



KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanouville Autonomous Port

Annual Report 2023



Vision

To become the only efficient and dynamic deep seaport, contributing to the improvement of logistic service and socio-economic development in the Kingdom of Cambodia.

Mission

- To develop in accordance with the policy of the Royal Government.
- To improve service quality through close cooperation with port users, modernize port management and human resources development in line with international innovation
- To collaborate with development partners to study and towards the construction of deep-water ports in line with the vision and growth of transit containers
- To promote and strengthen the principle of being a port for all.

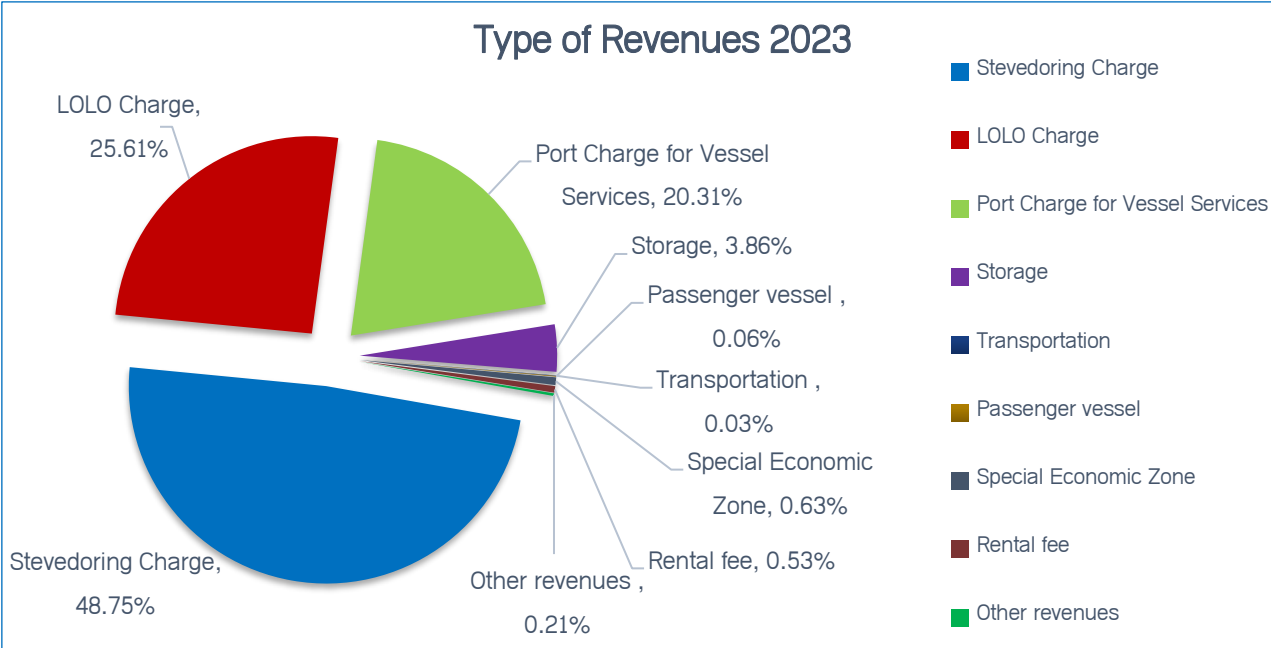
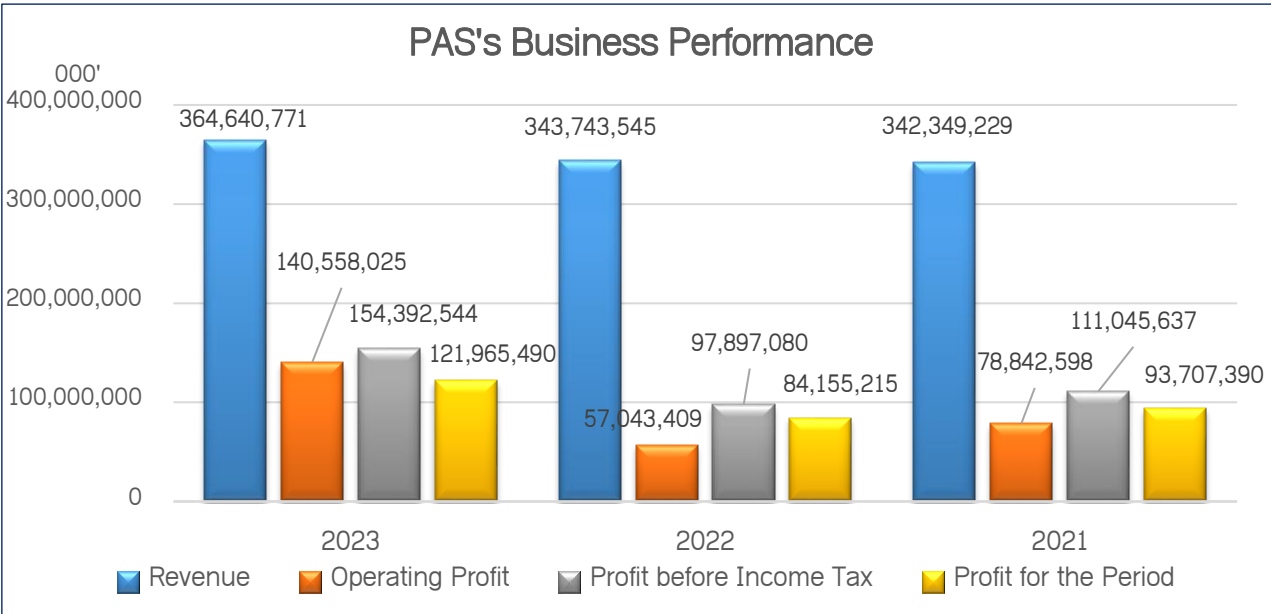
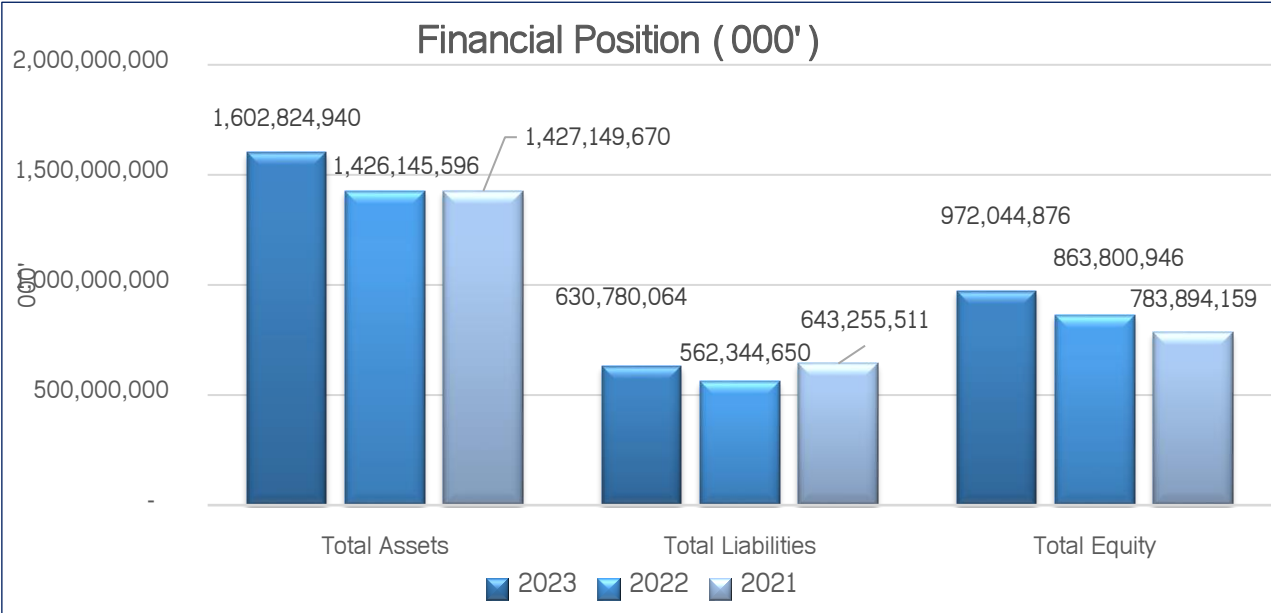
Values

- Geographical Superiority
- Customer-Oriented
- Pro-action & Innovation
- Integrity & Accountability
- Friendliness & Respectfulness
- Teamwork & Service Quality
- Reliability & Sustainable Growth

Financial Highlight

Financial Position		31 st December 2023	31 st December 2022	31 st December 2021
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,602,824,940	1,426,145,596	1,427,149,670
Total Liabilities		630,780,064	562,344,650	643,255,511
Total Shareholders' Equity		972,044,876	863,800,946	783,894,159
Profit/(Loss)		2023	2022	2021
		KHR 000'	KHR 000'	KHR 000'
Total Revenues		364,640,771	343,743,545	342,349,229
Profit/(Loss) before Tax		154,392,544	97,897,080	111,045,637
Profit/(Loss) after Tax		121,965,490	84,155,215	93,707,390
Total Comprehensive Income		121,965,490	96,014,055	93,707,390
Financial Ratios		31st December 2023	31st December 2022	31st December 2021
Solvency Ratio		26.92%	23.09%	20.77%
Debt to Equity Ratio		0.65	0.65	0.82
Liquidity Ratio	Current Ratio	1.94	2.62	2.31
	Quick Ratio	1.69	2.25	2.00
		2023	2022	2021
Profitability Ratio	Return on Assets	7.61%	5.90%	6.57%
	Return on Equity	12.55%	9.74%	11.85%
	Gross Profit	38.55%	16.59%	23.03%
	Profit Margin	33.45%	24.48%	27.37%
	Earnings per	1421.97	981.15	1,092.52
Interest Coverage Ratio		18.23	10.85	10.92
Dividend per Share (Riels)		-	454	504

Financial Summary Charts

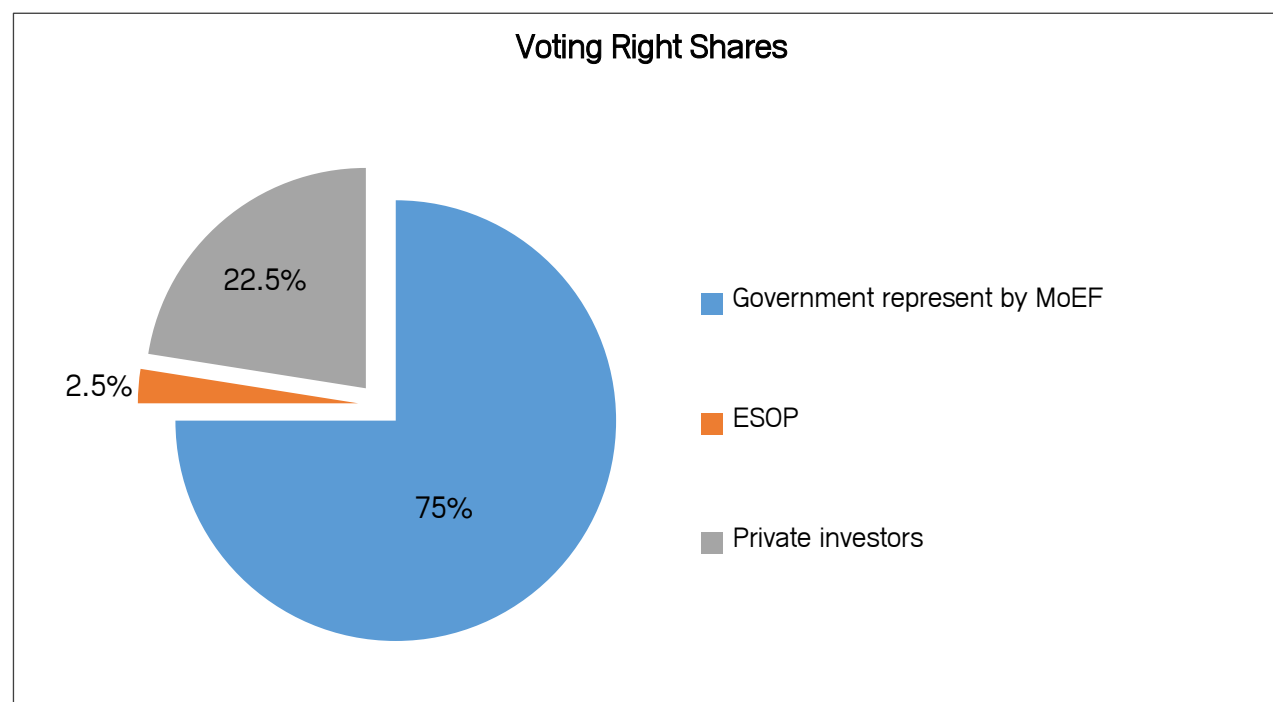


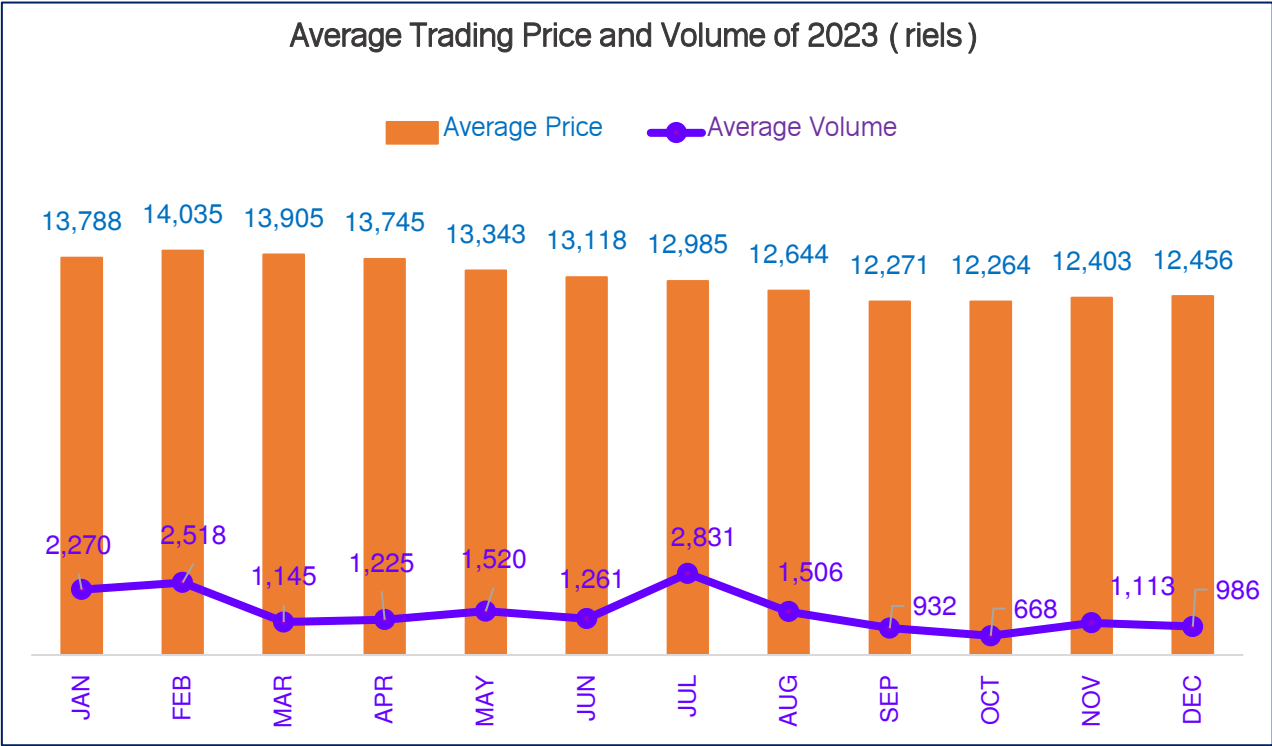
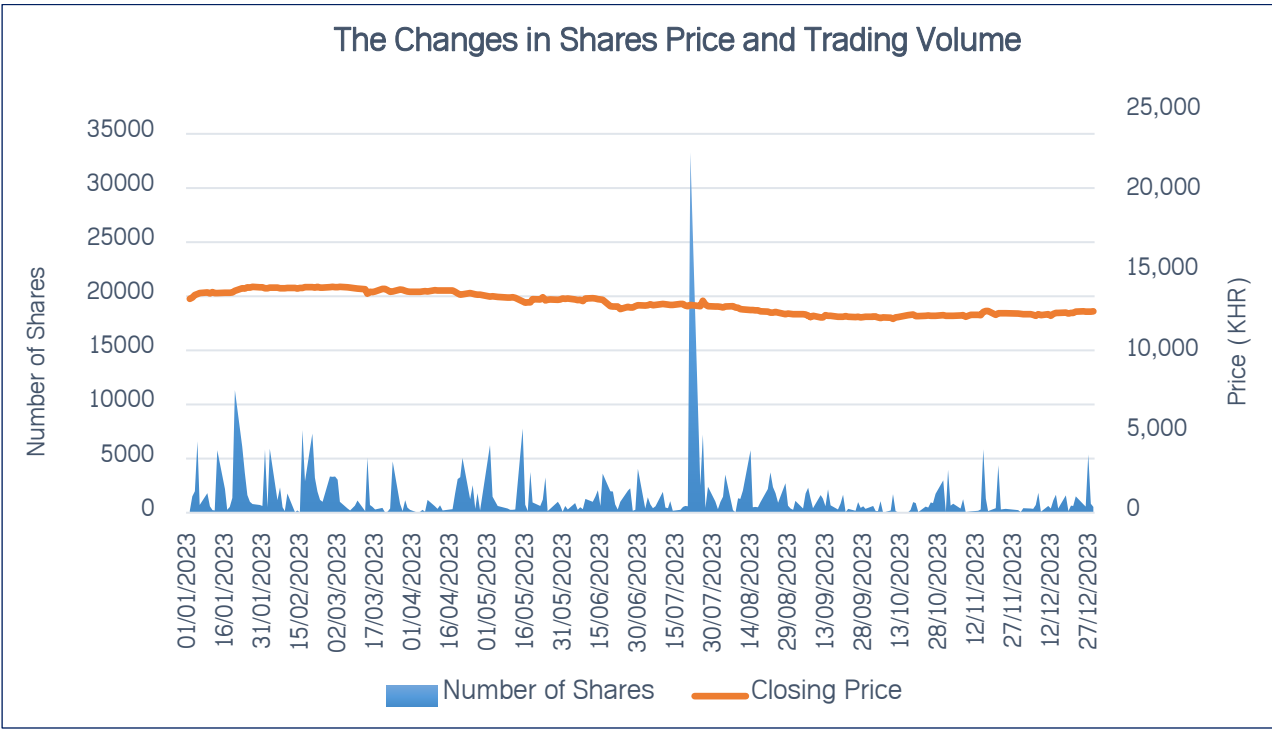
PAS's Shareholders

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

PAS's Shareholders Class C

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





Annual Statistical Summary

Items		Planning 2023	2023	2022	2021	Comparison		
		1	2	3	4	(2-1)/1	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,282,000	7,893,157	7,003,157	6,990,337	8.39%	12.71%	12.92%
Container Cargo	–		5,611,207	5,031,988	4,949,801		11.51%	13.36%
General Cargo	–		203,304	142,944	250,734		42.23%	-18.92%
Fuel	–		1,939,721	1,729,700	1,737,047		12.14%	11.67%
Gas	–		138,924	98,525	52,755		41.00%	163.34%
Imported Cargo	–	5,436,000	5,842,989	5,225,236	5,203,819	7.49%	11.82%	12.28%
Exported Cargo	–	1,846,000	2,050,168	1,777,921	1,786,518	11.06%	15.31%	14.76%
Cargo Handling	–	15,852,400	17,161,938	11,239,434	10,199,148	8.26%	52.69%	68.27%
Direct Transfer	–	140,000	169,173	121,180	201,923		39.60%	-16.22%
Container Yard and Warehouse	–	15,712,400	16,992,765	11,118,253	9,997,225		52.84%	69.97%
Container Throughput	TEUs	800,000	797,778	750,148	732,387	-0.28%	6.35%	8.93%
Imported Container	–		402,633	395,114	380,145		1.90%	5.92%
Exported Container	–		395,145	355,034	352,242		11.30%	12.18%
Calling Vessels	Units	1,458	1,506	1,442	1,448	3.29%	4.44%	4.01%
	Tons	14,404,000	19,105,702	14,108,032	13,366,399	32.64%	35.42%	42.94%

Board of Directors



H.E. Lou Kim Chhun
Chairman & CEO



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



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



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 2023 for the period ended 31st December 2023”.

With 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 364,640,771,000 Riels and a net profit of 121,965,490,000 Riels in 2023. The revenue increased by 20,897,226,000 Riels equal to 6.08% compared to 2022, while the net profit after tax highly increased by 37,810,275,000 Riels equal to 44.93%. This was the result of the increase in the volume of gross cargoes and the containers throughput, in addition to the increase in other net of 85,871,676,000 Riels equal to 19,100.21% which led to an increase in net profit after tax. Hence PAS’s earnings per share was 1,421.97 Riels in 2023. The container throughputs amounted to 797,778 TEUs in 2023, an increase of 47,630 TEUs equal to 6.35%, and the gross cargoes slightly increased by 12.71% equal to 889,999 Tons compared to 2022.

PAS is going to continue its efforts to improve the business and service operation and to achieve the best results for the benefits of our shareholders. PAS has strengthened the work efficiency and built additional infrastructure to meet the increasing demand of customers and the growing economy. With the increasing volumes of cargoes and containers throughput, PAS has renovated the new wharf (Constructed in 1969, 350m in length) to become an additional container terminal with 253m in length, which currently has only two terminals. In addition, PAS has been implementing the construction of a new Container Terminal (Phase 1) with 350m in length by 14.5m depth which recently has had groundbreaking for the construction on 22nd Dec 2023, also including installation 3 units of QCs, 9 units of RTGs, 2 units of Empty Reach Stackers, and 16 units of container trucks, and 1 set of Auto container terminal management system. Moreover, this new Container Terminal will allow larger container vessels in the region calling to PAS which would solve the water depth constraints for the port. Also, the Ocean Freight Cost would be like neighboring countries and the region which would contribute to trade facilitation and the development of Cambodian socio economy. The project is expected to be completed by mid-2027, and container handling capacity will reach 1,250,000 TEUs in 1 year when this new container terminal is launched for operation in the upcoming year of 2027.

❖ **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 2023
- 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 2023, the Board of Directors had conducted five meetings and adopted the following works:

The 7th Meeting of the Board of Directors in its 8th Mandate on 27th February 2023

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

- After reviewing and discussing, the members of the board approved the report of the Risk Management, the Nomination and Remuneration and the Audit Committee. The members of board approved the purchase of a 4,000-horsepower trailer included in the 2023 PAS's Business Budget Plan (Services). As for the Pilot Boat, PAS must send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance to review and decide.
- After reviewing and discussing, the members of board approved the report on the progress of the project to renovate the general cargo port into a 253-meter-long container port, the new container terminal development project - Phase 1, Phase 2 and Phase 3 and requested His Excellency Phan Phalla, a representative of the Ministry of Economy and Finance, helped to accelerate the implementation of these projects as planned, as the PAS's operation has now exceeded its normal capacity more than twice.
- After reviewing and discussing, the members of the board approved the report of the 2022 PAS's business results.
- After discussion, the members of board unanimously approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2022, reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).

- After reviewing and discussing, the members of board was joyed and honored to have Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia come to visit and have a conversation meeting with the employees and staffs, the Opening Construction Ceremony of a 253-Meter Container Terminal (Modified from a General Warehouse); -16.5 meters and the third step, 430 meters long, water depth -17.5 meters and the Westerdam Memorial on the occasion of the celebration of International Labor Day, May 1, 2023 at Sihanoukville Autonomous Port and approved PAS to organize this ceremony.
- After reviewing and discussing, the members of board approved for PAS to have a meeting with Royal Railway Co., Ltd to determine the lease term of a land of 156,728 square meters in Sangkat Trapeang Krasang. Khan Dangkor, Phnom Penh, between 3 to 5 years with a reasonable price, and send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance for decision.
- After reviewing and discussing, the members of board approved the sight visit plan of the Board of Directors and PAS's management team to visit Japan for the purpose of studying information technology and port development in the ports of Japan, and thanked Mr. KUME Hidetoshi for the cooperation with PAS's management team on this job This is the first experience for the Board of Directors, State Controller and PAS's management team which we hope that there would be more sight visit to other port that has connection with PAS as well.
- After reviewing and discussing, the members of board approved the report on the sale of land of Sihanoukville Autonomous Port, located in Koki village, Bit Trang commune, Prey Nob district, Sihanoukville province.
- After reviewing and discussing, the members of board approved the report on the PAS's preferential service fee for goods of the Royal Government in 2022.

The 8th Meeting of the Board of Directors in its 8th Mandate on 12th May 2023

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

- After reviewing and discussing, the members of the board approved the report of the Risk Management, the Nomination and Remuneration and the Audit Committee. The members of board approved in principle for PAS to establish a Fix-asset Committee to clear any old machinery, vehicle and other fix-asset from the fix-asset listing.
- After reviewing and discussing, the members of board approved the report on the progress of the ongoing port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. New container terminal development project - Phase 1, Phase 2 and Phase 3).

- After reviewing and discussing, the members of the board approved the report of the PAS's business results of the first quarter of 2023.
- After reviewing and discussing, the members of board unanimously approved the financial statements for the first quarter 2023, reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- After reviewing and discussing, the members of board approved the date, place and agenda for the 6th General Assembly of Shareholders 2023 as follows:
 - Date of the 6th General Assembly of Shareholders: June 09, 2023
 - Deadline: May 17, 2023
 - Venue: Sokha Beach Resort, Preah Sihanouk Province
 - General Agenda:
 1. Welcome remarks of the Chairman of the General Assembly
 2. Presentation on the business-service results in 2022 and the business direction in 2023
 3. Review and approve the distribution of dividends to shareholders for 2022 and the dividends of the Board of Directors and state inspectors for 2023
- After reviewing and discussing, the members of board approved for PAS to continue discussing with Royal Railway Co., Ltd clearly on the lease period and rental fee of the 156,728 square meters land in Sangkat Trapeang Krasang. Khan Dangkor, Phnom Penh for PAS to prepare and send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance for decision.
 - TANG SHAN LECHANGQING Co., Ltd (a Chinese company) and LCQ Steel Cambodia Co., Ltd (a local company), a joint venture company, applied for land lease in Sihanoukville Port Special Economic Zone (SPSEZ) approximately 7.6 hectares
- After reviewing and discussing, the members of board approved by a majority vote (6 votes) agreeing to lease the land to TANG SHAN LECHANGQING Co., Ltd (a Chinese company) and LCQ Steel Cambodia Co., Ltd (a local company), a joint venture company to lease about 7.6 hectares of land for 25 years in Sihanoukville Port Special Economic Zone (SPSEZ) under the condition that the company must be qualified and comply with the investment law from the Royal Government of Cambodia, as well as to negotiate the maximum rental fee.
 - Setting the date for the 9th Board Meeting of the 8th Mandate

After reviewing and discussing, the members of board approved the date for the 9th meeting of the Board of Directors of the 8th mandate on August 4, 2023.

The 8th Extraordinary Board Meeting of the 8th Mandate on May 30th, 2023

- After reviewing and discussing, the members of board agreed on the report on the social funds for 2022 and requested PAS to continue reviewing the procedure for using social funds in accordance with the policy of Sihanoukville Autonomous Port.

The 9th Meeting of the Board of Directors in its 8th Mandate on 3rd August 2023

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

- After reviewed and discussed, the member of board approved the report of the Risk Management Committee, the Nomination and Remuneration Committee and the Audit Committee and approved PAS to prepare the national social security fund (monthly pension) for the retired PAS employees in accordance to the content of Sub-Decree No. 45 dated 17 February 2023 of the Royal Government on the extension of the national social security fund for former civil servants and veterans from August 2023.
- After reviewed and discussed, the members of board approved the report on the progress of the ongoing container port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. The new container terminal development project - Step 1, Step 2 and Step 3).
- After reviewed and discussed, the members of board approved the report of the second quarter and the first semester of 2023 PAS's business results.
- After discussed, the members of board unanimously approved the financial statements for the second quarter of 2023 reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- After reviewed and discussed, the members of board approved the lease of land to Royal Railway Co., Ltd for 10 years with a starting price of USD 100,000 per year with an increase of 5% every year limiting the size of the land that the company plan to utilize only. PAS will develop the remaining land to serve for PAS business.
- After reviewed and discussed, the members of board approved the report on land lease request in Sihanoukville Port Special Economic Zone (SPSEZ) and approved PAS to sign an agreement with the company that intend to lease land in Sihanoukville Port Special Economic Zone (SPSEZ) in accordance with the law.
- After reviewed and discussed the case of G.T.V.C SPEEDBOAT CAMBODIA on the development of the tourist port in front of Warehouse no.1 and Warehouse no.2, the members of board approved PAS to examine in accordance with the SOLAS, ISPS Code and the agreement with GTVC which is valid until February 2024 by maintaining the terms of use of the warehouse no.2 effectively according to the requirements of PAS's policy. After that PAS needs to discuss and negotiate the renting price and re-lease period.

- After reviewed and discussed, the members of board approved the date for the 10th meeting of the 8th Mandate Board of Directors on November 7, 2023.

The 10th Meeting of the Board of Directors in its 8th Mandate on 17th Nov 2023

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

- After reviewed and discussed, the member of board approved on the report of the Risk Management Committee, the Nomination and Remuneration Committee and the Audit Committee, and approved on the second paragraph, Article 9 of the Staff Statute allowing PAS to promote the contract staff who has the necessary technical skills to a full-time employee in the course from 3 to 6 months.
- After reviewed and discussed, the members of board approved the report on the progress of the ongoing container port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. The new container terminal development project - Step 1, Step 2 and Step 3).
- After discussed, the members of board approved the financial statements report for the third quarter of 2023, which were reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd.
- After reviewed and discussed, the members of board approved and supported the PAS's business budget plan (service) for 2024 as follows:
 - Business budget plan (service):
 - a. Volumes:

- Gross throughput	amount of 8,069,000 Tons	4% growth index
- Fuel	amount of 2,282,000 Tons	4% growth index
- Cargo handling	amount of 17,612,000 Tons	4% growth index
- Container throughput	amount of 823,000 TEUs	5% growth index
- Calling vessels	amount of 1,552 units	3% growth index
- Tonnage throughput	amount of 19,417,000 Tons	4% growth index
 - b. Total revenues
 - c. Total expenses
 - d. Operating profit
 - e. Finance gain/(loss)-net
 - f. Profit before tax
 - g. Income tax expenses
 - h. Net profit
 - Investment plan: PAS's investment plan for 2024 include:
 - Construction finance by Japanese ODA loan
 - Construction finance by PAS

(Total expenses for 2024 = KHR'000 47,499,525 and expected total expenses for 2025 = KHR'000 42,312,000)

- Installing equipment and machinery KHR'000 67,457,300

(Total expenses for 2024 = KHR'000 18,974,800 and expected total expenses for 2025 = KHR'000 48,482,500)

- Installing office equipment and fitting KHR'000 3,345,592
- After reviewed and discussed in 9th Meeting in its 8th mandate, the members of board approved and allowed PAS to lease the land to Royal Railway Co., Ltd for 10 years with a starting price of USD 100,000 per year with an increase of 5% every year limiting the size of the land that Royal Railway Co.,Ltd has utilized only. PAS will develop the remaining land to serve PAS's business.
- After reviewed and discussed, the members of board approved the tourist port development of G.T.V.C SPEEDBOAT CAMBODIA in front of Warehouse no.1 and Warehouse no.2, which PAS must set up a clear boarder line between PAS (International Port Area) and tourist port (Public Area) in order to comply with the SOLAS, ISPS Code and keep the warehouse no. 2 and the space in front of the warehouse to ensure the entry and exit of container trucks for PAS's business of agriculture and to serve the export of agro-industrial products such as rice and cassava.

Acknowledgement

Once again, I would like to express my profound thanks to the Royal Government of Cambodia led by **Samdech Moha Bovor Thipadei Hun Manet**, 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.

Finally, I would like to thank to all the PASs' employees for their hard work and dedication to the job.

Sihanoukville, Dated: 29 March 2024

Chairman



LOU KIMCHHUN

Table of Contents

Vision Mission and Values	I
Financial Highlight	II
Financial Summary Charts	III
Annual Statistical Summary	VI
Board of Directors	VII
Message from the Chairman	VIII
PART 1: General Information of Sihanoukville Autonomous Port	1
A. Identity of Sihanoukville Autonomous Port	2
B. Nature of Business	2
C. Group Structure of Sihanoukville Autonomous Port	4
D. Sihanoukville Autonomous Port key events	4
E. Market Situation	4
F. Competitive Situation	7
G. Future Plan	8
H. Risk Factors	15
PART 2: Information on Business Operation Performance	16
A. Business Operational Performance	17
B. Revenue Structure	20
PART 3: Information on Corporate Governance	21
A. Organization Structure	22
B. Board of Directors	23
C. Senior Officers	23
PART 4: Information on Securities' Trading and Shareholder	24
A. Information on Equity Securities	25
B. Securities' Price and Trading Volume	25
C. Controlling Shareholders (30% or more)	26
D. Substantial Shareholders (5% or more)	26
E. Informaiton on Dividend distribution in last three years	26
PART 5: Internal Control Audit Report by Internal Auditor	27
PART 6: Financial Statement Audited by the External Auditor	60

PART 7: Information on Related Party Transactions and Conflict of Interest 119

- A. Material transactions with Shareholder who hold at least 5% or more shares of outstanding equity securities 120
- B. Material transactions with Director and Senior Office 120
- C. Transactions with Director and Shareholder related to buy/sell asset and service120
- D. Material transactions with immediate family members of the Director, Senior office and Shareholder who hold at least 5% or more shares 120
- E. Material transactions with the person, who associated with director of the listed entity, its subsidiary or holding company, whose relationship has occurred in any transactions or have been made by the listed entity 120
- F. Material transactions with former director or person who involved with former director.....120
- G. Material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity120
- H. Material transactions with directors who get benefit either finance or non-financial from the listed entity 120

PART 8: Management’s Discussion and Analysis121

- A. Overview of Operation122
- B. Significant Factors Affecting Profit 128
- C. Material Changes in Sales and Revenue 129
- D. Impact of Foreign Exchange, Interest Rates and Commodity Prices 129
- E. Impacts of inflation 130
- F. Economic/Fiscal/Monetary Policy of Royal Government130

PART 9: Other Necessary Information for Investor Protection131

Signature of Directors of Sihanoukville Autonomous Port136

Appendix: Annual Corporate Governance Report determined by the Director General of the SERC.



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
 Investor Relations : (855) 78 49 6789
 Website : www.pas.gov.kh
 Email : pasinfo@pas.gov.kh
 Company Registration Number: Co.4784 Et/2017 Date: 21st February 2017
 License Number : 0159 ពណ.ចប័ព 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 seaport of the Kingdom of Cambodia is performing its business operation on the land area approximately 125 hectares. Situated along the coastal line of the Kingdom of Cambodia, in the Gulf of Thailand, PAS enjoys a favorable natural condition which contributes smoothly to the year-round business operation with calm sea water and no tidal storms.

PAS is connected by a variety of multi-modal transportation networks. By road, PAS is connected by two main national roads, namely National Road No. 4 with 226 Km in length from Phnom Penh capital and National Road No. 3 with 244 Km in length through Kampot province. In addition, the newly built expressway opened in October 2022, with a length of 187 km from Phnom Penh to Sihanoukville. PAS is also connected by the southern railroad from Phnom Penh through Kampot province with 264 Km in length. By airways, PAS is connected to Siem Reap province and Phnom Penh capital by Sihanoukville International Airport.

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

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

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

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

- Railway Container Terminal

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

- Sihanoukville Port Special Economic Zone

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

C. Group Structure of Sihanoukville Autonomous Port

PAS doesn't have Subsidiary company, Holding company or any related companies.

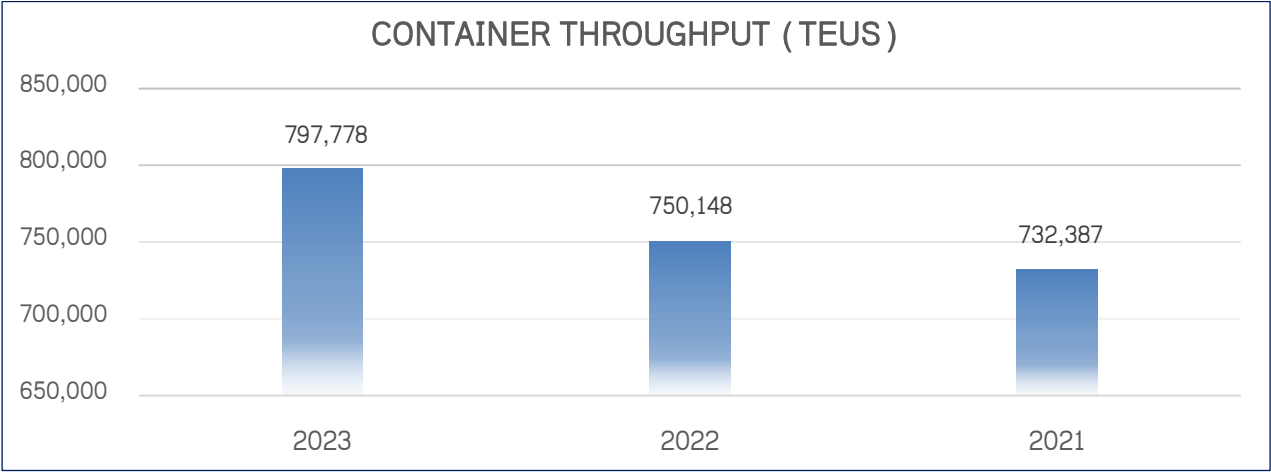
D. Sihanoukville Autonomous Port's Key Events

In 2023, PAS had two key events as below:

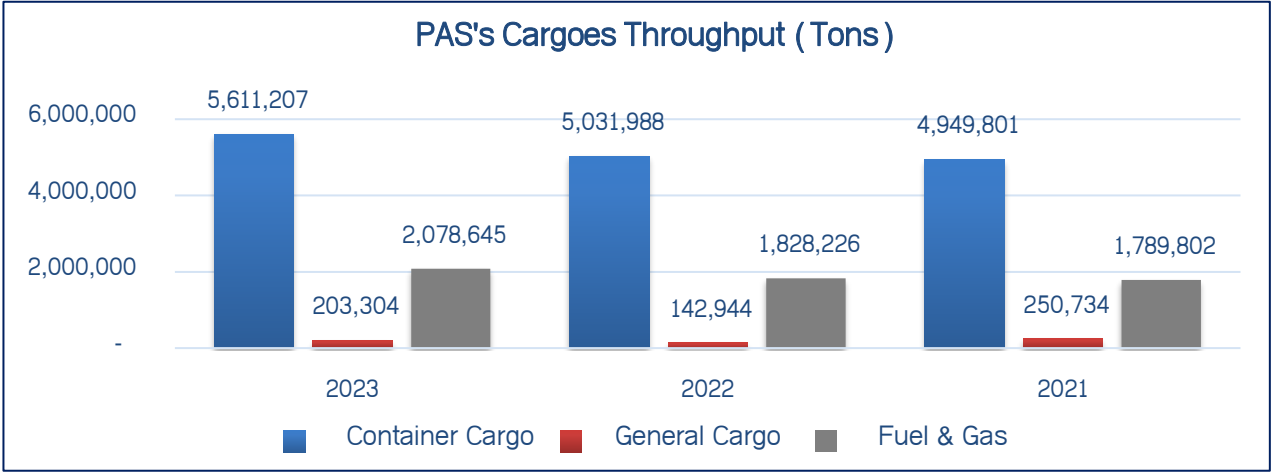
- ❖ PAS had the 6th General Shareholder Meeting on 09th June 2023 which held at Sokha Beach Hotel and Resort is presided **H.E Lou Kim Chhun**, Chairman and President of the 6th General Shareholder Meeting with the result as follow:
 - PAS's Business-Operation Performance 2022
 - PAS's Financial Statement year ended 31st December 2022 (Audited)
 - PAS's Performance Target for 2023
 - Approval of Dividend Distribution to Shareholders for Fiscal year 2022.
 - Shareholders class "B" amounted to KHR 3,986,442,000.
 - Shareholders class "C" 9% of IPO price (KHR 5,040), equivalent to KHR 9,735,118,368.
 - Approval on Remuneration for Board of Directors and State controller 2023.
- ❖ On 22nd Dec 2023, PAS had groundbreaking ceremonies for the construction of new container terminal-phase1 with the length 350m and depth 14.5m and has received two Mobile Harbor Cranes with lifting a capacity Max to 100 tons for general cargo and 15boxes/hour for containerized cargoes, totally equivalent to USD 13.9 Million, which is the Government of Japan's Grant Aid, and has officially launched in operation On 22nd December, 2023 also, under the **Samdech Moha Borvor Thipadei Hun Manet, Prime Minister of the Kingdom of Cambodia**, in The Groundbreaking Ceremonies for the Construction of the New Container Terminal-Phase1 and the Official Launch 2 Units of Mobile Harbor Cranes which held at Sihanoukville Port Special Economic Zone.

