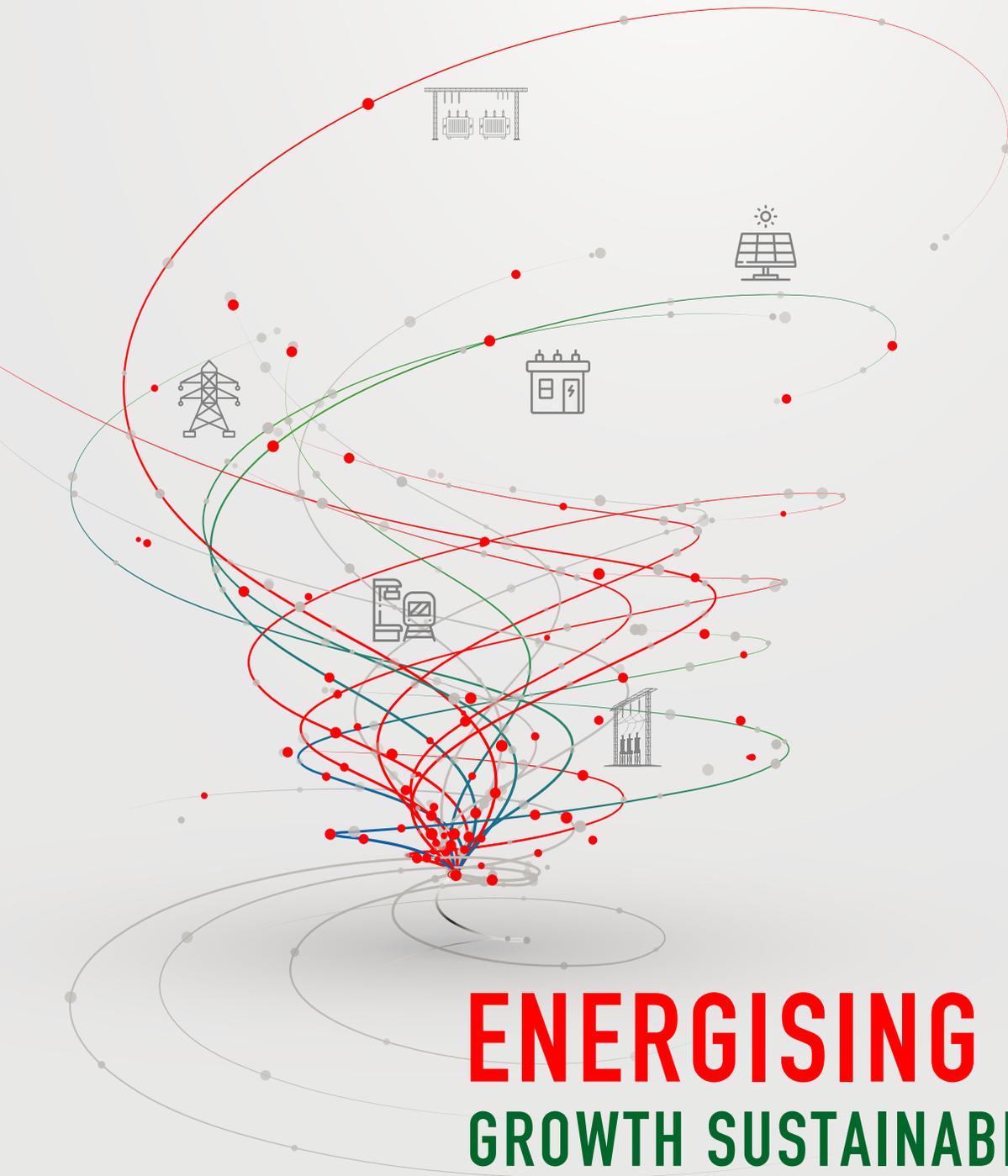
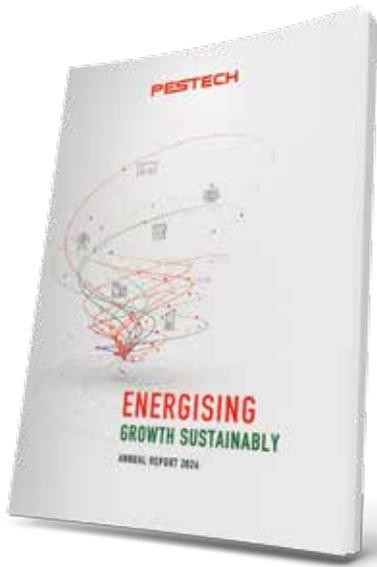


PESTECH



ENERGISING GROWTH SUSTAINABLY

ANNUAL REPORT 2024



ENERGISING GROWTH SUSTAINABLY

This year's distinctive cover theme and design depicts spiralling digital lines ascending upwards and expanding its reach, guided towards new horizons through icons of PESTECH's sustainable operational segments. This directly exemplifies the role of PESTECH's business segments in exploring sustainable futures ahead, delivering longevity and value through distinct capabilities and service excellence.

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COMPANY INTRODUCTION

VISION



To Be Consistently Dependable and Value Add as a Sustainable Electrical Infrastructure Builder.

MISSION



To be **EFFECTIVE** in performing our duties and providing services to internal and external customers.

To be **EFFICIENT** in handling our duties and services to achieve maximum results in shortest possible time.

To be **EXCELLENT** in our performance to exceed customer requirements and value add to their investment.



FINANCIAL HIGHLIGHTS

DESCRIPTION	FY2024 KHR'mil	FY2023 KHR'mil	FY2022 KHR'mil
FINANCIAL POSITION			
Total assets	931,141	1,199,486	1,202,282
Total liabilities	918,331	1,108,078	1,092,266
Total shareholders' equity	12,810	91,408	110,016
PROFIT/(LOSS)			
Total revenues	42,501	79,517	216,355
(Loss)/Profit before tax	(76,365)	(22,035)	5,483
Operating (Loss)/Profit	(35,274)	11,963	22,852
(Loss)/Profit after tax	(77,127)	(23,246)	2,470
Total comprehensive (loss)/income	(77,988)	(18,608)	18,104
FINANCIAL RATIOS			
Solvency ratio	(13.46%)	(5.00%)	1.68%
Solvency ratio (General borrowings)*	(60.39%)	(51.03%)	15.95%
Debt to equity ratio	71.69	12.12	9.93
Gearing ratio (excluding Term Loan)**	1.72	0.40	0.40
Liquidity ratio			
Current ratio	1.23	1.16	0.93
Quick ratio	1.19	1.13	0.92
Profitability ratio			
Return on assets	(8.28%)	(1.94%)	0.21%
Return on equity	(602.08%)	(25.43%)	2.25%
Profit margin	(181.47%)	(29.23%)	1.14%
Gross profit margin	378.61%	36.86%	17.56%
Earnings per share	(KHR 1,029.11)	(KHR 310.17)	KHR 32.96
Interest Coverage ratio	(0.69)	0.27	0.79

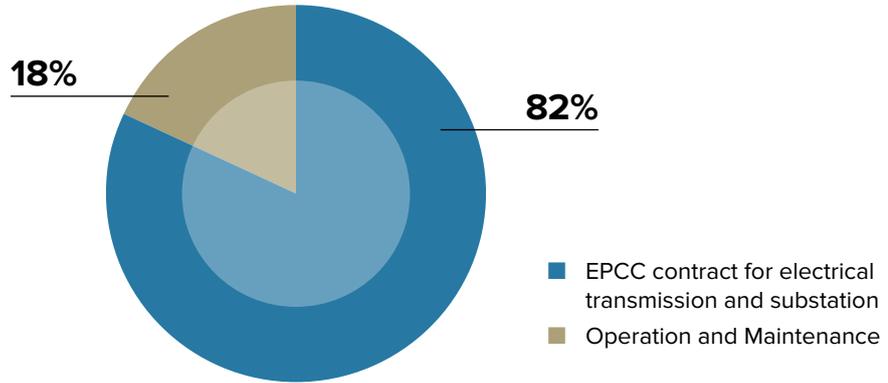
* General borrowings include revolving credit and bank overdraft, and excludes terms loans which has been ring fenced by the proceeds of the deferred payment projects with direct payment agreement with EDC.

** Term Loan refers to borrowings which have been ring fenced by the proceeds of the deferred payment projects with direct payment agreement with EDC.

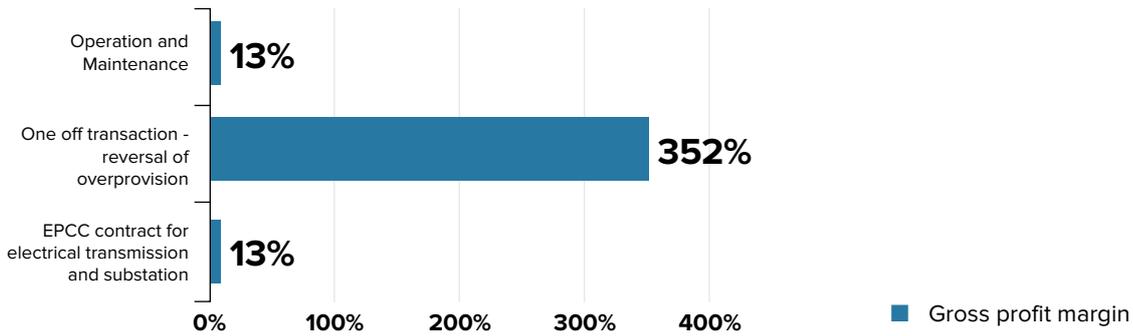


FINANCIAL SUMMARY

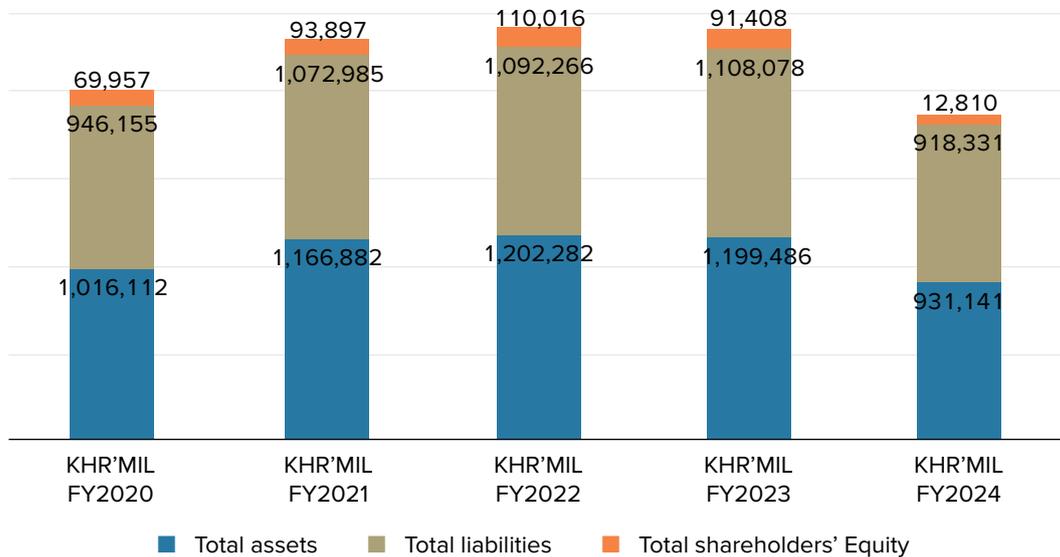
REVENUE CONTRIBUTION BY SEGMENT FOR FY2024



GROSS PROFIT MARGIN CONTRIBUTION BY SEGMENT FOR FY2024



STATEMENT OF FINANCIAL POSITION FOR 5 YEARS



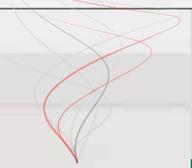
BOARD OF DIRECTORS

Ir. Paul Lim Pay Chuan
Executive Chairman and
Acting CEO

Lim Ah Hock
Executive Director

Dav Ansan
Independent
Non-Executive Director





Lynda Pan Seng Wee
Executive Director



Tann Sochan
Executive Director
(Appointed on 4 September 2024)



MESSAGE FROM EXECUTIVE CHAIRMAN AND ACTING CEO



Dear Shareholders

As we conclude the financial year ended 30 June 2024 (“FY 2024”), it is evident that this year has been one of the most challenging year for PESTECH Cambodia PLC (“PCL” or “the Group”). The global economic climate, characterized by rising interest rates and heightened borrowing costs, has undeniably impacted our financial performance. However, despite these setbacks, our resolve and commitment to our strategic objectives remain unwavering.

Operational Challenges and Strategic Adjustments

Throughout FY 2024, PCL faced significant headwinds that tested our operational resilience. The high cost of borrowing severely strained our cash flow, which in turn affected our ability to execute projects efficiently. The slowdown in business turnover, coupled with the persistent pressure on our financial resources, led to increased losses, with the Group reporting a widening Operating Loss of KHR1,612 million in the first quarter and a Loss after Tax (“LAT”) of KHR12,206 million.

As we moved into the second quarter, the challenges persisted, with reduced turnover in our engineering, procurement, construction, and commissioning (“EPCC”) work, as well as decreased revenue from operation and maintenance (“O&M”) services. The operating loss for the second quarter widened significantly to KHR1,909 million, reflecting the continued impact of high interest rates and constrained liquidity. LAT for the second quarter is KHR12,605 million.

However, by the third quarter of FY 2024, there were early signs of recovery. We reported an encouraging 53% increase in revenue to KHR9,909 million, and a slight reduction in loss after tax to KHR11,997 million. These improvements, although modest, are indicative of our strategic adjustments beginning to bear fruit. Our focus on core businesses and the strategic review of financing facilities across the Group are steps towards stabilizing our financial health and ensuring long-term sustainability.

PCL closed FY 2024 with a revenue of KHR42,501 million with a LAT of KHR77,127 million, compared to revenue of KHR79,517 million and LAT of KHR23,246 million for the financial year ended 30 June 2023.

Looking Ahead: Strategic Focus and Expansion

As we look towards the future, our strategy remains focused on solidifying our recovery and expanding our footprint in emerging markets. The successful execution of the 230kV underground cable transmission project in Phnom Penh, despite the economic challenges, underscores our technical capabilities and positions us strongly for future opportunities in Cambodia and beyond.

We are also pursuing opportunities within the growing power infrastructure sector in Cambodia, particularly in the power transmission and distribution segments, as propelled by the expected Cambodia’s GDP growth of 5.8% in 2024 and 6.0% in 2025. (Source: <https://www.adb.org/where-we-work/cambodia/economy>).

The potential for growth in Cambodia’s electricity transmission network is immense, and we are positioning PCL to capitalize on this opportunity. However, this will require us to be prudent in our resource allocation, ensuring that we prioritize projects that are not only aligned with our capabilities but also contribute positively to our financial performance. We have also made significant strides in expanding our operations into regions such as Papua New Guinea and Africa, where we are actively seeking new projects that align with our expertise in power transmission infrastructure.

Conclusion and Acknowledgements

In conclusion, FY 2024 was a year of formidable challenges, but also one of resilience and strategic realignment. While we did not meet all our financial targets, the foundations we have laid this year will enable us to navigate through the difficulties and emerge stronger. Our proven track record, coupled with our team’s extensive experience in engineering, procurement, construction, and commissioning, will be the cornerstone of our future success.

On behalf of the Board, I extend my deepest gratitude to our shareholders, customers, suppliers, and the entire PESTECH team for their unwavering support and trust. Your confidence in our vision and capabilities inspires us to continue striving for excellence as we chart our path forward.

Thank you.

Ir. Paul Lim Pay Chuan
Executive Chairman and Acting CEO

8 October 2024



GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTITY OF THE LISTED ENTITY

Entity name in Khmer	ផេសតិក (ខេមបូឌា) ប.ក
In Latin	PESTECH (CAMBODIA) PLC.
Standard code	KH1000140009
Symbol	PEPC
Address	No. 6, St. 588, Phum 11, Sangkat Boeung Kok II, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia
Phone number	+855 23 882 105
Fax	+855 23 882 106
Website	www.pestech.com.kh
Email	info@pestech.com.kh
Company registration number	00000957 dated on February 5, 2021, issued by Ministry of Commerce
License number	085 Brk.DnS/ASN, dated on March 21, 2022, issued by MLMUPC
Disclosure Document registration number	171/20 SECC/SSR dated on July 22, 2020, issued by Securities and Exchange Committee of Cambodia (Currently known as the Securities and Exchange Regulator of Cambodia ("SERC"))
Representative of PESTECH (CAMBODIA) PLC.	Ir. Paul Lim Pay Chuan

PCL was previously known as Tajri-Pestech JV Limited and was incorporated on 5 February 2010 as a Single Member Private Limited Company in Cambodia. PCL adopted its present name, on 11 July 2013.

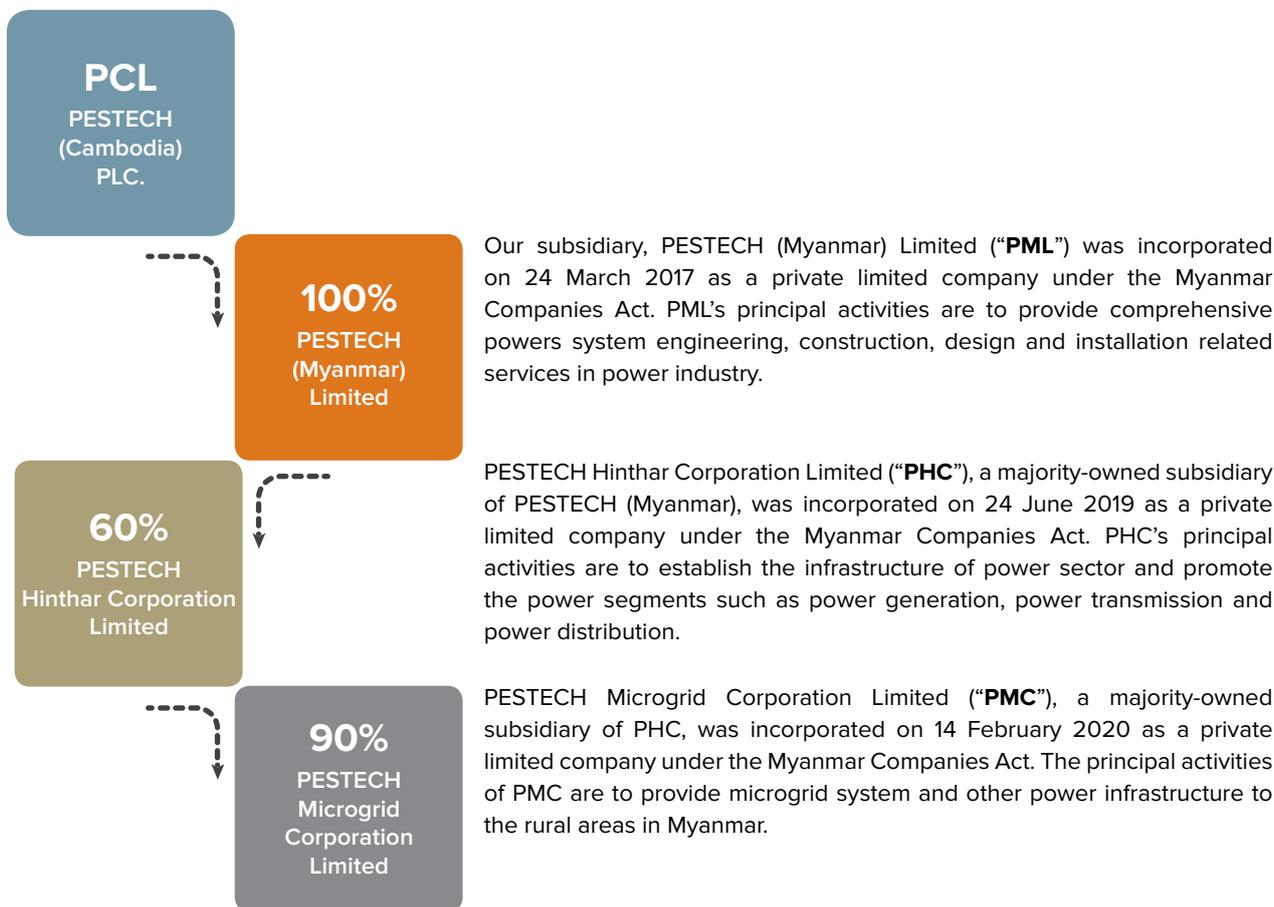
PCL was subsequently converted from a private limited company to a public limited company on 27 June 2018 as approved by Ministry of Commerce on even date and assumed its present name to facilitate its listing on the CSX.

PCL is an integrated electric power technology company. We are principally engaged in the provision of comprehensive power system engineering and technical solutions for the design, procurement, construction, installation and commissioning of HV and EHV substations, HV and EHV transmission lines as well as underground power cable systems for electricity transmission and distribution and trading of proprietary and non-proprietary power system components and equipment.



115kV CCPG-CPTL Transmission Line

GENERAL INFORMATION OF THE LISTED ENTITY



B. THE LISTED ENTITY’S MILESTONES

PCL commenced commercial operations in 2010 when we secured a contract involving the construction of HV substations and a HV transmission link between the North Phnom Penh transmission network to the Kampong Cham network in Cambodia (**North Phnom Penh – Kampong Cham Project**) from Cambodia Transmission Limited. The project involved the design, building, testing and commissioning of approximately 110km long, 230 kV double-circuit transmission line from North Phnom Penh to Kampong Cham, along with two (2) substation facilities and upgrades.

PCL had successfully completed and handed over the North Phnom Penh – Kampong Cham Project to its owner, Cambodia Transmission Limited in 2013. This project was a major milestone for PCL, as it had completed the project eight (8) months ahead of schedule.

In addition, in 2012, PCL secured a contract from the EDC involving the construction of a 115kV transmission line connection from the 230/115kV substation of Cambodia Power Grid Co., Ltd (“CPG”) to the 115/22kV substation of Cambodia Power Transmission Lines Co., Ltd. (“CPTL”) in Battambang Province measuring 0.97 km. The project involved the design, engineering, procurement and installation of the transmission line. The project was completed in August 2012.



230kV & 500kV Phnom Penh-Sihanoukville



GENERAL INFORMATION OF THE LISTED ENTITY

In 2014, PCL entered into a contract with Alex Corporation, a Cambodian multi-faceted business entity, in relation to the design, engineering, installation, testing and commissioning of the West Phnom Penh – Sihanoukville Project for the:

- 230kV West Phnom Penh – Sihanoukville Transmission Line; and
- 230/115/22kV substation extension project.

