



**CAM ACCOUNTING & TAX SERVICE CO., LTD.**

# Independent Auditor's Report

G B Microfinance Institution Plc.

Financial Statements

For the year ended 31 December 2025

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## 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 2025.

### 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 also obtained the renewal of the Microfinance institution license, which was approved by National Bank of Cambodia (“NBC”) on 04 December 2025.

The Company is principally engaged in all aspects of microfinance 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 2025 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 2025.

### 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:

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

### 4. Shareholders

The Shareholder of the Company during the year and to the date of this report was as follows:

<b>Name</b>	<b>Position</b>
Mr. Tang Kuonghow	Chairman
Mrs. Hsu, Chia-Chia	Vice Chairwoman

### 5. Auditors

The financial statements for the year ended 31 December 2025 have been audited by Cam Accounting & Tax Service Co., Ltd.

### 6. Board of directors’ responsibility for the financial statements

The board of directors are 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 2025 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 are 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 board of directors confirm that the Company has complied with the above requirements in preparing the financial statements.

#### **7. 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.

#### **8. 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 2025 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: 06 April 2026



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 2025, 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 notes of financial statements, including significant accounting policies as set out on pages 6 to 31.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, 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 and other ethical responsibilities

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 obtained at the date of this auditors' report is the information included in the Board of Director Report as set out on pages 1 to 2 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 Board of 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 Board of directors' report and, in doing so, consider whether the Board of 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 on the other information obtained prior the date of this auditors' report, we conclude that there is a material misstatement of the board of 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 board of 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



**Keat Heng, CPA, FCCA**  
**Audit Partner**

Phnom Penh, Kingdom of Cambodia  
Date: 06 April 2026

## Statement of financial position

As at 31 December 2025

	Notes	2025		2024	
		USD	KHR'000	USD	KHR'000
<b>Assets</b>					
Cash on hand	4	7,421	29,780	18,082	72,780
Deposits and placements with NBC	5	130,343	523,066	104,177	419,312
Deposits and placements with banks	6	198,975	798,487	65,155	262,249
Loans to customers	7	1,819,930	7,303,379	1,723,021	6,935,160
Other assets	8	32,610	130,864	32,358	130,241
Intangible asset	9	5,908	23,709	6,656	26,790
Property and equipment	10	1,230	4,936	2,293	9,229
Deferred tax asset	21(a)	296,687	1,190,605	274,452	1,104,669
<b>Total assets</b>		<b>2,493,104</b>	<b>10,004,826</b>	<b>2,226,194</b>	<b>8,960,430</b>
<b>Liabilities</b>					
Borrowings	11	1,300,000	5,216,900	1,300,000	5,232,500
Other liabilities	12	27,720	111,240	25,359	102,070
<b>Total liabilities</b>		<b>1,327,720</b>	<b>5,328,140</b>	<b>1,325,359</b>	<b>5,334,570</b>
<b>Equity</b>					
Share capital	13	2,500,000	10,000,000	2,000,000	8,000,000
Regulatory reserve	14	330,512	1,339,339	201,349	821,266
Accumulated losses		(1,665,128)	(6,773,964)	(1,300,514)	(5,311,542)
Currency translation reserves		-	111,311	-	116,136
<b>Total equity</b>		<b>1,165,384</b>	<b>4,676,686</b>	<b>900,835</b>	<b>3,625,860</b>
<b>Total liabilities and equity</b>		<b>2,493,104</b>	<b>10,004,826</b>	<b>2,226,194</b>	<b>8,960,430</b>

The accompanying notes are an integral part of these financial statements.

## Statement of profit & loss and other comprehensive income

For the year ended 31 December 2025

	Notes	2025		2024	
		USD	KHR'000	USD	KHR'000
Interest income	15	187,104	750,474	217,570	885,727
Interest expense	16	(84,487)	(338,877)	(89,447)	(364,139)
<b>Net interest income</b>		<b>102,617</b>	<b>411,597</b>	<b>128,123</b>	<b>521,588</b>
Other operating income	17	5,229	20,974	8,538	34,758
Employee expenses	18	(244,452)	(980,497)	(256,154)	(1,042,803)
Operation and administrative expenses	19	(90,571)	(363,280)	(120,165)	(489,192)
Allowance for impairment losses	20	(30,509)	(122,372)	(50,911)	(207,259)
<b>Loss before taxes</b>		<b>(257,686)</b>	<b>(1,033,578)</b>	<b>(290,569)</b>	<b>(1,182,908)</b>
Income taxes	21(b)	22,235	89,229	274,452	1,104,669
<b>Loss for the year</b>		<b>(235,451)</b>	<b>(944,349)</b>	<b>(16,117)</b>	<b>(78,239)</b>
Other comprehensive income		-	-	-	-
Currency translation differences		-	(4,825)	-	(41,651)
<b>Total comprehensive income for the year</b>		<b>(235,451)</b>	<b>(949,174)</b>	<b>(16,117)</b>	<b>(119,890)</b>

The accompanying notes are an integral part of these financial statements.

