GC LiFE

ANNUAL REPORT 2025

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For More Information
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1. Business Summary

1.1 Chairman's Message

On behalf of GC Life Insurance Plc. ("the Company" or "GC Life") and the Board of Directors, I am pleased to present the 2025 Annual Report to all Stakeholders.

In 2025, Cambodia's economy has continued to demonstrate resilience despite global uncertainties. The life insurance sector remains an important pillar in supporting financial security for individuals and families, and we are encouraged by the steadfast growth in insurance awareness across the country. Per the Insurance Association of Cambodia, the Cambodian insurance market recorded a compounded annual growth rate of 6.2% for the period from 2021 to 2025, reflecting sustained structural growth in the insurance sector. In 2025, gross premiums reached USD 367 million, and gross claims paid exceeded USD 84 million.

During the year, GC Life undertook a focused and disciplined approach to operational efficiency. Through careful cost management, process optimization, and the adoption of a more streamlined operating model, the company successfully achieved a significant reduction in overall expenses. Most importantly, these efforts were carried out while maintaining the quality of services and commitment to policyholders. This improvement in cost efficiency has enhanced the Company's ability to deliver sustainable long-term value and also reflects GC Life's commitment to developing a lean, resilient, and future-ready organization in an increasingly competitive market.

At the same time, GC Life continued to focus on the core priorities of serving customers by strengthening distribution capabilities and improving operational effectiveness. The company remains committed to prudent risk management and recognizes the responsibility to safeguard the long-term interests of policyholders. As GC Life continues to play its role in supporting the development of Cambodia's insurance industry, the company is committed to responsible business practices and efforts to improve financial literacy and public awareness in insurance.

Looking ahead, we will build on the progress achieved this year by further enhancing efficiency by leveraging technology to improve customer experience. We are confident that our disciplined approach positions us well to navigate future challenges and capture emerging opportunities in this growing market. On behalf of the Board of Directors, I would like to express my sincere appreciation to our management and employees for their dedication during this period of transformation. I also extend our gratitude to our regulator, the Insurance Regulator of Cambodia, business partners, and other stakeholders for their continued support.

Yours sincerely,

LAO CHIO SENG

Chairman of the Board

1.2. Chief Executive Officer's Message

Dear Stakeholders,

It is my pleasure to present the performance of GC Life Insurance Plc. for the 2025 financial year.

2025 marked the beginning of a pivotal transformation for our Company. Operating in an evolving economic environment in Cambodia, we have taken decisive steps to strengthen our business fundamentals and position ourselves for long-term sustainable growth.

A key focus during the year was the execution of a comprehensive cost optimization program. Through streamlining operations, enhancing process efficiency, and leveraging technology, we achieved a significant reduction in operating expenses. These efforts were not merely cost-cutting measures but a strategic initiative to improve productivity, agility, and overall effectiveness across the organization. More importantly, we maintained our service standards and continued to meet our commitments to policyholders.

As a result of these efforts, supported by prudent underwriting practices and disciplined risk management, we have managed to reduce our operating expenses by 42.3%. We recognize the importance of maintaining long-term stability and honoring the trust placed in us by our customers and also continue to invest in our people and organizational capabilities. Building a high-performing and accountable team remains a priority, as we believe our employees are central to delivering sustainable success.

Despite to the current global economic situation, moving forward, we will execute with even greater speed and discipline to deliver the value our customers and stakeholders expect and deserve from GC Life. Cambodia's life insurance market presents significant opportunities, and we are well positioned to capture this potential through a more efficient and focused business model.

I would like to extend my gratitude to our customers for their trust in us to protect their families and future. In addition, I would like to thank our customers, business partners, shareholders, and employees for their continued support and dedication.

Yours sincerely,

LAO CHOI IAN
Chief Executive Officer

1.3 . Financial Information Summary

The life insurance segment remained the primary growth driver, supported by rising middle-class demand and increasing awareness of financial protection and savings products, especially after the pandemic. Growth in this segment was largely volume-driven, with a substantial increase in the number of policies sold, particularly endowment-type products that combine protection and savings features.

Several structural drivers supported the industry's expansion in 2025, including economic recovery following the pandemic, the continued rise of the middle class, and the expansion of bancassurance and distribution channels. Regulatory support also played a role, with the government outlining long-term plans to increase insurance penetration rate by 2030. However, key challenges persist, including overall low public awareness and trust in insurance products, increasing competition leading to pricing pressure, and heavy reliance on a limited range of product types. External economic and geopolitical uncertainties also contributed to a cautious business environment.

As mentioned, the majority of the premium is generated from the bancassurance channel and mostof the banks in Cambodia have already partnered with its preferred insurance companies. However, the Company has been maintaining and exploring different banks or channels to develop our niche market segment where the Company will have opportunities for growth.

a. Business Performance

Currency in USD

	2025	2024	2023
Total Gross Premium	290,448	425,313	210,350
Premium Refunded	(22,990)	(8,009)	(2,737)
Reinsurance Premium	(60,058)	(50,590)	(27,146)
Net Premium	**207,490**	**366,714**	**180,467**
Interest Income	204,291	378,015	439,261
Other Income	25,668	-	-
Total Income	**437,449**	**744,729**	**619,728**

b. Financial Status

Currency in USD

	2025	2024	2023
Total Assets	5,332,997	7,246,436	9,929,622
Total Liabilities	(315,505)	(735,842)	(834,123)
Total Equity	5,017,492	6,510,594	9,095,499

Currency in USD

	2025	2024	2023
Total Income	437,449	744,729	619,728
Total Expenses	(1,918,056)	(3,374,686)	(3,075,961)
Income tax (expense)/benefit	(12,495)	45,052	(9,601)
Total Comprehensive loss for the year	(1,493,102)	(2,584,905)	(2,465,834)

The Company undertook a focused and disciplined approach to operational efficiency in 2025. This resulted in a significant decrease in the comprehensive loss for 2025. While comparing to 2023, the net premium is higher while the comprehensive loss is significantly lower.

c. Important Financial Ratios

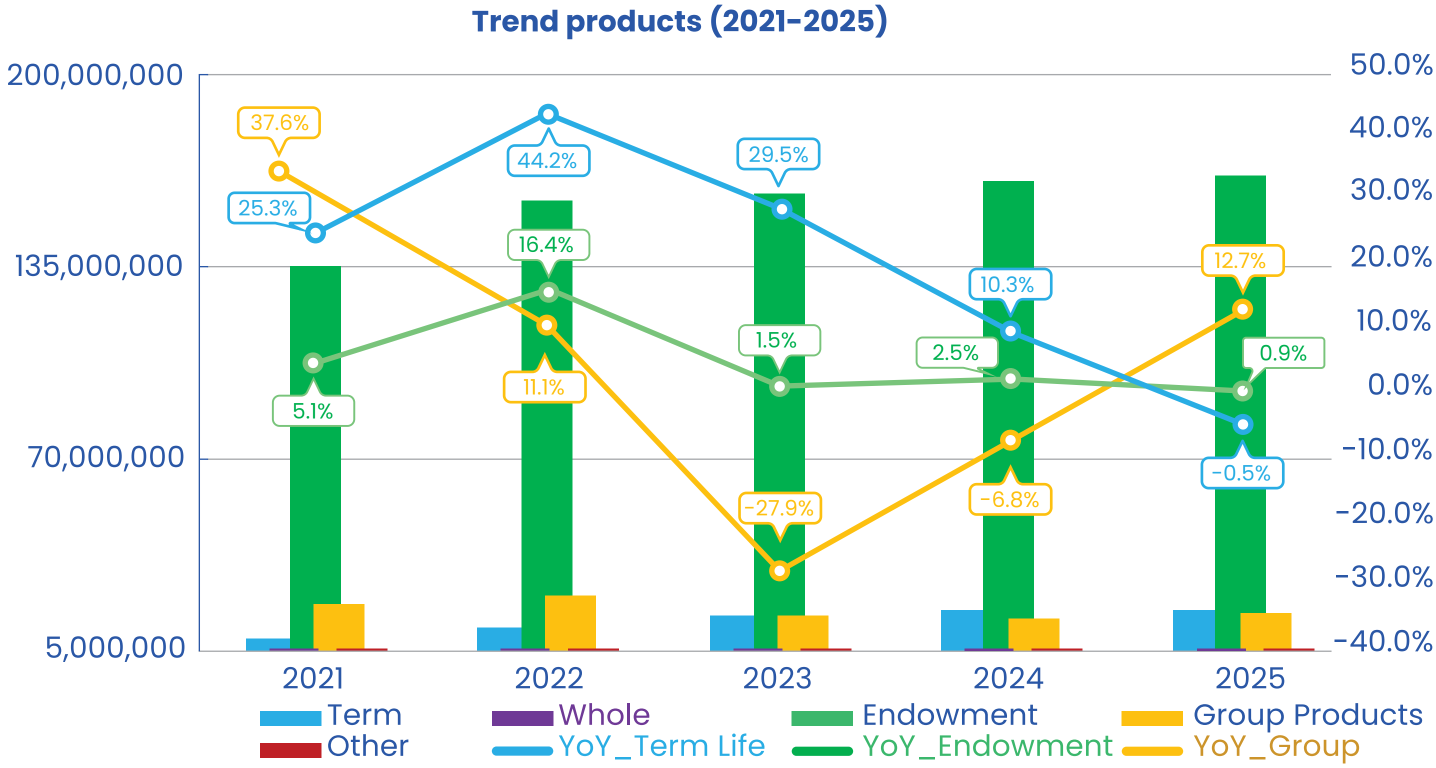
	2025	2024	2023
Solvency Margin (%)	134%	171%	239%
Equity to Total Assets	0.941	0.898	0.916
Leverage ratio	0.063	0.113	0.092
Return on equity (ROE)	-0.295	-0.404	-0.270
Expense Ratio	-5.195	-6.663	-13.989
Persistency Ratio			
Claims Ratio	-0.226	-0.055	-0.066
Liquid Assets/ Technical Reserves	16.500	21.738	57.717
Investment Yield	0.071	0.098	0.067
Operating Cash Flow Ratio	-26.831	-17.924	-13.764

