

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

CONTENTS	Page(s)
REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	1
CONDENSED INTERIM FINANCIAL INFORMATION	
Condensed interim statement of financial position	2
Condensed interim statement of profit or loss and other comprehensive income	3
Condensed interim statement of changes in equity	4
Condensed interim statement of cash flows	5
Notes to the condensed interim financial information	6 - 33



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 ("PAS") as at 31 December 2018 and the related condensed statements of profit or loss and other comprehensive income for the three-month and twelve-month periods then ended, the condensed statements of changes in equity and cash flows for the twelve-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: 28 February 2019

SIHANOUKVILLE AUTONOMOUS PORT

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED) AS AT 31 DECEMBER 2018

	Note	31 December 2018 KHR'000 (Reviewed but unaudited)	31 December 2017 KHR'000 (Audited)
ASSETS			
Non-current assets			
Property and equipment	8	845,661,971	808,870,338
Investment properties	9	279,482,180	283,672,069
Intangible assets	10	7,494,831	8,557,702
Loans to employees	11	3,421,132	5,305,113
		<u>1,136,060,114</u>	<u>1,106,405,222</u>
Current assets			
Loans to employees	11	1,883,981	1,618,425
Inventories	12	11,322,618	8,443,566
Trade and other receivables	13	41,859,011	39,767,395
Short-term bank deposits	14	74,873,239	73,194,201
Cash and cash equivalents	15	62,191,525	51,081,229
		<u>192,130,374</u>	<u>174,104,816</u>
Total assets		<u>1,328,190,488</u>	<u>1,280,510,038</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital and share premium	16	518,018,063	518,018,063
Other reserves	17	20,155,846	17,641,914
Retained earnings		132,237,925	110,950,577
Total equity		<u>670,411,834</u>	<u>646,610,554</u>
LIABILITIES			
Non-current liabilities			
Guaranteed dividend payable	16	5,256,339	9,356,260
Borrowings	18	528,423,918	503,537,306
Retirement benefit obligations	19	51,392,976	38,012,475
Seniority payment obligations	20	1,471,768	-
Deferred tax liabilities		7,912,484	7,617,200
Deferred income	21	5,635,245	5,795,114
		<u>600,092,730</u>	<u>564,318,355</u>
Current liabilities			
Guaranteed dividend payable	16	4,912,466	5,403,634
Borrowings	18	22,197,311	21,697,576
Retirement benefit obligations	19	2,018,000	2,995,780
Income tax liabilities		6,996,763	3,462,418
Seniority payment obligations	20	367,953	-
Deferred income	21	251,527	133,221
Trade and other payables	22	20,941,904	35,888,500
		<u>57,685,924</u>	<u>69,581,129</u>
Total liabilities		<u>657,778,654</u>	<u>633,899,484</u>
Total equity and liabilities		<u>1,328,190,488</u>	<u>1,280,510,038</u>

The accompanying notes on pages 6 to 33 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 PERIOD ENDED 31 DECEMBER 2018**

	Note	Three-month period ended		Twelve-month period ended	
		31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
		<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
REVENUE	23	75,441,319	62,843,000	275,575,645	227,397,835
EXPENSES					
Consumable supplies	24	(20,223,752)	(14,919,317)	(76,192,843)	(54,389,655)
Salaries, wages and related expenses	25	(21,980,500)	(18,902,996)	(74,708,318)	(61,634,886)
Depreciation and amortisation	26	(7,229,082)	(6,857,999)	(28,275,731)	(25,239,936)
Repairs and maintenances		(1,128,363)	(1,851,984)	(6,042,397)	(5,142,296)
Other expenses	27	(5,348,308)	(6,255,985)	(24,964,932)	(21,897,147)
Other losses – net	28	(271,587)	(759,021)	(427,811)	(687,575)
		<u>(56,181,592)</u>	<u>(49,547,302)</u>	<u>(210,612,032)</u>	<u>(168,991,495)</u>
Operating profit		<u>19,259,727</u>	<u>13,295,698</u>	<u>64,963,613</u>	<u>58,406,340</u>
Finance income		896,900	5,073,824	3,711,666	1,975,084
Finance costs		(7,590,702)	(3,463,830)	(19,117,492)	(22,526,792)
Finance (costs)/income – net	29	<u>(6,693,802)</u>	<u>1,609,994</u>	<u>(15,405,826)</u>	<u>(20,551,708)</u>
PROFIT BEFORE INCOME TAX		<u>12,565,925</u>	<u>14,905,692</u>	<u>49,557,787</u>	<u>37,854,632</u>
Income tax expense	30	<u>178,289</u>	<u>(3,281,425)</u>	<u>(7,294,615)</u>	<u>(12,715,316)</u>
PROFIT FOR THE PERIOD		<u>12,744,214</u>	<u>11,624,267</u>	<u>42,263,172</u>	<u>25,139,316</u>
Other comprehensive income					
Items that will not be reclassified to profit or loss:					
Remeasurement of retirement benefit obligations		<u>(6,181,750)</u>	-	<u>(11,224,000)</u>	-
Total comprehensive income for the period		<u>(6,181,750)</u>	<u>-</u>	<u>(11,224,000)</u>	<u>-</u>
Profit attributable to shareholders		<u>12,744,214</u>	<u>11,624,267</u>	<u>42,263,172</u>	<u>25,139,316</u>
Total comprehensive income attributable to shareholders		<u>6,562,464</u>	<u>11,624,267</u>	<u>31,039,172</u>	<u>25,139,316</u>

