



**CHOKCHEY FINANCE**

The Best Winning Solution

**Annual  
Report**

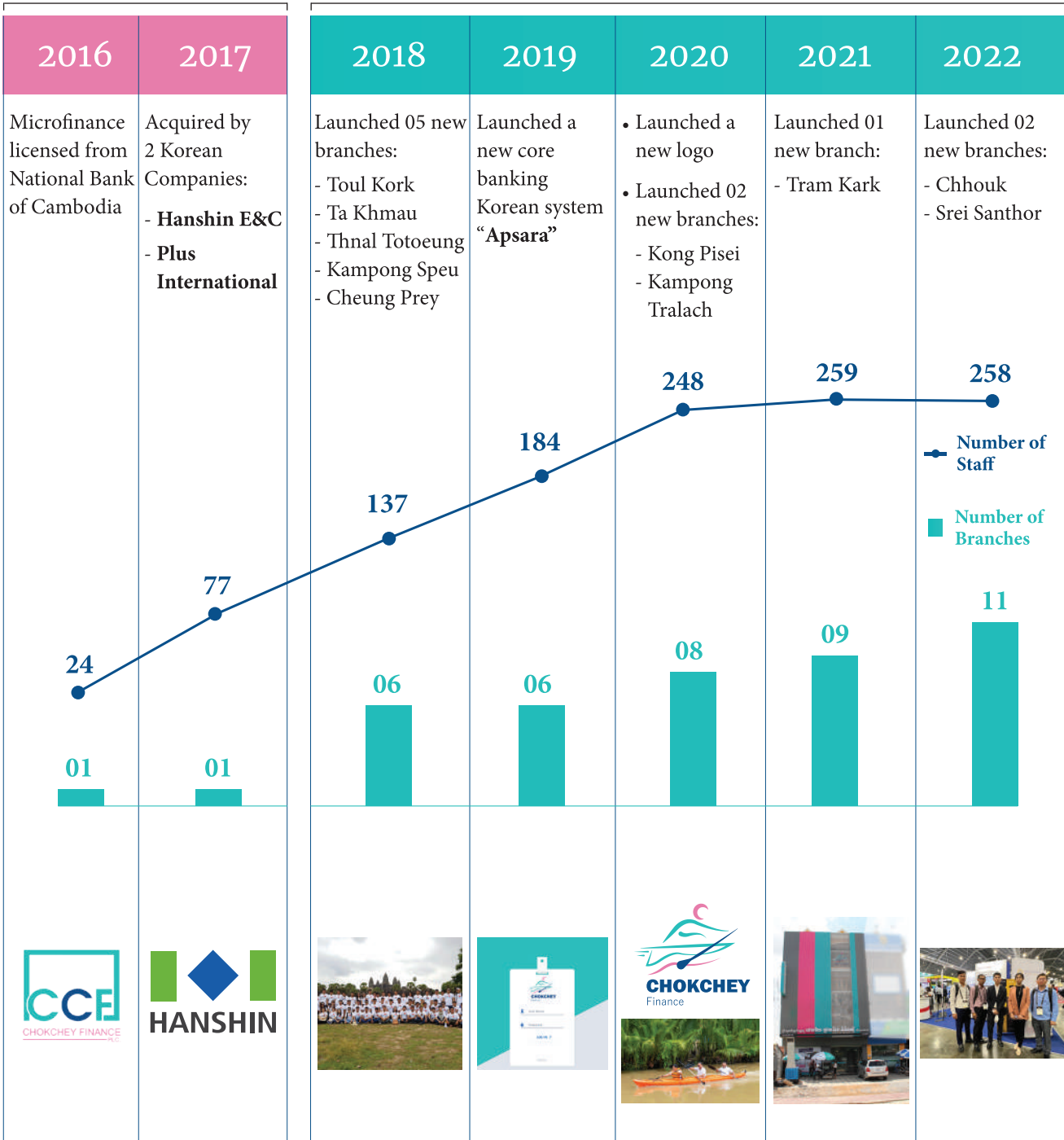
**20  
22**

# CHOKCHEY FINANCE HISTORY

(2016 – 2022) 07 Years of Operation

02 Years by  
Local Shareholders

05 Years by  
Korean Shareholders



# CHOKCHEY AT A GLANCE

(As of 31 December 2022)

Loan Outstanding

**52,0** Million USD

Net Profit

**1,3** Million USD

Paid-Up Capital

**5,5** Million USD

Return On Equity (ROE)

**16.3%**

Net-Worth

**10,7** Million USD

Return On Asset (ROA)

**2.5%**

NPL Ratio

**1.5%**

Number of Branches

**11**

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# SHAREHOLDERS



## Hanshin E&C Co., Ltd

Was established in 1950 as housing construction, and it went on with architecture, civil works, electricity, and plant businesses. It then grew to be one of the most prominent general construction companies in Korea.

Hanshin takes pride in having been not only contributing to the improvement of the housing environment by providing about 280,000 housing units, but also playing a key role in the construction of national infrastructure by constructing highways, roads, subways, high-speed railroads, and wide-area waterworks for the past half a century.

Hanshin has also been enhancing the national prestige through active overseas construction in Saudi Arabia, Kuwait and China since 1970.

Recently, Hanshin is internationally reputed for its technologies and up-



**Hanshin E&C Co., Ltd**

(Headquarter Located Seoul, Korea)

to-date construction capabilities by participating businesses focusing on Vietnam and other Southeast Asian countries such as Philippines, Myanmar, Cambodia, etc.

To become a world's top-tier construction company in a global era, Hanshin and all the staff are exerting their best efforts in strengthening the global competitiveness to make your dreams and hopes come true. Hanshin promises to provide pleasant living environments and comfort livings with up-to-date construction technologies and first-rate quality.

# Construction Projects of Hanshin E&C



- Sultan Building
- Yanjil Hanshin Apartments
- Mongolia Millenium highway
- Kuwait Religious Complex
- Jubail Royal Committee Housing Corporation
- Hanoi HH4 Mixed-use Complex (Design/Supervision) etc
- National Road Number 2, 21, 5 in Cambodia etc



## Plus International Co., Ltd

is based in South Korea, with the head office in Seoul. It operates in the real estate industry, and it was incorporated on April 04, 2011.