d. Insurance Market Trend Data

Overall, Cambodia's insurance sector in 2025 can be characterized as stable and growing. While the market remains relatively competitive, its low penetration rate and favorable demographic and economic trends position it as a high-growth frontier market. Continued development in product innovation, digital distribution, and financial literacy will be critical in unlocking the next phase of growth, particularly in areas such as health insurance, microinsurance, and SME-related coverage.

Gross written premiums reached approximately USD 367 million, reflecting consistent expansion at a mid-single-digit growth rate over recent years, with stronger momentum observed toward the end of the year. Total industry sum insured rose to around USD 107 billion, while the number of licensed insurers and intermediaries continued to increase, indicating a more competitive market structure.

Per the Insurance Association of Cambodia (IAC) report "Market for Life Insurance Industry for FY 2025" the chart below represents the product trend from 2021 to 2025.



In addition, the IAC also shared the comparison of market performance from 2023 to 2025 as below:

(Source: IAC)

	YOY 25/24	2025	2024	2023
No. of Policy				
Policy of New Business		111,591	134,598	173,031
Renewal Policy	10.7%	318,643	287,813	381,084
Policy in force	1.4%	505,799	498,683	504,045
Sum Assured '000				
Sum Assured for New Business	-39.9%	5,534,046	9,212,517	9,293,116
Sum Assured for Renewal Policy	-10%	11,589,188	12,874,338	23,556,064
Sum Assured for Policy in force	-1.1%	14,693,646	14,850,876	15,185,049
Annual Premium Equivalent				
APE of Single Premium	-37.4%	927,360	1,480,559	1,493,693
APE of Regular Premium	-8.6%	54,830,228	59,977,638	57,906,999
Premium				
Single Premium	-20.6%	9,105,320	11,465,174	12,419,527
Regular Premium	-3.6%	51,850,212	53,763,135	51,275,287
Renewal Premium	6.3%	141,941,337	133,495,523	13,387,863
Total Gross Premium	**1.8%**	**203,764,420**	**200,219,174**	**194,708,252**

2. Business Information

2.1. Company

GC Life is a life insurance company incorporated in the Kingdom of Cambodia in 2017 and obtained its permanent life insurance license from the Insurance Regulator of Cambodia to operate. Since inception, the Company has been headquartered in Phnom Penh and has been on a mission to enrich people's lives by pioneering the development of the most attractive and flexible life insurance products and personalizing every aspect of the customer experience.

Backed by strong shareholders and an experienced management team, the Company has steadily expanded its presence in the market, building a reputation for reliability, professionalism, and diversified offerings. The Company operates in compliance with all regulatory frameworks and applicable laws in the Kingdom of Cambodia ensuring high standards of governance and transparency.

a. Our Logo

GC LiFE

Blue represents ***Trust***
Green represents ***Growth***
Eight figures represent the lucky number eight and refers to ***Enriching***
Figures represent people supporting each other and refers to ***Collaboration***

b. Meaning of Our Logo

A ***trusting*** life insurance company which ***collaborates*** with all stakeholders to ***grow*** for greatness by ***enriching*** everyone's life

c. Mission and Vision

- **Mission**

To help people realize their dreams through innovative financial solutions, leading edge technology and exceptional customer experiences.

- **Vision**

To be the leading insurer in inspiring and enriching people's lives.

d. Core Values

GC Life has developed into an established life insurance company with a very strong corporate culture following the Company's core value. (GC LIFE: Growth, Collaboration, Listening, Innovating, Fulfilling, and Enriching).

e. Business Operations and Product Offering

The Company offers a comprehensive range of life insurance offerings with a total of 32 basic and rider insurance products, including:

- Protection Plans (term life, critical illness, accident coverage)
- Savings Products (return of premium, endowment)
- Retirement and Long-Term Wealth Planning Solutions
- Educational Products with Juvenile Critical Illness Coverage
- Credit Life Products

Through a diversified distribution network including direct sales, agency channels, partnerships, and digital platforms, the Company ensures broad accessibility and customer reach.

f. Business Strategies

To achieve sustainable growth and strengthen its market position, the Company focuses on the following strategic priorities:

Customer-Centric Growth

Enhancing customer experience through tailored products, digital engagement, and efficient service delivery. The Company has committed to a premium service quality claim payment process.

Digital Transformation

Leveraging technology to streamline operations, improve underwriting, and expand online distribution channels. Since inception, the Company developed a customized in-house electronic insurance application process and core insurance system.

Product Innovation

Developing competitive and flexible insurance solutions aligned with market needs. The Company offers a wide range of comprehensive products with the majority developed within the core insurance system to support electronic insurance application processes and other customer requirements.

Financial Discipline and Risk Management

Maintaining prudent investment strategies and robust risk management frameworks. The Company has been granted the Gold Tax Certificate and Certificate for Proper Accounting Record by the General Department of Taxation. The Company is committed to complying with all laws and regulations from relevant authorities.

Talent Development

Investing in people through training, leadership development, and performance-driven culture. The majority of employees within the Company has over two years of seniority. The Company has provided a platform for any talents to be discovered, cultivated and accelerated.

2.2 . Insurance Product

GC Life continued to maintain a diversified insurance portfolio during 2025, covering both long-term and short-term insurance business segments. The Company provides a range of insurance solutions designed to support customers' savings, protection, healthcare, and employee benefit needs.

In-Force Portfolio Summary

Segment	Number of Policies / Lives	ANP (USD)	Sum Insured (USD)
Long-Term Business	1,190	140,557	12,447,995
Short-Term Business	8,568	173,105	56,441,011
Total	9,758	313,662	68,889,006

The short-term segment continued to contribute to the majority of the total sum insured during the year, mainly driven by the growth of group insurance and employer-sponsored insurance solutions.

New Business Summary

Segment	Number of Policies / Lives	ANP (USD)	Sum Insured (USD)
Long-Term New Business	682	66,172	6,929,546
Short-Term New Business	9,559	209,911	69,005,640
Total	10,241	276,083	75,935,186

New business production during 2025 continued to be supported primarily by endowment products and the group insurance business.

a. Product Categories

Endowment Products

Endowment products remained the core component of the Company's long-term portfolio during 2025. These products combine protection and savings features and continue to support customers' long-term financial planning and wealth accumulation needs. GC Enrich Life remained the Company's leading long-term product by annualized premium and sum insured.

Key Long-Term Products

Product	Product Type	ANP (USD)	Sum Insured (USD)
GC Enrich Life	Endowment	88,786	2,822,000
Good Future	Endowment	7,552	66,000
GC PureProtect	Term Life	3,616	366,500
GC MultiProtect	Term Life	7,644	297,000

Protection and Group Insurance Products

The Company continued to offer various protection-oriented and group insurance products designed to provide affordable coverage against death, disability, accidental events, and healthcare-related risks.

Group insurance products continued to demonstrate strong growth during 2025, particularly within employer-sponsored insurance schemes. The growth was mainly supported by increasing demand for employee benefit programs and healthcare-related protection.

Key Short-Term Products

Product	Product Type	ANP (USD)	Sum Insured (USD)
Life Shield Group Insurance	Group Term Life	65,284	19,120,000
GC Group Care	Group Term Life	42,226	20,917,000
Group Medicash Rider	Health Rider	24,744	5,095,000
Accidental Injury Medical Insurance Group Rider	Health Rider	14,405	2,689,921

Health and medical riders continued to gain importance within the Company's portfolio, reflecting growing healthcare awareness and rising medical protection in Cambodia.

b. Cambodia Insurance Market Trend

During 2025, the Company observed continued growth in short-term and group insurance business, while the long-term portfolio experienced elevated lapse activity among certain early-duration endowment products.

Cambodia's insurance industry continued to demonstrate positive long-term growth potential, supported by:

- increasing insurance awareness;
- rising healthcare protection needs;
- expansion of corporate insurance solutions;
- growing financial literacy; and
- ongoing regulatory and market development.

