

2025

Annual Report



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Message from Chair of the Board

Robert Elliott
Chair of the Board

As I reflect on my journey with Manulife Cambodia, I am proud to have helped lay the foundation not only for the company but also for the life insurance industry in Cambodia. Today, as Chair of the Board, that purpose continues.

Amid industry shifts, new entrants, and global uncertainty, we have stayed focused, adapting with agility and demonstrating resilience.

2025: The year of transformation and meaningful progress

2025 was a defining year for Manulife Cambodia. The Board is proud of the company's disciplined execution, resilience in the face of industry headwinds, and unwavering focus on customer-first growth. Guided by our mission to help Cambodian families build healthier and more secure financial futures, we enhanced experiences across channels and strengthened our impact in the community. We congratulate the leadership team for regaining market share, strengthening a customer-centric culture, and improving business quality and persistency.

Leadership for high-quality, sustainable growth

On behalf of the Board, we extend our sincere appreciation to Rotha Chan, Chief Executive Officer and General Manager, for leading with purpose, resilience, and customer-first ambition. His stewardship through a year of transformation and disciplined execution strengthened our foundation and reinforced our confidence in the path ahead.

The Board will continue to support management, oversee and monitor performance against defined metrics, and ensure alignment with Manulife's strategic objectives in Cambodia, safeguarding long-term value creation for customers, employees, partners, and shareholders.

Expanding Board expertise

In 2025, we welcomed Ms. Lo Fook Fun to our Board of Directors. A seasoned finance professional with deep experience in structured and project finance, Ms. Lo currently serves as Senior Managing Director and Head of Corporate Finance, Asia, at

Manulife, a role she has held since July 2024. Her expertise in finance and investment strategy will be instrumental to Manulife Cambodia's next phase of transformation and the execution of our strategic priorities.

We also extend our heartfelt thanks to Mr. Roland Eng and Mr. Matt Lawrence for their dedicated service as board members. Their expertise and knowledge of Cambodia and the insurance industry have greatly contributed to Manulife Cambodia's success.

Position for the future

As we reflect on our progress in 2025, we also recognize the opportunities and challenges ahead as we execute our strategic priorities for 2026 and beyond. I am confident that Manulife Cambodia's senior management team, together with our bank partners, distributors, and employees, will navigate an evolving environment, seize opportunities, and address challenges effectively.

Thank you

I would like to thank Rotha Chan and the senior management team for their leadership, and my fellow board members for their unwavering support and governance.

To our bank partners, distributors, and customers: thank you for the trust you place in us.

Sincerely,

Robert Elliott
Chair of the Board



Message from the CEO

Rotha Chan

Chief Executive Officer and General Manager

In 2025, Manulife Cambodia built on its bold operating model transformation and delivered a defining year for our company. We regained market share, and advanced targeted strategic initiatives that strengthened our foundation for sustainable, long-term growth.

We achieved these results amid persistent industry headwinds, border tensions, and global geopolitical and macroeconomic uncertainty. Our disciplined execution and resilient team delivered strong performance: double-digit year-over-year growth in new business, while maintaining business quality, with double-digit growth in 13 month persistency.

I am proud of what we achieved and are energized for the next phase of our transformation and the opportunities ahead.

Customer-First Solution: Brand that Cares about Customers, Their kids & Parents

Our customers are at the heart of every decision we make, and we focus on delivering value, clarity, and confidence in every interaction. To deliver on this promise, in 2025 we strengthened our customer-centric culture through human-centered design training and by improving systems and processes based on customer feedback.

Becoming the Industry's Most Digital, AI-Driven, Customer-Centric Company

Strengthening our digital and innovation leadership, Manulife has been **ranked 1st** in the life insurance sector for AI maturity in the inaugural Evident AI Index for Insurance. We contributed to industry development by providing **AI training to the Insurance Regulator of Cambodia** led by our Global Chief AI Officer. We enhanced the **Manulife Cambodia App** to enable easier policy viewing and self-service updates that reduced the need for agent support in the day-to-day management by customers of their insurance policies.

Build a Winning and High Performing Team with Top Quartile Engagement

We made strong progress against our strategic priority to build a high-performing team, achieving top-quartile engagement in our annual employee survey.

Our results reflect a workforce that is more engaged, connected, and confident in our direction, with our engagement score rising from last year, placing us in the **82nd percentile** of Gallup's global database. This milestone underscores the positive impact of our 2024 transformation and the momentum we sustained throughout 2025.

Impact We Made in Our Cambodia Community

We remain committed to our **Impact Agenda**, our always-on commitment to drive better outcomes for our customers, our communities, and the world we share. It focuses on prioritizing health and well-being, supporting financial resilience, and contributing to a healthier planet, delivered through our insurance solutions, investments, and community partnerships.

Since 2012, we have contributed over **USD 6 Million** in community investment activities, including:

- **Helmet for Families Program:** Donated over 8,000 helmets, protecting over 170 children from head injuries, in partnership with the Asia Injury Prevention Foundation since 2012 to 2019.
- **Angkor Wat International Half Marathon:** Draws over tens of thousands across the globe to Siem Reap, Cambodia annually, in partnership with the National Olympic Committee of Cambodia since 2014.
- **Angkor Manulife Community Park:** Planted over 10,000 trees on 5.5 hectares at Angkor archaeological park, in partnership with APSARA National Authority.
- **Angkor Hospital for Children:** fundraised over US\$760,000 to support pediatric care since 2015 to 2024.
- **Cambodia Insurance Day:** Supports the Insurance Regulator of Cambodia through annual insurance awareness day event and exhibition since 2021.
- **Inclusive Education:** Supports children with special needs and their parents through badminton charity for Rabbit School in 2025.

The American Chamber of Commerce in Cambodia has recognized Manulife Cambodia as a leading organization in community support activities in the areas of education, health, and finance at **AMCHAM's 7th Annual CSR award**.

Thank You, and Looking Ahead

It is a privilege to have been among Manulife Cambodia's first employees and now serve as CEO and General Manager. I am driven by a strong purpose and commitment to our customers and communities, thank you for your trust. I thank our Chairman, Robert Elliott, the Board, and our Senior Management Team for their support and leadership. To our partners and colleagues, your dedication made 2025 one of our most successful years. As we move into 2026, we will build on this momentum, staying focused despite ongoing challenges. I am confident we will deliver sustainable growth by **helping build a healthier and better financial future for more Cambodian families**.

Rotha Chan

Chief Executive Officer and General Manager

Summary of Financial Information

FINANCIAL YEAR ENDED 31 DECEMBER	2025	2024	2023
Balance Sheet (US\$ million)			
Total Assets	220.9	189.2	169.3
Total Equity	25.4	25.5	31.0
Total Liabilities	195.6	163.7	138.3
P&L Account (US\$ million)			
Gross Premium	46.7	43.1	47.9
Interest Income and others	9.8	9.7	7.7
Gross benefits and claims paid	11.1	7.7	5.3
Net Loss	(7.2)	(8.0)	(11.4)
Key Performance Indicators (%)			
Expense ratio	53%	53%	80%
Solvency ratio	175%	195%	234%
Asset to Liability ratio	113%	116%	122%



Who We Are

At Manulife, our purpose is to **make decisions easier and lives better** for our more than 37 million customers around the world.

About Manulife

Manulife Financial Corporation is a leading international financial services provider, headquartered in Toronto, Canada. Anchored in our ambition to be the number one choice for customers, we operate as Manulife across Canada and Asia, and primarily as John Hancock in the United States, providing financial advice, insurance and health solutions for individuals, groups and businesses. Through Manulife Wealth & Asset Management, we offer global investment solutions, financial advice, and retirement plan services to individuals, institutions, and retirement plan members worldwide. At the end of 2025, we had more than 37,000 employees, over 106,000 agents, and thousands of distribution partners, serving over 37 million customers with operations across 25 markets globally. We trade as 'MFC' on the Toronto, New York, and Philippine stock exchanges, and under '945' on the Hong Kong stock exchange.



At a Glance

37M+
Customers

37,000+
Colleagues

106,000+
Agents

Named one of the
World's Best Companies
by TIME

\$350 million
Committed to the Manulife Longevity Institute through 2030

Trusted legacy & diversified global footprint

135+
years in our home market of Canada

125+
years in Asia, with a presence in 14 markets across the region

160+
years in U.S. as John Hancock

25
markets across the globe are home to Manulife's operations

Our Ambition: In 2025, we introduced a bold new ambition that is at the centre of our refreshed enterprise strategy: **to be the number one choice for customers.**

Our Values: the guideposts that will help us achieve our bold Mission. They define who we are and how we work together: we are a digital, customer-centric market leader that's leading the change customers demand.

- Own it**
We feel empowered to make decisions and take action to deliver our mission.
- Think big**
Anything is possible. We can always find a better way.
- Get it done together**
We surrounded by an amazing team. Do it better by working together.
- Obsess about customers**
We predict their needs and do everything in our power to satisfy them.
- Share your human**
We build a supportive, diverse optimistic and thriving workplace.
- Do the right thing**
We act with integrity and do what we say.

About Manulife Cambodia

Manulife Cambodia began its operations on June 28, 2012. As the first wholly foreign-owned life insurance company in the Kingdom, we are committed to helping **build a healthier and better financial future for Cambodia families** better financial future for Cambodian families.

170,000+
customer

\$6,000,000+
community investment & CSR

\$13,900,000+
total claims paid out

\$11,000,000+
total maturity benefit paid out

Insurance Products

In May 2025, Manulife Cambodia launched Manulife Pak Rinha, an education-focused protection solution designed to improve access to affordable insurance for the mass market. Built on a simple, single-premium and pure protection structure, the product helps families safeguard a child's education while addressing affordability and long-term premium commitment challenges. With the introduction of Manulife Pak Rinha, Manulife Cambodia's product portfolio in 2025 reflects a comprehensive range of solutions designed to support customers across key life stages, including savings, health, protection, and asset security:



Savings

Long term financial solutions supporting wealth accumulation and education planning.

- Manulife Premier
- Manulife Savings Protector
- Manulife Education Protector

Health

Protection against hospitalization and critical illness.

- Manulife MediCash
- Manulife Child Protection Benefit
- Manulife Critical Illness Benefit
- Manulife Life and Critical Illness Booster Benefit

Life

Life protection solutions provide financial security for families.

- Manulife Pak Rinha
- Manulife First
- Manulife Family Protector

Loan Protection

Coverage for outstanding loan obligations.

- Manulife Group Credit Life
- Manulife Rabrong Komchey

Personal Accident

Digital-on demand accident protection.

- Manulife Sok Sabay

Group Protection

Provide affordable protection for organizations with group members.

- Manulife Group Life Protector
- Manulife Group Personal Accident
- Accident Dismemberment

Partnerships and Distribution Channels

Bancassurance

In 2025, the Bancassurance channel remains the top business contributor in Manulife Cambodia.

It reflects our approach to building strong and sustainable value through close partnership with our 5 bank partners – ABA Ltd., Sathapana Bank Plc., J-Trust Royal Bank, FTB, and CIMB – focusing on disciplined execution, sound governance and robust digital platform integration.

Our priorities remain centered on enhancing customer value propositions by responsibly embedding insurance solutions within the current bank channels and improving productivity in a prudent manner while keeping customer suitability and portfolio quality of paramount importance.

As we move forward, the Bancassurance channel will continue to standardize and elevate its digital processes to improve efficiency, transparency, and control, while investing in the capability of its distribution manpower.

This commitment reinforces the positioning of our business to deliver resilient performance, protect stakeholder interests, and meaningfully contribute to the long term stability and sustainability of the life insurance industry in Cambodia.

- Quality Business**

The Bancassurance channel reaffirmed its commitment to sustainable growth by placing business quality at the heart of its strategy, with a strong focus on improving policy persistency beyond the first 13 months.

Overall, Manulife Cambodia proactively recalibrated its approach to better align product design, customer affordability, and long-term value creation.

Through a comprehensive quality-focused agenda, including refined product propositions, enhanced customer engagement at key policy milestones, stricter financial underwriting standards, and stronger alignment of sales practices with customer needs, the Bancassurance channel achieved a year-on-year persistency improvement of more than 18%. This performance reflects the success of its strategic actions and underscores Manulife Cambodia's continued commitment to responsible and sustainable growth.

- Strategic Priorities**

Manulife Cambodia Bancassurance strategy was anchored on a structured customer segmentation approach that aligned product offerings across all customers financial profiles and needs.

The propositions across the High Net Worth, Affluent, Mass Affluent, and Lower Mass segments enabled effective customer engagement while supporting business quality and sustainable performance.

In parallel, we also strengthened our focus on loan linked customer segments across all ticket sizes with simpler protection solutions for lower ticket segments and more comprehensive savings and protection products for higher ticket exposures.

This balanced approach supported the stellar growth we generated in 2025, enhanced customer value propositions, and ensured alignment with governance standards and risk management conditions.

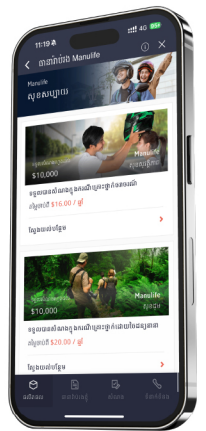
- Achievement by the Numbers in 2025**

New Business APE ↑ 57% vs 2024	Number of NB Policies 10K+ Policies
Total NB Sum Assured \$1.1 Billion	Business Quality ↑ 18% vs 2024
Maturity Customers 200+ Policies	Workforce 150+ Staff Nationwide

- Digital Leadership in the Market**

98.75% Market Share **#1** Market Ranking **9K+** Protected Customers

- ✓ **Simple** application Process
- 🏠 **Affordable**-Plan as low \$16/year
- 🕒 **Fast** - Buy in 1 minute
- 📱 **Easy** - Claim through mobile app



- Distribution Development and Capabilities**

The capability-building initiatives in the Bancassurance channel focused on strengthening both leadership effectiveness and frontline sales discipline across the channel.

It included programs such as the Sales Leaders bootcamp to enhance coaching, team management, and performance-driving routines among Banca leaders, and the flagship MDRT program which developed high-potential Insurance Specialists in advanced prospecting, financial needs analysis, and disciplined activity management, resulting in a record 14 MDRT qualifiers in 2025!

Complementing these efforts, we continued to conduct structured customer pipeline management trainings and equip new Insurance Specialists with relevant core skills.

Collectively, these initiatives drove stronger sales capabilities, improved productivity, and elevated overall performance standards across 5 bank channels.

- Distribution Reach**

With a workforce of over 150 professionals and specialists, strategically deployed across 25 provinces, our team is well-positioned to deliver efficient solutions and ensure protection to all Cambodia families nationwide.

Agency Distribution

Manulife Agency demonstrated strong progress in professional excellence, business quality, and portfolio sustainability. Performance outcomes reflect disciplined advisory practices, industry-leading productivity, and continued investment in talent development, reinforcing the Agency's role as a trusted provider of financial protection solutions.

- **Professional Excellence**

MDRT Qualification

Professionalism remains a cornerstone of a strong and trusted insurance industry. Almost a decade since 2018, the Agency demonstrated its commitment to excellence through maintain the top-tier agent qualified for the **Million Dollar Round Table (MDRT)**. This achievement reflects strong professional discipline, sound advisory skills, sustained performance standards, and growing customer trust in professional insurance advice.

Long Servicing Agent

As of 2025, 3% and 5% of agents with **more than 10 years and 5 years of service, respectively**. These long serving professionals contribute to leadership continuity, institutional knowledge, reinforcing consistent advisory standards and long term client relationship management.

- **Profitable – Quality and Sustainability**

Strong Renewal Premium Collection Reflecting Quality Business

In 2025, Agency achieved its second year renewal premium collection rate above 60%, reflecting a strong focus on quality business and needs based advisory practices. This outcome signals good alignment between customer needs and insurance solutions, supported by strengthened suitability assessments, disciplined sales governance, and effective post sale servicing.

- **Productive – Industry Leading Performance**

Average Case Size

The Agency ranked among the top insurers with high average case size in 2025, demonstrating its ability to deliver comprehensive and appropriate protection solutions through holistic financial needs analysis rather than transactional sales.

Renewal Gross Premium

The Agency ranked among the top insurers with most renewal gross premium, highlighting strong policy retention, in force portfolio quality, and sustained client confidence in advisory and servicing standards.

- **Agent Development and Inclusion**

Strengthening Fundamental Insurance Knowledge

The Agency conducted more than 100 of fundamental insurance training classes to around 1,000 trainees across nationwide branches in 2025. The Initial Training Course (ITC) focused on building strong insurance fundamentals, regulatory awareness, and ethical advisory practices, contributing to improved professionalism and consumer trust.

Women Leader Distribution

Impressively, 80% of Manulife agents are female, reflecting the Agency's commitment to gender inclusion, equal opportunity, and performance based career progression within the agency channel.

- **Customer Protection**

Customers Protected

After more than a decade in operation, Manulife Agency has provided insurance protection to approximately 30,000 customers, including around 1,500 in 2025, reflecting its sustained role in supporting financial protection and risk management across life stages.



Customers

Our customers are at the heart of every decision. Every initiative is driven by a commitment to deliver value, clarity, and confidence for the people we serve. This commitment is reflected in our continued investment in customer-centric solutions, digital innovation, and service excellence. By simplifying insurance processes, enhancing accessibility, and strengthening proactive customer engagement, we aim to deliver a seamless, convenient, and reliable experience across every stage of the customer journey.

