

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017**

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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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 31 December 2017, the related condensed interim statement of profit or loss and other comprehensive income for the three-month and twelve-month periods ended 31 December 2017, and the related condensed interim statements of changes in equity and cash flows for the twelve-month period then ended and notes, comprising of 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 the Cambodian International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making enquiries, 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'.

Other matter

The comparative information for the condensed interim statement of financial position as at 31 December 2016 and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows, and notes for the twelve-month period ended is based on the audited financial statements as at 31 December 2016. The comparative information for the condensed interim statement of profit or loss and other comprehensive income, and notes to the condensed interim financial information for the three-month period ended 31 December 2016 has not been audited or reviewed.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Lang Hy
Partner



Phnom Penh, Kingdom of Cambodia

Date: 12 February 2018

PricewaterhouseCoopers (Cambodia) Ltd.

58C Sihanouk Boulevard, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Cambodia

T: +855 (0)23 860 606, F: +855(0)23 211 594, www.pwc.com/kh

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 31 DECEMBER 2017

		31 December 2017	31 December 2016
	Note	KHR'000	KHR'000
		(Reviewed but unaudited)	(Audited)
ASSETS			
Non-current assets			
Property and equipment	7	808,870,338	734,743,792
Investment properties	8	283,672,069	259,135,950
Intangible assets	9	8,557,702	9,020,592
Loans to employees	10	5,305,113	-
		<u>1,106,405,222</u>	<u>1,002,900,334</u>
Current assets			
Loans to employees	10	1,618,425	-
Inventories	11	8,443,566	6,795,911
Trade and other receivables	12	39,767,395	25,104,570
Short-term bank deposits	13	73,194,201	13,479,228
Cash and cash equivalents	14	51,081,229	34,651,604
		<u>174,104,816</u>	<u>80,031,313</u>
Total assets		<u>1,280,510,038</u>	<u>1,082,931,647</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	15	518,018,063	428,859,836
Other reserves	16	17,641,914	14,969,867
Retained earnings		110,950,577	90,783,308
Total equity		<u>646,610,554</u>	<u>534,613,011</u>
LIABILITIES			
Non-current liabilities			
Borrowings	17	503,537,306	463,235,372
Retirement benefit obligations	18	41,008,255	40,301,411
Guaranteed dividend payable	15(b)	9,356,260	-
Deferred tax liabilities		7,617,200	-
Deferred income	19	5,795,114	5,928,335
		<u>567,314,135</u>	<u>509,465,118</u>
Current liabilities			
Guaranteed dividend payable	15(b)	5,403,634	-
Income tax liabilities		3,462,418	6,462,675
Trade and other payables	20	35,888,500	15,713,887
Borrowings	17	21,697,576	16,543,735
Deferred income	19	133,221	133,221
		<u>66,585,349</u>	<u>38,853,518</u>
Total liabilities		<u>633,899,484</u>	<u>548,318,636</u>
Total equity and liabilities		<u>1,280,510,038</u>	<u>1,082,931,647</u>

The accompanying notes on pages 6 to 28 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 TWELVE-MONTH PERIODS ENDED 31 DECEMBER 2017

