

ANNUAL REPORT 2024

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1. Message from CEO

2024 has been a year of new challenges and reforms for JC FINANCE. We continue to water and fertilize the seed for the future that we sowed in 2023, so that it will sprout and grow greatly in the near future.

In 2024, we sowed another seed and continue to take on new challenges. Specifically, we focused on the following areas of improvement, aiming to enhance our services and develop our business. First, improvement and strengthening of assessment; we built a more accurate assessment system to provide optimal financial services tailored to our customers' needs. Second, new product development; we responded to the changing market environment and developed innovative products that can further support the lives of Cambodian farmers. Third, staff training to improve services; we were endeavoring to improve our staff's expertise and service skills to provide the best customer experience.

2025 will be a year for JC FINANCE to pursue further growth and innovation. While steadily nurturing the seeds for the future that we have sown, we will strive towards achieving new goals.



In particular, we will focus on the following points to aim for business efficiency and improved service quality:

- Streamlining assessment through the introduction of information technology: By utilizing information technology and streamlining the assessment process, we will endeavor to provide more prompt and accurate financial services to our clients.
- Improving and strengthening staff operational capabilities: We will aim to improve and strengthen the operational capabilities of each staff member, and cultivate a team that can provide the best experience to our customers with expertise and hospitality.

We hope that JC FINANCE will continue to be the only financial institution that supports the lives of Cambodian farmers. We believe that our efforts can contribute to a better future for all.

