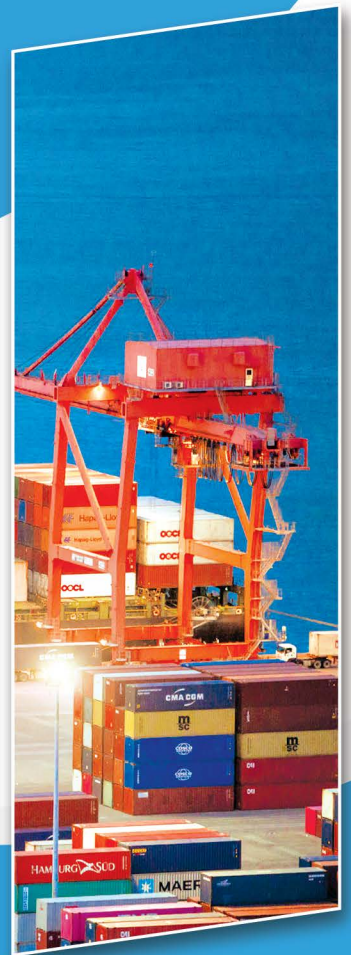




KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanouville Autonomous Port

Annual Report 2022



Vision

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

Mission

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

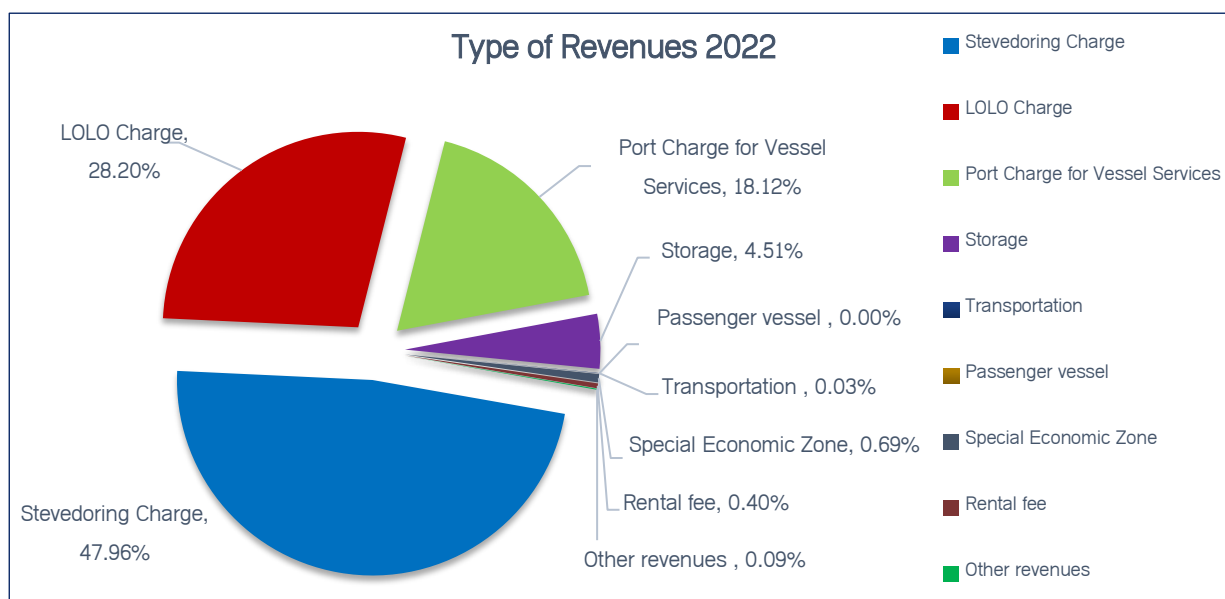
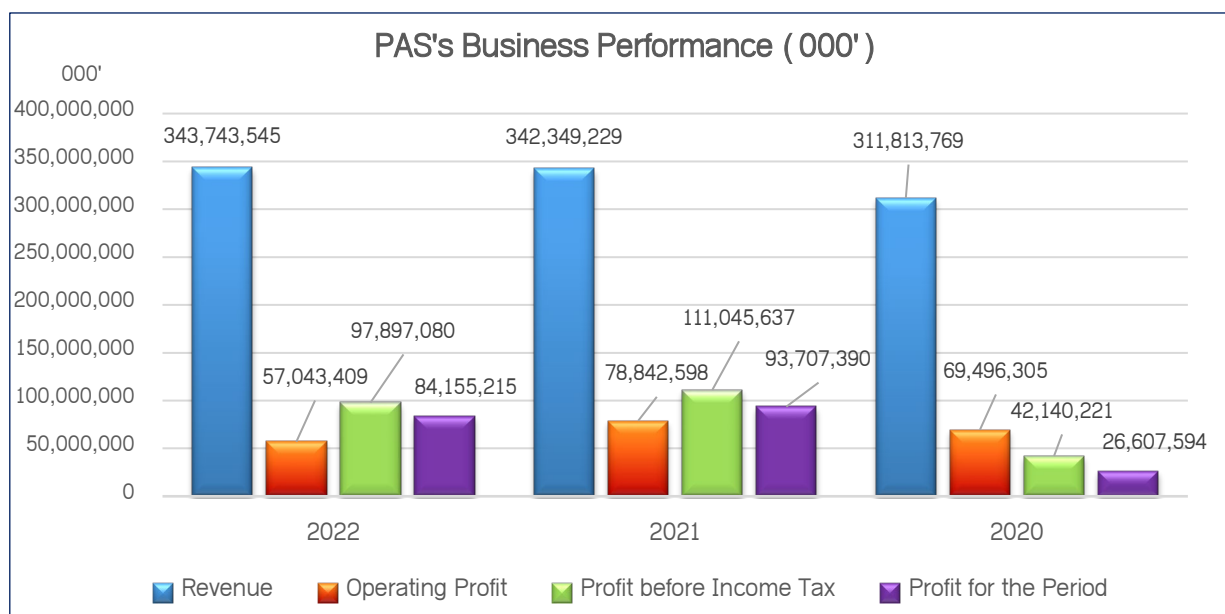
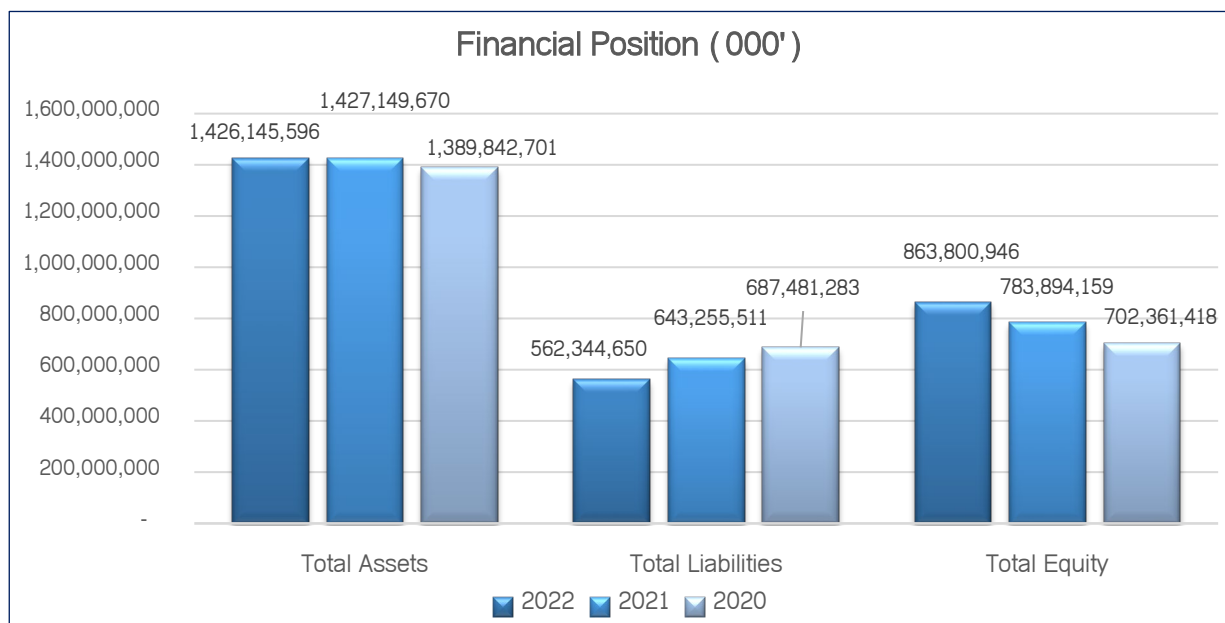
Values

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

Financial Highlight

Financial Position		31st December 2022	31st December 2021	31st 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)		2022	2021	2020
		KHR 000'	KHR 000'	KHR 000'
Total Revenues		343,743,545	342,349,229	311,813,769
Profit/(Loss) before Tax		97,897,080	111,045,637	42,140,221
Profit/(Loss) after Tax		84,155,215	93,707,390	26,607,594
Total Comprehensive Income		96,014,055	93,707,390	26,607,594
Financial Ratios		31st December 2022	31st December 2021	31st December 2020
Solvency Ratio		23.09%	20.77%	9.40%
Debt to Equity Ratio		0.65	0.82	0.98
Liquidity Ratio	Current Ratio	2.62	2.31	2.42
	Quick Ratio	2.25	2.00	2.12
		2022	2021	2020
Profitability Ratio	Return on Assets	5.90%	6.57%	1.91%
	Return on Equity	9.74%	11.95%	3.79%
	Gross Profit Margin	16.59%	23.03%	22.29%
	Profit Margin	24.48%	27.37%	8.53%
	Earnings per share	981.15	1,092.52	310.21
Interest Coverage Ratio		10.85	10.92	4.09
Dividend per Share (Riels)		-	504	403

Financial Summary Charts

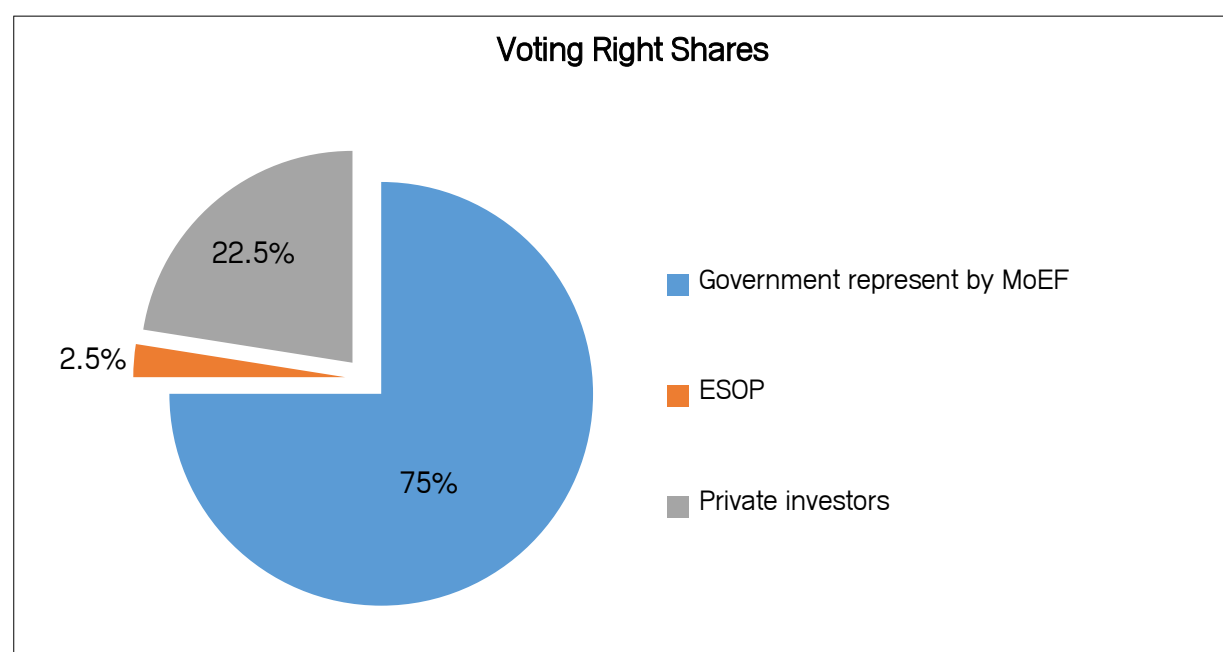


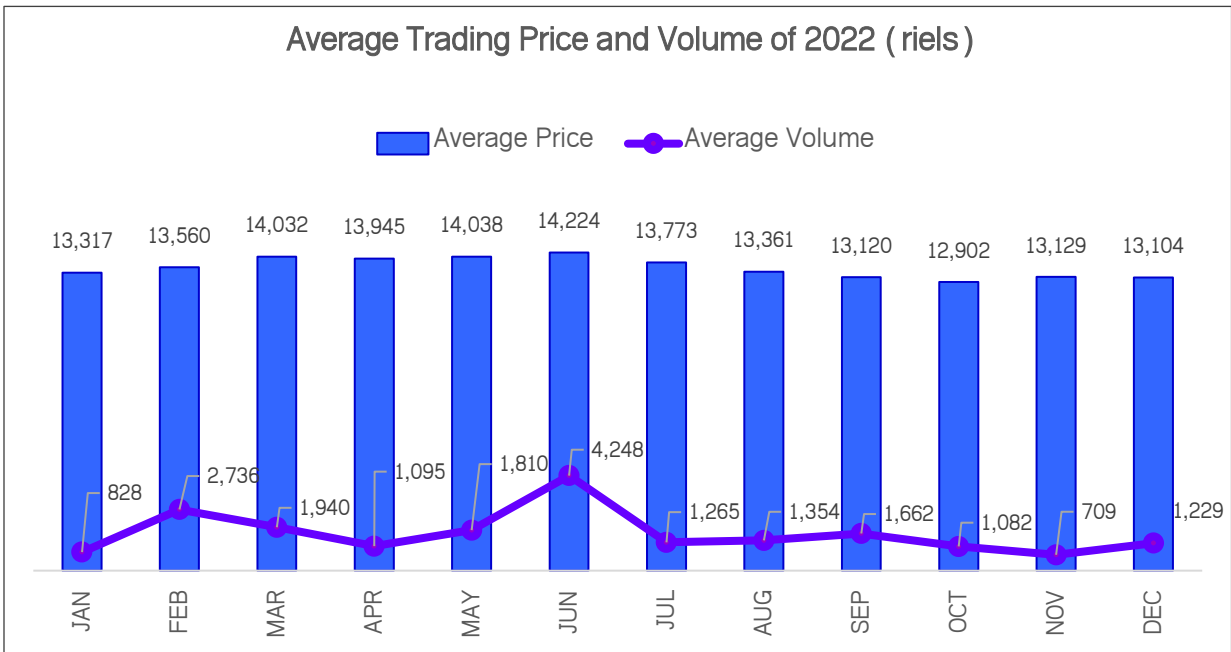
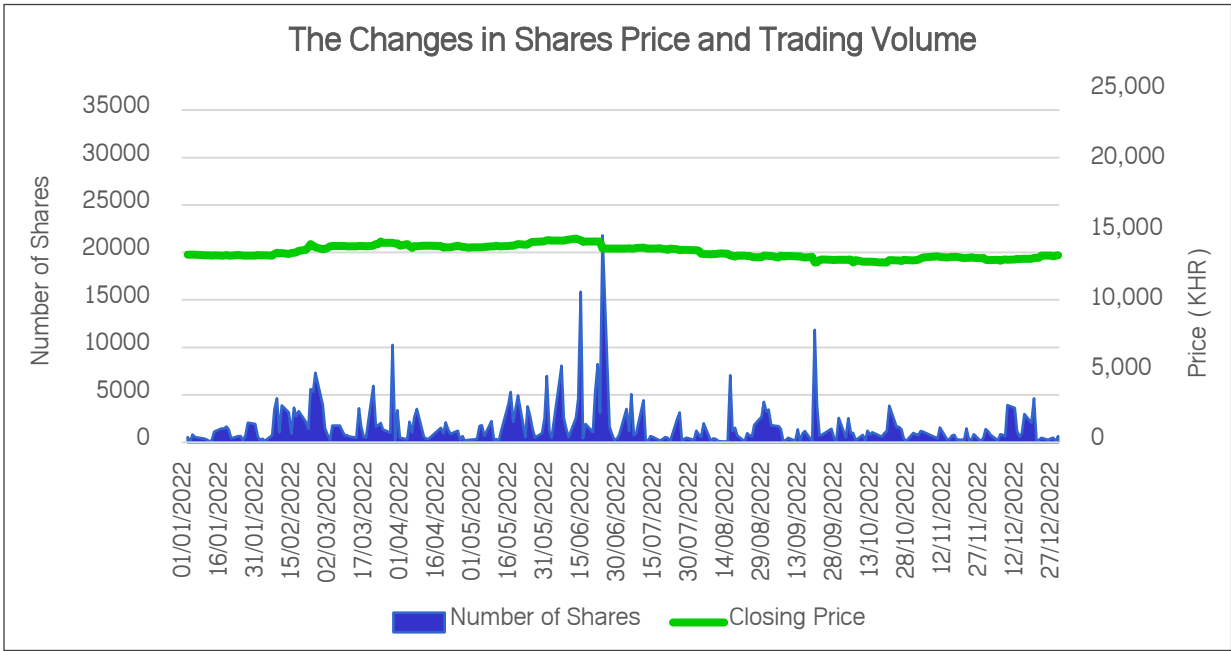
PAS's Shareholders

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

PAS's Shareholders Class C

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





Annual Statistical Summary

Items		Planning 2022	2022	2021	2020	Comparison		
		1	2	3	4	(2-1)/1	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,418,000	7,003,157	6,990,337	6,601,804	-5.59%	0.18%	6.08%
Container Cargo	–		5,031,988	4,949,801	4,363,909		1.66%	15.31%
General Cargo	–		142,944	250,734	349,820		-42.99%	-59.14%
Fuel	–		1,729,700	1,737,047	1,804,352		86.76%	17.68%
Gas	–		98,525	52,755	83,722		0.41%	6.91%
Imported Cargo	–	5,564,000	5,225,236	5,203,819	4,887,684	-6.09%	0.41%	6.91%
Exported Cargo	–	1,854,000	1,777,921	1,786,518	1,714,120	-4.10%	-0.48%	3.72%
Cargo Handling	–	10,298,000	11,239,434	10,199,148	8,954,317	9.14%	10.20%	25.52%
Direct Transfer	–	220,000	121,180	201,923	208,329		-39.99%	-41.83%
Container Yard and Warehouse	–	10,078,000	11,118,253	9,997,225	8,745,988		11.21%	27.12%
Container Throughput	TEUs	787,000	750,148	732,387	641,842	-4.68%	2.43%	16.87%
Imported Container	–		395,114	380,145	320,642		3.94%	23.23%
Exported Container	–		355,034	352,242	321,200		0.79%	10.53%
Calling Vessels	Units	1,450	1,442	1,582	1,662	-0.55%	-8.85%	-13.24%
	Tons	14,128,000	14,108,032	13,366,399	16,784,979	-0.14%	5.55%	-15.95%

Board of Directors



H.E. Lou Kim Chhun
Chairman & CEO



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



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



H.E. Sok Sopheak
Representative of
Ministry of Commerce



Mr. Hun Monivann
Independent Director



Mr. Hidetoshi KUME
Non-Executive Director



Mr. Lou Lykheng
Representative of
PAS's Employee



Speech of H.E Chairman & CEO

“On behalf of the Board of Directors of Sihanoukville Autonomous Port (PAS), I have the honor and pleasure to present the PAS’s business and financial reports of 2022 for the period ended 31st December 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 343,743,545,000 Riels and a net profit of 84,155,215,000 Riels in 2022. The revenue increased by 1,394,316,000 Riels equal to 0.41% compared to 2021, while the net profit after tax slightly decreased by 9,552,175,000 Riels equal to 10.19%. This was the result of the increased in the volume of gross cargoes and the containers throughput, however there was a decline in the profit after tax due to the increase in operating expenses which was the main factor. In 2022, the average price of fuel increased up to \$ 1.06 per liter, compared to an average price of \$ 0.68 per liter in 2021. Hence PAS’s earnings per share was 981.15 Riels in 2022. The container throughputs amounted to 750,148 TEUs in 2022, an increase of 17,761 TEUs equal to 2.43%, and the gross cargoes slightly increased by 0.18% equal to 12,820 Tons compared to 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 253m in length, which currently has only two terminals. In addition, PAS has been implementing the construction of a new Container Terminal (Phase 1) with 350m in length by 14.5m depth, 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 like neighboring countries and the region which would contribute to trade facilitation and the development of Cambodian socio economy. The project is expected to be completed by mid-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 2022, the Board of Directors had conducted four meetings and adopted the following works:

The 3rd Meeting of the Board of Directors in its 8th Mandate on 17th February 2022

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

- The Board of Directors has agreed on the financial results and requested to continue implementation in accordance with the decision of the previous Board Meeting.
- BOD has reviewed, discussed, and approved on the Audit, Nomination and Risk Committee Report.
- The Board of Directors has reviewed, discussed, and approved the report on progress of the Feasibility Study of the new container terminal development project, Phase 2 and Phase 3, and the results of Fact-Finding Mission meeting. Board of Directors also request PAS to prepare a report on the economic and financial benefits and efficiencies for the new terminal container development project, Phase 2 and Phase 3 to the two Guardian Ministries and to request Mr. KUME Hidetoshi to facilitate further coordination and negotiation with the Japanese side on the reducing the minimum interest rate.
- BOD had reviewed, discussed, and approved as below:
 - Approved on the 2021 Business Report
 - Approved on the emergency measures and request PAS to prepare a formal letter to His Excellency, Head of the Minister of Public Works, and Transport on the request

to relocate the inspection area of technical condition of vehicles by the authority from inside of PAS's area to outside area instead.

- Approved on the local tourism port development project at Port Entry Number 1 of Sihanoukville Autonomous Port
- The Board of Directors reviewed and approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2021, which was reviewed by the independent auditing firm PWC (Financial performance review).
- The Board of Directors reviewed and approved the report on the preferential service fee of PAS for the goods of the Royal Government in 2021 in the total amount of 88,312.19 USD (eighty-eight thousand three hundred and twelve US dollars and Nineteen cents).

The 4th Meeting of the Board of Directors in its 8th Mandate on 7th May 2022

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

- The Board of Directors reviewed, discussed and approved on the progress of the Feasibility Study of the new container terminal development project phase 2 and 3 and the result of the Fact-Finding Mission and Appraisal Mission meeting.
- The Board of Directors reviewed, discussed and approved the report on the business results of the first quarter of 2022.
- The Board of Directors reviewed, discussed and unanimously approved the first quarter 2022 financial statements reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
- The Board of Directors reviewed, discussed and approved the date, place and agenda for the 5th General Meeting of Shareholders 2022 as follows:
 - Date: June 17th, 2022
 - Deadline date: May 23rd, 2022
 - Venue: Sokha Beach Resort, Sihanoukville with ZOOM Video Call (Actual Situation)
 - General Agenda
 - Welcome remarks by the President of the General Meeting
 - Presentation on Business Performance – Business Performance in 2021 and Business Plan in 2022
 - Review and approve dividend distribution to shareholders for 2022.
- The Board of Directors reviewed, discussed and approved by the Board of Directors to request the approval of the Dividend, setting the Record Date and the Date of Payment of the Dividend to the shareholders for the period 2021 in the 5th General Meeting of shareholders 2022 as follows:

1. Distribute dividends
 - Type "B" shareholders equal to 5,300,000,000 Riels
 - Type "C" shareholders at the rate of 8%, 9%, 10%, 11% and 12% of the IPO Price to be submitted to the 5th General Meeting for review and approval.
 - Type of dividend to be distributed: Cash
 - Dividend Period: For the year 2021
 - Total number of listed shares: 85,771,967 shares
 - Number of Class "B" shares: 64,328,975 shares
 - Number of Class "C" shares: 21,442,992 shares
2. Total amount of dividends to be distributed
 - Allocation of Class "B" shares: 5,300,000,000 Riels
 - Allocation of Class "C" Shares: Voted in the 5th General Meeting of Shareholders
 - Total dividend distribution ratio for Class "B" and "C" shares
 - Dividend distribution ratio for Class "B": 6.28%
 - Dividend distribution ratio for category "C": Voted at the 5th General Meeting of Shareholders
 - Dividends per share
 - Dividend distribution for Class "B": 82.39 Riels
 - Dividend distribution for Class "C": Decided at the 5th General Meeting of Shareholders
 - Record Date: June 27th, 2022
 - Payment Date: July 06th, 2022
- The Board of Directors reviewed, discussed and unanimously approved for PAS to find the best possible solution to collect the remaining debt which Royal Railway owed to PAS by inviting the company to a meeting to discuss and explain the company's obligations base on the business contract, this work must be attended by Mr. Noum Sinith, State Inspector of PAS, and must prepare a clear record and document between the parties before going to the next step by implementing legal procedures and measurement. In the case of debt settlement solution is not effective, the Board of Directors shall support the proposed measures of PAS, which is a step-by-step procedure for the implementation of the Royal Railway debt collection that is still indebted to PAS.
- The Board of Directors reviewed, discussed and unanimously approved the date for the 5th Board Meeting of the 8th Mandate on 05th August 2022.

