

SIHANOUKVILLE AUTONOMOUS PORT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

SIHANOUKVILLE AUTONOMOUS PORT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

CONTENTS	Page(s)
REPORT OF THE BOARD OF DIRECTORS	1 – 2
INDEPENDENT AUDITOR'S REPORT	3 – 7
FINANCIAL STATEMENTS:	
Statement of financial position	8
Statement of profit or loss and other comprehensive income	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 – 50



PORT AUTONOME DE SIHANOUKVILLE

KINGDOM OF CAMBODIA

NATION RELIGION KING

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the Directors) is pleased to submit their report together with the audited financial statements of Sihanoukville Autonomous Port (PAS) for the year ended 31 December 2021.

PRINCIPAL ACTIVITIES

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

FINANCIAL PERFORMANCE

The financial performance for the year ended 31 December 2021 is set out in the statement of profit or loss and other comprehensive income.

ASSETS

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

CONTINGENT AND OTHER LIABILITIES

At the date of this report there does not exist:


- (a) any charge on the assets of PAS that has arisen since the end of the year which secures the liabilities of any other person, or
- (b) any contingent liability in respect of PAS that has arisen since the end of the year.

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

CHANGE OF CIRCUMSTANCE

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

ITEMS OF AN UNUSUAL NATURE

The financial performance of PAS for the year ended 31 December 2021 was not, in the opinion of the Directors, materially affected by any items, transactions or events of a material and unusual nature. 

BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of PAS as at 31 December 2021 and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors are required to:

- i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standards (CIFRS), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently
- ii) comply with the disclosure requirements of CIFRS or, if there has been any departure from such standards, in the interest of fair presentation, ensure that this has been appropriately disclosed, explained and quantified in the financial statements
- iii) maintain adequate accounting records that enable PAS to prepare financial statements under CIFRS and an effective system of internal controls
- iv) 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
- v) effectively control and direct PAS and be involved in all material decisions affecting its operations and performance and ascertain that such matters have been properly reflected in the financial statements.

The Directors confirm that PAS has complied with the above requirements in preparing the financial statements.

The members of the Board of Directors holding office during the year and as at the date of this report are:

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

APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying financial statements, together with the notes thereto, which present fairly, in all material respects, the financial position of Sihanoukville Autonomous Port as at 31 December 2021 and the financial performance and its cash flows for the year then ended in accordance with the Cambodian International Financial Reporting Standards were approved by the Board of Directors.

On behalf of the Board of Directors,



H.E. Lou Kim Chhun
Chairman and CEO
Sihanoukville, Kingdom of Cambodia

17 FEB 2022

Mr. Pith Prakath
Director of Accounting and Finance



Independent auditor's report

To the shareholders of Sihanoukville Autonomous Port

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sihanoukville Autonomous Port (PAS) as at 31 December 2021 and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards (CIFRS).

What we have audited

PAS's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of profit or loss and other comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) that are relevant to our audit of the financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the ethical requirements of the KICPAA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. We determine one key audit matter: Retirement benefit obligations. 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.



Key audit matter	How our audit addressed the key audit matter
<p>Retirement benefit obligations</p> <p>Refer to Note 2.17.1 - summary of significant accounting policies on retirement benefit obligations, Note 4.a - assumptions and judgements on retirement benefit obligations and Note 17 - retirement benefit obligations.</p> <p>As at 31 December 2021, PAS had an outstanding balance for the retirement benefit scheme to its employees of KHR 88,181m.</p> <p>Management assessed the obligations based on the historical data and demographic data, current business situation, and accounting policy. Management also engaged an external actuary to carry out the more complex calculations.</p> <p>The valuation of retirement benefit obligations required management's significant judgment and technical expertise in applying the appropriate assumptions. Change on the key assumptions including salary increase, discount rate, and turnover rate that could have a material impact on the calculation of the liability.</p> <p>We focused on this area due to the significant involvement of management's judgement to make the appropriate and accurate estimation.</p>	<p>Our procedures in relation to management's estimation of the liability included:</p> <ul style="list-style-type: none"> • assessing the competence, independence and objectivity and evaluating the qualifications of management's expert (an external actuary), including examining their scope of work • assessing the actuarial assumptions by comparing the salary increase with the past salary increases and future plan, discount rate with a deposit yield at the same currency/maturity, and turnover rate to the past turnover rate of staff and testing the reasonableness of the benefit obligations • tracing the movement of the benefit obligations to the underlying supporting information such as current service cost, interest cost, benefits paid, remeasuring loss and reconciling the opening balance and closing balance, and • tracing the calculated amount from the pension valuation report to the accounting record and sources of data from the human resources department. <p>From these procedures, we determined that the key assumptions for this estimation were reasonable.</p>



Other information

Management is responsible for the other information. The other information comprises the report of the Board of Directors (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report and the information included in the annual report, which is expected to be made available to us after that date.

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 identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRS, 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 CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with CISAs, we exercise professional judgment and maintain professional scepticism 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 matters. We describe these matters 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.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Lang Hy
Partner



Phnom Penh, Kingdom of Cambodia
22 March 2022

SIHANOUKVILLE AUTONOMOUS PORT

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 KHR'000	2020 KHR'000
ASSETS			
Non-current assets			
Property and equipment	6	966,165,844	915,369,015
Investment properties	7	256,328,259	273,835,467
Intangible assets	8	4,936,332	5,673,745
Total non-current assets		<u>1,227,430,435</u>	<u>1,194,878,227</u>
Current assets			
Loans to employees		-	1,228,021
Inventories	9	27,225,006	23,853,022
Trade and other receivables	10	35,659,911	34,615,253
Short-term bank deposits	11	101,306,681	104,527,103
Cash and cash equivalents	12	22,468,929	30,741,075
		<u>186,660,527</u>	<u>194,964,474</u>
Assets classified as held for sale	13	13,058,708	-
Total current assets		<u>199,719,235</u>	<u>194,964,474</u>
Total assets		<u>1,427,149,670</u>	<u>1,389,842,701</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	14	518,018,063	518,018,063
Reserves	15	31,719,832	29,059,072
Retained earnings		234,156,264	155,284,283
Total equity		<u>783,894,159</u>	<u>702,361,418</u>
LIABILITIES			
Non-current liabilities			
Borrowings	16	435,025,425	502,343,609
Retirement benefit obligations	17	83,646,559	78,532,967
Seniority payment obligations	18	1,080,149	983,118
Deferred income	19	5,310,459	5,406,143
Deferred tax liabilities	27	29,419,014	19,676,316
Total non-current liabilities		<u>554,481,606</u>	<u>606,942,153</u>
Current liabilities			
Borrowings	16	33,961,572	37,602,224
Retirement benefit obligations	17	4,534,425	7,949,000
Seniority payment obligations	18	-	3,126,060
Deferred income	19	134,442	133,485
Trade and other payables	20	44,208,159	24,120,868
Income tax liabilities		5,935,307	7,607,493
Total current liabilities		<u>88,773,905</u>	<u>80,539,130</u>
Total liabilities		<u>643,255,511</u>	<u>687,481,283</u>
Total equity and liabilities		<u>1,427,149,670</u>	<u>1,389,842,701</u>

