ROYAL RAILWAY PLC.

Condensed Interim Financial Statements for the three-month period ended 31 March 2026 and Independent Auditors' Report on Review of Condensed Interim Financial Statements

Corporate information

Company	Royal Railway Plc.	
Registration No.	00018504	
Registered office	Central Railway Station, Russian Federation Boulevard Sangkat Sras Chork, Khan Daun Penh, Phnom Penh Kingdom of Cambodia	
Shareholders	Inter Logistics (Cambodia) Co., Ltd. Neak Oknha Kith Meng	
Board of Directors	Neak Oknha Kith Meng	Chairman
	Mr. Raymond Thornton Yager	Director
	Mr. William Mark Hanna	Director
	Mr. Paul Clements	Director
	Mr. Lun Yeng	Independent Director
Management team	Mr. John Guiry	Chief Executive Officer
	Ms. Tauch Sothyda	Commercial Director
	Mr. Dy Chetra	Chief Financial Officer
Audit and Risk Committee	Mr. Lun Yeng	Chairman
	Mr. Paul Clements	Director
	Mr. William Mark Hanna	Director
Nomination and Remuneration Committee	Mr. William Mark Hanna	Chairman
	Mr. Paul Clements	Director
	Mr. Raymond Thornton Yager	Director
Principal banker	Wing Bank (Cambodia) Plc	
Auditors	Fii&Associates Co., Ltd.	

Royal Railway Plc.

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Report of the Board of Directors

The Board of Directors ("the Directors") of Royal Railway Plc. ("the Company") hereby presents its report and the Company's condensed interim financial statements for the three-month period ended 31 March 2026.

Principal activities

The Company is principally engaged in operating railway services including, inter alia, railway freight and passenger services, the provision of substitute transportation by other modes in the event transport by rail is impractical, and the maintenance of railway infrastructure and equipment.

Financial results

The financial results of the Company for the three-month period ended 31 March 2026 was disclosed in the condensed interim statements of profit or loss and other comprehensive income. Refer to pages 9 and 10.

Dividends

No dividend was declared nor paid during the periods and the Directors do not recommend any dividends to be paid as at the reporting date.

Share capital

There was no shareholding structure changes during the period ended.

Reserves and provisions

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

Expected credit losses on trade and other receivables

Before the condensed interim financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that action had been taken and satisfied themselves that all known bad trade and other receivables had been written off and that adequate provision for expected credit losses on trade and other receivables had been made.

At the date of this report, the Directors are not aware of any circumstances which would render the amount written off for bad trade and other receivables or the amount of the provision for bad and doubtful trade and other receivables in the condensed interim financial statements of the Company inadequate to any material extent.

Royal Railway Plc.

Assets

Before the condensed interim financial statements of the Company were prepared, the Directors took reasonable steps to ensure that any assets, other than debts, which were unlikely to be realised in the ordinary course of business at their value as shown in the accounting records of the Company had been written down to an amount which they are expected to be realised.

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 condensed interim financial statements of the Company to be misleading.

Valuation methods

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

Contingent and other liabilities

At the date of this report, there is:

- No change on the assets of the Company which has arisen since the end of the financial period which secures the liabilities of any other person; and
- Except as disclosed in Note 29 to the condensed interim financial statements, no other contingent liability in respect of the Company that has arisen since the end of the financial period other than those in the ordinary course of business.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period after the end of the reporting period 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 become due.

Change 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 condensed interim financial statements of the Company, which would render any amount stated in the condensed interim financial statements to be misleading.

The results of the operations of the Company for the reporting period was not, in the opinion of the Directors, substantially affected by any item, transaction or event of a material and unusual nature.

Nothing has arisen during in the interval between the end of the reporting period 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 results of the operations of the Company for the current reporting periods in which this report is made.

Event during and since the reporting date

Since 30 June 2024 to the present, the Company has not been able to comply with four covenants including the Debt Service Coverage Ratio, Operating Ratio, Debt to EBITDA Ratio and Total Debt to Total Asset Ratio under the bond guarantee agreement. Refer to Note 15.

The Company communicated its non-compliance status to GuarantCo Ltd ("the Guarantor") on 27 March 2026, submitted waiver request letter in respect of the breached financial covenants as at 31 December 2025, and updated its financial forecast model in accordance with the Guarantor's requirements. As of the date of these condensed interim financial statements, the Company is still in the process of obtaining the Guarantor's approval. The Directors believe that the Guarantor will waive the non-compliance with these covenants.

Items of unusual nature

The results of the operations of the Company for the financial period were not, in the opinion of the Board of Directors, substantially affected by any item, transaction or event of a material and unusual nature.

The Board of Directors

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

Neak Oknha Kith Meng	Chairman
Mr. Raymond Thornton Yager	Director
Mr. William Mark Hanna	Director
Mr. Paul Clements	Director
Mr. Lun Yeng	Independent Director

Directors' interests

Except for Neak Oknha Kith Meng, the Chairman, who directly and indirectly holds shares of the Company through Inter Logistics (Cambodia) Co., Ltd., none of the other Directors held or dealt directly in the shares of the Company during the financial period.

Directors' benefit

During and at the end of the financial period, no arrangements existed to which the Company is a party with the objective of enabling 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.

During the financial periods, no Director of the Company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by the Directors as disclosed in the condensed interim financial statements) by reason of a contract made by the Company or a related corporation with a firm of which the Director is a member, or with a Company in which the Directors have a substantial financial interest other than as disclosed in the condensed interim financial statements.

Royal Railway Plc.

Directors' responsibility in respect of the condensed interim financial statements

The Directors are responsible for ensuring that the condensed interim financial statements of the Company as at 31 March 2026, and for the three-month period then ended, as set out on pages 7 to 39, are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *Interim Financial Reporting ("CIAS 34")*. The Directors oversee the preparation of these condensed interim financial statements by management who is required to:

- Adopt appropriate accounting policies which are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- Comply with the disclosure requirements and guidelines issued by CIAS 34 or, if there has been any departure in the interest of fair presentation, ensure this has been appropriately disclosed, explained and quantified in the condensed interim financial statements;
- Oversee the Company's financial reporting process and maintain adequate accounting records and an effective system of internal controls;
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operation, or has no realistic alternative but to do so; and
- Set overall policies for the Company, ratify all decisions and actions by management that have a material effect on the operations and performance of the Company, and ensure they have been properly reflected in the condensed interim financial statements.

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

The Directors confirm that the management has complied with the above requirements in preparing the condensed interim financial statements.

Approval of the condensed interim financial statements

I, on behalf of the Board of Directors of Royal Railway Plc., hereby approve the accompanying condensed interim financial statements, together with the notes thereto, which are prepared, in all material respects, in accordance with CIAS 34, *"Interim Financial Reporting"*.

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

ROYAL RAILWAY PLC.
KINGDOM OF CAMBODIA

Neak Oknha Kith Meng
Chairman

Phnom Penh, Kingdom of Cambodia

15 May 2026.

The Independent Auditors' Report on Review of Condensed Interim Financial Statements To the Shareholders of Royal Railway Plc.

Introduction

We have reviewed the accompanying condensed interim financial statements of Royal Railway Plc. ("the Company"), as set out on pages 7 to 39 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 31 March 2026;
- the condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026;
- the condensed interim statement of changes in equity for the three-month period ended 31 March 2026;
- the condensed interim statement of cash flows for the three-month period ended 31 March 2026; and
- other explanatory notes to the condensed interim financial statements.

Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with Cambodian International Accounting Standard 34, *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Cambodian International Standards on Review Engagements 2410, *"Review of Interim Financial Information Performed by the Independent Auditor of the Entity"*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Cambodian International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements, are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *"Interim Financial Reporting"*.

The Independent Auditors' Report on Review of Condensed Interim Financial Statements (continued) To the Shareholders of Royal Railway Plc.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(c) to the condensed interim financial statements, which describes that the condensed interim financial statements have been prepared on a going concern basis.

Those conditions indicate a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Emphasis of Matter

We draw attention to Note 29.1 to the condensed interim financial statements which describes that there are provisions in the existing Concession Agreement specifying concession fees to be paid by the Company to the Government of the Kingdom of Cambodia ("GKC") for the use of the conceded assets from the effective date of the Concession Agreement. The Company's management has performed an assessment of its obligations under the existing Concession Agreement and believes that the obligation to pay the concession fee under the agreement has not yet become effective. The Company's management is continuing its negotiation with the GKC on the new amended Concession Agreement. The Company's management believes the amounts and timing of any economic benefit outflows could not be estimated reliably due to the effective date of the agreement has not been determined as of the reporting date. The ultimate outcome of this matter is uncertain and, accordingly, no provision for any liability has been made in the condensed interim financial statements. Our review conclusion is not modified in respect of this matter.

For **Fii&Associates Co., Ltd.**

Fii&Associates Co.,Ltd

Seng Chanthan
Audit Partner

Phnom Penh, Kingdom of Cambodia
15 May 2026

Royal Railway Plc.

Condensed interim statement of financial position as at 31 March 2026

	Note	31 March 2026 US$	31 March 2026 KHR'000 (Note 4)	31 December 2025 US$	31 December 2025 KHR'000 (Note 4)
ASSETS					
Current assets					
Cash and bank balances	5	760,513	3,042,812	1,458,250	5,851,956
Trade and other receivables	6	1,265,000	5,061,265	1,097,746	4,405,255
Inventories	7	229,908	919,862	139,101	558,212
		2,255,421	9,023,939	2,695,097	10,815,423
Non-current assets					
Bank balances	5	3,803,535	15,217,944	3,785,587	15,191,561
Other receivables	8	1,993,843	7,977,366	1,957,595	7,855,829
Property and equipment	9	18,738,930	74,974,459	19,429,249	77,969,576
Intangible assets	10	219,778	879,332	223,746	897,893
Investment properties	11	90,367	361,558	89,103	357,570
Right-of-use assets	12	623,314	2,493,879	643,421	2,582,048
		25,469,767	101,904,538	26,128,701	104,854,477
TOTAL ASSETS		27,725,188	110,928,477	28,823,798	115,669,900
LIABILITIES AND EQUITY					
LIABILITIES					
Current liabilities					
Trade and other payables	13	4,383,298	17,537,575	4,659,089	18,696,924
Borrowings	14	14,293,719	57,189,170	13,983,392	56,115,352
Debt securities	15	21,724,362	86,919,172	21,333,701	85,612,142
Employee benefit liabilities	16	185,602	742,594	143,846	577,254
Minimum tax liability	24(b)	19,389	77,575	13,616	54,641
Lease liabilities	17	49,084	196,385	46,628	187,118
		40,655,454	162,662,471	40,180,272	161,243,431
Non-current liabilities					
Debt securities	15	9,809,327	39,247,117	9,809,327	39,364,829
Borrowings	14	540,978	2,164,453	607,454	2,437,713
Provision on onerous contract		9,687	38,758	9,687	38,874
Employee benefit liabilities	16	24,423	97,716	30,614	122,854
Lease liabilities	17	676,769	2,707,753	690,493	2,770,948
Other payables	18	220,713	883,073	220,713	885,721
		11,281,897	45,138,870	11,368,288	45,620,939
TOTAL LIABILITIES		51,937,351	207,801,341	51,548,560	206,864,370

Condensed interim statement of financial position (continued)
as at 31 March 2026

	Note	31 March 2026 US$	31 March 2026 KHR'000 (Note 4)	31 December 2025 US$	31 December 2025 KHR'000 (Note 4)
EQUITY					
Share capital	19	13,020,930	52,083,720	13,020,930	52,083,720
Accumulated losses		(37,233,093)	(151,263,997)	(35,745,692)	(145,286,133)
Currency translation reserves		-	2,307,413	-	2,007,943
		(24,212,163)	(96,872,864)	(22,724,762)	(91,194,470)
TOTAL LIABILITIES AND EQUITY		27,725,188	110,928,477	28,823,798	115,669,900

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

Royal Railway Plc.

Condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2026

		For the three-month period ended			
		31 March 2026		31 March 2025	
	Note	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Revenue	20	4,672,756	18,779,806	3,203,373	12,867,949
Cost of services	21	(5,165,436)	(20,759,887)	(4,148,741)	(16,665,493)
Gross loss		(492,680)	(1,980,081)	(945,368)	(3,797,544)
Other operating income	22	275,200	1,106,029	267,412	1,074,194
Operating and administrative expenses	23	(489,374)	(1,966,794)	(470,930)	(1,891,726)
Allowance for/(Reversal of) impairment losses	5,6	(12,199)	(49,028)	6,286	25,251
Minimum tax expense	25(c)	(49,480)	(198,860)	(34,833)	(139,924)
Operating loss		(768,533)	(3,088,734)	(1,177,433)	(4,729,749)
Finance costs – net	26	(718,868)	(2,889,130)	(831,733)	(3,341,071)
Loss before income tax		(1,487,401)	(5,977,864)	(2,009,166)	(8,070,820)
Income tax expense	25(c)	-	-	-	-
Net loss for the period		(1,487,401)	(5,977,864)	(2,009,166)	(8,070,820)
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	299,470	-	429,622
Total comprehensive loss for the period		(1,487,401)	(5,678,394)	(2,009,166)	(7,641,198)

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

Royal Railway Plc.

Condensed interim statement of changes in equity
for the three-month period ended 31 March 2026

	Share capital		Accumulated losses		Currency translation reserves		Total	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at 1 January 2026	13,020,930	52,083,720	(35,745,692)	(145,286,133)	-	2,007,943	(22,724,762)	(91,194,470)
Total comprehensive loss								
Net loss for the period	-	-	(1,487,401)	(5,977,864)	-	-	(1,487,401)	(5,977,864)
Currency translation differences	-	-	-	-	-	299,470	-	299,470
	-	-	(1,487,401)	(5,977,864)	-	299,470	(1,487,401)	(5,678,394)
Balance at 31 March 2026	13,020,930	52,083,720	(37,233,093)	(151,263,997)	-	2,307,413	(24,212,163)	(96,872,864)
Balance at 1 January 2025	13,020,930	52,083,720	(28,839,587)	(117,585,747)	-	1,831,933	(15,818,657)	(63,670,094)
Total comprehensive loss								
Net loss for the period	-	-	(2,009,166)	(8,070,820)	-	-	(2,009,166)	(8,070,820)
Currency translation differences	-	-	-	-	-	429,622	-	429,622
	-	-	(2,009,166)	(8,070,820)	-	429,622	(2,009,166)	(7,641,198)
Balance at 31 March 2025	13,020,930	52,083,720	(30,848,753)	(125,656,567)	-	2,261,555	(17,827,823)	(71,311,292)

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

Royal Railway Plc.

