



ANNUAL REPORT

2022

CONTENT

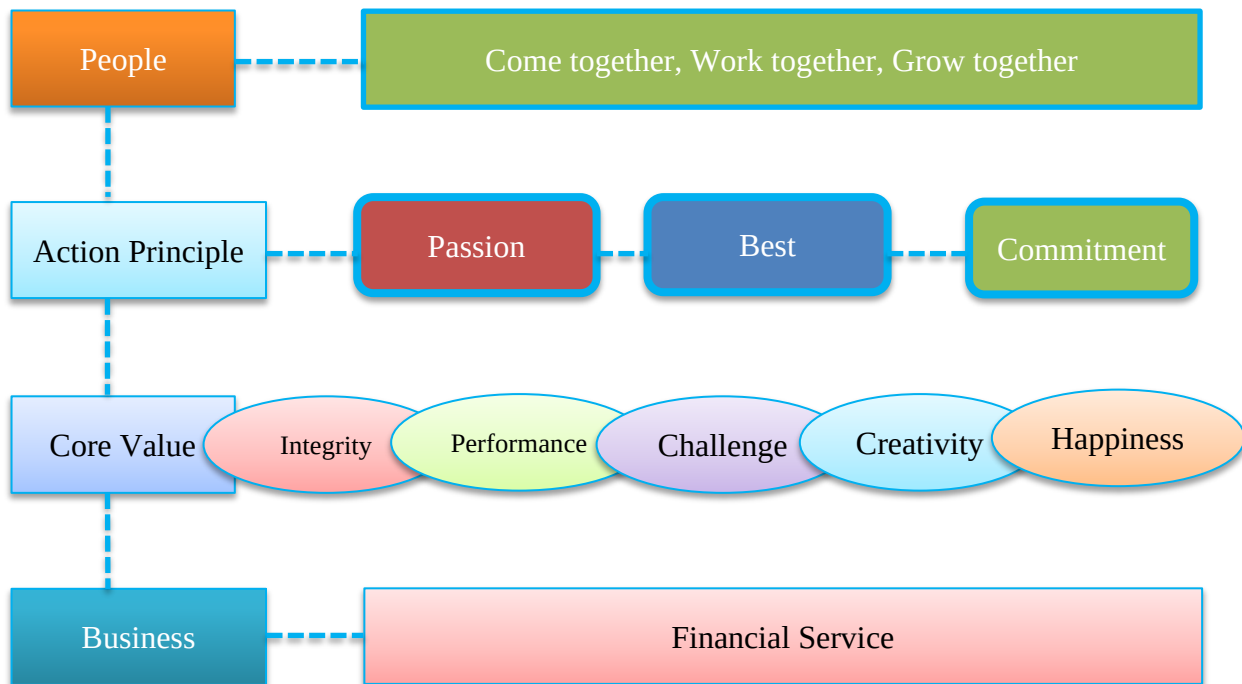
1. MISSION AND VISION	01
2. MESSAGE FROM CEO	02
3. LOAN PRODUCTS	03
4. ORGANIZATION CHART	04
5. SHARE CAPITAL AND SHAREHOLDERS	05
6. BOARD OF DIRECTORS	06
7. HEAD OFFICE AND BRANCHES	08
8. REPORT OF THE BOARD OF DIRECTORS	09
9. INDEPENDENT AUDITOR'S REPORT	12
10. STATEMENT OF FINANCIAL POSITION	14
11. STATEMENT OF COMPREHENSIVE INCOME	15
12. STATEMENT OF CHANGES IN EQUITY	16
13. STATEMENT OF CASH FLOWS	17
14. NOTES TO THE FINANCIAL STATEMENTS	18

MISSION

To make people happy with more flexibility to accommodate. And to improve the economic and social conditions of Cambodian low-income family, especially those of small and micro enterprises by providing the best financial services.

VISION

To become the pioneering and sustainable financial institution in Cambodia.



MESSAGE FROM CEO



Cam Capital Public Limited Company (“the Company”) is a public limited company (private enterprise) having its Head Quarter at #318, St 271, Village 5, Sangkat Stoeung Meanchey Ti 2, Khan Meanchey, Phnom Penh and having its business registration No: 000269986. The Company has been established in the purposes and dreams of DGB Capital Co., LTD who is the company’s sole shareholder.

I am very pleased with the reports that have shown the remarkable success and constant growth from year to year of the Company. The record of this significant growth is because of the huge support from the clients. Especially, because of the strong support from every employee who perform their duties persistently and righteously.

The Company is expanding and continuing to open more branches to meet the need of our customers who are struggling financially when they try to open new or expand the existing businesses. Especially, we are always ready to provide "More flexibility to accommodate client's need".

Despite the constant growth, we make sure that we operate in a way that demonstrates social responsibility. Therefore, we are initiating CSR (Corporate Social Responsibility) to contribute to help further develop our community by partnering with a local NGO to help the local primary school by constructing cement road to the school main gate and back gate and supplying school supplies to students in need within this year. In addition, we also have sponsored many Masks to the Ministry of Labour and Vocational Training to tribute to the workers to the prevent and reduce the spread of Covid-19.

Finally, I wish to thank all clients who trust, support, and continue using our financial services. Cam Capital plc will straighten our ability to grow even more stronger to provide more confident and trusted financial services to our respected clients. I also thank all the employees for their relentlessly contribute to show our great potential to clients.

Ultimately, the Company also sincerely thank to our shareholders for their confidence in our strategy and full support for our development.

Sincerely yours,

A handwritten signature in blue ink, which appears to read 'Ros Thearith', written in a fluid, cursive style.