The accompanying notes on pages 12 to 50 are an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 KHR'000	2020 KHR'000
Continuing operations			
Revenue	21	342,349,229	311,813,769
Expenses			
Consumable supplies	22	(93,739,246)	(83,545,113)
Salaries, wages and related expenses	23	(104,366,949)	(90,127,696)
Depreciation and amortisation charges	24	(39,922,677)	(37,989,556)
Repairs and maintenances		(4,857,053)	(8,879,693)
Other expenses	25	(20,347,406)	(21,631,309)
Other losses – net		(273,300)	(144,097)
		<u>(263,506,631)</u>	<u>(242,317,464)</u>
Operating profit		<u>78,842,598</u>	<u>69,496,305</u>
Finance income		43,397,485	4,507,124
Finance costs		(11,194,446)	(31,863,208)
Finance income/(costs) – net	26	<u>32,203,039</u>	<u>(27,356,084)</u>
Profit before income tax		<u>111,045,637</u>	<u>42,140,221</u>
Income tax expense	27	<u>(17,338,247)</u>	<u>(15,532,627)</u>
Profit for the year		<u>93,707,390</u>	<u>26,607,594</u>
Profit attributable to shareholders		<u>93,707,390</u>	<u>26,607,594</u>
Total comprehensive income attributable to shareholders		<u>93,707,390</u>	<u>26,607,594</u>

The earnings per share attributable to shareholders of PAS for the year ended are as follows:

Basic/diluted earnings per share (KHR)	28	<u>1,092.52</u>	<u>310.21</u>
--	----	-----------------	---------------

The accompanying notes on pages 12 to 50 are an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Attributable to shareholders			
	Share capital and share premium KHR'000	Reserves KHR'000	Retained earnings KHR'000	Total KHR'000
Balance at 1 January 2020	518,018,063	24,712,722	139,794,055	682,524,840
Profit for the year	-	-	26,607,594	26,607,594
Total comprehensive income for the year	-	-	26,607,594	26,607,594
Transfer to reserves (note 15)	-	4,346,350	(4,346,350)	-
Dividend paid (note 3.2.1)	-	-	(6,771,016)	(6,771,016)
Balance at 31 December 2020	518,018,063	29,059,072	155,284,283	702,361,418
Balance at 1 January 2021	518,018,063	29,059,072	155,284,283	702,361,418
Profit for the year	-	-	93,707,390	93,707,390
Total comprehensive income for the year	-	-	93,707,390	93,707,390
Transfer to reserves (note 15)	-	2,660,760	(2,660,760)	-
Dividend paid (note 3.2.1)	-	-	(12,174,649)	(12,174,649)
Balance at 31 December 2021	518,018,063	31,719,832	234,156,264	783,894,159

The accompanying notes on pages 12 to 50 are an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 KHR'000	2020 KHR'000
Cash flows from operating activities			
Cash generated from operations	29	130,334,464	119,759,234
Income tax paid		<u>(8,141,938)</u>	<u>(12,652,948)</u>
Net cash inflow from operating activities		<u>122,192,526</u>	<u>107,106,286</u>
Cash flows from investing activities			
Purchases of property and equipment	6	(85,331,238)	(87,318,738)
Purchases of investment properties	7	(1,874,170)	(4,216,838)
Purchases of intangible assets	8	(366,931)	(312,800)
Withdrawals of short-term bank deposits		3,276,970	25,088,515
Receipts of repayment of loans to employees		1,283,363	2,566,726
Interest received		<u>3,867,324</u>	<u>4,251,129</u>
Net cash outflow from investing activities		<u>(79,144,682)</u>	<u>(59,942,006)</u>
Cash flows from financing activities			
Dividends paid	3.2.1	(8,641,527)	(8,641,527)
Proceeds from borrowings		1,137,532	11,224,092
Repayments of borrowings		(32,442,511)	(32,413,412)
Interest paid		<u>(11,373,484)</u>	<u>(14,381,955)</u>
Net cash outflow from financing activities		<u>(51,319,990)</u>	<u>(44,212,802)</u>
Net (decrease)/increase in cash and cash equivalents		(8,272,146)	2,951,478
Cash and cash equivalents at beginning of the year		<u>30,741,075</u>	<u>27,789,597</u>
Cash and cash equivalents at end of the year	12	<u>22,468,929</u>	<u>30,741,075</u>

Non-cash transaction:

Non-cash transaction is the dividend paid to Class B shares amounting to KHR 3,533,122 thousand (note 3.2.1) which is offsetting with advance to Ministry of Public Work and Transport (MoPWT) (note 10) (31 December 2020: KHR 3,533,122 thousand out of total dividend distribution KHR 12,174,649 thousand was offset with advance to MoPWT).

The accompanying notes on pages 12 to 50 are an integral part of these financial statements.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. BACKGROUND INFORMATION

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

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

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

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

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

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

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

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

The financial statements for the year ended 31 December 2021 were approved for issue by the Board of Directors on 17 February 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements of PAS are expressed in Khmer Riel (KHR).

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with CIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

An English version of the financial statements have been prepared from the financial statements that are in the Khmer language. In the event of a conflict or a difference in interpretation between the two languages, the Khmer language statutory financial statements shall prevail.

(i) *New and amended accounting standards*

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

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

There is no significant impact on adoption of standards above.

(ii) *New standards and interpretations not yet adopted*

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting period and have not been early adopted by PAS. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Foreign currency translation

(i) *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 (KHR), its functional and presentation currency.

(ii) *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 Riel are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings are presented in profit or loss in 'finance income and costs'.

2.3 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.

Subsequent costs are included in the asset's carrying amount or recognised 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 derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Land is not depreciated. 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:

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Property and equipment (continued)

	Years
Land improvement	7, 30, 50
Buildings	7, 20, 25, 30, 35, 50
Technical equipment	5 – 30
Furniture and fittings	3 – 10
Computer and office equipment	3 – 5
Motor vehicles	
- Motor vehicle	5
- Others (Prime mover, truck, caterpillar)	10 – 15
Seaport equipment	20 – 30
Palettes	10

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 recognised in profit or loss.

2.4 Intangible assets

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

	Years
Accounting software	10
Port operation system	10

2.5 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 derecognised 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 derecognised (eliminated from the balance sheet). The difference between the net disposal proceeds and the carrying amount is recognised 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 10 to 50 years.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised 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).

2.7 Financial assets

2.7.1 Classification

PAS classifies its financial assets to be measured at amortised cost. The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

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

Trade and other receivables, short-term bank 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 amortised cost.

2.7.2 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 recognised in other gain or losses in the statement of profit or loss as applicable.

2.7.3 Impairment of financial assets

PAS assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised 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 recognised from the initial recognition of the receivables (note 3.1.b).

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 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 realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

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.

2.10 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 recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment and expected credit losses (note 3.1(b.3)).

2.11 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.

2.12 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 those standards.

2.13 Share capital and share premium

Share capital and share premium are classified as equity. Incremental costs directly attributable to the issue of new share capital are shown in equity as a deduction, net of tax, from the proceeds.

2.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the 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 capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 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 capitalisation.