To support this mission, the Company has implemented the following key initiatives, designed to improve service efficiency, empower customers with greater control, and ensure timely support:

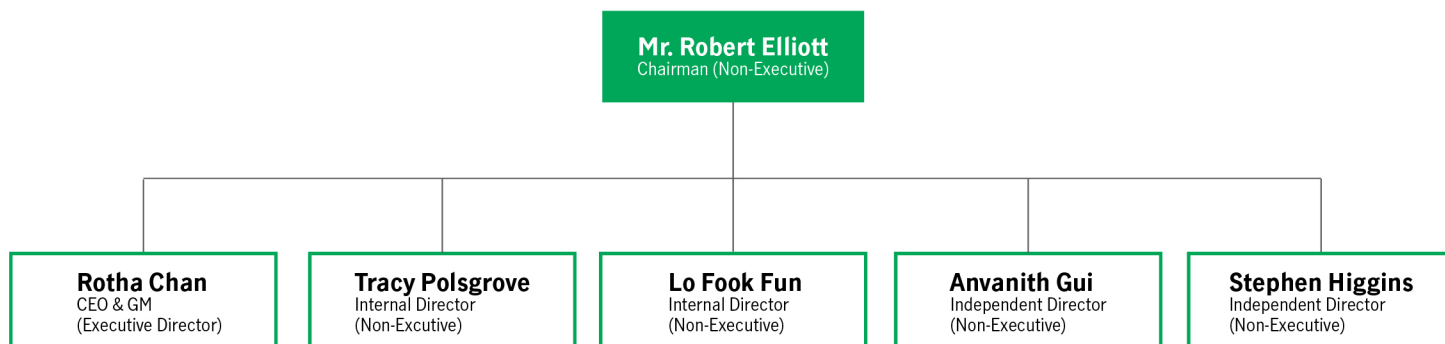
- **eApplication** platform digitizes the insurance application process, enabling faster submission, reduced documentation errors, and quicker turnaround times. By minimizing manual paperwork and supporting straight through processing, eApplication enhances operational efficiency while improving the overall customer onboarding experience.
- **Manulife Customer App** empowers customers with convenient, 24/7 access to their policy information. Through the app, customers can view policy details, monitor policy status, receive notifications, and request services digitally, strengthen engagement and transparency throughout the policy lifecycle.
- **Manulife Digital Payment Gateway** provides customers with secure, reliable, and convenient payment options for premium payments. This initiative supports timely premium collection, reduces payment processing delays, and enhances policy persistency by offering customers greater flexibility in managing payments.
- **Digital Policy Services** via our customer App enable customers to initiate and track various simple policy related requests online, such as personal detail updates including phone number update, payment mode change, and bank account update. This reduces dependency on physical visits, shortens service turnaround time, and improves accessibility for customers across different locations.
- **In-force Management Team** plays a critical role in supporting customers, ensuring continuity of coverage. The team is responsible for managing in-force policies through proactive engagement, service monitoring, and streamlined processes that help customers maintain protection and fully realize the value of their insurance coverage.
- **Robust Customer Engagement Calls** with proactive outbound engagement calls are conducted by the Customer Care Team to provide policy reminders, service updates, and timely assistance. These engagements strengthen customer relationships, improve policy understanding, and help address potential concerns throughout the customer policy journey.
- **Simplified Reinstatement through Tele-Reinstatement Call** enables customers to submit their reinstatement requests remotely. This approach reduces processing time, minimizes documentation requirements, and supports customers in restoring lapsed policies in a fast and convenient manner.

- **Auto Reinstatement** supports policy continuity by automatically reinstating eligible lapsed policies once the required premium is received within the defined eligibility period. This allows customers to resume their policy coverage seamlessly without the need for additional documentation or underwriting requirements.
- **Policy Maturity Service** ensures a seamless and timely payout process when policies reach maturity. Through proactive customer communication and streamlined processing, customers are guided through maturity requirements, ensuring prompt settlement and a positive end-to-end experience.
- **Customer Obsession Culture** - Various programs have been developed in line with one of the Manulife's values which "Customer-obsession". Regular trainings and engagement activities are in place to strengthen and reinforcing our commitment to delivering consistent, customer-centric service excellence.
- **Net Promoter System (NPS)** has been implemented to measure customer satisfaction, loyalty, and advocacy across key service touchpoints. Feedback collected through NPS surveys is actively reviewed by management and service teams to identify service gaps, drive continuous improvement initiatives, and strengthen a customer-obsession culture across the organization.

Moving forward, we remain committed to enhancing customer experience through a strong focus on digitalization, proactive engagement, and streamlined service delivery.



Board of Directors



Roles and Responsibilities of the Board of Directors

The Board of Directors of Manulife (Cambodia) PLC is ultimately responsible for oversight, governance, and strategic direction of the company, in accordance with:

- Cambodian insurance regulatory requirements; and
- Manulife Financial Corporation's global governance framework.

Core Responsibilities

In accordance with the Prakas on Corporate Governance for Insurance Companies (2024) and Manulife's global Board Charter, the Board's responsibilities include:

Strategic Oversight

- Approving corporate strategy, business plans, and key investments.
- Monitoring management's execution against approved objectives.

Risk Management & Internal Control

- Overseeing the enterprise risk management framework.
- Ensuring financial soundness, solvency, and compliance with Insurance Regulator of Cambodia (IRC) rules.
- Approving risk appetite and internal control policies.

Regulatory Compliance

- Ensuring compliance with Cambodian insurance laws and IRC regulations.
- Obtaining IRC approval for board appointments and key governance changes.

Ethics & Corporate Integrity

- Setting the tone on ethical conduct and adherence to Manulife's Code of Business Conduct and Ethics.
- Managing conflicts of interest and related party transactions.

Senior Management Oversight

- Appointment, evaluation, and succession planning for the Chief Executive Officer.
- Oversight of senior management performance and remuneration.

Biographies - Board of Directors



Mr. Robert Elliott

Chairman of the Board of Directors

Mr. Robert Elliott is the Chairman of the Board of Directors of Manulife (Cambodia) PLC and Manulife Myanmar, and an experienced international insurance executive with more than four decades of leadership experience in the global life insurance and financial services industry.

Mr. Elliott joined Manulife in 1980 and has held senior executive and leadership roles across Asia, Europe, and emerging markets, including the United Kingdom, Hong Kong, Singapore, Cambodia, and Myanmar. His extensive experience spans market entry, distribution strategy, operational leadership, and corporate governance within diverse regulatory environments.

He played a foundational role in the establishment of Manulife Cambodia, serving as Chief Executive Officer and General Manager when Manulife became the first international life insurance company licensed to operate in Cambodia in 2012. Under his leadership, Manulife Cambodia grew into a market leading insurer and contributed significantly to the development of Cambodia's life insurance sector.

In recognition of his contributions to Cambodia's insurance sector and socio economic development, Mr. Elliott was awarded the Royal Order of Monisaraphon (Grand Officer Class) by His Majesty King Norodom Sihamoni of Cambodia.



Mr. Rotha Chan

Executive Director – CEO & GM

Mr. Rotha Chan is the Executive Director, Chief Executive Officer (CEO) and General Manager of Manulife (Cambodia) PLC with extensive experience in life insurance, distribution, and corporate leadership in Cambodia.

Mr. Chan joined Manulife Cambodia in 2012 as the company's first local hire and has played a pivotal role in the establishment, expansion, and localization of Manulife's operations in the country. Throughout his tenure, he has led the company through significant growth phases, strengthening its market position, distribution capabilities, and customer centric culture.

Prior to his appointment as CEO and General Manager, Mr. Chan held various senior leadership roles within Manulife Cambodia with responsibilities across agency development, partnerships, and strategic initiatives. His leadership has been instrumental in fostering strong relationships with regulators, business partners, and industry stakeholders.

Before joining Manulife, Mr. Chan gained valuable experience in the banking sector at ANZ Royal Bank Cambodia. He is widely recognized for his commitment to developing local talent, promoting insurance awareness, and advancing financial resilience in Cambodia. He received a Global Star of Excellence in 2013 and was named Asia Young Leader of the Year in 2018 by Asia Insurance Review. In recognition of his contribution to the country, he was awarded the Royal Order of Sahametrei (Grand Croix) by His Majesty King Norodom Sihamoni, the King of Cambodia.



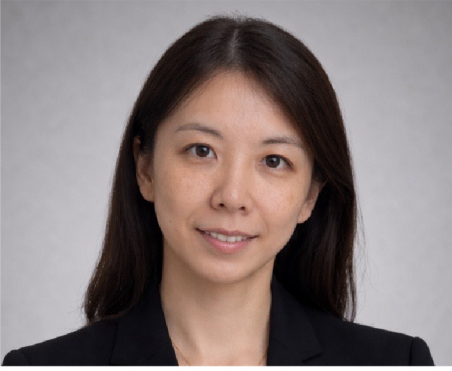
Mr. Anvanith Gui

Independent Director - Chairman of the Audit Committee

Mr. Anvanith Gui has over three decades of senior leadership and governance experience in banking, financial services, and corporate oversight across Cambodia and international markets. He has served as an Independent Director of Manulife Cambodia since 2012 and currently chairs the Audit Committee, bringing extensive expertise in financial reporting, risk management, and regulatory compliance to the Board.

Mr. Gui has held a range of senior executive and board leadership roles in the banking sector, including more than 18 years in Cambodia, where he played a key role in strengthening corporate governance frameworks and enhancing regulatory compliance in close coordination with regulatory authorities. He also serves as an Advisor to the Council for the Development of Cambodia, contributing to strategic and policy development initiatives at the national level.

Mr. Gui began his career in Canada, holding senior roles at leading international financial institutions including the Bank of Montreal, The Toronto-Dominion Bank, and Crédit Agricole Indosuez, as well as at Bechtel Corporation. He holds an MBA from Ivey Business School, Western University, and an undergraduate degree in engineering from Canada.



Ms. Lo Fook Fun

Non-Executive Director – Member of the Audit Committee

Ms. Lo Fook Fun is a senior financial services professional with extensive experience in corporate finance, investment management, and financial governance across Asia. She serves as a Director of Manulife (Cambodia) PLC, bringing strong expertise in capital management, financial oversight, and strategic decision making to the Board.

Ms. Lo has substantial experience in investment and asset management, having held senior roles within Manulife and related entities, including responsibilities covering regulated investment activities. Her background provides strong insight into financial controls, risk management, regulatory compliance, and audit related matters.

Ms. Lo holds an academic background in finance and law, having studied at The Chinese University of Hong Kong and obtained a Master of Laws from The University of Hong Kong. This dual foundation in finance and legal studies supports her contributions to board deliberations, particularly in areas involving financial reporting, governance, and regulatory oversight.



Mr. Stephen Higgins

Independent Director – Chair of the Investment Committee

Mr. Stephen Higgins is an Independent Director and Chair of the Investment Committee of Manulife Cambodia. He brings three decades of experience across banking, financial services, corporate advisory, communications, economics, leadership and strategy.

Mr. Higgins is the Managing Partner of Mekong Strategic Capital, where he specialises in corporate advisory and has advised on some of Cambodia's largest transactions in recent years. Prior to founding Mekong Strategic Capital, Mr. Higgins spent two decades with ANZ Banking Group. His roles included Chief Executive Officer of ANZ Royal Bank in Cambodia and ANZ Group Head of Investor Relations, where he was responsible for ANZ's global investor relations program, including relationships with investors, brokers, ratings agencies and market regulators. His earlier roles at ANZ included positions in corporate banking and Esanda Finance, ANZ's leasing subsidiary.

Mr. Higgins' governance experience includes his current role as Chair of the Board of Trustees of the International School of Phnom Penh, and previous roles as Director of TPC Microfinance, Chair of ANZ Laos, Chair of Wing Cambodia, President of AusCham Cambodia, and member of ANZ's Group Corporate Responsibility Committee. Mr. Higgins holds an MBA from Melbourne Business School, a Master of Applied Finance from Macquarie University, and a Bachelor of Economics from Monash University.



Ms. Tracey Polsgrove

Non-Executive Director – Member of the Investment Committee

Ms. Tracey Polsgrove is a senior insurance and financial services executive with more than 30 years of experience in actuarial leadership, finance, risk management, and corporate governance across global markets. She serves as a Non Executive Director of Manulife Cambodia and is a member of the Investment Committee, contributing deep technical expertise and strong governance oversight to the Board. Ms. Polsgrove was a member of Manulife Asia's senior leadership team. She previously served as Chief Actuary, Manulife Asia, and subsequently as Interim Chief Financial Officer, Manulife Asia, from mid-August until May 1, 2026. In these roles, she was responsible for actuarial governance, capital management, financial reporting, and risk oversight across multiple jurisdictions, and worked closely with executive management and boards to support prudent financial management and long term sustainability.

Prior to joining Manulife, Ms. Polsgrove held a number of senior leadership roles at John Hancock Financial Services and, earlier in her career, held senior actuarial and advisory positions with ING Group, PricewaterhouseCoopers, Hartford Life, and Tillinghast Towers Perrin.

Ms. Polsgrove holds a Master of Arts in Mathematics from the University of West Florida. She brings to the Board of Manulife Cambodia extensive experience in insurance operations, finance, capital management, and risk oversight, supporting effective governance, financial soundness, and sustainable growth.

Method for Selecting Board Members

Board member appointments at Manulife Cambodia follow a dual layer governance process, combining local regulatory approval and group governance standards.

Selection Process

- **Nomination**

Director candidates are identified based on their relevant qualifications and experience in areas such as insurance, finance, risk management, law, or corporate governance. Independence criteria are applied in accordance with applicable governance standards when nominating independent directors appointments.

- **Group Governance Review**

All director nominations are subject to review under Manulife Group's governance framework to ensure alignment with expectations relating to risk management, ethical conduct, and environmental, social, and governance (ESG) standards.

- **Regulatory Approval**

All appointments to, and changes in, the Board of Directors are subject to prior approval from the Insurance Regulator of Cambodia (IRC). In accordance with regulatory requirements, the Company maintains a Board comprising at least five directors, of whom a minimum of three are independent directors.

- **Term and Rotation**

Directors are appointed for fixed terms and may be reappointed upon expiry of their terms, subject to performance evaluation, continued independence (where applicable), and receipt of the necessary regulatory approvals.

Inclusivity of the Board

Independent director requirements promote objective decision making and diversity of perspective.

Manulife Group Commitment to Diversity & Inclusion

Manulife Cambodia benefits from Manulife Group's strong Diversity, Equity & Inclusion (DEI) governance framework, which emphasizes:

- Gender and cultural diversity in leadership;
- Inclusion of local market knowledge alongside international expertise;
- Governance practices aligned with ESG principles.

Manulife's global boards and leadership teams demonstrate measurable diversity across gender, nationality, and professional background, which informs governance expectations for subsidiaries, including Cambodia.



Senior Management Team

The Senior Management team is responsible for day-to-day operations and execution of the Company's strategy, subject to oversight by the Board.



Rotha Chan
Chief Executive Officer and General Manager

Rotha was Manulife's first local hire in Cambodia when the company began operating in the country in 2012, initially staying with Manulife for eight years until 2020. Rotha has extensive industry experience and played a crucial role in Manulife's development in the country while building Manulife Cambodia's agency channel to No. 1 in the market during his tenure.



Tracy Leung
Chief Financial Officer & Chief Risk Officer

Tracy is the Chief Financial Officer and Chief Risk Officer of Manulife Cambodia. As a member of the Executive Management Team, she oversees the Company's financial management, capital and solvency, and enterprise risk governance, supporting financial stability, profitability, and sustainable growth in line with regulatory and governance requirements.



Jessica Hang Pui Li
Chief Actuary

Jessica joined Manulife Cambodia in 2024. She began her career at Manulife in 2016 in Toronto and subsequently relocated to Hong Kong in 2019 to take on several roles supporting Asian markets from Regional office. Before joining Cambodia team, she served as Chief Actuary of Manulife Myanmar in 2022 overseeing the actuarial and product functions.



Sokveth Long
Chief Operations Officer

Sokveth began his journey with Manulife Cambodia in 2021, joining the company as Director of Operations and Business Transformation. Over the years, he advanced through several key leadership roles before being appointed Chief Operations Officer in 2024.



Pichhemy Ros
Chief Digital and Technology Officer

Hemy is Chief Digital and Technology Officer at Manulife Cambodia. As a member of the Senior Management Team, she is overseeing the technology and digital transformation initiatives, supporting operational efficiency, customer and business innovation.



Sadat Math
Chief People Officer

Sadat comes to Manulife Cambodia with extensive experience in the financial service sector, most recently as the Chief Human Resources Officer and Chief of Staff at J Trust Royal Bank. Prior to that, he held a number of senior HR roles at ANZ Royal Bank. In addition, he has more than 14 years of experience across various HR functions in Learning & Development, Business Partnering, and Center of Excellence.



Nara Kann
Chief Public Affairs Officer

Nara currently serves as the first Chief Public Affairs Officer at Manulife Cambodia. With over 22 years of experience in actuarial consulting and insurance, she plays a crucial role in the Senior Management Team, where she is responsible for developing public affairs strategies to enhance Manulife's relationships with policymakers, regulators, and key stakeholders in Cambodia.



Sabrina Ong
Chief Distribution Officer

Sabrina joined Manulife Cambodia in 2023 as Chief Agency Officer and was instrumental in rebuilding and transforming the Agency business. She was appointed Chief Distribution Officer and expanded her role to lead the Bancassurance business in 2024.



Rex Lam
Chief Marketing Officer

Rex Lam is the Chief Marketing Officer of Manulife Cambodia. In his career, he has led multiple innovations of insurance proposition and digital experience for customers and financial advisors in Singapore, Hong Kong, Japan and Cambodia. He has shared his thought leadership on the future of marketing as the keynote and panel speaker at regional conferences such as Campaign Asia Pacific and The MarTech Summit.



Phyo Hein Wai
Chief Partnership Distribution Officer

Phyo joined Manulife Cambodia in January 2025 as Chief Partnership Distribution Officer to support the Bancassurance channel with Manulife bank partners in Cambodia.



Chiseng Hou
General Counsel

Chiseng is the General Counsel of Manulife Cambodia and a member of the Senior Management Team. He is responsible for providing legal and governance advisory to the Board of Directors and senior management and oversees corporate governance and Company Secretary matters.



Report of Board Committees

Audit Committee

The Audit Committee (“AC”) assists the Board of Directors (the “Board”) in overseeing the integrity and transparency of the Company’s financial reporting and controls, evaluating the quality of internal and external audits, and reporting significant findings and issues to the Board after each meeting.

