



DBD ENGINEERING PLC. First Quarterly Report of 2023

(31 March 2023)

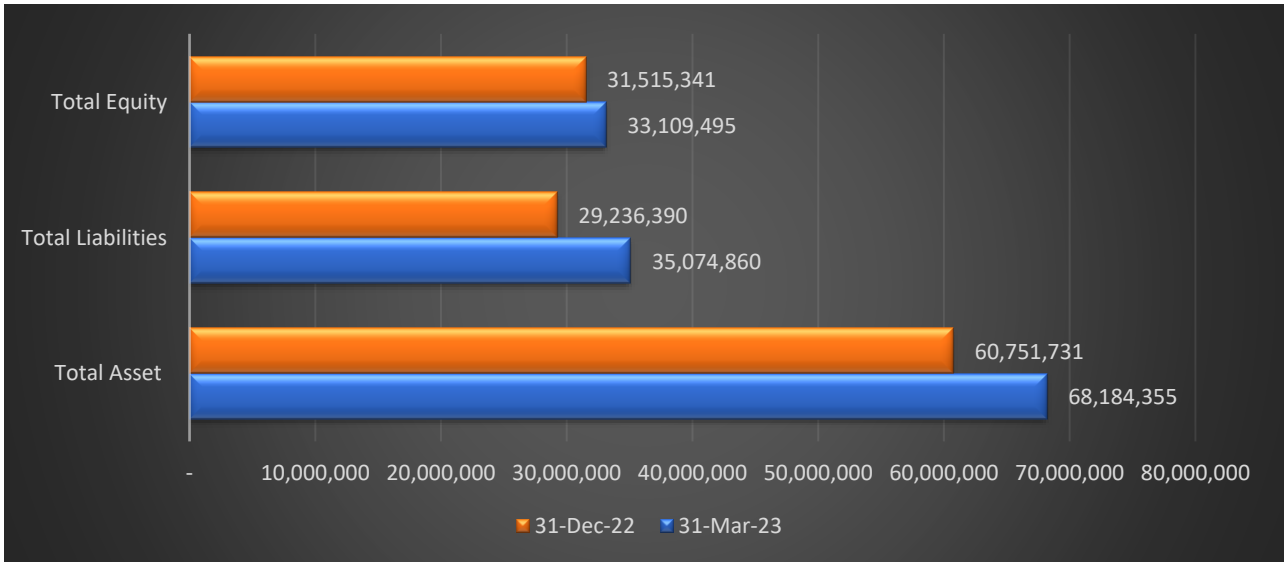


Financial Highlight

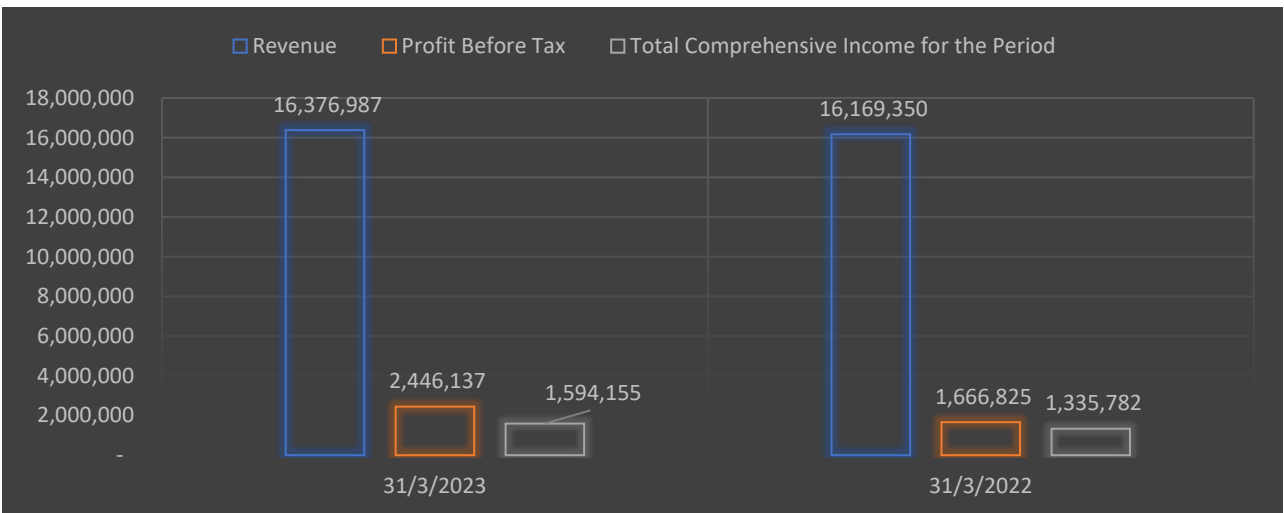
Description		Q1 FY 2023 <i>(Reviewed but Unaudited)</i>	FY 2022 <i>(Audited)</i>
Financial Position (KHR'000)			
Total Asset		68,184,355	60,751,731
Total Liabilities		35,074,860	29,236,390
Total Shareholder's Equity		33,109,495	31,515,341
Profit/ (Loss) (KHR'000)		Q1 FY 2023 <i>(Reviewed but Unaudited)</i>	Q1 FY 2022 <i>(Reviewed but Unaudited)</i>
Revenues		16,376,987	16,169,350
Profit/ (Loss) before Tax		2,446,137	1,666,825
Profit/ (Loss) after Tax		2,091,781	1,557,323
Total Comprehensive income		1,594,155	1,335,782
Financial Ratio		Q1 FY 2023 <i>(Reviewed but Unaudited)</i>	FY 2022 <i>(Audited)</i>
Liquidity ratio	Current ratio	1.71	1.63
	Quick ratio	1.51	1.43
		Q1 FY 2023 <i>(Reviewed but Unaudited)</i>	Q1 FY 2022 <i>(Reviewed but Unaudited)</i>
Profitability ratio	Return on assets (%)	2.34	2.20
	Return on equity (%)	4.81	4.24
	Gross profit margin (%)	26.63	23.87
	Profit margin (%)	9.73	8.26
	Earnings per share	KHR 110	KHR 90
Interest Coverage ratio		6.73	4.48

Financial Summary Chart

❖ Financial Position for Q1 FY 2023 (KHR' 000)



❖ Profit/ (Loss) for Q1 FY 2023 (KHR' 000)



❖ Share Price for Q1 FY 2023



Board of Directors



Mr. NEANG Vithy
Chairman and CEO



Mr. THAI Vantha
Non-Executive Director



Mrs. LIM Muylly
Executive Director and CFO



Mr. RAMI Bashir Asad Sharaf
Non-Executive Director



Mr. HUY Vatharo
Independent Director

Message of Chairman and CEO



On behalf of DBD Engineering Plc. and the Board of Directors, I am pleased to present our fourth quarterly report for the period from 1 January to 31 March 2023 to all stakeholders.

