

**PHNOM PENH SEZ PLC.**  
**(00006448)**  
(Incorporated in Cambodia)

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2019**

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

<b>CONTENTS</b>	<b>Page</b>
STATEMENT BY THE DIRECTORS	1
CONDENSED STATEMENTS OF FINANCIAL POSITION	2 - 3
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME	4 – 5
CONDENSED STATEMENTS OF CHANGES IN EQUITY	6 – 7
CONDENSED STATEMENTS OF CASH FLOWS	8 – 9
NOTES TO THE CONDENSED FINANCIAL INFORMATION	10 – 27
REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	28 - 29

**Company No. 00006448**

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**STATEMENT BY THE DIRECTORS**

In the opinion of the Directors, the accompanying condensed statements of financial position of PHNOM PENH SEZ PLC. ("the Company") and its subsidiaries ("the Group") as at 30 June 2019, and the related condensed statements of comprehensive income, changes in equity and cash flows for the quarter and six-month period then ended, and condensed notes to the interim financial information (collectively known as "Condensed Interim Financial Information") are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 Interim Financial Reporting.

Signed on behalf of the Board,



.....  
**HIROSHI UEMATSU**  
Director

Phnom Penh, Kingdom of Cambodia

Date: 7 August 2019

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2019**

	Note	Group		Company			
		Unaudited		Audited	Unaudited		Audited
		30.6.2019	31.12.2018	30.6.2019	31.12.2018	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3	15,481,058	62,945,982	13,992,106	14,525,804	59,061,919	12,832,935
Investment properties	4	3,501,550	14,237,302	3,608,607	3,501,550	14,237,302	3,608,607
Investments in subsidiaries	5	-	-	-	5,605,000	22,789,930	5,605,000
Investments in associates	6	9,608,562	39,068,413	8,990,623	9,608,562	39,068,413	8,990,623
<b>Total non-current assets</b>		<b>28,591,170</b>	<b>116,251,697</b>	<b>26,591,336</b>	<b>33,240,916</b>	<b>135,157,564</b>	<b>31,037,165</b>
<b>Current assets</b>							
Inventories	7	27,180,001	110,513,884	32,712,645	15,181,006	61,725,970	21,365,437
Trade and other receivables	8	30,960,262	125,884,425	25,839,457	40,596,234	165,064,287	34,025,447
Contract assets	9	-	-	29,572	-	-	-
Cash and bank balances	10	2,892,040	11,759,035	1,864,328	961,011	3,907,471	1,515,764
<b>Total current assets</b>		<b>61,032,303</b>	<b>248,157,344</b>	<b>60,446,002</b>	<b>56,738,251</b>	<b>230,697,728</b>	<b>56,906,648</b>
<b>TOTAL ASSETS</b>		<b>89,623,473</b>	<b>364,409,041</b>	<b>87,037,338</b>	<b>89,979,167</b>	<b>365,855,292</b>	<b>87,943,813</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to owners of the Company</b>							
Share capital	11	35,937,500	146,121,875	35,937,500	35,937,500	146,121,875	35,937,500
Share premium	12	4,575,051	18,602,157	4,575,051	4,575,051	18,602,157	4,575,051
Retained earnings		18,565,158	75,485,932	9,500,657	20,749,326	84,366,760	10,958,805
		59,077,709	240,209,964	50,013,208	61,261,877	249,090,792	51,471,356
Non-controlling interests		782,197	3,180,413	467,977	-	-	-
<b>TOTAL EQUITY</b>		<b>59,859,906</b>	<b>243,390,377</b>	<b>50,481,185</b>	<b>61,261,877</b>	<b>249,090,792</b>	<b>51,471,356</b>
<b>Non-current liabilities</b>							
Loans and borrowings	13	8,649,217	35,167,716	5,844,211	7,586,674	30,847,416	5,844,211
Contract liabilities	9	9,590,000	38,992,940	9,864,000	9,590,000	38,992,940	9,864,000
<b>Total non-current liabilities</b>		<b>18,239,217</b>	<b>74,160,656</b>	<b>15,708,211</b>	<b>17,176,674</b>	<b>69,840,356</b>	<b>15,708,211</b>

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2019 (CONTINUED)**

	Note	Group		Company			
		Unaudited		Audited	Unaudited		Audited
		30.6.2019	31.12.2018	30.6.2019	31.12.2018	US\$	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
<b>EQUITY AND LIABILITIES</b>							
<b>(CONTINUED)</b>							
<b>Current liabilities</b>							
Loans and borrowings	13	4,594,569	18,681,518	4,590,766	4,457,112	18,122,617	4,590,766
Current tax liabilities		2,346,875	9,542,394	9,849	2,342,218	9,523,458	-
Trade and other payables	14	4,009,704	16,303,457	11,176,214	4,193,286	17,049,901	11,164,356
Contract liabilities	9	573,202	2,330,639	5,071,113	548,000	2,228,168	5,009,124
<b>Total current liabilities</b>		<b>11,524,350</b>	<b>46,858,008</b>	<b>20,847,942</b>	<b>11,540,616</b>	<b>46,924,144</b>	<b>20,764,246</b>
<b>TOTAL LIABILITIES</b>		<b>29,763,567</b>	<b>121,018,664</b>	<b>36,556,153</b>	<b>28,717,290</b>	<b>116,764,500</b>	<b>36,472,457</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>89,623,473</b>	<b>364,409,041</b>	<b>87,037,338</b>	<b>89,979,167</b>	<b>365,855,292</b>	<b>87,943,813</b>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2019**

