

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019**

SIHANOUKVILLE AUTONOMOUS PORT

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Report on review of condensed interim financial information

To the shareholders of Sihanoukville Autonomous Port

Introduction

We have reviewed the accompanying statement of financial position of Sihanoukville Autonomous Port (“PAS”) as at 31 March 2019 and the related statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended and notes, comprising a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with Cambodian International Accounting Standard 34, ‘Interim Financial Reporting’. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410, ‘Review of interim financial information performed by the independent auditor of the entity’. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, ‘Interim Financial Reporting’.

For PricewaterhouseCoopers (Cambodia) Ltd.


By Lang Hy
Partner



Phnom Penh, Kingdom of Cambodia
Date: 16 May 2019

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 31 MARCH 2019

	Note	31 March 2019 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2018 KHR'000 <i>(Audited)</i>
ASSETS			
Non-current assets			
Property and equipment	6	843,216,946	845,661,971
Investment properties	7	278,754,323	279,482,180
Intangible assets	8	7,229,113	7,494,831
Loans to employees		<u>2,903,686</u>	<u>3,421,132</u>
		<u>1,132,104,068</u>	<u>1,136,060,114</u>
Current assets			
Loans to employees		1,956,918	1,883,981
Inventories		9,317,742	11,322,618
Trade and other receivables		50,162,644	41,859,011
Short-term bank deposits		74,961,973	74,873,239
Cash and cash equivalents		<u>54,368,357</u>	<u>62,191,525</u>
		<u>190,767,634</u>	<u>192,130,374</u>
Total assets		<u><u>1,322,871,702</u></u>	<u><u>1,328,190,488</u></u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	9	518,018,063	518,018,063
Other reserves		20,155,846	20,155,846
Retained earnings		<u>127,661,544</u>	<u>119,015,525</u>
Total equity		<u>665,835,453</u>	<u>657,189,434</u>
LIABILITIES			
Non-current liabilities			
Guaranteed dividend payable	9	5,344,716	5,256,339
Borrowings	10	521,850,983	528,423,918
Retirement benefit obligations		67,618,155	66,881,976
Seniority payment obligations		1,471,768	1,471,768
Deferred income		5,597,914	5,635,245
Deferred tax liabilities		<u>6,646,229</u>	<u>4,606,884</u>
		<u>608,529,765</u>	<u>612,276,130</u>
Current liabilities			
Guaranteed dividend payable	9	4,995,062	4,912,466
Borrowings	10	21,350,181	22,197,311
Retirement benefit obligations		3,057,000	3,057,000
Seniority payment obligations		367,953	367,953
Deferred income		454,316	251,527
Trade and other payables		17,997,775	20,941,904
Income tax liabilities		<u>284,197</u>	<u>6,996,763</u>
		<u>48,506,484</u>	<u>58,724,924</u>
Total liabilities		<u>657,036,249</u>	<u>671,001,054</u>
Total equity and liabilities		<u><u>1,322,871,702</u></u>	<u><u>1,328,190,488</u></u>

The accompanying notes on pages 6 to 23 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Note	Three-month period ended	
		31 March 2019 KHR'000 <i>(Reviewed but unaudited)</i>	31 March 2018 KHR'000 <i>(Reviewed but unaudited)</i>
Revenue	11	<u>69,611,828</u>	<u>59,270,456</u>
Expenses			
Consumable supplies	12	(23,274,822)	(15,412,679)
Salaries, wages and related expenses	13	(19,232,417)	(14,394,147)
Depreciation and amortisation charges	14	(7,107,142)	(6,842,007)
Repairs and maintenances		(2,784,478)	(1,530,054)
Other expenses		(5,679,667)	(5,096,569)
Other losses – net		(41,593)	(148,505)
		<u>(58,120,119)</u>	<u>(43,423,961)</u>
Operating profit		<u>11,491,709</u>	<u>15,846,495</u>
Finance income		2,184,480	949,661
Finance costs		(2,704,056)	(22,700,826)
Finance costs – net	15	<u>(519,576)</u>	<u>(21,751,165)</u>
Profit/(loss) before income tax		<u>10,972,133</u>	<u>(5,904,670)</u>
Income tax expense	16	<u>(2,326,114)</u>	<u>(3,676,341)</u>
Profit/(loss) for the period		<u>8,646,019</u>	<u>(9,581,011)</u>
Other comprehensive income			
Items that will not be reclassified to profit or loss:			
Remeasurement of retirement benefit obligations		-	(1,680,750)
Total comprehensive income/(loss) for the period		<u>-</u>	<u>(1,680,750)</u>
Profit/(loss) attributable to shareholders		<u>8,646,019</u>	<u>(9,581,011)</u>
Total comprehensive income/(loss) attributable to shareholders		<u>8,646,019</u>	<u>(11,261,761)</u>

