

KINGDOM OF CAMBODIA
NATION RELIGION KING



Sihanoukville Autonomous Port

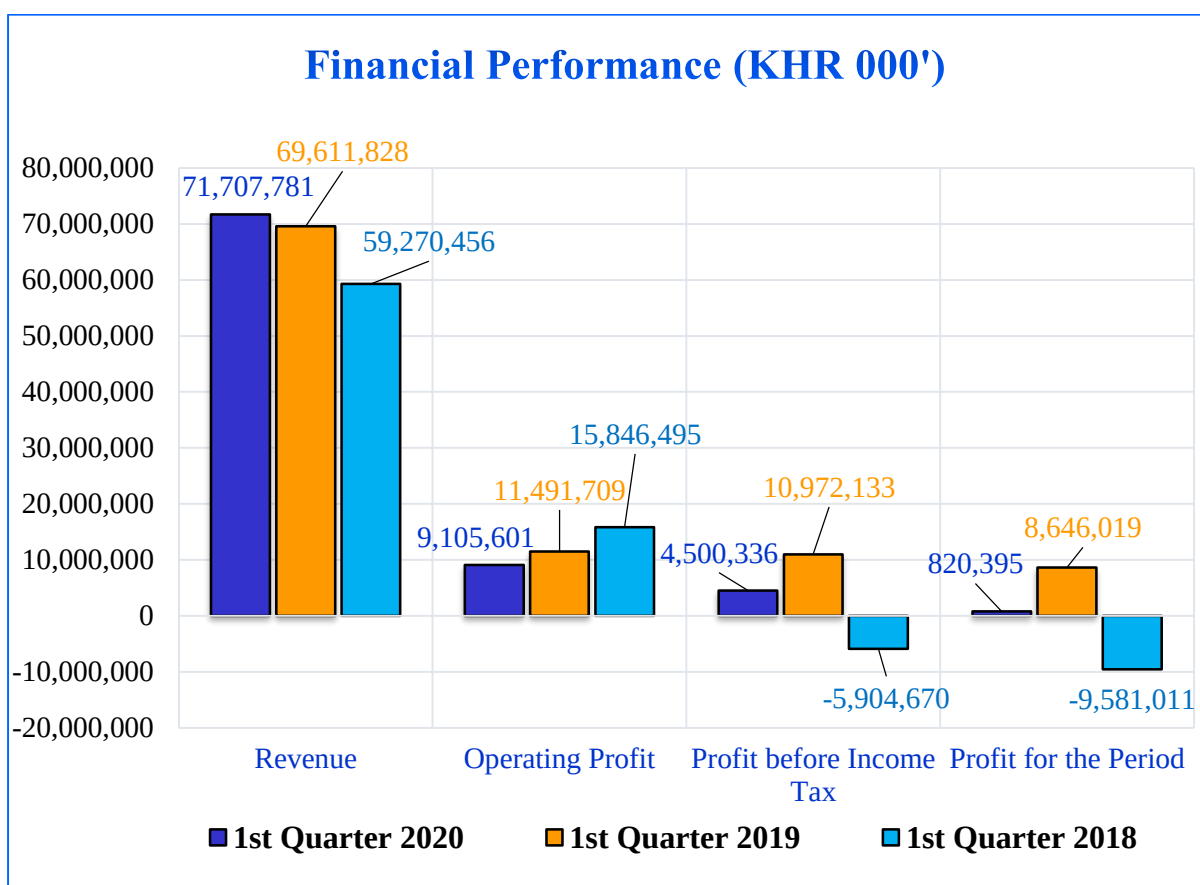
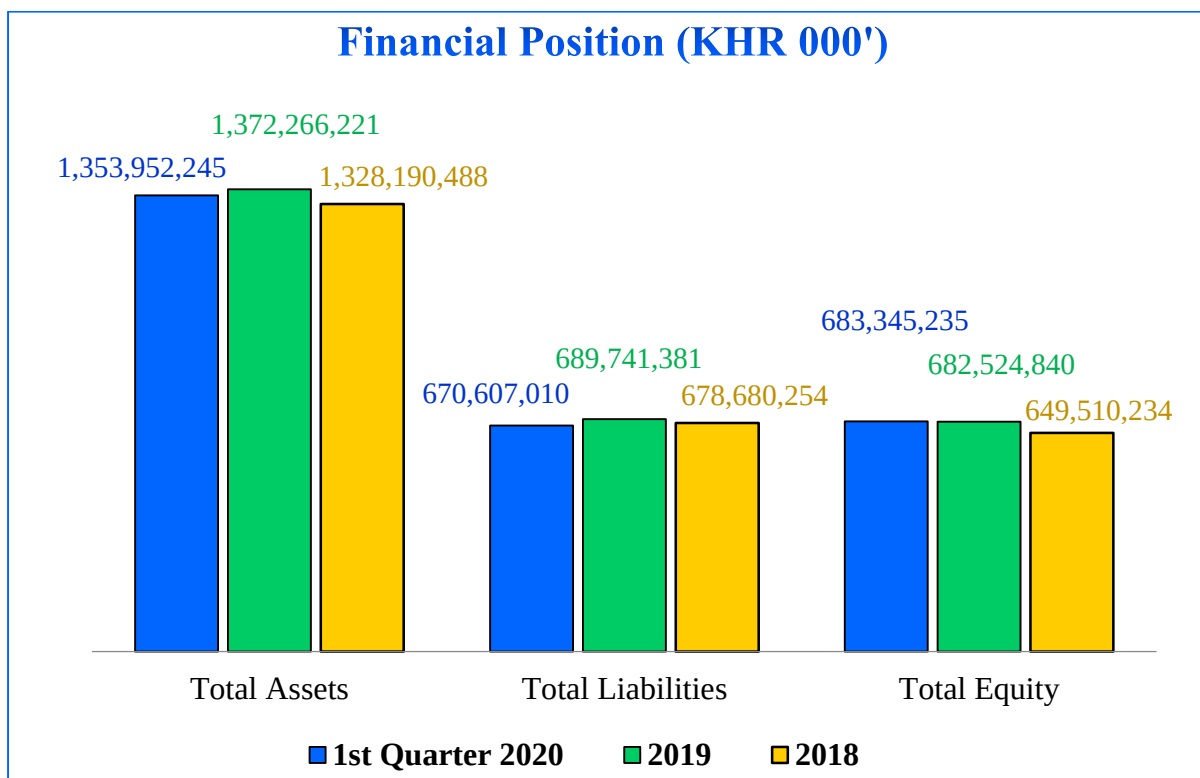
First Quarter Report 2020



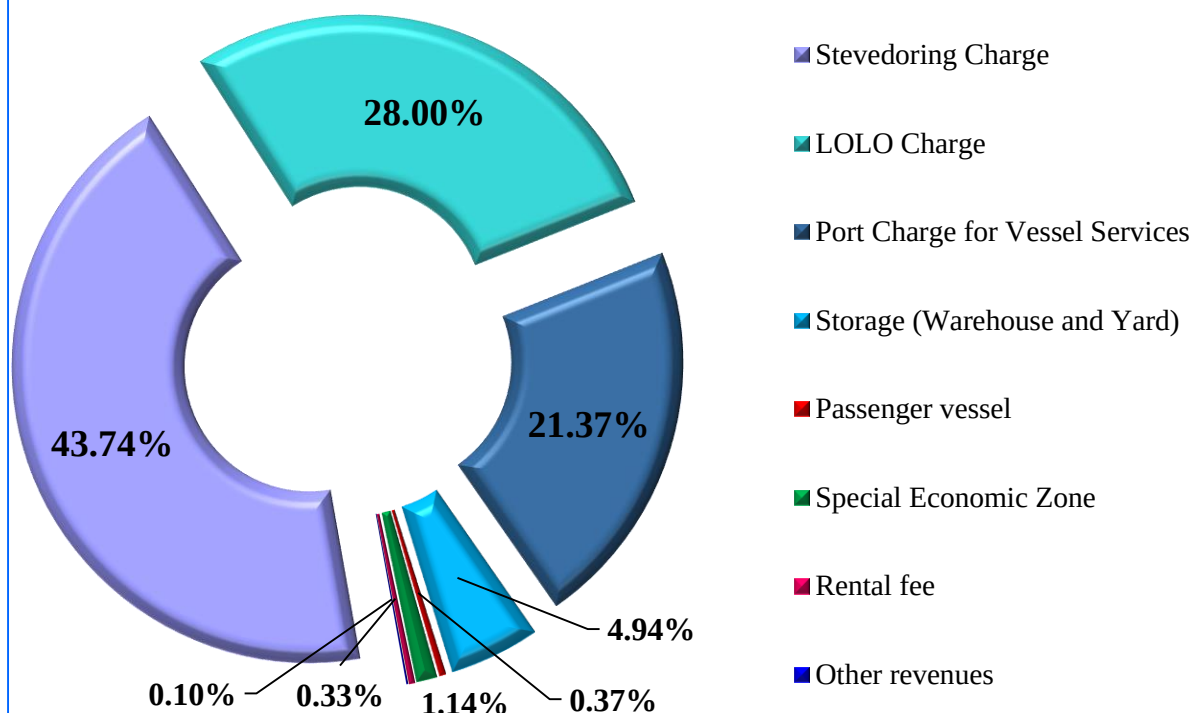
Financial Highlight

Financial Position		31 st March 2020	31 st December 2019	31 st December 2018
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,353,952,245	1,372,266,221	1,328,190,488
Total Liabilities		670,607,010	689,741,381	678,680,254
Total Shareholders' Equity		683,345,235	682,524,840	649,510,234
Profit/(Loss)		1 st Quarter 2020 KHR 000'	1 st Quarter 2019 KHR 000'	1 st Quarter 2018 KHR 000'
Total Revenues		71,707,781	69,611,828	59,270,456
Profit/(Loss) before Tax		4,500,336	10,972,133	(5,904,670)
Profit/(Loss) after Tax		820,395	8,646,019	(9,581,011)
Total Comprehensive Income		820,395	8,646,019	(11,261,761)
Financial Ratios		31 st March 2020	31 st December 2019	31 st December 2018
Solvency Ratio		1.50%	2.28%	-0.40%
Liquidity Ratio	Current Ratio	3.19	2.73	3.27
	Quick Ratio	2.91	2.51	3.08
		1 st Quarter 2020	1 st Quarter 2019	1 st Quarter 2018
Profitability Ratio	Return on Assets	0.06%	0.63%	-0.72%
	Return on Equity	0.12%	1.27%	-1.48%
	Gross Profit Margin	12.70%	16.51%	26.74%
	Profit Margin	1.14%	12.42%	-16.16%
	Earnings per share	9.56	100.80	-111.70
Interest Coverage Ratio		2.96	4.54	5.49

