

2023



DBD ENGINEERING PLC

SECOND QUARTERLY REPORT

FY2023

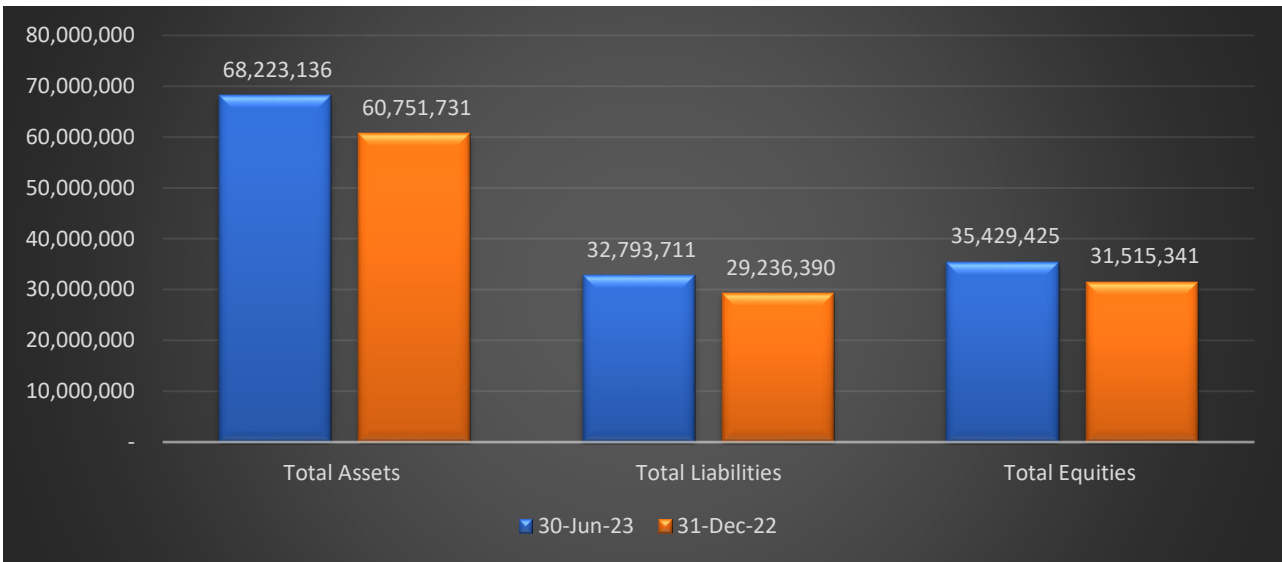
30 JUNE 2023

Financial Highlight

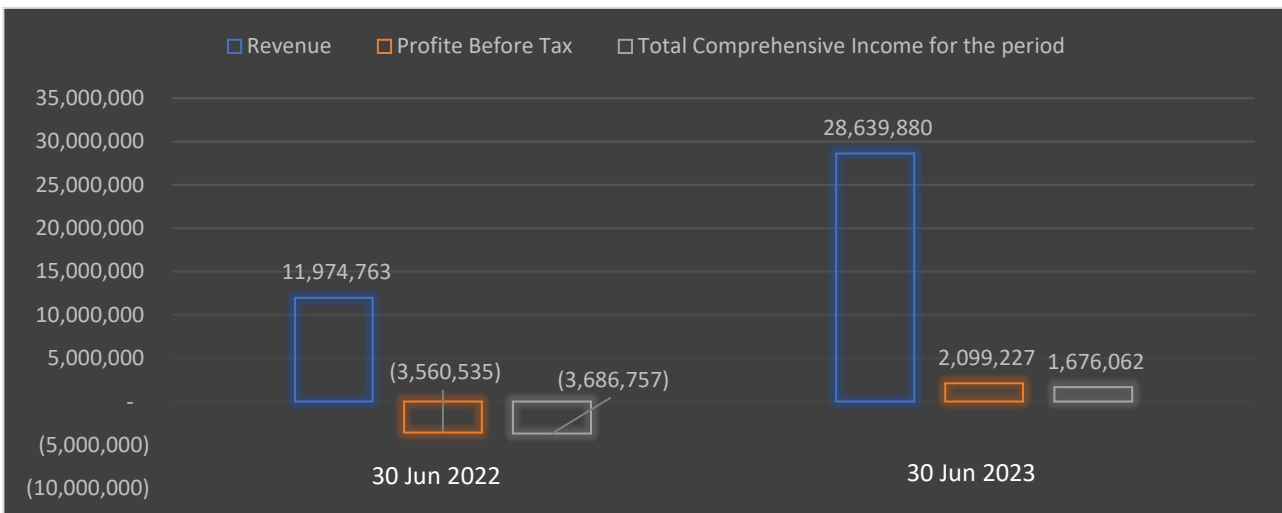
Description		Q2 FY 2023 <i>(Reviewed but Unaudited)</i>	FY 2022 <i>(Audited)</i>
Financial Position (KHR'000)			
Total Asset		68,223,136	60,751,731
Total Liabilities		32,793,711	29,236,390
Total Shareholder's Equity		35,429,425	31,515,341
Profit/ (Loss) (KHR'000)		Q2 FY 2023 <i>(Reviewed but Unaudited)</i>	Q2 FY 2022 <i>(Reviewed but Unaudited)</i>
Revenues		28,639,880	11,974,763
Profit/ (Loss) before Tax		2,099,227	(3,560,535)
Profit/ (Loss) after Tax		1,997,624	(3,677,698)
Total Comprehensive income		1,676,062	(3,686,757)
Financial Ratio		Q2 FY 2023 <i>(Reviewed but Unaudited)</i>	FY 2022 <i>(Audited)</i>
Liquidity ratio	Current ratio	1.78	1.63
	Quick ratio	1.61	1.43
		Q2 FY 2023 <i>(Reviewed but Unaudited)</i>	Q2 FY 2022 <i>(Reviewed but Unaudited)</i>
Profitability ratio	Return on assets (%)	2.46	(6.97)
	Return on equity (%)	4.73	(10.90)
	Gross profit margin (%)	15.17	(14.19)
	Profit margin (%)	5.85	(30.79)
	Earnings per share	KHR 90	KHR (190)
Interest Coverage ratio		5.58	(10.81)