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

Basic earnings/(losses) per share (KHR)	17	<u>100.80</u>	<u>(111.70)</u>
Diluted earnings/(losses) per share (KHR)	17	<u>100.80</u>	<u>(111.70)</u>

The accompanying notes on pages 6 to 23 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

	Attributable to shareholders			
	Share capital and share premium KHR'000	Other reserves KHR'000	Retained earnings KHR'000	Total KHR'000
<i>Three-month period ended 31 March 2018 (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>
Loss for the period	-	-	(9,581,011)	(9,581,011)
Other comprehensive loss	-	-	(1,680,750)	(1,680,750)
Total comprehensive loss for the period	-	-	(11,261,761)	(11,261,761)
Balance at 31 March 2018 <i>(reviewed but unaudited)</i>	<u>518,018,063</u>	<u>17,641,914</u>	<u>99,688,816</u>	<u>635,348,793</u>
<i>Three-month period ended 31 March 2019 (reviewed but unaudited)</i>				
Balance at 1 January 2019	<u>518,018,063</u>	<u>20,155,846</u>	<u>119,015,525</u>	<u>657,189,434</u>
Profit for the period	-	-	8,646,019	8,646,019
Total comprehensive income for the period	-	-	8,646,019	8,646,019
Balance at 31 March 2019 <i>(reviewed but unaudited)</i>	<u>518,018,063</u>	<u>20,155,846</u>	<u>127,661,544</u>	<u>665,835,453</u>

The accompanying notes on pages 6 to 23 are an integral part of this condensed interim financial information.

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**INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019**

	Note	Three-month period ended	
		31 March 2019 KHR'000	31 March 2018 KHR'000
		<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Cash flows from operating activities			
Cash inflow from operations	18	10,216,246	6,466,476
Income tax paid		(6,999,335)	(3,463,052)
Retirement benefit obligations paid		(752,071)	(781,941)
Net cash inflow from operating activities		<u>2,464,840</u>	<u>2,221,483</u>
Cash flows from investing activities			
Purchases of property and equipment	6	(2,407,301)	(8,599,899)
Purchases of investment properties	7	-	(265,825)
Receipts of repayment of loans to employees		641,402	641,680
Placements of short-term bank deposits		(88,734)	6,761
Interest received		771,344	638,202
Net cash outflow from investing activities		<u>(1,083,289)</u>	<u>(7,579,081)</u>
Cash flows from financing activities			
Proceeds from borrowings		342,071	4,136,764
Repayments of borrowings		(5,457,458)	(6,970,405)
Interest paid		(4,089,332)	(4,217,847)
Net cash outflow from financing activities		<u>(9,204,719)</u>	<u>(7,051,488)</u>
Net decrease in cash and cash equivalents		<u>(7,823,168)</u>	<u>(12,409,086)</u>
Cash and cash equivalents at beginning of the period		<u>62,191,525</u>	<u>51,081,229</u>
Cash and cash equivalents at end of the period		<u>54,368,357</u>	<u>38,672,143</u>

The accompanying notes on pages 6 to 23 are an integral part of this condensed interim financial information.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

1. GENERAL INFORMATION

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

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

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

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

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

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

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

The condensed interim financial information was approved for issue by the Board of Directors on 16 May 2019.

This condensed interim financial information for the three-month period ended 31 March 2019 has been reviewed, but not audited.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

2. BASIS OF PREPARATION

This condensed interim financial information for the three-month period ended 31 March 2019 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 2018, 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 2018 audited financial statements.

2.1 *New and amended standards adopted by PAS*

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

• New standard (*)	CIFRS 16: Leases
• Annual improvement	CIAS12: Income tax
• Annual improvement	CIAS 23: Borrowing cost
• Amended standard	CIAAS 19: Employee benefit

(*) CIFRS 16: Leases, it results 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. PAS has a minimal operating lease with low value.

