BORVOR FINANCE PLC.

FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS

FOR THE YEAR ENDED 31 DECEMBER 2025

BORVOR FINANCE PLC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

CORPORATE INFORMATION

Company	:	Borvor Finance Plc.
Registration No.	:	00029713
Registered office	:	#99, Group 4, Romchek 5 Village Ratanak Commune, Battambang City Battambang Province, Kingdom of Cambodia
Shareholders	:	Association of Employee share (represented by Mr. Ly Chan Ty) Mr. Meas Thon Ms. Nget Ny Ms. Chea Chanda Mr. Veurn Phally Mr. Ly Chan Ty
Board of Directors	:	Mr. Sao Roeun — Chairman Mr. Ly Chan Ty — Vice Chairman Mr. Prom Mary — Member Mr. Pheng Raksa — Member
Principal bankers	:	National Bank of Cambodia Acleda Bank Plc. Advanced Bank of Asia Limited
Auditors	:	Morisonkak MKA Audit - Accounting Co., Ltd.

BORVOR FINANCE PLC.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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REPORT OF THE BOARD OF DIRECTORS

The Directors ("the Board of Directors") are pleased to submit their report together with the audited financial statements of Borvor Finance Plc. ("the Company") as at and for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally engaged in all aspects of credit service and other financial services to individual customers in Cambodia. There were no significant changes in the nature of the principal activities during the year.

FINANCIAL PERFORMANCE

The financial performance for the year ended 31 December 2025 are set out in the statement of comprehensive income on page 8.

STATUTORY CAPITAL

There were no changes in the issued and paid-up capital of the Company during the year.

RESERVES AND PROVISIONS

There were no material movements to or from provisions during the financial year other than those disclosed in the financial statements.

ASSETS

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

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the assets in the financial statements of the Company misleading in any material respect.

BAD AND DOUBTFUL LOANS

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and making of provisions for doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate provisions had been made in the financial statements.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad loans or the amount of the provisions for doubtful loans in the financial statements of the Company inadequate to any material extent.

VALUATION METHODS

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

Head Office : # 99, Group 04, Phum Romchek 5, Sangkat Ratanak, Battambang City, Battambang Province. Cambodia
Battambang Branch : # 99, Group 04, Phum Romchek 5, Sangkat Ratanak, Battambang City, Battambang Province. Cambodia
Bavel Branch : #174, Group 15, Phum Tomnub Tek, Khum Bavel, Bavel District, Battambang Province. Cambodia
Banteay Meanchey Branch : #474, Group 03, Phum 3, Sangkat Preahponlea, Sereisophoan City, Banteay Meanchey Province. Cambodia
Tel: 053 952 958 Fax : 053 730 214 E-mail: ceo@borvor.com.kh Website: www.borvor.com.kh

CONTINGENT AND OTHER LIABILITIES

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

a. Any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or

b. Any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of micro-finance business and as disclosed in the financial statements.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

CHANGES OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The financial performance of the Company for the financial year were not, in the opinion of the directors, materially affected by any item, transaction or event of a material and unusual nature.

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

EVENTS SINCE THE REPORTING DATE

There have been no significant events occurred after the reporting date which would requires disclosure or adjustments other than those already disclosed in the financial statements.

THE BOARD OF DIRECTORS

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

Mr. Sao Roeun	Chairman
Mr. Ly Chan Ty	Vice Chairman
Mr. Prom Mary	Member
Mr. Pheng Raksa	Member

DIRECTORS' INTERESTS

The Directors who held office at the end of the financial year and their direct financial interests in the Company are disclosed in Note 14.

Head Office : # 99, Group 04, Phum Romchek 5, Sangkat Ratanak, Battambang City, Battambang Province. Cambodia
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DIRECTORS' BENEFITS

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

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

RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible to ensure that the financial statements are properly drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and cash flows for the year then ended. In preparing those financial statements, the Board of Directors is required to:

i) adopt appropriate accounting policies which are supported by reasonable and prudent judgements and estimates and then apply them consistently;

ii) comply with the disclosure requirements of the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs"), or if there have been any departures in the interests of true and fair presentation, these have been appropriately disclosed, explained and quantified in the financial statements;

iii) oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls;

iv) assess the Company's ability to continue as a going concern and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and

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

The Directors confirm that the Company has complied with the above requirements in preparing the financial statements.

STATEMENT BY DIRECTORS

We, being the Directors of Borvor Finance Plc., do hereby approve the accompanying financial statements of the Company which have been drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025, and of financial performance and cash flows for the year ended, in accordance with the CIFRS for SMEs.

Signed on behalf of the Board of Directors:

BORVOR FINANCE PLC.
KINGDOM OF CAMBODIA

Mr. Meas Thon
Chief Executive Officer

Date: 28 April 2026

Head Office : # 99, Group 04, Phum Romchek 5, Sangkat Ratanak, Battambang City, Battambang Province. Cambodia
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REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF BORVOR FINANCE PLC.

Opinion

We have audited the financial statements of Borvor Finance Plc. ("the Company"), which comprise the statement of financial position as at 31 December 2025 and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025 and of its financial performance and cash flows for the year then ended, in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs")

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the Report of the Directors as set out on pages 1 to 3, but does not include the financial statements and our auditors' report thereon.

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

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

Responsibilities of Management and those charged with governance for the financial statements

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

REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF BORVOR FINANCE PLC. (continued)

Responsibilities of Management and those charged with governance for the financial statements (continued)

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

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

Auditors' responsibilities for the audit of financial statements

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

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

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

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.

