ROYAL RAILWAY PLC.

Condensed Interim Financial Statements for the three-month and six-month periods ended 30 June 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.

Contents

ROYAL RAILWAY PLC.
Central Railway Station, Sangkat Sras Chork, Daun Penh, Phnom Penh, Cambodia
T +885 23 992 379
F +885 23 992 353
www.royal-railway.com

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 and six-month periods ended 30 June 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 and six-month periods ended 30 June 2026 were 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 periods ended.

Reserves and provisions

There were no material movements to or from reserves and provisions during the periods 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 periods 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 periods 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 periods after the end of the reporting periods 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 periods 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 periods 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.

Royal Railway Plc.

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 the non-compliance status to GuarantCo Ltd ("the Guarantor") on 27 March 2026 and submitted a 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, no response has been received from the Guarantor. In addition, the Company is in the process of preparing another waiver request letter in respect to the breached financial covenants as at 30 June 2026 and updating its financial forecast model for submission to the Guarantor, which has not yet been finalised as of the date of these condensed interim financial statements. The Directors believe that the Guarantor will grant waivers for the non-compliance with these covenants.

Items of unusual nature

The results of the operations of the Company for the financial periods 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 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 periods.

Directors' benefit

During and at the end of the financial periods, 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 30 June 2026, and for the three-month and six-month periods then ended, as set out on pages 7 to 48, 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
28 August 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 48 (hereafter referred to as "the condensed interim financial statements") which comprise:

- the condensed interim statement of financial position as at 30 June 2026;
- the condensed interim statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2026;
- the condensed interim statement of changes in equity for the six-month period ended 30 June 2026;
- the condensed interim statement of cash flows for the six-month period ended 30 June 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 stated in Note 2(c) 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 on Contingent Liabilities

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 believed 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
28 August 2026

Royal Railway Plc.

Condensed interim statement of financial position as at 30 June 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000 (Note 4)	31 December 2025 US$	31 December 2025 KHR'000 (Note 4)
ASSETS					
Current assets					
Cash and bank balances	5	869,570	3,500,889	1,458,250	5,851,956
Trade and other receivables	6	1,453,686	5,852,541	1,097,746	4,405,255
Inventories	7	283,934	1,143,118	139,101	558,212
		2,607,190	10,496,548	2,695,097	10,815,423
Non-current assets					
Bank balances	5	3,821,771	15,386,450	3,785,587	15,191,561
Other receivables	8	1,993,536	8,025,976	1,957,595	7,855,829
Property and equipment	9	18,009,477	72,506,154	19,429,249	77,969,576
Intangible assets	10	215,877	869,121	223,746	897,893
Investment properties	11	85,368	343,692	89,103	357,570
Right-of-use assets	12	603,207	2,428,511	643,421	2,582,048
		24,729,236	99,559,904	26,128,701	104,854,477
TOTAL ASSETS		27,336,426	110,056,452	28,823,798	115,669,900
LIABILITIES AND EQUITY					
LIABILITIES					
Current liabilities					
Trade and other payables	13	4,450,908	17,919,356	4,659,089	18,696,924
Borrowings	14	18,299,629	73,674,306	13,983,392	56,115,352
Debt securities	15	18,906,876	76,119,083	21,333,701	85,612,142
Employee benefit liabilities	16	248,572	1,000,751	143,846	577,254
Minimum tax liability	24(b)	14,878	59,899	13,616	54,641
Lease liabilities	17	46,628	187,724	46,628	187,118
		41,967,491	168,961,119	40,180,272	161,243,431
Non-current liabilities					
Debt securities	15	9,809,327	39,492,351	9,809,327	39,364,829
Borrowings	14	473,243	1,905,276	607,454	2,437,713
Provision on onerous contract		9,687	39,000	9,687	38,874
Employee benefit liabilities	16	18,734	75,423	30,614	122,854
Lease liabilities	17	667,873	2,688,857	690,493	2,770,948
Other payables	18	250,713	1,009,371	220,713	885,721
		11,229,577	45,210,278	11,368,288	45,620,939
TOTAL LIABILITIES		53,197,068	214,171,397	51,548,560	206,864,370

Royal Railway Plc.

Condensed interim statement of financial position (continued)
as at 30 June 2026

		30 June 2026		31 December 2025	
	Note	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
EQUITY					
Share capital	19	13,020,930	52,083,720	13,020,930	52,083,720
Accumulated losses		(38,881,572)	(157,882,962)	(35,745,692)	(145,286,133)
Currency translation reserves		-	1,684,297	-	2,007,943
		(25,860,642)	(104,114,945)	(22,724,762)	(91,194,470)
TOTAL LIABILITIES AND EQUITY		27,336,426	110,056,452	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 six-month period ended 30 June 2026