## Statement of changes in equity

For the year ended 31 December 2025

	Share capital USD	Regulatory reserve USD	Accumulated losses USD	Total USD
At 01 January 2024	2,000,000	40,367	(1,123,415)	916,952
Loss for the year	-	-	(16,117)	(16,117)
Transfer	-	160,982	(160,982)	-
<b>Balance at 31 December 2024</b>	<b>2,000,000</b>	<b>201,349</b>	<b>(1,300,514)</b>	<b>900,835</b>
<b>Paid-up capital</b>	<b>500,000</b>	-	-	<b>500,000</b>
<b>Loss for the year</b>	-	-	<b>(235,451)</b>	<b>(235,451)</b>
<b>Transfer</b>	-	<b>129,163</b>	<b>(129,163)</b>	-
<b>Balance at 31 December 2025</b>	<b>2,500,000</b>	<b>330,512</b>	<b>(1,665,128)</b>	<b>1,165,384</b>

	Share capital KHR'000	Regulatory reserve KHR'000	Accumulated losses KHR'000	Translation reserve KHR'000	Total KHR'000
At 01 January 2024	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)
<b>Balance at 31 December 2024</b>	<b>8,000,000</b>	<b>821,266</b>	<b>(5,311,542)</b>	<b>116,136</b>	<b>3,625,860</b>
<b>Paid-up capital</b>	<b>2,000,000</b>	-	-	-	<b>2,000,000</b>
<b>Loss for the year</b>	-	-	<b>(944,349)</b>	-	<b>(944,349)</b>
<b>Transfer</b>	-	<b>518,073</b>	<b>(518,073)</b>	-	-
<b>Translation differences</b>	-	-	-	<b>(4,825)</b>	<b>(4,825)</b>
<b>Balance at 31 December 2025</b>	<b>10,000,000</b>	<b>1,339,339</b>	<b>(6,773,964)</b>	<b>111,311</b>	<b>4,676,686</b>

The accompanying notes are an integral part of these financial statements.

## Statement of cash flows

For the year ended 31 December 2025

	Notes	2025		2024	
		USD	KHR'000	USD	KHR'000
<b>Cash flow from operating activities</b>					
Loss before taxes		(257,686)	(1,033,578)	(290,569)	(1,182,908)
<b>Adjustment for:</b>					
Depreciation	10	1,063	4,264	5,968	24,297
Amortization expense	9	2,888	11,584	17,664	71,910
Allowance for impairment losses	20	30,509	122,372	50,911	207,259
Interest expense	16	84,487	338,877	89,447	364,139
<b>Operating loss before working capital changes</b>		<b>(138,739)</b>	<b>(556,481)</b>	<b>(126,579)</b>	<b>(515,303)</b>
<b>Changes in:</b>					
Loans to customers	7	(126,066)	(505,651)	216,466	881,233
Deferred tax asset	21(a)	(22,235)	(89,229)	(274,452)	(1,104,669)
Other assets	8	(252)	(1,011)	(2,328)	(9,477)
Other liabilities	12	2,361	9,470	(2,810)	(11,440)
<b>Cash flow used in operating activities</b>		<b>(284,931)</b>	<b>(1,142,902)</b>	<b>(189,703)</b>	<b>(759,656)</b>
Income taxes	21 (b)	22,235	89,229	274,452	1,104,669
<b>Net cash flow used in operating activities</b>		<b>(262,696)</b>	<b>(1,053,673)</b>	<b>84,749</b>	<b>345,013</b>
<b>Cash flow from investing activities</b>					
Statutory deposit with NBC	5	(25,000)	(100,275)	-	-
Acquisition of Intangible asset	9	(2,140)	(8,584)	-	-
Acquisition of property & equipment	10	-	-	(1,490)	(6,066)
<b>Net cash flow used in investing activities</b>		<b>(27,140)</b>	<b>(108,859)</b>	<b>(1,490)</b>	<b>(6,066)</b>
<b>Cash flow from financing activities</b>					
Proceed from capital injection	13	500,000	2,005,500	-	-
Interest paid	16	(84,487)	(338,877)	(89,447)	(364,139)
Borrowings	11	-	-	(100,000)	(407,100)
<b>Net cash flow generated from financing activities</b>		<b>415,513</b>	<b>1,666,623</b>	<b>(189,447)</b>	<b>(771,239)</b>
<b>Net changes in cash and cash equivalents</b>		<b>125,677</b>	<b>504,091</b>	<b>(106,188)</b>	<b>(432,292)</b>
<b>Cash and cash equivalents at 01 January</b>		<b>88,068</b>	<b>354,473</b>	<b>194,256</b>	<b>793,536</b>
<b>Currency translation differences</b>		<b>-</b>	<b>(806)</b>	<b>-</b>	<b>(6,771)</b>
<b>Cash and cash equivalents at 31 December</b>		<b>213,745</b>	<b>857,758</b>	<b>88,068</b>	<b>354,473</b>
<b>Cash and cash equivalents at 31 December 2025 &amp; 2024 reconciliation:</b>					
		2025		2024	
		USD	KHR'000	USD	KHR'000
Cash on hand		7,421	29,780	18,082	72,780
Deposits and placements with banks		200,981	806,537	65,809	264,881
Deposits and placements with NBC (Excluding statutory deposits)		5,343	21,441	4,177	16,812
		<b>213,745</b>	<b>857,758</b>	<b>88,068</b>	<b>354,473</b>

