

**Statement by the Directors
and
Interim condensed financial information**

DBD Engineering Plc.

As at 30 June 2022 and for the
six-month period then ended

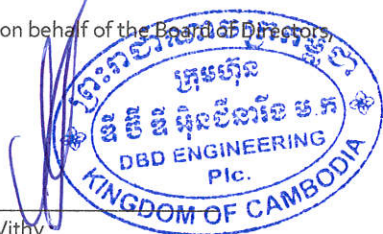
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Statement by the Directors

In the opinion of the Directors, the accompanying interim condensed statement of financial position of DBD Engineering Plc. ("the Company") as at 30 June 2022, and the related interim condensed statement of comprehensive income, statement of changes in equity and statement of cash flows for the six-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
9 August 2022



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Report on review of interim condensed financial information

Grant Thornton (Cambodia) Limited
20th Floor Canadia Tower
315 Preah Ang Doung Street
(corner Monivong Boulevard)
Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh
Kingdom of Cambodia

T +855 23 966 520
www.grantthornton.com.kh

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 2022, and the related interim statements of other comprehensive income, changes in equity and cash flows for the 6-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 2021. The comparative information for the six-month period ended 30 June 2021 on the statements of comprehensive income, cash flows and related explanatory notes was neither reviewed nor audited.

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GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants

Registered Auditors



Ronald C. Almera
 Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia

9 August 2022

Certified Public Accountants and Auditors

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Interim statement of financial position

	Note	(Reviewed but unaudited)		(Audited)	
		30 June 2022		31 December 2021	
		USD	KHR'000	USD	KHR'000
			(Note 3)		(Note 3)
Assets					
Non-current					
Property and equipment - net	6	3,269,045	13,305,013	2,643,062	10,767,835
Intangible assets - net	7	35,454	144,298	33,986	138,459
Right-of-use asset - net	8	13,098	53,309	32,745	133,403
Other non-current assets	9	25,100	102,157	20,050	81,684
Non-current assets		3,342,697	13,604,777	2,729,843	11,121,381
Current					
Contract assets	15	2,626,682	10,690,596	3,791,366	15,446,025
Other current assets	14	876,706	3,568,192	946,962	3,857,923
Amounts due from shareholder	26	134,421	547,093	134,421	547,631
Inventories - net	13	1,375,227	5,597,174	2,167,258	8,829,409
Trade receivables	12	3,888,767	15,827,282	6,273,057	25,556,434
Guarantee deposits	11	480,000	1,953,600	65,000	264,810
Cash and cash equivalents	10	278,533	1,133,629	225,119	917,135
Current assets		9,660,336	39,317,566	13,603,183	55,419,367
Total assets		13,003,033	52,922,343	16,333,026	66,540,748
Equity					
Share capital	16	4,615,385	18,796,687	4,615,385	18,796,687
Share premium	16	2,158,154	8,779,370	2,158,154	8,779,370
Retained earnings		1,536,524	6,416,618	2,281,664	9,441,887
Currency translation reserves		-	(170,719)	-	(127,047)
Total equity		8,310,063	33,821,956	9,055,203	36,890,897
Liabilities					
Non-current					
Borrowings - net of current portion	17	749,458	3,050,294	811,320	3,305,318
Total non-current liabilities		749,458	3,050,294	811,320	3,305,318
Current					
Borrowings	17	282,828	1,151,110	2,519,011	10,262,451
Overdraft	18	1,115,355	4,539,495	1,871,112	7,622,910
Trade and other payables	19	1,589,356	6,468,678	1,831,215	7,460,370
Lease liabilities	8	16,544	67,334	48,509	197,626
Contract liabilities	15	932,618	3,795,755	161,880	659,499
Current income tax liability	25	6,811	27,721	34,776	141,677
Current liabilities		3,943,512	16,050,093	6,466,503	26,344,533
Total liabilities		4,692,970	19,100,387	7,277,823	29,649,851
Total equity and liabilities		13,003,033	52,922,343	16,333,026	66,540,748