Financial Summary Chart

❖ Financial Position for Q2 FY 2023 (KHR' 000)



❖ Profit/ (Loss) for Q2 FY 2023 (KHR' 000)



❖ Share Price for Q2 FY 2023



Board of Directors



Mr. NEANG Vithy
Chairman and CEO



Mr. THAI Vantha
Non-Executive Director



Mrs. LIM Muiyly
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 second quarterly report for the period from 1 April to 30 June 2023 to all stakeholders.

As Q2 FY 2023 DBD reported **total revenue KHR 28,639,880,000** for the second quarter which **increased 139.17%** compared to KHR 11,974,763,000 in the same quarter of FY 2022. The company report **comprehensive income of KHR 1,676,062,000** for this quarter which **increased 145.46%** compared to comprehensive loss of KHR 3,686,757,000 in the same quarter of FY 2022. The total assets increased 12.30% compared to year 2022 from KHR 60,751,731,000 to KHR 68,223,136,000.

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..... August 14, 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	ឧប ឌី អ៊ិនជីនារីង 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.

C. DBD Engineering's Milestone



On 17th May 2023, DBD Engineering Plc. held the groundbreaking ceremony as the Main Contractor for its new construction site, Project OJI Packaging (Cambodia) Co., Ltd (Development of New Warehouse Phase 2), which is located in the Phnom Penh Special Economic Zone.



On 30th May 2023, DBD Engineering Plc. held the Second Annual General Shareholders' Meeting with the Board of Directors, Management Team, and Investors via hybrid arrangement, face-to-face and online Zoom platform.





On 17th July 2023, DBD Engineering Plc. had a kick-off meeting and site visit before starting work on its new project, External Work for Techo International Airport



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 Q2 FY 2023

Project	Amount (excluding VAT)	Expected Closing Date
External Work for Techo International Airport	USD 7,600,000	12 January 2024

Update/Progress of Ongoing Project

Project	Start Date	Progress %
Chip Mong 271 Mega Mall	July-2020	99.95%
WING Tower	06-Jan-2022	97.15%
Wing Tower-ID Lighting	Jan-2022	42.00%
WING Tower-LED Screen	June-2022	42.00%
Tenant Cinema	05-Aug-2022	99.21%
Tenant CMG Office	08-Aug-2022	99.00%

Wing PBC 2	21-Mar-2023	85.00%
B-Quick Aeon 3	27-Mar-2023	22.67%
OJI Packaging	17-May-2023	9.00%



❖ 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. Revenue 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°	Source of Income	Q2 FY 2023		Q2 FY 2022	
		Amount (KHR'000)	%	Amount (KHR'000)	%
1	Revenue from Maintenance and construction	28,588,920	99.82%	11,901,772	99.39%
2	Revenue from sale material	50,960	0.18%	72,991	0.61%
Total Revenue		<u>28,639,880</u>	<u>100%</u>	<u>11,974,763</u>	<u>100%</u>

As Q2 FY 2023, DBD Report total revenue of KHR 28,639,880,000 which is increased of KHR 16,665,117,000 equivalent to 139.17% compared to Q2 FY 2022. The increasing was driven by an increasing of maintenance and construction revenue at 140.21%.

PART 3.- Financial Statements Reviewed by The External Auditor

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 30 June 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 Q2 FY 2023, DBD Report total revenue of KHR 28,639,880,000 which is increased of KHR 16,665,117,000 equivalent to 139.17% compared to Q2 FY 2022. The increasing was driven by an increasing of maintenance and construction revenue at 140.21%.

3- Gross profit margin analysis

As Q2 FY 2023, DBD reported gross profit of KHR 4,344,232,000 which is increased of KHR 6,043,042,000 equivalent to 355.72% compared to Q2 FY 2022. The increasing was driven by the increasing of revenue, and cost of services and goods sold.

4- Profit/ (Loss) before tax analysis

Summary of Profit	Q2 FY 2023 KHR'000	Q2 FY 2022 KHR'000	Changed KHR'000	Changed %
Gross Profit	,344,232	(1,698,810)	6,043,042	355.72%
Other Income	33,522	20,406	13,116	64.28%
Operating Expenses	(1,819,746)	(1,580,627)	239,119	15.13%
Finance Cost	(458,781)	(301,504)	157,277	52.16%
<u>Profit before Tax</u>	<u>2,099,227</u>	<u>(3,560,535)</u>	<u>5,659,762</u>	<u>158.96%</u>

As Q2 FY 2023, DBD reported profit before tax of KHR 2,099,227,000, increased by KHR 5,659,762,000 equivalent to 158.96% compared to Q2 FY 2022. The increasing was driven by increasing of gross profit 355.72% and other income 64.28 %.