Financial Summary Charts



Type of Revenues 1st Quarter 2020



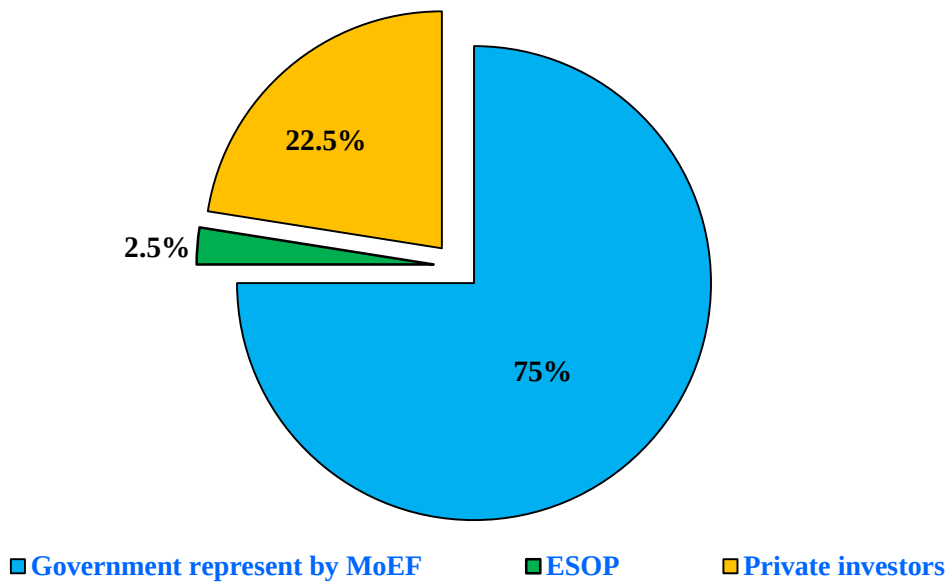
PAS's Shareholders

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%

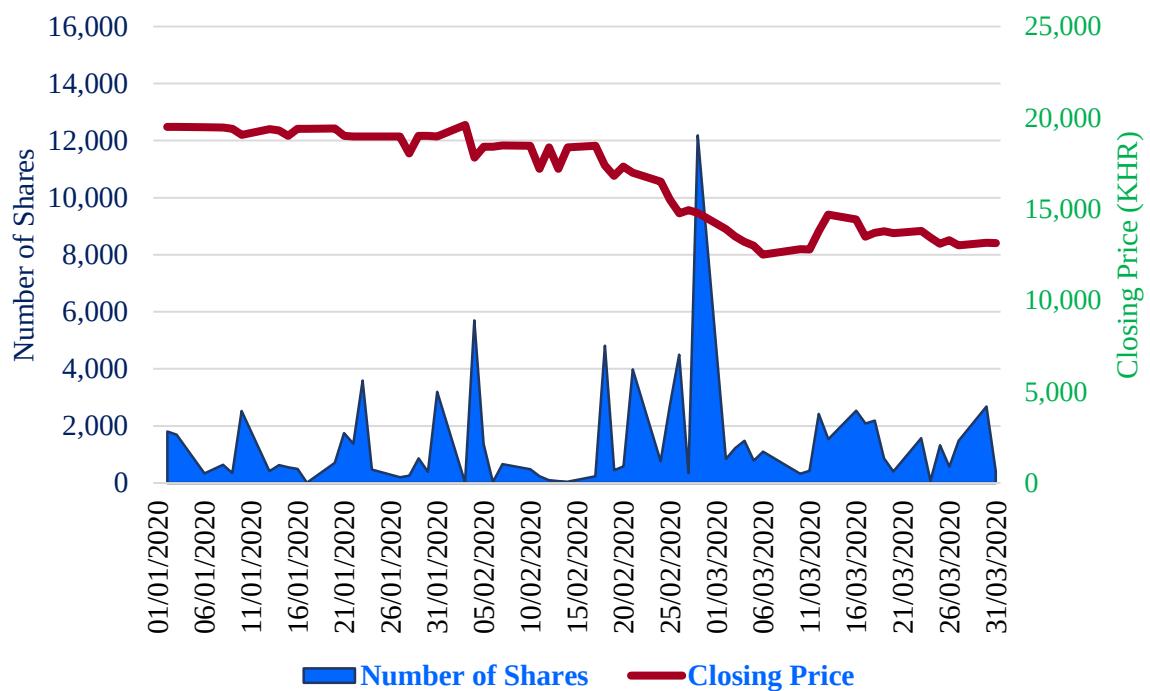
PAS's Shareholders Class C

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



Changes in Share Price and Trading Volume



Board of Directors



H.E. Lou Kim Chhun
Chairman & CEO



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



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



H.E. Sok Sopheak
Representative of
Ministry of Commerce



Mr. Hun Monivann
Independent Director



Mr. Hidetoshi KUME
Non-Executive Director



Mr. Lou Lykheng
Representative of
PAS's Employee



Speech of H.E Chairman & CEO

“On behalf of the Board of Directors of Sihanoukville Autonomous Port (PAS), I have the honor and pleasure to present the PAS’s business and financial reports of the 1st quarter, 2020 for the period ended 31st March 2020”.

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 71,707,781,000 Riels and a net profit of 820,395,000 Riels in this 1st quarter 2020. The revenue increased by 2,095,953,000 Riels equal to 3.01% compared to the same period of 2019, while the net profit after tax declined by 7,825,624,000 Riels equal to 90.51%. This was the result of increased cargoes throughput, but due to the increased of Unrealized foreign exchange loss (Japanese Yen) and the Expected credit losses(ECL) along with the impact of global COVID-19 pandemic on economic growth, PAS’s earnings per share is 9.56 Riels in this 1st quarter 2020. The container throughputs amounted to 150,568 TEUs, an increase of 10,679 TEUs equal to 7.63% compared to 1st quarter 2019.

PAS is going to continue its efforts for the betterment of business and service operation and to achieve the highest benefits for its shareholders. PAS has strengthened the work efficiency and built additional infrastructure to meet the increasing demand of customers and the growing economy. Besides, the multi-purpose terminal is designed to contribute and promote such important fields as agriculture, agro-industry, industry, trade, and especially in order to support the export of such Cambodian agricultural products as rice, dry tapioca and bulk cargo in response to the Royal Government’s market expansion strategy for rice export as well as the provision of logistic services for oil exploration within the Cambodia’s sea territory. In addition, the multi-purpose terminal is also designed to import coal to be used for the generation of electricity and cement production. PAS is also in the process of its New Container Terminal Project which is still under architectural detail designs. This new container terminal

will be able to accommodate vessels with gross tonnage of 60,000 tons or container vessels with 5,000 TEUs which are the Post Panamax vessels.

➤ **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 2020
- 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 1st Quarter 2020, the Board of Directors had conducted one meeting and adopted the following works:

The 7th Meeting of the Board of Directors in its 7th Mandate on 07th February, 2020

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

- BOD had agreed on the result and requested to continue working on the agreed agenda of the 6th Meeting of the Board of Directors on 8th November, 2019.
- BOD had reviewed, discussed and agreed on the report of Audit Committee and Risk Management Committee that have stated and requested PAS to prepare the Progress Report for the next meeting.
- BOD had reviewed, discussed and approved on Business Performance Report of 2019 and agreed on the principle development of PAS by developing the second and third phases of Port Terminal Development at the same time and PAS need to study in detail and report to BOD for approval before submitting to both Ministry of Economy and Finance and Ministry of Public Works and Transport.
- BOD had reviewed, discussed and approved on 4th Quarter 2019 Financial Report. As for the year end 31st December 2019 of Financial Report, BOD will wait for

Final Audited Report from Independent Auditor, Price WaterHouseCoopers (Cambodia) Ltd (PWC) through Email or Telegram to review and approve. Moreover, BOD have reviewed and approved for the two-month bonuses of 2019 to PASs' employees.

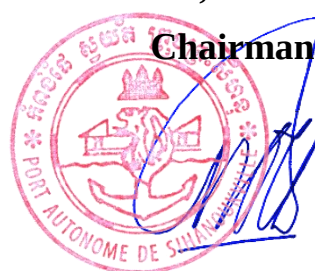
- BOD had reviewed, discussed and approved on Boxville Company's Development project and other conditions for the rental land, which PAS needs to prepare the rental agreement with Boxville company and submit to the Ministry of Economy and Finance for approval.
- BOD had reviewed, discussed and agreed on the next 8th Meeting of the Board of Directors in its 7th Mandate on 08th May, 2020.

Acknowledgement

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

Last but not least, I would like to thank to all the PASs' employees for their hard work and dedication to the job.

