PCD

Business Performance Report for Year 2024

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

2024







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Business Performance Report for Year 2024

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 209,907 million, 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 700,000 million 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 300,000 million 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 1,000,000 million 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 2000 Kip per share to 1000 Kip per share which resulted in the reduction of the registered capital amount from 700,000 million Kip to 582, 000 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 82,000 million Kip right after its closing of the IPO resulting in the new registered capital of 582,000 million 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 1000 Kip per share. The opening trade price per share was 1300 kip per share and closing trade price was at 1350 Kip per share

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 Phousy Group**



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



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

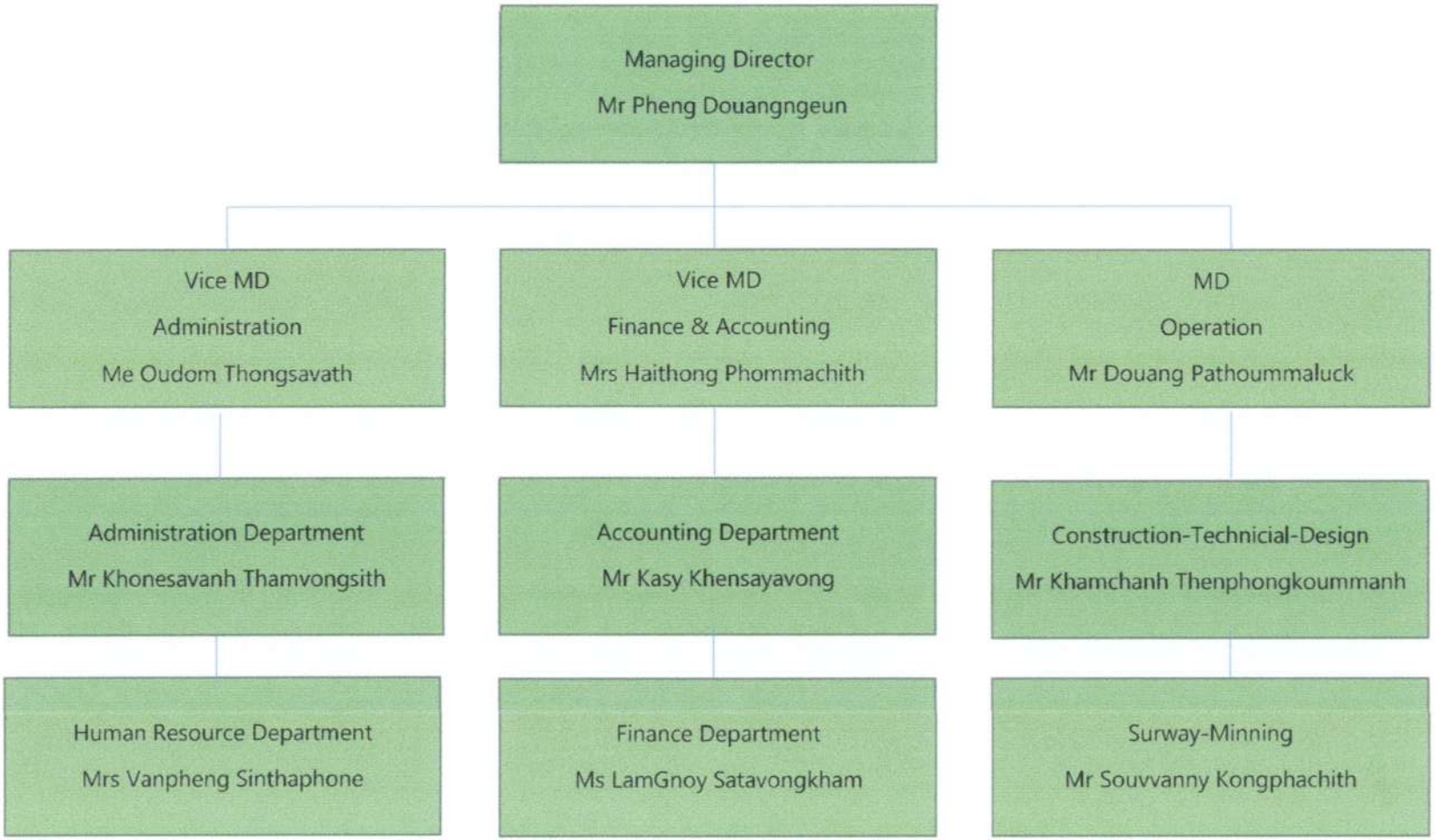


Mr. Phoutthasane Phommyxay **Member BoD/ Independent Member**



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	500,000,000	100%	500,000,000	100%
1.1 Ph.D Sithong Phommachith	415,000,000	83.00%	415,000,000	69.17%
1.2 Ms Pienkham Phommachith	50,000,000	10.00%	50,000,000	8.35%
1.3 Mr Siphone Outhoumphone	5,000,000	1.00%	5,000,000	0.83%
1.4 Ms Bouaphanh Outhoumphone	5,000,000	1.00%	5,000,000	0.83%
1.5 Mr Sitha Phommachith	5,000,000	1.00%	5,000,000	0.83%
1.6 Ms Haithong Phommachith	5,000,000	1.00%	5,000,000	0.83%
1.7 Ms Amphone Phommachith	5,000,000	1.00%	5,000,000	0.83%
1.8 Ms Touybouasy Phommachith	5,000,000	1.00%	5,000,000	0.83%
1.9 Ms Phetmany Outhoumphone	5,000,000	1.00%	5,000,000	0.83%
II. Investors from IPO			82,000,000	16.67%
	500,000,000		**582,000,000**	

