Business Performance Report for the Year 2025

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

2025





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Business Performance Report for Year 2025

I. About Phousy Construction and Development Public Company

Phousy Construction and Development Public Company (referred to as "the **Company**" or "**PCD**") is one of the service providers in Design and Engineering, Procurement and Construction (Design and EPC) management. These include: design engineering, prototype engineering, procurement of materials for engineering works, and constructions. The Company aims to provide construction services focusing in infrastructure projects, namely: road construction, erosion protection and other related infrastructure work.

The Company, **"Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited",** was established by **Mr. Siphone Outhoumphone (Mr. Siphone)** in 1997 with registered capital of LAK 10 million, at that time, the Company targeted to be the construction service provider especially in infrastructure project in order to support and facilitate the transportation in northern part of Lao PDR. The Company has experienced the exponential growth which has made it to become the leader in construction engineering services firm of the northern part of Lao PDR. In 2009, **Mr. Sithong Phommachith (Mr. Sithong)**, a young businessman with a vision, became the Company's successor from Mr. Siphone which had achieved exceptional infrastructure projects, such as 2 levels asphalt paving in the northern areas, urban by-pass of Luang Prabang province, earthmoving project for building the road along Lao PDR-Viet Nam-Cambodia borders, conducted the road maintenance work damaged by natural disasters and others. The Company has the potential and therefore has become a leader in infrastructure development due to the fact the Company possesses number of personnel with high level of competency, state-of-the art in construction engineering and technology, maintain consistent quality and standards, on time for project hand over, as well as the ability to build trust to the customers who are the project owner. At present, the Company name has been changed to **Phousy Construction and Development Public Company** to enable the expansion of service scope in comprehensive construction engineering services and act as a project developer in the future.

Year		Summary Company Outstanding Events
1997	:	Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited were established by Mr. Siphone Outhoumphone (Mr. Siphone) with the registered capital LAK 10 million to operate the construction business by attend the bidding from the government or the Ministry of Public Works and Transportation (MPWT) or PWT division, Luang Prabang Province. Mr. Siphone saw the difficulty of the transportation, or ground logistic due to inconvenient and dangerous road and with his vision to expand construction business by focusing on infrastructure construction in northern part of the country.
2004 - 2005	:	From the country's economic growth and expansion spreading through small and large city, the in-land logistic has become more important. Mr. Siphone had expanded construction business to Xayaburi and Bokeo District but still focus on infrastructure construction such as Road and Bridge. At that time, Mr. Sithong was responsible for Administrative and Site Management.

2009	:	Mr. Sithong is a young business man with vision, he was successor to run the construction business by transferred from Mr. Siphone to Mr. Sithong and still use the same name as "Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited".
2011	:	Mr. Sithong saw the rapid growth of Luang Prabang Province in crowded area so he advised the Board of Directors to present a project to PWT division of Luang Prabang province to build the by-pass road No.13 North from Koknglew Village to Phonexay Village and concrete bridge crossing Nam Khan river by total project cost of LAK 209,9 billion, which Company used its own working capital to be an advance investment on the construction.
2016	:	According to Annual General Meeting of shareholders on 18th October 2016, the Company has approved to amend the par value to LAK 2,000 per share, increased the registered capital from LAK 10 million to LAK 700 billion and transformed itself from Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited to **"Phousy Construction and Development Public Company"**. According to Extraordinary General Meeting on 18th November 2016, the Company has approved to increase registered capital in amount of LAK 300 billion by issuing initial public offering in amount of 150 million shares with par value LAK 2,000 per share in order to initial public offering (IPO) to be listed in Lao Securities Exchange (LSX) which increased the Company's registered capital to LAK 1,000 billion after IPO.
2017		On May 9, 2017, the Lao Securities Commission Office has issued a letter no. 220/LSCO to Phousy Construction and Development Public Company to reduce par value from 2,000 Kip per share to 1000 Kip per share which resulted in the reduction of the registered capital amount from 700 billion Kip to 500 billion Kip. The altered registered capital amount was reflected in the business registration issued by Ministry of Industry and Commerce on June 27, 2017. On October 2, 2017, the company has completed its new registration capital with an additional amount of 82 billion Kip right after its closing of the IPO resulting in the new registered capital of 582 billion Kip. On October 10, 2017, the company had its first day trading and officially listed in the Lao Stock Exchange which has common shares of 82 million shares of par value 1,000 Kip per share. The opening trade price per share was 1,300 kip per share and closing trade price was at 1,350 Kip per share. On June 17, 2025, the new share value (par value) was changed from 1,000 kip/share to 200 kip/share, increasing the total number of shares from 582,000,000 shares to 2,910,000,000 shares.

II. Address

- 3 floor, Continentalplaza Vientiane, Nongbouathong Tai village, Sikhottabong District, Vientiane Lao PDR.
- Tel: +856 21 229696

- Fax: +856 21 265394
- E-Mail: info@pcdlao.co
- Website: www.pcdlao.com

III. Core Business Operations

Vision

Phousy Construction and Development strives to pioneer the construction, technology and development in Lao PDR and expanded our business to ASEAN countries.

Mission

Our mission is to provide the best services with international standards in all areas such as high quality, timely delivery, attention to details, honesty and fairness to our partners and customers.

