PICASSO CITY GARDEN DEVELOPMENT PLC
(PCG)

PICASSO CITY GARDEN DEVELOPMENT PLC.

SECOND QUARTERLY REPORT

AS OF 30 JUNE 2026

PICASSO CITY GARDEN DEVELOPMENT PLC
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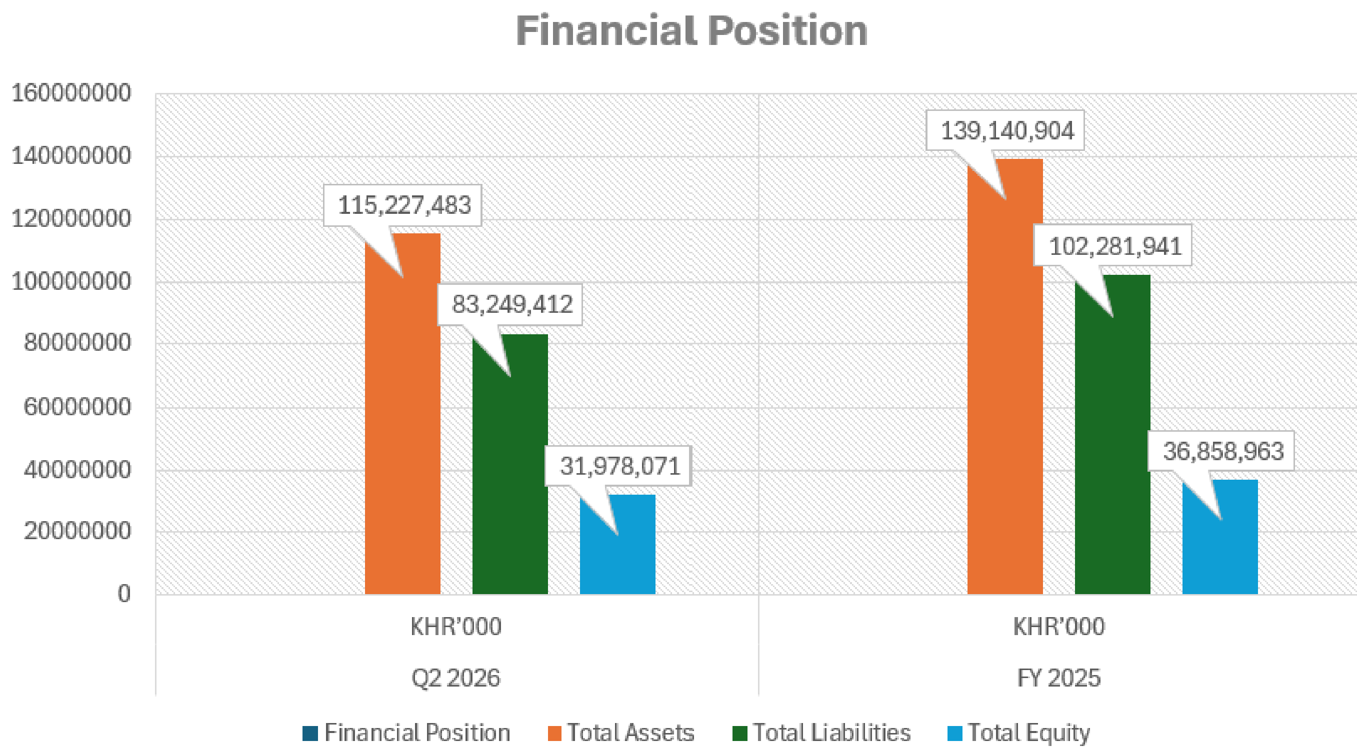
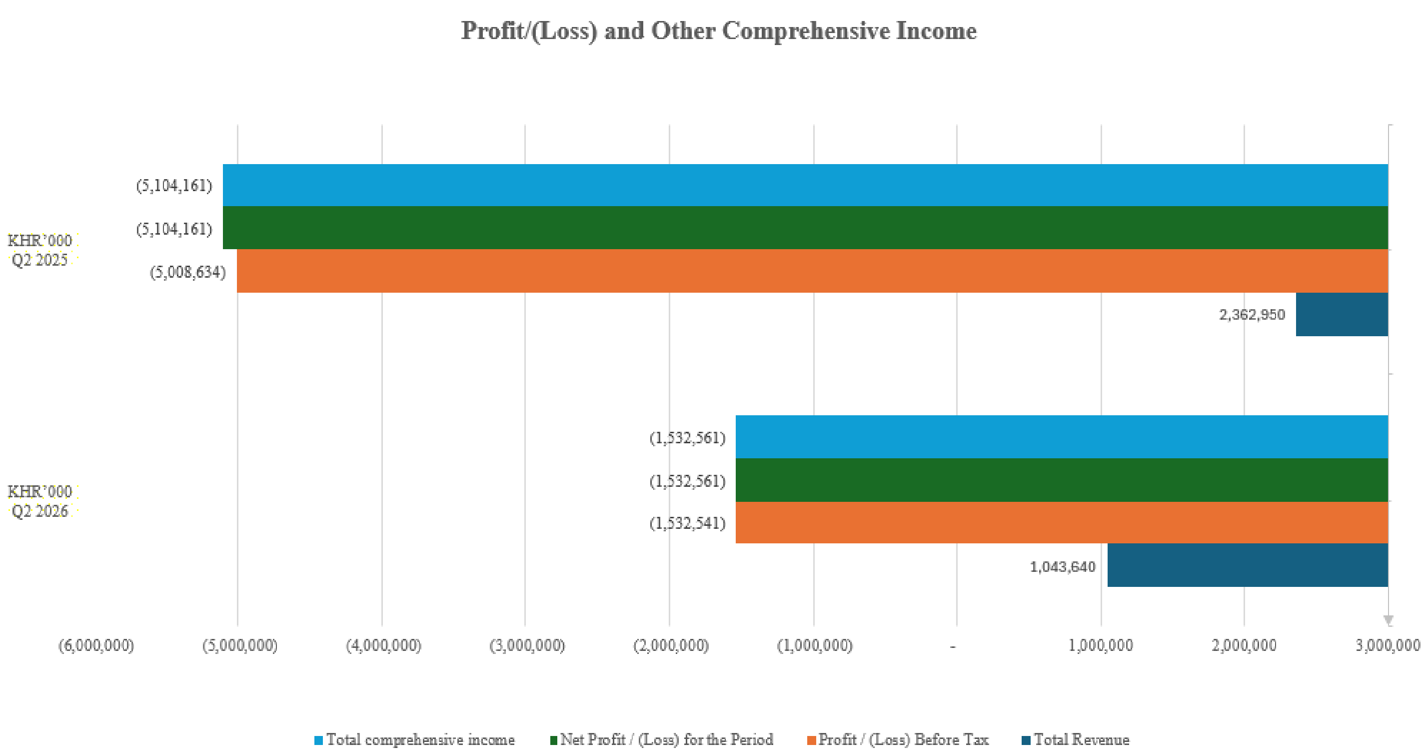
PCG

FINANCIAL HIGHLIGHT

Consolidated Financial Position (KHR'000)		Quarter 2 – 2026 (Reviewed)	2025 (Audited)
Total Assets		115,227,483	139,140,904
Total Liabilities		83,249,412	102,281,941
Total Equity		31,978,071	36,858,963
Consolidated Profit/(Loss) and Other Comprehensive Income (KHR'000)		**Quarter 2 – 2026 (Reviewed)**	**Quarter 2 – 2025 (Reviewed)**
Total Revenues		1,043,640	2,362,950
Profit/ (Loss) before Tax		(1,532,541)	(5,008,634)
Profit/ (Loss) after Tax		(1,532,561)	(5,104,161)
Total Comprehensive Income		(1,532,561)	(5,104,161)
Financial Ratios		**Quarter 2 – 2026 (Reviewed)**	**2025 (Audited)**
Solvency Ratio (Times)		1.38	1.36
Liquidity Ratios	Current Ratio (Times)	1.03	1.13
	Quick Ratio (Times)	0.94	1.05
		Quarter 2 – 2026 (Reviewed)	**Quarter 2 – 2025 (Reviewed)**
Profitability Ratios	Return on Assets (%)	-1.33	-3.67
	Return on Equity (%)	-4.76	-13.78
	Gross Profit margin (%)	19.11	17.46
	Profit Margin (%)	-146.85	-216.01
	Earnings per Share (Riels)	-28.06	-1.02
Interest Coverage Ratio (Times)		2.08	7.92

FINANCIAL SUMMARY CHARTS





PICASSO CITY GARDEN DEVELOPMENT PLC
(PCG)

BOARD OF DIRECTORS

MR. TENG CHENG YUEH
CHAIRMAN

MS. TEOH SEOK AI
EXECUTIVE DIRECTOR

MS. YANG FAN
INDEPENDENT DIRECTOR

PICASSO CITY GARDEN DEVELOPMENT PLC
(PCG)

CHAIRMAN'S MESSAGE

On behalf of the Board of Directors, I am pleased to present the Company's Second Quarter Report for the period ended 30 June 2026. During the quarter, the Company remained focused on executing its strategic priorities while maintaining financial discipline amid the evolving dynamics of the real estate market. Market conditions remained challenging, characterized by cautious buyer sentiment, tighter financing conditions, and a slower pace of property transactions. In response, we continued to adopt a prudent and disciplined approach to our operations, prioritizing efficiency, effective resource allocation, and long-term value creation.

Throughout the quarter, we further strengthened our corporate governance framework, enhanced our financial reporting processes, and maintained full compliance with applicable regulatory requirements. Management remained committed to disciplined project execution, effective cost management, prudent capital allocation, and transparent disclosure practices to ensure the Company remains resilient in a dynamic market environment.

As we reached the midpoint of the financial year, we continued to strengthen our internal control environment, improve operational efficiencies, and reinforce sound risk management practices. These initiatives support our commitment to maintaining high standards of corporate governance while preserving financial stability and positioning the Company to capitalize on opportunities as market conditions improve.

While near-term market conditions may remain challenging, we remain positive about the Company's long-term prospects. We will continue to focus on sustainable development, effective portfolio management, operational efficiency, and sound financial management to strengthen our business and support steady, long-term growth.

On behalf of the Board, I would like to thank our management team, employees, shareholders, customers, business partners, advisors, and stakeholders for their continued dedication, trust, and support. We remain committed to navigating the market with discipline and creating sustainable long-term value.

PHNOM PENH, 12th AUGUST 2026

PICASSO CITY GARDEN DEVELOPMENT PLC.
KINGDOM OF CAMBODIA

MR. TENG CHENG YUEH

CHAIRMAN OF THE BOARD OF DIRECTORS

Picasso
PICASSO CITY GARDEN DEVELOPMENT PLC
(PCG)

CEO'S MESSAGE

On behalf of the Management Team, I am pleased to present the Company's Second Quarter Report for the period ended 30 June 2026.

The second quarter unfolded amid a markedly challenging real estate market. Buyer sentiment remained cautious, financing conditions stayed tight, and property transactions took longer to conclude. We recognize these realities clearly: they require us to be more disciplined, more responsive, and more determined in every aspect of our execution.

Against this backdrop, we did not stand still. We continued to protect operational stability while actively expanding our market reach through stronger engagement with local and international customers, channel partners, and industry networks. We advanced targeted promotional and consultation activities, refined our sales approach in response to changing customer needs, strengthened internal coordination, and maintained prudent cost and financial management.