As Q1 FY 2023 DBD reported **total revenue KHR 16,376,987,000** for the first quarter which **increased 1.28 %** compared to KHR 16,169,350,000 in the same quarter of FY 2022. The company report **comprehensive income of KHR 1,594,155,000** for this quarter which **increased 19.34%** compared to KHR 1,335,782,000 in the same quarter of FY 2022. The total assets increased 12.23% compared to year 2022 from KHR 60,751,731,000 to KHR 68,184,355,000.

I would like to express my appreciation to the board of directors, management and staffs, for good advice and your dedicated work for sustain growth of the company.

I also would like to sincerely thanks to the Securities and Exchange Regulator of Cambodia and shareholders who provide trust and support to DBD.

Phnom Penh, Date.....May 15, 2023

Signature and Stamp



Mr. NEANG Vithy
Chairman and Executive Director

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Part 1.-General Information of DBD Engineering Plc.

A. Identity of DBD Engineering Plc.

Name of Company in Khmer	ឌី ប៊ី ឌី អ៊ីនជីនារីង ម.ក
In Latin	DBD Engineering Plc. (DBD)
Standard Code	KH1000150008
Address	NO 1298, Street Betong, Phum Svay Chek, Sangkat Kouk Roka, Khan Prek Pnov, Phnom Penh, Cambodia
Telephone	(+855) 78 700 598
Website	www.dbdengineering.com
Email	services@dbdengineering.com.kh
Registration Number	00004029, date: December 12, 2014, issued by Ministry of Commerce
Authorization and registered documents number	123/21/SSR/SERC, date: June 24,2021, issued by Securities and Exchange Regulator of Cambodia
Representative	Mr. NEANG Vithy

B. Nature of Business

DBB Engineering Plc, was founded in 1995, which makes it one of the oldest engineering & construction company in Cambodia. DBD provides design, construction, installation, and maintenance services to scores of reputed national and internal companies. DBD has an excellent track record of providing high-quality products and services and has achieved an exceptional level of client satisfaction.

Electrical and Construction



Mechanical and Electrical



Building Inspection and Maintenance



Heating, Ventilation, and AC



DBD has strong service and maintenance team to ensure that new buildings or installations remain in top condition, and the company is expanding the ducting production, plants, and equipment maintenance.

Part 2.- Information on Business Operation Performance

A. Business Operation Performance Including Business Segment

In early 2022, DBD Engineering has the first project of the construction and MEP system installation of the building's "WING OFFICE TOWER", which is located at the Preah Monivong blvd and the Kapuchea Krom Blvd, Sangkat Monorom, Khan 7 Makara, Phnom Penh. This project started in 2022 and expect to finish by 2023. In additional, DBD Engineering announced a new project for the “Biomass Steam Boiler Plant” from the BECIS which produces bio-steam power and supply to the Heineken company.

By the way, DBD Participated in construction and continued to build plenty of big projects such as Aeon 1, Aeon 2, North Park condominium, Chip Mong Sen Sok, Chip Mong 598, and Chip Mong 271 etc.

The company currently working on a new system for manpower management, this helps management to get live report more easily on manpower arrangement and monitoring to reduce labor wastage, beside from that the company also implement new module in current accounting system in order to improve the materials cost management.

New Project of Q1 FY 2023

Project	Expected Closing Date
FTB Tower-HVAC	February-2025
OJI Factory	December-2023
Wing PBC Phase 2	19-June-2023
Wing Tower-I.D Lighting	20-June-2023
Wing Tower-Façade Lighting	20-June-2023
Wing Tower – AV Work Package	20-June-2023

Update/Progress of Ongoing Project

Project	Start Date	Progress %
WING Tower	06-Jan-2022	83.02%
DBD New HQ	07-Dec-2021	93%
WING Tower-LED Screen	June-2022	28%
Chip Mong 271 Mega Mall	July-2020	99.95%
Wing Tower-ID Lighting	Jan-2022	28%
B-Quick Aeon 3	27-Mar-2023	1.8%
Tenant Cinema	05-Aug-2022	99.2%
Wing PBC 2	21-Mar-2023	37%
Tenant CMG Office		98%



❖ BIOMASS STEAM BOILER PLANT PROJECT



WING OFFICE TOWER PROJECT



○ CHIP MONG MEGA MALL 271 PROJECT



○ CHIP MONG SENSOK MALL PROJECT



○ WING BANK PROJECT



○ TRIBE HOTEL PHNOM PENH PROJECT

B. Income Structure

DBD has two source revenues, one is from construction which is the main source included new project and repair & maintenance work. The other one is from sale of materials which is a very small compared to total revenue. However, the revenue from sale will be increase after we expended the ducting production, DBD is going to sale this product which currently we only produce for supply to our construction project only.

N ^o	Source of Income	Q1 FY 2023		Q1 FY 2022	
		Amount (KHR'000)	%	Amount (KHR'000)	%
1	Revenue from Maintenance and construction	16,344,258	99.80%	16,087,769	99.50%
2	Revenue from sale material	32,729	0.20%	81,581	0.50%
Total Revenue		<u>16,376,987</u>	<u>100%</u>	<u>16,169,350</u>	<u>100%</u>

As Q1 FY 2023, DBD Report total revenue of KHR 16,376,987,000 which is increased of KHR 207,637,000 equivalent to 1.28 % compared to Q1 FY 2022. The increasing was driven by an increasing of maintenance and construction revenue at 1.59 %.

PART 3.- Reviewed Financial Statement

Please find the information in annex as attached with.

PART 4.- Management's discussion and analysis (MD&A)

The following discussion and analysis are the discussion of management team of DBD Engineering Plc on the operational results and financial situation based on Financial Statement as of 31 March 2023. The management team discussed and analyzed only the key components of the Financial Statement and key factors that affect DBD's profitability.

A. Overview of operations

DBD Engineering Plc was incorporated on 1998 under the Law of Commercial Enterprise of Cambodia. The Company is a construction contractor specializing in MEP and Civil Engineering works, providing mechanical, electrical, plumbing, firefighting, air conditioning-cold room HVAC, and building maintenance.

1- Revenue Analysis

DBD's main revenue is derived from the construction and maintenance services which include MEP and Civil Engineering works, with the total revenues recorded in the financial statements separated into three categories listed such as construction and maintenance, sales of goods, other income. Revenue is recognized when or as a performance obligation in the contract with customer is satisfied, i.e. when the "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The performance obligation is certified by the contractual parties, typically by the Company's project manager, and the client's consultant. To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognizing revenue when/as performance obligation(s) are satisfied

2- Revenue by segment analysis

As Q1 FY 2023, DBD Report total revenue of KHR 16,376,987,000 which is increased of KHR 207,637,000 equivalent to 1.28 % compared to Q1 FY 2022. The increasing was driven by an increasing of maintenance and construction revenue at 1.59 %.

