

KINGDOM OF CAMBODIA
NATION RELIGION KING



Sihanoukville Autonomous Port

First Quarter Report 2021

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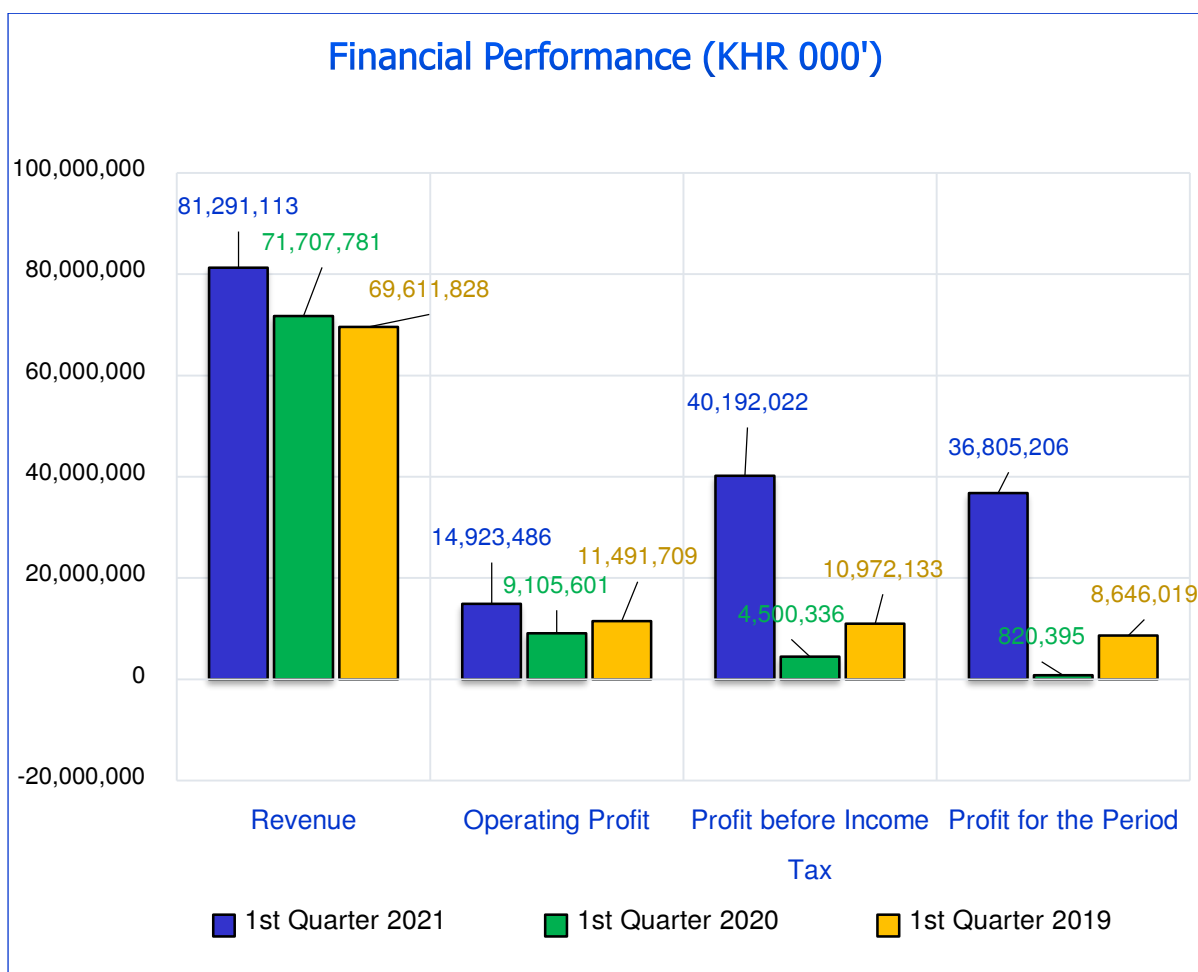
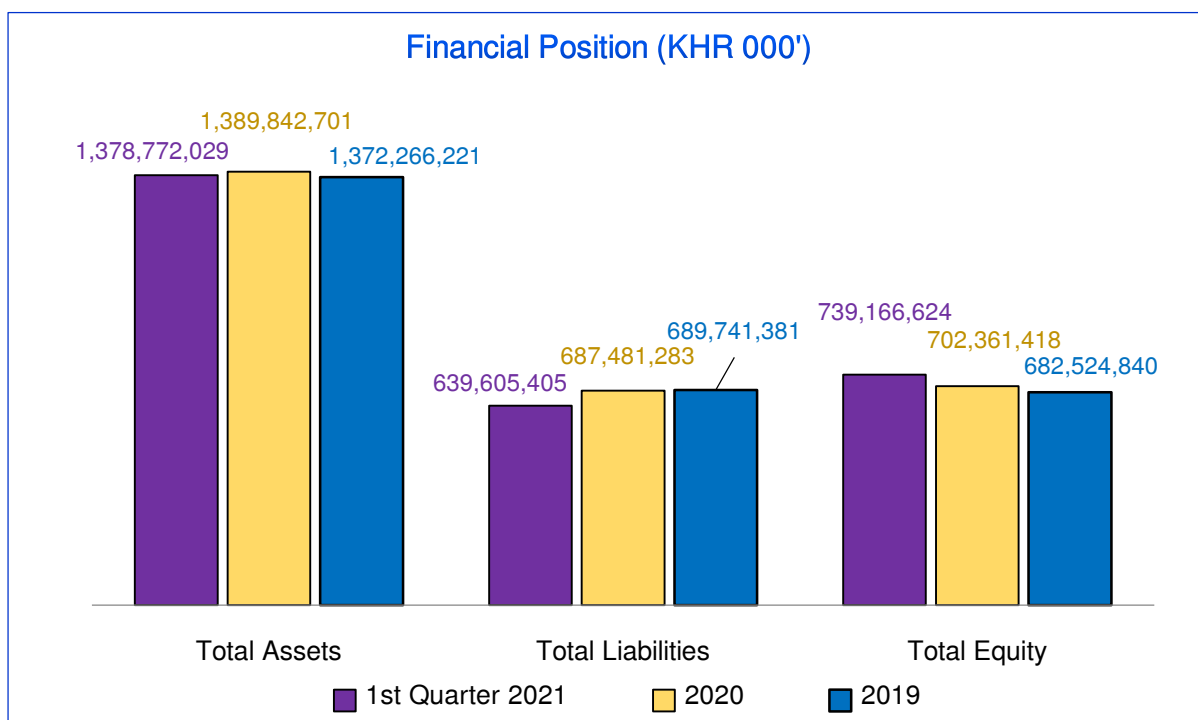
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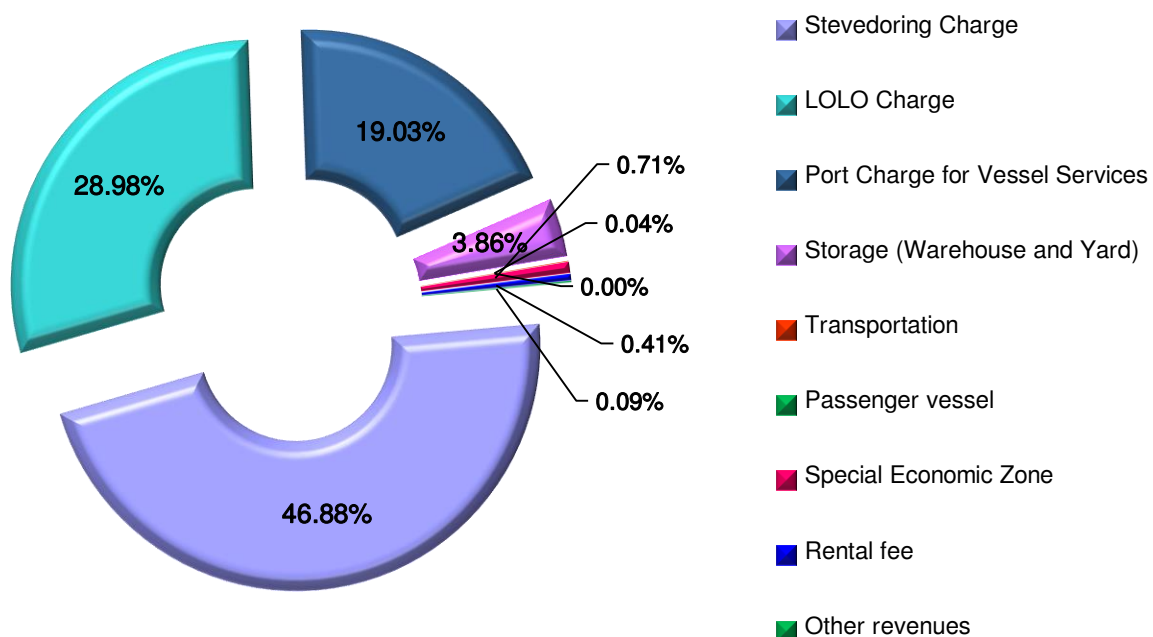
Financial Highlight