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

2.16 Income tax

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for Cambodian jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the end of reporting date in Cambodia, where PAS generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

SIHANOUKVILLE AUTONOMOUS PORT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits

2.17.1 Retirement benefit

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 salary.
- The employer’s contribution is 10% of the employees’ monthly salary.
- On an annual basis, the Board of Directors decides on an additional amount to be contributed to the scheme based on PAS’s 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 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:

<u>Years of service</u>	<u>Benefit</u>
25 years	Receive a monthly payment of 75% of their last month’s net salary.
26 to 40 years	Receive a monthly payment of 75% of the last month’s net 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 net salary.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

2.17.1 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:

<u>Years of service</u>	<u>Benefit</u>
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:

<u>Years of service</u>	<u>Benefit</u>
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 it depends on the staff member's years of service as follows:

<u>Years of service</u>	<u>Work-related death</u>	<u>Non-work-related death</u>
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:

<u>Years of services</u>	<u>Work related disability</u>	<u>Non-work-related disability</u>
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 FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

2.17.1 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:

<u>Years of service</u>	<u>Benefit rate</u>
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 recognised 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 recognised in the period in which they occur, directly in other comprehensive income.

However, in December 2019, Board of Directors has amended the policy on number of year of services by limiting up to 31 December 2018 with a maximum of 40 years. The impact of change of the management estimation was recognised immediately in profit or loss.

2.17.2 Seniority payment obligations

In June 2018, the Cambodian government amended the Labour Law introducing the seniority pay scheme. Subsequently on 21 September 2018, Prakas No. 443 K.B/Br.K.Kh.L, was issued providing guidelines on the implementation of the law. In accordance with the law/prakas, each entity is required to pay each employee with unspecified duration employment contract the following seniority scheme:

- i) Annual service - effective January 2019, 15 days of their average monthly salary and benefits each year payable every six month on 30 June and 31 December (7.5 days each payment).
- ii) Past years of seniority service - employees are entitled to 15 days of their salary per year of service since the commencement of employment up to 31 December 2018 and still continue working with PAS. The past seniority payment depends on each staff past services and shall not exceed six months of average gross salaries for each staff. On 22 March 2019, the Ministry of Labour and Vocational Training issued a guideline number 042/19 K.B/S.N.N.Kh.L, to delay the payment of the past years of seniority service which will be payable three days each in June and in December starting December 2021.

The annual service pay is considered as short-term employee benefits. These are accrued in the year in which the associated services are rendered by the employees of PAS.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Employee benefits (continued)

2.17.2 Seniority payment obligations (continued)

The past years of seniority service is classified as long term employee benefits. Past seniority liability was recognised at the present value of defined obligation at the reporting period using the projected unit credit method to better estimate the ultimate cost to PAS that employees have earned in return for their service in the current and prior period. That obligations arises as employees render the services that PAS expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimated future payments.

2.18 Provision and contingent liability

Provisions are recognised when PAS has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the amount expected to be required to settle the obligation. If the time value of money is material, provisions will be measured at their present value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. Increases in provisions due to the passage of time are recognised as interest expenses.

A contingent liability is a potential obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within PAS's control. It may also be a present obligation arising from past events that is not recognised because it is not probable that the outflow of economic resources will be required or the amount of the obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When the outflow of economic resources becomes probable, it will be recognised as a provision.

2.19 Revenue recognition

PAS recognises 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 recognised 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 recognised when services are rendered.

Rental revenue – 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 recognised over the lease term of the lease on a straight-line basis.

Other revenue

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Interest income

Interest income is recognised using the effective interest method and included in finance income in profit or loss.

2.21 Operating Leases – PAS is the lessor

Properties leased out under operating leases are included in investment properties in the statement of financial position (note 7). See note 2.19 for the recognition of rental income.

2.22 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised 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.

2.23 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.

2.24 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.

2.25 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand Khmer Riel (KHR) currency unless otherwise stated.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT

3.1 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.

a. Market risk

a.1 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 borrowings (at fixed interest rates) from 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. The Company 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 amortised cost.

a.2 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.

a.3 Foreign exchange risk

PAS is exposed to the risk of changes in foreign currency exchange rates, primarily between the Khmer Riel (KHR) and the Japanese yen (JPY) and US dollar (US\$), since its loans from JICA and JBIC through the MoEF are in Japanese yen and US dollars, but it maintains its accounting records in Khmer Riel, 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 Japanese yen and US dollar financial instruments is analysed below. PAS's financial instruments are mainly denominated in these two currencies. PAS has analysed the movement in these currencies over the last three years and considered that a 5.50% and 0.96% movement in the Japanese yen and US dollar rates, respectively, is a reasonable benchmark.

If the Japanese yen had weakened or strengthened by 5.50% (average fluctuation for the last three years) against the Khmer Riel, post-tax profit for the year would have been KHR 16,417m higher or lower mainly due to foreign exchange gains/losses on the translation of borrowings denominated in Japanese yen.

If the US dollar had weakened or strengthened by 0.96% (average fluctuation for the last three years) against the Khmer Riel, the post-tax profit for the year would have been KHR 289m higher or lower mainly due to foreign exchange gains/losses on the translation of short-term bank deposits denominated in US dollars.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

a. Market risk (continued)

a.3 Foreign exchange risk (continued)

The table below summarises PAS's exposure to foreign currency exchange rate risk at 31 December 2021 and 31 December 2020. Included in the table are the financial instruments at carrying amount by currency in KHR'000 equivalent.

	In equivalent KHR'000			Total
	JPY	US\$	KHR	
Year ended 31 December 2021				
Financial assets				
Trade and other receivables	-	33,656,278	1,917,802	35,574,080
Short-term bank deposits	-	95,872,367	5,434,314	101,306,681
Cash and cash equivalents	-	21,980,688	488,241	22,468,929
	-	151,509,333	7,840,357	159,349,690
Financial liabilities				
Borrowings	(370,933,079)	(98,053,918)	-	(468,986,997)
Trade and other payables	-	(15,655,169)	(6,025,236)	(21,680,405)
	(370,933,079)	(113,709,087)	(6,025,236)	(490,667,402)
Net position	(370,933,079)	37,800,246	1,815,121	(331,317,712)
Year ended 31 December 2020				
Financial assets				
Trade and other receivables	-	27,980,880	5,095,207	33,076,087
Loans to employees	-	-	1,228,021	1,228,021
Short-term bank deposits	-	99,303,336	5,223,767	104,527,103
Cash and cash equivalents	-	30,391,461	349,614	30,741,075
	-	157,675,677	11,896,609	169,572,286
Financial liabilities				
Borrowings	(430,518,335)	(109,427,498)	-	(539,945,833)
Trade and other payables	-	(4,853,906)	(2,268,350)	(7,122,256)
	(430,518,335)	(114,281,404)	(2,268,350)	(547,068,089)
Net position	(430,518,335)	43,394,273	9,628,259	(377,495,803)

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

b. Credit risk

PAS is exposed to credit risk primarily with respect to trade and other receivables, short-term bank deposits, and cash at banks carried at amortised cost.

b.1 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 provision for impairment and 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 bank deposits and cash at banks, placements are made only to reputable banks and financial institutions.

b.2 Security

For some trade receivables, PAS may obtain security in form of cash deposits which can be called upon if the counterparty is in default under the terms of the agreement.

b.3 Impairment of financial assets

PAS has financial assets which are cash and cash equivalents, short-term bank 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 bank 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 expected credit losses (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 2020. Based on PAS's historical credit loss experience for trade receivables, there were no cases of default in the past 8 years. All invoices were paid within one year. Based on the ageing provided as at 31 December 2021, most balances aged more than 120 days have been subsequently settled in January 2022.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

b. Credit risk (continued)

b.3 Impairment of financial assets (continued)

Trade receivables (continued)

