

DAIKOU FINANCE PLC.
(Incorporated in Cambodia)

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2025**

AND

REPORT OF INDEPENDENT AUDITORS

CORPORATE INFORMATION

Company	:	Daikou Finance Plc.
Registration No.	:	00044553
Registered office	:	N ^o . 507, National Road N ^o 2, Kleang Sambatt Village Pot Sor Commune, Bati District Takeo Province, Kingdom of Cambodia
Shareholders	:	Mr. Dy Sitha Mr. Thuch Panhchak Kampoul Ms. Chin Molika Mrs. Lim Rotha Mrs. Chen Sopheap
Board of directors	:	Mrs. Chen Sopheap, Chairwoman Mr. Dy Sitha, Director Ms. Chin Molika, Director Mrs. Lim Rotha, Director Mr. Chheng Kimlong, Independent Director
Principal bankers	:	National Bank of Cambodia Aceda Bank Plc. Advanced Bank of Aisa Limited CCU Commercial Bank Plc. Wing Bank (Cambodia) Plc.
Auditors	:	REACHS & Partners Co., Ltd.

DAIKOU FINANCE PLC.

CONTENTS

	Pages
Report of the Board of Directors	1 - 4
Report of Independent Auditors	5 - 6
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 35



លេខ: N/A ផ្សេងៗ/២០២៦

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors (the “Directors”) hereby submits this report together with the audited financial statements of Daikou Finance Plc. (“the Company”) for the year ended 31 December 2025.

PRINCIPAL ACTIVITY

The principal business activity of Daikou Finance Plc. is to provide microfinance services to low-income families, individuals, and micro-enterprises in rural areas. They primarily serve clients that require small-scale loans for daily operations, agricultural purposes, and business growth. As a rural credit institution registered with the National Bank of Cambodia, Daikou Finance offers a variety of loan products, including group solidarity loans, working capital loans, and loans specifically for agriculture, water, and sanitation facilities. The company operates in several provinces in the Kingdom of Cambodia, including Takeo, Kandal, and Kampong Speu, with its head office located in Takeo province.

There have been no significant changes in the nature of this principal activity during the period.

FINANCIAL PERFORMANCE

The financial performance for the year ended 31 December 2025 is set out in the statement of comprehensive income on page 8.

SHARE CAPITAL AND DIVIDENDS

The Company’s registered capital amounts to KHR 2,000,000,000 (equivalent to US\$500,000) divided into 118,708 ordinary shares at par value of 16,848 Riels per share. All shares are fully paid up.

The Company declared and paid dividends during the financial period amounting US\$3,014 (2024: US\$59,408)

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the financial period other than those disclosed in the financial statements.

ASSETS

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

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

BAD AND DOUBTFUL LOANS

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off of bad loans and making of provisions for doubtful loans, and satisfied themselves that all known bad loans had been written off and that adequate provisions had been made in the financial statements.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad loans or the amount of the provisions for doubtful loans in the financial statements of the Company inadequate to any material extent.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- a. Any charge on the assets of the Company that has arisen since the end of the financial year which secures the liabilities of any other person, or
- b. Any contingent liability in respect of the Company that has arisen since the end of the financial year other than in the ordinary course of micro-finance business and as disclosed in the financial statements.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

CHANGES OF CIRCUMSTANCES

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

ITEMS OF AN UNUSUAL NATURE

The financial performance of the Company for the financial year were not, in the opinion of the Directors, materially affected by any item, transaction or event of a material and unusual nature.

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

EVENTS SINCE THE REPORTING DATE

There have been no significant events occurred after the reporting date which would requires disclosure or adjustments other than those already disclosed in the financial statements.

BOARD OF DIRECTORS

The members of the Board of Directors of the Company during the period and as at the date of this report are:

Name	Position
Mrs. Chen Sopheap	Chairwoman
Mr. Dy Sitha	Director
Ms. Chin Molika	Director
Mrs. Lim Rotha	Director
Mr. Chheng Kimlong	Independent Director

DIRECTORS' INTERESTS

The Directors who held office at the end of the financial period and have direct financial interests in the Company are disclosed in Note 14.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no members of the Board of Directors of the Company have received or become entitled to receive any benefit (other than a benefits included in the aggregate amount of emoluments received or due and receivable by the Directors) by reason of a contract made by the Company with the Directors or with a firm of which the Directors are members, or with a company in which the Directors have substantial financial interest, other than as disclosed in the financial statements.

RESPONSIBILITIES OF THE DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors are responsible for ensuring that the financial statements are properly drawn up so as to present fairly, in all material respects, 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 the financial reporting framework indicated therein. In preparing these financial statements, the Directors are required to:

- i. adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii. comply with the disclosure requirements of the Cambodian International Financial Reporting Standard for Small and Medium-sized Entities ("CIFRS for SMEs") or, if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal control;
- iv. assess the Company's ability to continue as a going concern and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its operations in the foreseeable future; and,
- v. control and direct effectively the Company in all material decisions affecting its operations and performance and ascertain that such decisions and/or instructions have been properly reflected in the financial statements.

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

STATEMENT BY THE DIRECTORS

I, on behalf of the Board of Directors, do hereby approve the accompanying financial statements, together with the notes thereto, which have been drawn up to present fairly, in all material respects, 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 the CIFRS for SMEs.

On behalf of the Board of Directors



Mrs. Chen Sopheap
Chairwoman



Phnom Penh, Kingdom of Cambodia
Date: 24 April 2026

**REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF DAIKOU FINANCE PLC.**

Opinion

We have audited the financial statements of Daikou Finance Plc. (“the Company”), which comprise the statement of financial position as at 31 December 2025, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, 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 Standard for Small and Medium-sized Entities (“CIFRS for SMEs”).

Basis for Opinion

We conducted our audit in accordance with Cambodian International Standards on Auditing (CISAs). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Cambodia. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Company for the year ended 31 December 2024 were audited by other auditors who expressed an unmodified opinion on these financial statements in their report dated 23 May 2025.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Board of Directors as set out on pages 1 to 3, but does not include the financial statements and our auditor’s report thereon.

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.

Responsibilities of Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with CIFRS for SMEs, and for such internal control as the Directors determine 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, the Directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



**REPORT OF INDEPENDENT AUDITORS
TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF DAIKOU FINANCE PLC. (continued)**

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

As part of 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 the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements 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.