The accompanying notes are an integral part of these financial statements.

# 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 also obtained the renewal of the Microfinance institution license, which was approved by National Bank of Cambodia ("NBC") on 04 December 2025.

The Company is principally engaged in all aspects of microfinance 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 New standards effective on or after 01 January 2025**

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

- Lack of Exchangeability (Amendments to CIAS 21)

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

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

- CIFRS 18 'Presentation and Disclosure in Financial Statements'
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to CIFRS 9 and 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to CIFRS 9 and CIFRS 7)
- Annual Improvements to CIFRS Accounting Standards—Volume 11
- CIFRS 19 'Subsidiaries without Public Accountability: Disclosures'
- Amendments to CIFRS 19 'Subsidiaries without Public Accountability: Disclosures'

### **3.2 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.

### **3.3 Significant accounting judgments and estimates uncertainty**

When preparing the financial statements, management undertakes a number of judgements, estimates, and assumptions about the recognition and measurement of assets, liabilities, revenue, and expenses.

### 3.3.1 Significant accounting judgement

The judgements made by management in applying the accounting policies of the Company that have the most significant effect on these financial statements such as recognition of contract revenue over time or at a point in time, capitalization of internally developed software, recognition of deferred tax assets and others.

### 3.3.2 Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income, and expenses is provided below. Actual results may be substantially different.

#### 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 historical data estimates at the end of each reporting period.

#### 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, software and IT equipment.

#### 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.

### 3.4 Functional and presentation currency

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.

### 3.5 Foreign currency transactions and balances

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:

			<b>Closing rate</b>	<b>Average rate</b>
31 December 2025	US\$1	=	KHR4,013	KHR4,011
31 December 2024	US\$1	=	KHR4,025	KHR4,071

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.

### **3.6 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.

### **3.7 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 loan to customer. Unamortised loan fees are recognized as unearned income.

### **3.8 Operating leases**

Payments made under operating leases are recognised in the statement of profit & loss and other comprehensive income on a straight-line basis over the term of the lease. 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 only rented an office in Phnom Penh, which expires in 2027, considered as operating leases.

### **3.9 Operation and administration expense**

Operation and administration expenses are recognised in profit or loss upon utilisation of the service or as incurred.

### **3.10 Borrowing**

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

### **3.11 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 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 always 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.

### **3.12 Intangible asset**

Intangible asset is initially recognised at cost and subsequent measured at cost less accumulated amortisation (straight-line method) incurred in obtaining software at rate 20 to 25%.

Subsequent expenditures on the maintenance of computer software is expensed as incurred.

When an intangible asset is disposed of, the gain or loss on disposal is determined as the difference between the proceeds and the carrying amount of the asset, and is recognised in profit or loss within other income or other expenses.

### **3.13 Property and equipment**

All items of property and equipment are initially recognised at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when 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. All repairs and maintenance costs are charged to the statement of comprehensive income during the financial year in which they are incurred.

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

#### **Depreciation**

Depreciation is calculated by using straight-line method and the annual rates as follows:

<b>Items</b>	<b>Annual rate</b>
Leasehold improvement	20%
Computer equipment	25%
Furniture and fixtures	25%
Office equipment	25%
Motor vehicles	25%

The residual values, useful life and depreciation method are reviewed at each financial year to ensure that the amount, method and years of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items 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.

### **3.14 Impairment testing of property and equipment and other intangible asset**

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.

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.

