



**GOLDEN TREE GREEN BOND**  
**KHR 6,072,100,000**

THE FIRST EVER GREEN BOND ISSUANCE IN CAMBODIA  
 LISTING ON THE CAMBODIA SECURITIES EXCHANGE  
 19 January 2023

Financial Advisor and Underwriter  
 Co-unde  
 Royal Securities



Exemplifying achievement in the following areas:

24%  
 Energy Savings

52%  
 Water Savings

84%  
 Less Embodied  
 Energy in Materials

745.80 tCO<sub>2</sub>/year  
 Operational CO<sub>2</sub> Emissions  
 232.04 tCO<sub>2</sub>/year  
 Operational CO<sub>2</sub> Savings



# FIRST QUARTERLY REPORT 2023



# Financial Highlight

In KH'000

Financial Position	Reviewed Q1 2023	Audited 31-12-2022	Audited 31-12-2021
Total assets	136,942,653	144,745,584	101,804,313
Total liabilities	114,769,159	121,173,782	78,704,526
Total shareholders' equity	22,173,494	23,571,802	23,099,787
Financial Result	Reviewed Q1 2023	Unreviewed Q1 2022	Unreviewed Q1 2021
Total revenues	3,023,646	3,085,153	3,428,726
Profit/(Loss) before Tax	(1,016,112)	440,781	662,090
Profit/(Loss) after Tax	(1,045,280)	411,058	805,620
Financial Ratio	Reviewed Q1 2023	Audited 31-12-2022	Audited 31-12-2021
Solvency ratio	16.19%	16.28%	22.69%
Current ratio	0.55	0.25	0.30
Quick Ratio	0.55	0.25	0.30
Financial Ratio	Reviewed Q1 2023	Unreviewed Q1 2022	Unreviewed Q1 2021
Return on Asset	(0.76%)	0.28%	0.52%
Return on Equity	(4.71%)	1.74%	2.28%
Gross Profit Margin	70.00%	71.78%	73.02%
Net Profit Margin	(34.59%)	13.33%	15.39%
EBITDA margin	41.01% <sup>1</sup>	72.10%	77.14%

<sup>1</sup> Please see MD&A for detail

# Financial Summary Charts

## Total Asset

in KHR'000

**-5.4%**

From 2021

Q1-2023: 136,942,653

2022: 144,745,584

2021: 101,804,313

## Total Liabilities

in KHR'000

**-5.3%**

From 2021

Q1-2023: 114,769,159

2022: 121,173,782

2021: 78,704,526

## Total Equities

in KHR'000

**-5.9%**

From 2021

Q1-2023: 22,173,494

2022: 23,571,802

2021: 23,099,787

## Occupancy Rate

in KHR'000

**81%**

Q1-2023: 81%

2022: 83%

2021: 84%

## Revenue

in KHR'000

**-2.0%**

From 2021

Q1-2023: 3,023,646

Q1-2022: 3,085,153

Q1-2021: 3,428,726

## EBITDA & Margin

in KHR'000

**-44.3% & 41.0%\***

From 2021

Q1-2023: 1,239,241

2022: 2,237,857

2021: 2,644,948

\*Please see MD&A for detail

# Board of Directors

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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

## **STATEMENT FROM THE CHAIMAN OF THE BOARD OF DIRECTORS**

### **Dear Friends, Partners and Investors of Golden Tree**

On behalf of Golden Tree Co., LTD (GT) and the Board of Directors, I am pleased to present the first quarter of 2023 report for the period starting from 01 January 2023 to March 31 2023.

### **Overview of the Macro Economy**

On the macro economy side, we have seen the effects of the COVID-19 pandemic has continuously subsided due to high vaccination rate among Cambodian and the world population. Tourist arrival in Cambodia reached half a million in January 2023. Cambodia's GDP is projected to grow at 5.2% in 2023 by World Bank and ranks 14<sup>th</sup> among World's fastest growing economies and third in South East Asia. In order to support this growth, Cambodian government has invested heavily on the infrastructure. Nearly 150 projects worth USD 50 Billion of investment in infrastructure have been prioritized by the government in its master plan for 2022-2030. GT expects this robust growth will improve business confidence and encourage influx of foreign investments in the near future. In turn, it will increase demand for office space and the return of growth for real estate industry.

Nonetheless, the economy still encounters various significant risks such as the increasing energy costs, the global financial uncertainty that cause interest rate volatility and high inflation rate.

High interest rate coupled with the instability of the banking industry has resulted in liquidity crunch. The collapse of SVB Banks and others alarmed the financial community. Investors and business community have somewhat developed the wait-and-see attitude toward new investments and business expansion.

GT has monitored those factors closely and been vigilant on those economic risks.

### **Overview of the Office Industry**

For office sector, the occupancy rate is still stabilizing. According to CBRE Cambodia, the central owned office occupancy rate reached 72.7% as compared to 69.4% in 2022. VTrust Tower occupancy rate was at 81% as of 31 March 2023. New office supplies are also expected to increase for the next few years. However, there is a clear shift toward developing strata titled offices with account for more than 50% of the future supply. 40% of the total supply will be strata title by the end of year 2023. While strata titled offices give the developer quick cash flow, central-owned offices are able to provide superior services to the tenants in term of property management, speed of services and property maintenance.