3- Gross profit margin analysis

As Q1 FY 2023, DBD reported gross profit of KHR 4,361,324,000 which is increased of KHR 501,190,000 equivalent to 12.98 % compared to Q1 FY 2022. The increasing was driven by a increasing of revenue.

4- Profit/ (Loss) before tax analysis

Summary of Profit	Q1 FY 2023 KHR'000	Q1 FY 2022 KHR'000	Changed KHR'000	Changed %
Gross Profit	4,361,324	3,860,134	501,190	12.98%
Other Income	3,545	12,299	(8,754)	-71.18 %
Operating Expenses	(1,491,599)	(1,726,649)	(235,050)	-13.61%
Finance Cost	(427,133)	(478,959)	(51,826)	-10.82 %
<u>Profit before Tax</u>	<u>2,446,137</u>	<u>1,666,825</u>	<u>779,312</u>	<u>46.75 %</u>

As Q1 FY 2023, DBD reported profit before tax of KHR 2,446,137,000, increased by KHR 779,312,000 equivalent to 46.75 % compared to Q1 FY 2022. The increasing was driven by increasing of gross profit 12,98% and the decreasing of operation expense 13.61% and financial cost 10.82%.

5- Profit/ (Loss) after tax analysis

Summary of Profit	Q1 FY 2023 KHR'000	Q1 FY 2022 KHR'000	Changed KHR'000	Changed %
Profit before tax	2,446,137	1,666,825	779,312	46.75 %
Income tax expenses	(354,356)	(109,502)	244,854	223.61 %
<u>Profit after tax</u>	<u>2,091,781</u>	<u>1,557,323</u>	<u>534,458</u>	<u>34.32%</u>

For annual income tax, DBD is required to pay is 20% of its taxable income. As Q1 FY 2023, DBD reported profit after tax of KHR 2,091,781,000, increased by KHR 534,458,000 equivalent to 34.32 % compared to Q1 FY 2022. The profit was driven by increasing of profit before tax.

6- Total comprehensive income/(loss) analysis

As Q1 FY 2023, DBD reported total comprehensive income of KHR 1,594,155,000, increase by KHR 258,373,000 equivalent to 19.34 % compared to Q1 FY 2022. The increasing of comprehensive income was driven by increasing of profit before tax.

7- Factors and trends analysis affecting financial conditions and results

As Q1 FY 2023, DBD has no any factors and trends affecting financial conditions and results.

B. Significant factors affecting profit

DBD has observed the following significant factors that may affect our profitability;

1-Demand and supply conditions analysis

According to the Ministry of Land Management, Urban Planning and Construction's Annual Report 2022, construction data shows that there were 4,276 projects nationwide, equal to a total construction floor area of 7,289,765 square meters with an estimated capital investment of USD 2,972,260,928, which is decreased by 44.27% compare to 2021 that had 4,303 project, equal to the total construction floor area of 12,998,072 square meters with the estimated capital investment of USD 5,333,798,525.

DBD is one of the leading Construction Company especially MEP service in Cambodia offering services such as (1) mechanical & electrical contracting, (2) plumbing & fire-fighting contracting, (3) heating, ventilation, and air conditioning, (4) civil construction, and (5) building maintenance.

2-Fluctuations in prices of raw materials analysis

DBD included the expected inflationary in the proposed tender price. If the materials price fluctuates accordance with the inflation rate, there won't be a significant impact to the company's profit. However, if the price of materials increases significantly, it will make loss to company.

3- Tax analysis

DBD has received tax incentive 50% on profit tax for 3 years' period from 2022 to 2024. In accordance with Cambodian tax laws, our Company has the obligation to pay tax on profit at the rate of 20% of taxable profit. Beside tax on profit, we are also subject to a separate minimum tax. The minimum tax is an annual tax with a liability equal to 1% of annual turnover inclusive of all taxes except valued added tax, and in due irrespective of the Company's profit or loss position. Notwithstanding the above, DBD charges VAT of 10% on invoiced amounts when issuing invoices to clients. This VAT is settled with the 10% input tax that DBD pays to the suppliers when making purchases. Moreover, DBD obligated to pay withholding tax on interest income, which is at the rate of 4% for current deposit, deducted by banks, withhold tax at the rate of 15% on the BOD's compensation, and at the rate of 14% (nonresident) to 15% (resident) on expenses related to consultant/advisory service fees, withhold tax on rental income at the rate of 10% import tax on materials and raw materials at rates ranging from 7% to 35%, depending on the type of goods.

4-Exceptional and extraordinary items analysis

There was no exceptional and extraordinary income or expense during the fourth quarter of 2022.

C. Material changes in sales and revenue

As Q1 FY 2023, DBD's revenue from sale of materials has decrease significantly, but there is increasing of revenue as DBD completed some project such as Tenant Market Place, Tenant Food Court, Tenant Paradise, Decathlon Aeon 3 and Tenant CMRT Office. In this Quarter, DBD also get some new project which is the reason of increasing revenue too.

D. Impact of foreign exchange, interest rate and commodity prices

1- Impact on foreign exchange

DBD has no financial assets and liabilities in other foreign currency, except there is a small amount in trade payable are in other currencies such as THB and EUR, and all DBD's borrowings are at fixed rate so there is no impact from the fluctuate of the foreign exchange and interest rate.

2- Impact on interest rates

As Q1 FY 2023, DBD is not exposed to interest rate risk as the Company does not have any floating rate-based financial assets and liabilities.

3- Impact on commodity prices

As Q1 FY 2023, DBD has no material impact of commodity prices on our financial results.

E. Impact of inflation

As Q1 FY 2023, DBD included the expected inflationary in the proposed tender price. If the materials price fluctuates accordance with the inflation rate, there won't be a significant impact to the company's profit.

F. Economic/ fiscal / monetary policy of Royal Government

In the last several years, the real estate and construction sector has been one of the top drivers of economic growth. According to CBRE's report, Cambodian Real Estate Market Outlook 2019, the construction industry grew by 18.1% in 2018, and the number of condominium units grew by roughly 120%. While diverse economic growth factors into the strong performance of the construction industry, Foreign Direct Investment (FDI) is one of the main drivers of the industry. In 2019, FDI in Cambodia accounted for 10.6% of total GDP. In 2018, FDI reached record highs, increasing by 10.7% or USD 300 million from USD 2.8 billion in 2017 to USD 3.1 billion in 2018 (World Bank). A significant local COVID-19 outbreak, real estate market correction following a prolonged construction and property boom, increased credit provided to the construction/real estate/mortgage sector (that recently relies highly on Chinese investment), and high outstanding credit are the current industry vulnerabilities.


