

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

SIHANOUKVILLE AUTONOMOUS PORT

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Report on review of condensed interim financial information

To the shareholders of Sihanoukville Autonomous Port

Introduction

We have reviewed the accompanying condensed interim statement of financial position of Sihanoukville Autonomous Port as at 30 September 2018 and the related condensed statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, the condensed statements of changes in equity and cash flows for the nine-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
Date: 16 November 2018

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 SEPTEMBER 2018

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Note		
ASSETS		
Non-current assets		
Property and equipment	7 837,952,967	808,870,338
Investment properties	8 279,894,838	283,672,069
Intangible assets	9 7,760,548	8,557,702
Loans to employees	10 3,919,293	5,305,113
	<u>1,129,527,646</u>	<u>1,106,405,222</u>
Current assets		
Loans to employees	10 1,813,763	1,618,425
Inventories	11 9,440,417	8,443,566
Trade and other receivables	12 45,305,136	39,767,395
Short-term bank deposits	13 74,723,926	73,194,201
Cash and cash equivalents	14 42,276,280	51,081,229
	<u>173,559,522</u>	<u>174,104,816</u>
Total assets	<u>1,303,087,168</u>	<u>1,280,510,038</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital and share premium	15 518,018,063	518,018,063
Other reserves	16 20,155,846	17,641,914
Retained earnings	125,675,461	110,950,577
Total equity	<u>663,849,370</u>	<u>646,610,554</u>
LIABILITIES		
Non-current liabilities		
Borrowings	17 518,214,791	503,537,306
Retirement benefit obligations	18 46,915,591	41,008,255
Seniority payment obligations	19 1,430,571	-
Guaranteed dividend payable	15 5,167,961	9,356,260
Deferred tax liabilities	10,815,036	7,617,200
Deferred income	20 5,758,682	5,795,114
	<u>588,302,632</u>	<u>567,314,135</u>
Current liabilities		
Guaranteed dividend payable	15 4,829,871	5,403,634
Income tax liabilities	4,273,790	3,462,418
Seniority payment obligations	19 368,153	-
Trade and other payables	21 19,901,222	35,888,500
Borrowings	17 21,348,565	21,697,576
Deferred income	20 213,565	133,221
	<u>50,935,166</u>	<u>66,585,349</u>
Total liabilities	<u>639,237,798</u>	<u>633,899,484</u>
Total equity and liabilities	<u>1,303,087,168</u>	<u>1,280,510,038</u>

The accompanying notes on pages 6 to 29 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME (UNAUDITED)

FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 2018

	Note	Three-month period ended		Nine-month period ended	
		30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>
REVENUE	22	70,756,114	60,393,682	200,134,326	164,554,835
EXPENSES					
Consumable supplies	23	(19,896,335)	(14,406,968)	(55,969,091)	(39,470,338)
Salaries, wages and related expenses	24	(21,151,298)	(18,040,506)	(52,727,818)	(42,731,891)
Depreciation and amortisation	25	(7,160,327)	(6,830,749)	(21,046,649)	(18,381,937)
Repairs and maintenances		(1,447,124)	(739,952)	(4,914,034)	(3,290,312)
Other expenses	26	(5,819,208)	(4,909,051)	(19,616,624)	(15,641,162)
Other (loss)/gains – net	27	(184,978)	(188,592)	(156,224)	71,447
		<u>(55,659,270)</u>	<u>(45,115,818)</u>	<u>(154,430,440)</u>	<u>(119,444,193)</u>
Operating profit		15,096,844	15,277,864	45,703,886	45,110,642
Finance income		9,814,830	5,408,965	2,814,766	1,007,282
Finance costs		(2,756,930)	(2,771,451)	(11,526,790)	(23,168,984)
Finance income/(costs) – net	28	<u>7,057,900</u>	<u>2,637,514</u>	<u>(8,712,024)</u>	<u>(22,161,702)</u>
PROFIT BEFORE INCOME TAX		22,154,744	17,915,378	36,991,862	22,948,940
Income tax expense	29	<u>(1,959,220)</u>	<u>(2,108,874)</u>	<u>(7,472,904)</u>	<u>(9,433,891)</u>
PROFIT FOR THE PERIOD		<u>20,195,524</u>	<u>15,806,504</u>	<u>29,518,958</u>	<u>13,515,049</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of retirement benefit obligations		<u>(1,680,750)</u>	-	<u>(5,042,250)</u>	-
Total comprehensive income for the period		<u>(1,680,750)</u>	-	<u>(5,042,250)</u>	-
Profit attributable to shareholders		<u>20,195,524</u>	<u>15,806,504</u>	<u>29,518,958</u>	<u>13,515,049</u>
Total comprehensive income attributable to shareholders		<u>18,514,774</u>	<u>15,806,504</u>	<u>24,476,708</u>	<u>13,515,049</u>