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, the loss allowance as at 31 December 2021 and 31 December 2020 was determined as follows for trade receivables:

As at 31 December 2021	Expected loss rate %	Gross carrying amount KHR'000	Loss allowance KHR'000
Current	0%	25,580,287	-
More than 30 days past due	0%	4,616,059	-
More than 60 days past due	0%	434,254	-
More than 90 days past due	0%	321,971	-
More than 120 days past due	(*) 10.86%	3,032,948	329,241
Total		33,985,519	329,241
As at 31 December 2020	Expected loss rate %	Gross carrying amount KHR'000	Loss allowance KHR'000
Current	0%	22,560,138	-
More than 30 days past due	0%	4,420,142	-
More than 60 days past due	0%	711,936	-
More than 90 days past due	0%	212,103	-
More than 120 days past due	97.20%	2,732,039	2,655,478
Total		30,636,358	2,655,478

(*) The less 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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

b. Credit risk (continued)

b.3 Impairment of financial assets (continued)

Trade receivables (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

	2021 KHR'000	2020 KHR'000
Opening loss allowance at 1 January	2,655,478	1,215,248
(Decrease)/Increase in loss allowance recognised in profit or loss during the year	(2,326,237)	1,474,765
Receivables written off during the year as uncollectible	-	(34,535)
Closing loss allowance at 31 December	<u>329,241</u>	<u>2,655,478</u>

c. 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 and cash equivalents for its operations and uses credit facilities together with its own funds to pay for capital investments.

PAS had access to the following undrawn borrowing facilities at the end of year:

	2021 KHR'000	2020 KHR'000
Fixed rate		
Expiring beyond one year	<u>821,415,962</u>	<u>907,253,954</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

c. 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.

	Less than 1 year KHR'000	Between 1 and 2 years KHR'000	Between 2 and 5 years KHR'000	Over 5 years KHR'000	Total contractual cash flows KHR'000	Carrying amount liabilities KHR'000
At 31 December 2021						
Borrowings	47,074,239	43,251,361	124,224,196	366,764,309	581,314,105	468,986,997
Trade and other payables	21,680,405	-	-	-	21,680,405	21,680,405
	<u>68,754,644</u>	<u>43,251,361</u>	<u>124,224,196</u>	<u>366,764,309</u>	<u>602,994,510</u>	<u>490,667,402</u>
At 31 December 2020						
Borrowings	52,702,859	47,562,131	136,767,634	439,852,611	676,885,235	539,945,833
Trade and other payables	7,122,256	-	-	-	7,122,256	7,122,256
	<u>59,825,115</u>	<u>47,562,131</u>	<u>136,767,634</u>	<u>439,852,611</u>	<u>684,007,491</u>	<u>547,068,089</u>

3.2 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.

3.2.1 Dividends

On 25 June 2021, the Board of Directors approved to distribute the dividends in respect of profit of the financial year ended 31 December 2020 as follows:

	2021 KHR'000	2020 KHR'000
Dividends paid to Class B shares	3,533,122	3,533,122
Dividends paid to Class C shares	8,641,527	8,641,527
Total dividends paid (*)	<u>12,174,649</u>	<u>12,174,649</u>

(*) The total dividends paid amounting to KHR 12,174,649 thousand have been debited from retained earnings (31 December 2020: KHR 6,771,016 thousand have been debited from retained earnings and the remaining of KHR 5,403,633 thousand debited from the guaranteed dividends which was recorded as a liability).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. FINANCIAL RISK MANAGEMENT (continued)

3.3 Fair value of financial assets and financial liabilities measured at amortised cost

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

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

Financial instruments measured at fair value are analysed into the following fair value measurement hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. PAS does not hold any listed securities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. PAS makes estimates, assumptions and judgements concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) 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, and staff turnover rate. Any changes in these assumptions will impact the carrying amount of the obligations.

As at 31 December 2021, Cambodia has only eight corporate bonds listed in the Cambodia Stock Exchange. The current listed bond was issued in KHR having an average coupon rate of 7% per annum with maturity of two years and rated B. It is not considered as high quality (AA or greater) and not actively traded yet, so PAS uses the average annual deposit rates in KHR from banks as an adjusted discount rate to determine the present value of the estimated future cash outflows expected to be required to settle the retirement benefit obligation.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

(a) Retirement benefit obligations (continued)

If the discount rate, and salary increase rate used is different from management's estimate by 0.5% and 2.5% respectively, the approximate effect on the carrying amount of the retirement benefit obligation as at 31 December 2021 would be as shown below:

	Base case	Sensitivity impact			
Discount rate	6.00%	6.50%	5.50%	6.00%	6.00%
Salary increase rate	5.00%	5.00%	5.00%	7.50%	2.50%
Defined benefit obligation (million KHR)	88,181	83,642	93,184	99,101	80,198
Impact (million KHR)		(4,539)	5,003	10,920	(7,983)
Impact (%)		(5%)	6%	12%	(9%)

5. SEGMENT INFORMATION

PAS has a reportable segment, namely, port service. 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 (note 21). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating as a lessor and earns rental income (note 7).

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

The revenue of KHR 118,849,616 thousand was generated from three major customers during the year.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. PROPERTY AND EQUIPMENT

	Land Land improvement KHR'000	Land improvement KHR'000	Buildings KHR'000	Technical equipment KHR'000	Furniture and fittings KHR'000	Computer and office equipment KHR'000	Motor vehicles KHR'000	Seaport equipment KHR'000	Construction in progress KHR'000	Palettes KHR'000	Total KHR'000
At 31 December 2020											
Opening net book amount	250,929,909	30,614,437	324,230,672	28,221,613	500,128	2,009,310	27,476,376	188,112,921	5,034,897	48,068	857,178,331
Additions (*)	-	3,199,247	1,776,613	1,509,355	664,961	2,111,928	7,999,103	10,274,687	61,221,430	89,785	88,847,109
Depreciation charges	-	(1,442,587)	(9,592,013)	(3,713,819)	(358,449)	(1,409,681)	(3,218,281)	(10,833,998)	-	(87,597)	(30,656,425)
Closing net book amount	<u>250,929,909</u>	<u>32,371,097</u>	<u>316,415,272</u>	<u>26,017,149</u>	<u>806,640</u>	<u>2,711,557</u>	<u>32,257,198</u>	<u>187,553,610</u>	<u>66,256,327</u>	<u>50,256</u>	<u>915,369,015</u>
At 31 December 2020											
Cost	250,929,909	38,121,638	346,693,935	35,828,334	2,136,346	9,038,746	41,895,655	232,088,355	66,256,327	1,022,761	1,024,012,006
Accumulated depreciation	-	(5,750,541)	(30,278,663)	(9,811,185)	(1,329,706)	(6,327,189)	(9,638,457)	(44,534,745)	-	(972,505)	(108,642,991)
Net book amount	<u>250,929,909</u>	<u>32,371,097</u>	<u>316,415,272</u>	<u>26,017,149</u>	<u>806,640</u>	<u>2,711,557</u>	<u>32,257,198</u>	<u>187,553,610</u>	<u>66,256,327</u>	<u>50,256</u>	<u>915,369,015</u>
At 31 December 2021											
Opening net book amount	250,929,909	32,371,097	316,415,272	26,017,149	806,640	2,711,557	32,257,198	187,553,610	66,256,327	50,256	915,369,015
Additions (*)	45,805,500	681,152	813,760	320,666	335,430	2,689,380	7,092,284	7,418,560	18,135,760	-	83,292,492
Transfers	-	20,048,132	-	1,359,100	-	-	-	37,460,054	(58,867,286)	-	-
Depreciation charges	-	(1,571,796)	(9,644,530)	(4,016,356)	(433,414)	(1,385,422)	(3,797,155)	(11,602,098)	-	(44,892)	(32,495,663)
Closing net book amount	<u>296,735,409</u>	<u>51,528,585</u>	<u>307,584,502</u>	<u>23,680,559</u>	<u>708,656</u>	<u>4,015,515</u>	<u>35,552,327</u>	<u>220,830,126</u>	<u>25,524,801</u>	<u>5,364</u>	<u>966,165,844</u>
At 31 December 2021											
Cost	296,735,409	58,850,922	347,507,695	37,508,100	2,471,776	11,728,126	48,987,939	276,966,969	25,524,801	1,022,761	1,107,304,498
Accumulated depreciation	-	(7,322,337)	(39,923,193)	(13,827,541)	(1,763,120)	(7,712,611)	(13,435,612)	(56,136,843)	-	(1,017,397)	(141,138,654)
Net book amount	<u>296,735,409</u>	<u>51,528,585</u>	<u>307,584,502</u>	<u>23,680,559</u>	<u>708,656</u>	<u>4,015,515</u>	<u>35,552,327</u>	<u>220,830,126</u>	<u>25,524,801</u>	<u>5,364</u>	<u>966,165,844</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

