



Investing in Cambodia's Future

INITIAL PUBLIC OFFERING OF SIHANOUKVILLE AUTONOMOUS PORT



Sole Underwriter





| | |
|--|--|
| <p>Issuer</p> |  <p>Port Autonome de Sihanoukville</p> |
| <p>Sole Underwriter</p> |  |
| <p>Other IPO Advisors</p> |  |
| <p>Selling Agents</p> |  |
| <p>Offshore Coordinators</p> |  |
| <p>Authority & Exchange</p> |  |



Offering Shares

| | |
|--|-------------------------------|
| Offering Percentage | 25% |
| Offered Shares | 21,442,992 |
| Offering price | KHR5,040 (US\$1.259) |
| P/E based on Adjusted Net Income 2015* | 12.2x |
| P/E based on Adjusted Net Income 2016* | 8.8x |
| Offering Amounts | KHR108.07bn (US\$26.99mm) |
| Post-IPO Voting Shares | 85,771,967 |
| Market Cap. | KHR432.29bn (US\$107.96mm) |

Note: 1US\$ = KHR4.004 based on the exchange rate of National Bank of Cambodia as of December 2016.

* Based on the Adjusted Net Income (Adjusted the unrealized FX Gain/Loss) in 2015. The Adjusted Net Income was USD6,165,063 in 2014, USD8,767,983 in 2015 and expected to be USD12,136,313 in 2016.

Tentative Timetable

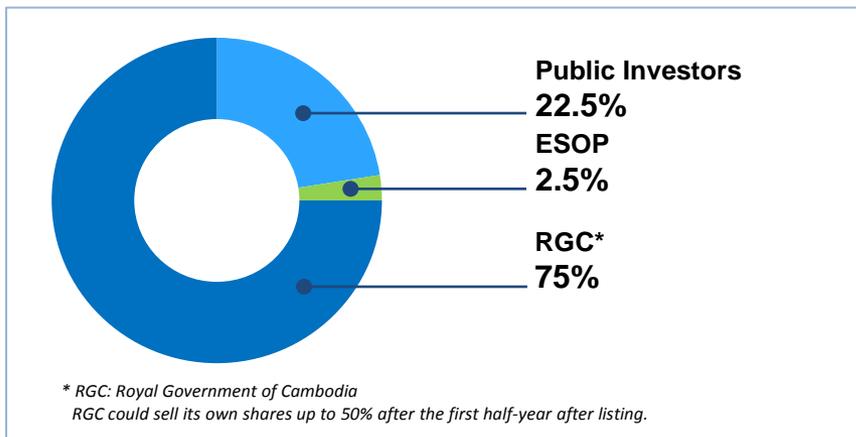
| | |
|--|--|
| Submission of Disclosure Document (IPO Prospectus) | 16 th January 2017 |
| Book-building | 25 th April to 2 nd May 2017 |
| Subscription | 17 th to 22 nd May 2017 |
| Listing Date | 31 st May 2017 |

Share Distribution Ratio

| No. | Investor Group | Allotment Amount | Allotment Ratio |
|-------|---------------------------------------|-------------------|-----------------|
| 1 | ESOP | 2,144,299 Shares | 10% |
| 2 | JICA as a Potential Investor* | 11,579,216 Shares | 54% |
| 3 | Successful Investors in Book Building | 5,403,597 Shares | 25.2% |
| 4 | Other Investors in Subscription | 2,315,880 Shares | 10.8% |
| Total | | 21,442,992 Shares | 100% |

* Japan International Cooperation Agency (JICA)

Post-IPO Ownership Structures





| CAPEX | Unit | Purpose | Estimated CAPEX |
|--|---|--|--------------------------|
| <u>Procuring Gantry Crane (QC)</u> | 1 | To support the handling operation at the 400 m Container terminal. | US\$ 7 million |
| <u>Purchase Land to Build Inland Container Depot</u> | 52ha | To expand the container yard in the future. | USD 4 million |
| <u>Procuring 10 trucks and trailers</u> | 10 | To reduce traffic congestion at the container yard | US\$ 2 million |
| <u>Procuring 1 heavy trailer</u> | 1 | To support the LOLO Service at container terminal | US\$ 0.35 million |
| <u>Mobile crane</u> | 1 unit for 50 tons | | US\$ 0.8 million |
| | 1 unit for 30 tons | To reduce traffic congestion for general cargo | US\$ 0.6 million |
| | 1 unit for 15 tons | | US\$ 0.3 million |
| <u>Expanding the front road</u> | Size: 15 x 1.500m | To reduce waiting time and congestion at the entrance gate | US\$ 1.35 million |
| <u>Construction of a new container yard</u> | 10ha | To increase total handling capacity of PAS | US\$ 10 million |
| <u>Extension of RTG runways</u> | Expansion of yard behind warehouse No. 5 for 1.500m | To facilitate the smooth travelling of RTG in order to support the container yard operation. | US\$ 0.2 million |
| Total Budget | | | US\$ 26.6 million |

SIHANOUKVILLE AUTONOMOUS PORT (PAS)

1. Company overview
2. Business performance
3. Key investment highlights
4. Financial performance
5. Financial projection





