ARISE

CREATING
ECOSYSTEMS
COMMITTED TO
AFRICA

ANNUAL REPORT
2017-18

CONTENTS

GSEZ's distinctive approach - CREATING ECOSYSTEMS

GSEZ aspiration is to be the infrastructure developer of choice in Gabon and Africa, addressing the critical infrastructure gap of the continent.

If infrastructure is our core business, we are nevertheless convinced that we cannot have a narrow mandate of just developing infrastructure. Africa is indeed facing a chicken and egg situation when it comes to economic development. If high-potential economic sectors in each country – agriculture, agribusiness, mining, industry, etc. – cannot emerge without the required infrastructure, infrastructure cannot be financially viable without an already preexisting dynamic economic sector generating traffic.

To solve that conundrum, GSEZ has developed a unique distinctive approach of creating ecosystems whenever it gets involved in a particular infrastructure project. We do not develop just infrastructure. We support in parallel the transformation of critical industries that will feed our infrastructure, unlocking all major bottlenecks across the value chain.

- With Nkok SEZ, we did not stop at setting up an industrial park. We worked hand in hand with the government and the timber industry players to create a vibrant and global competitive timber industry ecosystem. We worked on developing log supply and logistics to the zone, we supported synergies between industries in the zone and we went the extra mile, promoting and marketing our hosted companies' products. Timber processing sector is now booming and our SEZ delivering exceptional financial results.
- Similarly, with GSEZ Mineral Port, we did not stop at setting up a port. We worked tightly with mining players understanding their needs and what was required to ensure their global competitiveness. We deployed an end-to-end logistics offer, linking their mine to the port, investing heavily on rolling stock. We connected them to the grid to power their operations with GSEZ Infra. Mines are now thriving, and port is busy with activity (2m MT handled this year).

This ecosystem approach is unique we believe on the continent. It is a unique value proposition for governments seeking for partners in their journey towards emergence. It is good for business, as it allows a rapid development of economic activity that feeds our infrastructure with traffic.

NKOK SPECIAL ECONOMIC ZONE AND TIMBER INDUSTRY

Prior to GSEZ involvement, Gabon was exporting exclusively raw logs with limited local value addition. The timber sector was facing important bottlenecks across the value chain at both upstream and downstream levels: insufficient and untraceable log resources, logistical challenges, limited HR capacity, lack of a real marketing positioning...

In 2011, GSEZ was entrusted with the development of Nkok special economic zone. GSEZ saw rapidly that establishing a world-class SEZ would not be enough and that it had to participate proactively in the creation of a competitive timber processing ecosystem. Simply put, a world-class SEZ without access to quality timber would be a non-sense. Working hand in hand with the government and timber industry players GSEZ supported the comprehensive transformation of the Gabonese timber sector developing a unique service platform taking care of all timber industry needs across the value chain.

GSEZ works on developing logs supply through concessions, third party contractors, and plantations development, and provides end-to-end logistics solutions to bring logs from forest to the SEZ (log rail transport, unloading and storage in Nkok log park). At the industrial park, GSEZ takes care of day-to-day management and provides critical infrastructure (electricity, water, utilities). Besides, GSEZ provides freight forwarding and handling at port services with ARISE general cargo facilitating the access to global markets. It also supports Gabon products marketing and promotion with the organization of the Gabon wood show enabling hosted companies to showcase their production.

Thanks to this unique ecosystem approach, Nkok SEZ has experienced a strong success with remarkable financial results. The SEZ is turning into a major hub for wood transformation and exports, with 65 units already in operation. In just a few years, Gabon became a key global player for sawnwood (26th in the world and 4th in Africa) and veneer (3rd in the world, 1st in Africa). Going forward, GSEZ remains fully determined to support the emergence and industrialization of Gabon, developing the timber sector in a sustainable and socially impactful way.

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ECOSYSTEM APPROACH FOR THE MINING INDUSTRY WITH GSEZ MINERAL PORT

Prior to GSEZ involvement, Gabon was struggling to develop its mining industry, despite its important mining resources (Gabon has notably the 6th largest world reserve of Manganese), with one historical Manganese player only, Comilog (subsidiary of Eramet group) and its dedicated mineral terminal. High potential mines were unexploited, mainly due to a lack of logistics solution.

In 2015, GSEZ was awarded the concession for the development of a new mineral terminal (5m MT capacity in phase 1). From day 1, GSEZ considered it should adapt an ecosystem approach to ensure the success of this project. Working hand in hand with the government and mining players, GSEZ decided to go the extra-mile to ensure the global competitiveness of the local mining industry.

In parallel of the port development, GSEZ invested in railway sidings and in the acquisition of rolling stocks to connect mines to port. The idea was simple: hassle-free logistics for miners – with an end-to-end logistic solution, allowing them to focus on the development of their mines. In addition, GSEZ also linked mines to the electrical grid, developing electrical lines with GSEZ Infra, to ensure their power supply.

GSEZ did not stop at the port level but had a full ecosystem approch to unlock the mining potential of the country

GSEZ clients → **Providing electricity to mine** → **Train services** → **Port handling**

Mining players

Manganese
- Nouvelle Gabon Mining
- Citic Group
- Comilog

Iron ore
- Genmin
- Avima Iron Ore

Electrical lines

Connecting mine site to the grid (GSEZ Infra)

Railway siding

to connect mine to railway

Railway stock

to transport ore to mineral port

Port handling

- Unloading wagons @ port, loading into GSEZ barges and into vessels
- Vessels handling

This ecosystem approach has proven relevant. 2 years only after inauguration, two new manganese players CITIC and NGM are now actively exploiting their mines and exporting their products. This is good for Gabon: +34% additional production and export of manganese products. This is excellent business for GSEZ, with over 1.1mMT of manganese ore exported through GSEZ Mineral Port (out of 2.2m MT traffic in 2018), and strong financial performances.

Going forward, GSEZ Mineral Port aims at further supporting the development of Gabon mining sector. It is notably determined to unlock the remaining bottlenecks that prevent Gabon from exploiting its vast reserves of iron ore and believes it can by doing so – head towards an annual traffic of more than 10m MT.

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OUR SOCIAL FOOTPRINT

"Lasting fulfilment happens only when a genuine effort is put into making a difference in other lives."

We at GSEZ are committed to sustainable development.

Ever since GSEZ's founding, the prime pillar of our activities has been a simple philosophy:

"GROW WITH OUR SOCIETY"

We believe in practical implementation of Sustainable Development Goals, one at a time to achieve a better and more sustainable future for all.

JOB CREATION & FINANCIAL STABILITY

GSEZ provides direct employment to **700 nationals and indirect employment** to **7,000 nationals**. The breakdown is as follows:

4,500 jobs created by Nkok SEZ's wood manufacturing units

1,500 jobs created by construction projects

500 jobs created by ship handling in the two ports

500 jobs created by the mining sector developed due to Mineral Port operations

The activities of GSEZ group had a positive impact on employment and sustainable job creation. The group has enabled thousands of people to gain financial stability. A survey conducted by Mays Mouissi consultancy, revealed that the majority of the employees were unemployed before being recruited by GSEZ or affiliated companies. A staggering 85% of the surveyed employees asserted enjoying a financial stability resulting from the regularity of payment of their wages.

OUR SOCIAL RESPONSIBILITY

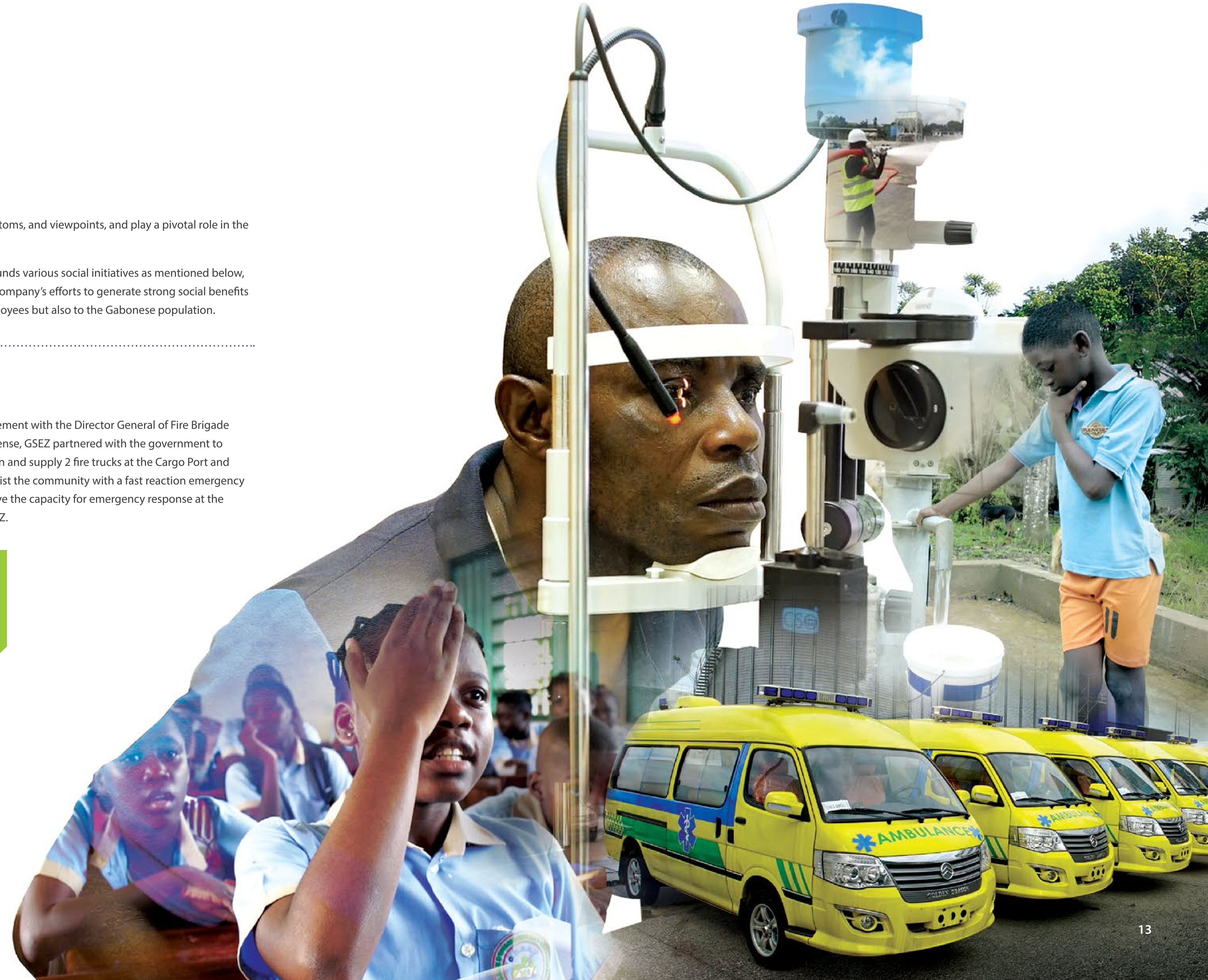
The value of a business depends on the benefits it shares with its surrounding environment.

We take seriously our responsibility to be a good corporate citizen, not only towards society but also in how we conduct fair business practices. Whether in Gabon or abroad, we consider it our duty to respect the diversity of cultures, customs, and viewpoints, and play a pivotal role in the development of society.

GSEZ implements and funds various social initiatives as mentioned below, which are a part of the company's efforts to generate strong social benefits not only to its own employees but also to the Gabonese population.

Health-related initiatives:

- "Vision for All" program, opened to all Gabonese people: 6 to 9 months screening program by ophthalmologists to detect eye diseases and prescribe surgical intervention or glasses whenever necessary, free of charges (around 800,000 euros budget). There have been 31,000 screenings, 5,500 glass prescriptions, and 1,200 surgeries performed.
- GSEZ has announced the provision of 20 ambulances to be stationed across Gabon. This project has been designed and implemented in close alignment with the Ministry of Health and Public Hygiene and aims to improve rural citizens access to quality medical services that can only be provided by larger hospitals in cities.
- In 2013, GSEZ signed an agreement to become the main partner of Gabon's key sporting event: the Gabonese Marathon. The event encourages healthy behaviors amongst our staff, contractors, and other stakeholders. The event welcomes a total of 15,000 participants annually.
- To benefit the surrounding communities of Nkoltang, GSEZ has installed 26 handpumps at a depth ranging from 60 to 80 meters below ground, which provides up to 800 liters of groundwater per hour.
- Through close engagement with the Director General of Fire Brigade under Ministry of Defense, GSEZ partnered with the government to construct a Fire Station and supply 2 fire trucks at the Cargo Port and Nkok SEZ. This will assist the community with a fast reaction emergency responder and improve the capacity for emergency response at the Cargo Port and the SEZ.



Education & training related initiatives:

- The 25Ha Nkok SEZ furniture manufacturing cluster was created to provide a business opportunity to local carpenters and craftsmen from areas surrounding Libreville. The aim was for carpenters to deploy their skills in the manufacturing of chairs, desks, tables and other wood products for sale within the domestic and international market. To celebrate the success of the furniture manufacturing cluster, GSEZ agreed with the Ministry of Education to purchase from the craftsmen's businesses at market price, without any profit to GSEZ, a total of 170,000 units of chairs, desks and tables for schools across the entire country.
- GSEZ has refurbished 3 run down school buildings for better educational infrastructure in Owendo area, positively impacting the education of 500 children.
- GSEZ Mineral Port launched a 3-month training program for local fishermen to provide support to young people and increase the rate of nationals in maritime artisanal fishing industry (around 40,000 euros donation)."

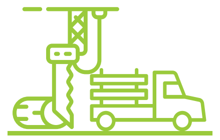
During 2019, GSEZ will develop a CSR Strategy which shall adopt a mixed implementation model that involves a series of projects consisting of:

- Philanthropic giving: a series of one-off donations of capital or equipment and materials that enables GSEZ to respond to sudden events and immediate needs.
- Creating value through individual projects associated with our CSR themes: enterprise activities and empowerment, healthcare, transport and safety.
- Providing support to our clients within the SEZ: this may include, for example, the provision of vocational training to the workforce, advice on improving pollution prevention, restoring environmentally degraded areas, and free technical advice to improve their own environmental and social performance.

WHAT WE DO

is creating a sustainable economic impact in the countries we operate

GSEZ has created a long-lasting impact on the Gabonese economy with the development of major infrastructure that include:



Nkok SEZ, a world-class Special Economic Zone transforming Gabon into a major hub for wood transformation and exports

Owendo Mineral Terminal unlocking major mining projects across Gabon

Owendo new Multi-Purpose Terminal, offering world-class port performance enabling to increase Gabonese exports' competitiveness and decrease of Gabonese imports' costs

National electrical network developed by GSEZ Infra participating to the rural electrification and to the country's industrial development

Nkok SEZ, a world-class Special Economic Zone transforming Gabonese Wood Industry

GSEZ's investment into Nkok SEZ, has favored the development of the wood industry in Gabon.

It has led to the development of 112 companies (65 operational, 35 under construction and 12 in planning), of which 51 are wood industries representing 37% of Gabonese wood processing units.

Nkok SEZ has been the main support for structural changes in the timber industry. In less than a decade, Nkok SEZ has become a major wood transformation hub absorbing 46% of Gabonese national production of logs. As a result, Nkok SEZ processed wood outputs represent 42% of Gabonese processed wood and 53% of Gabonese processed wood's exports.

Nkok SEZ's successful development result in major economic impacts. As an illustration, SEZ's timber industries produce the equivalent of 1.2% of national GDP and employ over 4,500 people (as of 31st December 2018), representing 35% of wood industry's direct jobs. The SEZ has major impacts on Gabonese exports, container exports from the SEZ accounting for about 28% of total container exports. Nkok SEZ has also positioned Gabon as a leading global wood manufacturer, Gabon being nowadays the African leader in Veneer production (3rd worldwide) and the 4th largest African producer of sawn wood (26th worldwide).

Unlocking the development of Gabonese mining industry through the development of GSEZ Mineral Port

The development of GSEZ Mineral Port favored the development of the mining sector in Gabon, contributing to a record export volume of manganese ore in 2018. The new terminal provided one third of the transit of exported manganese volumes (about 5.1 million MT) and welcomed 50 ships to transport the ore to international customers.

