Business Performance Report for Q3 of the Year 2026

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

2026







Contents

I. About Phousy Construction and Development Public Company 1
II. Address 2
III. Core Business Operations 3
IV. Management and Corporate governance 5
4.1. Organization 6
4.2. Share Holders 7
4.3. Board of Directors 7
4.4. Audit Committee (The member of Audit Committee) 7
4.5. Risk Management Committee 7
4.6. Compensation Committee (Member of Compensation Committee) 8
V. Summary of Business Performance Report for Q3 of the Year 2026 8
❖ Marketing 9
❖ The project plan continues to be implemented 9
❖ Projects in the plan for the year 2026-2030 9
❖ Organizational Strategy 11



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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 Kokngiew 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**

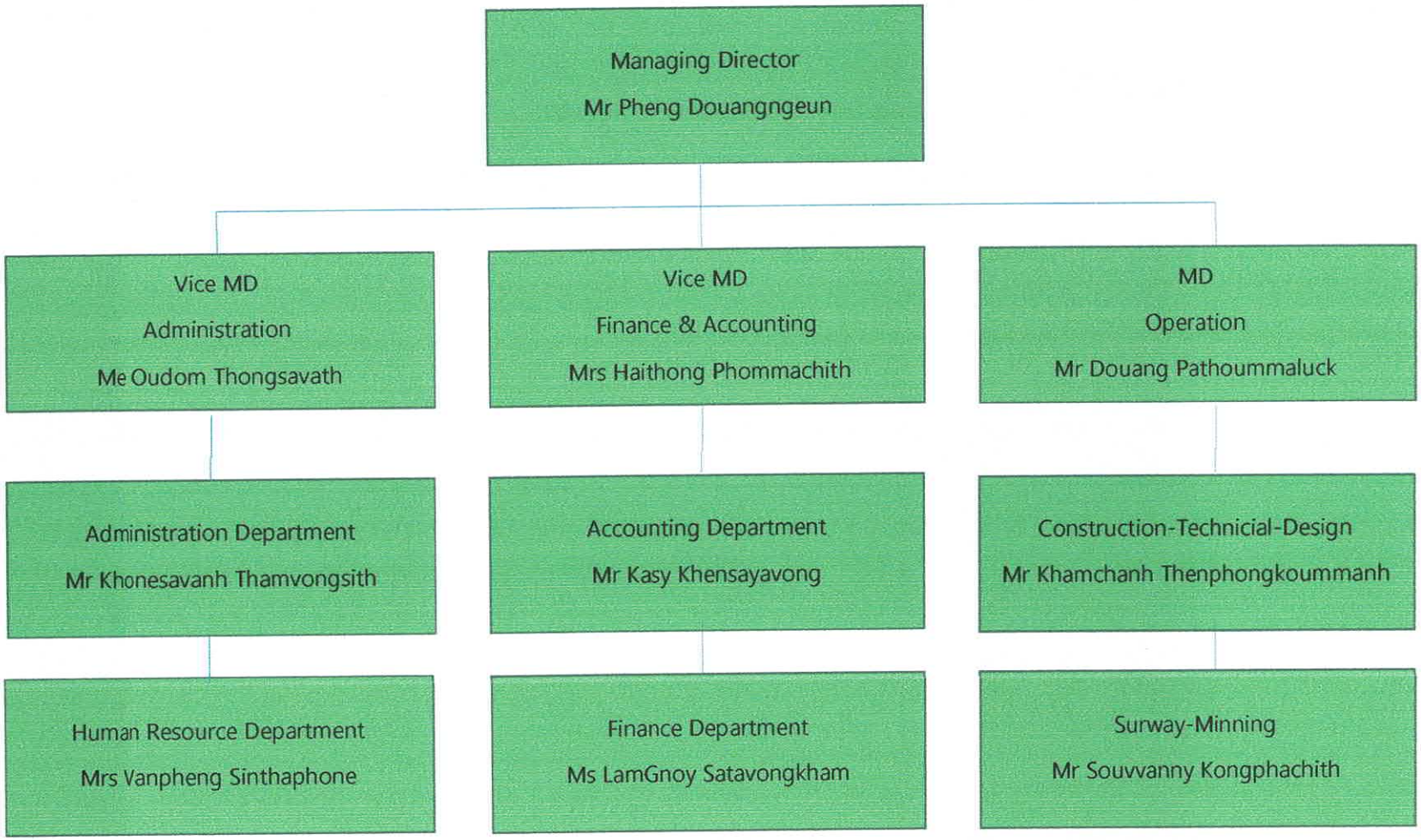


Mr. Phoutthasane Phommyxay **Member BoD/ Independent Member**



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

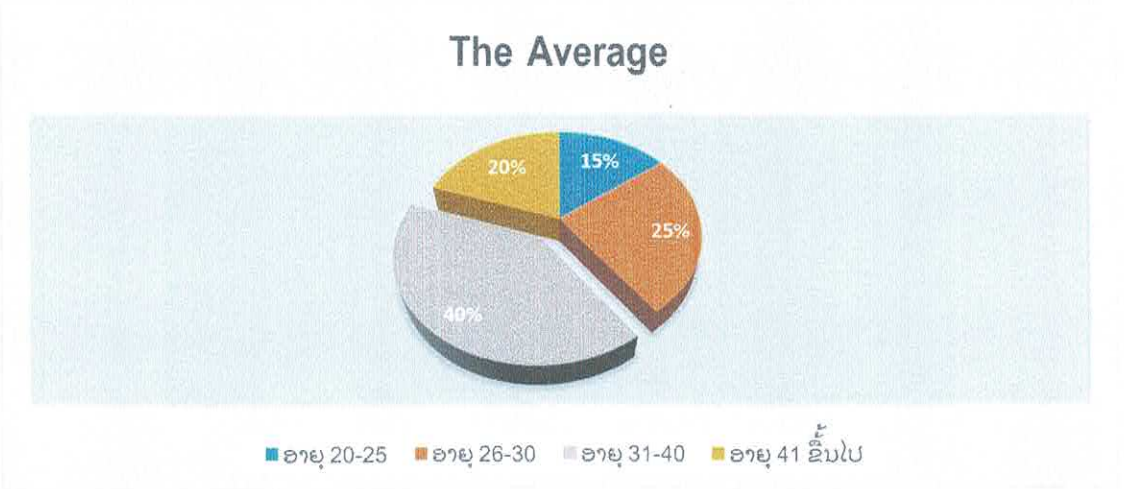
4.6. Compensation Committee (Member of Compensation Committee)

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 Q3 of theYear 2026

Human resource work in Q3 of the year 2026 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: 30/9/2026, there are 149 people
- Resigned 0 people
- New recruitment 0 people
- Promotion: 0 people



- Salary and Social welfare
  - The average salary increases yearly 0.00 %