Condensed interim statement of cash flows for the three-month period ended 31 March 2026

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash flows from operating activities				
Net loss for the period	(1,487,401)	(5,977,864)	(2,009,166)	(8,070,820)
Adjustments for:				
Depreciation and amortisation	892,483	3,586,889	803,662	3,228,311
Interest expense	739,966	2,973,923	860,014	3,454,676
Employee benefit	65,887	264,800	70,590	283,560
Minimum tax expense	49,480	198,860	34,833	139,924
Interest income	(21,098)	(84,793)	(28,281)	(113,605)
Allowance for/(Reversal of) impairment loss	12,199	49,028	(6,287)	(25,255)
	251,516	1,010,843	(274,635)	(1,103,209)
Changes in:				
Trade and other receivables	(185,931)	(747,257)	1,212,953	4,872,432
Inventories	(90,807)	(364,953)	8,123	32,630
Trade and other payables	(275,791)	(1,108,404)	289,649	1,163,520
Other receivables	(36,248)	(145,681)	20,000	80,340
Other payables	-	-	500	2,009
Cash (used in)/generated from operations	(337,261)	(1,355,452)	1,256,590	5,047,722
Interest paid	(328,337)	(1,319,586)	(34,219)	(137,458)
Payments of employee benefits	(30,322)	(121,864)	(32,608)	(130,986)
Minimum tax paid	(43,707)	(175,658)	(34,211)	(137,426)
Net cash (used in)/generated from operating activities	(739,627)	(2,972,560)	1,155,552	4,641,852
Cash flows from investing activities				
Interest received	3,150	12,660	8,589	34,502
Acquisition of property and equipment	(173,292)	(696,461)	(1,931,339)	(7,758,189)
Acquisition of investment properties	(6,061)	(24,359)	(7,461)	(29,971)
Net cash used in investing activities	(176,203)	(708,160)	(1,930,211)	(7,753,658)

Royal Railway Plc.

Condensed interim statement of cash flows (continued)
for the three-month period ended 31 March 2026

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash flows from financing activities				
Proceeds from borrowings	300,000	1,205,700	-	-
Repayments of borrowings	(60,823)	(244,448)	(55,649)	(223,542)
Payment of lease liabilities	(27,562)	(110,772)	(26,250)	(105,446)
Net cash generated from/(used in) financing activities	211,615	850,480	(81,899)	(328,988)
Net decrease in cash and cash equivalents	(704,215)	(2,830,240)	(856,558)	(3,440,794)
Cash and cash equivalents at beginning of the period	1,498,001	6,011,477	4,794,130	19,296,373
Currency translation differences	-	(5,300)	-	(105,291)
Cash and cash equivalents at end of the period (Note 5)	793,786	3,175,937	3,937,572	15,750,288

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

These notes form an integral part of and should be read in conjunction with the accompanying condensed interim financial statements.

1. Reporting Entity

Royal Railway Plc. ("the Company") is a public limited liability company incorporated in the Kingdom of Cambodia. The Company was originally established under the Registration No. Co. 2874/06E dated 6 April 2006 issued by the Ministry of Commerce ("MOC"). Subsequently, the Company has received the approval from the Council for the Development of Cambodia ("CDC") to be a Qualified Investment Project ("QIP") with a new Registration No. Inv. 0643KH/2014 dated 6 October 2015. On 25 August 2016, the Company obtained a new registration No. 00018504 from the MOC.

The Company operates in railway services under a Railway Concession Agreement ("the Concession Agreement") signed with the Government of the Kingdom of Cambodia ("GKC"), represented by the Ministry of Public Works and Transport ("MPWT") in the Kingdom of Cambodia for a period of 30 years over the specific concession assets as stipulated in the Concession Agreement. However, the effective date of the Concession Agreement has yet to be officially determined due to the condition precedent to the effective date has yet to be fully met. As of the date of these condensed interim financial statements, the Company is still working with the GKC for a new amended Railway Concession Agreement.

The Company's shares of 98.9999% are owned by Inter Logistics (Cambodia) Co., Ltd, and the remaining 1.0001% owned by Neak Oknha Kith Meng.

The address of its registered office is at Central Railway Station, Russian Federation Boulevard, Sangkat Sras Chork, Khan Daun Penh, Phnom Penh, Kingdom of Cambodia.

As at 31 March 2026, the Company had 1,069 employees (31 December 2025: 1,054 employees).

2. Basis of preparation

(a) Statement of compliance

These condensed interim financial statements have been prepared in accordance with Cambodian International Accounting Standard ("CIAS") 34, "Interim Financial Reporting". They do not include all the information required for a complete set of Cambodian International Financial Reporting Standard ("CIFRS") financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to the understanding of the changes in the Company's financial position and financial performances since the last annual financial statements as at and for the year ended 31 December 2025.

These condensed interim financial statements were authorised for issue by the Company's Board of Directors on 15 May 2026.

2. Basis of preparation (continued)

(b) Material accounting policies

The accounting policies applied in these condensed interim financial statements are the same as those applied in the Company's annual financial statements as at and for the year ended 31 December 2025.

(c) Going concern assumption

During the three-month period ended 31 March 2026, the Company generated a net loss of US$1,487,401 (three-month period ended 31 March 2025: US$2,009,166) and as at 31 March 2026, the Company had net current liabilities of US$38,400,033 (31 December 2025: net current liabilities of US$37,485,175) and accumulated losses of US$37,233,093 (31 December 2025: US$35,745,692). Additionally, the Company breached the financial covenants as required under the 2nd corporate bond (Note 15).

The validity of the going concern assumption fundamentally depends on the ultimate shareholder's continuing to provide financial assistance that is necessary to meet its liabilities as and when they fall due and to maintain the Company in existence as a going concern for the foreseeable future. In addition, the validity may also be dependent on the acceleration and successful conclusion of the concession agreement between the GKC represented by the MPWT and the Company.

At the date of these condensed interim financial statements, the ultimate shareholder has confirmed that he will continue to provide sufficient financial support to the Company. The Company will also continue to work closely with the GKC to reach a conclusion on the concession agreement in due course.

Based on these factors, management has a reasonable expectation that the Company will have adequate resources to continue operations for the foreseeable future.

(d) Use of estimates and judgements

In preparing these condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively. The significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements.

3. Functional and presentation currency

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

The condensed interim financial statements are presented in US$, which is the Company's functional currency. All amounts have been rounded to the nearest dollars, unless otherwise indicated.

4. Translation of United States Dollars into Khmer Riel

The condensed interim financial statements have been presented in the US$. The translations of the condensed interim financial statements are expressed in US$ which is the Company's functional currency. The translations of US$ amount into KHR meets the presentation requirements pursuant to Law on Accounting and Auditing and has been done in compliance with CIAS 21 – *The Effects of Changes in Foreign Exchange Rates*.