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

Interim statement of comprehensive income

	Note	[Reviewed but unaudited] For the six-month period ended 30 June 2022		[Unreviewed and unaudited] For the six-month period ended 30 June 2021	
		USD	KHR'000 [Note 3]	USD	KHR'000 [Note 3]
Revenue	20	6,893,372	27,987,090	8,326,748	33,823,250
Cost of services and goods sold	21	(6,397,463)	(25,973,700)	(7,636,626)	(31,019,975)
Gross profit		495,909	2,013,390	690,122	2,803,275
Other income-net	23	7,977	32,387	32,516	132,080
Operating expenses	22	(814,286)	(3,306,001)	(581,501)	(2,362,057)
Finance costs	24	(192,145)	(780,109)	(245,262)	(996,254)
Loss before tax		(502,545)	(2,040,333)	(104,125)	(422,956)
Income tax expense	25	(34,467)	(139,936)	(83,267)	(338,231)
Loss for the period		(537,012)	(2,180,269)	(187,392)	(761,187)
Other comprehensive income/(loss) – Currency translation differences		-	(5,370)	-	(2,435)
Total comprehensive income for the period		(537,012)	(2,185,639)	(187,392)	(763,622)

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

Basic loss per share	29	(0.04)	(0.14)	(0.02)	(0.06)
Diluted loss per share	29	(0.04)	(0.14)	(0.02)	(0.06)

Interim statement of changes in equity

	Share capital		Share premium		Retained earnings		Currency translation	USD	Total KHR'000 (Note 3)
	USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3 and 27) (As reclassified)	reserve KHR'000 (Note 3)		
(Reviewed but unaudited)									
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
Dividends	-	-	-	-	(208,128)	(845,000)	-	(208,128)	(845,000)
Loss for the period	-	-	-	-	(537,012)	(2,180,269)	-	(537,012)	(2,180,269)
Currency translation differences	-	-	-	-	-	-	(43,672)	-	(43,672)
Balance at 30 June 2022	4,615,385	18,796,687	2,158,154	8,779,370	1,536,524	6,416,618	(170,719)	8,310,063	33,821,956
(Unreviewed and unaudited)									
Balance at 1 January 2021	3,000,000	12,225,301	-	-	1,868,982	7,763,096	(293,365)	4,868,982	19,695,032
Loss for the period	-	-	-	-	(187,392)	(761,186)	-	(187,392)	(761,186)
Currency translation differences	-	-	-	-	-	-	143,633	-	143,633
Balance at 30 June 2021	3,000,000	12,225,301	-	-	1,681,590	7,001,910	(149,732)	4,681,590	19,077,479

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

Interim statement of cash flows

	Note	(Reviewed but unaudited) For the six-month period ended 30 June 2022		(Unreviewed and unaudited) For the six-month period ended 30 June 2021	
		USD	KHR'000 (Note 3)	USD	KHR'000 (Note 3)
Cash flows from operating activities					
Loss before income tax		(502,545)	(2,040,333)	(104,125)	(423,581)
Adjustments for:					
Depreciation and amortization		96,408	391,416	81,421	331,221
Finance costs	24	192,145	780,109	245,262	997,726
Income tax	25	14,990	60,859	-	-
Loss on disposal of property and equipment and intangible assets	6	264	1,072	1,312	5,337
Operating (loss)/profit before working capital changes		(198,738)	(806,877)	223,870	910,703
Changes in working capital					
Net changes in:					
Contract assets		1,164,684	4,728,617	(748,964)	(3,046,786)
Other current assets		70,256	285,239	(534,184)	(2,173,061)
Inventories - net		792,031	3,215,646	(624,185)	(2,539,185)
Guarantee deposit		(415,000)	(1,684,900)	145,545	592,077
Trade receivables		2,384,290	9,680,217	(1,493,564)	(6,075,818)
Other non-current assets		(5,050)	(20,503)	7,500	30,510
Overdraft		(755,757)	(3,068,373)	192,072	781,349
Trade and other payables		(241,859)	(981,948)	1,525,808	6,206,987
Contract liabilities		770,738	3,129,196	258,647	1,052,176
Cash generated/(used in) from operations		3,565,595	14,476,314	(1,047,455)	(4,261,048)
Income tax paid	25	(77,422)	(314,333)	(55,830)	(227,116)
Net cash from/(used in) operating activities		3,488,173	14,161,981	(1,103,285)	(4,488,164)
Investing activities					
Acquisitions of property and equipment and intangible assets	6,7	(704,476)	(2,860,173)	(90,452)	(367,959)
Proceeds from disposals of property and equipment and intangible assets	6,7	-	-	150	610
Net cash used in investing activities		(704,476)	(2,860,173)	(90,302)	(367,349)
Financing activities					
Repayments of borrowings	17	(5,098,430)	(20,699,626)	(2,385,631)	(9,704,747)
Drawdown of borrowings	17	2,800,385	11,369,563	3,669,982	14,929,487
Repayments of dividends		(208,128)	(845,000)	-	-
Payment of interest	17	(190,510)	(773,471)	(241,229)	(981,320)
Repayments of lease liabilities	8	(33,600)	(136,416)	(33,600)	(136,685)
Net cash from/(used in) financing activities		(2,730,283)	(11,084,950)	1,009,522	4,106,735
Net change in cash and cash equivalents during the period		53,414	216,858	(184,065)	(748,778)
Cash and cash equivalents, beginning of period		225,119	917,135	283,124	1,145,237
Currency translation differences		-	(364)	-	7,107
Cash and cash equivalents, end of period		278,533	1,133,629	99,059	403,566

