

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

FINANCIAL STATEMENTS FOR THE THIRD QUARTER

ENDED 30 SEPTEMBER 2026

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
FOR THE 3ND QUARTER PERIOD ENDED 30 SEPTEMBER 2026

	Notes	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Assets			
Current assets			
Cash and cash equivalents	3	187	186
Trade and other receivables, net	4	470,729	498,124
Inventories		318	318
Other current assets	6	289	304
Total current assets		**471,524**	**498,932**
Non- current assets			
Property, plan and equipment, net	7	322,742	308,181
Investments Properties	5	189,442	189,442
Long-term loan to related parties		505	505
Total non-current assets		**512,688**	**498,128**
Total assets		**984,212**	**997,060**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payable	8	48,620	92,970
Current portion of long-term borrowings	9	154,596	154,596
Profit tax payable	10	5,640	6,074
Other current liabilities	11	66,477	58,099
Total current liabilities		**275,334**	**311,739**
Non-current liabilities			
Long-term borrowings		-	-
Total Non-current liabilities		-	-
Total liabilities		**275,334**	**311,739**
Equity			
Authorised share capital	12	582,000	582,000
Share premium	12	12,540	12,540
Retained earnings			
Appropriated legal reserve	13	24,801	24,801
Unappropriated		89,537	65,980
Total equity		**708,878**	**685,321**
Total liabilities and equity		**984,212**	**997,060**

Mr. Pheng Duangngeun
Managing Director
Date 10 November 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 10 November 2026

The accompanying notes on pages 5-17 are an integral part of these financial statements.

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF FINANCIAL INCOME
FOR THE 3ND QUARTER PERIOD ENDED 30 SEPTEMBER 2026

	Notes	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Revenue from Construction		-	-
Cost of Construction		(9)	-
Gross Profit		**(9)**	**-**
Gain from Disposal of assets		-	13,261
Loss from selling on bonds		-	-
Loss from reversal of accrued interest receivable		-	-
Allowance for doubtful (loss)/gain, net		15,913	-
Other income from asset rentral		2,290	2,290
Gain from tax reversal		-	-
Finance income		1	-
Administation Expense		(859)	(749)
Foreign exchange loss, net		-	-
Financial Expense		(3,521)	(4,062)
Profit/Loss before profit tax Expense		**13,815**	**10,740**
Profit tax Expense		-	-
Profit (Loss) for the period		**13,815**	**10,740**
Earning (Loss) per share			
Basic (Loss) per share	13	17.80	13.84

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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY

FOR THE 3ND QUARTER PERIOD ENDED 30 SEPTEMBER 2026

	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 July 2025	11	**582,000**	**12,540**	**21,147**	**32,635**	**648,322**
Profit for the Quarter	13	-	-	-	10,740	10,740
Appropriated legal reserve					-	-
Balance at 30 September 2025 - Unaudited		**582,000**	**12,540**	**21,147**	**43,375**	**659,062**
Balance at 1 July 2026	11	**582,000**	**12,540**	**24,801**	**75,722**	**695,063**
Profit for the Quarter		-	-	-	13,815	13,815
Appropriated legal reserve					-	-
Dividend paid		-	-	-	-	-
Balance ad 30 September 2026 - Unaudited		**582,000**	**12,540**	**24,801**	**89,537**	**708,878**

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PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE 3ND QUARTER PERIOD ENDED 30 SEPTEMBER 2026

	Notes	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Cash flows from operating activities:			
(Loss)/profit before income tax for the period		13,815	10,740
Adjustments:			
- Unrealised loss/(gain)on foreign exchange rate		-	-
- Depreciation charge		-	84
- Financial expense		3,521	4,062
- Gain from disposal of assets		-	-
- Allowance for doubtful (gain)/loss, net		(15,913)	-
Operating loss before changing in operating assets and liabilities		**1,423**	**14,886**
Changes in operating asset			
- Trade and other receivables		35,263	(10,687)
- Other current assets		-	1
Changes in opearating liabilities		-	-
-Trade payables and other payables		(52,853)	(2,987)
- Other current libilitie		(1,830)	(369)
Cash generated from operations activities		**(17,997)**	**844**
Profit tax paid		-	-
Net cash flows (used in) from operating activities		**(17,997)**	**844**
Cash flows from Investing activities:			
Received from disposal of asset		-	-
Net cash generated from investing activities		-	-
Cash flows from financing activities:			
Proceeds from borrowing		-	-
Repayments of borrowings		-	-
Financial Expense paid		-	-
Net cash generated from financing activities		-	-
Net (decrease)/increase in cash and cash equivalents		**(2,084)**	**(69)**
Cash and cash equivalent at the beginning of the year	3	2,272	180
Effect of exchange rate change on cash hand cash equivalents		-	-
Cash and cash equivalent at the end of the year		**187**	**111**

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Managing Director
Date 10 November 2026

Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting
Date 10 November 2026

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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.

