



SAHAKA MFI
together for prosperity!

ANNUAL REPORT 2025



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ក្រសួងពាណិជ្ជកម្ម
MINISTRY OF COMMERCE

ទូរស័ព្ទ(លេខ) : MOC-7638 អ៊ីម៉ែល: B.O.B

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វិញ្ញាបនបត្រ

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CERTIFICATE OF INCORPORATION

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ
KINGDOM OF CAMBODIA
NATION RELIGION KING

.....

ឈ្មោះរាជ្យ
NAME :

ចុះបញ្ជីក្រុមប្រឹក្សា
REGISTRATION NUMBER :

អត្តសញ្ញាណប័ណ្ណ
OLD REGISTRATION NUMBER :

កាលបរិច្ឆេទចុះបញ្ជីពាណិជ្ជកម្ម
INCORPORATION DATE :

ប្រភេទទុន/ទម្រង់ស្ថាប័ន
IS INCORPORATED AS :

៖ **អ៊ីនស្តីតុយ៉ុងមីក្រូហិរញ្ញវត្ថុ សហគមន៍ ភីអិលធី**
SAHAKA MICROFINANCE INSTITUTION PLC.

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៖ Co. 4361E/2015

៖ Co. 4361E/2015

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៖ 08 December 2015

៖ ក្រុមហ៊ុនមេឃុំភាគទុនទូលំទូលាយក្រុងបា្រមីញ

៖ Public Limited Company

រំពេច ៨ ០៨ 2015
PHNOM PENH, 08 DECEMBER 2015

វ. ឆៀងថា រដ្ឋមន្ត្រីក្រសួងពាណិជ្ជកម្ម
F. MINISTER OF COMMERCE

Minister General

សូមប្រមូលបទបញ្ជាដែលត្រូវអនុវត្តតាមពាណិជ្ជកម្ម និង
បញ្ជីពាណិជ្ជកម្ម ច្បាប់ និងកញ្ញាបត្រសាធារណៈព្រម ប្រមូលបទបញ្ជា
និងក្រមប្បញ្ញត្តិ ដែលមានជាប់នៅក្នុងគណនីពាណិជ្ជកម្មជាតិ

UNDER THE REGULATIONS OF COMMERCIAL RULES AND
REGISTER LAW, COMMERCIAL ENTERPRISES LAW, CIVIL
CODE AND PENAL CODE OF THE KINGDOM OF





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HO SYVONG



MESSAGE FROM CHAIRMAN AND CEO



MR. BOL VANNEAT
Chairman and Chief Executive Officer

DEAR SHAREHOLDERS, INVESTORS, AND CUSTOMER!

On behalf of the Board of Directors and Management of **SAHAKA** Microfinance Institution Plc., we are pleased to present our Annual Report for the year ended 31 December 2025.

The year 2025 was marked by a dynamic and evolving economic landscape, both globally and within Cambodia. Ongoing geopolitical tensions, shifts in international trade patterns, inflationary pressures in several major economies, and uncertainties in global financial markets continued to influence economic activity worldwide. Despite these challenges, the global economy demonstrated resilience, supported by moderating inflation, gradual monetary policy adjustments, and sustained investment in strategic sectors.

In Cambodia, economic growth continued to recover, driven by the gradual strengthening of tourism, trade, services, and selected manufacturing industries. However, the financial sector remained cautious amid changing market conditions, elevated household indebtedness, increased competition, and heightened regulatory expectations. These factors required financial institutions to maintain prudent risk management while continuing to support customers and contribute to economic development.

Against this backdrop, **SAHAKA** remained committed to its mission of providing responsible and inclusive financial services that improve livelihoods, support entrepreneurship, and promote sustainable economic opportunities for Cambodian communities.

A YEAR OF TRANSFORMATION AND RESILIENCE

Throughout 2025, we focused on strengthening the foundations of our institution while positioning ourselves for sustainable long-term growth. Our strategic priorities centered on portfolio quality, operational efficiency, governance enhancement, customer service excellence, and organizational capability development.

Despite challenging market conditions, **SAHAKA** continued to demonstrate resilience through disciplined management and prudent decision-making. We maintained a strong commitment to responsible lending practices, ensuring that customer needs were balanced with sound credit risk management and regulatory compliance.

KEY HIGHLIGHTS OF 2025

Strengthened Portfolio Quality:

We continued to enhance our credit assessment, monitoring, and recovery processes to preserve portfolio quality and support long-term sustainability.

Customer-Centric Growth:

We remained focused on serving customers through tailored financial solutions designed to meet the diverse needs of individuals, families, and small businesses.

Operational Excellence:

We implemented initiatives to improve efficiency, strengthen internal controls, and optimize business processes across our operations.

Human Capital Development:

Recognizing that our employees are our greatest asset, we invested in professional development, leadership capability, and technical training to strengthen organizational performance.

Strategic Transformation:

We advanced key initiatives under our strategic roadmap, reinforcing our vision, mission, and core values while enhancing our ability to adapt to evolving market conditions and stakeholder expectations.

SUPPORTING CAMBODIA'S ECONOMIC DEVELOPMENT

As a microfinance institution, our purpose extends beyond financial performance. We play an important role in expanding access to finance, supporting micro and small enterprises, creating economic opportunities, and fostering financial inclusion. Throughout the year, we continued to provide responsible financing that enabled customers to invest in their businesses, improve household livelihoods, and build greater financial resilience. By serving communities that are often underserved by traditional financial institutions, we contribute to broader national objectives of inclusive and sustainable economic growth.

GOVERNANCE, COMPLIANCE, AND RISK MANAGEMENT

Maintaining the trust of our stakeholders remains a cornerstone of our success. We continue to uphold the highest standards of corporate governance, ethical conduct, and regulatory compliance.

Working closely with the National Bank of Cambodia and other relevant stakeholders, we remain committed to strengthening risk management practices, enhancing transparency, and ensuring that our operations align with regulatory requirements and industry best practices.

LOOKING AHEAD

As we enter 2026, we remain cautiously optimistic about the opportunities that lie ahead. While economic uncertainties may continue to influence the operating environment, we believe that **SAHAKA** is well-positioned to navigate these challenges through strong governance, disciplined execution, and a clear strategic direction.

OUR PRIORITIES FOR THE COMING YEARS WILL INCLUDE:

- Strengthening sustainable portfolio growth while maintaining sound asset quality;
- Enhancing customer experience through innovation and operational excellence;
- Expanding the financial inclusion initiatives to serve more communities effectively;
- Leveraging technology and the digital solutions to improve accessibility and efficiency;
- Promoting environmental and social responsibility through sustainable finance initiatives; and
- Developing a high-performing organization capable of delivering long-term value to all stakeholders.

APPRECIATION

We extend our sincere gratitude to our customers for their continued trust and confidence, to our shareholders and investors for their unwavering support, and to the National Bank of Cambodia for its guidance and oversight.

Most importantly, we thank our dedicated employees whose professionalism, commitment, and hard work continue to drive the success of **SAHAKA**. Their contributions remain the foundation of our achievements and future growth.

Together, we will continue building a stronger, more resilient, and more inclusive financial institution that creates lasting value for our stakeholders and contributes meaningfully to Cambodia's sustainable development.

Yours sincerely,

<< SIGNED >>

Mr. BOL Vanneat

Chairman of the Board of Directors Chief Executive Officer
SAHAKA Microfinance Institution Plc.

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ABOUT SAHAKA

WHO WE ARE

SAHAKA Microfinance Institution Plc. is a public limited company incorporated in the Kingdom of Cambodia in December 2015 through a strategic partnership between Cambodian and Japanese shareholders. In April 2016, the institution was officially licensed by the National Bank of Cambodia (NBC) to operate as a microfinance institution with a mission to deliver sustainable financial services through responsible and customer-focused lending practices.

As of 2025, **SAHAKA** has completed ten years of operations and continues to expand its presence across Phnom Penh and various provinces throughout Cambodia. Over the past decade, the institution has steadily strengthened its role in promoting financial inclusion and supporting the economic development of local communities by providing accessible, reliable, and high-quality financial solutions tailored to clients' needs.

Throughout its growth journey, **SAHAKA** has remained committed to maintaining strong governance, operational transparency, and prudent risk management while strictly complying with the laws and regulations of the Royal Government of Cambodia and the regulatory requirements and guidelines issued by the National Bank of Cambodia, in line with international financial reporting standards and best practices.

SAHAKA has adopted the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (CIFRS for SMEs) since 2019. The institution continues to ensure accurate and transparent financial reporting, which is independently audited annually to uphold accountability, compliance, and stakeholder confidence.

Guided by its core values and long-term vision, **SAHAKA** remains dedicated to contributing to the sustainable growth of Cambodia's financial sector and improving the livelihoods of Cambodian people through inclusive and responsible financial services.

HEAD OFFICE

#6CD, Poland Republic Blvd (163), Phum11, Sangkat
Veal Vong, Khan Prampir Meakara, Phnom Penh,
Cambodia

ANGK SNOUL BRANCH

No.A37,St.04, Tumloab Kpous Villarge, Domnak Ampil
Commune, Ang Snoul District, Kandal Province,
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VISION,

MISSION AND VALUES

VISION

"To become a leading microfinance institution that enhances the quality of life of the Cambodian people by promoting economic empowerment and human resource development through responsible financial services, education, and a steadfast commitment to institutional integrity."

MISSION

"Our mission is to deliver affordable and the responsible financial services to underserved populations across Cambodia, helping individuals and families increase their income, build sustainable livelihoods, and improve their living standards."

SLOGAN

**" TOGETHER
FOR
PROSPERITY ! "**

VALUE

1. INTEGRITY AND TRANSPARENCY

"We uphold the highest standards of honesty, accountability, and ethical conduct in all our operations, ensuring the trust of our clients, regulators, and partners."

2. CLIENT-CENTRICITY

"We are committed to understanding and serving the unique needs of our clients with respect, empathy, and care-especially those in underserved and rural communities."

3. FINANCIAL INCLUSION AND EMPOWERMENT

"we strive to make financial services accessible to all Cambodians, empowering individuals and families to build better livelihoods through access to credit, financial literacy, and the opportunity."

4. SUSTAINABILITY AND SOCIAL IMPACT

"we are dedicated to creating lasting value for communities by promoting responsible the finance, economic resilience, and the environmentally sustainable practices."

