



គ្រឹះស្ថានមីក្រូហិរញ្ញវត្ថុ ធីប៊ីប៊ី (ខេមបូឌា) ភីអិលស៊ី
臺灣企銀微型財務公司
TBB (CAMBODIA) MICROFINANCE INSTITUTION PLC.

Annual Report

2025

TBBMFI Make Your Life Easier!!

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Background, Vision and Mission

Background

TBB (Cambodia) Microfinance Institution Plc. (Hereinafter referred to as TBBMFI) is a public limited company, also a subsidiary of TAIWAN BUSINESS BANK which is a specialized bank charged with the provision of financial assistance and guidance to SMEs. It has been cultivating the SME financial services for nearly half a century.

TBBMFI was licensed by the National Bank of Cambodia as a MFI in June 2015 to provide funding for commercial and individual purposes to the Cambodian people, thus to support the monetary and economy environment of Cambodia.

The TBBMFI Boeung Keng Kang Branch was established in 2017. Following a review of operations, rising costs, and a corporate strategy restructuring to ensure long-term sustainability, the Board's resolution to cease operations. This resolution received all necessary regulatory approvals and was finalized with the branch's closure in October 2025.

Vision

To be the most people-centric company in Cambodia and build up a place where customers can seek and utilize the products with facility.

Mission

TBBMFI seeks to be one of the providers of ethical credit products in Cambodia and develops new products as appropriate to support Cambodian people to grow up the economic scale. In doing so, TBBMFI will observe the highest principles of morality and best international banking practice to conduct its business in line with the laws and regulations of the Kingdom of Cambodia.



Message from the Chief Executive Officer (CEO)

I. Local Economic Overview Strategic Landscape & Market Dynamics

Cambodia's economy is currently undergoing a complex structural transition period, characterized by a confluence of internal and external headwinds. Geopolitically, the escalating US-China competition and the imposition of a 19% reciprocal tariff have led foreign investors to adopt more cautious stance. Furthermore, regional trade disruptions and socio-economic fallout from the 2025 Thai-Cambodian border clashes have significantly strained investment confidence.



Financial Regulation & Social Impact

The financial sector experienced unprecedented volatility driven by strict US sanctions on high-profile entities, including Huione and the Prince Group, resulted in the freezing of Huione Pay's funds and the landmark seizure of approximately \$15 billion in Bitcoin from the Prince Group. Concurrently, the National Bank of Cambodia (NBC) mandated the suspension and liquidation of Prince Bank. These interventions, while disruptive to the real economy, triggered a necessary government crackdown on illegal foreign residency and online gambling, aimed at purifying Cambodia's international reputation.

Sectoral Performance

Traditional economic drivers, real estate, construction, and tourism, faced severe contractions, with plummeting demand leading to sharp revenue declines and elevated default risks. The financial sector faces challenge of sluggish capital demand and intense price competition. While market leaders like ABA Bank have leveraged superior liquidity to retain premium clients, Bank of China's aggressive 5.8% mortgage rates have intensified the pressure on foreign banks. Consequently, short-term recovery remains under significant pressure.

Macroeconomic Indicators

Despite these systemic challenges, Cambodia's economy demonstrated resilience in 2025. According to the IMF, inflation was effectively contained at 1.6%, preserving domestic purchasing power and stabilizing business operations. This price stability supported a 4.8% GDP growth rate, reflecting sustained industrial momentum.

Looking ahead to 2026, inflation is projected to remain low at 1.8%, while GDP growth is expected to temper to 4.0%. This deceleration stems from export fluctuations,



cooling tourism sector, and declining remittances. To offset these cyclical pressures, proactive government initiatives in infrastructure and industrial policy will be pivotal. Supported by steady growth and transparent reforms, Cambodia's medium-to-long-term development potential remains fundamentally resilient.

Government Policy Highlights

In 2025, the Cambodian government executed a multi-faceted policy aimed to bolstering economic resilience and enhancing market transparency. By strategically leveraged the RCEP, the trade volume among member countries surpassed \$40 billion in 2025. Complementing this trade expansion, Cambodia accelerated its industrial diversification into high value sector, such as electronic components, automotive assembly, and tire manufacturing to offset tariff impacts on the garment industry. Furthermore, a decisive regulatory reform involving nationwide compliance inspections. By curbing illegal residency and employment, aiming to replace "gray capital" with high-quality, transparent foreign investment.

II. Business Strategy

1. Deepening Key Account Management

Our relationship managers will prioritize high-performing clients through intensified engagement. By leveraging client ecosystems, including supply chains and professional networks, we aim to drive strategic credit expansion.

We are closely monitoring high-profile developments in BKK1 and Boeung Kak Lake. By aligning our services with launch schedules and market trends, we aim to capture emerging financing opportunities.

2. Strategic Partnerships & SME Integration

- **IPO Financing:** We are partnering with leading securities firms to provide financing solutions for SMEs undergoing IPO preparations, focusing on firms with high growth potential and financial transparency.
- **Industrial Park Ecosystems:** We are aggressively pursuing corporate financing and retail mortgage opportunities within emerging industrial parks and construction projects.

3. Aggressive NPL Resolution & Asset Quality Improvement

- **Targeted Recovery:** With our Non-Performing Loan (NPL) ratio reaching 14.17% at year-end, we are implementing case-by-case recovery plans to alleviate pressure on profitability.
- **Provisioning & Write-offs:** We will execute a disciplined write-off strategy aligned with our profit buffers to mitigate regulatory risks and clean up the balance sheet.
- **Preemptive Monitoring:** For relief accounts, we are proactively monitoring repayment capacity post-grace period to prevent new slippages.
- **Collateral Optimization:** We will facilitate the self-disposal of collateral or seek third-party acquisitions to expedite debt recovery.



4. Elevating Internal Governance:

- **Compliance & Tax Integrity:** Building on lessons from previous audits, we have tightened internal controls. Tax filings are now subject to joint reviews by Accounting and Internal Audit, complemented by external "tax health checks" to eliminate human error.
- **Professional Excellence:** Beyond mandatory compliance training, we encourage staff to obtain certifications at professional financial centers. Rigorous review processes have been integrated into annual performance appraisals to ensure operational precision.

III. Medium- to Long-Term Market Outlook

The ongoing crackdown on gray industries, such as illegal gambling and fraudulent operations, is a painful but necessary for market maturation. While fund seizures and liquidated entities cause short-term ripples, these actions are fostering a more transparent and orderly financial environment. As Cambodia moves toward global standards, the influx of high-quality foreign investment will bolster investor confidence and provide a stable foundation for long-term growth.

IV. Conclusion

Despite the future uncertainties, the expansion of industrial zones and a stabilizing market order offer clear pathway for growth. Our company will focus on Taiwanese enterprises and industries related to industrial zones, as well as real estate with stable cash flow in prime locations. We will accurately select customer groups and products. Also we will continuously strengthen credit management and risk control and accelerating the recovery of overdue loan. Simultaneously, by deepening existing customer relationships and strategic partnerships, we will integrate real estate and corporate financing services to steadily expand our lending base. Thereby building a resilient foundation for medium- to long-term development.