The 5th 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 on the report which was raised by the Audit, Nomination and Risk Committee. The Board requested PAS to prepare a formal letter to His Excellency, Deputy Prime Minister, Minister of Economy and Finance on the container congestion in the port and unclaimed goods to request for his guidelines and implementation.
- The Board of Directors reviewed, discussed and approved on 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 reviewed, discussed and approved the report on the progress of the new container terminal expansion project (Phase 2 and Phase 3).
- The Board reviewed, discussed and approved the report on the project to strengthen the management capacity and the container terminal operation at Sihanoukville Port - Phase 3 (2022-2026).
- The Board reviewed, discussed and approved the report on the progress of the information technology system of PAS and requested for further study with the JICA Experts Team to select the best and reliable option for PAS's development of information technology management system.
- The Board of Directors reviewed, discussed and approved the business results report of the first half of 2022.
- After discussion, the Board of Directors unanimously approved the second quarter 2022 financial statements report reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
- The Board of Directors reviewed, discussed and approved the date of the 6th Board Meeting of the 8th Mandate on 25 November 2022.

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 31, 2023 in the future.
- The Board of Directors reviewed, discussed and approved the date of the 7th Board Meeting of the 8th Mandate on 10 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 PASs' employees for their hard work and dedication to the job.

Sihanoukville, Dated: 30 March 2023

Chairman



LOU KIMCHHUN

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



PART 1:
General Information of
Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

Company name (Khmer)	:	កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ (កសស)
Company name (Latin)	:	PORT AUTONOME DE SIHANOUKVILLE "PAS"
Company name (English)	:	SIHANOUKVILLE AUTONOMOUS PORT
Standard Code	:	KH1000060009
Address	:	Terak Vithei Samdech Akka Moha Sena Padei Techo Hun Sen, Sangkat 3, Preah Sihanouk City, Preah Sihanouk Province, Cambodia.
Phone Number	:	(855) 34 933 416/ 933 511
Investor Relations	:	(855) 78 49 6789
Website	:	www.pas.gov.kh
Email	:	pasinfo@pas.gov.kh
Company Registration Number	:	Co.4784 Et/2017 Date: 21st February 2017
License Number	:	0159 ពណ.ចបព 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 seaport of the Kingdom of Cambodia is performing its business operation on the land area approximately 125 hectares. Situated along the coastal line of the Kingdom of Cambodia, in the Gulf of Thailand, PAS enjoys a favorable natural condition which contributes smoothly to the year-round business operation with calm sea water and no tidal storms.

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

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

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

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

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

- Railway Container Terminal

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

- Sihanoukville Port Special Economic Zone

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

C. Group Structure of Sihanoukville Autonomous Port

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

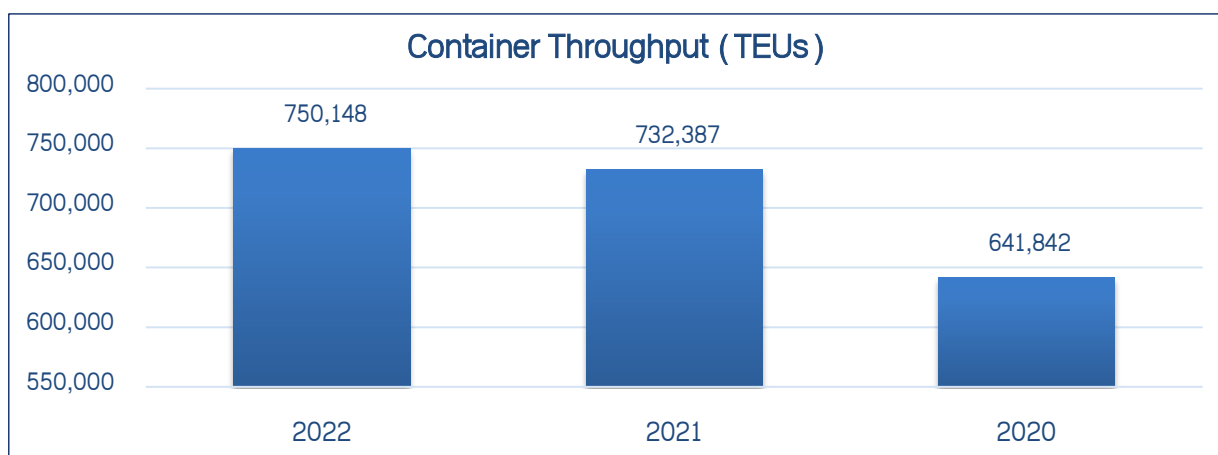
D. Sihanoukville Autonomous Port's Key Events

In 2022, PAS had the 5th General Shareholder Meeting on 17th June 2022 which held at Sokha Beach Hotel and Resort and online via ZOOM is presided H.E Lou Kim Chhun, Chairman and President of the 5th General Shareholder Meeting with the result as follow:

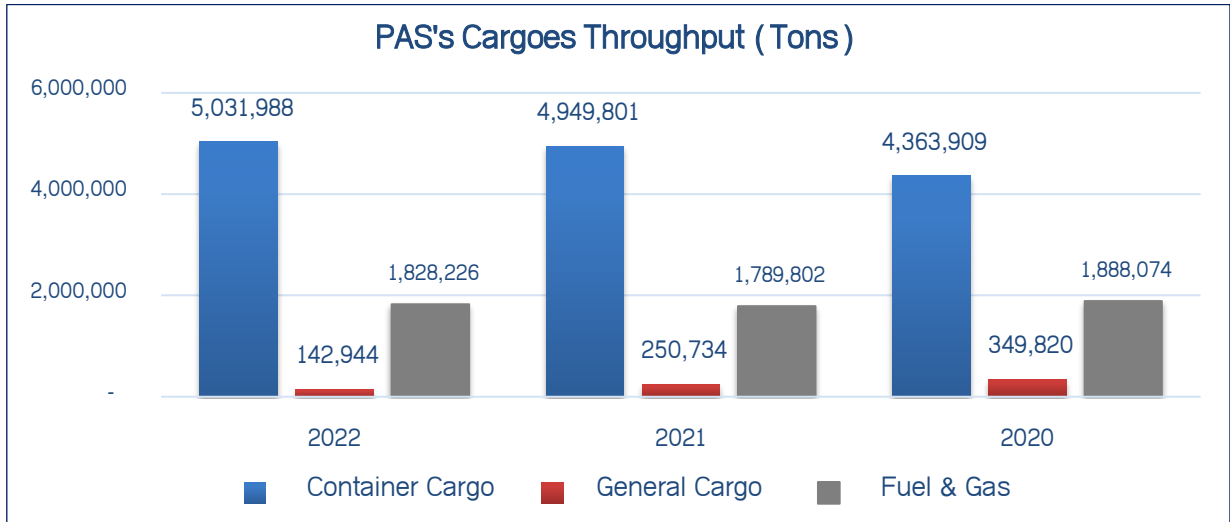
- PAS's Business-Operation Performance 2021
- PAS's Performance Target for 2022
- Approval on Dividend Distribution to Shareholders for Fiscal year 2021.
 - Shareholders class "B" amounted to KHR 5,300,000,000.
 - Shareholders class "C" 10% of IPO price (KHR 5,040), equivalent to KHR 10,807,267,968.
- Approval on Remuneration for Board of Directors and State controller 2022.

E. Market Situation

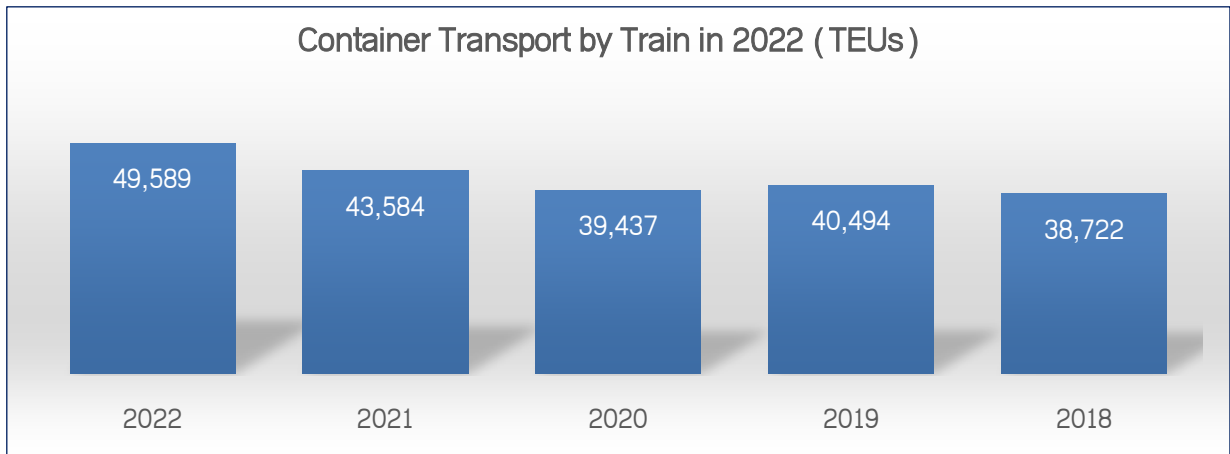
PAS's market condition is strongly relied on the container traffic. We found that in this 2022 of the container volume is amounted to 750,148 TEUs compared to 2021 the growth of container volume (TEUs) was approximately 2.43% equal to 17,761 TEUs and increased by 16.87% equal to 107,306 TEUs compared to 2020. Based on the volume of PAS's export and import container throughputs, the export containers for 2022 increased by 2,792 TEUs equivalent to 0.79% compared to 2021, while the volume of import containers increased by 14,969 TEUs equivalent to 3.94%.



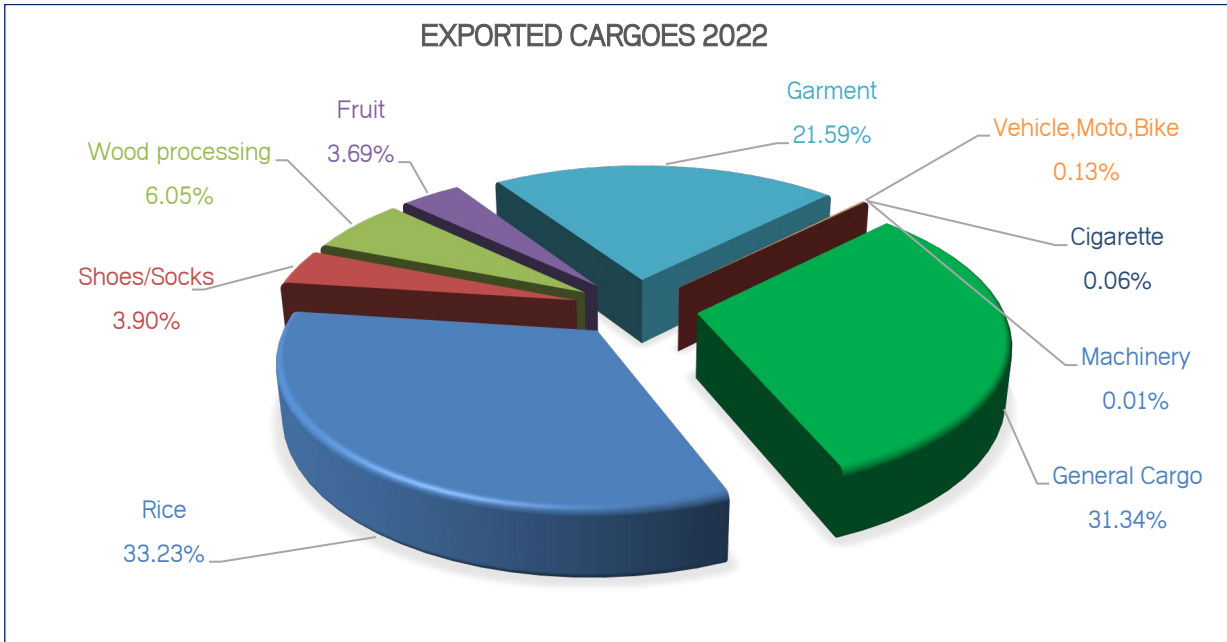
Considering of PAS's cargo throughputs of 2022, it is amounted to 7,003,157 tons with an increase by 0.18% equivalent to 12,820 tons compared to 2021 and increased by 401,354 tons equivalent to 6.08% compared to 2020. Among the cargo throughput in 2022, containers cargo increased by 1.66% equal to 82,187 tons and Fuel & gas increased by 2.15% equal to 38,424 tons. Whereas the general cargo decreased by 42.99% equal to 107,791 tons compare to 2021.



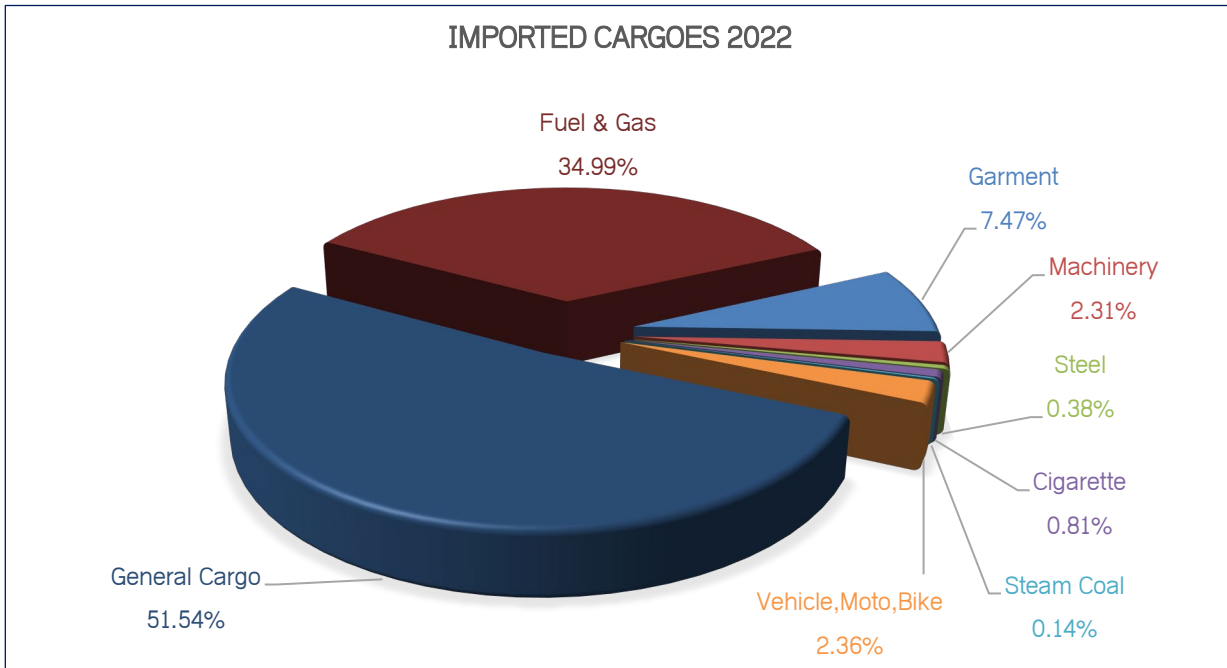
From 2014 to present, some containers transported by train via PAS has facilitated a certain part of traffic congestion on National Road No. 4 as well as giving choices for PAS's customers in transporting cargo in and out of the port. We found that in 2022 PAS's container throughput by train equivalent to 49,589 TEUs increased by 13.78% equal to 6,005 TEUs compared to 2021.



Actually, the commodities of exported cargoes with the total amount of 1,777,921 tons in 2022 which decreased by 0.48% equivalent to 8,597 tons if compared to 2021. In this 2022, the rice cargoes amount to 33.23% equal to 590,717 tons, the biggest exported cargoes, while the general cargoes amount to 31.34% equal to 557,231 tons. Besides, the Garment amount to 21.59%, Wood processing 6.05%, Shoes/Socks 3.90%, Fruit 3.69%, Machinery 0.01% and vehicle/motor/bike 0.13% of the total amount of PAS's exported cargoes in 2022.



The total amount of imported cargoes via PAS in 2022 is 5,225,236 tons which increased by 0.41% equivalent to 21,417 tons if compared to 2021. Among the imported cargoes, general cargoes amount to 51.54%, Fuel 34.99% and Garment 7.47% of the total amount of imported cargoes in 2022. For cargo commodities such as Machinery consist of 2.31%, Vehicle/Motor/bike 2.36%, Cigarette 0.81%, Steel 0.38%, and Steam Coal 0.14% of the total amount of imported cargoes in 2022.



F. Competitive Situation

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

- **Geographical Advantages**

- PAS is located in the bay of Preah Sihanouk province which is convenient for cargo transportation to the main international markets. The shipment of cargo from PAS to various ports in the Asia Pacific does not need to transit through any hub ports in the region, i.e. the shipment of cargo can be performed directly. Besides, cargo shipment to the ports in Hong Kong or Singapore which are gateways to Europe and the US markets is also convenient.
- PAS is rarely affected by such natural disasters as tidal storms and earthquake because this bay is composed of favorable natural conditions.
- The vessel alongside berth is not required to dredge much sand and sediment, that's why PAS does not need to spend much fund on dredging of navigation channel.

- **Modernized Infrastructures**

- PAS has equipped adequate infrastructure to serve its business operation such as VTMS (Vessel Traffic Management System). At present, PAS's container handling capacity reached 800.000 TEUs after additionally installed 1 unit of QC, 2 units of RTGs, and 4 additional units of Empty Reach stackers. This factor has enabled PAS's productivity to increase more and to reduce cargo congestion.

- **Promotion of Work Efficiency**

- The work efficiency has been improved by strengthening the management process in compliance with good governance after listing for stock exchange.
- The use of modern technology for performing the operational process is supported by the additional installation of such facilities as Rubber Tyred Gantry Cranes (RTG) and Quay Cranes (QC).
- The management have provided training and encouraged the personnel and employees, especially in carrying out their direct duties in order to reinforce the spirit and mental strength in an effort to accomplish reliable services for the customers.

- **Service Charges with Competitive Manner**

- PAS still keeps its service charges in a competitive manner in order to attract more customers and strengthen its service quality.

- **Keeping Good Relations with Stakeholders**

- PAS has kept good relations with its customers through an effort to satisfy their demands and accepted opinion and constructive criticism to realize its shortages with the aim to conduct further improvement.
- PAS has also maintained a good cooperation with ports in the region in sharing information and mutual experiences to improve its services.

G. Future Plan

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

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

- ❖ Installation plan of heavy container handling machinery

From 2022 to 2024, PAS is planning to install 2 units of QCs and 6 units of RTGs. After the installment of 2 units of QCs, 4 units of RTGs and 8 units of trucks and trailers, PAS's container handling capacity has reached 800,000 TEUs per year starting from 2022.

Summary of the Project	
Project Period	From 2022-2024
Project Purpose	Enhance PAS's container yard handling capacity
Expected Outcomes	Enhance container handling capacity up to 800,000 TEUs per year starting from 2022
Important Inputs of the Project	<ul style="list-style-type: none">- Install 2 units of QCs and 6 units of RTGs and 8 units of Trucks and Trailers in 2022 to enhance container handling capacity up to 800,000 TEUs per year.- To expand QC runway of 25 meters in PAS's container yard to allow 2 container vessels to dock and improve the container handling capacity with efficiency and productivity. (Have prepared in the Budget Plan of 2022)
Project Operating Agent	PAS is the operating agent
Financial Source	PAS's own fund
Estimated Cost	USD 21,037,000.00

- ❖ Renovation project of New Wharf (Constructed in 1969, 350m in length) to Container Terminal with 253m in length

The volume of containers throughput in PAS has increased significantly, reaching 750,148 TEUs in 2022. PAS expects further growth along with Cambodia's economic growth after the end of the Covid-19 outbreak.

With increasing container volumes in the future, PAS expects to exceed its container handling capacity (800,000 TEUs by 2023), despite the purchase of additional container handling equipment and yard expansion work.

Therefore, the renovation of the new wharf (Constructed in 1969, 350m in length) to become additional container terminal with 253m in length, which currently has only two terminals.

Summary of the Project	
Project Period	From 2022-2024
Project Purpose	Enhance PAS's container yard handling capacity
Expected Outcomes	Enhance container handling capacity up to 800,000 TEUs per year starting from 2023
Important Inputs of the Project	<ul style="list-style-type: none"> • Renovating of the new wharf (constructed in 1969, 350m in length) to container terminal with 253m in length. • Drilling foundations road for container loading equipment at port (QC) • Paving work for RTG (Warehouse No.5 area excluding from RTG yard) and draining system, etc.
Project Operating Agent	PAS is the operating agent
Financial Source	Remaining JICA loan from CP-P10
Estimated Cost	USD 10,107,000.00

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

From 2022 to 2026, the New Container Terminal Project (Phase 1) with 350m in length by 14.5m depth, together with the installation of heavy container handling equipment including: 3 units of QC, 9 units of RTG and other container handling equipment.

This project was awarded a financial loan by JICA and planned to start the construction at the end of 2022 and expected to be completed in 2026.

Summary of the Project	
Project Period	From 2022 to 2026
Project Purpose	To enhance container handling capacity of Sihanoukville port which is the sole deep-sea port of Cambodia and the efficiency of Cambodian logistics by the construction of a new container terminal with 350m in length by 14.5m depth and develop other facilities in order to allow larger container vessels with the capacity to store 4,000 TEUs (60,000 DWT) to dock (93% of the container vessels in Asia-Pacific region). The new container terminal construction project is expected to be completed and fully operate at the end of 2026 which has the capacity to handle container passing through of 450,000 TEUs per year, allowing PAS's handling capacity to increase furthermore up to 1,250,000 TEUs per year in 2026 (additional capacity of the new wharf of 100,000 TEUs per year) as well as the Ocean Freight Cost that will similar to neighboring

	countries and the region, and contribute to trade facilitation and the development of Cambodian socio economy.
Expected Outcomes	Container handling capacity will reach 1,250,000 TEUs per year when this new container terminal is launched for operation in the upcoming year of 2026.
Important Inputs of the Project	Construction of a new Container Terminal with 350m in length by 14.5m depth, container yard and port facilities and dredging of vessel basin and navigation channel with 4km in length by 13.5m depth. Installation 3 units of QCs, 9 units of RTGs, 2 units of Empty Reach Stackers, and 16 units of trucks and trailers, and 1 set of Auto container terminal management system, etc.
Project Location	Located in the east of the existing container terminal and on the surface of sea water adjacent to the breakwater with the distance approximately 300m from the seashore and connected with the access bridge from land area to the container terminal. The total land area is 17.5 hectares.
Project Operating Agent	PAS is the project operating agent, and the Ministry of Economy and Finance is the Employer.
Financial Source	JICA loan (No. CP-P21), sub-loan by the Ministry of Economy and Finance
Estimated Cost	JPY 23,502,000,000 approximately USD 203,000,000.00
Stages of Project Implementation	<p>Stage 1: Pre-qualification study and financial preparation (2016-2017)</p> <p>First step (2016 to 2017): JICA study team conducted a study and prepared a report on pre-qualification of the new container terminal development project of Sihanoukville port.</p> <p>Second step (2016-2017): JICA study team conducted a study and evaluated the financial conditions of Sihanoukville Autonomous Port new container terminal development project and signed the financial loan Agreement No. CP-P21 on 7th August 2017.</p> <p>Stage 2: Selection of project consultants (2018-2019)</p> <p>The selection of project consultant was carried out in accordance with the procedures of Single Source Selection (SSS). The process in each step must be approved in principle by the two ministries in charge (MEF & MPWT) and JICA. This consulting service consists of the study on engineering detailed design, civil construction and procurement of heavy container handling equipment, and monitoring work upon the completion of the project.</p>

	<p>Nippon-Koei & Oriental Consultants Global JV (Japanese Company) have signed the contract with PAS in August 2019.</p> <p>Stage 3: Preparation for engineering detailed design, assistance for bidding, selection of construction company/contractor, and heavy container handling equipment procurement company (2019-2020)</p> <p>First step (2019-2020): Preparation for engineering detailed design for (1) civil construction work (Packag-1) and (2) procurement of heavy container handling equipment (Packag-2)</p> <p>NK-OCG JV Consultant company has started the preparation for engineering detailed design and the bidding document for the construction contractor since July 2019 which submitted to PAS in June 2020. However, for the engineering detailed design work has been modified to comply with the trade agreement, as well as due to the global impact of COVID-19 that causing the project to delay and resubmitted to PAS in November 2021.</p> <p>Second step (2021-2022): (1) Selection of construction company/ contractor for the new container terminal (Packag-1) (2022-2023) and (2) selection of heavy container handling equipment procurement company (Packag-2) (2022-2023). The selection procedures of the construction and procurement companies shall be implemented in accordance with the procedures of the International Competitive Bidding (ICB) and must be agreed in principle from the two ministries in charge (MEF & MPWT) and JICA.</p> <p>Stage 4: Construction stage of a new container terminal and procurement of heavy container handling equipment (2023-2026)</p> <ul style="list-style-type: none"> - First step (2023-2026): the construction of a new container terminal shall be commenced in the middle of 2022 and expected to be completed in 2025 (36 months). - Second step (2023-2026): the procurement of heavy container handling equipment shall be commenced in 2023 and completed in 2025 (28 months). <p>Stage 5: Maintenance and repair period (LDP) (2026 to 2027)</p> <p>The maintenance and repair period of the project shall last for 1 year:</p> <ul style="list-style-type: none"> - New container terminal construction work (2026-2027) - Procurement of heavy container handling equipment (2026-2027).
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<p>Progress of the Project</p>	<ul style="list-style-type: none"> - The loan Agreement was signed on 7th August 2017. - The loan Agreement was effective on 7th November 2017. - The loan Agreement expire on 7th August 2025. - Consultant Agreement between PAS and NK-OCG JV signed on 8th August 2019. - Consultation service for engineering detailed design and the preparation of bidding document for the construction contractor started since July 2019 and expected to complete in June 2020. However, the project has been delayed due to the impact of global pandemic COVID-19 and the modification of engineering detailed design in accordance with the trade agreement, and the revised bidding document were resubmitted to PAS in November 2021. - Until the beginning of March 2023, the selection of construction companies has reached the stage of evaluating the technical stage of the bidding company. As a result, Penta-Ocean & Rinkai JV and TOA Corporation has passed the technical stage. JV CHEC & SUMEC did not passed the technical stage. The Technical Assessment Report (BER) has submitted to JICA for review and decision in early March 2023.
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- ❖ New container terminal construction project, New Deep-Phase 2 (400m in length by 16.5m depth) and Phase 3 (430m in length by 17.5m depth) financed by Japanese loan

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

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

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

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

2- New container terminal (Phase 3) 430m in length by 17.5m depth

- Capacity of vessel with 160,000 DWT, average containers of 15,000 TEUs will be able to dock and install heavy container handling equipment as well as other necessary Container terminal operating system (TOS).

