

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

**CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2020**

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

<b>CONTENTS</b>	<b>Page</b>
STATEMENT BY THE DIRECTORS	1
CONDENSED STATEMENTS OF FINANCIAL POSITION	2
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME	3 - 4
CONDENSED STATEMENTS OF CHANGES IN EQUITY	5 - 6
CONDENSED STATEMENTS OF CASH FLOWS	7 - 8
NOTES TO THE CONDENSED FINANCIAL INFORMATION	9 – 23
REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION	24 - 25

**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 2020, 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,



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**HIROSHI UEMATSU**  
Director

Phnom Penh, Kingdom of Cambodia

Date: 13 AUG 2020

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

**CONDENSED STATEMENTS OF FINANCIAL POSITION  
AS AT 30 JUNE 2020**

	Note	Group			Company		
		Unaudited		Audited	Unaudited		Audited
		30.6.2020		31.12.2019	30.6.2020		31.12.2019
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>ASSETS</b>							
<b>Non-current assets</b>							
Property, plant and equipment	3	13,777,409	56,390,934	17,780,328	13,721,873	56,163,626	17,111,765
Investment properties	4	9,157,076	37,479,912	3,394,493	8,302,898	33,983,762	3,394,493
Investment in subsidiaries	5	-	-	-	16,605,000	67,964,265	15,605,000
Investment in associates	6	10,576,225	43,288,489	10,212,183	10,576,225	43,288,489	9,997,262
<b>Total non-current assets</b>		<b>33,510,710</b>	<b>137,159,335</b>	<b>31,387,004</b>	<b>49,205,996</b>	<b>201,400,142</b>	<b>46,108,520</b>
<b>Current assets</b>							
Inventories	7	34,519,926	141,290,057	34,602,982	12,789,641	52,348,001	14,460,409
Trade and other receivables	8	23,389,139	95,731,748	26,496,605	31,489,139	128,885,046	34,111,343
Cash and bank balances	10	1,899,322	7,773,925	1,341,410	487,620	1,995,829	843,998
<b>Total current assets</b>		<b>59,808,387</b>	<b>244,795,730</b>	<b>62,440,997</b>	<b>44,766,400</b>	<b>183,228,876</b>	<b>49,415,750</b>
<b>TOTAL ASSETS</b>		<b>93,319,097</b>	<b>381,955,065</b>	<b>93,828,001</b>	<b>93,972,396</b>	<b>384,629,018</b>	<b>95,524,270</b>
<b>EQUITY AND LIABILITIES</b>							
<b>Equity attributable to owners of the Company</b>							
Share capital	11	35,937,500	147,092,188	35,937,500	35,937,500	147,092,188	35,937,500
Share premium	12	4,575,051	18,725,684	4,575,051	4,575,051	18,725,684	4,575,051
Retained earnings		17,871,447	73,147,829	17,659,652	20,534,323	84,046,984	20,392,994
		58,383,998	238,965,701	58,172,203	61,046,874	249,864,856	60,905,545
Non-controlling interests		891,473	3,648,799	831,577	-	-	-
<b>TOTAL EQUITY</b>		<b>59,275,471</b>	<b>242,614,500</b>	<b>59,003,780</b>	<b>61,046,874</b>	<b>249,864,856</b>	<b>60,905,545</b>
<b>Non-current liabilities</b>							
Loans and borrowings	13	14,613,804	59,814,299	12,452,339	13,194,609	54,005,535	11,462,078
Contract liabilities	9	9,042,000	37,008,906	9,316,000	9,042,000	37,008,906	9,316,000
<b>Total non-current liabilities</b>		<b>23,655,804</b>	<b>96,823,205</b>	<b>21,768,339</b>	<b>22,236,609</b>	<b>91,014,441</b>	<b>20,778,078</b>
<b>Current liabilities</b>							
Loans and borrowings	13	3,339,821	13,669,887	5,218,838	3,209,454	13,136,295	5,076,763
Current tax liabilities		7,969	32,617	1,460,730	-	-	1,456,262
Trade and other payables	14	6,485,930	26,546,917	5,828,314	6,931,459	28,370,462	6,759,622
Contract liabilities	9	554,102	2,267,939	548,000	548,000	2,242,964	548,000
<b>Total current liabilities</b>		<b>10,387,822</b>	<b>42,517,360</b>	<b>13,055,882</b>	<b>10,688,913</b>	<b>43,749,721</b>	<b>13,840,647</b>
<b>TOTAL LIABILITIES</b>		<b>34,043,626</b>	<b>139,340,565</b>	<b>34,824,221</b>	<b>32,925,522</b>	<b>134,764,162</b>	<b>34,618,725</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>93,319,097</b>	<b>381,955,065</b>	<b>93,828,001</b>	<b>93,972,396</b>	<b>384,629,018</b>	<b>95,524,270</b>

The Condensed Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 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 2020**