Despite a relatively low insurance penetration rate compared with regional markets, Cambodia continues to present significant growth opportunities for life insurance and healthcare-related products.

c. Future Outlook

Looking ahead, GC Life will continue focusing on strengthening distribution capabilities, expanding protection-oriented products, and enhancing customer service standards to support sustainable business growth. The Company also aims to further develop group insurance solutions, healthcare-related products, partnership distribution channels, and customer-focused protection products.

GC Life remains committed to supporting the evolving financial protection and healthcare needs of Cambodian customers while continuing to strengthen its operational capabilities and long-term business sustainability.

2.3. Partnership and Distribution Channel

During the year, the Company did not maintain any bancassurance or strategic distribution partnerships with banks, financial institutions, or corporate entities for the distribution of insurance products. The Company distributed its insurance products through its internal sales channels and through licensed agents in accordance with the applicable regulations under the Insurance Regulator of Cambodia.

Premium Income by Distribution Channel

Distribution Channel	Gross Premium	No. of Policies	% of Total Gross Premium
Individual Agent	$ 185,199.43	412	63.76%
Direct Sales	$ 105,248.50	125	36.24%
Total	$ 290,447.93	537	100.00%

2.4. Customers

a. Customer-Centric Approach

GC Life places customers at the core of its operations and is committed to delivering high-quality, transparent, and accessible financial solutions by understanding evolving customer needs and continuously enhancing our service standards to develop long-term relationships. The Company continues to strengthen its customer service capabilities and protection measures by leveraging technology, enhancing team training, and reinforcing governance frameworks to deliver a superior customer experience.

b.Customer Service Strategy

The Company's customer service strategy is built upon the following key pillars:

- **Service Excellence**

GC Life is dedicated to providing efficient, responsive, and professional services across all customer touchpoints. Service teams are trained regularly to ensure consistent service quality and adherence to internal service standards. The Company has not only relied on salespersons to support customers, but also internal customer service teams maintain customer relationships. Since inception, GC Life has conducted a welcome call to all new customers to ensure they are aware of the insurance plan selected and specific terms and conditions of the policy purchased. In addition, the Company makes annual birthday calls to all customers to further enhance customer experience.

- **Multi-Channel Accessibility**

Customers are able to access services through multiple channels, including physically at the office, customer service hotlines, digital platforms, and authorized intermediaries, ensuring convenience and timely support. Customers can also query their policies anytime through those channels, and the Company will also send text messages to share notifications and/or reminders to all customers.

- **Prompt Service**

GC Life has implemented an efficient underwriting and claim process. The majority of insurance policy applications will be underwritten in less than an hour for standard applications. Meanwhile, claims on average are generally handled within a working day after all documents are received. After a claim decision is made, claim payments are completed within three working days.

c. Customer Protection Framework

The Company is committed to safeguarding customer interests through a robust customer protection framework:

- **Transparency and Disclosure**

GC Life ensures that all product information, terms, and conditions are clearly communicated to customers to enable informed decision-making. This assurance is completed through a welcome call after policy issuance. In addition, all the terms and conditions of the insurance policies and product information are publicly available on the Company's website.

Data Privacy and Confidentiality

GC Life maintains strict data protection policies and procedures to safeguard customer information against unauthorized access. All customer information shared internally or externally is encrypted prior to sharing. Data protection practices are subject to regular review by management to ensure alignment with regulatory requirements and industry best practices and also apply to all service providers.

Complaint Handling Mechanism

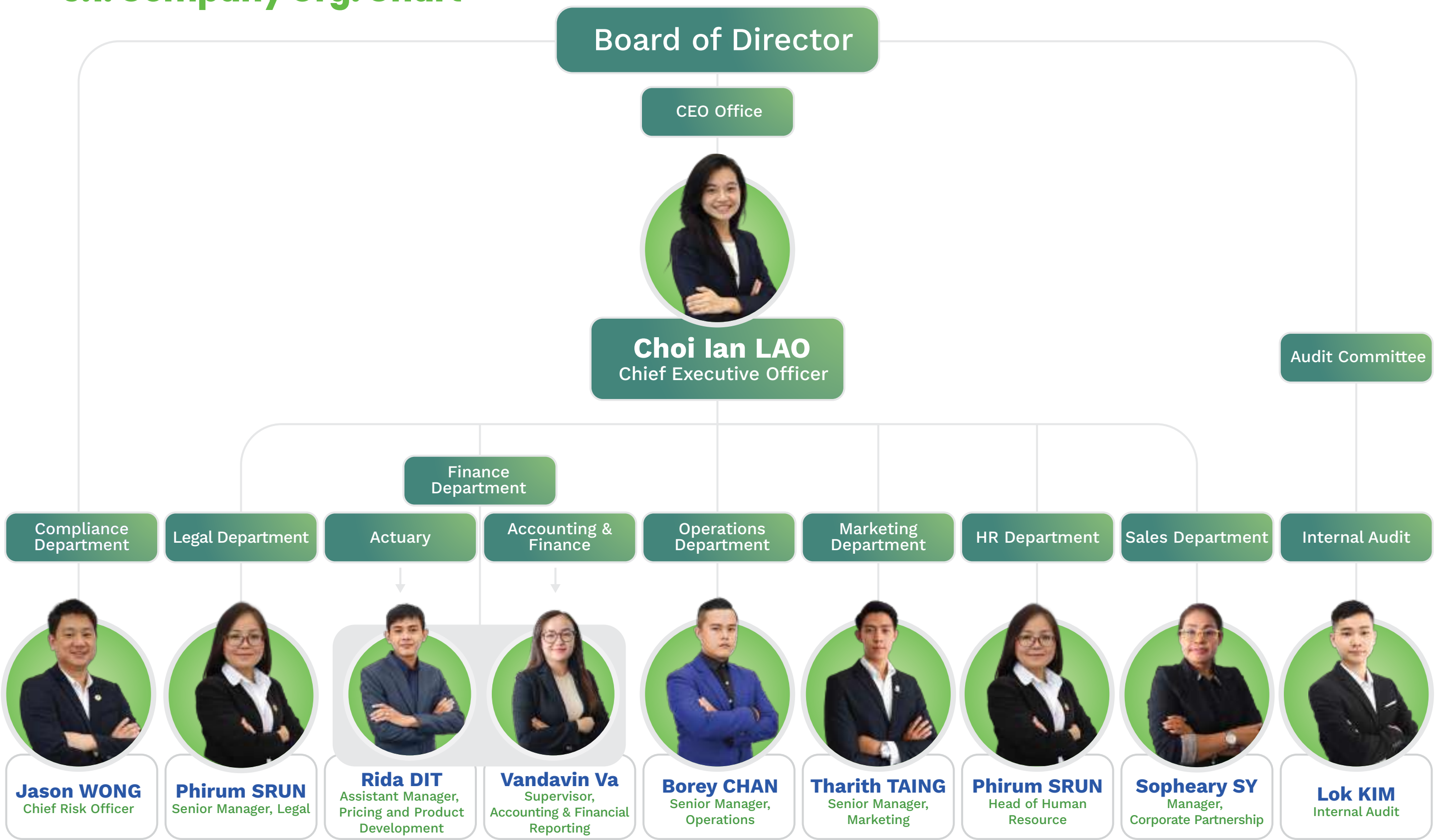
A formal complaint handling process is in place to ensure that customer concerns are addressed promptly, fairly, and effectively. All complaints are recorded, monitored, and resolved within defined service timelines and in compliance with regulation. As of 31 December 2025, the Company is not aware of any complaints from customers.

d. Customer Satisfaction and Engagement

The Company regularly monitors customer satisfaction levels through key performance indicators and feedback mechanisms. GC Life remains committed to enhancing customer engagement through proactive communication, education initiatives, and service innovation. The Company regularly calls customers to ensure the proper services are in place and reviews for improvements.

3. Corporate Governance

3.1. Company Org. Chart



3.1.1. Board of Directors

The Board of Directors are appointed by the Shareholders for three-year periods and consists of six members as of 31 December 2025. The Board of Directors duties include but is not limited to the following:

- Maintain professionalism throughout the Directorship Term;
- Attend the quarterly meeting of the Board of Directors;
- Preview and scrutinize the information provided to the Board of Directors;
- Evaluate the strategic plan proposed by management;
- If requested by the majority shareholders, ensure that he/she is available for consultation and direct communication;

The Board of Directors assumes responsibility for corporate governance and for promoting the success of the Company by directing and supervising its business operations. It ensures that the necessary human resources are in place, establishing with management the strategies and financial objectives to be implemented by management.

The Board of Directors established two committees, which are the Audit Committee and the Investment Committee. The committees will not exercise any of the powers of the Board of Directors, except insofar as the Board of Directors may formally delegate such powers, but they may make recommendations to the Board of Directors for their collective action. All Board of Director Committees are chaired by Independent Directors.

MR. LAO CHIO SENG – Chairman

A Chinese citizen born in September 1959, Mr. Lao has been the Chairman of the Board of Directors since inception and is also the majority shareholder. He has more than 50 years of professional experience, managing different types of businesses, where he was also the Chairman of a publicly listed company on Hong Kong Stock Exchange (HKEX Code: 1615) from September 2018 to December 2025.

Mr. Lao's business experience and vision have been the leading factor for the Company and inspire everyone to enrich people's lives by offering exceptional customer services and diversified financial solutions.