The accounting for lessor has not significantly changed and PAS is a primary lessor.

There is no significant impact on adoption of standards above.

3. MANAGEMENT ESTIMATES

The preparation of condensed interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial information, the significant judgements made by management in applying the PAS's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

4. FINANCIAL RISK MANAGEMENT

4.1 *Financial risk factors*

PAS's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The condensed interim financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with PAS's annual financial statements for the year ended 31 December 2018.

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

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

- (a) *Cash and cash equivalents and short-term bank deposits* – The carrying values of these amounts approximate their fair values due to their short-term nature.
- (b) *Trade and other receivables* – The carrying amounts less impairment provisions approximate the fair value because these are subject to normal credit terms and are short-term in nature.
- (c) *Loans to employees* – The carrying amount of current portion of loans to employees is considered to be the same as their fair value due to the short-term nature of the loans to employees. For the non-current portion of loans to employees, it has a fair value of KHR 2,904 million as at 31 March 2019, compared to a carrying amount of KHR 3,208 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 5,345 million as at 31 March 2019, 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 current borrowing rate at the period-end.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities. 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 THREE-MONTH PERIOD ENDED 31 MARCH 2019

5. SEGMENT INFORMATION

PAS has a reportable segment, namely, port service. The chief operating decision-maker (the management team) reviews the internal management report, which reports the performances of the port service segment as a whole, to assess performance and allocate resources. The chief operating decision-maker 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 7.

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

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

6. PROPERTY AND EQUIPMENT

	Land	Land improvement	Buildings	Port facilities	Technical equipment	Other equipment	Furniture and fittings	Computer and office equipment	Motor vehicles	Seaport equipment	Construction in progress	Palettes	Total
	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000	KHR'000
<i>At 31 December 2018 (audited)</i>													
Cost	250,929,909	51,816,151	233,502,910	114,290,576	23,129,954	1,201,254	2,507,582	8,052,102	43,758,253	326,868,210	200,816,981	1,797,412	1,258,671,294
Accumulated depreciation	-	(25,885,071)	(84,313,173)	(113,584,739)	(18,420,028)	(940,421)	(2,111,730)	(5,740,738)	(20,037,851)	(140,350,300)	-	(1,625,272)	(413,009,323)
Net book amount (audited)	250,929,909	25,931,080	149,189,737	705,837	4,709,926	260,833	395,852	2,311,364	23,720,402	186,517,910	200,816,981	172,140	845,661,971
<i>Three-month period ended 31 March 2019 (reviewed but unaudited)</i>													
Opening net book amount	250,929,909	25,931,080	149,189,737	705,837	4,709,926	260,833	395,852	2,311,364	23,720,402	186,517,910	200,816,981	172,140	845,661,971
Additions (*)	-	86,357	89,721	-	-	-	-	10,668	-	1,362,778	1,315,660	-	2,865,184
Transfers	-	1,211,261	-	-	-	-	-	-	-	-	(1,211,261)	-	-
Depreciation charges	-	(285,608)	(1,225,683)	(24,264)	(245,732)	(10,353)	(54,572)	(348,063)	(587,130)	(2,479,521)	-	(49,283)	(5,310,209)
Closing net book amount	250,929,909	26,943,090	148,053,775	681,573	4,464,194	250,480	341,280	1,973,969	23,133,272	185,401,167	200,921,380	122,857	843,216,946
<i>At 31 March 2019</i>													
Cost	250,929,909	53,113,769	233,592,631	114,290,576	23,129,954	1,201,254	2,507,582	8,062,770	43,758,253	328,230,988	200,921,380	1,797,412	1,261,536,478
Accumulated depreciation	-	(26,170,679)	(85,538,856)	(113,609,003)	(18,665,760)	(950,774)	(2,166,302)	(6,088,801)	(20,624,981)	(142,829,821)	-	(1,674,555)	(418,319,532)
Net book amount (reviewed but unaudited)	250,929,909	26,943,090	148,053,775	681,573	4,464,194	250,480	341,280	1,973,969	23,133,272	185,401,167	200,921,380	122,857	843,216,946

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

6. PROPERTY AND EQUIPMENT (continued)

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

	31 March 2019 KHR'000	31 March 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	2,865,184	8,599,899
Payable to a supplier (non-cash)	<u>(457,883)</u>	<u>-</u>
Cash paid during the period	<u>2,407,301</u>	<u>8,599,899</u>

The interest cost that was capitalised on qualifying assets under construction in progress as at 31 March 2019 was KHR 781 million which (interest rate at 1.65% per annum from MoEF – (JBIC) – Loan No. CP-P10 – note 10).

