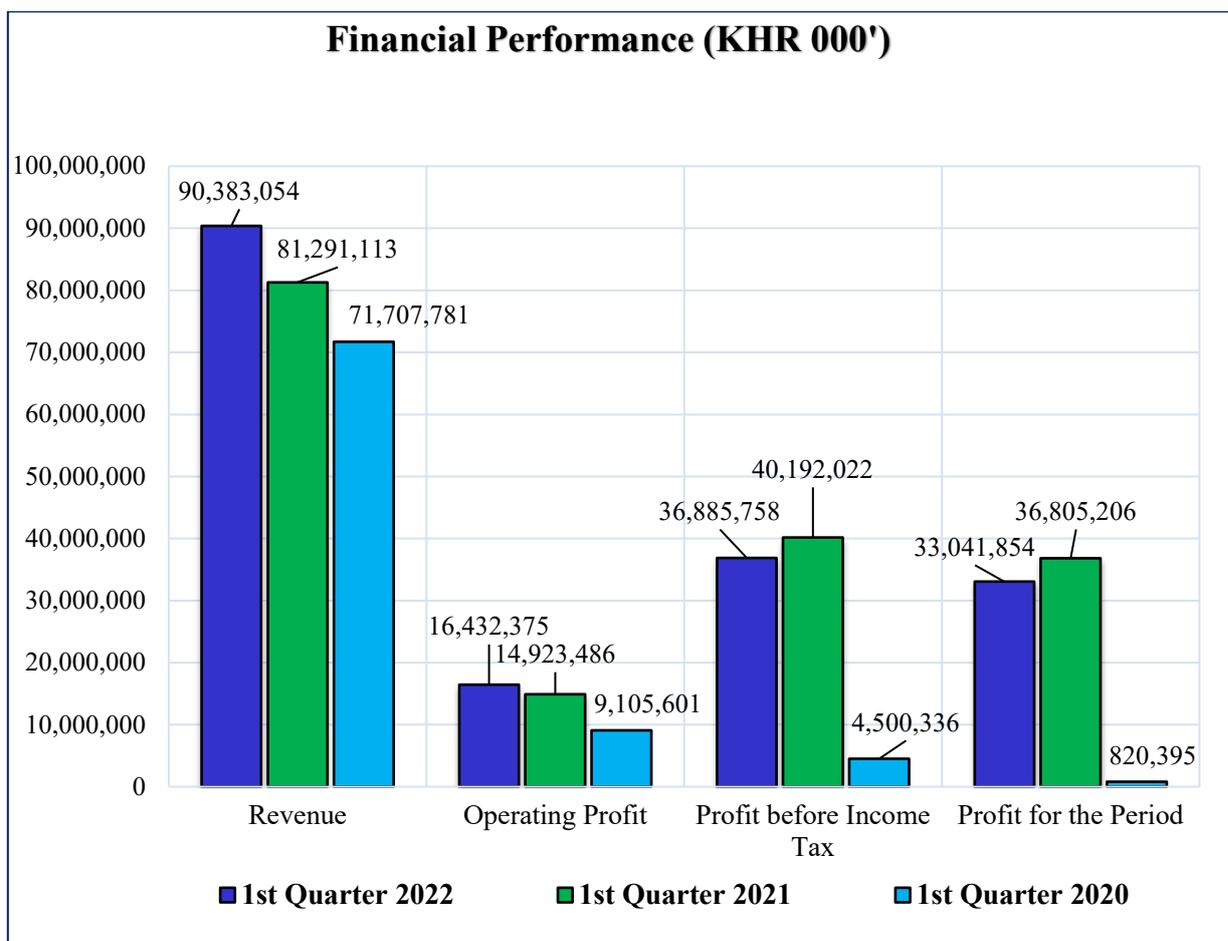
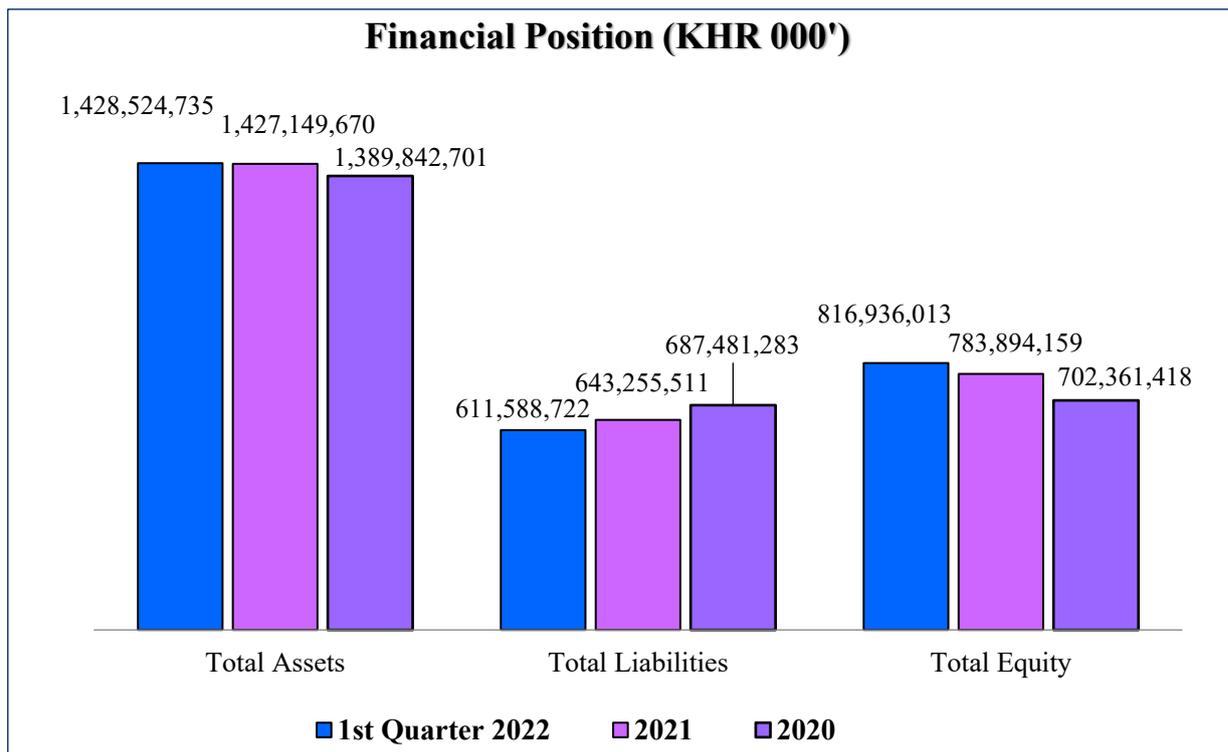
First Quarterly Report **2022**

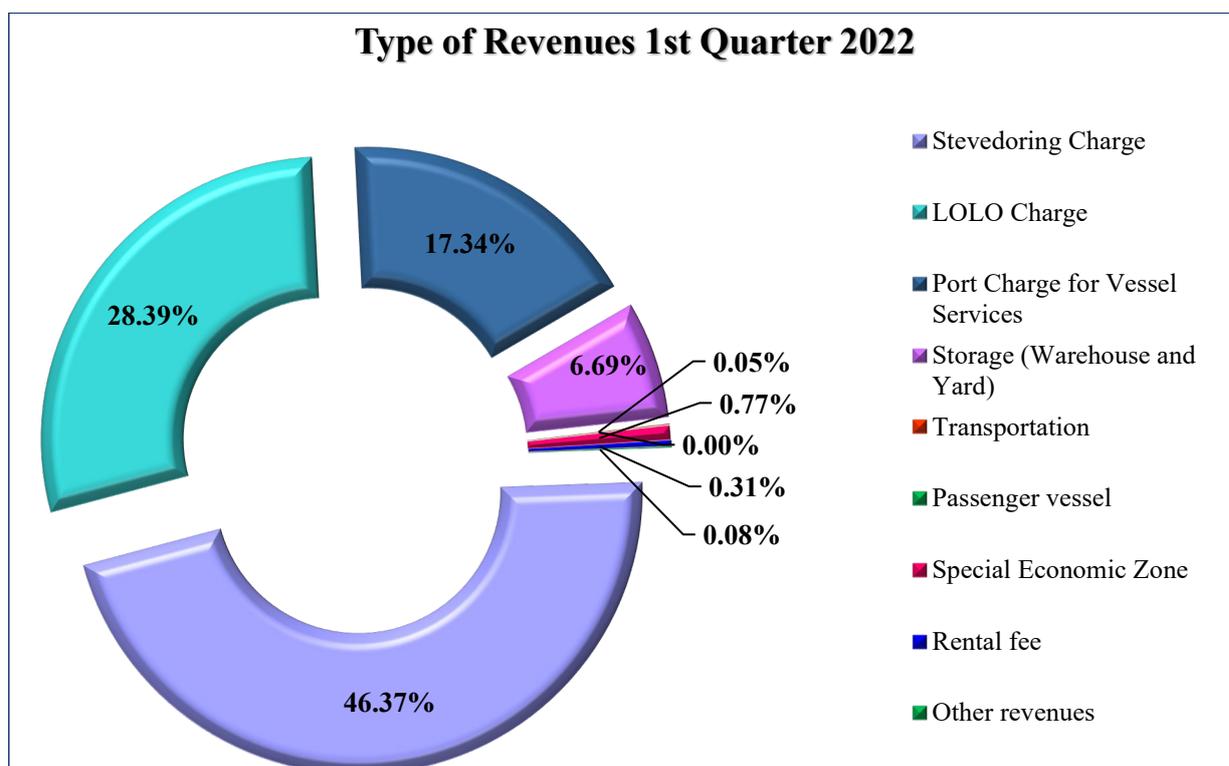


Financial Highlight

Financial Position		31 st March 2022	31 st December 2021	31 st December 2020
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,428,524,735	1,427,149,670	1,389,842,701
Total Liabilities		611,588,722	643,255,511	687,481,283
Total Shareholders' Equity		816,936,013	783,894,159	702,361,418
Profit/(Loss)		1 st Quarter 2022 KHR 000'	1 st Quarter 2021 KHR 000'	1 st Quarter 2020 KHR 000'
Total Revenues		90,383,054	81,291,113	71,707,781
Profit/(Loss) before Tax		36,885,758	40,192,022	4,500,336
Profit/(Loss) after Tax		33,041,854	36,805,206	820,395
Total Comprehensive Income		33,041,854	36,805,206	820,395
Financial Ratios		31 st March 2022	31 st March 2021	31 st March 2020
Solvency Ratio		7.22%	7.25%	1.47%
Liquidity Ratio	Current Ratio	2.32	2.25	2.42
	Quick Ratio	2.01	1.94	2.12
		1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2020
Profitability Ratio	Return on Assets	2.31%	2.58%	0.06%
	Return on Equity	4.04%	4.70%	0.11%
	Gross Profit Margin	18.18%	18.36%	12.70%
	Profit Margin	36.56%	45.28%	1.14%
	Earnings per share	385.23	429.11	9.56
Interest Coverage Ratio		6.16	6.73	2.96

Financial Summary Charts





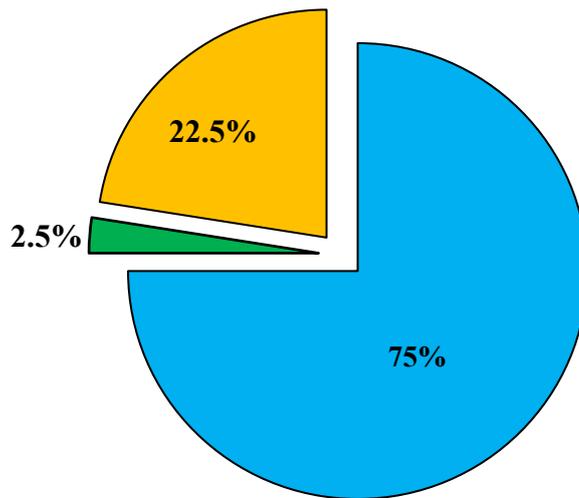
PAS's Shareholders

No.	Classes of Shares	Shareholders	Numbers of Shares	Percentage
1	Non-voting Right Shares "Class A"	State, represented by Ministry of Economy and Finance	364,530,861	80.95%
2	Voting Right Shares "Class B"	State, represented by Ministry of Economy and Finance	64,328,975	14.29%
3	Voting Right Shares "Class C"	Private	21,442,992	4.76%
Total			450,302,828	100%