These financial statements were authorised for issue by managing director on 10 November 2026.

2. Significant accounting policies

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

2.1 Basis Of preparation

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

According to the Accounting Law no. 471NA issued on 26 December 2013, Public Interest Enterprises (PIES) are required to apply IFRS. However, the Ministry of Finance has Issued announcement No. 11371MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIES to prepare action plan for adoption IFRS until 31 December 2025 and 1 January 2026 onward, all listed companies must fully adopt IFRS.

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

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

2. Significant accounting policies (Continued)

2.1 Basis Of preparation

Going concern

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

Revenue for the year 2025 was nil, and the cash flows from operating activities were negative. The Company's revenue depends on projects from Government of Lao PDR (GoL), which is subject to GoL's annual budget. Furthermore, the Company has long outstanding of amount due from related parties totalling LAK 470,729 million (Note 4).

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

- Manage liabilities by negotiating extensions for the repayment of principal and interest on borrowings that have reached their maturity dates. However, the borrowing agreement includes an option that allows the Company to use the receivable from GoL as a source for repayment. In addition, as at the reporting date, no notice has been received from the lender regarding this matter; and
- Related parties have provided confirmation letters stating that they will not call repayment of balances payable as at 31 December 2025, totalling LAK 80,911 million, within the next 12 months from 31 December 2025.

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

2.2 Foreign currency transactions

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

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

2. Significant accounting policies (Continued)

2.3 Cash and cash equivalents

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

2.4 Trade and other receivables

Trade accounts receivable is 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 over 3 years.

No provision made on outstanding balances Of trade and receivables and Other receivables from related parties.

2.5 Inventories

Inventories are stated at the lower of the purchase cost and net realizable 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 realizable value is the price at which the inventories can be realized in the normal course of business after allowing for the costs of realization. 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 n available-for-sale securities.

Held-to-maturity securities are initially recognized at cost and subsequently presented at cost.

Premiums and discounts arising from securities purchases are amortized in the statement of Income using the straight-Ine 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 recognized as "Net gain/(loss) from securities investment" in the statement of income.

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

2. Significant accounting policies (Continued)

2.7 Investment properties

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

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

Investment property is measured initially at its cost.

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

2.8 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognized 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 derecognized. 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:

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

Assets type	Years
Building	10
Vehicle	10
Office equipment	5
Furniture and fixture	5

2.9 Borrowings

Borrowings are recognized 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 recognized in statement of income in the period in which they are incurred

2. Significant accounting policies (Continued)

2.10 Revenue recognition

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

Other income is recognized on the following basis:

* Interest income is recognized 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 recognized on a straight-line basis over the lease term.
* Other income is recognized on an accrual basis.

2.11 Lease - where the Company is the lessor

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

2.12 Taxation

The Company records corporate income tax on an accrual basis. The Company does not recognize corporate income tax payable or receivable in future periods for temporary differences. Profit tax is calculated by revenue from construction within a year multiplied with gross profit ratio and multiplied with profit tax rate (Note 17). The profit tax will offset 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 recognized as income tax expenses in the year in which the reviews are completed.

2.13 Provisions

Provisions are recognized 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 n Note 2.14.

2.14 Employee benefits

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

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

2. Significant accounting policies (Continued)

2.15 Share capital

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

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

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

3. Cash and cash equivalents

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Cash on hand	143	3
Deposits held at call with financial institutions	44	183
Total	**187**	**186**

4. Trade and other receivables

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Trade accounts receivable	206,785	222,698
Less: Allowance for doubtful debts	(206,785)	(222,698)
Trade account receivables, net (a)	-	-
Amount due from related parties (Note 19) (b)	470,729	470,964
Other receivables	17,621	27,160
Total	**488,350**	**498,124**

4. Trade and other receivables, net (Continued)

(a) The outstanding trade receivable balance as at 30 November is aged as follows:

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Not yet due:	-	-
Overdue:	-	-
0-3 months	-	-
3-6 months	-	-
Over 1 year	-	-
Over 2 years	-	-
Over 3 years	206,785	222,698
Trade and other receivables, net	206,785	222,698
Less: Allowance for doubtful receivable*	(206,785)	(222,698)
Total	-	-

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

5. Investment properties

	Land Million LAK	Total Million LAK
Opening balance as at January 2026	189,442	189,442
Cost	-	-
Less: Accumulated depreciation	-	-
Closing balance as at 30 September 2026-Unaudited	**189,442**	**189,442**

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

Land LAK 189.442 million are secured for the Phousy Group's borrowings.

