



KINGDOM OF CAMBODIA
NATION RELIGION KING

Sihanoukville Autonomous port

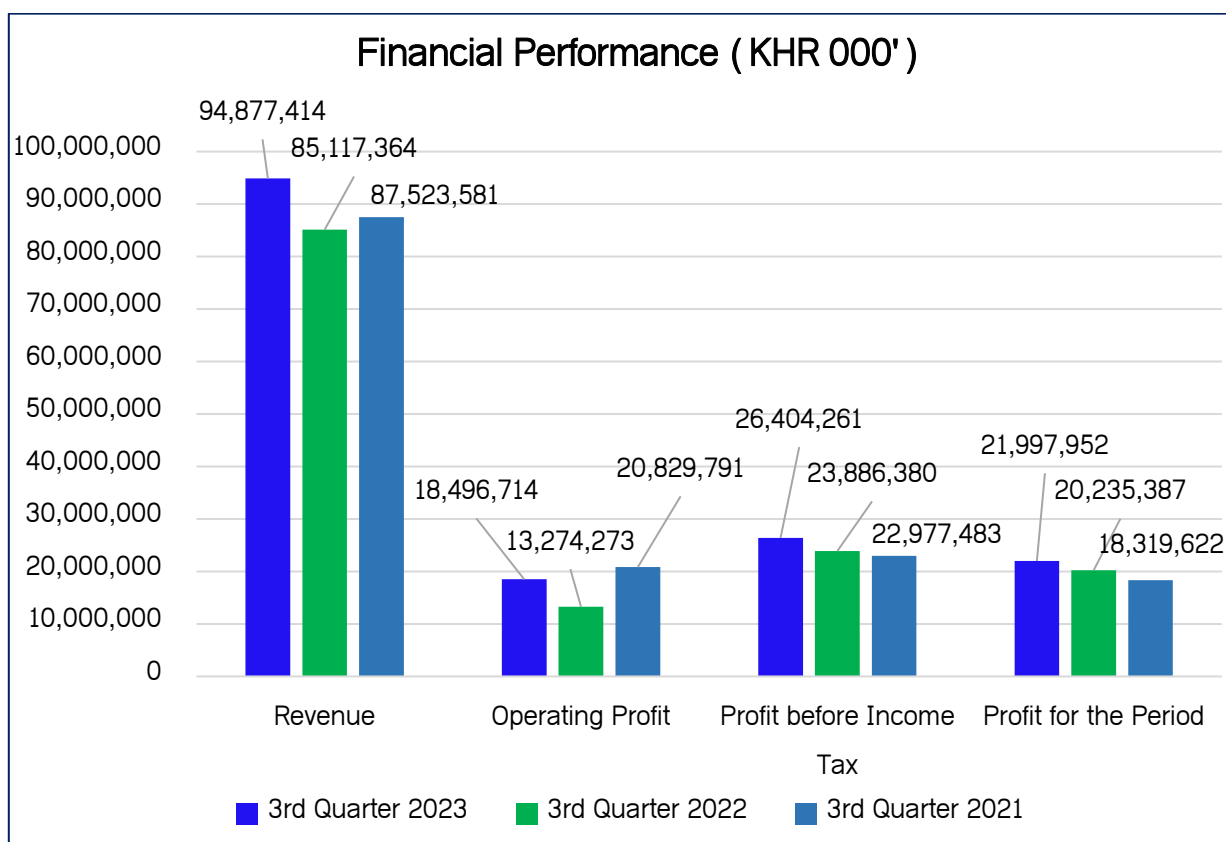
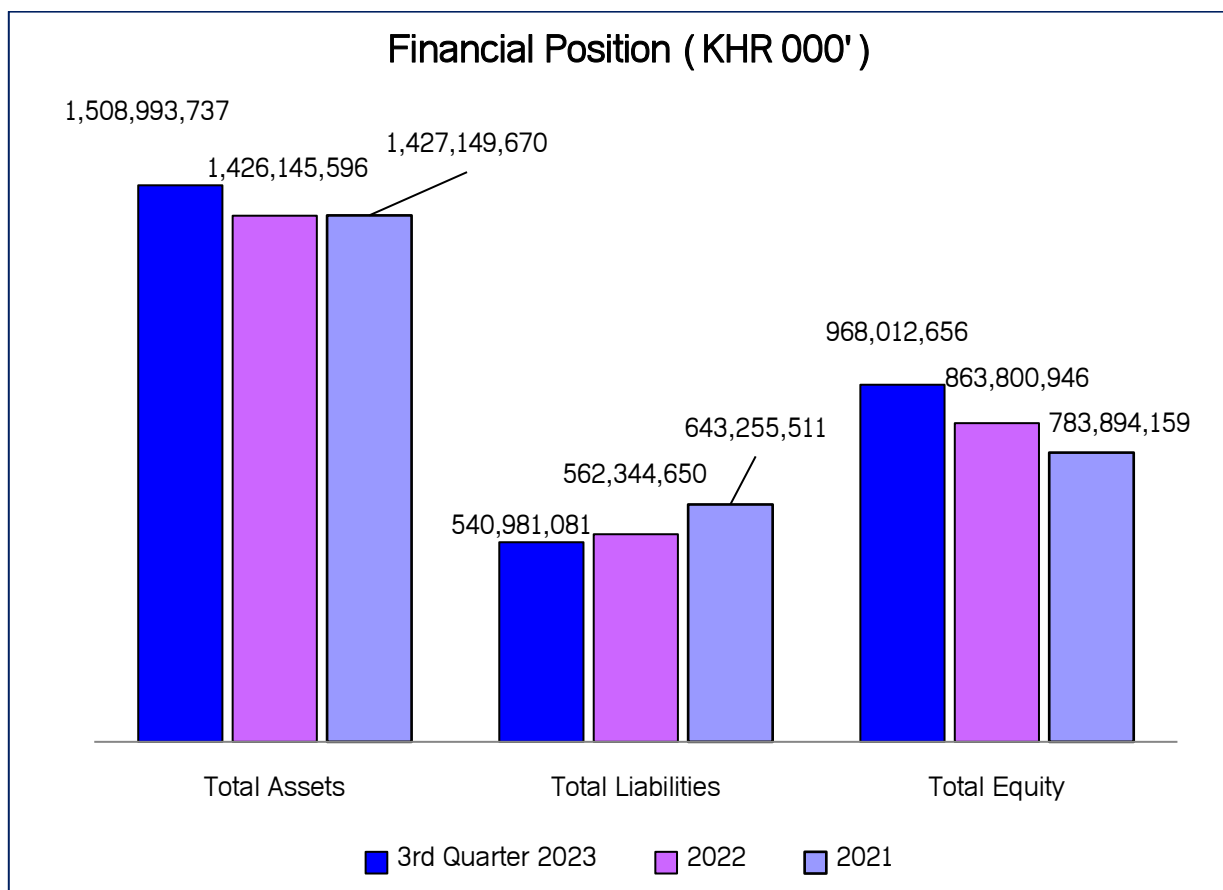
Third Quarterly Report 2023

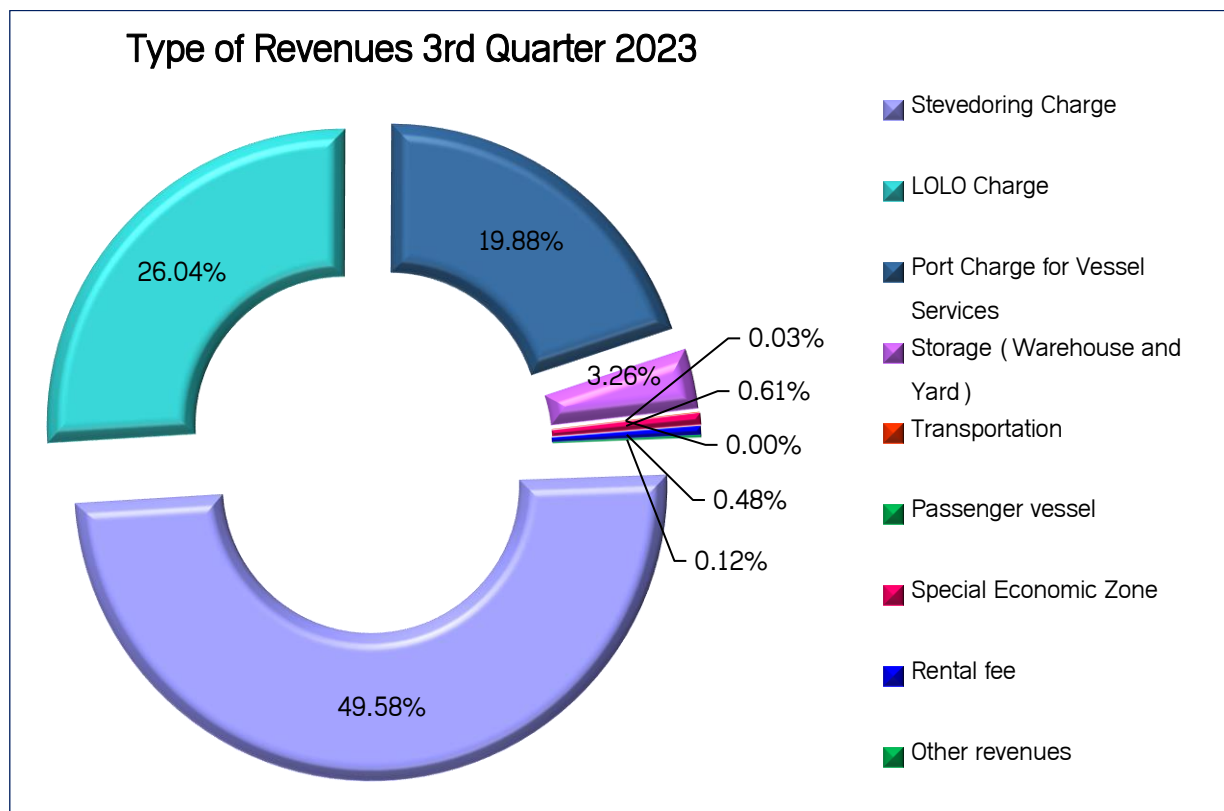


Financial Highlight

Financial Position		3 rd Quarter 2023	2022	2021
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,508,993,737	1,426,145,596	1,427,149,670
Total Liabilities		540,981,081	562,344,650	643,255,511
Total Shareholders' Equity		968,012,656	863,800,946	783,894,159
Profit/(Loss)		3 rd Quarter 2023	3 rd Quarter 2022	3 rd Quarter 2021
		KHR 000'	KHR 000'	KHR 000'
Total Revenues		94,877,414	85,117,364	87,523,581
Profit/(Loss) before Tax		26,404,261	23,886,380	22,977,483
Profit/(Loss) after Tax		21,997,952	20,235,387	18,319,622
Total Comprehensive Income		21,997,952	20,235,387	18,319,622
Financial Ratios		3rd Quarter 2023	2022	2021
Solvency Ratio		6.27%	23.09%	20.77%
Liquidity Ratio	Current Ratio	2.73	2.62	2.31
	Quick Ratio	2.37	2.25	2.00
		3 rd Quarter 2023	3 rd Quarter 2022	3 rd Quarter 2021
Profitability Ratio	Return on Assets	1.46%	1.42%	1.31%
	Return on Equity	2.27%	2.31%	2.41%
	Gross Profit Margin	19.50%	15.60%	23.80%
	Profit Margin	23.19%	23.77%	20.93%
	Earnings per share	256.47	235.92	213.59
Interest Coverage Ratio		13.42	11.15	8.52