	Note	Unaudited Three-month period ended					
		Group		Company		30.6.2018 <sup>(2)</sup>	
		30.6.2019 <sup>(1)</sup>	30.6.2018 <sup>(2)</sup>	30.6.2019 <sup>(1)</sup>	30.6.2018 <sup>(2)</sup>	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue	15	3,417,536	13,895,701	2,126,629	3,253,649	13,229,337	1,502,650
Cost of sales	16	(1,622,904)	(6,598,728)	(832,200)	(1,476,497)	(6,003,437)	(448,415)
<b>Gross profit</b>		<b>1,794,632</b>	<b>7,296,973</b>	<b>1,294,429</b>	<b>1,777,152</b>	<b>7,225,900</b>	<b>1,054,235</b>
Other income	17	246,177	1,000,956	8,019	245,490	998,162	8,003
Administrative expenses	18	(1,510,589)	(6,142,055)	(1,503,755)	(1,224,284)	(4,977,939)	(1,320,927)
<b>Operating profit/(loss)</b>		<b>530,220</b>	<b>2,155,874</b>	<b>(201,307)</b>	<b>798,358</b>	<b>3,246,123</b>	<b>(258,689)</b>
Finance costs	19	(251,516)	(1,022,664)	(161,083)	(245,516)	(998,268)	(161,083)
Share of profit of associates		214,518	872,230	(177,786)	214,518	872,230	(174,873)
<b>Profit/(Loss) before tax</b>		<b>493,222</b>	<b>2,005,440</b>	<b>(540,176)</b>	<b>767,360</b>	<b>3,120,085</b>	<b>(594,645)</b>
Income tax expense	20	(99,669)	(405,254)	882	(99,669)	(405,254)	-
<b>Profit/(Loss) for the financial period</b>		<b>393,553</b>	<b>1,600,186</b>	<b>(539,294)</b>	<b>667,691</b>	<b>2,714,831</b>	<b>(594,645)</b>
Other comprehensive income, net of tax		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the financial period</b>		<b>393,553</b>	<b>1,600,186</b>	<b>(539,294)</b>	<b>667,691</b>	<b>2,714,831</b>	<b>(594,645)</b>
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		297,893	1,211,233	(558,004)			
Non-controlling interests		95,660	388,953	18,710			
		<b>393,553</b>	<b>1,600,186</b>	<b>(539,294)</b>			
<b>Total comprehensive income/(loss) attributable to:</b>							
Owners of the Company		297,893	1,211,233	(558,004)			
Non-controlling interests		95,660	388,953	18,710			
		<b>393,553</b>	<b>1,600,186</b>	<b>(539,294)</b>			
<b>Earnings/(Loss) per share</b>	21						
- Basic		0.004	0.017	(0.010)			
- Diluted		0.004	0.017	(0.010)			

Notes:

(1) The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

	Note	Unaudited Six-month period ended					
		Group		Company		Company	
		30.6.2019 <sup>(1)</sup>	30.6.2018 <sup>(2)</sup>	30.6.2019 <sup>(1)</sup>	30.6.2018 <sup>(2)</sup>	30.6.2019 <sup>(1)</sup>	30.6.2018 <sup>(2)</sup>
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Revenue	15	25,498,836	103,678,267	3,323,547	24,762,985	100,686,297	2,443,524
Cost of sales	16	(10,928,590)	(44,435,647)	(1,352,463)	(10,338,462)	(42,036,186)	(736,994)
<b>Gross profit</b>		<b>14,570,246</b>	<b>59,242,620</b>	<b>1,971,084</b>	<b>14,424,523</b>	<b>58,650,111</b>	<b>1,706,530</b>
Other income	17	306,991	1,248,225	49,814	305,336	1,241,496	49,558
Administrative expenses	18	(3,062,874)	(12,453,646)	(2,686,339)	(2,511,824)	(10,213,076)	(2,331,137)
<b>Operating profit/(loss)</b>		<b>11,814,363</b>	<b>48,037,199</b>	<b>(665,441)</b>	<b>12,218,035</b>	<b>49,678,531</b>	<b>(575,049)</b>
Finance costs	19	(464,235)	(1,887,580)	(320,575)	(458,235)	(1,863,184)	(320,575)
Share of profit of associates		372,939	1,516,370	(121,310)	372,939	1,516,370	(115,413)
<b>Profit/(Loss) before tax</b>		<b>11,723,067</b>	<b>47,665,989</b>	<b>(1,107,326)</b>	<b>12,132,739</b>	<b>49,331,717</b>	<b>(1,011,037)</b>
Income tax expense	20	(2,344,346)	(9,532,111)	(985)	(2,342,218)	(9,523,458)	-
<b>Profit/(Loss) for the financial period</b>		<b>9,378,721</b>	<b>38,133,878</b>	<b>(1,108,311)</b>	<b>9,790,521</b>	<b>39,808,259</b>	<b>(1,011,037)</b>
Other comprehensive income, net of tax		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the financial period</b>		<b>9,378,721</b>	<b>38,133,878</b>	<b>(1,108,311)</b>	<b>9,790,521</b>	<b>39,808,259</b>	<b>(1,011,037)</b>
<b>Profit/(Loss) attributable to:</b>							
Owners of the Company		9,064,501	36,856,260	(1,165,243)			
Non-controlling interests		314,220	1,277,618	56,932			
		<b>9,378,721</b>	<b>38,133,878</b>	<b>(1,108,311)</b>			
<b>Total comprehensive income/(loss) attributable to:</b>							
Owners of the Company		9,064,501	36,856,260	(1,165,243)			
Non-controlling interests		314,220	1,277,618	56,932			
		<b>9,378,721</b>	<b>38,133,878</b>	<b>(1,108,311)</b>			
<b>Earnings/(Loss) per share</b>	21						
- Basic		0.126	0.513	(0.020)			
- Diluted		0.126	0.513	(0.020)			

Notes:

(1) The Condensed Statements of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.

(2) The comparative figures for the corresponding period were reviewed but not audited.

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interests US\$	Total equity US\$
<b>Group Unaudited</b>					
<b>At 1 January 2019</b>	35,937,500	4,575,051	9,500,657	467,977	50,481,185
<b>Total comprehensive income for the financial period</b>	-	-	9,064,501	314,220	9,378,721
<b>At 30 June 2019</b>	35,937,500	4,575,051	18,565,158	782,197	59,859,906
<i>(KHR'000 equivalent)</i>	146,121,875	18,602,157	75,485,932	3,180,413	243,390,377

	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interests US\$	Total equity US\$
<b>Group Unaudited</b>					
<b>At 1 January 2018</b>	28,937,500	1,723,543	7,020,299	352,609	38,033,951
<b>Total comprehensive loss for the financial period</b>	-	-	(1,165,243)	56,932	(1,108,311)
<b>At 30 June 2018</b>	28,937,500	1,723,543	5,855,056	409,541	36,925,640



**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019 (CONTINUED)**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
<b>Company Unaudited</b>				
<b>At 1 January 2019</b>	35,937,500	4,575,051	10,958,805	51,471,356
<b>Total comprehensive income for the financial period</b>	-	-	9,790,521	9,790,521
<b>At 30 June 2019</b>	35,937,500	4,575,051	20,749,326	61,261,877
<i>(KHR'000 equivalent)</i>	146,121,875	18,602,157	84,366,760	249,090,792
	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
<b>Company Unaudited</b>				
<b>At 1 January 2018</b>	28,937,500	1,723,543	7,743,504	38,404,547
<b>Total comprehensive loss for the financial period</b>	-	-	(1,011,037)	(1,011,037)
<b>At 30 June 2018</b>	28,937,500	1,723,543	6,732,467	37,393,510

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to the interim financial report.

