

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

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

As at 30 June 2021 and for the quarter and
twelve-month period then ended

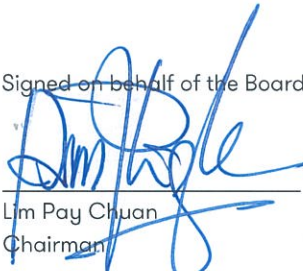
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Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statements of financial position of PESTECH (Cambodia) Plc (“the Company”) and the interim condensed statements of financial position of the Company and its subsidiaries (together hereinafter referred to as “the Group”) as at 30 June 2021, and the related interim condensed statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the quarter and twelve-month period then ended, and notes to the interim condensed financial information are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 Interim Financial Reporting.

Signed on behalf of the Board of Directors,



Lim Pay Chuan
Chairman

Kuala Lumpur, Malaysia
12 August 2021



Grant Thornton

Report on review of interim condensed financial information

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To the Shareholders of PESTECH (Cambodia) Plc

We have reviewed the interim condensed financial information of PESTECH (Cambodia) Plc (“the Company”) and the interim condensed financial information of the Company and its subsidiaries (together hereinafter referred to as “the Group”), which comprise the interim statements of financial position as at 30 June 2021, and the related interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the quarter and twelve-month period then ended, and explanatory notes (“financial information”). The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial information in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

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

Conclusion

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



Other matter

The comparative information on the statement of financial position is based on the Group's and the Company's audited financial statements as at 30 June 2020. The comparative information for the 3-month period ended 30 June 2020 on the statements of profit or loss and other comprehensive income and related explanatory notes was unaudited.

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




Ng Yee Zent
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
12 August 2021

Group's interim statement of financial position

		(Reviewed) 30 June 2021	(Audited) 30 June 2020	(Reviewed) 30 June 2021	(Audited) 30 June 2020
	Note	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Assets					
Non-current					
Property, plant and equipment	6	14,150	15,404	57,661	63,049
Intangible assets		3	5	12	20
Contract assets	9	122,167	198,200	497,831	811,233
Non-current assets		136,320	213,609	555,504	874,302
Current					
Trade and other receivables	10	6,503	3,667	26,501	15,009
Inventories	11	3,508	4,335	14,295	17,743
Contract assets	9	122,851	18,789	500,618	76,903
Amounts due from related parties	25	2	2,332	8	9,545
Cash and bank balances	12	17,167	5,524	69,956	22,610
Current assets		150,031	34,647	611,378	141,810
Total assets		286,351	248,256	1,166,882	1,016,112

Group's interim statement of financial position (continued)

	Note	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,100	30,725	28,869
Share premium	14	2,541	-	10,422	-
Reserves	15	(4,269)	(5,815)	(17,435)	(23,729)
Retained earnings		17,190	15,802	70,040	64,390
Currency translation difference		-	-	(206)	406
Total equity attributable to the owners of the Company					
		22,956	17,087	93,546	69,936
Non-controlling interests		86	5	351	21
Total equity		23,042	17,092	93,897	69,957
Liabilities					
Non-current					
Borrowings	17	91,575	100,077	373,168	409,615
Lease liabilities	7	148	23	603	94
Deferred tax liability	23	777	453	3,166	1,854
Derivative financial instruments	18	4,321	5,867	17,608	24,014
Non-current liabilities		96,821	106,420	394,545	435,577
Current					
Trade and other payables	16	33,396	10,859	136,089	44,446
Amount due to holding company	25	27,054	62,892	110,245	257,417
Amounts due to related parties	25	90,668	36,667	369,472	150,078
Borrowings	17	13,544	12,614	55,192	51,629
Lease liabilities	7	14	72	58	295
Income tax payable		1,812	1,640	7,384	6,713
Current liabilities		166,488	124,744	678,440	510,578
Total liabilities		263,309	231,164	1,072,985	946,155
Total equity and liabilities		286,351	248,256	1,166,882	1,016,112

Company's interim statement of financial position

	Note	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Assets					
Non-current					
Investment in a subsidiary	8	50	35	204	143
Property, plant and equipment	6	14,150	15,404	57,661	63,049
Intangible assets		3	5	12	20
Contract assets	9	122,167	198,200	497,831	811,233
Non-current assets		136,370	213,644	555,708	874,445
Current					
Trade and other receivables	10	6,497	3,652	26,475	14,948
Inventories	11	3,508	4,335	14,295	17,743
Contract assets	9	122,851	18,789	500,618	76,903
Amounts due from related parties	25	2	2,332	8	9,545
Amount due from a subsidiary	25	79	38	322	156
Cash and bank balances	12	17,154	5,500	69,903	22,512
Current assets		150,091	34,646	611,621	141,807
Total assets		286,461	248,290	1,167,329	1,016,252

Company's interim statement of financial position (continued)

	Note	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	7,100	30,725	28,869
Share premium	14	2,541	-	10,422	-
Reserves	15	(4,269)	(5,815)	(17,435)	(23,729)
Retained earnings		17,400	15,841	70,912	64,566
Currency translation difference		-	-	(223)	391
Total equity		23,166	17,126	94,401	70,097
Liabilities					
Non-current					
Borrowings	17	91,575	100,077	373,168	409,615
Lease liabilities	7	148	23	603	94
Deferred tax liability	23	777	453	3,166	1,854
Derivative financial instruments	18	4,321	5,867	17,608	24,014
Non-current liabilities		96,821	106,420	394,545	435,577
Current					
Trade and other payables	16	33,382	10,859	136,032	44,446
Amount due to holding company	25	27,054	62,892	110,245	257,417
Amounts due to related parties	25	90,668	36,667	369,472	150,078
Borrowings	17	13,544	12,614	55,192	51,629
Lease liabilities	7	14	72	58	295
Income tax payable		1,812	1,640	7,384	6,713
Current liabilities		166,474	124,744	678,383	510,578
Total liabilities		263,295	231,164	1,072,928	946,155
Total equity and liabilities		286,461	248,290	1,167,329	1,016,252