	Note	Unaudited Three-month period ended					
		Group		Company			
		30.06.2020 <sup>(1)</sup>	30.06.2019 <sup>(2)</sup>	30.06.2020 <sup>(1)</sup>	30.06.2019 <sup>(2)</sup>	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue	15	6,072,973	24,856,680	3,417,536	1,040,144	4,257,309	3,253,649
Cost of sales	16	(4,058,655)	(16,612,076)	(1,622,904)	(363,947)	(1,489,635)	(1,476,497)
<b>Gross profit</b>		<b>2,014,318</b>	<b>8,244,604</b>	<b>1,794,632</b>	<b>676,197</b>	<b>2,767,674</b>	<b>1,777,152</b>
Other income	17	(3,947)	(16,155)	246,177	(4,089)	(16,736)	245,490
Administrative expenses	18	(1,604,476)	(6,567,120)	(1,510,589)	(1,277,326)	(5,228,095)	(1,224,284)
<b>Operating profit/(loss)</b>		<b>405,895</b>	<b>1,661,329</b>	<b>530,220</b>	<b>(605,218)</b>	<b>(2,477,157)</b>	<b>798,358</b>
Finance costs	19	(341,620)	(1,398,250)	(251,516)	(315,099)	(1,289,700)	(245,516)
Share of profit of associates		305,209	1,249,220	214,518	305,209	1,249,220	214,518
<b>Profit/(Loss) before tax</b>		<b>369,484</b>	<b>1,512,299</b>	<b>493,222</b>	<b>(615,108)</b>	<b>(2,517,637)</b>	<b>767,360</b>
Income tax expense	20	(214,292)	(877,097)	(99,669)	40,815	167,056	(99,669)
<b>Profit/(Loss) for the financial period</b>		<b>155,192</b>	<b>635,202</b>	<b>393,553</b>	<b>(574,293)</b>	<b>(2,350,581)</b>	<b>667,691</b>
Other comprehensive income, net of tax		-	-	-	-	-	-
<b>Total comprehensive income/(loss) for the financial period</b>		<b>155,192</b>	<b>635,202</b>	<b>393,553</b>	<b>(574,293)</b>	<b>(2,350,581)</b>	<b>667,691</b>
<b>Profit attributable to:</b>							
Owners of the Company		126,265	516,804	297,893			
Non-controlling interests		28,927	118,398	95,660			
		<b>155,192</b>	<b>635,202</b>	<b>393,553</b>			
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		126,265	516,804	297,893			
Non-controlling interests		28,927	118,398	95,660			
		<b>155,192</b>	<b>635,202</b>	<b>393,553</b>			
<b>Earnings per share</b>	21						
- Basic		0.002	0.007	0.004			
- Diluted		0.002	0.007	0.004			

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 2019 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.**  
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**CONDENSED STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	Note	Unaudited					
		Group		Six-month period ended		Company	
		30.6.2020 <sup>(1)</sup>	30.6.2019 <sup>(2)</sup>	30.6.2020 <sup>(1)</sup>	30.6.2019 <sup>(2)</sup>	30.6.2020 <sup>(1)</sup>	30.6.2019 <sup>(2)</sup>
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Revenue	15	9,942,315	40,693,895	25,498,836	4,330,013	17,722,743	24,762,985
Cost of sales	16	(5,947,481)	(24,343,040)	(10,928,590)	(1,761,630)	(7,210,352)	(10,338,462)
<b>Gross profit</b>		<b>3,994,834</b>	<b>16,350,855</b>	<b>14,570,246</b>	<b>2,568,383</b>	<b>10,512,391</b>	<b>14,424,523</b>
Other income	17	26,405	108,077	306,991	26,263	107,494	305,336
Administrative expenses	18	(3,023,753)	(12,376,220)	(3,062,874)	(2,373,868)	(9,716,242)	(2,511,824)
<b>Operating profit</b>		<b>997,486</b>	<b>4,082,712</b>	<b>11,814,363</b>	<b>220,778</b>	<b>903,643</b>	<b>12,218,035</b>
Finance costs	19	(704,356)	(2,882,929)	(464,235)	(658,414)	(2,694,889)	(458,235)
Share of profit of associates		364,044	1,490,032	372,939	578,965	2,369,704	372,939
<b>Profit before tax</b>		<b>657,174</b>	<b>2,689,815</b>	<b>11,723,067</b>	<b>141,329</b>	<b>578,458</b>	<b>12,132,739</b>
Income tax expense	20	(385,483)	(1,577,782)	(2,344,346)	-	-	(2,342,218)
<b>Profit for the financial period</b>		<b>271,691</b>	<b>1,112,033</b>	<b>9,378,721</b>	<b>141,329</b>	<b>578,458</b>	<b>9,790,521</b>
Other comprehensive income, net of tax		-	-	-	-	-	-
<b>Total comprehensive income for the financial period</b>		<b>271,691</b>	<b>1,112,033</b>	<b>9,378,721</b>	<b>141,329</b>	<b>578,458</b>	<b>9,790,521</b>
<b>Profit attributable to:</b>							
Owners of the Company		211,795	866,879	9,064,501			
Non-controlling interests		59,896	245,154	314,220			
		<u>271,691</u>	<u>1,112,033</u>	<u>9,378,721</u>			
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		211,795	866,879	9,064,501			
Non-controlling interests		59,896	245,154	314,220			
		<u>271,691</u>	<u>1,112,033</u>	<u>9,378,721</u>			
<b>Earnings per share</b>	21						
- Basic		0.003	0.012	0.126			
- Diluted		0.003	0.012	0.126			

