

Registration No:
INV - 1076KH/2006

PHNOM PENH SEZ PLC.
(INCORPORATED IN CAMBODIA)

CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER AND THREE-MONTH PERIOD ENDED 31 MARCH 2017

Registration No:
INV - 1076KH/2006

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

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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 31 March 2017, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and three-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,



Lok Chumteav Oknha Lim Chhiv Ho
Chairwoman



Hiroshi Uematsu
Director

Phnom Penh, Cambodia
Date: 8 May 2017

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 31 March 2017, and the related condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and three-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 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: 8 May 2017

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	Note	Group		Audited 31.12.2016 US\$	Company		Audited 31.12.2016 US\$
		Unaudited 31.3.2017 US\$	KHR'000		Unaudited 31.3.2017 US\$	KHR'000	
ASSETS							
Non-current assets							
Property, plant and equipment	4	14,832,562	59,404,411	14,774,787	14,543,555	58,246,938	14,611,748
Investment properties	5	3,615,784	14,481,215	3,672,879	3,615,784	14,481,215	3,672,879
Investments in subsidiaries	6	-	-	-	5,605,000	22,448,025	5,005,000
Investments in associates	7	8,666,950	34,711,135	8,491,792	8,666,950	34,711,135	8,491,792
		<u>27,115,296</u>	<u>108,596,761</u>	<u>26,939,458</u>	<u>32,431,289</u>	<u>129,887,313</u>	<u>31,781,419</u>
Current assets							
Inventories	8	17,101,698	68,492,300	17,158,892	7,532,203	30,166,473	7,612,482
Trade and other receivables	9	10,522,137	42,141,159	9,647,903	15,297,782	61,267,617	14,393,131
Cash and bank balances	10	1,209,556	4,844,272	2,411,748	1,006,698	4,031,825	2,383,016
		<u>28,833,391</u>	<u>115,477,731</u>	<u>29,218,543</u>	<u>23,836,683</u>	<u>95,465,915</u>	<u>24,388,629</u>
TOTAL ASSETS		<u>55,948,687</u>	<u>224,074,492</u>	<u>56,158,001</u>	<u>56,267,972</u>	<u>225,353,228</u>	<u>56,170,048</u>
EQUITY AND LIABILITIES							
Equity attributable to owners of the parent							
Share capital	11	28,937,500	115,894,688	28,937,500	28,937,500	115,894,688	28,937,500
Share premium	12	1,723,543	6,902,790	1,723,543	1,723,543	6,902,790	1,723,543
Retained earnings		5,611,208	22,472,888	5,581,183	5,972,290	23,919,021	5,890,898
Total equity attributable to owners of the parent		<u>36,272,251</u>	<u>145,270,366</u>	<u>36,242,226</u>	<u>36,633,333</u>	<u>146,716,499</u>	<u>36,551,941</u>
Non-controlling interests		398,907	1,597,623	-	-	-	-
TOTAL EQUITY		<u>36,671,158</u>	<u>146,867,989</u>	<u>36,242,226</u>	<u>36,633,333</u>	<u>146,716,499</u>	<u>36,551,941</u>
LIABILITIES							
Non-current liabilities							
Borrowings	14	3,161,644	12,662,384	3,231,242	3,161,644	12,662,384	3,231,242
Deferred revenue	15	10,823,000	43,346,115	10,960,000	10,823,000	43,346,115	10,960,000
		<u>13,984,644</u>	<u>56,008,499</u>	<u>14,191,242</u>	<u>13,984,644</u>	<u>56,008,499</u>	<u>14,191,242</u>

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2017 (continued)