Values

P: Performance that is unrivalled
C: Comprehensive customer relations as the top priority
D: Delivery of on-time high quality work

IV. Management and Corporate governance

4.1.Organization

Board of Directors of PCD



Ph.D Sithong PHOMMACHITH, **President of BoD of PCD , President of Phousy Group**



Mr. Sitha PHOMMACHITH, **Vice President of BoD of PCD, Chief Executive Officer of Phousy Group**



Mr. Pheng Douangngeun, **Member BoD of PCD, Chief Executive Officer of PCD**



Mr. Nanthalath THILAKUN **Member BoD / Independent Member**



Mrs. Haithong Phommachith **Member BoD, CFO of PCD**

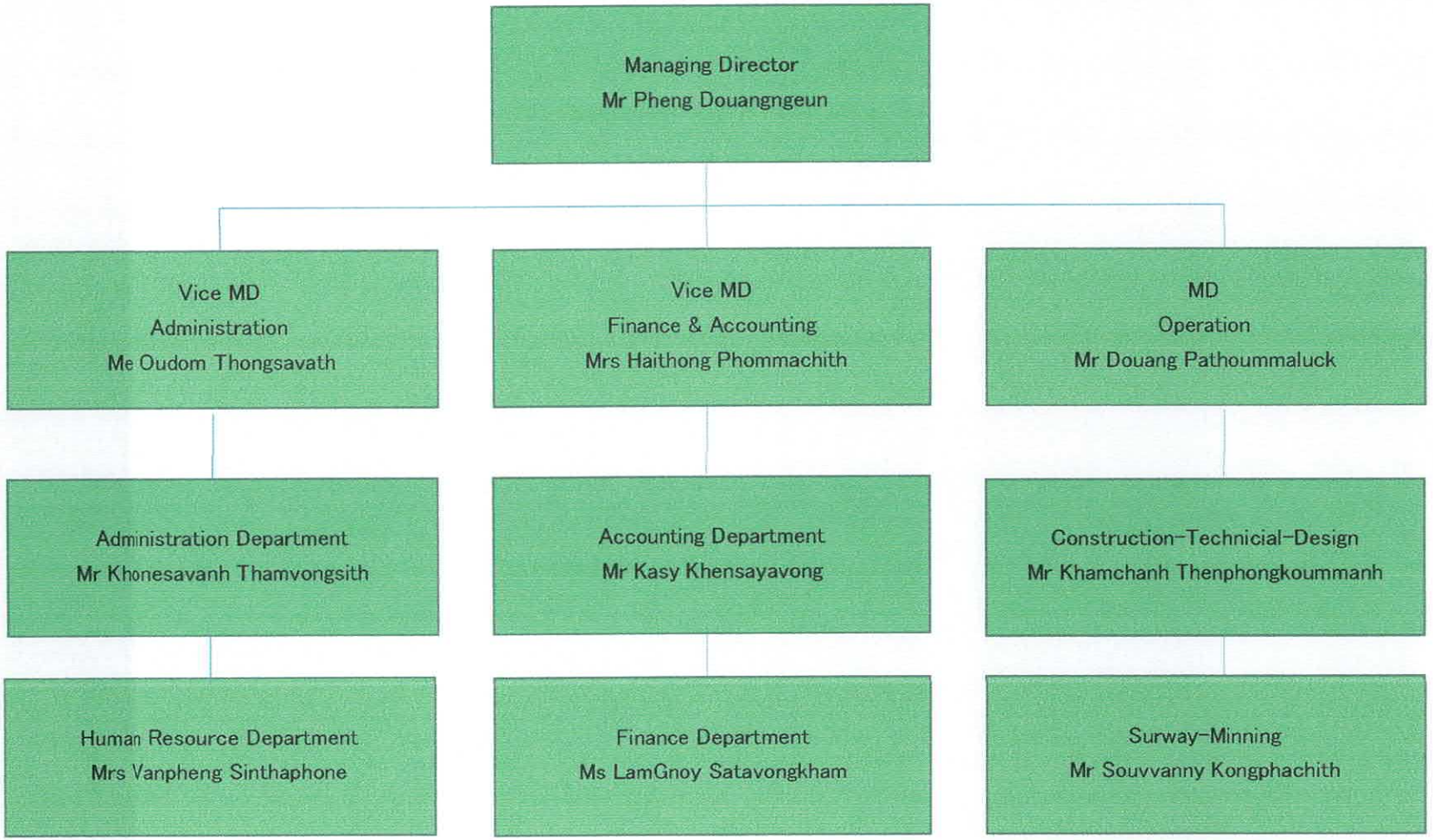


Mr. Phoutthasane Phommyxay **Member BoD/ Independent Member**



Mr. Phoumsavanh Sounanthong **Member BoD**, Deputy CEO, Business Development of Phousy Group

Organization of Phousy Construction and Public Company



4.2.Share Holders

Shareholders	Before IPO		After IPO	
	No of Shares	%	No of Shares	%
I. Existing Shareholders	2,500,000,000	100%	2,500,000,000	100%
1.1 Ph.D Sithong Phommachith	2,075,000,000	83.00%	2,075,000,000	71.305%
1.2 Ms Pienkham Phommachith	250,000,000	10.00%	250,000,000	8.591%
1.3 Mr Siphone Outhoumphone	25,000,000	1.00%	25,000,000	0.859%
1.4 Ms Bouaphanh Outhoumphone	25,000,000	1.00%	25,000,000	0.59%
1.5 Mr Sitha Phommachith	25,000,000	1.00%	25,000,000	0.859%
1.6 Ms Haithong Phommachith	25,000,000	1.00%	25,000,000	0.859%
1.7 Ms Amphone Phommachith	25,000,000	1.00%	25,000,000	0.859%
1.8 Ms Touybouasy Phommachith	25,000,000	1.00%	25,000,000	0.859%
1.9 Ms Phetmany Outhoumphone	25,000,000	1.00%	25,000,000	0.859%
II. Investors from IPO			410,000,000	14.089%
	2,500,000,000		2,910,000,000	

4.3.Bord of Directors

PCD Bord of Directors, there are 7 members

No	Name and Surname	Position
1	PhD. Sithong Phommachith	Chairman of BoD
2	Mr. Sitha Phommachith	Vice Chairman of BoD
3	Mr Nanthalath Thilakoun	Member of BoD/Independent Member
4	Mr. Pheng Doungngeun	Member of BoD/Managing Director
5	Mrs.Haithong Phommachith	Member of BoD
6	Mr. Phouthasane Phommeexay	Member of BoD/Independent Member
7	Mr.Phoumsavanh Sounanthong	Member of BoD

4.4. Audit Committee (The member of Audit Committee)

No	Name and Surname	Position
1	Mr Nanthalath Thilakoun	Chairman of Audit Committee
2	Mr. Phouthasane Phommeexay	Audit Committee
3	Mr. Pheng Doungngeun	Audit Committee