This project involved the construction of a transmission line of approximately 198km, which transmits electricity from the power plants in Sihanoukville area to Phnom Penh city. This involved the upgrading of the existing Stung Hav substation with two (2) 230kV new outgoing transmission line bays that will be connected to the West Phnom Penh substation in Phnom Penh through the new 230kV transmission line to be constructed under this project.

In 2015, PCL entered into a contract with Diamond Power Limited to undertake the Kampong Cham – Kratie Project. The project involved the design, engineering, test delivery, installation and commissioning of the 230kV switchyard in the existing Kampong Cham substation, new Kratie 230/22kV substation and interconnecting 125km transmission line from Kampong Cham substation to Kratie substation. PCL had successfully completed the project in October 2017.

In addition, during the same year, PCL completed a project in Sarawak, Malaysia, where PCL had provided project management and civil construction management service for the construction of 275kV/32kV and 132kV/11kV substations ("**Sarawak Project**").

Subsequently on 8 February 2017, an amendment was made to the earlier contract with Alex Corporation to upgrade the specifications of the West Phnom Penh – Sihanoukville Project. Under this amended contract, the upgraded work comprised the design, engineering, installation, testing and commissioning of the:

- 230kV double circuit transmission line of approximately 50km from Stung Hav Substation to Chamkar Loung; and
- 500kV double circuit transmission line of approximately 140km from Chamkar Loung to the proposed new Bek Chan substation.

On 13 December 2017, PCL entered into a contract with Schneitec Co. Ltd. for the Siem Reap – Oddor Meanchey Project for a contact value of USD26 million. The project involved the development of a 115kV transmission line from Siem Reap to Oddor Meanchey, 115/22kV Oddor Meanchey Substation and 230/22kV Bek Chan Substation. The project was completed on January 2020.

Amidst the pandemic year of 2020, we managed to complete the 230/11kV Okvau Transmission Substation for the Okvau Gold Mine Project ahead of time. The Okvau Gold Mine Project involves the development of the Okvau Deposit in the Moldulkiri province of eastern Cambodia.

Following the completion of 230kV West Phnom Penh – Sihanoukville Transmission Line, PCL was engaged to provide operation and maintenance service of the extended two (2) bays Stung Hav substation and 500kV transmission line under this project in year 2020.



230kV Siemreap-Oddar Meanchey TL



230kV Siemreap-Oddar Meanchey TL

GENERAL INFORMATION OF THE LISTED ENTITY



20MW solar photovoltaic power plant Bavet



20MW solar photovoltaic power plant Bavet

PCL secured its first large scale solar farm, turnkey engineering, procurement, construction, and commissioning project in Cambodia when PESTECH International Berhad, its holding company, acquired 94% stake in Green Sustainable Ventures (Cambodia) Co. Ltd. (“GSV”) through its subsidiary company. GSV holds the 20 years concession Power Purchase Agreement over the development of the 20-megawatt alternative current (24-megawatt direct current) large scale solar photovoltaic power plant in Bavet City, Svey Rieng Province. This solar project in Bavet is the first large scale solar project undertaken by PCL in Cambodia and the solar farm was commissioned on 31 January 2022.

Current on-going projects

As at to-date, PCL is undertaking the following projects:-

- 1. Stung Tatay Hydro Power Plant – Phnom Penh Transmission System Project** – This involves the design, engineering, installation, testing and commissioning of the 230kV transmission line of approximately 220km from the Stung Tatay Hydro Power Plant to the proposed new Bek Chan substation in Phnom Penh and supply, installation and connection of two (2) 230kV line bays at Stung Tatay Hydro Power Plant switchyard.
- 2. Phnom Penh City Transmission and Distribution System Expansion Project Phase 2 (I) Package 3, Procurement of Underground Transmission and Distribution Line Works** - This is the first 230kV underground cable work project undertaken by Electricite Du Cambodge (“EDC”) in Cambodia,

as well as PESTECH’s successful venture to export extra high voltage underground cable design and laying capability overseas.

Under this project, the scope of works comprises all the necessary works for the construction of the 230kV and 22kV underground cable on a turnkey basis, including design, survey, manufacturing, testing, shipping, insurance, delivery to site, erection/installation with suitable manner, training, setting up of site work for:

- the double-circuit, 3-single-core per circuit, 230kV XLPE (Cross-linked Polyethylene) insulated underground power cable, optical fiber cable (“OFC”), cable joints for power cable, cable joint for OFC, power cable outdoor/ SF6 gas-immersed sealing ends and all other associated accessories of approximately 9.0km route length between expanded GS5 outdoor substation and proposed National Control Center (“NCC”) indoor substation. Total 230kV XLPE cable involved is estimated at around 53.48km;
- the turnkey construction of 22kV underground distribution cable from the new NCC 230/115/22kV GIS substation to the 5 existing distribution substations and from the new Toul Kork 115/22kV GIS substation to the 5 existing distribution substations for an approximate route length of 19km in total. Total 22kV cable involved is estimated at around 19.25km.



GENERAL INFORMATION OF THE LISTED ENTITY

C. MARKET SITUATION

Cambodia's real growth is projected to reach 5.2% in 2024, reflecting a gradual recovery from global economic disruptions. The country's power sector remains a critical component of this growth, with ongoing efforts to balance energy security, affordability, and sustainability.

In 2024, Cambodia continues to face challenges stemming from global energy market volatility, particularly due to ongoing geopolitical tensions and supply chain disruptions. However, the government has made significant strides in diversifying its energy mix. Hydropower and solar energy have become increasingly prominent, contributing to a more resilient and stable electricity supply. The Cambodia-China Free Trade Agreement, which came into effect in 2022, and the Regional Comprehensive Economic Partnership are expected to further boost investments in renewable energy projects.

The Cambodian government remains committed to stabilizing electricity tariffs, particularly in light of rising global energy prices. In 2023, the government continued its subsidy program, allocating an additional USD120 million to Electricité du Cambodge ("EDC") to mitigate the impact of high fuel costs on electricity prices. Prime Minister Hun Sen emphasized the importance of expanding renewable energy capacity to ensure long-term energy security and affordability.

By 2024, Cambodia's electrification rate has reached an impressive 95%, a significant achievement considering that only 17% of the population had access to the grid at the turn of the century. The country has successfully transitioned from being predominantly powered by fossil fuels to a more diversified energy mix. While coal and natural gas still play a role in the energy landscape, renewable sources like solar, wind, and hydropower are increasingly vital. Cambodia's power generation from renewable sources now accounts for nearly 40% of the total energy mix, with solar power alone contributing over 15%.

The push for renewable energy is also driven by pressure from global industries operating in Cambodia. Major international brands, including H&M, Adidas, and Nike, have reiterated their calls for a higher share of renewables in Cambodia's energy mix to meet their global sustainability commitments. In response, the Cambodian government has accelerated the approval of new solar and wind projects, with plans to increase solar capacity to 1 GW by 2026.

Recent analysis by Intelligent Energy Systems ("IES"), supported by the Asian Development Bank, shows that Cambodia's electricity grid can integrate up to 50% solar and wind capacity without significant stability issues. The government has taken this into account in its long-term energy planning, aiming to ensure that renewables make up at least 50% of the energy mix by 2030. The focus is on replacing aging coal plants with a combination of solar, wind, and battery storage solutions, which are increasingly cost-competitive.

Cambodia's progress in the renewable energy sector is commendable, but challenges remain. The country needs to continue investing in grid infrastructure to accommodate higher shares of intermittent renewable energy. Additionally, attracting private sector investment in renewable projects will be crucial to achieving the government's ambitious targets.

In conclusion, Cambodia's electricity sector in 2024 is marked by significant progress in renewable energy adoption and a strong commitment to energy diversification. As the country navigates the global energy transition, the government's focus on renewables will play a pivotal role in ensuring sustainable and inclusive economic growth.

(Source: <https://asian-power.com/regulation/exclusive/cambodias-18-year-energy-plan-sets-ambitious-targets-renewables>)

GENERAL INFORMATION OF THE LISTED ENTITY



230kV & 500kV Phnom Penh-Sihanoukville

D. COMPETITIVE SITUATION

PCL is strategically positioned to capitalize on the growing electricity demand in Cambodia. With extensive technical expertise in power system engineering, PCL operates an integrated business model spanning the transmission and distribution segments. The company's experienced and committed management team, focused on business growth, places a strong emphasis on delivering high-quality services.

The opportunity to undertake large-scale solar projects, such as the 20MW Bavet solar farm, will provide PCL with a valuable reference for future participation in renewable energy projects. This aligns with the Cambodian Government's strategy to harness the country's renewable energy potential.

E. FUTURE PLAN

PCL aims to strengthen its market presence in the power transmission and distribution sector in Cambodia and across the Mekong region to meet the rising demand for electricity. At the same time, it is diversifying its power system engineering and technical services by incorporating operations and maintenance (**O&M**) of power infrastructure, providing clients with a comprehensive power solution.

PCL is committed to integrating sustainable development into its future business strategies, considering economic, environmental, social, and governance factors. The Company is investing in innovation and R&D to enhance renewable energy efficiency through the development of solar farms, energy storage systems, and microgrids. These efforts will create new renewable energy solutions for utility providers and ensure sustainable electricity supply to remote areas in the Mekong region.



GENERAL INFORMATION OF THE LISTED ENTITY

F. RISK FACTORS

(a) Interest rate risks

Interest rate risks refer to risks from fluctuations of interest rate in the future, which may adversely affect financing costs and returns to the Company.

PCL's ability to expand its business operation is dependent upon its ability to raise sufficient financing either in the form of external debt financing, equity financing or internally generated cash flows.

There has been some impact of interest rate fluctuations on the Company's historical profits. However, PCL has entered into interest rate swaps contract to hedge the Company exposure to interest rate risks on its borrowings. The swap contract allows the Company to raise borrowings at floating rates and swap into fixed rates.

Management will continue to diligently assess the interest rate risk and determine the need to enter into interest rate hedging contract in the future.

(b) Exchange rate risks

PCL's foreign currency exchange risk arises from the transactions denominated in currency other than the USD.

Management possesses vast experience in purchasing materials and/or equipment and constantly monitors the market trends on the prices of the materials and/or equipment to ensure the exposure to foreign exchange risk is kept to the minimal.

Notwithstanding the above, there is no assurance that any foreign exchange fluctuations in the future will not adversely affect the Company's financial performance.

(c) Industry risks, risks related to changes in national and international contexts and changes in rules and regulations

(i) Dependency on the demand for electricity supply

PCL customers are mainly utility and industrial companies and power infrastructure concessionaires who give out contracts of the relevant electricity infrastructure turnkey works. Therefore, the business performance is tied closely to the pace of the social and economic growth of the region, which is dependent on the aspiration of each nation.

Any slowdown of expansion or upgrades of power infrastructure in the region, resulting from negative social and economic growth, will have a direct impact on the business operations and prospects of the Company.

In most countries, especially in developing countries in the region, there will normally be an underlying electricity demand in tandem with the economic growth and overall power accessibility improvement activities.

It is also a challenge for most underdeveloped and developing countries to continuously invest in power grid to provide a reliable and secured electricity supply to its citizen and industries. In mitigation, PCL is making effort to expand its services to utility players across the region and to countries such as Papua New Guinea and the Africa region to diversify its customer base.

GENERAL INFORMATION OF THE LISTED ENTITY

(ii) Changes in political, social and regulatory conditions in Cambodia and other countries that we may operate in

PCL is susceptible to changes in political and regulatory conditions in Cambodia, as well as other countries in which we may operate in the future. Adverse situations in such countries may potentially cause significant interruptions to the business activities, thus affecting the financial performance and profitability. These situations include, but are not limited to, current global and local economic climates, inflation, credit conditions, political leadership, government regulations and policies, risks of war, methods of taxation, nationalisation, expropriation and renegotiation or nullification of existing contracts.

PCL had adopted a proactive approach in keeping abreast with economic, political, social and regulatory developments in Cambodia as well as that of the other countries in which we could operate in the future.

However, the nature of business and the strategy do not require PCL to make a significant capital investment to generate business. As such PLC is expected to be less impacted by any adverse political, economic, social and regulatory factors as it believes that it will be able to adapt to such changes due to its minimal capital requirement and geographical diversification.

(d) Operational Risks

(i) Day-to-day operational risk and insurance coverage

As PCL is involved in electricity supply industry, its business activities are susceptible to operational risks. Risks in day-to-day operations include risks of accidents, disruption in supply of key components, disruption in supply of utilities, as well as fire, flood, and/or other natural disasters that may cause disruption or delay in implementing the projects and may also cause damage to the materials and equipment thereby possibly disrupting its business operations.

In addition, as its projects involve use of heavy equipment and machineries, PCL may encounter accidents or dangerous incidents at the project sites.

PCL seek to limit the above risks through, inter-alia, the following risk measures: -

- (i) taken up personal accident policy for all staff;
- (ii) project sites comply with safety requirements stipulated in various relevant licenses issued by relevant authorities and its approved internal work procedures;
- (iii) established an internal project implementation procedure and supply chain management to ensure effective and efficient business operations;
- (iv) In-house training and briefing on safety requirements and proper use of equipment are conducted to ensure employees are adequately trained to minimise risk of accidents at project sites; and
- (v) ensure materials supplied by suppliers are in accordance to the specifications of the projects and the materials are covered by product warranty.

All projects are covered by sufficient insurance to secure against potential damages and accidents.

(ii) Project-driven performance

PCL's performance is project-driven. Its ability to replenish contracts in the future is dependent on, inter-alia, government policies and general economic conditions, the need to build infrastructure for the electricity supply industry in the region, and changes in general business and credit conditions both locally and abroad.



GENERAL INFORMATION OF THE LISTED ENTITY

In addition, PCL's performance in a particular financial year may depend substantially on a single project and its phases of its execution. PCL takes the necessary steps to establish a broad customer base in the region as its services and products are similarly in demand in all countries in the region. It strives to ensure high degree of customers' satisfaction, customer retention and referrals by:-

- (i) offering value added solutions or services to its customers through its comprehensive in-house test equipment for commissioning of substation; and
- (ii) providing appropriate solutions to customers at hand and ensuring that customers are satisfied with project quality and services; and timely execution.

(iii) Project risk

PCL's revenue is heavily derived from projects which are entered into on a contractual basis, subject to performance of certain terms and conditions. If its projects are delayed as a result of factors that it is contractually responsible for, especially on those that are within its control, PCL is liable to pay liquidated and ascertained damages on termination or delay. As such, any delay may affect its ability to complete its projects and achieve its revenue target and its business plans in a particular period. The difficulties faced in executing projects may also result in incurring higher cost. These types of developments may, in turn, have an adverse effect on the business, financial condition and results of operations.

Apart from the above, the projects could be subject to cancellation, deferral or rescheduling which could affect the Company's anticipated profitability. Furthermore, any termination of material projects will have an adverse impact on future revenue.

For those situations which are out of its control, such as adverse weather conditions and/or floods, such delays would be compensated by its customer via an extension of time to complete the project. In addition, under the terms of most of the contracts with its customers, its customers may request changes to the contract specifications that may result from unanticipated events affecting the projects. Its contracts generally provide that such additional direct costs and extra time resulting from these types of changes in specifications are allowed in its contracts.

All PCL projects are based on contractual agreements. Any cancellation and termination of projects shall be subject to terms and conditions set out in the contracts. Generally, claims for works rendered prior to such cancellation or termination would be allowable in any contracts.

In addition, PCL will seek legal advice before entering into any contracts to ensure the company's interest is safeguarded.

(iv) Dependency and inability to retain executive directors and senior officers

PCL believes that its Company's continued success will depend, to a significant extent, upon the abilities, capabilities and continued efforts of the Executive Directors and senior officers to effectively market its services and products to grow the business. PCL is led by experienced Directors and is managed by a team of qualified senior officers who have extensive knowledge and experience in the industry.

Accordingly, the loss of any of Directors and senior officers may affect its ability to effectively carry out its business activities.

The Board recognises the importance of the Company's ability to attract and retain Executive Directors and senior officers through the implementation of human resource strategies which include suitable compensation packages and the adoption of succession planning for key positions.

GENERAL INFORMATION OF THE LISTED ENTITY

In addition, PCL adopted the Group's Business Continuity Management to ensure uninterrupted business operations.

However, there can be no assurance that the above measures will be successful in attracting and retaining Executive Directors and senior officers. Nevertheless, PCL believes, any loss of Executive Directors or senior officers would have only short-term impact on its business activities.

(v) Dependency on related companies within PESTECH International Berhad Group ("PESTECH Group")

PCL expands through capitalising the competencies and know-how of other related companies within PESTECH Group. While this enable PCL to accelerate its growth with the support from PESTECH Group, it also creates dependency on the part of PLC to rely on the competencies of other related companies to deliver its services to customers.

However, naturally such dependency is benefitting PCL in terms of expanding PCL's scope of services to its customers, enhancing the competencies and know-how of the local term and thereby bring value adds to its customers.

(vi) Third party technical utilisation risk

In the course of implementation of projects, PCL needs to use third party equipment or products. If such equipment or products are faulty, PCL would need to request for technical assistance from the original manufacturer to help resolve the problems. Although normally the manufacturer would have a team of experts ready to assist in these circumstances, PCL would not be able to ascertain that such assistance can be always delivered in a timely and efficient manner.

PCL would ensure that third party components or equipment are sourced from established brand names with long standing track record on the reliability of their equipment or products to reduce the risk of faulty third party equipment. In addition, the supply chain management of PCL requires registration of suppliers, progress monitoring and factory inspection to ensure quality of products and timely delivery.

(vii) Reliance on major customers

As PCL's revenue mainly generated from projects, PCL could be reliant on certain projects and thereby certain customers during a particular period of time.

PCL does not expect to rely on any particular customers on a recurring basis, it is the nature of its business that it could be reliant on a particular customer at any period of time in the future. The loss of any of these customers, if not replaced, will adversely affect its financial condition and results of operations. However, the Board is of the view that these risks are mitigated to a certain extent, by the following:-

- (i) the track record offering value add solutions and quality services have ensured customer retention and referral; and
- (ii) by securing more contracts from different customers and thereby replenishing the project works, PCL is able to minimise its dependency on any particular customers in the future.

In addition, the Company has maintained and will continuously strive to meet its customers' expectations by working in tandem with their requirements to further improve its service quality. Despite its efforts to broaden its customer base, there is no assurance that the financial performance and operations of PCL will not be adversely affected by its dependence on major customers.



GENERAL INFORMATION OF THE LISTED ENTITY

(viii) **Reliance on licenses, permits and other relevant approvals issued by various regulatory authorities in Cambodia**

PCL is required by the regulatory authorities in the countries where it is operating to possess the required licenses, permits and other approvals in order to operate its businesses. Any change in the laws, regulations and government policies could affect its operations. In particular, any decisions by the government or regulatory authorities related to grant or renewal of licenses or permits could disrupt its operations and have material adverse effect on its business and financial condition. Even though PCL has obtained the required licenses, permits and approvals, it is subject to continuous review under the applicable laws and regulations, the implementation of which is subject to change from time to time.

PCL will continue to remain compliant with the laws and regulations in the countries where it is operating by ensuring reviewing of the regulations, conditions imposed and new directives on an on-going basis. Nonetheless, there is no assurance that its effort is sufficient to mitigate such risk.

(e) **Non-operational risks**

(i) **Financial Risks Including Liquidity Risk and Credit Risk**

Liquidity risk

Liquidity risk is the risk that PCL will encounter difficulty in raising funds to meet its short term payment commitments.

PCL is exposed to liquidity risk as it extends credit terms to its customers and in some cases, it only get paid beyond the construction period. As a result, it may be facing liquidity risk if it is unable to fund the construction cost and the purchase of the machinery and equipment used in the projects.

PCL seeks to maintain sufficient cash and cash equivalents to meet its working capital needs, and also maintain good relationships with the financial institutions.

PCL's policy is to regularly monitor the current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The Company will also endeavour to balance the projects with longer payment term via-a-vis projects with shorter payment term in order to lessen the liquidity burden on the Company.

Credit risk

PCL is exposed to credit risk as it usually invoices customers based on the stages of completion of projects or based on terms of payment set out in the contracts with customers. Terms of payment are usually negotiated up front between the contracted parties.

Adverse economic conditions affecting, or financial difficulties of customers could impair the ability of customers to pay for services or fulfil their contractual obligations or cause them to delay those payments or obligations. PCL depends on its customers to remit payments on a timely basis.

PCL is of the opinion that the billing method is in line with the industry standards. The majority of customers or end-customers are state-owned companies and PCL has thus far managed to receive payments on timely manner.

In general, PCL only provides extended credit terms to customers when it has the direct payment arrangement in place with the end-customers, which are generally the state-owned utility companies.

GENERAL INFORMATION OF THE LISTED ENTITY

(ii) Future capital needs which will require additional financing

PCL may need to raise additional funds in the future, through public or private financing, to support the growth of the Company, undertake acquisitions, respond to competitive pressure and/or acquire complementary businesses and technologies. There is no assurance that such additional funding, if needed, will be available on favourable terms. Furthermore, any debt financing if available, may involve restrictive covenants, which may limit PCL's operating flexibility. If additional funds are raised through the issuance of equity or equity-linked instruments, PCL's earnings per share will be diluted and its shareholders may experience dilution in their equity shareholdings in the Company. In addition, such equity or equity-linked instruments may have rights, preferences or privileges over those of the existing shares. Failure to secure adequate funds on acceptable terms would have a material adverse effect on the Company's business, competitiveness and financial performance.

PCL maintains good relationships with financial institutions and in the Board's opinion, PCL has good prospects of establishing banking relationship with them, should the need arises. Furthermore, PCL expects most of the future debts funding requirements are projects related which have clear source of repayment.

(f) Litigation risks and contingent liabilities

(i) Litigation risk

PCL is not involved in any litigation in Cambodia. Nevertheless, the Company is subject to the risk of litigation and regulatory enforcement actions in the ordinary course of business, particularly in respect of any breach of contractual covenants, the environmental and construction requirements in relation to projects, taxation law and labour law requirements.

Any litigation or regulatory enforcement actions could potentially damage its reputation and could expose the Company to financial liability, divert our resources and management's attention away from day-to-day business and adversely affect the Company's reputation and financial performance.