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 2019 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.**  
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**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interests US\$	Total equity US\$
<b>Group</b>					
<b>Unaudited</b>					
At 1 January 2020	35,937,500	4,575,051	17,659,652	831,577	59,003,780
Total comprehensive income for the financial period	-	-	211,795	59,896	271,691
At 30 June 2020	35,937,500	4,575,051	17,871,447	891,473	59,275,471
<i>(KHR'000 equivalent)</i>	<i>147,092,188</i>	<i>18,725,684</i>	<i>73,147,829</i>	<i>3,648,799</i>	<i>242,614,500</i>
<b>Group</b>					
<b>Unaudited</b>					
At 1 January 2019	35,937,500	4,575,051	9,500,657	467,977	50,481,185
Total comprehensive income for the financial period	-	-	9,064,501	314,220	9,378,721
At 30 June 2019	35,937,500	4,575,051	18,565,158	782,197	59,859,906

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

**CONDENSED STATEMENTS OF CHANGES IN EQUITY  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 (CONTINUED)**

	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
<b>Company Unaudited</b>				
At 1 January 2020	35,937,500	4,575,051	20,392,994	60,905,545
Total comprehensive income for the financial period	-	-	141,329	141,329
At 30 June 2020	35,937,500	4,575,051	20,534,323	61,046,874
<i>(KHR'000 equivalent)</i>	<i>147,092,188</i>	<i>18,725,684</i>	<i>84,046,984</i>	<i>249,864,856</i>
	Share capital US\$	Share premium US\$	Retained earnings US\$	Total equity US\$
<b>Company Unaudited</b>				
At 1 January 2019	35,937,500	4,575,051	10,958,805	51,471,356
Total comprehensive income for the financial period	-	-	9,790,521	9,790,521
At 30 June 2019	35,937,500	4,575,051	20,749,326	61,261,877

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019 and the accompanying explanatory notes attached to the interim financial report.



**PHNOM PENH SEZ PLC.**  
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**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020**

	Group		Unaudited Six-month period ended			
	30.6.2020 <sup>(1)</sup>		30.6.2019 <sup>(2)</sup>	30.6.2020 <sup>(1)</sup>		30.6.2019 <sup>(2)</sup>
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Cash flows from operating activities</b>						
Profit before tax:	657,174	2,689,815	11,723,067	141,329	578,458	12,132,739
Adjustments for:						
Deferred revenue	(267,896)	(1,096,499)	(274,000)	(273,998)	(1,121,474)	(274,000)
Depreciation for:						
- property, plant and equipment	625,892	2,561,775	555,765	485,398	1,986,735	509,461
- written off	1,651	6,757	-	-	-	-
- investment properties	233,928	957,467	107,057	204,473	836,908	107,057
Interest expenses	704,356	2,882,929	464,235	658,414	2,694,889	458,235
Interest income	(196)	(802)	(159)	(181)	(741)	(159)
Share of profit of associates	(364,044)	(1,490,032)	(372,939)	(578,965)	(2,369,704)	(372,939)
<b>Operating profit before changes in working capital</b>	<b>1,590,865</b>	<b>6,511,410</b>	<b>12,203,026</b>	<b>636,470</b>	<b>2,605,071</b>	<b>12,560,394</b>
<b>Changes in working capital:</b>						
Inventories	4,913,062	20,109,163	6,942,006	5,347,181	21,886,012	6,371,407
Trade and other receivables	2,869,057	11,743,050	(5,374,304)	2,883,472	11,802,051	(5,060,764)
Contract assets	-	-	29,572	-	-	-
Trade and other payables	454,768	1,861,365	(7,140,423)	(1,558,296)	(6,378,106)	(6,663,441)
Contract liabilities	-	-	(4,497,911)	-	-	(4,461,124)
<b>Net cash generated from operations</b>	<b>9,827,752</b>	<b>40,224,988</b>	<b>2,161,966</b>	<b>7,308,827</b>	<b>29,915,028</b>	<b>2,746,472</b>
Interest paid	(704,356)	(2,882,929)	(464,235)	(658,414)	(2,694,889)	(458,235)
Tax paid	(1,838,244)	(7,523,933)	(7,320)	(1,456,262)	(5,960,480)	-
<b>Net cash from operating activities</b>	<b>7,285,152</b>	<b>29,818,126</b>	<b>1,690,411</b>	<b>5,194,151</b>	<b>21,259,659</b>	<b>2,288,237</b>