- 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. 2. Phousy Construction and Development Public Company Limited, with a 25% joint investment, is the main contractor for the coal mining in Vieng Phoukha District, Luang Namtha Province. Estimated investment value is $5 per ton, revenue is $12 per ton (dividend profit and investment of approximately $75 million)
3. 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
4. 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
5. 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 2026-2030

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 Rehabilisation 4 projects:
   - Road No. 4 from Xieng Nguyen District to the end of the Mekong River Bridge, Luang Prabang Province, 60 km long. Initial cost 2,242 billion kip
   - From the 3rd intersection of Ban Kok Ngiw to the end of the Nam Khan Bridge, Ban Phanom and from the end of the bridge of Ban Vang Nguyeun to the 3rd intersection of Ban Phonexay, Louangprabang District, 16 km long, initial cost about 706 billion kip

- From Na Seng Wei Village to the end of the Nam Khan Bridge, Louangprabang District, 4.6 km long, initial cost 226 billion kip.
- Road No. 13 North from the 3rd intersection of Ban Kok Nguyiw to the 3rd intersection of Ban Don, 19.4 km long, initial cost 810 billion kip.

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. Land construction project in Luang Prabang province with EDCF funding (Korea)
   b. 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

Mr. Vilaxay Phanphila

Managing Director
Phousy Construction and Development Public

Mr. Pheng Douangngeun