

## PESTECH INTERNATIONAL BERHAD (“PIB” OR “COMPANY”)

### PROPOSED LISTING OF PESTECH (CAMBODIA) PLC (“PCL”), A WHOLLY-OWNED SUBSIDIARY OF PIB, ON THE MAIN BOARD OF CAMBODIA SECURITIES EXCHANGE (“CSX”) (“PROPOSED LISTING”)

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#### 1. INTRODUCTION

- 1.1 On 25 February 2016, PIB announced that it intends to list its indirect wholly-owned subsidiary, PCL, on the CSX.
- 1.2 On 22 December 2017, RHB Investment Bank Berhad, (“**RHB Investment Bank**”), on behalf of the Board of Directors of PIB (“**Board**”), announced that RHB Securities (Cambodia) Plc (formerly known as RHB Indochina Securities Plc), had on behalf of PCL, submitted the applications to the Securities and Exchange Commission of Cambodia (“**SECC**”) and CSX for the Proposed Listing.

Details of the proposals to be implemented pursuant to the Proposed Listing are as follows:

- (i) The internal reorganisation involving PCL comprising the following:
- (a) the transfer of PESTECH Sdn Bhd’s (“**PSB**”) entire equity interest in PCL comprising 1,000 ordinary shares of USD1.00 each to PIB (“**Shares Transfer**”);
  - (b) the subdivision of shares of 1,000 ordinary shares of USD1.00 each in PCL into 10,000 PCL Shares of USD0.10 each (“**PCL Shares**”) and subsequently, the increase in the issued and fully paid share capital of PCL from USD1,000 to USD7.1 million (“**Increase in Share Capital**”); and
  - (c) the conversion of PCL’s legal form from a private limited company to a public limited company (“**Legal Conversion**”);
- and
- (ii) Proposed initial public offering of up to 39,000,000 PCL Shares comprising the following:
- (a) Proposed public issue of 29,000,000 new PCL Shares, representing 29% of the enlarged issued and fully paid share capital of PCL; and
  - (b) Proposed offer for sale by PIB up to 10,000,000 existing PCL Shares, representing up to 10% of the enlarged issued and fully paid share capital of PCL.
- 1.3 On 14 March 2018, PIB announced that it had on 14 March 2018 received notification that the Ministry of Commerce, Cambodia (“**MOC**”) had approved the Shares Transfer.
- 1.4 On 7 June 2018, PIB announced that CSX has, vide its letter dated 6 June 2018 granted its approval-in-principle on 31 May 2018 for the application on the listing eligibility review of PCL.
- 1.5 On 3 July 2018, RHB Investment Bank, on behalf of the Board, announced that MOC had vide its letter dated 27 June 2018, approved the following:
- (i) the Shares Transfer, Increase in Share Capital and Legal Conversion, collectively referred to as the “**Internal Reorganisation**”; and
  - (ii) the appointment of Han Fatt Juan (Director) and Tan Pu Hooi (Director) as the new board members of PCL as well as the change of its name from “PESTECH (Cambodia) Limited” to “PESTECH (Cambodia) PLC” following the Legal Conversion.

As at 19 May 2020, being the latest practicable date prior to this announcement (“**LPD**”), the Internal Reorganisation has been completed. Further details on the Internal Reorganisation are set out in **Section 2.1** of this announcement.

- 1.6 On 10 July 2018, RHB Investment Bank, on behalf of the Board, announced that the Company has received notification on 9 July 2018 that the SECC has, vide its letter dated 6 July 2018, granted the approval-in-principle to PCL for the Proposed Listing. SECC had also granted the registration-in-principle for the offering document of PCL for the offering of its shares to the prospective investors in Cambodia pursuant to the Proposed Listing (“**Disclosure Document**”).
- 1.7 On behalf of the Board, RHB Investment Bank wishes to announce that the Board has decided to vary the listing scheme for the Proposed Listing as follows:

	<b>Initial listing scheme (as announced on 22 December 2017)</b>	<b>Revised listing scheme</b>
Proposed public issue	29,000,000 PCL Shares (29% of the enlarged issued and fully paid share capital of PCL)	Up to 3,945,000 PCL Shares (up to 5.26% of the enlarged issued and fully paid share capital of PCL)
Proposed offer for sale	Up to 10,000,000 existing PCL Shares (up to 10% of the enlarged issued and fully paid share capital of PCL)	Nil

The revised listing scheme will result in lower gross proceeds to be raised by PCL pursuant to the proposed public issue of up to 3,945,000 new PCL Shares (“**Issue Shares**”) (“**Proposed Public Issue**”). Further, PIB will not raise any proceeds from the Proposed Listing as the proposed offer for sale of PCL Shares will not be implemented.

