

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

CONDENSED INTERIM FINANCIAL STATEMENTS

For The Financial Period Ended 30 June 2023

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

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STATEMENT BY DIRECTORS

In the opinion of directors, the accompanying condensed interim statement of financial position of Golden Tree Co., Ltd as at 30 June 2023, and the related condensed interim statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six-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 :-



Hong Uy
Chairman

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

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CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023

	Note	Unaudited 30 June 2023 USD	Unaudited 30 June 2023 KHR'000 (Note 4)	Audited 31 December 2022 USD	Audited 31 December 2022 KHR'000 (Note 4)
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	8	9,548,375	39,434,789	9,553,705	39,332,603
Investment properties	9	22,358,610	92,341,059	22,576,322	92,946,718
		<u>31,906,985</u>	<u>131,775,848</u>	<u>32,130,027</u>	<u>132,279,321</u>
CURRENT ASSETS					
Corporate bond receivable	15	-	-	1,474,885	6,072,100
Trade and other receivables	10	1,804,357	7,451,994	436,564	1,797,334
Amounts due from related parties	21	102,512	423,375	674,458	2,776,744
Cash and cash equivalents	11	28,865	119,212	442,090	1,820,085
		<u>1,935,734</u>	<u>7,994,581</u>	<u>3,027,997</u>	<u>12,466,263</u>
TOTAL ASSETS		<u>33,842,719</u>	<u>139,770,429</u>	<u>35,158,024</u>	<u>144,745,584</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	5,000,000	20,000,000	5,000,000	20,000,000
Retained earnings		441,069	1,786,341	725,480	2,950,151
Currency translation difference		-	685,273	-	621,651
TOTAL EQUITY		<u>5,441,069</u>	<u>22,471,614</u>	<u>5,725,480</u>	<u>23,571,802</u>
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowing	13	15,693,293	64,813,300	15,470,690	63,692,831
Lease liabilities	14	50,726	209,498	66,331	273,085
Corporate bond payable	15	1,468,109	6,063,290	1,474,885	6,072,100
Deferred tax liabilities		497,707	2,055,530	604,290	2,487,862
Trade and other payables	16	637,721	2,633,788	-	-
Amounts due to related parties	21	5,140,000	21,228,200	-	-
		<u>23,487,556</u>	<u>97,003,606</u>	<u>17,616,196</u>	<u>72,525,878</u>
CURRENT LIABILITIES					
Trade and other payables	16	914,627	3,777,410	1,279,790	5,268,895
Borrowings	13	3,968,867	16,391,421	4,805,096	19,782,580
Lease liabilities	14	30,600	126,378	29,404	121,056
Corporate bond payable	15	-	-	2,058	8,473
Amounts due to related parties	21	-	-	5,700,000	23,466,900
Current liabilities		<u>4,914,094</u>	<u>20,295,209</u>	<u>11,816,348</u>	<u>48,647,904</u>
TOTAL LIABILITIES		<u>28,401,650</u>	<u>117,298,815</u>	<u>29,432,544</u>	<u>121,173,782</u>
TOTAL EQUITY AND LIABILITIES		<u>33,842,719</u>	<u>139,770,429</u>	<u>35,158,024</u>	<u>144,745,584</u>

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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Note	USD	Unaudited 3 months to 30 June 2023 KHR'000 (Note 4)	USD	Unaudited 3 months to 30 June 2022 KHR'000 (Note 4)
Revenue	17	637,483	2,608,580	766,952	3,113,058
Cost of sales	18	(217,694)	(890,804)	(207,018)	(840,286)
Gross profit		419,789	1,717,776	559,934	2,272,772
Other income		2,703	11,061	290	1,177
Administrative expenses		(127,547)	(521,922)	(116,006)	(470,868)
Impairment expense		-	-	-	-
Operating profit		294,945	1,206,915	444,218	1,803,081
Finance costs	19	(424,103)	(1,735,429)	(350,365)	(1,422,132)
(Loss)/Profit before income tax		(129,158)	(528,514)	93,853	380,949
Income tax expense	20	(5,894)	(24,118)	(2,621)	(10,639)
(Loss)/Profit for the period		(135,052)	(552,632)	91,232	370,310
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/income for the period		(135,052)	(552,632)	91,232	370,310

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CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2023