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

For **REACHS & PARTNERS Co., Ltd**

E Bunthet
Partner

Phnom Penh, Kingdom of Cambodia
Date: 24 April 2026

DAIKOU FINANCE PLC.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Assets					
Cash on hand	6	27,960	112,203	11,595	46,670
Balances with the NBC	7	24,919	100,000	24,845	100,001
Balances with other banks	8	50,914	204,318	1,181	4,754
Loans to customers	9	2,482,117	9,960,736	2,743,580	11,042,910
Other assets	10	14,500	58,189	10,938	44,025
Intangible assets	11	813	3,263	1,363	5,486
Property and equipment	12	62,334	250,146	4,179	16,820
Deferred tax asset	23(c)	34,935	140,194	11,015	44,335
Total assets		2,698,492	10,829,049	2,808,696	11,305,001
Liabilities and equity					
Liabilities					
Other liabilities	13	40,732	163,458	39,305	158,203
Borrowings	14	2,047,524	8,216,714	2,189,473	8,812,629
Income tax liabilities	23(b)	536	2,151	571	2,298
Total liabilities		2,088,792	8,382,323	2,229,349	8,973,130
Equity					
Share capital	15	500,000	2,000,000	500,000	2,000,000
Regulatory reserves	16	-	-	48,071	196,535
Retained earnings		109,700	442,399	31,276	127,750
Currency translation differences		-	4,327	-	7,586
Total equity		609,700	2,446,726	579,347	2,331,871
Total liabilities and equity		2,698,492	10,829,049	2,808,696	11,305,001

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

DAIKOU FINANCE PLC.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Interest income	17	605,231	2,427,582	658,969	2,682,663
Interest expense	18	(289,850)	(1,162,588)	(295,095)	(1,201,332)
Net interest income		315,381	1,264,994	363,874	1,481,331
Other income	19	24,204	97,082	35,718	145,408
Personnel expenses	20	(176,520)	(708,022)	(179,168)	(729,393)
General and administrative expenses	21	(97,507)	(391,101)	(109,858)	(447,232)
Operating profit		65,558	262,953	110,566	450,114
Allowance for impairment losses	22	(49,854)	(199,964)	(89,890)	(365,942)
Profit before income tax		15,704	62,989	20,676	84,172
Income tax expense/credit	23(a)	17,663	70,846	4,781	19,463
Net profit for the year		33,367	133,835	25,457	103,635
Other comprehensive income					
Currency translation differences		-	(3,259)	-	(35,236)
Total comprehensive income		33,367	130,576	25,457	68,399

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

DAIKOU FINANCE PLC.

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

	Share capital		Regulatory reserves		Retained earnings		Currency translation differences	Total	
	US\$	KHR'000	US\$	KHR'000	US\$	KHR'000	KHR'000	US\$	KHR'000
As at 01 January 2025	500,000	2,000,000	-	-	31,276	127,750	7,586	579,347	2,331,871
Profit for the year	-	-	-	-	33,367	133,835	-	33,367	133,835
Dividend paid	-	-	-	-	(3,014)	(12,095)	-	(3,014)	(12,095)
Transfer from regulatory reserves	-	-	(48,071)	(192,909)	48,071	192,909	-	-	-
Currency translation differences	-	-	-	(3,626)	-	-	(3,259)	-	(6,885)
As at 31 December 2025	500,000	2,000,000	-	-	109,700	442,399	4,327	609,700	2,446,726
As at 01 January 2024	500,000	2,000,000	33,576	137,526	79,722	324,974	42,822	613,298	2,505,322
Profit for the year	-	-	-	-	25,457	103,635	-	25,457	103,635
Dividend paid	-	-	-	-	(59,408)	(241,850)	-	(59,408)	(241,850)
Transfer to regulatory reserves	-	-	14,495	59,009	(14,495)	(59,009)	-	-	-
Currency translation differences	-	-	-	-	-	-	(35,236)	-	(35,236)
As at 31 December 2024	500,000	2,000,000	48,071	196,535	31,276	127,750	7,586	579,347	2,331,871

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

DAIKOU FINANCE PLC.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Note	2025		2024	
		US\$	KHR'000	US\$	KHR'000
Cash flows from operating activities					
Profit before tax		15,704	62,989	20,676	84,172
<i>Adjustments for:</i>					
Amortization of Intangible asset	11	550	2,206	1,010	4,111
Depreciation of property and equipment	12	3,300	13,236	2,516	10,243
Loss on disposal of property and equipment		52	209	-	-
Allowance for impairment losses		49,854	199,964	89,890	365,942
Operating profit before changes in working capital:		69,460	278,604	114,092	464,468
<i>Changes in working capital:</i>					
Statutory deposit with NBC		(74)	(297)	(365)	(1,486)
Loans to customers		211,597	848,716	(75,936)	(309,135)
Other assets		(3,562)	(14,287)	1,903	7,747
Other liabilities		1,427	5,724	(48,462)	(197,289)
Deferred tax asset		-	-	(11,015)	(44,842)
Net cash from/(used in) operations		278,848	1,118,460	(19,783)	(80,537)
Income tax paid	23(b)	(6,292)	(25,237)	4,781	19,463
Net cash from/(used in) operating activities		272,556	1,093,223	(15,002)	(61,074)
Cash flows from investing activities					
Acquisitions of property and equipment	12	(61,507)	(246,705)	(2,848)	(11,594)
Net cash used in investing activities		(61,507)	(246,705)	(2,848)	(11,594)
Cash flows from financing activities					
Borrowing		(141,949)	(569,357)	64,469	262,453
Dividend paid		(3,014)	(12,089)	(59,408)	(241,850)
Net cash (used in)/from financing activities		(144,963)	(581,446)	5,061	20,603
Net change in cash and cash equivalents		66,086	265,072	(12,789)	(52,065)
Cash and cash equivalents, beginning of the year		12,788	51,472	25,577	104,482
Currency translation differences		-	(23)	-	(945)
Cash and cash equivalents, at end of the year	24	78,874	316,521	12,788	51,472

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

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2025

1. ENTITY INFORMATION

Daikou Finance Plc. ("the Company") is incorporated in the Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") as a public limited company under Registration No. 00044553 dated 26 August 2015. On 27 July 2023, the Company obtained its license from the National Bank of Cambodia ("NBC") to operate as Rural Credit Institution in the Kingdom of Cambodia.

The principal business activity of Daikou Finance Plc. is to provide microfinance services to low-income families, individuals, and micro-enterprises in rural areas. They primarily serve clients that require small-scale loans for daily operations, agricultural purposes, and business growth.

The Company business address is located at Lot NO 507, National Road NO 2, Kleang Sambatt Village, Pot Sar Commune, Bati District, Takeo Province, Kingdom of Cambodia.

The company operates in several provinces in the Kingdom of Cambodia, including Takeo, Kandal, and Kampong Speu, with its head office located in Takeo province.

As at 31 December 2025, the Company had 31 employees (31 December 2024: 29 employees).

2. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Cambodian International Financial Reporting Standard for Small and Medium-Sized Entities ("the CIFRS for SMEs"), which are based on International Financial Reporting Standard for Small and Medium-Sized Entities issued by the International Accounting Standards Board. They are prepared under the historical cost convention, except otherwise indicated.

The preparation of these financial statements requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the reported periods. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Although these estimates and judgements are based on the management's best knowledge of current events and actions, actual results may differ from related estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared using the significant accounting policies and measurement basis which are summarized below. These policies have been consistently applied to the periods presented, unless otherwise stated.