	Note	Group			Company		
		Unaudited		Audited	Unaudited		Audited
		31.3.2017	31.12.2016	31.12.2016	31.3.2017	31.12.2016	31.12.2016
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
EQUITY AND LIABILITIES (continued)							
LIABILITIES (continued)							
Current liabilities							
Borrowings	14	3,774,633	15,117,405	3,790,883	3,774,633	15,117,405	3,790,883
Deferred revenue	15	548,000	2,194,740	548,000	548,000	2,194,740	548,000
Trade and other payables	16	960,866	3,848,268	1,385,354	1,318,318	5,279,864	1,087,982
Current tax liabilities		9,386	37,591	296	9,044	36,221	-
		<u>5,292,885</u>	<u>21,198,004</u>	<u>5,724,533</u>	<u>5,649,995</u>	<u>22,628,230</u>	<u>5,426,865</u>
TOTAL LIABILITIES		<u>19,277,529</u>	<u>77,206,503</u>	<u>19,915,775</u>	<u>19,634,639</u>	<u>78,636,729</u>	<u>19,618,107</u>
TOTAL EQUITY AND LIABILITIES		<u>55,948,687</u>	<u>224,074,492</u>	<u>56,158,001</u>	<u>56,267,972</u>	<u>225,353,228</u>	<u>56,170,048</u>

The Condensed Statements of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 31 MARCH 2017**

	Note	Unaudited Three-month period ended					
		Group		Company		31.3.2016 ⁽²⁾	
		31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾	31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾	US\$	US\$
		US\$	KHR'000	US\$	US\$	KHR'000	US\$
Revenue	17	1,463,538	5,861,470	3,172,743	1,391,953	5,574,772	3,078,869
Cost of sales and services	18	(427,641)	(1,712,702)	(1,265,291)	(372,164)	(1,490,517)	(1,179,951)
Gross profit		1,035,897	4,148,768	1,907,452	1,019,789	4,084,255	1,898,918
Other income	19	11,829	47,375	8,780	11,829	47,375	8,780
General and administrative expenses	20	(1,041,324)	(4,170,503)	(957,362)	(973,745)	(3,899,849)	(943,757)
Finance costs	21	(176,052)	(705,088)	(185,401)	(176,052)	(705,088)	(185,401)
Share of profit of associates		208,615	835,503	134,590	208,615	835,503	134,590
Profit before tax		38,965	156,055	908,059	90,436	362,196	913,130
Taxation	22	(10,033)	(40,182)	(82,464)	(9,044)	(36,221)	(82,262)
Profit for the financial period		28,932	115,873	825,595	81,392	325,975	830,868
Other comprehensive income, net of tax		-	-	-	-	-	-
Total comprehensive income for the financial period		28,932	115,873	825,595	81,392	325,975	830,868
Profit attributable to:							
Owners of the parent		30,025	120,250	825,595			
Non-controlling interests		(1,093)	(4,377)	-			
		28,932	115,873	825,595			
Total comprehensive income attributable to:							
Owners of the parent		30,025	120,250	825,595			
Non-controlling interests		(1,093)	(4,377)	-			
		28,932	115,873	825,595			
Earnings per share	13						
Basic		<0.001	0.002	0.014			
Diluted		<0.001	0.002	0.014			

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 2016 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 THREE-MONTH PERIOD ENDED 31 MARCH 2017

Group	Share capital US\$	Share premium US\$	Retained earnings US\$	Non- controlling interest US\$	Total US\$
Unaudited					
Balance as at 1 January 2017	28,937,500	1,723,543	5,581,183	-	36,242,226
Profit for the financial period, representing total comprehensive income	-	-	30,025	(1,093)	28,932
Transaction with owners					
Ordinary shares contributed by non-controlling interests of a subsidiary	-	-	-	400,000	400,000
Balance as at 31 March 2017	28,937,500	1,723,543	5,611,208	398,907	36,671,158
<i>(KHR'000 equivalent)</i>	<i>115,894,688</i>	<i>6,902,790</i>	<i>22,472,888</i>	<i>1,597,623</i>	<i>146,867,989</i>
			Share capital 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			-	825,595	825,595
Balance as at 31 March 2016			23,150,000	4,961,106	28,111,106

PHNOM PENH SEZ PLC.
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CONDENSED STATEMENTS OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017 (continued)

Company	Share capital US\$	Share premium US\$	Retained earnings US\$	Total US\$
Unaudited				
Balance as at 1 January 2017	28,937,500	1,723,543	5,890,898	36,551,941
Profit for the financial period, representing total comprehensive income	-	-	81,392	81,392
Balance as at 31 March 2017	28,937,500	1,723,543	5,972,290	36,633,333
<i>(KHR'000 equivalent)</i>	<i>115,894,688</i>	<i>6,902,790</i>	<i>23,919,021</i>	<i>146,716,499</i>
		Share capital 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		-	830,868	830,868
Balance as at 31 March 2016		23,150,000	5,176,435	28,326,435