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

REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF BORVOR FINANCE PLC. (continued)

Auditors' responsibilities for the audit of financial statements (continued)

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

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

On behalf of Morisonkak MKA

Morisonkak MKA
Certified Public Accountants
Independent Auditors

Poh Ling TAN
Audit Partner

Date: 28 April 2026

BORVOR FINANCE PLC.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	**KHR'000**	**USD**	**KHR'000**	**USD**
ASSETS					
Cash on hand	4	96,252	23,985	115,883	28,791
Balances with the National Bank of Cambodia	5	487,320	121,435	487,400	121,093
Balances with other banks	6	1,631,799	406,628	1,867,927	464,081
Loans to customers – net	7	26,505,637	6,604,943	26,307,952	6,536,137
Property and equipment	8	1,040,032	259,166	1,047,916	260,352
Other assets	9	43,838	10,924	83,600	20,770
Deferred tax assets	21 (c)	39,949	9,955	93,589	23,252
TOTAL ASSETS		**29,844,827**	**7,437,036**	**30,004,267**	**7,454,476**
LIABILITIES AND EQUITY					
LIABILITIES					
Customer deposits	10	495,815	123,552	908,153	225,628
Other liabilities	11	915,462	228,124	878,425	218,242
Borrowings	12	8,167,431	2,035,243	8,098,197	2,011,974
Current tax liabilities	21 (b)	5,830	1,453	3,912	972
TOTAL LIABILITIES		**9,584,538**	**2,388,372**	**9,888,687**	**2,456,816**
EQUITY					
Project SEAD capital	13	949,821	237,455	949,821	237,455
Share capital	14	9,741,600	2,435,400	9,741,600	2,435,400
Regulatory reserves	15	1,337,024	333,173	1,323,854	328,908
Retained earnings		8,231,844	2,050,942	8,100,305	2,018,147
Currency translation differences		-	(8,306)	-	(22,250)
TOTAL EQUITY		**20,260,289**	**5,048,664**	**20,115,580**	**4,997,660**
TOTAL LIABILITIES AND EQUITY		**29,844,827**	**7,437,036**	**30,004,267**	**7,454,476**

Signed and authorized for release on behalf of the Board

Mr. Meas Thon
Chief Executive Officer

Date: 28 April 2026

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

BORVOR FINANCE PLC.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025		2024	
	Notes	**KHR'000**	**USD**	**KHR'000**	**USD**
Interest income	16	4,825,636	1,203,100	4,618,460	1,134,478
Interest expense	17	(479,092)	(119,445)	(386,690)	(94,986)
Net interest income		**4,346,544**	**1,083,655**	**4,231,770**	**1,039,492**
Other operating income	18	788,064	196,476	170,022	41,764
Personnel expenses	19	(3,254,403)	(811,369)	(3,156,360)	(775,328)
Depreciation expenses		(55,050)	(13,725)	(84,934)	(20,863)
Other operating expenses	20	(1,137,671)	(283,638)	(936,537)	(230,051)
Operating profit		**687,484**	**171,399**	**223,961**	**55,014**
Allowances for impairment losses	7	(441,865)	(110,163)	(315,216)	(77,430)
Profit/(loss) before income tax		**245,619**	**61,236**	**(91,255)**	**(22,416)**
Income tax expense	21 (a)	(100,910)	(25,158)	(72,763)	(17,873)
Net profit/(loss) for the year		**144,709**	**36,078**	**(164,018)**	**(40,289)**
Currency translation differences		-	13,944	-	69,082
Net comprehensive income/(loss)		**144,709**	**50,022**	**(164,018)**	**28,793**

Signed and authorized for release on behalf of the Board

Mr. Meas Thon
Chief Executive Officer

Date: 28 April 2026

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

EVERGREEN MICROFINANCE PLC.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2025

	Project SEAD capital		Share capital		Regulatory reserve		Retained earnings		Currency translation	Total	
	KHR'000	USD	KHR'000	USD	KHR'000	USD	KHR'000	USD	USD	KHR'000	USD
As at 1 January 2024	949,821	237,455	9,741,600	2,435,400	885,565	216,786	8,702,612	2,166,097	(91,332)	20,279,598	4,964,406
Net profit/(loss) for the year	-	-	-	-	-	-	(164,018)	(40,289)	-	(164,018)	(40,289)
Transfer from regulatory reserve	-	-	-	-	438,289	107,661	(438,289)	(107,661)	-	-	-
Currency translation differences	-	-	-	-	-	4,461	-	-	69,082	-	73,543
As at 31 December 2024	**949,821**	**237,455**	**9,741,600**	**2,435,400**	**1,323,854**	**328,908**	**8,100,305**	**2,018,147**	**(22,250)**	**20,115,580**	**4,997,660**
As at 1 January 2025	949,821	237,455	9,741,600	2,435,400	1,323,854	328,908	8,100,305	2,018,147	(22,250)	20,115,580	4,997,660
Net profit/(loss) for the year	-	-	-	-			144,709	36,078	-	144,709	36,078
Transfer to regulatory reserve	-	-	-	-	13,170	3,283	(13,170)	(3,283)	-	-	-
Currency translation differences	-	-	-	-		982			13,944	-	14,926
As at 31 December 2025	**949,821**	**237,455**	**9,741,600**	**2,435,400**	**1,337,024**	**333,173**	**8,231,844**	**2,050,942**	**(8,306)**	**20,260,289**	**5,048,664**