		For the six-month period ended			
		30 June 2026		30 June 2025	
	Note	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Revenue	20	9,628,237	38,676,628	6,510,512	26,113,664
Cost of services	21	(10,796,144)	(43,368,110)	(8,442,085)	(33,861,203)
Gross loss		(1,167,907)	(4,691,482)	(1,931,573)	(7,747,539)
Other operating income	22	473,957	1,903,885	535,311	2,147,132
Operating and administrative expenses	23	(934,726)	(3,754,794)	(452,293)	(1,814,147)
(Allowance for)/Reversal of impairment losses	5,6	(69,825)	(280,487)	34,898	139,976
Minimum tax expense	25(c)	(101,017)	(405,785)	(70,578)	(283,088)
Operating loss		(1,799,518)	(7,228,663)	(1,884,235)	(7,557,666)
Finance costs – net	26	(1,336,362)	(5,368,166)	(1,689,914)	(6,778,245)
Loss before income tax		(3,135,880)	(12,596,829)	(3,574,149)	(14,335,911)
Income tax expense	25(c)	-	-	-	-
Net loss for the period		(3,135,880)	(12,596,829)	(3,574,149)	(14,335,911)
Other comprehensive (loss)/income					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	(323,646)	-	240,853
Total comprehensive loss for the period		(3,135,880)	(12,920,475)	(3,574,149)	(14,095,058)

Royal Railway Plc.

Condensed interim statement of profit or loss and other comprehensive income for the three-month period ended 30 June 2026

		For the three-month period ended			
		30 June 2026		30 June 2025	
	Note	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Revenue	20	4,955,481	19,886,345	3,307,139	13,245,092
Cost of services	21	(5,630,708)	(22,596,031)	(4,293,344)	(17,194,843)
Gross loss		(675,227)	(2,709,686)	(986,205)	(3,949,751)
Other operating income	22	198,757	797,612	267,899	1,072,935
Operating and administrative (expenses)/reversal	23	(445,352)	(1,787,198)	18,637	74,641
(Allowance for)/Reversal of impairment losses	5,6	(57,626)	(231,253)	28,612	114,591
Minimum tax expense	25(c)	(51,537)	(206,818)	(35,745)	(143,159)
Operating loss		(1,030,985)	(4,137,343)	(706,802)	(2,830,743)
Finance costs – net	26	(617,494)	(2,478,003)	(858,181)	(3,437,015)
Loss before income tax		(1,648,479)	(6,615,346)	(1,564,983)	(6,267,758)
Income tax expense	25(c)	-	-	-	-
Net loss for the period		(1,648,479)	(6,615,346)	(1,564,983)	(6,267,758)
Other comprehensive loss					
Items that will not be reclassified to profit or loss					
Currency translation differences		-	(21,430)	-	(7,824)
Total comprehensive loss for the period		(1,648,479)	(6,636,776)	(1,564,983)	(6,275,582)

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 six-month period ended 30 June 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	-	-	(3,135,880)	(12,596,829)	-	-	(3,135,880)	(12,596,829)
Currency translation differences	-	-	-	-	-	(323,646)	-	(323,646)
	-	-	(3,135,880)	(12,596,829)	-	(323,646)	(3,135,880)	(12,920,475)
Balance at 30 June 2026	13,020,930	52,083,720	(38,881,572)	(157,882,962)	-	1,684,297	(25,860,642)	(104,114,945)
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	-	-	(3,574,149)	(14,335,911)	-	-	(3,574,149)	(14,335,911)
Currency translation differences	-	-	-	-	-	240,853	-	240,853
	-	-	(3,574,149)	(14,335,911)	-	240,853	(3,574,149)	(14,095,058)
Balance at 30 June 2025	13,020,930	52,083,720	(32,413,736)	(131,921,658)	-	2,072,786	(19,392,806)	(77,765,152)

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

Royal Railway Plc.

Condensed interim statement of cash flows for the six-month period ended 30 June 2026

	For the six-month period ended			
	30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash flows from operating activities				
Net loss for the period	(3,135,880)	(12,596,829)	(3,574,149)	(14,335,911)
Adjustments for:				
Depreciation and amortisation	1,780,733	7,153,206	1,646,920	6,605,795
Interest expense	1,377,831	5,534,747	1,745,946	7,002,989
Employee benefit	132,748	533,249	131,214	526,300
Minimum tax expense	101,017	405,785	70,578	283,088
Interest income	(41,469)	(166,581)	(56,032)	(224,744)
Allowance for/(Reversal of) impairment loss	69,825	280,487	(4,234)	(16,983)
	284,805	1,144,064	(39,757)	(159,466)
Changes in:				
Trade and other receivables	(430,900)	(1,730,925)	1,567,824	6,288,542
Inventories	(144,833)	(581,794)	(32,087)	(128,701)
Trade and other payables	(208,181)	(836,263)	282,506	1,133,132
Other receivables	(35,941)	(144,375)	(281,230)	(1,128,014)
Other payables	30,000	120,510	500	2,006
Cash (used in)/generated from operations	(505,050)	(2,028,783)	1,497,756	6,007,499
Interest paid	(1,064,680)	(4,276,821)	(1,301,257)	(5,219,342)
Payment of employee benefits	(39,902)	(160,286)	(36,374)	(145,896)
Minimum tax paid	(99,755)	(400,716)	(70,433)	(282,507)
Net cash (used in)/generated from operating activities	(1,709,387)	(6,866,606)	89,692	359,754
Cash flows from investing activities				
Interest received	5,285	21,230	16,334	65,516
Acquisition of property and equipment	(303,082)	(1,217,480)	(3,793,665)	(15,216,390)
Acquisition of investment properties	(6,061)	(24,347)	(13,847)	(55,540)
Net cash used in investing activities	(303,858)	(1,220,597)	(3,791,178)	(15,206,414)

Royal Railway Plc.