5. INNOVATION

"We embrace innovation to serve clients better and adapt to a changing financial landscape."

OUR PRODUCT

VEHICLE LOAN

Vehicle Loan is designed to meet the needs of individual customer for the purpose of purchasing a new or used vehicles, such as motorcycles, cars, or trucks, for personal or business use.



PERSONAL LOAN

Personal Loan is designed as a credit facility extended to an individual borrower for non-business and non-housing related purposes. It is primarily intended to support a range of personal or household needs, including the education related expenses, medical or health-related costs, household consumption, equipment, family or social obligations, or emergency expenditures.



BUSINESS LOAN

Business Loan is designed for individuals, sole proprietors, or partnerships for the primary purpose of supporting or expanding income generating business activities. This includes financing working capital, purchasing equipment or inventory, investing in business infrastructure, or covering operational expenses.

HOUSING LOAN

Housing Loan is designed for individuals or households for the purpose of constructing, purchasing, renovating, or expanding residential properties to improve their living standard.

MILESTONES

2016

Obtained a Microfinance Institution (MFI) license from the National Bank of Cambodia in April, with a registered paid-up capital of USD 300,000.

2019

Increased our paid-up capital to USD 2.3 million, reinforcing our capacity to support sustainable growth. Our client base expanded to 741, with a total loan portfolio reaching USD 3.34 million—reflecting both increased outreach and continued trust from the communities we serve. In alignment with regulatory requirements and international best practices, we also adopted the Cambodian International Financial Reporting Standards for Small and Medium Enterprise (CIFRS for SMEs).

2021

Obtained a license from the National Bank of Cambodia to operate the Angsnoul Branch, further expanding our service reach. We served a total of 434 active clients, with a loan portfolio amounting to USD 7.37 million. In response to the ongoing impact of the COVID-19 crisis, we proactively supported affected clients by offering loan restructuring options while continuing to provide financial assistance. At the same time, we maintained strict risk management practices to safeguard portfolio quality and institutional stability.

2024

Maintained our outreach clients and portfolio growth and conducted a comprehensive strategic review to evaluate our long-term direction—updated our vision, mission, and core values to more accurately reflect our evolving objectives and to reinforce our commitment to sustainable and inclusive growth for the communities we serve.

2017

Increased the paid-up capital to USD 1.8 million, strengthening the institution's financial position and supporting future growth initiatives.

2020

Increased the paid-up capital to USD 3.3 million, strengthening the institution's financial position and supporting future growth initiatives.

2023

Increased its registered paid-up capital to USD 3.6 million, reinforcing its foundation for sustainable growth. We expanded our outreach to 863 active clients, with a total loan portfolio reaching USD 9.48 million. We successfully launched a new core banking system to enhance service delivery and operational effectiveness. Additionally, we relocated our head office to Building 6CD, Street 163, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, reflecting our continued commitment to institutional development and improved accessibility.

2025

In 2025, the Institution proudly celebrated its 10th Anniversary, marking a decade of growth, resilience, and commitment to financial inclusion. During the year, the Institution successfully expanded its portfolio while further strengthening its governance and policy framework through enhanced risk management practices, stronger internal controls, and updated institutional policies. These achievements reinforced the Institution's commitment to sustainable growth, operational excellence, and regulatory compliance, laying a solid foundation for future success.

A DECADE OF EXCELLENCE

Celebrates 10th Years Anniversary

On 10 April 2026, **SAHAKA** Microfinance Institution Plc. commemorated its 10th anniversary with a distinguished blessing ceremony and gala dinner. This milestone event celebrated a decade of strategic growth, institutional resilience, and the collective achievements that have defined the organization since its inception.

Honoring Tradition and Prosperity

The celebration commenced with a traditional blessing ceremony, underscoring the institution's respect for cultural heritage. This solemn proceeding was dedicated to inviting continued peace and prosperity for **SAHAKA**, its stakeholders, and its clients. The ceremony served as a moment of reflection for management and staff, reinforcing the ethical foundations and harmonious environment that underpin the institution's operations.

Commitment to Human Capital

Central to the event was the formal recognition of SAHAKA's long-standing employees. The institution presented Certificates of Appreciation to team members who have demonstrated exceptional dedication and sustained performance over the years. This presentation reaffirmed SAHAKA's commitment to fostering a culture of meritocracy and recognizing the vital role our personnel play in driving institutional success.

Strengthening Institutional Unity

The evening concluded with a gala dinner designed to strengthen the professional bonds between management and staff. This gathering provided a forum for cross-departmental engagement, fostering a spirit of solidarity and shared purpose. The inclusion of an interactive lucky draw further enhanced the evening, celebrating the team's collective hard work in a spirit of camaraderie.

Strategic Outlook

The 10th-anniversary celebration marks a significant chapter in SAHAKA's history. As we transition into the next decade, the institution remains steadfast in its mission to drive financial inclusion and sustainable development. We extend our deepest gratitude to our staff, partners, and clients for their unwavering trust and contribution to our enduring success.



OPERATIONAL HIGHLIGHTS

Operational Year Ended 31 December	2025	2024	2023
Province Outreach	13	12	12
District Outreach	58	53	57
Commune Outreach	194	170	182
Village Outreach	501	460	485
Total Branch	2	2	2
Total Staff	46	42	39
Total Borrower	969	828	826
Loan Outstanding	9,053,782	8,917,459	9,727,665
Loan Outstanding/CO	565,861	685,958	1,389,666
Loan Outstanding/Staff	196,821	212,320	249,427
Average Loan Size (USD)	9,343	10,770	11,777
Portfolio at Risk (PAR%)	13.15%	18.06%	6.35%



FINANCIAL HIGHLIGHTS

Financial Position (in KHR'000)

	2025	2024	2023
Total Asset	38,636,974	41,574,279	41,928,251
Total Liability	32,652,560	34,829,220	34,356,901
Total Shareholder's equity	5,984,414	6,745,069	7,571,350

Profit/Loss (in KHR'000)

Total Revenue	6,158,758	6,439,736	6,481,692
Profit/Loss before tax	(938,723)	(312,108)	310,101
Profit/Loss After tax	(740,166)	(723,259)	292,128
Total Comprehensive Income	(760,645)	(826,291)	233,312

Financial Ratios

Solvency Ratio	16.00%	16.33%	18.06%
Debt to equity ratio	531.74%	516.37%	453.78%
Non-performing loans ratio	13.15%	18.06%	6.35%
Return on Asset	(1.92%)	(1.74%)	0.69%
Return on Equity	(12.37%)	(11.23%)	3.83%



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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE MESSAGE

At **SAHAKA** Microfinance Institution Plc., we recognize that sound corporate governance is fundamental to maintaining institutional resilience, safeguarding stakeholder interests, and achieving sustainable growth. As the financial services sector continued to evolve throughout 2025 amid changing economic conditions, regulatory developments, and increasing stakeholder expectations, **SAHAKA** remained steadfast in its commitment to the highest standards of governance, transparency, and accountability.

Throughout the year, we continued to strengthen our governance framework to ensure effective oversight, prudent risk management, and full compliance with applicable laws and regulations. Our governance practices are designed to support responsible decision-making, foster ethical conduct, and reinforce a culture of integrity across all levels of the institution.

The Board of Directors plays a critical role in providing strategic direction and independent oversight of management. Through active engagement, rigorous review processes, and effective committee structures, the Board ensures that **SAHAKA** operates in a safe, sound, and sustainable manner while remaining aligned with its strategic objectives and mission. Particular attention was given during the year to strengthening risk governance, regulatory compliance, capital adequacy monitoring, and operational resilience in response to the increasingly complex operating environment.

Management and staff continued to uphold strong internal control systems, robust compliance practices, and effective risk management processes. These efforts contribute to enhancing operational efficiency, mitigating emerging risks, protecting institutional assets, and maintaining the trust and confidence of our customers, shareholders, regulators, and business partners.

As we look ahead, **SAHAKA** remains committed to continuously enhancing its corporate governance practices in line with international best practices and regulatory expectations. We believe that strong governance not only supports long-term institutional sustainability but also enables us to contribute meaningfully to Cambodia's financial sector development, financial inclusion objectives, and broader economic growth.

Through responsible leadership, ethical business conduct, and a commitment to transparency, **SAHAKA** will continue to build a strong and trusted institution that creates lasting value for all stakeholders.

BOARD OF DIRECTORS

CEO

Mr. BOL VANNEAT

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Mr. BOL VANNEAT was appointed as Chairman of the Board of Directors of SAHAKA Microfinance Institution Plc. in December 2015 and was subsequently designated as the representative of the institution in January 2016. Since the establishment of the institution, he has played a significant role in providing strategic leadership and governance oversight, contributing to the sustainable growth and long-term development of SAHAKA Microfinance Institution Plc.

Mr. BOL VANNEAT earned a Bachelor's Degree in Japanese Language Education from the Institute of Foreign Languages, Royal University of Phnom Penh, in 2011. His academic background has strengthened his communication, leadership, and cross-cultural management capabilities, particularly in fostering effective collaboration between Cambodian and Japanese stakeholders. With more than a decade of professional experience in both the banking and education sectors, **Mr. BOL VANNEAT** possesses extensive knowledge and practical expertise in organizational management, administration, and financial services operations.

Throughout his professional career, he has demonstrated strong leadership, sound decision-making, and a commitment to professionalism and ethical business practices.

As Chairman of the Board of Directors, he continues to provide strategic direction and prudent oversight to ensure that the institution operates in compliance with applicable laws and regulations while maintaining sustainable business growth and delivering responsible financial services to clients and communities across Cambodia.



CFO

Mr. TAKAHIRO YAMASHITA

BOARD MEMBER AND CHIEF FINANCIAL OFFICER



Mr. TAKAHIRO YAMASHITA was appointed as a Member of the Board of Directors of SAHAKA Microfinance Institution Plc. in December 2015 and subsequently appointed as Chief Financial Officer (CFO) on 1st January 2017. He has played an important role in strengthening the institution's financial management, corporate governance, and strategic planning, while contributing to the sustainable development and operational efficiency of the organization.