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

BORVOR FINANCE PLC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	2025		2024	
	KHR'000	USD	KHR'000	USD
CASH FLOWS FROM OPERATING ACTIVITIES				
Net profit/(loss) for the year	144,709	36,078	(164,018)	(40,289)
Adjustments for:				
Income tax expense	100,910	25,158	72,763	17,873
Depreciation expenses	55,050	13,725	84,934	20,863
Allowance for impairment losses	441,865	110,163	315,216	77,430
Fixed assets written off	-	-	10,925	2,683
Operating profit before working capital changes	**742,534**	**185,124**	**319,820**	**78,560**
Changes in working capital:				
Loans to customers	(639,550)	(159,449)	(1,313,508)	(322,650)
Other assets	39,762	9,913	(15,789)	(3,878)
Customer deposits	(412,338)	(102,802)	(198,936)	(48,867)
Other liabilities	37,036	9,234	(22,603)	(5,552)
Cash generated from operations	**(232,556)**	**(57,980)**	**(1,231,016)**	**(302,387)**
Seniority indemnity paid	(12,502)	(3,117)	(4,246)	(1,043)
Income tax paid (Note 21)	(45,353)	(11,307)	(45,250)	(11,115)
Net cash from operating activities	**(290,411)**	**(72,404)**	**(1,280,512)**	**(314,545)**
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of property and equipment	(34,662)	(8,642)	(11,836)	(2,907)
Net cash used in investing activities	**(34,662)**	**(8,642)**	**(11,836)**	**(2,907)**
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceed from borrowings (Note 12)	3,771,830	940,371	5,736,893	1,409,210
Repayment of borrowings (Note 12)	(3,702,596)	(923,110)	(4,079,928)	(1,002,193)
Net cash used in financing activities	**69,234**	**17,261**	**1,656,965**	**407,017**
Net changes (decrease)/increase in cash and cash equivalents	**(255,839)**	**(63,785)**	**364,616**	**89,565**
Cash and cash equivalents at beginning of year	1,984,130	492,951	1,619,514	396,454
Currency translation differences	-	1,507	-	6,932
Cash and cash equivalents at end of year (Note 22)	**1,728,291**	**430,673**	**1,984,130**	**492,951**

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

1. ENTITY INFORMATION

Borvor Finance Plc. ("the Company") was incorporated as a public limited company in the Kingdom of Cambodia under registration number 00029713 dated 25 December 2017 with the Ministry of Commerce. On 22 November 2017, the Company obtained a license from the National Bank of Cambodia ("the Central Bank" or "the NBC") to operate as a rural credit operator.

The Company was formerly known as Small Economic Activity Development ("SEAD"), a project operated under the umbrella of CARE International in Cambodia. SEAD's saving programme is a component of CARE International Cambodia's community saving programme in Battambang province.

SEAD was designed in 1998 with the aim to promote the economic security of low-income households through mobilisation of savings of the members. SEAD is implemented through community-based micro-finance institution by the establishment of saving banks at the community level.

On 5 September 2002, SEAD was registered as a non-political association under the name of Cambodian Savings and Credit Federation ("CSCF"). Subsequently, on 1 October 2002, the CSCF requested to the Ministry of Interior to change its name to Cambodian Community Savings Federation.

The Company is principally engaged in providing financial support to low income family and other related financial services within the scope of rural credit operator license in Cambodia. The Company operates through 3 branches located in Battambang, Banteay Meanchey, and Bavel.

The registered office of the Company is located at No. 99, Group 4, Phum Romchek 5, Sangkat Ratanak, Krong Battambang, Battambang Province, Kingdom of Cambodia.

As at 31 December 2025, the Company had 103 employees (2024: 104 employees).

The financial statements were authorized for issue by the Board of Directors on 28 April 2026.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement bases summarized below. These policies have been consistently applied to all of the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities ("the CIFRS for SMEs"), which are based on International Financial Reporting Standard for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared under the historical cost convention, except otherwise indicated.

The preparation of financial statements in conformity with CIFRS for SMEs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported period. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the management's best knowledge of current events and actions, actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Foreign currencies translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The Company transacts essentially in Khmer Riel ("KHR") and maintains its books of accounts primarily in KHR, as the management has determined the KHR to be the Company's measurement and functional currency as it reflects the economic substance of the underlying events and circumstances of the Company.

(b) Transactions and balances

Transactions in currencies other than the KHR are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than the KHR are recognized in the statement of comprehensive income.

2.3 Presentation in USD

The statements of comprehensive income and cash flows are translated from KHR into USD using the average rates for the year. Assets and liabilities for each statement of financial position presented and items of capital are translated at the closing rates as at the year-end. All resulting exchange differences arising from the translation are recognized in the statement of comprehensive income and as a separate component of equity. These convenience translations should not be construed as representations that the KHR amounts have been, could be, or could in the future be, converted into USD at this or any other rate of exchange.

The Company has used the following official rates of exchange published by the National Bank of Cambodia:

Reporting date	*Closing rate*	*Average rate*
31 December 2025	USD1 = KHR 4,013	USD1 = KHR 4,011
31 December 2024	USD1 = KHR 4,025	USD1 = KHR 4,071

2.4 Financial assets and financial liabilities

(i) Recognition and initial measurement

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification and subsequent measurement

All financial assets and financial liabilities of the Company are classified as basic financial instruments, namely cash and debt instruments such as deposits and placements with NBC and other banks, loans to customers, borrowings, other receivables and payables. Financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest rate method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial assets and financial liabilities (continued)

(iii) Derecognition

Financial assets are derecognized when the contractual rights to receive the cash flow from these assets ceased to exist or the assets have been transferred and substantially all the risks and rewards of ownership of the assets are also transferred. The difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the statement of comprehensive income.

A financial liability is derecognized when it is extinguished, discharged or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive income.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. The relevant amounts have therefore been presented net in the statement of financial position.