PAS's Shareholders Class C

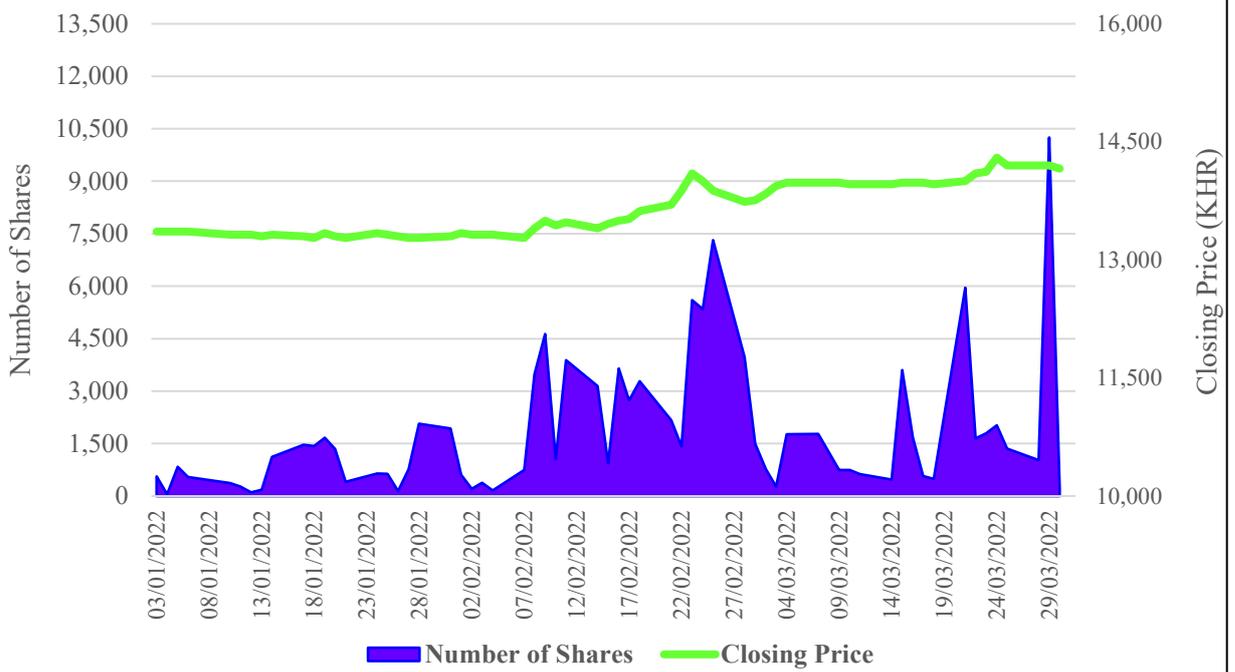
No.	Shareholders	Number of Shares	Percentage
1	ESOP	2,144,299	10%
2	KAMIGUMI CO., LTD	11,150,324	52%
3	KOBE-OSAKA International Port Corporation	2,144,300	10%
4	Other Private Shareholders	6,004,069	28%
TOTAL		21,442,992	100%

Voting Right Shares



■ Government represent by MoEF
 ■ ESOP
 ■ Private investors

Changes in Share Price and Trading Volume (1st Quarter 2022)



Board of Directors



H.E. Lou Kim Chhun
Chairman & CEO



H.E. Phan Phalla
Representative of Ministry of
Economy and Finance



H.E. Suy San
Representative of Ministry of
Public Works and Transport



H.E. Sok Sopheak
Representative of
Ministry of Commerce



Mr. Hun Monivann
Independent Director



Mr. Hidetoshi KUME
Non-Executive Director



Mr. Lou Lykheng
Representative of
PAS's Employee



Speech of H.E Chairman & CEO

“On behalf of the Board of Directors of Sihanoukville Autonomous Port (PAS), I have the honor and pleasure to present the PAS’s business and financial reports of the 1st quarter, 2022 for the period ended 31st March 2022”.

With a solid support of the Royal Government as well as the two Ministries in Charge, PAS has continued an immense evolution to serve its business activities with an earned revenue of 90,383,054,000 Riels and a net profit of 33,041,854,000 Riels in this 1st quarter 2022. The revenue increased by 9,091,941,000 Riels equal to 11.18% compared to the same period of 2021, while the net profit after tax decreased by 3,763,352,000 Riels equal to 10.23%. This was the result of increasing in Container cargoes and general cargoes throughput, yet the decreased of Unrealized foreign exchange gain (Japanese Yen) which lead to decrease in net profit after tax compared to 1st quarter 2021. As the result, PAS’s earnings per share is 385.23 Riels in this 1st quarter 2022. By the way the container throughputs amounted to 198,182 TEUs, increased of 27,812 TEUs equal to 16.32% compared to 1st quarter 2021.

PAS is going to continue its efforts for the betterment of business and service operation and to achieve the highest benefits for its shareholders. PAS has strengthened the work efficiency and built additional infrastructure to meet the increasing demand of customers and the growing economy. With increasing the volumes of cargoes and containers throughput, PAS has renovated of the new wharf (Constructed in 1969, 350m in length) to become additional container terminal with 243m in length, which currently has only two terminals. In addition, PAS has been implement the construction of a new Container Terminal (Phase 1) with 350m in length by 14.5m depth, including installation 3 units of QCs, 9 units of RTGs, 2 units of Empty Reach Stackers, and 16 units of container trucks, and 1 set of Auto container terminal management system. Moreover, this new Container Terminal will allow larger container vessels in region calling to PAS which will address the water depth constraints for the port as well as the Ocean Freight Cost that will similar to neighboring countries and the region, and contribute to trade facilitation and the development of Cambodian socio economy. For the project is expected to be completed by mid-2025, and container handling capacity will reach 1,150,000 TEUs in 1 year when this new container terminal is launched for operation in the upcoming year of 2025.

➤ **In response to the increasing cargo throughputs as well as customers’ service demand, PAS has set its main goal as follows:**

- Continue to carry out the works in accordance with the scheduled plan for 2022
- Maintain its competitive advantages, thereby ensuring service quality, competitive prices, work efficiency, and building up confidences for the customers

- Strengthen staff's capacity on management and technical skill to timely respond to the increasing demands of port's services
- Repair, maintenance and additionally develop port's infrastructure and machinery to ensure competitive advantages and promote its cargo handling capacity
- Strengthen strategic cooperation with domestic and regional ports
- Strengthen corporate governance by establishing necessary committees
- Contribute to the development of Corporate Social Responsibility's activities and promoting social welfare.

➤ **Duty of the Board of Directors**

In this 1st Quarter 2022, the Board of Directors had conducted one meeting and adopted the following works:

The 3rd Meeting of the Board of Directors in its 8th Mandate on 17th February, 2022

The Board of Directors (BOD) meeting has reviewed, discussed and approved the following agenda:

- The Board of Directors has agreed on the financial results and requested to continue implementation in accordance with the decision of the previous Board Meeting.
- BOD has reviewed, discussed and approved on the Audit, Nomination and Risk Committee Report.
- The Board of Directors has reviewed, discussed and approved the report on progress of the Feasibility Study of the new container terminal development project, Phase 2 and Phase 3, and the results of Fact-Finding Mission meeting. Board of Directors also request PAS to prepare a report on the economic and financial benefits and efficiencies for the new terminal container development project, Phase 2 and Phase 3 to the two Guardian Ministries and to request Mr. KUME Hidetoshi to facilitate further coordination and negotiation with the Japanese side on the reducing the minimum interest rate.
- BOD had reviewed, discussed and approved as below:
 - Approved on the 2021 Business Report
 - Approved on the emergency measures and request PAS to prepare a formal letter to His Excellency, Head of the Minister of Public Works and Transport on the request to relocate the inspection area of technical condition of vehicles by the authority from inside of PAS's area to outside area instead.
 - Approved on the local tourism port development project at Port Entry Number 1 of Sihanoukville Autonomous Port
- The Board of Directors reviewed and approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2021, which was reviewed by the independent auditing firm PWC (Financial performance review).
- The Board of Directors reviewed and approved the report on the preferential service fee of PAS for the goods of the Royal Government in 2021 in the total amount of 88,312.19 USD (eighty-eight thousand three hundred and twelve US dollars and Nineteen cents).

Acknowledgement

Once again, I would like to express my profound thanks to the Royal Government of Cambodia led by Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia, and the two Ministries in Charge, namely Ministry of Public Works and Transport and Ministry of Economy and Finance for extending their support and trust on PAS's operational activities from time to time.

Last but not least, I would like to thank to all the PASs' employees for their hard work and dedication to the job.

Sihanoukville, Dated: 23 May 2022
Chairman

LOU KIMCHHUN

Table of Contents

Financial Highlight	i
Financial Summary Charts	ii
Board of Directors	v
Message from the Chairman	vi
PART 1: General Information of Sihanoukville Autonomous Port	1
A. Identity of Sihanoukville Autonomous Port	2
B. Nature of Business	2
C. Quarter's key Events	4
PART 2: Information on Business Operation Performance	5
A. Business Operational	6
B. Revenue Structure	9
PART 3: Financial Statement Reviewed by the External Auditor	10
PART 4: Management's Discussion and Analysis	34
A. Overview of Operation	35
B. Significant Factors Affecting Profit	42
C. Material Changes in Sales and Revenue	43
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices	43
E. Impacts of inflation	43
F. Economic/Fiscal/Monetary Policy of Royal Government	44
PART 5: Other Necessary Information for Investor Protection	45
Signature of Directors of Sihanoukville Autonomous Port	47



PART 1

General Information of Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

Company name (Khmer) : កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ (កីសស)
Company name (Latin) : PORT AUTONOME DE SIHANOUKVILLE “PAS”
Company name (English) : SIHANOUKVILLE AUTONOMOUS PORT
Standard Code : KH1000060009
Address : Terak Vithei Samdech Akka Moha Sena Padei Techo Hun Sen,
Sangkat 3, Preah Sihanouk City, Preah Sihanouk Province,
Cambodia.
Phone Number : (855) 34 933 416/ 933 511
Fax Number : (855) 34 933 693
Investor Relations : (855) 78 49 6789
Website : www.pas.gov.kh
Email : pasinfo@pas.gov.kh
Company Registration Number : Co.4784 Et/2017 Date: 21st February 2017
License Number : 0159 ពណ.ចូបព Issued by: Ministry of Economy and Finance
Date: 22nd February 2017
Disclosure Document Registration Number issued by SECC : 058/17/SECC
Date: 09th May 2017
Representative of PAS: His Excellency **Lou Kim Chhun**

B. Nature of Business

Sihanoukville Autonomous Port which is the sole international deep sea port of the Kingdom of Cambodia is performing its business operation on the land area approximately 125 hectares. Situated along the coastal line of the Kingdom of Cambodia, in the Gulf of Thailand, PAS enjoys a favorable natural condition which contributes smoothly to the year-round business operation with calm sea water and no tidal storms.

PAS is connected by a variety of multi-modal transportation networks. By road, PAS is connected by two main national roads, namely National Road No. 4 with 226 Km in length from Phnom Penh capital and National Road No. 3 with 244 Km in length through Kampot province. PAS is also connected by the southern railroad from Phnom Penh through Kampot province with 264 Km in length. By airways, PAS is connected to Siem Reap province and Phnom Penh capital by Sihanoukville International Airport.

As the port operator, PAS offers business services as follows:

- Bringing vessels in and out and provide logistics supplies
- Conducting cargo handling, offloading, loading operation
- Stocks, warehousing and yards
- Transporting cargo
- Special Economic Zone.