Internal Audit

The internal audit department is an independent assurance function that reports directly to the Audit Committee. During the year, the Audit Committee reviewed reports from management, Internal Audit, Risk and Compliance, including:

- the integrity of the Company’s financial statements and key accounting judgments;
- the effectiveness of internal controls over financial reporting;
- the Company’s overall risk outlook;
- the Company’s compliance with applicable laws, regulations, and regulatory requirements; and
- findings from internal and external audit activities and the status of remediation actions.

The Audit Committee was satisfied that the Company maintained effective internal controls, risk management, and compliance frameworks during the year.

Investment Committee

Role and Responsibilities

The Investment Committee assists the Board of Directors in overseeing the Company’s investment strategy and investment management framework. The Committee is responsible for reviewing and recommending investment policies, asset allocation, risk limits, and ensuring that investment activities are conducted in accordance with the Company’s risk appetite, regulatory requirements, and approved mandates.

Key Activities and Outcomes During the Year

During the year, the Investment Committee reviewed the Company’s investment strategy and asset allocation, monitored investment performance and portfolio risks, and assessed market developments and their potential impact on the investment portfolio. The Committee also reviewed compliance with approved investment policies and limits and was satisfied that investment activities were managed in a prudent manner consistent with the Company’s objectives.

Corporate Governance Report

Board Oversight and Governance Outcomes

In 2025, the Board of Directors of Manulife (Cambodia) PLC discharged its oversight responsibilities in accordance with applicable legal, regulatory, and governance requirements. The Board met regularly to review and oversee the Company’s strategy, financial performance, risk management, operational matters, and regulatory compliance.

During the year, no adverse findings were raised by the Insurance Regulator of Cambodia in relation to Board governance, and the Company’s audited financial statements were issued without qualification or concern. The Board is satisfied that the Company’s governance and control frameworks operated effectively during the year.

Board Meetings and Attendance in 2025

The Board of Directors convened 4 meetings in accordance with the approved Board meeting schedule. The meetings were held on the following dates:

Meeting Date	Board Members in Attendance
7 April 2025 10 June 2025	Mr. Robert Elliott, Chairman Mr. Rotha Chan Mr. Matthew Lawrence Mr. Anvanith Gui Mr. Roland Eng Ms. Tracey Polsgrove
10 September 2025 24 November 2025	Mr. Robert Elliott, Chairman Mr. Rotha Chan Mr. Anvanith Gui Ms. Lo Fook Fun (Helen Lo) Ms. Tracey Polsgrove Mr. Stephen Higgins

Board meetings were conducted with the required quorum, and directors participated actively in discussions and decision making.

Senior Management Selection

During 2025, the Board of Directors exercised oversight over senior management appointments and role changes in accordance with applicable regulatory requirements and Manulife Group governance standards.

Senior management appointments were subject to appropriate evaluation of qualifications, experience, and fitness and propriety. The Board is satisfied that senior management selection processes were conducted in a structured and appropriate manner during the year.

Financial Condition and Business Operations

1. Capital and Solvency

Effective December 2022, the Prakas on the Determination of Solvency Ratio for Insurance Companies aims to define the insurance company's obligation to maintain an adequate and timely solvency margin to ensure the financial capacity of the company to meet its debt obligations.

For Manulife (Cambodia) Plc, the solvency ratio is the ratio of net assets and required solvency, for which to be maintained not less than 120% during the business operation. As of 31st December 2025, the solvency margin for the company is 175% which is well above minimum requirements from the regulators, signaling strong capital position of the company. The decrease in the ratio compared to 2024 is driven by increasing liabilities due to reserve strengthening of the maturing block of business from endowment products, which also increases the required solvency.

USD (\$million)	31 st December 2025	31 st December 2024
Total admissible assets [A]	214.1	183.0
Total liabilities [L]	195.6	163.7
Net assets ([NA] = [A] - [L])	18.5	19.0
Net mathematical reserve [R]	169.7	142.4
Net sum at risk [S]	1,257.2	1,340.7
Required solvency ([RS] = 4% × [R] + 0.3% × [S])	10.6	9.7
Solvency margin ([SM] = [NA] / [RS])	175%	195%
Minimum required solvency ratio (%)	120%	120%

2. Investment

The objective of Manulife investment strategy is to establish a prudent, sustainable investment framework aligned with the liability profile, local market capacity, and regulatory constraints. Given the early stage of market development and the absence of long-rated investable assets, the investment strategy is intentionally simplified and flexible, with governance currently under the local Cambodia Investment Committee.

The strategy is **fully fixed income focused**, reflecting guaranteed liabilities and conservative risk appetite. Target allocation is to spread fixed income, comprising **USD bank deposits (average B-rated)** and **guaranteed local corporate bonds (average A-rated)**, with defined tactical ranges to manage supply and concentration risk.

Investment Risk

Interest rate risk arises from the duration mismatch between assets and liabilities and is accepted at this stage, with mitigation primarily through product and liability management rather than asset extension. **Credit risk** is concentrated in local bank counterparties and managed through established counterparty credit limits and ongoing review. The strategy is not expected to have a material impact on solvency, reserves, pricing, or dividends, and its application to financial assumptions will be gradual.

To mitigate the impact of declining interest rates, Manulife Cambodia adopts a prudent investment approach within local market constraints by maintaining diversification across permitted fixed income instruments, actively managing reinvestment timing, and selectively extending duration where sustainable supply allows (e.g. credit enhanced local corporate bonds and newly introduced government bonds). The portfolio emphasizes stable spread income from bank deposits and high quality guaranteed bonds, while interest rate risk is primarily managed through product design, pricing assumptions, and liability management rather than excessive risk taking in assets. This approach aims to preserve portfolio yield and financial stability while remaining fully compliant with regulatory requirements.

3 Years Investment Plan

The investment plan for the period from 2026 to 2028 adopts a prudent and diversified approach, focusing on capital preservation while achieving steady returns. Total invested assets are projected to increase consistently at least 10% from year to year, reflecting gradual portfolio growth and disciplined capital allocation.

Term deposits remain the largest component of the portfolio, underscoring a conservative liquidity strategy that ensures stable income and low risk amid potential market volatility. Investments in bonds are expected to grow moderately from 2026 to 2028, supporting yield enhancement while maintaining acceptable credit risk exposure. This reflects selective positioning in high-quality issues. Exposure to government bonds is planned to increase over the investment horizon, enhancing portfolio resilience through a greater allocation to risk-free or low-risk instruments and improving the overall balance between return and security.

Overall, the 3-year rolling investment plan demonstrates a measured increase in total assets, with emphasis on stability, diversification, and sustainable returns in line with the organization's risk appetite and long-term financial objectives.

Compliance

Manulife (Cambodia) is fully compliant with applicable investment regulatory requirements. Based on the Investment Fund calculation and the Summary of Invested Assets presented below, all investments are maintained within the prescribed asset class limits and concentration thresholds set by the regulator. The investment portfolio is primarily allocated to permitted fixed income assets and term deposits with local commercial banks, with no exposure exceeding the allowable limits, and the total invested assets are fully supported by the calculated Investment Fund amount. This benchmark is used to continuously monitor compliance and ensure prudent investment management in line with regulatory expectations.

The company is committed to supporting the development of the capital market and long-tenor government bonds, with the objective of diversifying investment assets over the long term, subject to the availability of suitable assets in the market.

Invested Assets as of 31 December 2025 (based on local regulatory reporting requirement)

No.	Description	Percentage %	Limit per Invested Asset
1	Securities Equity Securities Government Bond Corporate Bond Other Securities	27%	60%
2	Investment Property	—	20%
3	Trust	—	20%
4	Equity Investment in Other Company	—	6%
5	Term Deposits at Local Commercial Banks	73%	No limit
6	Other Investments	—	Approved by IRC
Tota Investments		100%	

3. Insurance Technical Reserves

Effective December 2022, the Prakas on Reserve Calculation aims to set out methods for maintaining and assessing technical reserves to ensure the efficiency of fulfilling insurance obligations and expenses that arise from the insurance contracts. For Manulife (Cambodia) Plc, majority of the business is composed of insurance contracts with policy term longer than one year, so the mathematical reserves are mostly calculated using gross premium valuation basis. The reserves ceded through reinsurance contracts are also added to the gross mathematical reserves to calculate the total net insurance technical reserves.

The insurance technical reserve for Manulife (Cambodia) Plc increases by USD 27 million from 2024 to 2025 which is mainly driven by our maturing block of business from endowment products. There are no changes to actuarial assumptions used to calculate the reserves in 2025.

USD (\$million)	31 st December 2025	31 st December 2024
Gross mathematical reserve [MR]	170.2	142.7
Gross unearned premium reserve [UPR]	0.3	0.3
Gross incurred but not reported reserve [IBNR]	0.1	0.0
Gross insurance technical reserve ([G] = [MR] + [UPR] + [IBNR])	170.6	143.0
Ceded reserve [C]	0.7	0.6
Net insurance technical reserve ([N] = [G] - [C])	169.9	142.4
Net / gross reserve ratio ([R%] = [N] / [G])	99.6%	99.6%

4. Results of Operations

In 2025, Manulife Cambodia continued to strengthen its operational foundation to achieve sustainable growth. We maintained disciplined revenue management, enhancing cost efficiency, improving the effectiveness of core insurance operations, and customer experience through our claim process. Our performance reflects the company's commitment to sustainable growth, responsible financial management, and delivering long term value to policyholders.

Revenue Management

Manulife Cambodia achieved steady revenue growth driven by strong new business momentum and improved in force premium persistency. Premium income continued to rise across key product lines, reflecting our commitment to customer-centric solutions and our focus on providing relevant product value propositions that meet the real financial protection and savings needs of Cambodian.

Our revenue performance was supported by strengthened customer engagement programs, enhanced distribution capabilities, and expanded access to insurance solutions through our strategic bank partners.

- **Healthy New Business Growth**

Our Agency and Bancassurance channels remained focused on high quality new business acquisitions through clearer customer segmentation and tailored product value propositions. Strong distribution productivity programs, improved training curricula, and enhanced digital sales tools enabled advisors to serve customers with greater ease, clarity, and confidence.

- **Strong Persistency and Customer Engagement**

Customer retention improved through proactive outreach, simplified servicing journeys, and greater adoption of our digital platforms — including the Manulife Mobile App. These efforts strengthened customer trust and reinforced our promise to help them protect their financial future.

- **Enhance Product Mix and Value Proposition**

We continued prioritizing long term protection and savings solutions, including limited pay premium products that provide stable recurring premium income and align with our mission of helping customers make better financial decisions.

At Manulife, we remain committed to a disciplined revenue strategy, driving quality growth, enhancing customer value, and reinforcing the long term sustainability of our business across both new business and in force portfolios.

Expense Management

Efficient and responsible expense management remains central to how we operate. Throughout 2025, we continued to embed productivity discipline and implemented several initiatives aimed at improving operational efficiency while reinvesting in areas that elevate customer value and relevant product value propositions that truly met the real financial protection and savings needs of Cambodian families, enhance service quality, and support future scalability.

- **Disciplined Financial Governance**

Prudent expense efficiency is a core pillar of how we manage our business. We maintained strong oversight of expense ratios through careful budget governance, prioritizing investments that support long term growth, superior customer experience, and strong risk management.

- **Reinvesting in Strategic Capabilities**

While optimizing costs, we continued investing in strengthening our distribution channels, elevating customer service quality, and enhancing our digital ecosystem. We also expanded the adoption of AI driven tools to enable automation and deliver greater productivity — critical to serving more Cambodians, more effectively.

- **Driving Productivity Through Digital, Operational Excellence and AI Adoption**

We continued streamlining processes and reducing manual tasks through automation, digital platforms, and emerging AI capabilities. These initiatives enabled faster turnaround times, improved cost efficiency across the value chain, and strengthened our ability to scale sustainably as the business grows.

These combined efforts reinforced our commitment to responsible expense management, operational agility, and efficient deployment of resources to drive quality, sustainable growth.

The combined impact of our disciplined revenue and expense management has further reinforced the foundation for long term sustainability. By driving high quality new business, strengthening recurring premium growth from our in force portfolio, maintaining rigorous cost discipline, and embedding efficiency across the organization, Manulife Cambodia is well positioned to support future growth, enhance customer value, and deliver strong, sustainable returns for our stakeholders.

Claims

From inception to the end of **December 2025**, the Company has paid a total of over **USD 13.9 million in claims**, reflecting our ongoing commitment to honoring policy benefits and supporting customers during critical times. Claims were settled across multiple distribution channels, demonstrating balanced exposure and a broad customer base.

- The Agency channel accounted for the largest share, with USD 7.2 million paid over 1,700 claims. The Banca channel followed closely with USD 5.3 million paid to more than 1,700 claims. Direct Sales (Group Benefits) recorded USD 1.26 million.
- Cancer related claims represent a significant portion of the claim portfolio. Between 2012 and 2025, 296 cancer related claims were paid, totaling USD 2.66 million, mainly arising from Critical Illness and Death benefits.

In addition to Claims payment, Maturity payouts have also formed a meaningful component of customer benefits, with **total maturity benefits amounting to USD 11.1 million** paid from inception to the end of 2025, reflecting the Company's commitment to delivering long-term value to policyholders.

5. Reinsurance

Manulife (Cambodia) Plc adheres to regulatory mandated reinsurance requirements and uses reinsurance for both new business and in force business in order to transfer or share insurance risks which enables the company to increase coverage capacity and manage the internal retention limit. Moreover, reinsurance is also used for capital relief to improve solvency ratios and financial metrics. In the product development stage, industry expertise from reinsurers is leveraged in the product design and pricing assumption setting.

The reinsurers are selected in adherence to the reinsurance guidelines of the company. The company has an arrangement with one affiliate reinsurer (Manulife International Limited) and two external reinsurers (Hannover Reinsurance and General Reinsurance) which are selected based on favorable credit rating; in collaboration with the local reinsurer (Cambodia Reinsurance) to be compliant with local regulations.

The reinsurance arrangement is either proportional (50% quota share) or non-proportional (surplus), subject to the company's retention limit. As of 2025, the retention limit is USD 25,000 per risk. All the reinsurance arrangements are in yearly renewable terms. The reinsurance treaty will be available for the arrangement and signed by both parties, cedant and reinsurer, and will also be submitted to the regulators for approval.

2025 in USD (\$'000)	Reinsurance Premiums	Claim Recoveries
Cambodia Reinsurance (Cam Re)	194.3	113.0
Manulife International Limited (MIL)	773.6	30.5
Hannover Reinsurance (Han Re)	803.4	443.4
General Reinsurance (Gen Re)	107.5	14.9
Total	1,878.8	601.8

6. Risk Management

Delivering on Manulife's mission "Decisions made easier. Lives made better," the Company's ambition is to transform into the most digital, customer-centric global company in the industry, while delighting its customers, engaging its employees, and delivering superior returns for its shareholders. The activities required to achieve these results involve elements of risk taking. The Company's approach to risk management is governed by its Enterprise Risk Management (ERM) Framework. The Framework is a foundational, holistic, compliant, integrated, and adaptive approach to understanding and managing risk while balancing the need to remain competitive. The ERM Framework:

- Establishes a foundational approach to understanding and managing risks on an ongoing basis to maintain solvency and operation within our capacity to bear risk. The foundation creates structure, clarity, and transparency.
- Provides a holistic Company-wide view of material risks, individually and collectively, along with their characteristics, interdependencies, concentrations, correlations, drivers, and impacts. This allows the Company to focus resources on material risks and leads to actionable insights.
- Complies with prudential regulatory requirements and supervisory expectations.
- Integrates with strategic, business, financial, and capital planning; initiatives; processes; systems; operations; compensation programs; and Company culture.
- Adapts to changes in our operating environment and evolving systemic and idiosyncratic risks, remaining appropriate relative to our risk profile and strategy.

Three Lines of Defense Model

A strong risk culture and a common approach to risk management are integral to Manulife's risk management practices. Management is responsible for managing risk within risk appetite and has established risk management strategies and monitoring practices. Senior Management has established an operating model that separates duties between risk taking, risk oversight, and independent assurance as follows:

- First line of defense consists of Chief Executive Officer (CEO) and Function Heads or their respective team ("Business Function"). CEO and Business Function are accountable for maintaining an effective control environment, managing risks arising from everyday operations, and overseeing the execution of the business strategy. They have a responsibility to identify, assess, manage, monitor, and report on their risk exposures, and to sufficiently document these activities.
- The second line of defense consists of Oversight Functions, which provide objective assessment to the Board Risk Committee (BRC). These include the Chief Risk Officer ("CRO") who leads Risk Management function, Chief of compliance who leads the Compliance function, and other oversight functions. Collectively, this group provides independent oversight of risk taking and risk management activities across the enterprise.

- The third line of defense is Audit Services, led by the Head of Audit Services, which provides independent, objective assurance that controls are effective and appropriate relative to the risk inherent in the business and that risk mitigation programs and risk oversight functions are effective in managing risks.

Risk Culture Framework

Manulife has set a framework of desired behaviors to foster a strong risk-aware culture. The framework is assessed against a set of qualitative and quantitative indicators, and regularly reported to the Board and senior management, with the intent to continuously identify opportunities to increase risk awareness across the Company. The Company believes that risk culture is strengthened once desired organizational behaviors and attitudes are reinforced through effective application of its corporate values. As such, Manulife communicates key elements of its values through a risk lens to build a strong risk-aware culture, including:

Communication

- Tone from the top – Manulife consistently communicates about doing the right thing and living by its values. People leaders reinforce a strong risk culture and demonstrate the highest ethical standards of conduct through everyday actions.
- Effective challenge – Manulife employees feel comfortable speaking up and challenging the status quo. Manulife welcomes diverse opinions and pursues feedback.
- Be transparent – Manulife openly collaborates and shares information responsibly, vertically and horizontally across teams.
- Learn from mistakes – Manulife is a learning organization. It fosters a safe environment to try, fail, and learn from mistakes. The Company takes actions to avoid repeating the same mistakes.