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., (formerly known as DBD Engineering Co., Ltd.) (“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.68 Street 598, Phnom Penh Thmey, Khan Sen Sok, PO Box 178, Phnom Penh, Kingdom of Cambodia.

The Company changed its name from DBD Engineering Co., Ltd to DBD Engineering Plc. after obtaining approval from the MOC on 18 January 2021.

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 911 employees as at 30 June 2022 (31 December 2021: 966 employees).

On 6 September 2021, the Company was successfully listed on the growth board of the Cambodia Securities Exchange. 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. As at the date of the report, the Memorandum and Articles of Association of the Company is yet to be updated and it is expected to be updated upon approval of shareholders in the annual general meeting on 31 May 2022.

2 Basis of preparation

The interim condensed financial information for the six-month period ended 30 June 2022 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 2021 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

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:

	30 June 2022	31 December 2021	30 June 2021
Average rate*	4,060	4,068	4,062
Closing rate	4,070	4,074	4,075

* The average rate is calculated using the 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 2021 and for the year then ended.

4.1 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenue and expenses that relate to transactions with any of the Company’s other components. All operating segments’ operating results are reviewed regularly by the chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The Company has one reportable segment, namely real estate construction. The chief operating decision maker reviews the internal management report, which reports the performance of the segment as a whole, to assess performance of the reportable segment.

4.2 Seasonality

The principal business of the Company is mainly real estate construction. There is no significant seasonality factor associated with this business activity.

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 2021 and for the year then ended.

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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 amount									
Balance as at 1 January 2022	2,167,620	652,941	573,408	66,433	8,910	52,165	60,801	3,582,278	14,594,201
Additions	-	47,661	-	2,212	-	-	650,803	700,676	2,844,745
Write-off and Disposal	-	(8,632)	-	(1,580)	-	-	-	(10,212)	(41,461)
Currency translation difference	-	-	-	-	-	-	-	-	(7,425)
Balance as at 30 June 2022	2,167,620	691,970	573,408	67,065	8,910	52,165	711,604	4,272,742	17,390,060
Accumulated depreciation									
Balance as at 1 January 2022	-	392,070	482,720	51,007	8,202	5,217	-	939,216	3,826,366
Depreciation	-	52,111	11,569	5,249	283	5,217	-	74,429	302,182
Write-off and Disposal	-	(8,548)	-	(1,400)	-	-	-	(9,948)	(40,389)
Currency translation difference	-	-	-	-	-	-	-	-	(3,112)
Balance as at 30 June 2022	-	435,633	494,289	54,856	8,485	10,434	-	1,003,697	4,085,047
Carrying amount as at 30 June 2022	2,167,620	256,337	79,119	12,209	425	41,731	711,604	3,269,045	13,305,013

