

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

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

As at 30 September 2021 and for the
three-month period then ended

Contents

	Pages
Statement by the Directors	1
Interim condensed financial information	
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 - 9
Company's interim statement of profit or loss and other comprehensive income	10
Group's interim statement of changes in equity	11
Company's interim statement of changes in equity	12
Group's interim statement of cash flows	13 - 14
Company's interim statement of cash flows	15 - 16
Notes to the interim condensed financial information	17 - 39

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 the interim condensed statements of financial position of the Company and its subsidiaries (together hereinafter referred to as “the Group”) as at 30 September 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 three-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
11 November 2021



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 30 September 2021, and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the 3-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 Company and of the Group are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.



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 2021. The comparative information for the 3-month period ended 30 September 2020 on the statements of profit or loss and other comprehensive income, cash flows and related explanatory notes was reviewed but unaudited.


GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors




Ng Yee Zent
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
11 November 2021

Group's interim statement of financial position

	Note	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Assets					
Non-current					
Property, plant and equipment	6	14,179	14,150	57,836	57,661
Intangible assets		7	3	29	12
Contract assets	9	119,152	122,167	486,021	497,831
Non-current assets		133,338	136,320	543,886	555,504
Current					
Inventories	10	3,508	3,508	14,309	14,295
Contract assets	9	140,334	122,851	572,422	500,618
Trade and other receivables	11	6,819	6,503	27,814	26,501
Amounts due from a related party	26	2	2	8	8
Cash and bank balances	12	8,176	17,167	33,350	69,956
Current assets		158,839	150,031	647,903	611,378
Total assets		292,177	286,351	1,191,789	1,166,882

Group's interim statement of financial position (continued)

	Note	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,494	30,725	30,725
Share premium	14	2,541	2,541	10,422	10,422
Reserves	15	(3,840)	(4,269)	(15,686)	(17,435)
Retained earnings		18,286	17,190	74,508	70,040
Currency translation difference		-	-	(111)	(206)
Total equity attributable to the owners of the Company		24,481	22,956	99,858	93,546
Non-controlling interests		86	86	350	351
Total equity		24,567	23,042	100,208	93,897
Liabilities					
Non-current					
Borrowings	17	89,325	91,575	364,357	373,168
Lease liabilities	7	248	148	1,012	603
Deferred tax liability	24	811	777	3,308	3,166
Derivative financial instruments	18	3,892	4,321	15,875	17,608
Non-current liabilities		94,276	96,821	384,552	394,545
Current					
Trade and other payables	16	38,332	33,396	156,356	136,089
Amount due to holding company	26	24,895	27,054	101,547	110,245
Amounts due to related parties	26	96,270	90,668	392,685	369,472
Borrowings	17	12,257	13,544	49,996	55,192
Lease liabilities	7	38	14	155	58
Income tax payable		1,542	1,812	6,290	7,384
Current liabilities		173,334	166,488	707,029	678,440
Total liabilities		267,610	263,309	1,091,581	1,072,985
Total equity and liabilities		292,177	286,351	1,191,789	1,166,882

Company's interim statement of financial position

	Note	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Assets					
Non-current					
Investment in a subsidiary	8	50	50	204	204
Property, plant and equipment	6	14,179	14,150	57,836	57,661
Intangible assets		7	3	29	12
Contract assets	9	119,152	122,167	486,021	497,831
Non-current assets		133,388	136,370	544,090	555,708
Current					
Inventories	10	3,508	3,508	14,309	14,295
Contract assets	9	140,334	122,851	572,422	500,618
Trade and other receivables	11	6,814	6,497	27,794	26,475
Amounts due from a related party	26	2	2	8	8
Amount due from a subsidiary	26	89	79	363	322
Cash and bank balances	12	8,166	17,154	33,309	69,903
Current assets		158,913	150,091	648,205	611,621
Total assets		292,301	286,461	1,192,295	1,167,329

Company's interim statement of financial position (continued)

	Note	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,494	30,725	30,725
Share premium	14	2,541	2,541	10,422	10,422
Reserves	15	(3,840)	(4,269)	(15,686)	(17,435)
Retained earnings		18,506	17,400	75,421	70,912
Currency translation difference		-	-	(127)	(223)
Total equity		24,701	23,166	100,755	94,401
Liabilities					
Non-current					
Borrowings	17	89,325	91,575	364,357	373,168
Lease liabilities	7	248	148	1,012	603
Deferred tax liability	24	811	777	3,308	3,166
Derivative financial instruments	18	3,892	4,321	15,875	17,608
Non-current liabilities		94,276	96,821	384,552	394,545
Current					
Trade and other payables	16	38,322	33,382	156,315	136,032
Amount due to holding company	26	24,895	27,054	101,547	110,245
Amounts due to related parties	26	96,270	90,668	392,685	369,472
Borrowings	17	12,257	13,544	49,996	55,192
Lease liabilities	7	38	14	155	58
Income tax payable		1,542	1,812	6,290	7,384
Current liabilities		173,324	166,474	706,988	678,383
Total liabilities		267,600	263,295	1,091,540	1,072,928
Total equity and liabilities		292,301	286,461	1,192,295	1,167,329