		Three-month period ended 31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Unreviewed and unaudited)	Twelve-month period ended 31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Audited)
Revenue	21	62,843,000	53,115,171	227,397,835	208,981,249
EXPENSES					
Consumable supplies	22	(14,919,317)	(16,139,722)	(54,389,655)	(48,602,081)
Salaries, wages and related expenses	23	(18,902,996)	(19,760,221)	(61,634,886)	(55,377,444)
Depreciation and amortisation	24	(6,857,999)	(5,624,776)	(25,239,936)	(22,179,508)
Repairs and maintenances		(1,851,984)	(1,409,426)	(5,142,296)	(5,946,723)
Other expenses	25	(6,255,985)	(4,798,191)	(21,897,147)	(20,621,799)
Other losses – net	26	(759,021)	(867,478)	(687,575)	(1,639,023)
		<u>(49,547,302)</u>	<u>(48,599,814)</u>	<u>(168,991,495)</u>	<u>(154,366,578)</u>
Operating profit		13,295,698	4,515,357	58,406,340	54,614,671
Finance income		5,073,824	57,883,008	1,975,084	293,648
Finance costs		(3,463,830)	(4,212,191)	(22,526,792)	(19,062,144)
Finance income/(costs) – net	27	<u>1,609,994</u>	<u>53,670,817</u>	<u>(20,551,708)</u>	<u>(18,768,496)</u>
PROFIT BEFORE INCOME TAX		14,905,692	58,186,174	37,854,632	35,846,175
Income tax expense	28	<u>(3,281,425)</u>	<u>(1,615,840)</u>	<u>(12,715,316)</u>	<u>(9,125,703)</u>
PROFIT FOR THE PERIOD		<u>11,624,267</u>	<u>56,570,334</u>	<u>25,139,316</u>	<u>26,720,472</u>
Other comprehensive income Items that will not be reclassified to profit or loss:		-	-	-	-
Total comprehensive income for the period		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit attributable to shareholders		<u>11,624,267</u>	<u>56,570,334</u>	<u>25,139,316</u>	<u>26,720,472</u>
Total comprehensive income attributable to shareholders		<u>11,624,267</u>	<u>56,570,334</u>	<u>25,139,316</u>	<u>26,720,472</u>

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

Basic earnings per share	29	<u>135.53</u>	<u>879.39</u>	<u>328.40</u>	<u>415.37</u>
Diluted earnings per share	29	<u>135.53</u>	<u>879.39</u>	<u>328.40</u>	<u>415.37</u>

The accompanying notes on pages 6 to 28 are an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

	Attributable to shareholders			
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<i>Twelve-month period ended 31 December 2016 (Audited)</i>				
Balance at 1 January 2016	428,859,836	12,245,405	69,087,298	510,192,539
Profit for the period	-	-	26,720,472	26,720,472
Total comprehensive income for the period	-	-	26,720,472	26,720,472
Transfer to reserves	-	2,724,462	(2,724,462)	-
Dividend paid	-	-	(2,300,000)	(2,300,000)
Balance at 31 December 2016 (Audited)	428,859,836	14,969,867	90,783,308	534,613,011
<i>Twelve-month period ended 31 December 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	-	-	25,139,316	25,139,316
Total comprehensive income for the period	-	-	25,139,316	25,139,316
Proceeds from shares issued	89,158,227	-	-	89,158,227
Transfer to reserves	-	2,672,047	(2,672,047)	-
Dividend paid	-	-	(2,300,000)	(2,300,000)
Balance at 31 December 2017 (Reviewed but unaudited)	518,018,063	17,641,914	110,950,577	646,610,554

The accompanying notes on pages 6 to 28 are an integral part of this condensed interim financial information.

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CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

		Twelve-month period ended	
		31 December 2017	31 December 2016
	Note	KHR'000	KHR'000
		<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Cash flows from operating activities			
Cash generated from operations	30	76,650,767	78,515,243
Income tax paid		(8,098,373)	(6,238,956)
Retirement benefit obligations paid	18	(3,447,156)	(3,260,377)
Cash generated from operating activities		<u>65,105,238</u>	<u>69,015,910</u>
Cash flows from investing activities			
Purchases of property and equipment (*)	7	(73,589,793)	(80,023,569)
Purchases of investment properties	8	(30,607,992)	(581,162)
Purchases of intangible assets	9	(595,023)	(729,388)
Loans to employees		(10,266,904)	-
Receipts of principal repayment from loans to employees		1,283,363	-
Placements of short-term bank deposits		(59,714,973)	(266,428)
Interest received		<u>268,606</u>	<u>293,648</u>
Cash used in investing activities		<u>(173,222,716)</u>	<u>(81,306,899)</u>
Cash flows from financing activities			
Proceeds from new shares issued – net		103,339,069	-
Dividends paid		(2,300,000)	(2,300,000)
Proceeds from borrowings		48,935,481	30,091,194
Repayments of borrowings		(14,678,915)	(14,183,979)
Interest paid		<u>(10,748,532)</u>	<u>(11,894,426)</u>
Cash generated from financing activities		<u>124,547,103</u>	<u>1,712,789</u>
Net increase/(decrease) in cash and cash equivalents		<u>16,429,625</u>	<u>(10,578,200)</u>
Cash and cash equivalents at beginning of the period		<u>34,651,604</u>	<u>45,229,804</u>
Cash and cash equivalents at end of the period	14	<u>51,081,229</u>	<u>34,651,604</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 28 are an integral part of this condensed interim financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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 of a public enterprise.