Ros Thearith, CEO

LOAN PRODUCTS



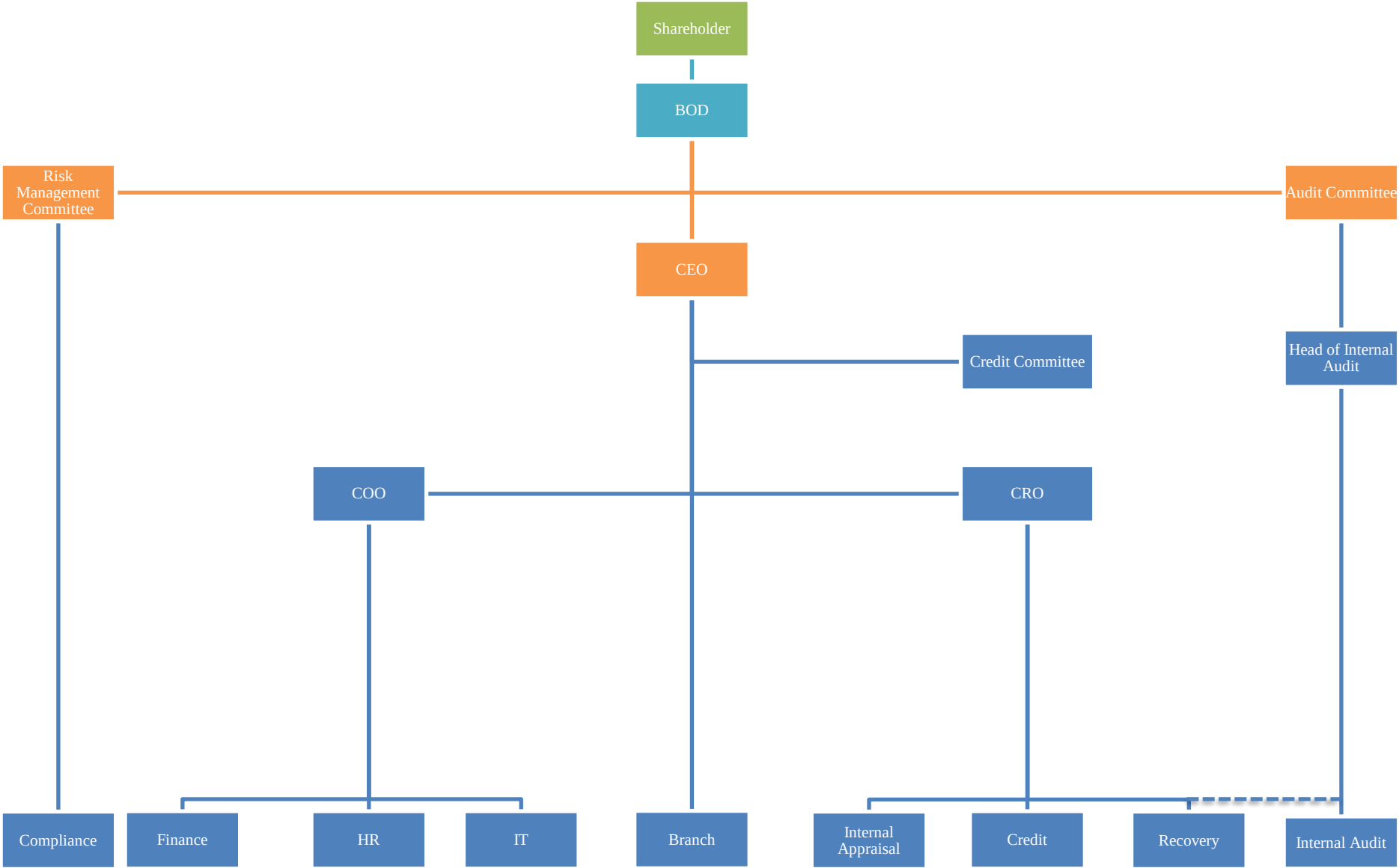
General Loan shall be provided for working capital, expansion of current business or any other business purpose and personal purpose of borrowers (the “Borrower”). The loan shall be provided based on the income stream, repayment capacity of the Borrower and collateral for the loan.

Staff Loan is to provide urgent funds to staff of the Company with a reasonable loan rate.

E9 VISA Loan shall be provided by Cam Capital Public Limited Company (“Company”) for personal purpose of borrowers (“Borrower”) who has a plan to work in South Korea. The loan shall be provided based on the income stream, repayment capacity of the Borrower for the loan.

Construction Equipment Loans are offered by Cam Capital Public Limited Company (“Company”) to individuals and corporations for purchase of construction equipment or machinery for their business uses.

ORGANIZATION CHART



SHARE CAPITAL AND SHAREHOLDERS



Cam Capital Public Limited Company has increased register capital from US\$ 10,000,000 to US\$ 15,000,000 or KHR 60,000,000,000 as at 31 December 2022 and ordinary shares have been fully subscribed and paid up by the following shareholder(s) according to their respective shareholding ratio in the company. The Company's shareholder(s) are as follows:

No	Name	Number of Shares	Amount US\$	Share in %
1	DGB Capital Co., Ltd. (Represented by Mr. Park Nam Kyu)	15,000,000	15,000,000 USD	100%
Total		15,000,000	15,000,000 USD	100%

Note: Ordinary Shares with a par value of USD 1 (One US Dollar) per share.

BOARD OF DIRECTORS

Mr. Kim Byeong Hee

Education:

- Master of Applied statistics, Yonsei University, Korea (1992, Korea)

Work Experience:

- President, DGB Capital CO., LTD, Korea (Present)
- President, Korean Credit-Card Electronic-Settlement Service, Seoul, Korea (Mar 2020-Jan 2022)
- Vice President, Hyundai Capital, Seoul, Korea (Mar 2016-Mar 2020)
- Vice President, Hyundai Commercial, Seoul, Korea (Jan 2012-Sep 2018)



Mr. Yun Jeong Kwon

Education:

- Bachelor of Business Administration, Sogang University, (1993, Korea)

Work Experience:

- CSO, CFO, DGB Capital CO., LTD, Seoul, Korea (Oct 2015-Present)
- Head of Daegu Branch, Hyosung Capital, Seoul, Korea (Oct 2012-Oct 2015)



Mr. Seo Dong Pil

Education:

- Master of Business Administration (MBA), KonKuk University, Korea
- Bachelor of Arts and Crafts, KonKuk University, Korea

Work Experience:

- 3S.H International / President / Cambodia
- Daum Communication (Listed at KOSDAQ) / HR Team Manager / Korea



HEAD OFFICE AND BRANCHES

Head Office

- No.318, Street No 271, Phum 5, Sangkat Stueng Mean Chey 2, Khan Mean Chey, Phnom Penh.
- Tell : 023 991 999
- Email : info@camcapitalplc.com

Battambang Branch

- No.276, Street No.3, Kampong Krabei Village, Sangkat Svay Por, Krong Battambang, Battambang Province.
- Tell: 081 946 346

Chaom Chau Branch

- No. 01 and 02, National Road No 3, Krang Doun Tey Village, Sangkat Chaom Chau 2, Khan Pur SenChey, Phnom Penh, Cambodia.
- Tell: 023 991 988

Dangkao Branch

- No.93, Street 217, Borey Kamkor Village, Sangkat Cheng Erk, Khan Dangkao, Phnom Penh, Cambodia.
- Tell: 023 991 977

Chraoy Chongvar Branch

- No. F35&F36, National Road No 6A, Phum Khtor, Sangkat Preaek Lieb, Khan Chraoy Chongvar, Phnom Penh.
- Tell: 023 991 966

Angk Snoul Branch

- Angk Snoul Ti Pir Village, Peuk Commune, Angk Snoul District, Kandal Province.
- Tell: 024 991 955

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors of CAM Capital Public Limited Company (“the Company”) presents its report and the Company’s financial statements as at 31 December 2022 and for the year then ended.

THE COMPANY

The Company, previously known as Collective Win (Cambodia) Plc, is a public limited company incorporated in Cambodia and registered with the Ministry of Commerce under Registration Number Co. 2160KH/2015, dated 23 June 2015. On 2 December 2019, the Company obtained its license from the National Bank of Cambodia (“NBC”) to operate as a micro-finance institution. The Company’s immediate parent company is DGB Capital Co., Ltd., a company incorporated in South Korea.

The principal activity of the Company is to provide microfinance services to low-income individuals and small and medium enterprises through its offices in the Kingdom of Cambodia.

The Company’s registered office address is located at No. 318, Street 271, Phum 5, Sangkat Stueng Mean Chey 2, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

FINANCIAL RESULTS

The financial performance of the Company is set out in the statement of comprehensive income.

PAID-UP CAPITAL

The paid-up capital of the Company as at 31 December 2022 was US\$15,000,000 or KHR’000 60,000,000 (2021: US\$10,000,000 or KHR’000 40,000,000).

DIVIDENDS

No dividend was declared or paid. The Board of Directors does not recommend any dividend to be paid for the year.

RESERVES AND PROVISIONS

No dividend was declared or paid. The Board of Directors does not recommend any dividend to be paid for the year.

BAD AND DOUBTFUL LOANS AND ADVANCES TO CUSTOMERS

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

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

CURRENT ASSETS

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

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

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 method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate in any material respect.