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019**

	Group		Unaudited Six-month period ended			
	30.6.2019 <sup>(1)</sup>		30.6.2018 <sup>(2)</sup>		30.6.2019 <sup>(1)</sup>	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Cash flows from operating activities</b>						
Profit/(Loss) before tax:	11,723,067	47,665,989	(1,107,326)	12,132,739	49,331,717	(1,011,037)
Adjustments for:						
Deferred revenue	(274,000)	(1,114,084)	(274,000)	(274,000)	(1,114,084)	(274,000)
Depreciation for:						
- property, plant and equipment	555,765	2,259,740	545,495	509,461	2,071,468	533,084
- investment properties	107,057	435,294	115,559	107,057	435,294	115,559
Interest expenses	464,235	1,887,580	320,575	458,235	1,863,184	320,575
Interest income	(159)	(646)	(1,337)	(159)	(646)	(1,337)
Share of profit/(loss) of associates	(372,939)	(1,516,370)	6,309	(372,939)	(1,516,370)	412
<b>Operating profit/(loss) before changes in working capital</b>	12,203,026	49,617,503	(394,725)	12,560,394	51,070,563	(316,744)
Changes in working capital:						
Inventories	6,942,006	28,226,196	(1,389,165)	6,371,407	25,906,141	(412,543)
Trade and other receivables	(5,374,304)	(21,851,919)	(260,310)	(5,060,764)	(20,577,066)	(117,824)
Contract assets	29,572	120,240	-	-	-	-
Trade and other payables	(7,140,423)	(29,032,959)	5,349,483	(6,663,441)	(27,093,551)	5,305,124
Contract liabilities	(4,497,911)	(18,288,506)	-	(4,461,124)	(18,138,930)	-
Net cash generated from operations	2,161,966	8,790,555	3,305,283	2,746,472	11,167,157	4,458,013
Interest paid	(464,235)	(1,887,580)	(286,790)	(458,235)	(1,863,184)	(323,326)
Tax paid	(7,320)	(29,763)	(971)	-	-	-
Net cash from operating activities	1,690,411	6,873,212	3,017,522	2,288,237	9,303,973	4,134,687

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019 (CONTINUED)**

	Group		Unaudited Six-month period ended			
	30.6.2019 <sup>(1)</sup>		30.6.2018 <sup>(2)</sup>		30.6.2019 <sup>(1)</sup>	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(3,454,079)	(14,044,285)	(884,886)	(2,389,306)	(9,714,918)	(592,859)
Investment in associates	(245,000)	(996,170)	-	(245,000)	(996,170)	-
Interest income	159	646	1,337	159	646	1,337
Net advances to subsidiaries	-	-	-	(1,843,953)	(7,497,513)	(1,682,282)
Net advances from/(repayments to) related parties	543,083	2,208,175	45,462	(4,691)	(19,074)	11,454
Net (advances to)/repayment from associates	(302,969)	(1,231,872)	220,429	36,590	148,775	220,429
Net repayments from/(advances to) directors	153,654	624,757	(2,761)	151,954	617,845	3,164
Net advances to shareholders	(166,356)	(676,403)	-	(157,552)	(640,606)	-
Net cash used in investing activities	(3,471,508)	(14,115,152)	(620,419)	(4,451,799)	(18,101,015)	(2,038,757)
<b>Cash flows from financing activities</b>						
Repayment of borrowings	(760,121)	(3,090,652)	(1,713,275)	(760,121)	(3,090,652)	(1,713,275)
Proceeds from term loan	3,568,930	14,511,269	-	2,368,930	9,632,069	-
Net cash from/(used in) financing activities	2,808,809	11,420,617	(1,713,275)	1,608,809	6,541,417	(1,713,275)
Net increase/(decrease) in cash and cash equivalents	1,027,712	4,178,677	683,828	(554,753)	(2,255,625)	382,655
<b>Cash and cash equivalents at the beginning of the financial period</b>	1,864,328	7,580,358	2,521,105	1,515,764	6,163,096	2,128,523
<b>Cash and cash equivalents at the end of the financial period</b>	2,892,040	11,759,035	3,204,933	961,011	3,907,471	2,511,178

Notes:

- (1) The Condensed Statements of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to this interim financial report.
- (2) The comparative figures for the corresponding period were reviewed but not audited.

**PHNOM PENH SEZ PLC.**  
(Incorporated in Cambodia)

**NOTES TO THE CONDENSED FINANCIAL INFORMATION**

**1. CORPORATE INFORMATION**

Phnom Penh SEZ PLC. (“the Company”) is a public limited company, incorporated and domiciled in the Kingdom of Cambodia, and is listed on the Cambodia Securities Exchange. The registered office of the Company and the principal place of business are located at Phnom Penh Special Economic Zone, National Road 4, Sangkat Kantouk, Khan Posenchey, Phnom Penh, Kingdom of Cambodia.

The principal activities of the Company are to establish, develop and operate the Special Economic Zone in Phnom Penh and to engage in other related commercial activities. The principal activities of the subsidiaries are set out in Note 5 to the condensed financial information. There have been no significant changes in the nature of these principal activities during the financial period.

The condensed financial information were authorised for issue by the Board of Directors on 7 August 2019.

**2. BASIS OF PREPARATION**

**2.1 Statement of compliance**

The interim financial report of the Group and of the Company are unaudited and have been prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. The interim financial report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached therein.

**2.2 Adoption of new CIFRSs, amendments/improvements to CIFRSs and new IC Interpretation (“IC Int”)**

The Group and the Company have adopted the following new CIFRSs, amendments/improvements to CIFRSs and new IC Int that are mandatory for the current financial year:

**New CIFRS**

CIFRS 16                      Leases

**Amendments/Improvements to CIFRSs**

CIFRS 3                      Business Combinations  
CIFRS 9                      Financial Instruments  
CIAS 12                      Income Taxes  
CIAS 19                      Employee Benefits  
CIAS 23                      Borrowing Costs  
CIAS 28                      Investments in Associates and Joint Venture

**New IC Int**

IC Int 23                      Uncertainty over Income Tax Treatment

2. BASIS OF PREPARATION (CONTINUED)

2.2 Adoption of new CIFRSs, amendments/improvements to CIFRSs and new IC Interpretation (“IC Int”) (continued)

The adoption of the above new CIFRSs, amendments/improvements to CIFRSs and new IC Int did not have any significant effect on the financial statements of the Group and of the Company, and did not result in significant changes to the Group’s and Company’s existing accounting policies.

