

PESTECH

PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 4th Quarter of the Financial Year
Ended 30 June 2022**

PESTECH

Financial Highlights

Financial Position		Q4 FY2022 KHR'mil	FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,202,282	1,166,882	1,016,112
Total Liabilities		1,092,266	1,072,985	946,155
Total Shareholders' Equity		110,016	93,897	69,957
Profit/ (Loss)		Q4 FY2022 KHR'mil	Q4 FY2021 KHR'mil	Q4 FY2020 KHR'mil
Total Revenues		28,764	110,668	66,974
(Loss)/Profit before Tax		(3,033)	8,207	1,445
Operating profit		2,499	10,909	9,128
(Loss)/Profit after Tax		(3,574)	6,712	987
Total Comprehensive Income/(Loss)		183	6,258	(747)
Financial Ratios		Q4 FY2022	FY2021	FY2020
Solvency ratio		(0.60%)	2.40%	7.43%
Solvency ratio (General borrowings) *		(5.71%)	49.93%	203.87%
Liquidity ratio	Current ratio	0.93	0.90	0.28
	Quick ratio	0.92	0.88	0.24
		Q4 FY2022	Q4 FY2021	Q4 FY2020
Profitability ratio	Return on assets	(0.30%)	0.58%	0.10%
	Return on equity	(3.25%)	7.15%	1.41%
	Gross profit margin	24.33%	13.14%	21.96%
	Profit margin	(12.43%)	6.06%	1.47%
	Earnings per share (for equity listed entity) (Riel)	(47.69)	85.31	13.79
Interest Coverage ratio		0.30	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 Electricite du Cambodge ("EDC"). Borrowing for normal course of business was KHR43,879 million (FY2021: KHR20,554 million) and term loans were KHR372,694 million as of 30 June 2022 (FY2021: KHR407,806 million).

Board of Directors



PESTECH

Message from Chairman

Dear Shareholders,

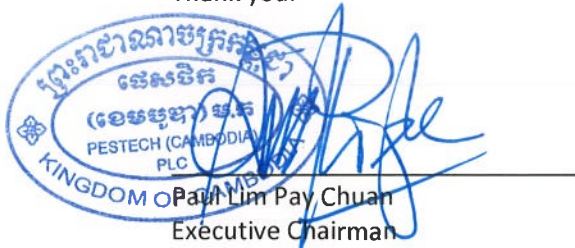
The period towards the closure of financial year (“FY”) 2022 was blustered with unfavourable market sentiments culminating from the Russian-Ukraine conflict, repetitive interest rate hikes, and the prolonged locked down situation in China.

The overall global uncertainties had brought about unforeseen impact to logistic arrangement, supply chain management, irrational movement of prices in goods and materials, and creeping cost of financing. These factors gave rise to unprecedented challenges to the Company in carrying out its project execution and operation. Thus, we observed a decline in general financial performance as we concluded FY 2022. Though we sustained this unprecipitated knockback, the management believes that the adverse impact is transitory in nature, and shall be overcome during the upcoming financial year.

Amidst the recent turbulence, the Company shall maintain its course towards building a Cambodian power infrastructure company that is ready to serve the greater Mekong region through sustainable long term business development endeavor. We shall continue to foster knowledge based talent in Cambodia, nurturing engineering, designing specialists, cultivating skilful operation and maintenance teams, and encouraging continuous acquisition of essential industry knowhow to ensure an unceasing capability and capacity development for the Company.

We would like to reassure our valuable shareholders, customers, suppliers, and various stakeholders of our utmost dedication and tenacity towards delivering reliable power infrastructure projects, and commitment in striving for sustainable growth in the long term.

Thank you.



Paul Lim Pay Chuan
Executive Chairman

The stamp contains the following text: ព្រះរាជាណាចក្រកម្ពុជា (Kingdom of Cambodia), ផែនដីក (Phnom Penh), (ខេមបូឌា) ភ.ក (Cambodia P.K.), PESTECH (CAMBODIA) PLC, and KINGDOM OF CAMBODIA.

Date : 15 August 2022

PESTECH

Message from Chief Executive Officer

Greetings dear Shareholders!

4th quarter (“Q4”) financial year (“FY”) 2022 saw a moderate decline in revenue as a result of impacts from general sluggish macroeconomic and geo-political uncertainties, as prescribed by the Chairman in his statement herein.

Albeit the challenges, our operation and project execution team were steadfast in their vocation that led to the final completion and commercial operation (“COD”) of our Surya Large Scale Solar Plant in Bavet, Svay Rieng Province. Upon COD of the plant, we generate green, sustainable energy to the power grid of Cambodia, thus helps in reducing overall carbon footprint for the Nation throughout the concession period of 20 years.

On the other hand, we had progress as much possible on the 230kV Oddor Meanchey to East Siem Reap Grid Substation transmission line project, achieving over 95% completion as at 30 June 2022. We are heading towards the scheduled commercial operation date, which could be extended until December 2022. The project passes through populated area in Siem Reap, thus requiring extra consideration for the execution, from designing of special pole towers, foundation, erection and stinging activities. As a result, this final portion of the work has progressed in a slightly protracted manner to ensure minimal disruption to community in the area.

Through our long term goal of culminating recurring income stream for the Company, our overall operation and maintenance (“O&M”) contracts for transmission line system and also renewable power generation facility is capable of contributing about USD3.3 million revenue per year. As we move forward, we envisage a steady growth of O&M segment to help create a source of sustainable income for the Company.