5- Profit/ (Loss) after tax analysis

Summary of Profit	Q2 FY 2023 KHR'000	Q2 FY 2022 KHR'000	Changed KHR'000	Changed %
Profit before tax	2,099,227	(3,560,535)	5,659,762	158.96%
Income tax expenses	(101,603)	(117,163)	(15,560)	-13.28%
<u>Profit after tax</u>	<u>1,997,624</u>	<u>(3,677,698)</u>	<u>5,675,322</u>	<u>154.32%</u>

For annual income tax, DBD is required to pay is 20% of its taxable income. As Q2 FY 2023, DBD reported profit after tax of KHR 1,997,624,000, increased by KHR 5,675,322,000 equivalent to 154.32% compared to Q2 FY 2022. The profit was driven by increasing of profit before tax 158.96% and decreasing of income tax expenses 13.28%.

6- Total comprehensive income/(loss) analysis

As Q2 FY 2023, DBD reported total comprehensive income of KHR 1,676,062,000, increase by KHR 5,362,819,000 equivalent to 145.46% compared to Q2 FY 2022. The increasing of comprehensive income was driven by increasing of gross profit 355.72%, profit before tax 158.96% and comprehensive income 154.32%.

7- Factors and trends analysis affecting financial conditions and results

As Q2 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 Q2 FY 2023.

C. Material changes in sales and revenue

As Q2 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 Q2 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 Q2 FY 2023, DBD has no material impact of commodity prices on our financial results.

E. Impact of inflation

As Q2 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 global real estate context, the Cambodian market has been capturing attention for its rapidly upward trajectory over the last 10 years. According to CBRE's Mid-Year Review 2023, Cambodia market has been grappling with the repercussions of global macro-economic changes, weakened Chinese demand as well as an oversupply of projects. the upsurge in inflation-induced capital costs coupled with diminished western consumption had a direct impact on Cambodia's exports, causing a 30% decline in textile exports in Q1 2023. Phnom Penh's office sector is poised to see considerable expansion in 2023, with an estimated 215,000 square meters of office space expected to be added. The average occupancy rate decreased from 60% in the previous quarter to 58% in the first half of 2023. While office rents in both central and non-central business districts increased between 2% to 4% from 2nd half of 2022. The residential real estate market, following years of aggressive expansion, faced a tough H1

2023, with intensified competition and weakened demand. While a few condominium and landed property projects in prime locations managed to maintain or slightly grow their asking prices, As the CBRE Cambodia's mid-year review unveiled, the rest of 2023 is set to be a period of both challenges by sellers and opportunities for buyers. While economic headwinds continue to exert pressure, the resilience of the market is expected to manifest in the gradual recovery of rents and a strategic shift in retail real estate.

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 August 14, 2023

Read and approved by



Mr. NEANG VITHY

Chairman and Executive Director

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

DBD Engineering Plc.

As at 30 June 2023 and for the three-month and
six-month periods then ended

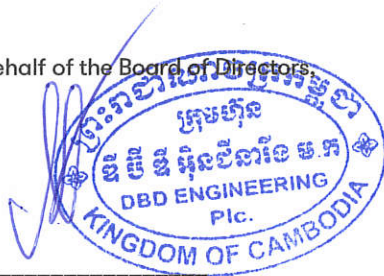
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Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statement of financial position of DBD Engineering Plc. ("the Company") as at 30 June 2023, and the related interim condensed statement of comprehensive income, statement of changes in equity and statement of cash flows for the three-month and six-month periods 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
10 August 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 30 June 2023, and the related interim statements of comprehensive income, changes in equity and cash flows for the three-month and six-month periods 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. The comparative information for the three-month and six-month periods ended 30 June 2022 on the statements of comprehensive income, cash flows and related explanatory notes were reviewed but unaudited.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants
Registered Auditors



Ronald C. Almera
Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
10 August 2023

Certified Public Accountants and Auditors

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Interim condensed statement of financial position

