



SAHAKA MFI
together for prosperity!

2024 ANNUAL REPORT

www.sahakamfi.com.kh Sahaka MFI Sahaka_MFI Sahaka_MFI Sahaka MFI

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MESSAGE FROM CHAIRMAN AND CEO



MR. BOL VANNEAT

Chairman and Chief Executive Officer

Message from the Chairman and CEO

“

Dear shareholders, investors, and customers!

On behalf of the Board of Directors and Management, I am pleased to present SAHAKA Micro-finance Institution's significant accomplishment in 2024.

”

As we present the Annual Report for 2024, we reflect on a year of progress, resilience, and purpose-driven growth for our institution.

In a challenging yet opportunity-filled environment, our microfinance institution has continued to empower individuals, uplift communities, and contribute meaningfully to Cambodia's socio-economic development.

Strategic Vision: Empowering Futures

At the heart of our strategy is a long-term vision: to be a trusted financial partner that fosters inclusive economic growth and builds sustainable livelihoods for all Cambodians. In 2024, we took meaningful steps toward this vision by expanding our reach, enhancing operational resilience, and strengthening our customer service capabilities particularly to better serve clients in rural and underserved communities.

Key Achievements of 2024

We are pleased to highlight notable achievements and strategic developments during the year:

- **Client and Portfolio:** Guided by sound risk management practices, we maintained a stable loan portfolio while improving its overall quality. At the same time, we successfully expanded our client base, achieving higher levels of the customer satisfaction.
- **Capacity Building:** We continued to invest in professional development by providing targeted training across all branches. These efforts ensured that our staff is well-prepared to deliver financial services with professionalism, integrity, and empathy.
- **Strategic Realignment:** 2024 marked a pivotal moment for SAHAKA as we undertook a comprehensive internal review to assess our long-term direction. As a result, we refreshed our vision, mission, and core values to better reflect our evolving goals and deepen our commitment to sustainable, inclusive growth for the communities we serve.

Navigating Economic Conditions

Cambodia's economy showed signs of steady recovery in 2024, following regional challenges in previous years. While sectors like tourism and manufacturing regained momentum, rural communities continued to face vulnerabilities due to climate risks and global price fluctuations.

In this context, our role as a microfinance institution remains more vital than ever. By providing access to capital, promoting responsible financial behavior, and supporting small-scale entrepreneurship, we have contributed to financial stability and economic mobility for thousands of families.

Our Role and Responsibility

We are more than a financial service provider we are a catalyst for change. Our approach is centered on responsible lending, client protection, and long-term partnership with the communities we serve. We work closely with the National Bank of Cambodia and adhere strictly to regulatory standards to ensure financial transparency, accountability, and ethical conduct.

Commitment to Financial Inclusion and Sustainable Development

Our unwavering commitment to financial inclusion guides every decision we make. Looking ahead, we aim to expand our footprint while deepening our impact. We will continue to:

- Develop inclusive financial products tailored to the needs of low-income households.
- Invest in green finance and climate-resilient initiatives.
- Leverage technology to reach remote communities more efficiently.
- Build strategic partnerships with business partners, development organizations and local authorities.

A Note of Gratitude

On behalf of our Board of Directors and management team, we extend our deepest appreciation to our clients, employees, partners, and regulators for your trust and support. Your confidence inspires us to serve with excellence, integrity, and purpose.

As we move into 2025, we remain committed to the building a future where every Cambodian-regardless of income, gender, or geography-has the opportunity to thrive.