MRS. LAO CHOI IAN – Director
Board Committee: Investment Committee Member

A Chinese citizen born in February 1990, Mrs. Lao became a member of the Board of Directors in June 2021. Joining the Company in November 2017 as Chief Financial Officer, in April 2024, she was promoted to Chief Executive Officer of the Company. She became a member of the Investment Committee in January 2024.

Mrs. Lao obtained her Masters of Accounting degree from the University of Southern California in the United States and is a Certified Public Accountant (CPA) in California as of January 2018.

MR. CHEANG IEK WAI – Independent Director
Board Committee: Audit Committee Chair

A Chinese citizen born in December 1987, Mr. Cheang became a member of the Board of Directors in July 2020 and was nominated as the Chair of Audit Committee in February 2022. He is the co-founder of Jinhui International Plaza in Hengqin China. His background was in commercial banking with over four years of experience before becoming an entrepreneur.

Mr. Cheang obtained his Master of Finance degree from the University of New South Wales in Australia and obtained the Financial Risk Manager (FRM) professional qualification awarded by the Global Association of Risk Professionals.

MR. Joseph Mitchell Lovell – Independent Director
Board Committee: Audit Committee Member

An American citizen born in January 1964, Mr. Lovell became a member of the Board of Directors and Audit Committee in August 2022. He has more than 20 years of working experience in the legal sector in the Kingdom of Cambodia and is currently the Managing Director of IAO ASIA. Before founding IAO ASIA, he served as Managing Partner for two regional law firms with offices in Cambodia, Myanmar, and Laos; COO/General Counsel for an emerging markets private equity fund management company in Cambodia; Managing Director/General Counsel for a financial group with offices in New York, London, and Beijing; Corporate Secretary and Counsel for a Beijing-based, LSE-listed private equity firm; Managing Attorney at a Honolulu, Hawai'i law firm; board member for a number of companies and not-for-profit entities; and senior consultant at PwC (Taipei).

Mr. Lovell is a New York-licensed attorney with three decades of Asia-focused legal, investment, and business experience. His areas of expertise include cross-border investment, banking and finance, real estate, and corporate law. Mr. Lovell has MA and JD degrees from the University of Hawai'i and a BS degree from Georgetown University. He is also licensed to practice law in Texas and Hawai'i.

MR. TEE KAH HENG ALEX – Independent Director
Board Committee: Investment Committee Chair

A Malaysian citizen born in December 1987, Mr. Tee became a member of the Board of Directors in June 2023 and was nominated as the Chair of the Investment Committee in January 2024. He is currently a Technical Advisor at the Agricultural and Rural Development Bank in Cambodia as of 2020. Previously, he was the Risk Advisory Senior Manager at Deloitte Cambodia, and prior to that, in Malaysia, he worked at Ernst and Young and Maybank.

Mr. Tee obtained his Bachelors of Accounting from the Multimedia University in Malaysia and he is a Chartered Financial Analyst (CFA).

MR. RUN VEARAK – Independent Director
Board Committee: Investment Committee Member

A Cambodian citizen born in January 1987, Mr. Run became a member of the Board of Directors in November 2023 and a member of Investment Committee in January 2024. He is currently the Tax Director at Fii & Associates in Cambodia since 2019. He previously worked at Price Waterhouse Coopers (PwC) Cambodia and has around 15 years of experiences in Cambodian taxation.

Mr. Run obtained his Bachelors Degree in Agricultural Economic and Rural Development and obtained his Diploma in Cambodian Tax at CamEd Business School.

3.1.2. Management

Name	Position	Date of Appointment
MRS. LAO CHOI IAN	Chief Executive Officer	2 April 2024
MR. JASON WONG	Chief Risk Officer	1 January 2023

MRS. LAO CHOI IAN – Director and Chief Executive Officer

A Chinese citizen born in February 1990, Mrs. Lao became a member of the Board of Directors in June 2021. Joining the Company in November 2017 as Chief Financial Officer, in April 2024, she was promoted to Chief Executive Officer of the Company. She became a member of the Investment Committee in January 2024.

Mrs. Lao obtained her Masters of Accounting degree from the University of Southern California in the United States and is a Certified Public Accountant (CPA) in California as of January 2018.

MR. WONG JASON JAE – Chief Risk Officer

An American citizen born in September 1989, Mr. Wong has over 8 years of experience in the life insurance industry in Cambodia and over 3 years of financial services experience in the United States of America. Mr. Wong obtained his Master of Professional Accountancy degree from the University of California, Irvine and is a licensed CPA in California as of April 2017.

3.2. Committee Reports

3.2.1. Audit Committee

The Audit Committee is established by the Board of Directors to monitor and review the integrity of the financial statements and the effectiveness of internal controls, including but not limited to the claims management process, fraud prevention controls, anti-money laundering, combating the financing of terrorism and proliferation of weapons of mass destruction, as well as the internal audit function and the services provided by external auditors.

a. Members

- MR. CHEANG IEK WAI — Independent Non-Executive Director - Chair
- MR. LOVELL JOSEPH MITCHELL — Independent Non-Executive Director - Member
- MRS. XU EMMA — Independent Non-Executive Member - Member

b. Roles and Responsibilities

The principal roles and responsibilities of the Audit Committee include the following:

- Meet at least four times per year in accordance with the Audit Committee meeting schedule;
- Review and evaluate the financial statements prior to submission to the Board of Directors for approval;
- Review and evaluate the internal control reports prior to submission to the Board of Directors for approval;
- Review and approve the annual internal audit plan;
- Review and assess the effectiveness of audit quality control mechanisms in compliance with applicable auditing standards;
- Provide recommendations to the Board of Directors on the appointment, removal, remuneration, and terms of engagement of the external auditor;
- Ensure effective communication and coordination among the Board of Directors, management, internal auditors, and external auditors;
- Monitor the implementation of audit findings and management corrective actions; and
- Perform other duties and responsibilities as delegated by the Board of Directors.

c. Duties and Performance

- Reviewed the audited financial statements for 2024 and recommended them to the Board of Directors for approval
- eviewed and approved the 2024 Internal Control Report
- Reviewed the potential findings and examination results arising from the Insurance Regulator of Cambodia examinations for the years 2023 and 2024
- Reviewed and approved the 2024 internal audit report on Claim Management Mechanism, Procedure, and Process of Settlement
- Reviewed and approved the 2024 internal audit report on anti-money laundering, combating the financing of terrorism and proliferation of weapons of mass destruction matters
- Reviewed the external audit planning and timeline
- Reviewed the internal audit interim update
- Reviewed the external audit interim update
- Acknowledged the appointment of a new Audit Committee member
- Approved the appointment of the new Internal Auditor

3.2.2. Investment Committee

The Investment Committee ("IC") is established by the Board of Directors to be charged with the responsibility of overseeing the management of the Company's investments. The purpose of the IC is to assist the Board of Directors in monitoring the investment activities in the Company to ensure that investment strategies and decisions are aligned with the Company's business objectives, risk appetite, and long-term financial sustainability and comply with the relevant regulations.

The composition of the IC complies with the regulations of the Insurance Regulator of Cambodia and consists of five members, of which two independent non-executive directors.

- MR. TEE KAH HENG ALEX – Chair
- MR. RUN VEARAK – Member
- MRS. LAO CHOI IAN – Member
- MR. WONG JASON JAE – Member
- MS. CHEAM BUNCHING – Member

b. Roles and Responsibilities

The IC is led by an independent director who serves as the chairman, providing strategic direction and ensuring effective governance and independent oversight of investment matters, while the other four members contribute to objective judgment and oversight on investment performance and compliance, aligning investment activities with the Company's strategic and operational objectives as well as supporting the IC through investment analysis, portfolio monitoring, reporting, and execution of investment-related activities.

c. Duties and Performance

- Reviewing and Discussing the Monthly Investment Report
- Conducting Quarterly and Annual Meetings
- Reporting to the Board of Directors on a Quarterly and Annual Basis
- Preparing Three-Year Rolling Investment Plan

3.3. Corporate Governance Report

a. Overview of Corporate Governance

GC Life is committed to maintaining the highest standards of corporate governance to ensure transparency, accountability, and long-term value creation for its stakeholders. The Company adheres to applicable laws and regulations, including those set by the Insurance Regulator of Cambodia, and adopts best practices in governance to support sustainable growth. The Board of Directors provides strategic oversight and ensures that the Company operates within a robust framework of internal controls and risk

b. Board of Directors and Committee Meetings

Board of Directors Meetings

During 2025, the Board of Directors held four online meetings. All four meetings were conducted with full attendance of the members.