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

Basic earnings per share (KHR)	31	<u>148.58</u>	<u>135.53</u>	<u>492.74</u>	<u>328.40</u>
Diluted earnings per share (KHR)	31	<u>148.58</u>	<u>135.53</u>	<u>492.74</u>	<u>328.40</u>

The accompanying notes on pages 6 to 33 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

	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 2017 (Audited)</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>
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)	-
Dividends paid (note 7)	-	-	(2,300,000)	(2,300,000)
Balance at 31 December 2017 (Audited)	<u>518,018,063</u>	<u>17,641,914</u>	<u>110,950,577</u>	<u>646,610,554</u>
<i>Twelve-month period ended 31 December 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>
Profit for the period	-	-	42,263,172	42,263,172
Other comprehensive income	-	-	(11,224,000)	(11,224,000)
Total comprehensive income for the period	-	-	31,039,172	31,039,172
Transfer to reserves	-	2,513,932	(2,513,932)	-
Dividends paid (note 7)	-	-	(7,237,892)	(7,237,892)
Balance at 31 December 2018 (Reviewed but unaudited)	<u>518,018,063</u>	<u>20,155,846</u>	<u>132,237,925</u>	<u>670,411,834</u>

The accompanying notes on pages 6 to 33 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

	Note	Twelve-month period ended	
		31 December 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Cash flows from operating activities			
Cash generated from operations	32	79,339,741	76,650,767
Income tax paid		(3,464,986)	(8,098,373)
Retirement benefit obligations paid	19	(3,107,279)	(3,447,156)
Cash generated from operating activities		<u>72,767,476</u>	<u>65,105,238</u>
Cash flows from investing activities			
Purchases of property and equipment (*)	8	(58,981,826)	(73,589,793)
Purchases of investment properties	9	(799,341)	(30,607,992)
Purchases of intangible assets		-	(595,023)
Loans to employees	11	-	(10,266,904)
Receipts of repayment of loans to employees	11	2,566,726	1,283,363
Placements of short-term bank deposits		(1,679,038)	(59,714,973)
Interest received		2,796,425	268,606
Cash used in investing activities		<u>(56,097,054)</u>	<u>(173,222,716)</u>
Cash flows from financing activities			
Proceeds from new shares issued – net		-	103,339,069
Dividends paid	7	(12,641,525)	(2,300,000)
Proceeds from borrowings		38,276,871	48,935,481
Repayments of borrowings		(20,160,151)	(14,678,915)
Interest paid		(11,035,321)	(10,748,532)
Cash (used in)/generated from financing activities		<u>(5,560,126)</u>	<u>124,547,103</u>
Net increase in cash and cash equivalents		11,110,296	16,429,625
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	15	<u>62,191,525</u>	<u>51,081,229</u>

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

The accompanying notes on pages 6 to 33 are an integral part of this condensed interim financial information.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 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 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 28 February 2019.

This condensed interim financial information for the twelve-month period ended 31 December 2018 has been reviewed, but not audited.

2. BASIS OF PREPARATION

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

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES

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

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

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

CIFRS 15 is based on the principle that revenue is recognised when control of goods or services is transferred to customers. The adoption of CIFRS 15, other amendments and interpretations has no significant impact on the results and financial position of PAS for the current or prior periods.

CIFRS 9 replaces CIAS 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

CIFRS 9 categorises financial assets into three principal classification categories: measured at amortised cost, at fair value through other comprehensive income (FVOCI) and at fair value through profit or loss (FVPL). These supersede CIAS 39's categories of held-to-maturity investments, loans and receivables, available-for-sale financial assets and financial assets measured at FVPL. The classification of financial assets under CIFRS 9 is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

PAS has adopted the simplified expected credit loss model for its trade receivables as required by CIFRS 9, paragraph 5.5.15, and the general expected credit loss model for non-trade receivables and other financial assets such as loans to employees, short-term bank deposits and cash and cash equivalents.

