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គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ

ANNUAL REPORT

2024

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Message from the Chairwoman



At MIA Plc, our commitment goes beyond providing financial services — we aim to be a reliable partner in the sustainable growth and empowerment of Cambodia’s micro, small, and medium enterprises.

Since our founding in 2015, we have remained steadfast in our mission to uplift low- and middle-income individuals, supporting them in building livelihoods that contribute meaningfully to the country’s socioeconomic development.

As we reflect on the past years, our journey has been one of resilience, transformation, and shared success. Through dynamic market conditions, we have adapted with agility, strengthened our internal capacities, and deepened our connection to the communities we serve. Our foundation is built on the trust of our clients, the strength of our team, and the principles of good governance, transparency, and prudent risk management.

In 2024, MIA took important strides toward operational reform, staff development, and product innovation. These efforts were key to maintaining our relevance in a changing financial landscape and positioning ourselves for sustainable growth.

Looking ahead into 2025, our strategic focus will be on expanding our outreach through satellite offices, embracing digital transformation, and offering client-centric products aligned with national financial inclusion goals. We remain committed to promoting the use of the Khmer Riel in alignment with the National Bank of Cambodia’s vision, while ensuring our services remain inclusive, accessible, and impactful.

I extend my deepest gratitude to our loyal clients, dedicated staff, trusted partners, and supportive stakeholders. Your confidence and collaboration continue to drive our success. Together, we will shape a stronger, more inclusive financial future for Cambodia.

Sincerely,



Mrs. Cheang Ying
Chairwoman & President, MIA Plc

Message from the CEO

Dear Management, Staff, Valued Customers, and Stakeholders,

For nearly a decade, **MIA Plc** has proudly served as a trusted financial partner, delivering a wide range of innovative and impactful financial products and services to micro, small, and medium enterprises—especially women—in a responsible, efficient, and sustainable manner.



I am pleased to reflect on our progress over the past year. In 2024, we continued to face a complex economic environment, yet MIA once again demonstrated its resilience and adaptability. Through strategic planning and disciplined execution, we have strengthened our operational foundation and taken meaningful steps toward long-term growth.

Our performance in 2024 reflects both the challenges and opportunities that come with transformation. Loan Portfolio US\$3,595,989 and 294 Customers and other key financial metrics will be updated once audited reports are finalized. However, our strategic direction was clear—we focused on improving internal structures, enhancing loan quality, and optimizing risk management.

A core part of our 2024 strategy involved team restructuring and capacity building. We invested significantly in staff training, improved our internal workflows, and strengthened compliance mechanisms to better serve our clients and align with regulatory expectations. Furthermore, we expanded our operational footprint through the launch of new satellite offices in underserved areas, bringing our services closer to those who need them most.

Product development was another focus area. We successfully modified existing loan offerings and introduced new products tailored to client needs. In line with the National Bank of Cambodia's monetary policy, we placed greater emphasis on disbursing loans in Riel to support financial inclusion and currency stability in the local economy.

Looking forward to 2025, our commitment remains firm: to foster inclusive growth, deepen customer relationships, and embrace innovation to deliver even greater value. We are confident that the strategic foundations laid in 2024 will support our objectives in the years ahead.

In closing, I extend my heartfelt appreciation to our dedicated management, staff, clients, and stakeholders. Your continued support and belief in our mission are what drive us forward. Together, we will continue building a stronger, more inclusive financial future for Cambodia.

Sincerely yours,



Mr. Po Sathya
Chief Executive Officer, MIA Plc



Established in 2015, **MIA Plc. (MIA)** is proudly owned by Cambodian entrepreneurs who are passionate about empowering small and medium-sized enterprises (SMEs) to grow and thrive. We are committed to improving the livelihoods of low- and middle-income individuals across both urban and provincial areas of Cambodia, while ensuring long-term sustainability in all our operations.

MIA focuses on delivering a broad range of tailored financial products and services to microbusinesses, as well as small and medium entrepreneurs. Our goal is to offer the most responsive, customer-focused services and flexible financial solutions to support the success of Cambodian enterprises.

Vision ,Mission and Value



Our Vision

To become one of the leading microfinance institutions in Cambodia, providing a wide variety of innovative and attractive financial products and services to support small and medium-sized entrepreneurs.



Our Mission

- 1 To contribute to Cambodia’s economic development by offering financial products that are tailored to the evolving needs of our customers.
- 2 To serve as a trusted partner to small and medium-sized entrepreneurs in both urban and rural areas
- 3 To uplift low- and middle-income individuals who aspire to start or expand their businesses.
- 4 We are here to serve Cambodia—with commitment, care, and excellence.



Core Values

- ➔ **Accountability** – We take full responsibility for our actions and are committed to transparency and integrity in everything we do.
- ➔ **Diversity** – We embrace and value diverse perspectives, ideas, and backgrounds to better serve our clients and communities.
- ➔ **Sustainability** – We strive for long-term impact by promoting responsible finance, economic empowerment, and environmental stewardship.

Milestones of MIA Plcs

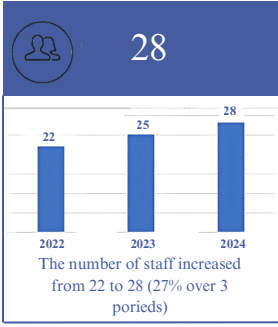
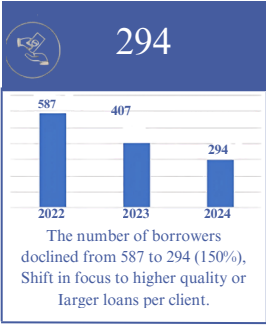
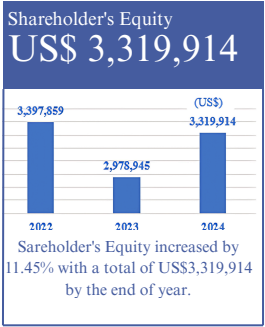
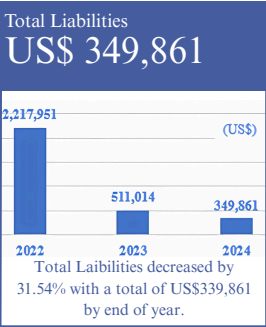
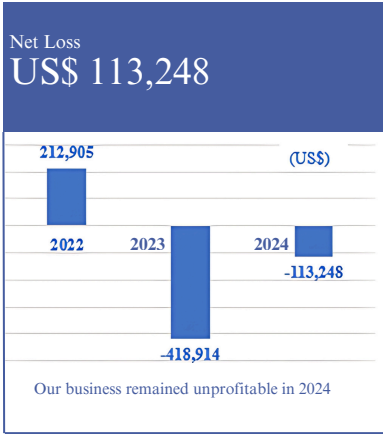
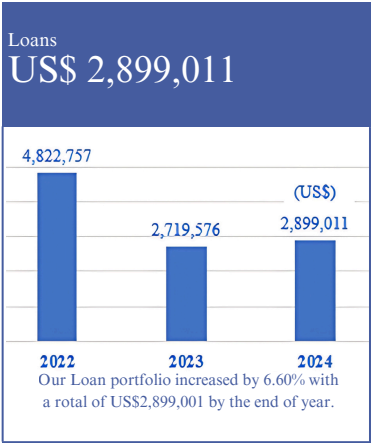
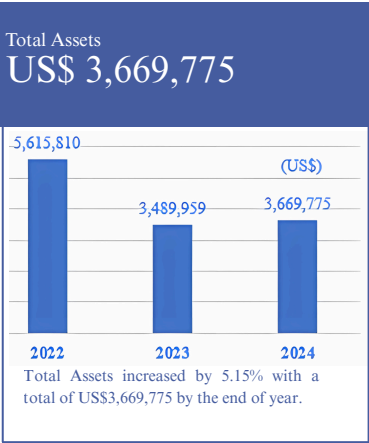
<p>MIA Plc. was initiated in late 2015 by Lok Chumteav Oknha Ngov Mok, our esteemed Chairwoman, along with dedicated Cambodian shareholders. The vision was to create a financial institution that supports the growth of small and medium-sized enterprises (SMEs) throughout Cambodia</p>	<p>January 2016</p> <ul style="list-style-type: none">Submitted the application for a microfinance business license under the name MIA Financial Plc. to the National Bank of Cambodia (NBC). <p>22 March 2016</p> <ul style="list-style-type: none">Received principle approval from the NBC under the name MIA Financial Plc. <p>02 June 2016</p> <ul style="list-style-type: none">Obtained Certificate of Incorporation No. 00113366 from the Ministry of Commerce. <p>06 December 2016</p> <ul style="list-style-type: none">Received the official License to Conduct Microfinance Business from the National Bank of Cambodia.	<p>15 January 2019</p> <p>With approval from the NBC under reference No. M.F. 74, the institution:</p> <ul style="list-style-type: none">Officially changed its corporate name from MIA Financial Plc. to MIA Plc.Increased its registered capital from USD 1,500,000 to USD 2,500,000Amended its Memorandum of Association to reflect the updated structure and branding.
<p>2015 – Founding Vision</p>	<p>2016 – Foundation and Licensing</p>	<p>2019 – Rebranding and Capital Expansion</p>

