



Quarterly Report Q3 (As at 30 September, 2021)

DBD Engineering Plc.

Address: #68 St. 598, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia.

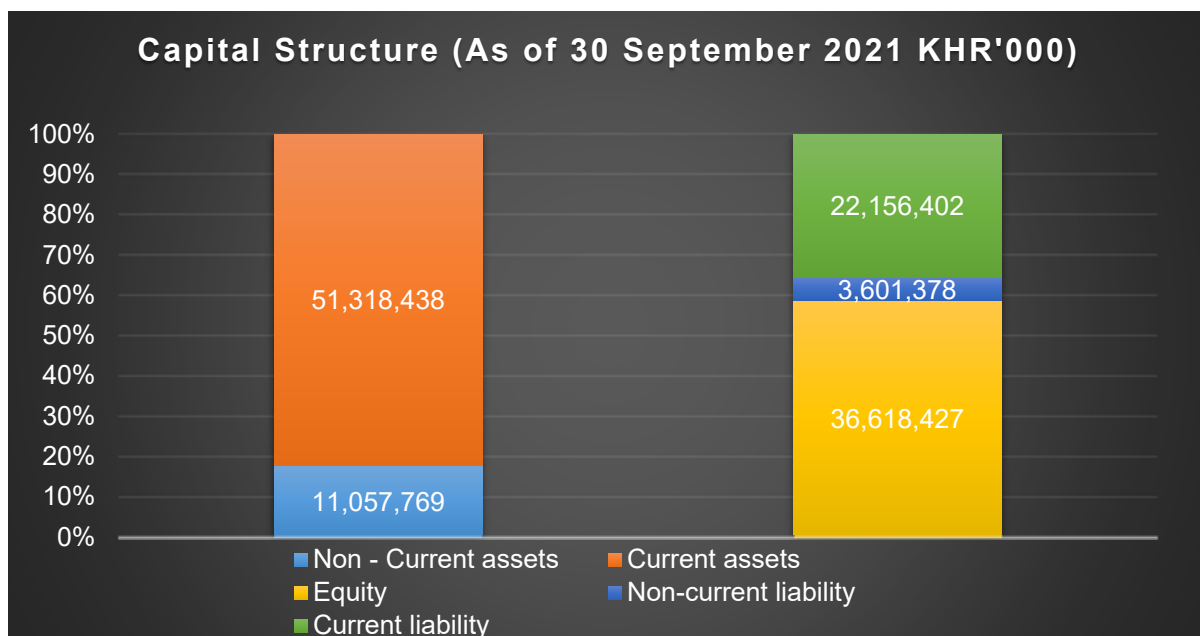
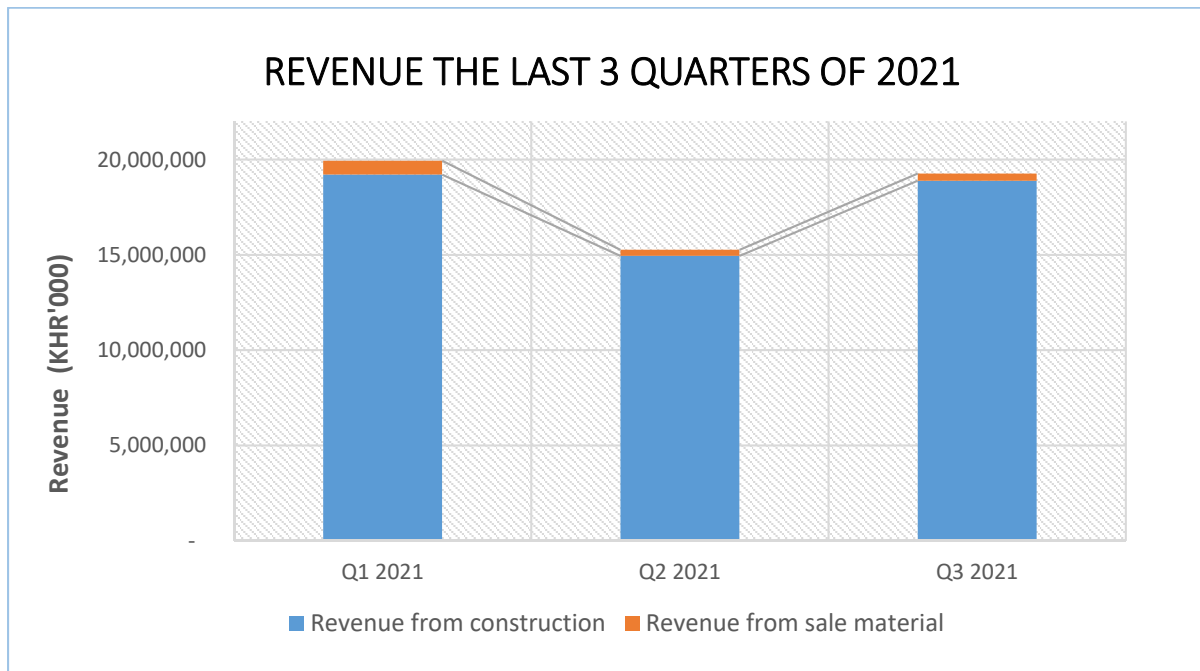
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Financial Highlight