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

	Note	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Revenue	19	67,214	49,673	273,628	203,014
Operating expenses	20	(59,596)	(33,834)	(242,615)	(138,281)
Other gains/(losses)		5	(13)	20	(53)
Operating profit		7,623	15,826	31,033	64,680
Finance income		1,098	29	4,470	119
Finance cost	21	(6,243)	(6,612)	(25,415)	(27,023)
Profit before income tax		2,478	9,243	10,088	37,776
Income tax expense	22	(1,009)	(2,039)	(4,108)	(8,333)
Profit for the period		1,469	7,204	5,980	29,443
Profit for the period attributable to:					
Owners of the Company		1,388	7,207	5,650	29,455
Non-controlling interests		81	(3)	330	(12)
		1,469	7,204	5,980	29,443

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

	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Note				
Profit for the period	1,469	7,204	5,980	29,443
Other comprehensive income				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Fair value gain/(loss) on cash flow hedges	1,546	(4,043)	6,294	(16,524)
Exchange translation difference	-	-	(612)	406
Total comprehensive income for the period	3,015	3,161	11,662	13,325
Total comprehensive income for the period attributable to:				
Owners of the Company	2,853	3,164	11,002	13,337
Non-controlling interests	162	(3)	660	(12)
	3,015	3,161	11,662	13,325

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

Basic earnings per share (cent/riel)	29	1.86	10.15	75.86	414.86
Diluted earnings per share (cent/riel)	29	1.86	10.15	75.86	414.86

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

	Note	(Reviewed) For the 3-month period ended 30 June 2021 USD'000	(Unreviewed and unaudited) 30 June 2020 USD'000	(Reviewed) For the 3-month period ended 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 30 June 2020 KHR'mil (Note 3)
Revenue	19	27,238	16,379	110,668	66,974
Operating expenses	20	(24,548)	(14,126)	(99,739)	(57,761)
Other losses		(5)	(21)	(20)	(85)
Operating profit		2,685	2,232	10,909	9,128
Finance income		743	9	3,019	37
Finance cost	21	(1,408)	(1,888)	(5,721)	(7,720)
Profit before income tax		2,020	353	8,207	1,445
Income tax expense	22	(368)	(112)	(1,495)	(458)
Profit for the period		1,652	241	6,712	987
Profit for the period attributable to:					
Owners of the Company		1,564	239	6,354	979
Non-controlling interests		88	2	358	8
		1,652	241	6,712	987

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

Note	[Reviewed] For the 3-month 30 June 2021 USD'000	(Unreviewed and unaudited) For the 3-month 30 June 2020 USD'000	[Reviewed] For the 3-month 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) For the 3-month 30 June 2020 KHR'mil (Note 3)
Profit for the period	1,652	241	6,712	987
Other comprehensive income				
<i>Item that will be reclassified subsequently to profit or loss</i>				
Fair value loss on cash				
flow hedges	(74)	(449)	(301)	(1,836)
Exchange translation difference	-	-	(153)	102
Total comprehensive income/(loss) for the period	1,578	(208)	6,258	(747)
Total comprehensive income/(loss) for the period attributable to:				
Owners of the Company	1,495	(210)	5,921	(755)
Non-controlling interests	83	2	337	8
	1,578	(208)	6,258	(747)
The earnings per share attributable to shareholders of the Group during the period are as follows:				
Basic earnings per share				
[cent/riel]	29	2.10	0.34	85.31
Diluted earnings per				
share [cent/riel]	29	2.10	0.34	85.31

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

	Note	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Revenue	19	67,214	49,673	273,628	203,014
Operating expenses	20	(59,517)	(33,797)	(242,294)	(138,127)
Other gains/(losses)		16	(20)	65	(82)
Operating profit		7,713	15,856	31,399	64,805
Finance income		1,098	29	4,470	119
Finance cost	21	(6,243)	(6,612)	(25,415)	(27,023)
Profit before income tax		2,568	9,273	10,454	37,901
Income tax expense	22	(1,009)	(2,039)	(4,108)	(8,333)
Profit for the period		1,559	7,234	6,346	29,568
Other comprehensive (loss)/income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value gain/(loss) on cash flow hedges		1,546	(4,043)	6,294	(16,524)
Exchange translation difference		-	-	(614)	391
Total comprehensive income		3,105	3,191	12,026	13,435

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

	Note	(Reviewed) For the 3-month period ended 30 June 2021 USD'000	(Unreviewed and unaudited) 30 June 2020 USD'000	(Reviewed) For the 3-month period ended 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 30 June 2020 KHR'mil (Note 3)
Revenue	19	27,238	16,379	110,668	66,974
Operating expenses	20	(24,546)	(14,114)	(99,730)	(57,712)
Other gain/(losses)		4	(21)	16	(86)
Operating profit		2,696	2,244	10,954	9,176
Finance income		743	9	3,019	37
Finance cost	21	(1,408)	(1,888)	(5,721)	(7,720)
Profit before income tax		2,031	365	8,252	1,493
Income tax expense	22	(368)	(112)	(1,495)	(458)
Profit for the period		1,663	253	6,757	1,035
Other comprehensive (loss)/income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value loss on cash flow hedges		(74)	(449)	(301)	(1,836)
Exchange translation difference		-		(154)	98
Total comprehensive income/(loss)		1,589	(196)	6,302	(703)

Group's interim statement of changes in equity

	Note	← Attributable to owners of the Company →				Total USD'000	Non-controlling interests USD'000	Total equity	
		Share capital USD'000	Share premium USD'000	Reserves USD'000	Retained earnings USD'000			USD'000	KHR'mil (Note 3)
[Reviewed]									
Balance at 1 July 2020		7,100	-	(5,815)	15,802	17,087	5	17,092	69,957
Shares issued	13	394	2,541	-	-	2,935	-	2,935	12,278
Profit for the twelve-month period		-	-	-	1,388	1,388	81	1,469	5,980
Fair value gain on cash flow hedges		-	-	1,546	-	1,546	-	1,546	6,294
Currency translation difference		-	-	-	-	-	-	-	(612)
Balance at 30 June 2021		7,494	2,541	(4,269)	17,190	22,956	86	23,042	93,897
[Audited]									
Balance at 1 July 2019		7,100	-	(1,772)	8,595	13,923	-	13,923	56,611
Profit for the twelve-month period		-	-	-	7,207	7,207	(3)	7,204	29,443
Subscription of new shares by non-controlling interests in a subsidiary		-	-	-	-	-	8	8	33
Fair value loss on cash flow hedges		-	-	(4,043)	-	(4,043)	-	(4,043)	(16,524)
Currency translation difference		-	-	-	-	-	-	-	394
Balance at 30 June 2020		7,100	-	(5,815)	15,802	17,087	5	17,092	69,957