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

		(Reviewed)		(Reviewed)	
		For the 3-month period ended		For the 3-month period ended	
		30 September	30 September	30 September	30 September
		2021	2020	2021	2020
	Note	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
Revenue	19	18,189	18,158	74,157	74,448
Operating expenses	20	(16,267)	(16,521)	(66,321)	(67,736)
Other gains		3	18	12	74
Operating profit		1,925	1,655	7,848	6,786
Finance income	21	741	9	3,021	37
Finance cost	22	(1,320)	(1,710)	(5,382)	(7,011)
Profit/(loss) before income tax		1,346	(46)	5,487	(188)
Income tax expense	23	(250)	(270)	(1,019)	(1,107)
Profit/(loss) for the period		1,096	(316)	4,468	(1,295)
Profit/(loss) for the period attributable to:					
Owners of the Company		1,096	(313)	4,468	(1,283)
Non-controlling interests		-	(3)	-	(12)
		1,096	(316)	4,468	(1,295)

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

	Note	[Reviewed] For the 3-month period ended		[Reviewed] For the 3-month period ended	
		30 September 2021 USD'000	30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Profit/(loss) for the period		1,096	(316)	4,468	(1,295)
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Fair value gain on cash flow hedges		429	114	1,749	467
Currency translation difference		-	-	94	184
Total comprehensive income/(loss) for the period		1,525	(202)	6,311	(644)
Total comprehensive income/(loss) for the period attributable to:					
Owners of the Company		1,525	(199)	6,311	(632)
Non-controlling interests		-	(3)	-	(12)
		1,525	(202)	6,311	(644)

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

Basic earnings/(loss) per share (cent/riel)	30	1.46	(0.43)	59.62	(17.55)
Diluted earnings/(loss) per share (cent/riel)	30	1.46	(0.43)	59.62	(17.55)

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

	Note	(Reviewed)		(Reviewed)	
		For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Revenue	19	18,189	18,158	74,157	74,448
Operating expenses	20	(16,257)	(16,479)	(66,280)	(67,564)
Other gains		3	13	12	53
Operating profit		1,935	1,692	7,889	6,937
Finance income	21	741	9	3,021	37
Finance cost	22	(1,320)	(1,710)	(5,382)	(7,011)
Profit/(loss) before income tax		1,356	(9)	5,528	(37)
Income tax expense	23	(250)	(270)	(1,019)	(1,107)
Profit/(loss) for the period		1,106	(279)	4,509	(1,144)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value gain on cash flow hedges		429	114	1,749	467
Currency translation differences		-	-	96	184
Total comprehensive income/(loss) for the period		1,535	(165)	6,354	(493)

Group's interim statement of changes in equity

	← Attributable to owners of the Company →					Total USD'000	Non-controlling interests USD'000	Total equity	
	Note	Share capital USD'000	Share premium USD'000	Reserves USD'000	Distributable Retained earnings USD'000			USD'000	KHR'mil (Note 3)
[Reviewed]									
Balance at 1 July 2021		7,494	2,541	(4,269)	17,190	22,956	86	23,042	93,897
Profit for the three-month period		-	-	-	1,096	1,096	-	1,096	4,468
Fair value gain on cash flow hedges		-	-	429	-	429	-	429	1,749
Currency translation difference		-	-	-	-	-	-	-	94
Balance at 30 September 2021		7,494	2,541	(3,840)	18,286	24,481	86	24,567	100,208
[Reviewed]									
Balance at 1 July 2020		7,100	-	(5,815)	15,802	17,087	5	17,092	69,957
Shares issued	13	394	2,541	-	-	2,936	-	2,935	12,278
Loss for the three-month period		-	-	-	(313)	(313)	(3)	(316)	(1,275)
Fair value gain on cash flow hedges		-	-	114	-	114	-	114	467
Currency translation difference		-	-	-	-	-	-	-	101
Balance at 30 September 2020		7,494	2,541	(5,701)	15,489	19,824	2	19,825	81,528

