

KINGDOM OF CAMBODIA
NATION RELIGION KING



កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ
Sihanoukville Autonomous Port

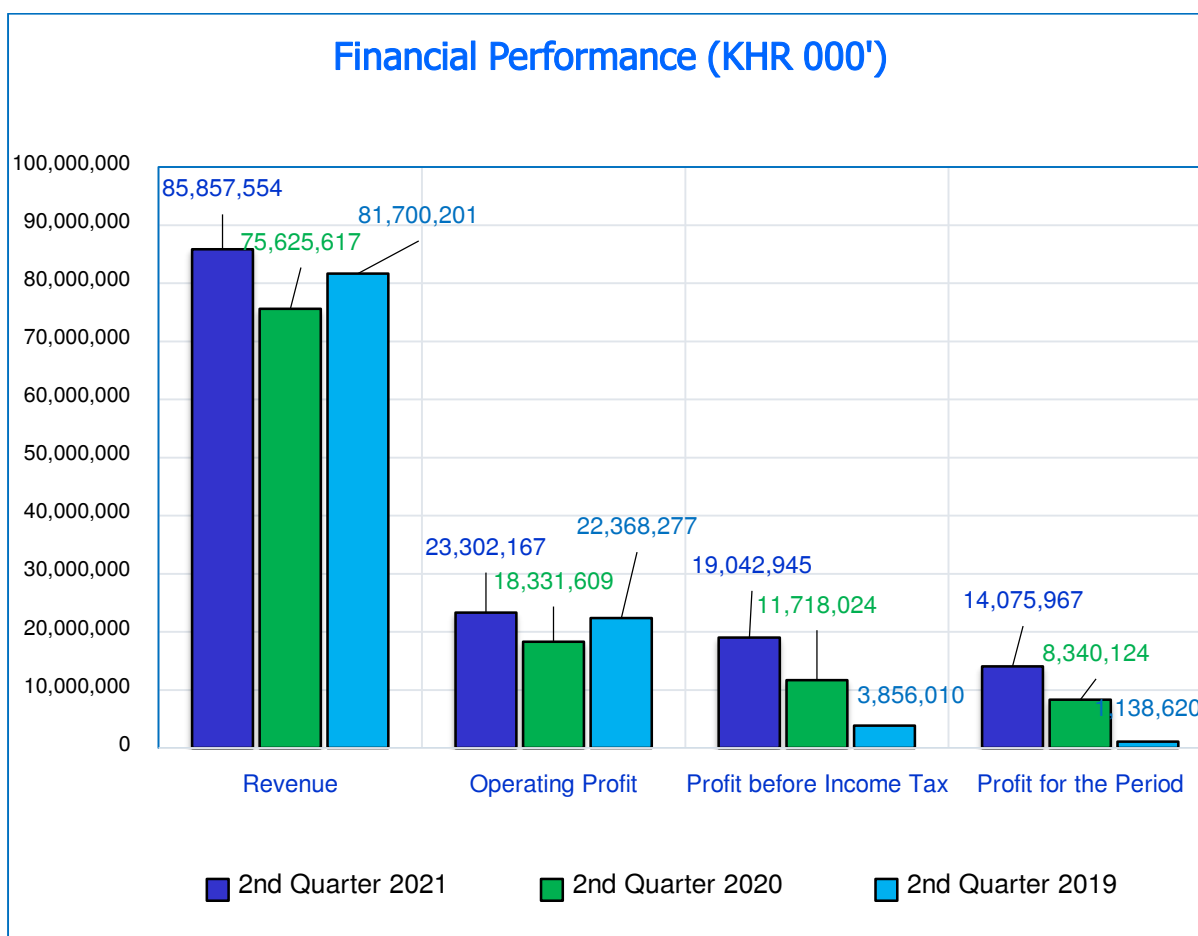
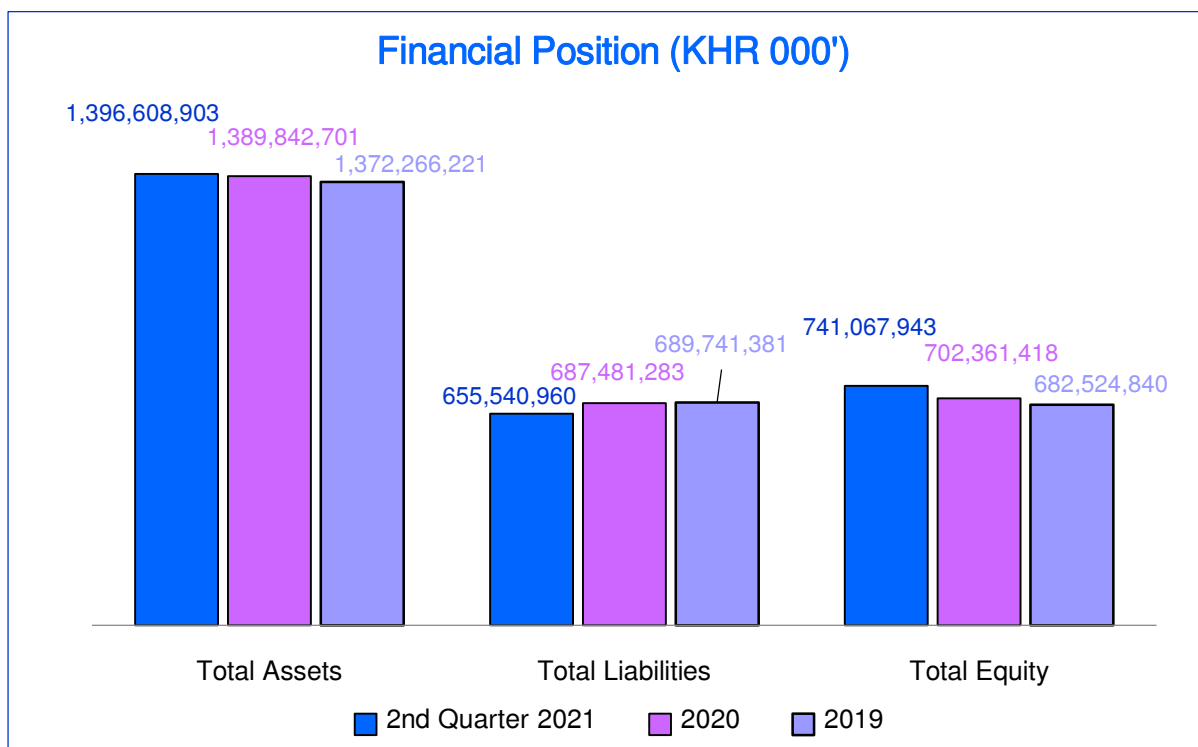
Second Quarter Report 2021



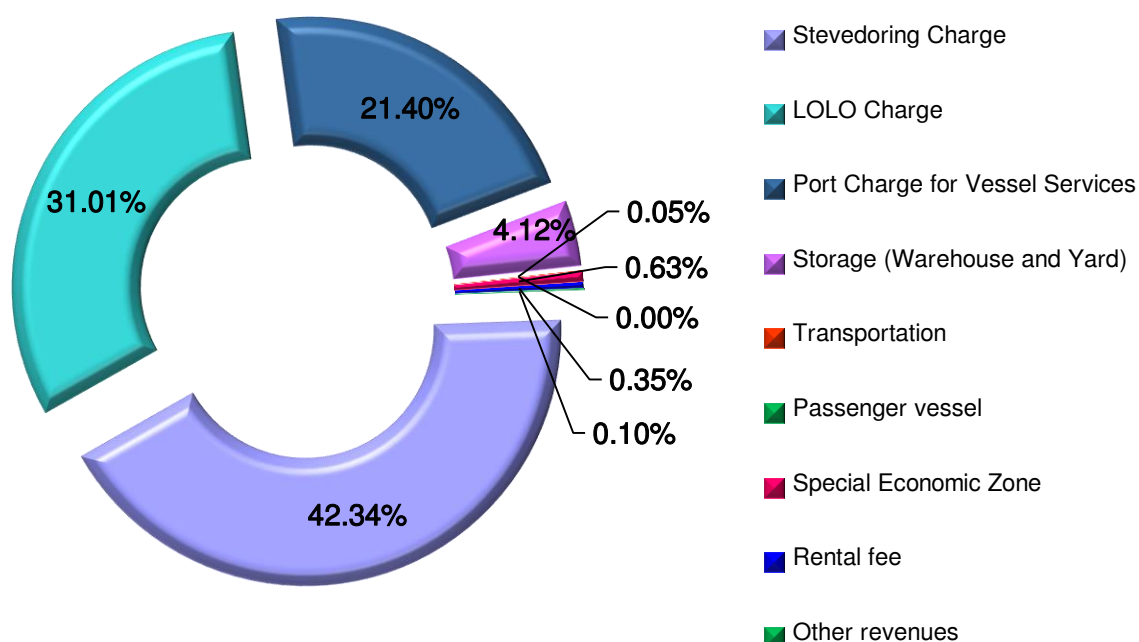
Financial Highlight

Financial Position		30 th June 2021	31 st December 2020	31 st December 2019
		KHR 000'	KHR 000'	KHR 000'
Total Assets		1,396,608,903	1,389,842,701	1,372,266,221
Total Liabilities		655,540,960	687,481,283	689,741,381
Total Shareholders' Equity		741,067,943	702,361,418	682,524,840
Profit/(Loss)		2 nd Quarter 2021 KHR 000'	2 nd Quarter 2020 KHR 000'	2 nd Quarter 2019 KHR 000'
Total Revenues		85,857,554	75,625,617	81,700,201
Profit/(Loss) before Tax		19,042,945	11,718,024	3,856,010
Profit/(Loss) after Tax		14,075,967	8,340,124	1,138,620
Total Comprehensive Income		14,075,967	8,340,124	1,138,620
Financial Ratios		30 th June 2021	31 st Dec 2020	31 st Dec 2019
Solvency Ratio		3.66%	2.58%	1.21%
Liquidity Ratio	Current Ratio	2.40	2.42	2.73
	Quick Ratio	2.10	2.12	2.51
		2 nd Quarter 2021	2 nd Quarter 2020	2 nd Quarter 2019
Profitability Ratio	Return on	1.01%	0.60%	0.08%
	Return on	1.90%	1.22%	0.17%
	Gross Profit	27.14%	24.24%	27.38%
	Profit Margin	16.39%	11.03%	1.39%
	Earnings per	164.11	97.24	13.27
Interest Coverage Ratio		7.67	4.75	8.71