6. PROPERTY AND EQUIPMENT (continued)

(*) During the year, PAS acquired 75 hectares of land located at Keo Phos commune, Steung Hav District, Preah Sihanouk Province to expand its operations (inland container depot) with a total cost of KHR45,805m. The transaction has been completed, and the payments has been made in full. Soft title deeds have already been transferred to PAS. Management is in the process of transferring soft title deeds to hard title deeds (LMAP).

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

	2021	2020
	KHR'000	KHR'000
Purchases (cash and non-cash) during the year	83,292,492	88,847,109
Decrease/(increase) payable to a supplier (non-cash)	2,038,746	(1,528,371)
Cash paid during the year	85,331,238	87,318,738

The interest cost that was capitalised on qualifying assets for the year ended 31 December 2021 was KHR 256,630 thousand (31 December 2020: KHR 205,720 thousand).

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

	2021	2020
	KHR'000	KHR'000
Land with legal title deeds	46,540,500	735,000
Land with no title deeds	250,194,909	250,194,909
	296,735,409	250,929,909

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. INVESTMENT PROPERTIES

	Land KHR'000	Buildings and land improvement KHR'000	Construction in progress KHR'000	Total KHR'000
At 31 December 2020				
Opening net book amount	134,325,883	141,554,862	-	275,880,745
Additions	-	2,152,556	2,064,282	4,216,838
Transfers	1,705,002	-	(1,705,002)	-
Depreciation charges	-	(6,262,116)	-	(6,262,116)
Closing net book amount	<u>136,030,885</u>	<u>137,445,302</u>	<u>359,280</u>	<u>273,835,467</u>
At 31 December 2020				
Cost	136,030,885	168,140,149	359,280	304,530,314
Accumulated depreciation	-	(30,694,847)	-	(30,694,847)
Net book amount	<u>136,030,885</u>	<u>137,445,302</u>	<u>359,280</u>	<u>273,835,467</u>
At 31 December 2021				
Opening net book amount	136,030,885	137,445,302	359,280	273,835,467
Additions	-	165,310	1,708,860	1,874,170
Transfers	2,068,140	-	(2,068,140)	-
Transfers to assets held for sale (note 13)	(13,058,708)	-	-	(13,058,708)
Depreciation charges	-	(6,322,670)	-	(6,322,670)
Closing net book amount	<u>125,040,317</u>	<u>131,287,942</u>	<u>-</u>	<u>256,328,259</u>
At 31 December 2021				
Cost	125,040,317	168,305,459	-	293,345,776
Accumulated depreciation	-	(37,017,517)	-	(37,017,517)
Net book amount	<u>125,040,317</u>	<u>131,287,942</u>	<u>-</u>	<u>256,328,259</u>

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 31 December 2018 and management believed that there is 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 take into account comparable items. These values are adjusted for differences in key attributes such as size and location, condition and other relevant factors.

Management believed that the range of the fair value of investment properties is reliably measured.

	2021 KHR'000	2020 KHR'000
Land at fair value	2,862,732,579	3,113,318,384
Buildings and land improvement at fair value	<u>137,668,608</u>	<u>136,688,640</u>
	<u>3,000,401,187</u>	<u>3,250,007,024</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. INVESTMENT PROPERTIES (continued)

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

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

	2021	2020
	KHR'000	KHR'000
Land with legal title deeds – Special Economic Zone (*)	85,212,370	85,212,370
Land with legal title deeds – Others	3,286,724	3,286,724
Land with no legal title deeds	35,425,492	46,416,060
Land with legal title deeds but occupied by households (reclassified from the property and equipment)	1,115,731	1,115,731
	<u>125,040,317</u>	<u>136,030,885</u>

(*) This represents the land value of 41 hectares which was handed over to PAS through the inter-ministry committee in 2002.

PAS settled and cleared the surrounding areas of its existing land of 41 hectares, resulting in getting the additional land of 27 hectares in 2012 where its value will be determined by the inter-ministry committee. The value of land of 27 hectares has not been recorded in the book yet but PAS obtained legal title deeds.

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

	2021	2020
	KHR'000	KHR'000
Rental revenue	2,195,869	2,407,722
Depreciation expenses	(6,322,670)	(6,262,116)
Direct operating expenses arising from investment properties that generate rental revenue	(2,545,602)	(2,389,248)

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

	2021	2020
	KHR'000	KHR'000
Within 1 year	73,332	68,765
Between 1 and 2 years	562,212	72,810
Between 2 and 3 years	1,539,972	558,210
Between 3 and 4 years	1,539,972	1,529,010
Between 4 and 5 years	1,548,120	1,529,010
Later than 5 years	39,978,374	41,230,895
	<u>45,241,982</u>	<u>44,988,700</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. INTANGIBLE ASSETS

	Software KHR'000
At 31 December 2020	
Opening net book amount	6,431,960
Additions	312,800
Amortisation charges	<u>(1,071,015)</u>
Closing net book amount	<u>5,673,745</u>
At 31 December 2020	
Cost	10,921,152
Accumulated amortisation	<u>(5,247,407)</u>
Net book amount	<u>5,673,745</u>
At 31 December 2021	
Opening net book amount	5,673,745
Additions	366,931
Amortisation charges	<u>(1,104,344)</u>
Closing net book amount	<u>4,936,332</u>
At 31 December 2021	
Cost	11,288,083
Accumulated amortisation	<u>(6,351,751)</u>
Net book amount	<u>4,936,332</u>

9. INVENTORIES

	2021 KHR'000	2020 KHR'000
Consumable supplies	24,007,787	22,418,103
Combustible materials	2,709,997	777,369
Oil and lubricant	1,250,216	1,400,544
Provision for consumable supplies (*)	<u>(742,994)</u>	<u>(742,994)</u>
	<u>27,225,006</u>	<u>23,853,022</u>

(*) Management reassesses the slow-moving inventory items periodically and considers the provision value remains sufficient and appropriate at the period-end date.