Ms. NISHIGUCHI Yuko
June 2025

Achievements in 2024

1. Improvement and Strengthening of Assessment
2. New Product Development
3. Staff Training to Improve Services

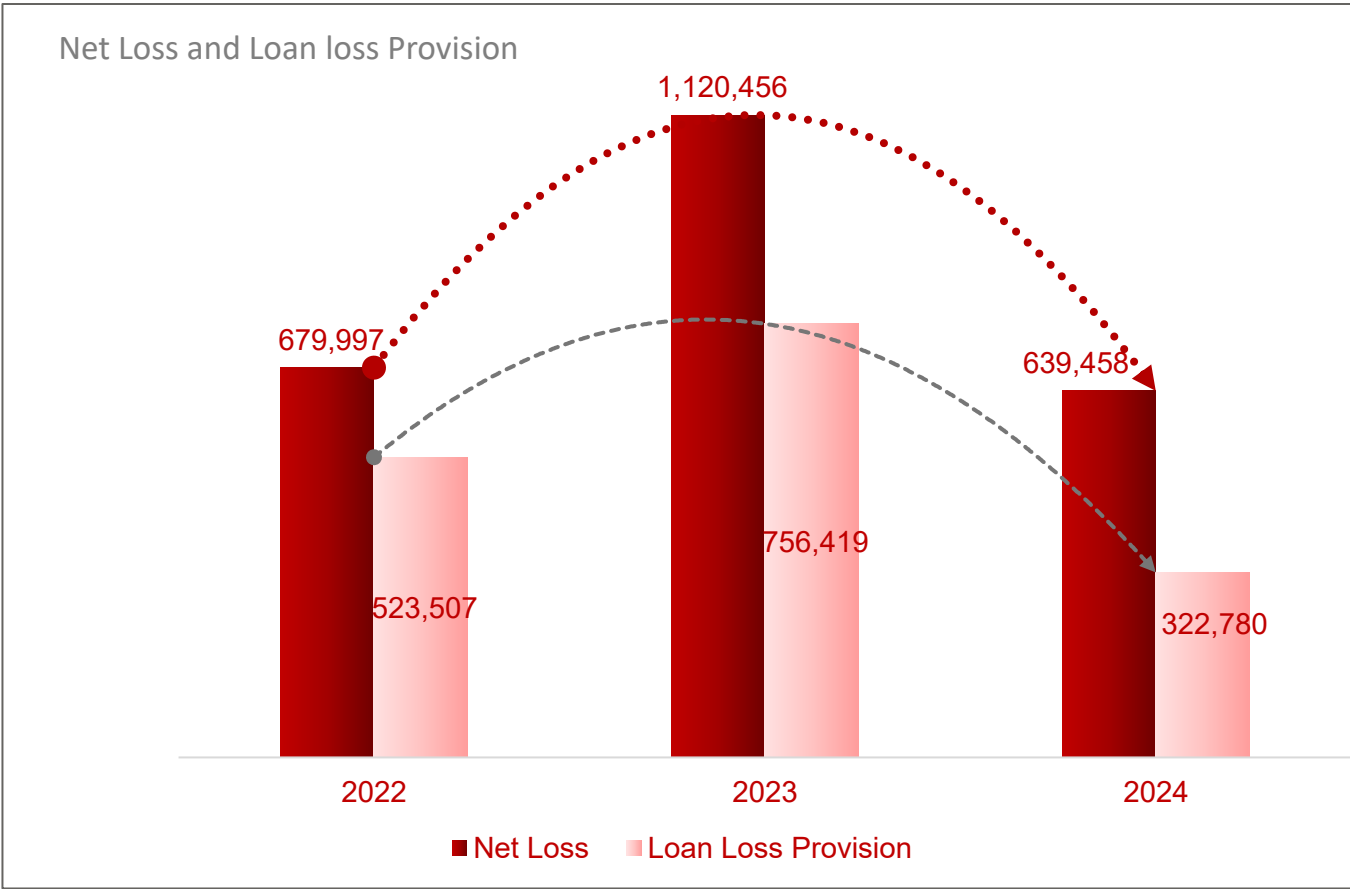
Improvement points in 2025

1. Streamlining Assessment Through IT Integration
2. Enhancing Staff Operational Capabilities

2. KEY FINANCIAL RESULT

KEY FINANCIAL RESULT

	2024(USD)	2024('000KHR)	2023(USD)	2023('000KHR)
Profit/Loss before tax	(633,519.00)	(2,579,056.00)	(1,110,649.00)	(4,564,767.00)
Income tax	(5,939.00)	(24,178.00)	(9,807.00)	(40,307.00)
Net profit/Loss	(639,458.00)	(2,603,234.00)	(1,120,456.00)	(4,605,074.00)
Currency transaction differences		(208,441.00)		11,550
Total comprehensive income	(639,458.00)	(2,811,675.00)	(1,120,456.00)	(4,593,524.00)