Financial Summary Charts



Type of Revenues 2nd Quarter 2021



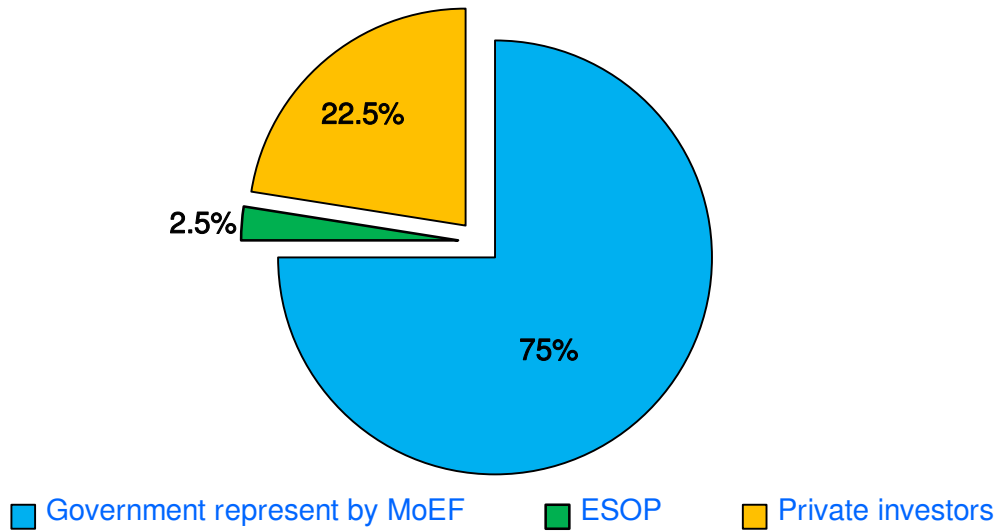
PAS's Shareholders

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%

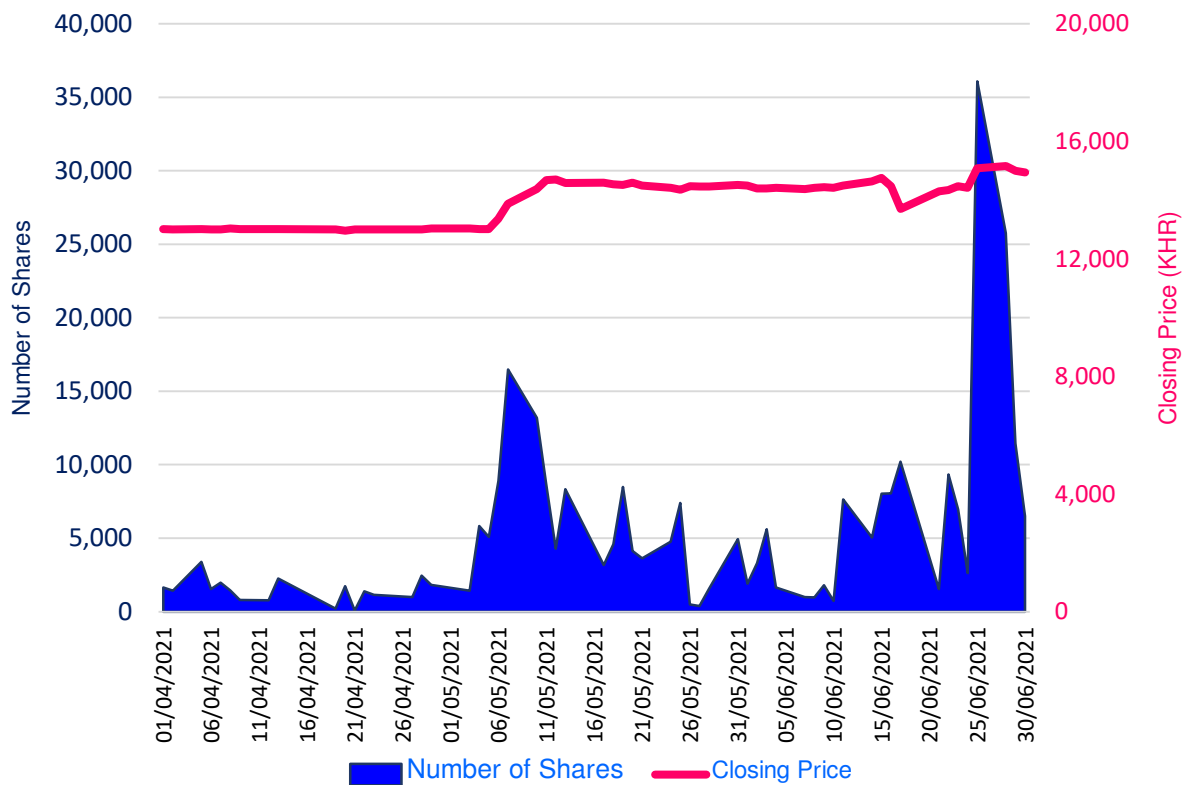
PAS's Shareholders Class C

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 2nd quarter, 2021 for the period ended 30th June 2021”.

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 85,857,554,000 Riels and a net profit of 14,075,967,000 Riels in this 2nd quarter 2021. The revenue increased by 10,231,937,000 Riels equal to 13.53% compared to the same period of 2020, while the net profit after tax increased by 5,735,843,000 Riels equal to 68.77%. This was the result of increasing in Cargoes and Containers throughput, and the decreased of Operating expenses and Unrealized foreign exchange loss (Japanese Yen) which lead to increase in operating profit and net profit compare to 2nd quarter 2020. As the result, PAS’s earnings per share is 164.11 Riels in this 2nd quarter 2021. Furthermore, the container throughputs amounted to 181,941 TEUs, increased of 31,639 TEUs equal to 21.05% compared to 2nd quarter 2020.

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 2021
- 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 2nd Quarter 2021, the Board of Directors had conducted one meeting and adopted the following works:

The 12th Meeting of the Board of Directors in its 7th Mandate on May 07th, 2021

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

- BOD has agreed on the financial results and requested to continue implementation in accordance with the decision of the previous Board Meeting and in the case of the request to purchase a land belonging to **PAS** located in Koki Village, Bit Trang Commune, Prey Nob District, Sihanoukville Province. **PAS** and the company has signed the contract and requested the review and signing of the contract from **His Excellency the General, Deputy Prime Minister, Minister of Economy and Finance**.
- BOD has reviewed, discussed and approved on Business Performance Report of **PAS** on 1st Quarter 2021.
- BOD has reviewed, discussed and approved in support of the **PAS's** report on the progress of the implementation of the Free Port Concept and requested **PAS** to prepare a formal document to the two Guardian Ministries to request for further implementation.

- BOD has reviewed, discussed and approved on 1st Quarter 2021 Financial Report which reviewed by Independent Auditor, PWC.
- BOD had reviewed, discussed and approved on Date, Venue and Agenda of 4th General Shareholders' Meeting as below:
 - 4th General Shareholders' Meeting date: 25th June 2021
 - Record date: 04th June 2021
 - Venue: Sokha Beach Resort, Preah Sihanouk Province through online ZOOM conference (Depending on the actual situation).
 - Agenda:
 - Review and approval on dividend distribution to shareholders for year 2020
 - Review and approval on the Board of Directors' Remuneration and State Controller for the 8th mandate
 - The election of the Independent Director
 - The election of the Non-Executive Director, Representative of Private Shareholders
 - Presentation on the Annual Result of 2020 and Performance Target 2021
- BOD has reviewed, discussed and approved on PAS's requirement include: Dividend distribution, Record date, and Dividend payment date to shareholders for the year 2020 on the 4th General shareholders' meeting in 2021.
- The Board of Directors reviewed, discussed and unanimously approved various matters, including:
 - In principle, **PAS** cooperate with JFE Engineering Corporation to review and discuss the detailed technical specifications of the pilot test project for the procurement of LNG-operated trailers to prepare a detailed report before the end of May 2021 for the Board to review and approve through the Telegram Group or convene an extraordinary meeting of the Board.
 - Setting the date for the 1st meeting of the Board of Directors of the 8th mandate on August 6th, 2021.
 - Requested **PAS** to check and respond with the Independent Audit Company PWC on the matters mentioned in the Management letter.
 - Agreed for **PAS** to continue to discuss with AEON Mall (Cambodia) Co., Ltd and requested PAS to submit a report to **His Excellency the General, Deputy Prime Minister, Minister of Economy and Finance.**

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: 10 August 2021

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	1
A. Identity of Sihanoukville Autonomous Port	2
B. Nature of Business	2
C. Quarter's key Events	5
 PART 2: Information on Business Operation Performance	6
A. Business Operational	7
B. Revenue Structure	12
 PART 3: Financial Statement Reviewed by the External Auditor	13
 PART 4: Management's Discussion and Analysis	36
A. Overview of Operation	37
B. Significant Factors Affecting Profit	47
C. Material Changes in Sales and Revenue	48
D. Impact of Foreign Exchange, Interest Rates and Commodity Prices	48
E. Impacts of inflation	48
F. Economic/Fiscal/Monetary Policy of Royal Government	49
 PART 5: Other Necessary Information for Investor Protection	50
Signature of Directors of Sihanoukville Autonomous Port	53



