



PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 4th Quarter of the Financial Year
Ended 30 June 2021**

Financial Highlights

Financial Position		Q4 FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,166,882	1,016,112
Total Liabilities		1,072,985	946,155
Total Shareholders' Equity		93,897	69,957
Profit/ (Loss)		Q4 FY2021 KHR'mil	Q4 FY2020 KHR'mil
Total Revenues		110,668	66,974
Profit before Tax		8,207	1,445
Profit after Tax		6,712	987
Total Comprehensive Income/(Loss)		6,258	(747)
Financial Ratios		Q4 FY2021	FY2020
Solvency ratio		1.84%	7.43%
Solvency ratio (General borrowings) *		38.33%	203.87%
Liquidity ratio	Current ratio	0.90	0.28
	Quick ratio	0.88	0.24
		Q4 FY2021	Q4 FY2020
Profitability ratio	Return on assets	0.58%	0.10%
	Return on equity	7.15%	1.41%
	Gross profit margin	13.14%	21.96%
	Profit margin	6.06%	1.47%
	Earnings per share (for equity listed entity) (Riel)	85.31	13.79
Interest Coverage ratio		1.91	1.18
Dividend per share (if any) (for equity listed entity)		-	-
Other Important Ratios (if any)		-	-

*Borrowing for normal course of business excluding term loans which has been ring fenced by the proceeds of the deferred payment projects with direct payment agreement with EDC. Borrowing for normal course of business was KHR20,554 million (FY2020: KHR16,818) and term loans were KHR407,806 million as of 30 June 2021 (FY2020: KHR444,426 million).

Board of Directors



Paul Lim Pay Chuan, Executive Chairman



Lim Ah Hock, Director



Han Fatt Juan, Executive Director/Chief Executive Officer



Charles Tan Pu Hooi, Director



Dav Ansan, Independent Non-Executive Director

Message from Chairman

Dear Shareholders,

I would like to start by greeting everyone a very positive “stay safe, wear a mask” message amid the lingering covid pandemic around the region.

The fourth quarter, unfortunately, underwent almost the similar situation with the earlier quarters, where we were striving for as much normalcy possible amidst the movement restriction and challenges of COVID-19 pandemic.

Our dedicated staff force helped to ensure that our office remained opened and site activities being carried out with strict standard operation operational (“SOP”) procedures adherence.


Our boots-on-the-ground are almost 100% fully vaccinated and we conduct regular RTK antigen test with strict SOP for our staff and subcontractors. This will give reassurance to our team on their health and safety against serious COVID-19 infection symptoms when carrying out their job, and to enhance the capability of PESTECH (Cambodia) Plc “PCL” in delivering our commitment in serving our Clients of the Cambodian power infrastructure industry during this challenging period.

The Company held steadfast on its vision to build a locally established brand name based in Cambodia, to serve the Indochina region. The Board envisaged the progressive development of the Company into renewable energy, clean technology, automation, and industrial internet of things, in line with the rapid development in Cambodia.

As PCL continues to deliver positive results with the execution of current jobs in hand, the Company will identify the next catalyst for growth. Tapping onto the presence of its regional group of related companies under the PESTECH family, PCL aims to be the local company that is able to introduce creative technological services and solutions to Cambodia that will be able to help in the path of industrialization of the Country.

With utmost dedication, we reiterate our long-term view of positive growth in the region, especially in Cambodia, and shall continue to build local engineering capability and explore various avenues to bring value-added services and solutions to the nations and their people.

Thank you.



Lim Pay Chuan
Chairman

Date : 12 August 2021

Message from Chief Executive Officer

Greetings dear Shareholders!

PESTECH (Cambodia) Plc. ("PCL") group reported, yet, another improved quarter on quarter result during the final quarter of financial year ("FY") 2021.

Group Revenue recorded a growth from KHR66,974 million in fourth quarter of FY 2020 to KHR110,668 million in the same quarter of FY 2021, a 65% improvement! The Group Operating Profit also recorded positive growth from KHR9,128 million to KHR10,909 million, a more than 19% increase. The resultant Group Profit for the Period showed a respectable more than 6 times expansion to KHR6,712 million in fourth quarter FY 2021 versus KHR987 million in fourth quarter FY 2020.

