



GOLDEN
TREE

FIRST QUARTERLY
REPORT

31-March-2024

Financial Highlight

In KH'000

Financial Position	Reviewed Q1 2024	Reviewed Q1 2023	Audited 31-12-2023
Total assets	127,366,234	136,942,653	128,959,675
Total liabilities	113,601,606	114,769,159	114,438,481
Total shareholders' equity	13,764,628	22,173,494	14,521,194
Financial Result	Reviewed Q1 2024	Reviewed Q1 2023	Audited 31-12-2023
Total revenues	2,782,597	3,023,646	11,427,309
Profit/(Loss) before Tax	(575,102)	(1,016,112)	(9,250,044)
Profit/(Loss) after Tax	(604,168)	(1,045,280)	(8,921,659)
Financial Ratio	Reviewed Q1 2024	Reviewed Q1 2023	Audited 31-12-2023
Solvency ratio	10.81%	16.19%	11.26%
Current ratio	0.08x	0.55x	0.21x
Quick Ratio	0.08x	0.55x	0.21x
Financial Ratio	Reviewed Q1 2024	Reviewed Q1 2023	Audited 31-12-2023
Return on Asset	-0.47%	-0.76%	-6.92%
Return on Equity	-4.39%	-4.71%	-61.44%
Gross Profit Margin	65.86%	69.95%	64.50%
Net Profit Margin	-21.71%	-34.57%	-78.07%
EBITDA Margin	64.29%	40.98%	59.29%
Interest Coverage Ratio	1.00x	0.74x	0.97x



Financial Summary Charts

In KH'000

Total Asset

-6.99%

From Q1-2023

Q1-2024: 127,366,234

Q1-2023: 136,942,653

Total Liabilities

-1.02%

From Q1-2023

Q1-2024: 113,601,606

Q1-2023: 114,769,159

Total Equities

-37.92%

From Q1-2023

Q1-2024: 13,764,628

Q1-2023: 22,173,494

Occupancy Rate

75%

as of 31 March 2024

Q1-2024: 75%

Q1-2023: 81%

Revenue

-7.97%

From Q1- 2023

Q1-2024: 2,782,597

Q1-2023: 3,023,646

EBITDA & Margin

+44.36% & 64.29%

From Q1- 2023 ••• As of Q1- 2024

Q1-2024: 1,788,955

Q1-2023: 1,239,241



Board of Directors



Mr. HONG UY
Chairman



Mr. SOK PISETH
Non-Executive Director



Mr. KING KAPKALYAN
Independent Director



Ms. PICH ENG
Non-Executive Director



Mr. LOR SOK KHIM
Non-Executive Director



STATEMENT FROM THE CHAIMAN OF THE BOARD OF DIRECTORS

Dear Friends, Partners and Investors of Golden Tree

It is my privilege to present to you Golden Tree's First Quarterly Report of 2024.

Cambodia's office industry is continuing to face challenges due to over-supply which resulted in low occupancy rate. According to CBRE's Q1 2024 report, the occupancy rate is 62.2%. The office supplied is expected to total of 1.4 million SQM in 2025. For this reason, rental rate is expected to stay flat. Furthermore, the difference between quoted rent and discount is rising as the market becomes more competitive, with landlords eager to negotiate prices to entice tenants.

For VTrust Tower, which is the green building certified by Edge, the occupancy rate was 75% compared to the industry average of 62.2%. We continue to provide quality space, build strong tenant relationships, and focus on operational excellence to maintain our competitive advantages.

Regarding the Amara Residence's legal challenge, our lawyers are working diligently to resolve the case as soon as possible. Our legal team has submitted the counterclaim to the court and is currently waiting for the trial date from the court.

On financing strategy, we are continuing to work with our principal bank to restructure our term loan and shareholders to strengthen our balance sheet and improve business performance.

In closing, on behalf of the Board of Directors, management team and Golden Tree team, I would like to take this opportunity to thank you for your continued trust, confidence, and support as we are continuing to maneuver through this challenging time. We wish you to be safe and healthy.



Mr. HONG UY

Chairman of the Board of Directors

Date: 15 May 2024



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The background is a vibrant green with a complex, abstract pattern. It features a grid of small dots that forms a large, stylized shape, possibly a letter 'E' or a similar geometric form. The grid is composed of concentric, slightly curved lines that create a sense of depth and movement. There are also several large, solid green circles scattered across the lower portion of the image, adding to the geometric aesthetic.

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	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 International Finance Corporation (IFC), a member of the World Bank Group. VTrust Tower currently is the second green building, Edge certified by IFC in Cambodia





Amara Residence, a 25-story residential building, which GT purchased in December 2022. The building is intended to be operated as the Serviced Apartment.

C. QUARTERLY KEY EVENTS OF LISTED ENTITY

None Applicable

The background is a vibrant green with a complex, abstract pattern. A prominent feature is a grid of small dots that forms a large, stylized number '2' or a similar shape, rendered in a lighter shade of green. This grid pattern is set against a backdrop of darker green geometric shapes, including a large, curved, semi-transparent shape that resembles a stylized 'S' or a similar letter. The overall effect is a modern, digital, and data-oriented aesthetic.

