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Peace Independence Democracy Unity Prosperity
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No: 636 /PCD

Vientiane Capital, Date: 08 MAY 2018

Minute of the Annual General Shareholders' Meeting For the Year 2017

The Annual General Meeting of Shareholders of Phousy Construction and Development Public Company was held on 25th April 2018, from 02:30 to 4:00 pm, at Meeting room on 8th Floor, Lao Securities Exchange, Kamphengmeuang Road (T4), Phonethan Village, Saysettha District, Vientiane Capital, Lao PDR. The meeting chaired by **Mr. Khanthavong Dalavong, Vice Chairman.**

There were a total of 164 shareholders with 24 being the actual shareholders and 140 proxies at the meeting, representing 572,493,400 shares or 98.37% of the total paid-up shares of the Company. This formed a quorum which complied with the enterprise Law and the Articles of Association of the Company.

The host introduced the meeting participants including the Board of Member of Directors Boards s and representatives of relevant parties as follows:

❖ **The Board of Member of Directors Boards:**

1	Mr. Khanthongvong DALAVONG	Vice Chairman / Independent Member
2	Mr. Sitha PHOMMACHITH	Member
3	Mr. Nanthalath THILAKUN	Member/ Independent Member.

Mr. Sithong Phommachith, Chairman, cannot join this meeting due to his business trip. Therefore, he has appointed Mr. Khanthavong Dalavong to chair the meeting on his behalf.

❖ **Representative of relevant parties:**

- Lao Securities Commission Office;
- Lao Securities Exchange;
- Deputy Member of Directors Board of Phousy Construction and Development Public Company;
- Financial Advisor, Lanexang Securities Public Company;
- The Inspection Committee for the conduct of meeting and voting;
- The Monitor and Evaluate Committee of the meeting;
- Internal Audit committee of the company.

The host has informed the shareholders about the voting instructions as follows:

Voting:

- Each shareholder is entitled to the votes equaling to the number of shares held by them, whereby one share is entitled to one vote;
- In casting votes in each agenda, the Chairman will ask if anyone disapproves and will ask the shareholders who disapprove to raise their hands;

  If there are the shareholders who disapprove and raise their hands, such shareholders shall put a mark in the disapprove box in the ballots which were distributed by the Company's staff members before attending the Meeting. The Company's staff members will collect the ballots for vote counting. The shareholders who do not raise their hands will be deemed that they approve as proposed to the Meeting for consideration;

  In the case the representative to attend the Meeting and to cast the votes as specified by the shareholders in the Proxy Form, the Company has already recorded such votes at the registration for the convenience of the proxies. The proxies are not required to put any mark in the ballots.

Vote Counting and announcing the result of vote

- In vote counting of each agenda, the disapproval votes of the shareholders attending the Meeting in person and by proxy, which the Company recorded the votes at the registration, will be deducted from the amount of the total shares of the shareholders attending the Meeting and casting the votes in each agenda;
- After the completion of each agenda, the chairman of the meeting would ask the shareholders to vote for approve or disapprove if there's any disapprove The Company's staff members will count it and inform the voting result of each agenda before continuing the next agenda consecutive.
- In case of the shareholder or the representative has any question or suggestion on each agenda, please rise your hand up, standing up and introduce yourself that you're a shareholder or the representative in order to recording in the meeting minutes and this Annual General Shareholders' Meeting do not allow the observers ask questions when the Meeting is running, there is allow only shareholders consist the opinion and ask questions related in the Agenda.

- Therefore, in order make transparency of counting the votes to the meeting, we are looking for the volunteer at least 1 persons be witness, please inform us your name and surname, are you a shareholder or representative and then please come in the counting desk.

  There was Mr. KETSANA CHANTHAVONG, the shareholder.

Thereafter, Mr. Khanthavong DALAVONG, Vice Chairman has officially opened the meeting and then, Mr. Sitha PHOMMACHITH, Member of Directors Board has reported about the agenda content with the following details:

Agenda 01: To consider and approve the report on the result of the Company's operation for the year 2017 and the Company's Audited Financial Statements for fiscal year 2017

Mr. Sitha Phommachith, Member of Directors Board, proposed the meeting to consider and approve the report on the result of the Company's performance for the year 2017 and the Company's Audited Financial Statements for fiscal year 2017 with the following details:

The main business operations of Phousy Construction and Development Public Company focuses on construction, maintenance and improvement of roads, bridges and so on. The key client of PCD is public sector or the government of Lao PDR. There are a total of 5 projects, which are ongoing to operating in 2017. The accumulated value of those projects are 440,478 million Lao kip, including two existing projects and latest three projects in 2017 with a total value of 15,982 million Lao kip.