Condensed interim statement of cash flows (continued)
for the six-month period ended 30 June 2026

	For the six-month period ended			
	30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash flows from financing activities				
Proceed of borrowings	4,300,000	17,273,100	4,044,414	16,222,145
Repayments of borrowings	(122,648)	(492,677)	(122,646)	(491,933)
Repayments of debt securities	(2,702,797)	(10,857,134)	(2,392,996)	(9,598,307)
Payment of lease liabilities	(55,125)	(221,437)	(52,501)	(210,582)
Net cash generated from financing activities	1,419,430	5,701,852	1,476,271	5,921,323
Net decrease in cash and cash equivalents	(593,815)	(2,385,351)	(2,225,215)	(8,925,337)
Cash and cash equivalents at beginning of the period	1,498,001	6,011,477	4,794,130	19,296,373
Currency translation differences	-	14,127	-	(69,685)
Cash and cash equivalents at end of the period (Note 5)	904,186	3,640,253	2,568,915	10,301,351

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 30 June 2026, the Company had 1,115 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 28 August 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

The Company continued to generate net loss of US$3,135,880 and US$1,487,401 during the six-month period ended 30 June 2026 and three-month period ended 31 March 2026, respectively (six-month period ended 30 June 2025: US$3,574,149 /three-month period ended 31 March 2025: US$2,009,166). Furthermore, as at 30 June 2026, the Company had net current liabilities stood at US$39,360,301 (31 December 2025: net current liabilities of US$37,485,175) and accumulated losses reached US$38,881,572 (31 December 2025: US$35,745,692). Additionally, the Company breached the financial covenants as required under the 2nd cooperate 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**	**Average-rate six-month**
30 June 2026	US$1=	KHR4,026	KHR4,013	KHR4,017
30 June 2025	US$1=	KHR4,010	KHR4,005	KHR4,011
31 December 2025	US$1=	KHR4,013	N/A	N/A

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

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current				
Cash on hand	2,086	8,398	3,490	14,004
Cash at banks (*)	902,100	3,631,855	1,494,511	5,997,473
Total cash and bank balances	904,186	3,640,253	1,498,001	6,011,477
Less: Allowance for impairment losses	(34,616)	(139,364)	(39,751)	(159,521)
Total cash and bank balances	869,570	3,500,889	1,458,250	5,851,956
Non-current				
Cash at banks:				
Debt Service Reserve Account ("DSRA") (**)	3,467,220	13,959,028	3,434,392	13,782,215
Guarantee Fee Reserve Account ("GFRA") (**)	354,551	1,427,422	351,195	1,409,346
Total bank balances	3,821,771	15,386,450	3,785,587	15,191,561

(*) Included in the cash at banks balance 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 30 June 2025, the remaining amounts in the account were US$444,743 (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:

	30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Cash on hand	2,086	8,398	4,019	16,118
Cash at banks (current portion)	902,100	3,631,855	2,564,896	10,285,233
Cash and cash equivalents	904,186	3,640,253	2,568,915	10,301,351

5. Cash and bank balances (continued)

The movement of allowance for impairment losses for bank balances during the periods were as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	(39,751)	(159,521)	(67,954)	(273,515)	(33,273)	(133,125)	(62,004)	(248,016)
Recognised in profit or loss	5,135	20,627	19,566	78,479	(1,343)	(5,389)	13,616	54,532
Currency translation differences	-	(470)	-	1,000	-	(850)	-	(552)
Balance at end of the period	(34,616)	(139,364)	(48,388)	(194,036)	(34,616)	(139,364)	(48,388)	(194,036)

6. Trade and other receivables

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Trade receivables	1,492,112	6,007,245	944,964	3,792,141
Less: Allowance for impairment losses	(283,482)	(1,141,299)	(208,522)	(836,799)
	1,208,630	4,865,946	736,442	2,955,342
Advance to suppliers	11,307	45,522	29,286	117,525
Amount due from related parties (Note 27)	60,111	242,007	68,824	276,191
Financial assets measured at amortised cost	1,280,048	5,153,475	834,552	3,349,058
Deposits	15,426	62,105	10,326	41,438
Prepayments	28,080	113,050	48,405	194,249
Others	130,132	523,911	204,463	820,510
	1,453,686	5,852,541	1,097,746	4,405,255

6. Trade and other receivables (continued)

The movement of allowance for impairment losses for trade receivables during the periods were as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	(208,522)	(836,799)	(194,492)	(782,830)	(227,199)	(909,023)	(194,155)	(776,620)
Recognised in profit or loss	(74,960)	(301,114)	15,332	61,497	(56,283)	(225,864)	14,995	60,055
Currency translation differences	-	(3,386)	-	2,901	-	(6,412)	-	(1,867)
Balance at end of the period	(283,482)	(1,141,299)	(179,160)	(718,432)	(283,482)	(1,141,299)	(179,160)	(718,432)

7. Inventories

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Diesel	149,610	602,330	56,427	226,442
Locomotive parts	63,196	254,427	48,183	193,358
Tools	49,862	200,744	19,761	79,301
Fuel oil	15,047	60,579	8,235	33,047
Wagon parts	6,219	25,038	6,495	26,064
	283,934	1,143,118	139,101	558,212