Accountability

- Clear role and responsibilities – Manulife knows what it is directly accountable for and understands how its role impacts the Company's objectives.
- Escalate issues – Manulife identifies and promptly deals with issues that pose risk. Manulife employees can escalate issues without fear.
- Clear rules and consequences – Manulife has clear policies and standards on operational protocols and appropriate behaviors. Appropriate actions are taken when rules are broken.
- Well-managed risks appetite – Manulife has a robust risk appetite framework and actively manages risk exposures. Colleagues across the organization have a foundational understanding of risk appetites.

Incentives

- Develop talent – The Company's hiring considers a candidate's capacity to adapt to its culture as well as the capability to be a high performer. Manulife actively encourages and rewards training and ensures access to training is available for everyone to develop a risk-aware mindset.
- Appropriate compensation and recognition – Its compensation structure reflects how Manulife balances risk and reward. Manulife recognizes and shares successful outcomes based on well-informed and risk-aware decisions and demonstrating risk-aware and ethical behaviors. Manulife recognizes work that is consistently high-quality and supports business objectives.

Risk Governance

Risk Governance provides an organized, hierarchical approach to risk management oversight. It is articulated in policies and executed through a Three Lines Operating Model that is supported by a Risk Committee Structure. Requirements, limits, and decisions are cascaded top-down; issues, escalations and reporting are raised bottom-up.

Risk Committee Structure

The Manulife Financial Corporation ("MFC") Board governs oversight of risk management and is supported by a dedicated Board Risk Committee ("BRC"). Senior Management is responsible for directing the Company's operations within the authority delegated to them by the Board and BRC, and implementing their decisions, in compliance with applicable laws and regulations. The Senior Management is defined as the Chief Executive Officer ("CEO") and the other Chiefs Level.

Senior Management has established an Executive Risk Committee ("ERC"), which strategically manages the company risk profile, and shapes Risk Management Principles, Risk Appetite, and Risk Culture.

Sustainability

At Manulife, our **Impact Agenda** is an always-on commitment to drive better outcomes for our customers, our communities, and the world we share. It is anchored on three focus areas: empowering health and well-being, driving inclusive economic opportunities, and accelerating a sustainable future. Together, these priorities serve as a guiding lens for our business decisions and our approach to community impact.

Aligned perfectly with this agenda, Manulife Cambodia has been driving meaningful impact since 2012. Since then, we have contributed over **USD 6 Million** in community investment activities, including:

- **Helmet for Families Program:** Donated over 8,000 helmets, protecting over 170 children from head injuries, in partnership with the Asia Injury Prevention Foundation since 2012 to 2019.
- **Angkor Wat International Half Marathon:** Draws over tens of thousands across the globe to Siem Reap, Cambodia annually, in partnership with the National Olympic Committee of Cambodia since 2014.
- **Angkor Manulife Community Park:** Planted over 10,000 trees on 5.5 hectares at Angkor archaeological park, in partnership with APSARA National Authority.
- **Angkor Hospital for Children:** fundraised over US\$760,000 to support pediatric care since 2015 to 2024.
- **Cambodia Insurance Day:** Supports the Insurance Regulator of Cambodia through annual insurance awareness day event and exhibition since 2021.
- **Inclusive Education:** Supports children with special needs and their parents through badminton charity for Rabbit School in 2025.

The American Chamber of Commerce in Cambodia has recognized Manulife Cambodia as a leading organization in community support activities in the areas of education, health, and finance at **AMCHAM's 7th Annual CSR award**.



2025 Community Impact Highlights



Proudly participating as the only life insurance company in the very first **“Celebrating Cambodia- សារពិភ័យ”** Event - country's largest inaugural parade with a specially designed Manulife Tuk Tuk, celebrating national pride and cultural heritage.



Supporting the annual **“Cambodia Insurance Day”** to reinforcing our commitment to raise insurance awareness and strengthening trust in the industry with the collaboration of Insurance Regulator of Cambodia.



Championing **inclusive education** by supporting children with special needs and their parents through a “Badminton Charity Tournament” for Rabbit School in 2025.



Extending **immediate relief** and restoring hope to families impacted by **border conflict** through:

- Providing school supplies for temporary classroom setups in Banteay Ampil District, Oddar Meanchey, enabling approximately 2,888 displaced children to continue their education.
- Mobilizing a global fundraising campaign to support library and literacy programs for displaced children in partnership with Room to Read.
- Distributing essential supplies to displaced children and women living in post-conflict refugee camps, in collaboration with Transcultural Psychosocial Organization (TPO) Cambodia, to strengthen resilience and sustain hope as communities work toward recovery and a return to normalcy.



Organizing a “Career Orientation Forum” under Manulife’s Global Season of Giving, our annual initiative that encourages employees to volunteer and give back to the community, we mobilized colleagues to share their knowledge and career guidance with approximately 200 students from Cambodian Children’s Fund (CCF) and PSE - Pour un Sourire d’Enfant.



Transforming the Angkor Wat International Half Marathon from a race into a globally recognized gathering that celebrates health, heritage, and community support, achieving record-breaking participation in 2025 with over 16,000 runners from approximately 86 countries across the globe.

Manulife (Cambodia) PLC

(Registration No. 00001816)

Report of the Board of Directors
and

Audited financial statements in accordance with
Cambodian International Financial Reporting Standards ("CIFRSs")
with deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*

as at 31 December 2025 and for the year then ended

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CORPORATE INFORMATION

Company name: Manulife (Cambodia) PLC

Registration no: 00001816

Registered office: 14th Floor, TK Central, No. 159, Street 289
Sangkat Boeung Kak I, Khan Toul Kork,
Phnom Penh, Kingdom of Cambodia

Head office and branches: Manulife (Cambodia) PLC
14th Floor, TK Central, No. 159, Street 289
Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh
Kingdom of Cambodia

Siem Reap Branch
#0545, National Road No. 6A, Phum Bunteay Chas, Sangkat
Slakram, Siem Reap City, Siem Reap, Kingdom of Cambodia

Battambang Branch
N° 48-49, Road #1,
Village Kampong Krobei, Sangkat Svay Por,
Battambang City, Battambang Province, Kingdom of Cambodia

Kampong Cham Branch
Street #7 new, Phum 6,
Sangkat Veal Vong, Kampong Cham City,
Kampong Cham Province, Kingdom of Cambodia

Banteay Meanchey Branch
Corner of national road number 5 and 6, Phum 1
Sangkat Preahpunlea, Krong Serei Sophoan
Banteay Meanchey Province, Kingdom of Cambodia

Preah Sihanouk Branch
National road number 4, Khrom 3
Phum 02, Sangkat 01, Krong Preah Sihanouk,
Sihanouk Ville Province, Kingdom of Cambodia
Tel: (+855) 023 965 965
Fax: (+855) 023 965 966
Email: customer_service_kh@manulife.com

Shareholders: *Current:*
Manulife Financial Singapore Limited Pte. Ltd.
Manulife Financial Shareholdings Limited

Previous:
Manulife Financial Asia Limited
Manulife Financial Group Limited
Manulife Financial Shareholdings Limited

Incorporation date: 13 February 2012

Principal bankers: J Trust Royal Bank Plc
Cambodian Public Bank Plc
Maybank (Cambodia) Plc
CIMB Bank Plc
Foreign Trade Bank of Cambodia
Advanced Bank of Asia Ltd
Acleda Bank Plc
Phillip Bank Plc
Sathapana Bank Plc
Wing Bank (Cambodia) Plc

Auditor: Ernst & Young (Cambodia) Ltd.

ក្រុមហ៊ុន មេនូឡាយហ្វី (ខេមបូឌា) ភីអិលស៊ី

ក្រុមហ៊ុនមានទីស្នាក់ការកណ្តាលនៅលើផ្លូវលេខ ១ ដែលមានភាគហ៊ុនបរទេស ១០០ ភាគរយ
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ផ្នែកសេវាបម្រើអតិថិជន (ទូរស័ព្ទឥតគិតថ្លៃ) ៖ ០៨០០ ២១១ ២១១ www.manulife.com.kh www.facebook.com/ManulifeKH



REPORT OF THE BOARD OF DIRECTORS

The directors submit their report together with the audited financial statements of Manulife (Cambodia) PLC. ("the Company") as at 31 December 2025 and for the year then ended.

PRINCIPAL ACTIVITY

The principal activity of the Company is underwriting of life insurance business.

THE BOARD OF DIRECTORS

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

<i>Name</i>	<i>Position</i>
Mr. Robert John Elliott	Chairman
Mr. Rotha Chan	Member
Mr. Anvanith Gui	Member
Mr. Stephen James Higgins	Member
Ms. Tracey Jean Polsgrove	Member
Ms. Lo Fook Fun	Member (Appointed on 17 October 2025)
Mr. Matthew Edward Lawrence	Member (Resigned on 30 September 2025)
Mr. Roland Eng	Member (Resigned on 30 September 2025)

THE MANAGEMENT TEAM

The members of the management team during the year and at the date of this report are:

<i>Name</i>	<i>Position</i>
Mr. Rotha Chan	Chief Executive Officer and General Manager
Mr. Sokveth Long	Chief Operating Officer
Ms. Ching Man Leung	Chief Financial Officer
Ms. Nara Kann	Chief Public Affairs Officer (Appointed on 3 February 2025)
Mr. Kim Man Lam	Chief Marketing Officer (Appointed on 1 April 2025)
Ms. Pich Hemy Ros	Chief Digital and Technology Officer
Ms. Ong Sze Lin	Chief Distribution Officer
Mr. Phyo Hein Wai	Chief Partnership Distribution Officer (Appointed on 1 January 2025)
Mr. Chiseng Hou	General Counsel (Appointed on 16 July 2025)
Mr. Sovann Suong	General Counsel (Resigned on 25 July 2025)
Mr. Sadat Math	Chief People Officer
Ms. Jessica Hang Pui Li	Chief Actuary
Mr. Jesse Anro Parreno Gumban	Chief Product Officer (Resigned on 14 November 2025)

FINANCIAL RESULTS

The Company's financial performance for the year ended 31 December 2025 is set out in the statement of comprehensive income.

ក្រុមហ៊ុន មេនុឡាយហ្វ (ខេមបូឌា) ភីអិលស៊ី

ក្រុមហ៊ុនធានារ៉ាប់រងអាយុជីវិត ១ ដែលមានភាគហ៊ុនបរទេស ១០០ ភាគរយ

អគារជីខេលេនក្រល លេខ១២ ជាន់ទី១៤ ផ្លូវលេខ២៨៩ សង្កាត់បឹងកក់ទី១ ខណ្ឌទួលគោក រាជធានីភ្នំពេញ ព្រះរាជាណាចក្រកម្ពុជា

ផ្នែកសេវាបម្រើអតិថិជន (ទូរស័ព្ទអតិថិជន) ៖ ១៨០០ ២១១ ២១១ www.manulife.com.kh www.facebook.com/ManulifeKH



Manulife (Cambodia) PLC
(Registration No. 00001816)

REPORT OF THE BOARD OF DIRECTORS (continued)

DIVIDENDS

The directors do not recommend payment of dividends for the year then ended.

ISSUE OF SHARES AND WARRANTS

Ordinary shares authorized and issued during the year are disclosed in the financial statements.

RESERVES AND PROVISIONS

Any additions to or deductions from reserves and provision during the year are disclosed in the financial statements.

DIRECTORS' INTEREST

No members of the Board of Directors have an interest in the shares of the Company.

DIRECTORS' BENEFITS

During and at the end of the year, there were no arrangements for the directors of the Company to acquire benefits from buying Company's shares or bonds. Directors' remuneration is disclosed in Note 30 to the financial statements.

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

The Board of Directors is responsible for ensuring that the financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*, ("CIFRSs with the deferral of CIFRS 17 and CIFRS 9"), in line with Accounting and Auditing Regulator's ("ACAR") notification allowing for the delay in their implementation (see Note 5). The Board of Directors oversees the preparation of these financial statements by management who is required to:

- adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- comply with CIFRSs with the deferral of CIFRS 17 and CIFRS 9 and relevant requirements of laws and regulations applicable to the insurance industry or, if there has been any departure in the interests of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the financial statements;
- maintain adequate accounting records and an effective system of internal controls;
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- approve overall policies for the Company, ratify all decisions and actions that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the financial statements.



Manulife (Cambodia) PLC
(Registration No. 00001816)

REPORT OF THE BOARD OF DIRECTORS (continued)

STATEMENT OF THE BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS (continued)

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

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

APPROVAL OF THE FINANCIAL STATEMENTS IN ACCORDANCE WITH ARTICLE 226 OF LAW ON COMMERCIAL ENTERPRISES

I, Rotha Chan, on behalf of the Board of Directors, do hereby confirm that the accompanying financial statements give a true and fair view of the financial position of Manulife (Cambodia) PLC as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with CIFRSs with the deferral of CIFRS 17 and CIFRS 9, and comply with the relevant requirements of laws and regulations applicable to the insurance industry.

Signed in accordance with a resolution of the Board of Directors:

Rotha Chan
Chief Executive Officer and General Manager

Phnom Penh, Kingdom of Cambodia

27 March 2026



Shape the future
with confidence

Ernst & Young (Cambodia) Ltd.
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Corner Street 178, Sangkat Chey Chumneah
Khan Daun Penh, Phnom Penh, Cambodia

Tel: +855 23 860 450/451
Email: eykoc@kh.ey.com
Website: ey.com/en_kh

Reference: 61552293/69437641

INDEPENDENT AUDITOR'S REPORT

To: **The Shareholders and the Board of Directors of Manulife (Cambodia) PLC.**

Opinion

We have audited the financial statements of Manulife (Cambodia) 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.

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 its financial performance and its cash flows for the year then ended in accordance with Cambodian International Financial Reporting Standards ("CIFRSs") with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments*, (collectively referred to as "CIFRSs with the deferral of CIFRS 17 and CIFRS 9"), in line with Accounting and Auditing Regulator's notification dated 23 December 2024 allowing for the delay in their implementation.

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing ("CISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Prakas issued by the Ministry of Economy and Finance of Cambodia on Code of Ethics for Professional Accountants and Auditors as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Cambodia. We have also 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.

Emphasis of matter

We draw attention to Note 2 to the financial statements, which describes the guidance on the delay in the implementation of CIFRS 17 and CIFRS 9. Our opinion is not modified in respect of this matter.

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

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

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

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



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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with CIFRSs with the deferral of CIFRS 17 and CIFRS 9, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



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Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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.



Maria Cristina M. Calimbas
Partner

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

Phnom Penh, Kingdom of Cambodia

27 March 2026

Manulife (Cambodia) PLC

(Registration No. 00001816)

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Gross premiums	7.1	46,650,931	187,116,884	43,115,907	175,524,857
Reinsurance premiums ceded	7.2	(1,878,832)	(7,535,995)	(1,493,532)	(6,080,169)
Net written premiums		44,772,099	179,580,889	41,622,375	169,444,688
Interest income and others	8	9,750,038	39,107,402	9,676,483	39,392,962
Total operating income		54,522,137	218,688,291	51,298,858	208,837,650
Gross benefits and claims paid		(11,090,499)	(44,483,991)	(7,693,123)	(31,318,704)
Claims, allowances and commission ceded to reinsurers	9	601,854	2,414,036	543,392	2,212,149
Gross change in insurance contract liabilities	22	(27,559,745)	(110,542,137)	(30,011,250)	(122,175,799)
Change in insurance contract liabilities ceded to reinsurers	22	66,942	268,504	(46,167)	(187,946)
Net benefits and claims		(37,981,448)	(152,343,588)	(37,207,148)	(151,470,300)
Commission		(3,699,677)	(14,839,404)	(2,944,682)	(11,987,800)
Selling expenses		(4,738,432)	(19,005,851)	(4,609,693)	(18,766,060)
General and administrative expenses	10	(15,263,163)	(61,220,546)	(14,520,530)	(59,113,078)
Total commission and other expenses		(23,701,272)	(95,065,801)	(22,074,905)	(89,866,938)
Total benefits, claims and other expenses		(61,682,720)	(247,409,389)	(59,282,053)	(241,337,238)
Loss before income tax		(7,160,583)	(28,721,098)	(7,983,195)	(32,499,588)
Income tax expense	11.1	-	-	-	-
Net loss for the year		(7,160,583)	(28,721,098)	(7,983,195)	(32,499,588)
Exchange difference on translation		-	(229,759)	-	(1,431,448)
Total comprehensive loss for the year		(7,160,583)	(28,950,857)	(7,983,195)	(33,931,036)

The attached notes from 1 to 32 form part of these financial statements.

Manulife (Cambodia) PLC

(Registration No. 00001816)

STATEMENT OF FINANCIAL POSITION as at 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
ASSETS					
Property and equipment	12	1,084,114	4,350,549	1,191,262	4,794,830
Intangible assets	13	5,505,380	22,093,090	5,964,469	24,006,988
Right-of-use assets	14.1	2,802,229	11,245,345	3,478,951	14,002,778
Statutory deposit	15	700,000	2,809,100	700,000	2,817,500
Insurance receivables		2,740,460	10,997,466	2,546,050	10,247,851
Reinsurance assets	16	656,759	2,635,574	589,817	2,374,013
Other assets and prepayments	17	13,894,016	55,756,686	12,722,469	51,207,938
Held-to-maturity investments	18	47,893,095	192,194,990	21,701,894	87,350,123
Placements with banks	19	140,100,000	562,221,300	127,998,137	515,192,501
Cash and cash equivalents	20	5,564,835	22,331,683	12,330,241	49,629,220
TOTAL ASSETS		220,940,888	886,635,783	189,223,290	761,623,742
EQUITY AND LIABILITIES					
EQUITY					
Share capital	21 (i)	113,830,000	455,320,000	113,830,000	455,320,000
Capital contribution pending registration	21 (ii)	7,000,000	28,000,000	-	-
Accumulated losses		(95,454,162)	(387,325,757)	(88,293,579)	(358,604,659)
Cumulative exchange differences on translation		-	5,838,995	-	6,068,754
TOTAL EQUITY		25,375,838	101,833,238	25,536,421	102,784,095
LIABILITIES					
Insurance contract liabilities	22	179,457,043	720,161,114	148,236,408	596,651,542
Taxes payable	23	267,346	1,072,859	231,405	931,405
Insurance payables	24	8,183,741	32,841,353	6,578,176	26,477,158
Trade and other liabilities	25	7,656,920	30,727,219	8,640,880	34,779,542
TOTAL LIABILITIES		195,565,050	784,802,545	163,686,869	658,839,647
TOTAL EQUITY AND LIABILITIES		220,940,888	886,635,783	189,223,290	761,623,742

The attached notes from 1 to 32 form part of these financial statements.