4.5. Risk Management Committee

No	Name and Surname	Position
1	Mr Nanthalath Thilakoun	Chairman of Risk Management Committee
2	Mr. Phouthasane Phommeexay	Risk Management Committee

3	Mr. Pheng Doungngeun	Risk Management Committee

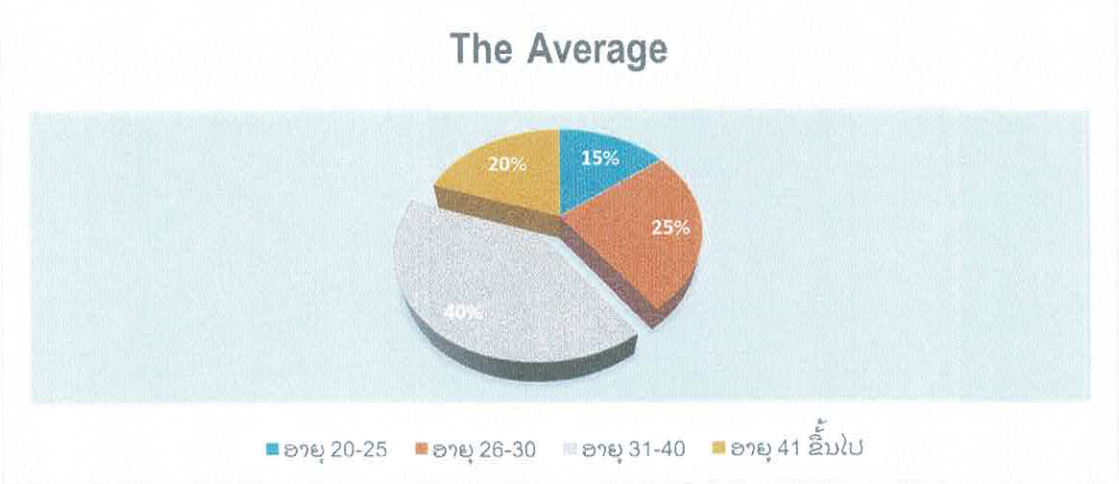
4.6. Compensation Committee (Member of Compensation Committee)

No	Name and Surname	Position
1	Mr. Phouthasane Phommeexay	Chairman of Compensation Committee
2	PhD. Sithong Phommachith	Compensation Committee
3	Mr. Pheng Doungngeun	Compensation Committee

V. Summary of Business Performance Report for Year 2025

Human resource work in year 2024 is focused on training staff, improving the organizational structure of the organization to conform to the structure and conditions of the Lao stock market. In terms of social welfare, taking better care of the living conditions of employees within the organization, the company has conducted a survey to prepare to provide social insurance to all employees, with annual health check-ups, working days and annual holidays according to the Lao Labor Law.

- Total number of employees: 31/12/2025, there are 149 people
- Resigned 0 people
- New recruitment 2 people
- Promotion: 0 people



- Salary and Social welfare
  - The averate salary increatment yearly 0.05 %
- Organize activities to create unity among employees
- Promotion to build capacity for employees - Participate in seminars on various topics with the Lao Stock Market
  - Participating in training courses to upgrade knowledge both domestically and internationally

❖ Marketing

As a service provider of comprehensive engineering by emphasizing on infrastructure developments services which the majority of the project owners are the government sector. Therefore, our marketing strategy focus on the government sector by transferring the projects on a quality and on-time basis which is an important factor for the project owner that will trust on a quality provided by the Company which create an opportunity to get more jobs in the future. In addition, the Company has built good relationship with the government sector by provide and exchange the construction information along with the studies, exploration of addition areas for road project developments which creates a better chance of winning the bidding.

Currently, PCD is continuing to implement two unfinished projects: the construction of a two-story paved road from Ban Ou Village Luang Prabang District to Sibunheung village Nan district, Luang Prabang province, 50.2 km long, and an upgrade road from Kieu Cheia village to Muang Heub Village Phonethong district Laouang Prabang Province, 32.5 km in length.

❖ The project plan continues to be implemented

1. The Vientiane-Pakse Expressway project, worth more than $ 4 billion, and we, Phousy Construction and Development Public Company, are among the four companies that have been shortlisted for the final round. The survey and design of the corridor is now underway, and the Ministry of Public Works and Transport is preparing to submit it to the government to endorse. (Only Phousy Construction and Development Public Company is responsible for the 4th phase from Xeno, Savannakhet to Napong, Saravane Province, the total length is 135.2 km, the initial estimated value is US $ 1,235.82)
2. Modern Villages, Condominiums, Villas and Residences that are suitable for general up to 200,000 houses in the country, are still looking for foreign capital partners. Currently, it starts from 50,000 houses in Luang Prabang province
3. Phousy Construction and Development Public Company is the main contractor in the development of Luang Prabang Special Economic Zone infrastructure construction project initially worth 20,000,000 US dollars
4. Phousy Construction and Development Public Company leased 500 hectares of land in Luang Prabang Special Economic Zone for real estate development such as land lease and warehouse lease

❖ Projects in the plan for the year 2023-2030

1. Phousy Construction and Development Public Company invests in surveying, designing and constructing a bypass expressway from Km 21, Xaythany District to Ban Nakha, Naxaythong District, 33.15 km long, worth 172,258,237.00 dollars
2. Survey-design and improvement project for a concrete road from 3 Nakhuai intersection to km 21 Southern 13 Road. 13.9 km long
3. Survey-design and improvement project from That Luang swamp to the Lao-Thai Khamsavat railway station, 2.5 km long.
4. Road Rehabilitation Project 5:
   - From 3 intersections to 3 intersections, Ban Don Kao, Prabang Capital, length 30 km.
   - Road No. 4 from Xieng Nguen District to the end of the Mekong River Bridge, Luang Prabang Province, length 60 km.
   - From 3 intersections, Ban Kok Nguu to Ban Phonexay, Prabang Capital, length 16 km
   - From Ban Na Seng Wei to the end of the Nam Khan Bridge, Prabang Capital, length 4.6 km
   - From Pak Xuong to District Phonexay, Luang Prabang Province, length 64 km.