3.1 Functional and presentation currency

The national currency of Cambodia is the Khmer Riel ("KHR"). However, the Company transacts its business essentially in US Dollar ("US\$") and maintains its accounting records primarily in US\$, management has determined the US\$ to be the Company's functional and presentation currency as it reflects the economic substance of the underlying events and circumstances of the Company's operations.

Transactions in foreign currencies other than the US\$ are translated into the functional currency using the exchange rates prevailing on the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in currencies other than the US\$ at year-end exchange rates are recognized in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Presentation in Khmer Riel

The translations of United States Dollar amounts into Khmer Riel ("KHR") are included to meet the presentation requirements pursuant to the Law on Accounting and Auditing. Assets and liabilities for each statement of financial position presented are translated at the closing exchange rates as at the year-end. Share capital is translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR using the average rates for the year. All resulting exchange differences arising from the translation are recognized in the other comprehensive income and as a separate component of equity.

The Company has used the following official rates of exchange:

<i>Reporting date</i>	<i>Closing rate</i>	<i>Average rate</i>
31 December 2025	US\$1 = KHR4,013	US\$1 = KHR4,011
31 December 2024	US\$1 = KHR4,025	US\$1 = KHR4,071

These translations are for compliance purposes only and should not be construed as representations that the KHR amounts have been, could be, or could in the future be, converted into US\$ at this or any other rate of exchange.

3.3 Financial assets and financial liabilities

(i) *Recognition and initial measurement*

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instruments. Financial assets and financial liabilities are measured initially at fair value adjusted for transaction costs that are directly attributable to its acquisition or issue.

(ii) *Classification and subsequent measurement*

All recognized financial assets and financial liabilities are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets and financial liabilities.

All financial assets and financial liabilities of the Company are classified as basic financial instruments, comprising cash and cash equivalents, deposits and placements with the NBC and other banks, loans to customers, borrowings, and other receivables and payables.

These financial assets and financial liabilities are subsequently measured at amortized cost using the effective interest method, less allowance for impairment. Discounting is omitted where the effect of discounting is immaterial.

(iii) *Derecognition*

A financial asset is derecognized when the contractual rights to receive the cash flow from this asset expire or settled, or when the financial asset and substantially all the risks and rewards of ownership of the asset are transferred. The difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

A financial liability is derecognized when the obligation specified in the contract is cancelled, discharged or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3 Financial assets and financial liabilities (continue)

(iv) Amortized cost and effective interest method

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount and, for financial asset, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including transaction costs, other premiums or discounts and all fees paid or received that form an integral part of the effective interest rate) through the expected life of the financial asset or financial liability or, when appropriate, a shorter period to the gross carrying amount of the financial asset or the amortized cost of the financial liability on initial recognition.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(vi) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Impairment of financial assets

Objective evidence of impairment

A financial asset or a group of financial assets is impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

The criteria the Company uses to determine whether there is objective evidence of impairment loss includes:

- i. indications that the borrower or a group of borrowers is experiencing significant financial difficulty;
- ii. the probability that they will enter bankruptcy or other financial reorganization;
- iii. default of delinquency in interest or principal amounts;
- iv. the restructuring of a loan on terms that the Company would not consider otherwise;
- v. the disappearance of an active market for a security; or
- vi. observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Impairment assessments

The Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Company determine that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Financial assets that have not been individually assessed are grouped together for portfolio impairment assessment. The loan receivables are grouped according to their credit risk characteristics for the purposes of calculating an estimated collective loss. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being assessed.

Future cash flows on a group of financial assets that are collectively assessed for impairment are estimated using a formula approach on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Assumptions are made to determine the required input parameters and to define the inherent losses to estimate the required loss allowance. In assessing the collective loss allowance, management considers factors such as ageing profile, credit quality, portfolio size, concentrations and economic trends. The accuracy of the allowance depends on the model assumptions and parameters used in determining the collective allowance.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Impairment of financial assets (continued)

Measurement

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 assets' original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Company to reduce any differences between loss estimates and actual loss experience.

Reversal of impairment and write off

If, in a subsequent period, the amount of impairment losses decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment is reversed by adjusting the allowance account.

The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Company shall recognise the amount of the reversal in profit or loss immediately.

When a financial asset is uncollectible, it is written off against the related allowance for the financial asset. Such financial assets are written off after the realizable value of collateral has been taken into consideration, if any, when in the judgment of the management, there is no prospect of recovery. The subsequent recovery of the written-off loan is recognised as other income in profit or loss upon incurred.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, non-restricted balances with the NBC and balances with other banks with original maturities within three months and are subject to an insignificant risk of changes in value.

3.6 Statutory deposits with the NBC

Statutory deposits represent mandatory capital guarantee deposits, which are determined by defined percentages of minimum share capital, maintained with the NBC in compliance with the Law on Banking and Financial Institutions ("LBFI"), and are not available to finance the Company day-to-day operations and hence are not considered as part of cash and cash equivalents for the purpose of the statement of cash flows.

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Loans to customers

Loans to customers are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans to customers are recognised initially at fair value plus any directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method. Loans to customers are stated at the amount of principal plus accrued interest less unearned incomes and allowance for impairment loss.

3.8 Other assets

Other assets are recognized initially at transaction price and measured subsequently at amortized cost using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at transaction price.

3.9 Property and equipment

Property and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial year in which they are incurred.

Land is not depreciated as it is considered to have an indefinite useful life. Depreciation of property and equipment is calculated on a straight line basis to allocate the costs over the estimated useful lives of the assets using the following rates:

Items	Rate
Building and leasehold improvements	20%-33%
Vehicles	20%
Furniture and fixtures	30%-33%
Office computer and equipment	33%

If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on disposal are determined by comparing proceeds with carrying amount and are recognized in profit or loss on the date of disposal.

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Intangible assets

Intangible assets consist of costs incurred in acquiring computer software, which is not integral to the operation of hardware, and is carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Software costs are amortised on a straight-line method over the expected useful lives of 5 years.

3.11 Other liabilities

Other liabilities are initially recognized at transaction price and are subsequently measured at amortized cost, unless the effect of discounting would be immaterial, in which case they are stated at cost.

3.12 Provisions

Provisions are recognized when the Company has a legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

If the effect is material, provisions are determined by discounting the expected future cash flows using a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the obligation. The unwinding of the discount is recognised as interest expense.

3.13 Interest income and expense

Interest income and expense for all financial assets or financial liabilities are measured at amortized cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability or, when appropriate, a shorter period to the carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company takes into account all contractual terms of financial instruments and, if significant, include any fees or incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability, which are an integral part of the effective interest rate of the contract, but does not consider future credit losses.

3.14 Fees and commission income and expense

Fees and commission incomes and expenses that are not integral to effective interest rate at amortized cost are recognized as incomes and expenses when related services are rendered and received.