PART 5.-Other Necessary Information for Investors Protection

DBD Engineering Plc. has no significant information other than the information disclosed in this report.

Signature of Board of Director

Date..May 15, 2023.....

Read and approved by:



Mr. **NEANG VITHY**
Chairman and Executive Director

**Statement by the Directors
and
Reviewed interim condensed financial
information**

DBD Engineering Plc.

As at 31 March 2023 and for the
three-month period then ended


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Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statement of financial position of DBD Engineering Plc. (**"the Company"**) as at 31 March 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month period then ended, and notes to the interim condensed financial information are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

Signed on behalf of the Board of Directors,



Neang Vithy
Chairman

Phnom Penh, Kingdom of Cambodia
12 May 2023



Grant Thornton

Report on the review of interim condensed financial information

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To the Shareholders of DBD Engineering Plc.

We have reviewed the interim condensed financial information of DBD Engineering Plc. (“the Company”), which comprise the interim statement of financial position as at 31 March 2023, and the related interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended, and explanatory notes (“financial information”). The Board of Directors of the Company is responsible for the preparation and presentation of these interim condensed financial information in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of review

We conducted our review in accordance with Cambodian International Standard on Review Engagements 2410 *Review of Interim Condensed Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial information of the Company is not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

Certified Public Accountants and Auditors

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Other matter

The comparative information on the statement of financial position is based on the Company's audited financial statements as at 31 December 2022 and for the year then ended. The comparative information for the three-month period ended 31 March 2022, on the statements of comprehensive income, cash flows and related explanatory notes were neither reviewed nor audited.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED



Certified Public Accountants
Registered Auditors

Ronald C. Almera
Ronald C. Almera
Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
12 May 2023

Certified Public Accountants and Auditors

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Interim condensed statement of financial position

	Note	(Reviewed but unaudited) 31 March 2023		(Audited) 31 December 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Assets					
Non-current					
Property and equipment - net	6	4,584,342	18,584,922	4,103,738	16,895,089
Intangible assets - net	7	42,303	171,496	43,745	180,098
Other non-current assets	9	20,100	81,485	20,100	82,752
Non-current assets		4,646,745	18,837,903	4,167,583	17,157,939
Current					
Cash and cash equivalents	10	67,066	271,886	21,464	88,367
Guarantee deposits	11	651,218	2,640,038	590,080	2,429,359
Trade receivables	12	2,786,851	11,297,894	3,165,773	13,033,487
Inventories - net	13	1,384,714	5,613,631	1,274,132	5,245,601
Contract assets	14	5,900,251	23,919,618	4,338,772	17,862,724
Amounts due from shareholder	26	136,270	552,439	136,270	561,024
Other current assets	15	1,245,917	5,050,946	1,062,237	4,373,230
Current assets		12,172,287	49,346,452	10,588,728	43,593,792
Total assets		16,819,032	68,184,355	14,756,311	60,751,731
Equity					
Share capital	16	4,615,385	18,796,687	4,615,385	18,796,687
Share premium	16.1	2,158,154	8,779,370	2,158,154	8,779,370
Retained earnings		1,393,579	5,810,748	881,390	3,718,968
Cumulative translation reserves		-	(277,310)	-	220,316
Total equity		8,167,118	33,109,495	7,654,929	31,515,341
Liabilities					
Non-current					
Borrowings - net of current portion	17	1,522,858	6,173,666	599,863	2,469,636
Total non-current liabilities		1,522,858	6,173,666	599,863	2,469,636
Current					
Borrowings	17	1,411,102	5,720,608	893,783	3,679,705
Overdraft	18	2,927,515	11,868,146	2,410,984	9,926,020
Trade and other payables	19	1,369,322	5,551,231	1,080,244	4,447,365
Contract liabilities	14	1,409,863	5,715,585	2,105,254	8,667,331
Current income tax liability	25.3	11,254	45,624	11,254	46,333
Current liabilities		7,129,056	28,901,194	6,501,519	26,766,754
Total liabilities		8,651,914	35,074,860	7,101,382	29,236,390
Total equity and liabilities		16,819,032	68,184,355	14,756,311	60,751,731

The accompanying notes are an integral part of these interim condensed financial information.

Interim condensed statement of comprehensive income

	Note	(Reviewed but unaudited) For the three-month period ended 31 March 2023		(Unreviewed and unaudited) For the three-month period ended 31 March 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Revenue	20	4,010,036	16,376,987	3,979,658	16,169,350
Cost of services and goods sold	21	(2,942,131)	(12,015,663)	(3,029,588)	(12,309,216)
Gross profit		1,067,905	4,361,324	950,070	3,860,134
Other income	23	868	3,545	3,027	12,299
Operating expenses	22	(365,230)	(1,491,599)	(424,969)	(1,726,649)
Finance costs	24	(104,587)	(427,133)	(117,883)	(478,959)
Profit before tax		598,956	2,446,137	410,245	1,666,825
Income tax expense	25.1	(86,767)	(354,356)	(26,951)	(109,502)
Profit for the period		512,189	2,091,781	383,294	1,557,323
Other comprehensive loss –					
Currency translation differences		-	(497,626)	-	(221,541)
Total comprehensive income for the period		512,189	1,594,155	383,294	1,335,782

The earnings per share attributable to shareholders of the Company during the period are as follows:

Basic earnings per share	29	0.03	0.11	0.02	0.09
Diluted earnings per share	29	0.03	0.11	0.02	0.09

Interim condensed statement of changes in equity

	Share capital		Share premium		Retained earnings		Cumulative translation reserves	USD	Total KHR'000 (Note 3)
	USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)	USD	KHR'000 (Notes 3)	KHR'000 (Note 3)		
(Reviewed but unaudited)									
Balance at 1 January 2023	4,615,385	18,796,687	2,158,154	8,779,370	881,389	3,718,968	220,316	7,654,929	31,515,341
Profit for the period	-	-	-	-	512,189	2,091,780	-	512,189	2,091,780
Currency translation differences	-	-	-	-	-	-	(497,626)	-	(497,626)
Balance at 31 March 2023	4,615,385	18,796,687	2,158,154	8,779,370	1,393,578	5,810,748	(277,310)	8,167,118	33,109,495
(Audited)									
Balance at 1 January 2022	4,615,385	18,796,687	2,158,154	8,779,370	2,281,664	9,441,887	(127,047)	9,055,203	36,890,897
Loss for the period	-	-	-	-	(1,192,146)	(4,872,300)	-	(1,192,146)	(4,872,300)
Dividends paid	-	-	-	-	(208,128)	(850,619)	-	(208,128)	(850,619)
Currency translation differences	-	-	-	-	-	-	347,363	-	347,363
Balance at 31 December 2022	4,615,385	18,796,687	2,158,154	8,779,370	881,390	3,718,968	220,316	7,654,929	31,515,341

The accompanying notes are an integral part of these interim condensed financial information.