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.

SIHANOUKVILLE AUTONOMOUS PORT

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

(c) Accounting policies applied from 1 January 2018

CIFRS 9 Financial Instruments

i. Classification

From 1 January 2018, PAS classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI, or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

(c) Accounting policies applied from 1 January 2018 (continued)

CIFRS 9 Financial Instruments (continued)

i. Classification (continued)

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI.

ii. Measurement

At initial recognition, PAS measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Changes in the fair value of financial assets at FVPL are recognised in other gain or losses in the statement of profit or loss as applicable.

iii. Impairment

CIFRS 9 replaces the “incurred loss” impairment model in CIAS 39 with a forward-looking “expected credit loss” (“ECL”) model.

PAS recognises a loss allowance for ECL on financial assets which are subject to impairment under CIFRS 9. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. Loss allowances for all other financial instruments equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are updated at each reporting date to reflect changes in credit risk since initial recognition. Any change in ECLs is recognised in profit or loss.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

3. ACCOUNTING POLICIES (continued)

(c) Accounting policies applied from 1 January 2018 (continued)

CIFRS 15 Revenue from Contracts with Customers

Under CIFRS 15, PAS recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer (which is when the customer obtains control of that good or service). A performance obligation is a promise to transfer a distinct good or service to a customer. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Seniority Payment Obligations

The amended labour law dated 26 June 2018 and the ministerial Prakas No. 443 MLVT/Br.k dated 21 September 2018 introduced seniority payment obligations from 1 January 2019 and the payments are to be made every six month on 30 June and 31 December for unspecified duration employment contract (UDC). It also requires to back pay seniority payment up to 31 December 2018 for staff who had worked for the Company before 31 December 2018 and still continue working with the Company. The past seniority payment depends on each staff past services and shall not exceed six months of average gross salaries. It will be paid at 7.5 days every six month along side with new seniority payment.

The past seniority liability was recognised at the present value of defined obligation at the reporting period using the projected unit credit method to better estimate the ultimate cost to the Company that employees have earned in return for their service in the current and prior period. That obligations arises as employees render the services that the Company expected to pay in the future reporting periods. The present value of the past seniority payment is determined by discounting the estimate future payments by references to current market interest rate in the industry.

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.

Except as described below, 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.

Seniority Payment Obligations

The present value of the seniority payment obligations depends on a number of factors that are determined on a basis using a number of assumptions. The assumptions used in determining the ultimate cost for seniority payment include the staff turnover and discount rate. Any changes in these assumptions will impact the carrying amount of seniority payment obligations.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 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) *Trade and other receivables* – The carrying amounts less impairment provisions approximate the fair value because these are subject to normal credit terms and are short-term in nature.
- (c) *Loans to employees* – The carrying amount of current portion of loans to employees is considered to be the same as their fair value due to the short-term nature of the loans to employees. For the non-current portion of loans to employees, it has a fair value of KHR 3,421 million as at 31 December 2018, compared to a carrying amount of KHR 3,850 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 5,256 million as at 31 December 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 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).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

5. FINANCIAL RISK MANAGEMENT (continued)

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

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

6. SEGMENT INFORMATION

PAS has a reportable segment, namely, port service. The chief operating decision-maker (the management team) reviews the internal management report, which reports the performances of the port service segment as a whole, to assess performance and allocate resources. The chief operating decision-maker assesses the performance of the reportable segment by measuring gross revenue, profit before tax and net profit compared to prior periods. In addition, PAS also has a Special Economic Zone (SEZ) operating at early stage, please refer to note 9.

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

7. DIVIDENDS

On 3 July 2018, the Board of Directors approved to distribute the dividends in respect of profit of the financial year ended 31 December 2017 as follows:

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Dividends paid to Class B shares	4,000,000	2,300,000
Dividends paid to Class C shares of KHR 403 per share (*)	<u>8,641,525</u>	<u>-</u>
Total dividends paid	<u>12,641,525</u>	<u>2,300,000</u>

(*) Including the guaranteed dividends amounting to KHR 5,403,634 thousand (note 16).

