



PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 3rd Quarter of the Financial Year
Ending 30 June 2021**

Financial Highlights

Financial Position		Q3 FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,062,282	1,016,112
Total Liabilities		975,456	946,155
Total Shareholders' Equity		86,826	69,957
Profit/ (Loss)		Q3 FY2021 KHR'mil	Q3 FY2020 KHR'mil
Total revenues		52,564	48,663
Profit before Tax		3,714	3,166
Profit after Tax		2,220	1,460
Total Comprehensive income/(loss)		6,035	(9,957)
Financial Ratios		Q3 FY2021	FY2020
Solvency ratio		0.81%	7.43%
Solvency ratio (General borrowings) *		58.94%	204.61%
Liquidity ratio	Current ratio	0.87	0.28
	Quick ratio	0.85	0.24
		Q3 FY2021	Q3 FY2020
Profitability ratio	Return on assets	0.21%	0.15%
	Return on equity	2.56%	1.99%
	Gross profit margin	21.15%	33.83%
	Profit margin	4.22%	3.00%
	Earnings per share (for equity listed entity)	30	21
Interest Coverage ratio		1.42	1.47
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 KHR5,805 million and term loans were KHR417,957 million.

Board of Directors



Paul Lim Pay Chuan, 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,

It is with great pleasure for me to present to you the financial report for the third quarter 2021 of PESTECH (Cambodia) Plc. ("PCL").

During this third quarter, PCL continued to experience the global pandemic impact, which affected international traveling, and logistic movement in general.

Our local office remained opened and site activities persisted amidst sporadic difficulties in logistics and paperwork deliveries.

In that regard, the Board is closely monitoring the development of the COVID-19 status in Cambodia, and will take pre-emptive measures when necessary to ensure the health and safety of our team members, whilst maintaining our commitment in serving our Clients of the Cambodian power infrastructure industry.

The Company shall stay focused on its vision to build a locally established power infrastructure brandname based in Cambodia, to serve the Indochina region. Apart from the bread and butter of high voltage and extra high voltage power transmission line and substation projects, we are also determined to play a part in bringing more awareness and implementation of renewable energy projects in the region, particularly towards the industrial and commercial segments of the economy.

On a separate development, the Board highlights herein that since the coup d'état event that took place in Myanmar on the morning of 1 February 2021, its subsidiary in Myanmar had suspended operation until further notice. We are maintaining our office and minimal number of staff force until such time when it is conducive and safe for our subsidiary to begin operation again. The suspension is not expected to bring any negative impact towards the performance of the Company.

Overall, we maintain 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 in the field of power infrastructure build-up to the nations and their people in Cambodia and also Indochina.

Thank you.



Lim Ray Chuan
Chairman

Date : 10 May 2021

Message from Chief Executive Officer

Greetings dear Shareholders!

PESTECH (Cambodia) Plc. (“PCL”) reported a better quarter to quarter result during the third quarter of financial year 2021.

During the quarter, PCL had intensively performed the works on the Okvau Gold Mine in Mondulkiri Province. It is affirmed that the construction of Okvau Gold Mine project would be completed in April 2021 with commissioning to follow thereafter.

We were also actively working on the 20MW large scale photovoltaic solar farm located in Bavet Town, Svey Rieng Province, with the preliminary civil work being carried out progressively, and the ordering of key materials and components being made for eventual delivery in the fourth quarter of 2021 onwards.

On the other hand, on the East Siam Reap – Oddor Meanchey 130km transmission line project, work were being carried out steadily, with foundations being constructed at the locations that were identified. Delivery of materials are expected to follow in the next few quarters, which will then continue with the erection of the transmission towers, and stringing of power conductors.

PCL had also been tasked to carry out certain portion of the works of the 230kV Phnom Penh City Transmission and Distribution System Expansion Project Phase 2(I), which would be an important power infrastructure project in the heart of Phnom Penh city. The project involved the deployment of horizontal directional drilling (“HDD”) machines, which would be capable of bringing the least disruption towards the traffic and pedestrian movements.