Mr. TAKAHIRO YAMASHITA obtained a Bachelor's Degree in Economics from Kansai University, Japan, in 1999. He further enhanced his professional and managerial capabilities by earning a Postgraduate Diploma in Business Management from the University of Wales (Prifysgol Cymru) in 2006. His academic background has provided him with strong expertise in economics, finance, business administration, and organizational management.

With more than 20 years of professional experience in the banking sector in Japan and the education sector, **Mr. TAKAHIRO YAMASHITA** possesses extensive knowledge and practical expertise in financial management, strategic operations, risk management, and corporate administration. Throughout his career, he has demonstrated strong leadership, professionalism, and a commitment to sound financial practices and effective organizational governance.

As Chief Financial Officer and Board Member, he continues to oversee the institution's financial strategies and management framework, ensuring financial sustainability, regulatory compliance, and prudent operational controls. His valuable international experience and strategic insight have significantly contributed to strengthening the institution's financial stability and supporting its long-term vision of delivering responsible and sustainable financial services in Cambodia.

IBM

Mr. TOSHIHIRO MIYAUCHI

INDEPENDENT BOARD MEMBER



TOSHIHIRO MIYAUCHI was appointed as an Independent Member of the Board of Directors of SAHAKA Microfinance Institution Plc. in June 2019 and subsequently received approval from the National Bank of Cambodia in October 2019. As an Independent Board Member, he contributes independent judgment, professional expertise, and strategic insight to support sound corporate governance and the sustainable development of the institution.

Mr. TOSHIHIRO MIYAUCHI obtained a Bachelor's Degree in Engineering from Kanagawa University in 1976. His educational background in engineering has equipped him with strong analytical, technical, and problem-solving skills, which have been valuable throughout his extensive professional career in business management and investment operations.

With more than 29 years of professional experience in financial management in Japan, particularly in private asset management and investment companies, **Mr. TOSHIHIRO MIYAUCHI** possesses extensive expertise in investment strategy, financial planning, business operations, and corporate management. Throughout his distinguished career, he has demonstrated strong leadership, prudent decision-making, and a deep understanding of financial and investment management practices.

In addition to his role at SAHAKA Microfinance Institution Plc., **Mr. TOSHIHIRO MIYAUCHI** also serves as the Chief Executive Officer of Miyauchi Electric Engineering Co., Ltd., where he oversees business operations and strategic management. His broad experience in executive leadership and financial oversight continues to provide valuable guidance and independent perspectives to the Board of Directors in strengthening governance, risk management, and the institution's long-term sustainability.

BOARD MEETINGS

Date

6 January, 2025

Mode of Meeting Delivery

Hybrid meeting
(in-person with video conference broadcast)

Name of Directors Attending the Meeting

Mr. Bol Vanneat
Mr. Takahiro Yamashita
Mr. Toshihiro Miyauchi

Date

4 August, 2025

Mode of Meeting Delivery

Hybrid meeting
(in-person with video conference broadcast)

Name of Directors Attending the Meeting

Mr. Bol Vanneat
Mr. Takahiro Yamashita
Mr. Toshihiro Miyauchi



BOARD COMMITTEE

Board Risks and Compliance Committee (BRCC)

At SAHAKA Microfinance Institution, the Board of Directors and executive management continue to uphold a strong commitment to sound risk governance as a cornerstone of sustainable growth and institutional resilience. Throughout 2025, the Board remained actively engaged in overseeing the Institution's risk profile and ensuring that business expansion was aligned with SAHAKA's established risk appetite, regulatory obligations, and strategic objectives.

Under the delegated authority of the Board of Directors, the Board Risks and Compliance Committee (BRCC) continued to provide independent oversight of the Institution's risk management and compliance framework. The Committee regularly reviewed key risk indicators, credit portfolio quality, loan concentration, liquidity and funding positions, operational risks, information technology risks, regulatory compliance matters, and emerging risks that could affect the Institution's stability and reputation.

A significant achievement during 2025 was the BRCC's review and endorsement of the revised Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT and CPF) Policy. The revised policy strengthened SAHAKA's compliance framework by incorporating regulatory updates, enhancing risk-based controls, and reinforcing customer due diligence, transaction monitoring, and reporting requirements. Following its approval, the Committee closely monitored management's implementation of the revised policy, including comprehensive AML/CFT and CPF awareness and compliance training conducted for all front-line employees across the Institution.

In fulfilling its oversight responsibilities, the BRCC maintained a high standard of duty of care by actively reviewing risk management reports, compliance monitoring results, internal audit findings, regulatory developments, and corrective action plans. The Committee also challenged management on key risk exposures, monitored the effectiveness of mitigation measures, and ensured timely resolution of identified issues. Particular attention was given to credit risk management, asset quality trends, fraud risk prevention, regulatory compliance, and the effectiveness of the Institution's AML/CFT and CPF controls.

The Committee further supported the strengthening of SAHAKA's risk culture by promoting accountability, encouraging proactive risk identification and reporting, and ensuring that risk management considerations remained integrated into strategic and operational decision-making processes. Through its diligent oversight and guidance, the BRCC continued to reinforce SAHAKA's commitment to prudent risk management, strong governance, regulatory compliance, and the protection of stakeholder interests.



Audit Committee (AUDC)

The Audit Committee (AUDC) plays a vital role in strengthening corporate governance, financial integrity, and accountability within SAHAKA Microfinance Institution. Acting under the authority delegated by the Board of Directors, the Committee provides independent oversight of the Institution's financial reporting process, internal control environment, internal audit function, external audit activities, and compliance with applicable laws, regulations, and accounting standards.

Throughout 2025, the Committee diligently reviewed the Institution's quarterly and annual financial statements to ensure that they presented a true and fair view of SAHAKA's financial position and performance. Particular attention was given to the appropriateness of accounting policies, significant financial reporting judgments, and compliance with the Cambodian International Financial Reporting Standards for Small and Medium Enterprises (CIFRS for SMEs). The Committee engaged regularly with management and external auditors to discuss audit results, key accounting matters, and financial reporting disclosures.

The Committee also maintained close oversight of the effectiveness of the Institution's internal control framework and internal audit activities. During the year, it reviewed and monitored the implementation of the annual internal audit plan, assessed significant audit findings, and followed up on management's

corrective actions to ensure that identified weaknesses were addressed in a timely and effective manner. The Committee further evaluated the adequacy of internal controls relating to lending operations, financial management, information technology, regulatory compliance, and operational processes.

In fulfilling its responsibilities, the Committee regularly met with the Internal Audit Department and external auditors to review audit outcomes, discuss emerging risks, and evaluate the effectiveness and independence of audit activities. The Committee also monitored the status of recommendations arising from internal audits, external audits, and regulatory examinations, ensuring that management remained accountable for the timely resolution of identified issues.

Through its active oversight and constructive engagement with management and auditors, the Audit Committee demonstrated a high level of diligence and professional scrutiny in protecting the interests of shareholders, depositors, customers, and other stakeholders. Its efforts during 2025 contributed significantly to strengthening internal controls, enhancing financial reporting quality, promoting regulatory compliance, and reinforcing stakeholder confidence in SAHAKA's governance and financial stewardship.



EXECUTIVE COMMITTEE (EXCOM)

The Executive Committee (EXCOM) serves as the principal management body responsible for translating the strategic direction established by the Board of Directors into effective operational execution. Chaired by the Chief Executive Officer and comprising members of senior management, the Committee provides leadership and oversight to ensure that SAHAKA Microfinance Institution achieves its strategic objectives while maintaining sound governance, prudent risk management, and operational excellence.

Throughout 2025, the EXCOM played a central role in driving business performance, strengthening organizational effectiveness, and ensuring the successful implementation of key strategic initiatives. The Committee regularly reviewed financial and operational performance, portfolio quality, profitability, productivity indicators, and customer service outcomes to ensure that institutional targets were achieved in a sustainable and responsible manner.

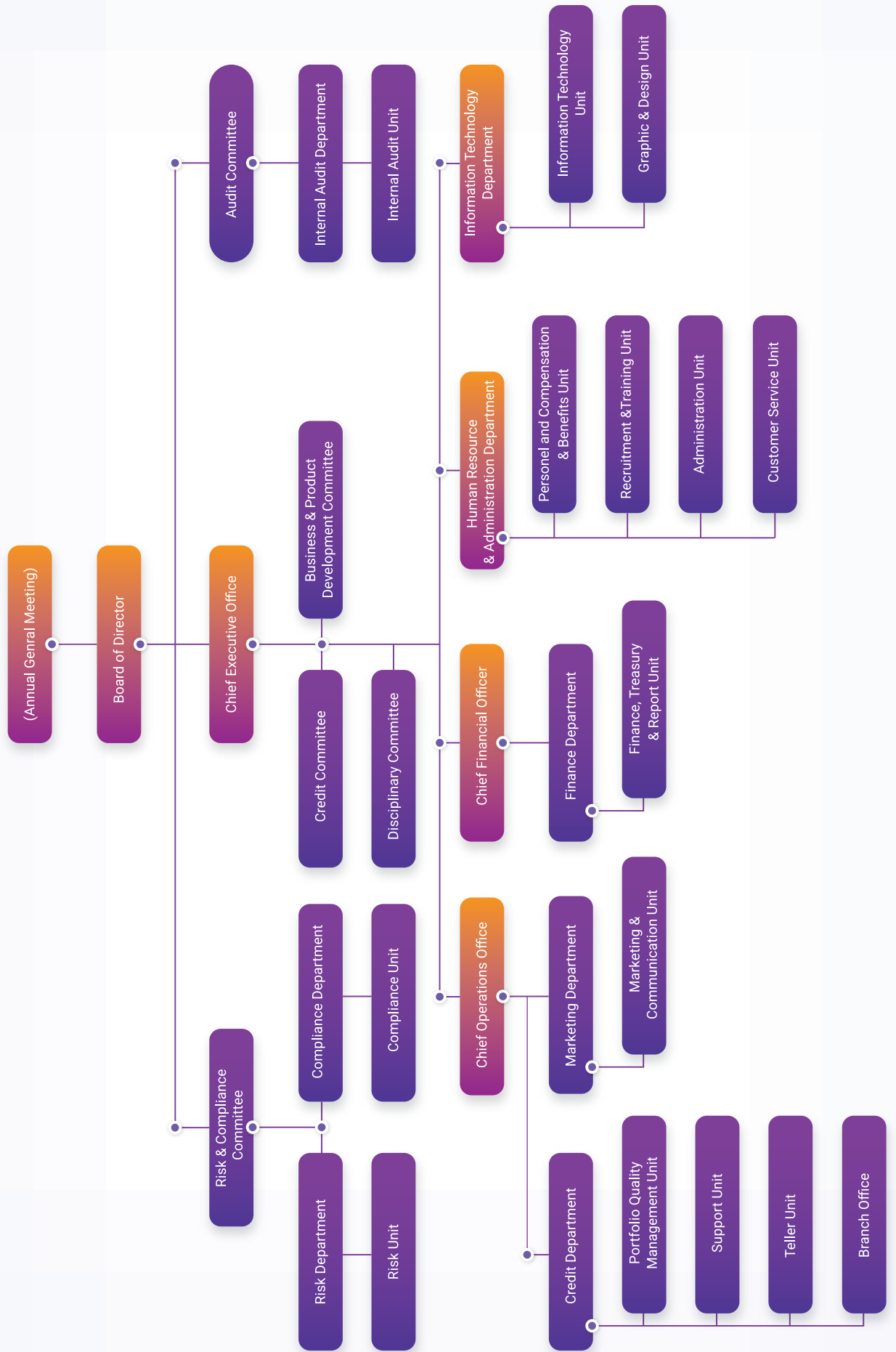
The Committee maintained close oversight of the Institution's risk profile and business environment, proactively addressing emerging risks and market developments. Through regular performance reviews and cross-functional coordination, EXCOM monitored credit portfolio trends, asset quality, liquidity, operational resilience, compliance obligations, and technology-related initiatives, ensuring that appropriate mitigation measures and management actions were implemented in a timely manner.

