

Interim condensed financial information

Pestech (Cambodia) Plc and its subsidiaries

As at 30 September 2020 and for the three-month
period then ended

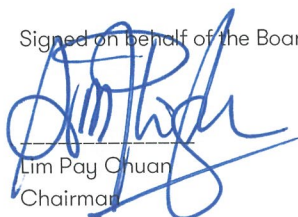
Contents

	Page
Statement by the Directors	1
Report on review of interim condensed financial information	2
Group's interim statement of financial position	4
Company's interim statement of financial position	6
Group's interim statement of profit or loss and other comprehensive income	8
Company's interim statement of profit or loss and other comprehensive income	10
Group's interim statement of changes in equity	11
Company's interim statement of changes in equity	12
Group's interim statement of cash flows	13
Company's interim statement of cash flows	15
Notes to the interim condensed financial information	17

Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statements of financial position of Pestech (Cambodia) Plc ("the Company") and its subsidiaries ("the Group") as at 30 September 2020, 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 three-month period then ended, and condensed notes to the interim 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,



Lim Pay Chuan
Chairman

Kuala Lumpur, Malaysia
10 November 2020



Report on review of interim condensed financial information

Grant Thornton (Cambodia) Limited
20th Floor Canadia Tower
315 Preah Ang Duong Street
(corner Monivong Boulevard)
Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh
Kingdom of Cambodia

T +855 23 966 520
www.grantthornton.com.kh

To the shareholder of Pestech (Cambodia) Plc and its subsidiaries

We have reviewed the interim condensed financial statements of Pestech (Cambodia) Plc (“the Company”) and its subsidiaries (“the Group”), which comprise the interim condensed statements of financial position as at 30 September 2020, and the related interim condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes. The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial statements in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of review

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

Conclusion

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

REVIEWED INTERIM CONDENSED FINANCIAL STATEMENTS 30 SEPTEMBER 2020. PESTECH (CAMBODIA) PLC (00000957)

Other matter

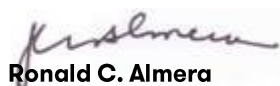
The comparative information on the statement of financial position is based on the audited financial statements as at 30 June 2020, while the comparative information on the statements of profit or loss and other comprehensive income, changes in equity and cash flows, and related explanatory notes, for the period ended 30 September 2020 has not been audited or reviewed.


GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors




Ronald C. Almera

Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

10 November 2020

Group's interim statement of financial position

		<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
		30 September 2020		30 June 2020	
	Note	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Assets					
Non-current					
Property, plant and equipment	6	15,117	61,980	15,404	63,049
Intangible assets		5	21	5	20
Contract assets	9	131,110	537,551	198,200	811,233
Non-current assets		146,232	599,552	213,609	874,302
Current					
Trade and other receivables	10	5,205	21,341	3,667	15,009
Inventories	11	3,625	14,863	4,335	17,743
Contract assets	9	98,058	402,038	18,789	76,903
Amounts due from related parties	23	4	16	2,332	9,545
Cash and bank balances	12	5,631	23,087	5,524	22,610
Current assets		112,523	461,345	34,647	141,810
Total assets		258,755	1,060,897	248,256	1,016,112

Group's interim statement of financial position (continued)

	Note	<i>(Reviewed but unaudited)</i> 30 September 2020		<i>(Audited)</i> 30 June 2020	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	30,725	7,100	28,869
Share premium	13.1	2,542	10,422	-	-
Reserves	13.2	(5,701)	(23,374)	(5,815)	(23,729)
Retained earnings		15,489	63,505	15,802	64,390
Currency translation difference		-	2	-	406
Total equity attributable to the parent		19,824	81,280	17,087	69,936
Non-controlling interest		2	8	5	21
Total equity		19,826	81,288	17,092	69,957
Liabilities					
Non-current					
Borrowings	15	98,192	402,587	100,077	409,615
Lease liabilities – net of current portion	7	4	16	23	94
Deferred tax liability	21	540	2,214	453	1,854
Derivative financial instruments	16	5,753	23,587	5,868	24,018
Non-current liabilities		104,489	428,404	106,421	435,581
Current					
Trade and other payables	14	24,921	102,176	10,858	44,442
Amount due to holding company	23	60,795	249,260	62,892	257,417
Amounts due to related parties	23	33,297	136,518	36,667	150,078
Borrowings	15	13,736	56,318	12,614	51,629
Lease liabilities	7	73	299	72	295
Income tax payable		1,618	6,634	1,640	6,713
Current liabilities		134,440	551,205	124,743	510,574
Total liabilities		238,929	979,609	231,164	946,155
Total equity and liabilities		258,755	1,060,897	248,256	1,016,112