3. FINANCIAL STATEMENT

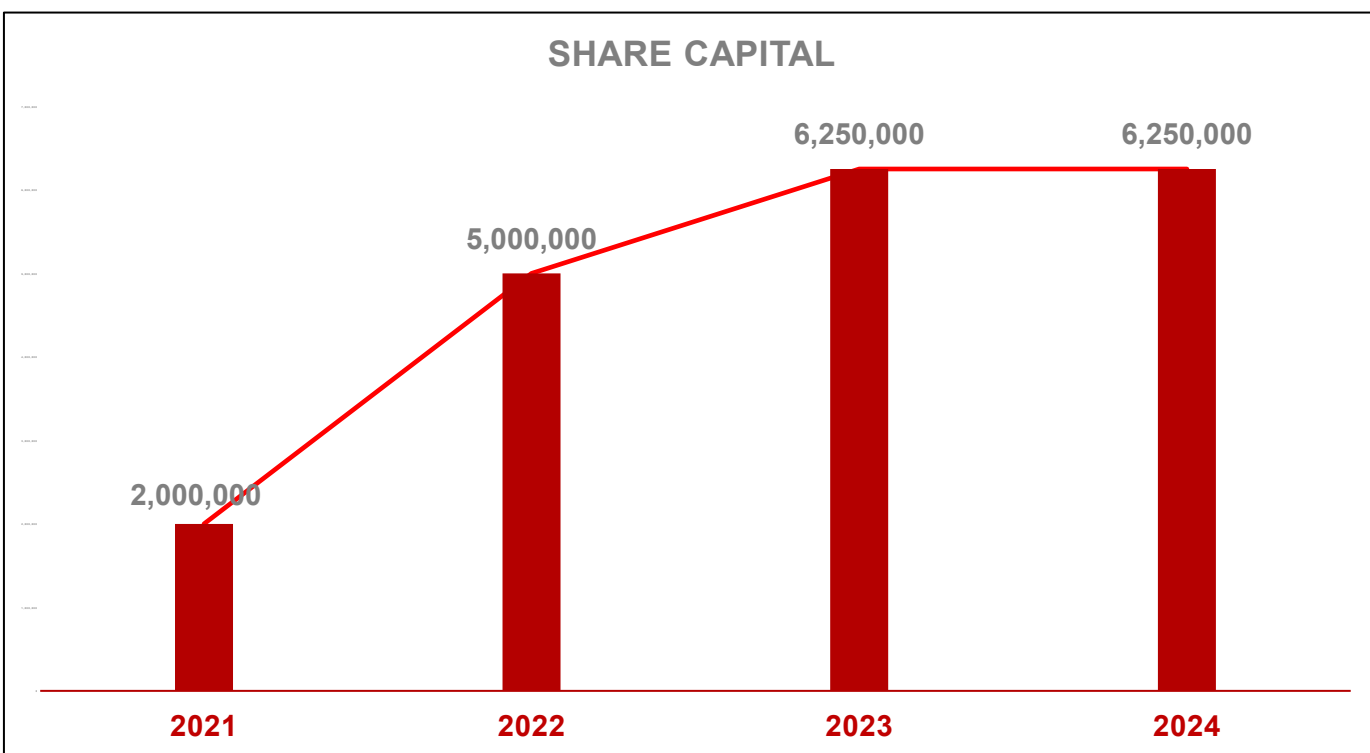
FINANCIAL STATEMENT				
Balance Sheet	2024(USD)	2024('000KHR)	2023(USD)	2023('000KHR)
ASSETS				
Cash and cash equivalents	611,682	2,462,020	1,891,994	7,728,795
Statutory deposits	492,768	1,983,391	488,725	1,996,442
Loans and Advance to Customers	2,339,988	9,418,452	4,659,115	19,032,484
Other Assets	50,713	204,120	54,874	224,160
Property and Equipment	19,943	80,271	28,611	116,876
Intangible Asset	59,840	240,856	67,320	275,002
Total Assets	3,574,934	14,389,110	7,190,639	29,373,759
LIABILITIES AND SHAREHOLDER'S EQUITY				
LIABILITIES				
Borrowings	201,242	809,999	3,137,146	12,815,241
Amount due to related party	0	0	0	0
Other Liabilities	48,555	195,435	88,889	363,111
Income tax payable	324	1,304	333	1,360
Total Liabilities	250,121	1,006,738	3,226,368	13,179,712
SHAREHOLDERS' EQUITY				
Share Capital	6,250,000	25,157,800	6,250,000	25,157,800
Regulatory Reserve	389,367	1,567,202	0	0
Accumulated Losses	(3,314,554.00)	(13,514,679.00)	(2,285,729.00)	(9,344,243.00)
Currency Translation Reserves	-	172,049	0	380,490
Total Shareholders' equity	3,324,813	13,382,372	3,964,271	16,194,047
Total Liabilities and Shareholders' equity	3,574,934	14,389,110	7,190,639	29,373,759
Profit and Loss	2024(USD)	2024('000KHR)	2023(USD)	2023('000KHR)
Interest income	530,524	2,159,763	992,840	4,080,572
Interest expense	(175,291)	(713,610)	(271,473)	(1,115,754)
Other operating income	51,699	210,467	38,724	159,156
Admin expense	(717,671)	(2,921,639)	(1,114,321)	(4,579,859)
Loan Loss Provision	(322,780)	(1,314,037)	(756,419)	(3,108,882)
Profit/Loss before tax	(633,519)	(2,579,056)	(1,110,649)	(4,564,767)
Income tax	(5,939)	(24,178)	(9,807)	(40,307)
Net profit/Loss	(639,458)	(2,603,234)	(1,120,456)	(4,605,074)
Currency transaction differences		(208,441)		11,550
Total comprehensive income	(639,458)	(2,811,675)	(1,120,456)	(4,593,524)