CONTINGENT AND OTHER LIABILITIES

At the date of this report, there is:

- No 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; and
- No contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of business.

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

EVENTS AFTER THE REPORTING PERIOD

At the date of this report, to the best knowledge of the Board of Directors, there have been no significant events occurring after 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:

Mr. Kim Byeong Hee	Chairman (appointed on 6 April 2022)
Mr. Sur Juing Doung	Chairman (resigned on 6 April 2022)
Mr. Yun Jeong Kwon	Director (appointed on 6 April 2022)
Mr. Kang Jeong Hun	Director (resigned on 6 April 2022)
Mr. Seo Dong Pil	Independent Director

AUDITOR

Ernst & Young (Cambodia) Ltd. is the auditor of the Company.

DIRECTORS' INTERESTS

No members of the Board of Directors hold any interest in the equity of the Company.

DIRECTORS' BENEFITS

During and at the end of the year, no arrangement existed, to which the Company was a party, whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other corporate body.

No director of the Company has received or become entitled to receive any benefit by reason of a contract made by the Company or with a firm in which the director is a member, or with a company which the director has a material financial interest other than those disclosed in the financial statements.

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and its financial performance and its cash flows for the year then ended. The Board of Directors oversees preparation of these financial statements by management who is 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 Standard for Small and Medium-sized Entities ("CIFRS for SMEs"), or if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- Maintain adequate accounting records and an effective system of internal controls;
- Prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- Set overall policies for the Company, ratify all decisions and actions that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial information of the Company and to ensure that the accounting records comply with the applicable accounting system. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board of Directors confirms that the Company has complied with these requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements which give a true and fair view of 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 CIFRS for SMEs.

On behalf of the Board of Directors

A blue ink signature of Seo Dong Pil is written over a blue circular corporate stamp. The stamp contains the text "ព្រះរាជាណាចក្រកម្ពុជា" (Kingdom of Cambodia) at the top, "ខេត្តបាត់ដំបង" (Battambang Province) in the middle, and "Cam Capital Plc" at the bottom.

Seo Dong Pil
Independent Director

Phnom Penh, Kingdom of Cambodia

27 April 2023

INDEPENDENT AUDITOR'S REPORT

To: The Shareholder of CAM Capital Public Limited Company

Opinion

We have audited the financial statements of CAM Capital Public Limited Company ("the Company"), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants and Auditors issued by the Ministry of Economy and Finance of Cambodia, together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and Auditor's Report Thereon

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors. Management is responsible for the other information.

The other information obtained at the date of the auditor's report comprises the Report of the Board of Directors. Management is responsible for the other information.

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

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

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

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

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.

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

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

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



Ernst & Young (Cambodia) Ltd.
 Certified Public Accountants
 Registered Auditors

Phnom Penh, Kingdom of Cambodia

27 April 2023

STATEMENT OF FINANCIAL POSITION
as at 31 December 2022



	Notes	2022		2021	
		US\$	KHR'000 equivalent (Note 2)	US\$	KHR'000 equivalent (Note 2)
ASSETS					
Cash on hand and in banks	4	2,670,889	10,996,050	1,438,286	5,859,577
Balances with the National Bank of Cambodia	5	755,226	3,109,265	502,612	2,047,641
Loans and advances to customers	6	41,874,541	172,397,485	20,258,615	82,533,598
Other assets	7	232,675	957,923	161,625	658,460
Property and equipment	8	1,260,486	5,189,421	873,522	3,558,729
Intangible asset	9	166,263	684,505	255,607	1,041,343
TOTAL ASSETS		46,960,080	193,334,649	23,490,267	95,699,348
LIABILITIES AND SHAREHOLDER'S EQUITY					
LIABILITIES					
Income tax payable	10.2	4,912	20,223	2,362	9,623
Borrowings	11	34,118,598	140,466,268	16,013,388	65,238,543
Other liabilities	12	361,697	1,489,106	286,096	1,165,555
Total liabilities		34,485,207	141,975,597	16,301,846	66,413,721
SHAREHOLDER'S EQUITY					
Share capital	13	15,000,000	60,000,000	10,000,000	40,000,000
Accumulated losses		(3,144,667)	(12,756,493)	(2,976,340)	(12,068,542)
Regulatory reserve	14	619,540	2,528,927	164,761	670,246
Cumulative differences on exchange translation		-	1,586,618	-	683,923
Total shareholder's equity		12,474,873	51,359,052	7,188,421	29,285,627
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		46,960,080	193,334,649	23,490,267	95,699,348

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2022

	Notes	2022		2021	
		US\$	KHR'000 equivalent (Note 2)	US\$	KHR'000 equivalent (Note 2)
Operating income					
Interest income	15	4,355,267	17,799,976	1,783,468	7,255,148
Interest expense	16	(1,090,943)	(4,458,684)	(356,736)	(1,451,202)
Net interest income		3,264,324	13,341,292	1,426,732	5,803,946
Fee and commission expense	17	(408,890)	(1,671,133)	(302,177)	(1,229,256)
Other operating income	18	57,219	233,854	54,114	220,136
Total operating income		2,912,653	11,904,013	1,178,669	4,794,826
General and administrative expenses	19	(2,501,194)	(10,222,380)	(1,639,314)	(6,668,729)
Provision for impairment losses	20	(80,440)	(328,758)	(36,078)	(146,765)
Profit (loss) before income tax		331,019	1,352,875	(496,723)	(2,020,668)
Income tax expense	10.1	(44,567)	(182,145)	(19,210)	(78,146)
Net profit (loss) for the year		286,452	1,170,730	(515,933)	(2,098,814)
<i>Other comprehensive income item:</i>					
Exchange difference on translation		-	902,695	-	422,829
Total comprehensive income (loss) for the year		286,452	2,073,425	(515,933)	(1,675,985)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

	<i>Share capital</i>		<i>Accumulated losses</i>		<i>Regulatory reserve (Note 14)</i>		<i>Accumulated exchange difference on translation</i>	<i>Total</i>	
	<i>US\$</i>	<i>KHR'000 (Note 2)</i>	<i>US\$</i>	<i>KHR'000 (Note 2)</i>	<i>US\$</i>	<i>KHR'000 (Note 2)</i>	<i>KHR'000 (Note 2)</i>	<i>US\$</i>	<i>KHR'000 (Note 2)</i>
As at 1 January 2022	10,000,000	40,000,000	(2,976,340)	(12,068,542)	164,761	670,246	683,923	7,188,421	29,285,627
Additional share capital	5,000,000	20,000,000	-	-	-	-	-	5,000,000	20,000,000
Net profit for the year	-	-	286,452	1,170,730	-	-	-	286,452	1,170,730
Transfers to regulatory reserves	-	-	(454,779)	(1,858,681)	454,779	1,858,681	-	-	-
Difference on exchange translation	-	-	-	-	-	-	902,695	-	902,695
As at 31 December 2022	15,000,000	60,000,000	(3,144,667)	(12,756,493)	619,540	2,528,927	1,586,618	12,474,873	51,359,052
As at 1 January 2021	5,500,000	22,000,000	(2,295,646)	(9,299,482)	-	-	261,094	3,204,354	12,961,612
Additional share capital	4,500,000	18,000,000	-	-	-	-	-	4,500,000	18,000,000
Net loss for the year	-	-	(515,933)	(2,098,814)	-	-	-	(515,933)	(2,098,814)
Transfers to regulatory reserves	-	-	(164,761)	(670,246)	164,761	670,246	-	-	-
Difference on exchange translation	-	-	-	-	-	-	422,829	-	422,829
As at 31 December 2022	10,000,000	40,000,000	(2,976,340)	(12,068,542)	164,761	670,246	683,923	7,188,421	29,285,627