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

**CONDENSED STATEMENTS OF CASH FLOWS  
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2020 (CONTINUED)**

	Group		Unaudited Six-month period ended		Company	
	30.6.2020 <sup>(1)</sup>		30.6.2019 <sup>(2)</sup>		30.6.2020 <sup>(1)</sup>	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(1,454,630)	(5,953,801)	(3,454,079)	(771,919)	(3,159,464)	(2,389,306)
Purchase of investment properties	(5,996,511)	(24,543,720)	-	(5,112,878)	(20,927,009)	-
Investment in associates	-	-	(245,000)	-	-	(245,000)
Investment in subsidiaries	-	-	-	(1,000,000)	(4,093,000)	-
Interest income	196	802	159	181	741	159
Net advances to subsidiaries	-	-	-	985,886	4,035,231	(1,843,953)
Net advances from/(repayments to) related parties	782,301	3,201,959	543,083	778,515	3,186,462	(4,691)
Net (advances to)/repayment from associates	250,140	1,023,824	(302,969)	295,648	1,210,087	36,590
Net repayments from/(advances to) directors	(778,929)	(3,188,156)	153,654	(778,929)	(3,188,156)	151,954
Net advances to shareholders	187,745	768,440	(166,356)	187,745	768,440	(157,552)
<b>Net cash used in investing activities</b>	<b>(7,009,688)</b>	<b>(28,690,652)</b>	<b>(3,471,508)</b>	<b>(5,415,751)</b>	<b>(22,166,668)</b>	<b>(4,451,799)</b>
<b>Cash flows from financing activities</b>						
Drawdown of bank loans	282,448	1,156,060	-	-	-	-
Repayment of borrowings	-	-	(760,121)	(134,778)	(551,646)	(760,121)
Proceeds from term loan	-	-	3,568,930	-	-	2,368,930
<b>Net cash from/(used in) financing activities</b>	<b>282,448</b>	<b>1,156,060</b>	<b>2,808,809</b>	<b>(134,778)</b>	<b>(551,646)</b>	<b>1,608,809</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>557,912</b>	<b>2,283,534</b>	<b>1,027,712</b>	<b>(356,378)</b>	<b>(1,458,655)</b>	<b>(554,753)</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>1,341,410</b>	<b>5,490,391</b>	<b>1,864,328</b>	<b>843,998</b>	<b>3,454,484</b>	<b>1,515,764</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,899,322</b>	<b>7,773,925</b>	<b>2,892,040</b>	<b>487,620</b>	<b>1,995,829</b>	<b>961,011</b>

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 2019 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 Kambol, 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 13 August 2020.

### 2. BASIS OF PREPARATION

#### 2.1 Statement of compliance

The condensed interim financial information 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 condensed interim financial information does not include all notes of the type normally included in an annual financial statements. Accordingly, this condensed interim financial information is to be read in conjunction with the annual audited financial statements for the financial year ended 31 December 2019 and any public announcements made by the Company during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

#### 2.2 New and amended standards adopted by the Group and the Company

The Group and the Company has applied the following standards and amendments for the first time for its reporting period commencing 1 January 2020:

- Amendments to CIFRS 3 – *Definition of a Business*
- Amendments to CIFRS 7, CIFRS 9 and CIAS39 – *Interest Rate Benchmark Reform*
- Amendments to CIAS 1 and CIAS 8 – *Definition of Material*

The adoption of the above-mentioned accounting standards, amendments and interpretations have no significant impact on the financial statements of the Group and of the Company.



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

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

**2.3 New standards and interpretations not yet adopted**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2020 reporting period and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

**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 2019	697,450	11,296,232	513,491	164,890	1,320,043	13,992,106
Additions	-	182,302	115,902	145,867	8,317,301	8,761,372
Movement in inventories	23,774	52,729	-	-	(3,916,585)	(3,840,082)
Depreciation	-	(875,525)	(169,247)	(88,296)	-	(1,133,068)
At 31 December 2019	721,224	10,655,738	460,146	222,461	5,720,759	17,780,328
Additions	24,198	-	-	30,642	1,399,790	1,454,630
Written off	(1,594)	-	-	(57)	-	(1,651)
Transfer to property, plant and equipment	-	2,067,464	-	-	(2,067,464)	-
Movement in inventories	19,500	-	-	-	(4,849,506)	(4,830,006)
Depreciation	(10,527)	(499,673)	(74,559)	(41,133)	-	(625,892)
At 30 June 2020 (unaudited)	752,801	12,223,529	385,587	211,913	203,579	13,777,409
<i>(KHR'000 equivalent)</i>	<i>3,081,214</i>	<i>50,030,904</i>	<i>1,578,208</i>	<i>867,360</i>	<i>833,248</i>	<i>56,390,934</i>

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**3. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