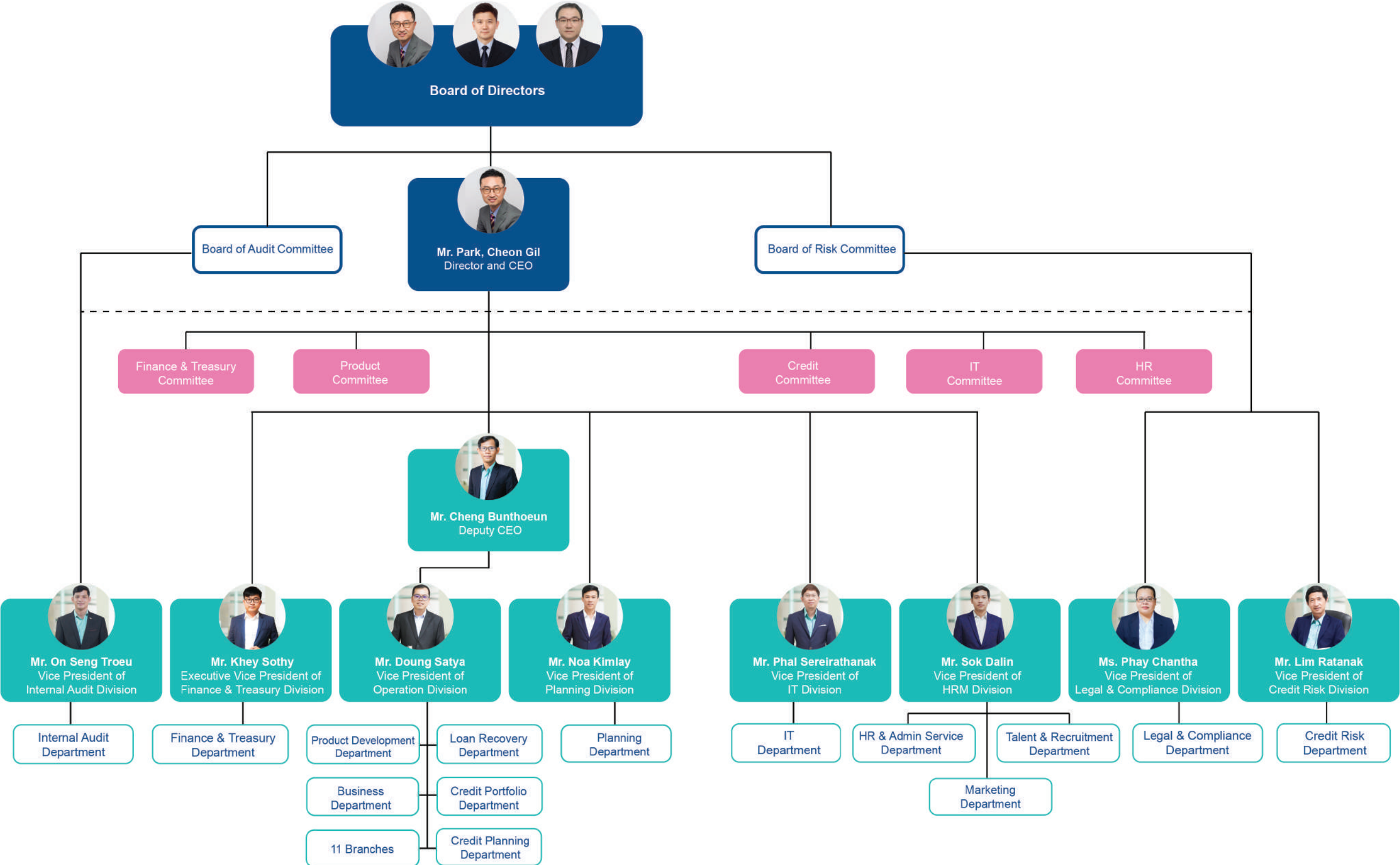
### Business Model

- Performing a project of real estate development
- Co-working with Hanshin E&C to search a new business
- Investing and processing with M&A at home and abroad
- Finding and leading a new business in Cambodia and Vietnam



**Plus International Co., Ltd**

# ORGANIZATIONAL STRUCTURE



# KEY OPERATIONAL STRUCTURE

*Branches Are Strictly Monitored By Head Office For Sustainable And Prudential Growth*



## ABOUT CHOKCHEY

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## VISION

We pursue to be a world class finance company, **Beating the Banks** in terms of profitability, **Brand Recognition** (Trust, Convenience and Speed) and **Workforce Satisfaction**.

## CULTURE

We are the best people powerhouse, **thinking big and global** in pursuit of world class company through our eternal **winning habit** and **learning the positive changes**. We all work for common growth and **enjoy our lives**. We are ChokChey Finance.

## MISSION

To gain **lifetime loyalty** from low moderate income families, through lending and providing financial services to foster their **sustainable business growth**, and implanting our “ **winning habit culture** ” to their daily lives & business.

## PHILOSOPHY

- » **People, People and People**
- » **Honesty is the Best Policy**
- » **Open Opportunities**
- » **Performance – driven Compensation**
- » **Fairness**

# WINNING HABIT CULTURE

## GLOCALIZATION

(GLOBAL + LOCALIZATION)

## IN FINANCE SECTOR

# 1 Local Company Name

*A Leader With Global Mindset*

ChokChey was established by Cambodian shareholders in 2016, however the corporate brand name was NOT replaced by Hanshin to localize in Cambodia. It's strongly recommended by chairman, Moon Kyu Choi, with his global mindset. It's because the premium and well-known brand, HANSHIN (as the major shareholder of ChokChey) is not easily recognized by Cambodian local consumers. ChokChey means 'success' in Khmer language.





