

SIHANOUKVILLE AUTONOMOUS PORT

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

SIHANOUKVILLE AUTONOMOUS PORT

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SIHANOUKVILLE AUTONOMOUS PORT

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

	Note	30 June 2018 KHR'000 (Reviewed but unaudited)	31 December 2017 KHR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	7	829,040,449	808,870,338
Investment properties	8	281,423,227	283,672,069
Intangible assets	9	8,026,266	8,557,702
Loans to employees	10	4,398,886	5,305,113
		<u>1,122,888,828</u>	<u>1,106,405,222</u>
Current assets			
Loans to employees	10	1,746,162	1,618,425
Inventories	11	10,491,163	8,443,566
Trade and other receivables	12	45,151,243	39,767,395
Short-term bank deposits	13	74,266,213	73,194,201
Cash and cash equivalents	14	52,443,517	51,081,229
		<u>184,098,298</u>	<u>174,104,816</u>
Total assets		<u>1,306,987,126</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	17,641,914	17,641,914
Retained earnings		116,912,511	110,950,577
Total equity		<u>652,572,488</u>	<u>646,610,554</u>
LIABILITIES			
Non-current liabilities			
Borrowings	17	520,620,958	503,537,306
Retirement benefit obligations	18	44,930,927	41,008,255
Guaranteed dividend payable	15	5,050,125	9,356,260
Deferred tax liabilities		10,712,890	7,617,200
Deferred income	19	5,765,397	5,795,114
		<u>587,080,297</u>	<u>567,314,135</u>
Current liabilities			
Guaranteed dividend payable	15	10,180,368	5,403,634
Income tax liabilities		2,417,360	3,462,418
Trade and other payables	20	25,879,266	35,888,500
Borrowings	17	28,566,287	21,697,576
Deferred income	19	291,060	133,221
		<u>67,334,341</u>	<u>66,585,349</u>
Total liabilities		<u>654,414,638</u>	<u>633,899,484</u>
Total equity and liabilities		<u>1,306,987,126</u>	<u>1,280,510,038</u>

The accompanying notes on pages 6 to 30 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 SIX-MONTH PERIOD ENDED 30 JUNE 2018**

	Note	Three-month period ended		Six-month period ended	
		30 June 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 June 2017 KHR'000 <i>(Reviewed but unaudited)</i>	30 June 2018 KHR'000 <i>(Reviewed but unaudited)</i>	30 June 2017 KHR'000 <i>(Reviewed but unaudited)</i>
REVENUE	21	<u>70,107,756</u>	<u>54,380,146</u>	<u>129,378,212</u>	<u>104,161,154</u>
EXPENSES					
Consumable supplies	22	(20,660,077)	(13,817,358)	(36,072,756)	(25,063,370)
Salaries, wages and related expenses	23	(17,182,373)	(12,754,689)	(31,576,520)	(24,691,385)
Depreciation and amortisation	24	(7,044,315)	(5,815,243)	(13,886,322)	(11,551,188)
Repairs and maintenances		(1,936,856)	(1,431,475)	(3,466,910)	(2,550,359)
Other expenses	25	(8,700,847)	(6,205,770)	(13,797,416)	(10,732,090)
Other gains – net	26	177,259	782,079	28,754	260,039
		<u>(55,347,209)</u>	<u>(39,242,456)</u>	<u>(98,771,170)</u>	<u>(74,328,353)</u>
Operating profit		<u>14,760,547</u>	<u>15,137,690</u>	<u>30,607,042</u>	<u>29,832,801</u>
Finance income		8,905,580	67,030	1,898,335	105,657
Finance costs		(2,924,339)	(11,838,982)	(17,668,259)	(24,904,874)
Finance income/(costs) – net	27	<u>5,981,241</u>	<u>(11,771,952)</u>	<u>(15,769,924)</u>	<u>(24,799,217)</u>
PROFIT BEFORE INCOME TAX		<u>20,741,788</u>	<u>3,365,738</u>	<u>14,837,118</u>	<u>5,033,584</u>
Income tax expense	28	<u>(1,837,343)</u>	<u>(2,877,059)</u>	<u>(5,513,684)</u>	<u>(7,325,017)</u>
PROFIT/(LOSS) FOR THE PERIOD		<u>18,904,445</u>	<u>488,679</u>	<u>9,323,434</u>	<u>(2,291,433)</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurements of retirement benefit obligations		(1,680,750)	-	(3,361,500)	-
Total comprehensive income for the period		<u>(1,680,750)</u>	<u>-</u>	<u>(3,361,500)</u>	<u>-</u>
Profit/(loss) attributable to shareholders		<u>18,904,445</u>	<u>488,679</u>	<u>9,323,434</u>	<u>(2,291,433)</u>
Total comprehensive income attributable to shareholders		<u>17,223,695</u>	<u>488,679</u>	<u>5,961,934</u>	<u>(2,291,433)</u>

