

**Statement by the Directors  
and  
Interim condensed financial information**

**PESTECH (Cambodia) Plc and its  
subsidiaries**

As at 31 December 2022 and for the quarter and  
six-month period then ended

# Contents

	Pages
<b>Statement by the Directors</b>	1
<b>Interim condensed financial information</b>	
Report on review of interim condensed financial information	2 - 3
Group's interim statement of financial position	4 - 5
Company's interim statement of financial position	6 - 7
Group's interim statement of profit or loss and other comprehensive income	8 - 11
Company's interim statement of profit or loss and other comprehensive income	12 - 13
Group's interim statement of changes in equity	14
Company's interim statement of changes in equity	15
Group's interim statement of cash flows	16 - 17
Company's interim statement of cash flows	18 - 19
Notes to the interim condensed financial information	20 - 47

# 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 as at 31 December 2022, 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 6-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,

xLPC  
  
Lim Pay Chan  
Chairman



Kuala Lumpur, Malaysia  
13 February 2023



# Grant Thornton

# 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 the interim condensed financial information of the Company and its subsidiaries (together hereinafter referred to as “the Group”), which comprise the interim statements of financial position as at 31 December 2022, and the interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and 6-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 this 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 condensed financial information Performed by the Independent Auditor of the Entity*. A review of interim condensed 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 Group and the Company are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

#### Certified Public Accountants and Auditors

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**Other matter**

The comparative information on the statements of financial position is based on the Group's and the Company's audited financial statements as at 30 June 2022. The comparative information for the 6-month period ended 31 December 2021 on the statements of profit or loss and other comprehensive income, cash flows and related explanatory notes were reviewed but unaudited.

  
  
**GRANT THORNTON (CAMBODIA) LIMITED**  
Certified Public Accountants  
Registered Auditors

  
**Ng Yee Zent**  
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia  
13 February 2023

**Certified Public Accountants and Auditors**

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# Group's interim statement of financial position

	Note	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
<b>Assets</b>					
<b>Non-current</b>					
Property, plant and equipment	6	13,263	13,604	54,604	55,368
Intangible assets		9	9	37	37
Contract assets	9	101,869	109,262	419,395	444,696
<b>Non-current assets</b>		<b>115,141</b>	<b>122,875</b>	<b>474,036</b>	<b>500,101</b>
<b>Current</b>					
Inventories	10	3,332	3,338	13,718	13,586
Contract assets	9	166,056	155,950	683,653	634,717
Trade and other receivables	11	4,285	3,142	17,641	12,788
Amounts due from related parties	27	223	224	918	911
Cash and bank balances	12	8,672	9,872	35,703	40,179
<b>Current assets</b>		<b>182,568</b>	<b>172,526</b>	<b>751,633</b>	<b>702,181</b>
<b>Total assets</b>		<b>297,709</b>	<b>295,401</b>	<b>1,225,669</b>	<b>1,202,282</b>

# Group's interim statement of financial position (continued)

	Note	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	13	7,494	7,494	30,725	30,725
Share premium	14	2,541	2,541	10,422	10,422
Reserves	15	(8)	(400)	(34)	(1,883)
Retained earnings		15,456	17,310	62,820	70,452
Cumulative translation differences		-	-	990	(51)
<b>Total equity attributable to owners of the Company</b>		<b>25,483</b>	<b>26,945</b>	<b>104,923</b>	<b>109,665</b>
Non-controlling interests		86	86	351	351
<b>Total equity</b>		<b>25,569</b>	<b>27,031</b>	<b>105,274</b>	<b>110,016</b>
<b>Liabilities</b>					
<b>Non-current</b>					
Borrowings	17	76,847	82,071	316,379	334,029
Lease liabilities	7	364	230	1,499	934
Deferred tax liability	25	1,055	986	4,343	4,013
Derivative financial instruments	18	60	452	247	1,838
<b>Non-current liabilities</b>		<b>78,326</b>	<b>83,739</b>	<b>322,468</b>	<b>340,814</b>
<b>Current</b>					
Contract liability	9	23	162	95	659
Trade and other payables	16	49,974	46,997	205,741	191,275
Amount due to holding company	27	27,345	26,834	112,579	109,214
Amounts due to related parties	27	89,806	89,597	369,731	364,659
Borrowings	17	25,737	20,281	105,958	82,544
Lease liabilities	7	115	118	473	482
Income tax payable		814	642	3,350	2,619
<b>Current liabilities</b>		<b>193,814</b>	<b>184,631</b>	<b>797,927</b>	<b>751,452</b>
<b>Total liabilities</b>		<b>272,140</b>	<b>268,370</b>	<b>1,120,395</b>	<b>1,092,266</b>
<b>Total equity and liabilities</b>		<b>297,709</b>	<b>295,401</b>	<b>1,225,669</b>	<b>1,202,282</b>

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

# Company's interim statement of financial position

	Note	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
<b>Assets</b>					
<b>Non-current</b>					
Investment in a subsidiary	8	50	50	204	204
Property, plant and equipment	6	13,263	13,604	54,604	55,368
Intangible assets		9	9	37	37
Contract assets	9	101,869	109,262	419,395	444,696
<b>Non-current assets</b>		<b>115,191</b>	<b>122,925</b>	<b>474,240</b>	<b>500,305</b>
<b>Current</b>					
Inventories	10	3,332	3,338	13,718	13,586
Contract assets	9	166,056	155,950	683,653	634,717
Trade and other receivables	11	4,285	3,142	17,641	12,788
Amounts due from related parties	27	223	224	918	911
Amount due from a subsidiary	27	113	97	465	395
Cash and bank balances	12	8,664	9,866	35,670	40,155
<b>Current assets</b>		<b>182,673</b>	<b>172,617</b>	<b>752,065</b>	<b>702,552</b>
<b>Total assets</b>		<b>297,864</b>	<b>295,542</b>	<b>1,226,305</b>	<b>1,202,857</b>



# Company's interim statement of financial position (continued)

	Note	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
<b>Equity and liabilities</b>					
<b>Equity</b>					
Share capital	13	7,494	7,494	30,725	30,725
Share premium	14	2,541	2,541	10,422	10,422
Reserves	15	(8)	(400)	(34)	(1,883)
Retained earnings		15,699	17,542	63,805	71,395
Cumulative translation differences		-	-	998	(50)
<b>Total equity</b>		<b>25,726</b>	<b>27,177</b>	<b>105,916</b>	<b>110,609</b>
<b>Liabilities</b>					
<b>Non-current</b>					
Borrowings	17	76,847	82,071	316,379	334,029
Lease liabilities	7	364	230	1,499	934
Deferred tax liability	25	1,055	986	4,343	4,013
Derivative financial instruments	18	60	452	247	1,838
<b>Non-current liabilities</b>		<b>78,326</b>	<b>83,739</b>	<b>322,468</b>	<b>340,814</b>
<b>Current</b>					
Contract liability	9	23	162	95	659
Trade and other payables	16	49,972	46,992	205,735	191,257
Amount due to holding company	27	27,345	26,834	112,579	109,214
Amounts due to related parties	27	89,806	89,597	369,731	364,659
Borrowings	17	25,737	20,281	105,958	82,544
Lease liabilities	7	115	118	473	482
Income tax payable		814	642	3,350	2,619
<b>Current liabilities</b>		<b>193,812</b>	<b>184,626</b>	<b>797,921</b>	<b>751,434</b>
<b>Total liabilities</b>		<b>272,138</b>	<b>268,365</b>	<b>1,120,389</b>	<b>1,092,248</b>
<b>Total equity and liabilities</b>		<b>297,864</b>	<b>295,542</b>	<b>1,226,305</b>	<b>1,202,857</b>