Financial Position		31 st March 2021	31 st December 2020	31 st December 2019
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,378,772,029	1,389,842,701	1,372,266,221
Total Liabilities		639,605,405	687,481,283	689,741,381
Total Shareholders' Equity		739,166,624	702,361,418	682,524,840
Profit/(Loss)		1 st Quarter 2021 KHR 000'	1 st Quarter 2020 KHR 000'	1 st Quarter 2019 KHR 000'
Total Revenues		81,291,113	71,707,781	69,611,828
Profit/(Loss) before Tax		40,192,022	4,500,336	10,972,133
Profit/(Loss) after Tax		36,805,206	820,395	8,646,019
Total Comprehensive Income		36,805,206	820,395	8,646,019
Financial Ratios		31 st March 2021	31 st March 2020	31 st March 2019
Solvency Ratio		7.29%	1.47%	2.28%
Liquidity Ratio	Current Ratio	2.58	2.42	2.73
	Quick Ratio	2.25	2.12	2.51
		1 st Quarter 2021	1 st Quarter 2020	1 st Quarter 2019
Profitability Ratio	Return on Assets	2.67%	0.06%	0.63%
	Return on Equity	4.98%	0.12%	1.27%
	Gross Profit	18.36%	12.70%	16.51%
	Profit Margin	45.28%	1.14%	12.42%
	Earnings per	429.11	9.56	100.80
Interest Coverage Ratio		6.73	2.96	4.54

Financial Summary Charts



Type of Revenues 1st Quarter 2021



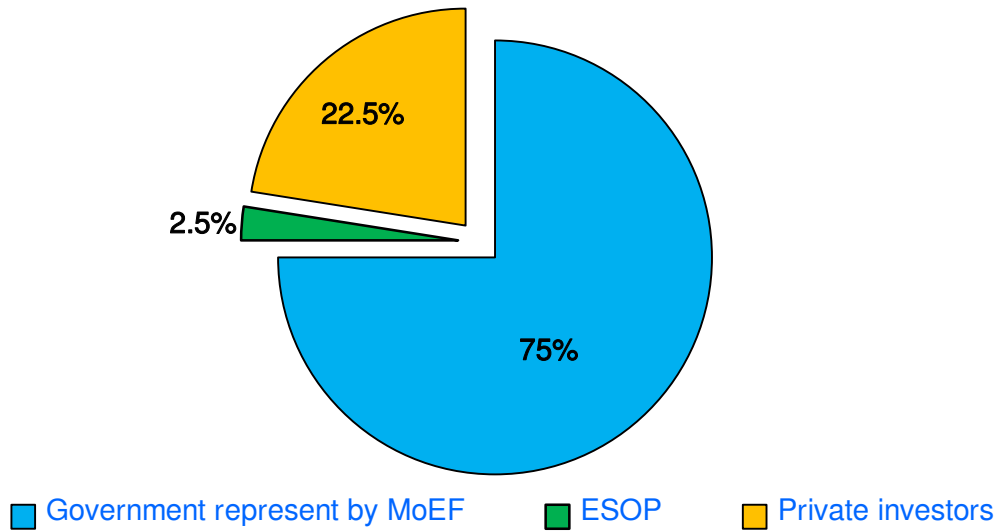
PAS's Shareholders

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%

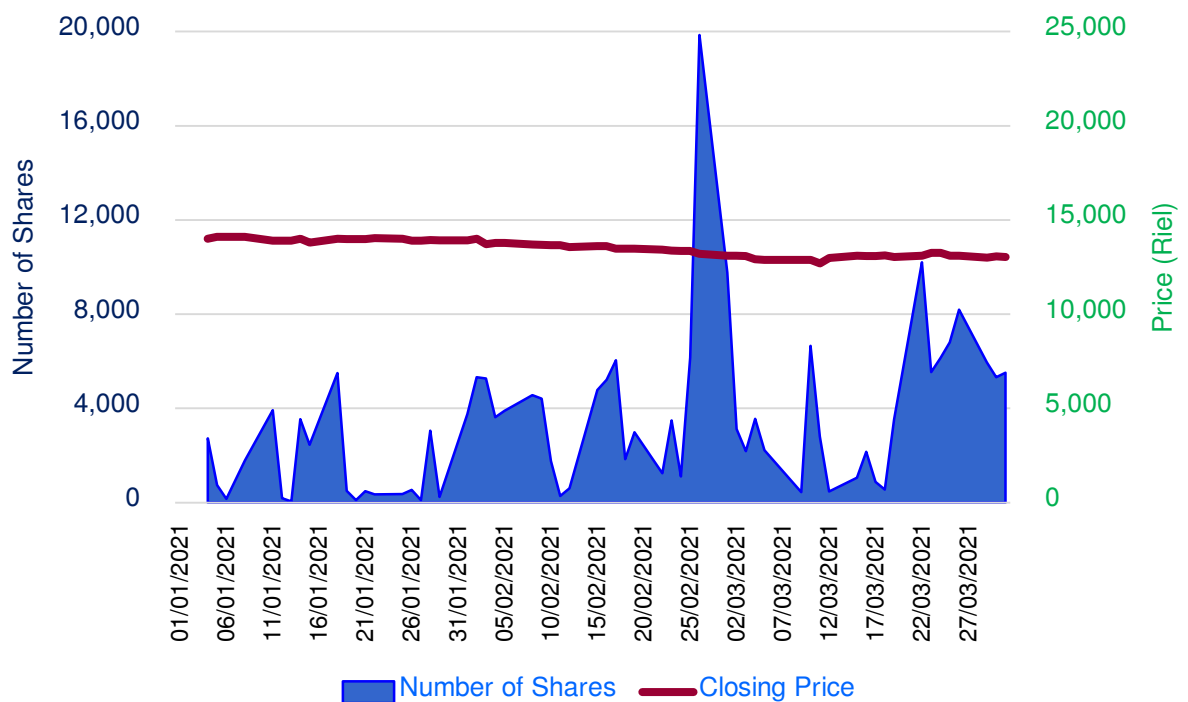
PAS's Shareholders Class C

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



Trading Share price and Volume



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, 2021 for the period ended 31st March 2021”.

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 81,291,113,000 Riels and a net profit of 36,805,206,000 Riels in this 1st quarter 2021. The revenue increased by 9,583,332,000 Riels equal to 13.36% compared to the same period of 2020, while the net profit after tax increased by 35,984,811,000 Riels equal to 4,386.28%. This was the result of increasing in Container cargoes and general cargoes throughput, and the increased of Unrealized foreign exchange gain (Japanese Yen) compare to 1st quarter 2020. As the result, PAS’s earnings per share is 429.11 Riels in this 1st quarter 2021. The container throughputs amounted to 170,370 TEUs, increased of 19,802 TEUs equal to 13.15% compared to 1st quarter 2020.

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. Besides, the multi-purpose terminal is designed to contribute and promote such important fields as agriculture, agro-industry, industry, trade, and especially in order to support the export of such Cambodian agricultural products as rice, dry tapioca and bulk cargo in response to the Royal Government’s market expansion strategy for rice export as well as the provision of logistic services for oil exploration within the Cambodia’s sea territory. In addition, the multi-purpose terminal is also designed to import coal to be used for the generation of electricity and cement production. PAS is also in the process of its New Container Terminal Project which is still under architectural detail designs. This new container

terminal will be able to accommodate vessels with gross tonnage of 60,000 tons or container vessels with 5,000 TEUs which are the Post Panamax vessels.

➤ **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 2021
- 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 2021, the Board of Directors had conducted one meeting and adopted the following works:

The 11th Meeting of the Board of Directors in its 7th Mandate on 5th February, 2021

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

- BOD had agreed on the result and requested to continue working on the agreed agenda of the previous Meeting of the Board of Directors.
- BOD had reviewed, discussed and approved on Audit Committee's report, Nomination and Remuneration Committee's report and Risk Committee's report, and approved PAS to organize the election for the Board of Directors' members consist of Representative of Employee, Independent Director and Non-executive Director Representing Private Shareholders in accordance with Legal and regulatory standards in force to be completed by June 2021.
- BOD had reviewed, discussed and approved on PAS's Business Performance Report for 2020.
- BOD had reviewed, discussed and approved on 4th Quarter and the 12 months year ended 31st December 2020's Financial Reports which reviewed by Independent

Auditor, PWC, and approved for two-months bonus of 2020 (Salary 13 + 14) to PAS's Management leaders, Officers, employees and workers in accordance to statutes and regulations in force.