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 2024			Q1 2023		
	USD	KHR'000	%	USD	KHR'000	%
Rental Income	492,639	2,004,055	72.02	537,674	2,195,861	72.62
Service Charge	127,164	517,303	18.59	139,005	567,696	18.78
Utility Income	50,639	205,999	7.40	51,907	211,988	7.01
Parking	8,367	34,037	1.22	11,382	46,484	1.54
Other Income	5,212	21,202	0.76	396	1,617	0.05
Total	684,021	2,782,597	100	740,364	3,023,646	100

The background is a vibrant green with a complex, abstract design. It features a grid of small dots that forms a large, stylized number '3' in the upper right quadrant. The grid lines are more densely packed in some areas, creating a sense of depth and movement. There are also several large, semi-transparent geometric shapes, including circles and triangles, scattered across the page. The overall aesthetic is modern and technical.

PART THREE

**FINANCIAL STATEMENT REVIEWED BY
INDEPENDENT AUDITOR**

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



The background is a vibrant green with a complex, abstract pattern. A prominent feature is a grid of small dots that forms a large, stylized number '4' shape, which is the central focus of the design. The grid lines are more densely packed in some areas, creating a sense of depth and movement. There are also several large, soft-edged circular shapes in various shades of green scattered across the page, adding to the modern and digital aesthetic.

PART FOUR

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

The following discussions and analyses focus on the operational and financial results based on the Interim Financial Statement as of 31 March 2024 reviewed by Independent Auditor. 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 Statements as of 31 March 2023 are also reviewed by the independent auditor.

A. OVERVIEW OF OPERATION

1. Revenue Analysis

	Q1 2024		Q1 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Direct Revenue	678,809	2,761,395	739,968	3,022,029	(260,634)	-8.62
Costs of Services	(228,335)	(928,867)	(222,098)	(907,048)	21,819	2.41
Gross profit	450,474	1,832,528	517,870	2,114,981	(282,453)	-13.35
Other income	5,212	21,202	396	1,617	19,585	1,211.19
Operating and administrative expenses	(158,791)	(645,962)	(136,559)	(557,707)	88,255	15.82
Impairment loss on financial assets			(220,598)	(900,922)	900,922	-100
Operating Profit	296,895	1,207,768	161,109	657,969	549,799	83.56
Finance costs	(438,267)	(1,782,870)	(409,912)	(1,674,081)	108,789	6.50
Loss before income tax	(141,372)	(575,102)	(248,803)	(1,016,112)	441,010	-43.40
Income tax expense	(7,145)	(29,066)	(7,142)	(29,168)	(102)	-0.35
Loss after income tax	(148,517)	(604,168)	(255,945)	(1,045,280)	441,112	-42.20

2. Revenue By Segment Analysis

	Q1 2024		Q1 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Rental Income	492,639	2,004,055	537,674	2,195,861	(191,805)	-8.73
Service Charge	127,164	517,303	139,005	567,696	(50,393)	-8.88
Utility Income	50,639	205,999	51,907	211,988	(5,989)	-2.83
Parking	8,367	34,037	11,382	46,484	(12,447)	-26.78
Other Revenue	5,212	21,202	396	1,617	19,585	1211.19
Total	684,021	2,782,597	740,364	3,023,646	(241,049)	-7.97

Rental Income and service charge decreased due to the decrease of the occupancy rate from Q1-2023 of 81% to the current occupancy rate of 75% as of 31 March 2024.

Other income has increased 1211.19% due to the recognition of revenue from Gloria Jean's Coffees shop that we franchised located in the lobby of our tower. As the operation of this coffee shop is our non-core business, the Board of Directors recognizes the revenue as other revenue.



3. Gross Profit Margin Analysis

	Q1 2024		Q1 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Gross Profit	450,474	1,832,528	517,870	2,114,981	(282,453)	-13.35

Gross profit was reduced due to a decrease in revenue and a slight increase in the cost of services.

4. Profit/(Loss) Before Tax

	Q1 2024		Q1 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Loss before income tax	(141,372)	(575,102)	(248,803)	(1,016,112)	441,010	-43.40

Loss before income tax decrease due to GT does not incur any impairment expense as happened in Q1 2023. Other expenses such as operation & Administrative expense, and finance cost are fairly constant.

Information on the impairment expense in Q1-2023

Impairment expense of KHR'000 900,922 (USD 220,598) incurred in Q1-2023 because one of our tenants terminated and owed us rental fee. The amount is a net rental fee owed after deduction of security deposit. That non-recurring expense has impacted GT's profit before tax, and its EBITDA margin for the Q1-2023.

5. Profit/(Loss) After Tax

	Q1 2024		Q1 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Loss after Tax	(148,517)	(604,168)	(255,945)	(1,045,280)	441,112	-42.20

There was no significant change in the income tax paid for this quarter.

6. Factors and Trends Analysis Affecting Financial Conditions and Results

As of Q1 2024, the significant factors that affecting financial condition and results as compared to Q1-2023 is the decrease in revenue due to the decrease in occupancy rate of VTrust Tower.



B. SIGNIFICANT FACTORS AFFECTING PROFIT

1. Demand and Supply Conditions Analysis

Cambodia's GDP is expected to grow by 6.1% in 2024, ranking third in Asia. This increase outpaces that of ASEAN countries, with the Philippines and Vietnam following closely at 5.9% and 5.8%, respectively. Cambodia's growth trajectory is an important factor in the region's economic landscape, with its close trade and investment relations with China playing a critical role in fueling growth. Despite differing estimates, both the World Bank and the Cambodian government are optimistic about the country's economic prospects. Prime Minister Samdech Hun Manet forecasts a 6.6% growth rate in 2024 and a recovery to pre-pandemic levels by 2028. The International Monetary Fund and the Asian Development Bank each expect varied growth rates, with 6.0% for 2024.