The earnings per share (expressed in KHR'000) attributable to shareholders of PAS during the period are as follows:

Basic earnings per share	30	<u>235.46</u>	<u>184.29</u>	<u>344.16</u>	<u>184.29</u>
Diluted earnings per share	30	<u>235.46</u>	<u>184.29</u>	<u>344.16</u>	<u>184.29</u>

The accompanying notes on pages 6 to 29 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

	Attributable to shareholders			Total KHR'000
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	
<i>Nine-month period ended 30 September 2017 (Reviewed but unaudited)</i>				
Balance at 1 January 2017	428,859,836	14,969,867	90,783,308	534,613,011
Profit for the period	-	-	13,515,049	13,515,049
Total comprehensive income for the period	-	-	13,515,049	13,515,049
Proceeds from shares issued	89,158,227	-	-	89,158,227
Transfer to reserves	-	2,672,047	(2,672,047)	-
Balance at 30 September 2017 <i>(Reviewed but unaudited)</i>	<u>518,018,063</u>	<u>17,641,914</u>	<u>101,626,310</u>	<u>637,286,287</u>
<i>Nine-month period ended 30 September 2018 (Reviewed but unaudited)</i>				
Balance at 1 January 2018	518,018,063	17,641,914	110,950,577	646,610,554
Profit for the period	-	-	29,518,958	29,518,958
Other comprehensive income	-	-	(5,042,250)	(5,042,250)
Total comprehensive income for the period	-	-	24,476,708	24,476,708
Transfer to reserves	-	2,513,932	(2,513,932)	-
Dividend paid	-	-	(7,237,892)	(7,237,892)
Balance at 30 September 2018 <i>(Reviewed but unaudited)</i>	<u>518,018,063</u>	<u>20,155,846</u>	<u>125,675,461</u>	<u>663,849,370</u>

The accompanying notes on pages 6 to 29 are an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

	Note	Nine-month period ended	
		30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>
Cash flows from operating activities			
Cash generated from operations	31	48,435,925	57,797,587
Income tax paid		(3,463,696)	(8,097,731)
Retirement benefit obligations paid	18	(2,349,414)	(2,660,787)
Cash generated from operating activities		<u>42,622,815</u>	<u>47,039,069</u>
Cash flows from investing activities			
Purchases of property and equipment (*)	7	(44,576,139)	(57,616,796)
Purchases of investment properties	8	(799,341)	(1,466,763)
Purchases of intangible assets		-	(595,023)
Loans to employees	10	-	(10,266,904)
Receipts of repayment of loans to employees	10	1,888,246	641,681
Placements of short-term bank deposits		(1,529,725)	(59,860,765)
Interest received		2,787,465	266,289
Cash used in investing activities		<u>(42,229,494)</u>	<u>(128,898,281)</u>
Cash flows from financing activities			
Proceeds from new shares issued – net		-	103,339,070
Dividends paid		(12,641,526)	-
Proceeds from borrowings		27,353,002	37,919,496
Repayments of borrowings		(15,761,286)	(10,403,161)
Interest paid		(8,148,460)	(7,798,480)
Cash (used in)/generated from financing activities		<u>(9,198,270)</u>	<u>123,056,925</u>
Net (decrease)/increase in cash and cash equivalents		<u>(8,804,949)</u>	<u>41,197,713</u>
Cash and cash equivalents at beginning of the period		<u>51,081,229</u>	<u>34,651,604</u>
Cash and cash equivalents at end of the period	14	<u><u>42,276,280</u></u>	<u><u>75,849,317</u></u>

(*) For cash and non-cash transactions relating to the purchase of property and equipment, please refer to note 7.

The accompanying notes on pages 6 to 29 are an integral part of this condensed interim financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

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 gives it the general status as a public autonomous institution.

PAS was registered with the Ministry of Commerce under the registration number Co.4784 ET/2017, dated 21 February 2017 and 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 sea port 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 16 November 2018.

This condensed interim financial information for the nine-month period ended 30 September 2018 has been reviewed, but not audited.

2. BASIS OF PREPARATION

This condensed interim financial information for the nine-month period ended 30 September 2018 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 2017, 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 2017 audited financial statements.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

3. ACCOUNTING POLICIES

Except as described below, the accounting policies applied and methods of computation used in the preparation of the condensed interim financial information are consistent with those used in the financial statements for the year ended 31 December 2017.

(a) New standards, amendments and interpretations adopted by PAS

A number of new or amended standards became applicable for the current reporting period and PAS had to change its accounting policies and make necessary adjustments as a result of adopting the following standards:

- CIFRS 9 Financial Instruments, and
- CIFRS 15 Revenue from Contracts with Customers.

The adoption of these new and amended standards has no significant impact on the results and financial position of PAS for the current or prior periods.