For Picasso City Garden (Project I), we continued to prioritize completed-unit transactions, accounts receivable collection, and resident services while protecting asset value and customer confidence. For Picasso Sky Gemme (Project II), we continued to advance pre-sale activities, market development, and project-readiness work. We will not pursue growth at the expense of quality, sound governance, or responsible execution; nor will short-term market pressure weaken our long-term commitment to Cambodia and its real estate sector.

Challenging markets test every company, but they also reveal resilience. Our position is clear: we will face market conditions honestly, adapt decisively, continue broadening our market presence, and remain steadfast in delivering quality, trust, and long-term value. We believe that consistent effort today will place the Company in a stronger position as confidence and market momentum recover.

I would like to thank our employees for their dedication and perseverance, and our customers, shareholders, business partners, and the Board of Directors for their continued confidence and support. Together, we will keep moving forward with discipline, resolve, and a shared commitment to sustainable growth.

PHNOM PENH, 12th AUGUST 2026

ព្រះរាជាណាចក្រកម្ពុជា
ក្រុមហ៊ុន ពីកាសូ ស៊ីធី ហ្គាដិន ឌីវេឡុបមិន ម.ក
PICASSO CITY GARDEN DEVELOPMENT PLC.
KINGDOM OF CAMBODIA

MS. TEOH SEOK AI

CHIEF EXECUTIVE OFFICER

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PART 1. GENERAL INFORMATION OF THE LISTED ENTITY

A. IDENTITY OF THE LISTED COMPANY

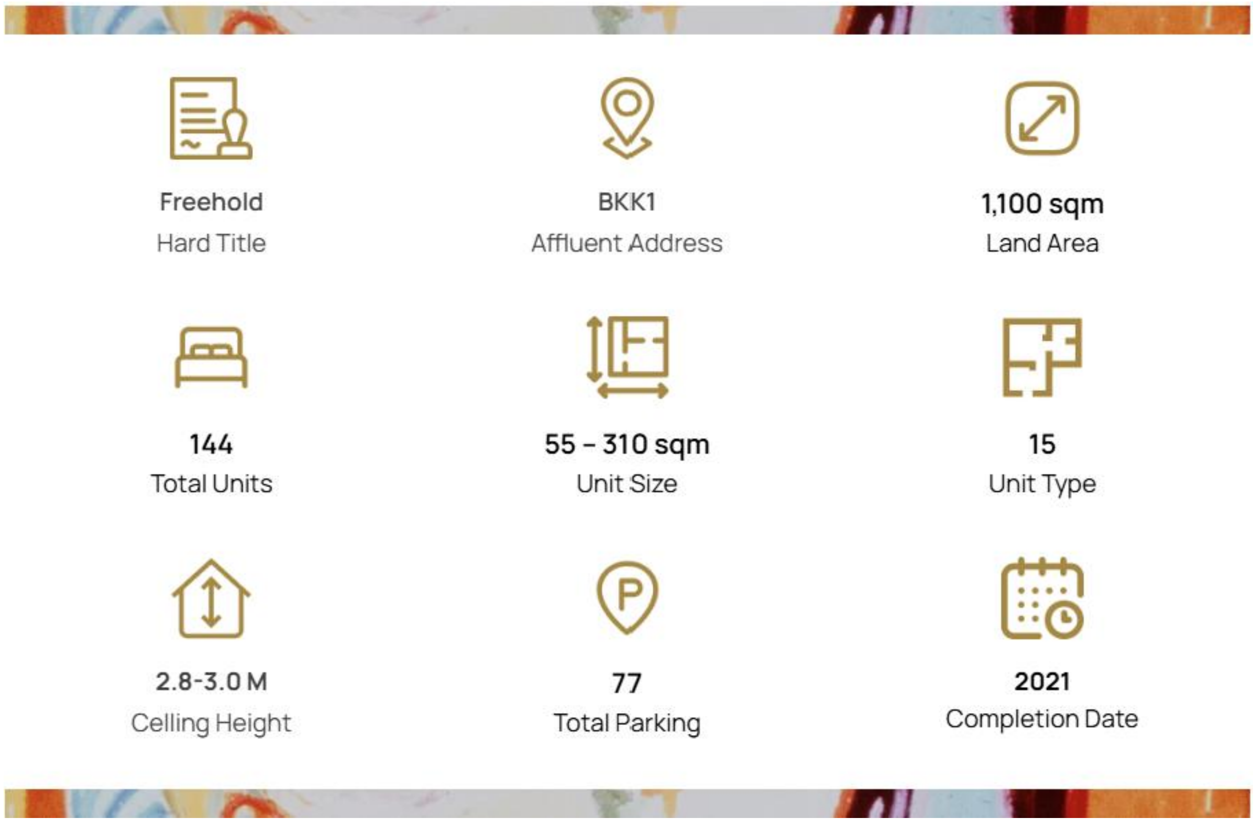
Entity Name in Khmer:	ពីកាសូ ស៊ីធី ហ្គាដិន ឌីវេឡុបម៉ិន ម.ក
Entity Name in Latin:	PICASSO CITY GARDEN DEVELOPMENT PLC.
Standard Code:	KH1000250006
Address:	Picasso City Garden Building, 19-1th Floor, Street 322, Village 7, Sangkat Boeung Keng Kang 1, Khan Boeung Keng Kang, Phnom Penh, Cambodia
Phone Number:	(+855) 87 286 220
Website:	pcgdevelopmentplc.com.kh
Email:	cs@pcgdevelopmentplc.com.kh
Company Registration Number:	00021493, issued on 22 November 2016 by Ministry of Commerce
License Number:	384 ន.អ.ប.អ.អ.ស.ត. issued on 24 January 2025 / 3038 ន.អ.ប.អ.អ.ស. issued on 19 August 2025 by Real Estate Business & Pawnshop Regulator
Disclosure Document Registration Number:	217/25 SERC/SSR, issued on 03 October 2025 by Securities and Exchange Regulator of Cambodia "SERC"
Representative of the Listed Entity:	MR. TENG CHENG YUEH

B. NATURE OF BUSINESS

Picasso City Garden Development Plc. ("PCG") was founded in 2016, Phnom Penh, Cambodia, specializes in real estate development, marketing, construction, commercial operations, land planning, and branded property management. Guided by its philosophy of "Honesty, Professionalism, and Peace of Mind", The Company takes pride in its Cambodian roots while actively expanding its international presence and pursuing comprehensive operational growth.

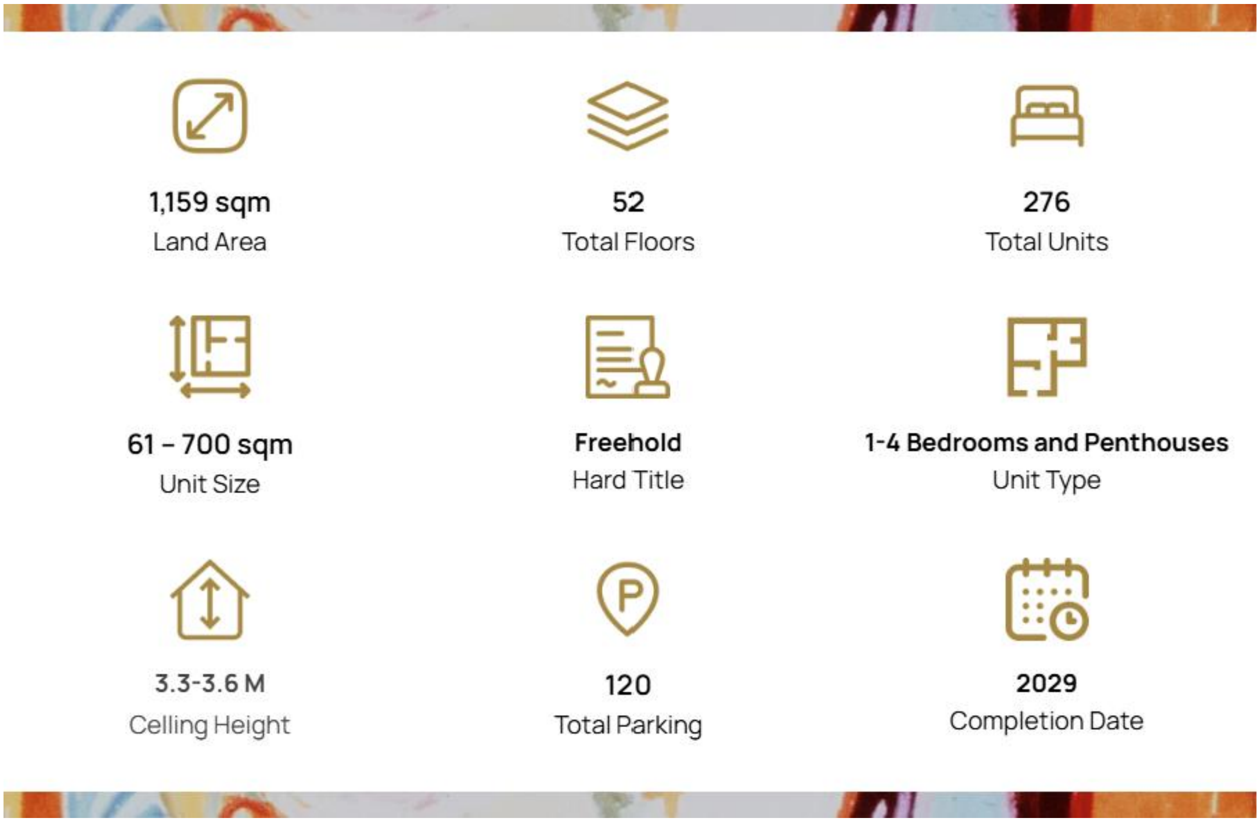
Picasso City Garden, Asia's first luxury condominium and a premium property leader, is officially authorized by the Picasso family group, showcasing our commitment in blending artistry and high-standard design in Cambodia's real estate. Start with the first project Picasso City Garden (Project I), located in Phnom Penh's vibrant BKK1 district, is a 110-meter iconic residential tower reflecting the art and modernity.

Designed using the Diaphragm Wall Method, it combines sustainable luxury living with prime investment potential. Since its completion in 2022, the project has achieved high occupancy rates and earned recognition as Cambodia’s Top Premium Property Management Service.



Building on this success, we introduce Project Picasso Sky Gemme (Project II), the second flagship project, redefining skylines with cutting-edge architecture and craftsmanship, continuing our legacy of luxury innovation and artistic excellence.

Picasso Sky Gemme is a luxurious 52-storey residential tower that redefines modern living by merging real estate with the timeless value of art. Inspired by the genius of Mr. PICASSO, each of the 276 exclusive units is part of the PICASSO UNIQ COLLECTION, a limited collectible series, each with its own certified number. More than just a home, Picasso Sky Gemme is a rare asset designed for collectors, visionaries, and global citizens.



- ❖ PCG operates as a subsidiary of Titan Stone Capital (Asia) Limited, a Hong Kong-based financial and investment company specializing in real estate, capital markets and strategic asset management. As a subsidiary of Titan Stone Real Estate Group, PCG leverages its strong financial backing and strategic global partnerships to drive the development of high-end real estate projects in Cambodia.

