



សម្បាយ ក្រេឌីត ខម្ពេសល ភីអិលស៊ី

Sabay Credit Commercial Plc.



2022

ANNUAL REPORT

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Message from Chairman of BOD/CEO

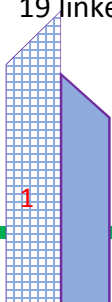
On behalf of the Board of Directors, I would like to congratulate and appreciate to all members and partners including, board of directors, customers and all staff for their collective efforts, valuable contributions to Sabay Credit Commercial Plc.

Over the past six years Sabay Credit Commercial Plc. (SCC) has been operating as a private microfinance to support low and middle income of Cambodian people. SCC has played a key role in building a stronger financial institutions to reach economic stability by offer Cambodian people to own affordable house through a long term mortgage loan.

During 2022 we successfully managed to grow our loan portfolio by 8.59% compared to 2021. The global economy faces fallout from the Russo-Ukrainian conflict, tightening financial conditions, and Covid-19 linked uncertainty.

The National Bank of Cambodia (NBC) previously put the 2022 growth rate at 5.1 per cent, and its governor Chea Chanto claims that the levels of peace as well as political and macroeconomic stability in the Kingdom could steer the economy towards accelerated progress and achieve the six per cent target.

Cambodia's economy grew by an estimated 5.2% in 2022, owing primarily to rising external demand for Cambodian products and tourism services, which led to a revival of demand for food and accommodation, and growth in local trade, transport, and communications subsectors. With improved confidence in travel and removal of mobility restrictions, international visitor arrivals staged a strong rebound to about 2.3 million in 2022 from a low base of about 200,000 in 2021. However, Cambodia's economy is forecast to grow at 5.5% in 2023 and 6.0% in





2024, according to a report released today by the Asian Development Bank.

I would like to show you our achievement, operation & financial performance highlight and financial report audited for the year end 2022.

Sincerely yours

ព្រះរាជាណាចក្រកម្ពុជា
ជាតិ សាសនា ព្រះមហាក្សត្រ
សម្ពាធិ កុកខ្ចីត ខេមប៉ាស៊ីយ៉ា កម្ពុជា
SABAY CREDIT COMMERCIAL
Plc.
KINGDOM OF CAMBODIA



Better House Better Life

Oknha Khau Kimbac
Chairman of BOD/CEO

Vision

SBCC offers a new source of financial services and provides an opportunity to Cambodian to achieve their goals.



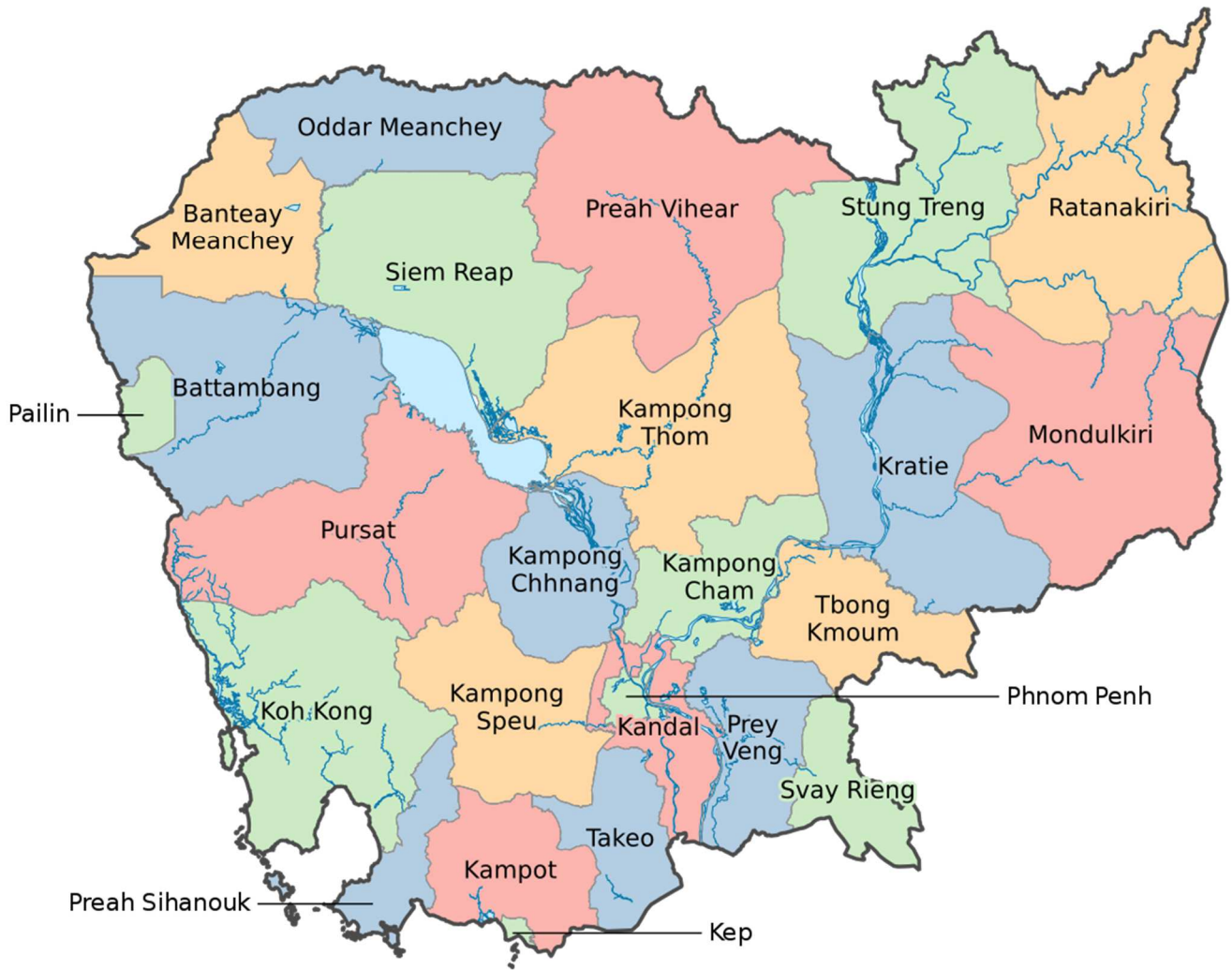
Mission

SBCC contributes to improve Cambodian's lives by supporting personal and business investment.