	Note	[Reviewed but unaudited] 30 June 2023		[Audited] 31 December 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Assets					
Non-current					
Property and equipment - net	6	4,953,869	20,281,140	4,103,738	16,895,089
Intangible assets - net	7	41,338	169,238	43,745	180,098
Other non-current assets	8	1,300	5,322	20,100	82,752
Non-current assets		4,996,507	20,455,700	4,167,583	17,157,939
Current					
Cash and cash equivalents	9	435,433	1,782,663	21,464	88,367
Guarantee deposits	10	651,218	2,666,086	590,080	2,429,359
Trade receivables	11	2,083,962	8,531,740	3,165,773	13,033,487
Inventories	12	1,088,203	4,455,103	1,274,132	5,245,601
Contract assets	14	6,133,620	25,111,040	4,338,772	17,862,724
Amounts due from shareholder	25	-	-	136,270	561,024
Other current assets	13	1,275,233	5,220,804	1,062,237	4,373,230
Current assets		11,667,669	47,767,436	10,588,728	43,593,792
Total assets		16,664,176	68,223,136	14,756,311	60,751,731
Equity					
Share capital	15	4,615,385	18,796,687	4,615,385	18,796,687
Share premium	15	2,158,154	8,779,370	2,158,154	8,779,370
Retained earnings		1,880,449	7,809,116	881,390	3,718,968
Currency translation reserve		-	44,252	-	220,316
Total equity		8,653,988	35,429,425	7,654,929	31,515,341
Liabilities					
Non-current					
Borrowings - net of current portion	16	1,444,475	5,913,681	599,863	2,469,636
Total non-current liabilities		1,444,475	5,913,681	599,863	2,469,636
Current					
Contract liabilities	14	1,170,961	4,793,914	2,105,254	8,667,331
Borrowings	16	904,983	3,705,000	893,783	3,679,705
Overdrafts	17	2,807,042	11,492,030	2,410,984	9,926,020
Trade and other payables	18	1,646,710	6,741,631	1,080,244	4,447,365
Current income tax liability	24(c)	36,017	147,455	11,254	46,333
Current liabilities		6,565,713	26,880,030	6,501,519	26,766,754
Total liabilities		8,010,188	32,793,711	7,101,382	29,236,390
Total equity and liabilities		16,664,176	68,223,136	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 30 June 2023		(Reviewed but unaudited) For three-month period ended 30 June 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Revenue	19	6,980,229	28,639,880	2,949,449	11,974,763
Cost of services and goods sold	20	(5,921,435)	(24,295,648)	(3,367,875)	(13,673,573)
Gross profit/(loss)		1,058,794	4,344,232	(418,426)	(1,698,810)
Other income - net	22	8,170	33,522	5,026	20,406
Operating expenses	21	(443,516)	(1,819,746)	(389,317)	(1,580,627)
Finance costs	23	(111,816)	(458,781)	(74,262)	(301,504)
Profit/(loss) before tax		511,632	2,099,227	(876,979)	(3,560,535)
Income tax expense	24(b)	(24,763)	(101,603)	(28,858)	(117,163)
Profit/(loss) for the period		486,869	1,997,624	(905,837)	(3,677,698)
Currency translation differences		-	(321,562)	-	(9,059)
Total comprehensive income/(loss)		486,869	1,676,062	(905,837)	(3,686,757)

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

Basic earnings/(loss) per share	28	0.02	0.09	(0.04)	(0.19)
Diluted earnings/(loss) per share	28	0.02	0.09	(0.04)	(0.19)

Interim condensed statement of comprehensive income

		(Reviewed but unaudited) For the six-month period ended 30 June 2023		(Reviewed but unaudited) For the six-month period ended 30 June 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
	Note				
Revenue	19	10,990,264	44,994,141	6,893,372	27,987,090
Cost of services and goods sold	20	(8,863,567)	(36,287,443)	(6,397,463)	(25,973,700)
Gross profit		2,126,697	8,706,698	495,909	2,013,390
Other income - net	22	9,037	36,997	8,241	33,458
Operating expenses	21	(808,741)	(3,310,986)	(814,286)	(3,306,001)
Finance costs	23	(216,404)	(885,958)	(192,145)	(780,109)
Profit/(loss) before tax		1,110,589	4,546,751	(502,281)	(2,039,262)
Income tax expense	24(b)	(111,530)	(456,604)	(34,467)	(139,936)
Profit/(loss) for the period		999,059	4,090,147	(536,748)	(2,179,198)
Currency translation differences		-	(176,064)	-	(5,370)
Total comprehensive income/(loss)		999,059	3,914,083	(536,748)	(2,184,568)

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

Basic earnings/ (loss) per share	28	0.05	0.21	(0.02)	(0.11)
Diluted earnings/ (loss) per share	28	0.05	0.21	(0.02)	(0.11)

Interim condensed statement of changes in equity

	Share capital		Share premium		Retained earnings		Currency translation	USD	Total
	USD	KHR'000	USD	KHR'000	USD	KHR'000	reserve		
		(Note 3)		(Note 3)	(Note)		(Note 3)		(Note 3)
(Reviewed but unaudited)									
Balance at 1 January 2023	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
Profit for the period	-	-	-	-	999,059	4,090,148	-	999,059	4,090,148
Currency translation differences	-	-	-	-	-	-	(176,064)	-	(176,064)
Balance at 30 June 2023	4,615,385	18,796,687	2,158,154	8,779,370	1,880,449	7,809,116	44,252	8,653,988	35,429,425
(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	-	-	-	-	(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 six-month period ended 30 June 2023		(Reviewed but unaudited) For the six-month period ended 30 June 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Cash flows from operating activities					
Profit/(loss) before income tax		1,110,589	4,546,751	(502,281)	(2,039,262)
Adjustments for:					
Depreciation and amortisation	6 and 7	99,794	408,557	96,408	391,416
Loss on disposal of property and equipment	6	4,237	17,346	-	-
Interest income	22	(685)	(2,804)	(2,898)	(11,766)
Finance costs	23	216,404	885,958	192,145	780,109
Income tax	24	-	-	14,990	60,859
Operating profit/(loss) before changes in working capital		1,430,339	5,855,808	(201,636)	(818,644)
Changes in working capital					
Net changes in:					
Contract assets		(1,794,848)	(7,348,108)	1,164,684	4,728,617
Other current assets		(212,996)	(872,006)	70,520	286,311
Amounts due from shareholder		136,270	557,889	-	-
Inventories - net		185,929	761,193	792,031	3,215,646
Guarantee deposits		(61,138)	(250,299)	(415,000)	(1,684,900)
Trade receivables		1,081,811	4,428,934	2,384,290	9,680,217
Other non-current assets		18,800	76,967	(5,050)	(20,503)
Overdrafts		396,058	1,621,461	(755,757)	(3,068,373)
Trade and other payables		566,466	2,319,112	(241,859)	(981,948)
Contract liabilities		(934,293)	(3,824,996)	770,738	3,129,196
Cash generated from operations		812,398	3,325,955	3,562,697	14,464,548
Interest received		685	2,804	2,898	11,766
Income tax paid	24(c)	(86,767)	(355,224)	(77,422)	(316,424)
Net cash from operating activities		726,316	2,973,535	3,488,173	14,161,981