Financial Highlights

Financial summary for the years ending 31st December 2022–2024, here's an executive analysis of the financial and operational performance:

Year Ended 31 st December	2022	2023	2024	Change 2023→2024
Operating Result /US\$				
Net Income Before Tax	\$266,807	-\$434,614	-\$175,169	▲59.70% (recovery)
Net Income After Tax	\$212,905	-\$418,914	-\$113,248	▲72.97% (recovery)
Key Figure in Balance Sheet /US\$				
Total Assets	\$5.62M	\$3.49M	\$3.67M	▲5.15%
Loan Portfolio (Net)	\$4.82M	\$2.72M	\$2.90M	▲6.60%
Total Liabilities	\$2.22M	\$511K	\$350K	▼31.54%
Shareholder's Equity	\$3.40M	\$2.98M	\$3.32M	▲ 11.45%
Key Ratios (KPI%)				
ROAA	2%	-6%	-2%	▲4.46%
ROAE	3%	-7%	-2%	▲5.33%
Debt to Asset	39%	15%	10%	▼5.11%
Debt to Equity	65%	17%	11%	▼6.62%
Asset Quality				
NPL/Total Loan, %		15%	16%	▲1.00%
Provision/Total Loan, %		24%	30%	▲6.00%
General Information				
Number of Branches/Head Office	1	1	1	-
No. of Staff	22	25	28	▲12.00%
Number of Borrowers	587	407	294	▼27.76%

SIMPLIFIED FINANCIAL RESULTS



Continuous Improvement and Capacity Building

As MIA Plc. continues to grow and expand its portfolio in an increasingly competitive financial landscape, we recognize the crucial importance of equipping our staff with the knowledge, tools, and capabilities to deliver **exceptional service and operational efficiency**.

To support this, our Human Resources Department has prioritized the development of a **comprehensive training and capacity-building framework**, which includes:

- Collaborating with departments to identify and respond to specific training needs
- Upgrading and equipping our **training facilities**
- Expanding the **number, frequency, and scope of training programs** offered at all staff levels

These initiatives are designed to boost competencies in core operational areas such as **loan assessment, sales, client recruitment and management, and workflow optimization**—ultimately enhancing service delivery and institutional performance

2024 Training Highlights

In 2024, MIA Plc. launched an extensive training program covering both **technical and managerial** domains. Highlights include:



These sessions reflect MIA’s strong commitment to **continuous improvement** and investment in **human capital development**, empowering staff to meet the evolving needs of our clients and stakeholders.

Advancing Financial Inclusion

As part of our mission to promote **financial inclusion**, MIA continues to design and deliver products that reach **underserved and unbanked communities**, especially those in rural and peri-urban areas. We emphasize:

- Expanding access to micro and small loans for informal workers and low-income households
- Designing client-friendly repayment schedules
- Increasing **female and youth participation** in financial services
- Strengthening financial literacy among first-time borrowers

These efforts ensure that our growth remains inclusive and aligned with Cambodia’s broader socioeconomic development goals.

Core Banking System Integration

To improve operational agility, transparency, and scalability, **MIA Plc.** has successfully **migrated to a modern Core Banking System (CBS)**. This digital transformation supports:

- Real-time data access and centralized reporting
- Enhanced customer service via streamlined processing
- Strengthened risk monitoring and internal control integration
- Improved compliance and audit readiness

Our CBS upgrade represents a strategic investment that enhances MIA’s operational resilience, supports innovation in product delivery, and lays the groundwork for future digital financial services.

Risk Management & Internal Control

A strong internal control environment is critical to the success of MIA Plc. and underpins the achievement of our strategic and operational goals. Recognizing that inadequate controls can significantly increase risk exposure, MIA has built a comprehensive internal control framework that emphasizes:

- Asset protection, cash handling, and human resource governance
- Error prevention and risk mitigation through structured workflows
- Institution-wide accountability and compliance

Key Components of Our Internal Control System



Embedded Policies and Procedures

All processes are aligned with clearly documented policies that support risk prevention and regulatory compliance



Segregation of Duties

No employee is permitted to perform a full transaction independently, minimizing the risk of fraud and operational errors



Accountability and Compliance

All staff are responsible for adherence to policies and must report any violations through proper channels.



Governance Oversight

The Board of Directors oversees risk governance, ensuring institutional resilience and preparedness in the face of emerging challenges.

