



KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanoukville Autonomous Port



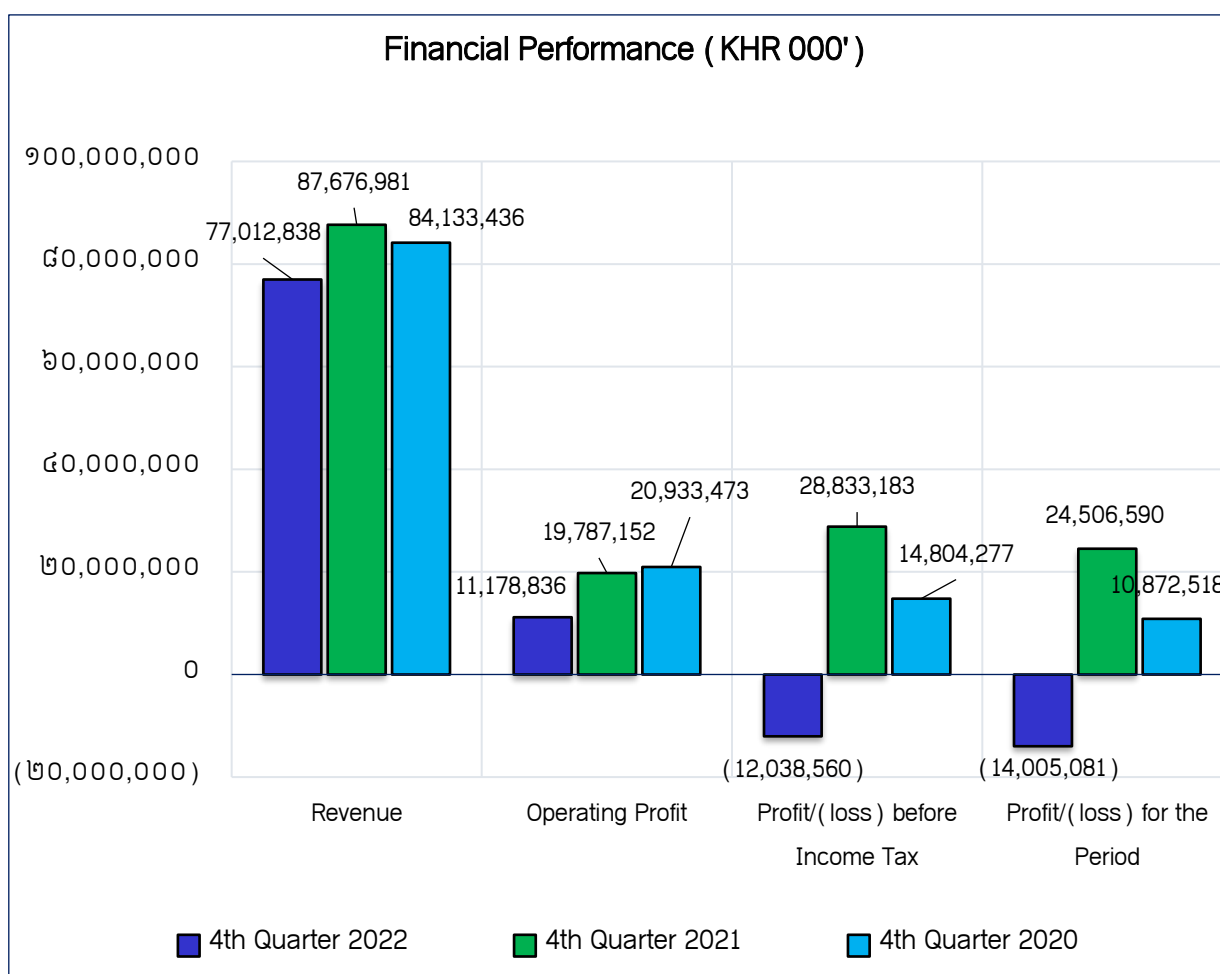
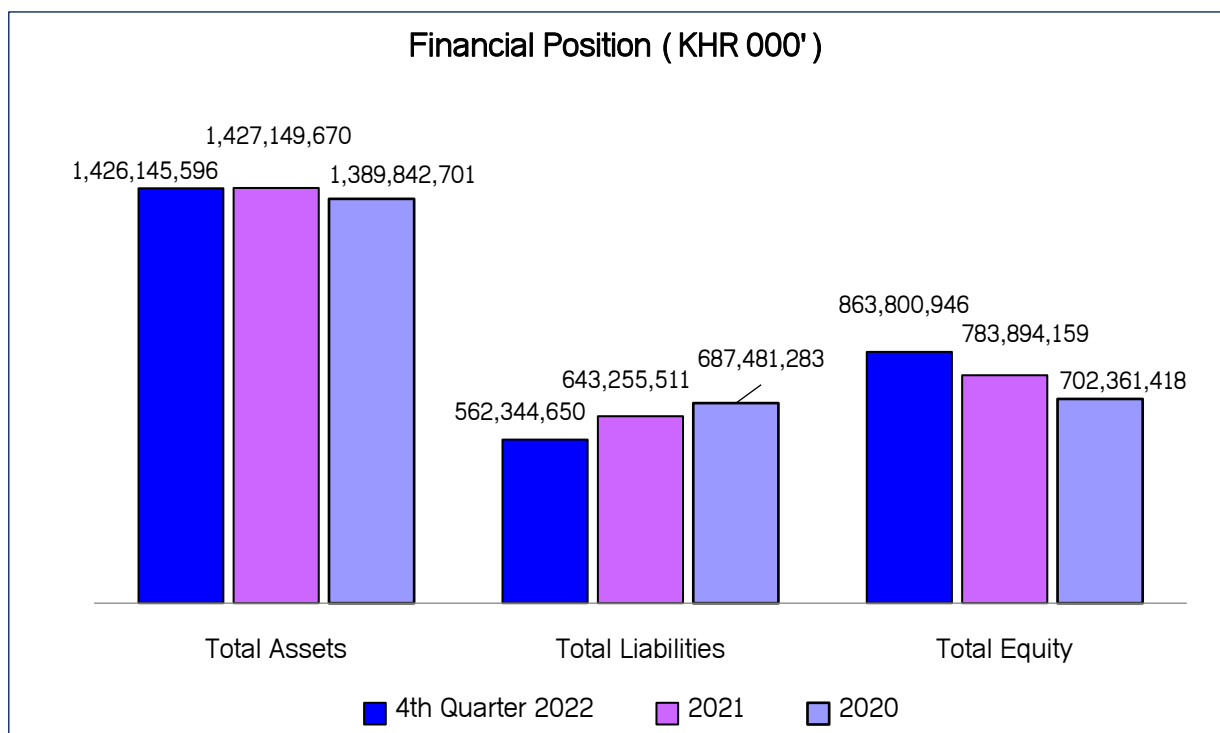
Fourth Quarterly Report 2022

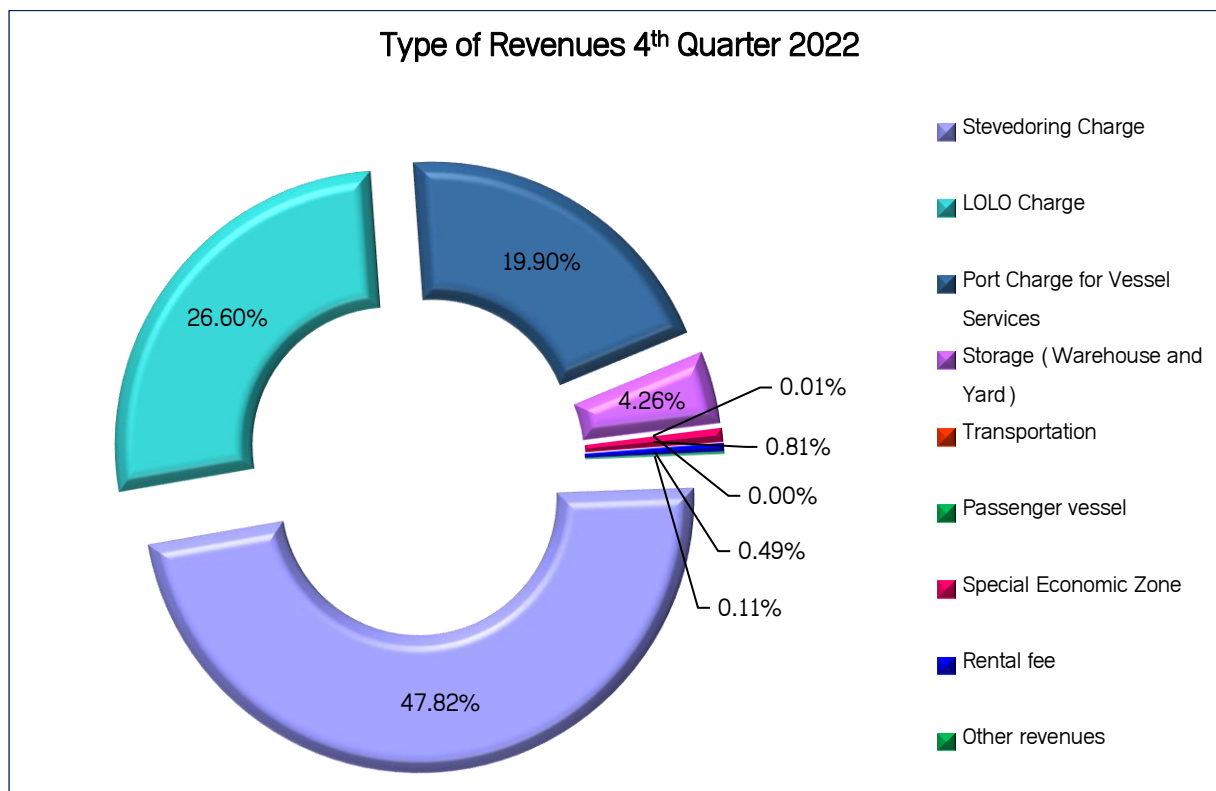


Financial Highlight

| Financial Position | | 31 st December 2022 | 31 st December 2021 | 31 st December 2020 |
|----------------------------|------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| | | KHR 000' | KHR 000' | KHR 000' |
| Total Assets | | 1,426,145,596 | 1,427,149,670 | 1,389,842,701 |
| Total Liabilities | | 562,344,650 | 643,255,511 | 687,481,283 |
| Total Shareholders' Equity | | 863,800,946 | 783,894,159 | 702,361,418 |
| Profit/(Loss) | | 4 th Quarter 2022 | 4 th Quarter 2021 | 4 th Quarter 2020 |
| | | KHR 000' | KHR 000' | KHR 000' |
| Total Revenues | | 77,012,838 | 87,676,981 | 84,133,436 |
| Profit/(Loss) before Tax | | (12,038,560) | 28,833,183 | 14,804,277 |
| Profit/(Loss) after Tax | | (14,005,081) | 24,506,590 | 10,872,518 |
| Total Comprehensive Income | | (14,005,081) | 24,506,590 | 10,872,518 |
| Financial Ratios | | 31 st December 2022 | 31 st December 2021 | 31 st December 2020 |
| Solvency Ratio | | -0.41% | 20.77% | 9.40% |
| Liquidity Ratio | Current Ratio | 2.62 | 2.25 | 2.42 |
| | Quick Ratio | 2.25 | 1.94 | 2.12 |
| | | 4 th Quarter 2022 | 4 th Quarter 2021 | 4 th Quarter 2020 |
| Profitability Ratio | Return on Assets | -0.98% | 1.72% | 0.78% |
| | Return on Equity | -1.62% | 3.13% | 1.55% |
| | Gross Profit Margin | 14.52% | 22.57% | 24.88% |
| | Profit Margin | -18.19% | 27.95% | 12.92% |
| | Earnings per share | -163.28 | 285.72 | 126.76 |
| Interest Coverage Ratio | | (3.90) | 10.99 | 4.86 |