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

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

		(Reviewed)		(Reviewed)	
		For the 6-month period ended		For the 6-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Note	USD'000	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
Revenue	19	12,603	32,500	51,893	132,373
Operating expenses	20	(10,864)	(29,162)	(44,730)	(118,777)
Other operating income	21	48	36	197	147
Other gains		17	42	70	171
<b>Operating profit</b>		<b>1,804</b>	<b>3,416</b>	<b>7,430</b>	<b>13,914</b>
Finance income	22	1,362	1,494	5,608	6,085
Finance cost	23	(4,779)	(3,239)	(19,678)	(13,192)
<b>(Loss)/profit before income tax</b>		<b>(1,613)</b>	<b>1,671</b>	<b>(6,640)</b>	<b>6,807</b>
Income tax expense	24	(241)	(414)	(992)	(1,686)
<b>(Loss)/profit for the period</b>		<b>(1,854)</b>	<b>1,257</b>	<b>(7,632)</b>	<b>5,121</b>
<b>(Loss)/profit for the period attributable to:</b>					
Owners of the Company		(1,854)	1,257	(7,632)	5,121

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

		[Reviewed]		[Reviewed]	
		For the 6-month period ended		For the 6-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Note	USD'000	USD'000	KHR'mil	KHR'mil	KHR'mil
			(Note 3)	(Note 3)	
	<b>(Loss)/profit for the period</b>	<b>(1,854)</b>	1,257	<b>(7,632)</b>	5,121
	<b>Other comprehensive (loss)/income</b>				
	<i>Item that will be reclassified subsequently to profit or loss</i>				
	Fair value gain on cash flow hedges	392	1,093	1,614	4,452
	Currency translation difference	-	-	1,276	(24)
	<b>Total comprehensive (loss)/income for the period</b>	<b>(1,462)</b>	2,350	<b>(4,742)</b>	9,549
	<b>Total comprehensive (loss)/income for the period attributable to:</b>				
	Owners of the Company	<b>(1,462)</b>	2,350	<b>(4,742)</b>	9,549
	The (loss)/earnings per share attributable to shareholders of the Group during the period are as follows:				
	Basic (loss)/earnings per share (cent/riel)	31	(2.47)	1.68	(101.83)
	Diluted (loss)/earnings per share (cent/riel)	31	(2.47)	1.68	(101.83)

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

		(Reviewed)		(Reviewed)	
		For the 3-month period ended		For the 3-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
	Note	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
Revenue	19	4,630	14,311	19,106	58,274
Operating expenses	20	(3,446)	(12,895)	(14,221)	(52,508)
Other operating income	21	14	36	58	147
Other gains		7	39	30	159
<b>Operating profit</b>		<b>1,205</b>	<b>1,491</b>	<b>4,973</b>	<b>6,072</b>
Finance income	22	685	753	2,827	3,066
Finance cost	23	(2,319)	(1,919)	(9,569)	(7,814)
<b>(Loss)/profit before income tax</b>		<b>(429)</b>	<b>325</b>	<b>(1,769)</b>	<b>1,324</b>
Income tax expense		(128)	(164)	(528)	(668)
<b>(Loss)/profit for the period</b>		<b>(557)</b>	<b>161</b>	<b>(2,297)</b>	<b>656</b>
<b>(Loss)/profit for the period attributable to:</b>					
Owners of the Company		(557)	161	(2,297)	656

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

		(Reviewed) For the 3-month period ended		(Reviewed) For the 3-month period ended	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021	
Note	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)	
<b>(Loss)/profit for the period</b>	<b>(557)</b>	161	<b>(2,297)</b>	656	
<b>Other comprehensive (loss)/income</b>					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain on cash flow hedges	(666)	664	(2,733)	2,704	
Exchange translation differences	-	-	(47)	-	
<b>Total comprehensive (loss)/income for the period</b>	<b>(1,223)</b>	825	<b>(5,077)</b>	3,360	
<b>Total comprehensive (loss)/income for the period attributable to:</b>					
Owners of the Company	(1,223)	825	(5,077)	3,360	
The (loss)/earnings per share attributable to shareholders of the Group during the period are as follows:					
Basic (loss)/earnings per share (cent/riel)	31	(0.74)	0.21	(30.65)	8.75
Diluted (loss)/earnings per share (cent/riel)	31	(0.74)	0.21	(30.65)	8.75

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

		(Reviewed)		(Reviewed)	
		For the 6-month period ended		For the 6-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Note	USD'000	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Revenue	19	12,603	32,500	51,893	132,373
Operating expenses	20	(10,853)	(29,146)	(44,688)	(118,712)
Other operating income	21	48	36	197	147
Other gains		17	43	70	175
<b>Operating profit</b>		<b>1,815</b>	<b>3,433</b>	<b>7,472</b>	<b>13,983</b>
Finance income	22	1,362	1,494	5,608	6,085
Finance cost	23	(4,779)	(3,239)	(19,678)	(13,192)
<b>(Loss)/profit before income tax</b>		<b>(1,602)</b>	<b>1,688</b>	<b>(6,598)</b>	<b>6,876</b>
Income tax expense	24	(241)	(414)	(992)	(1,686)
<b>(Loss)/profit for the period</b>		<b>(1,843)</b>	<b>1,274</b>	<b>(7,590)</b>	<b>5,190</b>
<b>Other comprehensive (loss)/income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value gain on cash flow hedges		392	1,093	1,614	4,452
Currency translation differences		-	-	1,283	(22)
<b>Total comprehensive (loss)/income</b>		<b>(1,451)</b>	<b>2,367</b>	<b>(4,693)</b>	<b>9,620</b>

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

	Note	[Reviewed]		[Reviewed]	
		For the 3-month period ended 31 December 2022	31 December 2021	For the 3-month period ended 31 December 2022	31 December 2021
		USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Revenue	19	4,630	14,311	19,106	58,274
Operating expense	20	(3,442)	(12,889)	(14,204)	(52,484)
Other operating income	21	14	36	58	147
Other gains		7	40	30	163
<b>Operating profit</b>		<b>1,209</b>	<b>1,498</b>	<b>4,990</b>	<b>6,100</b>
Finance income	22	685	753	2,827	3,066
Finance cost	23	(2,319)	(1,919)	(9,569)	(7,814)
<b>(Loss)/profit before income tax</b>		<b>(425)</b>	<b>332</b>	<b>(1,752)</b>	<b>1,352</b>
Income tax expense		(128)	(164)	(528)	(668)
<b>(Loss)/profit for the period</b>		<b>(553)</b>	<b>168</b>	<b>(2,280)</b>	<b>684</b>
<b>Other comprehensive (loss)/income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain on cash flow hedges		(666)	664	(2,733)	2,704
Currency translation differences		-	-	(48)	(121)
<b>Total comprehensive (loss)/income</b>		<b>(1,219)</b>	<b>832</b>	<b>(5,061)</b>	<b>3,267</b>

# Group's interim statement of changes in equity

Note	← Attributable to owners of the Company →				Total USD'000	Non-controlling interests USD'000	Total equity	
	Share capital USD'000	Share premium USD'000	Reserves USD'000	Retained earnings USD'000			USD'000	KHR'mil (Note 3)
[Reviewed]								
Balance at 1 July 2022	7,494	2,541	(400)	17,310	26,945	86	27,031	110,016
Loss for the six-month period	-	-	-	(1,854)	(1,854)	-	(1,854)	(7,632)
Fair value gain on cash flow hedges	-	-	392	-	392	-	392	1,614
Currency translation difference	-	-	-	-	-	-	-	1,276
<b>Balance at 31 December 2022</b>	<b>7,494</b>	<b>2,541</b>	<b>(8)</b>	<b>15,456</b>	<b>25,483</b>	<b>86</b>	<b>25,569</b>	<b>105,274</b>
[Reviewed]								
Balance at 1 July 2021	7,494	2,541	(4,269)	17,190	22,956	86	23,042	93,897
Profit for the six-month period	-	-	-	1,257	1,257	-	1,257	5,121
Fair value gain on cash flow hedges	-	-	1,093	-	1,093	-	1,093	4,452
Dividends paid to owners of the Company	-	-	-	(487)	(487)	-	(487)	(1,984)
Currency translation difference	-	-	-	-	-	-	-	(24)
<b>Balance at 31 December 2021</b>	<b>7,494</b>	<b>2,541</b>	<b>(3,176)</b>	<b>17,960</b>	<b>24,819</b>	<b>86</b>	<b>24,905</b>	<b>101,462</b>