PCL is currently not exposed to any litigation that could have a material adverse effect on the Company's financial performance. PCL strives to carry out business to ensure compliance with all applicable laws and best practices in the industry.

(ii) Tax disputes

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 that is 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 different interpretations and the effects since the incorporation could be significant.

There are subsisting tax disputes between PCL and the General Department of Taxation, Cambodia ("GDT").

PCL had engaged tax consultant to address tax disputes/audit with the GDT.



INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENT

The undertaking of engineering, procurement, construction and commissioning (“**EPCC**”) contract for electrical transmission and substation is the main contributor to the revenue for the years amounting to KHR34,781 million (FY2023: KHR60,461 million), which comprised about 81.8% (FY2023: 76.0%) of the total revenue.

Supplemented to our EPCC services, the operation and maintenance services (“**O&M**”) activities, recorded a revenue of KHR7,720 million, which is 18.2% of the total revenue (FY2023: KHR19,056 million or 24.0%). The decrease is mainly arising from the termination of O&M Kratie contract in March 2023. Therefore, no contribution from O&M Kratie contract in this financial year.

During the year, the Group recognised finance income amounting to KHR9,439 million (FY2023: KHR 10,445 million) for certain contracts with customer in accordance with Cambodian International Financial Reporting Standards (“**CIFRS**”) 15. The finance income form part of the total income of the Group.

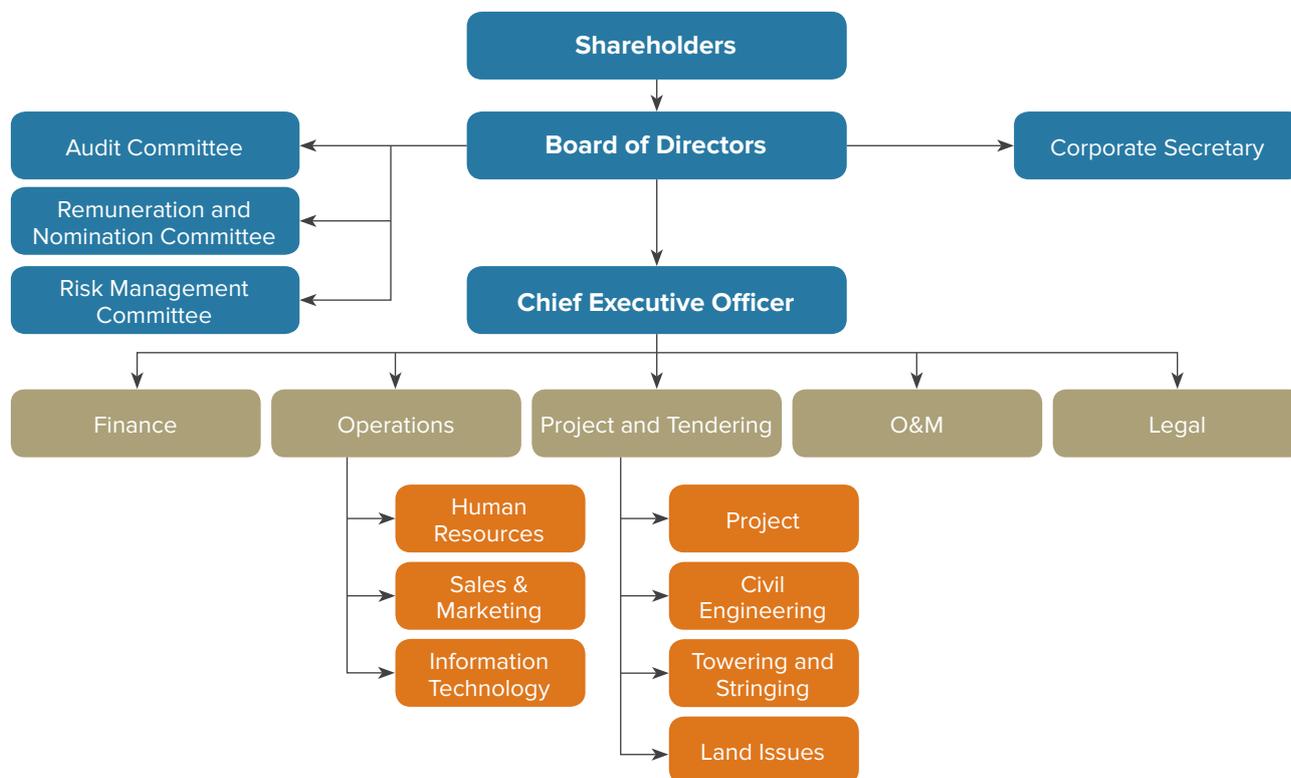
B. REVENUE STRUCTURE

No.	Source of Revenue	FY2024		FY2023		FY2022	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation	34,781	81.8	60,461	76.0	202,508	93.6
2	Operation and Maintenance	7,720	18.2	19,056	24.0	13,847	6.4
Total revenue		42,501	100.0	79,517	100.0	216,355	100.0

No.	Source of Contract Income	FY2024		FY2023		FY2022	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	Revenue	42,501	81.8	79,517	88.4	216,355	95.0
2	Finance income for contract assets	9,439	18.2	10,445	11.6	11,448	5.0
Total contract income		51,940	100.0	89,962	100.0	227,803	100.0

INFORMATION ON CORPORATE GOVERNANCE

A. ORGANIZATION STRUCTURE



B. BOARD OF DIRECTORS

No	Name	Position	Date of term being Director	Expired Date of Being Director
1	Ir. Paul Lim Pay Chuan	Executive Chairman	5 February 2010	10 December 2025
2	Lim Ah Hock	Executive Director	5 February 2010	10 December 2025
3	Dav Ansan	Independent Non-Executive Director	29 August 2018	31 December 2026
4	Lynda Pan Seng Wee	Executive Director	7 December 2023	7 December 2025
5	Han Fatt Juan	Executive Director	Resigned on 27 May 2024	
6	Tann Sochan	Executive Director	4 September 2024	4 September 2025

The shareholders of PCL had approved the appointment of Ms. Tann Sochan at an Extraordinary General Meeting of Shareholders held on 4 September 2024.

C. CORPORATE SECRETARY

No	Name	Appointment Date
1	Pin Sokun Tevy	8 December 2023

D. SENIOR OFFICERS

No	Name	Position
1	Paul Lim Pay Chuan	Acting Chief Executive Officer
2	Tann Sochan	Executive Director
3	Teh Bee Choo	Chief Financial Officer
4	Han Fatt Juan	Chief Project and Marketing Manager
5	Mr. N Saravanan Nadarajah	Project Director



INFORMATION ON SECURITIES' TRADING AND SHAREHOLDERS OF THE LISTED ENTITY

A. INFORMATION ON SECURITIES

1. Information on Equity Securities (for equity listed entity)

Name of equity securities	: PESTECH (Cambodia) PLC.
Equity securities' symbol	: PEPC
Class of equity securities	: Ordinary Share
Par value per equity securities	: USD 0.10 or KHR 400
IPO Price	: USD 0.76 or KHR3,120
The total number of outstanding shares	: 74,945,000
Market capitalization	: KHR 180,617,000,000 (KHR 2,410 per share as at 15 August 2024)
Permitted Securities Market	: Cambodia Securities Exchange
Listing date	: 12 August 2020

B. SECURITIES' PRICE AND TRADING VOLUME

Securities	Jul 23	Aug 23	Sep 23	Oct 23	Nov 23	Dec 23	Jan 24	Feb 24	Mar 24	Apr 24	May 24	June 24	
Trading Price	Maximum	3,380	3,080	2,630	2,500	2,630	2,880	3,070	3,090	2,880	2,560	2,500	2,340
	*Average	3,050	2,790	2,445	2,360	2,425	2,650	2,740	2,845	2,620	2,325	2,265	2,230
	Minimum	2,720	2,500	2,260	2,220	2,220	2,420	2,410	2,600	2,360	2,090	2,030	2,120
Trading volume	Maximum	8,506	6,307	2,102	1,941	1,785	1,935	1,620	1,056	1,382	4,166	4,198	4,106
	*Average	4,271.5	3,153.5	1,051.5	978	894	990.5	815.5	528.5	694.5	2,083	2,104.5	2,053.5
	Minimum	37	0	1	15	3	46	11	1	7	0	11	1

The above information was extracted from CSX's website based on information as at 15 August 2024, where available.

*Being the average between the maximum and minimum trading price and volume.

C. CONTROLLING SHAREHOLDER(S) (30% OR MORE)

No	Name	National	Number of Shares	Percentage
1	PESTECH International Berhad	Malaysia	71,000,000	94.74%
Total			71,000,000	94.74%

The above information was extracted from CSX's website based on information as at 15 August 2024, where available.

D. INFORMATION ON DIVIDEND DISTRIBUTION IN THE LAST 3 (THREE) YEARS (FOR EQUITY LISTED ENTITY)

There was no dividend distribution for the financial year ended 30 June 2024, and the shareholders voted and approved on such resolution.

INTERNAL CONTROL AUDIT REPORT BY THE INTERNAL AUDITORS

The Board of Directors

PESTECH (Cambodia) Plc.

No. 6, St. 588, Phum 11
Sangkat Boeung Kok II
Khan Toul Kork, Phnom Penh.

26 August 2024

Dear Sirs/Madams,

PESTECH (CAMBODIA) PLC. Internal Audit Report

We refer to above subject matter and enclose a copy of our internal audit report for your perusal. The Internal audit report has already been discussed with the Management of PESTECH (Cambodia) Plc (“the Company”).

We have performed internal audit on inventory management of the Company for the period from 1 July 2023 to 31 March 2024 which were concluded during the financial year ended 30 June 2024. We set out in the attached report certain matters which came to our attention during the course of our internal audit and which we should formally draw to your attention. Our report is based on information presented to us on or before 10 April 2024. We have not undertaken to update our report or to revise the information contained therein for events or circumstances arising after that date.

We have prepared this report solely for the use of the Audit Committee, the Management and your intended use for the purpose of the engagement. Therefore, it would not be appropriate for this report to be made available to third parties and, if such a third party were to obtain a copy without our prior written consent, we would not accept any responsibility for any reliance that they might place on the said report.

We have incorporated the Management’s responses to the various comments enclosed in the attached Report for your attention.

Finally, we would like to acknowledge the assistance and co-operation extended to us by your staff members during the course of our work.

Yours faithfully

For **Fii&Associates Co., Ltd.**



Seng Chanthan
Audit Partner

PART 6

FINANCIAL STATEMENT AUDITED BY THE INDEPENDENT AUDITOR

PLEASE REFER TO THE ANNEX FOR FINANCIAL
STATEMENTS AUDITED BY INDEPENDENT AUDITOR



INFORMATION ON RELATED PARTY TRANSACTIONS AND CONFLICT OF INTEREST

The Listed entity shall disclose material transactions information, with related parties in the last 2 (two) years, specifying name, relation between the listed entity and related parties, size of transaction and the type of interest which arise from that relationship as follows:

A. Material Transactions with shareholder who hold at least 5% or more shares of outstanding equity securities.

Company	Relationship	Transactions	For the year ended		For the year ended	
			30 June 2024	30 June 2023	30 June 2024	30 June 2023
			USD'000	USD'000	KHR'mil	KHR'mil
PESTECH International Berhad	Holding Company	Interest charge	1,179	1,233	4,834	5,063

B. Material Transactions with Director and Senior Officer

There were no material transactions with Director and Senior Officer in the last two (2) years.

C. Transactions with Director and Shareholder related to buy/sell asset and service

There were no transactions with Director and Shareholder to buy/sell asset and service in the last two (2) years.

D. Material transactions with immediate family members of the director, Senior Officer and Shareholder who hold at least 5% or more shares

There were no material transactions with immediate family members of the director, Senior Officer and Shareholder who hold at least 5% or more shares in the last two (2) years.

E. Material transactions with the person, who associated with director of the listed entity, its Subsidiary or Holding Company, whose relationship has occurred in any transactions or have been made by the listed entity

There were no material transactions with the person, who associated with director of the listed entity, its Subsidiary or Holding Company, whose relationship has occurred in any transactions or have been made by the listed entity.

F. Material transactions with former director or person who involved with former director

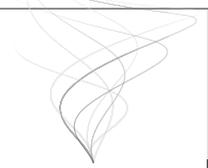
There were no material transactions with former director or person who involved with former director.

G. Material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity

There were no material transactions with director who is holding any position in a non-profit organization or in any other company other than the listed entity.

H. Material transactions with directors who get benefit either finance or non-financial from the listed entity.

There were no material transactions with directors who get benefit either finance or non-financial from the listed entity.



MANAGEMENT'S DISCUSSION AND ANALYSIS (“MD&A”)

A. Overview of operations

1. Revenue Analysis

The revenue for the financial year 2024 recorded at KHR42,501 million representing a decrease of KHR37,016 million or 46.6% as compared to the financial year 2023 recorded at KHR79,517 million. The changes in revenue reflected the execution progress of various projects in Cambodia. Lower revenue in this financial year is mainly due to annulment of project contract in this financial year.

2. Revenue by segment analysis

The undertaking of engineering, procurement, construction and commissioning (“EPCC”) contract for electrical transmission and substation is the main contributor to the revenue for the years amounting to KHR34,781 million (FY2023: KHR60,461 million), which comprised about 81.8% (FY2023: 76.0%) of the total revenue.

Supplemented to our EPCC services, the operation and maintenance services (“O&M”) activities, recorded a revenue of KHR7,720 million, which is 18.2% of the total revenue (FY2023: KHR19,056 million or 24.0%). The decrease is mainly arising from the termination of O&M Kratie contract in March 2023. Therefore, no contribution from O&M Kratie contract in this financial year.

3. Gross profit (“GP”) margin analysis

GP margin in the financial year 2024 is recorded at 378.6% as compared to 36.9% in the financial year 2023, representing an increase of 341.7%. Higher GP margin during the financial year is mainly derived from one-off adjustments to reverse the provision of trade creditor for a completed project and an annulled project. The GP margin if exclude one off adjustment is about 26.2%.

4. (Loss)/Profit before tax (“LBT/PBT”) analysis

LBT for the financial year recorded at KHR76,365 million, representing an increase in loss of KHR54,330 million or 246.6% as compared to the LBT for the financial year 2023 at KHR22,035 million. It was mainly attributable to the impairment of contract asset from the annulment of project contract about KHR179,489 million. The impairment loss of contract asset has been offset with the reversal of provision of trade creditor for a completed project and an annulled project during the year.

5. (Loss)/Profit after tax (“LAT/PAT”) analysis

LAT recorded at KHR77,127 million, representing an increase in loss of KHR53,881 million as compared to the LAT for the financial year 2023 at KHR23,246 million.

B. Significant factors affecting profit

During the financial year, there was no significant factors affecting operating profit of the Group except for the annulment of a specific project contract during the year. The annulment of the project has reduced the contract assets of the Group amounting to KHR179,489 million. The provision of project costs related to the project amounting to KHR111,765 million was being reversed during the year. The net loss arising from this is about KHR67,724 million.

C. Material changes in sales and revenue

The revenue for the financial year 2024 recorded at KHR42,501 million representing a decrease of KHR37,016 million or 46.6% as compared to the financial year 2023 recorded at KHR79,517 million. The changes in revenue reflected the execution progress of various projects in Cambodia. Lower revenue in this financial year is mainly due to annulment of project contract in this financial year.

MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

D. Impact of foreign exchange, interest rates and commodity prices

Our sales revenue and purchases are mainly denominated in USD. As such, we have not been materially affected by the fluctuations of the foreign exchange during the financial year. The exposure on foreign exchange is mainly due to reporting purpose.

For interest rate risk, PCL is exposed to the changes through floating rate instrument, i.e. borrowings at variable rates. The increase in SOFR rate has increased the finance cost of the Group. Despite the increase in SOFR rate, the Group has entered into interest rate swaps contract to hedge the Group's exposure to interest rate risks on its term loan borrowings that allows the Group to raise borrowings at floating rates and swap into fixed rates.

There was no material impact due to fluctuations of commodity prices.

E. Impact of inflation

Our overheads were subject to the impact of inflation. However, the inflation in Cambodia of 2.3% (as of 7 May 2024, source: IMF says Cambodia's inflation to be stable at 2.3 percent in 2024), posed about 1.1% impact to our profit or loss. All other operating expenses were fixed cost items for the whole duration of the contract. Other than the aforesaid, there was no other material impact due to inflation.

F. Economic / fiscal / monetary policy of Royal Government

There is no material change in the economic, fiscal, monetary policy of Royal Government or factors that have materially impacted to the financial result during the year.



OTHER NECESSARY INFORMATION FOR INVESTORS PROTECTION (IF ANY)

PCL's corporate website at www.pestech.com.kh serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Company's activities, financial results, major strategic development and other matters affecting stakeholders' interests.

We acknowledge the importance of maintaining communication with our shareholders and investors through channels like Periodic Report including annual reports and quarterly reports. Timely Disclosure including press releases and announcements etc. Our quarterly and annual reports contain details of financial and other information about the Group's activities.

SIGNATURE OF DIRECTORS OF THE LISTED ENTITY

Date: 8 October 2024

Read and Approved by:



Signature

Name: Ir. Paul Lim Pay Chuan

Position: Executive Chairman and Acting CEO

Date: 8 October 2024

Read and Approved by:

Signature

Name: Lim Ah Hock

Position: Executive Director

Date: 8 October 2024

Read and Approved by:

Signature

Name: Dav Ansan

Position: Independent Non-Executive Director

Date: 8 October 2024

Read and Approved by:

Signature

Name: Lynda Pan Seng Wee

Position: Executive Director

Date: 8 October 2024

Read and Approved by:

Signature

Name: Tann Sochan

Position: Executive Director



ANNUAL CORPORATE GOVERNANCE REPORT

PART 1 - SHAREHOLDERS

A. Shareholders Structure

Shareholder Information (based on Shareholders' list as at 15 August 2024)

Description	Nationality	Types of Shareholders	Number of Shareholders	Number of Shares	Percentage
Less than 5%	Cambodian	Individual	1,184	742,155	0.99%
		Legal Person	1	164,868	0.22%
	Non-Cambodian	Individual	130	406,398	0.54%
		Legal Person	1	2,631,579	3.51%
From 5% to 30%	Cambodian	Individual	-	-	0.00%
		Legal Person	-	-	0.00%
	Non-Cambodian	Individual	-	-	0.00%
		Legal Person	-	-	0.00%
From 30%	Cambodian	Individual	-	-	0.00%
		Legal Person	-	-	0.00%
	Non-Cambodian	Individual	-	-	0.00%
		Legal Person	1	71,000,000	94.74%
				74,945,000	100.00%

1. Shareholders Who Are Directors and Employees of Listed Company (based on Shareholders' list as at 15 August 2024)

Shareholders	Number of Shareholders	Number of Shares	Percentage (%)
Directors	3.00	145,984	0.19%
Employees	28.00	67,894	0.09%
Total	31.00	213,878	0.28%

B. Shareholders' and Protection of Shareholders' Rights

The protection of shareholders and minority shareholders' rights and the Company's Practice of the Protection of Shareholders' Rights are as follows:-

- Each ordinary share shall be entitled to one (1) vote and the manner of voting is to be carried out by way of polling.
- Upon dissolution of the Company, each ordinary share shall confer with the rights to receive distribution of assets and monies of the Company, in accordance with the proportion of shareholdings.

ANNUAL CORPORATE GOVERNANCE REPORT

B. Shareholders' and Protection of Shareholders' Rights (Cont'd)

The protection of shareholders and minority shareholders' rights and the Company's Practice of the Protection of Shareholders' Rights are as follows:- (Cont'd)

- c) A holder of each share shall be entitled to:
- vote and voice opinion at any meeting of the shareholder of the Company;
 - receive any dividend declared by the Company;
 - receive the remaining property of the Company on dissolution;
 - examine the list of shareholders during usual business hours at the registered office of the Company, at the place where its central securities register is maintained or at the general shareholder meeting which the list was prepared; and
 - may examine the annual financial statements during the normal business hours of the Company and may make extracts free of charge in accordance with Article 225 of the Law on Commercial Enterprise.

C. General Shareholder Meeting

1. Procedures of General Shareholder Meeting and Voting

- a) Any Shareholder may appoint a proxy to vote for and on his behalf, provided the power given to the proxy is in writing. The instrument appointing a proxy shall be dated and signed by the Shareholder and shall contain the following particulars:
- (i) The number of shares held by the Shareholder;
 - (ii) The full name and address of the proxy; and
 - (iii) The meeting or meetings or the period for which the proxy is appointed.
- b) If a proxy proposes to vote at a meeting, the instrument of appointment of the proxy must be deposited with the Chairman of the Board of Directors at or before the commencement of that meeting.
- c) At any meeting of the shareholders, a majority of all the shares entitled to vote on a matter, represented by shareholders of record in person or by proxy, shall constitute a quorum of that voting group for action on that matter. Once a share is represented at a meeting, other than to object to holding the meeting or transacting business, it is deemed to be present for quorum purposes for the remainder of the meeting and for any adjournment to a new date, time, or place unless a new record date is or must be set for the adjourned meeting.
- d) If a quorum exists, action on a matter is approved by a voting group if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action, unless the question is one upon which by express provisions laws, or of the Articles of Incorporation a different vote is required.
- e) In casting votes at a general meeting, each Shareholder shall have one (1) vote for each share held. Only Shareholders duly registered and having paid all sums due and payable to the Company in respect of their shares, shall be entitled to vote on any question either personally or by proxy at any general meeting.
- f) Decisions of the Shareholder are binding on the Company only if made by a Shareholder's resolution. All resolutions of the Shareholder shall require the affirmative votes of at least a majority of voting shares held by Shareholder and Proxies present at the meeting in the case of Ordinary Resolution, and in the case of Special Resolution, a resolution passed by a majority of not less than 2/3 (two-thirds) of the votes cast by the Shareholder who voted on the particular Special Resolution. No Shareholder's resolution shall be binding on the Company unless approved in this manner.