- BOD had reviewed, discussed and approved on progress of the study of PAS development and Implementation of the feasibility study project for Sihanoukville Autonomous Port's New Container Terminal project.
- BOD had reviewed, discussed and approved PAS to follow the legal standard, regulatory and guidelines for the election of Independent Director and Non-executive Director Representing Private Shareholders in General Shareholders Meeting for Listed Public Enterprises of the Securities and Exchange Regulator of Cambodia (SERC).
- BOD had reviewed, discussed and approved on others included:
 - PAS to prepare a formal letter to **His Excellency, Deputy Prime Minister of the Royal Government of Cambodia, Minister of Economy and Finance** on the case of congested containers (long stay containers) in PAS's yards, to request the guideline for implementation.
 - Next 12th Meeting of the Board of Directors in its 7th Mandate on 7th May, 2021.

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: 12 May 2021

Chairman

LOU KIMCHHUN



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PART 1

General Information of Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

Company name (Khmer) : កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ (កសស)
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
Website : www.pas.gov.kh
Email : pasinfo@pas.gov.kh
Company Registration Number : Co.4784 Et/2017 Date: 21st February 2017
License Number: ០១៥៩ ពណ៌.ច័ប័ព 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 long from Phnom Penh capital and National Road No. 3 with 244 Km long through Kampot province. PAS is also connected by the southern railroad from Phnom Penh through Kampot province with 264 Km long. 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 Cambodian

5	Concrete Wharf	Petroleum	53	5	Petroleum port: 4.5m draft with under 80m long. Mooring and unmooring facilities have been prepared for berthing alongside of ships with under 6m and 110m long.
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- **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 2021, there isn't any key events .



PART 2

Information on Business Operation Performance

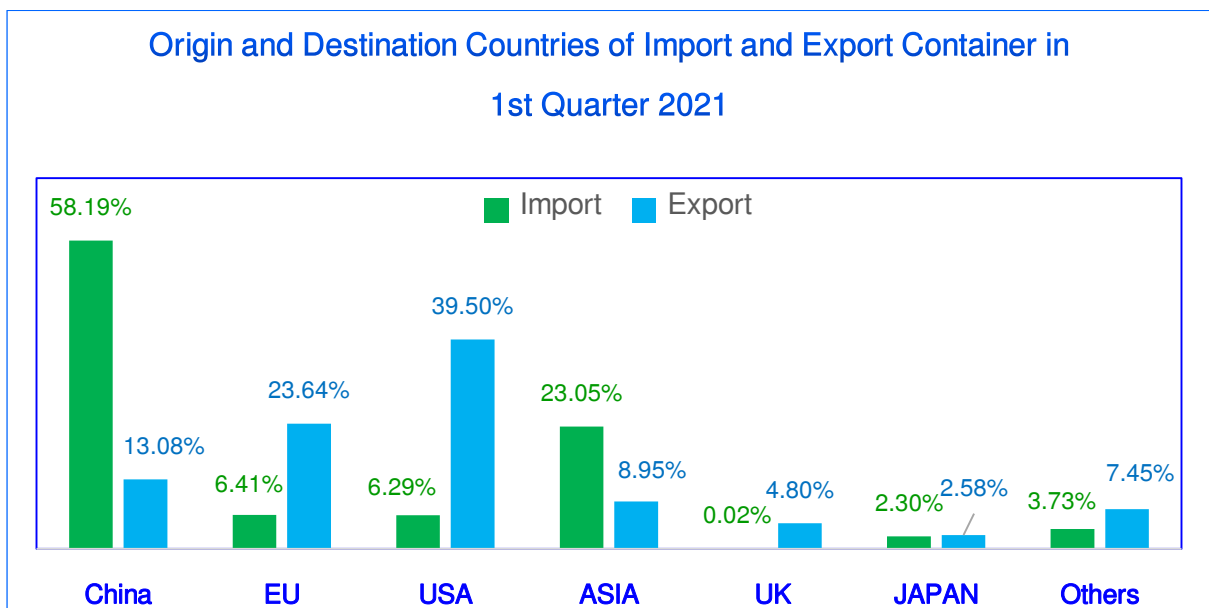
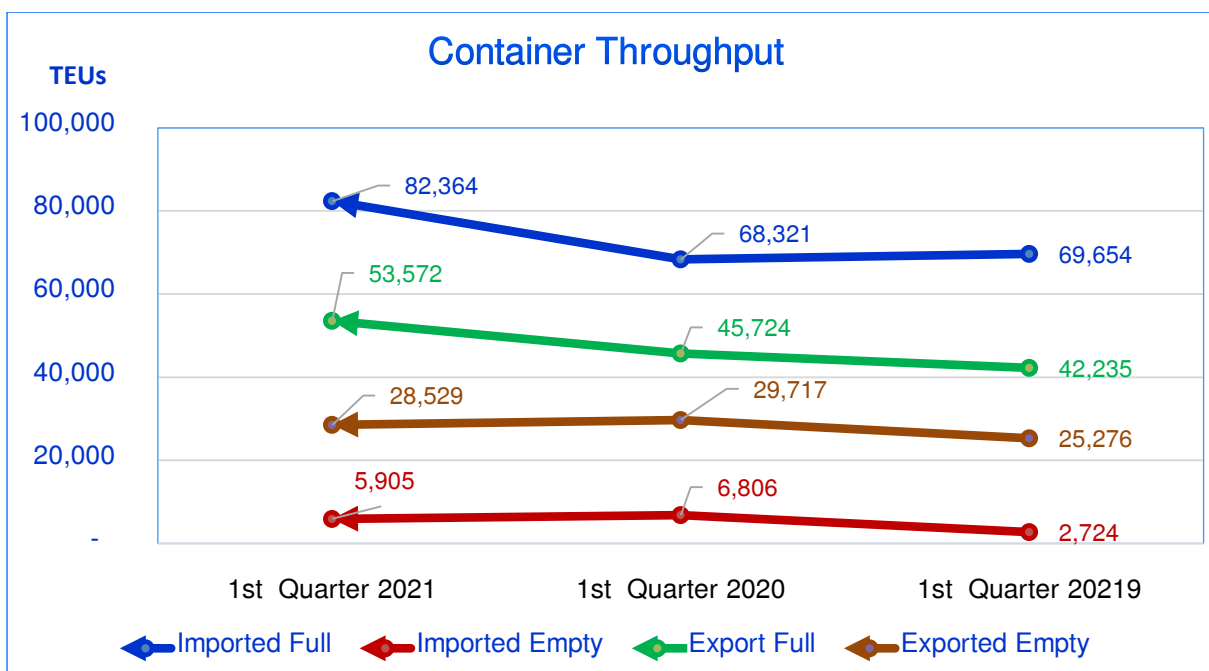
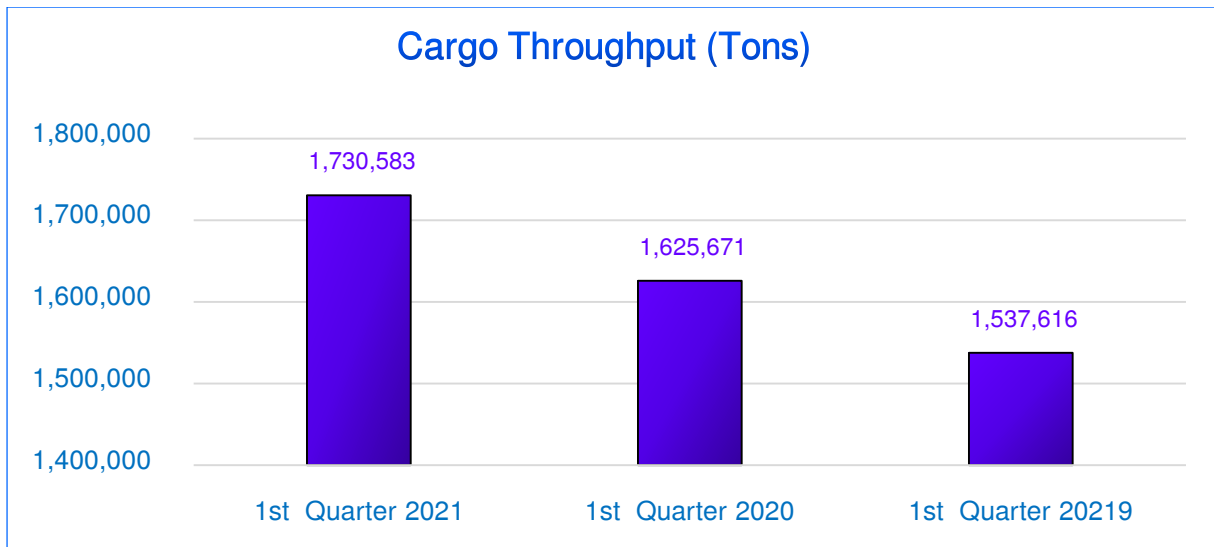


