



GOLDEN
TREE



ANNUAL REPORT

2022

VISION

GT's vision is to become the leading full-service real estate company in Cambodia, committing to exceptional service standards. We strive for sustainable practices, develop a collaborative partnership with our clients, empower our teammates and deliver positive impacts to all people around us.

MISSION

GT's mission is to build a full-service real estate company that delivers positive values to all our stakeholders. With safety and sustainability in mind, we strive to create an environment where people can live and work with creativity, collaboration and comfort

VALUES

Honesty

Integrity

Accountability

Independence

Fairness

Sustainability

COMMITMENTS

We commit to winning clientele through leadership in sustainability, innovation, performance, and services

We commit to delivering long-term value to our clients, teammates, shareholders, and all member of the society with integrity and sustainability in mind guided by our ESG policy.

We commit to total customer satisfaction, trouble-free property management, turnkey solution investments, and superior services to all our clients.

We commit to nurturing the expertise of our teammates by encouraging personal development, the ability to take risks, and being innovative, and independent in their judgments to do the right things.

We commit to building a community that enhances lives and thrives for generations to come.
We commit to investing with purpose and working tirelessly to maximize the value of each and every development.

FINANCIAL HIGHLIGHTS

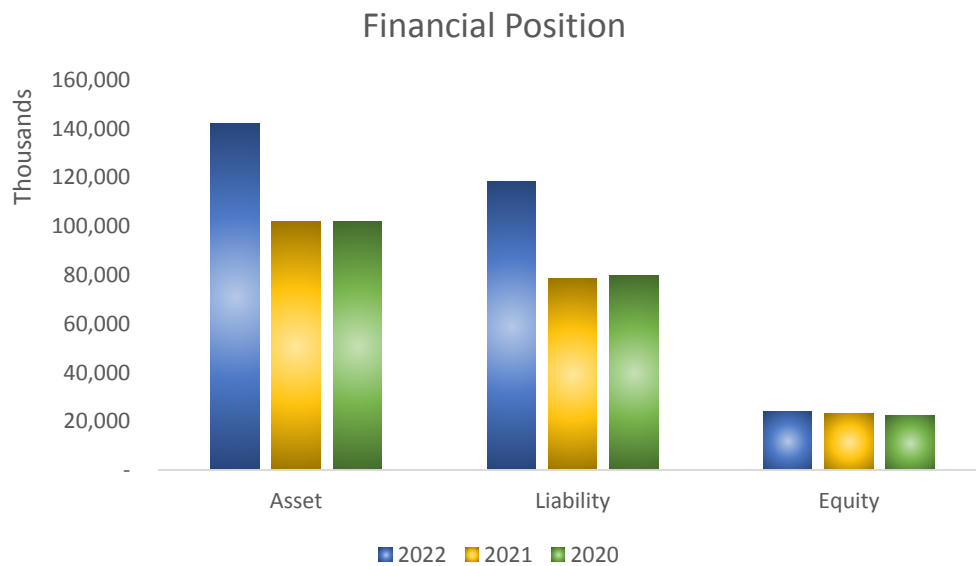
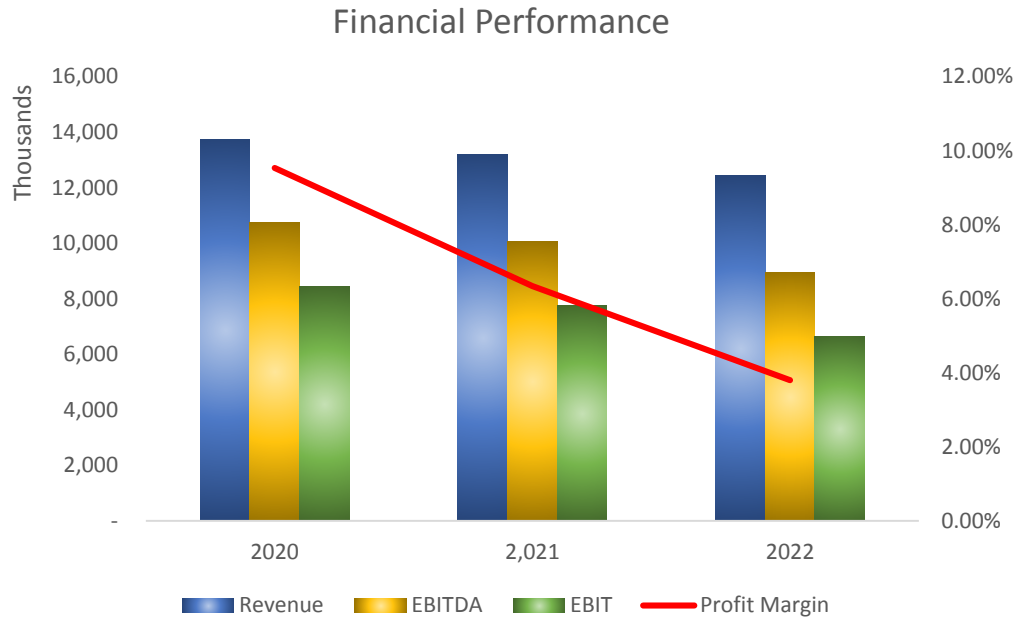
IN KHR THOUSAND

Financial Position	2022	2021	2020
Total Asset	142,168,062	101,804,313	102,047,968
Total Liabilities	118,596,260	78,704,526	79,785,717
Total Shareholders' Equity	23,571,802	23,099,787	22,262,251
Income Statement	2022	2021	2020
Revenue	12,425,530	13,204,647	13,750,208
Profit/(Loss) before Income Tax	1,052,337	1,846,816	2,462,194
Profit/(loss) after tax	226,538	676,932	1,476,787
Comprehensive Income	472,015	837,535	1,310,953
Financial Ratios	2022	2021	2020
Solvency Ratio	16.58%	22.69%	21.82%
Debt to Equity Ratio	5.03	3.40	3.58
Current Ratio	0.21	0.3	0.25
Adjusted Current Ratio ¹	0.47	0.38	0.32
Adjusted Quick Ratio	0.47	0.38	0.32
Interest Coverage Ratio	1.19	1.31	1.41
Profitability Ratio	2022	2021	2020
Return on assets	0.33%	0.82%	1.28%
Return on equity	2.00%	3.63%	5.89%
Gross profit margin	72.3%	73.92%	72.70%
Net Profit margin	3.8%	6.34%	9.53%
EBITDA margin	72.03%	76.12%	78.27%

¹ Adjusted current ratio is calculated by current asset /adjusted the current liability. Adjusted current liability is calculated by current liability subtracts the customer deposit and amount due to shareholders. GT is unlikely to pay these two amounts in the next 12 months as the return of customer deposit occurs when the lease is terminated.

FINANCIAL SUMMARY CHART

IN KHR THOUSAND



BOARD OF DIRECTORS



Mr. KUY VAT
Chairman



Mr. HONG UY
Executive Director



Mr. IENG SE
Non-Executive Director



Mr. LI LIANG
Independent Director



Mr. KING KAPKALYAN
Independent Director

Message from the Chairman

Dear Stakeholders

As the Chairman of Golden Tree, I would like to present you the annual report of 2022

2022 is a year of transformation for Golden Tree, a year that we can be proud of. Below are some of our remarkable achievements

- March 2022, our commercial building - VTrust Tower- was awarded EDGE Certification by IFC as a green building.
- October 2022, Cambodia maiden green bond issued by us was approved by SERC and listed on 19th January 2023
- December 2022, we expanded into service apartment sector by acquiring Amara Residence.

I would like to take this opportunity to extend my utmost gratitude to all the investors who have subscribed our green bonds.

We have done a lot in one year even though the economy in Cambodia just started improving after the pandemic. We position ourselves to take on opportunities when the strong rebound comes back.

Nonetheless, we are aware and vigilant on the economic risks. High inflation, high interest rate and influx of new supply of office spaces in the next few years can put a tremendous pressure on the occupancy and rental rate as well as interest rate for financing.

In spite of those challenges, it also creates tremendous opportunities for whom are ready to adapt. We have strategized our plan



for new businesses and growth. We are focusing on streamlining our strategies and policies which sufficient flexibility in order to handle any future changes.

We are confident that 2023 will bring us more successes.

In closing, I would like to show my utmost sincere appreciation for your continuous support on this journey.



Mr. KUY VAT
Chairman

Message from CEO

Dear Stakeholders

As the CEO of Golden Tree, I am proud to share with you GT's 2022 performance.

First and foremost, I would like to take this opportunity to thank members of the BODs, senior management team and staffs for their hard work, commitment to this organization and make us to where we are today.

In 2022, our average occupancy rate is 83% as compared to industry of 72%. We have maintain our EBITDA margin above 70% while taking on many initiatives to maintain our competitive advantages.

I would like to highlight one of the achievements that we did for this year – the transformation of VTrust Tower into green building.

We are embarking on sustainability to do our part in fighting climate changes as well as to differentiate ourself from industry peers. Green building also improves air quality and comfort for all our tenants, a much-needed feature during this Covid-19 pandemic.

The green feature has brought us a lot of domino effects. We went further into integrate our financing strategies toward sustainability. We issued our green bond and was listed on CSX successfully on January 19, 2023.

As a public listed company, GT further improves our corporate governance and strong financial management in order to build us a sustainable growth and build trust with public investors.

By working on these initiatives, I would like to extend my invitation and welcome all stakeholders both locally and internationally



who have the same mindset to work with us on any new projects or investments that provide positive impact to the society together.

In closing, I would like to give my utmost sincere appreciation to all stakeholders for remaining your confidence, belief and continuous supports. GT will continue our endeavors in developing and managing the properties at the highest level of efficiency to make continuous success to you and provide positive impact to the society as a whole.



Mr. HONG UY
CEO

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PART ONE

GENERAL INFORMATION OF THE COMPANY

A. IDENTIFICATION OF THE LISTED ENTITY

Name in Khmer	ហ្គោលដេន ទ្រី
Name in Latin	GOLDEN TREE
Standard code	KH 2000201CC7
Address	Czech Republic Blvd (Street 169) Sangkat Veal Vong, Khan 7 Makara
Phone number	+855 23 224 701
Website	www.goldentree.com.kh
E-mail	enquiry@goldentree.com.kh
Company registration numbers	00012373 12 October 2006
Disclosure document registration number by SERC	231/22 ន.ម.ក/ស.ស.វ 12 October 2022
Name of Listed Entity's Representative	Mr. HONG UY

B. NATURE OF BUSINESS

1. Brief Description of the business

Golden Tree Co., Ltd is one of the leading real estate companies in Cambodia. GT provides services in commercial office lease, residential lease and property management.

GT primarily objectives are to provide best quality and exception service standards for our tenants. Currently, GT owns two towers in the heart of Phnom Penh most desirable area.

- VTrust Tower is a 12-story commercial office building which was awarded the EDGE (Excellence in Design for Greater Efficiencies) certificate on 02 March 2022, by Green Building Certification Inc (GBCI), a member of the World Bank Group. VTrust Tower currently is the second green building, Edge certified by GBCI in Cambodia
- Amara Residence, a 25-story residential building, which GT purchased in December 2022. The building is intended to be operated as the Service Apartment.

The current shareholders Mr. Hong Uy and Mr. Kuy Vat acquired 100% ownership after VTrust building was completed on 31-July-2015.

During these few years, GT has been embarking on the journey of sustainability. GT recognizes the important role a building owner can play in fostering the efficient use of resources and respecting our environment. One of our missions is to implement buildings with high standards of efficiency and compliance with cutting-edge environmental standards. After VTrust became a green building, we went further to integrate our financing strategy toward sustainability by issuing the first green bond in Cambodia. The bond was listed on January 19, 2023 at the Cambodia Securities Exchange (CSX)

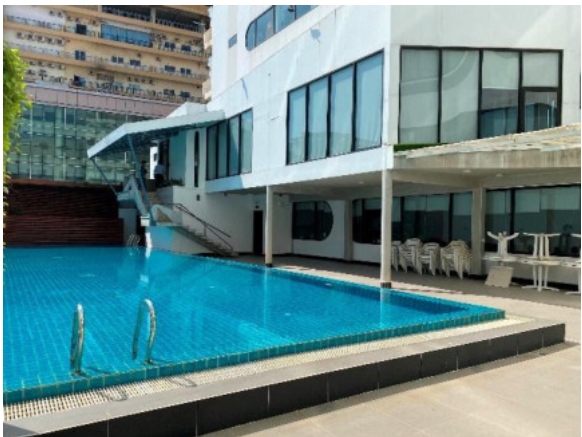
2. VTrust Tower

VTrust Tower, a commercial green office building, provides high-quality office space with sophisticated structure and security. The building is located in the commercial area of Khan 7 Makara and can be accessed via major arterial roads such as Russian Boulevard, Kampuchea Krom Boulevard, and Charles de Gaulle Boulevard, which all lead to Czech Republic Boulevard.

The tower is 12-story office floor and 2-level basement car park. The car parks can accommodate 138 Cars and 300 motorbikes. Construction of VTrust Tower was commenced in 2010 and substantially completed in September 2015 and the business started its operations in late 2015. The building is built on a parcel of rectangular-shaped land with a land area of 2,557 sqm, with free-hold tenure. The office building gross floor area is 25,959 sqm with a net lettable area of 15,572.50 sqm.

VTrust Tower offices span from the ground floor to the 12th floor with recreational facilities such as a swimming pool and fitness center located on the fourth floor.

VTrust Tower is equipped with fire safety features and equipment. and security measures such as fire extinguishers, fire hose reels, smoke detectors, fire alarms, raised flooring, and sprinkler systems. Fire drilled training is conducted every 6 months. VTrust Tower also offers 24/7 Securities services with a security guard at each entrance, CCTV cameras, and key access cards for all 4 passenger elevators.





2.1 Location

VTrust Tower is an office building in the office-space underserved district of Khan 7 Makara on Czech Republic Blvd (Street 169). It is located in front of Bak Touk High School within walking distance of the Olympia City and Olympic Stadium. It is less than 2 kilometers to the South-west of the Central Business District (CBD) of Phnom Penh by road while the Phnom Penh International Airport is approximately 9 kilometers to the South-west of the tower by road, and 1 Km to the Council of The Ministers.

The Tower is located within the immediate vicinity and comprises serviced apartments, condominiums, single to four-story shophouses, residential areas, purpose-built office buildings, commercial complexes, government buildings, educational institutions, and hospitals.

Located in the commercial district of Khan 7 Makara, Vtrust Tower is within walking distance to various important institutions such as Foreign Trade Bank (FTB), Amaret Micro-finance, Ministry of Tourism Office, District of Police office, and Phnom Penh International University. Chip Mong Offices and Olympia City are approximately 700m. Other notable landmarks include Delano Business Center, CEO Center, City Mall Shopping Center, Phnom Penh Court House, Pi Pay Tower, Park Café, and Total and Caltex Petro Stations, to name a few.

2.2 Building Features

Features	Description
Air Conditioning	The whole building is cooled by a centralized Variable Refrigerant Volume (VRV) multi-split air-conditioning system
Ventilation	Access to install wall-mounted units throughout
Fire Prevention	The whole building is fully fitted with a hose reel system, break glass fire alarm system, portable fire extinguishers, fire-rated doors, emergency lighting, smoke detectors, and heat detectors.
Security	Closed-circuit television (CCTV) is installed in various strategic and critical areas of the tower, with 24-hour security and reception.
Generator	Two standby generators in case of a power outage.

3. Amara Residence

In order to expand our business into the Service Apartment Sector, GT bought Amara Residence in December 2022 for USD 9.2 million.

Amara Residence is a perfect destination for those looking for a serviced apartment in central Phnom Penh. Residents can stay in comfort and luxury, enjoying the apartment's modern and spacious interior design that caters to all need.

The apartment amenities include 24-hour concierge service, an outdoor pool and sundeck with beautiful city views, gym access on the 22nd floor and full security.

The Residence is built on a 492 square metres land plot with a total construction area of 8,928 square metres and net leasable area of 5,550 square metres.

Construction of the Residence was commenced in 2009 and approximately 80% has been completed as of December 2022. GT expects to operate this building in second quarter of 2023.



3.1 Location

The Residence is conveniently located in the most sought-after district of the capital of Phnom Penh on street 41, Tonle Bassac Commune, Chamkarmon District. It is easily accessible by both Norodom Blvd and Monivong Blvd and surrounded by prominent landmarks and within 30 mins distance such as AEON1, BKK1, The AEON3 and New Airport.



3.2 Building Floors & Structures

Amara Residence comprises 25 floors above the ground and 2 floor underground.

The two basement floors (B1 and B2) and ground floor area to be used as parking spaces. The reception is situated on the first floor and office on the second floor. The building accommodates 101 apartment units, distributed across the 3rd to 21st floors and 23rd to 24th floors. Each unit has an average size between 37 to 141 square metres.

The Residence provides three types of units with one bedroom, two bedroom and three bedroom units ranging from a net leasable area of 41 sqm to 136 sqm.