The Mineral Port infrastructure is at the origin of multiple new developments, notably:

- Cement Sector development – 1 million MT manufacturing has been initiated.
- New Manganese mines launched – NGM Franceville and Lastourville sites.
- New mineral development - Boué Mine developed for iron ore.
- Development of new railway infrastructure – 31 new locomotives have been added into the system along with 880 new wagons for cargo transportation from sites.

The development of the mining sector in Gabon, triggered by the development of GSEZ Mineral Port combined with the good performance of manganese prices, is already resulting in major economic impacts:

- Steady rise in export of manganese, the annual volume of manganese exported by the two major miners in Gabon having increased by 2 million metric tons.
- Large impact on forex inflows, with 15 million dollars of forex inflows added annually.
- High impact on GDP and on economic diversification, Gabonese mining sector to cross the 4% threshold in GDP formation in 2018 (almost 10% of non-oil GDP).

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Impact of GSEZ Multi-Purpose terminal to Gabon's global trade integration and balance of trade

GSEZ port's investment has favored the integration of Gabon in global trade. The commissioning of GSEZ Multi-Purpose terminal enabled the increase of the volumes treated and of the number of ship rotations. Ease of doing business in Gabon has also improved with the introduction of a single window clearance for imported and exported goods.

The development of GSEZ Multi-Purpose terminal resulted in increased exports thanks to improved port performance (e.g. waiting time for ships were reduced from 4 days on average in 2016 to less than 24 hours today). Import costs also decreased by 30% thanks to cheaper port handling.

Palm oil and wood products exports have been largely impacted by GSEZ new Multi-Purpose Terminal. GSEZ Ports enabled Gabon to export palm oil for the first time, Gabonese palm oil production being expected to grow to 400'000T by 2023. GSEZ Ports also enabled cheaper and more sustainable wood exports with the launch of breakbulk cargo (wood exports in Gabon were historically container based). Finally, GSEZ Ports introduced the box rate in Gabon, leading to cheaper logistic costs.

Large economic impact through the development of Gabonese national electricity network through GSEZ Infra

GSEZ completed, through its GSEZ Infra subsidiary, the development of 711km of new electrical lines (541km MV lines, 170km LV lines) across rural Gabon.

This project has major economic benefits for Gabon. First, it has a massive impact on Gabon's rural population electrification with 121 additional villages electrified. It also boosts the industrial competitiveness of rural areas, enabling notably the development of major mining and agriculture projects (e.g. Olam's plantations in Awala, Kango and Bitam).

SUMMARY OF GSEZ'S PROJECTS ECONOMIC IMPACT

Oil remains a pillar of the Gabonese economy. However, its contribution to GDP formation declined between 2010 and 2018 as a result of lower oil prices and increased private investment in other sectors of the economy. By investing heavily since 2011 in a world-class special economic zone, a general cargo port and a mineral port, GSEZ has contributed in increasing the added value created in non-oil sectors, contributing massively to Gabonese economy diversification.

Macroeconomic results at this stage are encouraging:

GDP contribution of the agricultural sector increased from **3.6% to 5%** between 2010 and 2018

GDP contribution of the timber industry increased from **1.5% to 4.5%** between 2010 and 2018

GDP contribution of the mining sector increased from **3.7% to 6%** between 2010 and 2018

Going forward, GSEZ will continue to contribute to the development of Gabon and Africa with high-impact projects. GSEZ new international airport, which aims at boosting Central Africa airline connection and to position Gabon as a new regional airline hub, is a great illustration of GSEZ long-term commitment towards Gabon and Africa development. Projects in Mauritania and Côte d'Ivoire are expected to have great impact on both economies.

ENVIRONMENT AND SUSTAINABILITY

GSEZ is committed to sustainable development. We take great care of respecting local communities during the development phase of our projects, with a focus on the cultural heritage of the countries we operate in. We strive to preserve the environment and the biodiversity everywhere we develop infrastructure. We always conduct preliminary studies then monitor our impact on the ecosystem. We endeavor to ensure a safe working environment to our employees and to our subcontractors. We also strongly promote the diversity in our teams.

SUSTAINABLE DEVELOPMENT

A key focus for GSEZ

Environment

- Sustainable production and processing of natural resources
- Forest management practices for natural regeneration of forests
- An environmenlal governance structure for industries
- Measures to curb illegal forest harvesting

Safety

- Dedicated health and safety team
- A vision of 'zero-harm culture'
- Facility safety committees eliminate and mitigate risk
- Measurable health and safety goals to track progress

CR & S

- Enrich people's lives in Gabon
- Enhance food security
- Create jobs and facilitating education
- Develop public utilities and heallhcare facilities

Grievance

- Robust grievance procedures and mechanisms
- Digtal platform for handling complaints
- Complaints are investigated and appropriate action is taken
- All stakeholders can access the grievance platform

GSEZ objective is to follow rigorously the Performance Standards defined by the International Finance Corporation ("IFC PS"). The company strives to limit the impact of its projects on the local ecosystems and on the biodiversity, and to respect local communities throughout the life of its infrastructure projects.

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Environmental and Social measures to ensure the compliance with local international standards during the lifetime of each GSEZ business

Closure & Rehabilitation*

- Detailed closure planning & costing
- Closure and post closure monitoring and auditing

Commissioning & Operation*

- Compliance and monitoring
- Implementation & monitoring community investment projects
- ESMP update
- Sustainability reporting
- Closure planning & costing

Pre-construction & Construction*

- Resettlement & livelihood implementation
- Environmental and social policy
- Implementation of ESMP/ ESMS
- Site supervision
- Compliance monitoring
- Community investment strategy

GSEZ
Gabon Special Economic Zone

- Stakeholder mapping, planning & implementation
- Grievance management
- Environmental & social data collection, monitoring & auditing
- Environmental & social training & capacity building

Pre-feasibility*

- Concept & pre-feasibility studies
- Site constraint analysis & site selection
- Screening and scoping

Feasibility*

- Detailed scoping
- Baseline studies
- International ESIA
- National EIA
- Resettlement planning
- Influx management planning

Permitting*

- Permitting
- Engaging with local authorities
- Permitting strategy development

Financing*

- Lender-specific reporting requirements

Before any project, GSEZ ensures that a stringent Environmental and Social Impact Assessment ("ESIA") is realized by specialized engineering or consultancy firms (e.g. AECOM, a leading multinational engineering firm). GSEZ does not launch its project until the completion of the documentation and of the administrative process. If needed, complementary studies are also done to ensure that the full compliance of the project with IFC PS requirements.

More precisely, the scope of each ESIA process includes all the following elements:

- Project impact on biodiversity and landscapes
- Project impact on soil, groundwater, surface water and air quality
- Assessment of noise and vibration generated by the project
- Greenhouse gases emission and waste production
- Impact on local communities (health and security)

GSEZ also implements an Environmental and Social Management System ("ESMS") in line with the local and global standards (IFCD PS, QMS – ISO 9001:2008, EMS – ISO 14001:2008, OHSAS – ISO 18001:2008). The impact of each business is measured through tangible indicators and dynamic and transparent reporting of these indicators is frequently made with an online tool supplied by Enablon, the world leading provider of Sustainability and EH&S software.

Multiple milestones have been achieved by GSEZ in term of Environment & Sustainability:

- Completion of 6 ESIA and initiation of 4 new ESIA.
- Completion of 3 internal and 1 external ISO audits, 2 DGEPN audits and 1 ISPS audit.
- Development and implementation of 2 digital monitoring platform for projects (Incidents' / accidents' recording and grievances).
- Initiation of Environmental Monitoring of Air quality, noise levels and surface water quality in GSEZ Multi-Purpose Terminal, GSEZ Mineral Port and Nkok SEZ.
- Development and implementation of the Stakeholder Engagement Plan and of the Supplier's Code for GSEZ Multi-Purpose Terminal, GSEZ Mineral Port and Nkok SEZ.

HSE standards

GSEZ is managing its projects according to the highest international standards in terms of Health, Safety and Environment, a focus confirmed by the ISO certification held by the company and its subsidiaries.
Like for its Environment and Social policies, GSEZ projects are conducted in accordance with the IFC performance standards and the local recommendations. A particular focus is given on safety efforts with the objective to bring tangible improvements to working conditions and ensure a safe working environment. As a result, the company recorded close to 1 million-man hours with zero accident recorded.

Multiple HSE milestones have been achieved by GSEZ:

- 83% IFC PS compliant on ESG and HSE standards and progressing towards 100%, both at GSEZ level and at its subsidiaries level
- GSEZ Multi-Purpose Terminal (incl. GSEZ logistics services) has achieved 0.96 Million man-hours without lost-time injury in 2018
- Periodical Air, Water and Noise monitoring at all GSEZ's projects to ensure the compliance with standard's permissible limits
- Completion of defensive driving training for 80 truck drivers in 2018, total of truck drivers trained to reach 350 drivers by 2019

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LEADERSHIP TEAM & HUMAN CAPITAL

Core Leadership Team:

GSEZ is organized through a robust structure, with a top-notch management team dedicated to each infrastructure business.

The Group is led by Gagan Gupta, CEO of Olam Gabon and GSEZ. He has a strong track-record in assembling new project teams in record time. For each of the main businesses, an operating team headed by a Project Head is set up to conduct its development. GSEZ Management team is supported by key managers and divisions (Environment and Social, Human Resources, IT and administrative, Legal, Purchase and Logistics, Government Relationships, Risk and Finance). GSEZ Management uniquely understands Gabon doing-business environment and how to best manage all stakeholders, especially thanks to an easy access to the Government and tight relationships with the financial sector and local NGOs.

Gagan Gupta

Role: Country Head/Director General
Nationality: Indian
Tenure in Olam: 10 years
Qualification: Chartered Accountancy
Total work experience: 20 years
Previous company: Reckitt Benckiser (India)

Jasveer Singh

Role: Business Head, GSEZ Nkok
Nationality: Indian
Tenure in Olam: 6 years
Qualification: Masters in Urban Dvpt & Mgt, School of Planning & Architecture, New Delhi (India), 2001
Total work experience: 18 years
Previous company: Voyants Solutions Pvt Ltd (India)

Ajay Tyagi

Role: PCH Cargo Port & Logisitics (GSEZ Ports)
Nationality: Indian
Tenure in Olam: 1.5 years
Qualification: Managing Terminal Operations Program, DPW, Dubai
Total work experience: 26 years
Previous company: International Container Indian Services Inc (India)

Indranil Gupta

Role: Head – Airports Operations
Nationality: Indian
Tenure in Olam: 1 year
Qualification: Master of Business Administration 1994
Total work experience: 22 years
Previous company: GVK Airports, Indonesia & BIAL

Kumar Mohan

Role: Head-Log Business
Nationality: Indian
Tenure in Olam: 6 years
Qualification: Chartered Accountant
Total work experience: 7 years
Previous company: Air Liquid Ltd, (India)

Rajan Kumar Sahu

Role: GSEZ Mineral Port
Nationality: Indian
Tenure in Olam: 3.5 Years
Qualification: B E Civil Eng, Sambalpur University (India), 1993
Total work experience: 22 years
Previous company: Dhamra Port Company Limited (India)

Swaminathan. K

Role: Regional Head – Finance
Nationality: Indian
Tenure in Olam: 10 years
Qualification: B Sc. , ACA, ACWAI 1984
Total work experience: 28 years
Previous company: Olam Nigeria, Tura International Limited – UK

Vinodanand Jha

Role: Head – IT & Admin
Nationality: Indian
Tenure in Olam: 6.5 years
Qualification: Dual Masters in Computers and Mathematics; Indian Institute of Technology, Delhi, 1999
Total work experience: 18 years
Previous company: Torrent Power, SBI Capital Market (India)

Alain Saraka

Role: Chief Risk Officer
Nationality: Ivorian
Tenure in Olam: 1 year and 8 months
Qualification: Master International Financial Analysis, Reims
Total work experience: 15 years
Previous company: African Finance Corporation, (Nigeria)

Pawan Jain

Role: Head – Human Resources
Nationality: Indian
Tenure in Olam: 1.5 years
Qualification: Post Graduate Diploma in Personnel Management, 2004
Total work experience: 14 years
Previous company: Cairn (India)

Laetitia Yuinang

Role: Head – Legal
Nationality: Gabonese
Tenure in Olam: 7 years
Qualification: Masters Law, Aix En Provence Univ (France) 2003
Total work experience: 14 years
Previous company: Addax Petroleum, (Gabon)

Bhavin Vias

Role: Head - ESG
Nationality: Indian
Tenure in Olam: 1 year
Qualification: Masters in International Development from Institute of Development Policy and Management (IDPM)
Total work experience: 18 years
Previous company: AECOM, (London)

Mohit Agrawal

Role: Manager-Biz Development (New Country)
Nationality: Indian
Tenure in Olam: 7 years
Qualification: Bachelors in Architecture, School of Planning and Architecture (2001) & Finance certificate, LSE
Total work experience: 7 years
Previous company: NA

Sarah Adnane

Role: Head – Communication
Nationality: Moroccan
Tenure in Olam: 3 years
Qualification: Master Communication
Total work experience: 6 years
Previous company: Foundation Cheikh Khelifa, (Morocco)

Grazuella Tovignon

Role: Manager – Human Resources, GSEZ
Nationality: Gabonese
Tenure in Olam: 6 years
Qualification: BTech Human Resources Management from University of Johannesburg
Total work experience: 10 years
Previous company: MGV (Manufacture Gabonaise de Vêtements)

Roselyne Chambrier

Role: Biz Development Manager / Country Manager -IVC
Nationality: Gabonese
Tenure in Olam: 7 years
Qualification: Masters International Management
Total work experience: 10 years
Previous company: BGFI Bank

Amandine Ogouebandja

Role: Corporate Affairs Director
Nationality: Gabonese
Tenure in Olam: 8 years
Qualification: Master's in Business Administration (Finance), Nova Southeastern University
Total work experience: 13 years
Previous company: Ministry of Economy, (Gabon)

Human Resource:

GSEZ, one of the biggest private employers in Gabon, puts a strong emphasis on creating the best working and safety conditions for all of its 879 employees (as of end 2018). GSEZ believes a world-class HR management is the key to ensure long term success for the company.

The Group is placing particular emphasis on skills development and takes great care to provide the adequate training to each employee. The company has notably developed a wide range of coaching and trainings to create the best conditions for its employees to learn and grow. For example, GSEZ launched an Executive Coaching program in partnership with CiAB and an Executive Education program with Wharton to offer managers the means to enhance their leadership skills. The objective of these training sessions is to favor the mobility of each employee within the Group.

GSEZ is fully committed to protect the diversity within its workforce and to promote gender equality. Currently, 11 nationalities are represented and 80% of our employees are nationals (we would like to increase this figure to 85%). Additionally, 14% of our workforce are women.

An ambitious objective to reach parity within the next few years was decided by the company's top executives. Furthermore, GSEZ aims at driving the respect of varied cultures among employees and towards local population, notably the neighboring people which may be impacted by the company's businesses. GSEZ launched various initiatives to provide recognition to its employees. Notably, the company launched PRIDE, a country wide Reward & Recognition Program, aiming at creating recognition awareness. The group is also organizing numerous communication forums, social and professional events, cultural inclusiveness workshops, bilingual policy release, and "Meet with Country Head" lunch sessions.

Finally, GSEZ believes transparency and dialogue are key to create a positive working environment. That it is why GSEZ increased transparency over compensation cycle and rewards and put in place a single performance appraisal to provide detailed and customized guidance for each employee.

MESSAGE FROM THE CEO

Gagan Gupta

Country Head/ Director General

2018 was a tremendous year for GSEZ. We are excited to begin our 9th year of operation and we believe GSEZ is stronger than ever and in a great position to attain its ambition to become one of the leading Pan-African infrastructure players.

All business units in Gabon delivered strong results in 2018, with transformational impacts on the country. Nkok SEZ is turning into a major hub for wood transformation and exports, with 51 timber units in operation. The Owendo mineral terminal is unlocking major mining projects across Gabon and the new Multi-Purpose Terminal of Owendo is gaining traction. The construction of the New Libreville International Airport is ready to be started and we have successfully taken over operation of the existing airport. The construction of electrical lines by GSEZ infra is now completed.

Our partnership with the Gabonese Republic is robust thanks to the relationship of trust we developed over the past years. While addressing key infrastructure needs, GSEZ was able to boost the Gabonese economy, unlocking major projects across the country. We believe our ecosystem approach is key to our success, making sure to progressively unlock industries' bottlenecks while developing infrastructure. This approach is a key differentiating factor and creates virtuous circles: strong financial results and high socio-economic impact. It has notably led to the creation of 700 direct jobs and 7,000 indirect jobs for nationals, which combined with our strong CSR policy, show our commitment for a positive impact on local lives.