Interim condensed statement of cash flows (continued)

	Note	(Reviewed but unaudited) For the six-month period ended 30 June 2023		(Reviewed but unaudited) For the six-month period ended 30 June 2022	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Cash flows from investing activities					
Acquisitions of property and equipment and intangible assets	6 and 7	(954,705)	(3,908,566)	(704,476)	(2,860,173)
Proceeds from disposal of property and equipment	6 and 7	2,950	12,077	-	-
Net cash used in investing activities		(951,755)	(3,896,489)	(704,476)	(2,860,173)
Cash flows from financing activities					
Drawdown of borrowings	16	2,968,914	12,154,734	2,800,385	11,369,563
Repayments of borrowings	16	(2,113,102)	(8,651,040)	(5,098,430)	(20,699,626)
Payments of interest	16	(216,404)	(885,958)	(190,510)	(773,471)
Payment of dividends		-	-	(208,128)	(845,000)
Repayments of lease liabilities		-	-	(33,600)	(136,416)
Net cash from/(used in) financing activities		639,408	2,617,736	(2,730,283)	(11,084,950)
Net change in cash and cash equivalents during the period					
		413,969	1,694,783	53,414	214,766
Cash and cash equivalents, beginning of period		21,464	88,367	225,119	917,135
Currency translation differences		-	(487)	-	1,728
Cash and cash equivalents, end of period		435,433	1,782,663	278,533	1,133,629

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 duration of the Company 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 business of the Company are both located at No. 1298, Street Betong, Phum Svay Chek, Sangkat Kouk Roka, Khan Prek Pnov, Phnom Penh, Kingdom of Cambodia. The Memorandum and Articles of Association of the Company was updated on 23 June 2023 to reflect the change in its registered address.

The principal activities of the Company are 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 KHR1000 or USD0.25 per share, at an offering price of KHR2,380 or USD0.540 per share.

The Company had 877 employees as at 30 June 2023 (31 December 2022: 1,112 employees).

2 Basis of preparation

The interim condensed financial information for the three-month and six-month periods ended 30 June 2023 have been prepared in accordance with Cambodian International Accounting Standards 34 – *Interim financial reporting*. 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. 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 statement of 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”):

	30 June 2023	30 June 2022	31 December 2022
Average rate* - 3-month	4,130	4,060	N/A
Average rate* - 6-month	4,094	4,060	N/A
Closing rate	4,094	4,070	4,117

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

Such translated amounts are unaudited 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 - net

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

	Land USD	Building 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 amount										
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	-	-	11,934	595	3,478	32,273	-	905,946	954,226	3,906,601
Transfers	-	2,480,138	-	-	-	-	-	(2,480,138)	-	-
Disposal	-	-	(72,937)	(645)	(3,403)	(1,104)	-	-	(78,089)	(319,696)
Currency translation differences	-	-	-	-	-	-	-	-	-	(119,096)
Balance as at 30 June 2023	2,167,620	2,480,138	672,257	573,359	68,705	40,078	52,166	-	6,054,323	24,786,399
Accumulated depreciation										
Balance as at 1 January 2023	-	-	486,670	505,860	57,500	8,768	15,650	-	1,074,448	4,423,501
Depreciation	-	20,667	52,395	11,550	5,076	2,002	5,217	-	96,907	396,737
Disposal	-	-	(66,007)	(645)	(3,145)	(1,104)	-	-	(70,901)	(290,269)
Currency translation differences	-	-	-	-	-	-	-	-	-	(24,710)
Balance as at 30 June 2023	-	20,667	473,058	516,765	59,431	9,666	20,867	-	1,100,454	4,505,259
Carrying amounts as at										
30 June 2023	2,167,620	2,459,471	199,199	56,594	9,274	30,412	31,299	-	4,953,869	20,281,140

6 Property and equipment - net (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 amount									
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
Disposal	-	(13,205)	-	(4,043)	-	-	-	(17,248)	(70,493)
Currency translation difference	-	-	-	-	-	-	-	-	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	482,722	51,007	8,201	5,217	-	939,217	3,826,366
Depreciation	-	107,546	23,138	10,357	567	10,433	-	152,041	621,396
Disposal	-	(12,946)	-	(3,864)	-	-	-	(16,810)	(68,702)
Currency translation difference	-	-	-	-	-	-	-	-	44,441
Balance as at 31 December 2022	-	486,670	505,860	57,500	8,768	15,650	-	1,074,448	4,423,501
Carrying amounts as at									
31 December 2022	2,167,620	246,590	67,549	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 nos. 12120103-0495 and 12120103-0496, lot nos. 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 titles of the land were 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. The Head Office was used in June 2023.