Warm regards,

<< SIGNED >>

Mr. Bol Vanneat
Chairman of the Board of Directors and CEO





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ABOUT SAHAKA

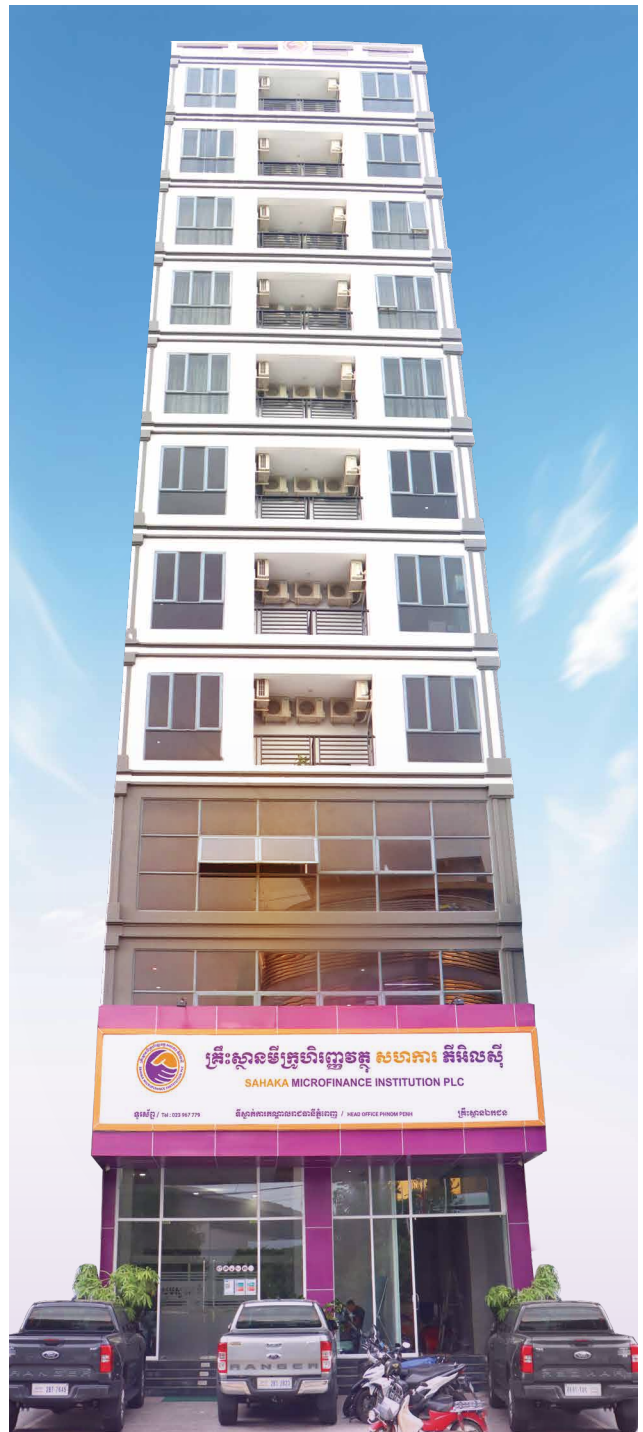
ABOUT US

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

Over the past nine years, SAHAKA has served a growing number of clients across both Phnom Penh and various provinces, supporting financial inclusion and economic empowerment at the grassroots level. Since its inception, the institution has remained committed to improving the livelihoods of Cambodian people by offering accessible, high quality, and efficient loan products.

SAHAKA strictly complies with the laws and the regulations of the Royal Government of Cambodia and adheres to the regulatory framework set forth by relevant authorities particularly the policies and guidelines of the National Bank of Cambodia.

In alignment with international standards and to enhance transparency and financial accountability, SAHAKA has adopted the Cambodian International Financial Reporting Standards for Small and Medium sized Entities (CIFRS for SMEs) since 2019. This implementation has been carried out with accuracy and completeness, and has been independently audited each year to ensure compliance and integrity in financial reporting.



Headquarter

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

Angsnoul Branch

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

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VISION, MISSION AND VALUES



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



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

"together for prosperity!"



