

Registration No:
INV - 1076KH/2006

**PHNOM PENH SEZ PLC.
(INCORPORATED IN CAMBODIA)**

**CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND SIX-MONTH PERIOD ENDED 30 JUNE 2016**

Registration No:
INV - 1076KH/2006

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

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REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE SHAREHOLDERS OF PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)
(Registration No: INV - 1076KH/2006)

Introduction

We have reviewed the accompanying condensed statements of financial position of Phnom Penh SEZ Plc. ("the Company") and its subsidiaries ("the Group") as at 30 June 2016, and the related condensed statements of profit or loss and other 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"). The Directors of the Company are responsible for the preparation of and presentation of the Condensed Interim Financial Information. Our responsibility is to express a conclusion on this Condensed Interim Financial Information based on our review.

Scope of review

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

Conclusion

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

 
BDO (Cambodia) Limited

Phnom Penh, Cambodia
Date: 12 August 2016

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016

	Note	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
		Unaudited 30.6 2016 US\$	KHR'000		Unaudited 30.6 2016 US\$	KHR'000	
ASSETS							
Non-current assets							
Property, plant and equipment	4	14,678,553	59,947,210	14,110,151	14,669,786	59,911,406	14,105,302
Investment properties	5	3,787,070	15,466,394	3,407,442	3,787,070	15,466,394	3,407,442
Investments in subsidiaries	6	-	-	-	5,005,000	20,440,420	5,005,000
Investments in associates	7	8,387,154	34,253,137	8,161,560	8,387,154	34,253,137	8,161,560
		<u>26,852,777</u>	<u>109,666,741</u>	<u>25,679,153</u>	<u>31,849,010</u>	<u>130,071,357</u>	<u>30,679,304</u>
Current assets							
Inventories	8	14,993,238	61,232,384	13,137,053	6,940,761	28,346,068	7,758,535
Trade and other receivables	9	9,321,666	38,069,684	8,486,105	12,635,632	51,603,921	9,091,132
Cash and bank balances	10	4,084,985	16,683,079	1,165,704	4,065,591	16,603,874	1,141,508
		<u>28,399,889</u>	<u>115,985,147</u>	<u>22,788,862</u>	<u>23,641,984</u>	<u>96,553,863</u>	<u>17,991,175</u>
TOTAL ASSETS		<u>55,252,666</u>	<u>225,651,888</u>	<u>48,468,015</u>	<u>55,490,994</u>	<u>226,625,220</u>	<u>48,670,479</u>
EQUITY AND LIABILITIES							
Equity							
Share capital	11	28,937,500	118,180,750	23,150,000	28,937,500	118,180,750	23,150,000
Share premium	12	1,729,345	7,062,645	-	1,729,345	7,062,645	-
Retained earnings		4,409,935	18,010,175	4,135,511	4,653,123	19,003,354	4,345,567
TOTAL EQUITY		<u>35,076,780</u>	<u>143,253,570</u>	<u>27,285,511</u>	<u>35,319,968</u>	<u>144,246,749</u>	<u>27,495,567</u>
LIABILITIES							
Non-current liabilities							
Borrowings	14	2,041,422	8,337,167	1,932,802	2,041,422	8,337,167	1,932,802
Deferred revenue	15	11,234,000	45,879,656	11,508,000	11,234,000	45,879,656	11,508,000
		<u>13,275,422</u>	<u>54,216,823</u>	<u>13,440,802</u>	<u>13,275,422</u>	<u>54,216,823</u>	<u>13,440,802</u>

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2016 (continued)

	Note	Group			Company		
		Unaudited		Audited	Unaudited		Audited
		30.6 2016	31.12.2015	31.12.2015	30.6 2016	31.12.2015	31.12.2015
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
EQUITY AND LIABILITIES (continued)							
LIABILITIES (continued)							
Current liabilities							
Borrowings	14	5,055,606	20,647,095	5,017,823	5,055,606	20,647,095	5,017,823
Deferred revenue	15	548,000	2,238,032	548,000	548,000	2,238,032	548,000
Trade and other payables	16	1,243,563	5,078,711	2,172,310	1,239,014	5,060,134	2,168,287
Current tax liabilities		53,295	217,657	3,569	52,984	216,387	-
		<u>6,900,464</u>	<u>28,181,495</u>	<u>7,741,702</u>	<u>6,895,604</u>	<u>28,161,648</u>	<u>7,734,110</u>
TOTAL LIABILITIES		<u>20,175,886</u>	<u>82,398,318</u>	<u>21,182,504</u>	<u>20,171,026</u>	<u>82,378,471</u>	<u>21,174,912</u>
TOTAL EQUITY AND LIABILITIES		<u>55,252,666</u>	<u>225,651,888</u>	<u>48,468,015</u>	<u>55,490,994</u>	<u>226,625,220</u>	<u>48,670,479</u>