7. INVESTMENT PROPERTIES

	Land KHR'000	Building KHR'000	Total KHR'000
At 31 December 2018 <i>(audited)</i>			
Cost	134,325,883	175,266,517	309,592,400
Accumulated depreciation	<u>-</u>	<u>(30,110,220)</u>	<u>(30,110,220)</u>
Net book value <i>(audited)</i>	<u>134,325,883</u>	<u>145,156,297</u>	<u>279,482,180</u>
<i>Three-month period ended 31 March 2019 (reviewed but unaudited)</i>			
Opening net book amount	134,325,883	145,156,297	279,482,180
Additions (*)	-	803,358	803,358
Depreciation charges	<u>-</u>	<u>(1,531,215)</u>	<u>(1,531,215)</u>
Closing net book amount	<u>134,325,883</u>	<u>144,428,440</u>	<u>278,754,323</u>
At 31 March 2019			
Cost	134,325,883	176,069,875	310,395,758
Accumulated depreciation	<u>-</u>	<u>(31,641,435)</u>	<u>(31,641,435)</u>
Net book amount <i>(reviewed but unaudited)</i>	<u>134,325,883</u>	<u>144,428,440</u>	<u>278,754,323</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019**

7. INVESTMENT PROPERTIES (continued)

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

	31 March 2019 KHR'000	31 March 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Purchases (cash and non-cash) during the period	803,358	265,825
Payable to a supplier (non-cash)	<u>(803,358)</u>	<u>-</u>
Cash paid during the period	<u>-</u>	<u>265,825</u>

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

	Three-month period ended	
	31 March 2019 KHR'000	31 March 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	848,808	721,355
Amortisation expenses	(1,531,215)	(1,521,645)
Direct operating expenses arising from investment properties that generate rental revenue	(742,235)	(815,631)

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

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019**

8. INTANGIBLE ASSETS

	Software KHR'000	Total KHR'000
At 31 December 2018 <i>(audited)</i>		
Cost	13,467,947	13,467,947
Accumulated amortisation	<u>(5,973,116)</u>	<u>(5,973,116)</u>
Net book amount <i>(audited)</i>	<u>7,494,831</u>	<u>7,494,831</u>
<i>Three-month period ended 31 March 2019 (reviewed but unaudited)</i>		
Opening net book amount	7,494,831	7,494,831
Amortisation charges	<u>(265,718)</u>	<u>(265,718)</u>
Closing net book amount	<u>7,229,113</u>	<u>7,229,113</u>
At 31 March 2019		
Cost	13,467,947	13,467,947
Accumulated amortisation	<u>(6,238,834)</u>	<u>(6,238,834)</u>
Net book amount <i>(reviewed but unaudited)</i>	<u>7,229,113</u>	<u>7,229,113</u>

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**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019**

9. SHARE CAPITAL AND SHARE PREMIUM

	Class A share (*)		Class B share (**)		Class C share (***)		Share premium	Total
	Number	KHR'000	Number	KHR'000	Number	KHR'000	KHR'000	KHR'000
At 31 December 2018 (<i>audited</i>)	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>
At 31 March 2019 (<i>reviewed but unaudited</i>)	<u>364,530,861</u>	<u>364,530,861</u>	<u>64,328,975</u>	<u>64,328,975</u>	<u>21,442,992</u>	<u>21,442,992</u>	<u>67,715,235</u>	<u>518,018,063</u>

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

9. 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)	11%	9,434,916	9,434,916
Employee share option scheme	2%	2,144,299	2,144,299
Other investors	12%	9,863,777	9,863,777
	<u>25%</u>	<u>21,442,992</u>	<u>21,442,992</u>
	<u>100%</u>	<u>85,771,967</u>	<u>85,771,967</u>

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

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

As an incentive to public investors, class C shareholders (all carried voting rights) are entitled to receive a minimum guaranteed dividend yield of 5% per annum for 3 years (either in cash or in share in which the choice of settlement is made by PAS only) of the total class C shares multiplied by the offering price from the IPO listing date in June 2017. If settlement mode of dividend payment in shares, it is based on the closing market price of shares before ex-dividend day. No fixed number of 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 government, shareholder of class B voting shares and class A non-voting shares, is not entitled to receive the minimum guaranteed dividend.