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



# Company's interim statement of changes in equity

	Note	← Non-distributable →			Distributable	Total equity USD'000	KHR'mil (Note 3)
		Share capital USD'000	Share premium USD'000	Reserves USD'000	Retained earnings USD'000		
<b>(Reviewed)</b>							
Balance at 1 July 2022		7,494	2,541	(400)	17,542	27,177	110,609
Loss for the six-month period		-	-	-	(1,843)	(1,843)	(7,590)
Fair value gain on cash flow hedges		-	-	392	-	392	1,614
Currency translation difference		-	-	-	-	-	1,283
<b>Balance at 31 December 2022</b>		<b>7,494</b>	<b>2,541</b>	<b>(8)</b>	<b>15,699</b>	<b>25,726</b>	<b>105,916</b>
<b>(Reviewed)</b>							
Balance at 1 July 2021		7,494	2,541	(4,269)	17,400	23,166	94,401
Profit for the six-month period		-	-	-	1,274	1,274	5,190
Fair value gain on cash flow hedges		-	-	1,093	-	1,093	4,452
Dividends paid to owners of the Company		-	-	-	(487)	(487)	(1,984)
Currency translation difference		-	-	-	-	-	(23)
<b>Balance at 31 December 2021</b>		<b>7,494</b>	<b>2,541</b>	<b>(3,176)</b>	<b>18,187</b>	<b>25,046</b>	<b>102,036</b>

# Group's interim statement of cash flows

	Note	(Reviewed)		(Reviewed)	
		For the 6-month period ended 31 December 2022 USD'000	31 December 2021 USD'000	For the 6-month period ended 31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
<b>Operating activities</b>					
(Loss)/profit before income tax		(1,613)	1,671	(6,640)	6,807
<b>Adjustments for:</b>					
Depreciation	20	559	580	2,302	2,362
Amortisation	20	2	2	8	8
Interest income	22	(1,362)	(1,494)	(5,608)	(6,085)
Interest expense	23	4,779	3,239	19,678	13,192
Gain on termination of lease		(20)	-	(82)	
Unrealised foreign exchange gain		-	(1)	-	(4)
<b>Operating profit before working capital changes</b>		<b>2,345</b>	<b>3,997</b>	<b>9,658</b>	<b>16,280</b>
<b>Changes in working capital</b>					
Changes in:					
Trade and other receivables		(1,143)	1,655	(4,706)	6,740
Contract assets/liability		(1,524)	(23,002)	(6,276)	(93,687)
Inventories		6	-	25	-
Amount due from/to holding company		511	(1,859)	2,104	(7,572)
Amounts due to/from related parties		(340)	13,506	(1,400)	55,010
Trade and other payables		1,118	10,719	4,604	43,658
<b>Cash from operations</b>		<b>973</b>	<b>5,016</b>	<b>4,009</b>	<b>20,429</b>
Income tax paid		-	(1,217)	-	(4,957)
<b>Net cash from operating activities</b>		<b>973</b>	<b>3,799</b>	<b>4,009</b>	<b>15,472</b>

# Group's interim statement of cash flows (continued)

		(Reviewed)		(Reviewed)	
		For the 6-month period ended		For the 6-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Note	USD'000	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
<b>Investing activities</b>					
Acquisitions of property, plant and equipment		(16)	(286)	(66)	(1,165)
Acquisitions of intangible assets		(2)	(5)	(8)	(20)
Interest received		34	32	140	130
<b>Net cash from/(used in) investing activities</b>		<b>16</b>	<b>(259)</b>	<b>66</b>	<b>(1,055)</b>
<b>Financing activities</b>					
Dividends paid		-	(487)	-	(1,984)
Proceeds from borrowings	26	9,842	6,055	40,524	24,662
Repayment of borrowings	26	(11,176)	(10,768)	(46,017)	(43,858)
Interest paid		(2,903)	(2,881)	(11,953)	(11,734)
Repayment of lease liabilities	26	(68)	(30)	(280)	(122)
Repayment to holding company		-	(780)	-	(3,177)
Placement of fixed deposits		(204)	(105)	(840)	(428)
Advances due from/to related parties		550	(1,980)	2,265	(8,065)
<b>Net cash used in financing activities</b>		<b>(3,959)</b>	<b>(10,976)</b>	<b>(16,301)</b>	<b>(44,706)</b>
<b>Net change in cash and cash equivalents</b>		<b>(2,970)</b>	<b>(7,436)</b>	<b>(12,226)</b>	<b>(30,289)</b>
Cash and cash equivalents, beginning of period		(6,238)	6,599	(25,392)	26,892
Currency translation difference		-	-	(290)	(14)
<b>Cash and cash equivalents, end of period</b>	12	<b>(9,208)</b>	<b>(837)</b>	<b>(37,908)</b>	<b>(3,411)</b>

# Company's interim statement of cash flows

	Note	(Reviewed)		(Reviewed)	
		For the 6-month period ended 31 December 2022 USD'000	31 December 2021 USD'000	For the 6-month period ended 31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
<b>Operating activities</b>					
(Loss)/profit before income tax		(1,602)	1,688	(6,598)	6,876
<b>Adjustments for:</b>					
Depreciation	20	559	580	2,302	2,362
Amortisation	20	2	2	8	8
Interest income	22	(1,362)	(1,494)	(5,608)	(6,085)
Interest expense	23	4,779	3,239	19,678	13,192
Gain on termination of lease		(20)	-	(82)	-
Unrealised foreign exchange gain		-	(1)	-	(4)
<b>Operating profit before working capital changes</b>		<b>2,356</b>	<b>4,014</b>	<b>9,700</b>	<b>16,349</b>
<b>Changes in working capital</b>					
Changes in:					
Trade and other receivables		(1,143)	1,649	(4,706)	6,716
Contract assets/liability		(1,524)	(23,002)	(6,276)	(93,687)
Inventories		6	-	25	-
Amount due from/to holding company		511	(1,859)	2,104	(7,572)
Amounts due to/from related parties		(340)	13,506	(1,400)	55,010
Trade and other payables		1,121	10,732	4,617	43,711
<b>Cash from operations</b>		<b>987</b>	<b>5,040</b>	<b>4,064</b>	<b>20,527</b>
Income tax paid		-	(1,217)	-	(4,957)
<b>Net cash from operating activities</b>		<b>987</b>	<b>3,823</b>	<b>4,064</b>	<b>15,570</b>

# Company's interim statement of cash flows (continued)

		(Reviewed)		(Reviewed)	
		For the 6-month period ended		For the 6-month period ended	
		31 December	31 December	31 December	31 December
		2022	2021	2022	2021
Note	USD'000	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
<b>Investing activities</b>					
Acquisitions of property, plant and equipment		(16)	(286)	(66)	(1,165)
Acquisitions of intangible assets		(2)	(5)	(8)	(20)
Interest received		34	32	140	130
<b>Net cash from/(used in) investing activities</b>		<b>16</b>	<b>(259)</b>	<b>66</b>	<b>(1,055)</b>
<b>Financing activities</b>					
Dividends paid		-	(487)	-	(1,984)
Drawdown from borrowings	26	9,842	6,055	40,524	24,662
Repayment of borrowings	26	(11,176)	(10,768)	(46,017)	(43,858)
Interest paid		(2,903)	(2,881)	(11,953)	(11,734)
Payment of lease liabilities	26	(68)	(30)	(280)	(122)
Placement of fixed deposits		(204)	(105)	(840)	(428)
Advance from/to related parties		550	(1,980)	2,265	(8,065)
Advance due to a subsidiary		(16)	(18)	(66)	(73)
Repayment to holding company		-	(780)	-	(3,177)
<b>Net cash used in financing activities</b>		<b>(3,975)</b>	<b>(10,994)</b>	<b>(16,367)</b>	<b>(44,779)</b>
<b>Net change in cash and cash equivalents</b>		<b>(2,972)</b>	<b>(7,430)</b>	<b>(12,237)</b>	<b>(30,264)</b>
Cash and cash equivalents, beginning of period		(6,244)	6,586	(25,416)	26,839
Currency translation difference		-	-	(288)	(15)
<b>Cash and cash equivalents, end of period</b>	12	<b>(9,216)</b>	<b>(844)</b>	<b>(37,941)</b>	<b>(3,440)</b>

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

# Notes to the interim condensed financial information

## 1. General information

PESTECH (Cambodia) Plc (“the Company”) was incorporated on 5 February 2010 as a single member private company and was a 100% 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 and fully paid share capital totalling USD7,100,000, consisting of 71,000,000 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.