In view that the primary objectives of the Proposed Listing are to enhance PCL and its subsidiaries’ (“**PCL Group**”) stature and heighten PCL Group’s profile as well as to accord strategic investors an opportunity to participate in the future performance of PCL by way of equity participation whilst not diluting PIB’s interest in PCL substantially, the initial listing scheme for the Proposed Listing was varied accordingly.

Further details on the Proposed Listing are set out in the ensuing sections.

## **2. DETAILS OF THE PROPOSED LISTING**

### **2.1 Internal Reorganisation**

To facilitate the Proposed Listing, PIB and its subsidiaries (collectively, “**PIB Group**”) had implemented and completed the Internal Reorganisation. Details of the Internal Reorganisation are set out below.

#### **(i) Shares Transfer**

PSB, a wholly-owned subsidiary of PIB, had transferred its entire equity interest in PCL comprising 1,000 ordinary shares of USD1.00 each to PIB for a nominal sum of USD1,000. The Shares Transfer was completed on 19 February 2018.

Subsequent to the Shares Transfer, PCL became a wholly-owned subsidiary of PIB.

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## (ii) Increase in Share Capital

The increase in the issued and fully paid share capital of PCL was approved by the MOC on 27 June 2018 and was completed as follows:

	No. of Shares	Par value		Total	
		KHR <sup>(1)</sup>	USD	KHR <sup>(1)</sup>	USD
Issued and fully paid share capital (A)	1,000	4,000	1.00	4,000	1,000
Enlarged issued and fully paid share capital after subdivision of shares in (A)	10,000	400	0.10	4,000	1,000
New shares issued pursuant to the capitalisation of amounts due to PIB	50,000,000	400	0.10	20,000,000	5,000,000
New shares issued pursuant to the capitalisation of retained earnings	20,990,000	400	0.10	8,396,000	2,099,000
Existing issued and fully paid share capital	71,000,000	400	0.10	28,400,000	7,100,000

**Note:**

(1) The exchange rate applied for the Increase in Share Capital was USD0.10 to KHR400.

## (iii) Legal Conversion

PCL was converted from a private limited company to a public limited company on 27 June 2018 as approved by MOC on even date.

## 2.2 Proposed subscription

On 22 May 2020, PIB and PCL entered into a share subscription agreement with Maschinenfabrik Reinhausen GmbH ("**Maschinenfabrik Reinhausen**") pursuant to which Maschinenfabrik Reinhausen has been allocated and has agreed to subscribe for 2,631,579 new PCL Shares to be issued pursuant to the Proposed Public Issue at an indicative issue price ("**Issue Price**") of USD0.76 per new PCL Share for a total cash consideration of USD2.0 million ("**Proposed Subscription**") as a cornerstone investor. For clarity, the 2,631,579 new PCL Shares allocated to Maschinenfabrik Reinhausen represents the 2,631,579 new PCL Shares to be made available for application by way of placement to potential investors pursuant to the Proposed Public Issue as set out in **Section 2.3(i)(a)** of this announcement.

The indicative Issue Price of USD 0.76 per new PCL Share has been arrived at after taking into consideration the financial performance and operating history, pro forma consolidated net assets ("**NA**") of PCL, prospects and future plans of PCL, and the prevailing market conditions.

Maschinenfabrik Reinhausen is a German-based manufacturer of electrical and electronic equipment as well as solution provider in the field of power quality solutions. The core business of Maschinenfabrik Reinhausen is the regulation of transformers in transmission and distribution networks.

The completion of the Proposed Subscription is subject to the approvals as set out **Section 8** of this announcement.

