KRESTON CAMBODIA

CAM ACCOUNTING & TAX SERVICE CO., LTD.

Independent Auditor's Report

G B Microfinance Institution Plc.

Financial Statements

For the year ended 31 December 2024

Contents

Board of Directors' report

The board of directors hereby submit the report and the audited financial statements of the G B Microfinance Institution Plc. ("the Company") for the financial year ended 31 December 2024.

1. Background and principal activities

G B Microfinance Institution Plc. ("the Company") is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under registration No. 00043909 dated 21 June 2019. On 22 October 2019, the Company obtained its license from the National Bank of Cambodia ("NBC") to operate as a micro finance institution.

The Company is principally engaged in all aspects of micro-finance business and the provision of related financial services in Cambodia.

The Company's Head office is located at No. J-37, Street Lum, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia.

2. Results of operations

The results of the Company's operations for the year ended 31 December 2024 and the state of its affairs as at that date are set out in the financial statements.

The board of directors do not recommend the payment of a dividend for the year ended 31 December 2024.

3. Board of Directors

The board of directors' members of the Company during the year and to the date of this report were as follows:

Name	Position
Mr. Tang Kuonghow	Chairman
Mrs. Hsu, Chia-Chia	Vice Chairwoman
Mr. Tang Kaokeat	Director
Mr. Mak Chamroeun	Independent Director

4. Auditors

The financial statements for the year ended 31 December 2024 have been audited by Cam Accounting & Tax Service Co., Ltd.

5. Board of directors' responsibility for 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 a material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended on that date.

When preparing the financial statements, the board of directors is required to:

i. adopt appropriate accounting policies in compliance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities ("CIFRS for SMEs") which are supported by reasonable and appropriate judgments and estimates and then apply them consistently;

ii. comply with the disclosure requirements CIFRS for SMEs and guidelines of the National Bank of Cambodia 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 controls;

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 are 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 directors confirm that the Company has complied with the above requirements in preparing the financial statements of the Company.

6. Preparation of financial statements

In the preparation of the financial statement, the directors have taken account of the following matters:

i. all material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements;

ii. adequate allowance for impairment losses on loan to customers and current and non-current assets, if required, has been made;

iii. known bad debts had been written off, if any;

iv. existing methods of valuation of assets or liabilities is not misleading or inappropriate;

v. there are no known circumstances that would render any amount stated in the financial statements to be misleading;

vi. there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made;

vii. the results of the operations of the Company during the financial years were not, in the opinion of the directors, substantially affected by any item, transactions or event of a material and unusual nature;

viii. no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the Company to meet its obligations when they fall due.

7. Approval of the Financial Statements

On behalf of the board of directors of G B Microfinance Institution Plc. I do hereby state that the accompanying financial statements present fairly, in all material respects, the statement of financial position of the Company as at 31 December 2024 and statement of profit & loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (CIFRS for SMEs) and guidelines of the National Bank of Cambodia ("NBC").

On behalf of Board of Directors

Mr. Tang Kuonghow
Chairman

Phnom Penh, Kingdom of Cambodia
Date: 09 April 2025

KRESTON CAMBODIA
CAM ACCOUNTING & TAX SERVICE CO., LTD.

Kreston Cambodia is the trading name of
Cam Accounting & Tax Service Co., Ltd.
Certified Public Accountants and Auditors
Tax Agent License (GDT Member)
Audit Firm License (KICPAA Member)
Financial Institution Audit License (NBC Member)

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Independent auditor's report

To shareholders of
G B Microfinance Institution Plc.

Opinion

We have audited the financial statements of G B Microfinance Institution Plc., ("the Company") which comprise the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 32.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (CIFRS for SMEs) and guidelines of the National Bank of Cambodia ("NBC").

Basis for opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISA"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the international code of ethics for professional accountants issued by the international Ethics Standards Board for Accountants (IESBA Code) and ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditors' Code of Ethics for Certified Public Accountants and Auditors (KICPAA's Code) that are relevant to our audit of the Company's financial statements in Cambodia. We have fulfilled our other ethical responsibilities in accordance with the IESBA code and the KICPAA code.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Directors' report, but does not include the financial statements of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Company does not cover the Directors' report and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Company, our responsibility is to read the Directors' report and, in doing so, consider whether the Directors' report is materially inconsistent with the financial statements of the Company 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 the Directors' report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRS for SMEs and guidelines of the National Bank of Cambodia. The directors are also responsible for such internal controls as the directors determine are 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 of the Company, the directors are 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 directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 CISA 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 a part of an audit in accordance with CISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements of the Company, 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 directors.

- conclude on the appropriateness of the 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 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 auditors' report to the related disclosures in the financial statements of the Company 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 auditors' 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 of the Company, including the disclosures, and whether the financial statements of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the 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.

On behalf of Cam Accounting & Tax Service Co., Ltd.
Certified Public Accountants and Auditors

CAM ACCOUNTING & TAX SERVICE COMPANY LIMITED
KINGDOM OF CAMBODIA

Keat Heng, CPA, FCCA
Audit Partner

Phnom Penh, Kingdom of Cambodia
Date: 09 April 2025

Statement of financial position
As at 31 December 2024

		2024		2023	
Assets	**Notes**	**USD**	**KHR'000**	USD	KHR'000
Cash on hand	4	**18,082**	**72,780**	18,514	75,630
Deposits and placements with NBC	5	**104,177**	**419,312**	102,896	420,330
Deposits and placements with bank	6	**65,155**	**262,249**	171,121	699,029
Loans to customers	7	**1,723,021**	**6,935,160**	1,991,469	8,135,151
Other assets	8	**32,358**	**130,241**	30,030	122,673
Intangible asset	9	**6,656**	**26,790**	24,320	99,347
Property and equipment	10	**2,293**	**9,229**	6,771	27,660
Deferred tax asset	21(a)	**274,452**	**1,104,669**	-	-
Total assets		**2,226,194**	**8,960,430**	2,345,121	9,579,820
Liabilities					
Borrowings	11	**1,300,000**	**5,232,500**	1,400,000	5,719,000
Other liabilities	12	**25,359**	**102,070**	28,169	115,070
Total liabilities		**1,325,359**	**5,334,570**	1,428,169	5,834,070
Equity					
Share capital	13	**2,000,000**	**8,000,000**	2,000,000	8,000,000
Regulatory reserve	14	**201,349**	**821,266**	40,367	165,908
Accumulated losses		**(1,300,514)**	**(5,311,542)**	(1,123,415)	(4,577,945)
Currency translation reserves		**-**	**116,136**	-	157,787
Total equity		**900,835**	**3,625,860**	916,952	3,745,750
Total liabilities and equity		**2,226,194**	**8,960,430**	2,345,121	9,579,820