Tourism is one of the four pillars supporting Cambodia's economy. Cambodian tourism continues to recover and thrive, contributing to overall economic growth.

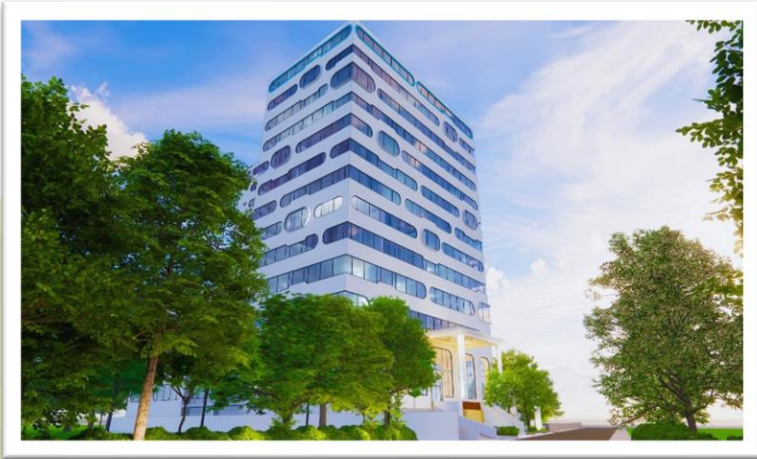


According to CBRE data, approximately one million international tourists visited Phnom Penh International Airport and Siem Reap International Airport in the first quarter of 2024. Thailand was the biggest tourism market for the Kingdom followed by Vietnamese and Chinese. Although there is still a slight margin compared to the same period in 2019, it has grown greatly compared to the same period in 2023.

Cambodia's investment environment has witnessed a considerable boost in 2024, with the Council for the Development of Cambodia (CDC) approving 106 new projects and production expansions worth US\$2.2 billion. These initiatives, which provide more than 170,000 job prospects, represent a 649% increase over the previous year. The spike is mostly affecting infrastructure, industry, tourism, and industrial

expansions in Special Economic Zones, emphasizing Cambodia's expanding desirability as an investment destination.

On the real estate sector, according to the latest Market Insights Q1 2024 report by CBRE Research, published on 11 April 2024 The Cambodian real estate sector remained constant in Q1 2024, with an occupancy rate of 62.2% in office buildings and 63.4% in retail market.



Despite the predicted 5.8% economic growth, no new office building projects have begun. Existing developments are proceeding as planned, with approximately 171,000 and 268,000 square meters of office space expected to be added in 2024 and 2025, respectively. The entire office space is expected to reach 1,200,000 square meters in 2024, and more than 1,400,000 square meters in 2025. Rent rates for office buildings

are predicted to stay constant, with only minor increases projected until Q4 2024. The trend of preferring superior premises in office rentals continues in Phnom Penh, with MNC corporate headquarters and mid-cap corporations preferring grade-A properties with rents ranging from \$28 to \$30 per square meter per month. Prime grade-A properties showed a 2.9% increase in rentals, followed by grade B properties, which increased 5.5%. Grade-B and grade-C properties, on the other hand, saw either flat or declining growth. The difference between quoted rent and discount is rising as the market becomes more competitive, with landlords eager to negotiate prices to entice tenants.

For serviced apartment, its remains pretty solid. As of the first quarter of 2024, more over 4,200 units have been constructed, with the majority located in core areas such as BKK, Chamkarmon, and Doun Penh.

The average rent shows a modest increase. The average rent for Grade A serviced apartments in Phnom Penh is around \$20/sqm/month, with the maximum topping \$40/sqm. The average rent for Grade B service flats is around \$13/sqm/month, with the maximum at over \$35/sqm.



The capital has more than 41,000 condo units and the entire supply is anticipated to reach 83,023 units by 2028.

2. Fluctuations in Prices of Raw Materials and Analysis

Non applicable

3. Tax Analysis

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 2024 and the comparative period on 31 March 2023 are shown in section A of this section and in the Reviewed Financial Information of the Financial Ended 31 March 2024.

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 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 results.



Signature of Directors of Listed Entity

Read and Approved



Mr. HONG UY

Chairman of the Board of Directors

15 May 2024

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Appendix

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

CONDENSED INTERIM FINANCIAL STATEMENTS

For The Financial Period From

1 January 2024 To 31 March 2024

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 as at 31 March 2024 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 Reporting*.

Signed on behalf of board of directors :-



Hong Uy
Chairman

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

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 2024 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.

Emphasis of Matter

We draw attention to Notes 14 and 30 to the condensed interim financial statements in regard to the breach to the repayment of the borrowings of the Company during and subsequent to the financial period.

**REPORT ON THE REVIEW OF CONDENSED
INTERIM FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF GOLDEN TREE CO., LTD. (CONT'D)**

Appropriateness of Preparing Condensed Interim Financial Statements on a Going Concern Basis

As disclosed in Note 3.2 to the Condensed Interim Financial Statements, the Condensed Interim Financial Statements of the Company have been prepared on the assumption that the Company will continue as going concern. The application of going concern basis is based on the assumption that the Company will be able to realise its assets and discharge its liabilities in the normal course of business.