2.3 New CIFRSs, amendments/improvements to CIFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective

The Group and the Company have not adopted the following new CIFRSs, amendments/improvements to CIFRSs, new IC Int and amendments to IC Int that have been issued, but yet to be effective:

		<b>Effective for financial periods beginning on or after</b>
<u>New CIFRSs</u>		
CIFRS 17	Insurance Contracts	1 January 2021
<u>Amendments/Improvements to CIFRSs</u>		
CIFRS 1	First-time Adoption of CIFRS	1 January 2021 <sup>#</sup>
CIFRS 2	Share-based Payment	1 January 2020 <sup>*</sup>
CIFRS 3	Business Combinations	1 January 2020 <sup>*</sup>
CIFRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 January 2021 <sup>#</sup>
CIFRS 7	Financial Instruments: Disclosures	1 January 2021 <sup>#</sup>
CIFRS 15	Revenue from Contracts with Customers	1 January 2021 <sup>#</sup>
CIAS 1	Presentation of Financial Statements	1 January 2020 <sup>*</sup>
CIAS 7	Statements of Cash Flows	1 January 2021 <sup>#</sup>
CIAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2020 <sup>*</sup>
CIAS 16	Property, Plant and Equipment	1 January 2021 <sup>#</sup>
CIAS 32	Financial Instruments: Presentation	1 January 2021 <sup>#</sup>
CIAS 34	Interim Financial Reporting	1 January 2020 <sup>*</sup>
CIAS 36	Impairment of Assets	1 January 2021 <sup>#</sup>
CIAS 37	Provisions, Contingent Liabilities and Contingent Assets	1 January 2020 <sup>*</sup>
CIAS 38	Intangible Assets	1 January 2020 <sup>*</sup>
CIAS 40	Investment Property	1 January 2021 <sup>#</sup>
<u>Amendments to IC Int</u>		
IC Int 12	Service Concession Arrangements	1 January 2020 <sup>*</sup>
IC Int 19	Extinguishing Financial Liabilities with Equity Instruments	1 January 2020 <sup>*</sup>
IC Int 20	Stripping Costs in the Production Phase of a Surface Mine	1 January 2020 <sup>*</sup>
IC Int 22	Foreign Currency Transactions and Advance Consideration	1 January 2020 <sup>*</sup>
SIC Int 32	Intangible Assets – Web Site Costs	1 January 2020 <sup>*</sup>

\* Amendments to References to the Conceptual Framework in CIFRSs

# Amendments as to the consequence of effective of CIFRS 17 Insurance Contracts

## 2. BASIS OF PREPARATION (CONTINUED)

### 2.3 New CIFRSs, amendments/improvements to CIFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective (continued)

- (a) The Group and the Company plan to adopt the above applicable new CIFRSs, amendments/improvements to CIFRSs, new IC Int and amendments to IC Int when they become effective. A brief discussion on the above significant new CIFRSs, amendments/improvements to CIFRSs, new IC Int and amendments to IC Int are summarised below.

#### ***CIFRS 17 Insurance Contracts***

CIFRS 17 replaces CIFRS 4 and requires a current measurement model where estimates are re-measured each reporting period.

Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the income statement or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under CIFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the “variable fee approach” for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach the entity’s share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

#### ***Amendments to CIFRS 3 Business Combinations***

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to CIFRS 3 which clarifies that when a joint operator of a business obtains control over a joint operation, this is a business combination achieved in stages and the previously held equity interest should therefore be remeasured to its acquisition date fair value.

2. **BASIS OF PREPARATION (CONTINUED)**

2.3 **New CIFRSs, amendments/improvements to CIFRSs, new IC Interpretation (“IC Int”) and amendments to IC Int that have been issued, but yet to be effective (continued)**

***Amendments to References to the Conceptual Framework in CIFRS Standards***

Together with the revised Conceptual Framework, the IASB issued Amendments to References to the Conceptual Framework in CIFRS Standards, which contains amendments to CIFRS 2, CIFRS 6, CIFRS 14, CIAS 1, CIAS 8, CIAS 34, CIAS 37, CIAS 38, IC Interpretation 12, 19, 20 and 22 as well Standard Interpretations Committee-32.

- (b) The Group is currently performing a detailed analysis to determine the election of the practical expedients and to quantify the financial effects arising from the adoption of the new CIFRSs, amendments/improvements to CIFRSs, new IC Int, and amendments to IC Int.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	Construction in progress US\$	Total US\$
<b>Net carrying amount</b>						
At 1 January 2018	443,786	12,117,410	422,179	141,149	473,604	13,598,128
Additions	253,664	48,095	270,674	99,368	2,569,910	3,241,711
Disposals	-	-	-	(19,662)	-	(19,662)
Written off	-	-	-	(635)	-	(635)
Transfer to inventories	-	-	-	-	(1,723,471)	(1,723,471)
Depreciation	-	(869,273)	(179,362)	(55,330)	-	(1,103,965)
At 31 December 2018	697,450	11,296,232	513,491	164,890	1,320,043	13,992,106
Additions	-	21,350	4,428	47,627	3,380,674	3,454,079
Reclassification	23,774	(238)	-	-	(1,432,898)	(1,409,362)
Depreciation	-	(435,149)	(76,659)	(43,957)	-	(555,765)
At 30 June 2019 (unaudited)	721,224	10,882,195	441,260	168,560	3,267,819	15,481,058
<i>(KHR'000 equivalent)</i>	2,932,497	44,247,005	1,794,163	685,365	13,286,952	62,945,982

