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# PESTECH approved for Cambodia stock market

Som Sarath  
sarath.som@khmertimeskh.com

**PESTECH (Cambodia) Plc**, a subsidiary of Malaysia-based PESTECH International Bhd, has been granted an approval to proceed with its Initial Public Offering (IPO) on the Cambodia Securities Exchange (CSX), the company announced.

Executive Chairman of PESTECH (Cambodia) Paul Lim, said that listing on the CSX marks another milestone for PESTECH Group to solidify the company's geographical presence in the Indochina region.

He said it was good to be headquartered in Cambodia, where there is a growing demand for the development, improvement and upgrading of electricity transmission and distribution assets.

"As far as the IPO goes, we are pleased to have Maschinenfabrik Reinhausen GmbH [MR] as the cornerstone investor for the IPO. We

believe the core expertise of MR in the power engineering and power quality equipment is synergistic to our business growth in Cambodia and beyond," he added.

Lim said the company expects sustainable growth opportunity for PESTECH (Cambodia), where some 1,700 kilometre (km) transmission lines are to be constructed in the next five to six years.

Sou Socheat, director-general of the Securities and Exchange Commission of Cambodia (SECC) has confirmed the approval.

"We have just approved the company's IPO process this week and they will continue the process of subscription and listing on the market soon," he said adding that even though there are challenges in the market we will still be able to move on.

"Thanks to the investors' confidence for our market, the support from all stakeholders is needed to move forward in



National power sub-station located in Bekhlon, Kampong province, which was constructed by PESTECH (Cambodia). Supplied

our market," he said.

The IPO entails the listing of 3,945,000 ordinary shares of PCL at an offer price of \$0.76 (3,120 riels) per share. The total gross proceeds from the IPO amount to approximately \$3 million (12.308 million riels).

According to Lim, PESTECH has built some of the largest and important electrical transmission infrastructures in Cambodia, including the 110km line connecting

Phnom Penh-Kampong Cham, the 125km line connecting Kampong Cham-Kratie and one of the 500 kilovolts (kV) transmission lines in Cambodia for the 190km Phnom Penh-Sihanoukville transmission line which was commissioned in Jan 2020.

He said currently, the company's major ongoing project in Cambodia is the 190km line connecting Stung Tatay Hydro plant to Phnom Penh.

The company said, as of last year, the country's total 2,276km stock of transmission lines, 501km were built by PESTECH (Cambodia) including Cambodia's 500kV backbone Sihanoukville transmission line.

RHB Securities (Cambodia) Plc, which is the company's principal adviser and underwriter for the IPO, said that PESTECH has established good track records in completing major transmission construction

projects in Cambodia.

"We are excited to bring PESTECH (Cambodia) to the market and give the public the opportunity to invest in the fast growing power energy sector in Cambodia," it said.

RHB Securities (Cambodia) said the company will move into 2021 with a relatively strong order book. As of May 2020, the company has a total order book that could last for the next two financial years.

PESTECH (Cambodia)'s EPCC business is also well complemented by its operations and maintenance services, which provide a long-term stream of revenue.

There are currently six companies listed on the equity side of the CSX – Sihanoukville Autonomous port, Phnom Penh Special Economic Zone, Phnom Penh Autonomous Port, Grand Twin International Cambodia, Phnom Penh Water Supply Authority and ACLEDA Bank. ■