E. Market Situation

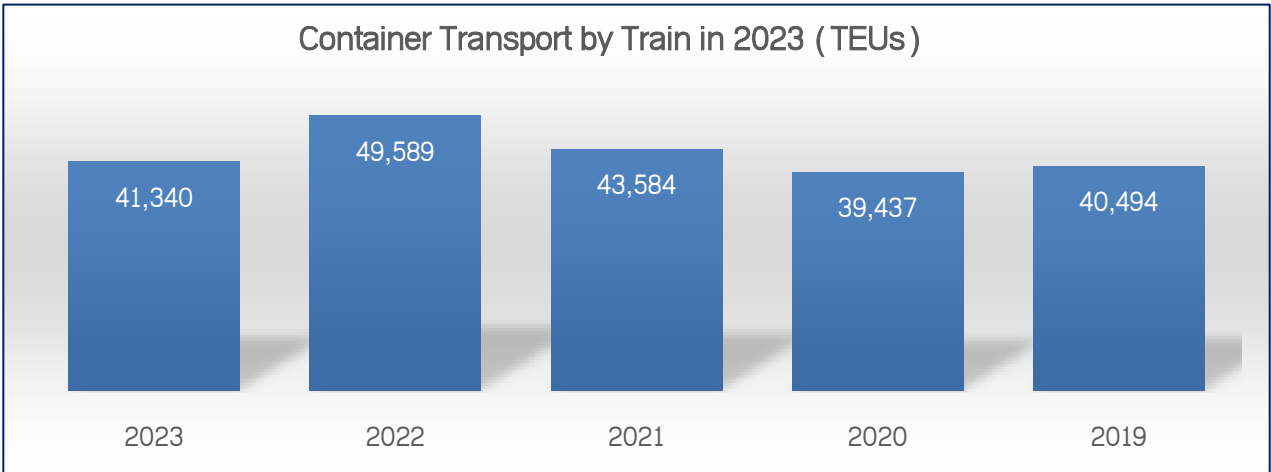
PAS's market condition is strongly relied on the container traffic. We found that in 2023 of the container volume amounted to 797,778 TEUs compared to 2022 the growth of container volume (TEUs) was approximately 6.35% equal to 47,630 TEUs and increased by 8.93% equal to 65,391 TEUs compared to 2021. Based on the volume of PAS's export and import container throughputs, the export containers for 2023 increased by 40,111 TEUs equivalent to 11.30% compared to 2022, while the volume of import containers increased by 7,519 TEUs equivalent to 1.90%.



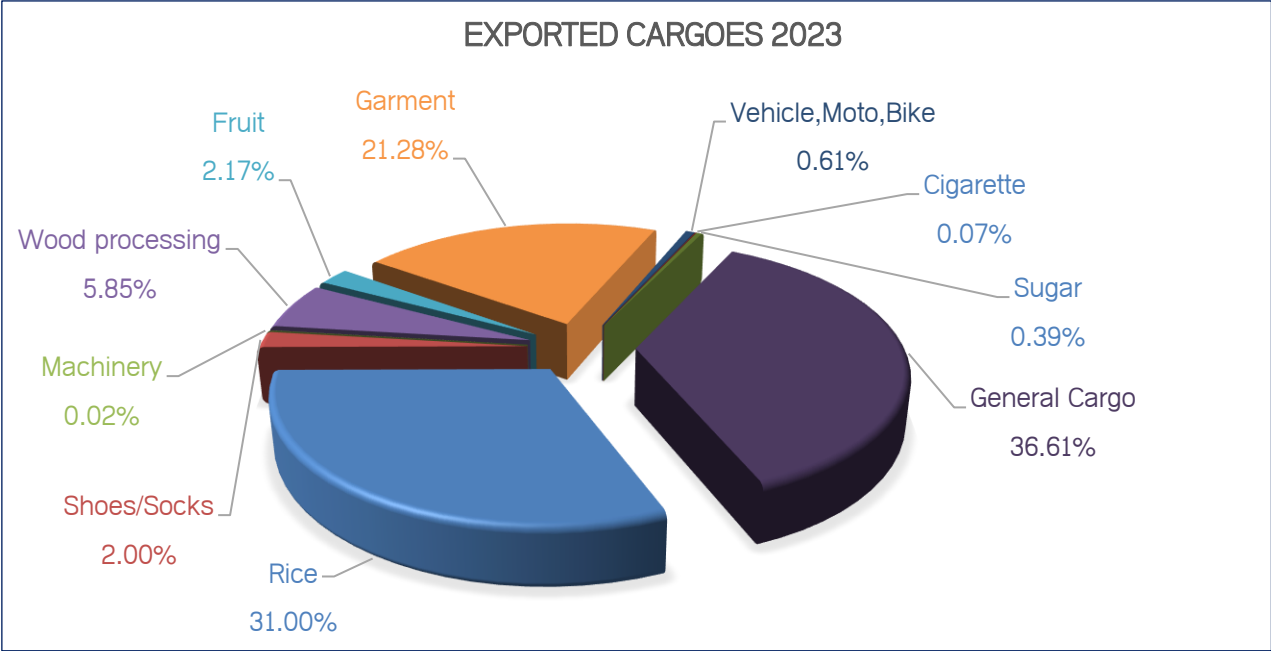
Considering PAS's cargo throughputs of 2023, it amounted to 7,893,157 tons with an increase of 12.71% equivalent to 889,999 tons compared to 2022 and increased by 902,820 tons equal 12.92% compared to 2021. Among the cargo throughput in 2023, containers cargo increased by 11.51% equal to 579,219 tons and fuel & gas increased by 13.70% equal to 250,420 tons. Also, the general cargo increased by 42.23% equal to 60,361 tons compared to 2022.



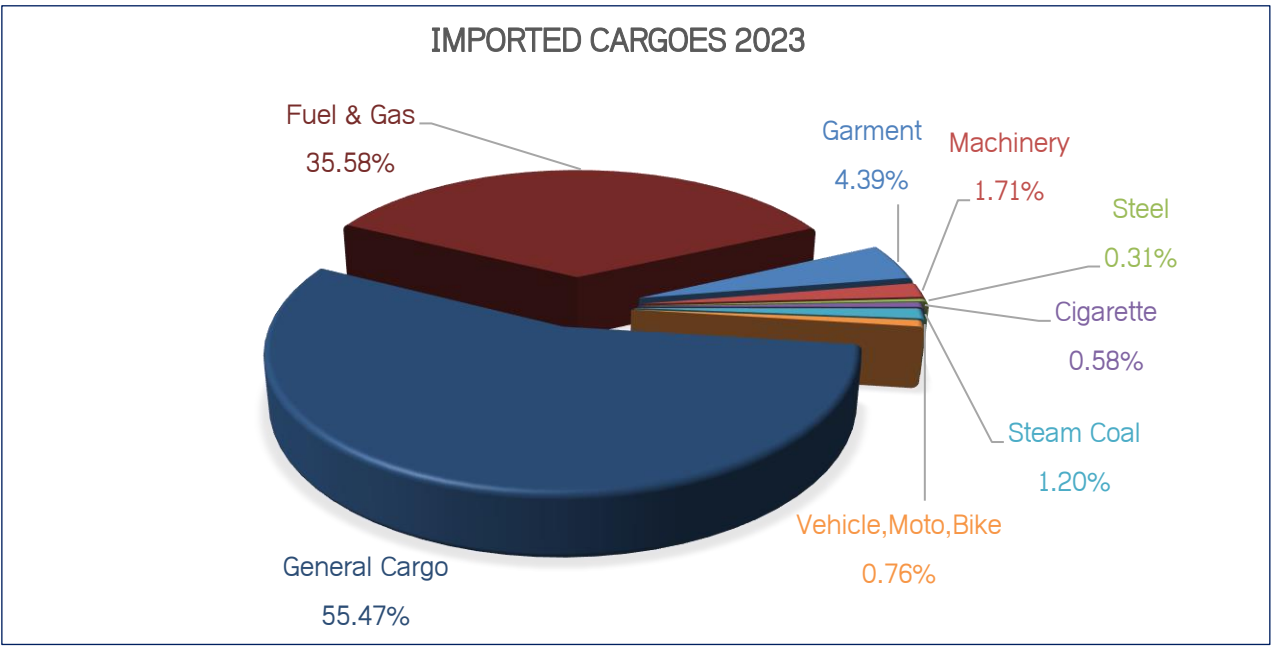
From 2014 to present, some containers transported by train via PAS has facilitated a certain part of traffic congestion on National Road No. 4 as well as giving choices for PAS's customers in transporting cargo in and out of the port. We found that in 2023 PAS's container throughput by train equivalent to 41,340 TEUs decreased by 16.64% equal to 8,249 TEUs compared to 2022.



The commodities of exported cargoes with the total amount of 2,050,168 tons in 2023 which increased by 15.31% equivalent to 272,247 tons if compared to 2022. In this 2023, the general cargoes amount to 36.61% equal to 750,662 tons, the largest exported cargoes, while the rice cargoes amount to 31.00% equal to 635,652 tons. Besides, the Garment amount to 21.28%, Wood processing 5.85%, Shoes/Socks 2.00%, Fruit 2.17%, Machinery 0.02%, vehicle/motor/bike 0.61%, cigarette 0.07%, and sugar 0.39% of the total amount of PAS's exported cargoes in 2023.



The total amount of imported cargoes via PAS in 2023 is 5,842,989 tons which increased by 11.82% equivalent to 617,753 tons if compared to 2022. Among the imported cargoes, general cargoes amount to 55.47%, Fuel 35.58% and Garment 4.39% of the total amount of imported cargoes in 2023. For cargo commodities such as Machinery consist of 1.71%, Vehicle/Motor/bike 0.76%, Cigarette 0.58%, Steel 0.31%, and Steam Coal 1.20% of the total amount of imported cargoes in 2023.



F. Competitive Situation

PAS still retains its competitive advantages by several factors as follows:

- **Geographical Advantages**
 - PAS is located in the bay of Preah Sihanouk province which is convenient for cargo transportation to the main international markets. The shipment of cargo from PAS to various ports in the Asia Pacific does not need to transit through any hub ports in the region, i.e. the shipment of cargo can be performed directly. Besides, cargo shipment to the ports in Hong Kong or Singapore which are gateways to Europe and the US markets is also convenient.
 - PAS is rarely affected by such natural disasters as tidal storms and earthquakes because this bay is composed of favorable natural conditions.
 - The vessel alongside berth is not required to dredge much sand and sediment, that's why PAS does not need to spend much fund on dredging of navigation channel.
- **Modernized Infrastructures**
 - PAS has equipped adequate infrastructure to serve its business operation such as VTMS (Vessel Traffic Management System). At present, PAS's container handling capacity reached 800.000 TEUs after additionally installed 1 unit of QC, 2 units of RTGs, and 4 additional units of Empty Reach stackers. This factor has enabled PAS's productivity to increase more and to reduce cargo congestion.
- **Promotion of Work Efficiency**
 - The work efficiency has been improved by strengthening the management process in compliance with good governance after listing for stock exchange.
 - The use of modern technology for performing the operational process is supported by the additional installation of such facilities as Rubber Tyred Gantry Cranes (RTG) and Quay Cranes (QC).
 - The management have provided training and encouraged the personnel and employees, especially in carrying out their direct duties in order to reinforce the spirit and mental strength in an effort to accomplish reliable services for the customers.
- **Service Charges with Competitive Manner**
 - PAS still keeps its service charges in a competitive manner in order to attract more customers and strengthen its service quality.
- **Keeping Good Relations with Stakeholders**
 - PAS has kept good relations with its customers through an effort to satisfy their demands and accepted opinion and constructive criticism to realize its shortages with the aim to conduct further improvement.
 - PAS has also maintained a good cooperation with ports in the region in sharing information and mutual experiences to improve its services.

G. Future Plan

PAS's Development Plans for next 10 Years (2020-2030)

The Short-Medium-Long Term Development Plan of PAS Includes:

- ❖ Installation plan of heavy container handling machinery

From 2023 to 2024, PAS is planning to install 2 units of QCs and 6 units of RTGs. After the installment of 2 units of QCs, 4 units of RTGs and 8 units of trucks and trailers, PAS's container handling capacity has reached 800,000 TEUs per year starting from 2023.

Summary of the Project	
Project Period	From 2023-2024
Project Purpose	Enhance PAS's container yard handling capacity
Expected Outcomes	Enhance container handling capacity up to 800,000 TEUs per year starting from 2023
Important Inputs of the Project	- Install 2 units of QCs and 6 units of RTGs and 8 units of Trucks and Trailers in 2023 to enhance container handling capacity up to 800,000 TEUs per year.
Project Operating Agent	PAS is the operating agent
Financial Source	PAS's own fund
Estimated Cost	USD 21,037,000.00

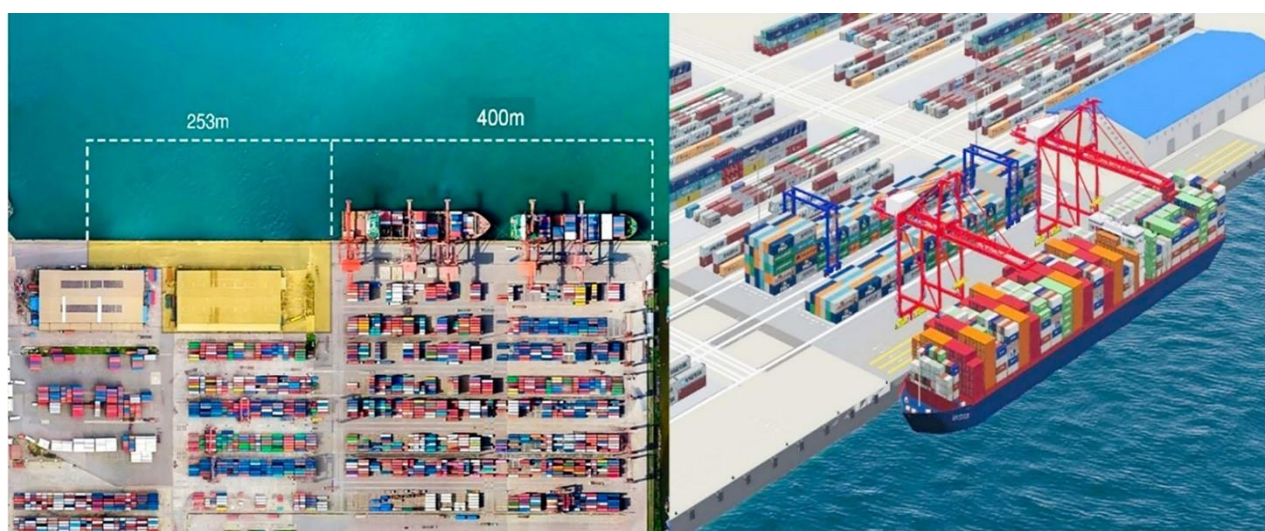
- ❖ Renovation project of general cargo port (Constructed in 1969, 350m in length) to Container Terminal with 253m in length

The volume of containers throughput in PAS has increased significantly, reaching nearly 800.00 TEUs in 2023. PAS expects further growth along with Cambodia's economic growth.

With increasing container volumes in the future, PAS has exceeded its container handling capacity (550,000 TEUs in 2023), despite the purchase of additional container handling equipment and yard expansion work.

Therefore, the renovation of the general cargo port into a 253-meter container terminal is essential to become an additional container terminal, which PAS currently has only two terminals.

Summary of the Project	
Project Period	From 2023-2024
Project Purpose	Enhance PAS's container yard handling capacity
Expected Outcomes	Enhance container handling capacity up to 800,000 TEUs per year starting from 2024
Important Inputs of the Project	<ul style="list-style-type: none"> • Renovating of the general cargo port (constructed in 1969, 350m in length) to container terminal with 253m in length. • Drilling foundations road for container loading equipment at port (QC) • Paving work for RTG (Warehouse No.5 area excluding from RTG yard) and draining system, etc.
Project Operating Agent	PAS is the operating agent
Financial Source	Remaining JICA loan from CP-P10
Estimated Cost	USD 10,107,000.00



❖ New Container Terminal Construction Project (Phase 1) 350m in length by 14.5m depth

From 2023 to 2026, the New Container Terminal Project (Phase 1) with 350m in length by 14.5m depth, together with the installation of heavy container handling equipment including: 3 units of QC, 9 units of RTG and other container handling equipment.

This project is financed by JICA project loan and planned to start the construction in March 2024 and expected to be operational at the beginning of 2027.

Summary of the Project	
Project Period	From 2024 to 2027
Project Purpose	To enhance container handling capacity of Sihanoukville port which is the sole deep-sea port of Cambodia and the efficiency of Cambodian logistics by the construction of a new container terminal with 350m in length by 14.5m depth and develop other facilities in order to allow larger container vessels with the capacity to store 60,000 DWT (4,000 TEUs) to dock (93% of the container vessels in Asia-Pacific region). The new container terminal construction project is expected to be completed and fully operate at the beginning of 2027 which has the capacity to handle container passing through of 450,000 TEUs per year, allowing PAS's handling capacity to increase furthermore up to 1,250,000 TEUs per year in 2027 (additional capacity of the new wharf of 100,000 TEUs per year) as well as the Ocean Freight Cost that will similar to neighboring countries and the region, and contribute to trade facilitation and the development of Cambodian socio economy.
Expected Outcomes	Container handling capacity will reach 1,250,000 TEUs per year when this new container terminal is launched for operation in the upcoming year of 2027.
Important Inputs of the Project	Construction of a new Container Terminal with 350m in length by 14.5m depth, container yard and port facilities and dredging of vessel basin and navigation channel with 4.3 km in length by 13.5m depth. Installation 3 units of QCs, 9 units of RTGs, 2 units of Empty Reach Stackers, and 16 units of trucks and trailers, and 1 set of Auto container terminal management system, etc.
Project Location	Located to the east of the existing container terminal and on the surface of sea water adjacent to the breakwater with the distance approximately 300m from the seashore and connected with the access bridge from land area to the container terminal. The total land area is 17.5 hectares.
Project Operating Agent	PAS is the project operating agent, and the Ministry of Economy and Finance is the Employer.
Financial Source	JICA loan (No. CP-P21), sub-loan by the Ministry of Economy and Finance
Estimated Cost	JPY 23,502,000,000 approximately USD 203,000,000.00
Stages of Project Implementation	Stage 1: Pre-qualification study and financial preparation (2016-2017) First step (2016 to 2017): JICA study team conducted a study and prepared a report on pre-qualification of the new container terminal development project of Sihanoukville port.

Second step (2016-2017): JICA study team conducted a study and evaluated the financial conditions of Sihanoukville Autonomous Port new container terminal development project and signed the financial loan Agreement No. CP-P21 on 7th August 2017.

Stage 2: Selection of project consultants (2018-2019)

The selection of project consultant was carried out in accordance with the procedures of Single Source Selection (SSS). The process in each step must be approved in principle by the two ministries in charge (MEF & MPWT) and JICA. This consulting service consists of the study on engineering detailed design, civil construction and procurement of heavy container handling equipment, and monitoring work upon the completion of the project.

Nippon-Koei & Oriental Consultants Global JV (Japanese Company) have signed the contract with PAS in August 2019.

Stage 3: Preparation for engineering detailed design, assistance for bidding, selection of construction company/contractor, and heavy container handling equipment procurement company (2019-2020)

First step (2019-2020): Preparation for engineering detailed design for (1) civil construction work (Packag-1) and (2) procurement of heavy container handling equipment (Packag-2)

NK-OCG JV Consultant company has started the preparation for engineering detailed design and the bidding document for the construction contractor since July 2019 which submitted to PAS in July 2020. However, for the engineering detailed design work has been modified to comply with the trade agreement, as well as due to the global impact of COVID-19 that causing the project to delay and resubmitted to PAS in November 2021.

Second step (2021-2023): (1) Selection of construction company/ contractor for the new container terminal (Packag-1) (2023-2023) and (2) selection of heavy container handling equipment procurement company (Packag-2) (2023-2023). The selection procedures of the construction and procurement companies shall be implemented in accordance with the procedures of the International Competitive Bidding (ICB) and must be agreed in principle from the two ministries in charge (MEF & MPWT) and JICA.

Stage 4: Construction stage of a new container terminal and procurement of heavy container handling equipment (2023-2026)

- Package 1 (2024-2024): the construction of a new container terminal shall be commenced in March 2024 and completed in 2027 (36 months).

	<ul style="list-style-type: none"> - Package 2 (2024-2027) : the procurement of heavy container handling equipment shall be commenced in the and of 2024 and expect to be completed in 2027 (28 months). <p>Stage 5: Maintenance and repair period (LDP) (2027 to 2028)</p> <p>The maintenance and repair period of the project shall last for 1 year:</p> <ul style="list-style-type: none"> - New container terminal construction work (2027-2028) - Procurement of heavy container handling equipment (2027-2028).
Progress of the Project	<ul style="list-style-type: none"> - The loan Agreement was signed on 7th August 2017. - The loan Agreement was effective on 7th November 2017. - The loan Agreement expire on 7th August 2025. - Consultant Agreement between PAS and NK-OCG JV signed on 8th August 2019. - Consultation service for engineering detailed design and the preparation of bidding document for the construction contractor started since July 2019 and expected to complete in June 2020. However, the project has been delayed due to the impact of global pandemic COVID-19 and the modification of engineering detailed design in accordance with the trade agreement, and the revised bidding document were resubmitted to PAS in November 2021. - On December 4, 2023, Pas signed an agreement with Toa Corporate and open the construction site of a new container Port under the Samdach Moha Borvor Thipadei Hun Maneth, Prime Minister of the Kingdom of Cambodia on December 22, 2023. Construction will begin in mid-March 2024 and is scheduled to be completed in March 2027.



- ❖ New container terminal construction project, New Deep-Phase 2 (400m in length by 16.5m depth) and Phase 3 (430m in length by 17.5m depth) financed by Japanese loan

The vision is to develop PAS into the efficient and dynamic deep seaport, contributing to the improvement of logistic service and socio-economic development in the Kingdom of Cambodia. Once the new deep-sea container ports - Phase 2 and Phase 3 are operational, PAS will be able to attract large container vessels with shipping routes in the Asia-Pacific, Europe and the United States directly to Cambodia without needing to transfer at various ports, taking advantage of the economic benefits of reducing costs and saving time on shipping.

PAS is becoming a potential regional port, especially to support national economic growth and reduce poverty for Cambodian and connect Cambodia to the region and the world.

Therefore, PAS needs to develop both phases of the new deep sea container terminal together by 2028 to 2029, which is the option study by the JICA Survey Team:

- 1- New container terminal (Phase 2) 400m in length by 16.5m depth
 - Capacity of vessel with 120,000 DWT, average containers of 10,000 TEUs will be able to dock and install heavy container handling equipment as well as other necessary Container terminal operating system, TOS.
- 2- New container terminal (Phase 3) 430m in length by 17.5m depth
 - Capacity of vessel with 160,000 DWT, average containers of 15,000 TEUs will be able to dock and install heavy container handling equipment as well as other necessary Container terminal operating system (TOS).

Summary of the Project	
Project Period	From 2023 to 2030
Purpose of the Project	To support trade and business facilitation in Cambodia, reduce the time and logistic cost, which ensure the sustainability of import and export cargoes, competitiveness, quality service and non-congestion in the future. To meet the Cambodia Industrial Development Policy 2015-2025, PAS need to develop and built a new container terminal –Phase 2 (400m in length by 16.5m depth) and Phase 3 (430m in length by 17.5m depth). The vision is to develop PAS into the only effective and prosperous deep-sea port to contribute to the improvement of the logistics sector and socio-economic development in the Kingdom of Cambodia. The new terminal project will be able to attract large container vessels with shipping routes in the Asia-Pacific, Europe and the United States directly to Cambodia without needing to transfer at various ports, taking advantage of the economic benefits of reducing costs and saving time on shipping. Besides, PAS is becoming a potential regional port, especially to support national economic

	growth and reduce poverty for Cambodian and connect Cambodia to the region and the world.
Results	Container handling capacity has reached 2,500,000 TEUs per year in the same period
Expected Outcomes	The new container terminal Phase 2 and Phase 3 is expected to launch for operation in the upcoming 2030.
Important Inputs of the Project	<p>1-New container terminal (Phase 2) 400m in length by 16.5m depth (Capacity of vessel with 120,000 DWT, average containers of 10,000 TEUs) and install heavy container handling equipment as well as other necessary Container terminal operating system, TOS.</p> <p>2-New container terminal (Phase 3) 430m in length by 17.5m depth (Capacity of vessel with 160,000D WT, average containers of 15,000 TEUs) and install heavy container handling equipment as well as other necessary Container terminal operating system, TOS.</p> <p>3- Equipped 2 units of tugboats with 4.000 capacity horsepower and 1 unit of pilot boat</p>
Location of the Project	To be connected from the 350m in length container terminal on the surface of the sea water adjacent to the breakwater with the distance approximately 650m in length from the seashore and connected with an access bridge from the land area to the container terminal. The total land area is 42.5 hectares.
Operating Agent	PAS is the project operating agent and the Ministry of Economy and Finance is the employer.
Financial Source	JICA loan (No. CP-P21), sub-loan by the Ministry of Economy and Finance
Estimated Cost	JPY 64,973,000,000.00 equivalent to USD 570,000,000.00 (Received the first JICA loan: JPY 41,388,000,000, equivalent to approximately USD 360,000,000,000)
Stages of the Project	<p>Stage 1: Pre-qualification study and financial preparation (2021-2023)</p> <ul style="list-style-type: none"> - 2021-2023: JICA survey team is studying and preparing a report on the pre-qualification study of new container terminal development project Phase 2 and Phase 3, and financial evaluation of this new container terminal development project Phase 2 and Phase 3 together in order to provide financial loan. <p>Stage 2: Selection of project consultants (2023-2024)</p> <ul style="list-style-type: none"> - Selection of consultant companies for Container Terminal Expansion Project - Phase 2 and Phase 3: following the Shortlisted Consultants Procedures by development partners. The consultant services include civil engineering

	<p>design studies for NCT2 & NCT3, preparation bidding document assistance, and construction supervision for construction, recruitment of construction contractors for NCT2 & NCT3, heavy machinery supply, container handling, and supply ship operation and inspection work during the warranty period of the construction period.</p> <p>Stage 3: Preparation for engineering detailed designs and assistance for bidding in the selection of construction contractor/company and modern heavy container handling equipment procurement company (2023-2024).</p> <ul style="list-style-type: none"> - First step (2024-2025): Preparation of engineering detailed designs for (1) civil construction-Phase 2 (Package-1) and (2) civil construction-Phase 3 (Package-2) and 3 supplying modern container lifting equipment (Package-3) and (4) Operation Ship Work (Package-4). - Second step (2024-2025): Selection of engineering design for civil construction-Phase 3 (Package-2). - Third step (2025-2026): Selection of construction company-Phase 2 (Package-1) (2) Heavy container handling equipment (Package-3) and (3) Operation Ship Work (Package 4). - Fourth step (2025-2026): (1) Selection of construction company-Phase 3 (Package-2). The procedure for the selection of construction and procurement companies shall be carried out in accordance with the procedures of the International Competitive Bidding (ICB). <p>Stage 4: Construction stage of the new container terminal – Phase 2 and 3, and the procurement of modern heavy container handling equipment (2025-2029)</p> <ul style="list-style-type: none"> - First step (2025 to 2028) (36 months): The construction of a new container terminal Phase 2 (Package-1) (2) Heavy container handling equipment (Package-2) (3) Operation Ship Work (Package-3). - Second step (2026-2029) (48 months): The construction of a new container terminal-Phase 3 (Package-4). <p>Stage 5: Maintenance and repair period (LDP) (2029 to 2030)</p> <p>The maintenance and repair guarantee period shall last for 1 year.</p>
Progress of the Project	On 15 February 2024, the PRC Procurement Oversight Committee and JV-Nippon Koei and Oriental Consultant Global in association with OCDI negotiated an agreement with a total price of JPY 2,692,952,644 and USD 20,307,320.

H. Risk Factors

In this 2023, PAS did not analyze about risk factors.



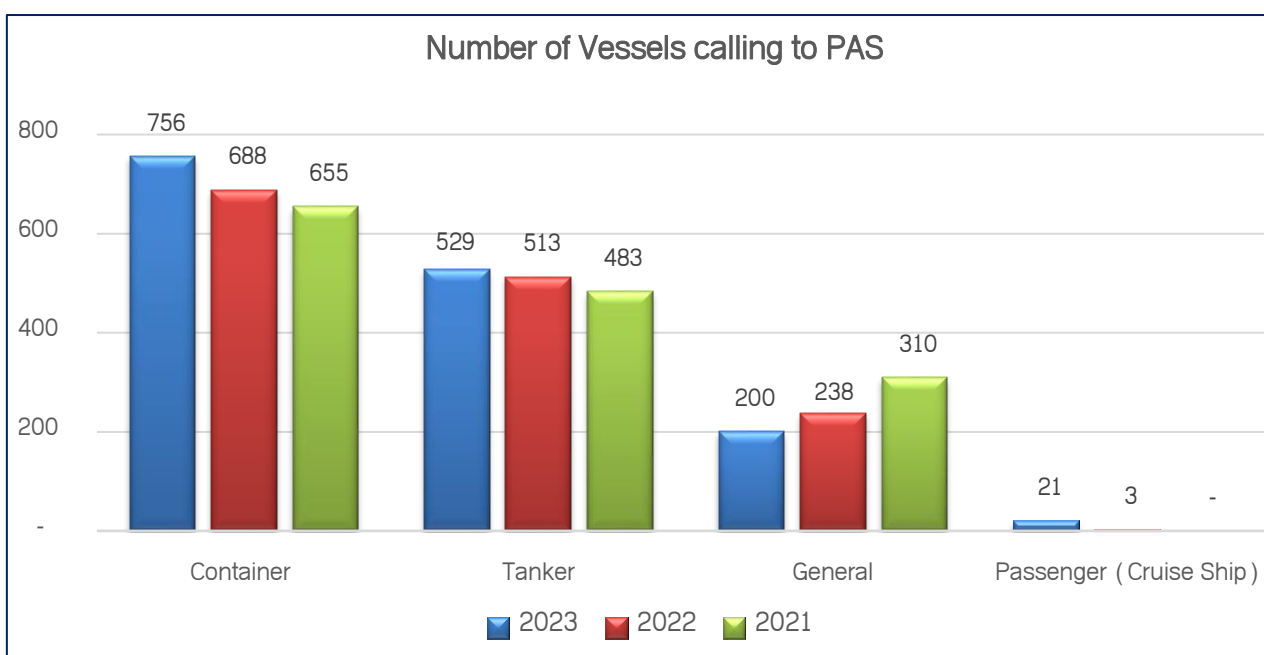
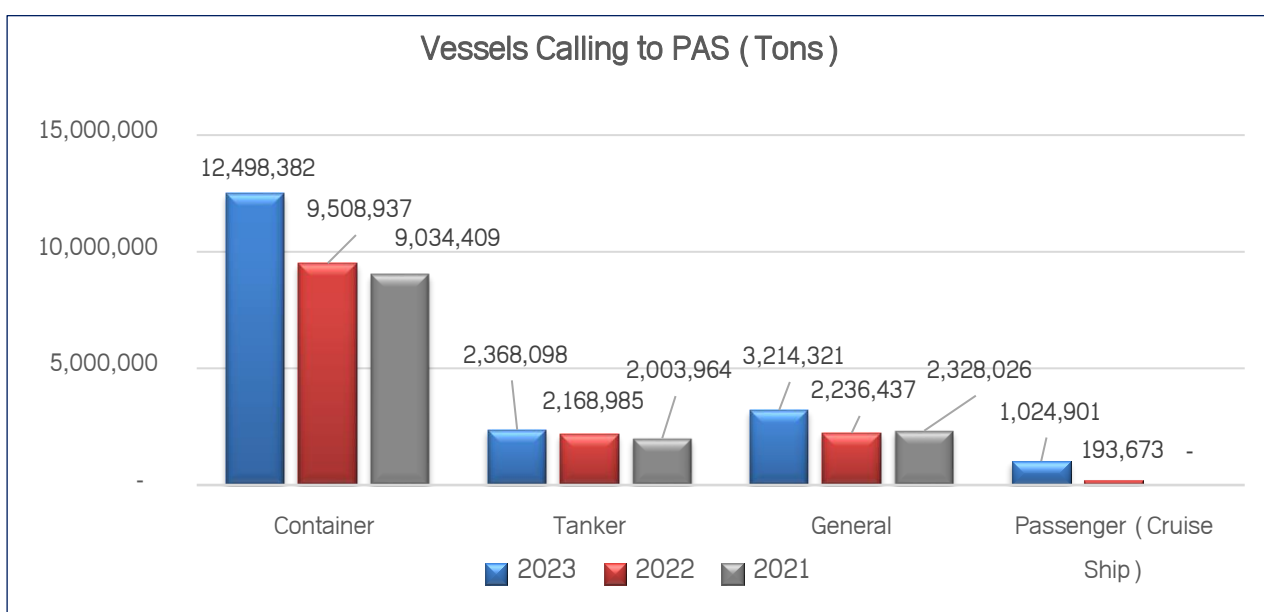
PART: 2
**Information on Business Operation
Performance**

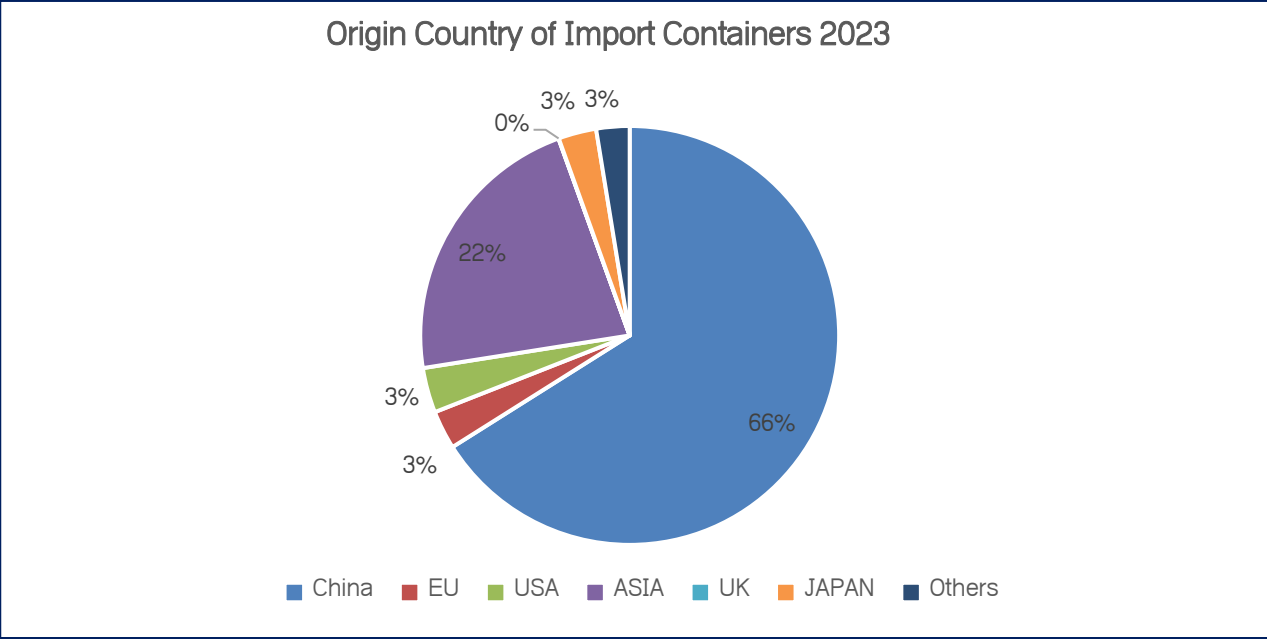
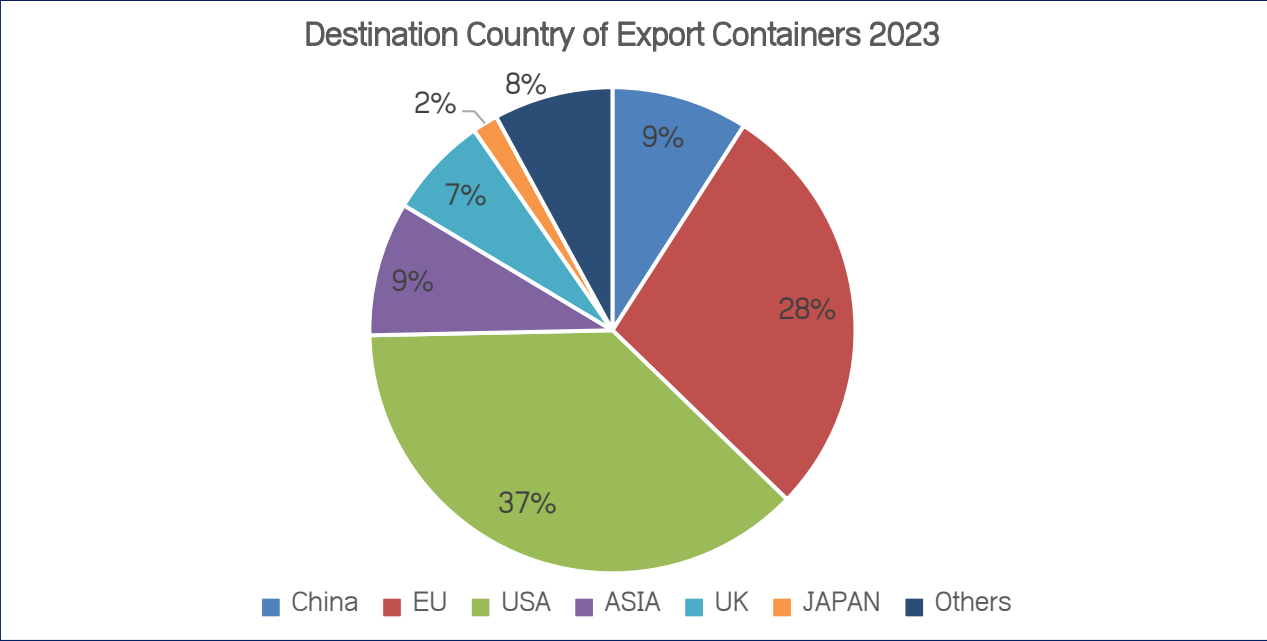
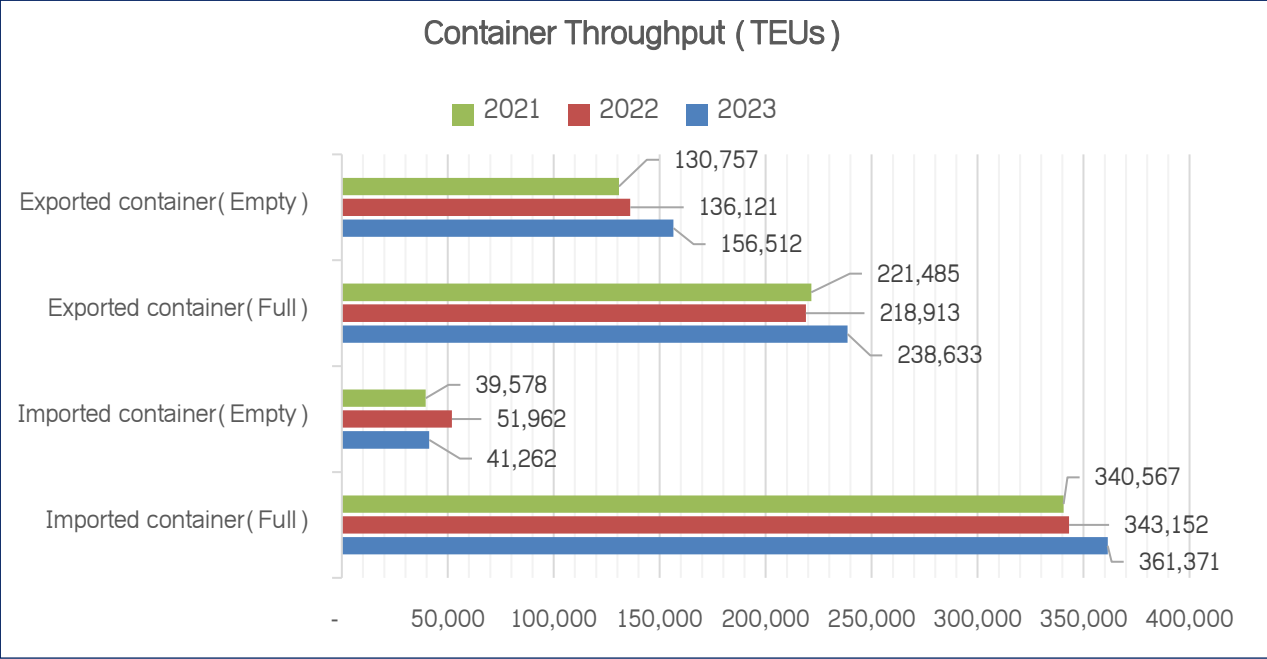