The events or conditions as set out below indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continues as going concerns:

- (a) the breach to the repayment of borrowings of the Company as mentioned in the foregoing paragraph and Notes 14 and 30 to the financial statements;
- (b) during the current financial period, the Company incurred a net loss of USD148,517. As at 31 March 2024, the Company's current liabilities exceeded its current assets by USD18,788,181.

We are unable to determine whether the use of the going concern basis in the preparation of the Condensed Interim Financial Statements of the Company is appropriate.

Conclusion

Based on our review, except for the matters as explained in the foregoing paragraphs on Emphasis of Matter and Appropriateness of Preparing Condensed Interim Financial Statements on a Going Concern Basis, 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

13 MAY 2024

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	USD	Unaudited 31 March 2024 KHR'000 (Note 4)	USD	Audited 31 December 2023 KHR'000 (Note 4)
ASSETS					
NON-CURRENT ASSETS					
Property and equipment	8	7,822,617	31,611,195	7,856,277	32,092,892
Investment properties	9	22,044,206	89,080,636	22,153,061	90,495,254
Intangible assets	10	13,177	53,248	13,530	55,270
		29,880,000	120,745,079	30,022,868	122,643,416
CURRENT ASSETS					
Trade and other receivables	11	1,384,014	5,592,801	1,387,699	5,668,750
Amounts due from related parties	23	177,308	716,502	152,016	620,985
Cash and cash equivalents	12	77,172	311,852	6,493	26,524
		1,638,494	6,621,155	1,546,208	6,316,259
TOTAL ASSETS		31,518,494	127,366,234	31,569,076	128,959,675
EQUITY AND LIABILITIES					
EQUITY					
Share capital	13	5,000,000	20,000,000	5,000,000	20,000,000
Accumulated losses		(1,593,757)	(5,954,025)	(1,445,240)	(5,349,857)
Currency translation reserve		-	(281,347)	-	(128,949)
TOTAL EQUITY		3,406,243	13,764,628	3,554,760	14,521,194
LIABILITIES					
NON-CURRENT LIABILITIES					
Borrowing	14	-	-	12,948,739	52,895,599
Lease liabilities	15	26,122	105,559	34,488	140,883
Corporate bond payable	16	1,468,109	5,932,628	1,468,109	5,997,225
Trade and other payables	17	879,003	3,552,051	825,353	3,371,567
Amounts due to related parties	23	4,814,636	19,455,944	4,933,736	20,154,312
Deferred tax liabilities	24	497,706	2,011,230	497,706	2,033,129
		7,685,576	31,057,412	20,708,131	84,592,715

GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2024 (CONT'D)

	Note		Unaudited 31 March 2024		Audited 31 December 2023
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
CURRENT LIABILITIES					
Trade and other payables	17	673,600	2,722,018	539,449	2,203,649
Borrowings	14	19,694,898	79,587,083	6,727,755	27,482,879
Lease liabilities	15	32,485	131,272	31,844	130,083
Corporate bond payable	16	25,692	103,821	7,137	29,155
		20,426,675	82,544,194	7,306,185	29,845,766
TOTAL LIABILITIES		28,112,251	113,601,606	28,014,316	114,438,481
TOTAL EQUITY AND LIABILITIES		31,518,494	127,366,234	31,569,076	128,959,675

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 2024

	Note	USD	Unaudited 3 months to 31 March 2024 KHR'000 (Note 4)	USD	Unaudited 3 months to 31 March 2023 KHR'000 (Note 4)
Revenue	18	678,809	2,761,395	739,968	3,022,029
Cost of sales	19	(228,335)	(928,867)	(222,098)	(907,048)
Gross profit		450,474	1,832,528	517,870	2,114,981
Other income		5,212	21,202	396	1,617
Administrative expenses		(158,791)	(645,962)	(136,559)	(557,707)
Impairment loss on financial assets	20	-	-	(220,598)	(900,922)
Operating profit		296,895	1,207,768	161,109	657,969
Finance costs	21	(438,267)	(1,782,870)	(409,912)	(1,674,081)
Loss before income tax		(141,372)	(575,102)	(248,803)	(1,016,112)
Income tax expense	22	(7,145)	(29,066)	(7,142)	(29,168)
Loss for the period		(148,517)	(604,168)	(255,945)	(1,045,280)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the period		(148,517)	(604,168)	(255,945)	(1,045,280)

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

	Note	USD	Unaudited 3 months to 31 March 2024 KHR'000 (Note 4)	USD	Unaudited 3 months to 31 March 2023 KHR'000 (Note 4)
Basic loss per share	25	(0.149)	(0.604)	(0.256)	(1.045)
Diluted loss per share	25	(0.149)	(0.604)	(0.256)	(1.045)

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CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2024

	Share capital USD	(Accumulated Losses)/ Retained earnings USD	Total equity	
			USD	KHR'000 (Note 4)
Balance as at 1 January 2024 (Audited)	5,000,000	(1,445,240)	3,554,760	14,521,194
Total comprehensive expense	-	(148,517)	(148,517)	(604,168)
Currency translation difference	-	-	-	(152,398)
Balance as at 31 March 2024 (Unaudited)	5,000,000	(1,593,757)	3,406,243	13,764,628
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)	5,000,000	469,535	5,469,535	22,173,494