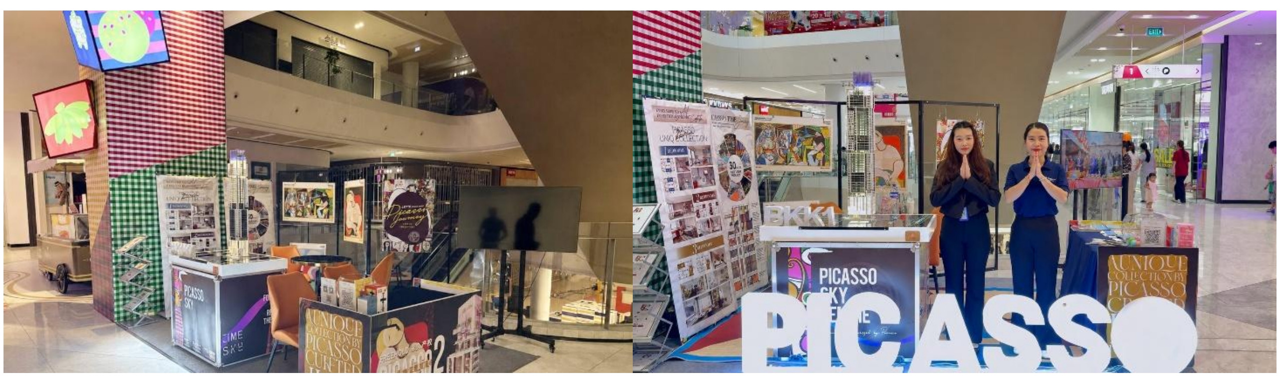
- ❖ The subsidiaries under the PCG's structure are listed below:
  - Titan Stone Life Insurance Plc. ("TSL") is part of Titan Stone Real Estate Group, established in Phnom Penh, Cambodia in 2020. With the group's know-how in finance and advantages, TSL provide professional insurance products and services based on the its mission, **We Care About Your Life**, and the group's principles, honesty, professionalism and safety.
  - Titan Stone Investment Co., Ltd. ("CSEZ") is registered with Ministry of Commerce ("MOC") on 02 November 2020 which has main business activity in Real Estate (buying, selling and renting), currently covering an area of about 218 hectares of land with the plan to develop to over 400 hectares, located between the Kampot and Sihanouk Ville.
  - Chibodia Construction Co., Ltd. is registered with Ministry of Commerce ("MOC") on 09 August 2019 which has main business activity in Import Export (construction materials) and Construction (building).

C. QUARTERLY'S KEY EVENTS

2026-April

From 3 to 5 April 2026, the Company held a cross-company team-building trip themed "One Team, One Journey." Employees from across the organization took part in activities designed to strengthen collaboration, communication, relationships, and team spirit, contributing to a more positive and collaborative working environment.

2026-June



From 18 to 21 June 2026, the Company held a Picasso Sky Gemme (Project II) showcase at Chip Mong 271 Mega Mall. Prospective customers received personalized consultations from the sales team on available units and investment opportunities.

PART 2. INFORMATION ON BUSINESS OPERATION PERFORMANCE

A. BUSINESS OPERATION PERFORMANCE INCLUDING BUSINESS SEGMENT INFORMATION

Picasso City Garden Development Plc. ("the Company") is committed to creating quality real estate developments that contribute to Cambodia's urban growth and deliver sustainable long-term value for our customers, shareholders, and stakeholders. Through our focus on responsible development, operational excellence, and disciplined execution, the Company continues to pursue growth opportunities while maintaining a strong commitment to quality and integrity.

During this second quarter, the Company operated in an evolving real estate market environment, marked by cautious market sentiment and reduced market liquidity. Despite these conditions, Management remained committed to executing our strategic priorities, strengthening operational efficiency, and maintaining prudent financial management to ensure business resilience and support sustainable growth.

This report provides an overview of the Company's performance during the period, key project developments, and strategic initiatives undertaken to navigate the current market conditions while reinforcing our long-term commitment to Cambodia's real estate sector.

1. Business Operation Performance:

Overall Performance

During this second quarter, the Company continued to execute its operational plans while navigating a challenging real estate market environment. The Company remained focused on supporting ongoing escrow-based sales activities and accounts receivable ("AR") collection for Picasso City Garden (Project I), while accelerating market engagement and sales preparation activities for Picasso Sky Gemme (Project II). These efforts demonstrated the Company's commitment to maintaining operational stability and progressing its long-term development strategy despite prevailing market challenges.

For Project I, the Company continued to manage the remaining unit sales process through escrow-based transactions and strengthened AR collection efforts following the successful completion and handover of the project. These activities contributed to maintaining disciplined cash flow management and ensuring an orderly settlement process in accordance with contractual arrangements.

For Project II, the Company continued to enhance market visibility and customer engagement through targeted promotional activities, including project showcases and consultation sessions with prospective customers. These initiatives were aimed at increasing market awareness, supporting future sales opportunities, and strengthening the project's position as a key growth driver for the Company.

Throughout the period, Management remained focused on prudent cost management, operational efficiency, and effective resource allocation. The Company continued to refine its internal processes and strengthen coordination across business functions to enhance execution capability and resilience.

Overall, Q2 2026 reflects the Company's continued commitment to disciplined execution and strategic advancement amid a challenging property market. The ongoing monetization of Project I and the progressive market development of Project II provide a solid foundation to support the Company's sustainable growth objectives.

2. Business Segment Information:

Segment:	Residential Development
Key Activities	During the second quarter, the Company continued to focus on this segment, with ongoing progress at Picasso Sky Gemme (Project II) and related sales and marketing activities. Following the successful ground-breaking ceremony in March 2026, the Company continued to carry out necessary project preparation works, including site readiness activities, technical coordination, and construction planning. These efforts progressed while the Company continued to closely monitor market conditions, with full construction commencement currently targeted for Q3 2026, subject to prevailing market circumstances and project readiness. During the period, the Company also continued its pre-sale and market engagement activities for Project II through targeted promotional initiatives and customer consultation programs. These activities aimed to maintain market presence, enhance customer understanding of the project, and support future sales opportunities amid the challenging real estate environment.
Key Highlights	The Company continued the pre-sale activities of Picasso Sky Gemme (Project II) during this quarter, with continued market engagement and customer interest despite the challenging real estate environment. While construction has not yet commenced, Management remained focused on strengthening project positioning, refining pricing strategies, and engaging with prospective buyers to support future sales activities and prepare for the planned development phase.
Outlook	Picasso Sky Gemme (Project II) remains an important component of the Company's long-term growth strategy. As the project advances from the pre-sale phase toward the planned construction and subsequent delivery stages, the Company will continue to adopt a prudent approach, closely monitor market conditions, and focus on disciplined execution to support sustainable development.
Segment:	**Commercial Properties**
Key Activities	The Company continued its efforts to promote and sell condominium units of Picasso Sky Gemme (Project II) to both local and overseas customers. Key activities during the period included project marketing,

	customer consultations, buyer engagement, and supporting the completion of sales transactions.
Key Highlights	While construction of Picasso Sky Gemme (Project II) has not yet commenced, the Company continued to carry out necessary preparatory works and marketing activities to strengthen project awareness and maintain engagement with potential customers. Amid the challenging real estate market environment, Management remains focused on closely monitoring market conditions, refining sales strategies, and supporting sustainable progress as the project moves toward its planned development phase.
Outlook	Although construction of Picasso Sky Gemme (Project II) has not yet commenced, the Company continued to undertake early marketing and buyer engagement activities to enhance project awareness and maintain market presence. Amid the challenging real estate environment, Management remains focused on closely monitoring market conditions, strengthening customer engagement, and refining project strategies to support future sales activities. The Company will continue to leverage the project's quality design and development features while adopting a prudent approach toward the next phase of execution.
Segment:	**Sales and Marketing**
Key Activities	During this quarter, this segment continued to focus on supporting the Company's sales activities for Project II and maintaining customer engagement through targeted marketing initiatives. During the period, the Company continued its promotional activities, buyer consultations, and market outreach efforts for Picasso Sky Gemme (Project II) to enhance project awareness and maintain engagement with prospective customers. Amid challenging real estate market conditions, Management remained focused on adopting appropriate sales strategies and strengthening customer relationships to support future sales opportunities. In addition, Picasso City Garden (Project I) continued to be managed through an escrow-based sales arrangement, together with ongoing accounts receivable ("AR") collection efforts. These activities supported orderly transaction settlement, prudent cash flow management, and transparent sales processes in accordance with the Company's operational and compliance framework.
Key Highlights	As revenue is recognized upon the completion and transfer of units in accordance with the Company's revenue recognition policy, sales contracts secured through the pre-sale activities of Picasso Sky Gemme (Project II) have not yet been recognized as revenue during the current reporting period. These secured contracts, together with ongoing sales

	efforts, represent future revenue potential as the project progresses toward completion and unit handover.
Outlook	As Picasso Sky Gemme (Project II) progresses toward the planned construction and delivery stages, the Company will continue to focus on strengthening market engagement and supporting future sales activities. Meanwhile, Picasso City Garden (Project I) continues to contribute through its escrow-based sales arrangement and ongoing transaction settlements. These activities provide continued visibility on future revenue recognition, while the Company remains committed to disciplined execution and closely monitoring market conditions.
Segment:	**Property Management Service**
Key Activities	This segment continued to maintain stable operations through the ongoing management of completed residential assets within the Company's existing portfolio. During the period, the Company remained focused on providing effective maintenance, facility management, and resident services to support property quality, customer satisfaction, and the long-term value of its completed developments.
Key Highlights	The Company continued to support the operation of its completed residential assets through ongoing building maintenance, facility management, and resident services. These efforts remained focused on maintaining operational standards, preserving asset value, and enhancing the living experience for residents. This segment continues to contribute to strengthening the Picasso brand and supporting long-term customer satisfaction and engagement.
Outlook	The segment will continue to focus on property management, maintenance, and resident services while maintaining service quality, protecting asset value, and enhancing the overall resident experience.
Segment:	**Hospitality/ Serviced Residence Operations**
Key Activities	During this quarter, this segment focused on delivering hospitality services and guest facilities while maintaining service quality, operational efficiency, and a positive resident experience.
Key Highlights	The Company continued to maintain service quality through the implementation of operational efficiency measures, adherence to safety and cleanliness standards, and ongoing customer satisfaction enhancement initiatives. Management observed that demand for premium serviced living accommodations in Phnom Penh remained relatively stable during the reporting period.
Outlook	This segment is expected to maintain positive operational performance, with additional growth potential anticipated as further branded assets and related hospitality facilities commence operations in future periods.

3. Financial Performance:

During Q2 2026, the Sales segment continued to focus on supporting sales activities for Picasso Sky Gemme (Project II) through ongoing marketing initiatives, customer engagement, and pre-sale efforts. While the real estate market remained challenging, the Company continued to promote the project, engage with prospective customers, and implement appropriate sales strategies to maintain market presence and support future sales opportunities.

In addition, Picasso City Garden (Project I) continued to contribute to transaction activities through its escrow-based sales arrangement and ongoing accounts receivable (“AR”) collection efforts. These activities supported orderly settlement processes, prudent cash flow management, and transparent transaction handling in accordance with the Company’s sales framework.

The Company remained focused on maintaining operational discipline, strengthening customer relationships, and adapting its sales approach in response to market conditions. These efforts are aimed at supporting the sustainable development of the Company’s sales pipeline and long-term business objectives.

4. Key Achievements:

As part of the Company’s ESG initiatives, a weekly internal training program was launched on 06 June 2026 for employees at all levels. The program is conducted every week and focuses on operational procedures, team management, leadership, communication, and presentation skills to support continuous learning, employee development, and a stronger working environment.