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;
- adhering to the basic principle and working procedures in the same functions as the customers; and
- committing to manage and organise the operational activities to be effective and progressive

In the status of public institution, PAS has hereby obtained an extensive authority and major duties from the government 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 12 February 2018.

This condensed interim financial information for the twelve-month period ended 31 December 2017 has been reviewed, not audited.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

2. BASIS OF PREPARATION

This condensed interim financial information for the twelve-month period ended 31 December 2017 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 2016, 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 2016 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 2016.

- (a) PAS has adopted the following amendments for the accounting period beginning on 1 January 2017:

CIFRS (Amendment)	Annual Improvements to CIFRS Standards 2014-2016 Cycle
CIAS 7 (Amendment)	Disclosure Initiatives
CIAS 12 (Amendment)	Recognition of Deferred Tax Assets for Unrealised Losses
CIAS 40 (Amendment)	Transfers of Investment Property

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

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

CIFRS 2 (Amendment)	Share-based Payment – Classification and Measurement of Share-based Payment Transactions: effective for annual periods beginning on or after 1 January 2018
CIFRS 4 (Amendment)	Insurance Contracts – Applying CIFRS 9 Financial Instruments with CIFRS 4 Insurance Contracts: effective for annual periods beginning on or after 1 January 2018
CIFRS 9	Financial Instruments: effective for annual periods beginning on or after 1 January 2018
CIFRS 10 and CIAS 28 (Amendment)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture: Effective for annual periods beginning on or after a date to be determined
CIFRS 15	Revenue from Contracts with Customers: effective for annual periods beginning on or after 1 January 2018
CIFRS 16	Lease: effective for annual periods beginning on or after 1 January 2019

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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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 2016.

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 2016.

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) *Loan to employee* - The fair value is estimated by discounting the future contractual cash inflows using a lending rate at period-end (Note 10).
- (d) *Guaranteed dividend payable* - The fair value is estimated by discounting the future contractual cash outflows using a minimum guaranteed dividend yield (Note 15-b).
- (e) *Borrowings* – The fair value is estimated by discounting the future contractual cash outflows using a prevailing borrowing rate at period-end (Note 17).

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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).

There were no transfers between different levels of the fair value hierarchy during the period.

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 performance 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.

All revenues are derived from external customers. PAS is domiciled in Sihanoukville and all sales originate from Sihanoukville and the surrounding areas.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

7. PROPERTY AND EQUIPMENT

	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 2016 (Audited)													
Cost	252,045,640	48,907,640	231,484,176	114,290,576	22,450,241	1,201,254	2,061,362	6,491,508	25,580,998	236,490,921	166,182,526	1,348,225	1,108,535,067
Accumulated depreciation	-	(23,754,880)	(74,780,122)	(113,390,629)	(15,667,902)	(824,245)	(1,634,424)	(3,151,544)	(16,928,879)	(122,663,590)	-	(995,060)	(373,791,275)
Net book amount (Audited)	<u>252,045,640</u>	<u>25,152,760</u>	<u>156,704,054</u>	<u>899,947</u>	<u>6,782,339</u>	<u>377,009</u>	<u>426,938</u>	<u>3,339,964</u>	<u>8,652,119</u>	<u>113,827,331</u>	<u>166,182,526</u>	<u>353,165</u>	<u>734,743,792</u>
Twelve-month period ended 31 December 2017 (Reviewed but unaudited)													
Opening net book amount	252,045,640	25,152,760	156,704,054	899,947	6,782,339	377,009	426,938	3,339,964	8,652,119	113,827,331	166,182,526	353,165	734,743,792
Additions (*)	-	1,042,333	606,320	-	-	-	208,960	105,160	8,226,461	-	81,778,100	269,362	92,236,696
Transfer in/(out)	-	-	-	-	679,713	-	-	-	-	90,377,289	(91,057,002)	-	-
Depreciation charges	-	(1,044,579)	(4,740,812)	(97,055)	(1,365,689)	(58,088)	(289,586)	(1,166,886)	(1,144,045)	(7,860,993)	-	(342,417)	(18,110,150)
Closing net book amount	<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>
At 31 December 2017													
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 (Reviewed but unaudited)	<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>