Company's interim statement of changes in equity

	Note	← Non-distributable →			Distributable	Total equity USD'000	KHR'mil (Note 3)
		Share capital USD'000	Share premium USD'000	Reserves USD'000	Retained earnings USD'000		
[Reviewed]							
Balance at 1 July 2020		7,100	-	(5,815)	15,841	17,126	70,097
Shares issued	13	394	2,541	-	-	2,935	12,278
Profit for the twelve-month period		-	-	-	1,559	1,559	6,346
Fair value gain on cash flow hedges		-	-	1,546	-	1,546	6,294
Currency translation difference		-	-	-	-	-	(614)
Balance at 30 June 2021		7,494	2,541	(4,269)	17,400	23,166	94,401
[Audited]							
Balance at 1 July 2019		7,100	-	(1,772)	8,607	13,935	56,662
Profit for the twelve-month period		-	-	-	7,234	7,234	29,568
Fair value loss on cash flow hedges		-	-	(4,043)	-	(4,043)	(16,524)
Currency translation difference		-	-	-	-	-	391
Balance at 30 June 2020		7,100	-	(5,815)	15,841	17,126	70,097

Group's interim statement of cash flows

	Note	(Reviewed)	(Audited)	(Reviewed)	(Audited)
		For the 12-month period ended 30 June 2021 USD'000	30 June 2020 USD'000	For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	30 June 2020 KHR'mil (Note 3)
Operating activities					
Profit before income tax		2,478	9,243	10,088	37,776
Adjustments for:					
Depreciation	20	1,059	1,178	4,311	4,814
Amortisation	20	3	2	12	8
Gain on disposal of property, plant and equipment		-	(5)	-	(20)
Interest income		(1,098)	(29)	(4,470)	(119)
Interest expense	21	6,243	6,621	25,415	27,060
Unrealised foreign exchange (gain)/loss		(10)	10	(41)	41
Operating profit before working capital changes		8,675	17,020	35,315	69,560
Changes in working capital					
Changes in:					
Trade and other receivables		(1,200)	7,137	(4,886)	29,169
Contract assets		(28,029)	(37,888)	(114,106)	(154,848)
Inventories		827	(4,335)	3,367	(17,717)
Amount due to holding company		(35,838)	3,334	(145,896)	13,626
Amounts due from/to related parties		56,341	13,259	229,364	54,190
Trade and other payables		22,537	1,665	91,748	6,805
Cash generated from operations		23,313	192	94,906	785
Income tax paid		(513)	(874)	(2,088)	(3,572)
Net cash from/(used in) operating activities		22,800	(682)	92,818	(2,787)

Group's interim statement of cash flows (continued)

		(Reviewed) For the 12-month period ended 30 June 2021	(Audited) 30 June 2020	(Reviewed) For the 12-month period ended 30 June 2021	(Audited) 30 June 2020
	Note	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Investing activities					
Acquisitions of property, plant and equipment		(202)	(14,183)	(822)	(57,966)
Acquisitions of intangible assets		(1)	(4)	(4)	(16)
Proceeds from sale of property, plant and equipment		-	15	-	61
Interest received		50	29	204	119
Net cash used in investing activities		(153)	(14,143)	(622)	(57,802)
Financing activities					
Proceeds from borrowings	24	891	25,598	3,627	104,619
Repayment of borrowings	24	(8,507)	(12,290)	(34,632)	(50,229)
Issuance of additional share capital	13	2,935	-	11,948	-
Interest paid		(6,228)	(5,735)	(25,354)	(23,439)
Repayment of lease liabilities	7	(139)	(76)	(566)	(311)
Placement of fixed deposits		(204)	(487)	(830)	(1,990)
Net cash (used in)/from financing activities		(11,252)	7,010	(45,807)	28,650
Net change in cash and cash equivalents		11,395	(7,815)	46,389	(31,939)
Cash and cash equivalents, beginning of period		1,847	9,662	7,560	39,288
Translation exchange difference		-	-	13	211
Cash and cash equivalents, end of period	12	13,242	1,847	53,962	7,560

Company's interim statement of cash flows

		[Reviewed] For the 12-month period ended 30 June 2021 USD'000	[Audited] For the 12-month period ended 30 June 2020 USD'000	[Reviewed] For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	[Audited] For the 12-month period ended 30 June 2020 KHR'mil (Note 3)
	Note				
Operating activities					
Profit before income tax		2,568	9,273	10,454	37,901
Adjustments for:					
Depreciation	20	1,059	1,178	4,311	4,814
Amortisation	20	3	2	12	8
Gain on disposal of property, plant and equipment		-	(5)	-	(20)
Interest income		(1,098)	(29)	(4,470)	(119)
Interest expense	21	6,243	6,621	25,415	27,060
Unrealised foreign exchange (gain)/loss		(10)	10	(41)	41
Operating profit before working capital changes		8,765	17,050	35,681	69,685
Changes in working capital					
Changes in:					
Trade and other receivables		(1,209)	7,152	(4,922)	29,230
Contract assets		(28,029)	(37,888)	(114,106)	(154,848)
Inventories		827	(4,335)	3,367	(17,717)
Amount due to holding company		(35,838)	3,334	(145,896)	13,626
Amounts due from/to related parties		56,341	13,251	229,364	54,157
Trade and other payables		22,523	1,667	91,691	6,813
Amount due from a subsidiary		(41)	(37)	(167)	(151)
Cash generated from operations		23,339	194	95,012	795
Income tax paid		(513)	(874)	(2,088)	(3,572)
Net cash from/(used in) operating activities		22,826	(680)	92,924	(2,777)

Company's interim statement of cash flows (continued)