As at 30 June 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 - net

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Gross carrying amount				
Balance as at 1 January 2023	57,654	235,743	42,845	174,551
Additions	480	1,965	14,809	60,965
Currency translation differences	-	293	-	227
Balance as at end of the period/year	58,134	238,001	57,654	235,743
Accumulated amortisation				
Balance as at 1 January 2023	13,909	55,645	8,859	36,092
Amortisation	2,887	11,819	5,050	20,573
Currency translation differences	-	1,299	-	(1,020)
Balance as at end of the period/year	16,796	68,763	13,909	55,645
Carrying amount as at end of period/year	41,338	169,238	43,745	180,098

8 Other non-current assets

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Deposits paid	1,300	5,322	20,100	82,752

9 Cash and cash equivalents

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cash in banks	430,171	1,761,120	17,277	71,129
Cash on hand	5,262	21,543	4,187	17,238
	435,433	1,782,663	21,464	88,367

10 Guarantee deposits

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

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Guarantee deposits on credit facility	651,218	2,666,086	590,080	2,429,359

The 12-month guarantee deposits with ABA Bank are used to secure the credit facilities granted to the Company and earns 6% interest per annum.

The 6-month guarantee deposits with Sathapana Bank are used to secure the credit facilities granted to the Company and does not earn interest.

11 Trade receivables

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Retention receivables	345,064	1,412,692	1,335,341	5,497,599
Trade receivables	1,738,898	7,119,048	1,830,432	7,535,888
	2,083,962	8,531,740	3,165,773	13,033,487

12 Inventories

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Materials	1,088,203	4,455,103	1,274,132	5,245,601

As at 30 June 2023, there were no impairment losses recognised on the Company's inventories.

13 Other current assets

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Prepayment to suppliers	800,712	3,278,115	819,997	3,375,928
Input VAT	315,824	1,292,983	22,815	93,929
Salary loans	155,264	635,651	215,801	888,453
Consumables	3,433	14,055	3,624	14,920
	1,275,233	5,220,804	1,062,237	4,373,230

14 Contract assets/(liabilities)

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Contract assets	6,133,620	25,111,040	4,338,772	17,862,724
Contract liabilities	(1,170,961)	(4,793,914)	(2,105,254)	(8,667,331)

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

14 Contract assets/(liabilities) (continued)

The contract liabilities represent advance considerations received from customers for construction contracts 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)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Contract liabilities recognised as revenue during the year	1,098,902	4,498,903	647,644	2,666,350

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

15 Share capital

The Company is authorised to issue two classes of share as follows:

	(Reviewed but unaudited)			(Audited)		
	30 June 2023			31 December 2022		
	Number of shares	USD	Amount KHR'000	Number of shares	USD	Amount KHR'000
			(Note 3)			(Note 3)
Class A, with par value of USD0.25 per share	6,461,538	1,615,385	6,461,538	10,000,000	2,500,000	10,000,000
Class B, with par value of USD0.25 per share	12,000,000	3,000,000	12,000,000	20,000,000	5,000,000	20,000,000
	18,461,538	4,615,385	18,461,538	30,000,000	7,500,000	30,000,000

As at 30 June 2023 and 31 December 2022, details of the Company's shareholders and their shareholdings are as follows:

	(Reviewed but unaudited)		(Audited)	
	30 June 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 Muly	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

15.1 Share premium

On 6 September 2021, the Company was successfully listed on the 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 amounting to USD3,773,539 (KHR15,350,757,000), resulting in a share premium of USD2,158,154 (KHR8,779,370,000).

16 Borrowings

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Non-current	1,444,475	5,913,681	599,863	2,469,636
Current	904,983	3,705,000	893,783	3,679,705
	2,349,458	9,618,681	1,493,646	6,149,341

The movement in the Company's borrowings were as follows:

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Balance at beginning of the period/year	1,493,646	6,149,341	3,330,331	13,567,769
Additions	2,968,914	12,154,734	3,851,234	15,739,993
Repayments	(2,113,102)	(8,651,040)	(5,687,919)	(23,246,525)
Interest charged	216,404	885,958	262,911	1,074,519
Interest paid	(216,404)	(885,958)	(262,911)	(1,074,519)
Currency translation differences	-	(34,354)	-	88,104
Balance at end of the period/year	2,349,458	9,618,681	1,493,646	6,149,341

a. By creditor

ABA	749,458	3,068,281	893,646	3,679,141
J.Trust	600,000	2,456,400	600,000	2,470,200
Mr. Bun Hai	1,000,000	4,094,000	-	-
	2,349,458	9,618,681	1,493,646	6,149,341

b. By maturity

Within one year	904,983	3,705,000	893,783	3,679,705
From two to five years	1,444,475	5,913,681	599,863	2,469,636
	2,349,458	9,618,681	1,493,646	6,149,341

c. By security

Secured	2,349,458	9,618,681	1,493,646	6,149,341
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d. By currency

USD	2,349,458	9,618,681	1,493,646	6,149,341
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e. By relationship

Non-related parties	2,349,458	9,618,681	1,493,646	6,149,341
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f. By interest rate (per annum)

Term loan		7.5% to 8%		1% to 9%
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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 30 June 2023, the outstanding balance of the loan facilities with ABA, J Trust and Mr. Bun Hai amounted to USD749,458, USD600,000 and USD1,000,000, respectively.