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

8. 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
<i>At 31 December 2017 (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>
<i>Twelve-month period ended 31 December 2018 (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 (*)	-	1,866,178	68,919	-	-	-	237,260	1,455,434	9,950,794	-	45,256,852	179,826	59,015,263
Reclassification	(1,115,731)	-	-	-	-	-	-	-	-	-	-	-	(1,115,731)
Transfers	-	-	1,343,495	-	-	-	-	-	-	-	(1,343,495)	-	-
Depreciation charges	-	(1,085,612)	(4,792,239)	(97,055)	(1,386,437)	(58,088)	(187,720)	(1,422,308)	(1,964,927)	(9,825,717)	-	(287,796)	(21,107,899)
Closing net book amount	<u>250,929,909</u>	<u>25,931,080</u>	<u>149,189,737</u>	<u>705,837</u>	<u>4,709,926</u>	<u>260,833</u>	<u>395,852</u>	<u>2,311,364</u>	<u>23,720,402</u>	<u>186,517,910</u>	<u>200,816,981</u>	<u>172,140</u>	<u>845,661,971</u>
<i>At 31 December 2018</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 <i>(Reviewed but unaudited)</i>	<u>250,929,909</u>	<u>25,931,080</u>	<u>149,189,737</u>	<u>705,837</u>	<u>4,709,926</u>	<u>260,833</u>	<u>395,852</u>	<u>2,311,364</u>	<u>23,720,402</u>	<u>186,517,910</u>	<u>200,816,981</u>	<u>172,140</u>	<u>845,661,971</u>

The interest cost that was capitalised on qualifying assets under construction in progress for the period ended 31 December 2018 was KHR 8,595 million.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

8. PROPERTY AND EQUIPMENT (continued)

(*) 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 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Purchases (cash and non-cash) during the period	59,015,263	92,236,696
Payable to a supplier (non-cash) – (note 22)	<u>(33,437)</u>	<u>(18,646,903)</u>
Cash paid during the period	<u>58,981,826</u>	<u>73,589,793</u>

9. 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>131,977,505</u>	<u>150,991,504</u>	<u>703,060</u>	<u>283,672,069</u>
<i>Twelve-month period ended 31 December 2018 (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
Reclassification	1,115,731	-	-	1,115,731
Transfers	1,232,647	-	(1,232,647)	-
Depreciation charges	<u>-</u>	<u>(6,104,961)</u>	<u>-</u>	<u>(6,104,961)</u>
Closing net book amount	<u>134,325,883</u>	<u>145,156,297</u>	<u>-</u>	<u>279,482,180</u>
At 31 December 2018				
Cost	134,325,883	175,266,517	-	309,592,400
Accumulated depreciation	<u>-</u>	<u>(30,110,220)</u>	<u>-</u>	<u>(30,110,220)</u>
Net book amount <i>(Reviewed but unaudited)</i>	<u>134,325,883</u>	<u>145,156,297</u>	<u>-</u>	<u>279,482,180</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

9. INVESTMENT PROPERTIES (continued)

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

	<u>Twelve-month period ended</u>	
	<u>31 December 2018 KHR'000</u>	<u>31 December 2017 KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>
Rental revenue	3,016,365	2,848,180
Amortisation expenses	(6,104,961)	(6,071,873)
Direct operating expenses arising from investment properties that generate rental revenue	(3,413,329)	(3,316,943)

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

10. INTANGIBLE ASSETS

	<u>Software KHR'000</u>	<u>Total KHR'000</u>
Non-current assets		
At 31 December 2017 <i>(Audited)</i>		
Cost	13,467,947	13,467,947
Accumulated amortisation	(4,910,245)	(4,910,245)
Net book amount <i>(Audited)</i>	<u>8,557,702</u>	<u>8,557,702</u>
<i>Twelve-month period ended 31 December 2018 (Reviewed but unaudited)</i>		
Opening net book amount	8,557,702	8,557,702
Amortisation charges	(1,062,871)	(1,062,871)
Closing net book amount	<u>7,494,831</u>	<u>7,494,831</u>
At 31 December 2018		
Cost	13,467,947	13,467,947
Accumulated amortisation	(5,973,116)	(5,973,116)
Net book amount <i>(Reviewed but unaudited)</i>	<u>7,494,831</u>	<u>7,494,831</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

11. LOANS TO EMPLOYEES

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	1,883,981	1,618,425
Non-Current	<u>3,421,132</u>	<u>5,305,113</u>
	<u><u>5,305,113</u></u>	<u><u>6,923,538</u></u>

On 8 February 2017, PAS approved to provide interest-free loans of KHR 10,266,904 thousand, 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 2,621,824 thousand was initially recognised as other assets in the statement of financial position and amortised to profit or loss as salaries, wages and related expenses throughout a period of four years. This was because the fair value of the loans has been reduced through a preferential rate (interest free) and a benefit was provided to the employees.