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

**CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
FOR THE THREE-MONTH PERIOD ENDED 30 JUNE 2016

	Note	Unaudited Three-month period ended					
		Group		Company		30.6.2015 ⁽²⁾	
		30.6.2016 ⁽¹⁾	30.6.2015 ⁽²⁾	30.6.2016 ⁽¹⁾	30.6.2015 ⁽²⁾	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue	17	1,313,372	5,363,812	8,347,716	1,246,475	5,090,604	8,277,330
Cost of sales and services	18	(470,442)	(1,921,285)	(2,526,548)	(408,631)	(1,668,849)	(2,463,225)
Gross profit		842,930	3,442,527	5,821,168	837,844	3,421,755	5,814,105
Other income	19	11,614	47,432	4,213	11,614	47,432	4,213
General and administrative expenses	20	(1,281,213)	(5,232,474)	(885,730)	(1,248,268)	(5,097,927)	(834,596)
Finance costs	21	(215,506)	(880,127)	(310,814)	(215,506)	(880,127)	(310,814)
Share of profit of associates		91,004	371,660	1,856	91,004	371,660	1,856
(Loss)/Profit before tax		(551,171)	(2,250,982)	4,630,693	(523,312)	(2,137,207)	4,674,764
Tax expense	22	-	-	(755,220)	-	-	(755,220)
(Loss)/Profit for the financial period		(551,171)	(2,250,982)	3,875,473	(523,312)	(2,137,207)	3,919,544
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive (loss)/income for the financial period		(551,171)	(2,250,982)	3,875,473	(523,312)	(2,137,207)	3,919,544
(Loss)/Earnings per share attributable to equity holders	13						
Basic		(0.010)	(0.039)	0.084	(0.009)	(0.037)	0.085
Diluted		(0.010)	(0.039)	0.084	(0.009)	(0.037)	0.085

Notes:

(1) *The Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were neither reviewed nor audited.*

PHNOM PENH SEZ PLC.
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**CONDENSED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE
INCOME**
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

	Note	Group		Unaudited Six-month period ended		Company	
		30.6.2016 ⁽¹⁾ US\$	KHR'000	30.6.2015 ⁽²⁾ US\$	30.6.2016 ⁽¹⁾ US\$	KHR'000	30.6.2015 ⁽²⁾ US\$
Revenue	17	4,459,103	18,210,977	9,374,192	4,325,344	17,664,705	9,241,726
Cost of sales and services	18	(1,708,721)	(6,978,417)	(2,985,058)	(1,588,582)	(6,487,769)	(2,873,924)
Gross profit		2,750,382	11,232,560	6,389,134	2,736,762	11,176,936	6,367,802
Other income	19	20,394	83,289	20,174	20,394	83,289	20,174
General and administrative expenses	20	(2,238,575)	(9,142,340)	(1,684,455)	(2,192,025)	(8,952,230)	(1,627,293)
Finance costs	21	(400,907)	(1,637,304)	(623,300)	(400,907)	(1,637,304)	(623,300)
Share of profit/(loss) of associates		225,594	921,326	(62,178)	225,594	921,326	(62,178)
Profit before tax		356,888	1,457,531	4,039,375	389,818	1,592,017	4,075,205
Tax expense	22	(82,464)	(336,783)	(755,220)	(82,262)	(335,958)	(755,220)
Profit for the financial period		274,424	1,120,748	3,284,155	307,556	1,256,059	3,319,985
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income for the financial period		274,424	1,120,748	3,284,155	307,556	1,256,059	3,319,985
Earnings per share attributable to equity holders	13						
Basic		0.005	0.019	0.071	0.005	0.022	0.072
Diluted		0.005	0.019	0.071	0.005	0.022	0.072

Notes:

(1) *The Condensed Statements of Profit or Loss and Other Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were neither reviewed nor audited.*

PHNOM PENH SEZ PLC.
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CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

Group	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Unaudited					
Balance as at 1 January 2016		23,150,000	-	4,135,511	27,285,511
Profit for the financial period, representing total comprehensive income		-	-	274,424	274,424
<i>Transaction with owners</i>					
Share issue	11	5,787,500	1,729,345	-	7,516,845
Balance as at 30 June 2016		28,937,500	1,729,345	4,409,935	35,076,780
<i>(KHR'000 equivalent)</i>		<i>118,180,750</i>	<i>7,062,645</i>	<i>18,010,175</i>	<i>143,253,570</i>
		Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Unaudited					
Balance as at 1 January 2015		1,000,000	-	22,165,163	23,165,163
Profit for the period, representing total comprehensive income		-	-	3,284,155	3,284,155
Balance as at 30 June 2015		1,000,000	-	25,449,318	26,449,318

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CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 (continued)

Company	Note	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Unaudited					
Balance as at 1 January 2016		23,150,000	-	4,345,567	27,495,567
Profit for the financial period, representing total comprehensive income		-	-	307,556	307,556
<i>Transaction with owners</i>					
Share issue	11	5,787,500	1,729,345	-	7,516,845
Balance as at 30 June 2016		28,937,500	1,729,345	4,653,123	35,319,968
<i>(KHR'000 equivalent)</i>		<i>118,180,750</i>	<i>7,062,645</i>	<i>19,003,354</i>	<i>144,246,749</i>
		Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Unaudited					
Balance as at 1 January 2015		1,000,000	-	21,572,710	22,572,710
Profit for the period, representing total comprehensive income		-	-	3,919,544	3,919,544
Balance as at 30 June 2015		1,000,000	-	25,492,254	26,492,254

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2015 and the accompanying explanatory notes attached to this interim financial report.