Company's interim statement of financial position

		<i>(Reviewed but unaudited)</i>			<i>(Audited)</i>
		30 September 2020			30 June 2020
	Note	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Assets					
Non-current					
Investment in a subsidiary	8	50	205	35	143
Property, plant and equipment	6	15,117	61,980	15,404	63,049
Intangible assets		5	21	5	20
Contract assets	9	131,110	537,551	198,200	811,233
Non-current assets		146,282	599,757	213,644	874,445
Current					
Trade and other receivables	10	5,190	21,279	3,652	14,948
Inventories	11	3,625	14,863	4,335	17,743
Contract assets	9	98,058	402,038	18,789	76,903
Amounts due from related parties	23	4	16	2,332	9,545
Amount due from a subsidiary	23	38	156	38	156
Cash and bank balances	12	5,621	23,046	5,500	22,512
Current assets		112,536	461,398	34,646	141,807
Total assets		258,818	1,061,155	248,290	1,016,252

Company's interim statement of financial position (continued)

	Note	<i>(Reviewed but unaudited)</i> 30 September 2020		<i>(Audited)</i> 30 June 2020	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Equity and liabilities					
Equity					
Share capital	13	7,494	30,725	7,100	28,869
Share premium	13.1	2,542	10,422	-	-
Reserves	13.2	(5,701)	(23,374)	(5,815)	(23,729)
Retained earnings		15,562	63,422	15,841	64,566
Currency translation difference		-	384	-	391
Total equity		19,897	81,579	17,126	70,097
Non-current					
Borrowings	15	98,192	402,587	100,077	409,615
Lease liabilities	7	4	16	23	94
Deferred tax liability	21	540	2,214	453	1,854
Derivative financial instruments	16	5,753	23,587	5,868	24,018
Non-current liabilities		104,489	428,404	106,421	435,581
Liabilities					
Current					
Trade and other payables	14	24,913	102,143	10,858	44,442
Amount due to holding company	23	60,795	249,260	62,892	257,417
Amounts due to related parties	23	33,297	136,518	36,667	150,078
Borrowings	15	13,736	56,318	12,614	51,629
Lease liabilities	7	73	299	72	295
Income tax payable		1,618	6,634	1,640	6,713
Current liabilities		134,432	551,172	124,743	510,574
Total liabilities		238,921	979,576	231,164	946,155
Total equity and liabilities		258,818	1,061,155	248,290	1,016,252

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

	Note	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Revenue	17	18,158	74,448	10,450	42,709
Operating expenses	18	(16,521)	(67,736)	(9,687)	(39,591)
Other gains		18	74	791	3,233
Operating profit		1,655	6,786	1,554	6,351
Finance income		9	37	5	20
Finance cost	19	(1,710)	(7,011)	(1,113)	(4,549)
(Loss)/profit before income tax		(46)	(188)	446	1,822
Tax expense	20	(270)	(1,107)	(294)	(1,202)
(Loss)/profit for the period		(316)	(1,295)	152	620
(Loss)/profit for the period attributable to:					
Owners of the Company		(313)	(1,283)	152	620
Non-controlling interest		(3)	(12)	-	-
		(316)	(1,295)	152	620

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

		<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
	Note	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
(Loss)/profit for the period		(316)	(1,295)	152	620
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Fair value gain/(loss) on cash flow hedges		114	467	(1,258)	(5,141)
Currency translation difference		-	184	-	-
Total comprehensive loss for the period		(202)	(644)	(1,106)	(4,521)
Total comprehensive loss for the period attributable to:					
Owners of the Company		(199)	(632)	(1,106)	(4,521)
Non-controlling interest		(3)	(12)	-	-
		(202)	(644)	(1,106)	(4,521)
The earning per share attributable to shareholders of the Group during the period are as follows:					
Basic loss per share (cent/riel)	27	(0.43)	(17.55)	0.21	8.73
Diluted loss per share (cent/riel)	27	(0.43)	(17.55)	0.21	8.73

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

	Note	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Revenue	17	18,158	74,448	10,450	42,709
Operating expense	18	(16,479)	(67,564)	(9,687)	(39,591)
Other gains		13	53	791	3,233
Operating profit		1,692	6,937	1,554	6,351
Finance income		9	37	5	20
Finance cost	19	(1,710)	(7,011)	(1,113)	(4,549)
(Loss)/profit before income tax		(9)	(37)	446	1,822
Tax expense	20	(270)	(1,107)	(294)	(1,202)
(Loss)/profit for the period		(279)	(1,114)	152	620
Other comprehensive loss					
<i>Items that will be reclassified</i> <i>subsequently to profit or loss</i>					
Exchange translation differences		-	184	-	17,533
Fair value gain/(loss) on cash flow hedges		114	467	(1,258)	(5,141)
Total comprehensive loss		(165)	(493)	(1,106)	13,012