# 2 Successful Localization

## Making-Decisions by Local Management Committee

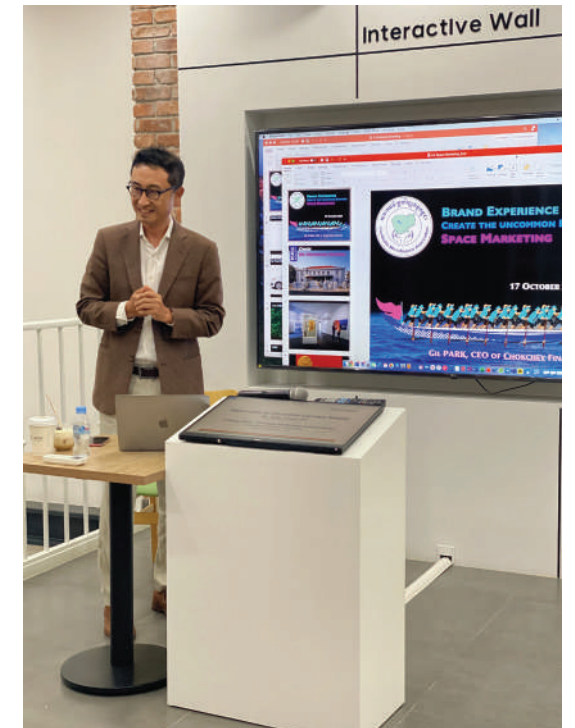
There is only one Korean in ChokChey, Cheon Gil Park as a CEO. He strongly believes that local people know local practices better than foreigners; thus, he initiates open-minded discussions and debates each other for better solutions.



# 3 People, People and People

## Learning Habit Culture

People is the most valuable assets for ChokChey. We've been devoted to finding the best potential people and training them to be global leaders through training curriculums for each level of staff.



# 4 Global Mindset

## Continuously Exploring The New Trends

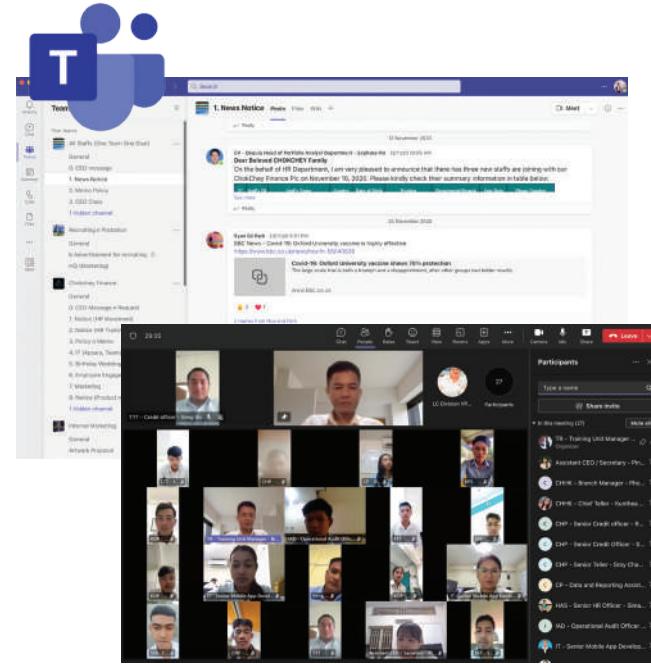
We do believe that “finance is the IT business”. Fintech solutions such as mobile banking and easy payment have been replacing traditional banking methods; therefore, we try to catch trends through joining Singapore Fintech Festival and traveling to Korea to experience the advanced fintech applications and new cultures.



1 & 2. Trip to Korea  
3 & 4. Singapore Fintech

# 5 Digitalization in Operation

## Open Communication



We use Microsoft Teams for daily operational communication. Any comments and opinions are truly appreciated for better decision-making. This kind of written and online communication can reduce our time to meet.

Internally developed CO (Credit Officers) App is well-utilized for loan approval and loan management.



# 6 ChokChey Style

## Confidence Comes From Good Appearance

ChokChey's identity color is namely "ChokChey Blue", motif from Tiffany's blue box. Well-designed uniforms are provided to all staff, and the branch spaces have unique brand identity to increase brand awareness among the local clients through satisfying their tastes of colors.



Staff Uniform



Helmet



Backpack



Promotion Items



Staff Jacket



Space and Signboard Identities

# 7 Melting Pot – Exploring Multi-National Cultures

*To Mix Strong Points of Each Culture*

Cambodian culture is known for its gentle and smiling demeanor, while Koreans are less smiling and prefer to appear firm and serious. As a multi-national city, people should learn more about foreign culture by attending Eurocham, Amcham, and IBC events to keep professionals updated on laws and trends, while understanding and respecting cultural differences are crucial for fostering positive relationships and driving business growth.



1. Introducing ChokChey at an IBC event
- 2 & 7. Business Trend from CBRE Cambodia
3. EuroCham CEO Exclusive Dinner
4. AmCham Event
5. Young Entrepreneurs Association of Cambodia Event
6. Discussion with ID Capital



# 8 Compliance Discipline

Gold Certificate from General Department of Taxation



# 9 Honesty is The Best Policy

One Strike Out Policy Against Fraud

- » Fraud
- » Sexual Harassment
- » Two Jobs

are NOT allowed in ChokChey,  
One strike out policy is applied.





## BOARD OF DIRECTOR'S PROFILE



**Mr. Choi, Moon Kyu**  
Chairman

### Education

- MBA from Thunderbird School of Global Management, Arizona, USA
- Business from Sogang University, Seoul, Korea

### Work Experience

- Current CEO of Hanshin E&C
- HYUNDAI Merchant Marine
- HYUNDAI Motor Company

### Education

- Graduated in Business from Sogang University, Seoul, Korea

### Work Experience

- Current Head of Finance of Hanshin E&C
- Careers in HYUNDAI Marine & Fire Insurance



**Mr. Kim, Jung Hoon**  
Independent Director

### Education

- MBA - YONSEI University(2011), Seoul Korea
- UC Berkeley Extension Marketing(2004), California, USA
- Business - Sogang University(1998), Seoul, Korea

### Work Experience

- CEO, Green Central MFI, Phnom Penh, Cambodia
- CJ Hello, Head of Marketing, Seoul, Korea
- SAMSUNG CARD, Manager, Seoul, Korea
- HYUNDAI CARD, Team Leader, Seoul, Korea



**Mr. Park, Cheon Gil**  
Director and CEO

## MANAGEMENT'S PROFILE

ChokChey Finance widely opens the opportunities for everyone not limited to those from financial sectors. Management team members are also from various sectors besides Financial such as Commercial, Telecom, Solution/Software, Manufacturing, Education and also law firm together with education background from both local and international universities. This combination creates ChokChey Finance as a mixed cultures with strong foundation to grow.