PHNOM PENH SEZ PLC.
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CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016

Note	Unaudited					
	Group		Six-month period ended		Company	
	30.6.2016 ⁽¹⁾		30.6.2015 ⁽²⁾		30.6.2016 ⁽¹⁾	30.6.2015 ⁽²⁾
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from operating activities						
Profit before tax	356,888	1,457,531	4,039,375	389,818	1,592,017	4,075,205
Adjustments for:						
Depreciation of:						
- property, plant and equipment	497,137	2,030,308	486,569	496,232	2,026,611	486,218
- investment properties	114,191	466,356	179,977	114,191	466,356	179,977
Interest income	19 (1,848)	(7,547)	(54)	(1,848)	(7,547)	(54)
Interest expense	21 400,907	1,637,304	623,300	400,907	1,637,304	623,300
Share of (profit)/loss of associates						
	<u>(225,594)</u>	<u>(921,326)</u>	<u>62,178</u>	<u>(225,594)</u>	<u>(921,326)</u>	<u>62,178</u>
Operating profit before changes in working capital	1,141,681	4,662,626	5,391,345	1,173,706	4,793,415	5,426,824
Changes in working capital						
Inventories	(1,856,185)	(7,580,660)	(2,812,563)	817,774	3,339,789	2,187,437
Trade and other receivables	(690,989)	(2,821,999)	(2,182,375)	(655,172)	(2,675,722)	(2,174,704)
Trade and other payables	<u>(521,444)</u>	<u>(2,129,577)</u>	<u>(534,501)</u>	<u>(521,967)</u>	<u>(2,131,713)</u>	<u>(536,013)</u>
Cash (used in)/generated from operations	(1,926,937)	(7,869,610)	(138,094)	814,341	3,325,769	4,903,544
Tax paid	(32,738)	(133,702)	(245,799)	(29,278)	(119,571)	(245,864)
Interest paid	<u>(400,907)</u>	<u>(1,637,304)</u>	<u>(623,300)</u>	<u>(400,907)</u>	<u>(1,637,304)</u>	<u>(623,300)</u>
Net cash (used in)/from operating activities	<u>(2,360,582)</u>	<u>(9,640,616)</u>	<u>(1,007,193)</u>	<u>384,156</u>	<u>1,568,894</u>	<u>4,034,380</u>

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CONDENSED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2016 (continued)

	Note	Unaudited					
		Group		Six-month period ended			
		30.6.2016 ⁽¹⁾		30.6.2015 ⁽²⁾		30.6.2016 ⁽¹⁾	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Cash flows from investing activities							
Purchase of property, plant and equipment	4	(1,559,358)	(6,368,418)	(72,131)	(1,554,535)	(6,348,721)	(71,321)
Interest received		1,848	7,547	54	1,848	7,547	54
(Repayments to)/ Advances from related parties		(852,781)	(3,482,758)	997,905	(852,781)	(3,482,758)	998,486
Repayments from/ (Advances to) associates		26,906	109,884	(4,905)	26,906	109,884	(4,905)
Advances to subsidiaries		-	-	-	(2,744,759)	(11,209,596)	(49,814)
Investment in a subsidiary		-	-	-	-	-	(5,000,000)
Net cash (used in)/from investing activities		(2,383,385)	(9,733,745)	920,923	(5,123,321)	(20,923,644)	(4,127,500)
Cash flows from financing activities							
Proceeds from issuance of ordinary shares	11	8,131,104	33,207,429	-	8,131,104	33,207,429	-
Payments of listing expenses		(614,259)	(2,508,634)	-	(614,259)	(2,508,634)	-
Drawdowns of borrowings		146,403	597,910	505,758	146,403	597,910	505,788
Net cash from financing activities		7,663,248	31,296,705	505,758	7,663,248	31,296,705	505,758
Net increase in cash and cash equivalents		2,919,281	11,922,344	419,488	2,924,083	11,941,955	412,638
Cash and cash equivalents at beginning of financial period		365,704	1,493,535	192,555	341,508	1,394,719	186,680
Cash and cash equivalents at end of financial period		3,284,985	13,415,879	612,043	3,265,591	13,336,674	599,318

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 2015 and the accompanying explanatory notes attached to this interim financial report.*

(2) *The comparative figures for the corresponding period were neither reviewed nor audited.*

PHNOM PENH SEZ PLC.
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NOTES TO THE CONDENSED FINANCIAL INFORMATION
30 JUNE 2016

1. CORPORATE INFORMATION

The Company was registered on 10 May 2006 as a private limited liability company in the Kingdom of Cambodia. Subsequently, on 7 July 2015, the Company was converted to a public limited company. The Company was listed in the Cambodia Securities Exchange on 30 May 2016.

The registered office and principal place of business of the Company is located at Phnom Penh Special Economic Zone, National Road 4, Sangkat Kantouk, Khan Posenchey, Phnom Penh, Kingdom of Cambodia.