PAS has a total quay length of 1,860 meters and divided into 13 berths as follows:

No	Terminal	Type of Goods	Length (m)	Width (m)	Terminal Number
1	Passenger Terminal (Old Jetty)	Passengers and General Cargo	290	28	Terminal No. 1 and No. 3: 9m to 13m draft for ships with 8.5m alongside depth. Terminal No. 2 and No. 4: 6.5m to 8m draft for ships with 7m alongside depth.
2	New Wharf	Container	350	500	Terminal No. 5 (West) and No. 6 (East): 10m draft for ships with under 8.5m alongside depth.
3	Container terminal	Container	400	350	Terminal No. 7 and No. 8: 11m draft for ships with under 8.5m alongside depth.
4	Multipurpose terminal	Passengers, General Cargo and Oil Exploration Logistic Base	330	200	Multipurpose terminal with 330m length and 13.5m depths for bulk and general cargoes which allow vessels with 50,000 DWT and the Terminal for Logistic Base Oil Exploration with 200m length and 7.5m depths for the offshore oil exploration in the territory of Cambodia.
5	Concrete Wharf	Petroleum	53	5	Petroleum port: 4.5m draft with under 80m in length. Mooring and unmooring facilities have been prepared for berthing alongside of ships with under 6m and 110m in length.

- **Railway Container Terminal**

Apart from the above terminals, in cooperation with Royal Railway Co., Ltd, PAS has also established a railroad operational system and container yard within the port's premises so that customers or cargo owners can transport containers from PAS to Phnom Penh and vice versa. PAS has rented the land area in this premises to Royal Railway Co., Ltd and provided container loading and offloading services on board train and vice versa.

- **Sihanoukville Port Special Economic Zone**

Apart from the business and services mentioned above, PAS also operates the Sihanoukville Port Special Economic Zone with approximately 64 hectares of land area which was constructed in accordance with Japanese standard.



C. Quarter's Key Events

For this 1st quarter of 2022, there isn't any key events.



PART 2

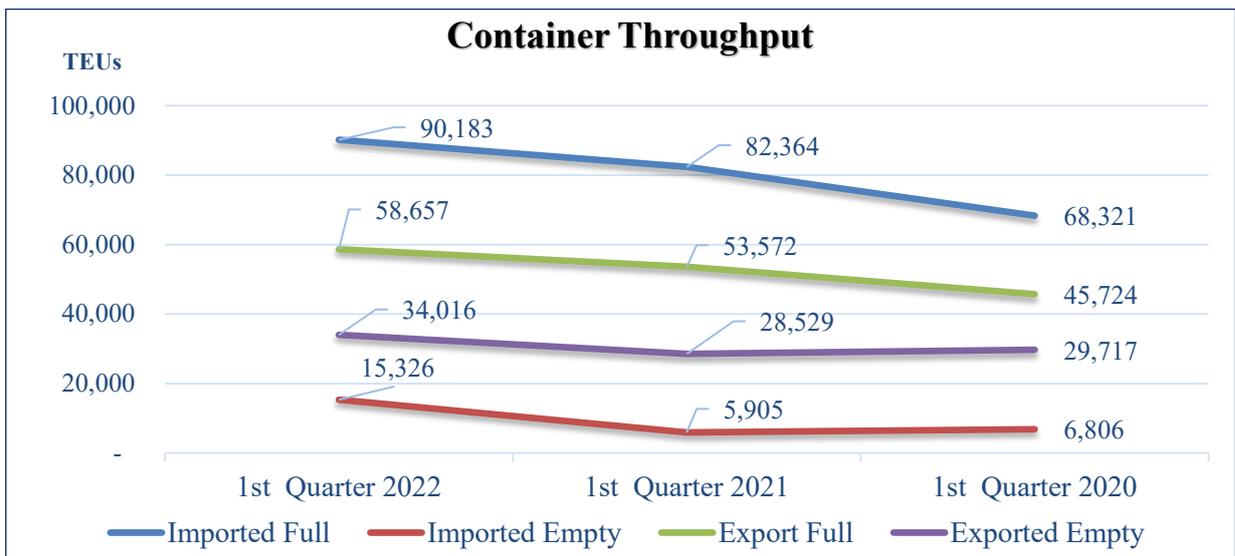
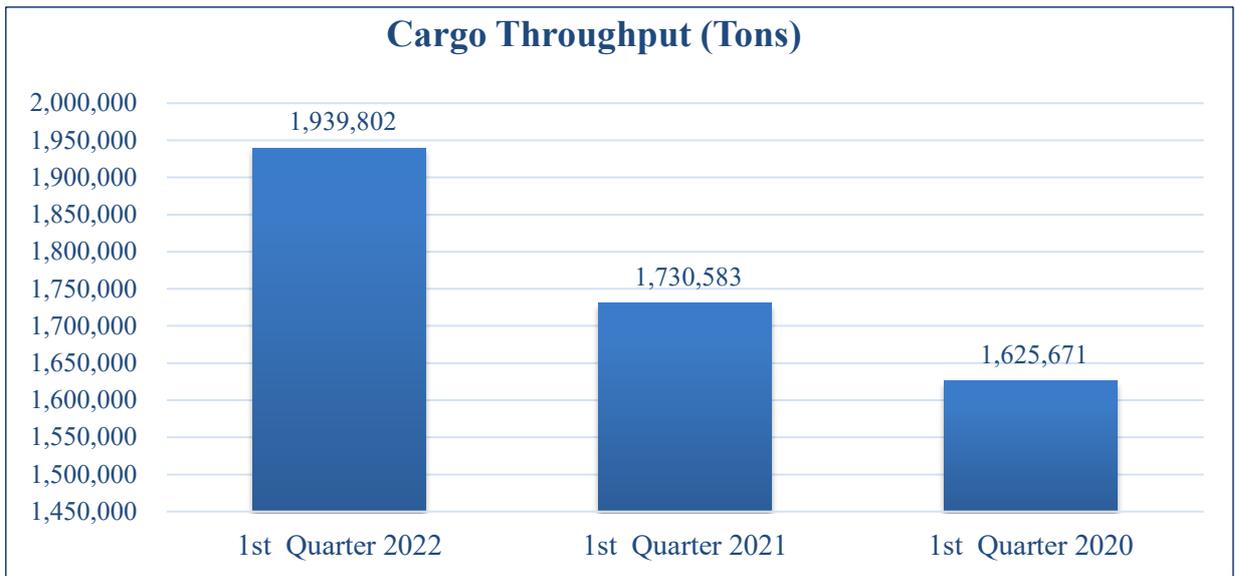
Information on Business Operation Performance



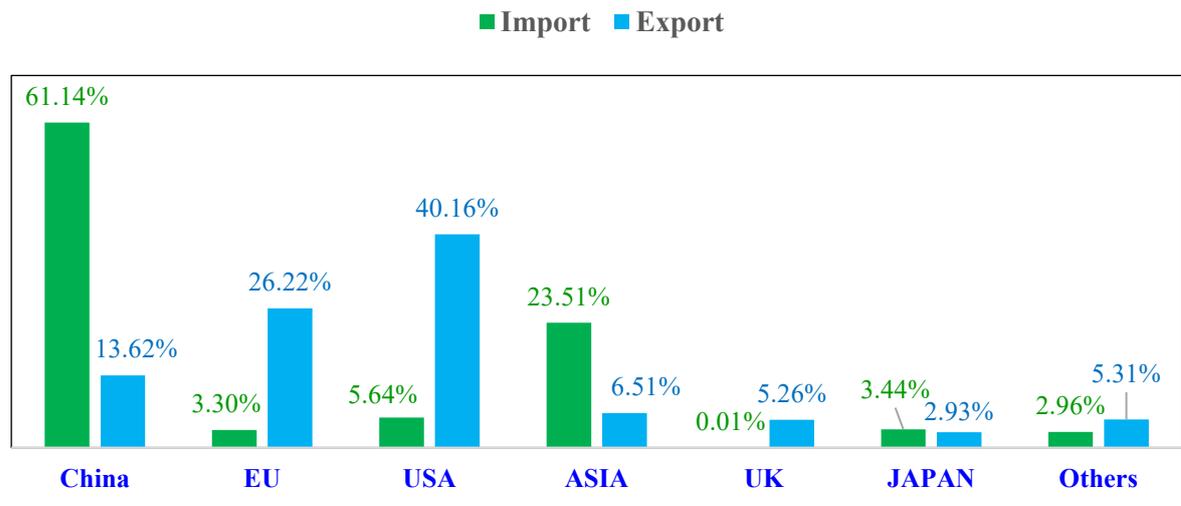
A. Business Operation Performance including business segments information

Items		Planning 2022	1 st Quarter 2022	1 st Quarter 2021	1 st Quarter 2020	Comparison	
		1	2	3	4	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,418,000	1,939,802	1,730,583	1,625,671	12.09%	19.32%
Container Cargo	–		1,348,116	1,179,447	1,009,666	14.30%	33.52%
General Cargo	–		47,764	73,798	54,971	-35.28%	-13.11%
Fuel	–		528,866	462,112	533,990	14.45%	-0.96%
Gas	–		15,056	15,227	27,044	-1.12%	-44.33%
Imported Cargo	–	5,564,000	1,457,182	1,301,725	1,222,726	11.94%	19.17%
Container	–		865,496	754,534	606,721	14.71%	42.65%
General	–		591,686	547,191	616,005	8.13%	-3.95%
Exported Cargo	–	1,854,000	482,621	428,858	402,945	12.54%	19.77%
Container	–		482,621	424,913	402,945	13.58%	19.77%
General	–		-	3,946	-	-100%	0.00%
Cargo Handling	–	10,298,000	2,749,754	2,178,795	1,814,265	26.21%	51.56%
Direct Transfer	–	220,000	42,005	64,794	54,129	-35.17%	-22.40%
Container Yard and Warehouse	–	10,078,000	2,707,749	2,114,001	1,760,136	28.09%	53.84%
Container Throughput	TEUs	787,000	198,182	170,370	150,568	16.32%	31.62%
Imported Container	–		105,509	88,269	75,127	19.53%	40.44%
Full Container	–		90,183	82,364	68,321	9.49%	32.00%
Empty Container	–		15,326	5,905	6,806	159.54%	125.18%
Exported Container	–		92,673	82,101	75,441	12.88%	22.84%
Full Container	–		58,657	53,572	45,724	9.49%	28.28%
Empty Container	–		34,016	28,529	29,717	19.23%	14.47%
Calling Vessels	Units	1,450	412	357	396	15.41%	4.04%
	Tons	14,128,000	3,898,453	3,477,075	5,150,107	12.12%	-24.30%
Container	Units		168	154	149	9.09%	12.75%

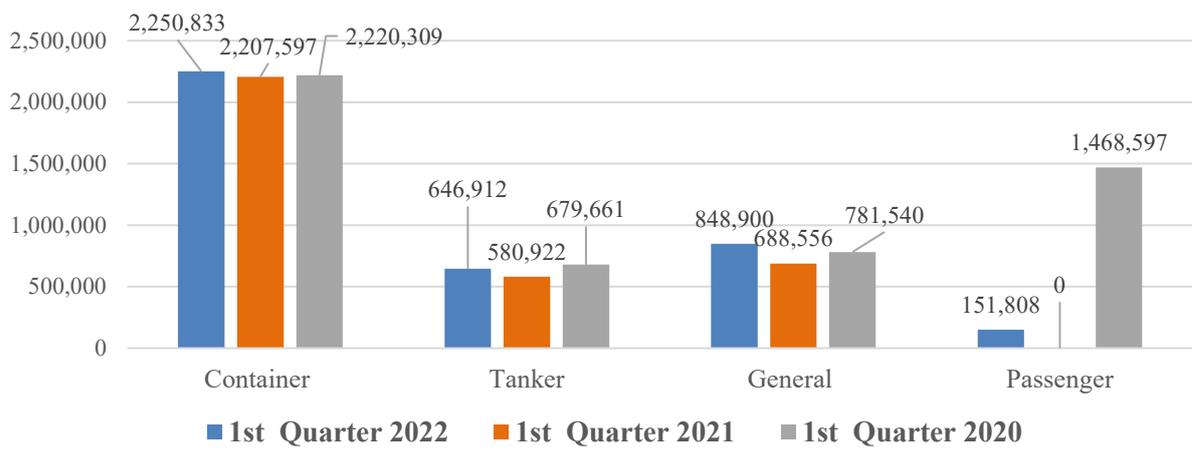
	Tons		2,250,833	2,207,597	2,220,309	1.96%	1.37%
Tanker	Units		151	137	169	10.22%	-10.65%
	Tons		646,912	580,922	679,661	11.36%	-4.82%
General	Units		91	66	60	37.88%	51.67%
	Tons		848,900	688,556	781,540	23.29%	8.62%
Passenger (Cruise Ship)	Units		2	-	18	100.00%	-88.89%
	Tons		151,808	-	1,468,597	100.00%	-89.66%
	Person		-	-	17,789	-	-100.00%