Company	Freehold land US\$	Building and infrastructure US\$	Machinery US\$	Motor vehicle, equipment and computers US\$	Construction in progress US\$	Total US\$
<b>Net carrying amount</b>						
At 1 January 2018	443,786	12,099,058	422,179	88,573	241,494	13,295,090
Additions	253,664	-	-	43,170	1,548,265	1,845,099
Disposals	-	-	-	(19,662)	-	(19,662)
Written off	-	-	-	(635)	-	(635)
Transfer to inventories	-	-	-	-	(1,262,812)	(1,262,812)
Depreciation	-	(867,461)	(125,045)	(31,639)	-	(1,024,145)
At 31 December 2018	697,450	11,231,597	297,134	79,807	526,947	12,832,935
Additions	-	-	350	445	2,388,511	2,389,306
Reclassification	23,774	(238)	-	-	(210,512)	(186,976)
Depreciation	-	(433,735)	(49,294)	(26,432)	-	(509,461)
At 30 June 2019 (unaudited)	721,224	10,797,624	248,190	53,820	2,704,946	14,525,804
<i>(KHR'000 equivalent)</i>	2,932,497	43,903,139	1,009,141	218,832	10,998,310	59,061,919



4. INVESTMENT PROPERTIES

<b>Group and Company</b>	<b>Freehold land US\$</b>	<b>Buildings US\$</b>	<b>Total US\$</b>
<b>Net carrying amount at cost</b>			
At 1 January 2018	742,778	3,096,945	3,839,723
Depreciation	-	(231,116)	(231,116)
At 31 December 2018	742,778	2,865,829	3,608,607
Depreciation	-	(107,057)	(107,057)
At 30 June 2019 (unaudited)	742,778	2,758,772	3,501,550
<i>(KHR'000 equivalent)</i>	3,020,136	11,217,166	14,237,302
<b>Fair value</b>			
At 30 June 2019 (unaudited)	5,562,490	3,426,167	8,988,657
<i>(KHR'000 equivalent)</i>	22,617,084	13,930,795	36,547,879
At 31 December 2018	5,562,490	3,426,167	8,988,657

5. INVESTMENTS IN SUBSIDIARIES

	<b>Company Unaudited 30.6.2019 US\$</b>	<b>Company Audited 31.12.2018 US\$</b>
Unquoted shares, at cost	5,605,000	22,789,930
		5,605,000

The details of the subsidiaries are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Ownership interest</b>		<b>Principal activities</b>
		<b>2019 %</b>	<b>2018 %</b>	
Sahas PPSEZ Co., Ltd.	Cambodia	100	100	Security services
Poi Pet PPSEZ Co., Ltd	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas E&C Co., Ltd	Cambodia	60	60	Construction services
Phnom Penh SEZ II Co., Ltd *	Cambodia	100	100	Establish, develop and operate industrial zone
Sahas Properties Co., Ltd *	Cambodia	100	100	Real estate activity

\* Not audited by Baker Tilly (Cambodia) Co., Ltd or Baker Tilly International member firms.

6. INVESTMENTS IN ASSOCIATES

	Group		
	Unaudited 30.6.2019		Audited 31.12.2018
	US\$	KHR'000	US\$
Unquoted shares at cost	6,997,400	28,451,428	6,752,400
Shares of post-acquisition reserves	4,046,569	16,453,350	3,673,630
Less: Impairment losses	(1,435,407)	(5,836,365)	(1,435,407)
	9,608,562	39,068,413	8,990,623

  

	Company		
	Unaudited 30.6.2019		Audited 31.12.2018
	US\$	KHR'000	US\$
Unquoted shares at cost	6,996,950	28,449,599	6,751,950
Shares of post-acquisition reserves	4,047,019	16,455,179	3,674,080
Less: Impairment losses	(1,435,407)	(5,836,365)	(1,435,407)
	9,608,562	39,068,413	8,990,623

The details of the associates are as follows:

Name	Country of incorporation	Ownership interest		Principal activities
		2019 %	2018 %	
<u>Associate of Phnom Penh SEZ PLC</u>				
Colben Energy (Cambodia) PPSEZ Limited *	Cambodia	51	51	Supply electricity.
Bok Seng PPSEZ Dry Port Co., Ltd *	Cambodia	40	40	Dry port
Sahas Advisory & Consultant Co., Ltd *	Cambodia	39	39	Advisory and consultant services
Gomi Recycle (Phnom Penh) Co., Ltd *	Cambodia	24.5	24.5	Waste recycle factory
<u>Associate of Poi Pet PPSEZ Co., Ltd</u>				
B. Grimm Power (Poipet) Co., Ltd *	Cambodia	45	45	Supply electricity

\* Not audited by Baker Tilly (Cambodia) Co., Ltd or Baker Tilly International member firms.

7. INVENTORIES

	Group		Company			
	Unaudited	Audited	Unaudited	Audited		
	30.6.2019	31.12.2018	30.6.2019	31.12.2018		
	US\$	KHR'000	US\$	KHR'000	US\$	
At lower of cost and net realisable value						
Land	27,180,001	110,513,884	32,712,645	15,181,006	61,725,970	21,365,437

The total saleable land area is as follows:

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	30.6.2019	31.12.2018	30.6.2019	31.12.2018
	Hectares	Hectares	Hectares	Hectares
At the beginning of period/year	103.4	144.3	34.1	76.3
Purchased	6.4	18.5	6.4	16.5
Adjustment on land	-	(1.1)	-	(1.4)
Transfer to property, plant and equipment	-	(14.5)	-	(14.5)
Sold	(14.7)	(43.8)	(14.7)	(42.8)
	95.1	103.4	25.8	34.1

14.18 (2018: 6.8) hectares of saleable land with a carrying amount of US\$8,727,839 (2018: US\$3,569,850) have been pledged to First Commercial Bank, Phnom Penh Commercial Bank and Kasikorn Bank, as security for borrowings (Note 13).

## 8. TRADE AND OTHER RECEIVABLES

	Group		Company			
	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Current:</b>						
<b>Trade</b>						
Third parties	45,192	183,751	123,251	-	-	78,598
Related parties	782,732	3,182,588	988,999	771,217	3,135,768	771,217
Shareholders	9,257	37,639	-	-	-	-
	837,181	3,403,978	1,112,250	771,217	3,135,768	849,815
<b>Non-trade</b>						
Other receivables	310,090	1,260,825	148,480	306,886	1,247,798	197,861
Input value added taxes	1,040,350	4,230,063	882,157	396,002	1,610,144	380,995
Withholding tax credit	4,332,632	17,616,482	2,572,439	4,287,632	17,433,512	2,572,439
Subsidiaries	-	-	-	11,010,172	44,767,359	9,446,794
Associates	2,684,820	10,916,478	2,372,398	2,342,815	9,525,886	2,372,398
Related parties	299,511	1,217,812	672,320	99,511	404,612	128,880
Directors	160,000	650,560	313,654	160,000	650,560	311,954
Shareholders	158,801	645,685	1,249	158,801	645,685	1,249
Deposits	12,380	50,337	5,690	5,380	21,875	5,380
Prepayments	21,124,497	85,892,205	17,758,820	21,057,818	85,621,088	17,757,682
	30,123,081	122,480,447	24,727,207	39,825,017	161,928,519	33,175,632
Total trade and other receivables (current)	30,960,262	125,884,425	25,839,457	40,596,234	165,064,287	34,025,447

