

Interim condensed financial information

Pestech (Cambodia) Plc and its subsidiaries

As at 31 March 2021 and for the quarter and nine-month period then ended

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Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statements of financial position of Pestech (Cambodia) Plc (“the Company”) and its subsidiaries (“the Group”) as at 31 March 2021, and the related interim condensed statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the quarter and nine-month period then ended, and notes to the interim condensed financial information are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 Interim Financial Reporting.

Signed on behalf of the Board of Directors,



Lim Pay Chuan
Chairman

Kuala Lumpur, Malaysia
10 May 2021



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Report on review of interim condensed financial information

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To the Shareholders of Pestech (Cambodia) Plc

We have reviewed the interim condensed financial information of Pestech (Cambodia) Plc (“the Company”) and its subsidiaries (“the Group”), which comprise the interim condensed statements of financial position as at 31 March 2021, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and nine-month period then ended, and explanatory notes (“financial information”). The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial information in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed financial information based on our review.

Scope of review

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

Conclusion

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



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Other matter

The comparative information on the statement of financial position is based on the Group's and the Company's audited financial statements as at 30 June 2020. The comparative information on the statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 31 March 2020 was not reviewed nor audited.

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GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors



Ronald C. Almera

Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

10 May 2021

Group's interim statement of financial position

		(Unaudited) 31 March 2021	(Audited) 30 June 2020	(Unaudited) 31 March 2021	(Audited) 30 June 2020
	Note	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Assets					
Non-current					
Property, plant and equipment	6	14,348	15,404	58,038	63,049
Intangible assets		4	5	16	20
Contract assets	9	125,182	198,200	506,361	811,233
Non-current assets		139,534	213,609	564,415	874,302
Current					
Trade and other receivables	10	5,709	3,667	23,094	15,009
Inventories	11	3,626	4,335	14,667	17,743
Contract assets	9	103,894	18,789	420,251	76,903
Amounts due from related parties	23	2	2,332	8	9,545
Cash and bank balances	12	9,851	5,524	39,847	22,610
Current assets		123,082	34,647	497,867	141,810
Total assets		262,616	248,256	1,062,282	1,016,112

Group's interim statement of financial position (continued)

	Note	(Unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,100	30,725	28,869
Share premium	13.1	2,541	-	10,422	-
Reserves	13.2	(4,195)	(5,815)	(17,129)	(23,729)
Retained earnings		15,626	15,802	63,673	64,390
Currency translation difference		-		(861)	406
Total equity attributable to the parent		21,466	17,087	86,830	69,936
Non-controlling interests		(1)	5	(4)	21
Total equity		21,465	17,092	86,826	69,957
Liabilities					
Non-current					
Borrowings	15	95,327	100,077	385,598	409,615
Lease liabilities – net of current portion	7	180	23	728	94
Deferred tax liability	21	694	453	2,807	1,854
Derivative financial instruments	16	4,247	5,867	17,179	24,014
Non-current liabilities		100,448	106,420	406,312	435,577
Current					
Trade and other payables	14	27,196	10,859	110,008	44,446
Amount due to holding company	23	40,167	62,892	162,476	257,417
Amounts due to related parties	23	62,163	36,667	251,449	150,078
Borrowings	15	9,435	12,614	38,165	51,629
Lease liabilities	7	141	72	570	295
Income tax payable		1,601	1,640	6,476	6,713
Current liabilities		140,703	124,744	569,144	510,578
Total liabilities		241,151	231,164	975,456	946,155
Total equity and liabilities		262,616	248,256	1,062,282	1,016,112

Company's interim statement of financial position

		(Unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
	Note				
Assets					
Non-current					
Investment in a subsidiary	8	50	35	202	143
Property, plant and equipment	6	14,348	15,404	58,038	63,049
Intangible assets		4	5	16	20
Contract assets	9	125,182	198,200	506,361	811,233
Non-current assets		139,584	213,644	564,617	874,445
Current					
Trade and other receivables	10	5,703	3,652	23,069	14,948
Inventories	11	3,626	4,335	14,667	17,743
Contract assets	9	103,894	18,789	420,251	76,903
Amounts due from related parties	23	2	2,332	8	9,545
Amount due from a subsidiary	23	79	38	320	156
Cash and bank balances	12	9,835	5,500	39,783	22,512
Current assets		123,139	34,646	498,098	141,807
Total assets		262,723	248,290	1,062,715	1,016,252

Company's interim statement of financial position (continued)

	Note	(Unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,100	30,725	28,869
Share premium	13.1	2,541	-	10,422	-
Reserves	13.2	(4,195)	(5,815)	(17,129)	(23,729)
Retained earnings		15,737	15,841	64,142	64,566
Currency translation difference		-	-	(881)	391
Total equity		21,577	17,126	87,279	70,097
Non-current					
Borrowings	15	95,327	100,077	385,598	409,615
Lease liabilities	7	180	23	728	94
Deferred tax liability	21	694	453	2,807	1,854
Derivative financial instruments	16	4,247	5,867	17,179	24,014
Non-current liabilities		100,448	106,420	406,312	435,577
Liabilities					
Current					
Trade and other payables	14	27,191	10,859	109,988	44,446
Amount due to holding company	23	40,167	62,892	162,476	257,417
Amounts due to related parties	23	62,163	36,667	251,449	150,078
Borrowings	15	9,435	12,614	38,165	51,629
Lease liabilities	7	141	72	570	295
Income tax payable		1,601	1,640	6,476	6,713
Current liabilities		140,698	124,744	569,124	510,578
Total liabilities		241,146	231,164	975,436	946,155
Total equity and liabilities		262,723	248,290	1,062,715	1,016,252

Group's interim statement of profit or loss and other comprehensive income

		(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
	Note				
Revenue	17	39,976	33,294	162,862	135,540
Operating expenses	18	(35,047)	(19,708)	(142,781)	(80,231)
Other gains		10	8	41	33
Operating profit		4,939	13,594	20,122	55,342
Finance income		355	20	1,446	81
Finance cost	19	(4,835)	(4,724)	(19,698)	(19,231)
Profit before income tax		459	8,890	1,870	36,192
Income tax expense	20	(641)	(1,927)	(2,611)	(7,845)
(Loss)/profit for the period		(182)	6,963	(741)	28,347
(Loss)/profit for the period attributable to:					
Owners of the Company		(176)	6,968	(717)	28,367
Non-controlling interests		(6)	(5)	(24)	(20)
		(182)	6,963	(741)	28,347

Group's interim statement of profit or loss and other comprehensive income (continued)

	Note	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
(Loss)/profit for the period		(182)	6,963	(741)	28,347
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Fair value gain/(loss) on cash flow hedges		1,620	(3,594)	6,600	(14,631)
Exchange translation differences		-	-	(1,232)	139
Total comprehensive profit for the period		1,438	3,369	4,627	13,855
Total comprehensive income for the period attributable to:					
Owners of the Company		1,359	3,374	4,305	13,875
Non-controlling interests		79	(5)	322	(20)
		1,438	3,369	4,627	13,855

The (loss)/earnings per share attributable to shareholders of the Group during the period are as follows:

Basic (loss)/earnings per share (cent/riel)	27	(0.24)	9.81	(9.65)	399.54
Diluted (loss)/earnings per share (cent/riel)	27	(0.24)	9.81	(9.65)	399.54

The accompanying notes are an integral part of these financial statements.