Financial Position (KHR'000)		Unreviewed and Unaudited Q3 2021	Audited 2020	Audited 2019
Total assets		62,376,207	40,409,279	40,995,814
Total liabilities		25,757,780	20,714,247	22,397,106
Total equity		36,618,427	19,695,032	18,598,708
Financial Performance (KHR'000)		Unreviewed and Unaudited Q3 2021	Audited Q3 2020	Audited Q3 2019
Total revenue		19,265,113	8,794,823	8,723,695
Profit/(Loss) before tax		888,916	(255,909)	683,384
Net profit/(loss) after tax		723,419	(358,680)	619,307
Financial Ratios		Unreviewed and Unaudited Q3 2021	Audited 2020	Audited 2019
Solvency ratio		3.60%	9.15%	20.91%
Liquidity ratio	Current ratio	2.32	1.86	1.87
	Quick ratio	1.87	1.32	1.39
		Unreviewed and Unaudited Q3 2021	Audited Q3 2020	Audited Q3 2019
Profitability ratio	Return on assets	1.16%	-0.89%	1.51%
	Return on equity	1.98%	-1.82%	3.33%
	Gross profit margin	18.78%	23.50%	15.05%
	Profit margin	3.76%	-4.08%	7.10%
	Earnings per share	39.19	(29.89)	217,301

Financial Summary Charts



Board of Directors



Mr. Neang Vithy
Chairman and Managing
Director



Mr. Thai Vantha
Non-Executive Director



Mrs. Lim Muiyly
Executive Director
and CFO



Mr. Huy Vatharo
Independent Director

Message from Chairman

On behalf of DBD Engineering Plc. and the Board of Directors, I am pleased to present our third quarterly report for the period from 1 July to 30 September 2021 to all stakeholders.

The company reported total revenue 19,265,113 KHR'000 for the third quarter which is an increase of 119.05% compared to 8,794,823 KHR'000 in the same quarter of year 2020, in result the company making a profit of 723,419 KHR'000 for this quarter. The total assets increased 54.36% compared to year 2020 from 40,409,280 KHR'000 to 62,376,207 KHR'000.

During this COVID-19 outbreak, the company working so hard to prevent any significant impact to the company.

Date: 15 November 2021



Chairman and Managing Director

Mr. Neang Vithy

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PART 1: General information of the company

1. General information

Company name in Khmer:	ឌីប៊ីឌី អ៊ិនជីនឺរីង ម.ក
In Latin	DBD Engineering Plc.
Company code	KH1000150008
Address	No.68 Street 598, Sangkat Phnom Penh Thmey, Khan Sen Sok, Phnom Penh, Cambodia
Phone number	(+855) 078 700 598
Website	dbdengineering.com
Email	services@dbdengineering.com
Company registration number	00004029, date 10 March 1998 issued by Ministry of Commerce
License number	870 NSKB / 12 S, date 22 September 2021 issued by Ministry of Land Management, Urban Planning and Construction
Disclosure Document registration number	123/21/SSR/SERC, date 24 June 2021 issued by Securities and Exchange Regulator of Cambodia
Company Representative	Mr. Neang Vithy

2. Overview of Business

DBD 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 international companies. DBD has an excellent track record of providing high-quality products and services and has achieved an exceptional level of client satisfaction.