The Condensed Statements of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 THREE-MONTH PERIOD ENDED 31 MARCH 2017

	Note	Unaudited					
		Three-month period ended					
		Group		Company			
	31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾	31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾			
	US\$	KHR'000	US\$	US\$	KHR'000	US\$	
Cash flows from operating activities							
Profit before tax		38,965	156,055	908,059	90,436	362,196	913,130
Adjustments for:							
Depreciation of:							
- property, plant and equipment		267,566	1,071,602	247,867	266,590	1,067,693	247,501
- investment properties		57,095	228,665	57,096	57,095	228,665	57,096
Property, plant and equipment written off		238	953	-	238	953	-
Impairment loss on investment in an associate		35,407	141,805	-	35,407	141,805	-
Interest income	19	(299)	(1,197)	-	(299)	(1,197)	-
Interest expense	21	176,052	705,088	185,401	176,052	705,088	185,401
Share of profit of associates		(208,615)	(835,503)	(134,590)	(208,615)	(835,503)	(134,590)
Operating profit before changes in working capital		366,409	1,467,468	1,263,833	416,904	1,669,700	1,268,538
Changes in working capital							
Inventories		57,194	229,062	852,728	80,279	321,517	751,210
Trade and other receivables		(403,653)	(1,616,630)	(1,542,608)	(341,389)	(1,367,262)	(1,536,938)
Trade and other payables		(344,582)	(1,380,050)	121,793	(343,118)	(1,374,187)	172,567
Cash (used in)/generated from operations		(324,632)	(1,300,150)	695,746	(187,324)	(750,232)	655,377
Tax paid		(943)	(3,777)	(18,371)	-	-	(14,905)
Interest paid		(141,792)	(567,877)	(165,338)	(171,363)	(686,309)	(185,401)
Net cash (used in)/from operating activities		(467,367)	(1,871,804)	512,037	(358,687)	(1,436,541)	455,071

PHNOM PENH SEZ PLC.
(Incorporated in Cambodia)

CONDENSED STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2017 (continued)

Note	Unaudited					
	Three-month period ended					
	Group		Company			
	31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾	31.3.2017 ⁽¹⁾	31.3.2016 ⁽²⁾		
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cash flows from investing activities						
Purchase of property, plant and equipment	(325,579)	(1,303,944)	(1,135,064)	(198,635)	(795,533)	(931,891)
Interest income	299	1,197		299	1,197	-
Net (repayments to)/ advances from related parties	(280,312)	(1,122,650)	(130,816)	2,579	10,329	(141,484)
Net repayments received/ (advances to) associates	30,565	122,413	(5,957)	30,565	122,413	(5,957)
Advances to a director	(72,000)	(288,360)	-	-	-	-
Net advances to subsidiaries	-	-	-	(564,641)	(2,261,388)	(134,676)
Investment in a subsidiary	-	-	-	(200,000)	(801,000)	-
Investment in an associate	(1,950)	(7,810)	-	(1,950)	(7,810)	-
Net cash used in investing activities	(648,977)	(2,599,154)	(1,271,837)	(931,783)	(3,731,792)	(1,214,008)
Cash flows from financing activities						
Repayments of borrowings	(3,285,848)	(13,159,821)	(172,650)	(3,285,848)	(13,159,821)	(172,650)
Drawdown of borrowings	3,200,000	12,816,000	-	3,200,000	12,816,000	-
Net cash used in financing activities	(85,848)	(343,821)	(172,650)	(85,848)	(343,821)	(172,650)
Net decrease in cash and cash equivalents	(1,202,192)	(4,814,779)	(932,450)	(1,376,318)	(5,512,154)	(931,587)
Cash and cash equivalents at beginning of financial period	2,411,748	9,659,051	1,165,704	2,383,016	9,543,979	1,141,508
Cash and cash equivalents at end of financial period	1,209,556	4,844,272	233,254	1,006,698	4,031,825	209,921

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 2016 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.
(Incorporated in Cambodia)

NOTES TO THE CONDENSED FINANCIAL INFORMATION
31 MARCH 2017

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 8 May 2017.