SBCC strengthens and develops economics of rural and city in Cambodia.

Goal

Head Office



 #228, Preah Norodom Blvd, Sangkat Tonle Basac, Khan Chamkamorn, Phnom Penh.

 092 661 668  info@sabaycredit.com  www.sabaycredit.com

LICENSE FROM NBC



ធនាគារជាតិ នៃ កម្ពុជា
NATIONAL BANK OF CAMBODIA

លេខ : ២.៣៦៨
N° : M.F.68

ព្រះរាជាណាចក្រកម្ពុជា
KINGDOM OF CAMBODIA
ជាតិ សាសនា ព្រះមហាក្សត្រ
Nation Religion King

អាជ្ញាប័ណ្ណប្រកបអាជីវកម្មត្រីប៊ុនធុនតូច
LICENSE TO CONDUCT MICROFINANCE BUSINESS

ធនាគារជាតិ នៃ កម្ពុជា

អនុញ្ញាតឱ្យ ត្រីប៊ុន ឧបត្ថម្ភ ប្រតិបត្តិ ឧបត្ថម្ភសេវា កំរិតតូច ដែលមានទីស្នាក់ការកណ្តាលតាំងនៅ ផ្ទះលេខ២២៨ មហាវិថីព្រះនរោត្តម ក្រុងប៉ោយប៉ែន សង្កាត់ទន្លេបាសាក់ ខណ្ឌទំពារមន រាជធានីភ្នំពេញ ដើម្បីប្រកប អាជីវកម្មជា ត្រីប៊ុនធុនតូច។

ត្រីប៊ុនធុនតូច ប្រតិបត្តិ ឧបត្ថម្ភសេវា កំរិតតូច ត្រូវ គោរពយ៉ាងម៉ឺងម៉ាត់តាមច្បាប់ស្តីពី ត្រីប៊ុនធុនតូច និង ច្បាប់ស្តីពី បទបញ្ជា លាភចរណ៍ ព្រមទាំង លក្ខខណ្ឌទាំងឡាយរបស់ ធនាគារជាតិ នៃ កម្ពុជា។

ថ្ងៃ ខែ ឆ្នាំ ២០២២ នៃ តេឡេក្រាម ចេញស្តីពី លេខ ៣២៦៦ ធ្វើនៅ រាជធានីភ្នំពេញ ថ្ងៃ ខែ ឆ្នាំ ២០២២



ស. ហេង

Phnom Penh, July 25, 2022
Governor
Signed and sealed.

THE NATIONAL BANK OF CAMBODIA

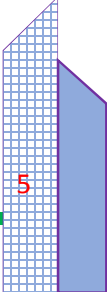
Allows institution SABAY CREDIT COMMERCIAL PLC. to conduct business as microfinance institution with head office at N° 228, Preah Norodom Blvd., Group 64, Sangkat Tonle Basak, Khan Chamkar Mon, Phnom Penh.

Microfinance institution SABAY CREDIT COMMERCIAL PLC. shall abide by the Law on Banking and Financial Institutions and Prakas, regulations, circulars, and conditions prescribed by the National Bank of Cambodia.