## Golden Tree's Performance & Key Updates

During the first quarter of 2023, GT has accomplished solid financial performance. VTrust occupancy rate is 81% as compared to the industry average of 65% for all office types. GT has developed bold strategies to increase our occupancy rate toward 90% by year end.

GT continues to focus on investing in additional assets to expand our growth. GT chooses to invest in quality assets which are located on promising locations, and are capable of generating long-term investment that are stable. In Q4 2022, GT acquired the Amara Residence and continues to finish the construction. Currently, the Residence has been completed 90% and is expected to launch a soft opening Q4 2023. As of this period, our two properties were valued at USD 45 million, with a total of leasable area of 23,436 square meters. Furthermore, GT is preparing itself to meet the demand for property rental by upgrading and the upkeeping of our properties to be in good condition for rents. We continue to make good relationships with existing tenants, and finding new potential tenants.

GT aims to integrate the concepts of sustainable development with consideration given to the environment, society and governance (ESG) in order to support GT's operations and assets enhancement of both buildings (VTrust Tower and Amara Residence) which GT invested, beginning with the collection of data in order to implement any necessary changes and possibly upgrade all of our buildings into green building. We have successfully upgrade VTrust Tower to a green building in 2022. GT is also planning to upgrade Amara Residence into green building by 2024. The project is currently in the feasibility study stage

In closing, on behalf of the Board of Directors, management team and Golden Tree team, I would like to take this profound opportunity to thank you all of your confidence in our company. We thank our loyal tenants for continuing supporting and staying with us. We wish you to be safe & healthy.



KUY VAT  
Chairman of the Board of Directors  
Date: 22 June 2023

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**PART ONE**

**GENERAL INFORMATION OF  
THE LISTED ENTITY**



## 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	<a href="http://www.goldentree.com.kh">www.goldentree.com.kh</a>
E-mail	<a href="mailto:enquiry@goldentree.com.kh">enquiry@goldentree.com.kh</a>
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.

## C. QUARTERLY KEY EVENTS OF LISTED ENTITY

From 2019-2022, GT's financial statements were audited by Grant Thornton. As Grant Thornton (Cambodia) limited nearly reached service limit imposed by SERC's regulation, GT engaged Crowe (KH) Co., Ltd as our external auditors from year 2023 onward.

## **PART TWO**

### **INFORMATION ON 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.

## A. BUSINESS OPERATION

GT's main source of revenue is from utilization of VTrust Tower.

## B. REVENUE STRUCTURE

	Q1 2023			Q1 2022			Q1 2021		
	USD	KHR'000	%	USD	KHR'000	%	USD	KHR'000	%
Rental Income	537,674	2,195,861	72.62	543,984	2,208,575	71.59	609,752	2,480,471	72.34
Service Charge	139,005	567,696	18.78	144,647	587,267	19.04	155,236	631,500	18.42
Utility Income	51,907	211,988	7.01	60,979	247,575	8.02	65,294	265,616	7.75
Parking	11,382	46,484	1.54	9,845	39,970	1.30	11,002	44,756	1.31
Other Income	396	1,617	0.05	435	1,766	0.06	1,569	6,383	0.19
<b>Total</b>	<b>740,364</b>	<b>3,023,646</b>	<b>100.0%</b>	<b>759,890</b>	<b>3,085,153</b>	<b>100.0%</b>	<b>842,853</b>	<b>3,428,726</b>	<b>100.0%</b>

**PART THREE**

**FINANCIAL STATEMENT REVIEWED BY  
INDEPENDENT AUDITOR**

Please refer to the Annex for the interim Financial Statement reviewed by independent Auditor.

**PART FOUR**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS**

The following discussions and analyses focus on the operational and financial results based on Interim Financial Statement as of 31 March 2023 reviewed by Independent Auditors. The Interim Financial Statements have been prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRS”). Only the key components of the Interim Financial Statements and key factors that affect GT’s profitability are discussed and analyzed

Please note that the Interim Financial Statement as of 31 March 2022 are neither reviewed nor audited.

## A. Overview of Operation

### 1. Revenue analysis

	Q1 2023		Q1 2022		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Revenue	739,968	3,022,029	759,455	3,083,387	(61,358)	(1.99)
Costs of Services	(222,098)	(907,048)	(214,309)	(870,095)	36,953	4.25
Gross profit	517,870	2,114,981	545,146	2,213,292	(98,311)	(4.44)
Other income	396	1,617	435	1,766	(149)	(8.44)
Operating and administrative expenses	(136,559)	(557,707)	(136,853)	(555,623)	2,084	0.38
Impairment expense	(220,598)	(900,922)				
Net Operating Profit	161,109	657,969	408,728	1,659,435	(1,001,466)	(60.35)
Finance costs	(409,912)	(1,674,081)	(300,161)	(1,218,654)	455,427	37.37
Profit before income tax	(248,803)	(1,016,112)	108,567	440,781	(1,456,893)	(330.53)
Income tax expense	(7,142)	(29,168)	(7,321)	(29,723)	(555)	(1.87)
Net profit	(255,945)	(1,045,280)	101,246	411,058	(1,456,338)	(354.29)

### 2. Revenue By Segment Analysis

	Q1 2023		Q1 2022		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Rental Income	537,674	2,195,861	543,984	2,208,575	(12,714)	-0.58%
Service Charge	139,005	567,696	144,647	587,267	(19,571)	-3.33%
Utility Income	51,907	211,988	60,979	247,575	(35,587)	-14.37%
Parking	11,382	46,484	9,845	39,970	6,514	16.30%
Other Revenue	396	1,617	435	1,766	(149)	-8.44%
<b>Total</b>	<b>740,364</b>	<b>3,023,646</b>	<b>759,890</b>	<b>3,085,153</b>	<b>(61,507)</b>	<b>-1.99%</b>

Utility decreased due to less consumption from our tenants.

