I. SUMMARY INFORMATION ON THE BUSINESS

1. Message from the Chairperson of the Board of Directors

On behalf of the Board of Directors, I am privileged to share the Annual Report of Prosur Insurance Plc for the financial year ended 31 December 2025 ("FY2025"). This report provides insights into our performance and financial position during the year under review.

The Company continued its principal activity of underwriting general insurance services in Cambodia, with no significant changes during the year. The Company reported a net loss of USD 981,197 (KHR 3.94 billion), and no dividends were declared. Adequate provisions have been made for doubtful debts, all current assets are fairly stated, and there were no material transfers to reserves, unusual transactions, or significant events after year-end.

During the year under review, there were no new share issuances, contingent liabilities, or material changes affecting the Company's financial position. The Board of Directors remained unchanged throughout the year. The shareholders of the Company remained unchanged, with Mr. Chhun Vanra holding 40%, Mr. Chhun Sophearak holding 30%, and Ms. Chhun Sophearoth holding 30%. Only the Chairman held shares in the Company, with no additional benefits or arrangements granted to him. The Company maintains proper accounting records and internal controls and complies with Cambodian International Financial Reporting Standards (CIFRSs).

The Board of Directors takes responsibility for ensuring that the financial statements present a true and fair view of the Company's financial position, performance, and cash flows. The Board confirms that appropriate accounting policies have been consistently applied, that the financial statements have been prepared on a going concern basis, and that they have been approved accordingly.

Acknowledgements

On behalf of the Board of Directors, I would like to extend my sincere thanks to our customers and valued stakeholders for their continued support and trust.

I would also like to convey my deepest appreciation to the Insurance Regulator of Cambodia for their ongoing support and guidance.

My heartfelt gratitude goes to the Management Team and our employees for their dedication and commitment.

I am truly grateful to our Board of Directors for their astute counsel and continued support, which will help us achieve our goals in the years ahead.

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2. Message from the Chief Executive Officer

For the year ended 31 December 2025, the Company continued to operate in a challenging environment while maintaining focus on underwriting discipline, operational efficiency, and prudent risk management. Gross Written Premium increased by 12.35% to USD 569,793, reflecting growth in business activities. However, Net Earned Premium decreased significantly to USD 15,349 due to the timing of premium recognition and higher unearned premium reserves. Claims incurred rose to USD 60,818, resulting in a slight increase in the loss ratio to 10.67%. The Company also improved expense management, with the expense ratio decreasing to 208.04%, leading to an improved combined ratio of 218.71%, although it remains above the profitability threshold.

The Company recorded an underwriting loss of USD (867,665) and a net loss of USD (981,197) for the year. Total assets and equity decreased to USD 6.77 million and USD 6.16 million, respectively, mainly due to the losses incurred. Despite this, the Company maintained a strong solvency ratio of 163%, in compliance with regulatory requirements.

Going forward, management remains committed to strengthening underwriting performance, enhancing cost efficiency, and improving overall operational effectiveness to achieve sustainable profitability.

The Management would like to express its appreciation to the Insurance Regulator of Cambodia, the Board of Directors, business partners, and staff for their continued support and cooperation.

3. Summary of Financial Information

The summarized Statements of Profit or Loss and Statements of Financial Position provide an overview of the Company's financial performance and position for the three-year period ended 2023, 2024, and 2025, based on the audited financial statements prepared in accordance with applicable financial reporting standards and regulatory requirements.

Gross Written Premium and Net Earned Premium reflect the level of underwriting activity over the three years. Claims Incurred represent insurance claims recognized during each period, while the Underwriting Result indicates the outcome of insurance operations before investment and other income. Net Profit/(Loss) represents the overall financial result after all income and expenses.

Total Assets, Total Liabilities, and Total Equity summarize the Company's financial position at the end of each year and indicate the scale of operations, financial obligations, and capital strength over the three-year period.

Key financial ratios, including Loss Ratio, Expense Ratio, Combined Ratio, and Solvency Ratio, are presented as indicators of underwriting performance, operational efficiency, and compliance with regulatory capital and solvency requirements over time.

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PROSUR INSURANCE PLC.
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The Company's financial performance and position for the three years are summarized below:

Statement of Profit or Loss – Summary (3-Year Comparison)

Description	2025	2024	2023	% Change (2025 vs 2024)
	USD	USD	USD	
Gross Written Premium	569,793	507,173	493,714	12.35%
Net Earned Premium	15,349	106,811	134,582	(85.63%)
Claims Incurred	60,818	50,999	47,861	19.25%*
Underwriting Result	(867,665)	(685,134)	(612,625)	26.64%
Net Profit/(Loss)	(981,197)	(872,374)	(808,770)	12.47%

Statement of Financial Position – Summary (3-Year Comparison)

Description	2025	2024	2023	% Change (2025 vs 2024)
	USD	USD	USD	
Total Assets	6,770,656	7,431,488	6,914,876	(8.89%)
Total Liabilities	611,506	291,141	402,155	110.04%
Total Equity	6,159,150	7,140,347	6,512,721	(13.74%)

Key Financial Ratios (3-Year Comparison)

Ratio	2025	2024	2023	Comment
Loss Ratio	10.67%	10.06%	9.69%	Indicates claims experience
Expense Ratio	208.04%	231.80%	237.85%	Cost efficiency
Combined Ratio	218.71%	241.86%	247.54%	Underwriting performance
Solvency Ratio	163%	193%	171%	Regulatory compliance

Insurance Market Trends

a. **Moderate Premium Growth but Volatile**

- In 2025, the market grew at 2.5% year-on-year, slower than the 3.4% recorded in 2024.

- Growth was supported by strong performance in medical (13.5%), auto insurance (9.5%), and PA & MAT (16.9%).

b. **Property Insurance Is the Largest Segment**

- Property insurance dominates the general insurance market.
- Approximate market share: Property ~32%, Motor ~17%, Health ~25%, Engineering/Marine/Others ~5-9%.

c. **Increase in Policies Sold**

- Despite slow premium growth, the number of policies is rising. Property insurance recorded negative growth in 2025 for the first time in over a decade, with gross premiums declining by 4.4% compared to a 5.3% increase in 2024. The total number of policies still grew by 3.4%, indicating that the downturn was not driven by weaker demand. The decline in premium income is likely linked to the implementation of the Revised Fire Tariff (RFT), which offered lower premium rates to encourage wider policy adoption.

d. **Rising Claims and Loss Ratios**

- Claims are increasing significantly in general insurance. In 2025, the auto insurance loss ratio rose notably from 43.3% to 51.4%, while property improved from 30.7% to 24.7%. The MAT line surged sharply from 6.4% to 28.0%, driven by a claim involving damage to an aircraft's lower forward fuselage skin caused by a car collision, with an estimated loss of USD 1.4 million. Personal accident remained relatively stable, increasing slightly from 26.6% to 27.9%. Medical, which had consistently been high, showed improvement, dropping from 68.3% to 57.5%, reflecting better loss control. Miscellaneous spiked significantly from 3.8% to 30.2% due to a USD 3.4 million claim. Overall, the total gross loss ratio increased moderately from 35.5% in 2024 to 37.1% in 2025.

e. **Competitive Market with Many Insurers**

Cambodia's market structure includes:
- 18 general insurance companies
- 14 life insurers
- 7 microinsurance companies
- 1 reinsurance company

II. BUSINESS INFORMATION

1. The Company

Prosur Insurance Plc is a licensed insurance company incorporated and operating in the Kingdom of Cambodia under the supervision and regulatory oversight of the Insurance Regulator of Cambodia (IRC). The Company's principal activities comprise the underwriting of general insurance business to individuals and corporate customers within Cambodia, in accordance with applicable laws, regulations, and licensing conditions.

The Company, formerly known as Funan Micro Insurance Plc, was incorporated as a public limited company in Cambodia under registration number 00018854 (formerly 4260 KH/2015) on 2 December 2015. It obtained its micro-insurance license on 10 February 2016. On 1 December 2017, the Company changed its name from Funan Micro Insurance Plc to PROSUR Insurance Plc. The Ministry of Commerce approved the revision of its Memorandum and Articles of Association on 12 February 2018. The Company notified the Ministry of Economy and Finance (MEF) of the change on 6 December 2017 and received approval on 24 January 2018.

On 1 July 2019, the Company obtained approval from the MEF to operate as a general insurance company. Its principal activity is to carry out general insurance business and all other associated business pursuant to the applicable laws of the Kingdom of Cambodia, including but not limited to:

· Auto
· Properties
· MAT (Marine, Aviation and Transport)
· Engineering
· Personal Accident
· Medical
· Miscellaneous

The Company's registered office and head office is located at Kampuchea Tela Building No. C168, 3rd Floor, Russian Federation Blvd, Phum CPC, Sangkat Toeuk Tla, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia. The Company does not have any branch offices.

As at 31 December 2025, the Company had 34 employees (2024: 36 employees).

Business Strategies

The Company's business strategy is to grow a profitable portfolio of business such as property, marine cargo, miscellaneous accident, and personal accident insurance by offering competitive rates and terms based on risk merit and sound underwriting practices, as well as prompt after-sales and fast claims services to our customers. At the same time, we exercise prudent underwriting for insurance classes such as auto and medical that are known to have high loss ratios.

Mission and Vision of the Company

Vision

To become a leading insurer through innovative and responsive partnerships, providing products and services with quality, professionalism, and reliability.

Mission

Our commitment is to offer convenient, fast, trustworthy, and transparent insurance services for our clients. We strive to provide our insureds with security and financial stability against unexpected losses.

Core Values

Our Core Values are at the heart of our perspective, guiding our direction and our commitments to our clients and stakeholders. PROSUR Insurance Plc, including its Board, Management, and employees, pledges to uphold its core values known as S-E-C-U-R-E in performing their respective roles, and ultimately in servicing and delivering our promise of prioritizing your security.

- **Satisfaction**: Our clients are the driving force of our business and our most important stakeholders. We strive to provide quality service to those we consider our partners, aiming to exceed their expectations in every customer experience.

- **Efficiency**: We make every effort to provide quick, flexible, simple, and focused products and services. At PROSUR Insurance Plc, accomplishing more with less is our standard as we pursue operational excellence in everything we do.

- C**ommitment**: We strive to be the best that we can be. To fulfill this, the clients' welfare is always at the center of everything we do. At the same time, we constantly aspire to improve our service and ourselves, nurturing our attitude, skills, and knowledge to achieve excellence.

- **Uniqueness**: We are committed to our Vision of being a leading insurance company by providing innovative products and services, including fast claims settlement, to create a lifelong positive impact on our clients. At PROSUR, we uphold a unique culture of teamwork and collaboration

- **Reliability**: We do what we promise, every time. We are dependable, placing high value on the relationships we build, and we believe that consistency is the path to earning trust.

- **Economy**: We pay attention to understanding and responding to clients' needs to develop the best insurance solutions. Our products are designed to be affordable, flexible, and responsive to clients' requirements.

2. **Insurance Products**

As at 30 September 2025, there are 25 approved products as detailed below:

No	Type of Products
1	Fire
2	Property All Risks
3	Fire Consequential Loss
4	Contractor All Risks
5	Storage Tanks Insurance
6	Erection All Risks
7	Boilers & Pressure Vessel
8	Private Car Insurance
9	Motor Cycle Insurance
10	Commercial Vehicle Insurance
11	Health – Individual
12	Group Health
13	Burglary Insurance
14	Money Insurance
15	Fidelity Insurance
16	Heavy Equipment Insurance
17	Personal Accident
18	Group Personal Accident
19	Marine Cargo
20	Public Liability Insurance
21	Professional Indemnity
22	Comprehensive General Liability
23	Individual Travel Insurance
24	Group Travel Insurance
25	Plate Glass Insurance

The 25 products mentioned above are common and available in the market.

3. **Partnerships and Distribution**

The Company generates premiums through diversified distribution channels, including direct sales, brokers and agents, bancassurance, co-insurance, and partnerships with financial institutions. Sales capabilities are strengthened through the recruitment of experienced professionals, development of young graduates, and continuous training to enhance product knowledge and underwriting discipline.

Growth is driven by focusing on profitable and preferred classes of business, particularly Property, Engineering, Marine, Aviation & Transit, and Miscellaneous Accident insurance, with emphasis on non-hazardous industries. The Company leverages bancassurance opportunities through Mohanokor's nationwide network, expands collaboration with brokers and agents, and captures in-house, and our large corporate client the Tela Group and its partners to broaden market reach and income sources.

Breakdown of Gross Premium per distribution channels:

Description	2025	2024	2023	% Change (2025 vs 2024)
	USD	USD	USD	
BROKER	-	500	1,063	(100%)
CORPORATE SALES	163,025	120,405	149,905	35.40%
INDIVIDUAL AGENCY	4,694	1,029	-	356.17%
BANCA - Mohanokor	44,303	68	-	650.51%
PROSUR DIRECT	355,749	382,308	342,746	(6.95%)
CO-INSURANCE	2,022	2,863	-	(29.37%)
TOTAL	**569,793**	**507,173**	**493,714**	

4. **Customers**

The Company targets individual, SME, and corporate customers, with a strategic focus on non-hazardous and profitable sectors such as hotels, guest houses, restaurants, retail businesses, apartments, offices, homes, and SMEs. Sales strategies emphasize relationship-based selling, customized insurance solutions, and portfolio quality management to achieve sustainable growth.

Dedicated sales teams focus on preferred sectors and direct accounts with growth potential, while strong relationships with brokers, agents, and financial institutions enhance distribution efficiency. Ongoing re-underwriting of high-loss accounts, improved operational workflow, and effective claims management further support customer confidence, retention, and the development of a balanced and profitable insurance portfolio.
To provide customers with prompt service, clear timeframes have been established for policy documentation, claims processing and settlement, and customer responses. Customers can report a loss incident to the Company via its 24-hour hotlines.