8. Other receivables

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Advance to a supplier (*)	1,862,081	7,496,738	1,862,081	7,472,532
Other deposit	130,166	524,048	92,861	372,651
Prepayment	1,289	5,190	2,653	10,646
	1,993,536	8,025,976	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 six-month period ended 30 June 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	155,840	-	53,259	-	3,330	-	-	4,210	1,414	54,887	303,082	1,217,480
Transfers	3,389	2,579	83,356	12,014	-	61,898	-	-	-	-	(163,236)	-	-
Written off	-	-	-	-	-	(495)	-	-	(3,931)	-	-	(4,426)	(17,779)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	393,434
At 30 June	1,104,309	13,298,281	13,292,034	1,175,775	50,618	1,194,475	10,085	8,181	99,692	108,362	14,190	30,356,002	122,213,264
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	63,331	701,888	788,383	88,962	1,846	66,671	159	-	2,049	9,565	-	1,722,854	6,920,705
Written off	-	-	-	-	-	(495)	-	-	(3,931)	-	-	(4,426)	(17,779)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	153,631
At 30 June	781,237	5,756,728	3,994,296	691,242	42,713	918,586	9,372	8,181	93,364	50,806	-	12,346,525	49,707,110
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 30 June	323,072	7,541,553	9,297,738	484,533	7,905	275,889	713	-	6,328	57,556	14,190	18,009,477	72,506,154

As at 30 June 2026, fully depreciated property and equipment with an original cost of US$3,139,113 were still in use (30 June 2025: US$2,740,917).

9. **Property and equipment** (continued)

	For the six-month period ended 30 June 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	2,893	450,438	3,050,919	43,372	-	77,015	-	-	3,516	1,418	164,094	3,793,665	15,216,390
Transfers	28,555	739	31,868	72,322	-	-	-	-	-	-	(133,484)	-	-
Written off	-	-	-	-	-	(2,279)	-	-	(1,545)	-	-	(3,824)	(15,338)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(376,626)
At 30 June	1,049,187	11,890,307	13,035,801	1,194,564	50,618	1,129,363	9,134	8,181	103,260	102,734	72,504	28,645,653	114,869,069
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	60,495	643,902	721,557	91,187	1,845	59,569	91	-	4,301	9,177	-	1,592,124	6,386,009
Written off	-	-	-	-	-	(2,279)	-	-	(1,545)	-	-	(3,824)	(15,338)
Currency translation differences	-	-	-	-	-	-	-	-	-	-	-	-	(115,902)
At 30 June	679,212	4,417,380	2,464,977	658,144	39,021	804,272	9,074	8,181	97,224	31,831	-	9,209,316	36,929,358
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 30 June	369,975	7,472,927	10,570,824	536,420	11,597	325,091	60	-	6,036	70,903	72,504	19,436,337	77,939,711

10. Intangible assets

	For the six-month period ended 30 June 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	-	-	-	-	6,272
At 30 June	20,290	450,000	12,148	482,438	1,942,296
Less: **Accumulated amortisation**					
At 1 January	20,155	238,537	-	258,692	1,038,131
Amortisation for the period	133	7,736	-	7,869	31,610
Currency translation differences	-	-	-	-	3,434
At 30 June	20,288	246,273	-	266,561	1,073,175
Carrying amounts					
At 1 January	135	211,463	12,148	223,746	897,893
At 30 June	2	203,727	12,148	215,877	869,121

Fully amortised computer software as at 30 June 2026 with original cost of US$ 20,290 were still in use (30 June 2025: US$18,591).

	For the six-month period ended 30 June 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	-	-	-	-	(7,237)
At 30 June	20,290	450,000	12,148	482,438	1,934,576
Less: **Accumulated amortisation**					
At 1 January	19,632	223,065	-	242,697	976,855
Amortisation for the period	283	7,736	-	8,019	32,164
Currency translation differences	-	-	-	-	(3,648)
At 30 June	19,915	230,801	-	250,716	1,005,371
Carrying amounts					
At 1 January	658	226,935	12,148	239,741	964,958
At 30 June	375	219,199	12,148	231,722	929,205

11. Investment properties

	For the six-month period ended							
	30 June 2026				30 June 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	24,347	-	13,847	13,847	55,540
Transfers	1,923	(1,923)	-	-	-	-	-	-
Currency translation differences	-	-	-	1,600	-	-	-	(1,481)
At 30 June	99,977	24,960	124,937	502,996	65,638	46,044	111,682	447,845
Less: **Accumulated depreciation**								
At 1 January	29,773	-	29,773	119,479	16,206	-	16,206	65,229
Depreciation for the period	9,796	-	9,796	39,351	6,564	-	6,564	26,328
Currency translation differences	-	-	-	474	-	-	-	(249)
At 30 June	39,569	-	39,569	159,304	22,770	-	22,770	91,308
Carrying amounts								
At 1 January	62,220	26,883	89,103	357,570	49,432	32,197	81,629	328,557
At 30 June	60,408	24,960	85,368	343,692	42,868	46,044	88,912	356,537

Investment property comprises a warehouse on concession 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 30 June 2026.