4. Phousy Construction and Development Public Company has a jointed investment 25%, and is the main contractor in coal mining in Vieng Phu Kha District, Luang Namtha

Province. Estimated investment cost of 5 dollars per ton, revenue of 12 dollars per ton (from investment and investment and revenue which is total 75 million dollars)

5. Phousy Construction and Development Public Company invests in 1000 megawatts of solar power. Estimated investment value of 800 million dollars with an interests return rate of 12.8%
6. Phousy Construction and Development Public Company, investment study plan, hydropower project totaling 1150 megawatts
7. Phousy Construction and Development Public Company is preparing the tender for the project
    a. Luang Prabang bridge construction project with NEDA funding
    b. R12 road construction project with NIDA funding
    c. Land construction project in Luang Prabang province with EDCF funding (Korea)
    d. The project to build garbage fields and alleys in the city of Luang Prabang province with funding from the World Bank

- **Characteristics of Target Customers**

  Our target customers are divided into the government and private sectors especially on the infrastructure development projects in the northern part of the country covering the whole country. In the future, the Company's Marketing plans have been focusing on private sectors and sector of construction development for small, medium and mega size projects consecutively.

- **Project Bidding**

  The distribution channel of the Company is getting contracts from the government by submitting the bidding documents to quote the prices and negotiate the works with the project owner. The Company then receives the project bidding documents to evaluate the quotation. From time to time, the Company propose the project directly to the project owner to get an approval of the project. However, the project owner shall inspect the possibility of that road construction or project; the feasibility study is needed to mitigate the competition risk in the bidding.

- **Competitive Strategy**

  The Company has a policy to increase the work in construction from the government and private sectors. To achieve our target to be a leader in construction and country's development, the Company has planned to expand the business in the ASEAN Community. In order to have a competitive advantage and achieve the target, the Company has developed competitive strategies as followed:

  A. Comprehensive construction service company

  The Company is a comprehensive construction provider which are prompt to submit the project proposal or enter the bidding competition of both government and private project that have put readiness to the Company to be a leading industrial developer of the country, the Company plans to invest in infrastructure development projects and property development projects with personnel with experienced in construction engineering, use of modern technology, and aim for bigger and more complex projects. The abundance of construction materials and experienced workers have contributed a success to the Company.

  B. Quality and standard of the work

  Maintaining the quality and standard of work is the reason that the Company has been successful. From the beginning history of the Company, the Company managed to complete the work on time, with reliability and quality of work based on the contract, serves the customers with sincerity, detailed, and honestly.

C. Submitting the work on time

The infrastructure development work, especially on the road construction is a time-consuming project. Therefore, the Company must hand over the works on time as planned. The Company is well known for the submitting the work on time which is an important factor for the Company's success that requires long-term responsibility.

The Company has a systematic management by planning in each phase with continuous personnel empowerment to ensure effective implementation of work to finish on time.

D. Pays attention on the detail of the project

The Company pays the attention on the details in all projects with high experienced managers and engineers, expert in the road, bridge and other construction projects in order to monitoring all project activities which have contributed to the improvement continuously and therefore the decrease the construction costs in various ways. Moreover, the Company aims to achieve that target by developing management concept, use of modern technology to improve the performance as well as to decrease the construction costs.

E. Being honest and fair to our colleagues

As being honest, sincere, and fair for all related stakeholders including the project owner, designer, and supervisor. Due to the fact that the designer knows the project in details. From the principles of being honest and sincere, these have led us to become a well-known company, with a good relationship among the supervisors, designers, and colleagues.

F. Being reliable and trusted by our customers

From the Company's previous success, the Company is reliable and trusted by the customers and the project owner. Since then, the Company has been regularly contacted by the government sector to attend the bidding competition.

❖ **Organizational Strategy**

From the ambition to provide the best services to gain credibility and trust amongst customers, we are ready to move forward to the future:

- Increase customer base to private sector for small, medium and mega size infrastructure development projects.
- Initiate real estate development portfolio to accommodate the growth of the cities in the country.
- Maintain trust and credibility of the existing customers who worked with us for 30 years by ensuring quality, standards, timely delivery and honesty with details oriented.

Internal Audit of Company

Managing Director
Phousy Construction and Development Public

Mr. Sona Banthavong

Mr. Pheng Douangngeun

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2025

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Board of Directors of Phousy Construction and Development Public Company

Our opinion

In our opinion, the financial statements of Phousy Construction and Development Public Company (the Company) for the year ended 31 December 2025 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audit of financial statements of public interest entities. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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Material uncertainty related to going concern

We draw attention to Note 2.1 to the financial statements which indicates that as at 31 December 2025, the Company's current liabilities exceeded its current assets by LAK 201,667 million (excluding the net amount arising from related parties transactions). In addition, the Company has borrowings totalling LAK 154,596 million (Note 9) that were completely due on 29 December 2025 and subsequent to the date of this report, the borrowings are still outstanding. Revenue for the year 2025 was nil, and the cash flows from operating activities were negative. The Company's revenue depends on projects from Government of Lao PDR (GoL), which is subject to the GoL's annual budget. Furthermore, the Company has long outstanding of amount due from related parties totalling LAK 470,964 million (Note 4).These circumstances addressed in Note 2.1, indicate that a material uncertainty may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of matter - Basis of preparation

We draw attention to Note 2 to the financial statements, which describes the basis of preparation. The financial statements have been prepared in accordance with the Company's accounting policies which may differ from IFRS Accounting Standards. The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRS Accounting Standards. Our opinion is not modified in respect to this matter.

Key audit matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We determine one key audit matter: Allowance for doubtful account receivable. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter. In addition to the matter described in the material uncertainty related to going concern. We have determined the matter described below to be the key audit matters to be communicated in our report.