The Company has set up a Complaint Handling Unit to address any complaints from customers.

The Company holds and possesses confidential personal information about private individuals, employees, business partners, and suppliers, as well as information related to its own operations. In line with its commitment to safeguarding such information and preventing its misuse, the Company is implementing the Protection of Client's Data Privacy Policy to provide guidelines for staff when accessing and processing information in the course of their duties.

Regarding customer data protection measures, all information relating to customers will be kept strictly confidential by the Company at all times. The Company will not disclose such information to any third party without the customer’s prior consent, except where disclosure is required by law.

III. CORPORATE GOVERNANCE INFORMATION

1. **Company Structure**

The Company operates under a clear and effective governance structure comprising shareholders, a Board of Directors, Board Committees, and executive management. Roles and responsibilities are clearly defined to ensure accountability, effective decision-making, and regulatory compliance.

a. **Board of Directors**

Roles and Responsibilities of the Board of Directors

The Board of Directors is responsible for providing overall leadership, strategic direction, and effective oversight of the Company to ensure sound governance, financial stability, and compliance with applicable regulatory requirements.

1. Strategic Direction and Business Oversight: The Board approves the Company's strategic objectives, business plans, and major policies, and ensures that management implements strategies that support sustainable growth and long-term value creation.

2. Corporate Governance and Compliance: The Board establishes and maintains a robust corporate governance framework in accordance with the requirements of the Insurance Regulator of Cambodia and other applicable laws and regulations. The Board also ensures that the Company operates in a transparent, ethical, and responsible manner.

3. Risk Management and Internal Control: The Board oversees the Company's risk management framework to ensure that key risks, including underwriting, operational, financial, and regulatory risks, are properly identified, monitored, and managed. The Board also ensures that effective internal control systems are in place.

4. Financial Oversight: The Board reviews and approves the Company's financial statements, annual budgets, and major financial decisions. It ensures the integrity of financial reporting and monitors the Company's financial performance and solvency position.

5. Appointment and Oversight of Senior Management: The Board appoints and evaluates senior management, including the Chief Executive Officer, and ensures that management possesses the necessary qualifications, competence, and integrity to effectively manage the Company.

6. Regulatory Compliance and Reporting: The Board ensures that the Company complies with all regulatory requirements issued by the Insurance Regulator of

Cambodia, including licensing conditions, solvency requirements, reporting obligations, and corporate governance standards.

7. Protection of Policyholder and Stakeholder Interests: The Board ensures that the Company conducts its operations in a manner that protects the interests of policyholders, shareholders, employees, and other stakeholders, while maintaining the financial soundness of the Company.

8. Oversight of Audit and Control Functions: The Board oversees the effectiveness of internal audit, compliance, and actuarial functions to ensure independence and proper monitoring of the Company's operations.

Members of the Board

- **Chhun Vanra – Chairman**

  Qualifications: Bachelor of Business (Finance Major), Massey University, New Zealand; Diploma in Business and Diploma in Management, New Zealand

  Experience: Financial Manager, Felix Petroleum Pte Ltd, Singapore; Former Retail Manager, Kampuchea Tela Co., Ltd; Entrepreneur and business operator in New Zealand

  Board-Level Expertise: Corporate finance and treasury management; Financial reporting and performance monitoring; Operational management and project development; Strategic planning and financial risk management

- **Kimhour Cheam – Independent Member**

  Qualifications: Fellow of ACCA (UK), Certified Public Accountant (KICPAA & ACAR); Passed CFA Program Level III; Bachelor of Business Administration

  Experience: Partner, Quantum & Spectrum Co., Ltd; Former Chief Financial Officer, VTrust Group; Former Assurance Professional, Ernst & Young (Singapore & Cambodia)

  Board-Level Expertise: Financial reporting and IFRS/CIFRS implementation; Corporate finance, investment valuation, and financial modelling; Risk management and internal control oversight; Strategic financial planning and regulatory compliance

- **Francisco O. Perol – Independent Member**

  Qualifications: Certified Public Accountant (CPA), Philippines; Bachelor of Science in Commerce (Accounting); MBA units completed

  Experience: CEO & Audit Director, Yongan International Consulting; Former Audit Director, Hongo Tsuji Tax & Accounting Cambodia; Founder & Audit Partner, APV Audit Firm Cambodia; Senior Auditor experience with international firms

Board-Level Expertise: Corporate governance and audit oversight; Financial compliance and regulatory reporting; Strategic financial management and policy development; Risk management and internal control systems

- **Ly Sovann – Board Member**

  Qualifications: Master's Degree in Business Administration, Cambodian University for Specialties; Bachelor's Degree in Accounting; Associate Degree in Accounting, International Correspondence School, Philippines; Diploma in Cambodian IFRS for SMEs – CamEd Business School; ACCA program (partially completed)

  Experience: Chief Financial Officer, Han Microfinance Institution; Former Finance Director, Han Microfinance Institution; Financial and portfolio management advisor to Gojo Investment Company, Japan; Former Board Member and Chairman of Risk and Audit Committee of a microfinance institution

  Board-Level Expertise: Financial management and strategic planning; Accounting and financial reporting (IFRS); Risk management and audit oversight; Financial planning and analysis

- **Say Monkol – Board Member**

  Qualifications: Master's Degree in Financial Management; Bachelor's Degree in Business Management; Associate Degree in Accounting; Teaching qualification from National Technical Training Institute (NTTI); Professional training in internal audit, risk management, and financial analysis

  Experience: Board Member of an insurance company; Former Chief Operating Officer, Mahannokor Microfinance Institution; Former Head of Internal Audit Department, Amret Microfinance Institution; Former Lecturer in Accounting, Human Resources University

  Board-Level Expertise: Internal audit and internal control systems; Risk management and governance oversight; Microfinance and financial institution operations; Financial analysis and compliance management

- **Laysym Sim – Independent Member**

  Qualifications: Certified Management Accountant (CMA), Australia; Certified Accounting Technician (ACCA); Bachelor of Business Administration in Management

  Experience: Partner, VDB Loi Cambodia; Former Senior Tax Manager and Head of Cambodia Tax Practice, DFDL Mekong; Former Tax Consultant, KPMG Cambodia; Board Member and Chairman of Risk and Compliance Committee, MVU Investment Plc; Lecturer in Cambodian Tax (ACCA Program), CamEd Business School

  Board-Level Expertise: Tax advisory and regulatory compliance; Accounting and financial reporting; Risk management and compliance oversight; Corporate governance and strategic advisory

- **Oum Sokkanha – Independent Member**

  Qualifications: Certified Public Accountant (ACCA), UK; Registered Certified Tax Advisor, General Department of Taxation; Diploma in Cambodian Tax – CamEd Business School; Bachelor of Accounting, National University of Management; Bachelor of English Literature, Royal University of Phnom Penh; Certified Information Systems Auditor (CISA) – in progress

  Experience: Managing Director, Internal Controls Practice – PS Digitalization; Former Audit and Assurance Professional with Big Four and local accounting firms; Statutory Auditor for international companies and organizations operating in Cambodia; Financial advisor and consultant on accounting systems, ERP implementation, and financial management; Conducted financial due diligence for mergers and acquisitions transactions

  Board-Level Expertise: International Financial Reporting Standards (IFRS) and International Standards on Auditing (ISA); Internal audit, internal controls, and fraud investigation; Enterprise risk management and governance frameworks; Financial due diligence and corporate financial oversight

b. **Management Committee**

Roles and responsibilities of the Management Committee:

1. Lead the Company's day-to-day operations to achieve the Board's strategic goals.
2. Lead the establishment a clear organizational management structure to ensure transparency, accountability, and efficiency.
3. Lead the development and implementation of the Company's strategic plans and internal policies
4. Lead the preparation and implementation of the Company's annual business plan
5. Regularly report to the Board of Directors on:

   (a) the Company's financial condition and business operations;
   (b) compliance with applicable laws and regulations, and propose remedial measures; and
   (c) the effectiveness of the implementation of the strategic plan, business plan, and internal policies.

6. Perform other duties as assigned by the Board of Directors.

- **Helen Piseth – Chief Executive Officer (CEO)**

  Qualifications: Master of Laws (LL.M) in International Business Law – Birmingham City University; Bachelor of Arts in Business Marketing – Raffles International College; Advanced Diploma in Business Management – Raffles International College

  Experience: Chief Executive Officer, Prosur Insurance Plc; Former Assistant Chief Executive Officer, Prosur Insurance Plc; Experience in executive leadership, operational management, and strategic coordination with the Board of Directors; Led business development and operational management initiatives in the insurance sector

Executive Management Expertise: Strategic leadership and corporate management; Insurance operations and business development; Corporate governance and stakeholder management; Organizational planning and operational oversight

- **Lau Chin Aun – Deputy Chief Executive Officer (Deputy CEO)**

  Qualifications: Fellow of the Australian Insurance Institute; Associate of the Chartered Insurance Institute, London; Associate of the Australian Insurance Institute; Certificate in Training and Development

  Experience: Deputy Chief Executive Officer, Prosur Insurance Plc; Former Senior Underwriting Manager & AML Compliance Officer, Dara Insurance Plc, Cambodia; Former Senior Underwriting Manager & AML Compliance Officer, Campu Lonpac Insurance Plc, Cambodia; Former Senior Manager – Enterprise Risk Management & Compliance, Multi-Purpose Insurance Berhad, Malaysia; Former Technical Manager / Assistant General Manager, Zurich Insurance Berhad, Malaysia; Over 50 years of experience in insurance underwriting, risk management, compliance, and operations

  Executive Management Expertise: Insurance underwriting and claims management; Enterprise risk management and compliance; Anti-Money Laundering (AML/CFT) oversight; Reinsurance management and insurance technical operations

2. **Committee Reports**

The Board has established key committees, including the Audit Committee, Risk Management Committee, and Investment Committee, to strengthen oversight, enhance financial discipline, and ensure prudent risk and investment management in line with regulatory requirements.

a. **Audit Committee**

The Audit Committee ("AC") is established by the Board of Directors to oversee the accuracy of the Company's financial statements, the effectiveness of internal controls and risk management systems, and to review the performance of both internal and independent auditors. The Committee must comprise at least three members, with a majority being independent directors, and elects an independent non-executive director as chair. Members must not hold executive positions in affiliated companies or participate in management functions that could compromise their independent judgment, and their terms are reviewed by the Board at least every two years. The Committee meets at least quarterly (every three months) with seven days' advance notice and may convene additional meetings as needed.

The Committee's core responsibilities include monitoring audit quality, maintaining open communication between the board, auditors, and management, evaluating the completeness of financial information, and reviewing management letters from independent auditors. It has authority to approve the appointment, remuneration, and termination of the Head of Internal Audit, as well as the internal audit budget and annual plan. Additionally, the Committee provides recommendations on the appointment and replacement of independent auditors, reviews their independence and objectivity, discusses audit issues with auditors (without management present when necessary), and ensures management maintains effective internal controls. The Committee reviews its own terms of reference annually and may amend them with Board approval.

b. **Investment Committee**

The Investment Committee operates under the authority delegated by the Board of Directors to manage the Company's investment affairs in compliance with Cambodian insurance regulations. Its primary responsibilities include creating investment policies to ensure cash safety, preparing a rolling 3-year investment plan, monitoring investment activities, evaluating performance, managing asset utilization in line with company obligations, and conducting annual investment policy reviews. The Committee oversees a diversified portfolio that may include government securities, corporate bonds (minimum B rating), stocks, real estate (capped at 20%), bank deposits (maximum 30% per bank), and foreign assets, with specific limits such as no more than 60% in securities and 6% in direct shares of non-insurance companies. The Board of Directors retains ultimate oversight and approval rights over investment instruments and asset allocation.

The Investment Committee convenes quarterly to review the performance and outcomes of previously approved investment strategies against established objectives. During each meeting, the Committee assesses market conditions, evaluates key risks and returns, and ensures alignment with the Company's overall financial goals. Based on these insights, the Committee also deliberates and formulates forward-looking investment plans and strategies to support sustainable growth and prudent asset management.

3. **Corporate Governance Report**

The Company has demonstrated strong compliance with the corporate governance requirements set out under the Prakas dated 15 January 2024, reflecting sound management outcomes and effective oversight by the Board of Directors. As at 31 December 2025, the Board comprises seven members, including four independent directors, meeting regulatory requirements on composition and independence. All directors have been duly assessed against the prescribed qualification and fit-and-proper criteria, ensuring competence, integrity, and independence in governance. There were no changes in the Board composition or key management positions during the year, and all necessary approvals from the Insurance Regulator of Cambodia (IRC) had been obtained in prior periods. The Company also maintained compliance in key governance areas, including restrictions on related-party transactions, timely submission of board meeting minutes, and the appointment of key roles such as the actuarial premium specialist.

The Board and its committees continued to function effectively through regular meetings and structured oversight processes. Board meetings were held quarterly, with timely submission of minutes to the IRC, while directors maintained the required level of participation. The Audit Committee, composed entirely of independent directors, convened regularly to review financial reporting, internal audit activities, and audit quality, and to provide recommendations to the Board. The Company has established clear governance processes for management selection and appointment, requiring prior regulatory approval and adherence to strict eligibility criteria, ensuring transparency and accountability. The Company's corporate governance framework remains robust, supporting prudent decision-making and sustainable business operations.

IV. FINANCIAL POSITION AND BUSINESS OPERATION

1. Capital and Solvency

The primary objective of the Company's capital management is to ensure that the Company can continue as a going concern while maximizing returns to its shareholders. The overall strategy of the Company remains unchanged from that of the previous financial year.