Financial Summary Charts 3rd Quarter 2023





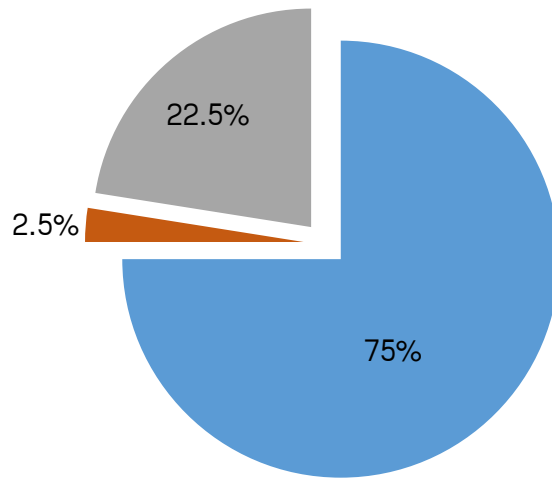
PAS's Shareholders

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

PAS's Shareholders Class C

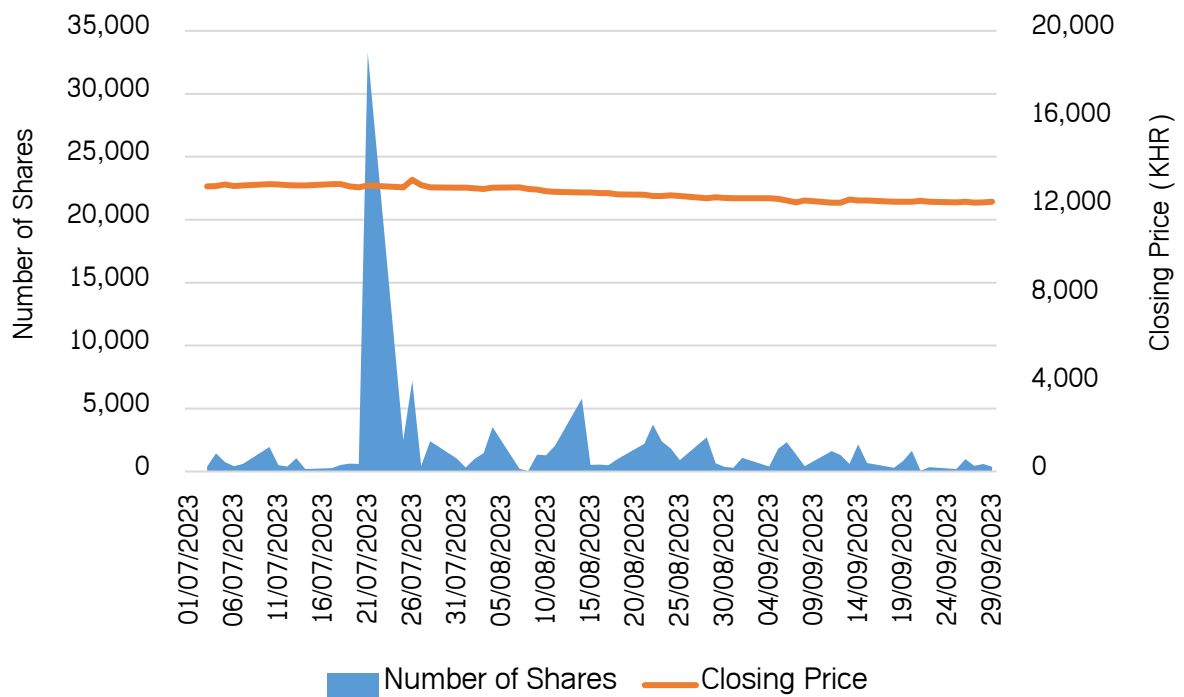
No.	Shareholders	Number of Shares	Percentage
1	ESOP	2,144,299	10%
2	KAMIGUMI CO., LTD	11,150,324	52%
3	KOBE-OSAKA International Port Corporation	2,144,300	10%
4	Other Private Shareholders	6,004,069	28%
TOTAL		21,442,992	100%

Voting Right Shares



■ Government represent by MoEF ■ ESOP ■ Private investors

Changes in Share Price and Trading Volume



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 am honored and pleasure to present the PAS’s business and financial reports of the 3rd quarter, 2023 for the period ended 30th Sep 2023”.

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 94,877,414,000 Riels and a net profit of 21,997,952,000 Riels in this 3rd quarter 2023. The revenue increased by 9,760,050,000 Riels equal to 11.47% compared to the same period of 2022, while the net profit after tax increased by 1,762,565,000 Riels equal to 8.71%. This was due to the increase in Container cargoes and cargoes throughput. As the result, PAS’s earnings per share is 256.47 Riels in this 3rd quarter 2023. Furthermore, the containers throughput amounted to 207,907 TEUs, an increase of 16,479 TEUs equal to 8.61% compared to 3rd quarter 2022.

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

- Maintain its competitive advantages, thereby ensuring service quality, competitive prices, work efficiency, and building up confidences for the customers.
- Strengthen staff's capacity on management and technical skill to timely respond to the increasing demands of port's services.
- Repair, maintenance and additionally develop port's infrastructure and machinery to ensure competitive advantages and promote its cargo handling capacity
- Strengthen strategic cooperation with domestic and regional ports
- Strengthen corporate governance by establishing necessary committees
- Contribute to the development of Corporate Social Responsibility's activities and promoting social welfare.

➤ **Duty of the Board of Directors**

In this 3rd Quarter 2023, the Board of Directors had conducted one meeting and achieved the following works:

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

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

- After reviewed and discussed, the member of board approved the report of the Risk Management Committee, the Nomination and Remuneration Committee and the Audit Committee and approved PAS to prepare the national social security fund (monthly pension) for the retired PAS employees in accordance to the content of Sub-Decree No. 45 dated 17 February 2023 of the Royal Government on the extension of the national social security fund for former civil servants and veterans from August 2023.
- After reviewed and discussed, the members of board approved the report on the progress of the ongoing container port development project (1. Project to renovate the general cargo port into a 253-meter-long container port and 2. The new container terminal development project - Step 1, Step 2 and Step 3).
- After reviewed and discussed, the members of board approved the report of the second quarter and the first semester of 2023 PAS's business results.
- After discussed, the members of board unanimously approved the financial statements for the second quarter of 2023 reviewed by the independent audit firm Ernst & Young (Cambodia) Ltd (Financial Performance Review).
- After reviewed and discussed, the members of board approved the lease of land to Royal Railway Co., Ltd for 10 years with a starting price of USD 100,000 per year with an increase of 5% every year limiting the size of the land that the company plan to utilize only. PAS will develop the remaining land to serve for PAS business.

- After reviewed and discussed, the members of board approved the report on land lease request in Sihanoukville Port Special Economic Zone (SPSEZ) and approved PAS to sign an agreement with the company that intend to lease land in Sihanoukville Port Special Economic Zone (SPSEZ) in accordance with the law.
- After reviewed and discussed the case of G.T.V.C SPEEDBOAT CAMBODIA on the development of the tourist port in front of Warehouse no.1 and Warehouse no.2, the members of board approved PAS to examine in accordance with the SOLAS, ISPS Code and the agreement with GTVC which is valid until February 2024 by maintaining the terms of use of the warehouse no.2 effectively according to the requirements of PAS's policy. After that PAS needs to discuss and negotiate the renting price and re-lease period.
- After reviewed and discussed, the members of board approved the date for the 10th meeting of the 8th Mandate Board of Directors on November 7, 2023.

Acknowledgement

Once again, I would like to express my profound thanks to the Royal Government of Cambodia led by **Samdech Moha Bovor Theb Padei Hun Maneth**, 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 all the PAS's employees for their hard work and dedication to the job.

Sihanoukville, Dated: 23rd November 2023

Chairman



LOU KIMCHHUN

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PART 1

General Information of Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

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

B. Nature of Business

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

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

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

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

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

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

- **Railway Container Terminal**

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

- **Sihanoukville Port Special Economic Zone**

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

C. Quarter's Key Events

For this 3rd quarter of 2023, **PAS** has no key event.