Notes to the condensed interim financial statements (continued)
for the three-month and six-month periods ended 30 June 2026

12. Right-of-use assets

	For the six-month period ended			
	30 June 2026		30 June 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	-	10,455	-	(12,063)
At 30 June	804,276	3,238,015	804,276	3,225,147
Less: **Accumulated depreciation**				
At 1 January	160,855	645,512	80,428	323,722
Depreciation for the period	40,214	161,540	40,213	161,294
Currency translation differences	-	2,452	-	(1,245)
At 30 June	201,069	809,504	120,641	483,771
Carrying amounts				
At 1 January	643,421	2,582,048	723,848	2,913,488
At 30 June	603,207	2,428,511	683,635	2,741,376

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

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Trade payables:				
Trade payables	2,468,370	9,937,660	3,111,958	12,488,287
Amounts due to related parties (Note 27)	417,320	1,680,130	340,462	1,366,274
Tax payables:				
Value added tax	123,597	497,602	97,918	392,945
Salary and fringe benefit tax	25,592	103,033	23,695	95,088
Withholding tax	32,195	129,617	32,220	129,299
Payroll payables	1,155,442	4,651,809	734,264	2,946,601
Accruals	164,865	663,746	114,573	459,781
Security deposits	46,171	185,884	48,008	192,656
Others	17,356	69,875	155,991	625,993
	4,450,908	17,919,356	4,659,089	18,696,924

Notes to the condensed interim financial statements (continued)
for the three-month and six-month periods ended 30 June 2026

14. Borrowings

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	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	14,834,697	59,353,623	7,608,422	30,433,688
Additional borrowing	4,300,000	17,273,100	4,044,414	16,222,145	4,000,000	16,052,000	4,044,414	16,197,878
Accrued interest payable	4,674	18,775	21,135	84,772	-	-	15,858	63,511
Repayments during the period	(122,648)	(492,677)	(122,646)	(491,933)	(61,825)	(248,104)	(66,997)	(268,323)
Currency translation differences	-	227,319	-	(118,824)	-	422,063	-	96,051
Balance at end of the period	18,772,872	75,579,582	11,601,697	46,522,805	18,772,872	75,579,582	11,601,697	46,522,805

14. **Borrowings** (continued)

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

		30 June 2026		31 December 2025	
		US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current portion					
Neak Oknha Kith Meng	(i)	15,850,650	63,814,716	11,550,650	46,352,758
SKTM Investment Co., Ltd	(i)	2,000,000	8,052,000	2,000,000	8,026,000
Cambodian Public Bank Plc.	(ii)	156,202	628,869	149,280	599,061
Wing Bank (Cambodia) Plc	(iii)	106,135	427,300	101,494	407,295
		18,112,987	72,922,885	13,801,424	55,385,114
Accrued interest payable		186,642	751,421	181,968	730,238
		18,299,629	73,674,306	13,983,392	56,115,352
Non-current portion					
Cambodian Public Bank Plc.	(ii)	326,483	1,314,420	406,412	1,630,931
Wing Bank (Cambodia) Plc	(iii)	146,760	590,856	201,042	806,782
		473,243	1,905,276	607,454	2,437,713
		18,772,872	75,579,582	14,590,846	58,553,065

The details of borrowings from related parties and banks 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)	17,850,650	17,850,650	0% - 7%	Repayable on demand	Unsecured
(ii) Third party	1,000,000	482,685	9%	13 April 2022 to13 April 2029, 84 monthly instalments.	A land from the shareholder
(iii) Related party (Note 27)	500,000	252,895	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 bond was approved by SERC and CSX on 19 December 2022 and 26 December 2022, respectively and was issued officially on 29 December 2022.

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

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Current				
Guaranteed bond	18,380,168	73,998,557	21,147,929	84,866,639
Plain bond	526,708	2,120,526	185,772	745,503
	18,906,876	76,119,083	21,333,701	85,612,142
Non-current				
Plain bond	9,809,327	39,492,351	9,809,327	39,364,829
Guaranteed bond	-	-	-	-
	9,809,327	39,492,351	9,809,327	39,364,829
	28,716,203	115,611,433	31,143,028	124,976,971

15. Debt securities (continued)

During the six-month period ended, the Company incurred interest expense on the issued bonds amounting to US$1,304,083 equivalent to KHR 5.2 billion and three-month period ended amounting to US$603,870 equivalent to KHR 2.4 billion (six-month period ended 30 June 2025: US$1,643,542 equivalent to KHR 6.6 billion /three-month period ended 30 June 2025: US$829,930 equivalent to KHR 3.3 billion) (Note 26).

The Company is subject to financial covenant testing every 6 months and as at 30 June 2026, 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	
			30 June 2026	
Debt Service Coverage Ratio	= Cash Flow Available for Debt Service/Total debt service	≥1.2	-0.38x	Not met
Operating ratio	= Net operating income/Total operating revenue	≤95%	117.88%	Not met
Debt to EBITDA	= Total debt/EBITDA	≤2.5	-695.41x	Not met
Total debt to total assets	= Total debt/Total assets	≤85%	1.08x	Not met

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

The Company communicated the non-compliance status to GuarantCo Ltd ("the Guarantor") on 27 March 2026 and submitted a 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, no response has been received from the Guarantor. In addition, the Company is in the process of preparing another waiver request letter in respect to the breached financial covenants as at 30 June 2026 and updating its financial forecast model for submission to the Guarantor, which has not yet been finalised as of the date of these condensed interim financial statements. The Directors believe that the Guarantor will grant waivers for the non-compliance with these covenants.