Financial Summary Charts 4th Quarter 2022



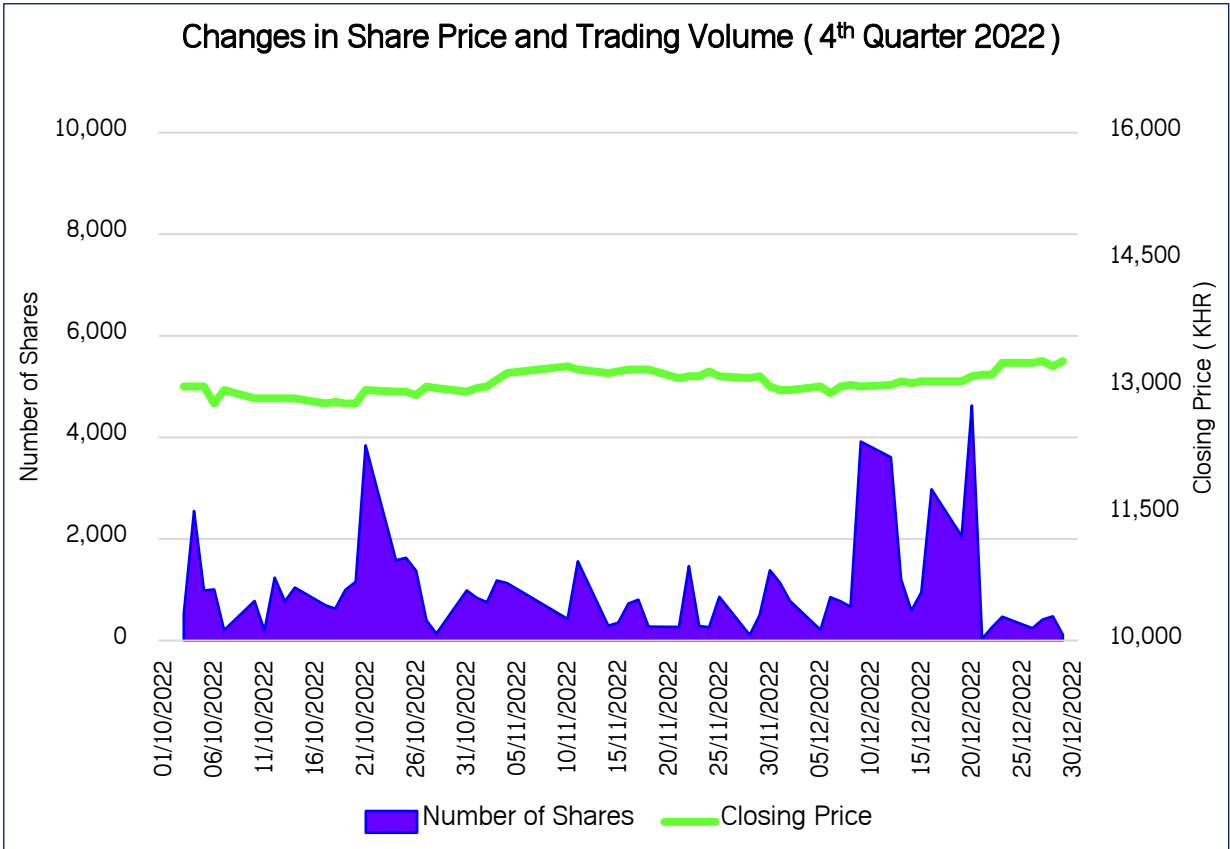
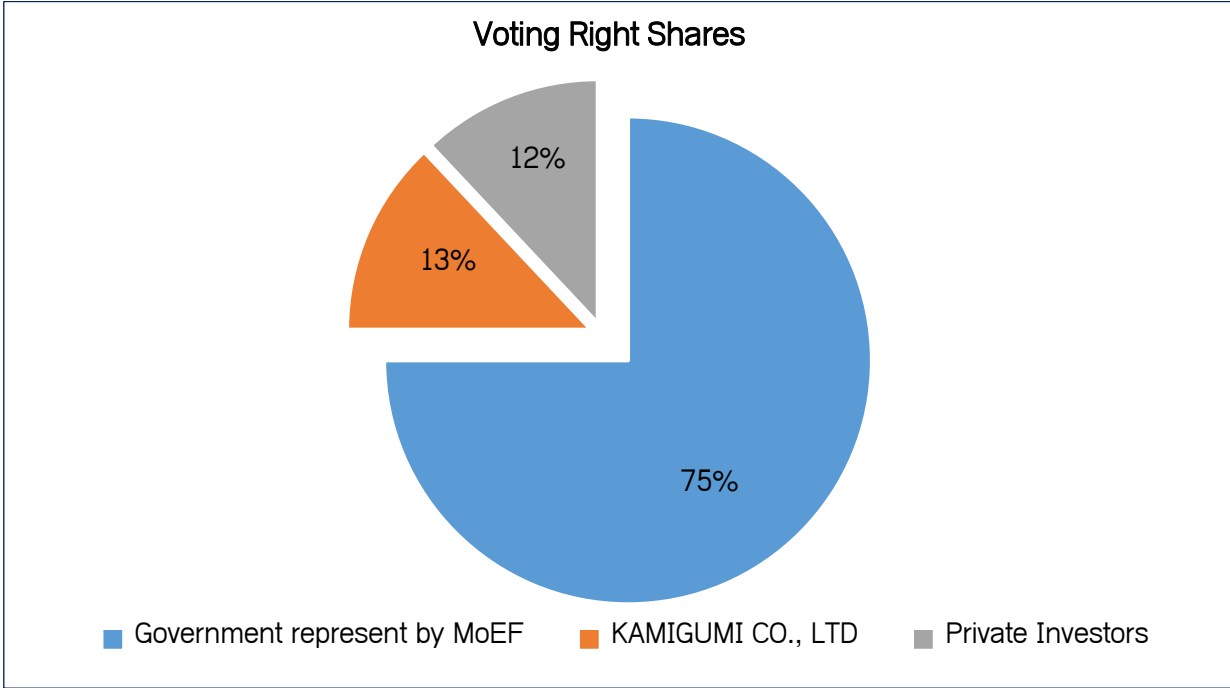


PAS's Shareholders

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

PAS's Shareholders Class C

| No. | Shareholders | Number of Shares | Percentage |
|--------------|---|-------------------|-------------|
| 1 | KAMIGUMI CO., LTD | 11,150,324 | 52% |
| 2 | KOBE-OSAKA International Port Corporation | 2,144,300 | 10% |
| 3 | Other Private Shareholders | 8,148,368 | 38% |
| TOTAL | | 21,442,992 | 100% |



Board of Directors



H.E. Lou Kim Chhun
Chairman & CEO



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



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



H.E. Sok Sopheak
Representative of
Ministry of Commerce



Mr. Hun Monivann
Independent Director



Mr. Hidetoshi KUME
Non-Executive Director



Mr. Lou Lykheng
Representative of
PAS's Employee



Speech of H.E Chairman & CEO

“On behalf of the Board of Directors of Sihanoukville Autonomous Port (PAS), I am honor and pleasure to present the PAS’s business and financial reports of the 4th quarter, 2022 for the period ended 31st Dec 2022”.

With a solid support of the Royal Government as well as the two Ministries in Charge, PAS has continued an immense evolution to serve its business activities with an earned revenue of 77,012,838,000 Riels and a net loss of 14,005,081,000 Riels in this 4th quarter 2022. The revenue decreased by 10,664,143,000 Riels equal to 12.16% compared to the same period of 2021. This was due to the decreasing in Container cargoes and cargoes throughput, likewise there was an increase of Unrealized foreign exchange loss from the Japanese Yen 356.66% which led to the increase in net loss after tax compared to 4th quarter 2021. As the result, PAS’s losses per share is 163.28 Riels in this 4th quarter 2022. Furthermore, the container throughputs amounted to 159,104 TEUs, decreased of 26,704 TEUs equal to 14.37% compared to 4th quarter 2021.

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

- **In response to the increasing cargo throughputs as well as customers' service demand, PAS has set its main goal as follows:**
- Continue to carry out the works in accordance with the scheduled plan for 2022.
 - Maintain its competitive advantages, thereby ensuring service quality, competitive prices, work efficiency, and building up confidences for the customers.
 - Strengthen staff's capacity on management and technical skill to timely respond to the increasing demands of port's services.
 - Repair, maintenance and additionally develop port's infrastructure and machinery to ensure competitive advantages and promote its cargo handling capacity
 - Strengthen strategic cooperation with domestic and regional ports
 - Strengthen corporate governance by establishing necessary committees
 - Contribute to the development of Corporate Social Responsibility's activities and promoting social welfare.
- **Duty of the Board of Directors**
- In this 4th Quarter 2022, the Board of Directors had conducted one meeting and achieved the following works:
- The 6th Meeting of the Board of Directors in its 8th Mandate on 12th August 2022**
- The Board of Directors (BOD) meeting has reviewed, discussed and approved the following agenda:
- The Board of Directors reviewed, discussed and approved the report which was raised by the Audit, Nomination and Risk Committee.
 - The Board of Directors reviewed, discussed and approved the progress report of the ongoing container development project (1. Project to renovate the port into a 253-meter container terminal and 2. Project to develop a new container terminal - Step 1, length 350 M)
 - The Board of Directors reviewed, discussed and approved the PAS's business report for the Nine-Month results of 2022.
 - The Board of Directors reviewed, discussed and approved the third quarter 2022 financial statements report reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
 - The Board reviewed, discussed and approved the 2023 PAS's financial business plan (Service).
 - The Board of Directors reviewed, discussed and approved the business results report of the first half of 2022.
 - After the discussion, the Board of Directors unanimously approved the development of the above leased land to be used as a container storage area and to serve the

business of PAS after the lease agreement for the location and means of lifting expire on December 31st, 2023 in the future.

- The Board of Directors reviewed, discussed and approved the date of the 7th Board Meeting of the 8th Mandate on 10th February 2023.

Acknowledgement

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

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

Sihanoukville, Dated: 27th February 2023

Chairman



LOU KIMCHHUN

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PART 1

General Information of Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

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

B. Nature of Business

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

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

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

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

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

| No | Terminal | Type of Goods | Length (m) | Width (m) | Terminal Number |
|----|--------------------------------|--|------------|-----------|---|
| 1 | Passenger Terminal (Old Jetty) | Passengers and General Cargo | 290 | 28 | Terminal No. 1 and No. 3: 9m to 13m draft for ships with 8.5m alongside depth. Terminal No. 2 and No. 4: 6.5m to 8m draft for ships with 7m alongside depth. |
| 2 | New Wharf | Container | 350 | 500 | Terminal No. 5 (West) and No. 6 (East): 10m draft for ships with under 8.5m alongside depth. |
| 3 | Container terminal | Container | 400 | 350 | Terminal No. 7 and No. 8: 11.5m draft for ships with under 8.5m alongside depth. |
| 4 | Multipurpose terminal | Passengers, General Cargo, and Oil Exploration Logistic Base | 330 | 200 | Multipurpose terminal with 330m length and 13.5m depths for bulk and general cargoes which allow vessels with 50,000 DWT and the Terminal for Logistic Base Oil Exploration with 200m length and 7.5m depths for the offshore oil exploration in the territory of Cambodia. |
| 5 | Concrete Wharf | Petroleum | 53 | 5 | Petroleum port: 4.5m draft with under 80m in length. Mooring and unmooring facilities have been prepared for berthing alongside of ships with under 6m and 110m in length. |

- **Railway Container Terminal**

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

- **Sihanoukville Port Special Economic Zone**

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

C. Quarter's Key Events

For this 4th quarter of 2022, **PAS** has no key event.



PART 2

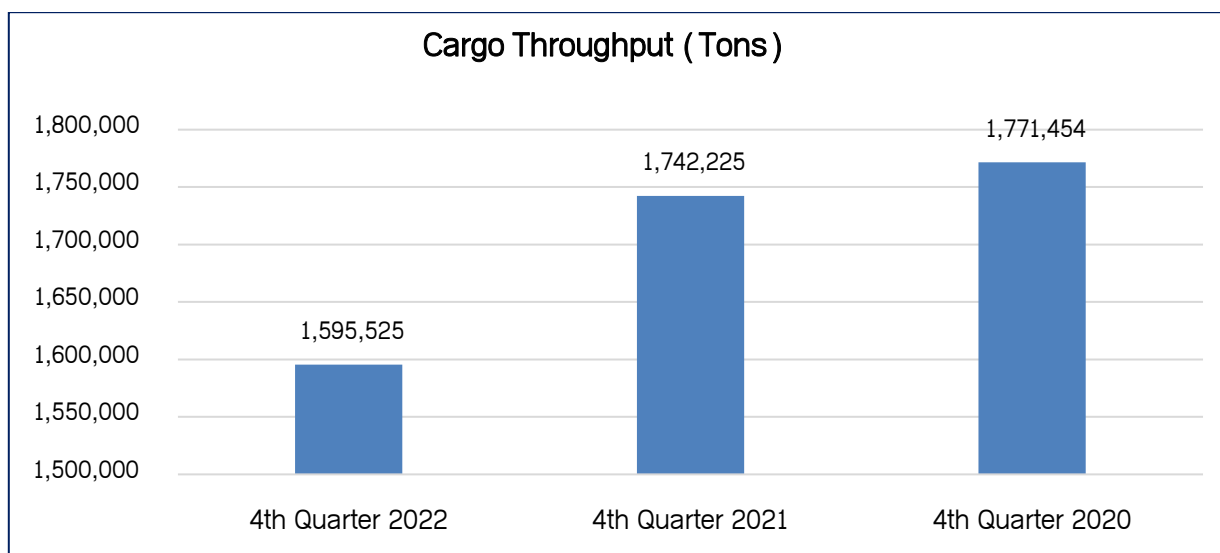
Information on Business Operation Performance