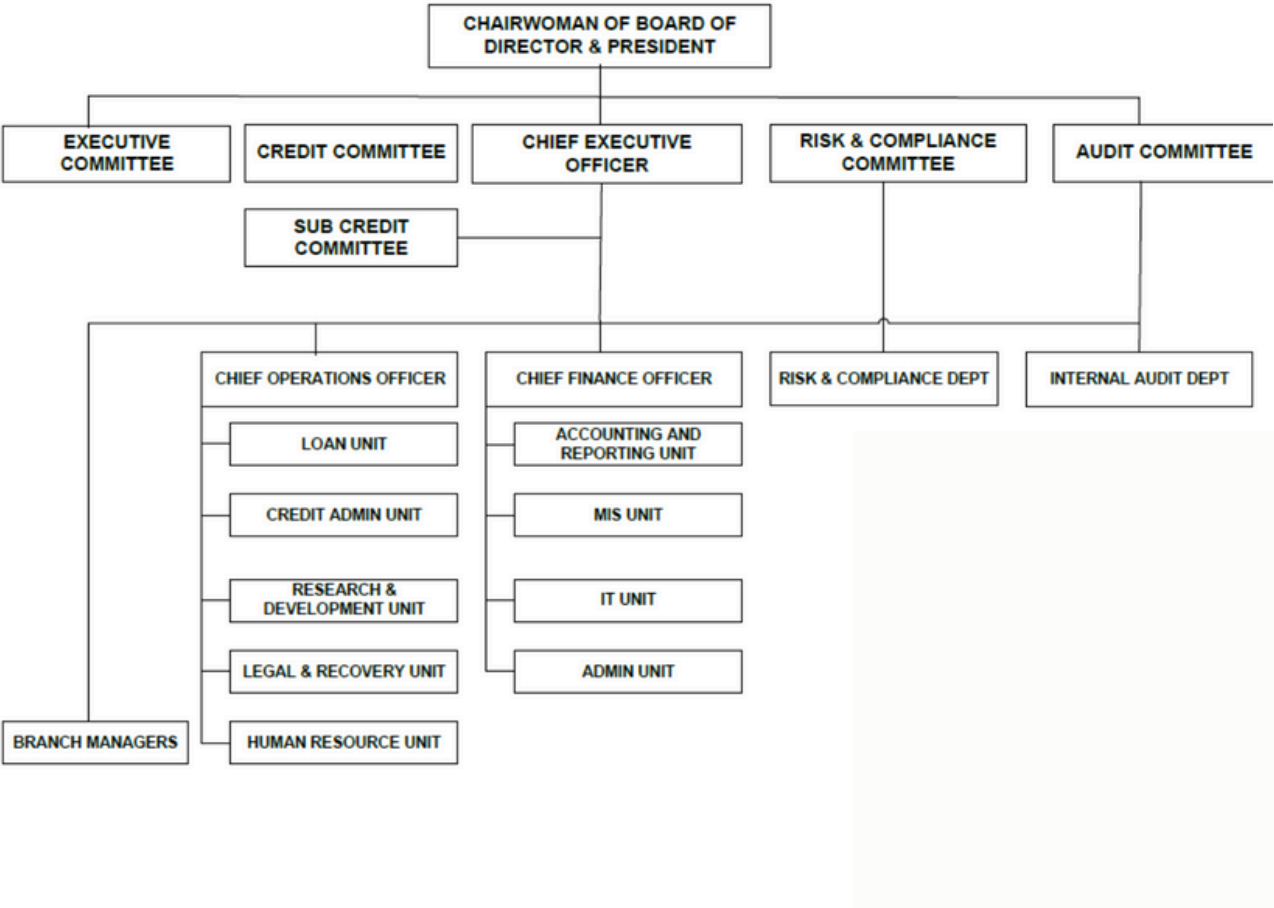
Strengthening Loan Appraisal

To enhance both the quality and growth of our loan portfolio, MIA Plc. has fortified its credit governance framework. At the heart of this structure is the **Credit Committee (CC)**, appointed by the Board of Directors to:

- Oversee credit-related policies and practices
- Identify, assess, and manage credit risks
- Monitor portfolio quality and compliance

To improve responsiveness and efficiency at the operational level, the **Sub-Credit Committee (SCC)** supports the CC in managing delegated responsibilities. This **two-tier governance structure** ensures faster, yet prudent, credit decision-making while maintaining strict adherence to internal policies and external regulations.

Organozational Chart - MIA Plc





MRS. CHEANG YING

Chairwoman & President, MIA Plc

Educational Background:

Bachelor of Business Management, University of Hawaii Pacific, 2003

Professional Expertise:

Finance Management, Economics

Professional Experience:

- Advisor, MIA Microfinance Institution (2018 – 2024)
- Board of Director, MIA Money Myanmar (2022 – 2024)
- Board of Director, K2 Insurance (2014 – 2023)
- Board of Director, STARDigital (2019 – 2022)
- Chief Financial Officer (CFO), Emaxx Telecommunications

Mrs. Chheang Ying is a respected leader with extensive experience in finance, governance, and advisory roles across microfinance, insurance, telecommunications and digital technology sectors. Her strategic insight and leadership have been instrumental to MIA Plc's sustained growth and governance excellence.

Mr. Po Sathya is a seasoned expert in finance and management, with over 18 years of experience in auditing, accounting, business consulting, and executive leadership.

He holds a Master's degree in Financial Management from the Royal University of Law and Economics (2012) and a Bachelor's degree in Economics (2006). In addition, he has completed numerous professional training programs both locally and internationally, covering areas such as accounting, auditing, taxation, Cambodian Accounting Reporting Standards (CARS), and business management.



MR. PO SATHYA

Chief Executive Officer (CEO), MIA Plc

Mr. Sathya began his career in 2006, holding finance, accounting, and auditing roles with various organizations, including Vision Fund, CMK, and KUBIK Co., Ltd. His expertise and leadership ability quickly propelled him into management roles across several companies. From 2012 to 2018, he served as Finance & Administration Director and later as General Manager for multiple local enterprises.

Between 2015 and 2019, Mr. Sathya expanded his impact in the consulting field as Managing Director and Co-Founder of S&P Consulting and Advisory Services, where he provided strategic business advisory support to enterprises in Cambodia.

He joined MIA Plc as Chairman of the Audit Committee, where he led strategic oversight of governance and regulatory compliance. His dedication and leadership led to his appointment as Chief Executive Officer (CEO) of MIA Plc in 2023.

Currently, Mr. Sathya leads MIA Plc with a vision to expand inclusive financial services, drive sustainable growth, and position the institution as a key player in Cambodia's microfinance sector.



MR. THA THON

Chief Operations Officer (COO), MIA Plc

Mr. Tha Thon brings over 20 years of diverse experience in banking, microfinance, auditing, and real estate development. He holds a Bachelor's degree in Business Administration (Accounting) from Maharishi Vedic University and a Master's degree in Banking and Finance from Build Bright University. He is also certified in Certified Accounting Technician (CAT).

Since beginning his career in 2002, Mr. Thon has held roles in credit, accounting, and internal audit. From 2008 to 2012, he served in key management positions, including Internal Audit Manager and Finance Director. Between 2012 and 2014, he was Head of Micro Business Lending at ABA Bank.

In 2014, he transitioned into the real estate sector, where he was appointed Vice President and Head of Sales & Marketing. He currently serves as a Board Member and Sales/Investment Advisor at KTC Investment, a company focused on land asset investment and asset management.

In early 2024, Mr. Thon was appointed Chief Operating Officer (COO) of MIA Plc, where he is responsible for overseeing strategic execution, optimizing operational performance, and driving institutional excellence.

Ms. San Soriya graduated with a Bachelor's degree in Accounting from the National University of Management in 2014. She began her professional career in 2013 as a Project Management Assistant at the Asian Development Bank (ADB), gaining valuable experience in development management.

From 2014 to 2016, she worked as an accountant at Hatha Kaksekor Limited, where she developed strong skills in accounting and finance. In late 2016, Ms. Soriya joined MIA Plc as an Accountant and Assistant General Manager, later advancing to Head Accountant. Due to her excellent performance, she was promoted to Finance Manager from 2019 until 2021.

To broaden her experience, Ms. Soriya served as Deputy Finance Manager at Wing Bank Plc from 2021 to 2023, where she gained in-depth knowledge of commercial banking financial management.

In early 2023, she returned to MIA Plc and was appointed as Chief Financial Officer (CFO), responsible for financial strategy, reporting, compliance, and operational implementation.