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

	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Audited)
Additions	92,236,696	80,023,568
Payable to a supplier (Note 20)	(18,646,903)	-
Cash paid	<u>73,589,793</u>	<u>80,023,568</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

8. INVESTMENT PROPERTIES

	Land KHR'000	Building KHR'000	Port facilities KHR'000	Road KHR'000	Water systems KHR'000	Other equipment KHR'000	Construction in progress KHR'000	Total KHR'000
At 31 December 2016 <i>(Audited)</i>								
Cost	103,014,016	71,202,663	15,858,698	12,399,516	46,502,562	28,091,881	-	277,069,336
Accumulated depreciation	-	(8,615,439)	(666,836)	(521,382)	(1,955,368)	(6,174,361)	-	(17,933,386)
Net book amount <i>(Audited)</i>	<u>103,014,016</u>	<u>62,587,224</u>	<u>15,191,862</u>	<u>11,878,134</u>	<u>44,547,194</u>	<u>21,917,520</u>	<u>-</u>	<u>259,135,950</u>
Twelve-month period ended 31 December 2017 <i>(Reviewed but unaudited)</i>								
Opening net book amount	103,014,016	62,587,224	15,191,862	11,878,134	44,547,194	21,917,520	-	259,135,950
Additions	28,963,489	851,508	-	-	89,935	-	703,060	30,607,992
Depreciation charges	-	(1,416,920)	(323,232)	(252,726)	(947,921)	(3,131,074)	-	(6,071,873)
Closing net book amount	<u>131,977,505</u>	<u>62,021,812</u>	<u>14,868,630</u>	<u>11,625,408</u>	<u>43,689,208</u>	<u>18,786,446</u>	<u>703,060</u>	<u>283,672,069</u>
At 31 December 2017								
Cost	131,977,505	72,054,171	15,858,698	12,399,516	46,592,497	28,091,881	703,060	307,677,328
Accumulated depreciation	-	(10,032,359)	(990,068)	(774,108)	(2,903,289)	(9,305,435)	-	(24,005,259)
Net book amount <i>(Reviewed but unaudited)</i>	<u>131,977,505</u>	<u>62,021,812</u>	<u>14,868,630</u>	<u>11,625,408</u>	<u>43,689,208</u>	<u>18,786,446</u>	<u>703,060</u>	<u>283,672,069</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

8. INVESTMENT PROPERTIES (continued)

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

	Twelve-month period ended	
	31 December 2017	31 December 2016
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Rental revenue	2,848,180	2,301,551
Direct operating expenses arising from investment properties that generate rental revenue	(3,316,943)	(2,718,513)

9. INTANGIBLE ASSETS

	Software KHR'000	Total KHR'000
At 31 December 2016		
Cost	12,872,923	12,872,923
Accumulated amortisation	(3,852,331)	(3,852,331)
Net book amount <i>(audited)</i>	<u>9,020,592</u>	<u>9,020,592</u>
<i>Twelve-month period ended 31 December 2017</i> <i>(Reviewed but unaudited)</i>		
Opening net book amount	9,020,592	9,020,592
Additions	595,023	595,023
Amortisation charges	(1,057,913)	(1,057,913)
Closing net book amount	<u>8,557,702</u>	<u>8,557,702</u>
At 31 December 2017		
Cost	13,467,946	13,467,946
Accumulated amortisation	(4,910,244)	(4,910,244)
Net book amount <i>(Reviewed but unaudited)</i>	<u>8,557,702</u>	<u>8,557,702</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

10. LOANS TO EMPLOYEES

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 shares upon initial public offering (IPO).

