

# **PESTECH**

**PESTECH (CAMBODIA) PLC**

**Quarterly Report**

**For the 1<sup>st</sup> Quarter of the Financial Year  
Ending 30 June 2023**

## Financial Highlights

Financial Position		Q1 FY2023 KHR'mil	FY2022 KHR'mil	FY2021 KHR'mil
Total Assets		1,233,923	1,202,282	1,166,882
Total Liabilities		1,123,569	1,092,266	1,072,985
Total Shareholders' Equity		110,354	110,016	93,897
Profit/(Loss)		Q1 FY2023 KHR'mil	Q1 FY2022 KHR'mil	Q1 FY2021 KHR'mil
Total Revenues		32,756	74,157	74,448
(Loss)/Profit before Tax		(4,867)	5,487	(188)
Operating profit		2,459	7,848	6,786
(Loss)/Profit after Tax		(5,332)	4,468	(1,295)
Total Comprehensive Income/(Loss)		338	6,311	(644)
Financial Ratios		Q1 FY2023	FY2022	FY2021
Solvency ratio		(1.01%)	1.68%	2.40%
Solvency ratio (General borrowings) *		(8.25%)	15.95%	49.93%
Liquidity ratio	Current ratio	0.94	0.93	0.28
	Quick ratio	0.93	0.92	0.24
		Q1 FY2023	Q1 FY2022	Q1 FY2021
Profitability ratio	Return on assets	(0.43%)	0.37%	(0.12%)
	Return on equity	(4.83%)	4.06%	(1.38%)
	Gross profit margin	19.98%	14.79%	13.43%
	Profit margin	(16.28%)	6.03%	(1.74%)
	Earnings per share (for equity listed entity) (Riel)	(71.15)	59.62	(17.55)
Interest Coverage ratio		0.24	1.46	0.97
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 KHR55,634 million (FY2022: KHR43,881 million) and term loans were KHR367,905 million as of 30 September 2022 (FY2022: KHR372,692 million).

## Board of Directors





## Message from Chairman

Dear Shareholders

We took our steps into quarter one (1) ("Q1") of financial year ("FY") 2023 bracing the sustaining unfavourable market sentiments extended from the previous FY.

The negative impacts arising from the Russian-Ukraine conflict, repetitive interest rate hikes, and the prolonged locked down situation in China, did not subside during Q1 FY 2023. We were still experiencing headwinds in logistic arrangement, supply chain management, irrational movement of prices in goods and materials, and rising cost of financing.

As such, we observed a persistently depressed financial performance during this quarter under review. Nonetheless, as we highlighted during the previous final quarter of FY 2022, we are hopeful that the current undesirable market conditions are temporary in nature. We will continue to persevere into FY 2023, striving for the best performance the team can deliver amidst the external influencing factors that may dictate our final accomplishment in this FY.

PESTECH (Cambodia) Plc. shall remain focused on its vision to nurture itself as the Cambodian home grown power infrastructure company that serves the greater Mekong region. We aspire to build a capable team of local talent that can lead the Company to venture into regional opportunities, representing a reliable, efficient and effective brand name in driving sustainable energy development.

Once again, we express our highest appreciation to our shareholders, customers, suppliers, and Cambodian PESTION team for the unrelentless support that help propel the Company forward through thick and thin.

Thank you.



Paul Lim Pay Chuan  
Executive Chairman

Date : 10 November 2022

## Message from Chief Executive Officer

Greetings dear Shareholders!

The business operation, unfortunately, didn't manage to bring about positive financial results during this Q1 of FY 2023.

We continued to be plagued with higher operational expenses, which brought down the operational profit margin to about 7.5%. That, coupled with higher financing cost, caused the bottom line to register a deficit of about USD1.3m in Q1 of this FY.

The quarter under review was mainly supported by the progress of 500kV transmission line from Phnom Penh to Cambodia/ Laos Border project together with the JICA-funded 230kV underground cable project. The operation and maintenance team brought about a base turnover that helped buoy the Company.

During the FY under review, our team of engineers and installers successfully completed the 750kWp grid-tier rooftop photovoltaic power generation system for a factory in Kandal Province, together with TotalEnergies. PCL intends to continue the expanding effort in the provision of reliable solutions for grid-tier rooftop solar to identified range of industrial customers in Cambodia. This is also in line with the Group's intention to promote sustainable power development, in support of Cambodian Government's effort to actively integrate renewable energy resources into its energy mix.