THE ONLY INTERNATIONAL SEA PORT IN CAMBODIA

Quick Fact

| | |
|----------------------------|--|
| Year of Establishment | July 1998; history dates back to 1950s. |
| Legal form | Public enterprise under technical responsibility of Ministry of Public Works and Transport and financial responsibility of Ministry of Economy and Finance |
| Chairman & CEO | H.E. Lou Kim Chhun, Delegate of the Royal Government of Cambodia Under the Direction of BOD consisting of 7 members of gov't agents |
| Capital | KHR 428.85bn or US\$105.89mm as of 31 December 2015 |
| Terminals under operations | <ul style="list-style-type: none">• Old jetty used as tourist terminal• Container terminal (including new terminal built in 1967 and extended in 1999) used for container vessels• Multi-purpose terminal (under construction) |

Navigational Services

- Pilotage of cargo and tourist vessels calling in and out of the port

Cargo Handling Services for Shipping Lines

- Stevedoring, Lift-On Lift-Off (LOLO) for container and general cargo

Storage and Warehousing

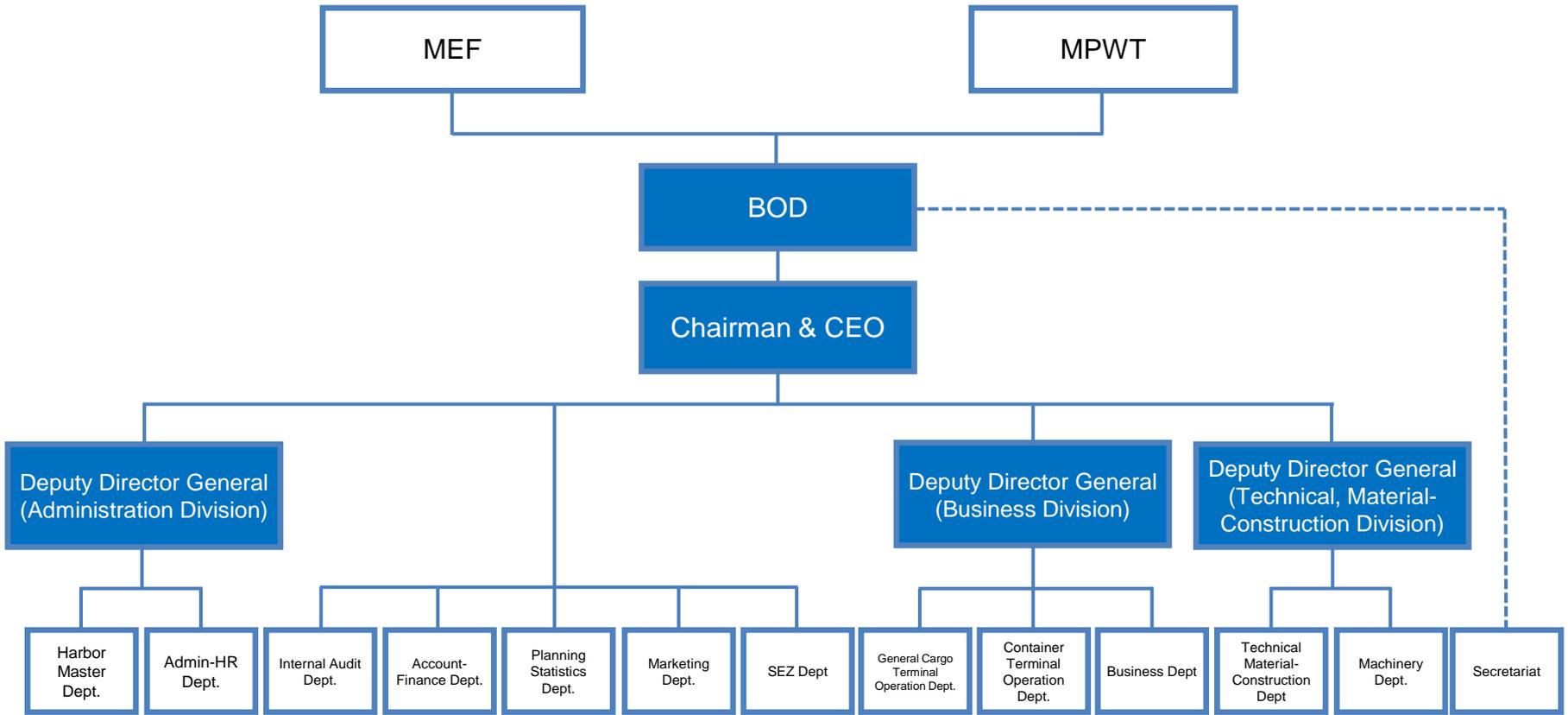
- Container and general cargo storage in the yard and in warehouses

Full SEZ Services

- Land rental for factory development
- One stop services for investors



ORGANIZATIONAL STRUCTURE



- 7 members of Board of Directors
- 12 Departments
- 945 Employees as of October 2016



MANAGEMENT

01 H.E. Lou Kim Chhun

Ph.D. in 2008
Major: Economic Sciences, Chamroeun University of Poly-Technology of Cambodia.
2008 - Present: Delegate of the Royal Government of Cambodia in charge as Chairman and Director General of PAS

04 H.E. Yun Min

Ph.D. in 2007
Chamroeun University of Poly-Technology of Cambodia
2015 - Present: Governor of Preah Sihanouk Province

07 Mr. Lou Lykheng

Master's Degree in 2006
Major: Business
2015-Present: Head of General Cargo Terminal Operation Department

02 H.E. Tek Reth Samrech

Ph.D. in 2003
Major: Business Strategy Management, Hitotsubashi University, Japan
2008 - Present: Secretary of State of the Cabinet of Ministers

05 H.E. Sok Sopheap

Ph.D. in 2000
Major: Economic policy, Saitama University, Japan
2016-Present: Under-Secretary of State, Ministry of Commerce

03 H.E. Phan Phalla

Ph.D. in 2003
Major: Economics, University of Wollongong, Australia
2016 - Present: Under-Secretary of State of MEF

06 H.E. Suy San

Ph.D. in 1994
Major: Economic Sciences
2016 - Present: Under-Secretary of State and Director of the Cabinet of Minister of the Ministry of Public Works and Transport

The members of the BOD shall be amended within 6 months after the IPO in accordance with the Prakas on Corporate Governance for Listed Public Enterprises. Two members of the BOD shall be replaced with one independent director and one non-executive director as a representative of private shareholders.