1. Integrity and Transparency

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

2. Client-Centricity

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

3. Financial Inclusion and Empowerment

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

4. Sustainability and Social Impact

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

5. Innovation

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

OUR PRODUCTS

Business Loan

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



Vehicle Loan

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



Housing Loan

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

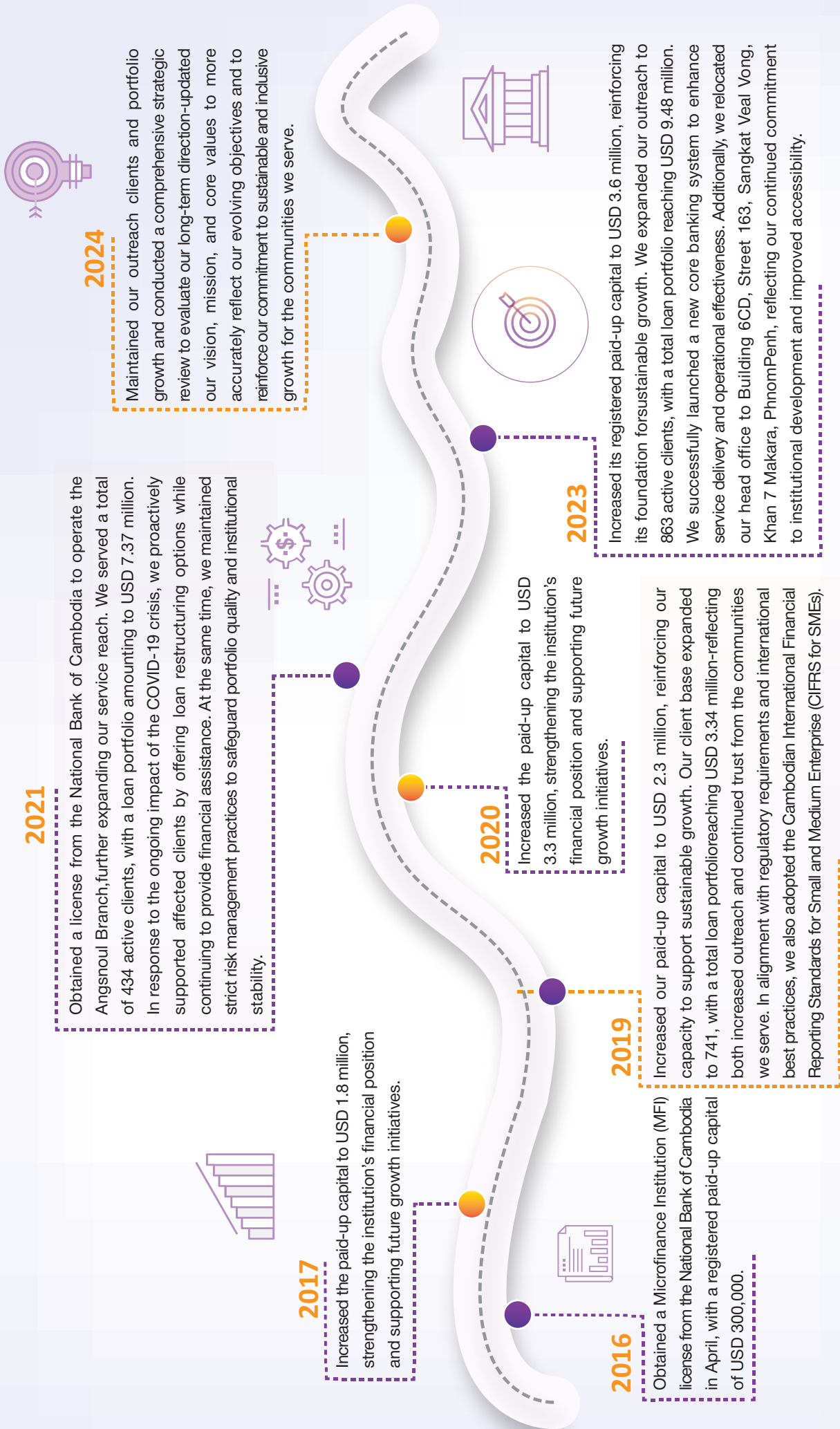


Personal Loan

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

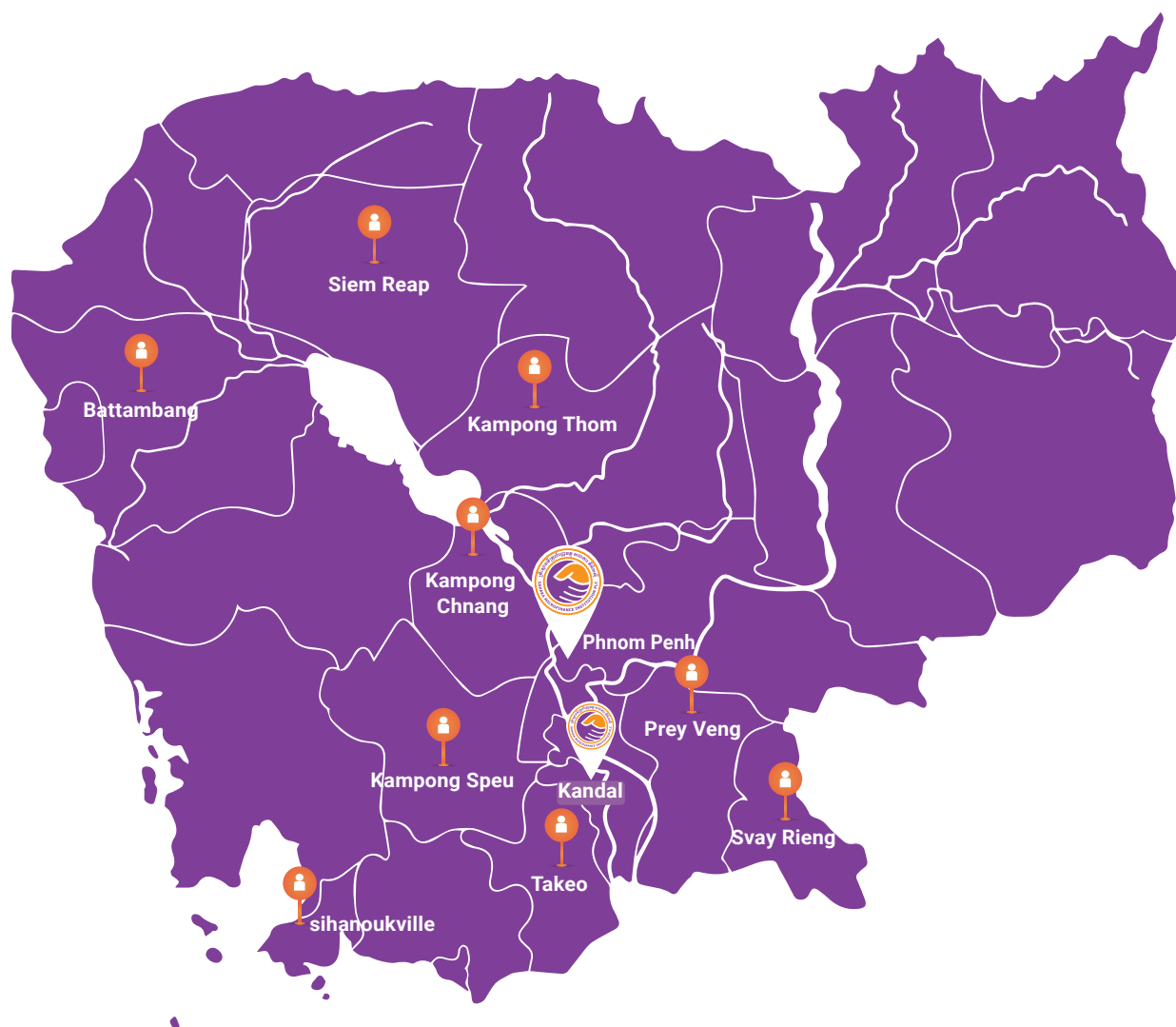


MILESTONES



OPERATIONAL HIGHLIGHTS

Operational Year Ended 31 December	2024	2023	2022
Province Outreach	12	12	13
District Outreach	53	57	47
Commune Outreach	170	182	152
Village Outreach	460	485	360
Total Branch	2	2	2
Total Staff	42	39	40
Total Borrower	828	826	590
Loan Outstanding	8,917,459	9,727,665	8,487,093
Loan Outstanding/CO	685,958	1,389,666	1,212,177
Loan Outstanding/Staff	212,320	249,427	212,177
Average Loan Size (USD)	10,770	11,777	14,385



FINANCIAL HIGHLIGHTS

Financial Position (in KHR Million)	2024	2023	2022
Total Asset	41,574,279	41,928,251	39,420,090
Total Liability	34,829,220	34,356,901	32,082,052
Total Shareholder's equity	6,745,069	7,571,350	7,338,038
Profit/Loss (in KHR million)			
Total Revenue	6,439,736	6,481,692	5,301,186
Profit/Loss before tax	(312,108)	310,101	2,469,206
Profit/Loss After tax	(723,259)	292,128	1,835,807
Total Comprehensive Income	(826,291)	233,312	1,893,710
Financial Ratios			
Solvency Ratio	16.33%	18.06%	16.56%
Debt to equity ratio	516.37%	453.78%	437.20%
Non-performing loans ratio	18.06%	6.35%	2.47%
Return on Asset	-1.74%	0.69%	0.69%
Return on Equity	-11.23%	3.83%	4.19%



CLIENT TESTIMANIALS



Mrs. Eng Sokrun – Mohar Lompaing Timouy Village, Sendey Commune, Somrong Tong District, Kampong Speu Province

Mrs. Eng Sokrun is a dedicated women entrepreneur who began her journey with a coffee shop and retail grocery store in her hometown. Recognizing the growing demand for daily household goods, she envisioned expanding her business beyond coffee and retail shop to a whole seller in the community.