(b) New standards and interpretations not yet adopted

PAS has not early adopted the following new standards and amendments which have been issued but are not yet effective:

- **CIFRS 16: Leases**

Nature of change	<p>CIFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.</p> <p>The accounting for lessors will not significantly change.</p>
Impact	<p>The standard will affect primarily the accounting for PAS's operating leases. As at 30 September 2018, PAS does not have significant operating lease commitment.</p> <p>PAS has not yet assessed what other adjustments, if any, are necessary because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect PAS's profit or loss and classification of cash flows going forward.</p>
Date of adoption by PAS	<p>Mandatory for financial years commencing on or after 1 January 2019. At this stage, PAS does not intend to adopt the standard before its effective date. PAS intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.</p>

PAS is in the process of making an assessment of the impact of these new standards and amendments on the financial statements of PAS in the initial application.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

4. 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 2017.

5. FINANCIAL RISK MANAGEMENT

5.1 *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 2017.

5.2 *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:

- (a) *Cash and cash equivalents and short-term bank deposits* – The carrying values of these amounts approximate their fair values due to their short-term nature.
- (b) *Trade and other receivables* – The carrying amounts less impairment provisions approximate the fair value because these are subject to normal credit terms and are short-term in nature.
- (c) *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 of KHR 3,919 million as at 30 September 2018, compared to a carrying amount of KHR 4,492 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.
- (d) *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. For the non-current portion of guaranteed dividend payable, it has a fair value of KHR 5,168 million as at 30 September 2018, compared to a carrying amount of KHR 5,404 million. 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.
- (e) *Borrowings* – The fair value is estimated by discounting the future contractual cash outflows using a prevailing borrowing rate at the period-end.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

5. FINANCIAL RISK MANAGEMENT (continued)

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

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. PAS does not hold any listed securities.

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).

6. 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 assesses the performance of the reportable segment by measuring gross revenue, profit before tax and net profit compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating at early stage, please refer to note 8.

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

7. PROPERTY AND EQUIPMENT

Non-current assets	Land		Buildings	Port facilities	Technical equipment	Other equipment	Furniture and fittings	Computer and office equipment	Motor vehicles	Seaport equipment	Construction in progress	Palettes	Total	
	KHR'000	Land improvement KHR'000												KHR'000
At 31 December 2017 (Audited)														
Cost	252,045,640	49,949,973	232,090,496	114,290,576	23,129,954	1,201,254	2,270,322	6,596,668	33,807,459	326,868,210	156,903,624	1,617,586	1,200,771,762	
Accumulated depreciation	-	(24,799,459)	(79,520,934)	(113,487,684)	(17,033,591)	(882,333)	(1,924,010)	(4,318,430)	(18,072,924)	(130,524,583)	-	(1,337,476)	(391,901,424)	
Net book amount (Audited)	252,045,640	25,150,514	152,569,562	802,892	6,096,363	318,921	346,312	2,278,238	15,734,535	196,343,627	156,903,624	280,110	808,870,338	
Nine-month period ended 30 September 2018 (Reviewed but unaudited)														
Opening net book amount	252,045,640	25,150,514	152,569,562	802,892	6,096,363	318,921	346,312	2,278,238	15,734,535	196,343,627	156,903,624	280,110	808,870,338	
Additions (*)	-	1,155,158	68,918	-	-	-	89,080	1,338,864	8,859,465	-	33,154,102	89,965	44,755,552	
Transfers	-	-	1,343,495	-	-	-	-	-	-	-	(1,343,495)	-	-	
Depreciation charges	-	(806,214)	(3,568,937)	(72,791)	(1,039,827)	(43,567)	(133,088)	(1,039,351)	(1,381,400)	(7,369,287)	-	(218,461)	(15,672,923)	
Closing net book amount	252,045,640	25,499,458	150,413,038	730,101	5,056,536	275,354	302,304	2,577,751	23,212,600	188,974,340	188,714,231	151,614	837,952,967	
At 30 September 2018														
Cost	252,045,640	51,105,131	233,502,909	114,290,576	23,129,954	1,201,254	2,359,402	7,935,532	42,666,924	326,868,210	188,714,231	1,707,551	1,245,527,314	
Accumulated depreciation	-	(25,605,673)	(83,089,871)	(113,560,475)	(18,073,418)	(925,900)	(2,057,098)	(5,357,781)	(19,454,324)	(137,893,870)	-	(1,555,937)	(407,574,347)	
Net book amount (Reviewed but unaudited)	252,045,640	25,499,458	150,413,038	730,101	5,056,536	275,354	302,304	2,577,751	23,212,600	188,974,340	188,714,231	151,614	837,952,967	

The interest cost that was capitalised on qualifying assets under construction in progress for the period ended 30 September 2018 was KHR 7,716 million.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