A. Business Operation Performance including business segments information

Items		Planning 2023	2023	2022	2021	Comparison		
		1	2	3	4	(2-1)/1	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,282,000	7,893,157	7,003,157	6,990,337	8.39%	12.71%	12.92%
Container Cargo	–	-	5,611,207	5,031,988	4,949,801		11.51%	13.36%
General Cargo	–	-	203,304	142,944	250,734		42.23%	-18.92%
Fuel	–	-	1,939,721	1,729,700	1,737,047		12.14%	11.67%
Gas	–	-	138,924	98,525	52,755		41.00%	163.34%
Imported Cargo	–	5,436,000	5,842,989	5,225,236	5,203,819	7.49%	11.82%	12.28%
Container	–	-	3,574,124	3,254,499	3,191,187		9.82%	12.00%
General	–	-	2,268,865	1,970,737	2,012,632		15.13%	12.73%
Exported Cargo	–	1,846,000	2,050,168	1,777,921	1,786,518	11.06%	15.31%	14.76%
Container	–	-	2,037,083	1,777,489	1,758,614		14.60%	15.83%
General	–	-	13,085	432	27,904		2930.61%	-53.11%
Cargo Handling	–	15,852,400	17,161,938	11,239,434	10,199,148	8.26%	52.69%	68.27%
Direct Transfer	–	140,000	169,173	121,180	201,923		39.60%	-16.22%
Container Yard and Warehouse	–	15,712,400	16,992,765	11,118,253	9,997,225		52.84%	69.97%
Container Throughput	TEUs	800,000	797,778	750,148	732,387	-0.28%	6.35%	8.93%
Imported Container	–	-	402,633	395,114	380,145		1.90%	5.92%
Full Container	–	-	361,371	343,152	340,567		5.31%	6.11%
Empty Container	–	-	41,262	51,962	39,578		-20.59%	4.25%
Exported Container	–	-	395,145	355,034	352,242		11.30%	12.18%
Full Container	–	-	238,633	218,913	221,485		9.01%	7.74%

Empty Container	-	-	156,512	136,121	130,757		14.98%	19.70%
Calling Vessels	Units	1,458	1,506	1,442	1,448	3.29%	4.44%	4.01%
	Tons	14,404,000	19,105,702	14,108,032	13,366,399	32.64%	35.42%	42.94%
Container	Units	-	756	688	655		9.88%	15.42%
	Tons	-	12,498,382	9,508,937	9,034,409		31.44%	38.34%
Tanker	Units	-	529	513	483		3.12%	9.52%
	Tons	-	2,368,098	2,168,985	2,003,964		9.18%	18.17%
General	Units	-	200	238	310		-15.97%	-35.48%
	Tons	-	3,214,321	2,236,437	2,328,026		43.73%	38.07%
Passenger (Cruise Ship)	Units	-	21	3	-		600.00%	100.00%
	Tons	-	1,024,901	193,673	-		429.19%	100.00%
	Person	-	12,906	231	-		5487.01%	100.00%





B. Revenue structure

Description	2023		2022		2021	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	177,778,892	48.75%	164,873,445	47.96%	158,566,499	46.32%
LOLO Charge	93,390,482	25.61%	96,920,196	28.20%	100,602,046	29.39%
Port Charge for Vessel Services	74,057,713	20.31%	62,285,050	18.12%	65,016,267	18.99%
Storage (Warehouse and Yard)	14,064,536	3.86%	15,516,975	4.51%	14,374,488	4.20%
Transportation	123,264	0.03%	92,090	0.03%	122,326	0.04%
Passenger vessel	209,932	0.06%	0	0.00%	-	0.00%
Special Economic Zone	2,297,616	0.63%	2,374,696	0.69%	2,195,869	0.64%
Rental fee	1,938,597	0.53%	1,385,553	0.40%	1,168,248	0.34%
Other revenues	779,739	0.21%	295,539	0.09%	303,486	0.09%
Total Revenue	364,640,771	100.00%	343,743,545	100.00%	342,349,229	100.00%

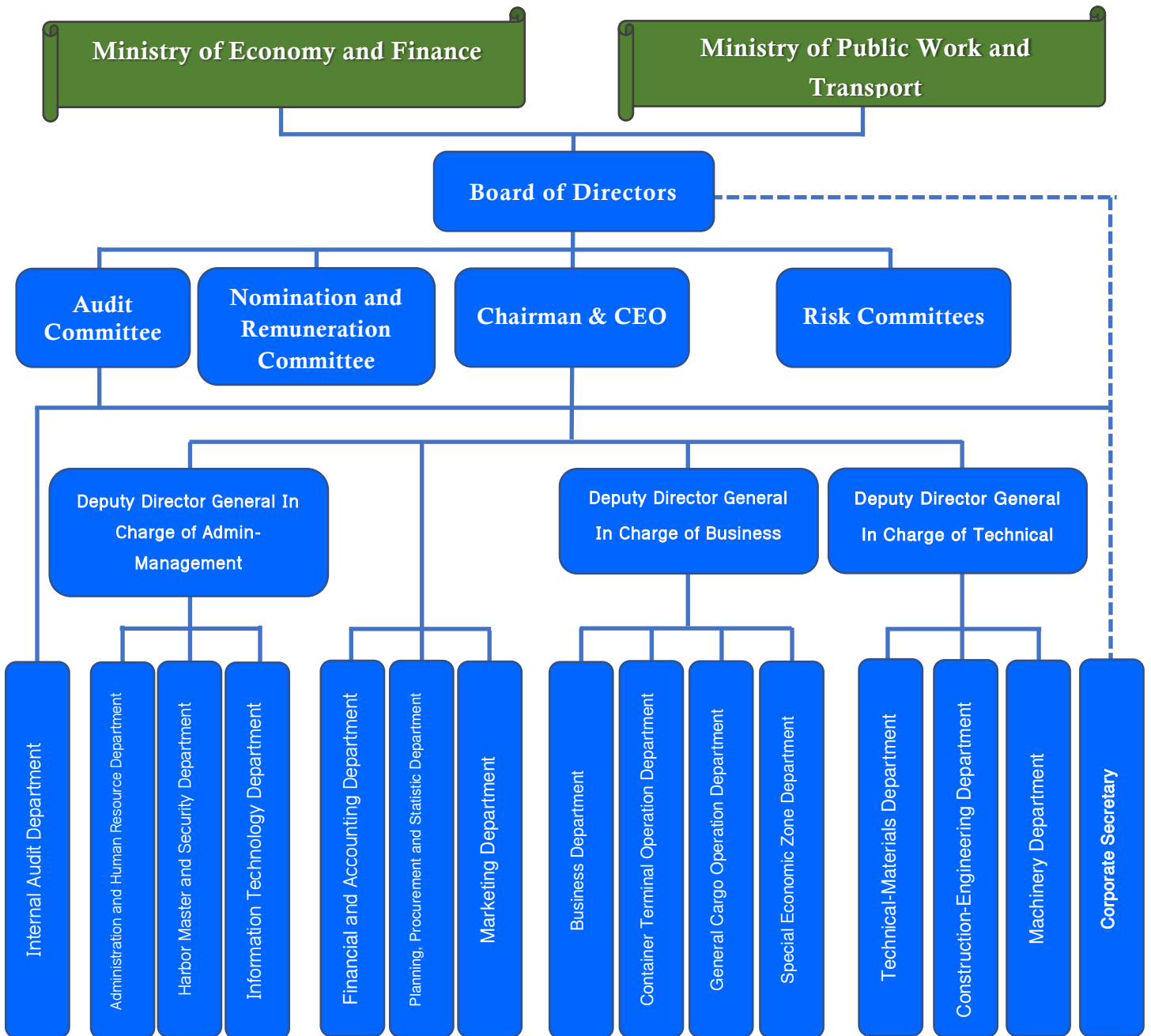


PART 3:
**Information on Corporate
Governance**



A. Organization Structure

Organization chart of Sihanoukville Autonomous Port



B. Board of Director

Board Composition

No.	Name	Position	Date of term being Director	Expired Date of being Director
1	H.E. Lou Kim Chhun	Chairman	05 May 2021	04 May 2024
2	H.E. Suy San	Director	05 May 2021	04 May 2024
3	H.E. Phan Phalla	Director	05 May 2021	04 May 2024
4	H.E. Sok Sopheak	Director	05 May 2021	04 May 2024
5	Mr. Hun Monivann	Director	25 June 2021	24 June 2024
6	Mr. Hidetoshi KUME	Director	25 June 2021	24 June 2024
7	Mr. Lou Lykheng	Director	21 June 2021	20 June 2024

C. Senior Officers

Senior Officers Composition

No.	Name	Gender	Position
1	H.E. Lou Kim Chhun	Male	Chairman and CEO
2	Mr. Nom Sinith	Male	State Controller of PAS
3	Mr. Thai Rithy	Male	Deputy Director General of Business
4	Mr. Thong Viro	Male	Deputy Director General of Administration
5	Mr. Ty Sakun	Male	Deputy Director General of Technique
6	Mr. Roth Sela	Male	Director of Administration and Human Resource Department
7	Mr. Pith Prakath	Male	Director of Financial and Accounting Department
8	Mr. So Seang	Male	Director of Planning, Procurement and Statistic Department
9	Mr. Ouk Vannara	Male	Director of Technical-Materials Department
10	Mrs. Chey Sokunthea	Female	Director of Marketing Department
11	Mr. Chiv Chansophal	Male	Director of Special Economic Zone Department
12	Mr. Ngoun Ratana	Male	Director of Business Department
13	Mr. Kim Hor	Male	Director of Container Terminal Operation Department
14	Mr. Lou LyKheng	Male	Director of General Cargo Operation Department
15	Mr. Sing Seno	Male	Director of Harbor Master and Security Department
16	Mr. Thai Mengly	Male	Director of Machinery Department
17	Mr. Men Chann	Male	Director of Internal Audit Department
18	Mr. Sorm Karaney	Male	Director of Information Technology Department
19	Mr. Mean Koeung	Male	Director of Construction-Engineering Department
20	Mr. Sam Sopheap	Male	Director
21	Mr. Souk Kolchenda	Male	Director

Note: Detail information of corporate governance is attached as appendix



PART 4:
**Information on Securities' Trading and
Shareholders**



A. Information on Equity Securities

- Name of Equity Securities: Class C Voting Shares
- Equity Securities' symbol: PAS (ភាស)
- Class of Equity Securities: Class C Voting Shares
- Par Value per Equity Securities: KHR 1,000
- IPO Price: KHR 5,040 (US\$ 1.259)
- The Total number of Outstanding shares: 21,442,992 shares
- Market Capitalization: KHR 108,072,679,680 (US\$ 26,991,179)
- Permitted Securities Market: Cambodia Securities Exchange
- Listing date: 8th June 2017

B. Securities' Price and Trading Volume

Stock Properties		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trading Price (Riels)	Maximum	14,100	14,100	14,100	13,880	13,520	13,400	13,240	12,900	12,400	12,380	12,600	12,580
	Minimum	13,360	13,980	13,660	13,600	13,120	12,720	12,880	12,400	12,200	12,100	12,240	12,300
	Average	13,788	14,035	13,905	13,745	13,343	13,118	12,985	12,644	12,271	12,264	12,403	12,456
Trading Volume	Maximum	11,336	7,644	5,092	5,055	7,774	4,052	33,287	5,781	2,321	2,988	5,873	5,395
	Minimum	172	23	45	19	86	176	189	39	72	5	54	94
	Average	2,270	2,518	1,145	1,225	1,520	1,261	2,831	1,506	932	668	1,113	986

C. Controlling Shareholders (30% or more)

No.	Name	National	Number of Shares	Percentage
1	State, represented by Ministry of Economy and Finance	Khmer	64,328,975	75.00%
Total			64,328,975	75.00%

D. Substantial Shareholders (5% or more)

No.	Name	National	Number of Shares	Percentage
1	KAMIGUMI CO., LTD	Japanese	11,150,324	13.00%
Total			11,150,324	13.00%

E. Information on Dividend distribution in last three years

Details of Dividend Distribution	2022	2021	2020
Net Profit	84,155,215,000 Riels	93,707,390,000 Riels	26,607,594,000 Riels
Total Cash Dividend	13,721,560,368 Riels	16,107,267,968 Riels	12,174,649,276 Riels
Total Share Dividend	N/A	N/A	N/A
Other Dividend	N/A	N/A	N/A
Dividend Payout Ratio (%)	16,31%	17,19%	45,76%
Dividend Yield (%)	9,00%	10,00%	8,00%
Dividend per Share	454 Riels	504 Riels	403 Riels



PART 5:
Internal Control Audit Report by
Internal Auditor



Audit Report

On Performance of Internal Control

For the 2023 Fiscal Year

Part A: Executive Summary

1. Background

The Department of Internal Audit of Sihanoukville Autonomous Port conducted an audit on the management, operation, disposition, and internal control activities processed by the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance for the 2023 fiscal year as part of the 2023 audit action plan of the three-year internal audit program 2022-2024 of the Department of Internal Audit. This report reflects the audit findings, the auditor's recommendations, and the auditees' corrective measures.

2. Key Risks

Generally, the risks are included:

- **Operational Risk** : The risk of loss resulting from failed processes of people and management system or from external events;
- **Financial Risk** : The possibility that financial information might be materially misstated resulting in poor management decision-making;
- **Compliance Risk** : The possibility that the action carried out is not complied with laws and regulations in force.

Individually, the auditor has identified some key risks in the audit of the above auditees as follows:

- The possibility of an impact on public service quality;
- The possibility of an impact on staff management, discipline, and work effectiveness;
- The possibility of an impact on law disposition, regulation, and procedure in force; and
- The possibility of an impact on the management of state properties.

3. Audit Scope

The process of this audit covered the activities of management and operation carried out by the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance for the 2023

fiscal year. The collection of audit information and audit performance was conducted at the Department of Internal Audit of Sihanoukville Autonomous Port. The audit work team will report only the deficiencies and critical points to be recommended for improvement.

The audit report in the English language was prepared from the audit report in the Khmer language. In the event of any discrepancies between the two languages, the audit report in the Khmer language shall prevail over the interpretation.

4. Audit Objective

The objective of this audit is to evaluate and improve the process of risk management effectiveness, internal controls, and good governance within the audit areas covered by the scope of the audit.

Generally, the audit is mainly focused on the emphasis that the internal controls provide reasonable assurances to achieve the following objectives:

- **Operational Objective** : The effective achievement of actual business objectives;
- **Financial Info. Objective** : Reliability and completeness of financial information used by the management;
- **Compliance Objective** : Compliance with laws, principles, and procedures in force.

In the performance of this audit, the auditor has defined some audit main objectives as follows:

- Strengthening the management efficiency of PAS's operational turnover;
- Strengthening the environmental management efficiency around the premises of the Business Department;
- Strengthening of compliance and order management efficiency on the premises of the Railway Container Storage, Handling, and Transport Yard;
- Strengthening of compliance and PAS's machinery management efficiency;
- Strengthening of compliance and technical skill implementation efficiency;
- Strengthening of compliance and cargo management efficiency;
- Strengthening the management efficiency of PAS's container terminal;
- Strengthening the management efficiency of the Single Window Service System;
- Strengthening of compliance and management efficiency of PAS's technical materials and spare parts;
- Strengthening of compliance, implementation efficiency, and work effectiveness;
- Strengthening of compliance and management efficiency of construction materials and engineering warehouse;
- Strengthening of working efficiency within the department framework;
- Strengthening the implementation efficiency of heavy machinery driving skills;
- Strengthening of environmental management efficiency within the SPSEZ;

- Strengthening of safety management within the SPSEZ;
- Strengthening of PAS IT system's management efficiency;
- Strengthening of working efficiency and welfare management in the Department of Information and Technology;
- Strengthening of compliance and implementation efficiency of Task-Duties of the Department of Marketing;
- Strengthening of Compliance, Environmental Management Efficiency, Health Care Sanitation, and Maintenance of PAS's Property;
- Strengthening of Working Effectiveness and Management of PAS's Basic Project Construction Plan;
- Strengthening of Compliance and the Efficiency of PAS's Operational Turnover Management through the Electronic System, and
- Strengthening of Debt Management Efficiency and PAS's Operational Turnover.

5. Audit Approach

The audit approach focuses on the risk process that is used in this audit. This audit approach includes:

- Recording of the internal controls by reviewing related documents and interviewing officials;
- Identification of key internal controls and comparison with expected internal controls; and
- Audit testing on the operational effectiveness of controls.

The audit work team has hereby cooperated with the management of the auditees to identify expectations.

6. Summary of Key Findings

The audit work team has identified some deficiencies through the control of:

1. The Report on the Operational Turnover in the First Quarter of 2023;
2. The Environmental Status Around the Premises of the Business Department;
3. The Status of Railway Container Storage, Handling, and Transport Yard;
4. Table of Statistics and Machinery Information;
5. Training on General Cargo Handling Techniques;
6. Long-stay Cargoes in Warehouse No. 3, Yard, and on the Premises of Multi-Purpose Terminal;
7. The Status of Lighting in the Container Terminal/Posts No. 7 and 8;
8. The Single Window Service System (SWSS);
9. Technical Materials and Parts Warehouse Inventory List;
10. The Report on Repair-Maintenance of RTG;
11. Staff and Workers' Training Course in 2023;

12. The Status of the Construction-Engineering Warehouse;
13. The Report on the Shortage of Human Resources and Specialized Skills;
14. Technical Training and Machinery Driving Skills Programs;
15. The Status of Environment within the SPSEZ;
16. The Status of Fence Surrounding the SPSEZ;
17. The Administration and Utilization of PAS's IT System;
18. The State of the Premises within the IT Department Building;
19. The Organizational Structure and Task-Duties of the Department of Marketing;
20. The Requirement of Human Resources of the Department of Marketing;
21. The Administration Building, Vehicle Shelter, and Fire Fighting Team;
22. The Status of the Environment in the Physique Cleaning Building, and Worker's Shelter;
23. The Office of Project Management's Work Evolution Report in the Fourth Quarter of 2023;
24. The 1500KVA Electrical Network Connection to the New Electricity Substation No. 3 for Renewal to the 253m long New Container Terminal;
25. The Customers' Cash Payment via Invoices at the Department of Accounting-Finance Cashiers; and
26. The Report on the Status of Debt that the Royal Railway PLC. Has Owed to PAS.

7. Overall Conclusion

Based on the audit findings for the 2023 fiscal year in the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance, the audit work team observed that some internal controls were well prepared and with contributions from officials, staffs, and workers at all levels, despite some performances have not been completed and sufficed to guarantee the efficiency of internal controls in the future. The audit work team has remarked that the foregoing deficiencies are related to law compliance, implementation efficiency, and work effectiveness in the management of state property which must be gradually strengthened and improved.

8. Corrective Measures

The recommendations provided to enhance the performance of the business process and management of the auditees are included in the detailed findings (Part B). The recommendations on some deficiencies have been agreed upon with the individual auditee management in writing. The detailed findings (Part B) also reflect the responses by the auditee management to the auditor's recommendations and findings.

The measures of the auditee management are reflected in the corrective action plan as stipulated in Annex 2 attached herein.

9. Acknowledgements

The audit work team led by **Mr. Men Chann** would like to extend a grateful acknowledgment to the Directors of the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information & Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance as well as colleagues, for their assistance in providing information, documents, and insightful opinions to enabling this audit to be performed as planned.

Part B: Detailed Findings

1. Component of Participation and Key Milestones

1.1 Members of the Audit Work Team

- Mr. Men Chann	Director of Internal Audit	Team Leader
- Mr. Chiv Chansopheap	Deputy Director	Deputy Team Leader
- Mr. Hor Sothy	Deputy Director	Deputy Team Leader
- Mr. Meas Sovanna	Office Chief	Member
- Mrs. Touch Vanna	Office Chief	Member
- Mrs. Rath Nimol	Office Chief	Member
- Mrs. Khorn Sokhom	Office Staff	Member
- Mrs. Chhun Hoeunrina	Office Staff	Member
- Mr. Pheap Mengsrean	Office Staff	Member
- Mrs. Teng Sovansreyrath	Office Staff	Member

1.2 Auditees' Join Component

1.2.1 Department of Business

- Mr. Ngoun Rattana	Director	Auditee
- Mr. Sou Long Srin	Deputy Director	Auditee

1.2.2 Department of Container Terminal Operation

- Mr. Thay Mengly	Director	Auditee
- Mr. Heang Sophal	Deputy Director	Auditee
- Mr. Sek Sovannara	Deputy Director	Auditee

1.2.3 Department of General Cargo Operation

- Mr. Lou Likheng	Director	Auditee
- Mr. Ouk Sovannarith	Deputy Director	Auditee
- Mr. Ying Koy	Deputy Director	Auditee

1.2.4 Department of Harbor Master-Pilotage and Security

- | | | |
|------------------|-----------------|---------|
| - Mr. Sing Seno | Director | Auditee |
| - Mr. Chan Sokha | Deputy Director | Auditee |
| - Sen Sotha | Deputy Director | Auditee |

1.2.5 Department of Technical-Materials

- | | | |
|-------------------|-----------------|---------|
| - Mr. Ouk Vannara | Director | Auditee |
| - Mrs. Sor Malin | Deputy Director | Auditee |

1.2.6 Department of Construction-Engineering

- | | | |
|-------------------|-----------------|---------|
| - Mr. Mean Koeung | Director | Auditee |
| - Mr. Gnim Ngor | Deputy Director | Auditee |
| - Chhim Hor | Deputy Director | Auditee |

1.2.7 Department of Machinery and Electricity

- | | | |
|----------------|-----------------|---------|
| - Mr. Kim Hor | Director | Auditee |
| - Mr. Kim Houn | Deputy Director | Auditee |

1.2.8 Department of Special Economic Zone

- | | | |
|-----------------------|-----------------|---------|
| - Mr. Chiv Chansophal | Director | Auditee |
| - Mr. Heng Sokhsan | Deputy Director | Auditee |
| - Mr. Hak Narith | Office Chief | Auditee |

1.2.9 Department of Information and Technology

- | | | |
|--------------------|----------|---------|
| - Mr. Sorm Karaney | Director | Auditee |
| - Mr. Srorn Pisey | Staff | Auditee |

1.2.10 Department of Marketing

- | | | |
|----------------------|--------------|---------|
| - Ms. Chey Sokunthea | Directress | Auditee |
| - Mr. Mao Samon | Office Chief | Auditee |
| - Mr. Khin Vy | Office Chief | Auditee |

1.2.11 Department of Administration and Human Resources

- | | | |
|------------------|-----------------|---------|
| - Mr. Rath Sela | Director | Auditee |
| - Mr. San Chhoun | Deputy Director | Auditee |

1.2.12 Department of Planning-Procurement and Statistics

- | | | |
|-------------------|-----------------|---------|
| - Mr. So Seang | Director | Auditee |
| - Mr. Ouk Somethy | Deputy Director | Auditee |

1.2.13 Department of Accounting and Finance

- | | | |
|--------------------|----------|---------|
| - Mr. Pith Prakath | Director | Auditee |
|--------------------|----------|---------|

- Mr. Sam Sopheap Deputy Director Auditee

1.3 Key Milestones

The key milestones in the audit process are as follows:

- | | |
|--|------------------|
| ➤ The first draft was completed on | January 24, 2024 |
| ➤ The audit was completed on | January 26, 2024 |
| ➤ Last responses of the auditee management | January 29, 2024 |
| ➤ Final report | January 31, 2024 |

2. Internal Audit Overview

The overall objective of the internal audit is to help the auditee management in the process of risk management, internal controls, and good governance. The internal controls are implemented by the auditee management and some officials to ensure the achievement of the following objectives:

- Operation with efficiency, effectiveness, and economical;
- Reliable financial report;
- Law compliance, regulations, and procedures in force.

This audit also controls the preparation and operation of the internal controls.

3. Internal Control Review

The audit work team evaluated the internal controls based on the capability of the management process to meet the 7- criteria of authorization, completeness, accuracy, validity, physical safeguards and security, error handling, and segregation of duties, following the definition of structure and task-duties of the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information & Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance.

4. Information about the Auditees

The Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance are subject to the management of Sihanoukville Autonomous Port under Sub-Decree No.50 ANKr.BK dated July 17, 1998, which defines the Establishment and Functioning of Sihanoukville Autonomous Port (PAS) and the process according to the definition of structures and task-duties for the respective departments under the PAS's management dated January 27, 2016, and the decision to amend the structure and complement of task-duties dated January 31, 2020.

4.1 Department of Business (BSN)

The Department of Business employs 12 officials and staff in total, including 01 woman, and is led by 01 Director with 02 Deputy Directors and 03 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 064/ SSR/PAS/BSN dated April 09, 2020:

- (1) Office of Operation and Contract;
- (2) Office of Business and Report Recapitulation;
- (3) Office of Relation and Transport Management;
- (4) Office of Information Technology System;
- (5) Office of Research and Development; and
- (6) Office of PAS's Representative based in Phnom Penh.

4.2 Department of Container Terminal Operation (CTO)

The Department of Container Terminal Operation employs 507 officials and staff in total, including 41 women, and 165 contract staff, and is led by 01 Director with 03 Deputy Directors and 08 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 228/ SSR/PAS/CTO dated April 29, 2020:

- (1) Office of Data and Report;
- (2) Office of Ship Planning;
- (3) Office of Yard Planning;
- (4) Office of Operation;
- (5) Office of Staff Management;
- (6) Office of Machinery;
- (7) Office of Empty Container Yard (ECD); and
- (8) Office of Warehouse-Yard (LCL).

4.3 Department of General Cargo Operation (GCO)

The Department of General Cargo Operation employs 219 officials and staff in total, including 10 women, and 06 contract staff, and is led by 01 Director with 03 Deputy Directors and 06 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 229/ SSR/PAS/GCO dated April 29, 2020:

- (1) Office of Research-Development and Safety Management;
- (2) Office of Warehouse-General Cargo, and Yard Management;
- (3) Office of Tally-Weighbridge and Vessel Information Management;
- (4) Office of Information and Report Management;
- (5) Office of General Cargo Machinery; and
- (6) Office of Cargo Handling.

4.4 Department of Harbor Master-Pilotage and Security (HMPS)

The Department of Harbor Master-Pilotage and Security of Sihanoukville Autonomous Port (PAS) employs 101 total officials, staff, and workers, including 02 women, 15 contract staff, 05 hired retired workers, 27 volunteers, and is led by 01 Director with 06 Deputy Directors and 08 Chiefs of Offices as assistants, according to the task-duties outlined in Decision No.060/ SSR/PAS/HMPS dated April 09, 2020:

- (1) Office of Pilotage;
- (3) Office of Data & Consolidation;
- (4) Office of Navigation;
- (5) Office of VTMS and Training;
- (6) Office of Public Relation-Research and Development;
- (7) Office of Navigational Management;
- (8) Office of Flotilla Management;
- (9) Office of Security and Safety; and
- (10) Office of Public Order Arrangement.

4.5 Department of Technical-Materials (TM)

The Department of Technical-Materials of Sihanoukville Autonomous Port (PAS) employs 73 total officials, staff, and workers, including 03 women, and 02 contract staff, and is led by 01 Director with 03 Deputy Directors, and 09 Chiefs of Offices as assistants:

- (1) Office of Technical Material-Spare Parts;
- (2) Office of Procurement Documentation Management;
- (3) Office of Warehouse-Technical Materials and Spare Parts;
- (4) Office of Fuel and Lubricant;
- (5) Office of Research-Development;
- (6) Office of Information Technology;
- (7) Office of Repair-Maintenance and Electrical Mechanics;
- (8) Office of Garage; and
- (9) Office of Ship -Tugboat Mechanics.

4.6 Department of Construction-Engineering (CENG)

The Department of Construction and Engineering of Sihanoukville Autonomous Port (PAS) employs 133 total officials, staff, and workers, including 02 women, and 40 contract staff, and is led by 01 Director with 05 Deputy Directors and 12 Chiefs of Offices as assistants, according to the task-duties outlined in Decision No. 024/SSR/PAS/SVK dated February 21, 2020:

- (1) Office of Construction-Repair and Maintenance;
- (2) Office of Electricity;

- (3) Office of Architecture-Project Study;
- (4) Office of Warehouse-Construction Materials;
- (5) Office of Construction-Procurement Documentation Management;
- (6) Office of Engineering;
- (7) Office of Measurement;
- (8) Office of Summary-Report;
- (9) Office of Construction Machinery;
- (10) Office of Fuel Station;
- (11) Office of Ship Yard; and
- (12) Office of Buoy.

4.7 Department of Machinery - Electricity (MEL)

The Department of Machinery-Electricity of Sihanoukville Autonomous Port (PAS) employs 46 total officials and staff, including 01 woman and 01 hired staff, and is led by 01 Director with 05 Chiefs of Offices as assistants:

- (1) Office of Maintenance/Repair of Electrical Facilities;
- (2) Office of Maintenance/Repair of Equipment and Electrical Generators;
- (3) Office of Electrical Workshop;
- (4) Office of Machinery Maintenance/Repair;
- (5) Office of Administration and Statistics; and
- (6) Office of Electrical Station Management.

4.8 Department of Special Economic Zone (SEZ)

The Department of Special Economic Zone of Sihanoukville Autonomous Port (PAS) employs 11 total officials and staff and is led by 01 Director with 03 Deputy Directors and 03 Chiefs of Offices as assistants according to the task-duties stipulated in the Decision No.397/ SSR/PAS/SEZ dated August 10, 2020:

- (1) Office of Administration and Information Technology;
- (2) Office of Logistics and Research-Development;
- (3) Office of Customer Service; and
- (4) Office of Maintenance and Repair.

4.9 Department of Information and Technology (IT)

The Department of Information and Technology of Sihanoukville Autonomous Port (PAS) employs 18 total officials and staff, including 01 woman, and 02 contract staff, and is led by 01 Director with 01 Deputy Director and 03 Chiefs of Offices as assistants according to the task-duties stipulated in the Decision No. 115/ SSR/PAS/IT dated April 10, 2020:

- (1) Office of Research-Development & Promotion;
- (2) Office of Network Management; and

- (3) Office of Information -Technology System.

4.10 Department of Marketing (MT)

The Department of Marketing of Sihanoukville Autonomous Port (PAS) employs 10 total officials and staff, including 03 women, and is led by 01 Directress with 03 Chiefs of Offices as assistants according to the task-duties stipulated in the Decision No. 227/SSR/ PAS/MT dated April 29, 2020:

- (1) Office of Marketing Research & Service Quality Development;
- (2) Office of Marketing Information;
- (3) Office of Customer Relation; and
- (4) Office of Facilitation.

4.11 Department of Administration and Human Resources (ADM.HR)

The Department of Admin-Human Resources of Sihanoukville Autonomous Port (PAS) employs 111 officials and staff in total, including 34 women, and 61 contract staff, and is led by 01 Director with 03 Deputy Directors, 07 Chiefs of Offices, and 01 assistant to H.E Delegate of the Royal Government of Cambodia with equivalent title to Deputy Director as assistants, according to the task-duties stipulated in Decision No.059/SSR/PAS/RB.B dated April 09, 2020:

- (1) Office of Administration and General Affairs;
- (2) Office of Maintenance and Repair;
- (3) Office of Management of Administrative Warehouse-Materials;
- (4) Office of Protocol;
- (5) Office of Health Care;
- (6) Office of Information Technology;
- (7) Office of Human Resource and Research-Development;
- (8) Office of Transport Means & Petroleum Management;
- (9) Office of Environment and Sanitation; and
- (10) Office of Order and Documentation.

4.12 Department of Planning-Procurement and Statistics (PPS)

The Department of Planning-Procurement and Statistics of Sihanoukville Autonomous Port (PAS) employs 13 officials and staff in total, including 06 women, 01 contract staff, and is led by 01 Director with 02 Deputy Directors and 04 Chiefs of Offices as assistants, according to the task-duties stipulated in the Decision No.226/ SSR/PAS/PLS dated April 29, 2020:

- (1) Office of Planning-Investment;
- (2) Office of Public Procurement;
- (3) Office of Statistics; and
- (4) Office of Project Management.

4.13 Department of Accounting and Finance (ACF)

The Department of Accounting-Finance of Sihanoukville Autonomous Port (PAS) employs 18 total officials and staff, including 05 women, and is led by 01 Director with 03 Deputy Directors and 04 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 062/SSR/PAS/AC.F dated April 09, 2020:

- (1) Office of Cashier;
- (2) Office of Accounting;
- (3) Office of Assets;
- (4) Office of Stock Market;
- (5) Office of Finance;
- (6) Office of Debt Management; and
- (7) Office of Payment.

5. Audit Findings

5.1 Operational Efficiency

The objective of this control is to promote the quality and efficiency of PAS's business operations to provide a smooth and timely service to the customers and port users and to encourage the respective auditees to perform their task-duties following the auditees' definitions and requirements and to comply with the PAS's Personnel Statute, Laws, and Regulations in force.

5.2 Positive Findings

The audit work team discovered that the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance including relevant offices and units, have been carrying out their works according to the task-duties defined by PAS, and paying close attention to implement each of the individual tasks in a responsible manner, and have contributed to providing documents to the auditor to help encourage the process of PAS's internal audit to be performed according to the audit action plan and with smoothness.

5.3 Negative Findings

5.3.1 Department of Business (BSN)

5.3.1.1 Report on the Operational Turnover in the First Quarter of 2023

Regarding the Report on the Operational Turnover in the first quarter of 2023, the auditor found that the auditee had collected the operational turnover from the following sources under the PAS's

tariff of stevedoring and port charges. However, when comparing to the first quarter of 2022, the auditor identified that the income status had noticeably decreased:

No.	Description	Table of Comparison of Total Operational Turnover		
		First Quarter 2022	First Quarter 2023	%
1	Handling	15,778,181.32	13,473,374.44	-15%
2	Storage	1,685,523.36	885,814.82	-47%
3	Port Charges	4,556,361.65	4,786,739.43	5%
4	Transportation	1,567.00	-	-100%
5	Value Added Tax 10%	1,758,806.47	1,445,591.94	-18%
Total Operational Turnover		<u>23,780,439.80</u>	<u>20,591,520.63</u>	-13%

The above element occurred as a result of a decrease in the number of income sources, such as handling, storage, and port charges.

This aspect was a result of the decrease in cargo/container import-export, and purchasing demand of raw materials.

The above feature may impact the PAS’s operational turnover.

The auditee management should expedite documentation procedures even further and appropriately study the cost-effectiveness of PAS to improve its competitive advantages and have the capacity to attract more potential customers as well as the mother shipping lines.

I would like to inform you that the Department of Business has currently been using the E-DO (Electronic Delivery Order) to receive documents and use it as a foundation in issuing invoices to customers, i.e. the shipping lines send E-DO to the APP of the Business Department, and then the latter's officials check the availability of documents and issue invoices to the customers accordingly.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor’s recommendation in the next quarters.

5.3.1.2 Environmental Status Around the Premises of Business Department

Based on the observation of the environmental status around the premises of the Department of Business, the auditor determined that the auditee management had prepared two waiting areas for customers, one to the east and one to the north in front of the department building, both equipped with long tables attached to the wall, long sofas, outlets for delivery and receiving documents, screen for customer number identification, social distance drawings, signals, and sanitizer to contribute to the protection of COVID-19 infection, wall-telephone chargers, and speaker to make it easier for customers to complete cargo export-import orders, pay handling, storage, port charges, and transport of import-export cargoes/containers through the PAS’s gateway in an appropriate condition.

However, the auditor found that some big iron drums, including document stacks and other materials, were kept beneath the stone ladder and along the building up to the restroom to the west of the department building.