The expansion would really need finance to increase the business working capital, hence she decided to request for loan from SAHAK. Now, her business is operating smoothly and get support from her customers.

"Through disciplined financial management and financial support from SAHAKA, I've been able to turn my dream into reality in expanding my business," she proudly shared.



Mr. Chhoob Sokhors – Kok Sandek Village, Krang chek Commune, Samaki Monichey District, Kampong Speu Province

In 2018, Mr. Chhoob Sokhors launched his own business selling electrical and construction materials near the local market in his village. As demand grew, he encountered challenges in maintaining sufficient inventory to meet customer needs.

With financial support from SAHAKA, Mr. Sokhors was able to scale up his inventory, improve supply consistency, and expand his business operations. Today, he runs a successful and reliable supply outlet that serves both individual customers and local builders.

"Thanks to SAHAKA's support, I was able to grow my business and better serve my community," Mr. Sokhors shared with pride.





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CORPORATE GOVERNANCE

CORPORATE GOVERNANCE MESSAGE

At SAHAKA Microfinance Institution, Plc. we firmly believe that robust corporate governance is the cornerstone of sustainable growth and institutional excellence. In 2024, we continued to strengthen our governance framework to ensure it remains responsive, transparent, and aligned with both regulatory standards and the evolving expectations of our stakeholders.

Our Board of Directors plays a pivotal role in providing strategic oversight, guiding risk management practices, and upholding the highest standards of accountability and ethical conduct. Through diligent supervision and sound decision-making, the Board ensures that our operations remain aligned with SAHAKA's mission of empowering communities through responsible financial services.

We have cultivated a strong organizational culture grounded in integrity, fairness, and professionalism. With well-defined internal controls, comprehensive compliance measures, and robust performance monitoring systems, we are not only driving operational efficiency but also reinforcing the confidence of our clients, partners, and regulators.

Looking ahead, SAHAKA remains committed to continuously enhancing our governance practices to support long-term value creation, uphold stakeholder trust, and contribute meaningfully to Cambodia's financial inclusion and economic resilience.



BOARD OF DIRECTORS



Mr. BOL VANNEAT

Chairman and
Chief Executive Officer

Mr. BOL VANNEAT was appointed to be the Board of Directors and Chairman in December 2015 and appointed as the representative of the SAHAKA Microfinance Institution Plc in January 2016.

He obtained a Bachelor's Degree in Education Japanese Languages from the Institution of Foreign Languages in 2011.

He has more than 8 years of work experience with Bank Sector and Education Sector.



Mr. TAKAHIRO YAMASHITA

Board Member and
Chief Financial Officer

Mr. TAKAHIRO YAMASHITA was appointed to be the Board Member in December 2015 and appointed as CFO on the 1st October 2016.

He obtained a Bachelor's Degree Economics in 1999 from Kansai University and obtained the Post Graduated Diploma of Business in 2006 from the University of Wales Prifysgol Cymru.

He has more than 20 years worked experience with Bank Sector in Japan and Educational Sector.



Mr. TOSHIHIRO MIYAUCHI

Independent Board Member

Mr. TOSHIHIRO MIYAUCHI was appointed to be the Independent Board Member in Jun 2019 and approved by National Bank of Cambodia in October 2019.

He obtained a Bachelor's Degree in Engineering in 1976 from the Kanagawa University.

He has more than 29 years of worked experience with Financial Management in Japan as Private Asset Management and Investment Company.

Moreover, he is also a Chief Executive Officer of Miyauchi Electric Engineering Co.,LTD.

BOARD MEETINGS

Date	Mode of Meeting Delivery	Name of Directors Attending the Meeting
06 January 2024	Hybrid meeting (in-person with video conference broadcast)	Mr. Bol Vanneat Mr. Takahiro Yamashita Mr. Toshihiro Miyauchi
05 August 2024	Hybrid meeting (in-person with video conference broadcast)	Mr. Bol Vanneat Mr. Takahiro Yamashita Mr. Toshihiro Miyauchi



BOARD COMMITTEE

Board Risks and Compliance Committee (BRCC)

At SAHAKA Microfinance Institution, the Board of Directors and executive management firmly recognize that robust risk management is fundamental to sustainable business success. Our commitment is to achieving our strategic and corporate objectives while operating within a clearly defined risk appetite. The Board of Directors holds ultimate responsibility for setting this risk appetite and ensuring the effectiveness of risk management across the institution.

The Board Risks and Compliance Committee (BRCC), acting under the delegated authority of the Board, is entrusted with the oversight and review of SAHAKA's overall risk profile. This includes, but is not limited to, strategic and business risks, credit portfolio quality and concentration, capital adequacy and planning, liquidity and funding, operational and technological risks, reputational concerns, and the compliance risks—particularly regulatory compliance and Anti-Money Laundering/Combating the Financing of Terrorism and Proliferation Financing (AML/CFT/CPF).