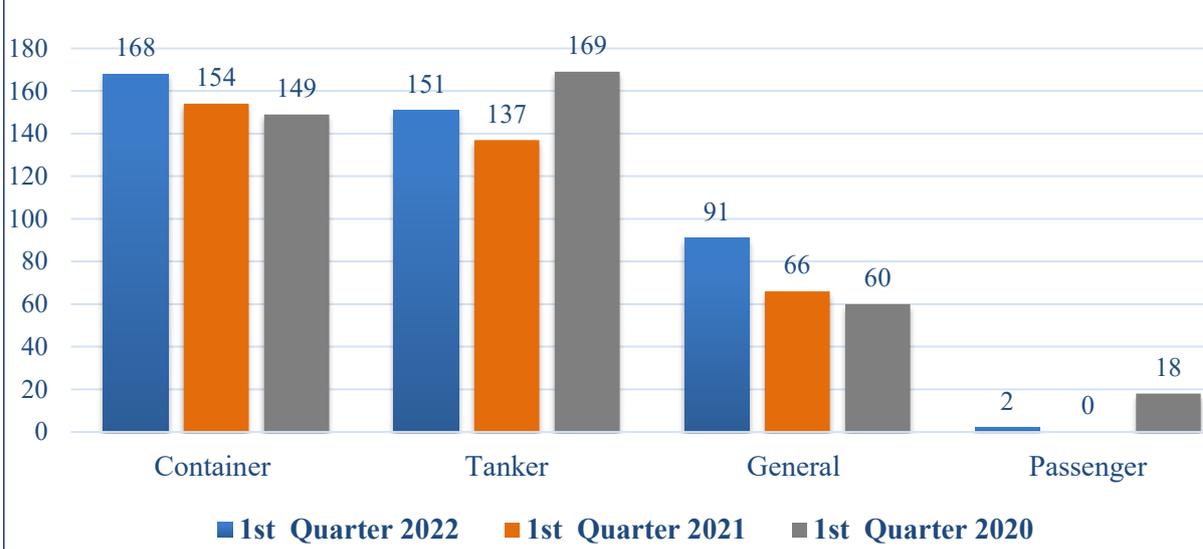
Origin and Destination Countries of Import and Export Container in 1st Quarter 2022



Vessel Calling (Gross Tonnage)



Vessel Calling (Units)



B. Revenue structure

Description	1 st Quarter 2022		1 st Quarter 2021		1 st Quarter 2020	
	‘000 riels	Percentage of total income	‘000 riels	Percentage of total income	‘000 riels	Percentage of total income
Stevedoring Charge	41,910,451	46.37%	38,107,218	46.88%	31,366,160	43.74%
LOLO Charge	25,661,631	28.39%	23,554,706	28.98%	20,078,679	28.00%
Port Charge for Vessel Services	15,669,790	17.34%	15,469,237	19.03%	15,325,196	21.37%
Storage (Warehouse and Yard)	6,050,402	6.69%	3,140,921	3.86%	3,542,453	4.94%
Transportation	42,047	0.05%	32,026	0.04%	0	0.00%
Passenger vessel	0	0.00%	0	0.00%	265,645	0.37%
Special Economic Zone	695,388	0.77%	576,995	0.71%	818,699	1.14%
Rental fee	282,342	0.31%	334,315	0.41%	237,392	0.33%
Other revenues	71,003	0.08%	75,695	0.09%	73,557	0.10%
Total Revenue	90,383,054	100.00%	81,291,113	100.00%	71,707,781	100.00%



PART 3
Financial Statements Reviewed
by the External Auditor



Reference: 61415702/22304653

INDEPENDENT AUDITORS' REVIEW REPORT

To: The Shareholders of SIHANOUKVILLE AUTONOMOUS PORT

Introduction

We have reviewed the accompanying interim condensed financial information of Sihanoukville Autonomous Port ("PAS") comprising the interim condensed statement of financial position as at 31 March 2022 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022 and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the accompanying interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with the Cambodian International Standard on Review Engagements 2410, "*Review of interim financial information performed by the independent auditor of the entity*". A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing. Consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Other Matter

The financial statements of PAS for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 22 March 2022.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information as at 31 March 2022 and for the three-month period then ended are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.



Sinratana Lan
Partner

Ernst & Young (Cambodia) Ltd.
Certified Public Accountants
Registered Auditors

Phnom Penh, Kingdom of Cambodia

24 May 2022

First Quarter Report 2022

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
as at 31 March 2022

	Notes	31 March 2022 KHR'000 Unaudited	31 December 2021 KHR'000 Audited (As reclassified - Note 25)
ASSETS			
Non-current assets			
Property and equipment	6	968,390,118	966,165,844
Investment properties	7	255,059,451	256,328,259
Intangible assets	8	4,653,620	4,936,332
		1,228,103,189	1,227,430,435
Current assets			
Inventories		26,952,807	27,225,006
Trade and other receivables	9	42,833,156	35,659,911
Short-term bank deposits		101,051,027	101,306,681
Cash and cash equivalents		16,525,848	22,468,929
		187,362,838	186,660,527
Assets classified as held for sale	10	13,058,708	13,058,708
Total current assets		200,421,546	199,719,235
Total assets		1,428,524,735	1,427,149,670
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	11	518,018,063	518,018,063
Other reserves	12	31,719,832	31,719,832
Retained earnings		267,198,118	234,156,264
Total equity		816,936,013	783,894,159
LIABILITIES			
Non-current liabilities			
Borrowings	13	402,308,286	435,025,425
Retirement benefit obligations	14	83,995,554	83,646,559
Seniority payment obligations		1,381,961	1,080,149
Deferred income		9,990,743	5,310,459
Deferred tax liabilities		27,470,758	29,419,014
		525,147,302	554,481,606
Current liabilities			
Borrowings	13	31,900,688	33,961,572
Retirement benefit obligations	14	4,975,482	4,534,425
Seniority payment obligations		740,002	-
Deferred income		600,431	134,442
Trade and other payables		44,713,573	44,208,159
Income tax liabilities		3,511,244	5,935,307
		86,441,420	88,773,905
Total liabilities		611,588,722	643,255,511
Total equity and liabilities		1,428,524,735	1,427,149,670

The attached notes 1 to 25 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
for the three-month period ended 31 March 2022

	Notes	Three-month period ended	
		31 March 2022	31 March 2021
		KHR'000	KHR'000
		Unaudited	Unaudited (As reclassified - Note 25)
Revenue	15	90,383,054	81,291,113
Expenses			
Salaries, wages and related expenses	16	(28,262,942)	(26,452,765)
Consumable supplies	17	(27,474,183)	(23,231,160)
Depreciation and amortisation charges	18	(11,118,499)	(9,840,818)
Other expenses		(6,771,770)	(4,388,138)
Repairs and maintenances		(435,670)	(2,553,247)
Other gains – net		112,385	98,501
		(73,950,679)	(66,367,627)
Operating profit		16,432,375	14,923,486
Finance income-net	19	20,453,383	25,268,536
Profit before income tax		36,885,758	40,192,022
Income tax expense	20	(3,843,904)	(3,386,816)
Profit for the period		33,041,854	36,805,206
Profit for the period attributable to shareholders		33,041,854	36,805,206
Total comprehensive income for the period attributable to shareholders		33,041,854	36,805,206
The earnings per share attributable to shareholders of PAS during the period are as follows:			
Basic earnings per share (KHR)	21	385.23	429.11

The attached notes 1 to 25 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
as at 31 March 2022

	<i>Share capital and share premium</i>	<i>Reserves</i>	<i>Retained earnings</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Balance at 1 January 2022 <i>(audited)</i>	518,018,063	31,719,832	234,156,264	783,894,159
Profit for the period	-	-	33,041,854	33,041,854
Total comprehensive income for the period	-	-	33,041,854	33,041,854
Balance at 31 March 2022 <i>(unaudited)</i>	518,018,063	31,719,832	267,198,118	816,936,013
Balance at 1 January 2021 <i>(audited)</i>	518,018,063	29,059,072	155,284,283	702,361,418
Profit for the period	-	-	36,805,206	36,805,206
Total comprehensive income for the period	-	-	36,805,206	36,805,206
Balance at 31 March 2021 <i>(unaudited)</i>	518,018,063	29,059,072	192,089,489	739,166,624

The attached notes 1 to 25 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2022

	Notes	<i>Three-month period ended</i>	
		<i>31 March 2022</i>	<i>31 March 2021</i>
		<i>KHR'000</i>	<i>KHR'000</i>
		<i>Unaudited</i>	<i>Unaudited</i> <i>(As reclassified</i> <i>- Note 25)</i>
Cash flows from operating activities			
Cash inflow from operations	22	27,154,037	21,918,855
Income tax paid		(8,216,223)	(8,562,377)
Net cash flows from operating activities		18,937,814	13,356,478
Cash flows from investing activities			
Purchases of property and equipment	6	(11,321,784)	(20,674,711)
Withdrawals of short-term bank deposits		976,110	3,792,251
Purchases of investment properties	7	(272,070)	(271,861)
Interest received		206,729	752,335
Receipts of repayment of loans to employees		-	641,681
Net cash flows from investing activities		(10,411,015)	(15,760,305)
Cash flows from financing activities			
Repayments of borrowings		(11,558,787)	(12,997,805)
Interest paid		(3,880,217)	(4,460,713)
Proceeds from borrowings		969,124	71,296
Net cash flows from financing activities		(14,469,880)	(17,387,222)
Net decrease in cash and cash equivalents		(5,943,081)	(19,791,049)
Cash and cash equivalents at beginning of the period		22,468,929	30,741,075
Cash and cash equivalents at end of the period		16,525,848	10,950,026

The attached notes 1 to 25 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED)
for the three-month period ended 31 March 2022

1. CORPORATE INFORMATION

The Sihanoukville Autonomous Port (“PAS”) is a public autonomous institution that is under the technical supervision of the Ministry of Public Works and Transport (“MoPWT”) and the financial supervision of the Ministry of Economy and Finance (“MoEF”), with its headquarters in Preah Sihanouk Province, the Kingdom of Cambodia.

PAS is a legal entity with autonomous administration and financing and was established in accordance with Sub-decree 50 ANKR BK dated 17 July 1998, which gave it the general status as a public autonomous institution.

PAS was registered as a state-owned public enterprise with the Ministry of Commerce and obtained the registration number Co.4784 ET/2017, dated 21 February 2017. Its shares of class C were listed on the Main Board of Cambodia Securities Exchange (CSX) on 8 June 2017.

PAS is currently the sole international and commercial deep-sea port in the Kingdom of Cambodia. According to the Sub-decree, the mission of PAS is to provide the following seaport services and seaport related services which include:

- bringing vessels in and out and providing them with supplies;
- conducting cargo handling, offloading, loading and transporting;
- maintaining and safeguarding stocks, warehouses and yards;
- developing, rehabilitating and expanding PAS’s existing infrastructures;
- taking responsibility on health care, security and order in its management areas; and
- committing to manage and organise the operational activities to be effective and progressive.