In support of the Institution's commitment to strong governance and regulatory compliance, EXCOM oversaw the implementation of Board-approved policies, regulatory requirements, and strategic action plans. The Committee also promoted a culture of accountability and continuous improvement by ensuring effective collaboration among departments, timely resolution of operational challenges, and disciplined execution of management decisions.

During the year, the Committee focused on enhancing operational efficiency, strengthening internal controls, improving customer experience, and advancing digital and process improvement initiatives aimed at increasing productivity and service quality. These efforts contributed to reinforcing the Institution's operational resilience and supporting sustainable business growth in an increasingly dynamic financial sector.

Through its leadership, oversight, and collaborative decision-making, the Executive Committee demonstrated a strong commitment to responsible management and prudent stewardship. Its continued focus on performance, risk management, governance, and innovation helped position SAHAKA to achieve its strategic ambitions while creating long-term value for shareholders, customers, employees, and the communities it serves.

ORGANIZATION CHART



MANAGEMENT TEAM



Mr. OUK SOVATHEAPHEAP
CHIEF OPERATION OFFICER

Mr. Ouk Sovatheapheap was appointed as Chief Operations Officer of SAHAKA Microfinance Institution Plc on 5 May 2025. He holds a Bachelor's degree in Finance and Banking from Build Bright University (BBU) and a Master's degree in the same field, obtained in 2011. He has also completed various professional training programs in leadership and banking, further enhancing his expertise in the financial sector.

With over 20 years of extensive experience in the banking industry, Mr. Sovatheapheap has worked across a diverse range of financial institutions, including Microfinance Institutions (MFIs), Microfinance Deposit-Taking Institutions (MDIs), specialized banks, and commercial banks.

Throughout his career, he has held numerous key positions, including Credit Officer, Chief Credit Officer, Chief of Service Post, Deputy Branch Manager, Branch Manager, Regional Manager, Assistant to Department Head, Department Head, and Senior Manager.

Ms. Pheuk Samphors holds a Bachelor's Degree in Accounting from Vanda Institute, which she obtained in 2011. She brings over ten years of professional experience in accounting, administration, and operational management, having worked with various private-sector organizations across the merchandising and hospitality industries.

Ms. Samphors joined SAHAKA Microfinance Institution Plc. in 2016 as an Accounting Supervisor, where she played a key role in strengthening the institution's financial administration and reporting functions. In recognition of her leadership capabilities and commitment to organizational development, she was promoted to Human Resource Unit Manager in 2020, a position she continues to hold today.

In her current role, she oversees the institution's human resource management functions, including talent acquisition, employee development, performance management, compensation and benefits administration, and the implementation of HR policies and procedures. She is dedicated to fostering a productive workplace culture and supporting SAHAKA's sustainable growth through effective people management and organizational development.



Mrs. PHEUK SAMPHORS
HUMAN RESOURCE & ADMINISTRATION
UNIT MANAGER



Mrs. Kouk Sivelanh holds a Bachelor's Degree in Accounting and Auditing from Build Bright University, which she earned in 2014. She further enhanced her professional expertise by completing diploma programs in International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), Cambodian Taxation, and Cambodian Business Law at CamEd Business School between 2021 and 2023. She is currently pursuing a Master's Degree in Accounting and Finance at CamEd Business School.

Ms. Sivelanh brings more than eight years of experience in the banking and microfinance sectors, with extensive expertise in financial management, accounting, regulatory compliance, and financial reporting. Throughout her career, she has progressed through various roles of increasing responsibility, from Accountant to her current position as Finance Unit Manager.

In her current role, she is responsible for overseeing the institution's financial management functions, including financial planning and analysis, budgeting, regulatory reporting, accounting operations, tax compliance, and the preparation of financial statements in accordance with applicable accounting standards and regulatory requirements. Her strong technical knowledge and commitment to financial excellence contribute significantly to the institution's operational efficiency, transparency, and sustainable growth.

A seasoned finance and compliance professional with over 20 years of experience across the microfinance, non-profit, and private sectors, **Mr. Seng Chanthoeun** brings deep expertise in financial management, internal controls, and regulatory compliance. With a strong track record of strengthening governance frameworks and enhancing institutional integrity, Mr. Chanthoeun plays a critical role in ensuring alignment with regulatory requirements set by the National Bank of Cambodia (NBC), General Department of Taxation (GDT), and other relevant authorities.

Currently serving as Compliance Unit Manager at SAHAKA Microfinance Institution Plc., Mr. Seng Chanthoeun leads the design and implementation of enterprise-wide compliance frameworks and promotes a strong culture of ethics and accountability. He regularly reports to the Board Committee and provides strategic oversight on compliance risk management.

Mr. Chanthoeun holds a Bachelor's degree in Accounting from the National University of Management and is currently pursuing the ACCA qualification under the Certified Public Accountant (CPA) pathway at CamEd Business School. He also holds diplomas in Business Administration and Cambodian Taxation Law, along with a Certificate in Humanitarian Services.





Mr. CHY LONGHENG
INTERNAL AUDIT UNIT MANAGER

Mr. Chy Longheng holds a Master's Degree in Finance, which he obtained in 2019, and a Bachelor's Degree in Accounting, completed in 2012. He has accumulated more than 10 years of professional experience in finance, accounting, and auditing within both deposit-taking and non-deposit-taking microfinance institutions, as well as leasing companies in Cambodia.

Throughout his career, Mr. Longheng has developed strong expertise in financial management, regulatory compliance, accounting operations, and audit functions. His extensive experience across diverse financial institutions has equipped him with a solid understanding of financial governance, risk management, and operational efficiency in the microfinance and leasing sectors.

Mr. Phon Chanudom holds a Bachelor's Degree in Finance and Banking, which he completed in 2022. He has also participated in various professional training programs, including Risk Management and Compliance Function, further strengthening his technical competencies in the financial sector.

He brings more than 10 years of experience in the finance industry, with a career spanning both deposit-taking and non-deposit-taking microfinance institutions. Throughout his professional journey, he has served in several key roles, including Credit Officer, Credit Control Officer, and Credit Risk Officer.

Mr. Chanudom possesses strong expertise in credit operations, risk assessment, portfolio monitoring, and credit control functions. His extensive experience in credit risk management and operational finance contributes significantly to the institution's prudent lending practices and overall risk governance framework.



Mr. PHON CHANUDOM
SENIOR RISK OFFICER

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RISK MANAGEMENT AND COMPLIANCE

RISK MANAGEMENT

In 2025, **SAHAKA** Microfinance Institution Plc. continued to strengthen its risk management framework and reinforce a strong risk-aware culture across the organization. As the financial services landscape evolves with increasing regulatory expectations, market uncertainties, and technological developments, the Institution remained committed to proactively identifying, assessing, managing, and monitoring risks to support sustainable growth and long-term resilience.

SAHAKA's Shared Risk Management Framework (SRMF) continued to serve as the cornerstone of the Institution's risk governance structure. Throughout the year, the framework was further enhanced to ensure alignment with the Institution's strategic objectives, business activities, and risk appetite while remaining responsive to emerging risks and regulatory developments. The framework supports a comprehensive and integrated approach to managing key risk categories, including credit risk, liquidity risk, operational risk, compliance risk, information technology risk, reputational risk, and strategic risk.

Recognizing that effective risk management is essential to sound business performance, the Institution continued to strengthen risk oversight at all levels. The Board of Directors, through the Board Risks and Compliance Committee, maintained active oversight of the Institution's risk profile, while management committees regularly monitored key risk indicators, portfolio quality, operational performance, and compliance obligations. This governance structure ensured timely decision-making and appropriate risk mitigation actions across the Institution.

During the year, particular focus was placed on maintaining portfolio quality, enhancing internal controls, strengthening regulatory compliance, and improving operational resilience. SAHAKA continued to refine its risk monitoring and reporting processes, conduct periodic risk assessments, and implement corrective actions where necessary to address identified vulnerabilities. The Institution also reinforced its Anti-Money Laundering, Combating the Financing of Terrorism, and Countering Proliferation Financing (AML/CFT and CPF) controls to safeguard the integrity of its operations and comply with regulatory expectations.

A strong "tone from the top" remained a defining element of SAHAKA's risk culture. The Board of Directors and Senior Management consistently promoted ethical conduct, accountability, transparency, and prudent decision-making throughout the organization. Through ongoing training, awareness programs, and clear communication of risk management responsibilities, employees at all levels were encouraged to integrate risk considerations into their daily activities and business decisions.