	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 2021	2,167,620	550,602	573,268	61,376	8,653	-	52,165	3,413,684	13,808,352
Additions	-	113,441	490	7,817	257	-	60,801	182,806	743,655
Transfer	-	-	-	-	-	52,165	(52,165)	-	-
Write-off and Disposal	-	(11,102)	(350)	(2,760)	-	-	-	(14,212)	(57,814)
Currency translation difference	-	-	-	-	-	-	-	-	100,008
Balance as at 31 December 2021	2,167,620	652,941	573,408	66,433	8,910	52,165	60,801	3,582,278	14,594,201
Accumulated depreciation									
Balance as at 1 January 2021	-	295,878	465,856	44,928	7,007	-	-	813,669	3,291,291
Depreciation	-	105,478	17,081	8,818	1,195	5,217	-	137,789	560,526
Write-off and Disposal	-	(9,286)	(217)	(2,739)	-	-	-	(12,242)	(49,800)
Currency translation difference	-	-	-	-	-	-	-	-	24,349
Balance as at 31 December 2021	-	392,070	482,720	51,007	8,202	5,217	-	939,216	3,826,366
Carrying amount as at 31									
December 2021	2,167,620	260,871	90,688	15,426	708	46,948	60,801	2,643,062	10,767,835

As at 30 June 2022, 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)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Gross carrying amount				
Balance as at 1 January 2022	42,845	174,551	42,845	173,308
Additions	3,800	15,428	-	-
Currency translation difference	-	(134)	-	1,243
Balance as at end of the period/year	46,645	189,845	42,845	174,551
Accumulated amortisation				
Balance as at 1 January 2022	8,859	36,092	5,389	21,798
Amortisation	2,332	9,468	3,470	14,116
Currency translation difference	-	(13)	-	178
Balance as at end of the period/year	11,191	45,547	8,859	36,092
Carrying amount as at end of period/year	35,454	144,298	33,986	138,459

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 the lease 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)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Cost				
Balance as at beginning of the period/year				
Additions	392,941	1,600,842	392,941	1,589,446
Currency translation difference	-	(1,572)	-	11,396
Balance as at end of the period/year	392,941	1,599,270	392,941	1,600,842
Accumulated depreciation				
Balance as at beginning of the period/year	360,196	1,467,439	322,539	1,304,670
Depreciation	19,647	79,767	37,657	153,189
Currency translation difference	-	(1,245)	-	9,580
Balance as at end of the period/year	379,843	1,545,961	360,196	1,467,439
Carrying amount as at end of the period/year	13,098	53,309	32,745	133,403

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

Movements in lease liabilities are as follows:

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Balance as at beginning of the period/year	48,509	197,626	108,600	439,287
Accretion of interest	1,635	6,638	7,110	12,577
Repayments	(33,600)	(136,416)	(67,201)	(273,374)
Currency translation difference	-	(514)	-	19,136
Balance as at end of the period/year	16,544	67,334	48,509	197,626

9 Other non-current assets

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Deposit paid	25,100	102,157	20,050	81,684

10 Cash and cash equivalents

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Cash in banks	269,873	1,098,383	218,603	890,589
Cash on hand	8,660	35,246	6,516	26,546
Balance as at end of the period/year	278,533	1,133,629	225,119	917,135

11 Guarantee deposits

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

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Guarantee deposits on credit facility	480,000	1,953,600	65,000	264,810

12 Trade receivables

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Trade receivables	2,058,255	8,377,098	4,510,666	18,376,453
Retention receivables	1,830,512	7,450,184	1,762,391	7,179,981
	3,888,767	15,827,282	6,273,057	25,556,434

13 Inventories-net

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Materials	1,375,227	5,597,174	2,167,258	8,829,409

As of June 2022, a total of USD3,715,368 (2021: USD9,569,044) was included in cost of services and goods sold.

14 Other current assets

	[Reviewed but unaudited]		[Audited]	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Prepaid to suppliers	597,207	2,430,632	630,506	2,568,681
Salary loan	276,745	1,126,352	312,233	1,272,037
Salary advance	-	-	3,771	15,363
Consumable	2,754	11,208	452	1,842
	876,706	3,568,192	946,962	3,857,923

15 Contract assets/(liabilities)

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Contract assets	2,626,682	10,690,596	3,791,366	15,446,025
Contract liabilities	(932,618)	(3,795,755)	(161,880)	(659,499)

The contract assets represent the Company's right to consideration for worked 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)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Contract liabilities recognised as revenue during the year	28,761	117,057	396,090	1,613,671

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

16 Share capital

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

	(Reviewed but unaudited)			(Audited)		
	30 June 2022			31 December 2021		
	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

The movement in the paid-up capital are as follows:

	(Reviewed but unaudited)			(Audited)		
	30 June 2022			31 December 2021		
	Number of shares	USD	Amount KHR'000	Number of shares	USD	Amount KHR'000
As at beginning of the period/year	18,461,538	4,615,385	18,796,687	12,000,000	3,000,000	12,225,301
Share issued	-	-	-	6,461,538	1,615,385	6,571,386
As at end of the period/year	18,461,538	4,615,385	18,796,687	18,461,538	4,615,385	18,796,687

As at 30 June 2022 and 31 December 2021, details of the Company's shareholding follow:

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Mr. Neang Vithy	2,100,000	8,556,001	2,100,000	8,556,001
Mrs. Lim Muylly	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 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).