In the status as public autonomous institution, PAS has obtained an extensive authority and major duties from the Royal Government of Cambodia to carry out its activities in accordance with its objectives.

The registered office of PAS is Terak Vithei Samdech Akka Moha Sena Padei Techo Hun Sen Sangkat No. 3, Sihanoukville City, Preah Sihanouk Province, the Kingdom of Cambodia.

The condensed interim financial information was approved for issue by the Board of Directors on 24 May 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

This interim condensed financial information for the three-month period ended 31 March 2022 has been prepared in accordance with Cambodian International Accounting Standard 34 (CIAS 34), *Interim financial reporting*. PAS has prepared the interim condensed financial information on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that PAS has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with PAS’ annual financial statements as at and for the year ended 31 December 2021, which have been prepared in accordance with the Cambodian International Financial Reporting Standards (CIFRSs).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 *New standards, interpretations and amendments adopted by PAS*

The accounting policies adopted in the preparation of the interim condensed financial information is consistent with those followed in the preparation of PAS' annual financial statements as at and for the year ended 31 December 2021, except for the adoption of new standards effective as of 1 January 2022. PAS has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments as summarised below apply for the first time in 2022, but do not have an impact on the interim condensed financial statements of the PAS.

- Amendments to CIFRS 9, *Financial Instruments* – Fee in the “10 per cent” test for derecognition of financial liabilities
- Amendments to CIFRS 3, *Business Combinations* - Reference to the Conceptual Framework
- Amendments to CIAS 16, *Property Plant and Equipment* - Proceeds before Intended Use
- Amendments to CIAS 37, *Provisions, Contingent Liabilities and Contingent Assets* - Onerous contracts – Costs of Fulfilling a Contract
- Amendments to CIFRS 1, *First-time Adoption of Cambodian International Financial Reporting Standards* – Subsidiary as a first-time adopter
- Amendments to CIAS 41, *Agriculture* – Taxation in fair value measurements

3. MANAGEMENT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim condensed financial information requires management to make 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.

In preparing this interim condensed financial information, the significant judgements made by management in applying the PAS' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2021.

4. FINANCIAL RISK MANAGEMENT

4.1 *Financial risk factors*

PAS' activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with PAS' audited financial statements as at and for the year ended 31 December 2021.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

4. FINANCIAL RISK MANAGEMENT (continued)

4.2 *Fair value of financial assets and financial liabilities measured at amortised cost*

The methods and assumptions used in estimating the fair values of financial instruments are as follows:

- (a) *Cash and cash equivalents and short-term bank deposits* – The carrying values of these amounts approximate their fair values due to their short-term nature.
- (b) *Trade and other receivables* – *The carrying amounts less impairment provisions approximate the fair value because these are subject to normal credit terms and are short-term in nature.*
- (c) *Trade and other payables* – The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.
- (d) *Borrowings* – The fair value is estimated by discounting the future contractual cash outflows using the current borrowing rates.

During the period, PAS has not changed the methods and assumptions used to estimate the fair value of financial instruments and there were no transfers within the fair value hierarchy.

5. SEGMENT INFORMATION

PAS has a reportable segment, namely, port service. The Chief Operating Decision-Maker (“CODM”), which is the management team, reviews the internal management report, which reports the performance of the port service segment as a whole, to assess performance and allocate resources. The CODM assesses the performance of the reportable segment by measuring gross revenue (*Note 15*). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has investment properties in the Special Economic Zone (SEZ) of which it is operating as a lessor and earns rental income (*Note 7*).

Significant revenues are derived from PAS’ external customers. PAS is domiciled in Sihanoukville and major revenues originate from Sihanoukville and the surrounding areas.

The total revenue of KHR’000 30,893,711 was generated from three major customers during the period.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

6. PROPERTY AND EQUIPMENT

2022

	<i>Land improvement</i>	<i>Land</i>	<i>Buildings</i>	<i>Technical equipment</i>	<i>Furniture and fittings</i>	<i>Computer and office equipment</i>	<i>Motor vehicles</i>	<i>Seaport equipment</i>	<i>Construction in progress</i>	<i>Palettes</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost											
As at 1 January 2022 (<i>audited</i>)	296,735,409	58,850,922	347,507,695	37,508,100	2,471,776	11,728,126	48,987,939	276,966,969	25,524,801	1,022,761	1,107,304,498
Additions	-	1,443,537	-	-	142,559	417,563	4,375,238	587,408	4,491,206	61,672	11,519,183
As at 31 March 2022 (<i>unaudited</i>)	296,735,409	60,294,459	347,507,695	37,508,100	2,614,335	12,145,689	53,363,177	277,554,377	30,016,007	1,084,433	1,118,823,681
Accumulated depreciation											
As at 1 January 2022 (<i>audited</i>)	-	(7,322,337)	(39,923,193)	(13,827,541)	(1,763,120)	(7,712,611)	(13,435,612)	(56,136,843)	-	(1,017,397)	(141,138,654)
Depreciation	-	(637,614)	(2,400,415)	(994,412)	(113,628)	(668,846)	(998,749)	(3,475,198)	-	(6,047)	(9,294,909)
As at 31 March 2022 (<i>unaudited</i>)	-	(7,959,951)	(42,323,608)	(14,821,953)	(1,876,748)	(8,381,457)	(14,434,361)	(59,612,041)	-	(1,023,444)	(150,433,563)
Net book value											
As at 31 March 2022 (<i>unaudited</i>)	296,735,409	52,334,508	305,184,087	22,686,147	737,587	3,764,232	38,928,816	217,942,336	30,016,007	60,989	968,390,118

2021 (*Audited*)

	<i>Land improvement</i>	<i>Land</i>	<i>Buildings</i>	<i>Technical equipment</i>	<i>Furniture and fittings</i>	<i>Computer and office equipment</i>	<i>Motor vehicles</i>	<i>Seaport equipment</i>	<i>Construction in progress</i>	<i>Palettes</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost											
As at 1 January 2021	250,929,909	38,121,638	346,693,935	35,828,334	2,136,346	9,038,746	41,895,655	232,088,355	66,256,327	1,022,761	1,024,012,006
Additions	45,805,500	681,152	813,760	320,666	335,430	2,689,380	7,092,284	7,418,560	18,135,760	-	83,292,492
Transfers	-	20,048,132	-	1,359,100	-	-	-	37,460,054	(58,867,286)	-	-
As at 31 December 2021	296,735,409	58,850,922	347,507,695	37,508,100	2,471,776	11,728,126	48,987,939	276,966,969	25,524,801	1,022,761	1,107,304,498
Accumulated depreciation											
As at 1 January 2021	-	(5,750,541)	(30,278,663)	(9,811,185)	(1,329,706)	(6,327,189)	(9,638,457)	(44,534,745)	-	(972,505)	(108,642,991)
Depreciation	-	(1,571,796)	(9,644,530)	(4,016,356)	(433,414)	(1,385,422)	(3,797,155)	(11,602,098)	-	(44,892)	(32,495,663)
As at 31 December 2021	-	(7,322,337)	(39,923,193)	(13,827,541)	(1,763,120)	(7,712,611)	(13,435,612)	(56,136,843)	-	(1,017,397)	(141,138,654)
Net book value											
As at 31 December 2021	296,735,409	51,528,585	307,584,502	23,680,559	708,656	4,015,515	35,552,327	220,830,126	25,524,801	5,364	966,165,844

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

6. PROPERTY AND EQUIPMENT (continued)

Reconciliations of cash and non-cash additions (purchases of property and equipment) are as follows:

	31 March 2022	31 March 2021
	KHR'000	KHR'000
	Unaudited	Unaudited
Purchases (cash and non-cash) during the period	11,519,183	20,393,828
(Increase) decrease in payable to a supplier	(197,399)	280,883
Cash used in purchase of property and equipment	11,321,784	20,674,711

The cumulative interest cost that was capitalised on qualifying assets as at 31 March 2022 is KHR'000 398,732 (31 December 2021: KHR'000 353,362).

7. INVESTMENT PROPERTIES

2022

	Land KHR'000	Building and Land improvement KHR'000	Construction in progress KHR'000	Total KHR'000
Cost				
As at 1 January 2022 (audited)	124,766,123	168,579,653	-	293,345,776
Additions	-	-	272,070	272,070
As at 31 March 2022 (unaudited)	124,766,123	168,579,653	272,070	293,617,846
Accumulated depreciation				
As at 1 January 2022 (audited)	-	(37,017,517)	-	(37,017,517)
Depreciation	-	(1,540,878)	-	(1,540,878)
As at 31 March 2022 (unaudited)	-	(38,558,395)	-	(38,558,395)
Net book value				
As at 31 March 2022 (unaudited)	124,766,123	130,021,258	272,070	255,059,451

2021 (As reclassified - Note 25)

	Land KHR'000	Building and Land improvement KHR'000	Construction in progress KHR'000	Total KHR'000
Cost				
As at 1 January 2021	136,030,885	168,140,149	359,280	304,530,314
Additions	-	165,310	1,708,860	1,874,170
Transfers	2,068,140	-	(2,068,140)	-
Reclassification (Note 25)	(274,194)	274,194	-	-
Transfers to assets held for sale (Note 10)	(13,058,708)	-	-	(13,058,708)
As at 31 December 2021 (audited)	124,766,123	168,579,653	-	293,345,776
Accumulated depreciation				
As at 1 January 2021	-	(30,694,847)	-	(30,694,847)
Depreciation	-	(6,322,670)	-	(6,322,670)
As at 31 December 2021 (audited)	-	(37,017,517)	-	(37,017,517)
Net book value				
As at 31 December 2021 (audited)	124,766,123	131,562,136	-	256,328,259

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

7. INVESTMENT PROPERTIES (continued)

Cash purchases of investment properties:

	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Purchases (cash and non-cash) during the period	272,070	717,670
Increase payable to a supplier (non-cash)	-	(445,809)
Cash used in purchase of investment properties	<u>272,070</u>	<u>271,861</u>

The following amounts have been recognised in the interim condensed statement of comprehensive income relevant to the business of investment properties:

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Rental revenue	695,388	576,995
Depreciation expenses	(1,540,878)	(1,583,373)
Direct operating expenses arising from investment properties that generate rental revenue	(700,868)	(630,765)

8. INTANGIBLE ASSETS

	<i>31 March 2022</i>
	<i>KHR'000</i>
Cost	
As at 31 March 2022 (<i>unaudited</i>)	<u>11,288,083</u>
Accumulated amortisation	
As at 1 January 2022 (<i>audited</i>)	(6,351,751)
Amortisation	(282,712)
As at 31 March 2022 (<i>unaudited</i>)	<u>(6,634,463)</u>
Net book value	
As at 31 March 2022 (<i>unaudited</i>)	<u>4,653,620</u>
	<i>31 December 2021</i>
	<i>KHR'000</i>
	<i>Audited</i>
Cost	
As at 1 January 2021	10,921,152
Additions	366,931
As at 31 December 2021	<u>11,288,083</u>
Accumulated amortisation	
As at 1 January 2021	(5,247,407)
Amortisation	(1,104,344)
As at 31 December 2021	<u>(6,351,751)</u>
Net book value	
As at 31 December 2021	<u>4,936,332</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

9. TRADE AND OTHER RECEIVABLES

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Trade receivables	35,792,045	33,985,519
Loss allowance (<i>Note a</i>)	(783,976)	(329,241)
Trade receivables, net	35,008,069	33,656,278
Advances to MoPWT (<i>Note b</i>)	1,221,303	1,221,303
Advances	6,518,109	696,502
Prepayments	85,675	85,828
	7,825,087	2,003,633
	42,833,156	35,659,911

PAS's customers are local and international shipping lines and shipping agents. Trade receivables are short term.

(a) Movement of allowance for doubtful accounts of trade receivables follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Beginning balance	329,241	2,655,478
Charge (reversal) during the period/year	454,735	(2,326,237)
Ending balance	783,976	329,241

(b) This represents outstanding cash advances to the MoPWT based on letters issued by MoEF dated 22 April 2019 for the purpose of renovating certain parts of city road. The advances are settled by way of deduction from the dividend payment or repayment. There is no specific term of repayment.