Group's interim statement of profit or loss and other comprehensive income

		(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
	Note				
Revenue	17	12,950	11,977	52,564	48,663
Operating expenses	18	(10,973)	(9,558)	(44,539)	(38,834)
Other losses		(2)	4	(8)	16
Operating profit		1,975	2,423	8,017	9,845
Finance income		328	9	1,331	37
Finance cost	19	(1,388)	(1,653)	(5,634)	(6,716)
Profit before income tax		915	779	3,714	3,166
Income tax expense	20	(368)	(420)	(1,494)	(1,706)
Profit for the period		547	359	2,220	1,460
Profit for the period attributable to:					
Owners of the Company		549	362	2,228	1,472
Non-controlling interests		(2)	(3)	(8)	(12)
		547	359	2,220	1,460

Group's interim statement of profit or loss and other comprehensive income (continued)

	Note	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Profit for the period		547	359	2,220	1,460
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Fair value gain/(loss) on cash flow hedges		1,152	(2,810)	4,676	(11,417)
Exchange translation differences		-	-	(861)	-
Total comprehensive income/(loss) for the period		1,699	(2,451)	6,035	(9,957)
Total comprehensive income/ (loss) for the period attributable to:					
Owners of the Company		1,758	(2,448)	6,274	(9,945)
Non-controlling interests		(59)	(3)	(239)	(12)
		1,699	(2,451)	6,035	(9,957)
The earnings per share attributable to shareholders of the Group during the period are as follows:					
Basic earnings per share (cent/riel)	27	0.74	0.51	29.98	20.73
Diluted earnings per share (cent/riel)	27	0.74	0.51	29.98	20.73

Company's interim statement of profit or loss and other comprehensive income

		(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
		For the 9-month period ended	For the 9-month period ended	For the 9-month period ended	For the 9-month period ended
	Note	31 March 2021	31 March 2020	31 March 2021	31 March 2020
		USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Revenue	17	39,976	33,294	162,862	135,540
Operating expenses	18	(34,971)	(19,690)	(142,472)	(80,158)
Other gains		12	8	49	33
Operating profit		5,017	13,612	20,439	55,415
Finance income		355	20	1,446	81
Finance cost	19	(4,835)	(4,724)	(19,698)	(19,231)
Profit before income tax		537	8,908	2,187	36,265
Income tax expense	20	(641)	(1,927)	(2,611)	(7,845)
(Loss)/profit for the period		(104)	6,981	(424)	28,420
Other comprehensive income/ (loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange translation differences		-	-	(1,272)	128
Fair value gain/(loss) on cash flow hedges		1,620	(3,594)	6,600	(14,631)
Total comprehensive income		1,516	3,387	4,904	13,917

Company's interim statement of profit or loss and other comprehensive income

		(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
		For the 3-month period ended	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended
	Note	31 March 2021	31 March 2020	31 March 2021	31 March 2020
		USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Revenue	17	12,950	11,977	52,564	48,663
Operating expenses	18	(10,959)	(9,544)	(44,483)	(38,777)
Other losses		3	4	12	16
Operating profit		1,994	2,437	8,093	9,902
Finance income		328	9	1,331	37
Finance cost	19	(1,388)	(1,653)	(5,634)	(6,716)
Profit before income tax		934	793	3,790	3,223
Income tax expense	20	(368)	(420)	(1,494)	(1,706)
Profit for the period		566	373	2,296	1,517
Other comprehensive income/(loss)					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange translation differences		-	-	(881)	-
Fair value gain on cash flow hedges		1,152	(2,810)	4,676	(11,417)
Total comprehensive income/(loss)		1,718	(2,437)	6,091	(9,900)

Group's interim statement of changes in equity

<div>← Attributable to owners of the Company →</div> <div>← Non-distributable →</div>									
		Share capital	Share premium	Reserves	Distributable Retained earnings	Total	Non-controlling interests	Total equity	KHR'mil
Note		USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	(Note 3)
(Reviewed but unaudited)									
		7,100	-	(5,815)	15,802	17,087	5	17,092	69,921
		394	2,541	-	-	2,935	-	2,935	12,278
		-	-	-	(176)	(176)	(6)	(182)	(741)
		-	-	1,620	-	1,620	-	1,620	6,600
		-	-	-	-	-	-	-	(1,232)
		7,494	2,541	(4,195)	15,626	21,466	(1)	21,465	86,826
(Reviewed but unaudited)									
	12.1	7,100	-	(1,772)	8,594	13,922	-	13,922	56,607
		-	-	-	6,968	6,968	(5)	6,963	28,347
		-	-	(3,594)	-	(3,594)	-	(3,594)	(14,631)
		-	-	-	-	-	-	-	139
		7,100	-	(5,366)	15,562	17,296	(5)	17,291	70,462

Company's interim statement of changes in equity

		←	Non-distributable	→	Distributable		
	Note	Share capital	Share premium	Reserves	Retained earnings	Total equity	
		USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil (Note 3)
(Reviewed but unaudited)							
Balance at 1 July 2020	12.1	7,100	-	(5,815)	15,841	17,126	70,097
Shares issued	13	394	2,541	-	-	2,935	12,278
Loss for the nine-month period		-	-	-	(104)	(104)	(424)
Fair value gain on cash flow hedges		-	-	1,620	-	1,620	6,600
Currency translation difference		-	-	-	-	-	(1,272)
Balance at 31 March 2021		7,494	2,541	(4,195)	15,737	21,577	87,279
(Reviewed but unaudited)							
Balance at 1 July 2019	12.1	7,100	-	(1,772)	8,607	13,935	56,662
Profit for the nine-month period		-	-	-	6,981	6,981	28,420
Fair value loss on cash flow hedges		-	-	(3,594)	-	(3,594)	(14,631)
Currency translation difference		-	-	-	-	-	128
Balance at 31 March 2020		7,100	-	(5,366)	16,286	17,322	70,579