### 3. Gross profit margin analysis

	Q1 2023		Q1 2022		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Gross Profit	517,870	2,114,981	545,146	2,213,292	(98,311)	(4.44)

Gross profit decreased due to increase of cost of services related to cleaning. The increase cost of cleaning was due to the change of contractor to improve our cleaning service. Please see financial statement Q1 2023 note 18 for detail.



#### 4. Profit/(Loss) before Tax

	Q1 2023		Q1 2022		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Profit before income tax	(248,803)	(1,016,112)	108,567	440,781	(1,456,893)	(330.53)

The loss during Q1 2023 due to

- Impairment expense of KHR'000 900,922 (USD 220,598) as one of our tenants terminated and owed us rental fee. The amount is a net rental fee owed after deduction of security deposit. GT has consulted with legal team in order to recover the rental owed. This non-recurring expense has impacted GT's profit before tax, and its EBITDA margin for this quarter.
- Finance cost increased by KHR'000 455,427 (USD 109,751) or 37.37% due to the interest expense from green bond issuance and additional bank loan to acquire Amara Residence for our business expansion.

#### 5. Profit/(Loss) after tax

	Q1 2023		Q1 2022		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Net profit	(255,945)	(1,045,280)	101,246	411,058	(1,456,338)	(354.29)

There was no significant change on the income tax paid for this quarter. The decreased in income tax expense was due to the decrease in revenue.

According to the Sub-decree no 42 RNKR/BK dated 24 February 2022 on Tax Incentives in Securities Sector issued by the Royal Government of Cambodia, GT is expected to receive tax incentive from issuing its green bond in next fiscal year of 2024.

#### 6. Factors and trends analysis affecting financial conditions and results

As of Q1 2023, the significant factor that drove down GT profit were

- Additional finance cost related to bank loan from acquiring Amara Residence. GT expected Amara to generate revenue in Q4. The management believes GT will turn back to profit in Q4 2023.
- Impairment expense as mentioned above.

#### B. Significant factors affecting profit

##### 1. Demand and Supply conditions analysis

On the macro economy side, the effects of the COVID-19 pandemic have continuously subsided due to high vaccination rate among Cambodian and the world population. Tourist arrival in Cambodia reached half a million in January 2023. Cambodia's GDP is projected to grow at 5.2% in 2023 by World Bank and ranks 14<sup>th</sup> among World's fastest growing economies and third in South East Asia. GT expects this robust growth will improve business confidence and encourage influx of foreign investments in the near future. In turn, it will increase demand for office space and the return of growth for real estate industry.

Nonetheless, the economy still encounters various significant risks such as the increasing energy costs, the global financial uncertainty that cause interest rate volatility and high inflation rate.

For office sector, the occupancy rate is still stabilizing. According to CBRE Cambodia, the central owned office occupancy rate reached 72.7% as compared to 69.4% in 2022. VTrust Tower occupancy rate was at 81% as of 31 March 2023. New office supplies are also expected to increase for the next few years. Addition of 203,000 sqm of office space to be complete by the end of 2023, pushing the total supply by 21% to over 1,150,000 sqm. In the first quarter of 2023, approximately 61,000 sqm of this amount is added to the existing supply with the completion of 4 office buildings. Thus pressure on occupancy rate and rental rate are not expected to increase for the foreseeable future. Furthermore, there is a clear shift toward developing strata titled offices with account for more than 50% of the future supply. 40% of the total supply will be strata title by the end of year 2023. While strata titled offices give the developer quick cash flow, central-owned offices are able to provide superior services to the tenants in term of property management, speed of services and property maintenance.

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.

Currently, there have been no significant changes in tax regulations in Cambodia that have had a material impact on our financial performance.

## **4. Exceptional and extraordinary items analysis**

There were no exceptional and extraordinary items in the period

## **C. Material changes in Sale and Revenue**

The revenue of the 31 March 2023 and the comparative period on 31 March 2022 are shown in section A of this section and also in the Reviewed Financial Information of the Financial Ended 31 March 2023.

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

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

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

#### **E. Impact of inflation**

GT did 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 of Listed Entity

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Read and approved



A handwritten signature in blue ink, appearing to be 'Kuy Vat', written below the stamp.

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KUY VAT  
Chairman of the Board of Directors  
22 June 2023

## Appendix

**GOLDEN TREE CO., LTD.**

(Incorporated in Cambodia)

Registration No: 00012373

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For The Financial Period From**

**1 January 2023 To 31 March 2023**

# **GOLDEN TREE CO., LTD.**

(Incorporated in Cambodia)

Registration No: 00012373

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# GOLDEN TREE CO., LTD

(Incorporated in Cambodia)

Registration No: 00012373

## STATEMENT BY DIRECTORS

In the opinion of directors, the accompanying condensed interim statement of financial position of GOLDEN TREE CO., LTD ("GT") as at 31 March 2023, and the related condensed interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the three-month period then ended, and condensed notes to the interim financial information (collectively known as "Condensed Interim Financial Statements") are presented fairly, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reportings*.