Accordingly, the carrying amount US$16,518,969 of the guaranteed bond was reclassified to current liabilities (31 December 2025: US$19,221,707).

16. Employee benefit liabilities

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Seniority indemnity				
Current	248,572	1,000,751	143,846	577,254
Non-current	18,734	75,423	30,614	122,854
	267,306	1,076,174	174,460	700,108

Notes to the condensed interim financial statements (continued)
for the three-month and six-month periods ended 30 June 2026

16. Employee benefit liabilities (continued)

The movements of employee benefit obligations during the periods were as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	174,460	700,108	157,404	633,551	210,025	840,310	195,386	781,544
Recognised in profit or loss	132,748	533,249	131,214	526,300	66,861	268,313	60,624	242,799
Paid during the period	(39,902)	(160,286)	(36,374)	(145,896)	(9,580)	(38,445)	(3,766)	(15,083)
Currency translation differences	-	3,103	-	(2,457)	-	5,996	-	2,238
Balance at end of the period	267,306	1,076,174	252,244	1,011,498	267,306	1,076,174	252,244	1,011,498

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.

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Maturity analysis – contractual undiscounted cash flow				
Less than one year	113,007	454,966	110,250	442,433
One to five years	655,654	2,639,663	639,662	2,566,964
More than five years	229,006	921,978	302,879	1,215,453
Total undiscounted lease liabilities	997,667	4,016,607	1,052,791	4,224,850
Present value of lease liabilities				
Current	46,628	187,724	46,628	187,118
Non-current	667,873	2,688,857	690,493	2,770,948
Total present value of lease liabilities	714,501	2,876,581	737,121	2,958,066

18. Other payables

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Rental deposit (*)	171,630	690,983	141,630	568,361
Accrual for general and administrative expenses	79,083	318,388	79,083	317,360
	250,713	1,009,371	220,713	885,721

(*) These balances include the security deposits received from subleasing available space. During the period, the sub-lessee issued an early termination notice for its sublease agreement effective 20 March 2026. Under the agreement, the sub-lessee handed over the constructed building on the subleased land to the Company at no cost. The Company is in the process of determining the fair value of the building to recognise it as an investment property, which has not yet been finalised as at the date of these condensed interim financial statements.

Notes to the condensed interim financial statements (continued)
for the three-month and six-month periods ended 30 June 2026

19. Share capital

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	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:

	30 June 2026/31 December 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 six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Southern line:								
Rail freight	5,871,321	23,585,098	3,637,771	14,591,099	3,086,595	12,386,505	2,007,958	8,041,872
Train related value-added services	557,848	2,240,875	411,876	1,652,035	274,615	1,102,030	231,148	925,748
Passengers' fare	335,542	1,347,872	193,903	777,745	133,082	534,058	50,382	201,780
Transportation	41,144	165,275	49,868	200,021	28,120	112,846	21,710	86,949
	6,805,855	27,339,120	4,293,418	17,220,900	3,522,412	14,135,439	2,311,198	9,256,349
Northern line:								
Rail freight	2,768,539	11,121,221	2,047,026	8,210,621	1,379,718	5,536,808	874,011	3,500,414
Passengers' fare	46,927	188,506	152,994	613,659	46,927	188,318	113,399	454,163
Train related value-added services	6,424	25,805	15,014	60,221	6,424	25,780	7,571	30,322
Transportation	492	1,976	-	-	-	-	-	-
Other revenue	-	-	2,060	8,263	-	-	960	3,844
	2,822,382	11,337,508	2,217,094	8,892,764	1,433,069	5,750,906	995,941	3,988,743
	9,628,237	38,676,628	6,510,512	26,113,664	4,955,481	19,886,345	3,307,139	13,245,092

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 six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Staff costs and wages	2,070,224	8,316,090	2,186,025	8,768,146	1,074,630	4,312,490	1,106,038	4,429,682
Cost of diesel	4,973,739	19,979,510	2,883,650	11,566,320	2,646,363	10,619,855	1,432,839	5,738,520
Depreciation and amortisation (Note 24)	1,708,324	6,862,339	1,575,044	6,317,500	851,908	3,418,707	807,250	3,233,036
Repairs and maintenance	361,695	1,452,929	390,723	1,567,190	169,464	680,059	216,552	867,291
Transportation	384,787	1,545,689	364,509	1,462,046	186,716	749,291	195,361	782,421
Equipment rental	298,150	1,197,669	236,140	947,158	153,282	615,121	134,776	539,778
Container access charge	211,027	847,695	169,378	679,375	103,176	414,045	81,504	326,424
Insurance	164,478	660,708	151,444	607,442	82,239	330,025	76,137	304,929
Provision for employee benefits	108,610	436,286	117,577	471,601	55,021	220,799	53,393	213,839
Warehouse rental	15,000	60,255	-	-	15,000	60,195	-	-
Others	500,110	2,008,940	367,595	1,474,425	292,909	1,175,444	189,494	758,923
	10,796,144	43,368,110	8,442,085	33,861,203	5,630,708	22,596,031	4,293,344	17,194,843