Assets and liabilities are translated at the closing rate as at the reporting date and share capital and other equity accounts are translated at the historical rate. The statements of profit or loss and other comprehensive income and cash flows are translated into KHR using the average rate for the reporting periods, which have been deemed to approximate the exchange rates at the date of transaction as exchange rates have not fluctuated significantly during the periods. Exchange differences arising from the translation are recognised as "Currency Translation differences" in the other comprehensive income.

The Company uses the following exchange rates:

Period end		**Closing rate**	**Average rate three-month**
31 March 2026	US$1=	KHR4,001	KHR4,019
31 March 2025	US$1=	KHR4,000	KHR4,017
31 December 2025	US$1=	KHR4,013	KHR4,015

These convenience translations should not be construed as representations that the US$ amounts have been, could have been, or could in the future be, converted into KHR at this or any other rate of exchange.

5. Cash and bank balances

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current				
Cash on hand	3,691	14,767	3,490	14,004
Cash at banks (*)	790,095	3,161,170	1,494,511	5,997,473
Total cash and bank balances	793,786	3,175,937	1,498,001	6,011,477
Less: Allowance for impairment losses	(33,273)	(133,125)	(39,751)	(159,521)
	760,513	3,042,812	1,458,250	5,851,956
Non-current				
Cash at banks:				
Debt Service Reserve Account ("DSRA") (**)	3,450,676	13,806,155	3,434,392	13,782,215
Guarantee Fee Reserve Account ("GFRA") (**)	352,859	1,411,789	351,195	1,409,346
Total bank balances	3,803,535	15,217,944	3,785,587	15,191,561

(*) Included in the cash at bank balances is the Bond Proceeds Account for which the Company will be able to withdraw amounts from the Bond Proceeds Account, following submission of written requests for specific capital expenditure and to be validated by GuarantCo Ltd ("the Guarantor"). As at 31 March 2026, the remaining amounts in the account were US$443,946 (31 December 2025: US$715,193).

(**) Debt Service Reserve Account and Guarantee Fee Reserve Account are reserve accounts specifically set aside to make debt payments and guarantee fee payments in the event of a disruption of cash flows (i.e., default event) for the bonds payable and is held at ACLEDA Bank Plc. which earns annual interest rate of 2.00% (31 December 2025: 2.00%) and must be kept as minimum balance for the rest of the bonds' terms.

For purpose of preparing the condensed interim statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash on hand	3,691	14,767	4,272	17,088
Cash at banks (current portion)	790,095	3,161,170	3,933,300	15,733,200
Cash and cash equivalents	793,786	3,175,937	3,937,572	15,750,288

5. Cash and bank balances (continued)

The movement of allowance for impairment losses for bank balances during the period was as follows:

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	US$	US$	US$
Balance at beginning of the period	(39,751)	(159,521)	(67,954)	(273,515)
Recognised in profit or loss	6,478	26,035	5,950	23,901
Currency translation differences	-	361	-	1,598
Balance at end of the period	(33,273)	(133,125)	(62,004)	(248,016)

6. Trade and other receivables

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Trade receivables	1,166,654	4,667,782	944,964	3,792,141
Less: Allowance for impairment losses	(227,199)	(909,023)	(208,522)	(836,799)
	939,455	3,758,759	736,442	2,955,342
Advance to suppliers	47,008	188,079	29,286	117,525
Amount due from related parties (Note 27)	15,106	60,439	68,824	276,191
Financial assets measured at amortised cost	1,001,569	4,007,277	834,552	3,349,058
Deposits	10,326	41,314	10,326	41,438
Prepayments	42,556	170,267	48,405	194,249
Others	210,549	842,407	204,463	820,510
	1,265,000	5,061,265	1,097,746	4,405,255

6. Trade and other receivables (continued)

The movement of allowance for impairment losses for trade receivables during the period was as follows:

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	US$	US$	US$
Balance at beginning of the period	(208,522)	(836,799)	(194,492)	(782,830)
Recognised in profit or loss	(18,677)	(75,063)	337	1,348
Currency translation differences	-	2,839	-	4,862
Balance at end of the period	(227,199)	(909,023)	(194,155)	(776,620)

7. Inventories

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Locomotive parts	46,832	187,375	48,183	193,358
Tools	7,491	29,971	19,761	79,301
Fuel oil	21,415	85,681	8,235	33,047
Diesel	148,094	592,524	56,427	226,442
Wagon parts	6,076	24,311	6,495	26,064
	229,908	919,862	139,101	558,212

8. Other receivables

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Advance to a supplier (*)	1,862,081	7,450,186	1,862,081	7,472,532
Other deposit	130,166	520,794	92,861	372,651
Prepayment	1,596	6,386	2,653	10,646
	1,993,843	7,977,366	1,957,595	7,855,829

(*) The amounts include the advance payments amounting US$1,512,000 pertaining to the initial payment made for the purchase of 130 Flat Top Wagons to a supplier in South Africa to enhance the Company's transportation and logistics capabilities. The Company is currently engaged in negotiations with the supplier to resolve the disruption affecting the procurement process.

9. Property and equipment

	For the three-month period ended 31 March 2026												
	Railroad and station improvements US$	Locomotive US$	Wagon US$	Train track US$	Trolley US$	Equipment and machinery US$	Office equipment US$	Furniture and fittings US$	IT hardware US$	Signage and boom gate US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)
Cost													
At 1 January	1,070,778	13,139,862	13,208,678	1,110,502	50,618	1,129,742	10,085	8,181	99,413	106,948	122,539	30,057,346	120,620,129
Addition	30,142	78,387	-	17,927	-	2,700	-	-	2,961	1,414	39,761	173,292	696,461
Transfers	923	-	83,356	3,949	-	61,898	-	-	-	-	(150,126)	-	-
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(363,807)
At 31 March	1,101,843	13,218,249	13,292,034	1,132,378	50,618	1,194,340	10,085	8,181	102,374	108,362	12,174	30,230,638	120,952,783
Less: **Accumulated depreciation**													
At 1 January	717,906	5,054,840	3,205,913	602,280	40,867	852,410	9,213	8,181	95,246	41,241	-	10,628,097	42,650,553
Depreciation for the period	31,427	354,057	393,992	44,172	923	33,110	79	-	1,092	4,759	-	863,611	3,470,853
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(143,082)
At 31 March	749,333	5,408,897	3,599,905	646,452	41,790	885,520	9,292	8,181	96,338	46,000	-	11,491,708	45,978,324
Carrying amounts													
At 1 January	352,872	8,085,022	10,002,765	508,222	9,751	277,332	872	-	4,167	65,707	122,539	19,429,249	77,969,576
At 31 March	352,510	7,809,352	9,692,129	485,926	8,828	308,820	793	-	6,036	62,362	12,174	18,738,930	74,974,459

As at 31 March 2026, fully depreciated property and equipment with historical costs of US$2,946,169 (31 March 2025: US$2,289,835) were still in use.