Interim condensed statement of cash flows

	Note	(Reviewed but unaudited) For the three-month period ended 31 March 2023		(Unreviewed and unaudited) For the three-month period ended 31 March 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Cash flows from operating activities					
Profit before income tax		598,956	2,446,136	410,245	1,666,005
Adjustments for:					
Depreciation and amortisation		40,153	163,985	51,517	209,212
Finance costs	24	104,587	427,133	188	763
Interest income		(104,587)	(427,133)	-	-
Loss on disposal of property and equipment	6	(3)	(12)	117,883	478,723
Gain on foreign exchange		(3)	(12)	-	-
Operating profit before working capital changes		743,961	3,038,337	579,833	2,354,703
Changes in working capital					
Net changes in:					
Contract assets		(1,561,479)	(6,377,080)	872,345	3,542,593
Other current assets		(183,676)	(750,133)	(215,511)	(875,190)
Inventories - net		(110,582)	(451,617)	756,942	3,073,941
Guarantee deposits		(61,138)	(249,688)	(415,000)	(1,685,315)
Trade receivables		378,922	1,547,517	944,713	3,836,479
Other non-current assets		-	-	(50)	(203)
Overdrafts		516,531	2,109,513	(361,857)	(1,469,501)
Trade and other payables		289,078	1,180,595	(743,451)	(3,019,155)
Contract liabilities		(695,391)	(2,839,977)	794,678	3,227,187
Cash (used in)/ generated from operations		(788,632)	(3,220,773)	2,212,642	8,985,539
Interest received		104,587	427,133	-	-
Income tax paid	25.3	(86,767)	(354,356)	(26,951)	(109,448)
Net cash (used in)/ from operating activities		(770,812)	(3,147,996)	2,185,691	8,876,091

The accompanying notes are an integral part of these interim condensed financial information.

Interim condensed statement of cash flows (continued)

	Note	(Reviewed but unaudited)		(Unreviewed and unaudited)	
		For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
		USD	KHR'000	USD	KHR'000
			(Note 3)		(Note 3)
Investing activities					
Acquisitions of property and equipment and intangible assets	6 and 7	(519,367)	(2,121,095)	(166,180)	(674,856)
Proceeds from disposals of property and equipment	6	55	225	-	-
Net cash used in investing activities		(519,312)	(2,120,870)	(166,180)	(674,856)
Financing activities					
Repayments of borrowings	17	(928,600)	(3,792,402)	(4,202,986)	(17,068,327)
Drawdown of borrowings	17	2,368,914	9,674,645	2,800,385	11,372,364
Payments of interest	17	(104,587)	(427,133)	(117,883)	(478,723)
Repayments of lease liabilities	8	-	-	(15,798)	(64,156)
Net cash from/(used in) financing activities		1,335,727	5,455,110	(1,536,282)	(6,238,842)
Net change in cash and cash equivalents during the period		45,602	186,244	483,229	1,962,396
Cash and cash equivalents, beginning of period		21,464	88,367	225,120	917,135
Currency translation differences		-	(2,725)	-	(10,717)
Cash and cash equivalents, end of period		67,066	271,886	708,349	2,868,813

The accompanying notes are an integral part of these interim condensed financial information.

Notes to the interim condensed financial statements

1 The Company

DBD Engineering Plc., (“the Company”) is a public limited company established under the laws of the Kingdom of Cambodia on 10 March 1998 with registration number Co. 00004029 from the Ministry of Commerce. In accordance with its Memorandum and Articles of Association, the allowed duration of the Company’s operation is 99 years beginning from the date of registration with the Ministry of Commerce in the Kingdom of Cambodia.

The registered office and principal place of business of the Company are both located at No.68 Street 598, Phnom Penh Thmey, Khan Sen Sok, PO Box 178, Phnom Penh, Kingdom of Cambodia.

The principal activities of the Company are to operate as mechanical and electrical contractor, plumbing and firefighting contractor, air conditioning cold room HVAC and building maintenance.

On 6 September 2021, the Company was successfully listed on the growth board of the Cambodia Securities Exchange (“CSX.”). The number of new issued shares are 6,461,538 shares with a par value of KHR1,000 (USD0.25) per share, at an offering price of KHR2,380 (USD0.58) per share. The Company received the proceeds from the Initial Public Offering (“IPO”) amounting to USD3,773,539, resulting in share premium of USD2,158,154 (KHR8,779,370,000). The Memorandum and Articles of Association of the Company is expected to be updated by May 2023.

The Company had 960 employees as at 31 March 2023 (31 December 2022: 1,112 employees).

2 Basis of preparation

The interim condensed financial information for the three-month period then ended 31 March 2023 has been prepared in accordance with Cambodian International Accounting Standards 34 - Interim financial reporting (“CIAS 34”). This interim condensed financial information does not include all the notes of the type normally included in the annual audited financial statements. Accordingly, this report is to be read in conjunction with the audited financial statements as at 31 December 2022 and for the year then ended, which have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

The significant accounting policies used in preparing this interim condensed financial information are consistent with the significant accounting policies used in the preparation of the audited financial statements as at 31 December 2022 and for the year then ended.

3 Functional and presentation currency

The national currency of Cambodia is Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records primarily in United States Dollars (“USD”), the Board of Directors has determined the USD to be Company’s currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Company.

Transactions in foreign currencies other than USD are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD at the reporting date are translated into USD at the rates of exchange ruling at that date. Exchange differences arising from translations are recognised in other comprehensive income.

The translations of USD amounts into KHR as presented in the financial information are included solely to comply with the requirement of the Law on Accounting and Auditing (April 2016) and have been made using the following prescribed official exchange rate, as presented in KHR per USD1, as announced by the National Bank of Cambodia (“NBC”):

	31 March 2023	31 December 2022	31 March 2022
Average rate* - 3-months	4,054	-	4,050
Closing rate	4,084	4,117	4,063

*The average rate is calculated using the NBC’s daily rates during the period.

Such translated amounts have not been reviewed and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate.

Foreign currency transactions and balances

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4 Significant accounting policies

The accounting policies and methods of computation adopted are consistent with those adopted in the Company’s audited financial statements as at 31 December 2022 and for the year then ended.