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 2016 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 2016.

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 2016 except for the adoption of the following accounting standards and amendments.

	Effective Date
Amendments to CIFRS 12 <i>Annual Improvements to CIFRS Standards 2014 - 2016 Cycle</i>	1 January 2017
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

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

3. BASIS OF PREPARATION (continued)

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 CIFRS 1 <i>Annual Improvements to CIFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to CIFRS 2 <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
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
Amendments to CIAS 28 <i>Annual Improvements to CIFRS Standards 2014 - 2016 Cycle</i>	1 January 2018
Amendments to CIAS 40 <i>Transfers of Investment Property</i>	1 January 2018
IC Interpretation 22 <i>Foreign Currency Transactions and Advance Consideration</i>	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, amendments and interpretations, since the effects would only be observable for the future financial years.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land US\$	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 1.1.2016	-	12,886,223	715,858	163,986	344,084	14,110,151
Additions	-	36,215	3,237	40,828	2,111,213	2,191,493
Reclassification	361,765	(361,765)	-	-	-	-
Transfer	-	1,721,450	-	-	(1,721,450)	-
Transferred to investment properties (Note 5)	-	(493,819)	-	-	-	(493,819)
Depreciation	-	(823,360)	(149,828)	(59,850)	-	(1,033,038)
Balance at 31.12.2016	361,765	12,964,944	569,267	144,964	733,847	14,774,787
Additions	-	-	-	2,104	323,475	325,579
Written off	-	-	-	(238)	-	(238)
Depreciation	-	(216,846)	(37,519)	(13,201)	-	(267,566)
Balance at 31.3.2017 (unaudited)	361,765	12,748,098	531,748	133,629	1,057,322	14,832,562
<i>(KHR'000 equivalent)</i>	<i>1,448,869</i>	<i>51,056,132</i>	<i>2,129,651</i>	<i>535,184</i>	<i>4,234,575</i>	<i>59,404,411</i>
Company						
<i>Net carrying amount</i>						
Balance at 1.1.2016	-	12,886,223	715,858	159,137	344,084	14,105,302
Additions	-	17,135	3,237	32,157	1,977,981	2,030,510
Reclassification	361,765	(361,765)	-	-	-	-
Transfer	-	1,721,450	-	-	(1,721,450)	-
Transferred to investment properties (Note 5)	-	(493,819)	-	-	-	(493,819)
Depreciation	-	(823,280)	(149,828)	(57,137)	-	(1,030,245)
Balance at 31.12.2016	361,765	12,945,944	569,267	134,157	600,615	14,611,748
Additions	-	-	-	1,604	197,031	198,635
Written off	-	-	-	(238)	-	(238)
Depreciation	-	(216,608)	(37,519)	(12,463)	-	(266,590)
Balance at 31.3.2017 (unaudited)	361,765	12,729,336	531,748	123,060	797,646	14,543,555
<i>(KHR'000 equivalent)</i>	<i>1,448,869</i>	<i>50,980,991</i>	<i>2,129,651</i>	<i>492,855</i>	<i>3,194,572</i>	<i>58,246,938</i>

5. INVESTMENT PROPERTIES

Group and Company	Freehold land US\$	Buildings US\$	Total US\$
<i>Net carrying amount</i>			
Balance as at 1.1.2016	400,368	3,007,074	3,407,442
Transferred from property, plant and equipment (Note 4)	-	493,819	493,819
Depreciation	-	(228,382)	(228,382)
Balance as at 31.12.2016	400,368	3,272,511	3,672,879
Depreciation	-	(57,095)	(57,095)
Balance as at 31.3.2017 (unaudited)	400,368	3,215,416	3,615,784
<i>(KHR'000 equivalent)</i>	<i>1,603,474</i>	<i>12,877,741</i>	<i>14,481,215</i>
<i>Fair value</i>			
Balance as at 31.3.2017 (unaudited)	4,789,065	3,468,215	8,257,280
<i>(KHR'000 equivalent)</i>	<i>19,180,205</i>	<i>13,890,201</i>	<i>33,070,406</i>
Balance as at 31.12.2016	4,789,065	3,468,215	8,257,280