The condensed financial information comprise the Company and its subsidiaries and the interests of the Group in associates. The condensed financial information are presented in United States Dollar (“US\$”), which is also the Company’s functional currency. Additional disclosures are also made in Khmer Riel (“KHR”) to meet the requirement of certain authorities in Cambodia.

The condensed financial information were authorised for issue by the Board of the Directors on 12 August 2016.

2. PRINCIPAL ACTIVITIES

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 6 to the condensed financial information. There have been no significant changes in the nature of these activities during the financial period.

3. BASIS OF PREPARATION

The interim financial report is unaudited and has 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 2015 and the accompanying explanatory notes attached herein.

The explanatory notes provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group and of the Company since the year ended 31 December 2015.

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following accounting standards and amendments:

	Effective Date
CIFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to CIFRS 10, CIFRS 12 and CIAS 28 <i>Investment Entities: Applying the Consolidation Exception</i>	1 January 2016
Amendments to CIAS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to CIAS 16 and CIAS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016

3. BASIS OF PREPARATION (continued)

The accounting policies and methods of computation adopted are consistent with those adopted in the audited financial statements for the financial year ended 31 December 2015 except for the adoption of the following accounting standards and amendments: (continued)

	Effective Date
Amendments to CIFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to CIAS 16 and CIAS 41 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to CIAS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to CIFRSs <i>Annual Improvements 2012 - 2014 Cycle</i>	1 January 2016

There is no material impact upon the adoption of these amendments.

The following are accounting standards and amendments that have been issued but have not been early adopted by the Group and the Company:

	Effective Date
Amendments to CIAS 12 <i>Recognition of Deferred Tax Assets for Unrealised Losses</i>	1 January 2017
Amendments to CIAS 7 <i>Disclosure Initiative</i>	1 January 2017
CIFRS 9 <i>Financial Instruments</i> (issued by IASB in July 2014)	1 January 2018
CIFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2018
Clarification to CIFRS 15	1 January 2018
CIFRS 16 <i>Leases</i>	1 January 2019
Amendments to CIFRS 10 and CIAS 28 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	Deferred

The Group and the Company is in the process of assessing the impact of implementing these accounting standards and amendments, since the effects would only be observable for the future financial years.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Building and infrastructure US\$	Machinery US\$	Motor vehicles, equipment and computers US\$	Construction in progress US\$	Total US\$
<i>Net carrying amount</i>					
Balance at 1.1.2015	13,159,338	826,104	90,878	-	14,076,320
Additions	518,824	39,960	116,446	344,084	1,019,314
Depreciation	(791,939)	(150,206)	(43,338)	-	(985,483)
Balance at 31.12.2015	12,886,223	715,858	163,986	344,084	14,110,151
Additions	17,135	510	33,380	1,508,333	1,559,358
Transferred to investment properties (Note 5)	(493,819)	-	-	-	(493,819)
Depreciation	(390,065)	(74,902)	(32,170)	-	(497,137)
Balance at 30.6.2016 (unaudited)	12,019,474	641,466	165,196	1,852,417	14,678,553
<i>(KHR'000 equivalent)</i>	<i>49,087,532</i>	<i>2,619,743</i>	<i>674,664</i>	<i>7,565,271</i>	<i>59,947,210</i>
Company					
<i>Net carrying amount</i>					
Balance at 1.1.2015	13,159,338	826,104	88,883	-	14,074,325
Additions	518,824	39,960	111,976	344,084	1,014,844
Depreciation	(791,939)	(150,206)	(41,722)	-	(983,867)
Balance at 31.12.2015	12,886,223	715,858	159,137	344,084	14,105,302
Additions	17,135	510	28,557	1,508,333	1,554,535
Transferred to investment properties (Note 5)	(493,819)	-	-	-	(493,819)
Depreciation	(390,065)	(74,902)	(31,265)	-	(496,232)
Balance at 30.6.2016 (unaudited)	12,019,474	641,466	156,429	1,852,417	14,669,786
<i>(KHR'000 equivalent)</i>	<i>49,087,532</i>	<i>2,619,747</i>	<i>638,856</i>	<i>7,565,271</i>	<i>59,911,406</i>

5. INVESTMENT PROPERTIES

Group and Company	Buildings US\$
<i>Net carrying amount</i>	
Balance as at 1.1.2015	3,592,136
Additions	8,751
Depreciation	<u>(193,445)</u>
Balance as at 31.12.2015	3,407,442
Transferred from property, plant and equipment (Note 4)	493,819
Depreciation	<u>(114,191)</u>
Balance as at 30.6.2016 (unaudited)	<u>3,787,070</u>
<i>(KHR'000 equivalent)</i>	<u><u>15,466,394</u></u>
<i>Fair value</i>	
Balance as at 31.12.2016 (unaudited)	<u>5,472,976</u>
<i>(KHR'000 equivalent)</i>	<u><u>22,351,634</u></u>
Balance as at 31.12.2015	<u><u>4,890,345</u></u>

6. INVESTMENTS IN SUBSIDIARIES

	Company		Audited 31.12.2015 US\$
	Unaudited 30.6.2016 US\$	KHR'000	
Unquoted shares, at cost	<u>5,005,000</u>	<u>20,440,420</u>	<u>5,005,000</u>

