



GOLDEN  
TREE

SECOND QUARTERLY

REPORT

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2024

# Financial Highlight

In KH'000

Financial Position	Reviewed Q2 2024	Reviewed Q2 2023	Audited 31-12-2023
Total assets	128,148,283	139,770,429	128,959,675
Total liabilities	115,488,087	117,298,515	114,438,481
Total shareholders' equity	12,660,196	22,471,614	14,521,194
Financial Result	Reviewed Q2 2024	Reviewed Q2 2023	Audited 31-12-2023
Total revenues	1,952,628	2,619,637	11,427,309
Profit/(Loss) before Tax	(1,308,645)	(528,502)	(9,250,044)
Profit/(Loss) after Tax	(1,327,728)	(116,483)	(8,921,659)
Financial Ratio	Reviewed Q2 2024	Reviewed Q2 2023	Audited 31-12-2023
Solvency ratio	9.88%	16.08%	11.26%
Current ratio	0.07x	0.39x	0.21x
Quick Ratio	0.07x	0.39x	0.21x
Financial Ratio	Reviewed Q2 2024	Reviewed Q2 2023	Audited 31-12-2023
Return on Asset	-1.04%	-0.08%	-6.92%
Return on Equity	-10.49%	-0.52%	-61.44%
Gross Profit Margin	52.99%	65.85%	64.50%
Net Profit Margin	-68.00%	-4.45%	-78.07%
EBITDA Margin	68.76%	68.56%	59.29%
Interest Coverage Ratio	0.76x	1.03x	0.97x



# Financial Summary Charts

In KH'000

## Total Asset

**-8.32%**

From Q2-2023

Q2-2024: 128,148,283

Q2-2023: 139,770,429

## Total Liabilities

**-1.54%**

From Q2-2023

Q2-2024: 115,488,087

Q2-2023: 117,298,815

## Total Equities

**-43.66%**

From Q2-2023

Q2-2024: 12,660,196

Q2-2023: 22,471,614

## Occupancy Rate

**57%**

as of 30 June 2024

Q2-2024: 57%

Q2-2023: 77%

## Revenue

**-25.46%**

From Q2- 2023

Q2-2024: 1,952,628

Q2-2023: 2,619,637

## EBITDA & Margin

**-24.93% & 68.76%**

From Q2- 2023 ••• As of Q2- 2024

Q2-2024: 1,342,706

Q2-2023: 1,788,544



# Board of Directors

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**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

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## Dear Friends, Partners and Investors of Golden Tree

It is my privilege to present to you Golden Tree's Second 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 mid-year 2024 report, the occupancy rate is 61.8%. The office supplied is expected to total of 1.4 million SQM by the end of 2025. For this reason, rental rate is expected to stay flat, if not decrease. Furthermore, we also see office tenants prefer to negotiate the lease renewal to avoid heavy capital expenditure on fitting out and moving costs and space consolidation to achieve leaner operation.

For VTrust Tower, which is the green building certified by Edge, the occupancy rate decreased to 57% due to the leaving of one of our major tenants – Prudential Cambodia. Nonetheless, 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: 14<sup>th</sup> August 2024



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The background is a vibrant green with a complex, abstract pattern of overlapping lines and dots that create a sense of depth and movement. Two large, semi-transparent spheres are positioned in the lower-left and lower-right corners, 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	<a href="http://www.goldentree.com.kh">www.goldentree.com.kh</a>
E-mail	<a href="mailto:enquiry@goldentree.com.kh">enquiry@goldentree.com.kh</a>
Company registration numbers	00012373 12 October 2006
Disclosure document registration number by SERC	231/22 ន.ម.ក/ស.ស.វ 12 October 2022
Name of Listed Entity's Representative	Mr. HONG UY

## B. NATURE OF BUSINESS

### 1. Brief Description of the business

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

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

- VTrust Tower is a 12-story commercial office building which was awarded the EDGE (Excellence in Design for Greater Efficiencies) certificate on 02 March 2022, by 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. The background also features several overlapping geometric shapes, including a large, dark green circle in the upper right and a smaller, lighter green circle in the lower left. The overall aesthetic is modern and digital.

**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

	Q2 2024			Q2 2023		
	USD	KHR'000	%	USD	KHR'000	%
Rental Income	325,751	1,327,110	67.97	457,722	1,872,998	71.50
Service Charge	95,678	389,792	19.96	106,368	435,258	16.62
Utility Income	46,979	191,392	9.80	60,448	247,353	9.44
Parking	5,694	23,197	1.19	12,945	52,967	2.02
Other Income	5,188	21,136	1.08	2,703	11,061	0.42
<b>Total</b>	<b>479,290</b>	<b>1,952,628</b>	<b>100</b>	<b>640,186</b>	<b>2,619,637</b>	<b>100</b>

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. There are also several overlapping circles and curved lines in various shades of green, creating a sense of depth and movement. 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. It features a grid of small dots that forms a large, stylized number '4' shape. 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 rectangles, scattered across the page. The overall aesthetic is modern and digital.