6. INVESTMENTS IN SUBSIDIARIES

	Company		Audited 31.12.2016 US\$
	Unaudited 31.3.2017 US\$	KHR'000	
Unquoted shares, at cost	5,605,000	22,448,025	5,005,000

a) The details of the subsidiaries are as follows:

Name	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
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	-	Construction services

7. INVESTMENTS IN ASSOCIATES

	Group and Company		
	Unaudited 31.3.2017		Audited 31.12.2016
	US\$	KHR'000	US\$
Unquoted shares, at cost	6,750,000	27,033,750	6,750,000
Addition	1,950	7,810	-
Share of post-acquisition reserves	3,350,407	13,418,380	3,141,792
Less: Impairment loss	(1,435,407)	(5,748,805)	(1,400,000)
	<u>8,666,950</u>	<u>34,711,135</u>	<u>8,491,792</u>

The details of the associate are as follows:

Name	Country of incorporation	Effective interest in equity		Principal activities
		2017 %	2016 %	
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	-	Advisory and consultant services

8. INVENTORIES

	Group		Audited 31.12.2016 US\$	Company		Audited 31.12.2016 US\$
	Unaudited 31.3.2017			Unaudited 31.3.2017		
	US\$	KHR'000		US\$	KHR'000	
Balance at beginning of period	17,158,892	68,721,362	13,137,053	7,612,482	30,487,990	7,758,535
Purchased	-	-	2,214,624	-	-	-
Land improvement	58,246	233,275	3,328,751	35,161	140,820	1,375,483
Sold	(115,440)	(462,337)	(1,521,536)	(115,440)	(462,337)	(1,521,536)
	<u>17,101,698</u>	<u>68,492,300</u>	<u>17,158,892</u>	<u>7,532,203</u>	<u>30,166,473</u>	<u>7,612,482</u>

The total saleable land area is as follows:

	Group		Company	
	Unaudited 31.3.2017	Audited 31.12.2016	Unaudited 31.3.2017	Audited 31.12.2016
	Hectares	Hectares	Hectares	Hectares
Balance at beginning of financial period	146	140	80	87
Purchased	-	13	-	-
Sold	(1)	(7)	(1)	(7)
	<u>145</u>	<u>146</u>	<u>79</u>	<u>80</u>

64 (2016: 67) hectares of saleable land with a carrying amount of US\$1,134,571 (2016: US\$1,148,556) have been pledged to Cambodian Public Bank Plc. and CIMB Bank Plc. as security for borrowings.

9. TRADE AND OTHER RECEIVABLES

	Group		Audited 31.12.2016 US\$	Company		Audited 31.12.2016 US\$
	Unaudited 31.3.2017 US\$	KHR'000		Unaudited 31.3.2017 US\$	KHR'000	
Trade receivables						
Third parties	234,463	939,024	12,756	220,280	882,221	-
Related parties	1,651,327	6,613,565	1,637,757	1,623,000	6,500,115	1,623,000
	<u>1,885,790</u>	<u>7,552,589</u>	<u>1,650,513</u>	<u>1,843,280</u>	<u>7,382,336</u>	<u>1,623,000</u>
Other receivables						
Associates	2,736,352	10,959,090	2,736,158	2,736,352	10,959,090	2,736,158
Subsidiaries	-	-	-	5,518,193	22,100,363	4,953,552
Related parties	512,345	2,051,942	113,958	112,385	450,102	113,958
Directors	382,000	1,529,910	310,000	310,000	1,241,550	310,000
Input Value Added						
Taxes	528,256	2,115,665	493,324	307,483	1,231,469	312,593
Withholding tax credit	1,607,593	6,438,410	1,531,088	1,607,593	6,438,410	1,531,088
Other receivables	131,793	527,831	133,598	126,290	505,791	133,598
	<u>5,898,339</u>	<u>23,622,848</u>	<u>5,318,126</u>	<u>10,718,296</u>	<u>42,926,775</u>	<u>10,090,947</u>
Loans and receivables	<u>7,784,129</u>	<u>31,175,437</u>	<u>6,968,639</u>	<u>12,561,576</u>	<u>50,309,111</u>	<u>11,713,947</u>
Deposits and prepayments						
Deposits	2,460	9,851	2,459	2,380	9,532	2,379
Prepayments	2,735,548	10,955,871	2,676,805	2,733,826	10,948,974	2,676,805
	<u>2,738,008</u>	<u>10,965,722</u>	<u>2,679,264</u>	<u>2,736,206</u>	<u>10,958,506</u>	<u>2,679,184</u>
	<u>10,522,137</u>	<u>42,141,159</u>	<u>9,647,903</u>	<u>15,297,782</u>	<u>61,267,617</u>	<u>14,393,131</u>