Other fees and income on penalty charged for late payment and penalty charged on early paid off are recognized when cash is received.

Other fees and commission expenses are recognised as the services are received.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Employee benefits

Short-term employee benefit obligations such as wages, salaries, bonuses, social security contributions, seniority indemnity payment, pension fund and non-monetary benefits are measured on an undiscounted basis and are expensed when employees rendered their services to the Company.

3.16 Income taxes

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss, except that it relates to items recognised directly in other comprehensive income. Taxes other than on income are recorded within operating expenses.

Income tax is calculated on the basis of taxable profit using tax rates that have been enacted or substantially enacted at the reporting date in accordance with Cambodian Law on Taxation, and any adjustment to income tax payable in respect of previous years.

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits. Deferred tax is determined using tax rates enacted or substantively enacted at the reporting date and are expected to apply when the related deferred tax asset is realized or deferred tax liability is settled.

Deferred tax assets are measured at the highest amount that, on the basis of current or estimated future taxable profit, is more likely than not to be recovered. Deferred tax assets are reviewed at each reporting date and recognized to the extent that it is probable that future taxable profits will be available against which they can be utilized.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

3.17 Operating leases

Leases in which substantially all the risks and rewards of ownership of assets are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the statement of comprehensive income on a straight-line basis over the lease term.

3.18 Related parties

Parties are considered to be related parties if one party has the ability, directly or indirectly through one or more intermediaries, to control, be controlled by, or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities and include close family members of any individuals considered as related parties.

Under the LBFI, the definition of related parties includes parties who hold, directly or indirectly, at least 10 percent of the capital or voting power and includes any individual who participates in the administration, direction, management or internal control of the Company.

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

3.19 Regulatory reserves

According to Prakas No. B7-017-344 Prokor dated 1 December 2017 and Circular No. B7-018-001 dated 16 February 2018 on credit risk grading and impairment provisioning issued by the National Bank of Cambodia (NBC), banks and financial institutions are required to measure the impairment and provide sufficient regulatory provisions for all financial facilities based on the credit risk grading and provision, and the minimum regulatory provision is made depending on the classification concerned as follows:

Classification	Number of days past due	Provision rate
Long-term loans (more than one year)		
Standard	0 – 29 days	1%
Special mention	30 – 89 days	3%
Substandard	90 – 179 days	20%
Doubtful	180 – 359 days	50%
Loss	Over 359 days	100%
Short-term loans (less than one year)		
Standard	0 – 14 days	1%
Special mention	15 – 30 days	3%
Substandard	31 – 60 days	20%
Doubtful	61 – 90 days	50%
Loss	Over 90 days	100%

Article 73 of the Prakas requires the Company to compare the provision calculated in accordance with above Prakas and that calculated in accordance with CIFRS for SMEs:

- i. If the regulatory provision is lower, the Company shall record the provision calculated in accordance with CIFRS for SMEs.
- ii. If the regulatory provision is higher, the Company shall record the provision calculated in accordance with CIFRS for SMEs and the difference will be recorded as regulatory reserves presented under equity. The reserve is subsequently reversed (up to zero) should the accumulated regulatory provision be lower than accumulated impairment based on CIFRS for SMEs. The regulatory reserve is set aside as a buffer, and is non-distributable.

4. NEW AND AMENDED STANDARDS NOT YET ADOPTED

The Third Edition of the IFRS for SMEs Accounting Standard has been published and will be concurrently adopted as the CIFRS for SMEs in Cambodia. The new standard is mandatory for annual reporting periods beginning on or after 1 January 2027, with earlier application permitted. However, the Company has not early adopted the amended standard in preparing these financial statements and has elected to apply it from its mandatory effective date. This revised edition introduces significant amendments across various accounting areas, aiming to better align the IFRS for SMEs with recent updates to full IFRS standards. Key changes include updates to the presentation of financial statements, consolidation, financial instruments, revenue recognition, and other reporting areas.

As of the reporting date, management is evaluating the potential impact of these changes on the Company's financial statements, including any necessary amendments to accounting policies, disclosures, and financial reporting processes, which are expected to be required in future reporting periods.

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

5. USE OF ACCOUNTING ESTIMATES AND JUDGEMENTS

The Company makes estimates and judgements that have significant affect reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations with regard to future events that are believed to be reasonable under the circumstances. These estimates may differ from related actual results. Revisions to accounting estimates are recognised prospectively.

(i) Impairment losses of financial assets

The Company makes allowance for impairment losses on loan to customers and other financial assets based on assessment of recoverability. When making a judgement on the estimation of allowance for impairment losses on loans to customers and other financial assets, Management analyses segmentation of loan to customer portfolios and other financial assets, and considers its ageing profile, historical loss experience, customer concentrations, customer creditworthiness, current economic trends and changes in the customer payment position. The accuracy of the allowance depends on the model assumptions and parameters used in determining the loss allowance. If the expectation is different from the estimation, such difference will impact the carrying value of loans to customers and other financial assets.

(ii) Property and equipment

Accounting for property and equipment involves the use of estimates for determining the expected useful lives of these assets. The determination of useful lives of the assets is based on Management's estimates on historical experience, the expected usage and wear and tear of the assets.

(iii) Taxes

Taxes are calculated on the basis of current interpretation of the tax regulations enacted as at the reporting date. However, the application of tax laws and regulations to various transactions is subject to differing interpretations when reassessed by tax authorities of the General Department of Taxation. These may result in tax increases and other retroactive tax claims and penalties. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the tax liabilities in the financial period upon final determination by the tax authorities.

6. CASH ON HAND

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
US Dollars	12,743	51,138	6,620	26,646
Khmer Riels	15,217	61,065	4,975	20,024
	<u>27,960</u>	<u>112,203</u>	<u>11,595</u>	<u>46,670</u>

7. BALANCES WITH THE NBC

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Statutory deposit (*)	24,919	100,000	24,845	100,001
	<u>24,919</u>	<u>100,000</u>	<u>24,845</u>	<u>100,001</u>

(*) Statutory deposit represents a five percent capital guarantee deposit on the Company's registered share capital to comply with NBC's Prakas No. B7-06-209 dated 13 September 2006. The guarantee deposit is refundable when the Company voluntarily liquidates its activities and has no deposit liabilities.

DAIKOU FINANCE PLC.

**NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

8. BALANCES WITH OTHER BANKS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
In Cambodia:				
Saving accounts	44,182	177,302	1,193	4,802
Current accounts	7,246	29,078	-	-
	<u>51,428</u>	<u>206,380</u>	<u>1,193</u>	<u>4,802</u>
Less: Allowance for impairment losses	(514)	(2,062)	(12)	(48)
	<u>50,914</u>	<u>204,318</u>	<u>1,181</u>	<u>4,754</u>

The current accounts are non-interest-bearing and the saving accounts earn interest at rates ranging from 0.10% to 2% per annum (2024: 1% per annum).