## 2.3 Proposed Listing

### (i) Proposed Public Issue

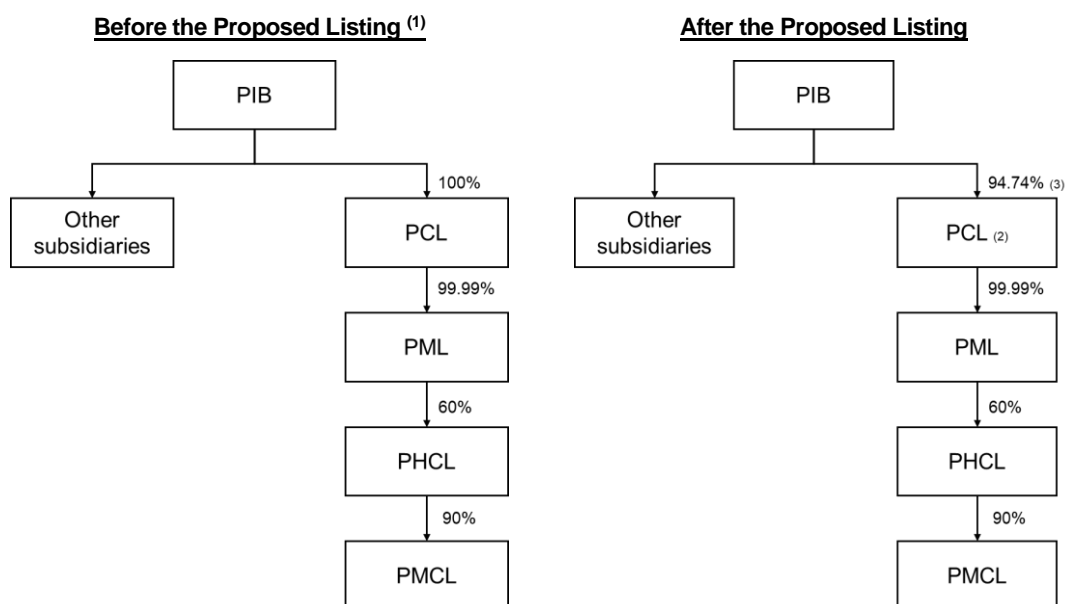
In conjunction with the Proposed Listing, PCL proposes to undertake the Proposed Public Issue of up to 3,945,000 PCL Shares, representing up to 5.26% of the enlarged issued and fully paid share capital of PCL in the following manner:

- (a) 2,631,579 Issue Shares to be made available for application by way of placement to potential investors;
- (b) up to 657,895 Issue Shares to be made available for application by the eligible directors, employees and business associates/persons, who have contributed to the success of PCL; and
- (c) up to 655,526 Issue Shares to be made available for application by the public.

The Issue Shares will rank pari passu in all respects with the existing PCL Shares, including voting rights and rights to all dividends and distributions that may be declared, paid or made on or subsequent to the date of their allotment thereof.

The Board of PCL and RHB Securities (Cambodia) Plc, being the underwriter of the Proposed Public Issue ("**Underwriter**"), have determined and agreed for the indicative Issue Price to be USD0.76 per Issue Share after taking into consideration the discussions with potential cornerstone investors, the financial performance and operating history, pro forma consolidated NA of PCL, prospects and future plans of PCL, and the prevailing market conditions. The final Issue Price is subject to the approval of the CSX and SECC.

### (ii) Corporate structures of PIB Group before and after the completion of the Proposed Listing



**Notes:**

- (1) The corporate structure of PIB Group as at LPD.
- (2) To be listed on the Main Board of CSX.
- (3) Dilution of shareholdings pursuant to Proposed Public Issue

(iii) **Other information**

(a) **Lock-up of PCL Shares**

Pursuant to Article 17 of the listing rules of CSX, PIB's entire shareholding in PCL will be under moratorium for 6 months from the date of admission of PCL on the CSX. PIB has the right to sell up to 50% of its shareholding in PCL after 6 months and the balance after 1 year.

(b) **Financial assistance**

PIB Group has provided financial support to PCL Group in the form of deferred payment for the materials and services provided, advances (deferred payment of more than 6 months) and corporate guarantees for credit facilities to facilitate the latter's ordinary course of business. It is envisaged that PCL Group will continue to require such financial support from PIB Group in the near term given that it is presently still at its growth stage.