As part of its commitment to continuous improvement, SAHAKA also enhanced collaboration among risk management, compliance, internal audit, and operational functions to strengthen the effectiveness of the three lines of defense model. This integrated approach contributed to improved risk identification, stronger internal controls, and more effective management of emerging risks.

Through these collective efforts, SAHAKA maintained a sound risk management environment that supports operational stability, financial sustainability, regulatory compliance, and stakeholder confidence. The Institution remains committed to continuously strengthening its risk management capabilities to navigate future challenges while pursuing sustainable and responsible growth.

REGULATORY COMPLIANCE AND FINANCIAL REPORTING



SAHAKA Microfinance Institution Plc. remains steadfast in its commitment to maintaining the highest standards of regulatory compliance, corporate governance, and financial transparency. As a regulated financial institution, SAHAKA conducts its operations in full compliance with the laws and regulations of the Kingdom of Cambodia and adheres to the prudential standards, directives, and supervisory requirements established by the National Bank of Cambodia (NBC). This commitment forms the foundation of the Institution's responsible business practices, sound governance framework, and long-term sustainability.

Throughout 2025, SAHAKA continued to strengthen its compliance culture by enhancing regulatory monitoring processes, reinforcing internal controls, and promoting accountability across all levels of the organization. The Institution actively monitored regulatory developments and implemented necessary measures to ensure ongoing compliance with applicable legal and regulatory requirements. These efforts supported effective risk management, operational resilience, and the protection of customer, shareholder, and stakeholder interests.

SAHAKA remains committed to providing transparent, accurate, and reliable financial information to its stakeholders. The Institution prepares its financial statements in accordance with the Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (CIFRS for SMEs), ensuring consistency, integrity, and comparability in financial reporting. Management maintains rigorous financial reporting processes and internal control mechanisms to ensure that financial information is complete, timely, and reflective of the Institution's actual financial performance and position.

To further strengthen stakeholder confidence and uphold the principles of transparency and accountability, SAHAKA's financial statements for the year ended 31 December 2025 were independently audited by an external audit firm in accordance with applicable auditing standards and regulatory requirements. The external audit provided independent assurance that the financial statements were prepared fairly and in accordance with the relevant financial reporting framework.

Recognizing that effective compliance and sound financial governance are essential components of sustainable growth, SAHAKA continued to invest in strengthening its governance framework, compliance management systems, and financial control environment throughout the year. These efforts contributed to maintaining the Institution's financial integrity, enhancing stakeholder trust, and supporting prudent decision-making in an increasingly dynamic regulatory and business environment.

As SAHAKA continues its growth journey, the Institution remains dedicated to fostering a culture of compliance, accountability, and transparency while delivering responsible financial services that contribute to the economic development and financial inclusion of the communities it serves.

DIRECTORS' REPORT

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of the **Sahaka** Microfinance Institution Plc. (the “Company”) for the year ended 31 December 2025 (the “financial year” or “year”).

PRINCIPLE ACTIVITIES

The principal activity of the Company is to provide the public with sustainable micro-finance services to small and medium enterprises, and low-income families in the Kingdom of Cambodia.

There have been no significant changes in the nature of the principal activities during the financial year.

FINANCIAL PERFORMANCE

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Loss before income tax	(234,037)	(938,723)	(76,666)	(312,108)
Income tax credit/(expense)	49,503	198,557	(100,995)	(411,151)
Net loss for the year	(184,534)	(740,166)	(177,661)	(723,259)

DIVIDENDS

No dividend was declared or paid, and the Directors do not recommend the payment of any dividend for the financial year.

SHARE CAPITAL

On 12 May 2025, the shareholders have signed a shareholder's resolution to change the shareholding structure by transferring all shares owned by Mr. Shigeki Taguchi to Mrs. Yoko Taguchi. On 13 April 2026, the National Bank of Cambodia approved the Company's request for the above change in shareholding structure. Refer to Note 14 for the details of Company's share capital and shareholding structure.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provision during the financial year other than amount as disclosed in the financial statements.



BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ascertain that action has been taken in relation to the write off of bad debts and the making of allowance for doubtful debts, and satisfied themselves that there were no known bad debts and that allowance need not be made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off bad debts or to make allowance for doubtful debts in the financial statements of the Company, inadequate to any material extent.



CURRENT ASSET

Before the financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any current assets, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company have been written down to an amount which they might be expected to realise.

At the date of this report, the Directors are not aware of any circumstances that have arisen the value attributed to the current assets in the financial statements of the Company misleading.

VALUATION METHODS

At the date of this report, the Directors are not aware of any circumstances that have arisen which would render adherence to the existing methods of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there does not exist:

- i Any charge on the assets of the Company which has arisen since the end of financial year which secures the liabilities of any other person, or
- ii Any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of its business operations.

Except as disclosed in the financial statements, no contingent or other liability of the Company has become enforceable, or is likely to become enforceable, within the period of 12 months after the end of the financial period which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations when they fall due.

CHANGE OF CIRCUMSTANCES

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in the report or in the financial statements of the Company, which would render any amount stated in the financial statements misleading.

ITEMS OF AN UNUSUAL NATURE

The results of the operations of the Company for financial year were not, in the opinion of the Directors, materially affected by any items, transactions or event of material and unusual nature.

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 material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the current year in which this report is made.

EVENTS SINCE THE REPORTING DATE

At the date of this report, except as disclosed in the financial statements, there have been no significant events occurring after the reporting date which would require adjustments or disclosures to be made in the financial statements.

BOARD OF DIRECTORS

The members of the Board of Directors during the year and at the date of this report are:

Name	Position
Mr. Bol Vanneat	Chairman and CEO
Mr. Yamashita Takahiro	Director and CFO
Mr. Miyauchi Toshihiro	Independent Director

DIRECTORS' INTERESTS

Directors' interest is disclosed in Note 14 of the financial statements.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Directors of the Company have received or to become entitled to receive a benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors) by reason of a contract made by a Company with the Directors or firm of which the Director is a member, or a Company in which the Director has a substantial financial interest, other than as disclosed in the financial statements.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

The Board of Directors is responsible for ascertaining that the financial statements are presented 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").

In preparing those financial statements, the Board of Directors is required to:

- i adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii comply with CIFRS for SMEs or, if there have been any departures in the interests of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii oversee the Company's financial reporting process and maintain adequate accounting records and effective system of internal control;
- iv assess 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- v effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such has been properly reflected in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 40 which present fairly, in all material respects, the financial position of Sahaka Microfinance Institution Plc. as at 31 December 2025, and its financial performance and its cash flows for the year then ended, in accordance CIFRS for SMEs.

Signed in accordance with a resolution of the Board of Directors,

<<SIGNED>>

Mr. Bol Vanneat
Chairman and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia
24 April 2026

THE AUDIT REPORT OF THE FINANCIAL STATEMENT

OPINION

We have audited the financial statements of Sahaka Microfinance Institution Plc. (“the “Company”), which comprise the statement of financial position as at 31 December 2025, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 40.

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”).

BASIS OF OPINION

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OTHER INFORMATION

Management is responsible for the other information. The other information obtained at the date of this auditors’ report is the information included in the Report of the Board of Directors as set out on pages 1 to 4, and the annual report, which is expected to be made available to us after that date.

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

In connection with our audit of the financial statements, our responsibilities is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with CIFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company’s reporting process.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CISA's, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

For Fii&Associates Co., Ltd.



Chhun Mara
Audit Director
Phnom Penh, Kingdom of Cambodia
24 April 2026



STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2025

	Note	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
ASSETS					
Cash on hand	4	184,639	740,956	137,407	553,063
Deposits and placements with NBC	5	187,112	750,880	184,065	740,862
Deposits and placements with banks	6	354,101	1,421,007	1,079,007	4,343,003
Loans to customers	7	8,755,998	35,137,820	8,764,984	35,279,061
Other assets	8	54,033	216,834	54,421	219,045
Property and equipment	9	70,157	281,540	84,468	339,984
Intangible assets	10	21,913	87,937	24,661	99,261
Total assets		9,627,953	38,636,974	10,329,013	41,574,279
LIABILITIES AND EQUITY					
LIABILITIES					
Other liabilities	11	165,620	664,631	131,242	528,250
Borrowings	12	7,929,663	31,821,738	8,430,989	33,934,731
Deferred tax liabilities, net	13.2	40,042	160,689	89,545	360,419
Minimum tax liability	13.3	1,371	5,502	1,446	5,820
Total liabilities		8,136,696	32,652,560	8,653,222	34,829,220
EQUITY					
Share capital	14	3,600,000	14,512,100	3,600,000	14,512,100
Regulatory reserves	15	281,481	1,162,390	529,035	2,155,329
Accumulated losses		(2,390,224)	(9,672,021)	(2,453,244)	(9,924,794)
Currency translation differences		-	(18,055)	-	2,424
Total equity		1,491,257	5,984,414	1,675,791	6,745,059
Total liabilities and equity		9,627,953	38,636,974	10,329,013	41,574,279

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Interest income	16	1,417,799	5,686,792	1,425,376	5,802,706
Interest expense	17	(425,617)	(1,707,150)	(438,833)	(1,786,489)
Net interest income		992,182	3,979,642	986,543	4,016,217
Other operating income	18	117,668	471,966	156,480	637,030
Allowance for impairment losses on loans to customers	7	(203,820)	(817,522)	(93,130)	(379,132)
Personnel expenses	19	(771,519)	(3,094,563)	(771,293)	(3,139,934)
Depreciation and amortisation	9, 10	(24,500)	(98,270)	(23,389)	(95,217)
Operating and administrative expenses	20	(328,840)	(1,318,977)	(315,698)	(1,285,207)
Minimum tax expense	13.4	(15,208)	(60,999)	(16,179)	(65,865)
Loss before income tax		(234,037)	(938,723)	(76,666)	(312,108)
Income tax credit/(expense)	13.4	49,503	198,557	(100,995)	(411,151)
Net loss for the year		(184,534)	(740,166)	(177,661)	(723,259)
Other comprehensive loss					
Currency translation difference		-	(20,479)	-	(103,032)
Total comprehensive loss for the year		(184,534)	(760,645)	(177,661)	(826,291)