COMPREHENSIVE INFRASTRUCTURE



| No. | Infrastructure | Type of Cargo | Size | | Berth | Vessel Draft (m) |
|-----|-----------------------|---------------------------|------------|-----------|----------------|------------------|
| | | | Length (m) | Width (m) | | |
| 1 | Passenger Terminal | Passenger & General Cargo | 290 | 28 | No. 1 | 8.5 m |
| | | | | | No. 3 | |
| | | | | | No. 2 | 7 m |
| | | | | | No. 4 | |
| 2 | New Port Terminal | Container | 350 | 500 | No. 5 | 8.5 |
| | | | | | No. 6 | 8.5 |
| 3 | Container Terminal | Container | 400 | 350 | No. 7 No. 8 | 8-8.5 m |
| 4 | Concrete Wharf | Oil | 53 | 5 | Oil berth | 4.2 m |
| 5 | Special Economic Zone | All | 70 ha | | | |



WELL CONNECTED WITH ALL MEANS OF TRANSPORTATION

Intra-Country Infrastructure Connecting PAS



- By land, PAS is connected to Phnom Penh by National Road No. 4 and No. 3.
- By rail, PAS is connected to Phnom Penh by the southern line along National Road No. 3.
- By air, PAS is connected by Sihanoukville International Airport.
- In the region, PAS is connected to major ports in the ASEAN and Asia Pacific.

Regional Sea Route Network

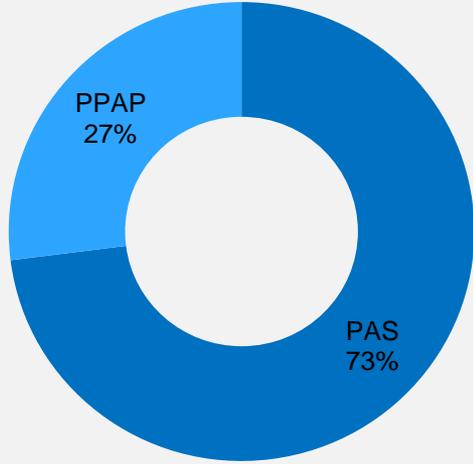


- PAS has direct access to the major ports in the ASEAN and Asia Pacific, while connecting to the EU and the US via ports in Hong Kong and Singapore.



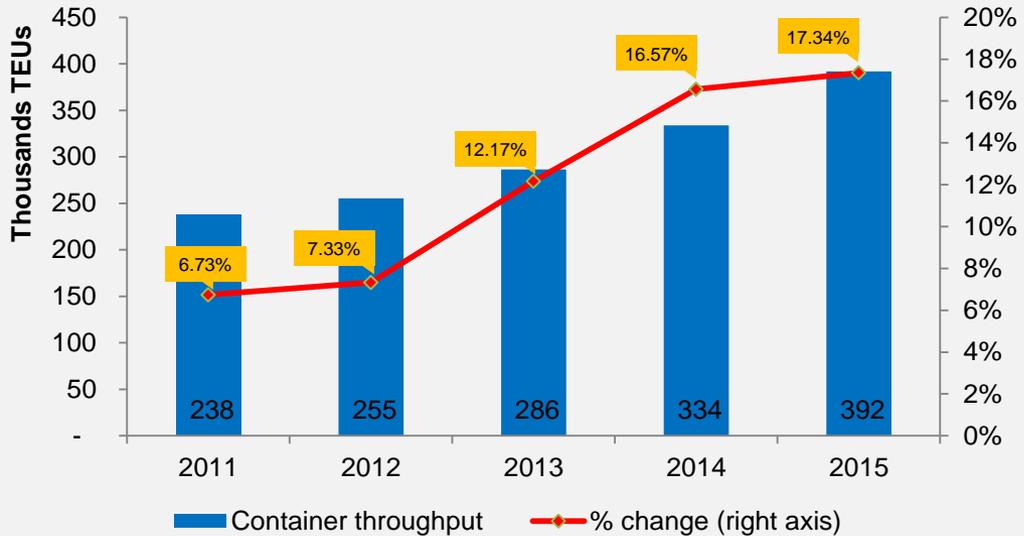
THE LARGEST MARKET SHARE WITH SOLID CONTAINER THROUGHPUT GROWTH

Market Share of Container Throughput in 2015



* PPAP: Phnom Penh Autonomous Port
Source: PAS and PPAP

PAS's Container Throughput



Over the past 5 years, PAS saw double digit growth of TEUs at 11.15% on average per year. In the last three years, especially in 2015 TEU grew at a remarkable rate of 17.34%.