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

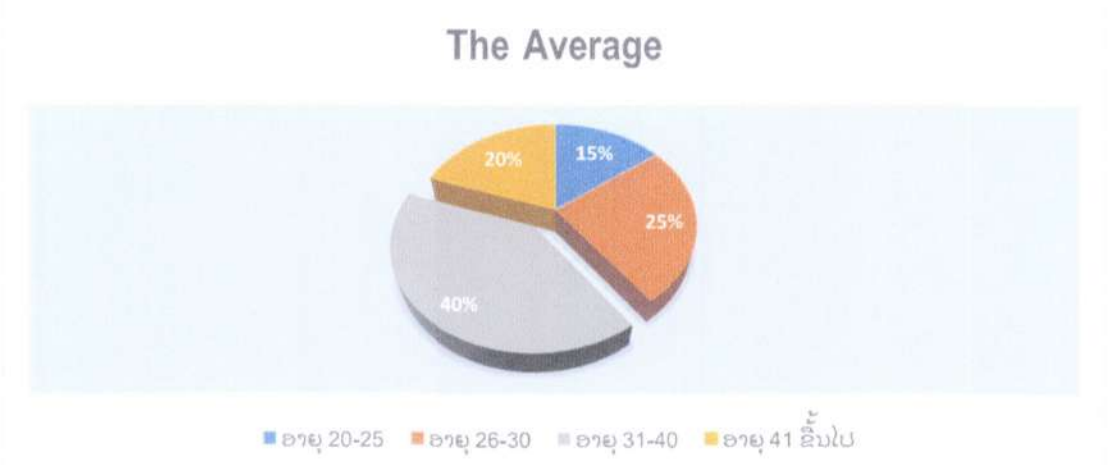
4.6. Compensation Committee (Member of Compensation Committee)

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 2024

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: 31/12/2024, there are 147 people
- Resigned 0 people
- New recruitment 2 people
- Promotion: 0 people



- Salary and Social welfare
  - The averate salary increatment yearly 0 %
- 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. 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 the bypass road project from Don Nun town to Bua Village, Vientiane within a distance of 30 kilometers. Estimated investment value of 210 million dollars with an interests return rate of 10%
6. 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%
7. Phousy Construction and Development Public Company, investment study plan, hydropower project totaling 1150 megawatts
8. 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 20 years by ensuring quality, standards, timely delivery and honesty with details oriented.

Internal Audit of Company

Mr. Phouthone Sayaseng

Managing Director
Phousy Construction and Development Public

Mr. Pheng Douangngeun

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

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FINANCIAL STATEMENTS

31 DECEMBER 2024



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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 2024 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 2024;
- 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). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of matter - Basis of accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared in accordance with the Company's accounting policies which the accounting basis used in the preparation of these financial statements may differ from International Financial Reporting Standards (IFRS). 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. Our opinion is not modified in respect to this matter.