**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 30 June 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 30 June 2023 are also reviewed by the independent auditor.

## A. OVERVIEW OF OPERATION

### 1. Revenue Analysis

	Q2 2024		Q2 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Direct Revenue	474,102	1,931,492	637,482	2,608,576	(677,084)	-25.96
Costs of Services	(220,126)	(896,793)	(217,696)	(890,812)	5,981	0.67
Gross profit	253,976	1,034,699	419,786	1,717,764	(683,065)	-39.76
Other income	5,188	21,136	2,703	11,061	10,075	91.09
Operating and administrative expenses	(147,297)	(600,088)	(127,543)	(521,906)	78,182	14.98
Operating Profit	111,867	455,747	294,946	1,206,919	(751,172)	-62.24
Finance costs	(433,086)	(1,764,392)	(424,101)	(1,735,421)	28,971	1.67
Profit/(Loss) before income tax	(321,219)	(1,308,645)	(129,155)	(528,502)	(780,143)	-147.61
Income tax expense	(4,684)	(19,083)	100,689	412,019	431,102	104.63
Profit/(Loss) after income tax	(325,903)	(1,327,728)	(28,466)	(116,483)	(1,211,245)	-1,039.85

### 2. Revenue By Segment Analysis

	Q2 2024		Q2 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Rental Income	325,751	1,327,110	457,722	1,872,998	(545,888)	-29.15
Service Charge	95,678	389,792	106,368	435,258	(45,466)	-10.45
Utility Income	46,979	191,392	60,448	247,353	(55,961)	-22.62
Parking	5,694	23,197	12,945	52,967	(29,769)	-56.20
Other Revenue	5,188	21,136	2,703	11,061	10,075	91.09
<b>Total</b>	<b>479,290</b>	<b>1,952,628</b>	<b>640,186</b>	<b>2,619,637</b>	<b>(-667,009)</b>	<b>-25.46</b>

Rental Income and service charge decreased due to the decrease of the occupancy rate from Q2-2023 of 77% to the current occupancy rate of 57% as of 30 June 2024.

Other income has increased 91.09% 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

	Q2 2024		Q2 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Gross Profit	253,976	1,034,699	419,786	1,717,764	(683,065)	-39.76

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

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

	Q2 2024		Q2 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Profit/ (Loss) before income tax	(321,219)	(1,308,645)	(129,155)	(528,502)	(780,143)	-147.61

Loss before income tax increase due to the decrease in revenue and increase in the operation cost in term of increasing in headcounts, and salary & benefit expenses.

### 5. Profit/(Loss) After Tax

	Q2 2024		Q2 2023		Variance	
	USD	KHR'000	USD	KHR'000	KHR'000	%
Profit/(Loss) after Tax	(325,903)	(1,327,728)	(28,466)	(116,483)	(1,211,245)	-1,039.85

Please see note 23 – income tax expense – and note 25 – deferred tax liabilities – in the reviewed financial statements for detail on tax movements which affect the loss after tax.

### 6. Factors and Trends Analysis Affecting Financial Conditions and Results

As of Q2 2024, the significant factors that affecting financial condition and results as compared to Q2-2023 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.



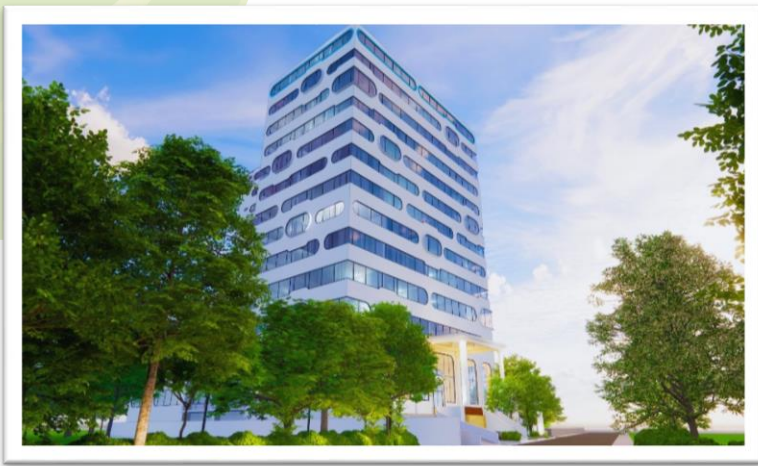
According to CBRE data, there were 12 million tourists visiting different parts of Cambodia, of those there are approximately 2.6 million international tourists arrived in Cambodia for the first half year of 2024. Coastal zone received the most tourist arrivals (40%), fueled by domestic tourists, thanks to the operation of Sihanouk Ville Express Way, following by Phnom Penh (25%) and Siem Reap Angkor (15%). Furthermore, regional competition for international tourists continues to carry on. Nonetheless, each country's tourist arrival growth rate is in par and still lower if compared to 2019.