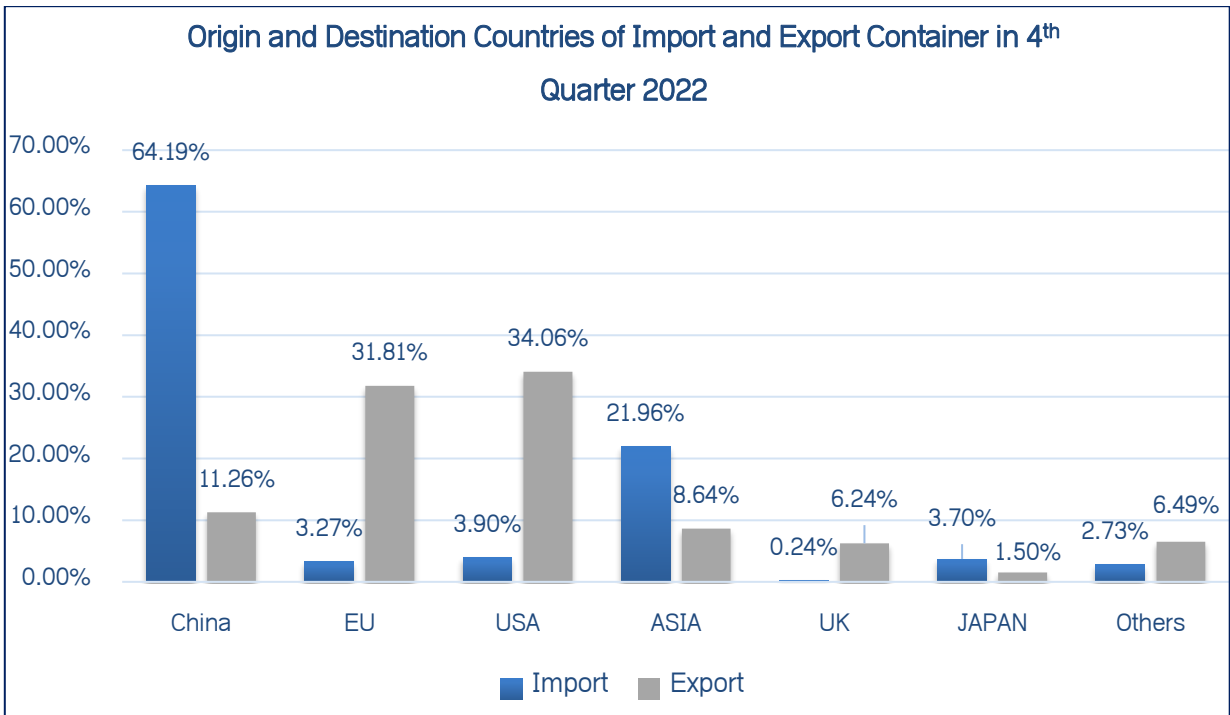
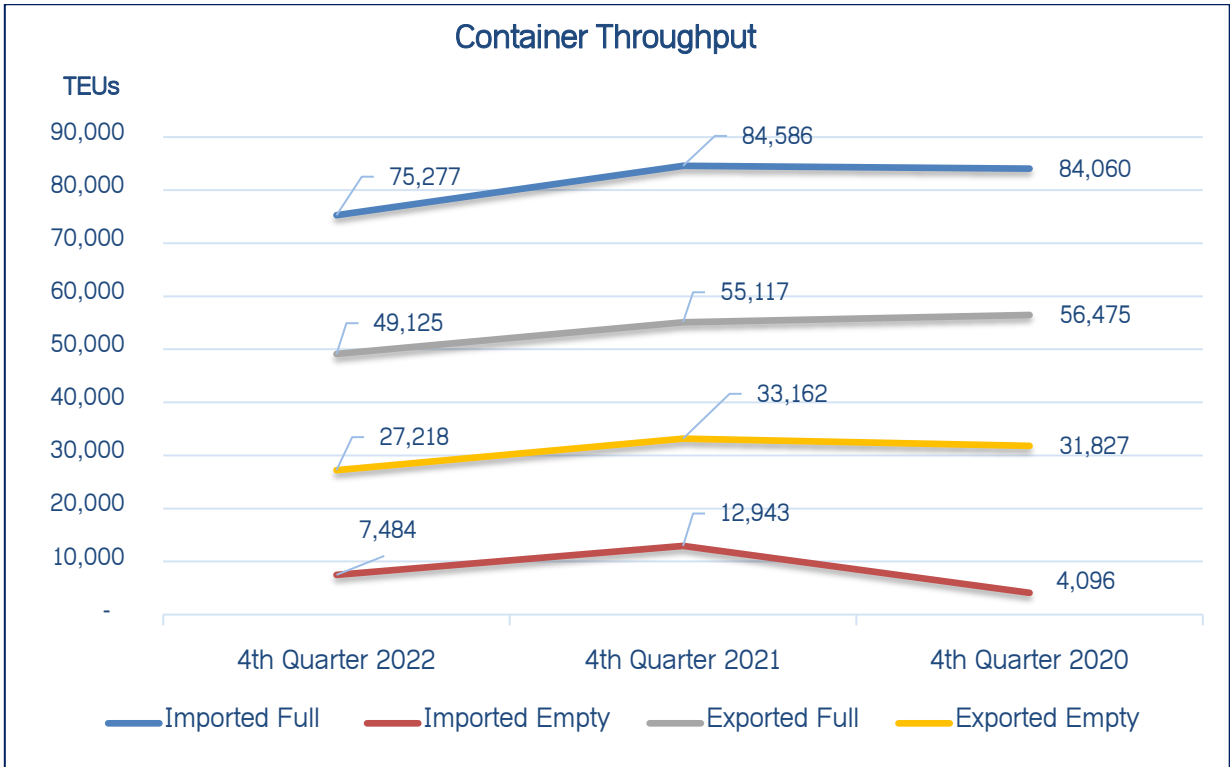


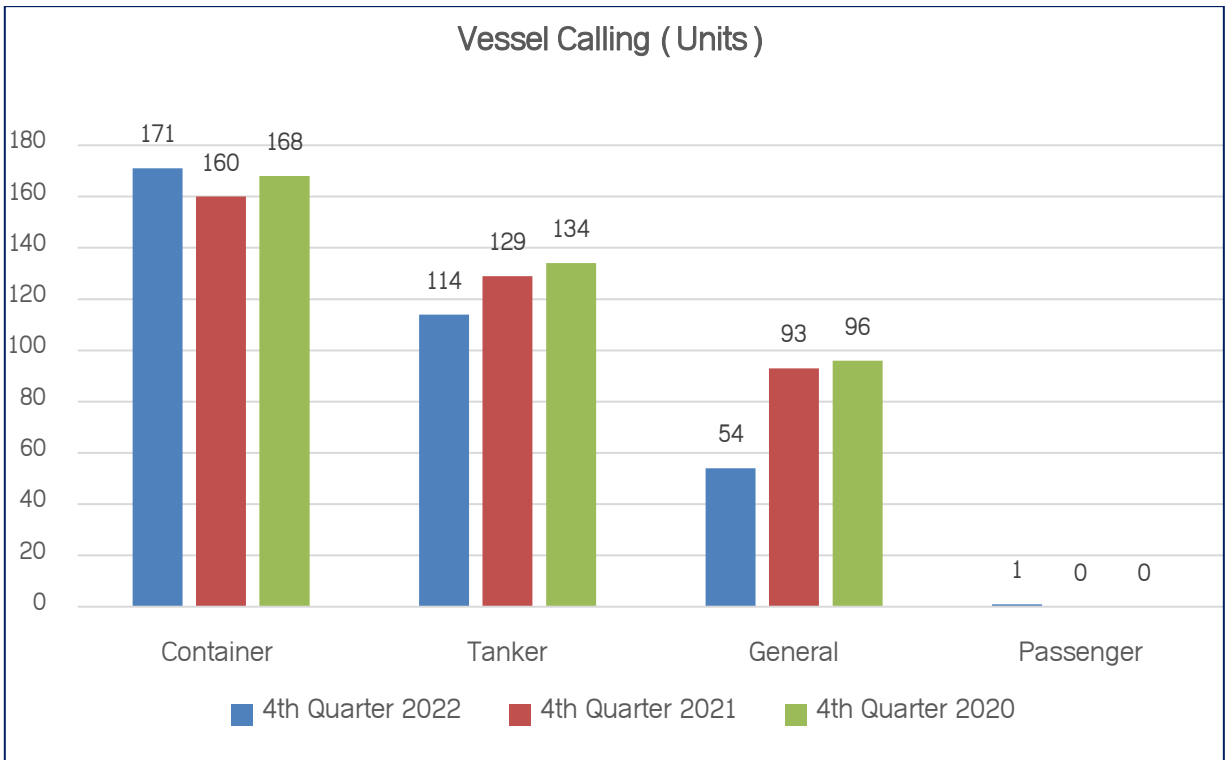
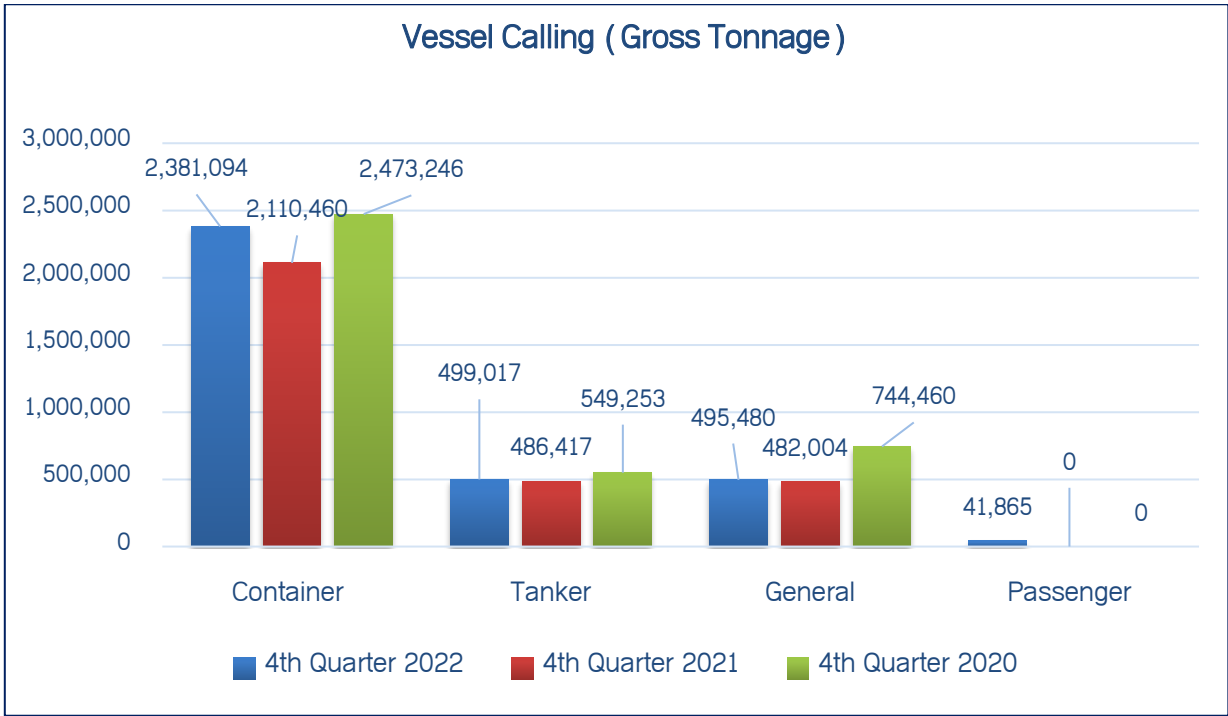
A. Business Operation Performance including business segments information