10. ASSETS CLASSIFIED AS HELD FOR SALE

On 10 November 2021, PAS signed a sale and purchase agreement with a buyer to sell a parcel of vacant land (130 hectares) located in the Bet Trang commune, which was acquired for capital appreciation. It has been classified and presented as an investment property.

The total contract value is US\$ 26 million or KHR 105,300 million at a price of US\$ 20 or KHR 81,000 per square metre. PAS received US\$ 2 million as a deposit on the contract date and the remaining amount will be paid by the buyer upon completion of ownership title deeds transferred to buyer which is expected to be completed by June 2022. The net book value of these 130 hectares - land is KHR 13,058 million (equivalent to US\$ 3,264,677). This has been recorded as assets held for sale on the statement of financial position as of 31 December 2021. No gain was recognised as of 31 March 2022 as the transaction has not been completed, and the risk and rewards have not been completely transferred to the buyer.

This size of the land might be reduced as public road construction is taking place on it. Management is in the process of transferring the hard title deeds (LMAP) and the actual size of land will be known once the Ministry of Land Management, Urban Planning and Construction issues the hard title deeds. The buyer will settle based on the confirmed size at US\$ 20 or KHR 81,000 per square metre.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

11. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (**)		Class C share (**)		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
At 31 March 2022 (<i>unaudited</i>)	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	518,018,063
At 31 December 2021 (<i>audited</i>)	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	518,018,063

According to Article 11 of the Articles of Incorporation dated 12 April 2019, the existing capital of KHR 428,859,836,000 were allocated into 364,530,861 class A shares and 64,328,975 class B shares with a par value of KHR 1,000 per share. Both class A shares and class B shares are controlled by the Royal Government of Cambodia represented by MoEF. Class A shares are not entitled to any dividend payment and have no voting rights except for conditions as detailed in Article 9 of the Articles of Incorporation dated 12 April 2019. Class B shares have voting rights and are entitled to dividend as approved by the Board of Directors. The number of shares issued in class C shares are 21,442,992 shares with a par value of KHR 1,000 per share. All issued shares were fully paid.

The details of voting rights shares are as follows:

	Percentage	Number of shares	KHR'000
Shareholders			
Class B shares:			
The Royal Government of Cambodia	75.0%	64,328,975	64,328,975
Class C shares:			
Kamigumi	13.0%	11,150,324	11,150,324
Employee share option scheme	2.5%	2,144,299	2,144,299
Other investors	9.5%	8,148,369	8,148,369
	25.0%	21,442,992	21,442,992
	100.0%	85,771,967	85,771,967

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

12. OTHER RESERVES

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Opening balance	31,719,832	29,059,072
Add: General reserve	-	1,330,380
Legal reserve	-	1,330,380
Closing balance	<u>31,719,832</u>	<u>31,719,832</u>

Article 65 of the Article of Incorporation dated 12 April 2019 stipulates that PAS's annual profit, after offsetting losses carried forward (if any), is allocated to general reserve at 5% and legal reserve at 5%.

13. BORROWINGS

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	50,732,995	57,735,813
MoEF – (JBIC) – Loan No. CP-P4	98,361,905	98,053,918
MoEF – (JBIC) – Loan No. CP-P6	5,945,208	6,614,677
MoEF – (JBIC) – Loan No. CP-P8	98,882,065	108,281,770
MoEF – (JICA) – Loan No. CP-P10	165,666,145	183,227,712
MoEF – (JICA) – Loan No. CP-P21	14,620,656	15,073,107
	<u>434,208,974</u>	<u>468,986,997</u>

MoEF signed borrowing agreements with Japan International Cooperation Agency (“JICA”) and Japan Bank for International Cooperation (“JBIC”) in respect of the transactions relating to PAS. The borrowings have been disbursed by JICA and JBIC directly to the suppliers of PAS. Repayments of borrowings are made by PAS directly to MoEF according to the repayment schedules.

The maturity dates of these borrowings are as follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
<i>Current</i>		
Not later than one year	31,900,688	33,961,572
<i>Non-current</i>		
Later than one year but not later than two years	29,511,276	31,067,938
Later than two years but not later than five years	88,533,829	93,203,813
Later than five years	284,263,181	310,753,674
	<u>402,308,286</u>	<u>435,025,425</u>
	<u>434,208,974</u>	<u>468,986,997</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

13. BORROWINGS (continued)

The carrying amounts and fair values of the borrowings are as follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
<i>Carrying value</i>		
Current portion	31,900,688	33,961,572
Non-current portion	402,308,286	435,025,425
	<u>434,208,974</u>	<u>468,986,997</u>
<i>Fair value</i>		
Current portion	31,900,688	33,961,572
Non-current portion	402,308,286	435,025,425
	<u>434,208,974</u>	<u>468,986,997</u>

The fair values were calculated based on future contractual cash flows discounted using the current borrowing rates. They were classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

Borrowings denominated in currencies other than functional currency are as follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
JPY	335,844,678	370,933,079
US\$	98,364,296	98,053,918
	<u>434,208,974</u>	<u>468,986,997</u>

The interest rates per annum are as follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
MoEF – (JBIC) – Loan No. CP-P3	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P4	3.70%	3.70%
MoEF – (JBIC) – Loan No. CP-P6	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P8	2.65%	2.65%
MoEF – (JICA) – Loan No. CP-P10	1.65%	1.65%
MoEF – (JICA) – Loan No. CP-P21	1.26%	1.26%

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

14. RETIREMENT BENEFIT OBLIGATIONS

The amount recognised in the interim statement of financial position is as follows:

	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Present value of defined benefit obligations as at end of period/year	<u>88,971,036</u>	<u>88,180,984</u>

The defined benefit obligations as at end of 31 March 2022 and 31 December 2021 above are unfunded.

The movements in the defined benefit obligations over the period are as follows:

	<i>Three-month period ended</i>	
	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Beginning balance	88,180,984	86,481,967
Current service cost	427,250	427,250
Interest expense	1,153,500	1,153,500
Benefits paid	(790,698)	(700,167)
Closing balance	<u>88,971,036</u>	<u>87,362,550</u>
	<u>31 March 2022</u>	<u>31 December 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Current portion	4,975,482	4,534,425
Non-current portion	83,995,554	83,646,559
	<u>88,971,036</u>	<u>88,180,984</u>

The retirement benefit costs recognised within salaries, wages and related expenses and remeasurement of retirement benefit obligations in the interim statement comprehensive income are as follows:

	<i>Three-month period ended</i>	
	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Current service cost	427,250	427,250
Interest expense	1,153,500	1,153,500
	<u>1,580,750</u>	<u>1,580,750</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

14. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions are as follows:

	<u>2022</u>	<u>2021</u>
Average years of service	21	21
Discount rate per annum	6%	6%
Salary increase rate per annum	5%	5%
Turnover rate per annum	0.5%	0.5%

Mortality rates

In the absence of published mortality rates in Cambodia, PAS used the 2017 Thailand Ordinary Mortality table modified to fit Cambodian life expectancy. The 2017 Thailand Ordinary Mortality table contains the most recent estimates of likelihood of death of the general population in Thailand and has remained consistent as at 31 March 2022.

15. REVENUE

Set out below is the disaggregation of PAS' revenue from contracts with customers:

	<i>Three-month period ended</i>	
	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Stevedoring charges	41,910,451	38,107,218
Lift-On Lift-Off (LO-LO)	25,661,631	23,554,706
Port due/charge services	15,669,790	15,469,237
Container storage	6,050,402	3,140,921
Rental income from SEZ	695,388	576,995
Other revenue	395,392	442,036
	<u>90,383,054</u>	<u>81,291,113</u>

Timing of revenue recognition:

	<i>Three-month period ended</i>	
	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
At a point in time	83,354,922	77,238,883
Over time	7,028,132	4,052,230
	<u>90,383,054</u>	<u>81,291,113</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

16. SALARIES, WAGES AND RELATED EXPENSES

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
		<i>(As reclassified - Note 25)</i>
Employee salaries	18,932,254	17,230,949
Bonuses	4,964,879	4,483,645
Retirement benefit expenses	1,580,750	1,580,750
Seniority payment obligations	1,041,813	1,240,467
Directors' remuneration	349,200	349,200
Social security expenses	234,544	156,472
Wages for contractors	28,500	79,050
Other employee-related expenses	1,131,002	1,332,232
	28,262,942	26,452,765

17. CONSUMABLE SUPPLIES

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Combustible expenses	16,889,391	9,821,410
Spare parts	6,971,236	10,357,932
Warehouse supplies	2,354,649	1,735,714
Oil and lubricant	942,060	962,663
Office supplies	231,787	267,301
Other consumables	85,060	86,140
	27,474,183	23,231,160

18. DEPRECIATION AND AMORTISATION CHARGES

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Property and equipment (<i>Note 6</i>)	9,294,909	7,983,907
Investment properties (<i>Note 7</i>)	1,540,878	1,583,373
Intangible assets (<i>Note 8</i>)	282,712	273,538
	11,118,499	9,840,818

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

19. FINANCE INCOME – NET

	<i>Three-month period ended</i>	
	<u>31 March 2022</u>	<u>31 March 2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<i>Finance income:</i>		
Interest income on bank deposits (<i>Note a</i>)	944,995	900,103
Net exchange gains on foreign currency borrowings (<i>Note b</i>) and others	22,173,857	26,545,157
Interest income from unwinding of discount of loans to employees	-	39,331
	23,118,852	27,484,591
<i>Finance costs:</i>		
Interest expenses on borrowings from MoEF (<i>Note c</i>)	(2,665,469)	(2,216,055)
	(2,665,469)	(2,216,055)
Finance income – net	20,453,383	25,268,536

(a) Interest income represents interest earned from savings and fixed deposit accounts held at local banks during the period.

(b) PAS has the borrowings (*Note 13*) which are denominated in Japanese yen (JPY) and US dollar (US\$). Given the fluctuations in KHR against JPY, this resulted in significant exchange losses/gains on its borrowings. The exchange rates are based on the exchange rates published by the National Bank of Cambodia as at the end of reporting period.

	<u>31 March 2022</u>	<u>31 December 2021</u>	<u>31 March 2021</u>	<u>31 December 2020</u>
JPY/KHR	33.305	35.590	36.820	39.275
US\$/KHR	4,050	4,074	4,045	4,045

(c) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC (*Notes 13 and 23*).

20. INCOME TAX EXPENSE

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at reporting date. The management periodically evaluates position taken in tax returns with respect to situations in which applicable tax regulation is subjected to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

However, these regulations are subject to periodic variation and the ultimate determination of tax liabilities will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts initially recorded, such differences will impact the tax liabilities and balances in the period in which the determination is made.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

20. INCOME TAX EXPENSE (continued)

PAS calculates the income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings.

The major components of income tax expense in the unaudited interim condensed statement of comprehensive income are:

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Current income tax	4,162,560	954,885
Under provision of current income tax from prior year	1,629,600	-
Deferred income tax	(1,948,256)	2,431,931
	3,843,904	3,386,816

21. EARNINGS PER SHARE

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to equity holders of PAS by the weighted average number of ordinary shares in issue during the period.