No.	Date	Key Matters
1	14 February 2025	• Reviewed and approved the 2024 Internal Audit Report on the Effectiveness of the Policy on Insurance Fraud Risk. • Reviewed and approved the 2024 Internal Audit Report on AML, CFT and CFP • Reviewed and approved the 2024 Internal Audit Report on Claim Mechanism, Procedure and Process of Settlement • Reviewed and approved Reinsurance Policy • Reviewed solvency and capital requirement
2	28 July 2025	• Reviewed and appointed the external auditor for the 2025 audit • Reviewed and approved Company share transfer • Reviewed and approved the changes of Investment Committee members • Reviewed solvency and capital requirement • Reviewed Company performance
3	17 October 2025	• Reviewed and approved the revised Audit Committee Terms of Reference • Reviewed and approved the Corporate Governance Policy • Reviewed solvency and capital requirement • Reviewed Company performance • Reviewed the updates on the IRC Examination
4	15 December 2025	• Reviewed and approved the 2026 Budget • Reviewed and approved 2026-2028 Three Years Rolling Investment Plan • Reviewed and reappointed members of the Board of Directors • Reviewed and approved revised Accounting Policy • Reviewed and approved revised Employee Handbook

Audit Committee Meetings

During 2025, the Audit Committee held four online meetings. All four meetings were conducted with full attendance of the members.

No.	Date	Key Matters
1	14 February 2025	• Reviewed and approved the 2024 Internal Audit Report on the Effectiveness of the Policy on Insurance Fraud Prevention. • Reviewed and approved the 2024 Internal Audit Report on AML, CFT and CFP • Reviewed and approved the 2024 Internal Audit on Claim Mechanism, Procedure and Process of Settlement
2	24 March 2025	• Reviewed and approved the 2024 Audited Financial Statements
3	16 September 2025	• Reviewed the updates on the IRC Examination • Reviewed and approved 2025 external audit planning and timeline • Reviewed and approved 2025 internal audit approach and reporting timeline
4	15 December 2025	• Reviewed 2025 external audit interim update • Reviewed 2025 internal audit interim update • Reviewed 2025 IRC examination recommendations and actions taken

c. Executive Management Performance

The Board evaluates management performance based on both financial and non-financial indicators.

Financial Performance Indicators

- New business value
- Claims ratio
- Expense ratio
- Operating profit/loss and net profit/loss
- Solvency margin compliance

Non-Financial Performance Indicators

- Customer satisfaction and retention
- Compliance and regulatory adherence
- Risk management effectiveness

d. Risk Management and Internal Control

The Company has established a comprehensive risk management framework aligned with regulatory expectations and international standards.

Key features include:

- Three-line defense structure
- Independent risk management and compliance functions
- Regular internal audit reviews
- Actuarial oversight of insurance liabilities

e. Compliance and Regulatory Matters

The Company complies with all applicable laws and regulations governing the insurance industry, including those issued by the Insurance Regulator of Cambodia, except for the minimum required capital. However, the Company has obtained approval from the IRC to defer compliance with the minimum capital requirement until 30th June 2026.

4. Financial and Business Operation Status

4.1. Capital and Solvency Margin

At GC Life, our commitment to policyholders is anchored in financial transparency, prudent risk management, and compliance with the regulatory framework established by the Insurance Regulator of Cambodia. As the Cambodian insurance industry continues to evolve, the Company remains focused on maintaining financial resilience and supporting the long-term security of our customers.

a. Ensuring Financial Soundness

The Company continuously monitors its capital position and solvency level to ensure its ability to meet future policyholder obligations under varying economic conditions.

As at 31 December 2025, the Company's solvency margin stood at 134%, which remained above the regulatory minimum requirement of 120%. This reflects the Company's continued commitment to maintaining adequate admissible assets and supporting policyholder protection.

b. Key Business Developments

The 2025 financial year represented a period of strategic transition for the Company, during which management undertook several initiatives to strengthen operational efficiency and support long-term sustainability.

c. Operational Restructuring

During the year, the Company implemented operational restructuring initiatives to streamline operations and enhance efficiency. As at year-end 2025, the Company maintained a leaner and more specialized workforce structure to support focused and effective business operations.

d. Portfolio Realignment

The Company continued to strengthen its short-term and group insurance portfolio, particularly the GC Group Care product, which experienced significant growth during the year. At the same time, the Company experienced increased surrender activity within certain endowment products. All policyholder obligations and premium refunds were fulfilled in accordance with policy terms and regulatory requirements.

e. Appointment of New Chief Executive Officer

During 2025, the Company welcomed new leadership under Mrs. Lao Choi Ian as Chief Executive Officer. The management team remains focused on strengthening operational governance, improving distribution capabilities, and exploring modern and partnership-based distribution channels to support future growth.

f. Financial Performance and Capital Position

The Company recorded a net loss of USD 1.49 million for the year ended 31 December 2025, compared with USD 2.58 million in the prior year. The loss was primarily attributable to operational restructuring costs, elevated surrender activity, and continued investment in business transformation initiatives.

As at 31 December 2025, total shareholders' equity stood at USD 5.02 million. While this remains below the regulatory minimum capital requirement of USD 7 million, the Company continues to maintain active engagement with the Insurance Regulator of Cambodia regarding its capital enhancement plan.

The Company has obtained regulatory approval to extend the compliance timeline until 30 June 2026. Management is currently working closely to strengthen the Company's capital position and support future business growth.

g. Future Outlook

GC Life remains committed to serving the community through reliable protection solutions for education, healthcare, and family financial security. Looking ahead, the Company will continue focusing on strengthening its capital base, enhancing operational efficiency, expanding digital and partnership distribution capabilities, improving customer experience, and developing sustainable long-term growth opportunities.

Despite ongoing market challenges, the Company remains confident in the long-term growth potential of Cambodia's insurance industry and its ability to continue supporting the evolving protection needs of Cambodian customers.

4.2. Investment

In October 2022, the Insurance Regulator of Cambodia issued a Prakas on Investment Authorization for Insurance Companies. This Prakas sets the regulatory parameters for how licensed insurance companies in Cambodia can invest their assets and investment funds. The Prakas mandates portfolio diversification to ensure the efficiency of asset management and the fulfillment of liability obligations as well as guarantee liquidity and financial stability.

In 2025, GC Life had no excess capital classified as an investment fund or any investment portfolio as defined under the aforementioned Prakas. According to the Company's financial projection and three-year investment plan, GC Life does not expect to maintain any investment funds available to be invested in the upcoming period. The Company will revisit the projections and the availability of any investment funds from time to time.

While the Company does not maintain an investment fund, it has allocated capital used to maintain the solvency fund and operations fund into fixed deposits placed at commercial banks as the primary investment vehicle to generate a guaranteed return, using the laddering approach by dividing total funds into multiple smaller deposits with varying maturity dates and tenures to maximize the yield while maintaining accessibility of the funds to meet operation and liquidity needs. During 2025, the annual average return rate on fixed deposits was 5.50%.

4.3. Insurance Technical Reserve

a. Basis of Insurance Technical Reserve

The Company establishes insurance technical reserves in accordance with the applicable regulatory requirements issued by the Insurance Regulator of Cambodia.

For long-term insurance contracts, reserves are determined using the Gross Premium Valuation ("GPV") method. Under this approach, reserves are calculated based on the present value of future policy benefits and related expenses less the present value of future gross premiums, together with appropriate Provision for Adverse Deviations ("PADs") applied to key actuarial assumptions. In certain cases, reserves are also subject to minimum reserve floors based on policy cash surrender values where applicable.

For short-term insurance contracts with coverage terms of one year or less, reserves are primarily determined using the Unearned Premium Reserve ("UPR") method, which reflects the portion of premium relating to the unexpired period of risk coverage. Additional claim reserves and unexpired risk reserves are also established where necessary to ensure reserve adequacy.

The methodologies and assumptions adopted are reviewed periodically by the Appointed Actuary to ensure that the reserves remain appropriate and adequate for the nature and scale of the Company's insurance liabilities.

b. Movement in Insurance Technical Reserves

Insurance Technical Reserve Summary

Reserve Category	YE2024 (USD)	YE2025 (USD)	Movement (USD)	% Change
Long-Term Insurance Reserve	98,019	89,038	(8,981)	(9.2%)
Short-Term Insurance Reserve	82,789	94,825	12,036	14.5%
Total Insurance Technical Reserve	180,808	183,863	3,055	1.7%

The Company's total insurance technical reserves increased marginally from USD 180,808 in 2024 to USD 183,863 in 2025. The movement in reserves during the year was primarily driven by changes in the composition of the in-force portfolio, policyholder behaviour, and continued growth in the short-term group insurance business.

c. Long-Term Insurance Reserve

The long-term insurance reserve decreased by approximately 9% during 2025, mainly due to elevated lapse and surrender activities among early-duration endowment products, particularly within the GC Enrich Life portfolio and its related riders. A significant portion of these policies carried negative GPV reserves before the application of reserve floors. As these policies lapsed or terminated during the year, the release of negative reserves contributed to the reduction in overall long-term reserve balances.

In addition, the Company continued the strategic run-off of certain legacy long-term products, which also contributed to the decline in reserve levels. Despite the reduction in reserve balances, the remaining long-term portfolio continued to progress into later policy durations, where reserves naturally increase as future benefit obligations become more significant relative to remaining premiums.

d. Short-Term Insurance Reserve

The short-term insurance reserve increased by approximately 15% compared with the previous year. This increase was primarily attributable to continued growth in group insurance business, particularly the GC Group Care product and related medical riders.