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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.

Key audit matter	How our audit addressed the key audit matter
Allowance for doubtful account 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 2024, trade account receivable – Government of Lao PDR (GoL), who is only one customer of the Company, had the balance in the amount of LAK 227,543 million, less allowance for doubtful account receivables of LAK 227,543 million which represented 23% the total assets in the financial statements, as resulting in net book value of LAK 0. The payment term depends on the annual budget of GoL. As a result, the payments and settlements during the year were LAK 2,366 million until the reporting date. This affects to the working capital. Currently, the Company is in process of negotiating for new payment terms with GoL. Management considers to set up an allowance based on the recoverable amount for conservative purpose. The recoverable amount was estimated by reference to the aging profile, historical payment pattern. We focus on this area as the trade account receivable was significant to the financial statements, and the allowance was based on management's judgement in evaluating the situation and condition of trade accounts receivable to consider the collectability of the Company.	Our key 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 accounts; • Tested the accuracy of aging of trade receivables at year end on a sample basis; • Checked supporting documents such us certification of work completion that accepted by GoL to ensure that GoL has accepted the progress of work and cash receipt or debt settlement. • Assessed the recoverability of the unsettled recoverable on samples basis through our evaluation of management's assessment with reference to the credit profile of the customer, historical payment pattern of the customer, publicly availability information and latest correspondence with the customer and to reconsider if any additional provision should be made; and • Tested subsequent settlements of trade receivables after balance sheet date on sample basis, if any. Based upon the above procedures performed, we satisfied ourselves that management had taken reasonable judgements that were materially supported by the available evidence in respect of the relevant receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade account receivable was inappropriate.

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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. The annual report 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.

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.

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
Date: 21 March 2025

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 Million LAK	2023 Million LAK
Assets			
Current assets			
Cash and cash equivalents	3	371	366
Trade and other receivables, net	4	458,222	575,207
Inventories		318	320
Investment securities - held-to-maturity	5	-	5,657
Other current assets	7	306	1,778
Total current assets		**459,217**	**583,328**
Non- current assets			
Property, plant and equipment, net	8	321,056	213,732
Investment properties	6	189,442	189,442
Long-term loan to related parties		505	861
Investment securities - held-to-maturity	5	-	5,438
Total non-current assets		**511,003**	**409,473**
Total assets		**970,220**	**992,801**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	9	118,313	133,168
Current portion of long-term borrowings	10	116,096	29,422
Profit tax payable	11	6,206	11,175
Other current liabilities	12	42,320	55,315
Total current liabilities		**282,935**	**229,080**
Non - current liability			
Long-term borrowings	10	38,500	138,500
Total non-current liability		**38,500**	**138,500**
Total liabilities		**321,435**	**367,580**
Equity			
Authorised share capital	13	582,000	582,000
Share premium	13	12,540	12,540
Retained earnings			
Appropriated legal reserve	14	21,147	17,510
Unappropriated		33,098	13,171
Total equity		**648,785**	**625,221**
Total liabilities and equity		**970,220**	**992,801**

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 21 March 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 21 March 2025

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 2024

	Notes	2024 Million LAK	2023 Million LAK
Revenue from construction		400	1,095
Cost of construction		(269)	(639)
Gross profit		**131**	**456**
Gain from disposal of assets, net		71,018	75,618
Allowance for doubtful (loss)/gain, net		(24,003)	81,702
Other income from land rental		9,552	3,837
Finance income		134	645
Administrative expenses		(3,376)	(4,963)
Foreign exchange loss, net		(187)	(480)
Finance expenses		(16,889)	(14,544)
Profit before profit tax expenses		**36,380**	**142,271**
Profit tax expenses	18	(12)	(33)
Profit for the year		**36,368**	**142,238**
Earning per share			
Basic earning per share	19	62.49	244.40

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 21 March 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 21 March 2025