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		
(Reviewed)							
Balance at 1 July 2021		7,494	2,541	(4,269)	17,400	23,166	94,401
Profit for the three-month period		-	-	-	1,106	1,106	4,509
Fair value gain on cash flow hedges		-	-	429	-	429	1,749
Currency translation difference		-	-	-	-	-	96
Balance at 30 September 2021		7,494	2,541	(3,840)	18,506	24,701	100,755
(Reviewed)							
Balance at 1 July 2020		7,100	-	(5,815)	15,841	17,126	70,097
Shares issued	13	394	2,541	-	-	2,935	12,278
Loss for the three-month period		-	-	-	(279)	(279)	(1,144)
Fair value gain on cash flow hedges		-	-	114	-	114	467
Currency translation difference		-	-	-	-	-	(79)
Balance at 30 September 2020		7,494	2,541	(5,701)	15,562	19,896	81,619

Group's interim statement of cash flows

		(Reviewed)		(Reviewed)	
		For the 3-month period ended		For the 3-month period ended	
		30 September	30 September	30 September	30 September
		2021	2020	2021	2020
	Note	USD'000	USD'000	KHR'mil	KHR'mil
				(Note 3)	(Note 3)
Operating activities					
Profit/(loss) before income tax		1,346	(46)	5,487	(188)
Adjustments for:					
Depreciation	20	293	288	1,195	1,181
Amortisation	20	1	1	4	4
Interest income	21	(741)	(9)	(3,021)	(37)
Interest expense	22	1,320	1,710	5,382	7,011
Unrealised foreign exchange gain		(1)	-	(4)	-
Operating profit before working capital changes		2,218	1,944	9,043	7,971
Changes in working capital					
Changes in:					
Trade and other receivables		417	(1,627)	1,699	(6,671)
Contract assets		(14,468)	(12,179)	(58,986)	(49,934)
Inventories		-	710	-	2,911
Amount due to holding company		(1,859)	(2,097)	(7,579)	(8,598)
Amounts due from/to related parties		6,502	(1,042)	26,509	(4,272)
Trade and other payables		3,664	14,174	14,938	58,000
Cash used in operations		(3,526)	(117)	(14,376)	(593)
Income tax paid		(486)	(205)	(1,981)	(841)
Net cash used in operating activities		(4,012)	(322)	(16,357)	(1,434)

Group's interim statement of cash flows (continued)

	Note	(Reviewed)		(Reviewed)	
		For the 3-month period ended 30 September 2021 USD'000	For the 3-month period ended 30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	For the 3-month period ended 30 September 2020 KHR'mil (Note 3)
Investing activities					
Acquisitions of property, plant and equipment		(188)	(1)	(766)	(4)
Acquisitions of intangible assets		(5)	-	(20)	-
Interest received		9	9	37	37
Net cash (used in)/from investing activities		(184)	8	(749)	33
Financing activities					
Proceeds from borrowings	25	3,761	316	15,334	1,296
Repayment of borrowings	25	(6,280)	(751)	(25,604)	(3,073)
Issuance of additional share capital	13	-	2,936	-	12,038
Interest paid		(1,061)	(1,710)	(4,326)	(7,011)
Repayment of lease liabilities	25	(15)	(18)	(61)	(74)
Placement of fixed deposits		(50)	(50)	(204)	(205)
Repayment to holding company		(300)	-	(1,223)	-
Repayment to a related party		(900)	-	(3,669)	-
Net cash (used in)/from financing activities		(4,845)	723	(19,753)	2,971
Net change in cash and cash equivalents		(9,041)	409	(36,859)	1,570
Cash and cash equivalents, beginning of period		9,120	841	37,165	3,442
Translation exchange difference		-	-	16	113
Cash and cash equivalents, end of period	12	79	1,250	322	5,125

Company's interim statement of cash flows

	Note	[Reviewed]		[Reviewed]	
		For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Operating activities					
Profit/(loss) before income tax		1,356	(9)	5,528	(37)
Adjustments for:					
Depreciation	20	293	288	1,195	1,181
Amortisation	20	1	1	4	4
Interest income	21	(741)	(9)	(3,021)	(37)
Interest expense	22	1,320	1,710	5,382	7,011
Operating profit before working capital changes		2,229	1,981	9,088	8,122
Changes in working capital					
Changes in:					
Trade and other receivables		415	(1,663)	1,692	(6,818)
Contract assets		(14,468)	(12,179)	(58,986)	(49,934)
Inventories		-	710	-	2,911
Amount due to holding company		(1,859)	(2,097)	(7,579)	(8,598)
Amounts due from/to related parties		6,502	(1,042)	26,509	(4,272)
Trade and other payables		3,668	14,166	14,954	57,967
Cash used in operations		(3,513)	(124)	(14,322)	(622)
Income tax paid		(486)	(205)	(1,981)	(841)
Net cash used in operating activities		(3,999)	(329)	(16,303)	(1,463)