Type of Units	No of Unit	Net SQM per Unit	Total Net SQM
Unit A1	9	43.43	390.87
Unit A2	9	41.23	371.07
Unit A3	9	42.24	380.16

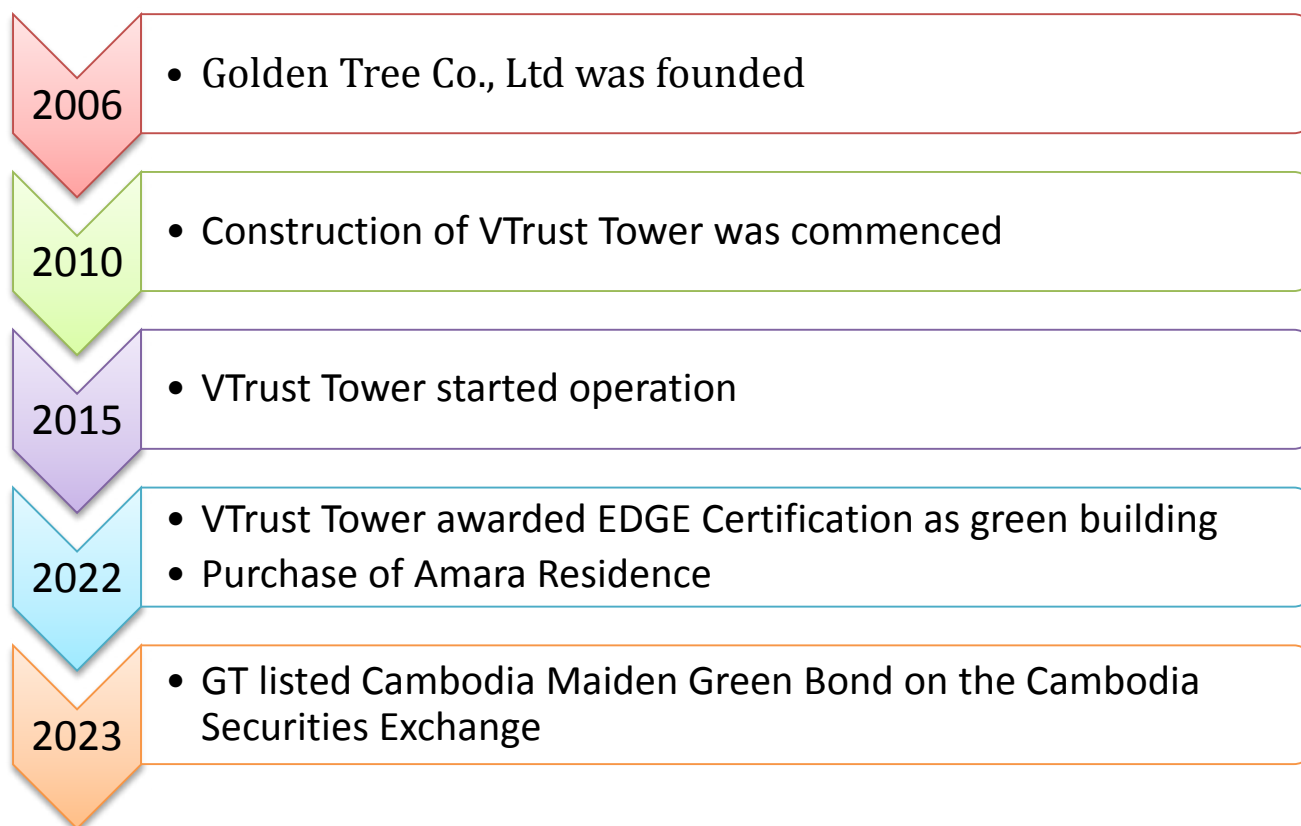
Unit B1	18	37.71	678.78
Unit B2	18	37.00	666.00
Unit B3	1	92.55	92.55
Unit C	18	59.55	1071.90
Unit D1	5	63.48	317.40
Unit D2	5	63.53	317.65
Unit E-F	7	141.45	990.15
Unit G	2	136.53	273.06
Total	101		5,549.59



C. GROUP STRUCTURE OF THE LISTED ENTITY

None

D. THE LISTIED ENTITY MILESTONES



E. MARKET SITUATION

1. Cambodia Real Estate Sector

According to the report from ADB², Cambodia's economy rebounded from a contraction of 3.1% to an estimated 3% in 2021. Growth will be accelerated to 5.3% in 2022 and 6.2% in 2023.

Due to the success of the Covid-19 vaccination, Cambodia was the first country in Asia to remove all travel restrictions, and began issuing visas on arrival in March 2022. Furthermore, Cambodia's economic recovery start gaining momentum with the support of increased domestic activity.

Foreign Direct Investment (FDI) reached USD 2.99 billion during the first half of 2022³, a positive sign as compared to 2021. (FDI for full year 2021 was valued at USD 3.5 billion). FDI in construction is projected to expand at an average of 6.3% in 2022 and will grow 9.4% between 2023 and 2026.

² <https://www.adb.org/publications/asian-development-outlook-2022>

³ <https://content.knightfrank.com/research/893/documents/en/cambodia-real-estate-highlights-h1-2022-9353.pdf>

Economic Indicator	2020	2021	2022	2023F
GDP (Billion USD)	25.9	27	28.4	30.1
GDP Growth (%)	-1.9	3	5.3	6.2
GDP Per Capita (USD)	1,513	1,519	1,657	1,779
Inflation (%)	2.9	3.5	7.2	6.8

Source: CBRE 2022-Q4 Report⁴

2. Cambodia Real Estate Industry Outlook

2.1 Phnom Penh Office Outlook

According to Knight Frank⁵, occupancy rate in commercial office shows a positive sign and increased by 2.5% to 68.1% even with significant incoming supply. Grade B office space recording the highest average occupancy rate at 71.8%. Average VTrust tower occupancy rate in 2022 is 83%

Office supplies growth rate decreased 10% with a total stock of 902,000 sqm of net leasable area. The decrease in growth rate will help stabilize the occupancy rate, price and market to absorb the excess supply.

Currently, grade B office space dominates the total supply with 41% of existing stock while grade A is at 25% and grade C at 34%. However, grade A offices are expected to replace grade B office as the largest market share by the end of 2023 or 2024.

There has been a clear shift in the development of office building. Strata title accounts for 58% of the incoming supply. With Strata title, the developers can generate immediate cash flow through the sale of the strata units. However, property management is a major concern for tenants as this type of buildings is not under one ownership. Thus, make it difficult for upkeeping the building and other issues that need the coordination between tenants.

Office Grade	Market Shares	Occupancy Rate	Rental Price (SQM/US)
A	41%	63%	18-30
B	25%	72%	10-25
C	34%	69%	5

2.2 Phnom Penh Service Apartment Outlook

The serviced apartment market has seen some positive recovery in 2022. The return of former tenants, who left during the pandemic, was found to be one of the key elements to push the rental rates' recovery. However, the overall rates have not yet reached to the pandemic level.

Demand for serviced apartments in Cambodia is generally driven by expatriates and long-term international tourists. During H1 2022, according to the Ministry of Tourism, there was a significant increase in the number of international tourist arrivals to the Kingdom, to more than 343,000 visitors representing a 275% increase compared to 2021.

⁴<https://images.cbre.com.kh/2023/01/20230111-Fearless-Forecast-2023-Final-For-Circulation.pdf>

⁵<https://content.knightfrank.com/research/893/documents/en/cambodia-real-estate-highlights-h1-2022-9353.pdf>

However, this figure is still 88% lower than the 2019 pre-pandemic level.

In spite of this, and coupled with the fact that the number of large global operators in the country is still limited, the market is expected to continue to have significant demand.

As a result, 407 units was added to the inventory, bringing the total number of units to 7,695. A further 780 units were identified in the future supply, bringing the cumulative supply to 8,475 units by 2024.

Another reassuring factor is the increase of 3% in the occupancy rate, bringing the average occupancy rate across service apartment at 61%

The inner-city districts of BKK, Daun Penh and Charkarmon continue to provide almost all of Phnom Penh serviced apartment supply, accounted for approximately 75% of the total stocks, as proximity to the Central Business District continues to prove attractive to expatriate talent.

Mid-tier units made up 57% of the market share with over 4,400 units.

Apartment Grade	Market Shares	Rental Price (SQM/US)
High End	57%	Start \$16
Mid-tier	26%	Start \$10
Core	17%	Start \$6

F. COMPETITIVE SITUATION

GT maintains competitive advantages by providing seamless, safe, and comfortable working and living environments for our tenants while the rental rate is in line with the industry. GT differentiates our strategies by consistently upgrading our building to meet international standards in terms of safety and technology.

For VTrust Tower, GT aims to maintain its brand image as a commercial office space with world-class facilities standards and sustainable design in the prime location of Phnom Penh City Centre.

VTrust Tower is one of the first commercial office buildings in Phnom Penh to achieve EDGE certification for its compliance with Excellence of Design in Greater Efficiency, a certification system developed by the International Finance Corporation, which is part of the World Bank.

For Amara Residence, comfort and exceptional service standard are key to success. GT aims to maintain and keeps improving the quality of life for the tenants by listening to what the tenant desires with regular renovation and upgrading.

Furthermore, GT's sustainability practices will help us attract potential lessees who have the same mindset and approve of our practices. For the last two years, we upgraded some of the facilities in our building so that the tower is qualified as a green building by GBCI. Our building receives Edge Certificate in March 2022

G. FUTURE PLAN

As Cambodia continue to emerge from the economic shock of Covid-19, GT expects the rise of the new office building and the arrival of the new businesses and FDI. As such, Golden Tree management believe as the numbers of office buildings continue to rise. Furthermore, the increase development of strata office towers will open a tremendous opportunity for property management services. At the appropriate time, GT is planning to enter into this niche market. Utilizing GT's expertise in building management,

GT is also planning to acquire both residential and commercial buildings in the near future and upgrade them to be green buildings. At this current stage, GT's management has some development pipeline that GT is studying on their feasibility

H. RISK FACTORS

1. *Continue impact on the Covid-19*

Coronavirus has put intense pressure on the global economy as well as Cambodia's economy. Tourism, manufacturing exports, and construction which are Cambodia's main engines of growth have gotten a huge impact of severe contraction.

2. *FDI*

China contributes the largest portion to Cambodia's economy. Given Cambodia's economy heavily depends on capital inflows and tourists from China, a dramatic slowdown in the Chinese economy could decrease the economic growth in Cambodia, which could significantly affect GT's customers.

3. *Risks related to change in political, economic, social and regulator condition in Cambodia*

Factors like political instability, economic shocks, changes in government law, or social changes can have material impacts on GT's business operation and profitability.

4. *Risk related to the capability of the lessees in making payment of rental, service, and other fees*

There will be a material impact on GT operation and profitability if the financial positions and capabilities of the lessees are under stress.

5. *Customer concentration risk*

If GT's three major tenants move out and GT could not replace them with new lessees, it would materially impact GT's operation and financial condition.

6. *Competition risk*

GT might experience the risk of intense competition in the future due to an increase in new office buildings. Such an increase in supply might attract tenants to rent other offices, affecting the occupancy rate, the bargain of space rental rate, and the profitability of GT.

7. Over-supply risk

The oversupply of office space will increase intense competition. The rental rate is under downward pressure as office building owners continue to offer competitive rents to attract new tenants and retain their existing tenants.

8. Management risk

Any loss in key personnel would be a loss of experience, knowledge, and expertise, and replacement of the same is difficult and may be resulted in less operation efficiency, or worst operation viability of the company.

9. Risks related to bank loan

If GT is unable to pay the interest and/or the principal of the loan or is in default of any other provision as specified in the loan agreement, the lender might choose to take legal action against GT.

10. Interest rate risk

If the market interest rate increases or if the bank increases the interest rate, it would increase the cost and reduce the company's profitability.

11. Risk from natural disasters, floods, acts of terrorism, thefts, and other force majeure events

Natural disasters, floods, acts of terrorism, thefts, and other force majeure events might cause damage to the core assets of GT, damage or loss of lives, assets of tenants, and clients.

12. Risk related to unexpected high maintenance and repairing cost

Any major renovation and reparation may require temporarily closing part of the property which may materially cause a negative effect on the utilization of such property or cause the lessees to terminate their lease agreement.

PART TWO

BUSINESS OPERATIONS PERFORMANCE

Items included in our financial statements of the company are measured using the currency of the primary economic environment in which the entity operates. The national currency of Cambodia is Khmer Riel (KHR). However, as GT transacts its business and maintains its accounting records primarily in USD, the Board of Directors has determined the USD to be the company currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the company.

The transactions of USD amount into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016, and have been made using the prescribed official exchange rate based on the following application exchange rate per USD as announced by the National Bank of Cambodia (NBC)

	31 December 2022	31 December 2021
Average Rate (12 months)	4,087	4,068
Closing Rate	4,117	4,074

A. BUSINESS OPERATION

As a result of Covid-19 and increased office supplied in the market, most of the operators in the office industry have faced significant challenges and reduced income. GT is no exception. GT 2022 revenue was declining by -6.34% as compared to 2021.

In spite of this, thanks to GT continuing maintenance of excellent customer services and facilities improvement, GT occupancy rate in 2022 is 83% while the industry average is at 72% for Grade B building.

	2022		2021		% Change
	USD	KHR'000	USD	KHR'000	
Revenue	3,036,438	12,425,530	3,245,980	13,204,647	-6.34%
Gross Profit	2,096,992	8,989,144	2,399,373	9,760,650	-8.39%
Operating Profit	1,645,009	6,645,523	1,906,066	1,906,066	-14.69%
Net Profit	55,429	226,538	166,404	676,932	-66.69%

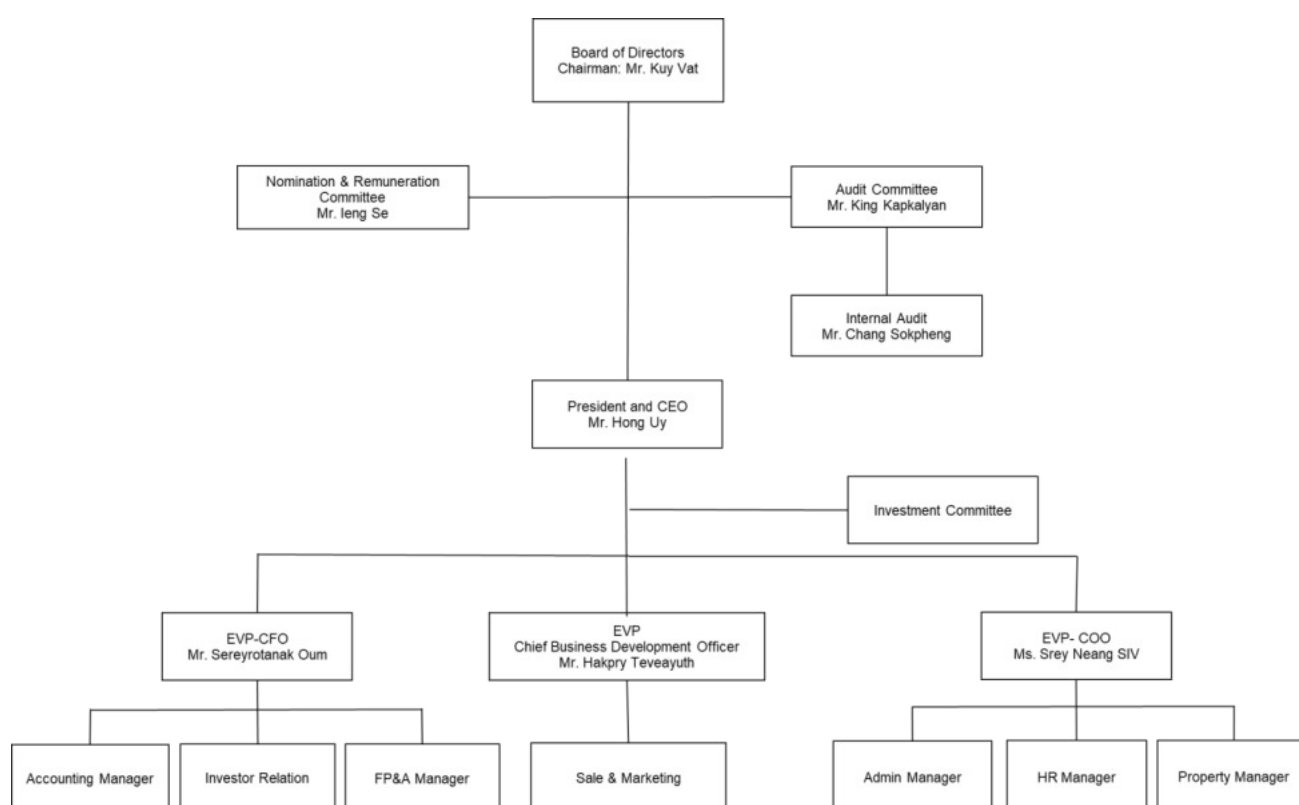
B. REVENUE STRUCTURE

	2022			2021		
	USD	KHR'000	%	USD	KHR'000	%
Rental Income	2,170,315	8,870,077	71.4%	2,359,301.00	9,597,636.00	72.7%
Service Charge	573,524	2,343,993	18.9%	593,513.00	2,414,411.00	18.3%
Utility Income	247,453	1,011,340	8.1%	248,992.00	1,012,899.00	7.7%
Parking	40,824	166,848	1.3%	34,783.00	141,497.00	1.1%
Other Income	8,141	33,272	0.3%	9,391.00	38,204.00	0.3%
Total	3,040,257	12,425,530	100%	3,245,980.00	13,204,647.00	100%

PART THREE

CORPORATE GOVERNANCE

A. ORGANIZATION STRUCTURE



B. BOARD OF DIRECTORS

Nº	Name	Nationality	Designation	Appointment Date	Date of Expiry of Current Term
1	Mr. Kuy Vat	Cambodian	Chairman	14 July 2022	14 July 2025
2	Mr. Hong Uy	Cambodian	Executive Director	14 July 2022	31 December 2024
3	Mr. King Kapkalyan	Cambodian	Independent Director	14 July 2022	14 July 2025
4	Mr. Li Liang	Cambodian	Independent Director	14 July 2022	14 July 2024
5	Mr. Ieng Se	Cambodian	Non-Executive Director	14 July 2022	14 July 2024

C. SENIOR OFFICERS

No	Name	Sex	Position
1	Mr. Hong Uy	M	Chief Executive Office
2	Ms. Siv Sreyneang	F	EVP, Chief Operation Officer
3	Mr. Oum Sereyrotanak	M	Chief Financial Officer
4	Mr. Hakpy Teveayuth	M	Chief Business Development Officer
5	Mr. Meas Samnang	M	Corporate Secretary

Note: For detailed information related to corporate governance, please see attached appendix.

PART FOUR

SECURITIES TRADING AND SHAREHOLDERS

A. INFORMATION ON SECURITIES (DEBT SECURITIES)

Debt securities type	Corporate bond Green Bond
Symbol	GT27A
Issuing date	16 January 2023
Total amount of debt securities	KHR 1,936,100,000
Total amount of outstanding debt securities	KHR 1,936,100,000
Maturity date	16 January 2028
Coupon payment schedule	Semester
Coupon Rate (%)	7% p.a
Total amount of coupon payment	KHR135,527,000

B. SECURITIES' PRICE AND TRADING VOLUME

Securities	JAN	FEB	MAR	APR	MAY	JUN	JULY	AUG	SEPT	OCT	NOV	DEC
Trading Price (in KHR)	Maximum	N/A										
	Average	N/A										
	Minimum	N/A										
Trading Volume (Units)	Maximum	N/A										
	Average	N/A										
	Minimum	N/A										

C. CONTROLLING SHAREHOLDER(S) (30% OR MORE)

No.	Shareholder	Nationality	Shares		Type of share
			Number	Percentage	
1	Mr. Kuy Vat	Khmer	500,000	50%	Ordinary Share
2	Mr. Hong Uy	Khmer	500,000	50%	Ordinary Share
Total			1,000,000	100%	Ordinary Share

PART FIVE

INTERNAL CONTROL AUDIT REPORT

GT was just listed its bond on the Cambodia Securities Exchange on January 19, 2023. Therefore, the company is not yet ready to launch its internal audit function in 2022.

However, GT has prepared external audited financial statements since 2019. Furthermore, GT has established audit committee with independent directors to carry out the internal audit function. GT has allocated sufficient resources to support the operation of this department. The internal Audit Report by the internal auditor will be received in the upcoming 2023 Annual Report

PART SIX

AUDITED FINANCIAL STATEMENTS FOR 2022

Please refer to the Annex Two for the Audited Financial Statements for the Year Ended 31 December 2022.

PART SEVEN

RELATED PARTY TRANSACTIONS

Golden Tree would like to disclose information of material related parties' transactions in the last two years, specifying name, relation between GT and related parties, size of transaction and the type of interest which arise from that relationship as follow.

A. Transactions with shareholders holding at least 5% of the company

During the last 2 years prior to this disclosure document, GT has had a material transaction with shareholders, who are Mr. Hong Uy and Mr. Kuy Vat. As of 31 December 2022, GT owes two shareholders in the amount of USD 5,072,932 (KHR'000 20,889,378) to purchase Amara Residence.