2.5 Impairment

(i) Impairment of financial assets

Objective evidence of impairment

A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The criteria the Company uses to determine whether there is objective evidence of impairment loss include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, default of delinquency in interest or principal amounts and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Impairment (continued)

(i) Impairment of financial assets (continued)

Impairment assessments

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determine that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Financial assets that have not been individually assessed are grouped together for portfolio impairment assessment. The loan receivables are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being assessed.

Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated using a formula approach on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Assumptions are made to determine the required input parameters and to define the inherent losses to estimate the required loss allowance. In assessing the collective loss allowance, management considers factors such as ageing profile, credit quality, portfolio size, concentrations and economic trends.

Measurement

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contact.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

Reversal of impairment and write off

If, in a subsequent period, the amount of impairment losses decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment is reversed by adjusting the allowance account. The amount of the reversal is recognized in the statement of comprehensive income. When a financial asset is uncollectible, it is written off against the related allowance for the financial asset. Such financial assets are written off after the realizable value of collateral has been taken into consideration, if any, when in the judgment of the management, there is no prospect of recovery.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Impairment (continued)

(ii) Impairment of non-financial assets

At each reporting date, assets that are subject to amortization or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. Impairment loss is recognized immediately for the amount by which the asset's carrying amount exceeds its estimated recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Any impairment loss is charged to the statement of comprehensive income in the period in which it arises. Reversal of impairment loss is recognized in the statement of comprehensive income to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, had no impairment loss been recognized.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted balances with the NBC and balances with other banks which are readily convertible to known amounts of cash within three months and subject to an insignificant risk of changes in value.

2.7 Statutory deposits with NBC

Statutory deposits represent mandatory capital guarantee deposits, which are determined by defined percentages of minimum share capital, maintained with the NBC in compliance with the Law on Banking and Financial Institutions ("LBFI"); and are not available to finance the Company day-to-day operations and hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

2.8 Loans to customers

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

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

2.9 Other assets

Other assets are recognized initially at transaction price and measured subsequently at amortized cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at transaction price.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial year in which they are incurred.

Land is not depreciated. Depreciation of property and equipment is calculated on a straight line basis over the estimated useful lives of the assets at the following years:

Buildings	20 years
Office equipment	2 years
Motor vehicle	2-5 years
IT and computer equipment	2 years

If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognized in the statement of comprehensive income on the date of disposal.

2.11 Borrowings and other liabilities

Borrowings and other liabilities are recognized at transaction price and are subsequently measured at amortized cost, unless the effect of discounting would be immaterial, in which case they are stated at cost.

2.12 Share capital

Ordinary shares are classified as equity. Other shares are classified as equity and/or liabilities according to the economic substance of the particular instrument. Distributions to holders of a financial instrument classified as an equity instrument are charged to equity.

2.13 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Interest income and expense

Interest income and expense for all interest-bearing financial instruments are measured at amortized cost and are recognized within "interest income" and "interest expense" in the statement of comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments or, when appropriate, a shorter period to the carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company takes into account all contractual terms of financial instruments and, if significant, include any fees or incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability, which are an integral part of the effective interest rate of the contract, but does not consider future credit losses.

When there is change in estimate future cash payments or receipts, the carrying amount of the financial asset and financial liability is adjusted to reflect actual and revised estimated cash flows. The carrying amount is recalculated by computing the present value of estimated future cash flows at the financial instrument's original effective interest rate. Such adjustment is recognized as interest income or expense in the statement of comprehensive income at the date of revision.

When a financial asset is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans to customers is recognized using the original effective interest rate.

2.15 Fee and commission income and expense

Fee and commission incomes comprise loan fee and fee on penalty charged for late payment.

Other fees and commission incomes are not integral to effective interest of loans at amortized cost and are thus recognized as income when services are rendered. Other fees on penalty charged for late payment is recognized when cash is received.

Other fees and commission expenses are recognized on an accrual basis as the services are received.

2.16 Employee benefits

Short-term employee benefits are accrued in the year in which the associated services are rendered by the employees of the Company.

Wages, salaries, social security contributions, seniority indemnity payment, pension fund, bonuses and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Income tax

Income tax expense for the year comprises current and deferred tax. Tax is recognized in the statement of comprehensive income for the year. Taxes other than on income are recorded within operating expenses.

Income tax is calculated on the basis of taxable profit using tax rates that have been enacted or substantially enacted at the reporting date in accordance with Cambodian Law on Taxation, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits. Deferred tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled

Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. Deferred tax assets are reviewed at each reporting date and recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only if certain criteria are met.

2.18 Operating leases

Leases in which a significant portion of risks and rewards of ownership of assets are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the period of the leases.

2.19 Regulatory provision and reserves

According to Prakas No. B7-017-344 dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk grading and impairment provisioning issued by the National Bank of Cambodia (NBC), banks and financial institutions are required to measure the impairment and provide sufficient regulatory provisions for all financial facilities based on the new credit risk grading and provision, and the minimum regulatory provision is made depending on the classification concerned.

The facilities under this Prakas are defined as all loans, other financial products and off-the statement of financial position financial commitments, provided by the financial institutions to a counterparty, which give rise to credit risk exposure.

If the accumulated regulatory provision is higher than the accumulated impairment based on CIFRS for SMEs, the 'topping up' will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision be lower than accumulated impairment based on CIFRS for SMEs. The regulatory reserve is set aside as a buffer, is non-distributable, is not allowed to be included in the net worth calculation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Related parties

Parties are considered to be related parties if one party has the ability, directly or indirectly through one or more intermediaries, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities and include close family members of any individuals considered to be a related party.