Movements in the impairment loss allowance are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 01 January	12	48	81	331
Net remeasurement of allowances	502	2,014	(69)	(281)
Currency translation differences	-	-	-	(2)
At 31 December	<u>514</u>	<u>2,062</u>	<u>12</u>	<u>48</u>

The above amounts are analyses as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
US Dollar	32,571	130,707	660	2,657
Khmer Riels	18,857	75,673	533	2,145
	<u>51,428</u>	<u>206,380</u>	<u>1,193</u>	<u>4,802</u>

9. LOANS TO CUSTOMERS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Short term	3,280	13,163	3,461	13,931
Long term	2,577,320	10,342,785	2,788,014	11,221,756
	<u>2,580,600</u>	<u>10,355,948</u>	<u>2,791,475</u>	<u>11,235,687</u>
Accrual interest receivables	97,441	391,031	41,843	168,418
Gross loans at amortised cost	<u>2,678,041</u>	<u>10,746,979</u>	<u>2,833,318</u>	<u>11,404,105</u>
Less: Allowance for impairment losses	(195,924)	(786,243)	(89,738)	(361,195)
Net loans at amortised cost	<u>2,482,117</u>	<u>9,960,736</u>	<u>2,743,580</u>	<u>11,042,910</u>

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. LOAN TO CUSTOMER (continued)

Movements in the impairment loss allowance are as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 01 January	89,738	361,195	33,210	135,663
Allowance for impairment losses	109,233	438,134	89,960	366,227
Written off loan	(3,047)	(12,222)	(33,432)	(136,102)
Currency translation differences	-	(864)	-	(4,593)
At 31 December	195,924	786,243	89,738	361,195

Further analysis of the above loans to customers is provided below:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
a) By maturity:				
Within one year	3,280	13,163	3,461	13,931
Over one years but within five years	1,425,296	5,719,713	1,487,250	5,986,181
Over five years	1,152,024	4,623,072	1,300,764	5,235,575
	2,580,600	10,355,948	2,791,475	11,235,687

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
b) By industry:				
Personal	894,007	3,587,650	1,099,718	4,426,365
Service	478,762	1,921,272	740,840	2,981,881
Agriculture	688,506	2,762,975	279,120	1,123,458
Trade and commerce	308,659	1,238,649	248,845	1,001,601
Construction	27,995	112,344	58,560	235,704
Transportation	16,074	64,505	3,785	15,235
Others	166,597	668,553	360,607	1,451,443
	2,580,600	10,355,948	2,791,475	11,235,687

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
c) By currency				
US Dollars	2,249,906	9,028,873	2,662,260	10,715,597
Khmer Riels	330,694	1,327,075	129,215	520,090
	2,580,600	10,355,948	2,791,475	11,235,687

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
d) By status of residence:				
Residents	2,580,600	10,355,948	2,791,475	11,235,687
	2,580,600	10,355,948	2,791,475	11,235,687

DAIKOU FINANCE PLC.

NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

9. LOAN TO CUSTOMER (continued)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
e) By relationship:				
External customers	2,580,600	10,355,948	2,791,475	11,235,687
	<u>2,580,600</u>	<u>10,355,948</u>	<u>2,791,475</u>	<u>11,235,687</u>
	2025		2024	
	US\$	KHR'000	US\$	KHR'000
f) By security				
Secured	2,490,675	9,995,079	2,682,676	10,797,771
Unsecured	89,925	360,869	108,799	437,916
	<u>2,580,600</u>	<u>10,355,948</u>	<u>2,791,475</u>	<u>11,235,687</u>
			2025	2024
g) By interest rate (per annum)				
Individual loan			18%	18%

10. OTHER ASSETS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Prepayments	8,656	34,737	6,804	27,386
Rental deposit	2,187	8,776	2,100	8,453
Other receivables	3,657	14,676	2,034	8,186
	<u>14,500</u>	<u>58,189</u>	<u>10,938</u>	<u>44,025</u>

11. INTANGIBLE ASSET

	Computer Software US\$
Cost	
As at 01 January 2025	2,750
Additions	-
As at 31 December 2025	2,750
Accumulated amortisation	
As at 01 January 2025	1,387
Charge for the year	550
As at 31 December 2025	1,937
Carrying amounts	
As at 31 December 2025	813
Equivalent in KHR'000	3,260
As at 31 December 2024	1,363
Equivalent in KHR'000	5,486

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

12. PROPERTY AND EQUIPMENT

	Land US\$	Building and leasehold improvements US\$	Office and computer equipment US\$	Furniture and fixtures US\$	Vehicles US\$	Total US\$
Cost						
As at 01 January 2025	-	3,110	9,453	11,491	1,130	25,184
Additions	38,000	20,926	1,831	750	-	61,507
Write off	-	(250)	(935)	(238)	-	(1,423)
As at 31 December 2025	38,000	23,786	10,349	12,003	1,130	85,268
Accumulated depreciation						
As at 01 January 2025	-	2,033	7,230	10,612	1,130	21,005
Charge for the year	-	1,072	2,049	179	-	3,300
Write off	-	(198)	(935)	(238)	-	(1,371)
As at 31 December 2025	-	2,907	8,344	10,553	1,130	22,934
Carrying amounts						
As at 31 December 2025	38,000	20,879	2,005	1,450	-	62,334
Equivalent in KHR'000	152,494	83,787	8,046	5,819	-	250,146
As at 31 December 2024	-	1,077	2,223	879	-	4,179
Equivalent in KHR'000	-	4,335	8,948	3,537	-	16,820

DAIKOU FINANCE PLC.

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

13. OTHER LIABILITIES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Accrued expenses	10,793	43,312	10,103	40,665
Collection from customers	9,856	39,552	-	-
Accrued interest payables	9,489	38,079	13,345	53,714
Accrued professional fee	3,904	15,667	6,189	24,911
Other tax payables	4,046	16,238	4,344	17,484
Others	2,644	10,610	5,324	21,429
	<u>40,732</u>	<u>163,458</u>	<u>39,305</u>	<u>158,203</u>

14. BORROWINGS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Camma Microfinance Limited (i)	120,208	482,395	141,994	571,526
CCU Commercial Bank (ii)	141,293	567,009	-	-
Leap Philanthropy Ltd. (iii)	100,000	401,300	-	-
Chief Bank (iv)	19,935	79,999	-	-
Forbes Asset Management Ltd. (v)	-	-	150,000	603,750
Non-related parties (vi)	<u>1,666,088</u>	<u>6,686,011</u>	<u>1,897,479</u>	<u>7,637,353</u>
	<u>2,047,524</u>	<u>8,216,714</u>	<u>2,189,473</u>	<u>8,812,629</u>

- (i) The borrowing from Camma Microfinance is unsecured, bears annual interest rate of 12% and matures on 22 September 2031.
- (ii) The borrowing from CCU Commercial Bank is unsecured, bears annual interest rate of 11% and matures on 20 May 2032.
- (iii) The borrowing from Leap Philanthropy Ltd. is unsecured, bears annual interest rate of 10% and matures on 13 December 2027.
- (iv) The borrowing from Chief Bank is unsecured, bears annual interest rate of 10% and matures on 08 October 2027.
- (v) The borrowing from Forbes Asset Management Ltd. is unsecured, bears annual interest rate of 11.5% and is repayable on 20 November 2025.
- (vi) The borrowings from non-related parties bear annual interest rates ranging from 10% to 14%. These borrowings are unsecured and mature at their respective maturity dates, which range from one to five years.