B. Material transactions with directors or senior officers

During the last 2 years prior to the date of this disclosure document, GT had 2 (two) directors: Mr. Hong Uy and Mr. Kuy Vat. Both of them are also shareholders of the company. Please refer to section A for their material transactions with GT.

In preparation for this bond issuance and strengthen the corporate governance, GT added three additional directors. Those three additional directors do not have any material transactions with the Company.

During the last 2 years, GT's senior officers, with the exception of Mr. Hong Uy (Shareholder, Director, CEO & President), do not have any material transactions with GT.

C. Material transactions with family members of directors or senior officers or shareholders holding least 5% of the outstanding shares

None

D. Material transactions with directors or senior officers in relation to the sale and purchase of the asset or services offered by those individuals

In 2022, GT bought Amara Residence from shareholders Mr. Hong Uy and Mr. Kuy Vat in the amount of USD 9.2 million.

E. Material transactions with persons who have relationship with directors of the company, its subsidiary or holding company where relationship occurred in the transaction or any arrangement with the company

During the last 2 years prior to the date of this disclosure document, GT has 2 material transactions with companies that have relationships with GT's directors. Mr. Kuy Vat is a director

of Phnom Penh Securities PLC. Both Mr. Hong Uy and Mr. Kuy Vat are directors of United Food Co., Ltd

As of 31 December 2022, United Food Co., Ltd. and Phnom Penh Securities PLC. have owned a rental fee in the amount of USD 22,186 and USD 26,204 €, that the two companies have leased office spaces in the GT's building. Material transactions with persons who were directors or with any person who has relation with the former directors of the company

During the last 2 years prior to the date of this disclosure document, GT does not have any material transactions with any person who were directors or with any person who has relation with the former directors of GT.

F. Material transactions with directors holding any position in an association or non-profit organization or other companies for the last 2 years prior to the filing of application.

None

G. Material transactions with director receiving any financial or non-financial interest from those transactions

None

H. Conflict of interest with professional advisors (if any)

None

PART EIGHT

MANAGEMENT'S DISCUSSION & ANALYSIS

The following discussion should be read together with the audited financial statements for the years ended 31 December 2022 and 2021. These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS) and relevant accounting regulations and guidelines issued by the National Accounting Council, which are recognized and practiced in Cambodia.

The discussion in this section contains uncertainties and risks with regard to forward-looking statements or unforeseen events. Thus, investors should read other parts of the Disclosure Document such as *Risk Factors*. In case of doubt, investors should seek advice from professionals.

Items included in our financial statements of the company are measured using the currency of the primary economic environment in which the entity operates. The national currency of Cambodia is Khmer Riel (KHR). However, as GT transacts its business and maintains its accounting records primarily in USD, the Board of Directors has determined the USD to be the company currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the company.

The transactions of USD amount into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016, and have been made using the prescribed official exchange rate based on the following application exchange rate per USD as announced by the National Bank of Cambodia (NBC)

	31 December 2022	31 December 2021
Average Rate (12 months)	4,087	4,068
Closing Rate	4,117	4,074

A. Analysis of business operation

1. Revenue analysis

Year ended 31 December 2021 compared to the year ended 31 December 2020 and year ended 31 December 2020:

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
Revenue	12,425,530	3,040,257	13,204,647	3,245,980	(205,723)	(6.34)
Costs of Services	(3,442,386)	(842,277)	(3,443,997)	(846,607)	4,330	(0.51)
Gross profit	8,989,144	2,197,980	9,760,650	2,399,373	(201,393)	(8.39)
Operating and administrative expenses	(2,337,621)	(571,965)	(2,006,773)	(493,307)	(78,658)	15.95
Net Operating Profit	6,645,523	1,626,015	7,753,877	1,906,066	(280,051)	(14.69)
Finance costs	(5,593,186)	(1,368,531)	(5,907,061)	(1,452,080)	83,549	(5.75)
Profit before income tax	1,052,337	257,484	1,846,816	453,986	(196,502)	(43.28)
Income tax expense	(8,25,799)	(202,055)	(1,169,884)	(287,582)	(85,527)	29.74
Net profit for the year	226,538	55,429	676,932	166,404	(110,975)	(66.69)

In 2022, GT's revenue decreased by 6.34% from USD 3,245,980 in 2021 to USD 3,040,257 in 2022 which was mainly due to the decrease in occupancy rate as a result of the impact of the Covid-19 pandemic and the discounts provided to some of the tenants.

2. Revenue By Segment Analysis

	2022			2021		
	KHR'000	USD	%	KHR'000	USD	%
Rental Income	8,870,077	2,170,315	71.4%	9,597,636.00	2,359,301.00	72.7%
Service Charge	2,343,993	573,524	18.9%	2,414,411.00	593,513.00	18.3%
Utility Income	1,011,340	247,453	8.1%	1,012,899.00	248,992.00	7.7%
Parking	166,848	40,824	1.3%	141,497.00	34,783.00	1.1%
Other Income	33,272	8,141	0.3%	38,204.00	9,391.00	0.3%
Total	12,425,530	3,040,257	100%	13,204,647.00	3,245,980.00	100%

3. Cost of Services Analysis

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
Utility Expense	1,073,214	262,592	1,078,707	265,169	(2,557)	(0.97)
Investment Property Depreciation	1,650,756	403,904	1,641,560	403,530	374	0.09
Security service	284,365	69,578	280,216	68,883	695	1.01
Cleaning service	122,688	30,019	91,733	22,550	7,469	33.12
Depreciation ROU Asset	112,380	27,497	111,858	27,497		
Other cost of services	198,983	48,687	239,923	58,978	(10,291)	(17.45)
Total cost of services	3,442,386	842,277	3,443,997	846,607	(4,330)	(0.51)

Total cost of services decreased from USD 846,607 in 2021 to USD 848,277 in 2022 due to two factors.

- Cleaning service increased 33.12% due to the change of contractor to improve the cleaning service.
- Other cost of services decreased 17.45% due to decreasing in repairing expense of equipment.

4. Gross Profit Analysis

	2022			2021		
	KHR'000	USD	Margin	KHR'000	USD	Margin
Gross Profit	8,989,144	2,197,980	72.30%	9,760,650	2,399,373	73.92%

Gross profit decreased by USD 201,399 in 2022 as compared to 2021 due to the decrease in occupancy rate, resulted from Covid-19.

Gross profit margin decreased from 73.92% in 2021 to 72.30% in 2022, a decrease of 1.62%. The decreased due to the fact that decreased in revenue is higher at 6.34% than cost of services at 0.51%.

5. Operating and Administrative Expenses Analysis

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
PE Depreciation	541,196	132,419	544,542	133,860	(1,441)	(1.08)
Personnel Expense	748,783	183,211	643,297	158,136	25,075	15.86
Bank charge	73,660	18,023	125,628	30,882	(12,859)	(41.64)
Professional fees	524,644	128,369	195,264	48,000	80,369	167.44
Other tax expenses	61,775	15,115	256,845	63,138	(48,023)	(76.06)
Marketing expense	37,502	9,176			9,176	
Office Supplies	30,031	7,348	29,920	7,355	(7)	(0.1)
Traveling expense	7,185	1,758	98	24	1,734	7225
Training	3,602	881	635	156	725	464.74
Other expenses	309,243	75,665	210,544	51,756	23,909	46.2
Total operating and administrative expenses	2,337,621	571,965	2,006,773	493,307	78,658	15.95

The operating and administrative expenses of GT increased from USD 493,307 to USD 571,965 in 2021 and 2022 respectively. This increase of 15.95% was mainly due to:

- a- The increase of USD25,075 in personnel expenses from USD 158,136 in 2021 to USD 183,211 in 2022 which is mainly due to the employment of additional employees for the bond issuance project and additional staffs for business development unit.
- b- The increase of USD 80,369 in professional fees from USD 48,000 in 2021 to USD 128,369 in 2022 which is mainly due to the additional expenses for the consultation related to the bond issuance project.
- c- The increase of USD 23,909 in other expense from US 51,756 in 2021 to USD 75,665 in 2022 due to increasing in maintenance expense for equipment to increase its useful life.

6. Profit before income tax analysis

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
Operating Profit	6,645,523	1,626,015	7,753,877	1,906,066	(280,051)	(14.29)

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
Finance costs	(5,593,186)	(1,368,531)	(5,907,061)	(1,452,080)	(83,549)	(5.75)
Profit before income tax	1,052,337	257,484	1,846,816	453,986	(196,502)	(43.28)

The profit before the income tax of GT decreased USD 196,502 from USD 453,986 in year 2021 to USD 257,484 in year 2022 as a result of the decrease in the occupancy rate which was mainly due to the Covid-19 pandemic and increase in operation cost.

7. Profit/(Loss) after Tax

	31 Dec 2022		31 Dec 2021		2022 vs 2021	
	KHR'000	USD	KHR'000	USD	USD	%
Profit before income tax	1,052,337	257,484	1,846,816	453,986	(196,502)	(43.28)
Income tax expense	(825,799)	(202,055)	(1,169,884)	(287,582)	(85,527)	(29.74)
Net Profit	226,538	55,429	676,932	166,404	(110,975)	(66.69)

Current income tax expense are USD 124,979 and USD 159,456 for 2022 and 2021 respectively. The decrease is due to the decrease in profit before income tax.

Deferred tax expenses are USD77,076, and USD128,126 for 2022 and 2021 respectively. The decrease is due to the difference between the depreciation rate employed by the company's accounting standard and GDT approved depreciation rate on the investment property.

8. Factors and trends analysis affecting financial conditions and results

Several factors can have major impact on the GT financial conditions such as

- **The impact of Covid-19:** Covid-19 continues to make its impacts on the financial conditions of GT through the decrease in occupancy rate. After the success of the vaccination by the Royal Government of Cambodia, GT believes its occupancy rate will increase in the near future.
- **The impact of hyper-inflation and soaring interest rate:** Hyper-inflation has caused major central banks to increase the interest rate to bring down the inflation. As GT is a real estate company which depends on debt securities, the higher cost of borrowing will have significantly impact on its financial performance. Fortunately, GT bank loan has a fixed interest rate and will not be mature until 2026.
- **The increase supplies of office stocks:** office stock is expected to increase significantly in the next few years especially for strata grade A office. With this product substitution, rental rate and occupancy rate might be suppressed in the foreseeable future until those supplies get absorbed into the market.

GT management team is well aware of all these factors and economic risks which could be occurred and prepares to deal with any factor that effected our business. We currently focus on

strategies development of sustainable practices and ESG standard to differentiate ourself from peers. Also, we maintain high standard of the hygiene measurement to ensure the tenants comfort, provide full services responded to customers' needs and upkeep our property in the highest standard possible.

B. Significant factors affecting profit

1. Demand and Supply conditions analysis

The spread of Covid-19 during the last few years impacted overall office and service apartment rental rates and occupancy rates. Their growth is also slowing down, as the expense control policy exercised by many companies has resulted in reduction in the demand for office space as compared to the previous years. Whereas, China zero-covid policy has significantly reduced Chinese tourists to Cambodia. Additionally, there will be a new supply of more office space in the next few years.

Nonetheless, according to Knight Frank⁶, occupancy rate in commercial office shows a positive sign and increased by 2.5% to 68.1% even with significant incoming supply. Grade B office space recording the highest average occupancy rate at 71.8%. Average VTrust occupancy rate in 2022 is 83%

Office supplies growth rate decreased 10% with a total stock of 902,000 sqm of net leasable area. The decrease in growth rate will help stabilize the occupancy rate, price and market to absorb the excess supply.

GT management team is well aware of all these factors and economic risks which could be occurred and prepares to deal with any factor that effected our business. We currently focus on strategies development of sustainable practices and ESG standard to differentiate ourself from peers. Also, we maintain high standard of the hygiene measurement to ensure the tenants comfort, provide full services responded to customers' needs and upkeep our property in the highest standard possible.

2. Fluctuations in prices of raw materials and analysis

None applicable

3. Tax Analysis

As GT listed its bond on January 19, 2023, GT will receive tax incentives according to stipulation by the Sub-degree no 42 RNKR/BK dated 24 February 2022 on Tax Incentive in Securities Sector issued by the Royal Government of Cambodia.

4. Exceptional and extraordinary items analysis

There were no exceptional and extraordinary items in the period

⁶<https://content.knightfrank.com/research/893/documents/en/cambodia-real-estate-highlights-h1-2022-9353.pdf>

C. Material changes in Sale and Revenue

The revenue of the year 2022 and the comparative period in 2021 are shown in section A of this section and also in the Audited Financial Information of the Financial Year Ended 31 December 2022.

There were no material changes in sale and revenue for the period

D. Impact of foreign Exchange, Interest Rates and Commodity Prices

GT does not experience any material impact on any fluctuation in the exchange rate between USD and KHR. Furthermore, the exchange rate between USD/KHR is fairly stable

GT does not experience any material impact on the interest rate as GT's bank loan and bond are fixed interest rate and won't be mature until 2026 and 2027 respectively.

GT does not experience any material impact on commodity prices in this period.

E. Impact of inflation

GT does not experience any material impact on inflation.

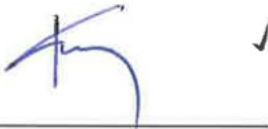
F. Economic, fiscal and monetary policy of Royal Government

Currently, GT believes that there is no material change in government, economic, fiscal, or monetary policies, or other factors that have materially impacted GT's financial results for the Financial Years under review or in our future operating result.

SIGNATURE OF DIRECTORS

Date: 30th March 2023

Read and approved by



Mr. Kuy Vat
Chairman

Read and approved by



Mr. Hong Uy
Executive Director

Read and approved by



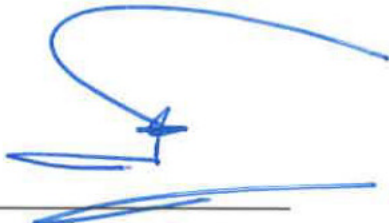
Mr. Ieng Se
Non-executive director

Read and approved by



Mr. Li Liang
Independent Director

Read and approved by



Mr. King Kapkalyan
Independent Director

ANNEXT ONE

REPORT ON CORPORATE GOVERNANCE

PART ONE

SHAREHOLDERS

A. Shareholding structure (by 31st December 2022)

1. Shareholders' information

Description	Nationality	Type of shareholders	Number of shareholders	Number of shares	Percentage
Less than 5%	Cambodian	Individual			
		Legal Person			
	Non-Cambodian	Individual			
		Legal Person			
From 5% to 30%	Cambodian	Individual			
		Legal Person			
	Non-Cambodian	Individual			
		Legal Person			
From 30%	Cambodian	Individual	2	1,000,000	100%
		Legal Person			
	Non-Cambodian	Individual			
		Legal Person			
					100%

2. Shareholders who are directors, senior officers and employees of the Company

Shareholders	Number of shareholders	Number of shares	Percentage
Directors	1	500,000	50%
Senior officers*	1	500,000	50%
Employees			
Total	2	1,000,000	100%

(*) Mr. Hong Uy is a shareholder, director and senior officer. He holds 500,000 shares at 50% of the total shares outstanding.

Mr. Kuy Vat is a shareholder and chairman of the BOD. He holds 500,000 shares at 50% of the total shares outstanding

B. Shareholders' protection and rights

1. Shareholders' rights

GT respects the right of shareholders equitably as proclaimed by the company's Article of Incorporation, Prakas on Corporate Governance of the listed companies by SERC, and any relevant laws and regulations.

The rights of shareholders are

- The right to register of ownership, conveyance or transfer shares
- The right to obtain relevant information of the company that is factual, complete, adequate, and timely for decision making.
- The right to attend the general shareholder meetings and express opinions or propose various matters to the Board of Directors.
- The right to Exercise their voting rights at the shareholders' meeting in the case of changes in important policies, directions and extra-ordinary transactions of the company
- The right to consider and approve profit allocation and dividend payments
- The right vote on the election or removal of a member of the Board of Directors.
- The right to appoint a person to attend the meeting and vote on their behalf if they are unable to attend the meeting.

3. Protection of shareholders' rights and the Company's practice of the protection of the shareholders' rights

The rights of shareholders are protected under the company's Article of Incorporation, Prakas on Corporate Governance of the listed companies by SERC, and any relevant laws and regulations.

All shareholders of the same class shall be treated equally, including minority shareholders and foreign shareholders. Number of votes and their voting right will be respected according to their classes of shares. GT will ensure to not perform any acts which will lead to unfair treatment to shareholders.

4. Protection of the rights of shareholders holding minority shares and implementation

The shareholders who hold minority shares are entitled to the same rights protection as the other shareholders as described above.

C. General Meeting of Shareholders

1. Procedure of general shareholder meeting and voting

The Board of Directors shall convene the annual general shareholders' at least one per fiscal year in order to consider the Company's operating performance, approval of dividend payments, appointment of the Board of Directors, and other issues that require approval by the shareholders.

The general shareholders can be called by the Chairman of the BOD, upon request by 51% of directors or upon request by shareholders holding at least 51% of total voting right.

The quorum of any shareholders' meetings shall be shareholders present in person or by proxy, holding at least 51% of total voting shares. If there is not enough quorum, the meeting will delay for 30 days. The subsequent meeting will only require 30% of total voting rights.

Notice of the meeting, voting process, details of all agenda items with the facts and reasons and the Board's opinions for each agenda item in the notice of the annual general meeting, accompanying documents, and required documents to be presented on the meeting day will be distributed to shareholders at least 20 days prior to the meeting.

2. Information of general shareholder meeting

No.	Date	Type of meeting	Quorums	Agenda	Resolutions
1	01 May 2022	GMS	100%	<ul style="list-style-type: none"> Report on business results for 2021 and business direction for the quarters of 2022 Appointment of external auditor 	<ul style="list-style-type: none"> Approval of Grant Thorton Cambodia as external Auditor. Vote: 100%
2	14 July 2022	GMS	100%	<ul style="list-style-type: none"> Issuance of public bond Appointment of the Board of Directors, and committees. Approval of the new Articles of Incorporated 	<ul style="list-style-type: none"> All agendas were approved Vote: 100%
3	30 November 2022	GMS	100%	<ul style="list-style-type: none"> Approval of the acquisition of Amara Residence and its financing. 	<ul style="list-style-type: none"> Approve with vote in favor of 100%

D. Dividend Distribution

1. Dividend policy

Golden Tree Co., Ltd (the "Company") intends to pay dividends to its shareholders and will use the guidelines herein to determine and pay such dividend as is approved by shareholders and announced by the Board of Directors, subject to any provisions in the company's article of incorporated and any legal obligation.

Dividends can be distributed to its shareholders from its distributable profits. The total dividend payment can not exceed the accumulated total retain earnings.

The company board of directors shall be responsible for the recommendation of the amount and timeline for the declaration and payment of dividends. This proposal must be approved by the majority of shareholders.