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>
Current	1,618,425
Non-Current	5,305,113
Carrying value	<u>6,923,538</u>
Fair value	6,923,538

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 loans from commercial banks in Khmer Riel currency for a period of four years.

The fair value adjustment to the loan balance of KHR 2,622 million was initially recognised as other assets in the interim statement of financial position and amortised to interim statement of 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.

11. INVENTORIES

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Consumable supplies	8,142,916	6,541,873
Oil and lubricant	527,098	328,594
Combustible materials	516,546	668,438
Provision for consumable supplies (*)	<u>(742,994)</u>	<u>(742,994)</u>
	<u><u>8,443,566</u></u>	<u><u>6,795,911</u></u>

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

12. TRADE AND OTHER RECEIVABLES

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Trade receivables	24,314,846	17,487,112
<i>Other receivables:</i>		
Advances to MoPWT (*)	10,550,000	5,000,000
Advances	2,614,624	1,457,862
Withholding tax credit	961,250	888,376
Prepayments	48,407	48,407
Others	1,278,268	222,813
	<u>15,452,549</u>	<u>7,617,458</u>
	<u>39,767,395</u>	<u>25,104,570</u>

(*) MoEF issued a letter dated 14 December 2016 requesting PAS to make cash advances to the Ministry of Public Works and Transport ("MoPWT") in order to renovate and widen certain parts of National Road No.4 in Sihanoukville province. At 31 December 2017, PAS has made cash advances of KHR 12,850 million. In a letter from MoEF to PAS dated 08 September 2017, cash advances will be settled by deduction of dividend distribution in the future. As at 31 December 2017, the dividend distribution amounting to KHR 2,300 million was settle against the cash advances.

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 three to twelve months, earning interest at rates ranging from 3.50% to 6.00% (2016: 3.50% to 6.00%) per annum.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

14. CASH AND CASH EQUIVALENTS

	31 December 2017 KHR'000	31 December 2016 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Cash on hand	1,275,252	1,986,286
Cash at banks		
Current accounts	<u>49,805,977</u>	<u>32,665,318</u>
	<u>51,081,229</u>	<u>34,651,604</u>

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

Trade Union for PAS's employees opened bank accounts under the name of PAS. The purpose of the Trade Union is for raising funds from individual employees to support any employees in case of other financial needs. PAS does not record this amount in its book as the fund does not belong to PAS but just held as trustee. As at the 31 December 2017, the amount held under PAS as trustee for Trade Union is KHR 302 million (31 December 2016: KHR 301 million).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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
<i>Twelve-month period ended 31 December 2016 (Audited)</i>									
At 1 January 2016	-	-	-	-	-	-	-	428,859,836	428,859,836
At 31 December 2016 (Audited)	-	-	-	-	-	-	-	428,859,836	428,859,836
<i>Twelve-month period ended 31 December 2017 (Reviewed but unaudited)</i>									
At 1 January 2017	-	-	-	-	-	-	-	428,859,836	428,859,836
Conversion of capital to shares (a)	364,530,861	364,530,861	64,328,975	64,328,975	-	-	-	(428,859,836)	-
Proceeds from new shares issued (b)	-	-	-	-	21,442,992	21,442,992	67,715,235	-	89,158,227
At 31 December 2017 (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

- (a) 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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

15. SHARE CAPITAL (continued)

(b) The details of class C shares are as follows:

Shareholders	Number of shares
Japan International Cooperation Agency (JICA)	11,579,216
Employee share option scheme	2,144,299
Other investors	7,719,477
	<u>21,442,992</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. The transaction costs of issuing new shares have been offset with the share premium. All issued class C shares were fully paid.

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 guarantee dividends amount is KHR 14,180 million (at original recognition) expected to be paid for 3 years from the listing date. The government, shareholders of class B voting shares and class A non-voting shares, is not entitled to receive the minimum guaranteed dividend.