Inventories recognised as expenses for the year ended 31 December 2021 amounted to KHR 89,006m (31 December 2020: KHR 78,422m).

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	KHR'000	KHR'000
Trade receivables	33,985,519	30,636,358
Loss allowance	(329,241)	(2,655,478)
Trade receivables, net	<u>33,656,278</u>	<u>27,980,880</u>
Advances to MoPWT (a)	1,221,303	4,754,425
Advances	696,502	668,510
Withholding tax credit (b)	-	1,125,797
Prepayments	85,828	85,641
	<u>2,003,633</u>	<u>6,634,373</u>
	<u><u>35,659,911</u></u>	<u><u>34,615,253</u></u>

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

- (a) This represents outstanding cash advances to the Ministry of Public Works and Transport (MoPWT), which based on letters issued by MoEF dated 22 April 2019 for the purpose of renovating certain parts of city road. The advances were settled by way of deduction from the dividend payment or repayment. There is no specific term of repayment.

	2021	2020
	KHR'000	KHR'000
Opening balance	4,754,425	14,287,547
Repayment during the year	-	(6,000,000)
Settled through dividends distribution (note 3.2.1)	<u>(3,533,122)</u>	<u>(3,533,122)</u>
Closing balance	<u><u>1,221,303</u></u>	<u><u>4,754,425</u></u>

- (b) On 21 January 2021, the General Department of Taxation approved a withholding tax credit of KHR 1,125,797 thousand to offset with further income tax payable from the year 2021 onwards. The current income tax liabilities for the year ended 31 December 2021 of KHR 1,125,797 thousand were offset with the withholding tax credit.

11. SHORT-TERM BANK DEPOSITS

This represents fixed deposits placed with financial institutions for a period of between six to twelve months, earning interest at rates ranging from 2.75% to 4.50% (2020: 3.00% to 4.50%) per annum.

12. CASH AND CASH EQUIVALENTS

	2021	2020
	KHR'000	KHR'000
Cash on hand	1,341,808	1,256,114
Cash at banks:		
Current accounts	<u>21,127,121</u>	<u>29,484,961</u>
	<u><u>22,468,929</u></u>	<u><u>30,741,075</u></u>

Cash at banks are deposited in local commercial banks. The current accounts carry no interest.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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. It has been classified and presented as an investment property.

The total contract value is US\$26m at a price of US\$20 per square metre. PAS received US\$2m as a deposit on the contract date and the remaining amount will be paid by the buyer upon completion of ownership title deeds transferred to buyer which is expected to be completed by June 2022. The net book value of these 130 hectares - land is KHR13,058m (equivalent to US\$3,264,677). This has been recorded as assets held for sale on the statement of financial position as of 31 December 2021. No gain was recognised as of 31 December 2021 as the transaction has not been completed, and the risk and rewards have not been completely transferred to the buyer.

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

Land classified as held for sale during the reporting period was measured at the lower of either its carrying amount, which is its cost, and the fair value less costs to sell.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (**)		Class C share (**)		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
At 31 December 2020	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	518,018,063
At 31 December 2021	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	518,018,063

(*) According to Article 5 of the Articles of Incorporation dated 21 February 2017, the existing capital of KHR 428,859,836,000 were allocated into 364,530,861 class A shares and 64,328,975 class B shares with a par value of KHR 1,000 per share. Both class A shares and class B shares are controlled by the Royal Government of Cambodia represented by MoEF. Class A shares are not entitled to any dividend payment and have no voting rights except for conditions as detailed in article 9 of the Articles of Incorporation dated 21 February 2017. Class B shares have voting rights and are entitled to dividend as approved by the Board of Directors.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. SHARE CAPITAL AND SHARE PREMIUM (continued)

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

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

The number of shares issued in class C shares are 21,442,992 shares with a par value of KHR 1,000 per share. All issued class C shares were fully paid.

15. RESERVES

	2021 KHR'000	2020 KHR'000
Opening balance	29,059,072	24,712,722
Add: General reserve	1,330,380	2,173,175
Add: Legal reserve	1,330,380	2,173,175
Closing balance	31,719,832	29,059,072

Article 34 of the Article of Incorporation dated 21 February 2017 stipulates that PAS's annual profit, after offsetting losses carried forward (if any), is allocated to general reserve at 5% and legal reserve at 5%. On 7 May 2021, the Board of Directors approved to transfer the profit for the year ended 31 December 2020 to general reserve of KHR 1,330,380 thousand and legal reserve of KHR 1,330,380 thousand.

16. BORROWINGS

	2021 KHR'000	2020 KHR'000
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	57,735,813	71,044,164
MoEF – (JBIC) – Loan No. CP-P4	98,053,918	104,844,848
MoEF – (JBIC) – Loan No. CP-P6	6,614,677	7,802,673
MoEF – (JBIC) – Loan No. CP-P8	108,281,770	123,998,084
MoEF – (JICA) – Loan No. CP-P10	183,227,712	216,371,064
MoEF – (JICA) – Loan No. CP-P21	15,073,107	15,885,000
	468,986,997	539,945,833

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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

16. **BORROWINGS** (continued)

The maturity dates of these borrowings are as follows:

	2021	2020
	KHR'000	KHR'000
Current		
Not later than one year	33,961,572	37,602,224
Non-current		
Later than one year but not later than two years	31,067,938	33,453,523
Later than two years but not later than five years	93,203,813	100,360,569
Later than five years	310,753,674	368,529,517
	<u>435,025,425</u>	<u>502,343,609</u>
	<u>468,986,997</u>	<u>539,945,833</u>

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

	2021	2020
	KHR'000	KHR'000
Carrying value		
Current portion	33,961,572	37,602,224
Non-current portion	435,025,425	502,343,609
	<u>468,986,997</u>	<u>539,945,833</u>
Fair value		
Current portion	30,595,211	32,951,135
Non-current portion	332,424,855	379,276,903
	<u>363,020,066</u>	<u>412,228,038</u>

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

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

	2021	2020
	KHR'000	KHR'000
JPY	370,933,079	430,518,335
US\$	98,053,918	109,427,498
	<u>468,986,997</u>	<u>539,945,833</u>

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

	2021	2020
MoEF – (JBIC) – Loan No. CP-P3	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P4	3.70%	3.70%
MoEF – (JBIC) – Loan No. CP-P6	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P8	2.65%	2.65%
MoEF – (JICA) – Loan No. CP-P10	1.65%	2.65%
MoEF – (JICA) – Loan No. CP-P21	1.26%	1.26%

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

17. RETIREMENT BENEFIT OBLIGATIONS

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

	2021	2020
	KHR'000	KHR'000
Present value of defined benefit obligations	88,180,984	86,481,967
Unfunded status	88,180,984	86,481,967
Net liability recognised in the statement of financial position	<u>88,180,984</u>	<u>86,481,967</u>

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

	2021	2020
	KHR'000	KHR'000
Beginning balance	86,481,967	83,074,061
Current service cost	1,709,000	1,720,000
Interest expense	4,614,000	4,564,000
Benefits paid	<u>(4,623,983)</u>	<u>(2,876,094)</u>
Closing balance	<u>88,180,984</u>	<u>86,481,967</u>

	2021	2020
	KHR'000	KHR'000
Current portion	4,534,425	7,949,000
Non-current portion	<u>83,646,559</u>	<u>78,532,967</u>
	<u>88,180,984</u>	<u>86,481,967</u>

