

PESTECH

PESTECH (CAMBODIA) PLC

Quarterly Report

**For the 2nd Quarter of the Financial Year
Ending 30 June 2021**

Financial Highlights

Financial Position		Q2 FY2021 KHR'mil	FY2020 KHR'mil
Total Assets		1,048,864	1,016,112
Total Liabilities		968,909	946,155
Total Shareholders' Equity		79,955	69,957
Profit/ (Loss)		Q2 FY2021 KHR'mil	Q2 FY2020 KHR'mil
Total revenues		35,924	44,153
(Loss)/Profit before Tax		(1,657)	31,143
(Loss)/Profit after Tax		(1,669)	26,215
Total Comprehensive Loss		(1,050)	23,030
Financial Ratios		Q2 FY2021	FY2020
Solvency ratio		(0.20%)	7.43%
Liquidity ratio	Current ratio	0.83	0.28
	Quick ratio	0.81	0.24
		Q2 FY2021	Q2 FY2020
Profitability ratio	Return on assets	(0.16%)	2.79%
	Return on equity	(2.09%)	32.59%
	Gross (loss)/profit margin	25.18%	102.94%
	(Loss)/Profit margin	(4.65%)	59.37%
	(Loss)/Earnings per share (for equity listed entity)	(22.49)	369.23
Interest Coverage ratio		0.75	4.91
Dividend per share (if any) (for equity listed entity)		-	-
Other Important Ratios (if any)		-	-

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 second quarter 2021 of PESTECH (Cambodia) Plc. ("PCL").

During the quarter under review, i.e. from October to December 2020, PCL was still operating under the global pandemic impact, which affected international traveling, and logistic movement in general. The execution of our works continued to be somewhat affected whenever there were requirements for support from the specialised technical supervision team from international major equipment suppliers.

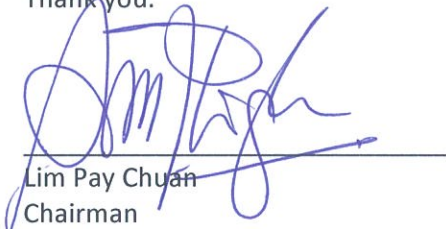
Once again, I like to convey my appreciation to the local team of capable PCL staff force who were able to carry out the necessary tasks at hand amidst this challenging time for various industries all over the world. In that regard, we were fortunate that our Cambodian operation had not been significantly impacted by the pandemic, and PCL remained resilient in continuing its business operation under this new normal due to COVID 19.

PCL continued to explore the opportunities in the renewable energy segment in Cambodia and within the Indochina region, as we carried out our first large scale solar photovoltaic power plant build up in Bavet City, Svay Rieng Province. The Company had also been actively pursuing prospects for industrial scale rooftop solar photovoltaic project, in the aim of assisting heavy power user to diversify their sources of electricity to include green energy option.

The transmission line and substation infrastructure segment remained as our bread and butter, and is expected to continue to contribute substantially towards the growth of the Company. We continued to be committed towards actively participating in the power grid infrastructure build up in Cambodia, whilst concurrently expanding our aspiration in the renewable energy business.

The Company maintained its long term view of positive growth in the region, especially in Cambodia, and continued to build 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 Indochina.

Thank you.



Lim Pay Chuan
Chairman

Date : 5 February 2021

Message from Chief Executive Officer

Greetings dear Shareholders!

PESTECH (Cambodia) Plc. ("PCL") delivered higher Revenue during the 6 months period of financial year 2021, continued to stay focused on the execution of projects in hand during this trying time under the impact of COVID-19 pandemic.

However, due to the stage of project execution, we experienced a higher operating cost registered during the same quarter, which impacted the operating profit for that particular period.

The execution work in relation to the substation project for Okvau Gold Mine in Mondulkiri Province, together with the 135km transmission line project between Oddor Meanchey and East Siem Reap Grid Substation were both actively being carried out during this quarter.