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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

17. BORROWINGS

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Borrowings from:		
MoEF – (JICA) – Loan No. CP-P3	85,094,491	89,055,556
MoEF – (JBIC) – Loan No. CP-P4	127,055,028	134,520,299
MoEF – (JBIC) – Loan No. CP-P6	8,517,311	8,709,121
MoEF – (JBIC) – Loan No. CP-P8	126,754,757	122,963,860
MoEF – (JBIC) – Loan No. CP-P10	177,813,295	124,530,271
	<u>525,234,882</u>	<u>479,779,107</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:

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Current		
Not later than one year	<u>21,697,576</u>	<u>16,543,735</u>
Non-current		
Later than one year but not later than two years	21,808,458	20,294,878
Later than two year but not later than five years	74,819,814	76,070,328
Later than five years	406,909,034	366,870,166
	<u>503,537,306</u>	<u>463,235,372</u>
	<u>525,234,882</u>	<u>479,779,107</u>

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

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Carrying value	525,234,882	479,779,107
Fair value	509,071,706	470,977,450

The fair values of the loans are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

17. BORROWINGS (continued)

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

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
JPY	398,179,854	345,258,807
US\$	127,055,028	134,520,300
	<u>525,234,882</u>	<u>479,779,107</u>

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

	31 December 2017 <i>(Reviewed but unaudited)</i>	31 December 2016 <i>(Audited)</i>
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	2.50%	2.50%
MoEF – (JBIC) – Loan No. CP-P10	2.50%	2.50%

18. RETIREMENT BENEFIT OBLIGATIONS

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

	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Present value of defined benefit obligations	41,008,255	40,301,411
Unfunded status	41,008,255	40,301,411
Net liability recognised in interim statement of financial position	<u>41,008,255</u>	<u>40,301,411</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

18. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	Twelve-month period ended	
	31 December 2017	31 December 2016
	KHR'000	KHR'000
	(Reviewed but unaudited)	(Audited)
Beginning balance	40,301,411	39,496,788
Current service cost	1,148,000	1,195,000
Interest cost	3,006,000	2,870,000
Benefits paid	(3,447,156)	(3,260,377)
Closing balance	41,008,255	40,301,411

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

	Twelve-month period ended	
	31 December 2017	31 December 2016
	KHR'000	KHR'000
	(Reviewed but unaudited)	(Audited)
Current service cost	1,148,000	1,195,000
Interest cost	3,006,000	2,870,000
	4,154,000	4,065,000

The principal actuarial assumptions were as follows:

	2017	2016
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 2008 Thailand mortality table modified to fit Cambodian life expectancy. The 2008 Thailand mortality table is the latest published mortality table in Thailand and has remained consistent as at 31 December 2017.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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 interim statement of profit or loss on a straight line basis over the lease term.

	Twelve-month period ended	
	31 December 2017 KHR'000	31 December 2016 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Beginning balance	6,061,556	6,214,725
Additions	232,109	-
Credited to the interim statement of profit or loss	(367,585)	(133,837)
Foreign currency differences	2,255	(19,332)
Closing balance	<u>5,928,335</u>	<u>6,061,556</u>
	31 December 2017 KHR'000	31 December 2016 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	133,221	133,221
Non-current	<u>5,795,114</u>	<u>5,928,335</u>
	<u>5,928,335</u>	<u>6,061,556</u>

20. TRADE AND OTHER PAYABLES

	31 December 2017 KHR'000	31 December 2016 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade payables (*)	<u>22,141,725</u>	<u>5,862,739</u>
Accrued bonuses	8,590,721	7,064,067
Value added tax payable	1,065,163	1,087,257
Deposits from customers	1,231,327	939,243
Salary tax payable	300,422	285,521
Other liabilities	<u>2,559,142</u>	<u>475,060</u>
	<u>13,746,775</u>	<u>9,851,148</u>
	<u>35,888,500</u>	<u>15,713,887</u>