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

Basic earnings/(loss) per share	29	<u>220.40</u>	<u>7.01</u>	<u>108.70</u>	<u>(34.14)</u>
Diluted earnings/(loss) per share	29	<u>220.40</u>	<u>7.01</u>	<u>108.70</u>	<u>(34.14)</u>

The accompanying notes on pages 6 to 30 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

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

	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 2017</i> <i>(Reviewed but unaudited)</i>				
Balance at 1 January 2017	<u>428,859,836</u>	<u>14,969,867</u>	<u>90,783,308</u>	<u>534,613,011</u>
Loss for the period	-	-	<u>(2,291,433)</u>	<u>(2,291,433)</u>
Total comprehensive income for the period	-	-	<u>(2,291,433)</u>	<u>(2,291,433)</u>
Proceeds from shares issued	<u>89,158,227</u>	-	-	<u>89,158,227</u>
Balance at 30 June 2017 <i>(Reviewed but unaudited)</i>	<u>518,018,063</u>	<u>14,969,867</u>	<u>88,491,875</u>	<u>621,479,805</u>
<i>Six-month period ended 30 June 2018</i> <i>(Reviewed but unaudited)</i>				
Balance at 1 January 2018	<u>518,018,063</u>	<u>17,641,914</u>	<u>110,950,577</u>	<u>646,610,554</u>
Profit for the period	-	-	<u>9,323,434</u>	<u>9,323,434</u>
Other comprehensive income	-	-	<u>(3,361,500)</u>	<u>(3,361,500)</u>
Total comprehensive income for the period	-	-	<u>5,961,934</u>	<u>5,961,934</u>
Balance at 30 June 2018 <i>(Reviewed but unaudited)</i>	<u>518,018,063</u>	<u>17,641,914</u>	<u>116,912,511</u>	<u>652,572,488</u>

The accompanying notes on pages 6 to 30 are an integral part of this condensed interim financial information.

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**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

	Note	Six-month period ended	
		30 June 2018 KHR'000	30 June 2017 KHR'000
		<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Cash flows from operating activities			
Cash generated from operations	30	28,971,274	37,494,858
Income tax paid		(3,463,052)	(8,097,117)
Retirement benefit obligations paid		(1,581,828)	(1,853,272)
Cash generated from operating activities		<u>23,926,394</u>	<u>27,544,469</u>
Cash flows from investing activities			
Purchases of property and equipment (*)	7	(29,528,560)	(34,005,138)
Purchases of investment properties (*)	8	(618,855)	(881,758)
Purchases of intangible assets		-	(595,023)
Loans to employees	10	-	(10,266,904)
Receipts of repayment of loans to employees	10	1,283,363	-
(Placements)/withdrawals of short-term bank deposits		(1,072,012)	898,888
Interest received		617,255	132,832
Cash used in investing activities		<u>(29,318,809)</u>	<u>(44,717,103)</u>
Cash flows from financing activities			
Proceeds from new shares issued – net		-	103,339,069
Proceeds from borrowings		15,728,221	16,523,212
Repayments of borrowings		(6,967,841)	(7,138,091)
Interest paid		(2,005,677)	(4,726,374)
Cash generated from financing activities		<u>6,754,703</u>	<u>107,997,816</u>
Net increase in cash and cash equivalents		1,362,288	90,825,182
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>52,443,517</u></u>	<u><u>125,476,786</u></u>

(*) For cash and non-cash transactions relating to the purchase of property and equipment and investment properties, please refer to note 7 and note 8 respectively.

The accompanying notes on pages 6 to 30 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 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 13 August 2018.