Group's interim statement of changes in equity

← Attributable to owners of the Company →										
		Non-distributable			Distributable			Non-controlling	Total equity	
Note	Share capital	Share premium	Reserves	Retained earnings	Total			interest		
	USD'000	USD'000	USD'000	USD'000	USD'000	KHR'000		USD'000	USD'000	KHR'mil (Note 3)
<i>(Reviewed but unaudited)</i>										
Balance at 1 July 2020	12.1	7,100	-	(5,815)	15,802	17,087	69,957	5	17,092	69,957
Shares issued	13	394	2,542	-	-	2,936	12,038	-	2,936	12,038
Loss for the period		-	-	-	(313)	(313)	(1,283)	(3)	(316)	(1,275)
Fair value gain on cash flow hedges		-	-	114	-	114	467	-	114	467
Currency translation difference		-	-	-	-	-	101	-	-	101
Balance at 30 September 2020		7,494	2,542	(5,701)	15,489	19,824	81,280	2	19,826	81,288
<i>(Unreviewed and unaudited)</i>										
Balance at 1 July 2019	12.1	7,100	-	(1,772)	8,595	13,923	56,611	-	13,923	56,611
Profit for the period		-	-	-	152	152	620	-	152	620
Fair value loss on cash flow hedges		-	-	(1,258)	-	(1,258)	(5,158)	-	(1,258)	(5,158)
Currency translation difference		-	-	-	-	-	413	-	-	413
Balance at 30 September 2019		7,100	-	(3,030)	8,747	12,817	52,486	-	12,817	52,486

Company's interim statement of changes in equity

	←	Non-distributable		→	Distributable		
		Share	Reserves	Share	Retained	Total equity	
Note		capital	USD'000	premium	earnings	USD'000	KHR'mil
		USD'000		USD'000	USD'000		(Note 3)
<i>(Reviewed but unaudited)</i>							
Balance at 1 July 2020		7,100	(5,815)	-	15,841	17,126	70,097
Shares issued		394	-	2,542	-	2,936	12,038
Loss for the period		-	-	-	(279)	(279)	(1,144)
Fair value loss on cash flow hedges		-	114	-	-	114	467
Currency translation difference		-	-	-	-	-	(79)
Balance at 30 September 2020		7,494	(5,701)	2,542	15,562	19,897	81,379
<i>(Unreviewed and unaudited)</i>							
Balance at 1 July 2019		7,100	(1,772)	-	8,607	13,935	56,662
Profit for the period		-	-	-	152	152	621
Fair value loss on cash flow hedges		-	(1,258)	-	-	(1,258)	(5,141)
Currency translation difference		-	-	-	-	-	17,564
Balance at 30 September 2019		7,100	(3,030)	-	8,759	12,829	69,706

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

Group's interim statement of cash flows

	Note	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Operating activities					
(Loss)/ profit before income tax		(46)	(188)	446	1,822
Adjustments for:					
Depreciation	18	288	1,181	147	601
Amortisation	18	1	4	1	4
Interest income		(9)	(37)	(5)	(20)
Interest expense	19	1,710	7,011	1,113	4,549
Operating profit before working capital changes		1,944	7,971	1,702	6,956
Changes in working capital:					
Trade and other receivables		(1,627)	(6,671)	7,227	29,537
Contract assets		(12,179)	(49,934)	(10,144)	(41,459)
Inventories		710	2,911	-	-
Amount due to a holding company		(2,097)	(8,598)	(787)	(3,216)
Amounts due from/to related parties		(1,042)	(4,272)	(16,072)	(65,686)
Trade and other payables		14,502	59,458	12,543	51,263
Cash generated from/(used in) operations		211	865	(5,531)	(22,605)
Income tax paid		(205)	(841)	(470)	(1,921)
Net cash from/(used in) operating activities		6	24	(6,001)	(24,526)

Group's interim statement of cash flows (continued)

		<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	Note	For the three-month period ended		For the three-month period ended	
		30 September 2020		30 September 2019	
		USD'000	KHR'mil	USD'000	KHR'mil
			(Note 3)		(Note 3)
Investing activities					
Acquisition of property, plant and equipment		(1)	(4)	(2,394)	(9,784)
Interest received		9	37	5	20
Acquisition of intangible assets		-	-	(5)	(20)
Net cash used in investing activities		8	33	(2,394)	(9,784)
Financing activities					
Repayment of borrowings	22	(1,079)	(4,424)	-	-
Proceeds from borrowings	22	316	1,296	284	1,161
Issuance of additional share capital	13	2,936	12,038	-	-
Interest paid		(1,710)	(7,011)	(1,113)	(4,549)
Repayment of lease liabilities	7	(18)	(74)	-	-
Placement of fixed deposits		(50)	(205)	(112)	(458)
Net cash from/(used in) financing activities		395	1,620	(941)	(3,846)
Net change in cash and cash equivalents					
		409	1,677	(9,336)	(38,156)
Cash and cash equivalents, beginning of period		1,823	7,462	9,646	39,222
Translation exchange difference		-	12	-	204
Cash and cash equivalents, end of period	12	2,232	9,151	310	1,270

Company's interim statement of cash flows

	Note	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
		For the three-month period ended 30 September 2020		For the three-month period ended 30 September 2019	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Operating activities					
Profit before income tax		(9)	(37)	446	1,822
Adjustments for:					
Depreciation	18	288	1,181	147	601
Amortisation	18	1	4	1	4
Interest income		(9)	(37)	(5)	(20)
Interest expense	19	1,710	7,011	1,113	4,549
Operating profit before working capital changes		1,981	8,122	1,702	6,956
Changes in working capital:					
Trade and other receivables		(1,663)	(6,818)	5,494	22,454
Contract assets		(12,179)	(49,934)	(7,862)	(32,132)
Inventories		710	2,911	-	-
Amount due to holding company		(2,097)	(8,598)	57,813	236,282
Amounts due from/to related parties		(1,042)	(4,272)	(74,671)	(305,180)
Trade and other payables		14,494	59,425	12,017	49,113
Cash generated from/(used in) operations		204	836	(5,507)	(22,507)
Income tax paid		(205)	(841)	(469)	(1,917)
Net cash used in operating activities		(1)	(5)	(5,976)	(24,424)