We are hopeful to continue the project execution activities amidst this pandemic insurgent period, and strive to work with the relevant authorities in ensuring a safe working environment for all our team members.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 10 May 2021

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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 : ផេស្ទេក (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

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

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 KHR49,378 million (Q3 FY2020: KHR46,383 million), which comprised about 93.9% (Q3 FY2020: 95.3%) to the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,186 million or 6.1% of the total revenue (Q3 FY2020: KHR2,280 million or 4.7%). The increase in revenue recognised under operation and maintenance service as compared to preceding year corresponding quarter was mainly due to commencement of operation of Sihanoukville project in March 2020.

B. Revenue Structure

No	Source of Revenue	Q3 FY2021		Q3 FY2020		Changes	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	Engineering, Procurement, Construction and Commissioning (“EPCC”) contract for electrical transmission and substation.	49,378	93.9	46,383	95.3	2,995	6.5
2	Operation and Maintenance	3,186	6.1	2,280	4.7	906	39.7
Total revenue		52,564	100.0	48,663	100.0	3,901	8.0

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 31 March 2021 recorded at KHR52,564 million representing an increase of KHR3,901 million or 8.0% as compared to KHR48,663 million for the preceding year corresponding quarter.

For the 9 months financial period under review, the revenue recorded at KHR162,862 million representing an increase of KHR27,322 million or 20.2% as compared to KHR135,540 million for the preceding year corresponding period.

The revenue for the quarter and period 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 KHR49,378 million (Q3 FY2020: KHR46,383 million), which comprised about 93.9% (Q3 FY2020: 95.3%) to the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,186 million or 6.1% of the total revenue (Q3 FY2020: KHR2,280 million or 4.7%). The increase in revenue recognised under operation and maintenance service as compared to preceding year corresponding quarter was mainly due to commencement of operation of Sihanoukville project in March 2020.

3. Gross profit margin analysis

Gross profit margin in current quarter under review was recorded at 21.1% as compared to 33.8% in the preceding year corresponding quarter, representing a decrease of 12.7%. Higher gross profit margin in the preceding year corresponding period was mainly due to completion of two major projects with cost savings. The gross profit margin for current period was within our expectation.

4. Profit before tax analysis

Profit before tax in current quarter under review was recorded at KHR3,714 million, as compared to profit before tax of KHR3,166 million in the preceding year corresponding quarter, representing an increase of KHR548 million or 17.3%.

Profit before tax in current period under review was recorded at KHR1,870 million, as compared to profit before tax of KHR36,192 million in the preceding year corresponding period, representing a decrease of KHR34,322 million or 94.8%.

5. Profit after tax analysis

The result of the current quarter under review was KHR2,220 million as compared to KHR1,460 million in the preceding year corresponding quarter, representing an increase of KHR760 million or 52.1%.

The result of current period to date is a loss after tax of KHR741 million as compared to a profit after tax of KHR28,347 million in preceding year corresponding period, representing a decrease of KHR29,088 million or 102.6%. However, as compared to the result in immediate preceding quarter, the overall result for the current period has been improved by KHR2,227 million or 75% 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 31 March 2021 recorded at KHR52,564 million representing an increase of KHR3,901 million or 8.0% as compared to KHR48,663 million for the preceding year corresponding quarter. For the 9 months financial period under review, the revenue recorded at KHR162,862 million representing an increase of KHR27,322 million or 20.2% as compared to KHR135,540 million for the preceding year corresponding period. The movement of the revenue for the quarter and period was mainly derived from phases of execution of existing contracts.

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 15% of our revenue. However, the inflation in Cambodia of 3.1% (as of April 2021, source: *International Monetary Fund: Inflation Rate, average consumer prices*), only posed about 0.47% 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)

Read and Approved by:



Signature

Name : Paul Lim Pay Chuan

Position : Executive Chairman

Date : 10 May 2021