DAIKOU FINANCE PLC.

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

15. SHARE CAPITAL

The authorised share capital of the Company is US\$500,000 (equivalent to KHR 2,000,000) represented by 118,708 ordinary shares, each having a par value of KHR 16,848 per share. All authorised shares are issued and fully paid up.

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

	2025 and 2024			
	% of ownership	Number of shares	Amount	
			US\$	KHR'000
Mr. Dy Sitha	27%	32,052	135,000	540,000
Mr. Thuch Panhchak Kampoul	21%	24,929	105,000	420,000
Ms. Chin Molika	20%	23,741	100,000	400,000
Mrs. Lim Rotha	16%	18,993	80,000	320,000
Mrs. Chen Sopheap	16%	18,993	80,000	320,000
	100%	118,708	500,000	2,000,000

16. REGULATORY RESERVES

Regulatory reserves represent the variance of loss allowance between impairment in accordance with CIFRS for SMEs and regulatory provision in accordance with the National Bank of Cambodia.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
At 1 January	48,071	196,535	33,576	137,526
Transfer from/(to) retained profits	(48,071)	(192,909)	14,495	59,009
Currency translation difference	-	(3,626)	-	-
At 31 December	-	-	48,071	196,535

Further analysis of the provision calculated in accordance with NBC's Prakas and that calculated in accordance with CIFRS for SMEs is provided below:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Impairment on credit facilities required by the NBC	191,922	769,799	137,775	560,882
Impairment loss on financial instruments under CIFRS	(195,924)	(785,851)	(89,704)	(365,185)
	(4,002)	(16,052)	48,071	195,697

17. INTEREST INCOME

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Loan to customers	605,144	2,427,233	658,928	2,682,496
Deposits and placements with banks	87	349	41	167
	605,231	2,427,582	658,969	2,682,663

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

18. INTEREST EXPENSE

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Non-related parties	289,850	1,162,588	292,630	1,191,297
Related parties	-	-	2,465	10,035
	<u>289,850</u>	<u>1,162,588</u>	<u>295,095</u>	<u>1,201,332</u>

19. OTHER OPERATING INCOMES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Penalty income	14,124	56,651	19,282	78,497
Fee and commission on loans	2,119	8,499	5,295	21,556
Other operating income	7,961	31,932	11,141	45,355
	<u>24,204</u>	<u>97,082</u>	<u>35,718</u>	<u>145,408</u>

20. PERSONNEL EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Salary expense	143,432	575,306	144,614	588,724
Incentive expenses	13,917	55,821	15,368	62,563
Bonus expenses	10,307	41,341	11,991	48,815
Uniform expenses	1,000	4,011	795	3,236
Other employee expenses	7,864	31,543	6,400	26,055
	<u>176,520</u>	<u>708,022</u>	<u>179,168</u>	<u>729,393</u>

21. GENERAL AND ADMINISTRATIVE EXPENSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Rental expense	24,482	98,197	22,728	92,526
Professional fee	14,167	56,824	15,056	61,293
Transportation expense	9,749	39,103	11,703	47,643
Loss on exchange rate	4,334	17,384	9,131	37,172
Membership fee	7,109	28,514	7,805	31,774
Management fee	7,104	28,494	7,104	28,920
Repaired and maintenance expense	8,622	34,583	5,267	21,442
Office supplies	4,808	19,285	4,982	20,282
Marketing and advertising expense	1,431	5,740	2,840	11,562
Depreciation expense	3,300	13,236	2,515	10,243
Communication expense	2,090	8,383	2,377	9,677
Utilities expense	2,915	11,692	2,304	9,380
License fee	1,094	4,388	1,084	4,413
Amortisation expense	550	2,206	1,011	4,112
Entertainment expense	442	1,773	39	159
Other expenses	5,310	21,299	13,912	56,634
	<u>97,507</u>	<u>391,101</u>	<u>109,858</u>	<u>447,232</u>

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

22. ALLOWANCE FOR IMPAIRMENT LOSSES

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Loans to customers	49,352	197,951	89,960	366,227
Deposits and placements with other banks	502	2,013	(70)	(285)
	<u>49,854</u>	<u>199,964</u>	<u>89,890</u>	<u>365,942</u>

23. INCOME TAX EXPENSE

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Current income tax	6,257	25,097	10,373	42,228
Deferred tax assets	(23,920)	(95,991)	(15,154)	(61,691)
Income tax expense/(credit)	<u>(17,663)</u>	<u>(70,894)</u>	<u>(4,781)</u>	<u>(19,463)</u>

a. Reconciliation of income tax

In accordance with the Cambodian Law on Taxation, the Company has an obligation to pay corporate income tax of either the profit tax at the rate of 20% of taxable profit or the minimum tax at 1% of gross revenue, whichever is higher. Income tax expense represents minimum tax.

A reconciliation of income tax expense applicable to the Profit before tax at the corporate tax rate to income tax expense at the effective tax of the Bank is as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Loss before income tax	15,706	62,997	20,676	84,172
Add: Effect of non-deductible expenses	12,404	49,752	26,083	106,184
Less: Deductible expense	(13,109)	(52,580)	(15,165)	(61,737)
Estimated taxable income	14,999	60,161	31,594	128,619
Income tax at 20%	3,000	12,033	6,319	25,724
Minimum tax at 1%	6,257	25,097	10,373	42,232
Current income tax expense	<u>6,257</u>	<u>25,097</u>	<u>10,373</u>	<u>42,232</u>

b. Income tax liability

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Balance at beginning of period	571	2,298	19,993	81,671
Charge during the year	6,257	25,097	10,373	42,232
Tax paid during the year	(6,292)	(25,237)	4,781	19,459
Temporary different of tax during the year	-	-	(11,578)	(47,134)
Under provision of taxation	-	-	(22,998)	(93,625)
Currency translation difference	-	(7)	-	(305)
Balance at end of year	<u>536</u>	<u>2,151</u>	<u>571</u>	<u>2,298</u>

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

23. INCOME TAX EXPENSE (continued)

c. Deferred tax asset/(liabilities)

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Deferred tax assets	34,935	140,194	11,015	44,335
	<u>34,935</u>	<u>140,194</u>	<u>11,015</u>	<u>44,335</u>