Summary of the Project	
Project Period	From 2022 to 2030
Purpose of the Project	To support trade and business facilitation in Cambodia, reduce the time and logistic cost, which ensure the sustainability of import and export cargoes, competitiveness, quality service and non-congestion in the future. To meet the Cambodia Industrial Development Policy 2015-2025, PAS need to develop and built a new container terminal –Phase 2 (400m in length by 16.5m depth) and Phase 3 (430m in length by 17.5m depth). The vision is to develop PAS into the only effective and prosperous deep-sea port to contribute to the improvement of the logistics sector and socio-economic development in the Kingdom of Cambodia. The new terminal project will be able to attract large container vessels with shipping routes in the Asia-Pacific, Europe and the United States directly to Cambodia without needing to transfer at various ports, taking advantage of the economic benefits of reducing costs and saving time on shipping. Besides, PAS is becoming a potential regional port, especially to support national economic growth and reduce poverty for Cambodian and connect Cambodia to the region and the world.
Results	Container handling capacity has reached 2,500,000 TEUs per year in the same period
Expected Outcomes	The new container terminal Phase 2 and Phase 3 is expected to launch for operation in the upcoming 2030.
Important Inputs of the Project	<p>1-New container terminal (Phase 2) 400m in length by 16.5m depth (Capacity of vessel with 120,000DWT, average containers of 10,000TEUs) and install heavy container handling equipment as well as other necessary Container terminal operating system, TOS.</p> <p>2-New container terminal (Phase 3) 430m in length by 17.5m depth (Capacity of vessel with 160,000DWT, average containers of 15,000TEUs) and install heavy container handling equipment as well as other necessary Container terminal operating system, TOS.</p>
Location of the Project	To be connected from the 350m in length container terminal on the surface of the sea water adjacent to the breakwater with the distance approximately

	650m in length from the seashore and connected with an access bridge from the land area to the container terminal. The total land area is 42.5 hectares.
Operating Agent	PAS is the project operating agent and the Ministry of Economy and Finance is the employer.
Financial Source	JICA loan (No. CP-P21), sub-loan by the Ministry of Economy and Finance
Estimated Cost	JPY 64,973,000,000.00 equivalent to USD 570,000,000.00 (Received the first JICA loan: JPY 41,388,000,000, equivalent to approximately USD 360,000,000,000)
Stages of the Project	<p>Stage 1: Pre-qualification study and financial preparation (2021-2022)</p> <ul style="list-style-type: none"> - 2021-2022: JICA survey team is studying and preparing a report on the pre-qualification study of new container terminal development project Phase 2 and Phase 3 together, and financial evaluation of this new container terminal development project Phase 2 and Phase 3 together in order to provide financial loan. <p>Stage 2: Selection of project consultants (2022-2023)</p> <ul style="list-style-type: none"> - Selection of consultant companies for Container Terminal Expansion Project - Phase 2 and Phase 3: following the Shortlisted Consultants Procedures by development partners. The consultant services include civil engineering design studies for NCT2 & NCT3, preparation bidding document assistance, and construction supervision for construction, recruitment of construction contractors for NCT2 & NCT3, heavy machinery supply, container handling, and supply ship operation and inspection work during the warranty period of the construction period. <p>Stage 3: Preparation for engineering detailed designs and assistance for bidding in the selection of construction contractor/company and modern heavy container handling equipment procurement company (2023-2024).</p> <ul style="list-style-type: none"> - First step (2023-2024): Preparation of engineering detailed designs for (1) civil construction-Phase 2 (Package-1) and (2) Heavy container handling equipment (Package-2) and (3) Operation Ship Work (Package-3). - Second step (2023-2024): Selection of engineering design for civil construction-Phase 3 (Package-4). - Third step (2023-2024): Selection of construction company-Phase 2 (Package-1) (2) Heavy container handling equipment (Package-2) and (3) Operation Ship Work (Package 3).

	<ul style="list-style-type: none"> - Fourth step (2024-2025): (1) Selection of construction company-Phase 3 (Package-4). The procedure for the selection of construction and procurement companies shall be carried out in accordance with the procedures of the International Competitive Bidding (ICB). <p>Stage 4: Construction stage of the new container terminal – Phase 2 and 3, and the procurement of modern heavy container handling equipment (2025-2029)</p> <ul style="list-style-type: none"> - First step (2025 to 2028) (36 months): The construction of a new container terminal Phase 2 (Package-1) (2) Heavy container handling equipment (Package-2) (3) Operation Ship Work (Package-3). - Second step (2026-2029) (48 months): The construction of a new container terminal-Phase 3 (Package-4). <p>Stage 5: Maintenance and repair period (LDP) (2028 to 2030)</p> <p>The maintenance and repair guarantee period shall last for 1 year.</p>
Progress of the Project	<p>On December 12, 2022, PAS invited 5 Shortlisted Consults companies provided by JICA, including: 1). Environmental Consultants for Ocean and Human (ECOH Corporation), 2). Japan Port Consultants, Ltd (JPC), 3). Nippon Koei Co., Ltd (NK), 4). Oriental Consultants Global Co., Ltd (OCG) and 5). The Overseas Coastal Area Development Institute of Japan (OCDI) is accepting applications (RFP) with a deadline of February 13, 2023 at 2:00 p.m. As a result, two companies refused to participate in the RFP, including: 1) Environmental Consultants for Ocean and Human (ECOH Corporation) and 2). Japan Port Consultants, Ltd (JPC). The other three companies made a Joint Venture by submitting a joint proposal (RFP) together with JV-Nippon Koei and Oriental Consultant Global in association with OCDI and opened a proposal (RFP) by the Procurement Oversight Committee.</p>

H. Risk Factors

In this 2022, PAS did not analyze about risk factors.

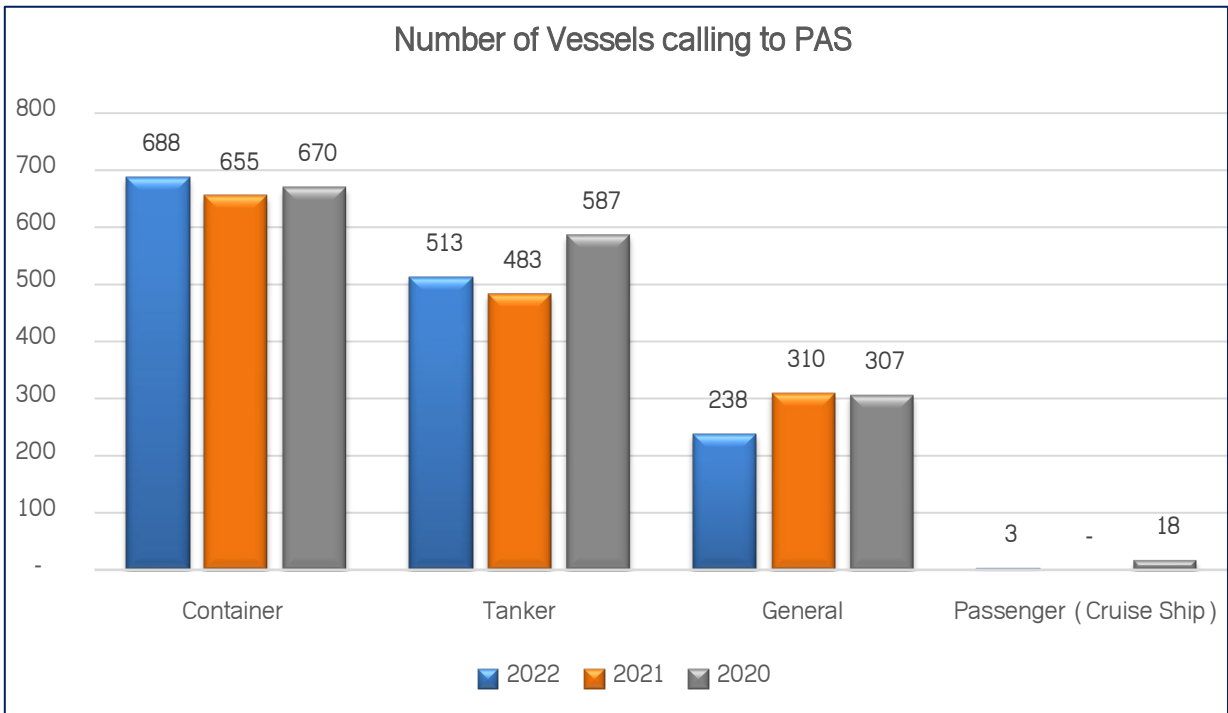
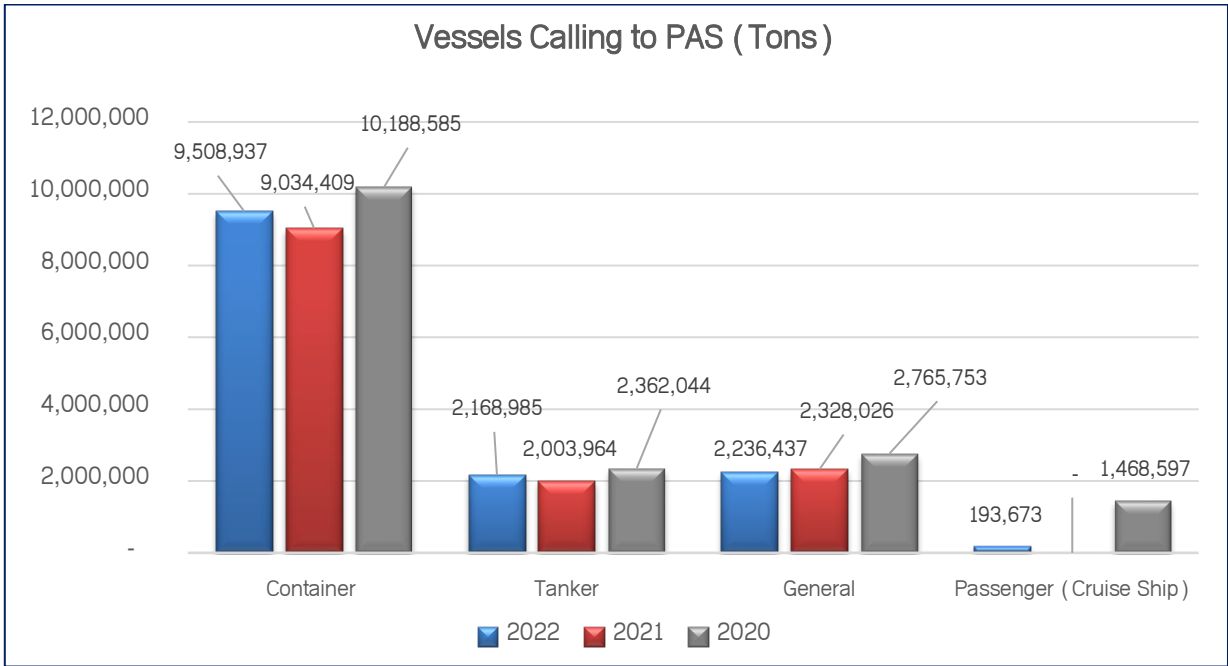


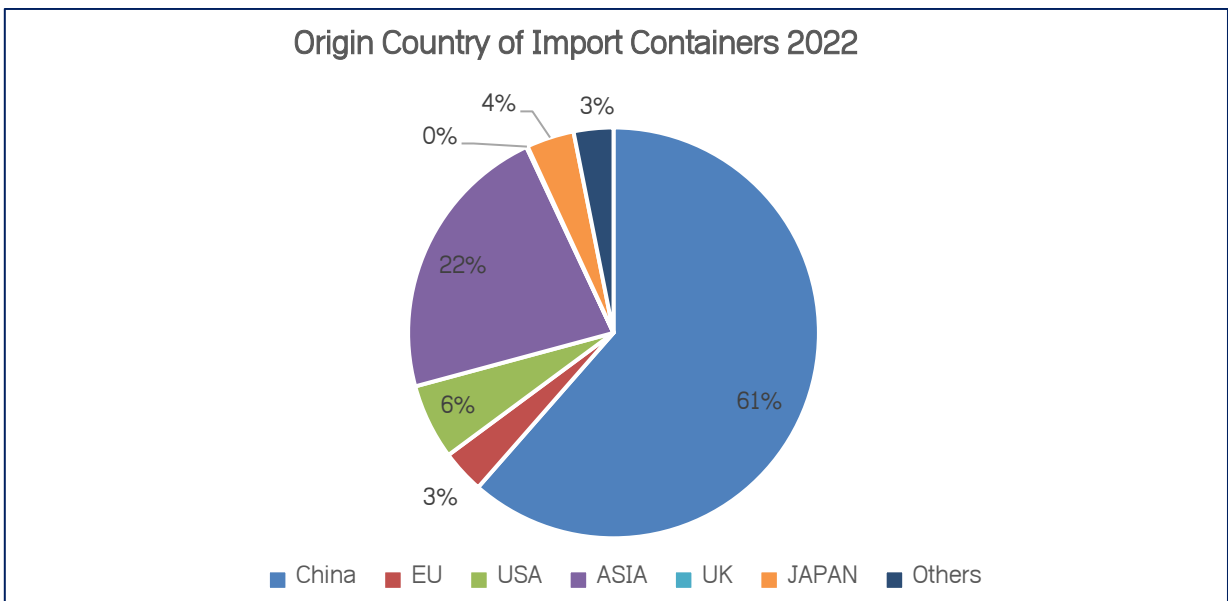
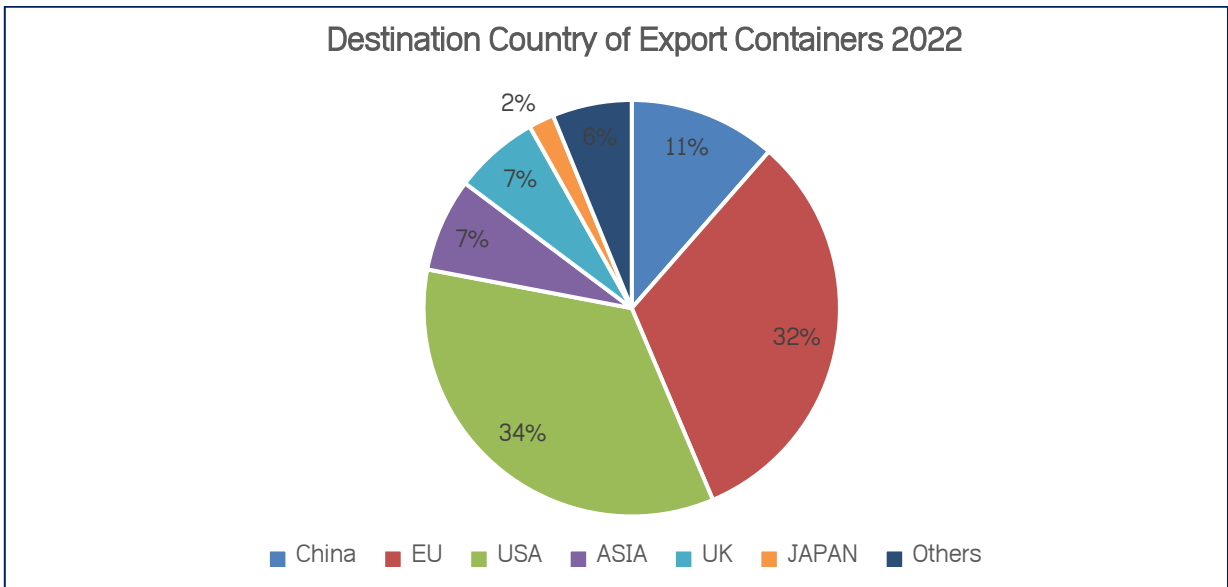
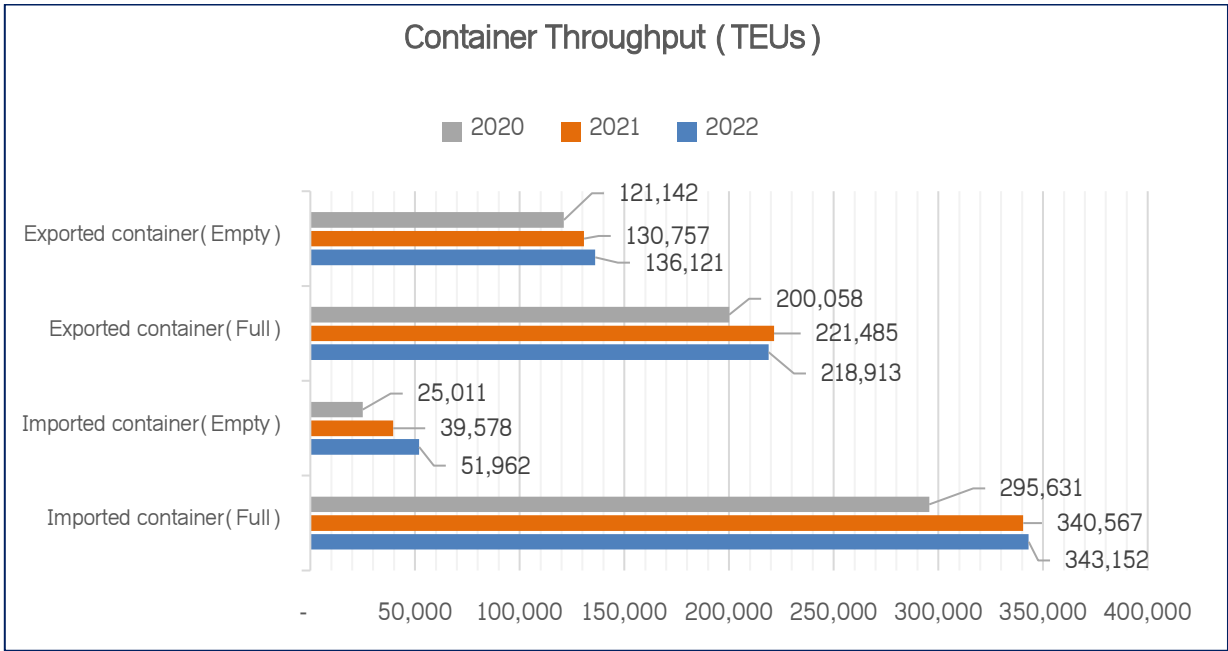
PART: 2
**Information on Business Operation
Performance**



A. Business Operation Performance including business segments information

Items	Planning 2022		2022	2021	2020	Comparison		
		1	2	3	4	(2-1)/1	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,418,000	7,003,157	6,990,337	6,601,804	-5.59%	0.18%	6.08%
Container Cargo	—	-	5,031,988	4,949,801	4,363,909		1.66%	15.31%
General Cargo	—	-	142,944	250,734	349,820		-42.99%	-59.14%
Fuel	—	-	1,729,700	1,737,047	1,804,352		86.76%	17.68%
Gas			98,525	52,755	83,722		0.41%	6.91%
Imported Cargo	—	5,564,000	5,225,236	5,203,819	4,887,684	-6.09%	0.41%	6.91%
Container	—	-	3,254,499	3,191,187	2,670,770		1.98%	21.86%
General	—	-	1,970,737	2,012,632	2,216,914		-2.08%	-11.10%
Exported Cargo	—	1,854,000	1,777,921	1,786,518	1,714,120	-4.10%	-0.48%	3.72%
Container	—	-	1,777,489	1,758,614	1,693,140		1.07%	4.98%
General	—	-	432	27,904	20,980		-98.45%	-97.94%
Cargo Handling	—	10,298,000	11,239,434	10,199,148	8,954,317	9.14%	10.20%	25.52%
Direct Transfer	—	220,000	121,180	201,923	208,329		-39.99%	-41.83%
Container Yard and Warehouse	—	10,078,000	11,118,253	9,997,225	8,745,988		11.21%	27.12%
Container Throughput	TEUs	787,000	750,148	732,387	641,842	-4.68%	2.43%	16.87%
Imported Container	—	-	395,114	380,145	320,642	0.00%	3.94%	23.23%
Full Container	—	-	343,152	340,567	295,631		0.76%	16.07%
Empty Container	—	-	51,962	39,578	25,011		31.29%	107.76%
Exported Container	—	-	355,034	352,242	321,200	0.00%	0.79%	10.53%
Full Container	—	-	218,913	221,485	200,058		-1.16%	9.42%
Empty Container	—	-	136,121	130,757	121,142		4.10%	12.36%
Calling Vessels	Units	1,450	1,442	1,582	1,662	-0.55%	-8.85%	-13.24%
	Tons	14,128,000	14,108,032	13,366,399	16,784,979	-0.14%	5.55%	-15.95%
Container	Units	-	688	655	670		5.04%	2.69%
	Tons	-	9,508,937	9,034,409	10,188,585		5.25%	-6.67%
Tanker	Units	-	513	483	587		6.21%	-12.61%
	Tons	-	2,168,985	2,003,964	2,362,044		8.23%	-8.17%
General	Units	-	238	310	307		-23.23%	-22.48%
	Tons	-	2,236,437	2,328,026	2,765,753		-3.93%	-19.14%
Passenger (Cruise Ship)	Units	-	3	-	18		100%	-83.33%
	Tons	-	193,673	-	1,468,597		100%	-86.81%
	Person	-	231	-	17,789		100%	-98.70%





B. Revenue structure

Description	2022		2021		2020	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	164,873,445	47.96%	158,566,499	46.32%	144,838,339	46.45%
LOLO Charge	96,920,196	28.20%	100,602,046	29.39%	83,821,775	26.88%
Port Charge for Vessel Services	62,285,050	18.12%	65,016,267	18.99%	67,583,985	21.67%
Storage (Warehouse and Yard)	15,516,975	4.51%	14,374,488	4.20%	11,377,785	3.65%
Transportation	92,090	0.03%	122,326	0.04%	64,813	0.02%
Passenger vessel	0	0.00%	0	0.00%	265,645	0.09%
Special Economic Zone	2,374,696	0.69%	2,195,869	0.64%	2,407,722	0.77%
Rental fee	1,385,553	0.40%	1,168,248	0.34%	1,140,831	0.37%
Other revenues	295,539	0.09%	303,486	0.09%	312,874	0.10%
Total Revenue	343,743,545	100.00%	342,349,229	100.00%	311,813,769	100.00%