B. REVENUE STRUCTURE

The Company’s revenue structure is currently driven solely by the sale of condominium units as following:

Source of Revenues (KHR’000)	Quarter 2 – 2026		Quarter 2 – 2025	
	Amount	%	Amount	%
Condominium	1,043,046	100.00%	2,362,950	100.00%
Total:	**1,043,046**	**100.00%**	**2,362,950**	**100.00%**

The Company’s revenue structure remains primarily driven by condominium unit handovers, with fluctuations reflecting the timing of project completion and revenue recognition.

PART 3. FINANCIAL STATEMENT REVIEWED BY THE EXTERNAL AUDITOR

Please refer to the Annex for the Report of Independent Auditors on Review of Condensed Consolidated Interim Financial Statements for the Six-Month Period Ended 30 June 2026, duly reviewed by the Independent Auditor.

PART 4. MANAGEMENT’S DISCUSSION AND ANALYSIS

The discussion and analysis focused on the operational and financial results based on Interim Financial Statement as at 30 June 2026 reviewed by Independent Auditors. The Interim Financial Statements had been prepared in accordance with Cambodian International Reporting Standard “CIFRS”. Only the key components of the Interim Financial Statements and key factors that affect Company's Profitability were discussed and analyzed.

A. OVERVIEW OF OPERATIONS

Revenue Analysis:

The Company’s revenue is primarily derived from condominium unit sales. Revenue is recognized upon the transfer of control of completed units to purchasers. Accordingly, quarterly revenue performance is significantly influenced by the timing of project completion and unit handovers.

Revenue by Segment Analysis:

Source of Revenues (KHR’000)	Quarter 2 – 2026		Quarter 2 – 2025		Variance	
	Amount	%	Amount	%	Amount	%
Condominium	1,043,046	100.00%	2,362,950	100.00%	(1,319,310)	-55.83%
Total:	**1,043,046**	**100.00%**	**2,362,950**	**100.00%**	**(1,319,310)**	**-55.83%**

In Q2 2026, the revenue from Condominium decreased by 1,319,310 Thousand Riels or 55.83% compared to Q2 2025. This decrease was mainly attributable to lower revenue recognition from condominium unit handovers during Q2 2026 compared to Q2 2025. Revenue in Q2 2025 was primarily generated from the handover of units under Project Picasso City Garden (Project I). In addition, Project Picasso Sky Gemme (Project II) remained in the pre-sale stage; therefore, revenue recognition from the project had not yet commenced during the period.

Gross Profit Margin Analysis:

Statement of Profit or Loss (KHR'000)	Quarter 2 2026	Quarter 2 2025	Variance	
			Amount	%
Revenue	**1,043,640**	**2,362,950**	**(1,319,310)**	**-55.83%**
Cost of Sales				
Building cost	(990,342)	(1,805,526)	815,184	-45.15%
Amortisation Expenses	-	(377,512)	377,512	-100.00%
Depreciation Expenses	(326,615)	(325,883)	(732)	0.22%
Commission Expenses	(8,975)	(135,513)	126,538	-100.00%
JV Variable Consideration Adjustment (*)	481,732	694,143	(212,411)	-30.60%
Total Cost of Sales	**(844,200)**	**(1,950,291)**	**1,106,091**	**-56.71%**
Gross Profit	**199,440**	**412,659**	**(213,219)**	**-51.67%**
Gross Profit Margin	**19.11%**	**17.46%**	**1.65%**	**9.43%**

Gross profit margin increased to 19.11% in Q2 2026, compared to 17.46% in Q2 2025, representing an increase of 1.65%. Despite the decline in revenue during the quarter, total cost of sales decreased at a slightly higher rate, mainly due to lower building costs, the absence of amortisation expenses, and significantly lower commission expenses. This was partially offset by depreciation expenses, which remained relatively stable, and a lower JV Variable Consideration Adjustment compared to Q2 2025. As a result, gross profit decreased by 213,219 Thousand Riels, or 51.67%, from 412,659 Thousand Riels in Q2 2025 to 199,440 Thousand Riels in Q2 2026, while the gross profit margin improved due to the proportionately greater reduction in total cost of sales relative to revenue.

Profit/(Loss) before Tax Analysis:

Statement of Profit or Loss (KHR'000)	Quarter 2 2026	Quarter 2 2025	Variance	
			Amount	%
Revenue	**1,043,640**	**2,362,950**	**(1,319,310)**	**-55.83%**
Cost of Sales	**(844,200)**	**(1,950,291)**	**1,106,091**	**-56.71%**
Gross Profit	**199,440**	**412,659**	**(213,219)**	**-51.67%**
Other Income (*)	1,797,152	344	1,796,808	522,328.00%
General and Administrative Expenses	(2,551,981)	(6,258,333)	3,706,352	-59.22%
Loss from Operation	**(555,389)**	**(5,845,330)**	**5,289,941**	**-90.50%**
Finance Cost	(737,500)	(632,410)	(105,090)	16.62%
Share of Loss from Associates	(239,652)	51,524	(291,176)	-565.13%
Gain on Disposal of Share in Associates	-	1,417,582	(1,417,582)	0.00%
Loss before Tax	**(1,532,541)**	**(5,008,634)**	**3,476,093**	**-69.40%**

For Quarter 2 2026, the Company recorded a loss before tax of 1,532,541 Thousand Riels, representing an improvement of 69.40% compared with the corresponding period of 2025. The improvement was mainly driven by a significant increase in other income of 1,796,808 Thousand Riels, primarily arising from lease modification and the reversal of tax-related amounts following the tax incentive letter issued by the General Department of Taxation (GDT). In addition, general and administrative expenses decreased by 59.22%, partially offsetting the decline in revenue and gross profit during the period.

Profit/(Loss) after Tax Analysis:

Statement of Profit or Loss (KHR'000)	Quarter 2 2026	Quarter 2 2025	Variance	
			Amount	%
Loss before Tax	**(1,532,541)**	**(5,008,634)**	**3,476,093**	**-69.40%**
Tax Expense	(20)	(95,527)	95,507	-99.98%
Loss for the Period	**(1,532,561)**	**(5,104,161)**	**3,571,600**	**-69.97%**

The Company has obtained approval to pay tax package for the development and sale of the Picasso City Garden I project based on the package tax which has been assessed and provided by the General Department of Taxation since February 2019. The package tax liability is recognised in full when the General Department of Taxation ("GDT") issued the approval of the package tax to the Company.

Additionally On 4 June 2026, the Company received a letter from the GDT confirming tax incentives applicable to listed companies under Sub-Decree No. 39 អនក្រ.បក, dated 14 March 2025, on Tax Incentives in the Securities Sector. As the equity securities issued by the Company represent not more than 20% of the total voting rights, the applicable 50% income tax incentive for 2026 and 2027 is subject to a proportional reduction based on 20.001% as the prescribed base, in accordance with the formula under the Sub-Decree. The Company is also entitled to relief from certain historical tax debts for the applicable tax years, subject to the conditions prescribed by the GDT.

The above incentives do not apply to the Picasso City Garden (Project I), which has already settled its tax liabilities under the approved lump-sum tax package. Eligible business activities are therefore required to be separately registered for tax purposes from the Picasso City Garden I project.

B. SIGNIFICANT FACTORS AFFECTING PROFIT

Demand and Supply Conditions Analysis:

The residential condominium market in Phnom Penh continues to face limited availability of consolidated and publicly verifiable market data, making precise assessment of overall demand, supply, and market absorption challenging. Most detailed market information remains project-specific and is generally not publicly disclosed.

Demand for condominium units continues to be influenced by broader economic conditions, household purchasing power, buyer confidence, and access to financing, while supply conditions are affected by construction progress, project completion timelines, and the pace of new project launches. As the Company recognizes revenue upon the handover of completed units, variations in construction schedules and unit delivery timing may materially affect revenue recognition and profitability for the reporting period.

During this quarter, the Company continued to focus on prudent project planning, disciplined cost management, and pricing strategies aimed at maintaining competitiveness under prevailing market conditions. While market sentiment remains cautious and subject to ongoing economic developments, management believes that demand for reasonably priced and strategically located residential units continues to exist in the Phnom Penh market.

Fluctuation in Prices of Raw Materials:

The Company does not directly manufacture products. Nevertheless, changes in construction material prices may affect project costs indirectly through contractor pricing, procurement arrangements, and future construction budgets.

Tax Analysis:

The company is subject to taxation under the applicable tax regime in Cambodia. Tax expenses include current and deferred taxes and are recognized in the statement of profit or loss.

Exceptional and Extraordinary items Analysis:

There are no exceptional items that impact this period's financial performance.

C. MATERIAL CHANGES IN SALES AND REVENUE

During the reporting period, changes in sales and revenue were primarily attributable to the different stages of the Company's development projects and the timing of revenue recognition.

Project Picasso City Garden (Project I) has been fully completed, and accordingly no significant revenue was recognized from the project during the current period.

Picasso Sky Gemme (Project II) remained in the pre-sale stage, and construction had not yet commenced during the reporting period. Although pre-sale activities continued to support market engagement and contracted sales activity, the related contracts had not yet been recognized as revenue because the Company recognizes revenue only upon completion and transfer of units to purchasers.

Overall, the changes in sales and revenue during the period reflected the transition from the completion cycle of Project I to the early development and pre-sale phase of Project II, together with the effects of cautious market sentiment and the timing of revenue recognition.

D. IMPACT OF FOREIGN EXCHANGE, INTEREST RATE AND COMMODITY PRICES

The Company's revenues and a significant portion of costs are denominated in United States Dollars, and therefore the Company is not materially exposed to foreign exchange volatility.

E. IMPACT OF INFLATION

During the reporting period, inflation did not have a material impact on the Company's financial performance. Sales prices of condominium units are generally agreed upon at the time of contract signing, and a significant portion of construction costs is based on fixed-price or pre-agreed contractual terms, which helps to mitigate short-term inflationary pressures.

However, a prolonged period of elevated inflation could affect buyers' purchasing power and financing conditions, which may in turn impact demand for residential condominium units. In addition, sustained inflationary pressures may increase future construction and operating costs, potentially affecting the Company's profitability in subsequent periods.

Inflation did not have a material impact during the reporting period, although prolonged inflation may affect buyer purchasing power and future construction costs.

F. ECONOMICS, FISCAL, MONETARY POLICY OF THE ROYAL GOVERNMENT

The Company operates within the regulatory framework of the Royal Government of Cambodia. Management is not aware of any policy changes during the period that would materially affect ongoing projects or future development plans.

PART 5. OTHER NECESSARY INFORMATION FOR INVESTOR PROTECTION

In the second quarter of 2026, the company had no other necessary information to disclose.

SIGNATURE OF CHAIRMAN OF THE BOARD OF DIRECTORS

PHNOM PENH, 12th AUGUST 2026

READ AND APPROVED

PICASSO CITY GARDEN DEVELOPMENT PLC.
KINGDOM OF CAMBODIA

MR. TENG CHENG YUEH

CHAIRMAN OF THE BOARD OF DIRECTORS

PICASSO CITY GARDEN DEVELOPMENT PLC.
REPORT OF INDEPENDENT AUDITORS ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

PICASSO CITY GARDEN DEVELOPMENT PLC.