| Items | | Planning 2022 | 4 th Quarter 2022 | 4 th Quarter 2021 | 4 th Quarter 2020 | Comparison | |
|------------------------------|-------------|-------------------|---------------------------------|---------------------------------|---------------------------------|----------------|----------------|
| | | 1 | 2 | 3 | 4 | (2-3)/3 | (2-4)/4 |
| Gross Throughput | Tons | 7,418,000 | 1,170,365 | 1,348,538 | 1,363,751 | -13.21% | -14.18% |
| Container Cargo | — | | 1,145,725 | 1,295,857 | 1,278,628 | -11.59% | -10.39% |
| General Cargo | — | | 24,640 | 52,681 | 85,123 | -53.23% | -71.05% |
| Fuel | — | | 394,139 | 379,580 | 392,221 | 3.84% | 0.49% |
| Gas | — | | 31,021 | 14,107 | 15,482 | 119.90% | 100.37% |
| Imported Cargo | — | 5,564,000 | 1,178,323 | 1,267,570 | 1,272,379 | -7.04% | -7.39% |
| Container | — | | 728,878 | 821,201 | 785,851 | -11.24% | -7.25% |
| General | — | | 449,445 | 446,369 | 486,528 | 0.69% | -7.62% |
| Exported Cargo | — | 1,854,000 | 417,201 | 474,657 | 499,075 | -12.10% | -16.41% |
| Container | — | | 416,847 | 474,657 | 492,777 | -12.18% | -15.41% |
| General | — | | 355 | - | 6,298 | 100.00% | -94.37% |
| Cargo Handling | — | 10,298,000 | 2,552,220 | 2,650,254 | 2,667,289 | -3.70% | -4.31% |
| Direct Transfer | — | 220,000 | 18,819 | 46,824 | 56,362 | -59.81% | -66.61% |
| Container Yard and Warehouse | — | 10,078,000 | 2,533,401 | 2,603,430 | 2,610,927 | -2.69% | -2.97% |
| Container Throughput | TEUs | - | 159,104 | 185,808 | 176,458 | -14.37% | -9.83% |
| Imported Container | — | - | 82,761 | 97,529 | 88,156 | -15.14% | -6.12% |
| Full Container | — | | 75,277 | 84,586 | 84,060 | -11.01% | -10.45% |
| Empty Container | — | | 7,484 | 12,943 | 4,096 | -42.18% | 82.71% |

| | | | | | | | |
|----------------------------|--------------|-------------------|------------------|------------------|------------------|----------------|----------------|
| Exported Container | – | - | 76,343 | 88,279 | 88,302 | -13.52% | -13.54% |
| Full Container | – | | 49,125 | 55,117 | 56,475 | -10.87% | -13.01% |
| Empty Container | – | | 27,218 | 33,162 | 31,827 | -17.92% | -14.48% |
| Calling Vessels | Units | 1,450 | 340 | 382 | 398 | -10.99% | -14.57% |
| | Tons | 14,128,000 | 3,417,456 | 3,078,881 | 3,766,959 | 11.00% | -9.28% |
| Container | Units | | 171 | 160 | 168 | 6.88% | 1.79% |
| | Tons | | 2,381,094 | 2,110,460 | 2,473,246 | 12.82% | -3.73% |
| Tanker | Units | | 114 | 129 | 134 | -11.63% | -14.93% |
| | Tons | | 499,017 | 486,417 | 549,253 | 2.59% | -9.15% |
| General | Units | | 54 | 93 | 96 | -41.94% | -43.75% |
| | Tons | | 495,480 | 482,004 | 744,460 | 2.80% | -33.44% |
| Passenger (Cruise Ship) | Units | | 1 | - | - | 100.00% | 100.00% |
| | Tons | | 41,865 | - | - | 100.00% | 100.00% |
| | Person | | 231 | - | - | 100.00% | 100.00% |







B. Revenue structure

| Description | 4 th Quarter 2022 | | 4 th Quarter 2021 | | 4 th Quarter 2020 | |
|---------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | '000 riels | Percentage of total income | '000 riels | Percentage of total income | '000 riels | Percentage of total income |
| Stevedoring Charge | 36,824,132 | 47.82% | 42,181,877 | 48.11% | 40,487,009 | 48.12% |
| LOLO Charge | 20,484,945 | 26.60% | 25,131,857 | 28.66% | 23,155,650 | 27.52% |
| Port Charge for Vessel Services | 15,329,166 | 19.90% | 15,457,738 | 17.63% | 16,695,261 | 19.84% |
| Storage (Warehouse and Yard) | 3,282,122 | 4.26% | 4,109,819 | 4.69% | 2,850,266 | 3.39% |
| Transportation | 7,566 | 0.01% | 26,885 | 0.03% | 42,964 | 0.05% |
| Passenger vessel | 0 | 0.00% | 0 | 0.00% | 0 | 0.00% |
| Special Economic Zone | 623,296 | 0.81% | 493,864 | 0.56% | 462,605 | 0.55% |
| Rental fee | 378,038 | 0.49% | 205,712 | 0.23% | 358,420 | 0.43% |
| Other revenues | 83,573 | 0.11% | 69,230 | 0.08% | 81,260 | 0.10% |
| Total Revenue | 77,012,838 | 100.00% | 87,676,981 | 100.00% | 84,133,436 | 100.00% |



PART 3

Financial Statements Reviewed by the External Auditor



Reference: 61803762/66656567

INDEPENDENT AUDITORS' REVIEW REPORT

To: The Shareholders of SIHANOUKVILLE AUTONOMOUS PORT

Introduction

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

Scope of review

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

Other matter

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

Conclusion

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



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

Phnom Penh, Kingdom of Cambodia

27 February 2023

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
as at 31 December 2022

| | Notes | 31 December 2022 KHR'000 Unaudited | 31 December 2021 KHR'000 Audited (As reclassified - Note 27) |
|-------------------------------------|-------|--|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 6 | 963,712,781 | 966,165,844 |
| Investment properties | 7 | 248,296,705 | 253,195,699 |
| Intangible assets | 8 | 4,019,091 | 4,936,332 |
| | | 1,216,028,577 | 1,224,297,875 |
| Current assets | | | |
| Inventories | 9 | 29,083,364 | 27,225,006 |
| Trade and other receivables | 10 | 37,956,862 | 35,659,911 |
| Short-term bank deposits | | 102,908,264 | 101,306,681 |
| Cash | | 23,586,368 | 22,468,929 |
| | | 193,534,858 | 186,660,527 |
| Assets classified as held for sale | 11 | 16,582,161 | 16,191,268 |
| | | 210,117,019 | 202,851,795 |
| Total assets | | 1,426,145,596 | 1,427,149,670 |
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| Issued capital | 12 | 450,302,828 | 450,302,828 |
| Share premium | 12 | 67,715,235 | 67,715,235 |
| Other reserves | 13 | 41,090,572 | 31,719,832 |
| Retained earnings | | 304,692,311 | 234,156,264 |
| Total equity | | 863,800,946 | 783,894,159 |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Borrowings | 14 | 364,677,087 | 435,025,425 |
| Deposit from customers | | 1,029,250 | 1,018,500 |
| Retirement benefit obligations | 15 | 69,824,053 | 83,646,559 |
| Provision for seniority obligations | | 1,316,716 | 1,080,149 |
| Deferred rent income | | 12,203,200 | 5,310,459 |
| Deferred tax liabilities | | 33,003,354 | 29,419,014 |
| | | 482,053,660 | 555,500,106 |
| Current liabilities | | | |
| Borrowings | 14 | 30,433,490 | 33,961,572 |
| Retirement benefit obligations | 15 | 6,214,363 | 4,534,425 |
| Provision for seniority obligations | | 127,739 | - |
| Deferred income | | 171,679 | 134,442 |
| Trade and other payables | | 35,066,073 | 43,189,659 |
| Income tax liabilities | | 8,277,646 | 5,935,307 |
| | | 80,290,990 | 87,755,405 |
| Total liabilities | | 562,344,650 | 643,255,511 |
| Total equity and liabilities | | 1,426,145,596 | 1,427,149,670 |

The attached notes 1 to 28 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three-month and twelve-month periods ended 31 December 2022

| | Notes | Three-month period ended | | Twelve-month period ended | |
|---|--------|--------------------------|----------------------|---------------------------|----------------------|
| | | 31 December 2022 | 31 December 2021 | 31 December 2022 | 31 December 2021 |
| | | KHR'000 Unaudited | KHR'000 Unaudited | KHR'000 Unaudited | KHR'000 Audited |
| Revenue | | | | | |
| Revenue from contracts with customers | 16 | 76,389,543 | 87,183,117 | 341,368,849 | 340,153,360 |
| Rent income | 7 | 623,295 | 493,864 | 2,374,696 | 2,195,869 |
| | | 77,012,838 | 87,676,981 | 343,743,545 | 342,349,229 |
| Expenses | | | | | |
| Salaries, wages and related expenses | 17 | (22,261,806) | (25,283,054) | (105,672,097) | (104,366,949) |
| Consumable supplies | 18 | (26,140,950) | (25,656,557) | (106,364,861) | (93,739,246) |
| Depreciation and amortization charges | 19 | (11,693,013) | (10,175,801) | (45,697,748) | (39,922,677) |
| Other expenses | | (4,275,474) | (5,890,833) | (27,126,899) | (20,347,406) |
| Repairs and maintenances | | (1,051,972) | (359,030) | (2,288,116) | (4,857,053) |
| Other (losses) gains – net | | (410,787) | (524,554) | 449,585 | (273,300) |
| | | (65,834,002) | (67,889,829) | (286,700,136) | (263,506,631) |
| Operating profit | | 11,178,836 | 19,787,152 | 57,043,409 | 78,842,598 |
| Finance (cost) income – net | 20 | (23,217,396) | 9,046,031 | 40,853,671 | 32,203,039 |
| (Loss) profit before income tax | | (12,038,560) | 28,833,183 | 97,897,080 | 111,045,637 |
| Income tax expense | 21 | (1,966,521) | (4,326,593) | (13,741,865) | (17,338,247) |
| (Loss) profit for the period | | (14,005,081) | 24,506,590 | 84,155,215 | 93,707,390 |
| (Loss) profit for the period attributable to shareholders | | (14,005,081) | 24,506,590 | 84,155,215 | 93,707,390 |
| Remeasurement gain on defined benefit obligation - net of tax | 15, 21 | - | - | 11,858,840 | - |
| Total comprehensive (loss) income for the period net of tax attributable to shareholders | | (14,005,081) | 24,506,590 | 96,014,055 | 93,707,390 |
| The (loss) earnings per share attributable to shareholders of PAS during the period are as follows: | | | | | |
| Basic (loss) earnings per share (KHR) | 22 | (163,28) | 285,72 | 981,15 | 1,092.52 |

The attached notes 1 to 28 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY for the twelve-month period ended 31 December 2022

| | Notes | Issued capital KHR'000 | Share premium KHR'000 | Reserves KHR'000 | Retained earnings KHR'000 | Total KHR'000 |
|---|--------|---------------------------|--------------------------|---------------------|---------------------------------|--------------------|
| Balance at 1 January 2022 <i>(audited)</i> | | 450,302,828 | 67,715,235 | 31,719,832 | 234,156,264 | 783,894,159 |
| Profit for the period | | - | - | - | 84,155,215 | 84,155,215 |
| Remeasurement gain on defined benefit obligation | 15, 21 | - | - | - | 11,858,840 | 11,858,840 |
| Total comprehensive income for the period | | - | - | - | 96,014,055 | 96,014,055 |
| Transfer to reserves | 13 | - | - | 9,370,740 | (9,370,740) | - |
| Dividends declared | 23 | - | - | - | (16,107,268) | (16,107,268) |
| Balance at 31 December 2022 <i>(unaudited)</i> | | 450,302,828 | 67,715,235 | 41,090,572 | 304,692,311 | 863,800,946 |
| Balance at 1 January 2021 <i>(audited)</i> | | 450,302,828 | 67,715,235 | 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 | 13 | - | - | 2,660,760 | (2,660,760) | - |
| Dividends declared | 23 | - | - | - | (12,174,649) | (12,174,649) |
| Balance at 31 December 2021 <i>(audited)</i> | | 450,302,828 | 67,715,235 | 31,719,832 | 234,156,264 | 783,894,159 |

The attached notes 1 to 28 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CASH FLOWS for the twelve-month period ended 31 December 2022

| | Notes | <i>Twelve-month period ended</i> | |
|--|-------|----------------------------------|---------------------|
| | | <i>31 December</i> | <i>31 December</i> |
| | | <i>2022</i> | <i>2021</i> |
| | | <i>KHR'000</i> | <i>KHR'000</i> |
| | | <i>Unaudited</i> | <i>Audited</i> |
| Cash flows from operating activities | | | |
| Cash generated from operations | 24 | 98,515,335 | 130,334,464 |
| Income tax paid | | (10,779,895) | (8,141,938) |
| Net cash generated from operating activities | | 87,735,440 | 122,192,526 |
| Cash flows from investing activities | | | |
| Purchases of property and equipment | 6 | (34,382,826) | (85,331,238) |
| (Placements in) proceeds from short-term bank deposits | | (1,213,646) | 3,276,970 |
| Purchases of investment properties | 7 | (1,277,645) | (1,874,170) |
| Purchase of intangible assets | | (251,298) | (366,931) |
| Interest received | | 3,870,433 | 3,867,324 |
| Proceeds from disposal of property and equipment | | 526,538 | - |
| Receipts of repayment of loans to employees | | - | 1,283,363 |
| Net cash used in investing activities | | (32,728,444) | (79,144,682) |
| Cash flows from financing activities | | | |
| Dividends paid | | (16,107,268) | (8,641,527) |
| Repayments of borrowings | | (28,940,452) | (32,442,511) |
| Interest paid | | (10,637,919) | (11,373,484) |
| Proceeds from borrowings | | 1,796,082 | 1,137,532 |
| Net cash used in financing activities | | (53,889,557) | (51,319,990) |
| Net increase (decrease) in cash | | 1,117,439 | (8,272,146) |
| Cash at beginning of the period | | 22,468,929 | 30,741,075 |
| Cash at end of the period | | 23,586,368 | 22,468,929 |

The attached notes 1 to 28 form part of this interim condensed financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
for the three-month and twelve-month periods ended 31 December 2022

1. CORPORATE INFORMATION

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

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

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

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

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

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

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

The interim condensed financial information was approved for issue by the Board of Directors on 27 February 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

3. MANAGEMENT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of interim condensed financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

4. FINANCIAL RISK MANAGEMENT

4.1 *Financial risk factors*

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

4. FINANCIAL RISK MANAGEMENT (continued)

4.2 Fair value of financial assets and financial liabilities measured at amortized cost

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

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

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

5. SEGMENT INFORMATION

PAS has a reportable segment which is composed of its port services as follows:

- Stevedoring charges
- Lift-On Lift-Off (LO-LO)
- Port due/charge services
- Container storage.