The details of the subsidiaries are as follows:

Name	Country of incorporation	Effective interest in equity		Principal activities
		2016 %	2015 %	
Sahas PPSEZ Co., Ltd.	Cambodia	100	100	Security services
Poi Pet PPSEZ Co., Ltd.	Cambodia	100	100	Establish, develop and operate industrial zone

7. INVESTMENTS IN ASSOCIATES

	Group and Company		
	Unaudited		Audited
	30.6.2016		31.12.2015
	US\$	KHR'000	US\$
Unquoted shares, at cost	6,750,000	27,567,000	6,750,000
Share of post-acquisition reserves	3,037,154	12,403,737	2,811,560
Less: Impairment loss	(1,400,000)	(5,717,600)	(1,400,000)
	<u>8,387,154</u>	<u>34,253,137</u>	<u>8,161,560</u>

The details of the associate are as follows:

Name	Country of incorporation	Effective interest in equity		Principal activities
		2016 %	2015 %	
Colben Energy (Cambodia) PPSEZ Limited	Cambodia	51	51	Supply electricity
Bok Seng PPSEZ Dry Port Co., Ltd.	Cambodia	40	40	Dry port

8. INVENTORIES

	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
	Unaudited			Unaudited		
	30.6.2016			30.6.2016		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Balance at beginning of period	13,137,053	53,651,725	10,948,582	7,758,535	31,685,857	10,948,582
Purchased	2,214,624	9,044,524	5,277,000	-	-	-
Land improvement	515,323	2,104,579	1,678,982	55,988	228,655	1,577,464
Sold	(873,762)	(3,568,444)	(4,767,511)	(873,762)	(3,568,444)	(4,767,511)
	<u>14,993,238</u>	<u>61,232,384</u>	<u>13,137,053</u>	<u>6,940,761</u>	<u>28,346,068</u>	<u>7,758,535</u>

The total saleable land area is as follows:

	Group		Company	
	Unaudited	Audited	Unaudited	Audited
	2016	2015	2016	2015
	Hectares	Hectares	Hectares	Hectares
Balance at beginning of period	140	115	87	115
Purchased	13	53	-	-
Sold	(4)	(28)	(4)	(28)
	<u>149</u>	<u>140</u>	<u>83</u>	<u>87</u>

72 (2015: 72) hectares of saleable land with a carrying amount of US\$1,228,597 (2015: US\$1,228,597) have been pledged to Cambodian Public Bank Plc., Phnom Penh Commercial Bank and Mega International Commercial Bank Co., Ltd. as security for borrowings.

9. TRADE AND OTHER RECEIVABLES

	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
	Unaudited 30.6.2016 US\$	KHR'000		Unaudited 30.6.2016 US\$	KHR'000	
Trade receivables						
Third parties	167,598	684,470	163,648	151,945	620,543	151,945
Related parties	1,632,113	6,665,549	1,636,653	1,623,000	6,628,332	1,623,000
	<u>1,799,711</u>	<u>7,350,019</u>	<u>1,800,301</u>	<u>1,774,945</u>	<u>7,248,875</u>	<u>1,774,945</u>
Other receivables						
Associates	2,734,551	11,167,906	2,734,439	2,734,551	11,167,906	2,734,439
Subsidiaries	-	-	-	3,382,736	13,815,094	637,977
Related parties	236,724	966,781	92,264	236,724	966,781	92,264
Input Value Added taxes	430,485	1,758,101	428,647	387,660	1,583,203	421,133
Withholding tax credit	1,320,750	5,393,943	778,244	1,320,750	5,393,943	778,244
Other receivables	144,361	589,570	111,403	144,361	589,570	111,403
	<u>4,866,871</u>	<u>19,876,301</u>	<u>4,144,997</u>	<u>8,206,782</u>	<u>33,516,497</u>	<u>4,775,460</u>
Loans and receivables	<u>6,666,582</u>	<u>27,226,320</u>	<u>5,945,298</u>	<u>9,981,727</u>	<u>40,765,372</u>	<u>6,550,405</u>
Deposits and prepayments						
Deposits	1,960	8,005	1,910	1,880	7,678	1,830
Prepayments	2,653,124	10,835,359	2,538,897	2,652,025	10,830,871	2,538,897
	<u>2,655,084</u>	<u>10,843,364</u>	<u>2,540,807</u>	<u>2,653,905</u>	<u>10,838,549</u>	<u>2,540,727</u>
	<u>9,321,666</u>	<u>38,069,684</u>	<u>8,486,105</u>	<u>12,635,632</u>	<u>51,603,921</u>	<u>9,091,132</u>

10. CASH AND BANK BALANCES

	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
	Unaudited 30.6.2016 US\$	KHR'000		Unaudited 30.6.2016 US\$	KHR'000	
Cash on hand	1,250	5,105	1,056	1,039	4,243	1,018
Cash at bank	4,083,735	16,677,974	1,164,648	4,064,552	16,599,631	1,140,490
	<u>4,084,985</u>	<u>16,683,079</u>	<u>1,165,704</u>	<u>4,065,591</u>	<u>16,603,874</u>	<u>1,141,508</u>