ANNUAL CORPORATE GOVERNANCE REPORT

C. General Shareholder Meeting (Cont'd)

2. Information of General Shareholder's Meeting

The General Shareholder's Meeting was held on 07 December 2023, with majority of the shareholders present, had approved the following resolutions:-

- a. Approval on the remuneration of the Board of Directors
- b. Approval on the re-election of Mr. Ir. Paul Lim Pay Chuan, the Executive Chairman of the Company, in accordance with Article 18.1 of the Company's Articles of Incorporation
- c. Approval on the re-election of Mr. Han Fatt Juan, the Executive Director and Chief Executive Officer of the Company, in accordance with Article 18.1 of the Company's Articles of Incorporation
- d. Approval on the re-election of Mr. Lim Ah Hock, the Executive Director of the Company, in accordance with Article 18.1 of the Company's Articles of Incorporation
- e. Approval on the election of Mr. Dav Ansan, Independent Non-Executive Director, in accordance with Article 18.1 of the Company's Articles of Incorporation
- f. Approval on decision not to declare and distribute dividend for the financial year ended 30 June 2023
- g. Approval on authority to declare and distribute dividend for the financial year ending 30 June 2024
- h. Authority to Issue shares pursuant to the Company's Articles of Incorporation
- i. Approval of Appointment Ms. Lynda Pan Seng Wee as Executive Director of the Company.

An Extraordinary General Meeting of Shareholders was held on 15 May 2024, with majority of the shareholders present, the shareholders had approved the change of registered office's address and the amendments to the Company's Articles of Incorporation in relation to the update of the registered office's address and Article 50 on the change of financial year end from 30 June to 30 September.

D. Dividend Distribution

Dividend Policy

PCL intends to recommend and distribute a minimum dividend of thirty percent (30.0%) of its Profit After Tax, subject to financial performance, cash flow requirements, availability of retained earnings, capital expenditure requirements and any other factors considered relevant by our Board.

The Group may consider making payment of such dividend in the form of cash, shares in the Company for reinvestment opportunities or the combination of the above. When there is an option, the shareholders shall have the rights to elect for cash, shares or the combination of both, subject to compliance with the law and regulatory requirements in Cambodia.

Historical Information of Dividend Distribution for the last 3 years.

There was no dividend distribution for the financial year ended 30 June 2024, and the shareholders voted and approved on such resolution.

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PART 2 - BOARD OF DIRECTORS

IR. PAUL LIM PAY CHUAN

Executive Chairman and Acting CEO

Ir. Paul Lim Pay Chuan, a Malaysian, aged 54, male, is an Executive Chairman and Acting CEO of PCL. He was appointed to the Board on 5 February 2010.

He graduated from the University of Mississippi, USA with a Bachelor of Science in Electrical Engineering (Summa Cum Laude) in 1993. Subsequently, he obtained his Master of Engineering (Electrical) from Cornell University, USA in 1994. He is currently registered as a Fellow Member of the Institute of Engineers Malaysia and a Professional Engineer with the Board of Engineers Malaysia since 2007 in the field of electrical engineering. Since 2011, he is also a certified Project Management Professional® with the Project Management Institute, a global professional association that certifies project management expertise which is based in the US with regional offices worldwide. He is registered as an ASEAN Chartered Professional Engineer since 2016. In 2017, he was registered under The Asia Pacific Economic Co-Operation Register and The International Register of Professional Engineer and the ASEAN Engineering Register.

In 1994, he began his career with Motorola Malaysia Sdn Bhd as a Product Engineer. He then joined Toprank Corporation Sdn Bhd (now known as Toshiba Transmission & Distribution Systems Asia Sdn Bhd) in 1995 as a Project Engineer, where he was promoted to Project Manager in 1997, and subsequently promoted to Assistant General Manager in 1998, a position he held for two (2) years. In 2000, he joined the Group as a General Manager and was promoted to CEO in 2008. At present, he is the Managing Director and Group Chief Executive Officer of PESTECH Group.

He has been playing an instrumental role in the growth and development of PESTECH from a small player primarily involved in trading, to an established homegrown integrated electric power technology company in the power transmission and distribution business with operations locally and abroad.

In 2010, he was awarded the Outstanding Entrepreneurship Award 2010 by Enterprise Asia, for his dedication and leadership in guiding the Group to being an important player in the power transmission and distribution business locally and abroad.

As of to-date, the list of directorships held by Ir. Paul Lim is as follows:-

List of Directorships		
PESTECH International Berhad	Green Sustainable Ventures (Cambodia) Co., Ltd.	Asiapac Builders Sdn Bhd
Astoria Solar Farm Sdn Bhd	PESTECH Power One Sdn Bhd	Asiapac Machineries Sdn Bhd
CRSE Sdn Bhd	PESTECH REI Sdn Bhd	BETSOL Sdn Bhd
Diamond Power Ltd	PESTECH Sdn Bhd	Enlightyx Sdn Bhd
Enersol Co., Ltd	PESTECH Solutions Sdn Bhd	Fornix Biotech Sdn Bhd
Fornix Sdn Bhd	PESTECH System Siam Ltd	Fornix Capital Sdn Bhd
PESTECH (Brunei) Sdn Bhd	PESTECH Technology Sdn Bhd	Fornix Foodstuffs Sdn Bhd
PESTECH (Myanmar) Limited	PESTECH Transmission Sdn Bhd	Imbiss Sdn Bhd
PESTECH (PNG) Ltd	PESTECH Transmission Ltd	Riviera Wylis Sdn Bhd
PESTECH (Sarawak) Sdn Bhd	PESTECH Vietnam Company Limited	Wylis Corporation Sdn Bhd
PESTECH Aerotrains Sdn Bhd	PESTECH Hinthar Corporation Limited	Wylis Sdn Bhd
PESTECH Energy Sdn Bhd	PESTECH Microgrid Co. Ltd	PESTECH Pluginfinite Sdn Bhd
PESTECH GTI Sdn Bhd	PESTECH Power Sdn Bhd	
ODM Power Line Company Limited	PESTECH Transmission CDI SARL	



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LIM AH HOCK

Executive Director

Lim Ah Hock, a Malaysian, aged 72, male, is the Director of PCL. He was appointed to the Board on 5 February 2010.

In 1978, he graduated from the University of Strathclyde in Glasgow, United Kingdom with a Bachelor of Science Degree majoring in Mechanical Engineering (First Class Honours). He is a member of the Institute of Engineers, Malaysia (“IEM”) since 1981.

He began his career in 1979 as a Lecturer in Ngee Ann Technical College in Singapore (renamed to Ngee Ann Polytechnic in 1982) lecturing in thermodynamics and fluid mechanics. In 1980, he joined Mechmar Kejuruteraan Sdn Bhd (“Mechmar”) as a Service Engineer where he managed the service division and was involved in the provision of after-sales service and major boiler repairs. Subsequently, he left Mechmar in 1984 and joined SingMah Pressure Vessels Co. as a Branch Manager during the period of 1984 to 1989 where he was in charge of the Southern branch’s overall sales to the oil palm refineries, food and timber industries as well as other existing industries in Southern Peninsular, Sabah and Sarawak. In 1989, he became a Director of VESTECH Engineering Sdn Bhd, a position he holds until today.

In 1991, he set up PSB in Johor Bahru. To-date, his responsibilities in the Group include charting major corporate development plans, steering macro business growth direction together with the stewardship of the Managing Director and Group Chief Executive Officer, monitor the overall financial well-being and activities of the Group which includes providing management guidance and direction for the Group.

As of to-date, the list of directorships held by Mr. Lim Ah Hock is as follows:-

List of Directorships

PESTECH International Berhad	PESTECH GTI Sdn Bhd	PESTECH Technology Sdn Bhd
Astoria Solar Farm Sdn Bhd	PESTECH Hinthar Corporation Limited	PESTECH Transmission Sdn Bhd
CRSE Sdn Bhd	PESTECH Power Sdn Bhd	Asiapac Machinerics Sdn Bhd
Diamond Power Ltd	PESTECH Power One Sdn Bhd	Fornix Biotech Sdn Bhd
Enersol Co., Ltd	PESTECH REI Sdn Bhd	Fornix Capital Sdn Bhd
Fornix Sdn Bhd	PESTECH Sdn Bhd	Fornix Foodstuffs Sdn Bhd
PESTECH (Sarawak) Sdn Bhd	ODM Power Line Company Limited	Vestech Engineering Sdn Bhd
PESTECH Aerotrains Sdn Bhd	PESTECH Solutions Sdn Bhd	PESTECH Pluginfinite Sdn Bhd
PESTECH Energy Sdn Bhd	PESTECH System Siam Ltd	

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DAV ANSAN

Independent Non-Executive Director

Dav Ansan, a Cambodian, aged 44, is an Independent Non-Executive Director and was appointed on 29 August 2018.

He is a notary public and is a Vice Chairman of Sethavitou Notary Public Office (“SH Notary”) since 2014. He has over 10 years of working experience in legal practice and socio-political and economic field. His area of expertise is project and corporate governance. Prior to joining SH Notary, he was a legal practitioner at the Office of the Co-Investigating Judges of the Trial Chamber of the Extraordinary Chambers in the Court of Cambodia (ECCC) from 2009 to 2013. Prior to joining the ECCC, he was an advisor and researcher of a foreign Embassy in Phnom Penh and a public research institution of the Cambodian Government in the fields of law, advocacy, economics, cross-border trade, and business enabling environment. He also gave lectures in public and private universities in Phnom Penh from 2003 to 2013.

Ansan was an advisor to Samdech Akka Moha Ponhea Chakrei HENG SAMRIN, former President of the National Assembly of the Kingdom of Cambodia. He is also a member of the Central Committee of the Union of Youth Federations of Cambodia, the biggest youth based non-governmental organization in Cambodia.

Dav Ansan graduated with Master in Policy Economics from Williams College, Massachusetts, USA in 2009 and a Master of Development Economics from the Royal Academy of Cambodia in 2003.

He speaks Khmer as his mother tongue and at advanced level of English as second language.

As of to-date, the directorships held by Dav Ansan are Sethavitou Notary and Propey Microfinance Plc.

LYNDA PAN SENG WEE

Executive Director

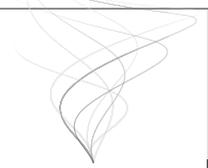
Lynda Pan Seng Wee (“Lynda Pan”), a Malaysian, aged 49, is an Executive Director and was appointed on 7 December 2023.

She graduated in 1999 after completed her study in the professional degree of Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”). MAICSA is a well-recognised professional body for Chartered Secretaries and Chartered Governance professionals in Malaysia. It is an affiliate body to The Chartered Governance Institute (“CGI”). CGI is the leading professional body for Chartered Secretaries and Chartered Governance Professionals in the United Kingdom and throughout the world. She was admitted as Fellow Member of MAICSA in year 2015.

She started her secretarial practice in I-Berhad from years 1999 to 2002 as Corporate Secretarial Executive and was tasked to assist on the in-house secretarial works. After four (4) years of services in I-Berhad, she decided to garner greater exposure in secretarial practice and joined Securities Services (Holdings) Sdn. Bhd. (“SS”), one of the leading corporate secretarial and share registration service provider in Malaysia, as Secretarial Senior in year 2002.

During her tenure of over 15 years in SS, she was exposed extensively to various corporate exercises which include initial public offering, bonus issue and shares consolidation, transfer of listing status to the Main Board of Bursa Malaysia Securities Berhad, de-listing exercises of listed companies, proposed private placement, transaction on collateralised loan obligations, restructuring exercise for multinational companies and many more. She also involved in the setting up of two (2) foreign international banks in Malaysia and was appointed as Company Secretary for the banks.

She joined PESTECH Group in year 2017 and is tasked to oversee the corporate secretarial function for the Group regionally, particularly monitoring of compliance to rules and regulation of the stock exchange in Malaysia and Cambodia, where PESTECH International Berhad and PESTECH (Cambodia) Plc. are listed, compliance to corporation laws of various countries where PESTECH is operating and partly support the legal, risk management, compliance and sustainability functions for the Group.



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TANN SOCHAN (Appointed on 4 September 2024) **Executive Director**

Tann Sochan (“Ms. Sochan”), a Cambodian, aged 39, is an Executive Director and was appointed on 4 September 2024. She joined PESTECH in 2011 and has since accumulated extensive experience in various roles within the company.

Starting as a Project and Marketing Coordinator at PESTECH (Cambodia) Limited, Ms. Sochan was responsible for preparing monthly progress reports, coordinating between subcontractors, and assisting with project procurement. In August 2014, she was promoted to Manager, where she managed HR, admin, and procurement functions, while also overseeing the import and export of materials for the Company.

Since August 2016, Ms. Sochan has served as the Head of Operations at PESTECH (Cambodia) PLC. In this role, she designs and implements business strategies, oversees daily operations, manages project budgets, and handles procurement and project claims. She also coordinates between the headquarters’ administrative functions and HR, ensures ISO compliance, and oversees legal documentation.

Throughout her time at PESTECH, Ms. Sochan has been involved in key infrastructure projects, including high-voltage transmission lines and solar power projects across Cambodia.

Board Roles, Duties, and Responsibilities and Performance

The Board’s primary responsibilities, based on a predetermined assessment of materiality, include giving strategic direction, identifying key risk areas and key performance indicators of the Company’s business, monitoring investment decisions, considering significant financial matters, and reviewing the performance of executive management against business plans, budgets and industry standards.

The Board is explicitly responsible for the stewardship of the Company and in discharging its obligations, the Board assumes responsibility in the following areas:

- (a) retain full and effective control over the Company, and monitor management in implementing Board plans and strategies;
- (b) ensure that a comprehensive system of policies and procedures is operative;
- (c) identify and monitor non-financial aspects relevant to the business;
- (d) ensure ethical behaviour and compliance with relevant laws and regulations audit and accounting principles, and the Company’s own governing documents and codes of conduct;
- (e) strive to act above and beyond the minimum requirements and benchmark performance against international best practices and not only to comply in practice, but be seen to comply;
- (f) define levels of materiality, reserving specific powers to the Board and delegating other matters with the necessary written authority to management and instituting effective mechanisms that ensure Board responsibility for management performance of its functions;
- (g) act responsibly towards the Company’s relevant stakeholders; and
- (h) be aware of, and commit to, the underlying principles of good governance and that compliance with corporate governance principles is reviewed regularly.

The Board recognises the importance of assessing the effectiveness of individual Directors, the Board as a whole and its committees. The Board, with the assistance of the Remuneration and Nomination Committee, shall review and evaluate the performance of the Board, Board Committees and individual Directors, including independence assessment of the Independent Non-Executive Director, on an annual basis.

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Board Meetings

During the financial year ended 30 June 2024, there were five (5) Board meetings held and all Directors had attended the following committees and Board meetings:-

No.	Date	Type of Meetings
1	14 August 2023	Board of Directors' Meeting Audit Committee Meeting Remuneration and Nomination Committee Meeting
2	18 August 2023	Adjourned Remuneration and Nomination Committee Meeting
3	22 September 2023	Board of Directors' Meeting Audit Committee Meeting
4	9 November 2023	Board of Directors' Meeting Audit Committee Meeting
5	7 February 2024	Board of Directors' Meeting Audit Committee Meeting
6	15 May 2024	Board of Directors' Meeting Audit Committee Meeting Risk Management Committee Meeting

BOARD COMMITTEES

Audit Committee

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Dav Ansan	Independent Non-Executive Director	29 August 2018	5	5
2	Ir. Paul Lim Pay Chuan	Executive Chairman	29 August 2018	5	
3	Lynda Pan Seng Wee	Executive Director	19 September 2024	0	

Roles and Responsibilities of Audit Committee:-

- (i) Review of financial statements;
- (ii) Review internal control;
- (iii) Review internal auditing;
- (iv) Review external auditing; and
- (v) Report the committee activities to the Board of Directors



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Remuneration and Nomination Committee

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Dav Ansan	Independent Non-Executive Director	29 August 2018	1	1
2	Lim Ah Hock	Executive Director	29 August 2018	1	
3	Tann Sochan	Executive Director	19 September 2024	0	

Roles and Responsibilities of Remuneration and Nomination Committee

- (i) Reviewing and evaluating the qualifications of candidates for the position of directors or senior officers appointed by the Board of Directors;
- (ii) Reviewing and recommending the compensation and remuneration of the Directors and Senior Officers; and
- (iii) Reviewing and updating the mechanism and assessing the effectiveness of the Board of Directors, Directors and Committees at least once (1) per year.

Risk Management Committee

No.	Name	Position	Appointing Date	Number of Attending the Meeting	Total Number of Meetings
1	Dav Ansan	Independent Non-Executive Director	29 August 2018	1	1
2	Ir. Paul Lim Pay Chuan	Executive Chairman	29 August 2018	1	
3	Han Fatt Juan	Executive Director (resigned on 27 May 2024)	29 August 2018	1	
4	Lynda Pan Seng Wee	Executive Director	19 September 2024	0	

Roles and Responsibilities of Risk Management Committee

- (i) Risk analysis including: risk description, risk identification, risk estimation;
- (ii) Risk evaluation;
- (iii) Risk reporting;
- (iv) Risk treatment; and
- (v) Risk monitoring

Remuneration or Compensation

Brief Policies of Remuneration or Compensation for Directors and Senior Officers

- (a) The Board will propose and recommend the level of remuneration paid to directors and tabled for shareholders' approval.
- (b) The levels and make-up of remuneration should be sufficient to attract and retain the Board members needed to run the Company successfully.
- (c) Non-executive Directors receive no share options nor significant benefits from the Company, other than their directors' fees and meeting allowances.

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Remuneration or Compensation (Cont'd)

Brief Policies of Remuneration or Compensation for Directors and Senior Officers (Cont'd)

- (d) Executive members will receive no fees but will be paid as employees of the Company in accordance with their contracts of employment with the Company.
- (e) A formal and transparent procedure shall be established for developing policy on remuneration and fixing of remuneration packages for individual Board members.
- (f) The Director shall abstain from deliberations and voting in respect of his own remuneration packages during board or committee meetings.

Remuneration and Compensation Receivers

No.	Remuneration and Compensation Receivers	Remuneration and Compensation Amount (USD)	Other
1	Directors	458,000	-
2	Senior Officers	226,554	-
3	Top 5 Employee	229,123	-

Annual Performance Evaluation of Board of Directors, Directors, Committees and CEO

No.	Description	Evaluation	Marking Criteria
1	Board of Directors	The performance self/peer assessment was made based on the following ratings or ticking for Yes or No: 1. Weak 2. Need improvement	The Remuneration and Nomination Committee to assess the performance of the Board as a whole collectively, where Board's structure and performance of the Board in discharging its roles and responsibilities and operations of Board will be reviewed and considered.
2	Directors	3. Adequate 4. Consistently good 5. Strong	A Self and Peer Evaluation will be performed by each individual director to assess the level of contribution to interaction, quality of input and understanding of roles of Directors and Board Chairman.
3	Committees		The Remuneration and Nomination Committee to assess the performance of the Audit Committee in terms of quality and composition, skills and competencies, meeting administration and conduct, duties and responsibilities, external audit and internal audit.
4	CEO		The evaluation of CEO is included in the Self and Peer Evaluation where evaluation will be performed by each individual director to assess the level of contribution to interaction, quality of input and understanding of roles of Directors and Board Chairman.

The Remuneration and Nomination Committee expressed satisfactorily over the performance of the Board of Directors, Directors, Committees and CEO.



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Training for Directors, Senior Officers and Corporate Secretary

The Board, via the Remuneration and Nomination Committee, shall identify the training needs of the Directors through the annual assessment on Board, Board Committees and individual Directors to determine the type of training that may be required by each Director. The cost of the induction, and/or continuing education programme shall be borne by the Company.

During the financial year, the Directors and Senior Officers have participated in the following training programme:

No.	Name	Position	Training Courses
1	Ir. Paul Lim Pay Chuan	Executive Chairman and Acting CEO	<ul style="list-style-type: none"> OCBC - 2023 Economic Outlook Malaysia Global Connect - Export & Green Programme Webinar FMM Sustainability Conference: Equipping Business for Sustainability Transition Crowe Tax Budget Webinar 2024: Unleash the T.I.G.E.R. Bursa Malaysia Mandatory Accreditation Programme Part II: Leading for Impact (LIP) Maybank Investment - Sustainability Insights: Global Trends & Local Impact
2	Lim Ah Hock	Director	<ul style="list-style-type: none"> ESG Strategy in Action: Lessons Learned and Good Practices for Business Success – Insight from IOI Corporation Berhad Automation Paradox: Powerful Solution or Dangerous Illusion for a Future – Proof Organisation
3	Dav Ansan	Independent Non-Executive Director	<ul style="list-style-type: none"> Super-hydrophobic properties of polylactide (PLA) nanofibers from Chemical recycling of PLA Development of a protein-based cancer vaccine: Killing three birds with one stone The Fight Against Cancer CDRI's Cambodia's Outlook Conference on "Cambodia Vision 2030 and Beyond – Charting A Path for Resilient, Sustainable, and Inclusive Prosperity" Control Management of Chemicals in Industry Southeast Asia Emerging Leadership, Melbourne, AUS Potable Water Forum
4	Lynda Pan Seng Wee	Executive Director	<ul style="list-style-type: none"> Panel Discussion on Challenges and Solutions in Issuance Process and Post Listing Obligations Governance Talk: Artificial Intelligence and Chat GPT Course on General Risk Management PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training

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Training for Directors, Senior Officers and Corporate Secretary (Cont'd)

During the financial year, the Directors and Senior Officers have participated in the following training programme: (Cont'd)

No.	Name	Position	Training Courses
5	Han Fatt Juan	Chief Project and Marketing Manager	<ul style="list-style-type: none"> PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training
6	Teh Bee Choo	Chief Financial Officer	<ul style="list-style-type: none"> MACC Act 2009 & S17A Guidelines on Adequate Procedures What you need to know about the Bursa's Amended Listing Requirements on Conflict of Interest PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training
7	Tann Sochan	Executive Director	<ul style="list-style-type: none"> Training on Obligations to Disclose Information and Corporate Governance by CSX PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training
8	Mr. N Saravanan Nadarajah	Project Director	<ul style="list-style-type: none"> PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training
9	Pin Sokun Tevy	Corporate Secretary	<ul style="list-style-type: none"> Training and Examination in Securities Sector for Securities Firms, Issuers and Firm Providing Services in the Securities Sector Training on Law on Competition, Sub Decree on Conditions and Procedure for Business Combination and other relevant regulations Training on Obligations to Disclose Information and Corporate Governance by CSX Training on Draft Prakas on ESG Disclosure Capacity Building on Technical Assistance from ADB on Rating Agency (Cambodia) Training on Corporate Disclosure by CSX Conference on Capital Market PESTECH Anti-Bribery & Anti-Corruption Guidelines and Procedures Training



ANNUAL CORPORATE GOVERNANCE REPORT

PART 3 - CODE OF BUSINESS CONDUCTS PRACTICES

A. Code of Business Conducts Practices for Director and Senior Officers Policies

Conflict of Interest

Article 22.2 of the Company's Articles of Incorporation provides that if a directors' meeting, or part of a directors' meeting, is concerned with an actual or proposed transaction or arrangement with the Company in which a director is interested, that director is not to be counted as participating in that meeting, or part of a meeting, for quorum or voting purposes, unless the contract is:-

- (i) an arrangement by way of security for money lent to or obligations undertaken by him for the benefit of the Company or an affiliate;
- (ii) one relating primarily to his remuneration as a director, officer, employee or agent of the Company or an affiliate;
- (iii) one for indemnity or insurance; or
- (iv) one with an affiliate.