Phnom Penh, 8 June, 2026

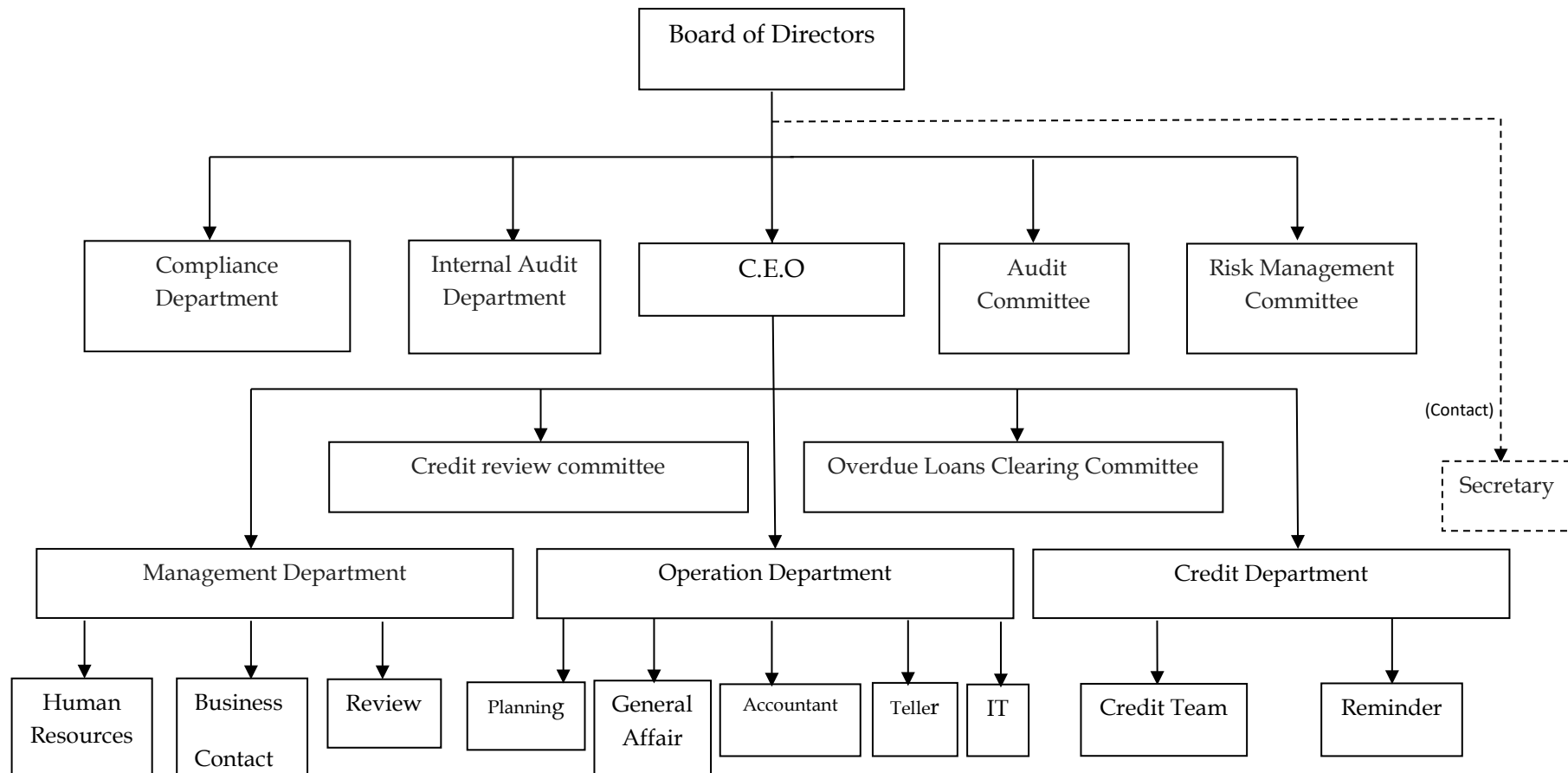
CHAING HUNG TIEN

Director & CEO

TBB (Cambodia) Microfinance Institution Plc.



Organizational Chart of TBB (Cambodia) Microfinance Institution Plc.



Shareholders and Board of Directors

TAIWAN BUSINESS BANK Ltd. has solely assumed the total capital contribution of USD 20,000,000 (United States Dollars Twenty Million, equivalent to Riel 80,000,000,000) which is divided into 20,000 (Twenty Thousand) ordinary shares, each share with a par value of USD 1,000 (United States Dollars One Thousand, equivalent to Riel 4,000,000).



Shareholders and Board of Directors

TBBMFI's Board of Directors (BOD) comprises 4 members as namely:

- Yi Tseng Hsiang Chairman
- Chen Sue Jen Board Member
- Chiang Hung Tien Board Member & CEO
- Tseng Jun Shen Board Member (Independent Director)



Yi Tseng Hsiang
Chairman



Chiang Hung Tien
Director & CEO



Directors and Management Team

Board of Directors

Title	Name	Effective Date	Prime Experience & Education
Chairman	Yi Tseng Hsiang	01 Sep. 2022	• Master of Finance, National Taiwan University of Science and Technology • Executive Vice President of Taiwan Business Bank
Director	Chen Sue Jen	10 Sep. 2025	• Master of Business Administration, Soochow University • Senior Vice President & General manager of Taiwan Business Bank
Director & CEO	Chiang Hung Tien	26 Aug. 2021	• Business Administration, National Chung Hsing University • VP & Chief Representative, Yangon Representative Office
Independent Director	Tseng Jun Shen	01 Sep. 2022	• Master of Science, National Chin-Yi University of Technology • Executive Vice President of Taiwan Business Bank

Management Team

Title	Name	Effective Date	Prime Experience & Education
CEO	Chiang Hung Tien	28 Oct. 2021	• Business Administration, National Chung Hsing University • VP & Chief Representative, Yangon Representative Office
Operation Dept.	Han Yu	01 Aug. 2023	• Master of Economics, National Chung Cheng University • Senior Banking Officer of Taiwan Business Bank
Credit Dept.	Hsiao Ming Te	01 Sep. 2025	• Public Finance and Tax Administration, National Taipei University of Business • Specialist of Taiwan Business Bank
Internal Audit Dept.	Kuch Bunthach	01 Sep. 2019	• Master of Business Administration, Build bright University
Compliance Dept.	Som Sokleng	13 Mar. 2023	• Certification Accountant Technician, Cam-Ed Business school • Regulation Compliance Certification, Institute of Banking and Finance





Products and Services

Commercial Loan (CL)

TBBMFI provides a Commercial Loan product to meet the demand and the interest of clients who wish to increase their income.

Personal Loan (PL)

TBBMFI provides a Personal Loan product to satisfy customers' personal needs such as home improvement, consumption goods, housework facilities; transport means (Motorbike, automobile...)

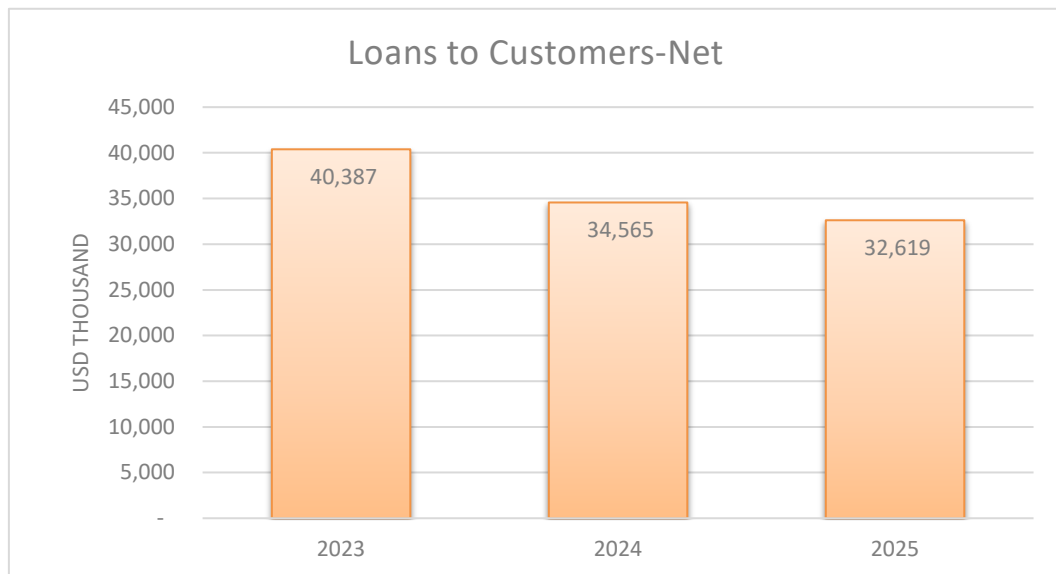
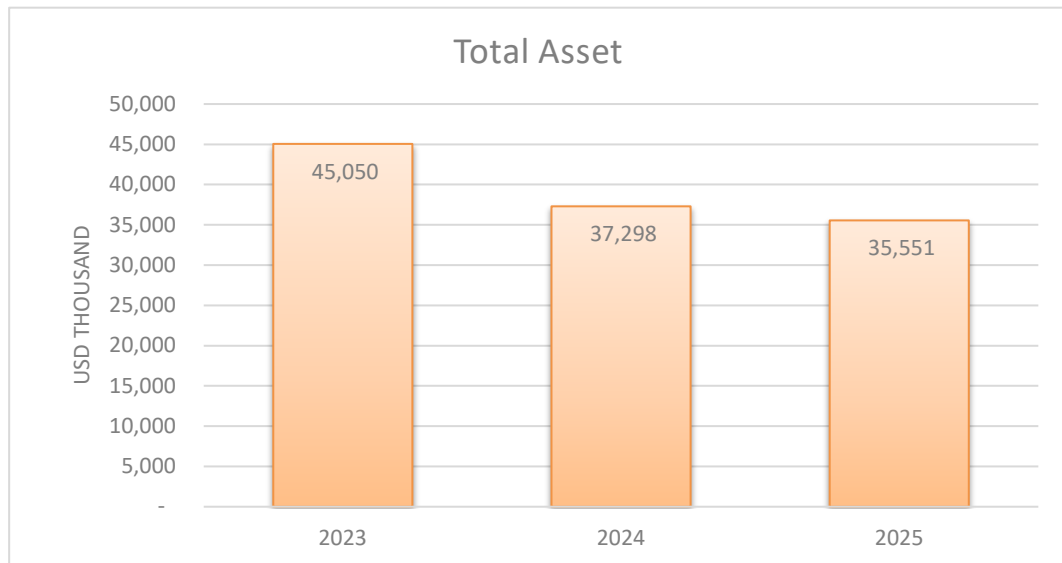
Mortgage Loan (ML)