Group's interim statement of cash flows

		(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Note					
	Operating activities				
	Profit before income tax	459	8,890	1,870	36,192
	Adjustments for:				
	Depreciation	18 774	487	3,153	1,983
	Amortisation	18 2	2	8	8
	Gain on disposal of property, plant and equipment	-	(5)	-	(20)
	Interest income	(355)	(20)	(1,446)	(81)
	Interest expense	19 4,835	4,724	19,698	19,231
	Operating profit before working capital changes	5,715	14,078	23,283	57,313
	Changes in working capital				
	Changes in:				
	Trade and other receivables	(1,800)	6,785	(7,333)	27,622
	Contract assets	(11,770)	(29,164)	(47,951)	(118,727)
	Inventories	709	(4,335)	2,888	(17,648)
	Amount due to holding company	(23,205)	693	(94,537)	2,821
	Amounts due from/to related parties	15,738	7,173	64,117	29,201
	Trade and other payables	16,426	(1,160)	66,920	(4,722)
	Cash generated from/(used in)				
	Operations	1,813	(5,930)	7,387	(24,140)
	Income tax paid	(439)	(570)	(1,788)	(2,320)
	Net cash from/(used in) operating activities	1,374	(6,500)	5,599	(26,460)

Group's interim statement of cash flows (continued)

		(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Note					
Investing activities					
	Acquisitions of property, plant and equipment	(34)	(16,885)	(139)	(68,739)
	Acquisitions of intangible assets	(1)	(5)	(4)	(20)
	Proceeds from sale of property, plant and equipment	-	15	-	61
	Interest received	38	20	155	81
	Net cash from/(used in) investing activities	3	(16,855)	12	(68,617)
Financing activities					
	Proceeds from borrowings	22	19,738	-	80,353
	Repayment of borrowings	22	(6,215)	(21,409)	(25,301)
	Issuance of additional share capital	13	2,935	11,957	-
	Interest paid		(4,724)	(19,657)	(19,231)
	Repayment of lease liabilities	7	(56)	(228)	-
	Advances from holding company		2,300	1,956	9,363
	Advances from related party		2,826	49,185	11,505
	Placement of fixed deposits		(437)	(619)	(1,779)
	Net cash from financing activities	5,200	13,488	21,185	54,910
Net change in cash and cash equivalents					
		6,577	(9,867)	26,796	(40,167)
	Cash and cash equivalents, beginning of period	1,847	9,662	7,560	39,288
	Translation exchange difference	-	-	(281)	63
	Cash and cash equivalents, end of period	8,424	(205)	34,075	(816)

The accompanying notes are an integral part of these financial statements.

Company's interim statement of cash flows

		(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Note					
Operating activities					
		537	8,908	2,187	36,265
		-			
	18	774	487	3,153	1,983
	18	2	2	8	8
		-	(5)	-	(20)
		(355)	(20)	(1,446)	(81)
	19	4,835	4,724	19,698	19,231
Operating profit before working capital changes					
		5,793	14,096	23,600	57,386
Changes in working capital					
Changes in:					
		(1,735)	6,786	(7,068)	27,626
		(11,770)	(29,164)	(47,951)	(118,727)
		709	(4,335)	2,888	(17,648)
		(23,205)	-	(94,537)	-
		15,738	7,608	64,117	30,972
		16,332	(908)	66,537	(3,696)
Cash generated from/(used in) operations					
		1,862	(5,917)	7,586	(24,087)
		(439)	(570)	(1,788)	(2,320)
Net cash from/(used in) operating activities					
		1,423	(6,487)	5,798	(26,407)

Company's interim statement of cash flows (continued)

		(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
	Note				
Investing activities					
Acquisitions of property, plant and equipment		(34)	(16,885)	(139)	(68,739)
Acquisitions of intangible assets		(1)	(5)	(4)	(20)
Proceeds from disposals of property, plant and equipment		-	15	-	61
Investment in a subsidiary		(15)	(22)	(61)	(90)
Interest received		38	20	155	81
Net cash used in investing activities		(12)	(16,877)	(49)	(68,707)
Financing activities					
Proceeds from borrowings		-	19,738	-	80,353
Repayment of borrowings		(5,255)	(6,215)	(21,409)	(25,301)
Issuance of additional share capital 13		2,935	-	11,957	-
Interest paid		(4,825)	(4,724)	(19,657)	(19,231)
Payment of lease liabilities		(56)	-	(228)	-
Advances from holding company		480	2,300	1,956	9,363
Advance from related party		12,073	2,826	49,185	11,505
Advance to a subsidiary		(26)	-	(106)	-
Placement of fixed deposits		(152)	(437)	(619)	(1,779)
Net cash from financing activities		5,174	13,488	21,079	54,910
Net change in cash and cash equivalents					
		6,585	(9,876)	26,828	(40,204)
Cash and cash equivalents, beginning of period		1,823	9,646	7,462	39,222
Translation exchange difference		-	-	(279)	45
Cash and cash equivalents, end of period	12	8,408	(230)	34,011	(937)

Notes to the interim condensed financial information

1 General information

Pestech (Cambodia) Plc (“the Company”), previously known as Pestech (Cambodia) Limited, was incorporated on 5 February 2010 as a single member private company and is a 94.74% owned subsidiary of Pestech International Berhad, a company incorporated and domiciled in Malaysia, and is listed on the main market of Bursa Malaysia Securities Berhad, with a registered capital of USD7,494,500, consisting of 74,945,000 shares, each with a par value of USD0.10 per share. The Company is registered with the Ministry of Commerce (“MOC”) under company registration number 00000957.

The principal activity of the Company is to engage in the construction of electrical sub-stations and transmission lines.

On 12 August 2020, the Company has completed its initial public offering exercise and listed its shares for trading on the main market of the Cambodia Securities Exchange.

Pestech (Myanmar) Limited (“PML”) was incorporated as a private limited company which is 100% owned by the Company under registration No. 1171FC/2016-2017 dated 24 March 2017 issued by the Government of the Republic of the Union of Myanmar, Ministry of Planning and Finance.

The principal activity of PML is the provision of project management, electrical substations, transmission line erection and installation, supervision of testing and commission and civil works.

Pestech Hinthar Corporation Limited (“PHC”) was incorporated as a private limited company which is 60% owned by PML under Myanmar Companies Law 2017 on 24 June 2019. The registered share capital is USD50,000 comprising 50,000 ordinary shares.

Pestech Microgrid Company Limited (“PMG”) was incorporated as a private limited company which is 90% owned by PHC under Myanmar Companies Law 2017 on 14 February 2020. The issued share capital is USD10,000 comprising 10,000 ordinary shares.

The Company considers PHC and PMG as indirect subsidiaries.

The registered office of the Company is located at No. 6, Street 588, Sangkat Boeung Kok II, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia. The registered offices of the direct and indirect subsidiaries are located at Unit 01-05, Level 10, Junction City Office Tower, corner of 27 street and Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and Thapyaynyo Street, No. 3E, Shinsawpu Ward, Sannchaung Township Yangon, Republic of the Union of Myanmar, respectively.