Conduct of Business and Fair Dealing

As part of the shared values in the PESTECH Group's Code of Conduct, we believe it is an attainment of moral or ethical corrections, rationality, law, equity and fairness and perceived appropriateness of the application of inter personal treatment, rules and procedures, in the conduct of business and fair dealing.

Respect Trade Secret

Under PESTECH Group's Employee Handbook, every employee of the Group shall respect confidentiality, expressed or implied. On employment, all employees are required to sign-off a Non-Disclosure statement.

Use of Company Funds, Assets and Information

PCL puts in place proper process and procedures in managing the Company's funds, assets and information. Any petty cash or advance paid to employee to facilitate his works for the Company's operations, will be recorded and acknowledged properly, and all payments made must be properly supported by invoice or receipts. Meanwhile, all assets are properly tagged with locations and owners while information are preserved and encrypted with confidentiality. All users are required to sign off and acknowledge for use of any Company's assets and information and bound by confidentiality clause.

Labour Law and Related Policies

PCL complies with the prevailing laws and its related policies pertaining to labour in Cambodia.

Working Policy and Internal Rules

PCL adopts various working policies and internal rules related to human resource, procurement, administration, project operation and operation and maintenance to ensure employees understand the work expectations with respect to standards of behaviour and performance and uniformity and consistency in decision-making and operational procedures.

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A. Code of Business Conducts Practices for Director and Senior Officers Policies (Cont'd)

Whistle Blower

PCL provides all directors, management staff, employees, vendors of PESTECH and its subsidiaries as well as members of the public (“Persons”) with mechanisms to confidentially and anonymously bring to the attention of the Board any concerns related to matters covered by the Company’s Code of Business Conduct and Ethics, legal issues and accounting or audit matters.

The Group Anti-Bribery and Anti-Corruption which includes the guidelines on whistle-blowing allows the management to take appropriate preventive and corrective actions within the Company without the negative effects that come with public disclosure, such as loss of company image or reputation, financial distress, loss of investor confidence or drop in value of share prices.

Persons are able to report their concerns to the dedicated whistleblowing email address at whistleblower@pestech.com.my

Conflict Resolution

PCL seeks to resolve any conflict situation through mediation by taking steps to clarify the source of conflict and let both the conflicting parties to have their say. Upon investigating the situation, to determine ways to meet the common goal and agree on the best solution.

B. Publishing of Code of Business Conducts Practices

In serving our customers and in dealing with our suppliers, vendors and subcontractors, PESTECH strives to put their interest ahead of other personal interests and to uphold reputation and trust in us. PESTECH is committed to provide efficient, effective and excellent products and services in an impartial manner.

PESTECH believes that ethics must be based, amongst the following common values that are essential for personal leadership, let alone leading, treating and serving others:

TRUTH/HONESTY	: We believe it is a facet of moral character and connotes other positive and virtuous attributes, such as sincerity, trust and integrity that are essential parts of our character.
TRUST	: We believe it is an attribute for circular relationships and interactions, social influence (trusting and trustworthiness) and hence, leadership – the commitment to deliver on a promise.
INTEGRITY	: We believe it is an uncompromising and predictably consistent commitment to honour a set of moral values and principles; it is a big part of good character – to do what is good and right even when no one is watching.
EQUALITY	: We believe it ‘levelises’ status, positions and conditions for the application of rules, regulations and justice.
JUSTICE	: We believe it is an attainment of moral/ethical corrections, rationality, law, equity and fairness.
FAIRNESS	: We believe it is a perceived appropriateness of the application of interpersonal treatment, rules and procedures.
CARE FOR OTHERS	: We believe it is the ability to consider others above ourselves and treat others in the way that we want to be treated, not to condone selfish ambition, deception and vengeance.



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C. Mechanisms and Procedures to Assess Code of Business Conducts Practices

The Code of Conduct of PCL can be accessed at its holding company's website, i.e., <https://pestech-international.com/code-of-conduct-0>.

D. Related Parties Transactions

1. Related Parties Transactions Policies

As the holding company of PCL, PESTECH International Berhad is listed on the stock exchange of Malaysia, Bursa Malaysia Securities Berhad, PCL is directly subjected to the relevant provisions in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad governing the related party transactions with holding company, joint venture, subsidiary, major shareholders and controlling shareholders, directors/employees and their family.

2. Important Transactions with Related Parties

No.	Transacting Parties	Nature of the relationship	Nature of transaction	FYE 30 June 2024 (USD'000)
1	Diamond Power Ltd	Fellow subsidiary	a) Management service income b) Rental income	18 1
2	PESTECH Sdn Bhd	Fellow subsidiary	a) Contract cost b) Interest charged c) Progress billing	- 382 5,762
3	ENERSOL Co., Ltd	Fellow subsidiary	a) Interest charged	3,095
4	ODM Power Line Company Limited	Fellow subsidiary	a) Management service income b) Rental income	20 1
5	PESTECH International Berhad	Holding company	a) Interest charged	1,179
6	Green Sustainable Ventures (Cambodia) Co., Ltd.	Fellow subsidiary	a) Management service income b) Operation and maintenance service c) Progress billings d) Rental income	19 145 - 1
7	Pestech Energy Sdn Bhd	Fellow subsidiary	a) Contract cost incurred	-
8	Pestech Power Sdn Bhd	Fellow subsidiary	a) Interest charged	625

ANNUAL CORPORATE GOVERNANCE REPORT

PART 4 - RISK MANAGEMENT, INTERNAL CONTROL AND AUDITING

A. Brief Risk Management System or Risk Management Policies

PCL's Risk Management Framework is covered by PESTECH International Berhad Group ("the Group") Risk Management Policy and Guidelines Document which ensures that pertinent roles, responsibilities and accountabilities on risk management are clearly defined and communicated at all levels.

The Group's Risk Management Framework covers the six (6) key elements as below such that any key risk or significant control weaknesses could be identified, assessed, reported, monitored and duly rectified timely and effectively:-

- Risk Strategy & Appetite
- Risk Governance
- Risk Culture
- Risk Assessment & Measure
- Risk Management & Monitoring
- Risk Reporting

B. Brief Internal Control System

The main components of the PCL's internal control system are summarised as follows:-

• Control Environment

The importance of a proper control environment is emphasised throughout the organisation. The focus of which is accentuated towards elevating the quality and capability of the employees by means of continuous education and training, which may be organised from time to time on need basis, both on technical hard skill sets and soft skill sets such as risk management, professionalism and integrity.

• Control Structure

The Board and Management have established an organisation structure with clearly defined lines of accountability and delegated authority. This includes well-defined responsibilities of the Board committees and various management levels, including authorisation levels for all aspects of the business.

The key elements of PCL's internal control structure cover series of documented Policy and Procedures to govern the key business processes. These policies and procedures deal with, amongst others, control issues for procurement, information technology, health and safety, human capital, safeguarding of assets, and communication with stakeholders. The procurement, credit control, warehousing, cash management and related party transactions are being revamped/reviewed to further tighten our internal control processes and procedures.



ANNUAL CORPORATE GOVERNANCE REPORT

B. Brief Internal Control System (Cont'd)

• Internal Audit

PCL outsourced the internal control audit function to Fii&Associates Co., Ltd. (“Fii”). The internal control function reports directly to the Audit Committee (“AC”) on the adequacy and effectiveness of the system of internal controls in the operating units and the extent of compliance to the established processes, policies and procedures and applicable laws and regulations.

During the financial year, Fii had performed an audit on the process of procurement and project management and presented the audit findings on inventory management to the AC:

Overall, the audit findings on inventory management are primarily procedural, with the associated risks being minor.

Significant control lapses and deficiencies identified during the review have been documented and communicated to Management for review and corrective actions. The Internal Auditors have reported to the AC on all instances of significant non-compliance, internal control weaknesses, and the steps taken by Management to address the identified audit issues.

The Internal Auditors are responsible for planning, executing, and reporting on the internal audit activities and timeline of the Company.

C. Auditing

Internal Audit

Roles and Responsibilities of Internal Auditors

- Development of Internal Audit Plan for each financial year for the approval of the Audit Committee/Board of Directors;
- Plan, coordinate and execute the audits;
- Allocate adequate and appropriate internal audit resources to complete the audit assignments within the agreed time line;
- To immediately highlight any difficulties and concerns encountered during the course of the audit that may hinder/impact the outcome of the audit, to PCL appointed representative;
- Present the findings on internal control reviews to Management at its meetings as and when required and to the audit committee members; and
- Coordinate/conduct the follow-up reviews on the status of management action plans arising from the internal control reviews conducted (where necessary).

ANNUAL CORPORATE GOVERNANCE REPORT

C. Auditing (Cont'd)

External Auditors

No.	Name of Audit Firms	Services	Agreement Date	Auditing Fees (USD)	Non-audit Fees (USD)
1	Grant Thornton (Cambodia) Limited	Quarterly review and audit for financial year 2024	9 October 2023	35,500	-

PART 5 - STAKEHOLDERS

A. Identify Policies and Activities related to the following:-

Management of Employees and Protection

PCL prioritises the wellbeing of our employees. PCL is committed to protect the safe and healthy of its employees and stakeholders wherever they work. An Occupational Health and Safety policy and procedures in accordance of ISO 45001:2018 Occupational Health and Safety Management has been established to monitor the safe and health aspects of our workplace.

PESTECH Group implements high quality standard in its day-to-day operations, where the importance of traceability, consistency and reliability are emphasised throughout the organisation.

As part of our safety and health requirements, Hazard Identification Risk Assessment and Determining Control process is imposed in our business operations and has been executed and recorded systematically. This process helps to identify the potential hazard in our working environment in order to provide applicable and suitable control measures.

We instill a strong preventive culture that integrates safety, health and well-being at work, our Quality, Health, Safety and Environment (“QHSE”) team engages and educates our employees on regular basis. Trainings and awareness programmes are conducted to equip our employees and subcontractors (if necessary) with relevant and updated information to meet safety and health requirements.

Customer Welfare and Suppliers and Subcontractors Selection

The nature of PCL's businesses requires the Management to deal directly or indirectly with its customers, who are mainly utility players. Engagement with senior officials of the utility players is being handled directly by the Executive Directors to ensure formal and transparent communications in addressing the customer requirements which involved national interests.

On the other hand, being an EPCC contractor, PCL has also put adopted the Group Procurement Policy to ensure selection of suppliers and subcontractors are carried out based on arm's length basis, in compliance with relevant laws and regulations governing the tax and related party transactions.

Anti-Corruption Program

The Group's Anti-Bribery and Anti-Corruption Policy states **ZERO-TOLERANCE** towards any form of bribery or corruption. Bribery and corruption in all forms relating to business activities are strictly prohibited. Governance processes for day-to-day operations in its business functions where there is an adequate check and balance to cultivate work integrity. Employees shall not, directly, for or through any external party, promise, offer, make, authorize, solicit or accept any financial or other advantage, to obtain or retain business or secure an improper personal advantage in the conduct of business. Adequate due diligence shall be performed when PCL engage with third parties such as agents, distributors or joint venture partners for any business arrangements to ensure that they are not acting corruptly, and to periodically monitor their performance to ensure ongoing compliance. PCL is committed to acting professionally, fairly, honestly and with integrity in all our business dealings and relationships wherever we operate and implementing and enforcing effective systems to prevent or counter bribery and corruption.



ANNUAL CORPORATE GOVERNANCE REPORT

A. Identify Policies and Activities related to the following:- (Cont'd)

Environment Protection

PCL is committed to protect the environment and comply with applicable environmental laws and regulations. Taking the available references of PESTECH Group, PCL implemented the Environmental Aspect Identification and Impact Assessment (“**EAIA**”) based on international ISO 14001:2015 Environmental Management System to identify and evaluate the environmental aspect and impact related to organisation activities, products and services respectively.

During the impact assessment of projects, PCL will take into consideration the prevailing environment laws and regulations, consequences and severity of the issue and possibility of occurrence. The assessment on the significance of the impact is then evaluated based on the established criteria, i.e. scale of severity/risk, duration of the impact, probability of occurrence and etc. From the outcome of the assessment, PCL will establish effective action plans and control to mitigate the significant impacts.

Community Interaction

PCL believes access to electrical power facilities is crucial in breaking the poverty cycle in Cambodia. In line with the Cambodia Government making constant effort to establish electrical infrastructure in providing electrical access to the rural communities. PESTECH has been playing a major role in bringing electrical power infrastructure to the communities of Cambodia since 2012.

Over the years, PCL had successfully completed multiple significant projects amongst others, including the Phnom Penh-Kampong Cham Transmission Project, the 230kV Kampong Cham-Kratie Transmission System Project and 230kV and 500kV Phnom-Preah Sihanouk Transmission System Project.

Completion of the aforesaid projects has allowed electricity be connected to the rural areas where villages are widespread. While monetary donation is commendable, we believe the real core of social responsibility lies in getting behind causes that are meaningful for our business. The feedback we gathered from through our engagement with the villagers on how electricity connection has brought tremendous changes to their lives, was aspiring and encouraging. PCL eyes to expand their good cause to more communities around the regions whilst doing our business sustainably.

B. Describe the Corporate Social Responsibilities of Listed Companies

As of 30 June 2024, PCL does not have any Corporate Social Responsibility activities.

No.	Beneficiaries	Amount	Purposes of CSR
1	N/A	N/A	N/A

ANNUAL CORPORATE GOVERNANCE REPORT

PART 6 - DISCLOSURE AND TRANSPARENCY

Describe the Mechanism of Disclosure Including Means, Procedures and Responsible Person in Charge of Disclosure

The Board, assisted by the Disclosure Officer, shall be responsible for the following:-

- a) determining whether information constitutes material information under the Cambodia Securities Exchange (“**CSX**”) and Securities and Exchange Regulator of Cambodia (“**SERC**”) rules;
- b) ensuring timely disclosure of material information in accordance with CSX and SERC rules; and
- c) responding to rumors or reports, and unusual market activity.

The Disclosure Officer, upon consultation with the Board, is authorized to manage the contents to be provided to the media, investment community and other external parties, including the contents to be published in the Investor Relations section of the Company’s corporate website.

Investor Relations

PCL’s corporate website at www.pestech.com.kh serves as a key communication channel for shareholders, investors, members of the public and other stakeholders to obtain up-to-date information on the Company’s activities, financial results, major strategic development and other matters affecting stakeholders’ interests.

We acknowledge the importance of maintaining communication with our shareholders and investors through channels like Periodic Report including annual reports and quarterly reports. Timely Disclosure including press releases and announcements etc. Our quarterly and annual reports contain details of financial and other information about the Group’s activities.

**Report of the Board of Directors
and
Audited financial statements**

PESTECH (Cambodia) Plc. and its subsidiaries

30 June 2024

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
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PESTECH (CAMBODIA) PLC AND ITS SUBSIDIARIES

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors submits this report and the audited financial statements of PESTECH (Cambodia) Plc. (“the Company”) and the audited financial statements of the Company and its subsidiaries (together hereinafter referred to as “the Group”) as at 30 June 2024 and for the year then ended.

The Group and the Company

PESTECH (Cambodia) Plc. was incorporated on 5 February 2010 as a single member private company and is a 100% owned subsidiary of PESTECH International Berhad (“the Holding Company”), a company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (the Stock Exchange in Malaysia), 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 under company registration number 00000957.

On 12 August 2020, the Company was successfully listed on the Cambodia Securities Exchange. 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 substations 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 Ministry of Planning and Finance of the Republic of the Union of Myanmar. 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. 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, Phum 11, Sangkat Boeung Kak 2, Khan Toul Kork, 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.

Change of financial year end

On 31 May 2024, the Company obtained approval from the Accounting and Auditing Regulator of Cambodia to change its financial year end from 30 June to 30 September, aligning its closing period with its holding company, PESTECH International Berhad. The Company's new financial period will now be from 1 October until 30 September. During the transition period from 1 July 2024 to 30 September 2024, the Company must close its accounting records and prepare its financial statements in accordance with applicable regulations.

Results of operations

The results of the Group's and of the Company's operations for the year ended 30 June 2024 and the state of their affairs as at that date are set out in the financial statements.

The Board of Directors does not recommend any dividends for the year ended 30 June 2024.

Board of Directors

The members of the Board of Directors of the Group and the Company during the year and to the date of this report are as follows:

Name	Position	Date of appointment/resignation
Mr. Lim Pay Chuan	Executive Chairman	5 February 2010
Mr. Lim Ah Hock	Executive Director	5 February 2010
Mr. Han Fatt Juan	Executive Director/Chief Executive Officer	27 June 2018/27 May 2024
Mr. Dav Ansan	Independent Non-Executive Director	29 August 2018
Ms. Pan Seng Wee	Executive Director	7 December 2023
Ms. Tann Sochan	Executive Director	4 September 2024

Auditors

The financial statements of the Group and of the Company as at 30 June 2024 for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' benefits

During and at the end of the financial year, no arrangements subsisted to which the Group and the Company are a party, with the object or objects of enabling the directors of the Group and the Company to acquire benefits by means of the acquisition of shares in or debentures of the Group and the Company or any other corporate body.

Since the end of the previous financial year, the directors have not received or become entitled to receive any benefits by reason of a contract made by the Group and the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for the benefit as disclosed in Note 29 to the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the year then ended. When preparing these financial statements, the Board of Directors is required to:

- i. adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;
- ii. comply with the disclosure requirements of Cambodian International Financial Reporting Standards or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. maintain adequate accounting records and an effective system of internal control;
- iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Group and the Company will continue their operations in the foreseeable future; and,
- v. control and direct effectively the Group and the Company in all material decisions affecting their operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

Board of Directors' responsibility in respect of the financial statements (continued)

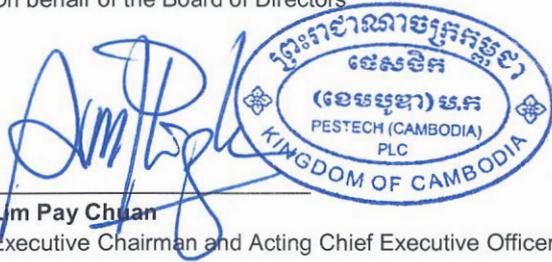
The Board of Directors is also responsible for safeguarding the assets of the Group and of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Group and the Company have complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, profit or loss and other comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up and give a true and fair view of the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards.

On behalf of the Board of Directors



Ljm Pay Chan
Executive Chairman and Acting Chief Executive Officer

Kuala Lumpur, Malaysia
27 September 2024

Independent auditor's report

To the Shareholders of PESTECH (Cambodia) Plc.

Opinion

We have audited the financial statements of PESTECH (Cambodia) Plc (“the Company”) and the consolidated financial statements of the Company and its subsidiaries (together hereinafter referred to as “the Group”), which comprise the statements of financial position as at 30 June 2024, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements including material accounting policy and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and of the Company as at 30 June 2024, and of their financial performance and cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 6 in the financial statements, which describes the Group’s and the Company’s financial conditions. The Group and the Company incurred net losses of USD18,809 thousand (KHR77,127 million) and USD18,806 thousand (KHR77,115 million), respectively, for the year ended 30 June 2024 and, as of that date, the Group and the Company have accumulated deficits amounting to USD7,161 thousand (KHR29,921 million) and USD6,964 thousand (KHR29,122 million), respectively. These events or conditions, along with other matters as set forth in Note 6, indicate that a material uncertainty exists that may cast significant doubt on the Group’s and the Company’s ability to continue as a going concern.



The ability of the Group and the Company to continue as a going concern are highly dependent on the approval of creditor banks for the restructuring and rescheduling of a project financial loan, obtaining alternative financing to continue completion of a project, effectiveness of working capital management and obtaining temporary relief from repayment of related party obligations. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the Material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Below are the key audit matters identified in our audit of the financial statements of the Group and of the Company:

Key audit matters	How our audit addressed the key audit matter
<p>Recoverability of trade receivables and contract assets</p> <p>As at 30 June 2024, total trade receivables and contract assets represented about 2% and 88%, respectively, of the total assets of both the Group and the Company, which is required to be assessed for recoverability.</p> <p>We focused on this area because Management's assessment of expected credit losses requires significant judgement over the expected loss rates, forward looking information and probability-weighted estimates. The details of the accounting policies, significant estimates and assumptions and credit risk management used by the Group and the Company have been disclosed in Notes 4.8, 5(a) and 33(a) to the financial statements, respectively.</p>	<p>In addressing this area of focus, we have performed, amongst others, the following procedures:</p> <ul style="list-style-type: none"> - Obtained an understanding on how the Group and the Company identify and assess expected credit losses for trade receivables and contract assets; - Reviewed the key data sources and assumptions for data used in the determination of default rate and the current and forward-looking adjustment factor; - Assessed the adequacy of the allowance for doubtful accounts by testing the aging analysis of the trade receivables and contract assets as well as the trend of collections to identify the collection risks and customers with a history of default; - Obtained trade receivables confirmation and review collectability by way of obtaining evidence of receipts from the debtors on a sampling basis subsequent to year end; - Inspected cash receipts received after the year end to assess collectability of outstanding balances and whether subsequent collections are actually being made; and, - Discussed with Management and the Board of Directors on the recoverability of long outstanding trade receivables and contract assets and analysed the Group's and the Company's trend of collections for long outstanding balances.