DBD has strong Service and Maintenance team to ensure that new buildings or installations remain in top condition, and now the Company is expanding the ducting production, plant and equipment maintenance.

3. Quarter's Key Evets

On Monday, 6th September 2021 was the official listing ceremony of DBD Engineering Plc. at Cambodia Securities Exchange (CSX). Company's shares 6,461,538 has sold out which the order from investors exceeded this issued number.

On Thursday, 23rd September 2021 Board of Directors approved on the budget 2.5 million US dollars for the construction of new headquarter and production building, and this construction will be implemented by DBD itself.

PART 2: Information on Business Operation Performance

1. Business Operation

Result from COVID-19 outbreak, we also met some difficulty on the material supply due to the supplier requiring a long period of time for the production, and the shipping also quite challenging. There is also another difficulty in manpower after the lockdown a lot of workers has return to their homeland, our human recourse department worked so hard on recruiting new workers and training to ensure that our worker has enough skill to complete to work. However, the company had no project delay due to DBD can't meet the obligation.

In the third quarter this year, the company had managed to make a profit of 723,419 KHR'000 compared to (358,680) KHR' 000 in third quarter of 2020.

2. Revenue Structure

Revenue Structure (KHR'000)	Q3 2021		Q3 2020		Q3 2019	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
Revenue from construction	18,887,635	98.04%	8,396,003	95.47%	7,270,736	83.34%
Revenue from sale material	377,478	1.96%	398,820	4.53%	1,452,959	16.66%

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.

PART 3: Financial Statements

Company No. 00004029

DBD Engineering Plc.

(Incorporated in Cambodia)

STATEMENTS OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2021

	Note	Unaudited 30 September 2021		Audited 31 December 2020	
		USD	KHR'000	USD	KHR'000
Assets					
Non - Current assets					
Property and equipment	3	2,604,225	10,622,634	2,600,015	10,517,061
Intangible asset		35,058	143,002	37,456	151,510
Right-of-use asset		42,569	173,638	70,402	284,776
Other non-current asset	5	29,050	118,495	59,050	238,857
		2,710,902	11,057,769	2,766,923	11,192,204
Current assets					
Contract asset		4,256,394	17,361,831	3,150,830	12,745,107
Other current asset	4	1,467,388	5,985,476	457,476	1,850,490
Inventories		1,431,280	5,838,191	1,633,816	6,608,786
Trade receivables		4,118,605	16,799,790	1,487,219	6,015,800
Amount due from related party		748,523	3,053,226	-	-
Fixed deposit		65,000	265,135	210,545	851,655
Cash and bank balance	6	493,942	2,014,789	283,124	1,145,237
		12,581,132	51,318,438	7,223,010	29,217,075
Total assets		15,292,034	62,376,207	9,989,933	40,409,279
Equity					
Share capital		4,615,385	18,826,155	3,000,000	12,135,000
Share Premium		2,158,154	8,803,110	-	-
Retained Earning		2,203,766	8,989,162	1,868,982	7,560,032
Total equity		8,977,305	36,618,427	4,868,982	19,695,032
Liabilities					
Non-current					
Borrowing - net of current portion	7	882,907	3,601,378	1,181,824	4,780,478
Lease liabilities - net of current portion	10	-	-	48,510	196,223
		882,907	3,601,378	1,230,334	4,976,701

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021 (CONTINUED)**

	Note	Unaudited 30 September 2021		Audited 31 December 2020	
		USD	KHR'000	USD	KHR'000
Current					
Borrowing	7	2,599,927	10,605,102	967,207	3,912,352
Overdraft	8	1,132,181	4,618,166	1,724,592	6,975,975
Trade and other payables	9	1,292,167	5,270,749	697,168	2,820,045
Amount due to shareholder		46,261	188,700	5,642	22,822
Amount due to Related Parties		-	-	-	-
Lease liabilities	10	63,947	260,840	60,090	243,064
Contract liability		269,374	1,098,776	407,953	1,650,170
Current income tax liability		27,965	114,069	27,965	113,118
Total current liability		5,431,822	22,156,402	3,890,617	15,737,546
Total liabilities		6,314,729	25,757,780	5,120,951	20,714,247
Total equity and liabilities		15,292,034	62,376,207	9,989,933	40,409,279