Company's interim statement of cash flows (continued)

Note	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Investing activities				
Acquisitions of property, plant and equipment	(1)	(4)	(2,394)	(9,784)
Acquisition of intangible assets	-	-	(5)	(20)
Investment in a subsidiary	(15)	(62)	(25)	(102)
Interest received	9	37	5	20
Net cash used in investing activities	(7)	(29)	(2,419)	(9,886)
Financing activities				
Repayment of borrowings	(1,067)	(4,375)	-	-
Drawdown from borrowings	316	1,296	284	1,161
Issuance of additional share capital 13	2,936	12,038	-	-
Interest paid	(1,710)	(7,011)	(1,113)	(4,549)
Payment of lease liabilities 7	(18)	(74)	-	-
Placement of fixed deposits	(50)	(205)	(112)	(458)
Net cash from/(used in) financing activities	407	1,669	(941)	(3,846)
Net change in cash and cash equivalents	399	1,635	(9,336)	(38,156)
Cash and cash equivalents, beginning of period	1,823	7,462	9,646	39,222
Translation exchange difference	-	13	-	204
Cash and cash equivalents, end of period 12	2,222	9,110	310	1,270

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 94.74% owned subsidiary of Pestech International Berhad, a company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad, with a registered capital of USD7,494,500, consisting of 74,945,000 shares, each with a par value of USD0.10 per share. The Company is registered with the Ministry of Commerce (“MOC”) under company registration number 00000957.

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

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

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

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

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

Pestech Microgrid Company Limited (“PMG”) was incorporated as a private limited company which is 90.00% owned by PHC under Myanmar Companies Law 2017 on 14 February 2020. The issued share capital is USD10,000 comprising 10,000 ordinary shares.

The Company considers PHC and PMG remain as indirect subsidiaries.

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

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/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, Union of Myanmar and Thapyaynyo Street, No. 3E, Shinsawpu Ward, Sannchaung Township Yangon, Republic of the Union of Myanmar, respectively.

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

The condensed interim financial information of Pestech (Cambodia) Plc and its subsidiaries ("the Group") was approved for issue by the Board of Directors on 10 November 2020.

The condensed interim financial information for the three-month period ended 30 September 2020, has been reviewed but not audited.

2 Basis of preparation

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

3 Functional and presentation currency

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

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

The translations of USD amounts into KHR as presented in the financial information are included solely to comply with the requirement of Law on Accounting and Auditing (April 2016) and have been made using the prescribed official exchange rate (as presented in KHR) based on the following applicable exchange rate per USD1 as announced by the National Bank of Cambodia (for 2020) and the General Department of Taxation (for 2019):

	30 September 2020	30 June 2020	30 September 2019
Average rate	4,089	4,087	4,087
Closing rate	4,100	4,093	4,095

Such translation amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate.

3.1 Foreign operations

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

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

4 Significant accounting policies

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

4.1 Segment Reporting

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

4.2 Seasonality

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

5 Management estimates

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

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

6 Property, plant and equipment

Group and Company	Equipment USD'000	Motor vehicles USD'000	Computers USD'000	Furniture and fittings USD'000	Right-of-use assets USD'000	Total USD'000	KHR'mil (Note 3)
<i>(Reviewed but unaudited)</i>							
Gross carrying amount							
At 1 July 2020	17,292	559	26	31	162	18,070	73,961
Additions	-	-	1	-	-	1	4
Currency translation difference	-	-	-	-	-	-	126
Balance 30 September 2020	17,292	559	27	31	162	18,071	74,091
Accumulated depreciation							
At 1 July 2020	(2,199)	(348)	(21)	(28)	(70)	(2,666)	(10,912)
Depreciation	(245)	(23)	(1)	(1)	(18)	(288)	(1,181)
Currency translation difference	-	-	-	-	-	-	(18)
Balance 30 September 2020	(2,444)	(371)	(22)	(29)	(88)	(2,954)	(12,111)
Carrying amount 30 September 2020	14,848	188	5	2	74	15,117	61,980

	Equipment USD'000	Motor vehicles USD'000	Computers USD'000	Furniture and fittings USD'000	Right-of-use assets USD'000	Total USD'000	KHR'mil (Note 3)
<i>(Audited)</i>							
Gross carrying amount							
At 1 July 2019, as restated	3,187	525	24	31	162	3,929	15,977
Additions	14,105	76	2	-	-	14,183	57,966
Disposals	-	(42)	-	-	-	(42)	(172)
Currency translation difference	-	-	-	-	-	-	190
Balance 30 June 2020	17,292	559	26	31	162	18,070	73,961
Accumulated depreciation							
At 1 July 2019	(1,211)	(268)	(16)	(25)	-	(1,520)	(6,179)
Depreciation	(988)	(112)	(5)	(3)	(70)	(1,178)	(4,814)
Disposals	-	32	-	-	-	32	131
Currency translation difference	-	-	-	-	-	-	(50)
Balance 30 June 2020	(2,199)	(348)	(21)	(28)	(70)	(2,666)	(10,912)
Carrying amount 30 June 2020	15,093	211	5	3	92	15,404	63,049

7 Lease liabilities

Company as a lessee

The Company has a lease contract for the properties that are used as its office space and staff accommodation for a period of 3 to 5 years.