### **3.15 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and cash in banks as well as other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### **3.16 Deposits and placements with National Bank of Cambodia (NBC)**

Statutory deposits represent capital guarantee deposits maintained with the National Bank of Cambodia ("NBC") in compliance with Prakas No. B7-00-06 Prokor dated 11 January 2000 and B7-06-209 Prokor dated 13 September 2006 on the licensing of Microfinance Institutions; the Company is required to maintain a statutory deposit of 5% of its registered capital. Statutory deposits are not available for use in the Company's day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia. Hence it is not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

### **3.17 Deposits and placements with banks**

Deposits and placement with other banks are stated at cost. The Company provides allowance for impairment losses for placements with other banks at 1% (2024: 1%), in accordance with Prakas No. B7-017-344 dated 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.

### **3.18 Loans to customers**

Loans to customers are recognised 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 uncollectible is proven. Loans written-off are taken 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 the profit or loss.

### **3.19 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.

### **3.20 Financial instruments**

#### **Initial recognition & 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, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- Amortised cost
- Fair value through profit or loss (FVTPL), or
- Fair value through other comprehensive income (FVOCI).

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.

Financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.

Financial liabilities are derecognised when it is extinguished, discharged, cancelled or expires.

### **Subsequent measurement**

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

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

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at FVTPL.

Financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

### **Impairment financial assets**

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses— the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

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 objective evidence of impairment.

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 was 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.

### **3.21 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.

### **3.22 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.

### **3.23 Regulatory reserves**

Regulatory reserves are set up for the variance of provision between impairment in accordance with CIFRS for SMEs (on loans to customers, deposits and placements with other banks, other receivables, investments in debt securities and off-balance sheet commitments) and regulatory provision (on loans to customers, deposits and placements with other banks, other receivables and off-balance sheet commitments based on the prescribed credit grading rates from the NBC). It is transferred between retained earnings and regulatory reserves presented under when the total accumulated regulatory provision is higher than the accumulated impairment based on CIFRS for SMEs.

An uncollectible loan or portion of a loan classified as bad is written off after taking into consideration the realizable value of the collateral, if any when in the judgment of the management, there is no prospect of recovery.

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
<b>Short term loans (less than or equal one year):</b>		
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%
<b>Long term loans (more than one year):</b>		
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.

### **3.24 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.

### **3.25 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.

### **3.26 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

	2025		2024	
	USD	KHR'000	USD	KHR'000
US Dollars	5,624	22,569	17,145	69,009
Khmer Riels	1,797	7,211	937	3,771
	<u>7,421</u>	<u>29,780</u>	<u>18,082</u>	<u>72,780</u>

#### 5. Deposits and placements with NBC

	2025		2024	
	USD	KHR'000	USD	KHR'000
Capital guarantee deposit*	125,000	501,625	100,000	402,500
Current accounts	5,343	21,441	4,177	16,812
	<u>130,343</u>	<u>523,066</u>	<u>104,177</u>	<u>419,312</u>

(\*) The capital guarantee deposit is maintained with NBC in compliance with Prakas No B7-00-06 on the Licensing of Microfinance and 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 interest rate at 1.04% (2024: 1.3%) per annum, which is recorded in the current account.

#### 6. Deposits and placements with banks

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>In Cambodia:</b>				
Current accounts	175,658	704,916	65,809	264,881
Saving accounts	25,323	101,621	-	-
	<u>200,981</u>	<u>806,537</u>	<u>65,809</u>	<u>264,881</u>
Less: Allowance for impairment losses	(2,006)	(8,050)	(654)	(2,632)
	<u>198,975</u>	<u>798,487</u>	<u>65,155</u>	<u>262,249</u>

Movements in the impairment loss allowance are as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>In Cambodia:</b>				
At 01 January	654	2,632	1,725	7,047
Allowance for impairment losses	1,352	5,426	(1,071)	(4,311)
Translation differences	-	(8)	-	(104)
At 31 December	<u>2,006</u>	<u>8,050</u>	<u>654</u>	<u>2,632</u>

The above deposit and placements amount are analyses as follow:

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>By currency:</b>				
US Dollars	185,601	744,817	62,858	253,003
Khmer Riels	15,380	61,720	2,951	11,878
	<u>200,981</u>	<u>806,537</u>	<u>65,809</u>	<u>264,881</u>

#### 7. Loans to customers

	2025		2024	
	USD	KHR'000	USD	KHR'000
Short term	41,709	167,378	184,484	742,548
Long term	1,789,937	7,183,017	1,557,292	6,268,100
	<u>1,831,646</u>	<u>7,350,395</u>	<u>1,741,776</u>	<u>7,010,648</u>
Accrued interest receivables	79,911	320,683	43,694	175,869
<b>Gross loans at amortised cost</b>	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>
Less: Allowance for impairment losses	(91,627)	(367,699)	(62,449)	(251,357)
<b>Net loans at amortised cost</b>	<u>1,819,930</u>	<u>7,303,379</u>	<u>1,723,021</u>	<u>6,935,160</u>