**Mr. Cheng Bunthoeun**  
Deputy CEO

### Education

- Master's Degree of Public Administration in 2016
- Bachelor's Degree in Economics of Development in 2007

### Work Experience

- 14 years in Financial Sector
- Started career from Credit Officer, Credit Control Officer, Deputy Lending Unit Manager, Risk Management Unit Manager, Deputy Executive Director, Head of Credit Risk Management, Head of Risk Management & Compliance Division and Chief Operating Officer

### Education

- Certified Accountant Technician under ACCA program (2013) at CamEd Business School
- Bachelor's Degree in art of English (2015)
- Pursuing Master in Applied Business at Charles Sturt University, Australia

### Work Experience

- 6 years in External Audit Firm in both Local and one of the "Big Four" International, Accounting Firm which involves in various industries such as Financial Institutions (Banks and MFIs), Commercials, Manufacturing, and NGOs.
- Previously being as a Head of Finance in a group company consists of MFIs, Micro Insurance, Apartment and Clinic



**Mr. Khey Sothy**  
Executive Vice President of Finance & Treasury Division

### Education

- Graduated Master's Degree of Economics Cooperation Law from Jean Moulin Lyon 3 University through scholarship program provided by AUF (French Agent Universities)
- Hold Bachelor's Degree of French Private Law from Lumiere Lyon 2 University
- Hold Bachelor's Degree of Cambodian Law from Royal University of Law and Economic

### Work Experience

- 11 years experiences as in-house counsel with various institutions including Legal Firm, International Bank, Internet Service Provider Company and Project Funded by EU
- Part-time lecturer in Law at a well-known University



**Ms. Phay Chantha**  
Vice President of  
Legal & Compliance Division



**Mr. Sok Dalin**  
Vice President of HRM  
Division

### Education

- Bachelor's Degree in Business Administration from Pannasastra University of Cambodia (2012)

### Work Experience

- More than 10 years of experience from various industries such as NGO, Commercial and Financial
- Started career from Relation Officer, Digital Communication Coordinator, Business Analyst, MIS/System Support Specialist, Business Analyst Manager, Head of Product Development and Head of Marketing



**Mr. Doung Satya**  
Vice President of Operation  
Division

### Education

- Bachelor's Degree in Rural Development in (2011)

### Work Experience

- 17 years in Microfinance Sector
- Started career from CO, BTL, BM, Credit Risk Unit Manager and Head of Credit Risk



**Mr. Lim Ratanak**  
Vice President of Credit Risk  
Division



**Mr. Noa Kimlay**  
Vice President of Planning  
Division

### Education

- Master's Degree in Business (2013)

### Work Experience

- 15 years in Financial Sector
- Started career from Credit Officer, Loan Recovery Officer, Senior Branch Manager, Learning and Development Officer, Deputy Provincial Branch Manager, Credit and Recovery Manager, Regional Manager and Head of Business

### Education

- Bachelor's Degree in Finance & Banking (2010)
- Doing ACCA at CamEd Business School

### Work Experience

- 13 years in Financial Sector
- Started career from Credit Officer, Senior Financial Control, Senior Regulatory Reporting, Treasury Unit Manager, Deputy Head of Planning and Head of Planning





**Mr. Phal Sereirathanak**  
Vice President of  
IT Division

**Education**

- Bachelor’s Degree in Information Technology and Computer Science

**Work Experience**

- Over 5 years of experience from Telecom company
- Started career from Software Developer, Senior Software Developer, Billing Manager and IT Manager



**Mr. Chhou Sokleap**  
Deputy Head of Loan Recovery

**Education**

- Bachelor’s Degree in Banking & Finance

**Work Experience**

- 14 years in Microfinance Sector (Green, Welcome Finance & ChokChey)
- Started career from Customer Relation Officer, Credit Officer, Chief Credit Officer, Branch Manager and Internal Audit Unit Manager

**Education**

- Master’s Degree in Banking and Finance (2016)

**Work Experience**

- 11 years in Microfinance Sector (ChokChey & Amret)
- Started career from Credit Officer, Senior Credit Officer, Internal Audit Officer, Senior Internal Audit Officer, Supervisor Internal Audit and Head of Internal Audit



**Mr. On Seng Troeu**  
Vice President of  
Internal Audit Division

**Education**

- Master’s Degree in Business (2019)

**Work Experience**

- 10 years in Financial Sector
- Started career from Credit Officer, Chief Credit Officer, Branch Manager and Regional Manager



**Mr. Ret Horng**  
Deputy Head of Operation

**Education**

- Bachelor’s Degree in Business Management (2014)

**Work Experience**

- 11 years in Microfinance Sector
- Started career from Credit Officer, Internal Auditor, Audit Development & Reporting Auditor, Senior Internal Auditor, Internal Audit Unit Manager, Operational Audit Unit Manager, Deputy Head of Internal Audit and Branch Support Unit Manager



**Mr. Phoeuk Pheaktra**  
Deputy Head of Credit Risk



**Mr. Tin Mosatya**

Deputy Head of Product

**Education**

- Bachelor’s Degree in Enterprise Management in 2011 from Royal University of Law and Economics.