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

	Note	Unaudited			
		30 Sep 2021		30 Sep 2020	
		USD	KHR'000	USD	KHR'000
Revenue	11	4,722,999	19,265,113	2,145,079	8,794,823
Cost of goods sold		(3,836,147)	(15,647,644)	(1,640,953)	(6,727,906)
Gross profit		886,852	3,617,469	504,126	2,066,917
Other income	12	(6,150)	(25,086)	990	4,059
Operating expenses	13	(525,889)	(2,145,101)	(487,143)	(1,997,286)
Finance costs		(136,888)	(558,366)	(80,390)	(329,599)
Profit/Loss before tax		217,925	888,916	(62,417)	(255,909)
Income tax expense		(40,573)	(165,497)	(25,066)	(102,771)
Profit/loss for the period		177,352	723,419	(87,483)	(358,680)

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

	Note	Unaudited		Audited	
		30 September 2021		For the year ended 31 December 2020	
		USD	KHR'000	USD	KHR'000
Revenue	11	13,398,649	54,653,089	13,463,188	54,889,417
Cost of goods sold		(11,504,286)	(46,925,983)	(11,204,134)	(45,679,254)
Gross profit		1,894,363	7,727,106	2,259,054	9,210,163
Other income	12	26,362	107,531	53,631	218,654
Operating expenses	13	(1,107,390)	(4,517,044)	(1,498,326)	(6,108,675)
Finance costs		(382,150)	(1,558,790)	(369,475)	(1,506,350)
Profit/Loss before tax		431,185	1,758,803	444,884	1,813,792
Income tax expense		(96,402)	(393,224)	(140,002)	(570,788)
Profit/loss for the period		334,783	1,365,579	304,882	1,243,004

**STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021**

	Share capital USD	Share premium USD	Retained earnings USD	Total USD
Balance at 1 January 2021	3,000,000	-	1,868,982	4,868,982
Additional capital contribution	1,615,385	2,158,154		3,773,539
Profit for the year	-	-	(896,842)	(896,842)
Exchange difference	-	-	-	-
Balance at 30 September 21	4,615,385	2,158,154	972,140	7,745,679
(KHR'000 equivalent)	18,826,155	8,803,110	8,989,162	36,618,427
Balance at 1 January 2020	142,500	-	4,421,600	4,564,100
Additional capital contribution	2,857,500	-	(2,857,500)	-
Profit for the year	-	-	304,882	304,882
Exchange difference	-	-	-	-
Balance at 31 December 2020	3,000,000	-	1,868,982	4,868,982
(KHR'000 equivalent)	12,135,000	-	7,560,032	19,695,032