Phousy Construction and Development Company Public paid for tax 2017 as follows:

1.	Value Added Tax	546,565,000 LAk
2.	Payroll Tax	29,455,000 LAK
3.	Profit Tax	149,596,000 LAK
Total payment	**:**	**725,616,000 LAK**

Price Water House Cooper (Lao) Co., Ltd audited the PCD's financial statements for year 2017 which was approved by PCD's Board of Member of Directors Boards s as follows:

Description	Year 2017	Year 2016
Total assets (M.LAK)	946,844	1,014,077
Total liabilities (M.LAK)	142,090	110,588
Total shareholders' equity (M.LAK)	804,754	903,489
Total revenue (M.LAK)	45,384	99,507
Net profit (M.LAK)	6,725	58,988
Earnings Per Share (LAK/Share)	16.56	1,233.70

After that Mr. Sitha Phommachith, Member of Directors Board has reported the agenda 1. The Meeting Chairman encouraged all of the shareholders to share their opinions with the following suggestions.

- Mr. PHONEPASERTH PHOUANGTHIPVONGSA, the shareholder proposed to the meeting for making a clarification on the details of revenues from the projects and net profits for year 2016 to 2017 with their reasons of variances.

  - Mr. Sitha Phommachith, Member of Directors Board expressed his sincere thank you for the question and provided the clarification on the business operation between year 2016 and 2017 which is the period of preparting in the company list of Lao Securities Exchange. After that, the company invested in 5 projects. In the consequence, the company did not receive the return yet. It is expected that the satisfied fugures will be showned in 2018.

The Chairman proposed that the meeting is to consider and approve the company's business performance report 2017 and the Company's Audited Financial Statements for fiscal year 2017.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the company's business performance report 2017 and the Company's Audited Financial Statements for fiscal year 2017 with the votes of more than half of the shareholders attending the meeting as follows:

- **Approved: 572,493,400 votes equivalent to 100% of the total votes in the meeting.**

Agenda 02: To consider and approve the company's business plan for the year 2018

Mr. Sitha Phommachith, Member of Directors Board reported the performance of the company's business plan for the year 2018 with the following details:

Phousy Construction and Development Public Company has proactive objectives for building the roads and bridges to achieve the goal as planned: Ban-Ou Road Project shall achieve to 41.72%, including the value of 299,839 million Lao kip, Kiew Chia Road Project shall achieve to 55.37%, including the value of 80,881 million Lao kip and Attapeu Road Project shall achieve the value of 40,182 million Lao kip.

- **Revenue Plan of Bridge and Road Construction Project**

Project Name	Implemented plan 2017		Proactive Plan 2018		Total	
	M.LAK	%	M.LAK	%	M.LAK	%
Ban-Ou Road Project	156,472	45.54	143,367	41.72	299,839	8.26
Kiewjear Road Project	36,096	44.63	44,785	55.37	80,881	100.00
Attapeu Road Project	-	-	40,182	-	40,182	-
Total	**192,568**	**-**	**228,334**	**-**	**420,902**	**-**

- **New Project Plan for fiscal year 2018**

Phousy Construction and Development Public Company has aimed to develop new project for fiscal year of 2018 as follows:

1. The Express Way Project from Vientiane to Pakse for the third route allocation from Savannakhet Province to Saravan Province, with the distance of 128 Km. This project is in the process of conducting a survey and technical feasibility study.
2. 2 Levels asphalt paving project by pass with 57.76 Km of length and the total value of 226 billion Lao kip.
3. Road Construction Project along borders between Laos to Cambodia with the distance of 154 Km and its value of 330 billion Lao kip.
4. 2 Levels asphalt paving project by pass from Namdong bridge to Kuangsy Water Fall in Luang Prabang province with 25 km of length and its value of 154 billion Lao kip.
5. Concrete road construction project for 4 lanes in Huaxay district, Borkeo Province with 6.17 Km of length and its value of 126 billion Lao kip.

After Mr. Sitha Phommachith, Member of Directors Board has briefly reported about the agenda 2. The Meeting Chairman encouraged all of the shareholders to share their opinions with the following suggestions.

- Mr. Chanthaphone, the representative has a question: The various projects are implementing in the investment and other interested projects are considered in the investment for year 2018 have risks or not and they refer to which factors being not achieved as planned.