9. Property and equipment (continued)

	For the three-month period ended 31 March 2025												
	Railroad and station improvements US$	Locomotive US$	Wagon US$	Train track US$	Trolley US$	Equipment and machinery US$	Office equipment US$	Furniture and fittings US$	IT hardware US$	Signage and boom gate US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)
Cost													
At 1 January	1,017,739	11,439,130	9,953,014	1,078,870	50,618	1,054,627	9,134	8,181	101,289	101,316	41,894	24,855,812	100,044,643
Addition	2,892	61,080	1,757,380	3,762	-	8,951	-	-	1,418	1,418	94,438	1,931,339	7,758,189
Transfers	16,959	-	14,926	5,389	-	-	-	-	-	-	(37,274)	-	-
Written off	-	-	-	-	-	-	-	-	(1,545)	-	-	(1,545)	(6,206)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(654,202)
At 31 March	1,037,590	11,500,210	11,725,320	1,088,021	50,618	1,063,578	9,134	8,181	101,162	102,734	99,058	26,785,606	107,142,424
Less: **Accumulated depreciation**													
At 1 January	618,717	3,773,478	1,743,420	566,957	37,176	746,982	8,983	8,181	94,468	22,654	-	7,621,016	30,674,589
Depreciation for the period	29,846	316,313	347,754	45,040	922	29,225	46	-	2,533	4,586	-	776,265	3,118,257
Written off	-	-	-	-	-	-	-	-	(1,545)	-	-	(1,545)	(6,206)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(203,696)
At 31 March	648,563	4,089,791	2,091,174	611,997	38,098	776,207	9,029	8,181	95,456	27,240	-	8,395,736	33,582,944
Carrying amounts													
At 1 January	399,022	7,665,652	8,209,594	511,913	13,442	307,645	151	-	6,821	78,662	41,894	17,234,796	69,370,054
At 31 March	389,027	7,410,419	9,634,146	476,024	12,520	287,371	105	-	5,706	75,494	99,058	18,389,870	73,559,480

10. Intangible assets

	For the three-month period ended 31 March 2026				
	Computer software US$	Sign-on fee US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)
Cost					
At 1 January	20,290	450,000	12,148	482,438	1,936,024
Currency translation differences	-	-	-	-	(5,790)
At 31 March	20,290	450,000	12,148	482,438	1,930,234
Less: **Accumulated amortisation**					
At 1 January	20,155	238,537	-	258,692	1,038,131
Amortisation for the period	100	3,868	-	3,968	15,947
Currency translation differences	-	-	-	-	(3,176)
At 31 March	20,255	242,405	-	262,660	1,050,902
Carrying amounts					
At 1 January	135	211,463	12,148	223,746	897,893
At 31 March	35	207,595	12,148	219,778	879,332

Fully amortised computer software as at 31 March 2026 with historical costs of US$19,090 (31 March 2025: US$ 18,591) were still in use.

	For the three-month period ended 31 March 2025				
	Computer software US$	Sign-on fee US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)
Cost					
At 1 January	20,290	450,000	12,148	482,438	1,941,813
Currency translation differences	-	-	-	-	(12,061)
At 31 March	20,290	450,000	12,148	482,438	1,929,752
Less: **Accumulated amortisation**					
At 1 January	19,632	223,065	-	242,697	976,855
Amortisation for the period	140	3,868	-	4,008	16,100
Currency translation differences	-	-	-	-	(6,135)
At 31 March	19,772	226,933	-	246,705	986,820
Carrying amounts					
At 1 January	658	226,935	12,148	239,741	964,958
At 31 March	518	223,067	12,148	235,733	942,932

11. Investment properties

	For the three-month period ended							
	31 March 2026				31 March 2025			
	Investment property US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)	Investment property US$	Construction in progress US$	Total US$	Total KHR'000 (Note 4)
Cost								
At 1 January	91,993	26,883	118,876	477,049	65,638	32,197	97,835	393,786
Additions	6,061	-	6,061	24,359	-	7,461	7,461	29,971
Transfers	1,923	(1,923)	-	-	-	-	-	-
Currency translation differences	-	-	-	(1,535)	-	-	-	(2,573)
At 31 March	99,977	24,960	124,937	499,873	65,638	39,658	105,296	421,184
Less: **Accumulated depreciation**								
At 1 January	29,773	-	29,773	119,479	16,206	-	16,206	65,229
Depreciation for the period	4,797	-	4,797	19,279	3,282	-	3,282	13,184
Currency translation differences	-	-	-	(443)	-	-	-	(461)
At 31 March	34,570	-	34,570	138,315	19,488	-	19,488	77,952
Carrying amounts								
At 1 January	62,220	26,883	89,103	357,570	49,432	32,197	81,629	328,557
At 31 March	65,407	24,960	90,367	361,558	46,150	39,658	85,808	343,232

Investment property pertains to a warehouse located on conceded land in Battambang province that is leased to a third party. The estimated fair value of the warehouse as determined by the Management is approximate to its carrying amounts as at 31 March 2026.

Notes to the condensed interim financial statements (continued)
for the three-month period ended 31 March 2026

12. Right-of-use assets

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cost				
At 1 January	804,276	3,227,560	804,276	3,237,210
Currency translation differences	-	(9,652)	-	(20,106)
At 31 March	804,276	3,217,908	804,276	3,217,104
Less: **Accumulated depreciation**				
At 1 January	160,855	645,512	80,428	323,722
Depreciation for the period	20,107	80,810	20,107	80,770
Currency translation differences	-	(2,293)	-	(2,352)
At 31 December	180,962	724,029	100,535	402,140
Carrying amounts				
At 1 January	643,421	2,582,048	723,848	2,913,488
At 31 March	623,314	2,493,879	703,741	2,814,964

Right-of-use assets pertains to land located at Khan Dongkao, Phnom Penh that is leased from Sihanoukville Autonomous Port (PAS). See Note 17 for more details.

13. Trade and other payables

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Trade payables:				
Trade payables	2,540,676	10,165,245	3,111,958	12,488,287
Amounts due to related parties (Note 27)	397,340	1,589,757	340,462	1,366,274
Tax payables:				
Value added tax	147,017	588,215	97,918	392,945
Salary and fringe benefit tax	23,106	92,447	23,695	95,088
Withholding tax	35,654	142,652	32,220	129,299
Payroll payables	940,229	3,761,856	734,264	2,946,601
Accruals	200,314	801,456	114,573	459,781
Security deposits	46,171	184,730	48,008	192,656
Others	52,791	211,217	155,991	625,993
	4,383,298	17,537,575	4,659,089	18,696,924

14. Borrowings

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	14,590,846	58,553,065	7,658,794	30,826,645
Additional borrowing	300,000	1,205,700	-	-
Accrued interest payable	4,674	18,785	5,277	21,198
Repayments during the period	(60,823)	(244,448)	(55,649)	(223,542)
Currency translation differences	-	(179,479)	-	(190,613)
Balance at end of the period	14,834,697	59,353,623	7,608,422	30,433,688

Borrowings were classified into current and non-current portions as follows:

		31 March 2026		31 December 2025	
		US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current portion					
Neak Oknha Kith Meng	(i)	11,850,650	47,414,450	11,550,650	46,352,758
SKTM Investment Co., Ltd	(i)	2,000,000	8,002,000	2,000,000	8,026,000
Cambodian Public Bank Plc.	(ii)	152,664	610,809	149,280	599,061
Wing Bank (Cambodia) Plc	(iii)	103,763	415,156	101,494	407,295
		14,107,077	56,442,415	13,801,424	55,385,114
Accrued interest payable		186,642	746,755	181,968	730,238
		14,293,719	57,189,170	13,983,392	56,115,352
Non-current portion					
Cambodian Public Bank Plc.	(ii)	366,814	1,467,623	406,412	1,630,931
Wing Bank (Cambodia) Plc	(iii)	174,164	696,830	201,042	806,782
		540,978	2,164,453	607,454	2,437,713
		14,834,697	59,353,623	14,590,846	58,553,065

The details of borrowings from related parties and the Bank are as follows:

By relationship	Principal amounts (US$)	Outstanding amounts (US$)	Interest rate, per annum	Loan period and repayment terms	Securities
(i) Shareholder (Note 27)	13,850,650	13,850,650	0% - 7%	Repayable on demand	Unsecured
(ii) Third party	1,000,000	519,478	9%	13 April 2022 to13 April 2029, 84 monthly instalments.	A land from the shareholder
(iii) Relate party (Note 27)	500,000	277,927	9%	1 October 2023 to1 September 2028, 60 monthly instalments.	Unsecured

15. Debt securities

In 2022, the Company has requested to the Securities and Exchange Regulator of Cambodia ("SERC") and Cambodia Securities Exchange ("CSX") to list its corporate bonds.