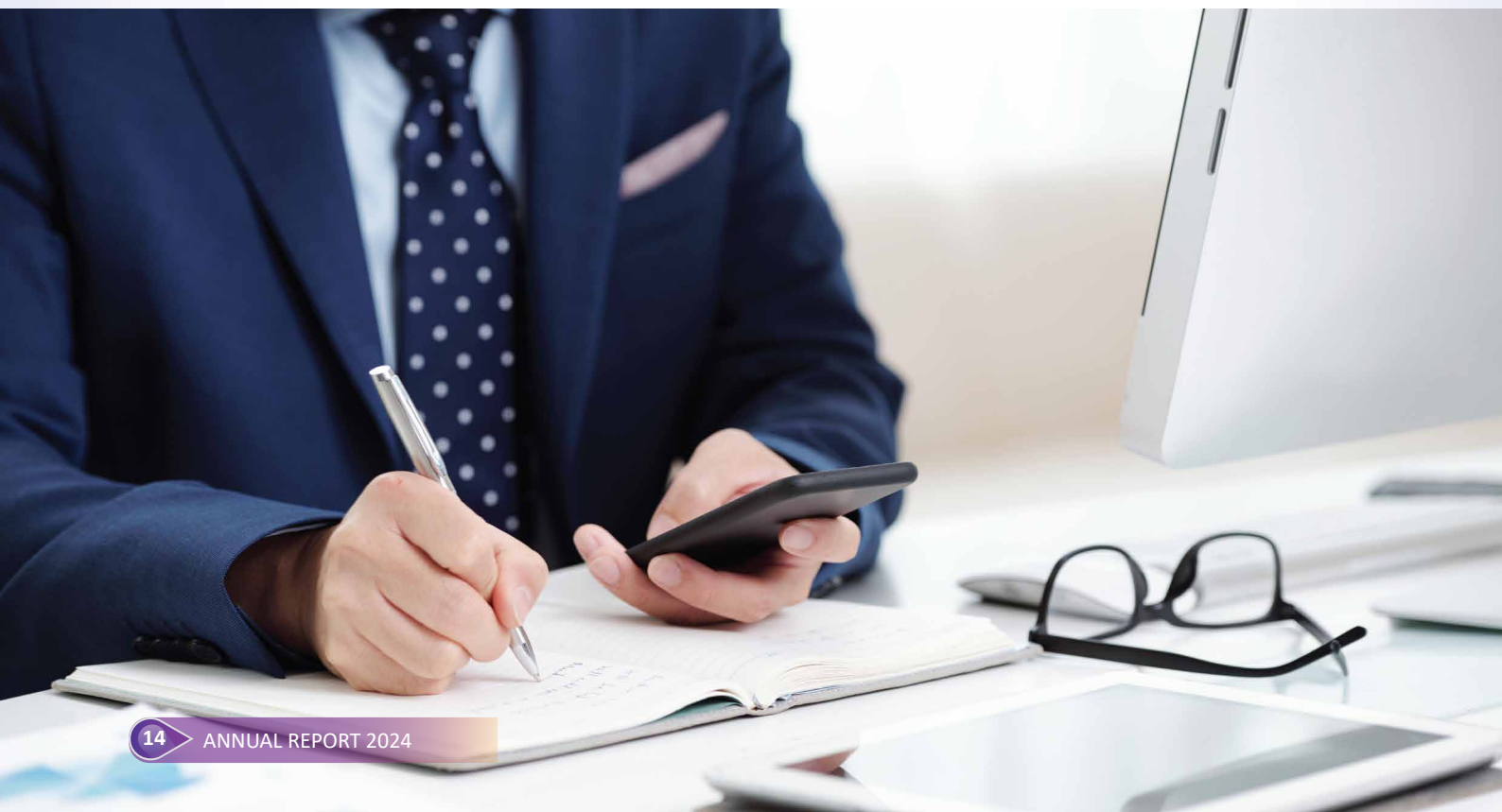
The BRCC also plays a critical role in evaluating SAHAKA's overall risk appetite and making informed recommendations to the Board. Its responsibilities extend to assessing the appropriateness and effectiveness of the institution's risk management systems and internal controls, as well as considering the impact of significant regulatory developments and the strategic implications of SAHAKA's growth within a dynamic and competitive financial landscape

Audit Committee (AUDC)

The Audit Committee plays a critical role in safeguarding the integrity, transparency, and accountability of SAHAKA Microfinance Institution's financial reporting and internal control systems. Acting under the authority delegated by the Board of Directors, the Committee is responsible for overseeing the financial reporting process, the effectiveness of internal controls, the performance of both internal and external auditors, and compliance with applicable laws and regulations.

The Committee ensures that the financial statements present a true and fair view of the Institution's financial position and are prepared in accordance with the Cambodian International Financial Reporting Standards for Small and Medium Enterprise (CIFRS for SME). It also reviews audit findings, management responses, and the implementation of corrective actions, with particular attention to internal audit observations and regulatory compliance.

Through its ongoing oversight and regular engagement with management, internal audit, and the external auditor, the Audit Committee supports the Board in ensuring sound governance practices and upholding stakeholder confidence in SAHAKA's financial stewardship.



EXECUTIVE COMMITTEE (EXCOM)

The Executive Committee is entrusted with the responsibility of driving the execution of SAHAKA Microfinance Institution's strategic and operational objectives. Comprised of senior management members and chaired by the Chief Executive Officer, the Committee provides leadership in managing day-to-day business operations and ensuring alignment with the institution's long-term vision and goals.