The Company is required to maintain a solvency margin of at least 120% as required by the Insurance Regulator of Cambodia (IRC). The Company maintained the required solvency margin of 163% as of 31 December 2025. It is the Company's policy to hold adequate capital and cover the minimum capital requirement according to the Prakas on Solvency Margin of Insurance Companies issued by the IRC dated 14 December 2022.

2. Investments

The Company intends to continue placing its available funds primarily in term deposits with reputable banks. Preference will be given to banks that not only provide secure placements but may also support the Company's business development efforts through potential client referrals.

The investment approach remains conservative and focused on capital preservation, liquidity management, and risk minimization, which is appropriate given the Company's current financial position and the need to maintain sufficient funds to meet policyholder obligations.

3 years investment Plan (2026, 2027 & 2028)

No.	***Description***	**2026**	**2027**	**2028**
A	*ASSETS*	USD	USD	USD
A.4.1	**Term Deposit**	10,969	511,353	511,750
A.4.2	**Investment Property**	-	-	-
A.4.3	**Investment in Debt Securities**	-	-	-
A.4.4	**Investment in Financial Derivatives**	-	-	-
A 4.5	**Equity Investment**	-	-	-
A 4.6	**Other Loans**	-	-	-
A 4.7	**Other Investments**	-	-	-

3. **Technical Insurance Reserves**

Technical reserves comprise unearned premium reserves, deferred acquisition costs (DAC), unexpired risk reserves, and outstanding claims reserves (including IBNR), and are determined in accordance with established actuarial principles and regulatory requirements.

Unearned premium reserves are calculated using the 1/365 method to reflect the unexpired portion of policies. Outstanding claims reserves are based on the best estimate of reported and incurred but not reported (IBNR) claims, using current claims experience and actuarial projection techniques, with inherent uncertainty due to the nature of insurance liabilities.

Deferred acquisition costs are capitalized to the extent recoverable and amortized over the policy period, and are considered in assessing reserve adequacy. An unexpired risk reserve is established where expected future claims and related costs exceed unearned premiums less DAC.

The Company performs a Liability Adequacy Test (LAT) at each reporting date to ensure that insurance contract liabilities are sufficient. As at 31 December 2025, the LAT indicated that reserves were adequate. Sensitivity analysis on key assumptions, such as expected loss ratios, indicates that changes in assumptions may have a moderate impact on liabilities and profit or loss.

Changes in technical reserves over the past two years are primarily driven by movements in business volume, claims experience, and updates in actuarial assumptions. Any deficiencies identified through the LAT are recognized immediately in profit or loss.

The reserves reflect management's best estimate, supported by actuarial methodologies, with no material adverse findings noted.

4. **Operational Results**

The Company's 2025 operational performance reflects developments in underwriting revenue, claims experience, and expense management, with several notable changes compared to prior years.

Underwriting Revenue Management: Gross Written Premium increased by 12.35% to USD 569,793, indicating growth in business volume and improved policy issuance. However, Net Earned Premium declined significantly by 85.63% to USD 15,349. This sharp decrease is mainly attributable to timing differences in premium earning and a higher unearned premium reserve at year-end, which deferred revenue recognition into future periods.

Claims Management: Claims incurred increased by 19.25% to USD 60,818, resulting in a higher loss ratio of 10.67% (2024: 10.06%). This indicates a slight deterioration in claims experience, potentially due to higher claim frequency or severity. Despite the increase, the loss ratio remains relatively low, suggesting that claims are still within manageable levels.

Expense Management: The Company achieved improvements in cost efficiency, with the expense ratio decreasing to 208.04% from 231.80% in 2025. This reflects management's efforts in controlling operational and acquisition costs, although the ratio remains elevated relative to premium earned, continuing to impact overall profitability.

Underwriting Performance: The combined ratio improved to 218.71% (2024: 241.86%), reflecting better overall cost and claims management. However, it remains above 100%, indicating continued underwriting losses. Consequently, the underwriting loss increased to USD (867,665), and the net loss widened to USD (981,197).

Financial Position Impact: Total assets decreased by 8.89%, and total equity declined by 13.74%, mainly driven by the continued net losses. Despite this, the solvency ratio remains strong at 163%, demonstrating that the Company continues to meet regulatory capital requirements.

Management will continue focusing on improving premium earning patterns, strengthening claims control, and enhancing expense efficiency to achieve sustainable underwriting profitability.

5. **Reinsurance**

The Company adopts a structured reinsurance strategy to manage underwriting risk, protect its capital base, and ensure business continuity. The approach combines proportional, non-proportional, facultative, and regulatory-driven reinsurance arrangements.

Reinsurance Strategy

The Company's reinsurance program is designed to:

- Limit net exposure per risk and per event through defined retention levels.
- Enhance underwriting capacity by leveraging external reinsurers.
- Protect against catastrophic losses via Excess of Loss treaties.
- Ensure regulatory compliance, particularly through participation with the national reinsurer.

The program includes:

- **Quota Share Treaty** to proportionally share premiums and losses across the portfolio.
- **Excess of Loss Treaty** to cap losses above the Company's retention (set at USD 100,000 per event).
- **Facultative Reinsurance** for large, complex, or non-standard risks exceeding treaty capacity.
- **Voluntary Cession** to the national reinsurer as required under local regulations.

Selection of Reinsurance Partners

Reinsurance placements are executed through established international brokers and local arrangements:

- Treaty programs are placed via **Guy Carpenter**, ensuring access to a diversified panel of international reinsurers.

- Facultative placements are arranged through **JB Boda** for specific risks such as marine and selected property exposures.

- Mandatory/local participation is maintained through **Cambodia Reinsurance (Cambodia Re).**

Selection of reinsurers is based on:

- Financial strength and creditworthiness.
- Reputation and claims-paying ability.
- Capacity to support the Company's business growth.
- Market expertise and responsiveness.

<u>Assessment of Reinsurance Companies</u>

The Company evaluates reinsurers on an ongoing basis, focusing on:

· Security (credit ratings and financial stability).
· Claim's settlement efficiency to avoid delays in recoveries.
· Reliability and long-term partnership value.
· Alignment with the Company's risk management objectives.

Brokers such as Guy Carpenter and JB Boda also play a key role in assessing and recommending suitable reinsurers.

<u>Notable Changes / Current Practice</u>

· The Company continues to voluntarily cede 20% of its business to Cambodia Reinsurance, in line with regulatory expectations.

· A 40% whole account Quota Share Treaty remains in place, supported through Guy Carpenter, alongside an Excess of Loss Treaty for risk protection.

· Facultative reinsurance arrangements are actively used for marine and selected property risks, placed through JB Boda.

· The structure reflects a balanced mix of risk sharing, catastrophe protection, and regulatory compliance, with no major deviation from prior strategy but continued reliance on broker-led international placements.

6. **Risk Management**

The Company has established a comprehensive risk management framework aimed at optimizing shareholder value while minimizing potential adverse impacts from financial and operational uncertainties. The Board of Directors sets the overall risk management objectives, while management implements policies and procedures for risk identification, measurement, monitoring, and control.

The Company is exposed to several key risks:

- **Credit Risk**: Arises primarily from insurance receivables and placements with financial institutions. The Company mitigates this risk by assessing the financial strength and creditworthiness of customers and counterparties, applying credit controls, and monitoring outstanding balances. Financial assets are written off when recovery is no longer reasonably expected.

- **Liquidity Risk**: The risk of insufficient funds to meet obligations as they fall due. The Company manages this through active cash flow monitoring and by maintaining adequate levels of cash and cash equivalents to support operational, investing, and financing activities.

- **Operational Risk**: Managed through established internal controls, defined authority limits, and ongoing oversight to ensure efficient and effective business processes and compliance with policies.

- **Underwriting and Insurance Risk**: These risks arise from uncertainties in claims frequency, severity, and changes in economic, legal, or market conditions. The Company mitigates these risks through prudent underwriting practices, diversification across business lines, application of underwriting limits, and regular review of claims provisions.

- **Reinsurance Risk**: Relates to the risk of reinsurers failing to meet their obligations. The Company reduces this risk by placing reinsurance with reputable counterparties, diversifying across reinsurers, and regularly assessing their financial strength and credit ratings.

- **Market Risk**: While limited, the Company manages its exposure by investing in secure and approved financial instruments, ensuring capital preservation and stable returns.

The Company applies actuarial methods such as Chain Ladder and Expected Loss Ratio techniques to estimate claims liabilities and IBNR, using historical data and current assumptions. Sensitivity analyses are performed to assess the impact of changes in key assumptions.

Due Diligence Procedures: The Company conducts ongoing due diligence on customers, intermediaries, and reinsurance partners by reviewing financial standing, credit ratings, and operational performance. This ensures engagement only with credible and financially sound counterparties.

There were no significant changes in the Company's risk management policies and procedures during the year.

7. **Sustainability Information**

Corporate Governance Sustainability: The Company demonstrates strong corporate governance practices in compliance with regulatory requirements issued by the Insurance Regulator of Cambodia (IRC). The Board of Directors comprises seven members, including four independent directors, ensuring independence, transparency, and effective oversight. All appointments and changes are duly approved by the regulator.

The Company has established an Audit Committee composed entirely of independent directors, responsible for financial reporting oversight, internal audit review, and ensuring compliance with applicable standards. Regular board and committee meetings are conducted, with timely submission of minutes to the regulator.

Strict eligibility, independence, and ethical criteria are applied in the appointment of directors, ensuring integrity, competence, and accountability. Policies are also in place to prevent conflicts of interest, including restrictions on transactions with directors.

Social Impact: The Company promotes ethical business conduct and responsible management through transparent governance, fair treatment of stakeholders, and adherence to regulatory standards. Strong oversight mechanisms support policyholder protection and build trust with customers, partners, and regulators.

In addition, the Company ensures that key personnel, including directors and management, meet professional qualification and integrity requirements, contributing to sustainable human capital development and responsible leadership.

Environmental Impact: While the Company's core operations have limited direct environmental impact, it maintains a commitment to responsible and sustainable business practices through sound governance, risk management, and compliance frameworks. Environmental considerations are indirectly supported through prudent underwriting, risk assessment, and long-term sustainability of operations.

There were no significant changes in the corporate governance structure during the year, and the Company continues to strengthen its governance framework as a foundation for sustainable business operations.

V. AUDITED ANNUAL FINANCIAL STATEMENTS

The audited financial statements of the Company as at 31 December 2025, are attached herewith.

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PROSUR INSURANCE PLC.
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STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	2025		2024		2023	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
Assets						
Business Deposit	706,965	2,837,050	704,857	2,837,050	694,505	2,837,050
Cash and Cash at Bank	3,572,716	14,337,310	4,808,010	19,352,240	3,504,695	14,316,680
Bank Term Deposits	1,722,625	6,912,890	1,400,371	5,636,490	2,072,674	8,466,870
Property and Equipment	5,369	21,550	20,466	82,380	38,448	157,060
Long-Term Assets for Sale	-	-	-	-	-	-
Intangible Assets	380,788	1,528,100	326,861	1,315,620	344,512	1,407,370
Right-of-Use of Asset	180,657	724,980	-	-	45,165	184,500
Investment in Real Estate	-	-	-	-	-	-
Investment in Corporate Bonds	-	-	-	-	-	-
Investment in Government Securities	-	-	-	-	-	-
Investment in Related Companies	-	-	-	-	-	-
Investment in Equity Securities	-	-	-	-	-	-
Other Investments	-	-	-	-	-	-
Insurance Receivables from Policy holders	31,890	127,970	24,147	97,190	45,088	184,180
Insurance accounts must be received from insurance intermediaries.	-	-	-	-	-	-
Reinsurance Receivable	-	-	-	-	24,480	100,000
Accounts must be received from related parties.	-	-	-	-	-	-
Miscellaneous Accounts Receivable	2,818	11,310	8,554	34,430	667	2,720
Reinsurance Assets	160,439	643,840	133,896	538,930	137,175	560,360
Advances and Prepaid Expenses	1,201	4,820	4,326	17,410	7,467	30,500
Deferred Acquisition Cost	5,188	20,820	-	-	-	-
Deferred Tax Asset	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-
Total Assets	**6,770,656**	**27,170,640**	**7,431,488**	**29,911,740**	**6,914,876**	**28,247,290**
Capital						
Capital	10,950,000	43,942,350	10,950,000	44,073,750	9,450,000	38,603,250
Share Premium	-	-	-	-	-	-
Reserve Capital	-	-	-	-	-	-
Reserve after Revaluation	-	-	-	-	-	-
Other Stocks	-	-	-	-	-	-
Deposit for Future Share Purchases	-	-	-	-	-	-
Retained Earnings/Accumulated Losses	(4,790,850)	(19,225,680)	(3,809,653)	(15,333,850)	(2,937,279)	(11,998,780)
Other Components of Capital	-	-	-	-	-	-
Accumulated difference from currency translation	-	-	-	-	-	-
Total Capital	**6,159,150**	**24,716,670**	**7,140,347**	**28,739,900**	**6,512,721**	**26,604,470**
Liabilities						
Mathematical Reserve	59,961	240,620	42,029	169,170	45,764	186,950
Insurance Contract Liabilities	172,539	692,400	142,690	574,330	141,977	579,980
Unexpired Risk Reserve	7,477	30,010	5,482	22,070	4,843	19,780
Reserve for unpaid insurance claims	857	3,440	8,970	36,100	2,097	8,570
Insurance accounts must be paid to the policyholder.	-	-	-	-	-	-
Insurance accounts must be paid to the insurance intermediary.	-	-	-	-	-	-
Reinsurance Payables	66,843	268,240	54,600	219,770	69,889	285,500
Accounts payable to related parties	-	-	-	-	-	-
Provision for Employee Benefits	730	2,930	597	2,400	730	2,980
Lease Liabilities	188,815	757,710	-	-	54,139	221,160
Loans and Other Long-term Debts	8,132	32,630	18,972	76,360	28,353	115,820
Other Financial Liabilities	-	-	-	-	-	-
Income Tax Payable	919	3,690	1,129	4,540	1,304	5,330
Deferred Tax Liability	-	-	-	-	-	-
Other Liabilities	105,233	422,300	16,672	67,100	53,059	216,750
Total Liabilities	**611,506**	**2,453,970**	**291,141**	**1,171,840**	**402,155**	**1,642,820**
Total Capital and Liabilities	**6,770,656**	**27,170,640**	**7,431,488**	**29,911,740**	**6,914,876**	**28,247,290**

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PROSUR INSURANCE PLC.