Manulife (Cambodia) PLC

(Registration No. 00001816)

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

	Share capital		Capital contribution pending registration		Accumulated losses		Cumulative exchange differences on translation	Total equity	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
As at 1 January 2025	113,830,000	455,320,000	-	-	(88,293,579)	(358,604,659)	6,068,754	25,536,421	102,784,095
Capital contribution pending registration (Note 21)	-	-	7,000,000	28,000,000	-	-	-	7,000,000	28,000,000
Total comprehensive loss for the year	-	-	-	-	(7,160,583)	(28,721,098)	(229,759)	(7,160,583)	(28,950,857)
As at 31 December 2025	113,830,000	455,320,000	7,000,000	28,000,000	(95,454,162)	(387,325,757)	5,838,995	25,375,838	101,833,238
As at 1 January 2024	111,330,000	445,320,000	-	-	(80,310,384)	(326,105,071)	7,500,202	31,019,616	126,715,131
Capital contribution (Note 21)	2,500,000	10,000,000	-	-	-	-	-	2,500,000	10,000,000
Total comprehensive loss for the year	-	-	-	-	(7,983,195)	(32,499,588)	(1,431,448)	(7,983,195)	(33,931,036)
As at 31 December 2024	113,830,000	455,320,000	-	-	(88,293,579)	(358,604,659)	6,068,754	25,536,421	102,784,095

The attached notes from 1 to 32 form part of these financial statements.

Manulife (Cambodia) PLC
(Registration No. 00001816)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

	Notes	2025		2024	
		US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
OPERATING ACTIVITIES					
Loss before income tax		(7,160,583)	(28,721,098)	(7,983,195)	(32,499,588)
<i>Non-cash items included in loss before income tax:</i>					
Depreciation and amortization	10	2,027,579	8,132,619	2,067,328	8,416,092
Loss on property and equipment written-off	10	-	-	133,042	541,614
Interest income	8	(9,757,043)	(39,135,499)	(9,851,873)	(40,106,975)
Accretion of interest on lease liabilities	14.2	127,912	513,055	149,803	609,848
<i>Net change in:</i>					
Operating assets		(2,053,955)	(8,238,414)	687,377	2,798,312
Operating liabilities		33,558,069	134,601,415	27,025,219	110,019,667
Interest paid	14.2	(127,912)	(513,055)	(149,803)	(609,848)
Income tax paid	11.3	(972,881)	(3,902,226)	(998,130)	(4,063,387)
Net cash provided by operating activities		15,641,186	62,736,797	11,079,768	45,105,735
INVESTING ACTIVITIES					
<i>Acquisitions of:</i>					
Property and equipment	12	(276,779)	(1,110,161)	(112,596)	(458,378)
Intangible assets	13	(492,942)	(1,977,190)	(745,690)	(3,035,704)
Held-to-maturity investments		(28,436,221)	(114,057,682)	-	-
Placements with banks		(102,600,000)	(411,528,600)	(64,600,000)	(262,986,600)
<i>Maturities of:</i>					
Held-to-maturity investments		2,245,020	9,004,775	1,411,165	5,744,853
Placements with banks		90,498,137	362,988,028	51,114,025	208,085,196
Interest received		10,376,308	41,619,371	8,062,135	32,820,952
Net cash used in investing activities		(28,686,477)	(115,061,459)	(4,870,961)	(19,829,681)
FINANCING ACTIVITIES					
Capital contribution pending registration	21	7,000,000	28,000,000	-	-
Capital contribution during the year	21	-	-	2,500,000	10,000,000
Payments for principal portion of lease liabilities	14.2	(720,115)	(2,888,381)	(818,422)	(3,331,796)
Net cash provided by financing activities		6,279,885	25,111,619	1,681,578	6,668,204
Net (decrease) increase in cash and cash equivalents		(6,765,406)	(27,213,043)	7,890,385	31,944,258
Cash and cash equivalents as at beginning of year		12,330,241	49,629,220	4,439,856	18,136,812
Exchange difference on translation		-	(84,494)	-	(451,850)
Cash and cash equivalents as at end of year	20	5,564,835	22,331,683	12,330,241	49,629,220

The attached notes from 1 to 32 form part of these financial statements.

Manulife (Cambodia) PLC

(Registration No. 00001816)

NOTES TO THE FINANCIAL STATEMENTS
as at 31 December 2025 and for the year then ended

1. CORPORATE INFORMATION

Manulife (Cambodia) PLC (“the Company”) was incorporated as a public limited company in Cambodia under registration number 00001816 (Old registration number: Co.0395E/2012) on 13 February 2012. The Company commenced its commercial operations on 28 June 2012 under licence number 042 from the Ministry of Economy and Finance (“MoEF”) which was valid for 5 years from 24 May 2012. The current license of the Company was granted as a permanent license by the Insurance Regulator of Cambodia on 22 May 2023.

The registered office of the Company is at 14th Floor, TK Central, No. 159, Street 289, Sangkat Boeung Kak I, Khan Toul Kork, Phnom Penh, Kingdom of Cambodia.

The immediate holding company is Manulife Financial Singapore Pte. Ltd., a company incorporated and domiciled in Singapore, and the ultimate parent company is Manulife Financial Corporation (“MFC”), a company incorporated and domiciled in Canada.

The principal activity of the Company is underwriting life insurance business in Cambodia, which currently includes term life, endowment life insurance products and other life insurance products to be offered in the future.

The financial statements of the Company as at 31 December 2025 and for the year then ended were authorised for issue in accordance with a resolution of the Board of Directors on 27 March 2026.

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

2.1 Basis of preparation

The financial statements of the Company have been prepared on historical cost basis, except for any financial assets and financial liabilities that have been measured at fair value.

The Company presents its statement of financial position broadly in the order of liquidity.

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settled the liability simultaneously.

2.2 Statement of compliance

The financial statements are prepared in accordance with Cambodian International Financial Reporting Standards (“CIFRSs”) with the deferral of CIFRS 17, *Insurance Contracts*, and CIFRS 9, *Financial Instruments* (collectively referred to as “CIFRSs with the deferral of CIFRS 17 and CIFRS 9”), in line with Accounting and Auditing Regulator’s (“ACAR”) notification to delay their implementation. As such, the Company applied CIFRS 4, *Insurance Contracts*, in accounting for insurance contracts and IAS 39, *Financial Instruments: Recognition and Measurement*, in accounting for financial instruments. (see Note 5)

2.3 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel (“KHR”). However, as the Company transacts its business and maintains its accounting records primarily in United States dollar (“US\$”), management has determined the US\$ to be the Company’s functional currency as it reflects the economic substance of the underlying events and circumstances of the Company. All values are rounded to the nearest US\$, except when otherwise indicated.

Manulife (Cambodia) PLC

(Registration No. 00001816)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

2. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS (continued)

2.3 *Functional and presentation currency* (continued)

Presentation currency

The financial statements are presented in US\$, which is the Company's functional and presentation currency.

Transactions and balances

Transactions in currencies other than US\$ are translated into functional currency using the exchange rates prevailing at the respective dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in currencies other than US\$ are recognized in the statement of comprehensive income. All values are rounded off to the nearest US\$ except when otherwise stated.

Presentation in Khmer Riel

The translation of the US\$ amounts into thousands KHR ("KHR'000") is presented in the financial statements to comply with the Law on Accounting and Audit dated on 11 April 2016 and the relevant CIFRSs using the closing and average rates for the year then ended, as announced by the National Bank of Cambodia ("NBC").

Assets and liabilities included in the statement of financial position are translated at the closing rate prevailing at the end of each reporting date, whereas income and expense items presented in the statement of comprehensive income are translated at the average rate for the year then ended. All resulting exchange differences are recognized in the statement of comprehensive income. Such translation should not be construed as a representation that the US\$ amounts represent, or have been or could be, converted into KHR at that or any other rate. All values in KHR are rounded to the nearest thousand ("KHR'000"), except if otherwise indicated.

The financial statements are presented in KHR based on the applicable exchange rates per US\$1 as follows:

	2025	2024
Closing rate	4,013	4,025
Average rate	4,011	4,071

2.4 *Fiscal year*

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

3. MATERIAL ACCOUNTING POLICY INFORMATION

3.1 *Product classification*

Insurance contracts are those contracts when the Company accepts significant insurance risk from another party ("the policyholder") by agreeing to compensate the policyholder or beneficiary if a specified uncertain future event ("the insured event") occurs. As a general guideline, the Company determines whether there is significant insurance risk, by comparing benefits paid with benefits payable if the insured event did not occur.

Manulife (Cambodia) PLC

(Registration No. 00001816)

NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 *Product classification* (continued)

Once a contract has been classified as an insurance contract, it remains as an insurance contract for the remaining of its lifetime, even if the insurance risk reduces significantly during this year, unless all rights and obligations are extinguished or expired. Investment contracts can however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Contracts with discretionary participation features

A portion of Company's insurance contracts contains discretionary participation features, which are in the form of non-guaranteed dividends declared annually, provided premiums due for the year are fully paid. These discretionary participation features are contractual rights held by the policyholders but the amount of payment for each policy year is at the discretion of Company considering the operating result of the participating block of business, the market condition and the policyholders' reasonable expectation when determining the amount of dividends to be paid.

3.2 *Intangible assets*

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

The useful life of intangible assets is assessed as either finite or indefinite.

Intangible assets with finite lives are separated into two:

(i) Distribution network

The distribution network arises from the exclusive distribution agreement entered into between the Company and specific distribution partners. The distribution network is amortized over the remaining duration of the agreement.

(ii) Computer software

The computer software amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible fixed asset may be impaired. The amortization period and the amortization method for computer software are reviewed at least at each financial year end.

Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the income statement in the expense category consistent with the function of the intangible assets.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the income statement when the asset is derecognized.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 *Property and equipment*

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs if the recognition criteria are met. When significant parts of property and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in the income statement as incurred.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognized.

3.4 *Depreciation and amortization*

Depreciation of property and equipment and amortization of intangible assets are calculated on a straight-line basis over the estimated useful life of each asset category, as follows:

	Years
Building improvements	Lease term
Furniture and equipment	2 - 5
Electronic data processing ("EDP") equipment	4
Vehicles	5
Software	4

The assets' residual values, and useful lives and method of depreciation and amortization are reviewed and adjusted if appropriate at each financial year end and adjusted prospectively, if appropriate. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as expenses.

3.5 *Leases*

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Company recognizes right-of-use assets ("ROU") at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. ROU are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. Impairment reviews are performed when there are indicators that the carrying value may not be recoverable. Impairment losses are recognized in the income statement as expenses.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.5 Lease (continued)

The Company as a lessee (continued)

(ii) Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the organization wide approach on incremental borrowing rate ("IBR") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are presented under "Trade and other liabilities" in the statement of financial position.

(iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term and presented under "General and administrative expenses" in the statement of comprehensive income.

3.6 Financial assets

3.6.1 Recognition and measurement

Financial assets within the scope of CIAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial investments, available-for-sale financial assets. The Company determines the classification of its financial assets at initial recognition.

All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

The classification depends on the purpose for which the investments were acquired or originated. Financial assets are classified as at fair value through profit or loss where the Company's documented investment strategy is to manage financial investments on a fair value basis, because the related liabilities are also managed on this basis. The available-for-sale and held-to-maturity categories are used when the relevant liability (including shareholders' funds) is passively managed and/or carried at amortized cost.

The Company's financial assets include cash and cash equivalents, receivables from related parties which are classified as loans and receivables.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 *Financial assets* (continued)

3.6.1 *Recognition and measurement* (continued)

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. After initial measurement, loans and receivables are subsequently measured at amortized cost using the effective interest rate, less impairment. Gains and losses are recognized in income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

Held-to-maturity financial assets

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Company has the positive intention and ability to hold until maturity. After initial measurement, held to maturity financial assets are measured at amortized cost, using the EIR, less impairment. The EIR amortization is included in 'Investment income' in the statement of profit or loss. Gains and losses are recognized in the statement of profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

3.6.2 *Impairment of financial assets*

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognized in the profit and loss account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date. Any subsequent reversal of an impairment loss is recognized in the profit and loss account.

3.6.3 *De-recognition of financial assets*

A financial asset (or, where applicable a part of a financial asset or part of a company of similar financial assets) is derecognized when:

- ▶ The rights to receive cash flows from the asset have expired;
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; or
- ▶ Either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.6 *Financial assets* (continued)

3.6.3 *De-recognition of financial assets* (continued)

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

3.7 *Advance from surrender value*

Policyholders who have fulfilled their premium payment obligations for at least 12 months are entitled to an advance on the surrender value provided the policy has a positive surrender value available, with the advance amount at a maximum of 80% of the surrender value and accumulated un-withdrawn dividend for the relevant policy.

Advance from surrender value is carried at amortized cost.

3.8 *Reinsurance*

The Company cedes insurance risk in the normal course of business for certain product classes. Reinsurance assets represent balances due from reinsurance companies, or ceded reserves. 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 contract.

Reinsurance assets are reviewed for impairment at each reporting date or more frequently when an indication of impairment arises during the reporting year. Impairment occurs when there is objective evidence as a result of an event that occurred after initial recognition of the reinsurance asset 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 receive from the reinsurer. The impairment loss is recorded in the income statement.

Ceded reinsurance arrangements do not relieve the Company from its obligations to policyholders. Premiums and claims are presented on a gross basis and ceded reinsurance is presented separately. Reinsurance assets are derecognized when the contractual rights are extinguished or expired.

3.9 *Insurance receivables*

Insurance receivables are recognized when the premium is due and measured on initial recognition at the fair value of the consideration received or receivable. Subsequent to initial recognition, insurance receivables are measured at amortized cost, using the effective interest rate method. The carrying value of insurance receivables are reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the income statement.

3.10 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks and highly-liquid short-term investments with an original maturity of 3 months or less which are readily convertible into known amounts of cash and that are subject to an insignificant risk of change in value.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.11 Financial liabilities

3.11.1 Recognition and measurement

Financial liabilities within the scope of CIAS 39 are classified as financial liabilities at fair value through profit or loss, loans and borrowings or financial guarantee contracts. This does not include liabilities on insurance contracts. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and in the case of loans and borrowings, less directly attributable transaction costs.

The Company's financial liabilities include trade and other liabilities including amounts payable to related parties.

3.11.2 De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the income statement.

3.12 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.13 Foreign currency transactions

The Company's financial statements are presented in US\$ which is also the Company's functional currency.

Transactions in other currencies are initially recorded at the functional currency rate ruling at the date of the transaction. Monetary assets and liabilities denominated in other currencies are retranslated at the functional currency rate of exchange ruling at statement of financial position date. All differences are taken to income statement. Non-monetary items that are measured in terms of historical cost in other currency are translated using the exchange rates as at the respective dates of the initial transactions.

3.14 Taxes

Income tax

Income tax assets or liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the income statement. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.14 Taxes (continued)

Deferred tax

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet rates.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted during the reporting period.

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

3.15 Insurance contract liabilities

Insurance contract liabilities, net of reinsurance assets, represent the amount which, together with estimated future premiums and net investment income, will be sufficient to pay estimated future benefits, policyholder dividends and refunds, and expenses on policies in-force. Insurance contract liabilities are presented gross of reinsurance assets on the statement of financial position. Insurance contract liabilities for traditional products include mathematical reserve, unearned premium reserve, outstanding claim reserve and benefits payable. The Company's appointed Actuary is responsible for determining the amount of insurance contract liabilities in accordance with generally accepted actuarial principles.

3.16 Employee benefits

3.16.1 Provident fund scheme

The Company provides provident fund ("PF") scheme to its employees which is a defined contribution plan. All full-time employees are eligible for this PF scheme. Employees' contributions are calculated based on 5% of the basic salary each month and transferred to the pension fund account. The Company will contribute an equal amount for each employee to the pension fund account. The Company acts as the trustee on all trust accounts that are created for each employee.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.16 *Employee benefits* (continued)

3.16.1 *Provident fund scheme* (continued)

The PF scheme provides pension benefits based on the accumulated contributions and fund earnings. Upon employee's termination which includes retirement, death of employee or layoff, the payment is made according to the vesting scale which is determined by the Company policy.

The Company will not pay its portion to the employee in case of termination by fraud or any other serious misconduct.

The cost of PF scheme is the contribution provided by the Company. Contributions to PF scheme are recognized as expense in the periods during which services are rendered by employees.

3.16.2 *Restricted share units based compensation*

The Company provides restricted share units ("RSU") based compensation to all executives (AVP and above). Restricted share units are expensed with a corresponding liability accrued based on the fair value of MFC's common shares.

Compensation cost, attributable to restricted share units granted to employees who are eligible to retire on the grant date or who will become eligible to retire during the vesting period, is recognized over the period from the grant date to the date of retirement eligibility.

RSUs are paid out in cash once they have vested, which cannot be exchanged for shares of MFC, and are not payable in shares.

3.17 *Revenue recognition*

3.17.1 *Premiums*

Gross recurring premiums on life contracts are recognized as revenue when due from the policyholder. For single premium business of the Company, revenue is recognized on the date on which the policy is effective.