STATEMENT OF CASH FLOWS
for the year ended 31 December 2022

	Notes	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
OPERATING ACTIVITIES					
Profit (loss) before income tax		331,019	1,352,875	(496,723)	(2,098,814)
<i>Adjustments for:</i>					
Depreciation and amortization	19	412,060	1,684,089	269,008	1,094,325
Provision for impairment losses on loans and advances to customers	6	80,440	328,758	50,304	204,637
<i>Movements in operating assets and liabilities:</i>					
Statutory deposit	5	(250,000)	(1,021,750)	(225,000)	(915,300)
Loans and advances to customers		(21,696,366)	(88,673,048)	(13,590,098)	(55,284,519)
Other assets		(71,050)	(290,381)	(103,439)	(420,790)
Other liabilities		180,811	738,974	81,059	329,748
Cash used in operating activities		(21,013,086)	(85,880,483)	(14,014,889)	(57,090,713)
Income tax paid	10.2	(42,017)	(171,723)	(17,869)	(72,691)
Net cash used in operating activities		(21,055,103)	(86,052,206)	(14,032,758)	(57,163,404)
INVESTING ACTIVITIES					
Acquisition of property and equipment	8	(709,680)	(2,900,462)	(473,851)	(1,927,626)
Net cash used in investing activities		(709,680)	(2,900,462)	(473,851)	(1,927,626)
FINANCING ACTIVITIES					
Proceeds from borrowings	11	18,000,000	73,566,000	10,000,000	40,680,000
Proceeds from additional capital	13	5,000,000	20,435,000	4,500,000	18,306,000
Net cash provided by financing activities		23,000,000	94,001,000	14,500,000	58,986,000
Net increase (decrease) in cash and cash equivalents		1,235,217	5,048,332	(6,609)	(105,030)
Cash and cash equivalents at beginning of year	4	1,440,898	5,888,950	1,447,507	5,888,458
Exchange difference on translation		-	80,283	-	86,790
Cash and cash equivalents at end of year	4	2,676,115	11,017,565	1,440,898	5,870,218
<i>Additional information on operational cash flows</i>					
Interest received		4,074,421	16,652,159	1,769,421	7,198,005
Interest paid		(985,733)	(4,028,691)	(347,880)	(1,415,176)

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2022 and for the year then ended

1. CORPORATE INFORMATION

CAM Capital Public Limited Company (“the Company”) is a licensed microfinance institution (“MFI”) incorporated and registered in the Kingdom of Cambodia.

Establishment and operations

The Company, previously known as Collective Win (Cambodia) Plc, is a public limited company incorporated in Cambodia and registered with the Ministry of Commerce under Registration Number Co., 2160KH/2015, dated 23 June 2015. On 2 December 2019, the Company obtained its revised license from the National Bank of Cambodia (“NBC”) to operate as a micro-finance institution. The Company’s immediate parent company is DGB Capital Co., Ltd., a company incorporated in South Korea.

The principal activity of the Company is to provide microfinance services to low-income individuals and small and medium enterprises through its office in the Kingdom of Cambodia.

The Company’s registered office address is located at No. 318, Street 271, Phum 5 Sangkat Stueng Mean Chey 2, Khan Mean Chey, Phnom Penh, Kingdom of Cambodia.

Employees

As at 31 December 2022, the Company had a total of 154 employees (2021: 104 employees).

Approval of the financial statements

The financial statements were authorized for issue by the Board of Directors (“BoD”) on 27 April 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements, expressed in United States dollar (“US\$”), have been prepared on a historical cost basis, except otherwise indicated.

2.1 Basis of presentation

The financial statements of the Company, expressed in United States dollar (“US\$”), are prepared in accordance with Cambodian International Financial Reporting Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

The translation of the US\$ amounts into Khmer riel (“KHR”) is presented in the financial statements to comply with the Law on Accounting and Auditing and the relevant provision of CIFRS for SMEs using the closing and average rates for the year then ended.

Assets and liabilities are translated at the closing rate ruling at each reporting date, whereas income and expense items are translated at the average rate for the year then ended. All resulting exchange differences are recognized as a separate component of equity. Such translation should not be construed as a representation that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate. All values in US\$ and KHR are rounded to the nearest dollar and thousand KHR (“KHR’000”), respectively, except otherwise indicated. The financial statements are presented in KHR based on the following applicable exchange rates per US\$1:

	2022	2021
Closing rate	4,117	4,074
Average rate	4,087	4,068

NOTES TO THE FINANCIAL STATEMENTS (continued)

as at 31 December 2022 and for the year then ended

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**2.2 Fiscal year**

The Company's fiscal year starts on 1 January and ends on 31 December.

2.3 Functional and presentation currency and foreign exchange

The national currency of Cambodia is KHR. However, as the Company transacts its business and maintains its accounting records primarily in US\$, management has determined the US\$ to be the Company's currency for measurement and presentation purposes as it reflects the economic substance of the underlying events and circumstances of the Company.

Transactions in currencies other than US\$ are translated to US\$ at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in currencies other than US\$ which are outstanding at the reporting date are translated into US\$ at the rate of exchange ruling at that date. Exchange differences arising on translation are recognized in the statement of comprehensive income.

2.4 Financial instruments

The Company applied both Section 11 on Basic Financial Instruments and Section 12 on Other Financial Instrument Issues in full.

The Company's financial instruments consist of basic financial assets and liabilities such as cash on hand and in banks, current account with the NBC, loans and advances to customers, other current assets (except prepayment), borrowings and other liabilities (except withholding tax payables).

Financial assets and financial liabilities are recognized only when the entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognized at the transaction price unless the arrangement constitutes a financing transaction. A financing transaction may take place if payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate. If the arrangement constitutes a financing transaction, the Company shall measure the financial asset or financial liability at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Transaction costs are included in the initial measurement of all financial assets and financial liabilities, except for financial instruments measured at fair value through profit or loss.

After initial recognition, all basic financial instruments are measured at amortized cost using effective interest method ("EIR").

At the end of each reporting period, the Company assesses whether there is objective evidence of impairment of any financial assets that are measured at cost or amortized cost. If there is objective evidence of impairment, the Company recognizes an impairment loss in profit or loss immediately.

For financial assets measured at amortized cost, the impairment loss is the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate ("EIR"). If such a financial instrument has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR determined under the contract.

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 recognized, the Company shall reverse the previously recognized impairment loss either directly or by adjusting an allowance account. The reversal shall not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognized. The Company shall recognize the amount of the reversal in profit or loss immediately.

2.4.1 *Derecognition of financial assets and financial liabilities*

Financial assets

The Company shall derecognize a financial asset only when:

- The contractual rights to the cash flows from the financial asset expire or are settled; or
- The Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- The Company, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the Company shall (a) derecognize the asset, and (b) recognize separately any rights and obligations retained or created in the transfer.

If a transfer does not result in derecognition because the Company has retained significant risks and rewards of ownership of the transferred asset, the Company shall continue to recognize the transferred asset in its entirety and shall recognize a financial liability for the consideration received. The asset and liability shall not be offset. In subsequent periods, the entity shall recognize any income on the transferred asset and any expense incurred on the financial liability.

Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or has expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the carrying value of the original liability and the recognition of a new liability, at fair value and any resulting difference is recognized in profit or loss.

2.5 *Cash and cash equivalents*

For cash flow statement purposes, cash and cash equivalents include cash on hand, balances with the NBC and other banks and short-term highly liquid investments with original maturities of three months or less from the respective dates of placements, and that are readily convertible to known amounts of cash and subject to insignificant risk of change in value.

2.6 *Balances with other banks*

Balances with other banks are carried at cost.

2.7 *Statutory deposit*

Statutory deposit is maintained with the NBC in compliance with the Cambodian Law on Banking and Financial Institutions and is determined by defined percentage of minimum share capital as required by the NBC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 *Loans and advances to customers*

Loans and advances to customers are initially recognized at the transaction prices (including transaction costs) and subsequently measured at amortized cost using effective interest method.

At the end of each reporting period, the carrying amounts of loans and advances to customers are reviewed to determine whether there is any objective evidence of impairment. If there is objective evidence of impairment, an impairment loss is recognized immediately in profit or loss. Impairment loss is the difference between carrying amounts of loans and advances and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Objective evidences of impairment include observable data that come to the management's attention about the following loss events:

- Significant financial difficulty of the borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It has become probable that the borrower will enter bankruptcy;
- Observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Loans and advances to customers are grouped on the basis of similar credit risk characteristics.

Reversal of impairment

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 recognized, the entity shall reverse the previously recognized 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 recognized. The entity shall recognize the amount of the reversal in profit or loss immediately.

2.9 *Regulatory reserve*

Regulatory reserve is set up to account for the difference in provision between loan impairment determined in accordance with CIFRS for SMEs and the regulatory provision computed in accordance with NBC Prakas No B7-017-344 dated 1 December 2017 and Circular No B7-018-001 dated 16 February 2018 on credit risk classification and provision on impairment for banks and financial institutions.

The regulatory provision requires banks and financial institutions to classify their loan portfolio into five classes and provide general and specific allowance based on the loan classification as follows:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Regulatory reserve (continued)

<i>Classification</i>	<i>Number of days past due</i>	<i>Allowance rate</i>
Standard	0 to 14 days (short-term)	1%
	0 to 29 days (long-term)	
Special mention	15 days to 30 days (short-term)	3%
	30 days to 89 days (long-term)	
Substandard	31 days to 60 days (short-term)	20%
	90 days to 179 days (long-term)	
Doubtful	61 days to 90 days (short-term)	50%
	180 days to 359 days (long-term)	
Loss	From 91 days (short-term)	100%
	360 days or more (long-term)	

The Company shall compare the provision calculated in accordance with CIFRS for SMEs and the regulatory provision, and:

- (i) In case the regulatory provision is lower than provision calculated under CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs; and
- (ii) In case the regulatory provision is higher than provision calculated under CIFRS for SMEs, the Company shall record the provision calculated in accordance with CIFRS for SMEs and transfer the difference from retained earnings to the regulatory reserve.

In December 2021, the NBC issued Circular No. B7-021-2314 to provide additional guidance to banks and financial institutions in classifying their loans which have been restructured up to 31 December 2021 and in providing the regulatory allowance. This Circular requires banks and financial institutions to classify restructured loans as follows:

- Special mention, if a restructured loan is “viable” or deemed as “performing”
- Sub-standard, if a first-time restructured loan will need another restructuring
- Doubtful, if a second-time restructured loan will need another restructuring
- Loss, if a restructured loan is “non-viable” or deemed as “non-performing”

2.10 Other assets

Amounts receivable are recognized initially at transaction prices and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of the amount's receivable is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The carrying amount of the amount's receivable is reduced through the use of the allowance account and the amount of loss is recognized in the statement of comprehensive income

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. After initial recognition, interest-bearing borrowings are measured at amortized cost using the effective interest rate method; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective rate method. For floating interest borrowings, effective interest rate is being calculated based on the revised cash flow expectations every reporting period.

2.12 Property and equipment

Property and equipment are stated at cost excluding day-to-day servicing, less accumulated depreciation and provision for impairment in value (if any). Changes in the expected useful life are accounted for by changing the depreciation period or method, as appropriate and treated as a change in accounting estimate.

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. The cost of property and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. 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.

Subsequent expenditure relating to an item of property and equipment that has already been recognized 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 recognized as an expense in the period in which it is expensed.

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

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset, as follows:

Leasehold improvements	5 years
Computer and IT equipment	5 years
Furniture and fixtures	5 years
Office equipment	5 years
Vehicles	5 years

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

If there is an indication that there has been a significant change in the useful life or residual value of an asset, the depreciation of that asset is revised prospectively to reflect the new expectations.

2.13 Intangible asset

Intangible asset comprises accounting software which is stated at cost less accumulated amortization and accumulated impairment losses, if any. It is amortized on a straight-line basis at the rate of 25% per annum. If there is an indication that there has been a significant change in amortization rate, useful life or residual value of software, the amortization is revised prospectively to reflect the new expectations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 *Impairment of non-financial assets*

At each reporting date, property and equipment and intangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset (or group of related assets) is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognized immediately in profit or loss.

Calculation of recoverable amount

The recoverable amount of the Company's long-term assets is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and if circumstances subsequently improve and there is persuasive evidence that the improved circumstances will persist.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

2.15 *Employee benefits*

Short-term employee benefits

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

Other long-term employee benefits

Other long-term employee benefits are accrued based on the present value of expected future payments.

2.16 *Leases*

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

Company as a lessee

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Corporate income tax

Current income tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit for the year.

The current income tax charge is calculated on the basis of the tax rates and laws that have been enacted or substantially enacted by the reporting date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretations. It establishes provisions, where appropriate, on the basis of the amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The net carrying amount of deferred tax assets is reviewed at each reporting date and is adjusted to reflect the current assessment of future taxable profits. Any adjustments are recognized in profit or loss. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred income tax asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply to the taxable profit (tax loss) of the periods in which it expects the deferred tax asset to be realized or the deferred tax liability to be settled, on the basis of tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.18 Other liabilities

Other liabilities are stated at cost which represents the fair value of the consideration expected to be paid in the future for goods and services received.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Provisions

Provisions are recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.20 Contingencies

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed in the notes to consolidated financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but disclosed in the notes to consolidated financial statements when an inflow of economic benefit is probable.

2.21 Effective interest rate

Effective interest rate ("EIR") is a rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

When calculating the EIR, the Company estimates the expected cash flow by considering all the contractual terms of the financial instrument, but not considering the expected credit loss. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

2.22 Recognition of income or expense

Interest income is earned from loans and advances to customers and balances with the NBC and other banks. Interest income is calculated using the effective interest method presented in the statement of comprehensive income includes interest on financial assets measured at amortized cost.

Interest expense is also calculated using the EIR method for all financial liabilities held at amortized cost. Interest expense presented in the statement of comprehensive income includes financial liabilities measured at amortized cost.

2.23 Related parties

Enterprises and individuals that directly or indirectly, through one or more intermediaries, control, are controlled by or under common control with the Company, including holding companies, subsidiaries and fellow subsidiaries, are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close family members of these individuals, and companies associated with these individuals also constitute related parties. In considering each possible related entity relationship, attention is directed to the substance of the relationship, and not merely the legal form.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and related notes. In preparing the Company's financial statements, management has made its best estimates and judgments of certain amounts, giving due consideration to materiality. The judgments, estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods effected.