5 Management estimates

When preparing the interim condensed financial information, Management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income, and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the interim condensed financial information, including the key sources of estimation uncertainty, were the same as those applied in the Company’s audited financial statements as at 31 December 2022 and for the year then ended.

6 Property and equipment

Movements in the carrying amount of the Company's property and equipment are as follows:

	Land USD	Machine USD	Vehicle USD	Office equipment USD	Furniture USD	Land improvement USD	Work in progress USD	USD	Total KHR'000 (Note 3)
(Reviewed but unaudited)									
Gross carrying amounts									
Balance as at 1 January 2023	2,167,620	733,260	573,409	68,630	8,909	52,166	1,574,192	5,178,186	21,318,590
Additions	-	3,308	-	1,040	-	-	515,019	519,367	2,121,095
Disposals	-	(530)	-	(865)	-	-	-	(1,395)	(5,697)
Currency translation differences	-	-	-	-	-	-	-	-	(341,763)
Balance as at 31 March 2023	2,167,620	736,038	573,409	68,805	8,909	52,166	2,089,211	5,696,158	23,092,225
Accumulated depreciation									
Balance as at 1 January 2023	-	486,670	505,859	57,500	8,768	15,650	-	1,074,448	4,423,501
Depreciation	-	27,460	5,785	2,717	142	2,608	-	38,710	158,092
Disposals	-	(530)	-	(812)	-	-	-	(1,342)	(5,481)
Currency translation differences	-	-	-	-	-	-	-	-	(68,809)
Balance as at 31 March 2023	-	513,600	511,644	59,405	8,909	18,258	-	1,111,816	4,507,303
Carrying amounts as at 31 March 2023	2,167,620	222,437	61,765	9,400	-	33,908	2,089,211	4,584,342	18,584,922

6 Property and equipment (continued)

	Land USD	Machine USD	Vehicle USD	Office equipment USD	Furniture USD	Land improvement USD	Work in progress USD	USD	Total KHR'000 (Note 3)
(Audited)									
Gross carrying amounts									
Balance as at 1 January 2022	2,167,620	652,940	573,409	66,433	8,909	52,166	60,801	3,582,278	14,594,201
Additions	-	93,525	-	6,240	-	-	1,513,391	1,613,156	6,592,969
Disposals	-	(13,205)	-	(4,043)	-	-	-	(17,248)	(70,493)
Currency translation differences	-	-	-	-	-	-	-	-	201,913
Balance as at 31 December 2022	2,167,620	733,260	573,409	68,630	8,909	52,166	1,574,192	5,178,186	21,318,590
Accumulated depreciation									
Balance as at 1 January 2022	-	392,070	482,721	51,007	8,201	5,217	-	939,216	3,826,366
Depreciation	-	107,546	23,138	10,357	567	10,433	-	152,042	621,396
Disposals	-	(12,946)	-	(3,864)	-	-	-	(16,810)	(68,702)
Currency translation differences	-	-	-	-	-	-	-	-	44,441
Balance as at 31 December 2022	-	486,670	505,859	57,500	8,768	15,650	-	1,074,448	4,423,501
Carrying amounts as at 31 December 2022	2,167,620	246,590	67,550	11,130	141	36,516	1,574,192	4,103,738	16,895,089

On 22 October 2019, the Company entered into a consumption loan contract with Advanced Bank of Asia Limited ("ABA") amounting to USD1,690,000 bearing interest at 8% per annum and repayable in 72 months from the date of implementation of the loan. The loan is secured by two lots of land with total land size of 10,322 square meters, covered by certificate of property no. 12120103-0495 and 12120103-0496, lot no. 495 and 496, located at Svay Chek Village, Sangkat Kork Roka, Khan Prek Pnov, Phnom Penh, Cambodia, recorded in the Company's property and equipment as freehold land costing USD2,167,620. The title of the land was originally registered under the name of Mr. Neang Vithy and Mrs. Lim Muly on behalf of the Company. On 17 January 2022, title was transferred to the Company's name and combined into one certificate of property no. 2120103-1298.

On 23 September 2021, the Company's Board of Directors approved the self-construction of its Head Office. The construction started in December 2021 and is expected to be completed by May 2023.

As at 31 March 2023, Management believes that the recoverable amounts of the Company's property and equipment exceed their carrying amounts, accordingly, no impairment loss was recognised.

7 Intangible assets

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Gross carrying amounts				
Balance as at beginning of the period/year	57,654	235,743	42,845	174,551
Additions	-	-	14,809	60,965
Currency translation differences	-	(2,014)	-	227
Balance as at end of the period/year	57,654	233,729	57,654	235,743
Accumulated amortisation				
Balance as at beginning of the period/year	13,909	55,645	8,859	36,092
Amortisation	1,442	5,846	5,050	20,573
Currency translation differences	-	742	-	(1,020)
Balance as at end of the period/year	15,351	62,233	13,909	55,645
Carrying amounts as at end of period/year	42,303	171,496	43,745	180,098

8 Right-of-use assets and lease liabilities**Company as a lessee**

The Company has a lease contract for the building that is used as its office for a period of 10 non-cancelable years, with no option to renew after the end of the tenancy period. The Company is not restricted from assigning and subleasing the leased asset.

Movements in the carrying amount of the Company's right-of-use assets are as follows:

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cost				
Balance as at beginning of the period/year	392,941	1,617,738	392,941	1,600,842
Currency translation differences	-	-	-	16,896
Balance as at end of the period/year	392,941	1,617,738	392,941	1,617,738
Accumulated depreciation				
Balance as at beginning of the period/year	392,941	1,617,738	360,196	1,467,439
Depreciation	-	-	32,745	133,829
Currency translation differences	-	-	-	16,470
Balance as at end of the period/year	392,941	1,617,738	392,941	1,617,738
Carrying amounts as at end of the period/year	-	-	-	-

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Lease liabilities pertains to the present value of lease payments over the term of the lease agreements.

Movements in the lease liabilities are as follows:

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Balance as at beginning of the period/year	-	-	48,509	197,626
Accretion of interest	-	-	1,891	7,729
Repayments	-	-	(50,400)	(205,985)
Currency translation differences	-	-	-	630
Balance as at end of the period/year	-	-	-	-

9 Other non-current assets

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Deposit paid	20,100	81,485	20,100	82,752

10 Cash and cash equivalents

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cash in banks	56,605	229,477	17,277	71,129
Cash on hand	10,461	42,409	4,187	17,238
Balance as at end of the period/year	67,066	271,886	21,464	88,367

11 Guarantee deposits

The details of the Company's guarantee deposits are as follows:

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Guarantee deposits on credit facilities	651,218	2,640,038	590,080	2,429,359

The 12-month guarantee deposit has been used as security to secure the credit facilities granted to the Company and earns 6% interest per annum. These are deposited with Advanced Bank of Asia ("ABA") and Maybank (Cambodia) Plc.