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

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Current	73	299	72	295
Non-current	4	16	23	94
	77	315	95	389

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

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
At 1 July 2020/2019	95	389	162	660
Accretion of interest	2	8	9	37
Payments	(20)	(94)	(76)	(311)
Currency translation difference	-	12	-	3
At 30 September 2020/30 June 2020	77	315	95	389

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

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

The details of future minimum lease payments are summarized below:

	Minimum lease payments due		Total	Total
	Within one year	1-2 years	USD	KHR'000
				(Note 3)
Lease payments	75	4	79	324
Finance charges	(2)	-	(2)	(9)
Net present value	73	4	77	315

8 Investment in a subsidiary

	Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
At cost – unquoted shares				
Balance brought forward	35	143	25	102
Additions	15	62	10	41
	50	205	35	143

Details of the subsidiaries follow:

Name	Country of incorporation and operation	Effective interest %		Principal activities
		30 September 2020	30 June 2020	
Pestech (Myanmar) Limited ("PML")	Myanmar	100%	99.99%	Provision of project management, electrical substations and transmission line erection, installation, supervision of testing, commissioning and civil works.
<u>Subsidiary of PML</u>				Establish the infrastructure of power sector and promote the power segments such as power generation, power transmission and power distribution.
Pestech Hinthar Corporation Limited ("PHC")	Myanmar	60.00%	60.00%	
<u>Subsidiary of PHC</u>				Provision of microgrid system and other power infrastructure to rural areas in Myanmar.
Pestech Microgrid Company Limited	Myanmar	53.99%	53.99%	

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

9 Contract assets

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Balance at 1 July	216,989	888,136	179,101	728,223
Revenue recognised	18,158	74,448	49,349	201,689
Finance income	-	-	-	-
Receipts entitled	(5,979)	(22,995)	(11,461)	(46,841)
Translation difference	-	-	-	5,065
Balance at 30 September/June	229,168	939,589	216,989	888,136

Presented as:

	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Current	98,058	402,038	18,789	76,903
Non-current	131,110	537,551	198,200	811,233
	229,168	939,589	216,989	888,136

The contract assets represent the Group's right to consideration for work completed on construction contracts but not billed yet 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			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD	KHR'mil
		(Note 3)		(Note 3)
Trade receivables	3,269	13,403	1,391	5,693
Deposits	43	177	38	156
Staff advances	32	131	23	94
Financial assets	3,344	13,711	1,452	5,943
Prepayments	610	2,501	914	3,741
Value-added tax	1,251	5,129	1,301	5,325
Non-financial assets	1,861	7,630	2,215	9,066
	5,205	21,341	3,667	15,009

	Company (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Trade receivables	3,269	13,403	1,391	5,693
Deposits	37	152	21	86
Staff advances	31	127	25	103
Financial assets	3,337	13,682	1,437	5,882
Prepayments	602	2,468	914	3,741
Value-added tax	1,251	5,129	1,301	5,325
Non-financial assets	1,853	7,597	2,215	9,066
	5,190	21,279	3,652	14,948

11 Inventories

	Group and Company (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Construction materials	3,625	14,863	4,335	17,743
	3,625	14,863	4,335	17,743

12 Cash and bank balances

	Group (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Cash in banks (a)	4,376	17,941	4,319	17,678
Deposits with a licensed bank (b)	1,250	5,125	1,200	4,912
Cash on hand	5	21	5	20
	5,631	23,087	5,524	22,610

	Company (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Cash in banks (a)	4,369	17,913	4,295	17,579
Deposits with a licensed bank (b)	1,250	5,125	1,200	4,912
Cash on hand	2	8	5	21
	5,621	23,046	5,500	22,512

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

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

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

	Group (Reviewed but unaudited) 30 September 2020		(Audited) 30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Cash and bank balances (as above)	5,631	23,087	4,098	16,781
Fixed deposit pledged to borrowings	(1,250)	(5,125)	(825)	(3,378)
Bank overdrafts (note 15)	(2,149)	(8,811)	(2,963)	(12,133)
Cash and cash equivalents per statement of cash flows	2,232	9,151	310	1,270

	Company 30 September 2020		30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Cash and cash equivalents (as above)	5,621	23,046	4,098	16,781
Fixed deposit pledged for borrowings	(1,250)	(5,125)	(825)	(3,378)
Bank overdrafts (note 15)	(2,149)	(8,811)	(2,963)	(12,133)
Cash and cash equivalents per statement of cash flows	2,222	9,110	310	1,270

13 Share capital

	Group and Company		Amount	
	Number of shares 30 September 2020	30 June 2020	30 September 2020 (Reviewed but unaudited) USD'000 KHR'mil (Note 3)	30 June 2020 (Audited) USD'000 KHR'mil (Note 3)
Share issued and fully paid:				
- Beginning of the period	71,000,000	71,000,000	7,100	29,110
- Share issue	3,945,000	-	394	1,615
	74,945,000	71,000,000	7,494	30,725

On 12 August 2020, the Company has successfully listed its share on the Cambodia Securities Exchange ("CSX"). As part of the listing exercise, 3,945,000 new shares with a par value of KHR400 or USD0.10 per share were issued, at an offering price of KHR3,120 or USD0.76 per share.

