

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

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

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#### 1. INTRODUCTION

On 25 February 2016, PIB announced that it intends to list its indirect wholly-owned subsidiary, PCL, on the CSX.

On behalf of the Board of Directors of PIB (“**Board**”), RHB Investment Bank Berhad (“**RHB Investment Bank**”) is pleased to announce that RHB Indochina Securities Plc had on, 22 December 2017, on behalf of PCL, submitted the applications to the Securities and Exchange Commission of Cambodia (“**SECC**”) and CSX for the Proposed Listing (“**Submission**”).

PCL is a wholly-owned subsidiary of PESTECH Sdn Bhd (“**PSB**”), which in turn is a wholly-owned subsidiary of PIB. The Proposed Listing will constitute a deemed disposal by the Company arising from the dilution of up to 39% of its equity interests in PCL.

It is proposed that, upon completion of the Proposed Listing, the Company will continue to be the controlling shareholder of PCL.

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

#### 2. DETAILS OF THE PROPOSED LISTING

##### 2.1 Proposed Listing

PCL proposes to undertake an initial public offering (“**IPO**”) of up to 39,000,000 ordinary shares of United States Dollar (“**USD**”) 0.10 each in PCL (“**PCL Shares**”), representing up to 39% of the enlarged issued and fully paid share capital of PCL in the following manner:

##### (i) Proposed Public Issue

The proposed public issue entails the issuance of 29,000,000 new PCL Shares (“**Issue Shares**”), representing 29% of the enlarged issued and fully paid share capital of PCL (“**Proposed Public Issue**”), comprising the following:

- (a) 20,000,000 Issue Shares to be made available for application by way of placement to potential investors;
- (b) 8,000,000 Issue Shares to be made available for application by the public; and
- (c) 1,000,000 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.

##### (ii) Proposed Offer for Sale

The proposed offer for sale by PIB of up to 10,000,000 existing PCL Shares (“**Offer Shares**”), representing up to 10% of the enlarged issued and fully paid share capital of PCL, to be made available by way of placement to potential investors (“**Proposed Offer for Sale**”).

For clarity, the Issue Shares and Offer Shares (collectively the “**IPO Shares**”) shall only be offered in the Kingdom of Cambodia (“**Cambodia**”). Anyone who intends to subscribe for or purchase the IPO Shares must comply with the laws of Cambodia.

The Proposed Public Issue and Proposed Offer for Sale are collectively known as the “**Proposed Offering**”.

The Proposed Offering will be implemented after the Proposed Internal Reorganisation (as defined herein).

The Proposed Offering will be offered in Khmer Riel (“**KHR**”), the national currency of Cambodia and in USD, the functional currency of PCL, subject to the prevailing exchange rate before issuance of the offering document to the prospective investors in Cambodia pursuant to the Proposed Listing (“**Disclosure Document**”). The investors may select the currency they wish to subscribe to the IPO Shares. The quotation of PCL Shares on the Main Board CSX will be in KHR.

The issue price per Issue Share and offer price per Offer Share (“**IPO Price**”) will be determined and agreed between the Board of Directors of PCL and the underwriter(s) after taking into consideration the operating history, prospects and future plans of PCL, and the prevailing market conditions. The final IPO Price is subject to the approval of the SECC.

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 Offer 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 transfer of the Offer Shares.

PCL transacts its business and maintains its accounting records primarily in USD, hence USD will be PCL’s currency for measurement and presentation.

In conjunction with, and as an integral part of the Proposed Listing, PCL will implement and complete the following prior to the Proposed Listing:

- (i) Prior to the Proposed Public Issue, the issued and fully paid share capital of PCL is expected to increase to USD7.1 million represented by 71 million PCL Shares with par value of USD0.10 each from USD1,000 represented by 1,000 ordinary shares in PCL with par value of USD1.00 each. The reduction in par value of share will be undertaken via a subdivision of shares of 1,000 ordinary shares of USD1.00 each in PCL into 10,000 PCL Shares of USD0.10 each and subsequently, the increase in registered share capital will be undertaken via capitalisation of approximately USD7.1 million comprising amount due to PSB, of USD5 million and capitalisation of retained earnings of approximately USD2.1 million into share capital which represents 71 million PCL Shares of USD0.10 each (“**Proposed Increase in Share Capital**”);

Details of the Proposed Increase in Share Capital are set out as follows:

	No of shares	Par value (USD)	Total (USD)
Existing issued and fully paid share capital (A)	1,000	1.00	1,000
Subdivision of shares in (A)	10,000	0.10	1,000
Capitalisation of amounts due to PSB	50,000,000	0.10	5,000,000
Capitalisation of retained earnings	20,990,000	0.10	2,099,000
Enlarged issued and fully paid share capital*	71,000,000	0.10	7,100,000

**Note:**

\* Before the Proposed Offering

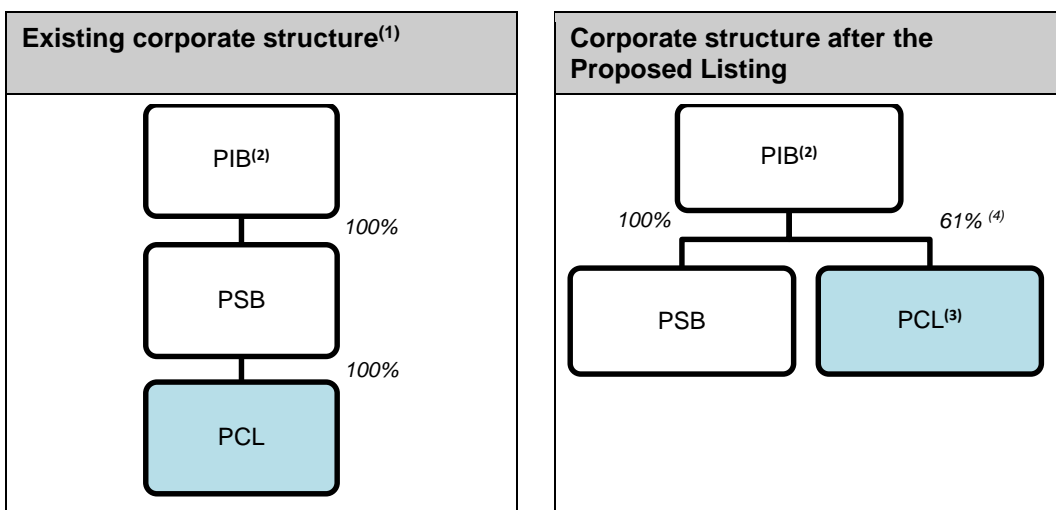
- (ii) PCL’s legal form will be converted from a single member private limited company to a public limited company (“**Proposed Legal Conversion**”); and
- (iii) PIB will acquire the entire stake in PCL held by PSB, a wholly-owned subsidiary of PIB, comprising 71 million ordinary shares of USD0.10 per PCL Share, after the Proposed Increase in Share Capital for the total consideration of approximately USD15.2 million (“**Proposed Shares Transfer**”) based on the net assets of PCL as at 30 June 2017. The Proposed Shares Transfer will be settled via cash at a date to be determined later prior to the Proposed Listing. Upon completion of the Proposed Shares Transfer, PIB will become the immediate holding company of PCL.

(Proposed Increase in Share Capital, Proposed Legal Conversion and Proposed Shares Transfer shall collectively be referred to as the “**Proposed Internal Reorganisation**”).

Details of the Proposed Internal Reorganisation are indicative at this stage and subject to changes. The relevant applications for the Proposed Internal Reorganisation will be submitted to the Ministry of Commerce (“**MOC**”) of Cambodia for approval subsequent to the Submission and it is anticipated that the decision of the MOC will be made prior to the registration of the Disclosure Document with the SECC on the Proposed Listing.

## 2.2 Corporate structure of PCL before and after the completion of the Proposed Listing

The following diagrams set out our corporate structure before and after the Proposed Listing:



### Notes:

- (1) As at 30 November 2017.
- (2) Listed on the Main Market of Bursa Malaysia Securities Berhad (“**Bursa Securities**”).
- (3) Proposed listing on the Main Board of CSX.
- (4) Pursuant to the implementation of the Proposed Internal Reorganisation.

## 3. BACKGROUND INFORMATION ON PCL

PCL was incorporated in the Kingdom of 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 since 11 July 2013. As at 30 November 2017, PCL is a wholly-owned subsidiary of PSB and the issued and fully paid share capital of PCL is USD1,000 consisting of 1,000 PCL Shares with a par value of USD1.00 per PCL Share.