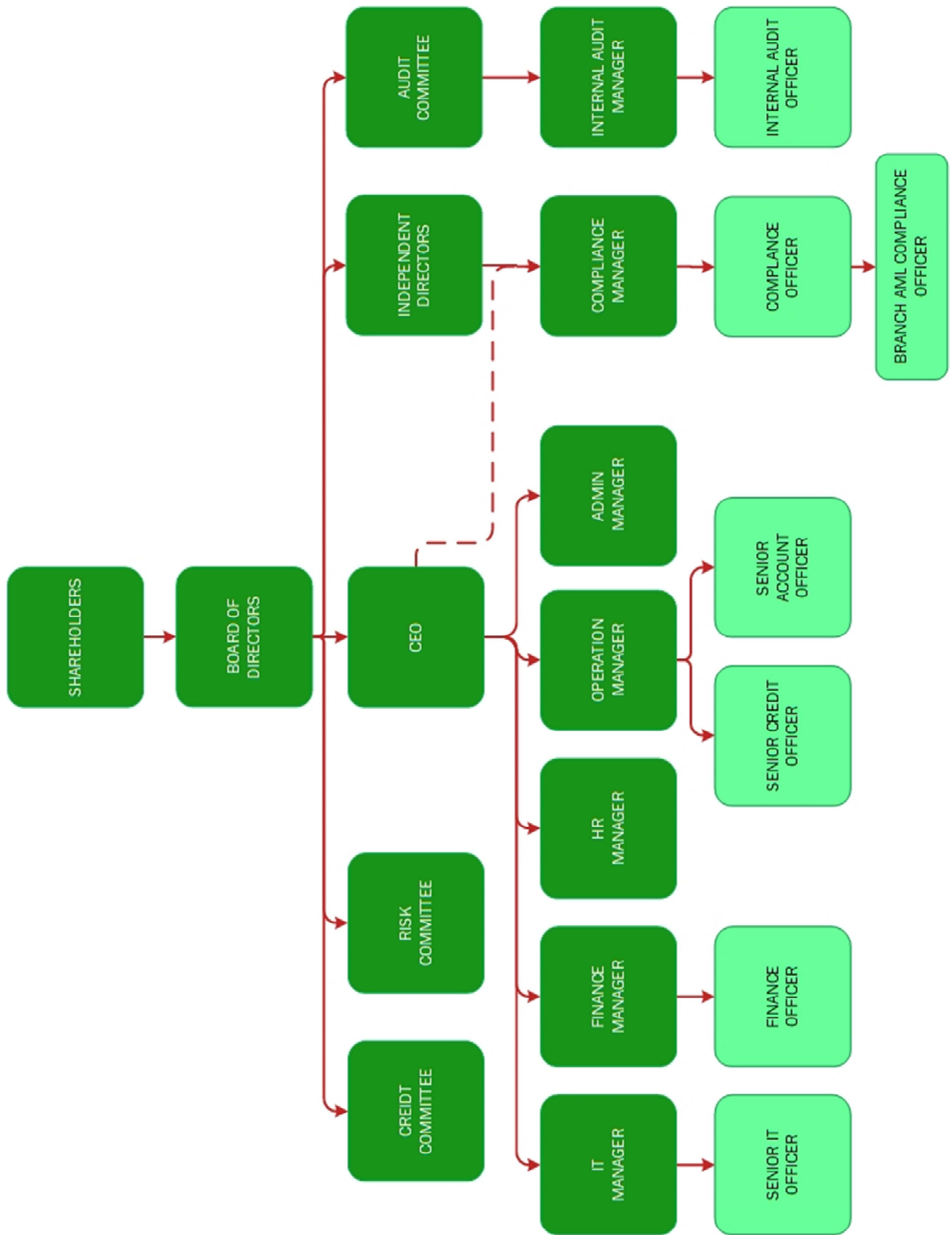
Phnom Penh, July 25, 2022
Governor
Signed and sealed.

- អាជ្ញាប័ណ្ណនេះ មានសុពលភាពរហូតដល់ថ្ងៃទី១១ ខែឧសភា ឆ្នាំ២០២៥
- អាជ្ញាប័ណ្ណនេះ ត្រូវតែបង្ហាញសាធារណៈជនប្រចាំពេលវេលា

- This license is valid until, May 11, 2025
- This license shall be displayed in public at all times.



ORGANIZATIONAL CHART



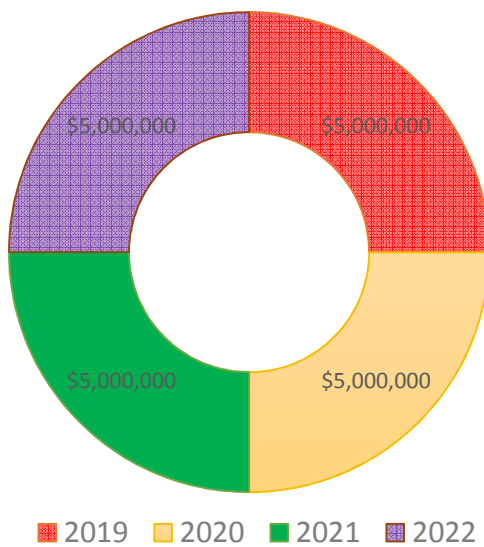
2021

Active Loans : 75
Male : 47
Female : 28
Loan Portfolio : \$8,359,253
Equity : \$6,196,073

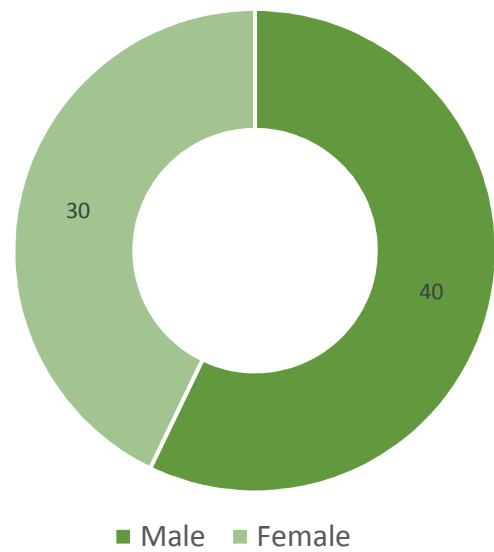
2022

Active Loans : 79
Male : 50
Female : 29
Loan Portfolio : \$9,077,063
Equity : \$5,405,118