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STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2025

	2025		2024		2023	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
Gross insurance premium	584,511	2,344,470	530,657	2,160,300	499,102	2,051,310
Insurance premium cancellation/insurance premium refund	(14,718)	(59,030)	(23,484)	(95,600)	(5,388)	(22,140)
Gross insurance premium income	**569,793**	**2,285,440**	**507,173**	**2,064,700**	**493,714**	**2,029,170**
Reinsurance premium	(430,445)	(1,726,510)	(397,143)	(1,616,770)	(407,259)	(1,673,830)
Change in UPR	(541,937)	(2,173,710)	(5,084)	(20,700)	(39,406)	(161,960)
Change in RI UPR	411,414	1,650,180	2,329	9,480	99,484	408,880
Change in URR	1,995	8,000	(640)	(2,610)	(22,920)	(94,200)
Change in RI URR	4,529	18,170	176	720	10,970	45,090
Reinsurance premiums received	**15,349**	**61,570**	**106,811**	**434,820**	**134,582**	**553,150**
Commission on reinsurance	73,513	294,860	68,822	280,170	93,058	382,470
Total operating income	**88,862**	**356,430**	**175,633**	**714,990**	**227,640**	**935,620**
Gross compensation and insurance benefits paid	(28,884)	(115,850)	(39,574)	(161,110)	(46,613)	(191,580)
Compensation and insurance benefits received from reinsurers	17,331	69,510	23,583	96,010	22,401	92,070
Changes in mathematical reserves	(17,932)	(71,930)	(8,743)	(35,590)	(3,791)	(15,580)
Changes in mathematical reserves transferred to reinsurers	13,388	53,700	3,323	13,530	(15,633)	(64,250)
Changes in OS	(8,113)	(32,540)	(6,873)	(27,980)	38,837	159,620
Changes in RI OS	4,868	19,530	4,124	16,790	(1,829)	(7,520)
Total insurance compensation and benefits	**(19,342)**	**(77,580)**	**(24,160)**	**(98,350)**	**(6,628)**	**(27,240)**
General and administrative expenses	(1,185,384)	(4,754,580)	(1,175,634)	(4,786,010)	(1,174,304)	(4,826,390)
Expenses on commissions and other fees	(14,482)	(58,090)	(2,321)	(9,450)	(3,181)	(13,070)
Cost and risk assessment determine insurance premiums.	-	-	-	-	-	-
Changes in deferred purchase costs	49,553	198,760	-	-	-	-
Other expenses	-	-	-	-	-	-
Total operating costs	**(1,150,313)**	**(4,613,910)**	**(1,177,955)**	**(4,795,460)**	**(1,177,485)**	**(4,839,460)**
Financial income from fixed deposits at banks	122,811	492,600	150,969	614,600	172,223	707,850
Financial income from investing in corporate bonds	-	-	-	-	-	-
Financial income from investment in government securities	-	-	-	-	-	-
Dividends received from investing in stocks	-	-	-	-	-	-
Other financial income	-	-	-	-	-	-
Total financial income	**122,811**	**492,600**	**150,969**	**614,600**	**172,223**	**707,850**
Finance costs on financial instruments	-	-	-	-	-	-
Finance costs on lease debt	(22,007)	(88,270)	(6,337)	(25,800)	(12,489)	(51,330)
Other financial expenses	-	-	-	-	-	-
Total financial expenses	**(22,007)**	**(88,270)**	**(6,337)**	**(25,800)**	**(12,489)**	**(51,330)**
Profit/loss on the fair value of financial instruments for trading	-	-	-	-	-	-
Losses from impairment of assets	-	-	-	-	-	-
Gains/losses on other fair values recognized in the statement of financial position	-	-	-	-	-	-
Other income/expenses	5,760	23,100	26,204	106,680	12,655	52,010
Other total profit/loss	**5,760**	**23,100**	**26,204**	**106,680**	**12,655**	**52,010**
Profit/loss before income tax	**(974,229)**	**(3,907,630)**	**(855,646)**	**(3,483,340)**	**(784,084)**	**(3,222,550)**
Income tax expense	(6,968)	(27,950)	(16,728)	(68,100)	(24,686)	(101,460)
Profit/loss after income tax	**(981,197)**	**(3,935,580)**	**(872,374)**	**(3,551,440)**	**(808,770)**	**(3,324,010)**
Other income details						
Gain/loss on revaluation	-	-	-	-	-	-
Profit/loss on fair value of non-trading financial instruments	-	-	-	-	-	-
Foreign currency translation gains/losses not yet recognized as income	-	(87,648)	-	(313,312)	-	(95,963)
Other gains/losses recognized in other comprehensive income	-	-	-	-	-	-
Total miscellaneous income	-	(87,648)	-	(313,312)	-	(95,963)
Profit/loss after tax and other detailed income total for the fiscal year	**(981,197)**	**(4,023,228)**	**(872,374)**	**(3,864,752)**	**(808,770)**	**(3,419,973)**

PROSUR INSURANCE PLC.

STATEMENT OF CASH FLOWS
For the year ended 31 December 2025

	2025		2024		2023	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
From operational activities						
Profit/loss before tax	**(974,229)**	**(3,909,581)**	**(855,646)**	**(3,443,975)**	**(784,084)**	**(3,202,982)**
Regulation on non-cash items included in profit/loss before tax:						
Depreciation of tangible and intangible assets	105,413	423,020	166,680	670,890	157,855	644,840
Gain or loss from the sale of long-term assets	-	-	-	-	-	-
Loss on disposal of long-term assets	19,250	77,250	96	390	-	-
Financial income	(122,811)	(492,840)	(150,969)	(607,650)	(172,223)	(703,530)
Financial expenses	22,007	88,310	6,337	25,510	12,489	51,020
Income tax expense	-	-	-	-	-	-
Other non-cash items included in profit/loss before tax	-	-	-	-	12,545	51,250
Operating profit/loss before changes in working capital	**(950,370)**	**(3,813,841)**	**(833,502)**	**(3,354,835)**	**(773,418)**	**(3,159,402)**
Regulation on changes in working capital:						
Insurance account must be received	1,118	4,490	40,675	163,720	(8,627)	(35,240)
Miscellaneous accounts receivable	-	-	-	-	(26,192)	(106,990)
Deferred purchase price	(5,188)	(20,820)	-	-	-	-
Reinsurance assets	(26,543)	(106,520)	3,279	13,200	(6,626)	(27,070)
Other assets	-	-	-	-	-	-
Insurance technical reserves	41,663	167,190	4,493	18,080	(62,284)	(254,430)
Insurance account to be paid	-	-	-	-	-	-
Miscellaneous accounts payable	100,934	405,050	(51,810)	(208,540)	101,048	412,780
		-		-		-
Regulation on cash received/used in operations:		-		-		-
Income tax paid	(7,178)	(28,810)	(16,903)	(68,030)	(55,459)	(226,550)
Interest Paid	(22,007)	(88,310)	(6,337)	(25,510)	(4,734)	(19,340)
Cash received or other expenses in operations	-	-	-	-	-	-
Net cash provided by (used in) operating activities	**(867,571)**	**(3,481,571)**	**(860,105)**	**(3,461,915)**	**(836,292)**	**(3,416,242)**
From investment activities						
Purchase of property and equipment	(2,990)	(12,000)	(4,778)	(19,230)	(13,964)	(57,040)
Purchase of intangible assets	(115,338)	(462,850)	(81,200)	(326,830)	(211,250)	(862,960)
Cash received from the sale/disposal of property and equipment	-	-	-	-	-	-
Bank deposits	(1,663,395)	(6,675,200)	(1,350,000)	(5,433,750)	(1,000,000)	(4,085,000)
Cash received from bank deposits at maturity	1,350,000	5,417,550	2,000,000	8,050,000	1,750,000	7,148,750
Investing in corporate bonds	-	-	-	-	-	-
Cash received from corporate bonds	-	-	-	-	-	-
Investment in other bonds	-	-	-	-	-	-
Cash received from other bonds	-	-	-	-	-	-
Interest received	113,952	457,290	173,272	697,420	156,949	641,140
Investing in equity securities	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-
Other investments	-	-	-	-	-	-
Income from other investments	-	-	-	-	-	-
Other cash flow regulation	(2,108)	(8,460)	(10,352)	(41,670)	(5,398)	(22,050)
Net cash provided by (used in) investing activities	**(319,879)**	**(1,283,670)**	**726,942**	**2,925,940**	**676,337**	**2,762,840**
From financing activities						
Cash received from share issuance	-	-	1,500,000	6,037,500	2,402,500	9,814,210
Deposit for future share purchases	-	-	-	-	-	-
Initial payment of lease debt	(37,006)	(148,510)	(54,139)	(217,910)	(56,980)	(232,760)
Dividends paid	-	-	-	-	-	-
Other cash flow regulation	(10,838)	(43,490)	(9,383)	(37,770)	(8,137)	(33,240)
Net cash provided by (used in) financing activities	**(47,844)**	**(192,000)**	**1,436,478**	**5,781,820**	**2,337,383**	**9,548,210**
Net increase/(decrease) in cash and cash equivalents	**(1,235,294)**	**(4,957,241)**	**1,303,315**	**5,245,845**	**2,177,428**	**8,894,808**
Cash and cash equivalents at the beginning of the period	4,808,010	19,294,560	3,504,695	14,106,410	1,327,267	5,421,900
Cash and cash equivalents at the end of the period	**3,572,716**	**14,337,319**	**4,808,010**	**19,352,255**	**3,504,695**	**14,316,708**

PROSUR INSURANCE PLC.

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2025

2025	Capital		Share premium		Deposit for future share purchases		Revalued reserves		Retained earnings/accumulated losses		Other components of capital		Total	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
Total equity at the beginning	10,950,000	43,800,000	-	-	-	-	-	-	(3,809,653)	(15,551,135)	-	491,032	7,140,347	28,739,897
Issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposit for future share purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve after revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss after income tax	-	-	-	-	-	-	-	-	(981,197)	(3,935,580)	-	-	(981,197)	(3,935,580)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other components of capital	-	-	-	-	-	-	-	-	-	-	-	(87,648)	-	(87,648)
Total equity at the end of the period	**10,950,000**	**43,800,000**	-	-	-	-	-	-	**(4,790,850)**	**(19,486,715)**	-	**403,384**	6,159,150	24,716,669

2024	Capital		Share premium		Deposit for future share purchases		Revalued reserves		Retained earnings/accumulated losses		Other components of capital		Total	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
Total equity at the beginning	9,450,000	37,800,000	-	-	-	-	-	-	(2,937,279)	(11,999,699)	-	804,164	6,512,721	26,604,465
Issuance of shares	1,500,000	6,000,000	-	-	-	-	-	-	-	-	-	-	1,500,000	6,000,000
Deposit for future share purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve after revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss after income tax	-	-	-	-	-	-	-	-	(872,374)	(3,551,434)	-	-	(872,374)	(3,551,434)
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other components of capital	-	-	-	-	-	-	-	-	-	-	-	(313,132)	-	(313,132)
Total equity at the end of the period	**10,950,000**	**43,800,000**	-	-	-	-	-	-	**(3,809,653)**	**(15,551,133)**	-	**491,032**	7,140,347	28,739,899

2023	Capital		Share premium		Deposit for future share purchases		Revalued reserves		Retained earnings/accumulated losses		Other components of capital		Total	
	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels	US dollar	Thousand Riels
Total equity at the beginning	8,550,000	34,200,000	-	-	-	-	-	-	(2,248,876)	(9,170,363)	-	900,127	**6,301,124**	**25,929,764**
Issuance of shares	900,000	3,600,000	-	-	-	-	-	-	-	-	-	-	**900,000**	**3,600,000**
Deposit for future share purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reserve after revaluation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit/loss after income tax	-	-	-	-	-	-	-	-	(808,770)	(3,324,045)	-	-	**(808,770)**	**(3,324,045)**
Dividend	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other components of capital	-	-	-	-	-	-	-	-	120,367	494,708	-	(95,963)	**120,367**	**398,745**
Total equity at the end of the period	**9,450,000**	**37,800,000**	-	-	-	-	-	-	**(2,937,279)**	**(11,999,700)**	-	**804,164**	**6,512,721**	**26,604,464**

PROSUR INSURANCE PLC.

DIRECTORS' REPORTS
AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

PROSUR INSURANCE PLC.

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025

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DIRECTORS' REPORT

The Board of Directors (the "directors") hereby submit their report together with the audited financial statements of Prosur Insurance Plc. (the "Company") for the year ended 31 December 2025.

PRINCIPAL ACTIVITY

The principal activity of the Company is underwriting of general insurance services in Cambodia. There have been no significant changes in the nature of this activity during the year.

RESULTS

	USD	KHR'000
Loss for the year	981,197	3,935,580

DIVIDENDS

No dividend has been declared and the directors do not recommend the payment of any dividend in respect of the year ended 31 December 2025.

RESERVES OR PROVISIONS

There were no material transfers to or from reserves or provisions during the year.