The aforementioned factor is not yet fully in compliance with the principles outlined in the PAS's Policy on Port Safety, Health, and Environmental Management, dated August 23, 2016.

The above element may have occurred because the auditee does not have enough storage space to keep such hard documents.

This factor may cause an impact on the customer waiting area to the north, the restroom entrance, the incoming-outgoing corridor that customers use to access their motorbike parking area to the west of the department, the aesthetics of the workspaces, and implementation efficiency of the PAS's Policy on Port Safety, Health, and Environmental Management.

The auditee management should request storage areas of such big iron drums, document stacks, and materials according to the guidelines which were stipulated in the PAS's Policy on Port Safety, Health, and Environmental Management.

This is to inform you that some big iron drums, including document stacks and materials, which were kept along the restroom entrance do not belong to the Department of Business.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.2 Department of Container Terminal Operation (CTO)

5.3.2.1 Status of Railway Container Storage, Handling, and Transport Yard

Based on the examination of the Railway Container Storage, Handling, and Transport Yard, the auditor found numerous minor subsidences, that the yard drawing paint for container bay/row segregation and direction marking, including the right angle for storage of 20', 40', and 45' containers, and each row number is found rubbed off paint approximately from 70% to 80%, and that there has not been installed sufficient lighting yet.

The above factor is not yet fully in compliance with the guidelines stipulated in the PAS's Internal Regulation No. 001. BBPK/PAS/RB.B dated June 12, 2007, in article V. item 3, defining the utilization and safeguarding of PAS's property, materials, means, or equipment with an economical condition, precaution, cleaning, maintenance, and sound storage.

This case might have resulted due to wear and tear from prolonged use and/or a deficiency of the official in charge in inspecting the yard and making a report to the auditee management to request repairs, repainting, and lighting installation under the usage demands.

The aforementioned factor could cause difficulties in planning for container storage and handling according to yard drawings, the right angle for each row's container size at night, and the order in the railway container storage, handling, and transport yard's premises.

The auditee management should designate the official in charge to inspect the actual status and make a report to the PAS's management to request repairs, repainting, and light installation under the usage demands.

According to the status of the railway container storage, handling, and transport yard, the Department of Container Terminal Operation has planned to redraw its yard drawings in 2023.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.2.2 Table of Statistics and Machinery Information

Owing to the table of statistics and machinery information, the auditor discovered that the means of machinery, which is managed and operated by the Department of Container Terminal Operation, consists of 99 units as below mentioned: Quay Cranes (QC): 05 units, Rubber Tyred Quay Cranes (RTG): 18 units, Stackers: 19 units, Forklift: 15 units, and Platforms: 42 units, including:

- Rubber Tyred Quay Cranes (RTG), Model HYUNDAI: 02 Units, No. 202, Year of Production: 1999, Date of Operation: 16/05/2001, and No. 201 Year of Production: 1999, Date of Operation: 16/05/2001, were out of order in 2018-2019 (Long-term Breakdown)
- Forklift, Model CATERPILLAR: 01 Unit, No. 99, Date of Operation: 2003, was out of order in 2021 (Unrepairable Breakdown).

The above factor is not yet fully in compliance with the guidelines stipulated in the PAS's Internal Regulation No. 001. BBPK/PAS/RB.B dated June 12, 2007, in article V. item 3, defining the utilization and safeguarding of PAS's property, materials, means, or equipment with an economical condition, precaution, cleaning, maintenance, and sound storage.

This case might have resulted due to wear and tear from prolonged use, a lack of spare parts, and/or the deficiency of the official in charge of inspecting and maintaining machinery and making a report to the auditee management to request a quick repair that is appropriate to the usage demands.

The aforementioned factor could cause damages to state assets and have an impact on the productivity of PAS's service and business operations.

The auditee management should designate the official in charge to assess the status of the aforementioned two types of machinery that were malfunctioning and make a report to PAS's management to request repairs and take measures according to the inventory procedures.

The machinery-RTG Nos. 201 and 202 have been in operation since 2001, i.e. more than 10 years, and the Department of Technical Materials has determined that it is incapable of repair, and if the repair is still continued, the expenses would rise. Forklift No. 99 was operated in 2003 and is also unrepairable.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.3 Department of General Cargo Operation (GCO)

5.3.3.1 Training on General Cargo Handling Techniques

Based on a response to the queries on internal control, the auditor observed that in this first quarter of 2023, the auditee had held a seminar/training for instructors from all departments subject

to the management of PAS on the definition of resources, processes, and services followed by practical exercises with appropriate assessment and score given by the commission.

However, the auditor found that the auditee had not planned to conduct additional training for PAS's staff, workers, and operators on the management, general cargo handling techniques, dangerous goods, and lashing-unlashing/unlocking-locking container twist-locks yet.

The aforementioned element is not yet fully in compliance with the PAS Business (Service) Financial Plan dated November 28, 2022, in Appendix 8: Human Resource Training Plan of 2023, items A-1 on the Protection of Labor Safety, A-4 on the Operation and Management of General Cargo, and A-5 on the Operation of Dangerous goods.

This case might have been caused as a result of the experienced employees in the auditee framework being preoccupied with serving the PAS business operations.

The above element could affect the safety of general cargo handling, offloading-loading, lashing-unlashing, and unlocking-locking container twist-locks, and lead to an occupational accident incidentally.

To further strengthen the work effectiveness, the auditee management should prepare a plan and request the PAS management to train PAS's staff, workers, and operators on general cargo handling technical skills, and dangerous goods, including lashing-unlashing/unlocking-locking container twist-locks in the proper manner.

The Department of General Cargo Operation has planned to hold three training sessions for PAS's workers on the guidelines of container unlashing/ lashing, and two more training sessions on the guidelines of forklift safety operations for forklift operators. The aforementioned training will be commenced in the coming June 2023.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.3.2 Long-stay Cargoes in Warehouse No. 3, Yard, and on the Premises of Multi-Purpose Terminal

Owing to a Report on General Cargo Inventory as of March 31, 2023, the auditor noted that: 1) In 2019, 15 units of Ball Mill Machines weighing 465,700 tons were stored in the premises of Multi-Purpose Terminal, 2) In 2020, 03 units of vehicles weighing 35,100 tons were kept in warehouse No. 3, and 08 more units weighing 123, 135 tons were stored in the General Cargo Storage Yard (Japanese Yard), 3) In 2021, 04 units of vehicles weighing 3,345 tons were kept in Warehouse No. 3 and 02 more units weighing 5,457 tons, including 12 cases of spare parts weighing 0,300 tons were stored in the General Cargo Storage Yard, and 4) In 2022, 21 units of vehicles weighing 55, 895 tons were stored in the General Cargo Storage Yard, and until this first quarter of 2023, there are no companies/ cargo consignees completing documentation to request the relevant authorities to release such cargoes from the warehouse and yard yet.

The above aspect does not comply with Prakas on the Management of Unclaimed Cargo issued by the Ministry of Economy and Finance No. 109.MEF.BrK 2008 which defines the cost,

types, and cargo risk, and for high-risk cargoes, 60 days after the Department of Customs and Excise notified the cargo owners or could not find them or by any reason, the Department of Customs and Excise is eligible to manage urgently. For cargo with a cost less than 2,000,000 Riels, after notifying by the Department of Customs and Excise within 60 days and still not finding the cargo owners or such cargo owners have not come to request the release of cargo, the Department of Customs and Excise is eligible to sell cargoes on auction to pay tax to the Government.

This element might have happened because the cargo owners and/or consignees abandoned the goods with expiration dates or spoiled quality.

This factor might result in PAS losing storage incomes, affecting the management effectiveness, and yard/warehouse storage spaces.

The auditee management should prepare a report for PAS management to request guidance from the Board of Directors and issue a letter to the Ministry of Economy and Finance requesting that the latter take action following the aforementioned Prakas.

All of the cargoes remaining in the warehouse/yard are unclaimed cargoes, which were informed to the owners and managed by the Customs and Excise to PAS. Following the notification to cargo owners, some cargo companies were unable to be reached, and the other companies responded without taking any responsibility. Under the procedure being implemented by Customs and Excise, the latter has cooperated with the court of law to resolve and make decisions regarding such long-stay cargoes.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.4 Department of Harbor Master-Pilotage and Security (HMPS)

5.3.4.1 The Status of Lighting in the Container Terminal/Posts No. 7 and 8

Based on the work evolution report of April 2023 from the Department of Harbor Master-Pilotage and Security and the direct control of the status thereof, the auditor identified that the container terminal/posts Nos. 7 and 8 do not have enough electrical lighting at night yet, making it difficult for the pilot to see the quay apron clearly and making it difficult to bring the ship alongside and moor.

The aforementioned element has not yet fully complied with Prakas No. 484. S.K.B.Y. of the Ministry of Social Affairs, Veterans, and Youth Rehabilitation, dated December 23, 2003, which defines the principles of light and lighting as stated in Article 2. The provision of light for both luxurious or serious tasks must be done to avoid eye fatigue and negative effects in the future, especially:

- The light that illuminates the work center must have been at a similar level as the center nearby
- One workspace's general illumination must at least be equivalent to one-fifth of the lighting in the work center or working post
- The lighting must be of quality and be able to view color accurately and suitably for the working situation.

This case may have happened because the yard's main lighting poles are located a distance from the quay apron and are hidden by container piles, and so far bringing the vessel alongside at night can only be accomplished safely when the QC turns on the lights for operation.

The above aspect may cause the vessel to knock/bang on the port apron incidentally.

The auditee management should work with the relevant departments to control the actual situation, make a report to PAS Management, and request the installation of additional lighting following the usage requirement.

The Department of Harbor Master-Pilotage and Security is aware that the QC operators should get to the quay apron first and turn on the lights while the vessel is coming in rather than requesting the installation of additional illumination. The installation of mobile lighting to mark the container berth will be taken into consideration by the Department of Harbor Master-Pilotage and Security to make it easier for the pilots to see from a distance when bringing a vessel into berth.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.4.2 The Single Window Service System (SWSS)

Based on the work evolution report from the Department of Harbor Master-Pilotage and Security in Quarter 2, 2023, and the direct control of the system thereof, the auditor found the following remarkable errors: 1) The SWSS always automatically shuts down its applications during the procedure, while the operator has not yet saved or printed documents, 2) In the mooring table and time (Morning, Noon, Evening), the system cannot display data (Only empty table), and the above errors occur once or twice in a single entry of a document for the vessel in and out operation. The operator is required to restart the system for it to display the data in the table, but certain other crucial data are still hidden, and the system restarting process takes 10 to 20 minutes.

The above factor has not yet fully complied with PAS's Internal Regulation No. 001. BBPK/PAS/RB.B dated June 12, 2007, in Article V. item 3. defining the use and protection of PAS's property, materials, means, or equipment with economical, precaution, cleaning, maintaining, and sound storage.

The Single Window Service System (SWSS) has been in use for a long time, which may have contributed to this aspect.

This factor may cause an interruption to PAS's business operation and affect the implementation efficiency of the SWSS.

The Department of Harbor Master-Pilotage and Security has cooperated with the Department of IT to settle this problem every time the problem occurs. The Department of IT has also made an effort to look into and enhance this SWSS. This issue, which occurs occasionally and calls for the system to be restarted once or twice, is not severe enough to disrupt or block the PAS's business operations.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.5 Department of Technical-Materials (TM)

5.3.5.1 Technical Materials and Parts Warehouse Inventory List

Based on the Technical Material and Part Warehouse Inventory List in May 2023 and the direct control of the status thereof, the auditor determined that the auditee had properly stored technical materials and parts according to code numbers and quantity but had not prepared enough columns of inventory items yet.

The above aspect has not yet fully complied with the supplementary principles on the public financial management of the Ministry of Economy and Finance dated 2021, in item 20.6, which defines the management, procurement, and office materials: regarding the inventory investigation ledger should be retained for recording all stock movements with the following details:

- Stock In: Date of goods, number of purchased goods, and evidence numbers
- Stock Out: Date of distribution, number of distributed goods, name of receivers, and number of stocks released
- Stock balance.

This case might have been caused by the deficiency of the official in charge within the auditee framework.

This element could affect the management efficiency of spare part inventory in the technical materials and parts warehouse.

The auditee management should give the official in charge instructions to add columns according to the supplementary principles on the public financial management of the Ministry of Economy and Finance dated 2021.

The auditee still has some issues with stock preparation because the technical material and part warehouse is so small. When the new warehouse is built, the auditee will endeavor to improve further.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.5.2 Report on Repair-Maintenance of RTG

According to the report on the repair and maintenance of RTG in May 2023, the auditor noted an appropriate monthly technical inspection, maintenance, and repair program with day-month-year, types of machinery, repair hours, and inactive part/accident/ maintenance. However, in the column of day-month-year of repair and maintenance, the auditee has not yet recorded the implementation activities according to date sequence orders.

Due to this factor, the report on the repair and maintenance of RTG may lack organization and may not be appropriate with public administrative procedures.

This case might have been caused by the deficiency of the official in charge within the framework of the office of repair-maintenance of machinery mechanics.

The aforementioned issue could make it difficult to investigate RTG because it necessitates constant inspection, upkeep, and repair.

The auditee management should instruct the official in charge in the framework of the office of repair-maintenance of machinery mechanics to implement according to the public administration, and procedures in force.

The Department of Technical Materials will adjust this issue according to the proper order of events and date of repair. For the current report, we selected the orders from small to big numbers-203,204, 205, for RTG, and for QC 401, 402, 403, 404, 405.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.6 Department of Construction-Engineering (CENG)

5.3.6.1 Staff and Workers' Training Course in 2023

Regarding the auditee's response to the internal inquiry, the auditor noted that in 2023 the auditee has not provided additional training for staff and workers in the auditee framework on maintenance-repair of construction machinery, buoys, and shipyard yet.

The above aspect has not yet fully complied with the PAS's Business (Service) and Financial Plan dated November 28, 2022, in Appendix 7: Human Resource Training Plan in 2023, item A-1 on the protection of labor safety, A-20 on the inspection theory, maintenance and repair of heavy machinery.

The fact that the experienced officials in the auditee framework are so busy serving the PAS's business and service operations may have contributed to this event.

The aforementioned element could affect the implementation efficiency of PAS's Human Resource Training Plan.

The auditee management should prepare additional training for staff and workers in the auditee framework on maintenance and repair of construction machinery, buoys, and shipyards according to the principles outlined in the PAS's 2022 Business (Service) and Financial Plan.

Concerning the above issue, the Department of Construction and Engineering will put up a training course for the officials and workers in the second semester of 2023.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.6.2 The Status of the Construction-Engineering Warehouse

According to the control of the Construction-Engineering Warehouse, which is managed by the Department of Construction-Engineering, the auditor observed that the auditee had not properly stored construction materials in the warehouse with an area of 8x8m² until some important materials

such as concrete vibrators, concrete cutting machine 350mm, concrete drilling motor, mortar pumping machine, pipe welding machine 200mm, soil compaction, chain block 5T, plate compactor machine and concrete finishing machines and so on are currently stored in one unit of 40' container within the special economic zone temporarily.

The above factor has not yet fully complied with PAS's Internal Regulation No. 001. BBPK/PAS/RB.B dated June 12, 2007, in Article V. item 3. defining the use and protection of PAS's property, materials, means, or equipment with economical, precaution, cleaning, maintaining, and sound storage.

This case might have arisen as a result of the auditee's requirement to use the aforementioned materials at PAS's construction sites.

The above factor is not yet appropriate to the principles outlined in the PAS's Internal Regulation.

The auditee management should properly keep technical supplies in the construction warehouse according to the guidelines outlined in the PAS's Internal Regulation.

The Department of Construction-Engineering has one construction warehouse with an area of 8x8m² available for storage of materials/supplies. However, the latter had brought all the materials and supplies to use on the construction sites, and we will collect them to keep in the warehouse after use.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation in the next quarters.

5.3.7 Department of Machinery and Electricity (MEL)

5.3.7.1 Report on the Shortage of Human Resources and Specialized Skills

Owing to the report on the shortage of human resources and specialized skills together with the auditee management's response to the question on internal control, the auditor observed that the Department of Machinery-Electricity lacks human resources with specialized skills in electricity, electronics, and mechanics.

The above component has not yet fully met the work scope that the auditee is facing, particularly concerning the repair and maintenance works of heavy machinery and PAS's electrical facilities, etc., which are highly prioritized in serving the business operation of PAS.

This element might have arisen because the auditee is preparing to meet the operational demands of new infrastructures, additional heavy machinery, and electricity as well as the PAS's infrastructure development projects.

This component may have an impact on the implementation efficiency of the auditee's daily tasks and cause the repair and maintenance works of heavy machinery and electrical facilities to be unable to respond to the operational requirements on a timely basis.

The auditee management should appropriately undertake a study on the scope of work and the required specialized skills to report to PAS management and request training and/or additionally recruit technicians with the precise skills.

The auditee is currently handling the issues with difficulty. Many tasks that need to be completed are unachievable due to a shortage of personnel, and those of the existing ones are not qualified enough.

The auditee requires additional qualified engineers to be assigned to various offices under specific needs and to be prepared to send for short-term training on the critical skills required by PAS.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.7.2 Technical Training and Machinery Driving Skills Programs

Due to a response to the question on internal control, the auditor discovered domestic and overseas training programs with the following crucial skills:

1. Local Training Programs

- Mechanical, Heavy Machinery Driving Skills, and Electricity;
- Programmable Logic Controller (Fuji PLC).

2. Overseas Training Programs

- Control System and Smart Relay;
- Motor Drive Unit (Fuji Inverter);
- Motor Maintenance and Rewinding Skills (Fuji);
- Generator Controller Unit (Woodward and Deep Sea);
- MV Cable Connection Skills;
- Transformer and Switchgear Maintenance Skills (Schneider).

The auditor noted that, of the training programs mentioned above, the local training program (Programmable Logic Controller "Fuji PLC") has been trained first, with 16 trainees, and is being done every Saturday and Sunday inside the department's framework. Individually, the other expertise, including the overseas training skills, have not been trained yet.

The component mentioned above has yet to fully comply with the business (service) and financial plan for 2022, dated November 15, 2021, in Appendix 8: Human resource training for 2022, in items A-2: Training, driving heavy machinery, and item A-22: On theory, monitoring, maintenance-repair of heavy machinery.

This incident may have happened as a result of the department's experienced officials being busy with major machinery and electrical repairs and maintenance, which are prioritized to serve PAS's business and service operations.

This incident may affect the implementation efficiency of the business (service) and financial plan of PAS, as well as result in a future shortage of human resources and technical experts.

The auditee management should propose to PAS Management that key technical skills training be extended, along with the prioritized overseas training programs, according to the guidelines outlined in PAS's business (service) financial plan for 2022.

1. Presently, the auditee trains 16 trainees on the Programmable Logic Controller skills inside the auditee's framework every Saturday and Sunday.
2. For training overseas, the auditee personnel had been trained/are being trained and are prepared to be sent for training in Japan on:
 - Capacity Development on Container Terminal Management and Operation: 01 Personnel (Completed);
 - Port Maintenance Planning: 01 Personnel (In training);
 - On-the-job training: 02 Personnel (To be started in February 2024).

The auditee was unable to send personnel for training in any of the other 6 overseas training programs mentioned above due to a shortage of personnel within the auditee and a lack of qualified knowledge (Importantly in the area of languages).

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.8 Department of Special Economic Zone (SEZ)

5.3.8.1 The Status of Environment within the SPSEZ

Due to the control of the environment status within the SPSEZ, the auditor identified some remarkable areas as follows:

1. There is some reclaimed soil/dirt dropping along the main route from the new CFS warehouse to the SPSEZ roundabout, but there is a lot of dirt dropping in the area of the freshwater tank;
2. The factory's construction site for all varieties of steel goods has not yet been appropriately fenced off following technical conditions;
3. There is one sizable mound of soil dirt mixed with wooden residue on the right side of the southwest route end/corner of the SEZ freshwater tank.

The feature above has not yet fully complied with the PSHE Policy of Sihanoukville Autonomous Port dated August 23, 2011.

This aspect might have been brought about by the construction site's use of dirt transport trucks for all types of steel factories inside the SEZ as well as other related activities.

This aspect might impact the environment and order within the SEZ, especially the PSHE Policy of Sihanoukville Autonomous Port.

The auditee management has invited the company representative for a meeting and designated the SPSEZ work team to clean some places already, but the latter should instruct the manager of the construction site to continue cleaning and removing the dirt mound from the above places by the principles outlined in the PSHE Policy of Sihanoukville Autonomous.

- The SPSEZ work team has already invited the company's representative to a meeting;
- The SPSEZ work team has already cleaned up some places;
- The dirt transportation contractor has cleaned up the said area, but the soil excavation from the work site has not yet been completed, the company is continuing to clean;
- Regarding the soil dirt mound that has been accumulated since the rainy season, it will be asked to be removed once the rainy season ends.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.8.2 The Status of Fence Surrounding the SPSEZ

Based on the control of the fence status around the SPSEZ, the auditor found some remarkable points as follows:

1. The SEZ's fence structure from the roundabout of Phum Thmey village to the Royal Ferry Terminal area is still made up of zinc;
2. The height of the SEZ fence in the west is lower than that of the construction height (2000mm+500mm), i.e., 1,3m, 1,4m, 1,6m, 1,55m, 1,85m, and 2,1m high after Terak Vithei Samdech Akka Moha Sena Padei Techo HUN SEN was renovated with reclaimed background and additionally higher up the roadway. Individually, at the end of Phum Thmey village, there is one location (Around 20 meters long) just 0.6m high when measured from the outside after the concrete road along the village was renovated/constructed;
3. The corrugated iron stands and corrugated iron on the stone fence along Terak Vithei Samdech Akka Moha Sena Padei Techo HUN SEN were relatively tilted and broken in multiple places;
4. The corrugated iron stands and corrugated iron on the stone fence along Phum Thmey village at the end adjacent to the railroad were shattered in multiple places;
5. The corrugated iron stands and corrugated iron on the stone fence along the railroad were shattered approximately 10m long.

The aforementioned factor has yet to fully comply with the principles of the Internal Regulation of Sihanoukville Autonomous Port (PAS) No.001 BBPK/ PAS/RB.B, dated June 12, 2007, as stipulated in Article V. item 3. on the operation and protection of PAS's properties, materials, and equipment with economical, preventive, cleaning and maintenance, and sound storage.

This element may have resulted in wear and tear from prolonged use and/or poor control and maintenance.

This factor may impact the safety within the Sihanoukville Port Special Economic Zone.

The auditee management should designate the officials to oversee the fence status around the SEZ and organize necessary formalities to request repair according to technical standards and principles as stipulated in Article V. item 3. of the PAS Internal Regulation.

1. The SEZ will issue a letter of request for the construction of a stone fence;
2. Regarding the SEZ's fence structure and height along Terak Vithei Samdech Akka Moha Sena Padei Techo HUN SEN, the SEZ will request for repair to be solid and firm as ever before;
3. Some necessary repairs to the broken corrugated iron stands and corrugated iron have already been requested, and the other repairs will be made on an as-needed basis.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.9 Department of Information and Technology (IT)

5.3.9.1 Administration and Utilization of PAS's IT System

Based on the announcement of CISCO Company dated May 1, 2023, and an interview with skillful officials overseeing the management and utilization of the IT System of the Department of Information and Technology, the auditor concluded that the Cisco Company will cease manufacturing hardware spare parts branding Cisco HX220c M5SX HyperFlex System, and Cisco UCS C480 M5 High-Performance Rack-Mount Server using to support the CTMS and SWSS repair and maintenance on February 29, 2024.

The aforementioned feature does not respond to the requirement of spare parts for repair and maintenance of the Information and Technology System that PAS needs to renew the continuity of the CTMS and SWSS.

This event might have arisen because so far PAS and CISCO had not entered into a contract on the procurement of spare parts, as well as the repair and maintenance service for the CTMS and SWSS.

This factor may have an impact on the process of CTMS which has a crucial function in transferring data to the SWSS, as well as the PAS Mobile App and other important software incidentally.

The auditee management should rush to ascertain the extent of the requirement and report to PAS management to seek authorization to look for a spare part production/ procurement company and provide the repair and maintenance service for the PAS Information and Technology System.

The study on the replacement of Servers in both Data Centers & Disaster Recovery Servers should be conducted before Cisco stops producing spare parts.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.9.2 The State of the Premises within the IT Department Building

Based on a response to the question on internal control and the monitoring of the state of the premises within the IT Department, the auditor observed that the officials and staff's working room is rather small and is furnished with multiple materials, equipment, and IT devices in a single room.

The aforementioned factor has yet to fully comply with the principles of the Internal Regulation of Sihanoukville Autonomous Port (PAS) No.001 BBPK/ PAS/RB.B, dated June 12, 2007, as stipulated in Article V. item 3. on the operation and protection of PAS's properties, materials, and equipment with economical, preventive, cleaning and maintenance, and sound storage.

This incident might have happened as a result of the auditee's lack of room for repairing and furnishing materials, equipment, and IT devices requested by various departments subject to PAS.

This factor could have an impact on the working efficiency, order, and well-being of the officials and staff working in the framework of the auditee.

The auditee management should conduct a study on the building's size and requirements, including space for material, equipment, and IT device storage and repair according to the number of officials, staff, and nature of works, and then request the PAS management an inspection and decision based on the actual requirements.

The IT Department requests that the Department of Administration and Human Resources, and the Department of Business remove documents from the room next to the IT Department so that the IT Department can extend the room available for work.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.10 Department of Marketing (MT)

5.3.10.1 Organizational Structure and Task-Duties of the Department of Marketing

Owing to the Auditee's Organizational Structure No. 227 SSR/PAS/TP dated April 29, 2020, the auditor noted 01 directress with 01 deputy director and 04 chiefs of offices as assistants. However, based on the actual implementation, the auditor noted that no deputy director was appointed and that the vacant title of 01 chief of office, who was transferred to the Department of Internal Audit on October 1, 2021, has also not yet been appointed/named a replacement.

The above aspect has yet to fully comply with the decision on the organization of structure and task-duties of all the departments of Sihanoukville Autonomous Port No. 009/20 SSR/PAS/RB.HR dated January 31, 2020, as stipulated in Article 3: All the departments of Sihanoukville Autonomous Port (PAS) are directed by 01 (one) director with some deputy directors as assistants.

This case may have arisen because the auditee management needs time to verify the skillful capacity and professional ethics of the officials to be recruited to fulfill the work before requesting the PAS management to make the decision and appointment.

This factor may affect the implementation efficiency of the decision on the organization of structure and task-duties of all the departments of Sihanoukville Autonomous Port No. 009/20/SSR/PAS/RB.HR dated January 31, 2020.

The auditee management should move quickly to verify the skillful capacity and professional ethics of the officials who will be recruited to fill the positions of deputy director and chief of office and request the PAS management to make the decision and appointment according to the decision

defining the organization of structure and task-duties of all the departments of Sihanoukville Autonomous Port.

The marketing department agrees with the auditor's recommendation and Marketing will prepare to request an appointment of the latter to fill in the auditee's structure soon.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.10.2 Requirement of Human Resources of the Department of Marketing

Owing to the elucidation provided in response to the internal control question proved that the auditee needs more human resources to fill in the deviation of working capacity, tackle challenges, and facilitate the business and service operations for the customers with smoothness.

The above aspect has yet to fully comply with the decision defining the Organization of Structures for the department and task-duties for the offices of the Department of Marketing dated April 29, 2020.

This case may have arisen because some officials have recently requested for work transfer, temporary work suspension, and have been training overseas.

This factor may affect the working efficiency within the auditee framework.

The auditee management should report to PAS management and request skilled human resources suited for the department's scope of work.

The Department of Marketing will observe in detail and make a request to the management for inspection and a decision on additional staff recruitment to fill in the corresponding functions soon.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.11 Department of Administration and Human Resources (ADM.HR)

5.3.11.1 The Administration Building, Vehicle Shelter, and Fire Fighting Team

Based on the inspection and the auditee management's response to questions about internal control, the auditor noted that each department's working spaces are currently in relatively small conditions and lack the appropriate meeting / training / promotion hall that can accommodate people from 120 on, as well as the ambulances parking area, fire trucks, and a shelter for the fire fighting team.

The factors above have not yet addressed the number of employees and the fundamental needs of PAS.

This aspect might have resulted because PAS has been trying to develop itself according to the standards of various ports in the area.

The factors above might impact the working spaces in each department, particularly the ambulance parking area, fire trucks, meeting/training hall, and the fire fighting team shelter.

The auditee should designate an experienced official to oversee the physical state and report to PAS management to take appropriate action in response to the aforementioned requirements.

The auditee accepts the auditor's recommendation and tries to work to improve implementation and preparation.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.11.2 The Status of the Environment in the Physique Cleaning Building, and Worker's Shelter

Based on the examination of the status of the environment within the physique cleaning building, and worker's shelter, the auditor has discovered the following factors:

- The painting around the wall outside the building had peeled off/worn off;
- There were numerous cracks in the wall's surface;
- There is no order, and sanitary conditions within the building;
- The washing basin and some toilet dishes were out of order;
- Insufficient beds for workers to rest;
- A section of the worker's shelter is used as a cable-reassembled location.

The above factor has yet to fully comply with PAS's Internal Regulation No. 001. BBPK/PAS/RB.B dated June 12, 2007, in article V. item 3, defining the utilization and safeguarding of PAS's property, materials, means, or equipment with economical, precautionary, cleaning, maintaining, and sound storage.

This element may be the result of years of use-related wear and tear, workers' lack of participation and cleaning, and a lack of oversight by the official in charge.

This aspect might have an impact on the implementation efficiency of the PAS Internal Regulation.

The auditee should direct the official in charge to regularly monitor the state of the worker's shelter building, including the environment, sanitation, and usage materials to report to PAS management and request for broken materials repaired/replaced as soon as possible and according to the usage requirements.

The auditee accepts the recommendation and designates the official in charge to monitor the above status, report to the management, and request repair of the usage materials to be appropriate to the usage requirements.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.12 Department of Planning-Procurement and Statistics (PPS)

5.3.12.1 The Office of Project Management's Work Evolution Report in the Fourth Quarter of 2023

According to the examination and asking the official in charge, the auditor noted that in the fourth quarter of 2023, the Office of Project Management of the Department of Planning-Procurement

and Statistics had not prepared the work evolution report on the 1500KVA Electrical Network Connection to the New Electricity Substation No.3 for Renewal to the 253m long New Container Terminal according to the scope of work yet.

The aspect above is not yet fully compliant with Decision No. 226 SSR/ PAS/PLS, dated April 29, 2020, which outlines the preparation of the Department's Organization Chart, tasks and duties of offices of the Department of Planning-Procurement and Statistics, in Article 5 states that the Office of Project Management has to issue reports on work evolution, progressiveness, and the status of project implementation.

This element may have arisen because the responsible official within the Office of Project Management framework was preoccupied with completing the management-assigned prioritized tasks.

This aspect could have an impact on the implementation efficiency of the above decision.

The auditee management shall push the Office of Project Management to carry out its tasks following the principles outlined in the decision mentioned above.

The Office of Project Management always monitors the project implementation and reports on the work progress of the project. However, in the fourth quarter, a particular project was implemented slowly and eventually delayed because the contractor had to conduct a detailed study before beginning the work and to avoid any negative effects since the 1500KVA connection project is primarily subterranean and crosses sturdy yard construction while it is being busy with the work. Regarding this, on January 26, 2024, the auditee and the contractor also held a meeting to discuss the work evolution report and expedite the work. (Refer to the attached presentation).

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.12.2 The 1500KVA Electrical Network Connection to the New Electricity Substation No. 3 for Renewal to the 253m long New Container Terminal

According to the examination, evolution report, and interview with the responsible official regarding the evolution of the implementation of the 1500KVA Electrical Network Connection to the New Electricity Substation No. 3 for Renewal to the 253m long New Container Terminal, which is expected to be completed in the coming March 2024, the auditor noted that up to the fourth quarter of 2023, the evolution work had only been performed by 20%.

The aspect above is not yet fully compliant with the terms of the contract No. 023/10 PAS.ALK.PK, dated October 30, 2023, defining the implementation of the 1500KVA Electrical Network Connection to the New Electricity Substation No. 3 for renewal to the 253m long New Container Terminal, in Article 5 stipulates that the contractor must begin work within seven (7) days at the latest after the contract came into force and must finish it in five (5) month period i.e in March 2024.

The aspect above may have arisen from the deficiencies of the contractor.

This factor may have an impact on the implementation efficiency of the contract No. 023/10 PAS.AL. KP dated October 30, 2023.

The auditee management shall designate experienced officials to monitor the progress of the work and push the "Contractor" to perform its tasks according to technical standards, ensure the quality of construction, and finish the project implementation by the dates specified in the contract for work beginning and ending.

This delay has resulted from the contractor because, at the time of carrying out the work, it was a subterranean system and it is now significantly affecting PAS's old system, and the auditee had then invited the company and the work team to discuss solutions and expedite the work to be completed according to the contract.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.13 Department of Accounting-Finance (ACF)

5.3.13.1 The Customers' Cash Payment via Invoices at the Department of Accounting-Finance Cashiers

Based on the customers' inquiries regarding cash payment via invoices at the respective cashiers and the response to questions on the internal control system, the auditor noted that as of the fourth quarter of 2023, the PAS's operational turnover cash payment has not yet been made via the electronic system.

The aforementioned aspect is yet to be fully compliant with the Pentagonal Strategy-Phase 1, Pentagon 5: Development of Digital Economy and Society, Angle 2: Development of Digital Economy, Digital Business, e-Commerce, and Digital Innovation System dated August 2023.

This factor might have arisen because the auditee is conducting a study on customer demands, including the advantages and disadvantages of paying cash through the electronic system.

This factor may result in the cashiers having to spend a lot of time adding up the amount of money that customers have paid via invoices (one or more) and updating the status of each invoice individually, including stamping on all the customers' invoices.

The auditee should cooperate with the experienced departments to conduct a study on the workflow, and customer demands, including the advantages and disadvantages of using the QR-Payment System, and report to PAS management for decisions according to the demands of the Digital Innovation System.

The Department of Accounting-Finance and the Department of IT are working together to create the SWSS for cash computation of the latter to produce QR-Payment in each cashier, and testing is planned for the upcoming March 2024.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

5.3.13.2 The Report on the Status of Debt that the Royal Railway PLC. Has Owed to PAS

The auditor observed that as of December 31, 2023, and in response to queries on internal control, the Royal Railway PLC owes PAS a total of 515,234.10 American dollars which is equivalent to 2,104,731,298.50 Riels, and it was noted that the payment was made more slowly than that of other customers.

The aforementioned aspect does not yet fully conform to the conditions of the Agreement between Sihanoukville Autonomous Port (PAS) and Toll Royal (Cambodia) as stipulated in Article 6, item 6.2, which defines the rental charge and payment: At the latest, within 07 (seven) working days, Party (B) must pay Party (A) in cash at the Department of Accounting-Finance or transferring check.

The above reason may have resulted from the deficiency in carrying out the conditions of the Agreement between PAS and Toll Royal Railway.

This factor may affect the implementation efficiency of the Agreement between PAS and Toll Royal Railway.

The auditee should report to PAS management and continue to contact and encourage the Toll Royal Railway to carry out its tasks outlined in the Agreement.

The Royal Railway PLC owes PAS a total of 515,234.10 US dollars as of December 31, 2023, which is equivalent to 2,104,731,298.50 Riels. The Department of Accounting-Finance has reported to the Management, Board of Directors, and regularly claimed debt by issuing a debt letter on a regular basis. However, from January 1, 2023, to December 31, 2023, the company has never made its debt payments to PAS. In this case, PAS will take further action to claim debt from the latter.

The audit work team has remarked on a response from the auditee management and will follow up on the auditor's recommendation from time to time.

6. Overall Conclusion

During the performance of this audit, the auditor discovered that each of the auditees made every effort to prepare the implementation process with efficiency, operational productivity, and responsibility. At the same time, the audit work team observed that the management, officials, and staffs of all the departments are willing to work together and pay close attention to completing their individual tasks and duties in accordance with the PAS's Personnel Statute, Laws, and Regulations in force.

7. Corrective Action Plan

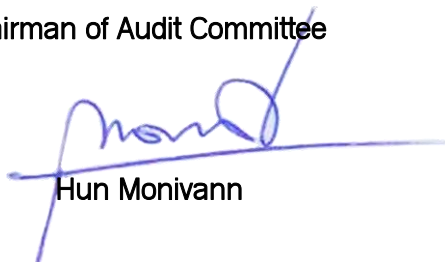
In order to ensure implementation efficiency and improvement pursuant to the auditor's recommendations, the Management of the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Technical-Materials, Construction-Engineering, Machinery and Electricity, Special Economic Zone, Information and Technology, Marketing, Administration and Human Resources, Planning-Procurement and Statistics, and Accounting and Finance have agreed with the corrective action plans as determined in the list of Appendix 2.

Preah Sihanouk province, 31 January, 2024

Seen and Approved

Siem Reap province, ~~7 February~~ 2024

Chairman of Audit Committee



Hun Monivann

Director of Internal Audit



MEN CHANN



PART 6:
**Financial Statements Audited by the
External Auditor**





KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanoukville Autonomous Port

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (“BoD”) is pleased to submit their report together with the audited financial statements of Sihanoukville Autonomous Port (“PAS”) for the year ended 31 December 2023.

THE COMPANY

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

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

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

The principal activities of PAS are involved in providing seaport facilities and other port-related services, and operating leases of its Special Economic Zones.

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.

FINANCIAL PERFORMANCE AND DIVIDENDS

The financial performance is set out in statement of comprehensive income of the financial statements.

Dividends declared and paid out during the year is set out in Note 31.2 of the financial statements.

BOARD OF DIRECTORS

The Directors who have held office since the date of last report are:

H.E. Lou Kim Chhun	General Director of PAS	Chairman
H.E. Phan Phalla	Representative of Ministry of Economy and Finance	Member
H.E. Suy San	Representative of Ministry of Public Works and Transport	Member
H.E. Sok Sopheak	Representative of Ministry of Commerce	Member
Mr. Lou Likheng	Representative of Employee of PAS	Member
Mr. Hun Monyvann	Representative of Independent director	Member
Mr. Hidetoshi Kume	Representative of Non-executive director	Member

ASSETS

At the date of this report, the BoD is not aware of any circumstances which would render the values attributed to the assets in the financial statements of PAS misleading in any material respect.

VALUATION METHODS

At the date of this report, the BoD are not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of PAS misleading or inappropriate in any material respect.

SIHANOUKVILLE AUTONOMOUS PORT

REPORT OF THE BOARD OF DIRECTORS (continued)

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- (a) no charge on the assets of PAS which has arisen since the end of the financial year which secures the liabilities of any other person, and
- (b) no contingent liability in respect of PAS that has arisen since the end of financial year other than in the ordinary course of business.

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

CHANGE OF CIRCUMSTANCE

At the date of this report, the BoD is not aware of any circumstances not otherwise dealt with in this report or the financial statements of PAS that would render any amounts stated in the financial statements misleading in any material respect.

ITEMS OF AN UNUSUAL NATURE

The result of the operations of PAS for the financial year were not, in the opinion of the management, materially affected by any items, transactions or events of a material and unusual nature. There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of management, to affect substantially the results of the operations of PAS for year in which this report is made.