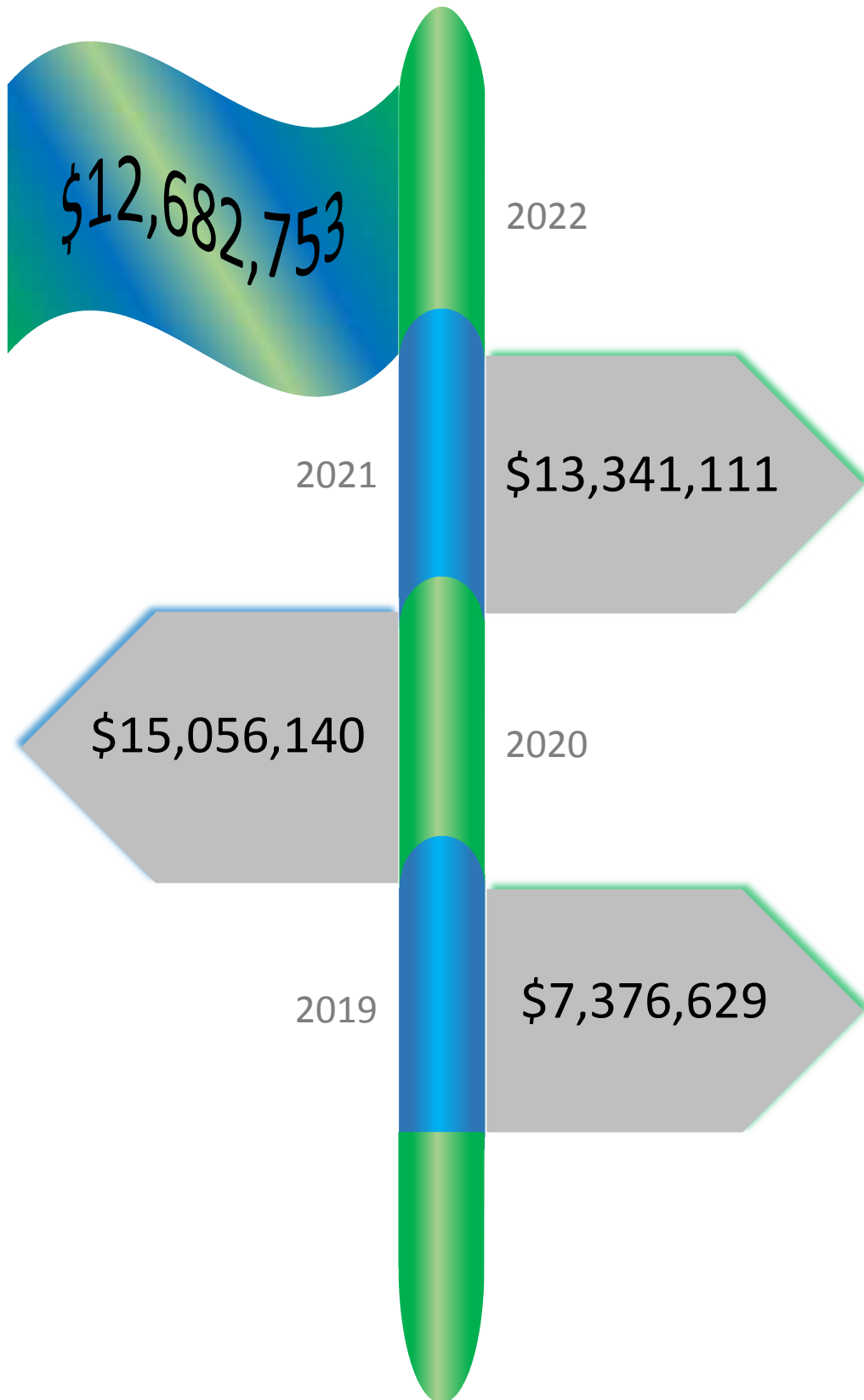
Capital



Client by gender

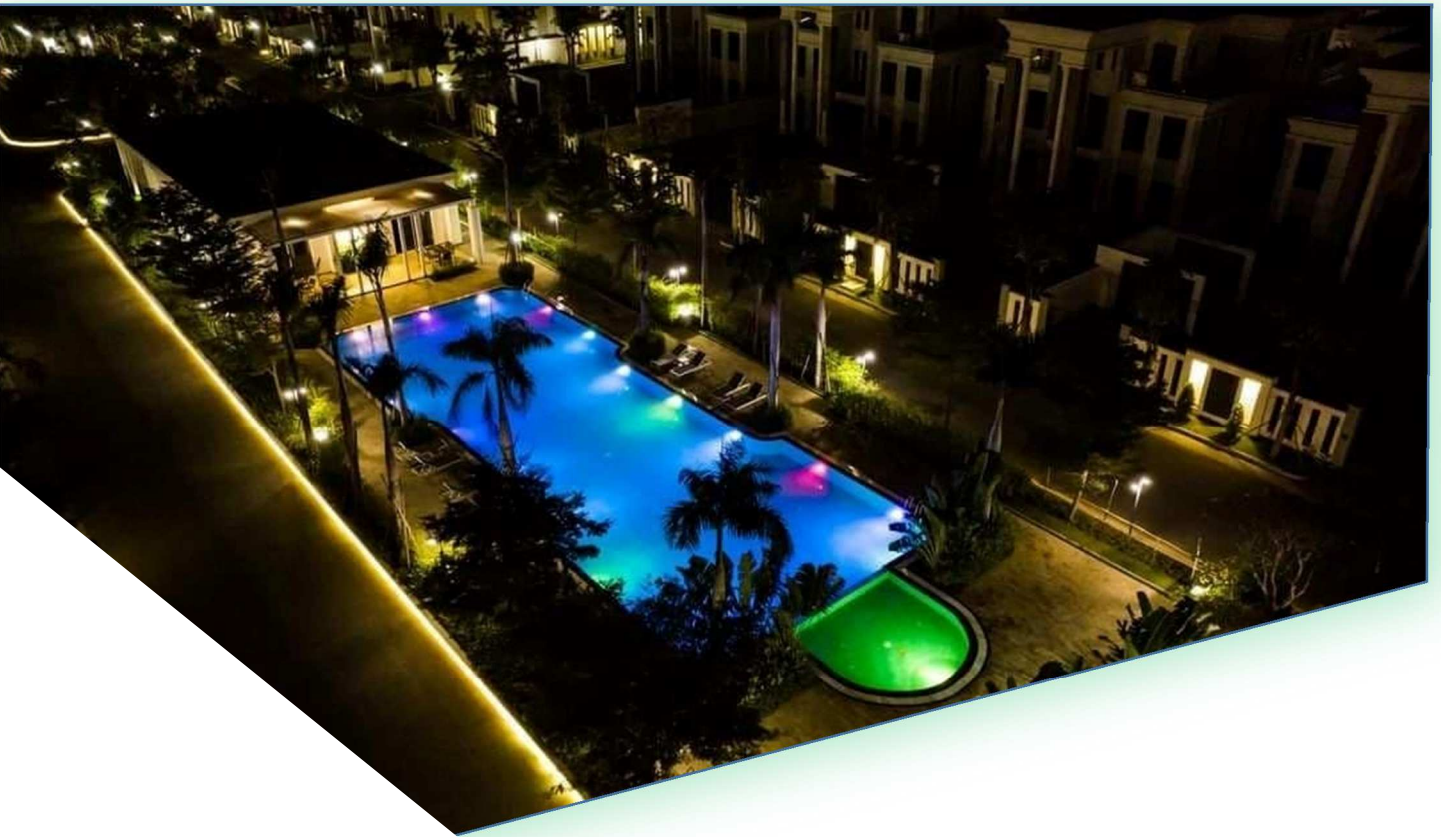


Total assets



The demand of buying the house is dramatically increasing, due to the growth of population. Therefore, the construction industry has been highly emerged as the one of the main economics driving force of Cambodia.





Board of Directors



Mr. KHAU Kimbac
Chief of BOD

He start working with the company since it was operated in 2015 with the position of Chief Executive Officer. Since 1989 until now he is Chief Executive Officer at Asia Flour Mill Crop. From 1993 till 1999 he was an assistant to H.E Sar Kheng Deputy Prime Minister, Minister of Ministry of Interior. Moreover, in 1999 till now he is direct advisor to H.E Sar Kheng Deputy Prime Minister, Minister of Ministry of Interior. He is graduated Bachelor degree of Economy.



H.E SAR Ratha
Member

His Excellency Sar Ratha successfully graduated four Bachelor Degrees. First of all, he got Bachelor Degree from North Bridge International School Cambodia 2004. Then, he got Bachelor Degree of Business Management from Singapore 2008. And, he received another Structural Engineering from Singapore 2009. Last of all, he finished Police Policy Bachelor degree in 2011. Currently, he is a member of board of director of Microfinance Sabay Credit Commercial Plc.





Mr. TEK Heng
Member

Mr. Tek Heng, born in 1976, joined SBCC MFI in 2016 with the position of HR manager. He was an account and Administrator Doung Chhiv import export from 1993 to 2000. From 2001 to 2005 he worked for Flood Repair Program in the position of Accounts Manager. From 2006 until now he worked for Asia Flour Mill Crop as HR Manager He holds a Master Degree of business Management and is PhD applicant for Public Administration of Royal Academy of Cambodia.



Mr. BUN Natt
Independent Director

Mr. Bun Natt graduated Bachelor Degree in Accounting at the National University of Management. He worked as an Assistant Accountant for 4 years at Lux Riverside Hotel & Apartments. He also had experiences as a Credit officer at AMK Microfinance. From 2015 until now he has worked as Accountant at Season Apartment & Residence Co., Ltd. SBCC appointed him as an Independent Director since 2018, which had approved from National Bank of Cambodia.