10. CASH AND BANK BALANCES

	Group		Audited 31.12.2016 US\$	Company		Audited 31.12.2016 US\$
	Unaudited 31.3.2017 US\$	KHR'000		Unaudited 31.3.2017 US\$	KHR'000	
Cash on hand	4,913	19,677	1,078	1,830	7,329	981
Cash at banks	1,204,643	4,824,595	2,410,670	1,004,868	4,024,496	2,382,035
	<u>1,209,556</u>	<u>4,844,272</u>	<u>2,411,748</u>	<u>1,006,698</u>	<u>4,031,825</u>	<u>2,383,016</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 31.3.2017		Audited 31.12.2016	
	Number of share of US\$0.50 each	US\$	Number of share of US\$0.50 each	US\$
Ordinary shares: Authorised: At 1 January	57,875,000	28,937,500	46,300,000	23,150,000
Created during the current financial period/year	-	-	11,575,000	5,787,500
	<u>57,875,000</u>	<u>28,937,500</u>	<u>57,875,000</u>	<u>28,937,500</u>
Issued and fully paid: Balance as at 1 January	57,875,000	28,937,500	46,300,000	23,150,000
New issue	-	-	11,575,000	5,787,500
Balance as at 31 December	<u>57,875,000</u>	<u>28,937,500</u>	<u>57,875,000</u>	<u>28,937,500</u>
<i>(KHR'000 equivalent)</i>	<u><u>- 115,894,688</u></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.

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. EARNINGS PER SHARE

	Unaudited Three-month period ended Group		
	31.3.2017 US\$	KHR'000	31.3.2016 US\$
Profit attributable to ordinary equity holders	28,932	115,873	825,595
Weighted average number of ordinary shares in issue	<u>57,875,000</u>	<u>57,875,000</u>	<u>57,875,000</u>
Basic earnings per share	<0.001	0.002	0.014
Diluted earnings per share	<u><0.001</u>	<u>0.002</u>	<u>0.014</u>

13. EARNINGS PER SHARE (continued)

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.

14. BORROWINGS

	Group and Company		
	Unaudited 31.3.2017		Audited 31.12.2016
	US\$	KHR'000	US\$
Non-current			
Term loan I	949,825	3,804,050	1,141,233
Term loan III	-	-	386,765
Term loan V	1,674,141	6,704,934	1,703,244
Term loan VI	400,000	1,602,000	-
Term loan VII	137,678	551,400	-
	<u>3,161,644</u>	<u>12,662,384</u>	<u>3,231,242</u>
Current			
Term loan I	793,120	3,176,445	793,120
Term loan II	-	-	2,130,000
Term loan III	-	-	521,007
Term loan V	319,191	1,278,360	346,756
Term loan VI	1,600,000	6,408,000	-
Term loan VII	1,062,322	4,254,600	-
	<u>3,774,633</u>	<u>15,117,405</u>	<u>3,790,883</u>
	<u>6,936,277</u>	<u>27,779,789</u>	<u>7,022,125</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 31.12.2016 US\$	Company		Audited 31.12.2016 US\$
	Unaudited 31.3.2017			Unaudited 31.3.2017		
	US\$	KHR'000		US\$	KHR'000	
Trade payables						
Third parties	20,007	80,128	-	-	-	-
Associate	-	-	30,931	-	-	30,931
	<u>20,007</u>	<u>80,128</u>	<u>30,931</u>	<u>-</u>	<u>-</u>	<u>30,931</u>