  - Mr. Sitha Phommachith, Member of Directors Board expressed his sincere thank you for the shared opinion and provided the clarification that before drafting the annual plan, the contracts on invested projects were signed or the agreements were signed. The company's risks maybe include equipment or financial issues which are not sufficient for the implementation, the result of work is late in comparing the fixed plan with the Lao Government, if the Lao government can not make payment as

planned. The company will look for the best solution by using the strategy of three way debt.

The Chairman proposed to the meeting to consider and approve the annual business plan of the company for fiscal year 2018.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the company's annual business plan for fiscal year 2018 with the votes of more than half of the shareholders attending the meeting as follows:

- **Approved: 572,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

Agenda 03: To consider and approve the allocation of net profit for the final dividend payment for six months at the end of the year 2017

Mr. Sitha Phommachith, Member of Directors Board proposed the meeting to consider and approve the allocation of net profit for the final dividend payment for six months at the end of the year 2017 with the following details:

The Company has a policy for making an annual payments to the shareholders according to the company' performance at the rate of 50 percent up of the net profit after the completion of dividing the net profit into the legal reserves and other fixed reserves. The payment for dividend depends on certain conditions including the current economics, cash flow, investment plan, necessity or appropriated condition in the future as well. The company has also a policy for making payment on dividend to the existing shareholders (initiative 9 shareholders for foundation) with the rate of dividend equivalent to 50 percent of the rate of dividend per share which is determined for making payment to general shareholders. This condition shall be effective for the period of 2 years after listed in LSX. The company has a policy to pay dividend 2 times per year. According to the company's consolidated financial statements, the net profit for six months at the end of the year 2017 was 6,725 million Lao kip by 10% was deducted to legal reserve or 673 million Lao kip after the net profit.

The result of the company's business operation for year 2017, the net profit was totally 6,725 million Lao kip. The board of Member of Directors Board agreed to make a payment on dividend for six months at the end of the year 2017 after deducting into legal reserve with the amount of 673 million Lao kip, the dividend payment is 7,45 LAK per share. The total payment for dividend is 2,474 million Lao kip and agreed date of dividend payment is on 25th May 2018 and on 26th March 2018 is the date of close register book to determine the rights of shareholders to receive dividend.

According the next agenda, Mr. Sitha Phommachith, Member of Directors Boards has proposed the agenda 3, The Chairman encouraged questions and suggestions from the Meeting.

- Mr. PHONEPASERTH PHOUANGTHIPVONGSA, the shareholder has a question: Based on the company's agreement, the company will make a payment on dividend at the rate of 50 percent of the net profit equivalent to 7.45 LAK per share that the total

payment for dividend is 2,474 million Lao kip by comparing the net profit of 6,725 million Lao kip it is found that the total payment on dividend has less 50 percent of net profit.

- ❖ Mr. Sitha Phommachith, Member of Directors Board expressed his sincere thank you for the shared opinion and provided the clarification: the mentioned above that company will make payment on dividend to the existing shareholders (initiative 9 shareholders for foundation) with the rate of dividend equivalent to 50 percent of the rate of dividend per share which is determined for making payment to general shareholders. This one impact to the total payment on dividend has less 50 percent of net profit.

- Ms. CHANSOUK BANDASAK, the shareholder has a question: How does the company have plan to make payment on dividend if the company's net profit is not achieved as planned?

  - ❖ Mr. Sitha Phommachith, Member of Directors Board expressed his sincere thank you for the shared opinion and provided the clarification: if the company's net profit is not achieved as planned, if the company has no profit, we would like to propose to the next batch. In 2018, the company has invested 5 projects with the total value of four thousand million Lao kip up and it is expected that the company receives profits with the satisfaction.

- Mr. KRAIWAL KADAVANICH, the shareholder from Thailand has a suggestion: The Company has policy and a good management for making payment to the existing shareholders for 50 percent. I would like to propose to fix date for shareholders' day after the meeting. Because perhaps it is possible that the figures of calculation is not correct, but the company has already determined.

  - ❖ **The Chairman:** expressed his sincere thank you for the suggestion and the comments will be considered.

The Chairman proposed that the meeting to consider and approve the allocation of net profit for the final dividend payment for six months at the end of the year 2017.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the allocation of net profit for the final dividend payment for six months at the end of the year 2017 with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 572,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

Agenda 04: To consider and approve authority to the Member of Directors Board in order to entitle for consideration and approval on the interim dividend payment for the upcoming year after fiscal year ended.