PART 2

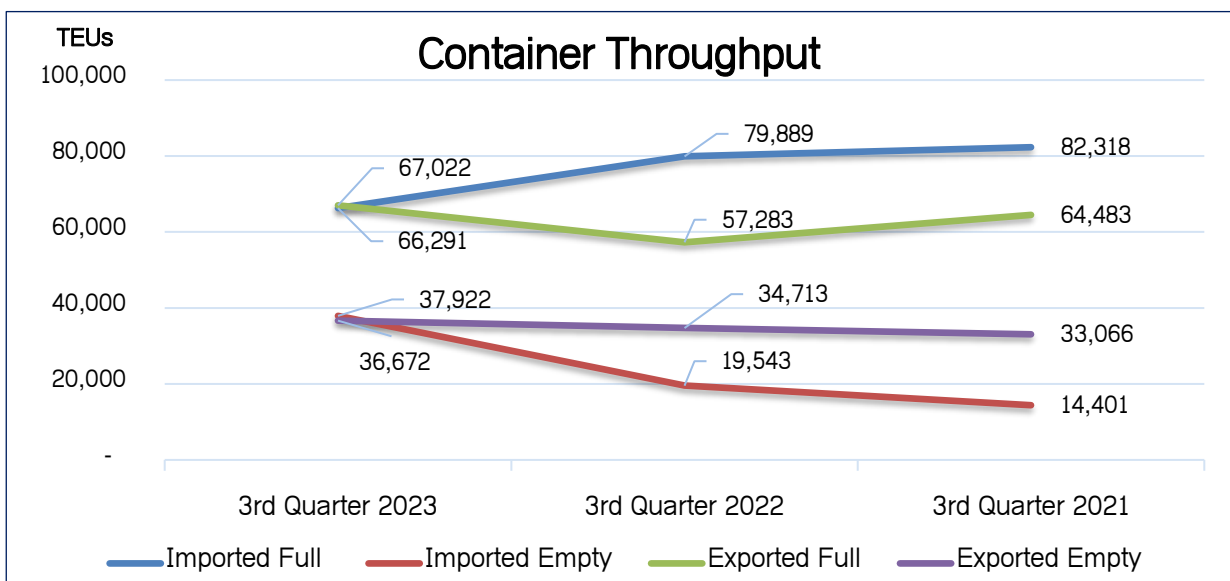
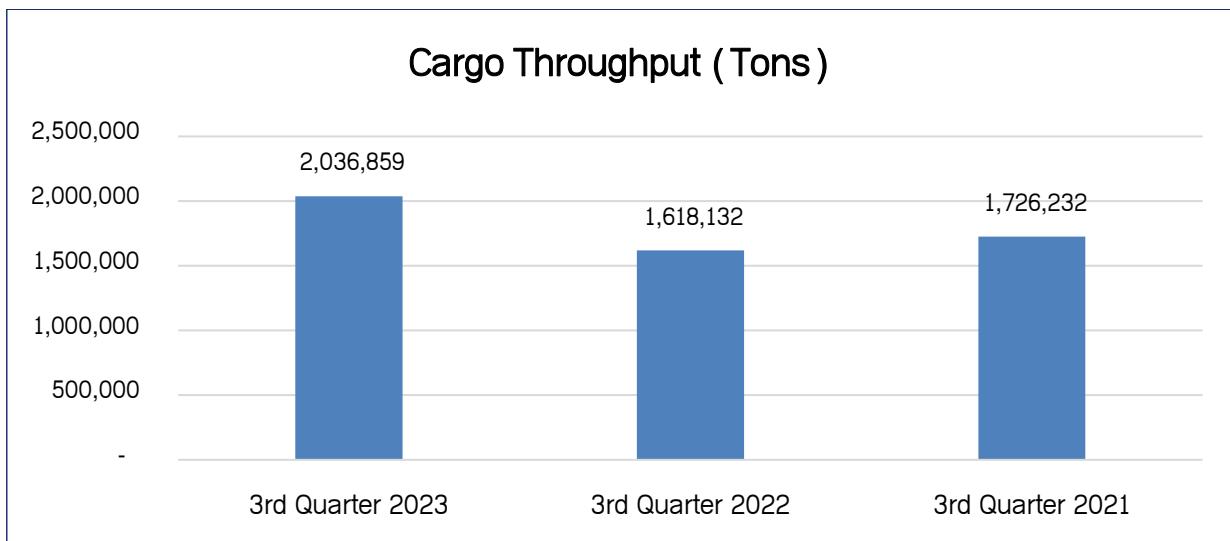
Information on Business Operation Performance

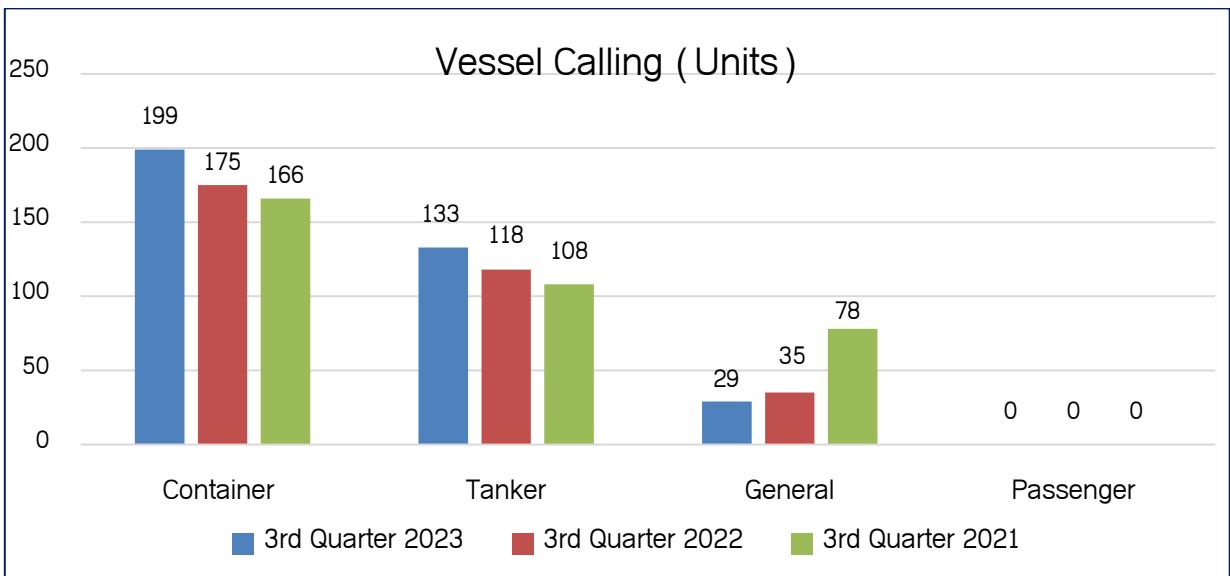
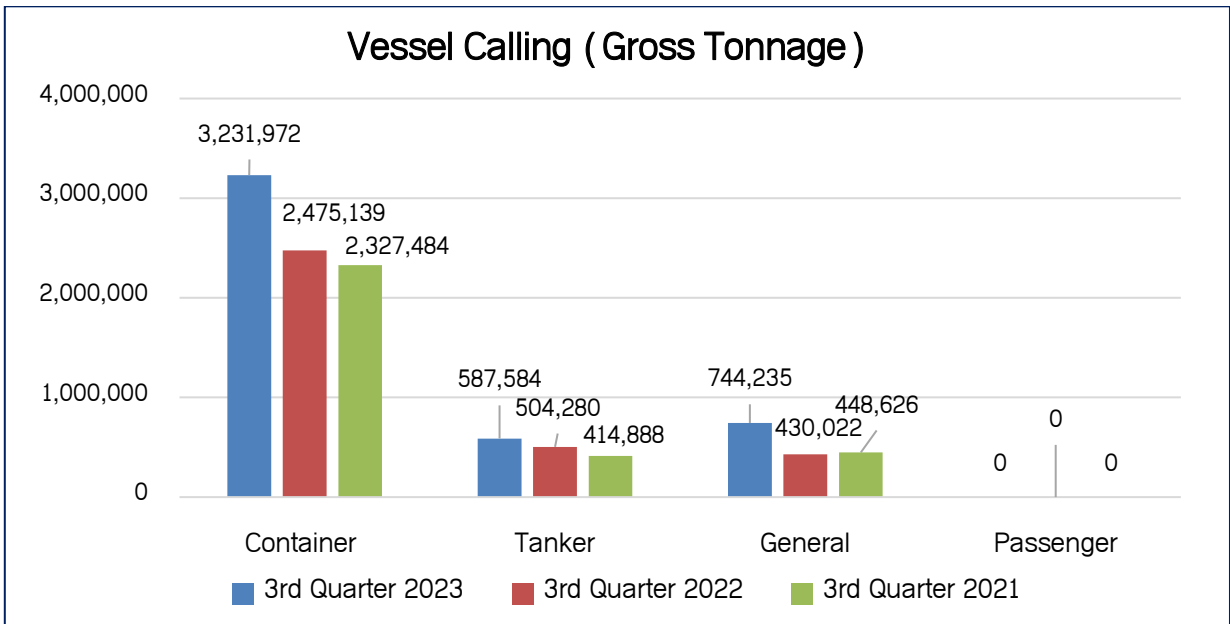
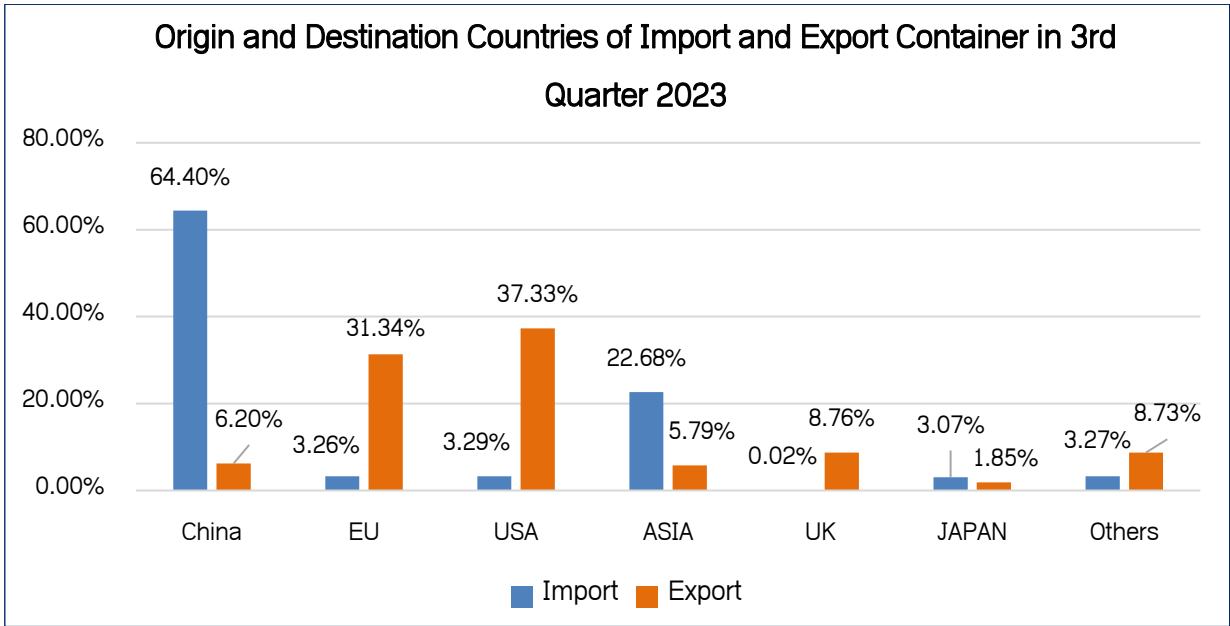