(a) Critical judgments

In the process of applying the Company's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the financial statements:

Determination of functional currency

Based on the economic substance of underlying circumstances relevant to the Company, the functional currency of the Company has been determined to be the US\$. The US\$ is the currency of the primary economic environment in which the Company operates; and it is the currency that mainly influences the selling of services and the cost of selling services.

Operating lease – Company as a lessee

The Company has entered into property lease arrangement under operating lease as a lessee. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that the lessor retains all the significant risks and rewards of ownership of these properties

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

Estimating allowance for impairment of loans and advances to customers

Allowance for doubtful debts is maintained at a level considered adequate to provide for potentially uncollectible receivables. The level of allowance is based on the status of receivables, past collection experience and other factors that may affect collectability. The allowance is established by charges to income in the form of provision for doubtful accounts.

Estimating useful lives of property and equipment and intangible asset

The Company estimates the useful or economic lives of its property and equipment and intangible asset based on the period over which the assets are expected to be available for use. The Company reviews annually the estimated useful or economic lives of property and equipment and intangible asset based on factors that include asset utilization, internal technical evaluation, technological changes, environmental and anticipated use of the assets tempered by related industry benchmark information. It is possible that future results of operation could be materially affected by changes in these estimates brought about by changes in factors mentioned. A reduction in the estimated useful or economic lives of property and equipment and intangible asset would increase depreciation and amortization expense and decrease property and equipment and intangible asset.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)*(b) Critical accounting estimates and assumptions (continued)**Taxes*

Uncertainties exist with respect to the interpretation of tax regulations, changes in tax laws, and the amount and timing of future taxable income. The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

Foreign currency transactions and translation

The Company maintains its accounting system and records all transactions in original currencies. Monetary assets and liabilities denominated in foreign currencies ("FC") other than the US\$ and KHR at year-end are re-translated to US\$ at the exchange rates ruling at the reporting date. Income and expenses arising in FC and KHR are converted into US\$ at month-end using the applicable middle exchange rates rather than the exchange rates ruling at the transaction dates. Unrealized foreign exchange differences arising from the translation of monetary assets and liabilities on the balance sheet date are recognized in the income statement.

Rounding of amounts

Amounts in the financial statements have been rounded off to the nearest dollar and nearest thousand KHR for US\$ and KHR amounts, respectively.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cash on hand	168,648	694,324	31,563	128,588
Cash in banks				
Current accounts	2,143,201	8,823,559	1,406,723	5,730,989
Saving accounts	359,040	1,478,167	-	-
Cash on hand and in banks	2,670,889	10,996,050	1,438,286	5,859,577
Current accounts with the NBC	5,226	21,515	2,612	10,641
Cash and cash equivalents	2,676,115	11,017,565	1,440,898	5,870,218

Certain current accounts do not earn any interest while a current account at DGB Bank Plc (DGB) earns interest rate at 3% per annum (2021: Nil). Savings accounts earn interest rate at 2% per annum (2021: Nil).

5. BALANCES WITH THE NBC

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Current accounts	5,226	21,515	2,612	10,641
Statutory deposit	750,000	3,087,750	500,000	2,037,000
	755,226	3,109,265	502,612	2,047,641

5. BALANCES WITH THE NBC (continued)

Under the NBC Prakas B7-00-06 dated 11 January 2000, microfinance institutions are required to maintain a statutory deposit of 5% of registered capital with the NBC. This deposit is not available for use in the Company's day-to-day operations but is refundable when the Company voluntarily ceases to operate the business in Cambodia.

The statutory deposit is interest-bearing at 1/2 of the six-month period refinancing rate set by the NBC for statutory deposit maintained in Khmer Riel and 3/8 of the six-month period SIBOR rate for statutory deposit maintained in US\$.

Statutory deposit earns interest at rates ranging from 0.08% - 0.65% (2021: 0.04% - 0.06%) per annum. Current account with the NBC does not earn interest.

6. LOANS AND ADVANCES TO CUSTOMERS

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Individual loans	41,979,031	172,827,671	20,332,996	82,836,626
Accrued interest receivable	324,101	1,334,324	133,492	543,846
Loans and advances to customers – gross	42,303,132	174,161,995	20,466,488	83,380,472
Unamortized loan processing fees	(273,135)	(1,124,497)	(132,577)	(540,119)
Carrying amount	42,029,997	173,037,498	20,333,911	82,840,353
Allowance for losses on loans and advances	(155,456)	(640,013)	(75,296)	(306,755)
Loans and advances to customers – net	41,874,541	172,397,485	20,258,615	82,533,598

Movements of allowance for losses on loans and advances to customers were as follows:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
At beginning of year	75,296	306,755	163,962	663,226
Charge for the year (Note 20)	80,440	328,758	50,304	204,637
Write off	-	-	(141,065)	(573,852)
Other	(280)	(1,144)	2,095	8,522
Exchange difference on translation	-	5,644	-	4,222
At end of year	155,456	640,013	75,296	306,755

6. LOANS AND ADVANCES TO CUSTOMERS (continued)

Further analyses of loans and advances to customers based on outstanding principal and accrued interest receivable are as follows:

(a) By maturity

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Within 1 year	350,646	1,443,610	4,936	20,109
From 1 to 5 years	40,045,405	164,866,932	19,939,215	81,232,362
Over 5 years	1,907,081	7,851,453	522,337	2,128,001
Total	42,303,132	174,161,995	20,466,488	83,380,472

(b) By industrial sector

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Construction	14,427,758	59,399,080	773,728	3,152,168
Trading	14,099,199	58,046,403	8,981,363	36,590,073
Consumers	6,392,211	26,316,733	1,802,665	7,344,057
Business	6,331,796	26,068,004	8,357,962	34,050,337
Agriculture	961,653	3,959,125	526,652	2,145,580
Household	90,515	372,650	24,118	98,257
Total	42,303,132	174,161,995	20,466,488	83,380,472

(c) By residency, relationship and location

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Residency				
Residents	42,303,132	174,161,995	20,466,488	83,380,472
Relationship				
Staff loans	187,775	773,070	136,033	554,198
External customers	42,115,357	173,388,925	20,330,455	82,826,274
	42,303,132	174,161,995	20,466,488	83,380,472
Location				
Phnom Penh	40,242,125	165,676,829	20,466,488	83,380,472
Kandal	2,061,007	8,485,166	-	-
	42,303,132	174,161,995	20,466,488	83,380,472

6. LOANS AND ADVANCES TO CUSTOMERS (continued)*(d) By currency:*

	<i>2022</i>		<i>2021</i>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
	<i>(Note 2)</i>		<i>(Note 2)</i>	
US\$	37,894,184	156,010,355	18,210,836	74,190,946
KHR	4,408,948	18,151,640	2,255,652	9,189,526
Total	42,303,132	174,161,995	20,466,488	83,380,472

(e) Range of interest rates (per annum):

	<i>2022</i>	<i>2021</i>
Staffs loans	8.04%	8.04%
Loans to customers	10.2% - 18%	10.2% - 18%

7. OTHER ASSETS

	<i>2022</i>		<i>2021</i>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
	<i>(Note 2)</i>		<i>(Note 2)</i>	
Rental deposits	88,787	365,536	83,711	341,039
Prepayments	81,226	334,407	13,464	54,852
Accrued interest receivable on deposit with DGB <i>(Note 22)</i>	10,905	44,896	-	-
Others	51,757	213,084	64,450	262,569
	232,675	957,923	161,625	658,460
Current portion	143,888	592,387	77,914	317,422
Non-current portion	88,787	365,536	83,711	341,038
	232,675	957,923	161,625	658,460