Signed on behalf of board of directors :-



**Kuy Vat**  
Chairman



**Hong Uy**  
Chief Executive Officer



**REPORT ON THE REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF GOLDEN TREE CO., LTD.**

**Crowe (KH) Co., Ltd**  
Chartered Accountants  
Member Crowe International

Unit 4B, 4<sup>th</sup> floor, K1 Building,  
#148, Mao Tse Toung Blvd  
(St.245) Songkat ToulTompong 2  
Khan Chomkarmon, Phnom Penh  
Kingdom of Cambodia  
Main +855 23 216 717  
Fax +855 23 216 727  
[www.crowe.com.kh](http://www.crowe.com.kh)  
[info@crowe.com.kh](mailto:info@crowe.com.kh)

We have reviewed the accompanying condensed interim financial statements of Golden Tree Co., Ltd. ("the Company"), which comprise the condensed interim statement of financial position as at 31 March 2023, and the related condensed interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period then ended, and accompanying explanatory notes (collectively known as "Condensed Interim Financial Statements"). The directors of the Company are responsible for the preparation and presentation of these Condensed Interim Financial Statements in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on the Condensed Interim Financial Statements based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Condensed Interim Financial Statements of the Company are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting*.

**Crowe (KH) Co.,Ltd.**

  
  
**Onn Kien Hoe**  
Director

**22 JUN 2023**

# GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	Unaudited		Audited	
		31 March 2023		31 December 2022	
		USD	KHR'000	USD	KHR'000
			(Note 4)		(Note 4)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property and equipment	8	9,521,534	38,600,299	9,553,705	39,332,603
Investment properties	9	22,467,466	91,083,107	22,576,322	92,946,718
		<u>31,989,000</u>	<u>129,683,406</u>	<u>32,130,027</u>	<u>132,279,321</u>
<b>CURRENT ASSETS</b>					
Corporate bond receivable	15	-	-	1,474,885	6,072,100
Trade and other receivables	10	370,133	1,500,519	436,564	1,797,334
Amounts due from related parties	21	1,398,511	5,669,564	674,458	2,776,744
Cash and cash equivalents	11	21,994	89,164	442,090	1,820,085
		<u>1,790,638</u>	<u>7,259,247</u>	<u>3,027,997</u>	<u>12,466,263</u>
<b>TOTAL ASSETS</b>		<u>33,779,638</u>	<u>136,942,653</u>	<u>35,158,024</u>	<u>144,745,584</u>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	12	5,000,000	20,000,000	5,000,000	20,000,000
Retained earnings		469,535	1,895,816	725,480	2,950,151
Currency translation difference		-	277,678	-	621,651
<b>TOTAL EQUITY</b>		<u>5,469,535</u>	<u>22,173,494</u>	<u>5,725,480</u>	<u>23,571,802</u>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Borrowing	13	16,176,081	65,577,832	15,470,690	63,692,831
Lease liabilities	14	58,606	237,589	66,331	273,085
Corporate bond payable	15	1,468,109	5,951,714	1,474,885	6,072,100
Deferred tax liabilities		604,290	2,449,792	604,290	2,487,862
Trade and other payables	16	1,028,178	4,168,234	-	-
Amounts due to related parties	21	5,700,000	23,107,800	-	-
		<u>25,035,264</u>	<u>101,492,961</u>	<u>17,616,196</u>	<u>72,525,878</u>
<b>CURRENT LIABILITIES</b>					
Trade and other payables	16	237,316	962,079	1,279,790	5,268,895
Borrowings	13	2,979,255	12,077,900	4,805,096	19,782,580
Lease liabilities	14	29,996	121,604	29,404	121,056
Corporate bond payable	15	28,272	114,615	2,058	8,473
Amounts due to related parties	21	-	-	5,700,000	23,466,900
<b>Current liabilities</b>		<u>3,274,839</u>	<u>13,276,198</u>	<u>11,816,348</u>	<u>48,647,904</u>
<b>TOTAL LIABILITIES</b>		<u>28,310,103</u>	<u>114,769,159</u>	<u>29,432,544</u>	<u>121,173,782</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>33,779,638</u>	<u>136,942,653</u>	<u>35,158,024</u>	<u>144,745,584</u>

# GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2023

	Note	USD	Unaudited 3 months to 31 March 2023 KHR'000 (Note 4)	USD	Unaudited 3 months to 31 March 2022 KHR'000 (Note 4)
Revenue	17	739,968	3,022,029	759,455	3,083,387
Cost of sales	18	(222,098)	(907,048)	(214,309)	(870,095)
Gross profit		517,870	2,114,981	545,146	2,213,292
Other income		396	1,617	435	1,766
Administrative expenses		(136,559)	(557,707)	(136,853)	(555,623)
Impairment expense		(220,598)	(900,922)	-	-
Operating profit		161,109	657,969	408,728	1,659,435
Finance costs	19	(409,912)	(1,674,081)	(300,161)	(1,218,654)
(Loss)/Profit before income tax		(248,803)	(1,016,112)	108,567	440,781
Income tax expense	20	(7,142)	(29,168)	(7,321)	(29,723)
(Loss)/Profit for the period		(255,945)	(1,045,280)	101,246	411,058
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/income for the period		(255,945)	(1,045,280)	101,246	411,058