TBBMFI provides a Mortgage Loan product to satisfy customers' needs to buy real estate property such as land, house.



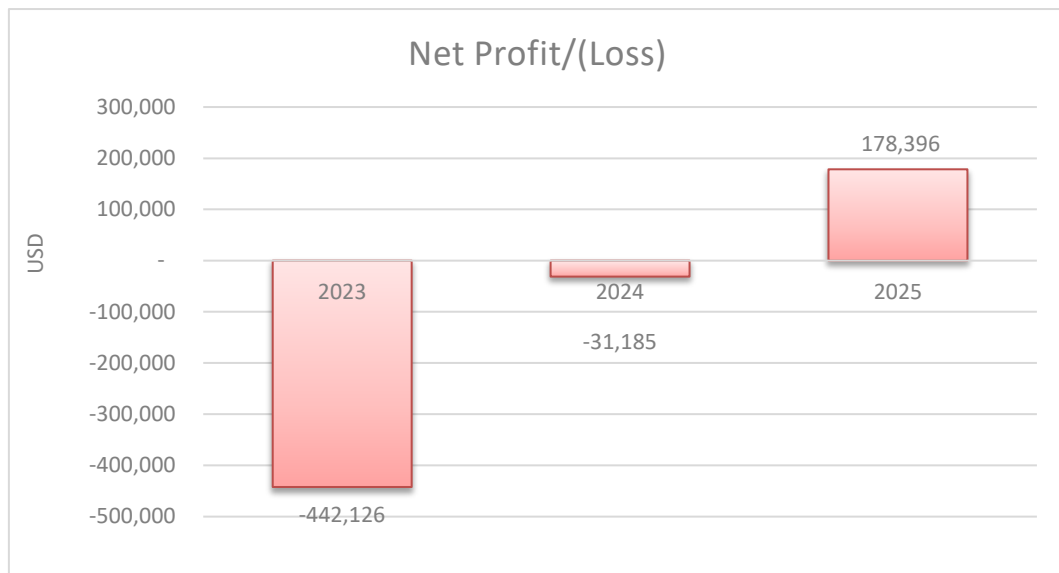
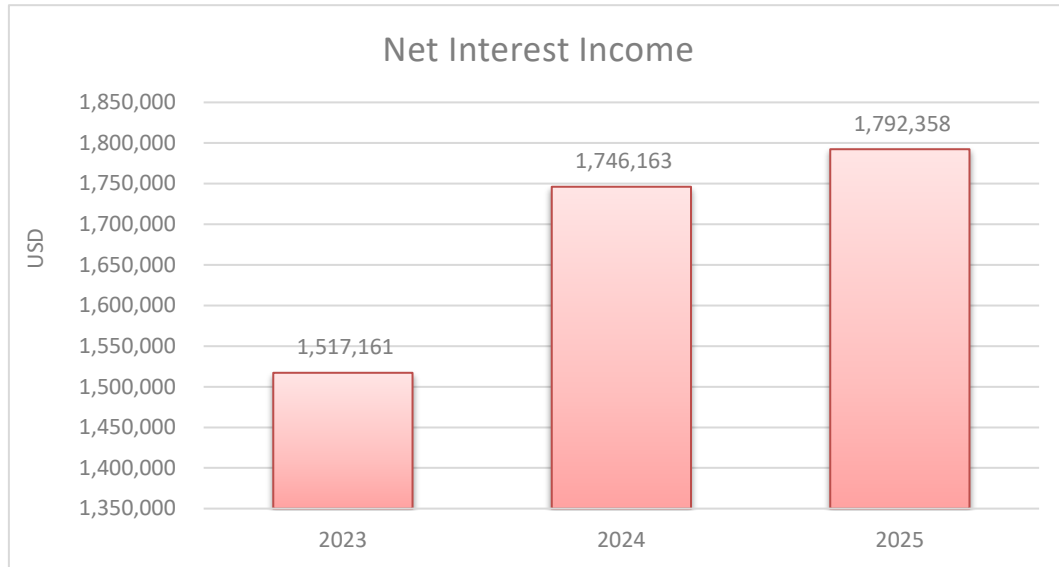


Financial Highlight





Financial Highlight



Loan Performance

To achieve its mission and vision, TBBMFI provides loans to a diverse range of customers across various sectors to support their business activities. We focus on target customers with low- and middle-income levels, as well as small and medium-sized enterprise (SMEs) seeking to expand their operations. The loan disbursement amounted to USD12,478,000 / KHR3,860,000,000 in 2024 and USD7,920,000 / KHR15,479,500,000 in 2025. The gross loan outstanding amounted to USD31,565,988 / KHR15,236,279 as at the end of 2024, and USD27,982,373 / KHR21,647,273 as at the end of 2025.



Corporate Social Responsibility

Charitable events





Company Activities

Charitable & Business events



Company Activities

Charitable & Business events



Company Activities

Our Team



Company Activities

Internal Training



Company Activities

Birthday Party



Company Activities

Annual Trip



Company Activities

Annual Trip





Financial Report and Report of the Independent Auditor



REPORT OF THE BOARD OF DIRECTORS

The Directors have pleasure in submitting their report together with the audited financial statements of the Company for the year ended 31 December 2025.

Principal activities

The principal activities of the Company are to provide loans and other financial services to local customers through its head office in Phnom Penh.

Financial results

The financial results of the Company for the year ended 31 December 2025 were as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Profit before income tax	305,823	1,226,658	132,695	540,202
Income tax expense	(127,427)	(511,110)	(163,880)	(667,155)
Profit/(loss) for the year	<u>178,396</u>	<u>715,548</u>	<u>(31,185)</u>	<u>(126,953)</u>

Share capital

There is no change in the shareholding structure during the year. Refer to Note 12.

Dividends

At the reporting date, no dividend was declared or paid and the Directors does not recommend any dividend to be paid in respect of the year ended 31 December 2025.

Reserves and provisions

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

Bad and doubtful loans

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



Bad and doubtful loans (continued)

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 allowance for doubtful loans in the financial statements of the Company inadequate to any substantial extent.

Assets

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

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

Valuation methods

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

Contingent and other liabilities

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

- (i) any charge on the assets of the Company which has arisen since the end of the year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Company which has arisen since the end of the year other than in the ordinary course of its business operations.

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 year which will or may affect the ability of the Company to meet its obligations as and when they fall due.

Holding Company and Ultimate Controlling Party

The Directors regard Taiwan Business Bank, Ltd., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, as the immediate holding company of the Company. The controlling shareholder of the Company is Bank of Taiwan, an indirect wholly-owned subsidiary of the Ministry of Finance of Taiwan.

The Board of Directors

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

Name	Position	Appointed on
Mr. Yi, Tseng-Hsiang	Chairman	1 September 2022
Mr. Chiang, Hung-Tien	Director	26 August 2021
Mrs. Chen, Sue-Jen	Director	13 November 2025
Mr. Tseng, Jun-Shen	Independent Director	1 September 2022



Items of unusual nature

The results of the operations 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 results of the operations of the Company for the current financial year in which this report is made.

Directors' interests

None of the Directors held or dealt directly or indirectly in the shares of the Company during the year.