First Corporate Bond:

The Company's 1st Corporate bond is a plain bond issued to qualified investors with the principal amount of KHR 41 billion (US$9,958,708), a tenor of 10 years with a coupon rate of 7% p.a. (per annum). The bond was approved by SERC and CSX on 19 September 2022 and 24 October 2022, respectively and was issued officially on 31 October 2022.

Second Corporate Bond:

The Company's 2nd Corporate bond is guaranteed by GuarantCo Ltd as a private placement bond to the qualified investors with two series of bonds;

- Bond 1 with the principal amount of KHR49.2 billion (US$11,964,981), a tenor of 5 years with a coupon rate of Term Secured Overnight Financing Rate ("SOFR") plus 3.5% or 5% per annum whichever is higher; and
- Bond 2 with the principal amount of KHR49.2 billion (US$11,964,981), a tenor of 10 years with a coupon rate of Term SOFR plus 3.5% or 5% per annum, whichever is higher for Year 1 to Year 5 and Term SOFR plus 3.75% or 5% per annum, whichever is higher for Year 6 to Year 10.

The bonds were approved by SERC and CSX on 19 December 2022 and 26 December 2022 respectively and were issued officially on 29 December 2022.

Debt securities were classified into current and non-current portions as follows:

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current				
Guaranteed bond	21,370,493	85,503,342	21,147,929	84,866,639
Plain bond	353,869	1,415,830	185,772	745,503
	21,724,362	86,919,172	21,333,701	85,612,142
Non-current				
Plain bond	9,809,327	39,247,117	9,809,327	39,364,829
Guaranteed bond	-	-	-	-
	9,809,327	39,247,117	9,809,327	39,364,829
	31,533,689	126,166,289	31,143,028	124,976,971

15. Debt securities (continued)

During the three-month period ended, the Company incurred interest expense on the issued bonds amounting to US$700,213 equivalent to KHR2.8 billion (three-month period ended 31 March 2025: US$ 813,612 equivalent to KHR3.3 billion) (Note 26).

The Company is subject to financial covenant testing every 6 months and as at 31 December 2025, the Company was unable to comply with 4 covenants required for the 2nd Corporate bond as follows:

Ratio Name	Formula	Financial requirement ratio	The Company's ratio	
			31 December 2025	
Debt Service Coverage Ratio	= Cash Flow Available for Debt Service/Total debt service	≥1.2	0.30x	Not met
Operating ratio	= Net operating income/Total operating revenue	≤100%	124%	Not met
Debt to EBITDA	= Total debt/EBITDA	≤4.5	215.78x	Not met
Total debt to total assets	= Total debt/Total assets	≤100%	1.58x	Not met

* *EBITDA=Earnings before interest, taxes, depreciation and amortisation*

The Company communicated its non-compliance status to GuarantCo Ltd ("the Guarantor") on 27 March 2026, submitted waiver request letter in respect of the breached financial covenants as at 31 December 2025, and updated its financial forecast model in accordance with the Guarantor's requirements. As of the date of these condensed interim financial statements, the Company is still in the process of obtaining the Guarantor's approval. The Directors believe that the Guarantor will waive the non-compliance with these covenants.

Accordingly, the carrying amount of US$19,221,707 of the guaranteed bond was reclassified to current liabilities (31 December 2025: US$19,221,707).

16. Employee benefit liabilities

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Seniority indemnity				
Current	185,602	742,594	143,846	577,254
Non-current	24,423	97,716	30,614	122,854
	210,025	840,310	174,460	700,108

16. Employee benefit liabilities (continued)

The movements of employee benefit obligations during the period was as follows:

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	174,460	700,108	157,404	633,551
Recognised in profit or loss	65,887	264,800	70,590	283,560
Paid during the period	(30,322)	(121,864)	(32,608)	(130,986)
Currency translation differences	-	(2,734)	-	(4,581)
Balance at end of the period	210,025	840,310	195,386	781,544

This represents provision for seniority indemnity payments required by Prakas No. 443 issued by the Ministry of Labour and Vocational Training ("MoLVT") on 21 September 2018 and subsequently amended by the Instruction No. 042/19 dated 22 March 2019.

Payments will be made twice a year, in June and December respectively. Employee is not entitled to the remaining seniority indemnity back-pay, which is not yet due, if Employee resigns from the Company.

17. Lease liabilities

During January 2024, the Company entered into a 10 year land lease with Sihanoukville Autonomous Port.

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Maturity analysis – contractual undiscounted cash flow				
Less than one year	111,628	446,624	110,250	442,433
One to five years	647,658	2,591,280	639,662	2,566,964
More than five years	265,943	1,064,038	302,879	1,215,453
Total undiscounted lease liabilities	1,025,229	4,101,942	1,052,791	4,224,850
Present value of lease liabilities				
Current	49,084	196,385	46,628	187,118
Non-current	676,769	2,707,753	690,493	2,770,948
Total present value of lease liabilities	725,853	2,904,138	737,121	2,958,066

18. Other payables

	31 March 2026 US$	31 March 2026 KHR'000 (Note 4)	31 December 2025 US$	31 December 2025 KHR'000 (Note 4)
Rental deposit	141,630	566,662	141,630	568,361
Accrual for operation and administrative expenses	79,083	316,411	79,083	317,360
	220,713	883,073	220,713	885,721

19. Share capital

	31 March 2026 US$	31 March 2026 KHR'000 (Note 4)	31 December 2025 US$	31 December 2025 KHR'000 (Note 4)
Registered, issued and fully paid:				
2,003,220 ordinary shares of US$6.50 each	13,020,930	52,083,720	13,020,930	52,083,720

The details of the shareholding structure were as follows:

	31 March 2026/31 March 2025			
	Number of shares	Par value per share US$	Amount US$	% ownership
Inter Logistics (Cambodia) Co., Ltd	1,983,187	6.50	12,890,715	98.9999%
Neak Oknha Kith Meng	20,033	6.50	130,215	1.0001%
	2,003,220		13,020,930	100%

20. Revenue

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Southern line:				
Rail freight	2,784,726	11,191,814	1,629,813	6,546,959
Train related value-added services	283,233	1,138,313	180,728	725,984
Passengers' fare	202,460	813,687	143,521	576,524
Transportation	13,024	52,343	28,158	113,111
	3,283,443	13,196,157	1,982,220	7,962,578
Northern line:				
Rail freight	1,388,821	5,581,672	1,173,015	4,712,001
Passengers' fare	-	-	39,595	159,053
Train related value-added services	-	-	7,443	29,899
Transportation	492	1,977	-	-
Other revenue	-	-	1,100	4,418
	1,389,313	5,583,649	1,221,153	4,905,371
	4,672,756	18,779,806	3,203,373	12,867,949

The majority of the Company's freight business is affected by seasonality as a result of natural disasters or adverse weather conditions with rainy season being the low months for fuel transport services via train.