- Factor considered determining the amount of dividend
- The recognition of profit and availability of cash for distribution

- Any liabilities and debt payment requirements by which the company is bound from time to time
- The anticipated future obligation and earnings of the company
- The operating and investment plans of the company
- Overall political, economic, social, and technological situation and financial stability of the company.
- Dividend payout in the industry
- Any applicable debt covenants, and
- Any relevant applicable laws and regulations.

The Company will not declare any Dividends where the law prevents such payment and if there are reasonable grounds for believing that the Company is or would be, after a Dividend payment, unable to pay

The policy will be subject to change if the factors above have significantly changed and the Board of Directors considers it suitable and appropriate to propose to the shareholders. The new dividend policy shall be approved by most shareholders before taking effect.

2. Historical information of dividend distribution for the last 03 years

None

PART TWO

BOARD OF DIRECTORS

A. BOARD OF DIRECTORS

1. Composition of the Board of Directors

Nº	Name	Nationality	Designation	Appointment Date	Date of Expiry of Current Term
1	Mr. Kuy Vat	Cambodian	Chairman	14 July 2022	14 July 2025
2	Mr. Hong Uy	Cambodian	Executive Director	14 July 2022	31 December 2024
3	Mr. King Kapkalyan	Cambodian	Independent Director	14 July 2022	14 July 2025
4	Mr. Li Liang	Cambodian	Independent Director	14 July 2022	14 July 2024
5	Mr. Ieng Se	Cambodian	Non-Executive Director	14 July 2022	14 July 2024

2. Directors' Biography

Nº	Name & Position	Experiences
1	Mr. Kuy Vat <i>Chairman</i>	<p>With more than 20 years of working experience, Mr. Kuy Vat currently is a shareholder and the chairman of Golden Tree Co., Ltd He is serving in a number of board positions such as Director at Park Café, chairman of Cambodia Investor Club Association, VTrust Property, etc.</p> <p>Mr. Vat has been recognized as one of the most successful business leaders in Cambodia with a high level of trust and respect from those around him.</p> <p>Mr. Kuy Vat obtained a Bachelor's degree in Business Administration majoring in Management from Norton University.</p>
2	Mr. Hong Uy <i>Executive Director</i>	<p>With almost 25 years of working experience, Mr. Hong Uy currently is a shareholder and CEO of Golden Tree Co., Ltd. He is also a Co-founder and Chairman of V-Trust Property and Park Café</p> <p>As a veteran in Cambodia's business field, Mr. Uy's experience is ranging from the food industry and textile industries to the real estate industry. He was a director of business planning at Taiwan Kam-Huwa and 3 other prominent factories.</p> <p>In real estate, Mr. Uy has extensive experience in building development, facilities management, business planning, and consulting services.</p>

3	Mr. King Kapkalyan <i>Independent Director</i>	<p>He has a diverse background in different fields of businesses. He is currently the Director of HAPPYPAWN CO.,LTD, a legal pawn service and title transfer company and managing two agriculture projects. He has many years work experience in financial sector such as National Bank of Cambodia, SAMIC Plc., and Cambodian Health Committee...etc.</p> <p>Under his leadership, a small rural credit program has contributed significantly to Cambodia poverty reduction, and health improvement for rural population, and has transformed itself to a big microfinance. Furthermore, he also held various directorships in many companies and association such as the Cambodia Microfinance Association, Meada Micro Insurance, VTrust Appraisal etc.</p> <p>Mr. Kalyan earned his degree of Master Degree on Organizational Development in the field of MFI Management from SAIDI, Philippines and Master of Business Administration from National University of Management, Cambodia.</p>
4	Mr. Li Liang <i>Independent Director</i>	<p>He currently is a managing director of KAMHWA CRUSING Co.;Ltd., has over 10 years of experiences in accounting and finance. He assumed various positions in the industries of banking, trading and manufacturing before cofounding VTrust Group. Besides finance, Liang also participates in business operations in VTrust Group and its subsidiaries.</p> <p>He obtained both MBA and BBA from Western University</p>
5	Mr. Ieng Se <i>Non-Executive Director</i>	<p>He currently is a Non-Executive Director of Golden Tree Plc. He is executive chairman at ATech Group Co., Ltd since 2003 as well as is a Chairman and CEO of Impact M&A Co., Ltd since 2012. He is the non-executive director of VTrust Appraisal Co., Ltd. and Park Café Food and Beverage Co., Ltd.</p> <p>He obtained Associate degree, Bachelor Degree and Diploma at Norton University, Western University and KMD Education Service respectively.</p>

3. Directors' Role in Another Company as Director, A Shareholder, An Owner or A Partner of Another Company

No.	Name	Companies/Entities	Role (Director/Shareholder/ Owner/Partner)
1	Mr. Kuy Vat	VTRUST PROPERTY CO., LTD.	Chairman of BOD
		UNITED FOOD CO., LTD.	Director
		VTRUST GROUP CO., LTD.	Director
		PARK CAFÉ FOOD AND BEVERAGE CO., LTD.	Director
		CAMBODIAN INVESTORS CORPORATION PLC.	Chairman of BOD
		THEAN LONG (CAMBODIA) INVESTMENT GROUP CO., LTD.	Chairman of BOD
		ZILLENNIUM CO., LTD.	Chairman of BOD
		CAMBODIAN INVESTORS CAPITAL PARTNERS PLC.	Chairman of BOD
		Z VALLEY CO., LTD.	Chairman of BOD

		UNITED PIZZA CO., LTD.	Chairman of BOD
		UNITED PARK CO., LTD.	Chairman of BOD
		VTRUST-KEIAI SOLUTIONS CO., LTD.	Director
		CAMBODIAN REALTY AFFILIATES CO., LTD.	Chairman of BOD
		CITY FUND DEVELOPMENT CO., LTD.	Chairman of BOD
		CHAKPHUP PANHA CO., LTD.	Chairman of BOD
2	Mr. Hong Uy	VTRUST PROPERTY CO., LTD.	Director
		UNITED FOOD CO., LTD.	Chairman of BOD
		VTRUST GROUP CO., LTD.	Chairman of BOD
		PARK CAFÉ FOOD AND BEVERAGE CO., LTD.	Chairman of BOD
		THEAN LONG (CAMBODIA) INVESTMENT GROUP CO., LTD.	Director
		VTRUST-KEIAI SOLUTIONS CO., LTD.	Director
3	Mr. Leng Se	A TECH GROUP CO., LTD.	Executive Chairman
		IMPACT M&A CO., LTD.	Chairman of BOD and CEO
		UNITED FOOD CO., LTD.	Non-executive Director
		VTRUST GROUP CO., LTD.	Director
		PARK CAFÉ FOOD AND BEVERAGE CO., LTD.	Director
4	Mr. Li Liang	MEKONG BROKERAGE CO., LTD.	Chairman of BOD
		CAMBODIA INVESTOR CLUB	Director
		UNITED FOOD CO., LTD.	Non-executive Director
		VTRUST GROUP CO., LTD.	Director
		PARK CAFÉ FOOD AND BEVERAGE CO., LTD.	Director
		A TECH GROUP CO., LTD.	Director
		CAMBODIAN INVESTORS CORPORATION PLC.	Director
		CAMBODIAN INVESTORS CAPITAL PARTNERS PLC.	Director
		LI & CAI CAPITAL CO., LTD.	Director
		MARKMA KOH RONG RESORT 1 CO., LTD.	Chairman of BOD
		MARKMA INVESTMENT CO., LTD.	Chairman of BOD
ZEEKASH FIDELITY CO., LTD.	Director		
5	Mr. King Kapkalyan	HAPPYPAWN CO., LTD.	Director

4. Board Roles, Duties, Responsibilities and Performance

Pursuant to Article 32 of the registered Memorandum and Articles of Association of GT dated 08 July 2022, the Board of Directors shall have but is not limited to, the following powers.

- a- To appoint, remove, suspend and determine the powers of the officers.
- b- To determine the remuneration for the officers;
- c- To propose salaries and other compensation to the directors and submit the proposal to the shareholders for approval;

- d- To print and sell promissory notes, bonds, bonds, and other forms of debt and the terms of all these instruments;
- e- To establish, review and update company policies to ensure accountability, transparency, integrity, and good corporate governance;
- f- To define the business plan, goals, and strategies of the company;
- g- To propose to the shareholders to decide to amend the company's articles of association;
- h- To propose to the shareholders to decide on the merger agreement or merger between the company and any other person;
- i- To propose the shareholders to decide to sell all or a large part of the company's assets;
- j- To propose the shareholders to decide to dissolve or clear the liquidation of the company;
- k- To propose the shareholders to decide to divide the dividend according to the accounting principles and according to the dividend allocation policy of the company;
- l- To propose the shareholders to decide to issue the shares of the company to the extent permitted by the company's articles of association and in accordance with the law on commercial enterprises;
- m- To propose shareholders to decide to borrow money on behalf of the company;
- n- To propose the shareholders to decide to sell or resell or sell the company's securities;
- o- To propose the shareholders to decide to provide the guarantee on behalf of the company;
- p- To propose the shareholders to decide to mortgage the mortgage or create interest on the lien on all or any property of the company to secure any obligations of the company; and
- q- To prepare financial statements for each fiscal year (as defined below) for submission to shareholders for approval.

5. Board Meetings

No.	Date	Type of Meeting	Name of directors attending the meeting
1	28 November 2022	Physical Meeting	Mr. Hong Uy Mr. King Kapkalyan Mr. Li Liang Mr. Ieng Se
2	17 October 2022	Physical Meeting	Mr. Hong Uy Mr. King Kapkalyan Mr. Li Liang Mr. Ieng Se
3	14 July 2022	Physical Meeting	Mr. Kuy Vat Mr. Hong Uy Mr. King Kapkalyan Mr. Li Liang Mr. Ieng Se
4	09 May 2022*	Physical Meeting	Mr. Kuy Vat Mr. Hong Uy

(*) prior to 14 July 2022, GT only had two board of Directors. GT appointed three additional directors to comply with the laws and regulation in order to list its bond on CSX.

B. COMMITTEES

1. Committees Structure

1.1 Audit Committee

The Audit Committee should be established by the Board of Directors and composed of at least three members. The appointment shall be confirmed by the shareholders. All the Audit Committee members may be made up of non-executive directors, if possible. However, the Chair of the Audit Committee shall be an independent director. The chair of the audit committee shall have a deep understanding and knowledge of accounting and finance.

No.	Name	Position	Appointing Date	Number of attending the meeting	Total number of meetings
1	Mr. King Kapkalyan	Head of the committee	14 July 2022	-	-
2	Mr. Li Liang	Member	14 July 2022	-	-
3	Mr. Ieng Se	Member	14 July 2022	-	-

Responsibilities of the Audit Committee:

The audit committee's main duties, among others, shall

- Establish internal audit and risk management policy, process, and procedure
- Monitor the effectiveness of internal audit procedure and risk management system
- Strengthen any weakness found during the audit of the internal control system
- Monitor compliance with the internal code of conduct. Corporate governance policy and related party transaction policy.
- Prepare an annual report on its operation, highlighting the principal incidents rising and the appropriate action to rectify those incidents.
- Review external audit

Results of Audit Committee

GT was just listed its bond on the Cambodia Securities Exchange on January 19, 2023. Therefore, the audit committee had not convened any meeting yet.

1.2 Nomination and Remuneration Committee

The Nomination and Remuneration Committee plays a key role in reviewing and proposing the remuneration or benefits to Directors and Senior Management. With an objective of achieving reasonable and acceptable rates and seeking to ensure the appointment and retention of appropriate talent for the further success of GT, the Nomination and Remuneration Committee is established by the Board of Directors. The Nomination and Remuneration Committee shall be composed of at least three (3) members and shall have a non-executive director as its chairman. If GT does not have a non-executive Director, Independent Director shall chair this committee. The Nomination and Remuneration Committee has a crucial role in engaging and retaining professional directors and Senior Management to ensure the long-term success of GT.

No.	Name	Position	Appointing Date	Number of attending the meeting	Total number of meetings
1	Mr. Ieng Se	Head of the committee	14 July 2022	-	-
2	Mr. King Kapkalyan	Member	14 July 2022	-	-
3	Mr. Hong Uy	Member	14 July 2022	-	-

Responsibilities of the Nomination and Remuneration Committee:

The remuneration and nomination committee's main duties, among others, shall

- Propose and evaluate the necessary skills, knowledge, and experience of the members of the Board of Directors and the executive teams.
- Propose the appointment of the directors and management team
- Inform about proposals for appointment or removal of senior executive
- Regularly access the structure, size, composition, and performance of the boards and its committee

Results of the Nomination and Remuneration Committee

GT was just listed its bond on the Cambodia Securities Exchange on January 19, 2023. Therefore, the committee had not convened any meeting yet.

1.3 Risk committee (if any)

As at 31 December 2021, we have no the risk management committee.

1.4 Other committees

As at 31 December 2021, we have no other committees.

2 Change of Committees member

As at 31 December 2021, we have not changed the members of this committee

C. REMUNERATION OR COMPENSATION

1. Brief Policy On Benefits or Allowances for Directorships and Senior Staffs

Remuneration and compensation matter for directors is determined by the shareholders after careful consideration and recommendation from the Board of Directors and its committee.

Remuneration and compensation matter for senior executives is determined by the Nomination and Remuneration Committee with the recommendation from CEO.

2. Remuneration and Compensation Receivers

No.	Remuneration and compensation receivers	Remuneration and compensation amount	Other
1	All directors	N/A	N/A
2	Senior officers	USD 63,122	N/A
3	Top 5 employees receiving Remuneration and compensation	USD 63,122	N/A

D. Annual Performance Assessment of Board, Directors, Committees and CEO

No.	Description	Evaluation process	Marking criteria
1	Board of directors	By the shareholders	<ul style="list-style-type: none">• Outcome of the business operation• Participation in Board meeting
2	Directors	By the chairman of the board of directors	<ul style="list-style-type: none">• KPI determined by the BOD• Participation in Board meeting
3	Committees	By the board of directors	<ul style="list-style-type: none">• KPI and tasks assigned determined by the BOD• Participation in Board meeting
4	CEO	By the chairman of the board of directors	<ul style="list-style-type: none">• Outcome of the business performance• KPI determined by the BOD

E. TRAINING FOR DIRECTORS AND SENIORS OFFICERS

In 2022, Golden Tree did not have any training for directors.

For senior officers, they can participate in any external training and education at their own choices. Any fees related to those training will be reimbursed if the HR department determines that those courses are related to their field of work and will contribute to the success of GT.

PART THREE

CODE OF CONDUCTS

A. POLICIES RELATED TO THE CODE OF BUSINESS CONDUCTS OF DIRECTORS, SENIOR OFFICES AND EMPLOYEES

The Board of Directors has formulated a Business Code of Conduct for all members of the company to follow. This conduct applies to all directors, executive team and employee. The board of directors expect all members of the company to respect the values, principles and rules contained therein and apply them in their professional activities and their internal and external relations.

The Code of Conduct will be based on the values of quality, trust and social commitment to all stakeholders and will promote the following principles for action:

- Compliance with Kingdom of Cambodia relevant laws and regulations.
- Respect for people, cultures, institutions, political pluralism, and the environment. Any discrimination against race, gender, political views or religious view are tolerated.
- Integrity. All members of the company should work and make decisions with integrity and sincerity. We must ensure that all our statements, communications, and representation to any stakeholders are accurate and complete.
- Transparency. All critical and main policies, procedures and relevant information shall be disseminated to all relevant members of the company. The Board of Directors and HR department shall conduct regular training on those policies and procedures. Furthermore, those main policy, relevant information and audited financial statements shall be published the main on the corporate website.
- Excellence and professionalism. All member of the company shall work with professionalism. Members shall continue to improve on their performance and efficiency. We shall strive for excellence in any aspect of what we do.
- Confidentiality of information. All private and confidential information entrusted by shareholders and customers shall be safeguarded.
- Conflict of Interest. All members shall comply with the company policy on conflict of interest and shall not participate in those activities. If any member is in doubt, the/she shall report it to the HR department for clarification. If the serious is critical, it must be reported to the Board of Directors for investigation.
- Social responsibility with the Company's commitment towards the environment in the performance of its business

B. DISSEMINATION OF BUSINESS ETHICS TO DIRECTORS, SENIORS OFFICERS AND EMPLOYEES

The HR department conducts regular training to all employees. New employee will receive the training upon hire.

C. MECHANISMS AND PROCEDURES TO ACCESS CODE OF CONDUCTS PRACTICES

the members of the Board of Directors, senior officers and employees are required to strictly practise the code of conducts. Since the adoption of the conduct, there have been no serious problems committed by the members of the Board of Directors and the management in all areas contrary to this Code.

The HR department conducts regular training to all employees. New employee will receive the training upon hire. GT has created a channel for anyone in the company to report any suspicious of illegal or unethical acts to the management or audit committee directly in order to resolve those act in a timely manner.

D. RELATED PARTY TRANSACTIONS

1. Company policy for managing transactions with related parties

As of December 31, 2022, Gt has no policy governing transactions with its stakeholders.

No.	Related Parties	Policies
1	Holding companies	N/A
2	Joint venture agreement	N/A
3	Subsidiaries	N/A
4	Controlling shareholder	N/A
5	Directors or Directors' family	N/A
6	Senior Officers or Senior Officers' family	N/A
7	Others	N/A

E. MATERIAL TRANSACTIONS WITH RELATED PARTIES

No.	Related Person	Type of Transaction	Value of Transaction	Description
1	Hong Uy and Kuy Vat	Shareholders	USD 5,073,932	Loan from shareholders to purchase Amara Residence
2	United Food Co., Ltd	Company with a director has interest	USD 22,186	Rental receivable
3	Phnom Penh Securities Plc	Company with a director has interest	USD 26,204	Rental receivable

PART FOUR

RISK MANAGEMENT, INTERNAL CONTROLS AND AUDITING

A. SUMMARY OF RISK MANAGEMENT SYSTEMS OR RISK MANAGEMENT POLICY

New Risk management policy is developed by the Audit Committee. GT's new risk policy is guided by the principal of ESG (Environment, Social and Governance). Currently, GT management simplify the policies into risk flow charts so that it is more practical.

The management team discusses potential risks and threat regularly in order to contain or mitigate those risks.

B. SUMMARY OF INTERNAL CONTROL SYSTEM

The Internal Audit Unit was established in Q3 2022. In Q3, 2022 the charter of audit committee was established. It clearly defines the roles, duties and responsibilities for independent evaluation of the internal control system.

Audit Committee with the internal audit unit are mandated to provide independent oversight on the management of the financial, operational and code of conduct reporting.

C. AUDIT

1. Internal Audit

1.1 Duties and Responsibilities of the Internal Auditor

Duties and Responsibilities of the Internal Auditor are

- reviews and evaluates the procedure of financial reporting
- reviews and evaluate operational process and procedures
- reviews compliance on financial, operational and risk management policy and others
- prepare and present report that reflect audit results to management team and board of directors.
- recommend risk aversion measures
- investigate on any reporting from members related the potential violation of code of conduct.