A. Business Operation Performance including business segments information

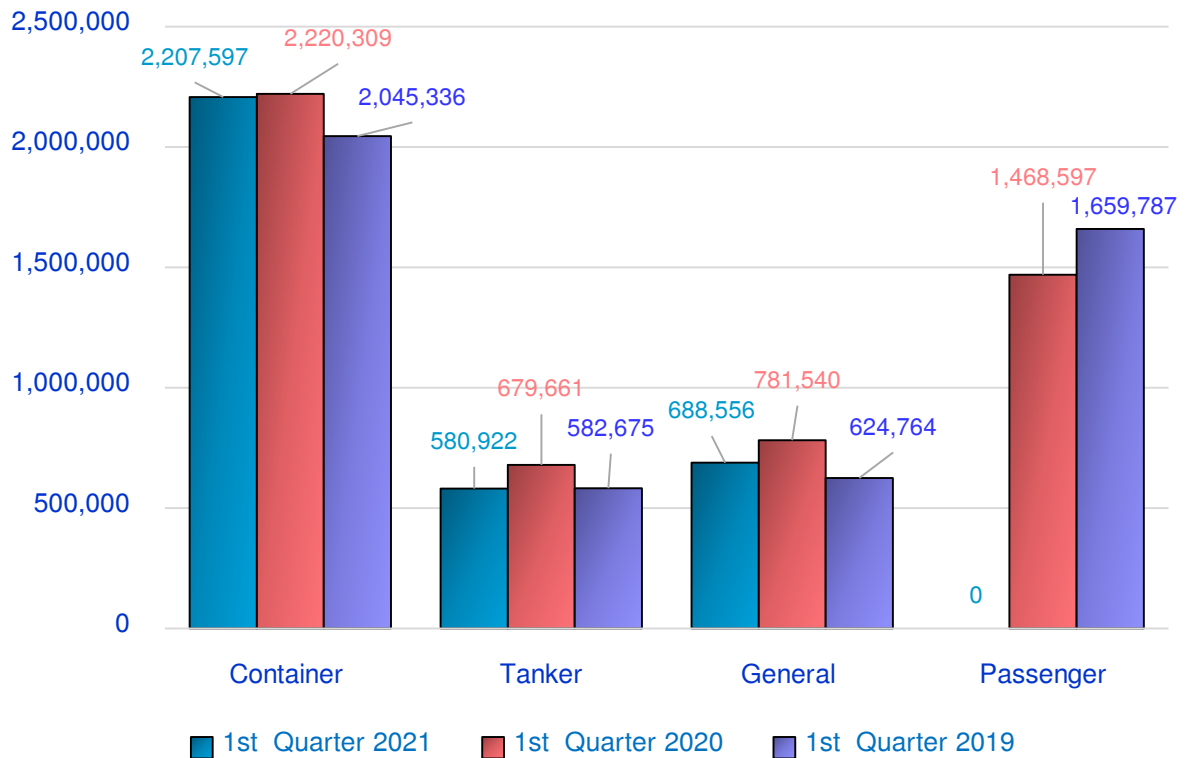
Items		Planning 2021	1 st Quarter 2021	1 st Quarter 2020	1 st Quarter 2019	Comparison	
		1	2	3	4	(2-3)/3	(2-4)/4
Gross Throughput	Tons	6,698,000	1,730,583	1,625,671	1,537,616	6.45%	12.55%
Container Cargo	—		1,179,447	1,009,666	927,600	16.82%	27.15%
General Cargo	—		73,798	54,971	113,846	34.25%	-35.18%
Fuel	—		477,339	561,034	496,170	-14.92%	-3.80%
Imported Cargo	—	5,013,000	1,301,725	1,222,726	1,208,629	6.46%	7.70%
Container	—		754,534	606,721	598,947	24.36%	25.98%
General	—		547,191	616,005	609,682	-11.17%	-10.25%
Exported Cargo	—	1,685,000	428,858	402,945	328,987	6.43%	30.36%
Container	—		424,913	402,945	328,653	5.45%	29.29%
General	—		3,946	-	334	-	1081.31%
Cargo Handling	—	8,718,000	2,178,795	1,814,265	1,756,403	20.09%	24.05%
Direct Transfer	—	211,000	64,794	54,129	112,626	19.70%	-42.47%
Container Yard and Warehouse	—	8,507,000	2,114,001	1,760,136	1,643,777	20.10%	28.61%
Container Throughput	TEUs	639,000	170,370	150,568	139,889	13.15%	21.79%
Imported Container	—	318,000	88,269	75,127	72,378	17.49%	21.96%



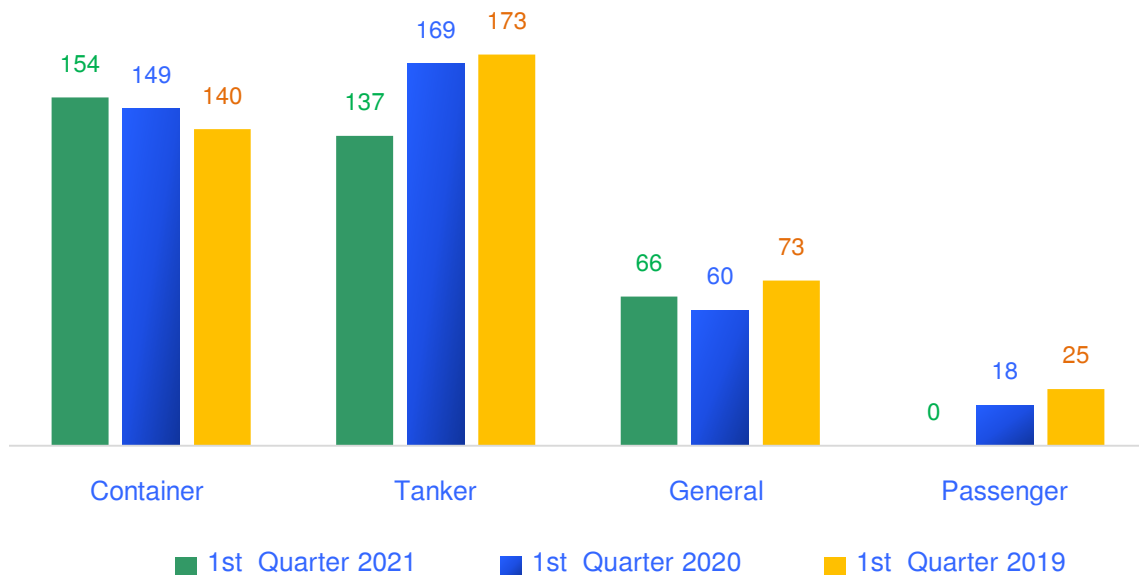
Full Container	—		82,364	68,321	69,654	20.55%	18.25%
Empty Container	—		5,905	6,806	2,724	-13.24%	116.78%
Exported Container	—	321,000	82,101	75,441	67,511	8.83%	21.61%
Full Container	—		53,572	45,724	42,235	17.16%	26.84%
Empty Container	—		28,529	29,717	25,276	-4.00%	12.87%
Calling Vessels	Units	1,580	357	396	411	-9.85%	-13.14%
	Tons	17,705,000	3,477,075	5,150,107	4,912,562	-32.49%	-29.22%
Container	Units		154	149	140	3.36%	10.00%
	Tons		2,207,597	2,220,309	2,045,336	-0.57%	7.93%
Tanker	Units		137	169	173	-18.93%	-20.81%
	Tons		580,922	679,661	582,675	-14.53%	-0.30%
General	Units		66	60	73	10.00%	-9.59%
	Tons		688,556	781,540	624,764	-11.90%	10.21%
Passenger (Cruise Ship)	Units		-	18	25	-100.00%	-100.00%
	Tons		-	1,468,597	1,659,787	-100.00%	-100.00%
	Person		-	17,789	23,809	-100.00%	-100.00%



Vessel Calling (Gross Tonnage)



Vessel Calling (Units)



B. Revenue structure

Description	1 st Quarter 2021		1 st Quarter 2020		1 st Quarter 2019	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	38,107,218	46.88%	31,366,160	43.74%	30,330,039	43.57%
LOLO Charge	23,554,706	28.98%	20,078,679	28.00%	19,706,128	28.31%
Port Charge for Vessel Services	15,469,237	19.03%	15,325,196	21.37%	14,915,701	21.43%
Storage (Warehouse and Yard)	3,140,921	3.86%	3,542,453	4.94%	3,121,464	4.48%
Transportation	32,026	0.04%	0	0.00%	59,670	0.09%
Passenger vessel	0	0.00%	265,645	0.37%	374,836	0.54%
Special Economic Zone	576,995	0.71%	818,699	1.14%	848,808	1.22%
Rental fee	334,315	0.41%	237,392	0.33%	176,970	0.25%
Other revenues	75,695	0.09%	73,557	0.10%	78,210	0.11%
Total Revenue	81,291,113	100.00%	71,707,781	100.00%	69,611,828	100.00%



PART 3

Financial Statements Reviewed by the External Auditor





Report on review of condensed interim financial information

To the shareholders of Sihanoukville Autonomous Port

Introduction

We have reviewed the accompanying statement of financial position of Sihanoukville Autonomous Port ('PAS') as at 31 March 2021 and the related statements of profit or loss and other comprehensive income, the statement of changes in equity and cash flows for the three-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim 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 and consequently 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'.