(*) Included in trade payables, there is an outstanding payable of KHR 18,647 million for purchases of sea port equipment.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

21. REVENUE

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Unreviewed and unaudited)</i>	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Port revenue	60,459,317	51,323,736	218,148,991	203,087,678
Rental income from SEZ	797,737	782,868	2,848,180	2,301,551
Other revenue	1,585,946	1,008,567	6,400,664	3,592,020
	<u>62,843,000</u>	<u>53,115,171</u>	<u>227,397,835</u>	<u>208,981,249</u>

22. CONSUMABLE SUPPLIES

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Unreviewed and unaudited)</i>	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Combustible expenses	8,295,598	5,981,154	30,432,024	22,125,156
Spare parts	2,916,490	5,935,164	12,710,820	16,520,260
Warehouse supplies	1,357,367	2,365,844	5,652,106	4,058,018
Oil and lubricant	882,781	644,428	2,800,039	2,705,186
Office supplies	668,481	819,548	1,819,761	2,226,721
Other consumables	798,600	393,584	974,905	966,740
	<u>14,919,317</u>	<u>16,139,722</u>	<u>54,389,655</u>	<u>48,602,081</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

23. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Unreviewed and unaudited)</i>	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Employee salaries	11,970,477	10,719,496	44,692,571	40,514,055
Bonuses	4,856,276	7,064,067	8,637,281	7,074,697
Retirement benefit costs (Note 18)	1,038,500	1,016,250	4,154,000	4,065,000
Directors' remuneration	349,200	349,200	1,523,355	1,014,920
Wages for contractors	32,244	55,026	139,894	1,344,312
Other employee-related expenses	656,299	556,182	2,487,785	1,364,460
	<u>18,902,996</u>	<u>19,760,221</u>	<u>61,634,886</u>	<u>55,377,444</u>

24. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Unreviewed and unaudited)</i>	31 December 2017 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2016 KHR'000 <i>(Audited)</i>
Property and equipment (Note 7)	5,071,350	3,856,955	18,110,150	15,126,887
Investment properties (Note 8)	1,520,930	1,514,971	6,071,873	6,059,883
Intangible assets (Note 9)	265,719	252,850	1,057,913	992,738
	<u>6,857,999</u>	<u>5,624,776</u>	<u>25,239,936</u>	<u>22,179,508</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

25. OTHER EXPENSES

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Unreviewed and unaudited)	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Audited)
Contributions and donations (*)	2,881,019	1,013,403	7,654,112	5,529,088
Special Economic Zone (SEZ) operating expense	1,162,154	786,538	3,316,943	2,718,513
Reception and hospitality	625,684	1,195,850	2,937,219	3,485,485
Publications	338,939	257,705	944,051	678,020
Training, workshops and seminars	303,614	383,886	1,219,676	1,201,339
Administrative expenses	294,710	430,099	2,702,934	2,585,853
Missions	280,703	268,618	1,094,676	986,384
Professional and related costs	123,797	269,688	512,397	704,035
Post services	64,145	90,451	700,943	659,075
Utilities	47,226	42,347	185,099	189,860
Equipment rental	44,001	44,013	176,096	144,272
Health-care supplies	41,090	-	169,278	169,397
Other taxes	2,800	-	192,210	1,531,460
Other expenses	46,103	15,593	91,513	39,018
	<u>6,255,985</u>	<u>4,798,191</u>	<u>21,897,147</u>	<u>20,621,799</u>

(*) Included in contributions and donations expenses amounting to KHR 1,983 million (31 December 2016: Nil) which represents 7% of PAS's profit (management accounts) as social contribution in accordance with article 34 of the Articles of Incorporation dated 21 February 2017.