(Incorporated in the Kingdom of Cambodia)

REPORT OF INDEPENDENT AUDITORS
ON REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

CORPORATE INFORMATION

Company	:	Picasso City Garden Development Plc.
Registration No.	:	00021493
Registered office	:	Floor 19-1, #41, Street 322, Sangkat Khan Boeng Keng Kang 1 Khan Boeng Keng Kang, Phnom Penh Kingdom of Cambodia.
Shareholders	:	Mr. Teng Cheng Yueh Mrs. Wea Chen, Chuen Mei Mr. Yeh Wei Kuo Mr. Wea Huei Fu Mr. Lin Ting Chun Mrs. Yuan Shu Chen Mr. Hsu Chia Chieh Mrs. Peng Pin Chun Titan Stone Capital (Asia) Limited
Board of Directors	:	Mr. Teng Cheng Yueh, Chairman Mrs. Teoh Seok Ai, Director Mrs. Yang Fan, Director
Auditors	:	REACHS & PARTNERS Co., Ltd.

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONTENTS

STATEMENT OF THE BOARD OF DIRECTORS

In the opinion of the Directors, the accompanying condensed consolidated interim financial statements of Picasso City Garden Development Plc. ("the Company") and its subsidiary (collectively referred to as "the Group"), which comprise condensed consolidated interim statement of financial position as at 30 June 2026 and the related condensed consolidated interim statement of comprehensive income, condensed consolidated interim statement of changes in equity, and condensed consolidated interim statement of cash flows for the six-month period then ended, together with the notes to thereto, are prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, *'Interim Financial Reporting'*.

Signed on behalf of the Board of Directors,

Mr. Teng Cheng Yueh
Chairman

Phnom Penh, Kingdom of Cambodia
Date: 12 August 2026

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Khan Boeung Keng Kang, Phnom Penh
Kingdom of Cambodia

REACHS
The Professional Stance

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS AND THE BOARD OF DIRECTORS OF PICASSO CITY GARDEN DEVELOPMENT PLC.

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position of Picasso City Garden Development Plc. ("the Company") and its subsidiary (collectively referred to as "the Group") as at 30 June 2026, and the related condensed consolidated interim statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements ("the condensed consolidated interim financial statements"). Management is responsible for the preparation and presentation of these condensed consolidated interim financial statements in accordance with Cambodian International Accounting Standard ("CIAS") 34, *"Interim Financial Reporting"*. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Cambodian Intonational Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial statements 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 consolidated interim financial statements as at and for the six-month period ended 30 June 2026 are not prepared, in all material respects, in accordance with Cambodian International Accounting Standard 34, "*Interim Financial Reporting*".

For REACHS & PARTNERS Co., Ltd

រីចស៍ & ផាតនើរ
REACHS & PARTNERS Co., Ltd.

E Bunthet
Partner

Phnom Penh, Kingdom of Cambodia
Date: 12 August 2026

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000	31 December 2025 US$	31 December 2025 KHR'000
Assets					
Current assets					
Cash and cash equivalents	6	15,567	62,673	4,664,507	18,718,667
Trade and other receivables	7	2,177,406	8,766,237	2,774,771	11,135,156
Amount due from related parties	22	437,798	1,762,575	485,673	1,949,006
Land held for development	8	11,000,000	44,286,000	11,000,000	44,143,000
Inventories	9	1,322,707	5,325,218	1,569,429	6,298,119
		14,953,478	**60,202,703**	**20,494,380**	**82,243,948**
Non-current assets					
Investment property	10	5,356,927	21,566,988	5,519,667	22,150,424
Property and equipment	11	3,649,615	14,693,350	3,748,410	15,042,369
Intangible asset		1,717	6,913	2,138	8,580
Right-of-use asset	12	209,339	842,799	313,863	1,259,532
Investment in private equity		508,333	2,046,549	508,333	2,039,940
Investment in associates	13	3,941,426	15,868,181	4,085,749	16,396,111
		13,667,357	**55,024,780**	**14,178,160**	**56,896,956**
Total assets		**28,620,835**	**115,227,483**	**34,672,540**	**139,140,904**
Liabilities					
Current liabilities					
Trade and other payables	14	5,309,033	21,374,168	4,869,521	19,541,389
Amount due to related parties	22	7,899,770	31,804,474	12,131,827	48,685,022
Lease liabilities	12	243,991	982,308	240,336	964,468
Borrowings - short-term	15	775,000	3,120,150	475,000	1,906,175
Tax payable	21	252,853	1,017,986	387,473	1,554,929
		14,480,647	**58,299,086**	**18,104,157**	**72,651,983**
Non-current liabilities					
Lease liabilities	12	599,907	2,415,226	934,955	3,751,975
Borrowings - long-term	15	5,597,392	22,535,100	6,448,538	25,877,983
		6,197,299	**24,950,326**	**7,383,493**	**29,629,958**
Total liabilities		**20,677,946**	**83,249,412**	**25,487,650**	**102,281,941**
Equity					
Share capital	16	2,745,351	10,981,404	2,745,351	10,981,404
Share premium	16	5,643,071	22,572,284	5,643,071	22,572,284
Other capital	8	(750,504)	(3,010,272)	(750,504)	(3,010,272)
Retained earnings		356,740	2,098,058	1,591,902	7,059,703
Currency translation differences		-	(454,981)	-	(563,851)
		7,994,658	**32,186,493**	**9,229,820**	**37,039,268**
Non-controlling interests		(51,769)	(208,422)	(44,930)	(180,305)
Total equity		**7,942,889**	**31,978,071**	**9,184,890**	**36,858,963**
Total liabilities and equity		**28,620,835**	**115,227,483**	**34,672,540**	**139,140,904**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