Directors' benefits

During and at the end of the financial year, no arrangements existed to which the Company is a party with the objective of enabling 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 a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest other than as disclosed in the financial statements.

Directors' responsibilities in respect of the financial statements

The Directors are responsible for ascertaining that the financial statements, as set out on pages 8 to 41, present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the Directors of the Company are required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs"), 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;
- oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- control and direct the Company effectively 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 its financial statements.



APPROVAL OF THE FINANCIAL STATEMENTS

I hereby approve the accompanying financial statements together with the notes which in our opinion, present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with CIFRS for SMEs.

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



YI TSENG HSIANG

Mr. Yi, Tseng-Hsiang
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 10 April 2026



Report of the Independent auditors To the shareholders of TBB (Cambodia) Microfinance Institution PLC.

Opinion

We have audited the financial statements of TBB (Cambodia) Microfinance Institution Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2025, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 41 (hereafter referred as “the financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting 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 *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of the Company as at and for the year ended 31 December 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements on 28 March 2025.

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 4 and the annual report, which is expected to be made available to us after the date of auditors’ report. 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 and fair presentation of the financial statements in accordance with CIFRS for SMEs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using 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 the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 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 auditors' 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For KPMG Cambodia Ltd



Low Seh Kit
Director

Phnom Penh, Kingdom of Cambodia

10 April 2026



Statement of financial position

		2025		2024	
	Notes	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
ASSETS					
Cash on hand		4,218	16,927	6,700	26,968
Balance with the National Bank of Cambodia	6	1,024,401	4,110,921	1,011,472	4,071,175
Balance with other banks – net	7	1,281,449	5,142,455	1,022,247	4,114,544
Loans to customers – net	8	32,618,694	130,898,819	34,486,845	138,809,551
Property and equipment	9	160,865	645,551	182,955	736,394
Intangible assets	10	90,060	361,411	121,719	489,919
Other assets	11	370,944	1,488,598	388,018	1,561,772
TOTAL ASSETS		<u>35,550,631</u>	<u>142,664,682</u>	<u>37,219,956</u>	<u>149,810,323</u>
EQUITY AND LIABILITIES					
EQUITY					
Share capital	12	20,000,000	80,000,000	20,000,000	80,000,000
Regulatory reserves	13	5,379,327	21,963,862	5,520,608	22,530,540
Accumulated losses		(5,080,071)	(20,786,749)	(5,399,748)	(22,068,975)
Currency translation reserves		-	283,801	-	524,898
TOTAL EQUITY		<u>20,299,256</u>	<u>81,460,914</u>	<u>20,120,860</u>	<u>80,986,463</u>
LIABILITIES					
Borrowings	14	14,244,444	57,162,954	16,160,062	65,044,250
Deferred tax liabilities – net	20(c)	714,491	2,867,252	587,064	2,362,932
Other liabilities	15	292,440	1,173,562	351,970	1,416,678
TOTAL LIABILITIES		<u>15,251,375</u>	<u>61,203,768</u>	<u>17,099,096</u>	<u>68,823,860</u>
TOTAL EQUITY AND LIABILITIES		<u>35,550,631</u>	<u>142,664,682</u>	<u>37,219,956</u>	<u>149,810,323</u>



Statement of comprehensive income

		2025		2024	
	Notes	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Interest income	16	2,609,399	10,466,299	3,089,574	12,577,656
Interest expense	14	(817,041)	(3,277,151)	(1,343,411)	(5,469,026)
Net interest income		1,792,358	7,189,148	1,746,163	7,108,630
Other income	17	114,319	458,534	333,278	1,356,775
Fees and commission		42,591	170,833	110,563	450,102
Net operating income		1,949,268	7,818,515	2,190,004	8,915,507
Personnel expenses	18	(912,037)	(3,658,180)	(933,225)	(3,799,159)
Depreciation and amortisation	9,10	(82,846)	(332,295)	(82,770)	(336,957)
General and administrative expenses	19	(756,339)	(3,033,676)	(921,231)	(3,750,331)
Net impairment reversal/(loss)	7,8,11	107,777	432,294	(120,083)	(488,858)
Profit before income tax		305,823	1,226,658	132,695	540,202
Income tax expense	20(b)	(127,427)	(511,110)	(163,880)	(667,155)
Net profit/(loss) for the year		178,396	715,548	(31,185)	(126,953)
Other comprehensive loss					
Currency translation differences		-	(241,097)	-	(1,207,687)
Total comprehensive income/(loss) for the year		178,396	474,451	(31,185)	(1,334,640)



Statement of changes in equity

	Notes	Share capital		Regulatory reserves		Accumulated losses		Currency translation reserves		Total	
		US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January 2025		20,000,000	80,000,000	5,520,608	22,530,540	(5,399,748)	(22,068,975)	-	524,898	20,120,860	80,986,463
Transactions recognised directly in equity											
Transfer from regulatory reserves to retained earnings	13	-	-	(141,281)	(566,678)	141,281	566,678	-	-	-	-
		-	-	(141,281)	(566,678)	141,281	566,678	-	-	-	-
Total comprehensive income:											
Net profit for the year		-	-	-	-	178,396	715,548	-	-	178,396	715,548
Other comprehensive loss		-	-	-	-	-	-	-	(241,097)	-	(241,097)
Total comprehensive income		-	-	-	-	178,396	715,548	-	(241,097)	178,396	474,451
At 31 December 2025		20,000,000	80,000,000	5,379,327	21,963,862	(5,080,071)	(20,786,749)	-	283,801	20,299,256	81,460,914
At 1 January 2024		20,000,000	80,000,000	4,790,999	19,560,302	(4,638,954)	(18,971,784)	-	1,732,585	20,152,045	82,321,103
Transactions recognised directly in equity											
Transfer from accumulated losses to regulatory reserves	13	-	-	729,609	2,970,238	(729,609)	(2,970,238)	-	-	-	-
		-	-	729,609	2,970,238	(729,609)	(2,970,238)	-	-	-	-
Total comprehensive loss:											
Net loss for the year		-	-	-	-	(31,185)	(126,953)	-	-	(31,185)	(126,953)
Other comprehensive loss		-	-	-	-	-	-	-	(1,207,687)	-	(1,207,687)
Total comprehensive loss		-	-	-	-	(31,185)	(126,953)	-	(1,207,687)	(31,185)	(1,334,640)
At 31 December 2024		20,000,000	80,000,000	5,520,608	22,530,540	(5,399,748)	(22,068,975)	-	524,898	20,120,860	80,986,463



Statement of cash flows

	Notes	2025 US\$ KHR'000 (Note 5)	2024 US\$ KHR'000 (Note 5)
Cash flows from operating activities			
Profit before income tax		305,823	1,226,658
Adjustments for:			
Interest expense	14	817,041	3,277,151
Depreciation and amortisation	9,10	82,846	332,295
Impairment loss on loans to customers	8	(127,085)	(509,738)
Impairment losses on other assets	11	16,585	66,522
Impairment losses on balance with other banks		2,723	10,922
Loss on intangible asset write-off	10	71	285
Loss on property and equipment write off	9	1,755	7,039
Gain on disposals of property and equipment	9	(2,850)	(11,431)
		1,096,909	4,399,703
Changes in:			
Loans to customers		1,995,236	8,002,892
Other assets		28,459	114,149
Other liabilities		(59,530)	(238,775)
			1,298
Cash generated from operations		3,061,074	12,277,969
Income tax paid		(27,971)	(112,192)
Net cash generated from operating activities		3,033,103	12,165,777
Cash flows from investing activities			
Purchase of property and equipment		(30,922)	(124,028)
Proceeds from disposals of property and equipment		2,850	11,431
Proceeds from term deposit		-	-
Withdrawal of term deposit		148,474	595,529
Net cash generated from investing activities		120,402	482,932



Statement of cash flows (continued)

	Notes	2025 US\$ KHR'000 (Note 5)	2024 US\$ KHR'000 (Note 5)
Cash flows from financing activities			
Proceeds from borrowings		3,400,000	13,637,400
Repayments of borrowings			
- Principal portion		(5,300,000)	(21,258,300)
- Interest portion		(832,659)	(3,339,795)
Net cash used in financing activities		<u>(2,732,659)</u>	<u>(10,960,695)</u>
Net increase/(decrease) in cash and cash equivalents		420,846	1,688,014
Cash and cash equivalents at 1 January		702,710	2,828,409
Currency translation differences		-	(7,593)
Cash and cash equivalents at 31 December		<u>1,123,556</u>	<u>4,508,830</u>

Cash and cash equivalents comprise of the followings:

	Notes	2025 US\$ KHR'000 (Note 5)	2024 US\$ KHR'000 (Note 5)
Cash on hand		4,218	16,927
Balance with the National Bank of Cambodia ("NBC")	6	24,401	97,921
Balance with other banks with original maturity of less than three months	7	<u>1,094,937</u>	<u>4,393,982</u>
		<u>1,123,556</u>	<u>4,508,830</u>



Notes to the financial statements

1. CORPORATE INFORMATION

TBB (Cambodia) Microfinance Institution Plc. is a public limited company incorporated in the Kingdom of Cambodia under the Registration No. Co. 1506 E/2015 dated 28 April 2015 issued by the Ministry of Commerce (“MOC”). On 12 June 2015, the Company obtained its license from the National Bank of Cambodia (“NBC”). The Company re-registered with the MOC on 13 December 2017 to operate as a microfinance institution, under the Registration No. 00029793.