7. PROPERTY AND EQUIPMENT (continued)

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

	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	44,755,552	76,337,603
Payable to a supplier (non-cash) – (note 21)	<u>(179,413)</u>	<u>(18,720,807)</u>
Cash paid during the period	<u><u>44,576,139</u></u>	<u><u>57,616,796</u></u>

8. INVESTMENT PROPERTIES

	Land KHR'000	Building KHR'000	Construction in progress KHR'000	Total KHR'000
Non-current assets				
At 31 December 2017 <i>(Audited)</i>				
Cost	131,977,505	174,996,763	703,060	307,677,328
Accumulated depreciation	-	<u>(24,005,259)</u>	-	<u>(24,005,259)</u>
Net book value <i>(Audited)</i>	<u>131,977,505</u>	<u>150,991,504</u>	<u>703,060</u>	<u>283,672,069</u>
Nine-month period ended 30 September 2018 <i>(Reviewed but unaudited)</i>				
Opening net book amount	131,977,505	150,991,504	703,060	283,672,069
Additions	-	269,754	529,587	799,341
Transfers	1,232,647	-	<u>(1,232,647)</u>	-
Depreciation charges	-	<u>(4,576,572)</u>	-	<u>(4,576,572)</u>
Closing net book amount	<u>133,210,152</u>	<u>146,684,686</u>	-	<u>279,894,838</u>
At 30 September 2018				
Cost	133,210,152	175,266,517	-	308,476,669
Accumulated depreciation	-	<u>(28,581,831)</u>	-	<u>(28,581,831)</u>
Net book amount <i>(Reviewed but unaudited)</i>	<u>133,210,152</u>	<u>146,684,686</u>	-	<u>279,894,838</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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8. INVESTMENT PROPERTIES (continued)

The following amounts have been recognised in the condensed interim statement of profit or loss for investment properties – the Special Economic Zone:

	Nine-month period ended	
	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>
Rental revenue	2,244,661	2,050,443
Amortisation expenses	(4,576,572)	(4,550,942)
Direct operating expenses arising from investment properties that generate rental revenue	(2,553,377)	(2,154,789)

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

9. INTANGIBLE ASSETS

Non-current assets	Software KHR'000	Total KHR'000
At 31 December 2017 <i>(Audited)</i>		
Cost	13,467,947	13,467,947
Accumulated amortisation	(4,910,245)	(4,910,245)
Net book amount <i>(Audited)</i>	<u>8,557,702</u>	<u>8,557,702</u>
Nine-month period ended 30 September 2018 <i>(Reviewed but unaudited)</i>		
Opening net book amount	8,557,702	8,557,702
Amortisation charges	(797,154)	(797,154)
Closing net book amount	<u>7,760,548</u>	<u>7,760,548</u>
At 30 September 2018		
Cost	13,467,947	13,467,947
Accumulated amortisation	(5,707,399)	(5,707,399)
Net book amount <i>(Reviewed but unaudited)</i>	<u>7,760,548</u>	<u>7,760,548</u>

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10. LOANS TO EMPLOYEES

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Current	1,813,763	1,618,425
Non-Current	3,919,293	5,305,113
	<u>5,733,056</u>	<u>6,923,538</u>

On 8 February 2017, PAS approved to provide interest-free loans of KHR 10,267 million, with a term of four years, to its employees including retired staff to purchase its floating class C shares upon initial public offering (IPO).

The fair value adjustment to the loan balance of KHR 2,622 million was initially recognised as other assets in the statement of financial position and amortised to profit or loss as salaries, wages and related expenses throughout a period of four years. This was because the fair value of the loans has been reduced through a preferential rate (interest free) and a benefit was provided to the employees.

The fair values of the loans to employees are based on cash flows discounted using a weighted average interest rate of 15.27% per annum. Management assessed that the 15.27% interest rate is a reasonable rate, being equivalent to the rate at which the employees could obtain unsecured loans from commercial banks in Khmer Riel currency for a period of four years.

The movement of loans to employees is as follows:

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Opening balance	6,923,538	-
Loans on cash	-	10,266,904
Less: Fair value adjustment	(36,335)	(2,621,824)
Loans initially measured at fair value	<u>6,887,203</u>	<u>7,645,080</u>
Add: Interest income from unwinding of discount rate	734,099	561,821
Less: Repayment of loans	(1,888,246)	(1,283,363)
Closing balance	<u>5,733,056</u>	<u>6,923,538</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

11. INVENTORIES

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Consumable supplies	8,850,948	8,142,916
Oil and lubricant	688,472	527,098
Combustible materials	643,991	516,546
Provision for consumable supplies (*)	<u>(742,994)</u>	<u>(742,994)</u>
	<u>9,440,417</u>	<u>8,443,566</u>

(*) Management reassesses the slow-moving inventory items periodically and considers the provision value remains sufficient and appropriate at the period-end date.