Key audit matters	How our audit addressed the key audit matter
<p>Revenue and cost recognition for construction contracts</p> <p>The revenue and cost recognition for construction contracts are recognised in accordance with the accounting policies and significant estimates, assumptions and judgement as detailed in Notes 4.4 and 5 to the financial statements, respectively.</p> <p>We focus on this area as significant Management’s judgement and estimates are involved in determining the following:</p> <ul style="list-style-type: none"> (i) transaction price for construction contracts which include significant financing component; (ii) relative fair values of the services delivered and allocation of the consideration received or receivable of each concession service; (iii) stage of completion using the output method, which is based on the stage of completion of the development phase of the projects certified by professional engineers or consultants; (iv) extent of contract cost incurred to-date; (v) total construction contract cost and cost to completion; and, (vi) provision for liquidated ascertained damages. 	<p>In addressing this area of focus, we have performed, amongst others, the following procedures:</p> <ul style="list-style-type: none"> - Perused terms and conditions stipulated in the contracts with customers and subcontractors/suppliers to determine individually significant contract and assessed their relationship with revenue and costs recognised; - Assessed total construction contract revenue by examining evidences such as construction contracts, approved variation orders and correspondences with customers and verified the progress billings. In instances where projects have been delayed, assessed the necessity and sufficiency of the provision for liquidated ascertained damages based on the Management’s estimates and reviewed the supporting documentations such as correspondences with customers or consultants, extension of time approvals and work progress reports indicating reasons for delays; - Evaluated the appropriateness and the consistency of key assumptions used by the Management to determine the transaction price for construction contracts which include significant financing component, fair value of the services to be delivered and the basis of the allocation of the consideration received and/or receivable to each service; - Evaluated the competence, capabilities and objectivity of independent engineering consultant or in-house engineers; - Checked the stage of completion of construction contracts on a sampling basis to internal progress reports certified by professional engineers or consultants; - Assessed actual costs incurred and accrued costs by examining evidences such as contractors’ progress claims and suppliers’ invoices issued during the financial year and/or subsequent to the financial year; and, - Interviewed Management’s project team on the achievability of the forecasted costs to completion of the individually significant projects.



Other information

Management is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon, and the annual report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and those charged with governance, and respond to that matter in accordance with the requirements of CISA 720 [revised].

Responsibilities of the Management and the Board of Directors for the financial statements

The Management of the Group and the Company is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's and the Company's financial reporting process.



Auditor's responsibilities for the audit of the financial statements

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

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

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



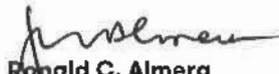
We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
Certified Public Accountants
Registered Auditors




Ronald C. Almera
Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
27 September 2024

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Assets					
Non-current					
Property, plant and equipment	7	11,498	12,736	47,257	52,600
Intangible assets		3	22	12	91
Contract assets	10	95,480	126,349	392,423	521,821
Derivative financial instruments	19	105	313	431	1,285
Non-current assets		107,086	139,420	440,123	575,797
Current					
Inventories	11	3,314	3,314	13,621	13,687
Contract assets	10	104,589	131,857	429,861	544,569
Trade and other receivables	12	6,156	4,733	25,301	19,548
Amounts due from related parties	28	72	2,814	296	11,622
Cash and bank balances	13	5,338	8,296	21,939	34,263
Current assets		119,469	151,014	491,018	623,689
Total assets		226,555	290,434	931,141	1,199,486

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2024

	Note	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Equity and liabilities					
Equity					
Share capital	14	7,494	7,494	30,725	30,725
Share premium	15	2,541	2,541	10,422	10,422
Reserves	16	157	365	635	1,497
(Accumulated deficit)/retained earnings		(7,161)	11,648	(29,921)	47,206
Cumulative currency translation difference		-	-	598	1,207
Total equity attributable to the owners of the Company		3,031	22,048	12,459	91,057
Non-controlling interests		86	86	351	351
Total equity		3,117	22,134	12,810	91,408
Liabilities					
Non-current					
Borrowings	18	58,143	70,194	238,968	289,901
Lease liabilities	8	105	303	432	1,251
Trade and other payables	17	10,500	-	43,154	-
Deferred tax liability	26	1,210	1,135	4,973	4,688
Amount due to holding company	28	44,883	27,966	184,469	115,500
Amounts due to related parties	28	11,226	38,377	46,139	158,497
Non-current liabilities		126,067	137,975	518,135	569,837
Current					
Contract liability	10	615	-	2,529	-
Trade and other payables	17	12,757	49,061	52,432	202,622
Amount due to holding company	28	4,596	-	18,890	-
Amounts due to related parties	28	59,682	59,740	245,292	246,726
Borrowings	18	19,648	20,779	80,753	85,817
Lease liabilities	8	33	119	136	491
Income tax payable		40	626	164	2,585
Current liabilities		97,371	130,325	400,196	538,241
Total liabilities		223,438	268,300	918,331	1,108,078
Total equity and liabilities		226,555	290,434	931,141	1,199,486

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Note	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Assets					
Non-current					
Property, plant and equipment	7	11,498	12,736	47,257	52,600
Intangible assets		3	22	12	91
Contract assets	10	95,480	126,349	392,423	521,821
Derivative financial instruments	19	105	313	431	1,285
Non-current assets		107,086	139,420	440,123	575,797
Current					
Inventories	11	3,314	3,314	13,621	13,687
Contract assets	10	104,589	131,857	429,861	544,569
Trade and other receivables	12	6,156	4,733	25,301	19,548
Amounts due from related parties	28	72	2,814	296	11,622
Amount due from a subsidiary	28	111	113	456	467
Cash and bank balances	13	5,338	8,290	21,939	34,238
Current assets		119,580	151,121	491,474	624,131
Total assets		226,666	290,541	931,597	1,199,928

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2024

	Note	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Equity and liabilities					
Equity					
Share capital	14	7,494	7,494	30,725	30,725
Share premium	15	2,541	2,541	10,422	10,422
Reserves	16	157	365	635	1,497
(Accumulated deficit)/retained earnings		(6,964)	11,842	(29,122)	47,993
Cumulative currency translation difference		-	-	606	1,217
Total equity		3,228	22,242	13,266	91,854
Liabilities					
Non-current					
Borrowings	18	58,143	70,194	238,968	289,901
Lease liabilities	8	105	303	432	1,251
Trade and other payables	17	10,500	-	43,154	-
Deferred tax liability	26	1,210	1,135	4,973	4,688
Amount due to holding company	28	44,883	27,966	184,469	115,500
Amounts due to related parties	28	11,226	38,377	46,139	158,497
Non-current liabilities		126,067	137,975	518,135	569,837
Current					
Contract liability	10	615	-	2,529	-
Trade and other payables	17	12,757	49,060	52,432	202,618
Amount due to holding company	28	4,596	-	18,890	-
Amounts due to related parties	28	59,682	59,740	245,292	246,726
Borrowings	18	19,648	20,779	80,753	85,817
Lease liabilities	8	33	119	136	491
Income tax payable		40	626	164	2,585
Current liabilities		97,371	130,324	400,196	538,237
Total liabilities		223,438	268,299	918,331	1,108,074
Total equity and liabilities		226,666	290,541	931,597	1,199,928

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

		For the year ended		For the year ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		USD'000	USD'000	KHR'mil	KHR'mil
				(Note 4.2)	(Note 4.2)
Revenue	20	10,365	19,368	42,501	79,517
Operating expenses	21	(18,994)	(16,551)	(77,886)	(67,952)
Other operating income	22	101	76	414	312
Other (losses)/gains		(74)	21	(303)	86
Operating (loss)/profit		(8,602)	2,914	(35,274)	11,963
Finance income	23	2,375	2,615	9,738	10,736
Finance costs	24	(12,396)	(10,896)	(50,829)	(44,734)
Loss before income tax		(18,623)	(5,367)	(76,365)	(22,035)
Income tax expense	25	(186)	(295)	(762)	(1,211)
Loss for the year		(18,809)	(5,662)	(77,127)	(23,246)
Loss for the year attributable to:					
Owners of the Company		(18,809)	(5,662)	(77,127)	(23,246)

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

	Note	For the year ended 30 June 2024 USD'000	For the year ended 30 June 2023 USD'000	For the year ended 30 June 2024 KHR'mil (Note 4.2)	For the year ended 30 June 2023 KHR'mil (Note 4.2)
Loss for the year		(18,809)	(5,662)	(77,127)	(23,246)
Other comprehensive income/(loss)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain on cash flow hedges		(208)	765	(853)	3,141
Currency translation difference		-	-	(8)	1,497
Total comprehensive loss for the year		(19,017)	(4,897)	(77,988)	(18,608)
Total comprehensive loss for the year attributable to:					
Owners of the Company		(19,017)	(4,897)	(77,988)	(18,608)
The loss per share attributable to shareholders of the Group during the year are as follows:					
Basic loss per share (cent/riel)	33	(25.10)	(7.55)	(1,029.11)	(310.17)
Diluted loss per share (cent/riel)	33	(25.10)	(7.55)	(1,029.11)	(310.17)

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

		For the year ended		For the year ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		USD'000	USD'000	KHR'mil	KHR'mil
				(Note 4.2)	(Note 4.2)
Revenue	20	10,365	19,368	42,501	79,517
Operating expenses	21	(18,993)	(16,540)	(77,882)	(67,907)
Other operating income	22	101	76	414	312
Other losses		(72)	(28)	(295)	(115)
Operating (loss)/profit		(8,599)	2,876	(35,262)	11,807
Finance income	23	2,375	2,615	9,738	10,736
Finance costs	24	(12,396)	(10,896)	(50,829)	(44,734)
Loss before income tax		(18,620)	(5,405)	(76,353)	(22,191)
Income tax expense	25	(186)	(295)	(762)	(1,211)
Loss for the year		(18,806)	(5,700)	(77,115)	(23,402)
Other comprehensive (loss)/income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value (loss)/gain on cash flow hedges		(208)	765	(853)	3,141
Currency translation difference		-	-	(8)	1,506
Total comprehensive loss for the year		(19,014)	(4,935)	(77,976)	(18,755)

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

Note	← Attributable to owners of the Company →				Total USD'000	Non- controlling interests USD'000	Total equity USD'000 KHR'mil (Note 4.2)	
	Share capital USD'000	Share premium USD'000	Reserves USD'000	Distributable (Accumulated deficit)/ retained earnings USD'000				
Balance at 1 July 2023	7,494	2,541	365	11,648	22,048	86	22,134	91,408
Loss for the year	-	-	-	(18,809)	(18,809)	-	(18,809)	(77,127)
Fair value gain on cash flow hedges	-	-	(208)	-	(208)	-	(208)	(853)
Currency translation difference	-	-	-	-	-	-	-	(618)
Balance at 30 June 2024	7,494	2,541	157	(7,161)	3,031	86	3,117	12,810
Balance at 1 July 2022	7,494	2,541	(400)	17,310	26,945	86	27,031	110,016
Loss for the year	-	-	-	(5,662)	(5,662)	-	(5,662)	(23,246)
Fair value gain on cash flow hedges	-	-	765	-	765	-	765	3,141
Currency translation difference	-	-	-	-	-	-	-	1,497
Balance at 30 June 2023	7,494	2,541	365	11,648	22,048	86	22,134	91,408

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Note	← Non-distributable →			Distributable (Accumulated deficit)/ retained earnings USD'000	Total equity USD'000	KHR'mil (Note 4.2)
		Share capital USD'000	Share premium USD'000	Reserves USD'000			
Balance at 1 July 2023		7,494	2,541	365	11,842	22,242	91,854
Loss for the year		-	-	-	(18,806)	(18,806)	(77,115)
Fair value gain on cash flow hedges		-	-	(208)	-	(208)	(853)
Currency translation difference		-	-	-	-	-	(620)
Balance at 30 June 2024		7,494	2,541	157	(6,964)	3,228	13,266
Balance at 1 July 2022		7,494	2,541	(400)	17,542	27,177	110,609
Loss for the year		-	-	-	(5,700)	(5,700)	(23,402)
Fair value gain on cash flow hedges		-	-	765	-	765	3,141
Currency translation difference		-	-	-	-	-	1,506
Balance at 30 June 2023		7,494	2,541	365	11,842	22,242	91,854

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

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

		For the year ended		For the year ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		USD'000	USD'000	KHR'mil	KHR'mil
				(Note 4.2)	(Note 4.2)
Operating activities					
Loss before income tax		(18,623)	(5,367)	(76,365)	(22,035)
Adjustments for:					
Depreciation	21	1,040	1,086	4,265	4,459
Amortisation	21	7	6	29	25
Interest income	23	(2,375)	(2,615)	(9,738)	(10,736)
Interest expense	24	12,396	10,896	50,829	44,734
Impairment of contract assets	10	43,773	-	179,489	-
Reversal of provision of project costs	21	(36,533)	-	(149,802)	-
Write off of property, plant and equipment		67	-	275	-
Gain on termination of lease		(41)	(20)	(168)	(82)
Unrealised foreign exchange loss/(gain)		3	(3)	12	(12)
Operating (loss)/profit before working capital changes		(286)	3,983	(1,174)	16,353
Changes in working capital					
Changes in:					
Trade and other receivables		(1,411)	(1,591)	(5,786)	(6,532)
Contract assets/liability		17,281	9,388	70,859	38,543
Inventories		-	24	-	99
Amount due from/to holding company		21,434	1,132	87,888	4,648
Amounts due to related parties		(23,050)	(1,593)	(94,515)	(6,540)
Trade and other payables		2,885	(1,263)	11,830	(5,185)
Cash generated from operations		16,853	10,080	69,102	41,386
Income tax paid		(697)	(162)	(2,858)	(665)
Net cash generated from operating activities		16,156	9,918	66,244	40,721

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
GROUP'S STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

		For the year ended		For the year ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		USD'000	USD'000	KHR'mil	KHR'mil
				(Note 4.2)	(Note 4.2)
Investing activities					
Acquisitions of property, plant and equipment		(8)	(16)	(33)	(66)
Acquisitions of intangible assets		-	(19)	-	(78)
Interest received		73	71	299	291
Net cash from investing activities		65	36	266	147
Financing activities					
Proceeds from borrowings	27	22	11,956	90	49,086
Repayment of borrowings	27	(9,706)	(23,564)	(39,799)	(96,744)
Interest paid		(4,517)	(6,910)	(18,522)	(28,370)
Payment of lease liabilities	27	(138)	(141)	(566)	(579)
Advances from holding company		79	-	324	-
Placement of fixed deposits		(408)	(460)	(1,673)	(1,889)
Withdrawal of fixed deposits		1,033	-	4,236	-
Withdrawal of debt service reserve accounts with licensed institutions		2,343	-	9,607	-
(Repayment of advances)/advances from related parties		(1,417)	7,526	(5,810)	30,899
Net cash used in financing activities		(12,709)	(11,593)	(52,113)	(47,597)
Net change in cash and cash equivalents		3,512	(1,639)	14,397	(6,729)
Cash and cash equivalents, beginning of the year		(7,877)	(6,238)	(32,531)	(25,392)
Currency translation difference		-	-	194	(410)
Cash and cash equivalents, end of the year	13	(4,365)	(7,877)	(17,940)	(32,531)

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Note	For the year ended		For the year ended	
		30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Operating activities					
Loss before income tax		(18,620)	(5,405)	(76,353)	(22,191)
Adjustments for:					
Depreciation	21	1,040	1,086	4,265	4,459
Amortisation	21	7	6	29	25
Interest income	23	(2,375)	(2,615)	(9,738)	(10,736)
Interest expense	24	12,396	10,896	50,829	44,734
Impairment of contract assets	10	43,773	-	179,489	-
Reversal of provision of project cost	21	(36,533)	-	(149,802)	-
Write off of property, plant and equipment		67	-	275	-
Gain on termination of lease		(41)	(20)	(168)	(82)
Unrealised foreign exchange/(gain)		1	(3)	4	(12)
Impairment on investment in subsidiary		-	50	-	205
Operating (loss)/profit before working capital changes		(285)	3,995	(1,170)	16,402
Changes in working capital					
Changes in:					
Trade and other receivables		(1,411)	(1,591)	(5,786)	(6,532)
Contract assets/liability		17,281	9,388	70,859	38,543
Inventories		-	24	-	99
Amount due from/to holding company		21,434	1,132	87,888	4,648
Amounts due to related parties		(23,050)	(1,593)	(94,515)	(6,540)
Trade and other payables		2,888	(1,259)	11,842	(5,168)
Cash generated from operations		16,857	10,096	69,118	41,452
Income tax paid		(697)	(162)	(2,858)	(665)
Net cash generated from operating activities		16,160	9,934	66,260	40,787

PESTECH (CAMBODIA) PLC. AND ITS SUBSIDIARIES
COMPANY'S STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2024

		For the year ended		For the year ended	
	Note	30 June 2024	30 June 2023	30 June 2024	30 June 2023
		USD'000	USD'000	KHR'mil	KHR'mil
				(Note 4.2)	(Note 4.2)
Investing activities					
Acquisitions of property, plant and equipment		(8)	(16)	(33)	(66)
Acquisitions of intangible assets		-	(19)	-	(78)
Interest received		73	71	299	291
Net cash from investing activities		65	36	266	147
Financing activities					
Proceeds from borrowings	27	22	11,956	90	49,086
Repayment of borrowings	27	(9,706)	(23,564)	(39,799)	(96,744)
Interest paid		(4,517)	(6,910)	(18,522)	(28,370)
Payment of lease liabilities	27	(138)	(141)	(566)	(579)
Placement of fixed deposits		(408)	(460)	(1,673)	(1,889)
Withdrawal of fixed deposits		1,033	-	4,236	-
Withdrawal of debt service reserve accounts with licensed institutions		2,343	-	9,607	-
(Repayment of advances)/advance from related parties		(1,417)	7,526	(5,810)	30,899
Advance to a subsidiary		2	(16)	8	(68)
Advance from holding company		79	-	324	-
Net cash used in financing activities		(12,707)	(11,609)	(52,105)	(47,665)
Net change in cash and cash equivalents		3,518	(1,639)	14,421	(6,731)
Cash and cash equivalents, beginning of the year		(7,883)	(6,244)	(32,556)	(25,416)
Currency translation difference		-	-	195	(409)
Cash and bank equivalents, end of the year	13	(4,365)	(7,883)	(17,940)	(32,556)

PESTECH (CAMBODIA) PLC AND ITS SUBSIDIARIES
NOTES TO THE FINANCIAL STATEMENTS
AS AT 30 JUNE 2024 AND FOR THE YEAR THEN ENDED

1. General information

PESTECH (Cambodia) Plc. (“the Company”) was incorporated on 5 February 2010 as a single member private company and is a 100% owned subsidiary of PESTECH International Berhad (“the Holding Company”), a company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad (the Stock Exchange in Malaysia), 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 under company registration number 00000957.

On 12 August 2020, the Company was successfully listed on the Cambodia Securities Exchange. 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 substations 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 Ministry of Planning and Finance of the Republic of the Union of Myanmar. 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. 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, Phum 11, Sangkat Boeung Kak 2, Khan Toul Kork, 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.

Change of financial year end

On 31 May 2024, the Company obtained approval from the Accounting and Auditing Regulator of Cambodia to change its financial year end from 30 June to 30 September, aligning its closing period with its Holding Company, PESTECH International Berhad. The Company’s new financial period will now be from 1 October until 30 September. During the transition period from 1 July 2024 to 30 September 2024, the Company must close its accounting records and prepare its financial statements in accordance with applicable regulations.

2. Basis of preparation and statement of compliance with CIFRSs

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

The Accounting and Auditing Regulator, as mandated by Prakas (Circular) No. 068-MEF-Pr dated 8 January 2009 issued by the Ministry of Economy and Finance of Cambodia on the adoption of Cambodian Financial Reporting Standards, has decided to adopt International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") without modifications as CIFRSs.

3. New or revised standards and interpretations

3.1 Standards, amendments and interpretations to existing standards that are effective as at 1 July 2023

The Group and the Company adopted all accounting standards and interpretations as at 1 July 2023. The new and revised accounting standards and interpretations assessed to be applicable to the Group's and the Company's financial statements follows:

- Deferred tax related to assets and liabilities arising from a single transaction (Amendments to CIAS 12, Income Taxes)
- Disclosure of accounting policies (Amendments to CIAS 1, Presentation of Financial Statements, and CIFRS Practice Statement 2)
- Definition of accounting estimates (Amendments to CIAS 8, Accounting Policies, Changes in Accounting Estimates and Errors)

The Management has assessed that the adoption of these accounting standards has no material impact on the financial statements of the Group and the Company.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Group and the Company

At the date of authorisation of these financial statements, the following new and revised accounting standards that have been issued but are not yet effective and have not been adopted early by the Group and the Company:

- Classification of Liabilities as Current or Non-current (Amendments to CIAS 1)
- Lease liability in a sale and leaseback (Amendments to CIFRS 16, Leases) (effective 1 January 2024)
- Supplier Finance Arrangements (Amendments to CIAS 7, Statement of Cash Flows, and CIFRS 7, Financial Instruments: Disclosures)
- Non-current Liabilities with Covenants (Amendments to CIAS 1)

Management does not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Group and the Company in the future periods.

4. Material accounting policies

4.1 Basis of preparation

The financial statements of the Group and the Company have been prepared in accordance with CIFRSs. They have been prepared under the historical cost convention unless otherwise stated.

4.2 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 Dollar ("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 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.

4. Material accounting policies (continued)

4.2 Functional and presentation currency (continued)

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement of the Law on Accounting and Auditing dated 11 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 June 2024	30 June 2023
Average rate*	4,100	4,106
Closing rate	4,110	4,130

* The average rate is calculated using the monthly rates during the year

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 of exchange. USD and KHR amounts are presented in the nearest thousands and millions, respectively, unless otherwise stated.

4.3 Basis of consolidation

The Group's financial statements consolidate those of the parent company and of its subsidiaries. The Company obtains and exercises control through ownership of more than half of the voting rights of its subsidiaries.

Unrealised gains and losses on transactions between the companies in the Group are eliminated. When unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment.

Amounts reported in financial statements of the subsidiaries have been adjusted, where necessary, to ensure consistency with the accounting policies adopted by the Group.

Profit or loss of the subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition or up to the effective date of disposal as applicable.

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 (if any) 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.

Upon 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.

4.4 Revenue recognition

Revenue is recognised when or as a performance obligation in the contract with customer is satisfied (i.e., when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer).

A performance obligation is a promise to transfer distinct goods or services (or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer) to the customer that is explicitly stated in the contract and implied in the Group's and the Company's customary business practices.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring the promised goods or services to the customers, excluding amounts collected on behalf of third parties such as value-added taxes or goods and services taxes.