Her extensive experience in microfinance and commercial banking, combined with deep operational knowledge of MIA Plc, makes her a vital member of the institution's executive leadership team.



MRS. SAN SORIYA

Chief Finance Officer (CFO), MIA Plc

Customer Success Story



Customer Name: Mrs. Thang Pha
Business Type: Khmer Noodle Production
Location: Prey Veng Keut Village,
Sangkat Prey Veng, Khan Dangkor,
Phnom Penh

Mrs. Thang Pha was born in Preah Sdach district, Prey Veng province. Her family relocated to Phnom Penh in search of better opportunities and improved living conditions. She lives as the head of the household near Toul Sambuor Market, while her husband works as an electrician and their children work in a garment factory.

In 2023, Mrs. Thang Pha's interest and passion were sparked during a community program where Khmer noodle were served to guests. She saw a promising market opportunity and began producing noodle at home with a small initial capital. To expand her business, she applied for a loan from MIA Plc to enhance her production capacity and gain a larger market share.

Her business has grown significantly with upgraded production capacity and modern technical equipment. She regularly supplies fresh noodle to local markets and nearby shops. The increase in production allowed her to hire two part-time assistants to reduce her workload and meet customer demands efficiently.

Mrs. Thang Pha also started developing new branding and packaging to supply retail stores and small restaurants. She is preparing to open a wholesale and retail noodle shop near Toul Sambuor Market, planned to launch by the end of 2024.

Support from MIA Plc has provided not only capital but also confidence and motivation, enabling her to achieve stable income and noticeably improved quality of life.

"MIA Plc doesn't just provide capital; it also offers incredible trust and encouragement. I am proud of what I have accomplished. For anyone dreaming of starting a business, I highly recommend choosing MIA Plc as a valuable partner."

– Mrs. Thang Pha

AUDITED FINANCIAL STATEMENTS

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Corporate Information

INSTITUTION MIA Plc

REGISTRATION No. 00013666

REGISTERED OFFICE No. 93, Norodom Blvd, Corner Street 208, Sangkat Boeung Raing, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.

SHAREHOLDERS Mrs. Cheang Ying
Mr. Ngov Vansu

DIRECTORS: Mrs. Cheang Ying, Chairwoman
Mr. Po Sathya, Member
Mr. Ngov Vansu, Member

EXECUTIVE TEAM Mrs. Cheang Ying, President & Chairwoman
Mr. Po Sathya, Chief Executive Officer
Mr. Tha Thon, Chief Operations Officer
Mrs. San Soriya, Chief Finance Officer

AUDITORS Kreston Cambodia



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Board of Directors' report

The board of directors hereby submit the report and the audited financial statements of the MIA PLC. ("the Company") for the financial year ended 31 December 2024.

1. Background and principal activities

MIA PLC. ("the Company") is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under registration No. 00013666 dated 02 June 2016. The Company obtained its license from the National Bank of Cambodia ("NBC") to operate as a micro-finance institution on 14 November 2019. The Company also obtained the renewal of the Microfinance license, which was approved by National Bank of Cambodia ("NBC") on 30 November 2022.

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

The Company's office is located at Building N^o 93, Preah Norodom Blvd, Street N^o 208, Sangkat Boeung Reang, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

2. Results of operations

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

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

3. Board of Directors

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

Name	Position
Mrs. Ngov Mok	Chairwoman
Mr. Ngov Srun	Director
Mr. Ngov Vansu	Director

4. Auditors

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

5. Board of directors' responsibility for the financial statements

The board of director is responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all a material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended on that date.

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

- adopt appropriate accounting policies in compliance with Cambodian International Financial Reporting Standards for Small and Medium-Sized Entities for Small and Medium-Sized Entities ("CIFRS for SMEs") which are supported by reasonable and appropriate judgments and estimates and then apply them consistently;
- comply with the disclosure requirements CIFRS for SMEs and guidelines of the National Bank of Cambodia or, if there have been any departures in the interest of true and fair presentation,

ensure that these have been appropriately disclosed, explained and quantified in the financial statements;

- iii. maintain adequate accounting records and an effective system of internal controls;
- iv. prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and
- v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

The board of directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

6. Preparation of financial statements

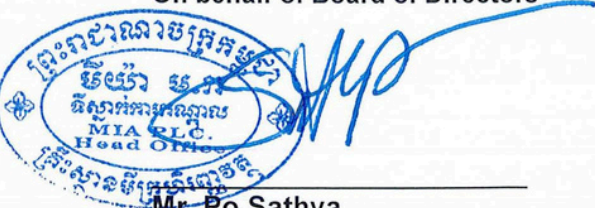
In the preparation of the financial statement, the directors have taken account of the following matters:

- i. all material transfers to or from reserves or provisions during the financial year are disclosed in the financial statements;
- ii. adequate allowance for impairment losses on loan to customers and current and non-current assets, if required, has been made;
- iii. known bad debts had been written off, if any;
- iv. existing methods of valuation of assets or liabilities is not misleading or inappropriate;
- v. there are no known circumstances that would render any amount stated in the financial statements to be misleading;
- vi. there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors, to affect substantially the results of the operations of the Company for the financial year in which this report is made;
- vii. the results of the operations of the Company during the financial years were not, in the opinion of the directors, substantially affected by any item, transactions or event of a material and unusual nature;
- viii. no contingent or other liability of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the Company to meet its obligations when they fall due.

7. Approval of the Financial Statements

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

On behalf of Board of Directors



Mr. Po Sathya

Chief Executive Officer

Phnom Penh, Kingdom of Cambodia

Date: 21 April 2025.



CAM ACCOUNTING & TAX SERVICE CO., LTD.

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

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Independent auditor's report

To shareholders of MIA PLC.

Opinion

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

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

Basis for opinion

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

Independence

We are independent of the Company in accordance with the international Code of Ethics for Professional Accountants (Including International Independence Standards) issued by the international Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of the Kampuchea Institute of Certified Public Accountants and Auditor's Code of Ethics for Certified Public Accountants and Auditors (KICPAA Code) 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.

Information other than the financial statements and auditors' report thereon

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

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

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

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

Responsibilities of directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRS for SMEs and guidelines of the National Bank of Cambodia. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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



Keat Heng, CPA, FCCA
Audit Partner

Phnom Penh, Kingdom of Cambodia
Date: 21 April 2025

Balance Sheet

MIA PLC

Financial Statements for the year 31 December 2024

Statement of financial position

As at 31 December 2024

	Notes	2024		2023	
		USD	KHR'000	USD	KHR'000
Assets					
Cash on hand	4	9,552	38,447	3,990	16,299
Deposits and placements with NBC	5	129,521	521,322	127,901	522,476
Deposits and placements with banks	6	151,113	608,230	514,590	2,102,100
Loans to customers	7	2,899,011	11,668,519	2,719,576	11,109,468
Other assets	8	139,647	562,079	101,182	413,328
Intangible assets	10	35,933	144,630	-	-
Property and equipment	11	216,079	869,718	1,647	6,728
Deferred tax asset	20 (a)	88,919	357,899	21,073	86,083
Total assets		3,669,775	14,770,844	3,489,959	14,256,482
Liabilities					
Borrowings	9	275,131	1,107,402	441,897	1,805,149
Other liabilities	12	74,730	300,788	69,117	282,343
Total liabilities		349,861	1,408,190	511,014	2,087,492
Equity					
Share capital	13	2,500,000	10,000,000	2,500,000	10,000,000
Regulatory reserve	14	209,157	851,478	-	-
Accumulated losses		610,757	2,463,188	478,945	1,926,581
Currency translation reserves		-	47,988	-	242,409
Total equity		3,319,914	13,362,654	2,978,945	12,168,990
Total liabilities and equity		3,669,775	14,770,844	3,489,959	14,256,482