21. Cost of services

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Staff costs and wages	995,594	4,001,292	1,079,987	4,338,308
Cost of diesel	2,327,376	9,353,724	1,450,811	5,827,908
Depreciation and amortisation (Note 24)	856,416	3,441,936	767,794	3,084,228
Repairs and maintenance	192,231	772,576	174,171	699,645
Transportation	198,071	796,047	169,148	679,468
Equipment rental	144,868	582,224	101,364	407,179
Container access charge	107,851	433,453	87,874	352,990
Insurance	82,239	330,519	75,307	302,508
Provision for employee benefits	53,589	215,374	64,184	257,827
Others	207,201	832,742	178,101	715,432
	5,165,436	20,759,887	4,148,741	16,665,493

22. Other operating income

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Warehouse rental	273,459	1,099,032	258,902	1,040,009
Others	1,741	6,997	8,510	34,185
	275,200	1,106,029	267,412	1,074,194

23. Operating and administrative expenses

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Salaries and wages	259,087	1,041,271	132,913	533,912
Directors' fee	3,000	12,057	90,000	361,530
Other tax expenses	52,012	209,036	61,256	246,065
Bonus	32,560	130,859	39,483	158,603
Depreciation and amortisation (Note 24)	36,067	144,953	35,868	144,083
Professional fees	11,276	45,318	17,691	71,065
Fuel and utilities	10,639	42,758	9,731	39,089
Provision for employee benefits	12,298	49,426	6,406	25,733
Equipment rental	7,218	29,009	6,300	25,307
Travelling and accommodation	4,167	16,747	5,079	20,402
Small value of assets	2,191	8,806	3,453	13,871
Repairs and maintenance	4,809	19,327	2,677	10,754
Training and development	667	2,681	1,358	5,455
Licensing, registration and permit fee	1,318	5,297	1,255	5,041
Communication	648	2,604	787	3,161
Other expenses	51,417	206,645	56,673	227,655
	489,374	1,966,794	470,930	1,891,726

24. Depreciation and amortisation

Depreciation and amortisation charges were allocated as follows:

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Depreciation of property and equipment and investment property (Notes 9 and 11)	868,408	3,490,132	779,547	3,131,441
Amortisation of intangible assets and right-of-use asset (Notes 10 and 12)	24,075	96,757	24,115	96,870
	892,483	3,586,889	803,662	3,228,311
Allocated to:				
Cost of services (Note 21)	856,416	3,441,936	767,794	3,084,228
Operating and administrative expenses (Note 23)	36,067	144,953	35,868	144,083
	892,483	3,586,889	803,662	3,228,311

25. Income tax

(a) Applicable tax rates

In accordance with 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 profits or the minimum tax at 1% of annual turnover, whichever is higher.

Pursuant to Sub-Decree No. 42 dated 24 February 2022 on Tax Incentives in the Securities Sector issued by the Royal Government of Cambodia, the Company is entitled to reduce half amount of its tax on income within the duration of tax incentive period. In order to get the incentives, the Company needs to submit the request to the General Department of Taxation ("GDT") through the Securities and Exchange Regulator of Cambodia ("SERC").

On 16 December 2022, the Company submitted a letter to the SERC for 50% reduction of Tax on Income for the year 2023 onwards. On 8 February 2023, the Company received a notification from SERC that the request was submitted to the GDT. There has been no official approval from the GDT as at the date of the condensed interim financial statements.

25. Income tax (continued)

(b) Minimum tax liability

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	13,616	54,641	12,021	48,385
Minimum tax expense	49,480	198,860	34,833	139,924
Minimum tax paid	(43,707)	(175,658)	(34,211)	(137,426)
Currency translation differences	-	(268)	-	(311)
Balance at the end of the period	19,389	77,575	12,643	50,572

(c) Minimum tax expense/Income tax expense

The reconciliation of income tax computed at the statutory tax rate to the income tax expense as shown in the profit or loss is as follows:

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Loss before income tax	(1,487,401)	(5,977,864)	(2,009,166)	(8,070,820)
Income tax using statutory income tax rate	(297,480)	(1,195,572)	(401,833)	(1,614,164)
Non-deductible expenses	16,255	65,329	559	2,246
Tax loss not recognised as deferred tax assets	528,073	2,122,325	217,643	874,272
Temporary difference not recognised as deferred tax	(246,848)	(992,082)	183,631	737,646
Income tax expense	-	-	-	-
Minimum tax at 1% of turnover	49,480	198,860	34,833	139,924

The calculation of income tax is subject to the review and assessment of the tax authorities.

25. Income tax (continued)

(d) Unrecognised deferred tax

Tax losses incurred in any tax year can be carried forward to offset against profit realised in the following five tax years subject to the following conditions:

- The loss must be recorded in the Annual Tax on Income return and submitted to the General Department of Taxation on time;
- The business objective of the Company must not have changed; and
- The Company must not have received an unilateral tax re-assessment.

Deferred tax assets in respect of the tax losses and temporary differences are not recognised in the condensed interim financial statements because it is not probable that future taxable profits will be available against which the Company can use the benefits therefrom.

(e) Tax contingencies

Taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges. The application of tax laws and regulations to many types of transactions are susceptible to varying interpretations.

These facts may create tax risks in Cambodia substantially more significant than in other countries. Management believes that it has adequately provided for tax liabilities based on its interpretation of tax legislation. However, the relevant authorities may have different interpretations and the effects could be significant.

26. Finance costs – net

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Interest income cash at bank	21,098	84,793	28,281	113,605
Interest expense on:				
Debt securities	(700,213)	(2,814,156)	(813,612)	(3,268,279)
Borrowing	(23,459)	(94,282)	(29,236)	(117,441)
Lease liabilities	(16,294)	(65,485)	(17,166)	(68,956)
	(739,966)	(2,973,923)	(860,014)	(3,454,676)
	(718,868)	(2,889,130)	(831,733)	(3,341,071)

27. Related party transactions and balances

(a) Identity of related party

For the purposes of these condensed interim financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Company have related party relationships with its substantial shareholders and key management personnel.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly.

The key management personnel include all the Directors of the Company, and certain senior management members of the Company.

Key management have relationships with the Company which are entered into in the normal course of business and on substantially the same terms, including warehouse rental, purchase of goods and services, insurance, telephone expense and other expense, as for comparable transactions with other persons of a similar standing or, where applicable, with other employees. These transactions did not involve more than the normal risk of repayment or present other unfavourable features.