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

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

2. BASIS OF PREPARATION

This condensed interim financial information for the six-month period ended 30 June 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.

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.

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

3. ACCOUNTING POLICIES (continued)

(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 June 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.

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.

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

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) *Accounts receivable and other payables* – 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 4,399 million as at 30 June 2018, compared to a carrying amount of KHR 5,133 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 5,050 million as at 30 June 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.

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).

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

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 SIX-MONTH PERIOD ENDED 30 JUNE 2018

7. PROPERTY AND EQUIPMENT

Non-current assets	Land KHR'000	Land improvement KHR'000	Buildings KHR'000	Port facilities KHR'000	Technical equipment KHR'000	Other 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 2017 <i>(Audited)</i>													
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 <i>(Audited)</i>	<u>252,045,640</u>	<u>25,150,514</u>	<u>152,569,562</u>	<u>802,892</u>	<u>6,096,363</u>	<u>318,921</u>	<u>346,312</u>	<u>2,278,238</u>	<u>15,734,535</u>	<u>196,343,627</u>	<u>156,903,624</u>	<u>280,110</u>	<u>808,870,338</u>
Six-month period ended 30 June 2018 <i>(Reviewed but unaudited)</i>													
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 (*)	-	616,254	-	-	-	-	89,080	1,269,602	7,965,500	-	20,446,413	89,965	30,476,814
Transfers	-	-	449,570	-	-	-	-	-	-	-	(449,570)	-	-
Depreciation charges	-	(533,179)	(2,377,710)	(48,528)	(693,218)	(29,044)	(84,024)	(662,284)	(824,333)	(4,912,858)	-	(141,525)	(10,306,703)
Closing net book amount	<u>252,045,640</u>	<u>25,233,589</u>	<u>150,641,422</u>	<u>754,364</u>	<u>5,403,145</u>	<u>289,877</u>	<u>351,368</u>	<u>2,885,556</u>	<u>22,875,702</u>	<u>191,430,769</u>	<u>176,900,467</u>	<u>228,550</u>	<u>829,040,449</u>
At 30 June 2018													
Cost	252,045,640	50,566,227	232,540,066	114,290,576	23,129,954	1,201,254	2,359,402	7,866,270	41,772,959	326,868,210	176,900,467	1,707,551	1,231,248,576
Accumulated depreciation	-	(25,332,638)	(81,898,644)	(113,536,212)	(17,726,809)	(911,377)	(2,008,034)	(4,980,714)	(18,897,257)	(135,437,441)	-	(1,479,001)	(402,208,127)
Net book amount <i>(Reviewed but unaudited)</i>	<u>252,045,640</u>	<u>25,233,589</u>	<u>150,641,422</u>	<u>754,364</u>	<u>5,403,145</u>	<u>289,877</u>	<u>351,368</u>	<u>2,885,556</u>	<u>22,875,702</u>	<u>191,430,769</u>	<u>176,900,467</u>	<u>228,550</u>	<u>829,040,449</u>

The interest cost that was capitalised on qualifying assets under construction in progress for the period ended 30 June 2018 was KHR 7,439 million.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 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 six-month period ended.

	30 June 2018 KHR'000	30 June 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	30,476,814	34,005,138
Payable to a supplier (non-cash) – (note 20)	<u>(948,254)</u>	<u>-</u>
Cash paid during the period	<u><u>29,528,560</u></u>	<u><u>34,005,138</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>-</u>	<u>(24,005,259)</u>	<u>-</u>	<u>(24,005,259)</u>
Net book value <i>(audited)</i>	<u><u>131,977,505</u></u>	<u><u>150,991,504</u></u>	<u><u>703,060</u></u>	<u><u>283,672,069</u></u>
Six-month period ended 30 June 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	-	(1,232,647)	-
Depreciation charges	<u>-</u>	<u>(3,048,183)</u>	<u>-</u>	<u>(3,048,183)</u>
Closing net book amount	<u><u>133,210,152</u></u>	<u><u>148,213,075</u></u>	<u><u>-</u></u>	<u><u>281,423,227</u></u>
At 30 June 2018				
Cost	133,210,152	175,266,517	-	308,476,669
Accumulated depreciation	<u>-</u>	<u>(27,053,442)</u>	<u>-</u>	<u>(27,053,442)</u>
Net book amount <i>(Reviewed but unaudited)</i>	<u><u>133,210,152</u></u>	<u><u>148,213,075</u></u>	<u><u>-</u></u>	<u><u>281,423,227</u></u>