The higher reserve level mainly reflects the increase in unearned premium reserves arising from larger in-force group insurance exposure and increased policy volumes during 2025.

The Company continued to observe growing demand for employer-sponsored insurance solutions and healthcare-related coverage, which contributed positively to the expansion of the short-term portfolio.

e. Significant Changes Affecting Insurance Technical Reserves

Several significant developments during 2025 contributed to the movement in insurance technical reserves:

- Increased lapse and surrender activity among early-duration endowment products;
- Continued portfolio transition from traditional long-term savings products toward short-term protection and group insurance products;
- Growth in group insurance and medical-related riders;
- Strategic reduction and discontinuation of certain legacy long-term products; and
- Ongoing application of prudent actuarial assumptions and PADs.

These movements were considered consistent with the expected actuarial behaviour of the portfolio and did not indicate any unusual deterioration in reserve adequacy.

f. Actuarial Opinion

In the opinion of the Appointed Actuary, the insurance technical reserves as at 31 December 2025 were determined in accordance with the relevant regulatory requirements and applicable actuarial standards issued by the Insurance Regulator of Cambodia. Based on the valuation performed, the methodologies and assumptions adopted were considered appropriate and sufficiently prudent for the nature and scale of the Company's insurance liabilities. Accordingly, the Appointed Actuary considered the insurance technical reserves as at 31 December 2025 to be adequate.

4.4. Business Operation Performance

a. Business Performance

Currency: USD

	2025	2024	2023
Total Gross Premium	290,448	425,313	210,350
Premium Refunded	(22,990)	(8,009)	(2,737)
Reinsurance Premium	(60,058)	(50,590)	(27,146)
Net Premium	**207,490**	**366,714**	**180,467**

Y-O-Y	25/24	24/23
Total Gross Premium	-32%	102%
Premium Refunded	186%	193%
Reinsurance Premium	19%	86%

The Company undertook a focused and disciplined approach to operational efficiency in 2025. This has impacted the gross premium generated from the agency channel compared to 2024. However, this resulted in a higher premium generated compared to 2023.

The Company operates through four sales channels including agency, partnership, Chinese enterprise, and Company direct sales. During the past few years, the Chinese enterprise channel has maintained a stable growth and starting from 2023, the partnership channel also started to develop a customer base and maintained business performance. However, agency channel has been fluctuated over the years. In 2024, the Company shifted its resources from marketing to the agency channel which resulted in a rapid growth of sales compared to 2023 while maintaining expenses.

However, in 2025, the Company implemented a focused and disciplined approach to operational efficiency and reduced expenses by 50% which has impacted sales.

Currency: USD

	2025	2024	2023
Gross change in insurance contract liabilities	2,028	97,315	9,313
Gross payments on insurance claims	65,614	23,375	13,913
Commission and other acquisition costs	151,891	406,641	71,141
Operating and administrative expenses	1,508,912	2,833,943	2,942,672

Y-O-Y	25/24	24/23
Gross change in insurance contract liabilities	-98%	945%
Gross payments on insurance claims	181%	68%
Commission and other acquisition costs	-63%	472%
Operating and administrative expenses	-47%	-4%

When comparing the commission and acquisition to gross premium in 2024 and 2025, it represents a higher cost in 2024 due to the increase in the agency channel where a large amount of sales incentive is payable in the beginning of the policy. This has shifted the focus of the Company to other sales channels in 2025.

In terms of claims, there were two life claims that occurred in 2025 that led to a higher number of claims in 2025. For the operating and administrative expenses, they are mainly comprised of personnel cost, depreciation expenses, etc. The significant decrease of operating and administrative expenses by 47% in 2025 is mainly due to the decrease in manpower. As mentioned, the Company has decided to shift the focus away from the agency channel.

4.5. Re-Insurance

a. Reinsurance Strategy

GC Life utilizes reinsurance as a strategic risk management tool to support financial stability, business growth, and operational capability. The key strategies include:

- **Risk Transfer and Profit Stabilization**

  Reinsurance is used to transfer mortality and morbidity risks to reinsurers in order to reduce claim volatility and smoothen profit and loss performance. This helps protect the Company from large or unexpected claims experience.

- **Support for Product Development and Technical Expertise**

  Reinsurers provide support in product design, underwriting, claims handling, and pricing expertise. This allows GC Life to leverage international experience and improve product competitiveness.

- **Use of Quota Share and Surplus Share**

  GC Life currently adopts a combination of quota share and surplus share structure, where risks up to USD 50,000 are shared equally, and risks exceeding USD 50,000 are ceded 100% to reinsurers. This strategy is suitable for insurers in early operating stages because it reduces capital strain, limits retention exposure, and supports portfolio growth while maintaining solvency.

b. Selection of Reinsurance Companies

GC Life selects reinsurers based on regulatory compliance, financial strength, and business suitability. GC Life currently works with Hannover Re (Malaysia and Hong Kong branches) and Cambodian Reinsurance Company. These reinsurers support different business segments such as individual life, group insurance, and loan insurance.

When evaluating a reinsurer, the Company will primarily focus on the following criteria.

- **Financial Strength Ratings**

  Foreign reinsurers must maintain at least a BBB- rating based on the S&P Global Ratings. Reinsurers rated A- and above may accept up to 100% cession above retention limits. Ratings below BBB- are not permitted.

- **Risk Appetite and Product Expertise**

  Different reinsurers are selected based on their expertise and appetite for specific product lines and risks.

- **Operational Capability**

  Reinsurers are also considered based on how much support they can provide to the Company regarding underwriting, claims handling efficiency, technical pricing capability, and treaty administration support.

c. Significant Changes and Impact

There are several important developments and strategic changes that may significantly impact GC Life. These include new regulatory requirements, dependency on reinsurer risk appetites, low retention limits, future reassessment of risk limits, and evolving reinsurance structures.

- **New Regulatory Requirements**

  A major change is the introduction of new regulations in 2024, including the Prakas on Reinsurance and Guideline on the Diversification of Reinsurance where the Company must comply with several requirements, including creating and submitting a reinsurance policy, submitting a reinsurance plan, ensuring reinsurer rating compliance, and reporting obligations for rating downgrades.

The impact of these changes strengthens governance and regulatory oversight, increases compliance responsibilities, improves transparency and risk management frameworks, but may also restrict reinsurance flexibility if reinsurer ratings deteriorate.

- **Dependence on Reinsurer Risk Appetite**

  GC Life currently does not use actuarial modelling tools to determine retention and accumulation limits, relying instead on market practice, management judgment, reinsurer appetite, and operational experience. This is practical for an early-stage insurer with limited experience and allows for faster operational implementation, however, it may create a higher dependency on reinsurers, weaken internal risk quantification, and the Company may experience potential challenges as the portfolio grows larger and more complex. The Company will enhance internal actuarial and capital modelling capabilities in the future as the business develops.

- **Low Retention Limits**

  The Company's lower retention limits reflect a conservative approach due to GC Life's current business scale. This will reduce net exposure and solvency pressure, protect the Company against large claims, and may increase reinsurance dependency and ceded premium proportion, and there may be a potential reduction in profitability due to higher reinsurance costs. As the Company develops, retention limits may gradually increase to improve profitability.

- **Future Reassessment of Risk Limits**

  Total permanent disability and critical illness accumulation limits will be reassessed once sufficient experience and larger portfolio size are developed. This demonstrates a dynamic and scalable risk management approach where future adjustments may improve underwriting flexibility, optimize capital usage, and increase retained profitability, but will also require stronger internal monitoring and actuarial analysis.

- **Evolving Reinsurance Structures**

  The current quota and surplus share combination is specifically noted as appropriate for insurers in their early stage of growth or for products with limited experience. This supports business expansion while controlling downside risk, provides underwriting confidence, and reduces capital strain. However, long-term heavy quota share arrangements may reduce profitability if not optimized.

Overall, GC Life currently adopts a conservative and reinsurer-supported strategy appropriate for an emerging growth insurer. The significant regulatory changes and the Company's evolving portfolio suggest that future enhancements in internal actuarial modelling, retention management, and risk assessment capability will become increasingly important.

4.6. Risk Management

As a life insurance company regulated and operating in Cambodia, GC Life draws on a wide range of data sources and seeks to identify, assess, understand, and enhance risk awareness across the business. Using a risk-based approach, management can recognize the potential threats to the business objectives, and it allows management to make informed decisions on the appropriate course of action, either to mitigate, transfer, or allocate capital to the risks. These risks include insurance risk, market risk, credit risk, operational risk, strategic risk, and liquidity risk.

a. Insurance Risk

Insurance risk refers to the risk of economic loss due to the difference between the actual condition and the assumption made by the Company based on the mortality rate, probability of illness occurrence, direct expenses, rate of premium cancellation, and other miscellaneous costs. Because of the gradual improvement of the medical standard and the increase of the living standard, this may cause variances between the actual and expected claim payment. In the meantime, the behavior of the policy owner, such as policy cancellation, also affects the insurance risk.