Management Team



Mr. KHAU Kimbac
CEO

He start working with the company since it was operated in 2015 with the position of Chief Executive Officer. Since 1989 until now he is Chief Executive Officer at Asia Flour Mill Crop. From 1993 till 1999 he was an assistant to H.E Sor Kheng Deputy Prime Minister, Minister of Ministry of Interior. Moreover, in 1999 till now he is direct advisor to H.E Sor Kheng Deputy Prime Minister, Minister of Ministry of Interior. He is graduated Bachelor degree of Economy.



Ms. LAY Sothy
Admin Manager

Ms. Lay Sothy, born in 1959, joined SBCC MFI in 2016 with the position of Admin Manager. In 1979 till now she worked for Asia Flour Mill Crop as Admin Manager. She holds a Bachelor Degree of law.



Ms. HEM Kimyuth
Internal Auditor

Ms. Hem Kimyuth, was born in 1965, has joined SBCC MFI since February 2016. She experienced working as Accountant for Asia Flour Mill Crop started from Jan 2002 until now. She worked with many bank such as THAI FARMER, MUNICIPALE BANK. She graduated Accounting Field from Human Resource Organization.





Mr. TEK Heng
HR Manager

Mr. Tek Heng, born in 1976, joined SBCC MFI in 2016 with the position of HR manager. He was an account and Administrator Doung Chhiv import export from 1993 to 2000. From 2001 to 2005 he worked for Flood Repair Program in the position of Accounts Manager. From 2006 until now he worked for Asia Flour Mill Crop as HR Manager He holds a Master Degree of business Management and is PhD applicant for Public Administration of Royal Academy of Cambodia.



Ms. ORK Dareth
Senior Accountant

Ms. Ork Dareth gained 2 Bachelor degrees of Business Administration in Management and Education Teaching English as Foreign at IFL from National University of Management (NUM) and Royal University of Phnom Penh. Most of her experiences were in a Microfinance Institution, she often received promotion in her career life in Amatak Capital Microfinance Plc. She first started a job as a Teller for 2 years and then got higher rank as a Senior Teller and last respectively upgraded as an Accountant for 3 years. With experiences of this sector, she is competent in MFI financial and Operational report, management and skillful in the system as well. Nowadays she is working as a Senior Accountant for Sabay Credit Commercial Plc.