2. Business Performance

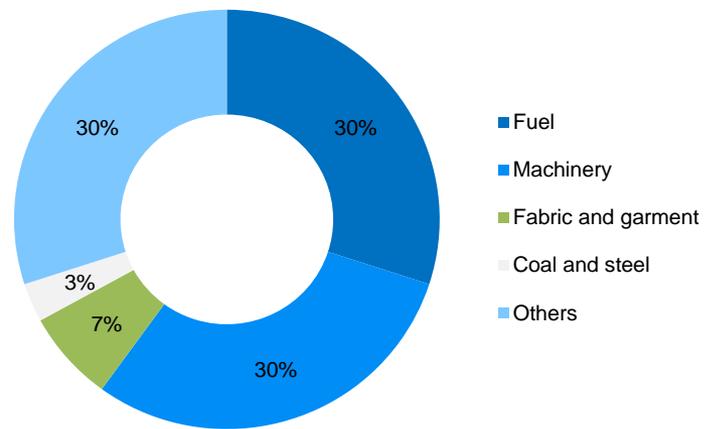
Solid Container Throughput Growth

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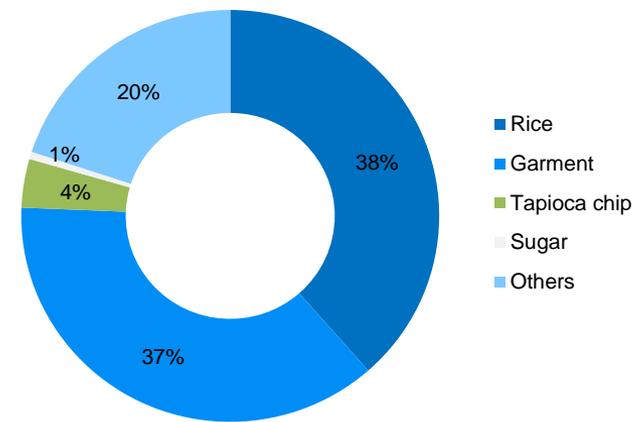