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Company were prepared, the directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and had satisfied themselves that there were no additional known bad debts and that adequate provision had been 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 any bad debts or render the amount of allowance for doubtful debts in the financial statements of the Company inadequate to any substantial extent.

CURRENT ASSETS

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

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

អគារកម្ពុជាតេលាលេខ C168 ជាន់ទី៣ មហាវិថីសហព័ន្ធរុស្ស៊ី ភូមិសេប៉េសេ សង្កាត់ទឹកថ្លា ខណ្ឌសែនសុខ រាជធានីភ្នំពេញ
Kampuchea Tela Building No.C168, 3rd Floor, Russian Federation Blvd, Phum CPC, Sangkat Toeuk Tla, Khan Sen Sok, Phnom Penh
Tel: 023 888 088 - Claim Hotline: 069 731 111 | 017 777 891 - Email: info@prosur.com.kh - Website: www.prosur.com.kh

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

(i) any charge on the assets of the Company that has arisen since the end of the year which secures the liabilities of any other person; and

(ii) any contingent liabilities in respect of the Company that has arisen since the end of the year.

In the opinion of the directors, no contingent or other liabilities of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial period, which will or may affect the ability of the Company to meet its obligations as and 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 this report or the financial statements of the Company which would render any amount stated in the financial statements misleading.

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the directors,

(i) the results of the operations of the Company for the year were not substantially affected by any item, transaction or event of a material and unusual nature; and

(ii) no item, transaction, or event of a material and unusual nature has arisen in the interval between the end of the year and the date of this report which is likely to affect substantially the results of the operation of the Company for the year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

During the year, no new shares or debentures were issued by the Company.

DIRECTORS

The directors in office during the year and during the period from the end of the year to the date of this report are as follows:

Mr. Chhun Vanra	Chairman
Mr. Say Mongkol	Director
Mr. Ly Sovann	Director
Mr. Francisco Olarte Perol	Independence Director
Mr. Cheam Kimhour	Independence Director
Mr. Sim Laysym	Independence Director
Mrs. Oum Sokkanha	Independence Director

DIRECTORS' INTEREST

The interest of the directors in office at the end of the year in shares in the Company during the year were as follows:

Interest in the Company

	Number of ordinary shares			
	At 1 January 2025	**Bought**	**Sold**	**At 31 December 2025**
Direct interests:				
Mr. Chhun Vanra	4,380,000	-	-	4,380,000

Other than as stated above, none of the other directors in office at the end of the year had any interest in ordinary shares or debentures of the Company during the year.

DIRECTORS' BENEFITS

Since the end of the previous year, no directors of the Company have received or become entitled to receive any benefit by reason of a contract made by the Company or a related corporation with the directors or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest, except for any benefit which may be deemed to have arisen by virtue of those transactions as disclosed in Note 23 to the financial statements.

Neither during nor at the end of the year, was the Company a party to any arrangements where the object is to enable the directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

SIGNIFICANT EVENTS SUBSEQUENT TO THE END OF THE YEAR

There is no significant event subsequent to the end of the year.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors of the Company are responsible for ascertaining that the financial statements of the Company give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended. In preparing these financial statements, the directors of the Company are required to:

(i) adopt appropriate accounting policies in accordance with Cambodian International Financial Reporting Standard ("CIFRSs"), which are supported by reasonable and prudent judgement and estimates, and then apply them consistently;
(ii) comply with the disclosure requirements of CIFRSs or, if there have been any departures from such standards, in the interest of fair presentation, ensure that this has been appropriately disclosed, explained and quantified in the financial statements;
(iii) maintain adequate accounting records that enable the Company to prepare its financial statements under CIFRSs and an effective system of internal controls;
(iv) prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
(v) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance, and ascertain that such matters have been properly reflected in the financial statements.

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

APPROVAL OF THE FINANCIAL STATEMENTS

In the opinion of the directors, the accompanying statement of financial position of the Company as at 31 December 2025, and the related statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements are presented fairly, in all material respects, in accordance with CIFRSs.

Signed on behalf of the Board of Directors,

....

Chhun Vanra
Chairman

Phnom Penh, Kingdom of Cambodia

Date: 30 MAR 2026

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

		2025		2024	
	Notes	**USD**	**KHR'000**	**USD**	**KHR'000**
ASSETS					
Statutory deposit	5	706,965	2,837,050	704,857	2,837,049
Property and equipment	6	5,369	21,546	20,466	82,376
Intangible assets	7	380,788	1,528,102	326,861	1,315,616
Right-of-use assets	8	180,657	724,977	-	-
Reinsurance assets	9	160,439	643,842	133,896	538,931
Deferred expense		5,188	20,819	-	-
Insurance and other receivables	10	35,909	144,103	37,027	149,034
Other investments	11	1,722,625	6,912,894	1,400,371	5,636,493
Cash and cash equivalents	12	3,572,716	14,337,309	4,808,010	19,352,240
TOTAL ASSETS		6,770,656	27,170,642	7,431,488	29 911,739
EQUITY AND LIABILITIES					
EQUITY					
Share capital	13	10,950,000	43,800,000	10,950,000	43,800,000
Accumulated losses		(4,790,850)	(19,486,715)	(3,809,653)	(15,551,135)
Exchange differences		-	403,384	-	491,032
TOTAL EQUITY		6,159,150	24,716,669	7,140,347	28 739,897
LIABILITIES					
Borrowing	14	8,132	32,634	18,970	76,354
Lease liabilities	8	188,815	757,715	-	-
Insurance contract liabilities	9	240,836	966,475	199,173	801,671
Insurance and other payables	15	172,804	693,461	71,869	289,273
Current tax liabilities	21	919	3,688	1,129	4,544
TOTAL LIABILITIES		611,506	2,453,973	291 141	1,171,842
TOTAL EQUITY AND LIABILITIES		6,770,656	27,170,642	7,431,488	29,911,739

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

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025		2024	
	Notes	USD	KHR'000	USD	KHR'000
Gross premiums		584,511	2,344,474	530,657	2,160,305
Premiums cancelled and refunded		(14,718)	(59,034)	(23,484)	(95,603)
Total premium income		569,793	2,285,440	507,173	2,064,702
Gross reinsurance premium		(430,445)	(1,726,515)	(397,143)	(1,616,769)
Net premiums revenue		139,348	558,925	110,030	447,933
Change in premium reserves		(123,999)	(497,360)	(3,219)	(13,105)
Net insurance premium income		15,349	61,565	106,811	434,828
Outward reinsurance commission		73,513	294,861	68,822	280,174
Other insurance income		3,717	14,909	324	1,319
Total revenue		92,579	371,335	175,957	716,321
Gross claims paid		(28,884)	(115,854)	(39,574)	(161,106)
Claim recoveries from reinsurers		17,331	69,515	23,583	96,006
Gross change in contract liabilities		38,047	152,607	(8,169)	(33,256)
Commission and brokerage	16	(14,482)	(58,087)	(2,321)	(9,449)
General and administrative expenses	17	(1,185,384)	(4,754,575)	(1,175,634)	(4,786,006)
Interest incomes	18	122,811	492,595	150,969	614,595
Other income	19	5,760	23,103	25,880	105,357
Interest expenses	20	(22,007)	(88,270)	(6,337)	(25,798)
Loss before tax		(974,229)	(3,907,631)	(855,646)	(3,483,336)
Income tax expense	21	(6,968)	(27,949)	(16,728)	(68,100)
Loss for the year		(981,197)	(3,935,580)	(872,374)	(3,551,436)
Other comprehensive loss					
Exchange differences		-	(87,648)	-	(313,132)
Total comprehensive loss for the year		(981,197)	(4,023,228)	(872,374)	(3,864,568)

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

PROSUR INSURANCE PLC.

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

	Share capital		Accumulated losses		Exchange differences	Total equity	
	USD	KHR'000	USD	KHR'000	KHR'000	USD	KHR'000
At 1 January 2024	9,450,000	37,800,000	(2,937,279)	(11,999,699)	804,164	6,512,721	26,604,465
Loss for the year	-	-	(872,374)	(3,551,436)	-	(872,374)	(3,551,436)
Other comprehensive loss	-	-	-	-	(313,132)	-	(313,132)
Total comprehensive loss for the year	-	-	(872,374)	(3,551,436)	(313,132)	(872,374)	(3,864,568)
Transaction with owners							
Share issue, representing total transaction with owners	1,500 000	6,000,000	-	-	-	1,500,000	6,000,000
At 31 December 2024	10,950,000	43,800,000	(3,809,653)	(15,551,135)	491,032	7,140,347	28,739,897
At 1 January 2025	10,950,000	43,800,000	(3,809,653)	(15,551,135)	491,032	7,140,347	28,739,897
Loss for the year	-	-	(981,197)	(3,935,580)	-	(981,197)	(3,935,580)
Other comprehensive loss	-	-	-	-	(87,648)	-	(87,648)
Total comprehensive loss for the year	-	-	(981,197)	(3,935,580)	(87,648)	(981,197)	(4,023,228)
At 31 December 2025	10,950,000	43,800,000	(4,790,850)	(19,486,715)	403,384	6,159,150	24,716,669

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

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 USD	2025 KHR'000	2024 USD (As reclassified – Note 27)	2024 KHR'000 (As reclassified – Note 27)
Cash flows from operating activities					
Loss before tax		(974,229)	(3,907,631)	(855,646)	(3,483,336)
Adjustments for:					
Depreciation of property and equipment	6	18,088	72,551	22,664	92,265
Amortisation of intangible asset	7	42,161	169,108	98,851	402,422
Depreciation of right-of-use assets	8	45,164	181,153	45,165	183,867
Loss on write-off intangible asset		19,250	77,212	-	-
Loss on disposal of property and equipment		-	-	96	391
Interest incomes	18	(122,811)	(492,595)	(150,969)	(614,595)
Interest expenses	20	22,007	88,270	6,337	25,798
Operating loss before changes in working capital		(950,370)	(3,811,932)	(833,502)	(3,393,188)
Change in working capital:					
Reinsurance assets		(26,543)	(106,464)	3,279	13,349
Deferred expense		(5,188)	(20,809)	-	-
Insurance and other receivables		1,118	4,484	40,675	165,588
Insurance contract liabilities		41,663	167,110	4,493	18,291
Insurance and other payables		100,934	404,846	(51,810)	(210,919)
Cash used in operations		(838,386)	(3,362,765)	(836,865)	(3,406,879)
Interest received		113,952	457,061	173,272	705,390
Income tax paid	21	(7,178)	(28,791)	(16,903)	(68,812)
Interest paid for lease liabilities	8	(19,975)	(80,120)	(2,847)	(11,590)
Interest paid for borrowing	14	(2,032)	(8,150)	(3,490)	(14,208)
Net cash flows used in operating activities		(753,619)	(3,022,765)	(686,833)	(2,796,099)
Cash flows from investing activities					
(Placement)/Withdrawal of term deposits		(313,395)	(1,257,027)	650,000	2,646,150
Purchases of property and equipment	6	(2,990)	(11,993)	(4,778)	(19,451)
Purchases of intangible asset	7	(115,338)	(462,621)	(81,200)	(330,565)
Placement of statutory deposit		(2,108)	(8,455)	(10,352)	(42,143)
Net cash flows (used in)/ generated from investing activities		(433,831)	(1,740,096)	553,670	2,253,991

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

		2025		2024	
	Notes	**USD**	**KHR'000**	**USD**	**KHR'000**
Cash flows from financing activities					
Payment of lease liabilities – principal portion	8	(37,006)	(148,431)	(54,139)	(220,400)
Proceeds from issuance of ordinary shares	13	-	-	1,500,000	6,106,500
Repayment of borrowing from related parties	15	(10,838)	(43,471)	(9,383)	(38,198)
Net cash flows (used in)/ generated from financing activities		(47,844)	(191,902)	1,436,478	5,847,902
Net (decrease)/increase in cash and cash equivalents		(1,235,294)	(4,954,763)	1,303,315	5,305,794
Cash and cash equivalents at the beginning of year		4,808,010	19,352,240	3,504,695	14,316,679
Exchange differences		-	(60,168)	-	(270,233)
Cash and cash equivalents at the end of year	12	3,572,716	14,337,309	4,808,010	19,352,240

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

1. CORPORATE INFORMATION

Prosur Insurance Plc. (the "Company") was incorporated as a public limited company in Cambodia under Registration No. 00018854 (former registered number 4260KH/2015) on 2 December 2015 and obtained the micro-insurance license on 10 February 2016. The Company's registered office is at Kampuchea Tela Building No. C168, 3rd Floor, Russian Federation Blvd., Sangkat Teuk Tla, Khan Sen Sok, Phnom Penh, Kingdom of Cambodia. On 21 February 2020, the Company obtained approval from the Ministry of Economy and Finance to operate as a general insurance company valid until 20 February 2025. On 9 January 2025 the Company has renewed their license to Insurance Regulator of Cambodia ("IRC") for period from 21 February 2025 until 31 December 2025 and subsequently renewed again on 8 December 2025 for a further period until 31 December 2026.

The principal activity of the Company is the underwriting of general insurance services in Cambodia. There have been no significant changes in the nature of this activity during the year.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Company have been prepared in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") as adopted by the Accounting and Auditing Regular ("ACAR"), for Insurance companies in Cambodia. This financial reporting framework contain certain deviations from International Financial Reporting Standards issued by the International Accounting Standards Boards as described below:

On 23 December 2024, ACAR has issued a Notification 063/24 ACAR/S.Ch.N regarding the deferral of the implementation of CIFRS 17 - Insurance Contracts and CIFRS 9 - Financial Instruments for insurance companies. The Notification stipulates the following:

- ACAR decided to defer the implementation of CIFRS 17 - Insurance Contracts and CIFRS 9 - Financial Instruments until 1 January 2028.
- Insurance companies adopting the deferral have to submit to the ACAR the semi-annual progress report starting from 1 January 2025 onward and must submit semi-annual progress report to ACAR latest by 15 days from the end of each semester.
- During the deferral period, insurance companies are required to continue implementing all other relevant and effective CIFRS.

