PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC

STATEMENT OF FINANCIAL POSITION
FOR THE 1ST QUARTER PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Assets			
Current assets			
Cash and cash equivalents	3	234	366
Trade and other receivables, net	4	572,372	575,207
Inventories		317	320
Invesment Securities-held-to-maturity	5	5,657	5,657
Other current assets	6	1,473	1,778
Total current assets		**580,053**	**583,328**
Non- current assets			
Land building and equipment, net	7	213,732	213,732
Fixed assets for investments	5	189,442	189,442
Long-term loan to related parties		598	861
Property investments - Held-to-maturity	5	11,095	5,438
Total non-current assets		**414,867**	**409,473**
Total assets		**994,920**	**992,801**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payable	8	133,507	133,168
Short-term borrowings from financial institutions	9	29,422	29,422
Profit tax payable	10	11,130	11,175
Other current liabilities	11	72,560	55,315
Total current liabilities		**246,619**	**229,080**
Non-current liabilities			
Long-term loan	9	138,500	138,500
Total Non-current liabilities		**138,500**	**138,500**
Total liabilities		**385,119**	**367,580**
Equity			
Authorised share capital	12	582,000	582,000
Share premium	12	12,540	12,540
Retained earnings/(Deficits)			
Appropriated legal reserve	13	16,047	17,510
Unappropriated		(786)	13,171
Total equity		**609,801**	**625,221**
Total liabilities and equity		**994,920**	**992,801**

Mr. Pheng Duangngeun
Managing Director
Date 19 April 2024

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 19 April 2024

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC

STATEMENT OF FINANCIAL INCOME
FOR THE 1ST QUARTER PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 Million LAK	Audited 1 December 2023 Million LAK
Revenue from Construction		400	1,095
Cost of Construction		(136)	(639)
Gross Profit		**264**	**456**
Gain from Disposal of assets		-	75,618
Allowance for doubtful gain,net		-	81,702
Income from Land rental		2,250	3,837
Income from Financial		-	645
Administation Expense		(540)	(4,963)
Profit(Loss) from exchange		-	(480)
Financial Expense		(4,590)	(14,544)
Profit/Loss before profit tax Expense		**(2,616)**	**142,271**
Profit tax Expense	10	**-**	**(33)**
Profit (Loss) for the year		**(2,616)**	**142,238**
Earning (Loss) per share			
Basic (Loss) per share	14	(4.49)	244.40

Mr. Pheng Duangngeun
Managing Director
Date 19 April 2024

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 19 April 2024

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC

STATEMENT OF CHANGES IN EQUITY
FOR THE 1ST QUARTER PERIOD ENDED 31 MARCH 2024

	Notes	Share capital Million LAK	Share premium Million LAK	Retained earnings/(Deficits) Legal reserve Million LAK	Unappropriat Million LAK	Total Million LAK
Opening balance 01 Jan 2024	12,13	582,000	12,540	16,047	13,171	623,758
Profit for the Year/Month		-	-	-	(2,616)	(2,616)
Appropriated legal reserve		-	-	-	1,463	1,463
Shere profit		-	-	-	(12,804)	(12,804)
Balance for 31 March 2024		582,000	12,540	16,047	(786)	609,801
Opening balance 01 Jan 2023	12,13	582,000	12,540	16,047	(127,604)	482,983
Profit for the year		-	-	-	142,238	142,238
Appropriated legal reserve		-	-	-	(1,463)	
Balance for 31 December 2023		582,000	12,540	16,047	13,171	625,221

Mr. Pheng Duangngeun
Managing Director
Date 19 April 2024

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 19 April 2024

The accpmpanying note on page 5-13 are an integral part of these financial statements.

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC

STATEMENT OF CASH FLOWS
FOR THE 1ST QUARTER PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Cash flows from operating activities:			
Loss before income tax		(2,616)	142,271
Adjustments:			
- Unrealised loss/(gain)on foreign exchange rate			426
- Depreciation charge			208
- Financial expense		4,590	14,544
- Gain from disposal of assets			(75,618)
- Allowance for doubtful (gain)/loss, net			(81,702)
Operating loss before changing in operating assets and liabilities		**1,974**	**129**
Changes in operating asset			
- Trade and other receivables		2,835	(157,347)
- Other current assets		305	(559)
-Trade payables and other payables		(339)	54,614
- Other current libilitie		(17,245)	(4,977)
Cash generated from operations		**(12,470)**	**(108,140)**
Profit tax paid		-	(2,197)
Net cash flows (used in) from operating activities		(12,470)	(110,337)
Cash flows from Investing activities:			
Received from disposal of asset		-	25,000
Net cash generated from investing activities		-	25,000
Cash flows from financing activities:			
Proceeds from borrowing		-	104,000
Repayments of borrowings		-	(9,000)
Financial Expense paid		(4,426)	(10,892)
Net cash generated from financing activities		(4,426)	84,108
Net (decrease)/increase in cash and cash equivalents		**(132)**	**(1,229)**
Cash and cash equivalent at the beginning of the year	3	366	1,595
Effect of exchange rate change on cash hand cash equivalents		-	-
Cash and cash equivalent at the end of the year		234	366
Non-cash items			
Settlement receivable from GOL and investment secutities-held-to-maturity	5	-	5,789
Receivable from related parties from disposal of investment secutities-held-to-maturity	5	-	5,789
Receivable from related parties from disposal of asset		-	161,775
Reclassified Lao land from property, building and equipment to invesment properties	6	-	189,442