Movements in the impairment loss allowance are as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 01 January	62,449	251,357	10,404	42,500
Allowance for impairment losses	29,157	116,949	51,982	211,619
Over allowance for impairment losses	21	84	63	256
Translation differences	-	(691)	-	(3,018)
At 31 December	<u>91,627</u>	<u>367,699</u>	<u>62,449</u>	<u>251,357</u>

The Loans to customers are analysed as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>a) By maturity:</b>				
1 to 12 months	41,733	167,475	186,278	749,769
1 to 3 years	96,133	385,782	8,445	33,991
3 to 5 years	148,004	593,940	52,683	212,049
Over 5 years	1,625,687	6,523,881	1,538,064	6,190,708
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>b) By industry:</b>				
Housing	1,824,306	7,320,940	1,541,966	6,206,413
Trade and Commerce	54,729	219,627	44,296	178,291
Other categories	32,522	130,511	199,208	801,813
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>c) By currency:</b>				
US Dollars	1,697,224	6,810,960	1,611,261	6,485,326
Khmer Riels	214,333	860,118	174,209	701,191
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>d) By residency status:</b>				
Residents	1,911,557	7,671,078	1,785,470	7,186,517
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>e) By relationship:</b>				
External customers	1,845,339	7,405,345	1,624,579	6,538,930
Staff loans	66,218	265,733	160,891	647,587
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>f) By performance and security:</b>				
Secured	1,878,978	7,540,338	1,669,472	6,719,625
Unsecured	32,579	130,740	115,998	466,892
	<u>1,911,557</u>	<u>7,671,078</u>	<u>1,785,470</u>	<u>7,186,517</u>

	2025		2024	
	7%-18%		7%-18%	
<b>g) By interest rate (per annum):</b>				
Individual				

## 8. Other assets

	2025		2024	
	USD	KHR'000	USD	KHR'000
Prepayments	19,005	76,267	18,481	74,386
Rental deposit	13,400	53,774	13,400	53,935
Other receivables	165	662	436	1,755
Other assets	40	161	41	165
	<b>32,610</b>	<b>130,864</b>	<b>32,358</b>	<b>130,241</b>

## 9. Intangible asset

	2025		2024	
	Software USD	Total USD	Software USD	Total USD
<b>Cost</b>				
At 01 January	89,742	89,742	89,742	89,742
Additions	2,140	2,140	-	-
<b>At 31 December</b>	<b>91,882</b>	<b>91,882</b>	<b>89,742</b>	<b>89,742</b>
<b>Accumulated amortisation</b>				
At 01 January	83,086	83,086	65,422	65,422
Amortisation	2,888	2,888	17,664	17,664
<b>At 31 December</b>	<b>85,974</b>	<b>85,974</b>	<b>83,086</b>	<b>83,086</b>
<b>Carrying amount</b>				
At 31 December	5,908	5,908	6,656	6,656
In KHR'000	<b>23,709</b>	<b>23,709</b>	<b>26,790</b>	<b>26,790</b>

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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
<b>Cost</b>						
At 01 January 2025	20,278	14,714	9,484	44,743	2,349	91,568
Additions	-	-	-	-	-	-
At 31 December 2025	20,278	14,714	9,484	44,743	2,349	91,568
<b>Accumulated depreciation</b>						
At 01 January 2025	20,244	14,714	8,971	42,997	2,349	89,275
Depreciation	34	-	180	849	-	1,063
At 31 December 2025	20,278	14,714	9,151	43,846	2,349	90,338
<b>Carrying amount</b>						
At 31 December	-	-	333	897	-	1,230
In KHR'000	-	-	1,336	3,600	-	4,936
	Leasehold improvement USD	Furniture and fixtures USD	Office equipment USD	Computer equipment USD	Motor vehicles USD	Total USD
<b>Cost</b>						
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
<b>Accumulated depreciation</b>						
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
<b>Carrying amount</b>						
At 31 December	34	-	513	1,746	-	2,293
In KHR'000	136	-	2,065	7,028	-	9,229

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## 11. Borrowing

	2025		2024	
	USD	KHR'000	USD	KHR'000
Mr. Hsueh Ho-Chih	300,000	1,203,900	300,000	1,207,500
Mr. Hsieh Ho-Yu	300,000	1,203,900	300,000	1,207,500
Mr. Lin Wei-Yi	300,000	1,203,900	300,000	1,207,500
Mrs. Lin Chiao-Jou	300,000	1,203,900	300,000	1,207,500
Mr. Tsai Cheng-Hsueh	100,000	401,300	100,000	402,500
	<b>1,300,000</b>	<b>5,216,900</b>	<b>1,300,000</b>	<b>5,232,500</b>

Borrowing from third parties amounting to USD 1,300,000 (interest:6.5% per annual) and USD 1,300,000 (interest:6.5% per annual) in 2024 & 2025.