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

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital Million LAK	Share premium Million LAK	Retained earnings/(Deficits) Legal reserve Million LAK	Retained earnings/(Deficits) Unappropriated Million LAK	Total Million LAK
Balance at 1 January 2024	13,14	**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	14	-	-	3,637	(3,637)	-
Balance at 31 December 2024		**582,000**	**12,540**	**21,147**	**33,098**	**648,785**
Balance at 1 January 2023	13,14	**582,000**	**12,540**	**16,047**	**(127,604)**	**482,983**
Profit for the year		-	-	-	142,238	142,238
Legal reserve	14	-	-	1,463	(1,463)	-
Balance at 31 December 2023		**582,000**	**12,540**	**17,510**	**13,171**	**625,221**

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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 Million LAK	2023 Million LAK
Cash flows from operating activities:			
Profit before tax for the year		36,380	142,271
Adjustments:			
- Unrealised (gain)/loss on exchange rate		(47)	426
- Depreciation charges	8	84	208
- Finance expenses		16,889	14,544
- Gain from disposal of assets, net		(63,048)	(75,618)
- Allowance for doubtful account loss/(gain), net	5	24,003	(81,702)
Operating profit before working capital changes		**14,261**	**129**
Changes in operating assets			
- Trade and other receivables, net		152,759	(157,347)
- Inventories		2	-
- Other current assets		-	(559)
Changes in operating liabilities			
- Trade and other accounts payable		(99,884)	54,614
- Other current liabilities		1,350	(4,977)
Cash generated from/(used in) operating activities		**68,488**	**(108,140)**
Income tax paid		(78)	(2,197)
Net cash generated from/(used in) operating activities		**68,410**	**(110,337)**
Cash flows from investing activities:			
Proceeds from disposals of assets		-	25,000
Acquisition property, plant and equipment	8	(6,138)	-
Net cash (used in)/generated from investing activities		**(6,138)**	**25,000**
Cash flows from financing activities:			
Proceeds from borrowings	10	-	104,000
Repayments on borrowings	10	(13,326)	(9,000)
Dividend paid		(14,667)	-
Interest paid		(34,274)	(10,892)
Net cash (used in)/generated from financing activities		**(62,267)**	**84,108**
Net increase/(decrease) in cash and cash equivalents		**5**	**(1,229)**
Cash and cash equivalents at the beginning of the year	3	366	1,595
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year	3	**371**	**366**
Non-cash items:			
Settlement receivable from GoL and investment securities - held-to-maturity	5	-	5,789
Receivable from related parties from disposal of investment securities - held-to-maturity	5	12,446	5,789
Receivable from related parties from disposal of assets		299,690	161,775
Payables for purchase of property, plant and equipment	8	85,029	-
Settlement of purchase of property, plant and equipment with receivable	8	85,199	-
Reclassified the land from property, plant and equipment to investment properties		-	189,442

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Date: 21 March 2025

Mrs. Haithong PHOMMACHITH
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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 21 March 2025.

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 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. Accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going concern assumption

The Company's financial position which the current liabilities exceeded the current assets in the amount LAK 174,237 million (excluding related parties transaction net amount). The related parties issued confirmation letters to the Company that will not call balance payable as at 31 December 2024, total LAK 107,648 million within the next 12 months starting from 31 December 2024 and support to the Company by accepts responsibility of providing and undertakes to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations now and in the future until the Company will have sufficient financial position.

Therefore, these financial statements are prepared on going concern basis.

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.

2.3 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. Accounting policies (Continued)

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.

2.7 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. Accounting policies (Continued)

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.

2.10 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. Accounting policies (Continued)

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 6.

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 18). 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.