Statement of profit & loss and other comprehensive income

For the year ended 31 December 2024

	Notes	2024		2023	
		USD	**KHR'000**	USD	KHR'000
Interest income	15	**217,570**	**885,727**	243,402	1,000,382
Interest expense		**(89,447)**	**(364,139)**	(92,754)	(381,219)
Net interest income		**128,123**	**521,588**	150,648	619,163
Other operating incomes	16	**8,538**	**34,758**	3,365	13,830
Employee expenses	17	**(256,154)**	**(1,042,803)**	(261,678)	(1,075,497)
General and administrative expenses	18	**(120,165)**	**(489,192)**	(136,493)	(560,986)
Allowance for impairment losses	19	**(50,911)**	**(207,259)**	36,304	149,209
Loss before taxes		**(290,569)**	**(1,182,908)**	(207,854)	(854,281)
Income taxes	21(b)	**274,452**	**1,104,669**	-	-
Loss for the year		**(16,117)**	**(78,239)**	(207,854)	(854,281)
Other comprehensive income		**-**	**-**	-	-
Currency translation differences		**-**	**(41,651)**	-	(29,756)
Total comprehensive income for the year		**(16,117)**	**(119,890)**	(207,854)	(884,037)

Statement of changes in equity

For the year ended 31 December 2024

	Share capital USD	Regulatory reserve USD	Accumulated losses USD	Total USD
At 01 January 2023	2,000,000	-	(880,771)	1,119,229
Loss for the year	-	-	(207,854)	(207,854)
Transfer	-	40,367	(40,367)	-
Adjustment	-	-	5,577	5,577
Balance at 31 December 2023	2,000,000	40,367	(1,123,415)	916,952
Loss for the year	**-**	**-**	**(16,117)**	**(16,117)**
Transfer	**-**	**160,982**	**(160,982)**	**-**
Balance at 31 December 2024	**2,000,000**	**201,349**	**(1,300,514)**	**900,835**

	Share capital KHR'000	Regulatory reserve KHR'000	Accumulated losses KHR'000	Translation reserve KHR'000	Total KHR'000
At 01 January 2023	8,000,000	-	(3,580,677)	187,543	4,606,866
Loss for the year	-	-	(854,281)	-	(854,281)
Transfer	-	165,908	(165,908)	-	-
Adjustment	-	-	22,921	-	22,921
Translation differences	-	-	-	(29,756)	(29,756)
Balance at 31 December 2023	8,000,000	165,908	(4,577,945)	157,787	3,745,750
Loss for the year	**-**	**-**	**(78,239)**	**-**	**(78,239)**
Transfer	**-**	**655,358**	**(655,358)**	**-**	**-**
Translation differences	**-**	**-**	**-**	**(41,651)**	**(41,651)**
Balance at 31 December 2024	**8,000,000**	**821,266**	**(5,311,542)**	**116,136**	**3,625,860**

Statement of cash flows

For the year ended 31 December 2024

	Notes	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Cash flow from operating activities					
Loss before taxes		**(290,569)**	**(1,182,908)**	(207,854)	(854,281)
Adjustment for:					
Depreciation	10	**5,968**	**24,297**	20,593	84,637
Amortisation expense	9	**17,664**	**71,910**	16,952	69,673
Allowance for impairment losses	19	**50,911**	**207,259**	(36,304)	(149,209)
Interest expense		**89,447**	**364,139**	92,754	381,219
Operating loss before working capital changes		**(126,579)**	**(515,303)**	(113,859)	(467,961)
Changes in:					
Loans to customers	7	**216,466**	**881,233**	352,643	1,449,363
Deferred tax asset	21(a)	**(274,452)**	**(1,104,669)**	-	-
Other assets	8	**(2,328)**	**(9,477)**	13,652	56,110
Other liabilities	12	**(2,810)**	**(11,440)**	(12,314)	(50,611)
Cash flow generation from operating activities		**(189,703)**	**(759,656)**	240,122	986,901
Income taxes	21(b)	**274,452**	**1,104,669**	-	-
Net cash flow generated from operating activities		**84,749**	**345,013**	240,122	986,901
Cash flow from investing activities					
Acquisition of property & equipment	10	**(1,490)**	**(6,066)**	(483)	(1,985)
Acquisition of Intangible asset	9	**-**	**-**	(7,062)	(29,025)
Net cash flow used in investing activities		**(1,490)**	**(6,066)**	(7,545)	(31,010)
Cash flow from financing activities					
Borrowings	11	**(100,000)**	**(407,100)**	(100,000)	(411,000)
Interest paid		**(89,447)**	**(364,139)**	(92,754)	(381,219)
Net cash flow used in financing activities		**(189,447)**	**(771,239)**	(192,754)	(792,219)
Net changes in cash and cash equivalents*		**(106,188)**	**(432,292)**	46,763	192,195
Cash and cash equivalents at 01 January		**194,256**	**793,536**	147,493	607,228
Currency translation differences		**-**	**(6,771)**	-	(5,887)
Cash and cash equivalents at 31 December		**88,068**	**354,473**	194,256	793,536

*In 2023, The company has the adjustment transaction of non-cash transactions in the amount of USD 6,940 as at December 2023.

Cash and cash equivalents at 31 December 2023& 2024 reconciliation:

	2024		2023	
Cash on hand	**18,082**	**72,780**	18,514	75,630
Deposits and placements with NBC (Excluding statutory deposits)	**4,177**	**16,812**	2,896	11,830
Deposits and placements with bank	**65,809**	**264,881**	172,846	706,076
	88,068	**354,473**	194,256	793,536

Notes to the financial statements

1. Background and principal activities

G B Microfinance Institution Plc. ("the Company") is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under registration No. 00043909 dated 21 June 2019. On 22 October 2019, the Company obtained its license from the National Bank of Cambodia ("NBC") to operate as a micro finance institution.