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CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2024

	Note	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
Operating activities					
Loss before income tax		(141,372)	(575,102)	(248,803)	(1,016,112)
Adjustments for:					
Depreciation of investment properties	9	108,855	442,822	108,856	444,568
Depreciation of property and equipment	8	33,660	136,929	33,473	136,704
Amortisation of intangible assets	10	353	1,436	-	-
Impairment losses on financial assets	20	-	-	220,598	900,922
Interest expense	21	438,267	1,782,870	409,912	1,674,081
Operating profit before working capital		439,763	1,788,955	524,036	2,140,163
Changes in working capital:					
- trade and other receivable		3,685	14,891	(154,167)	(631,611)
- trade and other payables		91,022	367,820	8,490	34,418
Cash generated from operating activities		534,470	2,171,666	378,359	1,542,970
Income tax paid		(7,145)	(28,873)	(7,142)	(28,954)
Net cash from operating activities		527,325	2,142,793	371,217	1,514,016
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		(321,658)	(1,308,505)	(411,393)	(1,680,129)
Drawdown/(Repayment) of borrowings		18,404	74,371	(1,120,450)	(4,542,304)
Repayment of lease liabilities	15	(7,725)	(31,425)	(7,133)	(29,131)
Repayment of interest portion of lease	15	(1,275)	(5,187)	(1,867)	(7,625)
Repayment to related parties		(119,100)	(481,283)	-	-
Advance to related parties		(25,292)	(102,205)	(724,053)	(2,935,311)
Net cash used in financing activities		(456,646)	(1,854,234)	(790,011)	(3,171,070)
Net change in cash and cash equivalents		70,679	288,559	(420,096)	(1,662,332)
Cash and cash equivalents, at the beginning of period		6,493	89,164	442,090	1,820,085
Currency translation difference		-	(65,871)	-	(68,589)
Cash and cash equivalents, at the end of period		77,172	311,852	21,994	89,164

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

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 2024. 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 2023 and notes to the Condensed Interim Financial Statements.

3.2 GOING CONCERN

During the current financial period, the Company incurred a net loss of USD148,517. As at 31 March 2024, the Company’s current liabilities exceeded its current assets by USD18,788,181.

The Condensed Interim 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 Condensed Interim Financial Statements is appropriate.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

4. 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 functional currency 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 Condensed Interim Financial Statements are expressed in USD. The translations of USD amounts into 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 condensed interim statement of profit or loss and other comprehensive income and the condensed 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 Three-month
31 March 2024	1USD	=	KHR4,041	KHR4,068
31 March 2023	1USD	=	KHR4,054	KHR4,084
31 December 2023	1USD	=	KHR4,085	KHR4,110

5. MATERIAL ACCOUNTING POLICY INFORMATION

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 2023.

6. USE OF ESTIMATES AND JUDGEMENTS

When preparing the Condensed Interim 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 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

8. PROPERTY AND EQUIPMENT

	Construction in progress USD	Motor vehicles USD	Equipment and computers USD	Total USD
Unaudited				
Cost				
Balance at 1 January 2024	9,233,500	19,676	1,253,067	10,506,243
Addition	-	-	-	-
Balance at 31 March 2024	9,233,500	19,676	1,253,067	10,506,243
Accumulated depreciation and impairment loss				
Balance at 1 January 2024	(1,628,000)	(18,944)	(1,003,022)	(2,649,966)
Depreciation	-	(46)	(33,614)	(33,660)
Balance at 31 March 2024	(1,628,000)	(18,990)	(1,036,636)	(2,683,626)
Carrying amount at 31 March 2024 (USD)	7,605,500	686	216,431	7,822,617
KHR'000 (Note 4)	30,733,825	2,772	874,598	31,611,195
Audited				
Cost				
Balance at 1 January 2023	9,200,000	18,776	1,219,740	10,438,516
Additions	33,500	900	33,327	67,727
Balance at 31 December 2023	9,233,500	19,676	1,253,067	10,506,243
Accumulated depreciation and impairment loss				
Balance at 1 January 2023	-	(18,776)	(866,035)	(884,811)
Depreciation	-	(168)	(136,987)	(137,155)
Impairment loss	(1,628,000)	-	-	(1,628,000)
Balance at 31 December 2023	(1,628,000)	(18,944)	(1,003,022)	(2,649,966)
Carrying amount at 31 December 2023 (USD)	7,605,500	732	250,045	7,856,277
KHR'000 (Note 4)	31,068,468	2,990	1,021,434	32,092,892

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

8. PROPERTY AND EQUIPMENT (CONT'D)

- (a) The Company purchased a new residential building under construction, known as Amara Residence, from the shareholders for USD9,200,000 on 30 December 2022. The land and building title deed for Amara Residence is under the names of shareholder, Mr. Hong Uy and a former shareholder, Mr. Kuy Vat. The title is in the process of being transferred to the Company, but has not been completed as of 31 March 2024.

During the transfer of ownership over the land and Amara Residence to the Company, the Company was informed of the provisional attachment ruling no.275 "G1" D.R, dated 29 June 2023, issued by the Phnom Penh Municipal Court of First Instance, which provisionally attached the properties of Mr. Kuy Vat. Including Amara Residence which was acquired by the Company. As a result, this court ruling has temporarily prevented the transfer of ownership over the Amara Residence to the Company.