		(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
	Note				
Investing activities					
Acquisitions of property, plant and equipment		(202)	(14,183)	(822)	(57,966)
Acquisitions of intangible assets		(1)	(4)	(4)	(16)
Proceeds from disposals of property, plant and equipment		-	15	-	61
Investment in a subsidiary		(15)	(10)	(61)	(41)
Interest received		50	29	204	119
Net cash used in investing activities		(168)	(14,153)	(683)	(57,843)
Financing activities					
Proceeds from borrowings	24	891	25,598	3,627	104,619
Repayment of borrowings	24	(8,507)	(12,290)	(34,632)	(50,229)
Issuance of additional share capital	13	2,935	-	11,948	-
Interest paid		(6,228)	(5,735)	(25,354)	(23,439)
Payment of lease liabilities	7	(139)	(76)	(566)	(311)
Placement of fixed deposits		(204)	(487)	(830)	(1,990)
Net cash (used in)/from financing activities		(11,252)	7,010	(45,807)	28,650
Net change in cash and cash equivalents		11,406	(7,823)	46,434	(31,970)
Cash and cash equivalents, beginning of period		1,823	9,646	7,462	39,288
Translation exchange difference		-	-	13	144
Cash and cash equivalents, end of period	12	13,229	1,823	53,909	7,462

Notes to the interim condensed financial information

1. General information

PESTECH (Cambodia) Plc (“the Company”), previously known as PESTECH (Cambodia) Limited, was incorporated on 5 February 2010 as a single member private company and is a 94.74% owned subsidiary of PESTECH International Berhad, a company incorporated and domiciled in Malaysia, and is listed on the main market of Bursa Malaysia Securities Berhad, with a registered and fully paid share capital totalling USD7,100,000, consisting of 71,00,000 shares, each with a par value of USD0.10 per share. The Company is registered with the Ministry of Commerce (“MOC”) under company registration number 00000957.

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

On 12 August 2020, the Company was successfully listed on the Cambodia Securities Exchange (“CSX”). The number of new issued shares are 3,945,000 shares with a par value of KHR400 or USD0.10 per share, at an offering price of KHR3,120 or USD0.76 per share. As at the date of the report, the Memorandum and Articles of Association of the Company is yet to be updated and it is expected to be updated upon approval of shareholders in the upcoming annual general meeting in November 2021.

PESTECH (Myanmar) Limited (“PML”) was incorporated as a private limited company which is 100% owned by the Company under registration No. 1171FC/2016-2017 dated 24 March 2017 issued by the Government of the Republic of the Union of Myanmar, Ministry of Planning and Finance. The registered share capital is USD50,000 comprising 50,000 ordinary shares.

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

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

The principle activity of PHC is to establish the infrastructure of power sector and promote the power segments such as power generation, power transmission and power distribution.

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 principle 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.

1. General information (continued)

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

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

The interim condensed financial information for the twelve-month period ended 30 June 2021, has been reviewed but unaudited as at 30 June 2021 and for the quarter and twelve period then ended.

The interim condensed financial information of PESTECH (Cambodia) Plc and its subsidiaries ("the Group") as at 30 June 2021 and for the quarter and twelve period then ended was approved for issue by the Board of Directors on 12 August 2021.

2. Basis of preparation

The interim condensed financial information for the quarter and twelve-month period ended 30 June 2021 has been prepared in accordance with Cambodian International Accounting Standards 34 – Interim financial reporting ("CIAS 34"). This interim condensed financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the audited financial statements as at 30 June 2020 and for the year then ended, which have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"). The significant accounting policies used in preparing this interim condensed financial information are consistent with the significant accounting policies used in the preparation of the audited financial statements as at 30 June 2020 and for the year then ended.

3. Functional and presentation currency

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

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

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

	3-month period ended		3-month period ended	
	30 June 2021	30 June 2021	30 June 2020	30 June 2020
Average rate	4,063*	4,071*	4,089*	4,087*
Closing rate	4,075	4,075	4,093	4,093

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

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

3.1 Foreign operations

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

3.1 Foreign operations (continued)

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

4. Significant accounting policies

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

4.1 Segment reporting

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

4.2 Seasonality

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

5. Management estimates

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

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

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6. Property, plant and equipment

Group and Company	Equipment	Motor vehicles	Computers	Furniture and fittings	Right-of-use assets	Signage	Renovation	Total	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil
(Reviewed)									(Note 3)
Cost									
At 1 July 2020	17,292	559	26	31	162	-	-	18,070	73,961
Additions	71	-	6	47	205	19	59	407	1,657
Transfer	(588)	-	-	-	-	-	-	(588)	(2,394)
Reversal	-	-	-	-	(61)	-	-	(61)	(248)
Currency translation difference	-	-	-	-	-	-	-	-	(327)
Balance 30 June 2021	16,775	559	32	78	306	19	59	17,828	72,649
Accumulated depreciation									
At 1 July 2020	(2,199)	(348)	(21)	(28)	(70)	-	-	(2,666)	(10,912)
Depreciation	(865)	(88)	(4)	(3)	(98)	(1)	-	(1,059)	(4,311)
Reversal	-	-	-	-	47	-	-	47	191
Currency translation difference	-	-	-	-	-	-	-	-	44
Balance 30 June 2021	(3,064)	(436)	(25)	(31)	(121)	(1)	-	(3,678)	(14,988)
Carrying amount 30 June 2021	13,711	123	7	47	185	18	59	14,150	57,661

6. Property, plant and equipment (continued)

	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
(Audited)									(Note 3)
Cost									
At 1 July 2019, as restated	3,187	525	24	31	162	-	-	3,929	15,314
Additions	14,105	76	2	-	-	-	-	14,183	57,966
Disposals	-	(42)	-	-	-	-	-	(42)	(172)
Currency translation difference	-	-	-	-	-	-	-	-	853
Balance 30 June 2020	17,292	559	26	31	162	-	-	18,070	73,961
Accumulated depreciation									
At 1 July 2019	(1,211)	(268)	(16)	(25)	-	-	-	(1,520)	(6,179)
Depreciation	(988)	(112)	(5)	(3)	(70)	-	-	(1,178)	(4,814)
Disposals	-	32	-	-	-	-	-	32	131
Currency translation difference	-	-	-	-	-	-	-	-	(50)
Balance 30 June 2020	(2,199)	(348)	(21)	(28)	(70)	-	-	(2,666)	(10,912)
Carrying amount 30 June 2020	15,093	211	5	3	92	-	-	15,404	63,049

7. Lease liabilities

Company as a lessee

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

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

	Group and Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Current	14	72	58	295
Non-current	148	23	603	94
	162	95	661	389