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Key audit matter	How our audit addressed the key audit matter
Allowance for doubtful receivable Refer to Note 2.4 'Accounting policies – Trade and other receivables' and Note 4 ' Trade and other receivables, net' to the financial statements. As at 31 December 2025, the Company has trade receivables from the Government of Lao PDR (GoL), the Company's sole customer, amounting to LAK 222,698 million, representing 22% of total assets. A full allowance for doubtful receivable was provided for this balance, resulting in a net carrying amount of nil. Management is currently negotiating revised payment terms with the GoL. During the year, the amount of LAK 4,845 million was settled, resulting in the reversal of the allowance for doubtful receivable in the same amount. As payments depend on the GoL's annual budget, therefore, there is uncertainty over the timing and amount of future recoveries and related reversals, which may materially impact profit or loss and working capital. Significant judgement is required in estimating potential future reversals, which are based on historical collection and other available information. We focused on this area due to the magnitude of the balance and the uncertainty surrounding future recoveries and allowance reversals.	Our key audit procedures include the following: • Inquired management about the method used as well as the assumptions made and understood the management's process and policy for setting up allowance for doubtful receivable; • Reviewed correspondence with GoL and the status of ongoing negotiations to assess the likelihood of future settlements; • Tested, on a sample basis, cash collections during and subsequent to the year end, and assessed whether related allowance reversals were appropriately recognised; and • Assessed the adequacy of allowance for doubtful receivable and disclosures relating to the uncertainty of future recoveries Based on the procedures performed, we concluded that management's judgements in respect of the allowance for doubtful receivable and related disclosures were reasonable and supported by sufficient appropriate audit evidence.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report (but does not include the financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and presentation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By: Pongphan Domerongphanudom
Partner

Vientiane Capital, Lao PDR
5 May 2026

PricewaterhouseCoopers (Lao) Sole Company Limited
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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	Notes	2025 Million LAK	2024 Million LAK
Assets			
Current assets			
Cash and cash equivalents	3	186	371
Trade and other receivables, net	4	498,124	458,222
Inventories		318	318
Other current assets	6	304	306
Total current assets		**498,932**	**459,217**
Non- current assets			
Property, plant and equipment, net	7	308,181	321,056
Investment properties	5	189,442	189,442
Long-term loan to related parties		505	505
Total non-current assets		**498,128**	**511,003**
Total assets		**997,060**	**970,220**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	8	92,970	118,313
Current portion of long-term borrowings	9	154,596	116,096
Profit tax payable	10	6,074	6,206
Other current liabilities	11	58,099	42,320
Total current liabilities		**311,739**	**282,935**
Non - current liability			
Long-term borrowings	9	-	38,500
Total non-current liability		**-**	**38,500**
Total liabilities		**311,739**	**321,435**
Equity			
Authorised share capital	12	582,000	582,000
Share premium	12	12,540	12,540
Retained earnings			
Appropriated legal reserve	13	24,801	21,147
Unappropriated		65,980	33,098
Total equity		**685,321**	**648,785**
Total liabilities and equity		**997,060**	**970,220**

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 5 May 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 5 May 2026

The accompanying notes on pages 9 to 23 are an integral part of these financial statements.

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Million LAK	2024 Million LAK
Revenue from construction		-	400
Cost of construction		-	(269)
Gross profit		**-**	**131**
Gain from disposal of assets		45,192	71,018
Allowance for doubtful gain/(loss), net	4	4,845	(24,003)
Other income from land rental		9,632	9,552
Finance income		-	134
Administrative expenses		(3,506)	(3,376)
Foreign exchange loss, net		(3,512)	(187)
Finance expenses		(16,115)	(16,889)
Profit before profit tax expenses		**36,536**	**36,380**
Profit tax expenses	17	-	(12)
Profit for the year		**36,536**	**36,368**
Earning per share			
Basic earning per share	18	19.74	19.65

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 5 May 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 5 May 2026

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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

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

	Notes	Share capital Million LAK	Share premium Million LAK	Retained earnings: Legal reserve Million LAK	Retained earnings: Unappropriated Million LAK	Total Million LAK
Balance at 1 January 2025	12,13	**582,000**	**12,540**	**21,147**	**33,098**	**648,785**
Profit for the year		-	-	-	36,536	36,536
Legal reserve	13	-	-	3,654	(3,654)	-
Balance at 31 December 2025		**582,000**	**12,540**	**24,801**	**65,980**	**685,321**
Balance at 1 January 2024	12,13	**582,000**	**12,540**	**17,510**	**13,171**	**625,221**
Profit for the year		-	-	-	36,368	36,368
Dividend paid		-	-	-	(12,804)	(12,804)
Legal reserve	13	-	-	3,637	(3,637)	-
Balance at 31 December 2024		**582,000**	**12,540**	**21,147**	**33,098**	**648,785**

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 5 May 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 5 May 2026

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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 Million LAK	2024 Million LAK
Cash flows from operating activities:			
Profit before tax for the year		36,536	36,380
Adjustments:			
- Unrealised loss/(gain)on exchange rate		3,537	(47)
- Depreciation charges	7	78	84
- Finance expenses		16,115	16,889
- Gain from disposal of assets, net		(45,192)	(63,048)
- Allowance for doubtful account (gain)/loss, net	4	(4,845)	24,003
Operating profit before working capital changes		**6,229**	**14,261**
Changes in operating assets			
- Trade and other receivables		(10,700)	152,759
- Inventories		-	2
- Other current assets		2	-
Changes in operating liabilities			
- Trade and other accounts payable		(25,370)	(99,884)
- Other current liabilities		(338)	1,350
Cash (used in)/generated from operating activities		**(30,177)**	**68,488**
Income tax paid		(131)	(78)
Net cash (used in)/generated from operating activities		**(30,308)**	**68,410**
Cash flows from investing activities:			
Proceeds from disposals of assets		30,123	-
Acquisition property, plant and equipment		-	(6,138)
Net cash generated from/(used in) investing activities		**30,123**	**(6,138)**
Cash flows from financing activities:			
Repayments on borrowings		-	(13,326)
Dividend paid		-	(14,667)
Interest paid		-	(34,274)
Net cash used in financing activities		**-**	**(62,267)**
Net (decrease)/increase in cash and cash equivalents		**(185)**	**5**
Cash and cash equivalents at the beginning of the year	3	371	366
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	3	**186**	**371**
Non-cash items:			
Receivable from related parties from disposal of investment securities - held-to-maturity		-	12,446
Receivable from third parties from disposal of lands		27,866	-
Receivable from related parties from disposal of assets		-	299,690
Payables for purchase of property, plant and equipment		-	85,029
Settlement of purchase of property, plant and equipment with receivable		-	85,199

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 5 May 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 5 May 2026

The accompanying notes on pages 9 to 23 are an integral part of these financial statements.