Inventories recognised as expenses during the nine-month period ended 30 September 2018 amounted to KHR 53,427 million (30 September 2017: KHR 39,470 million).

12. TRADE AND OTHER RECEIVABLES

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Trade receivables	25,235,635	24,314,846
Advances to MoPWT (*)	8,550,000	10,550,000
Advance repayment of borrowing from MoEF before due date	6,110,581	-
Advances	3,740,604	2,614,624
Withholding tax credit	1,010,962	961,250
Prepayments	85,883	48,407
Others	<u>571,471</u>	<u>1,278,268</u>
	<u>45,305,136</u>	<u>39,767,395</u>

(*) This represents outstanding cash advances to the Ministry of Public Works and Transport ("MoPWT"), which based on letters issued by MoEF dated 14 December 2016 and 25 January 2018 for the purpose of renovating certain parts of National Road no.4 and no.8 respectively.

PAS's customers are local and international shipping lines and shipping agents.

13. SHORT-TERM BANK DEPOSITS

This represents fixed deposits placed with financial institutions for a period of between six to twelve months, earning interest at rates ranging from 3.50% to 6.00% (2017: 3.50% to 6.00%) per annum.

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14. CASH AND CASH EQUIVALENTS

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Cash on hand	1,653,307	1,275,252
Cash at banks:		
Current accounts	<u>40,622,973</u>	<u>49,805,977</u>
	<u>42,276,280</u>	<u>51,081,229</u>

Cash at banks are deposited in local commercial banks. The current accounts carry no interest.

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15. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (*)		Class C share (**)		Share premium KHR'000	Capital KHR'000	Total KHR'000
	Number	KHR'000	Number	KHR'000	Number	KHR'000			
<i>Nine-month period ended 30 September 2017 (Reviewed but unaudited)</i>									
At 1 January 2017	-	-	-	-	-	-	-	428,859,836	428,859,836
Conversion of capital to shares	364,530,861	364,530,861	64,328,975	64,328,975	-	-	(428,859,836)	-	-
Proceeds from shares issued	-	-	21,442,992	21,442,992	-	-	67,715,235	-	89,158,227
At 30 September 2017 (Reviewed but unaudited)	364,530,861	364,530,861	85,771,967	85,771,967	-	-	67,715,235	-	518,018,063
<i>Nine-month period ended 30 September 2018 (Reviewed but unaudited)</i>									
At 1 January 2018	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	-	518,018,063
At 30 September 2018 (Reviewed but unaudited)	364,530,861	364,530,861	64,328,975	64,328,975	21,442,992	21,442,992	67,715,235	-	518,018,063

(*) According to Article 5 of the Articles of Incorporation dated 21 February 2017, the existing capital of KHR 428,859,836,000 were allocated into 364,531,861 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.

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15. 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:			
Japan International Cooperation Agency (JICA)	14%	11,579,216	11,579,216
Employee share option scheme	2%	2,144,299	2,144,299
Other investors	9%	7,719,477	7,719,477
	<u>100%</u>	<u>85,771,967</u>	<u>85,771,967</u>

(**) On 8 June 2017, PAS was successfully listed on the Cambodia Securities Exchange (CSX). The number of new share issued in class C shares are 21,442,992 shares with a par value of KHR 1,000 per share, at an offering price of KHR 5,040 per share. All issued class C shares were fully paid.

	31 December 2017 KHR'000 <i>(Audited)</i>
Opening balance	-
Proceed from new class C shares issued	108,072,680
Transaction costs	<u>(4,733,611)</u>
Cash proceed – net	103,339,069
Reclassification to guaranteed dividend payables	(14,180,842)
Reclassification to share premium	<u>(67,715,235)</u>
Closing balance	<u>21,442,992</u>

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 share 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 present value of minimum guaranteed dividends amount is KHR 14,180 million (at initial recognition) expected to be paid for three years from the listing date. The government, shareholder of class B voting shares and class A non-voting shares, is not entitled to receive the minimum guaranteed dividend.

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15. SHARE CAPITAL AND SHARE PREMIUM (continued)

(***) The details of class C shares

The maturity dates of these guaranteed dividend payables are as follows:

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	4,829,871	5,403,634
Non-current	5,167,961	9,356,260
	<u>9,997,832</u>	<u>14,759,894</u>

The movement of guaranteed dividend payables is as follows:

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Opening balance	14,759,894	-
Initial recognition	-	14,180,842
Interest expenses from winding up (note 28)	641,572	579,052
Dividend paid	(5,403,634)	-
Closing balance	<u>9,997,832</u>	<u>14,759,894</u>

16. OTHER RESERVES

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Opening balance	17,641,914	14,969,867
Add: General reserve	1,256,966	1,336,024
Add: Legal reserve	1,256,966	1,336,023
Closing balance	<u>20,155,846</u>	<u>17,641,914</u>

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 3 July 2018, the Board of Directors approved to transfer the profit for the year ended 31 December 2017 to general reserve of KHR 1,256,965,872 and legal reserve of KHR 1,256,965,872.