## 9. CONTRACT ASSETS/(LIABILITIES)

	Group		Company			
	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Contract assets</b>						
<b>Current</b>						
Construction contracts	-	-	29,572	-	-	-
Total contract assets (current)	-	-	29,572	-	-	-
<b>Contract liabilities</b>						
<b>Non-current</b>						
Deferred revenue	(9,590,000)	(38,992,940)	(9,864,000)	(9,590,000)	(38,992,940)	(9,864,000)
<b>Current</b>						
Construction contracts	(25,202)	(102,471)	(61,989)	-	-	-
Deferred revenue	(548,000)	(2,228,168)	(5,009,124)	(548,000)	(2,228,168)	(5,009,124)
Total contract liabilities (current)	(573,202)	(2,330,639)	(5,071,113)	(548,000)	(2,228,168)	(5,009,124)
Total contract liabilities (non-current and current)	(10,163,202)	(41,323,579)	(14,935,113)	(10,138,000)	(41,221,108)	(14,873,124)

9. **CONTRACT ASSETS/(LIABILITIES) (CONTINUED)**

Deferred revenue amounting to US\$10,138,000 (2018: US\$10,412,000) is in respect of granting the right of use on the transmission lines of the Company to Colben Energy (Cambodia) PPSEZ Limited (“CEZ”) pursuant to the transfer agreement with CEZ on 31 August 2012. The total consideration is amortised on a straight-line basis over the term of 25 years.

10. **CASH AND BANK BALANCES**

	Group		Company			
	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018	Unaudited 30.6.2019	Audited 31.12.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash in hand	341,691	1,389,316	3,976	4,500	18,297	1,844
Cash at banks	2,550,349	10,369,719	1,860,352	956,511	3,889,174	1,513,920
	<u>2,892,040</u>	<u>11,759,035</u>	<u>1,864,328</u>	<u>961,011</u>	<u>3,907,471</u>	<u>1,515,764</u>

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand and cash at banks.

11. **SHARE CAPITAL**

	Group and Company			
	Unaudited 30.6.2019		Audited 31.12.2018	
	Number of share of US\$ 0.50 each	US\$	Number of share of US\$ 0.50 each	US\$
<b>Ordinary shares</b>				
Authorised:				
At 1 January/30 June/ 31 December	<u>71,875,000</u>	<u>35,937,500</u>	<u>71,875,000</u>	<u>35,937,500</u>
Registered and fully issued:				
At 1 January	71,875,000	35,937,500	57,875,000	28,937,500
Issued during the financial period/ year	-	-	14,000,000	7,000,000
At 30 June/31 December	<u>71,875,000</u>	<u>35,937,500</u>	<u>71,875,000</u>	<u>35,937,500</u>
<i>(KHR'000 equivalent)</i>	<u>71,875,000</u>	<u>146,121,875</u>		

In conjunction with the listing and quotation of the Company’s shares on the Cambodia Securities Exchange on 30 May 2016, the Company issued 11,575,000 new ordinary shares of US\$0.50 each to the public, at an issue price of KHR2,860 per share. The total proceeds arising from the listing exercise amounted to US\$8,125,302 and listing expenses of US\$614,259 had been set off against share premium.

11. **SHARE CAPITAL (CONTINUED)**

On 19 October 2018, the Company issued 14,000,000 new ordinary shares of US\$0.50 each at an issue price of approximately US\$0.70 for cash for working capital purposes. The total proceeds amounted to US\$ 9,851,508.

As a consequence of these share issues, the registered and issued ordinary share capital of the Company was increased to US\$35,937,500.

There were no issuance, cancellation, repurchases, resales and repayment of equity securities during the financial period.

12. **SHARE PREMIUM**

The share premium mainly represents the excess amount received by the Company over the par value of its shares pursuant to the issuance of shares, net of transaction costs directly distributable to the issuance.

13. **LOANS AND BORROWINGS**

	Group		Audited 31.12.2018 US\$	Company		Audited 31.12.2018 US\$
	Unaudited 30.6.2019 US\$	KHR'000		Unaudited 30.6.2019 US\$	KHR'000	
<b>Non-current:</b>						
<b>Secured</b>						
Bank loans:						
Term loan V	-	-	75,644	-	-	75,644
Term loan VII	4,880,287	19,843,247	4,168,567	3,817,744	15,522,947	4,168,567
Term loan VIII	1,400,000	5,692,400	1,600,000	1,400,000	5,692,400	1,600,000
Term loan IX	2,368,930	9,632,069	-	2,368,930	9,632,069	-
	<u>8,649,217</u>	<u>35,167,716</u>	<u>5,844,211</u>	<u>7,586,674</u>	<u>30,847,416</u>	<u>5,844,211</u>
<b>Current:</b>						
<b>Secured</b>						
Bank loans:						
Term loan V	316,928	1,288,629	473,088	316,928	1,288,629	473,088
Term loan VII	827,641	3,365,188	667,678	690,184	2,806,288	667,678
Term loan VIII	3,450,000	14,027,701	3,450,000	3,450,000	14,027,700	3,450,000
	<u>4,594,569</u>	<u>18,681,518</u>	<u>4,590,766</u>	<u>4,457,112</u>	<u>18,122,617</u>	<u>4,590,766</u>
<b>Total loans and borrowings</b>	<u>13,243,786</u>	<u>53,849,234</u>	<u>10,434,977</u>	<u>12,043,786</u>	<u>48,970,033</u>	<u>10,434,977</u>