There have been no significant changes in the nature of the Company's and its subsidiaries' activities during the reporting period.

The condensed interim financial information for the nine-month period ended 31 March 2021, has been reviewed but not audited.

The condensed interim financial information of Pestech (Cambodia) Plc and its subsidiaries ("the Group") was approved for issue by the Board of Directors on 10 May 2021.

2 Basis of preparation

This condensed interim financial information for the quarter and nine-month period ended 31 March 2021 has been prepared in accordance with Cambodian International Accounting Standards 34 – Interim financial reporting ("CIAS 34"). This condensed interim financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the annual audited financial statements as at 31 December 2020 and for the year then ended, which have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). The significant accounting policies used in preparing the condensed interim financial information are consistent with the significant accounting policies used in the preparation of the 31 December 2020 audited financial statements.

3 Functional and presentation currency

The national currency of Cambodia is Khmer Riel ("KHR"). However, as the Company transacts its business and maintains its accounting records primarily in United States Dollars ("USD"), the Board of Directors has determined the USD to be the Company's currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Company.

Transactions in foreign currencies other than USD are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD at the reporting date are translated into USD at the rates of exchange ruling at that date. Exchange differences arising from translations are recognised in the statement of profit or loss and other comprehensive income.

The translations of USD amounts into KHR as presented in the financial information are included solely to comply with the requirement of the Law on Accounting and Auditing (April 2016) and have been made using the following prescribed official exchange rate, as presented in KHR, per USD1 as announced by the National Bank of Cambodia (General Department of Taxation prior to 1 January 2020):

	31 March 2021	30 June 2020	31 March 2020
Average rate	4,074*	4,087	4,070
Closing rate	4,045	4,093	4,071

* The average rate is calculated using the daily rates during the period

Such translation amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate. USD and KHR amounts are presented in the nearest thousands and millions, respectively, unless otherwise stated.

3.1 Foreign operations

In the Group's consolidated financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than the USD are translated into USD upon consolidation. The functional currencies of entities within the Group have remained unchanged during the reporting periods.

On consolidation, assets and liabilities are been translated into USD at the closing rate at the reporting date. Goodwill and fair value adjustments arising on the acquisition of a foreign entity have been treated as assets and liabilities of the foreign entity and translated into USD at the closing rate. Income and expenses have been translated into USD at the average rate over the reporting periods. Exchange differences are charged or credited to other comprehensive income and recognised in the currency translation reserve in equity. On disposal of a foreign operation, the related cumulative translation differences recognised in equity are reclassified to profit or loss and are recognised as part of the gain or loss on disposal.

4 Significant accounting policies

The accounting policies and methods of computation adopted are consistent with those adopted in the Group's audited financial statements as at 30 June 2020 and for the year then ended.

4.1 Segment reporting

The Group has only one operating segment- construction. As such, no further segmentation is required.

4.2 Seasonality

The principal business of the Group and the Company are mainly to provide construction services. There is no significant seasonality factor associated with these services.

5 Management estimates

When preparing the interim condensed financial information, Management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgements, estimates and assumptions made by Management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim condensed financial information, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual audited financial statements as at 30 June 2020 and for the year then ended.

6 Property, plant and equipment

Group and Company	Equipment USD'000	Motor vehicles USD'000	Computers USD'000	Furniture and fittings USD'000	Right-of-use assets USD'000	Signage USD'000	Total USD'000	KHR'mil (Note 3)
(Reviewed but unaudited)								
Gross carrying amount								
At 1 July 2020	17,292	559	26	31	162	-	18,070	73,961
Additions	10	-	6	-	272	18	306	1,247
Transfer	(588)	-	-	-	-	-	(588)	(2,396)
Currency translation difference	-	-	-	-	-	-	-	(860)
Balance 31 March 2021	16,714	559	32	31	434	18	17,788	71,952
Accumulated depreciation								
At 1 July 2020	(2,199)	(348)	(21)	(28)	(70)	-	(2,666)	(10,912)
Depreciation	(695)	(66)	(3)	(2)	(72)	-	(838)	(3,414)
Transfer	64	-	-	-	-	-	64	261
Currency translation difference	-	-	-	-	-	-	-	151
Balance 31 March 2021	(2,830)	(414)	(24)	(30)	(142)	-	(3,440)	(13,914)
Carrying amount 31 March 2021	13,884	145	8	1	292	18	14,348	58,038
	Equipment USD'000	Motor vehicles USD'000	Computers USD'000	Furniture and fittings USD'000	Right-of-use assets USD'000	Signage USD'000	Total USD'000	KHR'mil (Note 3)
(Audited)								
Gross carrying amount								
At 1 July 2019, as restated	3,187	525	24	31	162	-	3,929	15,977
Additions	14,105	76	2	-	-	-	14,183	57,966
Disposals	-	(42)	-	-	-	-	(42)	(172)
Currency translation difference	-	-	-	-	-	-	-	190
Balance 30 June 2020	17,292	559	26	31	162	-	18,070	73,961
Accumulated depreciation								
At 1 July 2019	(1,211)	(268)	(16)	(25)	-	-	(1,520)	(6,179)
Depreciation	(988)	(112)	(5)	(3)	(70)	-	(1,178)	(4,814)
Disposals	-	32	-	-	-	-	32	131
Currency translation difference	-	-	-	-	-	-	-	(50)
Balance 30 June 2020	(2,199)	(348)	(21)	(28)	(70)	-	(2,666)	(10,912)
Carrying amount 30 June 2020	15,093	211	5	3	92	-	15,404	63,049

7 Lease liabilities

Company as a lessee

The Company has a lease contract for the properties that are used as its office space and staff accommodation for a period of three to five years.

Lease liabilities are presented in the interim statements of financial position as follows:

	Group and Company			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Current	141	72	570	295
Non-current	180	23	728	94
	321	95	1,298	389

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Group and Company			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
At 1 July 2020/2019	95	162	389	660
Addition	272	-	1,108	-
Accretion of interest	10	9	41	37
Payments	(56)	(76)	(228)	(311)
Currency translation difference	-	-	(12)	3
At 31 March 2021/30 June 2020	321	95	1,298	389

The weighted average incremental borrowing rate applied to lease liabilities recognised under CIFRS 16 was 7.2% per annum.