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 2019	697,450	11,231,597	297,134	79,807	526,947	12,832,935
Additions	-	-	350	39,688	5,846,612	5,886,650
Movement in inventories	23,774	52,729	-	-	(677,982)	(601,479)
Depreciation	-	(869,765)	(91,812)	(44,764)	-	(1,006,341)
At 31 December 2019	721,224	10,414,561	205,672	74,731	5,695,577	17,111,765
Additions	-	-	-	9,123	762,796	771,919
Transfer to property, plant and equipment	-	27,800	-	-	(27,800)	-
Movement in inventories	-	-	-	-	(3,676,413)	(3,676,413)
Depreciation	-	(435,518)	(35,884)	(13,996)	-	(485,398)
At 30 June 2020 (unaudited)	721,224	10,006,843	169,788	69,858	2,754,160	13,721,873
<i>(KHR'000 equivalent)</i>	2,951,970	40,958,008	694,943	285,929	11,272,776	56,163,626

**4. INVESTMENT PROPERTIES**

Group	Freehold land US\$	Buildings US\$	Total US\$
<b>Net carrying amount at cost</b>			
At 1 January 2019	742,778	2,865,829	3,608,607
Depreciation	-	(214,114)	(214,114)
At 31 December 2019	742,778	2,651,715	3,394,493
Additions	1,772,878	4,223,633	5,996,511
Depreciation	-	(233,928)	(233,928)
At 30 June 2020 (unaudited)	2,515,656	6,641,420	9,157,076
<i>(KHR'000 equivalent)</i>	10,296,582	27,183,330	37,479,912
<b>Fair value</b>			
At 30 June 2020 (unaudited)	5,562,490	3,426,167	8,988,657
<i>(KHR'000 equivalent)</i>	22,767,272	14,023,302	36,790,573
At 31 December 2019	5,562,490	3,426,167	8,988,657



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**4. INVESTMENT PROPERTIES (CONTINUED)**

Company	Freehold land US\$	Buildings US\$	Total US\$
<b>Net carrying amount at cost</b>			
At 1 January 2019	742,778	2,865,829	3,608,607
Depreciation	-	(214,114)	(214,114)
At 31 December 2019	742,778	2,651,715	3,394,493
Additions	1,772,878	3,340,000	5,112,878
Depreciation	-	(204,473)	(204,473)
At 30 June 2020 (unaudited)	2,515,656	5,787,242	8,302,898
<i>(KHR'000 equivalent)</i>	10,296,582	23,687,180	33,983,762
<b>Fair value</b>			
At 30 June 2020 (unaudited)	5,562,490	3,426,167	8,988,657
<i>(KHR'000 equivalent)</i>	22,767,272	14,023,302	36,790,573
At 31 December 2019	5,562,490	3,426,167	8,988,657

**5. INVESTMENT IN SUBSIDIARIES**

	Company	
	Unaudited 30.6.2020 US\$	Audited 31.12.2019 US\$
Unquoted shares, at cost	16,605,000	15,605,000

The details of the subsidiaries are as follows:

Name	Country of incorporation	Ownership interest		Principal activities
		2020 %	2019 %	
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.

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**6. INVESTMENT IN ASSOCIATES**

	<b>Group</b>		
	<b>Unaudited 30.6.2020 US\$</b>	<b>KHR'000</b>	<b>Audited 31.12.2019 US\$</b>
Unquoted shares, at cost	6,997,400	28,640,358	6,752,400
Additional investment	-	-	245,000
Shares of post-acquisition reserves	5,014,232	20,523,252	4,650,190
Less: Impairment losses	(1,435,407)	(5,875,121)	(1,435,407)
	10,576,225	43,288,489	10,212,183

  

	<b>Company</b>		
	<b>Unaudited 30.6.2020 US\$</b>	<b>KHR'000</b>	<b>Audited 31.12.2019 US\$</b>
Unquoted shares, at cost	6,996,950	28,638,516	6,751,950
Additional investment	-	-	245,000
Shares of post-acquisition reserves	5,014,682	20,525,094	4,435,719
Less: Impairment losses	(1,435,407)	(5,875,121)	(1,435,407)
	10,576,225	43,288,489	9,997,262

The details of the associates are as follows:

<b>Name</b>	<b>Country of incorporation</b>	<b>Ownership interest</b>		<b>Principal activities</b>
		<b>2020 %</b>	<b>2019 %</b>	
<i>Associate of Phnom Penh SEZ PLC</i>				
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
<i>Associate of Poi Pet PPSEZ Co., Ltd</i>				
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.

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**7. INVENTORIES**

	Group		Company				
	Unaudited		Audited		Unaudited		Audited
	30.6.2020		31.12.2019		30.6.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
At lower of cost and net realizable value							
Land	34,519,926	141,290,057	34,602,982	12,789,641	52,348,001	14,460,409	

27.92 (2019: 68.22) hectares of saleable land with a carrying amount of US\$8,461,923 (2019: US\$15,078,630) have been pledged to First Commercial Bank, Kasikorn Bank, Phnom Penh Commercial Bank and Advanced Bank of Asia as security for borrowings (Note 13).