22. Other operating income

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Warehouse rental	469,361	1,885,423	523,918	2,101,435	195,902	786,155	265,016	1,061,389
Others	4,596	18,462	11,393	45,697	2,855	11,457	2,883	11,546
	473,957	1,903,885	535,311	2,147,132	198,757	797,612	267,899	1,072,935

23. Operating and administrative expenses

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Salaries and wages	514,099	2,065,136	265,878	1,066,437	255,012	1,023,363	132,965	532,525
Directors' fee (*)	5,000	20,085	(290,875)	(1,166,700)	2,000	8,026	(380,875)	(1,525,404)
Other tax expenses	98,431	395,397	121,749	488,335	46,419	186,279	60,493	242,274
Bonus	32,560	130,794	49,541	198,709	-	-	10,058	40,282
Depreciation and amortisation (Note 24)	72,409	290,867	71,876	288,295	36,342	145,840	36,008	144,212
Professional fees	24,571	98,702	31,071	124,626	13,295	53,353	13,380	53,587
Fuel and utilities	23,324	93,693	19,797	79,406	12,685	50,905	10,066	40,314
Provision for employee benefits	24,138	96,962	13,637	54,698	11,840	47,514	7,231	28,960
Equipment rental	13,103	52,635	12,600	50,539	5,885	23,617	6,300	25,232
Travelling and accommodation	7,113	28,573	11,037	44,269	2,946	11,822	5,958	23,862
Small value of assets	3,986	16,012	4,048	16,237	1,795	7,203	595	2,383
Repairs and maintenance	7,630	30,650	5,695	22,843	2,821	11,321	3,018	12,087
Training and development	1,967	7,901	2,081	8,347	1,300	5,217	723	2,896
Licensing, registration and permit fee	2,818	11,320	5,014	20,111	1,500	6,020	3,759	15,055
Communication	1,361	5,467	1,571	6,301	713	2,861	784	3,140
Other expenses	102,216	410,600	127,573	511,694	50,799	203,857	70,900	283,954
	934,726	3,754,794	452,293	1,814,147	445,352	1,787,198	(18,637)	(74,641)

(*) On 1 May 2025, the Company obtained resolution from the shareholders for waiving the Directors' fee amounting to US$410,875.

24. Depreciation and amortisation

Depreciation and amortisation charges were allocated as follows:

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Depreciation of property and equipment and investment property (Notes 9 and 11)	1,732,650	6,960,056	1,598,688	6,412,337	864,242	3,469,924	819,141	3,280,660
Amortisation of intangible assets and right-of-use asset (Notes 10 and 12)	48,083	193,150	48,232	193,458	24,008	96,393	24,117	96,588
	1,780,733	7,153,206	1,646,920	6,605,795	888,250	3,564,547	843,258	3,377,248
Allocated to:								
Cost of services (Note 21)	1,708,324	6,862,339	1,575,044	6,317,500	851,908	3,418,707	807,250	3,233,036
Operating and administrative expenses (Note 23)	72,409	290,867	71,876	288,295	36,342	145,840	36,008	144,212
	1,780,733	7,153,206	1,646,920	6,605,795	888,250	3,564,547	843,258	3,377,248

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.

(b) Minimum tax liability

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Balance at beginning of the period	13,616	54,641	12,021	48,385	19,389	77,575	12,643	50,572
Minimum tax expense	101,017	405,785	70,578	283,088	51,537	206,818	35,745	143,159
Minimum tax paid	(99,755)	(400,716)	(70,433)	(282,507)	(56,048)	(224,921)	(36,222)	(145,069)
Currency translation differences	-	189	-	(180)	-	427	-	124
Balance at the end of the period	14,878	59,899	12,166	48,786	14,878	59,899	12,166	48,786

25. Income tax (continued)

(c) Minimum tax expense/Income tax expenses

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 six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Loss before income tax	(3,135,880)	(12,596,829)	(3,574,149)	(14,335,911)	(1,648,479)	(6,615,346)	(1,564,983)	(6,267,758)
Income tax using statutory income tax rate	(627,176)	(2,519,366)	(714,830)	(2,867,183)	(329,696)	(1,323,069)	(312,997)	(1,253,553)
Non-deductible expenses	33,423	134,261	677	2,715	17,168	68,894	118	473
Tax loss not recognised as deferred tax assets	515,676	2,071,470	446,181	1,789,632	(12,397)	(49,749)	228,538	915,295
Deductible temporary difference not recognised as deferred tax assets	78,077	313,635	267,972	1,074,836	324,925	1,303,924	84,341	337,785
Income tax expense	-	-	-	-	-	-	-	-
Minimum tax at 1% of turnover	101,017	405,785	70,578	283,088	51,537	206,818	35,745	143,159

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.