SHARE CAPITAL

SHARE CAPITAL	2024(USD)	2024('000KHR)	2023(USD)	2023('000KHR)
62,500 ordinary shares of US\$100 each registered, issued and fully paid	6,250,000	25,157,800	6,250,000	25,157,800

Details of the Company's shareholdings are as follows:

	2024			2023		
	% of Ownership	Number of shares	Amount US\$	% of Ownership	Number of shares	Amount US\$
Nobuaki Takahashi	80.00%	50,000	5,000,000	80.00%	50,000	5,000,000
PHALs Inc.	20.00%	12,500	1,250,000	20.00%	12,500	1,250,000
	100.00%	62,500	6,250,000	100.00%	62,500	6,250,000



4. SHARE CAPITAL

On 13 March 2023, the Company obtained approval from the National Bank of Cambodia on the increase the share capital from US\$5,000,000 to US\$6,250,000. On 28 June 2023 The amendment to the Memorandum and Articles of Incorporation ("M&A") There were no movements in share capital of the Company during the year.



WE ARE A GROUP COMPANY OF PHALs

5. MISSION, VISION, VALUE AND RESPONSIBILITIES

Mission

JC Finance will contribute to the growth of Cambodian industries through our financial platform in order to enhance the life of people.

Vision

JC Finance will aim to achieve rapid growth of the people related to JC Finance together, and to develop leaders who will be responsible for Cambodia's growth.

Value

JC Finance will have the following 5 beliefs to achieve our mission and vision:

Value for Customer

Keep Challenging

One Goal

Absolute Integrity

Belief in Self and Brave

FOR CUSTOMERS

We are based on the principle of customer-oriented operation (Fiduciary Duty) and aim to further improve the quality of our financial services by promise to our customers and business partners that we will

1. Work for the benefit of the customer,
2. Do our best with the expert knowledge and insights, and
3. Eliminate conflicts of interest both inside and outside the company.