7.1 The table below describes the nature of the Group's leasing activities by type of right-of-use assets recognised on the interim statement of financial position:

Right-of-use assets	No. of right-of-use assets	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
House	5	1 to 2 years	1.5 years	1	5
Office building	1	4.4 years	4.4 years	1	1

The details of future minimum lease payments are summarized below:

	Minimum lease payments due				Total KHR'000 (Note 3)
	Within one year	One to two years	Two to three years	Total USD	
Lease payments	159	118	90	367	1,485
Finance charges	(18)	(23)	(5)	(46)	(187)
Net present value	141	95	85	321	1,298

8 Investment in a subsidiary

	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	Company (Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
At cost – unquoted shares				
Balance brought forward	35	25	143	102
Additions	15	10	61	41
Translation difference	-	-	(2)	-
	50	35	202	143

Details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		31 March 2021	30 June 2020	
Pestech (Myanmar) Limited ("PML")	Myanmar	100.00%	99.99%	Provision of project management, electrical substations and transmission line erection, installation, supervision of testing, commissioning and civil works.
<u>Subsidiary of PML</u>				Establish the infrastructure of power sector and promote the power segments such as power generation, power transmission and power distribution.
Pestech Hinthar Corporation Limited ("PHC")	Myanmar	60.00%	60.00%	
<u>Subsidiary of PHC</u>				Provision of microgrid system and other power infrastructure to rural areas in Myanmar.
Pestech Microgrid Company Limited	Myanmar	54.00%	53.99%	

On 14 February 2020, Pestech Hinthar Corporation Limited incorporated a 90%-owned subsidiary, Pestech Microgrid Company Limited, under Myanmar Companies Law 2017 as a private limited company.

9 Contract assets

	(Reviewed but unaudited) 31 March 2021 USD'000	Group and Company (Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Balance at 1 July 2020/2019	216,989	179,101	888,136	728,223
Revenue recognized	39,976	49,349	162,942	201,689
Receipts entitled	(28,206)	(11,461)	(114,968)	(46,841)
Finance income recognized	317	-	1,282	-
Translation difference	-	-	(10,780)	5,065
Balance at 31 March 2021/30 June 2020	229,076	216,989	926,612	888,136

Presented as:

	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Current	103,894	18,789	420,251	76,903
Non-current	125,182	198,200	506,361	811,233
	229,076	216,989	926,612	888,136

Contract assets represent the Group's right to consideration for work completed on construction contracts but not yet billed at the reporting date. The amount will be billed according to the billing schedule as stipulated in the construction contracts.

10 Trade and other receivables

	(Reviewed but unaudited) 31 March 2021 USD'000	Group (Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Trade receivables	2,790	1,391	11,286	5,693
Deposits	39	38	158	156
Staff advances	13	23	53	94
Financial assets	2,842	1,452	11,497	5,943
Value-added tax	1,194	1,301	4,830	5,325
Prepayments	1,673	914	6,767	3,741
Non-financial assets	2,867	2,215	11,597	9,066
	5,709	3,667	23,094	15,009

	Company			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Trade receivables	2,790	1,391	11,286	5,693
Deposits	33	21	133	86
Staff advances	13	25	53	103
Financial assets	2,836	1,437	11,472	5,882
Value-added tax	1,194	1,301	4,830	5,325
Prepayments	1,673	914	6,767	3,741
Non-financial assets	2,867	2,215	11,597	9,066
	5,703	3,652	23,069	14,948

11 Inventories

	Group and Company			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Construction materials	3,626	4,335	14,667	17,743

12 Cash and bank balances

	Group			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Cash in banks (a)	8,492	4,319	34,350	17,678
Deposits with a licensed bank (b)	1,352	1,200	5,469	4,912
Cash on hand	7	5	28	20
	9,851	5,524	39,847	22,610

	Company			
	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
	31 March 2021	30 June 2020	31 March 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Cash in banks (a)	8,478	4,295	34,294	17,579
Deposits with a licensed bank (b)	1,352	1,200	5,469	4,912
Cash on hand	5	5	20	21
	9,835	5,500	39,783	22,512

(a) Two of the bank accounts have been pledged to syndicated financing facilities as disclosed in note 15(c.5).

(b) Deposits with a licensed bank of the Group have been pledged as security for bank overdrafts and term loan as disclosed in note 15(a.2). The deposits earn interest of 4.25% per annum.

For the purpose of presenting the interim statement of cash flows, cash and cash equivalents comprise the following:

	Group			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Cash and bank balances (as above)	9,851	3,824	39,847	15,583
Bank overdrafts (note 15)	(75)	(2,879)	(303)	(11,718)
Fixed deposit pledged to borrowings	(1,352)	(1,150)	(5,469)	(4,681)
Cash and cash equivalents per statement of cash flows	8,424	(205)	34,075	(816)

	Company			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Cash and cash equivalents (as above)	9,835	3,799	39,783	15,462
Bank overdrafts (note 15)	(75)	(2,879)	(303)	(11,718)
Fixed deposit pledged for borrowings	(1,352)	(1,150)	(5,469)	(4,681)
Cash and cash equivalents per statement of cash flows	8,408	(230)	34,011	(937)

13 Share capital

	Group and Company					
	Number of shares		Amount			
	31 March 2021	30 June 2020	31 March 2021 (Reviewed but unaudited) USD'000	30 June 2020 (Audited) USD'000	31 March 2021 (Reviewed but unaudited) KHR'mil (Note 3)	30 June 2020 (Audited) KHR'mil (Note 3)
Shares issued and fully paid:						
- Beginning of the period	71,000,000	71,000,000	7,100	7,100	28,869	28,869
- Shares issued	3,945,000	-	394	-	1,856	-
	74,945,000	71,000,000	7,494	7,100	30,725	28,869

On 12 August 2020, the Company was successfully listed on the Cambodia Securities Exchange ("CSX"). The number of new issued shares are 3,945,000 shares with a par value of KHR400 or USD0.10 per share, at an offering price of KHR3,120 or USD0.76 per share.

13.1 Share premium

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

13.2 Reserves

	Group and Company			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Capital contribution reserve	52	52	210	213
Cash flow hedge reserve (note 16)	(4,247)	(5,867)	(17,179)	(24,014)
Currency translation difference	-	-	(160)	72
	(4,195)	(5,815)	(17,129)	(23,729)

Capital contribution reserve represents the fair value of equity-settled share options granted to employees of the Company by its holding company in October 2017. The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options and is reduced upon the expiry of the share options or payments made to the holding company.

14 Trade and other payables

	Group			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Trade payables	694	1,855	2,807	7,593
Accruals	760	724	3,074	2,963
Provision for project cost	25,506	8,070	103,172	33,031
Other payables	114	147	462	601
Financial liabilities	27,074	10,796	109,515	44,188
Taxes payable	122	63	493	258
Non-financial liabilities	122	63	493	258
	27,196	10,859	110,008	44,446

	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	Company (Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Trade payables	694	1,855	2,807	7,592
Accruals	757	724	3,062	2,963
Provision for project cost	25,506	8,070	103,172	33,031
Other payables	112	147	454	602
Financial liabilities	27,069	10,796	109,495	44,188
Taxes payable	122	63	493	258
Non-financial liabilities	122	63	493	258
	27,191	10,859	109,988	44,446

Trade payables are unsecured, interest free and repayable on demand.