The Directors regard Taiwan Business Bank, Ltd., a company incorporated in Taiwan and listed on the Taiwan Stock Exchange, as the immediate holding company of the Company. The controlling shareholder of the Company is Bank of Taiwan, an indirect wholly owned subsidiary of the Ministry of Finance of Taiwan.

The registered office and principal place of business of the Company is located in No. 2E-2F, St. 315, Sangkat Boeung Kak 1, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia.

On 12 September 2025, TBB (Cambodia) Microfinance Institution Plc. Boeung Keng Kong Branch has obtained the approval from National Bank of Cambodia (“NBC”) for closure during the year.

The principal activities of the Company are to provide loans and other financial services to local customers through its head office and branch in Phnom Penh.

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The financial statements of the Company were authorised for issue by the Board of Directors on 10 April 2026.

(b) Basis of measurement

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

3. FUNCTIONAL AND PRESENTATION CURRENCY

The Company transacts its business and maintains its accounting records in two currencies, Khmer Riel (“KHR”) and United States Dollars (“US\$”). Management has determined the US\$ to be the Company’s functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company.

These financial statements are presented in US\$, which is the Company’s functional currency. All amounts have been rounded to the nearest dollar or thousand riels, except when otherwise indicated.



4. USE OF ESTIMATE AND JUDGEMENTS

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 December 2025 is set out below in relation to the impairment of financial instruments and in the following notes in relation to other areas:

Note 25 (b(vii)) – identification and measurement of impairment.

5. BTRANSLATION OF UNITED STATES DOLLARS INTO KHMER RIEL

The financial statements are expressed in United States Dollars ("US\$") which is the Company's functional currency. The translations of US\$ amounts into Khmer Riel ("KHR") meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIFRS for SMEs Section 30 – Foreign Currency Translation.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital and other equity accounts are translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR at the average rate for the year, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the year. Exchange differences arising from the translation are recognised as "Currency Translation Differences" in other comprehensive income.

The Company uses the following exchange rates:

		Closing rate	Average rate
31 December 2025	US\$1 =	KHR 4,013	KHR 4,011
31 December 2024	US\$1 =	KHR 4,025	KHR 4,071

The translations to KHR 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 Riel at this or any other rate of exchange.



6. BALANCE WITH THE NATIONAL BANK OF CAMBODIA

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Capital guarantee deposits	1,000,000	4,013,000	1,000,000	4,025,000
Current accounts	24,401	97,921	11,472	46,175
	<u>1,024,401</u>	<u>4,110,921</u>	<u>1,011,472</u>	<u>4,071,175</u>

The capital guarantee deposit is maintained with NBC in compliance with Prakas No. B7-00-006 on the Licensing of Microfinance Institutions, the amounts of which are determined at 5% of the Company's authorised share capital. This is not available for use in the Company's day-to-day operations and is only refundable when the Company voluntarily liquidates or cease its operation.

The capital guarantee deposit earns interest at the rate of 1.25% per annum (2024: 0.37% per annum).

7. BALANCE WITH OTHER BANKS-NET

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Cash at banks	1,084,614	4,352,556	663,863	2,672,049
Saving accounts	1,270	5,097	1,277	5,140
Current accounts	<u>1,083,344</u>	<u>4,347,459</u>	<u>662,586</u>	<u>2,666,909</u>
	1,084,614	4,352,556	663,863	2,672,049
Accrued interest receivables	<u>10,323</u>	<u>41,426</u>	<u>20,675</u>	<u>83,217</u>
Cash and cash equivalents	1,094,937	4,393,982	684,538	2,755,266
Term deposits with original maturity of more than 3 months	<u>199,352</u>	<u>800,000</u>	<u>347,826</u>	<u>1,400,000</u>
	1,294,289	5,193,982	1,032,364	4,155,266
Less: Impairment loss	<u>(12,840)</u>	<u>(51,527)</u>	<u>(10,117)</u>	<u>(40,722)</u>
Balance as stated in the statement of financial position	<u>1,281,449</u>	<u>5,142,455</u>	<u>1,022,247</u>	<u>4,114,544</u>



7. Balance with other banks – net (continued)

Balance with other banks are analysed as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(a) By currency:				
KHR	1,016,396	4,078,797	455,564	1,833,645
US\$	277,893	1,115,185	576,800	2,321,621
	<u>1,294,289</u>	<u>5,193,982</u>	<u>1,032,364</u>	<u>4,155,266</u>
(b) By maturity:				
Within 1 month	1,094,937	4,393,982	684,538	2,755,266
More than 1 to 3 months	-	-	-	-
4 to 12 months	199,352	800,000	347,826	1,400,000
	<u>1,294,289</u>	<u>5,193,982</u>	<u>1,032,364</u>	<u>4,155,266</u>
(c) By interest rate:				
		Per annum		Per annum
Cash at banks		0.20% - 1.25%		0.20% - 1.05%
Term deposits		6.00% - 7.25%		4.50% - 8.20%

8. LOANS TO CUSTOMERS-NET

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Mortgage loans	15,602,572	62,613,121	16,268,312	65,479,956
Commercial loans	12,022,166	48,244,952	13,479,780	54,256,115
Personal loans	<u>5,751,922</u>	<u>23,082,463</u>	<u>5,603,307</u>	<u>22,553,310</u>
	33,376,660	133,940,536	35,351,399	142,289,381
Unamortised loan processing fees	<u>(98,338)</u>	<u>(394,630)</u>	<u>(77,841)</u>	<u>(313,310)</u>
Total loans to customers – gross	33,278,322	133,545,906	35,273,558	141,976,071
Less: Impairment loss allowance	<u>(659,628)</u>	<u>(2,647,087)</u>	<u>(786,713)</u>	<u>(3,166,520)</u>
Total loans to customers – net	<u>32,618,694</u>	<u>130,898,819</u>	<u>34,486,845</u>	<u>138,809,551</u>



8. Loans to customers – net (continued)

Movement in the impairment loss allowance during the year was as follows:

	2025 US\$	KHR'000 (Note 5)	2024 US\$	KHR'000 (Note 5)
At 1 January	786,713	3,166,520	647,944	2,646,852
Recognise in profit or loss	(127,085)	(509,738)	138,769	564,929
Currency translation differences	-	(9,695)	-	(45,261)
At 31 December	659,628	2,647,087	786,713	3,166,520

Gross loans to customers are analysed as follows:

	31 December 2025 US\$	KHR'000 (Note 5)	31 December 2024 US\$	KHR'000 (Note 5)
(a) By maturity:				
Within 3 months	1,435,250	5,759,658	3,844,780	15,475,240
4 to 12 months	7,320,488	29,377,118	4,609,937	18,554,996
1 to 2 years	8,131,811	32,632,958	8,881,322	35,747,321
2 to 3 years	1,807,354	7,252,912	430,351	1,732,163
3 to 4 years	3,686,189	14,792,676	437,388	1,760,487
4 to 5 years	1,111,314	4,459,703	3,660,185	14,732,245
Over 5 years	9,884,254	39,665,511	13,487,436	54,286,929
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>
(b) By payment methods:				
Declining method	12,492,861	50,133,851	13,177,493	53,039,409
Balloon repayment method	17,484,388	70,164,849	19,975,533	80,401,520
Declining method with grace period	3,399,411	13,641,836	2,198,373	8,848,452
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>
(c) By currency:				
US\$	27,982,373	112,293,263	31,565,988	127,053,102
KHR	5,394,287	21,647,273	3,785,411	15,236,279
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>

On 1 December 2016, the NBC issued a Prakas No. B7-016-334 on Provision of Credit in National Currency of Banking and Financial Institutions, required all institutions to maintain loans in national currency (KHR) at least 10% of the total loan portfolio.