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.

However, Cambodia's banking despite being strong is facing sharply deceleration of credit growth (5% Y-O-Y) amidst rising non-performing loan rate (NPL). Average NPL approached 5% in 2023 while NPL as compared to approximately 2% in 2019. This reflects investors' uncertainty about investing in business activities.

On the office sector, according to the latest Market Insights mid-year 2024 report by CBRE Research, The Cambodian real estate sector remained constant in Q2 2024, with an occupancy rate of 61.8% in office buildings.



Despite the predicted 5.8% economic growth, no new office building projects have begun. Existing developments are proceeding as planned, with approximately 198,000+ 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 30 June 2024 and the comparative period on 30 June 2023 are shown in section A of this section and in the Reviewed Financial Information of the Financial Ended 30 June 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

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Read and Approved



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**Mr. HONG UY**

Chairman of the Board of Directors

14 August 2024

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 letter 'E' shape, extending from the top left towards the center. The grid lines are more densely packed in some areas, creating a sense of depth and movement. In the bottom left and bottom right corners, there are two large, semi-transparent green circles. The overall aesthetic is modern and digital.

# Appendix

**GOLDEN TREE CO., LTD.**

(Incorporated in Cambodia)

Registration No: 00012373

**CONDENSED INTERIM FINANCIAL STATEMENTS**

**For The Financial Period From  
1 January 2024 To 30 June 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 30 June 2024 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 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 30 June 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 31 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 31 to the financial statements;
- (b) as at 30 June 2024, the Company's current liabilities exceeded its current assets by USD19,184,501.

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

**14 AUG 2024**

# GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	USD	Unaudited 30 June 2024 KHR'000 (Note 4)	USD	Audited 31 December 2023 KHR'000 (Note 4)
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property and equipment	8	7,790,634	32,019,506	7,856,277	32,092,892
Investment properties	9	21,935,349	90,154,284	22,153,061	90,495,254
Intangible assets	10	12,824	52,707	13,530	55,270
		29,738,807	122,226,497	30,022,868	122,643,416
<b>CURRENT ASSETS</b>					
Trade and other receivables	11	1,425,084	5,857,095	1,387,699	5,668,750
Amounts due from related parties	24	-	-	152,016	620,985
Cash and cash equivalents	12	15,740	64,691	6,493	26,524
		1,440,824	5,921,786	1,546,208	6,316,259
<b>TOTAL ASSETS</b>		<b>31,179,631</b>	<b>128,148,283</b>	<b>31,569,076</b>	<b>128,959,675</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	13	5,000,000	20,000,000	5,000,000	20,000,000
Accumulated losses		(1,919,660)	(7,282,644)	(1,445,240)	(5,349,857)
Currency translation reserve		-	(57,160)	-	(128,949)
<b>TOTAL EQUITY</b>		<b>3,080,340</b>	<b>12,660,196</b>	<b>3,554,760</b>	<b>14,521,194</b>
<b>LIABILITIES</b>					
<b>NON-CURRENT LIABILITIES</b>					
Borrowing	14	-	-	12,948,739	52,895,599
Lease liabilities	15	17,587	72,283	34,488	140,883
Corporate bond payable	16	1,468,109	6,033,928	1,468,109	5,997,225
Trade and other payables	17	880,563	3,619,114	825,353	3,371,567
Amounts due to related parties	24	4,610,001	18,947,104	4,933,736	20,154,312
Deferred tax liabilities	25	497,706	2,045,572	497,706	2,033,129
		7,473,966	30,718,001	20,708,131	84,592,715

# GOLDEN TREE CO., LTD.

(Incorporated in Cambodia)

Registration No: 00012373

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024 (CONT'D)

	Note		Unaudited 30 June 2024		Audited 31 December 2023
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
<b>CURRENT LIABILITIES</b>					
Trade and other payables	17	797,807	3,278,987	539,449	2,203,649
Bank overdraft	18	3,030,751	12,456,387	2,973,403	12,146,351
Borrowings	14	16,756,490	68,869,174	3,754,352	15,336,528
Lease liabilities	15	33,140	136,205	31,844	130,083
Corporate bond payable	16	7,137	29,333	7,137	29,155
		20,625,325	84,770,086	7,306,185	29,845,766
<b>TOTAL LIABILITIES</b>		28,099,291	115,488,087	28,014,316	114,438,481
<b>TOTAL EQUITY AND LIABILITIES</b>		31,179,631	128,148,283	31,569,076	128,959,675

# GOLDEN TREE CO., LTD.

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## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024