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17. BORROWINGS

	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Borrowings from:		
MoEF – (JICA) – Loan No. CP-P3	78,306,509	85,094,491
MoEF – (JBIC) – Loan No. CP-P4	125,854,030	127,055,028
MoEF – (JBIC) – Loan No. CP-P6	8,414,072	8,517,311
MoEF – (JBIC) – Loan No. CP-P8	121,731,127	126,754,757
MoEF – (JBIC) – Loan No. CP-P10	205,257,618	177,813,295
	<u>539,563,356</u>	<u>525,234,882</u>

MoEF signed borrowing agreements with JICA and JBIC in respect of the transactions relating to PAS. PAS also signed borrowing agreements with MoEF where 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 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Current		
Not later than one year	<u>21,348,565</u>	<u>21,697,576</u>
Non-current		
Later than one year but not later than two years	23,805,142	21,808,458
Later than two year but not later than five years	86,404,054	74,819,814
Later than five years	408,005,595	406,909,034
	<u>518,214,791</u>	<u>503,537,306</u>
	<u>539,563,356</u>	<u>525,234,882</u>

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17. BORROWINGS (continued)

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

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Carrying value		
Current portion	21,348,565	21,697,576
Non-current portion	518,214,791	503,537,306
	<u>539,563,356</u>	<u>525,234,882</u>
Fair value		
Current portion	18,690,476	18,383,339
Non-current portion	372,051,871	362,191,764
	<u>390,742,347</u>	<u>380,575,103</u>

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 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	413,709,326	398,179,854
US\$	125,854,030	127,055,028
	<u>539,563,356</u>	<u>525,234,882</u>

The term of all borrowings is 30 years and the interest rate per annum for each borrowing is as follow:

	30 September 2018	31 December 2017
MoEF – (JICA) – 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%	3.00%
MoEF – (JBIC) – Loan No. CP-P10	2.50%	2.50%

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18. RETIREMENT BENEFIT OBLIGATIONS

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

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	46,915,591	41,008,255
Unfunded status	46,915,591	41,008,255
Net liability recognised in condensed interim statement of financial position	<u>46,915,591</u>	<u>41,008,255</u>

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

	Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Beginning balance	41,008,255	40,301,411
Current service cost	863,250	861,000
Interest cost	2,351,250	2,254,500
Benefits paid	(2,349,414)	(2,660,787)
Remeasurement losses	5,042,250	-
Closing balance	<u>46,915,591</u>	<u>40,756,124</u>

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

	Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Current service cost	863,250	861,000
Interest cost	2,351,250	2,254,500
	<u>3,214,500</u>	<u>3,115,500</u>

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18. RETIREMENT BENEFIT OBLIGATIONS (continued)

The principal actuarial assumptions were as follows:

	2018	2017
Average expected future working years	20	20
Discount rate	7%	7%
Salary growth rate	5%	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 September 2018.

19. SENIORITY PAYMENT OBLIGATIONS

In June 2018, the Cambodian government amended the Labour Law introducing the seniority payment scheme. Subsequently on 21 September 2018, Prakas (law) No. 443 K.B/Br.K.Kh.L was issued providing guidelines on the implementation of the amended Labour Law. In accordance with the Prakas, current employees are entitled to following seniority scheme:

a) *Payment of seniority indemnity from 2019:*

Date of implementation	<ul style="list-style-type: none"> From 2019 onwards
Payment	<ul style="list-style-type: none"> Equal to fifteen days of wage and other benefits per year Make two payments per year for employees who are working: <ul style="list-style-type: none"> Seven and a half days in June of each year and Seven and a half days in December of each year For the first year of employment, employees who have seniority from one month to six months will receive seven and a half days of seniority indemnity. Have no maximum (provide forever for the rest of the job's life).
No entitlement	<ul style="list-style-type: none"> Employees commit serious misconduct Employees resign

b) *Payment of back pay of seniority indemnity that exists before 2019:-*

PAS will pay back-pay of fifteen days of the total seniority indemnity every one year as follows:

- Seven and a half days in June of each year;
- Seven and a half days in December of each year; and
- The maximum of seniority is counted from 2008 to 2018.

PAS assessed the impact of past years of seniority payment obligations, and estimated the liabilities of KHR 1,799 million and recognised in the condensed interim financial information accordingly.

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20. DEFERRED INCOME

PAS leased out pieces of land at the Sihanouk Special Economic Zone under a 50-year operating lease. The prepayment is credited to the condensed interim statement of profit or loss on a straight-line basis over the lease term.