8. PROPERTY AND EQUIPMENT

	<i>Leasehold improvements</i>	<i>Computer and IT equipment</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Vehicles</i>	<i>Total</i>
	<i>US\$</i>		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost						
As at 1 January 2022	557,601	389,099	9,030	63,896	127,610	1,147,236
Additions	390,101	113,040	4,114	66,975	135,450	709,680
As at 31 December 2022	947,702	502,139	13,144	130,871	263,060	1,856,916
Less accumulated depreciation						
As at 1 January 2022	86,935	130,097	6,794	12,665	37,223	273,714
Charges for the year	162,994	90,371	1,529	20,271	47,551	322,716
As at 31 December 2022	249,929	220,468	8,323	32,936	84,774	596,430
Net book value						
As at 31 December 2022	697,773	281,671	4,821	97,935	178,286	1,260,486
KHR'000 (Note 2)	2,872,730	1,159,641	19,848	403,198	734,004	5,189,421

8. PROPERTY AND EQUIPMENT (continued)

	<i>Leasehold improvements</i>	<i>Computer and IT equipment</i>	<i>Furniture and fixtures</i>	<i>Office equipment</i>	<i>Vehicles</i>	<i>Total</i>
	<i>US\$</i>		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Cost						
As at 1 January 2021	236,706	318,825	9,030	23,664	85,410	673,635
Additions	320,895	70,274	-	40,482	42,200	473,851
Disposals	-	-	-	(250)	-	(250)
As at 31 December 2021	557,601	389,099	9,030	63,896	127,610	1,147,236
Less accumulated depreciation						
As at 1 January 2021	7,890	60,158	6,048	5,739	14,502	94,337
Charges for the year	79,045	69,939	746	7,176	22,721	179,627
Disposal	-	-	-	(250)	-	(250)
As at 31 December 2021	86,935	130,097	6,794	12,665	37,223	273,714
Net book value						
As at 31 December 2021	470,666	259,002	2,236	51,231	90,387	873,522
KHR'000 (Note 2)	1,917,494	1,055,174	9,109	208,715	368,237	3,558,729

9. INTANGIBLE ASSET

Intangible asset mainly represents operating and accounting software.

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Cost				
As at 1 January	390,877	1,592,433	390,877	1,581,097
Currency translation difference	-	16,808	-	11,336
As at 31 December	390,877	1,609,241	390,877	1,592,433
Less accumulated amortization				
As at 1 January	135,270	551,090	45,889	185,621
Charges for the year	89,344	365,149	89,381	363,602
Difference on exchange translation	-	8,497	-	1,867
As at 31 December	224,614	924,736	135,270	551,090
Net book value	166,263	684,505	255,607	1,041,343

10. INCOME TAX

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Minimum tax	44,567	182,145	19,210	78,146

10.1 Current income tax

In accordance with Cambodian tax regulations, current income tax is calculated at the higher of the taxable income for the year multiplied by the tax rate of 20% at the reporting date and 1% of turnover.

The reconciliation of income tax computed at the statutory tax rate to the income tax expense shown in the statement of comprehensive income is as follows:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Profit (loss) before income tax	331,019	1,352,875	(496,723)	(2,020,668)
Income tax at applicable rate of 20%	66,204	270,576	(99,345)	(404,135)
Non-deductible expenses	34,562	141,255	16,297	66,295
Unrecognized temporary differences and others	18,182	74,310	11,788	47,954
Unrecognized tax loss	-	-	71,260	289,886
Utilization of previous unrecognized tax loss	(118,948)	(486,140)	-	-
Minimum tax	44,567	182,144	19,210	78,146
Income tax expense	44,567	182,145	19,210	78,146

10. INCOME TAX (continued)**10.1 Current income tax (continued)**

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

10.2 Income tax payable

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Balance at beginning of year	2,362	9,623	1,021	4,130
Minimum tax	44,567	182,145	19,210	78,146
Income tax paid	(42,017)	(170,923)	(17,869)	(72,691)
Difference on exchange translation	-	(178)	-	38
Balance at end of year	4,912	20,223	2,362	9,623

10.3 Deferred tax

Deferred tax asset (liability) items not recognized during the year are as follows:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Property and equipment and intangible asset	8,720	35,637	(18,754)	(76,291)
Loans and advances to customers				
Allowance for losses on loans and advances to customers	(36,205)	(147,970)	13,324	54,202
Unamortized loan processing fees	54,627	223,262	26,515	107,863
Seniority indemnity	-	-	526	2,140
Accrual unpaid within 180 days	12,651	51,705	-	-
Tax losses	425,681	1,739,758	544,629	2,215,551
Deferred tax assets - net	465,474	1,902,392	566,240	2,303,465

Deferred tax assets - net as at reporting date were not recognized since management believes that it is not probable that future taxable income will be available against which the deferred tax assets can be utilized.

10.4 Tax losses carried forward

In accordance with the Prakas No. 098 on Tax on Income for the tax losses to be carried forward for a period of five consecutive years and utilized against taxable profit in subsequent years, the following conditions should be met:

- Tax loss has been calculated based on the tax rules and reported in the annual tax return to the GDT;
- The Business activity of the Company must not have changed; and
- No tax unilateral reassessment on the tax losses has been made by the GDT.

10. INCOME TAX (continued)**10.4 Tax losses carried forward (continued)**

Tax loss is subject to assessment by GDT and may not be utilized if one of the criteria mentioned above will not be met.

Details of tax losses carried forward are as follows:

Originating year	Can be utilized up to	Tax loss amount US\$	Forfeited US\$	Utilized US\$	Unutilized as at 31 December 2022	
					US\$	KHR'000 (Note 2)
2020	2025	2,366,843	-	(594,741)	1,772,102	7,242,583
2021	2026	356,303	-	-	356,303	1,456,205
					2,128,405	8,698,788

11. BORROWINGS

The borrowings are from:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
<i>Daegu Bank (a):</i>				
Short term	-	-	16,000,000	65,184,000
Long term	16,000,000	65,872,000	-	-
<i>The Korean Development Bank, "KDB" Singapore Branch (b):</i>				
Short term	6,000,000	24,702,000	-	-
Long term	12,000,000	49,404,000	-	-
<i>Accrued interest payable</i>				
Daegu Bank	86,503	356,134	13,388	54,543
KDB	32,095	132,134	-	-
TOTAL	34,118,598	140,466,268	16,013,388	65,238,543

- (a) On 31 August 2020, the Company entered into a non-revolving credit facility agreement with Daegu Bank for a credit limit of US\$16,000,000, which were fully withdrawn in 2021, each loan had a term of one year and became matured on 21 September 2022. On 21 September 2022, term of the borrowing has been extended for another 2 years, with an interest at 3.11% plus three-months SOFR per annum following Additional Agreement for Transaction Conditions Change.
- (b) On 29 September 2022, the Company entered into a revolving credit facility agreement with the KDB, Singapore Branch for a credit limit of US\$14,700,000. As of 31 December 2022, US\$6,000,000 were withdrawn, which has a term of one year from the drawdown date and bears interest rate at 1.93% plus three-month SOFR per annum.