Capitalizing on our success in Gabon, we are getting closer to our goal of becoming a major Pan-African actor. With our track-record of delivering projects on time and on cost and our unique ecosystem approach, GSEZ is getting recognized as a major and unique infrastructure player in Africa. We were awarded two long-term concessions in 2018 in Côte d'Ivoire and Mauritania. We are very proud to have been selected for the construction of a container terminal at Nouakchott Port and a dry bulk terminal at San Pedro. We believe these projects will help to accelerate the continent's economic diversification efforts, and that they are the first of many to come!

Regarding financial performance, GSEZ achieved excellent results in 2018. Revenues rose by 56%, PAT doubled and reached EUR 88m. These results are a striking demonstration of our ability to create value for our shareholders.

We face another promising year in 2019, and we are confident we will continue to improve our profitability and our overall performance. We are indeed committed to maximizing the value of our existing infrastructures, ensuring the development of our forthcoming projects and building a leaner organization. Our team remains fully mobilized to achieve great success of our projects, through cost reduction efforts and aggressive marketing policies. We will ensure that our capital expenditures program (Libreville airport, San Pedro terminal and Nouakchott Port) is implemented according to plan (on time, on cost). And finally, we are entirely devoted to achieving a higher level of efficiency and smoothness of operations through the structuring of our holding company.

Long term value creation by providing high quality infrastructure remains our key objective and we are staying alert to new expansion opportunities in other attractive African economies as well as in countries where we are already present.

I would like to take this opportunity to thank our customers, partners and stakeholders for their continued trust and our employees for their commitment, energy and enthusiasm to consistently improve our performance!

WHO ARE WE

We are GSEZ

Official status:

Gabon Special Economic Zone S.A, a "Public-Private Partnership" with six subsidiaries (collectively, "The Group") is a public limited liability company incorporated under the laws of the Republic of Gabon, whose registered office is located at Galerie Tsika deuxième étage, BP 13559, Libreville, Gabon. The Group is registered at the Commercial Registry (Registre du Commerce et du Credit Immobilier (RCCM)) of Libreville under the number 2010B10124, hereinafter referred to as "GSEZ".

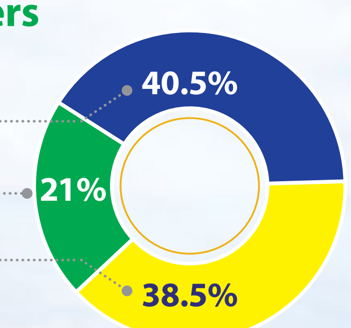
Our Shareholders

The main shareholders are:

Olam International Limited

Republic of Gabon

Africa Finance Corporation



Business presentation

GSEZ was created in 2010 to develop and operate Nkok SEZ, the first special economic zone in Gabon, that aimed at transforming the timber industry and participating to the industrialization of the country.

Initially created to develop Nkok SEZ, GSEZ has become a truly unique infrastructure developer in Gabon, with 5 major infrastructure projects:

GSEZ
Gabon Special Economic Zone

- **GSEZ Nkok SEZ** launched in 2010
- **GSEZ Mineral Port** launched in 2014
- **GSEZ Ports** launched in 2014
- **GSEZ Airports** launched in 2015
- **GSEZ Infra** launched in 2016

With GSEZ, we can be collectively – the shareholders, the management team, all the employees – extremely proud of what was achieved over the last 7 years:

- We delivered on our promises, delivering world-class infrastructure in record time, according to budget.
- We delivered exceptional financial performance with EUR 342 million PAT over the last 7 years.
- We had a tremendous positive impact on the Gabonese economy (catalyzing the transformation of the mining and timber sectors) and bringing large efficiency logistics gains that will significantly contribute in achieving the vision set by Gabon as per its national strategy.

Our company is stronger than ever and is working continuously to strengthen its position.

The Group is now considered the developer of choice for key infrastructure projects in Gabon for its unique capacity to design, finance and develop projects in record time and for its capacity to operate those assets according to highest standards once up and running. We are now regularly solicited to develop infrastructure across Africa, building on our strong Gabonese track record.

ARISE

OUR JOURNEY- GROWTH MILESTONES

In less than a decade, GSEZ has become the developer of choice for infrastructure projects in Africa. GSEZ's journey begun in 2010 with the development of Nkok SEZ in Gabon, covering 1,093 ha, of which 591ha have already been completed in Phase 1.

Over the past years, GSEZ has demonstrated its ability to deliver major infrastructure projects on cost and on time notably with the development of GSEZ Mineral Port and GSEZ Multi-Purpose terminal. Since 2018, GSEZ has started its Pan-African development, with the signature of concession agreements for Mauritania port and San Pedro port.

Key milestones of GSEZ

2010
- **1st visit of Olam CEO** in Gabon
- **MoU signed** with Gabonese Republic
- Start of **SEZ construction**

2011
- **Nkok SEZ inauguration**

2012
- **SEZ law passed**

2013

2014
- Attribution of **Owendo Port extension concession**

2015
- **Start of GSEZ Mineral Port construction**
- **Start of GSEZ Multi-Purpose terminal construction**

2016
- **AFC investment in GSEZ** (@ 2.5x book value of equity, no dilution for Olam)
- **Inauguration of Mineral Port**
- Start of **GEZ Infra project** (electrical lines)

2017
- **Inauguration of GSEZ Multi-Purpose terminal**
- **Sale of container terminal** to Bollore
- **Sale of 25o/o stake of Mineral Port to** Meridiam

2018
- **Start of GSEZ Airport construction**
- **Panafrican development** with **concession agreements signed** for **Mauritania port** and **San Pedro Port**

OUR BUSINESS VERTICALS

GSEZ Nkok Special Economic Zone

GSEZ controls 100% of GSEZ Nkok Special Economic Zone.

GSEZ Nkok SEZ development was done under a long-term PPP signed between GSEZ and the Gabonese Republic. It is an integrated multi-sector SEZ, with primary focus on timber sector.

The SEZ offers a comprehensive set of services to hosted companies, ranging from log supply to transportation facilities and marketing support. It offers a unique value proposition for timber processing companies installed in the zone: kiln drying units, saw mills, veneer, plywood & wood furniture factories. Launched in 2010, the SEZ covers 1,093ha, of which 591ha have already been completed in Phase 1, in record time and on cost.

Providing services to its clients hosted in the zone, Nkok SEZ derives its revenues from 3 main sources

Land development
(sale & lease)

Operation & Maintenance services
(power, water & sewerage, etc.)

Log service platform
(log supply, transport and trading of logs)

The team is composed of world-class talents, with unique track-record and complementary skills, and led by Jasveer Singh, Business Head, who has a strong experience and has been able to develop the SEZ with tremendous success so far.

ARISE

GSEZ Mineral Port

As of end 2018, GSEZ controls 75% of GSEZ Mineral Port.

GSEZ Mineral port development was done under a 90-year concession signed with the Gabonese Republic. The Gabonese Republic gave GSEZ Mineral Port the mandate to develop a new mineral and specialized bulk terminal. The objective is to support the development of Gabon mining sector by contributing to the emergence of world-class mines, which development was hampered by logistical constraints so far.

GSEZ Mineral Port is composed of a 170m long barge berth, enabling an annual handling capacity of 5 million MT. The handling activities are ensured by 4 barges owned by GSEZ Mineral Port and 6 modern grab loaders / unloaders. Around the terminal, over 40 Ha of land were developed, including 20,000 sqm of storage area.

The project was launched in 2014 and the terminal was inaugurated in August 2016, on time and on cost. GSEZ Mineral Port also owns and operates locomotives and wagons as the terminal is linked to the national railway network (1.5km line to connect with national network). The terminal holds the International Ship and Port Facility Security ("ISPS") certification for its infrastructure.

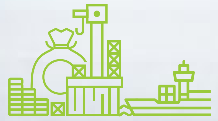
GSEZ Mineral Port provides an end-to-end logistics offer to its clients (including railway operations) at competitive price:

- **Mining players:**
  Nouvelle Gabon Mining (exploiting a manganese mine next to Franceville), CITIC (exploiting a manganese mine in Moyen-Ogooué)
- **Construction materials companies:**
  CIMAF (Moroccan cement group),
  COLAS (French construction company)

GSEZ Mineral Port derives its revenues from 3 main sources :

Port operations
(handling & storage of manganese, clinker, coke, timber, iron ore, etc.)

Railway operations
(train logistics services from client site to port)



Others
(port dues, vessel agency service, etc.)

The Head of Business Unit is Ranjan Kumar Sahu, a world-class engineer with solid background in the harbor industry, leading a strong and diverse team.

GSEZ General Cargo Port & Logistics

GSEZ controls 100% of GSEZ Ports, a greenfield multi-purpose terminal in the Owendo area.

GSEZ Ports development was done under a 90-year concession signed with the Gabonese Republic.

The Gabonese Republic gave GSEZ Ports the mandate to build a new multi-purpose terminal, with the objective of supporting the competitiveness of the Gabonese economy. Existing terminal in Owendo was indeed reaching its limits in terms of capacity, with strong negative impact on service quality.

The terminal is composed of an 800m-long berth with a water depth of 13m, suitable for Panamax vessels, enabling an annual handling capacity of 310,000 TEUs and 4 million MT of general cargo. In addition, the project comprises an adjacent container yard of 14ha, a container freight station of 50,000 sqm, 5 storage tanks for palm oil (overall capacity of 10,500 MT) and 2 grain silos (capacity of 5,000 MT each).

Concession was obtained in 2015, construction started in 2016 and the inauguration took place in October 2017 after a fast development in a record time of 18 months, below budgeted costs.

GSEZ Ports also owns and manages the largest logistics fleet in Gabon to provide inland logistics services.

Thanks to this world-class infrastructure and large logistics fleet, GSEZ Ports provides an integrated logistics offer to its clients:

- Companies hosted within Nkok SEZ
- Olam for its plantations in Gabon
- Mining players (e.g. NGM and CITIC)
- Other importers/exporters

GSEZ Ports derives its revenues from 3 main sources:

Port operations
General cargo & bulk handling (including petroleum products, cereals, liquid bulk)

Logistics
Haulage, stuffing, freight-forwarding and shipping

Storage
Grain and palm oil

GSEZ Ports is headed by Ajay Tyagi and the operations are conducted by a top-notch team with large expertise and experience in port management.

GSEZ Airports

GSEZ controls 100% of GSEZ Airports.

GSEZ Airports development is done under a 50-year long concession (with a 40-year extension option) with the Gabonese Republic.

This project consists in the development of a new international airport in Libreville to replace the existing one (Leon Mba) which has reached its limits in terms of capacity. GSEZ Airports will design, finance, build and operate the new airport and take over the operations of the existing airport until the new one is commissioned.

GSEZ Airports has been granted exclusivity for this airport (no other public airport can be built within a 100km radius) and will benefit from the Gabonese Republic favorable policy (setup of an Airport Improvement Fee).

Located 30km from the city center of Libreville, close to Nkok SEZ, the airport site spans 4,000ha. The new airport will have a capacity of 2.5m passengers per year, along with 23,000 MT of cargo, and is designed to comply with international and national standards.

With that airport, GSEZ will be supporting the positioning of Gabon as the Central Africa Gateway, establishing the country's leadership position in the region, which is currently suffering from poor air connectivity.

Concession was signed in 2015, and commissioning is expected by 2022, after a 3-year construction and pre-commissioning period.

GSEZ Airports derives its revenues from 3 main sources:

Aeronautical revenues (Passenger taxes, security & infrastructure charges, operations charges)	**Non-aeronautical revenues** (Duty free, advertising, services, etc.)	**Airport Improvement Fee set by the Gabonese Republic**

The Head of Business Unit is Indranil Gupta, who served in and managed over the past 25 years most of the major International Airports in India. Indranil Gupta can rely on a highly skilled and dedicated team to conduct this project successfully.

ARISE

GSEZ Infra

GSEZ controls 100% of GSEZ Infra.

GSEZ Infra development is done under a 30-year concession with the Gabonese Republic.

The project consists of the development of 711km of new electrical lines (541km of Medium Voltage lines and 170km of Low Voltage lines). On top of the electrical lines, the project encompasses 6 electrical substations and additional generation capacity of 17 MW.

The development of these electrical lines follows a double objective:

Rural population electrification
(121 additional villages electrified)

Structuring inland industrial project's electrification: mining & agriculture
(Notably Olam's plantations in Awala, Kango and Bitam)

The project was launched in 2016 and the construction started in 2017 for a period of two years.

GSEZ Infra derives its revenues from the lease payment done by the Gabonese Republic for the usage of the electrical lines, on the basis of transmitted energy on the lines.

The project is headed by Nitin Singla, Project Head, who has a strong track-record and solid leadership skills.

ARISE

ARISE Mauritania

GSEZ controls 50% of ARISE Mauritania, a 50/50 joint-venture with Meridiam.

ARISE Mauritania was selected by the Islamic Republic of Mauritania to support the modernization of the Nouakchott Port via a specific public-private partnership (long-term concession of 30 years).

ARISE Mauritania will design, build, finance and operate a new container terminal (initial capacity of 250,000 TEUs, with possibility to expand to 600,000 TEUs at a later stage) able to accommodate oil & gas vessels with capacity up to 50,000 DWT. The project includes the construction of a new wharf (14.5m depth, 570m length), a storage area for exports & imports (25 Ha), a container freight station (20 Ha), and an administrative area.
To ensure that the navigation areas are deep enough to permit safe navigation and accommodation of large vessels, ARISE Mauritania will also dredge the port maneuvering area, navigation channel and berth pocket.

Construction is ready to start and shall last 2 years (with commissioning by Q4 2020 and start of operations in January 2021).

For this project, ARISE Mauritania has set up a strong construction team that will be heading construction of the terminal. Renowned infrastructure developer AFCONS has been selected as EPC contractor, Boskalis International will oversee dredging, and EGIS company will ensure PMC of the project. With this execution strategy ARISE Mauritania is strongly mitigating the risks of schedule and budget over-run.

ARISE

ARISE San Pedro

GSEZ acquired from SNEDAI (see afterwards) a 65% stake in the Terminal Industrial Polyvalent de San Pedro (TIPSP), the SPV owning a 35-year renewable concession for San Pedro's bulk terminal development and management (started in December 2016).

SNEDAI is a highly diversified Ivorian group, with above 1,000 employees, operating in technology, transportation, energy and construction sectors in 8 West African countries. This group is the unique TIPSP's shareholder and is looking for a technical and financial partner to develop the project, while keeping a 35% stake.

As per the DBOT concession (Design, Build, Operate, Transfer), the project consists in the development of a 5 million MT greenfield dry bulk terminal (phase 1 - 10m MT in phase 2). The San Pedro terminal would include two berths of 250 meters, with a depth allowing the accommodation of Capesize and Panamax size dry bulk vessels, and an adjacent terminal area of 10 Ha.

This project enjoys strong support from the Ivorian Government, which aims at turning the port into a true development center of South West Cote d'Ivoire. The project also fits with GSEZ's global strategy of becoming one of the largest integrated logistics players in Africa.

Project profitability drivers are strong, with robust traffic forecasts (imports of coal for an upcoming new coal 700MW powerplant, construction materials and fertilizers, exports of minerals and agricultural crops).

GSEZ targets to launch construction before the end of 2019, after having completed all the required studies (engineering, market studies, ESIA notably).

OUR VISION

Be the infrastructure developer of choice in Gabon and Africa, providing world-class end-to-end logistics solutions to our customers, supporting their global competitiveness objectives.

By investing in an integrated fashion, from port to logistics, we believe we can unlock significant value, controlling corridors and servicing our clients in a unique manner.