For PricewaterhouseCoopers (Cambodia) Ltd.



By Lang Hy
Partner

Phnom Penh, Kingdom of Cambodia
12 May 2021

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 31 MARCH 2021

	Notes	31 March 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	6	927,778,936	915,369,015
Investment properties	7	272,969,764	273,835,467
Intangible assets	8	5,400,207	5,673,745
		<u>1,206,148,907</u>	<u>1,194,878,227</u>
Current assets			
Loans to employees		625,670	1,228,021
Inventories		21,959,650	23,853,022
Trade and other receivables	9	38,352,924	34,615,253
Short-term bank deposits		100,734,852	104,527,103
Cash and cash equivalents		10,950,026	30,741,075
		<u>172,623,122</u>	<u>194,964,474</u>
Total assets		<u>1,378,772,029</u>	<u>1,389,842,701</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	10	518,018,063	518,018,063
Other reserves		29,059,072	29,059,072
Retained earnings		192,089,489	155,284,283
Total equity		<u>739,166,624</u>	<u>702,361,418</u>
LIABILITIES			
Non-current liabilities			
Borrowings	11	464,936,494	502,343,609
Retirement benefit obligations	12	79,223,550	78,532,967
Seniority payment obligations		1,031,319	983,118
Deferred income		5,372,771	5,406,143
Deferred tax liabilities		22,108,248	19,676,316
		<u>572,672,382</u>	<u>606,942,153</u>
Current liabilities			
Borrowings	11	33,754,866	37,602,224
Retirement benefit obligations	12	8,139,000	7,949,000
Seniority payment obligations		2,594,108	3,126,060
Deferred income		458,924	133,485
Trade and other payables		21,986,125	24,120,868
Income tax liabilities	9 (b)	-	7,607,493
		<u>66,933,023</u>	<u>80,539,130</u>
Total liabilities		<u>639,605,405</u>	<u>687,481,283</u>
Total equity and liabilities		<u>1,378,772,029</u>	<u>1,389,842,701</u>

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.



SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Notes	Three-month period ended	
		31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Revenue	13	81,291,113	71,707,781
Expenses			
Consumable supplies	14	(23,231,160)	(24,176,458)
Salaries, wages and related expenses	15	(26,452,765)	(18,847,724)
Depreciation and amortisation charges	16	(9,840,818)	(9,254,604)
Repairs and maintenances		(2,553,247)	(2,360,747)
Other expenses		(4,388,138)	(8,216,985)
Other gains – net		98,501	254,338
		<u>(66,367,627)</u>	<u>(62,602,180)</u>
Operating profit		14,923,486	9,105,601
Finance income		27,484,591	1,298,406
Finance costs		(2,216,055)	(5,903,671)
Finance income/(costs) – net	17	<u>25,268,536</u>	<u>(4,605,265)</u>
Profit before income tax		<u>40,192,022</u>	<u>4,500,336</u>
Income tax expense	18	<u>(3,386,816)</u>	<u>(3,679,941)</u>
Profit for the period		<u>36,805,206</u>	<u>820,395</u>
Profit attributable to shareholders		<u>36,805,206</u>	<u>820,395</u>
Total comprehensive income attributable to shareholders		<u>36,805,206</u>	<u>820,395</u>
The earnings per share attributable to shareholders of PAS during the period are as follows:			
Basic/diluted earnings per share (KHR)	19	<u>429.11</u>	<u>9.56</u>

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Attributable to shareholders			
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<i>Three-month period ended 31 March 2020 (reviewed but unaudited)</i>				
Balance at 1 January 2020	518,018,063	24,712,722	139,794,055	682,524,840
Profit for the period	-	-	820,395	820,395
Total comprehensive income for the period	-	-	820,395	820,395
Balance at 31 March 2020 (reviewed but unaudited)	<u>518,018,063</u>	<u>24,712,722</u>	<u>140,614,450</u>	<u>683,345,235</u>
<i>Three-month period ended 31 March 2021 (reviewed but unaudited)</i>				
Balance at 1 January 2021	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 (reviewed but unaudited)	<u>518,018,063</u>	<u>29,059,072</u>	<u>192,089,489</u>	<u>739,166,624</u>

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Notes	Three-month period ended	
		31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Cash flows from operating activities			
Cash inflow from operations	20	21,918,855	16,948,969
Income tax paid		(8,562,377)	(9,511,728)
Net cash inflow from operating activities		13,356,478	7,437,241
Cash flows from investing activities			
Purchases of property and equipment	6	(20,674,711)	(15,374,789)
Purchases of investment properties	7	(271,861)	-
Withdrawals of short-term bank deposits		3,792,251	11,843,548
Receipts of repayment of loans to employees		641,681	641,682
Interest received		752,335	758,156
Net cash outflow from investing activities		(15,760,305)	(2,131,403)
Cash flows from financing activities			
Proceeds from borrowings		71,296	7,019,258
Repayments of borrowings		(12,997,805)	(12,532,830)
Interest paid		(4,460,713)	(4,939,832)
Net cash outflow from financing activities		(17,387,222)	(10,453,404)
Net decrease in cash and cash equivalents		(19,791,049)	(5,147,566)
Cash and cash equivalents at beginning of the period		30,741,075	27,789,597
Cash and cash equivalents at end of the period		10,950,026	22,642,031

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

1. GENERAL 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 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 establishing Sub-decree, the mission of PAS is to provide the following seaport services and sea port 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 the 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 hereby 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 12 May 2021.

This condensed interim financial information for the three-month period ended 31 March 2021 has been reviewed, but not audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the three-month period ended 31 March 2021 has been prepared in accordance with Cambodian International Accounting Standard 34 - Interim financial reporting (CIAS 34).

This condensed interim financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements for the year ended 31 December 2020, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The significant accounting policies used in preparing the condensed interim financial information are consistent with the significant accounting policies used in the preparation of the 2020 audited financial statements.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards adopted by PAS

A number of new and amended standards and interpretation below became applicable for the current reporting period:

- Covid-19-related Rent Concessions – Amendments to CIFRS 16
- Interest rate benchmark reform - Phase 2 - Amendments to CIFRS 9, CIAS 39, CIFRS 7, and CIFRS 16.

There is no significant impact on adoption of standards above.

3. MANAGEMENT ESTIMATES

The preparation of condensed interim 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 condensed interim financial information, the significant judgements made by management in applying the PAS's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

PAS's 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 condensed interim 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's annual financial statements for the year ended 31 December 2020.

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:

- 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.
- 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.
- Loans to employees* – The carrying amount of loans to employees is considered to be the same as their fair value due to the short-term nature.
- 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.
- Borrowings* – The fair value is estimated by discounting the future contractual cash outflows using a current borrowing rate at the period-end.

4. FINANCIAL RISK MANAGEMENT (continued)

4.2 Fair value of financial assets and financial liabilities measured at amortised cost (continued)

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 (the management team) reviews the internal management report, which reports the performances of the port service segment as a whole, to assess performance and allocate resources. The chief operating decision-maker 'CODM' assesses the performance of the reportable segment by measuring gross revenue (note 13). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating as a lessor and earns rental income (note 7).

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

The total revenue of KHR 27,677,616 thousand was generated from three major customers during the period.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

6. PROPERTY AND EQUIPMENT

	Land KHR'000	Land improvement KHR'000	Buildings KHR'000	Technical equipment KHR'000	Furniture and fittings KHR'000	Computer and office equipment KHR'000	Motor vehicles KHR'000	Seaport equipment KHR'000	Construction in progress KHR'000	Palettes KHR'000	Total KHR'000
At 31 December 2020 (audited)											
Cost	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
Accumulated depreciation	-	(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)
Net book amount (audited)	<u>250,929,909</u>	<u>32,371,097</u>	<u>316,415,272</u>	<u>26,017,149</u>	<u>806,640</u>	<u>2,711,557</u>	<u>32,257,198</u>	<u>187,553,610</u>	<u>66,256,327</u>	<u>50,256</u>	<u>915,369,015</u>
Three-month period ended 31 March 2021 (reviewed but unaudited)											
Opening net book amount	250,929,909	32,371,097	316,415,272	26,017,149	806,640	2,711,557	32,257,198	187,553,610	66,256,327	50,256	915,369,015
Additions (*)	-	-	191,198	151,540	-	115,540	5,662,423	217,719	14,055,408	-	20,393,828
Depreciation charges	-	(374,188)	(2,408,158)	(952,296)	(102,923)	(380,384)	(904,837)	(2,849,898)	-	(11,223)	(7,983,907)
Closing net book amount	<u>250,929,909</u>	<u>31,996,909</u>	<u>314,198,312</u>	<u>25,216,393</u>	<u>703,717</u>	<u>2,446,713</u>	<u>37,014,784</u>	<u>184,921,431</u>	<u>80,311,735</u>	<u>39,033</u>	<u>927,778,936</u>
At 31 March 2021											
Cost	250,929,909	38,121,638	346,885,133	35,979,874	2,136,346	9,154,286	47,558,078	232,306,074	80,311,735	1,022,761	1,044,405,834
Accumulated depreciation	-	(6,124,729)	(32,686,821)	(10,763,481)	(1,432,629)	(6,707,573)	(10,543,294)	(47,384,643)	-	(983,728)	(116,626,898)
Net book amount (reviewed but unaudited)	<u>250,929,909</u>	<u>31,996,909</u>	<u>314,198,312</u>	<u>25,216,393</u>	<u>703,717</u>	<u>2,446,713</u>	<u>37,014,784</u>	<u>184,921,431</u>	<u>80,311,735</u>	<u>39,033</u>	<u>927,778,936</u>



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

6. PROPERTY AND EQUIPMENT (continued)

(*) Please refer to below reconciliation of cash and non-cash of additions (purchases of property and equipment) for the three-month period ended.