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



STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2025

	Share capital		Additional capital contribution		Regulatory reserves		Accumulated losses		Currency translation differences	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January 2024	3,600,000	14,512,100	60,487	247,870	(1,807,035)	(7,294,076)	-	105,456	1,853,452	7,571,350
Comprehensive loss for the year										
Net loss for the year	-	-	-	-	(177,661)	(723,259)	-	-	(177,661)	(723,259)
Transfer to regulatory reserves	-	-	468,548	1,907,459	(468,548)	(1,907,459)	-	-	-	-
Other comprehensive loss										
Currency translation difference	-	-	-	-	-	-	-	(103,032)	-	(103,032)
Total comprehensive income/ (loss) for the year										
At 31 December 2024	3,600,000	14,512,100	468,548	1,907,459	(646,209)	(2,630,718)	-	(103,032)	(177,661)	(826,291)
At 1 January 2025	3,600,000	14,512,100	529,035	2,155,329	(2,453,244)	(9,924,794)	-	2,424	1,675,791	6,745,059
Comprehensive loss for the year										
Net loss for the year	-	-	-	-	(184,534)	(740,166)	-	-	(184,534)	(740,166)
Transfer to regulatory reserves	-	-	(247,554)	(992,939)	247,554	992,939	-	-	-	-
Other comprehensive loss										
Currency translation difference	-	-	-	-	-	-	-	(20,479)	-	(20,479)
Total comprehensive (loss)/ income for the year										
At 31 December 2025	3,600,000	14,512,100	281,481	1,162,390	(2,390,224)	(9,672,021)	-	(18,055)	1,491,257	5,984,414

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2025

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Cash flows from operating activities				
Net loss for the year	(184,534)	(740,166)	(177,661)	(723,259)
<i>Adjustments for:</i>				
Interest expense	425,617	1,707,150	438,833	1,786,489
Income tax (credit)/expense	(49,503)	(198,557)	100,995	411,151
Impairment loss allowance for loans to customers	203,820	817,522	93,130	379,132
Depreciation and amortisation	24,500	98,270	23,389	95,217
Minimum tax expense	15,208	60,999	16,179	65,865
	435,108	1,745,218	494,865	2,014,595
Changes in:				
Loans to customers	(194,834)	(781,479)	621,381	2,529,642
Other assets	388	1,556	26,564	108,142
Other liabilities	34,378	137,890	53,417	217,461
Cash generated from operations	275,040	1,103,185	1,196,227	4,869,840
Minimum tax paid	(15,283)	(61,300)	(16,206)	(65,975)
Net cash generated from operating activities	259,757	1,041,885	1,180,021	4,803,865
Cash flows from investing activities				
Acquisition of property and equipment	(7,441)	(29,846)	(12,880)	(52,434)
Net cash used in investing activities	(7,441)	(29,846)	(12,880)	(52,434)
Cash flows from financing activities				
Proceeds from borrowings	-	-	400,000	1,628,400
Repayments of borrowings	(500,000)	(2,005,500)	(300,000)	(1,221,300)
Interest paid	(426,943)	(1,712,468)	(439,048)	(1,787,364)
Net cash used in financing activities	(926,943)	(3,717,968)	(339,048)	(1,380,264)
Net (decrease)/ increase in cash and cash equivalents	(674,627)	(2,705,929)	828,093	3,371,167
Cash and cash equivalents at 1 January	1,220,479	4,912,428	392,386	1,602,896
Currency translation difference	-	(15,996)	-	(61,635)
Cash and cash equivalents at 31 December (Note 21)	545,852	2,190,503	1,220,479	4,912,428

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

1. REPORTING ENTITY

Sahaka Microfinance Institution Plc. (“the Company”) is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce under the registration number 00005854 on 8 December 2015.

The Company obtained its licence from the National Bank of Cambodia (“the Central Bank” or “NBC”) to operate as a micro-finance institution on 8 April 2016. The license was renewed on 6 October 2025 valid until 28 April 2028.

The principal activities of the Company are to provide the public with sustainable micro-finance services to small and medium enterprises, and low-income families in the Kingdom of Cambodia. There have been no other significant changes in the nature of this principal activity during the financial year.

The Company’s registered office is located at No. 6CD, Street. 163, Sangkat Veal Vong, Khan 7 Makara, Phnom Penh, Kingdom of Cambodia.

As at 31 December 2025, the Company had 49 employees (2024: 44 employees).

2. BASIC OF PREPARATION

2.1 Statment of Compliance

These financial statements have been prepared in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”).

Details of the Company’s significant accounting policies are included in Note 25.

These financial statements were approved by the Board of Directors and authorised for issue on 24 April 2026.

2.2 Fiscal year and reporting period

The Company’s fiscal year starts on 1 January and ends on 31 December.

2.3 Basis of measurement

The financial statements have been prepared on the historical cost basis.

2.4 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). The Company transacts its business and maintains its accounting records in two currencies, United States Dollars (“US\$”) and

KHR. Management has determined the US\$ to be the Company’s functional as it reflects the economic substance of the underlying events and circumstances of the Company. The financial statements are presented in US\$, which is the Company’s functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

The translations of US\$ amount into KHR are included solely to meet the presentation requirements pursuant to the Law on Accounting and Auditing.

Assets and liabilities are translated at the closing rate at the reporting date, and the equity accounts are translated at the historical rate. The statements of 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 difference” in other comprehensive income. The cumulative currency translation differences are recognised as a separate component of equity. All values in KHR are rounded to the nearest thousand (“KHR’000”), except if otherwise indicated.

The Company uses the following exchange rates:

Financial year end	Closing rate	Average rate
31 December 2025	US\$1 = KHR4,013	US\$1 = KHR4,011
31 December 2024	US\$1 = KHR4,025	US\$1 = KHR4,071

2.5 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, and income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year is set out in Note 3 – Critical accounting estimates and judgements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates, assumptions and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

3.1 Income and other taxes

Taxes are calculated on the basis of the current interpretation of tax obligations. However, these regulations are subject to periodic variation and different interpretations following inspection by the tax authorities. These may result in tax increase and other retroactive tax claims. It is difficult to predict the timing and severity of these occurrences or their potential effect.

3.2 Property and equipment

Accounting for property and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of useful lives of the assets is based on management's judgement.

3.3 Allowance for doubtful debts

Management establishes allowance for doubtful debts on a case-by-case basis when they believe collection of amounts owed is unlikely to occur. In establishing these allowances, the management considers its historical experience and changes to its customers' financial position. If the financial condition of customer were deteriorating, resulting in inability to make the required payments, allowance may be required to be made for such receivable.

4. CASH ON HAND

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Khmer Riel	17,817	71,500	3,778	15,206
US Dollars	166,822	669,456	133,629	537,857
	184,639	740,956	137,407	553,063

5. DEPOSITS AND PLACEMENTS WITH NBC

	2025		2025	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Capital guarantee (*)	180,000	722,340	180,000	724,500
Current account (**)	7,112	28,540	4,065	16,362
	187,112	750,880	184,065	740,862

(*) The capital guarantee deposit is maintained with the NBC in compliance with Prakas No. B7-00-006 on the Licensing of Microfinance, the amounts 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 at the rate of 1.05% (2024: 1.31%) per annum.

(**) Current accounts earn no interest

6. DEPOSITS AND PLACEMENT WITH BANK

	2025		2025	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Current accounts	166,340	667,522	113,933	458,580
Saving accounts	187,761	753,485	765,074	3,079,423
Term deposits	-	-	200,000	805,000
	354,101	1,421,007	1,079,007	4,343,003

Deposits and placements with banks are analysed as follows:

(a) By currency:

	2025		2025	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
US Dollars	299,950	1,203,699	1,017,747	4,096,431
Khmer Riel	54,151	217,308	61,260	246,572
	354,101	1,421,007	1,079,007	4,343,003

7. LOAN TO CUSTOMERS

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Loans to customer at amortised costs	9,290,759	37,283,816	9,096,956	36,615,248
Less: allowance for impairment losses	(534,761)	(2,145,996)	(331,972)	(1,336,187)
	8,755,998	35,137,820	8,764,984	35,279,061

The movement of allowance for impairment losses are as follows:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
At 1 January	331,972	1,336,187	248,169	1,013,770
Allowance for the year	203,820	817,522	93,130	379,132
Written off	(1,031)	(4,135)	(9,327)	(37,970)
Currency translation difference	-	(3,578)	-	(18,745)
At 31 December	534,761	2,145,996	331,972	1,336,187

Gross loans to customers are analysed as follows:

(a) By maturity:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Within 1 year	239,056	959,332	178,353	717,871
1 to 5 years	4,701,537	18,867,268	5,453,959	21,952,185
More than 5 years	4,350,166	17,457,216	3,464,644	13,945,192
	9,290,759	37,283,816	9,096,956	36,615,248

(b) By currency:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
US Dollars	8,287,365	33,257,196	8,365,060	33,669,367
Khmer Riel	1,003,394	4,026,620	731,896	2,945,881
	9,290,759	37,283,816	9,096,956	36,615,248

(c) By economic sectors:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Household/family	5,896,205	23,661,471	5,230,207	21,051,583
Trade and commerce	3,394,554	13,622,345	3,866,749	15,563,665
	9,290,759	37,283,816	9,096,956	36,615,248

(d) By residency status:

All loans are granted solely to residents.

(e) By relationship:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
External loans	9,214,077	36,976,091	9,059,513	36,464,540
Staff loans	76,682	307,725	37,443	150,708
	9,290,759	37,283,816	9,096,956	36,615,248

(f) By performance:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Standard loans:				
Secured	8,048,587	32,298,980	7,409,307	29,822,461
Unsecured	19,105	76,668	44,875	180,622
Special mention:				
Secured	255,229	1,024,234	393,748	1,584,836
Unsecured	-	-	-	-
Sub-standard:				
Secured	201,398	808,210	444,045	1,787,281
Unsecured	-	-	-	-
Doubtful loans:				
Secured	164,704	660,957	260,224	1,047,402
Unsecured	-	-	-	-
Loss loans:				
Secured	595,713	2,390,596	544,757	2,192,646
Unsecured	6,023	24,171	-	-
	9,290,759	37,283,816	9,096,956	36,615,248

(g) By Interest rate (per annum):

	2025	2024
External loans	10.00%-18.00%	10.00%-18.00%
Staff loans	12.00%-18.00%	12.00%-13.20%

8. OTHER ASSETS

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Deposits (*)	28,600	114,772	27,203	109,492
Prepayments	24,853	99,734	21,268	85,605
Advances	580	2,328	1,018	4,097
Interest receivables	-	-	4,932	19,851
	54,033	216,834	54,421	219,045

(*) This represents refundable security deposit for building rental to the landlord.