The infrastructure deficit is massive in Africa with estimated annual investment needs of USD 20bn for transport & logistics infrastructure. In our business structured around concession agreements, we believe we can offer a distinctive value proposition for African Governments, offering long-term win-win situations:

- Bringing down logistics tariffs
- Investing in ancillary infrastructure, whenever needed
- Providing customers with holistic solutions, with the mission to make them globally cost-competitive
- Being a socially and environmentally responsible partner

GSEZ play to be asset-led to create long-term competitive advantage

GSEZ capacity to invest into Port & Logistics assets is key

GSEZ
Gabon Special Economic Zone

25/49 year control over non-replicable assets
(standard concession terms)

Control over choke point
(traditionally 90% of trade done by sea in Africa)

30-35% EBITDA margin
(high profit margin on average)

Investing in critical infrastructure assets (strategic ports and inland corridors) is key to create long-term competitive advantage. With 25 to 49-year control over non-replicable assets, as is standard with concession agreements, we build long-term positions in host countries. Managing these essential logistics choke points (90% of trade done by sea in Africa) will ensure GSEZ the possibility to generate attractive financial margins (typically 30-35% EBITDA margin) over the long-term.

Building on the unique track-record we have acquired in Gabon, we believe we can achieve our vision, leveraging our strong capacity to:

Originate ideas | **Design** | **Finance** | **Build** | **Own & operate** | **Engage**

GSEZ, unique capacity for developing infrastructure in Africa

Originate ideas:

Ability to set up **win-win long-term partnerships with States** based on unique bottlenecks identification approach, with balanced concession terms and a fair distribution of risks.

Design:

Recognized **know-how for large-scale infrastructure** design with an integrated vision of projects to perfectly address the needs of our clients.

Finance:

Strong financing capacity: no time loss for financial closure thanks to robust balance sheet, extended project financing capacity and strong bank confidence.

Build:

Unmatched implementation capacity, on-budget and in record time in Africa's challenging context, with top notch team ready to be mobilized.

Own & operate:

First-class management of project enabling to fully optimize operations and assets performance.

Engage:

Commitment to people and the environment: excellent stakeholder management (including CSR), systematic impact assessment.

OUR GOVERNING OBJECTIVE

To maximize long-term intrinsic value for our shareholders.

This annual report – the second of a long series – aims at providing to our shareholders and all our stakeholders a comprehensive vision of where we stand today, and what we are committed to achieve in the future.

BOARD OF DIRECTORS

The composition of GSEZ's Board

Venkataramani Srivastan
Chairman

Gagan Gupta
General Manager

Swaminathan. K
Director

Neelamani Muthukumar
Director

Oliver Andrew
Director

Theophile Ogandaga
Director

Henri Claude Oyima
Director

M. Boundono Simangoye
Director

Samaila Zubairu
CEO of AFC

In July 2018, GSEZ welcomed Mr. Samaila Zubairu as a new board member, in replacement of Mr. Andrew Alli, whom we would like to thank for his continuous support and precious insights while on our Board.

Samaila Zubairu is the new President & CEO of the Africa Finance Corporation. Mr. Zubairu was the CEO of Africapital Management Limited, where he contributed to the development of a Nigerian infrastructure private equity fund, and the CFO of Dangote Cement Plc, where he undertook investments worth over 3 billion US dollars. Mr. Zubairu is a Fellow of the Institute of Chartered Accountants, holding a BSc in Accounting from Ahmadu Bello University (Nigeria).

GENERAL INFORMATION

Company Secretary:
Business consulting – External consultants

Registered Office:
Galerie TSIKA BP 13559 Libreville - Gabon

Registered Number:
RCCM: 2010B10124

Company's Lawyers:
Project Lawyers
Libreville, GABON

Bankers:
Bank accounts as followed:

Bank Name	Location	Status
BGFI (Banque Gabonaise France Internationale)	Libreville	Normal
UGB (Union Gabonaise de Banque)	Libreville	Normal
UBA (United Bank of Africa)	Libreville	Normal

Main Banker is BGFI Bank Gabon

Statutory Auditor:
Ernst Young Gabon, 4ème Etage Immeuble BDM,
Boulevard du Bord de Mer, B.P. 2278, Libreville, Gabon

DIRECTOR'S REPORT

To the Members
Your Directors are pleased to present the Annual Report and the Company's audited financial statements for the financial year ended December 31st, 2018. The consolidated performance of the Company and its subsidiaries has been referred to whenever required.

Financial Results:

In EUR million	2018	2017
Net sales	234.9	151.3
Cost of sales	38.5	37.6
Operating income	83.7	52.5
Income before provision of income tax	86.9	52.5
Provision for income tax	0.3	-
Net Income	**86.5**	**43.9**

Transfer to Reserves:

The company proposes to keep the amount of **83.2 million euros** in retained earnings.

Performance Overview:

For FY 2018, GSEZ revenues from operations stood at 234.9 million euros , that is an increase of 83.63 million euros over the previous year. This growth stems from the commercial success of GSEZ Nkok SEZ, the ramp-up of the operations at GSEZ Mineral Port and GSEZ General Cargo.

The Earnings Before Interests, Taxes, Depreciation and Amortization EBITDA stood at 103.7 million euros[1], a 33.7 million euros increase compared to the previous year.

The net profit for the year was equal to 86.5 million euros1, almost double of FY 2017 net profit (42.5 million euros more than the FY 2017), equal to 43.9 million euros.

The breakdown of the net profit between the shareholders and non-controlling interest is the following:

Net profit attributable to shareholders:
83.2 million euros

Non-controlling interests:
3.3 million euros

[1] Considering EUR/USD FX rate of 1.14595, as of 31st December 2018

State of Company Affairs/Major Highlights:

Major highlights of (state of) Company (affairs) during the year under review are as follows:

GSEZ Nkok SEZ

- 46 Ha were developed in FY 2018
- **The timber industry have achieved strong results:**
  - Peeling industries increased from 25 to 38 (13 signed in 2018) and investors' origins are more and more diverse, with 17 nationalities represented in the zone.
  - The volume of timber processed in the zone increased by 44% in FY 2018.
  - Annual volumes of veneer exported from the zone in 2018 reached 8,334 TEUs (valued at USD 96.67 million). As a result, Gabon became the first tropical veneer producer in Africa and the fourth worldwide.
- **Nkok SEZ developed further its service offer:**
  - Nkok SEZ successfully co-hosted the 1st Edition of Gabon Wood Show organised in June 2018 for the display of GWH made furniture, attracting above 2,800 visitors.
  - Nkok SEZ worked in partnership with Gabonese Caisse des Dépôts et Consignations (CDC) to secure a EUR 30 million loan from Afreximbank to fund the working capital of hosted companies.
  - A fire station was inaugurated, and a dedicated ambulance was brought in.
  - A GSEZ Application was developed to guide customers in the zone.
- **New industries were attracted:**
  - A cement plant started its operation.
  - The construction of a pharma plant was initiated and is now close to commissioning.

GSEZ Mineral Port

- **In 2018, GSEZ Mineral Port continued to improve its operational performance:**
  - 50 vessels and 2.164 million MT of cargo were handled.
  - Full-fledged railway operations were initiated and a total of 213 rakes were handled (1.40 million MT).
- **GSEZ Mineral Port pursued efforts to get in line with best international standards:**
  - GSEZ Mineral Port obtained ISO 9001, 14001, 18001 certifications.
  - The business unit also secured ISPS certification and implemented IFC PS.

GSEZ General Cargo Port & Logistics (GSEZ Ports)

- **GSEZ Ports increased volumes handled:**
  - 52 vessels were handled in 2018, contributing to a total tonnage of 375,050.
  - Nkok SEZ volumes grew to 500 containers per month, with efficiency improved in container placement and movement, resulting in faster turnaround of the cargo.
  - GSEZ Ports commenced a dedicated container service and hard wood breakbulk exports, which was a real game changer for Gabonese trade (on average, around 15,000 cbm loaded per vessel, which is equal to 750 TEUs).
- **GSEZ Ports launched programs to reduce costs and improve operations:**
  - First steps were taken to set up an inhouse R&M center
  - First steps were taken for the implementation of a Fleet Management System (Kale & App Based Software's).
- **GSEZ Ports is continuing efforts to improve customers' experience:**
  - A single entity, with a dedicated Key Account Manager, was set up, considerably improving customers' ease of doing business.
  - Agents in Gabon were nominated to handle breakbulk for shipping lines like Nile Dutch, Sallaum, Sinoway, PIL & COSCO.
  - Dumper operations were set up for the first time in mining logistics.
  - GSEZ Ports became the only logistics company in Gabon to be operational 24/7.

GSEZ Infra

- **In 2018, constructions progressed significantly:**
  - Out of the 541 km of Medium Voltage Line and the 170km of Low Voltage Line planned, respectively 320 km and 75 km were completed.
  - GSEZ Infra also completed the construction and set up of the Kango-Bifoun Line (74 km MV and 67 km LV lines), which was inaugurated by The President of the Gabonese Republic.
  - Substation 63/20 KV (20 MVA) was completed, charged and is now operational.
  - A 12 km double circuit line was completed for a mining company.

GSEZ Airports

Leon Mba International Airport:

- GSEZ took over operations of the existing airport on October 6th, 2018.
- **GSEZ Airports already signed contracts with several business partners:**
  - The company signed a long-term contract with one of the best duty-free operators worldwide, Lagardère, and with JCDecaux, the best in airport advertisement.
  - GSEZ Airports enabled a new international airline, Kenya Airways, to start operations.
- **GSEZ Airports also improved the airport's operational performance:**
  - Overall On Time Performance increased by 15%.
  - Baggage delivery time for international arrivals decreased by 20%.

New Libreville International Airport:

- GSEZ Airports received Environment & Social clearance from the Gabonese Government.
- The construction of relocation houses was completed and 26 handpumps were set up in the villages around the project site.
- **GSEZ Airports signed agreements with EPC and PMC contractors, both contracts being awarded within targeted budgets:**
  - GSEZ Airports signed a 36-months agreement with ICTAS Insaat (Turkey) as EPC Contractor for the construction of the new airport. The contract goes even beyond the initial scope.
  - GSEZ Airports signed an agreement with EGIS (France) as PMC Contractor for the design and work supervision of the new airport.

ARISE Mauritania

This project will significantly contribute to Mauritania's socio-economic development, answering key infrastructure needs and improving the country's overall competitiveness. Key highlights and achievements by end of 2018 are as follows:

- The PPP concession with the Islamic Republic of Mauritania was signed on 19th September 2018.
- Meridiam joined as a 50% stakeholder in December 2018..
- Afcons, the EPC contractor, started detailed Engineering studies.
- The PMC contractor is about to be selected (probably EGIS).

Finance:

Cashflow from operations in 2018 stood at 81.9 million euro. Capex spending accounted for 229.9 million euro. The gist of GSEZ cashflow statement is given in the table below:

In EUR million	2018	2017
Cashflow from Operating Activities	81.9	181.1
Cashflow from Investing Activities	(229.9)	(152.0)
Net Cash from/ (used in) Financing Activities	171.7	(187.0)
Net Change in Cash and Cash Equivalents	23.7	(158.0)
Cash and Cash Equivalents – Beginning of Period	104.1	139.6
Proceeds from Exceptional Items	25.0	122.5
Cash and Cash Equivalents – End of Period	152.8	104.1

The borrowing of the company as of 31st December 2018 stood at 274.6 million euro. Cash and Balances stood at 152.7 million euro, for a Debt to Equity ratio at 37.18%.

The gist of GSEZ consolidated balance sheet as of 31st December 2018 is given in the table below:

In EUR million	2018	2017
Source of funds		
Shareholder's fund	738.5	631.2
Non-controlling interests	24.1	12.0
Non-current Borrowings	274.6	149.4
Total funds	1013.1	792.6
Application of funds		
Fixed Assets	437.4	273.2
Intangible Assets	272.4	262.8
Other Assets	510.2	400.4
Other Liabilities (Includes Current Borrowings)	208.8	143.8
Total application of funds	1013.1	792.6

Share Capital:

The main stakeholders are:

Olam International Limited:	Republic of Gabon:	Africa Finance Corporation:
40.5%	38.5%	21%

The Net Equity stands at **738.5 million euro.**

Acknowledgement:

The Directors wish to place on record their appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges, depositories, auditors, legal advisors, consultants and business associates during the year. The Directors also convey their appreciation to employees at all levels for their contribution, dedicated services and confidence in the management.

For and on behalf of the Board of Directors,

Gagan Gupta
Chief Executive Officer

ARISE

DIRECTOR'S STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements established in accordance with International Financial Reporting Standards (IFRSs) for the year ended 31st December 2018.

In preparing these financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- Assess the company's ability to continue as a going concern.

Responsibility statement

We confirm that to the best of our knowledge:

- The financial statements set out on pages 10 to 13 are drawn up to give a true and fair view of the financial position of the Company as on 31st December 2018, changes in equity, the financial performance and the cash flows for the financial year ended on that date;
- At the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

Gagan Gupta

Chief Executive Officer

INDEPENDENT AUDITOR'S REPORT on the audit of the consolidated financial statements at 31 December 2018

To the shareholders of Gabon Special Economic Zone Group

Opinion

We have audited the consolidated financial statements of Gabon Special Economic Zone Group ("the Group" or "GSEZ Group"), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the condensed consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying condensed consolidated financial statements present fairly, in all material respects, the financial position of Gabon Special Economic Zone Group as at 31 December 2018, and of its financial performance and its cash flows for the twelve month period then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs).Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA) and other independence requirements applicable to performing audits of GSEZ Group. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of GSEZ Group. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Directors are responsible for the other information. The other information comprises information contained in the management report. The other information does not include the financial statements and our Auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this Auditors' Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors for the Consolidated Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so. The Director are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The Independent Auditor

ERNST & YOUNG

Partner

Libreville,

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CONSOLIDATED BALANCE SHEET

As of December 31,	Note No.	in FCFA million 2018	in FCFA million 2017	in Euro million 2018	in Euro million 2017
SOURCE OF FUNDS					
Shareholder's Fund	20				
Issued Capital		212,640	212,640	324.2	324.2
Retained Earnings		271,814	201,421	**414.4**	**307.1**
		484,454	414,061	738.5	631.2
Non Controlling interests	20	15,799	7,866	24.1	12.0
Loan Funds	18	-	-	-	-
Term Borrowing: Non Current		180,121	97,969	274.6	149.4
		180,121	97,969	274.6	149.4
Deferred Tax Liabilities (net)		-	-	-	-
TOTAL		**664,575**	**519,896**	**1,013.1**	**792.6**
APPLICATION OF FUNDS					
Fixed Assets	10				
Gross Block		338,156	217,680	515.5	331.9
Less: Depriciation and Amortisation		51,264	38,479	78.2	58.7
Net Block		286,892	179,201	437.4	273.2
Goodwill on Consolidation		-	-	-	-
Biological Assets	12	1,307	-	2.0	-
Deferred Tax Assets (net)		-	-	-	-
Intangiable Assets	11	178,654	172,365	272.4	262.8
Other Assets					
Inventories	14	21,834	18,245	33.3	27.8
Trade and Other Receivables	15	190,812	176,126	290.9	268.5
Cash and Bank Balances	16	100,194	68,287	152.7	104.1
Asset's held for sale	13	21,812	-	33.3	-
		334,652	262,658	510.2	400.4
Other Liabilities					
Trade and Other Payables	17	71,456	59,306	108.9	90.4
Term Borrowing: Current	18	65,525	35,022	99.9	53.4
		136,981	94,328	208.8	143.8
Net Other Assets		197,671	168,330	301.3	256.6
TOTAL		**664,525**	**519,896**	**1,013.1**	**792.6**

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

Year ended on 31st December	Note No.	in FCFA million 2018	in FCFA million 2017	in Euro million 2018	in Euro million 2017
Net sales	6	154,082	99,224	234.9	151.3
Cost of sales	6	25,238	24,689	38.5	37.6
Gross margin		**128,844**	**74,535**	**196.4**	**113.6**
Other Revenue	6	-	47	-	0.1
Operating expenses:		**73,924**	**40,175**	**112.7**	**61.2**
Of which Research and development		-	-	-	-
Of which Selling, general and administrative	7	60,846	28,904	92.8	44.1
Of which Depreciation and amortisation	8	13,078	11,271	19.9	17.2
Operating income		**54,921**	**34,407**	**83.7**	**52.5**
Financial costs	9	13,609	6,686	20.7	10.2
Finance income	9	16,174	535	24.7	0.8
Foreign exchange gain/(loss)		(497)	568	(0.8)	0.9
Income before provision of income tax		**56,988**	**28,825**	**86.9**	**43.9**
Provision for income tax		226	-	0.3	-
Net Income		**56,762**	**28,825**	**86.5**	**43.9**
Net Gain from sale of assets (One time Income)	6	**-**	**37,532**	**-**	**57.2**
Attributed to					
Equity holders of the parent		54,569	65,254	83.2	99.5
Non-controlling interests		2,193	1,103	3.3	1.7