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. Upon the completion of listing, PESTECH International Berhad owned 94.74% shares of the Company.

The principal activity of the Company is engaged in the construction of electrical substation and transmission lines.

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 registered share capital is USD50,000 comprising 50,000 ordinary shares.

The principal activity of PML is the provision of comprehensive power system engineering, construction, design, installation and related services in power industry.

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.

The principal activity of PHC is to establish the infrastructure of power sector and promote the power segments such as power generation, power transmission, power distribution, microgrid system and other power infrastructure to the rural areas in Myanmar.

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 registered and issued share capital is USD10,000 comprising 10,000 ordinary shares.

### **1. General information (continued)**

The principal activity of PMG is the provision of microgrid system and other power infrastructure to rural areas in Myanmar.

The Company considers PHC and PMG as indirect subsidiaries.

The registered office of the Company is at 10th Floor, Building No. 35, Mao Tse Toung Boulevard, Phum9, Sangkat Boeung Keng Kang I, Khan Boeung Keng Kang, Phnom Penh, Kingdom of Cambodia.

The registered office of PML, PHC and PMG are at Building 24-26 South Race Course Road, Room PH-C, Penthouse floor, Race Course Condo, Tamwe Township, Yangon Region, Myanmar.

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

The interim condensed financial information for the 6-month period ended 31 December 2022 has been reviewed.

The interim condensed financial information of PESTECH (Cambodia) Plc and its subsidiaries ("the Group") as at 31 December 2022 and for the quarter and 6-month period then ended was approved for issue by the Board of Directors on 13 February 2023.

### **2. Basis of preparation**

The interim condensed financial information for the 6-month period ended 31 December 2022 has been prepared in accordance with Cambodian International Accounting Standards 34 - Interim Financial Reporting ("CIAS 34"). This interim condensed financial information does not include all the notes normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the audited financial statements as at 30 June 2022 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 this interim condensed financial information are consistent with the significant accounting policies used in the preparation of the audited financial statements as at 30 June 2022 and for the year then ended.

### **3. Functional and presentation currency**

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

### 3. Functional and presentation currency (continued)

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:

	6-month period ended 31 December 2022	12-month period ended 30 June 2022
Closing rate	4,117	4,070
	31 December 2022	31 December 2021
Average rate*		
6-month period ended	4,118	4,073
3-month period ended	4,127	4,072

\* The average rate is calculated using the monthly rates during the period

Such translated 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 remained unchanged during the reporting period.

On consolidation, assets and liabilities are being 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 cumulative translation differences 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 2022 and for the year then ended.

##### 4.1 Segment reporting

The Group has one reportable segment, namely engineering, procurement, construction and commissioning. The chief operating decision maker reviews the internal management report, which reports the performance of the segment as a whole, to assess performance of the reportable segment. As such, no further segmentation is required.

##### 4.2 Seasonality

The principal business of the Group and the Company are mainly to provide engineering, procurement, construction and commissioning 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 audited financial statements as at 30 June 2022 and for the year then ended.



## 6. Property, plant and equipment

Group and Company	Equipment	Motor vehicles	Computers	Furniture and fittings	Right-of-use assets	Signage	Renovation	Total	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil (Note 3)
<b>(Reviewed)</b>									
<b>Cost</b>									
At 1 July 2022	16,796	812	39	99	492	19	76	18,333	74,615
Additions	10	-	6	-	385	-	-	401	1,651
Write-off due to termination of lease contract	-	-	-	-	(214)	-	-	(214)	(881)
Currency translation difference	-	-	-	-	-	-	-	-	862
<b>Balance at 31 December 2022</b>	<b>16,806</b>	<b>812</b>	<b>45</b>	<b>99</b>	<b>663</b>	<b>19</b>	<b>76</b>	<b>18,520</b>	<b>76,247</b>
<b>Accumulated depreciation</b>									
At 1 July 2022	(3,949)	(524)	(30)	(45)	(171)	(3)	(7)	(4,729)	(19,247)
Depreciation	(423)	(54)	(3)	(7)	(67)	(1)	(4)	(559)	(2,302)
Write-off due to termination of lease contract	-	-	-	-	31	-	-	31	128
Currency translation difference	-	-	-	-	-	-	-	-	(222)
<b>Balance at 31 December 2022</b>	<b>(4,372)</b>	<b>(578)</b>	<b>(33)</b>	<b>(52)</b>	<b>(207)</b>	<b>(4)</b>	<b>(11)</b>	<b>(5,257)</b>	<b>(21,643)</b>
<b>Carrying amount at 31 December 2022</b>	<b>12,434</b>	<b>234</b>	<b>12</b>	<b>47</b>	<b>456</b>	<b>15</b>	<b>65</b>	<b>13,263</b>	<b>54,604</b>

**6. Property, plant and equipment (continued)**

Group and Company	Equipment	Motor vehicles	Computers	Furniture and fittings	Right-of-use assets	Signage	Renovation	Total	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil (Note 3)
<b>Audited</b>									
<b>Cost</b>									
At 1 July 2021	16,775	559	32	78	306	19	59	17,828	72,649
Additions	21	253	7	21	390	-	17	709	2,886
Write-off due to termination of lease contract	-	-	-	-	(204)	-	-	(204)	(830)
Currency translation difference	-	-	-	-	-	-	-	-	(90)
<b>Balance at 30 June 2022</b>	<b>16,796</b>	<b>812</b>	<b>39</b>	<b>99</b>	<b>492</b>	<b>19</b>	<b>76</b>	<b>18,333</b>	<b>74,615</b>
<b>Accumulated depreciation</b>									
At 1 July 2021	(3,064)	(436)	(25)	(31)	(121)	(1)	-	(3,678)	(14,988)
Depreciation	(885)	(88)	(5)	(14)	(112)	(2)	(7)	(1,113)	(4,526)
Write-off due to termination of lease contract	-	-	-	-	62	-	-	62	252
Currency translation difference	-	-	-	-	-	-	-	-	15
<b>Balance at 30 June 2022</b>	<b>(3,949)</b>	<b>(524)</b>	<b>(30)</b>	<b>(45)</b>	<b>(171)</b>	<b>(3)</b>	<b>(7)</b>	<b>(4,729)</b>	<b>(19,247)</b>
<b>Carrying amount at 30 June 2022</b>	<b>12,847</b>	<b>288</b>	<b>9</b>	<b>54</b>	<b>321</b>	<b>16</b>	<b>69</b>	<b>13,604</b>	<b>55,368</b>

## 7. Lease liabilities

### Group and Company as a lessee

The Group and the Company have lease contracts for the properties that are used as their office space, staff accommodation and storage.