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Profit attributable to shareholders	33,041,854	36,805,206
Weighted average number of shares	85,771,967	85,771,967
Basic earnings per share	385.23	429.11

(ii) *Diluted earnings per share*

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. PAS had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share was equivalent to the basic earnings per share.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

22. CASH GENERATED FROM OPERATIONS

	Notes	<i>Three-month period ended</i>	
		<i>31 March 2022</i>	<i>31 March 2021</i>
		<i>KHR'000</i>	<i>KHR'000</i>
		<i>Unaudited</i>	<i>Unaudited</i>
			<i>(As reclassified - Note 25)</i>
Profit before income tax		36,885,758	40,192,022
<i>Adjustments for:</i>			
Finance income– net	19	(20,453,383)	(25,268,536)
Depreciation and amortisation charges	18	11,118,499	9,840,818
Seniority payment obligations		1,041,814	(483,751)
Retirement benefit obligations	14	790,052	880,583
Loss allowance charge (reversal) during the period/year	9	454,735	(2,326,237)
Provision for expected credit losses on short-term bank deposits		17,810	-
Other employee related expenses from loans to employees		-	163,864
<i>Changes in working capital:</i>			
Inventories		272,199	1,893,372
Trade and other receivables		(8,473,105)	(1,247,570)
Trade and other payables		353,385	(2,017,777)
Deferred income		5,146,273	292,067
Cash inflow from operations		27,154,037	21,918,855

23. RELATED PARTY TRANSACTIONS

PAS is under the financial supervision of the MoEF and the technical supervision of the MoPWT. Transactions with MoEF and MoPWT are considered to be related parties.

(a) Related party balances

(i) Amount due to MoEF (Note 13)

	<i>31 March 2022</i>	<i>31 December 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Borrowings from:		
MoEF – (JICA)	180,286,801	198,300,819
MoEF – (JBIC)	253,922,173	270,686,178
	434,208,974	468,986,997

(ii) Amount due from MoPWT (Note 9)

	<i>31 March 2022</i>	<i>31 December 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Audited</i>
Advances to MoPWT	1,221,303	1,221,303

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

23. RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Costs of borrowings from MoEF:		
Interest expenses (Note 19)	2,665,469	2,216,055
Capitalized interest costs (Note 6)	45,370	43,199

(c) Key management compensation

Key management compensation for the three-month period ended is as follows:

	<i>Three-month period ended</i>	
	<i>31 March 2022</i>	<i>31 March 2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<i>Board of Directors</i>		
Fees and related expenses	349,200	349,200
<i>Key management personnel</i>		
Salaries and other expenses	1,370,736	769,031
Retirement benefit expenses (*)	4,654	55,692

Key management personnel comprise of Chief Executive Officer and Executive Directors who make strategic decisions over PAS's direction, financial and operational performances.

(*) Retirement benefit scheme is operated at entity wide which key management personnel are also entitled to the benefit scheme the same as other employees of PAS.

24. COMMITMENTS

As at 31 March 2022, PAS had outstanding capital expenditure commitment of KHR'000 898,236 for the New Container Terminal 1 project (31 December 2021: KHR 821,416 million) for its purchase of construction services and property and equipment.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO INTERIM CONDENSED FINANCIAL INFORMATION (UNAUDITED) (continued)
for the three-month period ended 31 March 2022

25. RECLASSIFICATION OF CORRESPONDING FIGURES

Certain corresponding figures have been reclassified to conform with current period's presentation, as follows:

	2021		
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
	<i>(As previously presented)</i>	<i>(Reclassification)</i>	<i>(As reclassified)</i>
<i>Statement of comprehensive income</i>			
Salaries, wages and related expenses			
Employee salaries	18,471,416	(1,240,467)	17,230,949
Seniority payment obligations	-	1,240,467	1,240,467
<i>Statement of cash flows</i>			
Loss allowance charge (reversal) during the period/year	-	(2,326,237)	(2,326,237)
Trade and other receivables	(3,573,807)	2,326,237	(1,247,570)
<i>Investment properties</i>			
Land	125,040,317	(274,194)	124,766,123
Building and land improvement	168,305,459	274,194	168,579,653



PART 4
**Management's Discussion and
Analysis**



A. Overview of Operations

PAS is the only international deep sea port of the Kingdom of Cambodia, which is operating on an approximately 125 hectares land area, located in Preah Sihanouk city, Preah Sihanouk province and connected by multi-modal transport networks. According to the definition of Sub-decree No. 50 ANKr/BK dated 17th July 1998, PAS has been entitled as a port operator with detailed business and services in the above Part 1, section B of this 1st quarter 2022 report.

For this 1st quarter 2022, the volume of PAS's container throughput increased by 27,812 TEUs equivalent to 16.32% compared to 1st quarter 2021, and Gross cargoes throughput increased by 12.09% equivalent to 209,219 tons. Among gross cargoes throughput, container in tons increased 14.30% equivalent to 168,670 tons, and general cargoes decreased 26,034 tons equivalent to 35.28% but fuels slightly increased by 14.45% equal to 66,754 tons, and gas declined by 1.12% equivalent to 171 tons. PAS's calling vessel increased by 15.41% equal to 55 vessels, and gross tonnages increased by 12.12% equal to 421,378 tons compared to 1st quarter 2021.

The discussion and analysis by the management on PAS's financial status and operation results below were made on the basis of financial information report audited by the independent auditor for 1st quarter 2022 and 2021 as shown in Part 3 of this 1st quarter 2022 report.

PAS has important sources of income as follows:

- **Port Charges for Vessel Services:** is the income derived from vessel services and ship berthing alongside consisting of tonnage dues, berthage charge, channel charge, pilotage fee, tug assistance charge, mooring & unmooring charge, charge for opening & closing hatch cover and waste collection charges.
- **Stevedoring Charges:** is the income derived from loading and unloading services of general cargo or container onto and from the vessel berthing alongside at the port.
- **LOLO Charges:** is the income derived from loading and unloading services of general cargo or containers into or out of the yard.
- **Storage Fees:** is the income derived from storing general cargo or container in the warehouse and yard.
- **Transportation Charges:** is the income derived from transport services of general cargo or container within the port premises.
- **Income from Special Economic Zone:** is the income derived from land lease for building factory, building from Sihanoukville Port Special Economic Zone.

PAS had recorded financial transaction (account book) and financial reports in Riel, which is its national currency, while the operations using other international currency were shown in

Riels based on the average of daily official exchange rate of the National Bank of Cambodia according to the respective dates of the operations.

1. Revenue Analysis

1-A Revenue Analysis

For the period ended 31st March 2022 compared to the period ended 31st March 2021

Description	1 st Quarter 2022	1 st Quarter 2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	90,383,054	81,291,113	9,091,941	11.18%

For this 1st quarter 2022, PAS's income increased by 9,091,941,000 Riels equivalent to 11.18% increased from 81,291,113,000 Riels in 1st quarter 2021 to 90,383,054,000 Riels in 1st quarter 2022. This increased in income was mostly derived from Stevedoring Charges, LOLO Charges, Storage Fees and Port Charge for Vessel Services.

1-B Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues

For 1st Quarter 2022 and 1st Quarter 2021

Description	1 st Quarter 2022		1 st Quarter 2021		1 st Quarter 2020	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	41,910,451	46.37%	38,107,218	46.88%	31,366,160	43.74%
LOLO Charge	25,661,631	28.39%	23,554,706	28.98%	20,078,679	28.00%
Port Charge for Vessel Services	15,669,790	17.34%	15,469,237	19.03%	15,325,196	21.37%
Storage (Warehouse and Yard)	6,050,402	6.69%	3,140,921	3.86%	3,542,453	4.94%
Transportation	42,047	0.05%	32,026	0.04%	0	0.00%
Passenger vessel	0	0.00%	0	0.00%	265,645	0.37%

Special Economic Zone	695,388	0.77%	576,995	0.71%	818,699	1.14%
Rental fee	282,342	0.31%	334,315	0.41%	237,392	0.33%
Other revenues	71,003	0.08%	75,695	0.09%	73,557	0.10%
Total Revenue	90,383,054	100.00%	81,291,113	100.00%	71,707,781	100.00%

In the 1st quarter 2022 as well as 2021, there were four important types of incomes accounted for 99% of PAS's total business and service incomes. Those incomes were derived from Stevedoring charges, LOLO charges, Port Charges for Vessel Services and Storage (Warehouse and Yard).

For the period ended 31st March 2022 compared to the period ended 31st March 2021

Description	1 st Quarter 2022	1 st Quarter 2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	41,910,451	38,107,218	3,803,233	9.98%
LOLO Charge	25,661,631	23,554,706	2,106,925	8.94%
Port Charge for Vessel Services	15,669,790	15,469,237	200,553	1.30%
Storage (Warehouse and Yard)	6,050,402	3,140,921	2,909,481	92.63%

The income from Stevedoring charge increased approximately by 9.98% equivalent to 3,803,233,000 Riels, and LOLO charge increased by 8.94% equivalent to 2,106,925,000 Riels comparing between 1st quarter 2022 and 1st quarter 2021. These growths were resulted by the increase of container throughput with the volume of 27,812 TEUs equivalent to 16.32% and the increase of Cargo handling of 26.21% equal to 570,960 Tons for this 1st quarter 2022.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 1st quarter of 2022, the number of vessels calling to PAS increased by 55 vessels equal to 15.41%, and tonnage throughput increased by 12.12% equal to 421,378 tons. However, the income on Port charge for vessel service increased from 15,469,237,000 Riels in 1st quarter 2021 to 15,669,790,000 Riels in 1st quarter 2022, increased by 1.30% equal to 200,553,000 Riels. This is because in 1st quarter 2022, the container

vessels increased by 9.09% equal to 14 vessels and general cargo vessels increased by 37.88% equal to 25 vessels if compare to the same period in 2021.

The income from storage, warehouse, and yard increased by 2,909,481,000 Riels equivalent to 92.63% compared between 1st quarter 2022 with the income amount of 6,050,402,000 Riels and 1st quarter 2021 with amount of 3,140,921,000 Riels. The reason of this increase was caused by the container storage period in 1st quarter 2022 was mostly above 5 days, which was the storage charge period.

2. Gross Profit Margin Analysis

PAS had prepared its resultant reports in a form of specification report and therefore there was no disclosure of the gross profits. However, the format of this report can enable us to discuss and analyze the operating profit derived from the gross revenues minus the operating expenses.

The operating expenses will be discussed and analyzed in the following section 3, the analysis of profit before tax.

3. Profit/(Loss) before Tax Analysis

The profit before tax is the result derived from the gross profit minus the operating expense and income or expense of net interest. In an analysis of the operating expenses, we will point out the expense on Consumable supplies, expense on Salary and Wages, and Related expenses, expense on Depreciation and Amortization, expense on Repair and Maintenance, Other expense and Other gain /(Losses)-net as follows:

For the period ended 31st March 2022 compared to the period ended 31st March 2021

Description	1 st Quarter 2022	1 st Quarter 2021	Changes	
	‘000 riels	‘000 riels	‘000 riels	%
Revenue	90,383,054	81,291,113	9,091,941	11.18%
Consumable Supplies	(27,474,183)	(23,231,160)	(4,243,023)	18.26%
Salaries, Wages and related expenses	(28,262,942)	(26,452,765)	(1,810,177)	6.84%
Depreciation and Amortisation charge	(11,118,499)	(9,840,818)	(1,277,681)	12.98%
Repairs and Maintenances	(435,670)	(2,553,247)	2,117,577	-82.94%
Other expenses	(6,771,770)	(4,388,138)	(2,383,632)	54.32%

Other gain /(Losses)-net	112,385	98,501	13,884	14.10%
Net- Finance cost/(gain)	20,453,383	25,268,536	(4,815,153)	-19.06%
Profit before income tax	36,885,758	40,192,022	(3,306,264)	-8.23%

For 1st quarter 2022, PAS's expenses on Consumable Supplies amounted to 27,474,183,000 Riels increased by 4,243,023,000 Riels equivalent to 18.26% compared to the 1st quarter of 2021 with the expense amounted of 23,231,160,000 Riels. The main factor that caused such increase was resulted by Warehouse supplies expense increased by 35.66% equivalent to 618,935,000 Riels and the combustible expenses increased by 71.97% equivalent to 7,067,981,000 Riels in this 1st quarter 2022.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decreases, the expense on salary will also decrease, and we found that stevedoring income increased by 9.98% and LOLO incomes increased by 8.94% in this 1st quarter 2022. Therefore, the expense on Salary, wages, and other related expenses had increased by 6.84% equivalent to 1,810,177,000 Riels compared that to 1st quarter 2022 with the expense amount of 28,262,942,000 Riels and 26,452,765,000 Riels in 1st quarter 2021. The main factors of this increasing are on employee salaries expenses which increased by 9.87% equal to 1,701,305,000 Riels and the expense on bonuses which increased approximately 10.73% equal to 481,234,000 Riels compared to 1st quarter 2021.