Sihanoukville, Dated: 14 May 2020

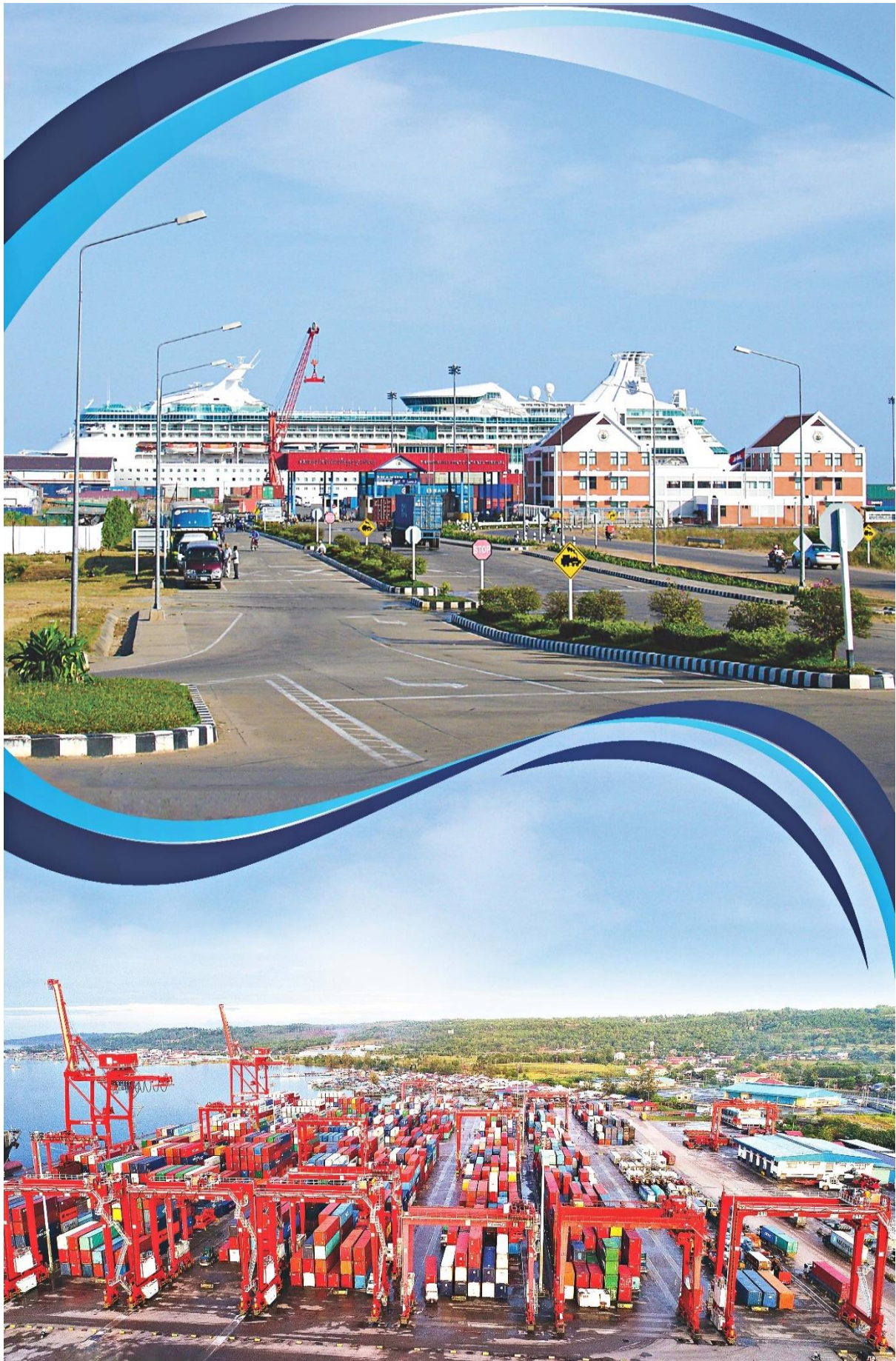


Chairman

LOU KIMCHHUN

Table of Contents

Financial Highlight.....	i
Financial Summary Charts.....	ii
Board of Directors	v
Message from the Chairman.....	vi
PART 1: General Information of Sihanoukville Autonomous Port.....	2
A. Identity of Sihanoukville Autonomous Port	3
B. Nature of Business	3
C. Quarter's key Events.....	5
PART 2: Information on Business Operation Performance.....	6
A. Business Operational	7
B. Revenue Structure.....	11
PART 3: Financial Statement Reviewed by the External Auditor.....	12
PART 4: Management's Discussion and Analysis.....	34
A. Overview of Operation	35
B. Significant Factors Affecting Profit.....	45
C. Material Changes in Sales and Revenue	45
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices.....	46
E. Impacts of inflation	46
F. Economic/Fiscal/Monetary Policy of Royal Government	46
PART 5: Other Necessary Information for Investor Protection.....	48
Signature of Directors of Sihanoukville Autonomous Port.....	50





PART 1:

General Information of

Sihanoukville Autonomous Port



A. Identity of Sihanoukville Autonomous Port

Company name (Khmer): កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ (កសស)

Company name (Latin): **PORT AUTONOME DE SIHANOUKVILLE “PAS”**

Company name (English): **SIHANOUKVILLE AUTONOMOUS PORT**

Standard Code: **KH1000060009**

Address : **Terak Vithei Samdech Akka Moha Sena Padei Techo Hun Sen, Sangkat 3, Preah Sihanouk City, Preah Sihanouk Province, Cambodia.**

Phone Number : **(855) 34 933 416/ 933 511**

Fax Number : **(855) 34 933 693**

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.ថបព** Issued by: **Ministry of Economy and Finance**

Date: **22nd February 2017**

Disclosure Document Registration Number issued by SECC: **058/17/SECC**

Date: **09th May 2017**

Representative of PAS: **His Excellency Lou Kim CHHUN**

B. Nature of Business

Sihanoukville Autonomous Port which is the sole international deep 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 enjoys a favorable natural condition which contributes smoothly to the year-round business operation with calm sea water and no tidal storms.

PAS is connected by a variety of multi-modal transportation networks. By road, PAS is connected by two main national roads, namely National Road No. 4 with 226 Km long from Phnom Penh capital and National Road No. 3 with 244 Km long through Kampot province. PAS is also connected by the southern railroad from Phnom Penh through Kampot province with 264 Km long. By airways, PAS is connected to Siem Reap province and Phnom Penh capital by Sihanoukville International Airport.

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

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

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

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

5	Concrete Wharf	Petroleum	53	5	Petroleum port: 4.5m draft with under 80m long. Mooring and unmooring facilities have been prepared for berthing alongside of ships with under 6m and 110m long.
---	----------------	-----------	----	---	--

- **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 1st quarter of 2020, there isn't any key events .



PART: 2

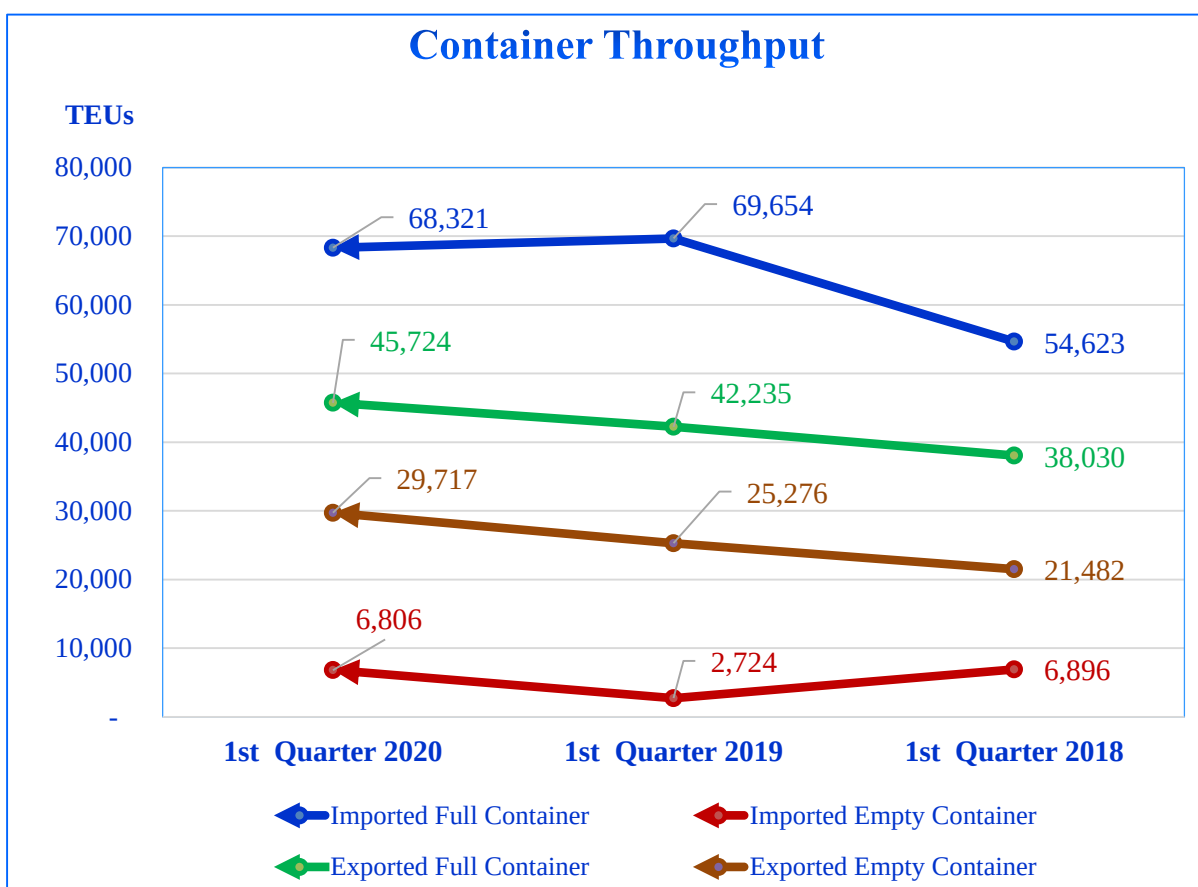
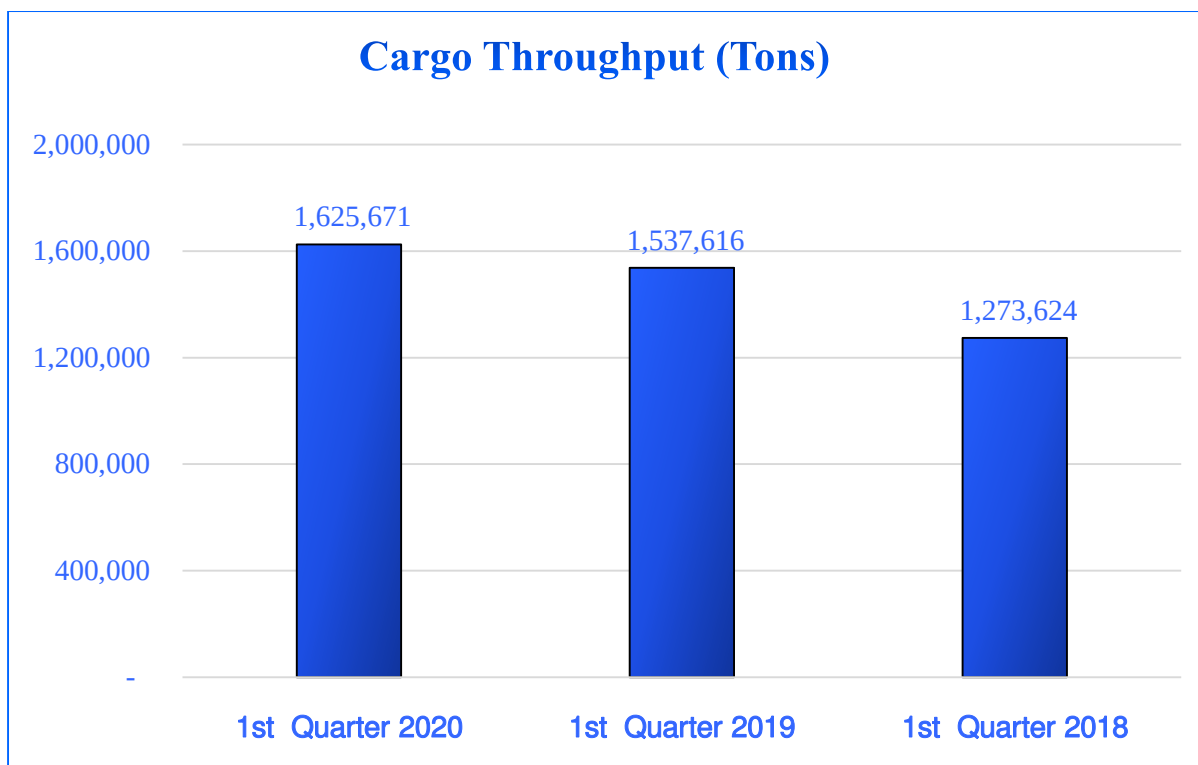
Information on Business Operation Performance