**Work Experience**

- 12 years in Microfinance Sector
- Started career from Credit Management Officer, Product Development Team Leader, Product Development Unit Manager



**Mr. Rin Sophara**

Deputy Head of Portfolio Analyst

**Education**

- Holding MBA in Human Resource Management (2019)

**Work Experience**

- 9 years experience in Educational Sector
- 2 years experience as a Human Resource Manager and 2 years in Credit Portfolio Analyst with Financial Sector

**Education**

- Holds Bachelor’s Degree in Banking and Finance at Norton University since 2016

**Work Experience**

- 7 years in Financial Sector
- Started career from Saving Officer, Regional Audit Officer, Senior Regional Auditor, Senior Operational Auditor and Internal Audit Unit Manager



**Mr. Phat Khne**

Deputy Head of Internal Audit

**Education**

- Hold BA in English Teaching (2017)

**Work Experience**

- 5 years experience in international schools
- Started career in Financial Sector (Jan-2020) from Translator, Digital Business Unit Manager, and Credit Planning Unit Manager



**Ms. Samnang Someas**

Deputy Head of Credit Planning & Assistant to DCEO

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## FUNDING PARTNERS



## BUSINESS PARTNERS



## WE'RE PROUD TO BE A MEMBER OF



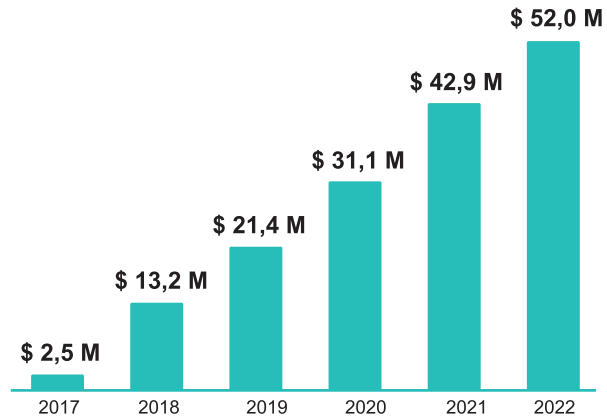
# PERFORMANCE HIGHLIGHTS

(As of 31 December 2022)

Loan  
Outstanding

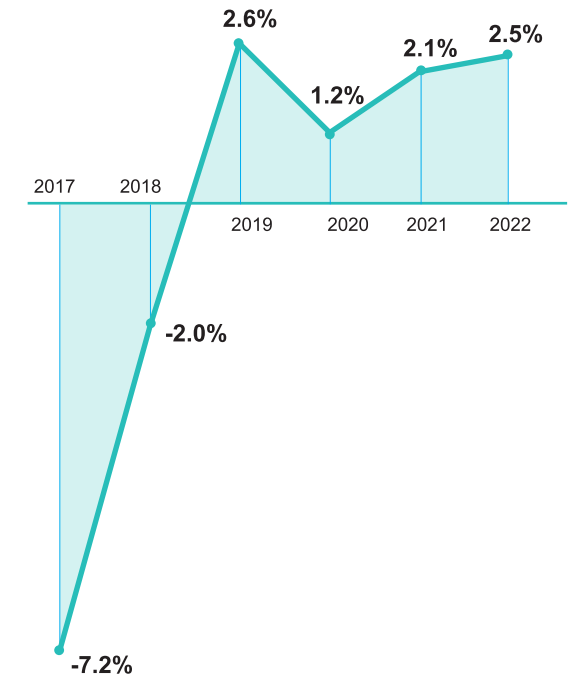
**52,0**

Million USD



Return  
On Asset (ROA)

**2.5%**



Net Worth

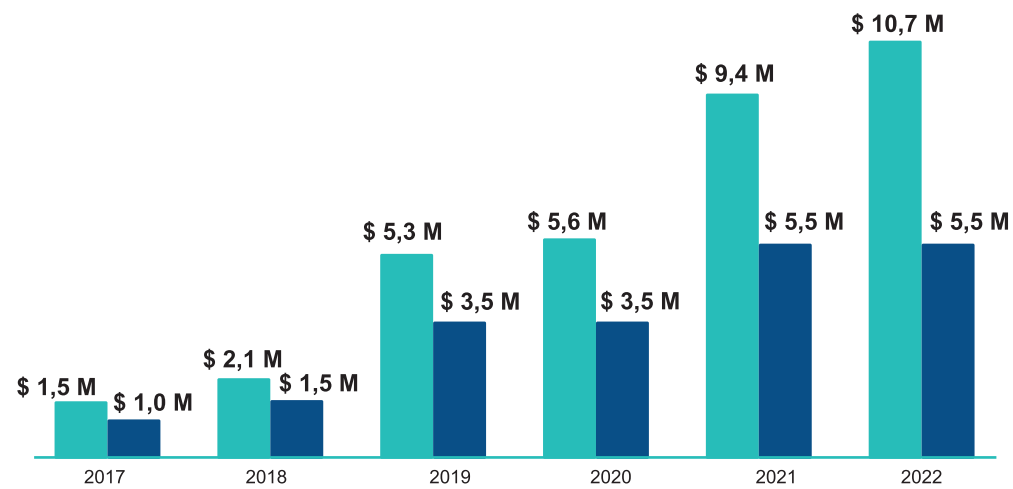
**10,7**

Million USD

Paid-Up Capital

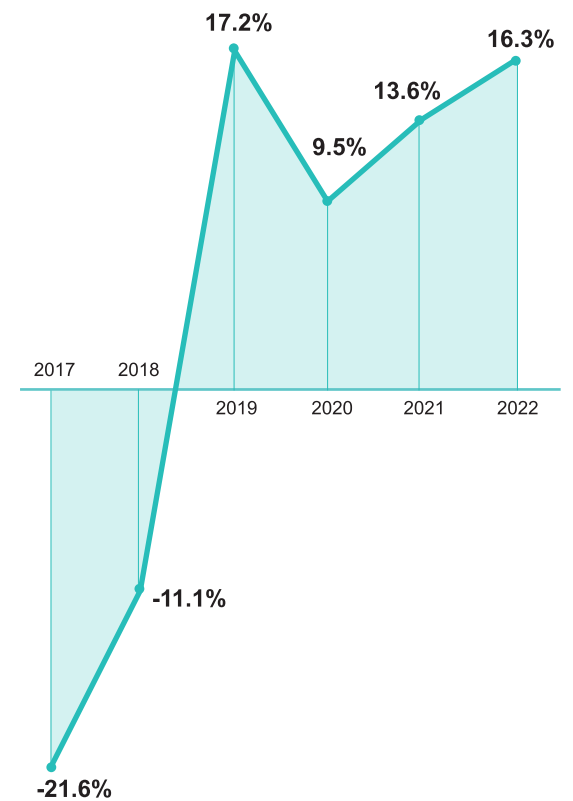
**5,5**

Million USD



Return  
On Equity (ROE)