SIHANOUKVILLE AUTONOMOUS PORT

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

8. INVESTMENT PROPERTIES (continued)

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

	30 June 2018 KHR'000	30 June 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	799,341	881,758
Payable to a supplier (non-cash) – (note 20)	<u>(180,486)</u>	<u>-</u>
Cash paid during the period	<u>618,855</u>	<u>881,758</u>

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

	Six-month period ended	
	30 June 2018 KHR'000	30 June 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	1,444,146	1,386,308
Amortisation expenses	(3,048,183)	(3,031,513)
Direct operating expenses arising from investment properties that generate rental revenue	(1,603,693)	(1,572,507)

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

SIHANOUKVILLE AUTONOMOUS PORT

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

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	<u>(4,910,245)</u>	<u>(4,910,245)</u>
Net book amount <i>(audited)</i>	<u>8,557,702</u>	<u>8,557,702</u>
Six-month period ended 30 June 2018 <i>(Reviewed but unaudited)</i>		
Opening net book amount	8,557,702	8,557,702
Amortisation charges	<u>(531,436)</u>	<u>(531,436)</u>
Closing net book amount	<u>8,026,266</u>	<u>8,026,266</u>
At 30 June 2018		
Cost	13,467,947	13,467,947
Accumulated amortisation	<u>(5,441,681)</u>	<u>(5,441,681)</u>
Net book amount <i>(Reviewed but unaudited)</i>	<u>8,026,266</u>	<u>8,026,266</u>

10. LOANS TO EMPLOYEES

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	1,746,162	1,618,425
Non-Current	<u>4,398,886</u>	<u>5,305,113</u>
	<u>6,145,048</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.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

10. LOANS TO EMPLOYEES (continued)

The movement of loans to employees is as follows:

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Opening balance	6,923,538	-
Loans on cash	-	10,266,904
Less: Fair value adjustment	-	(2,621,824)
Loans initially measured at fair value	<u>6,923,538</u>	<u>7,645,080</u>
Add: Interest income from unwinding of discount rate	504,873	561,821
Less: Repayment of loans	<u>(1,283,363)</u>	<u>(1,283,363)</u>
Closing balance	<u><u>6,145,048</u></u>	<u><u>6,923,538</u></u>

11. INVENTORIES

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Consumable supplies	9,830,043	8,142,916
Oil and lubricant	625,601	527,098
Combustible materials	778,513	516,546
Provision for consumable supplies (*)	<u>(742,994)</u>	<u>(742,994)</u>
	<u><u>10,491,163</u></u>	<u><u>8,443,566</u></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 an expense during the period ended 30 June 2018 amounted to KHR 34,889 million (30 June 2017: KHR 23,998 million).

SIHANOUKVILLE AUTONOMOUS PORT

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

12. TRADE AND OTHER RECEIVABLES

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade receivables	26,726,878	24,314,846
Advances to MoPWT (*)	12,550,000	10,550,000
Advances	2,740,514	2,614,624
Withholding tax credit	993,616	961,250
Prepayments	85,760	48,407
Others	2,054,475	1,278,268
	<u>45,151,243</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.

14. CASH AND CASH EQUIVALENTS

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Cash on hand	1,857,336	1,275,252
Cash at banks:		
Current accounts	<u>50,586,181</u>	<u>49,805,977</u>
	<u>52,443,517</u>	<u>51,081,229</u>

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

SIHANOUKVILLE AUTONOMOUS PORT

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

15. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (*)		Class C share (**)		Share premium	Capital	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000	KHR'000
Six-month period ended 30 June 2017 <i>(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 June 2017 <i>(Reviewed but unaudited)</i>	<u>364,530,861</u>	<u>364,530,861</u>	<u>85,771,967</u>	<u>85,771,967</u>	<u>-</u>	<u>-</u>	<u>67,715,235</u>	<u>-</u>	<u>518,018,063</u>
Six-month period ended 30 June 2018 <i>(Reviewed but unaudited)</i>									
At 1 January 2018	<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>-</u>	<u>518,018,063</u>
At 30 June 2018 <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>-</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 364,531,861 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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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

15. SHARE CAPITAL AND SHARE PREMIUM (continued)

The details of voting rights shares are as follows:

Shareholders	<u>Percentage</u>	<u>Number of shares</u>	<u>KHR'000</u>
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 (Audited)
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.