The Company is principally engaged in all aspects of micro-finance business and the provision of related financial services in Cambodia.

The Company's head office is located at No. J-37, Street Lum, Sangkat Tonle Bassac, Khan Chamkarmon, Phnom Penh, Kingdom of Cambodia.

2. Statement of compliance with CIFRS for SMEs

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs").

3. Significant accounting policies

3.1 New and amended standards and interpretations.

3.1.1 Accounting standards effective on or after 01 January 2024

These standards are described below which have become effective this year as follows:

- Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to CIAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to CIFRS 16)
- Supplier Finance Arrangements (Amendments to CIAS 7 and CIFRS 7)

These standards are not expected to have significant impact on the financial statements in the current year and therefore these standards have not been adopted by the Company.

3.1.2 New accounting standards for application in future periods

Those standards, amendments and interpretations are not yet effective and have not been adopted early by the Company include:

- Lack of Exchangeability (Amendments to CIAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to CIFRS 9 and 7)
- CIFRS 18 'Presentation and Disclosure in Financial Statements'

3.1.3 The basis of preparation of financial statements

The financial statements have been prepared in accordance with the historical cost convention, except for certain items that are measured at fair value, as disclosed in the significant accounting policies. In compliance with the CIFRS for SMEs, the preparation of these financial statements requires the use of certain critical accounting estimates. This also necessitates that management exercise judgment in applying the company's accounting policies. Areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are particularly important. These areas are disclosed to ensure transparency and to provide users with a clear understanding of the potential impact on the financial statements.

3.1.4 Significant accounting judgments and estimates uncertainty

Key Sources of Estimation Uncertainty

Management believes that there are no key assumptions made concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities, income and expenses within the next financial year other than as disclosed below:

a. Impairment of loans to customers

The loss allowances for loans to customers are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting appropriate inputs to the impairment calculation, based on the past payment trends, existing market conditions as well as forward-looking estimates at the end of each reporting period.

b. Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Company recognises tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax expense and deferred tax balances in the period in which such determination is made.

c. The useful life of depreciable assets

Management reviews its estimate of the useful life 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 property and equipment and software.

Critical Judgements Made in Applying Accounting Policies

Management believes that there are no instances of application of critical judgement in applying the Company's accounting policies which will have a significant effect on the amounts recognised in the financial statements

The principal accounting policies adopted in the preparation of the financial statements are set out below. These accounting policies have been consistently applied by the Company during the year.

3.2 Functional and foreign currencies

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

The translation of the USD amounts into Khmer Riel ("KHR") is presented in the financial statements which is required by the Law on Accounting and Auditing by using exchange rate announced by the National Bank of Cambodia. Assets and liabilities are translated at the closing rate as at the reporting date and equity is translated at historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the year. Exchange differences arising from the translation are recognised as "Currency translation reserves" in the other comprehensive income.

The Company uses the following exchange rates:

			Closing rate	Average rate
31 December 2024	US$1	=	KHR4,025	KHR4,071
31 December 2023	US$1	=	KHR4,085	KHR4,110

These convenience translations should not be construed as representations that the United States Dollars amounts have been, could have been, or could in the future be, converted into Khmer Riels at this or any other rate of exchange.

3.3 Property and equipment

All items of property and equipment are initially measured at cost. Cost includes expenditures that are directly attributable to the acquisition of the asset and other cost directly attributable to bringing the asset to working condition for its intended use. Freehold land is stated at cost less impairment losses, if any and is not depreciated.

Subsequent to initial recognition, property and equipment are stated at cost less accumulated depreciation and any impairment losses.

Depreciation

Depreciation is charged to profit or loss and is calculated under the straight-line method to write off the depreciable amount of the assets over their estimated useful lives. Depreciation of an asset does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated. The principal annual rates used for this purpose are:

Items	Rate
Leasehold improvement	20%
Computer equipment	25%
Furniture and fixtures	25%
Office Equipment	25%
Motor vehicles	25%

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period to ensure that the amounts, method and periods of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the terms of property and equipment.

An item of property and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the statement of comprehensive income in the year which the asset is disposed of.

3.4 Intangible assets

Intangible assets represent the initial costs incurred in obtaining software at rate 20 to 25%.

Following initial recognition, intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are assessed to have finite useful lives and are amortised over the license period using declining balance method. The intangible assets are also assessed for impairment whenever there is an indication that they may be impaired. The amortisation period and method are reviewed at least at the end of each reporting period.

3.5 Impairment testing of property and equipment and other intangible assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, Management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by Management.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

All assets are periodically reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge would be reversed if the cash-generating unit's recoverable amount exceeded its carrying amount.

3.6 Financial instruments initial recognition, subsequent measurement, and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

A financial instrument is recognised initially at the transaction price, including transaction costs. For a financial asset or a financial liability that is subsequently measured at fair value through profit or loss, transaction costs are recognised in profit or loss when incurred.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

An arrangement constitutes a financing transaction if payment is deferred beyond normal business terms. Under a financing transaction, a financial asset or a financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument as determined at initial recognition. Any fair value adjustment upon the initial recognition is recognised in profit or loss immediately as a gain or loss if that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets; otherwise, the difference is charged to profit or loss on a straight-line method over the contractual terms of the financial instrument.

Subsequent measurement

Debt instruments that are classified as current assets or current liabilities are measured at the undiscounted amount of cash or other consideration expected to be paid or received unless the arrangement constitutes, in effect, a financing arrangement. Other debt instruments are measured at amortised cost using the effective interest method.

Other than the above, all financial assets and financial liabilities are measured at fair value with changes in fair value recognized in profit or loss.

Impairment financial assets

All financial assets (except for financial assets measured at fair value through profit or loss) are assessed for impairment at each reporting date when there is an objective evidence of impairment.

For a financial asset measured at amortised cost, the impairment loss is the difference between the financial asset's carrying amount and the present value of estimated cash flows discounted at the financial asset's original effective rate.