# GOLDEN TREE CO., LTD.

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Registration No: 00012373

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2023

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	Note	Share capital	Retained earnings	Total equity	
		USD	USD	USD	KHR'000 (Note 4)
Balance as at 1 January 2023 (Audited)		5,000,000	725,480	5,725,480	23,571,802
Total comprehensive expense		-	(255,945)	(255,945)	(1,045,280)
Currency translation difference		-	-	-	(353,028)
Balance as at 31 March 2023 (Unaudited)		<u>5,000,000</u>	<u>469,535</u>	<u>5,469,535</u>	<u>22,173,494</u>
Balance as at 1 January 2022 (Audited)		5,000,000	670,051	5,670,051	23,099,787
Total comprehensive income		-	101,246	101,246	411,058
Currency translation difference		-	-	-	(137,095)
Balance as at 31 March 2022 (Unaudited)		<u>5,000,000</u>	<u>771,297</u>	<u>5,771,297</u>	<u>23,373,750</u>

# GOLDEN TREE CO., LTD.

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## CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2023

	Note	Unaudited 3 months to 31 March 2023		Unaudited 3 months to 31 March 2022	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
Operating activities					
(Loss)/Profit before income tax		(248,803)	(1,016,112)	108,567	440,781
Adjustments for:					
Depreciation of investment properties	9	108,856	444,568	107,758	437,497
Depreciation of property and equipment	8	33,473	136,704	31,069	126,140
Interest expense	19	409,912	1,674,081	300,161	1,218,654
Operating profit before working capital		303,438	1,239,241	547,555	2,223,072
Changes in working capital:					
- trade and other receivable		66,431	269,311	(260,321)	(1,054,300)
- trade and other payables		8,490	34,418	(19,455)	(78,793)
Cash generated from operating activities		378,359	1,542,970	267,779	1,089,979
Income tax paid		(7,142)	(28,954)	(7,321)	(29,650)
Net cash from operating activities		371,217	1,514,016	260,458	1,060,329
Investing activities					
Purchases of property and equipment	8	(1,302)	(5,278)	-	-
Net cash used in investing activities		(1,302)	(5,278)	-	-
Financing activities					
Proceeds from corporate bond		1,474,885	6,023,430	-	-
Interest paid		(411,393)	(1,680,129)	(297,747)	(1,208,853)
Repayment of bank borrowings		(1,120,450)	(4,542,304)	(280,536)	(1,138,976)
Repayment of lease liability	14	(7,133)	(29,131)	(6,586)	(26,739)
Repayment of interest portion of lease	14	(1,867)	(7,625)	(2,414)	(9,801)
Advance from related parties		-	-	283,060	1,149,224
Advance to related parties		(724,053)	(2,935,311)	(18,143)	(73,479)
Net cash used in financing activities		(790,011)	(3,171,070)	(322,366)	(1,308,624)
Net change in cash and cash equivalents		(420,096)	(1,662,332)	(61,908)	(248,295)
Cash and cash equivalents, at the beginning of period		442,090	1,820,085	171,655	699,322
Currency translation difference		-	(68,589)	-	(6,552)
Cash and cash equivalents, at the end of period		21,994	89,164	109,747	444,475

# **GOLDEN TREE CO., LTD.**

(Incorporated in Cambodia)

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## **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023**

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### **1. GENERAL INFORMATION**

Golden Tree Co., Ltd (“the Company”) was registered on 12 October 2006 as a private limited company in the 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-years tenure. The bonds were subsequently listed on the Cambodia Securities Exchange (“CSX”) on 19 January 2023.

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

### **2. PRINCIPAL ACTIVITY**

The principal activity of the Company is the leasing of offices and apartments.

### **3. BASIS OF PREPARATION**

#### **3.1 BASIS OF PREPARATION**

The condensed interim financial statements are as at and for the period ended 31 March 2023. They have been prepared in accordance with Cambodian International Accounting Standard 34 ‘*Interim Financial Reporting*’ (“CIAS 34”). They do not include all of the information required in the annual financial statements in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”), and should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and notes to the condensed interim financial statements.

#### **3.2 GOING CONCERN**

During the current financial period, the Company incurred a net loss of USD255,945 including impairment expense of receivable USD 220,598 which is in the process of recovery. As at 31 March 2023, the Company’s current liabilities exceeded its current assets by USD1,484,201.

The financial statements are prepared on the basis of accounting principles applicable to a going concern as Mr Hong Uy, one of the major shareholders of the Company, has indicated his willingness to provide financial support to the Company to enable it to operate as a going concern in the foreseeable future. Accordingly, the directors are of the opinion that the going concern basis used in the preparation of the financial statements is appropriate.



# GOLDEN TREE CO., LTD.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### 4. SIGNIFICANT ACCOUNTING POLICIES

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

### 5. FUNCTIONAL AND PRESENTATION CURRENCY

The national currency of Cambodia is the Khmer Riel ("KHR"). However, as the Company transacts its business and maintains its accounting records primarily in United States Dollars ("USD"), Management has determined the USD to be the Company's for measurement and presentation purpose 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.

The interim financial statements are expressed in United States Dollars (USD). The translations of USD amounts into Khmer Riel ("KHR") are included solely for compliance with the Law on Accounting and Auditing. Assets and liabilities are translated into KHR at the closing rate as at the reporting date. The interim statement of profit or loss and other comprehensive income and the interim statement of cash flows are translated into KHR using the average rate either for the three-month period, as applicable.