In response, the Company is seriously and diligently taking legal action to object to the court ruling in order to protect its interest and reputation, as well as to ensure its transparency and accountability to its investors and the public. The legal firm appointed by the Company has opined that the court proceeding would not result in any direct financial loss to the Company, other than the legal cost incurred.

- (b) The land and built-up area of Amara Residence is 492 square metres and 8,928 square metres, respectively. The title to Amara Residence has been used by the Company to secure the loan with the Foreign Trade Bank of Cambodia as disclosed in Note 14 to the Condensed Interim Financial Statements.
- (c) In the previous financial year, the Company has carried out a review of the recoverable amount of its residential building due to the worsening of the economic condition of the real estate sector in Cambodia. In addition, the residential building has not generated any revenue due to the still on-going court case. An impairment loss of USD1,628,000, representing the write-down of the residential building to the recoverable amount was recognised in "Impairment loss on property and equipment" line item of the condensed interim statement of profit or loss and other comprehensive income. The recoverable amount was based on its fair value less costs to sell. The main valuation inputs used were price per square foot (determined by a professional valuer using the sales comparison approach for the freehold land and cost approach for the building) estimated by management of USD7,572,000.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

9. INVESTMENT PROPERTIES

	Land USD	Building and structures USD	Right-of-use assets USD	Total USD
Unaudited				
Cost				
Balance at 1 January 2024	9,000,000	16,329,612	192,478	25,522,090
Addition	-	-	-	-
Balance at 31 March 2024	9,000,000	16,329,612	192,478	25,522,090
Accumulated depreciation				
Balance at 1 January 2024	-	(3,231,550)	(137,479)	(3,369,029)
Depreciation	-	(101,982)	(6,873)	(108,855)
Balance at 31 March 2024	-	(3,333,532)	(144,352)	(3,477,884)
Carrying amount at 31 March 2024 (USD)	9,000,000	12,996,080	48,126	22,044,206
KHR'000 (Note 4)	36,369,000	52,517,159	194,477	89,080,636
Audited				
Cost				
Balance at 1 January 2023	9,000,000	16,317,321	192,478	25,509,799
Addition	-	12,291	-	12,291
Balance at 31 December 2023	9,000,000	16,329,612	192,478	25,522,090
Accumulated depreciation				
Balance at 1 January 2023	-	(2,823,489)	(109,988)	(2,933,477)
Depreciation	-	(408,061)	(27,491)	(435,552)
Balance at 31 December 2023	-	(3,231,550)	(137,479)	(3,369,029)
Carrying amount at 31 December 2023 (USD)	9,000,000	13,098,062	54,999	22,153,061
KHR'000 (Note 4)	36,765,000	53,505,583	224,671	90,495,254

The land title deed is owned by Golden Tree Co., Ltd., which is represented by shareholders Mr. Hong Uy and Mr. Sok Piseth. This land title deed and building are used by the Company to secure the loans with the Foreign Trade Bank of Cambodia as disclosed in Note 14 to the Condensed Interim Financial Statements. The land title deed number is 15006 dated 6 February 2012. The land is located on plot A, Street 169, village 12, Sangkat Vealvong, Khan 7 Makara, Phnom Penh.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

10. INTANGIBLE ASSETS

	Unaudited 2024 USD	Audited 2023 USD
Computer Software		
Cost		
Balance at 1 January	14,118	-
Addition	-	14,118
Balance at 31 March/31 December	14,118	14,118
Accumulated amortisation		
Balance at 1 January	(588)	-
Amortisation	(353)	(588)
Balance at 31 March/31 December	(941)	(588)
Carrying amount at 31 March/31 December (USD)	13,177	13,530
KHR'000 (Note 4)	53,248	55,270

Computer software comprises accounting software and is amortised using the declining balance method.

11. TRADE AND OTHER RECEIVABLES

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Trade receivables	243,307	983,204	247,143	1,009,579
Deposit	26,071	105,353	26,071	106,500
Advances, prepayments, and others	1,630	6,587	1,480	6,046
Withholding tax receivable	5	20	4	16
Other receivable - Kuy Vat	1,323,256	5,347,277	1,323,256	5,405,501
	1,594,269	6,442,441	1,597,954	6,527,642
Allowance for impairment losses	(210,255)	(849,640)	(210,255)	(864,148)
	1,384,014	5,592,801	1,387,699	5,668,750

11. TRADE AND OTHER RECEIVABLES (CONT'D)

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

	Unaudited		Audited	
	31 March 2024		31 December 2023	
	USD	KHR'000	USD	KHR'000
Allowance for impairment losses:-				
At 1 January	(210,255)	(858,892)	-	-
Addition during the financial period	-	-	(223,850)	(914,428)
Reversal during the financial period	-	-	13,595	55,536
Currency translation differences	-	9,252	-	(5,256)
At 31 March/31 December	(210,255)	(849,640)	(210,255)	(864,148)

The amount owed by Mr Kuy Vat (a former shareholder) is unsecured, free of interest with no fixed terms of repayment.

Mr Hong Uy, a director and shareholder of the Company, has given an undertaking to the Company that he will undertake the repayment of the amount owed by Mr Kuy Vat in the event that the Company declares Mr Kuy Vat is in default and unable to repay the amount owed. The undertaking does not relieve Mr Kuy Vat of any responsibility towards the amount owed by Mr Kuy Vat to the Company.