For a financial asset measured at cost less impairment, the impairment loss is the difference between the financial asset's carrying amount and the best estimate of the amount that would be received for the financial asset if it were to be sold at the reporting date.

All impairment losses are recognised in profit or loss immediately.

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previous recognised impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortised cost at the reversal date. The amount of impairment reversal is recognised in profit or loss.

3.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks which are readily convertible into known amounts of cash which are subject to an insignificant risk of changes in value.

3.8 Deposits and placements with National Bank of Cambodia (NBC)

Deposits and placements with the NBC, including statutory deposits, are stated at cost. A statutory deposit is maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions and is determined by defined percentages of minimum share capital as required by the NBC and are not available to finance the Company day-to-day operations. Hence, statutory deposit is not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

3.9 Deposits and placements with banks

Deposits and placement with banks are stated at cost. The Company provides allowance for impairment losses for placements with banks at 1% (2023: 1%), in accordance with Prakas No. B7-017-344 doted 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions.

3.10 Loans to customers

Loans to customers are recognized initially at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Loans to customers are stated at the amount of principal plus accrued interest less allowance for bad and doubtful loans.

Loans are written off to profit or loss when the loans are provisioned in full and remain unpaid after maturity date or when the certainty of being uncollectable is proven. Loans written-off are token out of the outstanding loan portfolio and deducted from the allowance for bad and doubtful loans.

Recoveries of loans previously written-off are disclosed as other operating income in of profit or loss.

3.11 Other assets

Other assets are carried at cost. An estimate is made for doubtful receivables based on a review of outstanding amounts at the reporting date.

3.12 Impairment of non-financial assets

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at the cash-generating unit level.

An impairment loss is recognised for the amount by which the asset or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs to sell and value-in-use. To determine the value-in-use, Management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect their respective risk profiles as assessed by Management.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of an asset's (or cash-generating unit's) fair value less costs to sell and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

All assets are periodically reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge would be reversed if the cash-generating unit's recoverable amount exceeded its carrying amount.

3.13 Other liabilities

Other liabilities are recognised initially at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

3.14 Provisions, contingent liabilities, and contingent assets

Provisions are recognised when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. 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. 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 cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised but it will disclose as contingent liabilities.

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

3.15 Borrowings

Borrowings are initially recognised at the transaction price (including transaction costs) and subsequently measured at amortised cost using the effective interest method.

3.16 Equity and accumulated losses

Share capital represents the nominal value of shares that have been issued. Accumulated losses include all current and prior period losses.

3.17 Regulatory Provision

On 1 December 2017, the National Bank of Cambodia ("NBC") issued Prakas No. B7-017-344 on Credit Risk Grading and Impairment Provisioning which effectively repealed Prakas No. B7-09-074 on Asset Classification and Provisioning effective from the date of its issue.

NBC's Announcement No. B30-025-170, dated February 5, 2025, states that the loan impairment provision calculation shall include Accrued Interest Receivable (AIR), applying the provision rate as per the previous Circular No. B7-018-001 dated 16 February 2018 to clarify the mandatory level of general and specific allowance to be provided based on the loans to customers classification as follows:

Classification	Number of days past due	Provision rate
Short term loans (less than or equal one year):		
Normal/Standard	0 to 14 days	1%
Special mention	15 days to 30 days	3%
Substandard	31 days to 60 days	20%
Doubtful	61 days to 90 days	50%
Loss	From 91 days	100%

Long term loans (more than one year):

Normal/Standard	0 to 29 days	1%
Special mention	30 days to 89 days	3%
Substandard	90 days to 179 days	20%
Doubtful	180 days to 359 days	50%
Loss	From 360 days	100%

Article 73 of the Prakas on Credit Risk Grading and Impairment Provisioning requires the Company to compare the provision calculated in accordance with CIFRS for SMEs and Prakas No B7-017-344 and, accordingly:

a. In case the regulatory provision calculated in accordance with the said Prakas is lower than the provision calculated in accordance with CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs.

b. In case the regulatory provision calculated in accordance with the said Prakas is higher than the provision calculated in accordance with CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs and transfer the difference, which represents the additional provision required, from retained earnings or accumulated losses account into regulatory reserve in the equity section of the statement or financial position.

3.2 Income and expense recognition

Interest income and expense are recognised in profit or loss using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or financial liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest income and expense presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis.

3.3 Fees and commission income and expense

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate. Loan processing fee income are recognised as income over the term period of the loans to customer.

Unamortised loan fees are recognized as unearned income.

3.4 Operating leases

Payments made under operating leases are recognised in the statement of comprehensive income on a straight-line basis over the term of the leases. Lease commitments are not recognised as liabilities until the payments become due. Associated costs, such as maintenance and insurance, are expensed as incurred.

The Company has rented 1 office nationwide, which expires in 2029, considered as operating leases.

3.5 Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised 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 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. 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.

3.6 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.7 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Parties are considered to be related to the Company if:

a. directly or indirectly, a party controls, is controlled by, or is under common control with the Company; has an interest in the Company that gives it significant influence over the Company; or has joint control over the Company;
b. a party is a jointly-controlled entity;
c. a party is an associate;
d. a party is a member of the key management personnel of the Company; or of a parent of the reporting entry;
e. a party is a close family member of the above categories.

4. Cash on hand

	2024		2023	
	USD	**KHR'000**	USD	KHR'000
US Dollars	**17,145**	**69,009**	17,320	70,752
Khmer Riels	**937**	**3,771**	1,194	4,878
	18,082	**72,780**	18,514	75,630

5. Deposits and placements with NBC

	2024		2023	
	USD	**KHR'000**	USD	KHR'000
Capital guarantee deposit*	**100,000**	**402,500**	100,000	408,500
Current account	**4,177**	**16,812**	2,896	11,830
	104,177	**419,312**	102,896	420,330

(*) The capital guarantee deposit is maintained with NBC in compliance with Prakas No B7-00-06 on the Licensing of finance Institutions, the amount of which are determined at 5% of the company's registered share capital. The guarantee deposit is refundable when the Company voluntarily liquidates and has no deposit liabilities. The capital guarantee deposit earns no interest.