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 ពណ៌.ថ្មី៧៧ 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.
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- **Railway Container Terminal**

Beside 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 2nd quarter of 2021, PAS had the 4th General Shareholder Meeting on 25th June 2021 which held online via ZOOM is presided H.E Lou Kim Chhun, Chairman and President of the 4th General Shareholder Meeting with the result as follow:

- PAS's Business-Operation Performance 2020
- PAS's Financial Statement year ended 31st December 2020 (Audited)
- PAS's Performance Target for 2021
- Approval on Dividend Distribution to Shareholders for Fiscal year 2020.
 - Shareholders class "B" amounted to KHR 3,533,123,500
 - Shareholders class "C" 8% of IPO price (KHR 5,040), equivalent to KHR 8,641,525,776
- Approval on Remuneration for Board of Directors and State controller 2021.
- Approval on the Appointment of Independent Director and Non-Executive Director Representative of Private Shareholders for the 8th Mandate of Sihanoukville Autonomous Port:
 - Approval for appointed Mr. Hun Monivann as Independent Director
 - Approval for appointed Mr. Hidetoshi KUME as Non-Executive Director Representative of Private Shareholders



PART 2

Information on Business Operation Performance



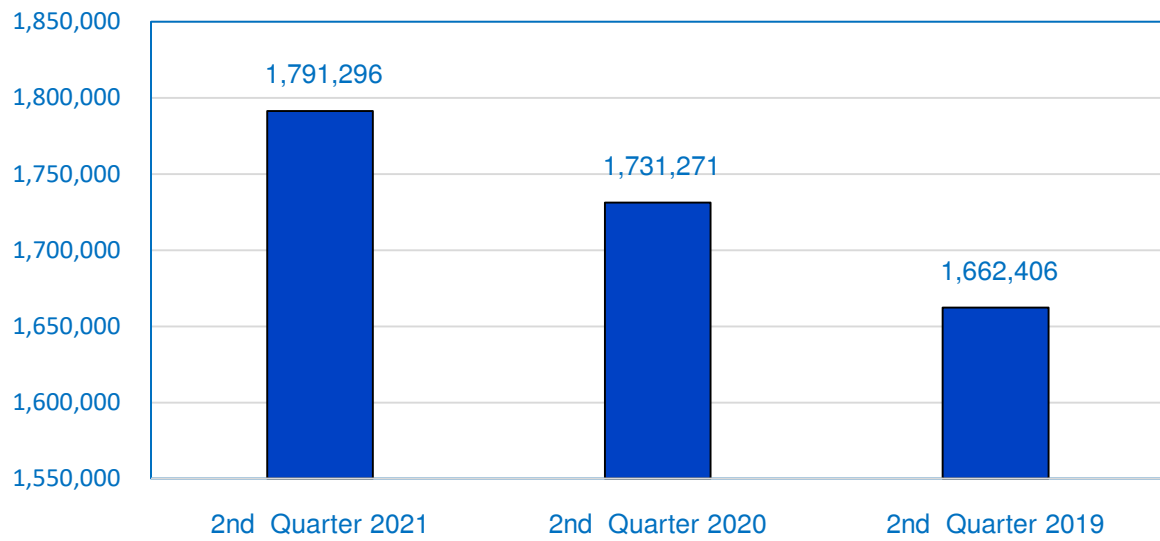
A. Business Operation Performance including business segments information

Items		Planning 2021	2 nd Quarter 2021	2 nd Quarter 2020	2 nd Quarter 2019	Comparison	
		1	2	3	4	(2-3)/3	(2-4)/4
Gross Throughput	Tons	6,698,000	1,791,296	1,731,271	1,662,406	3.47%	7.75%
Container Cargo	—		1,220,396	1,020,268	987,501	19.62%	23.58%
General Cargo	—		79,538	119,503	170,304	-33.44%	-53.30%
Fuel	—		491,362	591,500	504,601	-16.93%	-2.62%
Imported Cargo	—	5,013,000	1,383,855	1,326,736	1,355,095	4.31%	2.12%
Container	—		832,487	623,233	698,559	33.58%	19.17%
General	—		551,368	703,503	656,536	-21.63%	-16.02%
Exported Cargo	—	1,685,000	407,441	404,535	307,311	0.72%	32.58%
Container	—		387,909	397,035	288,941	-2.30%	34.25%
General	—		19,532	7,500	18,370	160.43%	6.33%
Cargo Handling	—	8,718,000	2,545,005	2,216,343	2,164,562	14.83%	17.58%
Direct Transfer	—	211,000	54,864	63,201	151,048	-13.19%	-63.68%
Container Yard and Warehouse	—	8,507,000	2,490,141	2,153,142	2,013,514	15.65%	23.67%
Container Throughput	TEUs	639,000	181,941	150,302	151,683	21.05%	19.95%
Imported Container	—	318,000	97,628	75,004	82,807	30.16%	17.90%

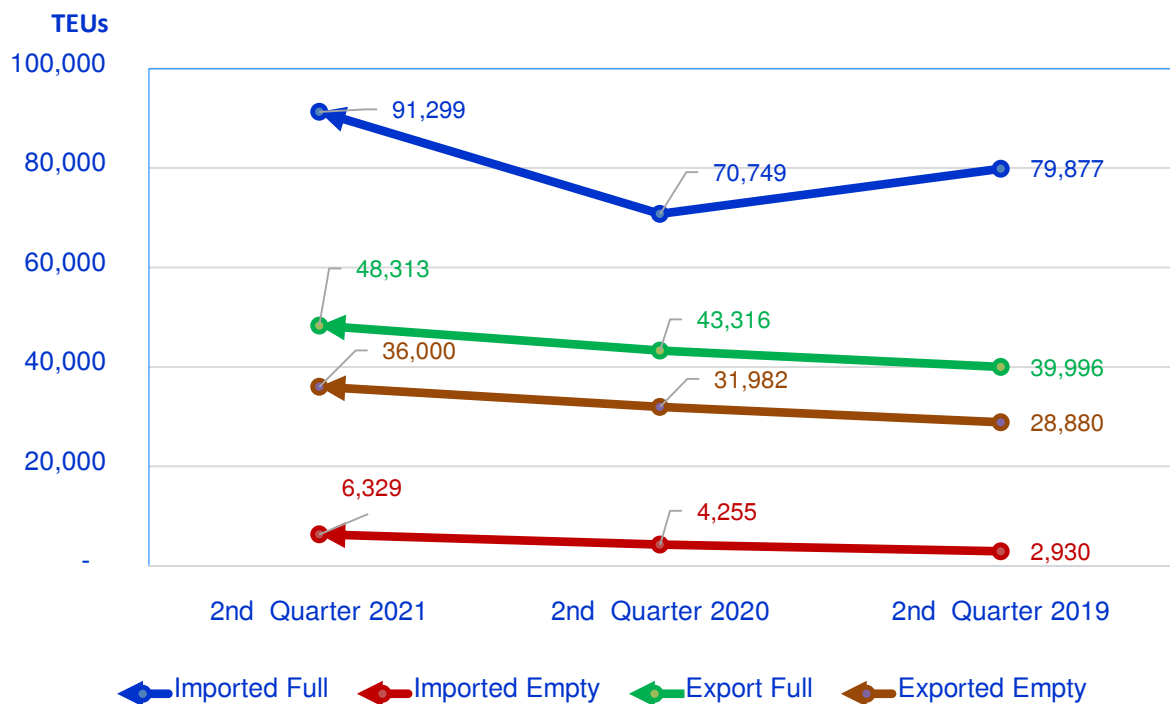


Full Container	—		91,299	70,749	79,877	29.05%	14.30%
Empty Container	—		6,329	4,255	2,930	48.74%	116.01%
Exported Container	—	321,000	84,313	75,298	68,876	11.97%	22.41%
Full Container	—		48,313	43,316	39,996	11.54%	20.79%
Empty Container	—		36,000	31,982	28,880	12.56%	24.65%
Calling Vessels	Units	1,580	357	431	429	-17.17%	-16.78%
	Tons	17,705,000	3,619,446	4,153,558	4,034,219	-12.86%	-10.28%
Container	Units		175	178	167	-1.69%	4.79%
	Tons		2,388,869	2,731,831	2,277,372	-12.55%	4.90%
Tanker	Units		109	160	177	-31.88%	-38.42%
	Tons		521,737	700,104	578,867	-25.48%	-9.87%
General	Units		73	93	78	-21.51%	-6.41%
	Tons		708,840	721,623	767,397	-1.77%	-7.63%
Passenger (Cruise Ship)	Units		-	-	7	0%	-100.00%
	Tons		-	-	410,583	0%	-100.00%
	Person		-	-	6,036	0%	-100.00%