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CONSOLIDATED STATEMENT OF CASHFLOW

		in FCFA million		in Euro million	
As of December 31,	Note No.	2018	2017	2018	2017
CASHFLOW FROM OPERATING ACTIVITIES					
Cash generated from operating activities	25	67,579	124,350	103.0	189.6
Finance Income		-	1,104	-	1.7
Finance Cost		13,609	6,686	20.7	10.2
Income Tax paid		226	-	0.3	-
Cash Generated from Operations		**53,744**	**118,768**	**81.9**	**181.1**
CASHLOW FROM INVESTING ACTIVITIES					
Capital Expenditure on Fixed Assets (additions less captilised borrowing costs)	10,11,12,13	150,807	99,734	229.9	152.0
Proceeds from Investments		-	-	-	-
Net Cash flows from Investing Activities		**(150,807)**	**(99,734)**	**(229.9)**	**(152.0)**
CASHFLOW FROM FINANCING ACTIVITIES					
Dividend Paid	20	230	22,139	0.4	33.8
Repayment of borrowings	18	67,370	107,351	102.7	163.7
Proceeds from share issue		-	-	-	-
Proceeds from new borrowings	18	180,205	6,810	274.7	10.4
Net Cash from/(used in) Financing Activities		**112,605**	**(122,680)**	**171.7**	**(187.0)**
Net Change in Cash and Cash Equivalents		**15,541**	**(103,646)**	**23.7**	**(158.0)**
Cash and Cash Equivalents as stated as at the year beginning		68,287	91,556	104.1	139.6
Proceeds from Exceptional Items*		16,415	80,377	25.0	122.5
Cash and Cash Equivalents reststed as at the year end		**100,244**	**68,287**	**152.8**	**104.1**
***Exceptional Items**					
Financial Income		15,677	-	23.9	-
Proceeds from Sale of Assets	10	738.9	80,377	1.1	122.5
Total Exceptional Items		**16,415**	**80,377**	**25.0**	**122.5**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

							in Euro million
	Issued capital	Share Premium	Convertible Bonds	Retained Earnings	Total equity	Non controlling Interests	Net Equity
Balance at 1st January 2017	207.6	116.5	-	307.1	631.2	12.0	643.2
Total Comprehensive Income	-	-	-	83.2	83.2	3.3	86.5
Issue of Share Capital	-	-	-	-	-	9.0	9.0
Acquisition of Subsidary	-	-	-	-	-	0.1	0.1
Dividends	-	-	-	-	-	(0.35)	(0.35)
Reserves and Surplus	-	-	-	-	-	-	-
Balance at 31 December 2017	**207.6**	**116.5**	**-**	**390.3**	**714.4**	24.1	738.5

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To the Financial Statements

1. Basis of presentation

1.1. Basis of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

This is the second year the company has prepared its annual consolidated financial statements in accordance with IFRS.

At the beginning of the current financial year, the group had adopted amendments to IFRS and IFRIC Interpretation (collectively referred to as "pronouncements") that have been issued by the International Accounting Standards Board (IASB).

First time application of IFRS 15 "Revenue from contract with customers"

The group adopted IFRS 15 as of January 1, 2018 without restating comparative information from past periods. The group applied the new standard using the modified retrospective approach.

No cumulative effect from the first application was recognized in equity since the standard did not lead to any change in accounting for revenue.

First time application of IFRS 9 "Financial instrument"

IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1st January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Group applied IFRS 9 retrospectively, with an initial application date of 1st January 2018.

The Group did not elect to restate the comparative information for 2017, which continues to be reported under IAS 39.

On overall, IFRS 9 had no impact on the Group's statement of financial position and equity.

The Group applies the simplified approach for all trade receivables.

Cash and short term deposits, trade and other trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of these instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments was not required.

policy for impairment of losses which requires the Group to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and for contract assets.

IASB has also issued new and revised pronouncements which are not yet effective for the Company and therefore, have not been adopted for in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in note 5.

The financial statements were approved and authorised for issue by the Board of Directors in 2019.

1.2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the company and its subsidiaries at the end of the reporting period.

The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns.

As of December 31, 2018 eight (8) entities are consolidated all under the equity method.

Corporate name	% Group interest	Country of incorporation	Country of operations	Activity
Gabon special Economic Zone S.A (GSEZ NKOK)	Consolidating entity	Gabon	Gabon	Land development for sale, sale of goods and services in the special Economic Zone of Nkok
Gabon special Economic Zone Port S.A (GSEZ Port)	100%	Gabon	Gabon	Commercial Port services
Gabon special Economic Zone Mineral Port S.A (GSEZ Mineral Port)	75%	Gabon	Gabon	Port services dedicated to Mining company
Gabon special Economic Zone Infrastructure S.A (GSEZ infra)	100%	Gabon	Gabon	Construction of Electrical lines
Gabon special Economic Zone Airport S.A (GSEZ Airport)	100%	Gabon	Gabon	Airport services
Société Librevilloise Maritime S.A (SOLIMAR)	75%	Gabon	Gabon	logistic services
Mandji Special Economic Zone S.A (Mandji SEZ)	100%	Gabon	Gabon	Land development in the special economic zone of Port-Gentil
Plantations de la MVOUM	85%	Gabon	Gabon	Sale of woods

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including :

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Decognises the fair value of any investment retained
- Decognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

1.3. Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

1.4. Functional and presentation currency

The consolidated financial statements are presented in Franc CFA (XAF), and all values are rounded to the nearest thousand ('000), except when otherwise indicated.

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2. Summary of significant accounting policies

2.1. 2.1. Current versus non-current classification

The group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is :

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2. Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at the acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. All contingent consideration (except that which is classified as equity) is measured at fair value with the changes in fair value in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests) and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.3. Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control over those policies.

The considerations made in determining whether significant influence are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate are accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate. The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the loss as 'Share of profit of an associate in the statement of profit or loss. Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

2.4. Fair value measurement

The company measures financial instruments, such as, loans and receivables and interest bearing loans and borrowings initially at fair value and also disclose the fair value at each statement of financial position date. Land and buildings are measured at fair value less accumulated depreciation on buildings and impairment losses recognised at the date of revaluation. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in the statement of profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy. This is described, as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's Valuation Committee determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted available-for-sale financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operations. The Valuation Committee is comprised of the head of the investment properties segment, head of the Group's internal mergers and acquisitions team, the head of the risk management department, chief finance officers and the managers of each property.

External valuers are involved for valuation of significant assets, such as properties and AFS financial assets, and significant liabilities, such as contingent consideration. The involvement of external valuers is decided upon annually by the Valuation Committee after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. Valuers are normally rotated every three years. The Valuation Committee decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case. At each reporting date, the Valuation Committee analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Valuation Committee verifies the major inputs applied in the latest valuation

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by agreeing the information in the valuation computation to contracts and other relevant documents. The Valuation Committee, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

2.5. Foreign currencies

The Group's consolidated financial statements are presented in XAF, which is also the parent company's functional currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency spot rate at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is classified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary measured at fair value is treated in line with the recognition of gain or loss on change in fair value in the item (i.e., the translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively). Any goodwill arising on the acquisition of a foreign operation subsequent to 1 January 2016 and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

Prior to 1 January 2016, the date of transition to IFRS, the Group treated goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition as assets and liabilities of the parent. Therefore, those assets and liabilities are non-monetary items already expressed in the functional currency of the parent and no further translation differences occur.

Group companies
On consolidation, the assets and liabilities of foreign operations are translated into XAF at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in the statement of profit or loss.

Currently all the Group's entities are XAF also as the functional currency and their financial statements are presented in XAF.

2.6. Revenue from contract with customers

As indicated in the paragraph 1.1 basis for compliance, the group adopted IFRS 15. Thus, revenue from contracts with customers is recognised when control of the goods or services are

transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements. The Group has applied IFRS 15 using the modified retrospective approach with recognition at the date of initial application of 1st January 2018. Therefore the comparative information has not been restated and continues to be reported under IAS 18 and IAS 11.

In the comparative period, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognized when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Revenue from rendering of services was recognized in proportion to the stage of completion of the work performed at the reporting date.

The details of accounting policies under IAS 18 and IAS 11 are disclosed separately if they are different from those under IFRS 15. Analyze of sales contracts did not reveal any condition given rise to variable consideration. The performances obligations, leading to recognize revenue for each sale and services are describe as below.

Sales of land
The group is developing lands for sale in the special economic zone of NKOK in Libreville (Gabon). Sale of land is generally a single performance obligation and the Group has determined that this is satisfied at the point in time when control is transferred. Revenue from sales of land is recognized at time of the signature of the sale agreement with customers. Ownership right on the land being transferred when contract is signed with customer.

Sales of logs and FMC
Revenue from sale of logs and FMC are recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties…). In determining the transaction price for the sale of goods, the Group considers the effects of variable consideration, the existence of significant financing components, non-cash consideration, and consideration payable to the customer (if any). If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognized will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Construction of Electrical line contract
The group signed an agreement with the Gabonese republic for the development of new electrical lines in rural area of the country. On top of the electrical lines, the project encompasses 6 electrical substations and additional generation capacity.

This contract meets the overtime criteria of revenue recognition. Revenue being recognized based on the extent of progress towards completion of performance obligation. The Group's performance is measured using an output method under which the extent of progress towards completion is measured based on the ratio of kilometers of electrical lines installed to total kilometers of electrical lines per section on the contract concerned.

Under the previous accounting revenue (IAS 11), the revenue was recognized under the percentage of completion method. Under this method, contract revenue was matched with the contract costs incurred in reaching the stage of completion, resulting in the reporting of revenue, expenses and profit which can be attributed to the proportion of work completed. This resulted in no impact in the consolidated financial statements as far as this revenue is concerned.

Operation services
Ports services:
The Group is in the business of providing comprehensive port logistic solution services through multi-modal platforms with a privileged access by sea, road and rail. Revenue is coming from tolls paid by customers for services provided. The group recognizes toll revenue when services are provided. In some case, services are provided and tolls collected at the same time.

Airport services:
The group took over operation of the Gabon international Airport "ADL" LEON MBA, in October 2018. Revenue is coming from tolls paid by customers (airlines companies and passengers) for services provided and recognized when services are provided.

Revenue recognition others
Interest income:
The effect of financing (interest income or interest expense) is presented separately from revenue from contracts with customers in the statement of profit or loss and other comprehensive income and included in 'finance income' and 'finance costs', respectively.

2.7. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed. Where the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset. When the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments. When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant.

2.8. Taxes

Current income tax
Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation, and it establishes provisions where appropriate. The group is exempted from corporate income tax for all its activities in Gabon except for the operating contract of LEON MBA international Airport. Consequently, only for this segment activity that current income tax of XAF 225 millions has been determined and recognized. Income tax is equal to thirty percent (30%) of profit before tax of the ADL.

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Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The estimated deferred tax of the period is XAF 36 million, not recorded in the financial statement. This amount is not material.

2.9. Concessions and Public to Private Contract

Under the terms of IFRIC 12 "Service Concession Arrangements", a concession operator has a twofold activity:

- A construction activity in respect of its obligations to design, build and finance a new asset that it delivers to the grantor;
- An operating and maintenance activity in respect of concession assets.

The operator recognize and measure revenue in accordance with IASs 11 and 18 for the services it performs. If the operator performs more than one service (ie construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable shall be allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable. In return for its activities, the operator receives remuneration from:

Users: the intangible asset model applies. The operator has a right to receive tolls (or other forms of payment) from users in consideration for the financing and construction of the infrastructure. The intangible asset model also applies whenever the concession grantor remunerates the concession operator based on the extent of use of the infrastructure by users, but with no guarantees as to the amounts that will be paid to the operator (under a simple "pass through" or "shadow toll" agreement). Under this model, the right to receive toll payments (or other forms of payment) is recognised in the concession operator's statement of financial positionnder "Concession intangible assets", net of any investment grants received. This right corresponds to the fair value of the asset under concession plus the borrowing costs capitalised during the construction phase. It is amortised over the term of the arrangement in a manner that reflects the pattern in which the concession asset's economic benefits are consumed by the entity, starting from the entry into service of the asset.

This treatment applies to the Commercial Port and Mineral Port concession and the Airport concession.

2.10. Property, plant and equipment

Construction plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost related to assets under construction is disclosed as capital work in progress. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.. Refer to Significant accounting judgements, estimates and assumptions (Note 5) .

Construction plant and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing parts of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. Cost related to assets under construction is disclosed as capital work in progress. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the profit or loss as incurred.. Refer to Significant accounting judgements, estimates and assumptions (Note 5).

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows :

Asset category	Rates %
Land	Nil
Buildings	5
Plant and machinery	10
Motor vehicles	33 to 25
Office equipment	25 to 20
Furniture and fittings	10

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.11. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessee
Finance leases that transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased item, are capitalised at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as an operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.12. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs incurred on or after the date of transition (1 January 2014) for all eligible qualifying assets are capitalised. The borrowing costs capitalised under Local GAAP on qualifying assets to the date of transition to IFRS are included in the carrying amount of assets at that date.

2.13. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of profit or loss when it is incurred. The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

2.14. Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i). Financial assets

Initial recognition and measurement
At initial recognition, an entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. For purposes of subsequent measurement, the Group's financial assets are classified as financial assets measured at amortised cost.

Subsequent measurement
For purposes of subsequent measurement, the Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

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Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. Trade and other receivables, short-term deposit and held for trade Government bonds. This category is the most relevant to the Group. Trade and other receivables, short-term deposit and Government bonds are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement, and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and, to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of it, the asset is recognised to the extent of its continuing involvement in it. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

ii). Impairment of financial assets

Disclosures relating to impairment of financial assets are summarised in the following notes:

• Accounting policy disclosures	Note 5
• Disclosures for significant assumptions	Note 5
• Financial liabilities	Note 18
• Trade receivable	Note 15

The Group recognises an allowance for expected credit losses (ECLs) for all receivables and contract assets (if any) held by the Group. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include other credit enhancements that are integral to the contractual terms. The group provided for ECLs for those credit exposures for which there has been a significant increase in credit risk since initial recognition and recognises a loss allowance based on lifetime ECLs at the reporting date.

Financial assets carried at amortised cost
For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the statement of profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income in the statement of profit or loss. Loans, together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Group. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to finance costs in profit or loss.

iii). Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts, and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held-for-trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held-for-trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

iv). Offsetting of financial instruments
Financial assets and financial liabilities are offset with the net amount reported in the consolidated statement of financial position only if there is a current enforceable legal right to offset the recognised amounts and an intent to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.15. Inventories

Inventories are valued at the lower of cost and net realisable value.
Costs incurred in bringing each product to its present location and condition are accounted for, as follows:

i) Raw materials:
Purchase cost on a first-in, first-out basis
ii) Finished goods
The group purchase logs and swan for resale. Cost of finish goods comprise purchase price, transport, other costs directly attributable to the acquisition of finished goods.

ii) Inventory property
The group develop and sell plot of land in the ordinary course of business. Cost incurred in bringing land to its present condition includes: amounts paid to contractors for development, borrowing costs, costs of site preparation, professional fees for legal services, property transfer taxes, development overheads and other related costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs to sell.

2.16. Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's

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fair value less costs of disposal and its value in use. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecasts which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses of continuing operations are recognised in the statement of profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to OCI. In this case, the impairment is also recognised in OCI up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. The following criteria are also applied in assessing impairment of specific assets :

Goodwill
Goodwill is tested for impairment annually as at 31 December and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than their carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets
Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December either individually or at the CGU level, as appropriate and when circumstances indicate that the carrying value may be impaired.

2.17. Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity are less than one year, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.18. Cash dividend and non-cash distribution to owners of equity

The Group recognises a liability to make cash or non-cash distributions to owners of equity when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity. Non-cash distributions are measured at the fair value of the assets to be distributed with fair value re-measurement recognised directly in equity.Upon settlement of the distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in profit or loss.

2.19. Provisions

General
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Restructuring provisions
Restructuring provisions are recognised only when the Group has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, a detailed estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

Decommissioning liability
Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at the current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Contingent liabilities recognised in a business combination
A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the general guidance for provisions above (IAS 37) or the amount initially recognised less (when appropriate) cumulative amortisation recognised in accordance with the guidance for revenue recognition.