The movement of net deferred tax assets is as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Balance at beginning of year	11,015	44,335	(563)	(2,300)
Credit/(Charge) to profit or loss	23,920	95,991	11,578	47,134
Currency translation difference	-	(132)	-	(499)
	<u>34,935</u>	<u>140,194</u>	<u>11,015</u>	<u>44,335</u>

Deferred tax assets/(liabilities) are attributable to the followings:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Deferred tax asset				
Allowances for impairment losses	34,625	138,950	11,512	46,335
Accelerated depreciation	310	1,244	-	-
Deferred tax liability				
Accelerated depreciation	-	-	(497)	(2,000)
Deferred tax assets, net	<u>34,935</u>	<u>140,194</u>	<u>11,015</u>	<u>44,335</u>

24. CASH AND CASH EQUIVALENTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Cash on hand	27,960	112,203	11,595	46,670
Balance with other banks	50,914	204,318	1,193	4,802
	<u>78,874</u>	<u>316,521</u>	<u>12,788</u>	<u>51,472</u>

25. RELATED PARTY DISCLOSURE

Significant related party transactions for the year are as follows:

Related party transactions

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Interest expense	-	-	2,465	10,035
Key management remuneration	33,159	133,001	30,686	124,923

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

26. LEASE COMMITMENTS

The Company has commitments for the leases of its head office and branches under operating leases arrangements with future minimum lease amounts due as follows:

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Within one year	6,667	26,754	16,611	66,859
More than one to five years	3,889	15,606	26,556	106,888
	<u>10,556</u>	<u>42,360</u>	<u>43,167</u>	<u>173,747</u>

27. CATEGORIES OF FINANCIAL INSTRUMENTS

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
Finance assets at amortised cost				
Cash on hand	27,960	112,203	11,595	46,670
Balances with the NBC	24,919	100,000	24,845	100,001
Balances with other banks	50,914	204,318	1,193	4,802
Loans to customers	2,482,117	9,960,736	2,791,475	11,235,687
Other assets (i)	5,844	23,452	4,134	16,639
	<u>2,591,754</u>	<u>10,400,709</u>	<u>2,833,242</u>	<u>11,403,799</u>
Financial liabilities at amortised cost				
Borrowings	2,047,524	8,216,714	2,189,473	8,812,629
Other liabilities (ii)	36,686	147,221	34,961	140,719
	<u>2,084,210</u>	<u>8,363,935</u>	<u>2,224,434</u>	<u>8,953,348</u>

(i) Excluded prepayment

(ii) Excluded tax payables

28. FINANCIAL RISK MANAGEMENT

The Company's financial risk management is to identify all key risks, measure these risks, manage the risk positions and determine capital allocations, and to optimise returns for its shareholders whilst minimizing the potential adverse impact arising from volatility of the financial markets. The Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company.

The following are policies and guidelines adopted by the Company to manage financial risks related to its business activities.

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

28. FINANCIAL RISK MANAGEMENT (continued)

28.1 Operational risk

The operational risk is the risk of losses arising from inadequate or failed internal processes, people or systems or from external factors. This risk is managed through established operational risk management processes, along with proper monitoring and reporting of the business activities by control and support functions and oversight provided by the management.

The operational risk management involves establishing policies and procedures that provide guidance to key operating units on the risk governance structure and the baseline internal controls necessary to identify, assess, monitor, and control operational risks. Internal control policies and measures that have been implemented include the establishment of signing authorities, defining system parameter controls, streamlining procedures and enhancement of documentation to ensure compliance with regulatory and legal requirements. These controls are reviewed periodically, taking into consideration the Company's business objectives, strategies, and applicable regulatory requirements.

28.2 Credit risk

The Company's exposure to credit risk is the risk of financial loss arising when customers or market counterparties fail to meet their contractual obligations to the Company when due. Credit risk primarily arises from loans to customers resulting from the Company's lending activities.

The Company has set up the Credit Risk Policy which is designed to govern the Company's risk undertaking activities. Procedures of risk limit setting, monitoring, and control are governed by internal policies which set out the plan for a particular product or portfolio, including the target market, terms and conditions, documentation and procedures under which a credit product will be offered and measured.

Exposure to credit risk is managed through regular analysis of the ability of the borrowers and potential borrowers to meet their contractual obligations and reviewing these lending limits where appropriate. Credit risk is also managed by obtaining collateral from customers or personal guarantees as well as by providing allowances for loan losses.

The Company also ensures that there is a clear segregation of duties between loan originators, evaluators and approving authorities.

(a) Risk limit control and mitigation policies

The Company manages, limits and controls concentration of credit risk whenever they are identified. Limits on level of credit risk by product and industry sector are approved by the Directors.

The Company structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and industry segments.

The Company implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The Company's loans to customers are generally secured with collaterals pledged to the Company such as land, building and other properties, and accordingly the Company normally assumes minimal risks.

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Credit risk (continued)

(b) Credit risk measurement

The Company's risks are measured using a method that reflects both the loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the ultimate actual loss based on incurred loss models. The models make use of probabilities derived from historical experience. The Company continuously monitors all financial assets subject to impairment in order to assess whether there has been an increase in credit risk since initial recognition.

The Company use day past due (DPD) as a primary input into the determination of the term structure of the PD for exposures. The Company collect performance and default information about its credit risk exposures analyzed by type of product and borrower as well as by credit risk grading.

The Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 15 days and 30 days past due for short-term and long-term, respectively, unless the Company has reasonable and supportable information that demonstrates otherwise.

(c) Exposure to credit risk with regards to loans to customers

The analysis of concentrations of credit risk on loans to customers at the reporting date is shown in the following tables without taking into account collateral or other credit enhancements. The amounts in the table represent gross carrying amounts.

	2025		2024	
	US\$	KHR'000	US\$	KHR'000
<i>Loan to customers</i>				
Neither past due nor impaired	2,282,870	9,161,157	2,600,457	10,466,839
Past due but not impaired	16,130	64,730	144,716	582,482
Individually impaired	281,600	1,130,061	46,302	186,366
	<u>2,580,600</u>	<u>10,355,948</u>	<u>2,791,475</u>	<u>11,235,687</u>

Neither past due nor impaired

Neither past due nor impaired loans to customers are good quality loans to customers for which there is no experience of default. These loans are supported by collaterals and management views that likelihood of default is relatively low.

Past due but not impaired loans

Past due but not impaired loans to customers are those for which contractual interest or principal payments that are past due less than 30 days for short-term loans and 90 days for long-terms loans, unless other information is available to indicate otherwise.

Impaired loans

Individually impaired loans to customers are loans to customers for which the Company determines that there is objective evidence of impairment and it does not expect to collect all principal and interest due according to the contractual terms of the loans to customers.