PCL is an integrated electric power technology company. PCL 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.

Details of the financial information of PCL for the financial year ended (“**FYE**”) 30 June 2016 and FYE 30 June 2017 are set out in **Appendix I** of this announcement.

#### **4. DETAILS OF THE PROPOSED PROVISION OF FINANCIAL ASSISTANCE**

For the FYE 30 June 2016 and FYE 30 June 2017, PCL had recorded a negative working capital as a result of its current liabilities exceeding its current assets by approximately USD45.7 million and USD57.2 million respectively. The negative working capital arises from the amount due to PCL's immediate holding company, PSB of approximately USD46.8 million and USD54.6 million for the FYE 30 June 2016 and FYE 30 June 2017 respectively. As a result, PCL will continue to require financial support from its holding company to meet its short term obligations as and when they fall due, even after the completion of the Proposed Listing.

Pursuant to Paragraph 8.23 (1)(iii) of the Main Market Listing Requirements of Bursa Securities (“**MMLR**”), PIB wishes to announce, subject to the terms and structure of the Proposed Listing, PIB and its wholly-owned subsidiary company namely PSB (collectively, “**PCL Holding Companies**”) will provide the financial support to PCL to meet its short term obligations as and when they fall due for at least 12 months from the date of the Disclosure Document and further extended, if required (“**Proposed Provision of Financial Assistance**”).

As PCL is presently at the growth level and requires continuous support from PCL Holding Companies for the immediate term, the Proposed Provision of Financial Assistance is necessary at this stage to facilitate the smooth operation of PCL pending the cash flow from the contracts undertaken by the company to materialise by 2020. Only with the continuation of the Proposed Provision for Financial Assistance, PCL will be able to contribute positively to the growth of PIB and its subsidiaries (“**PIB Group**”) in the future. Notwithstanding the financial support extended by PCL Holding Companies, it is the intention of PCL to seek funding resources from financial institution(s) to ease reliance on PCL Holding Companies for financial support.

The type of financial assistance provided will be in the form of advances for working capital purposes namely payment to suppliers and contractors for the supply of materials, equipment and services provided for the undertaking of contracts by PCL. The form of financial assistance, if necessary, will also cover corporate guarantees, indemnities or collaterals for banking facilities to be secured by PCL. Subject to the terms and structure of the Proposed Listing as set out in this announcement, PCL is unable to determine the exact funding from PCL Holding Companies at this juncture. Further details will be provided in the circular to shareholders for the Proposed Listing when there is more clarity on the quantum of the funding required from PCL Holding Companies, after taking into consideration the banking facilities and debt funding that PCL is able to secure in the immediate future.

Subject to the completion of Proposed Listing and the successful listing of and quotation for PCL on CSX, PSB will commence interest charge at a rate of 4.2% per annum on the amount due to PSB by PCL.

The Proposed Provision of Financial Assistance is not expected to have any effect on the issued share capital and substantial shareholders' shareholdings of PIB. Subject to the exact funding to be made available to PCL under the Proposed Provision of Financial Assistance by PCL Holding Companies, the Proposed Provision of Financial Assistance is not expected to have any material effect on the earnings, net assets and gearing of PIB Group for the financial year ending 30 June 2018.

## 5. PROPOSED UTILISATION OF PROCEEDS

The exact amount to be raised from the Proposed Offering will depend on the final IPO Price which cannot be determined at this juncture. As such, the proposed utilisation of the gross proceeds from the Proposed Offering is based on an indicative IPO Price of USD0.70 or KHR2,825<sup>(1)</sup> per Issue Share and Offer Share.

**Note:**

<sup>(1)</sup> Based on the exchange rate of USD1.00 to KHR4,035 quoted by the National Bank of Cambodia on 30 November 2017.

### 5.1 Proposed Public Issue

For illustration purposes, the estimated gross proceeds of USD20.3 million or KHR81,910 million\* expected to be raised from the Proposed Public Issue based on the indicative IPO Price of USD0.70 or KHR2,825\* per Issue Share will be utilised by PCL in the following manner:

<b>Purposes</b>	<b>Timing of utilisation after Proposed Listing</b>	<b>USD' million</b>	<b>RM' million<sup>#</sup></b>	<b>%</b>
(i) Financing PCL's existing and future projects <sup>(1)</sup>	Within 24 months	16.97	69.36	83.6
(ii) Working capital <sup>(2)</sup>	Within 12 months	2.03	8.30	10.0
(iii) Estimated expenses for the Proposed Listing <sup>(3)</sup>	Within one (1) month	1.30	5.31	6.4
<b>Total gross proceeds</b>		<b>20.30</b>	<b>82.97</b>	<b>100.0</b>

**Notes:**

\* Based on the exchange rate of USD1.00 to KHR4,035 quoted by the National Bank of Cambodia on 30 November 2017.