A. Business Operation Performance including business segments information

Items		Planning 2023	3 rd Quarter 2023	3 rd Quarter 2022	3 rd Quarter 2021	Comparison	
		1	2	3	4	(2-3)/3	(2-4)/4
Gross Throughput	Tons	7,282,000	2,036,859	1,618,131	1,726,232	25.88%	17.99%
Container Cargo	—		1,452,795	1,188,523	1,254,101	22.24%	15.84%
General Cargo	—		57,747	25,565	44,717	125.88%	29.14%
Fuel	—		485,486	372,098	417,955	30.47%	16.16%
Gas	—		40,831	31,945	9,459	27.82%	331.64%
Imported Cargo	—	5,436,000	1,506,917	1,191,279	1,250,669	26.50%	20.49%
Container	—		922,903	761,670	782,964	21.17%	17.87%
General	—		584,014	429,609	467,705	35.94%	24.87%
Exported Cargo	—	1,846,000	529,942	426,853	475,563	24.15%	11.43%
Container	—		529,892	426,853	471,137	24.14%	12.47%
General	—		50	-	4,426	100%	-98.87%
Cargo Handling	—	15,852,400	4,418,393	2,471,817	2,562,195	78.75%	72.45%
Direct Transfer	—	140,000	52,248	20,249	35,441	158.02%	47.42%
Container Yard and Warehouse	—	15,712,400	4,366,145	2,451,568	2,526,754	78.10%	72.80%
Container Throughput	TEUs	800,000	207,907	191,428	194,268	8.61%	7.02%
Imported Container	—	-	104,213	99,432	96,719	4.81%	7.75%
Full Container	—		66,291	79,889	82,318	-17.02%	-19.47%
Empty Container	—		37,922	19,543	14,401	94.04%	163.33%
Exported Container	—	-	103,694	91,996	97,549	12.72%	6.30%

Full Container	–		67,022	57,283	64,483	17.00%	3.94%
Empty Container	–		36,672	34,713	33,066	5.64%	10.91%
Calling Vessels	Units	1,458	361	328	352	10.06%	2.56%
	Tons	14,404,000	4,563,791	3,409,441	3,190,998	33.86%	43.02%
Container	Units		199	175	166	13.71%	19.88%
	Tons		3,231,972	2,475,139	2,327,484	30.58%	38.86%
Tanker	Units		133	118	108	12.71%	23.15%
	Tons		587,584	504,280	414,888	16.52%	41.62%
General	Units		29	35	78	-17.14%	-62.82%
	Tons		744,235	430,022	448,626	73.07%	65.89%
Passenger (Cruise Ship)	Units		-	-	-	-	-
	Tons		-	-	-	-	-
	Person		-	-	-	-	-





B. Revenue structure

Description	3 rd Quarter 2023		3 rd Quarter 2022		3 rd Quarter 2021	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	47,038,234	49.58%	41,458,637	48.71%	41,926,211	47.90%
LOLO Charge	24,703,853	26.04%	24,606,617	28.91%	25,288,418	28.89%
Port Charge for Vessel Services	18,862,824	19.88%	15,578,542	18.30%	15,714,019	17.95%
Storage (Warehouse and Yard)	3,088,340	3.26%	2,544,055	2.99%	3,586,843	4.10%
Transportation	28,515	0.03%	1,891	0.00%	21,751	0.02%
Passenger vessel	-	-	-	-	-	-
Special Economic Zone	579,406	0.61%	513,402	0.60%	586,443	0.67%
Rental fee	458,161	0.48%	343,707	0.40%	325,617	0.37%
Other revenues	118,081	0.12%	70,513	0.08%	74,280	0.08%
Total Revenue	94,877,414	100.00%	85,117,364	100.00%	87,523,581	100.00%



PART 3

Financial Statements Reviewed by the External Auditor



Reference: 61803762/67357358

INDEPENDENT AUDITORS' REVIEW REPORT

To: The Shareholders of SIHANOUKVILLE AUTONOMOUS PORT

Introduction

We have reviewed the accompanying interim condensed financial information of Sihanoukville Autonomous Port ("PAS") comprising the interim condensed statement of financial position as at 30 September 2023, the interim condensed statements of comprehensive income for the three-month and nine-month periods ended 30 September 2023, the interim condensed statements of changes in equity and cash flows for the nine-month period ended 30 September 2023 and material accounting policy information and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*. Our responsibility is to express a conclusion on the accompanying interim condensed financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information as at 30 September 2023 and for the three-month and nine-month periods then ended is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.



Sinratana Lan
Partner

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

Phnom Penh, Kingdom of Cambodia

17 November 2023

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION as at 30 September 2023

	Notes	30 September 2023 Unaudited KHR'000	31 December 2022 Audited KHR'000
ASSETS			
Non-current assets			
Property and equipment	6	1,010,224,429	963,712,781
Investment properties	7	245,191,067	248,296,705
Intangible assets	8	3,133,263	4,019,091
		1,258,548,759	1,216,028,577
Current assets			
Inventories	9	33,573,261	29,083,364
Trade and other receivables	10	45,462,387	37,956,862
Short-term bank deposits		157,775,618	102,908,264
Cash and cash equivalents		13,633,712	23,586,368
		250,444,978	193,534,858
Assets classified as held for sale	11	-	16,582,161
		250,444,978	210,117,019
Total assets		1,508,993,737	1,426,145,596
EQUITY AND LIABILITIES			
EQUITY			
Issued capital	12	450,302,828	450,302,828
Share premium	12	67,715,235	67,715,235
Other reserves	13	49,506,094	41,090,572
Retained earnings		400,488,499	304,692,311
Total equity		968,012,656	863,800,946
LIABILITIES			
Non-current liabilities			
Borrowings	14	318,652,629	364,677,087
Deposits from lessees		1,030,500	1,029,250
Retirement benefit obligations	15	72,944,366	69,824,053
Seniority payment obligations		1,203,663	1,316,716
Deferred income		13,722,344	12,203,200
Government grant	16	4,898,485	-
Deferred tax liabilities		36,918,944	33,003,354
		449,370,931	482,053,660
Current liabilities			
Trade and other payables		36,469,745	35,066,073
Borrowings	14	27,449,415	30,433,490
Retirement benefit obligations	15	5,355,164	6,214,363
Seniority payment obligations		982,711	127,739
Deferred income		291,803	171,679
Government grant	16	171,915	-
Income tax liabilities		20,889,397	8,277,646
		91,610,150	80,290,990
Total liabilities		540,981,081	562,344,650
Total equity and liabilities		1,508,993,737	1,426,145,596

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

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
for the three-month and nine-month periods ended 30 September 2023

	Notes	Three-month period ended		Nine-month period ended	
		30 September 2023	30 September 2022	30 September 2023	30 September 2022
		Unaudited KHR'000	Unaudited KHR'000	Unaudited KHR'000	Unaudited KHR'000
Revenue					
Revenue from contracts with customers	17	94,255,039	84,603,962	262,895,818	264,979,306
Rental income	7	579,405	513,402	1,586,234	1,751,401
Grant income	16	42,970	-	85,939	-
		94,877,414	85,117,364	264,567,991	266,730,707
Expenses					
Other gains – net		1,603,094	605,042	88,185,679	860,372
Salaries, wages and related expenses	18	(28,575,049)	(27,465,695)	(83,271,099)	(83,410,291)
Consumable supplies	19	(30,285,180)	(26,332,680)	(84,992,078)	(80,223,911)
Depreciation and amortization charges	20	(11,911,270)	(11,491,974)	(35,217,636)	(34,004,735)
Repairs and maintenances		(611,293)	(411,291)	(1,675,759)	(1,236,144)
Other expenses		(6,601,002)	(6,746,493)	(28,760,607)	(22,851,425)
		(76,380,700)	(71,843,091)	(145,731,500)	(220,866,134)
Operating profit		18,496,714	13,274,273	118,836,491	45,864,573
Finance income – net	21	7,907,547	10,612,107	26,575,297	64,071,067
Profit before income tax		26,404,261	23,886,380	145,411,788	109,935,640
Income tax expense	22	(4,406,309)	(3,650,993)	(27,478,518)	(11,775,344)
Profit for the periods		21,997,952	20,235,387	117,933,270	98,160,296
Profit for the periods attributable to shareholders		21,997,952	20,235,387	117,933,270	98,160,296
Remeasurement gain on defined benefit obligation	15, 22	-	-	-	11,858,840
Total comprehensive income for the periods attributable to shareholders		21,997,952	20,235,387	117,933,270	110,019,136
The earnings per share attributable to shareholders of PAS during the periods are as follows:					
Basic earnings per share (KHR)	23	256.47	235.92	1,374.96	1,144.43

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

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY for the nine-month period ended 30 September 2023