No operating segments have been aggregated to form the above reportable operating business segment.

The Chief Operating Decision-Maker ("CODM"), which is the management team, reviews the internal management report, which reports the performance of the port service segment as a whole, to assess performance and allocate resources. The CODM assesses the performance of the reportable segment by measuring gross revenue (*Note 16*). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has investment properties in the Special Economic Zone (SEZ) of which it is operating as a lessor and earns rent income (*Note 7*).

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

Revenues of KHR'000 35,193,791 and KHR'000 159,299,232 were generated from PAS' major customers, each of which contributed at least 10% to the total reportable segment revenues for the three-month and twelve-month periods ended 31 December 2022, respectively.

Seasonality of operations

The 'port services' segment is mainly dependent on the level of import and export cargo throughputs which is directly influenced by the end customers' demand for goods. Due to the seasonal nature of this segment, higher revenues are usually expected in the second half of the year. For the year ended 31 December 2022 however, the Company reported lower sales during the expected high season due to the decreased level of cargo throughputs from reduced customer demands.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

6. PROPERTY AND EQUIPMENT

2022 (Unaudited)

| | <i>Land</i> | <i>Land</i> | <i>Building</i> | <i>Technical</i> | <i>Furniture and</i> | <i>Computer and</i> | <i>Motor vehicles</i> | <i>Seaport</i> | <i>Construction</i> | <i>Palettes</i> | <i>Total</i> |
|---------------------------------|--------------------|---------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|---------------------|---------------------|--------------------|----------------------|
| | <i>improvement</i> | <i>improvement</i> | | <i>equipment</i> | <i>fittings</i> | <i>office</i> | | <i>equipment</i> | <i>in progress</i> | | |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| Cost | | | | | | | | | | | |
| As at 1 January 2022 | 296,735,409 | 58,850,922 | 347,507,695 | 37,508,100 | 2,471,776 | 11,728,126 | 48,804,659 | 276,966,969 | 25,524,801 | 1,022,761 | 1,107,121,218 |
| Additions | - | 1,517,306 | 1,650,805 | 2,234,217 | 385,333 | 1,459,152 | 12,477,035 | 587,408 | 16,020,695 | 94,094 | 36,426,045 |
| Disposal | - | - | - | - | - | - | (973,100) | - | - | - | (973,100) |
| Transfers | - | - | 99,558 | - | - | - | - | - | (99,558) | - | - |
| As at 31 December 2022 | 296,735,409 | 60,368,228 | 349,258,058 | 39,742,317 | 2,857,109 | 13,187,278 | 60,308,594 | 277,554,377 | 41,445,938 | 1,116,855 | 1,142,574,163 |
| Accumulated depreciation | | | | | | | | | | | |
| As at 1 January 2022 | - | (7,322,337) | (39,923,193) | (13,827,541) | (1,763,120) | (7,712,611) | (13,252,332) | (56,136,843) | - | (1,017,397) | (140,955,374) |
| Depreciation | - | (2,962,521) | (9,709,946) | (4,102,483) | (470,600) | (2,742,354) | (4,386,521) | (13,958,625) | - | (19,520) | (38,352,570) |
| Disposal | - | - | - | - | - | - | 446,562 | - | - | - | 446,562 |
| As at 31 December 2022 | - | (10,284,858) | (49,633,139) | (17,930,024) | (2,233,720) | (10,454,965) | (17,192,291) | (70,095,468) | - | (1,036,917) | (178,861,382) |
| Net book value | | | | | | | | | | | |
| As at 31 December 2022 | 296,735,409 | 50,083,370 | 299,624,919 | 21,812,293 | 623,389 | 2,732,313 | 43,116,303 | 207,458,909 | 41,445,938 | 79,938 | 963,712,781 |

2021 (Audited)

| | <i>Land</i> | <i>Land</i> | <i>Building</i> | <i>Technical</i> | <i>Furniture and</i> | <i>Computer and</i> | <i>Motor vehicles</i> | <i>Seaport</i> | <i>Construction</i> | <i>Palettes</i> | <i>Total</i> |
|---------------------------------|--------------------|--------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|---------------------|---------------------|--------------------|----------------------|
| | <i>improvement</i> | <i>improvement</i> | | <i>equipment</i> | <i>fittings</i> | <i>office</i> | | <i>equipment</i> | <i>in progress</i> | | |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| Cost | | | | | | | | | | | |
| As at 1 January 2021 | 250,929,909 | 38,121,638 | 346,693,935 | 35,828,334 | 2,136,346 | 9,038,746 | 41,895,655 | 232,088,355 | 66,256,327 | 1,022,761 | 1,024,012,006 |
| Additions | 45,805,500 | 681,152 | 813,760 | 320,666 | 335,430 | 2,689,380 | 7,092,284 | 7,418,560 | 18,135,760 | - | 83,292,492 |
| Write-offs | - | - | - | - | - | - | (183,280) | - | - | - | (183,280) |
| Transfers | - | 20,048,132 | - | 1,359,100 | - | - | - | 37,460,054 | (58,867,286) | - | - |
| As at 31 December 2021 | 296,735,409 | 58,850,922 | 347,507,695 | 37,508,100 | 2,471,776 | 11,728,126 | 48,804,659 | 276,966,969 | 25,524,801 | 1,022,761 | 1,107,121,218 |
| Accumulated depreciation | | | | | | | | | | | |
| As at 1 January 2021 | - | (5,750,541) | (30,278,663) | (9,811,185) | (1,329,706) | (6,327,189) | (9,638,457) | (44,534,745) | - | (972,505) | (108,642,991) |
| Depreciation | - | (1,571,796) | (9,644,530) | (4,016,356) | (433,414) | (1,385,422) | (3,797,155) | (11,602,098) | - | (44,892) | (32,495,663) |
| Write-offs | - | - | - | - | - | - | 183,280 | - | - | - | 183,280 |
| As at 31 December 2021 | - | (7,322,337) | (39,923,193) | (13,827,541) | (1,763,120) | (7,712,611) | (13,252,332) | (56,136,843) | - | (1,017,397) | (140,955,374) |
| Net book value | | | | | | | | | | | |
| As at 31 December 2021 | 296,735,409 | 51,528,585 | 307,584,502 | 23,680,559 | 708,656 | 4,015,515 | 35,552,327 | 220,830,126 | 25,524,801 | 5,364 | 966,165,844 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

6. PROPERTY AND EQUIPMENT (continued)

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

| | 31 December 2022 | 31 December 2021 |
|--|--------------------------|--------------------------|
| | KHR'000 Unaudited | KHR'000 Audited |
| Purchases (cash and non-cash) during the period (excluding capitalized borrowing cost) | 36,241,856 | 83,292,492 |
| (Increase) decrease in payable to a supplier | <u>(1,859,030)</u> | <u>2,038,746</u> |
| Cash used in purchase of property and equipment | <u>34,382,826</u> | <u>85,331,238</u> |

Interest cost on borrowings that was capitalized on qualifying assets for the twelve-month period ended 31 December 2022 was KHR'000 184,189 (31 December 2021: KHR'000 146,708).

7. INVESTMENT PROPERTIES

2022

| | Land KHR'000 | Building and land improvement KHR'000 | Construction in progress KHR'000 | Total KHR'000 |
|--|---------------------------|--|--|----------------------------|
| Cost | | | | |
| As at 31 December 2021 (<i>audited</i>) | 125,040,317 | 168,305,459 | - | 293,345,776 |
| Reclassifications (<i>Note 27</i>) | <u>(3,406,754)</u> | <u>274,194</u> | <u>-</u> | <u>(3,132,560)</u> |
| As at 31 December 2021/ 1 January 2022 (<i>as reclassified - Note 27</i>) | 121,633,563 | 168,579,653 | - | 290,213,216 |
| Additions | - | 195,245 | 1,082,400 | 1,277,645 |
| Transfers | <u>1,082,400</u> | <u>-</u> | <u>(1,082,400)</u> | <u>-</u> |
| As at 31 December 2022 (<i>unaudited</i>) | <u>122,715,963</u> | <u>168,774,898</u> | <u>-</u> | <u>291,490,861</u> |
| Accumulated depreciation | | | | |
| As at 1 January 2022 (<i>audited</i>) | - | (37,017,517) | - | (37,017,517) |
| Depreciation | <u>-</u> | <u>(6,176,639)</u> | <u>-</u> | <u>(6,176,639)</u> |
| As at 31 December 2022 (<i>unaudited</i>) | <u>-</u> | <u>(43,194,156)</u> | <u>-</u> | <u>(43,194,156)</u> |
| Net book value | | | | |
| As at 31 December 2022 (<i>unaudited</i>) | <u>122,715,963</u> | <u>125,580,742</u> | <u>-</u> | <u>248,296,705</u> |
| Net book value | | | | |
| As at 31 December 2021 (<i>as reclassified - Note 27</i>) | <u>121,633,563</u> | <u>131,562,136</u> | <u>-</u> | <u>253,195,699</u> |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

7. INVESTMENT PROPERTIES (continued)

2021 (Audited)

| | <i>Land</i> | <i>Building and land improvement</i> | <i>Construction in progress</i> | <i>Total</i> |
|---|--------------------|--|-------------------------------------|---------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| Cost | | | | |
| As at 1 January 2021 | 136,030,885 | 168,140,149 | 359,280 | 304,530,314 |
| Addition | - | 165,310 | 1,708,860 | 1,874,170 |
| Transfers | 2,068,140 | - | (2,068,140) | - |
| Transfers to assets held for sale (Note 11) | (13,058,708) | - | - | (13,058,708) |
| As at 31 December 2021 | 125,040,317 | 168,305,459 | - | 293,345,776 |
| Accumulated depreciation | | | | |
| As at 1 January 2021 | - | (30,694,847) | - | (30,694,847) |
| Depreciation | - | (6,322,670) | - | (6,322,670) |
| As at 31 December 2021 | - | (37,017,517) | - | (37,017,517) |
| Net book value | | | | |
| As at 31 December 2021 | 125,040,317 | 131,287,942 | - | 256,328,259 |

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

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Rental income | 623,295 | 493,864 | 2,374,696 | 2,195,869 |
| Depreciation | (1,545,761) | (1,570,126) | (6,176,639) | (6,322,670) |
| Direct operating expenses arising from investment properties that generate rental income | (740,347) | (580,284) | (2,869,585) | (2,545,602) |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

8. INTANGIBLE ASSETS

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---------------------------------|-------------------------|-------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Cost | | |
| As at 1 January | 11,288,083 | 10,921,152 |
| Additions | 251,298 | 366,931 |
| As at 31 December | 11,539,381 | 11,288,083 |
| Accumulated amortization | | |
| As at 1 January | (6,351,751) | (5,247,407) |
| Amortization | (1,168,539) | (1,104,344) |
| As at 31 December | (7,520,290) | (6,351,751) |
| Net book value | | |
| As at 31 December | 4,019,091 | 4,936,332 |

9. INVENTORIES

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---|-------------------------|-------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Consumable supplies | 25,507,563 | 24,007,787 |
| Combustible materials | 2,021,678 | 2,709,997 |
| Oil and lubricant | 1,649,527 | 1,250,216 |
| | 29,178,768 | 27,968,000 |
| Allowance for slow-moving inventories (*) | (95,404) | (742,994) |
| | 29,083,364 | 27,225,006 |

(*) During the twelve-month period ended 31 December 2022, the Company reversed KHR'000 647,590 of its allowance for slow-moving inventories. These composed of inventories which were issued for use in its operations. The reversal is included in 'Consumable supplies' in the interim condensed statement of comprehensive income.