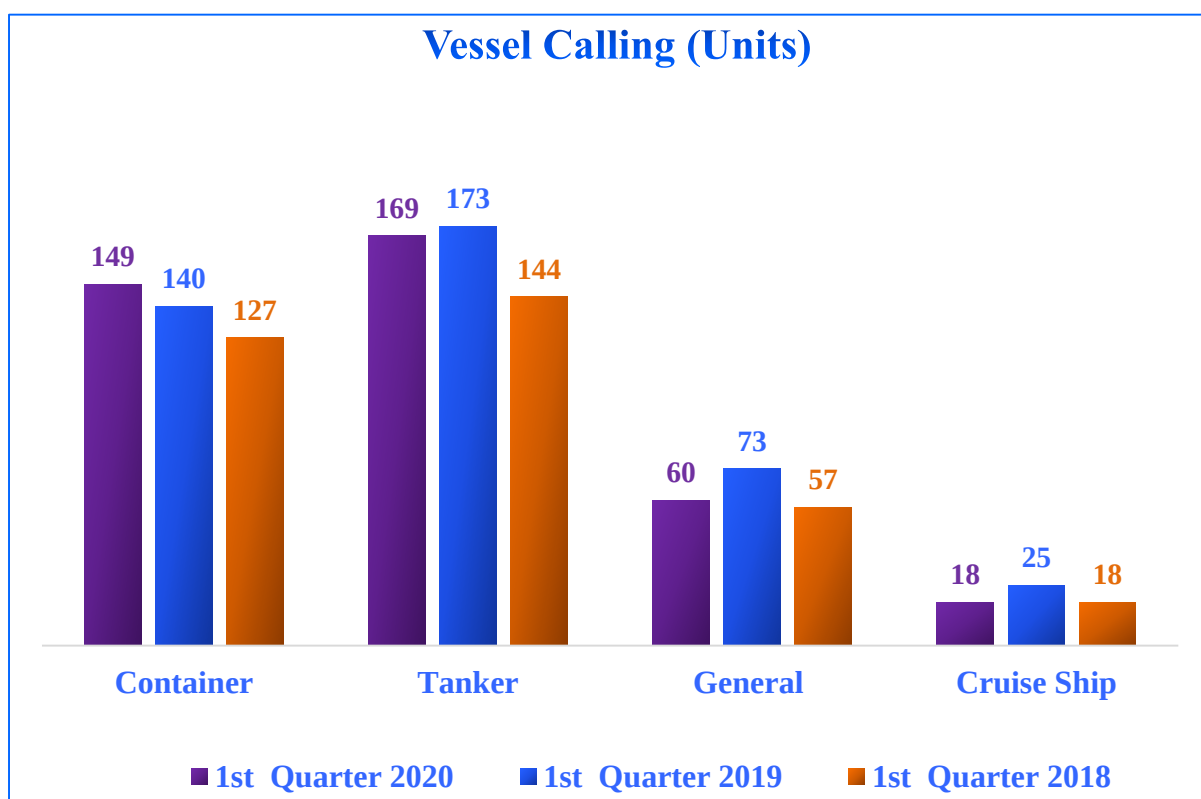
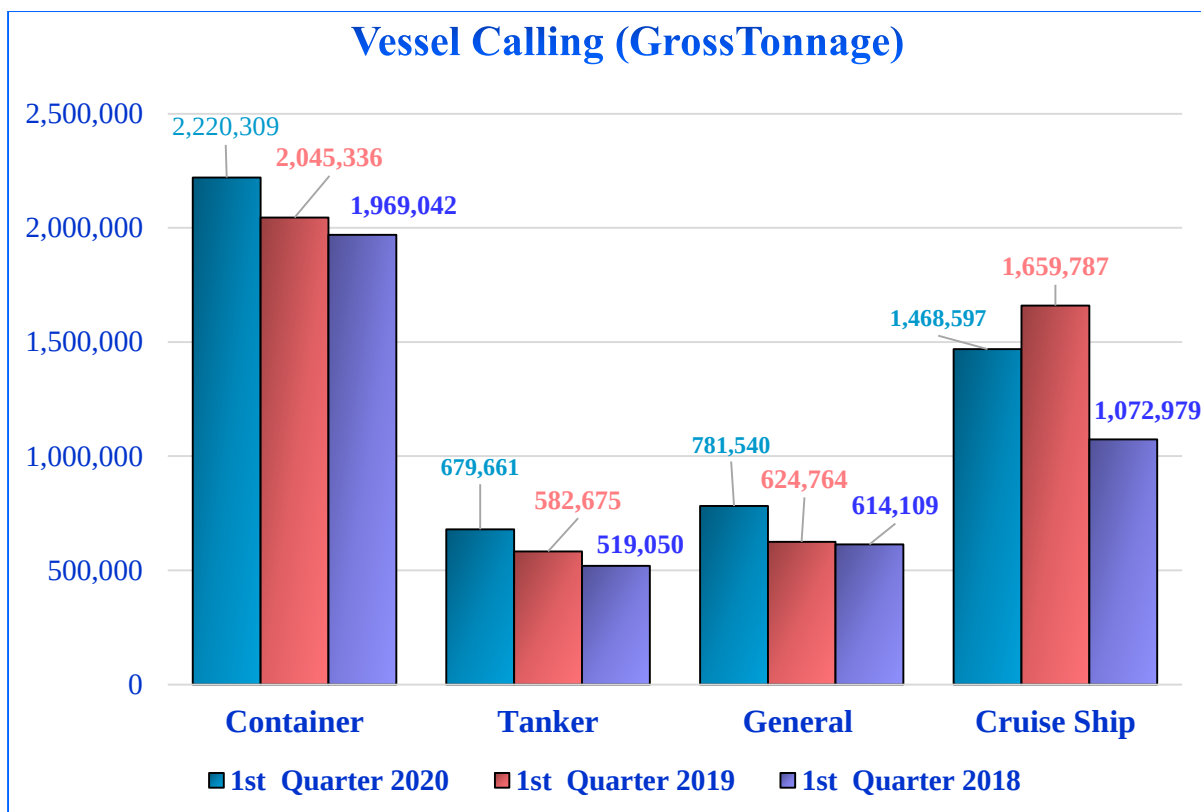


A. Business Operation Performance including business segments information

Items		Planning 2020	1 st Quarter 2020	1 st Quarter 2019	1 st Quarter 2018	Comparison	
		1	2	3	4	(2-3)/3	(2-4)/4
Gross Throughput	Ton	7,187,000	1,625,671	1,537,616	1,273,624	5.73%	27.64%
Container Cargo	–		1,009,666	927,600	768,283	8.85%	31.42%
General Cargo	–		54,971	113,846	83,575	-51.71%	-34.23%
Fuel	–		561,034	496,170	421,766	13.07%	33.02%
Imported Cargo	–	5,701,000	1,222,726	1,208,629	937,078	1.17%	30.48%
Container	–		606,721	598,947	451,702	1.30%	34.32%
General	–		616,005	609,682	485,376	1.04%	26.91%
Exported Cargo	–	1,486,000	402,945	328,987	336,546	22.48%	19.73%
Container	–		402,945	328,653	316,581	22.60%	27.28%
General	–		-	334	19,965	-100.00%	-100.00%
Cargo Handling	–	9,313,000	1,814,265	1,756,403	1,620,808	3.29%	11.94%
Direct Transfer	–	536,000	54,129	112,626	62,722	-51.94%	-13.70%
Container Yard and	–	8,777,000	1,760,136	1,643,777	1,558,086	7.08%	12.97%
Container	TEU	684,000	150,568	139,889	121,031	7.63%	24.40%
Imported Container	–	357,000	75,127	72,378	61,519	3.80%	22.12%
Full Container	–		68,321	69,654	54,623	-1.91%	25.08%
Empty Container	–		6,806	2,724	6,896	149.85%	-1.31%
Exported Container	–	327,000	75,441	67,511	59,512	11.75%	26.77%
Full Container	–		45,724	42,235	38,030	8.26%	20.23%

Empty Container	–		29,717	25,276	21,482	17.57%	38.33%
Calling Vessels	Unit	1,711	396	411	346	-3.65%	14.45%
	Ton	18,232,481	5,150,107	4,912,562	4,175,180	4.84%	23.35%
Container	Unit		149	140	127	6.43%	17.32%
	Tons		2,220,309	2,045,336	1,969,042	8.55%	12.76%
Tanker	Unit		169	173	144	-2.31%	17.36%
	Tons		679,661	582,675	519,050	16.64%	30.94%
General	Unit		60	73	57	-17.81%	5.26%
	Tons		781,540	624,764	614,109	25.09%	27.26%
Passenger (Cruise Ship)	Unit		18	25	18	-28.00%	0.00%
	Tons		1,468,597	1,659,787	1,072,979	-11.52%	36.87%
	Pers		17,789	23,809	15,891	-25.28%	11.94%





B. Revenue structure

Description	1st Quarter 2020		1st Quarter 2019		1st Quarter 2018	
	KHR'000	Percentage of total income	KHR'000	Percentage of total income	KHR'000	Percentage of total income
Stevedoring Charge	31,366,160	43.74%	30,330,039	43.57%	26,071,496	43.99%
LOLO Charge	20,078,679	28.00%	19,706,128	28.31%	16,578,401	27.97%
Port Charge for Vessel Services	15,325,196	21.37%	14,915,701	21.43%	12,762,757	21.53%
Storage (Warehouse and Yard)	3,542,453	4.94%	3,121,464	4.48%	2,317,923	3.91%
Transportation	0	0.00%	59,670	0.09%	320,358	0.54%
Passenger vessel	265,645	0.37%	374,836	0.54%	248,090	0.42%
Special Economic Zone	818,699	1.14%	848,808	1.22%	721,355	1.22%
Rental fee	237,392	0.33%	176,970	0.25%	171,606	0.29%
Other revenues	73,557	0.10%	78,210	0.11%	78,469	0.13%
Total Revenue	71,707,781	100.00%	69,611,828	100.00%	59,270,456	100.00%