	<i>Notes</i>	<i>Issued capital (Note 12) KHR'000</i>	<i>Share premium (Note 12) KHR'000</i>	<i>Reserves (Note 13) KHR'000</i>	<i>Retained earnings KHR'000</i>	<i>Total KHR'000</i>
As at 1 January 2023 (audited)		450,302,828	67,715,235	41,090,572	304,692,311	863,800,946
Profit for the period		-	-	-	117,933,270	117,933,270
Total comprehensive income for the period		-	-	-	117,933,270	117,933,270
Transfer to reserves	13	-	-	8,415,522	(8,415,522)	-
Dividends declared and paid	24	-	-	-	(13,721,560)	(13,721,560)
As at 30 September 2023 (unaudited)		450,302,828	67,715,235	49,506,094	400,488,499	968,012,656
As at 1 January 2022 (audited)		450,302,828	67,715,235	31,719,832	234,156,264	783,894,159
Profit for the period		-	-	-	98,160,296	98,160,296
Remeasurement gain on defined benefit obligation		-	-	-	11,858,840	11,858,840
Total comprehensive income for the period		-	-	-	110,019,136	110,019,136
Transfer to reserves	13	-	-	9,370,740	(9,370,740)	-
Dividends declared	24	-	-	-	(16,107,268)	(16,107,268)
As at 30 September 2022 (unaudited)		450,302,828	67,715,235	41,090,572	318,697,392	877,806,027

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

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM CONDENSED STATEMENT OF CASH FLOWS for the nine-month period ended 30 September 2023

	Notes	<i>Nine-month period ended</i>	
		<i>30 September</i>	<i>30 September</i>
		<i>2023</i>	<i>2022</i>
		<i>Unaudited</i>	<i>Unaudited</i>
		<i>KHR'000</i>	<i>KHR'000</i>
Operating activities			
Cash generated from operations	25	63,005,885	83,859,814
Income tax paid		(10,951,177)	(10,007,937)
Net cash flows from operating activities		52,054,708	73,851,877
Investing activities			
Purchases of property and equipment	6	(70,382,253)	(22,372,947)
Purchases of investment properties	7	(1,943,496)	(1,399,567)
Proceeds from short-term bank deposits		107,828,054	-
Placements in short-term bank deposits		(161,875,109)	(1,444,879)
Purchase of intangible assets		-	(251,298)
Interest received		5,001,036	3,868,424
Proceeds from disposal of assets classified as held for sale		98,797,767	-
Net cash flows used in investing activities		(22,574,001)	(21,600,267)
Financing activities			
Dividends paid		(13,721,560)	(16,107,268)
Repayments of borrowings		(23,238,202)	(25,125,762)
Interest paid		(7,714,687)	(8,865,947)
Proceeds from borrowings		5,241,086	1,609,254
Net cash flows used in financing activities		(39,433,363)	(48,489,723)
Net (decrease)/increase in cash and cash equivalents		(9,952,656)	3,761,887
Cash and cash equivalents at beginning of the period		23,586,368	22,468,929
Cash and cash equivalents at end of the period		13,633,712	26,230,816

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION
for the three-month and nine-month periods ended 30 September 2023

1. CORPORATE INFORMATION

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

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

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

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

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

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

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

The interim condensed financial information was approved for issue by the Board of Directors on 17 November 2023.

2. BASIS OF PREPARATION AND CHANGES TO PAS’S POLICIES

2.1 *Basis of preparation*

This interim condensed financial information for the three-month and nine-month periods ended 30 September 2023 has been prepared in accordance with Cambodian International Accounting Standards 34 (CIAS 34), *Interim financial reporting*. PAS has prepared the interim condensed financial information on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that PAS has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

The interim condensed financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with PAS’ annual financial statements as at and for the year ended 31 December 2022, which have been prepared in accordance with the Cambodian International Financial Reporting Standards (“CIFRSs”).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

2. BASIS OF PREPARATION AND CHANGES TO PAS' POLICIES (continued)

2.1 *Basis of preparation* (continued)

The accounting policy below has been adopted by PAS during the period:

Government grant

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

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

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

The accounting policies adopted in the preparation of the interim condensed financial information is consistent with those followed in the preparation of PAS' annual financial statements as at and for the year ended 31 December 2022, except for the adoption of new standards effective as of 1 January 2023. PAS has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments as summarized below apply for the first time in 2023, but do not have any impact on the interim condensed financial statements of the PAS.

- CIFRS 17, *Insurance Contracts*
- Definition of Accounting Estimates - Amendments to CIAS 8
- Disclosure of Accounting Policies - Amendments to CIAS 1 and CIFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to CIAS 12.

3. MANAGEMENT JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

In preparing this interim condensed financial information, the significant judgements made by management in applying the PAS' accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements for the year ended 31 December 2022.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

4. FINANCIAL RISK MANAGEMENT

4.1 *Financial risk factors*

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

The interim condensed financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with PAS' audited financial statements as at and for the year ended 31 December 2022.

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

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

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

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

5. SEGMENT INFORMATION

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

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

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

The Chief Operating Decision-Maker ("CODM"), which is the management team, reviews the internal management report, which reports the performance of the port service segment as a whole, to assess performance and allocate resources. The CODM assesses the performance of the reportable segment by measuring gross revenue (*Note 17*). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has investment properties in the Special Economic Zone (SEZ) of which it is operating as a lessor and earns rental income (*Note 7*).

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

Revenues of KHR'000 24,775,184 and KHR'000 68,065,568 were generated from PAS' major customers, each of which contributed at least 10% to the total reportable segment revenues for the three-month and nine-month periods ended 30 September 2023, respectively.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

5. SEGMENT INFORMATION (continued)

Seasonality of operations

The 'port services' segment is mainly dependent on the level of import and export cargo throughputs which is directly influenced by the end customers' demand for goods. Due to the seasonal nature of this segment, higher revenues are usually expected in the second half of the year. Higher sales during the period July to November are mainly attributed to the increased level of cargo throughputs due to the demands and spending behaviour of end customers during the holiday season.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

6. PROPERTY AND EQUIPMENT

2023 (Unaudited)

	Land	Land improvement	Building*	Technical equipment	Furniture and fittings	Computer and office equipment	Motor vehicles	Seaport equipment	Construction in progress	Palettes	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
Cost											
As at 1 January 2023 (Audited)	296,735,409	60,368,228	349,258,058	39,742,317	2,857,109	13,187,278	60,308,594	277,554,377	41,445,938	1,116,855	1,142,574,163
Additions*	-	1,091,402	7,999,932	2,856,413	492,863	337,049	21,972,815	1,199,228	39,844,620	-	75,794,322
As at 30 September 2023	296,735,409	61,459,630	357,257,990	42,598,730	3,349,972	13,524,327	82,281,409	278,753,605	81,290,558	1,116,855	1,218,368,485
Accumulated depreciation											
As at 1 January 2023 (Audited)	-	(10,284,858)	(49,633,139)	(17,930,024)	(2,233,720)	(10,454,965)	(17,192,291)	(70,095,468)	-	(1,036,917)	(178,861,382)
Depreciation	-	(2,206,487)	(7,615,994)	(3,170,110)	(338,429)	(1,329,465)	(4,057,749)	(10,550,326)	-	(14,114)	(29,282,674)
As at 30 September 2023	-	(12,491,345)	(57,249,133)	(21,100,134)	(2,572,149)	(11,784,430)	(21,250,040)	(80,645,794)	-	(1,051,031)	(208,144,056)
Net book value											
As at 30 September 2023	<u>296,735,409</u>	<u>48,968,285</u>	<u>300,008,857</u>	<u>21,498,596</u>	<u>777,823</u>	<u>1,739,897</u>	<u>61,031,369</u>	<u>198,107,811</u>	<u>81,290,558</u>	<u>65,824</u>	<u>1,010,224,429</u>

2022 (Audited)

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

*Additions to building included container freight station amounting to KHR'000 5,156,339 received as a government grant (Refer to Note 16).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

6. PROPERTY AND EQUIPMENT (continued)

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

	30 September 2023	30 September 2022
	<i>Unaudited</i> KHR'000	<i>Unaudited</i> KHR'000
Purchases (cash and non-cash) during the period (excluding capitalized borrowing cost)	75,649,047	22,533,672
Receipt of government grants (<i>Note 16</i>)	(5,156,339)	-
Increase in payable to a supplier	(110,455)	(160,725)
Cash used in purchase of property and equipment	<u>70,382,253</u>	<u>22,372,947</u>

The interest cost on borrowings that was capitalized on qualifying assets for the nine-month period ended 30 September 2023 was KHR'000 145,275 (30 September 2022: KHR'000 134,600).

7. INVESTMENT PROPERTIES

2023 (*Unaudited*)

	<i>Land</i> KHR'000	<i>Building and land improvement</i> KHR'000	<i>Construction in progress</i> KHR'000	<i>Total</i> KHR'000
Cost				
As at 1 January 2023 (<i>Audited</i>)	122,715,963	168,774,898	-	291,490,861
Additions	-	1,144,926	798,570	1,943,496
Disposal	-	(274,194)	-	(274,194)
As at 30 September 2023	<u>122,715,963</u>	<u>169,645,630</u>	<u>798,570</u>	<u>293,160,163</u>
Accumulated depreciation				
As at 1 January 2023 (<i>Audited</i>)	-	(43,194,156)	-	(43,194,156)
Depreciation	-	(5,049,134)	-	(5,049,134)
Disposal	-	274,194	-	274,194
As at 30 September 2023	<u>-</u>	<u>(47,969,096)</u>	<u>-</u>	<u>(47,969,096)</u>
Net book value				
As at 30 September 2023	<u>122,715,963</u>	<u>121,676,534</u>	<u>798,570</u>	<u>245,191,067</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

7. INVESTMENT PROPERTIES (continued)

2022 (Audited)

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

Cash purchases of investment properties:

	<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Cash used in purchase of investment properties	1,943,496	1,399,567

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

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Rental income	579,405	513,402	1,586,234	1,751,401
Depreciation	(1,688,875)	(1,545,759)	(5,049,134)	(4,630,878)
Direct operating expenses arising from investment properties that generate rental income	(845,299)	(764,169)	(2,346,631)	(2,129,238)