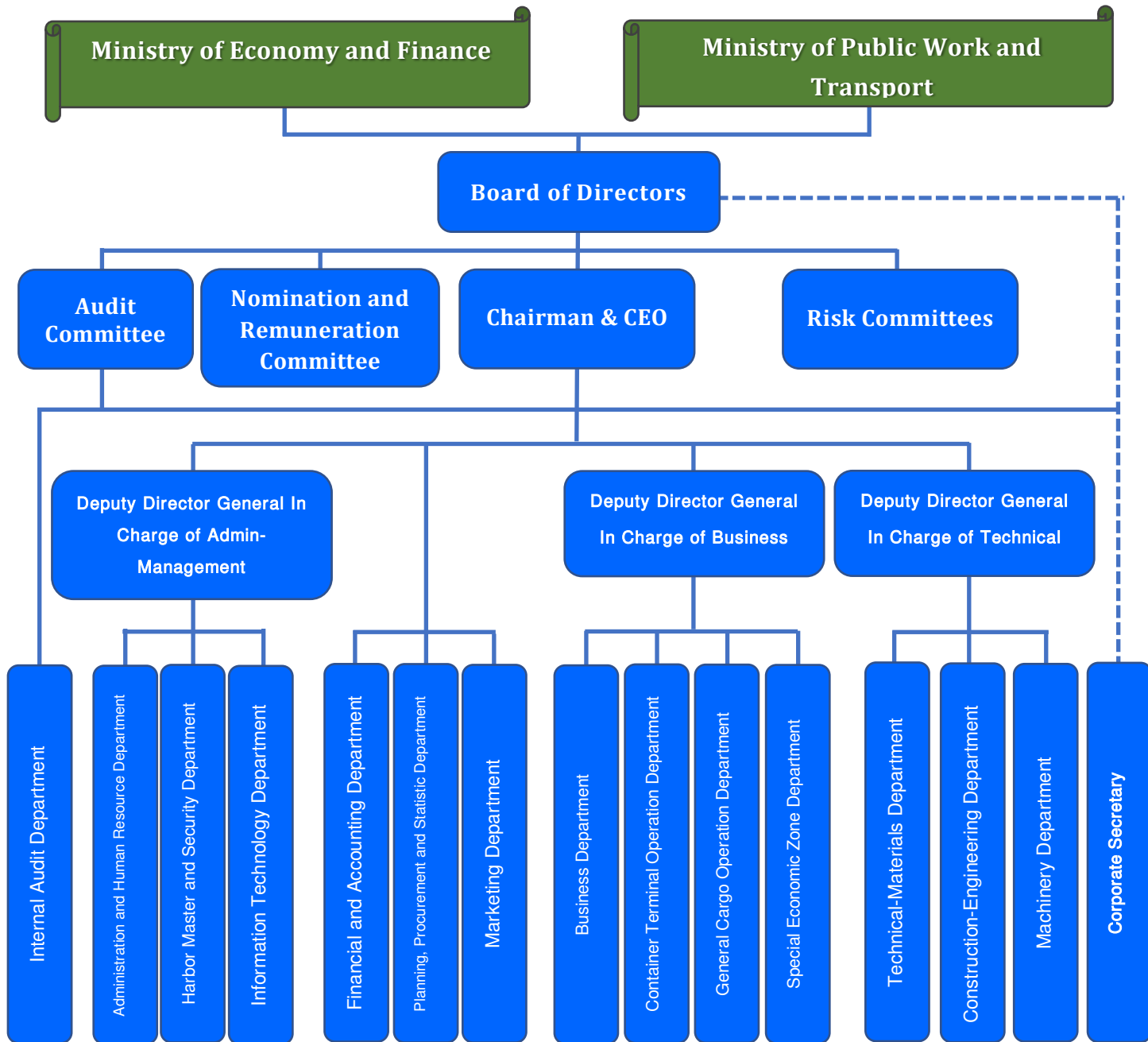


PART 3:
Information on Corporate
Governance



A. Organization Structure

Organization chart of Sihanoukville Autonomous Port



B. Board of Director

Board Composition

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

C. Senior Officers

Senior Officers Composition

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

17	Mr. Men Chann	Male	Director of Internal Audit Department
18	Mr. Sorm Karaney	Male	Director of Information Technology Department
19	Mr. Mean Koeung	Male	Director of Construction-Engineering Department

Note: Detail information of corporate governance is attached as appendix



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



A. Information on Equity Securities

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

B. Securities' Price and Trading Volume

Stock Properties		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Trading Price (Riels)	Maximum	13,360	14,100	14,300	14,100	14,320	14,500	13,860	13,680	13,280	13,000	13,240	13,320
	Minimum	13,280	13,280	13,760	13,840	13,880	13,800	13,680	13,180	12,800	12,800	12,980	12,920
	Average	13,317	13,560	14,032	13,945	14,038	14,224	13,773	13,361	13,120	12,902	13,129	13,104
Trading Volume	Maximum	2,070	7,320	10,250	3,511	5,312	21,795	5,076	7,047	11,853	3,844	1,559	4,627
	Minimum	49	158	217	96	107	239	94	83	77	138	108	36
	Average	828	2,736	1,940	1,095	1,810	4,248	1,265	1,354	1661.714	1,082	708.5789	1,229

C. Controlling Shareholders (30% or more)

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

D. Substantial Shareholders (5% or more)

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

E. Informaiton on Dividend distribution in last three years

Details of Dividend Distribution	2021	2020	2019
Net Profit	93,707,390,000 Riels	26,607,594,000 Riels	43,463,500,000 Riels
Total Cash Dividend	16,107,267,968 Riels	12,174,649,276 Riels	12,174,649,276 Riels
Total Share Dividend	N/A	N/A	N/A
Other Dividend	N/A	N/A	N/A
Dividend Payout Ratio (%)	17,19%	45.76%	31.12%
Dividend Yield (%)	10,00%	8.00%	8.00%
Dividend per Share	504 Riels	403 Riels	403 Riels



PART 5:
Internal Control Audit Report by
Internal Auditor



Part A: Executive Summary

1. Background

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

2. Key Risks

Generally, the risks are included:

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

Individually, the auditor has identified a number of key risks in the audits of the aforesaid auditees, as follows:

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

3. Audit Scope

The process of this audit covered the activities of management and operation carried out by the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Construction-Engineering, Technical-Materials, Marketing, Information and Technology, Special Economic Zone, Machinery and Electrical Mechanics, Administration and Human Resource, Planning-Procurement and Statistics, and Accounting and Finance for the fiscal year 2022. The collection of audit information and audit performance was conducted at the Department of Internal Audit of PAS. The audit work team will report only deficiencies and critical points to be recommended for improvement.

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

4. Audit Objective

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

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

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

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

- Strengthening of compliances, implementation efficiency, and work effectiveness;
- Strengthening of management, operation, and maintenance of equipment, materials, and tools;
- Strengthening of technical skills in implementation, maintenance and repair of machinery;
- Strengthening the implementation efficiency of the information system and promotion of information on the website;
- Strengthening the efficiency of business operation-service, environmental protection, and property in the SEZ;
- Strengthening the efficiency of management and maintenance of generators;
- Strengthening of compliances and implementation efficiency of PAS Internal Regulation;
- Strengthening of debt management efficiency and PAS's operational turnover; and
- Strengthening the efficiency of state property management.

5. Audit Approach

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

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

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

6. Summary of Key Findings

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

1. Work involvement report in the first quarter of 2022;
2. Long-stayed cargoes in PAS's warehouse No. 4;
3. Fuel consumption report for cargo handling facilities;
4. Inventory report of vehicles and machinery;
5. Fire prevention system in warehouses Nos. 3 and 5;
6. Navigational means (Tugboats);
7. Ship fenders;
8. The evolution report of the department of construction-engineering;
9. The table of vehicles & machinery of the construction-machinery unit;
10. The evolution report of the department of technical-materials;
11. Technical training skills in machinery maintenance-repair;
12. Report on the interview with representatives of shipping lines, dry ports, Cambodia logistics association, and Cambodia trucking association, on the operational service and import-export via PAS gateway;
13. Draft of marketing strategic plan 2023-2025;
14. PAS's present Website;
15. PAS's mobile App (Mobile application program);
16. Report on the operational-service turnover in the third quarter of 2022 in the Special Economic Zone of Sihanoukville port (SEZ);
17. Environmental status around the service apartment and dormitory;
18. Training on technical and machinery driving skills;
19. Report on generators and maintenance;
20. Disciplinary principles and work time of PAS's employees and workers working in the operational areas and indirect workplaces (Departments);
21. Payroll salary table for employees within the PAS framework;
22. Bidding documents of goods procurement for the first semester of 2022;
23. Summary report on 2022 operational output;
24. Report of debt that customers owe to Sihanoukville Autonomous Port; and
25. Table of Total Inventory Fixed Assets for 2022.

7. Overall Conclusion

Based on the audit findings for the 2022 fiscal year in the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Construction-Engineering, Technical-Materials, Marketing, Information and Technology, Special Economic Zone, Machinery and Electrical Mechanics, Administration and Human Resource, Planning-Procurement and Statistics, and Accounting and Finance, the audit work team observed that a number of internal controls were well prepared and with contributions from officials, staffs, and workers at all levels, despite a number of performances have not been completed and sufficed to guarantee the efficiency of internal controls in the future. The audit work team has remarked that the foregoing deficiencies are related to law compliance, implementation efficiency, and work effectiveness in the management of state property which must be gradually strengthened and improved.

8. Corrective Measures

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

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

9. Acknowledgements

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

Part B: Detailed Findings

1. Component of Participation and Key Milestones

1.1 Members of the Audit Work Team

- Mr. Men Chann Director of Internal Audit Team Leader

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

1.2 Auditees' Join Component

1.2.1 Department of Business

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

1.2.2 Department of Container Terminal Operation

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

1.2.3 Department of General Cargo Operation

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

1.2.4 Department of Harbor Master-Pilotage and Security

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

1.2.5 Department of Construction & Engineering

-	Mr. Mean Koeung	Director	Auditee
-	Mr. Ngim Nhar	Deputy Director	Auditee
-	Mr. Chhim Hor	Deputy Director	Auditee

1.2.6 Department of Technical-Materials

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

1.2.7 Department of Marketing

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

1.2.8 Department of Information & Technology

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

1.2.9 Department of Special Economic Zone

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

1.2.10 Department of Machinery-Electrical Mechanics

- Mr. Kim Hor Director Auditee
- Mr. Yem Sal Office Chief Auditee

1.2.11 Department of Administration & Human Resource

- Mr. Rath Sela Director Auditee
- Mr. San Chhon Deputy Director Auditee

1.2.12 Department of Planning-Procurement and Statistics

- Mr. So Seang Director Auditee
- Mr. Ouk Somethy Deputy Director Auditee
- Mr. Khem Sitha Deputy Director Auditee

1.2.13 Department of Accounting & Finance

- Mr. Pith Prakath Director Auditee
- Mr. Sam Sopheap Deputy Director Auditee
- Mr. Ou Sovanrith Deputy Director Auditee
- Mr. Sem Sophea Deputy Director Auditee

1.3 Key Milestones

The key milestones in the audit process are as follows:

- | | |
|--|------------------|
| ➤ The first draft was completed on | January 23, 2023 |
| ➤ The audit was completed on | January 25, 2023 |
| ➤ Last responses of the auditee management | January 27, 2023 |
| ➤ Final report | January 30, 2023 |

2. Internal Audit Overview

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

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

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

3. Internal Control Review

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

4. Information about the Auditees

The Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Construction-Engineering, Technical-Materials, Marketing, Information and Technology, Special Economic Zone, Machinery and Electrical Mechanics, Administration and Human Resource, Planning-Procurement and Statistics, and Accounting and Finance are subject to the management of Sihanoukville Autonomous Port in accordance with Sub-Decree No.50 ANKr.BK dated July 17, 1998, which defines the Establishment and Functioning of Sihanoukville Autonomous Port (PAS) and the process pursuant to the definition of structures and task-duties for the respective departments under the PAS's management dated

January 27, 2016, and the decision to amend the structure and complement of task-duties dated January 31, 2020.

4.1 Department of Business

The Department of Business of Sihanoukville Autonomous Port (PAS) employs 14 officials and staff in total, including 03 women, and is led by 01 Director with 06 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 064/SSR/PAS/BSN dated April 09, 2020:

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

4.2 Department of Container Terminal Operation

The Department of Container Terminal Operation of Sihanoukville Autonomous Port (PAS) employs 511 officials and staff in total, including 39 women, 212 contract staff, and is led by 01 Director with 01 Deputy Director and 08 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 228/SSR/PAS/CTO dated April 29, 2020:

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

4.3 Department of General Cargo Operation

The Department of General Cargo Operation of Sihanoukville Autonomous Port (PAS) employs 232 officials and staff in total, including 10 women, 65 contract staff, 05 hired staffs, and is led by 01 Director with 01 Deputy Director and 06 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 229/SSR/PAS/GCO dated April 29, 2020:

- (1) Office of Research-Development and Safety Management;
- (2) Office of Warehouse-General Cargo Yard Management;

- (3) Office of Tally-Weighbridge and Vessel Information Management;
- (4) Office of Information and Report Management;
- (5) Office of General Cargo Machinery; and
- (6) Office of Cargo Handling.

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

The Department of Harbor Master-Pilotage and Security of Sihanoukville Autonomous Port (PAS) employs 133 officials, staff, and workers in total, including 02 women, 15 contract staff, and is led by 01 Director with 05 Deputy Directors and 10 Chiefs of Offices as assistants, according to the task-duties outlined in Decision No.060/ SSR/PAS/HMPS dated April 09, 2020:

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

4.5 Department of Construction-Engineering

The Department of Construction-Engineering of Sihanoukville Autonomous Port (PAS) employs 115 officials, staff, and workers in total, including 02 women, and 45 contract staff, and is led by 01 Director with 05 Deputy Directors and 12 Chiefs of Offices as assistants, according to the task-duties outlined in Decision No. 024/SSR/PAS/SVK dated February 21, 2020:

- (1) Office of Construction-Repair and Maintenance;
- (2) Office of Electricity;
- (3) Office of Architecture-Project Study;
- (4) Office of Warehouse-Construction Materials;
- (5) Office of Construction-Procurement Documentation Management;
- (6) Office of Engineering;
- (7) Office of Measurement;
- (8) Office of Summary-Report;
- (9) Office of Construction Machinery;
- (10) Office of Fuel Station;

- (11) Office of Ship Yard; and
- (12) Office of Buoy.

4.6 Department of Technical-Materials

The Department of Technical-Materials of Sihanoukville Autonomous Port (PAS) employs 75 officials, staff, and workers in total, including 03 women, and 22 contract staff, and is led by 01 Director with 03 Deputy Directors, and 09 Chiefs of Offices as assistants:

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

4.7 Department of Marketing (MT)

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

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

4.8 Department of Information and Technology (IT)

The Department of Information and Technology of Sihanoukville Autonomous Port (PAS) employs 15 officials and staff in total, including 01 woman, and 03 volunteers, and is led by 01 Director with 01 Deputy Director and 02 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No. 115/ SSR/PAS/IT dated April 10, 2020:

- (1) Office of Research-Development & Promotion;
- (2) Office of Network Management; and
- (3) Office of Information -Technology System.

4.9 Department of Special Economic Zone (SEZ)

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

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

4.10 Department of Machinery-Electrical Mechanics (MELM)

The Department of Machinery-Electricity Mechanics of the Sihanoukville Autonomous Port (PAS) employs 67 officials and staff in total, including 01 woman, 01 hired staff, and 20 volunteers, and is led by 01 Director with 02 Deputy Directors and 04 Chiefs of Offices as assistants:

- (1) Office of Electrical Technique;
- (2) Office of Administration and Report;
- (3) Office of Machinery Repair & Maintenance; and
- (4) Office of Electrical Station Management.

4.11 Department of Administration and Human Resource (HR)

The Department of Admin-Human Resource of Sihanoukville Autonomous Port (PAS) employs 108 officials and staff in total, including 32 women, and 55 contract staff, and is led by 01 Director with 03 Deputy Directors, 07 Chiefs of Offices, and 01 assistant to H.E Delegate of the Royal Government with equivalent title to Chief of Office as assistants, according to the task-duties stipulated in Decision No.059/SSR/PAS/RB.B dated April 09, 2020:

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

4.12 Department of Planning-Procurement and Statistics (PPS)

The Department of Planning-Procurement and Statistics of Sihanoukville Autonomous Port (PAS) employs 12 officials and staff in total, including 05 women, 01 volunteer, and is led by 01 Director with 02 Deputy Directors and 04 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No.226/SSR/PAS/PLS dated April 29, 2020:

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

4.13 Department of Accounting and Finance (ACF)

The Department of Accounting-Finance Sihanoukville Autonomous Port (PAS) employs 20 officials and staff in total, including 05 women, and is led by 01 Director with 03 Deputy Directors and 04 Chiefs of Offices as assistants, according to the task-duties stipulated in Decision No.062/SSR/PAS/AC.F dated April 09, 2020:

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

5. Audit Findings

5.1 Operational Efficiency

The objective of this control is to promote the quality and efficiency of PAS's business operations in order to provide a smooth and timely service to customers and port users, and to encourage the respective auditees to perform their task-duties in accordance with the auditees' definitions and requirements and to comply with PAS's personnel statute, laws and regulations in force.

5.2 Positive Findings

The audit work team discovered that the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Construction-Engineering, Technical-Materials, Marketing, Information and Technology, Special Economic Zone, Machinery and Electrical Mechanics, Administration and Human Resource, Planning-Procurement and Statistics, and Accounting and Finance, including relevant offices and units,

have been carrying out their work in accordance with the task-duties defined by PAS, and paying close attention to implement each of the individual tasks in a responsible manner, and have contributed to providing documents to the auditor to help encourage the process of PAS's internal audit to be performed pursuant to the audit action plan and with smoothness.

5.3 Negative Findings

5.3.1 Department of Business (BSN)

5.3.1.1 Control of Work Evolvement Report in the First Quarter of 2022

According to a response to the internal control inquiry, the auditor noticed that in the first quarter of 2022 the Office of Development and Research, which is subject to the framework of the Department of Business, had not prepared to make a report on Monthly Work Evolution yet.

The aforementioned factor is yet to fully comply with Decision No. 064 SSR/PAS/BSN, which defines the preparation of the department's structure, task-duties of various offices of the Department of Business dated 09th April 2020.

This case could have arisen since the Office of Development and Research/ Auditee lacks the essential basic information required to prepare the work evolution.

The above element may have an influence on the auditee's task-duties execution efficiency, particularly in the areas of development and research.

In order to further contribute to improving task-duties execution efficiency, the auditor recognizes that the auditee should encourage the Office of Development and Research to conduct a study, try to find and compile important information to be an input for the preparation of work evolution within the auditee as well as in the overall framework of PAS.

The officer in charge of Development and Research has always encountered difficulties in getting permission to meet with representatives from companies/stakeholders and various local ports to discuss strategies and development goals, particularly pricing policies.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.2 Department of Container Terminal Operation (CTO)

5.3.2.1 Control of Long-Stayed Cargoes in PAS's Warehouse No. 4

According to the inventory report of warehouse No. 4 counting from 19th March 2022, the auditor discovered 9,451 pieces of assorted inventories stored in the warehouse from 1991, 1992, and 1997 to the present, totaling 321,096 tons, and until

the first quarter of 2022 no companies/cargo consignees have requested relevant authorities to release such cargoes from the warehouse yet.

The aforesaid factor has yet to comply with the Law and Regulation of Customs in its third edition dated November 2011, in Chapter 9, Article 54, which defines the unclaimed goods as stipulated in items: A) goods stored in customs temporary storage facilities or customs bonded warehouses that have exceeded the period allowed under this law, B) goods sent by mail which have been refused by the addressee or for which an addressee cannot be found and that cannot be returned to the sender, C) non-prohibited goods and means of transport that have been placed in customs clearance area and that the owner abandons in writing.

Where the owner of the goods has been determined, Customs must immediately notify owners of unclaimed goods that such goods will be sold at public auction in accordance with the provisions of Article 55 of this Law, if not claimed within a period of sixty (60) days from the date the notification was issued. In the case where no owner can be found, a public notice shall be made at a time and manner determined by the Director of Customs to notify owners. Owners have sixty (60) days from the date of such notice to make a claim for their goods. If such period of time is exceeded, the goods will be sold at public auction in accordance with the provisions of Article 55 of the Law on Customs.

The above reason could have resulted from the deficiency or delay in the preparation of request for cargo release by companies or cargo consignees.

This factor may cause a shortage of cargo storage space, loss of storage charges, and affect the efficiency of warehouse management in general.

The auditee management should cooperate closely with companies or cargo consignees on a regular basis and promptly report to PAS's management to request intervention from relevant competent authorities in the release of cargoes in accordance with the aforesaid Law and Regulation of Customs.

The Department of Container Terminal Operation will present each long-stayed commodity and report to PAS's management to encourage the Customs to release all these long-stayed cargoes from Warehouse No. 4.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.2.2 Control of Fuel Consumption Report for Cargo Handling Facilities

Based on the fuel consumption report for cargo handling facilities, the auditor discovered that: 1) RTG No. 213, 214 produced in 2017, and RTG (ZPMC) No. 217, 218 produced in 2018, 2) RTG (ZPMC) No. 215, 216 produced in 2017, and 3)

STACKER (KALMAR) No. 111, 112, 113, 114 produced in 2019 are using fuel in the ration of 2.04 L/Box, 1.87 L/Box, and 1.21 L/Box as a testing period.

The above factor is yet to fully comply with Decision No. 008 SKN/ PAS/Admin.HR dated January 24, 2011, which defines the modification of the fuel consumption ration standard for container trucks, cargo trucks, and Appendix No. 2, which defines the definition of fuel supply standard for cargo handling facilities and machinery.

The above reason might have arisen as a result of the official in charge's deficiency in preparing formalities to request for a ration of fuel supply standard from the PAS's Fuel Standard Commission.

This factor may cause an impact to PAS's operational and service efficiency.

To improve the quality and efficiency of PAS's operation and service, the auditor convinces that the auditee management should direct the official in charge to thoroughly inspect both old and new machinery, together with means of cargo handling facilities that do not have a fuel consumption standard and prepare to request for a consumption standard from PAS's Fuel Standing Commission in accordance with the above definition.

The Department of Container Terminal Operation would like to request that a fuel consumption standard be set for machinery being utilized within the department, both old and those that do not have a fuel consumption standard since the status of a number of machinery is in poor condition and container unloading and loading is increasingly crowded than before.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.3 Department of General Cargo Operation (GCO)

5.3.3.1 Control of Inventory Report of Vehicles and Machinery

Out of the total 33 units of vehicles and machinery (8 units of cranes, 2 units of H.M.C, 17 units of trucks, and 6 units of forklifts) and 24 units of platforms managed and operated to serve PAS's operation and services by the Department of General Cargo Operation, the auditor discovered that 1 unit of crane, 2 units of trucks, and 5 units of platforms are in poor condition, out of order, and have been stored for a long time:

- H.M.C No. 301	Produced	2001	Out of order	10/05/2014
- Truck-KAMAZ No. 1684	Produced	2002	Out of order	28/11/2019
- Truck-KAMAZ No. 1686	Produced	2002	Out of order	23/03/2021
- Trailer No. 4085	Produced	1986	Out of order	01/01/2010
- Trailer No. 4088	Produced	1986	Out of order	01/01/2010

- | | | | |
|--------------------|---------------|--------------|------------|
| - Trailer No. 4089 | Produced 1986 | Out of order | 01/01/2010 |
| - Trailer No. 4119 | Produced 2002 | Out of order | 17/03/2017 |
| - Trailer No. 4095 | Produced 2002 | Out of order | 17/03/2017 |

The above event has yet to fully comply with the internal regulation of Sihanoukville Autonomous Port (PAS) No. 001. BBPK/PAS/RB.B dated June 12, 2007 in item No. III defining the use and maintenance of property, materials/means or PAS's tools with economical conditions, carefulness, cleaning & maintenance and preservation, and item No.V defining the protection of labor safety, working order, and maintenance of tools and working materials.

The aforesaid reason may have resulted as a consequence of the official in charge's deficiency in making a report to the auditee management on the status of vehicles and machinery that are in poor conditions and out of order, in order to request a prompt repair and in accordance with PAS requirements.

This aspect might affect the quality and productivity of operations and services, as well as the implementation efficiency of PAS Internal Regulation.

The auditor convinces that the auditee's management should direct the official in charge to inspect and make a specific report on the status of vehicles, machinery, and old trailers that are out of service and/or obsolete for inspection, and to request PAS's management to repair or take measures based on actual conditions.

H.M.C 301:

- *Many spare parts have been replaced with H.M.C 302.*
- *Lighting/electric system is out of order.*
- *All jack floats/ex-shaped support bases have a grease seeping stain.*
- *All tires are obsolete.*
- *The hose pump has no quality, while the grease pump system is sometimes stuck.*
- *The engine has never started since 2013.*
- *According to the evaluation of Mr. Ouk Vannara and Mr. Kim Hor, this H.M.C 301 can still be repaired (In case spare parts are available).*

The Department of General Cargo Operation will issue a request to the management to have it repaired.

Transport Trucks:

- *Truck-KAMAZ No. 1684 and truck-KAMAZ No. 1686, which are both presently at the PAS Workshop, have been requested for repair since 2019 and 2021. This vehicle's cabin has rusted in practically every area, and the engine, after having been overhauled and evaluated, was found to be worn out and difficult*

to acquire spare parts for replacement. Individually, all vehicle tires are obsolete/out of date.

- *Based on the evaluation of the mechanics, it is too difficult to acquire spare parts to repair these trucks.*
- *The Department of General Cargo Operation will issue a request for bids to the management.*

Trucks' Trailers:

- *The chassis of trailers Nos. 4119 and 4095 (long) were shattered. The good and functional tires were all changed with the ones that are being used in everyday operation.*
- *Trailers (short) Nos. 4085, 4088, and 4089 are not suited with the present cargo transport requirement. While all their tires were changed with the ones that are being used in everyday operation.*

The Department of General Cargo Operation will issue a request for bids to the management.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.3.2 Control of Fire Prevention System in Warehouses Nos. 3 and 5

Based on the control of the fire prevention system in warehouses Nos. 3 and 5, the auditor discovered that a total of 22 (twenty-two) units of fire extinguishers, consisting of 04 (four) units of big size fire extinguishers and 18 (eighteen) units of small size fire extinguishers, were outmoded and unusable.

The above factor is not yet complied with the Sub-Decree of the Royal Government of Cambodia No. 131 ANKr.BK dated August 18, 2017, which defines the conditions and rules, prevention and putting out fire in Chapter 3, Article 9, target management, production and creation places and/or storage of combustible substances, sources of fire and heat must comply with the conditions and rules comprising smoke and heat absorbent tools, automatic water fire fighting machine, all types of fire extinguishers, automatic water system for putting out fire and water hydrant for fire tankers shall have a thunder protective system and not allow to put other things which may react and burst into fire and heat adjacent to the inflammable and combustible targets.