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

	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
	Unaudited 30.6.2016 US\$	KHR'000		Unaudited 30.6.2016 US\$	KHR'000	
Cash on hand	1,250	5,105	1,056	1,039	4,243	1,018
Cash at bank	4,083,735	16,677,974	1,164,648	4,064,552	16,599,631	1,140,490
Bank overdraft (included in borrowings)	(800,000)	(3,267,200)	(800,000)	(800,000)	(3,267,200)	(800,000)
	<u>3,284,985</u>	<u>13,415,879</u>	<u>365,704</u>	<u>3,265,591</u>	<u>13,336,674</u>	<u>341,508</u>

11. SHARE CAPITAL

	Group and Company				
	Unaudited 30.6.2016		Audited 31.12.2015		
	Number of share of US\$0.50 each	US\$	Number of share of US\$100 each	Number of share of US\$0.50 each	US\$
Ordinary shares:					
Authorised:					
At 1 January	46,300,000	23,150,000	10,000	-	1,000,000
Sub-divided	-	-	(10,000)	2,000,000	-
	46,300,000	23,150,000	-	2,000,000	1,000,000
Created during the current financial period/year	11,575,000	5,787,500	-	44,300,000	22,150,000
	57,875,000	28,937,500	-	46,300,000	23,150,000
Issued and fully paid:					
Balance as at 1 January	46,300,000	23,150,000	10,000	-	1,000,000
Sub-divided	-	-	(10,000)	2,000,000	-
	46,300,000	23,150,000	-	2,000,000	1,000,000
Bonus issue	-	-	-	44,300,000	22,150,000
New issue	11,575,000	5,787,500	-	-	-
Balance as at 31 December	57,875,000	28,937,500	-	46,300,000	23,150,000
<i>(KHR'000 equivalent)</i>		<i>- 118,180,750</i>		<i>-</i>	<i>94,544,600</i>

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\$8,131,104.

As a consequence of these share issues, the issued and fully paid-up ordinary share capital of the Company was increased to US\$28,937,500.

Other than the above, there were no issuances, cancellations, repurchases, resales and repayments of equity securities during the financial period.

12. SHARE PREMIUM

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 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. (LOSS)/EARNINGS PER SHARE

	Unaudited		
	Three-month period ended		
	Group		
	30.6.2016		30.6.2015
	US\$	KHR'000	US\$
(Loss)/Profit attributable to ordinary equity holders	(551,171)	(2,250,982)	3,875,473
Weighted average number of ordinary shares in issue	<u>57,875,000</u>	<u>57,875,000</u>	<u>46,300,000</u>
Basic (loss)/earnings per share	(0.010)	(0.039)	0.084
Diluted (loss)/earnings per share	<u>(0.010)</u>	<u>(0.039)</u>	<u>0.084</u>

	Unaudited		
	Six-month period ended		
	Group		
	30.6.2016		30.6.2015
	US\$	KHR'000	US\$
Profit attributable to ordinary equity holders	274,424	1,120,748	3,284,155
Weighted average number of ordinary shares in issue	<u>57,875,000</u>	<u>57,875,000</u>	<u>46,300,000</u>
Basic earnings per share	0.005	0.019	0.071
Diluted earnings per share	<u>0.005</u>	<u>0.019</u>	<u>0.071</u>

Diluted (loss)/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 (loss)/earnings per share were equivalent to the basic (loss)/earnings per share.

14. BORROWINGS

	Group and Company		
	Unaudited		Audited
	30.6.2016		31.12.2015
	US\$	KHR'000	US\$
Non-current			
Term loan I	1,545,946	6,313,643	1,932,802
Term loan III	495,476	2,023,524	-
	<u>2,041,422</u>	<u>8,337,167</u>	<u>1,932,802</u>
Current			
Term loan I	755,606	3,085,895	717,823
Term loan II	3,500,000	14,294,000	3,500,000
Bank overdraft (Note 10)	800,000	3,267,200	800,000
	<u>5,055,606</u>	<u>20,647,095</u>	<u>5,017,823</u>
	<u>7,097,028</u>	<u>28,984,262</u>	<u>6,950,625</u>

15. DEFERRED REVENUE

Deferred revenue 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.

16. TRADE AND OTHER PAYABLES

	Group		Audited 31.12.2015 US\$	Company		Audited 31.12.2015 US\$
	Unaudited 30.6.2016 US\$	KHR'000		Unaudited 30.6.2016 US\$	KHR'000	
Trade payable Associates	-	-	33,665	-	-	33,665
Other payables						
Associate	39,982	163,286	12,964	39,982	163,286	12,964
Related parties	28,988	118,387	737,309	28,988	118,387	737,309
Deposits received from customers	785,790	3,209,166	600,838	785,790	3,209,166	600,838
Output Value Added Taxes	2,789	11,391	3,124	-	-	-
Other payables	386,014	1,576,481	784,410	384,254	1,569,295	783,511
	1,243,563	5,078,711	2,138,645	1,239,014	5,060,134	2,134,622
	1,243,563	5,078,711	2,172,310	1,239,014	5,060,134	2,168,287