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	213,565	133,221
Non-current	5,758,682	5,795,114
	<u>5,972,247</u>	<u>5,928,335</u>
	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Beginning balance	5,928,335	6,061,556
Additions	599,731	232,109
Credited to the condensed interim statement of profit or loss	(623,417)	(367,585)
Foreign currency differences	67,598	2,255
Closing balance	<u>5,972,247</u>	<u>5,928,335</u>

21. TRADE AND OTHER PAYABLES

	30 September 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade payables (*)	8,683,920	22,141,725
Accrued bonuses	4,803,820	8,590,721
Deposits from customers	1,273,341	1,231,327
Value added tax payable	1,288,342	1,065,163
Salary tax payable	363,316	300,422
Other liabilities	3,488,483	2,559,142
	<u>19,901,222</u>	<u>35,888,500</u>

Deposits from customers of KHR 1,273 million (2017: KHR 1,231 million) are expected to settle more than 12 months while the remaining trade and other payables of KHR 18,628 million (2017: KHR 34,657 million) are expected to settle within 12 months.

(*) Included in trade payables, there is an outstanding payable of KHR 179,413,000 for purchases of property and equipment.

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22. REVENUE

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Stevedoring charges	33,488,359	28,579,043	91,836,367	75,136,794
Lift-On Lift-Off (LO-LO)	19,666,083	17,030,271	55,153,908	46,577,932
Port due/charge services	13,925,399	12,011,059	41,560,406	35,974,947
Rental income from SEZ	800,515	664,135	2,244,661	2,050,443
Other revenue	2,875,758	2,109,174	9,338,984	4,814,719
	<u>70,756,114</u>	<u>60,393,682</u>	<u>200,134,326</u>	<u>164,554,835</u>

23. CONSUMABLE SUPPLIES

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Combustible expenses	11,120,598	7,501,233	31,197,163	22,136,426
Spare parts	4,925,434	4,847,352	14,512,590	9,794,330
Warehouse supplies	1,653,433	1,125,725	5,326,779	4,294,739
Oil and lubricant	837,837	669,817	2,389,433	1,917,258
Office supplies	774,043	262,841	1,782,496	1,151,280
Other consumables	584,990	-	760,630	176,305
	<u>19,896,335</u>	<u>14,406,968</u>	<u>55,969,091</u>	<u>39,470,338</u>

24. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Employee salaries	14,473,291	12,172,203	38,640,748	32,722,093
Bonuses	2,462,820	3,781,005	4,803,820	3,781,005
Accrued seniority payments	1,798,724	-	1,798,724	-
Retirement benefit costs (note 18)	1,071,500	1,038,500	3,214,500	3,115,500
Directors' remuneration	306,000	349,200	1,004,400	1,174,155
Social security expenses	71,577	54,888	277,696	196,396
Wages for contractors	26,350	37,550	96,550	107,650
Other employee-related expenses	941,036	607,160	2,891,380	1,635,092
	<u>21,151,298</u>	<u>18,040,506</u>	<u>52,727,818</u>	<u>42,731,891</u>

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25. DEPRECIATION AND AMORTISATION CHARGE

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 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	5,366,220	5,045,602	15,672,923	13,038,800
Investment properties	1,528,389	1,519,429	4,576,572	4,550,942
Intangible assets	265,718	265,718	797,154	792,195
	<u>7,160,327</u>	<u>6,830,749</u>	<u>21,046,649</u>	<u>18,381,937</u>

26. OTHER EXPENSES

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Contributions and donations Special Economic Zone (SEZ) operating expense	2,577,628	1,948,101	7,689,155	4,773,093
Reception and hospitality	949,684	582,282	2,553,377	2,154,789
Missions	740,010	780,848	2,989,697	2,311,535
Administrative expenses	470,739	262,155	1,250,584	813,972
Training, workshops and seminars	406,062	137,300	2,359,890	2,408,224
Publications	249,013	348,319	624,493	916,062
Post services	142,326	170,277	681,554	605,112
Utilities	69,602	271,679	562,657	636,798
Professional and related costs	48,113	45,588	110,030	137,874
Health-care supplies	44,787	91,877	402,923	388,599
Equipment rental	42,809	44,135	128,894	128,188
Other taxes	24,000	44,186	72,000	132,095
Other expenses	(390)	179,410	90,582	189,410
	54,825	2,894	100,788	45,411
	<u>5,819,208</u>	<u>4,909,051</u>	<u>19,616,624</u>	<u>15,641,162</u>

27. OTHER (LOSS)/GAINS – NET

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Foreign exchange gains	224,217	181,664	812,736	1,252,009
Foreign exchange losses	(409,195)	(370,256)	(968,960)	(1,180,562)
Foreign exchange (loss)/gains – net	<u>(184,978)</u>	<u>(188,592)</u>	<u>(156,224)</u>	<u>71,447</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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28. FINANCE INCOME/(COSTS) – NET