3. Cash and cash equivalents

	2024 Million LAK	2023 Million LAK
Cash on hand	330	180
Deposits held at call with financial institutions	41	186
Total	**371**	**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, net

	2024 Million LAK	2023 Million LAK
Trade account receivable	227,543	218,776
Less: Allowance for doubtful receivable	(227,543)	(203,539)
Trade account receivable, net (a)	-	15,237
Amount due from related parties (Note 20) b)	458,167	559,915
Other receivables	55	55
Total	**458,222**	**575,207**

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

	2024 Million LAK	2023 Million LAK
Not yet due	-	1,173
Overdue:		
0-3 months	-	-
3-6 months	-	-
6-12 months	-	-
Over 1 year	-	-
Over 2 years	-	14,064
Over 3 years	227,543	203,539
Trade and other receivables, net	227,543	218,776
Less: Allowance for doubtful receivable*	(227,543)	(203,539)
Total	**-**	**15,237**

4. Trade and other receivables, net (Continued)

*The Company has only one customer, Government of Laos (GoL), which will consider provision for doubtful account in some certain criteria. Although, there was no default payment from GoL in the past however, 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 of 2023, the GoL issued the bond to Phousy Group amounted LAK 78,324 million by the offsetting with the Company's receivable from GoL, therefore the Company has reclassified the receivable from GoL to be Phousy Group instead with the same amount, according with agreement no 4314/MoF 29 December 2023 about debt and acknowledge agreement no 1026/PCD between the Company and Phousy Group. Therefore, the allowance for doubtful receivable were reversed with the same amount LAK 78,324 million.

Additionally, during the year the Company also reversed the allowance for doubtful receivable in the amount of LAK 764 million (2023: LAK 500 million) for cash of received to settle accounts receivable, offsetting with the addition allowance for doubtful receivable in the amount of LAK 24,768 million (2023: LAK 2,911 million). Consequently, the net movement of the allowance for doubtful receivable for the year was LAK 24,004 million (2023: LAK 81,702 million).

5. Investment securities - held-to-maturity

	2024 Million LAK	2023 Million LAK
Opening balance 1 January	11,095	11,095
Addition	-	5,789
Disposal*	(11,095)	(5,789)
As at 31 December	**-**	**11,095**

*During the year, the Company had sold the Government bonds received from the Government settle of account receivable to a related party with agreement of the selling rate amount of LAK 6,657 million (2023: LAK 5,789 million) which loss from selling LAK 4,438 million (2023: nil) and accrued interest receivable from bond that was reversed as the loss to statement of income amount of LAK 1,608 million (2023: nil).

	2024 Million LAK	2023 Million LAK
Current	-	5,657
Non - current	-	5,438
Total	**-**	**11,095**

6. Investment properties

	Land Million LAK	Total Million LAK
As at 1 January 2024		
Cost	189,442	189,442
Less: Accumulated depreciation	-	-
Net book amount	**189,442**	**189,442**
For the year ended 31 December 2024		
Opening net book amount	189,442	189,442
Reclassified	-	-
Closing net book amount	**189,442**	**189,442**
As at 31 December 2024		
Cost	189,442	189,442
Less: Accumulated depreciation	-	-
Net book amount	**189,442**	**189,443**

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.

7. Other current assets

	2024 Million LAK	2023 Million LAK
Other receivables*	-	1,473
Advances to supplier	205	205
Advances to staff	38	38
Prepayment	63	62
Total	**306**	**1,778**

* During the year, other receivable from accrued interest of bond which was reversed to as the loss to statement of income from selling the government bond (Note 5).

8. 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 2023						
Cost	213,568	18	34,852	1,061	448	249,947
Less: Accumulated depreciation	-	(18)	(33,389)	(1,061)	(448)	(34,916)
Provision for impairment	-	-	(1,299)	-	-	(1,299)
Net book amount	**213,568**	**-**	**164**	**-**	**-**	**213,732**
Opening net book amount	213,568	-	164	-	-	213,732
Additions*	176,366	-	-	-	-	176,366
Disposals**	(68,958)	-	-	-	-	(68,958)
Depreciation charge (Note 16)	-	-	(84)	-	-	(84)
Closing net book amount	**320,976**	**-**	**80**	**-**	**-**	**321,056**
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**

* Addition during the year was from land that purchased from related parties.

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

Land LAK 134,797 million are secured for the Company's borrowings (Note 10) and LAK 184,077 million are secured for the Phousy Group's borrowings.