Mr. KHAT Mare
Operation Manager

Mr. Khat Mare joined in Sabay Credit Commercial Plc. in June 2016 as Operation Manager. He had over 19 years in Bank Industry including foreign and local bank. Previously, he was a Branch Manager at Cambodia Commercial Bank (CCB) at Battambang Branch. With experiences in banking sector, he has strong experience in banking and various positions. Othermore he was a Mortgage Manager at Hong Leong Bank (HLB) from 2012 to 2015. He also was Marketing and Credit Officer (Level 4) at Phnom Penh Commercial Bank (PPCB) from 2011 to 2012. He was Assistant of Vice President which handled many department of Marketing, Internal Audit and Credit Department from 2003 to 2011. He graduated Bachelor Degree of Economic Science with specialist of Finance and Banking at Royal of University of Law and Economic (RULE). Currently he's a candidate of Master degree of Management Business Association at Build Bright University (BBU).



Mr. ENG Sophara
IT Manager

Mr. Eng Sophara joined Sabay Credit Commercial Plc. as IT Manager. He has 17 years of experience in IT project implementation and administration, IT security, IT policy and procedures. He served the main role in last position as a Project Team Leader and Application support such as HR Management System, Loan Management System and Health Care Management System. He was part of the ICT Working Group for ICT for Development (ICT4D) initiative from 2010 to 2016. He obtained Bachelor Degree of Information Technology at Norton University in 2007.





Mr. OENG Samnieng
Credit Manager

Mr. Oeng Samnieng spent 13 years with banks sector both commercial banks and Microfinance in Cambodia. His last position was Credit Evaluator, Union Commercial Bank. He is also a professional banker in Management, Credit, Marketing and Portfolio management. Among the many Commercial Banks and Micro Finance Institution, He held a management position in 4 years both UCB and Phillip Bank, Canadia Bank as well. Beside his Experiences, He held Master of Finance Degree, National University of Management.



Mr. KHOV Khunly
Compliance Manager

Mr. Khov Khunly, Cambodian, born in 1983. He has joint with the Sabay Credit Commercial Plc, since November 2020, is holding a position of Compliance Manager with recognition from the National Bank of Cambodia. He has currently gained with two bachelor degrees, which are the field of Public Administration from the Royal University of Law and Economics in 2015, and Banking and Finance from the Build Bright University in 2010. In 2020, he has gained the certificate of Regulatory Compliance, and the certificate of AML/CFT/Regulatory Environment from the Institute of Banking and Finance, IBF.

In addition, Mr. Khov Khunly has around 11 years of experiences with the banking and financial sectors in any positions. His first position in banking and financial sectors was as Credit Officer at Sathapana Limited in April 2009. In December 2010, he joined with the Green Central Microfinance Co., Ltd, was holding various positions such as Credit Officer, Administrator, and Deputy Department Manager of HR & Admin at the last time. In July 2014, he joined with the ORO Financecorp Plc., with the first position was as Credit Officer and then as Legal & Compliance Officer. In October 2018, he joined with the Evergrowth (Cambodia) Specialized Bank Plc, was holding a position of HR & Admin Department Manager.



Sabay Credit invested further in human resources and technology for the Compliance Division to proactively develop, implement, and maintain appropriate policies, frameworks, and procedures to be on track with evolving regulatory obligations. We also maintained the expectations from all employees and an AML/CFT policy to detect and deter individuals and criminal organizations from using our products and services to recycle funds. At present, SBCC's Compliance Policy and practices are in line with that of the National Bank of Cambodia (NBC).



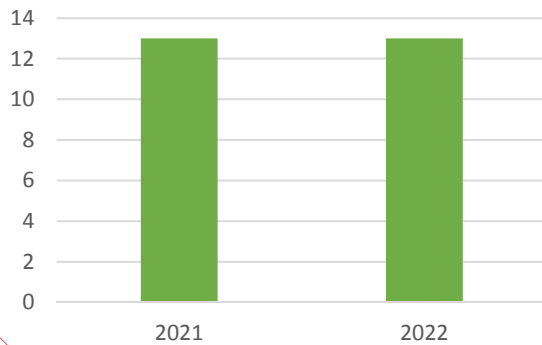
Compliance Development

HR Highlight

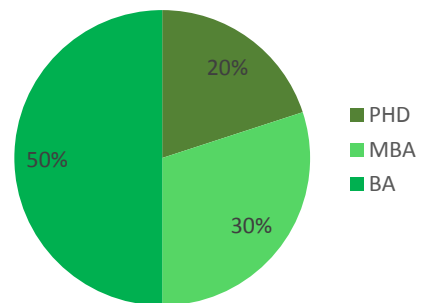


Successes and new achievements in 2022 allowed Sabay Credit Commercial Plc. (SCC) to build and motivate staff at all levels through both internal and external training courses. Our back office team also made efforts to deliver fast and quality services to our customers. Our core banking system remained as a signification tool for SCC to manage customers and loans. New reporting tool for standard CIFRS for SMEs.