Management is confident of its ability to control and maintain minimal exposure to credit risk and believes that Company's maximum exposure to credit risk is limited to the carrying amount of loans to customers less allowances for loan losses.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Market risk

The Company's exposure to market risk is the risk that the fair value or future cash flow of a financial instrument, will fluctuate because of changes in market prices. Market risk arises from interest rates, foreign currencies and equity products, all of which are exposed to changes in the level of volatility of market rates or prices including foreign exchange rates and interest rates.

(a) Foreign currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates from time to time.

The Company has no material exposures to currency risk as it transacts essentially in the Company's functional currency, US Dollar. Therefore, there is no currency exposures and no analysis for foreign exchange risk was presented.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from loans to customers and borrowings.

The Company have no significant financial assets and liabilities with floating interest rates, and therefore, the Company does not use derivative financial instruments to hedge any debt obligations.

The table below summarises the Company's exposure to interest rate risks. Included in the table are the Company's assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

31 December 2025

	Within one year US\$	One to five years US\$	Over 5 years US\$	Non- interest bearing US\$	Total US\$	interest rate %
Financial assets						
Cash on hand	-	-	-	27,960	27,960	
Balances with the NBC	-	-	-	24,919	24,919	
Balances with other banks	44,182	-	-	7,246	51,428	0.10%-2%
Loans to customers	3,280	1,425,296	1,152,024	-	2,580,600	18%
Other assets	-	-	-	5,844	5,844	
Total financial assets	47,462	1,425,296	1,152,024	65,969	2,690,751	
Financial liabilities						
Borrowings	850,208	935,815	261,501	-	2,047,524	10%-14%
Other liabilities	-	-	-	36,686	36,686	
Total financial liabilities	850,208	935,815	261,501	36,686	2,084,210	
Total interest re-pricing gap	(802,746)	489,481	890,523	29,283	606,541	
(KHR'000 equivalents)	(3,221,420)	1,964,287	3,573,669	117,513	2,434,049	

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025

28. FINANCIAL RISK MANAGEMENT (continued)

28.3 Market risk (continued)

31 December 2024

	Within one year US\$	One to five years US\$	Over 5 years US\$	Non- interest bearing US\$	Total US\$	interest rate %
Financial assets						
Cash on hand	-	-	-	11,595	11,595	
Balances with the NBC	-	-	-	24,845	24,845	
Balances with other banks	463	-	-	730	1,193	1%
Loans to customers	3,461	1,487,250	1,300,764	-	2,791,475	18%
Other assets	-	-	-	4,134	4,134	
Total financial assets	3,924	1,487,250	1,300,764	41,304	2,833,242	
Financial liabilities						
Borrowings	751,603	1,175,876	261,994	-	2,189,473	10%-14%
Other liabilities	-	-	-	39,305	39,305	
Total financial liabilities	751,603	1,175,876	261,994	39,305	2,228,778	
Total interest re-pricing gap	(747,679)	311,374	1,038,770	1,999	604,464	
(KHR'000 equivalents)	(3,009,408)	1,253,280	4,181,049	8,047	2,432,968	

28.4 Liquidity risk

Liquidity risk relates to the ability to maintain sufficient liquid assets to meet its financial commitments and obligations when they fall due at a reasonable cost.

The Company's management closely monitors all inflows and outflows and the maturity gaps through periodical reporting. Movements in loans is monitored and liquidity requirements adjusted to ensure sufficient liquid assets to meet its financial commitments and obligations as and when they fall due.

The following table provide an analysis of financial assets and liabilities of the Company into relevant maturity groupings based on the remaining period to repayment. The amounts disclosed represent the contractual undiscounted cash flows.

31 December 2025

	Within one year US\$	One to five years US\$	Over 5 years US\$	No fixed maturity date US\$	Total US\$
Financial assets					
Cash on hand	-	-	-	27,960	27,960
Deposits and placements with NBC	-	-	-	24,919	24,919
Balances with other banks	44,182	-	-	7,246	51,428
Loans to customers	3,280	1,425,296	1,152,024	-	2,580,600
Other assets	-	-	-	5,844	5,844
Total financial assets	47,462	1,425,296	1,152,024	65,969	2,690,751
Financial liabilities					
Borrowings	850,208	935,815	261,501	-	2,047,524
Other liabilities	-	-	-	36,686	36,686
Total financial liabilities	850,208	935,815	261,501	36,686	2,084,210
Total maturity gap	(802,746)	489,481	890,523	29,283	606,541
(KHR'000 equivalents)	(3,221,420)	1,964,287	3,573,669	117,513	2,434,049

DAIKOU FINANCE PLC.

NOTES TO FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2025

28. FINANCIAL RISK MANAGEMENT (continued)

28.4 Liquidity risk (continued)

31 December 2024

	Within one year US\$	One to five years US\$	Over 5 years US\$	No fixed maturity date US\$	Total US\$
Financial assets					
Cash on hand	-	-	-	11,595	11,595
Deposits and placements with NBC	-	-	-	24,845	24,845
Balances with other banks	-	-	-	1,193	1,193
Loans to customers	3,461	1,487,250	1,300,764	-	2,791,475
Other assets	-	-	-	4,134	4,134
Total financial assets	3,461	1,487,250	1,300,764	41,767	2,833,242
Financial liabilities					
Borrowings	751,603	1,175,876	261,994	-	2,189,473
Other liabilities	-	-	-	39,305	39,305
Total financial liabilities	751,603	1,175,876	261,994	39,305	2,228,778
Total maturity gap	(748,142)	311,374	1,038,770	2,462	604,464
(KHR'000 equivalents)	(3,011,272)	1,253,280	4,181,049	9,911	2,432,968

29. CAPITAL MANAGEMENT

The Company considers the need to balance efficiency, flexibility and adequacy when assessing sufficiency of capital, determining capital management plans and developing business strategies. These considerations are addressed through an internal capital adequacy assessment process and the key features of which include:

- assessing both economic and regulatory of minimum capital requirements set by the NBC;
- safeguarding the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- maintaining a strong capital base to support the business growth and development.

The Directors monitor and manage the Company's capital structure, including debt levels and liquidity position, to ensure compliance with applicable regulatory capital requirements and to maintain sufficient financial flexibility to support its operations.

30. TAX CONTINGENCIES

Taxes are subject to review and investigation by tax authorities of the General Department of Taxation (GDT). Due to varying interpretations of tax laws and regulations, certain transactions may be subject to challenge by these tax authorities, potentially resulting in additional tax liabilities, retrospective tax assessments, and penalties.

Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, if a particular treatment is to be challenged by the tax authorities, the Company may be subject to additional taxes, penalties, and interest, whose effects could be significant. Tax years remain open for review by the GDT for three years, with a possible extension of up to ten years.

31. EVENTS AFTER THE REPORTING DATE

The Company has evaluated events after the end of the reporting period until the date of authorisation of these financial statements. The Directors affirm that no material events which would require adjustments or disclosures in the financial statements.

DAIKOU FINANCE PLC.

**NOTES TO FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2025**

32. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2025 were approved for issue by the Board of Directors on 24 April 2026.