	Note	USD	Unaudited 6 months to 30 June 2023 KHR'000 (Note 4)	USD	Unaudited 6 months to 30 June 2022 KHR'000 (Note 4)
Revenue	17	1,377,450	5,636,525	1,526,310	6,195,292
Cost of sales	18	(439,794)	(1,799,637)	(424,791)	(1,724,227)
Gross profit		937,656	3,836,888	1,101,519	4,471,065
Other income		3,099	12,681	658	2,671
Administrative expenses		(264,102)	(1,080,705)	(252,688)	(1,025,661)
Impairment expense		(220,598)	(902,687)	-	-
Operating profit/(loss)		456,055	1,866,177	849,489	3,448,075
Finance costs	19	(834,013)	(3,412,781)	(650,527)	(2,604,489)
(Loss)/Profit before income tax		(377,958)	(1,546,604)	198,962	843,586
Income tax expense	20	93,547	382,794	(14,397)	(58,437)
(Loss)/Profit for the period		(284,411)	(1,163,810)	184,565	785,149
Other comprehensive income		-	-	-	-
Total comprehensive (expense)/income for the period		(284,411)	(1,163,810)	184,565	749,149

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

	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	22,950,151
Total comprehensive expense		-	(284,411)	(284,411)	(1,163,810)
Currency translation difference		-	-	-	685,273
Balance as at 31 June 2023 (Unaudited)		5,000,000	441,069	5,441,069	22,471,614
Balance as at 1 January 2022 (Audited)		5,000,000	670,051	5,670,051	22,727,108
Total comprehensive income		-	184,565	184,565	749,149
Currency translation difference		-	-	-	352,030
Balance as at 30 June 2022 (Unaudited)		5,000,000	854,616	5,854,616	23,828,287

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CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2023

	Note	Unaudited 6 months to 30 June 2023		Unaudited 6 months to 30 June 2022	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
Operating activities					
(Loss)/Profit before income tax		(377,958)	(1,546,604)	198,962	807,586
Adjustments for:					
Depreciation of investment properties	9	217,712	890,878	215,517	874,784
Depreciation of property and equipment	8	66,753	273,153	65,282	264,980
Interest expense	19	834,013	3,412,781	650,527	2,640,489
Operating profit before working capital		740,520	3,030,208	1,130,288	4,587,839
Changes in working capital:					
- trade and other receivable		(1,367,793)	(5,648,985)	(155,802)	(634,114)
- trade and other payables		264,072	1,090,617	(81,618)	(332,185)
Cash (used in)/generated from operating activities		(363,201)	(1,528,160)	892,868	3,621,540
Income tax paid		(13,036)	(53,839)	(14,397)	(58,596)
Net cash (for)/from operating activities		(376,237)	(1,581,999)	878,471	3,562,944
Investing activities					
Purchases of property and equipment	8	(61,423)	(253,677)	(1,412)	(5,747)
Net cash used in investing activities		(61,423)	(253,677)	(1,412)	(5,747)
Financing activities					
Proceeds from corporate bond		1,474,885	6,091,275	-	-
Interest paid		(830,770)	(3,431,080)	(645,832)	(2,621,432)
Repayment of bank borrowings		(613,626)	(2,534,275)	(411,981)	(1,672,231)
Repayment of lease liability	14	(14,409)	(59,509)	(13,305)	(54,005)
Repayment of interest portion of lease	14	(3,591)	(14,694)	(4,695)	(19,057)
(Repayment)/Advance from related parties		(560,000)	(2,312,800)	379,000	1,538,361
Advance to/(repayment from) related parties		571,946	2,362,137	(206,719)	(841,346)
Net cash from/(used in) financing activities		24,435	101,054	(903,532)	(3,669,710)
Net change in cash and cash equivalents		(413,225)	(1,734,622)	(26,473)	(112,513)
Cash and cash equivalents, at the beginning of period		442,090	1,820,085	171,655	699,322
Currency translation difference		-	33,749	-	1,178
Cash and cash equivalents, at the end of period		28,865	119,212	145,182	587,987

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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 30 June 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 USD284,411 including impairment expense of receivable USD 220,598 which is in the process of recovery. As at 30 June 2023, the Company’s current liabilities exceeded its current assets by USD2,978,360.

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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:

			Closing rate	Average rate Six-month
	USD		KHR'000	KHR'000
30 June 2023	1	=	4.130	4.092
30 June 2022	1	=	4.070	4.059
31 December 2022	1	=	4.117	4.087

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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

8. PROPERTY AND EQUIPMENT

	Construction in progress USD	Motor vehicles USD	Equipment and computers USD	Total USD
Unaudited				
Cost				
Balance at 1 January 2023	9,200,000	18,776	1,219,740	10,438,516
Addition	53,033	900	7,490	61,423
Balance at 30 June 2023	9,253,033	19,676	1,227,230	10,499,939
Accumulated depreciation				
Balance at 1 January 2023	-	(18,776)	(866,035)	(884,811)
Depreciation	-	(56)	(66,697)	(66,753)
Balance at 30 June 2023	-	(18,832)	(932,732)	(951,564)
Carrying amount at 30 June 2023 (USD)	9,253,033	844	294,498	9,548,375
KHR'000 (Note 4)	38,215,026	3,486	1,216,277	39,434,789
Audited				
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 shareholder, Mr. Hong Uy and Ex-shareholder, Mr. Kuy Vat and it is in the process of being transferred to the Company as of 30 June 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 30 JUNE 2023