Upon completion of the Proposed Listing, PIB Group will continue to provide financial support to PCL Group in meeting its short-term financial requirements as and when it falls due whilst PIB remains as the controlling shareholder of PCL.

(c) **Proposed allocation of Issue Shares to common directors of PIB and PCL**

In conjunction with the Proposed Listing, Lim Ah Hock and Lim Pay Chuan, being the common directors of PIB and PCL, will be allocated Issue Shares in respect of the portion of Issue Shares made available for application by the eligible directors, employees, business associates/persons who have contributed to the success of PCL for subscription ("**Proposed Allocation**"). The Proposed Allocation will be subject to and conditional upon the approval of the shareholders of PIB at an extraordinary general meeting ("**EGM**") to be convened.

**3. INFORMATION ON PCL**

PCL was incorporated in Cambodia on 5 February 2010 as a single member private limited company under the name of Tajri-Pestech JV Limited. PCL assumed its present name on 11 July 2013 and was subsequently converted from a private limited company into a public limited company on 27 June 2018 to facilitate its Listing on the CSX. As at LPD, PCL is a wholly-owned subsidiary of PIB.

PCL is an integrated electric power technology company. PCL Group is principally engaged in the provision of comprehensive power system engineering and technical solutions for the:

- (i) design, procurement, construction, installation and commissioning of high voltage ("**HV**") and extra high voltage ("**EHV**") substations, HV and EHV transmission lines as well as underground power cable systems for electricity transmission and distribution; and
- (ii) trading of proprietary and non-proprietary power system components and equipment.

A summary of the audited financial information of PCL Group for the financial year ended ("**FYE**") 30 June 2018 and FYE 30 June 2019 are set out in **Appendix I** of this announcement.

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#### 4. PROPOSED UTILISATION OF PROCEEDS FROM THE PROPOSED LISTING

The exact amount of gross proceeds to be raised from the Proposed Public Issue will depend on the approval of the indicative Issue Price of USD0.76 per Issue Share by CSX and SECC, of which the final Issue Price will be set out in the Disclosure Document to be issued in due course.

For illustrative purposes, based on the indicative Issue Price of USD0.76 per Issue Share and assuming the issuance of up to 3,945,000 Issue Shares, the Proposed Public Issue will raise gross proceeds of approximately up to USD3.0 million for PCL which are intended to be utilised in the following manner:

Proposed utilisation of proceeds	Expected timeframe for utilisation after the Proposed Listing	USD'000	# RM'000	%
	Proposed Listing			
Financing existing and future projects <sup>(1)</sup>	Within 12 months	2,000	8,690	66.71
Working capital of PCL Group <sup>(2)</sup>	Within 12 months	491	2,133	16.38
Estimated expenses relating to the Proposed Listing <sup>(3)</sup>	Within 3 months	507	2,203	16.91
<b>Total</b>		<b>2,998</b>	<b>13,026</b>	<b>100.00</b>

##### Notes:

# Based on the exchange rate of USD1.00:RM4.345 being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on LPD.

- (1) To finance the costs of PCL's existing and future projects which include, among others, projects' preliminary works, design of substation and transmission lines, purchases of materials and equipment, construction and installation works as well as labour charges.
- (2) To finance the day-to-day operations of PCL including, but not limited to staff costs, purchase and upkeep of motor vehicles and upgrading of office equipment and information technology system, as detailed below:
  - (i) Expansion of the workforce required pursuant to the expansion of its business. PCL anticipates to increase its workforce comprising of permanent and contract employees who will be mostly involved in the current and future projects after being secured;
  - (ii) Purchase and upkeep of motor vehicles which includes, maintenance costs, diesel and fuel expenses for our motor vehicles to run our daily operations; and
  - (iii) Upgrading of office equipment and information technology system, which includes maintenance costs and overheads.
- (3) Including amongst others, professional fees and commission, fees payable to relevant authorities, securities operator, printing, advertising, travel and roadshow expenses, and other incidental expenses in connection with the Proposed Listing. Any variation to the estimated expenses will be adjusted to or from the amount allocated for working capital requirements, as the case may be.