This aspect might have arisen as a result of the official in charge's deficiency in quality control and requesting for fire protection instruments to be installed for use in accordance with technical conditions and necessary requirements.

This element may have an influence on fire management efficiency, cause cargo quality to deteriorate, and/or have an incidental impact on the lives of officials, employees, and workers who are working in the warehouses.

In order to ensure the implementation efficiency, fire prevention and putting out measures with the aim to reduce fire and property destruction by fire, the auditor convinces that the auditee must be more cautious and quickly request for fire extinguishers in accordance with necessary requirements.

The Department of General Cargo Operation will check the quantity and type of fire extinguishers necessarily required for each sector and submit a request to PAS management based on the actual numbers.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

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

5.3.4.1 Control of Navigational Means (Tugboats)

According to the control of navigational means (tugboats), which are managed, maintained, and run by the Office of Navigational Management, the auditor noted the followings:

- **Koh Wai Tugboat**
 - There is no navigational lighting/illumination (the lighting has been provided as requested but not yet installed-pending for docking the shipyard),
 - The front capstan was out of order in 2020 due to being badly rusted (the captain has requested for repair/replacement with a new capstan - Neither of these requests was fulfilled until this second quarter of 2022).
 - The bedroom and toilet were out of order - Have not been repaired yet.
- **Koh Ses Tugboat**
 - The air conditioners installed in the crew bedroom, navigational room, captain's bedroom, and guest room are unusable,
 - There are no materials in the bedroom, such as a mattress, pillows, etc.
- **Koh Tang Tugboat**
 - Not yet repaired a crew bedroom at the lower deck,
 - There is no anchor (lost),
 - The iron doors around the navigational cabin, which were badly rusted (decayed) - have not been repaired yet.

- **Koh Rong Tugboat**

- * The main engine was replaced in 2020, but the tugboat has not yet been put into operation since the following systems are not yet well fixed in accordance with technical conditions:
 - The steering wheel system was out of order (needs to be repaired or replaced with a new one),
 - There is not enough anchorage chain (lack about 70-90 meters),
 - Rear and front capstans were out of order - Not yet repaired,
 - The electrical wiring system inside the tugboat is in old condition,
 - There are no lighting/illumination lamps around the tugboat, no far headlight, and rear far light,
 - Not yet installed daily using materials in each room (such as air conditioners, fans, etc.),
 - Kitchen, toilet, and bedroom for the crew on the lower deck, and captain's bedroom on the upper deck have not been repaired yet,
 - Navigational cabin has not yet been repaired, and 2 (two) requested doors, and 1 (one) piece of cabin glass have not yet been provided,
 - Request for docking at the shipyard for sandblasting, and repainting, a new Rada, and GPS (the current GPS is in terribly old condition, and has been in service for 8 years).

The aforementioned factor has yet to comply with the principle outlined in item No. III of Article V of the PAS's Internal Regulation No.001 BBPK/ PAS/RB.B, dated June 12, 2007, which defined the operation and protection of PAS's properties, materials, and equipment with economical, preventative, cleaning and maintenance, and sound storage.

This aspect may have arisen as a result of worn out due to wear and tear of equipment and materials.

This factor may affect safety, work productivity, and PAS's operational effectiveness.

The auditor is aware that the auditee management should report to PAS management, and request the experienced departments for repair and/or replacement of any equipment and materials that are lacking or genuinely damaged to be in accordance with technical conditions.

At the same time, the Department of HMPS has been collaborating with PAS's Relevant Units in the request for equipment repair, and installation on the above four tugboats, and some items have been delivered as a result. And since such tugboats

have been gradually put into service/operation, the repair work is facilitated in accordance with actual free time.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.4.2 Control of Ship Fenders

According to the control of Ship Fenders and Steel Ladders for climbing down-up of the seawater, and questions posed to the experienced officials in charge of management, operation, and maintenance, the auditor identified that: Fenders Nos. C.1-C.27 installed along Posts 5 and 6, Fenders Nos. D.1-D.32 installed along Posts 7 and 8, and Steel Ladders for climbing down the seawater for inspection of the status of quay wall were broken, and gotten cracks in the following conditions:

- **Fenders Nos. C.1-C.27 and Steel Ladders in Posts 5 and 6**
 - Fenders - Usable : 17 Units
 - Fender - Unusable : 01 Unit
 - Fenders with two wheels tied together : 02 Units
 - Fender with one wheel : 07 Units
 - Steel Ladders (Out of order by rust) : 07 Units
- **Fenders Nos. D.1-D.32 and Steel Ladders in Posts 7 and 8**
 - Fenders - Usable : 15 Units
 - Fenders - Broken : 05 Units
 - Fenders with two wheels tied together : 07 Units
 - Fender with one wheel : 05 Units
 - Steel Ladders : 02 Units (1 is out of order by rust)

The aforementioned factor has yet to comply with the principle outlined in item No. III of Article V of the PAS's Internal Regulation No.001 BBPK/PAS/RB.B, dated June 12, 2007, which defined the operation and protection of PAS's properties, materials, and equipment with economical, preventative, cleaning and maintenance, and sound storage.

This aspect may have become worn out due to wear and tear and/or banging from cargo/container ships entering for handling, discharging, and loading at Posts 5-6 and Posts 7 and 8.

This factor may affect the efficiency of fenders and cause the activities of ship berthing alongside and sailing out to pound and further damage the quay wall.

The auditor realizes that the management of the office and the auditee in charge should check the actual status and report to PAS management to request the

experienced department for repair and replacement in accordance with the PAS's Internal Regulation.

The status of PAS's present fenders are really in dilapidated conditions as the aforementioned findings, and the department of HMPS has requested relevant departments for repair from time to time such as installing truck wheels for replacement, and on an individual basis, some of the fenders were broken off the plastic/resin and the department of HMSP has thus far reported and requested for repair.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.5 Department of Construction-Engineering (CENG)

5.3.5.1 Control of Evolution Report of the Department of Construction - Engineering

According to the control of the evolution report of the Department of Construction and Engineering in the second quarter of 2022, the auditor observed a joint evolution report in the department framework in accordance with the evolution reports of the respective experienced offices accomplishing many significant tasks pursuant to the task-duties defined by PAS, but the Procurement Documentation Management Unit still has some shortcomings and not yet prepared documents in an appropriate manner and on a timely basis in conjunction with the PAS's requirement.

The aforementioned factor has yet to fully comply with Decision No. 024.SSR/PAS/SN.VK defining the department organizational structure, task-duties of offices of the Department of Construction-Engineering dated February 21, 2020.

This aspect may have arisen as a result of the officials in charge of the procurement documentation management office's busy work schedules in joining the study on the container yard concrete pavement project, the repair of Koh Ses tugboat, and the roofs of PAS's warehouses.

However, the aforementioned aspects may have an impact on the implementation efficiency of task-duties of the department, particularly it may slow down the execution of the basic construction repair plan within the PAS's framework.

The auditor realizes that the management of the department should instruct the office of construction procurement documentation management to pay attention to the implementation of its task-duties and cooperate with relevant departments to expedite the preparation of procurement documents to be completed on a timely basis and in accordance with the PAS's requirement.

The Department of Construction-Engineering will instruct the office of construction procurement documentation management to cooperate with relevant departments to improve the aforementioned shortcomings and prepare procurement documents on a swift basis and in accordance with PAS's requirements.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.5.2 Control of a Table of Vehicles & Machinery of the Construction-Machinery Unit

According to a table of vehicles and machinery and questions posed to experienced officials of the construction-machinery unit, the auditor identified that:

- 01 Unit of Excavator-Wheel Loader Hitachi LX-150, 1998 usage year, no plate number, engine failure since 2017 (Unable to repair);
- 01 Unit of Fuel Tanker Truck-Maz, 1982 usage year, plate number 4010, engine failure (No spare parts for replacement);
- 01 Unit of Fuel Tanker Truck-Maz, 1982 usage year, plate number 4011, engine failure (No spare parts for replacement).

The aforementioned factor has yet to comply with the principle outlined in item No. III of Article V of the PAS's Internal Regulation No.001 BBPK/PAS/RB.B, dated June 12, 2007, which defined the operation and protection of PAS's properties, materials, and equipment with economical, preventative, cleaning and maintenance, and sound storage.

This case may have occurred as a result of worn-out spare parts which were used for a long time.

The aforementioned factor may have an impact on job productivity, PAS's business operational effectiveness, and the loss of state property.

The auditor realizes that the management of the department, in particular the construction-machinery unit, should prepare a daily checklist so that every operator can examine and monitor the process of all machinery and prepare weekly/monthly maintenance and repair plans on a regular basis.

1. *Since a large number of machinery have been in service for a long time, breakdown rates/failures occur frequently.*
2. *The construction-machinery unit has thus far carried out its repair-maintenance tasks on schedule as mentioned below:*
 - *There are mechanics for machinery repair-maintenance,*
 - *The mechanic team has changed lubricant oil, greased the bearings, and changed fuel filters in line with the timetable for machinery,*
 - *Permanently wash/clean up the machinery.*

3. *Regarding machinery spare parts, we have so far encountered some difficulties because sometimes machinery broke down while we were working, necessitating a quick purchase of replacement components and we have frequently made an effort to hunt hard for spare parts that are rarely available in the marketplace because the machinery has been in operation for years.*
4. *A number of machinery that has been in service for many years and do not have spare parts for replacement are broken down and unable to function. The machinery-fuel warehouse office will keep up its implementation, inspection, and monitoring of the process of all types of machinery and vehicles, and prepare regular maintenance-repair plans, and requests for liquidation of a number of outdated machinery.*
 - *There is one more Wheel Loader being operated;*
 - *PAS has purchased 02 units of Fuel Tanker Trucks.*

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.6 Department of Technical-Materials (TM)

5.3.6.1 Control of Evolution Report of the Department of Technical-Materials

Based on the evolution report of the Department of Technical-Materials for the second quarter of 2022, the auditor observed that the auditee had completed many important tasks related to the maintenance and repair of machinery, heavy/light handling equipment and transport, including the safeguarding of material-spare part stock and repair of PAS's tugboat, but except for the office of Warehouse-Technical Materials and Spare Parts, and the office of Ship-Tugboat Mechanics, the auditee has not yet entailed other offices to prepare the evolution report in line with their work skills and task-duties.

The aforementioned aspects have yet to fully comply with Decision No. 230.SSR/PAS/TM defining the department organizational structure, task-duties of offices of the Department of Technical-Materials dated April 29, 2020.

This case may have arisen as a result of the other offices completing duties that were given priority, in particular the maintenance-repair works of machinery and means of PAS's handling equipment and transport.

However, the aforementioned factor may cause an impact on the efficiency of implementation of task-duties of various offices within the auditee framework.

The auditor realizes that the management of the department should entrust every office to prepare their monthly evolution reports in line with the task-duties defined by PAS.

In response to the Department of Internal Audit regarding the tasks that the respective offices of the Department of Technical-Materials have performed in accordance with the organizational structure, task-duties, and responsibility in line with permanent skills in machinery repair-maintenance to serving all types of PAS's business operations, as well as having well-cooperated with relevant departments. The respective offices had not created separate reports because the daily tasks have related to one another, and have been inserted into the monthly evolution report every month and also forwarded to the Department of Planning-Procurement and Statistics permanently.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.6.2 Control of Technical Training Skills on Machinery Maintenance-Repair

Based on the interview with experienced officials of the Department of Technical and Materials, the auditor noticed that from this second quarter of 2022, the department of Technical-Materials has not conducted the training on maintenance-repair skills of heavy machinery and technical mechanics for PAS machinery staff, workers/operators yet.

The aforementioned elements are still not entirely in compliance with the business (service) and financial plan for 2022, dated November 15, 2021, in Appendix 8: Human Resource Development Plan for 2022, in item A-22 on the inspection theory, maintenance, and repair of heavy machinery.

This case may have arisen as a result of the experienced officials in the department framework and machinery staff, and workers are busy serving the PAS's business and service operation.

However, the above factor may cause an impact on the quality and using efficiency of machinery and means of PAS's heavy/light handling equipment, and transport incidentally.

The auditor is aware that the Department of Technical-Materials should prepare a training plan and request the PAS management to conduct training on maintenance-repair skills and technical mechanics for machinery staff, and workers in compliance with the business (service) and financial plan of 2022.

With regard to the training on maintenance-repair skills of heavy machinery, we have trained mechanics since the PAS installed various means of heavy handling facilities. This training is the practical application (on-the-job training) that is easy for

our mechanics to comprehend and master each task. For the theoretical training/instruction (classroom training), we had also prepared some of them because our machinery inspection, maintenance, and repair are rather busy. Besides, some of our staff members

who work in the maintenance and repair section have gone to Phnom Penh every weekend to receive their skill training thanks to assistance from PAS. However, in order to guarantee the operational continuity, operation of machinery, and all means of cargo/container handling, discharging-loading, and transportation, the auditee will develop training plans according to the provisions outlined in the PAS's Business (Service) and Financial Plan of 2022.

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution.

5.3.7 Department of Marketing (MT)

5.3.7.1 Report on the Interview with Representatives of Shipping Lines, Dry Ports, Cambodia Logistics Association, and Cambodia Trucking Association, on the Operational Service and Import-Export via the PAS gateway

According to the inspection of the report on the interview with representatives of the shipping line, dry ports, Cambodia logistics association, and Cambodia trucking association, which consist of Maersk (SHV-PNP), RCL (SHV-PNP), Teng Lay (SHV), SITC (SHV-PNP), Straits International (Wan Hai Smudera), Cambodia Logistics Association (CLA), Cambodia Trucking Association (CAMTA), Hong Leng Huor Dry Port (PNP), GMAC, So Nguon Dry Port (PNP), and JMG Co., LTD (PNP), on the operational service and import-export via the PAS gateway, the auditor noted that the aforementioned customers really satisfy with the operational service, collaboration, and responses of PAS, but at the meant time, there are still some points raised about the slowness of loading empty containers to the ship, the recent decrease of import-export via PAS, container transit time from Vietnam to the US via Phnom Penh Autonomous Port (PPAP) seemed faster than from PAS, and a decrease in the import of raw materials from China, as well as the needs of container berths, and other port's necessary facilities.

Even though some important factors are related with the global economic crisis and/or a decline in purchase orders, but the operation's slowness in loading empty containers onto ships is still not met with the consumers' requirements.

This aspect could have happened because of machinery interruption, s picking up the empty container several times, and/or the shipping lines didn't transport the empty containers to the ship in time.

The aforementioned factor could have an effect on both operating efficiency and customer trust.

The auditee should assist in facilitating and carrying out more research on the primary factors relevant to the aforementioned element.

In accordance with its capacity, the marketing department will cooperate and facilitate work under the proper conditions to the customers and conduct further research on operational service and import-export via PAS and PPAP.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the next quarter.

5.3.7.2 Draft of Marketing Strategic Plan 2023-2025

Owing to a draft of PAS's marketing strategic plan 2023–2025 received from the auditee, the auditor identified key strategic principles regarding strengths, weaknesses, opportunities, and threats as well as other crucial inputs to gauge and enhance the effectiveness of PAS's action plan. However, since the aforementioned strategic plan is not yet completed, the auditor identified a number of remarkable points that could be improved further.

The above element is connected to the context of the free market and therefore the creation of a marketing strategic plan must be based on the principles of a marketing plan and the two plans must be implemented simultaneously and cannot be used to substitute one another. In this context, the marketing strategic plan reflects the objectives of marketing efforts and the end goal which were determined by the entity. Individually, the marketing plan reflects the actual implementation of marketing efforts and it is a detailed plan on how the entity schedules to achieve its end goal.

This aspect can be the result of a deficiency of the official in charge within the auditee framework in the preparation of the intertwining of procedures and/or principles that should be defined in the marketing strategic plan and marketing plan.

This factor could have an effect on the implementation efficiency of the draft of the marketing strategic plan which is being drafted by the auditee.

The auditee should perform further study and research, particularly in connection to the marketing strategy and marketing plan in order to complete the existing draft of the marketing strategic plan quickly and in compliance with PAS's requirements.

The marketing department agrees with the auditor's recommendation and tries to conduct additional studies and research to develop the marketing strategic plan in the fourth quarter of 2022 according to the existing resources and capability in order to respond to the requirements for PAS's present and future development.

However, we would like to emphasize that the marketing department has a lot of challenges in creating this marketing strategic plan:1. Experiences and in-depth

analytical skills require a high level of expertise from individuals who prepare such marketing strategy (human resource); 2. Information sources from both internal (data) and external sources (economic figures); 3. Understanding and necessity provisions for this work are limited.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the coming fourth quarter.

5.3.8 Department of Information and Technology (IT)

5.3.8.1 PAS's Present Website

Owing to the examination of the information on activities, work achievement, and development that was advertised on the PAS's Website, the auditor observed some slowness, figure error, and noteworthy points as follows: 1) PAS's CSR (Corporate Social Responsibility) on the homepage had only been promoted in 2019; 2) The statistics table on the volume of cargo and container throughputs was promoted in 2018; 3) The size of the land area in the special economic zone was promoted as 68 hectares, when in fact it only contains 63.2 hectares; 4) The background images in other links have not been replaced (old images since the construction of the multi-purpose terminal had not been finished); 5) Quay cranes were promoted 4 units, but there are currently 5 units; 6) Laws and other regulations were not timely updated; 7) The five projects whose development plans are being shown on the Website have been finished since 2017; 8) Not yet adequately updated business partners/shipping lines that have entered into the Agreement with PAS; and 9) The figure/number of visitors of each information on the PAS's Website have not been updated yet.

The aforementioned aspect is yet to fully comply with the Decision No. 115/SSR/PAS/IT dated April 10, 2020, which defines the organization of structure and task-duties of various offices of the department of information and technology that are authorized to gather and prepare information contents, images, videos, and other types of information in order to promote activities and work achievement related to PAS through Website and Facebook.

This factor resulted from the deficiency of the official directly in charge of the work within the framework of the office of research and development of the department of information and technology.

This element could have an effect on the implementation efficiency of the decision on the organization of structure and task-duties of the auditee.

Based on the aforementioned context, the auditee management should advise the experienced office under his supervision to renew the review of information contents, images, videos, and various documents and update the information related

to activities, work achievement, and development that have been promoted in the PAS's Website and Facebook to be appropriate and on time.

The department of information and technology will update the Website and make it available in January 2023.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the first quarter of 2023.

5.3.8.2 PAS's Mobile App (Mobile Application Program)

Based on the examination and interview of the experienced official within the framework of the department of information and technology, the auditor identified that in order to respond to PAS's demands, the auditee had, in the early second quarter of 2022, developed a new mobile App (Mobile Application Program), which consists of 6 menu bars as follows: 1) Gate Registration; 2) Container Information; 3) Vessel; 4) News Feed; 5) Report; and 6) Camera, which of the 6 menu bars, 4 menu bars for Gate Registration, Container Information, Vessel, and News Feed have already been developed but they haven't been officially used because the auditee needs to change the additionally technical setup. Individually, the development of the 2 menu bars for the report and camera has not been finalized yet.

In order to comply with various ports in the region and to meet the demands of PAS as well as consumers and port users, the auditee should continue to quickly make the other 2 menu bars on report and camera in order to use at the same time.

This factor may be the result of the official in charge of the work within the office of research and development of the department of information and technology needing to conduct an additional study on technical conditions and other important demands of the pertinent departments within the PAS framework.

The aforementioned factor could lead to time delays in managing and facilitating PAS's business and service operations.

The auditee should push for the above work to be available as soon as possible and appropriate to the scope of work as well as the demands of PAS and customers who are using the port services.

The department will ask the management to formally begin using the mobile app on January 1, 2023.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the first and subsequent quarters of 2023.

5.3.9 Department of Special Economic Zone (SEZ)

5.3.9.1 Report on the Operational-Service Turnover in the Third Quarter of 2022 in the Special Economic Zone of Sihanoukville Port (SEZ)

Owing to the examination of the report on operational-service turnover in the third quarter (July-August) of 2022 in the special economic zone of Sihanoukville port and an observation on the status of the premise, the auditor determined the total revenue received from factory rent, warehouse rent, land plot rent, and office rent to be the equivalent of 645,799.93 USD, including 10% VAT. Additionally, the auditee has a plan in place for cleaning, maintaining, and repairing the 8 units of a service apartment with 44 rooms on a regular basis, and the 2 dormitory units with 92 rooms on a periodic maintenance plan, organized a tenant meeting, asked for a long-term lease for Aeon Mall, given information to the advisor team to produce promotion tools, and taken part in a meeting on the evolution of the free port project with JICA, GDCE, and Aeon Mall, and identified challenges and potential solutions, and set a goal for the fourth quarter of 2022, among other things.

Regarding the aforementioned turnover, the auditor noted that the Special Economic Zone still needs to complete some tasks, such as opening a new gate next to the Aeon Mall construction site, reinforcing security guards to perform routine patrols, and improving electricity efficiency because until now the SEZ's electrical network has experienced a remarkable interruption, and PAS will soon supply electricity to Aeon Mall via the SEZ.

The aforementioned element has yet to fully comply with the Personnel Statute of Sihanoukville Autonomous Port (PAS) dated April 12, 2019, in article 5 states on the business objective that: PAS has the business objective, service, port, and management, maintenance of facilities to operate, expand, and develop for the needs of commerce, industry, agriculture, tourism service, and passengers, and take all necessary steps to enable PAS to grow and advance forward.

The slowness in preparing a request for carrying out the above tasks may be the result of a lack of personnel within the auditee framework.

This factor might cause damage to PAS's property, have an impact on the business process, and lose the operational turnover of PAS.

The auditee management should advise the official in charge to prepare an appropriate timetable/plan to be easy to regularly control, clean, maintain, and repair damaged parts of the dormitory, and continue to promote the SEZ's potential in order to attract investors, and increase an additional source of income for PAS.

The department will continue executing the facility maintenance and repair plan. Particularly, the dormitory with a preventative nature, including the surrounding area, and keep promoting the SEZ to attract more foreign direct investment (FDI).

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the next quarter.

5.3.9.2 Environmental Status Around the Service Apartment and Dormitory

Based on the control of environmental status around the premises of service apartments and dormitory, the auditor observed the auditee clearing mud/taking soil from the pipeline system around the buildings, cutting grasses along the access road via gate No. 3 to ease the flow of rain, and clearing plants and/or climbing plants growing in the rainspouts around the buildings, but because of a limited labor force, the auditee has not yet cleared the ditch and cleaned the moss affixed to the wall around the buildings.

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

This element might have been caused by a result of not having enough labor force/cleaning and sanitation workers.

The factor could block the flow of rain, affect the buildings' beauty, unattractive, and be ineffective in utilization.

The auditee management should keep giving the official in charge instructions to regularly control the environmental condition and all types of using materials in the service apartment and dormitory as well as the entire SEZ so that the auditee can promptly take action to clean and repair.

The department will continue to appoint the official in charge to monitor in accordance with the maintenance schedule in order to retain facilities that the SEZ can use pursuant to their lifespan and repair on time.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the next quarter.

5.3.10 Department of Machinery-Electrical Mechanics (MELM)

5.3.10.1 Training on Technical and Machinery Driving Skills

Based on the answer to questions on the internal control system, the auditor noted that as of the third quarter of this year 2022, the auditee had not developed additional training on technical and heavy machinery driving skills, including electrical techniques for machinery workers/operators, and electrical personnel yet.

The aforementioned component has yet to comply with the operational (service) and financial plan for 2022, dated November 15, 2021, in Appendix 8: Human resource

training for 2022, in items A-2: Training, driving heavy machinery, and item A-22: On theory, monitoring, maintenance-repair of heavy machinery.

This case might have arisen as a result of the experienced official working inside the auditee framework having a busy schedule with tasks prioritized to serve PAS's business and service operations over repairing and maintaining machinery and other important electrical facilities.

However, this factor might cause an impact on the implementation efficiency of PAS' operational (service) and financial plan.

The auditor is aware that the auditee management should develop training plans and request the PAS management to provide training on technical and driving skills, including electrical techniques and theory on monitoring, and maintaining-repairing heavy machinery and electricity for workers/operators, and electrical personnel in accordance with the guidelines stipulated in the PAS's operational (service) and financial plan for 2022.

1. Training on Electrical Techniques

- *Due to the situation of tight work schedules, and a small number of workers, the department, therefore, does not have the opportunity and possibility to assign its workforce to be in charge of training.*

2. Training in Machinery Driving Skills

- *The training was postponed because the department has just been integrated with the electricity and machinery, and at the same time, the former official in charge of training affairs has become chronically ill and requires long-term care.*

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation/subsequence measures of the auditee.

5.3.10.2 Report on Generators and Maintenance

Based on the report on generators, maintenance, and the interview with the official in charge of management, the auditor noted that PAS has installed a total of 13 (Thirteen) units of generators to deliver electrical power across the entire premises of PAS. The following are these generators:

1. IVECO 200 KVA	No Notice Number
2. IVECO 300 KVA	No Notice Number
3. IVECO 300 KVA	No Notice Number
4. MITSUBISHI 250 KVA	Notice Number 201
5. MITSUBISHI 250 KVA	Notice Number 202

6. IVECO 500 KVA	Notice Number 306
7. MITSUBISHI 1000 KVA	Notice Number 307
8. MITSUBISHI 1000 KVA	Notice Number 308
9. MITSUBISHI 1000 KVA	Notice Number 309
10. MITSUBISHI 1000 KVA	Notice Number 310
11. MITSUBISHI 1000 KVA	Notice Number 311
12. MITSUBISHI 1000 KVA	Notice Number 312, and
13. MITSUBISHI 1000 KVA	Notice Number 313.