6. Other current assets

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Advances to supplier:	207	205
Advances to staff:	22	38
Prepayment	60	61
Total	**289**	**304**

7. Property, plant and equipment, net

	Land Million LAK	Building Million LAK	Vehicle Million LAK	Furniture and fixture Million LAK	Computer and office equipment Million LAK	Total Million LAK
At 31 December 2025						
Cost	308,179	18	34,652	1,061	448	**344,358**
Less: Accumulated depreciation	-	(18)	(33,351)	(1,061)	(448)	**(34,878)**
Provision for impairment	-	-	(1,299)	-	-	**(1,299)**
Net book amount	308,179	-	2	-	-	**308,181**
Opening net book amount	**308,179**	-	2	-	-	**308,181**
Additions	14,563	-	-	-	-	**14,563**
Disposal cost*	-	-	-	-	-	-
Depreciation charge	-	-	-	-	-	-
Closing net book value as at 30 September 2026 - Unaudited	**322,742**	-	**2**	-	-	**322,744**

8. Trade and other payables

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Trade payables - third parties	48,620	10,866
Trade payable - related parties (Note 19) b	66,477	82,104
Total	**115,098**	**92,970**

9. Borrowings, net

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Financial institution	154,596	154,596
Total	**154,569**	**154,596**
current	154,596	154,596
Non-current	-	-
Total	**154,569**	**154,596**

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 5) 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.

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.

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.

11. Other current liabilities

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
VAT payable*	18,816	20,262
Interest payable from financial institutions	44,440	32,929
Advance received from sub-contractor	930	930
Advance received from government	893	893
other	1,367	3,085
Total	**66,447**	**58,099**

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

12. Share capital and premium on share capital

	Number of shares Million shares	Ordinary shares Million LAK	Share Premium Million LAK	Total Million LAK
At 1 January 2025	582	582,000	12,540	594,540
Issued of shares	2,328	-	-	-
At 31 December 2025	**2,910**	**582,000**	**12,540**	**594,540**
At 1 January 2026	2,910	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 30 September 2026	**2,910**	**582,000**	**12,540**	**594,540**

The Company incurred premium on share LAK 12,540 million when listed in Lao Securities Exchange in 2017.
On May 13, 2025, the Company updated its Enterprise Registration Certificate with the Ministry of Industry and Commerce to reflect amendments to its share structure.

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 authorized share capital.

14. Dividend

2026:

At the Annual General Meeting of Shareholders held on 29 April 2026, the shareholders approved no dividend payments for the year 2025 because of the operating loss.

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 totaling amount of LAK 12,804 million and fully paid during the year.

15. Expenses by nature

	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Staff cost	405	217
Depreciation charge (Note7)	-	-
Other expenses	328	373
Consulting and financial service fee*	135	132
Repairs and maintenance expense		27
Supplies		
Travelling cost	-	-
Total	**868**	**749**

16. Finance expenses

	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Interest expenses from borrowing		
- financial institutions	3,521	4,062
Total	**3,521**	**4,062**

17. 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.

18. Basic loss per share

As at 30 September 2026, basic gain per share are calculated by dividing the net loss attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Weighted average number of ordinary shares	776	776
Net loss for the period attributable to shareholders	13,815	10,740
Basic loss per share (LAK)	**17.80**	**13.84**

The Company recalculates basic loss per share for prior period ended 30 September 2026 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 September 2026.

19. Related party transactions

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

a. Purchases of goods or services and others

	Unaudited 30 September 2026 Million LAK	Unaudited 30 September 2025 Million LAK
Land rental income from related parties	2,2900	2,290
Fuel expenses	132	52
Rental	45	45

b. Outstanding balances with related parties

	Unaudited 30 September 2026 Million LAK	Audited 31 December 2025 Million LAK
Amounts due from related parties (Note 4)*	470,729	470,964
Short-term to loan related parties	505	505
Other payable - related parties (Note 8)	66,447	82,104

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.

20. 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 September 2026.