12. CASH AND CASH EQUIVALENTS

	Unaudited		Audited	
	31 March 2024		31 December 2023	
	USD	KHR'000	USD	KHR'000
Cash on hand	-	-	54	221
Cash in bank	77,172	311,852	6,439	26,303
	77,172	311,852	6,493	26,524

13. SHARE CAPITAL

	Unaudited		Audited	
	31 March 2024		31 December 2023	
	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 CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

14. BORROWINGS

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Term loans	16,696,490	67,470,516	16,703,091	68,232,127
Bank overdraft	2,998,408	12,116,567	2,973,403	12,146,351
	19,694,898	79,587,083	19,676,494	80,378,478
Current	19,694,898	79,587,083	6,727,755	27,482,879
Non-current	-	-	12,948,739	52,895,599
	19,694,898	79,587,083	19,676,494	80,378,478

These borrowings represent facilities from the Foreign Trade Bank of Cambodia ("FTB"), 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 instalment payment of USD140,000 from January 2019 to December 2024 and USD240,000 from January 2025 to November 2026, and final payment of USD8,862,204 in December 2026. The loan bore interest at the rate of 8% (31.12.2023 : 8%) per annum;

In the previous financial period, the Company breached the loan agreement by failing to make the repayment of USD140,000 for the month of September. The monthly instalment due in September 2023 was subsequently settled on 11 November 2023.

During the current financial period, the Company breached the loan agreement by failing to make the repayment of interest expense amounting to USD83,484 which was due on 17 March 2024. This has been subsequently remedied and settled on 7 May 2024.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

14. BORROWINGS (CONT'D)

- (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 instalment payment of USD17,143 and final payment of USD1,929,900 in September 2024. The loan bore interest at the rate of 8% (31.12.2023 : 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 instalment payment of USD9,857 and final payment of USD1,109,169 in October 2024. The loan bore interest at the rate of 8% (31.12.2023 : 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 instalment payment of KHR12,300,000 or approx. USD3,075 and final payment KHR1,396 million or approx. USD349,232 in October 2024. The loan bore interest at the rate of 8% (31.12.2023 : 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 8.75% (31.12.2023 : 8%) per annum.
- (iv) On 29 December 2023, FTB approved a new facility of USD280,000 which was utilised by the Company to repay the instalments due for November and December 2023 in respect of Loan 1. This new facility is repayable in June 2024. The loan bore interest at the rate of 12% (31.12.2023 : 12%) per annum.

On 29 December 2023 FTB agreed to a restructuring of Loan 1 and Loan 2 with the Company. Under the restructuring, a moratorium of six months for the monthly repayment of principal is set to commence from 1 January 2024 to 30 June 2024 for Loan 1 and Loan 2.

Consequent to the breach of the loan agreement as explained in (i) above, which was not rectified as at 31 March 2024 nor waiver from compliance obtained from the lender, the entire borrowings with FTB were subject to recall at the option of the lender as of 31 March 2024. The entire borrowings have been reclassified as current liabilities as of 31 March 2024.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

15. LEASE LIABILITIES

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Lease liabilities				
Maturity analysis				
Less than one year (Current)	32,485	131,272	31,844	130,083
One to five years (Non-current)	26,122	105,559	34,488	140,883
	<u>58,607</u>	<u>236,831</u>	<u>66,332</u>	<u>270,966</u>
Amounts recognised in profit and loss				
Interest on lease liabilities	1,275	5,187	6,597	27,114
Amounts recognised in the statement of cash flows				
Cash outflow for leases	7,725	31,425	29,403	120,111

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.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

16. CORPORATE BOND

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Corporate bond payables				
Current	25,692	103,821	7,137	29,155
Non-current	1,468,109	5,932,628	1,468,109	5,997,225
	<u>1,493,801</u>	<u>6,036,449</u>	<u>1,475,246</u>	<u>6,026,380</u>

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.

The green bonds at the end of the reporting period bore interest at the rate of 7% per annum. The green bonds is unsecured and will mature on 6 December 2027.

Under the terms of the bonds, there is a cross default clause where a default in the borrowings of the Company can be considered to be an event of default for the bonds. As mentioned in Note 14 to the Condensed Interim Financial Statements, there was a breach of the loan agreement by failing to make the repayment of Loan 1 during the financial period. The breach has been remedied subsequent to the period.

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2024

17. TRADE AND OTHER PAYABLES

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Non-current				
Customer deposits	879,003	3,552,051	825,353	3,371,567
Current				
Unearned revenue	32,762	132,391	2,294	9,371
Other payables	194,576	786,282	109,872	448,827
Trade payables	66,291	267,882	50,676	207,011
Customer deposits	359,249	1,451,725	356,248	1,455,273
Other tax payables	20,722	83,738	20,359	83,167
	673,600	2,722,018	539,449	2,203,649
	1,552,603	6,274,069	1,364,802	5,575,216

18. REVENUE

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Rental income	492,639	2,004,055	537,674	2,195,861
Service charges	127,164	517,303	139,005	567,696
Utility income	50,639	205,999	51,907	211,988
Parking fee	8,367	34,038	11,382	46,484
	678,809	2,761,395	739,968	3,022,029