10. TRADE AND OTHER RECEIVABLES

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-------------------------------|-------------------------|-------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Trade receivables | 30,567,910 | 33,985,519 |
| Loss allowance (Note a) | (232,950) | (329,241) |
| Trade receivables, net | 30,334,960 | 33,656,278 |
| Advances to MoPWT (Note b) | 7,221,303 | 1,221,303 |
| Advances | 314,488 | 696,502 |
| Prepayments | 86,111 | 85,828 |
| Other receivables | 7,621,902 | 2,003,633 |
| | 37,956,862 | 35,659,911 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

10. TRADE AND OTHER RECEIVABLES (continued)

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

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

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------------|-------------------------|-------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| As at 1 January | 329,241 | 2,655,478 |
| Reversal during the year | (96,291) | (2,326,237) |
| As at 31 December | <u>232,950</u> | <u>329,241</u> |

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

In 2022, additional cash advance amounting to KHR 6 billion was made to the MoPWT to be used for public road construction which was based on the letter request dated 18 January 2022. The advance is due for settlement at the end of 2022 when the public road construction is complete.

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

11. 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. Since then, it has been classified and presented as an investment property.

The total contract value is US\$ 26 million or KHR 105,300 million at a price of US\$ 20 or KHR 81,000 per square meter. PAS received US\$ 2 million as a deposit on the contract date and the remaining amount will be paid by the buyer upon completion of ownership title deeds transferred to buyer which is expected to be completed by June 2022. No gain was recognized for the twelve-month period ended 31 December 2022 as the transaction has not been completed, and the risk and rewards have not been completely transferred to the buyer.

This size of the land might be charged due to ongoing public road construction on it and remeasurement as part of ownership titles deed transferring process by the Ministry of Land Management, Urban Planning and Construction. The buyer will settle the remaining contract value based on the confirmed size at US\$ 20 or KHR'000 81 per square meter.

In January 2023, the process of transferring hard title deeds was completed. The remaining contract value is expected to be received by the end of February 2023.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

12. ISSUED 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 2022 (<i>unaudited</i>) | 364,530,861 | 364,530,861 | 64,328,975 | 64,328,975 | 21,442,992 | 21,442,992 | 67,715,235 | 518,018,063 |
| At 31 December 2021 (<i>audited</i>) | 364,530,861 | 364,530,861 | 64,328,975 | 64,328,975 | 21,442,992 | 21,442,992 | 67,715,235 | 518,018,063 |

The Company's shares are all issued, paid and have par value of KHR 1,000 each. Both class A shares and class B shares are owned and 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 the Articles of Incorporation dated 12 April 2019. On the other hand, Class B shares have voting rights and are entitled to dividend as approved by the Board of Directors. Class C shares, which are traded in the CSX, also have voting rights and are entitled to dividends. The amount of dividend for Class C shares is decided by Class B and C shareholders through a voting process during the annual shareholders' meeting.

The details of the shares with voting rights are as follows:

| | Percentage | Number of shares | KHR'000 |
|----------------------------------|---------------|-------------------|-------------------|
| Shareholders | | | |
| Class B shares: | | | |
| The Royal Government of Cambodia | 75.0% | 64,328,975 | 64,328,975 |
| Class C shares: | | | |
| Kamigumi | 13.0% | 11,150,324 | 11,150,324 |
| Public investors | 12.0% | 10,292,668 | 10,292,668 |
| | 25.0% | 21,442,992 | 21,442,992 |
| | 100.0% | 85,771,967 | 85,771,967 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

13. OTHER RESERVES

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--------------------------|--------------------------|--------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| As at 1 January | 31,719,832 | 29,059,072 |
| Add: General reserve | 4,685,370 | 1,330,380 |
| Legal reserve | 4,685,370 | 1,330,380 |
| As at 31 December | <u>41,090,572</u> | <u>31,719,832</u> |

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

14. BORROWINGS

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|---------------------------------|---------------------------|---------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Borrowings from: | | |
| MoEF - (JBIC) - Loan No. CP-P3 | 44,418,903 | 57,735,813 |
| MoEF - (JBIC) - Loan No. CP-P4 | 91,466,472 | 98,053,918 |
| MoEF - (JBIC) - Loan No. CP-P6 | 5,354,396 | 6,614,677 |
| MoEF - (JBIC) - Loan No. CP-P8 | 90,590,009 | 108,281,770 |
| MoEF - (JICA) - Loan No. CP-P10 | 149,582,039 | 183,227,712 |
| MoEF - (JICA) - Loan No. CP-P21 | 13,698,758 | 15,073,107 |
| | <u>395,110,577</u> | <u>468,986,997</u> |

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

The maturity dates of these borrowings are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|---------------------------|---------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| <i>Current</i> | | |
| Not later than one year | <u>30,433,490</u> | <u>33,961,572</u> |
| <i>Non-current</i> | | |
| Later than one year but not later than two years | 28,072,753 | 31,067,938 |
| Later than two years but not later than five years | 84,218,260 | 93,203,813 |
| Later than five years | 252,386,074 | 310,753,674 |
| | <u>364,677,087</u> | <u>435,025,425</u> |
| | <u>395,110,577</u> | <u>468,986,997</u> |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

14. BORROWINGS (continued)

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

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|-----------------------|---------------------------|---------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| <i>Carrying value</i> | | |
| Current portion | 30,433,490 | 33,961,572 |
| Non-current portion | 364,677,087 | 435,025,425 |
| | <u>395,110,577</u> | <u>468,986,997</u> |
| <i>Fair value</i> | | |
| Current portion | 30,433,490 | 33,961,572 |
| Non-current portion | 364,677,087 | 435,025,425 |
| | <u>395,110,577</u> | <u>468,986,997</u> |

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

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

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|------|---------------------------|---------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| JPY | 303,644,105 | 370,933,079 |
| US\$ | 91,466,472 | 98,053,918 |
| | <u>395,110,577</u> | <u>468,986,997</u> |

The interest rates per annum are as follows:

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

15. RETIREMENT BENEFIT OBLIGATIONS

Amounts recognized in the interim condensed statement of financial position are as follows:

| | <u>31 December 2022</u> | <u>31 December 2021</u> |
|--|--------------------------|--------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Present value of retirement benefit obligations as at end of the period | <u>76,038,416</u> | <u>88,180,984</u> |

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

15. RETIREMENT BENEFIT OBLIGATIONS (continued)

The movements in the retirement benefit obligations over the period/year are as follows:

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|--|-----------------------------|-----------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| As at 1 January | 88,180,984 | 86,481,967 |
| Current service cost | 2,057,759 | 1,709,000 |
| Interest expense | 4,638,446 | 4,614,000 |
| Benefits paid | (4,015,224) | (4,623,983) |
| Remeasurement gains from change in actuarial assumptions | (14,823,549) | - |
| As at 31 December | 76,038,416 | 88,180,984 |

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|---------------------|-----------------------------|-----------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Current portion | 6,214,363 | 4,534,425 |
| Non-current portion | 69,824,053 | 83,646,559 |
| | 76,038,416 | 88,180,984 |

The retirement benefit costs recognized within salaries, wages and related expenses (*Note 17*) in the interim condensed statement comprehensive income are as follows:

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|----------------------|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Current service cost | 514,440 | 427,250 | 2,057,759 | 1,709,000 |
| Interest expense | 1,159,611 | 1,153,500 | 4,638,446 | 4,614,000 |
| | 1,674,051 | 1,580,750 | 6,696,205 | 6,323,000 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

15. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions are as follows:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|---|---|
| Average years of service | 19.9 | 21.0 |
| Discount rate per annum | 6.5% | 6.0% |
| Salary increase rate per annum | 5.0% | 5.0% |
| Turnover rate per annum | 0.5% | 0.5% |
| Mortality rate | 100% of 2017 Thailand Ordinary Mortality tables | 100% of 2017 Thailand Ordinary Mortality tables |
| Disability rate | 10% of pre-retirement mortality rates | 10% of pre-retirement mortality rates |

16. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|-----------------------------|---------------------------------|------------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Audited</i> |
| Stevedoring charges | 36,824,132 | 42,181,877 | 164,873,445 | 158,566,499 |
| LO-LO and container storage | 23,767,067 | 29,241,676 | 112,437,171 | 114,976,534 |
| Port due/charge services | 15,329,165 | 15,457,738 | 62,285,050 | 65,016,267 |
| Others | 469,179 | 301,826 | 1,773,183 | 1,594,060 |
| | 76,389,543 | 87,183,117 | 341,368,849 | 340,153,360 |

Timing of revenue recognition:

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--------------------|---------------------------------|------------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Audited</i> |
| At a point in time | 72,729,382 | 82,867,586 | 324,466,320 | 324,610,624 |
| Over time | 3,660,161 | 4,315,531 | 16,902,529 | 15,542,736 |
| | 76,389,543 | 87,183,117 | 341,368,849 | 340,153,360 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

17. SALARIES, WAGES AND RELATED EXPENSES

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|---------------------------------------|---------------------------------|------------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Audited</i> |
| Employee salaries | 15,706,820 | 17,303,787 | 70,890,889 | 69,318,998 |
| Bonuses | 2,275,228 | 3,943,075 | 16,420,437 | 17,723,746 |
| Retirement benefit expenses (Note 15) | 1,674,051 | 1,580,750 | 6,696,205 | 6,323,000 |
| Seniority benefit expense | 843,688 | 703,868 | 4,031,729 | 3,470,928 |
| Social security expenses | 417,688 | 203,825 | 1,546,531 | 783,022 |
| Directors' remuneration | 349,200 | 349,200 | 1,546,800 | 1,396,800 |
| Wages for contractors | 56,965 | 36,900 | 196,815 | 232,550 |
| Others | 938,166 | 1,161,649 | 4,342,691 | 5,117,905 |
| | 22,261,806 | 25,283,054 | 105,672,097 | 104,366,949 |

18. CONSUMABLE SUPPLIES

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|----------------------|---------------------------------|------------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Audited</i> |
| Combustible expenses | 12,139,118 | 12,924,397 | 55,377,295 | 44,676,922 |
| Spare parts | 11,136,877 | 8,663,605 | 36,585,278 | 32,908,017 |
| Oil and lubricant | 791,838 | 875,864 | 3,726,734 | 3,810,914 |
| Warehouse supplies | 646,011 | 1,867,665 | 6,647,078 | 7,609,670 |
| Office supplies | 601,236 | 1,177,776 | 2,179,670 | 2,836,715 |
| Others | 825,870 | 147,250 | 1,848,806 | 1,897,008 |
| | 26,140,950 | 25,656,557 | 106,364,861 | 93,739,246 |

19. DEPRECIATION AND AMORTIZATION CHARGES

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|------------------------|---------------------------------|------------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Unaudited</i> | <i>KHR'000 Audited</i> |
| Property and equipment | 9,851,977 | 8,322,964 | 38,352,570 | 32,495,663 |
| Investment properties | 1,545,760 | 1,570,126 | 6,176,639 | 6,322,670 |
| Intangible assets | 295,276 | 282,711 | 1,168,539 | 1,104,344 |
| | 11,693,013 | 10,175,801 | 45,697,748 | 39,922,677 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

20. FINANCE (COST) INCOME - NET

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| <i>Finance income:</i> | | | | |
| Interest income on bank deposits (<i>Note a</i>) | 1,202,706 | 963,763 | 4,277,488 | 3,810,776 |
| Net exchange gains on foreign currency borrowings (<i>Note b</i>) and others | - | 10,968,196 | 46,515,976 | 39,531,367 |
| Interest income from unwinding of discount of loans to employees | - | - | - | 55,342 |
| | 1,202,706 | 11,931,959 | 50,793,464 | 43,397,485 |
| <i>Finance costs:</i> | | | | |
| Interest expenses on borrowings from MoEF (<i>Note c</i>) | (2,457,618) | (2,885,928) | (9,939,793) | (11,194,446) |
| Net exchange loss on foreign currency borrowings (<i>Note b</i>) and others | (21,962,484) | - | - | - |
| | (24,420,102) | (2,885,928) | (9,939,793) | (11,194,446) |
| Finance (cost) income - net | (23,217,396) | 9,046,031 | 40,853,671 | 32,203,039 |

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

(b) PAS has borrowings (*Note 14*) which are denominated in Japanese yen (JPY) and US dollar (US\$). Given the fluctuations in KHR against JPY, this resulted in significant exchange gains on its borrowings. The exchange rates are based on the exchange rates as at the end of reporting period.

| | <i>31 December 2022</i> | <i>30 September 2022</i> | <i>30 June 2022</i> | <i>31 March 2022</i> | <i>31 December 2021</i> |
|----------|-----------------------------|------------------------------|-------------------------|--------------------------|-----------------------------|
| JPY/KHR | 30.945 | 28.670 | 29.930 | 33.305 | 35.590 |
| US\$/KHR | 4,117 | 4,127 | 4,099 | 4,050 | 4,074 |

(c) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC (*Notes 14 and 25*).