17 Borrowings

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Non-current	749,458	3,050,294	811,320	3,305,318
Current	282,828	1,151,110	2,519,011	10,262,451
	1,032,286	4,201,404	3,330,331	13,567,769

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Balance 1 January	3,330,331	13,567,769	2,149,031	8,692,830
Addition	2,800,385	11,369,563	8,486,821	34,524,388
Repayments	(5,098,430)	(20,699,626)	(7,305,521)	(29,718,859)
Interest charged	190,510	773,471	499,760	2,033,023
Interest paid	(190,510)	(773,471)	(499,760)	(2,033,023)
Currency translation difference	-	(36,302)	-	69,410
Balance at end of the period/year	1,032,286	4,201,404	3,330,331	13,567,769

a. By maturity

Within one year	282,828	1,151,110	2,519,011	10,262,451
From two to five year	749,458	3,050,294	811,320	3,305,318
	1,032,286	4,201,404	3,330,331	13,567,769

b. By security

Secured	1,032,286	4,201,404	2,754,450	11,221,629
Not secured	-	-	575,881	2,346,140
	1,032,286	4,201,404	3,330,331	13,567,769

c. By currency

USD	1,032,286	4,201,404	3,330,331	13,567,769
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d. By relationship

Non-related parties	1,032,286	4,201,404	3,330,331	13,567,769
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e. By interest rate (per annum)

Term loan		7.5%		1% to 9%
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18 Overdraft

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
a. By banks				
ABA	1,031,111	4,196,622	1,218,854	4,965,611
J.Trust	84,244	342,873	268,460	1,093,706
Chipmong	-	-	383,798	1,563,593
	1,115,355	4,539,495	1,871,112	7,622,910

Overdraft with Advanced Bank of Asia (“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 re-entered on 18 February 2022 with a limited amount of USD1,800,000 and payable within twelve months from the agreement date.

Overdraft with J Trust Royal Bank (“J.Trust”) has an interest rate of 8% per annum which is secured by the properties of the shareholder and key management personnel. The agreement was re-entered 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 with Chip Mong Commercial Bank Plc. (“Chipmong”) has an interest rate of 9% per annum which is unsecured. The agreement was re-entered 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 automatically renewed for another year.

19 Trade and other payables

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
Accounts payable	931,859	3,792,666	668,677	2,724,190
Accrued expenses	371,493	1,511,977	666,068	2,713,561
Other taxes payable	134,476	547,316	275,923	1,124,111
Retention	151,528	616,719	31,625	128,840
Salary payable	-	-	181,082	737,728
Other current liabilities	-	-	7,840	31,940
	1,589,356	6,468,678	1,831,215	7,460,370

20 Revenue

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
Construction and maintenance services	6,855,315	27,832,579	8,068,443	32,774,015
Sale of goods	38,057	154,511	258,305	1,049,235
	6,893,372	27,987,090	8,326,748	33,823,250

21 Cost of services and goods sold

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
Cost of construction and maintenance services	6,361,981	25,829,644	7,383,522	29,991,866
Cost of goods sold	35,482	144,056	253,104	1,028,109
	6,397,463	25,973,700	7,636,626	31,019,975

22 Operating expenses

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
Personnel	311,634	1,265,234	228,867	929,658
Other taxes	113,335	460,140	60,629	246,275
Bank charges	100,135	406,548	57,896	235,174
Professional fees	77,250	313,635	27,682	112,444
Office supplies and stationery	48,524	197,007	57,225	232,448
Depreciation	44,298	179,850	43,367	176,157
Insurance	36,977	150,127	38,336	155,721
Repairs and maintenance	14,860	60,332	22,190	90,136
Utilities	13,078	53,097	28,313	115,007
Rent	12,563	51,006	8,838	35,900
Communication	3,736	15,168	3,978	16,159
Entertainment	3,581	14,539	1,355	5,504
Inventory adjustment	-	-	1,020	4,143
Others	34,315	139,318	1,805	7,331
	814,286	3,306,001	581,501	2,362,057