PCL had participated in a selection of 220kW and 500kV transmission line tenders in Uzbekistan. We are hopeful that the tendering attempt shall turn out positively, which provide the Company with its first foray venturing into Central Asian region, exporting Cambodian power infrastructure development services internationally.

Backed by such a new prospect, with ample order book in hand, the management maintains its 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 : 10 November 2022

## TABLE OF CONTENTS

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

### **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 Investors 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 : 10<sup>th</sup> Floor, Building No. 35, Mao Tse Toung Boulevard, Phum 09, Sangkat Boeung Keng Kang I, Khan Boeung Keng Kang, Phnom Penh, Kingdom of Cambodia.

Phone number : +855 23 882 105

Fax : +855 23 882 106

Website : [www.pestech.com.kh](http://www.pestech.com.kh)

Email: [info@pestech.com.kh](mailto: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 KHR29,369 million (Q1 FY2022: KHR70,956 million), which is 89.7% (Q1 FY2022: 95.7%) of the total revenue.

Supplementing to our EPCC services, the operation and maintenance (“O&M”) activities, recorded a revenue of KHR3,387 million (approximately USD824,000), which is 10.3% of the total revenue (Q1 FY2022: KHR3,201 million or 4.3%).

During the quarter, the Group recognised finance income amounting to KHR2,728 million (Q1 FY2022: KHR2,984 million) for certain contracts with customer in accordance with Cambodian International Financial Reporting Standards (“CIFRS”) 15. The finance income form part of total income of the Group.

### B. Revenue Structure

No	Source of Revenue	Q1 FY2023		Q1 FY2022		Q1 FY2021	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation	29,369	89.7	70,956	95.7	71,238	95.7
2	Operation and Maintenance	3,387	10.3	3,201	4.3	3,210	4.3
	<b>Total revenue</b>	<b>32,756</b>	<b>100.0</b>	<b>74,157</b>	<b>100.0</b>	<b>74,448</b>	<b>100.0</b>
	Finance income for contract assets	2,728	100.0	2,984	100.0	-	-
	<b>Total income</b>	<b>35,484</b>	<b>100.0</b>	<b>77,141</b>	<b>100.0</b>	<b>74,448</b>	<b>100.0</b>



## **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 September 2022 was recorded at KHR32,756 million, representing a decrease of KHR41,401 million or 55.8% as compared to preceding year corresponding quarter that was recorded at KHR74,157 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 on January 2022 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 remains the main contributor to the revenue for the quarter under review amounting to KHR29,369 million (Q1 FY2022: KHR70,956 million), which is 89.7% (Q1 FY2022: 95.7%) of the total revenue.

Supplementing to our EPCC services, the operation and maintenance ("O&M") activities, recorded a revenue of KHR3,387 million (approximately USD824,000), which is 10.3% of the total revenue (Q1 FY2022: KHR3,201 million or 4.3%).

#### 3. Gross profit ("GP") margin analysis

GP margin in the current quarter under review was 20.0% as compared to 14.8% in the preceding year corresponding quarter, representing an increase of 5.2%. Overall, the GP margin for current period was within the Group's expectation.

#### 4. (Loss)/Profit before tax analysis

Loss before tax in the current quarter under review was recorded at KHR4,867 million, as compared to profit before tax of KHR5,487 million in the preceding year corresponding quarter, representing a decrease of KHR10,354 million or 188.7%. It was mainly attributable to the higher finance costs as compared to preceding year corresponding quarter.

#### 5. (Loss)/Profit after tax analysis

The loss after tax for the current quarter under review was KHR5,332 million as compared to profit after tax of KHR4,468 million in the preceding year corresponding quarter, representing a decrease of KHR9,800 million or 219.3%.

## **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 September 2022 recorded at KHR32,756 million, representing a decrease of KHR41,401 million or 55.8% as compared to preceding year corresponding quarter recorded at KHR74,157 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 on January 2022 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 17% of our revenue. However, the inflation in Cambodia of 5.0% (as of 21 September 2022, source: *Asian Development Bank: ADB Maintains Cambodia's Growth Forecast in 2022, Revises Down Projection for 2023*), only posed about 0.84% 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.



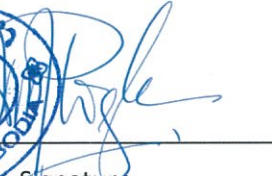

**PART 5 - OTHER NECESSARY INFORMATION FOR INVESTORS PROTECTION (IF ANY)**

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

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

Date: 10 November 2022

Read and Approved by:

Signature

Name : Paul Lim Pay Chuan

Position : Executive Chairman