**16.3%**



# LOAN PRODUCTS

## General Loan

Loan Size	Up to \$30,000
Loan Term	Up to 72 months

## Auto Loan

Loan Size	Up to \$100,000
Loan Term	Up to 84 months

## Agriculture Loan

Loan Size	Up to \$30,000
Loan Term	Up to 72 months

## SME Loan

Loan Size	Up to \$150,000
Loan Term	Up to 120 months

## Vehicle Id Loan

Loan Size	Up to \$30,000
Loan Term	Up to 60 months

## Speed Loan

Loan Size	Up to \$10,000
Loan Term	Up to 60 months

## Mobile Device Loan

Loan Size	Up to \$1,000
Loan Term	Up to 24 months

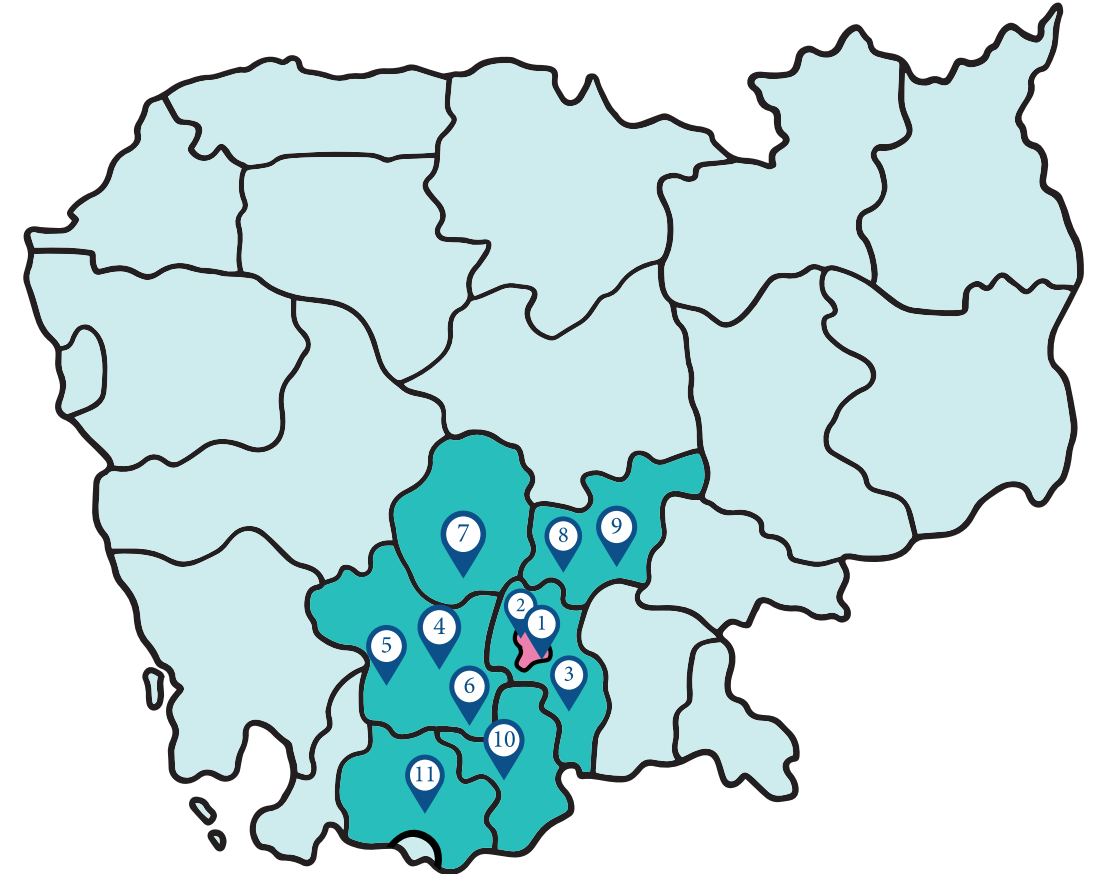
## Emergency Loan

Loan Size	Up to \$5,000
Loan Term	Up to 24 months

## Group Loan

Loan Size	Up to KHR 8,000,000 per member
Loan Term	Up to 36 months

# BRANCH NETWORKS



**07** Operating City / Provinces    **11** Operating Branches

### Phnom Penh

- 1. Head Office
- 2. Sen Sok Branch

### Kampong Speu

- 4. Thnal Totoeung Branch
- 5. Kampong Speu Branch
- 6. Kong Pisei Branch

### Kampong Cham

- 8. Cheung Prey Branch
- 9. Srei Santhor Branch

### Kandal

- 3. Ta Khmau Branch

### Kampong Chhnang

- 7. Kampong Tralach Branch

### Takeo

- 10. Tram Kark Branch

### Kampot

- 11. Chhouk Branch

## SUCCESS STORIES OF CLIENTS



“I am so happy with what I am having now. All the businesses provide me with a very good income. ChokChey really brought me good luck just like its name: ChokChey.” said Mrs. Sopheap with a happy face.

Things started to grow significantly after getting the capital – she became the whole seller of her beef selling business, started a grocery store and also began a small restaurant at home. With these few businesses, she could buy a car and land to build rental rooms for factory workers in the near future, where she would earn even more.