26. OTHER GAINS – NET

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Unreviewed and unaudited)	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Audited)
Foreign exchange gains	74,331	107,092	1,326,339	1,321,825
Foreign exchange losses	(833,352)	(974,570)	(2,013,914)	(2,960,848)
Foreign exchange losses – net	<u>(759,021)</u>	<u>(867,478)</u>	<u>(687,575)</u>	<u>(1,639,023)</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

27. FINANCE INCOME/(COSTS) – NET

	Three-month period ended		Twelve-month period ended	
	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Unreviewed and unaudited)	31 December 2017 KHR'000 (Reviewed but unaudited)	31 December 2016 KHR'000 (Audited)
Finance income:				
Interest income on bank deposits (a)	693,743	133,612	1,413,263	293,648
Net exchange gains on foreign currency borrowings (c)	4,106,021	57,749,396	-	-
Interest income from unwinding of discount of loans to employees	274,060	-	561,821	-
	<u>5,073,824</u>	<u>57,883,008</u>	<u>1,975,084</u>	<u>293,648</u>
Finance costs:				
Interest expenses on borrowings (b)	(2,884,778)	(4,212,191)	(11,185,401)	(12,055,546)
Net exchange losses on foreign currency borrowings (c)	-	-	(10,762,340)	(7,006,598)
Interest expenses from winding up dividend guaranteed payable	(579,052)	-	(579,051)	-
	<u>(3,463,830)</u>	<u>(4,212,191)</u>	<u>(22,526,792)</u>	<u>(19,062,144)</u>
Finance income/(cost) – net	<u>1,609,994</u>	<u>53,670,817</u>	<u>(20,551,708)</u>	<u>(18,768,496)</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 twelve-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.

	31 December 2017	31 December 2016	31 December 2015
JPY/KHR	35.92	34.85	33.79
US\$/KHR	4,037	4,037	4,050

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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.

Under the Law on Taxation, PAS must pay tax on profit of 20% of its taxable profit or minimum tax of 1% of its total turnover, whichever is higher.

According to ANUKRET No.01 ANKR.TT dated 1 January 2015, PAS is entitled to a three-year tax incentive given by the Securities Exchange Commission of Cambodia. The incentive is a reduction of 50% of amount of tax on profit to be paid.

29. 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		Twelve-month period ended	
	31 December 2017	31 December 2016	31 December 2017	31 December 2016
	<i>(Reviewed but unaudited)</i>	<i>(Unreviewed and unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Profit attributable to shareholders (KHR'000)	11,624,267	56,570,334	25,139,316	26,720,472
Weighted average number of shares	85,771,967	64,328,975	76,551,480	64,328,975
Basic earnings per share (KHR'000)	<u>135.53</u>	<u>879.39</u>	<u>328.40</u>	<u>415.37</u>

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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

30. CASH GENERATED FROM OPERATIONS

	Twelve-month period ended	
	31 December 2017	31 December 2016
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Profit before income tax	37,854,632	35,846,175
<i>Adjustments for:</i>		
Depreciation and amortisation charges	25,239,936	22,179,508
Finance costs – net	20,551,708	18,768,496
Retirement benefit obligation expenses	4,154,000	4,065,000
Other employees related expenses from loans to employees	327,728	-
<i>Changes in working capital:</i>		
Inventories	(1,647,655)	(2,641,064)
Trade and other receivables	(11,224,071)	(4,365,145)
Trade and other payables	1,527,710	4,815,442
Deferred income	(133,221)	(153,169)
Cash generated from operations	<u>76,650,767</u>	<u>78,515,243</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 are disclosed in Note 12 and Note 17 respectively.

(b) *Key management compensation*

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

	Twelve-month period ended	
	31 December 2017	31 December 2016
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
<i>Board of Directors</i>		
Salaries, fees and related expenses	<u>1,396,800</u>	<u>349,200</u>
<i>Key management personnel</i>		
Salaries and other expenses	<u>1,785,437</u>	<u>1,507,874</u>
Retirement benefits (*)	<u>165,949</u>	<u>151,293</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2017

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. Loan will be repaid on monthly basis by deducting from the monthly salaries of the key management (refer to Note 10). As at 31 December 2017, outstanding loans to the key management were KHR 3,902 million.

32. COMMITMENTS

As at 31 December 2017, PAS had outstanding capital expenditure commitment of KHR 52,608 million for its purchase of property and equipment to be paid in various stages until 2018.