1.2 Appointment and Removal / Removal of the Chairman and / or Deputy Chairman of the Internal Audit

None

2. External auditor

No.	Company	Date of Appointment	Services Fees	Other non auditing fees
1	Grand Thornton Cambodia	01 May 2022	USD9,800	N/A

PART FIVE

STAKEHOLDERS

A. IDENTIFY POLICIES AND ACTIVITIES RELATED TO THE FOLLOWING

No.	Items	Policies	Activities
1	Customer Welfare	N/A	Ensure excellent service standards
2	Selecting suppliers / contractors	N/A	Ensure quality and price bidding.
3	Management and protection of employees	N/A	Provide salaries and other benefits in accordance with applicable laws and regulations
4	Environmental protection	N/A	Upgrade building into a green building.
5	Interact with the community	N/A	
6	Protection of creditors' rights	N/A	Payment on time in accordance with the agreement
7	Anti-Corruption Program	N/A	Review by the management team
8	Others	N/A	N/A

B. Describe the company's social responsibility

In 2022, Golden Tree did not make any donation to any charity.

Nonetheless, corporate social responsibility is the guide for our practices. Evidently, we invest and upgrade VTrust tower to a green building because we believe we are a part of team to fight global climate changes.

According to the report by IFC on green buildings-A Finance and Policy Blueprint for Emerging Markets, 28% of energy-related greenhouse gas emissions originate from buildings, the mainstreaming of green buildings presents an enormous opportunity to reduce global carbon footprint and environmental impact.

Furthermore, green building also provides good indoor air quality, a much-needed feature for our tenants during this Covid-19 pandemic.

PART SIX

DISCLOSURE AND TRANSPARENCY

A. Disclosure in the annual report as the following:

No.	Information	Yes/No
1	Vision / Mission / Business Goals	Yes
2	Key Indicators	Yes
3	Non-financial key indicators	Yes
4	Risk factors	Yes
5	Dividend policy	Yes
6	Biography of all directors	Yes
7	Training for all directors	Yes
8	Number of the meeting of the board of directors	Yes
9	Presence in the meeting of the board of directors	Yes
10	Compensation of the directors and senior officers	Yes

B. Describe the mechanism of disclosure, describing the means, procedures and staff in charge of providing information.

GT is currently listed on the Cambodia Securities Exchange, so we are required to provide timely with transparent information including quarterly, and annual reports, and any updates on the Company's operations, financial position and other necessary information. Stakeholders and public investors, including the Company's shareholders, are entitled to access the above-mentioned information in a timely manner through the Company's website at www.goldentree.com.kh, the SEC's website is www.serc.gov.kh and the website of the Cambodia Securities Exchange is www.csx.com.kh.

The corporate disclosure's officers provide timely, voluntary and other necessary information to the CSX via E-Disclosure.

GT investor relation team are

- Mr. Sereyrotanak Oum, Corporate Disclosure Officer
- Mr. Meas Somnang, Assistant to Corporate Disclosure Officer

C. Investor Relations

1. Demonstrate the mechanism and procedure of communication with investors

Investors can contact the company directly during business hours if they have any questions or concerns that affect the decisions and interests of stakeholders and public investors.

- Email: investor-relation@goldentree.com.kh
- Phone number: 023-224-701

2. Briefly describe the relationship with investors in the last 1 (one) year

No activity as GT just listed its bond on 19 January 2023

ANNEX TWO: **AUDITED FINANCIAL STATEMENTS FOR 2022**

**Report of the Board of Directors
and
Audited financial statements**

Golden Tree Co., Ltd.

31 December 2022

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Report of the Board of Directors

The Board of Directors submits this report and the audited financial statements of Golden Tree Co., Ltd. (“the Company”) as at 31 December 2022 and for the year then ended.

The Company

Golden Tree Co., Ltd. is a private limited company registered with the Ministry of Commerce pursuant to its Registration number 00012373 dated 12 October 2006.

The registered office and principal business address of the Company are both located at Plot A, Street 169, Sangkat Veal Yong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia.

The Company was approved by the Securities and Exchange Regulator of Cambodia (“SERC”) to issue Cambodia’s first corporate green bond, which is unsecured, unsubordinated and not guaranteed on 12 October 2022. The total approved bond size is KHR 12 billion, with a par value of KHR 100,000 per unit, a 7% annual coupon rate, semi-annual interest payments, and a 5-year tenure. The bonds were subsequently listed on the Cambodia Securities Exchange (“CSX”) on 19 January 2023.

Principal activities

The Company is principally engaged in the leasing of offices and apartments.

Results of operations

The results of the Company’s operations for the year ended 31 December 2022 and the state of its affairs as at that date are set out in the accompanying financial statements.

The Board of Directors does not recommend any dividend for the year ended 31 December 2022.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report were as follows:

Name	Position	Date of appointment
Mr. Kuy Vat	Chairman	14 July 2022
Mr. Hong Uy	Executive Director	14 July 2022
Mr. King Kepkalyan	Independent Director	14 July 2022
Mr. Ieng Se	Non-Executive Director	14 July 2022
Mr. Li Liang	Independent Director	14 July 2022

Auditors

The financial statements as at 31 December 2022 and for the year then ended were audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' benefits

During and at the end of the financial period, no arrangements subsisted to which the Company was a party with the object of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

Since the end of the previous financial year, the directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest other than as disclosed in the financial statements.

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended, in accordance with the financial reporting framework indicated therein. In preparing these financial statements, the Board of Directors is required to:

- i. adopt appropriate accounting policies which in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- ii. comply with the disclosure requirements CIFRSs or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. maintain adequate accounting records and an effective system of internal control;
- iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and,
- v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/ or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up and present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors:



Mr. Kuy Vat
Chairman

Mr. Hong Uy
Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
29 March 2023



Grant Thornton

Independent auditor's report

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

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To the Shareholders of Golden Tree Co., Ltd.

Opinion

We have audited the financial statements of Golden Tree Co., Ltd. (“the Company”), which comprise the statement of financial position as at 31 December 2022, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”).

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (“IESBA Code”) together with the ethical requirements that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Certified Public Accountants and Auditors

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.



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- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED

Certified Public Accountants
 Registered Auditors



Ronald C. Almera
Ronald C. Almera

Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
 29 March 2023

Certified Public Accountants and Auditors

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Statement of financial position

	Note	31 December 2022		31 December 2021	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Asset					
Non-current					
Property and equipment-net	6	9,553,705	39,332,603	654,276	2,665,520
Investment property-net	7	22,576,322	92,946,718	22,831,905	93,017,181
Non-current assets		32,130,027	132,279,321	23,486,181	95,682,701
Current					
Corporate bond receivables	14	1,474,885	6,072,100	-	-
Cash and cash equivalents	10	442,090	1,820,085	171,655	699,322
Trade and other receivables	9	436,564	1,797,334	297,466	1,211,876
Amounts due from related parties	20	48,390	199,222	1,033,484	4,210,414
Current assets		2,401,929	9,888,741	1,502,605	6,121,612
Total assets		34,531,956	142,168,062	24,988,786	101,804,313
Equity and liabilities					
Equity					
Share capital	11	5,000,000	20,000,000	5,000,000	20,000,000
Retained earnings		725,480	2,950,151	670,051	2,723,613
Currency translation differences		-	621,651	-	376,174
Total equity		5,725,480	23,571,802	5,670,051	23,099,787
Liabilities					
Non-current					
Borrowings	13	15,470,690	63,692,831	13,751,854	56,025,053
Corporate bond payables	14	1,474,885	6,072,100	-	-
Lease liabilities	8	66,331	273,085	95,736	390,028
Deferred tax liabilities	19(a)	604,290	2,487,862	527,214	2,147,870
Non-current liabilities		17,616,196	72,525,878	14,374,804	58,562,951
Current					
Borrowings	13	4,805,096	19,782,580	3,686,174	15,017,473
Trade and other payables	12	1,279,790	5,268,895	1,230,607	5,013,493
Lease liabilities	8	29,404	121,056	27,150	110,609
Corporate bonds payables	14	2,058	8,473	-	-
Amounts due to related parties	20	5,073,932	20,889,378	-	-
Current liabilities		11,190,280	46,070,382	4,943,931	20,141,575
Total liabilities		28,806,476	118,596,260	19,318,735	78,704,526
Total equity and liabilities		34,531,956	142,168,062	24,988,786	101,804,313

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income

	Note	For the year ended 31 December 2022		For the year ended 31 December 2021	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Revenue	15	3,040,257	12,425,530	3,245,980	13,204,647
Cost of services	16	(842,277)	(3,442,386)	(846,607)	(3,443,997)
Gross profit		2,197,980	8,983,144	2,399,373	9,760,650
Operating and administrative expenses	17	(571,965)	(2,337,621)	(493,307)	(2,006,773)
Net operating profit		1,626,015	6,645,523	1,906,066	7,753,877
Finance costs	18	(1,368,531)	(5,593,186)	(1,452,080)	(5,907,061)
Profit before income tax		257,484	1,052,337	453,986	1,846,816
Income tax expense	19(b)	(202,055)	(825,799)	(287,582)	(1,169,884)
Profit for the year		55,429	226,538	166,404	676,932
Other comprehensive income-					
Currency translation differences		-	245,477	-	160,603
Total comprehensive income for the year		55,429	472,015	166,404	837,535

Statement of changes in equity

	Share capital		Retained earnings		Currency translation differences		Total equity	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Balance as at 1 January 2022	5,000,000	20,000,000	670,051	2,723,613	-	376,174	5,670,051	23,099,787
Profit for the year	-	-	55,429	226,538	-	-	55,429	226,538
Currency translation differences	-	-	-	-	-	245,477	-	245,477
Balance as at 31 December 2022	5,000,000	20,000,000	725,480	2,950,151	-	621,651	5,725,480	23,571,802
Balance as at 1 January 2021	5,000,000	20,000,000	503,647	2,046,681	-	215,571	5,503,647	22,262,252
Profit for the year	-	-	166,404	676,932	-	-	166,404	676,932
Currency translation differences	-	-	-	-	-	160,603	-	160,603
Balance as at 31 December 2021	5,000,000	20,000,000	670,051	2,723,613	-	376,174	5,670,051	23,099,787

Statement of cash flows

	Note	For the year ended 31 December 2022		For the year ended 31 December 2021	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Operating activities					
Profit before Income tax		257,484	1,052,337	453,986	1,846,816
Adjustments for:					
Depreciation of property and equipment	6	132,419	541,196	133,860	544,542
Depreciation of investment property	7	431,401	1,763,136	431,027	1,753,418
Interest expense	18	1,368,531	5,593,186	1,452,080	5,907,061
Operating profit before working capital changes		2,189,835	8,949,855	2,470,953	10,051,837
Net changes in working capital					
Changes in:					
Amounts due from related parties		985,094	4,026,079	(926,825)	(3,770,324)
Trade and other receivables		(139,098)	(568,494)	(15,279)	(62,155)
Trade and other payables		51,240	209,418	(64,204)	(261,182)
Amounts due to related parties		5,073,932	20,737,160	-	-
Cash generated from operating activities		8,161,003	33,354,018	1,464,645	5,958,176
Interest paid		(1,354,892)	(5,537,444)	(1,394,882)	(5,674,380)
Income tax paid		(30,469)	(124,527)	(31,991)	(130,139)
Withholding tax credit		(94,510)	(386,262)	(127,465)	(518,528)
Net cash from/(used in) operating activities		6,681,132	27,305,785	(89,693)	(364,871)
Cash generated from investing activities					
Purchases of property and equipment	6	(9,207,666)	(37,631,731)	(6,138)	(24,969)
Additions to investment property	7	-	-	(3,746)	(15,239)
Net cash used in investing activities		(9,207,666)	(37,631,731)	(9,884)	(40,208)
Cash generated from financing activities					
Payment of lease liabilities	8	(27,150)	(110,962)	(25,069)	(101,981)
Payment of interest portion of lease liabilities	8	(8,850)	(36,170)	(10,931)	(44,467)
Additional borrowings	13	3,500,000	14,304,500	-	-
Payment of bank borrowings	22	(667,031)	(2,726,156)	(490,914)	(1,997,038)
Net cash used in financing activities		2,796,969	11,431,212	(526,914)	(2,143,486)
Net change in cash and cash equivalents		270,435	1,105,266	(626,491)	(2,548,565)
Cash and cash equivalents, beginning of year		171,655	699,322	798,146	3,228,501
Currency translation difference		-	15,497	-	19,386
Cash and cash equivalents, end of year	10	442,090	1,820,085	171,655	699,322

The accompanying notes are an integral part of these financial statements.

Notes to the financial statements

1. General information

Golden Tree Co., Ltd. is a private limited company registered with the Ministry of Commerce pursuant to its Registration number 00012373 dated 12 October 2006.

The Company is principally engaged in leasing of offices and apartments.

The registered office and principal business address of the Company are both located at Plot A, Street 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia.

The Company was approved by the Securities and Exchange Regulator of Cambodia (“SERC”) to issue Cambodia’s first corporate green bond, which is unsecured, unsubordinated and not guaranteed on 12 October 2022. The total approved bond size is KHR 12 billion, with a par value of KHR 100,000 per unit, a 7% annual coupon rate, semi-annual interest payments, and a 5-year tenure. The bonds were subsequently listed on the Cambodia Securities Exchange (“CSX”) on 19 January 2023.

As at 31 December 2022, the Company had 37 employees (2021: 27 employees).

2. Basis of preparation and statement of compliance with CIFRS

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”).

The National Accounting Council, now the Accounting and Auditing Regulator of Cambodia (“ACAR”), 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 adopted International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”) without modifications as CIFRSs.

3. New standards and amendments adopted as at 1 January 2022

3.1 Standards, amendments and interpretations to existing standards that are adopted by the Company

The Company adopted the following accounting standards and interpretations as at 31 December 2022. The new and revised accounting standards and interpretations assessed to be applicable to the Company’s financial statements follows:

- Property, Plant and Equipment — Proceeds before Intended Use (Amendments to CAS 16)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to CIAS 37)
- Annual Improvements to CIFRS Standards 2018–2020

These new and revised accounting standards and interpretations that have been published by the IASB were adopted by the Company and were assessed to be applicable and have no material impact on the Company's financial statements.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards, but not yet effective, have been published by the IASB. None of these standards or amendments have been early adopted by the Company. The standards and amendments that are not yet effective and have not been adopted early by the Company include:

- CIFRS 17 Insurance Contracts
- Amendments to CIFRS 17 'Insurance Contracts' (Amendments to CIFRS 17 and CIFRS 4)
- Classification of Liabilities as Current or Non-current (Amendments to CIAS 1, Presentation of Financial Statements)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction (Amendments to CIAS 12)
- Definition of Accounting Estimates (Amendments to CIAS 8)
- Disclosure of Accounting Policies (Amendments to CIAS 1 and CIFRS Practice Statement 2)

Management does not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Company in future periods when they become effective.

4. Summary of significant accounting policies

4.1 Basis of preparation

The financial statements of the Company, which are expressed in United States Dollars ("USD"), are prepared under the historical cost convention and drawn up in accordance with CIFRSs.

4.2 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 USD, the Board of Directors has determined the USD to be the 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 on translation are recognised in other comprehensive income.

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016, and have been made using the prescribed official exchange rate based on the following applicable exchange rate per USD1 as announced by the National Bank of Cambodia ("NBC"):

	31 December 2022	31 December 2021
Average rate* (12 months)	4,087	4,068
Closing rate	4,117	4,074

*The average amounts were determined by using the NBC's daily rates.

Such translation 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 of exchange.

4.3 Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets – Classification:

On initial recognition, a financial asset is classified as measured at amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and,
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g., whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and,
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity,

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets – Assessment of whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest (SPPI), the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms; and
- terms that limit the Company's claim to cash flows from specified assets (e.g., non-recourse loans).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses:

The Company classifies its financial liabilities as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the

Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

4.5 Property and equipment

All property and equipment, except for land and building, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost or valuation of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property and equipment are depreciated based on the estimated useful lives of the assets as follows:

	Useful life
Computers and office equipment	2 to 10 years
Operating equipment	5 years

Work-in-progress consists of building and machinery under construction/ installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property and equipment under construction/installation until the property and equipment are ready for their intended use. Assets under construction are not depreciated until they are completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that

the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property and equipment.

Fully depreciated property and equipment are retained in the financial statements until they are disposed of or written off.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectation.

Property and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

4.6 Investment property

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated over 40 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.7 Leases

The Company as a lessee

The Company makes use of leasing arrangements principally for the provision of land. The rental contract for land is typically negotiated for a term of 7 years. The Company does not enter into sale and leaseback arrangements. All the lease is negotiated on an individual basis and contain a wide variety of different terms and conditions such as restrictions on assigning and subleasing the leased asset and the requirement to deliver the rental payment regularly in accordance with the contract and provide good care on the existing equipment.

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Right-of-use asset and lease liability have been individually disclosed on the statement of financial position.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as expenses in the statement of comprehensive income on a straight-line basis over the lease term.

4.8 Impairment of non-financial assets

Financial assets

The Company recognises loss allowances for ECL on the financial instruments that are not measured at FVTPL.

The Company measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECL is a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and biological assets) to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

4.9 Share capital and accumulated losses

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current and prior year's losses.

4.10 Employee benefits - Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

4.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown, net of tax, rebates and discounts.

Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Other income

Other income besides rental income is recognised when transactions are incurred.

4.12 Finance cost

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.13 Operating leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

4.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be reliably estimated. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered as contingent assets.

4.15 Income taxes

Tax expense recognised in the profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid or refundable at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.16 Related parties

A related party is a person or entity that is related to the Company. A related party transaction is a transfer of resources, services or obligations between the Company and its related party, regardless of whether a price is charged. In addition:

- a. A person or a close member of that person's family is related to the Company if that person:
 - i. Has control or joint control over the Company;
 - ii. Has significant influence over the Company; or,
 - iii. Is a member of the key management personnel of the ultimate holding company of the Company, or the Company.

- b. An entity is related to the Company if any of the following conditions applies:
 - i. The Company are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity.
 - iii. Both entities are joint ventures of the same third party.
 - iv. On entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefits of employees of the Company.
 - vi. The entity is controlled or jointly-controlled by a person identified in a. above.
 - vii. A person identified in a.i. above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
 - viii. The entity, or any member of a Company of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

5. Significant accounting estimates, assumptions and judgements

The Company makes estimates, assumptions and judgements concerning future transactions which may not equal actual results. The accounting estimates, assumptions and judgements which may have a significant impact on the current recognition and measurement of assets, liabilities, revenue and expenses are summarised below:

a. Significant accounting estimates and assumptions

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using average borrowing rates in Cambodia.

Income tax expense

The Company recognises liabilities for expected tax expenses based on an estimate of whether the taxes are due through management’s current interpretation of the various tax legislations, which are subject to periodic changes. The final determination of tax expenses will be made following examination by the General Department of Taxation (“GDT”).

When the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

b. Significant accounting judgements

The Management is not aware of any critical judgments in relation to the amounts in the financial statements.