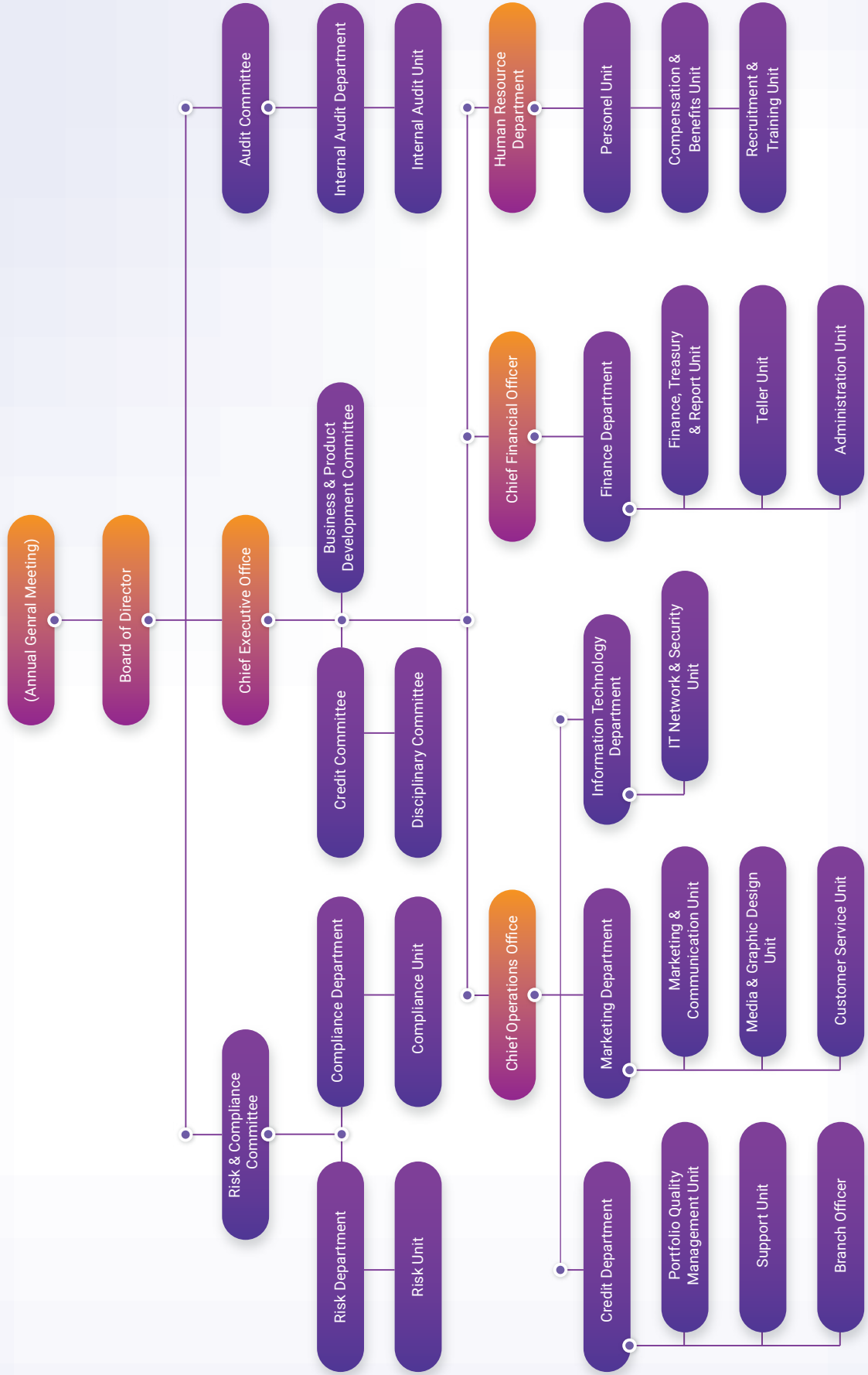
The EXCOM meets regularly to review key performance indicators, monitor business performance, assess risk exposures, and oversee the implementation of corporate strategies approved by the Board of Directors. It also plays

a pivotal role in ensuring compliance with regulatory requirements, strengthening operational efficiency, and responding proactively to emerging challenges and opportunities in the market.

Through its collective expertise and close collaboration across departments, the Executive Committee ensures that SAHAKA remains agile, resilient, and focused on delivering sustainable value to its stakeholders while maintaining a strong commitment to responsible finance and inclusive economic development.



ORGANIZATION CHART





49E/KG

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RISK MANAGEMENT AND COMPLIANCE

RISK MANAGEMENT

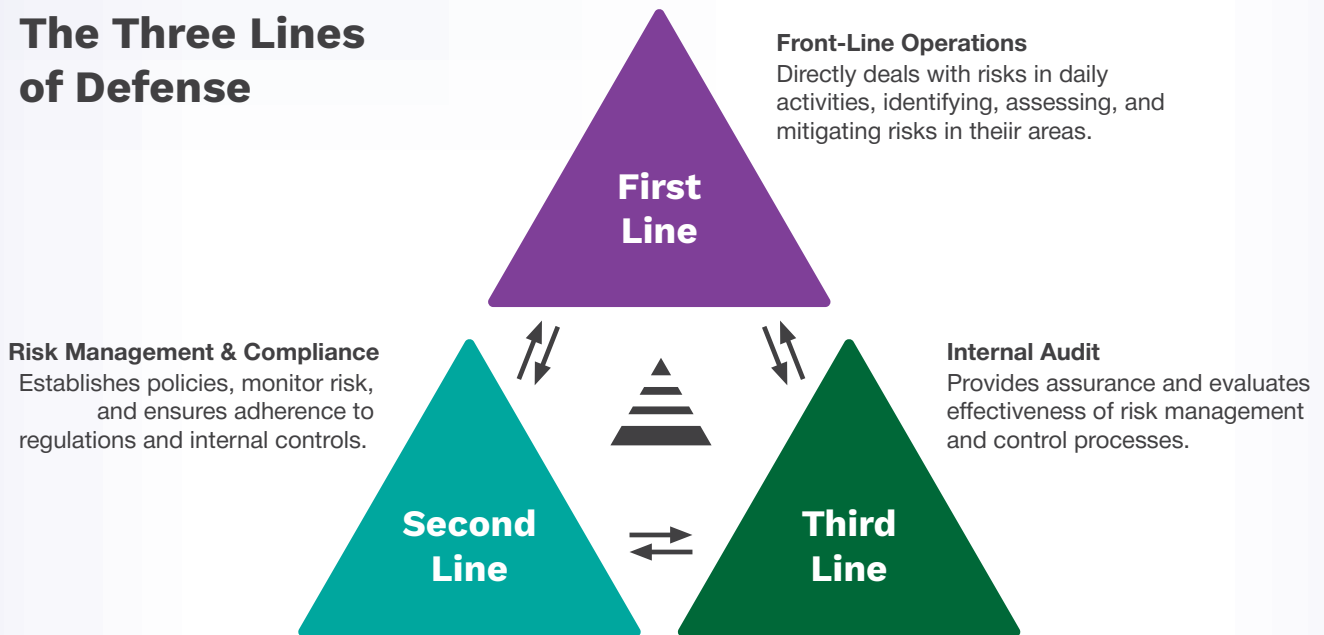
In 2024, SAHAKA Microfinance Institution continued to strengthen its commitment to cultivating a robust risk-aware culture across the institution. Central to this effort was the ongoing implementation of the Shared Risk Management Framework (SRMF), which has been rolled out across all business lines and enabling functions.

