

PESTECH

PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 1st Quarter of the Financial Year
Ended 30 Sept 2021**

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Signature of Directors of the listed entity

Financial Highlights

Financial Position		Q1 FY2022 KHR'mil	FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,191,789	1,166,882	1,016,112
Total Liabilities		1,091,581	1,072,985	946,155
Total Shareholders' Equity		100,208	93,897	69,957
Profit/ (Loss)		Q1 FY2022 KHR'mil	Q1 FY2021 KHR'mil	Q1 FY2020 KHR'mil
Total Revenues		74,157	74,448	42,709
Profit before Tax		5,487	(188)	1,822
Profit after Tax		4,468	(1,295)	620
Total Comprehensive Income/(Loss)		6,311	(644)	(4,521)
Financial Ratios		Q1 FY2022	FY2021	FY2020
Solvency ratio		1.37%	2.40%	7.43%
Solvency ratio (General borrowings) *		39.58%	49.93%	203.87%
Liquidity ratio	Current ratio	0.92	0.90	0.28
	Quick ratio	0.90	0.88	0.24
		Q1 FY2022	Q1 FY2021	Q1 FY2020
Profitability ratio	Return on assets	0.37%	(0.12%)	0.06%
	Return on equity	4.46%	(1.59%)	0.89%
	Gross profit margin	14.79%	13.43%	7.35%
	Profit margin	6.03%	(1.74%)	1.45%
	Earnings per share (for equity listed entity) (Riel)	59.62	(17.55)	8.73
Interest Coverage ratio		1.46	0.97	1.40
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 KHR14,305 million (FY2021: KHR20,554 million) and term loans were KHR400,048 million as of 30 September 2021 (FY2021: KHR407,806 million).

Board of Directors



Message from Chairman

Dear Shareholders,

We are excited to welcome the financial year (“FY”) 2022 with abundance of prospects and watchful optimisms.

During the first quarter of FY 2022, business activities started to normalized amidst rapid vaccination drive in the country. Cross border access had gradually been relaxed subject to adherence to standard operation procedures (“SOP”). This allowed for better communal business flow and reopening of greater commercial opportunities in the region.

With our dedicated staff force near fully inoculated, both office and site personnel were adequately protected against serious COVID-19 infection symptoms, and thus comforted that they were able to perform their job with peace of mind for themselves and their family.

The Company strived on to deliver positive project and financial performance, evidenced by the first quarter results, and also continued to focus on its vision to build a sustainable corporate entity championing renewable energy, clean technology, automation, and industrial internet of things, in line with the rapid modernization in Cambodia.

We hope to be able to help bring green technology as part of the lifestyle living in the community of Cambodia, through promotion of electric vehicles charging infrastructure, smart electricity management for buildings, and innovation in waste to energy initiatives. In addition to the current widely implemented solar photovoltaic power generation in support of green energy production, PESTECH (CAMBODIA) PLC (“PCL”) would like to extend further the value added initiatives that could bring positive impact towards the long term sustainable livelihood of the Cambodian community.

We continued to dedicate our undivided commitment with respect to the growth of PCL, whilst keeping in our mind on the parallel positive contribution we must bring from the building of power infrastructure towards the overall prosperity of Cambodia. When the country prosper, we shall indeed thrive together!

Thank you.



Paul Lim Pay Chuan
Executive Chairman

Date : 11 November 2021

Message from Chief Executive Officer

Greetings dear Shareholders!

We are pleased to present to you the 1st quarterly results for financial year (“FY”) 2022.

Group Revenue recorded an almost matching result at KHR74,157 million in the first quarter of FY 2022 as compared to the first quarter FY 2021. The Group Operating Profit recorded positive growth from KHR6,786 million to KHR7,848 million. The resultant Group Profit for the Period showed a respectable turnaround performance of KHR4,468 million in the first quarter of FY 2022 versus a negative KHR1,295 million in the first quarter of FY 2021.