Statement of Cash Flows

	30 Sep 2021		31 December 2020	
	USD	KHR'000	USD	KHR'000
Cash flow from operating activities				
Profit/(loss) before income tax	431,185	1,758,804	444,883	1,813,788
Adjustments for:				
Depreciation and Amortization	139,222	567,885	163,854	668,033
Gain/loss on disposal of property and equipment and intangible assets	(6,036)	(24,619)	914	3,726
Finance costs	382,150	1,558,790	369,475	1,506,350
Operating profit/(loss) before working capital changes	946,521	3,860,860	979,126	3,991,897
Changes in working capital				
Changes in trade and other receivables	(2,631,386)	(10,733,423)	432,722	1,764,208
Changes in contract asset	(1,105,564)	(4,509,596)	(743,882)	(3,032,807)
Changes in inventories	202,536	826,144	(400,309)	(1,632,060)
Changes in other current assets	(1,009,911)	(4,119,427)	223,119	909,656
Changes in fixed deposit	145,545	593,678	862,602	3,516,828
Changes in amount due from other parties	(748,523)	(3,053,226)	-	-
Changes in non-current asset	30,000	122,370	(24,050)	(98,052)
Changes in overdraft	(592,411)	(2,416,444)	260,686	1,062,817
Changes in trade and other payables	594,999	2,427,001	(656,279)	(2,675,649)
Changes in contract liabilities	(138,579)	(565,264)	261,852	1,067,571
Changes in amount due to other parties	40,619	165,686	(27,433)	(111,844)
Cash used in operating activities	(4,266,154)	(17,401,641)	1,168,154	4,762,565
Income tax paid	(96,402)	(393,224)	(112,036)	(456,771)
Net cash used in operating activities	(4,362,556)	(17,794,865)	1,056,118	4,305,794
Investing activities				
Acquisition of property, plant and equipment	(107,315)	(437,736)	(177,805)	(724,911)
Acquisition of intangible assets	-	-	-	-
Proceeds from disposals of property and equipment	150	612	81	330
Net cash used in investing activities	(107,165)	(437,124)	(177,724)	(724,581)
Financing activities				
Proceeds from issue of share capital	3,773,539	15,392,266	-	-
Repayments of lease liabilities	(44,653)	(182,140)	(54,623)	(222,698)
Repayments of borrowings	(5,456,934)	(22,258,834)	(662,982)	(2,702,978)
Proceeds from borrowings	6,790,737	27,699,416	475,543	1,938,789
Payment of interest	(382,150)	(1,558,790)	(369,475)	(1,506,350)
Net cash used in investing activities	4,680,539	19,091,918	(611,537)	(2,493,237)
Net change in cash and cash equivalents	210,818	859,928	266,857	1,087,976
Cash and cash equivalents at beginning of the year	283,124	1,154,863	16,267	66,321
Cash and cash equivalents end of period	493,942	2,014,791	283,124	1,154,297

Notes to Financial Statement

1. General information

DBD Engineering Plc. 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.68 Street 598, Phnom Penh Thmey, Khan Sen Sok, PO Box 178, Phnom Penh, Kingdom of Cambodia.

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

The Company had 1,185 employees as at 30 September 2021 (31 December 2020: 1,043 employees).

2. Basis of preparation and statement of compliance with CIFRS

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

The National Accounting Council of Cambodia, as mandated by Prakas (Circular) No. 068-MEF-Pr dated 8 January 2009 issued by the Ministry of Economy and Finance of Cambodia on the adoption of Cambodian Financial Reporting Standards, has decided to fully adopt International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) without modifications. The standards are referred to as CIFRSs.

Notes to Financial Statement (CONTINUED)

3. Property, Plant and equipment

	Land USD	Land improvement USD	Machine USD	Vehicle USD	Office equip USD	Furniture USD	Work in Progress USD	Total USD
Gross carrying amount								
Balance as at 1 January 2021	2,167,620	-	550,602	573,268	61,376	8,653	52,165	3,413,684
Additions	-	-	97,504	491	8,043	-	1,278	107,316
Transfer	-	52,165	16,033	-	(5,274)	5,189	(52,165)	15,948
Write off/Disposal	-	-	(22,331)	(350)	(505)	(4,932)	-	(28,118)
Balance as at 30 September 2021	2,167,620	52,165	641,807	573,409	63,640	8,910	1,278	3,508,829
Accumulated depreciation								
Balance as at 1 January 2021	-	-	295,878	465,856	44,928	7,007	-	813,669
Depreciation charge for Jan - Sep 2021	-	2,608	71,586	23,102	10,427	452	-	108,175
Disposal/transfer	-	-	1,133	(12,266)	(6,707)	600	-	(17,240)
Balance as at 30 September 2021	-	2,608	368,596	476,692	48,648	8,059	-	904,604
Carrying amount 30 September 2021	2,167,620	49,557	273,211	96,716	14,992	851	1,278	2,604,225
(KHR'000 equivalent)	8,841,722	202,143	1,114,428	394,506	61,152	3,470	5,213	10,622,634

Notes to Financial Statement (CONTINUED)

4. Other current asset

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Prepaid to Suppliers	1,012,451	4,129,788	444,397	1,797,585
Salary loan	340,258	1,387,912	10,000	40,450
VAT Input	114,060	465,251	-	-
VAT credit carry forward	-	-	3,079	12,455
Consumable	619	2,525	-	-
	1,467,388	5,985,476	457,476	1,850,490