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

	Group and Company			
	(Reviewed) 2021 USD'000	(Audited) 2020 USD'000	(Reviewed) 2021 KHR'mil (Note 3)	(Audited) 2020 KHR'mil (Note 3)
At 1 July	95	162	389	660
Addition	205	-	835	-
Accretion of interest	15	9	61	37
Reversal	(14)	-	(57)	-
Payments	(139)	(76)	(566)	(311)
Currency translation difference	-	-	(1)	3
At 30 June	162	95	661	389

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

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

Right-of-use assets	No. of right-of- use assets	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with termination options
House	5	1 to 2 years	1.5 years	1	5
Office building	1	4.2 years	4.2 years	1	1

7. Lease liabilities (continued)

The details of future minimum lease payments are summarized below:

	Minimum lease payments due				
	Within one year	From one to three years	From three to five years	Total USD'000	Total KHR'mil
					(Note 3)
30 June 2021					
Lease payments	15	25	157	197	804
Finance charges	(1)	(22)	(12)	(35)	(143)
Net present value	14	3	145	162	661
30 June 2020					
Lease payments	76	24	-	100	408
Finance charges	(4)	(1)	-	(5)	(19)
Net present value	72	23	-	95	389

8. Investment in a subsidiary

	Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
At cost – unquoted shares				
Balance brought forward	35	25	143	102
Additions	15	10	61	41
	50	35	204	143

Details of the subsidiaries are as follows:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		30 June 2021	30 June 2020	
PESTECH (Myanmar) Limited (“PML”)	Myanmar	100.00%	99.99%	Provision of project management, electrical substations and transmission line erection, installation, supervision of testing, commissioning and civil works.
<u>Subsidiary of PML</u> 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 and power distribution.
<u>Subsidiary of PHC</u> PESTECH Microgrid Company Limited	Myanmar	54.00%	53.99%	Provision of microgrid system and other power infrastructure to rural areas in Myanmar.

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

9. Contract assets

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	2021	2020	2021	2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Balance at 1 July	216,989	179,101	888,136	728,223
Revenue recognized	67,214	49,349	273,628	201,689
Receipts entitled	(40,233)	(11,461)	(163,789)	(46,841)
Finance income recognized	1,048	-	4,271	-
Translation difference	-	-	(3,797)	5,065
Balance at 30 June	245,018	216,989	998,449	888,136
Presented as:				
Current	122,851	18,789	500,618	76,903
Non-current	122,167	198,200	497,831	811,233
	245,018	216,989	998,449	888,136

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

10. Trade and other receivables

	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Trade receivables	2,950	1,391	12,021	5,693
Deposits	241	38	984	156
Staff advances	30	23	122	94
Financial assets	3,221	1,452	13,127	5,943
Value-added tax	1,136	1,301	4,629	5,325
Prepayments	2,146	914	8,745	3,741
Non-financial assets	3,282	2,215	13,374	9,066
	6,503	3,667	26,501	15,009
	Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Trade receivables	2,950	1,391	12,021	5,693
Deposits	235	21	958	86
Staff advances	30	25	122	103
Financial assets	3,215	1,437	13,101	5,882
Value-added tax	1,136	1,301	4,629	5,325
Prepayments	2,146	914	8,745	3,741
Non-financial assets	3,282	2,215	13,374	9,066
	6,497	3,652	26,475	14,948

11. Inventories

	Group and Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Construction materials	3,508	4,335	14,295	17,743

12. Cash and bank balances

	Group			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Cash in banks (a)	15,753	4,319	64,194	17,678
Deposits with a licensed bank (b)	1,404	1,200	5,721	4,912
Cash on hand	10	5	41	20
	17,167	5,524	69,956	22,610

	Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Cash in banks (a)	15,741	4,295	64,145	17,579
Deposits with a licensed bank (b)	1,404	1,200	5,721	4,912
Cash on hand	9	5	37	21
	17,154	5,500	69,903	22,512

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

(b) Deposits with a licensed bank of the Group have been pledged as security for bank overdrafts as disclosed in note 17(a.2). The deposits earn interest of 4.25% per annum.

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

	Group			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Cash and bank balances (as above)	17,167	5,524	69,956	22,610
Bank overdrafts (note 17)	(2,521)	(2,477)	(10,273)	(10,138)
Fixed deposit pledged to borrowings	(1,404)	(1,200)	(5,721)	(4,912)
Cash and cash equivalents per statement of cash flows	13,242	1,847	53,962	7,560

12. Cash and bank balances (continued)

	Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Cash and cash equivalents (as above)	17,154	5,500	69,903	22,512
Bank overdrafts (note 17)	(2,521)	(2,477)	(10,273)	(10,138)
Fixed deposit pledged to borrowings	(1,404)	(1,200)	(5,721)	(4,912)
Cash and cash equivalents per statement of cash flows	13,229	1,823	53,909	7,462

13. Share capital

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

On 12 August 2020, the Company was successfully listed on the Cambodia Securities Exchange (“CSX”). The number of new issued shares are 3,945,000 shares with a par value of KHR400 or USD0.10 per share, at an offering price of KHR3,120 or USD0.76 per share. As at the date of the report, the Memorandum and Articles of Association of the Company is yet to be updated and it is expected to be updated upon approval of shareholders in the upcoming annual general meeting in November 2021.

14. Share premium

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

15. Reserves

	Group and Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Capital contribution reserve	52	52	212	213
Cash flow hedge reserve (note 18)	(4,321)	(5,867)	(17,608)	(24,014)
Currency translation difference	-	-	(39)	72
	(4,269)	(5,815)	(17,435)	(23,729)

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

16. Trade and other payables

	Group			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Provision for project cost	31,615	8,070	128,831	33,031
Trade payables	892	1,855	3,635	7,592
Accruals	730	724	2,975	2,963
Other payables	34	147	139	602
Financial liabilities	33,271	10,796	135,580	44,188
Taxes payable	125	63	509	258
Non-financial liabilities	125	63	509	258
	33,396	10,859	136,089	44,446

	Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Provision for project cost	31,615	8,070	128,831	33,031
Trade payables	892	1,855	3,635	7,592
Accruals	721	724	2,938	2,963
Other payables	29	147	119	602
Financial liabilities	33,257	10,796	135,523	44,188
Taxes payable	125	63	509	258
Non-financial liabilities	125	63	509	258
	33,382	10,859	136,032	44,446

17. Borrowings

	Group and Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Current				
Secured:				
Bank overdrafts	2,521	2,477	10,273	10,138
Revolving credit	2,523	1,632	10,281	6,680
Term loans	8,500	8,505	34,638	34,811
Total current	13,544	12,614	55,192	51,629
Non-current				
Secured:				
Term loans	91,575	100,077	373,168	409,615
Total non-current	91,575	100,077	373,168	409,615
	105,119	112,691	428,360	461,244

17. Borrowings (continued)

The effective interest rates of the borrowings are as follows:

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

The above facilities are secured by the following:

Bank overdrafts

- a.1 Granting facilities to the Company under letter of offer dated 17 October 2017.
- a.2 Deposits with a licensed bank of the Company as disclosed in note 12 which have been pledged as securities for overdraft.