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

	2021	2020
	KHR'000	KHR'000
Current service cost	1,709,000	1,720,000
Interest expense	<u>4,614,000</u>	<u>4,564,000</u>
Total amount recognised in profit or loss	<u>6,323,000</u>	<u>6,284,000</u>

The principal actuarial assumptions were as follows:

	2021	2020
Discount rate per annum	6%	6%
Salary increase rate per annum	5%	5%
Turnover rate per annum	0.5%	0.5%

Mortality rates

In the absence of published mortality rates in Cambodia, PAS used the 2017 Thailand Ordinary Mortality table modified to fit Cambodian life expectancy. The 2017 Thailand Ordinary Mortality table contains the most recent estimates of likelihood of death of the general population in Thailand and has remained consistent as at 31 December 2021.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. SENIORITY PAYMENT OBLIGATIONS

	2021	2020
	KHR'000	KHR'000
Current		
Annual service	-	3,012,477
Past seniority liability	-	113,583
	-	3,126,060
Non-current		
Past seniority liability	1,080,149	983,118
	<u>1,080,149</u>	<u>4,109,178</u>

The assumptions used in determining the ultimate cost for past seniority payment include:

	2021	2020
Discount rate per annum	6%	6%
Turnover rate per annum	0.5%	0.5%

19. DEFERRED INCOME

PAS leased out pieces of land at the Sihanouk Special Economic Zone and at the port facility under a 50-year and two-year operating lease, respectively. The prepayment is credited to the statement of profit or loss on a straight-line basis over the lease term.

	2021	2020
	KHR'000	KHR'000
Current	134,442	133,485
Non-current	5,310,459	5,406,143
	<u>5,444,901</u>	<u>5,539,628</u>

The movement in the deferred income over the year was as follows:

	2021	2020
	KHR'000	KHR'000
Beginning balance	5,539,628	5,715,188
Additions	325,439	327,001
Credited to the statement of profit or loss	(460,930)	(463,966)
Foreign currency differences	40,764	(38,595)
	<u>5,444,901</u>	<u>5,539,628</u>
Closing balance	<u>5,444,901</u>	<u>5,539,628</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. TRADE AND OTHER PAYABLES

	2021	2020
	KHR'000	KHR'000
Trade payables	6,901,034	4,047,136
Accrued bonuses	17,723,746	12,180,323
Deposits from customers	11,463,556	3,423,415
Accrual social fund contribution	5,695,107	1,287,141
Value added tax payable	1,512,315	1,261,680
Salary tax payable	434,447	378,418
Other liabilities	477,954	1,542,755
	<u>44,208,159</u>	<u>24,120,868</u>

21. REVENUE

	2021	2020
	KHR'000	KHR'000
Stevedoring charges	158,566,499	144,838,339
Lift-On Lift-Off (LO-LO)	100,602,046	83,821,775
Port due/charge services	65,016,267	67,583,985
Container storage	14,374,488	11,377,785
Rental income from SEZ	2,195,869	2,407,722
Other revenue	1,594,060	1,784,163
	<u>342,349,229</u>	<u>311,813,769</u>
Timing of revenue recognition		
At a point in time	324,610,624	296,887,430
Over time	17,738,605	14,926,339
	<u>342,349,229</u>	<u>311,813,769</u>

22. CONSUMABLE SUPPLIES

	2021	2020
	KHR'000	KHR'000
Combustible expenses	44,676,922	33,030,171
Spare parts	32,908,017	34,949,073
Warehouse supplies	7,609,670	6,886,462
Oil and lubricant	3,810,914	3,556,673
Office supplies	2,836,715	3,265,477
Other consumables	1,897,008	1,857,257
	<u>93,739,246</u>	<u>83,545,113</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

23. SALARIES, WAGES AND RELATED EXPENSES

	2021	2020
	KHR'000	KHR'000
Employee salaries	69,318,998	61,180,691
Bonuses	17,723,746	12,179,023
Retirement benefit expenses (note 17)	6,323,000	6,284,000
Accrued seniority payments	3,470,928	3,012,477
Directors' remuneration	1,396,800	1,372,100
Social security expenses	783,022	831,961
Wages for contractors	232,550	292,300
Other employee-related expenses	5,117,905	4,975,144
	<u>104,366,949</u>	<u>90,127,696</u>

24. DEPRECIATION AND AMORTISATION CHARGES

	2021	2020
	KHR'000	KHR'000
Property and equipment (note 6)	32,495,663	30,656,425
Investment properties (note 7)	6,322,670	6,262,116
Intangible assets (note 8)	1,104,344	1,071,015
	<u>39,922,677</u>	<u>37,989,556</u>

25. OTHER EXPENSES

	2021	2020
	KHR'000	KHR'000
Contributions and donations	12,029,326	6,563,768
Special Economic Zone (SEZ) operating expense	2,545,602	2,389,248
Administrative expenses	2,203,218	1,781,749
Reception and hospitality	1,422,757	3,820,977
Professional and related costs	1,051,250	762,341
Publications	1,015,359	1,139,192
Missions	784,907	1,189,277
Post services	390,234	475,671
Utilities	366,374	619,825
Health-care supplies	349,428	185,880
Training, workshops and seminars	243,491	514,574
Equipment rental	26,845	111,038
Reversal/expected credit losses	(2,326,237)	1,474,765
Other taxes	76,013	163,452
Other expenses	168,839	439,552
	<u>20,347,406</u>	<u>21,631,309</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

26. FINANCE INCOME/(COSTS) – NET

	2021	2020
	KHR'000	KHR'000
Finance income:		
Interest income on bank deposits (a)	3,810,776	4,133,508
Net exchange gains on foreign currency borrowings (c)	39,531,367	-
Interest income from unwinding of discount of loans to employees	55,342	373,616
	<u>43,397,485</u>	<u>4,507,124</u>
Financial costs:		
Interest expenses on borrowings (b)	(11,194,446)	(13,624,810)
Net exchange losses on foreign currency borrowings (c)	-	(18,091,105)
Interest expenses from winding up guaranteed dividend payables	-	(147,293)
	<u>(11,194,446)</u>	<u>(31,863,208)</u>
Finance income/(costs) – net	<u>32,203,039</u>	<u>(27,356,084)</u>

- (a) Interest income represents interest earned from savings and fixed deposit accounts held at local banks during the year.
- (b) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC.
- (c) PAS has the borrowings (note 16) which are denominated in Japanese yen (JPY) and US dollar (US\$). PAS also has short-term bank deposits which are denominated in US dollar (US\$). Given the fluctuations in KHR against JPY and US\$, this resulted in significant exchange gains/losses on its borrowings and short-term bank deposits. The exchange rates are based on the exchange rates 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 period.

	2021	2020	2019
JPY/KHR	35.590	39.275	37.620
US\$/KHR	4,074	4,045	4,075

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

27. INCOME TAX EXPENSE

(a) Income tax expense

	2021 KHR'000	2020 KHR'000
Current income tax	7,595,549	10,748,713
Deferred tax	9,742,698	3,891,640
Adjustments for current tax of prior periods	-	892,274
Income tax expense	<u>17,338,247</u>	<u>15,532,627</u>

(b) Reconciliation of income tax and accounting profit

	2021 KHR'000	2020 KHR'000
Accounting profit before income tax	111,045,637	42,140,221
Income tax expenses	22,209,127	8,428,044
Tax effect in respect of (not taxable)/non-deductible expenses	<u>(4,870,880)</u>	<u>6,212,309</u>
	17,338,247	14,640,353
Income tax reassessment by GDT	-	892,274
Income tax expense	<u>17,338,247</u>	<u>15,532,627</u>

(*) Under the Cambodian tax regulations, PAS has obligation to pay income tax at rate of 20%.