23 Other income

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
Foreign exchange gain	5,340	21,681	2,725	11,069
Interest income	2,898	11,766	4,166	16,922
(Loss)/Gain on disposal of property and equipment, and intangible asset	(264)	(1,072)	6,435	26,139
Others	3	12	19,190	77,950
	7,977	32,387	32,516	132,080

24 Finance cost

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
Interest on borrowings and overdraft	190,510	773,471	241,228	979,868
Interest on lease liability	1,635	6,638	4,034	16,386
	<u>192,145</u>	<u>780,109</u>	<u>245,262</u>	<u>996,254</u>

25 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.

Components of income tax expense charged to profit or loss are as follows:

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Current income tax expense	34,467	139,936	83,267	338,231

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

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

	(Reviewed but unaudited)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Loss before tax	(502,545)	(2,040,333)	(104,125)	(422,956)
Add non-deductible expenses	104,496	424,255	57,548	233,759
Taxable income for the period	(398,049)	(1,616,078)	(46,577)	(189,197)
Income tax at applicable rate of 20% (A)	-	-	-	-
Minimum tax at rate 1% of revenue (B)	34,467	139,935	83,267	338,233
Income tax expense (higher of A or B)	<u>34,467</u>	<u>139,935</u>	<u>83,267</u>	<u>338,233</u>

(c) Current income tax payable

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
As at beginning of the period/year	34,776	141,677	27,965	114,013
Charge during the period/year	34,467	139,935	179,754	730,161
Reversal due to over provision	14,990	60,859	-	-
Income tax paid	(77,422)	(314,333)	(172,943)	(702,494)
Currency translation difference	-	(417)	-	32
As at end of the period/year	6,811	27,721	34,776	141,712

26 Related party transactions

The following balances are outstanding with related parties:

Related party	Relationship	(Reviewed but unaudited)		(Audited)	
		30 June 2022		31 December 2021	
		USD	KHR'000	USD	KHR'000
Amounts due from shareholder					
Neang Vithy	Shareholder	134,421	547,093	134,421	547,631

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 six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Salaries	89,800	364,588	78,000	316,836

27 Categories of financial assets and financial liabilities

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Financial assets measured at amortised cost				
Other non-current assets	25,100	102,157	20,050	81,704
Guarantee deposits	480,000	1,953,600	65,000	264,875
Amount due from shareholder	134,421	547,093	134,421	547,766
Trade receivables*	3,888,767	15,827,282	6,273,057	25,562,707
Cash and cash equivalents	278,533	1,133,629	225,119	917,360
Total financial assets	4,806,821	19,563,761	6,717,647	27,374,412

	(Reviewed but unaudited)		(Audited)	
	30 June 2022		31 December 2021	
	USD	KHR'000	USD	KHR'000
		(Note 3)		(Note 3)
Financial liabilities				
at amortised cost				
Borrowings	1,032,286	4,201,404	3,330,331	13,567,769
Lease liabilities	16,544	67,334	48,509	197,626
Overdraft	1,115,355	4,539,495	1,871,112	7,622,910
Trade and other payables**	1,454,880	5,921,362	1,555,292	6,336,259
Total financial liabilities	3,619,065	14,729,595	6,805,244	27,724,564

**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.

29 Loss per share

Basic loss per share are calculated by dividing the 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)		(Unreviewed and unaudited)	
	For the six-month period ended 30 June 2022		For the six-month period ended 30 June 2021	
	USD	KHR	USD	KHR
Loss attributable to the owners of the Company	(537,012)	(2,185,639)	(187,392)	(763,622)
Weighted average number of shares		15,230,769		12,000,000
Basic loss per share	(0.04)	(0.14)	(0.02)	(0.06)
Diluted loss per share	(0.04)	(0.14)	(0.02)	(0.06)

30 Events after reporting period

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

31 Authorisation of the interim condensed financial information

The interim condensed financial information of the Company as at 30 June 2022 and for the six-month period then ended was approved for issue by the Board of Directors on 9 August 2022.