17. REVENUE

	Group		Unaudited Three-month period ended		Company		30.6.2015 US\$
	30.6.2016 US\$	KHR'000	30.6.2015 US\$	30.6.2016 US\$	KHR'000		
Sale of land	561,828	2,294,506	7,653,417	561,828	2,294,506	7,653,417	
Services rendered	539,367	2,202,775	496,543	472,170	1,928,342	426,157	
Rental income	212,177	866,531	197,756	212,477	867,756	197,756	
	1,313,372	5,363,812	8,347,716	1,246,475	5,090,604	8,277,330	

	Group		Unaudited Six-month period ended		Company		30.6.2015 US\$
	30.6.2016 US\$	KHR'000	30.6.2015 US\$	30.6.2016 US\$	KHR'000		
Sale of land	2,995,164	12,232,250	8,002,281	2,995,164	12,232,250	8,002,281	
Services rendered	1,039,302	4,244,509	971,659	904,943	3,695,787	839,193	
Rental income	424,637	1,734,218	400,252	425,237	1,736,668	400,252	
	4,459,103	18,210,977	9,374,192	4,325,344	17,664,705	9,241,726	

18. COST OF SALES AND SERVICES

	Unaudited Three-month period ended					
	Group		30.6.2015 US\$	Company		30.6.2015 US\$
	30.6.2016 US\$	KHR'000		30.6.2016 US\$	KHR'000	
Cost of land sold						
Land cost	89,718	366,408	1,818,158	89,718	366,408	1,818,158
Other cost	28,536	116,541	329,687	28,536	116,541	329,687
	<u>118,254</u>	<u>482,949</u>	<u>2,147,845</u>	<u>118,254</u>	<u>482,949</u>	<u>2,147,845</u>
Cost of services rendered	295,092	1,205,156	288,714	233,281	952,720	225,391
Depreciation	57,096	233,180	89,989	57,096	233,180	89,989
	<u>352,188</u>	<u>1,438,336</u>	<u>378,703</u>	<u>290,377</u>	<u>1,185,900</u>	<u>315,380</u>
	<u>470,442</u>	<u>1,921,285</u>	<u>2,526,548</u>	<u>408,631</u>	<u>1,668,849</u>	<u>2,463,225</u>

	Unaudited Six-month period ended					
	Group		30.6.2015 US\$	Company		30.6.2015 US\$
	30.6.2016 US\$	KHR'000		30.6.2016 US\$	KHR'000	
Cost of land sold						
Land cost	873,762	3,568,444	1,939,545	873,762	3,568,444	1,939,545
Other cost	163,890	669,327	335,054	163,890	669,327	335,054
	<u>1,037,652</u>	<u>4,237,771</u>	<u>2,274,599</u>	<u>1,037,652</u>	<u>4,237,771</u>	<u>2,274,599</u>
Cost of services rendered	556,878	2,274,290	530,482	436,739	1,783,642	419,348
Depreciation	114,191	466,356	179,977	114,191	466,356	179,977
	<u>671,069</u>	<u>2,740,646</u>	<u>710,459</u>	<u>550,930</u>	<u>2,249,998</u>	<u>599,325</u>
	<u>1,708,721</u>	<u>6,978,417</u>	<u>2,985,058</u>	<u>1,588,582</u>	<u>6,487,769</u>	<u>2,873,924</u>

19. OTHER INCOME

	Unaudited Three-month period ended					
	Group		30.6.2015 US\$	Company		30.6.2015 US\$
	30.6.2016 US\$	KHR'000		30.6.2016 US\$	KHR'000	
Interest income	1,848	7,547	33	1,848	7,547	33
Others	9,766	39,885	4,180	9,766	39,885	4,180
	<u>11,614</u>	<u>47,432</u>	<u>4,213</u>	<u>11,614</u>	<u>47,432</u>	<u>4,213</u>

19. OTHER INCOME (continued)

	Unaudited					
	Group		Six-month period ended		Company	
	30.6.2016		30.6.2015	30.6.2016		30.6.2015
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Interest income	1,848	7,547	54	1,848	7,547	54
Others	18,546	75,742	20,120	18,546	75,742	20,120
	<u>20,394</u>	<u>83,289</u>	<u>20,174</u>	<u>20,394</u>	<u>83,289</u>	<u>20,174</u>

20. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited					
	Group		Three-month period ended		Company	
	30.6.2016		30.6.2015	30.6.2016		30.6.2015
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	249,270	1,018,019	243,354	248,731	1,015,817	243,179
Electricity	10,030	40,963	9,789	10,030	40,963	9,789
Maintenance	29,473	120,368	34,811	29,287	119,608	34,724
Professional fees	310,121	1,266,534	119,740	300,805	1,228,488	93,235
Personnel costs	497,744	2,032,786	330,603	487,986	1,992,935	329,423
Selling and marketing expenses	17,364	70,915	6,180	17,364	70,915	6,180
Other expenses	167,211	682,889	141,253	154,065	629,201	118,066
	<u>1,281,213</u>	<u>5,232,474</u>	<u>885,730</u>	<u>1,248,268</u>	<u>5,097,927</u>	<u>834,596</u>