6. Deposits and placements with bank

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
In Cambodia:				
Current accounts	**65,809**	**264,881**	172,846	706,076
	65,809	**264,881**	172,846	706,076
Less: Allowance for impairment losses	**(654)**	**(2,632)**	(1,725)	(7,047)
	65,155	**262,249**	171,121	699,029

Movements in the impairment loss allowance are as follows:

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
In Cambodia:				
At 01 January	**1,725**	**7,047**	1,361	5,560
Allowance for impairment loss	**(1,071)**	**(4,311)**	364	1,487
Translation differences	**-**	**(104)**	-	-
At 31 December	**654**	**2,632**	1,725	7,047

The above deposit and placements amount are analyses as follow:

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
By currency:				
US Dollars	**62,858**	**253,003**	166,044	678,290
Khmer Riels	**2,951**	**11,878**	6,802	27,786
	65,809	**264,881**	172,846	706,076

7. Loans to customers

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Short term	**184,484**	**742,548**	314,603	1,285,153
Long term	**1,557,292**	**6,268,100**	1,667,531	6,811,865
	1,741,776	**7,010,648**	1,982,134	8,097,018
Accrued interest receivable	**43,694**	**175,869**	19,739	80,633
Gross loans to customers at amortised cost	**1,785,470**	**7,186,517**	2,001,873	8,177,651
Less: Allowance for impairment losses	**(62,449)**	**(251,357)**	(10,404)	(42,500)
Net loans to customers at amortised cost	**1,723,021**	**6,935,160**	1,991,469	8,135,151

Movements in the impairment loss allowance are as follows:

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
At 01 January	**10,404**	**42,500**	47,070	193,787
Allowance for impairment losses	**51,982**	**211,619**	(36,666)	(150,697)
Over allowance for impairment losses	**63**	**256**	-	-
Translation differences	**-**	**(3,018)**	-	(590)
At 31 December	**62,449**	**251,357**	10,404	42,500

The Loans to customers are analysed as follows:

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
a) By maturity:				
1 to 12 months	**186,278**	**749,769**	211,225	862,856
1 to 3 years	**8,445**	**33,991**	119,969	490,073
3 to 5 years	**52,683**	**212,049**	41,897	171,149
Over 5 years	**1,538,064**	**6,190,708**	1,628,782	6,653,573
	1,785,470	**7,186,517**	2,001,873	8,177,651

b) By industry:	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Construction/Housing	1,541,966	6,206,413	1,628,804	6,653,664
Other categories	199,208	801,813	373,069	1,523,987
Trade and Commerce	44,296	178,291	-	-
	1,785,470	7,186,517	2,001,873	8,177,651

c) By currency:	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
US Dollars	1,611,261	6,485,326	1,819,342	7,432,012
Khmer Riels	174,209	701,191	182,531	745,639
	1,785,470	7,186,517	2,001,873	8,177,651

d) By residency status:	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Residents	1,785,470	7,186,517	2,001,873	8,177,651
	1,785,470	7,186,517	2,001,873	8,177,651

e) By relationship:	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
External customers	1,624,579	6,538,930	1,700,363	6,945,983
Staff loans	160,891	647,587	301,510	1,231,668
	1,785,470	7,186,517	2,001,873	8,177,651

f) By performance and security	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Secured	1,669,472	4,988,025	1,700,340	6,592,014
Unsecured	115,998	466,892	301,533	1,231,762
	1,785,470	5,454,917	2,001,873	7,823,776

g) By interest rate (per annum):	2024	2023
Individual	7%-18%	7%-18%

8. Other assets

	2024 USD	2024 KHR'000	2023 USD	2023 KHR'000
Prepayments	18,481	74,386	16,100	65,769
Rental deposit	13,400	53,935	13,400	54,739
Other receivables	436	1,755	-	-
Other assets	41	165	530	2,165
	32,358	130,241	30,030	122,673

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9. Intangible asset

	Software	Total
Cost	**USD**	**USD**
At 01 January 2024	**89,742**	**89,742**
Additions	**-**	**-**
At 31 December 2024	**89,742**	**89,742**
Accumulated amortization		
At 01 January 2024	**65,422**	**65,422**
Amortisation	**17,664**	**17,664**
At 31 December 2024	**83,086**	**83,086**
Carrying amount		
At 31 December 2024	**6,656**	**6,656**
In KHR'000	**26,790**	**26,790**

	Software	Total
Cost	USD	USD
At 01 January 2023	82,680	82,680
Additions	7,062	7,062
At 31 December 2023	89,742	89,742
Accumulated amortization		
At 01 January 2023	48,470	48,470
Amortisation	16,952	16,952
At 31 December 2023	65,422	65,422
Carrying amount		
At 31 December 2023	24,320	24,320
In KHR'000	100,125	100,125

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10. Property and equipment

	Leasehold improvement USD	Furniture and fixtures USD	Office equipment USD	Computer equipment USD	Motor vehicles USD	Total USD
Cost						
At 01 January 2024	**20,278**	**14,714**	**9,708**	**44,066**	**2,349**	**91,115**
Additions	**-**	**-**	**263**	**1,227**	**-**	**1,490**
Write-off	**-**	**-**	**(487)**	**(550)**	**-**	**(1,037)**
At 31 December 2024	**20,278**	**14,714**	**9,484**	**44,743**	**2,349**	**91,568**
Accumulated depreciation						
At 01 January 2024	**16,535**	**14,476**	**9,154**	**41,925**	**2,254**	**84,344**
Depreciation	**3,709**	**238**	**304**	**1,622**	**95**	**5,968**
Write-off	**-**	**-**	**(487)**	**(550)**	**-**	**(1,037)**
At 31 December 2024	**20,244**	**14,714**	**8,971**	**42,997**	**2,349**	**89,275**
Carrying amount						
At 31 December	**34**	**-**	**513**	**1,746**	**-**	**2,293**
In KHR'000	**136**	**-**	**2,065**	**7,028**	**-**	**9,229**

	Leasehold improvement USD	Furniture and fixtures USD	Office equipment USD	Computer equipment USD	Motor vehicles USD	Total USD
Cost						
At 01 January 2023	20,278	14,714	9,405	43,886	2,349	90,632
Additions	-	-	303	180	-	483
At 31 December 2023	20,278	14,714	9,708	44,066	2,349	91,115
Accumulated depreciation						
At 01 January 2023	12,479	11,241	7,007	31,358	1,666	63,751
Depreciation	4,056	3,235	2,147	10,567	588	20,593
At 31 December 2023	16,535	14,476	9,154	41,925	2,254	84,344
Carrying amount						
At 31 December	3,743	238	554	2,141	95	6,771
In KHR'000	15,290	972	2,263	8,746	389	27,660

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11. Borrowing

The company borrowed USD 1,300,000 in 2024 and USD 1,400,000 in 2023 from third parties at the same annual interest rate of 6.5%.