16. TRADE AND OTHER PAYABLES (continued)

	Group			Company		
	Unaudited		Audited	Unaudited		Audited
	31.3.2017		31.12.2016	31.3.2017		31.12.2016
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Other payables						
Subsidiaries	-	-	-	400,000	1,602,000	-
Associate	30,759	123,190	-	30,759	123,190	-
Related parties	35,995	144,160	317,920	30,799	123,350	31,616
Deposits received from customers	626,945	2,510,915	668,640	626,945	2,510,915	668,640
Output Value Added Taxes	3,367	13,485	2,692	-	-	-
Other payables	243,793	976,390	365,171	229,815	920,409	356,795
	940,859	3,768,140	1,354,423	1,318,318	5,279,864	1,057,051
	960,866	3,848,268	1,385,354	1,318,318	5,279,864	1,087,982

17. REVENUE

	Unaudited					
	Three-month period ended					
	Group		31.3.2016	Company		31.3.2016
	31.3.2017	31.3.2016	31.3.2017	31.3.2016	31.3.2016	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Sale of land	688,329	2,756,758	2,433,336	688,329	2,756,758	2,433,336
Services rendered	568,655	2,277,463	526,647	496,470	1,988,362	432,773
Rental income	206,554	827,249	212,760	207,154	829,652	212,760
	1,463,538	5,861,470	3,172,743	1,391,953	5,574,772	3,078,869

18. COST OF SALES AND SERVICES

	Unaudited					
	Three-month period ended					
	Group		31.3.2016	Company		31.3.2016
	31.3.2017	31.3.2016	31.3.2017	31.3.2016	31.3.2016	
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
Cost of land sold						
Land cost	115,440	462,337	784,044	115,440	462,337	784,044
Other costs	-	-	135,354	-	-	135,354
	115,440	462,337	919,398	115,440	462,337	919,398
Cost of services rendered						
Depreciation	255,106	1,021,700	288,797	199,628	799,511	203,457
	57,095	228,665	57,096	57,096	228,669	57,096
	312,201	1,250,365	345,893	256,724	1,028,180	260,553
	427,641	1,712,702	1,265,291	372,164	1,490,517	1,179,951

19. OTHER INCOME

	Unaudited Three-month period ended					
	Group		31.3.2016 US\$	Company		31.3.2016 US\$
	31.3.2017 US\$	KHR'000		31.3.2017 US\$	KHR'000	
Interest income	299	1,197	-	299	1,197	-
Others	11,530	46,178	8,780	11,530	46,178	8,780
	<u>11,829</u>	<u>47,375</u>	<u>8,780</u>	<u>11,829</u>	<u>47,375</u>	<u>8,780</u>

20. GENERAL AND ADMINISTRATIVE EXPENSES

	Unaudited Three-month period ended					
	Group		31.3.2016 US\$	Company		31.3.2016 US\$
	31.3.2017 US\$	KHR'000		31.3.2017 US\$	KHR'000	
Depreciation of property, plant and equipment	267,566	1,071,602	247,867	266,590	1,067,693	247,501
Electricity	5,748	23,021	9,689	5,748	23,021	9,689
Maintenance	43,811	175,463	25,743	43,470	174,097	25,487
Professional fees	47,062	188,483	59,642	46,032	184,358	57,087
Personnel costs	484,695	1,941,203	453,122	445,718	1,785,101	448,442
Selling and marketing expenses	15,547	62,266	20,943	15,547	62,266	20,943
Security services	35,112	140,624	35,112	35,112	140,624	35,112
Withholding tax, fringe benefit and others tax expenses	8,478	33,954	28,502	8,478	33,954	28,502
Other expenses	133,305	533,887	76,742	107,050	428,735	70,994
	<u>1,041,324</u>	<u>4,170,503</u>	<u>957,362</u>	<u>973,745</u>	<u>3,899,849</u>	<u>943,757</u>