5. Other non-current asset

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Note Receivable	9,000	36,711	39,000	157,755
Deposit Paid	20,050	81,784	20,050	81,102
	29,050	118,495	59,050	238,857

6. Cash and cash equivalents

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Cash on hand	41,662	169,939	5,131	20,755
Cash in Bank	452,280	1,844,850	277,993	1,124,482
	493,942	2,014,789	283,124	1,145,237

7. Long-term borrowing

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Non-current	2,599,927	10,605,102	1,181,824	4,780,478
Current	882,907	3,601,378	967,207	3,912,352
	3,482,834	14,206,480	2,149,031	8,692,830

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Balance 1 January	2,149,031	8,765,898	2,336,470	9,451,021
Addition	6,790,737	27,699,416	475,543	1,923,571
Repayments	(5,456,934)	(22,258,834)	(662,982)	(2,681,762)
Interest charged	382,150	1,558,790	356,898	1,443,652
Interest paid	(382,150)	(1,558,790)	(356,898)	(1,443,652)
Balance 31 December	3,482,834	14,206,480	2,149,031	8,692,830

Notes to Financial Statement (CONTINUED)

7. Long-term borrowing (CONTINUED)

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
<i>a. By maturity</i>				
within one year	2,599,927	10,605,102	967,207	3,912,352
From two to five year	882,907	3,601,378	1,134,351	4,588,450
Over five year	-	-	47,473	192,028
	<u>3,482,834</u>	<u>14,206,480</u>	<u>2,149,031</u>	<u>8,692,830</u>
<i>b. by security</i>				
Secured	1,169,255	4,769,390	1,531,301	6,194,112
Not secured	2,313,579	9,437,090	617,730	2,498,718
	<u>3,482,834</u>	<u>14,206,480</u>	<u>2,149,031</u>	<u>8,692,830</u>
<i>c. By currency</i>				
USD	3,482,834	14,206,480	2,149,031	8,692,830
KHR	-	-	-	-
	<u>3,482,834</u>	<u>14,206,480</u>	<u>2,149,031</u>	<u>8,692,830</u>
<i>d. By relationship</i>				
Non-related parties	3,482,834	14,206,480	2,149,031	8,692,830
Related parties	-	-	-	-
	<u>3,482,834</u>	<u>14,206,480</u>	<u>2,149,031</u>	<u>8,692,830</u>

8. Overdraft

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
J Trust Royal Bank	9,421	38,428	240,834	974,174
Advanced Bank of Asia	1,122,760	4,579,738	1,131,994	4,578,916
Chip Mong Commercial Bank Plc.	-	-	351,764	1,422,885
	<u>1,132,181</u>	<u>4,618,166</u>	<u>1,724,592</u>	<u>6,975,975</u>

9. Trade and other payables

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Accounts payable	950,312	3,876,323	489,633	1,980,565
Other taxes payable	296,789	1,210,602	132,101	534,349
Other current liabilities	-	-	7,843	31,725
Accrued expenses	-	-	7,935	32,097
Retention	45,066	183,824	59,656	241,309
	<u>1,292,167</u>	<u>5,270,749</u>	<u>697,168</u>	<u>2,820,045</u>

Notes to Financial Statement (CONTINUED)

10. Lease liabilities

	Within one	2 years	Total	
	year		USD	KHR'000
31-Dec-20				
Lease payments	67,200	-	67,200	274,109
Finance charges	(3,253)	-	(3,253)	(13,269)
Net present value	63,947	-	63,947	260,840

11. Revenue

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Construction and maintenance services	13,047,804	53,221,992	13,071,508	53,292,538
Sale of goods	350,845	1,431,097	391,680	1,596,879
	13,398,649	54,653,089	13,463,188	54,889,417

12. Other income

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Interest income	4,391	17,911	49,221	200,674
Rental income	19,040	77,664	5,242	21,372
Gain on disposal of fixed assets	6,186	25,233	(914)	(3,726)
Others	(3,253)	(13,277)	82	334
	26,364	107,531	53,631	218,654