13.1 Share premium

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

13.2 Reserves

	Group and Company		
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>
	30 September 2020		30 June 2020
	USD'000	KHR'mil	KHR'mil
		(Note 3)	(Note 3)
Capital contribution reserve	52	213	213
Cash flow hedge reserve	(5,753)	(23,587)	(24,014)
Currency translation difference	-	-	72
	(5,701)	(23,374)	(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 payment made to the holding company.

14 Trade and other payables

	Group		
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>
	30 September 2020		30 June 2020
	USD'000	KHR'mil	KHR'mil
		(Note 3)	(Note 3)
Trade payables	1,810	7,421	7,601
Accruals	674	2,763	2,963
Provision for project cost	22,273	91,320	33,031
Other payables	164	672	589
Financial liabilities	24,921	102,176	44,184
Taxes payable	-	-	258
Non-financial liabilities	-	-	258
	24,921	102,176	44,442

	Company		
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>
	30 September 2020		30 June 2020
	USD'000	KHR'mil	KHR'mil
		(Note 3)	(Note 3)
Trade payables	1,810	7,421	7,601
Accruals	674	2,763	2,963
Provision for project cost	22,273	91,319	33,031
Other payables	156	640	589
Financial liabilities	24,913	102,143	44,184
Taxes payable	-	-	258
Non-financial liabilities	-	-	258
	24,913	102,143	44,442

15 Borrowings

	Group and Company			
	<i>(Reviewed but unaudited)</i>			<i>(Audited)</i>
	30 September 2020			30 June 2020
	USD'000	KHR'mil	USD'000	KHR'mil
		<i>(Note 3)</i>		<i>(Note 3)</i>
Current				
Secured:				
Bank overdrafts	2,149	8,811	2,477	10,138
Revolving credit	1,948	7,987	1,632	6,680
Term loans	9,639	39,520	8,505	34,811
Total current	13,736	56,318	12,614	51,629
Non-current				
Secured:				
Term loans	98,192	402,587	100,077	409,615
Total non-current	98,192	402,587	100,077	409,615
	111,928	458,905	112,691	461,244

The effective interest rates of the borrowings are as follows:

	<i>(Reviewed but unaudited)</i>	<i>(Audited)</i>
	30 September 2020	30 June 2020
	%	%
Bank overdrafts (a)	7.2 to 8.5	7.2 to 8.5
Revolving credit (b)	6.3 to 6.5	6.3 to 6.5
Term loan (c)	4.63 to 8	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 amounting to USD1,250,000 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 premium covered of 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;

(c.5) Pledge of bank account.

16 Derivative financial instruments

	Group and Company				
	<i>(Reviewed but unaudited)</i>			<i>(Audited)</i>	
	30 September 2020			30 June 2020	
Notional value				Fair value liabilities	
USD'000	USD'000	KHR'mil		USD	KHR'mil
		(Note 3)			(Note 3)
Interest rate swaps	50,000	5,753	23,587	5,868	24,018

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

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

17 Revenue and cost of sales and construction

	Group and Company			
	<i>(Reviewed but unaudited)</i>			
	For the three-month period ended 30 September 2020			
	Construction contract and service rendered	Sale of materials	Total	
	USD'000	USD'000	USD'000	KHR'mil (Note 3)
Revenue	18,158	-	18,158	74,448
	18,158	-	18,158	74,448

	Group and Company			
	<i>(Unreviewed and unaudited)</i>			
	For the three-month period ended 30 September 2019			
	Construction contract and service rendered	Sale of materials	Total	
	USD'000	USD'000	USD'000	KHR'mil (Note 3)
Revenue	10,450	-	10,450	42,709
	10,450	-	10,450	42,709

17.1 Disaggregated revenue information

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	For the three-month period ended		For the three-month period ended	
	30 September 2020		30 September 2019	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Timing of revenue recognition:				
Over time	18,158	74,448	10,450	42,709

18 Operating expenses

	Group			
	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	For the three-month period ended		For the three-month period ended	
	30 September 2020		30 September 2019	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
<u>Direct costs</u>				
Raw materials and consumables	14,964	61,352	7,197	29,414
Production overheads	494	2,025	857	3,503
	15,458	63,377	8,054	32,917
<u>Employee benefit expenses</u>				
Salaries, wages, bonuses and other emoluments	347	1,423	1,011	4,132
Directors' remuneration	97	398	74	302
<u>Amortisation</u>				
Intangible assets	1	4	1	4
<u>Depreciation</u>				
Property, plant and equipment	270	1,107	147	601
Right of use assets	18	74	-	-
	288	1,181	147	601
<u>General expenses</u>				
Bank charges	55	226	6	25
Other expenses	67	274	36	147
Management fees	18	74	-	-
Professional fees	78	320	5	20
Withholding tax	112	459	353	1,443
	330	1,353	400	1,635
	16,521	67,736	9,687	39,591