Income statement

MIA PLC

Financial Statements for the year 31 December 2024

Statement of profit & loss and other comprehensive income

For the year ended 31 December 2024

	Notes	2024		2023	
		USD	KHR'000	USD	KHR'000
Interest income	15	482,545	1,964,441	451,527	1,855,776
Interest expense		(8,880)	(36,150)	(27,249)	(111,993)
Net interest income		473,665	1,928,291	424,278	1,743,783
Other operating incomes	16	67,054	272,977	122,067	501,695
Employee expenses	17	(297,221)	(1,209,987)	(236,098)	(970,363)
General and administrative expenses	18	(193,499)	(787,734)	(206,332)	(848,025)
Allowance for impairment losses	19	(225,168)	(916,659)	(538,529)	(2,213,354)
Loss before taxes		(175,169)	(713,112)	(434,614)	(1,786,264)
Income taxes	20 (b)	61,921	252,080	15,700	64,527
Loss for the year		(113,248)	(461,032)	(418,914)	(1,721,737)
Other comprehensive income		-	-	-	-
Currency translation differences		-	(194,421)	-	(98,258)
Total comprehensive income for the year		(113,248)	(655,453)	(418,914)	(1,819,995)

Statement of changes in equity

MIA PLC

Financial Statements for the year 31 December 2024

Statement of changes in equity

For the year ended 31 December 2024

	Share capital USD	Regulatory reserve USD	Accumulated losses USD	Total USD
At 01 January 2023	2,500,000	-	897,859	3,397,859
Loss for the year	-	-	(418,914)	(418,914)
Balance at 31 December 2023	2,500,000	-	478,945	2,978,945
Loss for the year	-	-	(113,248)	(113,248)
Transfer	-	209,157	(209,157)	-
Adjustment	-	-	454,217	454,217
Balance at 31 December 2024	2,500,000	209,157	610,757	3,319,914

	Share capital KHR'000	Regulatory reserve KHR'000	Accumulated losses KHR'000	Translation reserve KHR'000	Total KHR'000
At 01 January 2023	10,000,000	-	3,648,318	340,667	13,988,985
Loss for the year	-	-	(1,721,737)	-	(1,721,737)
Translation differences	-	-	-	(98,258)	(98,258)
Balance at 31 December 2023	10,000,000	-	1,926,581	242,409	12,168,990
Loss for the year	-	-	(461,032)	-	(461,032)
Transfer	-	851,478	(851,478)	-	-
Adjustment	-	-	1,849,117	-	1,849,117
Translation differences	-	-	-	(194,421)	(194,421)
Balance at 31 December 2024	10,000,000	851,478	2,463,188	47,988	13,362,654

Statement of cash flows

MIA PLC

Financial Statements for the year 31 December 2024

Statement of cash flows

For the year ended 31 December 2024

	Notes	2024		2023	
		USD	KHR'000	USD	KHR'000
Cash flow from operating activities					
Loss before taxes		(175,169)	(713,112)	(434,614)	(1,786,264)
Adjustment for:					
Amortisation expense	10	2,567	10,450	-	-
Depreciation expense	11	1,998	8,134	3,667	15,072
Allowance for impairment losses	19	225,168	916,659	538,529	2,213,354
Operating loss before working capital changes		54,564	222,131	107,582	442,162
Changes in:					
Loans to customers	7	(411,718)	(1,676,104)	1,574,726	6,472,124
Other assets	8	(38,465)	(156,591)	(31,133)	(127,957)
Other liabilities	12	5,613	22,851	(37,359)	(153,545)
Cash flow used in operating activities		(390,006)	(1,587,713)	1,613,816	6,632,784
Income taxes	20 (b)	(5,925)	(24,121)	(5,373)	(22,083)
Net cash flow used in operating activities		(395,931)	(1,611,834)	1,608,443	6,610,701
Cash flow from investing activities					
Acquisition of Intangible asset	10	(38,500)	(156,734)	-	-
Acquisition of property & equipment	11	(216,430)	(881,087)	(645)	(6,530)
Net cash flow used in investing activities		(254,930)	(1,037,821)	(645)	(6,530)
Cash flow from financing activities					
Borrowings	9	(166,766)	(678,904)	(1,669,578)	(6,861,966)
Net cash flow used in financing activities		(166,766)	(678,904)	(1,669,578)	(6,861,966)
Net changes in cash and cash equivalents*		(363,410)	(1,479,442)	(61,780)	(257,795)
Cash and cash equivalents at 01 January		531,555	2,171,402	593,335	2,442,760
Currency translation differences		-	(15,176)	-	(13,563)
Cash and cash equivalents at 31 December		168,145	676,784	531,555	2,171,402

*There was the following non-cash transaction, the adjustment was made to accumulated losses USD 454,217 in 2024.

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

	2024		2023	
Cash on hand	9,552	38,447	3,990	16,299
Deposits and placements with NBC (Excluding statutory deposits)	4,521	18,197	2,901	11,851
Deposits and placements with banks	154,072	620,140	524,664	2,143,252
	168,145	676,784	531,555	2,171,402

Notes to the financial statements

1. Background and principal activities

MIA PLC. ("the Company") is a public limited company incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under registration No. 00013666 dated 02 June 2016. The Company obtained its license from the National Bank of Cambodia ("NBC") to operate as a micro-finance institution on 14 November 2019. The Company also obtained the renewal of the Microfinance license, which was approved by National Bank of Cambodia ("NBC") on 30 November 2022.

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

The Company's office is located at Building N^o 93, Preah Norodom Blvd, Street N^o 208, Sangkat Boeng Reang, Khan Doun Penh, Phnom Penh, Kingdom of Cambodia.

2. Statement of compliance with CIFRS for SMEs

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

3. Significant accounting policies

3.1 New and amended standards and interpretations.

3.1.1 Accounting standards effective on or after 01 January 2024

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

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

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

3.1.2 New accounting standards for application in future periods

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

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

3.1.3 The basis of preparation of financial statements

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

3.1.4 Significant accounting judgments and estimates uncertainty

Key Sources of Estimation Uncertainty

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

a. Impairment of loans to customers

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

b. Income taxes

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

c. The useful life of depreciable assets

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

Critical Judgements Made in Applying Accounting Policies

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

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

3.2 Functional and foreign currencies

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

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

The Company uses the following exchange rates:

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

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

3.3 Property and equipment

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

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

Depreciation

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

Items	Years
Leasehold improvements	3years - 5years
Computer and IT equipment	3years - 4years
Furniture and fixtures	3years
Office equipment	2years - 3years
Motor vehicles	4years - 5years

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

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

3.4 Intangible assets

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

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

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

3.5 Impairment testing of property and equipment and other intangible assets

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

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

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

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

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

3.6 Financial instruments initial recognition, subsequent measurement, and derecognition

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

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

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

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

Subsequent measurement

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

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

Impairment financial assets

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

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

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

All impairment losses are recognised in profit or loss immediately.