	Note	USD	Unaudited 3 months to 30 June 2024 KHR'000 (Note 4)	USD	Unaudited 3 months to 30 June 2023 KHR'000 (Note 4)
Revenue	19	474,102	1,931,492	637,482	2,608,576
Cost of sales	20	(220,126)	(896,793)	(217,696)	(890,812)
Gross profit		253,976	1,034,699	419,786	1,717,764
Other income		5,188	21,136	2,703	11,061
Administrative expenses		(147,297)	(600,088)	(127,543)	(521,906)
Operating profit		111,867	455,747	294,946	1,206,919
Finance costs	22	(433,086)	(1,764,392)	(424,101)	(1,735,421)
Loss before income tax		(321,219)	(1,308,645)	(129,155)	(528,502)
Income tax expense	23	(4,684)	(19,083)	100,689	412,019
Loss for the period		(325,903)	(1,327,728)	(28,466)	(116,483)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the period		(325,903)	(1,327,728)	(28,466)	(116,483)

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

	Note	USD	Unaudited 3 months to 30 June 2024 KHR'000 (Note 4)	USD	Unaudited 3 months to 30 June 2023 KHR'000 (Note 4)
Basic loss per share	26	(0.326)	(1.328)	(0.028)	(0.116)
Diluted loss per share	26	(0.326)	(1.328)	(0.028)	(0.116)

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## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2024 (CONT'D)

	Note	USD	Unaudited 6 months to 30 June 2024 KHR'000 (Note 4)	USD	Unaudited 6 months to 30 June 2023 KHR'000 (Note 4)
Revenue	19	1,152,911	4,696,959	1,377,450	5,636,525
Cost of sales	20	(448,461)	(1,827,030)	(439,794)	(1,799,637)
Gross profit		704,450	2,869,929	937,656	3,836,888
Other income		10,400	42,370	3,099	12,681
Administrative expenses		(306,088)	(1,247,003)	(264,102)	(1,080,705)
Impairment loss on financial assets	21	-	-	(220,598)	(902,687)
Operating profit		408,762	1,665,296	456,055	1,866,177
Finance costs	22	(871,353)	(3,549,892)	(834,013)	(3,412,781)
Loss before income tax		(462,591)	(1,884,596)	(377,958)	(1,546,604)
Income tax expense	23	(11,829)	(48,191)	93,547	382,794
Loss for the period		(474,420)	(1,932,787)	(284,411)	(1,163,810)
Other comprehensive income		-	-	-	-
Total comprehensive expense for the period		(474,420)	(1,932,787)	(284,411)	(1,163,810)

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

	Note	USD	Unaudited 6 months to 30 June 2024 KHR'000 (Note 4)	USD	Unaudited 6 months to 30 June 2023 KHR'000 (Note 4)
Basic loss per share	26	(0.474)	(1.933)	(0.284)	(1.164)
Diluted loss per share	26	(0.474)	(1.933)	(0.284)	(1.164)

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## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

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	Share capital USD	(Accumulated Losses) USD	Total equity	
			USD	KHR'000 (Note 4)
Balance as at 1 January 2024 (Audited)	5,000,000	(1,445,240)	3,554,760	14,650,143
Total comprehensive income	-	(474,420)	(474,420)	(1,932,787)
Currency translation difference	-	-	-	(57,160)
Balance as at 30 June 2024 (Unaudited)	5,000,000	(1,919,660)	3,080,340	12,660,196
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 30 June 2023 (Unaudited)	5,000,000	441,069	5,441,069	22,471,614



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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

	Note	Unaudited 6 months to 30 June 2024		Unaudited 6 months to 30 June 2023	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
Operating activities					
Loss before income tax		(462,591)	(1,884,596)	(377,958)	(1,546,604)
Adjustments for:					
Bad debts written off		19,811	80,710	-	-
Depreciation of investment properties	9	217,712	886,959	217,712	890,878
Depreciation of property and equipment	8	66,442	270,685	66,753	273,153
Amortisation of intangible assets	10	706	2,876	-	-
Finance costs	22	871,353	3,549,892	834,013	3,412,781
Impairment losses on trade receivables		-	-	220,598	902,687
Operating profit before working capital		713,433	2,906,526	740,520	3,030,208
Changes in working capital:					
- trade and other receivables		(57,196)	(235,076)	(1,367,793)	(5,648,985)
- trade and other payables		21,323	87,638	264,072	1,090,617
Cash generated from/(for) operating activities		677,560	2,759,088	(363,201)	(1,528,160)
Income tax paid		(11,829)	(48,617)	(13,036)	(53,839)
Net cash from/(for) operating activities		665,731	2,710,471	(376,237)	(1,581,999)
Investing activities					
Purchases of property and equipment	8	(799)	(3,284)	(61,423)	(253,677)
Net cash used in investing activities		(799)	(3,284)	(61,423)	(253,677)
Financing activities					
Decrease on corporate bond receivable		-	-	1,474,885	6,091,275
Interest paid		(576,713)	(2,370,290)	(830,770)	(3,431,080)
Drawdown/(Repayment) of borrowings	14	53,399	219,470	(572,129)	(2,362,892)
Drawdown/(Repayment) of bank overdraft	18	57,348	235,700	(41,497)	(171,383)
Repayment of lease liabilities	15	(15,605)	(64,137)	(14,409)	(59,509)
Repayment of interest portion of lease	15	(2,395)	(9,757)	(3,591)	(14,694)
Repayment to related parties		(323,735)	(1,330,551)	(560,000)	(2,312,800)
Advance to related parties		152,016	624,786	571,946	2,362,137
Net cash (used in)/from financing activities		(655,685)	(2,694,779)	24,435	101,054
Net change in cash and cash equivalents		9,247	12,408	(413,225)	(1,734,622)
Cash and cash equivalents, at the beginning of period		6,493	26,732	442,090	1,820,085
Currency translation difference		-	25,551	-	33,749
Cash and cash equivalents, at the end of period		15,740	64,691	28,865	119,212