SIHANOUKVILLE AUTONOMOUS PORT

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

15. SHARE CAPITAL AND SHARE PREMIUM (continued)

(**) The details of class C shares (continued)

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

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	10,180,368	5,403,634
Non-current	5,050,125	9,356,260
	<u>15,230,493</u>	<u>14,759,894</u>

The movement of guaranteed dividend payables is as follows:

	30 June 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 27)	470,599	579,052
Closing balance	<u>15,230,493</u>	<u>14,759,894</u>

16. OTHER RESERVES

Article 34 of the Article of Incorporation dated 21 February 2017 stipulates that PAS's profit, after offsetting losses carried forward (if any), is allocated to general and legal reserves.

17. BORROWINGS

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Borrowings from:		
MoEF – (JICA) – Loan No. CP-P3	84,052,056	85,094,491
MoEF – (JBIC) – Loan No. CP-P4	130,197,315	127,055,028
MoEF – (JBIC) – Loan No. CP-P6	8,525,988	8,517,311
MoEF – (JBIC) – Loan No. CP-P8	127,124,454	126,754,757
MoEF – (JBIC) – Loan No. CP-P10	199,287,432	177,813,295
	<u>549,187,245</u>	<u>525,234,882</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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17. BORROWINGS (continued)

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 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current		
Not later than one year	<u>28,566,287</u>	<u>21,697,576</u>
Non-current		
Later than one year but not later than two years	19,019,757	21,808,458
Later than two year but not later than five years	85,997,888	74,819,814
Later than five years	<u>415,603,313</u>	<u>406,909,034</u>
	<u>520,620,958</u>	<u>503,537,306</u>
	<u>549,187,245</u>	<u>525,234,882</u>

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

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Carrying value		
Current portion	28,566,287	21,697,576
Non-current portion	<u>520,620,958</u>	<u>503,537,306</u>
	<u>549,187,245</u>	<u>525,234,882</u>
Fair value		
Current portion	22,435,071	18,383,339
Non-current portion	<u>376,128,192</u>	<u>362,191,764</u>
	<u>398,563,263</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.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

17. BORROWINGS (continued)

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

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	418,989,930	398,179,854
US\$	130,197,315	127,055,028
	<u>549,187,245</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 June 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	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P10	2.50%	2.50%

18. RETIREMENT BENEFIT OBLIGATIONS

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

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	44,930,927	41,008,255
Unfunded status	44,930,927	41,008,255
Net liability recognised in condensed interim statement of financial position	<u>44,930,927</u>	<u>41,008,255</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Six-month period ended	
	30 June 2018	30 June 2017
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Beginning balance	41,008,255	40,301,411
Current service cost	575,500	574,000
Interest cost	1,567,500	1,503,000
Benefits paid	(1,581,828)	(1,853,272)
Remeasurements losses	3,361,500	-
Closing balance	<u>44,930,927</u>	<u>40,525,139</u>

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

	Six-month period ended	
	30 June 2018	30 June 2017
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Current service cost	575,500	574,000
Interest cost	1,567,500	1,503,000
	<u>2,143,000</u>	<u>2,077,000</u>

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 June 2018.

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

19. 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 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	291,060	133,221
Non-current	5,765,397	5,795,114
	<u>6,056,457</u>	<u>5,928,335</u>
	30 June 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	565,045	232,109
Credited to the condensed interim statement of profit or loss	(476,879)	(367,585)
Foreign currency differences	39,956	2,255
Closing balance	<u>6,056,457</u>	<u>5,928,335</u>

20. TRADE AND OTHER PAYABLES

	30 June 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade payables (*)	18,820,675	22,141,725
Accrued bonuses	2,341,000	8,590,721
Deposits from customers	1,267,414	1,231,327
Value added tax payable	1,034,141	1,065,163
Salary tax payable	341,311	300,422
Other liabilities	2,074,725	2,559,142
	<u>25,879,266</u>	<u>35,888,500</u>

Deposits from customers of KHR 1,267 million (2017: KHR 1,231 million) are expected to settle more than 12 months while the remaining trade and other payables of KHR 24,612 million (2017: KHR 34,657 million) are expected to settle within 12 months.