PART 3:

**Financial Statements Reviewed by
the External Auditor**





Report on review of condensed interim financial information

To the shareholders of Sihanoukville Autonomous Port

Introduction

We have reviewed the accompanying statement of financial position of Sihanoukville Autonomous Port ('PAS') as at 31 March 2020 and the related statements of profit or loss and other comprehensive income for the three-month period then ended, the statement of changes in equity and cash flows for the period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

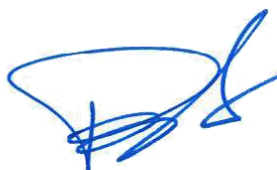
Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim 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 and consequently 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 condensed interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, 'Interim Financial Reporting'.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Lang Hy
Partner



Phnom Penh, Kingdom of Cambodia
13 May 2020



SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 31 MARCH 2020

	Notes	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	6	865,122,148	857,178,331
Investment properties	7	274,322,831	275,880,745
Intangible assets	8	6,166,242	6,431,960
Loans to employees		625,669	1,228,019
		<u>1,146,236,890</u>	<u>1,140,719,055</u>
Current assets			
Loans to employees		2,278,016	2,193,112
Inventories		18,471,129	18,519,255
Trade and other receivables		46,552,109	53,429,584
Short-term bank deposits		117,772,070	129,615,618
Cash and cash equivalents		22,642,031	27,789,597
		<u>207,715,355</u>	<u>231,547,166</u>
Total assets		<u>1,353,952,245</u>	<u>1,372,266,221</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	9	518,018,063	518,018,063
Other reserves		24,712,722	24,712,722
Retained earnings		140,614,450	139,794,055
Total equity		<u>683,345,235</u>	<u>682,524,840</u>
LIABILITIES			
Non-current liabilities			
Borrowings	10	504,303,127	507,273,722
Retirement benefit obligations	11	75,967,045	75,125,061
Seniority payment obligations		1,096,701	1,096,701
Deferred income		5,540,288	5,580,713
Deferred tax liabilities		18,572,343	15,784,676
		<u>605,479,504</u>	<u>604,860,873</u>
Current liabilities			
Guaranteed dividend payable	9	5,344,717	5,256,340
Borrowings	10	34,789,141	36,430,502
Retirement benefit obligations	11	7,949,000	7,949,000
Seniority payment obligations		-	1,589,505
Deferred income		461,761	134,475
Trade and other payables		16,582,887	24,901,232
Income tax liabilities		-	8,619,454
		<u>65,127,506</u>	<u>84,880,508</u>
Total liabilities		<u>670,607,010</u>	<u>689,741,381</u>
Total equity and liabilities		<u>1,353,952,245</u>	<u>1,372,266,221</u>

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.



SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

	Notes	Three-month period ended	
		31 March 2020 KHR'000 (Reviewed but unaudited)	31 March 2019 KHR'000 (Reviewed but unaudited)
Revenue	12	71,707,781	69,611,828
Expenses			
Consumable supplies	13	(24,176,458)	(23,274,822)
Salaries, wages and related expenses	14	(18,847,724)	(19,232,417)
Depreciation and amortisation charges	15	(9,254,604)	(7,107,142)
Repairs and maintenances		(2,360,747)	(2,784,478)
Other expenses		(8,216,985)	(5,679,667)
Other gains/(losses) – net		254,338	(41,593)
		<u>(62,602,180)</u>	<u>(58,120,119)</u>
Operating profit		9,105,601	11,491,709
Finance income		1,298,406	2,184,480
Finance costs		(5,903,671)	(2,704,056)
Finance costs – net	16	<u>(4,605,265)</u>	<u>(519,576)</u>
Profit before income tax		<u>4,500,336</u>	<u>10,972,133</u>
Income tax expense		<u>(3,679,941)</u>	<u>(2,326,114)</u>
Profit for the period		<u>820,395</u>	<u>8,646,019</u>
Profit attributable to shareholders		<u>820,395</u>	<u>8,646,019</u>
Total comprehensive income attributable to shareholders		<u>820,395</u>	<u>8,646,019</u>

The earnings per share attributable to shareholders of PAS during the period are as follows:

Basic earnings per share (KHR)	18	9.56	100.80
Diluted earnings per share (KHR)	18	9.56	100.80

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.



SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

	Attributable to shareholders			
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<i>Three-month period ended 31 March 2019 (reviewed but unaudited)</i>				
Balance at 1 January 2019	518,018,063	20,155,846	119,015,525	657,189,434
Profit for the period	-	-	8,646,019	8,646,019
Total comprehensive income for the period	-	-	8,646,019	8,646,019
Balance at 31 March 2019 (reviewed but unaudited)	<u>518,018,063</u>	<u>20,155,846</u>	<u>127,661,544</u>	<u>665,835,453</u>
<i>Three-month period ended 31 March 2020 (reviewed but unaudited)</i>				
Balance at 1 January 2020	518,018,063	24,712,722	139,794,055	682,524,840
Profit for the period	-	-	820,395	820,395
Total comprehensive income for the period	-	-	820,395	820,395
Balance at 31 March 2020 (reviewed but unaudited)	<u>518,018,063</u>	<u>24,712,722</u>	<u>140,614,450</u>	<u>683,345,235</u>

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

	Notes	Three-month period ended	
		31 March 2020 KHR'000 (Reviewed but unaudited)	31 March 2019 KHR'000 (Reviewed but unaudited)
Cash flows from operating activities			
Cash inflow from operations	19	16,948,969	9,464,175
Income tax paid		(9,511,728)	(6,999,335)
Net cash inflow from operating activities		7,437,241	2,464,840
Cash flows from investing activities			
Purchases of property and equipment	6	(15,374,789)	(2,407,301)
Withdrawals/(placements) of short-term bank deposits		11,843,548	(88,734)
Receipts of repayment of loans to employees		641,682	641,402
Interest received		758,156	771,344
Net cash outflow from investing activities		(2,131,403)	(1,083,289)
Cash flows from financing activities			
Proceeds from borrowings		7,019,258	342,071
Repayments of borrowings		(12,532,830)	(5,457,458)
Interest paid		(4,939,832)	(4,089,332)
Net cash outflow from financing activities		(10,453,404)	(9,204,719)
Net decrease in cash and cash equivalents		(5,147,566)	(7,823,168)
Cash and cash equivalents at beginning of the period		27,789,597	62,191,525
Cash and cash equivalents at end of the period		22,642,031	54,368,357

The accompanying notes on pages 6 to 21 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

1. GENERAL INFORMATION

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

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

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

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

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

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

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

The condensed interim financial information was approved for issue by the Board of Directors on 13 May 2020.

This condensed interim financial information for the three-month period ended 31 March 2020 has been reviewed, but not audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the three-month period ended 31 March 2020 has been prepared in accordance with Cambodian International Accounting Standard 34 - Interim financial reporting (CIAS 34).

This condensed interim financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements for the year ended 31 December 2019, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The significant accounting policies used in preparing the condensed interim financial information are consistent with the significant accounting policies used in the preparation of the 2019 audited financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 New and amended standards adopted by PAS

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

- Definition of Material – amendments to IAS 1 and IAS 8
- Revised Conceptual Framework for Financial Reporting

There is no significant impact on adoption of standards above.

3. MANAGEMENT ESTIMATES

The preparation of condensed interim 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 condensed interim financial information, the significant judgements made by management in applying the PAS's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019.

4. FINANCIAL RISK MANAGEMENT

4.1 Financial risk factors

PAS's 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 condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements and should be read in conjunction with PAS's annual financial statements for the year ended 31 December 2019.

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

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

- 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.
- 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.
- Loans to employees* – The carrying amount of current portion of loans to employees is considered to be the same as their fair value due to the short-term nature of the loans to employees. For the non-current portion of loans to employees, it has a fair value KHR 576 million as at 31 March 2020, compared to a carrying amount of KHR 626 million. The fair values were calculated based on cash flows discounted using a current lending rate. They were classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.
- 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.
- Guaranteed dividend payable* - The carrying amount of current portion of guaranteed dividend payable is considered to be the same as their fair value due to the short-term nature of the guaranteed dividend payable. The fair values were calculated based on cash flows discounted using a current fixed deposit rate. They were classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

4. FINANCIAL RISK MANAGEMENT (continued)

4.2 Fair value of financial assets and financial liabilities measured at amortised cost (continued)

- (f) *Borrowings* – The fair value is estimated by discounting the future contractual cash outflows using a current borrowing rate at the period-end.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

5. SEGMENT INFORMATION

PAS has a reportable segment, namely, port service. The chief operating decision-maker (the management team) reviews the internal management report, which reports the performances of the port service segment as a whole, to assess performance and allocate resources. The chief operating decision-maker 'CODM' assesses the performance of the reportable segment by measuring gross revenue (note 12). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating at early stage (note 7).