Revolving credit

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

Term loans

- c.1 Assignment of rights and benefits of the Power Transmission Agreement dated 15 March 2017, entered into between the Company and customer;
- c.2 Corporate guarantee from holding company, PESTECH International Berhad;
- c.3 Insurance covering the projects;
- c.4 Granting certain direct rights to the Company of the Direct Agreement dated 17 February 2015, entered into between the Company and customer; and,
- c.5 Pledge of bank accounts.

18. Derivative financial instruments

	Notional value USD'000	(Reviewed) 30 June 2021 USD'000	Group and Company		
			(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
			Fair value liabilities		
Interest rate swaps	50,000	4,321	5,867	17,608	24,014

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

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

19. Revenue

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	For the 12-month period ended		For the 12-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Construction contract and service rendered	67,214	49,673	273,628	203,014

	Group and Company			
	(Reviewed)	(Unreviewed and unaudited)	(Reviewed)	(Unreviewed and unaudited)
	For the 3-month period ended		For the 3-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Construction contract and service rendered	27,238	16,379	110,668	66,974

19.1 Disaggregated revenue information

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	For the 12-month period ended		For the 12-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Timing of revenue recognition:				
Over time	67,214	49,673	273,628	203,014

	Group and Company			
	(Reviewed)	(Unreviewed and unaudited)	(Reviewed)	(Unreviewed and unaudited)
	For the 3-month period ended		For the 3-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Timing of revenue recognition:				
Over time	27,238	16,379	110,668	66,974

20. Operating expenses

	Group			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	52,611	23,681	214,179	96,784
Production overheads	2,538	3,845	10,332	15,715
	55,149	27,526	224,511	112,499
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	1,295	3,539	5,272	14,464
Directors' remuneration	394	353	1,604	1,443
<u>Amortisation</u>				
Intangible assets	3	2	12	8
<u>Depreciation</u>				
Property, plant and equipment	961	1,108	3,912	4,528
Right-of-use assets	98	70	399	286
	1,059	1,178	4,311	4,814
<u>General expenses</u>				
Withholding tax	732	681	2,980	2,785
Management fees	565	260	2,300	1,063
Professional fees	151	61	615	249
Bank charges	69	36	281	147
Other expenses	179	198	729	809
	1,696	1,236	6,905	5,053
	59,596	33,834	242,615	138,281

20. Operating expenses (continued)

	Group			
	(Reviewed) For the 3-month period ended 30 June 2021 USD'000	(Unreviewed and unaudited) 30 June 2020 USD'000	(Reviewed) For the 3-month period ended 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 30 June 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	22,499	11,736	91,413	47,989
Production overheads	871	777	3,539	3,177
	23,370	12,513	94,952	51,166
<u>Employee benefits</u>				
Salaries, wages, bonuses and other emoluments	373	355	1,516	1,452
Directors' remuneration	99	116	402	474
<u>Amortisation</u>				
Intangible assets	1	-	4	-
<u>Depreciation</u>				
Property, plant and equipment	260	621	1,056	2,539
Right-of-use assets	26	70	106	286
	286	691	1,162	2,825
<u>General expenses</u>				
Withholding tax	203	90	825	368
Management fees	141	260	573	1,063
Professional fees	12	29	49	119
Bank charges	-	7	-	29
Other expenses	63	65	256	265
	419	451	1,703	1,844
	24,548	14,126	99,739	57,761

20. Operating expenses (continued)

	Company			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) For the 12-month period ended 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) For the 12-month period ended 30 June 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	52,611	23,681	214,179	96,784
Production overheads	2,538	3,841	10,332	15,698
	55,149	27,522	224,511	112,482
<u>Employee benefits</u>				
Salaries and other benefits	1,273	3,518	5,183	14,378
Directors' remuneration	394	353	1,604	1,443
<u>Amortisation</u>				
Intangible assets	3	2	12	8
<u>Depreciation</u>				
Property, plant and equipment	961	1,108	3,912	4,528
Right-of-use assets	98	70	399	286
	1,059	1,178	4,311	4,814
<u>General expenses</u>				
Withholding tax	732	681	2,981	2,783
Management fees	565	260	2,300	1,063
Professional fees	147	59	598	241
Bank charges	68	35	277	143
Other expenses	127	189	517	772
	1,639	1,224	6,673	5,002
	59,517	33,797	242,294	138,124

20. Operating expenses (continued)

	Company			
	(Reviewed) For the 3-month period ended 30 June 2021 USD'000	(Unreviewed and unaudited) For the 3-month period ended 30 June 2020 USD'000	(Reviewed) For the 3-month period ended 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) For the 3-month period ended 30 June 2020 KHR'mil (Note 3)
<u>Direct costs</u>				
Raw materials and consumables	22,499	11,736	91,413	47,989
Production overheads	871	773	3,539	3,161
	23,370	12,509	94,952	51,150
<u>Employee benefits</u>				
Salaries and other benefits	373	346	1,516	1,415
Directors' remuneration	99	116	402	474
<u>Amortisation</u>				
Intangible assets	1	-	4	-
<u>Depreciation</u>				
Property, plant and equipment	260	621	1,056	2,539
Right-of-use assets	26	70	106	286
	286	691	1,162	2,825
<u>General expenses</u>				
Withholding tax	203	90	825	368
Management fees	141	260	573	1,063
Professional fees	12	29	49	119
Bank charges	-	7	-	29
Other expenses	61	66	247	269
	417	452	1,694	1,848
	24,546	14,114	99,730	57,712