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

	<b>Group and Company</b>			
	<b>(Reviewed)</b> <b>31 December 2022</b> <b>USD'000</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>USD'000</b>	<b>(Reviewed)</b> <b>31 December 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>
Non-current	364	230	1,499	934
Current	115	118	473	482
	<b>479</b>	<b>348</b>	<b>1,972</b>	<b>1,416</b>

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

	<b>Group and Company</b>			
	<b>(Reviewed)</b> <b>31 December 2022</b> <b>USD'000</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>USD'000</b>	<b>(Reviewed)</b> <b>31 December 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>
Beginning of the period/year	348	162	1,416	661
Addition	385	390	1,585	1,591
Accretion of interest	17	22	70	91
Termination	(203)	(150)	(836)	(615)
Payments	(68)	(76)	(280)	(309)
Currency translation difference	-	-	17	(3)
<b>End of the period/year</b>	<b>479</b>	<b>348</b>	<b>1,972</b>	<b>1,416</b>

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

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use assets recognised on the 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	4	1.5 years	1.5 years	1	4
Office building	1	6 years	6 years	1	1
Storage	1	3 years	3 years	-	1

## 7. Lease liabilities (continued)

The details of future minimum lease payments are summarized below:

	Minimum lease payments due				
	Within one year USD'000	From one to three years USD'000	From three to five years USD'000	Total USD'000	Total KHR'mil (Note 3)
<b>31 December 2022</b>					
Lease payments	146	198	224	568	2,338
Finance charges	(31)	(40)	(18)	(89)	(366)
<b>Net present value</b>	<b>115</b>	<b>158</b>	<b>206</b>	<b>479</b>	<b>1,972</b>
<b>30 June 2022</b>					
Lease payments	140	228	18	386	1,571
Finance charges	(22)	(16)	-	(38)	(155)
<b>Net present value</b>	<b>118</b>	<b>212</b>	<b>18</b>	<b>348</b>	<b>1,416</b>

## 8. Investment in a subsidiary

	Company		(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000		
<b>At cost – unquoted shares</b>	<b>50</b>	<b>50</b>	<b>204</b>	<b>204</b>

Details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		31 December 2022	30 June 2022	
PESTECH (Myanmar) Limited ("PML")	Myanmar	100.00%	100.00%	Provision of comprehensive power system engineering, construction, design, installation and related services in power industry
<b>Subsidiary of PML</b> PESTECH Hinthar Corporation Limited ("PHC")	Myanmar	60.00%	60.00%	Establish the infrastructure of power sector and promote the power segments such as power generation, power transmission, power distribution, microgrid system and other power infrastructure to the rural areas in Myanmar
<b>Subsidiary of PHC</b> PESTECH Microgrid Company Limited	Myanmar	54.00%	54.00%	Provision of microgrid system and other power infrastructure to rural areas in Myanmar

**9. Contract assets/liability**

	Group and Company			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Beginning of period/year	265,050	245,018	1,078,754	998,449
Revenue recognized	12,603	53,202	51,893	216,355
Billing issued	(11,079)	(35,985)	(45,618)	(146,339)
Finance income recognized	1,328	2,815	5,468	11,448
Translation difference	-	-	12,456	(1,159)
<b>End of period/year</b>	<b>267,902</b>	<b>265,050</b>	<b>1,102,953</b>	<b>1,078,754</b>
Presented as:				
<b>Contract assets</b>				
Current	166,056	155,950	683,653	634,717
Non-current	101,869	109,262	419,395	444,696
	<b>267,925</b>	<b>265,212</b>	<b>1,103,048</b>	<b>1,079,413</b>
<b>Contract liability</b>				
Current	(23)	(162)	(95)	(659)
	<b>267,902</b>	<b>265,050</b>	<b>1,102,953</b>	<b>1,078,754</b>

Contract assets represent the Group's and the Company'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.

Contract liability is recognised if billing have been issued to a customer before the Group or the Company earns the right to the consideration for work completed. The amount of USD139,000 or KHR571 million (30 June 2022: Nil) recognised in contract liability at the beginning of the financial year has been recognised as revenue in the financial period ending 31 December 2022.

**10. Inventories**

	Group and Company			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Construction materials	3,332	3,338	13,718	13,586

**11. Trade and other receivables**

	<b>Group and Company</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Trade receivables	2,750	1,375	11,322	5,596
Deposits	29	37	119	151
Staff advances	12	37	49	151
<b>Financial assets</b>	<b>2,791</b>	<b>1,449</b>	<b>11,490</b>	<b>5,898</b>
Value-added tax	312	259	1,285	1,054
Prepayment	1,182	1,434	4,866	5,836
<b>Non-financial assets</b>	<b>1,494</b>	<b>1,693</b>	<b>6,151</b>	<b>6,890</b>
	<b>4,285</b>	<b>3,142</b>	<b>17,641</b>	<b>12,788</b>

**12. Cash and bank balances**

	<b>Group</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Cash in banks (a)	6,689	8,091	27,539	32,930
Deposits with licensed banks (b)	1,970	1,766	8,110	7,188
Cash on hand	13	15	54	61
	<b>8,672</b>	<b>9,872</b>	<b>35,703</b>	<b>40,179</b>

  

	<b>Company</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Cash in banks (a)	6,681	8,085	27,506	32,906
Deposits with licensed banks (b)	1,970	1,766	8,110	7,188
Cash on hand	13	15	54	61
	<b>8,664</b>	<b>9,866</b>	<b>35,670</b>	<b>40,155</b>

- (a) Two of the bank accounts have been pledged to syndicated financing facilities and one of the bank accounts have been pledged to bank overdraft as disclosed in note 17(a.2) and note 17(c.5) respectively.
- (b) Deposits with licensed banks of the Group and the Company have been pledged as security for bank overdrafts and term loan as disclosed in note 17(a.2) and note 17(c.5) respectively. The deposits earn interest of 4.25% (2021:4.25%) per annum.

## 12. Cash and bank balances (continued)

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

	Group			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Cash and bank balances	8,672	9,634	35,703	39,249
Bank overdrafts	(9,267)	(2,319)	(38,152)	(9,448)
Fixed deposit pledged to borrowings	(1,970)	(1,509)	(8,110)	(6,148)
Cash in banks pledged to borrowings	(6,643)	(6,643)	(27,349)	(27,064)
Cash and cash equivalents per statement of cash flows	(9,208)	(837)	(37,908)	(3,411)

	Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Cash and cash equivalents	8,664	9,627	35,670	39,220
Bank overdrafts	(9,267)	(2,319)	(38,152)	(9,448)
Fixed deposit pledged to borrowings	(1,970)	(1,509)	(8,110)	(6,148)
Cash in banks pledged to borrowings	(6,643)	(6,643)	(27,349)	(27,064)
Cash and cash equivalents per statement of cash flows	(9,216)	(844)	(37,941)	(3,440)

## 13. Share capital

	Group and Company							
	Number of shares			Amount				
	(Reviewed)		(Audited)		(Reviewed)		(Audited)	
	31 December 2022	30 June 2022	31 December 2022 USD'000	30 June 2022 USD'000	31 December 2022 KHR'mil (Note 3)	30 June 2022 KHR'mil (Note 3)		
Shares issued and fully paid:								
- Beginning/end of the period/year	74,945,000	74,945,000	7,494	7,494	30,725	30,725		

## 14. Share premium

Share premium 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 attributable to the issuance.

**15. Reserves**

	<b>Group and Company</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Capital contribution reserve	52	52	214	212
Cash flow hedge reserve (note 18)	(60)	(452)	(247)	(1,838)
Currency translation difference	-	-	(1)	(257)
	<b>(8)</b>	<b>(400)</b>	<b>(34)</b>	<b>(1,883)</b>

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.

**16. Trade and other payables**

	<b>Group</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Provision for project cost	46,383	44,141	190,959	179,654
Trade payables	2,182	1,780	8,983	7,245
Accruals	1,253	802	5,159	3,262
Other payables	39	160	158	650
<b>Financial liabilities</b>	<b>49,857</b>	<b>46,883</b>	<b>205,259</b>	<b>190,811</b>
Taxes payable	117	114	482	464
<b>Non-financial liability</b>	<b>117</b>	<b>114</b>	<b>482</b>	<b>464</b>
	<b>49,974</b>	<b>46,997</b>	<b>205,741</b>	<b>191,275</b>

	<b>Company</b>			
	(Reviewed) 31 December 2022 USD'000	(Audited) 30 June 2022 USD'000	(Reviewed) 31 December 2022 KHR'mil (Note 3)	(Audited) 30 June 2022 KHR'mil (Note 3)
Provision for project cost	46,383	44,141	190,959	179,654
Trade payables	2,182	1,780	8,983	7,245
Accruals	1,253	802	5,159	3,264
Other payables	37	155	152	630
<b>Financial liabilities</b>	<b>49,855</b>	<b>46,878</b>	<b>205,253</b>	<b>190,793</b>
Taxes payable	117	114	482	464
<b>Non-financial liability</b>	<b>117</b>	<b>114</b>	<b>482</b>	<b>464</b>
	<b>49,972</b>	<b>46,992</b>	<b>205,735</b>	<b>191,257</b>