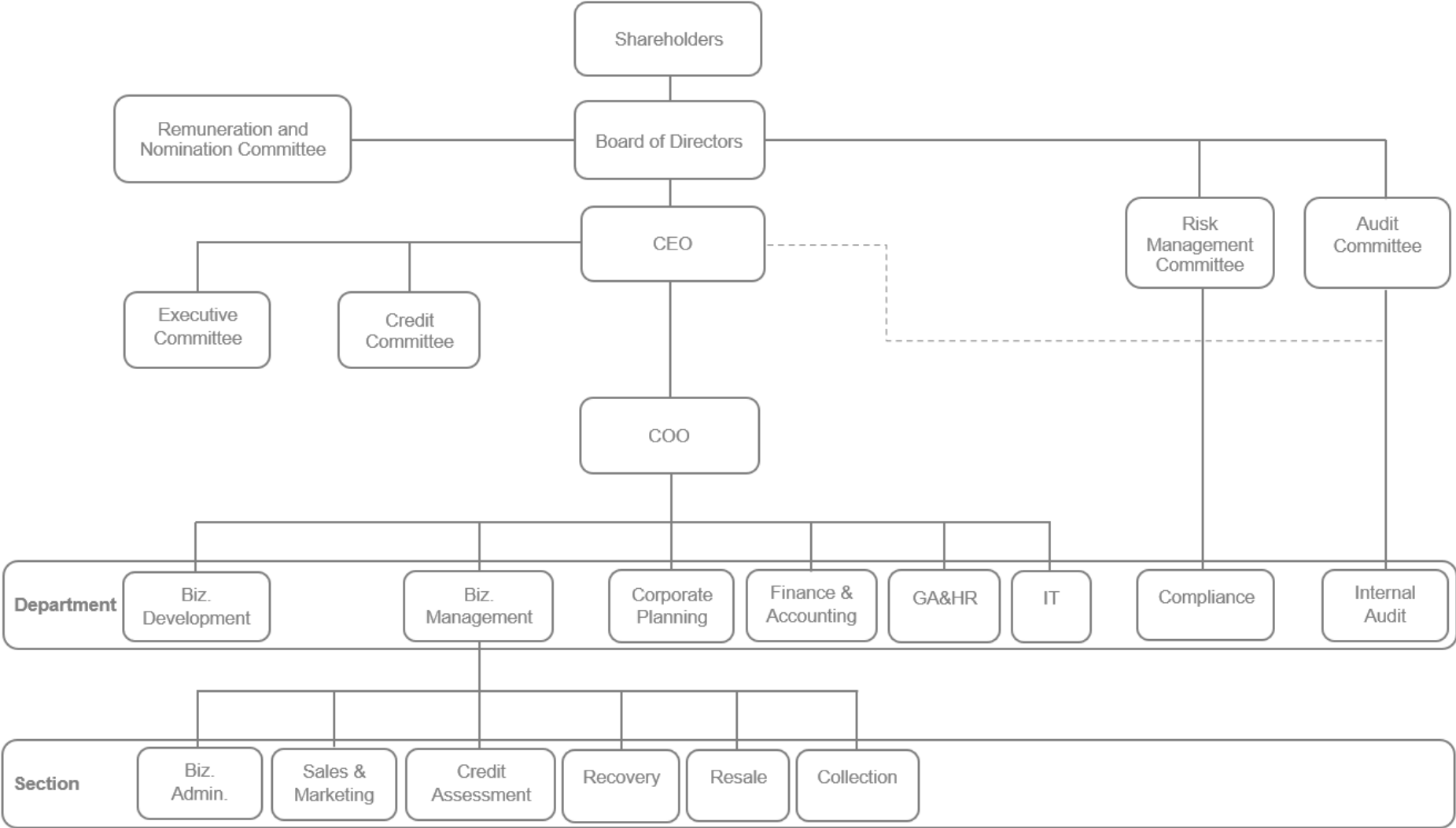
FOR ENVIRONMENT

To maintain a sustainable natural environment (Eco System), we will

1. Understand the principle of nature,
2. Think about things from prosperous coexistence, and
3. Not exploit more than necessary from the natural environment

We promise the above to our stakeholders and will make social contributions in a fair manner.

6. ORGANIZATION CHART



KEY MANAGEMENT MEMBERS

Chief Executive Officer	Ms. NISHIGUCHI Yuko
Chief Operating Officer	Mr. KAWAI Toshihisa
Finance Manager	Mrs. AN Rina
Business Management Manager	Mr. CHEA Vuthea
Internal Audit Manager	Mr. SORN Sophorn

BOD MEMBERS

Chairperson of BOD	Ms. KATO Yuko
Director	Ms. NISHIGUCHI Yuko
Independent Director	Mr. KOMIYAMA Yuki

7. FACING THE CLIMATE CHANGE

Climate Change of 2024: Strained Livelihoods and Financial Stress in Cambodia's Agricultural Sector

In 2024, Cambodia's agricultural sector experienced significant disruption due to natural disasters, notably flash floods and prolonged drought caused by extreme heat (El Niño effects). These climate related events adversely impacted crop yields across the key agricultural area. Many farmers experienced their annual yields reduced drastically, with some losing entire harvests. This loss of productivity led to a significant decline in household income for farming families, most of whom rely entirely on agriculture for their livelihood. This income disruption had a crucial effect on farmers' ability to repay loans. Many borrowers especially those who had taken loans enhancing agriculture purpose for their farming.

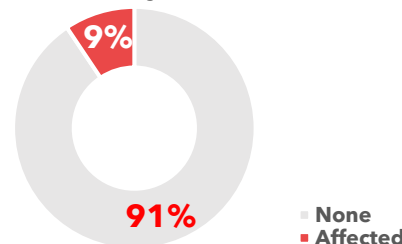
As a result, JC Finance faced increasing challenges in loan recovery. The institution experienced a rise in non-performing loans and delays in collections, particularly in regions heavily reliant on rice farming. As climate change continues to disrupt Cambodia's agricultural sector, many customers are struggling financially.