2.20. Pensions and other post-employment benefits

Employee leave entitlements
Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick and maternity leave are not recognized until the time of leave.

Pension obligations
The Group contributes on a monthly basis to various defined contribution benefits plans organized by the relevant Government authorities. The Group's liability in respect of these funds is limited to the contributions payable in each period. Contributions to these plans are expensed as incurred. Assets of the plans are held by government authorities and are separated from those of the Company.

3. Significant accounting estimates and assumptions

Estimation and assumptions
The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Going concern
The group's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Depreciation and carrying value of property, plant and equipment
The estimation of the useful lives of assets is based on management's judgment. Any material adjustment to the estimated useful lives of property, plant and equipment will have an impact on the carrying value. The carrying value of property, plant and equipment as at 31 December 2018 is XAF 286 892 471(31 December 2017 XAF179 201 338.

Allowance for uncollectible accounts receivable
Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experience based on the facts and circumstances prevailing as at reporting date.

In addition, a large number of minor receivables is grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management considers them to be uncollectable. Subsequent recoveries of amounts previously impaired are credited to profit or loss.

Impairment of property, plant & equipment
Impairment exists when the carrying value is greater than the recoverable amount. The recoverable amount is the higher of the fair value less cost to sell and the value in use. The fair value less cost to sell was estimated based on available market data and the condition of the asset. This was based on facts and circumstance prevailing at the reporting date.

Taxation exemption
The group benefits of tax exemption are coming from all its activities in the country: special tax regime of the special economic zone; tax exemption from port concessions and airport concession, except from payroll taxes:

- "Exemption from corporate income tax for fifteen (15) years as from the actual beginning of operation of the services under concession;
- Exemption from dividend distribution tax (IRCM) for fifteen (15) years as from the actual beginning of operation of the services under concession;
- Exemption from fees and duties due to the OPRAG for thirty (30) years as from the entry into force of the relevant concession. This exemption shall not apply to the services actually provided by the Office des Ports et Rades du Gabon (OPRAG);

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- Exemption from stamp duty and registration fees for fifteen (15) years as from the entry into force of the relevant concession;
- Exemption from value added tax and custom duties on all single consumables, capital expenditures and depreciable goods for twenty-five (25) years as from the entry into force of the relevant concession, and the right to a refund within 60 days of the request in case of payment of this VAT to certain suppliers;
- Exemption for fifteen (15) years as from the entry into force of the relevant concession from any deduction at source and repayment to any local or foreign supplier;
- Exemption from land contributions for built and unbuilt properties constructed on the public property of the OPRAG and from all taxes or contributions on property, as well as from any fee of a similar nature related to the property made available for the entire duration of the relevant concession;
- Exemption for fifteen (15) years of any transfer duty and any registration duty for any transaction, acquisition or transfer;
- Exemption for fifteen (15) years as from the entry into force of the relevant concession from business licence tax;
- Exemption for twenty-five (25) years as from the entry into force of the relevant concession from all duties, fees and contribution levied upon importation (including port duties)".

4. First-time adoption of IFRS

The consolidated annual financial statements as at 31 December 2017 were the first the Group has prepared in accordance with IFRS. For all periods up to and including the year ended 31 December 2016, the Group prepared its consolidated financial statements in accordance with local generally accepted accounting practice (OHADA GAAP). The annual reporting statements prepared for Olam International Limited (one of the main shareholder previously the parent company) are in compliance with the Singapore Financial Reporting Standards ("FRS").
These standards are similar to the International Financial Reporting Standards (IFRS).

GSEZ Group is raising funds alongside international investors. The presentation of the Group consolidated financial statements under IFRS were requested by the potential investors. The Company will continue to issue the consolidated financial statements in the both GAAP (OHADA for local requirement and IFRS for the investor's requirements.) Accordingly, the Company prepared its consolidated financial statements which complied with IFRSs applicable for periods ending on or after 31 December, 2017, together with the comparative period data for the year ended 31 December, 2016 and with the transition date to IFRS of January 1st 2017.

Fourth exemptions were applied by the group in 2017. Their effect on 2018 financial statement are the following:

- IAS 23 Borrowing Costs and capitalises borrowing costs relating to all qualifying assets after the date of transition. In 2017, the group has not restated borrowing costs capitalised under OHADA GAAP on qualifying assets prior to the date of transition to IFRS. Those qualifying assets were put in use during 2017 and in January 1st 2018. For the qualifying assets acquired in 2018, the group applied fully IAS 23.
- The company has applied the transitional provision in IFRIC 4 Determining Whether an Arrangement Contains a Lease and has assessed all arrangements based upon the conditions in place as at the date of transition. All the group transaction from 2017 to 2018 do not reveal any transactions falling in the scope of IFRIC 4.
- Building and technical equipments were carried in the statement of financial position prepared in accordance with local GAAP on the basis of historical costs. The group allected the historical cost in its accounting policy.
- Estimates: There is no difference between the risk assessment made by the group with local law and IFRS in 2017. No change during the period.

5. Standards issued but not yet effective

Standards issued but not yet effective up to the date of issuance of the Group's consolidated financial statements are listed below. The Group intends to adopt these standards when they become effective.

IFRS 16 Lease
The objective of IFRS 16 is to report information that (a) faithfully represents lease transactions and (b) provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. To meet that objective, a lessee should recognise assets and liabilities arising from a lease.

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability. The depreciation would usually be on a straight-line basis. In the statement of cash flows, a lessee separates the total amount of cash paid into principal (presented within financing activities) and interest (presented within either operating or financing activities) in accordance with IAS 7. Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The initial lease asset equals the lease liability in most cases.The lease asset is the right to use the underlying asset and is presented in the statement of financial position either as part of property, plant and equipment or as its own line item. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. IFRS 16 replaces IAS 17 effective 1 January 2019, with earlier application permitted. IFRS 16 has the following transition provisions :

- Existing finance leases: continue to be treated as finance leases.
- Existing operating leases: option for full or limited retrospective restatement to reflect the requirements of IFRS 16.

IFRS 16 is effective for annual reporting periods beginning on or after 1 January 2019, with earlier application permitted (as long as IFRS 15 is also applied). The Group assessment on the impact of the implementation of IFRS 16 is not yet done.

Definition of Material - Amendments to IAS 1 and IAS 8
In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition.

The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. This amendment is effective for annual periods beginning on or after 1 January 2020.

6. Standards issued but not yet effective not applicable to the company

The IASB has issued pronouncements which are not yet effective, but for which are not relevant to the operations of the Company and hence, no further disclosure is warranted.

IFRS 17 Insurance contract
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Prepayment Features with Negative Compensation - Amendments to IFRS 9
Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract. The amendments should be applied retrospectively and are effective from 1 January 2019, with earlier application permitted.

Plan Amendment, Curtailment or Settlement - Amendments to IAS 19
In February 2018, the International Accounting Standards Board (IASB or the Board) issued amendments to IAS 19 Employee Benefits which address the accounting when a plan amendment, curtailment or settlement occurs during the reporting period. The amendments require entities to use the updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after such an event. The amendments also clarify how the requirements for accounting for a plan amendment, curtailment or settlement affect the asset ceiling requirements. The amendments do not address the accounting for 'significant market fluctuations' in the absence of a plan amendment, curtailment or settlement.

The amendments apply to plan amendments, curtailments or settlements that occur on or after 1 January 2019, with earlier application permitted.

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Long-term interests in associates and joint ventures - Amendments to IAS 28
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The Board also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures. Effective for annual periods beginning on or after 1 January 2019. Early application of the amendments is permitted and must be disclosed in the investee and for the investee's other comprehensive income.

7. Revenue & cost of goods sold and services

7.1-Revenue

		31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Revenue			
Sale of Land	(a)	18,776,032	38,411,652
Sale of services	(b)	4,010,336	2,691,446
Sale of Logs/Bunch and tables	(c)	38,308,992	19,221,809
Mineral Port services	(d)	30,376,483	20,913,604
Cargo port services	(e)	34,943,386	11,043,162
Infrastructure contract	(f)	25,452,280	6,932,000
Airport services	(g)	2,214,175	
Other services*			10,419
Subtotal -Revenue		**154,081,685**	**99,224,093**
Revenue from contrats with Government		**34,443,723**	**22,027,023**
Revenue from contrats with Non Government entities		**119,637,962**	**77,197,070**

(a) Land sales
Significant decrease of land sales compares to last year. Only 47 ha of land sold in 2018 vs 89 ha of land sold in 2017. Media campaigns were launched in different countries in order to attracts companies from a wide range of industrial sectors into the special economic zone (SEZ) of NKOK. Improvement of sales expected in 2019.

(b) Sale of services
Sale of services are mainly related to Operation & Maintenance services (power, water & sewerage, internet…). More investors installed in the SEZ are now in production phases leading to increase of consumption of O&M.

(c) LOGS activity
The log activity consists into log supply, transportation facility and marketing support. The group starts this activity in April 2017 with primary focus of upgrading the Gabon's wood sector by acting as an end-to-end service platform for timber processing companies. The SEZ of NKOK offers a comprehensive set of services, ranging from log supply to transportation facilities and marketing support.

With a distinctive competitive positioning (logistics from Nkok to port, infrastructure sharing, strong wood traceability) and a unique tax and legal status, Nkok SEZ offers a unique value proposition for timber processing companies with already a strong success and the installation of multiple wood-related industrial units: kiln drying units, saw mills, veneer, plywood & wood furniture factories.

Revenue from trade of logs is amounting to XAF 19 billion with more than 200.000 cbm sold during the period. Logs revenue is below the budget set at 1.020.000 cbm.

(d) Furniture Manufacturing Cluster (FMC)
Furniture of bunch and tables as per contract with Ministry of Education. Decrease of revenue mainly due to logistic issues. The selling plan was 40.000 unit to deliver in 2018. Decrease of revenue is mainly due to logistic issues limiting the increase of deliveries (B&T are in stock but delivery is slow du to logistic issues).

(e) GSEZ Mineral Port
Services rendered to clients are: vessel handling, domestic barging, agencies, supply of equipment (train and wagons) and rental of land in the port.

The company planned to handle 3.110.000MT of product. Volume handled during the period is 2 164 462 MT. Main clients remain CITIC and NGM (mining companies) CIMAF (cement company) 22% of revenue. The group is the only one providing a port terminal and related facilities to mining company in Gabon.

(f) GSEZ Cargo Ports
Last year the group was operating activity which has been sold to Bolloré at the end of 2017. The revenue recorded in 2017 was related the container activity and logistic;

In 2018, the company starts the bulk activities (cargo handling), agencies, haulage, stuffing and shipping (logistics) and storage (palm oil). Main clients are in the forest industry companies for export of wood products and plantation companies OLAM PALM GABON and OLAM RUBBER GABON. The company planned to handle 1.454.000MT for the whole year.

	31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Revenue		
Sale of Services (Logistics & Haulage)	16,757,072**	5,630,118*
Sale of Services (Cargo)	10,091,582**	5,413,044 *
CHA activity	8,094,732**	
TOTAL	**34,943,386**	**11,043,162**

*Container activity started in 2017 and sold to Bolloré at December 2017. The group is not providing any more container activity
**Cargo activity started and related services in january 2018.

(g) Electrification contract
The project consists of the development of 646km of new electrical lines (483km MV lines, 163km LV lines), under an agreement signed with the Gabonese Republic. GSEZ Infra follows a double objective: rural population electrification and Structuring inland industrial projects electrification: mining & agriculture (notably Olam's plantations in Awala, Kango and Bitam).

The company delivered 123 kilometers of electrical lines for a value of XAF 6.9bn recorded at the end of December 2017. At the end of December 2018, the company delivered 244 kilometers for a value of XAF 25 bn.

(h) GSEZ Airport
Airport operation started on 6th Oct'2018 and effectively operate for 97 days in year 2018. Number of passengers 174,616 handled from Oct to December 2018 resulting to Aeronautical revenue of XAF 1.6 bn and non-aero nautical revenue of XAF 0.645 bn.

	31 Dec 2018 XAF' 000
Revenue	
Airlines	391,445
Freight	14,695
Passengers	1,209,903
state fees	322,779
Other	275,354
Total	**2,214,176**

7.2-Cost of goods sold and services

		31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Cost of goods sold	(a)	16,676,235	22,099,852
Ports charges (Port services)	(b)	15,554,710	3,065,083
Infrastructure contract cost	(c)	7,095,215	1,526,041
O&M services	(d)	1,466,139	1,062,922
Total		**25,237,589**	**24,688,816**

(a) decrease due to low performance on sales of bunch and table and land
(b) Direct port services recored of 2018 related to port charges, taxes, agencies paid on behalf of customers.
(c) Related cost to electrification contracts.
(d) Cost of facilities sold to customers. Increase due to companies starting the activities/production during the period

7.3-Net gain from assets disposal
In 2017, the group transferred its concession rights relating to the container terminal and related assets in Gabon to the Bollore Gabon, generating a net gain of XAF 37 billion. In 2018, the group registered a marginal loss from disposal of assets (vehicles and equipment) of XAF 138 million.

8. Other purchases, net of inventory

	31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Fuel Expenses	2,571,286	1,946,448
Power/Electricity Expenses	1,505,205	269,679
Spares - Stores And Consumables Consumption	3,602,023	606,907
O&M services	1,466,139	1,062,922
Total	**7,678,514**	**2,823,034**

Higher consumption of spares, fuel and electricity due to:

- Increase of volumes of merchandise handled at cargo port and mineral Port. The cargo port activity started in January 2018.
- The increase of logs sales contributes also to an higher volume of spares consumption for heavy vehicles.

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9. Employee cost

Salaries increase mainly due to new employees hired during the period due:

- Port activities. In year 2017 Port operations started from mid of year 2017 with 117 employees at year end & Logistics business with 195 employees. In 2018 with increase in fleet and port & logistics running whole year with 400 employees is mainly reason for increase.
- Airport activities: the company took over the operating of the Leon Mba Airport, increasing the number of employees and cost.
- Some of the Managerial Position of foreign employees was filled up in last quarter of 2017 so in 2018 full year cost has been accounted.

10. Other operating cost

		31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Rents	(e)	3,981,898	1,326,067
Repairs & Maintenance	(f)	3,802,985	2,524,750
Subcontractors	(g)	2,224,825	2,920,172
Technical and Professional Fee	(h)	2,240,443	1,143,025
Marketing	(i)	2,373,551	2,488,243
Travelling & Conveyance		1,797,739	2,223,124
Insurance		967,871	487,226
Cleaning charges		934,732	34,074
Management fees		397,442	20,233
CSR Expenses		415,546	
Security Expenses		331,547	490,159
Audit fees		159,713	112,103
Legal fees		325,846	321,808
Quality Health And Safety (QHS)		456,728	94,979
Telecommunications		300,869	381,927
Rates & Taxes		777,461	806,446
Bank Charges			1,134,653
Others expenses		297,944	211,192
TOTAL		**21,787,140**	**16,720,180**

(e): Increase of rent expenses mainly due to rent trucks for deliveries in haulage, rents of vehicles for logs activities and new rent of warehouses need for Cargo activities. Increase of Cargo Port activities and logs supply leaded to more consumption of fuel.
(f): Mainly due to high volume of merchandise handle at Mineral port and Cargo Port, leading to an increase of repair and maintenance cost due to breakage of equipment.
(g): Subcontract charges on log yards and hiring of temporary staff. Includes also contract charges for transportation of merchandises from mineral port to client site/from client site to mineral port. and
(h): Expenses incurred for airport concession with the transfer of Aéroport de Libreville "ADL" operation, consultancy fees from Olam International LTD, and development of phase II in the special economic zone of NKOK.
(i): Media campaigns expenses to attract more investors in the special economic zone. Organization of the Gabon wood show events in July 2018.

11. Depreciation and amortisation

	31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Depreciation - Intangible assets	525,692	586,824
Depreciation - Building	1,704,734	1,648,906
Depreciation - Data Processing Eqpm	121,369	70,562
Depreciation - F & F	153,778	125,063
Depreciation - Leasehold Building	2,975,763	2,916,175
Depreciation - Office Equipments	19,337	24,476
Depreciation - P & M	6,462,301	5,254,189
Depreciation - Vehicles	1,114,648	644,835
TOTAL	**13,077,622**	**11,271,031**

Increase of depreciation and amortization is due to acquisition of new machines and vehicles for Mineral port activities and logs activities. The Cargo port enters commission in January 2018, with full year of equipment depreciation taken.