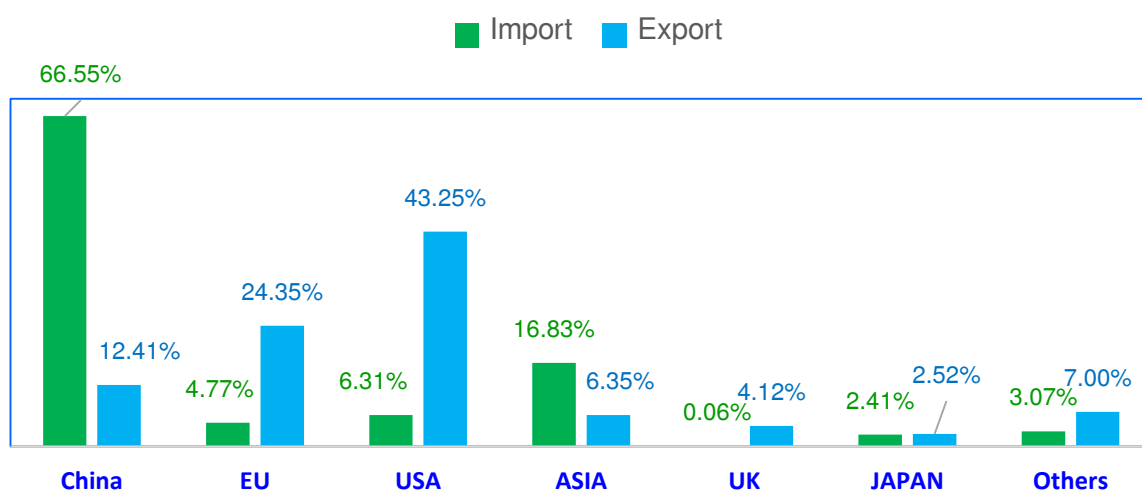
Cargo Throughput (Tons)



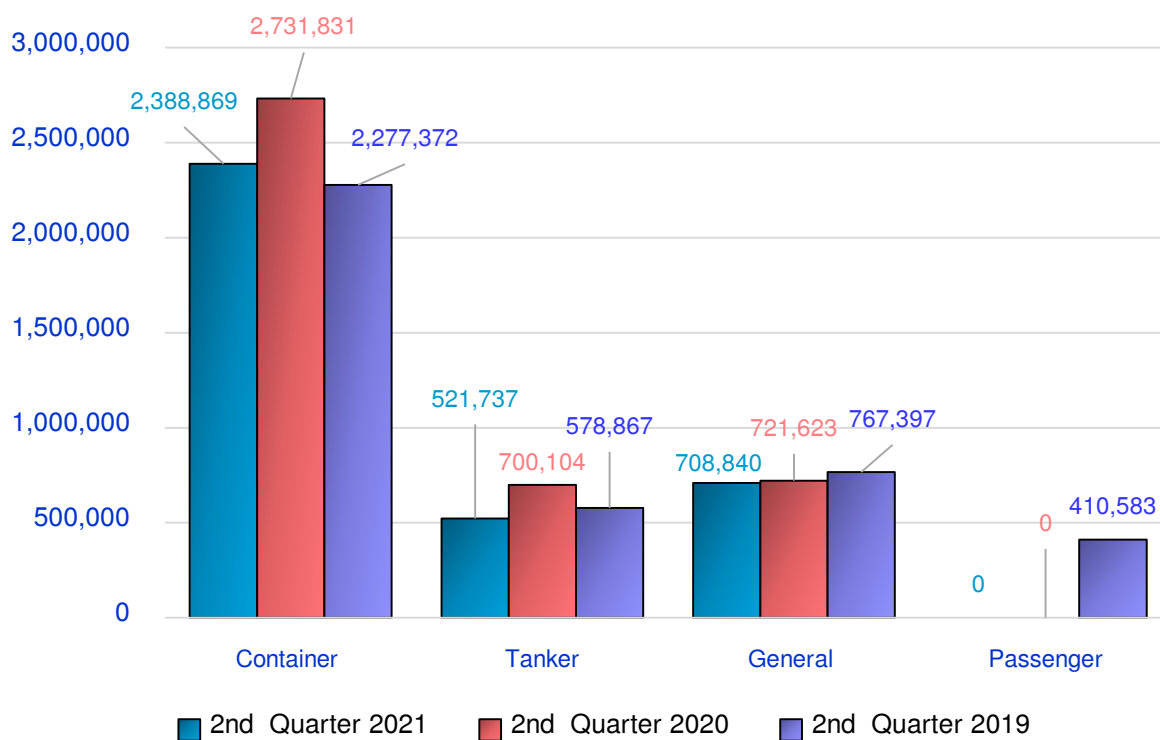
Container Throughput

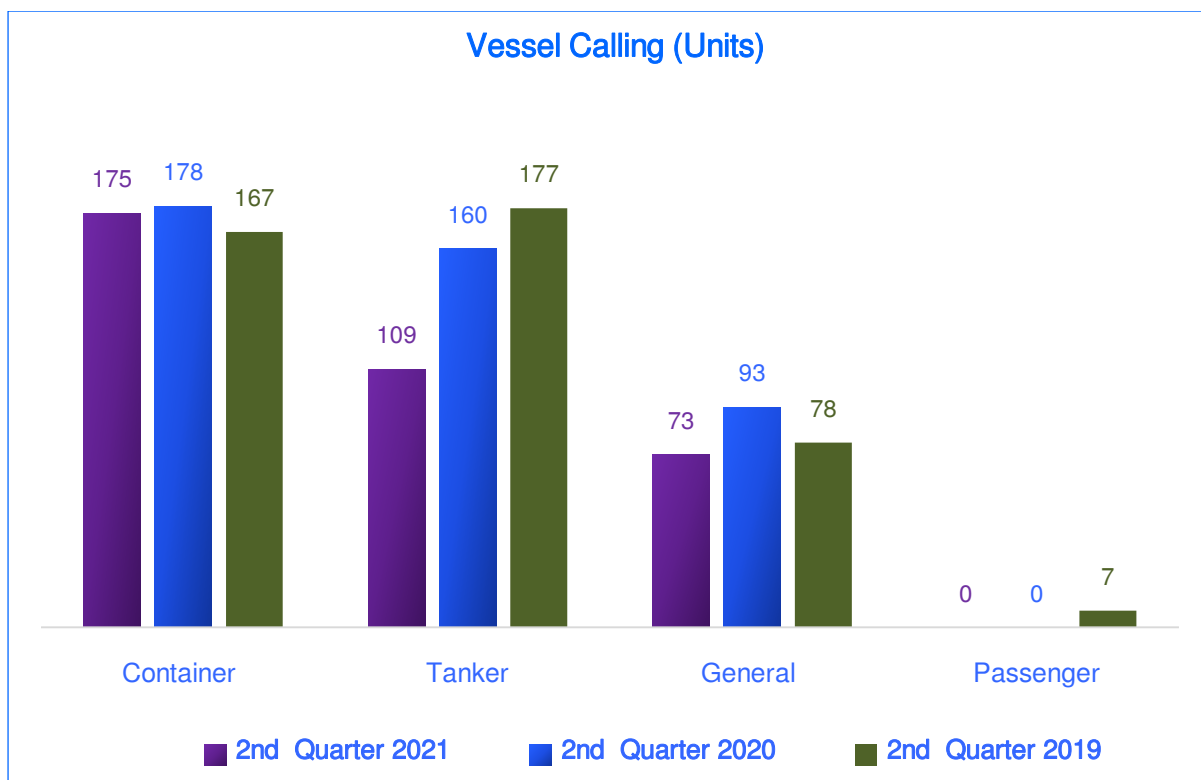


Origin and Destination Countries of Import and Export Container in 2nd Quarter 2021



Vessel Calling (Gross Tonnage)





B. Revenue structure

Description	2 nd quarter 2021		2 nd quarter 2020		2 nd quarter 2019	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	36,351,193	42.34%	34,450,497	45.55%	36,346,651	44.49%
LOLO Charge	26,627,065	31.01%	19,494,543	25.78%	22,851,148	27.97%
Port Charge for Vessel Services	18,375,273	21.40%	18,293,791	24.19%	15,950,971	19.52%
Storage (Warehouse and Yard)	3,536,905	4.12%	2,506,094	3.31%	5,571,726	6.82%
Transportation	41,664	0.05%	4,090	0.01%	36,457	0.04%
Passenger vessel	0	0.00%	0	0.00%	96,887	0.12%
Special Economic Zone	538,568	0.63%	568,184	0.75%	537,016	0.66%
Rental fee	302,605	0.35%	227,676	0.30%	226,205	0.28%
Other revenues	84,280	0.10%	80,743	0.11%	83,141	0.10%
Total Revenue	85,857,554	100.00%	75,625,617	100.00%	81,700,201	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 30 June 2021 and the related statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, the statement of changes in equity and cash flows for the six-month 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
10 August 2021

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 30 JUNE 2021

	Notes	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	7	922,063,081	915,369,015
Investment properties	8	271,997,704	273,835,467
Intangible assets	9	5,126,669	5,673,745
		<u>1,199,187,454</u>	<u>1,194,878,227</u>
Current assets			
Loans to employees		-	1,228,021
Inventories		24,205,507	23,853,022
Trade and other receivables	10	40,904,338	34,615,253
Short-term bank deposits		102,394,599	104,527,103
Cash and cash equivalents		29,917,005	30,741,075
		<u>197,421,449</u>	<u>194,964,474</u>
Total assets		<u>1,396,608,903</u>	<u>1,389,842,701</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	11	518,018,063	518,018,063
Other reserves	12	31,719,832	29,059,072
Retained earnings		191,330,048	155,284,283
Total equity		<u>741,067,943</u>	<u>702,361,418</u>
LIABILITIES			
Non-current liabilities			
Borrowings	13	464,148,356	502,343,609
Retirement benefit obligations	14	80,067,200	78,532,967
Seniority payment obligations		965,939	983,118
Deferred income		5,379,000	5,406,143
Deferred tax liabilities		22,646,237	19,676,316
		<u>573,206,732</u>	<u>606,942,153</u>
Current liabilities			
Dividends payable	6	8,641,527	-
Borrowings	13	35,127,312	37,602,224
Retirement benefit obligations	14	8,139,000	7,949,000
Seniority payment obligations		1,353,244	3,126,060
Deferred income		353,045	133,485
Trade and other payables		24,996,472	24,120,868
Income tax liabilities		3,723,628	7,607,493
		<u>82,334,228</u>	<u>80,539,130</u>
Total liabilities		<u>655,540,960</u>	<u>687,481,283</u>
Total equity and liabilities		<u>1,396,608,903</u>	<u>1,389,842,701</u>