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

	31 March 2019	31 December 2018
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	4,995,062	4,912,466
Non-current	5,344,716	5,256,339
	<u>10,339,778</u>	<u>10,168,805</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

9. SHARE CAPITAL AND SHARE PREMIUM (continued)

The movement of guaranteed dividend payables is as follows:

	Three-month period ended	
	31 March 2019 KHR'000	31 March 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Opening balance	10,168,805	14,759,894
Interest expenses from winding up (note 15)	170,973	248,165
Closing balance	<u>10,339,778</u>	<u>15,008,059</u>

10. BORROWINGS

	31 March 2019 KHR'000	31 December 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Borrowings from:		
MoEF – (JICA) – Loan No. CP-P3	75,667,127	79,795,514
MoEF – (JBIC) – Loan No. CP-P4	120,009,840	119,018,127
MoEF – (JBIC) – Loan No. CP-P6	8,250,959	8,212,084
MoEF – (JBIC) – Loan No. CP-P8	120,704,044	123,945,263
MoEF – (JBIC) – Loan No. CP-P10	218,569,194	219,650,241
	<u>543,201,164</u>	<u>550,621,229</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 March 2019 KHR'000	31 December 2018 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current		
Not later than one year	21,350,181	22,197,311
Non-current		
Later than one year but not later than two years	29,420,524	24,144,780
Later than two year but not later than five years	88,263,549	88,411,112
Later than five years	404,166,910	415,868,026
	<u>521,850,983</u>	<u>528,423,918</u>
	<u>543,201,164</u>	<u>550,621,229</u>

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

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

	31 March 2019	31 December 2018
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Carrying value		
Current portion	21,350,181	22,197,311
Non-current portion	521,850,983	528,423,918
	<u>543,201,164</u>	<u>550,621,229</u>
Fair value		
Current portion	18,664,108	18,487,318
Non-current portion	378,175,498	381,369,035
	<u>396,839,606</u>	<u>399,856,353</u>

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

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

	31 March 2019	31 December 2018
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	414,933,231	420,192,943
US\$	128,267,933	130,428,286
	<u>543,201,164</u>	<u>550,621,229</u>

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

	31 March 2019	31 December 2018
MoEF – (JICA) – Loan No. CP-P3	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P4	3.70%	3.70%
MoEF – (JBIC) – Loan No. CP-P6	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P8	2.65%	2.65%
MoEF – (JBIC) – Loan No. CP-P10	1.65%	1.65%

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11. REVENUE

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Stevedoring charges	30,330,039	26,071,496
Lift-On Lift-Off (LO-LO)	19,706,128	16,578,401
Port due/charge services	14,915,701	12,762,757
Rental income from SEZ	848,808	721,355
Other revenue	3,811,152	3,136,447
	<u>69,611,828</u>	<u>59,270,456</u>

12. CONSUMABLE SUPPLIES

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Combustible expenses	10,486,024	9,160,710
Spare parts	9,306,063	2,808,501
Warehouse supplies	1,317,083	2,372,180
Oil and lubricant	813,286	770,363
Office supplies	849,166	300,925
Other consumables	503,200	-
	<u>23,274,822</u>	<u>15,412,679</u>

13. SALARIES, WAGES AND RELATED EXPENSES

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Employee salaries	13,947,290	12,032,979
Bonuses	2,301,000	-
Retirement benefit costs	1,488,250	1,071,500
Directors' remuneration	306,000	349,200
Social security expenses	63,970	112,438
Wages for contractors	69,450	36,150
Other employee-related expenses	1,056,457	791,880
	<u>19,232,417</u>	<u>14,394,147</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

14. DEPRECIATION AND AMORTISATION CHARGES

	Three-month period ended	
	31 March 2019	31 March 2018
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Property and equipment	5,310,209	5,054,644
Investment properties	1,531,215	1,521,645
Intangible assets	265,718	265,718
	<u>7,107,142</u>	<u>6,842,007</u>