14. TRADE AND OTHER PAYABLES

	Group			Company		
	Unaudited 30.6.2019		Audited 31.12.2018	Unaudited 30.6.2019		Audited 31.12.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Current:</b>						
<b>Trade</b>						
Third parties	334,346	1,359,451	1,579,765	-	-	880,605
Shareholder	453	1,842	-	-	-	-
	<u>334,799</u>	<u>1,361,293</u>	<u>1,579,765</u>	<u>-</u>	<u>-</u>	<u>880,605</u>
<b>Non-trade</b>						
Other payables	706,799	2,873,845	4,581,673	668,071	2,716,377	4,320,609
Output value added taxes	33,638	136,772	4,439	-	-	-
Deposits	1,706,498	6,938,621	3,777,921	1,647,597	6,699,129	3,777,896
Provision for seniority	22,094	89,834	-	-	-	-
Subsidiaries	-	-	-	681,482	2,770,906	962,057
Associates	46,693	189,854	37,240	44,247	179,908	37,240
Related parties	57,215	232,636	93,208	49,921	202,979	83,981
Directors	1,100,000	4,472,600	1,100,000	1,100,000	4,472,600	1,100,000
Shareholders	1,968	8,002	1,968	1,968	8,002	1,968
	<u>3,674,905</u>	<u>14,942,164</u>	<u>9,596,449</u>	<u>4,193,286</u>	<u>17,049,901</u>	<u>10,283,751</u>
Total trade and other payables (current)	<u>4,009,704</u>	<u>16,303,457</u>	<u>11,176,214</u>	<u>4,193,286</u>	<u>17,049,901</u>	<u>11,164,356</u>

15. REVENUE

	Group		Unaudited Three-month period ended		Company	
	30.6.2019		30.6.2018	30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Revenue from contract customers:</b>						
Construction contracts	78,191	317,925	-	-	-	-
<b>Revenue from other sources:</b>						
Sale of land	2,423,865	9,855,435	1,025,360	2,423,865	9,855,436	755,360
Services rendered	694,586	2,824,187	894,666	608,689	2,474,929	539,987
Rental income	220,894	898,154	206,603	221,095	898,972	207,303
	<u>3,417,536</u>	<u>13,895,701</u>	<u>2,126,629</u>	<u>3,253,649</u>	<u>13,229,337</u>	<u>1,502,650</u>
<b>Timing of revenue recognition:</b>						
At a point in time	915,480	3,722,341	1,101,269	829,784	3,373,901	747,290
Over time	2,502,056	10,173,360	1,025,360	2,423,865	9,855,436	755,360

15. REVENUE (CONTINUED)

	Group		Unaudited Six-month period ended				
	30.6.2019		30.6.2018		Company 30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
<b>Revenue from contract customers:</b>							
Construction contracts	322,420	1,310,960	-	-	-	-	-
<b>Revenue from other sources:</b>							
Sale of land	23,298,583	94,732,038	1,221,633	23,118,583	94,000,158	951,633	
Services rendered	1,442,405	5,864,819	1,684,122	1,208,374	4,913,249	1,072,499	
Rental income	435,428	1,770,450	417,792	436,028	1,772,890	419,392	
	<b>25,498,836</b>	<b>103,678,267</b>	<b>3,323,547</b>	<b>24,762,985</b>	<b>100,686,297</b>	<b>2,443,524</b>	
<b>Timing of revenue recognition:</b>							
At a point in time	1,877,833	7,635,269	2,101,914	1,644,402	6,686,139	1,491,891	
Over time	23,621,003	96,042,998	1,221,633	23,118,583	94,000,158	951,633	

16. COST OF SALES

	Group		Unaudited Three-month period ended				
	30.6.2019		30.6.2018		Company 30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Cost of land sold	1,219,459	4,958,321	198,446	1,182,038	4,806,167	198,446	
Cost of services rendered	324,627	1,319,933	575,975	240,931	979,625	192,190	
Construction cost	25,290	102,829	-	-	-	-	
Depreciation	53,528	217,645	57,779	53,528	217,645	57,779	
	<b>1,622,904</b>	<b>6,598,728</b>	<b>832,200</b>	<b>1,476,497</b>	<b>6,003,437</b>	<b>448,415</b>	

	Group		Unaudited Six-month period ended				
	30.6.2019		30.6.2018		Company 30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Cost of land sold	9,917,725	40,325,469	239,074	9,770,885	39,728,418	239,074	
Cost of services rendered	672,421	2,734,064	997,830	460,520	1,872,474	382,361	
Construction cost	231,387	940,820	-	-	-	-	
Depreciation	107,057	435,294	115,559	107,057	435,294	115,559	
	<b>10,928,590</b>	<b>44,435,647</b>	<b>1,352,463</b>	<b>10,338,462</b>	<b>42,036,186</b>	<b>736,994</b>	



17. OTHER INCOME

	Unaudited					
	Group			Company		
	30.6.2019		30.6.2018	30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	57	232	676	57	232	676
Others	246,120	1,000,724	7,343	245,433	997,930	7,327
	246,177	1,000,956	8,019	245,490	998,162	8,003

	Unaudited					
	Group			Company		
	30.6.2019		30.6.2018	30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	159	646	1,337	159	646	1,337
Others	306,832	1,247,579	48,477	305,177	1,240,850	48,221
	306,991	1,248,225	49,814	305,336	1,241,496	49,558

18. ADMINISTRATIVE EXPENSES

	Unaudited					
	Group			Company		
	30.6.2019		30.6.2018	30.6.2019		30.6.2018
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	276,332	1,123,566	272,914	252,658	1,027,307	266,658
Electricity	13,607	55,325	9,219	9,181	37,330	9,219
Handling fees	890	3,619	-	255	1,037	-
Maintenance	91,480	371,958	318,578	72,494	294,761	318,296
Professional fees	155,508	632,296	30,920	126,506	514,373	16,686
Personnel costs	704,388	2,864,042	697,785	534,911	2,174,948	549,864
Rental	14,069	57,205	-	6,468	26,299	-
Selling and marketing expenses	13,755	55,928	60,559	13,755	55,928	60,559
Security services	35,065	142,574	6,588	29,644	120,533	37,334
Withholding tax, fringe benefit and others tax expenses	35,802	145,571	5,776	27,676	112,531	5,286
Other expenses	169,693	689,971	101,416	150,736	612,892	57,025
	1,510,589	6,142,055	1,503,755	1,224,284	4,977,939	1,320,927

18. ADMINISTRATIVE EXPENSES (CONTINUED)

	Unaudited					
	Group		Six-month period ended			
	30.6.2019		30.6.2018		30.6.2019	
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Depreciation of property, plant and equipment	555,765	2,259,740	545,495	509,461	2,071,468	533,084
Electricity	25,707	104,525	17,400	17,179	69,850	17,400
Handling fees	3,881	15,780	-	979	3,981	-
Maintenance	160,101	650,971	343,712	139,900	568,833	343,320
Professional fees	264,092	1,073,798	118,194	221,565	900,883	101,540
Personnel costs	1,240,268	5,042,930	1,329,100	910,550	3,702,296	1,038,638
Rental	31,607	128,514	-	13,908	56,550	-
Selling and marketing expenses	30,849	125,432	73,355	18,673	75,924	73,355
Security services	78,904	320,824	13,455	69,687	283,347	74,474
Withholding tax, fringe benefit and others tax expenses	52,066	211,700	18,242	38,464	156,395	16,341
Other expenses	619,634	2,519,432	227,386	571,458	2,323,549	132,985
	3,062,874	12,453,646	2,686,339	2,511,824	10,213,076	2,331,137