The accompanying notes on pages 6 to 22 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 AND SIX-MONTH PERIODS ENDED 30 JUNE 2021

	Notes	Three-month period ended		Six-month period ended	
		30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)	30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)
Revenue	15	85,857,554	75,625,617	167,148,667	147,333,398
Expenses					
Consumable supplies	16	(22,401,732)	(18,612,528)	(45,632,892)	(42,788,986)
Salaries, wages and related expenses	17	(25,773,625)	(21,907,107)	(52,226,390)	(40,754,831)
Depreciation and amortisation charges	18	(9,910,559)	(9,395,933)	(19,751,377)	(18,650,537)
Repairs and maintenances		(878,432)	(2,365,407)	(3,431,680)	(4,726,154)
Other expenses		(3,679,395)	(5,231,745)	(8,067,532)	(13,448,730)
Other gains – net		88,356	218,712	186,857	473,050
		<u>(62,555,387)</u>	<u>(57,294,008)</u>	<u>(128,923,014)</u>	<u>(119,896,188)</u>
Operating profit		23,302,167	18,331,609	38,225,653	27,437,210
Finance income		968,370	1,015,263	26,262,691	2,313,669
Finance costs		(5,227,592)	(7,628,848)	(5,253,376)	(13,532,519)
Finance (costs)/income – net	19	<u>(4,259,222)</u>	<u>(6,613,585)</u>	<u>21,009,315</u>	<u>(11,218,850)</u>
Profit before income tax		<u>19,042,945</u>	<u>11,718,024</u>	<u>59,234,968</u>	<u>16,218,360</u>
Income tax expense		<u>(4,966,978)</u>	<u>(3,377,900)</u>	<u>(8,353,794)</u>	<u>(7,057,841)</u>
Profit for the period		<u>14,075,967</u>	<u>8,340,124</u>	<u>50,881,174</u>	<u>9,160,519</u>
Profit attributable to shareholders		<u>14,075,967</u>	<u>8,340,124</u>	<u>50,881,174</u>	<u>9,160,519</u>
Total comprehensive income attributable to shareholders		<u>14,075,967</u>	<u>8,340,124</u>	<u>50,881,174</u>	<u>9,160,519</u>

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

Basic/diluted earnings per share (KHR)	21	<u>164.11</u>	<u>97.24</u>	<u>593.21</u>	<u>106.80</u>
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The accompanying notes on pages 6 to 22 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

	Attributable to shareholders			
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<i>Six-month period ended 30 June 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	-	-	9,160,519	9,160,519
Total comprehensive income for the period	-	-	9,160,519	9,160,519
Transfer to reserves	-	4,346,350	(4,346,350)	-
Dividends paid (note 6)	-	-	(6,771,016)	(6,771,016)
Balance at 30 June 2020 (reviewed but unaudited)	<u>518,018,063</u>	<u>29,059,072</u>	<u>137,837,208</u>	<u>684,914,343</u>
<i>Six-month period ended 30 June 2021 (reviewed but unaudited)</i>				
Balance at 1 January 2021	518,018,063	29,059,072	155,284,283	702,361,418
Profit for the period	-	-	50,881,174	50,881,174
Total comprehensive income for the period	-	-	50,881,174	50,881,174
Transfer to reserves (note 12)	-	2,660,760	(2,660,760)	-
Dividends distribution/paid (note 6)	-	-	(12,174,649)	(12,174,649)
Balance at 30 June 2021 (reviewed but unaudited)	<u>518,018,063</u>	<u>31,719,832</u>	<u>191,330,048</u>	<u>741,067,943</u>

The accompanying notes on pages 6 to 22 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

	Notes	Six-month period ended	
		30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)
Cash flows from operating activities			
Cash inflow from operations	22	51,565,003	39,330,805
Income tax paid		(9,267,738)	(11,004,124)
Net cash inflow from operating activities		42,297,265	28,326,681
Cash flows from investing activities			
Purchases of property and equipment	7	(24,467,857)	(40,818,074)
Purchases of investment properties	8	(1,239,340)	(1,615,666)
Withdrawals of short-term bank deposits		3,246,317	22,602,481
Receipts of repayment of loans to employees		1,283,363	1,283,363
Interest received		738,650	772,986
Net cash outflow from investing activities		(20,438,867)	(17,774,910)
Cash flows from financing activities			
Dividends paid	6	-	(8,641,527)
Proceeds from borrowings		134,324	7,775,347
Repayments of borrowings		(16,348,917)	(16,206,706)
Interest paid		(6,467,875)	(6,314,107)
Net cash outflow from financing activities		(22,682,468)	(23,386,993)
Net decrease in cash and cash equivalents		(824,070)	(12,835,222)
Cash and cash equivalents at beginning of the period		30,741,075	27,789,597
Cash and cash equivalents at end of the period		29,917,005	14,954,375

Non-cash transaction:

Non-cash operating and financing activities is the dividend paid to Class B shares amounting to KHR 3,533,122 thousand (note 6) which is offsetting with advance to Ministry of Public Work and Transport (MoPWT) (note 10) (30 June 2020: KHR 3,533,122 thousand out of total dividend distribution KHR 12,174,649 thousand was offset with advance to MoPWT).

The accompanying notes on pages 6 to 22 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

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 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 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 10 August 2021.

This condensed interim financial information for the six-month period ended 30 June 2021 has been reviewed, but not audited.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

This condensed interim financial information for the six-month period ended 30 June 2021 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 2020, 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 2020 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:

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

There is no significant impact on adoption of standards above.

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 2020.

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 2020.

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

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

4. FINANCIAL RISK MANAGEMENT (continued)

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

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, 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 15). CODM also reviews profit before tax and net profit as a whole compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating as a lessor and earns rental income (note 8).

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 55,448,962 thousand was generated from three major customers during the period.

6. DIVIDENDS

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

	30 June 2021 KHR'000	30 June 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Dividends paid to Class B shares	3,533,122	3,533,122
Dividends payable/paid to Class C shares	8,641,527	8,641,527
Total dividends distribution/paid (*)	<u>12,174,649</u>	<u>12,174,649</u>

(*) The total dividends paid amounting to KHR 12,174,649 thousand have been debited from retained earnings (30 June 2020: KHR 6,771,016 thousand have been debited from retained earnings and the remaining of KHR 5,403,633 thousand debited from the guaranteed dividends which was recorded as a liability).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7. PROPERTY AND EQUIPMENT

	Land KHR'000	Land improvement KHR'000	Buildings KHR'000	Technical equipment KHR'000	Furniture and fittings KHR'000	Computer and office equipment KHR'000	Motor vehicles KHR'000	Seaport equipment KHR'000	Construction in progress KHR'000	Palettes KHR'000	Total KHR'000
At 31 December 2020 (audited)											
Cost	250,929,909	38,121,638	346,693,935	35,828,334	2,136,346	9,038,746	41,895,655	232,088,355	66,256,327	1,022,761	1,024,012,006
Accumulated depreciation	-	(5,750,541)	(30,278,663)	(9,811,185)	(1,329,706)	(6,327,189)	(9,638,457)	(44,534,745)	-	(972,505)	(108,642,991)
Net book amount (audited)	<u>250,929,909</u>	<u>32,371,097</u>	<u>316,415,272</u>	<u>26,017,149</u>	<u>806,640</u>	<u>2,711,557</u>	<u>32,257,198</u>	<u>187,553,610</u>	<u>66,256,327</u>	<u>50,256</u>	<u>915,369,015</u>
Six-month period ended 30 June 2021 (reviewed but unaudited)											
Opening net book amount	250,929,909	32,371,097	316,415,272	26,017,149	806,640	2,711,557	32,257,198	187,553,610	66,256,327	50,256	915,369,015
Additions (*)	-	-	191,198	1,596,026	164,680	378,301	6,551,553	1,104,483	12,744,333	-	22,730,574
Depreciation charges	-	(748,375)	(4,818,322)	(1,969,159)	(210,920)	(693,097)	(1,860,269)	(5,713,918)	-	(22,448)	(16,036,508)
Closing net book amount	<u>250,929,909</u>	<u>31,622,722</u>	<u>311,788,148</u>	<u>25,644,016</u>	<u>760,400</u>	<u>2,396,761</u>	<u>36,948,482</u>	<u>182,944,175</u>	<u>79,000,660</u>	<u>27,808</u>	<u>922,063,081</u>
At 30 June 2021											
Cost	250,929,909	38,121,638	346,885,133	37,424,360	2,301,026	9,417,047	48,447,208	233,192,838	79,000,660	1,022,761	1,046,742,580
Accumulated depreciation	-	(6,498,916)	(35,096,985)	(11,780,344)	(1,540,626)	(7,020,286)	(11,498,726)	(50,248,663)	-	(994,953)	(124,679,499)
Net book amount (reviewed but unaudited)	<u>250,929,909</u>	<u>31,622,722</u>	<u>311,788,148</u>	<u>25,644,016</u>	<u>760,400</u>	<u>2,396,761</u>	<u>36,948,482</u>	<u>182,944,175</u>	<u>79,000,660</u>	<u>27,808</u>	<u>922,063,081</u>



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7. PROPERTY AND EQUIPMENT (continued)

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

	Six-month period ended	
	30 June 2021	30 June 2020
	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)
Purchases (cash and non-cash) during the period	22,730,574	41,504,529
Decrease/(increase) payable to a supplier (non-cash)	1,737,283	(686,455)
Cash paid during the period	24,467,857	40,818,074

The interest cost that was capitalised on qualifying assets for the period ended 30 June 2021 was KHR 329,164 thousand.