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

The movement of loans to employees is as follows:

	31 December 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	-	<u>(2,621,824)</u>
Loans initially measured at fair value	<u>6,923,538</u>	<u>7,645,080</u>
Add: Interest income from unwinding of discount rate	948,301	561,821
Less: Repayment of loans	<u>(2,566,726)</u>	<u>(1,283,363)</u>
Closing balance	<u><u>5,305,113</u></u>	<u><u>6,923,538</u></u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

12. INVENTORIES

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Consumable supplies	10,544,248	8,142,916
Oil and lubricant	1,104,110	527,098
Combustible materials	417,254	516,546
Provision for consumable supplies (*)	(742,994)	(742,994)
	<u>11,322,618</u>	<u>8,443,566</u>

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

Inventories recognised as expenses during the twelve-month period ended 31 December 2018 amounted to KHR 73,085 million (31 December 2017: KHR 53,444 million).

13. TRADE AND OTHER RECEIVABLES

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade receivables	28,962,532	24,314,846
Advances to MoPWT (*)	9,771,300	10,550,000
Advances	1,974,530	2,614,624
Withholding tax credit	1,033,902	961,250
Prepayments	116,747	48,407
Others	-	1,278,268
	<u>41,859,011</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.

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

13. TRADE AND OTHER RECEIVABLES (continued)

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Opening balance	10,550,000	5,000,000
Addition during the period	3,221,300	7,850,000
Settled through dividends distribution (note 7)	<u>(4,000,000)</u>	<u>(2,300,000)</u>
Closing balance	<u>9,771,300</u>	<u>10,550,000</u>

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

14. 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 4.75% (2017: 3.50% to 6.00%) per annum.

15. CASH AND CASH EQUIVALENTS

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Cash on hand	1,686,672	1,275,252
Cash at banks:		
Current accounts	<u>60,504,853</u>	<u>49,805,977</u>
	<u>62,191,525</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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

16. 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 2017 (Audited)</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 31 December 2017 (Audited)	<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>
<i>Twelve-month period ended 31 December 2018 (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 31 December 2018 (Reviewed but unaudited)	<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 364,530,861 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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

16. SHARE CAPITAL AND SHARE PREMIUM (continued)

The details of voting rights shares are as follows:

Shareholders	Percentage	Number of shares	KHR'000
Class B shares:			
The Royal Government of Cambodia	75%	64,328,975	64,328,975
Class C shares:			
Japan International Cooperation Agency (JICA)	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
	25%	21,442,992	21,442,992
	100%	85,771,967	85,771,967

(**) 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 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Opening balance	21,442,992	-
Proceed from new class C shares issued	-	108,072,680
Transaction costs	-	(4,733,611)
Cash proceed – net	21,442,992	103,339,069
Reclassification to guaranteed dividend payables	-	(14,180,842)
Reclassification to share premium	-	(67,715,235)
Closing balance	21,442,992	21,442,992

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 14,180,842 thousand (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 TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

16. SHARE CAPITAL AND SHARE PREMIUM (continued)

(***) The details of class C shares

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

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	4,912,466	5,403,634
Non-current	5,256,339	9,356,260
	<u>10,168,805</u>	<u>14,759,894</u>

The movement of guaranteed dividend payables is as follows:

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Opening balance	14,759,894	-
Initial recognition	-	14,180,843
Interest expenses from winding up (note 29)	812,544	579,051
Guaranteed dividends paid	(5,403,633)	-
Closing balance	<u>10,168,805</u>	<u>14,759,894</u>

17. OTHER RESERVES

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

Article 34 of the Article of Incorporation dated 21 February 2017 stipulates that PAS's annual profit, after offsetting losses carried forward (if any), is allocated to general reserve at 5% and legal reserve at 5%. On 3 July 2018, the Board of Directors approved to transfer the profit for the year ended 31 December 2017 to general reserve of KHR 1,256,966 thousand and legal reserve of KHR 1,256,966 thousand.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

18. BORROWINGS

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Borrowings from:		
MoEF – (JICA) – Loan No. CP-P3	79,795,514	85,094,491
MoEF – (JBIC) – Loan No. CP-P4	119,018,127	127,055,028
MoEF – (JBIC) – Loan No. CP-P6	8,212,084	8,517,311
MoEF – (JBIC) – Loan No. CP-P8	123,945,263	126,754,757
MoEF – (JBIC) – Loan No. CP-P10	219,650,241	177,813,295
	<u>550,621,229</u>	<u>525,234,882</u>

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

The maturity dates of these borrowings are as follows:

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current		
Not later than one year	<u>22,197,311</u>	<u>21,697,576</u>
Non-current		
Later than one year but not later than two years	24,144,780	21,808,458
Later than two year but not later than five years	88,411,112	74,819,814
Later than five years	415,868,026	406,909,034
	<u>528,423,918</u>	<u>503,537,306</u>
	<u>550,621,229</u>	<u>525,234,882</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