13. Operating expenses

	30.09.2021		31.12.2020	
	USD	KHR'000	USD	KHR'000
Personnel	357,375	1,457,733	322,993	1,316,842
Utilities	41,788	170,453	60,372	246,137
Other taxes	113,596	463,358	240,929	982,268
Insurance	52,108	212,549	63,497	258,877
Depreciation	67,636	275,887	80,875	329,727
Office supplies and stationery	87,427	356,615	78,273	319,119
Repairs and maintenance	16,394	66,870	35,909	146,402
Bank charge	86,926	354,571	110,573	450,806
Inventory adjustment	855	3,488	214,865	876,005
Professional fees	241,300	984,263	73,954	301,510
Rent	13,038	53,182	18,169	74,075
Travelling	-	-	431	1,757
Entertainment	8,759	35,728	14,450	58,913
Communication	6,058	24,711	6,902	28,139
Others	14,130	57,636	176,134	718,098
	1,107,390	4,517,044	1,498,326	6,108,675

PART 4: Management's Discussion and Analysis

1. Overview of Operation

a. Revenue Analysis

For third quarter of 2021, the company reported revenue of 19,265,113 KHR'000 an increase of 119.05% compared to 8,794,823 KHR' 000 in third quarter of 2020.

b. Revenue by segment analysis

The company has revenue segment as below:

Revenue Structure (KHR'000)	Q3 2021		Q3 2020	
	Amount	Percentage	Amount	Percentage
Revenue from construction	18,887,635	98.04%	8,396,003	95.47%
Revenue from sale material	377,478	1.96%	398,820	4.53%
Total	19,265,113	100%	8,794,823	100%

c. Gross profit margin analysis

For third quarter of 2021, DBDE reported a gross profit of the period 3,617,469 KHR'000, an increase of 75.92% compared to 2,066,917 KHR'000 in third quarter of 2020.

d. Profit/(loss) before tax analysis

In this third quarter of 2021, DBDE reported a profit before tax of the period 888,916 KHR'000, an increase of 447.36% compared to loss (255,909) KHR'000 in third quarter of 2020.

e. Profit/(loss) after tax

In this third quarter of 2021, DBDE reported a profit after tax of the period 723,419 KHR'000, an increase of 301.69% compared to loss (358,680) KHR'000 in third quarter of 2020.

f. Factors and trends analysis affecting financial conditions and results

As shown in the statement of profit or other comprehensive income, the profit and loss after tax in third quarter 2021 significantly increase compared to third quarter 2020 due to in third quarter of 2020 has higher rate of operating expenses.

2. Significant Factors Affecting Profit

a. Demand and supply conditions analysis

The real estate and construction sector has been one of the main contributors to the Cambodia economy, it grew by 18.1% in 2018 while the number of condominium units rose by about 120%. Real Estate Market Outlook 2019, It is predicted in 2019 that the industrial sector which is supported by the construction sector, could contribute around 10.2% to the GDP as reported by CBRE.

b. Fluctuations in price 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.

c. Tax analysis

Currently DBD is under a limited tax audit for the period up to 31 March 2021, and there is no any indicator that this will be a significant impact to profit of this year.

The company has received tax incentive 50% on profit tax for 3 years' period from 2022 to 2024.

d. Exceptional and extraordinary items analysis

There was no exceptional and extraordinary income and expense during the third quarter of 2021.

3. Material Changes in Sale and Revenue

In the third quarter of 2021, DBD has larger revenue from construction compared to the third of 2020. Revenue from construction depends on the progress of work done, and this year we got one big project, the "Chip Mong Mega Mall 27".

4. Impact of Foreign Exchange and Interest Rate

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 DBDs' borrowings are at fixed rate so there is no significant impact from the fluctuate of the foreign exchange and interest rate,

5. Impact of Inflation

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.



6. Economic, fiscal and monetary policy of the government

In 2019, there were 4,888 approved construction projects with capital investment of USD 11.44 billion, an increase over 2018 of 48.57% and 98.96%, respectively, according to Ministry of Land Management, Urban Planning and Construction. The average growth of the industry was 18.1% per year from 2014 to 2019. Capital investment in 2019 was USD 9.35 billion, an increase of 79% from 2018, according to Ministry of Information.

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

Date: 15 November 2021

Read and Approved



Neang Vithy

Chairman