6. Property and equipment-net

	Computer and office equipment USD	Operating equipment USD	Work in progress USD	Total USD	KHR'000 (Note 4.2)
Cost					
As at 1 January 2022	40,204	1,132,990	233,474	1,406,668	5,730,765
Additions*	3,080	4,586	9,200,000	9,207,666	37,631,731
Transfers**	-	57,656	(233,474)	(175,818)	(718,568)
Currency translation differences	-	-	-	-	331,442
As at 31 December 2022	43,284	1,195,232	9,200,000	10,438,516	42,975,370
Accumulated depreciation					
As at 1 January 2022	33,603	718,789	-	752,392	3,065,245
Depreciation for the year	5,986	126,433	-	132,419	541,196
Currency translation differences	-	-	-	-	36,326
As at 31 December 2022	39,589	845,222	-	884,811	3,642,767
Carrying amounts as at 31 December 2022	3,695	350,010	9,200,000	9,553,705	39,332,603
Cost					
As at 1 January 2021	35,721	1,131,335	233,474	1,400,530	5,665,140
Additions	4,483	1,655	-	6,138	24,969
Currency translation differences	-	-	-	-	40,656
As at 31 December 2021	40,204	1,132,990	233,474	1,406,668	5,730,765
Accumulated depreciation					
As at 1 January 2021	28,378	590,154	-	618,532	2,501,962
Depreciation for the year	5,225	128,635	-	133,860	544,542
Currency translation differences	-	-	-	-	18,741
As at 31 December 2021	33,603	718,789	-	752,392	3,065,245
Carrying amount as at 31 December 2021	6,601	414,201	233,474	654,276	2,665,520

*The Company purchased a new building under construction from shareholders for USD 9,200,000 during the year 2022. The building title deed is under the names of shareholders Hong Uy and Kuy Vat, and it is in the process of being transferred to Golden Tree Co., Ltd. as of 31 December 2022.

**The work in progress was transferred to property and equipment in the amount of USD 57,656 for use in the supply of services, and the remaining USD 175,818 has been transferred to investment property as they are part of the building to earn rental income during the year 2022.

7. Investment property-net

	Land USD	Building USD	Right-of-use assets USD	Total USD	KHR'000 (Note 4.2)
Cost					
As at 1 January 2022	9,000,000	16,141,503	192,478	25,333,981	103,210,639
Transfer	-	175,818	-	175,818	718,568
Currency translation differences	-	-	-	-	1,094,635
Balance as at 31 December 2022	9,000,000	16,317,321	192,478	25,509,799	105,023,842
Accumulated depreciation					
As at 1 January 2022	-	2,419,585	82,491	2,502,076	10,193,458
Depreciation for the year	-	403,904	27,497	431,401	1,763,136
Currency translation differences	-	-	-	-	120,530
Balance as at 31 December 2022	-	2,823,489	109,988	2,933,477	12,077,124
Carrying amounts as at 31 December 2022	9,000,000	13,493,832	82,490	22,576,322	92,946,718
Cost					
As at 1 January 2021	9,000,000	16,137,757	192,478	25,330,235	102,460,801
Additions	-	3,746	-	3,746	15,239
Currency translation differences	-	-	-	-	734,599
Balance as at 31 December 2021	9,000,000	16,141,503	192,478	25,333,981	103,210,639
Accumulated depreciation					
As at 1 January 2021	-	2,016,055	54,994	2,071,049	8,377,393
Depreciation for the year	-	403,530	27,497	431,027	1,753,418
Currency translation differences	-	-	-	-	62,647
Balance as at 31 December 2021	-	2,419,585	82,491	2,502,076	10,193,458
Carrying amounts as at 31 December 2021	9,000,000	13,721,918	109,987	22,831,905	93,017,181

The land title deed is owned by Golden Tree Co., Ltd., which is represented by shareholders Mr. Kuy Vat and Mr. Hong Uy. This land title deed and building are used by the Company to secure the loans (Note 13) with the Foreign Trade Bank of Cambodia.

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8. Lease liabilities

On 1 March 2016, the Company entered into a lease contract for a land that is used as parking lot for a period of ten (10) years with a monthly fee of USD 3,000 per month. The contract was signed by Mr. Kuy Vat, a shareholder, on behalf of the Company.

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Lease liabilities				
Maturity analysis				
Less than one year	29,404	121,056	27,150	110,609
One to five years	66,331	273,085	95,736	390,028
	<u>95,735</u>	<u>394,141</u>	<u>122,886</u>	<u>500,637</u>
Amounts recognised in profit and loss				
Interest on lease liabilities	8,850	36,170	10,931	44,467
Amounts recognised in the statement of cash flows				
Cash outflow for leases	27,150	110,962	25,069	101,981

The weighted average incremental borrowing rate applied to lease liabilities recognised under CIFRS 16 was 8%.

9. Trade and other receivables

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Trade receivables	402,728	1,658,031	175,008	712,983
Deposits	26,071	107,334	26,071	106,213
Advances, prepayments and others	7,765	31,969	1,877	7,647
Withholding tax credit	-	-	94,510	385,033
	<u>436,564</u>	<u>1,797,334</u>	<u>297,466</u>	<u>1,211,876</u>

10. Cash and cash equivalents

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Cash in banks	441,448	1,817,441	171,655	699,322
Cash on hand	642	2,644	-	-
	<u>442,090</u>	<u>1,820,085</u>	<u>171,655</u>	<u>699,322</u>

11. Share capital

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Registered, issued and fully paid:				
1,000,000 shares at KHR 20,000 equivalent to USD 5 each	5,000,000	20,000,000	5,000,000	20,000,000

The Company's shareholders and their respective interests are as follows:

	Number of shares	Amount USD	%
Mr. Kuy Vat	500,000	2,500,000	50%
Mr. Hong Uy	500,000	2,500,000	50%
	1,000,000	5,000,000	100%

12. Trade and other payables

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Customer deposits	1,028,178	4,233,009	1,039,974	4,236,854
Unearned revenue	114,702	472,228	104,375	425,224
Other payables	72,068	296,704	24,715	100,689
Trade payables	45,197	186,076	38,361	156,283
Other tax payables	19,645	80,878	23,182	94,443
	1,279,790	5,268,895	1,230,607	5,013,493

13. Borrowings

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Term loans	17,275,786	71,124,411	14,438,028	58,820,526
Bank overdraft	3,000,000	12,351,000	3,000,000	12,222,000
	20,275,786	83,475,411	17,438,028	71,042,526

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current	4,805,096	19,782,580	3,686,174	15,017,473
Non-current	15,470,690	63,692,831	13,751,854	56,025,053
	20,275,786	83,475,411	17,438,028	71,042,526

These borrowings represent borrowings from the Foreign Trade Bank of Cambodia with an interest rate of 8% per annum, which is effective from December 2018 to December 2026. The Company has additional borrowings of USD 3,500,000 from the Foreign Trade Bank of Cambodia with an interest rate of 8% per annum, which are effective from September 2022 to December 2024. The Company recorded finance costs in 2022 amounting to USD 1,357,623 (2021: USD 1,441,149).

The Company has used the land title deed and building (see note 7) to secure these borrowings. The loan agreement has been signed by Mr. Hong Uy and Mr. Kuy Vat on behalf of the Company.

14. Corporate bond

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Corporate bond receivables				
Current	1,474,885	6,072,100	-	-
	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Corporate bond payables				
Current	2,058	8,473	-	-
Non-current	1,474,885	6,072,100	-	-
	1,476,943	6,080,573	-	-

On 12 October 2022, the SERC gave its approval for the Company to issue Cambodia's first corporate green bonds. The bonds are unsecured, unsubordinated and not guaranteed. Subsequently, the Company received subscriptions to its green bonds. The green bonds were issued on 6 December 2022 with a total amount of KHR 6,072,100,000. Subscriptions received were recorded as corporate bond receivables and kept in the Company's subscription account in a local bank until such time as the SERC approves its listing on the Cambodia Securities Exchange ("CSX").

On 2 January 2023, SERC approved the Company's green bonds to be listed on the CSX. The Company transferred the total subscriptions received from its subscription account to the Company's bank account on the same date.

On 19 January 2023, the green bonds were traded and registered on the CSX. The bond proceeds are to be utilised to refinance the bank loan of an existing green building (VTrust Tower) or to finance the acquisition of a new green building. The bonds will be paid to the bondholders at the subscription exchange rate of KHR 4,136 : USD 1 at maturity, which is equivalent to USD 1,468,109. All bond subscribers are non-related parties of the Company.

15. Revenue

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Rental income	2,170,315	8,870,077	2,359,301	9,597,636
Service charges	573,524	2,343,993	593,513	2,414,411
Utility income	247,453	1,011,340	248,992	1,012,899
Parking fee	40,824	166,848	34,783	141,497
Other income	8,141	33,272	9,391	38,204
	3,040,257	12,425,530	3,245,980	13,204,647

16. Cost of services

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Depreciation	403,904	1,650,756	403,530	1,641,560
Utilities	262,592	1,073,214	265,169	1,078,707
Security	69,578	284,365	68,883	280,216
Cleaning	30,019	122,688	22,550	91,733
Depreciation expense - ROU	27,497	112,380	27,497	111,858
Other cost of services	48,687	198,983	58,978	239,923
	842,277	3,442,386	846,607	3,443,997

17. Operating and administrative expenses

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Personnel	183,211	748,783	158,136	643,297
Depreciation	132,419	541,196	133,860	544,542
Professional fees	128,369	524,644	48,000	195,264
Bank charges	18,023	73,660	30,882	125,628
Other tax expenses	15,115	61,775	63,138	256,845
Marketing	9,176	37,502	-	-
Office supplies	7,348	30,031	7,355	29,920
Travelling	1,758	7,185	24	98
Training	881	3,602	156	635
Other expenses	75,665	309,243	51,756	210,544
	571,965	2,337,621	493,307	2,006,773

18. Finance cost

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Interest expense - Term loans	1,357,623	5,548,605	1,441,149	5,862,594
Interest expense - ROU	8,850	36,170	10,931	44,467
Interest expense - Corporate bonds	2,058	8,411	-	-
	1,368,531	5,593,186	1,452,080	5,907,061

19. Income tax

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

The Company's tax returns are subject to examination by the General Department of Taxation ("GDT") because the applicable tax laws and regulations on many types of transactions are susceptible to varying interpretations. The amount reported in the financial statements could change at a later date, upon final determination by GDT.

(a) Deferred tax-net

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Deferred tax assets	22,940	94,444	20,875	85,045
Deferred tax liabilities	(627,230)	(2,582,306)	(548,089)	(2,232,915)
	(604,290)	(2,487,862)	(527,214)	(2,147,870)

Deferred tax assets/(liabilities) are attributable to:

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Accelerated depreciation	627,230	2,582,306	548,089	2,232,915
Unearned revenue	(22,940)	(94,444)	(20,875)	(85,045)
	604,290	2,487,862	527,214	2,147,870

Movement of deferred tax is as follows:

	2022		2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
As at 1 January	527,214	2,147,870	399,088	1,614,311
Credit to profit or loss	77,076	315,010	128,126	521,217
Currency translation differences	-	24,982	-	12,342
As at 31 December	604,290	2,487,862	527,214	2,147,870

(b) Income tax expense

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current income tax	124,979	510,789	159,456	648,667
Deferred tax	77,076	315,010	128,126	521,217
	202,055	825,799	287,582	1,169,884

The reconciliation between accounting profit before income tax and estimated taxable income for the year ended 31 December 2022 and 2021 are shown below:

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Profit before income tax	257,484	1,052,337	453,986	1,846,816
Income tax using applicable tax rate at 20%	51,497	210,467	90,797	369,363
Effect of non-deductible expenses	49,758	203,361	91,575	372,527
Effect of tax loss not recognised	100,800	411,971	105,210	427,994
Income tax expense	202,055	825,799	287,582	1,169,884

19.1 Taxation contingencies

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Oftentimes, different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to reviews and investigations by a number of authorities that are enabled by law to impose severe fines, penalties and interest charges.

These facts may create tax risks in Cambodia, which may be substantially greater than in other countries. Management believes that tax liabilities have been adequately provided for based on its interpretation of current tax legislations. However, the relevant authorities may have differing interpretations and the effects could be significant.

Having been successfully listed on CSX, the Company is entitled to a temporary postponement on the prepayment of profit for a period of 3 years following its listing in accordance with Prakas No. 855 of the Ministry of Economy and Finance (“MEF”) dated 24 July 2015. The Company has submitted its application to the GDT through the Securities and Exchange Regulator of Cambodia (“SERC”) to enjoy these tax incentives.

In accordance with Sub-Decree dated 24 February 2022, issued by the Royal Government of Cambodia, entities that list or offer either stock or debt security are entitled to enjoy a 50% reduction of the annual income tax liability for the first three years. The tax on income incentive is calculated based on the percentage of stock securities issued.

The application for a tax incentive is in the process of review and approval by the SERC and the GDT as of 31 December 2022.

20. Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	31 December 2022		31 December 2021	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Amounts due (to)/ from related parties					
Hong Uy and Kuy Vat	Shareholders	(5,073,932)	(20,889,378)	918,607	3,742,405
United Food Co., Ltd.*	Company which a director has interest	22,186	91,340	102,394	417,153
Phnom Penh Securities Plc.**	Company which a director has interest	26,204	107,882	12,483	50,856
		(5,025,542)	(20,690,156)	1,033,484	4,210,414

* Mr. Kuy Vat, shareholder, holds ownership to 15% equity share in this Company.

** Mr. Kuy Vat, Shareholder, holds 15% equity share in this Company.

The amounts due from and amount due to related parties are unsecured, repayable on demand and interest free.

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During the year, the following transactions with related parties are recorded:

Related party	Relationship	Transactions	For the year ended 31 December 2022		For the year ended 31 December 2021	
			USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Hong Uy and Kuy Vat	Shareholders	Advances to shareholders	6,291,484	25,713,295	3,001,118	12,208,548
		Advances settlement from shareholders	(3,084,023)	(12,604,402)	(2,188,017)	(8,900,853)
		Purchase building from shareholders	(9,200,000)	(37,600,400)	-	-
United Food Co., Ltd	Company which a director has interest	Rental income	95,832	391,665	105,327	428,470
		Collection from rental invoices	176,040	719,475	2,933	11,931
Phnom Penh Securities Plc	Company which a director has interest	Rental income	13,721	56,078	13,580	55,243
		Collection from rental invoices	-	-	2,250	9,153

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21. Transactions with key management personnel

Key management personnel is defined as those persons having any responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. Key management includes the chief executive officer of the Company.

	For the year ended 31 December 2022		For the year ended 31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Salary and other benefits	27,660	113,046	27,660	112,521

22. Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	1 January 2022	Non-cash flows		Cash flows		31 December 2022	
	USD	Additions USD	Proceeds USD	Repayments USD	USD	KHR'000 (Note 4.2)	
Borrowings	17,438,028	4,789	3,500,000	(667,031)	20,275,786	83,475,411	
Lease liabilities	122,886	8,849	-	(36,000)	95,735	394,141	
Corporate bond payables	-	1,476,943	-	-	1,476,943	6,080,573	
	17,560,914	1,490,581	3,500,000	(703,031)	21,848,464	89,950,125	

	1 January 2021	Non-cash flows		Cash flows		31 December 2021	
	USD	Additions USD	Proceeds USD	Repayments USD	USD	KHR'000 (Note 4.2)	
Borrowings	17,882,675	46,267	-	(490,914)	17,438,028	71,042,526	
Lease liabilities	147,955	10,931	-	(36,000)	122,886	500,637	
	18,030,630	57,198	-	(526,914)	17,560,914	71,543,163	

23. Categories of financial instruments

The table below provides an analysis of financial instruments in each categories:

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Financial assets				
At amortised cost:				
Amounts due from related parties		48,390	199,222	1,033,484
Corporate bond receivables		1,474,885	6,072,100	-
Trade and other receivables		436,564	1,797,334	297,466
Cash and cash equivalents		442,090	1,820,085	171,655
		2,401,929	9,888,741	1,502,605
Financial liabilities				
At amortised cost:				
Borrowings		20,275,786	83,475,411	17,438,028
Amounts due to related parties		5,073,932	20,889,378	-
Corporate bond payables		1,476,943	6,080,573	-
Trade and other payables*		1,145,443	4,715,789	1,103,050
Not in scope of CIFRS 9 -				
Lease liabilities		95,735	394,141	122,886
		28,067,839	115,555,292	18,663,964

*Excludes unearned revenue, accrual expenses and other tax payable

24. Financial instruments – fair values and risk management

24.1 Accounting classifications and fair values

Financial instruments comprise financial assets and financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7: Financial Instruments Disclosures which requires the fair value information to be disclosed.

The fair values are based on the following methodologies and assumptions:

The fair value of the Company's financial instruments such as cash and cash equivalents, trade and other receivables, borrowings and trade and other payables are not materially sensitive to shifts in market interest rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

Lease liabilities

The fair value is estimated by discounting the estimated future cash flows using the prevailing market rates of loans with similar credit risks and maturities.

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

24.2 Financial risk management

(a) Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Cash and cash equivalents	442,090	1,820,085	171,655	699,322
Trade receivables	402,728	1,658,031	175,008	712,983
Corporate bond receivables	1,474,885	6,072,100	-	-
Amounts due from related parties	48,390	199,222	1,033,484	4,210,414
	2,368,093	9,749,438	1,380,147	5,622,719

*Excludes deposits, advance, prepayments and withholding tax credit

The above table represents a worst case scenario for credit risk exposure to the Company as at 31 December 2022 and 2021, without taking into account any collateral held or other credit enhancement attached.

Trade receivables

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Past due but not impaired	402,728	1,658,031	175,008	712,983

Neither past due nor impaired receivables are those receivables for which no experience of default and management views that likelihood of default is relatively low.

Past due but not impaired

Past due but not impaired receivables are those for which contractual payments are past but still have active activities with the Company and are expected to be repaid in full. Management views that likelihood of default is relatively low as they are secured by the deposit from customers.

	31 December 2022		31 December 2021	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current				
Past due 1 - 30 days	43,859	180,568	43,450	177,015
Past due 30 - 60 days	39,513	162,675	43,101	175,593
Past due 60 - 90 days	36,472	150,155	37,535	152,918
Past due more than 90 days	282,884	1,164,633	50,922	207,457
	402,728	1,658,031	175,008	712,983

24.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of the non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amounts USD	Undiscounted contractual cash flow USD	6 months or less USD	6-12 months USD	After 1 year USD
31 December 2022					
Trade and other payables*	1,145,443	1,145,443	1,145,443	-	-
Borrowings	20,275,786	22,791,083	1,470,928	4,668,444	16,651,711
Corporate bond payables	1,476,943	1,474,885	2,058	-	1,472,827
Lease liabilities	95,735	108,000	18,000	18,000	72,000
	22,993,907	25,519,411	2,636,429	4,686,444	18,196,538
Equivalent KHR'000 (Note 4.2)	94,665,915	105,063,415	10,854,178	19,294,090	74,915,147
31 December 2021					
Trade and other payables*	1,103,050	1,103,050	1,103,050	-	-
Borrowings	17,438,028	18,740,716	893,733	3,905,333	13,941,650
Lease liabilities	122,886	144,000	18,000	18,000	108,000
	18,663,964	19,987,766	2,014,783	3,923,333	14,049,650
Equivalent KHR'000 (Note 4.2)	76,036,989	81,430,159	8,208,226	15,983,659	57,238,274

*Excludes unearned revenue and other tax payables

(c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(d) Currency risk

The Company's operating, capital expenditure and financing sources are principally denominated in USD. The Company does not therefore have significant exposure to foreign currency risk.