Mr. Sitha Phommachith, Member of Directors Board proposed the meeting to consider and approve authority to the Member of Directors Board in order to entitle for

consideration and approval on the interim dividend payment for the up-coming year after fiscal year ended as following details:

Pursuant on the company's policy which shall pay dividend 2 times per year and enterprises law, No 46/NA, dated 26 December 2013 on the article 155 stipulated "the dividend payment shall be approved by the shareholders' meeting" and According to the first 6 months period of 2018, the company may have not any important agenda to approver from shareholders' meeting. Except approval on the interim dividend payment for the year 2018, the thus BOD agreed to allow the meeting of shareholders to authority the Board of Member of Directors Boards s to entitle for consideration and approval on the interim dividend payment for the year 2018 and after that shall notice to the shareholders meeting in the order to get approval on next shareholders' meeting.

Mr. Sitha Phommachith, Member of Directors Board has proposed the agenda 4, The Chairman encouraged questions and suggestions from the Meeting and there was none.

The Chairman proposed that the meeting to consider and approve authority to the Board of Member of Directors Boards s in order to entitle for consideration and approval on the interim dividend payment for the up-coming year after fiscal year ended.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted authority to the Board of Member of Directors Boards s in order to entitle for consideration and approval on the interim dividend payment for the up-coming year after fiscal year ended with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 572,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

Agenda 05: To consider and approve the appointment of the external auditor and the determination of the remuneration of the external auditor for the year 2018.

Mr. Sitha Phommachith, Member of Directors Board proposed the meeting to consider and approve the appointment of the external auditor and the determination of the remuneration of the external auditor for the year 2018 as following details:

Pursuant on enterprises law, No 46/NA, dated 26 December 2013 on the article 154 stipulated "Right and Duties of shareholders meeting to appoint the external auditor and determination of its fees" the BOD agreed to propose the annual general meeting of shareholders to consider for appointing the Price Water House Cooper (Lao) Co., Ltd. (PWC) to be the external auditor with fee of USD 118,000 (2018-2020) due to PWC has been the auditor for company since initial public offering and has shown satisfactory performance in terms of auditing which has experienced. The team were understanding well of their job, deeper detail in reviewing and its international trust and standard is well-known.

Mr. Sitha Phommachith, Member of Directors Boards has proposed the agenda 5, The Chairman encouraged questions and suggestions from the Meeting.

- Mr. KRAIWAL KADAVANICH, the shareholder from Thailand has a question: How much did the company paid for auditing firm? And the proposed value for auditing is annually 118,000 US dollars or for from 2018 to 2020? The distributed documents to the shareholders should be shown with the precised data: the figures to be authorized for the payment is constant per year (from 2018 to 2020)? And the last annual payment per installment should be shown as the table in order to facliate to the shareholder consider.

  ❖ **The Chairman** expressed his sincere thank you for the shared opinion and proposed to Mr. Anolay SIHALAD, Chief of Financial Officer has provided the clarification: the annual value of auditor is 47,000 US dollars and in 2017 it is 45,000 US dollars per year. Regarding to new signed contract for year 2018 to 2020, the total value average is 39,333 US dollars per year. The suggestion from Mr. KRAIWAL KADAVANICH should be applied as well.

The Chairman proposed that the meeting to consider and approve the appointment of the external auditor and the determination of the remuneration of the external auditor for the year 2018.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the appointment of the external auditor and the determination of the remuneration of the external auditor for the year 2018 with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 567,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

Agenda 06: To consider and approve the replacement of the Chief Executive Officer who has resigned.

The Chairman, proposed the meeting to consider and approve the replacement of the Chief Executive Officer who resigned as following details:

Pursuant on enterprises law, No 46/NA, dated 26 December 2013 on the article 123 stipulated that "The Member of Directors Boards s who is elected must follow the rule as (3) the vacancy Member of Directors Boards s position between the Annual General Meeting of Shareholders of the year, can be appointed by the Board of Member of Directors Boards s' Meeting". On 28 February 2018 the Chief Executive Officer, namely, Ms. Philaiphone Vongpraseuth has resigned from the Chief Executive Officer of the company. Board of Member of Directors Boards s' Meeting No. 01/2018 held on 7th February 2018, the meeting have the agenda on appointed Mr. Sitha Phommachith to be the new Member of Directors Boards which the term of position shall be continued from term of the Member of Directors Boards who has resigned.