18. BORROWINGS (continued)

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

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Carrying value		
Current portion	22,197,311	21,697,576
Non-current portion	<u>528,423,918</u>	<u>503,537,306</u>
	<u>550,621,229</u>	<u>525,234,882</u>
Fair value		
Current portion	18,487,318	18,383,339
Non-current portion	<u>381,369,035</u>	<u>362,191,764</u>
	<u>399,856,353</u>	<u>380,575,103</u>

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

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

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
JPY	420,192,943	398,179,854
US\$	<u>130,428,286</u>	<u>127,055,028</u>
	<u>550,621,229</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:

	31 December 2018	31 December 2017
MoEF – (JICA) – Loan No. CP-P3	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P4	3.70%	3.70%
MoEF – (JBIC) – Loan No. CP-P6	3.00%	3.00%
MoEF – (JBIC) – Loan No. CP-P8	2.65%	3.00%
MoEF – (JBIC) – Loan No. CP-P10	2.50%	2.50%

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

19. RETIREMENT BENEFIT OBLIGATIONS

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

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Present value of defined benefit obligations	53,410,976	41,008,255
Unfunded status	53,410,976	41,008,255
Net liability recognised in condensed interim statement of financial position	<u>53,410,976</u>	<u>41,008,255</u>

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

	Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Beginning balance	41,008,255	40,301,411
Current service cost	1,151,000	1,148,000
Interest cost	3,135,000	3,006,000
Benefits paid	(3,107,279)	(3,447,156)
Remeasurement losses (*)	11,224,000	-
Closing balance	<u>53,410,976</u>	<u>41,008,255</u>

(*) The remeasurement losses arose from:

- (i) the change in the pre-retirement mortality table from the 2008 Thailand Ordinary Mortality table to the 2017 Thailand Ordinary Mortality table,
- (ii) the difference between the actual and projected scheme experience, and
- (iii) the difference in the defined benefit obligations balance as at 31 December 2017 between the figure booked in the financial statements and the projected figure based on the 2014 valuation results.

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current portion	2,018,000	2,995,780
Non-current portion	51,392,976	38,012,475
	<u>53,410,976</u>	<u>41,008,255</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

19. RETIREMENT BENEFIT OBLIGATIONS (continued)

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

	<u>Twelve-month period ended</u>	
	<u>31 December 2018 KHR'000</u>	<u>31 December 2017 KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current service cost	1,151,000	1,148,000
Interest cost	3,135,000	3,006,000
	<u>4,286,000</u>	<u>4,154,000</u>

The principal actuarial assumptions were as follows:

	<u>2018</u>	<u>2017</u>
Average expected future working years	18	20
Discount rate	7%	7%
Salary increase 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 31 December 2018.

20. SENIORITY PAYMENT OBLIGATIONS

PAS assessed the impact of past years of seniority payment obligations, and estimated the liabilities of KHR 1,839,721 thousand and recognised in the condensed interim financial information accordingly.

	<u>31 December 2018 KHR'000</u>	<u>31 December 2017 KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current portion	367,953	-
Non-current portion	1,471,768	-
	<u>1,839,721</u>	<u>-</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

20. SENIORITY PAYMENT OBLIGATIONS (continued)

The assumptions used in determining the ultimate cost for seniority payment include:

	<u>2018</u>
Discount rate	7%
Staff turnover rate	0.5%

21. DEFERRED INCOME

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

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Current	251,527	133,221
Non-current	<u>5,635,245</u>	<u>5,795,114</u>
	<u>5,886,772</u>	<u>5,928,335</u>
	31 December 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	751,935	232,109
Credited to the condensed interim statement of profit or loss	(769,692)	(367,585)
Foreign currency differences	<u>(23,806)</u>	<u>2,255</u>
Closing balance	<u><u>5,886,772</u></u>	<u><u>5,928,335</u></u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

22. TRADE AND OTHER PAYABLES

	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Trade payables (*)	3,378,123	22,141,725
Accrued bonuses	10,143,833	8,590,721
Deposits from customers	1,260,537	1,231,327
Value added tax payable	1,865,755	1,065,163
Salary tax payable	381,488	300,422
Accrual social fund contribution	2,990,312	1,982,664
Other liabilities	921,856	576,478
	<u>20,941,904</u>	<u>35,888,500</u>

Deposits from customers of KHR 1,260,537 thousand (2017: KHR 1,231,327 thousand) are expected to settle more than 12 months while the remaining trade and other payables of KHR 19,681,367 thousand (2017: KHR 34,657,173 thousand) are expected to settle within 12 months from the balance sheet date.