Company's interim statement of cash flows (continued)

	Note	(Reviewed)		(Reviewed)	
		For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Investing activities					
Acquisitions of property, plant and equipment		(188)	(1)	(766)	(4)
Acquisitions of intangible assets		(5)	-	(20)	-
Investment in a subsidiary		-	(15)	-	(62)
Interest received		9	9	37	37
Net cash used in investing activities		(184)	(7)	(749)	(29)
Financing activities					
Drawdown from borrowings	25	3,761	316	15,334	1,296
Repayment of borrowings	25	(6,280)	(751)	(25,604)	(3,073)
Issuance of additional share capital	13	-	2,936	-	12,038
Interest paid		(1,061)	(1,710)	(4,326)	(7,011)
Payment of lease liabilities	25	(15)	(18)	(61)	(74)
Placement of fixed deposits		(50)	(50)	(204)	(205)
Repayment to holding company		(300)	-	(1,223)	-
Repayment to a related party		(900)	-	(3,669)	-
Advance to a subsidiary		(10)	-	(41)	-
Net cash (used in)/from financing activities		(4,855)	723	(19,794)	2,971
Net change in cash and cash equivalents		(9,038)	387	(36,846)	1,479
Cash and cash equivalents, beginning of period		9,107	853	37,112	3,491
Translation exchange difference		-	-	15	114
Cash and cash equivalents, end of period	12	69	1,240	281	5,084

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 totaling 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. As at the date of the report, the Memorandum and Articles of Association of the Company is yet to be updated and it is expected to be updated upon approval of shareholders in the upcoming annual general meeting in December 2021.

The principal activity of the Company is engaged in the construction of electrical sub-stations 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 No. 6, Street 588, Sangkat Boeung Kok II, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia. The registered office of PML and PMG is at Unit 01-05, Level 10, Junction City Office Tower, corner of 27 street and Bogyoke Aung San Road, Pabedan Township, Yangon, Myanmar and PHC is at 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 interim condensed financial information for the three-month period ended 30 September 2021 has been reviewed but unaudited.

The interim condensed financial information of PESTECH (Cambodia) Plc and its subsidiaries ("the Group") as at 30 September 2021 and for the three-month period then ended was approved for issue by the Board of Directors on 11 November 2021.

2. Basis of preparation

The interim condensed financial information for the three-month period ended 30 September 2021 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 of the type 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 2021 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 2021 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 transacts 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.

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:

	30 September 2021	30 June 2021	30 September 2020
Average rate*	4,077	4,071	4,089
Closing rate	4,079	4,075	4,100

* The average rate is calculated using the daily 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. Functional and presentation currency (continued)

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 periods.

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 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 2021 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 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 audited financial statements as at 30 June 2021 and for the year then ended.

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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)
[Reviewed]									
Cost									
At 1 July 2021	16,775	559	32	78	306	19	59	17,828	72,649
Additions	17	135	2	17	134	-	17	322	1,313
Currency translation difference	-	-	-	-	-	-	-	-	72
Balance at 30 September 2021	16,792	694	34	95	440	19	76	18,150	74,034
Accumulated depreciation									
At 1 July 2021	(3,064)	(436)	(25)	(31)	(121)	(1)	-	(3,678)	(14,988)
Depreciation	(231)	(24)	(1)	(4)	(32)	-	(1)	(293)	(1,195)
Currency translation difference	-	-	-	-	-	-	-	-	(15)
Balance at 30 September 2021	(3,295)	(460)	(26)	(35)	(153)	(1)	(1)	(3,971)	(16,198)
Carrying amount at 30 September 2021	13,497	234	8	60	287	18	75	14,179	57,836

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)
(Audited)									
Cost									
At 1 July 2020	17,292	559	26	31	162	-	-	18,070	73,961
Additions	71	-	6	47	205	19	59	407	1,657
Transfer	(588)	-	-	-	-	-	-	(588)	(2,394)
Reversal	-	-	-	-	(61)	-	-	(61)	(248)
Currency translation difference	-	-	-	-	-	-	-	-	(327)
Balance at 30 June 2021	16,775	559	32	78	306	19	59	17,828	72,649
Accumulated depreciation									
At 1 July 2020	(2,199)	(348)	(21)	(28)	(70)	-	-	(2,666)	(10,912)
Depreciation	(865)	(88)	(4)	(3)	(98)	(1)	-	(1,059)	(4,311)
Reversal	-	-	-	-	47	-	-	47	191
Currency translation difference	-	-	-	-	-	-	-	-	44
Balance at 30 June 2021	(3,064)	(436)	(25)	(31)	(121)	(1)	-	(3,678)	(14,988)
Carrying amount at 30 June 2021	13,711	123	7	47	185	18	59	14,150	57,661