**8. TRADE AND OTHER RECEIVABLES**

	Group		Company				
	Unaudited		Audited		Unaudited		Audited
	30.6.2020		31.12.2019		30.6.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
<b>Current:</b>							
<b>Trade</b>							
Third parties	1,895,116	7,756,710	2,156,054	-	-	2,116,419	
Shareholder	6,039	24,718	-	-	-	-	
Related parties	782,963	3,204,668	784,077	771,217	3,156,591	771,217	
	2,684,118	10,986,096	2,940,131	771,217	3,156,591	2,887,636	
<b>Non-trade</b>							
Other receivables	224,034	916,971	199,677	205,670	841,807	194,394	
Input value added taxes	1,202,742	4,922,823	1,214,196	383,289	1,568,802	526,538	
Withholding tax credit	3,341,795	13,677,967	4,753,947	3,296,795	13,493,782	4,708,947	
Subsidiaries	-	-	-	11,762,674	48,144,625	11,224,718	
Associates	2,311,684	9,461,723	2,561,824	1,834,254	7,507,602	2,122,673	
Related parties	629,277	2,575,631	307,372	429,277	1,757,031	107,372	
Directors	-	-	321,071	-	-	321,071	
Shareholders	16,729	68,472	5,832	16,729	68,472	5,832	
Deposits	97,730	400,009	18,380	4,880	19,973	4,880	
Prepayments	12,881,030	52,722,056	14,174,175	12,784,354	52,326,361	12,007,282	
	20,705,021	84,745,652	23,556,474	30,717,922	125,728,455	31,223,707	
<b>Total trade and other receivables</b>	23,389,139	95,731,748	26,496,605	31,489,139	128,885,046	34,111,343	



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**9. CONTRACT LIABILITIES**

	Group			Company		
	Unaudited		Audited	Unaudited		Audited
	30.6.2020		31.12.2019	30.6.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Contract liabilities</b>						
<b>Non-current</b>						
Deferred revenue	9,042,000	37,008,906	9,316,000	9,042,000	37,008,906	9,316,000
<b>Current</b>						
Deferred revenue	554,102	2,267,939	548,000	548,000	2,242,964	548,000
<b>Total contract liabilities</b>	<u>9,596,102</u>	<u>39,276,845</u>	<u>9,864,000</u>	<u>9,590,000</u>	<u>39,251,870</u>	<u>9,864,000</u>

Deferred revenue amounting to US\$9,590,000 (2019: US\$9,864,000) 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		Audited	Unaudited		Audited
	30.6.2020		31.12.2019	30.6.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash in hand	4,701	19,241	4,161	1,911	7,822	1,151
Cash at banks	1,894,621	7,754,684	1,337,249	485,709	1,988,007	842,847
	<u>1,899,322</u>	<u>7,773,925</u>	<u>1,341,410</u>	<u>487,620</u>	<u>1,995,829</u>	<u>843,998</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		Audited	
	30.6.2020		31.12.2019	
	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/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>147,092,188</u>		

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**11. SHARE CAPITAL (CONTINUED)**

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.

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			Company		
	Unaudited 30.6.2020 US\$	KHR'000	Audited 31.12.2019 US\$	Unaudited 30.6.2020 US\$	KHR'000	Audited 31.12.2019 US\$
<b>Non-current:</b>						
<b>Secured</b>						
Bank loans:						
Term loan VII	7,434,562	30,429,662	7,262,078	6,502,417	26,614,393	7,262,078
Term loan VIII	1,100,000	4,502,300	1,200,000	1,100,000	4,502,300	1,200,000
Term loan IX	3,736,850	15,294,927	3,000,000	3,249,800	13,301,431	3,000,000
Term loan X	-	-	990,261	-	-	-
Term loan XI	2,342,392	9,587,410	-	2,342,392	9,587,411	-
	<u>14,613,804</u>	<u>59,814,299</u>	<u>12,452,339</u>	<u>13,194,609</u>	<u>54,005,535</u>	<u>11,462,078</u>
<b>Current:</b>						
<b>Secured</b>						
Bank loans:						
Term loan V	-	-	75,643	-	-	75,643
Term loan VII	1,681,487	6,882,326	1,551,120	1,551,120	6,348,734	1,551,120
Term loan VIII	1,658,334	6,787,561	3,450,000	1,658,334	6,787,561	3,450,000
Term loan X	-	-	142,075	-	-	-
	<u>3,339,821</u>	<u>13,669,887</u>	<u>5,218,838</u>	<u>3,209,454</u>	<u>13,136,295</u>	<u>5,076,763</u>
<b>Total loans and borrowings</b>	<u>17,953,625</u>	<u>73,484,186</u>	<u>17,671,177</u>	<u>16,404,063</u>	<u>67,141,830</u>	<u>16,538,841</u>



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**14. TRADE AND OTHER PAYABLES**