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

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## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

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### **1. GENERAL INFORMATION**

Golden Tree Co., Ltd (“the Company”) was registered on 12 October 2006 as a private limited company in the Kingdom of Cambodia.

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

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

### **2. PRINCIPAL ACTIVITY**

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

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

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

The Condensed Interim Financial Statements are as at and for the period ended 30 June 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’s current liabilities exceeded its current assets by USD19,184,501.

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 30 JUNE 2024

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### 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 six-month period, as applicable.

The Company uses the following exchange rates:

			<b>Closing rate</b>	<b>Average rate Six-month</b>
30 June 2024	1USD	=	KHR4,110	KHR4,074
30 June 2023	1USD	=	KHR4,130	KHR4,092
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 30 JUNE 2024

### 8. PROPERTY AND EQUIPMENT

	Construction in progress USD	Motor vehicles USD	Equipment and computers USD	Total USD
<b>Unaudited</b>				
Cost				
Balance at 1 January 2024	9,233,500	19,676	1,253,067	10,506,243
Addition	-	-	799	799
Balance at 30 June 2024	9,233,500	19,676	1,253,866	10,507,042
Accumulated depreciation and impairment loss				
Balance at 1 January 2024	-	(18,944)	(1,003,022)	(1,021,966)
Depreciation	-	(92)	(66,350)	(66,442)
Impairment loss	(1,628,000)	-	-	(1,628,000)
Balance at 30 June 2024	(1,628,000)	(19,036)	(1,069,372)	(2,716,408)
Carrying amount at 30 June 2024 (USD)	7,605,500	640	184,494	7,790,634
KHR'000 (Note 4)	31,258,605	2,630	758,270	32,019,506
<b>Audited</b>				
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 30 JUNE 2024**

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#### **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 30 June 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 meters (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 30 JUNE 2024

### 9. INVESTMENT PROPERTIES

	Land USD	Building and structures USD	Right-of-use assets USD	Total USD
<b>Unaudited</b>				
Cost				
Balance at 1 January 2024	9,000,000	16,329,612	192,478	25,522,090
Addition	-	-	-	-
Balance at 30 June 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	-	(203,966)	(13,746)	(217,712)
Balance at 30 June 2024	-	(3,435,516)	(151,225)	(3,586,741)
Carrying amount at 30 June 2024 (USD)	9,000,000	12,894,096	41,253	21,935,349
KHR'000 (Note 4)	36,990,000	52,994,735	169,550	90,154,284
<b>Audited</b>				
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. The 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 30 JUNE 2024

### 10. INTANGIBLE ASSETS

	<b>Unaudited 2024 USD</b>	<b>Audited 2023 USD</b>
<b>Computer Software</b>		
Cost		
Balance at 1 January	14,118	-
Addition	-	14,118
Balance at 30 June /31 December	14,118	14,118
Accumulated amortisation		
Balance at 1 January	(588)	-
Amortisation	(706)	(588)
Balance at 30 June /31 December	(1,294)	(588)
Carrying amount at 30 June /31 December (USD)	12,824	13,530
KHR'000 (Note 4)	52,707	55,270

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

### 11. TRADE AND OTHER RECEIVABLES

	<b>Unaudited 30 June 2024</b>		<b>Audited 31 December 2023</b>	
	USD	KHR'000	USD	KHR'000
Trade receivables	74,572	306,491	247,143	1,009,579
Deposits	26,071	107,152	26,071	106,500
Advances, prepayments, and others	1,180	4,850	1,480	6,046
Withholding tax receivable	5	20	4	16
Other receivable - Kuy Vat	1,323,256	5,438,582	1,323,256	5,405,501
	1,425,084	5,857,095	1,597,954	6,527,642
Allowance for impairment losses	-	-	(210,255)	(864,148)
	1,425,084	5,857,095	1,387,699	5,668,750

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 11. TRADE AND OTHER RECEIVABLES (CONT'D)

	Unaudited 30 June 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Allowance for impairment losses:-				
At 1 January	(210,255)	(864,148)	-	-
Addition during the financial period	-	-	(223,850)	(914,428)
Reversal during the financial period	-	-	13,595	55,536
Written off during the financial period	210,255	856,579	-	-
Currency translation differences	-	7,569	-	(5,256)
At 30 June /31 December	-	-	(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 30 June 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Cash on hand	-	-	54	221
Cash in bank	15,740	64,691	6,439	26,303
	15,740	64,691	6,493	26,524