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 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) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Current	38	14	155	58
Non-current	248	148	1,012	603
	286	162	1,167	661

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

	Group and Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Beginning of the period/year	162	95	661	389
Addition	134	205	547	835
Accretion of interest	5	15	20	61
Reversal	-	(14)	-	(57)
Payments	(15)	(139)	(61)	(566)
Currency translation difference	-	-	-	(1)
End of the period/year	286	162	1,167	661

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:

	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
Right-of-use assets					
House	5	1 to 3 years	2.75 years	1	5
Office building	1	3.9 years	3.9 years	1	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)
30 September 2021					
Lease payments	57	206	68	331	1,350
Finance charges	(19)	(24)	(2)	(45)	(183)
Net present value	38	182	66	286	1,167
30 June 2021					
Lease payments	15	25	157	197	804
Finance charges	(1)	(22)	(12)	(35)	(143)
Net present value	14	3	145	162	661

8. Investment in a subsidiary

	(Reviewed)		(Audited)		Company	
	30 September 2021 USD'000	30 June 2021 USD'000	30 September 2021 KHR'mil (Note 3)	30 June 2021 KHR'mil (Note 3)		
At cost – unquoted shares						
Balance brought forward	50	35	204	143		
Additions	-	15	-	61		
	50	50	204	204		

Details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		30 September 2021	30 June 2021	
PESTECH (Myanmar) Limited ("PML")	Myanmar	100.00%	100.00%	Provision of comprehensive power system engineering, construction, design, installation and related services in power industry
<u>Subsidiary of PML</u> 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
<u>Subsidiary of PHC</u> 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

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Beginning of the period/ year	245,018	216,989	998,449	888,136
Revenue recognized	18,189	67,214	74,157	273,628
Receipts entitled	(4,453)	(40,233)	(18,155)	(163,789)
Finance income recognized	732	1,048	2,984	4,271
Translation difference	-	-	1,008	(3,797)
End of the period/ year	259,486	245,018	1,058,443	998,449
Presented as:				
Current	140,334	122,851	572,422	500,618
Non-current	119,152	122,167	486,021	497,831
	259,486	245,018	1,058,443	998,449

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.

10. Inventories

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Construction materials	3,508	3,508	14,309	14,295

11. Trade and other receivables

	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Trade receivables	2,750	2,950	11,217	12,021
Deposits	40	241	163	984
Staff advances	51	30	207	122
Financial assets	2,841	3,221	11,587	13,127
Value-added tax	1,437	1,136	5,862	4,629
Prepayments	2,541	2,146	10,365	8,745
Non-financial assets	3,978	3,282	16,227	13,374
	6,819	6,503	27,814	26,501

11. Trade and other receivables (continued)

	Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Trade receivables	2,750	2,950	11,217	12,021
Deposits	35	235	143	958
Staff advances	51	30	207	122
Financial assets	2,836	3,215	11,567	13,101
Value-added tax	1,437	1,136	5,862	4,629
Prepayments	2,541	2,146	10,365	8,745
Non-financial assets	3,978	3,282	16,227	13,374
	6,814	6,497	27,794	26,475

12. Cash and bank balances

	Group			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Cash in banks (a)	6,713	15,753	27,382	64,194
Deposits with a licensed bank (b)	1,454	1,404	5,931	5,721
Cash on hand	9	10	37	41
	8,176	17,167	33,350	69,956

	Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Cash in banks (a)	6,704	15,741	27,345	64,145
Deposits with a licensed bank (b)	1,454	1,404	5,931	5,721
Cash on hand	8	9	33	37
	8,166	17,154	33,309	69,903

(a) Two of the bank accounts have been pledged to syndicated financing facilities as disclosed in note 17(c.5).

(b) Deposits with a licensed bank of the Group have been pledged as security for bank overdrafts as disclosed in note 17(a.2). The deposits earn interest of 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			
	30 September 2021 USD'000	(Reviewed) 30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	(Reviewed) 30 September 2020 KHR'mil (Note 3)
Cash and bank balances (as above)	8,176	5,631	33,350	23,087
Fixed deposit pledged to borrowings	(1,454)	(1,250)	(5,931)	(5,125)
Cash in banks pledged to borrowings	(6,643)	(3,131)	(27,097)	(12,837)
Cash and cash equivalents per statement of cash flows	79	1,250	322	5,125

	Company			
	30 September 2021 USD'000	(Reviewed) 30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	(Reviewed) 30 September 2020 KHR'mil (Note 3)
Cash and cash equivalents (as above)	8,166	5,621	33,309	23,046
Fixed deposit pledged to borrowings	(1,454)	(1,250)	(5,931)	(5,125)
Cash in banks pledged to borrowings	(6,643)	(3,131)	(27,097)	(12,837)
Cash and cash equivalents per statement of cash flows	69	1,240	281	5,084

13. Share capital

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

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. As at the date of the report, the Memorandum and Articles of Association of the Company is yet to be updated and it is expected to be updated upon approval of shareholders in the upcoming annual general meeting in December 2021.