Mrs. Hel Sopheap, 50 years old, lives in Rom Lech village, Ror Leang Krerl commune, Samrorng Torng district, Kampong Speu province. She started the communication with us in front of her house with a smile, even as she began sharing about the hard situation she faced in the past. She said she was just a beef seller at a market, and she could not earn well enough to support the big family. The profit was low since the beef was always taken from others to resell. She repeated this daily routine and could not see any improvement.

Later, she knew ChokChey Finance and proceeded to request an SME loan.



“I am so happy that my family has grown significantly since I got loan from ChokChey. I could both sell at home and take care of my children at the same time. This was what I always expected in the past.” said Mr. Sarat’s wife.

Mr. Um Sarat is 37 years old, and he lives in Ror Ka Thom village, Ror Ka Thom commune, Chbar Mon city, Kampong Speu province. He was a former construction worker while his wife was a former factory worker before they knew ChokChey Finance. They had a very hard time supporting their family since they could earn very little from their combined incomes.



Things changed when they started to request Speed Loan from ChokChey Finance. Mr. Sarat then became the construction contractor in the area and other available construction projects. His wife also no longer worked in the factory – she started a small grocery store in the house yard, where she could also spend time taking care of her children.

This continuous growth also made Mr. Sarat and his wife able to buy a plot of land, expand their grocery store and have more items for sales to the buyers.

# FINANCIAL REPORT

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## REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the “Board” or “Directors”) have pleasure in submitting their report together with the audited financial statements of ChokChey Finance Plc. (the “Company”) for the year ended 31 December 2022 (the “financial year” or “year”).

### Principal activities

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

### Financial performance

The financial performance of the Company was as follows:

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Profit before income tax	1,758,717	7,187,877	1,217,747	4,953,796
Income tax expense	(395,507)	(1,616,437)	(264,242)	(1,074,936)
<b>Net profit for the year</b>	<b>1,363,210</b>	<b>5,571,440</b>	<b>953,505</b>	<b>3,878,860</b>

### Dividends

No dividend was declared or paid and the Directors do not recommend any dividend to be paid during the financial year.

### Share capital

The paid-up capital of the Company as at 31 December 2022 is US\$5,500,000 (2021: US\$5,500,000) with a par value US\$10 per share. Refer to Note 11 for the detailed Company’s share capital and shareholding structure.

## Reserves and provisions

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

## Bad and doubtful debts

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

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

## Current assets

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

At the date of this report, the Directors are not aware of any circumstances

that have arisen the value attributed to the current assets in the financial statements of the Company misleading.

## Valuation methods

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

## Contingent and other liabilities

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

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

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

## Changes of circumstances

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

## Items of an unusual nature

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

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

## Events since the reporting date

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

## Board of Directors

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

- Mr. Moon Kyu Choi  
Chairman
- Mr. Cheon Gil Park  
Director and Chief Executive Officer
- Mr. Jung Hoon Kim  
Independent Director

## Directors' interests

The Directors' interests are disclosed in Note 11 of the financial statements.

## Directors' benefits

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

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



other than as disclosed in the financial statements.

### Directors' responsibility in respect of financial statements

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

- i. adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii. comply with CIFRS for SMEs or, if there have been any departures in the interests of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. oversee the Company's financial reporting process and maintain adequate accounting records and effective system of internal control;
- iv. assess the Company's ability to continue as a going concern,

disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so; and

- v. effectively control and direct the Company in all material decisions affecting the operations and performance and ascertain that such has been properly reflected in the financial statements.

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

### Approval of the financial statements

The Board of Directors hereby approve the accompanying financial statements as set out on pages 8 to 41 which present fairly, in all material respects, the financial position of ChokChey Finance Plc. as at 31 December 2022, and its financial performance and its cash flows for the year then ended, in accordance CIFRS for SMEs.

Signed in accordance with a resolution of the Board of Directors



Mr. Cheon Gil Park  
Director and Chief Executive Officer

Phnom Penh, Kingdom of Cambodia  
24 April 2023

# REPORT OF THE INDEPENDENT AUDITORS

## To Shareholders Of ChokChey Finance Plc

### Opinion

We have audited the financial statements of ChokChey Finance Plc. (“the “Company”), which comprise the statement of financial position as at 31 December 2022, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information as set out on pages 8 to 41.

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

### Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (“CISAs”). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the

Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Cambodia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matter

The financial statements of the Company as at and for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 30 April 2022.

### Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditors’ report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditors’ Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due

to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosure, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

For Fii&Associates Co., Ltd.



Seng Chanthan  
Audit Partner

Phnom Penh, Kingdom of Cambodia  
24 April 2023

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>ASSETS</b>				
Cash on hand	86,007	354,091	73,577	299,753
Deposits and placements with NBC	277,675	1,143,188	277,552	1,130,747
Deposits and placements with banks	2,288,442	9,421,516	698,694	2,846,479
Loans to customers	52,022,303	214,175,821	43,078,426	175,501,508
Others assets	168,331	693,019	179,802	732,513
Property and equipment	433,087	1,783,019	419,629	1,709,569
Intangible assets	189,851	781,617	216,845	883,427
<b>Total assets</b>	<b>55,465,696</b>	<b>228,352,271</b>	<b>44,944,525</b>	<b>183,103,996</b>
<b>LIABILITIES AND EQUITY</b>				
<b>LIABILITIES</b>				
Other liabilities	668,934	2,754,002	485,490	1,977,886
Short-term borrowings	24,616,420	101,345,801	15,726,815	64,071,044
Long-term borrowings	21,487,612	88,464,499	21,519,146	87,669,001
Deferred tax liabilities - net	29,586	121,806	-	-
Current income tax liabilities	293,594	1,208,726	206,734	842,234
<b>Total liabilities</b>	<b>47,096,146</b>	<b>193,894,834</b>	<b>37,938,185</b>	<b>154,560,165</b>

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>EQUITY</b>				
Share capital	5,500,000	22,199,000	5,500,000	22,199,000
Regulatory reserves	767,320	3,147,611	487,464	1,974,481
Retained Earnings	2,102,230	8,557,942	1,018,876	4,159,632
Currency translation differences	-	552,884	-	210,718
Total equity	8,369,550	34,457,437	7,006,340	28,543,831
<b>Total liabilities and equity</b>	<b>55,465,696</b>	<b>228,352,271</b>	<b>44,944,525</b>	<b>183,103,996</b>