8. INVESTMENT PROPERTIES

	Land KHR'000	Buildings KHR'000	Construction in progress KHR'000	Total KHR'000
At 31 December 2020 (audited)				
Cost	136,030,885	168,140,149	359,280	304,530,314
Accumulated depreciation	-	(30,694,847)	-	(30,694,847)
Net book value (audited)	136,030,885	137,445,302	359,280	273,835,467
Six-month period ended 30 June 2021 (reviewed but unaudited)				
Opening net book amount	136,030,885	137,445,302	359,280	273,835,467
Additions (*)	-	165,310	1,164,720	1,330,030
Transfers	535,270	-	(535,270)	-
Depreciation charges	-	(3,167,793)	-	(3,167,793)
Closing net book amount	136,566,155	134,442,819	988,730	271,997,704
At 30 June 2021				
Cost	136,566,155	168,305,459	988,730	305,860,344
Accumulated depreciation	-	(33,862,640)	-	(33,862,640)
Net book amount (reviewed but unaudited)	136,566,155	134,442,819	988,730	271,997,704

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

8. INVESTMENT PROPERTIES (continued)

(*) Please refer to below reconciliation of cash and non-cash of additions (purchases of investment properties) for the six-month period ended.

	Six-month period ended	
	30 June 2021	30 June 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	1,330,030	1,885,228
Increase payable to a supplier (non-cash)	(90,690)	(269,562)
Cash paid during the period	1,239,340	1,615,666

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:

	Six-month period ended	
	30 June 2021	30 June 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	1,115,563	1,386,882
Depreciation expenses	(3,167,793)	(3,117,747)
Direct operating expenses arising from investment properties that generate rental revenue	(1,330,765)	(1,252,960)

9. INTANGIBLE ASSETS

	Software KHR'000
At 31 December 2020 <i>(audited)</i>	
Cost	10,921,152
Accumulated amortisation	(5,247,407)
Net book amount <i>(audited)</i>	5,673,745
<i>Six-month period ended 30 June 2021 (reviewed but unaudited)</i>	
Opening net book amount	5,673,745
Amortisation charges	(547,076)
Closing net book amount	5,126,669
At 30 June 2021	
Cost	10,921,152
Accumulated amortisation	(5,794,483)
Net book amount <i>(reviewed but unaudited)</i>	5,126,669

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

10. TRADE AND OTHER RECEIVABLES

	30 June 2021 KHR'000	31 December 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade receivables	39,296,449	30,636,358
Loss allowance	(575,657)	(2,655,478)
Trade receivables – net	<u>38,720,792</u>	<u>27,980,880</u>
Advances to MoPWT (a)	1,221,303	4,754,425
Advances	876,405	668,510
Withholding tax credit (b)	-	1,125,797
Prepayments	85,838	85,641
	<u>2,183,546</u>	<u>6,634,373</u>
	<u><u>40,904,338</u></u>	<u><u>34,615,253</u></u>

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

- (a) This represents outstanding cash advances to the Ministry of Public Works and Transport (MoPWT), which based on letters issued by MoEF dated 22 April 2019 for the purpose of renovating certain parts of city road. The advances were settled by way of deduction from the dividend payment or repayment. There is no specific term of repayment.
- (b) On 21 January 2021, the General Department of Taxation approved a withholding tax credit of KHR 1,125,797 thousand to offset with further income tax payable from the year 2021 onwards. The current income tax liabilities for the six-month period ended 30 June 2021 of KHR 1,125,797 thousand were offset with the withholding tax credit.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

11. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (**)		Class C share (**)		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
At 31 December 2020 (<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 30 June 2021 (<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.



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

11. 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.

12. OTHER RESERVES

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Opening balance	29,059,072	24,712,722
Add: General reserve	1,330,380	2,173,175
Add: Legal reserve	1,330,380	2,173,175
Closing balance	31,719,832	29,059,072

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

13. BORROWINGS

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Borrowings from:		
MoEF – (JBIC) – Loan No. CP-P3	63,553,216	71,044,164
MoEF – (JBIC) – Loan No. CP-P4	101,850,211	104,844,848
MoEF – (JBIC) – Loan No. CP-P6	7,122,301	7,802,673
MoEF – (JBIC) – Loan No. CP-P8	114,832,933	123,998,084
MoEF – (JICA) – Loan No. CP-P10	196,834,372	216,371,064
MoEF – (JICA) – Loan No. CP-P21	15,082,635	15,885,000
	499,275,668	539,945,833



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

13. BORROWINGS (continued)

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

The maturity dates of these borrowings are as follows:

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Current		
Not later than one year	35,127,312	37,602,224
Non-current		
Later than one year but not later than two years	32,032,827	33,453,523
Later than two year but not later than five years	96,098,481	100,360,569
Later than five years	336,017,048	368,529,517
	464,148,356	502,343,609
	499,275,668	539,945,833

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

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Carrying value		
Current portion	35,127,312	37,602,224
Non-current portion	464,148,356	502,343,609
	499,275,668	539,945,833
Fair value		
Current portion	31,543,748	32,951,135
Non-current portion	352,594,888	379,276,903
	384,138,636	412,228,038

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

13. 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:

	30 June 2021 KHR'000	31 December 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	394,752,527	430,518,335
US\$	104,523,141	109,427,498
	499,275,668	539,945,833

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

	30 June 2021	31 December 2020
MoEF – (JBIC) – Loan No. CP-P3	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P4	3.70%	3.70%
MoEF – (JBIC) – Loan No. CP-P6	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P8	2.65%	2.65%
MoEF – (JICA) – Loan No. CP-P10	1.65%	2.65%
MoEF – (JICA) – Loan No. CP-P21	1.26%	1.26%

14. RETIREMENT BENEFIT OBLIGATIONS

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

	30 June 2021 KHR'000	31 December 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	88,206,200	86,481,967
Unfunded status	88,206,200	86,481,967
Net liability recognised in interim statement of financial position	88,206,200	86,481,967

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

14. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Six-month period ended	
	30 June 2021	30 June 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Beginning balance	86,481,967	83,074,061
Current service cost	854,500	860,000
Interest expense	2,307,000	2,282,000
Benefits paid	(1,437,267)	(1,452,108)
Closing balance	<u>88,206,200</u>	<u>84,763,953</u>

	30 June 2021	31 December 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current portion	8,139,000	7,949,000
Non-current portion	<u>80,067,200</u>	<u>78,532,967</u>
	<u>88,206,200</u>	<u>86,481,967</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:

	Six-month period ended	
	30 June 2021	30 June 2020
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Current service cost	854,500	860,000
Interest expense	<u>2,307,000</u>	<u>2,282,000</u>
	<u>3,161,500</u>	<u>3,142,000</u>

The principal actuarial assumptions were as follows:

	2021	2020
Average years of service	21	20
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 30 June 2021.



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

15. REVENUE

	Three-month period ended		Six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	KHR'000	KHR'000	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
Stevedoring charges	36,351,193	34,450,497	74,458,411	65,816,657
Lift-On Lift-Off (LO-LO)	26,627,065	19,494,543	50,181,771	39,573,221
Port due/charge services	18,375,273	18,293,791	33,844,510	33,618,988
Container storage	3,536,905	2,506,094	6,677,826	6,048,547
Rental income from SEZ	538,568	568,184	1,115,563	1,386,882
Other revenue	428,550	312,508	870,586	889,103
	<u>85,857,554</u>	<u>75,625,617</u>	<u>167,148,667</u>	<u>147,333,398</u>
Timing of revenue recognition				
At a point in time	81,479,475	72,323,663	158,718,358	139,432,901
Over time	4,378,079	3,301,954	8,430,309	7,900,497
	<u>85,857,554</u>	<u>75,625,617</u>	<u>167,148,667</u>	<u>147,333,398</u>

16. CONSUMABLE SUPPLIES

	Three-month period ended		Six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	KHR'000	KHR'000	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
Combustible expenses	10,714,862	6,753,123	20,536,272	16,707,198
Spare parts	6,550,509	7,249,952	16,908,441	17,914,060
Warehouse supplies	2,253,595	1,844,896	3,989,309	4,014,202
Oil and lubricant	998,040	926,864	1,960,703	1,731,058
Office supplies	953,657	1,056,107	1,220,958	1,475,962
Other consumables	931,069	781,586	1,017,209	946,506
	<u>22,401,732</u>	<u>18,612,528</u>	<u>45,632,892</u>	<u>42,788,986</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

17. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended		Six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	KHR'000	KHR'000	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Employee salaries	16,908,962	13,729,779	34,139,911	28,305,870
Bonuses	4,463,601	2,494,274	8,947,247	3,690,356
Accrued seniority payments	690,790	1,848,430	1,931,711	1,848,430
Retirement benefit expenses	1,580,750	1,571,000	3,161,500	3,142,000
Directors' remuneration	349,200	349,200	698,400	655,200
Social security expenses	160,190	169,133	316,662	377,119
Wages for contractors	78,800	71,550	157,850	143,100
Other employee-related expenses	1,541,332	1,673,741	2,873,109	2,592,756
	<u>25,773,625</u>	<u>21,907,107</u>	<u>52,226,390</u>	<u>40,754,831</u>

18. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended		Six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	KHR'000	KHR'000	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Property and equipment	8,052,601	7,570,382	16,036,508	15,001,354
Investment properties	1,584,421	1,559,834	3,167,793	3,117,747
Intangible assets	273,537	265,717	547,076	531,436
	<u>9,910,559</u>	<u>9,395,933</u>	<u>19,751,377</u>	<u>18,650,537</u>

19. FINANCE (COSTS)/INCOME – NET

	Three-month period ended		Six-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	KHR'000	KHR'000	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
<i>Finance income:</i>				
Interest income on bank deposits (a)	952,359	911,060	1,852,463	2,085,230
Net exchange gains on foreign currency borrowings (c)	-	-	24,354,886	-
Interest income from unwinding of discount of loans to employees	16,011	104,203	55,342	228,439
	<u>968,370</u>	<u>1,015,263</u>	<u>26,262,691</u>	<u>2,313,669</u>
<i>Finance costs:</i>				
Interest expenses on borrowings (b)	(3,037,321)	(3,855,280)	(5,253,376)	(6,927,767)
Net exchange losses on foreign currency borrowings (c)	(2,190,271)	(3,714,650)	-	(6,457,459)
Interest expenses from winding up guaranteed dividend payables	-	(58,918)	-	(147,293)
	<u>(5,227,592)</u>	<u>(7,628,848)</u>	<u>(5,253,376)</u>	<u>(13,532,519)</u>
Finance (costs)/income – net	<u>(4,259,222)</u>	<u>(6,613,585)</u>	<u>21,009,315</u>	<u>(11,218,850)</u>

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

19. FINANCE (COSTS)/INCOME – NET (continued)

- (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 13) 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.