<sup>#</sup> Converted at the exchange rate of USD1.00:RM4.0875, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 30 November 2017.

- (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.
- (3) Including amongst others, professional fees and commission, fees payable to relevant authorities, printing, advertising, travel and roadshow expenses, and other incidental expenses in connection with the Proposed Listing. If the actual expenses are higher than estimated, the deficit will be funded out of working capital. However, if the actual expenses are lower than estimated, the excess will be utilised for working capital requirements of PCL.

## 5.2 Proposed Offer for Sale

The estimated gross proceeds of up to USD7.0 million or KHR28,245 million\* (equivalent of up to RM28.61 million<sup>(2)</sup>) expected to be raised from the Proposed Offer for Sale based on the indicative IPO Price of USD0.70 or KHR2,825<sup>(1)</sup> per Offer Share will accrue to PIB and will be utilised in the following manner:

<u>Purposes</u>	<u>Timing of Utilisation after Proposed Listing</u>	<u>USD' million</u>	<u>RM' million<sup>#</sup></u>	<u>%</u>
(i) Working capital and/or payment of special dividend <sup>(1)</sup>	Within 24 months	6.58	26.91	94.1
(ii) Estimated expenses for the Proposed Listing <sup>(2)</sup>	Within one (1) month	0.42	1.70	5.9
<b>Total gross proceeds</b>		<b><u>7.00</u></b>	<b><u>28.61</u></b>	<b><u>100.0</u></b>

### Notes:

\* Based on the exchange rate of USD1.00 to KHR4,035 quoted by the National Bank of Cambodia on 30 November 2017.

# Converted at the exchange rate of USD1.00:RM4.0875, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 30 November 2017.

- (1) To finance the day-to-day operations of the Company including, but not limited to payment to suppliers/sub-contractors for the purchase of materials relating to projects, sub-contracting work services, general administrative and operating expenses relating to the Company's business. In addition to the working capital, the Company may propose to utilise the proceeds from the Proposed Offer for Sale as a payment of special dividend subject to the recommendation of the Board. The actual quantum of the proceeds from Proposed Offer for Sale for the working capital and/or payment of special dividend shall be determined by the Board at a later date.
- (2) Comprising professional fees, fees payable to regulatory authority, printing and advertising expenses and extraordinary general meeting ("EGM") related expenses in connection with procuring the approval of the shareholders for the Proposed Listing as well as placement fees, travel and roadshow expenses in connection with the Proposed Offer for Sale under the Proposed Listing. If the actual expenses are higher than estimated, the deficit will be funded out of working capital and/or payment of special dividend. However, if the actual expenses are lower than estimated, the excess will be utilised for working capital and/or payment of special dividend of the Company.

The actual proceeds to be raised from the Proposed Offering will depend on the final IPO Price and actual number of IPO Shares to be offered under the Proposed Offering.

For avoidance of doubt, the Issue Shares under the Proposed Public Issue will be underwritten whilst the Offer Shares under the Proposed Offer for Sale will not be underwritten by the underwriters(s). The sale of the Offer Shares is subject to the prevailing market conditions, which include, among others, current market trends and investors sentiment. Therefore, there can be no assurance that the Proposed Offer for Sale will be implemented as anticipated. Hence, we may not be able to raise the gross proceeds of up to USD7.0 million and utilise it in the manner indicated above. In the event the gross proceeds from the Proposed Offer for Sale is insufficient to meet the estimated listing expenses to be borne by PIB in connection with the Proposed Listing, the amount shall be paid from internally generated funds of the Company.

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

The rationale of the Proposed Listing is as follows:

### **6.1 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 Offering and allow for the price discovery of PIB's remaining stake in PCL in the Proposed Listing. This is expected to enhance the value for the shareholders of PIB;
- (ii) to provide a clearer performance evaluation for the investing community by creating a more focused and streamlined business;
- (iii) 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
- (iv) 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.