Estimated expenses for the Proposed Listing	Notes	USD	KHR'000^
Underwriter's fees	1	259,964	1,039,856
Submission and registration of Disclosure Document fee (SECC)		4,500	18,000
Listing fees (CSX)	2	16,644	66,576
Printing, advertising, travel and roadshow expenses	3	30,000	120,000
Professional fees	4	152,500	610,000
Other miscellaneous and contingencies	5	43,150	172,600
<b>Total</b>		<b>506,758</b>	<b>2,027,032</b>

**Notes:**

- <sup>^</sup> Based on the assumed exchange rate of USD1.00 to KHR4,000.
- 1 The final fees will be determined based on the final Issue Price after the SECC's approval on the terms of the Underwriter's terms of offer.
- 2 Fees payable to the CSX for the listing eligibility review and initial listing fee.
- 3 Estimated printing cost of the Disclosure Document and application forms to be approximately USD10,000 (KHR40 million) and advertising, travel and roadshow expenses to be approximately USD20,000 (KHR80 million).
- 4 Professional fees comprise of adviser fee, legal advisory fee, reporting accountants' fee and independent market research fee.
- 5 Estimated other miscellaneous and contingencies fees of approximately USD43,150 (KHR172.6 million), comprising:-
  - 5.1 Securities registrar fee: USD10,000 (KHR40 million);
  - 5.2 Disclosure Document translation fee: USD5,000 (KHR20 million); and
  - 5.3 Other miscellaneous and contingencies: USD28,150 (KHR112.6 million).

In the event the final Issue Price is less than the indicative Issue Price of USD0.76 per Issue Share as illustrated above, the gross proceeds from the Proposed Public Issue will be insufficient to meet PCL's estimated listing expenses in connection with the Proposed Listing, whereupon the shortfall shall be paid from its internally generated funds.

## **5. RATIONALE OF THE PROPOSED LISTING**

The rationale of the Proposed Listing is as follows:

### **5.1 For PIB Group**

- (i) to enable PIB to unlock the value of its investments in PCL through the offering of PCL Shares in the Proposed Public Issue and allow for the price discovery of its remaining stake in PCL in the Proposed Listing. This is expected to enhance the value for the shareholders of PIB;
- (ii) to enable both management of PIB and PCL to better focus on growing their respective businesses of investment holding, general trading and provision of management service and construction of electrical substation and transmission lines; and
- (iii) to accelerate the growth of the power transmission infrastructure and products division of PIB with the Proposed Listing and with its continued substantial equity stake in PCL, PIB will continue to benefit from PCL's future growth.

### **5.2 For PCL Group**

- (i) to further enhance PCL Group's stature and heighten PCL Group's profile so as to widen the market reach of its services and grow its market position in Cambodia and Indochina region;
- (ii) to provide an opportunity for the new strategic partner of PCL, eligible directors, employees of PCL and business associates/persons who have contributed to the success of PCL to become shareholders and participate in the future performance of PCL by way of equity participation; and
- (iii) to provide an opportunity for the investing community including the Cambodian public to participate directly in PCL Group's continuing growth in the comprehensive power system engineering and technical solutions business by way of equity participation.

## 6. RISK FACTORS IN RELATION TO THE PROPOSED LISTING

### 6.1 Non-completion of the Proposed Listing

The implementation of the Proposed Listing is conditional upon the fulfilment of all approvals as set out in **Section 8** of this announcement, which includes the final approval from SECC for the Proposed Listing and registration of the Disclosure Document, and the final approval from CSX for the admission of PCL to its official list and the listing of and quotation for PCL's entire enlarged issued and fully paid share capital on the Main Board of CSX.

There can be no assurance that such approvals and/or conditions imposed by the relevant authorities will be obtained and/or satisfied for the Proposed Listing to proceed as anticipated.

Notwithstanding the above, PIB will take all reasonable steps to fulfill the conditions imposed by the relevant authorities, if any, to ensure the completion of the Proposed Listing.

### 6.2 Non-realisation of benefits expected from the Proposed Listing

There can be no assurance that the anticipated benefits arising from the Proposed Listing will materialise in full or at all. The realisation of anticipated benefits is subject to various factors which may be beyond the control of our Company.