**17. Borrowings**

	<b>Group and Company</b>			
	<b>(Reviewed)</b> <b>31 December 2022</b> <b>USD'000</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>USD'000</b>	<b>(Reviewed)</b> <b>31 December 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>KHR'mil</b> <b>(Note 3)</b>
<b>Current</b>				
Secured:				
Bank overdrafts	9,267	7,701	38,152	31,345
Revolving credit	1,534	3,080	6,315	12,536
Term loans	11,200	9,500	46,110	38,663
Trust receipt	3,736	-	15,381	-
<b>Total current</b>	<b>25,737</b>	<b>20,281</b>	<b>105,958</b>	<b>82,544</b>
<b>Non-current</b>				
Secured:				
Term loans	76,847	82,071	316,379	334,029
<b>Total non-current</b>	<b>76,847</b>	<b>82,071</b>	<b>316,379</b>	<b>334,029</b>
	<b>102,584</b>	<b>102,352</b>	<b>422,337</b>	<b>416,573</b>

The effective interest rates of the borrowings are as follows:

	<b>Group and Company</b>	
	<b>(Reviewed)</b> <b>31 December 2022</b> <b>%</b>	<b>(Audited)</b> <b>30 June 2022</b> <b>%</b>
Bank overdrafts (a)	6.75 to 8.5	7.0 to 8.5
Revolving credit (b)	7.2	7.2
Term loans (c)	6.78 to 8.25	4.9 to 7.5
Trust receipt (b)	6.5	-

The borrowings are secured by the following:

**Bank overdrafts**

- a.1 Granting facilities to the Company under letter of offer;
- a.2 Pledge of bank accounts and deposits with a licensed bank of the Company as disclosed in note 12; and
- a.3 Corporate guarantee from holding company, PESTECH International Berhad.

**Revolving credit/Trust receipt**

- b.1 Corporate guarantee from holding company, PESTECH International Berhad.

**Term loans**

- c.1 Assignment of rights and benefits of the Project Documents, 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 and deposits with a licensed bank of the Company as disclosed in note 12.

**18. Derivative financial instruments**

	<b>(Reviewed)</b>		<b>(Audited)</b>		<b>(Reviewed)</b>		<b>(Audited)</b>	
	<b>31 December</b>		<b>30 June</b>		<b>31 December</b>		<b>30 June</b>	
	<b>2022</b>		<b>2022</b>		<b>2022</b>		<b>2022</b>	
	<b>Notional value</b>		<b>Fair value liabilities</b>					
	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>	<b>(Note 3)</b>	<b>(Note 3)</b>
Interest rate swaps	<b>43,000</b>	<b>42,100</b>	<b>(60)</b>	<b>(452)</b>	<b>(247)</b>	<b>(1,838)</b>		

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 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.

**19. Revenue**

	<b>Group and Company</b>			
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
	<b>For the 6-month period ended</b>		<b>For the 6-month period ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>
			<b>(Note 3)</b>	<b>(Note 3)</b>
Construction contract and service rendered	<b>12,603</b>	<b>32,500</b>	<b>51,893</b>	<b>132,373</b>

	<b>Group and Company</b>			
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
	<b>For the 3-month period ended</b>		<b>For the 3-month period ended</b>	
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>
			<b>(Note 3)</b>	<b>(Note 3)</b>
Construction contract and service rendered	<b>4,630</b>	<b>14,311</b>	<b>19,106</b>	<b>58,274</b>

**19 Revenue (continued)****19.1 Disaggregated revenue information**

	<b>Group and Company</b>			
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>
			<b>(Note 3)</b>	<b>(Note 3)</b>
Timing of revenue recognition:				
Over time	<b>12,603</b>	<b>32,500</b>	<b>51,893</b>	<b>132,373</b>

	<b>Group and Company</b>			
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>
			<b>(Note 3)</b>	<b>(Note 3)</b>
Timing of revenue recognition:				
Over time	<b>4,630</b>	<b>14,311</b>	<b>19,106</b>	<b>58,274</b>

**20. Operating expenses**

	<b>Group</b>			
	<b>(Reviewed)</b>		<b>(Reviewed)</b>	
	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended
	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>	<b>31 December</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>USD'000</b>	<b>USD'000</b>	<b>KHR'mil</b>	<b>KHR'mil</b>
			<b>(Note 3)</b>	<b>(Note 3)</b>
<u>Direct costs</u>				
Raw materials and consumables	<b>7,261</b>	<b>25,491</b>	<b>29,897</b>	<b>103,825</b>
Operation overheads	<b>909</b>	<b>1,362</b>	<b>3,743</b>	<b>5,547</b>
	<b>8,170</b>	<b>26,853</b>	<b>33,640</b>	<b>109,372</b>
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	<b>786</b>	<b>748</b>	<b>3,236</b>	<b>3,047</b>
Directors' remuneration	<b>261</b>	<b>195</b>	<b>1,075</b>	<b>794</b>
<u>Amortisation</u>				
Intangible assets	<b>2</b>	<b>2</b>	<b>8</b>	<b>8</b>
<u>Depreciation</u>				
Property, plant and equipment	<b>492</b>	<b>525</b>	<b>2,026</b>	<b>2,138</b>
Right-of-use assets	<b>67</b>	<b>55</b>	<b>276</b>	<b>224</b>
	<b>559</b>	<b>580</b>	<b>2,302</b>	<b>2,362</b>
<u>General expenses</u>				
Withholding tax	<b>511</b>	<b>383</b>	<b>2,104</b>	<b>1,560</b>
Professional fees	<b>131</b>	<b>86</b>	<b>539</b>	<b>350</b>
Bank charges	<b>78</b>	<b>41</b>	<b>321</b>	<b>167</b>
Management fees	<b>-</b>	<b>3</b>	<b>-</b>	<b>12</b>
Other expenses	<b>366</b>	<b>271</b>	<b>1,505</b>	<b>1,105</b>
	<b>1,086</b>	<b>784</b>	<b>4,469</b>	<b>3,194</b>
	<b>10,864</b>	<b>29,162</b>	<b>44,730</b>	<b>118,777</b>

**20. Operating expenses (continued)**

	Group			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	1,722	11,019	7,106	44,869
Operation overheads	376	613	1,552	2,496
	<b>2,098</b>	<b>11,632</b>	<b>8,658</b>	<b>47,365</b>
<u>Employee benefit expenses</u>				
Salaries, wages, bonuses and other emoluments	403	397	1,663	1,617
Director's remuneration	134	95	553	387
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	246	264	1,015	1,075
Right of use assets	32	23	132	94
	<b>278</b>	<b>287</b>	<b>1,147</b>	<b>1,169</b>
<u>General expenses</u>				
Withholding tax	278	256	1,147	1,042
Professional fee	47	51	194	208
Bank charges	5	7	21	29
Management fees	-	3	-	12
Other expenses	202	166	834	675
	<b>532</b>	<b>483</b>	<b>2,196</b>	<b>1,966</b>
	<b>3,446</b>	<b>12,895</b>	<b>14,221</b>	<b>52,508</b>

**20. Operating expenses (continued)**

	Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	7,261	25,491	29,897	103,825
Operation overheads	909	1,362	3,743	5,547
	<b>8,170</b>	<b>26,853</b>	<b>33,640</b>	<b>109,372</b>
<u>Employee benefit expenses</u>				
Salaries and other benefits	780	747	3,212	3,043
Directors' remuneration	261	195	1,075	794
<u>Amortisation</u>				
Intangible assets	2	2	8	8
<u>Depreciation</u>				
Property, plant and equipment	492	525	2,026	2,138
Right of use assets	67	55	276	224
	<b>559</b>	<b>580</b>	<b>2,302</b>	<b>2,362</b>
<u>General expenses</u>				
Withholding tax	511	383	2,104	1,560
Professional fees	129	81	531	330
Bank charges	78	41	321	167
Management fee		3	-	12
Other expenses	363	261	1,495	1,064
	<b>1,081</b>	<b>769</b>	<b>4,451</b>	<b>3,133</b>
	<b>10,853</b>	<b>29,146</b>	<b>44,688</b>	<b>118,712</b>