### **6.2 For PCL**

- (i) to establish a strong foothold in Cambodia and Indochina region as the management of PCL sees the region as a potential market for the medium and long-term growth;
- (ii) to further enhance the PCL's stature and heighten PCL's profile so as to widen the market reach of its services and grow its market position;
- (iii) to provide an opportunity for the 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;
- (iv) to enable PCL to gain access to the Cambodian capital market to raise funds for its future expansion and growth plans when the need arises in the future; and
- (v) to provide an opportunity for the investing community including the Cambodian public to participate directly in PCL's continuing growth in the comprehensive power system engineering and technical solutions business by way of equity participation.

## **7. RISK FACTORS**

The implementation of the Proposed Listing is subject to the approvals as set out in Section 9 of this announcement. In addition, the success of the Proposed Listing is dependent on market conditions prevailing at the time of implementation. Subject to the prevailing market conditions then, the Company shall decide whether to proceed with the Proposed Listing. Accordingly, there can be no assurance that the Proposed Listing will be implemented as anticipated.

## **8. EFFECTS OF THE PROPOSED LISTING**

### **8.1 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 there will be no new issuance of ordinary shares of PIB ("**PIB Shares**") pursuant to the Proposed Listing.

## 8.2 Earnings and earnings per share (“EPS”)

The Proposed Listing is not expected to have any material effect on the consolidated earnings and EPS of PIB for FYE 30 June 2018 as the Proposed Listing, if successful, is only expected to be completed by the 3<sup>rd</sup> (third) quarter of 2018.

Subsequent to 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% presently to at least 61% as a result of the Proposed Listing. Accordingly, there will be a corresponding reduction in the EPS of PIB due to the reduction of earnings contribution from PCL to PIB Group.

## 8.3 Net assets (“NA”), NA per PIB Share and gearing of PIB

The Proposed Listing is not expected to have any material effect on the NA, NA per PIB Share and gearing of PIB Group. The effects of the Proposed Listing on the NA and NA per PIB Share can only be ascertained once the IPO Price has been determined. Notwithstanding this, the Proposed Listing is not expected to have an effect on the gearing of PIB Group.

## 8.4 Convertible securities

As at 30 November 2017, the Company does not have any convertible securities.

## 9. 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 Proposed Internal Reorganisation;
- (ii) the SECC for the Proposed Listing and registration of the Disclosure Document;
- (iii) the 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;
- (iv) the approval of the shareholders of PIB for the Proposed Listing at an EGM to be convened; and
- (v) any other relevant authorities and/or parties, if required.

The proposed allotment of PCL Shares to Lim Ah Hock and Paul Lim Pay Chuan in conjunction with the Proposed Listing (“**Proposed Allotment**”) via the number of Issue Shares to be made available for application by the eligible directors, employees, business associates/persons who have contributed to the success of PCL is subject to and conditional upon the approval of the shareholders of PIB at an EGM to be convened.

## 10. INTER-CONDITIONALITY

The Proposed Allotment is conditional upon the Proposed Listing. However, the Proposed Listing is not conditional upon the Proposed Allotment. The Proposed Allotment to the respective director is not inter-conditional with each other.

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



**11. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED TO THEM**

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

The directors of PIB and PCL, who are eligible to participate in the Proposed Allotment, are deemed interested in the Proposed Allotment. As such, they will abstain from rendering any opinion and/or making any recommendations to vote in respect of the resolution pertaining to the allocation of PCL Shares to be issued to them pursuant to the Proposed Allotment.

**12. DIRECTORS' STATEMENT**

The Board, 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 is in the best interest of the Company.

Having taken into consideration all aspects of the Proposed Provision of Financial Assistance, the Board is of the view that the Proposed Provision of Financial Assistance is in the best interests of PIB, fair, reasonable and not to the detriment of PIB and its shareholders.

**13. ADVISER**

RHB Investment Bank has been appointed as the Principal Adviser to PIB for the Proposed Listing while RHB Indochina Securities Plc has been appointed as the underwriter to PCL for the Proposed Listing.

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

Barring any unforeseen circumstances, the submission of the draft circular to shareholders of PIB in relation to the Proposed Listing to Bursa Securities for perusal is expected to be made before the date of the final approval from the regulatory authorities in Cambodia as set out in Section 9 of this announcement.