	Group			Company		
	Unaudited		Audited	Unaudited		Audited
	30.6.2020		31.12.2019	30.6.2020		31.12.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Trade</b>						
Third parties	204,711	837,883	843,628	101,055	413,618	606,329
Associates	-	-	639,914	-	-	639,914
	<u>204,711</u>	<u>837,883</u>	<u>1,483,542</u>	<u>101,055</u>	<u>413,618</u>	<u>1,246,243</u>
<b>Non-trade</b>						
Other payables	2,207,988	9,037,300	97,607	339,975	1,391,518	219,718
Deposits	1,838,053	7,523,151	2,195,424	1,492,483	6,108,733	2,025,848
Provision for seniority	-	-	22,094	-	-	-
Subsidiary	-	-	-	2,770,040	11,337,774	1,246,198
Associates	43,704	178,880	41,021	43,154	176,629	35,925
Related parties	1,990,864	8,148,606	886,658	1,984,142	8,121,093	883,722
Directors	-	-	1,100,000	-	-	1,100,000
Shareholders	200,610	821,097	1,968	200,610	821,097	1,968
	<u>6,281,219</u>	<u>25,709,034</u>	<u>4,344,772</u>	<u>6,830,404</u>	<u>27,956,844</u>	<u>5,513,379</u>
<b>Total trade and other payables</b>	<u>6,485,930</u>	<u>26,546,917</u>	<u>5,828,314</u>	<u>6,931,459</u>	<u>28,370,462</u>	<u>6,759,622</u>

**15. REVENUE**

	Unaudited					
	Three-month period ended					
	Group		Company			
30.6.2020		30.6.2019		30.6.2019		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Revenue from contract customers:</b>						
Construction contracts	592,054	2,423,277	78,191	-	-	-
<b>Revenue from other sources:</b>						
Sale of land	3,887,051	15,909,700	2,423,865	(110,957)	(454,147)	2,423,865
Services rendered	1,121,118	4,588,739	694,586	684,729	2,802,595	608,689
Rental income	472,750	1,934,964	220,894	466,372	1,908,861	221,095
	<u>6,072,973</u>	<u>24,856,680</u>	<u>3,417,536</u>	<u>1,040,144</u>	<u>4,257,309</u>	<u>3,253,649</u>
<b>Timing of revenue recognition:</b>						
At point in time	5,480,919	22,433,403	3,339,345	1,040,144	4,257,309	3,253,649
Over time	592,054	2,423,277	78,191	-	-	-

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**15. REVENUE (CONTINUED)**

	Unaudited					
	Six-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Revenue from contract customers:</b>						
Construction contracts	1,049,211	4,294,421	322,420	-	-	-
<b>Revenue from other sources:</b>						
Sale of land	6,042,786	24,733,123	23,298,583	2,044,778	8,369,276	23,118,583
Services rendered	1,903,254	7,790,019	1,442,405	1,343,802	5,500,182	1,208,374
Rental income	947,064	3,876,332	435,428	941,433	3,853,285	436,028
	9,942,315	40,693,895	25,498,836	4,330,013	17,722,743	24,762,985
<b>Timing of revenue recognition:</b>						
At point in time	8,893,104	36,399,474	25,176,416	4,330,013	17,722,743	24,762,985
Over time	1,049,211	4,294,421	322,420	-	-	-

**16. COST OF SALES**

	Unaudited					
	Three-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold	3,042,884	12,454,524	1,219,459	-	-	1,182,038
Cost of services rendered	349,359	1,429,926	324,627	268,669	1,099,662	240,931
Construction cost	541,681	2,217,102	25,290	-	-	-
Depreciation	124,731	510,524	53,528	95,278	389,973	53,528
	4,058,655	16,612,076	1,622,904	363,947	1,489,635	1,476,497

	Unaudited					
	Six-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold	4,069,064	16,654,679	9,917,725	1,026,180	4,200,155	9,770,885
Cost of services rendered	700,340	2,866,491	672,421	530,977	2,173,289	460,520
Construction cost	944,149	3,864,403	231,387	-	-	-
Depreciation	233,928	957,467	107,057	204,473	836,908	107,057
	5,947,481	24,343,040	10,928,590	1,761,630	7,210,352	10,338,462

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**17. OTHER INCOME**

	Unaudited					
	Three-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	56	229	57	41	168	57
Others	(4,003)	(16,384)	246,120	(4,130)	(16,904)	245,433
	(3,947)	(16,155)	246,177	(4,089)	(16,736)	245,490

	Unaudited					
	Six-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	196	802	159	181	741	159
Others	26,209	107,275	306,832	26,082	106,753	305,177
	26,405	108,077	306,991	26,263	107,494	305,336

**18. ADMINISTRATIVE EXPENSES**

	Unaudited					
	Three-month period ended					
	Group		Company			
	30.6.2020	30.6.2019	30.6.2020	30.6.2019	30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	339,912	1,391,261	276,332	239,722	981,182	252,658
Electricity	11,920	48,790	13,607	8,700	35,609	9,181
Handling fees	5,583	22,850	890	2,308	9,447	255
Maintenance	366,377	1,499,581	91,480	352,243	1,441,731	72,494
Professional fees	84,935	347,639	155,508	64,316	263,245	126,506
Personnel costs	557,531	2,281,974	704,388	397,380	1,626,476	534,911
Rental	20,311	83,133	14,069	8,580	35,118	6,468
Selling and marketing expenses	5,018	20,538	13,755	4,898	20,048	13,755
Security services	44,719	183,036	35,065	40,101	164,133	29,644
Withholding tax, fringe benefit and others tax expenses	39,233	160,579	35,802	37,849	154,916	27,676
Other expenses	128,937	527,739	169,693	121,229	496,190	150,736
	1,604,476	6,567,120	1,510,589	1,277,326	5,228,095	1,224,284