AUDITOR

Ernst & Young (Cambodia) Ltd. is the auditor of PAS.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The BoD is responsible for ensuring that the financial statements give a true and fair view of the financial position of PAS as at 31 December 2023 and its financial performance and cash flows for the year ended 31 December 2023 in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs"). The BoD oversees preparation of these financial statements by management who is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- comply with CIFRSs or, if there has been any departure in the interests of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that PAS will continue operations in the foreseeable future; and
- set overall policies for PAS, ratify all decisions and actions that have a material effect on the operations and performance of PAS, and ensure they have been properly reflected in the financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

REPORT OF THE BOARD OF DIRECTORS (continued)

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

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

The BoD confirms that PAS has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the respective financial position of PAS as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors,



Lou Kim Chhun
Delegate of the Royal Government
In Charge as Chairman and CEO

Pith Prakath
Director of Accounting and Finance

Sihanoukville, Kingdom of Cambodia

28 March 2024

Reference: 61803762/67720577

INDEPENDENT AUDITOR'S REPORT

To: **The Shareholders of Sihanoukville Autonomous Port**

Opinion

We have audited the financial statements of Sihanoukville Autonomous Port ("PAS"), which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PAS as at 31 December 2023 and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of PAS in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgement, is of most significance in our audit of financial statements of the current year. This matter was addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. For matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of retirement benefit obligations

As disclose in Note 17, PAS provides retirement benefits to its staffs in accordance with its retirement policy with retirement benefits liability amounting to KHR'000 77,890,925, representing 12% of PAS's total liabilities as at 31 December 2023 which is significant in the context of the overall financial position of PAS. Management assessed the obligations based on the historical and demographic data and its accounting policy. Management also engaged an external actuary to carry out more complex calculations.

The valuation of retirement benefit obligations requires significant levels of judgement and technical expertise in choosing appropriate assumptions. A number of the key assumptions (including salary increases, inflation, discount rates and mortality) can have a material impact on the calculation of the liability.

Key Audit Matter (continued)

Valuation of retirement benefit obligations (continued)

Our procedures performed in relation to management's estimation of the liability include:

- Obtained understanding the management's valuation process, including the involvement of the external actuary in performing the actuarial valuation of the present value of the retirement benefit obligations.
- Assessed the independence, objectivity and competence of PAS's external actuary.
- Tested, on a sample basis, the completeness and accuracy of the personnel data used in computation of the defined benefit obligations.
- With the support of our actuarial specialist, evaluated management use of actuarial assumptions and valuation methodologies in respect of retirement benefit obligations.
- Reviewed the actuarial report for the consistencies of the inputs used.

Information Other than the Financial Statements and Auditor's Report Thereon

The other information obtained at the date of auditor report comprises Report of the Board of Directors. Management is responsible for other information.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the financial statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of PAS's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on PAS's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause PAS to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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



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

Phnom Penh, Kingdom of Cambodia

28 March 2024

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF FINANCIAL POSITION as at 31 December 2023

	Notes	2023 KHR'000	2022 KHR'000
ASSETS			
Non-current assets			
Property and equipment	6	1,093,446,322	963,712,781
Investment properties	7	245,274,497	248,296,705
Intangible assets	8	2,837,987	4,019,091
		1,341,558,806	1,216,028,577
Current assets			
Inventories	9	34,464,331	29,083,364
Trade and other receivables	10	48,073,117	37,956,862
Short-term banks deposits	11	159,386,872	102,908,264
Cash and cash equivalents	12	19,341,814	23,586,368
		261,266,134	193,534,858
Assets classified as held for sale	13	-	16,582,161
		261,266,134	210,117,019
Total assets		1,602,824,940	1,426,145,596
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	14	450,302,828	450,302,828
Share premium	14	67,715,235	67,715,235
Other reserves	15	49,506,094	41,090,572
Retained earnings		404,520,719	304,692,311
Total equity		972,044,876	863,800,946
LIABILITIES			
Non-current liabilities			
Loans and borrowings	16	328,059,610	364,677,087
Refundable deposits from lessees		1,021,250	1,029,250
Retirement benefit obligations	17	72,822,161	69,824,053
Seniority payment obligations		1,107,693	1,316,716
Deferred income	18	14,346,929	12,203,200
Government grants	19	47,111,704	-
Deferred tax liabilities	27	31,925,170	33,003,354
		496,394,517	482,053,660
Current liabilities			
Trade and other payables	20	36,943,101	35,066,073
Loans and borrowings	16	59,035,225	30,433,490
Retirement benefit obligations	17	5,068,764	6,214,363
Seniority payment obligations		127,489	127,739
Deferred income	18	170,345	171,679
Government grants	19	3,214,930	-
Income tax liabilities	27	29,825,693	8,277,646
		134,385,547	80,290,990
Total liabilities		630,780,064	562,344,650
Total equity and liabilities		1,602,824,940	1,426,145,596

The attached notes 1 to 33 form an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2023

	Notes	2023 <i>KHR'000</i>	2022 <i>KHR'000</i>
Revenue			
Revenue from contracts with customers	21	361,867,677	341,368,849
Rent income	7	2,297,616	2,374,696
Government grants	19	475,478	-
		364,640,771	343,743,545
Expenses			
Consumable supplies	22	(112,610,075)	(106,364,861)
Salaries, wages and related expenses	23	(114,290,634)	(105,672,097)
Depreciation and amortization charges	24	(47,851,778)	(45,697,748)
Repairs and maintenances		(2,194,873)	(2,288,116)
Other expenses	25	(33,456,647)	(27,126,899)
Other gains – net		86,321,261	449,585
		(224,082,746)	(286,700,136)
Operating profit		140,558,025	57,043,409
Finance income - net	26	13,834,519	40,853,671
Profit before income tax		154,392,544	97,897,080
Income tax expense	27	(32,427,054)	(13,741,865)
Profit for the year		121,965,490	84,155,215
Profit attributable to shareholders		121,965,490	84,155,215
Remeasurement gain on defined benefit obligation - net of tax	17, 27	-	11,858,840
Total comprehensive income, net of tax, attributable to shareholders		121,965,490	96,014,055
The earnings per share attributable to shareholders of PAS for the year ended are as follows:			
Basic earnings per share (KHR)	28	1,421.97	981.15

The attached notes 1 to 33 form an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2023

	<i>Notes</i>	<i>Issued capital</i> <i>KHR'000</i>	<i>Share premium</i> <i>KHR'000</i>	<i>Reserves</i> <i>KHR'000</i>	<i>Retained earnings</i> <i>KHR'000</i>	<i>Total</i> <i>KHR'000</i>
As at 1 January 2023		450,302,828	67,715,235	41,090,572	304,692,311	863,800,946
Profit for the year		-	-	-	121,965,490	121,965,490
Transfer to reserves	15	-	-	8,415,522	(8,415,522)	-
Dividends declared and paid	31.2	-	-	-	(13,721,560)	(13,721,560)
As at 31 December 2023		450,302,828	67,715,235	49,506,094	404,520,719	972,044,876
As at 1 January 2022		450,302,828	67,715,235	31,719,832	234,156,264	783,894,159
Profit for the year		-	-	-	84,155,215	84,155,215
Remeasurement gain on defined benefit obligation		-	-	-	11,858,840	11,858,840
Total comprehensive income, net of tax, attributable to shareholders		-	-	-	96,014,055	96,014,055
Transfer to reserves	15	-	-	9,370,740	(9,370,740)	-
Dividends declared and paid	31.2	-	-	-	(16,107,268)	(16,107,268)
As at 31 December 2022		450,302,828	67,715,235	41,090,572	304,692,311	863,800,946

The attached notes 1 to 33 form an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF CASH FLOWS for the year ended 31 December 2023

	Notes	2023 <i>KHR'000</i>	2022 <i>KHR'000</i>
Operating activities			
Profit before income tax		154,392,544	97,897,080
Adjustments for:			
Finance income - net	26	(13,834,519)	(40,853,671)
Depreciation and amortization charges	24	47,851,778	45,697,748
Gain from disposal of assets classified as held for sale	13	(84,815,997)	-
Movement in retirement benefit obligations		1,852,509	2,680,981
Movement in seniority payment obligations		(209,273)	364,306
Movements in government grants	19	(475,478)	-
Reversal of impairment of trade receivable	10	(87,052)	(96,291)
Provision for expected credit losses on short-term banks deposits		7,559	19,118
Loss on write-off of equipment	6	1,346	-
Changes in working capital:			
Inventories		(5,380,967)	(1,858,358)
Trade and other receivables		(12,883,157)	(1,902,798)
Trade and other payables		4,380,692	(10,362,758)
Deferred income		2,142,395	6,929,978
		92,942,380	98,515,335
Income tax paid	27	(11,957,191)	(10,779,895)
Net cash flows from operating activities		80,985,189	87,735,440
Investing activities			
Purchases of property and equipment	6	(118,645,369)	(34,382,826)
Purchases of investment properties	7	(3,628,861)	(1,277,645)
Purchases of intangible assets	8	-	(251,298)
Proceeds from disposal of property and equipment		-	526,538
Placements in short-term banks deposits		(160,425,979)	(100,852,590)
Interest received		5,026,617	3,870,433
Proceeds from disposal of assets classified as held for sale		98,797,767	-
Proceeds from short-term banks deposits		106,898,489	99,638,944
Net cash flows used in investing activities		(71,977,336)	(32,728,444)
Financing activities			
Proceeds from borrowings	29	7,097,205	1,796,082
Repayments of borrowings	29	(27,297,828)	(28,940,452)
Dividends paid	31.2	(13,721,560)	(16,107,268)
Interest paid	29	(9,433,349)	(10,637,919)
Proceeds from bank overdraft		30,103,125	-
Net cash flows used in financing activities		(13,252,407)	(53,889,557)
Net (decrease)/increase in cash and cash equivalents		(4,244,554)	1,117,439
Cash and cash equivalents at beginning of the year		23,586,368	22,468,929
Cash and cash equivalents at end of the year	12	19,341,814	23,586,368

The attached notes 1 to 33 form an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2023

1. 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 (“MOC”) and obtained the registration number Co.4784 ET/2017, dated 21 February 2017. Its shares of class C were listed on the Main Board of Cambodia Securities Exchange (CSX) on 8 June 2017.

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

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

PAS also operates a Special Economic Zones, operating leases, as a lessor.

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

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

The financial statements for the year ended 31 December 2023 were approved for issue by the Board of Directors on 28 March 2024.

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) issued by the International Accounting Standards Board. The financial statements, expressed in Khmer Riel (“KHR”), are prepared on a historical cost basis. The amounts are rounded to the nearest KHR’000 unless otherwise indicated.

Fiscal year

PAS’s fiscal year starts on 1 January and ends on 31 December.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

2. BASIS OF PREPARATION (continued)

Foreign currency translation

Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which PAS operates (the functional currency). PAS maintains its accounting records and its financial statements in Khmer Riel, its functional and presentation currency.

Transactions and balances

Transactions in currencies other than Riel are translated into the functional currency using the exchange rates prevailing at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than Khmer Riel are recognized in profit or loss. Foreign exchange gains and losses that relate to loans and borrowings are presented in profit or loss in 'finance income and costs'.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 ***New and amended standards and interpretations***

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year, except for the adoption, where applicable, of the following amendments to CIFRSs which became effective beginning on or after 1 January 2023. PAS has not early adopted other standard or amendments that has been issued but is not yet effective.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the PAS's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

Below standards and amendments have been applied for the first time in 2023, but had no impact on PAS's financial position and performance.

- CIFRS 17 *Insurance Contracts*
- Definition of Accounting Estimates – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 *Standard and interpretations issued but not yet effective*

The standard and amendments that are issued, but not yet effective, up to the date of issuance of PAS's financial statements are disclosed below. These standards and interpretations to CIFRSs issued but not yet effective are not expected to have any significant impact on the financial position or performance of PAS.

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1
- Lease Liability in a Sale and Leaseback – Amendments to IFRS 16
- Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Lack of exchangeability – Amendments to IAS 21
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to CIFRS 10 and CIAS 28

3.3 *Functional currency*

PAS maintains its accounting records and presents its financial statements in KHR to reflect the underlying transactions, events and conditions that are relevant to PAS.

PAS's revenue is billed and collected in the following major currencies in KHR. Cost of sales, general and administrative expenses and other income and expenses are likewise purchased and paid in KHR. Based on the economic substance of the underlying circumstances relevant to PAS, KHR is the currency in which PAS substantially both generates and expends cash in the country in which it operates.

3.4 *Property and equipment*

Property and equipment are stated at historical cost less accumulated depreciation. The historical cost includes expenditure that is directly attributable to the acquisition of the items.

Construction in progress is stated at cost, net of accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to PAS and the cost of the item can be measured reliably. The carrying amount of replaced parts is derecognized. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Land is not depreciated. Construction in progress is not depreciated until the related property and equipment is ready for use. Depreciation of other assets is calculated using the straight-line method to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

	<i>Years</i>
Land improvement	7 - 50
Buildings	7 - 50
Technical equipment	5 - 30
Furniture and fittings	3 - 10
Computer and office equipment	3 - 5
Motor vehicles	5 - 15
Seaport equipment	20 - 30
Palettes	10

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 *Property and equipment* (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in profit or loss.

3.5 *Investment properties*

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by PAS, is classified as investment property. Investment property also includes property that is being constructed for developed for future use as investment property. Investment properties are initially measured at cost less accumulated depreciation and impairment, if any. PAS uses the cost model and accounts for investment property in accordance with CIAS 16, *Property, plant and equipment*.

Investment properties are transferred into inventory when, and only when, there is a change in use, evidenced by the commencement of development with a view to sale. When PAS decides to dispose of an investment property without development, it continues to treat the property as an investment property until it is derecognized and eliminated from the statement of financial position and does not treat it as inventory. If an investment property is redeveloped for continued use as investment property, the property remains as investment property and is not reclassified as owner-occupied property during the redevelopment.

On disposal of an investment property, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal, it is derecognized (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognized in profit or loss in the period of retirement or disposal.

Land is not depreciated. Buildings and land improvement are depreciated using the straight-line method over its estimated useful life from ten to 50 years.

3.6 *Intangible assets*

Intangible assets consist of accounting software and port operation system and are stated at historical cost less accumulated amortization and impairment, if any. They are capitalized based on the costs incurred to acquire and bring into use the specific software. PAS amortizes intangible assets with a useful life using the straight-line method over the following periods:

	Years
Accounting software	10
Port operation system	10

3.7 *Impairment of non-financial assets*

The carrying amounts of PAS's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Impairment losses are recognized in the statement of comprehensive income.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.7 *Impairment of non-financial assets* (continued)

Reversal of an impairment loss is recognized in the statement of comprehensive income up to the extent that the asset's carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized for the asset in prior years. After such reversal, the depreciation and amortization charges are adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

3.8 *Inventories*

Inventories are stated at the lower of cost (costs of purchase and other costs incurred in bringing the inventories to their present location and condition) and the net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Inventories include consumables, spare parts and other supply-related inventories and are valued at the actual cost of bringing the inventory to its intended purpose less allowances for damaged, obsolete and slow-moving items using the first-in first-out basis.

3.9 *Financial instruments*

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

3.10 *Financial assets*

3.10.1 *Classification*

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss ("FVTPL").

PAS reclassifies the financial assets when and only when its business model for managing those assets changes.

Trade and other receivables, short-term banks deposits and cash and cash equivalents meet the 'solely payments of principal and interest' (SPPI) criterion as their contractual terms give rise to cash flows that are SPPI and consistent with a basic lending arrangement. These are also held within a held-to-collect business model, and therefore would be classified and measured at amortized cost.

3.10.2 *Recognition and measurement*

At initial recognition, PAS measures a financial asset at its fair value plus, in the case of a financial asset not at 'fair value through profit or loss' (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Changes in the fair value of financial assets at FVPL are recognized in other gain or losses in the statement of profit or loss as applicable.

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 *Financial assets* (continued)

3.10.2 *Recognition and measurement* (continued)

Amortized cost

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

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

FVOCI - debt securities

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

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

FVOCI - equity securities

On initial recognition of an equity investment that is not held for trading, PAS may irrevocably elect to present subsequent changes in fair value in OCI on an investment-by-investment basis.

FVPL

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVPL. On initial recognition PAS may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

All financial assets, except for those measured at FVPL and equity investments measured at FVOCI, are subject to impairment assessment.

Business model assessment

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 *Financial assets* (continued)

3.10.2 *Recognition and measurement* (continued)

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

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition.

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

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

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

A prepayment feature is consistent with the 'solely payments of principal and interest' criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount to its contractual per amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3.10.3 *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from PAS's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or,
- PAS has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) PAS has transferred substantially all the risks and rewards of the asset, or PAS has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When PAS has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, PAS continues to recognize the transferred asset to the extent of its continuing involvement. In that case, PAS also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that PAS has retained.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.10 *Financial assets* (continued)

3.10.3 *Derecognition* (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that PAS could be required to repay.

3.10.4 *Impairment of financial assets*

PAS recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that PAS expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade and other receivables, PAS applies a simplified approach in calculating ECLs. Therefore, PAS does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. PAS has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

PAS considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, PAS may also consider a financial asset not to be in default when internal or external information indicates that PAS is likely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by PAS. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

PAS assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, PAS applies the simplified approach permitted by CIFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of the receivables (*Note 31.1*).

3.11 *Trade and other receivables*

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment and expected credit losses (*Note 31.1*).

3.12 *Short-term banks deposits*

Short-term investment represents time deposits placed at a bank which have maturity of six to twelve months. Interest income and interest receivable is recognized over the term of

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023
deposits.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.13 Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances held with banks, and other short-term, highly liquid investments with original maturities of three months or less.

3.14 Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost

Financial liabilities at amortized cost

This category is the most relevant to PAS. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate ("EIR") method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of comprehensive income. This category generally applies to interest-bearing loans and borrowings.

PAS's financial liabilities measured at amortized cost include trade and other payables, refundable deposits from lessees, lease liabilities and loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of comprehensive income.

3.15 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position if, and only if, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

3.16 Assets classified as held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are measured at the lower of the carrying amount and fair value less costs to sell unless the assets are investment properties measured at fair value or financial assets in the scope of CIFRS 9 in which case they are measured in accordance with

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023
those standards.

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.17 *Share capital and share premium*

Paid-up capital is measured at par value for all shares issued and outstanding. When the shares are sold at premium, the difference between the proceeds and the par value is credited to Share premium.

Ordinary shares with discretionary dividends are classified as equity. Distributions of dividends to owners are charged directly to equity.

3.18 *Dividend*

Dividends on ordinary shares are recognized as liabilities when declared before reporting date. Dividends declared after the reporting date, but before the financial statements are authorized for issue, are not recognized as a liability at the reporting date.

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of PAS, on or before the end of the reporting period but not distributed at the end of the reporting period.

3.19 *Loans and borrowings*

Loans and borrowings are initially recognized at fair value, net of transaction costs incurred. Loans and borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the loans and borrowings using EIR method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loans and borrowing to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.20 Employee benefits

3.20.1 Short-term employee benefits

Short-term employee benefits comprise salaries, wages, bonuses, seniority indemnity and contributions to the social security fund are recognized as expenses in the period in which the associated services are rendered by the employees.

3.20.2 Retirement benefits

PAS has provided two schemes of employee benefits to staff upon their retirement age:

- Retirement benefit obligations
- Gratuity payments.

PAS also operates defined benefit plan whereby:

- The employees' contribution is 10% of their monthly basic salary
- The employer's contribution is 10% of the employees' monthly basic salary
- On an annual basis, the Board of Directors decides on an additional amount to be contributed to the scheme based on PAS' performance during the year.

Staff must meet all of the following criteria to be eligible to receive retirement benefits:

- Be a permanent staff member
- Have worked for PAS for 25 years or more
- Contribute to the scheme as required
- Hold a staff card, and

If retiring before reaching the retirement age, the retirement must be approved by the Chairman and Chief Executive Officer.

(i) Retirement benefit obligations

- (a) Staff who have served for 25 or more years can choose to receive a one-off payment at the retirement age or a monthly payment until the end of their life. Payments to eligible employees are based on the following terms and conditions:

One-off payment:

Staff who decide to receive a one-off payment at retirement will receive a payment equal to 12.5 times their last monthly basic salary.

Monthly payment until end of life:

The monthly payment made to staff who decide to receive monthly benefits until the end of their life depends on their years of service as set out below:

<i>Years of service</i>	<i>Benefit</i>
25 years	Receive a monthly payment of 75% of their last month's basic salary.
26 to 40 years	Receive a monthly payment of 75% of the last month's basic salary plus an additional 1% for each additional year of service over 25 years.
Over 40 years	Receive a monthly payment of 90% of the last month's basic salary.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.20 Employee benefits (continued)

3.20.2 Retirement benefit (continued)

(i) Retirement benefit obligations (continued)

- (b) Staff who have served less than 25 years are not entitled to post-employment benefits, but they are entitled to a one-off lump-sum payment as follows:

<i>Years of service</i>	<i>Benefit</i>
Less than 10 years	No benefit and no refund of total contribution. The total contribution will become the scheme's income.
10 to 24 years	Receive a 200% of total contributions from PAS and employee.

If the plan is demolished for any reasons, the employee can claim back his/her contribution from the plan according to the actual condition of the plan and the procedures as stated in the policy.

(c) Early retirement benefits

Staff who were retired or dismissed prior to reaching retirement age will receive the following benefit:

<i>Years of service</i>	<i>Benefit</i>
Less than 10 years	No refund of employee's total contribution.
From 10 to 20 years	120% of the employee's total contributions and an additional 1% for each year of service over 10 years.
From 21 to 30 years	135% of the employee's total contributions and an additional 1% for each year of service over 21 years.
From 31 to 40 years	155% of the employee's total contributions and an additional 1% for each year of service over 31 years.
More than 40 years	164% of the employee's total contributions

(d) Death benefits

A one-off benefit will be paid upon death of the staff. The benefit is based on total contributions from PAS and employee and depends on the staff member's years of service as follows:

<i>Years of service</i>	<i>Work-related death</i>	<i>Non-work-related death</i>
Less than 11 years	125%	115%
From 11 to 20 years	145%	135%
From 21 to 30 years	155%	145%
More than 30 years	165%	155%

(e) Disability benefits:

Staff who have served less than 25 years and become disabled will receive a one-off payment based on their total contributions from PAS and employee as follows:

<i>Years of services</i>	<i>Work related disability</i>	<i>Non-work-related disability</i>
Less than 11 years	125%	115%
From 11 to 25 years	125% plus 3% for each year of service over 10 years	115% plus 3% for each year of service over 10 years
More than 25 years:		
Option 1	170%	160%
Option 2	Monthly annuity retirement benefits	Monthly annuity retirement benefits

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.20 *Employee benefits* (continued)

3.20.2 *Retirement benefit* (continued)

(ii) *Gratuity payments*

PAS also provided another employee benefit scheme, gratuity payments, to staff who have served PAS until retirement age.

Upon retirement, staff will receive a gratuity payment (sum of amount) as set out in formula = (a) * (b)

(a) Number of their years of services from joined date until retirement age

(b) The benefit rate depends on their years of services as set out below:

<i>Years of service</i>	<i>Benefit rate</i>
Up to 25 years	75% of their latest month's basic salary at retirement age.
26 to 40 years	75% plus an additional 1% for each additional year of service over 25 years of their latest month's basic salary at retirement age.
Over 40 years	90% only of their latest month's basic salary at retirement age.

The liability recognized in the statement of financial position in respect of defined benefit retirement plans (retirement benefit obligations and gratuity payments) are the present value of the defined benefit obligations at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligations are calculated using the projected unit credit method. The present value of the defined benefit obligations is determined by discounting the estimated future cash flows using the average deposit rate of funds reserved for retirement benefit payments deposited at banks, as there is no deep high-quality corporate bond market or government bonds in Cambodia.

Remeasurement gains and (losses) arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income.

However, in December 2019, the Board of Directors has amended the policy to cap the maximum number of years of services at 40 years.

3.20.3 *Seniority payment obligations*

Retrospective seniority indemnity

On 21 September 2018, the Ministry of Labor and Vocational Training ("MoLVT") issued Prakas Prakas No. 443 to all enterprises, establishments and those who are covered by the provision of Article 89 (New) of the Labor Law with implementation guidelines issued on 22 March 2019. The said Prakas requires retroactive seniority payment equal to fifteen days per year of employee service for a maximum not exceeding 6 months based on the average net wages for each year. Employees are not entitled to the payment if they resign before receiving it. Payment shall be spread over a period starting in December 2021 as follows:

- Equal to three days payable every December, and
- Equal to three days payable every June

The retroactive seniority payment shall not exceed six months of employee's average wage of each retrospective year. Staffs are not entitled to the payment if they resign before the payment is due.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.20 *Employee benefits* (continued)

3.20.3 *Seniority payment obligations* (continued)

Retrospective seniority indemnity (continued)

On 23 December 2020, the Ministry released an instruction on the payment of seniority indemnity before 2019 confirming that the payment of seniority indemnity before 2019 can be delayed to June 2022. However, PAS commenced its settlement of retrospective seniority indemnity from December 2021.

PAS estimates the provision of the seniority indemnity using present value of expected payment in the future using certain assumptions on employee turn-over based on PAS's recent experience, mortality rate and market interest rate.

3.21 *Government grants*

Government grants are recognized where there is reasonable assurance that the grants will be received, and all attached conditions will be complied with. When the grants relate to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grants relate to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset.

When PAS receives grants of non-monetary assets, the asset and the grants are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

3.22 *Income tax*

Tax expense comprises current and deferred tax. Tax is recognized in statement of comprehensive income.

3.22.1 *Current income tax*

The current income tax charge is calculated on the basis of the tax rate and laws enacted or substantively enacted at the end of reporting date in Cambodia, where PAS generates taxable income.

3.22.2 *Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for the financial statements reporting purpose at the end of reporting period.

Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.22 *Income tax* (continued)

3.22.2 *Deferred tax* (continued)

The net carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting date and recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted during the reporting period.

Deferred tax assets and liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

3.23 *Revenue from contract with customer*

PAS recognizes revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation is a promise to transfer a distinct good or service to a customer. The amount of revenue recognized is the amount allocated to the satisfied performance obligation.

Port revenue

Port revenue mainly includes fees charged for stevedoring (cargo handling from/to vessels), Lift-On Lift-Off (cargo handling from/to vehicles), port due/charge services (piloting/berthing), container storage and other services. Revenue from the provision of these services is recognized when services are rendered.

Variable considerations

Contract with customers do not include variable considerations like right of return, trade discounts or rebates.

Rent income - PAS is the lessor

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rental income on operating lease is recognized over the lease term of the lease on a straight-line basis.

Properties leased out under operating leases are included in investment properties (*Note 7*) in the statement of financial position.

Other revenue

Other revenue includes truck entrance and other fees. Other revenue is recognized when the services are rendered.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.24 *Interest income*

Interest income is recognized using EIR method and included in finance income in statement of comprehensive income.

3.25 *Earnings per share*

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of PAS, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares (if any).

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

3.26 *Provision and contingent liability*

Provisions are recognized when PAS has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliably estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognized in the statement of comprehensive income.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

3.27 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (Chief Executive Officer). The chief operating decision-maker, who is responsible for allocating resources to and assessing the performance of the operating segments, has been identified as the management team (including the director general and all deputy director generals), which makes strategic decisions.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements in compliance with CIFRSs requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

In the opinion of management, these financial statements reflect all adjustments necessary to present fairly the results for the periods presented. Actual results could differ from these estimates, and the effect of any change in estimates will be reflected in the financial statements when they become reasonably determinable.

Judgment

In the process of applying PAS's accounting policies, management has made the following judgment, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

Revenue from contract with customer

PAS applied the following judgements that significantly affect the determination of the amount and timing of revenue from contract with customer:

- *Identifying performance obligations*

PAS identifies performance obligations by considering whether the promised services in the contract are distinct. A service is distinct when the customer can benefit from the service on its own or together with other resources that are readily available to the customer and PAS's promise to transfer the service to the customer is separately identifiable from the other promises in the contract.

PAS assesses performance obligations as a series of distinct goods and services that are substantially the same and have the same pattern of transfer if (i) each distinct good or services in the series are transferred over time and (ii) the same method of progress will be used (i.e., units of delivery) to measure the entity's progress towards complete satisfaction of the performance obligation.

- *Determining the timing of satisfaction of port services*

PAS recognizes revenue when it satisfies an identified performance obligation by transferring the promised service to the customer. A service is considered to be transferred when the customer obtains control. PAS determines, at contract inception, whether it will transfer control of a promised service over time. If PAS does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time.

- *Identifying methods for measuring progress of revenue recognized over time*

PAS determines the appropriate method of measuring progress which is either through the use of input or output methods. Input method recognizes revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation while output method recognizes revenue on the basis of direct measurements of the value to the customer of the services transferred to date.

PAS determined that the output method is the best method in measuring progress for port services which is also directly linked to the transaction price.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Judgment (continued)

Revenue from contract with customer (continued)

- *Determining method to estimate variable consideration and assessing the constraint*

PAS includes some or all the amounts of variable consideration estimated but only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. PAS considers both the likelihood and magnitude of the revenue reversal in evaluating the extent of variable consideration PAS will subject to constraint. Factors such as i) highly susceptibility to factors outside PAS's influence, ii) timing of resolution of the uncertainty, and iii) having a large number and broad range of possible considerations amount are considered.

PAS determined that the expected value method is the appropriate method to use in estimating the variable consideration given the range of possible outcomes.

Before including any amount of variable consideration in the transaction price, PAS considers whether the amount of variable consideration is constrained. PAS determined that the estimates of variable consideration are to be fully constrained based on its historical experience, the range of possible outcomes, and the unpredictability of other factors outside PAS's influence.

Classification of lease - Company as an lessor

PAS has determined, based on an evaluation of the terms and conditions of the arrangement, such as the lease term of the sublease constitutes the remaining term of the head lease, that it does not retain substantially all the risks and rewards incidental to ownership of the property and accounts for the contract as finance lease.

Classification of financial instruments

PAS exercises judgment in classifying a financial instrument, or its component parts, on initial recognition as either a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability or an equity instrument. The substance of a financial instrument, rather than its legal form, governs its classification in the statement of financial position.

Functional currency

CIAS 21 requires management to use its judgment to determine PAS's functional currency such that it most faithfully represents the economic effects of the underlying transactions, events and conditions that are relevant to the entity. In making this judgment, PAS considers the following:

- (i) The currency that mainly influences prices for services (this will often be the currency in which prices for its services are denominated and settled);
- (ii) The currency in which funds from financing activities are generated; and
- (iii) The currency in which receipts from operating activities are usually retained.

Based on the economic substance of underlying circumstances relevant to PAS, the functional currency of PAS has been determined to be the KHR. The KHR is the currency of the primary economic environment in which PAS operates, and it is the currency that mainly influences the rendering of services and the cost of providing the services.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. PAS based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of PAS. Such changes are reflected in the assumptions when they occur.

Fair value measurement of financial instruments

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

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

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and model inputs such as volatility for longer dated derivatives and discount rates, prepayment rates and default rate assumptions for asset backed securities.

For discounted cash flow analysis, estimated future cash flows and discount rates are based on current market information and rates applicable to financial instruments with similar yields, credit quality and maturity characteristics. Estimated future cash flows are influenced by factors such as economic conditions (including country specific risks), concentrations in specific industries, types of instruments or currencies, market liquidity and financial conditions of counterparties. Discount rates are influenced by risk free interest rates and credit risk. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments.

Allowances for ECL of trade receivables

The measurement of the allowance for ECL for financial assets measured at amortized cost and FVOCI is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses).

PAS applies the CIFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Taxes

Taxes are calculated on the basis of the tax laws regulations and its current interpretation. However, these regulations are subject to periodic variation and the ultimate determination of tax expense will be made following inspection by the General Department of Taxation ("GDT"). Where the final tax outcome of these matters are different from the amounts that were initially recorded by PAS, such differences will have an impact on the provision for income tax and deferred tax in the year in which such the final determination is made by the GDT.

Net realizable value of inventories

PAS writes down the cost of inventories due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost and net realizable value of inventories are reviewed annually to reflect the accurate valuation in the financial statements. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the reporting period.

Estimation of the useful lives of property, plant and equipment and intangible assets

The useful lives of property, plant and equipment and intangible assets are estimated based on the period over which these assets are expected to be available for use. The estimated useful lives of these assets are reviewed periodically and updated if expectations differ from previous estimates due to physical wear and tear, technical and commercial obsolescence and other limits on the use of the assets. Any reduction in the residual value and estimated useful lives of property, plant and equipment and intangible assets would increase PAS's recorded operating expenses and decrease the related assets.

Fair value measurement of investment properties

The fair value of investment properties is determined by using valuation techniques. For further details of the valuation method, see Note 7.

Impairment of non-financial assets

PAS assesses at each reporting date whether there are any indicators of impairment for all non-financial assets (property, plant and equipment and intangible assets). These non-financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

This requires an estimation of an asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less cost to sell and value-in-use. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction while value-in-use is the present value of the estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets, if it is not possible, for the cash-generating unit to which the asset belongs.

Recognition of deferred tax assets

PAS reviews the carrying amounts of deferred income tax assets at the end of each reporting period and reduces deferred income tax assets to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax assets to be utilized.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (continued)

Estimates and assumptions (continued)

Retirement benefit obligations

The present value of the retirement benefit obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used to determine the net cost of pensions include the discount rate, salary growth rates, staff turnover rate and life expectancy. Any changes in these assumptions will impact the carrying amount of the obligations.

5. SEGMENT INFORMATION

Significant revenues are derived from port services. In addition, PAS also has a Special Economic Zone (SEZ) operating as a lessor and earns rental income (*Note 7*).

PAS has a reportable segment, namely, port services. The chief operating decision-maker (Chief Executive Officer) 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. CODM also reviews profit before tax and net profit as a whole compared to prior periods.

PAS is domiciled in Sihanoukville and major revenues originate from Sihanoukville and the surrounding areas.

Revenue of KHR'000 128,015,621 was generated from three major customers during the year.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

6. PROPERTY AND EQUIPMENT

	2023										
	Land	Land improvement	Building*	Technical equipment	Furniture and fittings	Computer and office equipment	Motor vehicles	Seaport equipment*	Palettes	Construction in progress	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Cost											
As at 1 January	296,735,409	60,368,228	349,258,058	39,742,317	2,857,109	13,187,278	60,308,594	277,554,377	1,116,855	41,445,938	1,142,574,163
Additions*	-	2,982,312	8,085,832	2,856,413	861,324	938,686	21,972,815	53,829,487	-	78,138,893	169,665,762
Write-off	-	-	-	-	(940,907)	(6,000,656)	-	-	-	-	(6,941,563)
As at 31 December	296,735,409	63,350,540	357,343,890	42,598,730	2,777,526	8,125,308	82,281,409	331,383,864	1,116,855	119,584,831	1,305,298,362
Accumulated depreciation											
As at 1 January	-	(10,284,858)	(49,633,139)	(17,930,024)	(2,233,720)	(10,454,965)	(17,192,291)	(70,095,468)	(1,036,917)	-	(178,861,382)
Depreciation	-	(2,964,810)	(10,247,435)	(4,319,675)	(459,008)	(1,696,822)	(5,666,318)	(14,557,988)	(18,819)	-	(39,930,875)
Write-off	-	-	-	-	940,907	5,999,310	-	-	-	-	6,940,217
As at 31 December	-	(13,249,668)	(59,880,574)	(22,249,699)	(1,751,821)	(6,152,477)	(22,858,609)	(84,653,456)	(1,055,736)	-	(211,852,040)
Net book value											
As at 31 December	296,735,409	50,100,872	297,463,316	20,349,031	1,025,705	1,972,831	59,422,800	246,730,408	61,119	119,584,831	1,093,446,322
	2022										
	Land	Land improvement	Building	Technical equipment	Furniture and fittings	Computer and office equipment	Motor vehicles	Seaport equipment	Palettes	Construction in progress	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Cost											
As at 1 January	296,735,409	58,850,922	347,507,695	37,508,100	2,471,776	11,728,126	48,804,659	276,966,969	1,022,761	25,524,801	1,107,121,218
Additions	-	1,517,306	1,650,805	2,234,217	385,333	1,459,152	12,477,035	587,408	94,094	16,020,695	36,426,045
Disposal	-	-	-	-	-	-	(973,100)	-	-	-	(973,100)
Transfers	-	-	99,558	-	-	-	-	-	-	(99,558)	-
As at 31 December	296,735,409	60,368,228	349,258,058	39,742,317	2,857,109	13,187,278	60,308,594	277,554,377	1,116,855	41,445,938	1,142,574,163
Accumulated depreciation											
As at 1 January	-	(7,322,337)	(39,923,193)	(13,827,541)	(1,763,120)	(7,712,611)	(13,252,332)	(56,136,843)	(1,017,397)	-	(140,955,374)
Depreciation	-	(2,962,521)	(9,709,946)	(4,102,483)	(470,600)	(2,742,354)	(4,386,521)	(13,958,625)	(19,520)	-	(38,352,570)
Disposal	-	-	-	-	-	-	446,562	-	-	-	446,562
As at 31 December	-	(10,284,858)	(49,633,139)	(17,930,024)	(2,233,720)	(10,454,965)	(17,192,291)	(70,095,468)	(1,036,917)	-	(178,861,382)
Net book value											
As at 31 December	296,735,409	50,083,370	299,624,919	21,812,293	623,389	2,732,313	43,116,303	207,458,909	79,938	41,445,938	963,712,781

*Additions to building and seaport equipment included container freight station and mobile harbor crane amounting to KHR'000 5,156,339 and KHR'000 45,645,773, respectively, received as a government grants (Refer to Note 19).

The cost of fully depreciated property and equipment still in use amounted to KHR'000 17,312,325 as at 31 December 2023 (2022: KHR'000 19,949,424). PAS has no idle asset as at 31 December 2023 and 2022.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

6. PROPERTY AND EQUIPMENT (continued)

Reconciliation of cash and non-cash additions (purchases of property and equipment) is as follows:

	2023	2022
	<i>KHR'000</i>	<i>KHR'000</i>
Additions (cash and non-cash) during the year (excluding capitalized borrowing cost)	169,447,481	36,241,856
Receipt of government grants (<i>Note 19</i>)	(50,802,112)	-
Increase in payable to a supplier	-	(1,859,030)
Cash used in purchase of property and equipment	<u>118,645,369</u>	<u>34,382,826</u>

Interest cost on borrowings that was capitalized on qualifying assets for the year ended 31 December 2023 was KHR'000 218,281 (31 December 2022: KHR'000 184,189).

The table below summarizes the legal status of the land held and its carrying amount.

	2023	2022
	<i>KHR'000</i>	<i>KHR'000</i>
Land with legal title deeds	46,540,500	46,540,500
Land with no title deeds	250,194,909	250,194,909
	<u>296,735,409</u>	<u>296,735,409</u>

Land with no title deeds pertain to those land with soft title deeds registered at district level.