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

8. INTANGIBLE ASSETS

	<u>2023</u>	<u>2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Cost		
As at 1 January (<i>Audited</i>)	11,539,381	11,288,083
Additions	-	251,298
As at 30 September/31 December	11,539,381	11,539,381
Accumulated amortization		
As at 1 January (<i>Audited</i>)	(7,520,290)	(6,351,751)
Amortization	(885,828)	(1,168,539)
As at 30 September/31 December	(8,406,118)	(7,520,290)
Net book value		
As at 30 September/31 December	3,133,263	4,019,091

9. INVENTORIES

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Consumable supplies	29,743,519	25,507,563
Combustible materials	2,310,586	2,021,678
Oil and lubricant	1,614,560	1,649,527
	33,668,665	29,178,768
Allowance for impairment of inventories	(95,404)	(95,404)
	33,573,261	29,083,364

10. TRADE AND OTHER RECEIVABLES

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Trade receivables	40,676,108	30,567,910
Allowance for expected credit loss (<i>Note a</i>)	(130,965)	(232,950)
Trade receivables, net	40,545,143	30,334,960
Advances to MoPWT (<i>Note b</i>)	1,221,303	7,221,303
Advances to suppliers	3,609,798	314,488
Prepayments	86,143	86,111
Other receivables	4,917,244	7,621,902
	45,462,387	37,956,862

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

10. TRADE AND OTHER RECEIVABLES (continued)

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

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

	<u>2023</u>	<u>2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January (<i>Audited</i>)	232,950	329,241
Reversal during the period/year	(101,985)	(96,291)
As at 30 September/31 December	<u>130,965</u>	<u>232,950</u>

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

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

11. ASSETS CLASSIFIED AS HELD FOR SALE

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

12. ISSUED CAPITAL AND SHARE PREMIUM

	Class A share		Class B share		Class C share		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
As at 30 September 2023 <i>(unaudited)</i>	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>
As at 31 December 2022 <i>(audited)</i>	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>

According to Article 11 of the Articles of Incorporation dated 12 April 2019, 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 12 April 2019. Class B shares have voting rights and are entitled to dividend as approved by the Board of Directors. 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 shares were fully paid.

The details of voting rights shares are as follows:

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

13. OTHER RESERVES

	<u>2023</u>	<u>2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January (<i>Audited</i>)	41,090,572	31,719,832
Add: General reserve	4,207,761	4,685,370
Legal reserve	4,207,761	4,685,370
As at 30 September/31 December	<u>49,506,094</u>	<u>41,090,572</u>

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

14. BORROWINGS

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	34,369,279	44,418,903
MoEF – (JBIC) – Loan No. CP-P4	88,577,076	91,466,472
MoEF – (JBIC) – Loan No. CP-P6	4,409,495	5,354,396
MoEF – (JBIC) – Loan No. CP-P8	77,481,762	90,590,009
MoEF – (JICA) – Loan No. CP-P10	128,587,788	149,582,039
MoEF – (JICA) – Loan No. CP-P21	12,676,644	13,698,758
	<u>346,102,044</u>	<u>395,110,577</u>

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

The maturity dates of these borrowings are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Current</i>		
Up to one year	<u>27,449,415</u>	<u>30,433,490</u>
<i>Non-current</i>		
Later than one year to two years	25,954,005	28,072,753
Later than two years to five years	77,862,016	84,218,260
Later than five years	214,836,608	252,386,074
	<u>318,652,629</u>	<u>364,677,087</u>
	<u>346,102,044</u>	<u>395,110,577</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

14. BORROWINGS (continued)

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
<i>Carrying value</i>		
Current	27,449,415	30,433,490
Non-current	318,652,629	364,677,087
	346,102,044	395,110,577
<i>Fair value</i>		
Current	27,449,415	30,433,490
Non-current	318,652,629	364,677,087
	346,102,044	395,110,577

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

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
JPY	257,524,968	303,644,105
US\$	88,577,076	91,466,472
	346,102,044	395,110,577

The interest rates per annum are as follows:

	<u>30 September 2023</u>	<u>31 December 2022</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%

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

15. RETIREMENT BENEFIT OBLIGATIONS

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

	<u>30 September 2023</u>	<u>31 December 2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
Present value of retirement benefit obligations as at end of period/year	<u>78,299,530</u>	<u>76,038,416</u>

The retirement benefit obligations as at end of 30 September 2023 and 31 December 2022 above are unfunded.

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

	<u>2023</u>	<u>2022</u>
	<i>Unaudited</i>	<i>Audited</i>
	<i>KHR'000</i>	<i>KHR'000</i>
As at 1 January (<i>Audited</i>)	76,038,416	88,180,984
Current service costs	1,358,619	2,057,759
Interest expense	3,596,729	4,638,446
Benefits paid	(2,694,234)	(4,015,224)
Remeasurement gains from change in actuarial assumptions	-	(14,823,549)
As at 30 September/31 December	<u>78,299,530</u>	<u>76,038,416</u>
Current	5,355,164	6,214,363
Non-current	72,944,366	69,824,053
	<u>78,299,530</u>	<u>76,038,416</u>

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

	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>	<u>30 September</u>
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Current service cost	452,873	514,440	1,358,619	1,543,319
Interest expense	1,198,909	1,159,612	3,596,729	3,478,835
	<u>1,651,782</u>	<u>1,674,052</u>	<u>4,955,348</u>	<u>5,022,154</u>

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

15. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions are as follows:

	<u>2023</u>	<u>2022</u>
Average years of service	19.9	19.9
Discount rate per annum	6.5%	6.5%
Salary incremental rate per annum	5.0%	5.0%
Turnover rate per annum	0.5%	0.5%
Mortality rate	100% of 2017 Thailand Ordinary Mortality tables	100% of 2017 Thailand Ordinary Mortality tables
Disability rate	10% of pre-retirement mortality rates	10% of pre-retirement mortality rates

16. GOVERNMENT GRANT

	<u>2023</u>
	<i>Unaudited</i>
	<i>KHR'000</i>
As at 1 January (<i>Audited</i>)	-
Received during the year	5,156,339
Released to profit or loss	(85,939)
As at 30 September	<u>5,070,400</u>
Current	171,915
Non-current	4,898,485
As at 30 September	<u>5,070,400</u>

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

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Stevedoring charges	47,038,234	41,458,637	128,289,300	128,049,313
LO-LO and container storage	27,792,193	27,150,672	79,172,199	88,670,104
Port due/charge services	18,862,824	15,578,542	53,755,234	46,955,885
Others	561,788	416,111	1,679,085	1,304,004
	94,255,039	84,603,962	262,895,818	264,979,306

Timing of revenue recognition:

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
At a point in time	90,708,539	81,716,200	251,607,073	251,736,938
Over time	3,546,500	2,887,762	11,288,745	13,242,368
	94,255,039	84,603,962	262,895,818	264,979,306

18. SALARIES, WAGES AND RELATED EXPENSES

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Employee salaries	19,157,604	18,371,194	54,097,720	55,184,069
Bonuses	4,967,128	4,464,474	14,971,865	14,145,209
Retirement benefit expenses	1,651,782	1,674,052	4,955,348	5,022,154
Seniority benefit	876,581	736,284	3,176,182	3,188,041
Directors' remuneration	349,200	499,200	1,047,600	1,197,600
Social security	410,393	629,686	1,085,686	1,128,843
Wages for contractors	39,915	56,790	141,245	139,850
Others	1,122,446	1,034,015	3,795,453	3,404,525
	28,575,049	27,465,695	83,271,099	83,410,291

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
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19. CONSUMABLE SUPPLIES

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Combustible expenses	11,884,951	12,318,947	32,038,775	43,238,177
Spare parts	11,310,321	10,029,752	37,281,413	25,448,401
Warehouse supplies	3,701,341	1,566,268	8,576,964	6,001,067
Office supplies	1,161,378	612,019	2,783,084	1,578,434
Oil and lubricant	913,768	1,108,868	2,514,053	2,934,896
Other consumables	1,313,421	696,826	1,797,789	1,022,936
	30,285,180	26,332,680	84,992,078	80,223,911

20. DEPRECIATION AND AMORTIZATION CHARGES

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Property and equipment (Note 6)	9,927,119	9,650,939	29,282,674	28,500,593
Investment properties (Note 7)	1,688,875	1,545,759	5,049,134	4,630,878
Intangible assets (Note 8)	295,276	295,276	885,828	873,264
	11,911,270	11,491,974	35,217,636	34,004,735

21. FINANCE INCOME – NET

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Finance income:				
Interest income on bank deposits (Note a)	2,164,115	1,170,011	5,827,688	3,074,783
Net exchange gains on foreign currency borrowings (Note b) and others	7,869,288	11,795,820	27,464,692	68,478,459
	10,033,403	12,965,831	33,292,380	71,553,242
Finance costs:				
Interest expenses on borrowings from MoEF (Note c)	(2,125,856)	(2,353,724)	(6,717,083)	(7,482,175)
Finance income – net	7,907,547	10,612,107	26,575,297	64,071,067

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21. FINANCE INCOME – NET (continued)

- (a) Interest income represents interest earned from savings and fixed deposit accounts held at local banks during the period.
- (b) PAS has borrowings (*Note 14*) which are denominated in Japanese yen (JPY) and US dollar (US\$). Given the fluctuations in KHR against JPY, this resulted in significant exchange losses/gains on its borrowings. The exchange rates are based on the exchange rates published by the National Bank of Cambodia as at the end of reporting period.

	<u>30 September</u> <u>2023</u>	<u>31 December</u> <u>2022</u>	<u>30 September</u> <u>2022</u>	<u>31 December</u> <u>2021</u>
JPY/KHR	27.730	30.945	28.670	35.590
US\$/KHR	4,122	4,117	4,127	4,074

- (c) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC (*Notes 14 and 26*).