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19. COST OF SALES

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Utility expense	72,227	293,819	58,484	238,849
Security service	17,139	69,721	17,621	71,964
Cleaning service	6,984	28,411	6,658	27,191
Other cost of service	23,130	94,094	30,479	124,476
Depreciation of investment properties	108,855	442,822	108,856	444,568
	<u>228,335</u>	<u>928,867</u>	<u>222,098</u>	<u>907,048</u>

20. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Impairment loss on trade receivables	-	-	(220,598)	(900,922)

21. FINANCIAL COSTS

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Interest expenses – borrowings	411,300	1,673,168	381,833	1,559,406
Interest expenses – lease liabilities	1,275	5,187	1,867	7,625
Interest expenses – Corporate bond	25,692	104,515	26,212	107,050
	<u>438,267</u>	<u>1,782,870</u>	<u>409,912</u>	<u>1,674,081</u>

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22. 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 major components of income tax expense in the condensed interim statement of profit or loss and other comprehensive income are:

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Income tax expense recognised in profit for the period:				
- Current income tax	(7,145)	(29,066)	(7,142)	(29,168)

Please refer to Note 28 to the Condensed Interim Financial Statements for the explanation on the tax contingencies in Cambodia.

23. RELATED PARTY BALANCES AND TRANSACTIONS

The following balances are outstanding with related parties:

	Relationship	Unaudited 31 March 2024		Audited 31 December 2023	
		USD	KHR'000	USD	KHR'000
Amounts due from					
United Food Co., Ltd.	Company which a director has interest	138,172	558,353	115,146	470,371
Phnom Penh Securities Plc.	Company which a director has interest	39,136	158,149	36,870	150,614
		177,308	716,502	152,016	620,985
Amounts due to					
Hong Uy	Shareholder	4,814,636	19,455,944	4,933,736	20,154,312

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

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

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

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	Relationship	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
<u>Trade</u>					
United Food Co., Ltd.	Company which a director has interest				
Rental		21,409	87,092	3,327	13,587
Utility		1,615	-	194	3,327
Phnom Penh Securities Plc.	Company which a director has interest				
Rental		2,218	9,021	21,408	87,430
Utility		50	204	1,937	7,911
<u>Non-trade</u>					
Kuy Vat	Former shareholder				
Advance		-	-	697,188	2,847,316
Hong Uy	Shareholder				
Repayment of advance		(119,100)	(484,499)	-	-

24. DEFERRED TAX LIABILITIES

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
At 1 January	497,706	2,033,129	604,290	2,487,862
Recognised in profit or loss	-	-	(106,584)	(438,060)
Currency translation differences	-	(21,899)	-	(16,673)
At 31 March/31December	497,706	2,011,230	497,706	2,033,129

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24. DEFERRED TAX LIABILITIES (CONT'D)

The deferred tax consists of the tax effects of the following items:

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Unused tax losses	92,196	372,564	92,196	376,621
Unabsorbed capital allowance	637,208	2,574,958	637,208	2,602,995
Others	(231,698)	(936,292)	(231,698)	(946,487)
	497,706	2,011,230	497,706	2,033,129

25. LOSS PER SHARE

	Unaudited 3 months to 31 March 2024		Unaudited 3 months to 31 March 2023	
	USD	KHR'000	USD	KHR'000
Loss attributable to ordinary equity holders	(148,517)	(604,168)	(255,945)	(1,045,280)
Weighted average number of shares in issue	1,000,000	1,000,000	1,000,000	1,000,000
Basic loss per share	(0.149)	(0.604)	(0.256)	(1.045)
Diluted loss per share	(0.149)	(0.604)	(0.256)	(1.045)

26. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Unaudited 31 March 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Financial assets Amortised cost				
Trade and other receivables*	1,356,308	5,480,841	1,360,144	5,556,188
Amount due from related parties	177,308	716,502	152,016	620,985
Cash and cash equivalents	77,172	311,852	6,493	26,524
	1,610,788	6,509,195	1,518,653	6,203,697

*Excludes deposit and advances, prepayments and others.

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26. 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 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Financial liabilities				
Amortised cost				
Trade and other payables*	260,867	1,054,164	160,548	655,838
Corporate bond payable	1,493,801	6,036,450	1,475,246	6,026,380
Borrowings	19,694,898	79,587,083	19,676,494	80,378,478
Amounts due to related parties	4,814,636	19,455,944	4,933,736	20,154,312
	<u>26,264,202</u>	<u>106,133,641</u>	<u>26,238,887</u>	<u>107,185,853</u>

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

27. 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.

27.1 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.

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27. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

27.2 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.

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.

27.3 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.

28. 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.

29. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

There is no significant event during the reporting period.

30. EVENT AFTER THE REPORTING PERIOD

The Company further breached the terms of Loan 1 (details of Loan 1 are set out in Note 14 to the financial statements) by failing to make the repayment of interest expense amounting to USD89,241 which was due on 17 April 2024.

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30. EVENT AFTER THE REPORTING PERIOD (CONT'D)

Other than matter raised above, there is no significant adjusting or non-adjusting event that has occurred between 31 March 2024 and the date of authorisation of the Condensed Interim Financial Statements.

31. AUTHORISATION OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

The Condensed Interim Financial Statements as at and for the period ended 31 March 2024 were approved for issue by the Board of Directors on 13 May 2024.



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