## 7. EFFECTS OF THE PROPOSED LISTING

### 7.1 Issued share capital and substantial shareholders' shareholdings

The Proposed Listing will not have any effects on the issued share capital of PIB and the substantial shareholders' shareholdings in PIB as the Proposed Listing does not involve any issuance of new ordinary shares of PIB ("**PIB Shares**").

### 7.2 Earnings and earnings per share ("**EPS**")

The Proposed Listing is expected to be completed by 3<sup>rd</sup> quarter of calendar year 2020. Upon completion of the Proposed Listing, the earnings contribution from PCL to PIB Group will be reduced to the extent of the dilution of PIB's effective equity interest in PCL from 100.00% presently to 94.74%, which in turn contributes to the corresponding reduction in the EPS of PIB. Nonetheless, the Proposed Listing is not expected to have any material effect on the consolidated earnings and EPS of PIB for FYE 30 June 2020.

For illustrative purposes, based on the audited consolidated financial statements of PIB for the FYE 30 June 2019 and on the assumption that the Proposed Listing had been effected at the beginning of the FYE 30 June 2019, i.e. 1 July 2018, the pro forma effects of the Proposed Listing on the consolidated profit after tax ("**PAT**") and EPS of the PIB Group are set out below:

	<b>Audited FYE 30 June 2019</b>	<b>After adjustment of subsequent events</b>	<b>After Proposed Listing</b>
PAT attributable to owners of the Company (RM'000)	78,972	78,972	77,465
Weighted average number of PIB Shares in issue ('000)	764,294	<sup>(1)</sup> 763,130	763,130
EPS (sen)	<u>10.33</u>	<u>10.35</u>	<u>10.15</u>

**Note:**

- (1) After adjusting for a total of 1,163,500 PIB Shares that were repurchased by the Company for a total cash consideration of approximately RM918,327.



### 7.3 NA per PIB Share and gearing of PIB

For illustrative purposes only, based on the latest audited consolidated statement of financial position of PIB as at 30 June 2019, the pro forma effects of the Proposed Listing on the NA, NA per PIB Share and gearing of the PIB Group are as follows:

	<b>Audited as at 30 June 2019</b>	<b>After adjustment of subsequent events</b>	<b>After Proposed Listing</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Share capital	212,672	212,672	212,672
Treasury shares	-	<sup>(3)</sup> (918)	(918)
Reserves	(33,783)	(33,783)	<sup>(4)</sup> (33,527)
Retained earnings	302,703	302,703	<sup>(5)</sup> 308,973
<b>Shareholders' equity/NA</b>	<b>481,592</b>	<b>480,674</b>	<b>487,200</b>
Non-controlling interests	79,297	79,297	<sup>(4)</sup> 82,868
<b>Total equity</b>	<b>560,889</b>	<b>559,971</b>	<b>570,068</b>
Number of PIB Shares in issue ('000)	764,294	<sup>(3)</sup> 763,130	763,130
NA per PIB RM/Share (sen) <sup>(1)</sup>	63.01	62.99	63.84
Total borrowings (RM'000)	1,036,559	1,036,559	1,036,559
Gearing (times) <sup>(2)</sup>	1.85	1.85	1.82

**Notes:**

- (1) Computed by dividing equity attributable to shareholders of the Company with the number of PIB Shares in issue.
- (2) Computed by dividing total borrowings by total equity.
- (3) After adjusting for a total of 1,163,500 PIB Shares that were repurchased by the Company for a total cash consideration of approximately RM918,327.
- (4) After adjusting for the dilution of equity interest in PCL.
- (5) After adjusting for the gain arising from the dilution of equity interest in PCL and after deducting estimated expenses of RM200,000 to be incurred by PIB for the Proposed Listing.