Under the LBFI, the definition of related parties includes parties who hold, directly or indirectly, at least 10 percent of the capital or voting power and includes any individual who participates in the administration, direction, management or internal control of the Company.

3. USE OF ESTIMATES AND JUDGEMENTS

The Company makes estimates and judgements that have significant affect reported amounts of assets and liabilities. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations with regard to future events that are believed to be reasonable under the circumstances. These estimates may differ from actual results.

(i) Depreciation of property and equipment

Accounting for property and equipment involves the use of estimates in determining the expected useful lives of these assets. Management estimates the useful lives based on historical experience, expected usage, wear and tear of the assets and technical obsolescence arising from changes in market demands or service output of the assets. Changes in these factors could impact the economic useful lives and residual values of these assets, and therefore future depreciation charges could be revised.

(ii) Impairment losses of financial assets

The Company makes allowance for impairment for losses on loan to customers and other financial assets based on assessment of recoverability. When making a judgement on the estimation of the amount and timing of future cash flows in allowance for impairment of loans to customers and other financial assets and to evaluate the adequacy of the allowance for impairment losses, Management specifically analyses segmentation of loan to customer portfolios and other financial assets, and their ageing profile, historical loss experience, customer concentrations, customer creditworthiness, current economic trends, the capacity to generate sufficient cash flow to service debt obligations and changes in the customer payment terms. The accuracy of the allowance depends on the model assumptions and parameters used in determining the loss allowance. If the expectation is different from the estimation, such difference will impact the carrying value of loans to customers and other financial assets.

3. USE OF ESTIMATES AND JUDGEMENTS (Continiued)

(iii) Taxes

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at the reporting date. However, the application of tax laws and regulations on many types of transactions is susceptible to varying interpretations when reassessed by tax authorities of the General Department of Taxation. The Company's judgment of its business activities may not coincide with the interpretation of the same activities by the tax authorities. These may result in tax increases and other retroactive tax claims and penalties. Where the final tax outcome is different from the amounts that were initially recorded, the taxes liabilities reported in the financial statements could be changed in the financial period upon final determination by the tax authorities.

4. CASH ON HAND

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Cash on hand	96,252	23,985	115,883	28,791
	96,252	23,985	115,883	28,791

Cash on hand is analysed as follows:

By currency denomination:	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
US Dollar	31,197	7,774	37,714	9,370
Khmer Riel	60,210	15,004	56,535	14,046
Thai Baht	4,845	1,207	21,634	5,375
	96,252	23,985	115,883	28,791

5. BALANCES WITH THE NATIONAL BANK OF CAMBODIA

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Capital guarantee (*)	487,080	121,375	487,080	121,014
Current accounts (**)	240	60	320	79
	487,320	121,435	487,400	121,093

(*) Capital guarantee deposit represents a five percent of the Company's registered capital to comply with NBC's Prakas No. B7-017-326 dated 25 October 2017. The deposit is non-interest baring and refundable when the Company voluntarily liquidates its business which has no deposit liabilities.

(**) Current accounts are non-interests bearing.

6. BALANCES WITH OTHER BANKS

	2025		2024	
	KHR'000	USD	KHR'000	USD
Saving accounts	1,631,398	406,528	1,867,524	463,981
Current accounts	401	100	403	100
	1,631,799	406,628	1,867,927	464,081

Balances with other banks are analysed as follows:

a) By maturity period:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Within one month	1,631,799	406,628	1,867,927	464,081

b) By currency denomination:	2025		2024	
	KHR'000	USD	KHR'000	USD
US Dollars	483,226	120,415	561,831	139,585
Khmer Riel	1,118,034	278,603	940,231	233,598
Thai Baht	30,539	7,610	365,865	90,898
	1,631,799	406,628	1,867,927	464,081

c) By interest rate (per annum):	2025	2024
Saving accounts	0.05% - 0.75%	0.05% - 0.75%
Current accounts	0%	0%

7. LOANS TO CUSTOMERS – NET

	2025		2024	
	KHR'000	USD	KHR'000	USD
Individual loans	27,451,828	6,840,725	27,198,548	6,757,403
Unearned income	(454,756)	(113,321)	(427,637)	(106,245)
	26,997,072	6,727,404	26,770,911	6,651,158
Allowance for impairment losses	(491,435)	(122,461)	(462,959)	(115,021)
Net loans to customers	26,505,637	6,604,943	26,307,952	6,536,137

Movements on allowances for impairment loss are as follows:

	2025		2023	
	KHR'000	USD	KHR'000	USD
At beginning of year	462,959	115,021	377,938	92,518
Allowance for the year	441,865	110,163	315,216	77,430
Written off during the year	(413,389)	(103,064)	(230,195)	(56,545)
Currency translation differences	-	341	-	1,618
At end of year	491,435	122,461	462,959	115,021

7. LOANS TO CUSTOMERS – NET (continued)

Further analysis of the above loans to customers is provided below:

a) By maturity period:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Within one year	1,943,020	484,181	623,667	154,948
From one to five years	22,636,530	5,640,800	19,777,720	4,913,719
Over five years	2,872,278	715,744	6,797,161	1,688,736
	27,451,828	6,840,725	27,198,548	6,757,403

b) By currency:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Khmer Riel	11,452,168	2,853,767	10,899,460	2,707,940
US Dollar	12,770,843	3,182,368	13,263,549	3,295,292
Thai Baht	3,228,817	804,590	3,035,539	754,171
	27,451,828	6,840,725	27,198,548	6,757,403

c) By status of residence:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Residents	27,451,828	6,840,725	27,198,548	6,757,403

d) By industry:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Agriculture	13,253,918	3,302,746	13,444,630	3,340,280
Consumption	10,556,224	2,630,507	9,715,902	2,413,889
Trade	894,313	222,854	2,222,479	552,169
Service	652,339	162,556	655,054	162,746
Construction	475,929	118,597	678,941	168,681
Other categories	1,619,105	403,465	481,542	119,638
	27,451,828	6,840,725	27,198,548	6,757,403

e) By relationship:

	2025		2024	
	KHR'000	USD	KHR'000	USD
External customers	27,451,828	6,840,725	27,198,548	6,757,403

7. LOANS TO CUSTOMERS – NET (continued)

Further analysis of the above loans to customers is provided below: (continued)

f) By locations:

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Battambang	9,024,749	2,248,878	10,259,545	2,548,955
Banteay Meanchey	10,503,315	2,617,322	8,939,504	2,220,995
Bavel	7,923,764	1,974,525	7,999,499	1,987,453
	27,451,828	6,840,725	27,198,548	6,757,403

g) By interest rates (per annum):

	2025	**2024**
	% p.a.	**% p.a.**
Loans to SMEs	16.80% - 18%	16.80% - 18%

8. PROPERTY AND EQUIPMENT

	Land KHR'000	Building KHR'000	Motor vehicles KHR'000	Office equipment KHR'000	IT and computer equipment KHR'000	Total KHR'000	USD
Cost							
At 1 January 2025	692,035	492,754	372,184	228,066	108,902	1,893,941	470,544
Additions	28,021	-	-	-	6,641	34,662	8,642
Other adjustments	5,255	4,544	(254)	(31)	430	9,944	2,479
Currency translation differences	-	-	-	-	-	-	1,402
At 31 December 2025	725,311	497,298	371,930	228,035	115,973	1,938,547	483,067
Accumulated depreciation							
At 1 January 2025	-	172,003	353,393	214,640	105,989	846,025	210,193
Charge for the year	-	25,975	16,985	6,668	5,424	55,052	13,725
Other adjustments	-	(525)	(1,076)	(646)	(315)	(2,562)	(639)
Currency translation differences	-	-	-	-	-	-	622
At 31 December 2025	-	197,453	369,302	220,662	111,098	898,515	223,901
Carrying value							
At 31 December 2025	**725,311**	**299,845**	**2,628**	**7,373**	**4,875**	**1,040,032**	**259,166**

8. PROPERTY AND EQUIPMENT (continued)

	Land KHR'000	Building KHR'000	Motor vehicles KHR'000	Office equipment KHR'000	IT and computer equipment KHR'000	Total KHR'000	USD
Cost							
At 1 January 2024	703,826	538,327	377,694	221,410	108,513	1,949,770	477,300
Additions	-	-	-	9,883	1,953	11,836	2,907
Disposals	(10,700)	(44,616)	-	-	-	(55,316)	(13,588)
Other adjustments	(1,091)	(956)	(5,511)	(3,227)	(1,564)	(12,350)	(3,034)
Currency translation differences	-	-	-	-	-	-	6,958
At 31 December 2024	692,035	492,754	372,184	228,066	108,902	1,893,941	470,544
Accumulated depreciation							
At 1 January 2024	-	191,951	313,663	205,474	106,745	817,833	200,204
Charge for the year	-	26,879	44,894	12,339	822	84,934	20,863
Disposals	-	(44,270)	-	-	-	(44,270)	(10,875)
Other adjustments	-	(2,556)	(5,164)	(3,173)	(1,578)	(12,471)	(3,063)
Currency translation differences	-	-	-	-	-	-	3,064
At 31 December 2024	-	172,003	353,393	214,640	105,989	846,026	210,193
Carrying value							
At 31 December 2024	**692,035**	**320,751**	**18,790**	**13,426**	**2,913**	**1,047,916**	**260,352**

9. OTHER ASSETS

	2025		2024	
	KHR'000	USD	KHR'000	USD
Prepayments	12,039	3,000	12,075	3,000
Others	31,799	7,924	71,525	17,770
	43,838	10,924	83,600	20,770

10. DEPOSIT FROM CUSTOMERS

	2025		2024	
	KHR'000	USD	KHR'000	USD
Deposit from SMEs:				
Dormant accounts	435,832	108,605	645,061	160,264
Compulsory savings	59,983	14,947	262,000	65,093
Promissory notes	-	-	1,092	271
	495,815	123,552	908,153	225,628

Deposit from customers are carried forward from prior years. No additional deposits from customers have been collected from 2019. The amounts are analysed as follows:

a) By currency:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Khmer Riel	378,058	94,208	722,448	179,490
Thai Baht	117,757	29,344	185,705	46,138
	495,815	123,552	908,153	225,628

b) By location:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Battambang	132,980	33,137	405,139	100,656
Banteay Meanchey	232,300	57,887	185,656	46,126
Bavel	130,535	32,528	317,358	78,846
	495,815	123,552	908,153	225,628

c) By interest rates (per annum):

	2025	2024
	% p.a.	% p.a.
Deposit from SMEs:		
Promisory notes	5% -10.50%	5% -10.50%
Compulsory savings	6%	6%
Voluntary savings	3%	3%

BORVOR FINANCE PLC.