With regard to the management and maintenance of the aforementioned generators, the auditee has prepared a plan/schedule with the date, notice numbers, old/new time span to change the fuel oil, oil filters, cleaning, greasing, and pumping dirt, etc. and maintenance, repair schedules in accordance with technical conditions.

In the meantime, starting from the time that PAS utilized the Cambodian electrical network (EDC) from March 31st to the third quarter of 2022, the auditee has properly organized its works and prepared the following conditions: 1) Prepared 05 (five) units of MITSUBISHI 1000 KVA generator sets, with notice numbers 308, 309, 310, 311 and 312 for use when the Cambodian electricity is unexpectedly interrupted/cut off; 2) Prepared for the repair of 02 (two) units of MITSUBISHI 1000 KVA generator sets, with notice number 307 (malfunctioned on May 25, 2021) is being fixed in Phnom Penh, and MITSUBISHI 1000 KVA notice number 313 (malfunctioned on November 3, 2021) is ready to be brought to Phnom Penh for repair.

However, the auditor found that the Mitsubishi 1000 KVA generator with notice number 307 which was being fixed (overhauled) in Phnom Penh from May 25, 2021, to this third quarter of 2022, has not yet been finished.

The aforementioned element may have been caused by a supply company's lack of spare parts or by the mechanics' technical state.

The factor may cause an impact on working efficiency and the management of PAS's property.

The auditee management should cooperate with the relevant departments to get in touch with the supplier and encourage the mechanics to fix the generator as soon as possible.

The machinery-electrical mechanics department will work with the relevant departments to contact the mechanics and promote the repair of both generators as soon as feasible.

The audit work team has remarked on a response from the auditee management and is going to follow up on the auditor's recommendation in the next quarter.

5.3.11 Department of Admin-Human Resource (HR)

5.3.11.1 Disciplinary Principles and Work Time of PAS's Employees and Workers Working in the Operational Areas and Indirect Workplaces (Departments)

According to the directive of the Royal Government, PAS has firmly contributed to the implementation of protective measures and social safe distancing to prevent the widespread infection of the COVID-19 pandemic among employees and workers. However, since the Royal Government declared the country's universal opening, the auditor noticed that a number of employees and workers still continue to put off work time, particularly the indirect workplaces (Departments) have not yet implemented the disciplinary principles on a normal basis.

The aforementioned factor could result in a discrepancy between the compliance principles stipulated in Article I, item 6 of the PAS Internal Regulation No.001.BBPK/PAS/RB.B dated June 12, 2007, states that PAS workers and employees are required to salute the national flag every morning unless they are on missions or are required to do so due to an emergent burden that must be assigned or acknowledged by the official directly in charge, and Article II, item 2.2 on working duration (Working hours for indirect workplaces "Departments"), which starts from 08:00 to 16:00 and takes a rest from 12:00 to 13:00.

This aspect may have resulted from the continuing widespread infection by the COVID-19 Pandemic.

This factor could cause an impact on the work and the implementation efficiency of the PAS Internal Regulation.

The auditee management should take into consideration organizing the re-salutation of the national flag in order to strengthen the disciplinary measures and working hours in accordance with the principles which were stipulated in the PAS Internal Regulation.

The Department of Administration and Human Resources accepted the internal auditor's recommendation and will make an effort to strengthen disciplinary measures and work time in accordance with the principles outlined in the PAS Internal Regulation.

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

5.3.11.2 Payroll Salary Table for Employees Within the PAS Framework

According to the payroll salary table for employees within the PAS framework for October and November 2022, the auditor observed that the auditee had not added a column on the health support fund for workers using direct labor (Production framework) with the equivalent amount of 50,000 Riels per person/month for the three

worker brigades of the Department of General Cargo Operation and technical handling workers of the Department of Container Terminal Operation into the monthly payroll yet.

The aforementioned aspect has not yet fully complied with definition No. 066 SKN/PAS/RB.B dated January 1, 2009, defining the provision of a health support fund in Article 1 providing health support fund for workers using direct labor (Production framework) with the equivalent amount of 50,000 (Fifty thousand) Riels per person/month consisting of 1) workers in the three brigades of the Department of General Cargo, 2) technically handling workers of the Department of Container Terminal Operation, and Article 2, the provision of such health support fund was included in the monthly payroll.

This element may have resulted from a shortcoming of the official in charge within the department framework.

This aspect might disadvantage workers within the productive framework, and affect the implementation efficiency of the definition of the PAS health support provision fund.

The auditee management should give the official directly in charge instructions to check and organize the column on health support fund for workers in the above productive framework in the monthly payroll according to the definition of a health support provision fund and the PAS Personnel Statute.

This case is because the Department of Administration and Human Resource utilized the phrase "Health Impact Fund instead of Health Support Fund" in the vertical column of the monthly payroll.

The Department of Administration and Human Resource accepted the recommendation and the latter will correct the wording in accordance with the guidelines of definition No. 066 SKN/PAS/RB.B dated January 1, 2009.

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

5.3.12 Department of Planning-Procurement and Statistics (PPS)

5.3.12.1 Bidding Documents for Goods Procurement in the First Semester of 2022

Owing to the examination of the local competitive bidding documents on goods procurement for the first semester of 2022, the auditor discovered the following flaws in documents pertaining to the PRAKAS on procurement code of ethics:

- PRAKAS No. 987 MEF.BrK dated August 31, 2016, of the Ministry of Economy and Finance on the procurement code of ethics.

The aforementioned aspect has not yet fully complied with PRAKAS No. 987 MEF.BrK dated August 31, 2016, of the Ministry of Economy and Finance on procurement code of ethics in Article 8 stated that the procurement committee shall sign the PRAKAS on procurement code of ethics at all times of joining in the evaluation of bidding proposal.

This factor may have resulted from the deficiency of the official in charge of procurement affairs.

This feature could cause an impact on the implementation efficiency of PRAKAS No. 987 MEF.BrK dated August 31, 2016, of the Ministry of Economy and Finance, which defines the procurement code of ethics.

The auditee management should give the official in charge of procurement instructions, at all times of joining in the evaluation of the bidding proposal, to implement in accordance with PRAKAS No. 987 MEF.BrK dated August 31, 2016, of the Ministry of Economy and Finance.

The auditee has hereby accepted and made efforts to completely implement the auditor's recommendation for the next years.

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

5.3.12.2 Summary Report on 2022 Operational Output

Owing to the examination of a summary report on the 2022 operational output, the auditor noticed that the auditee devised the annual and actual output plans comparing the cargo/container throughputs, and numbers of incoming vessels to that of 2021 in order to define the increasing/decreasing rates of each fiscal year. In this regard, the cargo throughput amounted to 7,003, 158 tons increased by 1.66%, container throughput amounted to 750,148 TEUs increased by 2.43%, and the number of incoming vessels amounted to 1,442 decreased by 0.41%. But attached to the above element, the auditor found no definition of destinations and sources of cargo/container import and export in such a summary report on operational output.

The aforesaid aspect may cause uncertainty in identifying the cargo/ container import-export volumes in a number of key destinations and sources, such as Asia, Europe, America, and so on.

This reason may have resulted in some relevant departments failing to provide cargo documentation and/or information related to cargo/container import destinations and sources of export on a timely basis.

This feature could cause misunderstanding and difficulty in identifying cargo/container import destinations and sources of export on a precise basis.

The auditee should cooperate/request for cargo documentation with specific names of import-export countries so that the destinations of cargo/container import and sources of export can be accurately defined.

- *The Department of Planning-Procurement and Statistics received types of goods, sources, and countries of destinations from the departments of general cargo operation and container terminal operation recorded by BL & Cargo Manifest. The majority of cargoes transit via Singapore, and at the time, some companies always declare that their targets and sources are from Singapore only. Other types of cargo are always kept in a single container containing a variety of cargo commodities.*
- *In this case, the Department of Planning-Procurement and Statistics has requested relevant departments to check and cooperate with the shipping lines to fill in accurate data that can be refilled with convenience.*

The audit work team has noted the auditee management's response and continues to monitor the auditor's recommendation execution in the next quarters.

5.3.13 Department of Accounting and Finance (ACF)

5.3.13.1 Report of Debt that Customers Owe to Sihanoukville Autonomous Port

Based on the report of debt that customers owe to Sihanoukville Autonomous port as of December 31, 2022, the auditor determined 34 companies owe the debt to PAS in the equivalent amount of 7,341,421.81 US dollars, which is equal to 30,224,633,591.77 Riels. This debt includes the following debt of 05 shipping lines and the Royal Railway Co., Ltd:

- 1). Maersk owes : 2,033,820.38 US dollars
- 2). Arrow shipping owes : 317, 177.60 US dollars
- 3). SITC Container owes : 1,172,297.68 US dollars
- 4). Danaka Logistics Co.,Ltd : 1,505, 552.60 US dollars
- 5). STRAITS INTERNATIONAL PTE., Ltd owes: 832,679.19 US dollars, and
- 6). Royal Railway Co., Ltd owes : 6,241, 823.85 US Dollars.

The aforementioned aspect has not yet fully complied with the terms and conditions of the Agreement between Sihanoukville Autonomous Port (PAS) and Shipping Lines dated April 1, 2022, in Article 7 stipulated that the Line (s) shall check and sign invoices within 5 (five) days after the completion of container offloading-loading operation and payment shall be made within 21 (twenty-one) day period after signing such invoices. If the Line (s) does not settle service charges within 25

(twenty-five) days after signing the invoices, the Operator (PAS) shall be eligible to suspend vessel activities or the release of the Line (s) containers until the settlement of the Line's outstanding debt is made.

The above reason may have arisen by the local representatives of shipping lines needing the time to transmit all the invoices to the head offices of parent shipping lines abroad for inspection and verification of the accuracy of both the invoices and the use of the service.

This feature might have an effect on the implementation efficiency of the Agreement between PAS and shipping lines.

The auditee management shall make efforts to implement in compliance with the terms and conditions of the Agreement between Sihanoukville Autonomous Port (PAS) and shipping lines and shall strive to claim for debt in a timely manner.

The debt that some shipping lines have owed to PAS is as follows:

- *Some shipping lines that have representative offices in Cambodia need time to send all invoices to their parent companies abroad for inspection and verification before making payment to PAS. At the same time, the shipping lines have made a financial deposit to PAS as part of the implementation of the Agreement between PAS and the shipping lines.*
- *The auditee has permanently implemented, resulting in a regular issuance of claims for debt to certain shipping lines that owe PAS.*
- *No shipping lines have up until the present owed money to PAS and haven't paid it to PAS; the latter just needs time to send invoices to their parent shipping lines overseas.*

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

5.3.13.2 Table of Total Inventory Fixed Assets for 2022

Based on the examination of the table of total inventory fixed assets ending on December 31, 2022, the auditor observed that a number of machinery such as trucks, cranes, loading and unloading machinery, and some other equipment-materials that are worthless for liquidation and in dilapidatedly unusable conditions have not yet been proposed for liquidation from the table of PAS's inventory.

The above aspect has not yet complied with the PRAKAS of the Ministry of Economy and Finance No. 002.MEF.BrK dated January 6, 2020, which defined the rules and detailed procedures of state property liquidation from the inventory list of state property in Article 12 stipulated that the types of state property outlined in Article 11 aside from the land which is the objective that can be liquidated from the inventory

list of state property unless they are in dilapidated conditions, unusable, severely damaged, lost or severely damaged and lost by force majeure or transferring using demand between the Ministries and relevant Institutions.

This case may have arisen as a result of the auditee's inspection and verification of the inventory list of fixed assets such as trucks, cranes, loading and unloading machinery, and some other equipment-materials that are worthless for liquidation and in dilapidatedly unusable conditions with the operating auditees in charge in order to request for liquidation from the inventory table of PAS.

The above factor may add trucks, cranes, loading and unloading machinery, and some other equipment-materials that are obsolete, worthless for liquidation, and in dilapidatedly unusable condition to the list of inventory fixed assets and affect the PAS's fixed assets management.

The auditee should request the PAS management for liquidation of trucks, cranes, loading and unloading machinery, and some equipment-materials that are obsolete, worthless for liquidation, and in dilapidatedly unusable conditions from the list of PAS's inventory.

The auditee has already prepared the list of PAS's inventory fixed assets in 2022 by inserting them into the Standard Registration Management System (SARMIS) of the Ministry of Economy and Finance.

With regard to trucks, cranes, loading and unloading machinery, and some equipment-materials that have lost their images, are in dilapidated conditions and are worthless for liquidation, the auditee has been working with the operating auditees in charge to check and clearly identify the status so as to request for a decision from the PAS management to put into the agenda of the PAS Board of Directors Meeting for inspection and decision in liquidation from the list PAS's inventory pursuant to the PRAKAS No, 002.MEF, which defined the rules and detailed procedures of state property liquidation from the inventory list of state property.

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

6. Overall Conclusion

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

7. Corrective Action Plan

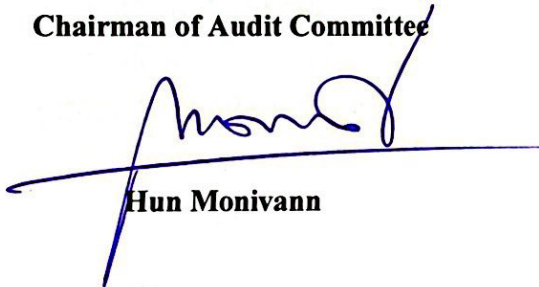
In order to ensure implementation efficiency and improvement pursuant to the auditor's recommendation, the Management of the Departments of Business, Container Terminal Operation, General Cargo Operation, Harbor Master-Pilotage and Security, Construction-Engineering, Technical-Materials, Marketing, Information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

Preah Sihanouk province, January 30, 2023

Seen and Approved


Siem Reap province, ~~February 3,~~ February 3, 2023

Chairman of Audit Committee



Hun Monivann

Director of Internal Audit



MEN CHANN



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





KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanoukville Autonomous Port

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (“BoD”) is pleased to submit their report together with the audited financial statements of Sihanoukville Autonomous Port (“PAS” or “the Company”) for the year ended 31 December 2022.

THE COMPANY

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

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

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

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

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

FINANCIAL PERFORMANCE AND DIVIDENDS

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

Dividends declared and paid out during the year is set out in Note 30 of the financial statements.

BOARD OF DIRECTORS

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

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

ASSETS

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

VALUATION METHODS

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

SIHANOUKVILLE AUTONOMOUS PORT

REPORT OF THE BOARD OF DIRECTORS (continued)

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

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

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

CHANGE OF CIRCUMSTANCE

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

ITEMS OF AN UNUSUAL NATURE

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

AUDITOR

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

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

The BoD is responsible for ensuring that the financial statements give a true and fair view of the financial position of PAS as at 31 December 2022 and its financial performance and cash flows for the year ended 31 December 2022 in accordance with the Cambodian International Financial Reporting Standards ("CIFRSs"). The BoD oversees preparation of these financial statements by management who is required to:

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

SIHANOUKVILLE AUTONOMOUS PORT

REPORT OF THE BOARD OF DIRECTORS (continued)

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

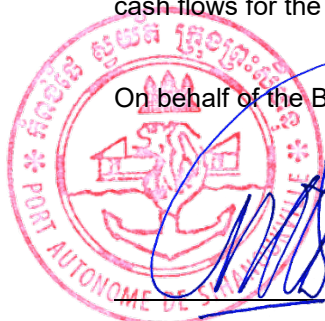
Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of PAS and to ensure that the accounting records comply with the registered accounting system. It is also responsible for safeguarding the assets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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of the respective financial position of PAS as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors,



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

A blue ink signature of Mr. Pith Prakath, written in a cursive style.

Mr. Pith Prakath
Director of Accounting and Finance

Sihanoukville, Kingdom of Cambodia

15 March 2023

Reference: 61803762/66906078

INDEPENDENT AUDITOR'S REPORT

To: The Shareholders of Sihanoukville Autonomous Port

Opinion

We have audited the financial statements of Sihanoukville Autonomous Port ("PAS"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of PAS as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Basis for Opinion

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

Key Audit Matter

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

Valuation of retirement benefit obligations

As disclose in Note 17, the Company provides retirement benefits to its staffs in accordance with its retirement policy with retirement benefits liability amounting to KHR'000 76,038,416, representing 14% of the Company's total liabilities as at 31 December 2022 which is significant in the context of the overall financial position of the Company. Management assessed the obligations based on the historical and demographic data and its accounting policy. Management also engaged an external actuary to carry out the more complex calculations.

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

Key Audit Matter (continued)

Valuation of retirement benefit obligations (continued)

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

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

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 financial statements on 22 March 2022.

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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



Simetana Lan
Partner

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

Phnom Penh, Kingdom of Cambodia

15 March 2023

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF FINANCIAL POSITION as at 31 December 2022

	Notes	2022 KHR'000	2021 KHR'000 (As reclassified - Note 32)
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	11	102,908,264	101,306,681
Cash	12	23,586,368	22,468,929
		193,534,858	186,660,527
Assets classified as held for sale	13	16,582,161	16,191,268
		210,117,019	202,851,795
		1,426,145,596	1,427,149,670
Total assets			
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	14	450,302,828	450,302,828
Share premium	14	67,715,235	67,715,235
Other reserves	15	41,090,572	31,719,832
Retained earnings		304,692,311	234,156,264
		863,800,946	783,894,159
LIABILITIES			
Non-current liabilities			
Borrowings	16	364,677,087	435,025,425
Deposits from lessees		1,029,250	1,018,500
Retirement benefit obligations	17	69,824,053	83,646,559
Seniority payment obligations		1,316,716	1,080,149
Deferred income	18	12,203,200	5,310,459
Deferred tax liabilities	26	33,003,354	29,419,014
		482,053,660	555,500,106
Current liabilities			
Trade and other payables	19	35,066,073	43,189,659
Borrowings	16	30,433,490	33,961,572
Retirement benefit obligations	17	6,214,363	4,534,425
Seniority payment obligations		127,739	-
Deferred income	18	171,679	134,442
Income tax liabilities	26	8,277,646	5,935,307
		80,290,990	87,755,405
		562,344,650	643,255,511
		1,426,145,596	1,427,149,670
Total liabilities			
Total equity and liabilities			

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF OTHER COMPREHENSIVE INCOME for the year ended 31 December 2022

	Notes	<u>2022</u> KHR'000	<u>2021</u> KHR'000
Revenue			
Revenue from contracts with customers	20	341,368,849	340,153,360
Rent income	7	2,374,696	2,195,869
		343,743,545	342,349,229
Expenses			
Consumable supplies	21	(106,364,861)	(93,739,246)
Salaries, wages and related expenses	22	(105,672,097)	(104,366,949)
Depreciation and amortization charges	23	(45,697,748)	(39,922,677)
Repairs and maintenances		(2,288,116)	(4,857,053)
Other expenses	24	(27,126,899)	(20,347,406)
Other gains (losses) - net		449,585	(273,300)
		(286,700,136)	(263,506,631)
Operating profit		57,043,409	78,842,598
Finance income - net	25	40,853,671	32,203,039
Profit before income tax		97,897,080	111,045,637
Income tax expense	26	(13,741,865)	(17,338,247)
Profit for the year		84,155,215	93,707,390
Profit attributable to shareholders		84,155,215	93,707,390
Remeasurement gain on defined benefit obligation - net of tax	17, 26	11,858,840	-
Total comprehensive income, net of tax, attributable to shareholders		96,014,055	93,707,390
The earnings per share attributable to shareholders of PAS for the year ended are as follows:			
Basic earnings per share (KHR)	27	981.15	1,092.52

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF CHANGES IN EQUITY for the year ended 31 December 2022

	<i>Notes</i>	<i>Issued capital</i> <i>KHR'000</i>	<i>Share premium</i> <i>KHR'000</i>	<i>Reserves</i> <i>KHR'000</i>	<i>Retained earnings</i> <i>KHR'000</i>	<i>Total</i> <i>KHR'000</i>
Balance at 1 January 2022		450,302,828	67,715,235	31,719,832	234,156,264	783,894,159
Profit for the year		-	-	-	84,155,215	84,155,215
Remeasurement gain on defined benefit obligation	17, 26	-	-	-	11,858,840	11,858,840
Total comprehensive income for the year		-	-	-	96,014,055	96,014,055
Transfer to reserves	15	-	-	9,370,740	(9,370,740)	-
Dividends declared	30.2	-	-	-	(16,107,268)	(16,107,268)
Balance at 31 December 2022		450,302,828	67,715,235	41,090,572	304,692,311	863,800,946
Balance at 1 January 2021		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	15	-	-	2,660,760	(2,660,760)	-
Dividends declared	30.2	-	-	-	(12,174,649)	(12,174,649)
Balance at 31 December 2021		450,302,828	67,715,235	31,719,832	234,156,264	783,894,159

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF CASH FLOWS for the year ended 31 December 2022

	Notes	2022 <i>KHR'000</i>	2021 <i>KHR'000</i>
Operating activities			
Profit before income tax		97,897,080	111,045,637
<i>Adjustments for:</i>			
Finance income - net	25	(40,853,671)	(32,203,039)
Depreciation and amortization charges	23	45,697,748	39,922,677
Movement in retirement benefit obligations		2,680,981	1,699,017
Movement in seniority payment obligations		364,306	(3,029,029)
Amortization of employee loan benefits		-	327,728
<i>Changes in working capital:</i>			
Inventories		(1,858,358)	(3,371,984)
Trade and other receivables		(1,999,089)	(6,087,853)
Trade and other payables		(10,343,640)	22,126,037
Deferred income		6,929,978	(94,727)
		98,515,335	130,334,464
Income tax paid	26	(10,779,895)	(8,141,938)
Net cash flows from operating activities		87,735,440	122,192,526
Investing activities			
Purchases of property and equipment	6	(34,382,826)	(85,331,238)
Purchases of investment properties	7	(1,277,645)	(1,874,170)
Purchases of intangible assets	8	(251,298)	(366,931)
Proceeds from disposal of property and equipment		526,538	-
Proceeds from short-term bank deposits		99,638,944	15,441,970
Placements in short-term bank deposits		(100,852,590)	(12,165,000)
Interest received		3,870,433	3,867,324
Receipts of repayment of loans to employees		-	1,283,363
Net cash flows used in investing activities		(32,728,444)	(79,144,682)
Financing activities			
Proceeds from borrowings		1,796,082	1,137,532
Repayments of borrowings		(28,940,452)	(32,442,511)
Dividends paid	30.2	(16,107,268)	(8,641,527)
Interest paid		(10,637,919)	(11,373,484)
Net cash flows 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 year		22,468,929	30,741,075
Cash at end of the year	12	23,586,368	22,468,929

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

1. BACKGROUND INFORMATION

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

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

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

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

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

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

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

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

The financial statements for the year ended 31 December 2022 were approved for issue by the Board of Directors on 15 March 2023.

2. BASIS OF PREPARATION

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

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

Fiscal year

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

2. BASIS OF PREPARATION (continued)

Foreign currency translation

Functional and presentation currency

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

Transactions and balances

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year, except for the adoption, where applicable, of the following amendments to CIFRSs which became effective beginning on or after 1 January 2022. The Company has not early adopted other standard or amendments 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 PAS's financial position and performance.

- 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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 *Standard and interpretations issued but not yet effective*

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

Effective beginning on or after 1 January 2023

- (i) CIFRS 17, *Insurance Contracts*
- (ii) Amendments to CIAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Accounting Estimates
- (iii) Amendments to CIAS 1, *Presentation of Financial Statements*, and CIFRS Practice Statement 2, *Making Materiality Judgments* - Disclosure of Accounting Policies
- (iv) Amendments to CIAS 12, *Income taxes*, Deferred Tax related to Assets and Liability arising from a Single Transaction.

Effective beginning on or after 1 January 2024

- (i) Amendments to CIFRS 16, *Leases* - Lease Liability in a Sales and Leaseback
- (ii) Amendments to CIAS 1, *Presentation of Financial Statements* - Classification of liabilities as current and non-current.

3.3 *Functional currency*

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

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

3.4 *Property and equipment*

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Property and equipment* (continued)

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

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

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

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

3.5 *Investment properties*

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

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

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

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

3.6 *Intangible assets*

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

	<i>Years</i>
Accounting software	10
Port operation system	10

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 *Impairment of non-financial assets*

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

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

3.8 *Inventories*

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

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

3.9 *Financial instruments*

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

3.10 *Financial assets*

3.10.1 *Classification*

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

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

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

3.10.2 *Recognition and measurement*

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Financial assets* (continued)

3.10.2 *Recognition and measurement* (continued)

Amortized cost

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

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

FVOCI - debt securities

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

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

FVOCI - equity securities

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

FVPL

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

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

Business model assessment

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Financial assets* (continued)

3.10.2 *Recognition and measurement* (continued)

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

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

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

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

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

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

3.10.3 *Derecognition*

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 *Financial assets* (continued)

3.10.3 *Derecognition* (continued)

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

3.10.4 *Impairment of financial assets*

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

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

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

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset not to be in default when internal or external information indicates that the Company is likely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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

For trade receivables, PAS applies the simplified approach permitted by CIFRS 9, which requires expected lifetime losses to be recognized from the initial recognition of the receivables (*Note 30.1*).