8. Loans to customers – net (continued)

	31 December 2025		31 December 2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
(d) By relationship:				
External customers	33,376,660	133,940,536	35,351,399	42,289,381
(e) By economic sectors:				
Services	19,599,011	78,650,831	21,570,117	86,819,721
Trade and commerce	4,867,588	19,533,631	4,542,604	18,283,981
Financial institution	3,818,964	15,325,503	3,594,083	14,466,184
Construction	606,690	2,434,647	616,468	2,481,284
Manufacturing	1,292,727	5,187,713	1,413,360	5,688,774
Transportation	296,252	1,188,859	141,075	567,827
Agriculture	138,695	556,583	449,398	1,808,827
Other categories	2,756,733	11,062,769	3,024,294	12,172,783
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>
(f) By performance:				
Standard loans				
Secured	22,693,423	91,068,706	22,826,080	91,874,972
Unsecured	3,818,964	15,325,503	4,997,814	20,116,201
Special mention loans				
Secured	2,148,421	8,621,613	1,499,159	6,034,115
Sub-standard loans				
Secured	54,744	219,688	890,000	3,582,250
Doubtful loans				
Secured	-	-	420,948	1,694,316
Loss loans				
Secured	4,661,108	18,705,026	4,717,398	18,987,527
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>

Secured loans are collateralised by real estate properties such as land and building with hard or soft title deed. Soft title deed is not issued by cadastral department.



8. Loans to customers - net (continued)

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(g) By location:				
Head office	33,376,660	133,940,536	23,390,529	94,146,879
Branch	-	-	11,960,870	48,142,502
	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>

(h) By exposure:				
Non-large exposure	<u>33,376,660</u>	<u>133,940,536</u>	<u>35,351,399</u>	<u>142,289,381</u>

A "large exposure" is defined under NBC Prakas as the overall gross exposure of the aggregate balance of loans and advances with one single beneficiary, which exceeds 10% of the Company's net worth. The exposure is calculated based on the higher value between of the outstanding loans or commitments and the authorised loans or commitments.

	2025 Per annum	2024 Per annum
(i) By interest rate:		
Commercial loans	7.10% to 10.08%	7.08% to 10.08%
Mortgage loans	6.50% to 10.08%	6.96% to 12.00%
Personal loans	<u>7.15% to 9.85%</u>	<u>7.15% to 9.85%</u>

On 13 March 2017, the NBC issued a Prakas No. B7-017-109 on Interest Ceiling on Loans, requiring the microfinance deposit-taking institutions, microfinance institutions, and rural credit operators to set the interest rate to not exceeding 18% per annum, effective from 1 April 2017 applying to all new loans including restructured loans and refinancing.



9. PROPERTY AND EQUIPMENT

2025	Leasehold improvements US\$	Office equipment US\$	Computer equipment US\$	Furniture and fixtures US\$	Motor vehicle	Total US\$	KHR'000 (Note 5)
Cost							
At 1 January 2025	277,344	36,622	260,044	34,766	9,322	618,098	2,487,844
Additions	16,020	-	14,902	-	-	30,922	124,028
Disposal	(144,000)	(5,293)	(20,561)	-	-	(169,854)	(681,284)
Write-offs	(3,900)	(4,977)	(8,987)	(1,181)	-	(19,045)	(76,389)
Reclassification	-	1,210	-	(1,210)	-	-	-
Currency translation differences	-	-	-	-	-	-	(7,733)
At 31 December 2025	145,464	27,562	245,398	32,375	9,322	460,121	1,846,466
Less: Accumulated depreciation							
At 1 January 2025	250,261	35,851	111,524	28,184	9,322	435,142	1,751,450
Depreciation for the year	8,398	1,200	39,119	2,541	-	51,258	205,596
Disposal	(144,000)	(5,293)	(20,561)	-	-	(169,854)	(681,284)
Write-offs	(2,145)	(4,977)	(8,987)	(1,181)	-	(17,290)	(69,350)
Currency translation differences	-	-	-	-	-	-	(5,497)
At 31 December 2025	112,514	26,781	121,095	29,544	9,322	299,256	1,200,915

Carrying amounts

Included in the cost of property and equipment were items costing US\$441,441 which were fully depreciated as at 31 December 2025 (31 December 2024: US\$560,037), but which are still in active use.



9. PROPERTY AND EQUIPMENT (Continued)

2024	Leasehold improvements US\$	Office equipment US\$	Computer equipment US\$	Furniture and fixtures US\$	Motor vehicle US\$	Total US\$	KHR'000 (Note 5)
Cost							
At 1 January 2024	277,344	36,622	71,947	41,116	9,322	436,351	1,782,494
Additions	-	-	-	1,210	-	1,210	4,926
Write-offs	-	-	(1,078)	(7,560)	-	(8,638)	(35,165)
Transfer from intangible assets	-	-	189,175	-	-	189,175	770,131
Currency translation differences	-	-	-	-	-	-	(34,542)
At 31 December 2024	277,344	36,622	260,044	34,766	9,322	618,098	2,487,844
Less: Accumulated depreciation							
At 1 January 2024	242,052	34,609	71,254	33,189	9,322	390,426	1,594,890
Depreciation for the year	8,209	1,242	360	2,555	-	12,367	50,346
Write-offs	-	-	(1,078)	(7,560)	-	(8,638)	(35,165)
Transfer from intangible assets	-	-	40,988	-	-	40,988	166,862
Currency translation differences	-	-	-	-	-	-	(25,483)
At 31 December 2024	250,261	35,851	111,524	28,184	9,322	435,143	1,751,450
Carrying amounts							
At 31 December 2024	27,083	771	148,520	6,582	-	182,955	736,394



10. INTANGIBLE ASSETS

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Computer software				
Cost				
At 1 January	189,832	764,074	379,007	1,548,244
Transfer to property and equipment	-	-	(189,175)	(770,131)
Write-offs	(8,800)	(35,297)	-	-
Currency translation differences	-	(2,296)	-	(14,039)
At 31 December	181,032	726,481	189,832	764,074
Less: Accumulated amortisation				
At 1 January	68,113	274,156	38,697	158,079
Amortisation charge for the year	31,588	126,699	29,416	119,752
Write-offs	(8,729)	(35,012)	-	-
Currency translation differences	-	(773)	-	(3,675)
At 31 December	90,972	365,070	68,113	274,156
Carrying amount				
At 31 December	90,060	361,411	121,719	489,918

11. OTHER ASSETS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Prepayment and advance	52,044	208,853	79,946	321,782
Income tax credit	97,593	391,640	69,622	280,229
Other receivables	237,892	954,661	238,450	959,761
	387,529	1,555,154	388,018	1,561,772
Less: Impairment loss	(16,585)	(66,556)	-	-
	370,944	1,488,598	388,018	1,561,772

Movement in the impairment loss on other receivables during the year was as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	-	-	-	-
Recognise in profit or loss	16,585	66,522	-	-
Currency translation differences	-	34	-	-
At 31 December	16,585	66,556	-	-



12. SHARE CAPITAL

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Registered, issued and fully paid 20,000 ordinary share of US\$1,000 each	20,000,000	80,000,000	20,000,000	80,000,000

The Company's shares are wholly owned, and have been fully issued and paid up by Taiwan Business Bank, Ltd. which is also the Company's immediate holding company. There were no changes in share capital during the year.

13. REGULATORY RESERVES

Regulatory reserves represented the variance of provision between loans impairment in accordance with CIFRS for SMEs and regulatory provision in accordance with National Bank of Cambodia.

As at 31 December 2025, the Company transferred from regulatory reserves to accumulated losses US\$141,281 as result from allowance on loans to customers per NBC and per CIFRS for SMEs (2024: transferred from accumulated losses to regulatory reserves of US\$729,609).