15. FINANCE COSTS – NET

	Three-month period ended	
	31 March 2019	31 March 2018
	KHR'000	KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Finance income:		
Interest income on bank deposits (a)	781,275	689,834
Net exchange gains on foreign currency borrowings (c)	1,206,312	-
Interest income from unwinding of discount of loans to employees	196,893	259,827
	<u>2,184,480</u>	<u>949,661</u>
Finance costs:		
Interest expenses on borrowings (b)	(2,533,083)	(2,883,970)
Net exchange losses on foreign currency borrowings	-	(19,568,691)
Interest expenses from winding up guaranteed dividend payables	(170,973)	(248,165)
	<u>(2,704,056)</u>	<u>(22,700,826)</u>
Finance costs – net	<u>(519,576)</u>	<u>(21,751,165)</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 10) which are denominated in Japanese yen (JPY) and US dollar (US\$). Given the appreciation in KHR against JPY and US\$, this resulted in significant exchange gains on its borrowings. The exchange rates are based on the exchange rates published by the National Bank of Cambodia as at the end of reporting period.

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

15. FINANCE COSTS – NET (continued)

	<u>31 March 2019</u>	<u>31 December 2018</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
JPY/KHR	36.49	36.59	37.76	35.92
US\$/KHR	4,015	4,018	4,000	4,037

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

17. 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.

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Profit/(loss) attributable to shareholders (KHR'000)	8,646,019	(9,581,011)
Weighted average number of shares	<u>85,771,967</u>	<u>85,771,967</u>
Basic earnings/(losses) per share (KHR)	<u>100.80</u>	<u>(111.70)</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.

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18. CASH GENERATED FROM OPERATIONS

	Note	Three-month period ended	
		31 March 2019 KHR'000	31 March 2018 KHR'000
Profit/(loss) before income tax		10,972,133	(5,904,670)
<i>Adjustments for:</i>			
Depreciation and amortisation charges	14	7,107,142	6,842,007
Finance costs– net	15	519,576	21,751,165
Retirement benefit obligation expenses		1,488,250	1,071,500
Other employees related expenses from loans to employees		163,864	163,864
<i>Changes in working capital:</i>			
Inventories		2,004,876	874,576
Trade and other receivables		(8,457,566)	327,587
Trade and other payables		(3,747,487)	(18,804,037)
Deferred income		165,458	144,484
Cash inflow from operations		<u>10,216,246</u>	<u>6,466,476</u>

19. RELATED PARTY TRANSACTIONS

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

(a) Related party balances

(i) Amount due to MoEF

	31 March 2019 KHR'000	31 December 2018 KHR'000
Borrowings from:		
MoEF – (JICA)	75,667,127	79,795,514
MoEF – (JBIC)	467,534,037	470,825,715
	<u>543,201,164</u>	<u>550,621,229</u>

(ii) Amount due from MoPWT

	31 March 2019 KHR'000	31 December 2018 KHR'000
Advances to MoPWT	<u>13,771,300</u>	<u>9,771,300</u>

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NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

19. RELATED PARTY TRANSACTIONS (continued)

(b) *Related parties transaction*

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Interest expenses on borrowings from MoEF (note 15(b))	<u>(2,533,083)</u>	<u>(2,883,970)</u>

(c) *Key management compensation*

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

	<u>Three-month period ended</u>	
	<u>31 March 2019</u>	<u>31 March 2018</u>
	<u>KHR'000</u>	<u>KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
<i>Board of directors</i>		
Fees and related expenses	<u>306,000</u>	<u>349,200</u>
<i>Key management personnel</i>		
Salaries and other expenses	<u>566,171</u>	<u>436,169</u>
Retirement benefit expenses (*)	<u>49,202</u>	<u>42,860</u>

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

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

(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. As at 31 March 2019, outstanding loans to the key management were KHR 2,195 million (31 December 2018: KHR 2,439 million).

20. COMMITMENTS

As at 31 March 2019, PAS had outstanding capital expenditure commitment of KHR 194 million (31 December 2018: KHR 531 million) for its purchase of property and equipment.

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21. EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 12 April 2019, the Board of Directors approved the dividend in respect of the financial year ended 31 December 2018 of KHR 101.82 per share for class B shares and KHR 403 per share for class C shares, amounting to a total dividend of KHR 15,192 million.