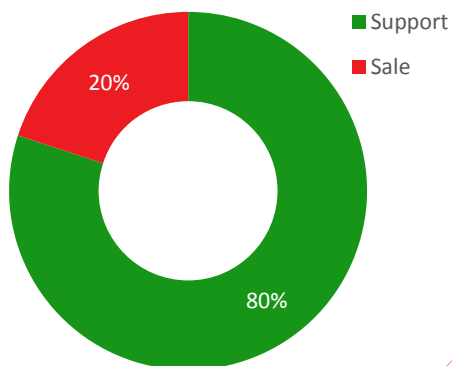
NUMBER OF STAFF



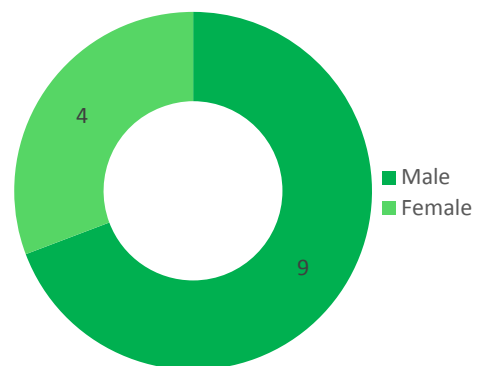
STAFF'S EDUCATION



CATEGORY



GENDER



Operation Highlight

Description	31 December 2022
Net Loan Portfolio	\$9,077,063.00
Total Staff	13
Number of Active Loans	79
Women Borrowers	29
Men Borrowers	50
Total Assets	\$12,682,753.00



Financial Highlight

Balance Sheet

31 Dec 2022

US\$

ASSETS

Cash on hand	2,247
Deposits and placements with the NBC	255,993
Deposits and placements with banks	3,346,925
Loans to customers	9,077,063
Other assets	160
Intangible asset	365
Total assets	12,682,753

Liabilities

Other payables	163,361
Current income tax liability	76,274
Borrowings	7,038,000
Total liabilities	7,277,635

Equity

Share capital	5,000,000
Regulatory reserves	143,707
Retained earnings	261,411
Total equity	5,405,118

Total liabilities and equity

12,682,753

Products & Services



Small Loan

It established for small business, buy equipments for personal use. The eligible for this kind of loan collateral must be soft or hard.

Loan size: 1,000 USD to 50,000 USD.

Interest: 12 % to 18% (annual)

Loan tenure: 60 months.

Currency: USD or KHR



Medium Loan

This kind of products is suitable for medium enterprises, personal need or businesses that needing large movement of working capital to expand their growth.

Loan size: 50,000 USD up

Interest : 12% to 18 % (annual)

Loan tenure: 180 months.

Currency: USD or KHR



Housing Loan

Housing loan provide customers source of financing to buy home, build home, household furniture to beauty their houses or essential in everyday living.

Loan size: 5,000 USD up

Interest: 12% to 18% (annual)

Loan tenure: 180 months.

Currency: USD or KHR





Audited Financial Reports



- ❁ **Report of the Board of Directors**
- ❁ **Report of the Independent Auditors**
- ❁ **Statement of financial position**
- ❁ **Statement of comprehensive income**
- ❁ **Statement of changes in equity**
- ❁ **Statement of cash flows**



Report of the Board of Directors

Report of the Board of Directors

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of Sabay Credit Commercial Plc. (“the Company”) for the year ended 31 December 2022 (the “financial year” or “year”).

Principal activities

The principal activity of the Company is in microfinance operation. There have been no significant changes in the nature of this activity from the previous financial year.

Financial performance

The financial performance of the Company was as follows:

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.4)		(Note 2.4)
Profit before income tax	372,004	1,520,381	455,709	1,853,823
Income tax expense	(86,923)	(355,254)	(104,205)	(423,906)
Net profit for the year	285,081	1,165,127	351,504	1,429,917

Dividends

Dividends were declared during the year as follows:

	% of ownership	Number of shares	Dividend declared	
			US\$	KHR'000
				(Note 2.4)
Oknha Khau Kimbac	85%	4,250,000	914,631	3,738,095
Mr. Sar Ratha	15%	750,000	161,405	659,664
	100%	5,000,000	1,076,036	4,397,759

The above dividend declaration was approved by the National Bank of Cambodia (“NBC”) on 24 August 2022.

Share capital

The paid-up capital of the Company as at 31 December 2022 is US\$5,000,000 (2021: US\$5,000,000) with a par value of US\$1 per share. Refer to Note 14 for the detailed Company's share capital and shareholding structure.

Reserves and provisions

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

Bad and doubtful debts

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

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

Current assets

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

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

Valuation methods

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

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

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

Changes of circumstances

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

Items of an 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 items, transactions or event of material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of material and unusual nature likely, in the opinion of the Directors, to effect substantially the results of the operations of the Company for the financial year in which this report is made.

Events since the reporting date

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

The Board of Directors

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

- | | |
|----------------------|----------------------|
| 1. Oknha Khau Kimbac | Chairman |
| 2. Mr. Sar Ratha | Director |
| 3. Mr. Tek Heng | Director |
| 4. Mr. Bun Natt | Independent Director |

Directors' interests

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

Directors' benefits

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

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

Statements of Directors' responsibility in respect of financial statements

The Board of Directors is responsible to ascertain that the financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities ("CIFRS for SMEs"). In preparing those financial statements, the Board of Directors is required to:

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

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

Approval of the financial statements

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 32 which present fairly, in all material respects, the financial position of Sabay Credit Commercial Plc. as at 31 December 2022, and its financial performance and its cash flows for the year then ended, in accordance with CIFRS for SMEs.

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

Oknha Khau Kimbac

Chairman

Phnom Penh, Kingdom of Cambodia

24 April 2023

Report of the Independent Auditors

To the shareholders

Sabay Credit Commercial Plc.

Opinion

We have audited the financial statements of Sabay Credit Commercial Plc. (the “Company”), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 32.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis 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 audit opinion.