On 29 December 2021, the Company entered into a non-revolving credit facility agreement with KDB, Singapore Branch for a credit limit of US\$12,000,000, which were fully withdrawn in 2022. Each withdrawn loan has a term of two years from the drawdown date and bears fixed interest rate at 1.65% plus two-year LIBOR swap rate per annum.

11. BORROWINGS (continued)

Movements of borrowings during the year are as follows:

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
As at 1 January	16,013,388	65,238,543	6,004,532	24,288,332
Additions	18,000,000	73,566,000	10,000,000	40,680,000
Interest charge	1,090,943	4,458,684	356,736	1,451,202
Interest paid	(985,733)	(4,028,691)	(347,880)	(1,415,176)
Exchange difference on translation	-	1,231,732	-	234,185
As at 31 December	34,118,598	140,466,268	16,013,388	65,238,543

12. OTHER LIABILITIES

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Amount due to related party	282,535	1,163,197	35,146	143,185
Accruals	30,038	123,666	40,258	164,011
Advance payments from customers	25,757	106,042	195,839	797,848
Withholding tax payable	23,367	96,201	12,533	51,059
Other payables	-	-	2,320	9,452
	361,697	1,489,106	286,096	1,165,555

Items under other liabilities are short-term in nature, except provision for retroactive seniority pay amounting to US\$ 2,343 (2021: US\$ 2,643) included in Accruals, is a long-term portion.

13. SHAREHOLDER'S EQUITY

	2022		2021	
	US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
Ordinary shares registered, issued and paid-up with par value of US\$ 1	15,000,000	60,000,000	10,000,000	40,000,000

On 25 July 2022, the Company obtained approval from the NBC for an increase of additional share capital of US\$5,000,000. The amendment of the Company's memorandum and articles of association was endorsed by the Ministry of Commerce on 26 August 2022.

Capital management

The primary objectives of the Company's capital management are to ensure that it complies with externally imposed capital requirements, to maintain strong credit ratings and healthy capital ratios to support its business and to maximize its shareholder's value. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities to maintain or adjust the capital structure. No changes were made in the objectives, policies and processes from the previous years.

14. REGULATORY RESERVE

Allowance for losses on loan and advances per CIFRS for SMEs of US\$155,456 (2021: US\$75,295) is lower than regulatory allowance of US\$ 774,996 (2021: US\$ 240,056). As such, regulatory reserve of US\$619,540 (2021: US\$164,761) is required.

15. INTEREST INCOME

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2)		(Note 2)
<i>Interest income from:</i>				
Loans and advances to customers	4,268,107	17,443,753	1,783,316	7,254,529
Balances with other banks	87,160	356,223	152	619
	4,355,267	17,799,976	1,783,468	7,255,148

16. INTEREST EXPENSE

This represents interest expense on borrowings from Daegu Bank and KDB, Singapore Branch (Note 11).

17. FEES AND COMMISSION EXPENSES

This represents a guaranteed fee charged by its parent for guaranteeing the borrowings obtained from Daegu Bank and the Korean Development Bank, Singapore Branch at a rate of 0.733% and 1.360% per annum of the guaranteed limit, respectively.

18. OTHER OPERATING INCOME

Other operating income mainly comprises of recoveries of loans and advances to customers previously written off and penalty income for late payment of loans and advances to customers.

19. GENERAL AND ADMINISTRATIVE EXPENSES

	2022		2021	
	US\$	KHR'000	US\$	KHR'000
		(Note 2)		(Note 2)
Staff and other related costs	1,232,906	5,038,887	799,915	3,254,054
Depreciation and amortization	412,060	1,684,089	269,008	1,094,325
Rental	292,588	1,195,807	214,635	873,135
Legal and professional fees	112,933	461,557	57,883	235,468
Meal and entertainment	92,052	376,217	49,701	202,184
Transportation and travelling	82,802	338,412	38,994	158,628
Repairs and maintenance	55,055	225,010	42,923	174,611
Withholding tax expenses	45,395	185,529	18,813	76,531
Utilities	44,603	182,292	32,376	131,706
Stationery and office supplies	43,448	177,572	48,374	196,785
Securities	33,242	135,860	16,109	65,531
Communication	27,696	113,194	18,208	74,070
Membership, subscription and license fee	14,435	58,996	13,662	55,577
Insurance	6,530	26,688	3,566	14,506
Patent and registration	583	2,383	589	2,396
Others	4,866	19,887	14,558	59,222
	2,501,194	10,222,380	1,639,314	6,668,729

Others include miscellaneous expenses, bank charge, and net loss on foreign exchange.

20. PROVISION FOR IMPAIRMENT LOSSES

	<u>2022</u>		<u>2021</u>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
	<i>(Note 2)</i>		<i>(Note 2)</i>	
Provision for losses on loans and advances (Note 6)	80,440	328,758	50,304	204,637
Reversal of provision for losses on placements with other banks	-	-	(14,226)	(57,872)
	80,440	328,758	36,078	146,765

21. COMMITMENTS AND CONTINGENCY**21.1 Lease commitments**

The Company has lease commitments in respect of the lease of its office, branches and two apartments under an operating lease arrangement with no restrictions placed upon the Company by entering into the leases:

Future minimum lease payments under operating lease as at 31 December are as follows:

	<u>2022</u>		<u>2021</u>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
	<i>(Note 2)</i>		<i>(Note 2)</i>	
Within one year	229,520	944,934	217,360	884,220
1 year to 5 years	450,200	1,853,473	438,900	1,785,445
	679,720	2,798,407	656,260	2,669,665

21.2 Tax contingency

The taxation system in Cambodia is characterized by numerous taxes and frequently changing legislation, which is often unclear, contradictory and subject to interpretation. Often, differing interpretations exist among numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. These facts may create tax risks in Cambodia substantially more significant than in other countries.

Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have differing interpretations and the effects since the incorporation of the Company could be significant.

22. RELATED PARTY DISCLOSURES

Significant transactions with related parties during the year are as follows:

Related party	Nature of transaction	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
DGB Capital Co., Ltd	Guarantee fee (Note 17)	408,890	1,671,133	302,177	1,229,256
	Supplementary fee	16,754	68,474	-	-
Daegu Bank	Drawdowns of borrowings	-	-	10,000,000	40,680,000
	Interest expense	761,836	3,113,625	356,736	1,451,202
	Interest paid	(713,336)	(2,915,404)	(347,880)	(1,415,176)
DGB Bank Plc Management personnel	Interest income	76,305	311,857	2	7
	Remuneration	173,054	707,272	164,587	669,540

Balances with related parties at 31 December are as follows:

Related party	Nature of transaction	2022		2021	
		US\$	KHR'000 (Note 2)	US\$	KHR'000 (Note 2)
DGB Capital Co., Ltd	Guarantee fee	278,299	1,145,756	35,146	143,185
	Supplementary fee	4,236	17,441	-	-
	(Note 12)	282,535	1,163,197	35,146	143,185
Daegu Bank	Principal of borrowings	16,000,000	65,872,000	16,000,000	65,184,000
	Accrued interest payable	86,503	356,134	13,388	54,543
	(Note 11)	16,086,503	66,228,134	16,013,388	65,238,543
DGB Bank Plc	Deposit	1,239,150	5,064,404	1,984	8,081
	Accrual interest receivable (Note 7)	10,905	44,896	-	-

23. EVENTS AFTER REPORTING PERIOD

Other than as disclosed elsewhere in these financial statements, at the date of this report, there were no events which occurred subsequent to 31 December 2022 that had significant impact on the Company's financial position as at 31 December 2022 and its financial performance for the year then ended.