	Total US\$
31 December 2025	
Allowance per NBC	6,051,795
Allowance per CIFRS for SMEs	(672,468)
Regulatory reserves (A)	5,379,327
31 December 2024	
Allowance per NBC	6,317,438
Allowance per CIFRS for SMEs	(796,830)
Regulatory reserves (B)	5,520,608
Transfer from regulatory reserves to accumulated losses/transfer from accumulated losses to regulatory reserves (A) – (B)	(141,281)
KHR'000 (Note 5)	(566,678)



14. BORROWINGS

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
External financial institutions	14,200,000	56,984,600	16,100,000	64,802,500
Accrued interest payable	44,444	178,354	60,062	241,750
	<u>14,244,444</u>	<u>57,162,954</u>	<u>16,160,062</u>	<u>65,044,250</u>

Borrowings are analysed as follows:

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
(a) By maturity:				
Within 1 month	44,444	178,354	-	-
1 to 3 months	-	-	60,062	241,750
4 to 12 months	14,200,000	56,984,600	-	-
1 to 2 years	-	-	16,100,000	64,802,500
	<u>14,244,444</u>	<u>57,162,954</u>	<u>16,160,062</u>	<u>65,044,250</u>

(b) By type:

Senior debts	<u>14,244,444</u>	<u>57,162,954</u>	<u>16,160,062</u>	<u>65,044,250</u>
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The Company's interest expense for the year amounted US\$817,041 (2024: US\$1,343,411) and bears interest rates ranging from 4.78% to 5.65% per annum (2024: 5.33% to 7.35%).

15. OTHER LIABILITIES

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Accrued bonuses	211,610	849,191	329,841	1,327,609
Other taxes	13,661	54,822	22,129	89,069
Other payables	67,169	269,549	-	-
	<u>292,440</u>	<u>1,173,562</u>	<u>351,970</u>	<u>1,416,678</u>



16. INTEREST INCOME

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Loans to customers	2,583,308	10,361,648	3,006,570	12,239,746
Balances with NBC and other banks	26,091	104,651	83,004	337,910
	<u>2,609,399</u>	<u>10,466,299</u>	<u>3,089,574</u>	<u>12,577,656</u>

17. OTHER INCOME

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Other interest income	74,782	299,951	173,973	708,244
Net unrealised foreign exchange gain	22,850	91,652	115,555	470,424
Net realised foreign exchange gain	15,925	63,875	39,785	161,965
Other income	762	3,056	3,965	16,142
	<u>114,319</u>	<u>458,534</u>	<u>333,278</u>	<u>1,356,775</u>

18. PERSONNEL EXPENSES

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Salaries and bonuses	557,834	2,237,472	525,474	2,139,205
Management allowance	203,842	817,610	243,923	993,011
Management accommodation	117,232	470,218	139,688	568,670
Seniority indemnity	12,073	48,425	11,328	46,116
Other benefits	21,056	84,455	12,812	52,157
	<u>912,037</u>	<u>3,658,180</u>	<u>933,225</u>	<u>3,799,159</u>



19. TGENERAL AND ADMINISTRATIVE EXPENSES

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Other tax expense	209,957	842,138	452,213	1,840,959
Rental expenses	181,000	725,991	171,080	696,467
Professional fees	60,709	243,504	72,152	293,731
Stationery and utility expenses	18,210	73,040	20,487	83,403
Party and entertainment expenses	8,119	32,565	12,873	52,406
Insurance expense	17,445	69,972	16,958	69,036
Security expense	13,068	52,416	14,256	58,036
Marketing and advertising	3,700	14,841	7,040	28,660
Communication expense	10,465	41,975	9,903	40,315
Loss on unrealised foreign exchange - net	33,487	134,316	83,607	340,364
Loss on loan modification	126,439	507,147	-	-
Others	73,740	295,771	60,662	246,954
	<u>756,339</u>	<u>3,033,676</u>	<u>921,231</u>	<u>3,750,331</u>

20. INCOME TAX

(a) Applicable tax rates

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

According to Prakas 638 issued on 4 July 2017, an entity is eligible to be exempted from payment of minimum tax if it maintained proper accounting records and obtained approval from the General Department of Taxation ("GDT").

The Company has obtained the letter certifying proper accounting record from the GDT on 11 October 2024 for fiscal year 2024 and 2025. Therefore, the Company is exempted from payment of minimum tax for years 2024 and 2025.



20. INCOME TAX (CONTINUED)

(b) Income tax expense (continued)

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Deferred tax expense:				
Current year	127,427	511,110	152,165	619,463
Under provision in prior year	-	-	11,715	47,692
	<u>127,427</u>	<u>511,110</u>	<u>163,880</u>	<u>667,155</u>

The reconciliation of income tax expense computed at the statutory tax rate of 20% to the income tax expense shown in profit or loss is as follows:

	2025			2024		
	US\$	KHR'000 (Note 5)	%	US\$	KHR'000 (Note 5)	%
Profit before income tax	<u>305,823</u>	<u>1,226,658</u>		<u>132,695</u>	<u>540,202</u>	
Income tax using statutory rate at 20%	61,165	245,333	20	26,539	108,040	20
Non-deductible expenses	318,453	1,277,315	104	291,302	1,185,890	220
Utilisation of tax losses carried forward	(252,191)	(1,011,538)	(82)	(165,676)	(674,467)	(125)
Under provision in prior year	-	-	-	11,715	47,692	9
	<u>127,427</u>	<u>511,110</u>	<u>42</u>	<u>163,880</u>	<u>667,155</u>	<u>124</u>

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

Movements of income tax credit were follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
As at 1 January	(69,622)	(280,229)	-	-
Income tax paid	(27,971)	(112,192)	(69,622)	(283,431)
Currency translation differences	-	781	-	3,202
As at 31 December	<u>(97,593)</u>	<u>(391,640)</u>	<u>(69,622)</u>	<u>(280,229)</u>



20. INCOME TAX (CONTINUED)

(c) Deferred tax liabilities – net

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Deferred tax assets	85,427	342,820	274,744	1,105,845
Deferred tax liabilities	(799,918)	(3,210,072)	(861,808)	(3,468,777)
Deferred tax liabilities – net	<u>(714,491)</u>	<u>(2,867,252)</u>	<u>(587,064)</u>	<u>(2,362,932)</u>

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

	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Unamortised loan processing fees	19,670	78,937	-	-
Property and equipment and intangible assets	16,460	66,054	11,674	46,988
Impairment losses	(799,918)	(3,210,072)	(861,808)	(3,468,777)
Tax loss carried forward	49,297	197,829	263,070	1,058,857
	<u>(714,491)</u>	<u>(2,867,252)</u>	<u>(587,064)</u>	<u>(2,362,932)</u>

Movement of net deferred tax is as follows:

	2025		2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
At 1 January	(587,064)	(2,362,932)	(423,184)	(1,728,707)
Recognised in profit or loss	(127,427)	(511,110)	(163,880)	(667,155)
Currency translation differences	-	6,790	-	32,930
At 31 December	<u>(714,491)</u>	<u>(2,867,252)</u>	<u>(587,064)</u>	<u>(2,362,932)</u>



21. CLASSIFICATION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

	Amortised cost			
	31 December 2025		31 December 2024	
	US\$	KHR'000 (Note 5)	US\$	KHR'000 (Note 5)
Financial assets				
Cash on hand	4,218	16,927	6,700	3,863
Balances with the National Bank of Cambodia	1,024,401	4,110,921	1,011,472	1,028,372
Balances with other banks – net	1,281,449	5,142,455	1,022,247	4,114,544
Loans to customers – net	32,618,694	130,898,819	34,486,845	138,809,551
Other assets	268,297	1,076,676	309,360	1,245,174
Total financial assets	<u>35,197,059</u>	<u>141,245,798</u>	<u>36,836,624</u>	<u>145,201,504</u>
Financial liabilities				
Borrowings	14,244,444	57,162,954	16,160,062	24,123,765
Other liabilities	268,760	1,078,534	174,952	704,182
Total financial liabilities	<u>14,513,204</u>	<u>58,241,488</u>	<u>16,335,014</u>	<u>24,827,947</u>

22. LEASE COMMITMENTS

The Company has commitments for the lease of its headquarter under non-cancellable operating lease arrangements, with future minimum lease amounts due as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
Within 1 year	125,000	501,625	113,740	457,804
From 1 to 5 years	78,940	316,786	65,240	262,591
	<u>203,940</u>	<u>818,411</u>	<u>178,980</u>	<u>720,395</u>



23. RELATED PARTIES

(a) Identity of related parties

The related parties of, and their relationship with the Company are as follows:

Relationship	Related party
Shareholder	Refer to Note 12
Key management personnel	All directors of the Company who make critical decisions in relation to the strategic direction of the Company and senior management staff (including their close family members).