7. INVESTMENT PROPERTIES

	<i>Land</i>	<i>Building and land improvement</i>	<i>Construction in progress</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost				
As at 1 January 2023	122,715,963	168,774,898	-	291,490,861
Additions	1,064,760	1,293,740	1,359,091	3,717,591
Disposal	-	(643,471)	-	(643,471)
As at 31 December 2023	<u>123,780,723</u>	<u>169,425,167</u>	<u>1,359,091</u>	<u>294,564,981</u>
Accumulated depreciation				
As at 1 January 2023	-	(43,194,156)	-	(43,194,156)
Depreciation	-	(6,739,799)	-	(6,739,799)
Disposal	-	643,471	-	643,471
As at 31 December 2023	<u>-</u>	<u>(49,290,484)</u>	<u>-</u>	<u>(49,290,484)</u>
Net book value				
As at 31 December 2023	<u>123,780,723</u>	<u>120,134,683</u>	<u>1,359,091</u>	<u>245,274,497</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

7. INVESTMENT PROPERTIES (continued)

	<i>Land</i>	<i>Building and land improvement</i>	<i>Construction in progress</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost				
As at 1 January 2022	121,633,563	168,579,653	-	290,213,216
Additions	-	195,245	1,082,400	1,277,645
Transfers	1,082,400	-	(1,082,400)	-
As at 31 December 2022	122,715,963	168,774,898	-	291,490,861
Accumulated depreciation				
As at 1 January 2022	-	(37,017,517)	-	(37,017,517)
Depreciation	-	(6,176,639)	-	(6,176,639)
As at 31 December 2022	-	(43,194,156)	-	(43,194,156)
Net book value				
As at 31 December 2022	122,715,963	125,580,742	-	248,296,705

Cash purchases of investment properties:

	<i>2023</i>	<i>2022</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Purchases (cash and non-cash) during the year	3,717,591	1,277,645
Increase in payable to a supplier	(88,730)	-
Cash used in purchase of investment properties	3,628,861	1,277,645

Valuation process (technique/inputs) used to determine fair value

The investment properties were valued by the valuation company accredited by the Securities and Exchange Regulator of Cambodia. PAS obtained independent valuations for its investment properties as at 29 November 2022; and management believes that there was no significant change on valuation up to the reporting date.

The level 3 fair value of investment properties has been derived using sales comparison approach for land and cost approach for buildings. Land valued using the sales comparison approach taking into account comparable items. These values are adjusted for differences in key attributes such as size and location, condition and other relevant factors.

	<i>2023</i>	<i>2022</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Land at fair value	3,007,589,829	3,031,149,896
Buildings at fair value	119,567,950	120,504,590
	3,127,157,779	3,151,654,486

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

7. INVESTMENT PROPERTIES (continued)

The table below summarizes the legal status of the land held and its carrying amounts:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Land with legal title deeds - Special Economic Zone	83,273,604	83,273,604
Land with legal title deeds - Other areas	4,508,855	4,508,855
Land with no legal title deeds	35,998,264	34,933,504
	<u>123,780,723</u>	<u>122,715,963</u>

The following amounts deriving from the business of investment properties have been recognized in profit or loss:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Rent income	2,297,616	2,374,696
Depreciation expense	(6,739,799)	(6,176,639)
Direct operating expenses arising from investment properties that generate rental revenue	(3,303,875)	(2,869,585)

Minimum future lease payments on leases of investment properties are as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Within 1 year	1,544,130	568,146
Between 1 and 2 years	1,544,130	1,556,226
Between 2 and 3 years	1,552,300	1,556,226
Between 3 and 4 years	1,552,300	1,564,460
Between 4 and 5 years	1,576,810	1,564,460
More than 5 years	36,957,207	38,835,875
	<u>44,726,877</u>	<u>45,645,393</u>

8. INTANGIBLE ASSETS

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Cost		
As at 1 January	11,539,381	11,288,083
Additions	-	251,298
As at 31 December	<u>11,539,381</u>	<u>11,539,381</u>
Accumulated amortization		
As at 1 January	(7,520,290)	(6,351,751)
Amortization	(1,181,104)	(1,168,539)
As at 31 December	<u>(8,701,394)</u>	<u>(7,520,290)</u>
Net book value		
As at 31 December	<u>2,837,987</u>	<u>4,019,091</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

9. INVENTORIES

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Consumable supplies	30,471,721	25,507,563
Combustible materials	1,712,524	2,021,678
Oil and lubricant	2,375,490	1,649,527
	34,559,735	29,178,768
Allowance for impairment of inventories	(95,404)	(95,404)
	34,464,331	29,083,364

Movement of allowance for impairment of inventories are as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	95,404	742,994
Reversal during the year	-	(647,590)
As at 31 December	95,404	95,404

Inventories recognized as expenses for the year ended 31 December 2023 amounted to KHR'000 105,546,000 (2022: KHR'000 102,336,000).

10. TRADE AND OTHER RECEIVABLES

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Trade receivables	43,305,278	30,567,910
Allowance for expected credit losses (a)	(145,898)	(232,950)
Trade receivables, net	43,159,380	30,334,960
Advances to MoPWT (b)	1,221,303	7,221,303
Advances to suppliers	3,606,531	314,488
Prepayments	85,903	86,111
Other receivables	4,913,737	7,621,902
	48,073,117	37,956,862

Trade receivables are short term receivables due from local and international shipping lines and agents.

(a) Movement of allowance for expected credit losses of trade receivables is as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	232,950	329,241
Reversal during the year	(87,052)	(96,291)
As at 31 December (Note 31.1)	145,898	232,950

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

10. TRADE AND OTHER RECEIVABLES (continued)

(b) This represents outstanding cash advance to the MoPWT amounting to KHR'000 1,221,303 which was based on the letter dated 14 August 2018 and payable in 2019. The cash advance was used for the MoPWT's office building construction. The term of repayment was unspecified.

In 2022, additional cash advance amounting to KHR 6 billion was made to the MoPWT to be used for public road construction which was based on the letter request dated 18 January 2022. On 14 March and 15 June 2023, MoPWT repaid KHR 5 billion and KHR 1 billion to PAS, respectively.

The remaining advances to MoPWT remain outstanding as of the date of this report.

11. SHORT-TERM BANKS DEPOSITS

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Short-term banks deposits	154,380,080	100,852,590
Accrued interest receivable	<u>5,033,470</u>	<u>2,074,792</u>
	159,413,550	102,927,382
Allowance for expected credit losses	<u>(26,678)</u>	<u>(19,118)</u>
	<u>159,386,872</u>	<u>102,908,264</u>

Included in the short-term banks deposits, amount of KHR'000 32,680,000 which is denominated in United States dollar ("US\$") at the face value of US\$ 8,000,000 (2022: nil) was pledged to secure loan from Foreign Trade Bank of Cambodia ("FTB") (see Note 16).

These short-term banks deposits represent fixed deposits placed with financial institutions for a period of twelve months, earning interest at rates ranging from 4.00% to 7.00% (2022: 2.75% to 6.50%) per annum.

12. CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Cash on hand	696,351	730,817
Cash in banks	<u>18,645,463</u>	<u>22,855,551</u>
	<u>19,341,814</u>	<u>23,586,368</u>

Cash in banks are current accounts which carry no interest and held at local commercial banks.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

13. ASSETS CLASSIFIED AS HELD FOR SALE

On 10 November 2021, PAS signed a sale and purchase agreement with a buyer to sell a parcel of vacant land (130 hectares) located in the Bet Trang commune, which was acquired for capital appreciation. The total contract value is US\$ 26 million or KHR 105,300 million at a price of US\$ 20 or KHR 81,000 per square meter. PAS received US\$ 2 million as a deposit on the contract date, and the remaining amount will be paid by the buyer upon completion of ownership title deeds transferred to buyer. The size of the land changed based on remeasurement as part of ownership transferring process by the Ministry of Land Management, Urban Planning and Construction. The buyer settled the remaining contract value based on the confirmed size at US\$ 20 or KHR'000 81 per square meter. Since then, it has been classified and presented as assets classified as held for sale.

In January 2023, the process of transferring hard title deed was completed. The size of the land was 1,309,275 square meters based on hard title deed issued by the Ministry of Land Management, Urban Planning and Construction. The remaining contract value was settled and received in February 2023. Gain on disposal amounting to KHR'000 84,815,997 was recognized under 'other gains – net' in profit or loss for the year.

14. ISSUED CAPITAL AND SHARE PREMIUM

	<i>Class A share (*)</i>		<i>Class B share (**)</i>		<i>Class C share (**)</i>		<i>Issued capital</i>		<i>Share premium</i>	<i>Total</i>
	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
At 31 December 2023	<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>450,302,828</u>	<u>450,302,828</u>	<u>67,715,235</u>	<u>518,018,063</u>
At 31 December 2022	<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>450,302,828</u>	<u>450,302,828</u>	<u>67,715,235</u>	<u>518,018,063</u>

(*) According to Article 11 of the Articles of Incorporation dated 12 April 2019 which was approved by MOC on 8 October 2019, the capital of KHR 450,302,828,000 were allocated into 364,530,861 class A shares, 64,328,975 class B shares and 21,442,992 class C 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 and class C shares are controlled by public investors. 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. Class B and class C shares have voting rights and are entitled to dividend as approved by the Board of Directors.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

14. ISSUED CAPITAL AND SHARE PREMIUM (continued)

(**) The details of voting-right shares and their holders are as follows:

	<i>Percentage</i>	<i>Number of shares</i>	<i>KHR'000</i>
Class B Share held by:			
The Royal Government of Cambodia	75%	64,328,975	64,328,975
Class C Share held by:			
Kamigumi Co., Ltd	13%	11,150,324	11,150,324
Public investors	12%	10,292,668	10,292,668
	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.

15. OTHER RESERVES

	<i>2023</i>	<i>2022</i>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	41,090,572	31,719,832
Add: General reserve	4,207,761	4,685,370
Legal reserve	4,207,761	4,685,370
As at 31 December	49,506,094	41,090,572

Article 65 of the Article of Incorporation dated 12 April 2019 stipulates that PAS's annual profit, after offsetting losses carried forward (if any), is allocated to general reserve and legal reserve at 5% each. On 12 May 2023, the Board of Directors approved to transfer KHR'000 4,207,761 from the profit for the year ended 31 December 2022 to each general reserve and legal reserve.

16. LOANS AND BORROWINGS

	<i>2023</i>	<i>2022</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Loans and borrowings from:		
MoEF - (JBIC) - Borrowing No. CP-P3 (i)	36,382,074	44,418,903
MoEF - (JBIC) - Borrowing No. CP-P4 (i)	83,189,932	91,466,472
MoEF - (JBIC) - Borrowing No. CP-P6 (i)	4,667,838	5,354,396
MoEF - (JBIC) - Borrowing No. CP-P8 (i)	81,948,057	90,590,009
MoEF - (JICA) - Borrowing No. CP-P10 (i)	137,275,308	149,582,039
MoEF - (JICA) - Borrowing No. CP-P21 (i)	13,528,501	13,698,758
FTB – Bank overdraft (ii)	30,103,125	-
	387,094,835	395,110,577

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

16. LOANS AND BORROWINGS (continued)

- (i) MoEF – Japan Bank for International Cooperation (“JBIC”) and Japan International Cooperation Agency (“JICA”)

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.

- (ii) Foreign Trade Bank of Cambodia (“FTB”)

On 15 December 2023, PAS entered into a loan agreement with FTB for an overdraft facility with credit limit of KHR’000 30,229,000 (denominated in US\$ with the face value of US\$ 7,400,000). The bank overdraft bears interest rate at 7.50% per annum. The bank overdraft is secured by PAS’s short-term banks deposits with FTB of KHR’000 32,680,000 as disclosed in Note 11.

The maturity dates of these loans and borrowings are as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR’000</i>	<i>KHR’000</i>
Current		
Within 1 year	59,035,225	30,433,490
Non-current		
Between 1 and 2 years	26,815,738	28,072,753
Between 2 and 5 years	80,447,215	84,218,260
More than 5 years	220,796,657	252,386,074
	328,059,610	364,677,087
	387,094,835	395,110,577

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

The carrying amounts of loans and borrowings approximate to the estimated fair values due as these items are not materially sensitive to the shift in market interest rates.

Loans and borrowings denominated in currencies other than functional currency are as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR’000</i>	<i>KHR’000</i>
Japanese yen (“JPY”)	273,801,778	303,644,105
US\$	113,293,057	91,466,472
	387,094,835	395,110,577

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

16. LOANS AND BORROWINGS (continued)

The interest rates per annum are as follows:

	<u>2023</u>	<u>2022</u>
MoEF - (JBIC) - Borrowing No. CP-P3	3.00%	3.00%
MoEF - (JBIC) - Borrowing No. CP-P4	3.70%	3.70%
MoEF - (JBIC) - Borrowing No. CP-P6	3.00%	3.00%
MoEF - (JBIC) - Borrowing No. CP-P8	2.65%	2.65%
MoEF - (JICA) - Borrowing No. CP-P10	1.65%	1.65%
MoEF - (JICA) - Borrowing No. CP-P21	1.26%	1.26%

17. RETIREMENT BENEFIT OBLIGATIONS

The movements in the retirement benefit obligations during the year are as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	76,038,416	88,180,984
Current service costs	1,811,492	2,057,759
Interest expense	4,795,639	4,638,446
Benefits paid	(4,754,622)	(4,015,224)
Remeasurement gains from change in actuarial assumptions	-	(14,823,549)
As at 31 December	<u>77,890,925</u>	<u>76,038,416</u>
	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Current portion	5,068,764	6,214,363
Non-current portion	72,822,161	69,824,053
	<u>77,890,925</u>	<u>76,038,416</u>

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

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Current service costs	1,811,492	2,057,759
Interest expense	4,795,639	4,638,446
Total amount recognized in profit or loss (Note 23)	<u>6,607,131</u>	<u>6,696,205</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions were as follows:

	2023	2022
Discount rate per annum	6.5%	6.5%
Salary incremental rate per annum	5.0%	5.0%
Turnover rate per annum	0.5%	0.5%
Mortality rate	100% of 2017 Thailand Ordinary Mortality tables	100% of 2017 Thailand Ordinary Mortality tables
Disability rate	10% of pre-retirement mortality rates	10% of pre-retirement mortality rates

The following shows the sensitivity of the retirement benefit obligations to changes in the following actuarial assumption:

<i>Sensitivity</i>	<i>Assumption</i>	<i>KHR'000</i>
2023		
<i>Discount rate</i>		
Base assumption	6.5%	77,890,925
+ 1.00%	7.5%	70,081,111
- 1.00%	5.5%	87,351,953
<i>Salary incremental rate</i>		
Base assumption	5.0%	77,890,925
+ 1.00%	6.0%	81,662,133
- 1.00%	4.0%	74,568,923
2022		
<i>Discount rate</i>		
Base assumption	6.5%	76,038,416
+ 1.00%	7.5%	68,498,361
- 1.00%	5.5%	85,179,149
<i>Salary incremental rate</i>		
Base assumption	5.0%	76,038,416
+ 1.00%	6.0%	79,305,970
- 1.00%	4.0%	73,153,502

18. DEFERRED INCOME

PAS leased out its investment properties with lease terms between two and 50 years. The prepayment is credited to the statement of profit or loss on a straight-line basis over the lease term.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

18. DEFERRED INCOME (continued)

Movement in the deferred income over the year follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	12,374,879	5,444,901
Received during the year	3,081,417	7,552,798
Recognized as rental income	(822,305)	(747,358)
Foreign currency differences	(116,717)	124,538
As at 31 December	<u>14,517,274</u>	<u>12,374,879</u>
Current	170,345	171,679
Non-current	14,346,929	12,203,200
	<u>14,517,274</u>	<u>12,374,879</u>

19. GOVERNMENT GRANTS

	<u>2023</u>
	<i>KHR'000</i>
As at 1 January	-
Received during the year	50,802,112
Released to profit or loss	(475,478)
As at 31 December	<u>50,326,634</u>
Current	3,214,930
Non-current	47,111,704
As at 31 December	<u>50,326,634</u>

On 10 February 2023, PAS received building construction of container freight station with construction value of KHR'000 5,156,339 (equivalent to US\$ 1,271,914) from the Government of Japan through Royal Government of Cambodia as grant under the purpose of contributing to the implementation of the Economic and Social Development Programme. On 1 April 2023, PAS recognized the container freight station as building under property and equipment and related deferred government grant at the construction value. The depreciation of the container freight station and related grant income have been being released to profit or loss over estimated asset useful life of 30 years. There are no unfulfilled conditions or contingencies attached to the grant.

On 20 November 2023, PAS received seaport equipment of two mobile harbor cranes with value of KHR'000 45,645,773 (equivalent to US\$ 11,079,071) from the Government of Japan through Royal Government of Cambodia as grants under the purpose of contributing to the implementation of the Economic and Social Development Programme. On 20 November 2023, PAS recognized the mobile harbor cranes as seaport equipment under property and equipment and related deferred government grants at the equipment value. The depreciation of the mobile harbor cranes and related grants income have been being released to profit or loss over estimated asset useful life of 15 years. There are no unfulfilled conditions or contingencies attached to the grants.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

19. GOVERNMENT GRANTS (continued)

According to 'exchange note' between the Royal Government of Cambodia ("the Recipient") and the Government of Japan dated 16 December 2021, the products and/or services given under the grants are maintained and used properly and effectively for the implementation of the Economic and Social Development Programme, and are not for military purposes. Furthermore, the products and/or the services under the grant are utilized, in principle, by end-users including the Recipient itself, for non-commercial purposes.

20. TRADE AND OTHER PAYABLES

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Trade payables	2,467,660	879,204
Accrued bonuses	21,195,282	16,420,437
Accrued social fund contribution	7,427,475	4,619,685
Refundable deposits from customers	1,978,365	1,655,291
Output value-added tax - net	1,493,351	1,638,102
Tax on salary payable	513,444	335,985
Advances received from customers	374,094	8,592,698
Others	1,493,430	924,671
	<u>36,943,101</u>	<u>35,066,073</u>

Others consist of other tax payables, accrued national social security fund, supplier's deposit, and other accruals.

21. REVENUE

21.1 Disaggregated revenue information

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

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Stevedoring charges	177,778,892	164,873,445
LO-LO and container storage	107,455,019	112,437,171
Port due/charge services	74,057,713	62,285,050
Others	2,576,053	1,773,183
	<u>361,867,677</u>	<u>341,368,849</u>
Timing of revenue recognition		
At a point in time	345,864,544	324,466,320
Over time	16,003,133	16,902,529
	<u>361,867,677</u>	<u>341,368,849</u>

21.2 Contract balances

PAS's contract balances are as follows:

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Trade receivables (Note 10)	<u>43,159,380</u>	<u>30,334,960</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

21. REVENUE (continued)

21.3 Performance obligations

Stevedoring charges, LO-LO and container storage, port due/charge services

Revenue from port services is recognized at point in time and over time as the performance obligations are satisfied and being satisfied which coincides with the delivery of services and acceptance by customers.

There is no significant financing component in the revenue arising from port services as the services are provided on the normal credit terms not exceeding 12 months.

22. CONSUMABLE SUPPLIES

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Spare parts	44,425,592	36,585,278
Combustible expenses	43,710,684	55,377,295
Warehouse supplies	14,053,855	6,647,078
Office supplies	4,360,695	2,179,670
Oil and lubricant	3,355,678	3,726,734
Others	2,703,571	1,848,806
	<u>112,610,075</u>	<u>106,364,861</u>

23. SALARIES, WAGES AND RELATED EXPENSES

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Employee salaries	73,698,900	70,890,889
Bonus	21,195,282	16,420,437
Retirement benefit expense (Note 17)	6,607,131	6,696,205
Seniority benefits	4,289,342	4,031,729
Social security benefits	1,506,349	1,546,531
Directors' remuneration	1,396,800	1,546,800
Wages for contractors	183,660	196,815
Others	5,413,170	4,342,691
	<u>114,290,634</u>	<u>105,672,097</u>

24. DEPRECIATION AND AMORTIZATION CHARGES

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Depreciation and amortization charges on:		
Property and equipment (Note 6)	39,930,875	38,352,570
Investment properties (Note 7)	6,739,799	6,176,639
Intangible assets (Note 8)	1,181,104	1,168,539
	<u>47,851,778</u>	<u>45,697,748</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

25. OTHER EXPENSES

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Contributions and donations	14,418,831	11,193,906
Utilities	3,900,788	2,848,292
Special Economic Zone (SEZ) operating expense	3,303,875	2,869,585
Reception and hospitality	2,744,260	2,492,294
Mission	2,153,904	1,616,084
Professional and related costs	1,799,000	1,615,363
Supplies	1,698,839	1,801,354
Publications	1,392,017	1,196,565
Training, workshops and seminars	951,830	530,772
Communication	406,985	393,967
Health-care supplies	192,125	219,344
Reversal of provision for expected credit losses	(79,492)	(77,173)
Others	573,685	426,546
	<u>33,456,647</u>	<u>27,126,899</u>

Auditor's remuneration was recognized in the professional and related costs. Breakdown of auditor's annual remuneration is as follows:

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Audit service (excluding value added tax)	428,057	416,874
Non-audit service	None	None

26. FINANCE INCOME - NET

	2023	2022
	<u>KHR'000</u>	<u>KHR'000</u>
Finance income:		
Interest income on banks deposits	7,985,297	4,277,489
Net exchange gains on foreign currency loans and borrowings and others	14,809,329	46,515,975
	<u>22,794,626</u>	<u>50,793,464</u>
Financial cost:		
Interest expense on loans and borrowings (<i>Note 16</i>)	<u>(8,960,107)</u>	<u>(9,939,793)</u>
Finance income - net	<u>13,834,519</u>	<u>40,853,671</u>

PAS has loans and borrowings which are denominated in JPY and US\$ (*Note 16*). PAS also has short-term banks deposits which are denominated in US\$ (*Note 11*). Given the fluctuations in KHR against JPY and US\$, this resulted in significant exchange gains/losses on its loans and borrowings and short-term banks deposits. The exchange rates are published by the National Bank of Cambodia as at the end of reporting period. The significant gains on foreign exchange are mainly from the weaken Japanese Yen against KHR currency compared to prior year.

	2023	2022
JPY/KHR	29.135	30.945
US\$/KHR	4,085	4,117

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

27. INCOME TAX EXPENSE

In accordance with the Cambodian tax regulations, current income tax is calculated at the higher of the taxable income for the year multiplied by the statutory income tax rate of 20% at the reporting date and 1% of turnover.

(a) Income tax expense

The major components of income tax expense for the years are:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Income tax expense recognized in profit for the year</i>		
Current income tax	33,505,238	11,492,634
Under provision of current income tax from prior year	-	1,629,600
Deferred income tax	<u>(1,078,184)</u>	<u>619,631</u>
Income tax expense	<u>32,427,054</u>	<u>13,741,865</u>
<i>Income tax expense recognized in OCI</i>		
Deferred income tax related to remeasurement gain on defined benefit obligation	<u>-</u>	<u>2,964,709</u>

The reconciliation of income tax computed at the statutory income tax rate of 20% as disclosed in the statement of comprehensive income as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Accounting profit before income tax	<u>154,392,544</u>	<u>97,897,080</u>
At statutory income tax rate of 20%	30,878,509	19,579,416
Effects of non-deductible expense	4,510,019	3,260,400
Effects of non-taxable income	(2,961,474)	(8,858,132)
Effects of previously unrecognized deferred tax	-	(1,869,419)
Under provision of current income tax from prior year	-	<u>1,629,600</u>
Income tax expense	<u>32,427,054</u>	<u>13,741,865</u>

(b) Deferred tax liabilities - net

Deferred tax is calculated on the temporary differences under the liability method using the statutory income tax rate of 20%.

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Deferred tax assets	27,880,098	19,682,847
Deferred tax liabilities	<u>(59,805,268)</u>	<u>(52,686,201)</u>
Deferred tax liabilities - net	<u>(31,925,170)</u>	<u>(33,003,354)</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

27. INCOME TAX EXPENSE (continued)

(b) *Deferred tax liabilities – net* (continued)

Deferred tax assets (liability) are attributable to:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Deferred tax assets on:		
Retirement benefit obligation	15,578,185	15,207,683
Government grants	9,085,623	-
Deferred income	2,903,453	2,474,974
Advances received from customers	-	1,629,600
Seniority payment obligations	247,036	288,891
Provision for expected credit losses	46,720	62,618
Allowance for impairment of inventories	19,081	19,081
	27,880,098	19,682,847
Deferred tax liability on:		
Accelerated depreciation and amortization	(59,805,268)	(52,686,201)
Deferred tax liabilities - net	<u>(31,925,170)</u>	<u>(33,003,354)</u>

(c) *Income tax liabilities*

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	8,277,646	5,935,307
Current income tax expense	33,505,238	11,492,634
Under provision of current income tax from prior year	-	1,629,600
Income tax paid	(11,957,191)	(10,779,895)
	<u>29,825,693</u>	<u>8,277,646</u>

28. 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 year.

	<u>2023</u>	<u>2022</u>
Profit attributable to shareholders (<i>KHR'000</i>)	121,965,490	84,155,215
Weighted average number of shares	<u>85,771,967</u>	<u>85,771,967</u>
Basic earnings per share (<i>KHR</i>)	<u>1,421.97</u>	<u>981.15</u>

(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 year end. As such, the diluted earnings per share was equivalent to the basic earnings per share.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

29. 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

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Borrowings from:		
MoEF - (JICA)	150,803,809	163,280,797
MoEF - (JBIC)	206,187,901	231,829,780
	<u>356,991,710</u>	<u>395,110,577</u>

(ii) Amount due from MoPWT

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Advances to MoPWT (Note 10)	<u>1,221,303</u>	<u>7,221,303</u>

(b) Related party transactions during the year

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Advance to MoPWT (Note 10)	-	6,000,000
Advance settlement from MoPWT (Note 10)	(6,000,000)	-
Interest expenses on borrowings from MoEF	8,960,107	9,939,793
Drawdowns on borrowings from MoEF	7,097,205	1,796,082
Principal repayments on borrowings from MoEF	(27,297,828)	(28,940,452)
Interest repayments on borrowings from MoEF	(9,433,349)	(10,637,919)
Government grants (Note 19)	50,802,112	-

(c) Key management compensation

Key management compensation for the year ended is as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Board of Directors		
Fees and related expenses	<u>1,396,800</u>	<u>1,396,800</u>
Key management personnel		
Salaries and other expenses	3,377,397	3,268,197
Retirement benefit expenses (*)	265,196	235,366
	<u>3,642,593</u>	<u>3,503,563</u>

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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

30. COMMITMENTS

As at 31 December 2023, PAS had outstanding capital expenditure commitments to TOA Corporation and Mitsui E&S Machinery Co., Ltd of KHR'000 33,528,644 and KHR'000 25,780,844, respectively, for its purchases of construction services, property and equipment (31 December 2022: nil).

31. FINANCIAL RISK MANAGEMENT

31.1 *Financial risk factors*

PAS's activities expose it to a variety of financial risks: market risk (including interest rate risk, price risk, and foreign exchange risk), credit risk and liquidity risk. PAS assumes and manages such risks by monitoring the market interest rates, the credit history of its counterparties, foreign exchange rates and cash flows. PAS does not currently use derivative instruments to hedge its interest rate and foreign exchange risk exposure.

Market risk

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of PAS's operations and its cash flows.

PAS obtained loans and borrowings (at fixed interest rates) from Foreign Trade Bank of Cambodia ("FTB"), Japan International Cooperation Agency ("JICA") and Japan Bank for International Cooperation ("JBIC") through the MoEF. No interest rate swaps, or other derivatives financial instruments have been entered into to hedge interest rate risk. PAS exposures to fair value risk, however, management is closely monitoring the fluctuation in the market and will enter into interest rate swap if necessary. PAS' borrowings are carried at amortized cost.

Price risk

PAS is not exposed to any commodity price risk. In addition, PAS is not exposed to security price risk because there are no financial instruments carried at fair value at statement of financial position date.

Foreign exchange risk

PAS is exposed to the risk of changes in foreign currency exchange rates, primarily between KHR and JPY and US\$, since its loans and borrowing from FTB, JICA and JBIC through the MoEF are in US\$ and JPY, but it maintains its accounting records in KHR, its functional currency. Currently PAS does not hedge or use forward exchange contracts to manage this risk.

PAS's sensitivity to foreign exchange rates on its JPY and US\$ financial instruments is analyzed below. PAS's financial instruments are mainly denominated in these two currencies. PAS has analyzed the movement in these currencies over the last three years and considered that 9.43% (2022: 8.94%) and 0.85% (2022: 0.84%) movements in the JPY and US\$ rates, respectively, are reasonable benchmarks.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Market risk (continued)

Foreign exchange risk (continued)

The following shows the impact to profit after tax as a result from changes in exchange rate as of 31 December 2023:

2023		
<u>Sensitivity</u>	<u>Change in foreign exchange rates</u>	<u>Impact to profit after tax</u> KHR'000
JPY	- 9.43% Depreciation	20,651,000
	+ 9.43% Appreciation	(20,651,000)
US\$	- 0.85% Depreciation	(653,000)
	+ 0.85% Appreciation	653,000
2022		
<u>Sensitivity</u>	<u>Change in foreign exchange rates</u>	<u>Impact to profit after tax</u> KHR'000
JPY	- 8.94% Depreciation	21,727,000
	+ 8.94% Appreciation	(21,727,000)
US\$	- 0.84% Depreciation	(369,000)
	+ 0.84% Appreciation	369,000

The table below summarizes PAS's exposure to foreign currency exchange rate risk at 31 December 2023 and 31 December 2022. Below table is the financial instruments at carrying amount by currency in KHR'000 equivalent.

	<i>In equivalent KHR'000</i>			
	JPY	US\$	KHR	Total
2023				
Financial assets				
Trade and other receivables, gross	-	43,159,380	4,827,834	47,987,214
Short-term banks deposits	-	153,240,442	6,146,430	159,386,872
Cash and cash equivalents	-	18,570,054	771,760	19,341,814
	-	214,969,876	11,746,024	226,715,900
Financial liabilities				
Loans and borrowings	(273,801,778)	(113,293,057)	-	(387,094,835)
Trade and other payables	-	(4,638,394)	-	(4,638,394)
Refundable deposit from lessees	-	(1,021,250)	-	(1,021,250)
	(273,801,778)	(118,952,701)	-	(392,754,479)
Net position	(273,801,778)	96,017,175	11,746,024	(166,038,579)

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Market risk (continued)

Foreign exchange risk (continued)

	<i>In equivalent KHR'000</i>			<i>Total</i>
	<i>JPY</i>	<i>US\$</i>	<i>KHR</i>	
2022				
Financial assets				
Trade and other receivables, gross	-	30,334,960	7,535,791	37,870,751
Short-term banks deposits	-	97,121,845	5,786,419	102,908,264
Cash and cash equivalents	-	22,883,188	703,180	23,586,368
	-	150,339,993	14,025,390	164,365,383
Financial liabilities				
Loans and borrowings	(303,644,105)	(91,466,472)	-	(395,110,577)
Trade and other payables	-	(2,717,423)	-	(2,717,423)
Refundable deposit from lessees	-	(1,029,250)	-	(1,029,250)
	(303,644,105)	(95,213,145)	-	(398,857,250)
Net position	(303,644,105)	55,126,848	14,025,390	(234,491,867)

Credit risk

PAS is exposed to credit risk primarily with respect to trade and other receivables, short-term banks deposits, and cash in banks carried at amortized cost.

Risk management

To manage risk from trade and other receivables, PAS requires a deposit from each shipping line before handling any transactions for the shipping line. No deposit is required for governmental departments as PAS believes that it can collect trade and other receivables from such departments through the MoEF (which finances such departments). Deposits are not obtained from shipping lines that use PAS's services infrequently as such these shipping lines are required to make payment on delivery of the services. PAS has a deposit deduction policy for customers that have not settled their debts in accordance with the credit terms and conditions. PAS's exposure to credit risk on trade and other receivables is limited to the carrying amount of the receivables less allowance for expected credit losses of the receivables based on a review of all outstanding amounts at year-end. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For short-term banks deposits and cash at banks, placements are made only to reputable banks and financial institutions.

Security

For some trade receivables, PAS obtains security in form of cash deposits which can be called upon if the counterparty is in default under the terms of the agreement.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Credit risk (continued)

Impairment of financial assets

PAS has financial assets which are cash and cash equivalents, short-term banks deposits and trade receivables that are subject to the expected credit loss model.

There is no significant concentration of credit risk with respect to cash and cash equivalents, short-term banks deposits. Based on the impairment requirements of CIFRS 9, the identified impairment losses were immaterial because PAS has deposited with well-known banks with no history of default.

Trade receivables

PAS applies the CIFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

PAS's trade receivables generally consist of receivables ranging from 31 to 39 debtors from year 2015 to 2023. Based on PAS's historical credit loss experience for trade receivables, there were no cases of default in the past nine (9) years. All invoices were paid within one year.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. PAS has identified the GDP growth rate of Cambodia in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than specified past due days to be approved by the Board of Directors.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

On that basis, ECL allowance as at 31 December 2023 and 31 December 2022 was determined as follows for trade receivables:

	2023		
	<i>Expected loss rate</i>	<i>Gross carrying amount</i>	<i>ECL allowance</i>
	%	KHR'000	KHR'000
Current	0%	20,631,091	-
1 - 30 days past due	0%	18,191,701	-
31 - 60 days past due	0%	2,054,508	-
61 - 90 days past due	0%	708,197	-
91 - 120 days past due	0%	162,061	-
More than 120 days past due	(*) 9.37%	1,557,720	145,898
		43,305,278	145,898

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Credit risk (continued)

Impairment of financial assets (continued)

	2022		
	<i>Expected loss rate</i> %	<i>Gross carrying amount</i> KHR'000	<i>ECL allowance</i> KHR'000
Current	0%	15,280,228	-
1 - 30 days past due	0%	11,130,208	-
31 - 60 days past due	0%	1,614,559	-
61 - 90 days past due	0%	586,453	-
91 - 120 days past due	0%	791,127	-
More than 120 days past due	(*) 19.99%	1,165,335	232,950
		30,567,910	232,950

(*) The impact of the measurement of ECL is due to changes in probability of default ("PD") arising from the forward-looking adjustment on the macroeconomic forecasts.

Liquidity risk

PAS's exposure to liquidity risk arises from the general funding of its business activities. It includes the risk of being unable to fund business activities in a timely manner.

PAS has a policy to maintain sufficient cash for its operations and uses credit facilities together with its own funds to pay for capital investments.

PAS had access to the following undrawn loan and borrowing facilities at the end of year:

	2023 KHR'000	2022 KHR'000
Fixed rate		
Unused overdrafts (expiring within one year)	125,875	-
Undrawn borrowings (expiring beyond one year)	1,903,799,674	749,067,615
	1,903,925,549	749,067,615

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Liquidity risk (continued)

The maturity profile of PAS's financial assets that are used to manage liquidity and financial liabilities is summarized as follows:

	2023			2022		
	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>	<i>Within one year</i>	<i>More than one year</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
<i>Financial assets</i>						
Trade and other receivables, gross	47,987,214	-	47,987,214	37,870,751	-	37,870,751
Short-term banks deposits	159,386,872	-	159,386,872	102,908,264	-	102,908,264
Cash and cash equivalents	19,341,814	-	19,341,814	23,586,368	-	23,586,368
	226,715,900	-	226,715,900	164,365,383	-	164,365,383
<i>Financial liabilities</i>						
Loans and borrowings	59,035,225	328,059,610	387,094,835	30,433,490	364,677,087	395,110,577
Trade and other payables	4,638,394	-	4,638,394	2,717,423	-	2,717,423
Refundable deposits from lessees	-	1,021,250	1,021,250	-	1,029,250	1,029,250
	63,673,619	329,080,860	392,754,479	33,150,913	365,706,337	398,857,250

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.1 *Financial risk factors* (continued)

Liquidity risk (continued)

The table below analyses PAS's financial liabilities by the remaining period until the maturity date as at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<i>Within 1 year</i> <i>KHR'000</i>	<i>Between</i> <i>1 and 2 years</i> <i>KHR'000</i>	<i>Between</i> <i>2 and 5 years</i> <i>KHR'000</i>	<i>Over 5 years</i> <i>KHR'000</i>	<i>Total contractual</i> <i>cash flows</i> <i>KHR'000</i>	<i>Carrying amount</i> <i>liabilities</i> <i>KHR'000</i>
2023						
Loans and borrowings	67,886,440	34,794,467	100,151,523	255,627,499	458,459,929	387,094,835
Trade and other payables	4,638,394	-	-	-	4,638,394	4,638,394
Refundable deposits from lessees	-	-	-	1,021,250	1,021,250	1,021,250
	72,524,834	34,794,467	100,151,523	256,648,749	464,119,573	392,754,479
2022						
Loans and borrowings	37,747,937	37,035,408	106,613,162	293,919,139	475,315,646	395,110,577
Trade and other payables	2,717,423	-	-	-	2,717,423	2,717,423
Refundable deposits from lessees	-	-	-	1,029,250	1,029,250	1,029,250
	40,465,360	37,035,408	106,613,162	294,948,389	479,062,319	398,857,250

31.2 *Capital risk management*

PAS's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

PAS does not have a specific policy on gearing ratios.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

31. FINANCIAL RISK MANAGEMENT (continued)

31.2 *Capital risk management* (continued)

Dividends

On 9 June 2023 and 17 June 2022, the Board of Directors approved to distribute the dividends in respect of profit of the financial year ended 31 December 2022 and 31 December 2021, respectively, as follows:

	<u>2023</u>	<u>2022</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Dividends paid to Class B shares	3,986,442	5,300,000
Dividends paid to Class C shares	9,735,118	10,807,268
Total dividends paid	<u>13,721,560</u>	<u>16,107,268</u>

31.3 *Fair value of financial assets and financial liabilities measured at amortized cost*

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

- (a) *Cash and cash equivalents and short-term banks deposits* - The carrying values of these amounts approximate their fair values due to their short-term nature.
- (b) *Trade and other receivables* - The carrying amounts less impairment provisions approximate the fair value because these are subject to normal credit terms and are short-term in nature.
- (c) *Trade and other payables* - The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.
- (d) *Loans and borrowings* - The fair value is estimated based on discounted future cash flows based on market interest rate which reasonably approximate their carrying values.

Fair value hierarchy

PAS uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Offsetting of financial assets and financial liabilities

There were no offsetting of financial assets and financial liabilities during the year.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2023

32. TAXATION CONTINGENCY

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

33. EVENTS AFTER THE REPORTING PERIOD

Other than those which are disclosed in financial statements, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.



PART 7

Information on Related Party Transactions and Conflict of Interest



A. Material transactions with Shareholder who hold at least 5% or more shares of outstanding equity securities.

In 2023, there wasn't any transaction with Shareholder who hold at least 5% or more shares of outstanding equity securities.

B. Material transactions with Director and Senior Office.

In 2023, there wasn't any transactions with Director and Senior Office.

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

In 2023, there wasn't any transactions with Director and Shareholder related to buy/sell asset and service.

D. Material transactions with immediate family members of the Director, Senior office and Shareholder who hold at least 5% or more shares.

In 2023, there wasn't any transactions with immediate family members of the Director, Senior office and Shareholder who hold at least 5% or more shares.