(c) Deferred tax balances

	2021 KHR'000	2020 KHR'000
Deferred tax assets	19,167,859	22,354,118
Deferred tax liabilities	<u>(48,586,873)</u>	<u>(42,030,434)</u>
Deferred tax liabilities – net	<u>(29,419,014)</u>	<u>(19,676,316)</u>

The movement of deferred tax balances:

	2021 KHR'000	2020 KHR'000
At 1 January	(19,676,316)	(15,784,676)
Charged to profit or loss	<u>(9,742,698)</u>	<u>(3,891,640)</u>
At 31 December	<u>(29,419,014)</u>	<u>(19,676,316)</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

27. INCOME TAX EXPENSE (continued)

(c) Deferred tax balances (continued)

i. Deferred tax assets

	Retirement benefit obligations KHR'000	Accrued bonus KHR'000	Provision KHR'000	Deferred income KHR'000	Seniority payment obligations KHR'000	Total KHR'000
At 1 January 2020	16,614,813	2,223,385	403,853	1,143,038	537,241	20,922,330
Credited/(charged) to profit or loss	<u>681,580</u>	<u>212,680</u>	<u>288,045</u>	<u>(35,112)</u>	<u>284,595</u>	<u>1,431,788</u>
At 31 December 2020	<u>17,296,393</u>	<u>2,436,065</u>	<u>691,898</u>	<u>1,107,926</u>	<u>821,836</u>	<u>22,354,118</u>
At 1 January 2021	17,296,393	2,436,065	691,898	1,107,926	821,836	22,354,118
Credited/(charged) to profit or loss	<u>339,804</u>	<u>(2,436,065)</u>	<u>(465,246)</u>	<u>(18,946)</u>	<u>(605,806)</u>	<u>(3,186,259)</u>
At 31 December 2021	<u>17,636,197</u>	<u>-</u>	<u>226,652</u>	<u>1,088,980</u>	<u>216,030</u>	<u>19,167,859</u>

ii. Deferred tax liabilities

	Accelerated depreciation and amortisation KHR'000
At 1 January 2020	(36,707,006)
Charged to profit or loss	<u>(5,323,428)</u>
At 31 December 2020	<u>(42,030,434)</u>
At 1 January 2021	(42,030,434)
Charged to profit or loss	<u>(6,556,439)</u>
At 31 December 2021	<u>(48,586,873)</u>

(d) Other tax matters

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

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

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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>2021</u>	<u>2020</u>
Profit attributable to shareholders (KHR'000)	93,707,390	26,607,594
Weighted average number of shares	<u>85,771,967</u>	<u>85,771,967</u>
Basic earnings per share (KHR)	<u>1,092.52</u>	<u>310.21</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.

29. CASH GENERATED FROM OPERATIONS

	Notes	2021 KHR'000	2020 KHR'000
Profit before income tax		111,045,637	42,140,221
<i>Adjustments for:</i>			
Depreciation and amortisation charges	24	39,922,677	37,989,556
Impairment of trade receivables		(2,326,237)	1,440,230
Finance (income)/costs - net	26	(32,203,039)	27,356,084
Retirement benefit obligations	23	6,323,000	6,284,000
Seniority payment obligations	23	3,470,928	3,012,477
Amortisation of employee loan benefits		327,728	655,456
<i>Changes in working capital:</i>			
Inventories		(3,371,984)	(5,333,767)
Trade and other receivables		(3,761,616)	13,067,902
Trade and other payables		22,126,037	(2,211,766)
Retirement benefit obligations paid		(4,623,983)	(2,876,094)
Seniority payment obligations paid		(6,499,957)	(1,589,505)
Deferred income		<u>(94,727)</u>	<u>(175,560)</u>
Cash generated from operations		<u>130,334,464</u>	<u>119,759,234</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

29. CASH GENERATED FROM OPERATIONS (continued)

This section sets out an analysis of net debt and the movements in net debt for each year presented.

	2021 KHR'000	2020 KHR'000
Cash and cash equivalents	22,468,929	30,741,075
Short-term bank deposits	101,306,681	104,527,103
Borrowings	(468,986,997)	(539,945,833)
Net debt	<u>(345,211,387)</u>	<u>(404,677,655)</u>
Cash and short-term bank deposits	123,775,610	135,268,178
Gross debt – fixed interest rates	(468,986,997)	(539,945,833)
Net debt	<u>(345,211,387)</u>	<u>(404,677,655)</u>

	Other assets		Liabilities from financing activities	
	Cash and cash equivalents KHR'000	Short-term bank deposits KHR'000	Borrowings KHR'000	Total KHR'000
Net debt at 1 January 2020	27,789,597	129,615,618	(543,704,224)	(386,299,009)
Cash flows	2,951,478	(25,088,515)	35,571,275	13,434,238
Foreign exchange differences	-	-	(18,091,105)	(18,091,105)
Other non-cash movements (*)	-	-	(13,721,779)	(13,721,779)
Net debt at 31 December 2020	<u>30,741,075</u>	<u>104,527,103</u>	<u>(539,945,833)</u>	<u>(404,677,655)</u>
Net debt at 1 January 2021	30,741,075	104,527,103	(539,945,833)	(404,677,655)
Cash flows	(8,272,146)	(3,220,422)	42,678,463	31,185,895
Foreign exchange differences	-	-	39,531,367	39,531,367
Other non-cash movements (*)	-	-	(11,250,994)	(11,250,994)
Net debt at 31 December 2021	<u>22,468,929</u>	<u>101,306,681</u>	<u>(468,986,997)</u>	<u>(345,211,387)</u>

(*) Other non-cash movements including accrued interest expense which is presented as operating cash flows in the statement of cash flow when paid.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

30. 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

	2021	2020
	KHR'000	KHR'000
Borrowings from:		
MoEF – (JICA)	198,300,819	232,256,064
MoEF – (JBIC)	270,686,178	307,689,769
	<u>468,986,997</u>	<u>539,945,833</u>

(ii) Amount due from MoPWT

	2021	2020
	KHR'000	KHR'000
Advances to MoPWT	<u>1,221,303</u>	<u>4,754,425</u>

(b) Related party transactions

	2021	2020
	KHR'000	KHR'000
Interest expenses on borrowings from MoEF (note 26(b))	<u>11,194,446</u>	<u>13,624,810</u>

(c) Key management compensation

Key management compensation for the year ended is as follows:

	2021	2020
	KHR'000	KHR'000
Board of directors		
Fees and related expenses	<u>1,396,800</u>	<u>1,586,400</u>
Key management personnel		
Salaries and other expenses	<u>3,063,495</u>	<u>2,397,964</u>
Retirement benefit expenses (*)	<u>245,718</u>	<u>230,539</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.

31. COMMITMENTS

As at 31 December 2021, PAS had outstanding capital expenditure commitment of KHR 821,416m (31 December 2020: KHR 918,371m) for its purchase of construction services, property and equipment.