2.2 Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis, except as otherwise disclosed in Note 3 to the financial statements.

2.3 Adoption of new CIFRSs and amendments/improvement to CIFRSs

(a) Amendments/Improvements to standards adopted during the year

The following amendments/improvements were adopted by the Company but did not have significant impact on the current period or any prior period and it is not likely to affect the future periods.

- Lack of Exchangeability – Amendments to CIAS 21

2. BASIS OF PREPARATION (CONTINUED)

2.3 Adoption of new CIFRSs and amendments/improvement to CIFRSs (Continued)

(b) Standards and amendments/improvements that have been issued but not yet effective

		Effective for financial periods beginning on or after
New Standard		
CIFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
CIFRS 17	Insurance Contracts	1 January 2028
Amendments/Improvements		
CIFRS 17	Initial Application of CIFRS 17 and CIFRS 9 - Comparative Information	1 January 2028
CIFRS 7 and CIFRS 9	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026

The Company has not early adopted these new and amended standards. The Company is currently assessing the potential impact that these standards will have on its financial statements. Given the scope of CIFRS 18, it is expected to have a significant impact on the presentation and disclosure within the statement of profit or loss in future periods.

2.4 Functional and presentation currency

The national currency of Cambodia is Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records primarily in United States dollar (“USD”), the directors have determined the USD 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.

The translations of USD amounts into KHR presented in the financial statements are included solely to comply with the Law on Accounting and Auditing and have been using the prescribed official annual closing and average exchange rate of USD1 to KHR4,013 and USD1 to KHR4,011 respectively, for the year ended 31 December 2025 (2024: KHR4,025 and KHR4,071) as announced by the National Bank of Cambodia (“NBC”). Exchange differences arising from the translation are recognised in other comprehensive income.

These translations should not be construed as representations that the USD amounts represent, or have been or could be, converted into KHR at that or any other rate.

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Financial instruments

Financial assets

(a) Classification

The Company classifies financial assets at amortised cost. The classification of financial assets is based on the business model under which the financial asset is managed and its contractual cash flow characteristics.

(b) Initial measurement

At initial recognition, the Company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

(c) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified as financial assets at amortised cost.

Financial assets that are held for collection of contractual cash flows and those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the financial asset is derecognised, modified or impaired.

Financial liabilities

The Company classifies its financial liabilities at amortised cost.

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

3.2 Property and equipment

Property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value. The cost of property and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property and equipment are depreciated on straight-line basis by allocating their depreciable amounts over the remaining useful life, at the following:

	Useful lives
Leasehold improvements	3 years
Furniture and fixtures	5 years
Equipment	3 years
Computer equipment	3 years
Motor vehicles	5 years

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.2 Property and equipment (Continued)

The residual values, estimated useful lives and depreciation method of property and equipment are reviewed, and adjusted as appropriate, at each reporting period. The effects of any revision are recognised in profit or loss when the changes arise.

3.3 Leases

As a lessee

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Generally, the Company use its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise of the fixed payments including in-substance fixed payments, less any lease incentives receivable.

3.4 Intangible assets

Intangible assets that are acquired by the Company are stated in the statement of financial position at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses.

The following intangible assets with finite useful lives are amortised on a straight-line basis from the date they are available for use and their estimated useful lives are as follows:

	Useful lives
Software license	5 years

Software under development is not amortised. Amortisation on software under development commences when the assets are ready for their intended use.

Both estimated useful life and amortisation method are reviewed annually.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.5 Premiums receivables

Premiums receivables are recognised when due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, premiums receivables are measured at amortised cost, using the effective interest method.

Premiums receivables are derecognised when the derecognition criteria for financial assets have been met.

3.6 Reinsurance receivables

The Company cedes insurance risk in the normal course of business. Reinsurance receivables represent amounts recoverable from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contracts.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policy holders. Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance receivables are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting period. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of a reinsurance receivable that the Company may not receive all outstanding amounts due under the terms of the contract and the event has a reliably measurable impact on the amounts that the Company will be received from the reinsurer. The impairment loss is recorded in profit or loss.

3.7 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash at bank and cash on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and having been within three months of maturity at acquisition.

3.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is any indication that an asset maybe impaired. Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 General insurance underwriting results

The general insurance underwriting results are determined for each class of product after taking into account, among other things, reinsurances, commission, unearned premiums and claims incurred.

(i) Premium income

Premium income is generally recognised on the date of inception of the risk. In the event that certain terms and/or conditions remain to be finalised before an insurance contract can be issued, premium income is recognised on the issuance date of the insurance contract. Premium refund and adjustments are recognised when amounts are agreed with the policy holder and approval and verification from the re-insurers are obtained. Annually, the management assesses the need and probability to recognise asset or liability related to the refund and adjustments based on the status as at reporting date.

(ii) Insurance contract liabilities

Insurance contract liabilities include claim outstanding, claims incurred but not yet reported ("IBNR"), unearned premium reserves and the provision for premium deficiency.

The Company measurement of claim outstanding based on the information provided by cedants. IBNR represent the reserves for incurred insurance events that have not been reported to the Company. Delays can be experienced in the notification and settlement of certain types of claims. Therefore, the ultimate cost of these cannot be known with certainty at the reporting date.

The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

The unearned premiums reserves represent that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged, and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

<u>Assumptions in setting insurance contract liabilities</u>

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. The Company uses a combination of Bornhuetter–Ferguson methods and Chain-Ladder methods to estimate the insurance contract liabilities.

<u>Expected loss ratio ("ELR")</u>

Expected loss ratio are estimated based on the credibility-weighted average of the Company's and industry's loss ratio experience.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 General insurance underwriting results (Continued)

(ii) Insurance contract liabilities (Continued)

Liability Adequacy Test ("LAT")

LAT is performed at each reporting date to assess the adequacy of reserve in the Company. As at 31 December 2025, the result of the LAT shown that the insurance contract liabilities recorded in the financial statements are adequate.

Sensitivity analysis

The Company has prepared the sensitivity analysis for the year ended 31 December 2025 on ELR as follows:

		Impact on		
Assumption	**Change**	**Gross insurance contract liabilities**	**Net insurance contract liabilities**	**Profit or loss**
		USD	**USD**	**USD**
ELR	+0.5%	(14,878)	(16,981)	2,103
ELR	-0.5%	14,878	16,981	(2,103)

(iii) Unearned premium reserves

Unearned premium reserves represent the portion of net premium income of insurance policies written that relates to the unexpired periods of the policies at the end of the financial year.

The methodology that is used to calculate the reserve for unearned premium reserve is 1/365 method.

(iv) Deferred acquisition costs (“DAC”)

Those direct and indirect costs incurred during the financial period arising from acquiring or renewing of insurance contracts are deferred to the extent that these costs are recoverable out of future premiums from insurance contract. All other acquisition costs are recognised as an expense when incurred.

Subsequent to initial recognition, these costs are amortised to the periods according to the original policies which give rise to income. Amortisation is recognised in profit or loss.

The deferred acquisition costs for reinsurers are amortised in the same manner as the underlying asset amortisation and is recorded in profit or loss.

An impairment review is performed at each reporting date or more frequently when an indication of impairment arises. When the recoverable amount is less than the carrying value, an impairment loss is recognised in profit or loss. DAC is also considered in the liability adequacy test for each accounting period.

DAC is derecognised when the related contracts are either settled or disposed of.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.9 General insurance underwriting results (Continued)

(v) Unexpired risk reserve

At each reporting date, the Company reviews its unexpired risks and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows (taking into consideration current loss ratios) after taking account of the investment return expected to arise on assets relating to the relevant general insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums less related deferred acquisition costs are inadequate, the deficiency is recognised in profit or loss by setting up a provision for liability adequacy.

(vi) Reserve for claims outstanding

Reserve for claims outstanding is made for the estimated cost of all reported claims but not yet settled and for those incurred but not yet reported (“IBNR”) at the date of the reporting, net of expected recoveries from reinsurers, using the most accurate information available. Estimating the provision for outstanding claims involves projection of the Company’s future claims experience based on current claims experience. As with all projections, there are elements of uncertainty and thus the projected future claims experience may be different from its actual claims experience due to the level of uncertainty involved in projecting future claims experience based on previous claims incurred experience.

These uncertainties arise from changes in underlying risks, changes in spread of risks, timing and amounts of claims settlement as well as uncertainties in the projection model and underlying assumptions.

(vii) Outward reinsurance premium

Outward reinsurance premium is recognised in accordance with the reinsurance agreement, upon receipt of confirmation from the facultative reinsurer, and in a manner consistent with the treatment of the accounting for premium income. Premium ceded for non-proportional reinsurance is treated as an expense in accordance with the pattern of the reinsurance received.

3.10 Share capital

Ordinary shares

Ordinary shares are equity instrument. An equity instrument is a contract that evidence a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

3.11 Statutory deposits

Statutory deposits represent mandatory reserve deposits and cash maintained with NBC in compliance with the Insurance Law. This deposit is not available for use in the Company’s day to day operations and hence are not considered as part of cash and cash equivalents for the purpose of cash flow statement.

3. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

3.12 Employee benefits

Short-term employee benefits

Short-term employee benefits obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the year where the employees have rendered their services for the Company.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity to CIFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires directors to exercise their judgement in the process of applying the Company's accounting policies. Although these estimates and judgement are based on the directors' best knowledge of current events and actions, actual results may differ.

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the year include the following:

4.1 Depreciation and useful lives of property and equipment

As disclosed in Note 3.2 to the financial statements, the Company reviews the residual values, useful lives and depreciation methods at the end of each reporting period. Estimates are applied in the selection of the depreciation method, the useful lives and the residual values. The actual consumption of the economic benefits of the property and equipment may differ from the estimates applied and therefore, future depreciation charges could be revised.

The carrying amounts of the Company's property and equipment are disclosed in Note 6 to the financial statements.

4.2 Measurement of income tax

Significant judgement is required in determining the Company's estimation for current and deferred taxes because the ultimate tax liability for the Company as a whole is uncertain. When the final outcome of the tax payable is determined with the tax authorities, the amounts might be different from the initial estimates of the tax payables. Such differences may impact the current and deferred taxes in the period when such determination is made. The Company will make adjustments for current or deferred taxes in respect of prior years in the current period on those differences arise.

The income tax expense of the Company is disclosed in Note 21 to the financial statements.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

4.3 Valuation of insurance contract liabilities

For non-life insurance contracts, estimates have to be made for both the expected ultimate cost of claims reported at the reporting date and for the expected ultimate cost of claims incurred, but not yet reported, at the reporting date ("IBNR"). It can take a significant period of time before the ultimate claims cost can be established with certainty and for some type of policies, IBNR claims form the majority of the liability in the statement of financial position.

The ultimate cost of outstanding claims is estimated by using a range of standard actuarial claims projection techniques. These methods primarily use historical claim settlement trends as a base for assessing future claims settlement amounts. Historical claims developments are mainly analysed by underwriting year, by type and line of business and by geographical territory. Large claims are separately addressed using loss adjusters' reports and historical large claims development patterns.

Additional qualitative judgement is required as significant uncertainties remain such as future changes in inflation, economic conditions, attitude to claiming, foreign exchange rates, judicial decisions and operational process.

Similar judgements, estimates and assumptions are employed in the assessment of adequacy of provisions for unearned premium. Judgement is also required in determining whether the pattern of insurance service provided by a contract requires amortisation of unearned premium on a basis other than time apportionment.

5. STATUTORY DEPOSIT

	2025		2024	
	USD	**KHR'000**	**USD**	**KHR'000**
Statutory deposit with NBC	706,965	2,837,050	704,857	2,837,049

A statutory deposit of 10% of the registered capital is maintained with NBC in compliance with Article 53 of the Royal Government's Sub-Decree on Insurance dated 22 October 2001, Article 1 of the Ministry of Economy and Finance's Circular No 009 SHV dated 9 December 2002, and Article 15 of the Prakas No. 061 on Solvency Margin for Insurance Company of the Non-Bank Financial Service Authority of the Ministry of Economy and Finance dated 14 December 2022. This deposit does not earn interest and is refundable only when the Company ceases its operations in Cambodia. Statutory deposit is denominated in KHR.