Goods Imported via PAS in 2015



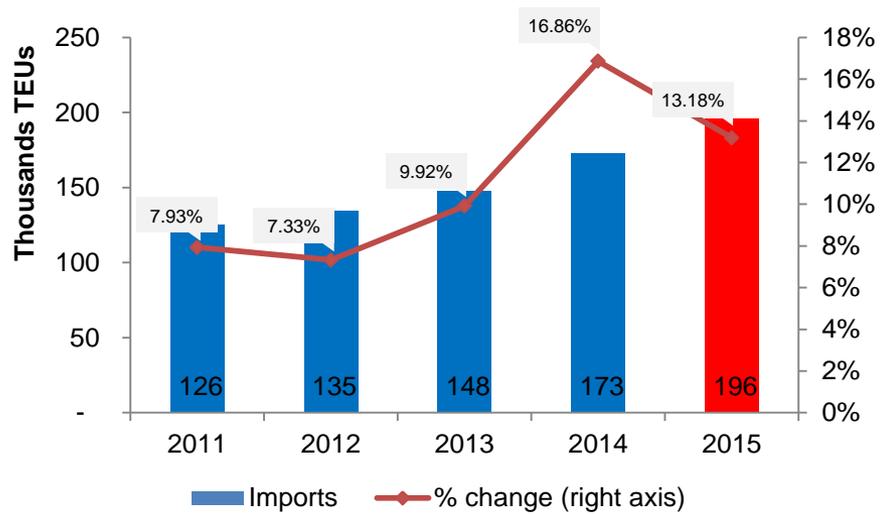
Source: PAS

Goods Exported via PAS in 2015



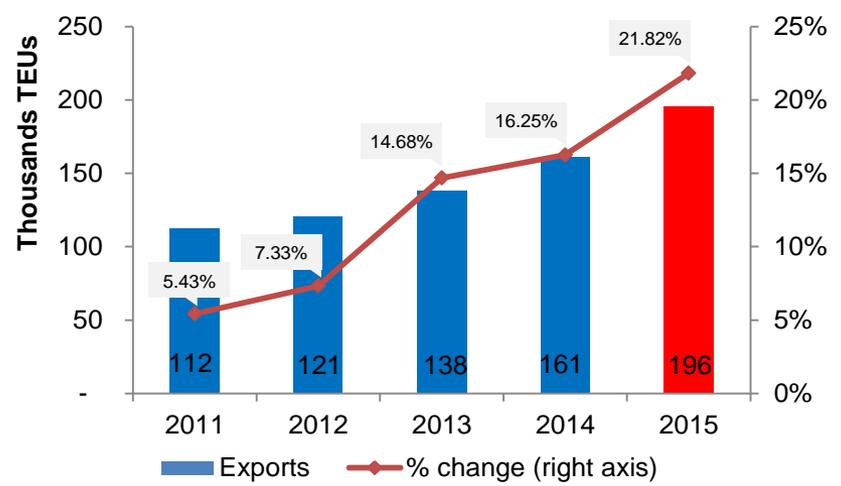
Source: PAS

Container Throughput Imported via PAS



Source: PAS

Container Throughput Exported via PAS



Source: PAS

3. Key Investment Highlights

Remarkable Economic Growth and Trade Flow

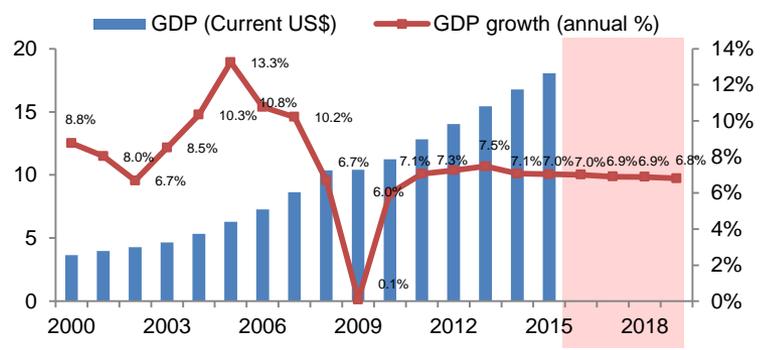
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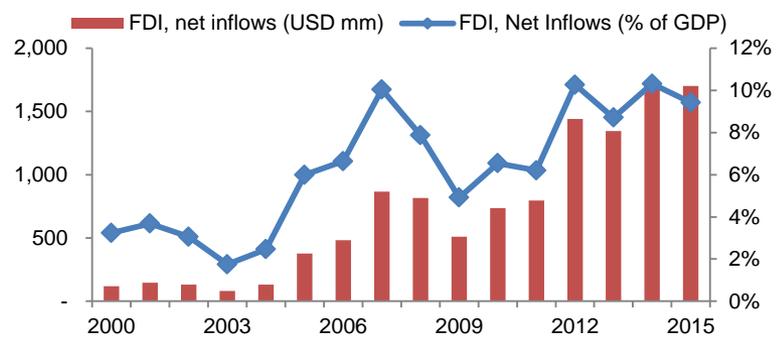
INVESTMENT IN A VIBRANT ECONOMY IN THE HEART OF ASEAN

GDP Growth in Cambodia



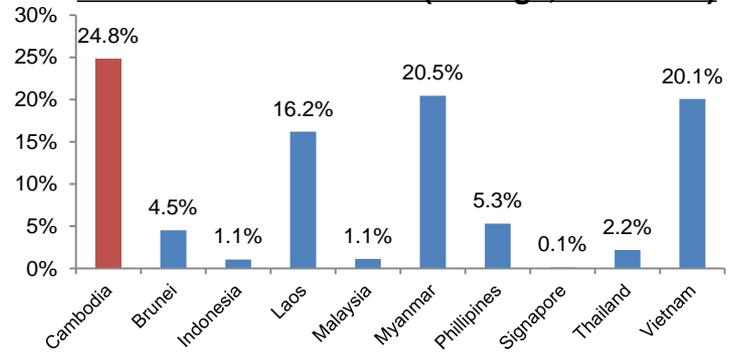
Source: World Bank (WB)
Figures in 2016-2019 are forecasted

FDI in Cambodia



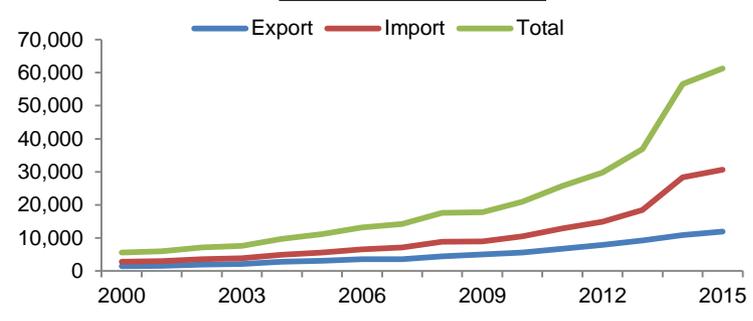
Source: World Bank (WB)

Trade Growth in ASEAN (Average, 2010-2015)



Source: Asian Development Bank (ADB)

Trade of Cambodia

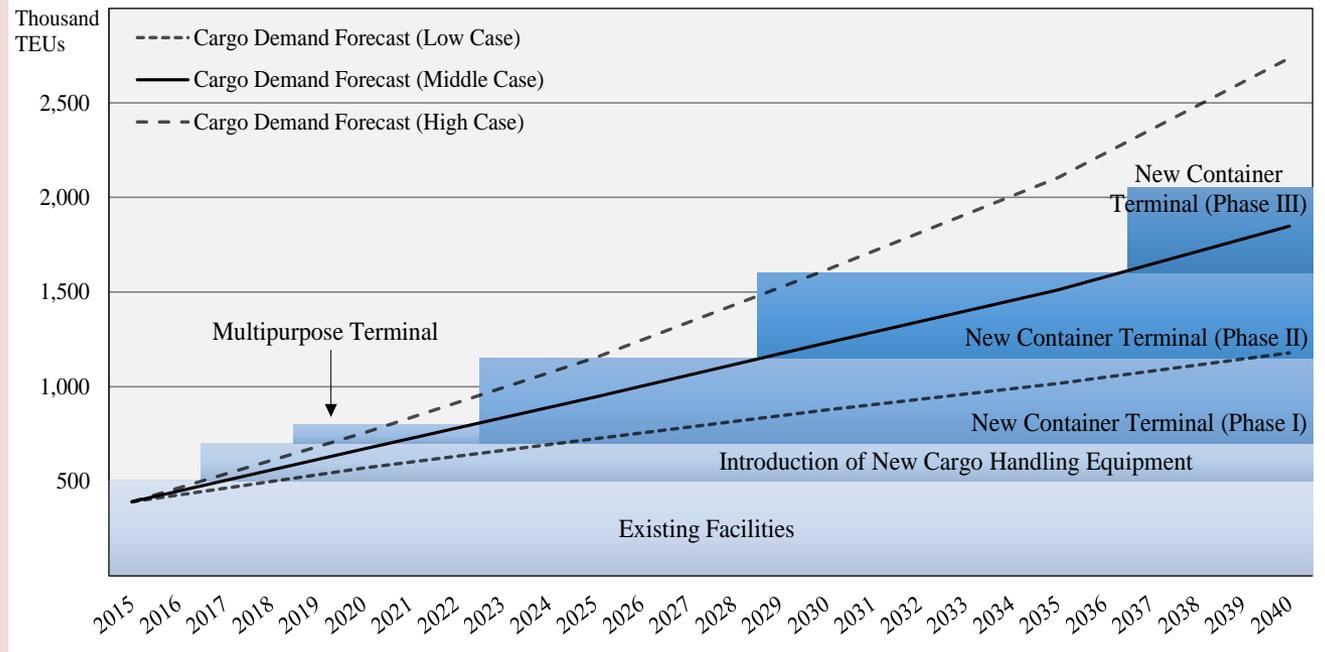


Source: Asian Development Bank (ADB)