Barring any unforeseen circumstances and subject to all approvals being obtained, the Board expects the Proposed Listing to be completed by the 3<sup>rd</sup> (third) quarter of 2018.

**15. HIGHEST PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposed Listing pursuant to Paragraph 10.02(g) of the MMLR is approximately 11.54% based on the amount of net profits of PCL for the FYE 30 June 2017 arising from the deemed disposal of 39% equity interest of PIB in PCL of approximately USD2.55 million (equivalent to approximately RM10.95 million\*) as compared to the net profits attributable to the owners of PIB for the FYE 30 June 2017 of approximately RM94.91 million.

**Note:**

\* *Converted at the exchange rate of USD1.00:RM4.294, being the middle rate quoted by Bank Negara Malaysia at 5.00 p.m. on 30 June 2017.*

This announcement is dated 22 December 2017.

**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.*

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A summary of the audited financial information of PCL for the past two (2) years from 30 June 2016 to 30 June 2017 are as follows:

**Statement of comprehensive income**

	FYE 30 June 2016		FYE 30 June 2017	
	USD'000	KHR' million	USD'000	KHR' million
Revenue	29,433	120,206	29,785	120,631
Cost of sales and construction	(23,365)	(95,425)	(20,797)	(84,228)
<b>Gross Profit ("GP")</b>	<b>6,068</b>	<b>24,781</b>	<b>8,988</b>	<b>36,403</b>
Other income	-	-	19	76
Operating expenses	(414)	(1,689)	(772)	(3,127)
<b>Operating profit</b>	<b>5,654</b>	<b>23,092</b>	<b>8,235</b>	<b>33,352</b>
Finance income	1	5	-	-
<b>Profit before income tax ("PBT")</b>	<b>5,655</b>	<b>23,097</b>	<b>8,235</b>	<b>33,352</b>
Income tax expense	(1,141)	(4,661)	(1,683)	(6,818)
<b>Profit for the year</b>	<b>4,514</b>	<b>18,436</b>	<b>6,552</b>	<b>26,534</b>
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	<b>4,514</b>	<b>18,436</b>	<b>6,552</b>	<b>26,534</b>
GP Margin (%)	20.62	20.62	30.18	30.18
PBT Margin (%)	19.21	19.21	27.65	27.65

**Note:**

*The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the Law on Corporate Accounts, their Audit and the Accounting Profession of Cambodia and the Law on Accounting and Auditing (April 2016) and have been made using the prescribed official exchange rate of USD1.00 to KHR4,050 published by the GDT on 30 June 2017 (30 June 2016: USD1.00 to KHR4,084). 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.*

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**Statement of financial position**

	As at 30 June 2016		As at 30 June 2017	
	USD'000	KHR' million	USD'000	KHR' million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	347	1,418	450	1,823
Amounts due from customers on contracts	53,942	220,300	71,926	291,300
	54,289	221,718	72,376	293,123
<b>Current assets</b>				
Trade and other receivables	244	998	1,160	4,698
Amounts due from ultimate holding company	1,756	7,172	-	-
Amounts due from a related party	1,461	5,965	1,753	7,101
Cash and cash equivalents	249	1,018	371	1,502
	3,710	15,153	3,284	13,301
<b>TOTAL ASSETS</b>	<b>57,999</b>	<b>236,871</b>	<b>75,660</b>	<b>306,424</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital	1	4	1	4
Retained earnings	8,597	35,109	15,148	61,351
<b>Total equity</b>	<b>8,598</b>	<b>35,113</b>	<b>15,149</b>	<b>61,355</b>
<b>Current liabilities</b>				
Trade and other payables	1,518	6,199	3,739	15,143
Amounts due to holding company	46,796	191,117	54,687	221,484
Amounts due to related parties	32	131	517	2,093
Income tax payable	1,055	4,311	1,568	6,349
<b>Total liabilities</b>	<b>49,401</b>	<b>201,758</b>	<b>60,511</b>	<b>245,069</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>57,999</b>	<b>236,871</b>	<b>75,660</b>	<b>306,424</b>

**Note:**

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the Law on Corporate Accounts, their Audit and the Accounting Profession of Cambodia and the Law on Accounting and Auditing (April 2016) and have been made using the prescribed official exchange rate of USD1.00 to KHR4,050 published by the GDT on 30 June 2017 (30 June 2016: USD1.00 to KHR4,084). 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.