21. Finance cost

	Group and Company			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) For the 12-month period ended 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) For the 12-month period ended 30 June 2020 KHR'mil (Note 3)
Interest expense for:				
Term loans	5,493	6,148	22,362	25,127
Bank overdrafts	187	223	761	911
Revolving credit	135	153	550	625
Charged by intercompany	413	79	1,681	323
Lease liabilities	15	9	61	37
	6,243	6,612	25,415	27,023

21. Finance cost (continued)

	Group and Company			
	(Reviewed)		(Unreviewed and unaudited)	
	For the 3-month period ended		For the 3-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Interest expense for:				
Term loans	1,307	1,712	5,310	7,000
Bank overdrafts	25	47	102	192
Revolving credit	71	41	289	168
Charged by intercompany	-	79	-	323
Lease liabilities	5	9	20	37
	1,408	1,888	5,721	7,720

22. Income tax expenseCambodia

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

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

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

Myanmar

In accordance with the Income Tax Law of the Republic of the Union of Myanmar, the direct and indirect subsidiaries have the obligation to pay corporate income tax at the rate of 25% of taxable income. The subsidiaries are not subject to corporate income tax for the periods ended 30 June 2020 and 2021 as they have not yet started their commercial operations.

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

	Group and Company			
	(Reviewed)		(Audited)	
	For the 12-month period ended		For the 12-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Current tax	685	1,586	2,789	6,482
Deferred tax	324	453	1,319	1,851
Estimated income tax expense	1,009	2,039	4,108	8,333

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

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

	Group			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Accounting profit before tax	2,478	9,243	10,088	37,776
Add:				
Non-deductible expenses	947	(1,313)	3,855	(5,366)
Taxable profit	3,425	7,930	13,943	32,410
Income tax expense at the applicable tax of rate 20% (A)	685	1,586	2,789	6,482
Minimum tax (B)	672	496	2,736	2,030
Estimated income tax expense (higher of A or B)	685	1,586	2,789	6,482

	Company			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Accounting profit before tax	2,568	9,273	10,454	37,901
Add:				
Non-deductible expenses	857	(1,343)	3,489	(5,489)
Taxable profit	3,425	7,930	13,943	32,412
Income tax expense at the applicable tax of rate 20% (A)	685	1,586	2,789	6,482
Minimum tax (B)	672	496	2,736	2,030
Estimated income tax expense (higher of A or B)	685	1,586	2,789	6,482

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

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

23. Deferred tax liability

	Group and Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Property, plant and equipment				
Beginning balance	453	-	1,854	-
Recognised in profit or loss	324	453	1,319	1,851
Translation difference	-	-	(7)	3
Ending balance	777	453	3,166	1,854

24. Reconciliation of liabilities arising from financing activities

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

	(Audited)	Non-cash flow			Cash flows		(Reviewed)
	1 July 2020	Additions	Reversal	Proceeds	Repayments	30 June 2021	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil
							(Note 3)
Term loans	108,582	-	-	-	(8,507)	100,075	407,806
Revolving credit	1,632	-	-	891	-	2,523	10,281
Lease liabilities	95	220	(14)	-	(139)	162	661
	110,309	220	(14)	891	(8,646)	102,760	418,748

	(Audited)	Non-cash flow			Cash flows		(Audited)
	1 July 2019	Additions	Reversal	Proceeds	Repayments	30 June 2020	
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'mil
							(Note 3)
Term loans	95,407	-	-	13,926	(751)	108,582	444,426
Revolving credit	1,499	-	-	11,672	(11,539)	1,632	6,680
Lease liabilities	162	9	-	-	(76)	95	389
	97,068	9	-	25,598	(12,366)	110,309	451,495

25. Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed)	(Audited)	(Reviewed)	(Audited)
		30 June 2021	30 June 2020	30 June 2021	30 June 2020
		USD'000	USD'000	KHR'mil	KHR'mil
Group and Company				(Note 3)	(Note 3)
Amounts due from related parties					
Diamond Power Limited	Fellow subsidiary	2	32	8	131
PESTECH Power Sdn Bhd	Fellow subsidiary	-	2,300	-	9,414
		2	2,332	8	9,545
Amounts due to related parties					
PESTECH Sdn Bhd	Fellow subsidiary	16,308	4,729	66,455	19,356
Enersol Co., Ltd	Fellow subsidiary	34,828	27,991	141,924	114,567
PESTECH Energy Sdn Bhd	Fellow subsidiary	-	862	-	3,528
ODM Power Line Co Ltd	Fellow subsidiary	27,006	-	110,049	-
PESTECH Transmission Sdn Bhd	Fellow subsidiary	3,500	3,085	14,263	12,627
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	9,026	-	36,781	-
		90,668	36,667	369,472	150,078
Amount due to holding company					
PESTECH International Berhad	Holding company	27,054	62,892	110,245	257,417
Company					
Amount due from a subsidiary					
PESTECH (Myanmar) Limited	Subsidiary	79	38	322	156

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

25. Related party balances and transactions (continued)

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

Group and Company			(Reviewed)	(Audited)	(Reviewed)	(Audited)
Related party	Relationship	Transactions	For the 12-month period ended 30 June 2021	30 June 2020	For the 12-month period ended 30 June 2021	30 June 2020
			USD'000	USD'000	KHR'mil (Note 3)	KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	1,795	1,795	7,307	7,336
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	20,193	7,255	82,206	29,651
		Interest charge	42	34	171	139
Enersol Co., Ltd	Fellow subsidiary	Contract cost (reversed)/incurred	(83)	12,635	(338)	51,639
PESTECH Transmission Sdn Bhd	Fellow subsidiary	Contract cost	726	2,645	2,956	10,810
		Project management fee	142	-	578	-
ODM Power Line Co Ltd	Fellow subsidiary	Contract cost	10,000	-	40,710	-
PESTECH International Berhad	Holding company	Management fee	565	260	2,300	1,063
		Interest charge	371	44	1,510	180
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	Contract cost	2,592	-	10,552	-

25. Related party balances and transactions (continued)

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

Group and Company			(Reviewed)	(Unreviewed and unaudited)	(Reviewed)	(Unreviewed and unaudited)
			For the 3-month period ended	For the 3-month period ended	For the 3-month period ended	For the 3-month period ended
Related party	Relationship	Transactions	30 June 2021	30 June 2020	30 June 2021	30 June 2020
			USD'000	USD'000	KHR'mil	KHR'mil
					(Note 3)	(Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	449	449	1,828	1,836
PESTECH Sdn Bhd	Fellow subsidiary	Contract cost	11,820	1,732	48,119	7,081
Enersol Co., Ltd	Fellow subsidiary	Contract cost	1,891	7,409	7,698	30,292
PESTECH Transmission Sdn Bhd	Fellow subsidiary	Contract cost	134	544	546	2,210
PESTECH International Berhad	Holding company	Management fee	140	369	570	1,063
Green Sustainable Ventures Cambodia Co., Ltd	Fellow subsidiary	Contract cost	2,592	-	10,552	-

26. 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.