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

The total revenue of KHR 24,773,291 thousand was generated from three major customers during the period.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

6. PROPERTY AND EQUIPMENT

	Land improvement KHR'000	Land KHR'000	Buildings KHR'000	Technical equipment KHR'000	Furniture and fittings KHR'000	Computer and office equipment KHR'000	Motor vehicles KHR'000	Seaport equipment KHR'000	Construction in progress KHR'000	Palettes KHR'000	Total KHR'000
At 31 December 2019 (audited)											
Cost	250,929,909	34,922,391	344,917,322	34,318,979	1,471,385	6,926,818	33,896,552	221,813,668	5,034,897	932,976	935,164,897
Accumulated depreciation	-	(4,307,954)	(20,686,650)	(6,097,366)	(971,257)	(4,917,508)	(6,420,176)	(33,700,747)	-	(884,908)	(77,986,566)
Net book amount (audited)	<u>250,929,909</u>	<u>30,614,437</u>	<u>324,230,672</u>	<u>28,221,613</u>	<u>500,128</u>	<u>2,009,310</u>	<u>27,476,376</u>	<u>188,112,921</u>	<u>5,034,897</u>	<u>48,068</u>	<u>857,178,331</u>
Three-month period ended 31 March 2020 (reviewed but unaudited)											
Opening net book amount	250,929,909	30,614,437	324,230,672	28,221,613	500,128	2,009,310	27,476,376	188,112,921	5,034,897	48,068	857,178,331
Additions (*)	-	438,905	600,653	-	-	190,092	2,602,600	-	11,452,754	89,785	15,374,789
Depreciation charges	-	(349,123)	(2,391,056)	(903,081)	(66,554)	(310,459)	(723,978)	(2,658,383)	-	(28,338)	(7,430,972)
Closing net book amount	<u>250,929,909</u>	<u>30,704,219</u>	<u>322,440,269</u>	<u>27,318,532</u>	<u>433,574</u>	<u>1,888,943</u>	<u>29,354,998</u>	<u>185,454,538</u>	<u>16,487,651</u>	<u>109,515</u>	<u>865,122,148</u>
At 31 March 2020											
Cost	250,929,909	35,361,296	345,517,975	34,318,979	1,471,385	7,116,910	36,499,152	221,813,668	16,487,651	1,022,761	950,539,686
Accumulated depreciation	-	(4,657,077)	(23,077,706)	(7,000,447)	(1,037,811)	(5,227,967)	(7,144,154)	(36,359,130)	-	(913,246)	(85,417,538)
Net book amount (reviewed but unaudited)	<u>250,929,909</u>	<u>30,704,219</u>	<u>322,440,269</u>	<u>27,318,532</u>	<u>433,574</u>	<u>1,888,943</u>	<u>29,354,998</u>	<u>185,454,538</u>	<u>16,487,651</u>	<u>109,515</u>	<u>865,122,148</u>



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

6. PROPERTY AND EQUIPMENT (continued)

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

	31 March 2020 KHR'000 <i>(Reviewed but unaudited)</i>	31 March 2019 KHR'000 <i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	15,374,789	2,865,184
Increase payable to a supplier (non-cash)	-	(457,883)
Cash paid during the period	15,374,789	2,407,301

The interest cost that was capitalised on qualifying assets as at 31 March 2020 was KHR 26,154 thousand.

7. INVESTMENT PROPERTIES

	Land KHR'000	Buildings KHR'000	Total KHR'000
At 31 December 2019 <i>(audited)</i>			
Cost	134,325,883	165,987,593	300,313,476
Accumulated depreciation	-	(24,432,731)	(24,432,731)
Net book value <i>(audited)</i>	<u>134,325,883</u>	<u>141,554,862</u>	<u>275,880,745</u>
Three-month period ended 31 March 2020 <i>(reviewed but unaudited)</i>			
Opening net book amount	134,325,883	141,554,862	275,880,745
Depreciation charges	-	(1,557,914)	(1,557,914)
Closing net book amount	<u>134,325,883</u>	<u>139,996,948</u>	<u>274,322,831</u>
At 31 March 2020			
Cost	134,325,883	165,987,593	300,313,476
Accumulated depreciation	-	(25,990,645)	(25,990,645)
Net book amount <i>(reviewed but unaudited)</i>	<u>134,325,883</u>	<u>139,996,948</u>	<u>274,322,831</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

7. INVESTMENT PROPERTIES (continued)

The following amounts have been recognised in the interim statement of profit or loss and other comprehensive income deriving from the business of investment properties:

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	818,699	848,808
Depreciation expenses	(1,557,914)	(1,531,215)
Direct operating expenses arising from investment properties that generate rental revenue	(726,670)	(742,235)

Special Economic Zone (SEZ) is still at an early stage of its business operations.

8. INTANGIBLE ASSETS

	Software KHR'000
At 31 December 2019 <i>(audited)</i>	
Cost	10,608,352
Accumulated amortisation	(4,176,392)
Net book amount <i>(audited)</i>	<u>6,431,960</u>
<i>Three-month period ended 31 March 2020 (reviewed but unaudited)</i>	
Opening net book amount	6,431,960
Amortisation charges	(265,718)
Closing net book amount	<u>6,166,242</u>
At 31 March 2020	
Cost	10,608,352
Accumulated amortisation	(4,442,110)
Net book amount <i>(reviewed but unaudited)</i>	<u>6,166,242</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

9. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (**)		Class C share (***)		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
At 31 December 2019 (<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>
At 31 March 2020 (<i>reviewed but 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>

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



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

9. SHARE CAPITAL AND SHARE PREMIUM (continued)

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

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

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

(***) Guaranteed dividend payable to all class C shares

As an incentive to public investors, class C shareholders (all carried voting rights) are entitled to receive a minimum guaranteed dividend yield of 5% per annum for 3 years (either in cash or in share in which the choice of settlement is made by PAS only) of the total class C shares multiplied by the offering price from the IPO listing date in June 2017. If settlement mode of dividend payment in shares, it is based on the closing market price of shares before ex-dividend day. No fixed number of shares is guaranteed (only variable number of share). In case of having sufficient funds, the Directors shall declare and pay dividends to its investors within twelve months from the IPO listing date. In case that the minimum guaranteed dividend is not fully paid/distributed for any fiscal year, the remaining amount shall be accumulated/accrued to the next years until the minimum guaranteed dividend payment is viable.

The government, shareholder of class B voting shares and class A non-voting shares, is not entitled to receive the minimum guaranteed dividend.

The movement of guaranteed dividend payables is as follows:

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Opening balance	5,256,340	10,168,805
Interest expenses from winding up (note 16)	88,377	170,973
Closing balance	5,344,717	10,339,778

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

10. BORROWINGS

	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	71,476,109	75,074,820
MoEF – (JBIC) – Loan No. CP-P4	114,061,566	113,162,087
MoEF – (JBIC) – Loan No. CP-P6	7,707,290	7,959,883
MoEF – (JBIC) – Loan No. CP-P8	120,928,322	123,100,221
MoEF – (JICA) – Loan No. CP-P10	213,843,890	220,393,009
MoEF – (JICA) – Loan No. CP-P21	11,075,091	4,014,204
	<u>539,092,268</u>	<u>543,704,224</u>

MoEF signed borrowing agreements with JICA and JBIC in respect of the transactions relating to PAS. PAS also signed an additional borrowing agreement with MoEF where borrowings are disbursed by JICA 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:

	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
Current		
Not later than one year	<u>34,789,141</u>	<u>36,430,502</u>
Non-current		
Later than one year but not later than two years	32,569,665	32,413,412
Later than two year but not later than five years	97,708,995	97,240,236
Later than five years	<u>374,024,467</u>	<u>377,620,074</u>
	<u>504,303,127</u>	<u>507,273,722</u>
	<u>539,092,268</u>	<u>543,704,224</u>

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

	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
Carrying value		
Current portion	34,789,141	36,430,502
Non-current portion	<u>504,303,127</u>	<u>507,273,722</u>
	<u>539,092,268</u>	<u>543,704,224</u>
Fair value		
Current portion	31,957,737	31,921,394
Non-current portion	<u>377,081,167</u>	<u>380,591,586</u>
	<u>409,038,904</u>	<u>412,512,980</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

10. BORROWINGS (continued)

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

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

	31 March 2020 KHR'000	31 December 2019 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	411,779,755	402,088,453
US\$	127,312,513	141,615,771
	539,092,268	543,704,224

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

	31 March 2020	31 December 2019
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	2.65%	2.65%
MoEF – (JICA) – Loan No. CP-P21	1.26%	1.26%

11. RETIREMENT BENEFIT OBLIGATIONS

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

	31 March 2020 KHR'000	31 December 2019 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	83,916,045	83,074,061
Unfunded status	83,916,045	83,074,061
Net liability recognised in interim statement of financial position	83,916,045	83,074,061

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

11. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Beginning balance	83,074,061	69,938,976
Current service cost	430,000	484,500
Interest expense	1,141,000	1,003,750
Benefits paid	(729,016)	(752,071)
Closing balance	<u>83,916,045</u>	<u>70,675,155</u>
	31 March 2020	31 December 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current portion	7,949,000	7,949,000
Non-current portion	<u>75,967,045</u>	<u>75,125,061</u>
	<u>83,916,045</u>	<u>83,074,061</u>

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

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Current service cost	430,000	484,500
Interest expense	<u>1,141,000</u>	<u>1,003,750</u>
	<u>1,571,000</u>	<u>1,488,250</u>

The principal actuarial assumptions were as follows:

	2020	2019
Average years of service	20	19
Discount rate per annum	6%	6%
Salary increase rate per annum	5%	5%
Turnover rate per annum	0.5%	0.5%

Mortality rates

In the absence of published mortality rates in Cambodia, PAS used the 2017 Thailand Ordinary Mortality table modified to fit Cambodian life expectancy. The 2017 Thailand Ordinary Mortality table contains the most recent estimates of likelihood of death of the general population in Thailand and has remained consistent as at 31 March 2020.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

12. REVENUE

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Stevedoring charges	31,366,160	30,330,039
Lift-On Lift-Off (LO-LO)	20,078,679	19,706,128
Port due/charge services	15,325,196	14,915,701
Container storage	3,542,453	3,121,464
Rental income from SEZ	818,699	848,808
Other revenue	576,594	689,688
	71,707,781	69,611,828
Timing of revenue recognition		
At a point in time	67,109,237	65,464,586
Over time	4,598,544	4,147,242
	71,707,781	69,611,828

13. CONSUMABLE SUPPLIES

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Combustible expenses	9,954,076	10,486,024
Spare parts	10,664,108	9,306,063
Warehouse supplies	2,169,306	1,317,083
Oil and lubricant	804,193	813,286
Office supplies	419,855	849,166
Other consumables	164,920	503,200
	24,176,458	23,274,822

14. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Employee salaries	14,576,091	13,947,290
Bonuses	1,196,081	2,301,000
Retirement benefit expenses	1,571,000	1,488,250
Directors' remuneration	306,000	306,000
Social security expenses	207,986	63,970
Wages for contractors	71,550	69,450
Other employee-related expenses	919,016	1,056,457
	18,847,724	19,232,417



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

15. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended	
	31 March 2020 KHR'000 <i>(Reviewed but unaudited)</i>	31 March 2019 KHR'000 <i>(Reviewed but unaudited)</i>
Property and equipment	7,430,972	5,310,209
Investment properties	1,557,914	1,531,215
Intangible assets	265,718	265,718
	9,254,604	7,107,142

16. FINANCE COSTS – NET

	Three-month period ended	
	31 March 2020 KHR'000 <i>(Reviewed but unaudited)</i>	31 March 2019 KHR'000 <i>(Reviewed but unaudited)</i>
<i>Finance income:</i>		
Interest income on bank deposits (a)	1,174,170	781,275
Net exchange gains on foreign currency borrowings (c)	-	1,206,312
Interest income from unwinding of discount of loans to employees	124,236	196,893
	1,298,406	2,184,480
<i>Finance costs:</i>		
Interest expenses on borrowings (b)	(3,072,488)	(2,533,083)
Net exchange losses on foreign currency borrowings (c)	(2,742,806)	-
Interest expenses from winding up guaranteed dividend payables	(88,377)	(170,973)
	(5,903,671)	(2,704,056)
Finance costs – net	(4,605,265)	(519,576)

- (a) Interest income represents interest earned from savings and fixed deposit accounts held at local banks during the period.
- (b) Interest expenses represent the interest charges on borrowings obtained from the MoEF, which are funded through borrowings obtained from JICA and JBIC.
- (c) PAS has the borrowings (note 10) which are denominated in Japanese yen (JPY) and US dollar (US\$). PAS also has short-term bank deposits which are denominated in US dollar (US\$). Given the fluctuations in KHR against JPY and US\$, this resulted in significant exchange losses/gains on its borrowings and short-term bank deposits. The exchange rates are based on the exchange rates published by the National Bank of Cambodia as at the end of reporting period.