Other Information

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

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

In connection with our audit of the financial statements, our 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 on the other information obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditors' Responsibility 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 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 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 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 audit 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 date of our auditor's report. However, future events or condition 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 disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Fii&Associates Co., Ltd



Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia

24 April 2023

Statement of Financial Position

For the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
ASSETS				
Cash on hand	2,247	9,251	3,071	12,511
Deposits and placements with the NBC	255,993	1,053,923	255,094	1,039,253
Deposits and placements with banks	3,346,925	13,779,290	4,723,279	19,242,639
Loans to customers	9,077,063	37,370,268	8,359,253	34,055,597
Other assets	160	659	-	-
Property and equipment	-	-	-	-
Intangible asset	365	1,503	414	1,687
Total assets	12,682,753	52,214,894	13,341,111	54,351,687
LIABILITIES AND EQUITY				
Liabilities				
Other payables	163,361	672,557	10,760	43,837
Current income tax liability	76,274	314,020	92,278	375,941
Borrowings	7,038,000	28,975,446	7,042,000	28,689,108
Total liabilities	7,277,635	29,962,023	7,145,038	29,108,886
Equity				
Share capital	5,000,000	20,000,000	5,000,000	20,000,000
Regulatory reserves	143,707	582,449	120,037	485,710
Retained earnings	261,411	1,034,977	1,076,036	4,364,348
Currency translation differences	-	635,445	-	392,743
Total equity	5,405,118	22,252,871	6,196,073	25,242,801
Total liabilities and equity	12,682,753	52,214,894	13,341,111	54,351,687

Statement of Comprehensive Income

For the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
	(Note 2.4)		(Note 2.4)	
Interest income	1,132,454	4,628,339	1,259,307	5,122,861
Interest expense	(478,000)	(1,953,586)	(582,000)	(2,367,576)
Net interest income	654,454	2,674,753	677,307	2,755,285
Other income	37,904	154,914	28,167	114,583
Total operating income	692,358	2,829,667	705,474	2,869,868
Allowance for impairment losses	(75,408)	(308,192)	(14,891)	(60,577)
Personnel expenses	(116,538)	(476,291)	(110,736)	(450,474)
Depreciation and amortisation	(49)	(200)	(641)	(2,608)
General and administrative expenses	(128,359)	(524,603)	(123,497)	(502,386)
Profit before income tax	372,004	1,520,381	455,709	1,853,823
Income tax expense	(86,923)	(355,254)	(104,205)	(423,906)
Net profit for the year	285,081	1,165,127	351,504	1,429,917
Other comprehensive income				
Currency translation differences	-	242,702	-	171,602
Total comprehensive income for the year	285,081	1,407,829	351,504	1,601,519

Statement of Changes in Equity

for the year ended 31 December 2022

	Share capital		Regulatory reserves		Retained earnings		Currency translation differences		Total	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January 2021	5,000,000	20,000,000	113,070	457,368	731,499	2,962,773	-	221,141	5,844,569	23,641,282
Comprehensive income for the year										
Net profit for the year	-	-	-	-	351,504	1,429,917	-	-	351,504	1,429,917
Transfer	-	-	6,967	28,342	(6,967)	(28,342)	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	-	-	-	-	171,602	-	171,602
Total comprehensive income for the year	-	-	6,967	28,342	344,537	1,401,575	-	171,602	351,504	1,601,519
At 31 December 2021	5,000,000	20,000,000	120,037	485,710	1,076,036	4,364,348	-	392,743	6,196,073	25,242,801
At 1 January 2022	5,000,000	20,000,000	120,037	485,710	1,076,036	4,364,348	-	392,743	6,196,073	25,242,801
Dividend declared	-	-	-	-	(1,076,036)	(4,397,759)	-	-	(1,076,036)	(4,397,759)
Comprehensive income for the year										
Net profit for the year	-	-	-	-	285,081	1,165,127	-	-	285,081	1,165,127
Transfer	-	-	23,670	96,739	(23,670)	(96,739)	-	-	-	-
Other comprehensive income										
Currency translation differences	-	-	-	-	-	-	-	242,702	-	242,702
Total comprehensive income for the year	-	-	23,670	96,739	261,411	1,068,388	-	242,702	285,081	1,407,829
At 31 December 2022	5,000,000	20,000,000	143,707	582,449	261,411	1,034,977	-	635,445	5,405,118	22,252,871

Statement of Cash Flow

for the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash flows from operating activities				
Net profit for the year	285,081	1,165,127	351,504	1,429,917
<i>Adjustments for:</i>				
Income tax expense	86,923	355,254	104,205	423,906
Impairment loss on financial assets	75,408	308,192	14,891	60,577
Depreciation and amortisation	49	200	641	2,608
	447,461	1,828,773	471,241	1,917,008
Changes in:				
Loans to customers	(793,218)	(3,241,882)	3,886,112	15,808,704
Other assets	(160)	(654)	-	-
Other payables	1,956	7,994	6,102	24,823
	(343,961)	(1,405,769)	4,363,455	17,750,535
Income tax paid	(102,927)	(420,663)	(157,640)	(641,280)
Net cash (used in)/generated from operating activities	(446,888)	(1,826,432)	4,205,815	17,109,255
Cash flows from financing activities				
Repayment of borrowings	(4,000)	(16,348)	(2,012,000)	(8,184,816)
Dividends paid	(925,391)	(3,782,073)	-	-
Net cash used in financing activities	(929,391)	(3,798,421)	(2,012,000)	(8,184,816)
Net (decrease)/increase in cash and cash equivalents	(1,376,279)	(5,624,853)	2,193,815	8,924,439
Cash and cash equivalents at 1 January	4,731,444	19,275,903	2,537,629	10,264,710
Currency translation differences	-	162,164	-	86,754
Cash and cash equivalents at 31 December (Note 19)	3,355,165	13,813,214	4,731,444	19,275,903