21. INCOME TAX EXPENSE

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

SIHANOUKVILLE AUTONOMOUS PORT

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21. INCOME TAX EXPENSE (continued)

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

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

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

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--|---|---|---|---|
| | <i>31 December 2022 KHR'000 Unaudited</i> | <i>31 December 2021 KHR'000 Unaudited</i> | <i>31 December 2022 KHR'000 Unaudited</i> | <i>31 December 2021 KHR'000 Audited</i> |
| <i>Income tax expense recognized in profit for the period</i> | | | | |
| Current income tax expense (credit) | 807,030 | (2,019,554) | 11,492,634 | 7,595,549 |
| Under provision of current income tax from prior year | - | - | 1,629,600 | - |
| Deferred income tax | 1,159,491 | 6,346,147 | 619,631 | 9,742,698 |
| | 1,966,521 | 4,326,593 | 13,741,865 | 17,338,247 |
| <i>Income tax expense recognized in OCI</i> | | | | |
| Deferred income tax related to remeasurement gain on defined benefit obligation | - | - | 2,964,709 | - |

22. (LOSS) EARNINGS PER SHARE

(i) Basic (loss) earnings per share

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

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--|---|---|---|---|
| | <i>31 December 2022 KHR'000 Unaudited</i> | <i>31 December 2021 KHR'000 Unaudited</i> | <i>31 December 2022 KHR'000 Unaudited</i> | <i>31 December 2021 KHR'000 Audited</i> |
| (Loss) profit attributable to shareholders (KHR'000) | (14,005,081) | 24,506,590 | 84,155,215 | 93,707,390 |
| Weighted average number of shares | 85,771,967 | 85,771,967 | 85,771,967 | 85,771,967 |
| Basic (loss) earnings per share (KHR) | (163.28) | 285.72 | 981.15 | 1,092.52 |

(ii) Diluted earnings per share

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

23. DIVIDENDS

On 7 May 2022 and 25 June 2021, the Board of Directors approved to distribute the dividends in respect of profit of the financial year ended 31 December 2021 and 31 December 2020, respectively, as follows:

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|----------------|-----------------------------|-----------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Class B shares | 5,300,000 | 3,533,122 |
| Class C shares | 10,807,268 | 8,641,527 |
| | 16,107,268 | 12,174,649 |

As at 31 December 2022, dividends declared for the financial year ended 31 December 2021 and 31 December 2020 were paid.

24. CASH GENERATED FROM OPERATIONS

| | <i>Notes</i> | <i>Twelve-month period ended</i> | |
|--|--------------|----------------------------------|-----------------------------|
| | | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | | <i>KHR'000</i> | <i>KHR'000</i> |
| | | <i>Unaudited</i> | <i>Audited</i> |
| Profit before income tax | | 97,897,080 | 111,045,637 |
| <i>Adjustments for:</i> | | | |
| Finance income - net | 20 | (40,853,670) | (32,203,039) |
| Depreciation and amortization charges | 19 | 45,697,748 | 39,922,677 |
| Retirement benefit obligations | | 6,696,205 | 6,323,000 |
| Provision for seniority obligations | | 4,031,729 | 3,470,928 |
| Reversal of provision for slow-moving inventories | 9 | (647,590) | - |
| Provision for expected credit losses on short-term bank deposits | | 19,118 | - |
| Amortization of deferred cost on loans to employees | | - | 327,728 |
| Provision for doubtful accounts of trade receivables | | (96,291) | (2,326,237) |
| <i>Changes in working capital:</i> | | | |
| Inventories | | (1,210,768) | (3,371,984) |
| Trade and other receivables | | (1,902,798) | (3,761,616) |
| Deferred income | | 6,929,978 | (94,727) |
| Trade and other payables | | (18,045,406) | 11,002,097 |
| Cash generated from operations | | 98,515,335 | 130,334,464 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

25. 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) MoEF

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|-------------------------|-----------------------------|-----------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Borrowings from: | | |
| MoEF - (JICA) (Note 14) | 163,280,797 | 198,300,819 |
| MoEF - (JBIC) (Note 14) | 231,829,780 | 270,686,178 |
| | 395,110,577 | 468,986,997 |

(ii) MoPWT

| | <i>31 December 2022</i> | <i>31 December 2021</i> |
|-----------------------------|-----------------------------|-----------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Audited</i> |
| Advances to MoPWT (Note 10) | 7,221,303 | 1,221,303 |

(b) Related party transactions

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|--|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| Costs of borrowings from MoEF: | | | | |
| Interest expenses (Note 20) | 2,457,618 | 2,885,928 | 9,939,793 | 11,194,446 |
| Capitalized interest costs (Note 6) | 49,589 | 48,105 | 184,189 | 146,708 |

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

25. RELATED PARTY TRANSACTIONS (continued)

(c) Key management compensation

Key management compensation for the three-month and twelve-month period ended are as follows:

| | <i>Three-month period ended</i> | | <i>Twelve-month period ended</i> | |
|---------------------------------|---------------------------------|-----------------------------|----------------------------------|-----------------------------|
| | <i>31 December 2022</i> | <i>31 December 2021</i> | <i>31 December 2022</i> | <i>31 December 2021</i> |
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>Unaudited</i> | <i>Unaudited</i> | <i>Unaudited</i> | <i>Audited</i> |
| <i>Board of Directors</i> | | | | |
| Fees and related expenses | 349,200 | 349,200 | 1,396,800 | 1,396,800 |
| <i>Key management personnel</i> | | | | |
| Salaries and other expenses | 598,391 | 831,228 | 3,268,197 | 3,063,495 |
| Retirement benefit expenses (*) | 68,451 | 69,857 | 235,366 | 245,718 |

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 provided to PAS's employees as well as key management personnel.

26. COMMITMENT AND CONTINGENCY

Commitment

As at 31 December 2022, PAS had outstanding capital expenditure commitment of KHR 1,138,007 million (31 December 2021: KHR 821,416 million) for its purchase of construction services and property and equipment.

Contingency

On 11 January 2023, the Company received a Notice of Tax Reassessment ("NTR") from the GDT for the desk tax audit from 1 April 2021 to 30 November 2022. The Company is continuously discussing with the GDT the merits of these outstanding tax matters with a firm position against the GDT. Given the uncertainty of the final outcome of these reassessments, management believes that an outflow of resources cannot be reliably estimated at the present date.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and twelve-month periods ended 31 December 2022

27. RECLASSIFICATION OF CORRESPONDING FIGURES

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

| | 2021 | | |
|---|----------------------------------|---------------------------|--------------------------|
| | <i>KHR'000</i> | <i>KHR'000</i> | <i>KHR'000</i> |
| | <i>(As previously presented)</i> | <i>(Reclassification)</i> | <i>(As reclassified)</i> |
| <i>Statement of financial position</i> | | | |
| Investment properties - Land | 125,040,317 | (3,406,754) | 121,633,563 |
| Investment properties - Building and land improvement | 168,305,459 | 274,194 | 168,579,653 |
| Assets classified as held for sale | 13,058,708 | 3,132,560 | 16,191,268 |
| Trade and other payables | 44,208,159 | (1,018,500) | 43,189,659 |
| Deposit from customers | - | 1,018,500 | 1,018,500 |

28. EVENTS AFTER THE REPORTING PERIOD

Other than those which are disclosed above, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the interim condensed financial information.



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



A. Overview of Operations

PAS is the only international deep seaport of the Kingdom of Cambodia, which is operating on an approximately 125 hectares land area, located in Preah Sihanouk city, Preah Sihanouk province and connected by multi-modal transport networks. According to the definition of Sub-decree No. 50 ANKr/BK dated 17th July 1998, PAS has been entitled as a port operator with detailed business and services in the above Part 1, section B of this 4th quarter 2022 report.

For this 4th quarter 2022, the volume of PAS's container throughput decreased by 26,704 TEUs equivalent to 14.37% compared to 4th quarter 2021, and Gross cargoes throughput decreased by 8.42% equivalent to 146,700 tons. Among gross cargoes throughput, container in tons decreased 11.59% equivalent to 150,132 tons, and general cargoes decreased 28,041 tons equivalent to 53.23%, as for fuels increased by 3.84% equal to 14,559 tons, also gas increased by 119.90% equivalent to 16,914 tons. Moreover, PAS's calling vessel decreased by 10.99% equal to 42 vessels, yet gross tonnages increased by 11.00% equal to 338,575 tons compared to 4th quarter 2021.

The discussion and analysis by the management on PAS's financial status and operation results below were made based on financial information report audited by the independent auditor for 4th quarter 2022 and 2021 as shown in Part 3 of this 4th quarter 2022 report.

PAS has important sources of income as follows:

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

PAS had recorded financial transaction (account book) and financial reports in Riel, which is its national currency, while the operations using other international currency were shown in Riels based on the average of daily official exchange rate of the General Department of Taxation

(USD currency) and the National Bank of Cambodia (Japanese Yen currency) according to the respective dates of the operations.

1. Revenue Analysis

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

| Description | 4 th Quarter 2022 | 4 th Quarter 2021 | Changes | |
|-------------|------------------------------|------------------------------|-------------|--------|
| | '000 riels | '000 riels | '000 riels | % |
| Revenue | 77,012,838 | 87,676,981 | -10,664,143 | -12.16 |

For this 4th quarter 2022, PAS's income decreased by 10,664,143,000 Riels equivalent to 12.16% decreased from 87,676,981,000 Riels in 4th quarter 2021 to 77,012,838,000 Riels in 4th quarter 2022. This decreased in income was mostly derived from Stevedoring Charges, LOLO Charge, Port Charge Services and Storage Fees (warehouse and yard).

1.1 Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues For 4th Quarter 2022 and 4th Quarter 2021

| Description | 4 th Quarter 2022 | | 4 th Quarter 2021 | |
|---------------------------------|------------------------------|----------------------------|------------------------------|----------------------------|
| | '000 riels | Percentage of total income | '000 riels | Percentage of total income |
| Stevedoring Charge | 36,824,132 | 47.82% | 42,181,877 | 48.11% |
| LOLO Charge | 20,484,945 | 26.60% | 25,131,857 | 28.66% |
| Port Charge for Vessel Services | 15,329,165 | 19.90% | 15,457,738 | 17.63% |
| Storage (Warehouse and Yard) | 3,282,122 | 4.26% | 4,109,819 | 4.69% |
| Transportation | 7,566 | 0.01% | 26,885 | 0.03% |
| Passenger vessel | 0 | 0.00% | 0 | 0.00% |
| Special Economic Zone | 623,295 | 0.81% | 493,864 | 0.56% |
| Rental fee | 378,038 | 0.49% | 205,712 | 0.23% |
| Other revenues | 83,575 | 0.11% | 69,230 | 0.08% |
| Total Revenue | 77,012,838 | 100.00% | 87,676,981 | 100.00% |

In the 4th quarter 2022 as well as 2021, there were four important types of incomes accounted for 98% of PAS's total business and service incomes. Those incomes were derived from Stevedoring charges, LOLO charges, Port Charges for Vessel Services and Storage (Warehouse and Yard).

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

| Description | 4 th Quarter 2022 | 4 th Quarter 2021 | Changes | |
|---------------------------------|------------------------------|------------------------------|-------------|--------|
| | '000 riels | '000 riels | '000 riels | % |
| Stevedoring Charge | 36,824,132 | 42,181,877 | (5,357,745) | -12.70 |
| LOLO Charge | 20,484,945 | 25,131,857 | (4,646,912) | -18.49 |
| Port Charge for Vessel Services | 15,329,165 | 15,457,738 | (128,573) | -0.83 |
| Storage (Warehouse and Yard) | 3,282,122 | 4,109,819 | (827,697) | -20.14 |

The income from Stevedoring charge decreased approximately by 12.70% equivalent to 5,357,745,000 Riels, and LOLO charge decreased by 18.49% equivalent to 4,646,912,000 Riels comparing between 4th quarter 2022 and 4th quarter 2021. These decreasing were resulted by the decrease of container throughput with the volume of 26,704 TEUs equivalent to 14.37% and the decrease of Cargo handling of 3.70% equal to 98,034 Tons for this 4th quarter 2022.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 4th quarter of 2022, the number of vessels calling to PAS decreased by 42 vessels equal to 10.99%, yet tonnage throughput increased by 11.00% equal to 338,575 tons. However, the income on Port charge for vessel service decreased from 15,457,738,000 Riels in 4th quarter 2021 to 15,329,165,000 Riels in 4th quarter 2022, decreased by 0.83% equal to 128,573,000 Riels. This is because in 4th quarter 2022, the container vessels increased by 6.88% equal to 11 vessels and general cargo vessels decreased by 41.94% equal to 39 vessels if compared to the same period in 2021.