		30 June 2026		30 June 2025		Movement for the three-month period ended 30 June 2026		Movement for the three-month period ended 30 June 2025	
	Note	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Revenue	17	260,000	1,044,420	1,340,000	5,374,740	260,000	1,043,640	590,000	2,362,950
Cost of sales	18	(211,903)	(851,214)	(1,013,188)	(4,063,897)	(210,314)	(844,200)	(486,964)	(1,950,291)
Gross profit		**48,097**	**193,206**	**326,812**	**1,310,843**	**49,686**	**199,440**	**103,036**	**412,659**
Other income		456,129	1,832,270	6,783	27,207	447,721	1,797,152	86	344
General and administrative expenses	19	(1,204,778)	(4,839,593)	(2,339,622)	(9,384,224)	(635,770)	(2,551,981)	(1,562,630)	(6,258,333)
Loss from operation		**(700,552)**	**(2,814,117)**	**(2,006,027)**	**(8,046,174)**	**(138,363)**	**(555,389)**	**(1,459,508)**	**(5,845,330)**
Finance cost	20	(397,037)	(1,594,898)	(325,523)	(1,305,673)	(183,732)	(737,500)	(157,905)	(632,410)
Share of loss from associates		(144,323)	(579,745)	(81,788)	(328,052)	(59,704)	(239,652)	12,865	51,524
Gain on disposal of share in associate		-	-	353,953	1,419,705	-	-	353,953	1,417,582
Loss before tax		**(1,241,912)**	**(4,988,760)**	**(2,059,385)**	**(8,260,194)**	**(381,799)**	**(1,532,541)**	**(1,250,595)**	**(5,008,634)**
Tax expense	21	(89)	(358)	(66,184)	(265,464)	(5)	(20)	(23,852)	(95,527)
Loss for the period		**(1,242,001)**	**(4,989,118)**	**(2,125,569)**	**(8,525,658)**	**(381,804)**	**(1,532,561)**	**(1,274,447)**	**(5,104,161)**
Other comprehensive income									
Currency translation differences		-	108,226	-	(81,005)	-	-	-	-
Total comprehensive loss for the period		**(1,242,001)**	**(4,880,892)**	**(2,125,569)**	**(8,606,663)**	**(381,804)**	**(1,532,561)**	**(1,274,447)**	**(5,104,161)**
Loss attributable to:									
Owners of the Company		(1,235,162)	(4,961,645)	(2,119,033)	(8,499,441)	(378,482)	(1,519,227)	(1,271,247)	(5,091,344)
Non-controlling interests		(6,839)	(27,473)	(6,536)	(26,217)	(3,322)	(13,334)	(3,200)	(12,817)
		(1,242,001)	**(4,989,118)**	**(2,125,569)**	**(8,525,658)**	**(381,804)**	**(1,532,561)**	**(1,274,447)**	**(5,104,161)**
Total comprehensive loss attributable to:									
Owners of the Company		(1,235,162)	(4,853,419)	(2,119,033)	(8,580,934)	(378,482)	(1,519,227)	(1,271,247)	(5,091,344)
Non-controlling interests		(6,839)	(27,473)	(6,536)	(25,729)	(3,322)	(13,334)	(3,200)	(12,817)
		(1,242,001)	**(4,880,892)**	**(2,125,569)**	**(8,606,663)**	**(381,804)**	**(1,532,561)**	**(1,274,447)**	**(5,104,161)**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Attributable to owners of the Company														
	Share capital		Share premium		Other capital		Retained earnings		Currency translation differences	Total		Non-controlling Interests		Total	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026															
At 1 January 2026	2,745,351	10,981,404	5,643,071	22,572,284	(750,504)	(3,010,272)	1,591,902	7,059,703	(563,851)	9,229,820	37,039,268	(44,930)	(180,305)	9,184,890	36,858,964
Loss for the period	-	-	-	-	-	-	(1,235,162)	(4,961,645)	-	(1,235,162)	(4,961,645)	(6,839)	(27,473)	(1,242,001)	(4,989,118)
Currency translation differences	-	-	-	-	-	-	-	-	108,870	-	108,870	-	(644)	-	108,226
At 30 JUNE 2026	**2,745,351**	**10,981,404**	**5,643,071**	**22,572,284**	**(750,504)**	**(3,010,272)**	**356,740**	**2,098,058**	**(454,981)**	**7,994,658**	**32,186,493**	**(51,769)**	**(208,422)**	**7,942,889**	**31,978,071**
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025															
At 1 January 2025	2,350,500	9,402,000	-	-	-	-	3,273,751	13,805,599	(569,990)	5,624,251	22,637,609	(32,077)	(129,110)	5,592,174	22,508,500
Other capital	-	-	-	-	(750,504)	(3,010,272)	-	-	-	(750,504)	(3,010,272)	-	-	(750,504)	(3,010,272)
Loss for the period	-	-	-	-	-	-	(2,119,033)	(8,499,441)	-	(2,119,033)	(8,499,441)	(6,536)	(26,217)	(2,125,569)	(8,525,658)
Currency translation differences	-	-	-	-	-	-	-	-	(81,493)	-	(81,493)	-	489	-	(81,005)
At 30 JUNE 2025	**2,350,500**	**9,402,000**	-	-	**(750,504)**	**(3,010,272)**	**1,154,718**	**5,306,158**	**(651,483)**	**2,754,714**	**11,046,403**	**(38,613)**	**(154,838)**	**2,716,101**	**10,891,565**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000	30 June 2025 US$	30 June 2025 KHR'000
Cash flows from operating activities					
Loss before tax		**(1,241,912)**	**(4,988,760)**	**(2,059,385)**	**(8,260,194)**
Adjustment for:					
Depreciation and amortisation	11	101,721	408,613	93,110	373,464
Depreciation of investment property	10	162,740	653,727	162,740	652,750
Amortisation – ROU Asset	12	196,707	790,172	194,368	779,610
Finance cost		397,037	1,594,898	325,523	1,305,673
Share of loss from associates		144,323	579,745	81,788	328,052
Bad-debt write-off		-	-	200,160	802,842
Loss on onerous contract		-	-	719,140	2,884,471
Other non-cash income		(262,124)	(1,052,952)	-	-
Gain on disposal of share in associate		-	-	(353,953)	(1,419,705)
		(501,508)	**(2,014,557)**	**(636,509)**	**(2,553,037)**
Changes in:					
Trade and other receivables		597,620	2,400,640	(30,433)	(122,067)
Amount due from related parties		70,040	281,351	736,168	2,952,770
Inventories		246,722	991,082	357,188	1,432,681
Amount due to related parties		(4,254,057)	(17,088,547)	(539,266)	(2,162,996)
Trade and other payables		439,513	1,765,524	576,181	2,311,062
Cash (used in)/ from operation		**(3,401,670)**	**(13,64,507)**	**463,329**	**1,858,413**
Interest paid		(317,278)	(1,274,506)	(325,523)	(1,305,673)
Income tax paid		(134,709)	(541,126)	(102,670)	(411,809)
Net cash (used in)/ from operating activities		**(3,853,657)**	**(15,480,139)**	**35,136**	**140,931**
Cash flows from investing activities					
Acquisition of property and equipment		(2,925)	(11,750)	(1,107,008)	(4,440,209)
Proceed from disposal of associate		-	-	1,179,953	4,732,791
Net cash from/ (used in)/ from investing activities		**(2,925)**	**(11,750)**	**72,945**	**292,582**
Cash flows from financing activities					
Proceed from borrowings		4,692,354	18,849,186	5,640,216	22,622,906
Repayment of borrowings		(5,329,904)	(21,410,224)	(5,844,129)	(23,440,801)
Payment of principal of lease liabilities		(154,808)	(621,864)	(19,976)	(80,124)
Net cash (used in)/ from financing activities		**(792,358)**	**(3,182,902)**	**(223,889)**	**(898,019)**
Net changes in cash and cash equivalent		**(4,648,940)**	**(18,674,791)**	**(115,808)**	**(464,506)**
Cash and cash equivalents at beginning of the year		4,664,507	18,718,667	287,151	1,155,783
Currency transaction differences		-	18,797	-	(4,192)
Cash and cash equivalents at end of the year	6	**15,567**	**62,673**	**171,343**	**687,085**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED SEPARATE INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000	31 December 2025 US$	31 December 2025 KHR'000
Assets					
Current assets					
Cash and cash equivalents	6	14,569	58,655	4,663,816	18,715,894
Trade and other receivables	7	2,177,307	8,765,838	2,774,672	11,134,759
Amount due from related parties	22	440,480	1,773,372	510,520	2,048,717
Land held for development	8	11,000,000	44,286,000	11,000,000	44,143,000
Inventories	9	1,322,707	5,325,218	1,569,429	6,298,119
		14,955,063	**60,209,083**	**20,518,437**	**82,340,489**
Non-current assets					
Investment property	10	5,356,927	21,566,988	5,519,667	22,150,424
Property and equipment	11	3,649,615	14,693,350	3,748,410	15,042,369
Intangible asset		1,717	6,913	2,138	8,580
Right-of-use asset	12	209,339	842,799	313,863	1,259,532
Investment in private equity		508,333	2,046,549	508,333	2,039,940
Investment in associate and subsidiary	13	3,820,633	15,381,868	3,980,915	15,975,412
		13,546,564	**54,538,467**	**14,073,326**	**56,476,257**
Total assets		**28,501,627**	**114,747,550**	**34,591,763**	**138,816,746**
Liabilities					
Current liabilities					
Trade and other payables	14	5,259,140	21,173,297	4,844,678	19,441,693
Amount due to related parties	22	7,778,686	31,316,990	12,030,963	48,280,255
Lease liabilities	12	243,991	982,308	240,336	964,468
Borrowings - short-term	15	775,000	3,120,150	475,000	1,906,175
Tax payable	21	252,853	1,017,986	387,473	1,554,929
		14,309,670	**57,610,731**	**17,978,450**	**72,147,520**
Non-current liabilities					
Lease liabilities	12	599,907	2,415,226	934,955	3,751,975
Borrowings - long-term	15	5,597,392	22,535,100	6,448,538	25,877,983
		6,197,299	**24,950,326**	**7,383,493**	**29,629,958**
Total liabilities		**20,506,969**	**82,561,057**	**25,361,943**	**101,777,478**
Equity					
Share capital	16	2,745,351	10,981,404	2,745,351	10,981,404
Share premium	16	5,643,071	22,572,284	5,643,071	22,572,284
Other capital	8	(750,504)	(3,010,272)	(750,504)	(3,010,272)
Retained earnings		356,740	2,098,057	1,591,902	7,059,703
Currency translation differences		-	(454,980)	-	(563,851)
Total equity		**7,994,658**	**32,186,493**	**9,229,820**	**37,039,268**
Total liabilities and equity		**28,501,627**	**114,747,550**	**34,591,763**	**138,816,746**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED SEPARATE INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000	30 June 2025 US$	30 June 2025 KHR'000	Movement for the three-month period ended 30 June 2026 US$	Movement for the three-month period ended 30 June 2026 KHR'000	Movement for the three-month period ended 30 June 2025 US$	Movement for the three-month period ended 30 June 2025 KHR'000
Revenue	17	260,000	1,044,420	1,340,000	5,374,740	260,000	1,043,640	590,000	2,362,950
Cost of sales	18	(211,903)	(851,214)	(1,013,188)	(4,063,897)	(210,314)	(844,200)	(486,964)	(1,950,291)
Gross profit		**48,097**	**193,206**	**326,812**	**1,310,843**	**49,686**	**199,440**	**103,036**	**412,659**
Other income		456,126	1,832,258	6,782	27,203	447,719	1,797,144	86	344
General and administrative expenses	19	(1,181,977)	(4,748,002)	(2,317,835)	(9,296,836)	(624,692)	(2,507,514)	(1,551,963)	(6,215,612)
Loss from operation		**(677,754)**	**(2,722,538)**	**(1,984,241)**	**(7,958,790)**	**(127,288)**	**(510,934)**	**(1,448,841)**	**(5,802,609)**
Finance cost	20	(397,037)	(1,594,898)	(325,523)	(1,305,673)	(183,732)	(737,500)	(157,905)	(632,410)
Share of loss from associates		(144,323)	(579,745)	(97,038)	(389,219)	(51,499)	(206,717)	5,398	21,619
Share of loss from subsidiary		(15,959)	(64,107)			(15,959)	(64,059)	-	-
Gain on disposal of share in associate		-	-	353,953	1,419,705	-	-	353,953	1,417,582
Loss before tax		**(1,235,073)**	**(4,961,288)**	**(2,052,849)**	**(8,233,977)**	**(378,477)**	**(1,519,206)**	**(1,247,395)**	**(4,995,818)**
Tax expense	21	(89)	(358)	(66,184)	(265,464)	(5)	(20)	(23,852)	(95,527)
Loss for the period		**(1,235,162)**	**(4,961,646)**	**(2,119,033)**	**(8,499,441)**	**(378,482)**	**(1,519,226)**	**(1,271,247)**	**(5,091,345)**
Other comprehensive income									
Currency translation differences		-	108,871	-	(81,493)	-	-	-	-
Total comprehensive loss for the period		**(1,235,162)**	**(4,852,775)**	**(2,119,033)**	**(8,580,934)**	**(378,482)**	**(1,519,226)**	**(1,271,247)**	**(5,091,345)**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED SEPARATE INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Share capital		Share premium		Other capital		Retained earnings		Currency translation differences	Total	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000	KHR'000	US$	KHR'000
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026											
At 1 January 2026	2,745,351	10,981,404	5,643,071	22,572,284	(750,504)	(3,010,272)	1,591,902	7,059,703	(563,851)	9,229,820	37,039,268
Loss for the period	-	-	-	-	-	-	(1,235,162)	(4,961,646)	-	(1,235,162)	(4,961,646)
Currency translation differences	-	-	-	-	-	-	-	-	108,871	-	108,871
As at 30 JUNE 2026	**2,745,351**	**10,981,404**	**5,643,071**	**22,572,284**	**(750,504)**	**(3,010,272)**	**356,740**	**2,098,057**	**(454,980)**	**7,994,658**	**32,186,493**
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025											
At 1 January 2025	2,350,500	9,402,000	-	-	-	-	3,273,751	13,805,599	(569,990)	5,624,251	22,637,609
Other capital					(750,504)	(3,010,272)	-	-	-	(750,504)	(3,010,272)
Loss for the period	-	-	-	-	-	-	(2,119,033)	(8,499,441)	-	(2,119,033)	(8,499,441)
Currency translation differences	-	-	-	-	-	-	-	-	(81,493)	-	(81,493)
As at 30 JUNE 2025	**2,350,500**	**9,402,000**	**-**	**-**	**(750,504)**	**(3,010,272)**	**1,154,718**	**5,306,158**	**(651,483)**	**2,754,714**	**11,046,403**

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

CONDENSED SEPARATE INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

	Note	30 June 2026 US$	30 June 2026 KHR'000	30 June 2025 US$	30 June 2025 KHR'000
Cash flows from operating activities					
Loss before tax		**(1,235,073)**	**(4,961,288)**	**(2,052,849)**	**(8,233,977)**
Adjustment for:					
Depreciation and amortisation	11	101,721	408,613	93,110	373,464
Depreciation of Investment property	10	162,740	653,727	162,740	652,750
Amortisation – ROU Asset	12	196,707	790,172	194,368	779,610
Finance cost		397,037	1,594,898	325,523	1,305,673
Shared of loss from Associate		160,282	643,853	97,038	389,219
Bad-debt write-off		-	-	200,160	802,842
Loss on onerous contract		-	-	719,140	2,884,471
Other non-cash income		(262,124)	(1,052,952)	-	-
Gain on disposal of share in associate		-	-	(353,953)	(1,419,705)
		(478,710)	**(1,922,977)**	**(614,723)**	**(2,465,653)**
Changes in:					
Trade and other receivables		597,786	2,401,306	(30,433)	(122,067)
Amount due from related parties		70,040	281,351	736,175	2,952,798
Inventories		246,722	991,082	357,188	1,432,681
Amount due to related parties		(4,252,277)	(17,081,397)	(559,710)	(2,244,997)
Trade and other payables		414,462	1,664,894	574,906	2,305,948
Cash (used in)/ from operation		**(3,401,977)**	**(13,665,741)**	**463,403**	**1,858,710**
Interest paid		(317,278)	(1,274,506)	(325,523)	(1,305,673)
Income tax paid		(134,709)	(541,126)	(102,670)	(411,809)
Net cash (used in)/ from operating activities		**(3,853,964)**	**(15,481,373)**	**35,210**	**141,228**
Cash flows from investing activities					
Acquisition of property and equipment		(2,925)	(11,750)	(1,107,008)	(4,440,209)
Disposal of associate		-	-	1,179,953	4,732,791
Net cash from/ (used in) investing activities		**(2,925)**	**(11,750)**	**72,945**	**292,582**
Cash flows from financing activities					
Proceed from borrowings		4,692,354	18,849,186	5,640,216	22,622,906
Repayment of borrowings		(5,329,904)	(21,410,224)	(5,844,129)	(23,440,801)
Payment of principal of lease liabilities		(154,808)	(621,864)	(19,976)	(80,124)
Net cash used in financing activities		**(792,358)**	**(3,182,902)**	**(223,889)**	**(898,019)**
Net changes in cash and cash equivalent		**(4,649,247)**	**(18,676,025)**	**(115,734)**	**(464,209)**
Cash and cash equivalents at beginning of the year		4,663,816	18,715,894	286,726	1,154,072
Currency transaction differences		-	18,786	-	(4,185)
Cash and cash equivalents at end of the year	6	**14,569**	**58,655**	**170,992**	**685,678**

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

1. COOPERATE INFORMATION

Picasso City Garden Development Plc. ("the Company") is a public limited company incorporated in Kingdom of Cambodia and registered with the Ministry of Commerce ("MOC") under Registration No. 00021493 issued on 22 November 2016. These condensed consolidated interim financial statements as at and for the six-month period ended 30 June 2026 comprise the Company and its subsidiary (together referred to as the "Group").