	Company			
	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	For the three-month period ended		For the three-month period ended	
	30 September 2020		30 September 2019	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
<u>Direct costs</u>				
Raw materials and consumables	14,964	61,352	7,197	29,414
Production overheads	494	2,025	857	3,503
	15,458	63,377	8,054	32,917
<u>Employee benefit expenses</u>				
Salaries and other benefits	337	1,382	1,011	4,132
Directors' remuneration	97	398	74	302
<u>Amortisation</u>				
Intangible assets	1	4	1	4
<u>Depreciation</u>				
Property, plant and equipment	270	1,107	147	601
Right of use assets	18	74	-	-
	288	1,181	147	601
<u>General expenses</u>				
Bank charges	55	226	6	25
Other expenses	39	160	36	147
Management fees	18	74	-	-
Professional fees	74	303	5	20
Withholding tax	112	459	353	1,443
	298	1,222	400	1,635
	16,479	67,564	9,687	39,591

19 Finance cost

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	For the three-month period ended		For the three-month period ended	
	30 September 2020		30 September 2019	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Interest expense for:				
Term loans	1,456	5,970	1,050	4,291
Interest expense charged by intercompany	177	726	-	-
Bank overdrafts	72	295	52	213
Revolving credit	3	12	11	45
Interest expenses related to lease liabilities	2	8	-	-
	1,710	7,011	1,113	4,549

20 Income tax expense

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.

In accordance with the Income Tax Law of the Republic of the Union of Myanmar, the direct/indirect subsidiaries have the obligation to pay corporate income tax at the rate of 25% of taxable income. The subsidiaries are not subject to corporate income tax for the periods ended 30 September 2019 and 2020 as they have not started their commercial operations.

Income tax expense for the periods ended 30 September 2020 and 30 September 2019 consists of:

	Group and Company			
	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Current tax	183	750	294	1,202
Deferred tax	87	357	-	-
Transaction difference	-	-	-	-
Estimated income tax expense	270	1,107	294	1,202

20.1 Reconciliation between profit before income tax and taxable income

A reconciliation between accounting profit before income tax and taxable income for the years ended 30 June 2020 and 30 June 2019 follows:

Income tax expense

	Group			
	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Accounting (loss)/profit before tax	(46)	(188)	446	1,822
Add:				
Non-deductible expenses	(222)	(910)	1,024	4,185
Taxable (loss)/profit	(268)	(1,098)	1,470	6,007
Income tax expense at the applicable tax of rate 20% (A)	(54)	(220)	294	1,202
Minimum tax (B)	183	750	112	459
Estimated income tax expense (higher of A or B)	183	750	294	1,202

	Company			
	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Accounting (loss)/profit before tax	(9)	(37)	446	1,822
Add:				
Non-deductible expenses	(222)	(910)	1,024	4,185
Taxable (loss)/profit	(231)	(947)	1,470	6,007
Income tax expense at the applicable tax of rate 20% (A)	(46)	(189)	294	1,202
Minimum tax (B)	183	750	112	459
Estimated income tax expense (higher of A or B)	183	750	294	1,202

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

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

21 Deferred tax liability

	Group and Company			
	<i>(Reviewed but unaudited)</i> 30 September 2020		<i>(Audited)</i> 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
<u>Property, plant and equipment</u>				
Beginning balance	453	1,854	-	-
Recognised in profit or loss	87	360	453	1,854
	540	2,214	453	1,854

[The remainder of this page was intentionally left blank.]

22 Reconciliation of liabilities arising from financing activities

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

	<i>(Audited)</i> 1 July 2020	Cash flows		<i>(Reviewed but unaudited)</i> 30 September 2020	
	USD'000	Proceeds USD'000	Repayment USD'000	USD'000	KHR'mil (Note 3)
Current					
Term loans	108,582	-	(751)	107,831	442,107
Bank overdraft	2,477	-	(328)	2,149	8,811
Revolving credit	1,632	316	-	1,948	7,987
Lease liabilities	95	-	(18)	77	315
	112,786	316	(1,097)	112,005	459,220

[The remainder of this page was intentionally left blank.]

23 Related party balances and transactions

The following balances are outstanding with the related parties:

Related party	Relationship	[Reviewed but unaudited] 30 September 2020		[Audited] 30 June 2020	
		USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Group and Company					
Amounts due from related parties					
Diamond Power Limited	Fellow subsidiary	4	16	32	131
Pestech Power Sdn Bhd	Fellow subsidiary	-	-	2,300	9,414
		4	16	2,332	9,545
Amounts due to related parties					
Pestech Sdn Bhd	Fellow subsidiary	4,194	17,195	4,729	19,356
Enersol Co., Ltd	Fellow subsidiary	26,017	106,670	27,991	114,567
Pestech Energy Sdn Bhd	Fellow subsidiary	-	-	862	3,528
Pestech Transmission Sdn Bhd	Fellow subsidiary	3,086	12,653	3,085	12,627
		33,297	136,518	36,667	150,078
Amount due to holding company					
Pestech International Berhad	Holding company	60,795	249,260	62,892	257,417
Company					
Amount due from a subsidiary					
Pestech (Myanmar) Limited	Subsidiary	38	156	38	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 of 6% per annum.