	Unaudited					
	Group		Six-month period ended		Company	
	30.6.2016		30.6.2015	30.6.2016		30.6.2015
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Depreciation of property, plant and equipment	497,137	2,030,308	486,569	496,232	2,026,611	486,218
Electricity	19,719	80,532	16,679	19,719	80,532	16,679
Maintenance	55,217	225,506	68,292	54,775	223,701	68,051
Professional fees	369,763	1,510,112	218,740	357,892	1,461,631	192,235
Personnel costs	950,865	3,883,333	627,050	936,427	3,824,368	624,820
Selling and marketing expenses	38,307	156,446	36,164	38,307	156,446	36,164
Other expenses	307,567	1,256,103	230,961	288,673	1,178,941	203,126
	<u>2,238,575</u>	<u>9,142,340</u>	<u>1,684,455</u>	<u>2,192,025</u>	<u>8,952,230</u>	<u>1,627,293</u>

21. FINANCE COSTS

	Unaudited Three-month period ended Group and Company		
	30.6.2016		30.6.2015
	US\$	KHR'000	US\$
Interest expense on:			
- term loans	211,462	863,611	310,814
- bank overdraft	4,044	16,516	-
	<u>215,506</u>	<u>880,127</u>	<u>310,814</u>

	Unaudited Six-month period ended Group and Company		
	30.6.2016		30.6.2015
	US\$	KHR'000	US\$
Interest expense on:			
- term loans	392,040	1,601,091	623,300
- bank overdraft	8,867	36,213	-
	<u>400,907</u>	<u>1,637,304</u>	<u>623,300</u>

22. TAX EXPENSE

	Unaudited Three-month period ended					
	Group		Audited 30.6.2015 US\$	Company		Audited 30.6.2015 US\$
	30.6.2016			30.6.2016		
	US\$	KHR'000	US\$	US\$	KHR'000	
Income tax expense:						
Current year	-	-	755,220	-	-	755,220

	Unaudited Six-month period ended					
	Group		30.6.2015 US\$	Company		30.6.2015 US\$
	30.6.2016			30.6.2016		
	US\$	KHR'000	US\$	US\$	KHR'000	
Income tax expense:						
Current year	82,464	336,783	755,220	82,262	335,958	755,220

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on profit at 20% (2015: 20%) of taxable profit, or a minimum tax rate of 1% (2015: 1%) of total revenue, whichever is higher.

23. RELATED PARTY DISCLOSURES

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

	Unaudited					
	Group			Six-month period ended		
	30.6.2016		30.6.2015	30.6.2016		30.6.2015
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<u>Associates</u>						
Colben Energy (Cambodia) PPSEZ Limited						
Repayments received/ (Advances provided)	23,648	96,578	(4,905)	23,648	96,578	(4,905)
Utility charged	8,454	34,524	4,540	8,454	34,524	4,540
Purchase of electricity	(211,374)	(863,253)	(154,324)	(211,374)	(863,253)	(154,324)
Security services charged	3,644	14,880	1,650	-	-	-
Bok Seng PPSEZ Dry Port Co., Ltd.						
Utility charged	11,328	46,264	8,397	11,328	46,264	8,397
Repayments received	3,258	13,306	-	3,258	13,306	-
<u>Shareholders</u>						
Lok Chumteav Oknha Lim Chhiv Ho						
Security services charged	5,229	21,355	3,196	5,229	21,355	-
<u>Common control</u>						
Attwood Investment Group Co., Ltd.						
Infrastructure costs	-	-	(179,659)	-	-	(179,659)
Security services charged	4,043	16,510	2,965	-	-	-
Repayments made	-	-	(182,381)	-	-	(182,381)
LCH Development Co., Ltd.						
Construction costs (Repayments made)/ Advances received	(697,442)	(2,848,354)	(2,009,492)	(697,442)	(2,848,354)	(2,009,492)
Utility charged	3,798	15,512	45,929	697,442	2,848,354	45,929
Security services charged	29,641	121,052	17,600	-	-	-
<u>Director</u>						
Tan Soeun Muoy						
Security services charged	2,835	11,578	1,733	-	-	-
Advances provided	(60,000)	(245,040)	-	(60,000)	(245,040)	-

23. RELATED PARTY DISCLOSURES (continued)

The Group and the Company had the following transactions with related parties during the financial period. (continued)

	Group		Unaudited Six-month period ended		Company	
	30.6.2016	30.6.2015	30.6.2016	30.6.2015	30.6.2016	30.6.2015
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<u>Subsidiaries</u>						
Sahas PPSEZ Co., Ltd.						
Utility charged	-	-	-	-	-	445
Security services paid	-	-	-	(53,424)	(218,184)	(42,089)
Office rental	-	-	-	1,140	4,655	455
Repayments received	-	-	-	2,190	8,944	10,334
Poi Pet PPSEZ Co., Ltd.						
Advances provided	-	-	-	(2,746,949)	(11,218,540)	(60,148)

24. 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 for 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 (2015: 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.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(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.