	30 June 2021	31 March 2021	31 December 2020	30 June 2020	31 March 2020
JPY/KHR	37.045	36.820	39.275	38.215	37.870
US\$/KHR	4,075	4,045	4,045	4,093	4,070

20. 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.

21. 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		Six-month period ended	
	30 June 2021 KHR'000	30 June 2020 KHR'000	30 June 2021 KHR'000	30 June 2020 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Profit attributable to shareholders	14,075,967	8,340,124	50,881,174	9,160,519
Weighted average number of shares	85,771,967	85,771,967	85,771,967	85,771,967
Basic earnings per share (KHR)	<u>164.11</u>	<u>97.24</u>	<u>593.21</u>	<u>106.80</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

21. EARNINGS PER SHARE (continued)

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.

22. CASH GENERATED FROM OPERATIONS

	Notes	Six-month period ended	
		30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)
Profit before income tax		59,234,968	16,218,360
Adjustments for:			
Depreciation and amortisation charges	18	19,751,377	18,650,537
Finance (income)/costs - net	19	(21,009,315)	11,218,850
Retirement benefit obligations	17	3,161,500	3,142,000
Seniority payment obligations		1,931,711	(29,816)
Other employees related expenses from loans to employees		327,728	327,728
Changes in working capital:			
Inventories		(352,485)	(2,963,370)
Trade and other receivables		(9,036,122)	6,264,342
Trade and other payables		2,522,197	(12,511,704)
Retirement benefit obligations		(1,437,267)	(1,452,108)
Seniority payment obligations		(3,721,706)	288,741
Deferred income		192,417	177,245
Cash inflow from operations		51,565,003	39,330,805

23. 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

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Borrowings from:		
MoEF – (JICA)	211,917,007	232,256,064
MoEF – (JBIC)	287,358,661	307,689,769
	499,275,668	539,945,833



SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

23. RELATED PARTY TRANSACTIONS (continued)

(a) Related party balances (continued)

(ii) Amount due from MoPWT

	30 June 2021 KHR'000 (Reviewed but unaudited)	31 December 2020 KHR'000 (Audited)
Advances to MoPWT	1,221,303	4,754,425

(b) Related party transactions

	Six-month period ended	
	30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)
Interest expenses on borrowings from MoEF (note 19(b))	5,253,376	6,927,767

(c) Key management compensation

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

	Six-month period ended	
	30 June 2021 KHR'000 (Reviewed but unaudited)	30 June 2020 KHR'000 (Reviewed but unaudited)
Board of directors		
Fees and related expenses	698,400	738,900
Key management personnel		
Salaries and other expenses	1,537,142	1,021,555
Retirement benefit expenses (*)	111,117	102,550

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.

24. COMMITMENTS

As at 30 June 2021, PAS had outstanding capital expenditure commitment of KHR 840,751 million (31 December 2020: KHR 918,371 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 2nd quarter 2021 report.

For this 2nd quarter 2021, the volume of PAS's container throughput increased by 31,639 TEUs equivalent to 21.05% compared to 2nd quarter 2020, and Gross cargoes throughput increased by 3.47% equivalent to 60,025 tons. Among gross cargoes throughput, container in tons increased 19.62% equivalent to 200,128 tons, and general cargoes decreased 39,965 tons equivalent to 33.44% and fuels decreased by 16.93% equal to 100,138 tons. PAS's calling vessel decreased by 17.17% equal to 74 vessels, and gross tonnages decreased by 12.86% equal to 534,112 tons compared to 2nd quarter 2020.

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 2nd quarter 2021 and 2020 as shown in Part 3 of this 2nd quarter 2021 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 30th June 2021 compared to the period ended 30th June 2020

Description	2 nd quarter 2021	2 nd quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	85,857,554	75,625,617	10,231,937	13.53%

For this 2nd quarter 2021, PAS's income increased by 10,231,937,000 Riels equivalent to 13.53% increased from 75,625,617,000 Riels in 2nd quarter 2020 to 85,857,554,000 Riels in 2nd quarter 2021. This increased in income was mostly derived from Stevedoring Charges, LOLO Charges, and Port Charge for Vessel Services.

1-B Revenue by Segment Analysis

Table of Revenue Comparison by Sections Against Total Revenues

For 2nd quarter 2021 and 2nd quarter 2020

Description	2 nd quarter 2021		2 nd quarter 2020	
	'000 riels	Percentage of total income	'000 riels	Percentage of total income
Stevedoring Charge	36,351,193	42.34%	34,450,497	45.55%
LOLO Charge	26,627,065	31.01%	19,494,543	25.78%
Port Charge for Vessel Services	18,375,273	21.40%	18,293,791	24.19%
Storage (Warehouse and Yard)	3,536,905	4.12%	2,506,094	3.31%
Transportation	41,664	0.05%	4,090	0.01%
Passenger vessel	0	0.00%	0	0.00%
Special Economic Zone	538,568	0.63%	568,184	0.75%
Rental fee	302,605	0.35%	227,676	0.30%
Other revenues	84,280	0.10%	80,743	0.11%
Total Revenue	85,857,554	100.00%	75,625,617	100.00%



In the 2nd quarter 2021 as well as 2020, 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 June 2021 compared to the period ended 30th June 2020

Description	2 nd quarter 2021	2 nd quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Stevedoring Charge	36,351,193	34,450,497	1,900,696	5.52%
LOLO Charge	26,627,065	19,494,543	7,132,522	36.59%
Port Charge for Vessel Services	18,375,273	18,293,791	81,482	0.45%
Storage (Warehouse and Yard)	3,536,905	2,506,094	1,030,811	41.13%

The income from Stevedoring charge increased approximately by 5.52% equivalent to 1,900,696,000 Riels, and LOLO charge increased by 36.59% equivalent to 7,132,522,000 Riels comparing between 2nd quarter 2021 and 2nd quarter 2020. These growths were resulted by the increase of container throughput with the volume of 31,639 TEUs equivalent to 21.05% and the increase of Cargo handling of 14.83% equal to 328,662 Tons for this 2nd quarter 2021.

The income derived from this port charge for vessel services was depended on the number of vessels and tonnage throughput of PAS. For this 2nd quarter of 2021, the number of vessels calling to PAS decreased by 74 vessels equal to 17.17%, and tonnage throughput decreased by 12.86% equal to 534,112 tons. However, the income on Port charge for vessel service increased from 18,293,791,000 Riels in 2nd quarter 2020 to 18,375,273,000 Riels in 2nd quarter 2021, increased by 0.45% equal to 81,482,000 Riels. This is because in 2nd quarter 2021, the container vessels decreased by 1.69% equal to 3 vessels and general cargo vessels decreased by 21.51% equal to 20 vessels if compare to the same period in 2020.

The income from storage, warehouse, and yard increased by 1,030,811,000 Riels equivalent to 41.13% compared between 2nd quarter 2021 with the income amount of 3,536,905,000 Riels and 2nd quarter 2020 with amount of 2,506,094,000 Riels. The reason of this increase was caused by the container storage period in 2nd quarter 2021 was mostly above 5 days, which were not under the free of storage charge period.

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 June 2021 compared to the period ended 30th June 2020

Description	2 nd quarter 2021	2 nd quarter 2020	Changes	
	'000 riels	'000 riels	'000 riels	%
Revenue	85,857,554	75,625,617	10,231,937	13.53%
Consumable Supplies	(22,401,732)	(18,612,528)	(3,789,204)	20.36%
Salaries, Wages and related expenses	(25,773,625)	(21,907,107)	(3,866,518)	17.65%
Depreciation and Amortization charge	(9,910,559)	(9,395,933)	(514,626)	5.48%
Repairs and Maintenances	(878,432)	(2,365,407)	1,486,975	-62.86%
Other expenses	(3,679,395)	(5,231,745)	1,552,350	-29.67%
Other gain /(Losses)-net	88,356	218,712	(130,356)	-59.60%
Finance Income/(Costs)-net	(4,259,222)	(6,613,585)	2,354,363	-35.60%
Profit before income tax	19,042,945	11,718,024	7,324,921	62.51%

For 2nd quarter 2021, PAS's expenses on Consumable Supplies amounted to 22,401,732,000 Riels increased by 3,789,204,000 Riels equivalent to 20.36% compared to the 2nd quarter of 2020 with the expense amounted of 18,612,528,000 Riels. The main factor that caused such increase was resulted by Warehouse supplies expense increased by 22.15% equivalent to 408,699,000 Riels and combustible expense increased by 58.67% equivalent to 3,961,739,000 Riels. Besides, other consumables expense increased by 19.13% equivalent to 149,483,000 Riels in this 2nd quarter 2021.