1. General information

Phousy Construction and Development Public Company is a public company. The registered address of the Company is at Continental Plaza Hotel, Nongbuathong-Tai Village, Sikhottabong District, Vientiane Capital, Lao PDR.

The principal businesses of the Company are construction, repair and maintenance for roads, bridges and others. There is only one customer which is Government of Lao PDR (GoL).

The Company was listed on the Lao Securities Exchange (LSX) market on 10 October 2017.

These financial statements were authorised for issue by managing director on 5 May 2026.

2. Significant accounting policies

The principal accounting policies applied in the preparation of the financial statements are set out below:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described below and have been prepared generally of the historical cost convention.

According to the Accounting Law no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply IFRS. However, the Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIEs to prepare action plan for adoption IFRS until 31 December 2025 and 1 January 2026 onward, all listed companies must fully adopt IFRS.

The management is presently preparing an action plan for implementation of IFRS in accordance with the announcement. Therefore, the accounting principles applied may materially differ from International Financial Reporting Standards (IFRS).

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current events and actions, actual results may materially differ from those estimates.

2. Significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going concern

The Company's financial position as at 31 December 2025 indicates that the current liabilities exceeded its current assets by LAK 201,667 million (excluding the net amount arising from related parties transactions). In addition, the Company has borrowings totalling LAK 154,596 million (Note 9) that were completely due on 29 December 2025 and subsequent to the date of this report, the borrowings are still outstanding.

Revenue for the year 2025 was nil, and the cash flows from operating activities were negative. The Company's revenue depends on projects from Government of Lao PDR (GoL), which is subject to GoL's annual budget. Furthermore, the Company has long outstanding of amount due from related parties totalling LAK 470,964 million (Note 4).

Under these circumstances, it indicated the material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. However, the Company has established significant action plans to manage its liquidity risk. Management has undertaken the following measures:

- Manage liabilities by negotiating extensions for the repayment of principal and interest on borrowings that have reached their maturity dates. However, the borrowing agreement includes an option that allows the Company to use the receivable from GoL as a source for repayment. In addition, as at the reporting date, no notice has been received from the lender regarding this matter; and

- Related parties have provided confirmation letters stating that they will not call repayment of balances payable as at 31 December 2025, totalling LAK 80,911 million, within the next 12 months from 31 December 2025.

Therefore, the Company continues to use the going concern basis in preparing the financial statements.

2.2 Foreign currency transactions

Items included in the financial statements are recorded using Lao Kip ("LAK").

Foreign currency transactions are translated into LAK using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into LAK at the exchange rates prevailing at the balance sheet dates, except some contracts with suppliers the Company has fixed foreign exchange rate and does not need to translate every month ending until those transactions has been settle. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2. Significant accounting policies (Continued)

2.3 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities, if any.

2.4 Trade and other receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. Management considers provision for allowance for doubtful account when the outstanding balance is over 3 years.

No provision made on outstanding balances of trade and receivables and other receivables from related parties.

2.5 Inventories

Inventories are stated at the lower of the purchase cost and net realisable value. The cost is determined using the weighted average method. The purchase cost comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates from suppliers. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.6 Investment securities

2.6.1 Held-to-maturity securities

Held-to-maturity investment are debt securities with fixed or determinable payments and maturities, which the Company has intention and ability to hold to maturity to earn interest. When they are intended/determined to be sold before its maturity date and approved by the management and they will be classified to investment in available-for-sale securities.

Held-to-maturity securities are initially recognised at cost and subsequently presented at cost. Premiums and discounts arising from securities purchases are amortised in the statement of income using the straight-line method over the year from the acquisition dates to the maturity dates.

Periodically, the held-to-maturity securities are subject to review for impairment. Provision for impairment of these securities is made when there has been a significant or prolonged decline in the value below their cost. Provision for impairment is recognised as “Net gain/(loss) from securities investment” in the statement of income.

No provision made on outstanding balances of Government bonds which classified as investment securities held-to-maturity securities.

2. Significant accounting policies (Continued)

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held and accounted for by the Company as investment property when met the definition of investment property.

Investment property is measured initially at its cost.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses and land is not depreciated.

2.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to their residual values over their estimated useful lives, as follows:

Asset types	Years
Building	10
Vehicle	10
Office equipment	5
Furniture and fixture	5

Gains or losses on disposals are determined by comparing the proceeds or agreed considerations with the carrying amount and are recognised within 'separate line item' in statement of income.

2.9 Borrowings

Borrowings are recognised initially at cash proceed received.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All borrowing costs are recognised in statement of income in the period in which they are incurred.

2. Significant accounting policies (Continued)

2.10 Revenue recognition

Revenue comprises the invoice value net of rebates and discounts, if any. Revenue from the construction and services are recognised when the goods or services are transferred or delivered and accepted by the buyer. The related costs are recognised in profit or loss when they are incurred.

Other income is recognised on the following basis:

- Interest income is recognised on a time-proportion basis, taking into account the principal outstanding and interest rate over the period to maturity, when it is determined that such income will be accrued to the Company.
- Rental income is recognised on a straight-line basis over the lease term.
- Other income is recognised on an accrual basis.

2.11 Lease - where the Company is the lessor

Land leased out under operating leases are included in investment property in the statement of financial position and land are not depreciated. Land rental income is recognised on a straight-line basis over the lease term. Refer to Note 5.

2.12 Taxation

The Company records corporate income tax on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods for temporary differences. Profit tax is calculated by revenue from construction within a year multiplied with gross profit ratio and multiplied with profit tax rate (Note 17). The profit tax will off-set when Government of Laos make payment to the Company.

In Lao PDR, income tax returns are reviewed in detail by the relevant authorities on a regular basis. Tax issues raised during the reviews may require judgments and interpretations by the relevant authority. Tax reviews may result in additional tax payments or refunds as necessary. Such additional payment or refund is recognised as income tax expenses in the year in which the reviews are completed.