In order to mitigate or prevent insurance risk, the Company first manages insurance risk by cooperating with a reinsurance company where the Company has contractual reinsurance requirements. The Company officially began business cooperation with Cambodia Reinsurance in 2023 and with Hannover Re Malaysia Branch in 2021 for its newly launched products besides maintaining the existing treaty with Hannover Re Hong Kong Branch. In addition, to further mitigate insurance risk, the Company sets observation periods for certain illnesses and also increases the capacity of higher sums insured.

b. Market Risk

Market risk refers to risks related to the interest rate, equity volatility, real estate prices, currency exchange rate, or any other unfavorable changes causing an unexpected loss to the Company. The major market risk to the Company is interest rate risk.

In order to prevent or mitigate market risk, the Company ensures the allocation of capital for the purpose of risk diversification. The Company will implement immediate adjustments based on market conditions in order to balance the risk of interest rate changes and to maximize the profit margin by proper management and strategical investing strategies. The Company has increased the expected investment return by securing higher interest rates for fixed deposits through in-depth cooperation with bank partners and by proper planning.

c. Credit Risk

Credit risk refers to the risk of expected loss due to the execution of contract obligations, unexpected extension of contract duration, or any other unfavorable changes related to the credit status. The major credit risk to the Company is related to the credit of the reinsurance company.

In order to mitigate credit risk, the Company maintains a strategic relationship with diversified reinsurance companies and optimizes their professional experiences to reduce risk. The Company has local and international partnerships with reinsurance companies, including Cambodia Reinsurance, Hannover Re Malaysia Branch, and Hannover Re Hong Kong Branch. Through continual monitoring and adjustment, credit risk has been managed.

d. Operational Risk

Operational risks refer to the risk of unexpected loss caused by weaknesses in the operations process, manpower, operating system, or any other external (direct or indirect) factors, which includes risks related to regulations. Operational risks mainly focus on underwriting, human resource management, and documentation management.

In order to mitigate operational risk, the Company has strengthened each department's capability by increasing the tracking ability for red flag conditions. The Company established a regular tracking standard to perform real-time monitoring using IT systems to enhance the overall tracking of risky events. In addition, the Company has continuously invested in training, management, manpower, IT systems, documentation management, and compliance measures. These enhancements ensured operating policies and procedures are in place and are updated regularly for the Company to manage operational risk more effectively.

e. Strategic Risk

Strategic risk refers to risk related to the variances between the Company's capability and market environment, which is caused by inappropriate policies and procedural settings or the changes in the operating environment. Strategic risks include policy design, implementation, execution, analysis, and modification.

In order to prevent strategic risks, the Company prepared a five-year strategic business plan that is annually reviewed and monitored to ensure the implementation of strategies and to make any changes if needed. In addition, the Company monitors the effectiveness of business development on a semi-annual basis based on the progress of strategic plans put forth. The Company has also ensured the implementation of proper internal control measures to prevent management override to reach strategic goals.

f. Liquidity Risk

Liquidity risk refers to the Company's ability to meet short-term financial requirements. This usually occurs due to the inability to convert a security or illiquid asset to cash without a loss of capital and income in the process. The major liquidity risks to the Company are large claim payments, investment losses, and breach of contract by the business partners.

In order to prevent liquidity risk, the Company enhanced cash flow management by strategically optimizing the use of capital and placing fixed deposit investments in tranches that mature throughout the year. In addition, the Company closely monitors for any potential claim event or any possibility of contract breaches before it is incurred. On top of this, the Company will generate and perform a quarterly cash flow analysis for the projection of future cash flow and expected expenses to reduce liquidity risk.

g. Customer Due Diligence

In order to improve the risk management and corporate governance in the areas of anti-money laundering, anti-corruption, combating the financing of terrorism, payments compliance and commercial risk through customer due diligence screening, the Company has implemented processes in place and subscribed to a third-party screening application in order to provide accurate, comprehensive, timely, and up-to-date screening solutions on our clients and third-party vendors. This is to ensure the individuals or entities applying for insurance coverage are properly identified and that the Company takes the appropriate measures and abides by all laws and regulations.

The Company has set processes in place to identify individuals or entities and what documents will be required to be obtained before the policy can be underwritten. In addition, a Compliance Officer has been appointed by the Company and approved by the Cambodia Financial Intelligence Unit (CAFIU) to ensure compliance with all customer due diligence requirements. If any individual or entity is matched during the screening process, the Compliance Officer will conduct a further risk assessment to either approve or reject the potential customer before the policy is issued to further reduce any risks.

4.7. Sustainability Information

GC Life recognizes the importance of environmental, social, and governance (ESG) issues and ensures quality corporate governance to support sustainable growth and to develop a harmonious relationship with all stakeholders, including shareholders, customers, employees, and the public. ESG covers many aspects of the business, from how we manage long-term strategy to be there for our policy owners, to the way we contribute back to society and the environment, and how we address each of our ESG topics is led from our core values.

a. Environment

GC Life understands that the environment is the very foundation of human existence and that business operations impact and change the environment in very profound ways. GC Life hopes to ontribute to shaping the future of the planet with our sustainability efforts. These contributions are demonstrated in the efforts made to reduce operational emissions, waste, and energy footprint through the responsible use of resources.

Reducing Paper Waste

Since the Company's inception, the Board of Directors and management committed to developing an entirely electronic mobile insurance application process and customer servicing platform where little to no paper is used compared to traditional processes. To implement this, GC Life invested in developing a custom insurance system to ensure electronic integration to reduce paper waste. All sales, underwriting, claims, and customer servicing processes are now carried out electronically with minimal paper usage and streamline all processes while adhering to best practices in the industry. The Company will continue to invest in and maintain its electronic processes to further expand and enhance ervices to reduce environmental impact.

Energy Efficiency and Renewables

GC Life relies on an established third-party data center and cloud computing service provider, Alibaba Cloud, to support the business. As GC Life strives to reduce emissions, the Company also ensures that business partners steadily improve on their ESG goals each year. Alibaba Cloud expects to achieve carbon neutrality and will be powered by 100% clean electricity by 2030. These goals will be achieved through investing in developing and deploying more energy-efficient hardware and cooling systems to unlock more energy-saving potential. This supports GC Life's goals of working with its partners with sustainability in mind and has greater access to renewable energy with a more focused overall power consumption model that uses less energy.

b. Social Impact

GC Life recognizes that our commitment to sustainability includes the protection and well-being of our customers and employees. The Company is dedicated to ensuring that products, services, engagements, and human resource development not only meet the highest quality and standards but also align with our sustainability goals.

Financial Inclusion

Digitalization is profoundly reshaping how people consume and live, and GC Life has been leveraging technology to promote financial inclusion by expanding access to life insurance products. This is through opening up new possibilities for sustainable consumption, as GC Life offers a fully electronic customer experience through its electronic insurance application process, e-payment gateway options, and customer mobile application for customer servicing. Consumer engagement and the long-term growth of the business are directly impacted by whether the Company can fully leverage digital, intelligent technologies to provide consumers with higher-quality, more efficient products and services, which constantly improve their experience.

Human Capital

At GC Life, the Company established a structure that inspires our team members to take an enthusiastic interest in their work in order to enhance their value, where they have access to a wide range of internal and external initiatives that help them develop well both personally and professionally. Based on the competency level and professional development paths for various positions, we offer in-house and external training programs that cover key areas such as technology, operations, products, marketing, risk management, customer service, finance, and human resources. Management encourages team leaders to develop strong leadership skills, as they are crucial for enhancing collaboration, fostering a positive atmosphere, and securing the company's long-term success in the future.

c. Governance

GC Life leads with integrity and operates for the benefit of policy owners who expect the Company to be there when they are in need. GC Life holds a strong sense of ownership that fosters a culture of responsibility and is not only a reflection of our values but is backed up by accountability, governance, and oversight structures that enable us to meet and exceed the expectations of our stakeholders.

Financial Inclusion

The Board of Directors is charged with oversight of the management of the business and affairs of the Company, consistent with its responsibility to maintain and operate for the benefit of its policy owners. This includes oversight of the Company's strategic decisions, financial performance, risk management, and compensation. The Company selects director candidates based on many factors, including the ability to exercise sound judgment with the highest personal and professional ethics. The Company strives to represent director diversity along a multitude of dimensions, including subject matter expertise, professional and industry experience, race, ethnicity, age, and gender. This recognizes that a breadth of perspectives makes for better stewardship and is central to meet the needs of the diverse clients and communities we serve. Diversity and inclusion on the Board of Directors have been a focus area for a long time and will continue to be a focus.

The Board of Directors established five committees, including the Audit, Investment, Claims, Fraud and Customer Complaint Management, and may establish such other committees as it deems necessary to carry on the business and operations of the Company. These board committees shall exist at the pleasure of the Board of Directors, and all members of such committees shall be approved by the Board of Directors.

Data Privacy and Cybersecurity

GC Life is committed to protecting clients and their personal information and is committed to upholding this promise. The Company has taken special care to build a culture of privacy awareness by offering opportunities for continuous improvement through annual trainings for all employees and updates on emerging risks and new regulations. The Company is entrusted with the personal information of customers, employees, and agents, who expect the Company to respect and safeguard their privacy. The Company provides notices to customers detailing the personal information collected, for what purpose, and how it is used.