To support those affected by climate related disasters, we have continued to follow the circular released by the NBC in 2022 by following actions

1. Reduction or exemption of late payment charges.
2. Reschedule loans for customers who experienced a temporary loss of income during this hard situation.

Stand together

Number of loan account affected by disaster



Loan outstanding affected by disaster

Total amount (USD)
\$409,858

In conclusion, the natural disasters of 2024 had a both impact on Cambodia's economy weakening the livelihoods of farmers and challenging the financial performance of JC Finance. The events of this year underscore the urgent need for integrated climate risk management, sustainable agriculture, and adaptive financial services to build resilience across the agricultural and financial sectors. Meanwhile, as climate change continued to affect the agricultural sector, JCF had tightened its loan assessment process especially for the agricultural machinery loans.

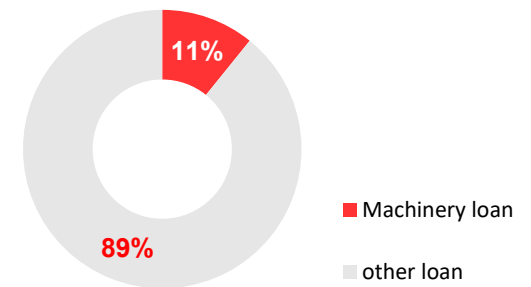
As a result, the disbursement for agriculture machinery loans has decreased in 2024, totaling only 4 machineries (total disbursement amount: \$44,500). When compared to other loan products, agriculture machinery loans represent approximately 11% of the total disbursement.

In response, JC Finance has developed additional loan products, such as small cash loans, to support farmers in maintaining and growing their businesses.



FACING THE CLIMATE CHANGE

Number of loans disbursed in 2024



Machinery loan

Total disbursed 4 Machines in 2024

FACING THE CLIMATE CHANGE

Our action in the agriculture sector

As part of our commitment to sustainable development and responsible project planning, JC Finance took active steps to assess environmental conditions prior to launching a new business initiative. In this regard, we engaged with an experienced environmental expert, who visited one of our key project sites to observe the local landscape and provide guidance on potential environmental impacts.

The visit included on-the-ground discussions with our team and community members, focusing particularly on how climate-related factors such as floods and droughts have affected our client farmers in recent years. Through direct interviews and site monitoring, we were able to gather valuable insights into the challenges faced by agricultural households, helping us better understand the risks and opportunities associated with this new business venture.

Think together

This action reflects our proactive approach to incorporating environmental awareness into our planning process, ensuring that future development aligns with the needs of the communities we serve and the realities of the natural environment.

8. SUSTAINABLE DEVELOPMENT GOALS AND GENDER EQUALITY

Background of the Gender Gap in Cambodia

Gender equality in Cambodia has improved over the last decade, in line with overall economic progress and increased living standards, especially in outcomes such as girls' and women's human capital accumulation in education. Yet significant challenges remain, especially in women's economic participation.

The UNDP Gender Equality Strategy 2022–2025 highlights that Cambodia faces a significant gender gap, particularly in areas like education, economic participation, and political representation. Despite progress, women still experience disparities in access to opportunities, decision-making power, and resources. The strategy emphasizes the need to address social norms and structural barriers that perpetuate gender inequality, aiming to promote inclusive development and empower women and girls across Cambodia.