The principal activity of the Group is real estate (housing development).

The Company received an approval from the Securities and Exchange Regulator of Cambodia (SERC) on 3 October 2025 to proceed with its Initial Public Offering (IPO) on the Growth Board of the Cambodia Securities Exchange (CSX). On 10 December 2025, the Company was successfully listed on the CSX.

The address of the Company is located at Floor 19-1, Street 322, Sangkat Khan Boeng Keng Kang 1, Khan Boeng Keng Kang, Phnom Penh, Kingdom of Cambodia.

The condensed consolidated interim financial statements for the six-month period ended 30 June 2026 were approved for issue by the Board of Directors on 12 August 2026.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements for the six-month period ended 30 June 2026 is prepared in accordance with Cambodian International Accounting Standard 34 *Interim Financial Reporting* ("CIAS 34").

This interim financial report does not include all the information and disclosures normally required in the last annual consolidated financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual consolidated financial statements. Accordingly, this interim financial report is to be read in conjunction with the Group's last annual consolidated financial statements for the year ended 31 December 2025, which have been prepared in accordance with Cambodian International Financial Reporting Standards (CIFRS).

The accounting policies adopted and used in preparing these condensed consolidated interim financial statements are consistent with those of the previous financial year and the corresponding interim reporting period, unless otherwise stated.

The Group has prepared the condensed consolidated interim financial statements on the basis that it will continue to operate as a going concern.

3. USE OF SIGNIFICANT ESTIMATES AND JUDGEMENTS

In preparing these condensed consolidated interim financial statements, management has made estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. These estimates may differ from related actual results. Revisions to accounting estimates are recognised prospectively.

The significant judgement made by management in applying the Group's accounting policies and the key source of estimation uncertainty were the same as those described in the last annual consolidated financial statements for the year ended 31 December 2025.

4. NEW STANDARDS AND AMENDMENTS ADOPTED BY THE COMPANY

Certain amended standards became effective for the current reporting period starting 1 January 2026. These amendments do not have any impact on the Group's condensed consolidated interim financial statements, and no changes to the Group's accounting policies were required as a result of adopting these amended standards.

The Group has not early adopted any new standards or amendments that have been issued but are not yet effective. Management anticipates that the application of these forthcoming standards is not expected to have a material impact on the Group's financial statements.

5. PRESENTATION IN KHMER RIEL (KHR)

The condensed consolidated interim financial statements are expressed in the US$. The translations of US$ amounts into the KHR are included to meet the presentation requirements pursuant to the Law on Accounting and Auditing. Assets and liabilities are translated at the closing exchange rates as at the reporting date. Share capital and other capital are translated at the historical rate. The statements of comprehensive income and cash flows are translated into KHR using the average exchange rates for the periods. Exchange differences arising from the translations are recognised in the other comprehensive income and as a separate component of equity.

The Group has used the following applicable exchange rates per US$1:

	30 June 2026	30 June 2025	31 December 2025
Closing rate	4,026	4,010	4,013
Average rate	4,017	4,011	4,011

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

PICASSO CITY GARDEN DEVELOPMENT PLC.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2026

6. CASH AND CASH EQUIVALENTS

	The Group				The Company			
	30 June 2026		31 December 2025		30 June 2026		31 December 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Cash on hand	5,986	24,100	5,942	23,845	5,147	20,721	5,435	21,811
Cash at bank (*)	9,581	38,573	4,658,565	18,694,822	9,422	37,934	4,658,381	18,694,083
	15,567	62,673	4,664,507	18,718,667	14,569	58,655	4,663,816	18,715,894

(*) The decrease in cash at bank was primarily attributable to the settlement of payables relating to land held for development, together with payments for operating expenditures incurred during the period.

7. TRADE AND OTHER RECEIVABLES

	The Group				The Company			
	30 June 2026		31 December 2025		30 June 2025		31 December 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Trade receivables								
Customers	908,044	3,655,785	1,618,710	6,495,883	908,044	3,655,785	1,618,710	6,495,883
	908,044	3,655,785	1,618,710	6,495,883	908,044	3,655,785	1,618,710	6,495,883
Other receivables								
Prepayment	405,061	1,630,776	275,671	1,106,268	405,061	1,630,776	275,671	1,106,268
Other deposits	18,050	72,669	15,050	60,396	18,050	72,669	15,050	60,396
Others	846,251	3,407,007	865,340	3,472,609	846,152	3,406,608	865,241	3,472,212
	1,269,362	5,110,452	1,156,061	4,639,273	1,269,263	5,110,053	1,155,962	4,638,876
	2,177,406	8,766,237	2,774,771	11,135,156	2,177,307	8,765,838	2,774,672	11,134,759

8. PROJECT DEVELOPMENT TRANSFERRED FROM RELATED PARTIES

On 10 May 2025, the Group as the transferee, Mr. Chhun Sambath as the landowner, and Global Titan Stone Real Estate Development Company Limited as the transferor (collectively referred to as the "Parties") entered into a three-party agreement. Under this agreement, the Parties agreed to transfer all rights and obligations under the Development Collaboration Agreement dated 23 June 2023, previously signed between the landowner and the transferor, to the Group. Accordingly, the Parties have agreed to novate the transferor's rights and obligations under the Development Collaboration Agreement to the Group without consideration, whereby the Group effectively received the relevant assets and assumed the related liabilities at no cost.

Through this related-party transfer, the Group obtained control over the land designated for the PICASSO SKY GEMME Project, valued at US$11,000,000, including the right to develop it and derive future economic benefits, and also received other assets totaling US$1,307,078 and assumed total liabilities of US$13,057,582 related to the collaboration agreement, resulting in a deficit of US$750,504 which was treated as negative equity and recognised as other capital under equity.

9. INVENTORIES

	The Group				The Company			
	30 June 2026		31 December 2025		30 June 2025		31 December 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Condominium units	681,629	2,744,238	928,351	3,725,473	681,629	2,744,238	928,351	3,725,473
Work-in-progress	641,078	2,580,980	641,078	2,572,646	641,078	2,580,980	641,078	2,572,646
	1,322,707	5,325,218	1,569,429	6,298,119	1,322,707	5,325,218	1,569,429	6,298,119

10. INVESTMENT PROPERTY

The Group recognised depreciation on investment property amounting to US$162,740 for the current period.

11. PROPERTY AND EQUIPMENT

During the period, the Group acquired additional property amounting to US$2,925 and recognised depreciation expenses of US$101,721.

12. FINANCIAL LEASES

During the period, the Group entered into new lease arrangements and modified certain existing lease arrangements, resulting in the recognition of additional right-of-use assets and corresponding lease liabilities of US$92,183.

Separately, certain lessors legally and unconditionally waived lease obligations amounting to US$262,123 that had previously been recognised as part of the Group's lease liabilities. As the waivers did not reduce the scope or remaining terms of the relevant leases, the Group retained substantially the same rights to use the underlying condominium units. Accordingly, the extinguished obligations were derecognised from lease liabilities, with a corresponding gain of US$262,123 recognised in profit or loss. No corresponding adjustment was made to the right-of-use assets because the Group's remaining rights of use were unchanged.

12. FINANCIAL LEASES (continued)

During the period, the Group made lease payments of US$205,565 and recognised finance costs of US$44,112 and amortisation expense on right-of-use assets of US$196,707.

13. INVESTMENT IN ASSOCIATES AND SUBSIDIARY

Name of entity	Principal Activities	Acquisition date	Percentage of equity held 30 June 2026 %	2025 %
Titan Stone Investment Co., Ltd.	Real estate	1 June 2024	16.36%	16.36%
Titan Stone Life Insurance Plc.	Insurance	2 January 2020	27.76%	27.76%
Chibodia Construction Co., Ltd.	Construction	31 July 2019	70.00%	70.00%

	The Group				The Company			
	30 June 2026		31 December 2025		30 June 2026		31 December 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Chibodia Construction Co., Ltd.	-	-	-	-	(120,793)	(486,313)	(104,834)	(420,699)
Titan Stone Investment Co., Ltd.	2,545,322	10,247,466	2,687,182	10,783,662	2,545,322	10,247,466	2,687,182	10,783,662
Titan Stone Life Insurance Plc.	1,396,104	5,620,715	1,398,567	5,612,449	1,396,104	5,620,715	1,398,567	5,612,449
	3,941,426	15,868,181	4,085,749	16,396,111	3,820,633	15,381,868	3,980,915	15,975,412

The movement of the investment in associates and subsidiary was as follows:

	30 June 2026			31 December 2025		
	Associate US$	Subsidiary US$	Total US$	Associate US$	Subsidiary US$	Total US$
Investment in associates - Cost	6,646,068	6,000	6,652,068	7,742,068	6,000	7,748,068
Disposal of Investment	-	-	-	(1,096,000)	-	(1,096,000)
Accumulated share of post-acquisition losses	(2,704,642)	(126,793)	(2,831,435)	(2,560,319)	(110,834)	(2,671,153)
	3,941,426	(120,793)	3,820,633	4,085,749	(104,834)	3,980,915

14. TRADE AND OTHER PAYABLES

The increase in trade and other payables during the period was primarily attributable to the increased payables associated with unearned revenue during the period.

15. BORROWINGS

(i) Short-term borrowings

The increase in the current portion of borrowings from US$475,000 to US$775,000 was attributable to additional short-term repayment obligations becoming due during the period, together with overdue instalments from prior periods that remained unpaid.

(ii) Long-term borrowings

	The Group				The Company			
	30 June 2026		31 December 2025		30 June 2025		31 December 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Loan from PPCB-US$ (i)	2,782,304	11,201,556	3,412,354	13,693,777	2,782,304	11,201,556	3,412,354	13,693,777
Loan from PPCB-KHR (i)	1,483,418	5,972,241	1,490,918	5,983,054	1,483,418	5,972,241	1,490,918	5,983,054
Loan from related party (ii)								
Current portion	685,000	2,757,810	385,000	1,545,005	685,000	2,757,810	385,000	1,545,005
Non-current portion	1,331,670	5,361,303	1,545,266	6,201,152	1,331,670	5,361,303	1,545,266	6,201,152
	5,597,392	22,535,100	6,448,538	25,877,983	5,597,392	22,535,100	6,448,538	25,877,983

(i) This represents two loans agreements entered into with Phnom Penh Commercial Bank Plc. (PPCB) to obtain financing for condominium development and a new project. The loans have maturity period of 12 months and bear interest at 10% and 11% per annum, respectively. All loans can be rolled over at the end of their maturity date.