We continued with our active procurement of new jobs via participation in tenders opportunities, especially in Cambodia. We are also moving diligently into industrial scale rooftop/ land based solar power generation projects through engagement with renowned multinational companies to promote green energy solutions to various industrial customers in Cambodia.

We hold positive view on the future performance of the Company, and express our gratitude towards our shareholders, customers, suppliers, and fellow PESTIONS for the confidence and support in the path of our development.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 15 August 2022

PESTECH

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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 : ផេសតិក (ខេមបូឌា) ម.ក

In Latin : PESTECH (Cambodia) PLC

Standard code : PEPC

Address : 10th Floor, Building No. 35, Mao Tse Toung Boulevard, Phum 9, Sangkat Boeung Keng Kong I, Khan Boeung Keng Kong, Phnom Penh, Kingdom of Cambodia.

Phone number : +855 23 882 105

Fax : +855 23 882 106

Website : www.pestech.com.kh

Email: info@pestech.com.kh

Company registration number : 00000957

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 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 remains the main contributor to the revenue for the quarter under review amounting to KHR24,533 million (Q4 FY2021: KHR107,478 million), which comprised about 85.3% (Q4 FY2021: 97.1%) of the total revenue.

Supplementing to our EPCC services, the operation and maintenance activities (“O&M”), our O&M income recognised on quarterly basis is KHR3,344 million (approximately USD824,000), which contributed KHR4,231 million or 14.7% of the total revenue (Q4 FY2021: KHR3,190 million or 2.9%).

During the quarter, we had recognised finance income amounting to KHR2,695 million (Q4 FY2021: KHR2,970 million) in compliance with the Cambodian International Financial Reporting Standards (“CIFRS”) 15, for contract assets from some of our projects.

B. Revenue Structure

No	Source of Revenue	Q4 FY2022		Q4 FY2021		Q4 FY2020	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation	24,533	85.3	107,478	97.1	63,764	95.2
2	Operation and Maintenance	4,231	14.7	3,190	2.9	3,210	4.8
	Total revenue	28,764	100.0	110,668	100.0	66,974	100.0
	Finance income for contract assets	2,695	100.0	2,970	100.0	-	-
	Total income	31,459	100.0	113,638	100.0	66,974	100.0



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-month financial period ended 30 June 2022 was recorded at KHR28,764 million, representing a decrease of KHR81,904 million or 74.01% as compared to preceding year corresponding quarter that was recorded at KHR110,668 million. The changes in revenue reflected the execution progress of various projects in Cambodia. Lower revenue in the current quarter under review was mainly due to completion of Bavet project and the progress of East Siem Reap project which has been progressing to the tail end of the project cycle.

2. Revenue by segment analysis

The undertaking of engineering, procurement, construction and commissioning ("EPCC") contract for electrical transmission and substation was the main contributor to the revenue for the quarter under review amounting to KHR24,533 million (Q4 FY2021: KHR107,478 million), which comprised about 85.3% (Q4 FY2021: 97.1%) of the total revenue.

Supplemented to our EPCC services, the operation and maintenance ("O&M"), our O&M income recognised on quarterly basis is KHR3,344 million (approximately USD824,000), which contributed KHR4,231 million or 14.7% of the total revenue (Q4 FY2021: KHR3,190 million or 2.9%).

3. Gross profit ("GP") margin analysis

GP margin in the current quarter under review was 24.33% as compared to 13.14% in the preceding year corresponding quarter, representing an increase of 11.19%. Overall, the GP margin for current period was within the Group's expectation.

4. Profit/(Loss) before tax analysis

Loss before tax in the current quarter under review was recorded at KHR3,033 million, as compared to profit before tax of KHR8,207 million in the preceding year corresponding quarter, representing a decrease of KHR11,240 million or 137.0%. It was mainly attributable to the higher finance costs as compared to preceding year corresponding quarter.

5. Profit/(Loss) after tax analysis

The loss after tax for the current quarter under review was KHR3,574 million as compared to profit after tax of KHR6,712 million in the preceding year corresponding quarter, representing a decrease of KHR10,286 million or 153.2%.

B. Significant factors affecting profit

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

C. Material changes in sales and revenue

The revenue for the 3-month financial period ended 30 June 2022 recorded at KHR28,764 million, representing a decrease of KHR81,904 million or 74.01% as compared to preceding year corresponding quarter recorded at KHR110,668 million. The changes in revenue reflected the execution progress of various project in Cambodia. Lower revenue in the current quarter under review was mainly due to completion of Bavet project and the progress of East Siem Reap project has been progressing to the tail end of the project cycle.

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 were subject to the impact of inflation, which is about 20% of our revenue. However, the inflation in Cambodia of 7.20% (as of 21 July 2022, source: *Khmer Times: May records decade's highest inflation in Cambodia*), only posed about 1.46% impact to our profit. All other operating expenses were fixed cost items for the whole duration of the contract. Other than the aforesaid, there was no other material impact due to inflation.

F. Economic / fiscal / monetary policy of Royal Government

There was no material change in the economic, fiscal, monetary policy of Royal Government or factors that had 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.

PESTECH

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

Date: 15 August 2022
Read and Approved by:



Signature

Name : Paul Lim Pay Chuan
Position : Executive Chairman