2.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated, except for the provision for employee benefits as described in Note 2.14.

2.14 Employee benefits

According to the Lao Labor Law, when staff retire and meet the certain criteria as mentioned in Lao Labor Law. Therefore, the Company has obligation to pay to the staff for retirement expenses.

Provisions for employee benefits are not accrued in each year. The liability recognised in the statement of financial position and related expenses are recognised in the income statement based on actual amount due at the time of employees retire.

2. Significant accounting policies (Continued)

2.15 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

The share premium is a surplus between the offering price of addition share issuance and the par value. The share issuance cost (such as underwriting fees and other relevant valuation, consulting costs) is recognise as period expenses.

Basic earnings per share is calculated by dividing the net profit or loss attributable to shareholders of the Company by the weighted average number of ordinary shares during the period.

3. Cash and cash equivalents

	2025 Million LAK	2024 Million LAK
Cash on hand	3	330
Deposits held at call with financial institutions	183	41
Total	**186**	**371**

Cash on hand includes petty cash for day-to-day operation.

Deposits held at call with financial institutions represents cash deposited with reputable local banks in currencies, US dollars, Thai baht and Lao kip in current accounts with none interest.

4. Trade and other receivables, net

	2025 Million LAK	2024 Million LAK
Trade account receivable	222,698	227,543
Less: Allowance for doubtful receivable	(222,698)	(227,543)
Trade account receivable, net (a)	-	-
Amount due from related parties (Note 19) b)	470,964	458,167
Other receivables	27,160	55
Total	**498,124**	**458,222**

4. Trade and other receivables, net (Continued)

(a) The outstanding trade receivable balance as at 31 December is aged as follows:

	2025 Million LAK	2024 Million LAK
Not yet due	-	-
Overdue:		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Over 1 year	-	-
Over 2 years	-	-
Over 3 years	222,698	227,543
Trade and other receivables, net	222,698	227,543
Less: Allowance for doubtful receivable*	(222,698)	(227,543)
Total	**-**	**-**

*The Company has only one customer, Government of Laos (GoL) and currently the Company is in process of negotiating for new payment terms with GoL. The Company will consider provision for doubtful account in some certain criteria. Management considered to set up allowance for doubtful account 100% for outstanding balance over 3 years for conservative approach. Except there is the agreement from GoL for payment.

During the year, the Company reversed the allowance for doubtful receivable in the amount of LAK 4,845 million (2024: LAK 764 million) for cash of received to settle accounts receivable. The allowance for doubtful receivables was fully recorded. Consequently, the net movement in the allowance for doubtful receivables for the year was a reversal of LAK 4,845 million (2024: Loss LAK 24,003 million).

5. Investment properties

	Land Million LAK	Total Million LAK
As at 1 January 2025		
Cost	189,442	189,442
Less: Accumulated depreciation	-	-
Net book amount	**189,442**	**189,442**
For the year ended 31 December 2025		
Opening net book amount	189,442	189,442
Addition	-	-
Closing net book amount	**189,442**	**189,442**
As at 31 December 2025		
Cost	189,442	189,442
Less: Accumulated depreciation	-	-
Net book amount	**189,442**	**189,442**

5. Investment properties (Continued)

The Company entered long-term land rental agreement with customer for 15 years start from year 2023 – 2038.

Land LAK 189,442 million are secured for the Phousy Group's borrowings.

6. Other current assets

	2025 Million LAK	2024 Million LAK
Advances to supplier	205	205
Advances to staff	38	38
Prepayment	61	63
Total	**304**	**306**

7. Property, plant and equipment, net

	Land Million LAK	Building Million LAK	Motor vehicles Million LAK	Furniture and fixture Million LAK	Computer and office equipment Million LAK	Total Million LAK
At 31 December 2024						
Cost	320,976	18	34,852	1,061	448	357,355
Less: Accumulated depreciation	-	(18)	(33,473)	(1,061)	(448)	(35,000)
Provision for impairment	-	-	(1,299)	-	-	(1,299)
Net book amount	**320,976**	**-**	**80**	**-**	**-**	**321,056**
Opening net book amount	320,976	-	80	-	-	321,056
Additions	-	-	-	-	-	-
Disposal cost*	(12,797)	-	-	-	-	(12,797)
Depreciation charge (Note 15)	-	-	(78)	-	-	(78)
Closing net book amount	**308,179**	**-**	**2**	**-**	**-**	**308,181**
At 31 December 2025						
Cost	308,179	18	34,652	1,061	448	344,358
Less: Accumulated depreciation	-	(18)	(33,351)	(1,061)	(448)	(34,878)
Provision for impairment	-	-	(1,299)	-	-	(1,299)
Net book amount	**308,179**	**-**	**2**	**-**	**-**	**308,181**

*Disposals during the year was from land that sold to third parties.

Land LAK 129,179 million are secured for the Company's borrowings (Note 9) and LAK 176,897 million are secured for the Phousy Group's borrowings.

8. Trade and other payables

	2025 Million LAK	2024 Million LAK
Trade payable - third parties	10,866	10,665
Other payable - related parties (Note 19) b)	82,104	107,648
Total	**92,970**	**118,313**

9. Borrowings, net

	2025 Million LAK	2024 Million LAK
Financial institutions	154,596	154,596
Total	**154,596**	**154,596**

	2025 Million LAK	2024 Million LAK
Current	154,596	116,096
Non-current	-	38,500
Total	**154,596**	**154,596**

The movement in borrowings can be analysed as follows:

	2025 Million LAK	2024 Million LAK
Opening balance 1 January	154,596	167,922
Repayments	-	(13,326)
As at 31 December	**154,596**	**154,596**

Borrowing from financial institution:

The Company signed a borrowing agreement amount LAK 36,000 million with local commercial bank for working capital for road construction with interest rate of 17% per annum since 29 May 2015. This borrowing is guaranteed by land of the Company (Note 7) and land of related parties. The Company is required to repay principal within 3 years after the first drawdown on annually and interest is payable on monthly.