The expense on depreciation and amortization included property, equipment, and intangible asset in 1st quarter 2022 amounted to 11,118,499,000 Riels increased by 1,277,681,000 Riels equivalent to 12.98% compared to that of 1st quarter 2021 with the expense amount of 9,840,818,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 1,311,002,000 Riels equivalent to 16.42%.

The expense on repair and maintenance decreased by 2,117,577,000 Riels equal to 82.94%, the total expense of repair and maintenance in 1st quarter 2022 was 435,670,000 Riels and 2,553,247,000 Riels in 1st quarter 2021.

The Other expenses increased by 54.32% equivalent to 2,383,632,000 Riels, which increased from 4,388,138,000 Riels in 1st quarter 2021 to 6,771,770,000 Riels in 1st quarter 2022. The main reasons that caused the increased of other expenses were the increased in Professional and related costs which gained by 67.60% equal to 185,891,000 Riels and the increased of Contributions and donations by 67.77% equivalent to 1,289,425,000 Riels in this 1st quarter 2022.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 1st quarter 2022, the gain from realized foreign exchange with the amount of 112,384,000 Riels increased by 14.09% equivalent to 13,883,000 Riels compared to 1st quarter 2021 amounted to the gain of 98,501,000 Riels.

Finance Income/(Costs)-net refers to Unrealized Foreign Exchange Gain-Loss, for the 1st quarter 2022, there was an income of 20,453,383,000 Riels decreased the Finance income by 19.06% equivalent to 4,815,153,000 Riels compared to that of 1st quarter 2021 with the Net-Finance income of 25,268,536,000 Riels. The main factor of this change in Finance Income/(Costs)-net was because in 1st quarter 2021, there was the net gain unrealized foreign exchange currency (Japanese Yen) amounted to 26,545,157,000 Riels, if compared to 1st quarter 2022 with the net gain unrealized foreign exchange currency of 22,173,857,000 Riels.

In conclusion, PAS's Profit before tax in 1st quarter 2022 is 36,885,758,000 Riels decreased by 3,306,264,000 Riels equivalent to 8.23% if compared to 1st quarter 2021 with the amount of 40,192,022,000 Riels.

4. Profit/(Loss) after Tax Analysis

PAS is under the law of business companies in the field of taxation and VAT; therefore, PAS has the obligation to pay tax on annual profit at the rate of 20%. From 2020 onward, PAS continue its obligation to pay tax on annual profit at the rate of 20% after PAS have received the incentive benefit in Taxation from the Security market for the last three years (2017 to 2019).

For the period ended 31st March 2022 compared to the period ended 31st March 2021

Description	1 st Quarter 2022	1 st Quarter 2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Profit before income tax (A)	36,885,758	40,192,022	(3,306,264)	-8.23%
Income tax expense (B)	(3,843,904)	(3,386,816)	(457,088)	13.50%
Profit for the period	33,041,854	36,805,206	(3,763,352)	-10.23%
Remesurement of retirement benefit obligations	-	-		
Total comprehensive income for the period	33,041,854	36,805,206	(3,763,352)	-10.23%
Effective Tax Rate (B)/(A)	10.42%	8.43%		

PAS has a Profit after tax with the equivalent amount 33,041,854,000 Riels in the 1st quarter 2022 and 36,805,206,000 Riels in the 1st quarter 2021 with the decreased amount of 3,763,352,000 Riels equivalent to 10.23%. The main factors that caused the profit after tax to decreased is due to the decrease in Unrealized Foreign Exchange Gain compare to the same period of 2021.

The Effective tax rate on profit increased from 8.43% in 1st quarter 2021 to 10.42% in 1st quarter 2022, as a result of decreased of Profit before income tax in 1st quarter 2022.

5. Factors and Trends Analysis affecting Financial conditions and results

A number of factors that influence the status and financial outcome of PAS are:

- Factors That Cause Restriction on International Business

Because of PAS's main source of income is derived from the movement of cargo throughput which is the transaction of international trade, therefore, various factors that affects the international trade may influence PAS's business operation through such factors as the status of global, regional and local economy, social stability, security issues, or maritime cooperation. According to the IMF, the world economy will increase to 4.9% for year 2022, while Cambodia's economy will growth around 5.3%, according to the Asian Development Bank (ADB). This is still showing a stable economy growth of Cambodia which is a good sign for port business.

- PAS's Ability and Work Performance Efficiency

For the 1st quarter 2022, PAS has container handling capacity up to 800,000 TEUs after launching 1 units of QCs, 2 units of RTGs, and 4 additional units of Empty Reach stackers in 2021. This factor has enabled the work capacity and efficiency to increase in the performance of its services.

- Status of Domestic Transportation

For this 1st quarter of 2022, the domestic transportation network, especially the National Route No. 4 connecting from PAS to Phnom Penh capital, has not caused any obstacles to cargo transportation. Despite the outbreak of COVID-19 in early 2022, the cargo transportations on National Route No. 4 still continues as usual. While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 times to 7 times per week and this rail transportation has also been performed smoothly and with no issues that may obstruct the transportation process.

- Cooperation between Ports in the Region

The cooperation between regional ports, especially the connectivity between major hub ports in the region is very important in cargo traffic facilitation between PAS and other mainly international marketplaces, thereby influencing on the expenses and transportation period which

may affect other industrial competitiveness. In this case, PAS has strived to keep a good communication with various major ports in the region in order to ensure a smooth operation.

- Depreciation

Because of PAS's business is using many kinds of infrastructures, the expenses on depreciation of port's infrastructures such as ship berths, machinery, and buildings are relatively large, which may affect the PAS business. Therefore, PAS shall conduct an appropriate inspection on the depreciation policy and shall make necessary modification in every period of the financial report. For this 1st quarter 2022, there is no modification or a request for modification of the depreciation policy by the independence auditor.

B. Significant factors affecting Profit

1. Demand and Supply Conditions Analysis

PAS's business activities have a direct link with the national, regional, and global economy. In particular, when there is a change in the national economy, there will be a direct impact on port's business and service operation, i.e when the national economy increases, the port's business and service operation will also increase, accordingly, PAS's revenues also have the same growth rate, on the contrary, if the national economy decreases, there will also be a negative impact on PAS's revenues. According to ADB's report, Cambodia's economy growth with the expected rate of 5.3%, while the world economy growth with the expected rate of 4.9% (IMF) for year 2022. Therefore, there will not be big impact on market's demand and supply even though there still have infection cases of COVID-19 in Cambodia since early this year.

2. Fluctuations in Prices of Raw Materials Analysis

Petroleum is the most important raw material in serving port's services since it is an important demand for machinery operation. The rise of oil price will affect PAS's profit because the latter still keeps its services at the same price even when the oil price rises or drop. Therefore, PAS has strictly implement the procurement procedures in order to guarantee the price of these raw materials to be appropriate and competitive in market value.

3. Tax Analysis

PAS is under the law of business companies in the field of taxation and VAT; therefore, PAS has the obligation to pay tax in accordance with the laws and regulations in force. PAS has to pay tax and in accordance with the ration of income and was determined as a large tax payer by the General Department of Taxation. With regard to tax on annual profit, PAS will be obligated to pay at 20% rate start from year 2021 after received the incentive benefit for three

years. While other kinds of taxes, PAS has implemented its obligation according to the law on taxation of the Kingdom of Cambodia.

C. Material Changes in Sales and Revenue

PAS' main income is derived from stevedoring, LOLO and port's services which contributed around 99% of the total income in 1st quarter of 2022, and the main factor bolstering up the increase of revenue is the rise of ships and volume of cargo throughputs, especially containerized cargo which is the most important source of PAS's income. The growth in the field of agriculture, commerce, construction, and industry has reflected the status of Cambodia's economy, and at the same time these factors also have positive influences on PAS's business operation, services and revenues.

D. Impacts of Foreign Exchange, Interest Rates and Commodity Price

- Impacts from Currency Exchange Rate

PAS has received JICA and JBIC financial soft loans from the Ministry of Economy and Finance, thereby requiring PAS to pay back both principal and interest in Japanese Yen and US dollars while the PAS's functional currency is Riel. Therefore, the change of Riel exchange rate compared to US dollars, Riel compared to Japanese Yen, and US dollars compared to Japanese Yen will affect the rate of PAS's profit.

- Impacts from the Interest Rate

At present, PAS does not have any loans with flexible interest rates. PAS has received JICA and JBIC financial soft loan from the Ministry of Economy and Finance with the interest rate from 2.65% to 3.70%. Therefore, in this 1st quarter 2022, there is no impact on the changes of interest rate.

- Impacts from the Change of Oil Prices

The change of oil price will have an impact on PAS's profit since the port's operation is strongly relied on machinery that consumes fuel oil. Therefore, PAS has enhanced the efficiency of cargo loading-unloading operation and management of container yard in order to cut down the unnecessary removal or displacement of containers with the aim to reduce the operational expense and promote its services.

E. Impacts of Inflation

PAS has kept its service charges stable without making any modification or amendment according to the change of inflation and still retains its sound financial status.

F. Economic/Fiscal/Monetary Policy of Royal Government

The policy on economy, tax system, and currency of the Government has a strong influence on PAS's business operation since this policy is aimed at supporting and stimulating the international trade and yielding positive result on PAS's business. The main policies of the Royal Government are:

- Industrial sector promotion policy, the Royal Government has planned to transform Preah Sihanouk province to be a center for trade, logistics, and production through the construction of port infrastructure, expansion of National Route No. 4, the Express Way construction project from Phnom Penh - Sihanoukville, and infrastructure of the International Airport in Preah Sihanouk province.
- Maritime transportation stimulation policy.
- Policy on rice export to foreign markets is yielding positive result to PAS.
- Policy on international trade stimulation, thereby trying an effort to cut down trade barriers involving trading process between Cambodia and other partner countries in the world.
- The Royal Government, through the National Bank, has implemented the currency policy through the free currency exchange market mechanism under the intervention in order to stabilize the national currency, and the balance of this currency has secured the stability of Cambodia's Macro Economy, which built confidences for the investors and encouraged private sectors' business operation.
- The taxation incentive in stock market sector to various enterprises publishing the IPO in Cambodia has been stimulating more and more public enterprises and private companies to be incorporated into the IPO and to contribute to the development of the national economy.



Part 5

Other Necessary Information for Investor Protection



In this 1st quarter of 2022, there is other necessary information for the protection of investors as below:

- The Board of Directors has reviewed, discussed and approved the report on progress of the Feasibility Study of the new container terminal development project, Phase 2 and Phase 3, and the results of Fact-Finding Mission meeting. Board of Directors also request PAS to prepare a report on the economic and financial benefits and efficiencies for the new terminal container development project, Phase 2 and Phase 3 to the two Guardian Ministries and to request Mr. KUME Hidetoshi to facilitate further coordination and negotiation with the Japanese side on the reducing the minimum interest rate.
- BOD had reviewed, discussed and approved as below:
 - Approved on the 2021 Business Report
 - Approved on the emergency measures and request PAS to prepare a formal letter to His Excellency, Head of the Minister of Public Works and Transport on the request to relocate the inspection area of technical condition of vehicles by the authority from inside of PAS's area to outside area instead.
 - Approved on the local tourism port development project at Port Entry Number 1 of Sihanoukville Autonomous Port
- The Board of Directors reviewed and approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2021, which was reviewed by the independent auditing firm PWC (Financial performance review).
- The Board of Directors reviewed and approved the report on the preferential service fee of PAS for the goods of the Royal Government in 2021 in the total amount of 88,312.19 USD (eighty-eight thousand three hundred and twelve US dollars and Nineteen cents).

Signature of Directors of Sihanoukville Autonomous Port

Date: 23 May 2022

Read and Approved

Signature

Lou Kim Chhun



Sihanoukville Autonomous Port



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