There are no related party balances and transactions as at 31 December 2025 and for the year ended except for the key management remuneration as stated below.

(b) Key management personnel compensation

Total key management personnel compensation is analysed as below:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 5)		(Note 5)
Salaries and related expenses	337,155	1,352,328	537,993	2,190,170

24. TAXATION CONTINGENCIES

The Company assesses its tax obligations based on applicable tax laws and regulations as of the reporting date. Given the evolving nature of tax legislation, certain tax treatments may necessitate judgment and interpretation. Management exercises judgment in establishing the Company's tax positions and continually monitors regulatory developments. While the Company strives to comply with current tax requirements, interpretations of tax regulations may vary. Any adjustments resulting from regulatory reviews, once conducted and finalised, will be reflected into the financial statements as appropriate.

25. SIGNIFICANT ACCOUNTING POLICIES

The Company has consistently applied the following accounting policies to all periods presented in these financial statements, unless otherwise indicated.



25. Significant accounting policies (continued)

(a) Foreign currency transactions

Transactions in currencies other than US\$ are translated into US\$ at the exchange rate ruling at the dates of the transactions.

Monetary assets and liabilities denominated in currencies other than US\$ at the reporting date are translated into US\$ at the exchange rate ruling at that date. Non-monetary items that are measured in terms of historical cost in other currency are translated using the exchange rates as at the respective dates of the initial transactions. Foreign currency differences arising on translation are recognised and reported on a net basis in profit or loss under “Other income/(loss)” depending on whether the foreign exchange movements are in net gain or net loss position.

(b) Financial instruments

(i) Recognition

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

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

(ii) Classification

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

(iii) Derecognition

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

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



25. Significant accounting policies (continued)

(b) Financial instruments (continued)

(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 currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Amortised cost measurement

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

(vi) Fair value measurement

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

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

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

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

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



25. Significant accounting policies (continued)

(b) Financial instruments (continued)

(vii) Identification and measurement of impairment

Objective evidence of impairment

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

Objective evidence that financial assets are impaired includes:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

Individual and collective assessment

All individually significant assets are individually assessed for impairment.

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

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



25. Significant accounting policies (continued)

(b) Financial instruments (continued)

(vii) Identification and measurement of impairment (continued)

A collective component of the total allowance is established for:

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

The collective allowance for groups of homogeneous loans is established using statistical methods such as roll rate methodology, a formula approach based on historical loss rate experience.

In assessing the collective loss allowance, management considers factors such as credit quality, portfolio size, concentrations and economic factors. To estimate the required allowance, assumptions are made to define how inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowance depends on the model assumptions and parameters used in determining the collective allowance.

Measurement

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

Reversal of impairment and write offs

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the entity shall reverse the previously recognised impairment loss either directly or by adjusting an allowance account.

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

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



25. Significant accounting policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, demand deposits and short-term highly liquid investments with original maturities of three months or less when purchased, and that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, and are used by the Company in the management of its short-term commitments.

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

(d) Balances with other banks

Placements with other banks are carried at amortised cost using the effective interest method in the statement of financial position.

(e) Statutory deposits

Statutory deposits represent capital guarantee deposits maintained with the National Bank of Cambodia ("NBC") in compliance with the Law on Banking and Financial Institutions ("LBI") and are determined by defined percentages of minimum share capital as required by the NBC. Statutory deposits are not available to finance the Company's day-to-day operations hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

Statutory deposits are carried at amortised cost using the effective interest method in the statement of financial position.

(f) 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 amortised cost using the effective interest method.

(g) Other assets

Other assets are recorded at cost less impairment loss if any in the statement of financial position.



25. Significant accounting policies (continued)

(h) Property and equipment

Items of property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Where an item of property and equipment comprises major components having different useful lives, the components are accounted for as separate items of property and equipment.

Depreciation of property and equipment is charged to profit or loss on a straight-line basis over the estimated useful lives of the individual assets as follows:

	Useful lives (years)
Leasehold improvements	Shorter of lease term or 5
Office equipment	4
Computer equipment	5
Furniture and fixtures	4
Motor vehicles	4

Subsequent expenditure relating to an item of property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Company. All other subsequent expenditure is recognised as an expense in the year in which it is incurred.

Gains or losses arising from the retirement or disposal of an item of property and equipment are determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss on the date of retirement or disposal.

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

(i) Intangible assets

Intangible assets comprise of computer software is measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible asset is amortised at the rate of 25% per annum using the straight-line method.

Costs incurred in planning or evaluating software proposals, or in maintaining systems after implementation, are not capitalised.

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.



25. Significant accounting policies (continued)

(j) Impairment of non-financial assets

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

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

(k) Borrowings and other liabilities

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

(l) Provisions

Provisions are recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

(m) Employee benefits

Short-term employee benefits

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

Long – term employee benefits

The Company's net obligation in respect of long – term employee benefits is the amount of the benefit that employees have earned in return for their service in the current and prior periods, including seniority payment. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.



25. Significant accounting policies (continued)

(n) Share capital

Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

(o) Regulatory reserves

Regulatory reserves are set up for the variance of provision between loan impairment in accordance with CIFRS for SMEs and regulatory provision in accordance with National Bank of Cambodia's Prakas No. B7-017-344 dated 1 December 2017 Circular No. B7-018-001 Sor Ror Chor Nor dated 16 February 2018 on Credit Risk Classification and Provision on Impairment for Banks and Financial Institutions. On 5 February 2025, the NBC issued a notification letter to all banks and financial institutions requiring that the regulatory provision in accordance with the NBC shall be calculated based on the gross carrying amount (including accrued interest receivables), multiplied by the provision rates for each loan.

Based on these NBC Guidelines, all loans to customers are classified according to the repayment capacity of the counterparty and the number of days past due is taken into account as follows:

Classification	Number of days past due	Allowance
Short-term loans (less than or equal one year):		
Normal/standard	<15 days	1%
Special mention	15 days – 30 days	3%
Substandard	31 days – 60 days	20%
Doubtful	61 days – 90 days	50%
Loss	≥ 91 days	100%

Based on these NBC Guidelines, all loans to customers are classified according to the repayment capacity of the counterparty and the number of days past due is taken into account as follows:
(continued)

Classification	Number of days past due	Allowance
Long-term loans (more than one year):		
Normal/standard	<30 days	1%
Special mention	≥ 30 days – 89 days	3%
Substandard	≥ 90 days – 179 days	20%
Doubtful	≥ 180 days – 359 days	50%
Loss	More than 359 days	100%



25. Significant accounting policies (continued)

(o) Regulatory reserves(continued)

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

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

The regulatory reserves are not an item to be included in the calculation of the Company's net worth.

(p) Interest

Interest income and expense are recognised in profit or loss using the effective interest method. The effective interest method is a method of calculating the amortised 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 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.

(q) Fees and commission

Fees and commission income and expense that are integral to the effective interest rate on a financial asset or financial liability are included in the measurement of the effective interest rate.

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

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



25. Significant accounting policies (continued)

(r) Operating leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease.

(s) Income taxes

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

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for the Company and the reversal of temporary differences. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

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.



25. Significant accounting policies (continued)

(s) Income taxes(continued)

(ii) *Deferred tax(continued)*

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

(t) Accounting standards issued, but not yet effective

In February 2025, the International Accounting Standards Board (“IASB”) issued the Third Edition of the IFRS for SMEs Accounting Standard, which will be simultaneously adopted as CIFRS for SMEs. This standard becomes effective for annual reporting periods beginning on or after 1 January 2027. While early adoption is permitted, the Company has opted to implement the new standard from its mandatory effective date. This revised edition introduces significant amendments across multiple accounting areas, aiming to better align the IFRS for SMEs with updates to IFRS accounting standards. Key changes include modifications to financial statement presentation, revenue recognition, financial instruments, consolidation, leases, and other reporting areas. As of the financial statement date, management is assessing the potential impact of these changes on the Company’s financial statements, including any necessary adjustments to accounting policies, disclosures, and financial reporting processes.



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