9. PROPERTY AND EQUIPMENT

2025

Total
KHR'000
(Note 2.4)

US\$

Motor
vehicles
US\$

Computer
equipment
US\$

Office
equipment
US\$

Furniture
and fixtures
US\$

Leasehold
improvements
US\$

Cost

At 1 January 2025							177,014	46,934	13,023			712,481
Additions	101,702	1,235		1,126	14,229		7,441	-	5,230			29,846
Currency translation difference				-	976			-				(2,109)
At 31 December 2025	102,937		1,126		15,205		184,455	46,934	18,253			740,218

Less: Accumulated depreciation

At 1 January 2025												
Charge for the year	56,439		1,035		8,608		92,546	18,766	7,698			372,497
Currency translation difference	5,820		84		3,095		21,752	9,373	3,380			87,247
At 31 December 2025		-	-		-		-	-	-			(1,066)
	62,259		1,119		11,703		114,298	28,139	11,078			458,678

Carrying amounts

At 31 December 2025	40,678		7		3,502		70,157	18,795	7,175			281,540
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As at 31 December 2025, cost of fully depreciated property and equipment still in use amounted to US\$56,126 (2024: US\$55,565).

2024	Leasehold improvements US\$	Furniture and fixtures US\$	Office equipment US\$	Computer equipment US\$	Motor vehicles US\$	Work in Progress US\$	US\$	Total KHR'000 (Note 2.4)
Cost								
At 1 January 2024	99,355	1,126	8,861	7,858	46,934	-	164,134	670,487
Additions	-	-	1,348	5,165	-	6,367	12,880	52,434
Transfers	2,347	-	4,020	-	-	(6,367)	-	-
Currency translation difference	-	-	-	-	-	-	-	(10,440)
At 31 December 2024	101,702	1,126	14,229	13,023	46,934	-	177,014	712,481
Less: Accumulated depreciation								
At 1 January 2024	50,731	894	5,403	5,518	9,367	-	71,913	293,764
Charge for the year	5,708	141	3,205	2,180	9,399	-	20,633	83,997
Currency translation difference	-	-	-	-	-	-	-	(5,264)
At 31 December 2024	56,439	1,035	8,608	7,698	18,766	-	92,546	372,497
Carrying amounts								
At 31 December 2024	45,263	91	5,621	5,325	28,168	-	84,468	339,984

At 31 December 2024

10. INTANGIBLE ASSETS

Software	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cost				
At 1 January	27,500	110,688	27,500	112,338
Currency translation difference	-	(330)	-	(1,650)
At 31 December	27,500	110,358	27,500	110,688
Less: Accumulated amortisation				
At 1 January	2,839	11,427	83	340
Amortisation for the year	2,748	11,023	2,756	11,220
Currency translation difference	-	(29)	-	(133)
At 31 December	5,587	22,421	2,839	11,427
Carrying amounts				
At 31 December	21,913	87,937	24,661	99,261

11. OTHER LIABILITIES

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Accrued bonus	31,085	124,744	79,987	321,948
Taxes payable	17,547	70,416	23,215	93,440
Accrued expenses	4,825	19,363	4,675	18,817
Accrued seniority payments	2,127	8,536	-	-
Other payables	110,036	441,572	23,365	94,045
	165,620	664,631	131,242	528,250

12. BORROWINGS

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Shareholder (*) (Note 22.2)	6,900,000	27,689,700	6,900,000	27,772,500
Related party (**) (Note 22.2)	300,000	1,203,900	800,000	3,220,000
Third party (***)	700,000	2,809,100	700,000	2,817,500
	7,900,000	31,702,700	8,400,000	33,810,000
Accrued interest payables	29,663	119,038	30,989	124,731
	7,929,663	31,821,738	8,430,989	33,934,731

Movement of outstanding principal borrowings are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January	8,400,000	33,810,000	8,300,000	33,905,500
Additions	-	-	400,000	1,628,400
Repayments	(500,000)	(2,005,500)	(300,000)	(1,221,300)
Currency translation difference	-	(101,800)	-	(502,600)
At 31 December	7,900,000	31,702,700	8,400,000	33,810,000

- (*) The Company entered into unsecured borrowing loan agreements with a shareholder and bears an interest rate of 4.8% per annum.
- (**) This represents an unsecured term loan from a related party. These borrowing carries an interest rate of 7.4% per annum.
- (***) This represents an unsecured term loan from a third party bear interest rate of 6% per annum and a maturity date of the debt on 31 July 2025.

In 2025, the Company and the Lender agreed to amend the facility agreement to extend the maturity date of the debt until 30 June 2030.

The borrowings are analysed as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
(a). By maturity				
Current	-	-	700,000	2,817,500
Non-current	7,900,000	31,702,700	7,700,000	30,992,500
	7,900,000	31,702,700	8,400,000	33,810,000
(b). By currency				
US Dollars				
	7,900,000	31,702,700	8,400,000	33,810,000
(c). By relationship				
Related parties (Note 22.2)	7,200,000	28,893,600	7,700,000	30,992,500
3rd party	700,000	2,809,100	700,000	2,817,500
	7,900,000	31,702,700	8,400,000	33,810,000

13. INCOME TAX

13.1 Applicable tax rate

In accordance with the Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profits or the minimum tax at 1% of annual turnover, whichever is higher.

According to Prakas No. 638 issued on 4 July 2017, an entity will be exempted from payment of minimum tax if it maintains proper accounting records.

13.2 Deferred tax (liabilities) / assets, net

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Deferred tax assets	425	1,705	-	-
Deferred tax liabilities	(40,467)	(162,394)	(89,545)	(360,419)
Deferred tax liabilities, net	(40,042)	(160,689)	(89,545)	(360,419)

i Deferred tax (liabilities)/assets are attributable to the following:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Provision for employee benefits	425	1,705	-	-
Allowance for impairment losses	(37,921)	(152,177)	(84,323)	(339,400)
Accelerated depreciation and amortisation	(1,693)	(6,794)	(2,932)	(11,801)
Unrealised exchange loss	(853)	(3,423)	(2,290)	(9,218)
	(40,042)	(160,689)	(89,545)	(360,419)

ii Movements of deferred tax (liabilities)/assets during the year are as follows:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
At 1 January	(89,545)	(360,419)	11,450	46,773
Charged to profit or loss	49,503	198,557	(100,995)	(411,151)
Currency translation difference	-	1,173	-	3,959
At 31 December	(40,042)	(160,689)	(89,545)	(360,419)

13.3 Minimum tax liability

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
At 1 January	1,446	5,820	1,473	6,017
Minimum tax expense	15,208	60,999	16,179	65,865
Minimum tax paid	(15,283)	(61,300)	(16,206)	(65,975)
Currency translation difference	-	(17)	-	(87)
At 31 December	1,371	5,502	1,446	5,820

13.4 Minimum tax/Income tax expense

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Current income tax	-	-	-	-
Deferred tax	(49,503)	(198,557)	100,995	411,151

The reconciliation of income tax expense computed at the statutory tax rate to the income tax expense shown in the income statement is as follows:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Loss before income tax	(234,037)	(938,723)	(76,666)	(312,108)
Income tax using statutory tax rate at 20%	(46,807)	(187,745)	(15,333)	(62,422)
Non-deductible expenses	5,335	21,399	1,632	6,644
(Utilisation)/Carried forward tax losses	(7,369)	(29,557)	106,348	432,943
Others	(662)	(2,654)	8,348	33,986
	(49,503)	(198,557)	100,995	411,151
Minimum tax expense	15,208	60,999	16,179	65,865

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

14. SHARE CAPITAL

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Registered:				
Ordinary shares of US\$1 each	3,600,000	14,512,100	3,600,000	14,512,100
Issue and paid-up:				
Ordinary shares of US\$1 each	3,600,000	14,512,100	3,600,000	14,512,100

The shareholders and shareholding structure of the Company is as follows:

	2025			2025		
	% of Ownership	Number of shares	Amount US\$	% of Ownership	Number of shares	Amount US\$
Mr. Yamashita Takahiro	45%	1,620,000	1,620,000	45%	1,620,000	1,620,000
Mr. Bol Vannat	45%	1,620,000	1,620,000	45%	1,620,000	1,620,000
Mr. Shigeki Taguchi	10%	360,000	360,000	10%	360,000	360,000
	100%	3,600,000	3,600,000	100%	3,600,000	3,600,000

On 12 May 2025, the shareholders have signed a shareholder's resolution to change the shareholding structure by transferring all shares owned by Mr. Shigeki Taguchi to Mrs. Yoko Taguchi.

On 13 April 2026, the National Bank of Cambodia approved the Company's request for the above change in shareholding structure. The amendment of Articles of Association ("AOA") is currently in the process of obtaining approval from the Ministry of Commerce as of the date of this report.

15. REGULATORY RESERVES

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Regulatory reserves (*)	281,481	1,162,390	529,035	2,155,329

(*) Regulatory reserves:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
At 1 January	529,035	2,155,329	60,487	247,870
Transfers	(247,554)	(992,939)	468,548	1,907,459
At 31 December	281,481	1,162,390	529,035	2,155,329

Transfer from retained earnings to reserves pertaining to impairment during the year when the provision under NBC requirement is higher than CIFRS for SMEs.