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Purchases (cash and non-cash) during the period	20,393,828	15,374,789
Decrease payable to a supplier (non-cash)	280,883	-
Cash paid during the period	20,674,711	15,374,789

The interest cost that was capitalised on qualifying assets as at 31 March 2021 was KHR 281,892 thousand.

7. INVESTMENT PROPERTIES

	Land KHR'000	Buildings KHR'000	Construction in progress KHR'000	Total KHR'000
At 31 December 2020 (audited)				
Cost	136,030,885	168,140,149	359,280	304,530,314
Accumulated depreciation	-	(30,694,847)	-	(30,694,847)
Net book value (audited)	136,030,885	137,445,302	359,280	273,835,467
Three-month period ended 31 March 2021 (reviewed but unaudited)				
Opening net book amount	136,030,885	137,445,302	359,280	273,835,467
Additions (*)	-	-	717,670	717,670
Transfers	445,809	-	(445,809)	-
Depreciation charges	-	(1,583,373)	-	(1,583,373)
Closing net book amount	136,476,694	135,861,929	631,141	272,969,764
At 31 March 2021				
Cost	136,476,694	168,140,149	631,141	305,247,984
Accumulated depreciation	-	(32,278,220)	-	(32,278,220)
Net book amount (reviewed but unaudited)	136,476,694	135,861,929	631,141	272,969,764

(*) Please refer to below reconciliation of cash and non-cash of additions (purchases of investment properties) for the three-month period ended.

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Purchases (cash and non-cash) during the period	717,670	-
Increase payable to a supplier (non-cash)	(445,809)	-
Cash paid during the period	271,861	-



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

7. INVESTMENT PROPERTIES (continued)

The following amounts have been recognised in the interim statement of profit or loss and other comprehensive income deriving from the business of investment properties:

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	576,995	818,699
Depreciation expenses	(1,583,373)	(1,557,914)
Direct operating expenses arising from investment properties that generate rental revenue	(630,765)	(726,670)

8. INTANGIBLE ASSETS

	Software KHR'000
At 31 December 2020 <i>(audited)</i>	
Cost	10,921,152
Accumulated amortisation	<u>(5,247,407)</u>
Net book amount <i>(audited)</i>	<u>5,673,745</u>
<i>Three-month period ended 31 March 2021 (reviewed but unaudited)</i>	
Opening net book amount	5,673,745
Amortisation charges	<u>(273,538)</u>
Closing net book amount	<u>5,400,207</u>
At 31 March 2021	
Cost	10,921,152
Accumulated amortisation	<u>(5,520,945)</u>
Net book amount <i>(reviewed but unaudited)</i>	<u>5,400,207</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

9. TRADE AND OTHER RECEIVABLES

	31 March 2021 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2020 KHR'000 <i>(Audited)</i>
Trade receivables	34,507,497	30,636,358
Loss allowance	<u>(2,224,389)</u>	<u>(2,655,478)</u>
Trade receivables, net	32,283,108	27,980,880
Advances to MoPWT (a)	4,754,424	4,754,424
Advances	524,390	668,511
Withholding tax credit (b)	705,359	1,125,797
Prepayments	<u>85,643</u>	<u>85,641</u>
	<u>38,352,924</u>	<u>34,615,253</u>

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

- (a) This represents outstanding cash advances to the Ministry of Public Works and Transport (MoPWT), which based on letters issued by MoEF dated 22 April 2019 for the purpose of renovating certain parts of city road. The advances were settled by way of deduction from the dividend payment or repayment. There is no specific term of repayment.
- (b) On 21 January 2021, the General Department of Taxation approved a withholding tax credit of KHR 1,125,797 thousand to offset with further income tax payable from the year 2021 onwards. The current income tax liabilities for the three-month period ended 31 March 2021 of KHR 420,438 thousand were offset with the withholding tax credit.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

10. 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 December 2020 (<i>audited</i>)	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>
At 31 March 2021 (<i>reviewed but unaudited</i>)	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>

- (*) According to Article 5 of the Articles of Incorporation dated 21 February 2017, 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 21 February 2017. Class B shares have voting rights and are entitled to dividend as approved by the Board of Directors.



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

10. SHARE CAPITAL AND SHARE PREMIUM (continued)

(**) The details of voting rights shares are as follows:

Shareholders	Percentage	Number of shares	KHR'000
Class B shares:			
The Royal Government of Cambodia	75%	64,328,975	64,328,975
Class C shares:			
Kamigumi	13%	11,150,324	11,150,324
Employee share option scheme	2%	2,144,299	2,144,299
Other investors	10%	8,148,369	8,148,369
	25%	21,442,992	21,442,992
	100%	85,771,967	85,771,967

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 class C shares were fully paid.

11. BORROWINGS

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	62,698,612	71,044,164
MoEF – (JBIC) – Loan No. CP-P4	105,797,419	104,844,848
MoEF – (JBIC) – Loan No. CP-P6	7,026,509	7,802,673
MoEF – (JBIC) – Loan No. CP-P8	113,386,823	123,998,084
MoEF – (JICA) – Loan No. CP-P10	194,838,224	216,371,064
MoEF – (JICA) – Loan No. CP-P21	14,943,773	15,885,000
	<u>498,691,360</u>	<u>539,945,833</u>

MoEF signed borrowing agreements with JICA and JBIC in respect of the transactions relating to PAS. The borrowings are 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:

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Current		
Not later than one year	<u>33,754,866</u>	<u>37,602,224</u>
Non-current		
Later than one year but not later than two years	31,828,590	33,453,523
Later than two year but not later than five years	95,485,771	100,360,569
Later than five years	337,622,133	368,529,517
	<u>464,936,494</u>	<u>502,343,609</u>
	<u>498,691,360</u>	<u>539,945,833</u>



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

11. BORROWINGS (continued)

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

	31 March 2021 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2020 KHR'000 <i>(Audited)</i>
Carrying value		
Current portion	33,754,866	37,602,224
Non-current portion	464,936,494	502,343,609
	<u>498,691,360</u>	<u>539,945,833</u>
Fair value		
Current portion	31,231,320	32,951,135
Non-current portion	351,200,782	379,276,903
	<u>382,432,102</u>	<u>412,228,038</u>

The fair values were calculated based on cash flows discounted using a current lending rate. 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 other currencies other than functional currency are as follows:

	31 March 2021 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2020 KHR'000 <i>(Audited)</i>
JPY	389,581,331	430,518,335
US\$	109,110,029	109,427,498
	<u>498,691,360</u>	<u>539,945,833</u>

The interest rate per annum for each borrowing is as follow:

	31 March 2021	31 December 2020
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%	2.65%
MoEF – (JICA) – Loan No. CP-P21	1.26%	1.26%



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

12. RETIREMENT BENEFIT OBLIGATIONS

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

	31 March 2021 KHR'000	31 December 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	87,362,550	86,481,967
Unfunded status	87,362,550	86,481,967
Net liability recognised in interim statement of financial position	<u>87,362,550</u>	<u>86,481,967</u>

The movement in the defined benefit obligations over the period was as follows:

	Three-month period ended	
	31 March 2021 KHR'000	31 March 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Beginning balance	86,481,967	83,074,061
Current service cost	427,250	430,000
Interest expense	1,153,500	1,141,000
Benefits paid	<u>(700,167)</u>	<u>(729,016)</u>
Closing balance	<u>87,362,550</u>	<u>83,916,045</u>

	31 March 2021 KHR'000	31 December 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current portion	8,139,000	7,949,000
Non-current portion	<u>79,223,550</u>	<u>78,532,967</u>
	<u>87,362,550</u>	<u>86,481,967</u>

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

	Three-month period ended	
	31 March 2021 KHR'000	31 March 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Current service cost	427,250	430,000
Interest expense	<u>1,153,500</u>	<u>1,141,000</u>
	<u>1,580,750</u>	<u>1,571,000</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

12. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions were as follows:

	2021	2020
Average years of service	21	20
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 2021.