22. INCOME TAX

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

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

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

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

	<u>Three-month period ended</u>		<u>Nine-month period ended</u>	
	<u>30 September</u> <u>2023</u>	<u>30 September</u> <u>2022</u>	<u>30 September</u> <u>2023</u>	<u>30 September</u> <u>2022</u>
	<i>Unaudited</i> <i>KHR'000</i>	<i>Unaudited</i> <i>KHR'000</i>	<i>Unaudited</i> <i>KHR'000</i>	<i>Unaudited</i> <i>KHR'000</i>
Income tax expense recognized in profit for the period				
Current income tax	3,703,204	3,324,935	23,562,928	10,685,604
Under provision of current income tax from prior year	-	-	-	1,629,600
Deferred income tax	703,105	326,058	3,915,590	(539,860)
	<u>4,406,309</u>	<u>3,650,993</u>	<u>27,478,518</u>	<u>11,775,344</u>
Income tax expense recognized in OCI				
Deferred income tax related to remeasurement gain on defined benefit obligation	-	-	-	2,964,709

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23. EARNINGS PER SHARE

(i) Basic earnings per share

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

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September 2023</i>	<i>30 September 2022</i>	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Profit attributable to shareholders	21,997,952	20,235,387	117,933,270	98,160,296
Weighted average number of shares	85,771,967	85,771,967	85,771,967	85,771,967
Basic earnings per share (KHR)	256.47	235.92	1,374.96	1,144.43

(ii) Diluted earnings per share

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

24. DIVIDENDS

On 12 May 2023 and 7 May 2022, the Board of Directors approved to distribute the dividends in respect of profit of the financial year ended 31 December 2022 and 31 December 2021, respectively, as follows:

	<i>30 September 2023</i>	<i>30 September 2022</i>
	<i>Unaudited KHR'000</i>	<i>Unaudited KHR'000</i>
Class B shares	3,986,442	5,300,000
Class C shares	9,735,118	10,807,268
	13,721,560	16,107,268

As at 30 September 2023, dividends declared for the financial year ended 31 December 2022 and 31 December 2021 were fully paid.

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25. CASH GENERATED FROM OPERATIONS

	Notes	Nine-month period ended	
		30 September 2023	30 September 2022
		Unaudited KHR'000	Unaudited KHR'000
Profit before income tax		145,411,788	109,935,640
Adjustments for:			
Finance income – net	21	(26,575,297)	(64,071,067)
Depreciation and amortization charges	20	35,217,636	34,004,735
Gain from disposal of assets classified as held for sale	11	(84,815,997)	-
Seniority payment obligations		3,176,182	1,058,519
Retirement benefit obligations	18	4,955,348	5,022,154
Reversal of slow-moving inventories		-	(642,145)
Provision for expected credit losses on short-term bank deposits		6,351	19,211
Reversal of impairment of trade receivables		(101,985)	-
Changes in working capital:			
Inventories		(4,489,897)	(362,552)
Trade and other receivables		(10,097,936)	(2,093,843)
Trade and other payables		(1,233,637)	(6,151,506)
Deferred income		1,553,329	7,140,668
Cash generated from operations		63,005,885	83,859,814

26. 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 as related party transactions.

(a) Related party balances

(i) Amount due to MoEF

	30 September 2023	31 December 2022
	Unaudited KHR'000	Audited KHR'000
Borrowings from:		
MoEF – (JICA) (Note 14)	141,264,432	163,280,797
MoEF – (JBIC) (Note 14)	204,837,612	231,829,780
	346,102,044	395,110,577

(ii) Amount due from MoPWT

	30 September 2023	31 December 2022
	Unaudited KHR'000	Audited KHR'000
Advances to MoPWT (Note 10)	1,221,303	7,221,303

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NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

26. RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Costs of borrowings from MoEF:				
Interest expenses (Note 21)	2,125,856	2,353,724	6,717,083	7,482,175
Capitalized interest costs (Note 6)	50,514	44,353	145,275	134,600
Advance to MoPWT (Note 10)	-	-	-	6,000,000
Advance settlement from MoPWT (Note 10)	-	-	(6,000,000)	-

(c) Key management compensation

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

	<i>Three-month period ended</i>		<i>Nine-month period ended</i>	
	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>	<i>30 September</i>
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>	<i>KHR'000</i>
Board of Directors Fees and related expenses	349,200	349,200	1,047,600	1,047,600
Key management personnel				
Salaries and other expenses	447,521	502,853	2,595,509	2,669,806
Retirement benefit expenses (*)	12,307	24,255	175,559	166,915

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

(*) Retirement benefit scheme is provided to PAS's employees as well as key management personnel.

27. COMMITMENT

As at 30 September 2023, PAS had outstanding capital expenditure commitment to TOA Corporation of KHR'000 33,636,455 (31 December 2022: nil) for its purchase of construction services, property and equipment.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE INTERIM CONDENSED FINANCIAL INFORMATION (continued)
for the three-month and nine-month periods ended 30 September 2023

28. EVENTS AFTER THE REPORTING PERIOD

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



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



A. Overview of Operations

PAS is the only international deep seaport of the Kingdom of Cambodia, which is operating on an approximately 125 hectares land area, located in Preah Sihanouk city, Preah Sihanouk province and connected by multi-modal transport networks. According to the definition of Sub-decree No. 50 ANKr/BK dated 17th July 1998, PAS has been entitled as a port operator with detailed business and services in the above Part 1, section B of this 3rd quarter 2023 report.

For this 3rd quarter 2023, the volume of PAS's container throughput increased by 16,479 TEUs equivalent to 8.61% compared to 3rd quarter 2022, and Gross cargoes throughput increased by 25.88% equivalent to 418,727 tons. Among gross cargoes throughput, container in tons increased 22.24% equivalent to 264,272 tons, and general cargoes increased 32,182 tons equivalent to 125.88%, as for fuels increased by 30.47% equal to 113,388 tons, also gas increased by 27.82% equivalent to 8,886 tons. Moreover, PAS's calling vessel increased by 10.06% equal to 33 vessels, while gross tonnages increased by 33.86% equal to 1,154,350 tons compared to 3rd quarter 2022.

The discussion and analysis by the management on PAS's financial status and operation results below were made based on financial information report audited by the independent auditor for 3rd quarter 2023 and 2022 as shown in Part 3 of this 3rd quarter 2023 report.

PAS has important sources of income as follows:

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

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

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

1. Revenue Analysis

For the period ended 30th Sep 2023 compared to the period ended 30th Sep 2022

Description	3 rd Quarter 2023	3 rd Quarter 2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	94,877,414	85,117,364	9,760,050	11.47%

For this 3rd quarter 2023, PAS's income increased by 9,760,050,000 Riels equivalent to 11.47% increased from 85,117,364,000 Riels in 3rd quarter 2022 to 94,877,414,000 Riels in 3rd quarter 2023. This increased in income was mostly derived from Stevedoring Charges, LOLO Charge, Port Charge for Vessel Services, Port Charge Services and Storage Fees (warehouse and yard).

1.1 Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues For 3rd Quarter 2023 and 3rd Quarter 2022

Description	3 rd Quarter 2023		3 rd Quarter 2022	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	47,038,234	49.58%	41,458,637	48.71%
LOLO Charge	24,703,853	26.04%	24,606,617	28.91%
Port Charge for Vessel Services	18,862,824	19.88%	15,578,542	18.30%
Storage (Warehouse and Yard)	3,088,340	3.26%	2,544,055	2.99%
Transportation	28,515	0.03%	1,891	0.00%
Passenger vessel	-	-	-	-
Special Economic Zone	579,406	0.61%	513,402	0.60%
Rental fee	458,161	0.48%	343,707	0.40%
Other revenues	118,081	0.12%	70,513	0.08%
Total Revenue	94,877,414	100.00%	85,117,364	100.00%

In the 3rd quarter 2023 as well as 2022, there were four important types of incomes accounted for 98% of PAS's total business and service incomes. Those incomes were derived from Stevedoring charges, LOLO charges, Port Charges for Vessel Services and Storage (Warehouse and Yard).

For the period ended 30th Sep 2023 compared to the period ended 30th Sep 2022

Description	3 rd Quarter 2023	3 rd Quarter 2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	47,038,234	41,458,637	5,579,597	13.46%
LOLO Charge	24,703,853	24,606,617	97,236	0.40%
Port Charge for Vessel Services	18,862,824	15,578,542	3,284,282	21.08%
Storage (Warehouse and Yard)	3,088,340	2,544,055	544,285	21.39%

The income from Stevedoring charge increased approximately by 13.46% equivalent to 5,579,597,000 Riels, and LOLO charge decreased by 0.40% equivalent to 97,236,000 Riels comparing between 3rd quarter 2023 and 3rd quarter 2022. The increase of income from stevedoring charge were resulted by the increase of container throughput with the volume of 16,479 TEUs equivalent to 8.61% and the increase of cargo handling with the volume of 1,946,575 tons equal to 78.75% for this 3rd quarter 2023.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 3rd quarter of 2023, the number of vessels calling to PAS increased by 33 vessels equal to 10.06%, and tonnage throughput increased by 33.86% equal to 1,154,350 tons. Moreover, the income on Port charge for vessel service increased from 15,578,542,000 Riels in 3rd quarter 2022 to 18,862,824,000 Riels in 3rd quarter 2023, increased by 21.08% equal to 3,284,282,000 Riels. This is because in 3rd quarter 2023, the container vessels increased by 13.71% equal to 24 vessels if compared to the same period in 2022.

The income from storage, warehouse, and yard increased by 544,285,000 Riels equivalent to 21.39% compared between 3rd quarter 2023 with the income amount of 3,088,340,000 Riels and 3rd quarter 2022 with amount of 2,544,055,000 Riels. The reason for this increase was

caused by the increasing in container cargoes and cargoes throughput if compared to the same period in 2022.