14. 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 attributable to the issuance.

15. Reserves

	Group and Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Capital contribution reserve	52	52	212	212
Cash flow hedge reserve (note 18)	(3,892)	(4,321)	(15,875)	(17,608)
Currency translation difference	-	-	(23)	(39)
	(3,840)	(4,269)	(15,686)	(17,435)

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

	Group			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Provision for project cost	36,842	31,615	150,279	128,831
Trade payables	805	892	3,284	3,635
Accruals	476	730	1,942	2,975
Other payables	129	34	525	139
Financial liabilities	38,252	33,271	156,030	135,580
Taxes payable	80	125	326	509
Non-financial liabilities	80	125	326	509
	38,332	33,396	156,356	136,089

	Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Provision for project cost	36,842	31,615	150,279	128,831
Trade payables	805	892	3,284	3,635
Accruals	466	721	1,901	2,938
Other payables	129	29	525	119
Financial liabilities	38,242	33,257	155,989	135,523
Taxes payable	80	125	326	509
Non-financial liabilities	80	125	326	509
	38,322	33,382	156,315	136,032

17. Borrowings

	Group and Company			
	(Reviewed) 30 September 2021 USD'000	(Audited) 30 June 2021 USD'000	(Reviewed) 30 September 2021 KHR'mil (Note 3)	(Audited) 30 June 2021 KHR'mil (Note 3)
Current				
Secured:				
Bank overdrafts	1,503	2,521	6,131	10,273
Revolving credit	2,004	2,523	8,174	10,281
Term loans	8,750	8,500	35,691	34,638
Total current	12,257	13,544	49,996	55,192
Non-current				
Secured:				
Term loans	89,325	91,575	364,357	373,168
Total non-current	89,325	91,575	364,357	373,168
	101,582	105,119	414,353	428,360

The effective interest rates of the borrowings are as follows:

	Group and Company	
	(Reviewed) 30 September 2021 %	(Audited) 30 June 2021 %
Bank overdrafts (a)	7.5 to 8.5	7.5 to 8.5
Revolving credit (b)	7.2	7.2
Term loans (c)	3.8 to 7.5	4.1 to 7.5

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.

18. Derivative financial instruments

	(Reviewed)	(Audited)	(Reviewed)	Group and Company		(Audited)
	30 September	30 June	30 September	(Audited)	(Reviewed)	(Audited)
	2021	2021	2021	30 June	30 September	30 June
	Notional value			Fair value liabilities		
	USD'000	USD'000	USD'000	USD'000	KHR'mil	KHR'mil
					(Note 4.2)	(Note 4.2)
Interest rate swaps	46,650	47,250	3,892	4,321	15,875	17,608

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

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Construction contract and service rendered	18,189	18,158	74,157	74,448

19.1 Disaggregated revenue information

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Timing of revenue recognition:				
Over time	18,189	18,158	74,157	74,448

20. Operating expenses

	Group			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September 2021 USD'000	30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	14,472	14,964	59,002	61,352
Production overheads	749	494	3,054	2,025
	<u>15,221</u>	<u>15,458</u>	<u>62,056</u>	<u>63,377</u>
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	351	347	1,431	1,423
Directors' remuneration	100	97	408	398
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	261	270	1,065	1,107
Right-of-use assets	32	18	130	74
	<u>293</u>	<u>288</u>	<u>1,195</u>	<u>1,181</u>
<u>General expenses</u>				
Withholding tax	127	112	518	459
Management fees	1	18	4	74
Professional fees	32	78	130	320
Bank charges	32	55	130	226
Other expenses	109	67	445	274
	<u>301</u>	<u>330</u>	<u>1,227</u>	<u>1,353</u>
	<u>16,267</u>	<u>16,521</u>	<u>66,321</u>	<u>67,736</u>

20. Operating expenses (continued)

	Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September 2021 USD'000	30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	14,472	14,964	59,002	61,352
Production overheads	749	494	3,054	2,025
	15,221	15,458	62,056	63,377
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	350	337	1,427	1,382
Directors' remuneration	100	97	408	398
<u>Amortisation</u>				
Intangible assets	1	1	4	4
<u>Depreciation</u>				
Property, plant and equipment	261	270	1,065	1,107
Right-of-use assets	32	18	130	74
	293	288	1,195	1,181
<u>General expenses</u>				
Withholding tax	127	112	518	459
Management fees	1	18	4	74
Professional fees	30	74	122	303
Bank charges	32	55	130	226
Other expenses	102	39	416	160
	292	298	1,190	1,222
	16,257	16,479	66,280	67,564