12. Finance costs and Revenue

		31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Interest LT Loans	(j)	12,575,282	5,714,006
Bank Charges	(k)	1,321,135	491,421
Finance Costs - Others		15,440	662
Interest MT Loans	(j)	177,800	479,683
TOTAL		**14,089,658**	**6,685,772**
Interest from bank	(l)	240,265	535,407
Interest income	(m)	16,413,796	

(j): Interest incured for

* XAF 5 billion of interest paid for pool loan Afrexim bank and BGFI for log devlopment project
* XAF 4 billion of interest on afrexim bank loan for infra project
* XAF 2 billion of interest for BDEAC loan
* XAF 0.7 billion of interest forBGFI loan

(k):Interest due to bank for overdraft and facilities

(l):Interest income from short term deposit

(m):Interest income from
* XAF 12.5 billion received from Gabonese republic as per shareholder agreements.
* XAF 3.6 billion of interest income from government bond purchase in 2017.

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13. Property, plant and equipment

	Buildings	Capital Work In Progress	Data Processing Equipment	Furniture & Fittings	Leasehold Improvements - Land	Freehold Land	Motor Vehicles	Office Equipment	Plant & Machinery	FCFA' 000' " Total Tangible Assets "	
AS AT 1 January 2017											
Cost at beginning of period - Jan 2017	34,622,420	36,757,318	530,184	1,573,625	50,273,371	24,776,447	1,383,770	472,421	44,646,105	195,035,660	
Additions	24,653	28,052,710	85,674	40,002	-	-	109,103	18,518	234,649	28,565,307	
Disposals	-	-5,920,512	-	-	-	-	-	-	-	-5,920,512	
Other re-classifications (Transfers in / out)	257,602	-19,624,035	188,872	96,012	-	-	5,451,340	-	13,630,208	-0	
Cost at end of period	**34,904,675**	**39,265,481**	**804,729**	**1,709,639**	**50,273,371**	**24,776,447**	**6,944,213**	**490,939**	**58,510,961**	**217,680,455**	
Depreciation at beginning of period - Jan 2017	4,188,038	-	486,258	1,019,684	4,819,857	47,711	1,122,315	410,294	15,655,191	27,749,348	
Charge for the period	1,648,906	-	70,562	125,063	2,332,040	11,921	644,835	24,476	5,826,403	10,684,207	
Other re-classifications (Transfers in / out)	2,403	-	10,044	8,185		-	20,650	4,280		45,562	
Depreciation at end of period	**5,839,347**	**-**	**566,864**	**1,152,932**	**7,151,896**	**59,632**	**1,787,801**	**439,050**	**21,481,595**	**38,479,117**	
Net book value at beginning of period Jan 17	**21,356,255**	**53,313,745**	**94,536**	**716,643**	**38,532,064**	**21,021,532**	**363,752**	**135,387**	**30,075,424**	**165,609,337**	
Net book value at end of period Dec 17	**29,065,328**	**39,265,481**	**237,865**	**556,706**	**43,121,475**	**24,716,815**	**5,156,412**	**51,889**	**37,029,367**	**179,201,338**	**179,201,338**
AS AT 31 December 2018											
Cost at beginning of period - Jan 2018	34,904,675	39,265,481	804,729	1,709,639	50,273,371	24,776,447	6,944,213	490,939	58,510,961	217,680,455	
Additions	4,813,128	67,778,642	158,473	158,750	4,463,935	30,000	6,670,733	26,769	21,099,207	105,199,637	
Disposals							-537,129		-201,745	-738,874	
Other re-classifications (Transfers in / out)	4,850	-13,898,851	55,291		4,847,676		554,313		24,451,955	16,015,234	
Cost at end of period	39,722,653	**93,145,272**	**1,018,494**	**1,868,389**	**59,584,981**	**24,806,447**	**13,632,130**	**517,707**	**103,860,378**	**338,156,452**	
Depreciation at beginning of period - Jan 2018	5,839,347	-	566,864	1,152,932	7,151,896	59,632	1,787,801	439,050	21,481,595	38,479,117	
Charge for the period	1,704,734		121,369	153,778	2,975,763		1,059,976	19,337	6,473,015	12,507,972	
Other re-classifications (Transfers in / out)							**-54,672**		**-10,472**	**-65,144**	
Other re-classifications (Transfers in / out)									342,035	342,035	
Depreciation at end of period	**7,544,081**	**-**	**688,233**	**1,306,710**	**10,127,659**	**59,632**	**2,793,105**	**458,387**	**28,286,173**	**51,263,981**	
Net book value at beginning of period Jan 18	**29,065,328**	**39,265,481**	**237,865**	**556,706**	**43,121,475**	**24,716,815**	**5,156,412**	**51,889**	**37,029,367**	**179,201,338**	
Net book value at end of period Dec 18	**32,178,572**	**93,145,272**	**330,261**	**561,679**	**49,457,322**	**24,746,815**	**10,839,025**	**59,320**	**75,574,205**	**286,892,471**	**286,892,471**

Main additions are related to:
logs project development (yard building XAF 11 billion); new locomotives (10) and wagons (330) and barges for 23 billion; port facilities, equipment and vehicles (XAF 33 billion), land development and housing project in NKOK SEZ (XAF 4 billion).

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14. Intangible Assets

The group managed tree concession agreements, all signed with the Republic of Gabon: a commercial Port, a mineral Port and an Airport. Other intangible assets are forest concession rights and software.

						FCFA' 000'
AS AT 01 Janary 2017	**Mineral Port concession**	**Port Concession**	**Airport Concession**	**Forest Concession**	**Software Costs**	**Other rights**	**" Total Intangible Assets"**
Cost at beginning of period	35,934,255	109,524,037	8,573,691		735,475		154,767,458
Addition during the period	9,312,765	46,889,012	15,012,441		284		71,214,502
Disposals during the period		(52,317,705)	-		-		(52,317,705)
Cost at end of period	**45,247,020**	**104,095,344**	**23,586,132**		**735,759**		**173,664,255**
Amortisation at beginning of period	-	-	-		712,653		712,653
Charge for the period	**572,214**	**-**	**-**		**14,610**		**586,825**
Amortisation at end of period	**572,214**	**-**	**-**		**727,264**		**1,299,478**
Net book value at beginning of period	**35,934,255**	**109,524,037**	**8,573,691**		**22,822**		**154,054,805**
Net book value at end of period	**44,674,806**	**104,095,344**	**23,586,132**		**8,496**		**172,364,777**

AS AT 01 December 2018	**Mineral Port concession**	**Port Concession**	**Airport Concession**	**Forest Concession**	**Software Costs**	**Other rights**	**" Total Intangible Assets"**
Cost at beginning of period	45,247,020	104,095,344	23,586,132		735,759		173,664,255
Addition during the period		2,081,310	15,733,064	4,118,130	55,585	500,000	22,488,090
Other re-classifications (Transfers in / out)							(16,015,234)
Cost at end of period	**29,231,786**	**106,176,654**	**39,319,196**	**4,118,130**	**791,344**	**500,000**	**180,137,111**
Amortisation at beginning of period	572,214				727,264		1,299,478
Charge for the period	**301,534**	**196,623**			**3,646**	**23,889**	**525,692**
Other re-classifications (Transfers in / out)	**(342,035)**						**(342,035)**
Amortisation at end of period	**531,713**	**196,623**	**-**		**730,909**	**23,889**	**1,483,135**
Net book value at beginning of period	**44,674,806**	**104,095,344**	**23,586,132**		**8,496**		**172,364,777**
Net book value at end of period	**28,700,072**	**105,980,031**	**39,319,196**	**4,118,130**	**60,435**	**476,111**	**178,653,976**

The group signed 3 main concessions from Gabonese republic: Commercial Port, Mineral Port and Airport concession. XAF 22 billion related to construction of new international Libreville airport and extension of quay. Acquisition of concession forest for development of logs project: XAF 4 billion; Reclassification of railway and other equipment's classified under mineral port concession in 2017.

15. Biological Assets

Biological asset recorded during the period is XAF 1.3 billion. This asset is coming from the acquisition of a new subsidiary. IAS 41 requires fair value accounting for biological assets; hence, the reported value of standing timber should reflect fair value less estimated point-of-sale costs. Land, as distinct from, the trees growing on the land, is accounted for under IAS 16 (Property, Plant and Equipment). In some situation historical cost is an allowed treatment.

The historical value of the plantation was retains because the forest comprises newly planted seedlings, (immature forests) where cost is believed to approximate fair value.

16. Inventories

		31 Dec 2018 XAF' 000	31 Dec 20167 XAF' 000
(a)	**Raw materials**	**5,797,100**	**11,778,728**
	(1) Cost	5,797,100	11,778,728
(b)	**Work-in-progress**	**12,122,240**	**3,379,536**
	(1) Cost	12,122,240	3,379,536
(c)	**Finished and semi-finished goods**	**2,182,473**	**655,747**
	(1) Cost	2,182,473	655,747
(d)	**Stores and spares**	**1,732,420**	**2,430,706**
	(1) Cost	1,732,420	2,430,706
	Total Inventories	**21,834,233**	**18,244,717**

(a) Material purchase for electrification contract
(b) Lands invetory (phase 1 XAF 4 billion and phase 2 started in 2018 XAF 8 billion)
(c) Logs (XAF 0.5 billion), swand (XAF 1.3 billion) bunch and tables (XAF 0.4 billions)
(d) Spares and other consumables

17. Trade and other receivables

		31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
(a)	**Trade receivable**	131,470,199	94,790,772
(b)	**Advance to suppliers**	31,120,248	16,139,139
(c)	**Prepaid expenses**	4,885,651	1,327,059
(e)	**Other receivables**	46,317,548	65,038,938
	(1) Inter Company receivables	-	682,582
	(2) Share capital subcription from ROG	-	62,995,904
	(3) Others	46,317,548	1,360,453
	Gross trade and other receivables	**213,793,645**	**177,295,908**
	Less: Provision for bad & doubtful loans & advances		
(a)	**Trade receivable**	1,170,073	1,170,073
	Consulting House	793,605	793,605
	Sci El Akhrass	189,993	189,993
	Citp	90,600	90,600
	Belel Centrale D Achate	78,000	78,000
	Sci Serena	17,875	17,875
	Total provision for bad & doubtful loans & advances	**1,170,073**	**1,170,073**
	Trade and other receivables	**212,623,572**	**176,125,835**

Trade receivables are non –interest bearing. They are recognised at their original invoice amount, which represent their fair value on initial recognition. Trade receivable for GSEZ NKOK (Land sales customers) discounted at the rate of 4% for long term dues.

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a. Detail of trade receivables

	31 Dec 20178 XAF' 000	31 Dec 20167 XAF' 000
LAND	60,454,623	68,946,399
FMC B&T	14,578,591	5,780,505
LOGS	10,232,370	2,602,952
O & M	4,050,226	2,466,788
Admin	763,101	986,778
Port activity	12,196,773	12,075,350
Airport customers	1,810,235	-
Amount due from construction contract	27,384,280	1,932,000
Total Trades receivables	**131,470,200**	**94,790,772**
Government receivables* *construction contract, FMC and admin	42,725,972	8,699,283
Non Government receivables	88,744,228	86,091,489

b. Detail of other receivables

	31 Dec 2018 XAF' 000	31 Dec 2017 XAF' 000
Olam International Ltd	-	682,582
Employee Advances	612,885	511,853
Deposit	769,642	566,156
Republic Of Gabon (*)	23,000,000	62,995,904
Gabon Oil Marketing (**)	21,811,925	-
Others	123,095	282,444
Total Trades receivables	**46,317,548**	**65,038,938**

(*): Advance done during the period to the Gabonese Republic as per agreement. This amount has been collected in January 2019.
(**): The group proceed to the construction of the hydrocarbon storage terminal for the Gabon Oil marketing "GOM". Project cost estimated for XAF 89.8 billion. Paiement received in 2018 for asset transferred is XAF 62 billion. Remaining payment for work done at the end of December 31st 2018 is XAF 22 billion.

18. Cash and Bank balance

		Aa at 31 Dec 18 XAF' 000	Aa at 31 Dec 2017 XAF' 000
(a)	**Total Cash in hand**	**58,104,433**	**45,462,072**
	(1) Cash on hand	451,743	141,492
	(2) Government Trust securities	57,652,690	45,320,580
(b)	**Balances with banks**	**43,890,386**	**26,719,067**
	(1) In Current Account	32,750,189	12,151,827
	(2) In Deposit Account	6,140,197	10,081,428
	(3) Reserve - Escrow Account	5,000,000	4,485,812
	Sub total cash and cash equivalents	**101,994,819**	**72,181,139**
(c)	**Bank Overdraft**	**1,750,772**	**(3,893,937)**
	Total Inventories	**100,244,046**	**68,287,201**

Bank Deposit are short term deposit varying periods between 1 to 90 Days depending on the immediate cash requirement, and interest earned at floating rate ranging from 2 % to 5% per annum.

19. Trade and other payables

	As at 31 Dec 18 XAF' 000	As at 31 Dec 17 XAF' 000
Trade Payables (1)	39,741,801	31,548,884
Contract retention	1,173,474	1,506,808
Non Trade Account - Related Companies	535,204	-
Other payables (2)	13,194,430	3,819,074
Total Trade and Other Payables / Other long-term liabilities	**54,644,909**	**60,451,778**

(1) amount due to log suppliers (XAF 8.2 billion in 2018 vs XAF 28 million in 2017)
amount due to equipment suppliers (XAF 19.9 billion in 2018 vs XAF 10.8 billion in 2017)
amount due to subcontractors (XAF 1.9 billion in 2018 vs XAF 2.5 billion in 2017)
amount due to services suppliers (XAF 9.6 billion in 2018 vs XAF 15.5 billion in 2017)

(2) amount due to tax autorities: VAT payables to collect from customers (XAF 4 billion vs 2.1 billion)
provision expenses : XAF 9 billions in 2018 vs XAF1,7 billion
XAF 123 million related to employees benefits are included in these figures. Reclassification in non current liabilities not done since it is not material

Contract liabilities (3)	16,810,923	23,577,012

(3) Advance from contract with customers amount from mineral port services XAF 3.4 billion (XAF 260 million in 2017)
amount from Nkok SEZ customers XAF 11 billion (vs XAF 23 billion in 2017)

The normal term of trade payables is 60 days after the received date of invoices. In case of late payment, there is no interest penalty.

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20. Borrowing

	As at 31 Dec 18		
	Long term	Short term	Total
Un Secured Borrowings			
Term Loans			
(1) From Banks	132,018,145	55,941,608	187,959,754
(2) From Financial Institutions	47,769,251	9,345,441	57,114,692
(3) Others	333,333	166,667	500,000
Total Borrowings	**180,120,730**	**65,453,716**	**245,574,446**
Opening 1st January 2018	**97,969,444**	**35,022,348**	**132,991,792**
New loans	149,521,467	65,453,716	214,975,182
Repayment	67,370,180	35,022,348	102,392,529
Closing 31st December 2018	**180,120,730**	**65,453,716**	**245,574,446**

c. Bank loans detail

i. 50 million USD AFREXIM Bank loan
This facility was obtained by the Company to finance the construction of the new Owendo International cargo port. Each draw down is for 20 quarters including a grace period of 8 quarters. The interest rate of 8% plus Libor.

The loan is secured on all assets to be made by the Company (including assets to be purchased).

ii. 51 billion XAF BGFIBank loan
This facility was obtained by the Company to finance the construction of the new Owendo International cargo port. Each draw down is for 20 quarters including a grace period of 8 quarters. The interest rate of 8%.

The loan is secured on all assets to be made by the Company (including assets to be purchased).

iii. 33 billion XAF BDEAC loan
This facility was obtained by the Company to finance the construction of the new mineral port at Owendo. Each draw down is for 20 quarters including a grace period of 7 quarters. The interest rate of 7%.

The loan is secured on all assets to be made by the Company (including assets to be purchased).

iv. 17 billion XAF BGFI Bank loan
This facility was obtained by the Company to finance the construction of the new mineral port at Owendo. Each draw down is for 20 quarters including a grace period of 8 quarters. The interest rate of 5%.