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Impairment on credit facilities required by the NBC:				
- Deposits and placements with banks	3,541	14,210	10,790	43,430
- Loans to customers	812,701	3,261,369	850,217	3,422,123
	816,242	3,275,579	861,007	3,465,553
Impairment loss on financial assets under				
CIFRS for SMEs (Note 7)	534,761	2,145,996	331,972	1,336,187
Currency translation difference	-	(32,807)	-	(25,963)
	281,481	1,162,390	529,035	2,155,329

16. INTEREST INCOME

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Loans to customers	1,409,595	5,653,886	1,402,487	5,709,525
Deposit with banks	8,204	32,906	22,889	93,181
	1,417,799	5,686,792	1,425,376	5,802,706

17. INTEREST EXPENSE

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Interest expense on:				
Borrowings from related parties (Note 22.1)	383,732	1,539,149	396,833	1,615,507
Borrowings from third party	41,885	168,001	42,000	170,982
	425,617	1,707,150	438,833	1,786,489

18. OTHER OPERATING INCOME

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Fee and commission income	55,082	220,934	58,428	237,860
Lease income	20,009	80,256	19,645	79,975
Others	42,577	170,776	78,407	319,195
	117,668	471,966	156,480	637,030

19. PERSONEL EXPENSES

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Salaries and bonuses	681,392	2,733,063	689,893	2,808,554
Other staff benefits	90,127	361,500	81,400	331,380
	771,519	3,094,563	771,293	3,139,934

20. OPERATING AND ADMINISTRATIVE EXPENSES

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Rental fees	111,906	448,855	110,298	449,023
Meal and entertainment	53,033	212,715	49,550	201,718
Travel and transportation	16,827	67,493	15,567	63,373
Other tax expenses	16,504	66,198	16,411	66,809
Utilities	15,851	63,578	18,786	76,478
Communications	10,173	40,804	9,794	39,871
Professional fees	9,500	38,105	6,550	26,665
License fee	9,371	37,587	8,421	34,282
Stationaries	6,743	27,046	5,758	23,441
Memberships and services	3,720	14,921	3,692	15,030
Others (*)	75,212	301,675	70,871	288,517
	328,840	1,318,977	315,698	1,285,207

Other mainly consist of security expenses, repairs and maintenance, marketing expenses, donation and other miscellaneous expenses.

21. CASH AND CASH EQUIVALENTS

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Cash on hand (Note 4)	184,639	740,956	137,407	553,063
Deposits and placements with the NBC (Note 5)	7,112	28,540	4,065	16,362
Deposits and placements with other banks (Note 6)	354,101	1,421,007	1,079,007	4,343,003
	545,852	2,190,503	1,220,479	4,912,428

22. RELATED PARTY BALANCES AND TRANSACTIONS

22.1 Related party transactions

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Borrowing from related parties:				
Proceeds from borrowings	-	-	400,000	1,628,400
Repayments of borrowings	(500,000)	(2,005,500)	(300,000)	(1,221,300)
Interest expense	383,732	1,539,149	396,833	1,615,507
Loans to key management personnel:				
Interest income	3,842	15,410	4,435	18,055
Key management remuneration:				
Directors and key management personnel compensation	318,433	1,277,235	405,401	1,650,387

22.2 Related party balances

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Borrowing from related parties:				
Shareholder	6,900,000	27,689,700	6,900,000	27,772,500
Related party	300,000	1,203,900	800,000	3,220,000
Accrued interest payables	26,671	107,031	27,979	124,731
	7,226,671	29,000,631	7,727,979	31,117,231
Loans to key management personnel:				
Outstanding principal	31,858	127,846	40,168	163,524

Loans and advances to key management personnel are secured and bear interest at the rate of 10% to 18% per annum.

23. LEASE COMMITMENTS

The Company leases office premises under an operating lease arrangement with minimum lease commitments as follows:

	US\$	2025 KHR'000 (Note 2.4)	US\$	2024 KHR'000 (Note 2.4)
Within 1 year	108,643	435,984	104,725	421,518
2 to 5 years	418,634	1,679,978	454,367	1,828,827
More than 5 years	239,541	961,278	219,111	881,922
	766,818	3,077,240	778,203	3,132,267

24. TAX CONTINGENCIES

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

25. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

25.1 Basis of aggregation

The Company's financial statements comprise the financial statements of the head office and its branches. All inter-branch balances and transactions have been eliminated.

25.2 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and other highly liquid investments with original maturities of three months or less and that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortised cost using the effective interest method in the statements of financial position.

25.3 Deposits and placements with banks

Deposits and placements with banks are carried at amortised cost using the effective interest method in the statements of financial position.

25.4 Deposits and placements with NBC

Deposits and placements with the NBC, including capital guarantee deposit, are carried at amortised cost using the effective interest method in the statement of financial position.

Capital guarantee deposit is maintained in compliance with the Cambodian Law on Banking and Financial Institutions and are determined by defined percentages of minimum share capital as required by the NBC.

Capital guarantee is not available to finance the Company's day-to-day operations hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

25.5 Loans to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

25.6 Other assets

Other assets are carried at amortised cost using the effective interest method in the statements of financial position.

25.7 Property and equipment



Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Gains or losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property and equipment and are recognised net within other income in profit or loss.



Subsequent costs

The costs of replacing a part of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.



Depreciation

Depreciation of property and equipment is charged to the statement of comprehensive income on straight-line method, over the useful lives of the individual assets at the following annual rates:

Depreciation rate

Leasehold improvements	10 years
Furniture and fixtures	4 years
Office equipment	3 years
Computer equipment	2 years
Motor vehicles	5 years

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

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

25.8 Intangible assets

Intangible assets consist of computer software license and related costs are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over an estimate useful life of 10 years using a declining method. If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new expectations.

25.9 Impairment

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

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

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the income statement.

25.10 Borrowing and other liabilities

Borrowing and other liabilities are carried at amortised cost using the effective interest method in the statements of financial position.

25.11 Provisions

Provisions are recognised in the statements of financial position when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount

has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance cost.

25.12 Employee benefits



Short-term employee benefits

Short-term employee benefits 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.



Termination benefits

Termination benefits are payments due to employees as a result of the termination of employment before the normal retirement date or an employee's decision to accept voluntary redundancy in exchange for those benefits. They are recognised as a liability and an expense when the Company has a detailed formal plan for termination with no realistic possibility of withdrawal. In the case of voluntary redundancy, the benefits are accounted for based on the number of employees expected to accept the offer.

Where termination benefits fall due more than 12 months after the end of reporting period, they are discounted to present value based on market yields at the end of reporting period.

25.13 Interest

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.

25.14 Fee and commission

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.

Other fees and commission income are recognised as the related services are performed. If a loan commitment is not expected to result in the draw-down of a loan, then the related loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relate mainly to transaction and service fees, which are expensed as the services are received.

25.15 Operating expenses

Operating expenses are recognized in the statement of comprehensive income in the period in which they are incurred.

25.16 Leases

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

25.17 Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and their corresponding tax bases (known as temporary differences).

Deferred tax liabilities are recognised for all temporary differences that are expected to increase taxable profit in the future. Deferred tax assets are recognised for all temporary differences that are expected to reduce taxable profit in the future, and any unused tax losses or unused tax credits. Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognised in profit or loss, except that an adjustment attributable to an item of income or expense recognised in other comprehensive income shall also be recognised in other comprehensive income.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have

been enacted or substantively enacted by the end of the reporting period. Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realised or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

25.18 Financial assets and financial liabilities

i Recognition

The Company initially recognises a financial asset or a financial liability when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus transaction costs that are directly attributable to its acquisition or issue.

ii Classification

The Company classifies its financial assets and liabilities as basic financial instruments in accordance with Section 11 Basic Financial Instruments.

iii Derecognition

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

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

iv Offsetting

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

v Amortised cost measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.



Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.



Identification and measurement of impairment

Objective evidence of impairment

At each reporting date, the Company assesses whether there is objective evidence that financial assets that are measured at cost or amortised cost. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;

- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Individual and collective assessment

All individually significant assets are individually assessed for impairment.

Those found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

The individual component of the total allowance for impairment applies to financial assets evaluated individually for impairment, and found to be individually impaired, and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a debtor's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the management.

A collective component of the total allowance is established for:

- groups of homogeneous loans that are not considered individually significant; and
- groups of assets that are individually significant but that were not found to be individually impaired.

The collective allowance for groups of homogeneous loans is established using statistical methods such as roll rate methodology or, for small portfolios with insufficient information, a formula approach based on historical loss rate experience. In assessing the collective loss allowance, management considers factors such as credit quality, portfolio size, concentrations and economic factors. To estimate the required allowance, assumptions are made to define how inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowance depends on the model assumptions and parameters used in determining the collective allowance.

Measurement

Impairment losses on assets measured at amortised cost are calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

Reversal of impairment and write offs

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 was recognised, the entity shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account.

The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The entity shall recognise the amount of the reversal in profit or loss immediately.

The Company writes off a loan or an investment debt security, either partially or in full, and any related allowance for impairment losses, when the management determines that there is no realistic prospect of recovery.

25.19 Regulatory reserves

The NBC issued Prakas No. B7-017-344 dated 1 December 2017 on Credit Risk Grading and Provision on Impairment and Circular No. B7-018-001 dated 16 February 2018 on the Implementation of Prakas on Credit Risk Grading and Provision on Impairment, which require all banks and financial institutions ("Institution") to measure the impairment and provide sufficient allowance for bad and doubtful loans based on the new credit risk grading and provision as follows:

Classification	Number of days past due	Allowance
<i>Short-term loans (less than one year):</i>		
Standard	0 - 14 days	1%
Special mention	15 - 30 days	3%
Sub-standard	31 - 60 days	20%
Doubtful	61 - 90 days	50%
Loss	91 days or more	100%
<i>Long-term loans (more than one year):</i>		
Standard	0 - 29 days	1%
Special mention	30 - 89 days	3%
Sub-standard	90 - 179 days	20%
Doubtful	180 - 359 days	50%
Loss	360 days or more	100%

In accordance with Article 73, the entity shall compare the provision calculated in accordance with above requirements, and the Company's record which is under CIFRS for SMEs:

- (i) If the regulatory provision is lower, the entity records the provision calculated in accordance with CIFRS for SMEs; and
- (ii) If the regulatory provision is higher, the entity records the provision calculated in accordance with CIFRS for SMEs and transfer the difference from retained earnings into regulatory reserves in equity account.

25.20 Related parties

Enterprises and individual that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including the holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including Directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals, also constitute related parties.

25. UPCOMING CHANGES IN ACCOUNT STANDARDS

On 27 February 2025, the International Accounting Standards Board issued the third edition of the IFRS for SMEs, introducing revisions to key areas, including revenue recognition. As IFRS for SMEs is adopted in Cambodia, the updated standard will be applicable upon issuance. The standard is effective for annual periods beginning on or after 1 January 2027, with early adoption permitted. Management is assessing its impact and will adopt it in line with the effective date or earlier if appropriate.



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