12. Other liabilities

	2024		2023	
	USD	KHR'000	USD	KHR'000
Accrued expenses	23,440	94,346	24,615	100,552
Other tax payables	1,683	6,774	3,018	12,328
Unearned income from customers	236	950	536	2,190
	25,359	102,070	28,169	115,070

13. Share capital

	2024& 2023			
	% of ownership	Number of shares	USD	KHR'000
Mr. Tang Kuonghow	51%	5,100	1,020,000	4,080,000
Mrs. Hsu Chia Chia	49%	4,900	980,000	3,920,000
	100%	10,000	2,000,000	8,000,000

As the reporting date, the Company's paid-up capital was fully paid the same as previous year.

14. Regulatory reserve

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	40,367	165,908	-	-
Transfer from/(to) retained earnings	160,982	655,358	40,367	165,908
Translation different	-	-	-	-
At 31 December	201,349	821,266	40,367	165,908

As at 31 December 2024, the regulatory provision calculation is USD 263,798 which is USD 201,349 higher than the required provision per CIFRS for SMEs of USD 62,449. As such, in the compliance with Prakas No. B7-017-344 Article 73(b), USD 201,349 regulatory reserve is transferred from retained earnings.

15. Interest income

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers	216,269	880,431	242,141	995,200
Deposits and placements with bank	1,301	5,296	1,261	5,182
	217,570	885,727	243,402	1,000,382

16. Other operating income

	2024		2023	
	USD	KHR'000	USD	KHR'000
Gain on currency exchange rate	2,495	10,157	1,526	6,272
Penalty income	2,774	11,293	1,038	4,266
Fee and commission on loans	1,162	4,731	711	2,922
Other income	2,107	8,577	90	370
	8,538	34,758	3,365	13,830

17. Employee expenses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Salary and bonus expense	**209,588**	**853,233**	211,968	871,188
Incentive expense	**29,347**	**119,472**	29,139	119,761
Seniority expense	**11,029**	**44,899**	11,985	49,258
Insurance expense	**1,810**	**7,369**	1,773	7,287
Uniform expense	**1,502**	**6,115**	1,741	7,156
Pension fund	**1,064**	**4,332**	1,043	4,287
Other employee expenses	**1,814**	**7,383**	4,029	16,560
	256,154	**1,042,803**	261,678	1,075,497

18. General and administrative expenses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Rental expense	**29,051**	**118,267**	36,179	148,696
Professional fee	**20,306**	**82,666**	12,137	49,883
Amortisation expense	**17,664**	**71,910**	16,952	69,673
Repaired and maintenance expense	**16,828**	**68,507**	15,729	64,646
Utilities expense	**6,472**	**26,348**	6,388	26,255
Security expenses	**6,336**	**25,794**	7,744	31,828
Depreciation expense	**5,898**	**24,011**	20,593	84,637
License fee	**4,914**	**20,005**	4,867	20,003
Communication expense	**4,011**	**16,329**	4,874	20,032
Membership fee	**3,338**	**13,589**	2,677	11,002
Other expenses	**1,537**	**6,255**	1,296	5,327
Transportation expense	**1,478**	**6,017**	2,209	9,079
Office supplies	**1,113**	**4,531**	1,284	5,277
Marketing and advertising expense	**760**	**3,094**	1,756	7,217
Loss on disposal	**70**	**285**	-	-
Entertainment expense	**389**	**1,584**	1,808	7,431
	120,165	**489,192**	136,493	560,986

19. Allowance for impairment losses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers	**51,982**	**211,619**	(36,666)	(150,697)
Deposits and placements with bank	**(1,071)**	**(4,360)**	362	1,488
	50,911	**207,259**	(36,304)	(149,209)

20. Related party balances and transactions

The following balances were outstanding with the related party:

		2024		2023	
Amount due from	**Relationships**	USD	KHR'000	USD	KHR'000
Mr. Tang Kuonghow		-	-	80,000	326,800
Mrs. Hsu Chia Chia		-	-	100,000	408,500
Other related parties		**104,910**	**422,263**	104,910	428,557
		104,910	**422,263**	284,910	1,163,857

Movement of related party's balances are as follows:

	2024		2023	
Mr. Tang Kuonghow	**USD**	**KHR'000**	USD	KHR'000
At 01 January	**80,000**	**326,800**	-	-
Loan disbursement	-	-	80,000	326,800
Repayment	**80,000**	**322,000**	-	-
Currency translation difference	-	**4,800**	-	-
At 31 December	-	-	80,000	326,800

	2024		2023	
Mrs. Hsu Chia Chia	**USD**	**KHR'000**	USD	KHR'000
At 01 January	**100,000**	**408,500**	-	-
Loan disbursement	-	-	100,000	408,500
Repayment	**100,000**	**402,500**	-	-
Currency translation difference		**(6,000)**	-	-
At 31 December	-	-	100,000	408,500

	2024		2023	
Other related parties	**USD**	**KHR'000**	USD	KHR'000
At 01 January	**104,910**	**428,557**	190,000	782,230
Loan disbursement	-	-	-	-
Repayment	-	-	85,090	347,593
Currency translation difference	-	**(6,294)**		(6,080)
At 31 December	**104,910**	**422,263**	104,910	428,557

21. Income taxes

a) Deferred tax assets/(liabilities)

Deferred tax assets and liabilities attributable from:

2024	**At 01 January USD**	**Recognized in Profit or loss USD**	**At 31 December USD**
Property and equipment	-	**9,943**	**9,943**
Loss allowance for ECL	-	**(27,114)**	**(27,114)**
Tax losses carry forward	-	**291,623**	**291,623**
Deferred tax asset	-	**274,452**	**274,452**
In KHR'000	-	**1,104,669**	**1,104,669**

b) Income tax expense

	2024		2023	
	USD	**KHR'000**	USD	KHR'000
Current tax:				
For the financial year	-	-	2,459	10,104
Recognised income tax carried forward	-	-	(2,459)	(10,104)
	-	-	-	-
Deferred tax asset				
For the current financial year	274,452	1,104,669	-	-
	274,452	1,104,669	-	-

Under Cambodia's Law on Taxation, the Company is obliged to pay corporate income tax either at the tax rate of 20% of taxable profit, or at the minimum tax rate of 1% of total revenue, whichever is the higher. The reconciliation of the estimated current income tax computed at the statutory tax rate to the income tax expense show in the statement of comprehensive income is as follow.

A reconciliation of income tax expense applicable to the Profit before tax at the corporate tax rate to income tax expense at the effective tax of the Company is as follows:

	2024		2023	
	USD	**KHR'000**	USD	KHR'000
Loss before tax	**(290,569)**	**(1,182,908)**	(207,854)	(854,280)
Add: Non-deductible expenses	**99,875**	**406,591**	44,809	184,165
Less: Deductible tax expense	**(235,457)**	**(947,714)**	(82,749)	(340,099)
Estimated taxable income at 20% (A)	-	-	-	-
Minimum tax at 1% of revenue (B)*	-	-	-	-
Estimated current income tax expense (Higher of A or B)	-	-	-	-

*The Company got tax assumption of 1% minimum tax from GDT due to proper accounting certificate.

22. Tax contingencies

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations for many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

23. Lease commitment

	2024		2023	
	USD	**KHR'000**	USD	KHR'000
Within one year	**29,340**	**118,094**	45,720	186,766
Two to five years	**29,340**	**118,094**	29,340	119,854
Over five years	**75,795**	**305,075**	105,135	429,476
	134,475	**541,263**	180,195	736,096

24. Categories of financial instruments

	2024		2023	
Financial assets	**USD**	**KHR'000**	USD	KHR'000
Amortised Cost				
Cash on hand	**18,082**	**72,780**	18,514	75,630
Deposits and placements with NBC	**104,177**	**419,312**	102,896	420,330
Deposits and placements with bank	**65,809**	**264,881**	172,846	706,076
Loans to customers	**1,785,470**	**7,186,517**	2,001,873	8,177,651
Other assets*	**13,877**	**54,100**	13,930	56,904
	1,987,415	**7,997,590**	2,310,059	9,436,591
Financial liabilities				
Amortised Cost				
Borrowing	**1,300,000**	**5,232,500**	1,400,000	5,719,000
Other liabilities**	**25,123**	**102,070**	3,554	14,518
	1,325,123	**5,334,570**	1,403,554	5,733,518

Excludes prepayment
***Excluded unearned income*

25. Financial risk management

The guidelines and policies adopted by the Company to manage the risks that arise in the conduct of their business activities are as follows:

a) Credit risk

Credit risk is the potential loss of revenue and principal losses in the form of specific allowances as a result of defaults by the borrowers or counterparties through its lending and investing activities. The primary exposure to credit risk arises through its loans to customers. The amount of credit exposure in this regard is represented by the carrying Amount of the assets on the statement of financial position. The lending activities are guided by the Company's credit policy to ensure that the overall objectives in the area of lending are archived; i.e., that the loan portfolio is strong and healthy and credit risks are well diversified. The credit policy documents the lending policy, collateral policy and credit approval processes and procedures implemented to ensure compliance with NBC Guidelines.

The company holds collateral against loans to customers in the form of mortgage interests over property and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are updated except when a loan is individually assessed as doubtful.

i. Credit risk measurement

The company assesses the probability of default of individual counterparties by focusing on a borrowers' forecasted profit and cash flows. The credit committee is responsible for approving loans to customers.

ii. Risk limit control and mitigation policies

The company manage limits and controls the concentration of credit risk whenever it is identified.

The company employs a range of policies and practices to mitigate credit risks. The most traditional of these is the taking of security in the form of collateral for loan to customers, which is a common practice, the company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation, The principal collateral types that the company accepts to secure for loans to customers are:

- Mortgages over residential properties (land, building and other properties); and
- Charges over business assets such as land and buildings.

iii. Exposure to credit risk with regards to loans to customers

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loan to customers				
Neither past due nor impaired	**1,272,008**	**5,119,832**	1,755,628	7,171,740
Past due but not impaired	**461,801**	**1,858,749**	246,245	1,005,911
Individually impaired	**51,661**	**207,936**	-	-
	1,785,470	**7,186,517**	2,001,873	8,177,651

Neither past due nor impaired

Neither past due nor impaired loans to customers are good quality loans to customers for which there is no experience of default. These loans are supported by collaterals and management views that likelihood of default is relatively low.

Past due but not impaired loans

Past due but not impaired loans to customers are those for which contractual interest or principal payments that are past due less than 30 days for short-term loans and 90 days for long-terms loans, unless other information is available to indicate otherwise.

Impaired loans

Individually impaired loans to customers are loans to customers for which the Company determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loans to customers.

In compliance with NBC Guidelines, an allowance for doubtful loans to customers is made for loans to customers with payment overdue more than 30 days for short-term loans and 89 days for long-term loans. A minimum level of specific allowance for impairment is made depending on the classification concerned, unless other information is available to substantiate the repayment capacity of the counterparty.

b) Operational risk

The operational risk losses which would result from inadequate or failed internal processes, people and Systems or from external factors is managed through established operational risk management processes, proper monitoring and reporting of the business activities by control and support units which are independent of the business units and oversight provided by the Management.