Gross reinsurance premiums on life contracts are recognized as an expense when premiums are payable.

Unearned premiums are those proportions of premiums written in a year that relate to periods of risk after the statement of financial position date. This relates to policies where mathematical reserves have not been calculated.

3.17.2 *Interest income from banking activities*

Interest income is recognized in the income statement on an accrual basis. The Company has classified interest received during the period as cash flow from investing activity.

3.17.3 *Allowances and commission on reinsurance ceded*

Allowances and commission on reinsurance ceded are recognized at the same time the reinsurance premiums are recognized.

3.18 *Benefits, claims and expenses recognition*

3.18.1 *Gross benefits and claims*

Gross benefits and claims for life insurance contracts include the cost of all claims arising during the period including internal and external claims handling costs that are directly related to the processing and settlement of claims. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recognized when due.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

3. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.18 Benefits, claims and expenses recognition (continued)

3.18.2 Commission expense

Commission expense arises from fees payable to intermediaries referring customers to the Company calculated on the basis of gross premiums written or other reasonable basis and accounted for on an accrual basis.

4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The accounting policies adopted in the preparation of financial statements are consistent with those followed in the previous year, except for the adoption, where applicable, of the following amendments to CIFRS accounting standards which became effective beginning on or after 1 January 2025. The amendments had no impact on the Company's financial statements.

- (i) Amendments to IAS 21- Lack of exchangeability

5. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when the equivalent CIFRSs become effective.

- (i) Amendments to CIFRS 9 and CIFRS 7: classification and measurement of financial instruments, *effective beginning on or after 1 January 2026*
- (ii) Amendments to CIFRS 9 and CIFRS 7, Contracts referencing nature-dependent electricity (previously Power Purchase Agreements), *effective beginning on or after 1 January 2026*
- (iii) Annual Improvements to CIFRS Accounting Standards – Volume 11, *effective beginning on or after 1 January 2026*
- (iv) CIFRS 18, Presentation and Disclosure in Financial Statements, *effective beginning on or after 1 January 2027*
- (v) CIFRS 19, Subsidiaries without Public Accountability Disclosures, *effective beginning on or after 1 January 2027*
- (vi) Amendments to CIAS 21, Translation to a Hyperinflationary Presentation Currency - *effective beginning on or after 1 January 2027*.
- (vii) CIFRS 17, Insurance Contracts

In May 2017, the IASB issued IFRS 17, Insurance Contracts, replacing IFRS 4 that sets out principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of IFRS 17. IFRS 17 was effective for annual reporting periods beginning on or after 1 January 2023.

Effective IFRSs issued by the IASB are simultaneously adopted in Cambodia with equivalent CIFRS accounting standards unless the regulators decide, otherwise. CIFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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5. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

(vii) CIFRS 17, Insurance Contracts (continued)

The overall objective of CIFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers.

In contrast to the requirements in CIFRS 4, which are largely based on grandfathering previous local accounting policies, CIFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects.

- A default general model for most contracts that measures insurance liability using four “building blocks” (General Measurement Model/Building Block Approach).
- A specific adaptation for contracts with direct participation features (the variable fee approach).
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

On 24 March 2023, ACAR issued a notification allowing to delay the mandatory adoption of CIFRS 17 and CIFRS 9 for insurance companies made effective for annual reporting periods beginning on or after 1 January 2025. On 23 December 2024, ACAR issued another notification to further delay the implementation until 1 January 2028. During the period of delay, insurance companies shall continue to apply applicable effective CIFRSs.

The review of the implication and impact of adopting this standard is currently ongoing.

(viii) CIFRS 9, Financial Instruments

CIFRS 9 replaced CIAS 39 Financial Instruments: Recognition and Measurement. However, the Company elected, under the amendments to CIFRS 4 to apply the temporary exemption from CIFRS 9, deferring the initial application date of CIFRS 9 to align with the initial application of CIFRS 17. The Company concluded that it qualified for the temporary exemption from CIFRS 9 because its activities are predominantly connected with insurance and there has been no significant change in the activities of the Company.

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Company’s accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements.

a. *Product classification*

The significance of insurance risk is dependent on both the probability of an insured event and the magnitude of its potential effect. As a general guideline, the Company defines significant insurance risk as the possibility of having to pay benefits on the occurrence of an insured event that are at least 5% more than the benefits payable if the insured event did not occur.

The Company has determined that the insurance policies it issues have significant insurance risks and therefore meet the definition of an insurance contract and should be accounted for as such.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
as at 31 December 2025 and for the year then ended

6. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Estimates

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

a. *Estimates of liabilities under life insurance contracts*

Insurance contract liabilities for traditional products which include mathematical reserve, unearned premium reserve, outstanding claim reserve and benefits payable are established in accordance with generally accepted actuarial principles.

Mathematical reserve is the difference between the present value of total insurance outgo payable in the future, and the present value of the insurance premiums receivable in the future. Mathematical reserve is calculated for all currently selling long-term products.

Unearned premium reserve is the provision for unearned revenue out of already-paid premium as at statement of financial position date and is calculated for all outstanding policies as at the reporting date. This does not apply to policies where a mathematical reserve has been calculated as the mathematical reserve calculations have taken into account the unearned premium.

Claim reserve is the provision for claims not reported ("Incurred But Not Reported" - IBNR) and claims submitted but still in the course of settlement ("Reported But Not yet Settle" - RBNS) as at the statement of financial position date.

Dividend reserve is the provision for accumulated unpaid dividends for participating policies.

At each reporting year, the Company performs a liability adequacy test to determine whether its recognized insurance liabilities are adequate. This calculation uses current estimates of future contractual cash flows arising under the insurance contracts, including claims handling costs. If these estimates show that the carrying amount of the insurance liability is inadequate, the deficiency is recognized in the income statement by setting up a provision for liability adequacy.

The Company makes estimates relating to mortality, morbidity, longevity, investment returns, expenses, lapse and surrender rates and discount rates for life insurance contracts.

The carrying value of insurance contract liabilities amounted to US\$ 179,457,043 equivalent to KHR'000 720,161,114 (2024: US\$ 148,236,408 equivalent to KHR'000 596,651,542) (see Note 23).

b. *Impairment of financial assets*

Judgment is required in determining whether or not a decline in fair value of an available-for-sale financial investment and loans and receivables below its original cost or amortized costs is of such a nature as to constitute impairment, and thus whether an impairment loss needs to be recognized.

As of 31 December 2025, the Company determined that its insurance receivables are not impaired.

c. *Taxation*

Taxes are calculated on the basis of current interpretation of the tax regulations. However, these regulations are subject to periodic variation and the ultimate determination of tax expenses will be made following inspection by the tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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7. NET WRITTEN PREMIUMS

7.1 Gross premiums

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Endowment insurance	38,732,629	155,356,574	35,076,619	142,796,915
Term insurance	5,772,243	23,152,467	6,771,535	27,566,919
Group life insurance	1,752,544	7,029,454	873,868	3,557,517
Whole life insurance	393,515	1,578,389	393,885	1,603,506
Total	46,650,931	187,116,884	43,115,907	175,524,857

7.2 Reinsurance premiums ceded

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Surplus reinsurance treaty	1,841,993	7,388,234	1,471,038	5,988,596
Other	36,839	147,761	22,494	91,573
Total	1,878,832	7,535,995	1,493,532	6,080,169

8. INTEREST INCOME AND OTHERS

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Interest income	9,757,043	39,135,499	9,851,873	40,106,975
Foreign exchange losses	(14,595)	(58,541)	(195,841)	(797,269)
Other income	7,590	30,444	20,451	83,256
Total	9,750,038	39,107,402	9,676,483	39,392,962

9. CLAIMS, ALLOWANCES AND COMMISSION CEDED TO REINSURERS

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Claims ceded to reinsurers	600,902	2,410,218	542,681	2,209,254
Other	952	3,818	711	2,895
Total	601,854	2,414,036	543,392	2,212,149

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10. GENERAL AND ADMINISTRATIVE EXPENSES

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Employee personnel costs	9,512,804	38,155,857	8,717,254	35,487,941
Depreciation and amortization (Note 12)	2,027,579	8,132,619	2,067,328	8,416,092
Information technology related expenses	806,109	3,233,303	883,754	3,597,763
Rent and related expenses	582,399	2,336,002	581,703	2,368,113
Consulting, legal and other professional fees*	321,416	1,289,200	226,310	921,308
Business license and related fees	267,371	1,072,425	237,929	968,609
Travel and entertainment	258,362	1,036,290	125,168	509,559
Overhead allocation	209,076	838,604	284,001	1,156,168
Marketing and related expenses	180,338	723,336	282,141	1,148,596
Communication	158,265	634,801	242,225	986,098
Meetings and events	139,752	560,545	205,535	836,733
Lease interest expenses	127,912	513,055	149,803	609,848
Loss on property and equipment written off (Note 12)	-	-	133,042	541,614
Others**	671,780	2,694,509	384,337	1,564,636
Total	15,263,163	61,220,546	14,520,530	59,113,078

* Other professional fees include audit fees amounting to US\$ 45,695 or KHR'000 183,284 for the year ended 31 December 2025 (2024: US\$ 48,716 or KHR'000 198,324).

**Others consist mainly of IT maintenance, bank charges, postage and training expenses.

11. INCOME TAX

The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations for 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 tax authorities.

11.1 Applicable tax rates

In accordance with the new Law on Taxation amended pursuant to the Law on Financial Management 2017, for the activity of life insurance or reinsurance that has saving feature and other insurance activities except insurance or reinsurance on property or other risk insurance, tax on income shall be at 20% on taxable income.

In addition, according to Notification No. 6715 from the General Department of Taxation ("GDT") on Implementation of Collection of Tax on Income for Insurance Company dated 25 April 2017, a life insurance or reinsurance company shall pay prepaid tax on income at 1% of gross premium without classification of products.

In May 2024, the Company was re-awarded the Gold Tax Certificate for proper accounting records and thus qualified for an exemption from minimum tax until 2026 or until the next reassessment by the GDT.

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11. INCOME TAX (continued)

11.2 Reconciliation of current income tax

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Loss before income tax	(7,160,583)	(28,721,098)	(7,983,195)	(32,499,588)
Income tax benefit at 20%	(1,432,117)	(5,744,221)	(1,596,639)	(6,499,917)
Permanent differences	193,327	775,435	220,040	895,783
Temporary differences	435,925	1,748,494	(49,214)	(200,350)
Unused tax loss	802,865	3,220,292	1,425,813	5,804,484
Income tax expense	-	-	-	-

11.3 Prepaid tax

Since the Company is exempt from minimum tax and in a tax loss position for the year then ended, the prepayment tax on income during the year can be used to offset any future taxable income or claimed as a refund from the GDT in accordance with the Cambodia Law on Taxation. Details are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
As at 1 January	5,101,696	20,534,326	4,103,566	16,763,067
Payments	972,881	3,902,226	998,130	4,063,387
Exchange difference on translation	-	(59,274)	-	(292,128)
As at 31 December	6,074,577	24,377,278	5,101,696	20,534,326

11.4 Net deferred tax assets

Details of unrecognized deferred tax assets are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
<i>Deferred tax asset on:</i>				
Unused tax losses	4,977,952	19,976,521	5,198,277	20,923,065
Lease liabilities	620,058	2,488,293	761,493	3,065,009
Others	583,564	2,341,842	156,418	629,582
<i>Deferred tax liability on:</i>				
Accelerated depreciation for tax purposes	(84,300)	(338,296)	(99,170)	(399,159)
Right-of-use assets	(560,446)	(2,249,070)	(695,790)	(2,800,555)
Net deferred tax assets	5,536,828	22,219,290	5,321,228	21,417,942

As at 31 December 2025, the Company did not recognize the deferred tax assets on temporary differences since management believes that it is not probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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11. INCOME TAX (continued)

11.5 Tax losses carried forward

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

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

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

The details of the Company's unused tax losses are as follows:

<i>Originating year</i>	<i>Can be utilized up to</i>	<i>Tax loss amount</i>	<i>Utilized</i>	<i>Forfeited</i>	<i>Unutilized</i>
		<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2020	2025	5,115,947	-	(5,115,947)	-
2021	2026	4,000,780	-	-	4,000,780
2022	2027	-	-	-	-
2023	2028	9,745,592	-	-	9,745,592
2024	2029	7,129,065	-	-	7,129,065
2025	2030	4,014,323	-	-	4,014,323
		30,005,707	-	(5,115,947)	24,889,760

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12. PROPERTY AND EQUIPMENT

	2025			Total US\$
	<i>Building improvements</i> US\$	<i>Furniture and equipment</i> US\$	<i>EDP equipment</i> US\$	
Cost				
As at 1 January	2,708,953	1,078,438	2,817,360	6,604,751
Additions	-	-	276,779	276,779
Write-offs*	-	(1,049,184)	(2,489,359)	(3,538,543)
As at 31 December	2,708,953	29,254	604,780	3,342,987
Accumulated depreciation				
As at 1 January	1,735,553	1,008,871	2,669,065	5,413,489
Charges for the year	205,404	65,775	112,748	383,927
Write-offs*	-	(1,049,184)	(2,489,359)	(3,538,543)
As at 31 December	1,940,957	25,462	292,454	2,258,873
Net carrying amount	767,996	3,792	312,326	1,084,114
KHR'000 (Note 2.3)	3,081,968	15,217	1,253,364	4,350,549

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12. PROPERTY AND EQUIPMENT (continued)

	2024			Total US\$
	Building improvements US\$	Furniture and equipment US\$	EDP equipment US\$	
Cost				
As at 1 January	3,483,117	1,630,274	3,202,763	8,316,154
Additions	55,983	-	56,613	112,596
Write-offs*	(830,147)	(551,836)	(442,016)	(1,823,999)
As at 31 December	2,708,953	1,078,438	2,817,360	6,604,751
Accumulated depreciation				
As at 1 January	2,122,080	1,472,476	2,846,776	6,441,332
Charges for the year	312,240	88,028	262,846	663,114
Write-offs*	(698,767)	(551,633)	(440,557)	(1,690,957)
As at 31 December	1,735,553	1,008,871	2,669,065	5,413,489
Net carrying amount	973,400	69,567	148,295	1,191,262
KHR'000 (Note 2.3)	3,917,935	280,007	596,887	4,794,830

*The Company had written off property and equipment with cost of US\$ 3,538,543 and related accumulated depreciation of US\$ 3,538,543 (2024: US\$ 1,823,999 and US\$ 1,690,957 respectively) due to relocation of offices and zero value of certain equipment. The loss on property and equipment written off is recognized under "General and administrative expenses" (Note 10).

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12. PROPERTY AND EQUIPMENT (continued)

The details of depreciation and amortization recognized in the statement of comprehensive income under "General and administrative expenses" are as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Property and equipment	383,927	1,539,931	663,114	2,699,537
Right-of-use assets (Note 14.1)	691,621	2,774,092	820,805	3,341,497
Intangible assets (Note 13)	952,031	3,818,596	583,409	2,375,058
	2,027,579	8,132,619	2,067,328	8,416,092

13. INTANGIBLE ASSETS

	2025			Total	
	Software US\$	Distribution network US\$	Work in progress US\$	US\$	KHR'000 (Note 2.3)
Cost					
As at 1 January	2,403,564	4,608,333	303,408	7,315,305	29,838,849
Additions	-	-	492,942	492,942	1,977,190
Transfer	453,870	-	(453,870)	-	-
As at 31 December	2,857,434	4,608,333	342,480	7,808,247	31,816,039
Accumulated amortization					
As at 1 January	622,771	728,065	-	1,350,836	5,511,388
Charge for the year	599,279	352,752	-	952,031	3,818,596
As at 31 December	1,222,050	1,080,817	-	2,302,867	9,329,984
Exchange difference on translation	-	-	-	-	(392,965)
Net carrying amount	1,635,384	3,527,516	342,480	5,505,380	22,093,090

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13. INTANGIBLE ASSETS (continued)

	2024				
	Software	Distribution network	Work in progress	Total	
	US\$	US\$	US\$	US\$	KHR'000
					(Note 2.3)
Cost					
As at 1 January	561,712	4,608,333	1,399,570	6,569,615	26,803,145
Additions	-	-	745,690	745,690	3,035,704
Transfer	1,841,852		(1,841,852)	-	-
As at 31 December	2,403,564	4,608,333	303,408	7,315,305	29,838,849
Accumulated amortization					
As at 1 January	247,060	520,367	-	767,427	3,136,330
Charges for the year	375,711	207,698	-	583,409	2,375,058
As at 31 December	622,771	728,065	-	1,350,836	5,511,388
Exchange difference on translation	-	-	-	-	(320,473)
Net carrying amount	1,780,793	3,880,268	303,408	5,964,469	24,006,988

14. LEASES

14.1 Right-of-use assets

The Company has several lease contracts for leased premises and field offices used in its operations. Leases of premises and field offices have lease terms ranging from 1 to 10 years. The Company's lease obligations are secured by the lessor's title to the leased assets.

