PCD

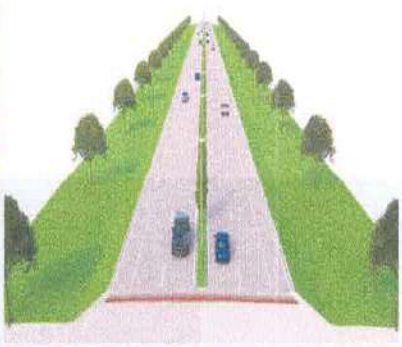
Business Performance

Report for the First 6 Month of the Year 2025

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

2025





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Business Performance Report for the First 6 Month of the Year 2025

I. About Phousy Construction and Development Public Company

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

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

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

2009	:	Mr. Sithong is a young business man with vision, he was successor to run the construction business by transferred from Mr. Siphone to Mr. Sithong and still use the same name as "Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited".
2011	:	Mr. Sithong saw the rapid growth of Luang Prabang Province in crowded area so he advised the Board of Directors to present a project to PWT division of Luang Prabang province to build the by-pass road No.13 North from 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**

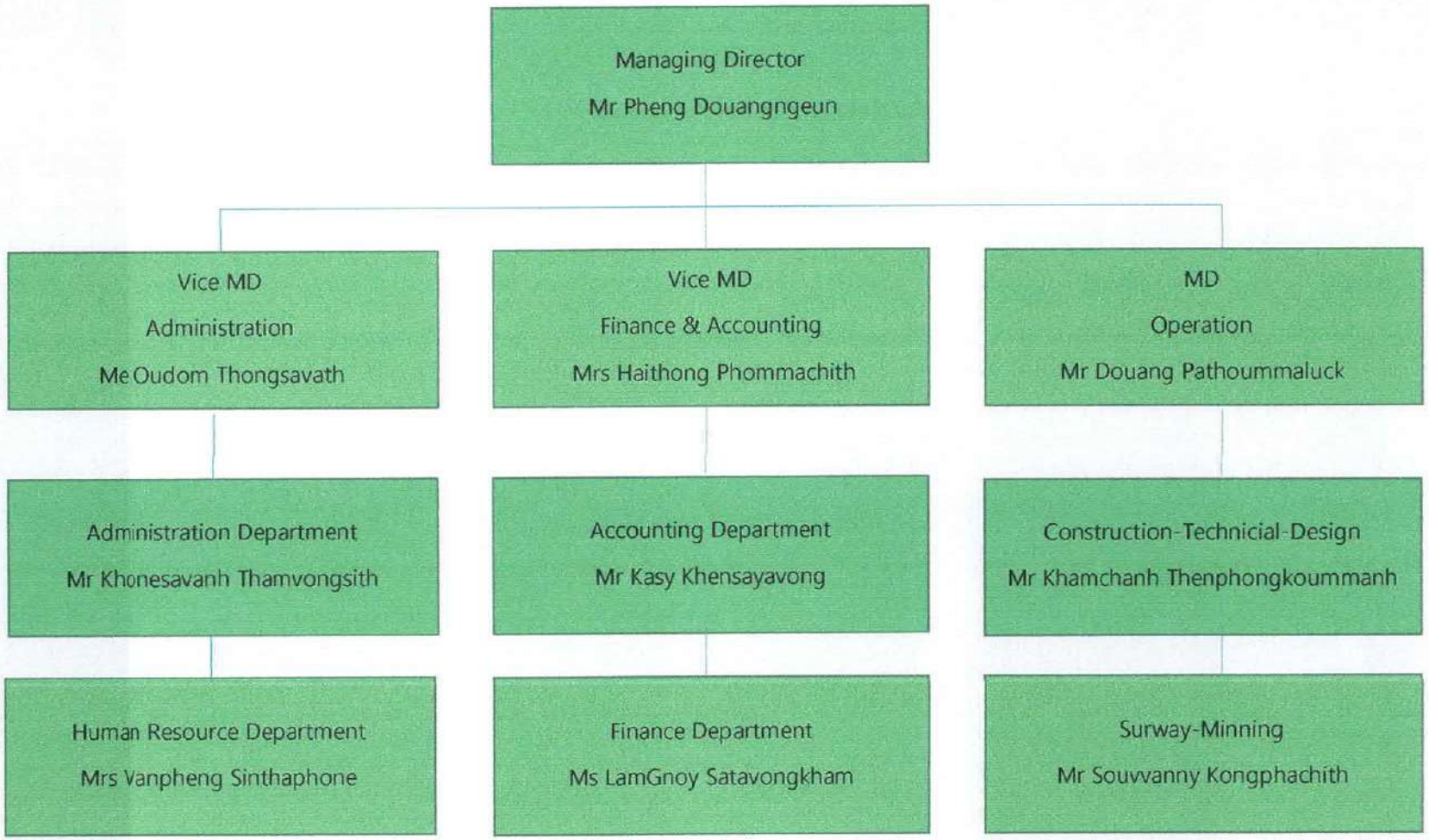


Mr. Phoutthasen Phommyxay Member **BoD/ Independent Member**



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

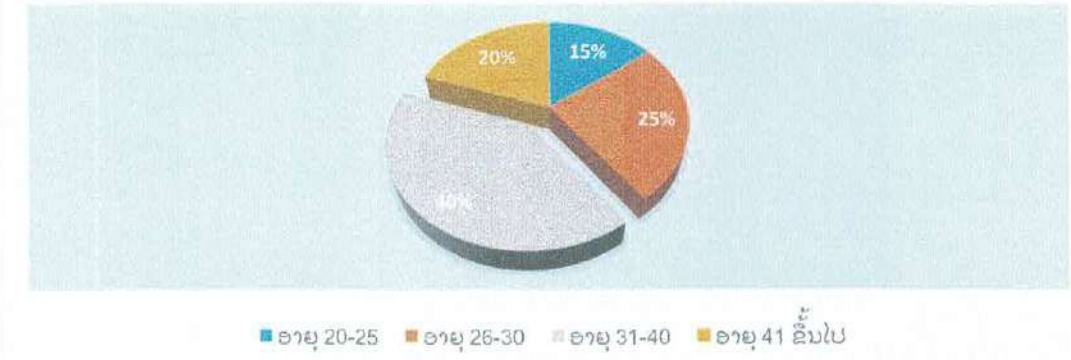
4.6. Compensation Committee (Member of Compensation Committee)

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 the First 6 Month of the Year 2025

Human resource work in Q 1 of the year 2025 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: 30/06/2025, there are 147 people
- Resigned 0 people
- New recruitment 0 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. Vientiane Capital Bypass Expressway Project, currently the Mayor of Vientiane Capital has issued an agreement for Phousy Construction and Development Public Company to invest in surveying, designing and constructing a bypass expressway from intersection 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 1000 megawatts of solar power. Estimated investment value of 800 million dollars with an interests return rate of 12.8%
6. Phousy Construction and Development Public Company, investment study plan, hydropower project totaling 1150 megawatts
7. Phousy Construction and Development Public Company is preparing the tender for the project
    a. Luang Prabang bridge construction project with NEDA funding
    b. R12 road construction project with NIDA funding
    c. Land construction project in Luang Prabang province with EDCF funding (Korea)
    d. The project to build garbage fields and alleys in the city of Luang Prabang province with funding from the World Bank

- **Characteristics of Target Customers**

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

- **Project Bidding**

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

- **Competitive Strategy**

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

  A. Comprehensive construction service company

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

  B. Quality and standard of the work

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

  C. Submitting the work on time

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

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

D. Pays attention on the detail of the project

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

E. Being honest and fair to our colleagues

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

F. Being reliable and trusted by our customers

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

❖ **Organizational Strategy**

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

- Increase customer base to private sector for small, medium and mega size infrastructure development projects.
- Initiate real estate development portfolio to accommodate the growth of the cities in the country.
- Maintain trust and credibility of the existing customers who worked with us for 20 years by ensuring quality, standards, timely delivery and honesty with details oriented.