SIHANOUKVILLE AUTONOMOUS PORT

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

20. TRADE AND OTHER PAYABLES (continued)

(*) Included in trade payables, there is an outstanding payable of KHR 948,254 thousand and KHR 180,486 thousand for purchases of property and equipment and investment properties respectively.

21. REVENUE

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	KHR'000	KHR'000	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
Stevedoring charges	32,276,511	25,145,161	58,348,008	46,557,751
Lift-On Lift-Off (LO-LO)	18,909,423	15,576,963	35,487,825	29,547,662
Port due/charge services	14,872,250	11,774,723	27,635,007	23,963,888
Rental income from SEZ	722,791	692,603	1,444,146	1,386,308
Other revenue	3,326,781	1,190,696	6,463,226	2,705,545
	<u>70,107,756</u>	<u>54,380,146</u>	<u>129,378,212</u>	<u>104,161,154</u>

22. CONSUMABLE SUPPLIES

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	KHR'000	KHR'000	KHR'000	KHR'000
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
Combustible expenses	10,915,856	7,393,148	20,076,566	14,635,193
Spare parts	6,778,655	3,017,050	9,587,156	4,946,978
Warehouse supplies	1,301,165	1,972,124	3,673,346	3,169,013
Oil and lubricant	781,234	602,007	1,551,596	1,247,441
Office supplies	707,527	656,725	1,008,452	888,441
Other consumables	175,640	176,304	175,640	176,304
	<u>20,660,077</u>	<u>13,817,358</u>	<u>36,072,756</u>	<u>25,063,370</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

23. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	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	12,134,477	10,641,247	24,167,456	20,549,890
Bonuses	2,341,000	-	2,341,000	-
Retirement benefit costs (note 18)	1,071,500	1,038,500	2,143,000	2,077,000
Directors' remuneration	349,200	475,755	698,400	824,955
Social security expenses	93,682	71,523	206,120	141,509
Wages for contractors	34,050	34,850	70,200	70,100
Other employee-related expenses	1,158,464	492,814	1,950,344	1,027,931
	17,182,373	12,754,689	31,576,520	24,691,385

24. DEPRECIATION AND AMORTISATION CHARGE

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	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 (note 7)	5,252,058	4,033,245	10,306,703	7,993,198
Investment properties (note 8)	1,526,539	1,516,280	3,048,183	3,031,513
Intangible assets (note 9)	265,718	265,718	531,436	526,477
	7,044,315	5,815,243	13,886,322	11,551,188

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

25. OTHER EXPENSES

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	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>
Contributions and donations	3,592,574	1,930,510	5,111,528	2,824,992
Administrative expenses	1,726,256	1,523,840	1,953,828	2,270,924
Reception and hospitality	1,042,302	785,688	2,249,687	1,530,687
Special Economic Zone (SEZ) operating expense	788,062	851,102	1,603,693	1,572,507
Missions	401,249	310,970	779,846	551,817
Professional and related costs	257,533	25,680	358,134	296,722
Publications	255,598	251,121	539,228	424,866
Training, workshops and seminars	251,479	286,376	375,481	567,743
Post services	192,887	65,382	493,055	365,119
Health-care supplies	42,868	44,114	86,085	84,053
Utilities	26,709	51,140	61,918	92,285
Equipment rental	24,000	44,011	48,000	87,909
Other taxes	75,680	-	90,972	10,000
Other expenses	23,650	35,836	45,961	52,466
	8,700,847	6,205,770	13,797,416	10,732,090

26. OTHER GAINS – NET

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	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>
Foreign exchange gains	334,042	1,023,757	588,519	1,070,345
Foreign exchange losses	(156,783)	(241,678)	(559,765)	(810,306)
Foreign exchange gains – net	177,259	782,079	28,754	260,039

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
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27. FINANCE COSTS – NET