	Three-month period ended		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
<i>Finance income:</i>				
Interest income on bank deposits (a)	687,204	613,862	2,080,667	719,520
Net exchange gains on foreign currency borrowings (c)	8,898,400	4,507,341	-	-
Interest income from unwinding of discount of loans to employees	229,226	287,762	734,099	287,762
	<u>9,814,830</u>	<u>5,408,965</u>	<u>2,814,766</u>	<u>1,007,282</u>
<i>Finance costs:</i>				
Interest expenses on borrowings (b)	(2,585,957)	(2,771,451)	(8,171,832)	(8,300,623)
Net exchange losses on foreign currency borrowings (c)	-	-	(2,713,386)	(14,868,361)
Interest expenses from winding up guaranteed dividend payables	(170,973)	-	(641,572)	-
	<u>(2,756,930)</u>	<u>(2,771,451)</u>	<u>(11,526,790)</u>	<u>(23,168,984)</u>
Finance income/(costs) – net	<u>7,057,900</u>	<u>2,637,514</u>	<u>(8,712,024)</u>	<u>(22,161,702)</u>

- (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 17) which are denominated in Japanese yen (JPY) and US dollar (US\$). Given the depreciation in KHR against JPY, this resulted in significant exchange losses for the nine-month period on its borrowings denominated in JPY. The exchange rates are based on the exchange rates published by the National Bank of Cambodia as at the end of reporting periods.

	30 September 2018	30 June 2018	31 December 2017	30 September 2017
JPY/KHR	36.18	36.97	35.92	36.22
US\$/KHR	4,082	4,063	4,037	4,053

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

29. INCOME TAX EXPENSE

Tax on profit is calculated based on the current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax on profit will be made following an inspection by the General Department of Taxation (GDT).

Under the Cambodian tax regulations, PAS is subject to 20% Income Tax. According to ANUKRET No.01 ANKR.TT dated 8 January 2015, PAS is entitled to a three-year tax incentive given by the Securities Exchange Commission of Cambodia. On 16 May 2018, GDT approved the incentive of 50% tax on profit to be paid which will be calculated at the fiscal year end 2018.

30. 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		Nine-month period ended	
	30 September 2018 KHR'000	30 September 2017 KHR'000	30 September 2018 KHR'000	30 September 2017 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 (KHR'000)	20,195,524	15,806,504	29,518,958	13,515,049
Weighted average number of shares	85,771,967	85,771,967	85,771,967	73,335,032
Basic earnings per share (KHR'000)	235.46	184.29	344.16	184.29

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.

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31. CASH GENERATED FROM OPERATIONS

	Note	Nine-month period ended	
		30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>
Profit before income tax		36,991,862	22,948,940
<i>Adjustments for:</i>			
Depreciation and amortisation charges	25	21,046,649	18,381,937
Finance income/(costs) – net	28	8,712,024	22,161,702
Retirement benefit obligation expenses	18	3,214,500	3,115,500
Seniority payment obligations		1,798,724	-
Other employees related expenses from loans to employees		482,195	163,864
<i>Changes in working capital:</i>			
Inventories		(996,851)	406,550
Trade and other receivables		(6,690,399)	(6,764,078)
Trade and other payables		(16,166,691)	(2,618,839)
Deferred income		43,912	2,011
Cash generated from operations		<u>48,435,925</u>	<u>57,797,587</u>

32. RELATED PARTY TRANSACTIONS

(a) *Related party transactions and balances*

PAS is under the financial supervision of the MoEF and the technical supervision of the MoPWT.

Significant related party transactions and balances with MoPWT and MoEF are disclosed in note 12 and notes 17/28(b) respectively.

(b) *Key management compensation*

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

	Nine-month period ended	
	30 September 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 September 2017 KHR'000 <i>(Reviewed but unaudited)</i>
<i>Board of directors</i>		
Fees and related expenses	<u>1,004,400</u>	<u>1,047,600</u>
<i>Key management personnel</i>		
Salaries and other expenses	<u>1,594,705</u>	<u>1,351,736</u>
Retirement benefits (*)	<u>14,295</u>	<u>12,724</u>

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

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

32. RELATED PARTY TRANSACTIONS (continued)

(c) *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 (note 10). Loan will be repaid on monthly basis by deducting from the monthly salaries of the key management. As at 30 September 2018, outstanding loans to the key management were KHR 2,683 million (31 December 2017: KHR 3,414 million).

33. COMMITMENTS

As at 30 September 2018, PAS had outstanding capital expenditure commitment of KHR 25,255 million (31 December 2017: KHR 52,608 million) for its purchase of property and equipment to be paid in various stages.