12 Trade receivables

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Retention receivables	1,697,063	6,879,893	1,830,432	7,535,888
Trade receivables	1,089,788	4,418,001	1,335,341	5,497,599
	2,786,851	11,297,894	3,165,773	13,033,487

13 Inventories - net

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Heating, ventilation, and air conditioning materials	1,384,714	5,613,631	1,274,132	5,245,601

As at 31 March 2023, Management believes that the costs of the Company's inventories exceed their net realisable value, accordingly, no allowance was recognised.

14 Contract assets/(liabilities)

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Contract assets	5,900,251	23,919,618	4,338,772	17,862,724
Contract liabilities	(1,409,863)	(5,715,585)	(2,105,254)	(8,667,331)

The contract assets represent the Company's right to consideration for work completed on construction contracts but not billed yet at the reporting date. Typically, the amount will be billed within 30 days and payment is expected within 60 days.

The contract liabilities represent advance considerations received from customers for construction contract where revenue is recognised over time during the construction of a property. The contract liabilities are expected to be recognised as revenue upon completion of certain agreed milestones.

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Contract liabilities recognised as revenue during the period/year	827,262	3,378,539	177,418	730,430

There were no impairment losses recognised on contract assets and liabilities in the reporting period.

15 Other current assets

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Prepayment to suppliers	983,189	3,985,848	819,997	3,375,928
Salary loan	171,397	694,843	215,801	888,453
VAT input	89,637	363,388	-	-
VAT credit carry forward	-	-	22,815	93,929
Consumables	1,694	6,867	3,624	14,920
	1,245,917	5,050,946	1,062,237	4,373,230

16 Share capital

The Company is authorized to issue two classes of shares as follows:

	(Reviewed but unaudited)			(Audited)		
	31 March 2023			31 December 2022		
	Number of shares	USD	Amount KHR'000	Number of shares	USD	Amount KHR'000
Class A, with par value of USD 0.25 per share	10,000,000	2,500,000	10,000,000	10,000,000	2,500,000	10,000,000
Class B, with par value of USD 0.25 per share	20,000,000	5,000,000	20,000,000	20,000,000	5,000,000	20,000,000
As at end of the period/year	30,000,000	7,500,000	30,000,000	30,000,000	7,500,000	30,000,000

As at 31 March 2023 and 31 December 2022, details of the Company's shareholders follow:

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Mr. Neang Vithy	2,100,000	8,556,001	2,100,000	8,556,001
Mrs. Lim Mulyly	900,000	3,669,300	900,000	3,669,300
Public shareholders	1,615,385	6,571,386	1,615,385	6,571,386
	4,615,385	18,796,687	4,615,385	18,796,687

16.1 Share premium

On 6 September 2021, the Company was successfully listed on the CSX. The number of newly issued shares is 6,461,538 shares with a par value of KHR1,000 (USD0.25) per share, at an offering price of KHR2,380 (USD0.58) per share. The Company received the proceeds from the IPO amounting to USD3,773,539 (KHR15,350,757), resulting in share premium of USD2,158,154 (KHR8,779,370,000).

17 Borrowings

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Current	1,411,102	5,720,608	893,783	3,679,705
Non-current	1,522,858	6,173,666	599,863	2,469,636
	2,933,960	11,894,274	1,493,646	6,149,341

The movement in the borrowings are as follows:

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Balance as at beginning of the period/year	1,493,646	6,149,341	3,330,331	13,567,769
Additions	2,368,914	9,674,645	3,851,234	15,739,993
Principal repayments	(928,600)	(3,792,402)	(5,687,919)	(23,246,525)
Interest expense	104,587	427,133	262,911	1,074,519
Interest paid	(104,587)	(427,133)	(262,911)	(1,074,519)
Currency translation differences	-	(137,310)	-	88,104
Balance as at end of the period/year	2,933,960	11,894,274	1,493,646	6,149,341
By maturity:				
Within one year	1,411,102	5,720,608	893,783	3,679,705
From two to five years	1,522,858	6,173,666	599,863	2,469,636
	2,933,960	11,894,274	1,493,646	6,149,341
By security:				
Secured	2,933,960	11,894,274	1,493,646	6,149,341
By currency:				
USD	2,933,960	11,894,274	1,493,646	6,149,341
By relationship:				
Non-related parties	2,933,960	11,894,274	1,493,646	6,149,341
By interest rate				
Per annum		7.5% to 8%		1% to 9%

Term loan facility with ABA has an interest rate of 7.5% per annum and is secured by a plot of land recorded as freehold land under property and equipment costing USD2,167,620. The agreement was entered into on 10 March 2019 with limited amount of USD1,690,000 and was re-entered in 18 February 2023 with a limited amount of USD1,100,000, payable within forty-four months from the agreement date.

Fixed loan with J Trust Royal Bank ("J.Trust") has an interest rate of 8% per annum and is secured by the properties of the shareholder and key management personnel. The agreement was entered into on 16 November 2021 with a limited amount of USD600,000 and maturity date on 15 November 2022. During the current year, the trade finance loan was automatically renewed for another year.

As of 31 March 2023, the outstanding balance of the loan facilities with ABA and J Trust amounted to USD1,933,960 and USD1,000,000, respectively.

18 Overdraft

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
By banks				
ABA	2,268,465	9,196,355	1,726,973	7,109,950
J.Trust	305,463	1,238,348	330,152	1,359,235
Chipmong	353,587	1,433,443	353,858	1,456,835
	2,927,515	11,868,146	2,410,984	9,926,020

Overdraft facility with ABA has an interest rate of 7.5% per annum and is secured by the properties of the shareholder and key management personnel. The agreement was entered into on 18 February 2023 with a limited amount of USD1,800,000 and payable within twelve months from the agreement date.

Overdraft facility with J.Trust has an interest rate of 8% per annum and is secured by the properties of the shareholder and key management personnel. The agreement was entered into on 16 November 2021 with a limited amount of USD600,000 and maturity date on 15 November 2022. During the current year, the overdraft was automatically renewed for another year.

Overdraft facility with Chipmong Commercial Bank Plc. ("Chipmong") has an interest rate of 9% per annum and is unsecured. The agreement was entered into on 30 April 2022 with a limited amount of USD400,000 and maturity date on 30 April 2023.