## 12. Other liabilities

	2025		2024	
	USD	KHR'000	USD	KHR'000
Accrued expenses	25,901	103,941	23,440	94,346
Other tax payables	1,624	6,517	1,683	6,774
Unearned income from customers	195	782	236	950
	<b>27,720</b>	<b>111,240</b>	<b>25,359</b>	<b>102,070</b>

## 13. Share capital

	2025			
	% of ownership	Number of shares	USD	KHR'000
Mr. Tang Kuonghow	51%	6,375	1,275,000	5,100,000
Mrs. Hsu Chia Chia	49%	6,125	1,225,000	4,900,000
	<b>100%</b>	<b>12,500</b>	<b>2,500,000</b>	<b>10,000,000</b>

  

	2024			
	% 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
	<b>100%</b>	<b>10,000</b>	<b>2,000,000</b>	<b>8,000,000</b>

The Company's registered paid-up capital amounting to USD 2,500,000 and USD 2,000,000 in 2025 and 2024, respectively.

## 14. Regulatory reserve

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	201,349	821,266	40,367	165,908
Transfer from/(to) retained profits	129,163	518,073	160,982	655,358
At 31 December	<b>330,512</b>	<b>1,339,339</b>	<b>201,349</b>	<b>821,266</b>

As at 31 December 2025, the regulatory provision calculation is USD 422,139 which is USD 330,512 higher than the required provision per CIFRS for SMEs of USD 91,627. As such, in the compliance with Prakas No. B7-017-344 Article 73(b), USD 330,512 regulatory reserve is transferred from accumulated losses.

## 15. Interest income

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loans to customers	185,894	745,621	216,269	880,431
Deposits and placements with banks	1,210	4,853	1,301	5,296
	<b>187,104</b>	<b>750,474</b>	<b>217,570</b>	<b>885,727</b>

## 16. Interest expense

The interest expense is paid to third parties in amounting to USD 84,487 for the year ended 31 December 2025 and in amounting to USD 89,447 for the year ended 31 December 2024.

## 17. Other operating income

	2025		2024	
	USD	KHR'000	USD	KHR'000
Penalty income	3,690	14,801	2,774	11,293
Other income	1,138	4,565	2,107	8,577
Gain on currency exchange rate	401	1,608	2,495	10,157
Fee and commission on loans	-	-	1,162	4,731
	<b>5,229</b>	<b>20,974</b>	<b>8,538</b>	<b>34,758</b>

## 18. Employee expenses

	2025		2024	
	USD	KHR'000	USD	KHR'000
Salary and bonus expense	198,796	797,371	209,588	853,233
Incentive expense	28,326	113,616	29,347	119,472
Seniority expense	11,516	46,191	11,029	44,899
Insurance expense	1,748	7,011	1,810	7,369
Uniform expense	1,285	5,154	1,502	6,115
Pension fund	1,025	4,111	1,064	4,332
Other employee expenses	1,756	7,043	1,814	7,383
	<b>244,452</b>	<b>980,497</b>	<b>256,154</b>	<b>1,042,803</b>

## 19. Operation and administrative expenses

	2025		2024	
	USD	KHR'000	USD	KHR'000
Rental expense	29,713	119,179	29,051	118,267
Repaired and maintenance expense	16,019	64,252	16,828	68,507
Professional fee	13,868	55,625	20,306	82,666
Security expenses	6,424	25,767	6,336	25,794
Utilities expense	6,000	24,066	6,472	26,348
License fee	4,984	19,991	4,914	20,005
Amortisation expense	2,888	11,584	17,664	71,910
Communication expense	2,870	11,512	4,011	16,329
Membership fee	2,297	9,213	3,338	13,589
Other expenses	1,711	6,861	1,537	6,255
Transportation expense	1,440	5,776	1,478	6,017
Depreciation expense	1,062	4,260	5,898	24,011
Office supplies	826	3,313	1,113	4,531
Marketing and advertising expense	169	678	760	3,094
Entertainment expense	300	1,203	389	1,584
Loss on disposal	-	-	70	285
	<b>90,571</b>	<b>363,280</b>	<b>120,165</b>	<b>489,192</b>