21. FINANCE COSTS

	Unaudited Three-month period ended		
	Group and Company		
	31.3.2017 US\$	KHR'000	31.3.2016 US\$
Interest expense on:			
- term loans	176,052	705,088	180,578
- bank overdraft	-	-	4,823
	<u>176,052</u>	<u>705,088</u>	<u>185,401</u>

22. TAXATION

	Unaudited Three-month period ended					
	Group		Company		31.3.2016	
	31.3.2017 US\$	KHR'000	31.3.2016 US\$	31.3.2017 US\$	KHR'000	31.3.2016 US\$
Income tax expense:						
Current period	10,033	40,182	82,464	9,044	36,221	82,262

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on profit at 10% (2016: 10%) of taxable profit.

23. RELATED PARTY DISCLOSURES

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

	Unaudited Three-month period ended					
	Group		Company		31.3.2016	
	31.3.2017 US\$	KHR'000	31.3.2016 US\$	31.12.2016 US\$	KHR'000	31.3.2016 US\$
<u>Associates</u>						
Colben Energy (Cambodia) PPSEZ Limited						
Advances provided	-	-	(9,215)	-	-	(9,215)
Repayments received	23,444	93,893	-	23,444	93,893	-
Utility charged	3,094	12,391	3,906	3,094	12,391	3,906
Purchase of electricity	(62,001)	(248,314)	(100,759)	(62,001)	(248,314)	(100,759)
Security services charged	1,559	6,244	2,226	-	-	-
Bok Seng PPSEZ Dry Port Co., Ltd.						
Utility charged	6,398	25,624	5,673	6,398	25,624	5,673
Security services charged	8,085	32,380	-	-	-	-
Repayments received	6,031	24,154	3,258	6,031	24,154	3,258
Sahas Advisory & Consulting Co., Ltd.						
Security services charged	1,288	5,158	-	-	-	-
Repayments made	1,090	4,366	-	1,090	4,366	-
<u>Shareholders</u>						
Lok Chumteav Oknha Lim Chhiv Ho						
Advance provided	(72,000)	(288,360)	-	-	-	-
Security services charged	2,924	11,711	2,615	-	-	-
<u>Common control</u>						
Attwood Investment Group Co., Ltd.						
Security services charged	3,593	14,390	1,617	-	-	-
Repayments made	(571)	(2,287)	-	(571)	(2,287)	-

23. RELATED PARTY DISCLOSURES (continued)

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

	Unaudited Three-month period ended					
	Group		Company			
	31.3.2017	31.3.2016	31.3.2017	31.3.2016	31.3.2016	31.3.2016
	US\$	KHR'000	US\$	US\$	KHR'000	US\$
<u>Common control</u>						
LCH Development Co., Ltd.						
Construction costs	-	-	(102,491)	-	-	(102,491)
Repayments made	-	-	(152,152)	-	-	(152,152)
Advances received	3,150	12,616	10,668	3,150	12,616	10,668
Utility charged	711	2,848	1,905	711	2,848	1,905
Security services charged	16,439	65,838	14,797	-	-	-
LCH Construction Co., Ltd.						
Construction costs	(286,304)	(1,146,648)	-	-	-	-
Utility charged	1,788	7,161	-	-	-	-
Repaymentst made	(282,891)	(1,132,978)	-	-	-	-
<u>Directors</u>						
Tan Soeun Muoy						
Security services charged	3,229	12,932	1,418	-	-	-
<u>Subsidiaries</u>						
Sahas PPSEZ Co., Ltd.						
Utility charged	-	-	-	400	1,602	-
Security services paid	-	-	-	(31,185)	(124,896)	(26,712)
Office rental	-	-	-	300	1,202	539
Poi Pet PPSEZ Co., Ltd.						
Office rental	-	-	-	300	1,202	-
Advances provided	-	-	-	(604,444)	(2,420,798)	(134,676)
Repayments received	-	-	-	47,238	189,188	-
Sahas E&C Co., Ltd.						
Advances provided	-	-	-	(13,030)	(52,185)	-
Repayments received	-	-	-	5,595	22,408	-

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 (2016: 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.