INVEST IN A LARGEST PORT WITH STABLE AND CONSISTENT LONG-TERM GROWTH

- **Growth in the container throughput is fundamentally driven by economic growth.**
- **Cambodia will maintain strong and stable economic growth for the foreseeable future as forecasted by World Bank.**
- **According to the JICA Report as of November 2016, the Container Throughput at PAS will increase from 391.819 thousand TEUs in 2015 to 1,231.5 thousand TEUs in 2030 and 1,847.7 thousand TEUs in 2040.**



(Unit: Thousand TEUs)

| | 2015 | 2020 | 2025 | 2030 | 2035 | 2040 |
|-----------------------|-------|-------|---------|---------|---------|---------|
| Macro (Low) | 391.8 | 570.2 | 724.3 | 877.0 | 1,016.7 | 1,178.6 |
| Macro (Middle) | 391.8 | 670.0 | 944.1 | 1,231.5 | 1,511.4 | 1,847.7 |
| Macro (High) | 391.8 | 755.1 | 1,152.2 | 1,617.4 | 2,103.9 | 2,736.7 |
| Micro | 391.8 | 704.9 | 949.9 | 1,259.0 | 1,528.9 | 1,863.9 |

Sources: JICA Report as of November 2016

Note: Figures from 2020 to 2040 are forecasted



FINANCIAL SOUNDNESS OF INVESTMENT PROJECTS

Multipurpose Terminal

| | Base | Case 1 | Case 2 |
|-------------|--------|--------|--------|
| EIRR | 16.90% | 15.70% | 15.60% |
| FIRR | 7.80% | 6.90% | 6.80% |

*Case 1: Cost increase by 10%

*Case 2: Revenue decrease by 10%

*EIRR: Economic Internal Rate of Return

*FIRR: Financial Internal Rate of Return

New Container Terminal Stage 1

| | Base | Case 1 | Case 2 | Case 3 |
|-------------|--------|--------|--------|--------|
| EIRR | 15.76% | 13.98% | 13.79% | 12.06% |
| FIRR | 8.13% | 6.46% | 6.28% | 4.52% |

● **Container Throughput and Ship Calls at New Container Terminal Stage 1**

| Items | 2023 | 2024 | 2025 | 2026 | 2027 & later |
|------------------------|---------|---------|---------|---------|--------------|
| Container (TEU) | 100,000 | 200,000 | 300,000 | 400,000 | 450,000 |
| Ship Calls | 83 | 167 | 250 | 333 | 375 |

*Case 1: Project cost increase by 10%

*Case 2: Revenue decrease by 10%

*Case 3: Cost increase by 10% and revenue decrease by 10%

3. Key Investment Highlights

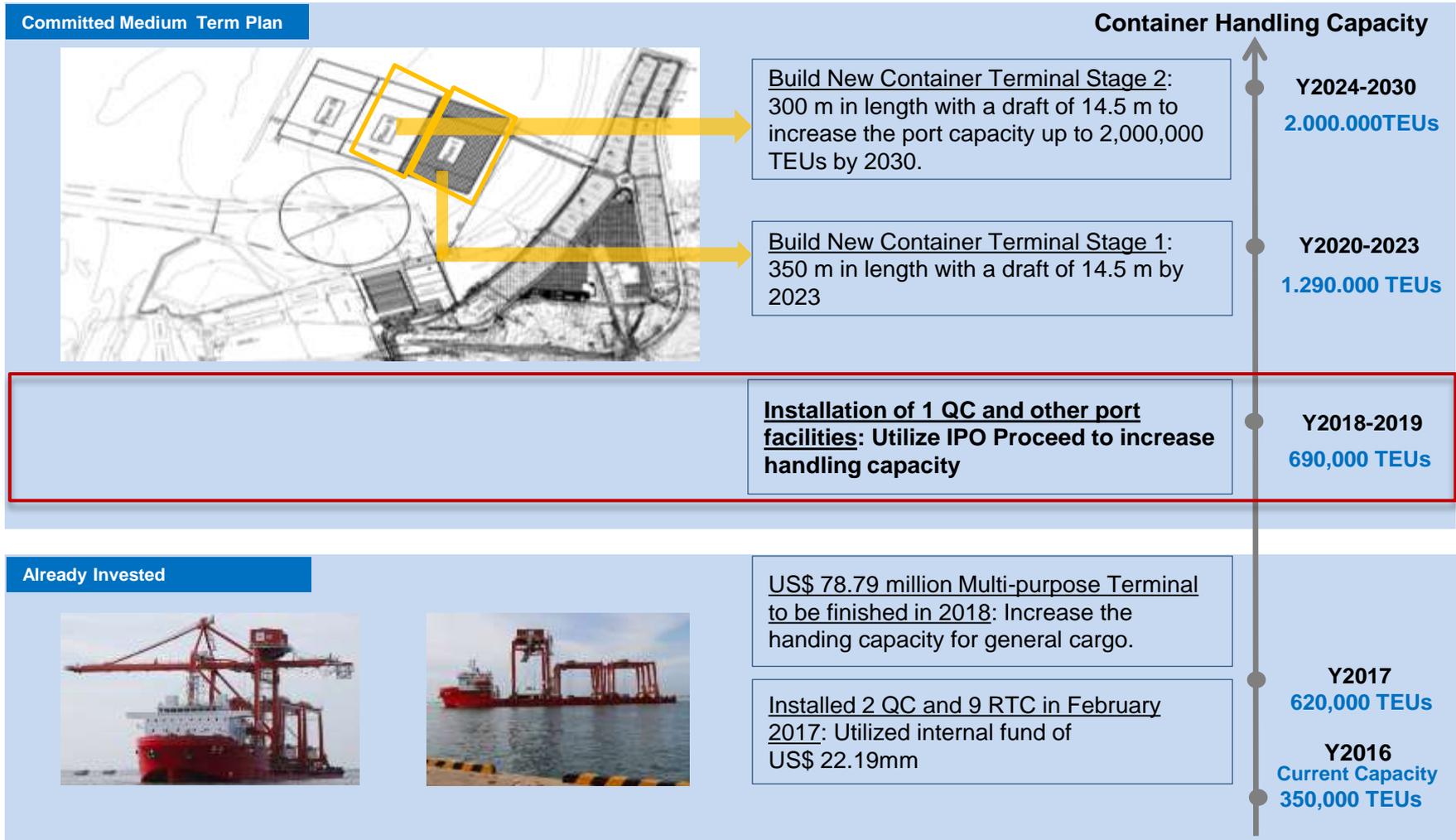
Concrete Business Plan to Accommodate the Growth Potential