## 20. Allowance for impairment losses

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loans to customers	29,157	116,949	51,982	211,619
Deposits and placements with banks	1,352	5,423	(1,071)	(4,360)
	<b>30,509</b>	<b>122,372</b>	<b>50,911</b>	<b>207,259</b>

## 21. Income taxes

### a) Deferred tax assets/(liabilities)

	2025		2024	
	USD	KHR'000	USD	KHR'000
Deferred tax assets	296,687	1,190,605	274,452	1,104,669
	<u>296,687</u>	<u>1,190,605</u>	<u>274,452</u>	<u>1,104,669</u>

The movement of net deferred tax assets/(liabilities) is as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Balance at beginning of year	274,452	1,104,669	-	-
Credit/(Charge) to income statement	22,235	89,229	274,452	1,104,669
Currency translation difference	-	(3,293)	-	-
	<u>296,687</u>	<u>1,190,605</u>	<u>274,452</u>	<u>1,104,669</u>

Deferred tax assets /(liabilities) are as following:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Depreciation	8,397	33,697	9,943	40,021
Allowance for impairment losses	(62,741)	(251,780)	(27,114)	(109,134)
Tax losses	351,031	1,408,688	291,623	1,173,782
	<u>296,687</u>	<u>1,190,605</u>	<u>274,452</u>	<u>1,104,669</u>

### b) Income taxes expense

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>Current tax:</b>				
Estimated current income tax expense	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred tax assets /(liabilities):</b>				
Deferred tax assets	22,235	89,229	274,452	1,104,669
	<u>22,235</u>	<u>89,229</u>	<u>274,452</u>	<u>1,104,669</u>

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 profit & loss and other comprehensive income is as follow.

	2025		2024	
	USD	KHR'000	USD	KHR'000
Loss before tax	(257,686)	(1,033,578)	(290,569)	(1,182,908)
Add: Non-deductible expenses	36,052	144,605	99,875	406,591
Less: Deductible expense	(234,549)	(941,245)	(235,457)	(947,714)
Estimated taxable income tax 20% (A)	-	-	-	-
Minimum tax at 1% of revenue (B)*	-	-	-	-
Estimated current income tax expense (Higher of A or B)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

\*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

	2025		2024	
	USD	KHR'000	USD	KHR'000
Within one year	29,340	117,741	29,340	118,094
Two to five years	75,795	304,165	105,135	423,168
	<u>105,135</u>	<u>421,906</u>	<u>134,475</u>	<u>541,262</u>

### 24. Categories of financial instruments

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>Financial assets</b>				
Cash on hand	7,421	29,780	18,082	72,780
Deposits and placements with NBC	130,343	523,066	104,177	419,312
Deposits and placements with banks	200,981	806,537	65,809	264,881
Loans to customers-gross	1,911,557	7,671,078	1,785,470	7,186,517
Other assets*	13,605	53,935	13,877	54,100
	<u>2,263,907</u>	<u>9,084,396</u>	<u>1,987,415</u>	<u>7,997,590</u>
<b>Financial liabilities</b>				
Borrowing	1,300,000	5,216,900	1,300,000	5,232,500
Other liabilities**	27,525	111,240	25,123	102,070
	<u>1,327,525</u>	<u>5,328,140</u>	<u>1,325,123</u>	<u>5,334,570</u>

\*Excluded 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 achieved; 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**

	2025		2024	
	USD	KHR'000	USD	KHR'000
<b>Loans to customers</b>				
Neither past due nor impaired	1,213,210	4,868,612	1,272,008	5,119,832
Past due but not impaired	440,260	1,766,763	461,801	1,858,749
Impaired loans	258,087	1,035,703	51,661	207,936
	<b>1,911,557</b>	<b>7,671,078</b>	<b>1,785,470</b>	<b>7,186,517</b>

**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 60 days for short-term loans and 180 days for long-term loans, unless other information is available to indicate otherwise.

**Impaired loans**

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 60 days for short-term loans and 180 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 organizational 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 liabilities 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.

## ii. Interest rate risk (Continued)

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

2025	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 %
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	7,421	7,421	-
Deposits and placements with NBC	-	-	125,000	-	-	5,343	130,343	1.04%
Deposits and placements with banks	200,981	-	-	-	-	-	200,981	0.10%
Loans to customers-gross	-	-	41,733	244,137	1,625,687	-	1,911,557	7%-18%
Other assets*	-	-	-	-	-	13,605	13,605	-
<b>Total financial assets</b>	<b>200,981</b>	<b>-</b>	<b>166,733</b>	<b>244,137</b>	<b>1,625,687</b>	<b>26,369</b>	<b>2,263,907</b>	
<b>Financial liabilities</b>								
Borrowings	-	-	-	1,300,000	-	-	1,300,000	6.5%
Other liabilities**	-	-	27,525	-	-	-	27,525	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>27,525</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>1,327,525</b>	
Total interest pricing gap In KHR'000	<b>200,981</b>	<b>-</b>	<b>139,208</b>	<b>(1,055,863)</b>	<b>1,625,687</b>	<b>26,369</b>	<b>936,382</b>	
	<b>806,537</b>	<b>-</b>	<b>558,642</b>	<b>(4,237,178)</b>	<b>6,523,882</b>	<b>105,819</b>	<b>3,757,701</b>	