9. Trade and other payables

	2024 Million LAK	2023 Million LAK
Trade payable - third parties	10,665	10,394
Other payable - related parties (Note 20) b)	107,648	122,774
Total	**118,313**	**133,168**

10. Borrowings, net

	2024 Million LAK	2023 Million LAK
Financial institutions	154,596	167,922
Total	**154,596**	**167,922**

	2024 Million LAK	2023 Million LAK
Current	116,096	29,422
Non-current	38,500	138,500
Total	**154,596**	**167,922**

The movement in borrowings can be analysed as follows:

	2024 Million LAK	2023 Million LAK
Opening balance 1 January	167,922	72,922
Additions	-	104,000
Repayments	(13,326)	(9,000)
As at 31 December	**154,596**	**167,922**

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 8) 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 was an amount of LAK 13,326 million were paid.

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 and during the year.

10. 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 8) and land of related party. The first principal repayment will be paid on 29 December 2025 and interest is payable on monthly.

The aging analysis of these borrowings is as follows:

	2024 Million LAK	2023 Million LAK
Less than one year	116,096	29,422
More than one year but not over 5 years	38,500	138,500
Total	**154,596**	**167,922**

11. 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.

During the year, the Company had gain from reversed VAT and profit payable to statement of income total amount of LAK 8,101 million, according to the memorandum agreement no 069/PCD, date 30 May 2024 between the Company and a related party, which if any tax obligation incurs in the future related from projects as mentioned in agreement a related party will responsible instead of the Company.

As at 31 December 2024 and 2023, profit tax payable presented profit tax payable from construction revenue but GoL does not yet make payment.

12. Other current liabilities

	2024 Million LAK	2023 Million LAK
VAT payable*	20,686	15,310
Interest payable to financial institutions	16,814	33,600
Dividend payable	-	1,863
Advance received from sub-contractor	930	930
Advance received from Government	893	893
Others	2,997	2,719
	42,320	**55,315**

* 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.

During the year, the Government of Laos has increased it's standard Value Added Tax (VAT) rate from 7% to 10% effective since 1 May 2024 onward. .

13. 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 2024	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2024	**582**	**582,000**	**12,540**	**594,540**

As at 31 December 2024 and 2023, 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 listed in Lao Securities Exchange in 2017.

14. Legal reserve

	2024 Million LAK	2023 Million LAK
Opening balance	17,510	16,047
Addition	3,637	1,463
	21,147	**17,510**

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.

15. Dividend

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.

2023:
At the Annual General Meeting of Shareholders, held on 27 April 2023, the shareholders approved no dividend payments for the year 2022 because of the accumulated loss.

16. Expenses by nature

	2024 Million LAK	2023 Million LAK
Staff cost	1,315	1,218
Depreciation charge (Note 8)	84	208
Other expenses	552	2,519
Consulting expenses	606	582
Repairs and maintenance expenses	265	304
Supplies	493	222
Travelling cost	330	549
	3,645	**5,602**

17. Finance expenses

	2024 Million LAK	2023 Million LAK
Interest expenses from borrowing - financial institutions	16,889	14,544
	16,889	**14,544**

18. Profit tax expense

According to the profit tax payment practice between tax authority and the Company as described in (Note 11), profit tax expense presented profit tax from construction revenue during the year but GoL does not yet make payment.

19. 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.

	2024	2023
Weighted average number of ordinary shares (million shares)	582	582
Net profit for the year attributable to shareholders (million LAK)	36,368	142,238
Basic earnings per share (LAK)	**62.49**	**244.40**

20. 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 2024, the Company is controlled by the Phommachith family, who own 86% of the Company's shares (2023: 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

	2024 Million LAK	2023 Million LAK
Land rental income from related parties	8,317	3,750
Fuel expenses	297	529
Rental expense	180	180

b) Outstanding balances with related parties

	2024 Million LAK	2023 Million LAK
Amounts due from related parties (Note 4)*	485,167	559,915
Other payable - related parties (Note 9)	107,648	122,774
Long-term loan to related parties	505	861

* 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.

21. Commitments and significant agreements

	2024 Million LAK	2023 Million LAK
Office rental commitment (1)	165	345
Service fee	-	485

(1) The Company leases land and offices under non-canctellable operating lease agreements. The lease term is 10 years, and the majority of lease agreements are renewable at the end of the lease period at an agreed date.