2. Gross Profit Margin Analysis

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

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

3. Profit/(Loss) before Tax Analysis

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

For the period ended 30th Sep 2023 compared to the period ended 30th Sep 2022

Description	3 rd Quarter 2023	3 rd Quarter 2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	94,877,414	85,117,364	9,760,050	11.47%
Consumable Supplies	(30,285,180)	(26,332,680)	3,952,500	15.01%
Salaries, Wages and related expenses	(28,575,049)	(27,465,695)	1,109,354	4.04%
Depreciation and Amortisation charge	(11,911,270)	(11,491,974)	419,296	3.65%
Repairs and Maintenances	(611,293)	(411,291)	200,002	48.63%
Other expenses	(6,601,002)	(6,746,493)	(145,491)	-2.16%
Other gain /(Losses)-net	1,603,094	605,042	998,052	164.96%
Net- Finance (Costs)/(gain)	7,907,547	10,612,107	(2,704,560)	-25.49%
Profit before income tax	26,404,261	23,886,380	2,517,881	10.54%

For the 3rd quarter 2023, PAS's expenses on Consumable Supplies amounted to 30,285,180,000 Riels increased by 3,952,500,000 Riels equivalent to 15.01% compared to the 3rd quarter of 2022 with the expense amounted of 26,332,680,000 Riels. The main factor that caused such increase was resulted by warehouse supplies expenses increased by 136.32% equivalent to 2,135,073,000 Riels, also increased of spare parts expenses amount of 1,280,569,000 Riels equivalent to 12.77% in this 3rd quarter 2023.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decrease, the expense on salary will also decrease, and we found that stevedoring income increased by 13.46% and LOLO incomes slightly increased by 0.40% in this 3rd quarter 2023. Moreover, the expense on Salary, wages, and other related expenses had increased by 4.04% equivalent to 1,109,354,000 Riels compared to 3rd quarter 2022 with the expense amount of 28,575,049,000 Riels and 27,465,695,000 Riels in 3rd quarter 2022. The main factors of the increase on employee salaries expenses which increased by 4.28% equal to 786,410,000 Riels, also the bonuses expenses which increased approximately 11.26% equal to 502,654,000 Riels if compared to 3rd quarter 2022.

The expense on depreciation and amortization included property, equipment, and intangible asset in 3rd quarter 2023 amounted to 11,911,270,000 Riels increased by 419,296,000 Riels equivalent to 3.65% compared to that of 3rd quarter 2022 with the expense amount of 11,491,974,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 276,180,000 Riels equivalent to 2.86%.

The expense on repair and maintenance increased by 200,002,000 Riels equal to 48.63%, the total expense of repair and maintenance in 3rd quarter 2023 was 611,293,000 Riels and 411,291,000 Riels in 3rd quarter 2022.

The Other expenses decreased by 2.16% equivalent to 145,491,000 Riels, which decreased from 6,746,493,000 Riels in 3rd quarter 2022 to 6,601,002,000 Riels in 3rd quarter 2023. The main reason that caused the decrease of other expenses was the decrease in contribution and donation expenses which decreased by 16.63% equal to 518,103,000 Riels in this 3rd quarter 2023.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss and gain on disposal which in this 3rd quarter 2023, the gains from realized foreign exchange with the amount of 1,603,094,000 Riels increased by 164.96% equivalent to 998,052,000 Riels compared to 3rd quarter 2022 amounted to the gains of 605,042,000 Riels.

Finance Income/(Costs)-net refers to Unrealized Foreign Exchange Gain-Loss, for the 3rd quarter 2023, there was an income of 7,907,547,000 Riels decreased the Finance income by 25.49% equivalent to 2,704,560,000 Riels compared to the 3rd quarter 2022 with the Finance income of 10,612,107,000 Riels. The main factor of this change in Finance Income/(Costs)-net was because in 3rd quarter 2022, there was the net gain unrealized foreign exchange currency (Japanese Yen) amounted to 11,516,057,000 Riels, if compared to 3rd quarter 2023 with the net gain unrealized foreign exchange currency of 7,869,289,000 Riels.

In conclusion, PAS's profit before income tax in 3rd quarter 2023 is 26,404,261,000 Riels increased by 2,517,881,000 Riels equivalent to 10.54% if compared to 3rd quarter 2022 with the profit before income tax amount of 23,886,380,000 Riels.

4. Profit/(Loss) after Tax Analysis

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

For the period ended 30th Sep 2023 compared to the period ended 30th Sep 2022

Description	3 rd Quarter 2023	3 rd Quarter 2022	Changes	
	'000 riels	'000 riels	'000 riels	%
Profit before income tax (A)	26,404,261	23,886,380	2,517,881	10.54%
Income tax expense (B)	(4,406,309)	(3,650,993)	755,316	20.69%
Profit for the period	21,997,952	20,235,387	1,762,565	8.71%
Remeasurement of retirement benefit obligations	-	-		
Total comprehensive income for the period	21,997,952	20,235,387	1,762,565	8.71%
Effective Tax Rate (B)/(A)	16.69%	15.28%		

PAS has the profit after tax with the equivalent amount 20,235,387,000 Riels in the 3rd quarter 2022 and Profit after tax of 21,997,952,000 Riels in the 3rd quarter 2023 with the increased profit after income tax amount of 1,762,565,000 Riels equivalent to 8.71%. The main factors that caused the profit after tax to be decreased is due to the increase in Container cargoes and cargoes throughput compared to the same period of 2022.

The Effective tax rate on profit increased from 15.28% in 3rd quarter 2022 to 16.69% in 3rd quarter 2023, because of increased of profit before income tax in 3rd quarter 2023.

5. Factors and Trends Analysis affecting financial conditions and results

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

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

Because of PAS's main source of income is derived from the movement of cargo throughput, which is the transaction of international trade, therefore, various factors that affects the international trade may influence PAS's business operation through such factors as the status of global, regional, and local economy, social stability, security issues, or maritime cooperation. According to the IMF, the world economy will increase to 3.0% for year 2023, while Cambodia's economy will growth around 6.2%, according to the Asian Development Bank (ADB). This is still showing a stable economy growth of Cambodia which is a good sign for port business.

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

For the 3rd quarter 2023, PAS has container handling capacity up to 800,000 TEUs after launching 1 unit of QCs, 2 units of RTGs, and 4 additional units of Empty Reach stackers in 2021. This factor has enabled the work capacity and efficiency to increase in the performance of its services.

- **Status of Domestic Transportation**

For this 3rd quarter of 2023, the domestic transportation network, especially the National Route No. 4 connecting from PAS to Phnom Penh capital, has not caused any obstacles to cargo transportation. While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 times to 7 times per week and this rail transportation has also been performed smoothly and with no issues that may obstruct the transportation process.

- **Cooperation between Ports in the Region**

The cooperation between regional ports, especially the connectivity between major hub ports in the region is very important in cargo traffic facilitation between PAS and other mainly international marketplaces, thereby influencing on the expenses and

transportation period which may affect other industrial competitiveness. In this case, PAS has strived to keep a good communication with various major ports in the region to ensure a smooth operation.

- **Depreciation**

Because of PAS's business is using many kinds of infrastructures, the expenses on depreciation of port's infrastructures such as ship berths, machinery, and buildings are relatively large, which may affect the PAS business. Therefore, PAS shall conduct an appropriate inspection on the depreciation policy and shall make necessary modification in every period of the financial report. For this 3rd quarter 2023, there is no modification or a request for modification of the depreciation policy by the independent auditor.

B. Significant factors affecting Profit

1. Demand and Supply Conditions Analysis

PAS's business activities have a direct link with the national, regional, and global economy. In particular, when there is a change in the national economy, there will be a direct impact on port's business and service operation, i.e when the national economy increases, the port's business and service operation will also increase, accordingly, PAS's revenues also have the same growth rate, on the contrary, if the national economy decreases, there will also be a negative impact on PAS's revenues. According to ADB's report, Cambodia's economy growth with the expected rate of 6.2%, while the world economy growth with the expected rate of 3.0% (IMF) for year 2023. However, there might be a big impact on the market's demand and supply due to the current war between Russia-Ukraine and Israel-Palestine .

2. Fluctuations in Prices of Raw Materials Analysis

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

3. Tax Analysis

PAS is under the law of business companies in the field of taxation and VAT; therefore, PAS has the obligation to pay tax in accordance with the laws and regulations in force. PAS has to pay tax and in accordance with the ration of income and was determined as a large taxpayer by the General Department of Taxation. Regarding tax on annual profit, PAS will be obligated to pay

at 20% rate start from year 2020 after received the incentive benefit for three years. While other kinds of taxes, PAS has implemented its obligation according to the law on taxation of the Kingdom of Cambodia.

C. Material Changes in Sales and Revenue

PAS' main income is derived from stevedoring, LOLO and port's services which contributed around 98% of the total income in 3rd quarter of 2023, and the main factor bolstering up the increase of revenue is the rise of ships and volume of cargo throughputs, especially containerized cargo which is the most important source of PAS's income. The growth in the field of agriculture, commerce, construction, and industry has reflected the status of Cambodia's economy, and at the same time these factors also have positive influences on PAS's business operation, services, and revenues.

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

1. Impacts from Currency Exchange Rate

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

2. Impacts from the Interest Rate

At present, PAS does not have any loans with flexible interest rates. PAS has received JICA and JBIC financial soft loan from the Ministry of Economy and Finance with the interest rate from 2.65% to 3.70%. Therefore, in this 3rd quarter 2023, there is no impact on the changes of interest rate.

3. Impacts from the Change of Oil Prices

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

E. Impacts of Inflation

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

F. Economic/Fiscal/Monetary Policy of Royal Government

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

- Industrial sector promotion policy, the Royal Government has planned to transform Preah Sihanouk province to be a center for trade, logistics, and production through the construction of port infrastructure, expansion of National Route No. 4, and infrastructure of the International Airport in Preah Sihanouk province.
- Policy on save cost of transportation through the Express Way from Phnom Penh - Sihanoukville
- Maritime transportation stimulation policy.
- Policy on rice export to foreign markets is yielding positive result to PAS.
- Policy on international trade stimulation, thereby trying an effort to cut down trade barriers involving trading process between Cambodia and other partner countries in the world.
- The Royal Government, through the National Bank, has implemented the currency policy through the free currency exchange market mechanism under the intervention in order to stabilize the national currency, and the balance of this currency has secured the stability of Cambodia's Macro Economy, which built confidences for the investors and encouraged private sectors' business operation.
- The taxation incentive in stock market sector to various enterprises publishing the IPO in Cambodia has been stimulating more and more public enterprises and private companies to be incorporated into the IPO and to contribute to the development of the national economy.



Part 5

Other Necessary Information for Investor Protection



In this 3rd quarter of 2023, there is other necessary information for the protection of investors as below:

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

Signature of Directors of Sihanoukville Autonomous Port

Date: 23rd November 2023

Read and Approved



Signature

Lou Kim Chhun

Chairman



Sihanoukville Autonomous port



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