21. Finance income

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September 2021 USD'000	30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
<u>Interest income for:</u>				
Contract assets	732	-	2,984	-
Term deposits	9	9	37	37
	741	9	3,021	37

22. Finance cost

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September	30 September	30 September	30 September
2021	2020	2021	2020	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
Interest expense for:				
Term loans	1,236	1,456	5,040	5,970
Bank overdrafts	23	72	94	295
Revolving credit	56	3	228	12
Charged by intercompany	-	177	-	726
Lease liabilities	5	2	20	8
	1,320	1,710	5,382	7,011

23. Income tax expenseCambodia

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 30 September 2021 and 2020 as they have not yet started their commercial operations.

Income tax expense for the periods ended 30 September 2021 and 2020 consists of:

	Group and Company			
	(Reviewed)		(Reviewed)	
	For the 3-month period ended		For the 3-month period ended	
	30 September	30 September	30 September	30 September
2021	2020	2021	2020	
USD'000	USD'000	KHR'mil	KHR'mil	
		(Note 3)	(Note 3)	
Current income tax	216	183	880	750
Deferred tax	34	87	139	357
Estimated income tax expense	250	270	1,019	1,107

23. Income tax expense (continued)**23.1 Reconciliation between profit/(loss) before income tax and taxable income**

A reconciliation between accounting profit/(loss) before income tax and taxable income for the periods ended 30 September 2021 and 2020 follows:

	Group (Reviewed)		(Reviewed)	
	For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Accounting profit before tax	1,346	(46)	5,487	(188)
Add:				
Non-deductible expenses	(93)	(222)	(379)	(910)
Taxable profit	1,253	(268)	5,108	(1,098)
Income tax expense at the applicable tax rate 20%	251	(54)	1,021	(220)
Reduction in tax rate 2.76%*	(35)	-	(141)	-
Income tax expense at the effective tax rate 17.24%/20% (A)	216	(54)	880	(220)
Minimum tax (B)	182	183	741	750
Estimated income tax expense (higher of A or B)	216	183	880	750

	Company (Reviewed)		(Reviewed)	
	For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Accounting profit before tax	1,356	(9)	5,528	(37)
Add:				
Non-deductible expenses	(103)	(222)	(419)	(910)
Taxable profit	1,253	(231)	5,109	(947)
Income tax expense at the applicable tax rate 20%	251	(46)	1,021	(189)
Reduction in tax rate 2.76%*	(35)	-	(141)	-
Income tax expense at the effective tax rate 17.24%/20% (A)	216	(46)	880	(189)
Minimum tax (B)	182	183	741	750
Estimated income tax expense (higher of A or B)	216	183	880	750

* 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 incentives.

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 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.

24. Deferred tax liability

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Property, plant and equipment				
Beginning balance	777	453	3,166	1,854
Recognised in profit or loss	34	324	139	1,319
Translation difference	-	-	3	(7)
Ending balance	811	777	3,308	3,166

25. Reconciliation of liabilities arising from financing activities

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

	(Audited)		Cash flows		(Reviewed)	
	1 July 2021	Non-cash flows	Proceeds	Repayments	30 September 2021	
	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil (Note 3)
Term loans	100,075	-	-	(2,000)	98,075	400,048
Revolving credit	2,523	-	3,761	(4,280)	2,004	8,174
Lease liabilities	162	139	-	(15)	286	1,167
	102,760	139	3,761	(6,295)	100,365	409,389

	(Audited)		Cash flows		(Reviewed)	
	1 July 2020	Non-cash flows	Proceeds	Repayments	30 September 2020	
	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil (Note 3)
Term loans	108,582	-	-	(751)	107,831	442,107
Revolving credit	1,632	-	316	-	1,948	7,987
Lease liabilities	95	-	-	(18)	77	315
	110,309	-	316	(769)	109,856	450,409

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26. Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed)	(Audited)	(Reviewed)	(Audited)
		30 September 2021	30 June 2021	30 September 2021	30 June 2021
		USD'000	USD'000	KHR'mil	KHR'mil
Group and Company				(Note 3)	(Note 3)
Amounts due from a related party					
Diamond Power Limited	Fellow subsidiary	2	2	8	8
Amounts due to related parties					
PESTECH Sdn Bhd	Fellow subsidiary	10,087	16,308	41,145	66,455
Enersol Co., Ltd	Fellow subsidiary	35,993	34,828	146,815	141,924
PESTECH Energy Sdn Bhd	Fellow subsidiary	6	-	24	-
ODM Power Line Co Ltd	Fellow subsidiary	33,698	27,006	137,454	110,049
PESTECH Transmission Sdn Bhd	Fellow subsidiary	3,496	3,500	14,260	14,263
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	12,990	9,026	52,987	36,781
		96,270	90,668	392,685	369,472
Amount due to holding company					
PESTECH International Berhad	Holding company	24,895	27,054	101,547	110,245
Company					
Amount due from a subsidiary					
PESTECH (Myanmar) Limited	Subsidiary	89	79	363	322

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 and PESTECH Sdn Bhd which bear interest at the rate of 4.5% and 5% per annum in prior period, respectively.