\*Excluded prepayment

\*\*Excluded unearned income

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## ii. Interest rate risk (Continued)

	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 %
<b>2024</b>								
<b>Financial assets</b>								
Cash on hand	-	-	-	-	-	18,082	18,082	-
Deposits and placements with NBC	-	-	100,000	-	-	4,177	104,177	1.3%
Deposits and placements with banks	65,809	-	-	-	-	-	65,809	-
Loans to customers-gross	-	-	186,278	61,128	1,538,064	-	1,785,470	7%-18%
Other assets*	-	-	-	-	-	13,877	13,877	-
<b>Total financial assets</b>	<b>65,809</b>	<b>-</b>	<b>286,278</b>	<b>61,128</b>	<b>1,538,064</b>	<b>36,136</b>	<b>1,987,415</b>	
<b>Financial liabilities</b>								
Borrowings	-	-	-	1,300,000	-	-	1,300,000	6.5%
Other liabilities**	-	-	25,123	-	-	-	25,123	-
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>25,123</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>1,325,123</b>	
Total interest pricing gap	65,809	-	261,155	(1,238,872)	1,538,064	36,136	662,292	
<b>In KHR'000</b>	<b>264,881</b>	<b>-</b>	<b>1,051,149</b>	<b>(4,986,460)</b>	<b>6,190,708</b>	<b>145,447</b>	<b>2,665,725</b>	

\*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 is 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
2025	USD	USD	USD	USD	USD	USD	USD
<b>Financial asset</b>							
Cash on hand	7,421	-	-	-	-	-	7,421
Deposits and placements with NBC	5,343	-	-	-	-	125,000	130,343
Deposits and placements with banks	200,981	-	-	-	-	-	200,981
Loans to customers-gross	-	-	41,733	244,137	1,625,687	-	1,911,557
Other assets*	-	13,605	-	-	-	-	13,605
<b>Total financial assets</b>	<b>213,745</b>	<b>13,605</b>	<b>41,733</b>	<b>244,137</b>	<b>1,625,687</b>	<b>125,000</b>	<b>2,263,907</b>
<b>Financial liabilities</b>							
Borrowings	-	-	-	1,300,000	-	-	1,300,000
Other liabilities**	-	-	27,525	-	-	-	27,525
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>27,525</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>1,327,525</b>
Net liquidity surplus (gap)	213,745	13,605	14,208	(1,055,863)	1,625,687	125,000	936,382
In KHR'000	857,759	54,597	57,017	(4,237,178)	6,523,882	501,625	3,757,701

\*Excluded prepayment

\*\*Excluded unearned income

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**d) Liquidity risk (Continued)**

	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
<b>2024</b>							
<b>Financial asset</b>							
Cash on hand	18,082	-	-	-	-	-	18,082
Deposits and placements with NBC	4,177	-	-	-	-	100,000	104,177
Deposits and placements with banks	65,809	-	-	-	-	-	65,809
Loans to customers-gross	-	-	186,278	61,128	1,538,064	-	1,785,470
Other assets*	-	13,877	-	-	-	-	13,877
<b>Total financial assets</b>	<b>88,068</b>	<b>13,877</b>	<b>186,278</b>	<b>61,128</b>	<b>1,538,064</b>	<b>100,000</b>	<b>1,987,415</b>
<b>Financial liabilities</b>							
Borrowings	-	-	-	1,300,000	-	-	1,300,000
Other liabilities**	-	25,123	-	-	-	-	25,123
<b>Total financial liabilities</b>	<b>-</b>	<b>25,123</b>	<b>-</b>	<b>1,300,000</b>	<b>-</b>	<b>-</b>	<b>1,325,123</b>
Net liquidity surplus (gap)	88,068	(11,246)	186,278	(1,238,872)	1,538,064	100,000	662,292
<b>In KHR'000</b>	<b>354,474</b>	<b>(45,265)</b>	<b>749,769</b>	<b>(4,986,460)</b>	<b>6,190,708</b>	<b>402,500</b>	<b>2,665,726</b>

\*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 2025 including comparative were approved by the board of directors on 06 April 2026.