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

3.7 Cash and cash equivalents

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

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

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

3.9 Deposits and placements with banks

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

3.10 Loans to customers

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

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

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

3.11 Other assets

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

3.12 Impairment of non-financial assets

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

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

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

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

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

3.13 Other liabilities

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

3.14 Provisions, contingent liabilities, and contingent assets

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

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

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

In those cases where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognised but it will disclose as contingent liabilities.

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

3.15 Equity, and accumulated losses

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

3.16 Regulatory Provision

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

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

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

Long term loans (more than one year):

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

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

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

3.17 Income and expense recognition

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

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

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

3.18 Fees and commission income and expense

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

3.19 Operating leases

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

The Company has rented 1 office in Phnom Penh, which expires in 2027, considered as operating leases.

3.20 Income taxes

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

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid at the reporting date.

Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided those rates are enacted or substantively enacted by the end of the reporting period.

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

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority. Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income (such as revaluation of land) or directly in equity in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

3.21 Employee benefits

Short-term employee benefits

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

3.22 Related parties

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

Parties are considered to be related to the Company if:

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

3.23 Borrowings

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

4. Cash on hand

	2024		2023	
	USD	KHR'000	USD	KHR'000
US Dollars	7,870	31,677	2,675	10,927
Khmer Riels	1,682	6,770	1,315	5,372
	9,552	38,447	3,990	16,299

5. Deposits and placements with NBC

	2024		2023	
	USD	KHR'000	USD	KHR'000
Capital guarantee deposit*	125,000	503,125	125,000	510,625
Current account	4,521	18,197	2,901	11,851
	129,521	521,322	127,901	522,476

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

6. Deposits and placements with banks

	2024		2023	
	USD	KHR'000	USD	KHR'000
In Cambodia:				
Current accounts	154,072	620,140	524,664	2,143,252
	154,072	620,140	524,664	2,143,252
Less: Allowance for impairment losses	(2,959)	(11,910)	(10,074)	(41,152)
	151,113	608,230	514,590	2,102,100

Movements in the impairment loss allowance are as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
In Cambodia:				
At 01 January	10,074	41,152	-	-
Allowance for impairment loss	(7,115)	(28,638)	10,074	41,152
Translation differences	-	(604)	-	-
At 31 December	2,959	11,910	10,074	41,152

The above deposit and placements amount are analyses as follow.

	2024		2023	
	USD	KHR'000	USD	KHR'000
By currency:				
Khmer Riels	15,083	60,709	32,206	131,562
US Dollars	138,989	559,431	492,458	2,011,690
	154,072	620,140	524,664	2,143,252

7. Loans to customers

	2024		2023	
	USD	KHR'000	USD	KHR'000
Long term	2,753,525	11,082,938	3,110,800	12,707,618
Short term	674,671	2,715,551	519,450	2,121,953
	3,428,196	13,798,489	3,630,250	14,829,571
Accrued interest receivable	167,793	675,366	18,587	75,928
Gross loans at amortised cost	3,595,989	14,473,855	3,648,837	14,905,499
Less: Allowance for impairment losses	(696,978)	(2,805,336)	(929,261)	(3,796,031)
Net loans at amortised cost	2,899,011	11,668,519	2,719,576	11,109,468

Movements in the impairment loss allowance are as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 01 January	929,261	3,796,031	400,806	1,650,118
Allowance for impairment losses	(232,283)	(945,624)	528,455	2,171,950
Translation differences	-	(45,071)	-	(26,037)
At 31 December	696,978	2,805,336	929,261	3,796,031

The Loans to customers are analysed as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
a) By maturity:				
1 to 12 months	691,539	2,783,444	531,199	2,169,948
3 to 5 years	2,259,467	9,094,355	2,163,828	8,839,237
Over 5 years	477,190	1,920,690	935,223	3,820,386
	3,428,196	13,798,489	3,630,250	14,829,571

	2024		2023	
	USD	KHR'000	USD	KHR'000
b) By industry:				
Household/family	1,334,126	5,369,857	473,262	1,933,275
Trade and commerce	1,208,133	4,862,735	97,049	396,445
Production	356,784	1,436,056	1,913,830	7,817,996
Service	342,625	1,379,066	912,866	3,729,058
Construction	113,430	456,556	-	-
Agriculture	64,788	260,772	164,633	672,525
Transportation	8,310	33,447	68,610	280,272
	3,428,196	13,798,489	3,630,250	14,829,571

	2024		2023	
	USD	KHR'000	USD	KHR'000
c) By currency:				
US Dollars	3,042,474	12,245,958	3,345,567	13,666,640
Khmer Riels	385,722	1,552,531	284,683	1,162,931
	3,428,196	13,798,489	3,630,250	14,829,571

	2024		2023	
	USD	KHR'000	USD	KHR'000
d) By residency status:				
Residents	3,428,196	13,798,489	3,630,250	14,829,571
	3,428,196	13,798,489	3,630,250	14,829,571

	2024		2023	
	USD	KHR'000	USD	KHR'000
e) By relationship:				
External customers	3,348,377	13,477,217	3,605,482	14,728,394
Staff loans	79,819	321,272	24,768	101,177
	3,428,196	13,798,489	3,630,250	14,829,571

f) By performance and security:	2024		2023	
	USD	KHR'000	USD	KHR'000
Secured	3,418,270	13,758,537	3,583,312	14,637,830
Unsecured	9,926	39,952	46,938	191,741
	3,428,196	13,798,489	3,630,250	14,829,571

g) By interest rate (per annum):	2024	2023
Individual	9%-18%	9%-18%

8. Other assets

	2024		2023	
	USD	KHR'000	USD	KHR'000
Advances	52,938	213,075	51,402	209,977
Deposit	15,926	64,102	-	-
Prepayments	11,204	45,096	31,927	130,422
Interest receivables	823	3,313	830	3,391
Other assets	58,756	236,493	17,023	69,538
	139,647	562,079	101,182	413,328

9. Borrowings

	2024		2023	
	USD	KHR'000	USD	KHR'000
Mrs. Ngov Mok	220,156	886,128	216,922	886,126
Boost Capital Pte Ltd.	54,975	221,274	224,975	919,023
	275,131	1,107,402	441,897	1,805,149

10. Intangible asset

	2024		2023	
	Software USD	Total USD	Software USD	Total USD
Cost				
At 01 January	33,000	33,000	33,000	33,000
Additions	38,500	38,500	-	-
At 31 December	71,500	71,500	33,000	33,000

Accumulated amortisation

At 01 January	33,000	33,000	33,000	33,000
Amortisation	2,567	2,567	-	-
At 31 December	35,567	35,567	33,000	33,000

Carrying amount

At 31 December	35,933	35,933	-	-
In KHR'000	144,630	144,630	-	-

11. Property and equipment

	Land	Leasehold improvement	Furniture and fixtures	Office equipment	Computer/IT equipment	Motor vehicles	Total
Cost	USD	USD	USD	USD	USD	USD	USD
At 01 January 2024	-	8,845	5,560	9,507	26,303	61,700	111,915
Additions	211,899	-	330	2,403	1,798	-	216,430
Write-off	-	-	(500)	-	-	-	(500)
At 31 December 2024	211,899	8,845	5,390	11,910	28,101	61,700	327,845
Accumulated depreciation							
At 01 January 2024	-	8,611	5,051	8,941	25,965	61,700	110,268
Depreciation	-	336	274	869	519	-	1,998
Reclassification	-	(102)	102	-	-	-	-
Write-off	-	-	(500)	-	-	-	(500)
At 31 December 2024	-	8,845	4,927	9,810	26,484	61,700	111,766
Carrying amount							
At 31 December 2024	211,899	-	463	2,100	1,617	-	216,079
In KHR'000	852,893	-	1,864	8,453	6,508	-	869,718