During the year, there were no repayments of borrowing.

As at reporting date, the new term loan was being discussed with lender, therefore the Company recognise interest expense based on the condition as mentioned on above.

9. Borrowings, net (Continued)

The Company entered into the borrowing agreement amount LAK 300 billion with local commercial bank with interest rate 9.50% per annum started from 29 December 2022 to 29 December 2027. This borrowing is guaranteed by land of the Company (Note 7) and land of related party. The first principal repayment will be paid on 29 December 2025 and interest is payable on monthly.

As at reporting date, the new term loan was being discussed with lender, therefore the Company recognise interest expense based on the condition as mentioned on above.

The aging analysis of these borrowings is as follows:

	2025 Million LAK	2024 Million LAK
Less than one year	154,596	116,096
More than one year but not over 5 years	-	38,500
Total	**154,596**	**154,596**

10. Profit tax payable

According to the profit tax payment practice between tax authority and the Company, profit tax is calculated by assessed taxes at pre-determined profit rates multiplied by profit tax rate and revenue from construction. The profit tax will off-set when Government of Laos make payment to the Company.

As at 31 December 2025 and 2024, profit tax payable presented profit tax payable from construction revenue but GoL does not yet make payment.

11. Other current liabilities

	2025 Million LAK	2024 Million LAK
VAT payable*	20,262	20,686
Interest payable to financial institutions	32,929	16,814
Advance received from sub-contractor	930	930
Advance received from Government	893	893
Others	3,085	2,997
	58,099	**42,320**

***** VAT payable is calculated by multiplied by 10% of revenue from construction and it will off-set when Government of Laos make payment to the Company.

12. Share capital and premium on share capital

	Number of shares Million Shares	Ordinary shares Million LAK	Share Premium Million LAK	Total Million LAK
At 1 January 2024	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2024	**582**	**582,000**	**12,540**	**594,540**
At 1 January 2025	582	582,000	12,540	594,540
Movement	2,328	-	-	-
At 31 December 2025	**2,910**	**582,000**	**12,540**	**594,540**

The Company incurred premium on share LAK 12,540 million when listed in Lao Securities Exchange in 2017.

On 13 May 2025, the Company updated its Enterprise Registration Certificate with the Ministry of Industry and Commerce to reflect amendments to its share structure.

Subsequently, on 16 June 2025, the Company effected a stock split of its ordinary shares at a ratio of 1:5 on the Lao Security Exchange. Shareholders whose names appear in the shareholder register as of the end of 16 June 2025, will have their shares adjusted to a new ratio of 1 to 5, as detailed in the explanatory table below:

Items	Before stock split	After stock split
Ratio of changing	1:1	1:5
Par value per share	LAK 1,000	LAK 200
No. of listed shares	582,000,000	2,910,000,000

13. Legal reserve

	2025 Million LAK	2024 Million LAK
Opening balance	21,147	17,510
Addition	3,654	3,637
	24,801	**21,147**

The legal reserve is set up in accordance with the requirement of the Enterprise Law of the Lao PDR, which requires that at least 10% of the annual net profit after deducting losses be set aside as a legal reserve until such reserve reaches 50% of the authorised share capital.

14. Dividend

2025:

At the Annual General Meeting of Shareholders, held on 25 April 2025, the shareholders approved no dividend payments for the year 2024.

2024:

At the Annual General Meeting of Shareholders, held on 26 April 2024, the shareholders approved a resolution to declare a dividend payment from unappropriated retained earnings after legal reserve allocation and from the net profit the year 2023 of LAK 22 per share totalling amount of LAK 12,804 million and fully paid during the year.

15. Expenses by nature

	2025 Million LAK	2024 Million LAK
Staff cost	1,042	1,315
Depreciation charge (Note 7)	78	84
Other expenses	686	552
Consulting and financial service fee*	352	606
Repairs and maintenance expense	130	265
Supplies	954	493
Travelling cost	264	330
	3,506	**3,645**

* This is included audit fee for year 2025 LAK 327 million (2024: LAK 515 million) and amount of payable is LAK 195 million (2024: LAK 336 million).

16. Finance expenses

	2025 Million LAK	2024 Million LAK
Interest expenses from borrowing		
- financial institutions	16,115	16,889
	16,115	**16,889**

17. Profit tax expense

According to the profit tax payment practice between tax authority and the Company as described in (Note 10), profit tax expense presented profit tax from construction revenue during the year but GoL does not yet make payment.

18. Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2025	2024
Weighted average number of ordinary shares (million shares)	1,851	1,851
Net profit for the year attributable to shareholders (million LAK)	36,536	36,368
Basic earnings per share (LAK)	**19.74**	**19.65**

After adjusting the number of ordinary shares in proportion to the change in the number of share as a result of the change in par value from LAK 1,000 to LAK 200 each as mentioned in Note 12. The number of ordinary shares is adjusted as if the spilt had occurred at the beginning of the earliest period reported.

19. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

As at 31 December 2025, the Company is controlled by the Phommachith family, who own 86% of the Company's shares (2024: 86%). The remaining 14% of the share are widely held. The Company's ultimate controlling party is Mr. Sithong Phommachith. He is management of Phousy Group Sole Company Limited (Phousy Group).

Significant related party transactions during the year can be summarised as follows:

a) Purchases of goods or services and others

	2025 Million LAK	2024 Million LAK
Land rental income from related parties	9,161	8,317
Fuel expenses	258	297
Rental expense	180	180

19. Related party transactions (Continued)

b) Outstanding balances with related parties

	2025 Million LAK	2024 Million LAK
Amounts due from related parties (Note 4)*	470,964	485,167
Other payable - related parties (Note 8)	82,104	107,648
Long-term loan to related parties	505	505

* This is consisting of amount due from Phousy Group Sole Company Limited and other related parties with no interest and call on demand.

c) Managements remuneration

There was no benefit paid to managing director during the year.

20. Events occurring after the reporting date

In 2026, the Company signed a construction agreement with GoL and already started the construction. However, the income from this agreement has not yet been recognised by the Company. And as at 31 March 2026, the Company received LAK 2,752 million from related party in cash to support its operations.