Internal Audit of Company

Mr. Phouthone Sayaseng

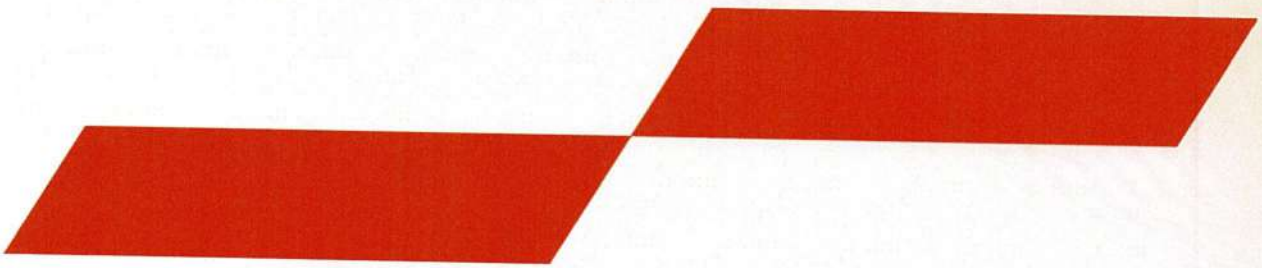
Managing Director
Phousy Construction and Development Public

Mr. Pheng Douangngeun

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025



pwc

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

We have reviewed the interim financial information of Phousy Construction and Development Public Company, which comprises the statement of financial position as at 30 June 2025, the related statements of income, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting policies as described in Note 2 to the interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting policies as described in Note 2 to the interim financial information.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By: Pongphan Domerongphanudom
Partner

Date: 26 August 2025

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	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 2025 - Audited	12,13	**582,000**	**12,540**	**21,147**	**33,098**	**648,785**
Loss for the period		-	-	-	(463)	(463)
Balance at 30 June 2025 - Unaudited		**582,000**	**12,540**	**21,147**	**32,635**	**648,322**
Balance at 1 January 2024 - Audited	12,13	**582,000**	**12,540**	**17,510**	**13,171**	**625,221**
Loss for the period		-	-	-	(20,659)	(20,659)
Dividend paid		-	-	-	(12,804)	(12,804)
Balance at 30 June 2024 - Unaudited		**582,000**	**12,540**	**17,510**	**(20,292)**	**591,758**

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 26 August 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 26 August 2025

The accompanying notes on pages 6 to 13 are an integral part of these interim financial information.

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Assets			
Current assets			
Cash and cash equivalents	4	180	371
Trade and other receivables, net	5	462,707	458,222
Inventories		318	318
Other current assets		305	306
Total current assets		**463,510**	**459,217**
Non - current assets			
Property, plant and equipment, net	7	320,978	321,056
Investment properties	6	189,442	189,442
Long-term loan to related parties		505	505
Total non-current assets		**510,925**	**511,003**
Total assets		**974,435**	**970,220**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	8	115,305	118,313
Current portion of long-term borrowings	9	116,096	116,096
Profit tax payable	10	6,112	6,206
Other current liabilities	11	50,100	42,320
Total current liabilities		**287,613**	**282,935**
Non - current liability			
Long-term borrowings	9	38,500	38,500
Total non-current liability		**38,500**	**38,500**
Total liabilities		**326,113**	**321,435**
Equity			
Authorised share capital	12	582,000	582,000
Share premium	12	12,540	12,540
Retained earnings			
Appropriated legal reserve	13	21,147	21,147
Unappropriated		32,635	33,098
Total equity		**648,322**	**648,785**
Total liabilities and equity		**974,435**	**970,220**