The operational risk management entail the establishment of clear organisational structure, roles and control policies. Various internal control policies and measures have been implemented. These include the establishment of signing authorities, defining System parameters controls, streamlining procedures and documentation. These are reviewed continually to address the operational risks of its micro-finance business.

c) Market risk

Market risk is the risk of loss arising from adverse movement in the level of market prices or rates, the two key components being foreign currency exchange risk and interest rate risk.

i. Foreign currency exchange risk

The Company revenue is principally earned in USD. The Company expenditure is principally paid in USD. Monetary assets and liability are significantly dominated in USD. The Company does not therefore have significant exposure to foreign currency risk.

ii. Interest rate risk

Interest rate risk refers to the volatility in net interest income as a result of changes in the levels of interest rates and shifts in the composition of the assets and liabilities. The exposure to interest rate risk relate primarily to its loans.

Since the majority of financial assets are not subject to significant change with the market rates, the Company does not use derivative financial instruments to hedge such risk.

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ii. Interest rate risk (continued)

The table below summarises the Company's exposure to interest rate risks. It includes the company's financial instruments at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

2024	Up to 1 month USD	>1-3 months USD	>3-12 months USD	>1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total USD	Interest rates %
Financial assets								
Cash on hand	-	-	-	-	-	18,082	18,082	
Deposits and placements with NBC	4,177	-	-	-	-	100,000	104,177	
Deposits and placements with bank	65,809	-	-	-	-	-	65,809	
Loans to customers	-	-	186,278	61,128	1,538,064	-	1,785,470	7%-18%
Other assets*	-	-	-	-	-	13,877	13,877	
Total financial assets	69,986	-	186,278	61,128	1,538,064	131,959	1,987,415	
Financial liabilities								
Borrowings	-	-	-	-	1,300,000	-	1,300,000	6.5%
Other liabilities**	-	-	25,123	-	-	-	25,123	
Total financial liabilities	-	-	25,123	-	1,300,000	-	1,325,123	
Total interest pricing gap	69,986	-	161,155	61,128	238,064	131,959	662,292	
In KHR'000	281,694	-	648,649	246,040	958,208	531,135	2,665,726	

**Excluded prepayment*
***Excluded unearned income*

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ii. Interest rate risk (continued)

2023	Up to 1 month USD	>1-3 months USD	>3-12 months USD	>1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total USD	Interest rates %
Financial assets								
Cash on hand	-	-	-	-	-	18,514	18,514	
Deposits and placements with NBC	2,896	-	-	-	-	100,000	102,896	
Deposits and placements with bank	172,846	-	-	-	-	-	172,846	
Loans to customers	-	-	211,225	161,866	1,628,782	-	2,001,873	7%-18%
Other assets*	-	-	-	-	-	13,930	13,930	
Total financial assets	175,742	-	211,225	161,866	1,628,782	132,444	2,310,059	
Financial liabilities								
Borrowings	-	-	-	-	1,400,000	-	1,400,000	6.50%
Other liabilities**	-	-	3,554	-	-	-	3,554	
Total financial liabilities	-	-	3,554	-	1,400,000	-	1,403,554	
Total interest pricing gap	175,742	-	207,671	161,866	228,782	132,444	906,505	
In KHR'000	717,906	-	848,338	661,223	934,573	541,034	3,703,074	

**Excluded prepayment*
***Excluded unearned income*

d) Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

In addition to full compliance of all liquidity requirements, the Management of the Company closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans and customers' deposits are monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

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d) Liquidity risk (continued)

The following table provide an analysis of financial assets and liabilities of the Company into relevant maturity grouping, including instalments due:

	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	No fixed maturity date	Total
2024	USD	USD	USD	USD	USD	USD	USD
Financial asset							
Cash on hand	18,082	-	-	-	-	-	18,082
Deposits and placements with NBC	4,177	-	-	-	-	100,000	104,177
Deposits and placements with bank	65,809	-	-	-	-	-	65,809
Loans to customers	-	-	186,278	61,128	1,538,064	-	1,785,470
Other assets*	-	13,877	-	-	-	-	13,877
Total financial assets	88,068	13,877	186,278	61,128	1,538,064	100,000	1,987,415
Financial liabilities							
Borrowings	-	-	-	-	1,300,000	-	1,300,000
Other liabilities**	-	-	25,123	-	-	-	25,123
Total financial liabilities	-	-	25,123	-	1,300,000	-	1,325,123
Net liquidity surplus (gap)	88,068	13,877	161,155	61,128	238,064	100,000	662,292
In KHR'000	354,474	55,855	648,649	246,040	958,207	402,500	2,665,725

**Excluded prepayment*
***Excluded unearned income*

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d) Liquidity risk (continued)

2023	Up to 1 month USD	>1-3 months USD	>3-12 months USD	>1-5 years USD	Over 5 years USD	No fixed maturity date USD	Total USD
Financial asset							
Cash on hand	18,514	-	-	-	-	-	18,514
Deposits and placements with NBC	2,896	-	-	-	-	100,000	102,896
Deposits and placements with bank	172,846	-	-	-	-	-	172,846
Loans to customers	-	-	211,225	161,866	1,628,782	-	2,001,873
Other assets*	-	13,930	-	-	-	-	13,930
Total financial assets	194,256	13,930	211,225	161,866	1,628,782	100,000	2,310,059
Financial liabilities							
Borrowings	-	-	-	-	1,400,000	-	1,400,000
Other liabilities**	-	-	3,554	-	-	-	3,554
Total financial liabilities	-	-	3,554	-	1,400,000	-	1,403,554
Net liquidity surplus (gap)	194,256	13,930	207,671	161,866	228,782	100,000	906,505
In KHR'000	793,536	56,904	848,338	661,223	934,573	408,500	3,703,074

**Excluded prepayment*
***Excluded unearned income*

e) Capital management

i. Regulatory capital

The Company's lead regulator, the NBC, sets and monitors capital requirements for the Company as a whole.

The Company's policy is to maintain a strong capital base so as to maintain market confidence and to sustain further development of the business. The impact of the level of capital on shareholders' return is also recognised and the Company recognised the need to maintain a balance between the higher returns that might be possible with greater gearing and advantages and security afforded by a sound capital position.

The Company has complied with all externally imposed capital requirements throughout the year.

ii. Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital.

26. Events after the reporting date

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

27. Authorisation of the financial statements

The financial statements for the year ended 31 December 2024 were authorised for issue by the director on 09 April 2025.