19. FINANCE COSTS

	Unaudited					
	Group		Three-month period ended			
	30.6.2019		30.6.2018		30.6.2019	
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Interest expense on term loans	251,516	1,022,664	161,083	245,516	998,268	161,083

	Unaudited					
	Group		Six-month period ended			
	30.6.2019		30.6.2018		30.6.2019	
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Interest expense on term loans	464,235	1,887,580	320,575	458,235	1,863,184	320,575

20. INCOME TAX EXPENSE

	Unaudited					
	Three-month period ended					
	Group			Company		
	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2018	30.6.2018
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
<b>Statements of comprehensive income</b>						
<b>Current income tax:</b>						
- Current period	99,669	405,254	-	99,669	405,254	-
- Over provision in prior period	-	-	(882)	-	-	-
	99,669	405,254	(882)	99,669	405,254	-

	Unaudited					
	Six-month period ended					
	Group			Company		
	30.6.2019	30.6.2018	30.6.2019	30.6.2018	30.6.2018	30.6.2018
US\$	KHR'000	US\$	US\$	KHR'000	US\$	
<b>Statements of comprehensive income</b>						
<b>Current income tax:</b>						
- Current period	2,344,346	9,532,111	1,867	2,342,218	9,523,458	-
- Over provision in prior period	-	-	(882)	-	-	-
	2,344,346	9,532,111	985	2,342,218	9,523,458	-

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on profit at 20% (2018: 10%) of taxable profit. The reduction of 10% to the applicable tax rate is an incentive given by the General Department of Taxation for three years from 2016 to 2018. The tax rate will revert to 20% for the financial year ending 31 December 2019.

21. EARNINGS/(LOSSES) PER SHARE

	Unaudited		
	Three-month period ended		
	Group		
	30.6.2019	30.6.2018	30.6.2018
US\$	KHR'000	US\$	US\$
Profit/(Loss) attributable to owners of the Company	297,893	1,211,233	(558,004)
Weighted average number of ordinary shares	71,875,000	71,875,000	57,875,000
	US\$	KHR'000	US\$
Basic earnings/(loss) per share	0.004	0.017	(0.010)
Diluted earnings/(loss) per share	0.004	0.017	(0.010)

21. EARNINGS/(LOSSES) PER SHARE (CONTINUED)

	Unaudited Six-month period ended Group		
	30.6.2019		30.6.2018
	US\$	KHR'000	US\$
Profit/(Loss) attributable to owners of the Company	9,064,501	36,856,261	(1,165,243)
	<b>Units</b>	<b>Units</b>	<b>Units</b>
Weighted average number of ordinary shares	71,875,000	71,875,000	57,875,000
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>
Basic earnings/(loss) per share	0.126	0.513	(0.020)
Diluted earnings/(loss) per share	0.126	0.513	(0.020)

Diluted earnings/(losses) per share are calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The Company had no dilutive potential ordinary shares as at the period end. As such, the diluted earnings/(losses) per share were equivalent to the basic earnings/(losses) per share.

22. RELATED PARTIES

The Group and the Company had the following significant transactions with related parties during the financial period:

	Group		Unaudited Six-month period ended			
	30.6.2019		30.6.2018		Company	
	US\$	KHR'000	US\$	US\$	KHR'000	30.6.2018 US\$
<b>Associates</b>						
Colben Energy (Cambodia) PPSEZ Limited						
- Rental income	274,000	1,114,084	274,000	274,000	1,114,084	274,000
- Purchase of electricity	(227,038)	(923,137)	(203,236)	(227,038)	(923,137)	(203,236)
<b>Subsidiary</b>						
Sahas E&C Co., Ltd						
- Construction cost	-	-	-	(2,471,041)	(10,047,253)	(1,686,659)

**23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The financial risk management objective of the Group is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The Directors are responsible for setting the objectives and underlying principles of financial risk management of the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Directors.

**(a) Credit risk**

Credit risk is the risk of financial loss to the Group if a counter party to a financial instrument fails to perform as contracted. It is the Group's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Group is exposed to minimal credit risk.

The Group's primary exposure to credit risk arises through its receivables. The credit period for trade receivables is one to three months (2018: one to three months) and the Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by management.

**(b) Liquidity and cash flow risk**

Liquidity and cash flow risk arises from the Group's management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations when due.

The Group actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Group maintains a level of cash and cash equivalents deemed adequate to finance the Group's activities.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Group would fluctuate because of changes in market interest rates.

The exposure of the Group and of the Company to interest rate risk arises primarily from loans and borrowings. The Group manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed and floating rate borrowings. The Group does not use derivative financial instruments to hedge any debt obligations.

Baker Tilly (Cambodia) Co., Ltd.  
Certified Public Accountants  
No. 87, Street 294,  
Sangkat Boeung Keng Kang 1,  
Khan Chamka Morn,  
Phnom Penh,  
Cambodia

T: +855 23 987 100  
F: +855 23 987 388

info@bakertilly.com.kh  
[www.bakertilly.com.kh](http://www.bakertilly.com.kh)

Company No. 00006448

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH SEZ PLC.**

(Incorporated in Cambodia)

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Phnom Penh SEZ Plc. ("the Company") and its subsidiaries ("the Group") as at 30 June 2019 and the related condensed interim statement of comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the quarter and six-month period then ended, and condensed notes to the interim financial information (collectively referred to as "condensed interim financial information of the Group"). The directors of the Company are responsible for the preparation and fair presentation of the condensed interim financial information of the Group in accordance with the Cambodian International Accounting Standard ("CIAS") 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the condensed interim financial information of the Group based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* ("ISRE 2410"). A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the 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 opinion.

**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH SEZ PLC. (CONTINUED)**

(Incorporated in Cambodia)

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information of the Group are not presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting*.



**Baker Tilly (Cambodia) Co., Ltd.**

Phnom Penh, Kingdom of Cambodia

Date: 7 August 2019