	Three-month period ended		Six-month period ended	
	30 June 2018	30 June 2017	30 June 2018	30 June 2017
	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>
Finance income:				
Interest income on bank deposits (a)	703,629	67,030	1,393,462	105,657
Net exchange gains on foreign currency borrowings (c)	7,956,906	-	-	-
Interest income from unwinding of discount of loans to employees	245,045	-	504,873	-
	<u>8,905,580</u>	<u>67,030</u>	<u>1,898,335</u>	<u>105,657</u>
Finance costs:				
Interest expenses on borrowings (b)	(2,701,905)	(2,700,279)	(5,585,875)	(5,529,172)
Net exchange losses on foreign currency borrowings (c)	-	(9,138,703)	(11,611,785)	(19,375,702)
Interest expenses from winding up guaranteed dividend payables	(222,434)	-	(470,599)	-
	<u>(2,924,339)</u>	<u>(11,838,982)</u>	<u>(17,668,259)</u>	<u>(24,904,874)</u>
Finance income/(costs) – net	<u>5,981,241</u>	<u>(11,771,952)</u>	<u>(15,769,924)</u>	<u>(24,799,217)</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 six-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 June 2018	31 March 2018	31 December 2017	30 June 2017
JPY/KHR	36.97	37.76	35.92	36.63
US\$/KHR	4,063	4,000	4,037	4,086

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

28. 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.

29. EARNINGS/(LOSS) PER SHARE

i) Basic earnings/(loss) per share

Basic earnings/(loss) 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.

	<u>Three-month period ended</u>		<u>Six-month period ended</u>	
	<u>30 June 2018</u>	<u>30 June 2017</u>	<u>30 June 2018</u>	<u>30 June 2017</u>
	<u>KHR'000</u>	<u>KHR'000</u>	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Profit/(loss) attributable to shareholders (KHR'000)	18,904,445	488,679	9,323,434	(2,291,433)
Weighted average number of shares	<u>85,771,967</u>	<u>69,689,723</u>	<u>85,771,967</u>	<u>67,116,564</u>
Basic earnings/(loss) per share (KHR'000)	<u>220.40</u>	<u>7.01</u>	<u>108.70</u>	<u>(34.14)</u>

ii) Diluted earnings/(loss) per share

Diluted earnings/(loss) 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/(loss) per share was equivalent to the basic earnings/(loss) per share.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018**

30. CASH GENERATED FROM OPERATIONS

	Note	Six-month period ended	
		30 June 2018	30 June 2017
		KHR'000	KHR'000
		<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Profit before income tax		14,837,118	5,033,584
<i>Adjustments for:</i>			
Depreciation and amortisation charges	24	13,886,322	11,551,188
Finance costs – net	27	15,769,924	24,799,217
Retirement benefit obligation expenses	18	2,143,000	2,077,000
Other employees related expenses from loans to employees		327,728	-
<i>Changes in working capital:</i>			
Inventories		(2,047,597)	(219,475)
Trade and other receivables		(4,935,369)	(6,404,627)
Trade and other payables		(11,137,974)	497,077
Deferred income		128,122	160,894
Cash generated from operations		<u>28,971,274</u>	<u>37,494,858</u>

31. 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 in respect of advances and with the MoEF with respect to borrowings and interest expense are disclosed in note 12, note 17 and note 27(b) respectively.

(b) Key management compensation

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

	Six-month period ended	
	30 June 2018	30 June 2017
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Board of Directors		
Salaries, fees and related expenses	<u>698,400</u>	<u>824,955</u>
Key management personnel		
Salaries and other expenses	<u>956,675</u>	<u>760,762</u>
Retirement benefits (*)	<u>9,530</u>	<u>8,483</u>

SIHANOUKVILLE AUTONOMOUS PORT

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

31. RELATED PARTY TRANSACTIONS (continued)

(b) Key management compensation (continued)

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.

(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 June 2018, outstanding loans to the key management were KHR 2,927 million (31 December 2017: KHR 3,414 million).

32. COMMITMENTS

As at 30 June 2018, PAS had outstanding capital expenditure commitment of KHR 36,880 million (31 December 2017: KHR 52,608 million) for its purchase of property and equipment to be paid in various stages.

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 3 July 2018, the Board of Directors approved to distribute the dividend of KHR 8,642 million (dividend per share: KHR 403) in respect of profit of the financial year ended 31 December 2017.