We continue to stay vigilant amidst this period of pandemic uncertainties, but remained fully committed towards the execution of contracts in hand in order to deliver our best services to our Clients and the Utility.

Thank you.



Han Fatt Juan
Chief Executive Officer

Date : 5 February 2021

TABLE OF CONTENTS

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

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 Investor 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 : **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 KHR32,724 million (Q2 FY2020: KHR42,334 million), which comprised about 91.1% (Q2 FY2020: 95.9%) to the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,200 million or 8.9% of the total revenue (Q2 FY2020: KHR1,819 million or 4.1%). 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	Q2 FY2021		Q2 FY2020		Changes	
		KHR'mil	%	KHR'mil	%	KHR'mil	%
1	Engineering, Procurement, Construction and Commissioning (“EPCC”) contract for electrical transmission and substation.	32,724	91.1	42,334	95.9	(9,610)	(22.7)
2	Operation and Maintenance	3,200	8.9	1,819	4.1	1,381	75.9
	Total revenue	35,924	100.0	44,153	100.0	(8,229)	(18.6)

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 2020 recorded at KHR35,924 million representing a decrease of KHR8,229 million or 18.6% as compared to KHR44,153 million for the preceding year corresponding quarter.

For the 6 months financial period under review, the revenue recorded at KHR110,158 million representing an increase of KHR23,782 million or 27.5% as compared to KHR86,376 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.

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 KHR32,724 million (Q2 FY2020: KHR42,334 million), which comprised about 91.1% (Q2 FY2020: 95.9%) to the total revenue.

Supplemented to our EPCC services, our operation and maintenance services comprised KHR3,200 million or 8.9% of the total revenue (Q2 FY2020: KHR1,819 million or 4.1%). 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 in current quarter under review was recorded at 25.18% as compared to 102.94% in the preceding year corresponding quarter, representing a decrease of 77.76%. Higher gross profit margin in the preceding year corresponding period was mainly due to completion of a major project. The gross profit margin for current period's project progress was within our expectation.

4. Profit/(Loss) before tax analysis

Profit/(Loss) before Tax in current quarter under review was recorded at (KHR1,657 million), as compared to profit before tax of KHR31,143 million in the preceding year corresponding quarter, representing a decrease of KHR32,800 million or 105%.

Profit/(Loss) before Tax in current period under review was recorded at (KHR1,855 million), as compared to profit before tax of KHR32,865 million in the preceding year corresponding period, representing a decrease of KHR34,720 million or 106%.

PESTECH

Profit/(Loss) before tax in the current period was mainly attributable to the finance cost of the Group amounting to KHR14,050 million as compared to KHR12,444 million recorded in the preceding year corresponding period due to the financing requirement of the build-transfer projects.

5. Profit/(Loss) after tax analysis

The result of the current quarter and current period to date is a Loss After Tax (“LAT”) of KHR1,669 million and KHR2,968 million respectively. The Group recorded KHR12,085 million profit in operating activities in the last six months. However, the financing cost arising from the investment activities coupled with provision of tax expense, based on 1% of minimum tax according to Cambodia Tax Law, resulted in the loss after tax for this period.

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 2020 recorded at KHR35,924 million representing a decrease of KHR8,229 million or 18.6% as compared to KHR44,153 million for the preceding year corresponding quarter. For the 6 months financial period under review, the revenue recorded at KHR110,158 million representing an increase of KHR23,782 million or 27.5% as compared to KHR86,376 million for the preceding year corresponding period. The movement of the revenue for the 3 months quarter and 6 months quarter 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 15% of our revenue. However, the inflation in Cambodia of 3.7% (as of Nov 2020, source: *National Bank of Cambodia: Consumer Price Index and Inflation Rate*), only posed about 0.56% 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:

A handwritten signature in blue ink, consisting of several loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Signature

Name : Paul Lim Pay Chuan
Position : Executive Chairman