15 Borrowings

	(Reviewed but unaudited) 31 March 2021 USD'000	Group and Company (Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Current				
Secured:				
Bank overdrafts	75	2,477	303	10,138
Revolving credit	1,360	1,632	5,501	6,680
Term loans	8,000	8,505	32,361	34,811
Total current	9,435	12,614	38,165	51,629
Non-current				
Secured:				
Term loans	95,327	100,077	385,598	409,615
	104,762	112,691	423,763	461,244

The effective interest rates of the borrowings are as follows:

	Group and Company (Reviewed but unaudited) 31 March 2021 %	(Audited) 30 June 2020 %
Bank overdrafts (a)	7.2 to 8.5	7.2 to 8.5
Revolving credit (b)	6.3 to 6.5	6.3 to 6.5
Term loans (c)	4.1 to 7.5	4.68 to 8

The above facilities are secured by the following:

Bank overdrafts

(a.1) Granting facilities to the Company under letter of offer dated 17 October 2017.

(a.2) Deposits with a licensed bank of the Company as disclosed in note 12 which have been pledged as securities for overdraft.

Revolving credit

(b.1) Corporate guarantee from holding company, Pestech International Berhad.

Term loans

(c.1) Assignment of rights and benefits of the Power Transmission Agreement dated 15 March 2017, entered into between the Company and customer;

(c.2) Corporate guarantee from holding company, Pestech International Berhad;

(c.3) Insurance covering the projects;

(c.4) Granting certain direct rights to the Company of the Direct Agreement dated 17 February 2015, entered into between the Company and customer; and,

(c.5) Pledge of bank accounts.

16 Derivative financial instruments

	Notional value USD'000	(Reviewed but unaudited) 31 March 2021 USD'000	Group and Company		
		(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)	
			Fair value liabilities		
Interest rate swaps	50,000	4,247	5,867	17,179	24,014

On 25 October 2018 and 27 December 2018, the Group entered into interest rate swaps contracts ("IRS") to hedge the Group's exposure to interest rate risks on its borrowings. The IRS entitles the Group to receive interest at floating rates on notional amounts and obliges the Group to pay interest at fixed interest rates on the same notional amounts, thus allowing the Group to raise borrowings at floating rates and swap into fixed rates.

The changes in fair value of these IRS that are designated as hedges are included as hedging reserve in equity and continuously released to other comprehensive income/(loss) until the repayment of the borrowings or maturity of the IRS, whichever is earlier. For the IRS that are not designated as hedges, the changes in fair value are recognised in profit or loss.

17 Revenue

	Group and Company			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Construction contract and service rendered	39,976	33,294	162,862	135,540

	Group and Company			
	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Construction contract and service rendered	12,950	11,977	52,564	48,663

17.1 Disaggregated revenue information

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 9-month period ended		For the 9-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Timing of revenue recognition:				
Over time	39,976	33,294	162,862	135,540

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 3-month period ended		For the 3-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Timing of revenue recognition:				
Over time	12,950	11,977	52,564	48,663

18 Operating expenses

	Group			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 9-month period ended		For the 9-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
<u>Direct costs</u>				
Raw materials and consumables	30,112	11,945	122,676	48,628
Production overheads	1,667	3,068	6,791	12,490
	31,779	15,013	129,467	61,118
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	922	3,184	3,756	12,962
Directors' remuneration	295	237	1,202	965
<u>Amortisation</u>				
Intangible assets	2	2	8	8
<u>Depreciation</u>				
Property, plant and equipment	702	487	2,860	1,983
Right of use assets	72	-	293	-
	774	487	3,153	1,983
<u>General expenses</u>				
Withholding tax	529	591	2,156	2,406
Management fees	424	-	1,727	-
Professional fees	140	32	570	130
Bank charges	69	29	281	118
Other expenses	113	133	461	541
	1,275	785	5,195	3,195
	35,047	19,708	142,781	80,231

18 Operating expenses (continued)

	Group			
	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	9,503	7,456	38,573	30,294
Production overheads	430	928	1,745	3,770
	9,933	8,384	40,318	34,064
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	227	1,029	921	4,181
Directors' remuneration	106	81	430	329
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	255	(103)	1,035	(418)
Right of use assets	37	-	150	-
	292	(103)	1,185	(418)
<u>General expenses</u>				
Withholding tax	193	61	783	247
Management fees	145	-	589	-
Professional fees	28	17	114	69
Bank charges	10	4	41	16
Other expenses	38	84	154	342
	414	166	1,681	674
	10,973	9,558	44,539	38,834

18 Operating expenses (continued)

	Company			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Reviewed but unaudited) For the 9-month period ended 31 March 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	30,112	11,945	122,676	48,628
Production overheads	1,667	3,068	6,791	12,490
	31,779	15,013	129,467	61,118
<u>Employee benefits</u>				
Salaries and other benefits	900	3,172	3,667	12,913
Directors' remuneration	295	237	1,202	965
<u>Amortisation</u>				
Intangible assets	2	2	8	8
<u>Depreciation</u>				
Property, plant and equipment	702	487	2,860	1,983
Right of use assets	72	-	293	-
	774	487	3,153	1,983
<u>General expenses</u>				
Withholding tax	530	591	2,160	2,406
Management fees	424	-	1,727	-
Professional fees	135	30	550	122
Bank charges	68	28	277	114
Other expenses	64	130	261	529
	1,221	779	4,975	3,171
	34,971	19,690	142,472	80,158

18 Operating expenses (continued)

	Company			
	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)	(Reviewed but unaudited)
	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	9,503	7,456	38,573	30,294
Production overheads	430	928	1,745	3,770
	9,933	8,384	40,318	34,064
<u>Employee benefits</u>				
Salaries and other benefits	223	1,025	905	4,165
Directors' remuneration	106	81	430	329
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	255	(103)	1,035	(418)
Right of use assets	37	-	150	-
	292	(103)	1,185	(418)
<u>General expenses</u>				
Withholding tax	193	61	784	247
Management fees	144	-	584	-
Professional fees	27	17	110	69
Bank charges	10	4	41	16
Other expenses	30	74	122	301
	404	156	1,641	633
	10,959	9,544	44,483	38,777

19 Finance cost

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 9-month period ended	For the 9-month period ended	For the 9-month period ended	For the 9-month period ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Interest expense on:				
Term loans	4,186	4,436	17,054	18,059
Bank overdrafts	161	176	656	716
Revolving credit	65	112	264	456
Charged by intercompany	413	-	1,683	-
Lease liabilities	10	-	41	-
	4,835	4,724	19,698	19,231

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Interest expense for:				
Term loans	1,312	1,557	5,325	6,326
Bank overdrafts	39	61	158	248
Revolving credit	30	35	123	142
Charged by intercompany	-	-	-	-
Lease liabilities	7	-	28	-
	1,388	1,653	5,634	6,716

20 Income tax expense

Cambodia

In accordance with Cambodian tax laws, the Company has the obligation to pay tax on income ("Tol") at the rate of 20% of taxable income.