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Interest income	7,777,724	31,787,558	6,165,862	25,082,727
Interest expense	(2,278,947)	(9,314,056)	(1,773,305)	(7,213,805)
<b>Net interest income</b>	<b>5,498,777</b>	<b>22,473,502</b>	<b>4,392,557</b>	<b>17,868,922</b>
Other operating income	135,735	554,749	88,879	361,560
General and administrative expenses	(3,652,631)	(14,928,303)	(3,250,580)	(13,223,359)
Allowance for impairment losses on loans to customers	(223,164)	(912,071)	(13,109)	(53,327)
<b>Profit before income tax</b>	<b>1,758,717</b>	<b>7,187,877</b>	<b>1,217,747</b>	<b>4,953,796</b>
Income tax expense	(395,507)	(1,616,437)	(264,242)	(1,074,936)
<b>Net profit for the year</b>	<b>1,363,210</b>	<b>5,571,440</b>	<b>953,505</b>	<b>3,878,860</b>
<b>Other comprehensive income</b>				
Currency translation difference	-	342,166	-	135,253
<b>Total comprehensive income for the year</b>	<b>1,363,210</b>	<b>5,913,606</b>	<b>953,505</b>	<b>4,014,113</b>

# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Share capital		Regulatory reserves		Retained earnings		Currency translation difference		Total	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
At 1 January 2021	3,500,000	14,063,000	249,734	1,007,395	303,101	1,247,858	-	75,465	4,052,835	16,393,718
Additional capital contribution	2,000,000	8,136,000	-	-	-	-	-	-	2,000,000	8,136,000
<b>Comprehensive income for the year</b>										
Net profit for the year	-	-	-	-	953,505	3,878,860	-	-	953,505	3,878,860
Transfer to regulatory reserve	-	-	237,730	967,086	(237,730)	(967,086)	-	-	-	-
<b>Other comprehensive income</b>										
Currency translation difference	-	-	-	-	-	-	-	135,253	-	135,253
<b>Total comprehensive income for the year</b>	-	-	237,730	967,086	715,775	2,911,774	-	135,253	953,505	4,014,113
<b>At 31 December 2021</b>	<b>5,500,000</b>	<b>22,199,000</b>	<b>487,464</b>	<b>1,974,481</b>	<b>1,018,876</b>	<b>4,159,632</b>	<b>-</b>	<b>210,718</b>	<b>7,006,340</b>	<b>28,543,831</b>
At 1 January 2022	5,500,000	22,199,000	487,464	1,974,481	1,018,876	4,159,632	-	210,718	7,006,340	28,543,831
<b>Comprehensive income for the year</b>										
Net profit for the year	-	-	-	-	1,363,210	5,571,440	-	-	1,363,210	5,571,440
Transfer to regulatory reserve	-	-	279,856	1,173,130	(279,856)	(1,173,130)	-	-	-	-
<b>Other comprehensive income</b>										
Currency translation difference	-	-	-	-	-	-	-	342,166	-	342,166
<b>Total comprehensive income for the year</b>	-	-	279,856	1,173,130	1,083,354	4,398,310	-	342,166	1,363,210	5,913,606
<b>At 31 December 2022</b>	<b>5,500,000</b>	<b>22,199,000</b>	<b>767,320</b>	<b>3,147,611</b>	<b>2,102,230</b>	<b>8,557,942</b>	<b>-</b>	<b>552,884</b>	<b>8,369,550</b>	<b>34,457,437</b>

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
<b>Cash flows from operating activities</b>				
Net profit for the year	1,363,210	5,571,440	953,505	3,878,860
<i>Adjustments for:</i>				
Depreciation	163,577	668,539	159,106	647,243
Amortisation	26,994	110,324	27,016	109,901
Property and equipment written off	83	339	335	1,363
Impairment loss allowance for loans to customers	223,164	912,071	13,109	53,327
Income tax expense	395,507	1,616,437	264,242	1,074,936
	2,172,535	8,879,150	1,417,313	5,765,630
<i>Changes in:</i>				
Capital guarantee deposit	-	-	(100,000)	(406,800)
Loans to customers	(9,167,041)	(37,465,697)	(11,865,045)	(48,267,003)
Other assets	11,471	46,882	(66,111)	(268,940)
Other liabilities	183,444	749,736	201,564	819,962
<b>Cash used in operations</b>	<b>(6,799,591)</b>	<b>(27,789,929)</b>	<b>(10,412,279)</b>	<b>(42,357,151)</b>

	2022		2021	
	US\$	KHR'000 (Note 2.4)	US\$	KHR'000 (Note 2.4)
Income tax paid	(279,061)	(1,140,522)	(88,020)	(358,065)
<b>Net cash used in operating activities</b>	<b>(7,078,652)</b>	<b>(28,930,451)</b>	<b>(10,500,299)</b>	<b>(42,715,216)</b>
<b>Cash flows from investing activities</b>				
Purchase of property and equipment	(177,118)	(723,881)	(162,916)	(662,742)
<b>Net cash used in investing activities</b>	<b>(177,118)</b>	<b>(723,881)</b>	<b>(162,916)</b>	<b>(662,742)</b>
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	8,858,071	36,202,936	8,919,146	36,283,086
Additional capital contribution	-	-	1,100,000	4,474,800
<b>Net cash generated from financing activities</b>	<b>8,858,071</b>	<b>36,202,936</b>	<b>10,019,146</b>	<b>40,757,886</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,602,301</b>	<b>6,548,604</b>	<b>(644,069)</b>	<b>(2,620,072)</b>
Cash and cash equivalents at 1 January	774,823	3,156,629	1,418,892	5,772,053
Currency translation difference	-	81,387	-	4,648
<b>Cash and cash equivalents at 31 December (Note 19)</b>	<b>2,377,124</b>	<b>9,786,620</b>	<b>774,823</b>	<b>3,156,629</b>

## Head Office

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