



PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 2nd Quarter of the Financial Year
Ending 30 June 2022**

Financial Highlights

Financial Position		Q2 FY2022 KHR'mil	FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,228,193	1,166,882	1,016,112
Total Liabilities		1,126,731	1,072,985	946,155
Total Shareholders' Equity		101,462	93,897	69,957
Profit/ (Loss)		Q2 FY2022 KHR'mil	Q2 FY2021 KHR'mil	Q2 FY2020 KHR'mil
Total Revenues		58,274	35,924	44,153
Profit before Tax		1,324	(1,657)	31,143
Profit after Tax		656	(1,669)	26,215
Total Comprehensive Income/(Loss)		3,360	(1,050)	23,030
Financial Ratios		Q2 FY2022	FY2021	FY2020
Solvency ratio		0.45%	2.40%	7.43%
Solvency ratio (General borrowings) *		10.87%	49.93%	203.87%
Liquidity ratio	Current ratio	0.93	0.90	0.28
	Quick ratio	0.91	0.88	0.24
		Q2 FY2022	Q2 FY2021	Q2 FY2020
Profitability ratio	Return on assets	0.05%	(0.16%)	2.79%
	Return on equity	0.65%	(2.09%)	32.59%
	Gross profit margin	16.50%	25.18%	102.94%
	Profit margin	1.13%	(4.65%)	59.37%
	Earnings per share (for equity listed entity) (Riel)	8.75	(22.49)	369.23
Interest Coverage ratio		0.78	0.75	4.91
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 KHR16,826 million (FY2021: KHR20,554 million) and term loans were KHR391,405 million as of 31 December 2021 (FY2021: KHR407,806 million).

Board of Directors



Message from Chairman

Dear Shareholders,

We are glad to present to you the 2nd quarterly results of PESTECH (Cambodia) Plc. These results reveal an optimism in the initiation of positive recovery on business operational performance amidst the lingering, but more manageable, pandemic impact particularly in Cambodia, and generally in the region.

According to report from KhmerTimes dated 3 January 2022, for the bracket of 18 year old and above age group, 101.51% of this category of population has been vaccinated, with 96.58% being fully vaccinated. Latest edition of the Nikkei's COVID-19 Recovery Index recently vaulted Cambodia to the prestigious 2nd place, evidencing a significant and effective effort of the Government in managing the recovery process on the country's social, and economy wellbeing as we began to live with COVID-19 as an endemic.

This positive measure from the Government further encourages us to continue dedicating our unwavering commitment in pushing for business growth in this nation. We are confident in laying down long term development plans, with focus into sustainable development in line with PESTECH Group's new tag line: "Energizing Growth Sustainably". We will be steadfast towards championing renewable energy, clean technology, automation, industrial internet of things, and 3R-based business development, to keep abreast with the recovery of the nation.

Asian Development Bank ("ADB") forecasted the economy of Cambodia to grow at the pace of 5.5% in 2022. Currently, ADB is implementing USD2.1 billion of investment projects in Cambodia. In 2020, ADB committed USD477 million in sovereign loans and grants, and catalyzed an additional USD281.3 million through co-financing for Cambodia. ADB's lending pipeline for 2021—2023 includes USD1.35 billion of concessional lending and USD32.4 million in grants to support the country's economic development and recovery from the COVID-19 pandemic. (Source: *Cambodia's Economy to Recover in 2021, Accelerate in 2021*, ADB, 28 April 2021)

The PESTION team in PESTECH (Cambodia) Plc. takes this opportunity to ride along with the wave of impetus growth in Cambodia, contributing our role as the only publicly listed power infrastructure company in the nation, to help develop the building blocks to fuel sustainable social and economic progress of the Kingdom of Cambodia. When the country prosper, we shall indeed thrive together!

Thank you.



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ជាតិ សាសនា ព្រះមហាក្សត្រ
(ខេមបូឌា) ភី.អ
PESTECH (CAMBODIA)
PLC
KINGDOM OF CAMBODIA

Paul Lim Pay Chuan
Executive Chairman

Date : 10 February 2022

Message from Chief Executive Officer

Greetings dear Shareholders!

I am pleased to share with you, herein, the 2nd quarterly (“Q2”) results for financial year (“FY”) 2022.

Total Revenue recorded during Q2 was commendable, reportedly 62% higher at KHR58,274 million quarter to quarter, and 20% year on year. The progress on our transmission line project and also the finalization of the large scale solar plant project were the foremost contributors towards this Total Revenue figure in Q2. The Operating Profit was recorded at 14% betterment quarter to quarter, and 15% year on year. The overall Profit After Tax in Q2 was positive at KHR656 million, a positive trend that we foresee to be sustainable going forward.