	31 March 2020	31 December 2019	31 March 2019	31 December 2018
JPY/KHR	37.87	37.62	36.49	36.59
US\$/KHR	4,070	4,075	4,015	4,018

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

17. INCOME TAX EXPENSE

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

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

Under the Cambodian tax regulations, PAS is subject to pay income tax at rate of 20%. According to ANUKRET No.01 ANKR.TT dated 8 January 2015, the listed entities are entitled to a three-year tax incentive given by the Securities Exchange Commission of Cambodia. On 16 May 2018, GDT approved the incentive as 50% reduction of income tax rate (20%) and accordingly PAS is subject to 10% income tax rate from 2017 to 2019. From 1 January 2020, PAS is subject to pay income tax at rate of 20%.

The latest comprehensive tax audit report issued by General Department of Taxation was for the year ended 2017 and 2018, and all tax liabilities were settled in March 2020.

18. 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.

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Profit attributable to shareholders (KHR'000)	820,395	8,646,019
Weighted average number of shares	85,771,967	85,771,967
Basic earnings per share (KHR)	9.56	100.80

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.

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

19. CASH GENERATED FROM OPERATIONS

	Notes	Three-month period ended	
		31 March 2020 KHR'000 (Reviewed but unaudited)	31 March 2019 KHR'000 (Reviewed but unaudited)
Profit before income tax		4,500,336	10,972,133
Adjustments for:			
Depreciation and amortisation charges	15	9,254,604	7,107,142
Finance costs– net	16	4,605,265	519,576
Retirement benefit obligations		1,571,000	1,488,250
Seniority payment obligations		(29,816)	-
Other employees related expenses from loans to employees		163,864	163,864
Changes in working capital:			
Inventories		48,126	2,004,876
Trade and other receivables		7,129,625	(8,457,566)
Trade and other payables		(8,292,191)	(3,747,487)
Retirement benefit obligations		(729,016)	(752,071)
Seniority payment obligations		(1,559,689)	-
Deferred income		286,861	165,458
Cash inflow from operations		<u>16,948,969</u>	<u>9,464,175</u>

20. RELATED PARTY TRANSACTIONS

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

(a) Related party balances**(i) Amount due to MoEF**

	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
Borrowings from:		
MoEF – (JICA)	224,918,981	224,407,213
MoEF – (JBIC)	314,173,287	319,297,011
	<u>539,092,268</u>	<u>543,704,224</u>

(ii) Amount due from MoPWT

	31 March 2020 KHR'000 (Reviewed but unaudited)	31 December 2019 KHR'000 (Audited)
Advances to MoPWT	<u>14,287,547</u>	<u>14,287,547</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020**

20. RELATED PARTY TRANSACTIONS (continued)

(b) Related party transactions

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Interest expenses on borrowings from MoEF (note 16(b))	3,072,488	2,533,083

(c) Key management compensation

Key management compensation for the three-month period ended is as follows:

	Three-month period ended	
	31 March 2020	31 March 2019
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Board of directors		
Fees and related expenses	408,000	408,000
Key management personnel		
Salaries and other expenses	548,900	566,171
Retirement benefit expenses (*)	48,546	49,202

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

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

(d) Loan to key management

PAS provided loans to employees including key management and board of directors to buy its class C shares at the Initial Public Offering on 8 June 2017. Loan is interest free and has term of four years. Loan will be repaid on monthly basis by deducting from the monthly salaries of the key management. As at 31 March 2020, outstanding loans to the key management were KHR 1,219 million (31 December 2019: KHR 1,463 million).

21. COMMITMENTS

As at 31 March 2020, PAS had outstanding capital expenditure commitment of KHR 878,973 million (31 December 2019: KHR 880,132 million) for its purchase of construction services, property and equipment.



PART 4 :

**Management's Discussion and
Analysis**



A. Overview of Operations

PAS is the only international deep sea port of the Kingdom of Cambodia, which is operating on an approximately 125 hectares land area, located in Preah Sihanouk city, Preah Sihanouk province and connected by multi-modal transport networks. According to the definition of Sub-decree No. 50 ANKr/BK dated 17th July 1998, PAS has been entitled as a port operator with detailed business and services in the above Part 1, section B of this 1st quarter 2020 report.

For this 1st quarter 2020, the volume of PAS's container throughput increased by 10,679 TEUs equivalent to 7.63% compared to 1st quarter 2019 and gross cargoes throughput increased by 5.73% equivalent to 88,055 tons. Among gross cargoes throughput, container in tons increased 8.85% equivalent to 82,066 tons and Fuels increased 13.07% equal to 64,864tons. However, general cargoes decreased 58,875 tons equivalent to 51.71%. PAS's calling vessel decreased by 3.65% equal to 15 vessels, but its gross tonnages increased by 4.84% equal to 237,545 tons compare to 1st quarter 2019.

The discussion and analysis by the management on PAS's financial status and operation results below were made on the basis of financial information report audited by the independent auditor for 1st quarter 2020 and 2019 as shown in Part 3 of this 1st quarter 2020 report.

PAS has important sources of income as follows:

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

PAS had recorded financial transaction (account book) and financial reports in Riel, which is its national currency, while the operations using other international currency were shown in Riels based on the average of daily official exchange rate of the National Bank of Cambodia according to the respective dates of the operations.

1. Revenue Analysis

1-A Revenue Analysis

For the period ended 31st March 2020 compared to the period ended 31st March 2019

Description	1st Quarter 2020	1st Quarter 2019	Changes	
	KHR'000	KHR'000	KHR'000	%
Revenue	71,707,781	69,611,828	2,095,953	3.01%

For this 1st quarter 2020, PAS's income increased by 2,095,953,000 Riels equivalent to 3.01% increasing from 69,611,828,000 Riels in 1st quarter 2019 to 71,707,781,000 Riels in 1st quarter 2020. This income was mostly derived from Stevedoring Charges, LOLO Charges, Port Charge for Vessel Services and Storage Charges of Cargo or Container.

1-B Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues

For 1st Quarter 2020 and 1st Quarter 2019

Description	1st Quarter 2020		1st Quarter 2019	
	KHR'000	Percentage of total income	KHR'000	Percentage of total income
Stevedoring Charge	31,366,160	43.74%	30,330,039	43.57%
LOLO Charge	20,078,679	28.00%	19,706,128	28.31%
Port Charge for Vessel Services	15,325,196	21.37%	14,915,701	21.43%
Storage (Warehouse and Yard)	3,542,453	4.94%	3,121,464	4.48%
Transportation	0	0.00%	59,670	0.09%
Passenger vessel	265,645	0.37%	374,836	0.54%
Special Economic Zone	818,699	1.14%	848,808	1.22%
Rental fee	237,392	0.33%	176,970	0.25%
Other revenues	73,557	0.10%	78,210	0.11%
Total Revenue	71,707,781	100.00%	69,611,828	100.00%



In the 1st quarter 2020 as well as 2019, there were four important types of incomes accounted for 98% of PAS's total business and service incomes. Those incomes were derived from Stevedoring charges, LOLO charges, Port Charges for Vessel Services and Storage, Warehouse and Yard.

For the period ended 31st March 2020 compared to the period ended 31st March 2019

Description	1st Quarter 2020	1st Quarter 2019	Changes	
	KHR'000	KHR'000	KHR'000	%
Stevedoring Charge	31,366,160	30,330,039	1,036,121	3.42%
LOLO Charge	20,078,679	19,706,128	372,551	1.89%
Port Charge for Vessel Services	15,325,196	14,915,701	409,495	2.75%
Storage (Warehouse and Yard)	3,542,453	3,121,464	420,988	13.49%

The income from Stevedoring charge increased approximately by 3.42% equivalent to 1,036,121,000 Riels, and LOLO charge increased by 1.89% equivalent to 372,551,000 Riels comparing between 1st quarter 2020 and 1st quarter 2019. These growths were resulted by the increase of container throughput with the volume of 10,679 TEUs equivalent to 7.63% for this 1st quarter 2020.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 1st quarter of 2020, the number of vessels calling to PAS decreased by 15 vessels equal to 3.65%, but tonnage throughput increased by 4.84% equal to 237,545 tons. As the result, the income on Port Charge for Vessel Services in 1st quarter 2020 is 15,325,196,000 Riels

increased by 409,495,000 Riels equivalent to 2.75% compared to 1st quarter 2019 was 14,915,701,000 Riels. In this first three months of 2020, the container vessels increased by 6.43% equal to 9 vessels and its gross tonnages increased by 8.55% equal to 174,973 tons. On the other hand, General vessels decreased by 17.81% equal to 13 vessels, but its gross tonnages increased by 25.09% equal to 156,776 tons compared to the same period of 2019.

The income from storage, warehouse, and yard increased by 420,988,000 Riels equivalent to 13.49% compared between 1st quarter 2020 with the income amount of 3,542,453,000 Riels and 1st quarter 2019 with amount of 3,121,464,000 Riels. The growth of storage income was resulted by the increase of cargo throughput storage in PAS's warehouse and yard with 7.08% equivalent to 116,359 tons in this 1st quarter 2020.