The SRMF is designed to provide a structured and consistent approach to identifying, assessing, managing, and monitoring risks. It is continuously reviewed and enhanced to ensure alignment with SAHAKA's evolving risk profile, emerging market dynamics, regulatory expectations, and industry best practices.

At the heart of SAHAKA's risk culture is a clear 'tone from the top'- a leadership-driven approach that emphasizes the importance of risk management at every level of the organization. This culture promotes shared accountability, where risk awareness and prudent decision-making are embedded into daily operations and strategic planning.

SAHAKA believes that effective risk management is not the responsibility of a single unit but a collective obligation of all employees. This principle is operationalized through a well-defined risk governance structure that ensures oversight, clarity in roles and responsibilities, and continuous risk education and communication throughout the institution.

The Three Lines of Defense



REGULATORY COMPLIANCE AND FINANCIAL REPORTING

SAHAKA Microfinance Institution operates with unwavering commitment to regulatory compliance and financial integrity. We fully adhere to the legal and regulatory requirements of the Royal Government of Cambodia and the supervisory framework established by the National Bank of Cambodia (NBC). This compliance framework guides our operations, ensuring responsible financial practices, prudent risk management, and the protection of client interests at all levels.

To promote transparency and align with international standards, SAHAKA adopted the Cambodian International Financial Reporting Standards for Small and Medium

Enterprise (CIFRS for SMEs) in 2019. Since then, we have consistently ensured accurate, timely, and complete financial reporting. Our financial statements are audited annually by recognized External Auditors and this year 2024, Fii & Associate Co., Ltd. Is our independent external audit firm.

This steadfast commitment to compliance and high-quality financial reporting reflects SAHAKA's broader dedication to institutional sustainability, operational excellence, and public trust. As we continue to grow, we remain focused on strengthening our governance and financial systems to support long-term success and responsible service to our communities.







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AUDITED FINANCIAL STATEMENT

DIRECTORS' REPORT

The Board of Directors (the “Board” or “Directors”) hereby submit their report together with the audited financial statements of the Sahaka Microfinance Institution Plc. (the “Company”) for the year ended 31 December 2024 (the “financial year” or “year”).

Principal Activities

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

Financial performance

Financial Highlights	US\$	KHR'000
(Loss)/Profit before income tax	(76,666)	(312,108)
Income Tax Expense	(100,995)	(411,151)
Net(loss)/Profit for the year	(177,661)	(723,259)

Dividends

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

Share capital

The paid-up capital of the Company as at 31 December 2024 is US\$3,600,000 (2023: US\$3,600,000) with a par value US\$1 per share. Refer to Note 14 for the details of Company’s share capital and shareholding structure.

Reserves and provisions

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

Bad and doubtful debts

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

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to write off

bad debts or to make allowance for doubtful debts in the financial statements of the Company, inadequate to any material extent.

Current Asset

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

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

Valuation methods

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

Contingent and other liabilities

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

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

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

Change of circumstances

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

Items of an unusual nature

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

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

Events since the reporting date

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

Directors

The Directors who have held for office since the date of the last report are:

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

Directors' benefits

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

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

Directors' responsibilities in respect of financial statements

The Board of Directors is responsible for the ascertaining that the financial statements are presented fairly, in all material respects, the financial position of the Company as at 31 December 2024, 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 or, if there have been any departures in the interests of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- (iii) oversee the Company's financial reporting process and maintain adequate accounting records and effective system of internal control;
- (iv) assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and
- (v) effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such has been properly reflected in the financial statements.

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

Approval of The Financial Statement

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 41 which present fairly, in all material respects, the financial position of Sahaka Microfinance Institution Plc. as at 31 December 2024, 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,

<<SIGNED>>

Mr. Bol Vanneat
Chairman and Chief Executive Officer
Phnom Penh, Kingdom of Cambodia
25 April 2025

THE AUDIT REPORT OF THE FINANCIAL STATEMENT

Opinion

We have audited the financial statements of Sahaka Microfinance Institution Plc. (“the Company”), which comprise the statement of the financial position as at 31 December 2024, 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 41.

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

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.

Emphasis of Matter–Comparative Information

We draw attention to Note 27 to the financial statements which indicates that comparative information presented as at and for the year ended 31 December 2023 has been restated. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company as at and for the year ended 31 December 2023 was audited by another auditor who expressed an unqualified opinion on those statements on 26 April 2024.

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 appropriate in circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Fii&Associates Co., Ltd.

<<SIGNED>>

Chhun Mara
Audit Director
Phnom Penh, Kingdom of Cambodia
25 April 2025

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024		2023 (As restated)	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
ASSETS					
Cash on hand	4	137,407	553,063	30,623	125,095
Deposits and placements with NBC	5	184,065	740,862	181,723	742,338
Deposits and placements with banks	6	1,079,007	4,343,003	360,040	1,470,763
Loans to customers	7	8,764,984	35,279,061	9,479,495	38,723,737
Other assets	8	54,421	219,045	80,985	330,824
Property and equipment	9	84,468	339,984	92,221	376,723
Intangible assets	10	24,661	99,261	24,417	111,998
Deferred tax assets, net	13.2	-	-	11,450	46,773
Total assets		10,329,013	41,574,279	10,263,954	41,928,251
LIABILITIES AND EQUITY LIABILITIES					
Other liabilities	11	131,242	528,250	77,825	317,916
Borrowings	12	8,430,989	33,934,731	8,331,204	34,032,968
Minimum tax liability	13.3	1,446	5,820	1,473	6,017
Deferred tax liabilities, net		89,545	360,419	-	-
Total liabilities		8,653,222	34,829,220	8,410,502	34,356,901
EQUITY					
Share capital	14	3,600,000	14,512,100	3,600,000	14,512,100
Regulatory reserves	15	529,035	2,155,329	60,487	247,870
Accumulated losses		(2,453,244)	(9,924,794)	(1,807,035)	(7,294,076)
Currency translation differences		-	2,424	-	105,456
Total equity		1,675,791	6,745,059	1,853,452	7,571,350
Total liabilities and equity		10,329,013	41,574,279	10,263,954	41,928,251