(*) Included in trade payables, there is an outstanding payable of KHR 33,437 thousand (2017: KHR 18,646,903 thousand) for purchases of property and equipment.

23. REVENUE

	Three-month period ended		Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Stevedoring charges	35,251,171	29,738,701	127,087,538	104,875,495
Lift-On Lift-Off (LO-LO)	19,985,070	17,051,514	75,138,978	63,629,447
Port due/charge services	16,133,628	13,669,102	57,694,034	49,644,049
Rental income from SEZ	771,704	797,737	3,016,365	2,848,180
Other revenue	3,299,746	1,585,946	12,638,730	6,400,664
	<u>75,441,319</u>	<u>62,843,000</u>	<u>275,575,645</u>	<u>227,397,835</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

24. CONSUMABLE SUPPLIES

	Three-month period ended		Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Combustible expenses	10,296,611	8,295,598	41,493,774	30,432,024
Spare parts	6,209,789	2,916,490	20,722,379	12,710,820
Warehouse supplies	2,373,926	1,357,367	7,700,704	5,652,106
Oil and lubricant	776,682	882,781	3,166,115	2,800,039
Office supplies	480,632	668,481	2,263,129	1,819,761
Other consumables	86,112	798,600	846,742	974,905
	<u>20,223,752</u>	<u>14,919,317</u>	<u>76,192,843</u>	<u>54,389,655</u>

25. SALARIES, WAGES AND RELATED EXPENSES

	Three-month period ended		Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Employee salaries	13,760,428	11,970,477	52,401,175	44,692,571
Bonuses	5,340,013	4,856,276	10,143,833	8,637,281
Accrued seniority payments	40,997	-	1,839,721	-
Retirement benefit costs (note 19)	1,071,500	1,038,500	4,286,000	4,154,000
Directors' remuneration	306,000	349,200	1,310,400	1,523,355
Social security expenses	292,990	76,881	570,686	273,277
Wages for contractors	119,550	32,244	216,100	139,894
Other employee-related expenses	1,049,022	579,418	3,940,403	2,214,508
	<u>21,980,500</u>	<u>18,902,996</u>	<u>74,708,318</u>	<u>61,634,886</u>

SIHANOUKVILLE AUTONOMOUS PORT

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018**

26. DEPRECIATION AND AMORTISATION CHARGE

	Three-month period ended		Twelve-month period ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 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>(Audited)</i>
Property and equipment	5,434,976	5,071,350	21,107,899	18,110,150
Investment properties	1,528,389	1,520,930	6,104,961	6,071,873
Intangible assets	265,717	265,719	1,062,871	1,057,913
	7,229,082	6,857,999	28,275,731	25,239,936

27. OTHER EXPENSES

	Three-month period ended		Twelve-month period ended	
	31 December 2018	31 December 2017	31 December 2018	31 December 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>(Audited)</i>
Contributions and donations	1,801,462	2,881,019	9,490,618	7,654,112
Special Economic Zone (SEZ) operating expense	859,952	1,162,154	3,413,329	3,316,943
Reception and hospitality	640,402	625,684	3,630,099	2,937,219
Missions	428,424	280,703	1,679,008	1,094,676
Expected credit losses	335,752	-	335,752	-
Administrative expenses	88,328	294,710	2,448,217	2,702,934
Training, workshops and seminars	548,913	303,614	1,173,407	1,219,676
Publications	170,229	338,939	851,783	944,051
Post services	74,183	64,145	636,839	700,943
Utilities	94,954	47,226	204,984	185,099
Professional and related costs	160,554	123,797	563,477	512,397
Health-care supplies	43,648	41,090	172,542	169,278
Equipment rental	33,758	44,001	105,758	176,096
Other taxes	-	2,800	90,582	192,210
Other expenses	67,749	46,103	168,537	91,513
	5,348,308	6,255,985	24,964,932	21,897,147

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)
FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

28. OTHER LOSSES – NET

	Three-month period ended		Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
Foreign exchange gains	111,321	74,331	924,057	1,326,339
Foreign exchange losses	(382,908)	(833,352)	(1,351,868)	(2,013,914)
	<u>(271,587)</u>	<u>(759,021)</u>	<u>(427,811)</u>	<u>(687,575)</u>