### 13. SHARE CAPITAL

	Unaudited 30 June 2024		Audited 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 30 JUNE 2024

### 14. BORROWINGS

		<b>Unaudited</b>		<b>Audited</b>
		<b>30 June 2024</b>		<b>31 December 2023</b>
	USD	KHR'000	USD	KHR'000
Bank borrowings	16,636,490	68,375,974	16,643,091	67,987,027
Other borrowings	120,000	493,200	60,000	245,100
	<b>16,756,490</b>	<b>68,869,174</b>	<b>16,703,091</b>	<b>68,232,127</b>
Current	16,756,490	68,869,174	3,754,352	15,336,528
Non-current	-	-	12,948,739	52,895,599
	<b>16,756,490</b>	<b>68,869,174</b>	<b>16,703,091</b>	<b>68,232,127</b>

(a) The bank borrowings are 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;

During the financial period, the company breached the loan agreement by failing to make the interest payment for the month of May and June 2024 for the total of USD 213,029, of which USD 37,424 is the accrued interest expense.

- (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;

During the financial period, the company breached the loan agreement by failing to make the interest payment for the month of June 2024 for USD 15,553, of which USD 2,160 is the accrued interest expense.

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### **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

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#### **14. BORROWINGS (CONT'D)**

(a) The bank borrowings are facilities from the Foreign Trade Bank of Cambodia ("FTB"), details of which are as follows (Cont'd):-

(ii) Loan 2 which was drawdown as follows (cont'd):

- 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.

During the financial period, the company breached the loan agreement by failing to make the interest payment for the month of June 2024 for USD 8,914 of which USD 1,238 is the accrued interest expense.

- 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.

During the financial period, the company breached the loan agreement by failing to make the interest payment for the month of June 2024 for KHR 11,220,804, of which KHR 1,558,445 is the accrued interest expense

(iii) 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.

During the financial period, the company breached the loan agreement by failing to make the repayment of both principal and interest of USD 284,013.

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 breaches of the loans as explained in (i), (ii) and (iii) above, which were not rectified as at 30 June 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 30 June 2024. The entire borrowings have been reclassified as current liabilities as of 30 June 2024.

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### NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

#### 14. BORROWINGS (CONT'D)

- (b) The other borrowings are short term borrowings from Camwin Financial Advisory Co., Ltd. and Mr. Lor Sokhim, details of which are as follows :-
- (i) Loan 1 which was drawdown from Camwin Financial Advisory Co., Ltd. in September 2023, with principal amount owing of USD60,000 as at the end of the period. This new facility is repayable in December 2024. The loan bore interest at the rate of 6% (31.12.2023 : 6%) per annum.
- (ii) Loan 2 which was drawdown from Mr. Lor Sokhim. In May 2024, with principal amount owing of USD30,000 as at the end of the period. This new facility is repayable in December 2024. The loan bore interest at the rate of 6% (31.12.2023 : Nil) per annum.
- (iii) Loan 3 which was drawdown from Mr. Lor Sokhim. In June 2024, with principal amount owing of USD30,000 as at the end of the period. This new facility is repayable in December 2024. The loan bore interest at the rate of 6% (31.12.2023 : Nil) per annum.

#### 15. LEASE LIABILITIES

	Unaudited 30 June 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
<b>Lease liabilities</b>				
Maturity analysis				
Less than one year (Current)	33,140	136,205	31,844	130,083
One to five years (Non-current)	17,587	72,283	34,488	140,883
	50,727	208,488	66,332	270,966
<b>Amounts recognised in profit and loss</b>				
Interest on lease liabilities	2,395	9,757	6,597	27,114
<b>Amounts recognised in the statement of cash flows</b>				
Cash outflow for leases	15,605	64,137	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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#### 16. CORPORATE BOND

		<b>Unaudited</b>		<b>Audited</b>
		<b>30 June 2024</b>		<b>31 December 2023</b>
	USD	KHR'000	USD	KHR'000
<b>Corporate bond payables</b>				
Current	7,137	29,333	7,137	29,155
Non-current	1,468,109	6,033,928	1,468,109	5,997,225
	<u>1,475,246</u>	<u>6,063,261</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 were breaches in respect of the bank borrowings during the financial period. The breaches have not been remedied. In the event that FTB declares an event of default on the loans, the cross-default clause under the terms of the green bond will be triggered.