(ii) This represents an unsecured, interest-free loan obtained from a related party arising from the settlement of amounts due to Titan Edge Real Estate Plc. in August 2025. The loan has a maturity period of five (5) years and is repayable in accordance with the repayment schedule agreed between the Group and the related party as stipulated in the loan agreement. The loan, with a principal amount of US$2,630,422, was initially recognised at its fair value of US$2,072,982, determined by discounting the future cash flows using a market rate of 8.79% per annum. The Group made partial repayment amounting to US$184,520 during 2025. During the current period, interest expense of US$86,404 arising from the unwinding of the discount was capitalised, resulting in the carrying amount of the borrowing amounting to US$1,931,670 as at 30 June 2026.

16. SHARE CAPITAL

According to the Company's Memorandum and Article of association, the Company is registered as a public limited company with a share capital of US$2,500,000 represented by 50,000,000 shares, at a par value of US$0.05 (200 Riels). All shares are fully paid up.

On 10 December 2025, the Company was successfully listed on the Cambodia Securities Exchange (CSX). In connection with the listing, the Company issued 4,907,018 new ordinary shares at an offer price of KHR4,800 (US$1.20) per share, with a par value of KHR200 (US$0.05) per share. The IPO raised US$5,888,422 in gross proceeds, resulting in an increase in share capital of US$245,351, with the excess over par value recognised as share premium of US$5,643,071.

17. REVENUE

	The Group				The Company			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Condominium-Revenue (*)	260,000	1,044,420	1,340,000	5,374,740	260,000	1,044,420	1,340,000	5,374,740
	260,000	1,044,420	1,340,000	5,374,740	260,000	1,044,420	1,340,000	5,374,740

	The Group				The Company			
	Movement for three-month period ended 30 June 2026		Movement for three-month period ended 30 June 2025		Movement for three-month period ended 30 June 2026		Movement for three-month period ended 30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Condominium-Revenue (*)	260,000	1,043,640	590,000	2,362,950	260,000	1,043,640	590,000	2,362,950
	260,000	1,043,640	590,000	2,362,950	260,000	1,043,640	590,000	2,362,950

(*) In the second quarter of 2026, the revenue from Condominium decreased by US$1,340,000 or 80.60% compared to the second quarter of 2025. This decrease was mainly due to no condominium unit handovers being recognised during the quarter, whereas revenue in the second quarter of 2025 was generated from the handover of units under Project "Picasso City Garden I". In addition, Project "Picasso Sky Gemme" remains in the pre-sale stage with limited revenue recognition during the period.

18. COST OF SALES

	The Group				The Company			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Building cost	246,722	991,082	808,006	3,240,913	246,722	991,082	808,006	3,240,913
Amortisation expense (i)	-	-	194,367	779,606	-	-	194,367	779,606
Depreciation expense	162,740	653,727	162,740	652,750	162,740	653,727	162,740	652,750
Commission expense	2,236	8,982	104,806	420,377	2,236	8,982	104,806	420,377
JV variable consideration adjustment (ii)	(199,795)	(802,577)	(256,731)	(1,029,748)	(199,795)	(802,577)	(256,731)	(1,029,748)
	211,903	851,214	1,013,188	4,063,898	211,903	851,214	1,013,188	4,063,898

	The Group				The Company			
	Movement for three-month period ended 30 June 2026		Movement for three-month period ended 30 June 2025		Movement for three-month period ended 30 June 2026		Movement for three-month period ended 30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Building cost	246,722	990,342	450,818	1,805,526	246,722	990,342	450,818	1,805,526
Amortisation expense (i)	-	-	94,260	377,512	-	-	94,260	377,512
Depreciation expense	81,369	326,615	81,369	325,883	81,369	326,615	81,369	325,883
Commission expense	2,236	8,975	33,836	135,513	2,236	8,975	33,836	135,513
JV variable consideration adjustment (ii)	(120,013)	(481,732)	(173,319)	(694,143)	(120,013)	(481,732)	(173,319)	(694,143)
	210,314	844,200	486,964	1,950,291	210,314	844,200	486,964	1,950,291

(i) For the period ended 30 June 2026, the Company primarily used units made available by the respective unit owners under guaranteed rental and leaseback arrangements for its internal operations. Accordingly, the related amortisation expense was recognised as part of general and administrative expenses.

(ii) JV variable consideration adjustment represents adjustment for recognition of variable consideration to the JV partner (10% of JV project profit) (noted 17) recognised in the prior period based on the Project reported profit. The adjustment is made to reflect the project performance at the end of the reporting period and to the extent that the accumulated profit-share accounted for is not less than zero. The calculation and movement are as follows:

18. COST OF SALES (continued)

	US$
Accumulated JV profit	224,754
Calculated Profit to be shared to land owner – (10%)	22,475
Profit share accounted for in prior periods	142,488
Current period adjustment	(120,013)

19. GENERAL AND ADMINISTRATIVE EXPENSES

The decrease in general and administrative expenses during the period was mainly attributable to the absence of losses on onerous contracts and a reduction in bad debts written off compared with the corresponding period.

20. FINANCE COSTS

Finance costs represent interest expenses incurred on borrowings and lease liabilities during the period.

21. TAXATION

The Company has obtained approval to pay tax for the development and sale of the Picasso City Garden I project based on the package tax which has been assessed and provided by the General Department of Taxation since February 2019. The package tax liability is recognised in full when the General Department of Taxation ("GDT") issued the approval of the package tax to the Company.

Additionally On 4 June 2026, the Company received a letter from the GDT confirming tax incentives applicable to listed companies under Sub-Decree No. 39 ANKr.BK, dated 14 March 2025, on Tax Incentives in the Securities Sector. As the equity securities issued by the Company represent not more than 20% of the total voting rights, the applicable 50% income tax incentive for 2026 and 2027 is subject to a proportional reduction based on 20.001% as the prescribed base, in accordance with the formula under the Sub-Decree. The Company is also entitled to relief from certain historical tax debts for the applicable tax years (N-2 to N-10), subject to the conditions prescribed by the GDT.

The above incentives do not apply to the Picasso City Garden (Project I), which has already settled its tax liabilities under the approved package tax. Eligible business activities are therefore required to be separately registered for tax purposes from the Picasso City Garden I project.

22. RELATED PARTIES DISCLOSURES

Holding Company	An entity that has significant ownership and control over the Company.
Fellow Subsidiary/Related Company	Entities that are members of the same group or controlled by the ultimate shareholder of the Company.
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

(a) Related party balances

		The Group				The Company			
		30 June 2026		31 December 2025		30 June 2026		31 December 2025	
		US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Amount due from related parties	**Relationship**								
Titan Stone Investment Co., Ltd.	Related company	79,639	320,627	79,639	319,591	79,639	320,627	79,639	319,591
Director	Key management	190,462	766,800	190,462	764,324	190,462	766,800	190,462	764,324
Titan Stone Capital (Asia) Limited	Holding company	162,601	654,632	205,601	825,077	162,601	654,632	205,601	825,077
TSG Assets Management	Related company	1,365	5,495	1,365	5,478	1,365	5,495	1,365	5,478
Titan Edge Real Estate Plc.	Related company	1,160	4,670	995	3,993	995	4,005	995	3,993
Chibodia Construction	Related company	-	-	-	-	5,418	21,813	27,418	110,028
Mrs. Ket Rady	Shareholder	2,142	8,624	2,142	8,596	-	-	-	-
Mr. Som Pheaktra	Shareholder	429	1,727	429	1,721	-	-	-	-
Global Titan Stone Real Estate Development Company Limited	Related company	-	-	5,040	20,226	-	-	5,040	20,226
		437,798	1,762,575	485,673	1,949,006	440,480	1,773,372	510,520	2,048,717
Amount due to related parties	**Relationship**								
TSG Assets Management	Related company	629,428	2,534,077	629,428	2,525,895	629,428	2,534,077	629,428	2,525,895
Director	Key management	124,038	499,378	-	-	2,954	11,893	-	-
Global Titan Stone Real Estate Development Company Limited	Related company	96,804	389,733	452,899	1,817,483	96,804	389,733	352,035	1,412,716
Titan Stone Investment Co., Ltd.	Associate	199,500	803,186	199,500	800,594	199,500	803,187	199,500	800,594
Mr. Chhun Sambath	Land owner	6,850,000	27,578,100	10,850,000	43,541,050	6,850,000	27,578,100	10,850,000	43,541,050
		7,899,770	31,804,474	12,131,827	48,685,022	7,778,686	31,316,990	12,030,963	48,280,255

22. RELATED PARTIES DISCLOSURES (continued)

(b) Transactions with related parties

	The Group				The Company			
	30 June 2026		30 June 2025		30 June 2026		30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Key management remuneration	82,526	331,507	160,612	644,215	73,526	295,354	81,787	327,557

	The Group				The Company			
	Movement for three-month period ended 30 June 2026		*Movement for* three-month period ended 30 June 2025		*Movement for* three-month period ended 30 June 2026		*Movement for* three-month period ended 30 June 2025	
	US$	KHR'000	US$	KHR'000	US$	KHR'000	US$	KHR'000
Key management remuneration	1,711	6,868	81,787	327,557	1,711	6,868	72,657	290,991

23. TAXATION CONTINGENCIES

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

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

24. EVENTS AFTER REPORTING DATE

(i) On 21 July 2026, the Company obtained approval from the Ministry of Commerce for the amendment of its Memorandum and Articles of Association to reflect changes in the Company's shareholding structure following the completion of its initial public offering.

As a result, the Company's total issued shares increased from 50,000,000 shares to 54,907,018 shares through the issuance of 4,907,018 shares to public shareholders, representing 8.94% of the Company's total issued shares. The updated shareholding structure is as follows:

No.	Shareholders	No. of Shares	Percentage (%)
1	Titan Stone Capital (Asia) Limited	7,500,000	13.66%
2	Mr. Teng Cheng Yueh	7,250,000	13.20%
3	Mrs. Wea Chen, Chuen-Mei	7,250,000	13.20%
4	Mrs. Yuan, Shu-Chen	7,250,000	13.20%
5	Mr. Yeh, Wei-Kuo	5,750,000	10.47%
6	Mr. Wea, Huei-Fu	5,250,000	9.56%
7	Mr. Lin, Ting-Chun	5,000,000	9.11%
8	Mr. Hsu, Chia-Chieh	2,750,000	5.01%
9	Mrs. Peng Pin-Chun	2,000,000	3.64%
10	Public Shareholders	4,907,018	8.94%
	Total	54,907,018	100%

In addition, Mr. Yeh Wei-Kuo and Mr. Wea Huei-Fu (also known as Joseph Wea) resigned from their positions as non-executive directors. Following their resignations, the composition of the Board of Directors is as follows:

- Mr. Teng Cheng Yueh – Chairman
- Mrs. Teoh Seok Ai – Executive Director
- Mrs. Yang Fan – Independent Director

(ii) On 28 July 2026, the Board of Directors approved the Company's entry into a loan arrangement with Joy Peace Global Ltd. for a principal amount of US$2,500,000. The loan is intended to finance the Company's business operations and working capital requirements. The loan bears interest at 7% per annum and is repayable on or before 31 December 2026.

The Board of Directors also authorised the Chairman of the Board, Mr. Teng Cheng-Yueh, to finalise the terms of the loan arrangement and execute all related legal and financing documents on behalf of the Company.

Picasso

CITY GARDEN

Titan Stone Real Estate

SINCE 2016

Business Hour: 9:00am – 6:00pm (Monday To Sunday)

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