	Land	Leasehold improvement	Furniture and fixtures	Office equipment	Computer/IT equipment	Motor vehicles	Total
Cost	USD	USD	USD	USD	USD	USD	USD
At 01 January 2023	-	8,845	5,245	9,177	26,303	61,700	111,270
Additions	-	-	315	330	-	-	645
At 31 December 2023	-	8,845	5,560	9,507	26,303	61,700	111,915
Accumulated depreciation							
At 01 January 2023	-	7,862	4,496	8,171	25,013	61,059	106,601
Depreciation	-	749	555	770	952	641	3,667
At 31 December 2023	-	8,611	5,051	8,941	25,965	61,700	110,268
Carrying amount							
At 31 December 2023	-	234	509	566	338	-	1,647
In KHR'000	-	956	2,079	2,312	1,381	-	6,728

12. Other liabilities

	2024		2023	
	USD	KHR'000	USD	KHR'000
Unearned income	37,252	149,939	35,964	146,913
Other tax payables	6,047	24,339	2,567	10,486
Accrued payables	5,029	20,242	18,773	76,688
Accrual interest payables	294	1,183	289	1,181
Salary payables	147	592	127	519
Other payables	25,961	104,493	11,397	46,556
	74,730	300,788	69,117	282,343

13. Share capital

	2024&2023			
	% of ownership	Number of shares	USD	KHR'000
Mrs. Ngov Mok	51%	1,275	1,275,000	5,100,000
Mr. Ngov Srun	26%	650	650,000	2,600,000
Mr. Ngov Vansu	23%	575	575,000	2,300,000
	100%	2,500	2,500,000	10,000,000

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

14. Regulatory reserve

	2024		2023	
	USD	KHR'000	USD	KHR'000
At 1 January	-	-	-	-
Transfer from/(to) retained profits	209,157	851,478	-	-
At 31 December	209,157	851,478	-	-

As at 31 December 2024, the regulatory provision calculation is USD 906,135 which is USD 209,157 higher than the required provision per CIFR for SMEs of USD 696,978. As such, in the compliance with Prakas No. B7-017-344 Article 73(b), USD 209,157 regulatory reserve is transferred from retained earnings.

15. Interest income

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers	480,625	1,956,625	449,307	1,846,652
Deposits and placements with banks	1,920	7,816	2,220	9,124
	482,545	1,964,441	451,527	1,855,776

16. Other operating incomes

	2024		2023	
	USD	KHR'000	USD	KHR'000
Penalty income	45,393	184,795	90,598	372,358
Fee and commission on loans	14,768	60,121	16,989	69,825
Gain on exchange rate	2,589	10,540	8,644	35,527
Other income	4,304	17,521	5,836	23,985
	67,054	272,977	122,067	501,695

17. Employee expenses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Salary and bonus expense	275,223	1,120,433	219,181	900,834
Seniority expense	13,349	54,344	10,418	42,818
Medical expense	2,306	9,388	1,734	7,127
Uniform expense	1,743	7,096	-	-
Other employee expenses	4,600	18,726	4,765	19,584
	297,221	1,209,987	236,098	970,363

18. General and administrative expenses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Rental expense	84,645	344,590	81,525	335,068
Marketing and advertising expense	26,857	109,335	4,712	19,366
Utilities expense	17,991	73,241	20,523	84,350
Professional fee	9,124	37,144	50,546	207,744
Communication expense	7,630	31,062	7,569	31,109
License fee	7,602	30,948	7,456	30,644
Transportation expense	7,480	30,451	4,708	19,350
Office supplies	7,427	30,235	3,771	15,499
Security expense	5,808	23,644	5,838	23,994
Repaired and maintenance expense	3,951	16,085	5,800	23,838
Amortization expense	2,567	10,450	-	-
Membership fee	2,150	8,753	1,900	7,809
Depreciation expense	1,998	8,134	3,667	15,071
Entertainment expense	1,548	6,302	1,347	5,536
Loan write-off expense	1,111	4,523	-	-
Bank charge	86	350	134	551
Other expenses	5,524	22,487	6,836	28,096
	193,499	787,734	206,332	848,025

19. Allowance for impairment losses

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers	232,283	945,624	528,455	2,171,950
Deposits and placements with banks	(7,115)	(28,965)	10,074	41,404
	225,168	916,659	538,529	2,213,354

20. Income taxes

a) Deferred tax asset/(liability)

	2024		2023	
	USD	KHR'000	USD	KHR'000
Deferred tax asset*	88,919	357,899	21,073	86,083
	88,919	357,899	21,073	86,083

*The Company incurred tax losses that can be carried forward to offset taxable profits of subsequent years for a maximum period of five years. However, since the utilization of these tax losses is subject to review and approval by the tax authorities, the Company has not recognized the tax loss carry forwards as a deferred tax asset.

The movement of net deferred tax asset is as follows:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Balance at beginning of year	21,073	86,083	-	-
Credit/(Charge) to income statement	67,846	276,201	21,073	86,610
Currency translation difference	-	(4,385)	-	(527)
	88,919	357,899	21,073	86,083

Deferred tax assets /(liabilities) are as following:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Depreciation	43,885	176,637	(2,412)	(9,853)
Provision for bad debts	45,034	181,262	23,485	95,936
	88,919	357,899	21,073	86,083

b) Income taxes expense

	2024		2023	
	USD	KHR'000	USD	KHR'000
Current tax:				
For the financial year	5,925	24,121	5,373	22,083
	5,925	24,121	5,373	22,083
Deferred tax asset				
For the current financial year	(67,846)	(276,201)	(21,073)	(86,610)
	(61,921)	(252,080)	(15,700)	(64,527)

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

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

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loss before tax	(175,169)	(713,112)	(434,614)	(1,786,264)
Add: Non-deductible expenses	13,184	53,672	30,467	125,217
Less: Deductible expense	(34,613)	(140,910)	(478,284)	(1,965,746)
Deductible accumulated losses brought forward	(374,051)	(1,522,762)	(882,431)	(3,626,793)
Estimated taxable income	(570,649)	(2,323,112)	-	-
Taxable income tax 20% (A)	-	-	-	-
Minimum tax at 1% of revenue (B)	5,925	24,121	5,373	22,083
Estimated current income tax expense (Higher of A or B)	5,925	24,121	5,373	22,083

21. Tax contingencies

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

22. Related party balance and transactions

The Company had the following transactions with related party during the financial year:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Borrowings from shareholder				
Mrs. Ngov Mok	220,156	886,128	216,922	886,126
	<u>220,156</u>	<u>886,128</u>	<u>216,922</u>	<u>886,126</u>

The loan is unsecured and bore interest at a rate of 4% (2023: 4%) per annum and repayable within one year from the drawdown date.