The Company uses the following exchange rates:

			<b>Closing rate</b>	<b>Average rate Three-month</b>
31 March 2023	US\$1	=	KHR4,054	KHR4,084
31 March 2022	US\$1	=	KHR4,050	KHR4,060
31 December 2022	US\$1	=	KHR4,117	KHR4,087

### 6. USE OF ESTIMATES AND JUDGEMENTS

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

### 7. SEASONALITY OR CYCLICALITY OF OPERATION

The Company's business operation has not been affected by seasonal or cyclical factors.

# GOLDEN TREE CO., LTD.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 8. PROPERTY AND EQUIPMENT

	Construction in progress USD	Motor vehicles USD	Equipment and computers USD	Total USD
<b>Unaudited</b>				
Cost				
Balance at 1 January 2023	9,200,000	18,776	1,219,740	10,438,516
Addition	-	-	1,302	1,302
Balance at 31 March 2023	9,200,000	18,776	1,221,042	10,439,818
Accumulated depreciation				
Balance at 1 January 2023	-	(18,776)	(866,035)	(884,811)
Depreciation	-	-	(33,473)	(33,473)
Balance at 31 March 2023	-	(18,776)	(899,508)	(918,284)
Carrying amount at 31 March 2023 (USD)	9,200,000	-	321,534	9,521,534
KHR'000 (Note 4)	37,296,800	-	1,303,499	38,600,299
<b>Audited</b>				
Cost				
Balance at 1 January 2022	233,474	18,776	1,154,418	1,406,668
Additions	9,200,000	-	7,666	9,207,666
Transfers	(233,474)	-	57,656	(175,818)
Balance at 31 December 2022	9,200,000	18,776	1,219,740	10,438,516
Accumulated depreciation				
Balance at 1 January 2022	-	(17,687)	(734,705)	(752,392)
Depreciation	-	(1,089)	(131,330)	(132,419)
Balance at 31 December 2022	-	(18,776)	(866,035)	(884,811)
Carrying amount at 31 December 2022 (USD)	9,200,000	-	353,705	9,553,705
KHR'000 (Note 4)	37,876,400	-	1,456,203	39,332,603

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, Mr. Hong Uy and Mr. Kuy Vat, and it is in the process of being transferred to the Company as of 31 March 2023. The land and built up area of the property is 492 square metres and 8,928 square metres, respectively.

The building title deed is used by the Company to secure the loan (Note 13) with the Foreign Trade Bank of Cambodia.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 9. INVESTMENT PROPERTIES

	Land USD	Building and structures USD	Right-of-use assets USD	Total USD
<b>Unaudited</b>				
Cost				
Balance at 1 January 2023	9,000,000	16,317,321	192,478	25,509,799
Addition	-	-	-	-
Balance at 31 March 2023	9,000,000	16,317,321	192,478	25,509,799
Accumulated depreciation				
Balance at 1 January 2023	-	(2,823,489)	(109,988)	(2,933,477)
Depreciation	-	(101,984)	(6,872)	(108,856)
Balance at 31 March 2023	-	(2,925,473)	(116,860)	(3,042,333)
Carrying amount at 31 March 2023 (USD)	9,000,000	13,391,848	75,618	22,467,466
KHR'000 (Note 4)	36,486,000	54,290,552	306,555	91,083,107
	Land USD	Building and structures USD	Right-of-use assets USD	Total USD
<b>Audited</b>				
Cost				
Balance at 1 January 2022	9,000,000	16,141,503	192,478	25,333,981
Transfer	-	175,818	-	175,818
Balance at 31 December 2022	9,000,000	16,317,321	192,478	25,509,799
Accumulated depreciation				
Balance at 1 January 2022	-	(2,419,585)	(82,491)	(2,502,076)
Depreciation	-	(403,904)	(27,497)	(431,401)
Balance at 31 December 2022	-	(2,823,489)	(109,988)	(2,933,477)
Carrying amount at 31 December 2022 (USD)	9,000,000	13,493,832	82,490	22,576,322
KHR'000 (Note 4)	37,053,000	55,554,106	339,612	92,946,718

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. The land title deed number is 15006 dated 6 February 2012. The land located on plot A, Street 169, village 12, Sangkat Vealvong, Khan 7 Makara, Phnom Penh.

# GOLDEN TREE CO., LTD.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### 10. TRADE AND OTHER RECEIVABLES

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Trade receivables	329,734	1,336,742	402,728	1,658,031
Deposit	27,071	109,746	26,071	107,334
Advances, prepayments and others	13,328	54,031	7,765	31,969
	<u>370,133</u>	<u>1,500,519</u>	<u>436,564</u>	<u>1,797,334</u>

### 11. CASH AND CASH EQUIVALENTS

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Cash on hand	57	231	642	2,644
Cash in banks	21,937	88,933	441,448	1,817,441
	<u>21,994</u>	<u>89,164</u>	<u>442,090</u>	<u>1,820,085</u>

### 12. SHARE CAPITAL

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Issued and fully paid: 1,000,000 ordinary shares at KHR 20,000 equivalent to USD 5 each	5,000,000	20,000,000	5,000,000	20,000,000

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 13. BORROWINGS

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Term loans	16,870,110	68,391,426	17,275,786	71,124,411
Bank overdraft	2,285,226	9,264,306	3,000,000	12,351,000
	19,155,336	77,655,732	20,275,786	83,475,411
Current	2,979,255	12,077,900	4,805,096	19,782,580
Non- current	16,176,081	65,577,832	15,470,690	63,692,831
	19,155,336	77,655,732	20,275,786	83,475,411