Besides the Tol, taxpayers in Cambodia are subject to a separate minimum tax. The minimum tax is an annual tax with a liability equal to 1% of annual turnover inclusive of all taxes except value-added tax, and is due irrespective of the taxpayer's profit or loss position. The Company pays the higher of Tol or minimum tax.

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

Myanmar

In accordance with the Income Tax Law of the Republic of the Union of Myanmar, the direct and indirect subsidiaries have the obligation to pay corporate income tax at the rate of 25% of taxable income. The subsidiaries are not subject to corporate income tax for the periods ended 31 March 2020 and 2021 as they have not yet started their commercial operations.

Income tax expense for the periods ended 31 March 2021 and 31 March 2020 consists of:

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 9-month period ended	For the 9-month period ended	For the 9-month period ended	For the 9-month period ended
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Current tax	400	1,927	1,630	7,845
Deferred tax	241	-	981	-
Estimated income tax expense	641	1,927	2,611	7,845

20.1 Reconciliation between (loss)/profit before income tax and taxable income

A reconciliation between accounting (loss)/profit before income tax and taxable income for the periods ended 31 March 2021 and 31 March 2020 follows:

	Group			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Accounting profit before tax	459	8,890	1,870	36,192
Add:				
Non-deductible expenses	540	746	2,200	3,037
Taxable profit	999	9,636	4,070	39,229
Income tax expense at the applicable tax of rate 20% (A)	200	1,927	814	7,845
Minimum tax (B)	400	333	1,630	1,356
Estimated income tax expense (higher of A or B)	400	1,927	1,630	7,845

	Company			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Accounting profit before tax	537	8,908	2,187	36,265
Add:				
Non-deductible expenses	540	726	2,200	2,956
Taxable profit	1,077	9,634	4,387	39,221
Income tax expense at the applicable tax of rate 20% (A)	215	1,927	877	7,845
Minimum tax (B)	400	333	1,630	1,356
Estimated income tax expense (higher of A or B)	400	1,927	1,630	7,845

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to reviews and investigations by a number of authorities that are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia, substantially greater than in other countries. Management believes that tax liabilities have been adequately provided for based on its interpretation of tax legislation.

21 Deferred tax liability

Group and Company		
(Reviewed but unaudited)		
31 March 2021		
	USD'000	Total KHR'mil (Note 3)
Property, plant and equipment		
Beginning balance	453	1,854
Recognised in profit or loss	241	982
Translation difference	-	(29)
Ending balance	694	2,807

Group and Company		
(Audited)		
30 June 2020		
	USD'000	KHR'mil (Note 3)
Property, plant and equipment		
Beginning balance	-	-
Recognised in profit or loss	453	1,854
Ending balance	453	1,854

22 Reconciliation of liabilities arising from financing activities

The changes in the Group's and the Companies liabilities arising from financing activities can be classified as follows:

	(Audited) 1 July 2020	Additions USD'000	Cash flows		(Reviewed but unaudited) 31 March 2021	
	USD'000		Proceeds USD'000	Repayments USD'000	USD'000	KHR'mil (Note 3)
Borrowings	108,582	-	-	(5,255)	103,327	417,959
Lease liabilities	95	282	-	(56)	321	1,298
	108,677	282	-	(5,311)	103,648	419,257

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23 Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed but unaudited)	(Audited)	(Reviewed but unaudited)	(Audited)
		31 March 2021 USD'000	30 June 2020 USD'000	31 March 2021 KHR'mil (Note 3)	30 June 2020 KHR'mil (Note 3)
Group and Company					
Amounts due from related parties					
Diamond Power Limited	Fellow subsidiary	2	32	8	131
Pestech Power Sdn Bhd	Fellow subsidiary	-	2,300	-	9,414
		2	2,332	8	9,545
Amounts due to related parties					
Pestech Sdn Bhd	Fellow subsidiary	10,151	4,729	41,061	19,356
Enersol Co., Ltd	Fellow subsidiary	30,937	27,991	125,140	114,567
Pestech Energy Sdn Bhd	Fellow subsidiary	-	862	-	3,528
ODM Power Line Co Ltd	Fellow subsidiary	17,709	-	71,633	-
Pestech Transmission Sdn Bhd	Fellow subsidiary	3,366	3,085	13,615	12,627
		62,163	36,667	251,449	150,078
Amount due to holding company					
Pestech International Berhad	Holding company	40,167	62,892	162,476	257,417
Company					
Amount due from a subsidiary					
Pestech (Myanmar) Limited	Subsidiary	79	38	320	156

The amounts due from/to related parties are unsecured, interest free and repayable on demand, except for certain amounts due to Pestech International Berhad and Pestech Sdn Bhd which bear interest at the rate of 4.5% and 5% per annum, respectively.

During the period, the following transactions with related parties are recorded:

Related party	Relationship	Transactions	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	1,346	1,346	5,484	5,480
Pestech Sdn Bhd	Fellow subsidiary	Contract cost	8,373	5,523	34,112	22,484
		Interest charge	42	-	171	-
Enersol Co., Ltd	Fellow subsidiary	Contract cost (reversed)/incurred	(1,974)	5,226	(8,042)	21,275
Pestech Transmission Sdn Bhd	Fellow subsidiary	Contract cost	592	4,600	2,412	18,727
		Project management fee	142	-	579	-
ODM Power Line Co Ltd	Fellow subsidiary	Contract cost	10,000	-	40,740	-
Pestech International Berhad	Holding company	Management fee	423	-	1,723	-
		Interest charge	371	-	1,511	-

During the period, the following transactions with related parties are recorded:

Related party	Relationship	Transactions	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 31 March 2020 KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	448	670	1,825	2,722
Pestech Sdn Bhd	Fellow subsidiary	Contract cost	6,533	2,594	26,615	10,539
Enersol Co., Ltd	Fellow subsidiary	Contract cost	-	4,176	-	16,968
Pestech Transmission Sdn Bhd	Fellow subsidiary	Contract cost	592	2,645	2,412	10,747
		Project management fee	142	-	579	-
Pestech International Berhad	Holding company	Management fee	144	-	587	-
ODM Power Line Co Ltd	Fellow subsidiary	Contract cost	10,000	-	40,740	-

24 Transactions with key management personnel

Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company either directly or indirectly. Key management includes the directors of the Group and the Company.