27. Related party transactions and balances (continued)

(b) Transactions with related parties

	For the three-month period ended			
	31 March 2026		31 March 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Property rental				
GSS Global Security Solutions Co., Ltd.	10,146	40,777	9,663	38,816
CAMGSM PLC	141,900	570,296	125,400	503,732
J Trust Royal Bank Plc.	96,825	389,140	107,404	431,442
Utilities				
CamGSM PLC	2,994	12,033	1,140	4,579
J Trust Royal Bank Plc.	463	1,861	382	1,534
Insurance				
Infinity General Insurance Plc.	175,022	703,413	179,946	722,843
Telephone expense				
CAMGSM PLC	4,749	19,086	7,940	31,895
Security fee				
GSS Global Security Solutions Co., Ltd.	3,465	13,926	15,510	62,304
Cleaning service				
GSS Global Security Solutions Co., Ltd.	3,929	15,791	-	-
Internet service fee				
EZECOM Co., Ltd	7,222	29,025	14,628	58,761
CAMGSM PLC	364	1,463	-	-
Microsoft Office 365				
EZECOM Co., Ltd	19	76	-	-
Power BI Pro				
EZECOM Co., Ltd	-	-	198	795
Interest expense				
Wing Bank (Cambodia) Plc.	6,540	26,285	8,615	34,606
Passenger Trian Ticket				
CAMGSM PLC	-	-	630	2,531
Sign Tax				
GSS Global Security Solutions Co., Ltd.	70	281	63	253
Borrowing				
Neak Oknha Kith Meng	300,000	1,205,700	-	-

The total remuneration of key management for the three-month period ended 31 March 2026 including salaries and benefits was US$158,748 (three-month period ended 31 March 2025: US$173,392).

27. Related party transactions and balances (continued)

(c) Balances with related parties

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Amount due from related parties (Note 6)				
Trade related:				
CAMGSM PLC	11,000	44,011	58,300	233,958
J Trust Royal Bank Plc.	56	224	-	-
Wing Bank (Cambodia) Plc.	-	-	2,200	8,829
Non-trade related:				
Royal Coffee	4,050	16,204	8,324	33,404
	15,106	60,439	68,824	276,191
Amounts due to related parties (Note 13)				
Trade related:				
Infinity General Insurance Plc.	389,330	1,557,709	329,682	1,323,014
CAMGSM PLC	930	3,721	814	3,267
EZECOM Co., Ltd	-	-	64	257
GSS Global Security Solutions Co., Ltd.	2,079	8,318	4,901	19,668
Cambodian Broadcasting Service Co., Ltd	5,001	20,009	5,001	20,068
	397,340	1,589,757	340,462	1,366,274
Borrowings (Note 14)				
Shareholder:				
Neak Oknha Kith Meng	11,850,650	47,414,450	11,550,650	46,352,758
Related party:				
SKTM Investment Co., Ltd	2,000,000	8,002,000	2,000,000	8,026,000
Wing Bank (Cambodia) Plc.	277,927	1,111,986	302,536	1,214,077

Amounts due from/to related parties and borrowings are unsecured, interest free and repayable on demand.

28. Lease commitments

Lease commitment

The future minimum lease payments related to low-value items leases are as follows:

	31 March 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Within one year	150,990	604,111	129,190	518,439
Between two to five years	34,525	138,135	13,460	54,015
	185,515	742,246	142,650	572,454
Capital commitment				
In respect of property and equipment				
Contracted but not yet provided	426,973	1,708,319	1,033,699	4,148,234

29. Contingent liabilities

29.1 Concession agreement with the GKC

On 12 June 2009, Royal Railway Cambodia., Ltd. (formally known as Toll (Cambodia) Co., Ltd.) entered into the Concession Agreement (Known as Existing Concession Agreement) with the GKC. There are provisions in the Existing Concession Agreement specifying concession fees to be paid by the Company to the GKC for the use of the conceded assets from the effective date of the Concession Agreement. The Company's management has performed an assessment of its obligation under the existing Concession Agreement with the advice by its legal counsel and concluded that the conditions precedent specified in the concession agreement have not been fully satisfied and both the GKC and the Company have not concluded on the agreed date for the effective date, and therefore, the obligation to pay the concession fee has not yet become effective.

On 13 February 2025, the Company and GKC entered into a framework agreement on railway project to jointly advance the development of Cambodia's railway infrastructure. This partnership aims to enhance the railway system's efficiency, sustainability, resilience, and convenience and is considered a step forward to the negotiation of the concession agreement. According to Article 3 of the framework agreement, the Parties agreed to actively commit to achieving overall timeline and each specific deadlines within 24 months of the effective date from 13 February 2025.

The estimated concession fees payable is contingent on the ultimate outcome of the matters described above and accordingly no provision for any liability has been made in these condensed interim financial statements.

29. Contingent liabilities (continued)

29.2 Sub-lease agreement with J TRUST ROYAL BANK PLC and CAMGSM PLC

On 9 June 2022, the Company sub-leased the available space approximating 3,200 sqm to J TRUST ROYAL BANK PLC for the duration of 4 years.

On 29 February 2024, the Company sub-leased the available space approximating 2,705 sqm to CAMGSM PLC. for the duration of 20 years.

Based on this sub-lease agreement, in the event the Company terminates the sub-lease agreement, the Company shall refund to J TRUST ROYAL BANK PLC and CAMGSM PLC. the deposit and other compensation for any loss occurred due to this premature termination of the agreement.

The continuity of this sub-lease agreement is contingent to the favourable outcome of the negotiation on the new amended Railway Concession Agreement as described in Note 29.1 above.

30. Fair values of financial assets and liabilities

Financial instruments comprise financial assets, financial liabilities and off-balance sheet instruments. 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 information presented herein represents the estimates of fair values as at the reporting date.

Quoted and observable market prices, where available, are used as the measure of fair values of the financial instruments. Where such quoted and observable market prices are not available, fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows and other factors.

Cash on hand and with other banks

The carrying amounts approximate the fair values due to the short-term nature of these accounts and these items are not materially sensitive to the shift in the market rates.

Borrowings and debt securities

Borrowings and debt securities issued are not quoted in active market and at their fair value.

The estimated fair value of debt securities is generally based on quoted and observable market prices at the date of the condensed interim statement of financial position. They are not presently traded. The estimated fair values of debt securities are approximate their carrying values based on estimated future cash flows using prevailing market rates.

Other assets and liabilities

Due to their short duration, the carrying amounts of other assets and liabilities in the condensed interim statement of financial position are considered to be reasonable approximation of their fair values.

30. Fair values of financial assets and liabilities (continued)

Fair value hierarchy

CIFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources and unobservable inputs reflect the Company's market assumptions. The fair value hierarchy is as follows:

- Level 1 – Quoted price (unadjusted) in active markets for the identical assets or liabilities. This level includes listed equity securities and debt instruments

- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- Level 3 – Inputs for asset or liability that are not based on observable market data (unobservable inputs). This level includes equity instruments and debt instruments with significant unobservable components.

31. Operating segment information

Management has determined operating segments with reference to the reports reviewed by the Chief Executive Officer of the Company that are used to assess the performance and allocate resources. The CEO of the Company assesses the performance and allocates the resources of the Company as a whole, as all of the Company's activities are considered to be primarily dependent on the provision of rail freight services to external customers and its related services representing 89% and 87% of total revenue. Therefore, the Company's management considers that there is only one operating segment. In this regard, no segment information is presented for the periods.

No geographic information is shown as the Company's operating results are entirely derived from its business activities in Cambodia only.