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11. OTHER LIABILITIES

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Severance benefits payable	510,831	127,294	446,887	111,028
Annual leave payable	172,145	42,897	161,581	40,144
Acccued expenses	104,611	26,068	99,874	24,813
Tax payments	18,546	4,621	18,991	4,718
Other payables	109,329	27,244	151,092	37,539
	915,462	228,124	878,425	218,242

12. BORROWINGS

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
CARE International UK Micro funds	2,632,099	655,893	3,726,131	925,747
Impulso	55,653	13,868	37,878	9,411
Individuals	4,815,210	1,199,903	4,265,000	1,059,626
KIVA	664,469	165,579	69,188	17,190
	8,167,431	2,035,243	8,098,197	2,011,974

a) By maturity:

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Three to Twelve months	960,000	239,223	885,500	220,000
One to five years	7,207,431	1,796,020	7,212,697	1,791,974
	8,167,431	2,035,243	8,098,197	2,011,974

b) By currency:

	2025		2024	
	KHR'000	**USD**	**KHR'000**	**USD**
Khmer Riel	120,000	29,903	240,000	59,627
US Dollar	8,047,431	2,005,340	7,858,197	1,952,347
	8,167,431	2,035,243	8,098,197	2,011,974

c) By interest rates (per annum):

	2025	2024
	% p.a.	**% p.a.**
Khmer Riel	9%	9%
US Dollar	0% - 9%	0% - 9%

13. PROJECT SEAD CAPITAL

	2025		2024	
	KHR'000	USD	KHR'000	USD
Project SEAD capital under Credit Union Foundation Australia ("CUFA") funds	83,365	20,841	83,365	20,841
Project SEAD capital under AusAID funds	866,456	216,614	866,456	216,614
	949,821	237,455	949,821	237,455

Be referred to Note 1 for detail.

14. SHARE CAPITAL

	2025		2024	
	KHR'000	USD	KHR'000	USD
Issued and fully paid	9,741,600	2,435,400	9,741,600	2,435,400

The registered capital of the Company as at 31 December 2025 is composed of 48,708 shares at par value of KHR 200,000 per share. All shares are fully paid up by the following shareholders and their respective shareholding in the Company is as follows:

	2025		2024	
	%	Number of shares of KHR 200,000 each	%	Number of shares of KHR 200,000 each
Association of employee share (represented by Mr. Ly Chan Ty)	97.78%	47,622	97.78%	47,622
Mr. Meas Thon	0.82%	400	0.82%	400
Ms. Nget Ny	0.41%	200	0.41%	200
Ms. Chea Chanda	0.44%	216	0.44%	216
Mr. Veurn Phally	0.14%	70	0.14%	70
Mr. Ly Chan Ty	0.41%	200	0.41%	200
	100%	48,708	100%	48,708

15. REGULATORY RESERVE

Regulatory reserves represent the difference between the allowance of impairment losses calculated in accordance with CIFRS for SMEs and the regulatory provision calculated in accordance with the NBC's requirement. When the regulatory provision is higher than impairment losses calculated in accordance with CIFRS for SMEs, the difference is recorded as regulatory reserve. The reserve is transferred from the retained earnings.

	2025		2024	
	KHR'000	USD	KHR'000	USD
At 1 January	1,323,854	328,908	885,565	216,786
Transfer	13,170	3,283	438,289	107,661
Currency translation differences	-	982	-	4,461
At 31 December	1,337,024	333,173	1,323,854	328,908

15. REGULATORY RESERVE (continued)

Transfer from retained earnings to reserve pertaining to impairment during the year:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Impairment on credit facilities required by the NBC				
- Balance with other banks	16,317	4,066	18,680	4,641
- Loans to customers	1,812,142	451,568	1,768,133	439,288
	1,828,459	455,634	1,786,813	443,929
Impairment loss on financial assets under CIFRS for SMEs	491,435	122,461	462,959	115,021
	1,337,024	333,173	1,323,854	328,908

16. INTEREST INCOME

	2025		2024	
Interest income is earned from:	KHR'000	USD	KHR'000	USD
Loans to customers	4,821,513	1,202,073	4,614,465	1,133,497
Deposits with other banks	4,123	1,027	3,995	981
	4,825,636	1,203,100	4,618,460	1,134,478

17. INTEREST EXPENSE

	2025		2024	
	KHR'000	USD	KHR'000	USD
Borrowings	473,530	118,058	368,027	90,402
Deposit from customers	5,562	1,387	18,663	4,584
	479,092	119,445	386,690	94,986

18. OTHER OPERATING IMCOME

	2025		2024	
	KHR'000	USD	KHR'000	USD
Other incomes	487,355	121,505	76,493	18,790
Loan recovery	300,709	74,971	93,529	22,974
	788,064	196,476	170,022	41,764

19. PERSONNEL EXPENSES

	2025		2024	
	KHR'000	USD	KHR'000	USD
Staff salaries and wages	2,888,109	720,047	2,893,895	710,856
Severance and benefits	251,612	62,730	147,742	36,291
Medical expenses	101,870	25,398	103,537	25,433
Annual leave expenses	12,812	3,194	11,186	2,748
	3,254,403	811,369	3,156,360	775,328

20. OTHER OPERATING EXPENSES

	2025		2024	
	KHR'000	USD	KHR'000	USD
Rental	211,475	52,724	217,449	53,414
Professional fees	150,400	37,497	119,061	29,246
Training and workshop	59,673	14,877	82,522	20,271
Office supplies	59,593	14,857	58,665	14,410
Insurance	48,480	12,087	48,136	11,824
Utilities	47,352	11,806	51,489	12,648
Fuel and gasoline	32,442	8,088	40,052	9,838
Travel and DSA	30,675	7,648	30,426	7,474
Social service fees	16,535	4,122	10,366	2,546
Loan protection and life savings expense	15,098	3,764	18,682	4,589
Other charge on borrowings	30,485	7,600	2,616	643
Repair and maintenance	22,905	5,711	17,823	4,378
Communication	15,012	3,743	14,511	3,564
License fees	12,000	2,992	12,343	3,032
Withholding tax	2,194	547	5,453	1,339
Litigation fees	3,904	973	496	122
Affiliation fees	7,824	1,951	7,944	1,951
Loss on exchange rate	-	-	148,138	36,389
Other expenses	371,624	92,651	50,365	12,373
	1,137,671	283,638	936,537	230,051