29. FINANCE (COSTS)/INCOME – NET

	Three-month period ended		Twelve-month period ended	
	31 December 2018 KHR'000	31 December 2017 KHR'000	31 December 2018 KHR'000	31 December 2017 KHR'000
	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
<i>Finance income:</i>				
Interest income on bank deposits (a)	682,698	693,743	2,763,365	1,413,263
Net exchange gains on foreign currency borrowings (c)	-	4,106,021	-	-
Interest income from unwinding of discount of loans to employees	214,202	274,060	948,301	561,821
	<u>896,900</u>	<u>5,073,824</u>	<u>3,711,666</u>	<u>1,975,084</u>
<i>Finance costs:</i>				
Interest expenses on borrowings (b)	(2,627,341)	(2,884,778)	(10,799,173)	(11,185,401)
Net exchange losses on foreign currency borrowings (c)	(4,792,388)	-	(7,505,775)	(10,762,340)
Interest expenses from winding up guaranteed dividend payables	(170,973)	(579,052)	(812,544)	(579,051)
	<u>(7,590,702)</u>	<u>(3,463,830)</u>	<u>(19,117,492)</u>	<u>(22,526,792)</u>
Finance (costs)/income– net	<u>(6,693,802)</u>	<u>1,609,994</u>	<u>(15,405,826)</u>	<u>(20,551,708)</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.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

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

- (c) PAS has the borrowings (note 18) 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.

	<u>31 December</u> <u>2018</u>	<u>30 September</u> <u>2018</u>	<u>31 December</u> <u>2017</u>	<u>30 September</u> <u>2017</u>
JPY/KHR	36.59	36.18	35.92	36.22
US\$/KHR	4,018	4,082	4,037	4,053

30. 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 effectively PAS is subject to 10% income tax rate from 2017 to 2019.

31. 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>Twelve-month period ended</u>	
	<u>31 December</u> <u>2018</u>	<u>31 December</u> <u>2017</u>	<u>31 December</u> <u>2018</u>	<u>31 December</u> <u>2017</u>
	<i>(Reviewed but</i> <i>unaudited)</i>	<i>(Reviewed but</i> <i>unaudited)</i>	<i>(Reviewed but</i> <i>unaudited)</i>	<i>(Audited)</i>
Profit attributable to shareholders (KHR'000)	12,744,214	11,624,267	42,263,172	25,139,316
Weighted average number of shares	85,771,967	85,771,967	85,771,967	76,551,480
Basic earnings per share (KHR)	<u>148.58</u>	<u>135.53</u>	<u>492.74</u>	<u>328.40</u>

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

31. EARNINGS PER SHARE (continued)

ii) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. PAS had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings per share was equivalent to the basic earnings per share.

32. CASH GENERATED FROM OPERATIONS

	Note	Twelve-month period ended	
		31 December 2018 KHR'000 <i>(Reviewed but unaudited)</i>	31 December 2017 KHR'000 <i>(Audited)</i>
Profit before income tax		49,557,787	37,854,632
<i>Adjustments for:</i>			
Depreciation and amortisation charges	26	28,275,731	25,239,936
Finance costs– net	29	15,405,826	20,551,708
Retirement benefit obligation expenses	19	4,286,000	4,154,000
Seniority payment obligations		1,839,721	-
Other employees related expenses from loans to employees		655,456	327,728
<i>Changes in working capital:</i>			
Inventories		(2,879,052)	(1,647,655)
Trade and other receivables		(2,780,132)	(11,224,071)
Trade and other payables		(14,980,033)	1,527,710
Deferred income		(41,563)	(133,221)
Cash generated from operations		<u>79,339,741</u>	<u>76,650,767</u>

33. RELATED PARTY TRANSACTIONS

(a) Related party transactions and balances

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

Significant related party transactions and balances with MoPWT and MoEF are disclosed in note 13 and notes 18 and 29(b) respectively.

SIHANOUKVILLE AUTONOMOUS PORT

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE TWELVE-MONTH PERIOD ENDED 31 DECEMBER 2018

33. RELATED PARTY TRANSACTIONS (continued)

(b) *Key management compensation*

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

	<u>Twelve-month period ended</u>	
	<u>31 December 2018 KHR'000</u>	<u>31 December 2017 KHR'000</u>
	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
<i>Board of directors</i>		
Fees and related expenses	<u>1,310,400</u>	<u>1,396,800</u>
<i>Key management personnel</i>		
Salaries and other expenses	<u>2,237,744</u>	<u>1,785,437</u>
Retirement benefits (*)	<u>145,765</u>	<u>144,860</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 (note 11). Loan will be repaid on monthly basis by deducting from the monthly salaries of the key management. As at 31 December 2018, outstanding loans to the key management were KHR 2,439 million (31 December 2017: KHR 3,414 million).

34. COMMITMENTS

As at 31 December 2018, PAS had outstanding capital expenditure commitment of KHR 531 million (31 December 2017: KHR 52,608 million) for its purchase of property and equipment to be paid in 2019.