The income from storage, warehouse, and yard decreased by 827,697,000 Riels equivalent to 20.14% compared between 4th quarter 2022 with the income amount of 3,282,122,000 Riels and 4th quarter 2021 with amount of 4,109,819,000 Riels. The reason of this decrease was caused by the decreasing in container cargoes and cargoes throughput if compared to the same period in 2021.

2. Gross Profit Margin Analysis

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

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

3. Profit/(Loss) before Tax Analysis

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

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

| Description | 4 th Quarter 2022 | 4 th Quarter 2021 | Changes | |
|---------------------------------------|------------------------------|------------------------------|-----------------------|----------------|
| | '000 riels | '000 riels | '000 riels | % |
| Revenue | 77,012,838 | 87,676,981 | (10,664,143) | -12.16 |
| Consumable Supplies | (26,140,950) | (25,656,557) | (484,393) | 1.89 |
| Salaries, Wages, and related expenses | (22,261,806) | (25,283,054) | 3,021,248 | -11.95 |
| Depreciation and Amortisation charge | (11,693,013) | (10,175,801) | (1,517,212) | 14.91 |
| Repairs and Maintenances | (1,051,972) | (359,030) | (692,942) | 193.00 |
| Other expenses | (4,275,474) | (5,890,833) | 1,615,359 | -27.42 |
| Other gain /(Losses)-net | (410,787) | (524,554) | 113,767 | -21.69 |
| Net- Finance (Costs)/gain | (23,217,396) | 9,046,031 | (32,263,427) | -356.66 |
| Profit before income tax | (12,038,560) | 28,833,183 | 40,871,743 | -141.75 |

For 4th quarter 2022, PAS's expenses on Consumable Supplies amounted to 26,140,950,000 Riels increased by 484,393,000 Riels equivalent to 1.89% compared to the 4th quarter of 2021 with the expense amounted of 25,656,557,000 Riels. The main factor that caused such increase was resulted by spare parts expenses increased by 28.55% equivalent to

2,473,272,000 Riels and other consumables expenses increased by 460.86% equivalent to 678,620,000 Riels in this 4th quarter 2022.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decrease, the expense on salary will also decrease, and we found that stevedoring income decreased by 12.70% and LOLO incomes slightly decreased by 18.49% in this 4th quarter 2022. Moreover, the expense on Salary, wages, and other related expenses had decreased by 11.95% equivalent to 3,021,248,000 Riels compared that to 4th quarter 2022 with the expense amount of 22,261,806,000 Riels and 25,283,054,000 Riels in 4th quarter 2021. The main factors of the decrease on employee salaries expenses which decreased by 9.23% equal to 1,596,968,000 Riels, also the bonuses expenses which decreased approximately 42.30% equal to 1,667,847,000 Riels. Moreover, other employee-related expenses which decreased 19.24% equal to 223,482,000 Riels if compared to 4th quarter 2021.

The expense on depreciation and amortization included property, equipment, and intangible asset in 4th quarter 2022 amounted to 11,693,013,000 Riels increased by 1,517,212,000 Riels equivalent to 14.91% compared to that of 4th quarter 2021 with the expense amount of 10,175,801,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 1,529,013,000 Riels equivalent to 18.37%.

The expense on repair and maintenance increased by 692,942,000 Riels equal to 193.00%, the total expense of repair and maintenance in 4th quarter 2022 was 1,051,972,000 Riels and 359,030,000 Riels in 4th quarter 2021.

The Other expenses decreased by 27.42% equivalent to 1,615,359,000 Riels, which decreased from 5,890,833,000 Riels in 4th quarter 2021 to 4,275,474,000 Riels in 4th quarter 2022. The main reasons that caused the decreased of other expenses were the decreased in Contributions and donations expenses which decreased by 109.20% equal to 3,493,635,000 Riels and the decreased of health-care supplies expenses by 72.02% equivalent to 126,672,000 Riels in this 4th quarter 2022.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 4th quarter 2022, the losses from realized foreign exchange with the amount of 410,787,000 Riels decreased by 21.69% equivalent to 113,767,000 Riels compared to 4th quarter 2021 amounted to the loss of 524,554,000 Riels.

Finance Income/(Costs)-net refers to Unrealized Foreign Exchange Gain-Loss, for the 4th quarter 2022, there was a cost of 23,217,396,000 Riels increased the Finance cost by 356.66% equivalent to 32,263,427,000 Riels compared to that of 4th quarter 2021 with the Finance income

of 9,046,031,000 Riels. The main factor of this change in Finance Income/(Costs)-net was because in 4th quarter 2021, there was the net gain unrealized foreign exchange currency (Japanese Yen) amounted to 10,968,196,000 Riels, if compared to 4th quarter 2022 with the net loss unrealized foreign exchange currency of 20,933,000 Riels.

In conclusion, PAS's Loss before income tax in 4th quarter 2022 is 12,038,560,000 Riels increased by 40,871,743,000 Riels equivalent to 141.75% if compared to 4th quarter 2021 with the profit before income tax amount of 28,833,183,000 Riels.

4. Profit/(Loss) after Tax Analysis

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

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

| Description | 4 th Quarter 2022 | 4 th Quarter 2021 | Changes | |
|--|------------------------------|------------------------------|----------------|----------|
| | '000 riels | '000 riels | '000 riels | % |
| Profit/(loss) before income tax (A) | (12,038,560) | 28,833,183 | 40,871,743) | -141.75% |
| Income tax expense (B) | (1,966,521) | (4,326,593) | 2,360,072 | -54.55% |
| Profit/(loss) for the period | (14,005,081) | 24,506,590 | (38,511,671) | -157.15% |
| Remeasurement of retirement benefit obligations | - | - | | |
| Total comprehensive income/(loss) for the period | (14,005,081) | 24,506,590 | (38,511,671) | -157.15% |
| Effective Tax Rate (B)/(A) | -16.34% | 15.01% | | |

PAS has a Loss after tax with the equivalent amount 14,005,081,000 Riels in the 4th quarter 2022 and Profit after tax of 24,506,590,000 Riels in the 4th quarter 2021 with the increased loss after income tax amount of 38,511,671,000 Riels equivalent to 157.15%. The main factors that caused the loss after tax to be increased is due to the increase in Unrealized Foreign Exchange losses from Japanese Yen compared to the same period of 2021.

The Effective tax rate on profit decreased from 15.01% in 4th quarter 2021 to -16.34% in 4th quarter 2022, because of increased of Loss before income tax in 4th quarter 2022.

5. Factors and Trends Analysis affecting financial conditions and results

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

- **Factors That Cause Restriction on International Business**

Because of PAS's main source of income is derived from the movement of cargo throughput, which is the transaction of international trade, therefore, various factors that affects the international trade may influence PAS's business operation through such factors as the status of global, regional, and local economy, social stability, security issues, or maritime cooperation. According to the IMF, the world economy will increase to 3.2% for year 2022, while Cambodia's economy will growth around 5.3%, according to the Asian Development Bank (ADB). This is still showing a stable economy growth of Cambodia which is a good sign for port business.

- **PAS's Ability and Work Performance Efficiency**

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

- **Status of Domestic Transportation**

For this 4th quarter of 2022, the domestic transportation network, especially the National Route No. 4 connecting from PAS to Phnom Penh capital, has not caused any obstacles to cargo transportation after the relief from the epidemic covid19. While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 times to 7 times per week and this rail transportation has also been performed smoothly and with no issues that may obstruct the transportation process.

- **Cooperation between Ports in the Region**

The cooperation between regional ports, especially the connectivity between major hub ports in the region is very important in cargo traffic facilitation between PAS and other mainly international marketplaces, thereby influencing on the expenses and transportation period which may affect other industrial competitiveness. In this case, PAS has strived to keep a good communication with various major ports in the region to ensure a smooth operation.

- **Depreciation**

Because of PAS's business is using many kinds of infrastructures, the expenses on depreciation of port's infrastructures such as ship berths, machinery, and buildings are relatively large, which may affect the PAS business. Therefore, PAS shall conduct

an appropriate inspection on the depreciation policy and shall make necessary modification in every period of the financial report. For this 4th quarter 2022, there is no modification or a request for modification of the depreciation policy by the independence auditor.

B. Significant factors affecting Profit

1. Demand and Supply Conditions Analysis

PAS's business activities have a direct link with the national, regional, and global economy. In particular, when there is a change in the national economy, there will be a direct impact on port's business and service operation, i.e when the national economy increases, the port's business and service operation will also increase, accordingly, PAS's revenues also have the same growth rate, on the contrary, if the national economy decreases, there will also be a negative impact on PAS's revenues. According to ADB's report, Cambodia's economy growth with the expected rate of 5.3%, while the world economy growth with the expected rate of 3.2% (IMF) for year 2022. However, there might be a big impact on the market's demand and supply due to the current war between Russia-Ukraine and the import and export to China due to the current lockdown of zero covid policy.

2. Fluctuations in Prices of Raw Materials Analysis

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

3. Tax Analysis

PAS is under the law of business companies in the field of taxation and VAT; therefore, PAS has the obligation to pay tax in accordance with the laws and regulations in force. PAS has to pay tax and in accordance with the ration of income and was determined as a large taxpayer by the General Department of Taxation. Regarding tax on annual profit, PAS will be obligated to pay at 20% rate start from year 2020 after received the incentive benefit for three years. While other kinds of taxes, PAS has implemented its obligation according to the law on taxation of the Kingdom of Cambodia.

C. Material Changes in Sales and Revenue

PAS' main income is derived from stevedoring, LOLO and port's services which contributed around 98% of the total income in 4th quarter of 2022, and the main factor bolstering up the

increase of revenue is the rise of ships and volume of cargo throughputs, especially containerized cargo which is the most important source of PAS's income. The growth in the field of agriculture, commerce, construction, and industry has reflected the status of Cambodia's economy, and at the same time these factors also have positive influences on PAS's business operation, services, and revenues.

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

1. Impacts from Currency Exchange Rate

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

2. Impacts from the Interest Rate

At present, PAS does not have any loans with flexible interest rates. PAS has received JICA and JBIC financial soft loan from the Ministry of Economy and Finance with the interest rate from 2.65% to 3.70%. Therefore, in this 4th quarter 2022, there is no impact on the changes of interest rate.

3. Impacts from the Change of Oil Prices

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

E. Impacts of Inflation

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

F. Economic/Fiscal/Monetary Policy of Royal Government

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

- Industrial sector promotion policy, the Royal Government has planned to transform Preah Sihanouk province to be a center for trade, logistics, and production through the

construction of port infrastructure, expansion of National Route No. 4, and infrastructure of the International Airport in Preah Sihanouk province.

- Policy on save cost of transportation through the Express Way from Phnom Penh - Sihanoukville
- Maritime transportation stimulation policy.
- Policy on rice export to foreign markets is yielding positive result to PAS.
- Policy on international trade stimulation, thereby trying an effort to cut down trade barriers involving trading process between Cambodia and other partner countries in the world.
- The Royal Government, through the National Bank, has implemented the currency policy through the free currency exchange market mechanism under the intervention in order to stabilize the national currency, and the balance of this currency has secured the stability of Cambodia's Macro Economy, which built confidences for the investors and encouraged private sectors' business operation.
- The taxation incentive in stock market sector to various enterprises publishing the IPO in Cambodia has been stimulating more and more public enterprises and private companies to be incorporated into the IPO and to contribute to the development of the national economy.



Part 5

Other Necessary Information for Investor Protection



In this 4th quarter of 2022, there is other necessary information for the protection of investors as below:

- Approved the progress report of the ongoing container development project (1. Project to renovate the port into a 253-meter container terminal and 2. Project to develop a new container terminal - Step 1, length 350 M)
- Approved the PAS's business report for the Nine-Month results of 2022.
- The Board of Directors reviewed, discussed and approved the third quarter 2022 financial statements report reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
- Approved the 2023 PAS's financial business plan (Service).
- Approved the business results report of the first half of 2022.
- Approved the development of the above leased land to be used as a container storage area and to serve the business of PAS after the lease agreement for the location and means of lifting expire on December 31st, 2023 in the future.

Signature of Directors of Sihanoukville Autonomous Port

Date: 27 February 2023

Read and Approved

Signature

Lou Kim Chhun



Sihanoukville Autonomous Port



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