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 26 August 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 26 August 2025

The accompanying notes on pages 6 to 13 are an integral part of the

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Notes	Unaudited 30 June 2025 Million LAK	Unaudited 30 June 2024 Million LAK
Revenue from construction		-	400
Cost of construction		-	(239)
Gross profit		**-**	**161**
Gain/(loss) from disposal of assets		200	(4,438)
Loss from reversal of accrued interest receivable		-	(1,608)
Allowance for doubtful gain/(loss), net		3,421	(17,789)
Other income from asset rental		5,111	4,500
Gain from tax reversal		33	8,101
Finance income		-	733
Administrative expenses		(1,229)	(1,331)
Foreign exchange loss, net		(8)	(211)
Finance expenses		(7,991)	(8,765)
Loss before profit tax expenses		**(463)**	**(20,647)**
Profit tax expenses	15	-	(12)
Loss for the period		**(463)**	**(20,659)**
Loss per share			
Basic loss per share	16	(0.60)	(26.62)

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 26 August 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 26 August 2025

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2025

	Notes	Unaudited 30 June 2025 Million LAK	Unaudited 30 June 2024 Million LAK
Cash flows from operating activities:			
Loss before income tax for the period		(463)	(20,647)
Adjustments:			
- Unrealised loss on exchange rate		13	233
- Depreciation charges	8	78	84
- Finance expenses		7,991	8,765
- (Gain)/loss from disposal of assets		(200)	4,438
- Allowance for doubtful account (gain)/loss, net	5	(3,421)	17,789
Operating loss before working capital changes		**3,998**	**10,662**
Changes in operating assets			
- Trade and other receivables		(1,116)	(13,310)
- Other current assets		1	1,468
Changes in operating liabilities			
- Trade and other accounts payable		(2,969)	35,041
- Other current liabilities		(211)	12,940
Cash (used in)/generated from operating activities		**(297)**	**46,801**
Income tax paid		(94)	(46)
Interest paid		-	(33,674)
Net cash (used in)/generated from operating activities		**(391)**	**13,081**
Cash flows from investing activities:			
Proceeds from disposals of assets		200	-
Net cash generated from investing activities		**200**	**-**
Cash flows from financing activities:			
Repayments on borrowings		-	(13,326)
Net cash used in financing activities		**-**	**(13,326)**
Net decrease in cash and cash equivalents		**(191)**	**(245)**
Cash and cash equivalents at the beginning of the period	4	371	366
Effect of exchange rate changes on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the period	4	**180**	**121**
Non-cash items			
Receivable from disposal of investment securities - held-to-maturity during the period		-	6,657
Dividend payable to shareholders during the period		-	12,804

Mr. Pheng DOUANGNGEUN
Managing Director
Date: 26 August 2025

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date: 26 August 2025

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 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.

This interim financial information was authorised for issue managing director on 26 August 2025.

2. Basis of preparation

The interim financial information has been prepared in accordance with the Company's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2024. The primary financial information (i.e., statement of financial position, statement of income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024.

Going concern assumption

The Company's financial position which the current liabilities exceeded the current assets in the amount LAK 181,722 million (excluding related parties transaction net amount). The related parties issued confirmation letters to the Company that will not call balance payable as at 30 June 2025, total LAK 104,016 million within the next 12 months starting from 30 June 2025 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.

3. Estimates

The preparation of interim financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing this interim financial information, significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2024.