**20. Operating expenses (continued)**

	Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	1,722	11,019	7,106	44,869
Operation overheads	376	613	1,552	2,496
	<b>2,098</b>	<b>11,632</b>	<b>8,658</b>	<b>47,365</b>
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	400	397	1,651	1,617
Directors' remuneration	134	95	553	387
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	246	264	1,015	1,075
Right-of-use assets	32	23	132	94
	<b>278</b>	<b>287</b>	<b>1,147</b>	<b>1,169</b>
<u>General expenses</u>				
Withholding tax	278	256	1,147	1,042
Professional fees	47	51	194	208
Bank charges	5	8	21	33
Management fees	-	2	-	8
Other expenses	201	160	829	651
	<b>531</b>	<b>477</b>	<b>2,191</b>	<b>1,942</b>
	<b>3,442</b>	<b>12,889</b>	<b>14,204</b>	<b>52,484</b>

**21. Other operating income**

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December 2022 USD'000	31 December 2021 USD'000	31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Management fees charged to related parties	28	19	115	77
Gain on lease termination	20	-	82	-
Project management fees charged to a related party	-	17	-	70
	<b>48</b>	<b>36</b>	<b>197</b>	<b>147</b>

**21. Other operating income (continued)**

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	31 December	31 December	31 December	31 December
2022	2021	2022	2021	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
Management fees charged to related parties	14	19	58	77
Project management fees charged to a related party	-	17	-	70
	<b>14</b>	<b>36</b>	<b>58</b>	<b>147</b>

**22. Finance income**

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December	31 December	31 December	31 December
2022	2021	2022	2021	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
<b>Interest income for:</b>				
Contract assets	1,328	1,462	5,468	5,955
Term deposits	34	32	140	130
	<b>1,362</b>	<b>1,494</b>	<b>5,608</b>	<b>6,085</b>

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	31 December	31 December	31 December	31 December
2022	2021	2022	2021	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
<b>Interest income for:</b>				
Contract assets	664	730	2,740	2,972
Term deposits	21	23	87	94
	<b>685</b>	<b>753</b>	<b>2,827</b>	<b>3,066</b>

**23. Finance cost**

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended		For the 6-month period ended	
	31 December	31 December	31 December	31 December
2022	2021	2022	2021	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
<b>Interest expense for:</b>				
Term loans	2,736	2,525	11,266	10,283
Charged by intercompany	1,531	536	6,304	2,183
Bank overdrafts	315	63	1,297	257
Revolving credit	77	105	317	428
Trust receipt	103	-	424	-
Lease liabilities	17	10	70	41
	<b>4,779</b>	<b>3,239</b>	<b>19,678</b>	<b>13,192</b>

**23. Finance cost (continued)**

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended 31 December	31 December	For the 3-month period ended 31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
<b>Interest expense for:</b>				
Term loans	1,181	1,289	4,874	5,248
Charged by intercompany	879	536	3,627	2,183
Bank overdrafts	159	40	656	163
Revolving credit	23	49	95	200
Trust receipt	68	-	280	-
Lease liabilities	9	5	37	20
	<b>2,319</b>	<b>1,919</b>	<b>9,569</b>	<b>7,814</b>

**24. 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 and sundry income 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 December 2022 and 2021 as they have not yet started their commercial operations.

Income tax expense for the periods ended 31 December 2022 and 2021 consists of:

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 6-month period ended 31 December	31 December	For the 6-month period ended 31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Current income tax	172	325	708	1,323
Deferred tax	69	89	284	363
Income tax expense	<b>241</b>	<b>414</b>	<b>992</b>	<b>1,686</b>



#### 24.1 Reconciliation between profit before income tax and taxable income

A reconciliation between accounting profit before income tax and taxable income for the periods ended 31 December 2022 and 2021 follows:

	Group (Reviewed)		(Reviewed)	
	For the 6-month period ended 31 December 2022 USD'000	31 December 2021 USD'000	For the 6-month period ended 31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Accounting (loss)/profit before tax	(1,613)	1,671	(6,640)	6,807
Add:				
Non-deductible expenses/(non-taxable income)	2,610	(1,329)	10,743	(5,410)
<b>Taxable profit</b>	<b>997</b>	<b>342</b>	<b>4,103</b>	<b>1,397</b>
Income tax expense at the applicable tax rate 20%	199	68	821	278
Reduction in tax rate 2.76%*	(27)	(9)	(113)	(39)
Income tax expense at the effective tax rate 17.24% (A)	172	59	708	239
Minimum tax (B)	127	325	519	1,323
<b>Estimated income tax expense (higher of A or B)</b>	<b>172</b>	<b>325</b>	<b>708</b>	<b>1,323</b>

	Company (Reviewed)		(Reviewed)	
	For the 6-month period ended 31 December 2022 USD'000	31 December 2021 USD'000	For the 6-month period ended 31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Accounting (loss)/profit before tax	(1,602)	1,688	(6,598)	6,876
Add:				
Non-deductible expenses/(non-taxable income)	2,599	(1,346)	10,701	(5,480)
<b>Taxable profit</b>	<b>997</b>	<b>342</b>	<b>4,103</b>	<b>1,396</b>
Income tax expense at the applicable tax rate 20%	199	68	821	279
Reduction in tax rate 2.76%*	(27)	(9)	(113)	(39)
Income tax expense at the effective tax rate 17.24% (A)	172	59	708	240
Minimum tax (B)	127	325	519	1,323
<b>Estimated income tax expense (higher of A or B)</b>	<b>172</b>	<b>325</b>	<b>708</b>	<b>1,323</b>

\* In accordance with Prakas No. 183 dated 25 February 2020 issued by the Ministry of Economy and Finance, which implements tax on income incentives under Sub-decree 01, entities that list or offer either stock or debt security are entitled to enjoy 50% reduction of the annual tax on income liability for three years. The tax on income incentive is calculated based on percentage of stock securities issued. On 26 August 2021, the Company has obtained letter No. 14331 issued by the GDT to approve its application for this tax on income incentive.

## 24.2 Taxation contingencies

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is subject to interpretation. Often times, 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. However, the relevant authorities may have differed interpretations and the effects since the incorporation could be significant.

## 25. Deferred tax liability

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
<b>Property, plant and equipment</b>				
Beginning balance	986	777	4,013	3,166
Recognised in profit or loss	69	209	284	850
Translation difference	-	-	46	(3)
<b>Ending balance</b>	<b>1,055</b>	<b>986</b>	<b>4,343</b>	<b>4,013</b>

## 26. Reconciliation of liabilities arising from financing activities

The changes in the Group's and the Company's liabilities arising from financing activities as follows:

	(Audited)					(Reviewed)	
	1 July 2022	Non-cash flows		Cash flows		31 December 2022	
	USD'000	Additions USD'000	Reversal USD'000	Proceeds USD'000	Repayments USD'000	USD'000	KHR'mil (Note 3)
Term loans	91,571	-	-	978	(4,502)	88,047	362,489
Revolving credit	3,080	-	-	2,736	(4,282)	1,534	6,315
Trust receipt	-	-	-	6,128	(2,392)	3,736	15,381
Lease liabilities	348	382	(183)	-	(68)	479	1,972
	<b>94,999</b>	<b>382</b>	<b>(183)</b>	<b>9,842</b>	<b>(11,244)</b>	<b>93,796</b>	<b>386,157</b>

	(Audited)					(Reviewed)	
	1 July 2021	Non-cash flows		Cash flows		31 December 2021	
	USD'000	Additions USD'000	Reversal USD'000	Proceeds USD'000	Repayments USD'000	USD'000	KHR'mil (Note 3)
Term loans	100,075	-	-	-	(4,001)	96,074	391,405
Revolving credit	2,523	-	-	6,055	(6,767)	1,811	7,378
Lease liabilities	162	144	-	-	(30)	276	1,125
	<b>102,760</b>	<b>144</b>	<b>-</b>	<b>6,055</b>	<b>(10,798)</b>	<b>98,961</b>	<b>399,908</b>