## 8. APPROVALS REQUIRED

The Proposed Listing is subject to and conditional upon the approvals being obtained from the following parties/ authorities:

- (i) the MOC for the Shares Transfer, which was obtained on 14 March 2018;
- (ii) the approval-in-principle of CSX for the application for listing eligibility review of PCL, which was obtained on 31 May 2018;
- (iii) the MOC for the Increase in Share Capital and Legal Conversion, which was obtained on 27 June 2018;
- (iv) the approval-in-principle of SECC for the Proposed Listing, which was obtained on 6 July 2018;

- (v) the approval-in-principle and registration-in-principle of SECC for the Disclosure Document, which was obtained on 6 July 2018, subject to the following conditions:
  - (a) PCL shall appoint an independent director, establish an audit committee, a risk management committee and an internal audit unit and shall furnish to the SECC the underwriting agreement prior to obtaining the final approval from the SECC on the Proposed Listing; and
  - (b) PCL and responsible parties for the Proposed Listing as well as other stakeholders shall determine the share price based on the Disclosure Document which has been approved-in-principle and registered-in-principle by the SECC and in compliance with the laws and regulations as well as other relevant guidelines of the SECC;
- (vi) the final approval of SECC for the Proposed Listing and registration of the Disclosure Document;
- (vii) the final approval of CSX for the admission of PCL to its official list and the listing of and quotation for PCL's entire enlarged issued and fully paid share capital on the Main Board of CSX;
- (viii) the approval of the shareholders of the Company for the Proposed Listing and Proposed Allocation at an EGM to be convened; and
- (ix) any other relevant authorities and/or parties, if required.

The Proposed Listing will result in a dilution of PIB's equity interest in PCL from 100.00% to 94.74%. For shareholders' information purpose, the highest percentage ratio applicable to the Proposed Listing pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is approximately 0.63% based on the audited consolidated net assets of PIB as at the FYE 30 June 2019.

## 9. INTER-CONDITIONALITY

The Proposed Allocation is conditional upon the Proposed Listing. The Proposed Allocation to the respective directors is not inter-conditional upon each other.

The Proposed Listing is not conditional upon any other corporate exercise of the Company.

## 10. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM

Lim Ah Hock is the Executive Chairman of PIB and an Executive Director of PCL. Lim Pay Chuan is the Group Chief Executive Officer of PIB and the Executive Chairman of PCL. Lim Ah Hock and Lim Pay Chuan are also major shareholders of PIB and are indirect shareholders of PCL via their interests in PIB. As both Lim Ah Hock and Lim Pay Chuan (collectively, "**Interested Parties**") are eligible to participate in the subscription of the Issue Shares pursuant to the Proposed Public Issue, they are deemed interested in the Proposed Allocation.

Accordingly, the Interested Parties have abstained and will continue to abstain from deliberating and voting on the Proposed Allocation to themselves as well as to persons connected with them, if any, at the relevant Board meetings of the Company.

Save as disclosed above, none of the directors of the Company, its major shareholders and/or persons connected with them has any interests, direct or indirect, in the Proposed Listing and Proposed Allocation.

## **11. DIRECTORS' STATEMENT**

The Board (save for the Interested Parties with regard to their respective interests in the Proposed Allocation), after having considered all aspects of the Proposed Listing (including but not limited to the rationale and benefit, risk and effects of the Proposed Listing), is of the opinion that the Proposed Listing and Proposed Allocation are in the best interest of the Company.

## **12. ADVISER**

RHB Investment Bank has been appointed as the Principal Adviser to PIB for the Proposed Listing.

## **13. ESTIMATED TIMEFRAME FOR SUBMISSION TO THE RELEVANT AUTHORITIES AND COMPLETION**

Barring any unforeseen circumstances, the applications to the relevant authorities in relation to the Proposed Listing are expected to be made by PCL within 3 months from the date of this announcement.

Barring any unforeseen circumstances and subject to the required approvals being obtained, the Proposed Listing is expected to be completed by 3<sup>rd</sup> quarter of calendar year 2020.

This announcement is dated 22 May 2020.