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INVEST TO CAPITALIZE ON THE INVESTED PORT INFRASTRUCTURE



Note: QC means Gantry Crane, RTC means Rubber Tire Gantry Crane

3. Key Investment Highlights

Attractive Dividend Policy

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MINIMUM GUARANTEE DIVIDEND YIELD OF 5%

Guaranteed Dividend

Secured Return of 5% based on the IPO Price
(Subject to the conditions set forth in Dividend Policy)

3 Year Guarantee Period

Greater Confidence in Investment



Ownership
25%



Public Shareholder

75%



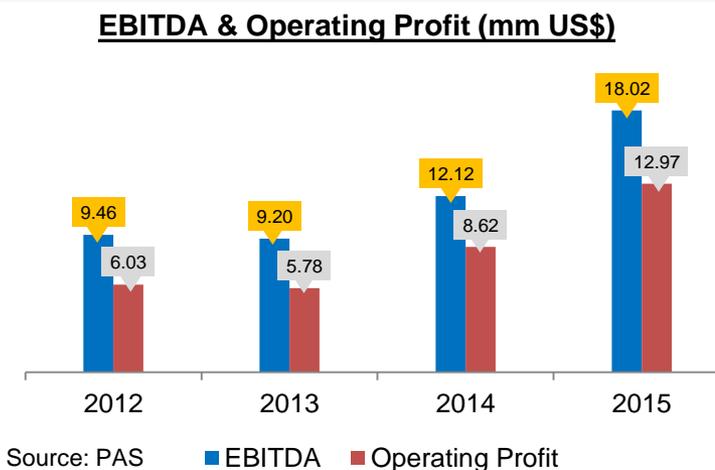
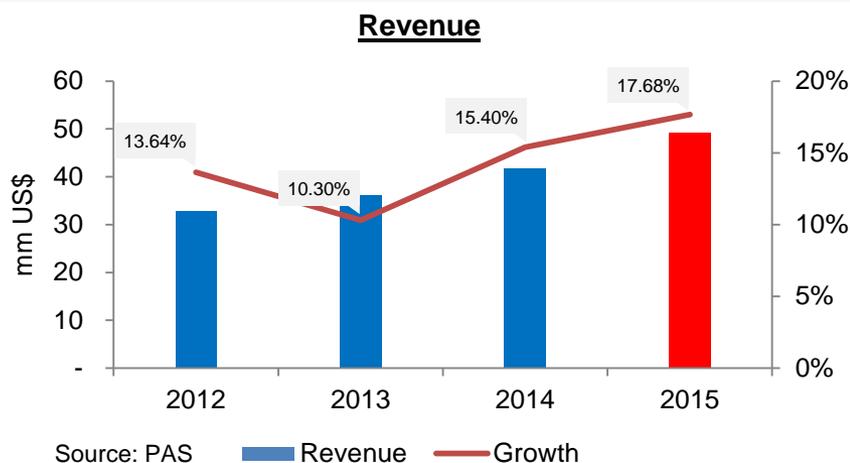
Royal Government of Cambodia

4. Financial Performance

Promising Profitability

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Summary P/L Statement of PAS (mm US\$)

| Year | 2012 | 2013 | 2014 | 2015 |
|----------------------------------|--------------|--------------|--------------|---------------|
| Revenue | 33.23 | 36.65 | 41.46 | 49.10 |
| Expenses | 27.20 | 30.87 | 32.85 | 36.12 |
| - Depreciation Exp. | (3.43) | (3.42) | (3.50) | (5.04) |
| Operating profit | 6.03 | 5.78 | 8.62 | 12.97 |
| Finance income | 8.98 | 13.54 | 6.60 | 0.94 |
| Finance cost | (2.91) | (3.11) | (3.15) | (3.08) |
| Finance income/(cost)-net | 6.07 | 10.42 | 3.44 | (2.14) |
| Profit before income tax | 12.10 | 16.20 | 12.06 | 10.84 |
| Income tax | 0.33) | (0.36) | (0.74) | (1.38) |
| Profit for the year | 11.77 | 15.84 | 11.32 | 9.46 |

Note: The Net Income has fluctuated through years due to the unrealized FX Gain/Loss on borrowing of USD 127,375,073 as of 30 June 2016 which were mainly denominated in Japanese Currency while the operating profits grew stably. The Adjusted Net Income (Adjusted for unrealized FX Gain/Loss) were USD6,165,063 in 2014, USD8,767,983 in 2015 and expected to be USD12,136,313 in 2016.