Mr. Pheng Duangngeun
Managing Director
Date 19 April 2024

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 19 April 2024

1. General information

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

The principal businesses of the Company are construct, repair and maintenance road, bridge 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.

This interim financial information was authorised for issue managing director on 23 November 2022.

2. 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 under 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, 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 listed companies to prepare action plan for adoption IFRS within four-year period. Therefore, listed companies must fully adopt IFRS as of 1 January 2026 onwards.

The management is presently preparing action plan for implementation IFRS in accordance with the announcement. 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.

2.2 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 recognized in the statement of income.

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 loan to related parties, 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 sold before maturity date, these securities will be reclassified as trading securities or 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.

2.7 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 'Other (losses)/gains – net' in statement of income.

2.8 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.

2.9 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.

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.
- Other income is recognised on an accrual basis.

2.10 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.

2.11 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 2.12.

2.12 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.

3. Cash and cash equivalents

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Cash on hand	50	180
Deposits held at call with financial institutions	184	186
Total	**234**	**366**

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

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Trade account receivables	217,658	218,776
Less: Allowance for doubtful debt	(203,529)	(203,539)
Trade accounts receivable, net	14,129	15,237
Amount due from related parties (Note 19) b)	558,183	559,915
Short-term loan to Phousy Group		
Other receivable	60	55
Total	**572,372**	**575,207**

5. Financial investments - Held-to-maturity

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Opening balance 1 January	11,095	5,438
Addition	.	5,657
As at 31 March 2024	**11,095**	**11,095**

*During the year, the Company had received the bonds which were issued by the Ministry of Finance to settle the receivable from construction projects, with interest rate range 5.00 % - 6.00% per annum and contract range of 3 years to 10 years.

6. Other current assets

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Interest receivable from related party	-	-
Other receivable	1,169	1,473
Advances to suppliers	206	205
Advances to staff	38	38
Prepayments	60	62
Total	**1,473**	**1,778**

Interest receivable from related party – related from loan to Phousy Group in Note

7. Property, plant and equipment, net

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
As at 31March 2023, 31 December 2023	-	-
Cost	403,174	415,487
Additions	-	-
Less Accumulated depreciation	-	(12,313)
Provision for impairment	-	-
Net book amount	**403,174**	**403,174**

8. Trade and other payables

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Trade payable – third party	10,765	10,394
Other payable – related parties	122,742	144,774
Total	**133,507**	**133,168**

9. Borrowings, net

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
Current	29,422	29,422
Non - current	138,500	138,500
Total	**167,922**	**167,922**

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 March 2024, profit tax payable presented profit tax payable from construction revenue but GoL do not yet make payment.

11. Other current liabilities

	Unaudited 31 March 2024 Million LAK	Audited 31 December 2023 Million LAK
VAT payable	15,232	15,310
Interest payable from financial institutions	38,025	33,600
Interest payable from related parties	-	-
Dividend payable	12,863	1,863
Advance received from sub-contractor	930	930
Advance received from Government	893	893
Accrued salary	95	-
Others	4,525	2,719
Total	**72,560**	**55,315**

VAT payable is calculated by multiplied by 10% (before year 2022) 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 2023	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2023	**582**	**582,000**	**12,540**	**594,540**
At 1 January 2023	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2023	**582**	**582,000**	**12,540**	**594,540**

As at 31 March 2024, the Company has share 582,000,000 shares with a par value of LAK 1,000 per share and issued shares were fully paid.

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

13. Legal reserve

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 be set aside as a legal reserve until such reserve reaches 50% of the authorised share capital.

14. Basic loss per share

Basic loss per share are calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	Unaudited 31 March 2024 Million LAK	Unaudited 31 December 2023 Million LAK
Weighted average number of ordinary shares (million shares)	582	582
Net loss for the period attributable to shareholders (million LAK)	12,804	142,238
Basic loss per share (LAK)	**(4.49)**	**244.40**

15. Event after the reporting period

No event after the reporting period.