9. INVESTMENT PROPERTIES

	Land USD	Building and structures USD	Right-of-use assets USD	Total USD
Unaudited				
Cost				
Balance at 1 January 2023	9,000,000	16,317,321	192,478	25,509,799
Addition	-	-	-	-
Balance at 30 June 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	-	(203,967)	(13,745)	(217,712)
Balance at 30 June 2023	-	(3,027,456)	(123,733)	(3,151,189)
Carrying amount at 30 June 2023 (USD)	9,000,000	13,289,865	68,745	22,358,610
KHR'000 (Note 4)	37,170,000	54,887,142	283,917	92,341,059
Audited				
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. Hong Uy and Mr. Sok Piseth (in Q1 2023, represented by shareholder, Mr. Hong Uy and ex-shareholder, Mr. Kuy Vat). 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

10. TRADE AND OTHER RECEIVABLES

		Unaudited		Audited
		30 June 2023		31 December 2022
	USD	KHR'000	USD	KHR'000
Trade receivables	437,724	1,807,800	402,728	1,658,031
Deposit	27,071	111,803	26,071	107,334
Advances and prepayments	16,306	67,344	7,765	31,969
Othe receivable	1,323,256	5,465,047	-	-
	<u>1,804,357</u>	<u>7,451,994</u>	<u>436,564</u>	<u>1,797,334</u>

11. CASH AND CASH EQUIVALENTS

		Unaudited		Audited
		30 June 2023		31 December 2022
	USD	KHR'000	USD	KHR'000
Cash on hand	108	446	642	2,644
Cash in banks	28,757	118,766	441,448	1,817,441
	<u>28,865</u>	<u>119,212</u>	<u>442,090</u>	<u>1,820,085</u>

12. SHARE CAPITAL

		Unaudited		Audited
		30 June 2023		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 30 JUNE 2023

13. BORROWINGS

	Unaudited 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Term loans	16,662,160	68,814,721	17,275,786	71,124,411
Bank overdraft	3,000,000	12,390,000	3,000,000	12,351,000
	19,662,160	81,204,721	20,275,786	83,475,411
Current	3,968,867	16,391,421	4,805,096	19,782,580
Non- current	15,693,293	64,813,300	15,470,690	63,692,831
	19,662,160	81,204,721	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 30 JUNE 2023

14. LEASE LIABILITIES

	Unaudited 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Lease liabilities				
Maturity analysis				
Less than one year (Current)	30,600	126,378	29,404	121,056
One to five years(Non- current)	50,726	209,498	66,331	273,085
	81,326	335,876	95,735	394,141
Amounts recognised in profit and loss				
Interest on lease liabilities	3,591	14,694	8,850	36,170
Amounts recognised in the statement of cash flows				
Cash outflow for leases	14,409	59,509	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 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Corporate bond payables				
Current	-	-	2,058	8,473
Non-current	1,468,109	6,063,290	1,474,885	6,072,100
	1,468,109	6,063,290	1,476,943	6,080,573

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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 redemption of 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 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Non-current				
Customer deposits	637,721	2,633,788	-	-
	637,721	2,633,788	-	-
Current				
Unearned revenue	37,805	156,135	114,702	472,228
Other payables	88,697	366,319	72,068	296,704
Trade payables	69,271	286,089	45,197	186,076
Customer deposits	698,533	2,884,941	1,028,178	4,233,009
Other tax payables	20,321	83,926	19,645	80,878
	914,627	3,777,410	1,279,790	5,268,895
	1,552,348	6,411,198	1,279,790	5,268,895

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17. REVENUE

	Unaudited 3 months to 30 June 2023		Unaudited 3 months to 30 June 2022	
	USD	KHR'000	USD	KHR'000
Rental income	457,722	1,872,998	543,820	2,207,365
Service charges	106,368	435,258	144,646	587,118
Utility income	60,448	247,353	67,751	275,001
Parking fee	12,945	52,971	10,735	43,574
	637,483	2,608,580	766,952	3,113,058

	Unaudited 6 months to 30 June 2023		Unaudited 6 months to 30 June 2022	
	USD	KHR'000	USD	KHR'000
Rental income	995,396	4,073,160	1,087,804	4,415,396
Service charges	245,373	1,004,066	289,294	1,174,244
Utility income	112,355	459,757	128,730	522,515
Parking fee	24,326	99,542	20,482	83,137
	1,377,450	5,636,525	1,526,310	6,195,292