Profitability Indicators

| Main Indicators | 2012 | 2013 | 2014 | 2015 |
|-------------------|--------|--------|--------|--------|
| Operating margin | 18.15% | 15.77% | 20.78% | 26.43% |
| Net profit margin | 35.41% | 47.68% | 34.07% | 28.47% |

The last 3 years saw a dramatic increase in revenues, driven by the increase in container throughput going through PAS, leading to an increase in operating profit. Thanks to a huge gain from foreign exchange of borrowings, net profit for 2012 and 2013 jumped to US\$11.77 mm and US\$15.84 mm respectively before going down to US\$11.32 mm and US\$9.46 mm in 2014 and 2015, caused by a decline in the gain from foreign exchange.



Summary Financial Position of PAS (mm US\$)

| Year | 2012 | 2013 | 2014 | 2015 |
|------------------------|---------------|---------------|---------------|---------------|
| Current asset | 11.9 | 13.87 | 18.33 | 20.58 |
| Non-current asset | 205.03 | 210.8 | 209.72 | 233.02 |
| Total asset | 216.93 | 224.68 | 228.05 | 253.60 |
| Current liability | 3.91 | 5.37 | 6.78 | 7.58 |
| Non-current liability | 118.33 | 109.03 | 104.98 | 120.05 |
| Borrowings | 109.75 | 99.92 | 93.65 | 108.76 |
| Total liability | 122.24 | 114.39 | 111.76 | 127.63 |
| Total equity | 94.69 | 110.28 | 116.29 | 125.97 |

Source: PAS

Main Indicators

| Year | 2012 | 2013 | 2014 | 2015 |
|----------------------|---------|---------|--------|---------|
| Asset turnover ratio | 15.32% | 16.31% | 18.18% | 19.36% |
| Debt to equity ratio | 129.00% | 104.00% | 96.00% | 101.00% |
| ROA | 5.71% | 7.17% | 5.00% | 3.93% |
| ROE | 13.31% | 15.46% | 9.99% | 7.81% |

Summary Cash flow Statement (mm US\$)

| Year | 2012 | 2013 | 2014 | 2015 |
|--|--------|--------|-------|--------|
| Operating activities | 9.76 | 10.14 | 11.12 | 15.99 |
| Investing activities | -17.43 | -11.03 | -7.9 | -26.05 |
| Financing activities | 11.46 | 0.73 | -0.75 | 12.20 |
| Cash and its equivalent at end of period | 6.79 | 6.63 | 9.11 | 11.17 |

Source: PAS

Cash flow from Operation reached US\$15.99 mm in 2015, showing a strong capacity of PAS in generating cash for its working capital.



The management strongly believes that PAS will perform well in the future. With the investment of USD 22.19 mm at the end of 2016, the handing capacity and the productivities of PAS in 2017 have been enhanced. Therefore, In 2017, the Company expects to generate USD 55.42 mm in total revenue which is a 8% growth from 2016 with a projected net profit reaching USD 13.78 mm while the Cambodian economic condition is favorable.

The 2017 figures are projected without incorporating the effect on unrealized FX gain or loss on borrowing and FX gain or loss on interest expense, the net profit of USD 13.78 mm represents a 13.55% growth from adjusted net profit of USD 12.14 mm in 2016.

| | 2016E 000USD | 2017F 000USD |
|---------------------------------------|--------------------|--------------------|
| REVENUES | 51,313.17 | 55,418.22 |
| EXPENSES | | |
| Salaries, wages and related expenses | (11,725.83) | (12,075.06) |
| Consumable supplies | (10,404.29) | (12,090.37) |
| Depreciation and amortization charges | (5,329.88) | (6,217.48) |
| Other expenses | (6,502.86) | (6,387.90) |
| Other gains/(losses) – net | (171.92) | - |
| Total Operating Expenses | (34,192.09) | (36,770.81) |
| Operating profit | 17,121.08 | 18,647.40 |
| Finance income | 52.69 | 52.69 |
| Finance costs | (7,988.46) | (2,582.17) |
| FX Finance income – net | (7,935.77) | (2,529.49) |
| PROFIT BEFORE INCOME TAX | 9,185.30 | 16,117.92 |
| Income tax expense ⁽²⁾ | (1,331.87) | (2,337.10) |
| PROFIT FOR THE YEAR/PERIOD | 7,853.44 | 13,780.82 |

Note:

The 2016 figures are projected based on the actual Management Report of PAS ended 30 September 2016.

(1) FX losses on borrowings as of 30 September 2016 amounted KHR 58,847,322,086 and FX gains on borrowings from 30 September to 31 December 2016 is estimated to be KHR 36,951,874,837. The net amount of FX losses is assumed to be KHR 21,895,447,248 (~ USD 5,406,283) as of December 2016.

(2) The effective tax rate of 14.5% is the effective tax rate as of 30 June 2016.

Thank You!

Q&A