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**18. ADMINISTRATIVE EXPENSES (CONTINUED)**

	Group		Unaudited Six-month period ended				
	30.6.2020		30.6.2019		30.6.2020		30.6.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Depreciation of property, plant and equipment	625,892	2,561,775	555,765	485,398	1,986,735	509,461	
Electricity	26,766	109,553	25,707	19,976	81,762	17,179	
Handling fees	10,493	42,948	3,881	2,886	11,813	979	
Maintenance	435,710	1,783,361	160,101	409,844	1,677,491	139,900	
Professional fees	204,718	837,911	264,092	138,077	565,149	221,565	
Personnel costs	1,162,986	4,760,102	1,240,268	824,724	3,375,595	910,550	
Rental	39,413	161,317	31,607	15,324	62,721	13,908	
Selling and marketing expenses	6,495	26,584	30,849	9,150	37,452	18,673	
Security services	91,270	373,568	78,904	81,045	331,717	69,687	
Withholding tax, fringe benefit and others tax expenses	54,934	224,845	52,066	51,016	208,808	38,464	
Other expenses	365,076	1,494,256	619,634	336,428	1,376,999	571,458	
	<u>3,023,753</u>	<u>12,376,220</u>	<u>3,062,874</u>	<u>2,373,868</u>	<u>9,716,242</u>	<u>2,511,824</u>	

**19. FINANCE COSTS**

	Group		Unaudited Three-month period ended				
	30.6.2020		30.6.2019		30.6.2020		30.6.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Interest expense on term loans	<u>341,620</u>	<u>1,398,250</u>	<u>251,516</u>	<u>315,099</u>	<u>1,289,700</u>	<u>245,516</u>	

	Group		Unaudited Six-month period ended				
	30.6.2020		30.6.2019		30.6.2020		30.6.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Interest expense on term loans	<u>704,356</u>	<u>2,882,929</u>	<u>464,235</u>	<u>658,414</u>	<u>2,694,889</u>	<u>458,235</u>	

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**20. INCOME TAX EXPENSE**

	Group		Unaudited			
			Three-month period ended			
	30.6.2020	30.6.2019	Company		30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Statements of comprehensive income						
Current income tax:						
- Current period	214,292	877,097	99,669	(40,815)	(167,056)	99,669

	Group		Unaudited			
			Six-month period ended			
	30.6.2020	30.6.2019	Company		30.6.2019	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Statements of comprehensive income						
Current income tax:						
- Current period	385,483	1,577,782	2,344,346	-	-	2,342,218

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on profit at 20% (2019: 20%) of taxable profit.

**21. EARNINGS PER SHARE**

	Unaudited		
	Three-month period ended		
	Group		
	30.6.2020	30.6.2019	
	US\$	KHR'000	US\$
Profit attributable to owners of the Company	126,265	516,804	297,893
Weighted average number of ordinary shares	Units	Units	Units
	71,875,000	71,875,000	71,875,000
Basic earnings per share	US\$	KHR'000	US\$
	0.002	0.007	0.004
Diluted earnings per share	US\$	KHR'000	US\$
	0.002	0.007	0.004



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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**21. EARNINGS PER SHARE (CONTINUED)**

	Unaudited Six-month period ended Group		
	30.6.2020		30.6.2019
	US\$	KHR'000	US\$
Profit attributable to owners of the Company	211,795	886,879	9,064,501
	<b>Units</b>	<b>Units</b>	<b>Units</b>
Weighted average number of ordinary shares	71,875,000	71,875,000	71,875,000
	<b>US\$</b>	<b>KHR'000</b>	<b>US\$</b>
Basic earnings per share	0.003	0.012	0.126
Diluted earnings per share	0.003	0.012	0.126

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.

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

**22. RELATED PARTIES**

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

	Unaudited Six-month period ended					
	Group		Company			
	30.6.2020		30.6.2019	30.6.2020		30.6.2019
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<b>Associates</b>						
Colben Energy (Cambodia)						
PPSEZ Limited						
- Rental income	274,000	1,121,482	274,000	274,000	1,121,482	274,000
- Purchase of electricity	(240,116)	(982,795)	(227,038)	(240,116)	(982,795)	(227,038)
<b>Subsidiary</b>						
Sahas E&C Co., Ltd						
- Construction cost	-	-	-	(420,867)	(1,722,609)	(2,471,041)

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

**NOTES TO THE CONDENSED FINANCIAL INFORMATION (CONTINUED)**

**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 (2019: 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.

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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 2020 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.



Company No. 00006448

**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.**  
Certified Public Accountants

Phnom Penh, Kingdom of Cambodia

Date: 13 AUG 2020



**Tan Khee Meng**  
Certified Public Accountant