4. Cash and cash equivalents

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Cash on hand	12	330
Deposits held at call with financial institutions	168	41
Total	**180**	**371**

5. Trade and other receivables

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Trade account receivables	224,122	227,543
Less: Allowance for doubtful debts	(224,122)	(227,543)
Trade accounts receivable, net	-	-
Amount due from related parties (Note 17) b)	462,652	458,167
Other receivables	55	55
Total	**462,707**	**458,222**

6. Investment properties

	Land Million LAK	Total Million LAK
Opening balance as at 1 January 2025 – Audited	189,442	189,442
Addition	-	-
Less: Accumulated depreciation	-	-
Closing balance as at 30 June 2025 – Unaudited	**189,442**	**189,442**

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

7. Property, plant and equipment, net

	Million LAK
Opening net book value as at 1 January 2025 - Audited	321,056
Depreciation charges	(78)
Closing net book value as at 30 June 2025 - Unaudited	**320,978**

Land LAK 134,797 million are secured for the Company's borrowings (Note 9) and LAK 184,077 million are secured for the Phousy Group's borrowings.

8. Trade and other payables

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Trade payable – third parties	10,272	10,665
Other payable – related parties (Note 19) b)	105,033	107,648
Total	**115,305**	**118,313**

9. Borrowings, net

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Financial institution	154,596	154,596
Total	**154,596**	**154,596**

	Unaudited 30 June 2025	Audited 31 December 2024
Current	116,096	116,096
Non-current	38,500	38,500
Total	**154,596**	**154,596**

9. Borrowings, net (Continued)

The movement in borrowings can be analysed as follows:

	Million LAK
Opening balance as at 1 January 2025 - Audited	154,596
Repayments	-
Closing balance as at 30 June 2025 - Unaudited	**154,596**

Borrowing from financial institution:

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

During the period, there were no repayments of borrowing.

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

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

The aging analysis of these borrowings is as follows:

	Unaudited 30 June 2025	Audited 31 December 2024
Less than one year	116,096	116,096
More than one year but not over 5 years	38,500	38,500
Total	**154,596**	**154,596**

10. Profit tax payable

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

As at 30 June 2025, profit tax payable presented profit tax payable from construction revenue but GoL does not yet make payment.

11. Other current liabilities

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
VAT payable*	20,392	20,686
Interest payable from financial institutions	24,805	16,814
Advance received from sub-contractor	930	930
Advance received from government	893	893
Others	3,080	2,997
Total	**50,100**	**42,320**

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

12. Share capital and premium on share capital

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

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

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

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

13. Legal reserve

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

14. Dividend

2025:

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

2024:

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

15. Profit tax expenses

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

16. Basic loss per share

As at 30 June 2025, 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.

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

	Unaudited 30 June 2025 Million LAK	Unaudited 30 June 2024 Million LAK
Weighted average number of ordinary shares (million shares)	776	776
Net loss for the period attributable to shareholders (million LAK)	(463)	(20,659)
Basic loss per share (LAK)	**(0.60)**	**(26.62)**

The Company recalculates basic loss per share for prior period ended 30 June 2024 for the purpose of comparability in financial information, which is calculated by using weighted average number of ordinary shares as if the par value and the number of issued and paid-up share capital was changed in consistent with the change in the par value and the number of issued and paid-up share capital during the period ended 30 June 2025.

17. 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 30 June 2025, the Company is controlled by the Phommachith family, who own 86% of the Company's shares (2024: 86%). The remaining 14% of the share are widely held. The Company's ultimate controlling party is Mr. Sithong Phommachith. He is management of Phousy Group Sole Company Limited (Phousy Group).

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

a) Purchases of goods or services and others

	Unaudited 30 June 2025 Million LAK	Unaudited 30 June 2024 Million LAK
Land rental income from related parties	4,580	4,500
Fuel expenses	93	148
Rental	90	90

b) Outstanding balances with related parties

	Unaudited 30 June 2025 Million LAK	Audited 31 December 2024 Million LAK
Amounts due from related parties (Note 5)*	462,652	485,167
Short-term to loan related parties	505	505
Other payable – related parties (Note 8)	105,033	107,648

* 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 period.

18. Commitments

For the period ended 30 June 2025, the Company has no significant capital commitments.

19. Event after the reporting period

There are no significant events occurring after the period end requiring adjustments or disclosures to the financial information for the period ended 30 June 2025.