Regarding cybersecurity, assessments are regularly performed that consider advances in technology, emerging threats, and our overall strategic direction, as well as other factors to determine the appropriate level of security controls. The Company ensures its systems and business partners have implemented a multilayered security model that is aligned with internationally recognized industry standards for security. GC Life has established written policies and standards that govern information security, and the goals are to maintain the confidentiality, integrity, and availability of assets. Even with controls and safeguards in place, the Company understands that the fluid nature of the cybersecurity environment requires constant evaluation and improvement of defenses. The Company will continually review and determine necessary enhancements, processes, and tools.

Data Privacy and Cybersecurity

As a life insurance company, GC Life's mission is grounded to always be here to meet obligations to policy owners, whether those obligations come due today or years from now. This means managing risk-taking activities so as not to endanger the financial strength and soundness of the Company. Risk-based decision making is an important component in the company's strategy setting and execution, primarily by evaluating the risks arising from the strategy as well as risks that may adversely impact its implementation. GC Life's risk management program is designed to support the Company's strategy and mission and foster a culture of risk awareness, transparency, and responsiveness.

The Company manages various risks, including the following:

- Insurance Mortality and Morbidity Risk
- Financial – Interest Rate Risk, Market Risk, Credit Risk, and Liquidity Risk
- Operational – Technology, Cybersecurity, Business Processes, Third Party Partner Risk, Fraud, Human Risk
- Business – Legal, Regulatory, Tax, Strategic Risk

5. Annual Financial Statement Report

	31 December 2025		31 December 2024	
	US$	KHR'000	US$	KHR'000
ASSETS				
Cash and bank balances	762,629	3,060,430	866,982	3,489,603
Other investment	2,862,642	11,487,782	3,864,958	15,556,456
Premium and other receivables	227,707	913,788	299,775	1,206,594
Reinsurance assets	35,846	143,850	36,875	148,422
Property and equipment	265,913	1,067,10	934,933	3,763,105
Investment property	397,117	1,593,631	-	-
Right-of-use assets	33,624	134,933	343,652	1,383,199
Intangible assets	47,519	190,694	199,261	802,026
Statutory deposit	700,000	2,809,100	700,000	2,817,500
TOTAL ASSETS	5,332,997	21,401,317	7,246,436	29,166,905
LIABILITIES AND EQUITY				
LIABILITIES				
Other payables	41,871	168,028	117,049	471,122
Provision for employee benefits	4,670	18,741	19,496	78,471
Insurance contract liabilities	219,710	881,696	217,682	876,170
Lease liabilities	35,360	141,900	380,216	1,530,370
Deferred tax liabilities, net	13,894	55,757	1,399	5,631
TOTAL LIABILITIES	315,505	1,266,122	735,842	2,961,764
EQUITY				
Share capital	21,000,000	84,000,000	21,000,000	84,000,000
Accumulated losses	(15,982,508)	(65,029,599)	(14,489,406)	(59,040,767)
Currency translation reserves	-	1,164,794	-	1,245,908
TOTAL EQUITY	5,017,492	20,135,195	6,510,594	26,205,141
TOTAL LIABILITIES AND EQUITY	5,332,997	21,401,317	7,246,436	29,166,905

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	2025		2024	
	US$	**KHR'000**	**US$**	**KHR'000**
Gross insurance premium	290,448	1,164,987	425,313	1,731,449
Premium refunded	(22,900)	(91,852)	(8,009)	(32,605)
Reinsurance premium	(60,058)	(240,893)	(50,590)	(205,952)
Net premium	207,490	832,242	366,714	1,492,892
Interest income	204,291	819,411	378,015	1,538,899
Other income	25,668	102,954	-	-
Net insurance income before claims, benefits and expenses	437,449	1,754,607	744,729	3,031,791
Gross change in insurance contract liabilities	(2,028)	(8,134)	(97,315)	(396,169)
Change in reinsurance assets	(1,029)	(4,127)	18,075	73,583
Gross payments on insurance claims	(65,614)	(263,178)	(23,375)	(95,160)
Impairment losses on financial instruments	(27,613)	(110,756)	-	-
Claims ceded to reinsurers	35,974	144,292	5,394	21,959
Commission and other acquisition costs	(151,891)	(609,235)	(406,641)	(1,655,436)
Operating and administrative expenses	(1,508,912)	(6,052,246)	(2,833,943)	(11,536,982)
Other expense	(176,575)	(708,242)	-	-
Finance cost – lease	(20,368)	(81,696)	(36,881)	(150,143)
Total claims, benefits, and expenses	(1,918,056)	(7,693,322)	(3,374,686)	(13,738,348)
Net loss before income tax	(1,480,607)	(5,938,715)	(2,629,957)	(10,706,557)
Income tax benefit/(expense)	(12,495)	(50,117)	45,052	183,407
Net loss for the year	(1,493,102)	(5,988,832)	(2,584,905)	(10,523,150)
Other comprehensive income				
Item that will not be reclassified to profit or loss Currency translation differences	-	(81,114)	-	(426,822)
Total comprehensive loss for the year	(1,493,102)	(6,069,946)	(2,584,905)	(10,949,972)

	Share capital		Accumulated losses		Currency translation reserves		Total	
2024	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
At 1 January 2024	21,000,000	84,000,000	(11,904,501)	(48,517,617)	-	1,672,730	9,095,499	37,155,113
Total comprehensive loss for the year:								
Net loss for the year	-	-	(2,584,905)	(10,523,150)	-	-	(2,584,905)	(10,523,150)
Other comprehensive income – currency translation differences	-	-	-	-	-	(426,822)	-	(426,822)
	-	-	(2,584,905)	(10,523,150)	-	(426,822)	(2,584,905)	(10,949,972)
At 31 December 2024	21,000,000	84,000,000	(14,489,406)	(59,040,767)	-	1,245,908	6,510,594	26,205,141
2025								
At 1 January 2025	21,000,000	84,000,000	(14,489,406)	(59,040,767)	-	1,245,908	6,510,594	26,205,141
Total comprehensive loss for the year:								
Net loss for the year	-	-	(1,493,102)	(5,988,832)	-	-	(1,493,102)	(5,988,832)
Other comprehensive income – currency translation differences	-	-	-	-	-	(81,114)	-	(81,114)
	-	-	(1,493,104)	(5,988,832)	-	(81,114)	(1,493,102)	(6,069,946)
At 31 December 2025	21,000,000	84,000,000	(15,982,508)	(65,029,599)	-	1,164,794	5,017,492	20,135,195

	2025		2024	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Operating activities				
Net loss for the year	(1,493,102)	(5,988,832)	(2,629,956)	(10,706,553)
Adjustments for:				
Depreciation and amortisation	348,521	1,397,918	564,598	2,298,478
Loss on disposal of property and equipment	72,314	290,051	-	-
Loss on write-off of property and equipment	65,760	263,763	-	-
Loss on lease termination	38,501	154,427	-	-
Impairment loss on financial instruments	27,613	10,756	-	-
Interest income	(204,291)	(819,411)	(378,015)	(1,538,899)
Finance cost	20,368	81,696	36,881	150,143
Income tax expense/(benefit)	12,495	50,117	(45,052)	(183,407)
Change in insurance contract liabilities	2,028	8,134	97,314	396,169
Provision for employee benefits	(14,826)	(59,467)	(14,738)	(59,998)
	(1,124,619)	(4,510,848)	(2,323,916)	(9,460,664)
Changes in:				
Premium and other receivables	(30,145)	(120,912)	(59,039)	(240,348)
Reinsurance assets	1,029	4,127	(18,075)	(73,583)
Other payables	(5,234)	(20,944)	18,058	73,514
Cash used in operations	(1,158,969)	(4,648,627)	(2,382,972)	(9,701,081)
Interest paid of lease liabilities	(20,368)	(81,696)	(36,881)	(150,143)
Claims paid	(65,614)	(263,178)	(23,375)	(95,160)
Prepayment tax on income paid	(3,805)	(15,262)	(4,249)	(17,298)
Net cash used in operating activities	(1,248,756)	(5,008,763)	(2,447, 447)	(9,963,682)

	2025		2024	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Investing activities				
Purchase of property and equipment	-	-	(15,326)	(62,392)
Proceed from property and equipment	35,515	142,451	-	-
Other investments	(2,800,000)	(11,230,800)	(4,250,000)	(17,301,750)
Other investments reach maturity	3,750,000	15,041,250	6,775,000	27,581,025
Interest received	256,215	1,027,678	502,674	2,046,386
Net cash generated from investing activities	1,241,730	4,980,579	3,012,348	12,263,269
Financing activities				
Payment of lease liabilities	(96,802)	(388,273)	(131,119)	(533,785)
Net cash used in financing activities	-	-	-	-
Net (decrease)/increase in cash and cash equivalents	(96,802)	(388,273)	(131,119)	(533,785)
Cash and cash equivalents at 1 January	(103,828)	(416,457)	433,752	1,765,802
Cash and cash equivalents at 1 January	866,352	3,487,067	432,600	1,767,171
Currency translation differences	-	(10,601)	-	(45,906)
Cash and cash equivalents at 31 December	762,524	3,006,009	866,352	3,487,067

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