Set out below are the carrying amounts of right-of-use assets recognized and the movements during the period:

	2025	2024
	US\$	US\$
Cost		
As at 1 January	7,671,854	8,189,696
Additions	228,103	179,559
Lease modification	(213,204)	-
Termination	(389,884)	(697,401)
As at 31 December	7,296,869	7,671,854
Accumulated depreciation		
As at 1 January	4,192,903	4,066,137
Charge for the year	691,621	820,805
Termination	(389,884)	(694,039)
As at 31 December	4,494,640	4,192,903
Net carrying amount	2,802,229	3,478,951
KHR'000 (Note 2.3)	11,245,345	14,002,778

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14. LEASES (continued)

14.2 Lease liabilities

	2025	2024
	US\$	US\$
Maturity analysis - contractual undiscounted cash flows		
Within one year	854,546	807,517
One to five years	2,510,415	2,831,119
More than five years	-	570,055
Total undiscounted lease liabilities	3,364,961	4,208,691
KHR'000 (Note 2.3)	13,503,588	16,939,981
	2025	2024
	US\$	US\$
As at 1 January	3,807,466	4,546,641
Additions	226,141	80,820
Termination	-	(1,573)
Lease modification	(213,204)	-
Accretion of interest	127,912	149,803
Payments	(848,027)	(968,225)
As at 31 December	3,100,288	3,807,466
KHR'000 (Note 2.3)	12,441,456	15,325,051
	2025	2024
	US\$	US\$
Present value of lease liabilities		
Within one year	689,504	681,900
Beyond one year	2,410,784	3,125,566
Lease liabilities as at 31 December	3,100,288	3,807,466
KHR'000 (Note 2.3)	12,441,456	15,325,051

Amounts recognized in profit or loss are as follows:

	2025	2024
	US\$	US\$
Depreciation expense of right-of-use assets	691,621	820,805
Interest expense on lease liabilities	127,912	149,803
Expenses related to short-term leases and low value assets	6,947	26,154
Total recognized in profit or loss	826,480	996,762
KHR'000 (Note 2.3)	3,315,011	4,057,818

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15. STATUTORY DEPOSIT

A statutory deposit is maintained with the National Bank of Cambodia in compliance with Prakas No. 061 on Solvency Margin for Insurance Company dated 14 December 2022 issued by the Non-bank Financial Service Authority of the Ministry of Economy and Finance. The deposit is equivalent to 10% of the Company's initial registered share capital, does not earn interest and is refundable only when the Company ceases its operations in Cambodia.

16. REINSURANCE ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
Reinsurance ceded reserve on surplus reinsurance treaty (Note 23)	656,759	2,635,574	589,817	2,374,013

Reinsurance assets represent the ceded reserves calculated for the portion of the policies reinsured with MIL, CamRe, HannoverRe, and GenRe.

17. OTHER ASSETS AND PREPAYMENTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
		(Note 2.3)		(Note 2.3)
Accrued interest receivable	5,878,384	23,589,955	6,497,649	26,153,037
Prepaid tax (Note 11.3)	6,074,577	24,377,278	5,101,696	20,534,326
Prepaid commission	975,545	3,914,862	197,539	795,094
Rental deposits	459,589	1,844,331	480,645	1,934,596
Prepaid expenses	339,716	1,363,280	358,229	1,441,872
Others	166,205	666,980	86,711	349,013
Total	13,894,016	55,756,686	12,722,469	51,207,938

18. HELD-TO-MATURITY INVESTMENTS

As at 31 December 2025, these include investments in corporate and government bonds in various industries such as telecommunication, transportation, financial institutions, education, and agribusiness. These investments have maturities ranging from 5 to 15 years and earn interest at rates ranging from 4.60% to 7.23% (2024: 5.50% to 7.85%) per annum.

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19. PLACEMENTS WITH BANKS

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
More than 3 months up to 1 year	72,200,000	289,738,600	60,500,000	243,512,500
More than 1 year	67,900,000	272,482,700	67,498,137	271,680,001
Total	140,100,000	562,221,300	127,998,137	515,192,501

Interest income from placements with banks amounted to US\$ 7,488,537 or KHR'000 30,036,522 (2024: US\$ 8,007,366 or KHR'000 32,597,987).

Placements with banks represent term deposits with banks in Cambodia with interest at rates ranging from 3.85% to 8.00% in 2025 (2024: 4.00% to 8.00%)

20. CASH AND CASH EQUIVALENTS

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Cash on hand	997	4,001	-	-
Cash in banks	5,563,838	22,327,682	3,330,241	13,404,220
Short-term deposits with maturity of 3 months	-	-	9,000,000	36,225,000
Total	5,564,835	22,331,683	12,330,241	49,629,220

Interest income on short term deposits with maturity of 3 months amounted to US\$ 52,424 or KHR'000 210,273 (2024: US\$ 70,922 or KHR 288,723) with interest at rates ranging from 3.80% to 4.00% (2024: 3.80% to 4.00%).

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21. SHARE CAPITAL

(i) Registered shares

Share capital is composed of 120,830,000 shares with a par value of US\$1 per share.

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Ordinary shares issued				
113,830,000 shares at US\$1 per share	113,830,000	455,320,000	113,830,000	455,320,000

The Company's shareholders and their respective interest are as follows:

	2025			2024		
	Number of shares	Amount US\$	%	Number of shares	Amount US\$	%
Manulife Financial (Singapore) Pte. Ltd.	113,830,000	113,830,000	99.999999	-	-	-
Manulife Financial Asia Limited	-	-	-	113,829,998	113,829,998	99.999998
Manulife Financial Shareholdings Limited	1	1	0.000001	1	1	0.000001
Manulife Financial Group Limited	-	-	-	1	1	0.000001
	113,830,000	113,830,000	100	113,830,000	113,830,000	100

On 4 February 2025, Manulife Financial Asia Limited and Manulife Financial Group Limited entered into a share sale and purchase agreement to transfer all shares and rights in Manulife (Cambodia) PLC to Manulife Financial Singapore Pte. Ltd. The change of shareholders was approved by the IRC and MoC on 17 March 2025 and 13 October 2025, respectively.

(ii) Capital contribution pending registration

On 25 August 2025, the Board of Directors approved the increase in share capital to US\$ 120,830,000 or KHR'000 483,320,000 through additional contribution of US\$ 7,000,000 or KHR'000 28,000,000 from its parent company. On 29 September 2025, the Company obtained approval from the IRC on the increase in its share capital.

As at the date of these financial statements, the Company is in the process of amending its Articles of Incorporation for the above increase in share capital.

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22. INSURANCE CONTRACT LIABILITIES

	<i>Insurance contract liabilities</i>	<i>Reinsurance of liabilities</i>	<i>Net</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 1 January 2025	148,236,408	(589,817)	147,646,591
Change in insurance contract and reinsurance of liabilities	27,559,745	(66,942)	27,492,803
Others	3,660,890	-	3,660,890
As at 31 December 2025	179,457,043	(656,759)	178,800,284
KHR'000 (Note 2.3)	720,161,114	(2,635,574)	717,525,540

	<i>Insurance contract liabilities</i>	<i>Reinsurance of liabilities</i>	<i>Net</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
As at 1 January 2024	116,527,718	(635,984)	115,891,734
Change in insurance contract and reinsurance of liabilities	30,011,250	46,167	30,057,417
Others	1,697,440	-	1,697,440
As at 31 December 2024	148,236,408	(589,817)	147,646,591
KHR'000 (Note 2.3)	596,651,542	(2,374,013)	594,277,529

Traditional life business

	<i>2025</i>		<i>2024</i>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
		<i>(Note 2.3)</i>		<i>(Note 2.3)</i>
New policies	(527,367)	(2,116,324)	(834,500)	(3,358,863)
Normal in-force movement	179,984,410	722,277,438	149,070,908	600,010,405
As at 31 December	179,457,043	720,161,114	148,236,408	596,651,542

The estimates form the assumptions used to calculate the insurance contract and reinsurance of liabilities arising from these contracts are in consistent with the generally accepted actuarial principles that comply with the Prakas No.063 on Procedures and Methods of Insurance Technical Reserve Calculation issued by the IRC on 23 December 2022.

23. TAXES PAYABLE

	<i>2025</i>		<i>2024</i>	
	<i>US\$</i>	<i>KHR'000</i>	<i>US\$</i>	<i>KHR'000</i>
		<i>(Note 2.3)</i>		<i>(Note 2.3)</i>
Withholding and other taxes	84,957	340,932	68,885	277,262
Salary and fringe benefit tax	141,196	566,620	121,499	489,033
Prepayment tax on income	41,193	165,307	41,021	165,110
Total	267,346	1,072,859	231,405	931,405

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24. INSURANCE PAYABLES

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Premiums in advance	5,778,249	23,188,113	4,724,519	19,016,189
Allowance and subsidies payable	906,969	3,639,667	683,103	2,749,490
Reinsurance ceded payable to related parties (Note 30)	651,870	2,615,954	373,332	1,502,661
Annuities benefit payable	180,279	723,460	195,578	787,201
Other reinsurance ceded payable	666,374	2,674,159	601,644	2,421,617
Total	8,183,741	32,841,353	6,578,176	26,477,158

25. TRADE AND OTHER LIABILITIES

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Lease liabilities (Note 14.2)	3,100,288	12,441,456	3,807,466	15,325,051
Related parties (Note 30)	1,517,283	6,088,857	1,500,944	6,041,300
Accrual of staff bonus	1,211,798	4,862,945	1,311,619	5,279,266
Payable to suppliers	679,602	2,727,243	1,026,614	4,132,121
Accrual of bancassurance	492,309	1,975,636	436,735	1,757,858
Others*	655,640	2,631,082	557,502	2,243,946
Total	7,656,920	30,727,219	8,640,880	34,779,542

* Others consist mainly of accruals for agency incentives, international conference expense, and professional fees, which include audit fees amounting to US\$ 45,695 or KHR'000 183,284 (2024: US\$ 48,716 or KHR'000 196,083).

26. RISK MANAGEMENT FRAMEWORK

26.1 Governance framework

The primary objective of the Company's risk and financial management framework is to protect the Company's shareholders from events that hinder the sustainable achievement of financial performance objectives.

The Company recognizes the importance of having efficient and effective risk management systems in place. The Company follows the risk management policies, practices and guidelines of the parent company. Significant risks and policies are approved, monitored and supervised by the parent company.

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26. RISK MANAGEMENT FRAMEWORK (continued)

26.2 Risk management objectives, policies and processes for management of insurance risk

The primary insurance activity carried out by the Company is the assumption of risk of loss from persons who are directly subject to the risk. Such risks may relate to life, accident, health, financial or other perils that may arise from an insurable event. As such the Company is exposed to the uncertainty surrounding the timing and severity of claims under the contract. The Company also has exposure to market risk through its insurance and investment activities.

The Company manages its insurance risk through underwriting limits, underwriting guidelines and authority limits, approval procedures for new products or those exceed set limits, risk diversification, pricing guidelines, reinsurance, approval procedures for reinsurance and monitoring of emerging issues.

The Company uses several methods to assess and monitor insurance risk exposures both for individual types of risks insured and overall risks. These methods include monitoring total risks on each life, monitoring volume and breakdown of business by various factors, sensitivity analyses, scenario analyses and stress testing for significant and relevant exposures.

The theory of probability is applied to the pricing and provisioning for a portfolio of insurance contracts. The principal risk is that the frequency of claims is greater than expected. Insurance events are, by their nature, random, and the actual number of events during any one year may vary from those estimated using established statistical techniques.

26.3 Capital management and regulatory framework

The primary capital management objectives of the Company are to maintain a strong capital base to support the development of its business and to comply with regulatory capital requirements at all times. The Company recognizes the impact on shareholders' returns of the level of equity capital employed and seek to maintain a prudent balance.

The IRC mandates the solvency margin and capital requirements. On 14 December 2022, the IRC issued Prakas No. 061 on Solvency Margin which introduced the new methodology to calculate the solvency requirement based on the Net Mathematical Reserve ("NMR") and the Net Sum at Risk ("NSAR"). The minimum solvency margin is 120% which is calculated as the ratio of net assets over the required solvency as defined by IRC. In addition, it has also specified the required capital allocation for insurance companies.

The solvency requirement is the sum of 4% of NMR and 0.3% of NSAR, subject to the minimum required solvency amount of 50% of the minimum capital of US\$ 7.0 million or US\$ 3.5 million.

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26. RISK MANAGEMENT FRAMEWORK (continued)

26.3 Capital management and regulatory framework (continued)

The table below summarizes the solvency margin of the Company.

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Solvency requirement				
NMR (4% of NMR)	6,787,563	27,238,490	5,696,497	22,928,400
NSAR (0.3% of NSAR)	3,771,666	15,135,696	4,021,998	16,188,542
Total (a)	10,559,229	42,374,186	9,718,495	39,116,942
Minimum solvency capital (b)	3,500,000	14,045,500	3,500,000	14,087,500
Net assets	18,488,008	74,192,376	18,979,728	76,393,405
Required solvency (a or b whichever is higher)	10,559,229	42,374,186	9,718,495	39,116,942
Solvency margin	175%		195%	

On the capital allocation, the Prakas requires 10% of the minimum capital to be deposited in the IRC's account with the NBC, 50% with local commercial banks but maximum of 30% for each bank and the remaining 40% in cash or immovable properties used as property and equipment subject to approval by the IRC.

26.4 Underwriting strategy

The Company's underwriting strategy seeks diversity to ensure a balanced mix of business portfolio and is based on a large portfolio of similar risks over a number of years and, as such, reduces the variability of the outcome.

26.5 Reinsurance strategy

The Company reinsures a portion of the insurance risks it underwrites to control its exposure to losses and protect its capital, through treaty reinsurance arrangements. These reinsurance agreements transfer part of the risk and limit the exposure from each insured lives. The amount of each risk retained depends on the Company's evaluation of the specific risk, subject in certain circumstances, to maximum limits based on characteristics of coverage. Under the terms of the reinsurance agreements, the reinsurer agrees to reimburse the ceded amount in the event the claim is paid. However, the Company remains liable to its policyholders with respect to ceded insurance if any reinsurer fails to meet the obligations it assumes.

27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS

The Company issues contracts that transfer insurance risk or financial risk or both. The following gives details of the Company's main products and the ways in which it manages the associated risks.

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.1 Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the use of reinsurance arrangements.

27.1.1 Manulife contracts - traditional products

Product features - The basic feature of long-term traditional insurance business is to provide guaranteed death benefit determined at the time of policy issue. For insurance products with a savings element, guaranteed periodic coupons, surrender and maturity benefits are usually provided.

Traditional products which include discretionary participating features provide non-guaranteed dividends, declared by the Company annually to policyholders. In determining the annual dividends, the Company takes into consideration the performance of the block of participating business, the market condition, and policyholders' reasonable expectations. The dividends are payable to the policyholder at the policy anniversary date, and can be left on deposit with the Company to accumulate with interest. The interest rates are reviewed regularly and not guaranteed.

The main risks that the Company is exposed to are as follows:

- ▶ Mortality risk - risk of loss arising due to policyholder death experience being different than expected
- ▶ Morbidity risk - risk of loss arising due to policyholder health experience being different than expected
- ▶ Longevity risk - risk of loss arising due to the annuitant living longer than expected
- ▶ Investment return risk - risk of loss arising from actual returns being different than expected
- ▶ Expense risk - risk of loss arising from expense experience being different than expected
- ▶ Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected

These risks do not vary significantly in relation to the location with Cambodia of the risk insured by the Company, type of risk insured or by industry.

Mortality risks are managed through proper underwriting. For contracts for which death or disability is the insured risk, the significant factors that could increase the overall frequency of claims are epidemics, widespread changes in lifestyle and natural disasters, resulting in earlier or more claims than expected. Insurance functions on the basis on the law of large numbers. If the portfolio is small, higher variability in claims from period to period would be expected.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. This is largely achieved through the use of medical screening in order to ensure that pricing takes account of current health conditions and family medical history, regular review of actual claims experience and product pricing, as well as detailed claims' handling procedures. Underwriting limits are in place to enforce appropriate risk selection criteria.

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.1 Insurance risk (continued)

27.1.1 Manulife contracts - traditional products (continued)

The Company has completed contractual discretion on the bonuses declared. In practice the Company considers policyholders' reasonable expectations when setting bonus levels. It is the intention of the Company to maintain a smooth dividend scale based on the long-term rate of return. Annual reviews are performed to confirm whether the current dividend scale is supportable taking into account the overall experience on investments, claims, operating expenses, lapses and other experience factors.

Investment risks are managed through matching assets and liabilities. Investment strategies are set based on the intention of providing sufficient investment return to satisfy policyholders' reasonable expectations.

27.1.2 Assumptions and changes in assumptions

Process used to determine assumptions

The process used to determine the assumptions is intended to result in stable and prudent estimates of future outcome. This is achieved by adopting relatively conservative assumptions which can withstand a reasonable range of fluctuation of actual experience. Annual review of the relevant experience is performed to ensure margin exists between the assumptions adopted and the most likely estimates of future outcome. The assumptions that are considered include the probability of claims and investment returns.

For traditional life product, the policy reserve is generally calculated on a Gross Premium reserve basis (GPV). The policy reserve is calculated as the difference between the present value of future benefit and expense and present value of future expected premium up to the statement of financial position date. Negative provisions at total company portfolio level is not allowed.

Assumptions

The principal assumptions underlying the calculation of the long-term business provision are:

(i) Mortality and morbidity rates

The mortality rates have been determined using available statistics for Cambodia such as the life expectancy to make adjustments to the Philippines's industry mortality table to derive a suitable mortality table for Cambodia. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences.

Assumptions are differentiated by sex, underwriting class and contract type.

An increase in rates will lead to an assumption of larger number of claims (and claims could occur sooner than anticipated), which will increase the expenditure and reduce profits for the shareholders.

(ii) Discount rate

Manulife liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Company's own risk exposure.

A decrease in the discount rate will increase the value of the insurance liability and therefore reduce profits for the shareholders.

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.1 Insurance risk (continued)

27.1.2 Assumptions and changes in assumptions (continued)

(iii) Expense rate

Expense assumptions are determined based on the latest Expense Study, which analysed actual experience and unit cost drivers. The assumption setting is based on the company future target expenses when the company scale up the business.

(iv) Lapse rate

Lapse assumptions are determined based on the latest Lapse Study, reflecting the lapse experience by differentiating the different lapse assumption on product and channel level.

27.2 Financial risks

Transactions in financial instruments may result in the Company assuming financial risks. These include market risk, credit risk and liquidity risk. Each of these financial risks is described below, together with a summary of the ways in which the Company manages these risks.

27.2.1 Market risks

Market risk can be described as the risk of change in fair value of a financial instrument due to changes in interest rates, equity prices and foreign currency exchange rates.