The Group’s current ratio was at 0.93, an improved level amidst the condition where PESTECH (Cambodia) Plc. (“PCL”) has been building up its own capability to undertake own funding requirements for its projects portfolio, and started to establish local financing track record in order to prepare itself in charting its long term growth path as a distinct Cambodian listed entity, which is capable of commanding most of its operational and financial requirements in the future.

The final stage of the development of 20MW large scale photovoltaic solar farm located in Bavet Province, had been completed, and shall be proceeding into testing and commissioning phase in the 3rd quarter. We are confident on bringing this renewable energy plant to a full commission by end of January 2022, and contributing towards the sustainable, green energy generation to the national grid of Cambodia.

The project teams handling transmission line projects were also in full force executing various projects in hand at their respective stage of progress. The management of PCL takes this opportunity to send our appreciation to all our operational team, project team, suppliers and customers, for providing the Group their seamless cooperation, dedication, and relentless support towards our business. We also reciprocate by giving our utmost commitment in delivering the best to all the stakeholders of the Group; in line with our Chairman’s vision of “Energizing Growth Sustainably”.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 10 February 2022

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PART 1 - GENERAL INFORMATION OF THE LISTED ENTITY

A. Identity of the Listed Entity

Name of the listed entity in Khmer : **ផេស៊ីក (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, Kingdom of Cambodia. *The Shareholders of the Company had at a Shareholders' meeting held on 10 December 2021 approved the change of address to 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 and it is pending for approval from the Ministry of Commerce (MOC).***

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

Following the approval granted by the Shareholders at the General Shareholders' Meeting held on 10 December 2021 on dividend distribution of USD0.0065 per share in respect of the financial year ended 30 June 2021, the dividend of USD487,142.50 was paid on 28 December 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 KHR55,079 million (Q2 FY2021: KHR32,724 million), which comprised about 94.5% (Q2 FY2021: 91.1%) of the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,195 million or 5.5% of the total revenue (Q2 FY2021: KHR3,200 million or 8.9%). 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 KHR2,972 million (Q2 FY2021: Nil). 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	Q2 FY2022		Q2 FY2021		Q2 FY2020	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	EPCC contract for electrical transmission and substation	55,079	94.5	32,724	91.1	42,334	95.9
2	Operation and Maintenance	3,195	5.5	3,200	8.9	1,819	4.1
	Total revenue	58,274	100.0	35,924	100.0	44,153	100.0
	Finance income for contract assets	2,972	100.0	-	-	-	-
	Total income	61,246	100.0	35,924	100.0	44,153	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 31 December 2021 recorded at KHR58,274 million, representing an increase of KHR22,350 million or 62.2% as compared to preceding year corresponding quarter recorded at KHR35,924 million. The changes in revenue representing the execution progress of various project in Cambodia.

2. Revenue by segment analysis

The undertaking of engineering, procurement, construction and commissioning ("EPC") contract for electrical transmission and substation is the main contributor to the revenue for the quarters amounting to KHR55,079 million (Q2 FY2021: KHR32,724 million), which comprised about 94.5% (Q2 FY2021: 91.1%) of the total revenue.

Supplemented to our EPC services, our operation and maintenance services comprised KHR3,195 million or 5.5% of the total revenue (Q2 FY2021: KHR3,200 million or 8.9%). 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 16.5% as compared to 25.2% in the preceding year corresponding quarter, representing a decrease of 8.7%. The changes in the gross profit margin is very much depending on the margin of each project executed during the period. Overall, 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 KHR1,324 million, as compared to loss before tax of KHR1,657 million in the preceding year corresponding quarter, representing an increase of KHR2,981 million or 179.9%. The increase is mainly contributed by the recognition of finance income for contract assets amounting to KHR2,972 million (Q2 FY2021: Nil).

5. Profit after tax analysis

The result of the current quarter under review was KHR656 million as compared to loss after tax of KHR1,669 million in the preceding year corresponding quarter, representing an increase of KHR2,325 million or 139.3%.

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 December 2021 recorded at KHR58,274 million, representing an increase of KHR22,350 million or 62.2% as compared to preceding year corresponding quarter recorded at KHR35,924 million. The changes in revenue representing the execution progress of various project in Cambodia. For the 6 months financial period under review, the revenue recorded at KHR132,373 million representing an increase of KHR22,215 million or 20.2% as compared to KHR110,158 million of the preceding year corresponding period. The movement of the revenue for the 3 months quarter and 6 months period were 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 9% of our revenue. However, the inflation in Cambodia of 2.9% (as of 4 January 2022, source: *The Phnom Penh Post: Economy may grow 5% in 2022: NBC*), 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

Date: 10 February 2022
Read and Approved by:



Signature
Paul Lim Pay Chuan
Executive Chairman