6. PROPERTY AND EQUIPMENT

2025	**Leasehold improvements USD**	**Furniture and fixtures USD**	**Equipment USD**	**Computers Equipment USD**	**Motor vehicles USD**	**Total**
Cost						
At 1 January 2025	2,997	15,610	8,204	38,123	78,170	143,104
Additions	-	-	338	2,652	-	2,990
Write-off	(1,583)	-	-	-	-	(1,583)
At 31 December 2025	1,414	15,610	8,542	40,775	78,170	144,511
Accumulated depreciation						
At 1 January 2025	2,881	14,689	6,720	32,228	66,120	122,638
Depreciation	117	827	535	4,559	12,050	18,088
Write-off	(1,584)	-	-	-	-	(1,584)
At 31 December 2025	1,414	15,516	7,255	36,787	78,170	139,142
Carrying amount						
At 31 December 2025	-	94	1,287	3,988	-	5,369
At 31 December 2025 (KHR'000)	-	377	5,165	16,004	-	21,546

6. PROPERTY AND EQUIPMENT (CONTINUED)

2024	**Leasehold improvements USD**	**Furniture and fixtures USD**	**Equipment USD**	**Computers Equipment USD**	**Motor vehicles USD**	**Total**
Cost						
At 1 January 2024	1,583	16,063	8,064	37,400	78,170	141,280
Additions	1,414	-	776	2,588	-	4,778
Disposals	-	(453)	(636)	(1,865)	-	(2,954)
At 31 December 2024	2,997	15,610	8,204	38,123	78,170	143,104
Accumulated depreciation						
At 1 January 2024	1,583	14,448	4,760	28,917	53,124	102,832
Depreciation	1,298	694	2,500	5,176	12,996	22,664
Disposals	-	(453)	(540)	(1,865)	-	(2,858)
At 31 December 2024	2,881	14,689	6,720	32,228	66,120	122,638
Carrying amount						
At 31 December 2024	116	921	1,484	5,895	12,050	20,466
At 31 December 2024 (KHR'000)	467	3,707	5,973	23,727	48,501	82,376

7. INTANGIBLE ASSETS

2025	Software license USD	Software under development USD	Total USD
Cost			
At 1 January 2025	444,513	265,450	709,963
Additions	76,025	39,313	115,338
Transfer	265,450	(265,450)	-
Write-off	(371,825)	-	(371,825)
At 31 December 2025	414,163	39,313	453,476
Accumulated amortisation			
At 1 January 2025	383,102	-	383,102
Amortisation	42,161	-	42,161
Write-off	(352,575)	-	(352,575)
At 31 December 2025	72,688	-	72,688
Carrying amount			
As at 31 December 2025	341,475	39,313	380,788
As at 31 December 2025 (KHR'000)	1,370,339	157,763	1,528,102

2024	Software license USD	Software under development USD	Total USD
Cost			
At 1 January 2024	444,513	184,250	628,763
Additions	-	81,200	81,200
At 31 December 2024	444,513	265,450	709,963
Accumulated amortisation			
At 1 January 2024	284,251	-	284,251
Amortisation	98,851	-	98,851
At 31 December 2024	383,102	-	383,102
Carrying amount			
As at 31 December 2024	61,411	265,450	326,861
As at 31 December 2024 (KHR'000)	247,179	1,068,437	1,315,616

8. LEASES

The Company leases office spaces with Kampuchea Tela Limited. The lease of office space runs for a period of 5 years with an option to renew the lease after that date. Lease payments are renegotiated at end of lease terms to reflect market rentals.

8. LEASES (CONTINUED)

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised and their movements during the year:

Right-of-use assets:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Cost				
At 1 January	-	-	225,821	922,479
Additions	225,821	905,768	-	-
Expiration	-	-	(225,821)	(919,317)
Exchange differences	-	452	-	(3,162)
At 31 December	225,821	906,220	-	-
Accumulated depreciation				
At 1 January	-	-	180,656	737,980
Depreciation	45,164	181,153	45,165	183,867
Expiration	-	-	(225,821)	(919,317)
Exchange differences	-	90	-	(2,530)
At 31 December	45,164	181,243	-	-
Net carrying amount				
At 31 December	180,657	724,977	-	-

Lease liabilities:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Current	40,729	163,445	-	-
Non-current	148,086	594,270	-	-
	188,815	757,715	-	-

Movement of lease liabilities is as follows:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
At 1 January	-	-	54,139	221,158
Addition	225,821	905,768	-	-
Interest expense	19,975	80,120	2,847	11,590
Lease payments				
- Principal portion	(37,006)	(148,431)	(54,139)	(220,400)
- Interest portion	(19,975)	(80,120)	(2,847)	(11,590)
Exchange differences	-	378	-	(758)
At 31 December	188,815	757,715	-	-

8. LEASES (CONTINUED)

Amounts recognised in the statement of comprehensive income are as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
Depreciation of right-of-use assets (included in general and administrative expenses)	45,164	181,153	45,165	183,867
Interest expense on lease liabilities	19,975	80,120	2,847	11,590
	65,139	261,273	48,012	195,457

9. (REINSURANCE ASSETS)/INSURANCE CONTRACT LIABILITIES

	2025			2024		
	Gross USD	**Reinsurance USD**	**Net USD**	**Gross USD**	**Reinsurance USD**	**Net USD**
Short -term reinsurance assets/insurance contract liabilities						
Reinsurance recoverable on paid losses	-	-	-	-	(2,016)	(2,016)
Incurred but not reported ("IBNR") claims (a)	59,961	(39,211)	20,750	42,029	(25,823)	16,206
Outstanding claims (a)	857	(514)	343	8,970	(5,382)	3,588
Unearned premiums reserves (b)	180,018	(120,714)	59,304	148,174	(100,675)	47,499
	240,836	(160,439)	80,397	199,173	(133,896)	65,277
Long -term reinsurance assets/insurance contract liabilities						
Unearned premiums reserves (b)	-	-	-	-	-	-
	240,836	(160,439)	80,397	199,173	(133,896)	65,277
(KHR'000 equivalent)	966,475	(643,842)	322,633	801,671	(538,931)	262,740

(a) Movements in the provision for outstanding claims are as follows:

	2025			2024		
	Gross USD	**Reinsurance USD**	**Net USD**	**Gross USD**	**Reinsurance USD**	**Net USD**
At 1 January	50,999	(31,205)	19,794	47,861	(34,140)	13,721
Claim incurred during the year	47,672	(9,625)	38,047	5,234	2,935	8,169
Claims paid during the year	(37,853)	1,105	(36,748)	(2,096)	-	(2,096)
At 31 December	60,818	(39,725)	21,093	50,999	(31,205)	19,794
(KHR'000 equivalent)	244,063	(159,416)	84,646	205,271	(125,600)	79,671

Claim expense includes claim paid during the year and provision for the estimated cost of all claim notified but not yet settled and for those IBNR at the date of the statement of financial position.

9. (REINSURANCE ASSETS)/INSURANCE CONTRACT LIABILITIES (CONTINUED)

(b) Movements in the provision for unearned premium reserves are as follows:

	2025			2024		
	Gross USD	**Reinsurance USD**	**Net USD**	**Gross USD**	**Reinsurance USD**	**Net USD**
At 1 January	148,174	(100,675)	47,499	146,819	(102,539)	44,280
Charge during the year	31,844	(20,039)	11,805	1,355	1,864	3,219
At 31 December	180,018	(120,714)	59,304	148,174	(100,675)	47,499
(KHR'000 equivalent)	722,412	(484,425)	237,987	596,400	(405,217)	191,183

(c) Change in premium reserves:

	2025		2024	
	USD	**KHR**	**USD**	**KHR**
Net movement in unearned premium reserves	11,805	47,350	3,219	13,105
Earned premium adjustment	112,194	450,010	-	-
Change in premium reserve recognized in profit or loss	123,999	497,360	3,219	13,105

The earned premium adjustment represents the difference between the movement in the net unearned premium reserves as disclosed in the statement of financial position and the amount recognized in profit or loss as change in premium reserve.

This adjustment mainly relates to premium recognition timing differences, reinsurance allocation, reserve reclassification, and operational or system-generated entries that are not directly reflected in the net UPR movement disclosed in the technical reserve schedule.

10. INSURANCE AND OTHER RECEIVABLES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Insurance receivables				
Gross insurance receivables	32,359	129,857	27,150	109,279
Other receivables				
Advance and prepayment	11,259	45,182	12,214	49,161
Other receivables	2,818	11,309	8,554	34,430
	14,077	56,491	20,768	83,591
Total	46,436	186,348	47,918	192,870
Less: Impairment loss				
Gross insurance receivables	(469)	(1,882)	(3,003)	(12,087)
Other receivables	(10,058)	(40,363)	(7,888)	(31,749)
	(10,527)	(42,245)	(10,891)	(43,836)
Total receivables	35,909	144,103	37,027	149,034

Movements of the impairment loss for insurance and other receivables are as follows:

	2025		2024	
	USD	KHR'000	USD	KHR'000
At 1 January	10,891	43,836	10,891	44,490
Charge for the financial year	2,170	8,834	-	-
Written-off	(2,534)	(10,534)	-	-
Exchange differences	-	109	-	(654)
At 31 December	10,527	42,245	10,891	43,836

11. OTHER INVESTMENTS

	2025		2024	
	USD	KHR'000	USD	KHR'000
Placement with local banks	1,663,395	6,675,204	1,350,000	5,433,750
Accrued interest receivable	59,230	237,690	50,371	202,743
	1,722,625	6,912,894	1,400,371	5,636,493

Placements with local banks represent fixed deposits with original maturity of 12 months and earning interest at rates ranging from 3.50% to 7.25% (2024: 4.50% to 7.25%) per annum.

12. CASH AND CASH EQUIVALENTS

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Cash at banks	3,568,396	14,319,972	4,804,380	19,337,629
Cash on hand	4,320	17,337	3,630	14,611
	3,572,716	14,337,309	4,808,010	19,352,240

Cash at banks includes both savings and current accounts. The current accounts with local banks earn interest at a rate ranging from 0.25% to 4.75% (2024: 0.25% – 4.75%) per annum, while saving accounts earn interest at rates ranging from 0.20% to 3.25% (2024: 0.20% – 3.25%) per annum.

13. SHARE CAPITAL

Details of share capital based on the Memorandum and Articles of Association of the Company are as follows:

	2025 No. of shares at USD15 per share	2025 USD	2024 No. of shares at USD15 per share	2024 USD
Ordinary share, registered, issued and fully paid				
At 1 January	730,000	10,950,000	630,000	9,450,000
Issued during the year	-	-	100,000	1,500,000
At 31 December	730,000	10,950,000	730,000	10,950,000
Equivalent to KHR'000		43,800,000		43,800,000

14. BORROWING

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Related party	8,132	32,634	18,970	76,354

Borrowing from a related party is unsecured and bears interest of 14.4% per annum and is repayable by monthly instalments over 4 years commencing from 18 August 2022 to 17 August 2026.

The movement of the borrowing during the year was as follows:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
As at 1 January	18,970	76,354	28,353	115,822
Interest expense	2,032	8,150	3,490	14,208
Interest paid	(2,032)	(8,150)	(3,490)	(14,208)
Principal repayment	(10,838)	(43,471)	(9,383)	(38,198)
Exchange differences	-	(249)	-	(1,270)
As at 31 December	8,132	32,634	18,970	76,354

15. INSURANCE AND OTHER PAYABLES

	2025		2024	
	USD	KHR'000	USD	KHR'000
Insurance payables				
Reinsurance premium payables	66,843	268,241	54,600	219,765
Deferred income	85,903	344,729	-	-
Commission payables	-	-	70	282
	152,746	612,970	54,670	220,047
Other payables				
Account payables	9,863	39,580	9,692	39,010
Other tax payable	8,121	32,590	6,623	26,658
Accrual	1,942	7,793	530	2,133
Other payable	132	528	354	1,425
	20,058	80,491	17,199	69,226
	172,804	693,461	71,869	289,273

16. COMMISSION AND BROKERAGE

	2025		2024	
	USD	KHR'000	USD	KHR'000
Commission and brokerage	11,749	47,125	39	159
Other insurance expense	2,733	10,962	2,282	9,290
	14,482	58,087	2,321	9,449

17. GENERAL AND ADMINISTRATIVE EXPENSES

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Salaries and other related costs	809,057	3,245,128	696,568	2,835,728
Depreciation and amortisation expense	105,413	422,812	166,680	678,554
Insurance expenses	91,509	367,043	87,322	355,488
Professional and legal fees	43,830	175,802	91,498	372,488
Loss on write-off of intangible asset	19,250	77,212	-	-
License fees	18,386	73,746	-	-
Communication expenses	17,380	69,711	18,062	73,530
Marketing and advertising expenses	9,704	38,923	12,033	48,986
Utilities	7,917	31,755	7,939	32,320
Membership fees	6,008	24,098	5,228	21,283
Bad debt expenses	3,670	14,720	-	-
Traveling expenses	3,498	14,030	3,086	12,563
Contribution to IRC	2,849	11,427	2,536	10,324
Repair and maintenance expenses	2,847	11,419	2,703	11,004
Office supplies	2,802	11,239	5,303	21,589
Printing expense	2,191	8,788	8,781	35,747
Entertainment expense	1,066	4,276	3,134	12,759
Loss on disposal of property and equipment	-	-	96	391
Fine and penalty	-	-	494	2,011
Other tax expenses	23,821	95,546	27,501	111,957
Other expenses	14,186	56,900	36,670	149,284
	1,185,384	4,754,575	1,175,634	4,786,006

18. INTEREST INCOMES

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Other investments	85,601	343,346	122,344	498,063
Cash in banks	37,210	149,249	28,625	116,532
	122,811	492,595	150,969	614,595

19. OTHER INCOME

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Other insurance income	5,760	23,103	25,880	105,357

20. INTEREST EXPENSES

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Borrowing (Note 15)	2,032	8,150	3,490	14,208
Leases (Note 8)	19,975	80,120	2,847	11,590
	22,007	88,270	6,337	25,798

21. INCOME TAX EXPENSE

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Gross premium	569,793	2,285,440	507,173	2,064,702
Tax at Cambodian statutory tax rate of 5% (2024: 5%)	28,490	114,273	25,359	103,236
Tax recoveries from reinsurers	(21,522)	(86,324)	(8,631)	(35,136)
Total tax expense	6,968	27,949	16,728	68,100

In accordance with Cambodian Law on Taxation, the Company has an obligation to pay:

- Profit tax at 5% of the gross premiums received in the tax year in relation to the insurance or reinsurance of risk in Cambodia.
- Profit tax at 20% of any taxable profits that is not attributable to insurance or reinsurance activities.

Tax recovery from reinsurers represents tax at 5% of gross premiums reimbursed from reinsurers in relation to outward reinsurance of risks.

The Company's tax returns are subject to examination by the General Department of Taxation ("GDT"). Given the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, the amounts reported in the financial statements could be changed at a later date upon final determination by the GDT.