The loan is secured on all assets to be made by the Company (including assets to be purchased).

v. 3 million Euros BGFI Bank loan
This facility was obtained by the Company to finance the beginning of the activities in the new mineral port at Owendo. Each draw down is for 19 quarters including a grace period of 7 quarters. The interest rate of 4.75%.

vi. 28 billion XAF global loan to GSEZ INFRA
This facility was obtained by the Company in several banks to finance the project of building the electrical line in the south of Gabon. Each draw down is for 10 semesters including a grace period of 4 semesters. The interest rate of 8%.

vii. 29 bilion XAF of new bond
Bonds issued during the last quarter f 2018, in the regional market (CEMAC) for a maturity period of 10 years with an interest rate of 6,5% per year.

Repayment is after moratorium for 3 years.

21. Interest bearing bank borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at cost using the effective interest rate method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The EIR amortization is included as finance costs in profit or loss.

22. Equity

Company issued capital as at reporting date is XAF 136 billion and share premium XAF 76 billion for total number shares of 13. 620 886, having a nominal amount of XAF 10 000 per share.

The share capital is allocated as follow:

Name of Share Holder	No of Share	Total Share Capital
Olam International Limited	5,930,400	59,304,000,000
Republic of Gabon	4,829,486	48,294,860,000
Africa Finance Corporation	2,861,000	28,610,000,000
Total	**13,620,886**	**136,208,860,000**

The share premium is allocated as follow:

Name of Share Holder	No of Share	Total Premium
Africa Finance Corporation	2,868,516	53,430,000,000
Republic of Gabon	3,999,486	23,001,043,986
Total	**6,868,002**	**76,431,043,986**

The equity movement is detail in the table below:

During the period, the Company proceed to acquisition of a new subsidiary PFM. Company hold 85% of shares of this entity.
The company is still holding 75% of share capital and is retaining the control of Mineral port.
A dividend of XAF 919 was distributed during the period.

	31 Dec 17 XAF' 000	Increase XAF' 000	Decrease XAF' 000	31 Dec 18 XAF' 000
Share Capital				
GSEZ group	59,304,000	-	-	59,304,000
Republic of Gabon	48,294,860	-	-	48,294,860
AFC Direct Equity	28,610,000	-	-	28,610,000
Share premium		-	-	-
Republic of Gabon	23,001,044	-	-	23,001,044
AFC Direct Equity	53,430,000	-	-	53,430,000
Legal reserve	**4,621,335**	**13,795,085**	**–**	**18,416,420**
Retained earnings	**138,308,195**	**58,557,313**	**(229,792)**	**196,635,716**
Result of the period	**66,356,760**	**56,762,254**	**(66,356,761)**	**56,762,253**
Total	**421,926,194**	**129,114,652**	**(66,586,553)**	**484,454,293**
			Controlling interest	**468,629,952**
			Non controlling interest	**15,824,341**

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23. Business combinations and acquisition of controlling interests

On 9 February 2018, the Group acquired 85% of the shares of PFM, a wood company based in Gabon and specialising in the operation of forest concession and sell of timbers, in exchange for the Company's shares.

The assets acquired and liabilities assumed at the date of acquisition were:

Asset	Amount Dec 17
Biological Asset	1,141,244
Intangible Assets	1,602,840
Fixed Assets	1,766,792
Inventory	339,268
Bank and Cash	49,599
	4,899,742
Liabilites	
Loan	158,805
Advance from Customers	459,229
Trade Payables	3,668,188
	4,286,222
Total identifiable net asset measure at fair value	6,13,520
Non Controling Interest	(92,028)
Goodwil arise from acqusition	3,308
Purchase consideration transferred	524,800

Goodwill arise from the transaction is not material (XAF 3 million) and has been directly recorded into P&L.

24. Capital commitments

The commitments of the group at reporting date are:

Activity	Supplier/Contractor	Commitments XAF' 000'
Wagons	CRRC Shendong	19,193,878
Concrete Platform	Colas	7,412,803
Airport	ICTAS GABON (EPC Contract)	4,996,100
Railway	National Railway Equipment	3,041,013
Log Trailers	Shanghai Wanfa & Zhumadian CIMC Huajun Vehicle	678,793
Infra Project	Sogat/Ranjit	460,650
Platform Earthwork	Colas	426,037

25. Related party transactions

An entity or individual is considered a related party of the group for the purpose of the financial statement if it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decision of the group or vice versa.

During the year, various transactions were conducted between the Group and other related parties. The amounts receivable and payable at the end of the year are as stated on the statement of financial position.

Olam Group- Olam International Limited
A key management personnel in Olam International Limited has control over GSEZ Group. Olam International Limited provide technical assistance to GSEZ Group in many areas.

Balance at the end of period is a liability of XAF 535.

OLAM PALM GABON
A key management personnel in GSEZ has control over OLAM PALM GABON. GSEZ renders management services and provide technical assistance to OLAM PALM GABON.

Balance at the end of December is nil.

GABON FERTILIZER COMPANY
A key management personnel in GSEZ has control over GABON FERTILIZER COMPANY. GSEZ renders management services and provide technical assistance to GABON FERTILIZER COMPANY.

Balance at the end of December is nil.

OLAM RUBBER GABON
A key management personnel in GSEZ has control over OLAM RUBBER GABON. GSEZ renders management services and provide technical assistance to OLAM RUBBER GABON.

Balance at the end of December is nil.

26. Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the reporting date are as follows:

	31 Dec 18 XAF' 000'	31 Dec 17 XAF' 000'
Financial Assets		
Trade and other receivables	190,811,647	176,125,835
Cash and bank balances	101,994,819	72,181,139
	292,806,466	**248,306,974**

	31 Dec 18 XAF' 000'	31 Dec 17 XAF' 000'
Financial liabilities		
Trade and other payables	71,455,832	59,305,882
Term borrowings: Current portion	67,275,635	38,916,286
Term borrowings: Non current portion	180,120,730	97,969,444
Total	**318,852,197**	**196,191,612**

27. Detail of Cash generated from operating activities

Cash generated from operating activities		
Description	**Dec 18**	**Dec 17**
Operating profit	54,920,581	71,938,815
Depreciation	13,077,622	11,271,031
Change in working capital (**)	(419,582)	41,140,199
Cash generated from operating activities	**67,578,622**	**124,350,046**

Change in working capital	31 Dec 18	31 Dec 17	1 Jan 16
Current Assets	237,442,598	194,370,552	183,787,146
Current Liabilities	136,980,695	94,328,231	42,604,629
Working capital	100,461,903	100,042,321	141,182,521
Working capital adjustment			(5,871,577)
Change in working capital	**419,582**	**(41,140,199)**	**55,776,813**

28. Financial risk management objectives and policies

(a) Market risk

Market risk is the risk that changes in market prices, such as interest rates and currency risk will affect the Company's financial position or cash flows. Financial instruments affected by market risk include trade receivables, trade payables and term borrowings.

Interest rate risk
The Company does not specifically monitor the movement of interest rates as the exposure is not deemed to be significant. At the reporting date, there were no particular exposure.

Foreign currency risk
The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency. As a result, is exposed to movements in foreign currency exchange rates. The foreign currency in which these transactions are denominated is mainly United States Dollar (USD).The group does not initiate any foreign currency hedging activities.

(b) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily receivables) and from its financing activities, including deposits with banks.

It is the Group's policy to provide credit terms only to creditworthy customers. These debts are continually monitored and therefore, the Group does not expect to incur material credit losses.

Credit risk from balances with banks and financial institutions is managed by the Group's finance department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and with credit limits assigned to each counterparty. Deposits and cash balances are placed with reputable local banks.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria. Credit quality of the customer is assessed based on an extensive credit rating scorecard. The requirement for an impairment is analysed at each reporting date on an individual basis for each client.

The group's exposure to credit risk is indicated in the table below:

	31 Dec 18 XAF' 000'	%	31 Dec 17 XAF' 000'	%
Private companies	131,470,199	69%	94,790,772	54%
Advance to suppliers private companies	31,120,248	16%	16,139,139	9%
Republic of Gabon	28,147,381	15%	986,778	1%
Trade and other receivables	**190,811,647**		**176,125,835**	

The private customers of the group are mainly constituted in the sector below; wood, logistics essentially); Industrials Products; retails & wholesales, metal. Main trade receivable are related to sales of land for which contracts are specific. Most of those customers are established and are building in the land sold.

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(c) Liquidity risk

Liquidity risk is the risk that Group or company will encounter difficulty in meeting financial obligation associate with its financial liabilities or due to shortage of funds. To ensure continuity of funding, the Group primarily uses short term bank facilities that are transaction –linked and self-liquidating in nature. The group has also term loan from bank to funds its ongoing working capital requirement and growth needs.

The table below summarises the maturity profile of the Group's financial liabilities at the balance sheet date.

	31 December 2018			31 December 2017		
	One year or less	One to five years	Over five years	One year or less	One to five years	Over five years
Trade and other payables	71,455,832	-	-	59,305,882	-	-
Borrowing	65,524,863	143,823,610	36,297,120	35,022,348	90,750,694	7,218,750
Total	**136,980,695**	**143,823,610**	**36,297,120**	**94,328,231**	**90,750,694**	**7,218,750**

29. Capital management

Capital includes equity attributable to the equity holders of the Group. The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder value.

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalent.

	31 Dec 18 XAF' 000	31 Dec 17 XAF' 000
Interest bearing loans and borrowings	180,120,730	97,969,444
Trade and other payables	138,731,467	98,222,168
Less: cash and cash equivalent	(101,994,819)	(72,181,139)
Net debt	**216,857,379**	**124,010,473**
Equity	484,454,294	421,926,194
Capital and Net debt	701,311,672	545,936,667
	31%	**23%**

30. Events after the reporting date

No events or transactions have occurred since the end of the reporting period, which would have a material effect upon the consolidated financial statements at that date or which need to be mentioned in the consolidated financial statements in order to make them not misleading as to the financial position or results of operations.

31. Information relating to Employees

The average number of persons employed full time by the Company during the financial year, including Directors was as follows:

	31 Dec 18 Number	31 Dec 17 Number
Below 250,000	110	118
250,001 - 450,000	229	158
450,001 - 700,000	235	85
700,001 - 1,500,000	137	66
1,500,001 - Above	168	107
Total	**879**	**534**
Managers	72	43
Senior Staff	85	61
Junior Staff	722	430
Total	**879**	**534**

The number of employees whose emoluments, excluding allowances within the following ranges were:

32. Contingent assets/contingent liabilities

There were no known contingent assets or liabilities as at 31 December 2018.

33. Emolument of Directors

Emoluments paid are XAF 1.000.000 per directors and per board of meeting held.

The group held one quarterly board meeting

	2018	2017
Emolument	6,000,000	6,000,000

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PROFIT AND LOSS STATEMENT
SPECIAL ECONOMIC ZONE

	in FCFA million		in Euro million	
Year ended on 31st December	**2018**	**2017**	**2018**	**2017**
Net sales	61,816.4	60,324.9	94.24	91.96
Cost of sales	18,863.4	23,162.8	28.76	35.31
Gross margin	**42,953.0**	**37,162.1**	**65.48**	**56.65**
Other Revenue	-	-	-	-
Operating expenses:	23,260.6	18,266.8	35.46	27.85
Of which Research and development	-	-	-	-
Of which Selling, general and administrative	14,096.3	9,522.3	21.49	14.52
Of which Depreciation and amortisation	9,164.3	8,744.5	13.97	13.33
Operating income	**19,692.4**	**18,895.3**	**30.02**	**28.81**
Financial costs	5,934.0	2,817.8	9.05	4.30
Finance income	17,103.2	535.4	26.07	0.82
Foreign exchange gain/(loss)	(361.1)	772.0	(0.55)	1.18
Income before provision of income tax	**30,500.5**	**17,384.9**	**46.50**	**26.50**
Provision for income tax	-	-	-	-
Other Comprehensive Income	-	15,980.1	-	24.36
Net Income	**30,500.5**	**33,365.0**	**46.50**	**50.9**

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PROFIT AND LOSS STATEMENT
MINERAL PORT

	in FCFA million		in Euro million	
Year ended on 31st December	**2018**	**2017**	**2018**	**2017**
Net sales	30,376.5	20,924.0	46.31	31.90
Cost of sales	-	-	-	-
Gross margin	**30,376.5**	**20,924.0**	**46.31**	**31.90**
Net Gain from sale of assets	-	-	-	-
Other Revenue	-	87.2	-	0.13
Operating expenses:	18,397.4	13,124.7	28.05	20.01
Of which Research and development	-	-	-	-
Of which Selling, general and administrative	16,288.9	11,161.3	24.83	17.02
Of which Depreciation and amortisation	2,108.5	1,963.4	3.21	2.99
Operating income	**11,979.1**	**7,886.4**	**18.26**	**12.02**
Financial costs	3,093.3	3,273.0	4.72	4.99
Finance income	-	-	-	-
Foreign exchange gain/(loss)	(118.5)	(200.9)	(0.18)	(0.31)
Income before provision of income tax	**8,767.3**	**4,412.5**	**13.37**	**6.73**
Provision for income tax	-	-	-	-
Other Comprehensive Income	-	-	-	-
Net Income	**8,767.3**	**4,412.5**	**13.37**	**6.73**

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PROFIT AND LOSS STATEMENT
GENERAL CARGO PORT

	in FCFA million		in Euro million	
Year ended on 31st December	**2018**	**2017**	**2018**	**2017**
Net sales	36,984.4	11,043.2	56.38	16.84
Cost of sales	-	-	-	-
Gross margin	**36,984.4**	**11,043.2**	**56.38**	**16.84**
Other Revenue	-	-	-	-
Operating expenses:	27,789.3	7,803.9	42.36	11.90
Research and development	-	-	-	-
Selling, general and administrative	26,025.5	7,240.8	39.68	11.04
Depreciation and amortisation	1,763.8	563.1	2.69	0.86
Operating income	**9,195.1**	**3,239.3**	**14.02**	**4.94**
Financial costs	372.8	189.6	0.57	0.29
Finance income	-	-	-	-
Foreign exchange gain/(loss)	(17.7)	(0.1)	(0.03)	(0.00)
Income before provision of income tax	**8,804.6**	**3,049.5**	**13.42**	**4.65**
Provision for income tax	-	-	-	-
Other Comprehensive Income	-	-	-	-
Net Income	**8,804.6**	**3,049.5**	**13.42**	**4.65**
Net Gain from sale of assets (One time Revenue)	-	37,531.5	-	-

ARISE

PROFIT AND LOSS STATEMENT
INFRA

	in FCFA million		in Euro million	
Year ended on 31st December	**2018**	**2017**	**2018**	**2017**
Net sales	25,452.3	6,932.0	38.80	10.57
Cost of sales	7,095.2	1,526.0	10.82	2.33
Gross margin	**18,357.1**	**5,406.0**	**27.99**	**8.24**
Other Revenue	-	-	-	-
Operating expenses:	4,993.3	979.6	7.61	1.49
Of which Research and development	-	-	-	-
Of which Selling, general and administrative	4,976.2	979.6	7.59	1.49
Of which Depreciation and amortisation	17.1	-	0.03	-
Operating income	**13,363.8**	**4,426.3**	**20.37**	**6.75**
Financial costs	4,446.3	405.4	6.78	0.62
Finance income	-	-	-	-
Foreign exchange gain/(loss)	0.4	(2.6)	0.00	(0.00)
Income before provision of income tax	**8,917.9**	**4,018.3**	**13.60**	**6.13**
Provision for income tax	-	-	-	-
Other Comprehensive Income	-	-	-	-
Net Income	**8,917.9**	**4,018.3**	**13.60**	**6.13**

PROFIT AND LOSS STATEMENT
AIRPORT

	in FCFA million		in Euro million	
Year ended on 31st December	**2018**	**2017**	**2018**	**2017**
Net sales	2,214.2	-	3.38	-
Cost of sales	-	-	-	-
Gross margin	**2,214.2**	**-**	**3.38**	**-**
Other Revenue	-	-	-	-
Operating expenses:	1,524.0	-	2.32	-
Of which Research and development	-	-	-	-
Of which Selling, general and administrative	1,500.1	-	2.29	-
Of which Depreciation and amortisation	23.9	-	0.04	-
Operating income	**690.2**	**-**	**1.05**	**-**
Financial costs	3.0	-	0.00	-
Finance income	-	-	-	-
Foreign exchange gain/(loss)	-	-	-	-
Income before provision of income tax	**687.2**	**-**	**1.05**	**-**
Provision for income tax	225.8	-	0.34	-
Other Comprehensive Income	-	-	-	-
Net Income	**461.4**	**-**	**0.70**	**-**

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