(i) Interest rate risk

The Company's exposure to market risk for changes in interest rate is concentrated in its investment portfolio. The Company monitors this exposure through periodic reviews of its asset and liability positions. Estimates of cash flows, as well as the impact of interest rate fluctuations relating to the investment portfolio and insurance reserves, are modelled and reviewed regularly. The overall objective of the investment strategy is to limit the net changes in the value of assets and liabilities arising from interest rate movements.

(ii) Foreign currency risk

Foreign currency risk is the risk of loss resulting from changes in currency exchange rates in currencies other than the functional currency. Fluctuations in exchange rates between US\$, the functional currency and other currencies in which the Company conducts business may affect its financial condition and results of operations. The current risk facing the Company mainly comes from movements in the US\$/KHR exchange rates. The Company seeks to limit its exposure to currency risk by minimising its net foreign currency position.

Majority of the Company's financial assets are denominated in US\$, the functional currency, which mitigates the foreign currency risk. The remaining assets are denominated in KHR.

(iii) Fair value of financial instruments

Cash and cash equivalents, insurance receivables, other assets, insurance payables, and trade and other liabilities.

The carrying amounts approximate their fair values due to the relatively short-term maturities of these financial instruments.

Amounts due from and due to related parties

Carrying amounts of due from and due to related parties approximate their fair values since these are payable on demand.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.1 Market risks (continued)

(iii) Fair value of financial instruments (continued)

Fair value disclosure under the Amendments to CIFRS 4

As at 31 December 2025, the Company assessed the fair value of financial assets as follows:

- Assets for which their contractual cash flows represent solely payments of principal and interest (SPPI), excluding any financial assets that are held for trading or that are managed and whose performance is evaluated on a fair value basis; and
- All financial assets other than those specified in SPPI above (i.e. those for which contractual cash flows do not represent SPPI, assets that are held for trading and assets that are managed and whose performance is evaluated on a fair value basis)

Financial assets of the Company consist of cash and cash equivalents, placements with banks, held-to-maturity investments, insurance receivables, accrued interest receivable, and rental deposits. The contractual cash flows of these financial assets represent solely payments of principal and interest, and their carrying amount has been used as a reasonable approximation to fair value except for held-to-maturity investments with carrying amount of US\$ 47,893,095 or KHR'000 192,194,990 as at 31 December 2025 (31 December 2024: US\$ 21,701,894 or KHR'000 87,350,123), and fair value of US\$ 48,579,994 or KHR'000 194,951,515 (31 December 2024: US\$ 22,368,624 or KHR'000 90,033,712).

The Company's portfolio of fixed maturity investments (including its deposit arrangement with commercial banks) is subject to credit risk. This risk is defined as the potential loss in market value resulting from adverse changes in borrowers or counterparties' ability to repay the debts. The Company's objective is to earn competitive relative returns by investing in a diversified portfolio of investments. Credit risk of each investment, including deposits with commercial banks, are considered and analysed. Limits are established to manage credit quality and concentration risk.

27.2.2 Credit risk

The Company has insurance and reinsurance receivables and other receivable amounts subject to credit risk. To mitigate the risk of the counterparties not paying the amount due, the Company has established certain business and financial guidelines for reinsurer approval, incorporating ratings by major agencies and considering currently available market information. The Company also periodically reviews the financial stability of reinsurers from public and other sources and the settlement trend of amounts due from reinsurers.

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NOTES TO THE FINANCIAL STATEMENTS (continued)
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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.2 Credit risk (continued)

Details on credit quality by class of assets for all financial assets exposed to credit risk are as follows:

	<i>Current</i>	<i>Past-due but not individually impaired</i>	<i>Individually impaired</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2025				
Financial assets				
Insurance receivables	2,740,460	-	-	2,740,460
Reinsurance assets	577,642	-	-	577,642
Other assets	6,337,973	-	-	6,337,973
Held-to-Maturity investments	47,893,095	-	-	47,893,095
Placements with banks	140,100,000	-	-	140,100,000
Cash in banks	5,563,838	-	-	5,563,838
Total	203,213,008	-	-	203,213,008
KHR'000 (Note 2.3)	815,493,801	-	-	815,493,801
2024				
Financial assets				
Insurance receivables	2,546,050	-	-	2,546,050
Reinsurance assets	480,823	-	-	480,823
Other assets	6,978,294	-	-	6,978,294
Held-to-Maturity investments	21,701,894	-	-	21,701,894
Placements with banks	127,998,137	-	-	127,998,137
Cash in banks	12,330,241	-	-	12,330,241
Total	172,035,439	-	-	172,035,439
KHR'000 (Note 2.3)	692,442,642	-	-	692,442,642

Current: Financial assets with interest or principal payments not yet past due and there is no evidence of impairment.

Past due but not individually impaired: Financial assets with past due interest and principal payments but the Company believes are not impaired. The Company has confidence in the customer's credit worthiness and other credit enhancements.

Individually impaired: Financial assets for which the Company considers that interest and principal are not able to be recovered under the terms of the contracts.

Credit risk disclosure under the Amendments to CIFRS 4

Financial assets that passed the SPPI test have low credit risk as of statement of financial position date.

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Company has to meet daily calls on its cash resources notably from claims arising on its insurance contracts and early surrender of policies for surrender value. There is therefore a risk that cash will not be available to settle liabilities when due at a reasonable cost. The Company manages this risk by monitoring and setting an appropriate level of operating funds to settle these liabilities. Investment portfolios are also structured with regard to the liquidity requirement of each underlying fund, and early surrender penalties and market adjustment clauses are used to defray costs of unexpected cash requirements.

Contractual maturity

In respect of the income-earning financial assets, the contractual maturity profile is as follows:

	<i>Up to one year</i>	<i>1-3 years</i>	<i>3-5 years</i>	<i>5-15 years</i>	<i>Over 15 years</i>	<i>No maturity date</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2025							
Financial assets							
Insurance receivables	2,740,460	-	-	-	-	-	2,740,460
Reinsurance assets	27,098	2,845	23,343	483,125	41,231	-	577,642
Other assets	10,684,834	7,711,456	3,680,639	6,227,321	-	1,700	28,305,950
Held-to-maturity investments	2,994,173	9,413,265	8,859,337	26,690,099	-	-	47,956,874
Placements with banks	99,300,000	37,900,000	2,900,000	-	-	-	140,100,000
Cash in banks	5,563,838	-	-	-	-	-	5,563,838
Total	121,310,403	55,027,566	15,463,319	33,400,545	41,231	1,700	225,244,764
KHR'000 (Note 2.3)	486,818,647	220,825,622	62,054,299	134,036,387	165,460	6,822	903,907,237

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.3 Liquidity risk (continued)

Contractual maturity (continued)

	<i>Up to one year</i>	<i>1-3 years</i>	<i>3-5 years</i>	<i>5-15 years</i>	<i>Over 15 years</i>	<i>No maturity date</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2024							
Financial assets							
Insurance receivables	2,546,050	-	-	-	-	-	2,546,050
Reinsurance assets	(992)	(1,106)	13,938	408,995	58,076	1,912	480,823
Other assets	8,485,801	8,574,860	2,104,593	1,764,763	-	1,672	20,931,689
Held-to-maturity investment	2,154,444	5,055,732	5,267,515	9,224,203	-	-	21,701,894
Placements with banks	90,498,137	33,600,000	3,900,000	-	-	-	127,998,137
Cash in banks	12,330,241	-	-	-	-	-	12,330,241
Total	116,013,681	47,229,486	11,286,046	11,397,961	58,076	3,584	185,988,834
KHR'000 (Note 2.3)	466,955,066	190,098,681	45,426,335	45,876,793	233,756	14,425	748,605,056

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.3 *Liquidity risk* (continued)

Contractual maturity (continued)

The following table presents the contractual maturities of the Company's non-derivative and derivative financial liabilities (on an undiscounted basis) and estimated timing of cash flows arising from liabilities under insurance contracts (on a discounted basis):

	<i>Up to one year</i>	<i>1-3 years</i>	<i>3-5 years</i>	<i>5-15 years</i>	<i>Over 15 years</i>	<i>No maturity date</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2025							
Financial liabilities							
Insurance contract liabilities	5,252,849	20,082,083	31,047,267	111,105,309	1,953,220	9,759,720	179,200,448
Insurance payables	8,183,741	-	-	-	-	-	8,183,741
Lease liabilities	854,546	1,397,194	1,113,221	-	-	-	3,364,961
Trade and other liabilities	4,556,632	-	-	-	-	-	4,556,632
Total	18,847,768	21,479,277	32,160,488	111,105,309	1,953,220	9,759,720	195,305,782
KHR'000 (Note 2.3)	75,636,093	86,196,339	129,060,038	445,865,605	7,838,272	39,165,756	783,762,103

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27. MANAGEMENT OF INSURANCE AND FINANCIAL RISKS (continued)

27.2 Financial risks (continued)

27.2.3 Liquidity risk (continued)

Contractual maturity (continued)

	<i>Up to one year</i>	<i>1-3 years</i>	<i>3-5 years</i>	<i>5-15 years</i>	<i>Over 15 years</i>	<i>No maturity date</i>	<i>Total</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
2024							
Financial liabilities							
Insurance contract liabilities	5,983,629	12,715,307	20,289,802	101,835,567	1,959,962	5,234,154	148,018,421
Insurance payables	6,578,176	-	-	-	-	-	6,578,176
Lease liabilities	807,517	1,462,987	1,368,132	570,055	-	-	4,208,691
Trade and other liabilities	4,833,414	-	-	-	-	-	4,833,414
Total	18,202,736	14,178,294	21,657,934	102,405,622	1,959,962	5,234,154	163,638,702
KHR'000 (Note 2.3)	73,266,012	57,067,633	87,173,184	412,182,629	7,888,847	21,067,470	658,645,775

Expected utilization or settlement of assets and liabilities

There is no significant difference between the expected utilization or settlement of assets and liabilities and the contractual maturity as disclosed above.

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28. CONTINGENCIES

Legal

The Company which operates in the insurance industry is subject to legal proceeding in the normal course of business. While it is not practicable to forecast or determine the final results of all pending or threatened legal proceedings, management does not believe that such proceedings (including litigations) will have a material effect on its results and financial position.

Taxation

The taxation system in Cambodia has undergone numerous changes and there are certain types of taxes that are either unclear and/or with different interpretations among the tax authorities. Many tax authorities are empowered by the law to review and investigate tax payments including penalties and interest charges.

Management believes that the Company has sufficiently interpreted tax laws within their context; nevertheless, relevant authorities may interpret differently and there may be significant impact on the Company.

29. RESTRICTED SHARE UNITS BASED COMPENSATION

The Company provides Restricted Share Units ("RSUs") based compensation to all executives (Assistant Vice-President and above) and in exceptional cases, Directors, which are equal to the fair value of Manulife Financial Corporation's common shares and paid out in cash once they have vested.

The fair value of the RSU is US\$ 36.36 per unit (2024: US\$ 30.71 per unit). Each RSU entitles the recipient to receive payment equal to the market value of one common share, plus credited dividends, at the time of vesting, subject to any performance conditions.

RSUs granted in March 2025 will vest in 36 months from the grant date (March 2028), and the related compensation expense is recognized over this period, except where the employee is eligible to retire prior to a vesting date, in which case the cost is recognized over the period between the grant date and the date on which the employee is eligible to retire.

Compensation expense related to RSUs during the year amounted to US\$ 393,526 (2024: US\$ 252,529).

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30. RELATED PARTY DISCLOSURES

Significant related party transactions and outstanding balances arising from those transactions are as follows:

Related party	Transaction/ account balance	Net transaction amount				Net outstanding balance			
		2025		2024		2025		2024	
		US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000
			(Note 2.3)		(Note 2.3)		(Note 2.3)		(Note 2.3)
Manulife Financial Singapore Pte. Ltd (holding company)	Operating expenses on behalf of the Company	648,175	2,599,830	-	-	648,175	2,601,126	-	-
Manulife Financial Asia Ltd (affiliate)	Settlement of operating expenses on behalf of the Company	(931,362)	(3,735,693)	(5,564,181)	(22,651,781)	9,225	37,020	940,587	3,785,863
Manufacturer Life Insurance Company (affiliate)	Restricted share units and other compensation on behalf of the Company	282,935	1,134,852	219,267	892,636	802,330	3,219,750	519,395	2,090,565
Manulife IT Delivery Center Asia, Inc. (affiliate)	Charges (settlements) for IT related service fee	457	1,833	(22,258)	(90,612)	457	1,834	-	-
Manulife General Account Investments (HK) Limited	Charges (settlements) for investment advisory services	(13,036)	(52,287)	16,940	68,963	16,804	67,434	29,840	120,106
Manulife Data Service Inc.	Charges (settlements) for technical service fees	22,845	91,631	(6,876)	(27,992)	31,054	124,620	8,209	33,041
Manulife John Hancock (affiliate)	Payment for personnel costs on behalf of the Company	-	-	42	171	2,913	11,690	2,913	11,725
Manulife Information and Technologies Services (Chengdu) Co. Ltd	Charges for IT related services fee	6,325	25,370	-	-	6,325	25,383	-	-
	Trade and other liabilities (Note 25)					1,517,283	6,088,857	1,500,944	6,041,300
Manulife International Limited (affiliate)	Reinsurance premiums ceded/insurance payables (Note 24)	278,538	1,117,216	224,502	913,948	651,870	2,615,954	373,332	1,502,661

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30. RELATED PARTY DISCLOSURES (continued)

Key management personnel of the Company include all directors, executive and non-executive, with a summary of their compensation as follows:

	2025		2024	
	US\$	KHR'000 (Note 2.3)	US\$	KHR'000 (Note 2.3)
Salaries and bonus	516,125	2,070,177	491,828	2,002,232
Other remuneration including fees	105,721	424,047	108,166	440,344
RSU-based compensation	154,023	617,786	146,678	597,126
	775,869	3,112,010	746,672	3,039,702

31. MATURITY PROFILE OF ASSETS AND LIABILITIES

	2025			
	Within 1 year	Beyond 1 year	Total	
	US\$	US\$	US\$	KHR'000 (Note 2.3)
Financial assets				
Insurance receivables	2,740,460	-	2,740,460	10,997,466
Reinsurance assets	27,098	550,544	577,642	2,318,077
Other assets	5,433,841	904,132	6,337,973	25,434,286
Held-to-maturity investments	2,994,173	44,898,922	47,893,095	192,194,990
Placements with banks	99,300,000	40,800,000	140,100,000	562,221,300
Cash and cash equivalents	5,564,835	-	5,564,835	22,331,683
	116,060,407	87,153,598	203,214,005	815,497,802
Non-financial assets				
Property and equipment	-	3,342,987	3,342,987	13,415,407
Intangible assets	-	7,808,247	7,808,247	31,334,495
Right-of-use assets	-	7,296,869	7,296,869	29,282,335
Statutory deposit	-	700,000	700,000	2,809,100
Reinsurance assets	79,117	-	79,117	317,496
Other assets	7,556,043	-	7,556,043	30,322,401
	7,635,160	19,148,103	26,783,263	107,481,234
	123,695,567	106,301,701	229,997,268	922,979,036
Less: Accumulated depreciation and amortization			9,056,380	36,343,253
Total Assets			220,940,888	886,635,783
Financial liabilities				
Insurance contract liabilities	5,252,849	173,947,599	179,200,448	719,131,398
Insurance payables	8,183,741	-	8,183,741	32,841,353
Trade and other liabilities	5,246,136	2,410,784	7,656,920	30,727,219
	18,682,726	176,358,383	195,041,109	782,699,970
Non-financial liabilities				
Taxes payable	267,346	-	267,346	1,072,859
Insurance contract liabilities	256,595	-	256,595	1,029,716
	523,941	-	523,941	2,102,575
Total Liabilities	19,206,667	176,358,383	195,565,050	784,802,545

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31. MATURITY PROFILE OF ASSETS AND LIABILITIES (continued)

	2024			
	<i>Within 1 year</i>	<i>Beyond 1 year</i>	<i>Total</i>	
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>KHR'000</i> <i>(Note 2.3)</i>
Financial assets				
Insurance receivables	2,546,050	-	2,546,050	10,247,851
Reinsurance asset	(992)	481,815	480,823	1,935,314
Other assets	4,121,245	2,857,049	6,978,294	28,087,633
Held-to-maturity investments	2,154,444	19,547,450	21,701,894	87,350,123
Placements with banks	90,498,137	37,500,000	127,998,137	515,192,501
Cash and cash equivalents	12,330,241	-	12,330,241	49,629,220
	111,649,125	60,386,314	172,035,439	692,442,642
Non-financial assets				
Property and equipment	-	6,604,751	6,604,751	26,584,123
Intangible assets	-	7,315,305	7,315,305	29,444,103
Right-of-use assets	-	7,671,854	7,671,854	30,879,212
Statutory deposit	-	700,000	700,000	2,817,500
Reinsurance assets	108,994	-	108,994	438,701
Other assets	5,744,175	-	5,744,175	23,120,304
	5,853,169	22,291,910	28,145,079	113,283,943
	117,502,294	82,678,224	200,180,518	805,726,585
Less: Accumulated depreciation and amortization			10,957,228	44,102,843
Total Assets			189,223,290	761,623,742
Financial liabilities				
Insurance contract liabilities	5,983,629	142,034,792	148,018,421	595,774,145
Insurance payables	6,578,176	-	6,578,176	26,477,158
Trade and other liabilities	5,515,314	3,125,566	8,640,880	34,779,542
	18,077,119	145,160,358	163,237,477	657,030,845
Non-financial liabilities				
Taxes payable	231,405	-	231,405	931,404
Insurance contract liabilities	217,987	-	217,987	877,398
	449,392	-	449,392	1,808,802
Total Liabilities	18,526,511	145,160,358	163,686,869	658,839,647

32. EVENTS SINCE THE STATEMENT OF FINANCIAL POSITION DATE

Other than as disclosed elsewhere in these financial statements, there were no other significant events occurred subsequent to 31 December 2025 which would require adjustments or disclosures to be made in the financial statements for the year then ended.