These borrowings represent facilities from the Foreign Trade Bank of Cambodia, details of which are as follows :-

- (i) Loan 1 which was drawdown in December 2018, with principal amount owing of USD15,750,000 as at the end of the period. It is repayable via (fixed monthly payment of USD140,000 from January 2019 to January 2023 and USD240,000 from February 2023 to November 2026, and final payment of USD5,826,983 in December 2026 ). The loan bore interest at the rate of 8% per annum;
- (ii) Loan 2 which was drawdown as follows:
- First drawdown in September 2022, with principal amount owing of USD2,000,000 as at the end of the period. It is repayable via (fixed monthly payment of USD17,143 and final payment of USD1,921,372 in September 2024). The loan bore interest at the rate of 8% per annum;
  - Second drawdown in October 2022, with principal amount owing of USD1,150,000 as at the end of the period. It is repayable via (fixed monthly payment of USD17,143 and final payment of USD1,095,179 in October 2024). The loan bore interest at the rate of 8% per annum.
  - Third drawdown in December 2022, with principal amount owing of KHR1,435,000,000 (Approx USD358,750) as at the end of the period. It is repayable via (fixed monthly payment of KHR12,300,000 or approx. USD3,075 and final payment KHR1,379 million or approx. USD344,797) and final payment of USD1,095,179 in October 2024). The loan bore interest at the rate of 8% per annum.
- (iii) Overdraft facility which was drawn down in July 2018. The overdraft facility is up to a limit of USD3,000,000. The overdraft bore interest at the rate of 8% per annum.

The above facilities are secured over the building and investment properties of the Company, details of which are shown in Note 8 and 9 respectively.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 14. LEASE LIABILITIES

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
<b>Lease liabilities</b>				
Maturity analysis				
Less than one year (Current)	29,996	121,604	29,404	121,056
One to five years(Non- current)	58,606	237,589	66,331	273,085
	88,602	359,193	95,735	394,141
<b>Amounts recognised in profit and loss</b>				
Interest on lease liabilities	1,867	7,625	8,850	36,170
<b>Amounts recognised in the statement of cash flows</b>				
Cash outflow for leases	7,133	29,131	27,150	110,962

The lease liabilities are in respect of the lease entered into on 1 March 2016, for a land that is used as parking lot for a period of 10 years.

### 15. CORPORATE BOND

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
<b>Corporate bond receivables</b>				
Current	-	-	1,474,885	6,072,100
<b>Corporate bond payables</b>				
Current	28,272	114,615	2,058	8,473
Non-current	1,468,109	5,951,714	1,474,885	6,072,100
	1,496,381	6,066,329	1,476,943	6,080,573

# GOLDEN TREE CO., LTD.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### 15. CORPORATE BOND (CONT'D)

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.

### 16. TRADE AND OTHER PAYABLES

	Unaudited		Audited	
	31 March 2023		31 December 2022	
	USD	KHR'000	USD	KHR'000
<b>Non-current</b>				
Customer deposits	1,028,178	4,168,234	-	-
	<u>1,028,178</u>	<u>4,168,234</u>	<u>-</u>	<u>-</u>
<b>Current</b>				
Unearned revenue	88,498	358,771	114,702	472,228
Other payables	75,150	304,658	72,068	296,704
Trade payables	50,805	205,963	45,197	186,076
Customer deposits	-	-	1,028,178	4,233,009
Other tax payables	22,863	92,687	19,645	80,878
	<u>1,265,494</u>	<u>5,130,313</u>	<u>1,279,790</u>	<u>5,268,895</u>

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 17. REVENUE

	Unaudited 3 months to 31 March 2023		Unaudited 3 months to 31 March 2022	
	USD	KHR'000	USD	KHR'000
Rental income	537,674	2,195,861	543,984	2,208,575
Service charges	139,005	567,696	144,647	587,267
Utility income	51,907	211,988	60,979	247,575
Parking fee	11,382	46,484	9,845	39,970
	<u>739,968</u>	<u>3,022,029</u>	<u>759,455</u>	<u>3,083,387</u>

### 18. COST OF SALES

	Unaudited 3 months to 31 March 2023		Unaudited 3 months to 31 March 2022	
	USD	KHR'000	USD	KHR'000
Utility expense	58,484	238,849	63,888	259,386
Security service	17,621	71,964	17,522	71,140
Cleaning service	6,658	27,191	10,177	41,318
Other cost of service	30,479	124,476	16,695	67,782
Depreciation	101,984	416,503	99,154	402,565
Depreciation - ROU	6,872	28,065	6,873	27,904
	<u>222,098</u>	<u>907,048</u>	<u>214,309</u>	<u>870,095</u>

### 19. FINANCIAL COSTS

	Unaudited 3 months to 31 March 2023		Unaudited 3 months to 31 March 2022	
	USD	KHR'000	USD	KHR'000
Interest expenses – borrowings	381,833	1,559,406	297,747	1,208,853
Interest expenses – lease	1,867	7,625	2,414	9,801
Interest expenses – Corporate bond	26,212	107,050	-	-
	<u>409,912</u>	<u>1,674,081</u>	<u>300,161</u>	<u>1,218,654</u>



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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### 20. INCOME TAX EXPENSE

Under the Cambodian Law on Taxation, the Company has an obligation to pay tax on income at the rate of 20% of the taxable income or a minimum tax, whichever is higher.