17 Overdraft

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR’000	USD	KHR’000
		(Note 3)		(Note 3)
By banks				
ABA	2,434,757	9,967,895	1,726,973	7,109,950
J.Trust	372,285	1,524,135	330,152	1,359,235
Chipmong	-	-	353,858	1,456,835
	2,807,042	11,492,030	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 USD2,800,000 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. During the current year, the overdraft was not renewed for another year.

18 Trade and other payables

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR’000	USD	KHR’000
		(Note 3)		(Note 3)
Accounts payable	1,328,569	5,439,161	842,115	3,466,987
Other taxes payable	180,646	739,566	56,718	233,509
Retention payable	119,480	489,151	136,877	563,523
Accrued expenses	15,330	62,761	41,641	171,436
Other current liabilities	2,685	10,992	2,893	11,910
	1,646,710	6,741,631	1,080,244	4,447,365

19 Revenue

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Construction and maintenance services	6,967,809	28,588,920	2,931,471	11,901,772
Sale of goods	12,420	50,960	17,978	72,991
	6,980,229	28,639,880	2,949,449	11,974,763

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Construction and maintenance services	10,969,830	44,910,484	6,855,315	27,832,579
Sale of goods	20,434	83,657	38,057	154,511
	10,990,264	44,994,141	6,893,372	27,987,090

20 Cost of services and goods sold

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cost of construction and maintenance services	5,910,490	24,250,740	3,350,423	13,602,717
Cost of goods sold	10,945	44,908	17,452	70,855
	5,921,435	24,295,648	3,367,875	13,673,573

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Cost of construction and maintenance services	8,846,487	36,217,517	6,361,981	25,829,643
Cost of goods sold	17,080	69,926	35,482	144,057
	8,863,567	36,287,443	6,397,463	25,973,700

21 Operating expenses

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Personnel	173,555	712,096	156,235	634,314
Other taxes	50,373	206,680	62,603	254,168
Professional fees	48,815	200,288	33,532	136,140
Bank charges	43,951	180,331	38,695	157,102
Depreciation and amortisation	34,705	142,395	22,033	89,454
Insurance	19,474	79,902	14,803	60,100
Utilities	18,849	77,337	13,567	55,082
Office supplies and stationeries	15,763	64,676	19,830	80,510
Entertainment	13,297	54,558	2,769	11,242
Rental fees	8,558	35,113	7,211	29,277
Repairs and maintenance	5,549	22,768	8,269	33,572
Semi-expendable materials	3,848	15,788	-	-
Communication	1,352	5,547	1,738	7,056
Others	5,427	22,267	8,032	32,610
	443,516	1,819,746	389,317	1,580,627
	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Personnel	332,961	1,363,142	311,635	1,265,238
Other taxes	108,038	442,308	113,335	460,140
Professional fees	72,486	296,758	77,250	313,635
Bank charges	59,002	241,554	100,135	406,548
Depreciation and amortisation	47,400	194,056	44,298	179,850
Rental fees	43,935	179,870	13,156	53,413
Insurance	38,159	156,223	36,977	150,127
Office supplies and stationeries	37,396	153,099	40,794	165,624
Utilities	26,149	107,054	13,078	53,097
Entertainment	13,684	56,022	3,581	14,539
Repairs and maintenance	11,118	45,517	14,860	60,332
Semi-expendable materials	3,848	15,754	-	-
Communication	3,223	13,195	3,736	15,168
Impairment loss	1,502	6,149	-	-
Travel costs	766	3,136	-	-
Others	9,074	37,149	41,451	168,290
	808,741	3,310,986	814,286	3,306,001

22 Other income - net

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Interest income	383	1,571	558	2,266
Foreign exchange (loss)/gain	(280)	(1,149)	4,468	18,140
Loss on disposal of property and equipment	(4,233)	(17,368)	-	-
Others	12,300	50,468	-	-
	8,170	33,522	5,026	20,406

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Interest income	685	2,804	2,898	11,766
Foreign exchange gain	289	1,183	5,340	21,680
Loss on disposal of property and equipment	(4,237)	(17,346)	-	-
Others	12,300	50,356	3	12
	9,037	36,997	8,241	33,458

23 Finance cost

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Interest on borrowings and overdraft	111,816	458,781	73,629	298,934
Interest on lease liabilities	-	-	633	2,570
	111,816	458,781	74,262	301,504

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Interest on borrowings and overdraft	216,404	885,958	190,510	773,471
Interest on lease liabilities	-	-	1,635	6,638
	216,404	885,958	192,145	780,109

24 Income taxes**(a) 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 at the rate of 20% of taxable income or a minimum tax 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 November 2021, 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.