E. Material transactions with the person, who associated with director of the listed entity, its subsidiary or holding company, whose relationship has occurred in any transactions or have been made by the listed entity.

In 2023, there wasn't any transactions with the person, who associated with director of the listed entity, its subsidiary or holding company, whose relationship has occurred in any transactions or have been made by the listed entity.

F. Material transactions with former director or person who involved with former director.

In 2023, there wasn't any transactions with the former director or person who involved with former director.

G. Material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity.

In 2023, there wasn't any transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity.

H. Material transactions with directors who get benefit either finance or non-financial from the listed entity.

In 2023, there wasn't any transactions with directors who get benefit either finance or non-financial from the listed entity.



PART 8

Management's Discussion and Analysis



A. Overview of Operations

PAS is the only international deep seaport 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 2023 report.

For 2023, the volume of PAS's container throughput increased by 47,630 TEUs equivalent to 6.35% compared to 2022 and gross cargoes throughput increased by 12.71% equivalent to 889,999 tons. Among gross cargoes throughput, container in tons increased 11.51% equivalent to 579,219 tons and Fuels & Gas increased 13.70% equal to 250,420 tons. In addition, general cargoes increased 60,361 tons equivalent to 42.23%. PAS's calling vessel increased by 4.44% equal to 64 vessels, also its gross tonnages increased by 35.42% equal to 4,997,670 tons compared to 2022.

The discussion and analysis by the management on PAS's financial status and operation results below were made based on financial information report audited by the independent auditor for 2023 and 2022 as shown in Part 6 of this 2023 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 December 2023 compared to the period ended 31st December 2022

Description	2023	2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	364,640,771	343,743,545	20,897,226	6.08%

For this 2023, PAS's income increased by 20,897,226,000 Riels equivalent to 6.08% increased from 343,743,545,000 Riels in 2022 to 364,640,771,000 Riels in 2023. This income was mostly derived from Stevedoring Charges, and Port Charge for Vessel Services.

1-B Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues For 2023 and 2022

Description	2023		2022	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	177,778,892	48.75%	164,873,445	47.96%
LOLO Charge	93,390,482	25.61%	96,920,196	28.20%
Port Charge for Vessel Services	74,057,713	20.31%	62,285,050	18.12%
Storage (Warehouse and Yard)	14,064,536	3.86%	15,516,975	4.51%
Transportation	123,264	0.03%	92,090	0.03%
Passenger vessel	209,932	0.06%	0	0.00%
Special Economic Zone	2,297,616	0.63%	2,374,696	0.69%
Rental fee	1,938,597	0.53%	1,385,553	0.40%
Other revenues	779,739	0.21%	295,539	0.09%
Total Revenue	364,640,771	100.00%	343,743,545	100.00%

In 2023 as well as 2022, 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 December 2023 compared to the period ended 31st December 2022

Description	2023	2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	177,778,892	164,873,445	12,905,447	7.83%
LOLO Charge	93,390,482	96,920,196	(3,529,714)	-3.64%
Port Charge for Vessel Services	74,057,713	62,285,050	11,772,663	18.90%
Storage (Warehouse and Yard)	14,064,536	15,516,975	(1,452,439)	-9.36%

The income from Stevedoring charge increased approximately by 7.83% equivalent to 12,905,447,000 Riels, and LOLO charge decreased by 3.64% equivalent to 3,529,714,000 Riels comparing between 2023 and 2022. The increasing of stevedoring was resulted by the increase of the container throughput with the volume of 47,630 TEUs equivalent to 6.35% for this 2023 and the increased of the cargo containers throughput by 12,71%, and at the same time in 2023, decreased in LOLO charge due to the empty containers export increased by 14.98% with the exemption of the fee for lifting of empty containers in the yard which export through PAS' gate.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For 2023, the number of vessels calling to PAS increased by 64 vessels equal to 4.44%, also tonnage throughput increased by 35.42% equal to 4,997,670 tons. Moreover, the income on Port Charge for Vessel Services in 2023 is 74,057,713,000 Riels increased by 11,772,663,000 Riels equivalent to 18.90% compared to 2022 was 62,285,050,000 Riels. The increase of this income was due to an increase in the container cargo vessel which increased by 9.88% equal 68 vessels and the number cruised ship increased by 18 vessels compared to the same period 2022.

The income from storage, warehouse, and yard decreased by 1,452,439,000 Riels equivalent to 9.36% compared between 2023 with the income amount of 14,064,536,000 Riels and 2022 with amount of 15,516,975,000 Riels. The reason for these decreases was caused by the increase in direct handling of container and cargo throughput of 39.60%.

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 Amortisation, expense on Repair and Maintenance, Other expense and Other gain /(Losses)-net as follows:

For the period ended 31st December 2023 compared to the period ended 31st December 2022

Description	2023	2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	364,640,771	343,743,545	20,897,226	6.08%
Consumable Supplies	(112,610,075)	(106,364,861)	6,245,214	5.87%
Salaries, Wages and related expenses	(114,290,634)	(105,672,097)	8,618,537	8.16%
Depreciation and Amortisation charge	(47,851,778)	(45,697,748)	2,154,030	4.71%
Repairs and Maintenances	(2,194,873)	(2,288,116)	(93,243)	-4.08%
Other expenses	(33,456,647)	(27,126,899)	6,329,748	23.33%
Other gain -net	86,321,261	449,585	85,871,676	19100.21%
Finance (Costs)/Income-net	13,834,519	40,853,671	(27,019,152)	-66.14%
Profit before income tax	154,392,544	97,897,080	56,495,464	57.71%

For 2023, PAS's expenses on Consumable Supplies amounted to 112,610,075,000 Riels increased by 6,245,214,000 Riels equivalent to 5.87% compared to 2022 with the expense amount of 106,364,861,000 Riels. The main factor that caused such increase was resulted by the expense on spare parts supplies increase by 21.43% equivalent to 7,840,314,000 Riels. For warehouse supplies expense increased by 111.43% equivalent to 7,406,777,000 Riels if compared to 2022.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decreases, the expense on salary will also decrease, and we found that stevedoring increased, and LOLO incomes decreased slightly in this 2023. Nevertheless, the expense on Salary, wages, and other related expenses had increased approximately 8.16% equivalent to 8,618,537,000 Riels compared between 2023 with the expense amount of 114,290,634,000 Riels and 105,672,097,000 Riels in 2022. The main factors of this increase are expense on employees' salaries which little increased approximately 3.96% equal to 2,808,011,000 Riels, and the increase of bonus expenses by 29.08% equal to 4,774,845,000 Riels in 2023.

The expense on depreciation and amortization included property, equipment, and intangible asset in 2022 amounted to 47,851,778,000 Riels increased by 2,154,030,000 Riels equivalent to 4.71% compared to 2022 with the expense amount of 45,697,748,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 1,578,305,000 Riels equivalent to 4.12%.

The expense on repair and maintenance decreased by 93,243,000 Riels equal to 4.08%, the total expense of repair and maintenance in 2023 was 2,194,873,000 Riels and 2,288,116,000 Riels in 2022.

The other expenses increased by 23.33% equivalent to 6,329,748,000 Riels, which increased from 27,126,899,000 Riels in 2022 to 33,456,647,000 Riels in 2023. The factor that caused such an increase was resulted from rising in contributions and donations expenses by 28.81% equal to 3,224,925,000 Riels and mission expenses on employees increase by 33.28% equal to 537,820,000 Riels. Furthermore, utilities expenses increased by 36.95% equal to 1,052,496,000 Riels if compared with 2022 due to the full usage of state electricity in PAS for 2023.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 2023, the gain from realized foreign exchange with the amount of 86,321,261,000 Riels increased by 19,100.21% equivalent to 85,871,676,000 Riels compared to 2022 there was a net to 449,585,000 Riels.

Net-Finance Costs/(gain) refers to Unrealized Foreign Exchange Gain-Loss, in 2023, there was a net gain of 13,834,519,000 Riels decreased by 66.14% equivalent to 27,019,152,000 Riels compared to 2022 which net finance gain was 40,853,671,000 Riels. The main factor of this decrease in Net-Finance Gain was because of the decreased of net exchange gain on foreign currency borrowings (Japanese Yen), which net exchange gain amounted to 14,807,142,000 Riels in 2023 compared to 2022 the net exchange gain was 44,290,794,000 Riels.

In conclusion, PAS's profit before tax in 2023 is 154,392,544,000 Riels compared to that of 2022 with the amount of 97,897,080,000 Riels significant increased by 57.71% equivalent to 56,495,464,000 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 year 2020 onward, PAS will 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 December 2023 compared to the period ended 31st December 2022

Description	2023	2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Profit before income tax (A)	154,392,544	97,897,080	56,495,464	57.71%
Income tax expense (B)	(32,427,054)	(13,741,865)	18,685,189	135.97%
Profit for the period	121,965,490	84,155,215	37,810,275	44.93%
Remesurement of retirement benefit obligations	-	11,858,840	(11,858,840)	-100.00%
Total comprehensive income for the period	121,965,490	96,014,055	25,951,435	27.03%
Effective Tax Rate (B)/(A)	21.00%	14.04%		

PAS has a profit after tax with the equivalent amount of 121,965,490,000 Riels in 2023 and 84,155,215,000 Riels in 2022 with the increased amount of 37,810,275,000 Riels equivalent to 44.93%. The main factors that caused the profit after tax to increase is due to the increase in the other net (realized Foreign Exchange Gain-Loss) compare 2023 and 2022.

The effective tax rate on profit increased from 14.04% in 2022 to 21.00% in 2023, due to the increased of profit before income tax in this 2023.

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 3.0% for year 2023, while Cambodia's economy will growth around 5.3%, according to the Asian Development Bank (ADB). This is still showing a stable economy growth of Cambodia which is a good sign for port business.

- PAS's Ability and Work Performance Efficiency

For this 2023, PAS has container handling capacity up to 800,000 TEUs after installing 1 unit of QC, 2 units of RTGs, and 4 additional units of Empty Reach stackers in 2021. This factor has enabled the work capacity and efficiency to increase in the performance of its services.

- Status of Domestic Transportation

For this 2023, 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.

While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 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 good communication with various major ports in the region in order to ensure a smooth operation.

- Depreciation

Because 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 of the depreciation policy and shall make necessary modifications in every period of the financial report. For this 2023, there is no modification or a request for modification of the depreciation policy by the independent 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 3.2%, while the world economy growth with the expected rate of 5.3% (IMF) for year 2023. However, there might be a big impact on the market's demand and supply due to the current war between Russia-Ukraine and the war between Israel-Palestine.

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 in oil price will affect PAS's profit because the latter keeps its services at the same price even when the oil price rises or drops. Therefore, PAS has strictly implemented the procurement procedures 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 taxpayer by the General Department of Taxation. Regarding tax on annual profit, PAS will be obligated to pay at 20% rate starting from year 2020 after receiving the incentive benefit for the last 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 98% of the total income in 2023, 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 2023, 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 yards 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, and infrastructure of the International Airport in Preah Sihanouk province.
- Policy on save time and cost of transportation through the Express Way from Phnom Penh - Sihanoukville
- 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 9

Other Necessary Information for Investor Protection



In this of 2023, there is other necessary information for the protection of investors as below:

- Approved the progress report of the ongoing container development project (1. Project to renovate the port into a 253-meter container terminal and 2. Project to develop a new container terminal - Step 1, length 350 M)
- Approved the report of the Risk Management, the Nomination and Remuneration and the Audit Committee. The members of board approved the purchase of a 4,000-horsepower trailer included in the 2023 PAS's Business Budget Plan (Services). As for the Pilot Boat, PAS must send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance to review and decide.
- Approved the report on the progress of the project to renovate the general cargo port into a 253-meter-long container port, the new container terminal development project - Phase 1, Phase 2 and Phase 3 and requested His Excellency Phan Phalla, a representative of the Ministry of Economy and Finance, helped to accelerate the implementation of these projects as planned, as the PAS's operation has now exceeded its normal capacity more than twice.
- Approved the report of the 2022 PAS's business results.
- Approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2022, reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- After reviewing and discussing, the members of board was joyed and honored to have Samdech Akka Moha Sena Padei Techo Hun Sen, Prime Minister of the Kingdom of Cambodia come to visit and have a conversation meeting with the employees and staffs, the Opening Construction Ceremony of a 253-Meter Container Terminal (Modified from a General Warehouse); -16.5 meters and the third step, 430 meters long, water depth -17.5 meters and the Westerdam Memorial on the occasion of the celebration of International Labor Day, May 1, 2023 at Sihanoukville Autonomous Port and approved PAS to organize this ceremony.
- Approved for PAS to have a meeting with Royal Railway Co., Ltd to determine the lease term of a land of 156,728 square meters in Sangkat Trapeang Krasang. Khan Dangkor, Phnom Penh, between 3 to 5 years with a reasonable price, and send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance for decision.
- Approved the sight visit plan of the Board of Directors and PAS's management team to visit Japan for the purpose of studying information technology and port development in the ports of Japan, and thanked Mr. KUME Hidetoshi for the cooperation with PAS's management team on this job This is the first experience for the Board of Directors, State Controller and PAS's management team which we hope that there would be more sight visit to other port that has connection with PAS as well.

- Approved the report on the sale of land of Sihanoukville Autonomous Port, located in Koki village, Bit Trang commune, Prey Nob district, Sihanoukville province.
- Approved the report on the PAS's preferential service fee for goods of the Royal Government in 2022.
- Approved the report on the progress of the ongoing port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. New container terminal development project - Phase 1, Phase 2 and Phase 3).
- Approved the report of the PAS's business results of the first quarter of 2023.
- Approved the financial statements for the first quarter 2023, reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- Approved the date, place and agenda for the 6th General Assembly of Shareholders 2023 as follows:
 - Date of the 6th General Assembly of Shareholders: June 09, 2023
 - Deadline: May 17, 2023
 - Venue: Sokha Beach Resort, Preah Sihanouk Province
 - General Agenda:
 1. Welcome remarks of the Chairman of the General Assembly
 2. Presentation on the business-service results in 2022 and the business direction in 2023
 3. Review and approve the distribution of dividends to shareholders for 2022 and the dividends of the Board of Directors and state inspectors for 2023
- Approved for PAS to continue discussing with Royal Railway Co., Ltd clearly on the lease period and rental fee of the 156,728 square meters land in Sangkat Trapeang Krasang. Khan Dangkor, Phnom Penh for PAS to prepare and send a formal letter request to His Excellency, General Deputy Prime Minister, Minister of Economy and Finance for decision.
- Approved by a majority vote (6 votes) agreeing to lease the land to TANG SHAN LECHANGQING Co., Ltd (a Chinese company) and LCQ Steel Cambodia Co., Ltd (a local company), a joint venture company to lease about 7.6 hectares of land for 25 years in Sihanoukville Port Special Economic Zone (SPSEZ) under the condition that the company must be qualified and comply with the investment law from the Royal Government of Cambodia, as well as to negotiate the maximum rental fee.
- Approved the report on the progress of the ongoing container port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. The new container terminal development project - Step 1, Step 2 and Step 3).
- Approved the report of the second quarter and the first semester of 2023 PAS's business results.

- Approved the financial statements for the second quarter of 2023 reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- After reviewed and discussed, the members of board approved the lease of land to Royal Railway Co., Ltd for 10 years with a starting price of USD 100,000 per year with an increase of 5% every year limiting the size of the land that the company plan to utilize only. PAS will develop the remaining land to serve PAS business.
- Approved the report on land lease request in Sihanoukville Port Special Economic Zone (SPSEZ) and approved PAS to sign an agreement with the company that intends to lease land in Sihanoukville Port Special Economic Zone (SPSEZ) in accordance with the law.
- After reviewed and discussed the case of G.T.V.C SPEEDBOAT CAMBODIA on the development of the tourist port in front of Warehouse no.1 and Warehouse no.2, the members of board approved PAS to examine in accordance with the SOLAS, ISPS Code and the agreement with GTVC which is valid until February 2024 by maintaining the terms of use of the warehouse no.2 effectively according to the requirements of PAS's policy. After that PAS needs to discuss and negotiate the renting price and re-lease period.
- After reviewed and discussed, the members of board approved the report on the progress of the ongoing container port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. The new container terminal development project - Step 1, Step 2 and Step 3).
- After discussed, the members of board approved the financial statements report for the third quarter of 2023, which were reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd.
- After reviewed and discussed, the members of board approved and supported the PAS's business budget plan (service) for 2024 as follows:

- Business budget plan (service):

- a. Volumes:

- Gross throughput	amount of 8,069,000 Tons	4% growth index
- Fuel	amount of 2,282,000 Tons	4% growth index
- Cargo handling	amount of 17,612,000 Tons	4% growth index
- Container throughput	amount of 823,000 TEUs	5% growth index
- Calling vessels	amount of 1,552 units	3% growth index
- Tonnage Throughput	amount of 19,417,000 Tons	4% growth index

- b. Total revenues

	KHR'000 377,092,000	5% growth index
--	---------------------	-----------------

- c. Total expenses

	KHR'000 303,107,000	1% growth index
--	---------------------	-----------------

- d. Operating profit

	KHR'000 73,985,000	20% growth index
--	--------------------	------------------

- e. Finance gain/(loss)-net

	KHR'000 (1,151,000)	4% decreased index
--	-----------------------	--------------------

- f. Profit before tax

	KHR'000 72,834,000	20% growth index
--	--------------------	------------------

Signature of Directors of Sihanoukville Autonomous Port

Date: 29 March 2024

Read and Approved

Signature

Lou Kim Chhun

Chairman

Date: 29 March 2024

Read and Approved

Signature

Suy San

Director

Date: 29 March 2024

Read and Approved

Signature

Phan Phalla

Director

Date: 29 March 2024

Read and Approved

Signature

Sok Sopheak

Director

Date: 29 March 2024

Read and Approved

Signature

Hun Monivann

Director

Date: 29 March 2024

Read and Approved

Signature

Hidetoshi KUME

Director

Date: 29 March 2024

Read and Approved

Signature

Lou Lykheng

Director



Sihanoukville Autonomous Port



Address:

Terak Vithei Samdach Akak Moha Sena Padei
Techo Hun Sen, Sangkat 3, Preah Sihanouk City
Preah Sihanouk Province, Cambodia

Contact:

- 034 933 416
- 034 933 511
- 078 496 789
- pas.gov.kh
- pasinfo@pas.gov.kh
- Sihanoukville Autonomous Port

Annual Report Appendix

For

Sihanoukville Autonomous Port

Annual Corporate

Governance Report 2023

Part 1

Shareholders

A. Shareholders structure (By 31st December 2023)

1. Shareholder Information

Description	Nationality	Types of Shareholders	Number of Shareholders	Number of Shares	Percentage
Less than 5%	Cambodian	Individual	2,236	3,954,023	4.61%
		Legal Person	6	3,338,951	3.89%
	Non-Cambodian	Individual	379	492,489	0.57%
		Legal Person	4	2,507,205	2.92%
From 5% to 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	1	11,150,324	13.00%
From 30%	Cambodian	Individual	N/A	N/A	N/A
		Legal Person	1	64,328,975	75.00%
	Non-Cambodian	Individual	N/A	N/A	N/A
		Legal Person	N/A	N/A	N/A

2. Shareholders Who Are Directors, Senior Officials and Employees of Sihanoukville Autonomous Port

Shareholders	Number of Shareholders	Number of Shares	Percentage
Directors	6	288,905	13.47%
Senior Officials	16	328,780	15.33%
Employees	197	1,526,614	71.19%
Total	219	2,144,299	100,00%

B. Shareholders' and Protection of shareholders' Right

1. Rights of Shareholders

The Rights of PAS's shareholders as below:

- Shareholders Type "A"
 - Voting rights: Shareholders Type "A" generally do not have any voting rights except in the case that there is a meeting to decide certain issues that might reduce or restrict the rights or benefits of such shareholders as follows:

- A reduction or restriction of the numbers and rights of shareholders type "A" shares.
- Request for inclusion or separation of PAS
- Decision for liquidation or dissolution of PAS.

In this case, shareholder type "A" has a right to vote with 1 share equivalent to 1 vote.

- Right to receive information: shareholder type "A" has a right to receive any information relative to PAS.
- Right to receive benefits remaining from the liquidation or dissolution: Shareholder Type "A" have priority rights to receive PAS's benefits remaining from the liquidation or dissolution before Shareholders type "B" and "C".
- Shareholders Type "B"
 - Voting rights: Shareholders type "B" have full rights to vote with 1 share equivalent to 1 vote.
 - Rights to receive dividend: Shareholders type "B" have the right to receive dividend in any fiscal year according to the decision of Board of Directors (BOD).
 - Right to receive information: Shareholder type "B" has a right to receive any information relative to PAS.
 - Rights to receive benefits remaining from the liquidation or dissolution: Shareholders type "B" shall be entitled to receive PAS's property after the liquidation or dissolution, but the latter shall comply with the priority rights of shareholder type "A" in advance.
 - Rights of conversion: Shareholders type "B" shall be entitled to convert all of its type "B" shares to type "C" shares with a ratio of 1 type "B" share equivalent to 1 type "C" share under the following conditions:
 - After the completion of a 3-year term of announcement and division of the guaranteed minimum dividend.
 - PAS has no guaranteed minimum dividend that has not been divided.
 - Rights of conversion shall be carried out for all Shareholders type "B".
 - The conversion of type "B" share will come into force when the decision of PAS's BOD is made and get the approval from Ministry of Economy and Finance.
- Shareholders Type "C"
 - Voting rights: Shareholders type "C" have full right to vote with 1 share equivalent to 1 vote.
 - Rights to receive dividend:
 - The dividend that distributes among shareholders' type "C" have to be announced by the BOD in the fiscal year and approved by the Shareholders meeting.
 - The dividend can be done in the form of Cash or Share to shareholders before its Ex-dividend day, in according to the definition of the BOD and approved by the Shareholder Meeting.

- Right to receive information: Shareholder type “C” has a right to receive any information relative to PAS.
- Rights to receive benefits remaining from the liquidation or dissolution: Shareholders type “C” shall be entitled to receive the property remaining from the liquidation or dissolution, but the latter shall comply with the priority rights of shareholders’ type “A” and type “B” in advance.

2. Protection of Shareholders’ Rights and Implementation

The rights of shareholders are guaranteed by the General Shareholder Meeting, by the BOD and CEO as stipulated in the PAS’s personnel statute. All shareholders equally have the right to receive information at the same time whether they have a smaller amount or larger number of shares. All shareholders of PAS must be invited to join the annual shareholder meeting and have the right to query operating performance, implementation and other development plans of port. Furthermore, members of the BOD also consist of Independent director and Non-executive director as representatives of the private shareholders in order to protect the interests of all shareholders.

3. Protection of Minority Shareholders’ Rights and Implementation

The rights of minority shareholders are also guaranteed by the General Shareholder Meeting, by the BOD and CEO as stipulated in the PAS’s personnel statute. All shareholders equally have the right to receive information at the same time whether they have a smaller amount or larger amount of shares. The minority shareholders also get invited to join the annual shareholder meeting and have the right to query on operating performance, implementation and other development plans of port.

C. General Shareholders’ Meeting

1. Procedures of the General Shareholders’ Meeting and Voting

- Procedures of the General Shareholders’ Meeting
 - The General Shareholders’ Meeting shall be held once a year after the end of the fiscal year in accordance with the date and agendas which is to be decided by the Board of Directors.
 - The Extraordinary General Shareholders’ Meeting may take place upon request by the shareholders holding at least 51% (fifty-one percent) of shares class B and C.
 - A shareholders' request for the General Shareholders’ Meeting shall be submitted to the Board of Directors at least 21 days prior to the date of the meeting, with a signature and attached agenda.
 - If the General Shareholders’ Meeting is unable to comply with the above procedure, any member of the Board of Directors or any shareholder entitled to vote in the General

Shareholders' Meeting may request the court to convene a shareholders' meeting, one that the court deems appropriate.

- The General Shareholders' Meeting shall be presided by the Chairman or the Director General. In the event of the absence of the Chairman or the Director General, the member of the Board of Directors, acting as proxy on behalf of the Ministry of Economy and Finance, shall preside.
- The Chairman of the General Shareholders' Meeting shall have the right to vote only upon the transfer of ownership by one of its shareholders or his/her own share.
- The General Shareholders' Meeting shall be held at the registered office or elsewhere in the Kingdom of Cambodia which is decided by the Chairman of the Board of Directors.
- The notice of the General Meeting of the shareholders shall be made in writing and shall be sent to the shareholders by letter or by electronic or by any other appropriate means stating the date, time, place and agenda.
- Notification shall be sent to voting shareholders and the Board of Directors not later than 21 (twenty-one) days prior to the date of the General Shareholders' Meeting.
- Election Procedures
 - The process of electing an independent director and non-executive director representing the private shareholders in the General Shareholders' Meeting of the Company shall be as follows:
- Attendance at the election and quorum
 - Attendance made at the General Shareholders' Meeting with an invitation letter or investor ID. In the case of a transfer of the right to vote, the authorized person must enclose the proxy letter and the identity card or passport of the authorized person.
 - Voters are all eligible voting shareholders listed in the list (record date).
 - The election can only be held in the event of a quorum of shareholders representing more than half of the total shares.
- Transfer of voting rights
 - Shareholders can delegate their representative to vote. Shareholder who authorize other person to vote in his/her stead is no longer eligible to vote.
 - The authorized person does not have to be a shareholder.
 - The authorized person can only obtain the voting right from only one shareholder.
 - The proxy letter must be given to the election committee before the election process. The proxy shall be made public in the shareholders' meeting.
 - The proxy letter must be accompanied by invitation letter.
 - The proxy letter must contain the signature of the shareholder and authorized person.
- Election Campaign

- A 10-minute campaign for candidates to present and introduce their skills, experience and career direction.
- Propaganda is to be held at the General Shareholders' Meeting, either orally or/and by a Power Point Slide presentation.
- All images and promotional activities must not be subject to criticism, personal or professional work of other candidates. In case of violation, the Election Committee shall have the right to immediately stop the candidate's campaign.
- The Polling Station and Confidential Compartment
 - The polling station shall be under the control of the Election Committee.
 - The polling station shall be set up in the General Shareholders' Meeting Hall. The polling station shall have the confidential compartments necessary for shareholders to vote.
 - The polling station shall consist of at least 5 members of the committee, including 1 President and at least 4 Members.
 - The Chairman of the polling station shall undertake the task of reviewing the names of the voters on the list, two members in charge of the order outside the office and two others in charge of the internal order.
- Voting Procedures
 - The method of voting shall be conducted by calling the registered shareholders' name of 10 personnel at a time.
 - All presidents, board members, candidates, and members of the Election Committee shall be allowed to vote first.
 - A shareholder who is absent from the calling period shall be given the opportunity to vote when the shareholder is present at the polls and before the official closing of the polling station.
 - Shareholders who have been called to vote must go to the voting booth to cast their favorite candidates' ballot in the ballot box with the names and photos of the candidates as independent directors and non-executive directors representing the private shareholders.
- Voting
 - The election of independent directors and non-executive directors representing private shareholders shall be conducted in a free, confidential and transparent manner.
 - The election is conducted under single-winner system.
 - The election of independent directors is conducted by public and private shareholders. The election of non-executive directors representing the private shareholders is conducted by private shareholders only, the public shareholders is not eligible to vote in this election.

- Candidates who have been nominated and elected are the one who receive the most votes.
- The election of independent directors and non-executive directors representing the private shareholders shall be done only once.
- The Election Committee has the authority to solve any issues that occur at the polls or on the vote count.
- Voting Registration Cards, Ballot Counting, and Result Declaration
 - There are two types of voter registration card :
 - Blue for the election of independent directors
 - Red for the election of non-executive directors, representing the private shareholders
 - Voting cards will be given when the shareholders or delegates register their attendance. The ballot will specify the investor ID and the number of shares held by the shareholders.
 - The shareholders shall drop the ballot papers in the ballot box in accordance with the color of the ballot. Any mistake on casting the vote in the wrong ballot or marking any ballot or overwritten by the voter shall be considered as an invalid ballot.
 - Shareholders may ask the Election Committee for assistance on how to vote properly.
 - The counting and summation of the election results shall be done in accordance with the information system (Computer).
 - The Chairman of the polling station shall review and present the ballot papers, 2 members shall be recorded on the computer system and the other 2 shall organize the ballot papers in the form of valid and invalid ballots.
 - The results of the election shall be announced by the President of the General Shareholders' Meeting.
- Appeal on Election Results
 - The Election Committee has the authority to solve any post-election issues.
 - The candidates who have the right to vote shall have the right to appeal the election results before the Election Committee.

2- Information of General Shareholder Meeting

No.	Date	Type of Meeting	Quorums	Agendas	Resolutions
1	09 th June, 2023	Ordinary	79,505,963 shares, equal to 92.69 %	<ul style="list-style-type: none"> - PAS's Business-Operation Performance 2022 - PAS's Performance Target for 2023 - Voting on the dividend distribution to shareholders for the year 2022 and remuneration of BOD and State Controller for 2023 - Declare of Voting Result 	<ul style="list-style-type: none"> - PAS's Business-Operation Performance 2022 - PAS's Financial Statement year ended 31st December 2022 (Audited) - PAS's Performance Target for 2023 - Approval for the dividend distribution to shareholders for the year 2022 - Share class "B" dividend distribution is KHR 3,986,442,000 - Share class "C" dividend distribution is 9% of the IPO (KHR 5,040) equal to KHR 9,735,118,368 - Approval for the remuneration of BOD and State Controller for 2023

D. Dividend Distribution

1. Dividend Policy

In order to encourage investors, Board of Directors adopted a dividend policy with an annual minimum dividend yield equal to 5% of the investment amount, based on the IPO price. For three years after listing on the CSX. The minimum dividend yield guarantee of 5% is only available to securities entitled "Category C". The Royal Government of Cambodia, a shareholder holding the right to vote Category "B" and the "A" non-voting securities, has no dividend guarantee.

After a three-year guarantee period, dividend payments are proposed by the Board of Directors and put to the General Assembly of the shareholders.

2. Historical Information of Dividend Distribution for the last 3 years

No.	Detail of Dividend Distribution	2022	2021	2020
1	Announcement Date of Dividend Distribution	09 th June 2023	17 th June 2022	25 th June 2021
2	Record Date	20 th June 2023	27 th June 2022	05 th July 2021
3	Dividend Payment Date	28 th June 2023	14 th July 2022	14 th July 2021

Part 2

Board of Director

A. Board of Director

1. Board Composition

No.	Name	Position	Appointing Date	Ending Date
1	H.E. Lou Kim Chhun	Chairman	05 th May 2021	04 th May 2024
2	H.E. Suy San	Director	05 th May 2021	04 th May 2024
3	H.E. Phan Phalla	Director	05 th May 2021	04 th May 2024
4	H.E. Sok Sopheak	Director	05 th May 2021	04 th May 2024
5	Mr. Hun Monivann	Director	25 th June 2021	24 th June 2024
6	Mr. Hidetoshi KUME	Director	25 th June 2021	24 th June 2024
7	Mr. Lou Lykheng	Director	21 st June 2021	20 th June 2024

2. Director Biography



H.E. Lou Kim Chhun

**Chairman of the Board of Directors Delegate
of the Royal Government in Charge as Chairman
and CEO of Sihanoukville Autonomous Port**

His Excellency was born in March 11th, 1956, Cambodian Nationality, Place of Birth: Preaek Pou Village, Preaek Pou Commune, Srey Santhor district, Kampong Cham province.

Education

From 1981 to 1986, he completed his Master's Degree in Water and Port Engineering in Russia. From 2004 to 2006, he obtained a Master Degree in Business Administration at the National University of Management, Cambodia. From 2006 to 2008, he completed his PhD in Economics, Cambodia.

Experience

He joined the Sihanoukville Autonomous Port during 1986, serving as construction engineer for the Construction Technology Department. From 1990 to 1992, he was the Deputy Director of the Sihanoukville Autonomous Port and from 1992 to 1999, he was the President of the Sihanoukville Autonomous Port. From 1999 to 2008, he served as President of the Port of Sihanoukville and from 2008 to present, he is the Delegation of the Royal Government of Cambodia in charge of the Director General of the Port of Sihanoukville.



H.E. Suy San

Member of the Board of Directors

Representative of the Ministry of

Public Works and Transport

His Excellency was born in March 28th, 1958, Cambodian Nationality, Place of Birth: Phum Village, Chumkum Commune, Krakor District, Pursat Province.

Education

In 1994, he completed his PhD in Economics.

Experience

From 1979 to 1981, he worked for the Pursat Provincial Hall, which was in charge of administration, and from 1981 to 1994 he served as Vice Chairman of the Pursat Provincial Planning Commission. From 1994 to 1998, he served as Assistant Secretary of State, Ministry of Economy and Finance. From 1998 to 2003, he was Deputy Governor of Siem Reap. From 2003 to 2008, he worked for the Ministry of Public Works and Transport as a Cabinet Director. From 2008 to 2013, he served as Assistant Minister. From 2013 to 2016, HE has been the Director of the Cabinet of the Ministry of Commerce, and from 2016 to the present, he has served as Deputy Secretary and Director of the Cabinet of the Ministry of Public Works and Transport.



H.E. Phan Phalla
Member of the Board of Directors
Representative of the Ministry of
Economy and Finance

His Excellency was born in September 1st, 1973, Cambodian nationality.

Education

From 1994 to 1996, he graduated with a Bachelor's Degree in Business Administration from Hawaii Pacific University, USA. 1999 - He holds a Master's Degree in Business Administration at the University of New South Wales, Australia and in 2003, he completed his PhD in Economics at the University of Wollongong, Australia.

Experience

From 2008 to 2013, he was the Head of the IT Department of the Ministry of Economy and Finance. From 2013 to 2016, he served as the Director General of the General Department of Economic and Financial Policy and from 2016 to the present, he has served as Secretary of State for the Ministry of Economy and Finance.



H.E. Sok Sopheak

Member of the Board of Directors

Representative of the Ministry of Commerce

His Excellency was born in January 9th, 1958, Cambodian Nationality.

Education

In 1986, he graduated with an Associate Degree in Electrical Technology from the Institute of Technology of Cambodia, Cambodia. In 1992, he graduated with a Bachelor's Degree in Economics from the Institute of Economics in Cambodia. In 1997, he completed his Master's Degree in Economics and Finance at the University of London, England, and in 2000 he received his Master's Degree in Public Policy at Saitama University, Japan.

Experience

From 1986 to 1982, he worked for Koh Kong Electricity Authority as Chief of Provincial Electricity Authority. At the end of 1992, he moved to Ministry of Commerce in charge of Ministerial Assistant. In 1999, he was appointed Head of the ASEAN Department and the International Organization and played a key role as a member of the Trade Negotiations for the Integration of Cambodia within the ASEAN Framework Agreement on the ASEAN Plus Free Trade and the Organization World Trade (WTO). From 2004 to 2007, he was Deputy Director General of Technical Department of Ministry of Commerce. From 2007 to 2014, he served as Director General of the Department of International Trade, Ministry of Commerce. From 2014 to 2016, HE has been the Director General of the General Department of Commerce, Ministry of Commerce and from 2016 to 2017 he has been Deputy Secretary of Commerce from 2018 to the present, and he has served as Secretary of State. The Ministry of Commerce is in charge of the operations and reform of the General Department of Trade Support Cambodian and international trade policy.



Mr. Hun Monivann
Member of the Board of Directors
Independent director

Mr. Hun Monivann was born in January 22nd , 1973, Cambodian Nationality, Place of Birth: Odong district, Kampong Speu province.

Education

From 1993 to 1997, he obtained a Bachelor's Degree in Management majoring in Accounting at the University of Technology, Cambodia. From 2017 to present, he is pursuing a Master's Degree in Online Business Management majors at the University of London, UK. In 2023, he botained a Master's Degree of Management at University of Management and Economy (UME), Cambodia.

Experience

From 1989 to 1992, he served in the armed forces T88, the armed forces of Cambodia, as an assistant to the head of the unit. From 1997 to 2000, he was a Senior Auditor of Ernst & Young, Phnom Penh, Cambodia. Concurrently, from 1998 until 2000, he also served as a government official within the Ministry of Foreign Affairs and International Cooperation. From 2000 to 2008, he served as Finance Director at Sepakor Angkor Co., Ltd. Simultaneously, he was also a Board Director of staff representative at the company from 2003 to 2008. From 2006 through 2008, he took on the role of Independent Director and Chairman of the Audit Committee for Sathapana Ltd. (MFI) and from 2006 to present, he has been actively served as a Fund Coordinator for various charity projects. From 2008 to 2022, he was the Chairman of a leading HR company in Cambodia known as Aplus Consulting Co., Ltd. Between 2009 and 2013, he assumed the Chairmanship of the Board of Directors and the Audit Committee of Sathapana Limited (MFI). From 2011 to 2013, he served as a Board Director for the Young Entrepreneur Association of Cambodia (YEAC). From 2011 to 2023, he was the Vice President of Siem Reap Oddor Meanchey Chamber of Commerce (SROCC). From 2012 to 2013, he served as the President of Cambodia IATSS Alumni Association (CIAA). Since 2013, he has taken the role as Vice Chairman of CIC Investment Plc., and Chairman of the Board of Directors for Mega Leasing Plc. From 2014 to 2018, he was a shareholder and Executive Director of Active Properties Cambodia Co., Ltd. From 2016 to 2021, he was once more appointed as the Independent Director and Chairman of Audit Committee of Sathapana Bank Plc. Since 2017, he has been actively served as the Vice Chairman of Lsi Business School. From 2018 to present, he has been actively taken the role as Vice Chairman of MVU Investment Plc and an Independent Director and Head of Audit Committee of Sihanouk Ville Port (PAS), the state owned and listed company. Lastly, from 2021 to the present, he has been serving as Chairman of Amara Capital Plc.



Mr. Hidetoshi KUME

Member of the Board of Directors

Non-executive directors representing private shareholders

Mr. Hidetoshi KUME was born in April 22nd , 1975 ,Japanese Nationality.

Education

In 1980, he graduated with a bachelor's degree from Kyusgshu University, specializing in wastewater system engineers. In 1982, he graduated with a Master's Degree from Kyusgshu University in Japan, specializing in Wastewater Engineering.

Experience

During 1982, he worked as a technical officer in port and maritime development at the Ministry of Transport. From 1989 to 1990, he was the Land Agency Officer in charge of the project, the development of the Capital Region (Kansai Region) and from 1990 to 1992, he is the project manager at the Transport and Marine Research Institute of the Ministry of Transport, in charge of technical cooperation with international trainees who hold port and airport facilities. From 1993 to 1996, he was the first Secretary of the Economic Department of the Japanese Embassy in the Philippines, in charge of economic assistance of the Japanese government in the Philippines. From 1996 to 1998, he was Director of the Takamatsu Port Office and Airport Construction of the Third Port Construction Office and from 1999 to 2001 he was the Head of the Local Second Port Construction Office at the Ministry of Transport. From 1997 to 1999, he was a Senior Research Officer at the Coastal Development Institute in charge of the study of port development strategy, the first policy of the JICA project to develop the port area. From 2002 to 2004, the Governor of Okinawa served as a construction consultant. From 2003 to 2005, he was Deputy Director of the Department of Ports and Maritime at the Ministry of Land, Infrastructure and Transport for Private Disaster Prevention and Prevention. From 2005 to 2007, he served as Mayor of Fukuoka and advisor to the Port and Maritime Department. From 2007 to 2009, he was the Senior Researcher for the International Research Program on Climate Change and Air Transport Strategies, at the Institute for Transport Policy Studies. From 2009 to 2010, he served as Deputy Director of the Ministry of Land, Infrastructure and Transport from 2010 to 2012 and was Director of the Research Department at the Institute for Transport Policy Studies and from 2012 to 2014, he was Director of the Osa Bay Area Environmental Improvement Center. May 2014 - March 2018, an expert at the Ministry of Public Works and Transport of Cambodia serves as a Consultant for Shipping Policy and from June 2018 he is Director of the Department of Maritime Transport.