**27. Related party balances and transactions**

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed)	(Audited)	(Reviewed)	(Audited)
		31 December 2022 USD'000	30 June 2022 USD'000	31 December 2022 KHR'mil (Note 3)	30 June 2022 KHR'mil (Note 3)
<b>Group and Company</b>					
<b>Amounts due from related parties</b>					
Diamond Power Limited	Fellow subsidiary	3	4	12	16
Green Sustainable Ventures (Cambodia) Co., Ltd	Fellow subsidiary	220	220	906	895
		<b>223</b>	<b>224</b>	<b>918</b>	<b>911</b>
<b>Amounts due to related parties</b>					
PESTECH Sdn Bhd	Fellow subsidiary	10,279	11,464	42,319	46,658
Enersol Co. Ltd.	Fellow subsidiary	37,229	36,566	153,272	148,824
PESTECH Energy Sdn Bhd	Fellow subsidiary	-	15	-	61
ODM Power Line Co Ltd	Fellow subsidiary	38,698	38,032	159,320	154,790
PESTECH Transmission Sdn Bhd	Fellow subsidiary	3,600	3,520	14,820	14,326
		<b>89,806</b>	<b>89,597</b>	<b>369,731</b>	<b>364,659</b>
<b>Amount due to holding company</b>					
PESTECH International Berhad	Holding company	27,345	26,834	112,579	109,214
<b>Company</b>					
<b>Amount due from a subsidiary</b>					
PESTECH (Myanmar) Limited	Subsidiary	113	97	465	395

The amounts due from/to related parties are mainly trade related, unsecured, interest free and repayable on demand, except for certain amounts due to PESTECH International Berhad, Enersol Co. Ltd. and PESTECH Sdn Bhd which bear interest at the rate ranging from 3.31% to 5.57% (30 June 2022: 2.32% to 4.5%) per annum, respectively.

**27. Related party balances and transactions (continued)**

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

**Group and Company**

Related party	Relationship	Transactions	[Reviewed]		[Reviewed]	
			For the 6-month period ended 31 December 2022 USD'000	31 December 2021 USD'000	For the 6-month period ended 31 December 2022 KHR'mil (Note 3)	31 December 2021 KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Management service income	4	-	18	-
		Operation and maintenance service	678	656	2,792	2,671
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	1,031	7,416	4,246	30,205
		Interest charged	157	3	647	12
		Progress billing	2,752	-	11,333	-
Enersol Co. Ltd.	Fellow subsidiary	Contract cost incurred	-	1,166	-	4,749
		Interest charged	759	256	3,125	1,043
PESTECH Transmission Sdn Bhd	Fellow subsidiary	Contract cost incurred	-	39	-	159
ODM Power Line Co Ltd	Fellow subsidiary	Management service income	5	10	20	40
PESTECH International Berhad	Holding company	Interest charged	615	277	2,532	1,128
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	Management service income	5	9	20	37
		Operation and maintenance service	72	-	296	-
PESTECH Energy Sdn Bhd	Fellow subsidiary	Contract cost	-	21	-	86

**27. Related party balances and transactions (continued)**

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

Group and Company

Related party	Relationship	Transactions	[Reviewed]		[Reviewed]	
			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 December 2022	31 December 2021	31 December 2022	31 December 2021
			USD'000	USD'000	KHR'mil	KHR'mil
					(Note 3)	(Note 3)
Diamond Power Limited	Fellow subsidiary	Management service income	4	-	18	-
		Operation and maintenance service	339	328	1,398	1,335
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	(969)	2,458	(3,970)	10,011
		Interest charged	91	3	375	12
		Progress billing	2,611	-	10,754	-
Enersol Co. Ltd.	Fellow subsidiary	Contract cost incurred	-	1,166	-	4,749
		Interest charged	479	256	1,974	1,043
PESTECH Transmission Sdn Bhd	Fellow subsidiary	Contract cost	-	27	-	110
ODM Power Line Co Ltd	Fellow subsidiary	Management service income	5	10	20	40
PESTECH International Berhad	Holding company	Interest charged	309	277	1,277	1,128
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	Management service income	5	9	20	37
		Operation and maintenance service	36	-	148	-
PESTECH Energy Sdn Bhd	Fellow subsidiary	Contract cost	-	15	-	61

## 28. 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]		[Reviewed]	
	For the 6-month period ended		For the 6-month period ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Salaries and bonus	261	195	1,075	794

	Group and Company			
	[Reviewed]		[Reviewed]	
	For the 3-month period ended		For the 3-month period ended	
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Salaries and bonus	134	95	553	387

## 29. 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, 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	Group and Company			
	31 December 2022		30 June 2022	
	Carrying amount	Level 2	Carrying amount	Level 2
	USD'000	USD'000	USD'000	USD'000
Derivative financial instruments	(60)	(60)	(452)	(452)

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.

**29. Fair value of financial instruments (continued)**

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.

**30. Categories of financial instruments**

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

	Group			
	[Reviewed]	[Audited]	[Reviewed]	[Audited]
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	8,672	9,872	35,703	40,179
Trade and other receivables	2,791	1,449	11,490	5,898
Amounts due from related parties	223	224	918	911
	<b>11,686</b>	<b>11,545</b>	<b>48,111</b>	<b>46,988</b>

	Company			
	[Reviewed]	[Audited]	[Reviewed]	[Audited]
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	8,664	9,866	35,670	40,155
Trade and other receivables	2,791	1,449	11,490	5,898
Amount due from a subsidiary	113	97	465	395
Amounts due from related parties	223	224	918	911
	<b>11,791</b>	<b>11,636</b>	<b>48,543</b>	<b>47,359</b>

	Group			
	[Reviewed]	[Audited]	[Reviewed]	[Audited]
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	49,857	46,883	205,259	190,811
Amount due to holding company	27,345	26,834	112,579	109,214
Amounts due to related parties	89,806	89,597	369,731	364,659
Borrowings	102,584	102,352	422,337	416,573
Derivatives used for hedging				
Derivative financial instruments	60	452	247	1,838
Not within scope of CIFRS 9				
Lease liabilities	479	348	1,972	1,416
	<b>270,131</b>	<b>266,466</b>	<b>1,112,125</b>	<b>1,084,511</b>

**30. Categories of financial instruments (continued)**

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

	(Reviewed)	Company (Audited)	(Reviewed)	(Audited)
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	49,855	46,878	205,253	190,793
Amount due to holding company	27,345	26,834	112,579	109,214
Amounts due to related parties	89,806	89,597	369,731	364,659
Borrowings	102,584	102,352	422,337	416,573
Derivatives used for hedging				
Derivative financial instruments	60	452	247	1,838
Not within scope of CIFRS 9				
Lease liabilities	479	348	1,972	1,416
	<b>270,129</b>	<b>266,461</b>	<b>1,112,119</b>	<b>1,084,493</b>

**31. (Loss)/earnings per share**

Basic (loss)/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)	(Reviewed)	(Reviewed)	(Reviewed)
	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended	For the 6-month period ended
	31 December	31 December	31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
(Loss)/profit attributable to the owners of the Company	(1,854)	1,257	(7,632)	5,121
Weighted average number of shares (units)	74,945,000	74,945,000	74,945,000	74,945,000
Basic (loss)/earnings per share (cent/riel)	(2.47)	1.68	(101.83)	68.33
Diluted (loss)/earnings per share (cent/riel)	(2.47)	1.68	(101.83)	68.33

	Group			
	(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
	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 December	31 December	31 December	31 December
	2022	2021	2022	2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
(Loss)/profit attributable to the owners of the Company	(557)	161	(2,297)	656
Weighted average number of shares	74,945,000	74,945,000	74,945,000	74,945,000
Basic (loss)/earnings per share (cent/riel)	(0.74)	0.21	(30.65)	8.75
Diluted (loss)/earnings per share (cent/riel)	(0.74)	0.21	(30.65)	8.75

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

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



**32. 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 17c.3. As at 31 December 2022, the insurance premium payable is USD 1,928,870 (30 June 2022: USD2,081,427).

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 Sihanoukville for a total amount of USD3,222,125 to secure the borrowing facility as disclosed in note 17c.3. As at 31 December 2022, the insurance premium payable is USD 1,684,052 (30 June 2022: USD1,826,646).

**33. Events after reporting period**

There are no significant events occurred after the end of the reporting period and the date of authorization of these interim financial statements, which would require adjustments or disclosures to be made in the interim financial statements.