Take action together



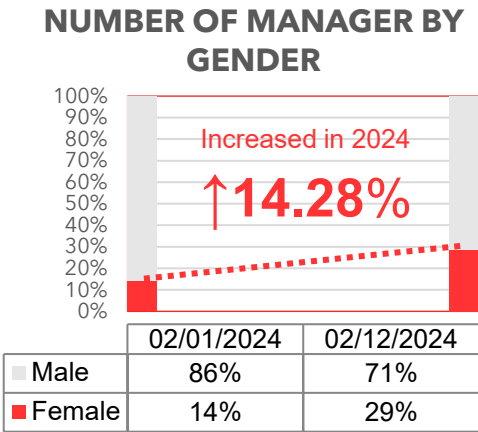
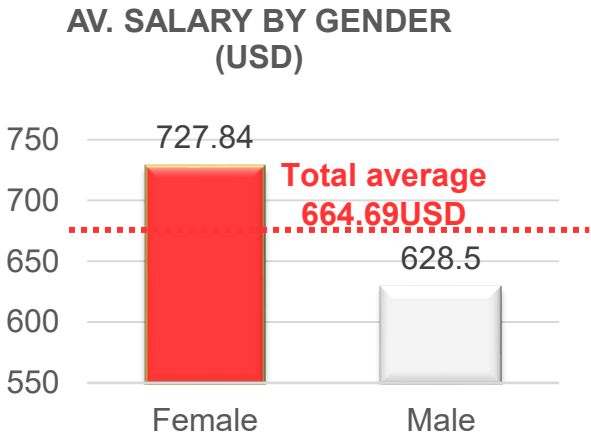
Source:
CAMBODIA AGRICULTURE, NATURAL RESOURCES, AND RURAL
DEVELOPMENT SECTOR ASSESSMENT, STRATEGY, AND ROAD MAP (ASIAN
DEVELOPMENT BANK JULY 2021)

Our action for Gender gap

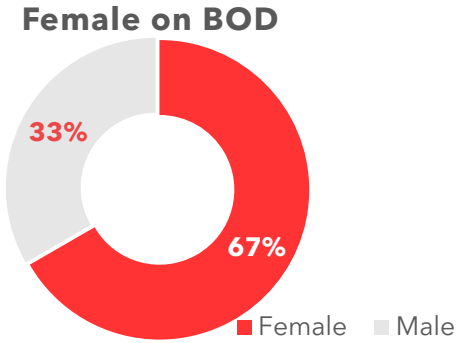
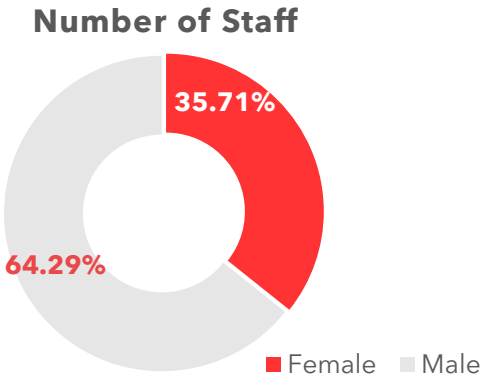
As of the end of 2024, approximately 35.71% of employees at JC Finance are women. JC Finance is committed to promoting women's leadership within the organization. In 2024, female staff members were actively promoted to leadership roles, exemplified by the appointment of the current Chief Executive Officer, who is a woman. This initiative reflects our dedication to fostering women's leadership and empowering women within our institution.

Currently, women are the primary borrowers of JC Finance, accounting for 6.34%, with 47.71% participating as co-borrowers. As a microfinance institution, we will be developing loan products specifically tailored to women's needs, such as cash loans or small-scale financial support to enable women to start new small businesses or ventures in the agricultural sector in Cambodia. We remain committed to continuously targeting and supporting women borrowers to promote financial inclusion and empowerment.

"We are committed to supporting and empowering women to lead."



SUSTAINABLE DEVELOPMENT GOALS AND GENDER EQUALITY



9. CORPORATE PROFILE

Company Name	JC FINANCE PLC.
Business Category	Microfinance Institution
License Number	M.F-85
Establishment	January 17th, 2018
E-mail	info@jcfinance.com.kh
Website	http://jcfinance.com.kh
Tel	855 (0)23 217 419
Headquarter	N° 77, Commercial Street, Phum Prek Ta Nu, Sangkat Chak Angrae Leu, Khan Mean Chey, Phnom Penh.



**GROWING
TOGETHER
WITH
JC FINANCE**

ANNUAL REPORT 2024



JC Finance will be representing New Agricultural Finance