Mr. Lou Lykheng

Member of the Board of Directors

Representative of PAS's Workers

Mr. Lou Lykheng was born in April 11th, 1974, Cambodian Nationality, Place of Birth: Ruessei Srok commune, Srey Santhor district, Kampong Cham province.

Education

In 1996, he graduated with a bachelor's degree in food chemistry. And in 2006, he graduated with a Master's Degree in Commerce at National University of Management in Cambodia.

Experience

He joined the Sihanoukville Autonomous Port in 2003 as a container cargo worker from the field. From 2008 to 2011, he was in charge of container management. From 2011 to 2015, he was Deputy General Manager, overseeing general duties of the General Department of Operations. From 2015 to now, he holds the position of Director of the General Operations Department.

3. If Any Director is Director, Shareholders or Co-owner of Other Company

Mr. HUN Monivann is currently the Independent Director of Sihanoukville Autonomous Port and Vice Chairman of the Board of the Cambodian Investors Club (CIC Investment Plc.), Vice Chairman of MVU Investment Plc., Chairman of the Board Director of Mega Leasing Plc. And is also the President of Amara Capital Plc.

4. Board Roles, Duties, and Responsibilities and Performance

The Board of Directors is entrusted with the joint mission for orientation and oversight for PAS. Within this framework, the Board of directors have the following roles, duties and responsibilities as below:

- Make a decision according to the request of H.E Chairman & CEO on PAS's organization chart and internal regulation, including statute, monthly salary, incentive bonus, allowances and staff payment in accordance with the laws and legal procedures in force.
- Determine the organization and general duties of PAS
- Review and approve on the development plan within the framework for orientation of PAS.
- Review and approve on PAS's planning for Business, Services, Financial and Investment.
- Approve on Quarterly and Annual reports of Independent Auditors.
- Approve on Quarterly and Annual Performance reports.
- Manage to process the committees and commissions as determined by the sub-decree on the establishment of PAS or the statute of PAS.
- Approve on the number of PAS's employees and the provision of benefits for employees, all level of senior officers.
- Conduct an evaluation on the limit of goal achievement based on a regular interval which was determined by PAS and devise necessary measures for improvement.
- Review and approve on the request to amend PAS's statute and Staff statute.
- Review and approve on Service fees related to business of PAS.
- Review and approve on Profit distribution plan or filling Deficit plan of PAS.
- Review and approve on the proposal to increase or decrease the Capital of PAS.
- Review and approve on the implementation of various procurement of PAS.
- Decide on opening and closing of offices, branches, agencies or any other necessary representatives to achieve the goals and tasks of PAS.
- Approve on contracts that cannot be practiced in public procurement procedure.

Board of director exercises other rights and powers as defined in the regulation of Public enterprise, regulation of Commercial enterprises, as well as law and regulations in force that related to listing in Securities Market.

5. Board Meetings

No.	Date	Type of Meeting	Name of Directors Attending the Meeting
1	27 th February 2023	7 th Board of Directors Meeting, 8 th Mandate discussion and approval (Ordinary)	H.E. Lou Kim Chhun H.E. Suy San H.E. Phan Phalla H.E. Sok Sopheak Mr. Hun Monivann Mr. Hidetoshi KUME Mr. Lou Lykheng
2	12 th May 2023	8 th Board of Directors Meeting, 8 th Mandate discussion and approval (Ordinary)	H.E. Lou Kim Chhun H.E. Suy San H.E. Phan Phalla H.E. Sok Sopheak Mr. Hun Monivann Mr. Hidetoshi KUME Mr. Lou Lykheng
3	30 th May 2023	8 th Board of Directors Meeting, 8 th Mandate discussion and approval (Extra-Ordinary)	H.E. Lou Kim Chhun H.E. Suy San H.E. Phan Phalla H.E. Sok Sopheak Mr. Hun Monivann Mr. Hidetoshi KUME Mr. Lou Lykheng
4	3 rd August 2023	9 th Board of Directors Meeting, 8 th Mandate discussion and approval (Ordinary)	H.E. Lou Kim Chhun H.E. Suy San H.E. Phan Phalla H.E. Sok Sopheak Mr. Hun Monivann Mr. Hidetoshi KUME Mr. Lou Lykheng
5	17 th November 2023	10 th Board of Directors Meeting, 8 th Mandate discussion and approval (Ordinary)	H.E. Lou Kim Chhun H.E. Suy San H.E. Phan Phalla H.E. Sok Sopheak Mr. Hun Monivann Mr. Hidetoshi KUME Mr. Lou Lykheng

B. Board Committees

1- Board Committee Structure

1-1 Audit Committee

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Mr. Hun Monivann	President	1 st October 2021	4	4
2	H.E. Sok Sopheak	Vice President	1 st October 2021	4	4
3	Mr. Hidetoshi KUME	Member	1 st October 2021	4	4
4	Mr. Nom Sinith	Member	1 st October 2021	4	4
5	Mr. Ty Sakun	Member	1 st October 2021	4	4
6	Mr. Men Chann	Member	1 st October 2021	4	4

❖ Roles and Responsibilities of Audit Committee

The Audit committee has the roles and responsibilities as follow:

- Control of report relevant to finance
- Control of internal control
- Control of internal audit
- Control of external audit
- Audit of working and PAS business
- Report to Board of Directors of its working
- Completion of other duties according to the accomplishment of Board of Director

❖ Result of Audit Committee Performance

In this 2023, the Audit Committee have conducted 4 meeting as below:

No.	Date of Meeting	Items of Meeting	Members of Audit Committee	Representatives of PAS Management
1	23 rd February 2023	- 7 th Audit Committee Meeting, 8 th Mandate	- Mr. Hun Monivann - H.E. Sok Sopheak - Mr. Hidetoshi KUME - Mr. Nom Sinith - Mr. Ty Sakun - Mr. Men Chann	- Mr. Thay Rithy - Mr. Rath Sela - Mr. Pith Prakath - Mr. Sam Sopheap - Mr. So Searng - Mr. Chiv Chansopheap - Mr. Meas Sovanna - Mr. Chiv Chansothea - Mrs. Toch Vanna - Mr. Sam Visal - Mr. Taing Sunnguon

2	11 th May 2023	- 8 th Audit Committee Meeting, 8 th Mandate	- Mr. Hun Monivann - H.E. Sok Sopheak - Mr. Hidetoshi KUME - Mr. Nom Sinith - Mr. Ty Sakun - Mr. Men Chann	- Mr. Thay Rithy - Mr. Lou Lykheng - Mr. Rath Sela - Mr. Pith Prakath - Mr. Sam Sopheap - Mr. Ngoun Ratana - Mr. Thay Mengly - Mr. Chea Dara - Mrs. Toch Vanna - Mr. Meas Sovanna - Mr. Chiv Chansothea - Mr. Sam Visal - Mr. Taing Sunnguon
3	02 th August 2023	- 9 th Audit Committee Meeting, 8 th Mandate	- Mr. Hun Monivann - H.E. Sok Sopheak - Mr. Hidetoshi KUME - Mr. Nom Sinith - Mr. Ty Sakun - Mr. Men Chann	- Mr. Thay Rithy - Mr. Rath Sela - Mr. Pith Prakath - Mr. Sam Sopheap - Mr. Serng Seno - Mr. Ouk Vanara - Mr. Ngem Nhor - Mrs. Toch Vanna - Mr. Chiv Chansothea - Mr. Chea Dara - Mr. Sam Visal - Mr. Taing Sunnguon
4	16 th November 2023	- 10 th Audit Committee Meeting, 8 th Mandate	- Mr. Hun Monivann - H.E. Sok Sopheak - Mr. Hidetoshi KUME - Mr. Nom Sinith - Mr. Ty Sakun - Mr. Men Chann	- Mr. Rath Sela - Mr. Pith Prakath - Mr. Sam Sopheap - Mrs. Chey Sokunthea - Mr. Chiv Chansophal - Mr. Kim Hor - Mr. Soun Bunsung - Mr. Meas Sovanna - Mr. Pheap Mengsrean - Mrs. Toch Vanna - Mr. Sam Visal

In this 2023, the Audit Committee have achieved the outcomes as below:

1. The first meeting on February 23, 2023

- Reviewing and approving the previous minutes of meeting
- Issues that occurred after the previous minutes of meeting
- Progress and Results of Internal Audit - Fourth Quarterly Report 2022
- Request for training on internal auditing and information technology
- Discussion on the draft audit report for the fourth quarter of 2022

2. The second meeting on May 11, 2023

- Reviewing and approving the previous minutes of meeting
- Issues that occurred after the previous minutes of meeting
- Progress and Results of Internal Audit - First Quarterly Report 2023
- Request for training on internal auditing and information technology
- Discussion on the draft audit report for the first quarter of 2023

3. The third meeting on August 2, 2023

- Reviewing and approving the previous minutes of meeting
- Issues that occurred after the previous minutes of meeting
- Progress and Results of Internal Audit - Second Quarter Report 2023
- Request for training on internal auditing and information technology
- Discussion on the draft audit report for the second quarter of 2023

4. The fourth meeting on November 16, 2023

- Reviewing and approving the previous minutes of meeting
- Progress and Results of Internal Audit - Third Quarterly Report 2023
- Request for a presentation on Port Safety, Health, and Environment Management
- Discussion on the draft audit report for the third quarter of 2023

1-2 Nomination and Remuneration Committee

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	H.E. Sok Sopheak	President	1 st October 2021	4	4
2	H.E. Suy San	Vice President	1 st October 2021	4	4
3	Mr. Lou Lykheng	Member	1 st October 2021	4	4
4	Mr. Nom Sinith	Member	1 st October 2021	4	4
5	Mr. Rath Sela	Member	1 st October 2021	4	4

❖ Roles and Responsibilities of Nomination and Remuneration Committee

The Nomination and Remuneration committee has the roles and responsibilities as follow:

- Review and comment on qualifications and procedures for selecting candidates for governors and senior officers
- Evaluate the candidates for directors and senior officers to submit to Board of Directors
- Review and update the mechanism, and evaluate the efficiency of the Board of Directors, Governors and Committees
- Establish procedures for reviewing and commenting on benefits or bonus for governors and senior officers
- Completion of other duties according to the accomplishment of Board of Director.

❖ Result of Nomination and Remuneration Committee Performance

In 2023, the Nomination and Remuneration Committee have conducted 4 meeting as the following:

No.	Date	Type of Meeting	Members of the Nomination and Remuneration Committee	Representative of PAS
1	26 th February 2023	7 th Nomination and Remuneration Committee Meeting, 8 th Mandate	H.E. Sok Sopheak H.E. Suy San Mr. Lou Lykheng Mr. Nom Sinith Mr. Rath Sela	- Mr. Thay Rithy - Mr. Pith Prakath - Mr. Ou Sovanrith - Mr. San Chhun
2	11 th May 2023	8 th Nomination and Remuneration Committee Meeting, 8 th Mandate	H.E. Sok Sopheak H.E. Suy San Mr. Lou Lykheng Mr. Nom Sinith Mr. Rath Sela	- Mr. Pith Prakath - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Taing Sunnguon - Mr. Chea Dara
3	02 nd August 2023	9 th Nomination and Remuneration Committee Meeting, 8 th Mandate	H.E. Sok Sopheak H.E. Suy San Mr. Lou Lykheng Mr. Nom Sinith Mr. Rath Sela	- Mr. Thay Rithy - Mr. Pith Prakath - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Taing Sunnguon - Mr. Chea Dara
4	16 th November 2023	10 th Nomination and Remuneration Committee Meeting, 8 th Mandate	H.E. Sok Sopheak H.E. Suy San Mr. Lou Lykheng Mr. Nom Sinith Mr. Rath Sela	- Mr. Pith Prakath - Mr. Ou Sovanrith - Mr. San Chhun

In 2023, the Nomination and Remuneration Committee have achieved the following results:

1. The first meeting on February 26, 2023
 - 2022 Report on Staff Status
 - 2022 Training Report
2. The second meeting on May 11, 2023
 - Report on staff status for the first 4 months of 2023
 - Report on training for the first 4 months of 2023
3. The third meeting on August 2, 2023
 - Report on staff status in the first 7 months of 2023
 - Report on training for the first 7 months of 2023
4. The fourth meeting on November 16, 2023
 - Report on the status of staff in the first 10 months of 2023
 - Report on training for the first 10 months of 2023

1-3 Risk Management Committees

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	H.E. Phan Phalla	President	1 st October 2021	4	4
2	H.E. Suy San	Vice President	1 st October 2021	4	4
3	Mr. Hidetoshi KUME	Member	1 st October 2021	4	4
4	H.E. Sok Sopheak	Member	1 st October 2021	4	4
5	Mr. Hun Monivann	Member	1 st October 2021	4	4
6	Mr. Nom Sinith	Member	1 st October 2021	4	4
7	Mr. Thay Rithy	Member	1 st October 2021	4	4
8	Mr. Pith Prakath	Member	1 st October 2021	4	4

❖ Roles and Responsibilities of Risk Management Committee

The Risk Management Committee has the roles and responsibilities as following:

- Analyze risks include risk description and risk identification
- Risks estimation
- Risks assessment
- Measurement to contain risks
- Monitoring risks
- Completion of other duties according to the accomplishment of Board of Director.

❖ Result of Risk Management Committee Performance

In 2023, the Risk Committee have conducted 4 meetings the following:

No.	Date	Type of Meeting	Members of the Risk Committee	Representative of PAS
1	22 nd February 2023	- 7 th Risk Management Committee Meeting, 8 th Mandate	H.E. Phan Phalla H.E. Suy San Mr. Hidetoshi KUME H.E. Sok Sopheak Mr. Hun Monyvann Mr. Nom Sinith Mr. Thay Rithy Mr. Pith Prakath	- Mr. Rath Sela - Mr. So Searng - Mr. Sam Sopheap - Mrs. Chey Sokunthea - Mr. Sorm Karoney - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Sam Visal - Mr. Taing Sunnguon - Mr. Chea Dara
2	12 th May 2023	- 8 th Risk Management Committee Meeting, 8 th Mandate	H.E. Phan Phalla H.E. Suy San Mr. Hidetoshi KUME H.E. Sok Sopheak Mr. Hun Monyvann Mr. Nom Sinith Mr. Thay Rithy Mr. Pith Prakath	- Mr. Rath Sela - Mr. Sam Sopheap - Mr. So Seang - Mrs. Chey Sokunthea - Mr. Sorm Karoney - Mr. Souk Kolchenda - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Sam Visal - Mr. Taing Sunnguon - Mr. Chea Dara
3	02 nd August 2023	- 9 th Risk Management Committee Meeting, 8 th Mandate	H.E. Phan Phalla H.E. Suy San Mr. Hidetoshi KUME H.E. Sok Sopheak Mr. Hun Monyvann Mr. Nom Sinith Mr. Thay Rithy Mr. Pith Prakath	- Mr. Rath Sela - Mr. Sam Sopheap - Mr. So Seang - Mrs. Chey Sokunthea - Mr. Sorm Karoney - Mr. Souk Kolchenda - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Sam Visal - Mr. Taing Sunnguon - Mr. Chea Dara

4	17 th November 2023	- 10 th Risk Management Committee Meeting, 8 th Mandate	H.E. Phan Phalla H.E. Suy San Mr. Hidetoshi KUME H.E. Sok Sopheak Mr. Hun Monyvann Mr. Nom Sinith Mr. Thay Rithy Mr. Pith Prakath	- Mr. Rath Sela - Mr. So Seang - Mr. Sam Sopheap - Mrs. Chey Sokunthea - Mr. Ouk Sokmethi - Mr. Ou Sovanrith - Mr. San Chhun - Mr. Chea Dara - Mr. Sam Visal
---	-----------------------------------	--	--	--

In 2023, the Risk Committee have conducted 4 meeting achieved the following results:

1. The first meeting on 22 February 2023

- Progress Report on PAS's Risk
- Cost-structure report for the fourth quarter and for the period ended December 31, 2022
- Discussion meeting on the visit of the Board of Directors and the management of PAS to Japan for the purpose of studying and understanding about information technology system and port development in Japan

2. The second meeting on May 12, 2023

- Report on Business and Financial Results of PAS for the first quarter 2023
- Ongoing report on the progress of the container terminal development project in progress (1. Project to renovate the general cargo port into a 253-meter-long container terminal and 2. New container terminal development project - Phase 1, Phase 2 and Phase 3)
- Report on the progress of the information system of PAS
- Report on the Draft Marketing Strategy of PAS

3. The third meeting August 2, 2023

- Report on Business and Financial Results of PAS for the second quarter 2023
- Ongoing report on the progress of the container terminal development project in progress (1. Project to renovate the general cargo port into a 253-meter-long container terminal and 2. New container terminal development project - Phase 1, Phase 2 and Phase 3)
- Report on the Status of Long-stay Containers at PAS
- Report on the progress of the information system of PAS
- Report on the Draft Marketing Strategy of PAS

4. The fourth meeting on November 17, 2023

- Ongoing report on the progress of the container terminal development project in progress (1. Project to renovate the general cargo port into a 253-meter-long container terminal and 2. New container terminal development project - Phase 1, Phase 2 and Phase 3)
- Report on the business situation of PAS and challenges in the third quarter of 2023

- Review and discuss on the draft business plan (services) and finance of PAS 2024
- Review and discuss on the draft marketing strategy of PAS

1-4 Other Committee

- ❖ Roles and Responsibilities of other Committee

As at 2023, PAS does not have any other committee.

- ❖ Result of other Committee Performance

As at 2023, there hasn't any result of other committee performance.

2- Change of Committee Member

In this 2023, there is nothing changes in member of committees.

C. Remuneration and Compensation

1- Brief Policies of Remuneration or Compensation for Directors and Senior Officers

- Remuneration or Compensation for Directors of PAS
 - Transportation
 - Phone credit
 - Meeting times
 - Others remuneration and compensation.
- Remuneration or Compensation for Senior Officers of PAS
 - Net Salary
 - Productive Salary
 - Position Allowance
 - Family benefit
 - Meal Allowance
 - Bonus
 - Holiday Allowance

2- Remuneration and Compensation Receivers

No.	Remuneration and Compensation Receivers	Remuneration and Compensation Amount	Other
1	Directors	1,224,000,000.00 Riels	
2	Executive Directors	360,000,000.00 Riels	
3	Senior Officers	2,728,151,500.00 Riels	
4	Top 5 Employees receiving Remuneration and Compensation Receivers	419,622,535.00 Riels	

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

In 2023, PAS did not have Annual Performance Evaluation of Board of Directors, Directors, Committees and CEO.

E. Training for Directors and Senior Officers

In 2023, Sihanoukville Autonomous Port has sent Board of Directors and Key Personnels to participate in the following training courses abroad:

- JICA Port Alumni to Japan Program, 19 to 24 February 2023 in Japan.
- Technical Workshop on the aids to navigation in the straits of Malacca and Singapore in Malaysia from 28 February to 9 March 2023.
- Workshop on the Development of Guideline on Smart Port Project from March 1 to 2, 2023 at Port Authority, Thailand.
- Study tour program for learning about Port Operation and IT Management System from 18 to 25 March 2023 in Japan.
- Regional Workshop on Development of Logistics Database System for Mekong Region-CLV Countries and Exchange Visit, 15 to 17 May 2023, Vietnam.
- ASEAN Capital Markets Forum (ACMF) and International Sustainability Standards Board (ISSB) Conference and Training on IFRS Sustainability Disclosure from 26 to 29 June 2023 in Singapore.
- In-Japan Training for the Project for Capacity Development on Container Terminal Management and Operation in SHV Port Phase 3 from 28 August to 08 September 2023 in Japan.
- China-Cambodia Highly Talented Transportation Workshop on Digital Transportation Construction and Development from 11 to 16 November 2023 in Nanning, China.
- Capacity Building Workshop on Port Digitalization and Progress towards Smart Ports from 29 to 30 November 2023 in Bangkok, Thailand.

Part 3

Code of Business Conducts Practice

A. Code of Business Conduct Practices for Director and Senior Officers Policies

Principle of Code of Conduct

Article 1: Introduction

According to the laws and regulations in force including the announcement on corporate governance for the public enterprise issuing Initial Public Offering and the commitment to encourage the implementation of duties with good profession and code of conduct, the Board of Directors of

Sihanoukville Autonomous Port (PAS) has adopted a code of conduct for directors and senior officials with the following objectives:

- To encourage loyalty and ethical behavior in business operation in order to ensure the equity and to avoid the conflict of interest.
- To encourage the provision of necessary information required by the laws and regulations in force with full effect, precision, correctness and on timely basis.
- To encourage the implementation of laws and regulations in force.
- To ensure the protection of company's legal business benefits, including business opportunities, current assets, intangible assets and confidential information of the company.

PAS business must be subject to the general management and leadership of the Board of Directors. The directors and senior officials are mainly responsible for business decision making with which they are convinced that the latter will yield good benefits to PAS and all PAS's shareholders. All directors and senior officials must be fully aware of the code of conduct and shall adhere to the principles and rules which were stipulated in this code of conduct.

Article 2: Definition

In the context of the code of conduct, the following words are defined as below mentioned:

- Laws and regulations in force : means all laws and regulations of the Kingdom of Cambodia, including laws, sub-degrees, prakas, rules and principles of the competent authorities such as SERC and Cambodia Security Exchange (CSX) for which such laws and regulations are implemented on PAS, directors and PAS's senior officials.
- Directors: means the members of PAS's Board of Directors, including executive director, non-executive director and independent director.
- Senior officials: means the individuals whose functions are from directors to director generals, including the head of secretary and those who have other main functions in PAS defined by the Board of Directors of PAS.

Article 3: Implementation of Laws and Regulations

During the period of carrying out their roles and responsibilities, all directors and senior officials must implement and try to enable PAS to implement them in compliance with the laws and regulations in force. If any directors or senior officials are aware of the information which they believe that any directors or senior officials or employees breach the laws and regulations in force, the directors or senior officials who realize the fact shall relay information to the Chairman of the Board of Directors, Director General, Head of Audit Committee or the Internal Audit.

Article 4: Conflict of Interests

In addition to the regulations in articles 134, 145, 136, and article 138 of the law on business enterprise, the directors and senior officials must avoid all conflict of interest related activities which might occur to PAS.

In general, the conflict of interest occurs when the direct benefits of directors or senior officials may adversely affect:

- a. General benefits or PAS's business
- b. The possibility of directors or other senior officials in carrying out their roles and responsibilities.

The directors and senior officials must provide information to the Board of Directors of PAS and shall make a public announcement on the operation or any relationship which they think that the conflict of interest will occur to PAS according to the definition of SERC or CSX.

PAS's directors or senior officials shall disclose their benefits in writing to PAS requesting for the announcement which was uploaded in the minute of meeting of the Board of Directors in case that:

- a. Directors or senior officials are the party of the contract or the individuals who had requested to make the contract with PAS.
- b. Directors or senior officials have an important benefit with the individual or legal entity which is the party of the contract or the party who had requested to make a contract with PAS in accordance with the laws and regulations in force, including the announcement on corporate governance for the public enterprise issuing Initial Public Offering, the independent director shall not have any benefits in the PAS which might cause an affect to his/her independence and shall not own more than 01 % (one per cent) of PAS's shares.

Article 5: Business Opportunities

In the implementation of their respective roles and responsibilities, directors and senior officials must pay priority attention to PAS's legal benefits as appropriate.

Directors and Senior Officials Must Avoid:

- a. Taking an opportunity to perform any works for their own benefits that they are already realized during the period of implementation of their roles and responsibility in PAS.
- b. Using PAS's property or information or their ranks and positions for their own benefits.
- c. Competing with PAS.

The Board of Directors will determine the move which is contrary to the essence of this article by taking into account of the motive and situation related to such move.

Article 6: Equitable Relationship

In achieving their respective roles and responsibilities, directors and senior officials must equitably perform the communication between one another as well as with the customers, suppliers, competitors, contractors, and PAS's employees.

The directors and senior officials shall not unfairly take advantages of any individual by tricking, concealing the truth, misleading the important information, disclosing unreal causes or any other dishonest acts in the business.

The use of rights on confidential information related to PAS's business or persuasion of directors, senior officials and PAS's employees from both past and present to disclose such information is definitely forbidden.

The directors and senior officials must implement their respective roles and responsibilities with virtue and for the benefits of PAS and all PAS's shareholders. Directors and senior officials must not take advantages from their positions as directors or senior officials and shall not accept any gifts from the thirdone by their positions as directors or senior officials.

Article 7: Protection and Use of PAS's Properties

In the implementation of their respective roles and responsibilities, directors and senior officials must stimulate for the inspection and proper use of PAS's properties including tangible and intangible assets with responsible manner.

PAS's properties consist of information, materials, equipment, intellectual property, tools, resources, information technology system and other properties that are belong to PAS or properties which were rented or occupied by PAS shall be used for PAS's legal business target only.

Article 8: Complaint Pertaining to the Accounting

The Audit Committee (if any) or PAS's Internal Auditor shall be held responsible for the preparation of an appropriate procedure to receive the complaints, store and inspect the complaints pertaining to the accounting, inspection of internal accounting or other problems related to the audit process.

The directors or senior officials can file a complaint related to the above problems to the audit committee or PAS's internal auditor. The request for confidential inspection of the complaint can be made in accordance with the laws and regulations in force.

Article 9: Encouragement for Reporting on Illegal or Immoral Move

The directors and senior officials must try to stimulate PAS to adhere to the code of conduct towards the directors or competencies in the PAS whenever the illegal or immoral move may cause an adversely indirect impact to the business and PAS's reputation or may lead to serious responsibility in the provisions of law.

Article 10: Internal Trade

The directors and senior officials must implement and adhere to the laws and regulations in force, and the internal regulations and PAS's policy pertaining to PAS's share trading.

Article 11: Confidentiality

The directors and senior officials must keep PAS's secret information that they realized confidential, except in the event that PAS authorizes to provide information or the provision of such information is required by the laws and regulations in force or by the competent authorities or the court of the Kingdom of Cambodia.

The term "secret information" includes nonpublic information that can be used by PAS's competitors, or nonpublic information that affect PAS or PAS's customers if such information is disclosed.

The directors or senior officials must discuss with the Director General or Chairman of the Board of Directors in advance if such directors or senior officials realize that they are legally obliged to disclose such secret information.

Article 12: Provision of Information

The directors and senior officials are required to be well aware of the procedures and inspection process for the provision of PAS's information in order to issue a public announcement, report and document to be registered with the state authorities, including SERC can be set up in accordance with the laws and regulations in force as well as the principles of SERC and CSX.

On the other hand, in the scope of roles and responsibilities of directors and senior officials who are authorized to lead and manage the documentation listing process with SERC and/or CSX or other public notification by PAS related to general business, results, conditions and financial capacity shall be discussed with directors, other senior officials and relevant employees and take an appropriate measure for the procedures and inspection of the provision of information in order to enable the provision of such information to be done with full effect, precision, correctness, on timely manner and understanding.

Within the scope related to the procedures and inspection of the provision of PAS's information, each of the directors and senior officials must:

- Understand the required conditions in providing PAS's information as well as the business and financial operation of PAS.
- Not make a false statement or cause the other individual to deliver a false statement related to PAS's information to the outsiders although they are in or not in the PAS's framework, including independent auditors, regulators of the Royal Government and other institutions.

Article 13: Amendment and Waiver

This Code of Conduct can be amended or waived by the Board of Directors of PAS in compliance with the required conditions in providing the information, laws and regulations in force. In general rule, the Board of Directors will not waive any articles of this code of conduct if there is no appropriate and necessary reason therein.

The directors and senior officials must inherently implement in accordance with the spirit and essence of this code of conduct. The directors and senior officials are obliged to be aware of the code of conduct and seek for further explanation and consultation related to the interpretation of the essence and required conditions of the code, especially when there is a reason which may conflict with this code of conduct.

B. Publishing of Code of Business Conduct Practice

The Board of Directors of Sihanoukville Autonomous Port has approved the Code of Business Conduct, which is published and presented in this Annual Corporate Governance Report of 2023 to the directors, senior officers, employees, investors and the public.

C. Mechanisms and Procedures to Assess Code of Business Conducts Practices

For the mechanism and procedure to assess the Code of Business Conduct practice, Sihanoukville Autonomous Port has assigned the task to Internal Audit Department to conduct regular inspections as well as motivate and encourage all employees of PAS should report any evidence of illegal or unethical acts to the department or competent person while any of those illegal or unethical acts may have a serious negative impact on the business and the reputation of PAS or it may lead to serious legal liability.

E. Related Parties Transactions

1- Related Parties Transaction Policies of PAS

In this 2023, PAS doesn't have any policy of related parties transaction.

No.	Related Parties	Policies
1	Holding Company	
2	Joint Venture	
3	Subsidiary	
4	Majority Shareholders and Controlling Shareholders	
5	Director and Their Family	
6	Employees and Their Family	
7	Other	

2- Important Transaction with Related Parties

In this 2023, PAS doesn't have any important transaction with related parties.

Part 4

Risk Management, Internal Control and Auditing

A. Brief Risk Management System or Risk Management Policies

The Risk Management Committee monitors PAS's risk situation and sets out guidelines for actions to moderate the risks that may adversely affect PAS in achieving its goals at acceptable level. The Risk Management Committee will continue to improve its risk management capacity, and will continue to support the Audit Committee's efforts to monitor and evaluate as determined by the Securities and Exchange Regulator of Cambodia on "Principles and policies in managing the process of risk assessment and management that is implemented".

The Risk Management Committee has implemented and assigned the following obligations to identify and prioritize business risks:

- Inspect the Risk Assessment of PAS to understand the current situation and when it is happening.
- Ensure that efficiency gaps have a high degree of risk identification and indicate directions for allocating resources and responsibilities, as well as activities that highlight business risks.
- The Risk Management Committee establishes the risk management infrastructure and provides guidance on the management of risk operations, including the operating system of PAS.

The Risk Management Committee is not responsible for any day-to-day activities related to risk management or to reduce those risks. However, the members of the committee may be part of the risk management work in PAS.

B. Brief Internal Control System

The Auditor evaluated the internal control system based on the ability of the management process to achieve management objectives in accordance with the regulations on the structure and duties of the Audit office.

C. Auditing

1- Internal Audit

1-1 Roles and Responsibilities of Internal Auditors

- Control of report relevant to finance
- Control of internal control
- Control of internal audit
- Control of external audit
- Audit of working and PAS business
- Report to Board of Directors of its working
- Completion of other duties according to the accomplishment of Board of Directors

1-2 Appointment and Removal/Resignation of head and/or Deputy of Internal Auditors

No.	Name	Appointment Date	Reason
1	Mr. Men Chan	25 th December 2015	
2	Mr. Chiv Chansopheap	10 th April 2020	
3	Mr. Hor Sothy	10 th April 2020	

1-3 New Appointment of head and/or Deputy of Internal Auditors

In this 2023, PAS has no newly appointed head and/or Deputy of Internal Auditors.

2- External Auditors

No.	Name of Audit Firms	Agreement Date	Auditing Fees	Non-audit Fees
1	Ernst & Young	1 st January 2022	104,150.00 USD	

- ❖ Reason for the Change, Suspension and Terminations of Audit Firms in Securities Sector
In this 2023, there has no change for the external auditor.

Part 5

Stakeholders

A. Identify Policies and Activities Related to the Following:

No.	Contents	Policies	Actions
1	Customer Welfare	Pay attention and fulfill customers' need	Provide service to customers on time
2	Suppliers and Subcontractors Selection	Implement procurement procedures	Bidding and consultation
3	Management and Protection of Employees	Employee Representative	Election for employee representatives
4	Environment Protection	environment management in port	Health, Safety and Environment Management Plan
5	Community Interaction	Community development	contribution to the community practically
6	Creditors' Right Protection	Reservation for paying debt according to their due date	Settle debt on time
7	Anti-Corruption Program	Establish a strong internal control system	Monitor by internal auditors
8	Other		

B. Description on the Corporate Social Responsibilities of PAS

No.	Beneficiaries	Amount	Purpose of CSR
1	Citizen of Srey Santhor District, Kampong Cham Province	233,700,000.00 Riels	Construction of a concrete road with a length of 615 meters equal to 3,075 square meters in Russey commune, Srey Santhor district, Kampong Cham province.
2	Citizen of Srey Santhor District, Kampong Cham Province	1,500,382,000.00 Riels	Construction of one remaining inter-commune concrete road, 7,092 meters long (completed 19,092 meters) and 6 meters wide in Prek Dambok commune, Srey Santhor district, Kampong Cham province.
3	Citizen of Srey Santhor District, Kampong Cham Province	293,248,000.00 Riels	Construction of a concrete road, 1,264 meters long and 5 meters wide, in Takoy village, Prek Dambok commune, Srey Santhor district, Kampong Cham province.
4	Factory workers in Srey Santhor District, Kampong Cham Province	125,920,000.00 Riels	To organize a get-together with factory workers throughout Srey Santhor district on the occasion of celebrating the 137th anniversary of International Labor Day on May 1, 2023.
5	Poverty-stricken citizen in Srey Santhor district, Kampong Cham province	250,000,000.00 Riels	Join the Cambodian Red Cross division in Srey Santhor district to help more than 2,500 poor and stricken families in Srey Santhor district, Kampong Cham province.
6	Cambodia Red Cross Kampong Cham division	200,000,000.00 Riels	Join the Cambodian Red Cross division in Kampong Cham province on the occasion of the 160th anniversary of the World Red Cross Red Crescent Day.
7	Cambodia Red Cross Preah Sihanouk division	300,000,000.00 Riels	Join the Cambodian Red Cross division in Sihanoukville on the occasion of the 160th Anniversary of the World Red Cross Red Crescent.

8	Wat Pring Chanbarmey, Prey Nob District, Preah Sihanouk Province	150,000,000.00 Riels	Participate in building school facilities at Wat Pring Chan Barmey, Toul Toteung Commune, Prey Nob District, Preah Sihanouk Province.
9	Wat Pring Chanbarmey, Prey Nob District, Preah Sihanouk Province	40,000,000.00 Riels	Participate in organizing the groundbreaking ceremony for Khan Seima and inauguration of achievements in Wat Pring Chanbarmey, Toul Toteung Commune, Prey Nob District, Preah Sihanouk Province.
10	Srey Santhor District Administration, Kampong Cham Province	193,460,000.00 Riels	Organized a conversation and greetings gathering of civil servants throughout Srey Santhor district under the high presidency of HE Deputy Prime Minister Yim Chhay Ly Chairman of the Council for Agricultural and Rural Development.
11	Srey Santhor District Administration, Kampong Cham Province	167,700,000.00 Riels	Organized a conversation and greetings gathering of teachers, education officials, health officials and forces throughout Srey Santhor district under the high presidency of HE Deputy Deputy Prime Minister Yim Chhay Ly , Chairman of the Council for Agricultural and Rural Development.
12	Citizen of Khnaros commune, Srey Santhor district, Kampong Cham province	215,660,000.00 Riels	Construction of a commune hall building measuring 12.5 x 15 meters in Khnar Sor commune, Srey Santhor district, Kampong Cham province.
13	Citizen of Srey Santhor District, Kampong Cham Province	260,000,000.00 Riels	Construction of a steel bridge, 50 meters long and 6 meters wide, in Phteah Kandal commune, Srey Santhor district, Kampong Cham province.
14	Citizen of Srey Santhor District, Kampong Cham Province	300,000,000.00 Riels	Construction of a steel bridge, 50 meters long and 6 meters wide, in Prek Dambok commune, Srey Santhor district, Kampong Cham province.
15	Phteah Kandal Commune Administration, Srey Santhor District, Kampong Cham Province.	76,560,000.00 Riels	Renovation of a meeting hall building in Phteah Kandal commune, Srey Santhor district, Kampong Cham province.

16	Citizen of Srey Santhor District, Kampong Cham Province	250,000,000.00 Riels	Construction of a concrete road, 1,043 meters long, 5 meters wide, equal to 5,215 square meters in Baray commune, Srey Santhor district, Kampong Cham province.
17	Students of Hun Sen Mittapheap High School, Sihanoukville, Preah Sihanouk Province	66,144,000.00 Riels (USD 16,000)	Construction of Hun Sen Mittapheap High School Primary School Library, Sihanoukville, Preah Sihanouk Province (4th installment completed equal to 10% of the total construction cost).

Part 6

Disclosure and Transparency

A. Identify the Following Information in the Annual Report:

No.	Information	Yes/No	Reason
1	Visions/Missions/Objectives	Yes	
2	Financial Indicator	Yes	
3	Non-financial Indicator	Yes	
4	Main Risk Factors	No	In 2023, PAS didn't analyze on main risk factors
5	Dividend Policy	Yes	
6	Biography of Directors	Yes	
7	Training for Directors	Yes	
8	Number of Board Meeting	Yes	
9	Attendance of Directors in Board Meetings	Yes	
10	Remuneration or Compensation for Directors and Senior Officers	Yes	

In this 2023 Annual Report, PAS did not present non-financial indicators, but provided detailed statistics and graphs of its operations.

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

PAS's mechanism for providing information and disclosure on quarterly or annual reports, The responsible officer prepared the report (PDF format) and send it to the Securities and Exchange Commission of Cambodia via email for review and authorization to publish the report to the public. After PAS receive the response from SECC to publish the report to the public, the Cambodia Securities

Exchange will publish the quarterly or annual reports to the public on the CSX website. The responsible officer who provides the information submits the report to the Department of Information Technology for public disclosure on the website of the Sihanoukville Autonomous Port to investors and the public.

Responsible person in Charge of disclosure is Mr. **Sam Sopheap** and secretary.

C. Investor Relations

1- Demonstrate Mechanisms and Procedures for Investor Relations:

- Contact through Sihanoukville Autonomous Port website: pas.gov.kh
- Contact via Facebook page: Sihanoukville Autonomous Port – PAS
- Contact via PAS Mobile app (available in Apple store or Play store)
- Contact by mobile number: 078 896 789
- Invitation to attend the Annual General Meeting of Shareholders of the Board of Directors.

2- Briefly Describe Investor Relations for the Latest Year

- On 9th June 2023, there was an invitation to attend the Annual General Shareholders’ Meeting of PAS, and there was a question-and-answer session for any investors who have any questions to ask PAS.
- On 16th -19th Nov 2023, liaised with investors in an exhibition program “My First Stock 2023” at AEON Mall Phnom Penh which organized by Cambodia Stock Exchange (CSX). In addition, PAS had its own booth for potential contacts that could attract investors in corporate news, business, and future planning. PAS welcomed investors who were interested in asking for information and answering questions to get prizes from PAS’ booth and on stage as well.