4. Material accounting policies (continued)

4.4 Revenue recognition (continued)

If the amount of consideration varies due to discounts, rebates, refunds, credits, incentives, penalties or other similar items, the Group and the Company estimate the amount of consideration to which it will be entitled based on the expected value or the most likely outcome. If the contract with customer contains more than one performance obligation, the amount of consideration is allocated to each performance obligation based on the relative stand-alone selling prices of the goods or services promised in the contract.

Revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

The control of the promised goods or services may be transferred over time or at a point in time. Revenue for performance obligation that is not satisfied over time is recognised at the point in time at which the customer obtains control of the promised goods or services.

The control over the goods or services is transferred over time and revenue is recognised over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's and the Company's performance as the Group and the Company perform;
- the Group's and the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or,
- the Group's and the Company's performance does not create an asset with an alternative use and the Group and the Company has an enforceable right to payment for performance completed to date.

Revenue for performance obligation that is not satisfied over time is recognised at a point in time.

The Group and the Company recognise revenue from construction over time if it creates an asset with no alternative use and the Group and the Company has an enforceable right to payment for performance completed to date. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation.

The progress towards complete satisfaction of the performance obligation is measured based on the Group's and the Company's efforts or inputs to the satisfaction of the performance (e.g., by reference to the survey of work performed or the stage of completion).

Revenue from construction and operation contracts is recognised on the percentage of completion method which is assessed through a combination of an expert evaluation, and through consideration of contract costs incurred compared to the total estimated costs provided there are no significant uncertainties with respect to the ultimate receipt of the proceeds and the associated costs can be reasonably determined.

Where the outcome of a development cannot be reasonably estimated, revenue is recognised to the extent of construction costs incurred that are probable to be recovered, and the construction costs shall be recognised as expenses in the period in which they are incurred.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in the profit or loss irrespective of whether construction has commenced or not, or of the stage of completion of construction activity, or of the amounts of profits expected to arise on other unrelated contracts.

The excess of revenue recognised in the profit or loss over the billings to contract customers is recognised as contract assets.

The excess of billings to contract customers over revenue recognised in the profit or loss is recognised as contract liabilities.

Other revenue earned by the Group and the Company represent interest income which is recognised on a time proportion basis.

4. Material accounting policies (continued)

4.4 Revenue recognition (continued)

Construction contract and service rendered

Revenue from engineering services rendered and sale of materials are recognised in the profit or loss when the service is performed and when the Group and the Company have transferred the control of materials to the buyer, respectively.

To determine whether to recognise revenue, the Group and the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Notional income on unwinding of discounting

Notional income on unwinding of discounting of construction receivable is accrued on a time proportion basis taking into consideration the outstanding receivables and the effective applicable discount rate.

The amount is derived from the difference of the present value of future revenue and the revenue recognised over the construction period.

4.5 Operating expenses

Operating expenses are recognised in the profit or loss in the year in which they are incurred.

4.6 Property, plant and equipment

All items of property, plant and equipment are initially stated at acquisition cost or manufacturing cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Management. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company, and the cost of the item can be measured reliably. All repairs and maintenance costs are charged to the profit or loss during the financial year in which they are incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation

Depreciation is calculated using the straight-line method at the following annual rates:

	Rate
Equipment	4% - 10%
Motor vehicles	20%
Computers	30%
Furniture and fittings	20%
Signage	10%
Renovation	10%

The residual values, useful life and depreciation method are reviewed at each financial year to ensure that the amount, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Property, plant and equipment are de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the profit or loss in the year which the asset is disposed of. Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the disposed assets. Gains and losses are included in the profit or loss.

4. Material accounting policies (continued)

4.7 Impairment testing of non-financial assets

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All assets subject to depreciation or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, Management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's and the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by Management.

Impairment losses for cash-generating units reduce first the carrying amount of any intangible assets allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge would be reversed if the cash-generating unit's recoverable amount exceeded its carrying amount.

4.8 Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group and the Company become a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expired, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expired.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with CIFRS 15, Revenue from Contracts with Customers, all financial assets are initially measured at fair value adjusted for transaction costs, where applicable.

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); or,
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the Group's and the Company's business model for managing the financial asset; and,
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented in the statement of profit or loss and other comprehensive income.

At the reporting date, the Group and the Company only carry financial assets measured at amortised cost on their statement of financial position.

4. Material accounting policies (continued)

4.8 Financial instruments (continued)

Financial assets - Subsequent measurement

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and,
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's and the Company's trade and certain other receivables, amounts due from related parties, amount due from a subsidiary, cash and bank balances and derivative financial instruments fall into this category of financial instruments.

Financial assets - Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expired or the financial asset is transferred to another party without retaining control or substantially all risks and rewards of the asset.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in equity is recognised in profit or loss.

Financial assets - Impairment

The Group and the Company consider a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1'); and,
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables and contract assets

The Group and the Company apply a simplified approach in accounting for trade receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group and the Company use their historical experience, external indicators and forward-looking information to calculate the expected credit losses using external benchmarking approach.

The Group and the Company assess impairment of trade receivables and contract assets on a collective basis as the customers shared similar credit characteristics. A detailed analysis of how the impairment requirements of CIFRS 9, Financial Instruments, are applied is in Note 33 to the financial statements.

4. Material accounting policies (continued)

4.8 Financial instruments (continued)

Financial liabilities - classification and measurement

The Group's and the Company's financial liabilities comprise trade and certain other payables, amount due to holding company, amounts due to related parties and borrowings.

Financial liabilities are initially measured at fair value and, where applicable, adjusted for transaction costs unless the Group and the Company designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance income or finance costs.

Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting year.

The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group and the Company designate certain derivatives as either:

- Hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge);
- Hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge); or,
- Hedges of a net investment in a foreign operation (net investment hedge).

At inception of the hedge relationship, the Group and the Company document the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group and the Company document its risk management objective and strategy for undertaking its hedge transactions.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 30 to the financial statements. Movements on the hedging reserve in other comprehensive income are shown in the statement of changes in equity. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate borrowings is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss within 'other gains/(losses) - net'. Changes in the fair value of the hedge fixed rate borrowings attributable to interest rate risk are recognised in profit or loss within 'finance costs'.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used and is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

4. Material accounting policies (continued)

4.8 Financial instruments (continued)

Derivatives and hedging activities (continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains/losses - net'. Where the Group and the Company exclude the foreign currency basis spread from the designation of derivatives used as hedging instruments, the change in the foreign currency basis spread of the hedging instrument is recognised in other comprehensive income and accumulated in costs of hedging reserve within equity. The Group and the Company designate the cost of hedging application in relation to foreign currency basis spread on a hedge-by-hedge basis.

Amounts accumulated in equity (including the cost of hedging reserve) are reclassified to profit or loss in the period when the hedged cash flows affect the profit or loss. The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised in profit or loss within 'other gains/losses - net'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged cash flows affect profit or loss.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in reserves within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'other gains/losses - net'.

Gains and losses accumulated in equity are included in profit or loss when the foreign operation is partially or fully disposed of.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in 'other gains/losses - net'.

4.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of acquiring construction materials including cost incurred in bringing each item to their present location and condition are accounted using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost to sell or the current replacement cost of the asset.

4.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks, as well as other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts.

4. Material accounting policies (continued)

4.11 Equity, reserves and retained earnings/(accumulated deficit)

Share capital represents the nominal value of shares that have been issued. Retained earnings/(accumulated deficit) include all current year's and prior years' profits or losses.

Capital contribution reserve represents the fair value of the shares granted under a share grant plan. It is a share-based compensation plan granted by the Holding Company, PESTECH International Berhad, to the employees of the Company. The fair value of shares granted is measured at the fair value as of grant date and is recognised as an employee benefit expense with corresponding increase in equity.

Cash flow hedge reserve represents the changes in the fair value of interest rate swaps contracts that are designated as hedges. These changes are included as a hedging reserve in equity and are continuously released to other comprehensive income or loss until the repayment of the borrowings or the maturity of the contracts, whichever is earlier. For contracts that are not designated as hedges, changes in fair value are recognised in profit or loss.

4.12 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group or the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group or the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group or the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Possible inflows of economic benefits to the Group or the Company that do not yet meet the recognition criteria of an asset are considered as contingent assets.

4.13 Operating segment

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses related to transactions with any of the Group's other components. All operating segments' results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

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 the performance of the reportable segment.

4. Material accounting policies (continued)

4.14 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of the assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Group's and the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally provided for in full.

Deferred tax assets and liabilities are offset only when the Group and the Company have a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.15 Leases

The Group and the Company as a lessee

The Group and the Company make use of leasing arrangements principally for the provision of office spaces, staff accommodation and storage. The rental contract for office spaces, staff accommodation and storage are typically negotiated for terms between three to five years. The Group and the Company do not enter into sale and leaseback arrangements. All leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as restriction from assigning and subleasing the leased asset and must deliver regularly the rental payment in accordance with the contract and provide a good care on the existing property, plant and equipment.

The Group and the Company assess whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use of and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group and the Company recognise a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group and the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group and the Company depreciate the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group and the Company also assess the right-of-use asset for impairment when such indicators exist.

4. Material accounting policies (continued)

4.15 Leases (continued)

At the commencement date, the Group and the Company measure the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group and the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Right-of-use asset and lease liability have been individually disclosed on the statement of financial position.

The Group and the Company have elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as expenses in profit or loss on a straight-line basis over the lease term.

4.16. Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged. For the purpose of these financial statements, a person or entity is considered as a related party if it meets one of the following criteria:

- a. A person or a close member of that person's family is related to the Group and the Company if that person:
 - i. Has control or joint control over the Group and the Company;
 - ii. Has significant influence over the Group and the Company; or,
 - iii. Is a member of the key management personnel of the ultimate holding company of the Group and the Company, or the Group and the Company.

- b. An entity is related to the Group and the Company if any of the following conditions applies:
 - i. The Group and the Company are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity.
 - iii. Both entities are joint ventures of the same third party.
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefits of employees of the Group and the Company.
 - vi. The entity is controlled or jointly-controlled by a person identified in a. above.
 - vii. A person identified in a.i. above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
 - viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the Group and the Company.

5. Significant accounting estimates, assumptions and judgements

The Group and the Company make estimates, assumptions and judgements concerning future transactions which may not equal the actual results. The accounting estimates, assumptions and judgements which may cause significant impact on the current recognition and measurement of assets, liabilities, income and expenses are summarised as follows:

a. Significant accounting estimates and assumptions

Impairment

In assessing impairment, Management estimates the recoverable amount of each asset or cash generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful life of depreciable assets

The Group and the Company review the estimate of the useful life of depreciable assets at each reporting date, based on the expected utility of the assets.

Construction contract - contract revenues

Recognised amounts of construction contract revenues and related receivables reflect Management's best estimate of each contract's outcome and stage of completion. This includes the assessment of the profitability of on-going construction contracts and the older backlog. For more complex contracts in particular, costs to complete and contract profitability are subject to significant estimation uncertainty.

Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable values, Management takes into account the most reliable evidence available at the times the estimates are made. The Group's and the Company's core business is subject to economical and technology changes which may cause selling prices to change rapidly, and their profits to change.

Leases - estimating the incremental borrowing rate

The Group and the Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Group and the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Income tax expense

The Group and the Company recognise liabilities for expected tax expenses based on an estimate of whether the taxes are due, according to Management's current interpretation of the various tax legislations, which are subject to periodic changes. The final determination of tax expenses will be made following examination by the General Department of Taxation.

When the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

b. Significant accounting judgements

Recognition of construction contract revenues

Recognising construction contract requires significant judgement in determining milestones, actual work performed and the estimated costs to complete the work.

6. Going concern

The Group and the Company incurred net losses of USD18,809 thousand (KHR77,127 million) and USD18,806 thousand (KHR77,115 million), respectively, for the year ended 30 June 2024. As of that date, the Group and the Company have accumulated deficits amounting to USD7,161 thousand (KHR29,921 million) and USD6,964 thousand (KHR29,122 million), respectively. Also, the Company is currently in the process of negotiating the restructuring and rescheduling of a project financing loan payable. These events or conditions indicate the existence of material uncertainties that may cast significant doubt on the ability of the Group and the Company to continue as going concern.

The Group's and the Company's net losses during the year were primarily attributed to the one-off impairment of contract assets and other adjustments arising from an annulled project of the Company, the net effect of which amounted to USD16,516 thousand (KHR67,716 million) (see Note 21). Had there been no such impairment, the Group's and the Company's net losses would be about USD2,293 thousand (KHR9,411 million) and USD2,290 thousand (KHR9,399 million), respectively. The Group's and the Company's losses are also due to high financing costs from related parties amounting to USD5,281 thousand (KHR21,654 million), being the interest charges support provided to the Holding Company and related parties (see Note 24). However, for the year ended 30 June 2024, the net cash from operating activities of the Group and of the Company is USD16,156 thousand (KHR66,244 million) and USD16,160 thousand (KHR66,260 million), respectively.

The continuation of the Group and the Company as a going concern is however highly dependent on the achievement of the following plans and activities:

- a. Successful restructuring and rescheduling of project financing loans payable to creditor banks amounting to USD46,916 thousand (KHR192,825 million) related to the financing obtained for one of the Company's projects in view of the extension of time to complete the project. Currently, the terms of the restructuring and rescheduling of project financing loan are ongoing negotiations.
- b. Successful drawdown of funding for existing project to continue its completion which has been identified and is ongoing.
- c. Ability to generate positive working capital and net cash flows of the Company through collections from completed deferred payment projects and payments of required obligations.
- d. Ability to obtain temporary relief from the repayment of related-party financial obligations for at least twelve months after the reporting date to help the Company manage its cash position and liquidity, allowing it to continue operating as a going concern.

If these are not forthcoming even though most of the plans are ongoing, the Group and the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. Notwithstanding the foregoing, the Directors strongly believes that it is appropriate to prepare the financial statements of the Group and the Company on a going-concern basis and accordingly the financial statements do not include any adjustments related to the recoverability and classification of recorded asset amounts, nor to the amounts and classification of liabilities that may be necessary should the going-concern basis for preparing the financial statements of the Group and the Company no longer be appropriate.

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7. 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 4.2)
Cost									
At 1 July 2023	16,806	812	45	99	562	19	76	18,419	76,070
Additions	7	-	1	-	144	-	-	152	629
Reversal	(6)	-	-	-	-	-	-	(6)	(25)
Write-off due to termination of lease contract	-	-	-	-	(400)	(19)	(76)	(495)	(2,034)
Currency translation difference	-	-	-	-	-	-	-	-	(368)
Balance at 30 June 2024	16,807	812	46	99	306	-	-	18,070	74,272
Accumulated depreciation									
At 1 July 2023	(4,785)	(615)	(35)	(59)	(169)	(5)	(15)	(5,683)	(23,470)
Depreciation	(822)	(66)	(5)	(14)	(127)	(2)	(6)	(1,042)	(4,273)
Reversal	2	-	-	-	-	-	-	2	8
Write-off due to termination of lease contract	-	-	-	-	123	7	21	151	619
Currency translation difference	-	-	-	-	-	-	-	-	101
Balance 30 June 2024	(5,605)	(681)	(40)	(73)	(173)	-	-	(6,572)	(27,015)
Carrying amount at 30 June 2024	11,202	131	6	26	133	-	-	11,498	47,257

7. 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 4.2)
Cost									
At 1 July 2022	16,796	812	39	99	492	19	76	18,333	74,615
Additions	10	-	6	-	385	-	-	401	1,656
Write-off due to termination of lease contract	-	-	-	-	(315)	-	-	(315)	(1,301)
Currency translation difference	-	-	-	-	-	-	-	-	1,100
Balance at 30 June 2023	16,806	812	45	99	562	19	76	18,419	76,070
Accumulated depreciation									
At 1 July 2022	(3,949)	(524)	(30)	(45)	(171)	(3)	(7)	(4,729)	(19,247)
Depreciation	(836)	(91)	(5)	(14)	(130)	(2)	(8)	(1,086)	(4,459)
Write-off due to termination of lease contract	-	-	-	-	132	-	-	132	542
Currency translation difference	-	-	-	-	-	-	-	-	(306)
Balance 30 June 2023	(4,785)	(615)	(35)	(59)	(169)	(5)	(15)	(5,683)	(23,470)
Carrying amount at 30 June 2023	12,021	197	10	40	393	14	61	12,736	52,600

8. 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 statement of financial position as follows:

	Group and Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Non-current	105	303	432	1,251
Current	33	119	136	491
	138	422	568	1,742

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

	Group and Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Beginning of the year	422	348	1,742	1,416
Addition	144	385	590	1,581
Accretion of interest	26	33	107	135
Termination	(316)	(203)	(1,296)	(833)
Payments	(138)	(141)	(566)	(579)
Currency translation difference	-	-	(9)	22
End of the year	138	422	568	1,742

The weighted average incremental borrowing rate applied to lease liabilities recognised under CIFRS 16, Leases, 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					
Office building	1	4.9 years	4.9 years	-	1
Storage	1	1.5 years	1.5 years	-	1

8. Lease liabilities (continued)

The details of future minimum lease payments are summarised below:

	Minimum lease payments due				KHR'mil (Note 4.2)
	Within one year USD'000	From one to three years USD'000	From three to five years USD'000	Total USD'000	
30 June 2024					
Lease payments	42	94	26	162	666
Finance charges	(9)	(14)	(1)	(24)	(98)
Net present value	33	80	25	138	568
30 June 2023					
Lease payments	145	167	185	497	2,053
Finance charges	(26)	(35)	(14)	(75)	(311)
Net present value	119	132	171	422	1,742

9. Investment in a subsidiary

	Company			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
At cost - unquoted shares				
Beginning of the year	-	50	-	204
Impairment	-	(50)	-	(205)
Currency translation difference	-	-	-	1
End of the year	-	-	-	-

Details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		30 June 2024	30 June 2023	
Company's subsidiary				
PESTECH (Myanmar) Limited ("PML")	Myanmar	100.00%	100.00%	Provision of comprehensive power system engineering, construction, design, installation and related services in power industry
Indirect subsidiaries				
Subsidiary of PML 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
Subsidiary of PHC PESTECH Microgrid Company Limited	Myanmar	54.00%	54.00%	Provision of microgrid system and other power infrastructure to rural areas in Myanmar

10. Contract assets/liability

	30 June 2024 USD'000	Group and Company		30 June 2023 KHR'mil (Note 4.2)
		30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	
Beginning of the year	258,206	265,050	1,066,390	1,078,754
Revenue recognised	10,365	19,368	42,501	79,517
Billing issued	(27,646)	(28,756)	(113,360)	(118,060)
Finance income recognised	2,302	2,544	9,439	10,445
Impairment during the year	(43,773)	-	(179,489)	-
Currency translation difference	-	-	(5,726)	15,734
End of the year	199,454	258,206	819,755	1,066,390

Presented as:

Contract assets

Current	104,589	131,857	429,861	544,569
Non-current	95,480	126,349	392,423	521,821
	200,069	258,206	822,284	1,066,390

Contract liability

Current	(615)	-	(2,529)	-
	199,454	258,206	819,755	1,066,390

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.

During the year, the Group and the Company have recognised impairment of certain contract assets related to the annulment of a specific project contract (see Note 21).

11. Inventories

	30 June 2024 USD'000	Group and Company		30 June 2023 KHR'mil (Note 4.2)
		30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	
Construction materials	3,314	3,314	13,621	13,687

12. Trade and other receivables

	30 June 2024 USD'000	Group and Company		30 June 2023 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
		30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)		
Trade receivables	4,508	3,116	18,528	12,869	
Deposits	10	20	41	83	
Staff advances	66	15	271	62	
Financial assets	4,584	3,151	18,840	13,014	
Prepayment	1,572	1,582	6,461	6,534	
Non-financial assets	1,572	1,582	6,461	6,534	
	6,156	4,733	25,301	19,548	

13. Cash and bank balances

	30 June 2024 USD'000	Group		30 June 2023 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
		30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)		
Cash in banks (a)	3,726	6,058	15,314	25,020	
Deposits with licensed banks (b)	1,601	2,226	6,580	9,193	
Cash on hand	11	12	45	50	
	5,338	8,296	21,939	34,263	

	30 June 2024 USD'000	Company		30 June 2023 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
		30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)		
Cash in banks (a)	3,726	6,052	15,314	24,995	
Deposits with licensed banks (b)	1,601	2,226	6,580	9,193	
Cash on hand	11	12	45	50	
	5,338	8,290	21,939	34,238	

- (a) Two of the bank accounts have been pledged to syndicated financing facilities as disclosed in Note 18(b.5).
- (b) Deposits with licensed banks of the Group and of the Company have been pledged as security for bank overdrafts and term loan as disclosed in Note 18(a.2) and Note 18(b.5). The deposits earn interest of 4.25% (2023: 4.25%) per annum.

13. Cash and bank balances (continued)

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

	Group			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Cash and bank balances	5,338	8,296	21,939	34,263
Bank overdrafts	(4,428)	(7,930)	(18,199)	(32,751)
Fixed deposits pledged to borrowings	(1,601)	(2,226)	(6,580)	(9,193)
Cash in banks pledged to borrowings	(3,674)	(6,017)	(15,100)	(24,850)
Cash and cash equivalents per statement of cash flows	(4,365)	(7,877)	(17,940)	(32,531)

	Company			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Cash and bank balances	5,338	8,290	21,939	34,238
Bank overdrafts	(4,428)	(7,930)	(18,199)	(32,751)
Fixed deposits pledged to borrowings	(1,601)	(2,226)	(6,580)	(9,193)
Cash in banks pledged to borrowings	(3,674)	(6,017)	(15,100)	(24,850)
Cash and cash equivalents per statement of cash flows	(4,365)	(7,883)	(17,940)	(32,556)

14. Share capital

	Group and Company					
	Number of shares			Amount		
	30 June 2024	30 June 2023	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 3)	30 June 2023 KHR'mil (Note 3)
Shares issued and fully paid -						
Beginning/end of the year	74,945,000	74,945,000	7,494	7,494	30,725	30,725

15. 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.

16. Reserves

	Group and Company			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Capital contribution reserve	52	52	213	213
Cash flow hedge reserve (Note 19)	105	313	431	1,285
Currency translation difference	-	-	(9)	(1)
	157	365	635	1,497

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 year 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.