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#### 17. TRADE AND OTHER PAYABLES

		Unaudited 30 June 2024		Audited 31 December 2023
	USD	KHR'000	USD	KHR'000
<b>Non-current</b>				
Customer deposits	880,563	3,619,114	825,353	3,371,567
<b>Current</b>				
Unearned revenue	21,806	89,623	2,294	9,371
Other payables	399,070	1,640,178	109,872	448,827
Trade payables	38,258	157,240	50,676	207,011
Customer deposits	326,146	1,340,460	356,248	1,455,273
Other tax payables	12,527	51,486	20,359	83,167
	797,807	3,278,987	539,449	2,203,649
	1,678,370	6,898,101	1,364,802	5,575,216

#### 18. BANK OVERDRAFT

		Unaudited 30 June 2024		Audited 31 December 2023
	USD	KHR'000	USD	KHR'000
Bank overdraft	3,030,751	12,456,387	2,973,403	12,146,351

The bank overdraft facility is from FTB, and it was first 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.

During the financial period, the interest due on the borrowings of the Company to FTB is directly credited to the bank overdraft account, and this resulted in the account exceeding the facility limit imposed by FTB.

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### 19. REVENUE

	USD	Unaudited 3 months to 30 June 2024 KHR'000	USD	Unaudited 3 months to 30 June 2023 KHR'000
Rental income	325,751	1,327,110	457,722	1,872,998
Service charges	95,678	389,792	106,368	435,258
Utility income	46,979	191,392	60,448	247,353
Parking fee	5,694	23,198	12,944	52,967
	474,102	1,931,492	637,482	2,608,576

	USD	Unaudited 6 months to 30 June 2024 KHR'000	USD	Unaudited 6 months to 30 June 2023 KHR'000
Rental income	818,390	3,334,121	995,396	4,073,160
Service charges	222,842	907,858	245,373	1,004,066
Utility income	97,618	397,696	112,355	459,757
Parking fee	14,061	57,284	24,326	99,542
	1,152,911	4,696,959	1,377,450	5,636,525

### 20. COST OF SALES

	USD	Unaudited 3 months to 30 June 2024 KHR'000	USD	Unaudited 3 months to 30 June 2023 KHR'000
Utility expense	71,212	290,118	69,039	282,508
Security service	16,402	66,822	17,543	71,786
Cleaning service	5,780	23,547	7,078	28,963
Other cost of service	17,875	72,822	15,180	62,117
Depreciation				
- property and equipment	101,984	415,483	101,983	417,314
- investment properties	6,873	28,001	6,873	28,124
	220,126	896,793	217,696	890,812

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### 20. COST OF SALES (CONT'D)

	USD	Unaudited 6 months to 30 June 2024 KHR'000	USD	Unaudited 6 months to 30 June 2023 KHR'000
Utility expense	143,439	584,370	127,523	521,824
Security service	33,541	136,646	35,164	143,891
Cleaning service	12,764	52,001	13,736	56,208
Other cost of service	41,005	167,055	45,658	186,833
Depreciation				
- property and equipment	203,966	830,957	203,967	834,633
- investment properties	13,746	56,001	13,746	56,248
	448,461	1,827,030	439,794	1,799,637

### 21. IMPAIRMENT LOSSES ON FINANCIAL ASSETS

	USD	Unaudited 6 months to 30 June 2024 KHR'000	USD	Unaudited 6 months to 30 June 2023 KHR'000
Impairment loss on trade receivables	-	-	(220,598)	(902,687)

### 22. FINANCE COSTS

	USD	Unaudited 3 months to 30 June 2024 KHR'000	USD	Unaudited 3 months to 30 June 2023 KHR'000
Interest expense :-				
- borrowings	406,274	1,655,160	397,115	1,624,995
- lease liabilities	1,120	4,563	1,724	7,055
- corporate bond	25,692	104,669	25,262	103,371
	433,086	1,764,392	424,101	1,735,421

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#### 22. FINANCIAL COSTS (CONT'D)

	Unaudited 6 months to 30 June 2024		Unaudited 6 months to 30 June 2023	
	USD	KHR'000	USD	KHR'000
Interest expense :-				
– borrowings	817,574	3,330,797	778,947	3,187,452
– lease liabilities	2,395	9,757	3,591	14,694
– corporate bond	51,384	209,338	51,475	210,635
	871,353	3,549,892	834,013	3,412,781

#### 23. 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 30 June 2024		Unaudited 3 months to 30 June 2023	
	USD	KHR'000	USD	KHR'000
Income tax expense recognised in profit for the period:				
- Current income tax	(4,684)	(19,083)	100,689	410,101

	Unaudited 6 months to 30 June 2024		Unaudited 6 months to 30 June 2023	
	USD	KHR'000	USD	KHR'000
Income tax expense recognised in profit for the period:				
- Current income tax	(11,829)	(48,191)	93,547	382,794

Please refer to Note 29 to the Condensed Interim Financial Statements for the explanation on the tax contingencies in Cambodia.