21. INCOME TAX EXPENSE

	2025		2024	
	KHR'000	USD	KHR'000	USD
Current tax	47,271	11,785	43,413	10,664
Deferred tax	53,639	13,373	29,350	7,209
	100,910	25,158	72,763	17,873

21. INCOME TAX EXPENSE (continued)

(a) Reconciliation of current income tax

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

	2025		2024	
	KHR'000	USD	KHR'000	USD
Profit/(loss) before income tax	245,619	61,236	(91,255)	(22,416)
Income tax @ 20%	49,124	12,247	(18,251)	(4,483)
Effect of non-deductible expenses	1,243,345	309,984	1,994,639	489,963
Effect of allowable expenses	(1,292,469)	(322,231)	(2,012,882)	(494,444)
Unrecognized tax loss	-	-	36,494	8,964
	-	-	-	-
Minimum tax @ 1%	47,271	11,785	43,413	10,664
Current income tax	47,271	11,785	43,413	10,664
Recognised deferred tax	53,639	13,373	29,350	7,209
Income tax expense	100,910	25,158	72,763	17,873

(b) Provision for income tax

	2025		2024	
	KHR'000	USD	KHR'000	USD
Balance at beginning of year	3,912	972	5,749	1,407
Charge during the year	47,271	11,785	43,413	10,664
Taxation paid during the year	(45,353)	(11,307)	(45,250)	(11,115)
Currency translation differences	-	3	-	16
Balance at end of year	5,830	1,453	3,912	972

(c) Deferred tax assets

	2025		2024	
	KHR'000	USD	KHR'000	USD
Deferred tax assets	180,418	44,958	243,781	60,567
Deferred tax liabilities	(140,469)	(35,003)	(150,192)	(37,315)
Deferred tax assets/(liabilities), net	39,949	9,955	93,589	23,252

21. INCOME TAX EXPENSE (continued)

(i) Deferred tax assets are attributable as follows:

	2025 KHR'000	2025 USD	2024 KHR'000	2024 USD
Deferred tax liability				
Allowance for impairment losses	(140,469)	(35,004)	(150,192)	(37,315)
Deferred tax assets				
Accelerated depreciation	2,616	652	4,303	1,069
Provision for severance pay and annual leave	136,595	34,038	121,694	30,234
Unrealized exchange gain/(loss)	(49,744)	(12,396)	32,257	8,014
Deferred income	90,951	22,665	85,527	21,250
Deferred tax (liabilities)/assets, net	39,949	9,955	93,589	23,252

(ii) Movements on net deferred tax are as follows:

	2025 KHR'000	2025 USD	2024 KHR'000	2024 USD
At 1 January	93,589	23,252	122,940	30,095
Recognised during the year	(53,639)	(13,373)	(29,350)	(7,209)
Currency translation differences	-	76	-	366
At 31 December	39,949	9,955	93,589	23,252

22. CASH AND CASH EQUIVALANTS

	2025 KHR'000	2025 USD	2024 KHR'000	2024 USD
Cash in hand (Note 4)	96,252	23,985	115,883	28,791
Balances with the NBC (excluding capital guarantee) (Note 5)	240	60	320	79
Balances with other banks (Note 6)	1,631,799	406,628	1,867,927	464,081
	1,728,291	430,673	1,984,130	492,951

23. RELATED PARTY DISCLOSURES

The Company had the following significant balances and transactions with related party during the financial year.

	Relationship	2025 KHR'000	2025 USD	2024 KHR'000	2024 USD
Related parties					
Mr. Meas Thon	Shareholder				
Borrowing		280,910	70,000	241,500	60,000
Interest expense		21,058	5,250	20,355	5,000
		301,968	75,250	261,855	65,000
Mr. Prom Mary	Board member				
Borrowing		280,910	70,000	523,250	130,000
Interest expense		19,542	4,872	40,089	9,848
		300,452	74,872	563,339	139,848

23. RELATED PARTY DISCLOSURES (continued)

	2025		2024	
	KHR'000	USD	KHR'000	USD
Key management remuneration:				
Directors and key management compensation	525,728	131,072	520,734	127,912

24. LEASE COMMITMENTS

The Company lease commitments for the lease of its offices are as follows:

	2025		2024	
	KHR'000	USD	KHR'000	USD
Within one year	183,661	45,767	163,534	40,630
Over one year and up to five years	413,141	102,951	226,760	56,338
	596,802	148,718	390,294	96,968

25. TAX CONTINGENCY

Taxes are subject to review and investigation by tax authorities of the General Department of Taxation (GDT). The application of tax laws and regulations on many types of transactions are susceptible to varying interpretations when reviewed by these tax authorities. These may result in tax increases and other retroactive tax claims and penalties.

Management believes that it has adequately provided for tax liabilities based on its interpretation of the tax legislation. If a particular treatment was to be challenged by those tax authorities, the Company may be assessed additional taxes, penalties and interest, whose effects could be significant. Tax years remain open to review by the GDT for three years with a possible extension of up to ten years.

26. EVENTS AFTER THE REPORTING PERIOD

The Company has evaluated events after the end of the reporting period until the date the financial statements were available for issue. The Directors affirm that no other material events should be reported.