17. Trade and other payables

	Group			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Provision for project costs	4,782	45,034	19,654	185,990
Trade payables	3,530	2,258	14,508	9,326
Accruals	2,880	1,309	11,837	5,406
Other payables	10,814	69	44,446	285
Financial liabilities	22,006	48,670	90,445	201,007
Value-added tax	268	261	1,101	1,078
Taxes payable	983	130	4,040	537
Non-financial liabilities	1,251	391	5,141	1,615
	23,257	49,061	95,586	202,622
Current	12,757	49,061	52,432	202,622
Non-current	10,500	-	43,154	-
	23,257	49,061	95,586	202,622

17. Trade and other payables (continued)

	Company		30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
	30 June 2024 USD'000	30 June 2023 USD'000		
Provision for project cost	4,782	45,034	19,654	185,990
Trade payables	3,530	2,258	14,508	9,326
Accruals	2,880	1,309	11,837	5,406
Other payables	10,814	68	44,446	281
Financial liabilities	22,006	48,669	90,445	201,003
Value-added tax	268	261	1,101	1,078
Taxes payable	983	130	4,040	537
Non-financial liabilities	1,251	391	5,141	1,615
	23,257	49,060	95,586	202,618
Current	12,757	49,060	52,432	202,618
Non-current	10,500	-	43,154	-
	23,257	49,060	95,586	202,618

18. Borrowings

	Group and Company			30 June 2023 KHR'mil (Note 4.2)
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	
Current				
Secured:				
Bank overdrafts	4,428	7,930	18,199	32,751
Term loans	15,220	12,849	62,554	53,066
Total current	19,648	20,779	80,753	85,817
Non-current				
Secured -				
Term loans	58,143	70,194	238,968	289,901
Total non-current	58,143	70,194	238,968	289,901
	77,791	90,973	319,721	375,718

As at 30 June 2024, the project financing loan with certain creditor banks, with an outstanding balance of USD46,916 thousand (KHR192,825 million), is undergoing restructuring. As of the date of the report, the restructuring is still in progress and pending finalisation by the creditor banks (see Note 6).

The effective interest rates of the borrowings are as follows:

	Group and Company	
	30 June 2024 % per annum	30 June 2023 % per annum
Bank overdrafts (a)	6.8 to 9.5	6.75 to 8.5
Term loans (b)	8.3 to 9.5	5.07 to 8.26

18. Borrowings (continued)

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 13; and,
- a.3 Corporate guarantee from the Holding Company, PESTECH International Berhad.

Term loans

- b.1 Assignment of rights and benefits of the Project Documents, entered into between the Company and customer;
- b.2 Corporate guarantee from the Holding Company, PESTECH International Berhad;
- b.3 Insurance covering the projects;
- b.4 Granting certain direct rights to the Company of the Direct Agreement dated 17 February 2015, entered into between the Company and its customer; and,
- b.5 Pledge of bank accounts and deposits with a licensed bank of the Company as disclosed in Note 13.

19. Derivative financial instruments

	Group and Company					
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	Notional value		Fair value assets			
USD'000	USD'000	USD'000	USD'000	KHR'mil	KHR'mil	
				(Note 4.2)	(Note 4.2)	
Interest rate swaps	35,950	41,250	105	313	431	1,285

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.

20. Revenue

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Construction contract and service rendered	10,365	19,368	42,501	79,517

20.1. Disaggregated revenue information

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Timing of revenue recognition - Over time	10,365	19,368	42,501	79,517

21. Operating expenses

	Group			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
<u>Direct costs</u>				
Raw materials and consumables	(30,813)	9,462	(126,346)	38,847
Operation overheads	1,246	1,598	5,109	6,561
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	1,034	1,489	4,240	6,113
Directors' remuneration and fees	458	509	1,878	2,090
<u>Amortisation</u>				
Intangible assets	7	6	29	25
<u>Depreciation</u>				
Property, plant and equipment	913	956	3,744	3,925
Right-of-use assets	127	130	521	534
<u>Impairment loss</u>				
Contract assets	43,773	-	179,489	-
<u>General expenses</u>				
Withholding tax	1,400	1,321	5,741	5,423
Professional fees	81	211	332	866
Bank charges	186	217	763	891
Other expenses	582	652	2,386	2,677
	18,994	16,551	77,886	67,952

21. Operating expenses (continued)

	Company			
	30 June 2024	For the year ended 30 June 2023	30 June 2024	For the year ended 30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
<u>Direct costs</u>				
Raw materials and consumables*	(30,813)	9,462	(126,346)	38,847
Operation overheads	1,246	1,598	5,109	6,561
<u>Employee benefits</u>				
Salaries, wages, bonuses, and other emoluments	1,034	1,482	4,240	6,084
Directors' remuneration and fees	458	509	1,878	2,090
<u>Amortisation</u>				
Intangible assets	7	6	29	25
<u>Depreciation</u>				
Property, plant and equipment	913	956	3,744	3,925
Right-of-use assets	127	130	521	534
<u>Impairment loss</u>				
Contract assets*	43,773	-	179,489	-
<u>General expenses</u>				
Withholding tax	1,400	1,321	5,741	5,423
Professional fees	80	209	328	858
Bank charges	186	217	763	891
Other expenses	582	650	2,386	2,669
	18,993	16,540	77,882	67,907

*Due to the annulment of a specific project contract, the provision for project costs (i.e., raw materials and consumables) related to the project was reversed and impairment of contract assets has been recognised during the year ended 30 June 2024.

Professional fees include the fees paid or payable to Grant Thornton (Cambodia) Limited as at 30 June 2024 and for the year then ended amounting to USD40 thousand (2023: USD36 thousand), which represents the statutory audit fees and expenses for the Group and the Company. There were no non-audit fees that were paid or are payable to Grant Thornton (Cambodia) Limited by the Group and the Company during the year (2023: nil).

22. Other operating income

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Management fees charged to related parties	58	56	238	230
Rental income charged to related parties	2	-	8	-
Gain on lease termination	41	20	168	82
	101	76	414	312

23. Finance income

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Interest income from:				
Contract assets	2,302	2,544	9,439	10,445
Term deposits	73	71	299	291
	2,375	2,615	9,738	10,736

24. Finance costs

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Interest expense for:				
Term loans	6,466	6,237	26,513	25,607
Charged by related parties	5,281	3,651	21,654	14,989
Bank overdrafts	526	648	2,157	2,660
Prepayment	97	-	398	-
Revolving credit	-	133	-	547
Trust receipt	-	194	-	796
Lease liabilities	26	33	107	135
	12,396	10,896	50,829	44,734

25. Income tax expense

Cambodia

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

Besides the ToI, 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 ToI 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.

25. Income tax expense (continued)

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 years ended 30 June 2024 and 2023 as they have not yet started their commercial operations.

Income tax expense for the years ended 30 June 2024 and 2023 consists of:

	Group and Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Current income tax:				
Provision for current year	104	303	425	1,245
Under/(over) provision in prior year	7	(157)	29	(646)
	111	146	454	599
Deferred tax	75	149	308	612
Income tax expense	186	295	762	1,211

25.1. Reconciliation between accounting loss before income tax and taxable (loss)/income

A reconciliation between accounting loss before income tax and taxable (loss)/income is shown below.

	Group			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Accounting loss before tax	(18,722)	(5,367)	(76,771)	(22,035)
Add non-deductible expenses	8,573	7,120	35,153	29,232
Taxable (loss)/profit	(10,149)	1,753	(41,618)	7,197
Income tax expense at the applicable tax rate of 20%	-	351	-	1,439
Reduction in tax rate 2.76%*	-	(48)	-	(194)
Income tax expense at the effective tax rate of 17.24% (A)	-	303	-	1,245
Minimum tax (B)	104	194	425	795
Estimated income tax expense (higher of A or B)	104	303	425	1,245

	Company			
	For the year ended		For the year ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Accounting loss before tax	(18,719)	(5,405)	(76,759)	(22,191)
Add non-deductible expenses	8,573	7,164	35,153	29,412
Taxable (loss)/profit	(10,146)	1,759	(41,606)	7,221
Income tax expense at the applicable tax rate of 20%	-	352	-	1,444
Reduction in tax rate 2.76%*	-	(49)	-	(199)
Income tax expense at the effective tax rate of 17.24% (A)	-	303	-	1,245
Minimum tax (B)	104	194	425	795
Estimated income tax expense (higher of A or B)	104	303	425	1,245

25. Income tax expense (continued)

25.1. Reconciliation between accounting loss before income tax and taxable (loss)/income (continued)

* 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 General Department of Taxation to approve its application for this tax on income incentive. The three years tax on income incentive has ended on 12 August 2023.

25.2. 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 that is 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 different interpretations and the effects since the incorporation could be significant.

26. Deferred tax liability

	Group and Company			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Property, plant and equipment				
Beginning of the year	1,135	986	4,688	4,013
Recognised in profit or loss	75	149	308	612
Currency translation difference	-	-	(23)	63
End of the year	1,210	1,135	4,973	4,688

27. 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:

	1 July 2023	Non-cash flows		Cash flows		30 June 2024	
	USD'000	Additions USD'000	Reversal USD'000	Proceeds USD'000	Repayments USD'000	USD'000	KHR'mil (Note 4.2)
Term loans	83,043	-	-	22	(9,706)	73,359	301,522
Lease liabilities	422	170	(316)	-	(138)	138	568
	83,465	170	(316)	22	(9,844)	73,497	302,090

	1 July 2022	Non-cash flows		Cash flows		30 June 2023	
	USD'000	Additions USD'000	Reversal USD'000	Proceeds USD'000	Repayments USD'000	USD'000	KHR'mil (Note 4.2)
Term loans	91,571	-	-	978	(9,506)	83,043	342,967
Revolving credit	3,080	-	-	3,599	(6,679)	-	-
Trust receipt	-	-	-	7,379	(7,379)	-	-
Lease liabilities	348	418	(203)	-	(141)	422	1,742
	94,999	418	(203)	11,956	(23,705)	83,465	344,709

28. Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Group and Company					
Amounts due from related parties - current					
Diamond Power Limited	Fellow subsidiary	-	4	-	17
Green Sustainable Ventures (Cambodia) Co., Ltd.	Fellow subsidiary	72	2,810	296	11,605
		72	2,814	296	11,622
Amounts due to related parties - current					
PESTECH Sdn Bhd	Fellow subsidiary	7,544	9,674	31,006	39,954
Enersol Co. Ltd.	Fellow subsidiary	9,610	-	39,497	-
PESTECH Energy Sdn Bhd	Fellow subsidiary	7	7	28	29
ODM Power Line Co Ltd	Fellow subsidiary	38,912	38,929	159,928	160,778
PESTECH Transmission Sdn Bhd	Fellow subsidiary	3,608	3,598	14,829	14,860
PESTECH Power Sdn Bhd	Fellow subsidiary	-	7,532	-	31,105
Diamond Power Limited	Fellow subsidiary	1	-	4	-
		59,682	59,740	245,292	246,726
Amounts due to related parties – non-current					
Enersol Co. Ltd.	Fellow subsidiary	11,226	38,377	46,139	158,497
Amount due to holding company					
PESTECH International Berhad – current	Holding company	4,596	-	18,890	-
PESTECH International Berhad – non-current	Holding company	44,883	27,966	184,469	115,500
	Total	49,479	27,966	203,359	115,500
Company					
Amount due from a subsidiary - current					
PESTECH (Myanmar) Limited	Subsidiary	111	113	456	467

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., PESTECH Power Sdn Bhd and PESTECH Sdn Bhd which bear interest at rate ranging from 3.15% to 8.75% (30 June 2023: 3.31% to 7.63%) per annum.

28. Related party balances and transactions (continued)

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

Group and Company

Related party	Relationship	Transactions	For the year ended		For the year ended	
			30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Diamond Power Limited	Fellow subsidiary	Management service income	19	18	78	74
		Operation and maintenance service	-	4,912	-	20,169
		Rental income	1	-	3	-
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	-	1,861	-	7,641
		Interest charged	382	386	1,566	1,585
		Progress billing	5,762	3,739	23,624	15,352
Enersol Co. Ltd.	Fellow subsidiary	Interest charged	3,095	1,966	12,690	8,071
ODM Power Line Co Ltd	Fellow subsidiary	Management service income	20	20	82	82
		Rental income	1	-	3	-
PESTECH International Berhad	Holding company	Interest charged	1,179	1,233	4,834	5,063
Green Sustainable Ventures (Cambodia) Co., Ltd	Fellow subsidiary	Management service income	19	18	78	74
		Operation and maintenance service	145	144	595	591
		Progress billing	-	2,400	-	9,854
		Rental income	1	-	3	-
PESTECH Energy Sdn Bhd	Fellow subsidiary	Contract cost incurred	-	14	-	57
PESTECH Power Sdn Bhd	Fellow subsidiary	Interest charged	625	66	2,564	270

29. 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			
	30 June 2024	For the year ended 30 June 2023	30 June 2024	For the year ended 30 June 2023
	USD'000	USD'000	KHR'mil (Note 4.2)	KHR'mil (Note 4.2)
Salaries and bonuses	452	509	1,854	2,090
Director fees	6	-	24	-

30. 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:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted price, included within level 1, that are observable for the asset or liability, either directly or indirectly; and,
- Level 3 inputs are unobservable inputs for the asset or liability.

Financial assets	Group and Company			
	Carrying amount			Level 2
	USD'000	KHR'mil	USD'000	KHR'mil
30 June 2024				
Derivative financial instruments	105	431	105	431
30 June 2023				
Derivative financial instruments	313	1,285	313	1,285

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 IRS is calculated as the present value of the estimated future cash flows based on observable yield curves.

31. Categories of financial instruments

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

	Group			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Financial assets				
<i>At amortised cost</i>				
Cash and bank balances	5,338	8,296	21,939	34,263
Trade and other receivables	4,584	3,151	18,840	13,014
Amounts due from related parties	72	2,814	296	11,622
Derivatives used for hedging				
Derivative financial instruments	105	313	431	1,285
	10,099	14,574	41,506	60,184

	Company			
	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Financial assets				
<i>At amortised cost</i>				
Cash and bank balances	5,338	8,290	21,939	34,238
Trade and other receivables	4,584	3,151	18,840	13,014
Amount due from a subsidiary	111	113	456	467
Amounts due from related parties	72	2,814	296	11,622
Derivatives used for hedging				
Derivative financial instruments	105	313	431	1,285
	10,210	14,681	41,962	60,626

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31. Categories of financial instruments (continued)

	Group			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Financial liabilities	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
<i>At amortised cost</i>				
Trade and other payables	22,006	48,670	90,445	201,007
Amount due to holding company	49,479	27,966	203,359	115,500
Amounts due to related parties	70,908	98,117	291,431	405,223
Borrowings	77,791	90,973	319,721	375,718
<i>Not within scope of CIFRS 9</i>				
Lease liabilities	138	422	568	1,742
	220,322	266,148	905,524	1,099,190

	Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Financial liabilities	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
<i>At amortised cost</i>				
Trade and other payables	22,006	48,669	90,445	201,003
Amount due to holding company	49,479	27,966	203,359	115,500
Amounts due to related parties	70,908	98,117	291,431	405,223
Borrowings	77,791	90,973	319,721	375,718
<i>Not within scope of CIFRS 9</i>				
Lease liabilities	138	422	568	1,742
	220,322	266,147	905,524	1,099,186

32. Loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Group by the weighted average numbers of ordinary shares in issue during the respective period as shown below.

Diluted loss per share is 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 per share were equivalent to the basic loss per share.

	Group			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Loss attributable to the owners of the Company	(18,809)	(5,662)	(77,127)	(23,246)
Weighted average number of shares	74,945,000	74,945,000	74,945,000	74,945,000
Basic loss per share (cent/riel)	(25.10)	(7.55)	(1,029.11)	(310.17)
Diluted loss per share (cent/riel)	(25.10)	(7.55)	(1,029.11)	(310.17)

33. Risk management objectives and policies

Financial risk

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk, interest rate risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and their policies in respect of the major areas of treasury activities are set out as follows:

(a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

It is the Group's and the Company's policy to enter into financial instruments with creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of their financial assets or other financial instruments.

The concentration of credit risk exists when changes in economic, industry and geographical factors affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. The Group's and the Company's transactions are entered into with creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

The areas where the Group and the Company are exposed to credit risk are as follows:

Trade receivables and contract assets

The net carrying amount of trade receivables is considered a reasonable approximation of fair value.

In measuring the expected credit losses, trade and other receivables and contract assets have been assessed individually by benchmarking the risk characteristics of customers to external rating as published by international credit rating agency, and the corresponding default rates are being used to compute the expected credit losses.

The customers have been rated as "AAA" as the Company did not incur any losses from this customer in the past. Hence, a 0% default rate is used. As such, the expected credit loss is nil as at 30 June 2024.

Cash and cash equivalents

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks.

Financial instruments used in hedging activities

The Group and the Company are exposed to credit-related losses in the event of non-performance by counterparties to financial derivative instruments, but do not expect any counterparties to fail to meet their obligations.

33. Risk management objectives and policies (continued)

Financial risk (continued)

(b) Liquidity risk

Liquidity of funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value. The Group's and the Company's policy is to regularly monitor current and expected liquidity requirements to ensure that they maintain sufficient reserves of cash to meet its liquidity requirements in the short and long term.

The liquidity risks arise principally from their borrowings, trade and certain other payables and payables to related parties.

Analysis of financial instruments by contractual maturities

The table below analyses the maturity profile of the Group's and the Company's financial liabilities based on contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date:

	On demand or within 1 year USD'000	1 to 5 years USD'000	Group More than 5 years USD'000	Total contractual cash flows USD'000	KHR'mil (Note 4.2)
30 June 2024					
Trade and other payables	13,239	13,133	-	26,372	108,387
Amount due to holding company	4,596	19,558	40,107	64,261	264,114
Amounts due to related parties	59,682	6,000	12,898	78,580	322,964
Lease liabilities	42	120	-	162	666
Borrowings	30,356	61,725	-	92,081	378,453
	107,915	100,536	53,005	261,456	1,074,584
30 June 2023					
Trade and other payables	48,670	-	-	48,670	201,007
Amount due to holding company	-	18,000	32,215	50,215	207,389
Amounts due to related parties	59,740	18,000	48,405	126,145	520,979
Lease liabilities	145	352	-	497	2,053
Borrowings	23,659	73,105	4,554	101,318	418,443
	132,214	109,457	85,174	326,845	1,349,871

33. Risk management objectives and policies (continued)

Financial risk (continued)

(b) Liquidity risk (continued)

	On demand or within 1 year USD'000	1 to 5 years USD'000	Company More than 5 years USD'000	Total contractual cash flows USD'000	KHR'mil (Note 4.2)
30 June 2024					
Trade and other payables	13,239	13,133	-	26,372	108,387
Amount due to holding company	4,596	19,558	40,107	64,261	264,114
Amounts due to related parties	59,682	6,000	12,898	78,580	322,964
Lease liabilities	42	120	-	162	666
Borrowings	30,356	61,725	-	92,081	378,453
	107,915	100,536	53,005	261,456	1,074,584
30 June 2023					
Trade and other payables	48,669	-	-	48,669	201,003
Amount due to holding company	-	18,000	32,215	50,215	207,389
Amounts due to related parties	59,740	18,000	48,405	126,145	520,979
Lease liabilities	145	352	-	497	2,053
Borrowings	23,659	73,105	4,554	101,318	418,443
	132,213	109,457	85,174	326,844	1,349,867

(c) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

Interest rate sensitivity analysis

The Group and the Company are exposed to changes in market interest rates through bank loans at variable interest rates. Below is the Group's and the Company's interest rate profile of the significant interest-bearing financial instruments, based on carrying amounts as at the reporting date.

	Group and Company			
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 4.2)	(Note 4.2)
Floating rate instrument				
Financial liabilities				
Borrowings	36,466	43,308	149,875	178,862
	36,466	43,308	149,875	178,862

33. Risk management objectives and policies (continued)

Financial risk (continued)

(c) Interest rate risk (continued)

The following table illustrates the sensitivity of profit to a reasonably possible change in interest rates of +/- 0.25%. These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Group and Company			
	USD'000	+0.25% KHR'mil (Note 4.2)	USD'000	-0.25% KHR'mil (Note 4.2)
Profit/loss for the year ended:				
30 June 2024	(91)	(375)	91	375
30 June 2023	(108)	(447)	108	447

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The foreign currency exchange risk of the Group arises from the transactions denominated in foreign currency, Malaysian Ringgit ("RM"). During the year, the Group's and the Company's exposure to risk normally from changes in foreign currency exchange rates is minimal as most of its transactions are transacted in USD.

The Group's exposure to foreign currency risk, based on carrying amounts as at the end of the year was:

	30 June 2024 USD'000	30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	30 June 2023 KHR'mil (Note 4.2)
Denominated in RM				
Amounts due to related parties	37	57	152	236

Foreign currency sensitivity analysis

The following table demonstrates the sensitivity of the Group's and the Company's profit/(loss) for the year to a +/- 5% change in the RM at the reporting year, compared to the respective functional currency of the Group and the Company, with all variables held constant:

	Group and Company			
	30 June 2024 USD'000	For the year ended 30 June 2023 USD'000	30 June 2024 KHR'mil (Note 4.2)	For the year ended 30 June 2023 KHR'mil (Note 4.2)
RM/USD				
Strengthened	(2)	(3)	(8)	(12)
Weakened	2	3	8	12

34. 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 18(b.3). As at 30 June 2024, the insurance premium payable is USD995,599 (30 June 2023: USD1,471,198).

In addition, 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 18(b.3). As at 30 June 2024, the insurance premium payable is USD787,333 (30 June 2023: USD1,256,271).

35. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that they maintain an adequate capital ratio in order to support their business and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividends payable to shareholder, return capital to shareholder or issue new capital. No changes were made in the objectives, policies or processes for the years ended 30 June 2024 and 2023.

36. Events after the reporting date

On 1 August 2024, the Company obtained approval from the General Department of Taxation to implement a new tax year, which starts on 1 October and ends on 30 September of the following year. During the transition period from 1 July 2024 to 30 September 2024, the Company must submit its annual income tax return before the end of December 2024. The new tax year will then begin on 1 October 2024 and end on 30 September 2025, with annual income tax returns due before the end of December each year thereafter.

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

37. Authorisation of the financial statements

The Group and the Company's financial statements as at 30 June 2024 and for the year then ended were approved for issue by the Board of Directors on 27 September 2024.

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