The Company had the following transactions with related party during the financial year:

	2024		2023	
	USD	KHR'000	USD	KHR'000
Shareholder loan				
<i>Mrs. Ngov Mok</i>				
At 01 January	216,922	886,126	1,826,500	7,519,701
Proceed of loan	3,234	13,166	48,960	201,226
Interest charge	8,953	36,448	23,033	94,666
Interest repayment	(8,953)	(36,448)	(23,033)	(94,666)
Repayment	-	-	(1,658,538)	(6,816,591)
Currency translation differences	-	(13,164)	-	(18,210)
At 31 December	<u>220,156</u>	<u>886,128</u>	<u>216,922</u>	<u>886,126</u>

23. Lease commitment

	2024		2023	
	USD	KHR'000	USD	KHR'000
Within one year	86,667	348,834	33,333	136,167
Two to five years	86,667	348,834	-	-
Over five years	36,111	145,347	-	-
	<u>209,445</u>	<u>843,015</u>	<u>33,333</u>	<u>136,167</u>

24. Categories of financial instruments

	2024		2023	
	USD	KHR'000	USD	KHR'000
Financial assets				
<u>Amortised Cost</u>				
Cash on hand	9,552	38,447	3,990	16,299
Deposits and placements with NBC	129,521	521,322	127,901	522,476
Deposits and placements with banks	154,072	620,140	524,664	2,143,252
Loans to customers	3,428,196	13,798,489	3,630,250	14,829,571
Other assets*	128,443	516,983	69,255	282,906
	<u>3,849,784</u>	<u>15,495,381</u>	<u>4,356,060</u>	<u>17,794,504</u>
Financial liabilities				
<u>Amortised Cost</u>				
Borrowing	275,131	1,107,402	441,897	1,805,149
Other liabilities**	37,478	150,849	33,153	135,430
	<u>312,609</u>	<u>1,258,251</u>	<u>475,050</u>	<u>1,940,579</u>

*Excluded prepayment

**Excluded unearned income

25. Financial risk management

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

a) Credit risk

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

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

i. Credit risk measurement

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

ii. Risk limit control and mitigation policies

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

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

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

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

	2024		2023	
	USD	KHR'000	USD	KHR'000
Loans to customers				
Neither past due nor impaired	2,630,266	10,586,821	2,468,268	10,082,876
Past due but not impaired	102,650	413,166	544,224	2,223,155
Individually impaired	695,280	2,798,502	617,758	2,523,540
	<u>3,428,196</u>	<u>13,798,489</u>	<u>3,630,250</u>	<u>14,829,571</u>

Neither past due nor impaired

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

Past due but not impaired loans

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

Impaired loans

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

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

b) Operational risk

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

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

c) Market risk

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

i. Foreign currency exchange risk

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

ii. Interest rate risk

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

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

ii. Interest rate risk (Continued)

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

	Up to 1 month USD	>1-3 months USD	>3-12 months USD	>1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total USD	Interest rates %
2024								
Financial assets								
Cash on hand	-	-	-	-	-	9,552	9,552	
Deposits and placements with NBC	-	-	4,521	-	-	125,000	129,521	1.3%
Deposits and placements with banks	-	-	138,429	-	-	15,643	154,072	0.5%-1%
Loans to customers	-	-	691,539	2,259,467	477,190	-	3,428,196	9%-18%
Other assets*	-	-	-	-	-	128,443	128,443	
Total financial assets	-	-	834,489	2,259,467	477,190	278,638	3,849,784	
Financial liabilities								
Borrowings	-	-	-	275,131	-	-	275,131	4%
Other liabilities**	-	-	-	-	-	37,478	37,478	
Total financial liabilities	-	-	-	275,131	-	37,478	312,609	
Total interest pricing gap	-	-	834,489	1,984,336	477,190	241,160	3,537,175	
In KHR'000	-	-	3,358,816	7,986,952	1,920,690	970,671	14,237,129	

*Excluded prepayment

**Excluded unearned income

ii. Interest rate risk (Continued)

	Up to 1 month USD	>1-3 months USD	>3-12 months USD	>1-5 years USD	Over 5 years USD	Non-interest bearing USD	Total USD	Interest rates %
2023								
Financial assets								
Cash on hand	-	-	-	-	-	3,990	3,990	
Deposits and placements with NBC	-	-	2,901	-	-	125,000	127,901	1.3%
Deposits and placements with banks	-	-	256,641	-	-	268,023	524,664	0.5%-1%
Loans to customers	-	-	531,199	2,163,828	935,223	-	3,630,250	9%-18%
Other assets*	-	-	-	-	-	69,255	69,255	
Total financial assets	-	-	790,741	2,163,828	935,223	466,268	4,356,060	
Financial liabilities								
Borrowings	-	-	-	441,897	-	-	441,897	4%
Other liabilities**	-	-	-	-	-	33,153	33,153	
Total financial liabilities	-	-	-	441,897	-	33,153	475,050	
Total interest pricing gap	-	-	790,741	1,721,931	935,224	433,114	3,881,010	
In KHR'000	-	-	3,230,178	7,034,088	3,820,390	1,769,273	15,853,926	

*Excluded prepayment

**Excluded unearned income

d) Liquidity risk

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

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

d) Liquidity risk (Continued)

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

	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	No fixed maturity date	Total
	USD	USD	USD	USD	USD	USD	USD
2024							
Financial asset							
Cash on hand	-	-	-	-	-	9,552	9,552
Deposits and placements with NBC	-	-	-	-	125,000	4,521	129,521
Deposits and placements with banks	-	-	-	-	-	154,072	154,072
Loans to customers	-	-	691,539	2,259,467	477,190	-	3,428,196
Other assets*	-	-	-	-	-	128,443	128,443
Total financial assets	-	-	691,539	2,259,467	602,190	296,588	3,849,784
Financial liabilities							
Borrowings	-	-	-	275,131	-	-	275,131
Other liabilities**	-	-	-	-	-	37,478	37,478
Total financial liabilities	-	-	-	275,131	-	37,478	312,609
Net liquidity surplus (gap)	-	-	691,539	1,984,336	602,190	259,110	3,537,175
In KHR'000	-	-	2,783,444	7,986,952	2,423,815	1,042,918	14,237,129

*Excluded prepayment

**Excluded unearned income

d) Liquidity risk (Continued)

	Up to 1 month	>1-3 months	>3-12 months	>1-5 years	Over 5 years	No fixed maturity date	Total
	USD	USD	USD	USD	USD	USD	USD
2023							
Financial asset							
Cash on hand	-	-	-	-	-	3,990	3,990
Deposits and placements with NBC	-	-	-	-	125,000	2,901	127,901
Deposits and placements with banks	-	-	-	-	-	524,664	524,664
Loans to customers	-	-	531,199	2,163,828	935,223	-	3,630,250
Other assets*	-	-	-	-	-	69,255	69,255
Total financial assets	-	-	531,199	2,163,828	1,060,223	600,810	4,356,060
Financial liabilities							
Borrowings	-	-	-	441,897	-	-	441,897
Other liabilities**	-	-	-	-	-	33,153	33,153
Total financial liabilities	-	-	-	441,897	-	33,153	475,050
Net liquidity surplus (gap)	-	-	531,199	1,721,931	1,060,223	567,657	3,881,010
In KHR'000	-	-	2,169,948	7,034,088	4,331,011	2,318,879	15,853,926

*Excluded prepayment

**Excluded unearned income

e) Capital management

i. Regulatory capital

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

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

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

ii. Capital allocation

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

26. Events after the reporting date

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

27. Authorisation of the financial statements

The financial statements for the year ended 31 December 2024 were authorised for issue by the director on 21 April 2025.



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