2. Gross Profit Margin Analysis

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

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

3. Profit/(Loss) before Tax Analysis

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

For the period ended 31st March 2020 compared to the period ended 31st March 2019

Description	1st Quarter 2020	1st Quarter 2019	Changes	
	KHR'000	KHR'000	'000 riels	%
Revenue	71,707,781	69,611,828	2,095,953	3.01%
Consumable Supplies	(24,176,458)	(23,274,822)	901,636	3.87%
Salaries, Wages and related expenses	(18,847,724)	(19,232,417)	(384,693)	-2.00%
Depreciation and Amortisation charge	(9,254,604)	(7,107,142)	2,147,462	30.22%
Repairs and Maintenances	(2,360,747)	(2,784,478)	(423,731)	-15.22%
Other expenses	(8,216,985)	(5,679,667)	2,537,318	44.67%
Other gain /(Losses)-net	254,338	(41,593)	(295,931)	-711.49%
Net- Finance (Costs)/gain	(4,605,265)	(519,576)	4,085,689	786.35%
Profit before income tax	4,500,336	10,972,133	(6,471,797)	-58.98%

For 1st quarter 2020, PAS's expenses on Consumable Supplies amounted to 24,176,458,000 Riels increased by 901,636,000 Riels equivalent to 3.87% compared to the 1st quarter of 2019 with the expense amount of 23,274,822,000 Riels. The main factor that caused such an increase was resulted by the expense on Spare parts which increased by 14.59% equivalent to 1,358,045,000 Riels and the increased of Warehouse supplies with 64.71% equivalent to 852,223,000 Riels. However, the combustible expense decreased by 5.07% equivalent to 531,948,000 Riels due to the decline of average petroleum price from 0.67 dollars in 1st quarter 2019 to 0.59 dollars in 1st quarter 2020. Office supplies expense decreased by 50.56% equal to 429,311,000 Riels and the decreased of other consumables expense by 67.23% equal to 338,280,000 Riels if compared with 1st quarter 2019.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decreases, the expense on salary will also decrease, and we found that stevedoring and LOLO incomes increased approximately 3.42% and 1.89% accordingly in this 1st quarter 2020. Nevertheless, the expense on salary, wages, and other related expenses had decreased approximately 2.00% equivalent to 384,693,000 Riels compared that to 1st quarter 2020 with the expense amount of 18,847,724,000 Riels and 19,232,417,000 Riels in 1st quarter 2019. The main factor of this decreasing is expense on employees' bonuses which declined approximately 48.02% equal to 1,104,919,000 Riels.

The expense on depreciation and amortization included property, equipment, and intangible asset in 1st quarter 2020 amounted to 9,254,604,000 Riels increased by 2,147,462,000 Riels equivalent to 30.22% compared to that of 1st quarter 2019 with the expense amount of 7,107,142,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 2,120,763,000 Riels equivalent to 39.94% and the increased of expense on depreciation of investment property by 1.74% equivalent to 26,699,000 Riels.

The expense on repair and maintenance decreased by 423,731,000 Riels equal to 15.22%, the total expense of repair and maintenance in 1st quarter 2020 was 2,360,747,000 Riels and 2,784,478,000 Riels in 1st quarter 2019.

The other expenses increased by 44.67% equivalent to 2,537,318,000 Riels, which increased from 5,679,667,000 Riels in 1st quarter 2019 to 8,216,985,000 Riels in 1st quarter 2020, due to raise in Expected credit losses of 1,696,245,000 Riels.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 1st quarter 2020, the gain from realized foreign exchange with the amount of 254,338,000 Riels increased by 711,49% equivalent to 295,931,000 Riels compared to 1st quarter 2019 there was a loss up to 41,593,000 Riels.

Net-Finance (Costs)/gain refers to Unrealized Foreign Exchange Gain-Loss, for the 1st quarter 2020, there was an expense of 4,605,265,000 Riels increased by 786.35% equivalent to 4,085,689,000 Riels compared to that of 1st quarter 2019 with the expense of 519,576,000 Riels. The main factor of this increasing Net-Finance (Costs)/gain was because of the increased of net exchange losses on foreign currency (Japanese Yen), and in the 1st quarter 2020 amounted to 2,742,806,000 Riels. However, in 1st quarter 2019, there was a net exchange gain on foreign currency (Japanese Yen) amounted to 1,206,312,000 Riels.

In conclusion, PAS's profit before tax in 1st quarter 2020 is 4,500,336,000 Riels compared to that of 1st quarter 2019 with the amount of 10,972,133,000 Riels decreased approximately 58.98% equivalent to 6,471,797,000 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 this year 2020 onward, PAS will continue its obligation to pay tax on annual profit at the rate of 20% after PAS have received the incentive benefit in Taxation from the Security market for the last three years (2017 to 2019).

For the period ended 31st March 2020 compared to the period ended 31st March 2019

Description	1st Quarter 2020	1st Quarter 2019	Changes	
	‘000 riels	‘000 riels	‘000 riels	%
Profit before income tax (A)	4,500,336	10,972,133	(6,471,797)	-58.98%
Income tax expense (B)	(3,679,941)	(2,326,114)	(1,353,827)	58.20%
Profit for the period	820,395	8,646,019	(7,825,624)	-90.51%
Remesurement of retirement benefit obligations	-	-		
Total comprehensive income for the period	820,395	8,646,019	(7,825,624)	-90.51%
Effective Tax Rate (B)/(A)	81.77%	21.20%		

PAS has a profit after tax with the equivalent amount of 820,395,000 Riels in the 1st quarter 2020 and 8,646,019,000 Riels in the 1st quarter 2019 with the decreased amount of 7,825,624,000 Riels equivalent to 90.51%. The main factor that caused the profit after tax to decrease is due to the unrealized foreign exchange loss(Japanese Yen) and the increased of expected credit losses in this 1st quarter 2020.

The effective tax rate on profit increased from 21.20% in 1st quarter 2019 to 81.77% in 1st quarter 2020, due to income tax expense increased and the decreased of profit for the period in 1st quarter 2020.

5. Factors and Trends Analysis affecting Financial conditions and results

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

- Factors That Cause Restriction on International Business

Because of PAS's main source of income is derived from the movement of cargo throughput which is the transaction of international trade, therefore, various factors that affects the international trade may influence PAS's business operation through such factors as the status of global, regional and local economy, social stability, security issues, or maritime cooperation. According to the IMF, the world economy will decrease to -3.0% for year 2020 due to the Impact of the coronavirus pandemic on the global economy, while Cambodia's economy will increase around 2.3%, according to the Asian Development Bank (ADB). This shows that the impact from Covid-19 will be affected to port business performance.

- PAS's Ability and Work Performance Efficiency

For the 1st quarter 2020, PAS has container handling capacity up to 650,000 TEUs after launching two more units of QCs since 2017. This factor has enabled the work capacity and efficiency to increase in the performance of its services.

- Status of Domestic Transportation

For this 1st quarter of 2020, 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 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 in order to ensure a smooth operation.

- Depreciation

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

every period of the financial report. For this 1st quarter 2020, there is no modification or a request for modification of the depreciation policy by the independence auditor.

B. Significant factors affecting Profit

1. Demand and Supply Conditions Analysis

PAS's business activities have a direct link with the national, regional, and global economy. In particular, when there is a change in the national economy, there will be a direct impact on port's business and service operation, i.e when the national economy increases, the port's business and service operation will also increase, accordingly, PAS's revenues also have the same growth rate, on the contrary, if the national economy decreases, there will also be a negative impact on PAS's revenues. According to ADB's report, Cambodia's economy decline with the expected rate of 2.3%, while the world economy decrease with the expected rate of -3.0% (IMF) for year 2020. Therefore, there will be an impact on market's demand and supply, as well as PAS business.

2. Fluctuations in Prices of Raw Materials Analysis

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

3. Tax Analysis

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

C. Material Changes in Sales and Revenue

PAS' main income is derived from stevedoring, LOLO and port's services which contributed around 93% of the total income in 1st quarter of 2020, and the main factor bolstering up the increase of revenue is the rise of ships and volume of cargo throughputs, especially containerized cargo which is the most important source of PAS's income. The growth in the

field of agriculture, commerce, construction, and industry has reflected the status of Cambodia's economy, and at the same time these factors also have positive influences on PAS's business operation, services and revenues.

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

- Impacts from Currency Exchange Rate

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

- Impacts from the Interest Rate

At present, PAS does not have any loans with flexible interest rates. PAS has received JICA and JBIC financial soft loan from the Ministry of Economy and Finance with the interest rate from 2.65% to 3.7%. Therefore, in this 1st quarter 2020, there is no impact on the changes of interest rate.

- Impacts from the Change of Oil Prices

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

E. Impacts of Inflation

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

F. Economic/Fiscal/Monetary Policy of Royal Government

The policy on economy, tax system, and currency of the Government has a strong influence on PAS's business operation since this policy is aimed at supporting and stimulating

the international trade and yielding positive result on PAS's business. The main policies of the Royal Government are:

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



Part 5:

Other Necessary Information for Investor Protection



In this 1st quarter of 2020, there is other necessary information for the protection of investors as below:

the Board of Directors had conducted one meeting:

The 7th Meeting of the Board of Directors in its 7th Mandate on 07th February, 2020

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

- BOD had agreed on the result and requested to continue working on the agreed agenda of the 6th Meeting of the Board of Directors on 8th November, 2019.
- BOD had reviewed, discussed and agreed on the report of Audit Committee and Risk Management Committee that have stated and requested PAS to prepare the Progress Report for the next meeting.
- BOD had reviewed, discussed and approved on Business Performance Report of 2019 and agreed on the principle development of PAS by developing the second and third phases of Port Terminal Development at the same time and PAS need to study in detail and report to BOD for approval before submitting to both Ministry of Economy and Finance and Ministry of Public Works and Transport.
- BOD had reviewed, discussed and approved on 4th Quarter 2019 Financial Report. As for the year end 31st December 2019 of Financial Report, BOD will wait for Final Audited Report from Independent Auditor, Price WaterHouseCoopers (Cambodia) Ltd (PWC) through Email or Telegram to review and approve. Moreover, BOD have reviewed and approved for the two-month bonuses of 2019 to PASs' employees.
- BOD had reviewed, discussed and approved on Boxville Company's Development project and other conditions for the rental land, which PAS needs to prepare the rental agreement with Boxville company and submit to the Ministry of Economy and Finance for approval.
- BOD had reviewed, discussed and agreed on the next 8th Meeting of the Board of Directors in its 7th Mandate on 08th May, 2020.

Signature of Directors of Sihanoukville Autonomous Port

Date: 14 May 2020

Read and Approved



Signature

Lou Kim Chhun

Chairman



Sihanoukville Autonomous Port



Address:

Terak Vithei Samdech Akka Moha Sena
Padei Techo Hun Sen, Sangkat 3, Preah
Sihanouk City, Preah Sihanouk Province, Cambodia.

Contacts:

 034 933 416
 034 933 511
 034 933 693

 pas.gov.kh
 pasinfo@pas.gov.kh
 Sihanoukville Autonomous Port