(e) Interest rate risk

The Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities.

Interest-bearing financial assets

Interest-bearing financial assets include cash in banks – saving accounts.

Interest-bearing financial liabilities

Interest-bearing financial liabilities include borrowings.

The Company manages its exposure to interest rate risk by monitoring its exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweighs the potential risk of interest rate fluctuation.

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was:

	31 December 2022		31 December 2021		Interest rates %
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	
Financial assets					
Cash in banks	441,448	1,817,441	171,655	699,322	0.10
Financial liabilities					
Borrowings	(20,275,786)	(83,475,411)	(17,438,028)	(71,042,526)	8
Corporate bond payables	(1,476,943)	(6,080,573)	-	-	7
Total interest pricing gap	(21,311,281)	(87,738,543)	(17,266,373)	(70,343,204)	

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate liabilities at fair value through profit or loss, and the Company does not have derivatives as at the year end. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

25 Capital management

The primary objective of the Company's capital management is to ensure that it maintains an adequate capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends payable to shareholders, return capital to shareholders or issue new capital. No changes were made in the objectives, policies or processes during the year ended 31 December 2022.

26 Events after the reporting period

On 2 January 2023, SERC approved the Company's green bonds to be listed on the CSX. The Company successfully registered and listed its green bonds on the CSX on 19 January 2023.

There are no other adjusting events have occurred between the reporting date and the date of authorisation of these financial statements, which would require adjustments to be made in the financial statements beside as disclosed above.

27 Authorisation of the financial statements

The financial statements as at 31 December 2022 and for the year then ended were approved for issue by the Board of Directors on 29 March 2023.

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ANNEX THREE: **AUDITED FINANCIAL STATEMENTS FOR 2021**

**Report of the Board of Directors
and
Audited financial statements**

Golden Tree Co., LTD

31 December 2021

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Report of the Board of Directors

The Board of Directors submits this report and the audited financial statements of Golden Tree Co., Ltd ["the Company"] as at 31 December 2021 and for the year then ended.

The Company

Golden Tree Co., Ltd is a private limited company registered with the Ministry of Commerce pursuant to its Registration No. 00012373, dated 12 October 2006.

The registered and business address of the Company is located at Plot A, Street 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia.

Principal activities

The Company is principally engaged in the leasing of offices and apartments.

Results of operations

The results of the Company's operations for the year ended 31 December 2021 and the state of their affairs as at that date are set out in the accompanying financial statements.

The Board of Directors does not recommend any dividend for the year ended 31 December 2021.

Board of Directors

The members of the Board of Directors of the Company during the year and to the date of this report were as follows:

Name	Position	Date of appointment
Mr. Kuy Vat	Chairman	17 January 2017
Mr. Hong Uy	Member and Chief Executive Officer	17 January 2017

Auditors

The financial statements as at 31 December 2021 and for the year then ended have been audited by the accounting firm of Grant Thornton (Cambodia) Limited.

Directors' benefits

During and at the end of the financial period, no arrangements subsisted to which the Company is a party, with the object or objects of enabling the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

Since the end of the previous financial year, the directors have not received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest

Board of Directors' responsibility in respect of the financial statements

The Board of Directors is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the financial reporting framework indicated thereon. In preparing these financial statements, the Board of Directors is required to:

- i. adopt appropriate accounting policies which in accordance with Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;
- ii. comply with the disclosure requirements CIFRSs or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. maintain adequate accounting records and an effective system of internal control;
- iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and,
- v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/ or instructions have been properly reflected in the financial statements.

The Board of Directors is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company have complied with the above requirements in preparing the financial statements.

Statement by the Board of Directors

In the opinion of the Board of Directors, the accompanying statements of financial position, comprehensive income, changes in equity and cash flows, together with the notes thereto, have been properly drawn up and, present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with CIFRSs.

On behalf of the Board of Directors

Mr. Kuy Vat
Chairman

Mr. Hong Uy
Chief Executive Officer

Phnom Penh, Cambodia
29 June 2022



Grant Thornton

Independent auditor's report

Grant Thornton (Cambodia) Limited

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To the Shareholders of Golden Tree Co., Ltd

Opinion

We have audited the financial statements of Golden Tree Co., Ltd ("the Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the ethical requirements that are relevant to our audit of financial statements in the Kingdom of Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Report of the Board of Directors, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of audit assurance conclusion thereon.

Certified Public Accountants and Auditors

A member of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. Services are delivered independently by the member firms.



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors of the Company is responsible for the preparation and fair presentation of the financial statements in accordance with CIFRSs, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CIsAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CIsAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are



- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton
GRANT THORNTON (CAMBODIA) LIMITED
 Certified Public Accountants
 Registered Auditors




Ronald C. Almera
 Partner - Audit and assurance

Phnom Penh, Kingdom of Cambodia
 29 June 2022

Statement of financial position

	Note	31 December 2021		31 December 2020	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Asset					
Non-current					
Property and equipment	6	654,276	2,665,520	781,997	3,163,178
Investment property	7	22,831,905	93,017,181	23,259,186	94,083,408
Non-current assets		23,486,181	95,682,701	24,041,183	97,246,586
Current					
Amounts due from related parties	19	1,033,484	4,210,414	106,659	431,436
Trade and other receivables	9	297,466	1,211,876	282,187	1,141,446
Cash and cash equivalents	10	171,655	699,322	798,146	3,228,501
Current assets		1,502,605	6,121,612	1,186,992	4,801,383
Total assets		24,988,786	101,804,313	25,228,175	102,047,969
Equity and liabilities					
Equity					
Share capital	11	5,000,000	20,000,000	5,000,000	20,000,000
Retained earnings		670,051	2,723,613	503,647	2,046,681
Currency translation difference		-	376,174	-	215,571
Total equity		5,670,051	23,099,787	5,503,647	22,262,252
Liabilities					
Non-current					
Borrowings	13	13,751,854	56,025,053	14,391,761	58,214,673
Lease liability	8	95,736	390,028	122,885	497,070
Deferred tax liabilities	18(a)	527,214	2,147,870	399,088	1,614,311
Non-current liabilities		14,374,804	58,562,951	14,913,734	60,326,054
Current					
Borrowings	13	3,686,174	15,017,473	3,490,914	14,120,747
Lease liability	8	27,150	110,609	25,070	101,408
Trade and other payables	12	1,230,607	5,013,493	1,294,810	5,237,508
Current liabilities		4,943,931	20,141,575	4,810,794	19,459,663
Total liabilities		19,318,735	78,704,526	19,724,528	79,785,717
Total equity and liabilities		24,988,786	101,804,313	25,228,175	102,047,969

The accompanying notes are an integral part of these financial statements.

Statement of comprehensive income

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Revenue	14	3,245,980	13,204,647	3,372,629	13,750,208
Cost of services	15	(846,607)	(3,443,997)	(920,560)	(3,753,123)
Gross profit		2,399,373	9,760,650	2,452,069	9,997,085
Operating and administrative expenses	16	(493,307)	(2,006,773)	(383,536)	(1,563,676)
Net operating profit		1,906,066	7,753,877	2,068,533	8,433,409
Finance costs	17	(1,452,080)	(5,907,061)	(1,464,610)	(5,971,215)
Profit before income tax		453,986	1,846,816	603,923	2,462,194
Income tax expense	18(b)	(287,582)	(1,169,884)	(241,699)	(985,407)
Profit for the year		166,404	676,932	362,224	1,476,787
Other comprehensive income-					
Currency translation differences		-	160,603	-	(165,834)
Total comprehensive income for the year		166,404	837,535	362,224	1,310,953

Statement of changes in equity

	Share capital		(Accumulated losses)/ retained earnings		Currency translation differences		Total equity	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Balance as at 1 January 2021	5,000,000	20,000,000	503,647	2,046,681	-	215,571	5,503,647	22,262,252
Profit for the year	-	-	166,404	676,932	-	-	166,404	676,932
Currency translation difference	-	-	-	-	-	160,603	-	160,603
Balance as at 31 December 2021	5,000,000	20,000,000	670,051	2,723,613	-	376,174	5,670,051	23,099,787
Balance as at 1 January 2020	5,000,000	20,000,000	141,423	569,894	-	381,405	5,141,423	20,951,299
Profit for the year	-	-	362,224	1,476,787	-	-	362,224	1,476,787
Currency translation difference	-	-	-	-	-	(165,834)	-	(165,834)
Balance as at 31 December 2020	5,000,000	20,000,000	503,647	2,046,681	-	215,571	5,503,647	22,262,252

Statement of cash flows

	Note	For the year ended 31 December 2021		For the year ended 31 December 2020	
		USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Operating activities					
Profit for the year		453,986	1,846,816	603,923	2,462,194
Adjustments for:					
Depreciation of property and equipment	6	133,860	544,542	140,493	572,790
Depreciation of investment property	7	431,027	1,753,418	430,812	1,756,420
Interest expense	17	1,452,080	5,907,061	1,464,610	5,971,215
Operating profit before working capital changes		2,470,953	10,051,837	2,639,838	10,762,619
Net changes in working capital					
Changes in:					
Amounts due from related parties		(926,825)	(3,770,324)	(106,659)	(434,849)
Trade and other receivables		(15,279)	(62,155)	315,966	1,288,193
Trade and other payables		(64,203)	(261,178)	(161,434)	(658,166)
Amounts due to related parties		-	-	(483,319)	(1,970,492)
Cash generated from operating activities		1,464,646	5,958,180	2,204,392	8,987,305
Interest paid		(1,394,882)	(5,674,380)	(1,451,758)	(5,918,817)
Income tax paid		(31,991)	(130,139)	(34,311)	(139,886)
Withholding tax credit		(127,465)	(518,528)	(194,979)	(794,929)
Net cash (used in)/from operating activities		(89,692)	(364,867)	523,344	2,133,673
Investing activities					
Purchases of property and equipment	6	(6,139)	(24,973)	(7,245)	(29,538)
Additions to investment property	7	(3,746)	(15,239)	(6,135)	(25,012)
Net cash used in investing activities		(9,885)	(40,212)	(13,380)	(54,550)
Financing activities					
Payment of lease liability	8	(25,069)	(101,981)	(24,995)	(101,905)
Payment of interest portion of lease liability	8	(10,931)	(44,467)	(12,852)	(52,398)
Payment of bank borrowings		(490,914)	(1,997,038)	(449,466)	(1,832,473)
Net cash used in financing activities		(526,914)	(2,143,486)	(487,313)	(1,986,776)
Net change in cash and cash equivalents		(626,491)	(2,548,565)	22,651	92,347
Cash and cash equivalents, beginning of year		798,146	3,228,501	775,495	3,160,142
Currency translation difference		-	19,386	-	(23,988)
Cash and cash equivalents, end of year	10	171,655	699,322	798,146	3,228,501

Notes to the financial statements

1. General information

Golden Tree Co., Ltd is a private limited company registered with the Ministry of Commerce pursuant to its Registration No. 000 12373, dated 12 October 2006.

The Company is principally engaged in leasing of offices and apartments.

The registered office of the Company is located at Plot A, Street 169, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2021, the Company had 27 employees (2020: 19 employees).

2. Basis of preparation and statement of compliance with CIFRS

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

The National Accounting Council, now the Accounting and Auditing Regulator 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 adopted International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") without modifications as CIFRSs.

3. New or revised standards and interpretations

3.1 Standards, amendments and interpretations to existing standards that are adopted by the Company

The Company adopted all accounting standards and interpretations as at 31 December 2021. The new and revised accounting standards and interpretations assessed to be applicable to the Company's financial statements follows:

- Definition of a Business (Amendments to CIFRS 3)
- Definition of Material (Amendments to CIAS 1 and CIAS 8)
- Conceptual Framework for Financial Reporting
- Interest Rate Benchmark Reform (Amendments to CIFRS 9, CAS 39 and CIFRS 7)

The Management has assessed that the adoption of these accounting standards has no material impact on the financial statements of the Company.

3.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorization of these financial statements, the following new and revised accounting standards that have been issued but are not yet effective and have not been adopted early by the Company:

- CIFRS 17 Insurance Contracts
- Interest Rate Benchmark Reform — Phase 2 (Amendments to CIFRS 9, CAS 39, CIFRS 7, and CIFRS 16)
- Reference to the Conceptual Framework (Amendments to CIFRS 3)
- Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to CAS 1)
- Onerous Contracts — Cost of Fulfilling a Contract (Amendments to CAS 37)
- Annual Improvements to CIFRS Standards 2018-2020
- Disclosure of Accounting Policies (Amendments to CAS 1 and CIFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to CAS 8)
- Covid-19-Related Rent Concessions (Amendment to CIFRS 16)

Management does not expect that the adoption of the accounting standards listed above will have a material impact on the financial statements of the Company in future periods.

4. Summary of significant accounting policies

4.1 Basis of preparation

The financial statements of the Company, which are expressed in United States Dollars (“USD”), are prepared under the historical cost convention and drawn up in accordance with CIFRSs.

4.2 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 Dollar (“USD”), the Board of Directors has determined the USD to be the 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 on translation are recognised in other comprehensive income.

The translations of USD amounts into KHR as presented in the financial statements are included solely to comply with the requirement pursuant to the Law on Accounting and Auditing dated 11 April 2016, and have been made using the prescribed official exchange rate based on the following applicable exchange rate per USD1 as announced by the National Bank of Cambodia (“NBC”):

	31 December 2021	31 December 2020
Average rate*	4.068	4,077
Closing rate	4.074	4,045

*The average amounts were determined using the NBC’s daily rates

Such translation 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 of exchange.

4.3 Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Financial assets – Classification:

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI, as at FVTPL, if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Company makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets – Assessment of whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse loans).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract.

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities – Classification, subsequent measurement and gains and losses:

The Company classifies its financial liabilities as measured at amortised cost.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. In such cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

4.4 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balances, bank overdraft and highly liquid investments which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

4.5 Property and equipment

All property and equipment, except for land and building, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is recognised on the straight line method in order to write off the cost or valuation of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property and equipment are depreciated based on the estimated useful lives of the assets as follows:

	Useful life
Computers and office equipment	4 - 5 years
Operating equipment	5 years

Work-in-progress consists of buildings and plant and machinery under construction/ installation for intended use as production facilities. The amount is stated at cost and includes capitalisation of interest incurred on borrowings related to property, plant and equipment under construction/installation until the property, plant and equipment are ready for their intended use. Assets under construction are not depreciated until it is completed and ready for their intended use.

The residual values, useful lives and depreciation method are reviewed for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable, or at least annually to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Fully depreciated property and equipment are retained in the financial statements until they are disposed of or written off.

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectation.

Property and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in profit or loss in the financial year in which the asset is derecognised.

4.6 Investment property

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties which are owned are measured initially at cost. Cost includes expenditures that are directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated over 40 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

4.7 Leases

The Company as a lessee

The Company makes use of leasing arrangements principally for the provision of land. The rental contract for land is typically negotiated for terms of 10 years. The Company does not enter into sale and leaseback arrangements. All the lease is negotiated on an individual basis and contain a wide variety of different terms and conditions such as restriction from assigning and subleasing the leased asset and must deliver regularly the rental payment in accordance with the contract and provide a good care on the existing equipment.

The Company assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Right-of-use asset and lease liability have been individually disclosed on the statement of financial position.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as expenses in statement of comprehensive income on a straight-line basis over the lease term.

4.8 Impairment of non-financial assets

Financial assets

The Company recognises loss allowances for ECL on the financial instruments that are not measured at FVTPL

The Company measures loss allowances for trade receivables at an amount equal to lifetime ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECL

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and biological assets) to determine whether there is any indication of impairment. If such indication exists, then the asset's recoverable amount is estimated.

For the impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

4.9 Share capital and accumulated losses

Share capital represents the nominal value of shares that have been issued.

Accumulated losses include all current and prior year's losses.

4.10 Employee benefits - Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the financial year in which the associated services are rendered by employees of the Company. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences, and short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

A provision is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

4.11 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Company's activities. Revenue is shown, net of tax, rebates and discounts.

Rental income

Rental income from investment property is recognised as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

Other income

Other income besides Rental income is recognised is when the transactions incurred.

4.12 Finance cost

Finance costs comprise interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

4.13 Operating leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

4.14 Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events, for example, product warranties granted, legal disputes or onerous contracts.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

In those case where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised.

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered as contingent assets.

4.15 Income taxes

Tax expense recognised in the profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid or refundable at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction affects tax or accounting profit.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be able to be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax liabilities are generally provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as revaluation of land) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.16 Related parties

A related party is a person or entity that is related to the Company. A related party transaction is a transfer of resources, services or obligations between the Company and its related party, regardless of whether a price is charged. In addition:

- a. A person or a close member of that person's family is related to the Company if that person:
 - i. Has control or joint control over the Company;
 - ii. Has significant influence over the Company; or,
 - iii. Is a member of the key management personnel of the ultimate holding company of the Company, or the Company.

- b. An entity is related to the Company if any of the following conditions applies:
 - i. The Company are members of the same group.
 - ii. One entity is an associate or joint venture of the other entity.
 - iii. Both entities are joint ventures of the same third party.
 - iv. On entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. The entity is a post-employment benefit plan for the benefits of employees of the Company.
 - vi. The entity is controlled or jointly-controlled by a person identified in a. above.
 - vii. A person identified in a.i. above has significant influence over the entity or is a member of the key management personnel of the ultimate holding company or the entity.
 - viii. The entity, or any member of a Company of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

5. Significant accounting estimates, assumptions and judgements

The Company makes estimates, assumptions and judgements concerning future transactions which may not equal actual results. The accounting estimates, assumptions and judgements which may cause significant impact on the current recognition and measurement of assets, liabilities, revenue and expenses are summarised below:

a. Significant accounting estimates and assumptions

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Useful lives and residual values of depreciable assets

Management reviews its estimate of the useful lives and residual values of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Leases – Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (“IBR”) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The Company estimates the IBR using average borrowing rates in Cambodia.

Income tax expense

The Company recognises liabilities for expected tax expenses based on an estimate of whether the taxes are due through management’s current interpretation of the various tax legislations which are subject to periodic changes. The final determination of tax expenses will be made following examination by the General Department of Taxation.

When the final tax outcome of these matters is different from the amount that were initially recognised, such differences will impact the tax provision in the financial year in which such determination is made.

b. Significant accounting judgements

The Management is not aware of any critical judgments in relation to the amounts in the financial statements.