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

Related party	Relationship	Transactions	<i>(Reviewed but unaudited)</i> For the three-month period ended 30 September 2020		<i>(Unreviewed and unaudited)</i> For the three-month period ended 30 September 2019	
			USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Diamond Power Limited	Fellow subsidiary	Operation and maintenance service	449	1,841	449	1,836
Pestech Power Sdn Bhd	Fellow subsidiary	(Repayment)/receipt of advances	(2,300)	(9,430)	1,030	4,212
Pestech Sdn Bhd	Fellow subsidiary	Interest charge	14	57	-	-
		Contract cost	-	-	2,921	11,944
Enersol Co., Ltd	Fellow subsidiary	Contract cost	(1,974)	(8,093)	-	-
Pestech Transmission Sdn Bhd	Fellow subsidiary	Contract cost	-	-	1,111	4,543
Pestech Energy Sdn Bhd	Fellow subsidiary	Contract cost	-	-	862	3,525
Pestech International Berhad	Holding company	Advance	2,300	9,430	-	-
		Management fee	18	1	-	-
		Interest charge	163	668	-	-

24 Transactions with key management personnel

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

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Unreviewed and unaudited)</i>	
	For the three-month period ended		For the three-month period ended	
	30 September 2020		30 September 2019	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Salaries and bonus	97	398	74	302

25 Fair value of financial instruments

The table below shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value. The carrying amounts of cash and bank balances, amounts due from related parties, contract assets and trade and other receivables, are reasonable approximation of their fair value, either due to their short-term nature or that they are floating period.

The different levels have been defined 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).

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	Carrying amount	Level 2	Carrying amount	Level 2
	USD'000	USD'000	USD'000	USD'000
Derivative financial instruments	5,753	23,587	5,868	5,868
	5,753	23,587	5,868	5,868

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

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

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

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

26 Categories of financial instruments

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

	Group (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Financial assets				
At amortised cost				
Trade and other receivables	3,344	13,711	1,452	5,943
Cash and bank balance	5,631	23,087	5,524	22,610
Amounts due from related parties	4	16	2,332	9,545
	8,979	36,814	9,308	38,098

	Company (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Financial assets				
At amortised cost				
Trade and other receivables	3,337	13,682	1,437	5,882
Cash and bank balance	5,621	23,046	5,500	22,512
Amounts due from related parties	4	16	2,332	9,545
Amounts due from a subsidiary	38	156	38	156
	9,000	36,900	9,307	38,095

	Group (Reviewed but unaudited) 30 September 2020		(Audited) 30 June 2020	
	USD'000	KHR'mil (Note 3)	USD'000	KHR'mil (Note 3)
Financial liabilities				
At amortised cost				
Trade and other payables	24,921	102,176	10,795	44,184
Amount due to holding company	60,795	249,260	62,892	257,417
Amounts due to related parties	33,297	136,518	36,667	150,078
Borrowings	111,928	458,905	112,691	461,244
Derivatives used for hedging				
Derivative financial instruments	5,753	23,587	5,868	24,018
	236,694	970,446	228,913	936,941

	Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
Financial liabilities		(Note 3)		(Note 3)
At amortised cost				
Trade and other payables	24,913	102,143	10,795	44,184
Amount due to holding company	60,795	249,260	62,892	257,417
Amounts due to related parties	33,297	136,518	36,667	150,078
Borrowings	111,928	458,905	112,691	461,244
Derivatives used for hedging				
Derivative financial instruments	5,753	23,587	5,868	24,018
	236,686	970,413	228,913	936,941

27 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.

	Group and Company			
	<i>(Reviewed but unaudited)</i>		<i>(Audited)</i>	
	30 September 2020		30 June 2020	
	USD'000	KHR'mil	USD'000	KHR'mil
		(Note 3)		(Note 3)
Loss attributable to ordinary equity holders	(313)	(1,283)	152	620
Weighted average number of shares	73,101,000	73,101,000	71,000,000	71,000,000
Basic loss per share (cent/riel)	(0.43)	(17.55)	0.21	8.73
Diluted loss per share (cent/riel)	(0.43)	(17.55)	0.21	8.73

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

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

28 Commitments

The Company has committed to purchase a 10-year political risk insurance for the construction of 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 September 2020, the amount yet to be paid amounted to USD3,469,512.

The Company has committed to purchase a 7-year political risk insurance for the construction of 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 September 2020, the amount yet to be paid amounted to USD3,222,125.

29 Contingencies

Contingent liabilities

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 service amounting to USD267,956 (KHR1,088,704,839) for the 2010 comprehensive tax audit.

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

30 Significant events and transactions

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 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 September 2020 is considered to be good.

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

Initial public offering ("IPO")

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