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 9-month period ended		For the 9-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Salaries and bonus	295	237	1,202	965

	Group and Company			
	(Reviewed but unaudited)	(Unreviewed and unaudited)	(Reviewed but unaudited)	(Unreviewed and unaudited)
	For the 3-month period ended		For the 3-month period ended	
	31 March 2021	31 March 2020	31 March 2021	31 March 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Salaries and bonus	106	81	430	329

25 Fair value of financial instruments

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The carrying amounts of cash and bank balances, amounts due to/from related parties, amount due from a subsidiary, amount due to holding company, trade and other receivables, trade and other payables, amounts due to related parties and borrowings are reasonable approximation of their fair value, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

The different levels in the fair value hierarchy are as follows:

- Quoted prices (unadjusted) in active markets for identified assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2).
- Inputs for the asset or liability that are not based on observable market data (Level 3).

Financial liabilities	<i>Group and Company</i>			
	31 March 2021		30 June 2020	
	Carrying amount USD'000	Level 2 USD'000	Carrying amount USD'000	Level 2 USD'000
Derivative financial instruments	4,247	4,247	5,867	5,867
	4,247	4,247	5,867	5,867

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all

significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

26 Categories of financial instruments

The table below provides an analysis of financial instruments in each category:

	Group			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Financial assets				
At amortised cost				
Cash and bank balance	9,851	5,524	39,847	22,610
Trade and other receivables	2,842	1,452	11,497	5,943
Amounts due from related parties	2	2,332	8	9,545
	12,695	9,308	51,352	38,098

	Company			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Financial assets				
At amortised cost				
Cash and bank balance	9,835	5,500	39,783	22,512
Trade and other receivables	2,836	1,437	11,472	5,882
Amounts due from a subsidiary	79	38	320	156
Amounts due from related parties	2	2,332	8	9,545
	12,752	9,307	51,583	38,095

	Group			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	27,074	10,796	109,515	44,184
Amount due to holding company	40,167	62,892	162,476	257,417
Amounts due to related parties	62,163	36,667	251,449	150,078
Borrowings	104,762	112,691	423,763	461,244
Derivatives used for hedging				
Derivative financial instruments	4,247	5,867	17,179	24,014
	238,413	228,913	964,382	936,937

	Company			
	(Reviewed but unaudited) 31 March 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed but unaudited) 31 March 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	27,069	10,796	109,495	44,188
Amount due to holding company	40,167	62,892	162,476	257,417
Amounts due to related parties	62,163	36,667	251,449	150,078
Borrowings	104,762	112,691	423,763	461,244
Derivatives used for hedging				
Derivative financial instruments	4,247	5,867	17,179	24,014
	238,408	228,913	964,362	936,941

27 Earnings per share

Basic earnings per share are calculated by dividing the (loss)/profit attributable to equity holders of the Group by the weighted average numbers of ordinary shares in issue during the respective period as shown below:

	Group			
	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) and unaudited) For the 9-month period ended 31 March 2020 USD'000	(Reviewed but unaudited) For the 9-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) and unaudited) For the 9-month period ended 31 March 2020 KHR'mil (Note 3)
(Loss)/profit attributable to ordinary equity holders	(176)	6,968	(717)	28,367
Weighted average number of shares	74,325,894	71,000,000	74,325,894	71,000,000
Basic (loss)/earnings per share (cent/riel)	(0.24)	9.81	(9.65)	399.54
Diluted (loss)/earnings per share (cent/riel)	(0.24)	9.81	(9.65)	399.54

	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 USD'000	(Unreviewed and unaudited) and unaudited) For the 3-month period ended 31 March 2020 USD'000	(Reviewed but unaudited) For the 3-month period ended 31 March 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) and unaudited) For the 3-month period ended 31 March 2020 KHR'mil (Note 3)
Profit attributable to ordinary equity holders	549	362	2,228	1,472
Weighted average number of shares	74,325,894	71,000,000	74,325,894	71,000,000
Basic earnings per share (cent/riel)	0.74	0.51	29.98	20.73
Diluted earnings per share (cent/riel)	0.74	0.51	29.98	20.73

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

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

28 Commitments

The Company has committed to purchase a 10-year political risk insurance for the construction of the 230kV Stung Tatay Hydro Power Plant-Phnom Penh Transmission System Project for a total amount of USD4,968,600 to secure the borrowing facility as disclosed in note 15c.3. As at 31 March 2021, the amount yet to be paid amounted to USD2,978,400.

The Company has committed to purchase a 7-year political risk insurance for the construction of the 230kV and 500kV double circuit transmission line from Phnom Penh to Sihanouk Ville for a total amount of USD3,222,125 to secure the borrowing facility as disclosed in note 15c.3. As at 31 March 2021, the amount yet to be paid amounted to USD2,484,458.

29 Contingencies

In 2011, the GDT issued a Notice of Tax Reassessment to the Company to claim a purportedly undeclared prepayment profit tax and value-added tax amounting to USD546,971 (KHR2,222,344,011) pertaining to the period from 1 May 2011 to 31 July 2011.

In 2015, The GDT issued a Notice of Tax Reassessment to the Company to claim a purportedly undeclared prepayment profit tax and value-added tax amounting to USD490,912 (KHR1,994,575,785) pertaining to the period from 10 January 2013 to 16 October 2013.

In 2017, The GDT issued a Notice of Tax Reassessment to the Company to claim a purportedly undeclared prepayment profit tax, value-added tax and 14% withholding tax on services amounting to USD267,956 (KHR1,088,704,839) for year 2010 comprehensive tax audit.

In response, the Company has filed protest letters to the GDT to contest these misinterpreted reassessments. Management considers these reassessment letters to be of no basis and unjustified and the probability that they will be required to settle the reassessed taxes to be remote. The protests are still pending as of the date of these financial information.

30 Significant events and transactions

On 14 April 2021, the Royal Government of Cambodia imposed a lockdown in Cambodia starting from 15 April to 28 April 2021, which was further extended until 5 May 2021, to curb the spread of COVID-19 outbreak in Cambodia. The COVID-19 pandemic and lockdown has caused disruptions to businesses and various macroeconomics globally and locally in Cambodia.

The Company has assessed the overall impact of this situation towards the Company's operations, financial performance and cash flows, and concluded that there is no material adverse effect on the Company's financial statements for the financial period ended 31 March 2021. Management believes that the Group and the Company are well positioned to cope with a downturn in the economy.

Factors contributing to the Group's and the Company's strong position are:

- No cancellation of significant contracts. In addition, the Group and the Company have several long-term contracts with a number of the existing customers; and
- The Group's and the Company's major customers have not experienced financial difficulties. Credit quality of trade receivables as at 31 March 2021 is considered to be good.

Overall, the Group and the Company are in a strong position and have sufficient capital and liquidity to service their operating activities and debt. The Group's and the Company's objectives and policies for managing capital, credit risk and liquidity risk are described in their recent annual audited financial statements.