3.11 *Trade and other receivables*

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

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment and expected credit losses (*Note 30.1*).

3.12 *Short-term bank deposits*

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022
deposits.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 Cash

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

3.14 Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortized cost (loans and borrowings).

Financial liabilities at amortized cost (loans and borrowings)

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

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

The Company's financial liabilities measured at amortized cost include trade and other payables, lease liabilities and borrowings.

Derecognition

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

3.15 Offsetting financial instruments

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

3.16 Assets classified as held for sale

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022
those standards.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 *Share capital and share premium*

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

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

3.18 *Dividend*

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

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

3.19 *Borrowings*

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

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

Borrowing costs

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

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

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

De-recognition

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Employee benefits

3.20.1 Short-term employee benefits

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

3.20.2 Retirement benefits

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

- Retirement benefit obligations
- Gratuity payments.

PAS also operates defined benefit plan whereby:

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

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

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

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

(i) Retirement benefit obligations

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

One-off payment:

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

Monthly payment until end of life:

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 Employee benefits (continued)

3.20.2 Retirement benefit (continued)

(i) Retirement benefit obligations (continued)

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

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

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

(c) Early retirement benefits

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

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

(d) Death benefits

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

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

(e) Disability benefits:

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Employee benefits* (continued)

3.20.2 *Retirement benefit* (continued)

(ii) *Gratuity payments*

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

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

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

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

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

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

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

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

3.20.3 *Seniority payment obligations*

Retrospective seniority indemnity

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.20 *Employee benefits* (continued)

3.20.3 *Seniority payment obligations* (continued)

Retrospective seniority indemnity (continued)

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

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

3.21 *Income tax*

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

3.21.1 *Current income tax*

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

3.21.2 *Deferred tax*

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

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

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

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

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.22 Revenue from contract with customer

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

Port revenue

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

Variable considerations

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

Rent income - PAS is the lessor

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

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

Other revenue

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

3.23 Interest income

Interest income is recognized using the effective interest method and included in finance income in statement of comprehensive income.

3.24 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.25 *Provision and contingent liability*

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

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

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

3.26 *Segment reporting*

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

4. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

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

Judgment

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

Revenue from contract with customer

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

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

Judgment (continued)

Revenue from contract with customer (continued)

- *Identifying performance obligations*

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

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

- *Determining the timing of satisfaction of port services*

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

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

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

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

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

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

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

Judgment (continued)

Classification of lease - Company as an lessor

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

Classification of financial instruments

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

Fair value measurement of financial instruments

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

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

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

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

Functional currency

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

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

Judgment (continued)

Functional currency (continued)

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

Estimates and assumptions

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

Provision for expected credit losses of trade receivables

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

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

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

Taxes

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

Net realizable value of inventories

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

Company's recorded operating expenses and decrease the related assets.

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

Estimates and assumptions (continued)

Fair value measurement of investment properties

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

Impairment of non-financial assets

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

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

Recognition of deferred tax assets

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

Retirement benefit obligations

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

5. SEGMENT INFORMATION

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

PAS has a reportable segment, namely, port services. The chief operating decision-maker (Chief Executive Officer) reviews the internal management report, which reports the performances of the port service segment as a whole, to assess performance and allocate resources. The chief operating decision-maker 'CODM' assesses the performance of the reportable segment by measuring gross revenue. CODM also reviews profit before tax and net profit as a whole compared to prior periods.

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

The revenue of KHR'000 122,142 was generated from three major customers during the year.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

6. PROPERTY AND EQUIPMENT

	2022										
	<i>Land</i>	<i>Land improvement</i>	<i>Building</i>	<i>Technical equipment</i>	<i>Furniture and fittings</i>	<i>Computer and office equipment</i>	<i>Motor vehicles</i>	<i>Seaport equipment</i>	<i>Palettes</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>	<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	1,022,761	25,524,801	1,107,121,218
Additions	-	1,517,306	1,650,805	2,234,217	385,333	1,459,152	12,477,035	587,408	94,094	16,020,695	36,426,045
Disposal	-	-	-	-	-	-	(973,100)	-	-	-	(973,100)
Transfers	-	-	99,558	-	-	-	-	-	-	(99,558)	-
As at 31 December 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	1,116,855	41,445,938	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	79,938	41,445,938	963,712,781
	2021										
	<i>Land</i>	<i>Land improvement</i>	<i>Building</i>	<i>Technical equipment</i>	<i>Furniture and fittings</i>	<i>Computer and office equipment</i>	<i>Motor vehicles</i>	<i>Seaport equipment</i>	<i>Palettes</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>	<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	1,022,761	66,256,327	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	1,022,761	25,524,801	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	5,364	25,524,801	966,165,844

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

6. PROPERTY AND EQUIPMENT (continued)

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

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Purchases (cash and non-cash) during the year (excluding capitalized borrowing cost)	36,241,856	83,145,784
(Increase) decrease in payable to a supplier	<u>(1,859,030)</u>	<u>2,185,454</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 year ended 31 December 2022 was KHR'000 184,189 (31 December 2021: KHR'000 146,708).

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

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Land with legal title deeds	46,540,500	46,540,500
Land with no title deeds	<u>250,194,909</u>	<u>250,194,909</u>
	<u>296,735,409</u>	<u>296,735,409</u>

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

7. INVESTMENT PROPERTIES

	<i>Land</i>	<i>Building and land improvement</i>	<i>Construction in progress</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost				
1 January 2022 (As reclassified – Note 32)	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	<u>122,715,963</u>	<u>168,774,898</u>	<u>-</u>	<u>291,490,861</u>
Accumulated depreciation				
As at 1 January 2022	-	(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	<u>-</u>	<u>(43,194,156)</u>	<u>-</u>	<u>(43,194,156)</u>
Net book value				
As at 31 December 2022	<u>122,715,963</u>	<u>125,580,742</u>	<u>-</u>	<u>248,296,705</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

7. INVESTMENT PROPERTIES (continued)

	<i>Land</i>	<i>Building and land improvement</i>	<i>Construction in progress</i>	<i>Total</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Cost				
As at 1 January 2021	136,030,885	168,140,149	359,280	304,530,314
Additions	-	165,310	1,708,860	1,874,170
Transfers	2,068,140	-	(2,068,140)	-
Transfers to assets held for sale (Note 13)	(13,058,708)	-	-	(13,058,708)
Reclassifications (Note 32)	(3,406,754)	274,194	-	(3,132,560)
As at 31 December 2021 (As reclassified - Note 32)	121,633,563	168,579,653	-	290,213,216
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 (As reclassified - Note 32)	121,633,563	131,562,136	-	253,195,699

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

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

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

	<i>2022</i>	<i>2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Land at fair value	3,031,149,896	2,862,732,579
Buildings and land improvement at fair value	120,504,590	137,668,608
	3,151,654,486	3,000,401,187

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

	<i>2022</i>	<i>2021</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Land with legal title deeds - Special Economic Zone	83,273,604	81,805,616
Land with legal title deeds - Others	4,508,855	4,402,455
Land with no legal title deeds	34,933,504	35,425,492
	122,715,963	121,633,563

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

7. INVESTMENT PROPERTIES (continued)

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Rent income	2,374,696	2,195,869
Depreciation expense	(6,176,639)	(6,322,670)
Direct operating expenses arising from investment properties that generate rental revenue	(2,869,585)	(2,545,602)

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Within 1 year	568,146	73,332
Between 1 and 2 years	568,146	562,212
Between 2 and 3 years	568,146	1,539,972
Between 3 and 4 years	576,380	1,539,972
Between 4 and 5 years	576,380	1,548,120
More than 5 years	38,472,706	39,978,374
	<u>41,329,904</u>	<u>45,241,982</u>

8. INTANGIBLE ASSETS

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</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	<u>4,019,091</u>	<u>4,936,332</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

9. INVENTORIES

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</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
Allowance for impairment of inventories	<u>(95,404)</u>	<u>(742,994)</u>
	<u>29,083,364</u>	<u>27,225,006</u>

Movement of allowance for impairment of inventories are as follows:

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	742,994	742,994
Reversals during the year	<u>(647,590)</u>	<u>-</u>
As at 31 December	<u>95,404</u>	<u>742,994</u>

Inventories recognized as expenses for the year ended 31 December 2022 amounted to KHR 102,336 million (31 December 2021: KHR 89,006 million).

10. TRADE AND OTHER RECEIVABLES

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

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

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	329,241	2,655,478
Reversals during the year	<u>(96,291)</u>	<u>(2,326,237)</u>
As at 31 December (Note 30.1)	<u>232,950</u>	<u>329,241</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

10. TRADE AND OTHER RECEIVABLES (continued)

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

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

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

11. SHORT-TERM BANK DEPOSITS

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Short term bank deposits	100,852,590	99,638,944
Accrued interest receivable	<u>2,074,792</u>	<u>1,667,737</u>
	102,927,382	101,306,681
Allowance for expected credit losses	<u>(19,118)</u>	-
	<u>102,908,264</u>	<u>101,306,681</u>

This represents fixed deposits placed with financial institutions for a period of between six to twelve months, earning interest at rates ranging from 2.75% to 6.50% (2021: 2.75% to 4.50%) per annum.

12. CASH

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Cash on hand	730,817	1,341,808
Cash in banks	<u>22,855,551</u>	<u>21,127,121</u>
	<u>23,586,368</u>	<u>22,468,929</u>

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

13. ASSETS CLASSIFIED AS HELD FOR SALE

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

As at 31 December 2022, the carrying value of assets classified as held for sale amounted to KHR'000 16,582,161 (2021: KHR'000 16,191,268). No gain was recognized during the year as the transaction has not been completed, and the risk and rewards have not been completely transferred to the buyer.

In January 2023, the process of transferring hard title deeds was completed. The remaining contract value was settled and received in February 2023.

14. ISSUED CAPITAL AND SHARE PREMIUM

	<i>Class A share (*)</i>		<i>Class B share (**)</i>		<i>Class C share (**)</i>		<i>Issued capital</i>		<i>Share premium</i>	<i>Total</i>
	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>Number</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
At 31 December 2021	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	450,302,828	450,302,828	67,715,235	518,018,063
At 31 December 2022	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	450,302,828	450,302,828	67,715,235	518,018,063

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

14. ISSUED CAPITAL AND SHARE PREMIUM (continued)

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

	<i>Percentage</i>	<i>Number of shares</i>	<i>KHR'000</i>
Shareholders			
Class B shares:			
The Royal Government of Cambodia	75%	64,328,975	64,328,975
Class C shares:			
Kamigumi	13%	11,150,324	11,150,324
Public investors	12%	10,292,668	10,292,668
	25%	21,442,992	21,442,992
	100%	85,771,967	85,771,967

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

15. OTHER RESERVES

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

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%. On 7 May 2022, the Board of Directors approved to transfer the profit for the year ended 31 December 2021 to general reserve of KHR'000 4,685,370 and legal reserve of KHR'000 4,685,370.

16. BORROWINGS

	<i>2022 KHR'000</i>	<i>2021 KHR'000</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
	395,110,577	468,986,997

MoEF signed borrowing agreements with JICA and JBIC in respect of the transactions relating to PAS. The borrowings are disbursed by JICA and JBIC directly to the suppliers of PAS. Repayments of borrowings are made by PAS directly to MoEF according to the repayment schedules.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

16. BORROWINGS (continued)

The maturity dates of these borrowings are as follows:

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Current		
Not later than one year	30,433,490	33,961,572
Non-current		
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
	364,677,087	435,025,425
	395,110,577	468,986,997

The fair values of the borrowings are as follows:

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

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 other currencies other than functional currency are as follows:

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

The interest rates per annum for each borrowing are as follows:

	<u>2022</u>	<u>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%

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

17. RETIREMENT BENEFIT OBLIGATIONS

The movement in the retirement benefit obligations over the year follows:

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

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Current service cost	2,057,759	1,709,000
Interest expense	4,638,446	4,614,000
Total amount recognized in profit or loss (Note 21)	<u>6,696,205</u>	<u>6,323,000</u>

The principal actuarial assumptions were as follows:

	<u>2022</u>	<u>2021</u>
Discount rate per annum	6.5%	6.0%
Salary incremental rate per annum	5.0%	5.0%
Turnover rate per annum	0.5%	0.5%
Mortality rate	100% of 2017 Thailand Ordinary Mortality tables	100% of 2017 Thailand Ordinary Mortality tables
Disability rate	10% of pre-retirement mortality rates	10% of pre-retirement mortality rates

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

17. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

<u>Sensitivity</u>	<u>Assumption</u>	<u>KHR</u>
2022		
<i>Discount rate</i>		
Base assumption	6.5%	76,038
+ 1.00%	7.5%	67,668
- 1.00%	5.5%	84,198
<i>Salary incremental rate</i>		
Base assumption	5.0%	76,038
+ 1.00%	6.0%	79,171
- 1.00%	4.0%	73,040
2021		
<i>Discount rate</i>		
Base assumption	6.0%	88,181
+ 0.50%	6.5%	83,642
- 0.50%	5.5%	93,184
<i>Salary incremental rate</i>		
Base assumption	5.0%	88,181
+ 2.50%	7.5%	99,101
- 2.50%	2.5%	80,198

18. DEFERRED INCOME

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Current	171,679	134,442
Non-current	12,203,200	5,310,459
	<u>12,374,879</u>	<u>5,444,901</u>

Movement in the deferred income over the year follows:

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	5,444,901	5,539,628
Receipts	7,552,798	325,439
Recognized as rental income	(747,358)	(460,930)
Foreign currency differences	124,538	40,764
As at 31 December	<u>12,374,879</u>	<u>5,444,901</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

19. TRADE AND OTHER PAYABLES

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Trade payables	879,204	6,901,034
Accrued bonuses	16,420,437	17,723,746
Advances received from customers	8,592,698	8,606,313
Accrued social fund contribution	4,619,685	5,695,107
Deposits from lessees	1,655,291	1,838,743
Output value-added tax payable - net	1,638,102	1,512,315
Tax on salary payable	335,985	434,447
Others	924,671	477,954
	<u>35,066,073</u>	<u>43,189,659</u>

20. REVENUE

20.1 Disaggregated revenue information

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

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Stevedoring charges	164,873,445	158,566,499
LO-LO and container storage	112,437,171	114,976,534
Port due/charge services	62,285,050	65,016,267
Others	1,773,183	1,594,060
	<u>341,368,849</u>	<u>340,153,360</u>
Timing of revenue recognition		
At a point in time	324,466,320	324,610,624
Over time	16,902,529	15,542,736
	<u>341,368,849</u>	<u>340,153,360</u>

20.2 Contract balances

The Company's contract balances are as follows:

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Trade receivables (<i>Note 10</i>)	<u>30,334,960</u>	<u>33,656,278</u>

20.3 Performance obligations

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

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

21. CONSUMABLE SUPPLIES

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Combustible expenses	55,377,295	44,676,922
Spare parts	36,585,278	32,908,017
Warehouse supplies	6,647,078	7,609,670
Oil and lubricant	3,726,734	3,810,914
Office supplies	2,179,670	2,836,715
Others	1,848,806	1,897,008
	106,364,861	93,739,246

22. SALARIES, WAGES AND RELATED EXPENSES

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Employee salaries	70,890,889	69,318,998
Bonus	16,420,437	17,723,746
Retirement benefit expense (Note 17)	6,696,205	6,323,000
Seniority benefits	4,031,729	3,470,928
Directors' remuneration	1,546,800	1,396,800
Social security	1,546,531	783,022
Others	4,539,506	5,350,455
	105,672,097	104,366,949

23. DEPRECIATION AND AMORTIZATION CHARGES

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Property and equipment (Note 6)	38,352,570	32,495,663
Investment properties (Note 7)	6,176,639	6,322,670
Intangible assets (Note 8)	1,168,539	1,104,344
	45,697,748	39,922,677

24. OTHER EXPENSES

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Contributions and donations	11,193,906	12,029,326
Special Economic Zone (SEZ) operating expense	2,869,585	2,545,602
Utilities	2,848,292	366,374
Reception and hospitality	2,492,294	1,422,757
Supplies	1,801,354	2,203,218
Mission	1,616,084	784,907
Professional and related costs	1,615,363	1,051,250
Publications	1,196,565	1,015,359
Training, workshops and seminars	530,772	243,491
Communication	393,967	390,234
Equipment and car rental	224,246	26,845
Health-care supplies	219,344	349,428
Reversal of provision for expected credit losses	(77,173)	(2,326,237)
Others	202,300	244,852
	27,126,899	20,347,406

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

25. FINANCE INCOME - NET

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Finance income:</i>		
Interest income on bank deposits	4,277,488	3,810,776
Net exchange gains on foreign currency borrowings (c)	46,515,976	39,531,367
Interest income from unwinding of discount of loans to employees	-	55,342
	<u>50,793,464</u>	<u>43,397,485</u>
<i>Financial cost:</i>		
Interest expense on borrowings (Note 16)	<u>(9,939,793)</u>	<u>(11,194,446)</u>
Finance income - net	<u>40,853,671</u>	<u>32,203,039</u>

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
JPY/KHR	30.945	35.590	39.275	37.620
US\$/KHR	4,117	4,074	4,045	4,075

26. INCOME TAX EXPENSE

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

(a) Income tax expense

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Income tax expense recognized in profit for the year</i>		
Current income tax	11,492,634	7,595,549
Under provision of current income tax from prior year	1,629,600	-
Deferred income tax	619,631	9,742,698
Income tax expense	<u>13,741,865</u>	<u>17,338,247</u>
<i>Income tax expense recognized in OCI</i>		
Deferred income tax related to remeasurement gain on defined benefit obligation	<u>2,964,709</u>	<u>-</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

26. INCOME TAX EXPENSE (continued)

(a) *Income tax expense* (continued)

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

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Accounting profit before income tax	97,897,080	111,045,637
At statutory income tax rate of 20%	19,579,416	22,209,127
Effects of non-deductible expense	3,260,400	3,035,390
Effects of non-taxable income	(8,858,132)	(7,906,270)
Effects of previously unrecognized deferred tax	(1,869,419)	-
Under provision of current income tax from prior year	<u>1,629,600</u>	<u>-</u>
Income tax expense	<u>13,741,865</u>	<u>17,338,247</u>

(b) *Deferred tax liabilities - net*

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

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

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Deferred tax assets	19,682,847	19,167,859
Deferred tax liabilities	<u>(52,686,201)</u>	<u>(48,586,873)</u>
Deferred tax liabilities - net	<u>(33,003,354)</u>	<u>(29,419,014)</u>

Deferred tax assets (liability) are attributable to:

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Deferred tax assets on:		(Note 2.4)
Retirement benefit obligation	15,207,683	17,636,197
Deferred income	2,474,974	1,088,980
Advances received from customers	1,629,600	-
Seniority payment obligations	288,891	216,030
Provision for expected credit losses	62,618	78,053
Allowance for impairment of inventories	<u>19,081</u>	<u>148,599</u>
	19,682,847	19,167,859
Deferred tax liabilities on:		
Accelerated depreciation and amortization	<u>(52,686,201)</u>	<u>(48,586,873)</u>
Deferred tax liability - net	<u>(33,003,354)</u>	<u>(29,419,014)</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

26. INCOME TAX EXPENSE (continued)

(c) Income tax payable

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January	5,935,307	7,607,493
Income tax expense	11,492,634	7,595,549
Under provision of current income tax from prior year	1,629,600	-
Income tax paid	(10,779,895)	(8,141,938)
Withholding tax credit	-	(1,125,797)
	8,277,646	5,935,307

27. EARNINGS PER SHARE

(i) Basic earnings per share

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

	2022	2021
Profit attributable to shareholders (<i>KHR'000</i>)	84,155,215	93,707,390
Weighted average number of shares	85,771,967	85,771,967
Basic earnings per share (<i>KHR</i>)	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 year end. As such, the diluted earnings per share was equivalent to the basic earnings per share.

28. RELATED-PARTY TRANSACTIONS

PAS is under the financial supervision of the MoEF and the technical supervision of the MoPWT. Transactions with MoEF and MoPWT are considered to be related parties.

(a) Related party balances

(i) Amount due to MoEF

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

(ii) Amount due from MoPWT

	2022	2021
	<i>KHR'000</i>	<i>KHR'000</i>
Advances to MoPWT (<i>Note 10</i>)	7,221,303	1,221,303

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

28. RELATED-PARTY TRANSACTIONS (continued)

(b) Related party transactions

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Advances to MoPWT (Note 10)	6,000,000	-
Interest expense on borrowings from MoEF (Note 16)	9,939,793	11,194,446

(c) Key management compensation

Key management compensation for the year ended is as follows:

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Board of Directors</i>		
Fees and related expenses	<u>1,396,800</u>	<u>1,396,800</u>
<i>Key management personnel</i>		
Salaries and other expenses	<u>3,268,197</u>	<u>3,063,495</u>
Retirement benefit expenses (*)	<u>235,366</u>	<u>245,718</u>

Key management personnel comprise of Chief Executive Officer and Executive Directors who make strategic decisions over PAS's direction, financial and operational performances.

(*) Retirement benefit scheme is operated at entity wide which key management personnel are also entitled to the benefit scheme the same as other employees of PAS.

29. COMMITMENT

As at 31 December 2022, PAS has outstanding capital expenditure commitment amounting to KHR 1,138,007 million (31 December 2021: KHR 821,416 million) for construction and acquisition of property and equipment.

30. FINANCIAL RISK MANAGEMENT

30.1 Financial risk factors

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 *Financial risk factors* (continued)

Market risk

Interest rate risk

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

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

Price risk

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

Foreign exchange risk

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

PAS's sensitivity to foreign exchange rates on its Japanese yen and US dollar financial instruments is analysed below. PAS's financial instruments are mainly denominated in these two currencies. PAS has analysed the movement in these currencies over the last three years and considered that 8.94% (2021: 5.50%) and 0.84% (2021: 0.96%) movements in the Japanese yen and US dollar rates, respectively, are reasonable benchmarks.

The following shows the impact to profit after tax as a result from changes in exchange rate as of 31 December 2022:

2022		
<u>Sensitivity</u>	<u>Change in foreign exchange rates</u>	<u>Impact to profit after tax</u> KHR'000
Japanese yen	- 8.94% Depreciation	21,727,000
Japanese yen	+ 8.94% Appreciation	(21,727,000)
US dollar	- 0.84% Depreciation	(369,000)
US dollar	+ 0.84% Appreciation	369,000
2021		
<u>Sensitivity</u>	<u>Change in foreign exchange rates</u>	<u>Impact to profit after tax</u> KHR'000
Japanese yen	- 5.50% Depreciation	16,417,000
Japanese yen	+ 5.50% Appreciation	(16,417,000)
US dollar	- 0.96% Depreciation	(292,000)
US dollar	+ 0.96% Appreciation	292,000

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 *Financial risk factors* (continued)

Market risk (continued)

The table below summarises PAS's exposure to foreign currency exchange rate risk at 31 December 2022 and 31 December 2021. Included in the table are the financial instruments at carrying amount by currency in KHR'000 equivalent.

	<i>In equivalent KHR'000</i>			
	<i>JPY</i>	<i>US\$</i>	<i>KHR</i>	<i>Total</i>
2022				
Financial assets				
Trade and other receivables, gross	-	30,334,960	7,535,791	37,870,751
Short-term bank deposits	-	97,121,845	5,786,419	102,908,264
Cash	-	22,883,188	703,180	23,586,368
	-	150,339,993	14,025,390	164,365,383
Financial liabilities				
Borrowings	(303,644,105)	(91,466,472)	-	(395,110,577)
Trade and other payables	-	(2,717,423)	-	(2,717,423)
Deposit from lessees	-	(1,029,250)	-	(1,029,250)
	(303,644,105)	(95,213,145)	-	(398,857,250)
Net position	(303,644,105)	55,126,848	14,025,390	(234,491,867)
2021				
Financial assets				
Trade and other receivables, gross	-	33,985,519	1,917,805	35,903,324
Short-term bank deposits	-	95,872,367	5,434,314	101,306,681
Cash	-	21,980,688	488,241	22,468,929
	-	151,838,574	7,840,360	159,678,934
Financial liabilities				
Borrowings	(370,933,079)	(98,053,918)	-	(468,986,997)
Trade and other payables	-	(14,636,669)	(6,025,236)	(20,661,905)
Deposit from lessees	-	(1,018,500)	-	(1,018,500)
	(370,933,079)	(113,709,087)	(6,025,236)	(490,667,402)
Net position	(370,933,079)	38,129,487	1,815,124	(330,988,468)

Credit risk

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 *Financial risk factors* (continued)

Credit risk (continued)

Risk management

To manage risk from trade and other receivables, PAS requires a deposit from each shipping line before handling any transactions for the shipping line. No deposit is required for governmental departments as PAS believes that it can collect trade and other receivables from such departments through the MoEF (which finances such departments). Deposits are not obtained from shipping lines that use PAS's services infrequently as such these shipping lines are required to make payment on delivery of the services. PAS has a deposit deduction policy for customers that have not settled their debts in accordance with the credit terms and conditions. PAS's exposure to credit risk on trade and other receivables is limited to the carrying amount of the receivables less allowance for expected credit losses of the receivables based on a review of all outstanding amounts at year-end. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

For short-term bank deposits and cash at banks, placements are made only to reputable banks and financial institutions.