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024		2023 (As restated)	
		US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest income	16	1,425,376	5,802,706	1,454,874	5,979,532
Interest expense	17	(438,833)	(1,786,489)	(411,690)	(1,692,046)
Net interest income		986,543	4,016,217	1,043,184	4,287,486
Other operating income	18	156,480	637,030	122,180	502,160
Allowance for impairment losses on loans to customers	7	(93,130)	(379,132)	(33,520)	(137,767)
Personnel expenses	19	(771,293)	(3,139,934)	(705,521)	(2,899,691)
Depreciation and amortization		(23,389)	(95,217)	(33,411)	(137,319)
Operating and administrative expenses	20	(315,698)	(1,285,207)	(301,858)	(1,240,636)
Minimum tax expense	13.4	(16,179)	(65,865)	(15,604)	(64,132)
(Loss)/profit before income tax		(76,666)	(312,108)	75,450	310,101
Income tax expense	13.4	(100,995)	(411,151)	(4,373)	(17,973)
Net (loss)/profit for the year		(177,661)	(723,259)	71,077	292,128
Other comprehensive loss					
Currency translation difference		-	(103,032)	-	(58,816)
Total comprehensive (loss) / income for the year		(177,661)	(826,291)	71,077	233,312

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Share capital		Additional capital contribution		Regulatory reserves		Accumulated losses		Currency translation differences		Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000		
At 1 January 2023	3,300,000	13,277,000	300,000	1,235,100	8,884	35,782	(1,826,509)	(7,374,116)	-	164,272	1,782,375	7,338,038
Transfer from additional capital contribution	300,000	1,235,100	(300,000)	(1,235,100)	-	-	-	-	-	-	-	-
Comprehensive income for the year												
Net profit for the year	-	-	-	-	-	-	71,077	292,128	-	-	71,077	292,128
Transfer to regulatory reserves	-	-	-	-	51,603	212,088	(51,603)	(212,088)	-	-	-	-
Other comprehensive loss												
Currency translation difference	-	-	-	-	-	-	-	-	-	(58,816)	-	(58,816)
Total comprehensive income/(loss) for the year												
At 31 December 2023	3,600,000	14,512,100	-	-	60,487	247,870	(1,807,035)	(7,294,076)	-	105,456	1,853,452	7,571,350
At 1 January 2024	3,600,000	14,512,100	-	-	60,487	247,870	(1,807,035)	(7,294,076)	-	105,456	1,853,452	7,571,350
Comprehensive loss for the year												
Net loss for the year	-	-	-	-	-	-	(177,661)	(723,259)	-	-	(177,661)	(723,259)
Transfer to regulatory reserves	-	-	-	-	468,548	1,907,459	(468,548)	(1,907,459)	-	-	-	-
Other comprehensive loss												
Currency translation difference	-	-	-	-	-	-	-	-	-	(103,032)	-	(103,032)
Total comprehensive income/(loss) for the year												
At 31 December 2024	3,600,000	14,512,100	-	-	529,035	2,155,329	(2,453,244)	(9,924,794)	-	2,424	1,675,791	6,745,059

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	2024		2023 (As restated)	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Cash flows from operating activities				
Net (loss)/profit for the year	(177,661)	(723,259)	71,077	292,128
Adjustments for:				
Interest expense	438,833	1,786,489	411,690	1,692,046
Income tax expense	100,995	411,151	4,373	17,973
Impairment loss allowance for loans to customers	93,130	379,132	33,520	137,767
Depreciation and amortization	23,389	95,217	33,411	137,319
Minimum tax expense	16,179	65,865	15,604	64,132
Gain on disposals of property and equipment	-	-	(10,354)	(42,555)
Changes in:	494,865	2,014,595	559,321	2,298,810
Loans to customers	621,381	2,529,642	(1,256,588)	(5,164,577)
Other assets	26,564	108,142	(36,862)	(151,503)
Other liabilities	53,417	217,461	(82,581)	(339,408)
Cash generated from/(used in) operations	1,196,227	4,869,840	(816,710)	(3,356,678)
Minimum tax paid	(16,206)	(65,975)	(15,101)	(62,065)
Net cash generated from/(used in) operating activities	1,180,021	4,803,865	(831,811)	(3,418,743)
Cash flows from investing activities				
Acquisition of property and equipment	(12,880)	(52,434)	(101,370)	(416,631)
Proceeds from disposals of property and equipment	-	-	26,760	109,984
Net cash used in investing activities	(12,880)	(52,434)	(74,610)	(306,647)
Cash flows from financing activities				
Proceeds from borrowings	400,000	1,628,400	1,250,000	5,137,500
Interest paid	(439,048)	(1,787,364)	(411,690)	(1,692,046)
Repayments of borrowings	(300,000)	(1,221,300)	(550,000)	(2,260,500)
Capital guarantee deposit	-	-	(15,000)	(61,650)
Net cash (used in)/generated from financing activities	(339,048)	(1,380,264)	273,310	1,123,304
Net increase/(decrease) in cash and cash equivalents	828,093	3,371,167	(633,111)	(2,602,086)
Cash and cash equivalents at 1 January	392,386	1,602,896	1,025,497	4,221,971
Currency translation difference	-	(61,635)	-	(16,989)
Cash and cash equivalents at 31 December (Note 21)	1,220,479	4,912,428	392,386	1,602,896



SAHAKA MFI

together for prosperity!