19 Trade and other payables

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Accounts payable	1,080,459	4,380,181	842,115	3,466,987
Accrued expenses	164,030	664,978	41,641	171,436
Retention payable	85,368	346,082	136,877	563,523
Other taxes payable	36,696	148,765	56,718	233,509
Other current liabilities	2,769	11,226	2,893	11,910
	1,369,322	5,551,231	1,080,244	4,447,365

20 Revenue

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Construction and maintenance services	4,002,022	16,344,258	3,959,579	16,087,769
Sale of goods	8,014	32,729	20,079	81,581
	4,010,036	16,376,987	3,979,658	16,169,350

21 Cost of services and goods sold

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cost of construction and maintenance services	2,935,996	11,990,608	3,014,217	12,246,763
Cost of goods sold	6,135	25,055	15,371	62,453
	2,942,131	12,015,663	3,029,588	12,309,216

22 Operating expenses

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Personnel	159,406	651,014	155,400	631,390
Other taxes	57,665	235,504	50,731	206,120
Rent	35,378	144,484	5,945	24,155
Professional fees	23,672	96,676	43,718	177,626
Office supplies and stationeries	21,633	88,349	20,965	85,181
Insurance	18,684	76,305	22,173	90,089
Bank charges	15,052	61,472	61,441	249,635
Depreciation and amortisation	12,693	51,838	22,265	90,463
Utilities	7,300	29,813	(491)	(1,995)
Repairs and maintenance	5,568	22,740	6,591	26,779
Communication	1,871	7,641	1,998	8,118
Others	6,308	25,763	34,233	135,785
	365,230	1,491,599	424,969	1,726,649
		(Note 3)		(Note 3)

23 Other income

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Foreign exchange loss	569	2,324	872	3,543
Interest income	302	1,233	2,340	9,507
Loss on disposal of property and equipment	(3)	(12)	(188)	(764)
Others	-	-	3	13
	868	3,545	3,027	12,299

24 Finance cost

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Interest on borrowings and overdraft	104,587	427,133	116,882	474,892
Interest on lease liability	-	-	1,001	4,067
	104,587	427,133	117,883	478,959

25 Income taxes**25.1 Income tax expense**

In accordance with Cambodia's Law on Taxation, the Company has an obligation to pay tax on income of the higher of either the tax on income ("TOI") at the rate of 20% of taxable income or a minimum tax ("MT") at 1% of annual turnover inclusive of all taxes, except value-added tax. The minimum tax is due irrespective of the taxpayer's profit or loss position.

On May 2022, the Company received an approval letter from the General Department of Taxation ("GDT") for the tax incentives granted to companies that have listed their shares or issued debt securities on the CSX. The listed companies will have a 50% reduction on TOI for a period of three years from the date of the IPO.

The Company qualifies for MT exemption as the Management believes the Company maintains proper accounting records.

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Current income tax expense	86,767	354,356	26,951	109,502

25.2 Reconciliation between profit before income tax and estimated corporate income tax

The reconciliation between accounting profit before tax and estimated corporate income tax is shown below:

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Profit before tax	598,956	2,446,137	410,245	1,666,825
Add non-deductible expenses	55,077	224,934	41,927	170,350
Less deductible expenses	(220,198)	(899,289)	(317,417)	(1,289,668)
Taxable income for the period	433,835	1,771,781	134,755	547,507
Income tax at applicable rate of 20% (A)	86,767	354,356	26,951	109,502
Minimum tax at rate 1% of revenue (B)	-	-	-	-
Income tax expense (higher of A or B)	86,767	354,356	26,951	109,502

25.3 Current income tax payable

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
As at beginning of the period/year	11,254	46,333	34,776	141,677
Charges during the period/year	86,767	354,356	-	-
Reversals due to over provision	-	-	53,900	220,290
Income tax paid	(86,767)	(354,356)	(77,422)	(316,424)
Currency translation differences	-	(709)	-	790
As at end of the period/year	11,254	45,624	11,254	46,333

26 Related party transactions

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed but unaudited)		(Audited)	
		31 March 2023		31 December 2022	
		USD	KHR'000	USD	KHR'000
			(Note 3)		(Note 3)
Amounts due from shareholder -					
Neang Vithy	Shareholder	136,270	552,439	136,270	561,024

Transactions with Neang Vithy	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Payments on behalf of shareholders	-	-	100,000	406,300
Repayments from shareholders	-	-	(98,151)	(398,787)

Amounts due from shareholder are payments of expense made by the Company on behalf of the shareholder. These amounts are unsecured, interest-free, and repayable on demand.

Transactions with key management personnel

Key management personnel is defined as those persons having and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. Key management includes all the directors of the Company. Transactions with key management personnel are as follows:

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Salaries and benefits	50,434	204,913	44,400	180,397

27 Capital commitments

As at 31 March 2023, the Company has commitments to construct its own head office amounting to USD2,089,211.

28 Categories of financial assets and financial liabilities

	(Reviewed but unaudited)		(Audited)	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
	(Note 3)		(Note 3)	
Financial assets measured at amortised cost				
Trade receivables	2,786,851	11,297,894	3,165,773	13,033,487
Guarantee deposits	651,218	2,640,038	590,080	2,429,359
Amounts due from shareholders	136,270	552,439	136,270	561,024
Cash and cash equivalents	67,066	271,886	21,464	88,367
Other non-current assets	20,100	81,485	20,100	82,752
Total financial assets	3,661,505	14,843,742	3,933,687	16,194,989
Financial liabilities measured at amortised cost				
Borrowings	2,933,960	11,894,274	1,493,646	6,149,341
Overdraft	2,927,515	11,868,146	2,410,984	9,926,020
Trade and other payables**	1,332,626	5,402,466	1,023,526	4,213,856
Total financial liabilities	7,194,101	29,164,886	4,928,156	20,289,217

**Excludes output VAT and other taxes payable.

29 Fair value information

As at the end of the period, the Management considers that the fair values of financial assets and financial liabilities of the Company approximate their carrying amounts. The Company is not exposed to interest rate risk as the Company does not have any floating rate-based financial assets and financial liabilities.

30 Earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Company by the weighted average numbers of ordinary shares in issue during the respective period as shown below:

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the three-month period ended 31 March 2023		For the three-month period ended 31 March 2022	
	USD	KHR'000	USD	KHR'000
	(Note 3)		(Note 3)	
Profit attributable to the owners of the Company	512,189	2,091,781	410,245	1,666,825
Weighted average number of shares		18,461,538		18,461,538
Basic earnings per share	0.03	0.11	0.02	0.09
Diluted earnings per share	0.03	0.1	0.02	0.09

31 Post-reporting date events

There are no significant events which occurred after the end of the reporting period and the date of authorization of these reviewed interim condensed financial statements which would require adjustments or disclosures to be made on the reviewed interim condensed financial statements.

32 Authorisation of the interim condensed financial information

The reviewed interim condensed financial information of the Company as at 31 March 2023 and for the three-month period then ended was approved for issue by the Board of Directors on 12 May 2023.