6. Property and equipment

	Computer and office equipment USD	Operating equipment USD	Work in progress (*) USD	Total USD	KHR'000 (Note 4.2)
Cost					
As at 1 January 2021	35,721	1,131,335	233,474	1,400,529	5,665,140
Additions	4,483	1,656	-	6,139	24,973
Currency translation differences	-	-	-	-	40,652
Balance as at 31 December 2021	40,204	1,132,991	233,474	1,406,668	5,730,765
Accumulated depreciation					
As at 1 January 2021	28,378	590,154	-	618,532	2,501,962
Depreciation for the year	5,225	128,635	-	133,860	544,542
Currency translation differences	-	-	-	-	18,741
As at 31 December 2021	33,603	718,789	-	752,392	3,065,245
Carrying amounts 31 December 2021	6,601	414,202	233,474	654,276	2,665,520
Cost					
As at 1 January 2020	32,505	1,127,801	232,979	1,393,284	5,677,632
Additions	3,216	3,534	495	7,245	29,538
Currency translation differences	-	-	-	-	(42,030)
Balance as at 31 December 2020	35,721	1,131,335	233,474	1,400,529	5,665,140
Accumulated depreciation					
As at 1 January 2020	22,718	455,321	-	478,039	1,948,009
Depreciation for the year	5,660	134,833	-	140,493	572,790
Currency translation differences	-	-	-	-	(18,837)
Balance as at 31 December 2020	28,378	590,154	-	618,532	2,501,962
Carrying amounts 31 December 2020	7,343	541,181	233,474	781,997	3,163,178

(*) Work in progress related to cost of the building and parking space.

7. Investment property

	Land USD	Building USD	Right-of-use assets USD	Total USD	KHR'000 (Note 4.2)
Cost					
As at 1 January 2021	9,000,000	16,137,757	192,478	25,330,235	102,460,801
Additions	-	3,746	-	3,746	15,239
Currency translation differences	-	-	-	-	734,599
Balance as at 31 December 2021	9,000,000	16,141,503	192,478	25,333,981	103,210,639
Accumulated depreciation					
As at 1 January 2021	-	2,016,055	54,994	2,071,049	8,377,393
Depreciation for the year	-	403,530	27,497	431,027	1,753,418
Currency translation differences	-	-	-	-	62,647
Balance as at 31 December 2021	-	2,419,585	82,491	2,502,076	10,193,458
Carrying amounts 31 December 2021	9,000,000	13,721,918	109,987	22,831,905	93,017,181
Cost					
As at 1 January 2020	9,000,000	16,131,622	192,478	25,324,100	102,411,360
Additions	-	6,135	-	6,135	25,012
Currency translation differences	-	-	-	-	24,429
Balance as at 31 December 2020	9,000,000	16,137,757	192,478	25,330,235	102,460,801
Accumulated depreciation					
As at 1 January 2020	-	1,612,740	27,497	1,640,237	6,683,966
Depreciation for the year	-	403,315	27,497	430,812	1,756,420
Currency translation differences	-	-	-	-	(62,993)
Balance as at 31 December 2020	-	2,016,055	54,994	2,071,049	8,377,393
Carrying amounts 31 December 2020	9,000,000	14,121,702	137,484	23,259,186	94,083,408

The land title deed is owned by Golden Tree Co., Ltd. which represented by Shareholders, Mr. Kuy Vat and Mr. Hong Uy. This land title deed and building are used by the Company to secure the loans (Note 13) with the Foreign Trade Bank of Cambodia.

8. Lease liability

On 1 March 2016, the Company entered into a lease contract for a land that is used as parking lot for a period of ten (10) years with a monthly fee of USD3,000 per month. The contract was signed by Mr. Kuy Vat, shareholder, on behalf of the Company.

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Lease liabilities				
Maturity analysis				
Less than one year	27,150	110,609	25,070	101,408
One to five years	95,736	390,028	122,885	497,070
	122,886	500,637	147,955	598,478

Amounts recognised in profit and loss

Interest on lease liabilities	10,931	44,533	12,852	52,398
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Amounts recognised in the
 statement of cash flows

Cash outflow for leases	25,069	101,981	24,995	101,905
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The weighted average incremental borrowing rate applied to lease liability recognised under CIFRS 16 was 8%.

9. Trade and other receivables

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Trade receivables-gross	175,008	712,983	32,359	130,892
Withholding tax credit	94,510	385,033	222,080	898,313
Deposits	26,071	106,213	26,071	105,457
Advances, prepayments and others	1,877	7,647	1,677	6,784
	297,466	1,211,876	282,187	1,141,446

10. Cash and cash equivalents

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Cash in banks	171,655	699,322	797,878	3,227,417
Cash on hand	-	-	268	1,084
	171,655	699,322	798,146	3,228,501

11. Share capital

	2021		2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Registered, issued and fully paid: 1,000,000 shares at KHR20,000 equivalent to USD5 each	5,000,000	20,000,000	5,000,000	20,000,000

The Company's shareholders and their respective interests are as follows:

	Number of shares	Amount USD	%
Mr. Kuy Vat	500,000	2,500,000	50%
Mr. Hong Uy	500,000	2,500,000	50%
	1,000,000	5,000,000	100%

12. Trade and other payables

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Customer deposits	1,039,974	4,236,854	1,064,274	4,304,988
Unearned revenue	104,375	425,224	155,351	628,395
Trade payables	38,361	156,283	40,317	163,082
Other tax payables	23,182	94,443	24,303	98,306
Other payables	24,715	100,689	10,565	42,737
	1,230,607	5,013,493	1,294,810	5,237,508

13. Borrowings

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Term loan	14,438,028	58,820,526	14,882,675	60,200,420
Bank overdraft	3,000,000	12,222,000	3,000,000	12,135,000
	17,438,028	71,042,526	17,882,675	72,335,420

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current	3,686,174	15,017,473	3,490,914	14,120,747
Non-current	13,751,854	56,025,053	14,391,761	58,214,673
	17,438,028	71,042,526	17,882,675	72,335,420

These borrowings represent borrowing from Foreign Trade Bank of Cambodia with interest rate at 8% per annum which is effective from December 2018 to December 2026. The Company recorded finance costs in 2021 amounting to USD1,441,149 (2020: USD1,451,758).

The Company has used the land title deed and building (See note 7) to secure these borrowings. The loan agreement has been signed by Mr. Hong Uy and Mr. Kuy Vat on behalf of the Company.

14. Revenue

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Rental income	2,359,301	9,597,636	2,406,387	9,810,840
Service charges	593,513	2,414,411	592,322	2,414,897
Utility income	248,992	1,012,899	318,686	1,299,283
Parking	34,783	141,497	43,991	179,351
Other income	9,391	38,204	11,243	45,837
	3,245,980	13,204,647	3,372,629	13,750,208

15. Cost of services

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Depreciation	403,530	1,641,560	403,315	1,644,315
Utilities	265,169	1,078,707	326,410	1,330,774
Security	68,883	280,216	69,672	284,053
Cleaning	22,550	91,733	23,305	95,014
Depreciation expense - ROU	27,497	111,858	27,497	112,105
Other cost of services	58,978	239,923	70,361	286,862
	846,607	3,443,997	920,560	3,753,123

16. Operating and administrative expenses

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Depreciation	133,860	544,542	140,493	572,790
Personnel	158,136	643,297	130,018	530,083
Other tax expenses	63,138	256,845	13,888	56,621
Professional fees	48,000	195,264	17,500	71,348
Bank charges	30,882	125,628	30,408	123,973
Office supplies	7,355	29,920	5,045	20,568
Training	156	635	1,804	7,355
Travelling	24	98	1,412	5,757
Marketing	-	-	146	595
Other expenses	51,756	210,544	42,822	174,586
	493,307	2,006,773	383,536	1,563,676

17. Finance cost

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Interest expense - Term loan	1,441,149	5,862,594	1,451,758	5,918,817
Interest expense - ROU	10,931	44,467	12,852	52,398
	1,452,080	5,907,061	1,464,610	5,971,215

18. Income tax

(a) Deferred tax-net

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Deferred tax assets	20,875	85,045	31,070	125,679
Deferred tax liabilities	(548,089)	(2,232,915)	(430,158)	(1,739,990)
	(527,214)	(2,147,870)	(399,088)	(1,614,311)

Deferred tax assets/ (liabilities) are attributable to:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Accelerated depreciation	548,089	2,232,915	430,158	1,739,990
Unearned income	(20,875)	(85,045)	(31,070)	(125,679)
	<u>527,214</u>	<u>2,147,870</u>	<u>399,088</u>	<u>1,614,311</u>

Movement of deferred tax is as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
As at 1 January	399,088	1,614,311	326,866	1,331,979
Credit to profit or loss	128,126	521,217	72,222	294,449
Currency translation	-	12,342	-	(12,117)
As at 31 December	<u>527,214</u>	<u>2,147,870</u>	<u>399,088</u>	<u>1,614,311</u>

(b) Income tax expense

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current income tax	159,456	648,667	169,477	690,958
Deferred tax	128,126	521,217	72,222	294,449
	<u>287,582</u>	<u>1,169,884</u>	<u>241,699</u>	<u>985,407</u>

The reconciliation between accounting profit before income tax and estimated taxable income for the year ended 31 December 2021 and 2020 are shown below

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Profit before income tax	453,986	1,846,816	603,923	2,462,194
Income tax using applicable tax rate at 20%	90,797	369,363	120,785	492,439
Effect of non-deductible expenses	91,575	372,527	40	163
Effect of tax loss (utilised)/ not recognised	105,210	427,994	120,874	492,805
Income tax expense	<u>287,582</u>	<u>1,169,884</u>	<u>241,699</u>	<u>985,407</u>

The calculation of taxable income is subject to the review and approval of the tax authorities.

18.1 Taxation contingencies

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Oftentimes, different interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to reviews and investigations by a number of authorities that are enabled by law to impose severe fines, penalties and interest charges

These facts may create tax risks in Cambodia, which may be substantially greater than in other countries. Management believes that tax liabilities have been adequately provided for based on its interpretation of current tax legislations. However, the relevant authorities may have differing interpretations and the effects could be significant.

19. Related party balances and transactions

The following balances are outstanding with related parties:

Related party	Relationship	31 December 2021		31 December 2020	
		USD	KHR'000	USD	KHR'000
			(Note 4.2)		(Note 4.2)
Amounts due from related parties					
Hong Uy and Kuy Vat	Shareholders	918,607	3,742,405	105,506	426,772
United Food Co., Ltd*	Company which a director has interest	102,394	417,153	-	-
Phnom Penh Securities Plc**	Company which a director has interest	12,483	50,856	1,153	4,664
		<u>1,033,484</u>	<u>4,210,414</u>	<u>106,659</u>	<u>431,436</u>

* Mr. Kuy Vat, shareholder, holds ownership to 15% share of this Company

** Mr. Kuy Vat, Shareholder, holds 15% share of this Company

The amounts due from related parties are unsecured, repayable on demand and interest free.

During the year, the following transactions with related parties are recorded:

Related party	Relationship	Transactions	For the year ended 31 December 2021		For the year ended 31 December 2020	
			USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Hong Uy and Kuy Vat	Shareholders	Advance to shareholder	3,001,118	12,208,548	-	-
		Advance settlement from shareholder	2,188,017	8,900,853	606,863	2,454,761
United Food Co., Ltd	Company which a director has interest	Rental income	105,327	428,470	3,000	12,135
		Collection from rental invoices	2,933	11,931	3,000	12,135
Phnom Penh Securities Plc	Company which a director has interest	Rental income	13,580	55,243	14,301	58,305
		Collection from rental invoices	2,250	9,153	14,104	57,502

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20. Transactions with key management personnel

Key management personnel is defined as those persons having any responsibility for planning, directing, and controlling the activities of the Company either directly or indirectly. Key management includes the chief executive officer of the Company.

	For the year ended 31 December 2021		For the year ended 31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Salary and other benefits	27,660	112,521	27,660	112,770

21. Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

	1 January 2021	Non-cash flow	Cash flows		31 December 2021	
	USD	Additions USD	Proceeds USD	Repayments USD	USD	KHR'000 (Note 4.2)
Borrowings	17,882,675	46,267	-	(490,914)	17,438,028	71,042,526
Lease liability	147,955	10,931	-	(36,000)	122,886	500,637
	18,030,630	57,198	-	(526,914)	17,560,914	71,543,163

	1 January 2020	Non-cash flow	Cash flows		31 December 2020	
	USD	Additions USD	Proceeds USD	Repayments USD	USD	KHR'000 (Note 4.2)
Borrowings	18,332,142	-	-	(449,467)	17,882,675	72,335,420
Lease liability	171,104	12,852	-	(36,000)	147,955	598,478
	18,503,246	12,852	-	(485,467)	18,030,630	72,933,898

22. Categories of financial instruments

The table below provides an analysis of financial instruments in each categories:

	31 December 2021		31 December 2020		
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	
Financial assets					
At amortised cost					
Amounts due from related parties		1,033,484	4,210,414	106,659	431,436
Trade and other receivables		297,466	1,211,876	282,187	1,141,446
Cash and cash equivalents		171,655	699,322	798,146	3,228,501
		1,502,605	6,121,612	1,186,992	4,801,383
Financial liabilities					
At amortised cost					
Borrowings		17,438,028	71,042,526	17,882,675	72,335,420
Trade and other payables*		1,103,050	4,493,826	1,115,156	4,510,807
Not in scope of CIFRS 9					
Lease liability		122,886	500,637	147,955	598,478
		18,663,964	76,036,989	19,145,786	77,444,705

*Excludes unearned revenue and other tax payables

23. Financial instruments – fair values and risk management

23.1 Accounting classifications and fair values

Financial instruments comprise financial assets, financial liabilities. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The information presented herein represents the estimates of fair values as at the financial position date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Fair value information for non-financial assets and liabilities are excluded as they do not fall within the scope of CIFRS 7: Financial Instruments Disclosures which requires the fair value information to be disclosed.

The fair values are based on the following methodologies and assumptions:

The fair value of the Company's financial instruments such as cash and cash equivalents, trade and other receivable, borrowings and trade and other payables are not materially sensitive to shifts in market interest rate because of the limited term to maturity of these instruments. As such, the carrying value of these financial assets and liabilities at financial position date approximate their fair values.

Lease liabilities

The fair value is estimated by discounting the estimated future cash flows using the prevailing \ market rates of loans with similar credit risks and maturities.

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

23.2 Financial risk management

(a) Overview

The Company has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk; and
- market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

(b) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Cash and cash equivalents	171,655	699,322	798,146	3,228,501
Trade receivables	175,008	712,983	32,359	130,892
Amounts due from related parties	1,033,484	4,210,414	105,506	426,772
	<u>1,380,147</u>	<u>5,622,719</u>	<u>936,011</u>	<u>3,786,165</u>

The above table represents a worst case scenario for credit risk exposure to the Company as at 31 December 2021 and 31 December 2020, without taking into account any collateral held or other credit enhancement attached.

Trade receivables

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Neither past due nor impaired	-	-	67	271
Past due but not impaired	175,008	712,983	32,292	130,621
	<u>175,008</u>	<u>712,983</u>	<u>32,359</u>	<u>130,892</u>

Neither past due nor impaired receivables are those receivables for which no experience of default and management views that likelihood of default is relatively low.

Past due but not impaired

Past due but not impaired receivables are those for which contractual payments are past but still have active activities with the Company and are expected to be repaid in full. Management views that likelihood of default is relatively low as they are secured by the deposit from customers.

	31 December 2021		31 December 2020	
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)
Current	-	-	67	271
Past due 1- 30 days	43,450	177,015	21,371	86,445
Past due 30 - 60 days	43,101	175,593	259	1,048
Past due 60 - 90 days	37,535	152,918	246	995
Past due more than 90 days	50,922	207,457	10,416	42,133
	<u>175,008</u>	<u>712,983</u>	<u>32,359</u>	<u>130,892</u>

23.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Exposure to liquidity risk

The following are the remaining contractual maturities of the non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amounts USD	Undiscounted contractual cash flow USD	6 months or less USD	6-12 months	After 1 year
31 December 2021					
Trade and other payables*	1,103,050	1,103,050	1,103,050	-	-
Borrowings	17,438,028	18,740,716	893,733	3,905,333	13,941,650
Lease liability	122,886	144,000	18,000	18,000	108,000
	<u>18,663,964</u>	<u>19,987,766</u>	<u>2,014,783</u>	<u>3,923,333</u>	<u>14,049,650</u>
Equivalent KHR'000 (Note 4.2)	76,036,989	81,430,159	8,208,226	15,983,659	57,238,274

	Carrying amounts USD	Undiscounted contractual cash flow USD	6 months or less USD	6-12 months	After 1 year
31 December 2020					
Trade and other payables*	1,115,156	1,115,156	1,115,156	-	-
Borrowings	17,882,675	19,956,592	840,000	3,886,267	13,156,408
Lease liability	147,955	180,000	18,000	18,000	144,000
	<u>19,145,786</u>	<u>21,251,748</u>	<u>1,973,156</u>	<u>3,904,267</u>	<u>13,300,408</u>
Equivalent KHR'000 (Note 4.2)	77,444,704	85,963,319	7,981,416	15,792,760	53,800,150

*Excludes unearned revenue and other tax payables

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The Company's operating, capital expenditure and financing sources are principally denominated in US\$. The Company does not therefore have significant exposure to foreign currency risk.

Interest rate risk

The Company's exposure to interest rate risk relates to interest-bearing financial assets and liabilities.

Interest-bearing financial assets

Interest-bearing financial assets include cash in banks - saving accounts.

Interest-bearing financial liabilities

Interest-bearing financial liabilities include borrowings.

The Company manages the exposure to interest rate risk by monitoring the exposure to such risks on an ongoing basis. Management does not enter into interest rate hedging transactions since it considers that the cost of such instruments outweigh the potential risk of interest rate fluctuation.

At the reporting date the interest rate profile of the Company's interest-bearing financial instruments was:

	31 December 2021		31 December 2020		Interest rates %
	USD	KHR'000 (Note 4.2)	USD	KHR'000 (Note 4.2)	
Financial assets					
Cash in banks	171,655	699,322	797,878	3,227,417	0.10
Financial liabilities					
Borrowings	(17,438,028)	(71,042,526)	(17,882,675)	(72,335,420)	8
Total interest pricing gap	(17,266,373)	(70,343,204)	(17,084,797)	(69,108,003)	

Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate liabilities at fair value through profit or loss, and the Company does not have derivatives as at the year end. Therefore, a change in interest rates at the reporting date would not affect profit or loss.

24. Capital management

The primary objective of the Company's capital management is to ensure that it maintains an adequate capital ratio in order to support its business and maximise shareholder value.

The Company manages its capital structure and make adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividends payable to shareholders, return capital to shareholders or issue new capital. No changes were made in the objective, policies or processes during the year ended 31 December 2021.

25. Events after reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation of these financial statements.

26. Authorisation of the financial statements

The Company's financial statements as at 31 December 2021 and for the year then ended were approved for issue by the Board of Directors on 29 June 2022.



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