The Group’s current ratio and liquidity ratio both improved to 0.92 and 0.90 respectively. These indicators showed that the financial well-being of the Group was developing positively in a healthy manner. During the first quarter, the Return on Assets, and Return on Equity were both recording positive ratio on the back of an enhanced Profit Margin growth of 14.79%. The improved profitability helped to push higher the interest coverage ratio to 1.46 times in the 1st quarter of FY 2022.

Operationally, we were at the final execution stage of the 20MW large scale photovoltaic solar farm located in Bavet Province, with the photovoltaic panels fully erected, and the equipment and components getting final touches during the quarter. Pending eventual delivery of transformers and switchgears, we were committed towards commissioning of the plant within the soonest timeframe possible.

The East Siam Reap – Oddor Meanchey 130km transmission line project was actively being executed, with ordering of materials and construction of transmission towers being expedite to ensure we are on time for stringing of conductors and eventual commissioning schedule.

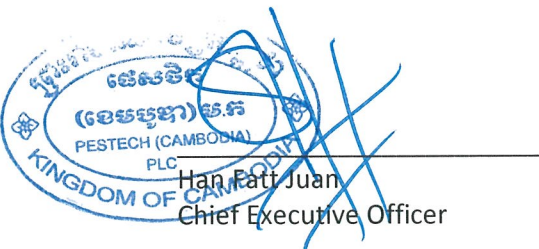
We are confident that with the dedication of our capable local team and the support from our valuable customers, we will be able to consistently deliver positive and successful project execution results for all our stakeholders.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 11 November 2021



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.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 (“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 17 August 2021, the Board had determined the dividend of USD0.0065 per share in respect of the financial year ended 30 June 2021.

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 KHR70,956 million (Q1 FY2021: KHR71,238 million), which comprised about 95.7% (Q1 FY2021: 95.7%) of the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,201 million or 4.3% of the total revenue (Q1 FY2021: KHR3,210 million or 4.3%). 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 for contract assets amounting to KHR2,984 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	Q1 FY2022		Q1 FY2021		Q1 FY2020	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation.	70,956	95.7	71,238	95.7	40,875	95.7
2	Operation and Maintenance	3,201	4.3	3,210	4.3	1,834	4.3
	Total revenue	74,157	100.0	74,448	100.0	42,709	100.0
	Finance income for contract assets	2,984	100.0	-	-	-	-
	Total income	77,141	100.0	74,448	100.0	42,709	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 months financial period ended 30 September 2021 recorded at KHR74,157 million representing the execution progress of various project in Cambodia. The revenue recorded is comparable to the preceding year corresponding quarter. The reported revenue in Khmer riel is lower compared to preceding year corresponding quarter due to exchange rate difference.

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 KHR70,956 million (Q1 FY2021: KHR71,238 million), which comprised about 95.7% (Q1 FY2021: 95.7%) of the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,201 million or 4.3% of the total revenue (Q1 FY2021: KHR3,210 million or 4.3%). 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 14.8% as compared to 13.4% in the preceding year corresponding quarter, representing an increase of 1.4%. 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 KHR5,487 million, as compared to loss before tax of KHR188 million in the preceding year corresponding quarter, representing an increase of KHR5,675 million or 3,018.6%. The increase is mainly contributed by the recognition of finance income for contract assets amounting to KHR2,984 million (Q1 FY2021: Nil) and lower finance cost due to repayment of ring fenced term loans commencing FY2020.

5. Profit after tax analysis

The result of the current quarter under review was KHR4,468 million as compared to loss after tax of KHR1,295 million in the preceding year corresponding quarter, representing an increase of KHR5,763 million or 445.0%.

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

There was no material change in sales and revenue as the change is only 0.4% as compared to preceding year corresponding period.

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 3.0% (as of 27 September 2021, source: *Press release no. 21/276 IMF Staff Completes 2021 Article IV Mission to Cambodia*), only posed about 0.3% 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: 11 November 2021

Read and Approved by:



Signature

Name : Paul Lim Pay Chuan
Position : Executive Chairman