The Group's current ratio also improved along with its quick ratio. All these indicators showed that the financial well-being of the Group was developing positively in a healthy manner. During quarter 4, the Return on Assets, and Return on Equity were both also strengthened on the back of a positive Profit Margin growth. The enhanced profitability helped to push higher the interest coverage ratio to 1.91 times from 1.18 times in the 4th quarter of FY 2021, an improvement of 61% compared to 4th quarter of FY2020.

Operationally, we successfully acquire the know-how and deploy construction team for the large-scale ground-mounted 20MW solar farm in Krong Bavet. The design and installation of the solar farm has been 100% executing by the Cambodia team using local expertise. As of June 2021, the solar farm is 66.5% completed and is targeted to complete by December 2021. Upon completion of this job, PCL will have reference as a competent EPCC for any large-scale solar farm.

The East Siam Reap – Oddor Meanchey 130km transmission line project was also being carried out progressively, with foundations continued to be constructed, whilst ordering and delivery of materials are to be followed in the next few quarters, which will then continue with the erection of the transmission towers, and the stringing of power conductors will soon commence.

PCL focus will be to continue to explore the use of technology in constructing electrical infrastructure assets. We strive to focus our effort into promoting sustainable construction method in our practise exploring using of precast method to reduce construction material wastage and dependent on manpower.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 12 August 2021

TABLE OF CONTENTS

Financial Highlight.....	i
Financial Summary Charts.....	ii
Board of Directors	iii
Message from Chairman.....	iv
Message from Chief Executive Officer	v

PART 1 - General Information of the Listed Entity

- A. Identity of the Listed Entity
- B. Nature of Business
- c. Quarter's Key Events

PART 2 - Information on Business Operation Performance

- A. Business Operation Performance
- B. Revenue Structure

PART 3 – Financial Statements Reviewed by the External Auditor

PART 4 - Management's Discussion and Analysis

- A. Overview of Operations
- B. Significant Factors Affecting Profit
- C. Material Changes in Sales and Revenue
- D. Impact of Foreign Exchange, Interest Rates and Commodity Prices
- E. Impact of Inflation
- F. Economic / Fiscal / Monetary Policy of Royal Government

PART 5 - Other Necessary Information for Investor Protection (if any)

Signature of Directors of the listed entity

PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

A. Identity of the Listed Entity

Name of the listed entity in Khmer : ផេសតិក (ខេមបូឌា) ម.ក

In Latin : PESTECH (Cambodia) PLC

Standard code : PEPC

Address : No. 6, Street 588, Sangkat Boeung Kok II, Khan Toul Kork, Phnom Penh, Cambodia

Phone number : +855 23 882 105

Fax : +855 23 882 106

Website : www.pestech.com.kh

Email: info@pestech.com.my

Company registration number : 00000957

Date : 5 February 2010

License number : 326 Brk.DnS/ASN

Issued by: MLMUPC Date: 20 December 2018

Disclosure document registration number by SECC : ១៧១/២០ គ.ម.ក / ស.ស.វ. (171/20 SECC/SSR)

SECC Date : ២២ កក្កដា ២០២០ (22 July 2020)

Representative of the listed entity : Paul Lim Pay Chuan

B. Nature of Business

PCL is principally engaged in the provision of comprehensive power system engineering and technical solutions for the:

- design, procurement, construction, installation and commissioning of HV and EHV substations, HV and EHV transmission lines as well as underground power cable systems for electricity transmission and distribution;
- operation and maintenance ("O&M") of electric transmission line and substation; and
- trading of proprietary and non-proprietary power system components and equipment.

C. Quarter's Key Events

There was no key event during the quarter under review.

PART 2 - INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. Business Operation Performance including business segment

The undertaking of engineering, procurement, construction and commissioning (“EPCC”) contract for electrical transmission and substation is the main contributor to the revenue for the quarters amounting to KHR107,478 million (Q4 FY2020: KHR63,764 million), which comprised about 97.1% (Q4 FY2020: 95.2%) of the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,190 million or 2.9% of the total revenue (Q4 FY2020: KHR3,210 million or 4.8%). The operation and maintenance “O&M” in USD based on O&M contracts is USD785,000 every quarter.

