Report of the Board of Directors
and
Audited financial statements

Golden Tree Co., LTD

31 December 2021

Contents

Report of the Board of Directors

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

The Company

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

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

Principal activities

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

Results of operations

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

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

Board of Directors

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

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

Auditors

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

Directors' benefits

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

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

Board of Directors' responsibility in respect of the financial statements

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

i. adopt appropriate accounting policies which in accordance with Cambodian International Cambodian International Financial Reporting Standards ("CIFRSs"), which are supported by reasonable and prudent judgements and estimates, and then apply them consistently;

ii. comply with the disclosure requirements CIFRSs or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

iii. maintain adequate accounting records and an effective system of internal control;

iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and,

v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/ or instructions have been properly reflected in the financial statements.

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

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

Statement by the Board of Directors

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

On behalf of the Board of Directors

Mr. Kuy Vat
Chairman

Mr. Hong Uy
Chief Executive Officer

Phnom Penh, Cambodia
29 June 2022

Grant Thornton

Independent auditor's report

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To the Shareholders of
Golden Tree Co., Ltd

Opinion

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

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

Basis for opinion

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

Other information

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

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

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

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

Responsibilities of the Board of Directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Ronald C. Almera
Partner – Audit and assurance

Phnom Penh, Kingdom of Cambodia
29 June 2022

Statement of financial position

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

Statement of comprehensive income

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

Statement of changes in equity

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

Statement of cash flows

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

Notes to the financial statements

1. General information

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

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

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

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

2. Basis of preparation and statement of compliance with CIFRS

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

The National Accounting Council, now the Accounting and Auditing Regulator of Cambodia, as mandated by Prakas (Circular) No. 068-MEF-Pr dated 8 January 2009 issued by the Ministry of Economy and Finance of Cambodia on the adoption of Cambodian Financial Reporting Standards, has adopted International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") without modifications as CIFRSs.

3. New or revised standards and interpretations

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

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

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

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

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

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

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

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

4. Summary of significant accounting policies

4.1 Basis of preparation

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

4.2 Functional and presentation currency

The national currency of Cambodia is Khmer Riel ("KHR"). However, as the Company transacts its business and maintains its accounting records primarily in United States Dollar ("USD"), the Board of Directors has determined the USD to be the Company's currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Company.

Transactions in foreign currencies, other than USD, are translated to USD at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than USD at the reporting date are translated into USD at the rates of exchange ruling at that date. Exchange differences arising on translation are recognised in other comprehensive income.

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

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

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

Such translation amounts are unaudited and should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate of exchange.

4.3 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

Financial assets – Classification:

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

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

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

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

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

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

Financial assets – Business model assessment:

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

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

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

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

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

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

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

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

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

Financial liabilities – Classification, subsequent measurement and gains and losses:
The Company classifies its financial liabilities as measured at amortised cost.

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

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

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

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

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

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

4.4 Cash and cash equivalents

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

4.5 Property and equipment

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

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

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

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

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

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

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

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

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

4.6 Investment property

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

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

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

Investment property is depreciated over 40 years.

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

4.7 Leases

The Company as a lessee

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

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

Measurement and recognition of leases as a lessee

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

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

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

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

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

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

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

4.8 Impairment of non-financial assets

Financial assets

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

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

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

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

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

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

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

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

Measurement of ECL

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

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECL in the statement of financial position

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

Write-off

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

Non-financial assets

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

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

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

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

4.9 Share capital and accumulated losses

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

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

4.10 Employee benefits - Short-term employee benefits

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

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

4.11 Revenue recognition

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

Rental income

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

Other income

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

4.12 Finance cost

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

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

4.13 Operating leases

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

4.14 Provisions, contingent liabilities and contingent assets

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

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

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

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

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

4.15 Income taxes

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

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

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

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

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

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

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

4.16 Related parties

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

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

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

5. Significant accounting estimates, assumptions and judgements

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

a. Significant accounting estimates and assumptions

Impairment of non-financial assets

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

Useful lives and residual values of depreciable assets

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

Leases – Estimating the incremental borrowing rate

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

Income tax expense

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

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

b. Significant accounting judgements

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

6. Property and equipment

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

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

7. Investment property

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

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

8. Lease liability

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

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

Amounts recognised in profit and loss				
Interest on lease liabilities	10,931	44,533	12,852	52,398
Amounts recognised in the statement of cash flows				
Cash outflow for leases	25,069	101,981	24,995	101,905

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

9. Trade and other receivables

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

10. Cash and cash equivalents

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

11. Share capital

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

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

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

12. Trade and other payables

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

13. Borrowings

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

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

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

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

14. Revenue

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

15. Cost of services

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

16. Operating and administrative expenses

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

17. Finance cost

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

18. Income tax

(a) Deferred tax-net

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

Deferred tax assets/(liabilities) are attributable to:

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

Movement of deferred tax is as follows:

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

(b) Income tax expense

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

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

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

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

18.1 Taxation contingencies

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

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

19. Related party balances and transactions

The following balances are outstanding with related parties:

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

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

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

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

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

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20. Transactions with key management personnel

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

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

21. Reconciliation of liabilities arising from financing activities

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

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

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

22. Categories of financial instruments

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

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

**Excludes unearned revenue and other tax payables*

23. Financial instruments – fair values and risk management

23.1 Accounting classifications and fair values

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

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

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

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

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

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

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

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

23.2 Financial risk management

(a) Overview

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

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

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

(b) Credit risk

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

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

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

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

Trade receivables

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

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

Past due but not impaired

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

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

23.3 Liquidity risk

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

Exposure to liquidity risk

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

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

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

**Excludes unearned revenue and other tax payables*

Market risk

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

Currency risk

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

Interest rate risk

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

Interest-bearing financial assets

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

Interest-bearing financial liabilities

Interest-bearing financial liabilities include borrowings.

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

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

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

Fair value sensitivity analysis for fixed rate instruments

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

24. Capital management

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

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

25. Events after reporting period

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

26. Authorisation of the financial statements

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