18. COST OF SALES

	Unaudited 3 months to 30 June 2023		Unaudited 3 months to 30 June 2022	
	USD	KHR'000	USD	KHR'000
Utility expense	69,039	282,508	68,725	278,955
Security service	17,543	71,786	16,894	68,573
Cleaning service	7,078	28,963	7,215	29,286
Other cost of service	15,178	62,109	8,157	33,108
Depreciation	101,983	417,314	99,153	402,462
Depreciation - ROU	6,873	28,124	6,874	27,902
	217,694	890,804	207,018	840,286

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18. COST OF SALES (CONT'D)

	USD	Unaudited 6 months to 30 June 2023 KHR'000	USD	Unaudited 6 months to 30 June 2022 KHR'000
Utility expense	127,523	521,824	132,313	537,058
Security service	35,164	143,891	34,416	139,695
Cleaning service	13,736	56,208	15,401	62,513
Other cost of service	45,658	186,833	27,144	110,177
Depreciation	203,967	834,633	201,769	818,980
Depreciation - ROU	13,746	56,248	13,748	55,804
	439,794	1,799,637	424,791	1,724,227

19. FINANCIAL COSTS

	USD	Unaudited 3 months to 30 June 2023 KHR'000	USD	Unaudited 3 months to 30 June 2022 KHR'000
Interest expenses – borrowings	397,115	1,624,995	348,085	1,412,877
Interest expenses – lease	1,724	7,055	2,280	9,255
Interest expenses – Corporate bond	25,264	103,379	-	-
	424,103	1,735,429	350,365	1,422,132

	USD	Unaudited 6 months to 30 June 2023 KHR'000	USD	Unaudited 6 months to 30 June 2022 KHR'000
Interest expenses – borrowings	778,947	3,187,452	645,832	2,621,432
Interest expenses – lease	3,591	14,694	4,695	19,057
Interest expenses – Corporate bond	51,475	210,635	-	-
	834,013	3,412,781	650,527	2,640,489

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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	
		30 June 2023	31 December 2022	30 June 2023	31 December 2022
		USD	KHR'000	USD	KHR'000
Amounts due from					
United Food Co., Ltd.	Company which a director has interest	69,044	285,152	22,186	91,340
Phnom Penh Securities Plc.	Company which a director has interest	33,468	138,224	26,204	107,882
Kuy Vat	Ex-Shareholder	-	-	626,068	2,577,522
		102,512	423,376	674,458	2,776,744
Amounts due to					
Hong Uy	Shareholder	5,140,000	21,228,200	5,700,000	23,466,900
		5,140,000	21,228,200	5,700,000	23,466,900

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

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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 30 June 2023		Unaudited 3 months to 30 June 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		16,881	69,077	16,881	68,520
Management fee		4,670	19,110	5,702	23,144
Phnom Penh Securities Plc.	Company which a director has interest				
Rental		2,160	8,839	2,160	8,767
Management fee		1,282	5,246	866	3,515
<u>Non-trade</u>					
Kuy Vat	Ex - Shareholder				
Advance to shareholder		-	-	-	-
Transfer to other receivables		(1,323,256)	(5,465,047)	-	-
Hong Uy	Shareholder				
Repayment of advance		(560,000)	(2,312,800)	-	-

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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

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

	Relationship	Unaudited 6 months to 30 June 2023		Unaudited 6 months to 30 June 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		33,762	138,154	33,762	137,040
Management fee		9,188	37,597	10,515	42,680
Phnom Penh Securities Plc.	Company which a director has interest				
Rental		4,896	20,034	4,320	17,535
Management fee		1,763	7,214	1,726	7,006
<u>Non-trade</u>					
Kuy Vat	Ex - Shareholder				
Advance to shareholder		697,188	2,879,386	-	-
Transfer to other receivables		(1,323,256)	(5,465,047)		
Hong Uy	Shareholder				
Repayment of advance		(560,000)	(2,312,800)	-	-

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Unaudited 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial assets Amortised cost				
Trade and other receivables*	1,760,980	7,272,847	402,728	1,658,031
Amount due from related parties	102,512	423,375	674,458	2,776,744
Cash and cash equivalents	28,865	119,212	442,090	1,820,085
	1,892,357	7,815,434	1,519,276	6,254,860

*Excludes deposit and advances and prepayments.

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

	Unaudited 30 June 2023		Audited 31 December 2022	
	USD	KHR'000	USD	KHR'000
Financial liabilities				
Amortised cost				
Trade and other payables*	157,968	652,408	117,265	482,780
Corporate bond payable	1,468,109	6,063,290	1,476,943	6,080,573
Borrowings	19,662,160	81,204,721	20,275,786	83,475,411
Amounts due to related parties	5,140,000	21,228,200	5,700,000	23,466,900
	26,428,237	109,148,619	27,569,994	113,505,664

*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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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 30 June 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 30 June 2023 were approved for issue by the Board of Directors on 11 August 2023.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2023

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