26. Related party balances and transactions (continued)

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

Group and Company	Relationship	Transactions	[Reviewed]		[Reviewed]	
			For the 3-month period ended 30 September 2021 USD'000	30 September 2020 USD'000	For the 3-month period ended 30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	328	317	1,338	1,300
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	4,959	-	20,227	-
		Interest charge	-	14	-	57
Enersol Co., Ltd	Fellow subsidiary	Contract cost incurred/(reversed)	1,166	(1,974)	4,754	(8,093)
PESTECH Power Sdn Bhd	Fellow subsidiary	Repayment of advances	-	(2,300)	-	(9,430)
PESTECH Transmission Sdn Bhd	Fellow subsidiary	Contract cost incurred	13	-	51	-
		Project management fee	17	-	68	-
ODM Power Line Co Ltd	Fellow subsidiary	Management fee	5	-	20	-
PESTECH International Berhad	Holding company	Management fee	-	18	-	74
		Interest charge	-	163	-	668
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	Management fee	5	-	20	-
PESTECH Energy Sdn Bhd	Fellow subsidiary	Contract cost	6	-	26	-

27. 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 3-month period ended		For the 3-month period ended	
	30 September 2021 USD'000	30 September 2020 USD'000	30 September 2021 KHR'mil (Note 3)	30 September 2020 KHR'mil (Note 3)
Salaries and bonus	100	97	408	398

28. 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			
	30 September 2021		30 June 2021	
	Carrying amount USD'000	Level 2 USD'000	Carrying amount USD'000	Level 2 USD'000
Derivative financial instruments	3,892	3,892	4,321	4,321

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.

29. Categories of financial instruments

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

	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	8,176	17,167	33,350	69,956
Trade and other receivables	2,841	3,221	11,587	13,127
Amounts due from a related party	2	2	8	8
	11,019	20,390	44,945	83,091

	Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	8,166	17,154	33,309	69,903
Trade and other receivables	2,836	3,215	11,567	13,101
Amount due from a subsidiary	89	79	363	322
Amounts due from a related party	2	2	8	8
	11,093	20,450	45,247	83,334

	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	38,252	33,271	156,030	135,580
Amount due to holding company	24,895	27,054	101,547	110,245
Amounts due to related parties	96,270	90,668	392,685	369,472
Borrowings	101,582	105,119	414,353	428,360
Derivatives used for hedging				
Derivative financial instruments	3,892	4,321	15,875	17,608
	264,891	260,433	1,080,490	1,061,265

29. Categories of financial instruments (continued)

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

	Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 September 2021	30 June 2021	30 September 2021	30 June 2021
	USD'000	USD'000	KHR'mil	KHR'mil
Financial liabilities			(Note 3)	(Note 3)
At amortised cost				
Trade and other payables	38,242	33,257	155,989	135,523
Amount due to holding company	24,895	27,054	101,547	110,245
Amounts due to related parties	96,270	90,668	392,685	369,472
Borrowings	101,582	105,119	414,353	428,360
Derivatives used for hedging				
Derivative financial instruments	3,892	4,321	15,875	17,608
	264,881	260,419	1,080,449	1,061,208

30. Earnings per share

Basic earnings/(loss) per share are calculated by dividing the 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)	
	For the 3-month period ended		For the 3-month period ended	
	30 September	30 September	30 September	30 September
	2021	2020	2021	2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Profit/(loss) attributable to the owners of the Company	1,096	(313)	4,468	(1,283)
Weighted average number of shares	74,945,000	73,101,000	74,945,000	73,101,000
Basic earnings/(loss) per share (cent/riel)	1.46	(0.43)	59.62	(17.55)
Diluted earnings/(loss) per share (cent/riel)	1.46	(0.43)	59.62	(17.55)

Diluted earnings/(loss) 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.

31. 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 30 September 2021, the amount yet to be paid amounted to USD2,591,656 (30 June 2021: USD2,761,733).

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 17c.3. As at 30 September 2021, the amount yet to be paid amounted to USD2,155,552 (30 June 2021: USD2,320,005).