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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 24. RELATED PARTY BALANCES AND TRANSACTIONS

The following balances are outstanding with related parties:

	Relationship	Unaudited 30 June 2024		Audited 31 December 2023	
		USD	KHR'000	USD	KHR'000
Amounts due from					
United Food Co., Ltd.	Company which a former director has interest	-	-	115,146	470,371
Phnom Penh Securities Plc.	Company which a former director has interest	-	-	36,870	150,614
		-	-	152,016	620,985
Amounts due to Hong Uy	Shareholder	4,610,001	18,947,104	4,933,736	20,154,312

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

	Relationship	Unaudited 3 months to 30 June 2024		Unaudited 3 months to 30 June 2023	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
<u>Non-trade</u>					
Kuy Vat	Former shareholder				
- Transfer to other receivables		-	-	(1,323,256)	(5,465,047)
Hong Uy	Shareholder				
- Repayment of advance		(214,635)	(874,423)	(560,000)	(2,312,800)
- Settlement on behalf		10,000	40,740	-	-

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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

The Company had the following transactions with related parties during the financial period (cont'd):

	Relationship	Unaudited 6 months to 30 June 2024		Unaudited 6 months to 30 June 2023	
		USD	KHR'000 (Note 4)	USD	KHR'000 (Note 4)
<u>Non-trade</u>					
Kuy Vat	Former 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		(333,735)	(1,359,636)	(560,000)	(2,312,800)
- Settlement on behalf		10,000	40,740	-	-

### 25. DEFERRED TAX LIABILITIES

	Unaudited 30 June 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	-	12,443	-	(16,673)
At 30 June/31 December	497,706	2,045,572	497,706	2,033,129

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

	Unaudited 30 June 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Unused tax losses	(67,602)	(277,844)	92,196	376,621
Unabsorbed capital allowance	717,443	2,948,691	637,208	2,602,995
Others	(152,135)	(625,275)	(231,698)	(946,487)
	497,706	2,045,572	497,706	2,033,129

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

### 26. LOSS PER SHARE

	USD	Unaudited 3 months to 30 June 2024 KHR'000	USD	Unaudited 3 months to 30 June 2023 KHR'000
Loss attributable to ordinary equity holders	(325,903)	(1,327,728)	(28,466)	(116,483)
Weighted average number of shares in issue	1,000,000	1,000,000	1,000,000	1,000,000
Basic loss per share	(0.326)	(1.328)	(0.028)	(0.116)
Diluted loss per share	(0.326)	(1.328)	(0.028)	(0.116)

	USD	Unaudited 6 months to 30 June 2024 KHR'000	USD	Unaudited 6 months to 30 June 2023 KHR'000
Loss attributable to ordinary equity holders	(474,420)	(1,932,787)	(284,411)	(1,163,810)
Weighted average number of shares in issue	1,000,000	1,000,000	1,000,000	1,000,000
Basic loss per share	(0.474)	(1.933)	(0.284)	(1.164)
Diluted loss per share	(0.474)	(1.933)	(0.284)	(1.164)

### 27. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	USD	Unaudited 30 June 2024 KHR'000	USD	Audited 31 December 2023 KHR'000
Financial assets at amortised cost				
Trade and other receivables*	1,397,828	5,745,073	1,360,144	5,556,188
Amount due from related parties	-	-	152,016	620,985
Cash and cash equivalents	15,740	64,691	6,493	26,524
	1,413,568	5,809,764	1,518,653	6,203,697

\*Excludes deposit and advances, prepayments and others.

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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024

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

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

	Unaudited 30 June 2024		Audited 31 December 2023	
	USD	KHR'000	USD	KHR'000
Financial liabilities at amortised cost				
Trade and other payables*	437,328	1,797,418	160,548	655,838
Corporate bond payable	1,475,246	6,063,261	1,475,246	6,026,380
Borrowings	16,756,490	68,869,174	3,754,352	15,336,528
Bank overdraft	3,030,751	12,456,387	2,973,403	12,146,351
Amounts due to related parties	4,610,001	18,947,104	4,933,736	20,154,312
	26,309,816	108,133,344	13,297,285	54,319,409

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

### 28. 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.

#### 28.1 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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## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

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

#### **28.2 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.

#### **28.3 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.

### **29. 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.

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

The Company breached the terms of Loan 1 and Loan 2 (details of Loan 1 and Loan 2 are set out in Note 14 to the condensed interim financial statements) with FTB by failing to service interest which was due on 17 May 2024.



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## **NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2024**

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

Up to the date of this report, the breaches of the terms of the bank borrowings as disclosed in Note 14 have yet to be rectified by the Company.

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

The Condensed Interim Financial Statements as at and for the period ended 30 June 2024 were approved for issue by the Board of Directors on 14 August 2024.

### **33. COMPARATIVE FIGURES**

The following figures have been reclassified to conform with the presentation of the current financial year due to the change in account grouping by the management:-

	<b>As previously reported</b>		<b>As restated</b>	
	<b>31 December 2023</b>		<b>31 December 2023</b>	
	USD	KHR'000	USD	KHR'000
Borrowings	19,676,494	80,378,478	16,703,091	68,232,127
Bank overdraft	-	-	2,973,403	12,146,351

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