13. REVENUE

	Three-month period ended	
	31 March 2021 KHR'000	31 March 2020 KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)
Stevedoring charges	38,107,218	31,366,160
Lift-On Lift-Off (LO-LO)	23,554,706	20,078,679
Port due/charge services	15,469,237	15,325,196
Container storage	3,140,921	3,542,453
Rental income from SEZ	576,995	818,699
Other revenue	442,036	576,594
	81,291,113	71,707,781
Timing of revenue recognition		
At a point in time	77,238,883	67,109,237
Over time	4,052,230	4,598,544
	81,291,113	71,707,781

14. CONSUMABLE SUPPLIES

	Three-month period ended	
	31 March 2021 KHR'000	31 March 2020 KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)
Spare parts	10,357,932	10,664,108
Combustible expenses	9,821,410	9,954,076
Warehouse supplies	1,735,714	2,169,306
Oil and lubricant	962,663	804,193
Office supplies	267,301	419,855
Other consumables	86,140	164,920
	23,231,160	24,176,458



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

15. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Employee salaries	18,471,416	14,576,091
Bonuses	4,483,645	1,196,081
Retirement benefit expenses	1,580,750	1,571,000
Directors' remuneration	349,200	306,000
Social security expenses	156,472	207,986
Wages for contractors	79,050	71,550
Other employee-related expenses	1,332,232	919,016
	<u>26,452,765</u>	<u>18,847,724</u>

16. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Property and equipment	7,983,907	7,430,972
Investment properties	1,583,373	1,557,914
Intangible assets	273,538	265,718
	<u>9,840,818</u>	<u>9,254,604</u>

17. FINANCE INCOME/(COSTS) – NET

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
<i>Finance income:</i>		
Interest income on bank deposits (a)	900,103	1,174,170
Net exchange gains on foreign currency borrowings (c)	26,545,157	-
Interest income from unwinding of discount of loans to employees	39,331	124,236
	<u>27,484,591</u>	<u>1,298,406</u>
<i>Finance costs:</i>		
Interest expenses on borrowings (b)	(2,216,055)	(3,072,488)
Net exchange losses on foreign currency borrowings (c)	-	(2,742,806)
Interest expenses from winding up guaranteed dividend payables	-	(88,377)
	<u>(2,216,055)</u>	<u>(5,903,671)</u>
Finance income/(costs) – net	<u>25,268,536</u>	<u>(4,605,265)</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

17. FINANCE INCOME/(COSTS) – NET (continued)

- (a) Interest income represents interest earned from savings and fixed deposit accounts held at local banks during the period.
- (b) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC.
- (c) PAS has the borrowings (note 11) 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.

	31 March 2021	31 December 2020	31 March 2020	31 December 2019
JPY/KHR	36.820	39.275	37.870	37.620
US\$/KHR	4,045	4,045	4,070	4,075

18. 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 taxes liabilities and balances in the period in which the determination is made.

19. 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.

	Three-month period ended	
	31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Profit attributable to shareholders (KHR'000)	36,805,206	820,395
Weighted average number of shares	85,771,967	85,771,967
Basic earnings per share (KHR)	429.11	9.56

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.



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021**

20. CASH GENERATED FROM OPERATIONS

	Notes	Three-month period ended	
		31 March 2021 KHR'000 (Reviewed but unaudited)	31 March 2020 KHR'000 (Reviewed but unaudited)
Profit before income tax		40,192,022	4,500,336
Adjustments for:			
Depreciation and amortisation charges	16	9,840,818	9,254,604
Finance (income)/costs– net	17	(25,268,536)	4,605,265
Retirement benefit obligations	15	1,580,750	1,571,000
Seniority payment obligations		1,240,467	(29,816)
Other employees related expenses from loans to employees		163,864	163,864
Changes in working capital:			
Inventories		1,893,372	48,126
Trade and other receivables		(3,573,807)	7,129,625
Trade and other payables		(2,017,777)	(8,292,191)
Retirement benefit obligations		(700,167)	(729,016)
Seniority payment obligations		(1,724,218)	(1,559,689)
Deferred income		292,067	286,861
Cash inflow from operations		<u>21,918,855</u>	<u>16,948,969</u>

21. 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

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Borrowings from:		
MoEF – (JICA)	209,781,997	232,256,064
MoEF – (JBIC)	288,909,363	307,689,769
	<u>498,691,360</u>	<u>539,945,833</u>

(ii) Amount due from MoPWT

	31 March 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Advances to MoPWT	<u>4,754,424</u>	<u>4,754,424</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

21. RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)
Interest expenses on borrowings from MoEF (note 17(b))	2,216,055	3,072,488

(c) Key management compensation

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

	Three-month period ended	
	31 March 2021	31 March 2020
	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)
Board of directors		
Fees and related expenses	349,200	408,000
Key management personnel		
Salaries and other expenses	769,031	548,900
Retirement benefit expenses (*)	55,692	48,546

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.

(d) Loan to key management

PAS provided loans to employees including key management and board of directors to buy its class C shares at the Initial Public Offering on 8 June 2017. Loan is interest free and has term of four years. Loan will be repaid on monthly basis by deducting from the monthly salaries of the key management. As at 31 March 2021, outstanding loans to the key management were KHR 244 million (31 December 2020: KHR 488 million).

22. COMMITMENTS

As at 31 March 2021, PAS had outstanding capital expenditure commitment of KHR 850,446 million (31 December 2020: KHR 918,371 million) for its purchase of construction services, property and equipment.





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 2021 report.

For this 1st quarter 2021, the volume of PAS's container throughput increased by 19,802 TEUs equivalent to 13.15% compared to 1st quarter 2020, and Gross cargoes throughput increased by 6.45% equivalent to 104,912 tons. Among gross cargoes throughput, container in tons increased 16.82% equivalent to 169,781 tons, and general cargoes increased 18,827 tons equivalent to 34.25% but fuels declined by 14.92% equal to 83,695 tons. PAS's calling vessel decreased by 9.85% equal to 39 vessels, and gross tonnages decreased by 32.49% equal to 1,673,032 tons compared to 1st quarter 2020.

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 2021 and 2020 as shown in Part 3 of this 1st quarter 2021 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 2021 compared to the period ended 31st March 2020

Description	1 st Quarter 2021	1 st Quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	81,291,113	71,707,781	9,583,332	13.36%

For this 1st quarter 2020, PAS's income increased by 9,583,332,000 Riels equivalent to 13.36% increased from 71,707,781,000 Riels in 1st quarter 2020 to 81,291,113,000 Riels in 1st quarter 2021. This increased in income was mostly derived from Stevedoring Charges, LOLO Charges, and Port Charge for Vessel Services.

1-B Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues

For 1st Quarter 2021 and 1st Quarter 2020

Description	1 st Quarter 2021		1 st Quarter 2020	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	38,107,218	46.88%	31,366,160	43.74%
LOLO Charge	23,554,706	28.98%	20,078,679	28.00%
Port Charge for Vessel Services	15,469,237	19.03%	15,325,196	21.37%
Storage (Warehouse and Yard)	3,140,921	3.86%	3,542,453	4.94%
Transportation	32,026	0.04%	-	0.00%
Passenger vessel	-	0.00%	265,645	0.37%
Special Economic Zone	576,995	0.71%	818,699	1.14%
Rental fee	334,315	0.41%	237,392	0.33%
Other revenues	75,695	0.09%	73,557	0.10%
Total Revenue	81,291,113	100.00%	71,707,781	100.00%



In the 1st quarter 2021 as well as 2020, there were four important types of incomes accounted for 98% 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 2021 compared to the period ended 31st March 2020

Description	1 st Quarter 2021	1 st Quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	38,107,218	31,366,160	6,741,057	21.49%
LOLO Charge	23,554,706	20,078,679	3,476,027	17.31%
Port Charge for Vessel Services	15,469,237	15,325,196	144,041	0.94%
Storage (Warehouse and Yard)	3,140,921	3,542,453	(401,532)	-11.33%

The income from Stevedoring charge increased approximately by 21.49% equivalent to 6,741,057,000 Riels, and LOLO charge increased by 17.31% equivalent to 3,476,027,000 Riels comparing between 1st quarter 2021 and 1st quarter 2020. These growths were resulted by the increase of container throughput with the volume of 19,802 TEUs equivalent to 13.15% and the increase of Cargo handling of 20.09% equal to 364,530 Tons for this 1st quarter 2021.

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 2021, the number of vessels calling to PAS decreased by 39 vessels equal to 9.85%, and tonnage throughput decreased by 32.49% equal to 1,673,032 tons. However, the income on Port charge for vessel service increased from 15,325,196,000 Riels in 1st quarter 2020 to 15,469,237,000 Riels in 1st quarter 2021, increased by 0.94% equal to 144,041,000 Riels. This is because in 1st quarter 2021, the container vessels increased by 3.36% equal to 5 vessels and general cargo vessels increased by 10.00% equal to 6 vessels if compare to the same period in 2020.