Security

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

Impairment of financial assets

PAS has financial assets which are cash, short-term bank deposits and trade receivables that are subject to the expected credit loss model.

There is no significant concentration of credit risk with respect to cash, short-term bank deposits. Based on the impairment requirements of CIFRS 9, the identified impairment losses were immaterial because PAS has deposited with well-known banks with no history of default.

Trade receivables

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

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

PAS's trade receivables generally consist of receivables ranging from 31 to 39 debtors from year 2015 to 2022. Based on PAS's historical credit loss experience for trade receivables, there were no cases of default in the past eight (8) years. All invoices were paid within one year. Based on the ageing provided as at 31 December 2022, most balances aged more than 120 days have been subsequently settled in January 2023.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. PAS has identified the GDP growth rate of Cambodia in which it sells its services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan, and a failure to make contractual payments for a period of greater than specified past due days to be approved by the Board of Directors.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 *Financial risk factors* (continued)

Credit risk (continued)

Impairment of financial assets (continued)

Trade receivables (continued)

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for trade receivables:

	2022		
	<i>Expected loss rate</i>	<i>Gross carrying amount</i>	<i>Loss allowance</i>
	%	KHR'000	KHR'000
Current	0%	26,410,436	-
More than 30 days past due	0%	1,614,559	-
More than 60 days past due	0%	586,453	-
More than 90 days past due	0%	791,127	-
More than 120 days past due	(*) 19.99%	1,165,335	232,950
		30,567,910	232,950
	2021		
	<i>Expected loss rate</i>	<i>Gross carrying amount</i>	<i>Loss allowance</i>
	%	KHR'000	KHR'000
Current	0%	25,580,287	-
More than 30 days past due	0%	4,616,059	-
More than 60 days past due	0%	434,254	-
More than 90 days past due	0%	321,971	-
More than 120 days past due	(*) 10.86%	3,032,948	329,241
		33,985,519	329,241

(*) The impact of the measurement of ECL is due to changes in probability of default ("PD") arising from the forward-looking adjustment on the macroeconomic forecasts.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 *Financial risk factors* (continued)

Liquidity risk

PAS's exposure to liquidity risk arises from the general funding of its business activities. It includes the risk of being unable to fund business activities in a timely manner.

PAS has a policy to maintain sufficient cash for its operations and uses credit facilities together with its own funds to pay for capital investments.

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

	<u>2022</u>	<u>2021</u>
	<i>KHR'000</i>	<i>KHR'000</i>
Fixed rate		
Expiring beyond one year	<u>713,618,277</u>	<u>821,415,962</u>

The maturity profile of the Company's financial assets that are used to manage liquidity and financial liabilities is summarized as follows:

	<u>2022</u>			<u>2021</u>		
	<i>Within one year KHR'000</i>	<i>More than one year KHR'000</i>	<i>Total KHR'000</i>	<i>Within one year KHR'000</i>	<i>More than one year KHR'000</i>	<i>Total KHR'000</i>
<i>Financial assets</i>						
Trade and other receivables, gross	37,870,751		37,870,751	35,574,083	-	35,574,083
Short-term bank deposits	102,908,264	-	102,908,264	101,306,681	-	101,306,681
Cash and cash equivalents	23,586,368	-	23,586,368	22,468,929	-	22,468,929
	<u>164,365,383</u>	<u>-</u>	<u>164,365,383</u>	<u>159,349,693</u>	<u>-</u>	<u>159,349,693</u>
<i>Financial liabilities</i>						
Borrowings	30,433,490	364,677,087	395,110,577	33,961,572	435,025,425	468,986,997
Trade and other payables	2,717,423	-	2,717,423	2,717,423	-	2,717,423
Deposit from lessees	-	1,029,250	1,029,250	-	1,018,500	1,018,500
	<u>33,150,913</u>	<u>365,706,337</u>	<u>398,857,250</u>	<u>36,678,995</u>	<u>436,043,925</u>	<u>472,722,920</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.1 Financial risk factors (continued)

Liquidity risk (continued)

The table below analyses PAS's financial liabilities by the remaining period until the maturity date as at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<i>Less than 1 year</i> <i>KHR'000</i>	<i>Between</i> <i>1 and 2 years</i> <i>KHR'000</i>	<i>Between</i> <i>2 and 5 years</i> <i>KHR'000</i>	<i>Over 5 years</i> <i>KHR'000</i>	<i>Total contractual</i> <i>cash flows</i> <i>KHR'000</i>	<i>Carrying amount</i> <i>liabilities</i> <i>KHR'000</i>
2022						
Borrowings	37,747,937	37,035,408	106,613,162	293,919,139	475,315,646	395,110,577
Trade and other payables	2,717,423	-	-	-	2,717,423	2,717,423
Deposits from lessees	-	-	-	1,029,250	1,029,250	1,029,250
	40,465,360	37,035,408	106,613,162	294,948,389	479,062,319	398,857,250
2021						
Borrowings	47,074,239	43,251,361	124,224,196	366,764,309	581,314,105	468,986,997
Trade and other payables	20,661,905	-	-	-	20,661,905	20,661,905
Deposits from lessees	-	-	-	1,018,500	1,018,500	1,018,500
	67,736,144	43,251,361	124,224,196	367,782,809	602,994,510	490,667,402

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.2 Capital risk management

PAS's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

PAS does not have a specific policy on gearing ratios.

Dividends

On 17 June 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:

	2022	2021
	<u>KHR'000</u>	<u>KHR'000</u>
Dividends paid to Class B shares	5,300,000	3,533,122
Dividends paid to Class C shares	10,807,268	8,641,527
Total dividends paid	<u>16,107,268</u>	<u>12,174,649</u>

Non-cash transaction is the dividend paid to Class B shares amounting to KHR nil which is offsetting with advance to Ministry of Public Work and Transport (MoPWT) (31 December 2021: KHR'000 3,533,122 out of total dividend distribution KHR'000 12,174,649 was offset with advance to MoPWT) (Note 10).

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

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

- (a) *Cash and 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 based on discounted future cash flows based on market interest rate which reasonably approximate their carrying values.

Fair value hierarchy

The Company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

30. FINANCIAL RISK MANAGEMENT (continued)

30.3 Fair value of financial assets and financial liabilities measured at amortized cost (continued)

Fair value hierarchy (continued)

There were no transfers between Level 1 and Level 2 fair value measurements and no transfers into and out of Level 3 fair value measurements.

Offsetting of financial assets and financial liabilities

There were no offsetting of financial assets and financial liabilities during the year.

31. TAXATION 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.

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

Other disclosures required by CIFRSs were not provided as it may prejudice the Company's position in its ongoing tax assessments.

32. RECLASSIFICATION OF CORRESPONDING FIGURES

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

	2021		
	<i>KHR'000</i> <i>(As previously presented)</i>	<i>KHR'000</i> <i>(Reclassification)</i>	<i>KHR'000</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
Deposits from lessees	-	1,018,500	1,018,500

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE FINANCIAL STATEMENTS (continued)
for the year ended 31 December 2022

33. EVENTS AFTER THE REPORTING PERIOD

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



PART 7

Information on Related Party Transactions and Conflict of Interest



A. Material transactions with Shareholder who hold at least 5% or more shares of outstanding equity securities.

In 2022, there wasn't any transaction with Shareholder who hold at least 5% or more shares of outstanding equity securities.

B. Material transactions with Director and Senior Office.

In 2022, there wasn't any transactions with Director and Senior Office.

C. Transactions with Director and Shareholder related to buy/sell asset and service.

In 2022, there wasn't any transactions with Director and Shareholder related to buy/sell asset and service.

D. Material transactions with immediate family members of the Director, Senior office and Shareholder who hold at least 5% or more shares.

In 2022, there wasn't any transactions with immediate family members of the Director, Senior office and Shareholder who hold at least 5% or more shares.

E. Material transactions with the person, who associated with director of the listed entity, its subsidiary or holding company, whose relationship has occurred in any transactions or have been made by the listed entity.

In 2022, there wasn't any transactions with the person, who associated with director of the listed entity, its subsidiary or holding company, whose relationship has occurred in any transactions or have been made by the listed entity.

F. Material transactions with former director or person who involved with former director.

In 2022, there wasn't any transactions with former director or person who involved with former director.

G. Material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity.

In 2022, there wasn't any transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity.

H. Material transactions with directors who get benefit either finance or non-financial from the listed entity.

In 2022, there wasn't any transactions with directors who get benefit either finance or non-financial from the listed entity.



PART 8

Management's Discussion and Analysis



A. Overview of Operations

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

For this 2022, the volume of PAS's container throughput increased by 17,761 TEUs equivalent to 2.43% compared to 2021 and gross cargoes throughput increased by 0.18% equivalent to 12,820 tons. Among gross cargoes throughput, container in tons increased 1.66% equivalent to 82,187 tons and Fuels & Gas increased 2.15% equal to 38,424 tons. On the other hand, general cargoes decreased 107,791 tons equivalent to 42.99%. PAS's calling vessel decreased by 8.85% equal to 140 vessels, yet its gross tonnages increased by 5.55% equal to 741,633 tons compare to 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 2022 and 2021 as shown in Part 6 of this 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 National Bank of Cambodia according to the respective dates of the operations.

1- Revenue Analysis

1-A Revenue Analysis

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

Description	2022	2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	343,743,545	342,349,229	1,394,316	0.41%

For this 2022, PAS's income increased by 1,394,316,000 Riels equivalent to 0.41% increased from 342,349,229,000 Riels in 2021 to 343,743,545,000 Riels in 2022. This income was mostly derived from Stevedoring Charges, and Storage Charges of Cargo or Container.

1-B Revenue by Segment Analysis

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

Description	2022		2021	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	164,873,445	47.96%	158,566,499	46.32%
LOLO Charge	96,920,196	28.20%	100,602,046	29.39%
Port Charge for Vessel Services	62,285,050	18.12%	65,016,267	18.99%
Storage (Warehouse and Yard)	15,516,975	4.51%	14,374,488	4.20%
Transportation	92,090	0.03%	122,326	0.04%
Passenger vessel	0	0.00%	0	0.00%
Special Economic Zone	2,374,696	0.69%	2,195,869	0.64%
Rental fee	1,385,553	0.40%	1,168,248	0.34%
Other revenues	295,539	0.09%	303,486	0.09%
Total Revenue	343,743,545	100.00%	342,349,229	100.00%

In 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 December 2022 compared to the period ended 31st December 2021

Description	2022	2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	164,873,445	158,566,499	6,306,946	3.98%
LOLO Charge	96,920,196	100,602,046	(3,681,850)	-3.66%
Port Charge for Vessel Services	62,285,050	65,016,267	(2,731,217)	-4.20%
Storage (Warehouse and Yard)	15,516,975	14,374,488	1,142,487	7.95%

The income from Stevedoring charge increased approximately by 3.98% equivalent to 6,306,946,000 Riels, and LOLO charge decreased by 3.66% equivalent to 3,681,850,000 Riels comparing between 2022 and 2021. The increasing of stevedoring was resulted by the increase of the container throughput with the volume of 17,761 TEUs equivalent to 2.43% for this 2022 and the increased of the cargo containers throughput by 0,18%, and at the same time in 2022, decreased in LOLO charge due to most of cargoes direct handling decreased by 39.99%.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 2022, the number of vessels calling to PAS decreased by 140 vessels equal to 8.85%, yet tonnage throughput increased by 5.55% equal to 741,633 tons. However, the income on Port Charge for Vessel Services in 2022 is 62,285,050,000 Riels decreased by 2,731,217,000 Riels equivalent to 4.20% compared to 2021 was 65,016,267,000 Riels. The decreased of this income was due to drop in the general cargo vessel which decreased by 3.93% and the number of general cargo vessel decreased by 72 vessels compared to the same period last year 2021.

The income from storage, warehouse, and yard increased by 1,142,487,000 Riels equivalent to 7.95% compared between 2022 with the income amount of 15,516,975,000 Riels and 2021 with amount of 14,374,488,000 Riels. The reason of this increase was caused by the increasing in container and cargo throughput.

2. Gross Profit Margin Analysis

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

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

3. Profit/(Loss) before Tax Analysis

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

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

Description	2022	2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	343,743,545	342,349,229	1,394,316	0.41%
Consumable Supplies	(106,364,861)	(93,739,246)	(12,625,615)	13.47%
Salaries, Wages and related expenses	(105,672,097)	(104,366,949)	(1,305,148)	1.25%
Depreciation and Amortisation charge	(45,697,748)	(39,922,677)	(5,775,071)	14.47%
Repairs and Maintenances	(2,288,116)	(4,857,053)	2,568,937	-52.89%
Other expenses	(27,126,899)	(20,347,406)	(6,779,493)	33.32%
Other gain -net	449,585	(273,300)	722,885	-264.50%
Finance (Costs)/Income-net	40,853,671	32,203,039	8,650,632	26.86%
Profit before income tax	97,897,080	111,045,637	(13,148,557)	-11.84%

For 2022, PAS's expenses on Consumable Supplies amounted to 106,364,861,000 Riels increased by 12,625,615,000 Riels equivalent to 13.47% compared to 2021 with the expense amount of 93,739,246,000 Riels. The main factor that caused such increase was resulted by the expense on combustible expense large increase by 23.95% equivalent to 10,700,373,000 Riels due to the highly increased of average petroleum price from 0.68 dollars in 2021 to 1.06 dollars

in 2022. For spare parts supplies expense increased by 11.17% equivalent to 3,677,261,000 Riels if compared to 2021.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decreases, the expense on salary will also decrease, and we found that stevedoring and LOLO incomes increased slightly in this 2022. Nevertheless, the expense on Salary, wages, and other related expenses had increased approximately 1.25% equivalent to 1,305,148,000 Riels compared between 2022 with the expense amount of 105,672,097,000 Riels and 104,366,949,000 Riels in 2021. The main factors of this increasing are expense on employees' salaries which little increased approximately 2.27% equal to 1,571,891,000 Riels, and the increased of social security expenses by 97.51% equal to 763,509,000 Riels in 2022.

The expense on depreciation and amortization included property, equipment, and intangible asset in 2022 amounted to 45,697,748,000 Riels increased by 5,775,071,000 Riels equivalent to 14.47% compared to 2021 with the expense amount of 39,922,677,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 5,856,907,000 Riels equivalent to 18.02% and the increased of expense on amortization of intangible by 5.81% equivalent to 64,195,000 Riels.

The expense on repair and maintenance decreased by 2,568,937,000 Riels equal to 52.89%, the total expense of repair and maintenance in 2022 was 2,288,116,000 Riels and 4,857,053,000 Riels in 2021.

The other expenses increased by 33.32% equivalent to 6,779,493,000 Riels, which increased from 20,347,406,000 Riels in 2021 to 27,126,899,000 Riels in 2022. The factor that caused such an increase was resulted from rising in Reception and hospitality expenses by 75.17% equal to 1,069,537,000 Riels, and Mission expenses largely increased by 105.89% equal to 831,177,000 Riels. Furthermore, the increase of utilities expense by 677.43% which equal to 2,481,918,000 Riels if compare with 2021 due to the usage of electricity in PAS. In the past, PAS used electricity by running its own generator to generate electricity in the facility. However, in 2022 PAS has installed the state electricity network to use in the operation since February 2022, which increased the cost of utilities expense significantly in 2022.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 2022, the gain from realized foreign exchange with the amount of 449,585,000 Riels increased by 264.50% equivalent to 722,885,000 Riels compared to 2021 there was a loss up to 273,300,000 Riels.

Net-Finance Costs/(gain) refers to Unrealized Foreign Exchange Gain-Loss, in 2022, there was a gain of 40,853,671,000 Riels increased by 26.86% equivalent to 8,650,632,000 Riels

compared to 2021 which net finance gain was 32,203,039,000 Riels. The main factor of this increase in Net-Finance Gain was because of the increased of net exchange gain on foreign currency borrowings (Japanese Yen), increased by 12.04% equivalent to 4,759,428,000 Riels which net finance gain amounted to 44,290,794,000 Riels in 2022 compared to 2021 which is 39,531,366,000 Riels.

In conclusion, PAS's profit before tax in 2022 is 97,897,080,000 Riels compared to that of 2021 with the amount of 111,045,637,000 Riels slightly decreased by 11.84% equivalent to 13,148,557,000 Riels.

4. Profit/(Loss) after Tax Analysis

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

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

Description	2022	2021	Changes	
	'000 riels	'000 riels	'000 riels	%
Profit before income tax (A)	97,897,080	111,045,637	(13,148,557)	-11.84%
Income tax expense (B)	(13,741,865)	(17,338,247)	3,596,382	-20.74%
Profit for the period	84,155,215	93,707,390	(9,552,175)	-10.19%
Remesurement of retirement benefit obligations	11,858,840	-	11,858,840	100%
Total comprehensive income for the period	96,014,055	93,707,390	2,306,665	2.46%
Effective Tax Rate (B)/(A)	14.04%	15.61%		

PAS has a profit after tax with the equivalent amount of 84,155,215,000 Riels in 2022 and 93,707,390,000 Riels in 2021 with the decreased amount of 9,552,175,000 Riels equivalent to 10.19%. The main factors that caused the profit after tax to decrease is due to the increased of operating expenses compare 2022 and 2021.

The effective tax rate on profit decreased from 15.61% in 2021 to 14.04% in 2022, due to the decreased of profit before income tax in this 2022.

5. Factors and Trends Analysis affecting Financial conditions and results

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

- Factors That Cause Restriction on International Business

Because of PAS's main source of income is derived from the movement of cargo throughput which is the transaction of international trade, 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 this 2022, PAS has container handling capacity up to 800,000 TEUs after installing 1 unit of QC, 2 units of RTGs, and 4 additional units of Empty Reach stackers in 2021. This factor has enabled the work capacity and efficiency to increase in the performance of its services.

- Status of Domestic Transportation

For this 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. While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 times per week and this rail transportation has also been performed smoothly and with no issues that may obstruct the transportation process.

- Cooperation between Ports in the Region

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

- Depreciation

Because of PAS's business is using many kinds of infrastructures, the expenses on depreciation of port's infrastructures such as ship berths, machinery, and buildings are relatively large, which may affect the PAS business. Therefore, PAS shall conduct an appropriate inspection on the depreciation policy and shall make necessary modification in every period of the financial report. For this 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 3.2%, while the world economy growth with the expected rate of 5.3% (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 implement the procurement procedures in order to guarantee the price of these raw materials to be appropriate and competitive in market value.

3. Tax Analysis

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

C. Material Changes in Sales and Revenue

PAS' main income is derived from stevedoring, LOLO and port's services which contributed around 98% of the total income in 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

- Impacts from Currency Exchange Rate

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

- Impacts from the Interest Rate

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

- Impacts from the Change of Oil Prices

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

E. Impacts of Inflation

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

F. Economic/Fiscal/Monetary Policy of Royal Government

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

- Industrial sector promotion policy, the Royal Government has planned to transform Preah Sihanouk province to be a center for trade, logistics, and production through the construction of port infrastructure, expansion of National Route No. 4, and infrastructure of the International Airport in Preah Sihanouk province.
- Policy on save time and cost of transportation through the Express Way from Phnom Penh - Sihanoukville

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



Part 9

Other Necessary Information for Investor Protection



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

- The Board of Directors has reviewed, discussed and approved the report on progress of the Feasibility Study of the new container terminal development project, Phase 2 and Phase 3, and the results of Fact-Finding Mission meeting. Board of Directors also request PAS to prepare a report on the economic and financial benefits and efficiencies for the new terminal container development project, Phase 2 and Phase 3 to the two Guardian Ministries and to request Mr. KUME Hidetoshi to facilitate further coordination and negotiation with the Japanese side on the reducing the minimum interest rate.
- BOD had reviewed, discussed and approved as below:
 - Approved on the 2021 Business Report
 - Approved on the emergency measures and request PAS to prepare a formal letter to His Excellency, Head of the Minister of Public Works and Transport on the request to relocate the inspection area of technical condition of vehicles by the authority from inside of PAS's area to outside area instead.
 - Approved on the local tourism port development project at Port Entry Number 1 of Sihanoukville Autonomous Port
- The Board of Directors reviewed and approved the financial statements for the fourth quarter and for the 12-month period ended 31 December 2021, which was reviewed by the independent auditing firm PWC (Financial performance review).
- The Board of Directors reviewed and approved the report on the preferential service fee of PAS for the goods of the Royal Government in 2021 in the total amount of 88,312.19 USD (eighty-eight thousand three hundred and twelve US dollars and Nineteen cents).
- The Bord of Directors reviewed, discussed and approved on the progress of the Feasibility Study of the new container terminal development project phase 2 and 3 and the result of the Fact-Finding Mission and Appraisal Mission meeting.
- The Board of Directors reviewed, discussed and approved the report on the business results of the first quarter of 2022.
- The Board of Directors reviewed, discussed and unanimously approved the first quarter 2022 financial statements reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
- The Board of Directors reviewed, discussed and approved the date, place and agenda for the 5th General Meeting of Shareholders 2022 as follows:
 - Date: June 17th, 2022
 - Deadline date: May 23rd, 2022
 - Venue: Sokha Beach Resort, Sihanoukville with ZOOM Video Call (Actual Situation)
 - General Agenda

Welcome remarks by the President of the General Meeting

Presentation on Business Performance – Business Performance in 2021 and Business Plan in 2022

Review and approve dividend distribution to shareholders for 2022

- The Board of Directors reviewed, discussed and approved by the Board of Directors to request the approval of the Dividend, setting the Record Date and the Date of Payment of the Dividend to the shareholders for the period 2021 in the 5th General Meeting of shareholders 2022 as follows:
 1. Distribute dividends
 - o Type "B" shareholders equal to 5,300,000,000 Riels
 - o Type "C" shareholders at the rate of 8%, 9%, 10%, 11% and 12% of the IPO Price to be submitted to the 5th General Meeting for review and approval
 - o Type of dividend to be distributed: Cash
 - o Dividend Period: For the year 2021
 - o Total number of listed shares: 85,771,967 shares
 - Number of Class "B" shares: 64,328,975 shares
 - Number of Class "C" shares: 21,442,992 shares
 2. Total amount of dividends to be distributed
 - o Allocation of Class "B" shares: 5,300,000,000 Riels
 - o Allocation of Class "C" Shares: Voted in the 5th General Meeting of Shareholders
 - o Total dividend distribution ratio for Class "B" and "C" shares
 - Dividend distribution ratio for Class "B": 6.28%
 - Dividend distribution ratio for category "C": Voted at the 5th General Meeting of Shareholders
 - o Dividends per share
 - Dividend distribution for Class "B": 82.39 Riels
 - Dividend distribution for Class "C": Decided at the 5th General Meeting of Shareholders
 - o Record Date: June 27th, 2022
 - o Payment Date: July 06th, 2022
- The Board of Directors reviewed, discussed and unanimously approved for PAS to find the best possible solution to collect the remaining debt which Royal Railway owed to PAS by inviting the company to a meeting to discuss and explain the company's obligations base on the business contract, this work must be attended by Mr. Noum Sinith, State Inspector of PAS, and must prepare a clear record and document between the parties before going to the next step by implementing legal procedures and

measurement. In the case of debt settlement solution is not effective, the Board of Directors shall support the proposed measures of PAS, which is a step-by-step procedure for the implementation of the Royal Railway debt collection that is still indebted to PAS.

- The Board of Directors reviewed, discussed and approved on the report which was raised by the Audit, Nomination and Risk Committee. The Board requested PAS to prepare a formal letter to His Excellency, Deputy Prime Minister, Minister of Economy and Finance on the container congestion in the port and unclaimed goods to request for his guidelines and implementation.
- The Board of Directors reviewed, discussed and approved on 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 reviewed, discussed and approved the report on the progress of the new container terminal expansion project (Phase 2 and Phase 3).
- The Board reviewed, discussed and approved the report on the project to strengthen the management capacity and the container terminal operation at Sihanoukville Port - Phase 3 (2022-2026).
- The Board reviewed, discussed and approved the report on the progress of the information technology system of PAS and requested for further study with the JICA Experts Team to select the best and reliable option for PAS's development of information technology management system.
- The Board of Directors reviewed, discussed and approved the business results report of the first semester of 2022.
- After discussion, the Board of Directors unanimously approved the second quarter 2022 financial statements report reviewed by the independent audit firm Ernst & Young (Financial Performance Review).
- 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 31, 2023 in the future.

Signature of Directors of Sihanoukville Autonomous Port

Date: 30 March 2023
Read and Approved

Signature

Lou Kim Chhun
Chairman

Date: 30 March 2023
Read and Approved

Signature

Suy San
Director

Date: 30 March 2023
Read and Approved

Signature

Phan Phalla
Director

Date: 30 March 2023
Read and Approved

Signature

Sok Sopheak
Director

Date: 30 March 2023
Read and Approved

Signature

Hun Monivann
Director

Date: 30 March 2023
Read and Approved

Signature

Hidetoshi KUME
Director

Date: 30 March 2023
Read and Approved

Signature

Lou Lykheng
Director



Sihanoukville Autonomous Port



Address:

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Techo Hun Sen, Sangkat 3, Preah Sihanouk City
Preah Sihanouk Province, Cambodia

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