The minimum tax is calculated at the rate of 1% of the annual turnover inclusive of all taxes. The prepayment of tax on income is temporarily suspended until the end of year 2023 in accordance with Prakas No. 1130MEF.Prk dated on 27 October 2017 issued by the Ministry of Economy and Finance.

Please refer to Note 24 for the explanation on the tax contingencies in Cambodia.

### 21. RELATED PARTY BALANCES AND TRANSACTIONS

The following balances are outstanding with related parties:

	Relationship	Unaudited		Audited	
		31 March 2023		31 December 2022	
		USD	KHR'000	USD	KHR'000
Amounts due from					
United Food Co., Ltd.	Company which a director has interest	45,532	184,587	22,186	91,340
Phnom Penh Securities Plc.	Company which a director has interest	29,723	120,497	26,204	107,882
Kuy Vat	Shareholder	1,323,256	5,364,480	626,068	2,577,522
		1,398,511	5,669,564	674,458	2,776,744
Amounts due to					
Hong Uy	Shareholder	5,700,000	23,107,800	5,700,000	23,466,900
		5,700,000	23,107,800	5,700,000	23,466,900

The outstanding balances are unsecured, free of interest with no fixed terms of repayment.

# GOLDEN TREE CO., LTD.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 21. RELATED PARTY BALANCES AND TRANSACTIONS (CONT'D)

The Company had the following transactions with related parties during the financial period:

	Relationship	Unaudited 3 months to 31 March 2023		Unaudited 3 months to 31 March 2022	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
<u>Trade</u>					
United Food Co., Ltd.	Company which a director has interest				
Rental		3,327	13,587	-	-
Utility		194	3,327	-	-
Phnom Penh Securities Plc.	Company which a director has interest				
Rental		21,408	87,430	3,009	12,217
Utility		1,937	7,911	285	1,157
<u>Non-trade</u>					
Kuy Vat	Shareholder				
Advance to shareholder		697,188	2,847,316	75,480	306,449
Repayment of advance		-	-	150,500	611,030
Hong Uy	Shareholder				
Advance to shareholder		-	-	75,480	306,449
Repayment of advance		-	-	150,500	611,030

### 22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial assets Amortised cost				
Trade and other receivables*	550,332	2,231,046	402,728	1,658,031
Amount due from related parties	1,398,511	5,669,564	674,458	2,776,744
Cash and cash equivalents	21,994	89,164	442,090	1,820,085
	1,970,837	7,989,774	1,519,276	6,254,860

\*Excludes deposit and advances, prepayments and others.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

### 22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES (CONT'D)

The carrying amounts of financial assets and financial liabilities in each category are as follows:

	Unaudited 31 March 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial liabilities				
Amortised cost				
Trade and other payables*	125,955	510,621	117,265	482,780
Corporate bond payable	1,496,381	6,066,329	1,476,943	6,080,573
Borrowings	19,155,336	77,655,732	20,275,786	83,475,411
Amounts due to related parties	5,700,000	23,107,800	5,700,000	23,466,900
	<u>26,477,672</u>	<u>107,340,482</u>	<u>27,569,994</u>	<u>113,505,664</u>

\*Excludes customer deposits, other tax payables and unearned revenue.

### 23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The financial risk management objective of the Company is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. The Management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the Directors.

#### 23.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to perform as contracted. The Company is mainly exposed to credit risk from credit sales. It is the Company's policy to monitor the financial standing of its counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

The Company's primary exposure to credit risk arises through its trade receivables from its customers. The credit period is a month and the Company seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by Management.

#### 23.2 Liquidity and cash flow risk

Liquidity and cash flow risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations when they fall due.

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## **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023**

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### **23. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)**

#### **23.2 Liquidity and cash flow risk (Cont'd)**

The Company actively manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's activities for the next twelve months.

#### **23.3 Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments of the Company would fluctuate because of changes in market interest rates.

The exposure of the Company to interest rate arises primarily from borrowing. The Company manages its interest rate exposure by closely monitoring the debt market and where necessary, maintaining a prudent mix of fixed rate and floating rate borrowings. The Company does not use derivative financial instruments to hedge any debt obligations.

### **24. TAXATION CONTINGENCIES**

The taxation system in Cambodia is relatively new and is characterised by numerous taxes and frequently changing legislation, which is often unclear, contradictory, and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of current tax legislations. However, the relevant authorities may have differing interpretations and the effects could be significant.

### **25. SIGNIFICANT EVENT DURING THE REPORTING PERIOD**

There is no significant event during the reporting period.

### **26. EVENT AFTER THE REPORTING PERIOD**

There is no significant adjusting or non-adjusting event that has occurred between 31 March 2023 and the date of authorisation of the Condensed Interim Financial Statements.

### **27. AUTHORISATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS**

The Condensed Interim Financial Statements as at and for the period ended 31 March 2023 were approved for issue by the Board of Directors on 22 June 2023.

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## NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2023

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### 28. COMPARATIVE FIGURES

The following figures have been reclassified to conform with the presentation of the current financial year:-

	As previously reported		As restated	
	31 December 2022		31 December 2022	
	USD	KHR'000	USD	KHR'000
Amounts due from related parties	48,390	199,222	674,458	2,776,744
Amounts due to related parties	5,073,932	20,889,378	5,700,000	23,466,900



**GOLDEN TREE**



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