The income from storage, warehouse, and yard decreased by 401,532,000 Riels equivalent to 11.33% compared between 1st quarter 2021 with the income amount of 3,140,921,000 Riels and 1st quarter 2020 with amount of 3,542,453,000 Riels. The reason of this decrease was caused by the container storage period in 1st quarter 2021 was mostly under 5 days, which under the free of 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 2021 compared to the period ended 31st March 2020

Description	1 st Quarter 2021	1 st Quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	81,291,113	71,707,781	9,583,332	13.36%
Consumable Supplies	(23,231,160)	(24,176,458)	- 945,298	-3.91%
Salaries, Wages and related expenses	(26,452,765)	(18,847,724)	7,605,041	40.35%
Depreciation and Amortization charge	(9,840,818)	(9,254,604)	586,214	6.33%
Repairs and Maintenances	(2,553,247)	(2,360,747)	192,500	8.15%
Other expenses	(4,388,138)	(8,216,985)	- 3,828,847	-46.60%
Other gain /(Losses)-net	98,501	254,338	- 155,837	-61.27%
Finance Income/(Costs)-net	25,268,536	(4,605,265)	29,873,801	-648.69%
Profit before income tax	40,192,022	4,500,336	35,691,686	793.09%

For 1st quarter 2021, PAS's expenses on Consumable Supplies amounted to 23,231,160,000 Riels decreased by 945,298,000 Riels equivalent to 3.91% compared to the 1st quarter of 2020 with the expense amounted of 24,176,458,000 Riels. The main factor that caused such decrease was resulted by Warehouse supplies expense reduced by 19.99% equivalent to 433,592,000 Riels and Spare parts expense reduced by 2.87% equivalent to 306,176,000 Riels. Besides, the combustible expense declined by 1.33% equivalent to 132,666,000 Riels in this 1st quarter 2021.

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 21.49% and LOLO incomes increased by 17.31% in this 1st quarter 2021. Therefore, the expense on Salary, wages, and other related expenses had increased by 40.35% equivalent to 7,605,041,000 Riels compared that to 1st quarter 2021 with the expense amount of 26,452,765,000 Riels and 18,847,724,000 Riels in 1st quarter 2020. The main factors of this increasing are on employee salaries expenses which increased by 18.21% equal to 2,654,858,000 Riels and the expense on bonuses which increased approximately 274.86% equal to 3,287,564,000 Riels compared to 1st quarter 2020. Moreover, in 1st quarter 2021, there was an expense of Accrued seniority payments that amounted to 1,240,467,000 Riels.

The expense on depreciation and amortization included property, equipment, and intangible asset in 1st quarter 2021 amounted to 9,840,818,000 Riels increased by 586,214,000 Riels equivalent to 6.33% compared to that of 1st quarter 2020 with the expense amount of 9,254,604,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 552,934,000 Riels equivalent to 7.44%.

The expense on repair and maintenance increased by 192,500,000 Riels equal to 8.15%, the total expense of repair and maintenance in 1st quarter 2021 was 2,553,247,000 Riels and 2,360,747,000 Riels in 1st quarter 2020.

The Other expenses decreased by 46.60% equivalent to 3,828,847,000 Riels, which decreased from 8,216,985,000 Riels in 1st quarter 2020 to 4,388,138,000 Riels in 1st quarter 2021. The main reasons that caused the decreased of Other expenses were the declined in Expected credit losses which dropped by 124.46% equal to 2,193,194,000 Riels and the

decreased of Reception and hospitality by 63.81% equivalent to 953,632,000 Riels in this 1st quarter 2021.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 1st quarter 2021, the gain from realized foreign exchange with the amount of 98,501,000 Riels decreased by 61,27% equivalent to 155,837,000 Riels compared to 1st quarter 2020 amounted to the gain of 254,338,000 Riels.

Finance Income/(Costs)-net refers to Unrealized Foreign Exchange Gain-Loss, for the 1st quarter 2021, there was an income of 25,268,536,000 Riels increased the Finance income by 648.69% equivalent to 29,873,801,000 Riels compared to that of 1st quarter 2020 with the Net-Finance costs of 4,605,265,000 Riels instead. The main factor of this change in Finance Income/(Costs)-net was because in 1st quarter 2020, there was net exchange losses on foreign currency (Japanese Yen) amounted to 2,742,806,000 Riels, if compared to 1st quarter 2021 with the net exchange gain on foreign currency of 26,545,157,000 Riels.

In conclusion, PAS's Profit before tax in 1st quarter 2021 is 40,192,022,000 Riels increase by 35,691,686,000 Riels equivalent to 793.09% if compared to 1st quarter 2020 with the amount of 4,500,336,000 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 2021 compared to the period ended 31st March 2020

Description	1 st Quarter 2021	1 st Quarter 2020	Changes	
	‘000 riels	‘000 riels	‘000 riels	%
Profit before income tax (A)	40,192,022	4,500,336	35,691,686	793.09%
Income tax expense (B)	(3,386,816)	(3,679,941)	293,125	-7.97%
Profit for the period	36,805,206	820,395	35,984,811	4,386.28%
Remesurement of retirement benefit obligations	-	-		
Total comprehensive income for the period	36,805,206	820,395	35,984,811	4,386.28%
Effective Tax Rate (B)/(A)	8.43%	81.77%		

PAS has a Profit after tax with the equivalent amount 36,805,206,000 Riels in the 1st quarter 2021 and 820,395,000 Riels in the 1st quarter 2020 with the increased amount of 35,984,811,000 Riels equivalent to 4,386.28%. The main factors that caused the profit after tax to increased is due to the increase in total Revenue and the Unrealized Foreign Exchange Gain compare to the same period of 2020.

The Effective tax rate on profit decreased from 81.77% in 1st quarter 2020 to 8.43% in 1st quarter 2021, as a result of increased of Profit before income tax in 1st quarter 2021.

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, therefor, 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 6% for year 2021, while Cambodia's economy will growth around 4%, 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 2021, PAS has container handling capacity up to 650,000 TEUs after launching two more units of QCs since 2017. 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 2021, 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 2021, 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 5 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 2021, 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 4%, while the world economy growth with the expected rate of 6% (IMF) for year 2021. Therefore, there will not be big impact on market's demand and supply even though there is an increase of COVID-19 infection cases 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 2020 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 95% of the total income in 1st quarter of 2021, 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 2021, 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.
- Industrial, mine and energy sector, the oil exploration in Cambodian Sea is being developed and PAS has already prepared to support such move.
- 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 2021, there is other necessary information for the protection of investors as below:

the Board of Directors had conducted one meeting:

The 11th Meeting of the Board of Directors in its 7th Mandate on 5th February, 2021

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

- BOD had agreed on the result and requested to continue working on the agreed agenda of the previous Meeting of the Board of Directors.
- BOD had reviewed, discussed and approved on Audit Committee's report, Nomination and Remuneration Committee's report and Risk Committee's report, and approved PAS to organize the election for the Board of Directors' members consist of Representative of Employee, Independent Director and Non-executive Director Representing Private Shareholders in accordance with Legal and regulatory standards in force to be completed by June 2021.
- BOD had reviewed, discussed and approved on PAS's Business Performance Report for 2020.
- BOD had reviewed, discussed and approved on 4th Quarter and the 12 months year ended 31st December 2020's Financial Reports which reviewed by Independent Auditor, PWC, and approved for two-months bonus of 2020 (Salary 13 + 14) to PAS's Management leaders, Officers, employees and workers in accordance to statutes and regulations in force.
- BOD had reviewed, discussed and approved on progress of the study of PAS development and Implementation of the feasibility study project for Sihanoukville Autonomous Port's New Container Terminal project.
- BOD had reviewed, discussed and approved PAS to follow the legal standard, regulatory and guidelines for the election of Independent Director and Non-executive Director Representing Private Shareholders in General Shareholders Meeting for Listed Public Enterprises of the Securities and Exchange Regulator of Cambodia (SERC).
- BOD had reviewed, discussed and approved on others included:
 - PAS to prepare a formal letter to **His Excellency, Deputy Prime Minister of the Royal Government of Cambodia, Minister of Economy and Finance** on the case of

congested containers (long stay containers) in PAS's yards, to request the guideline for implementation.

- Next 12th Meeting of the Board of Directors in its 7th Mandate on 7th May, 2021.

Signature of Directors of Sihanoukville Autonomous Port

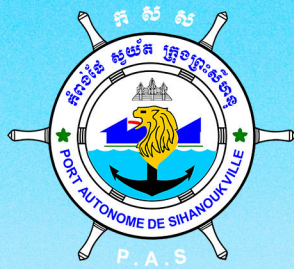
Date: 12 May 2021

Read and Approved

Signature

Lou Kim Chhun

Chairman








Sihanoukville Autonomous Port



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