Notes to the condensed interim financial statements (continued)
for the three-month and six-month periods ended 30 June 2026

26. Finance costs – net

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Interest income cash at bank	41,469	166,581	56,032	224,744	20,371	81,749	27,751	111,143
Interest expense on:								
Debt securities	(1,304,083)	(5,238,501)	(1,643,542)	(6,592,247)	(603,870)	(2,423,330)	(829,930)	(3,323,870)
Borrowing	(41,243)	(165,673)	(68,277)	(273,859)	(17,784)	(71,367)	(39,041)	(156,359)
Lease liabilities	(32,505)	(130,573)	(34,127)	(136,883)	(16,211)	(65,055)	(16,961)	(67,929)
	(1,377,831)	(5,534,747)	(1,745,946)	(7,002,989)	(637,865)	(2,559,752)	(885,932)	(3,548,158)
	(1,336,362)	(5,368,166)	(1,689,914)	(6,778,245)	(617,494)	(2,478,003)	(858,181)	(3,437,015)

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 six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Property rental								
GSS Global Security Solutions Co., Ltd.	20,293	81,517	19,390	77,773	10,147	40,720	9,727	38,957
CAMGSM PLC	283,800	1,140,025	250,800	1,005,959	141,900	569,445	125,400	502,227
J Trust Royal Bank Plc.	105,649	424,392	214,809	861,599	8,824	35,411	107,405	430,157
Wing Bank (Cambodia) Plc.	6,600	26,512	-	-	6,600	26,486	-	-
Utilities								
CamGSM PLC	5,946	23,885	2,263	9,077	2,952	11,846	1,123	4,498
J Trust Royal Bank Plc.	463	1,860	753	3,020	-	-	371	1,486
Insurance								
Infinity General Insurance Plc.	260,985	1,048,377	257,943	1,034,609	85,963	344,970	77,997	312,378
Telephone expense								
CAMGSM PLC	8,124	32,634	15,354	61,585	3,375	13,544	7,414	29,693
Security fee								
GSS Global Security Solutions Co., Ltd.	6,930	27,838	31,020	124,421	3,465	13,905	15,510	62,118
Cleaning service								
GSS Global Security Solutions Co., Ltd.	7,747	31,120	-	-	3,818	15,322	-	-
Internet service fee								
EZECOM Co., Ltd	14,445	58,026	29,256	117,346	7,223	28,986	14,628	58,585
CAMGSM PLC	1,306	5,246	53	213	942	3,780	53	212

27. Related party transactions and balances (continued)

(b) Transactions with related parties (continued)

	For the six-month period ended				For the three-month period ended			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Microsoft Office 365								
EZECOM Co., Ltd	4,553	18,289	-	-	4,534	18,195	-	-
Power BI Pro								
EZECOM Co., Ltd	-	-	198	794	-	-	-	-
Interest expense								
Wing Bank (Cambodia) Plc.	12,657	50,843	16,466	66,045	6,117	24,546	7,851	31,443
Passenger Train Ticket								
CAMGSM PLC	-	-	630	2,527	-	-	-	-
Sign Tax								
GSS Global Security Solutions Co., Ltd.	70	281	63	253	-	-	-	-
Borrowing								
Neak Oknha Kith Meng	4,300,000	17,273,100	4,033,841	16,179,736	4,000,000	16,052,000	4,033,841	16,155,533

The total remuneration of key management for the six-month period ended 30 June 2026 including salaries and benefits was US$337,210 (six-month period ended 30 June 2025: US$353,825) and for the three-month period ended 30 June 2026 was US$178,462 (three-month period ended 30 June 2025: US$180,433).

27. Related party transactions and balances (continued)

(c) Balances with related parties

	30 June 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	58,300	234,716	58,300	233,958
Wing Bank (Cambodia) Plc.	-	-	2,200	8,829
GSS Global Security Solutions Co., Ltd.	784	3,156	-	-
Non-trade related:				
Royal Coffee	1,027	4,135	8,324	33,404
	60,111	242,007	68,824	276,191
Amounts due to related parties (Note 13)				
Trade related:				
Infinity General Insurance Plc.	406,936	1,638,324	329,682	1,323,014
CAMGSM PLC	856	3,446	814	3,267
EZECOM Co., Ltd	4,528	18,230	64	257
GSS Global Security Solutions Co., Ltd.	-	-	4,901	19,668
Cambodian Broadcasting Service Co., Ltd	5,000	20,130	5,001	20,068
	417,320	1,680,130	340,462	1,366,274
Borrowings (Note 14)				
Shareholder:				
Neak Oknha Kith Meng	15,850,650	63,814,716	11,550,650	46,352,758
Related party:				
SKTM Investment Co., Ltd	2,000,000	8,052,000	2,000,000	8,026,000
Wing Bank (Cambodia) Plc.	252,895	1,018,156	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:

	30 June 2026		31 December 2025	
	US$	KHR'000 (Note 4)	US$	KHR'000 (Note 4)
Within one year	159,057	640,363	129,190	518,439
Between two to five years	18,400	74,078	13,460	54,015
	177,457	714,441	142,650	572,454
Capital commitment				
In respect of property and equipment				
Contracted but not yet provided	90,965	366,225	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 CAMGSM PLC. and Wing Bank (Cambodia) Plc.

On 9 June 2022, the Company sub-leased the available space approximating 3,200 sqm to J Trust Royal Bank Plc. ("JTRB") for the duration of 4 years. During the period, based on an early termination agreement signed between the Company and JTRB, the sublease was terminated effective 20 March 2026. Refer to Note 18.

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

On 20 May 2026, the Company sub-leased the available space approximating to 3,200 sqm to Wing Bank (Cambodia) Plc. for the duration of 10 years.

Based on this sub-lease agreement, in the event the Company terminates the sub-lease agreement, the Company shall refund to CAMGSM PLC. and Wing Bank (Cambodia) 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.

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

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.

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 90% 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.