## **IMPORTANT NOTICE**

*This announcement does not constitute an offer or invitation to subscribe for or purchase any securities, or any offer or invitation to sell, or a solicitation of any offer or invitation to subscribe for or purchase any securities of PCL in any jurisdiction, including Malaysia to or from any person to whom it is unlawful to make such an offer in such jurisdiction.*

*For further information concerning the Proposed Listing which should be considered by shareholders of PIB, please refer to the Disclosure Document of PCL that will be published on CSX website, upon registration of the Disclosure Document with the SECC.*

A summary of the audited financial information of PCL for the past 2 years from 30 June 2018 to 30 June 2019 are as follows:

**STATEMENT OF COMPREHENSIVE INCOME**

	FYE 30 June 2018		FYE 30 June 2019	
	USD'000	KHR'million	USD'000	KHR'million
Revenue	77,157	313,486	56,827	231,058
Cost of sales and construction	(62,967)	(255,834)	(49,770)	(202,365)
<b>Gross profit ("GP")</b>	<b>14,190</b>	<b>57,652</b>	<b>7,057</b>	<b>28,693</b>
Other income	7	29	1,522	6,187
Operating expenses	(4,063)	(16,506)	(2,781)	(11,306)
<b>Operating profit</b>	<b>10,134</b>	<b>41,175</b>	<b>5,798</b>	<b>23,574</b>
Finance income	-	1	12	48
Finance cost	(169)	(688)	(3,467)	(14,094)
<b>Profit before tax ("PBT")</b>	<b>9,965</b>	<b>40,488</b>	<b>2,343</b>	<b>9,528</b>
Income tax expense	(2,384)	(9,684)	(568)	(2,310)
<b>PAT</b>	<b>7,581</b>	<b>30,804</b>	<b>1,775</b>	<b>7,218</b>
Other comprehensive loss	-	-	(1,824)	(7,417)
<b>Total comprehensive (loss)/income for the years</b>	<b>7,581</b>	<b>30,804</b>	<b>(49)</b>	<b>(199)</b>
GP margin (%)	18.39	18.39	12.42	12.42
PBT margin (%)	12.92	12.92	4.12	4.12

**Note:**

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing (April 2016) and have been made using the prescribed official exchange rate of USD1.00 to KHR4,066 published by the General Department of Taxation Cambodia ("GDT") on 30 June 2019 (30 June 2018: USD1.00 to KHR4,063). These translations should not be construed as representations that the USD amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

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**STATEMENT OF FINANCIAL POSITION**

	FYE 30 June 2018		FYE 30 June 2019	
	USD'000	KHR'million	USD'000	KHR'million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	1,913	7,771	2,247	9,135
Intangible assets	-	-	3	12
Contract assets	146,587	595,583	173,059	703,658
	<b>148,500</b>	<b>603,354</b>	<b>175,309</b>	<b>712,805</b>
<b>Current assets</b>				
Trade and other receivables	846	3,436	10,804	43,928
Contract assets	-	-	6,042	24,565
Amounts due from related parties	-	-	1,944	7,907
Cash and cash equivalents	2,084	8,469	13,056	53,086
	<b>2,930</b>	<b>11,905</b>	<b>31,846</b>	<b>129,486</b>
<b>TOTAL ASSETS</b>	<b>151,430</b>	<b>615,259</b>	<b>207,155</b>	<b>842,291</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	7,100	28,847	7,100	28,868
Reserve	52	211	(1,772)	(7,205)
Retained earnings	20,631	83,824	8,595	34,947
<b>Total equity</b>	<b>27,783</b>	<b>112,882</b>	<b>13,923</b>	<b>56,610</b>
<b>Non-current liabilities</b>				
Borrowings	19,945	81,037	95,407	387,925
Derivative financial instruments	-	-	1,824	7,417
	<b>19,945</b>	<b>81,037</b>	<b>97,231</b>	<b>395,342</b>
<b>Current liabilities</b>				
Trade and other payables	48,005	195,043	8,317	33,818
Amounts due to holding company	565	2,296	59,558	242,162
Amounts due to related parties	49,679	201,846	23,018	93,589
Borrowings	2,068	8,402	4,180	16,997
Income tax payable	3,385	13,753	928	3,773
	<b>103,702</b>	<b>421,340</b>	<b>96,001</b>	<b>390,339</b>
<b>Total liabilities</b>	<b>123,647</b>	<b>502,377</b>	<b>193,232</b>	<b>785,681</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>151,430</b>	<b>615,259</b>	<b>207,155</b>	<b>842,291</b>

**Note:**

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing (April 2016) and have been made using the prescribed official exchange rate of USD1.00 to KHR4,066 published by GDT on 30 June 2019 (30 June 2018: USD1.00 to KHR4,063). These convenience translations should not be construed as representations that the USD amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.