The fundamental of PAS's salary calculation is based on the output (Stevedoring and LOLO incomes), i.e. when stevedoring and LOLO incomes increases, the expense on salary will also increase, and on the contrary, if stevedoring and LOLO incomes decreases, the expense on salary will also decrease, and we found that stevedoring income increased by 5.52% and LOLO incomes increased by 36.59% in this 2nd quarter 2021. Therefore, the expense on Salary, wages, and other related expenses had increased by 17.65% equivalent to 3,866,518,000 Riels compared that to 2nd quarter 2021 with the expense amount of 25,773,625,000 Riels and 21,907,107,000 Riels in 2nd quarter 2020. The main factors of this increasing are on employee salaries expenses which increased by 23.16% equal to 3,179,183,000 Riels and the expense on bonuses which increased approximately 78.95% equal to 1,969,327,000 Riels compared to 2nd quarter 2020.

The expense on depreciation and amortization included property, equipment, and intangible asset in 2nd quarter 2021 amounted to 9,910,559,000 Riels increased by 514,626,000 Riels equivalent to 5.48% compared to that of 2nd quarter 2020 with the expense amount of 9,395,933,000 Riels. The factor that caused such an increase was resulted from the expense on depreciation of property and equipment which increased by 482,219,000 Riels equivalent to 6.37%.

The expense on repair and maintenance decreased by 1,486,975,000 Riels equal to 62.86%, the total expense of repair and maintenance in 2nd quarter 2021 was 878,432,000 Riels and 2,365,407,000 Riels in 2nd quarter 2020.

The Other expenses decreased by 29.67% equivalent to 1,552,350,000 Riels, which decreased from 5,231,745,000 Riels in 2nd quarter 2020 to 3,679,395,000 Riels in 2nd quarter 2021. The main reasons that caused the decreased of Other expenses were the declined in Expected credit losses which dropped by 436.39% equal to 1,341,355,000 Riels and the decreased of Reception and hospitality by 95.65% equivalent to 771,400,000 Riels in this 2nd quarter 2021.

Other gain /(Losses)-net refers to Realized Foreign Exchange Gain-Loss which in this 2nd quarter 2021, the gain from realized foreign exchange with the amount of 88,356,000 Riels decreased by 59.60% equivalent to 130,356,000 Riels compared to 2nd quarter 2020 amounted to the gain of 218,712,000 Riels.

Finance Income/(Costs)-net refers to Unrealized Foreign Exchange Gain-Loss, for the 2nd quarter 2021, there was an income of 4,259,22,000 Riels decreased the Finance income by 35.60% equivalent to 2,354,363,000 Riels compared to that of 2nd quarter 2020 with the Net-Finance costs of 6,613,585,000 Riels instead. The main factor of this change in Finance Income/(Costs)-net was because in 2nd quarter 2020, there was the decrease of net exchange losses on foreign currency (Japanese Yen) amounted to 3,715,650,000 Riels, if compared to 2nd quarter 2021 with the net exchange losses on foreign currency of 2,190,271,000 Riels.

In conclusion, PAS's Profit before tax in 2nd quarter 2021 is 19,042,945,000 Riels increase by 7,324,921,000 Riels equivalent to 62.51% if compared to 2nd quarter 2020 with the amount of 11,718,024,000 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 June 2021 compared to the period ended 30th June 2020

Description	2 nd quarter 2021	2 nd quarter 2020	Changes	
	‘000 riels	‘000 riels	‘000 riels	%
Profit before income tax (A)	19,042,945	11,718,024	7,324,921	62.51%
Income tax expense (B)	(4,966,978)	(3,377,900)	(1,589,078)	47.04%
Profit for the period	14,075,967	8,340,124	5,735,843	68.77%
Remesurement of retirement benefit obligations	-	-		
Total comprehensive income for the period	14,075,967	8,340,124	5,735,843	68.77%
Effective Tax Rate (B)/(A)	26.08%	28.83%		

PAS has a Profit after tax with the equivalent amount 14,075,967,000 Riels in the 2nd quarter 2021 and 8,340,124,000 Riels in the 2nd quarter 2020 with the increased amount of 5,735,843,000 Riels equivalent to 68.77%. The main factors that caused the profit after tax to increased is due to the increase in total Revenue and operating expenses and unrealized foreign exchange loss (Japanese Yen) is decreased compare to the same period of 2020.

The Effective tax rate on profit decreased from 28.83% in 2nd quarter 2020 to 26.08% in 2nd quarter 2021, as a result of increased of Profit before income tax in 2nd quarter 2021.

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, therefor, 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 6% for year 2021, while Cambodia's economy will growth around 4%, 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 2nd quarter 2021, 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 2nd quarter of 2021, 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. Despite the outbreak of COVID-19 in early 2021, the cargo transportations on National Route No. 4 still continues as usual. While the rail transportation, at present, the Royal Railway Company transports both export and import cargo through PAS 6 times per week and this rail transportation has also been performed smoothly and with no issues that may obstruct the transportation process.

- Cooperation between Ports in the Region

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

- Depreciation

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

appropriate inspection on the depreciation policy and shall make necessary modification in every period of the financial report. For this 2nd quarter 2021, there is no modification or a request for modification of the depreciation policy by the independence auditor.

B. Significant factors affecting Profit

1. Demand and Supply Conditions Analysis

PAS's business activities have a direct link with the national, regional, and global economy. In particular, when there is a change in the national economy, there will be a direct impact on port's business and service operation, i.e when the national economy increases, the port's business and service operation will also increase, accordingly, PAS's revenues also have the same growth rate, on the contrary, if the national economy decreases, there will also be a negative impact on PAS's revenues. According to ADB's report, Cambodia's economy growth with the expected rate of 4%, while the world economy growth with the expected rate of 6% (IMF) for year 2021. Therefore, there will not be big impact on market's demand and supply even though there is an increase of COVID-19 infection cases in Cambodia since early this year.

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 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 2nd quarter of 2021, and the main factor bolstering up the increase of revenue is the rise of volume of cargo throughputs, especially containerized cargoes which is the most important source of PAS's income. The growth in the field of agriculture, commerce, construction, and industry has reflected the status of Cambodia's economy, and at the same time these factors also have positive influences on PAS's business operation, services and revenues.

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

- Impacts from Currency Exchange Rate

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

- Impacts from the Interest Rate

At present, PAS does not have any loans with flexible interest rates. PAS has received JICA and JBIC financial soft loan from the Ministry of Economy and Finance with the interest rate from 2.65% to 3.70%. Therefore, in this 2nd quarter 2021, 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 2nd quarter of 2021, there is other necessary information for the protection of investors as below:

The Board of Directors had conducted one meeting:

The 12th Meeting of the Board of Directors in its 7th Mandate on 07th May, 2021

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

- BOD has agreed on the financial results and requested to continue implementation in accordance with the decision of the previous Board Meeting and in the case of the request to purchase a land belonging to **PAS** located in Koki Village, Bit Trang Commune, Prey Nob District, Sihanoukville Province. **PAS** and the company has signed the contract and requested the review and signing of the contract from **His Excellency the General, Deputy Prime Minister, Minister of Economy and Finance**.
- BOD has reviewed, discussed and approved on Business Performance Report of **PAS** on 1st Quarter 2021.
- BOD has reviewed, discussed and approved in support of the **PAS's** report on the progress of the implementation of the Free Port Concept and requested **PAS** to prepare a formal document to the two Guardian Ministries to request for further implementation.
- BOD has reviewed, discussed and approved on 1st Quarter 2021 Financial Report which reviewed by Independent Auditor, PWC.
- BOD had reviewed, discussed and approved on Date, Venue and Agenda of 4th General Shareholders' Meeting as below:
 - 4th General Shareholders' Meeting date: 25th June 2021
 - Record date: 04th June 2021
 - Venue: Sokha Beach Resort, Preah Sihanouk Province through online ZOOM conference (Depending on the actual situation).
 - Agenda:
 - Review and approval on dividend distribution to shareholders for year 2020
 - Review and approval on the Board of Directors' Remuneration and State Controller for the 8th mandate
 - The election of the Independent Director
 - The election of the Non-Executive Director, Representative of Private Shareholders

- Presentation on the Annual Result of 2020 and Performance Target 2021
- BOD has reviewed, discussed and approved on PAS's requirement include: Dividend distribution, Record date, and Dividend payment date to shareholders for the year 2020 on the 4th General shareholders' meeting in 2021.
- The Board of Directors reviewed, discussed and unanimously approved various matters, including:
 - In principle, **PAS** cooperate with JFE Engineering Corporation to review and discuss the detailed technical specifications of the pilot test project for the procurement of LNG-operated trailers to prepare a detailed report before the end of May 2021 for the Board to review and approve through the Telegram Group or convene an extraordinary meeting of the Board.
 - Setting the date for the 1st meeting of the Board of Directors of the 8th mandate on August 6th, 2021.
 - Requested **PAS** to check and respond with the Independent Audit Company PWC on the matters mentioned in the Management letter.
 - Agreed for **PAS** to continue to discuss with AEON Mall (Cambodia) Co., Ltd and requested PAS to submit a report to **His Excellency the General, Deputy Prime Minister, Minister of Economy and Finance**.

Signature of Directors of Sihanoukville Autonomous Port

Date: 10 August 2021

Read and Approved

Signature

Lou Kim Chhun

Chairman



កំពង់ផែស្វយ័តក្រុងព្រះសីហនុ

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