	<i>Group and Company</i>			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	For the 12-month period ended		For the 12-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Salaries and bonus	394	353	1,604	1,443

	<i>Group and Company</i>			
	(Reviewed)	(Unreviewed and unaudited)	(Reviewed)	(Unreviewed and unaudited)
	For the 3-month period ended		For the 3-month period ended	
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Salaries and bonus	99	116	402	474

27. Fair value of financial instruments

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

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

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

Financial liabilities	<i>Group and Company</i>			
	30 June 2021		30 June 2020	
	Carrying amount	Level 2	Carrying amount	Level 2
	USD'000	USD'000	USD'000	USD'000
Derivative financial instruments	4,321	4,321	5,867	5,867

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

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

27. Fair value of financial instruments (continued)

If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.

28. Categories of financial instruments

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

	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	17,167	5,524	69,956	22,610
Trade and other receivables	3,221	1,452	13,127	5,943
Amounts due from related parties	2	2,332	8	9,545
	20,390	9,308	83,091	38,098
	Company			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial assets				
At amortised cost				
Cash and bank balances	17,154	5,500	69,903	22,512
Trade and other receivables	3,215	1,437	13,101	5,882
Amount due from a subsidiary	79	38	322	156
Amounts due from related parties	2	2,332	8	9,545
	20,450	9,307	83,334	38,095
	Group			
	(Reviewed)	(Audited)	(Reviewed)	(Audited)
	30 June 2021	30 June 2020	30 June 2021	30 June 2020
	USD'000	USD'000	KHR'mil	KHR'mil
			(Note 3)	(Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	33,271	10,796	135,580	44,188
Amount due to holding company	27,054	62,892	110,245	257,417
Amounts due to related parties	90,668	36,667	369,472	150,078
Borrowings	105,119	112,691	428,360	461,244
Derivatives used for hedging				
Derivative financial instruments	4,321	5,867	17,608	24,014
	260,433	228,913	1,061,265	936,941

28. Categories of financial instruments (continued)

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

	Company			
	(Reviewed) 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	33,257	10,796	135,523	44,188
Amount due to holding company	27,054	62,892	110,245	257,417
Amounts due to related parties	90,668	36,667	369,472	150,078
Borrowings	105,119	112,691	428,360	461,244
Derivatives used for hedging				
Derivative financial instruments	4,321	5,867	17,608	24,014
	260,419	228,913	1,061,208	936,941

29. Earnings per share

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

	Group			
	(Reviewed) For the 12-month period ended 30 June 2021 USD'000	(Audited) 30 June 2020 USD'000	(Reviewed) For the 12-month period ended 30 June 2021 KHR'mil (Note 3)	(Audited) 30 June 2020 KHR'mil (Note 3)
Profit attributable to the owners of the Company	1,388	7,207	5,650	29,455
Weighted average number of shares	74,480,247	71,000,000	74,480,247	71,000,000
Basic earnings per share (cent/riel)	1.86	10.15	75.86	414.86
Diluted earnings per share (cent/riel)	1.86	10.15	75.86	414.86

	(Unreviewed and unaudited)		(Unreviewed and unaudited)	
	(Reviewed) For the 3-month period ended 30 June 2021 USD'000	(Unreviewed and unaudited) 30 June 2020 USD'000	(Reviewed) For the 3-month period ended 30 June 2021 KHR'mil (Note 3)	(Unreviewed and unaudited) 30 June 2020 KHR'mil (Note 3)
Profit attributable to the owners of the Company	1,564	239	6,354	979
Weighted average number of shares	74,480,247	71,000,000	74,480,247	71,000,000
Basic earnings per share (cent/riel)	2.10	0.34	85.31	13.79
Diluted earnings per share (cent/riel)	2.10	0.34	85.31	13.79

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

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

30. Commitments

The Company has committed to purchase a 10-year political risk insurance for the construction of the 230kV Stung Tatay Hydro Power Plant-Phnom Penh Transmission System Project for a total amount of USD4,968,600 to secure the borrowing facility as disclosed in note 15c.3. As at 30 June 2021, the amount yet to be paid amounted to USD2,761,733 (30 June 2020: USD4,216,762).

The Company has committed to purchase a 7-year political risk insurance for the construction of the 230kV and 500kV double circuit transmission line from Phnom Penh to Sihanouk Ville for a total amount of USD3,222,125 to secure the borrowing facility as disclosed in note 15c.3. As at 30 June 2021, the amount yet to be paid amounted to USD2,320,005 (30 June 2020: Nil).

31. Contingencies

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

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

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

In response, the Company has filed protest letters to the GDT to contest these misinterpreted reassessments. Management considers these reassessment letters to be of no basis and unjustified and the probability that they will be required to settle the reassessed taxes to be remote. In addition, since the Company was successfully listed in the Cambodia Securities Exchange, the Company will receive tax incentives which includes the right to waive the reassessed taxes mentioned above in accordance with the Sub-decree on Tax Incentives in Securities Sector. As at the date of this report, the Company is awaiting the GDT's approval in writing.

32. Significant events and transactions

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

The Company has assessed the overall impact of this situation towards the Company's operations, financial performance and cash flows, and concluded that there is no material adverse effect on the Company's financial statements for the financial period ended 30 June 2021. Management believes that the Group and the Company are well positioned to cope with a downturn in the economy.

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

- no cancellation of significant contracts. In addition, the Group and the Company have several long-term contracts with a number of the existing customers; and
- the Group's and the Company's major customers have not experienced financial difficulties. Credit quality of trade receivables as at 30 June 2021 is considered to be good.

Overall, the Group and the Company are in a strong position and have sufficient capital and liquidity to service their operating activities and debts. The Group's and the Company's objectives and policies for managing capital, credit risk and liquidity risk are described in their recent annual audited financial statements for the year ended 30 June 2021.