Movement of current tax liabilities are as follow:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
At 1 January	1,129	4,544	1,304	5,327
Addition	6,968	27,949	16,728	68,100
Payment	(7,178)	(28,791)	(16,903)	(68,812)
Exchange different	-	(14)	-	(71)
At 31 December	919	3,688	1,129	4,544

22. TOTAL REVENUE FROM INSURANCE BUSINESS

Underwriting results by segment

	Health insurance	Personal accident	Motorcycle insurance	Private vehicle insurance	Commercial vehicle insurance	Fire insurance	Public Liability	Miscellaneous	Engineering	Marine	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
2025											
Underwriting income											
Premium income	15,654	107,884	2,693	49,841	19,410	174,343	2,235	3,389	250	194,094	569,793
Gross reinsurance premium	(9,393)	(64,731)	(1,616)	(29,905)	(11,646)	(123,088)	(1,341)	(2,033)	(149)	(186,543)	(430,445)
Net premiums revenue	6,261	43,153	1,077	19,936	7,764	51,255	894	1,356	101	7,551	139,348
Change in premium reserves	(3,366)	(34,320)	(1,015)	(16,538)	(8,174)	(48,788)	(523)	(1,732)	(889)	(8,654)	(123,999)
Net insurance premium income	2,895	8,833	62	3,398	(410)	2,467	371	(376)	(788)	(1,103)	15,349
Outward reinsurance commission	2,254	15,533	388	7,177	2,795	22,075	322	488	(51)	22,532	73,513
Other insurance income	3	3,393	13	108	18	106	8	7	1	60	3,717
Total revenue from insurance business	5,152	27,759	463	10,683	2,403	24,648	701	119	(838)	21,489	92,579
(KHR'00 equivalent)	20,663	111,342	1,857	42,850	9,638	98,863	2,812	477	(3,361)	86,194	371,335

22. TOTAL REVENUE FROM INSURANCE BUSINESS (CONTINUED)

Underwriting results by segment (Continued)

	Health insurance	Personal accident	Motorcycle insurance	Private vehicle insurance	Commercial vehicle insurance	Fire insurance	Public Liability	Miscellaneous	Engineering	Marine	Total
	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD	USD
2024											
Underwriting income											
Premium income	12,623	70,163	1,275	35,429	20,674	148,739	1,574	5,949	1,951	208,796	507,173
Gross reinsurance premium	(7,573)	(42,097)	(707)	(21,258)	(12,404)	(107,662)	(944)	(4,109)	(1,000)	(199,389)	(397,143)
Net premiums revenue	5,050	28,066	568	14,171	8,270	41,077	630	1,840	951	9,407	110,030
Change in premium reserves	(6,081)	12,123	(1,116)	(5,417)	(3,042)	150	7,232	(2,924)	(4,840)	696	(3,219)
Net insurance premium income	(1,031)	40,189	(548)	8,754	5,228	41,227	7,862	(1,084)	(3,889)	10,103	106,811
Gross outward reinsurance commission	1,768	10,096	170	5,092	2,977	23,394	227	927	223	23,948	68,822
Other insurance income	-	37	7	67	15	95	7	38	-	58	324
Total revenue from insurance business	737	50,322	(371)	13,913	8,220	64,716	8,096	(119)	(3,666)	34,109	175,957
(KHR'00 equivalent)	3,000	204,861	(1,510)	56,640	33,464	263,459	32,959	(484)	(14,924)	138,856	716,321

23. RELATED PARTIES

(a) Significant related party transactions

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions:

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Shareholders				
Mr. Chhun Vanra				
Capital injection	-	-	600,000	2,466,000
Mr. Chhun Sophearak				
Capital injection	-	-	450,000	1,849,500
Mr. Chhun Sophearoth				
Capital injection	-	-	450,000	1,849,500
	-	-	1,500,000	6,165,000

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Related company under common control				
Mohanokor Plc.				
Gross premiums income	10,514	42,171	10,245	42,107
Interest expenses	2,032	8,150	3,490	14,208
Interest payment	2,032	8,150	3,490	14,208
Repayment of borrowing	10,838	43,471	9,383	38,198
Interest income	-	-	25,193	103,543
Receivables from	-	-	18,119	74,469
Payables to	1,536	6,162	-	-
	26,952	108,104	69,920	286,733

(b) Related party balances

Balances with related parties at the end of the reporting period are disclosed in Note 10 and 15 to the financial statement.

(c) Key management personnel remuneration

	2025 USD	2025 KHR'000	2024 USD	2024 KHR'000
Salaries and wages and other benefits	54,955	220,423	27,273	112,092

Key management personnel of the Company refer to the directors of the Company and certain senior management whereby the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly lies.

24. FINANCIAL RISK MANAGEMENT

The financial risk management objective of the Company is to optimise value creation for its shareholders whilst minimising the potential adverse impact arising from volatility of the financial markets.

The directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits in accordance with the objectives and underlying principles approved by the directors.

The Company is exposed mainly to credit risk, liquidity and cash flow risk, underwriting risk and reinsurance risk. Information on the management of the related exposures is detailed below:

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to perform as contracted. The Company is mainly exposed to credit risk from credit sales. It is the Company's policy to monitor the financial standing of these counter parties on an ongoing basis to ensure that the Company is exposed to minimal credit risk.

The Company's primary exposure to credit risk arises through its insurance receivables from its customers. The Company controls the credit risk on sales by ensuring that its customers have sound financial position and credit history. The Company also seeks to invest cash assets safely and profitably with approved financial institutions.

The Company determines a financial asset to be in default when contractual payments are past due and when internal or external information indicates that financial asset is not recoverable. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Exposure to credit risk and credit risk concentration profile

The maximum exposure to credit risk for the Company is represented by the carrying amounts of each financial asset.

The Company do not anticipate the carrying amounts recorded at the end of each reporting period to be significantly different from the values that would eventually be received.

(b) Liquidity and cash flow risk

Liquidity and cash flow risk arises from the Company's management of working capital. It is the risk that the Company will encounter difficulty in meeting its financial obligations when due.

The Company actively manages its operating cash flows and the availability of funding so as to ensure that all operating, investing and financing needs are met. In liquidity risk management strategy, the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's activities.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Underwriting risk

Underwriting risk includes the risk of incurring higher claims costs than expected owing to the random nature claims and their frequency and severity and the risk of change in legal or economic conditions or behavioral patterns affecting insurance pricing and conditions of insurance and reinsurance cover. The Company seeks to minimise underwriting risk with a balanced mix and spread of business between classes of business and by observing underwriting guidelines and limit, prudent estimation of the claims provisions, and high standards applied to the security of reinsurers.

(d) Insurance risk

Insurance risk includes risk incurred from claims having amounts higher than the normal amounts and also risk incurred from changes in legal or economic conditions or any aspects that affect insurance pricing and condition of insurance or reinsurance cover.

The Company seeks to minimise insurance risk through the selling of a variety of insurance products and applying insurance policies on the limits of insurance, careful calculation of claim provisions and how secured the reinsurance companies are.

Reinsurance risk occurs when the reinsurance companies retain fragile financial positions; therefore, it is difficult to claim from those reinsurers. To reduce this risk, the Company analyses the financial position and reviews the credit levels of each reinsurance company in its collaboration and reviews each reinsurance company's operations with other reinsurance companies.

(i) Assumptions and changes in assumptions

The process used to determine the assumptions is intended to result in estimates of the most likely outcome. The sources of data used as inputs for the assumptions are internal, based on detailed studies that are carried out regularly. The assumptions are checked to ensure that they are consistent with other observable information. There is more emphasis on current trends, and where there is insufficient historical information, prudent assumptions are used.

The nature of the business makes it very difficult to predict with certainty the outcome of any particular claim and the ultimate cost. Each notified claim is assessed on a separate case by case basis with due regard to the circumstances, information available from loss adjusters and historical evidence of similar claims. Case estimates are reviewed regularly and are updated as and when new information arises. The impact of many of the items affecting the ultimate costs of the loss is difficult to estimate. The provisions are based on information currently available. However, the ultimate liabilities may vary as a result of subsequent developments.

The cost of outstanding claims and the IBNR provisions are estimated using a range of statistical methods which extrapolate the development of paid and incurred claims for each accident year based upon observed development of earlier years and expected loss ratios.

The key methods are:

- Chain Ladder method, which uses historical paid and incurred loss statistics to estimate the ultimate claim cost; and
- Expected Loss Ratio method, which uses the Company's expectation of the loss ratio and benchmark experience from other emerging markets in Asia.

24. FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Insurance risk (continued)

To the extent that these methods use historical claims development information they assume that the historical claims development pattern will occur again in the future. There are reasons why this may not be the case, which, insofar as they can be identified, have been allowed for by modifying the methods. Such reasons include:

- Changes in processes that affect the development/recording of claims paid and incurred (such as changes in claim reserving procedures);
- Economic, legal, political and social trends (resulting in the difference from expected levels of inflation); and
- Changes in mix of business (resulting fluctuations, including the impact of large losses).

<u>Assumptions</u>

The assumptions that have the greatest effect on the measurement of insurance contract provisions are the paid claims development pattern, incurred claims development pattern and expected loss ratios for the most recent accident years. These are used for assessing the best estimate IBNR by accident year and for the unexpired risk provisions on both a gross and net of reinsurance basis. Claims on all classes of business are not discounted.

(ii) Sensitivities

The general insurance claim liabilities are sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. The movements in these assumptions are non-linear and the method used for deriving sensitivity information and significant assumptions did not change from the previous year.

(e) Reinsurance risk

Reinsurance risk relates to the risk that the financial condition of a reinsurance company with whom the Company reinsures underwriting risks may be unsound, therefore impeding its ability to honour reinsurance claims. In order to minimise this risk, the Company analyses the financial status and considers the credit rating of each reinsurer that it has transactions with, and places its reinsurance business with a variety of reinsurance companies.

25. TAXATION CONTINGENCIES

The taxation system in Cambodia is characterised by numerous taxes and frequently changing legislation, which is often unclear and subject to interpretation. Often, different interpretation exists among numerous taxation authorities and jurisdiction. 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. Management believes that tax liabilities have been adequately provided based on its interpretation of tax legislations. However, the relevant authorities may have different interpretations and effects could be significant.

26. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that the Company would be able to continue as a going concern whilst maximising the return to its shareholders. The overall strategy of the Company remains unchanged from that in the previous financial year.

The Company is required to maintain the Solvency Margin of at least minimum level of 120% as required by the Insurance Regulator of Cambodia ("IRC") and the Company maintain the required solvency margin of 163% as of 31 December 2025. It is the Company's policy to hold adequate capital and cover minimum capital requirement according to the Prakas on Solvency Margin of insurance companies issued by IRC dated 14 December 2022.

27. COMPARATIVE FIGURE

Certain amounts in the comparative financial statements and note disclosures have been reclassified to conform with the current year's presentation of the accounts. Management believes that these reclassifications would better reflect the nature of the transactions.

Summary of the changes arising from the reclassifications are shown below:

Statement of cash flows

	2024		
	As previously stated USD	**Effects of reclassification USD**	**As reclassified USD**
Cash used in operations			
Interest received	-	173,272	173,272
Interest paid for lease liabilities	-	(2,847)	(2,847)
Cash flows from investing activities			
Interest received	173,272	(173,272)	-
Payment of lease liabilities – principal portion	-	(54,139)	(54,139)
Payment of lease liabilities	(56,986)	56,986	-

28. SIGNIFICANT SUBSEQUENT EVENTS TO THE END OF THE YEAR

There is no significant event subsequent to the end of the year.

29. AUTHORISATION OF THE FINANCIAL STATEMENTS

The financial statements of the Company for the year ended 31 December 2025 were authorised for issue by the directors dated 30 March 2026.

Baker Tilly (Cambodia) Co., Ltd.
Certified Public Accountants

B3-071 & B3-072,
Borey Elysee, Koh Pich City,
Sangkat Tonle Bassac,
120101, Khan Chamkarmon,
Phnom Penh, Cambodia

T: +855 23 987 100/
+855 23 987 388

info@bakertilly.com.kh
www.bakertilly.com.kh

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PROSUR INSURANCE PLC.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Prosur Insurance Plc. (the "Company"), which comprise the statement of financial position as at 31 December 2025, 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 material accounting policy information, as set out on pages 5 to 38.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs").

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), as applicable to the audit of financial statements of public interest entities and 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.

Other Matter

The financial statements of the Company for the year ended 31 December 2024 was audited by another firm of Certified Public Accountants, whose report dated 31 March 2025 and expressed an unmodified opinion on those statements.

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

The directors of the Company are responsible for the other information. The other information comprises the Directors' Report but does not include the financial statements of the Company and our auditor's report thereon, which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements of the Company 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 of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Company 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 that we obtained prior to the date of this auditor's 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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2.1 to the financial statements, which describes the financial reporting framework applied in the preparation of the financial statements i.e. CIFRSs as adopted by the Accounting and Auditing Regulator ("ACAR") for insurance companies in Cambodia. This financial reporting framework contains certain deviations from International Financial Reporting Standards issued by the International Accounting Standards Board as described in Note 2.1. Our opinion is not modified in respect of this matter.

Responsibilities of the Directors for the Financial Statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with CIFRSs. The directors are also responsible for such internal controls as the directors determine are necessary to enable the preparation of financial statements of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Company, the directors are 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 the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Company 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- identify and assess the risks of material misstatement of the financial statements of the Company, 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 the directors.
- conclude on the appropriateness of the directors' 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 of the Company 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 of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 **Baker Tilly (Cambodia) Co., Ltd.**

BAKER TILLY (CAMBODIA) CO., LTD.
KINGDOM OF CAMBODIA

Oknha Tan Khee Meng
Partner

Phnom Penh, Kingdom of Cambodia

Date: 30 MAR 2026