On May 2022, the Company received an approval letter from GDT for the suspension of Prepayment on Profit Tax ("PPT") from June 2021 onward. The PPT suspension is compatible with the time during which tax incentives are granted to the listed Company.

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

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Current income tax expense	24,763	101,603	28,858	117,163

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Current income tax expense	111,530	456,604	34,467	139,936

(b) Reconciliation between profit before income tax and estimated corporate income tax

The reconciliation between accounting profit/(loss) before tax and estimated corporate income tax is shown below:

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Profit/(loss) before tax	511,632	2,099,227	(876,979)	(3,560,535)
Add non-deductible expenses	105,295	432,025	62,569	256,722
Less deductible expenses	(369,300)	(1,515,237)	-	-
Taxable income/(loss) for the period	247,627	1,016,015	(814,410)	(3,303,813)
Income tax at applicable rate of 20% (A)	24,763	101,603	-	-
Minimum tax at rate 1% of revenue (B)	-	-	28,858	117,163
Income tax expense (higher of A or B)	24,763	101,603	28,858	117,163

24 Income tax (continued)

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Profit/(loss) before tax	1,110,589	4,546,751	(502,281)	(2,039,261)
Add non-deductible expenses	105,325	431,201	104,496	424,255
Less deductible expenses	(100,614)	(411,914)	-	-
Taxable income/(loss) for the period	1,115,300	4,566,038	(397,785)	(1,615,006)
Income tax at applicable rate of 20% (A)	111,530	456,604	-	-
Minimum tax at rate 1% of revenue (B)	-	-	34,467	139,936
Income tax expense (higher of A or B)	111,530	456,604	34,467	139,936

(c) Current income tax payable

	(Reviewed but unaudited)		(Audited)	
	30 June 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	111,530	456,604	-	-
Reversal due to over-provision	-	-	53,900	220,290
Income tax paid	(86,767)	(355,224)	(77,422)	(316,424)
Currency translation differences	-	(258)	-	790
As at end of the period/year	36,017	147,455	11,254	46,333

25 Related party transactions

The following balances are outstanding with related parties:

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

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	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the three-month period ended 30 June 2023		For the three-month period ended 30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Neang Vithy				
Payment on behalf of shareholder	-	-	100,000	406,000
Repayments from shareholder	(136,270)	(557,889)	(98,151)	(398,492)

25 Related party transactions (continued)

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Transactions				
Neang Vithy				
Payment on behalf of shareholder	-	-	100,000	406,000
Repayments from shareholder	(136,270)	(557,889)	(98,151)	(398,492)

26 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)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Salaries and benefits	50,599	205,431	45,400	184,324

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month		For the six-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Salaries and benefits	101,033	410,193	78,000	316,836

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27 Categories of financial assets and financial liabilities

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial assets measured at				
amortised cost		(Note 3)		(Note 3)
Trade receivables	2,083,962	8,531,740	3,165,773	13,033,487
Guarantee deposits	651,218	2,666,086	590,080	2,429,359
Cash and cash equivalents	435,433	1,782,663	21,464	88,367
Amounts due from shareholder	-	-	136,270	561,024
Other non-current assets	1,300	5,322	20,100	82,752
Total financial assets	3,171,913	12,985,811	3,933,687	16,194,989

	(Reviewed but unaudited)		(Audited)	
	30 June 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial liabilities measured at				
amortised cost		(Note 3)		(Note 3)
Borrowings	2,349,458	9,618,681	1,493,646	6,149,341
Overdraft	2,807,042	11,492,030	2,410,984	9,926,020
Trade and other payables**	1,466,064	6,002,065	1,023,526	4,213,856
Total financial liabilities	6,622,564	27,112,776	4,928,156	20,289,217

**Excludes output VAT and other taxes payable

28 Fair value information

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

29 Earnings/(loss) per share

Basic earnings/(loss) per share are calculated by dividing the profit/(loss) 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)		(Reviewed but unaudited)	
	For the three-month		For the three-month	
	period ended		period ended	
	30 June 2023		30 June 2022	
	USD	KHR	USD	KHR
		(Note 3)		(Note 3)
Profit/(loss) attributable to the owners of the Company	486,869	1,676,062	(905,837)	(3,686,757)
Weighted average number of shares		18,461,538		18,461,538
Basic earnings/(loss) per share	0.02	0.09	(0.04)	(0.19)
Diluted earnings/(loss) per share	0.02	0.09	(0.04)	(0.19)

29 Earnings/(loss) per share (continued)

	(Reviewed but unaudited)		(Reviewed but unaudited)	
	For the six-month period ended 30 June 2023		For the six-month period ended 30 June 2022	
	USD	KHR	USD	KHR
		(Note 3)		(Note 3)
Profit/(loss) attributable to the owners of the Company	999,059	3,914,083	(536,748)	(2,184,568)
Weighted average number of shares		18,461,538		18,461,538
Basic earnings/(loss) per share	0.05	0.21	(0.02)	(0.11)
Diluted earnings/(loss) per share	0.05	0.21	(0.02)	(0.11)

30 Events after reporting period

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

31 Authorisation of the reviewed interim condensed financial information

The reviewed interim condensed financial information of the Company as at 30 June 2023 and for the three-month and six-month periods then ended was approved for issue by the Board of Directors on 10 August 2023.