During the quarter, we have recognised finance income amounting to KHR2,971 million. Finance income is arising from the compliance with Cambodian International Financial Reporting Standards (“CIFRS”) 15 for some of our projects and it is part of our overall income of the Group.

B. Revenue Structure

No	Source of Revenue	Q4 FY2021		Q4 FY2020		Changes	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation.	107,478	97.1	63,764	95.2	43,714	68.6
2	Operation and Maintenance	3,190	2.9	3,210	4.8	(20)	(0.6)
Total revenue		110,668	100.0	66,974	100.0	43,694	65.2
Finance income from CIRFS15		2,971	-	-	-	2,971	100
Total income		113,639	-	66,974	-	46,665	69.7

PART 3 – Financial Statements Reviewed by the External Auditors

Please refer to the Financial Statements reviewed by the External Auditors, as attached.

PART 4 - MANAGEMENT'S DISCUSSION AND ANALYSIS ("MD&A")

A. Overview of operations

1. Revenue analysis

The revenue for the 3 months financial period ended 30 June 2021 recorded at KHR110,668 million representing an increase of KHR43,694 million or 65.2% as compared to KHR66,974 million for the preceding year corresponding quarter.

The revenue for the quarter was derived from execution of electrical infrastructure projects in Cambodia and Papua New Guinea.

2. Revenue by segment analysis

The undertaking of engineering, procurement, construction and commissioning ("EPCC") contract for electrical transmission and substation is the main contributor to the revenue for the quarters amounting to KHR107,478 million (Q4 FY2020: KHR63,764 million), which comprised about 97.1% (Q4 FY2020: 95.2%) of the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,190 million or 2.9% of the total revenue (Q4 FY2020: KHR3,210 million or 4.8%). The operation and maintenance "O&M" in USD based on O&M contracts is USD785,000 every quarter.

3. Gross profit margin analysis

Gross profit margin in current quarter under review was recorded at 13.1% as compared to 21.9% in the preceding year corresponding quarter, representing a decrease of 8.8%. Higher gross profit margin in the preceding year corresponding period was mainly due to the completion of two projects with cost saving. The gross profit margin for current period is within our expectation.

4. Profit before tax analysis

Profit before tax in current quarter under review was recorded at KHR8,207 million, as compared to profit before tax of KHR1,445 million in the preceding year corresponding quarter, representing an increase of KHR6,762 million or 468.0%.

5. Profit after tax analysis

The result of the current quarter under review was KHR6,712 million as compared to KHR987 million in the preceding year corresponding quarter, representing an increase of KHR5,725 million or 580.0%.

As compared to the result in immediate preceding quarter that recorded at KHR2,220 million, the result for the current quarter has been improved by KHR4,492 million or 202.3% which is mainly attributable to the progress of the new projects.

B. Significant factors affecting profit

During the period under review, there is no significant factors affecting operating profit of the Group.

C. Material changes in sales and revenue

The revenue for the 3 months financial period ended 30 June 2021 recorded at KHR110,668 million representing an increase of KHR43,694 million or 65.2% as compared to KHR66,974 million for the preceding year corresponding quarter. The movement of the revenue for the quarter was mainly derived from phases of execution of existing projects.

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

There was no material impact due to foreign exchange, interest rates and fluctuations of commodity prices.

E. Impact of inflation

Our overheads are subject to the impact of inflation, which is about 10% of our revenue. However, the inflation in Cambodia of 4.0% (as of June 2021, source: *Cambodia Country Economic Update, June 2021: Cambodia's Economy Recovering but Uncertainties Remain*, documents published by The World Bank), only posed about 0.40% impact to our profit. All other operating costs are fixed price for the whole duration of the contract. Other than the aforesaid, there was no other material impact due to inflation.

F. Economic / fiscal / monetary policy of Royal Government

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

PART 5 - OTHER NECESSARY INFORMATION FOR INVESTORS PROTECTION (IF ANY)

There was no other necessary information for investors protection to be disclosed.

Signature of Directors of the Listed Entity
(shall be signed by Chairman or at least 2 directors)

Date: 12 August 2021

Read and Approved by:



Signature

Name : Paul Lim Pay Chuan

Position : Executive Chairman