The Chairman encouraged questions and suggestions from the Meeting.

- Mr. KRAIWAL KADAVANICH, the shareholder from Thailand has a question: Please refer to the reason of the terminated position of the former Chief Executive Officer (CEO) and it should be adopt the resign of Mr. Sitha Phommachith from the position of the Member of Directors Board before making the appointment to be CEO.

- ❖ The Chairman expressed his sincere thank you for the shared opinion and proposed to Mr. Anolay SIHALAD, Chief of Financial Officer has provided the clarification: because the signed contract of the former Chief Executive Officer was terminated and Mr. Sitha Phommachith left from his position of the Member of Directors Board, which are mentioned in the agenda 8.

The Chairman proposed that the meeting to consider and approve the replacement of the Chief Executive Officer who has resigned.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the replacement of the Chief Executive Officer who resigned with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 572,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

Agenda 07: To consider and approve the replacement of the board of Member of Directors Boards member who has resigned

The Chairman, proposed the meeting to consider and approve the replacement of the board of Member of Directors Boards member who has resigned as following details:

Pursuant to Decision on Board of Member of Directors Boards s of Listed Company No. 0024/LSC, dated 26 October 2016, on the article 9: Appointment of Member of the Board of Member of Directors Boards s "The members of the board of Member of Directors Boards are appointed by the shareholders' meeting" The term of office of the newly appointed members of the board of the Member of Directors Boards s shall be equal to the remaining period of the term of the ex-board of Member of Directors Boards . On 28 February 2018 the Member of Directors Boards resigned, namely, Ms. Philaiphone Vongpraseuth has resigned from the board of Member of Directors Boards of the company and Board of Member of Directors Boards s' Meeting No. 01/2018 held on 7th February 2018, the meeting have the agenda on approved Mr. Phoukhong Ouanlamany to be the Board of Member of Directors Boards s member which the term of position shall be continued from term of the Board of Member of Directors Boards s member who has resigned.

The Chairman encouraged questions and suggestions from the Meeting.

- Mr. KRAIWAL KADAVANICH, the shareholder from Thailand has a suggestion: Mr. Phoukhong OUANLAMANY mentioned in the agenda 6 for replacing Mr. Sitha Phommachith, should be better and Mr. Sitha Phommachith resigned from the position of the Board of Member of Directors Boards s member to be new CEO. This agenda is mentioned that Mr. Phoukhong OUANLAMANY replace for the vacant positon, which is the same person. It should be written that Mr. Phoukhong OUANLAMANY replaces Mr. Sithat Phommachit who has resigned.

  - ❖ **The Chairman** expressed his sincere thank you for the shared opinion and provided the clarification: Ms. Philaiphone Vongpraseuth hold 2 positions such as the Board of Member of Directors Boards s member and Chief Executive Officer of the company. This means that Mr. Sitha Phommachith replaces for the position of Chief Executive

Officer of the company and Mr. Phoukhong Ouanlamany replaces for the position of the Board of Member of Directors Boards s member.

The Chairman proposed that the meeting to consider and approve the replacement of the board of Member of Directors Boards member who has resigned.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the replacement of the board of Member of Directors Boards member who has resigned with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 572,491,400 votes, equivalent to 99.9997% of the total votes that attended the meeting;**
- **Disapproved: 2.00 Votes, equivalent to 0.0004% of the total votes that attended the meeting.**

Agenda 08: To consider and approve the appointment of the Audit Committee member and Remuneration Committee member

The Chairman, proposed the meeting to consider and approve the appointment of the Audit Committee member and Remuneration Committee member as following details:

Pursuant to Decision on Board of Member of Directors Boards s of Listed Company No. 0024/LSC, dated 26 October 2016, on the article 18: "Member of Audit committees shall consist of members of the board of Member of Directors Boards s who do not assume the post of chief executive officer" Mr. Sitha Phommachith was an Audit Committee member and he will be the chief executive officer so the board of Member of Directors Boards s' meeting agreed to appoint Mr. Phoukhong Ouanlamany to be the Audit Committee member and Mr. Sitha Phommachith to be the Remuneration Committee Member instead of Ms. Philaiphone Vongpraseuth, who has resigned.

The Chairman encouraged questions and suggestions from the Meeting and there was none.

The Chairman proposed that the meeting to consider and approve the appointment of the Audit Committee member and Remuneration Committee member.

Resolution: the meeting has thoroughly considered and the unanimous resolution adopted the appointment of the Audit Committee member and Remuneration Committee member with the votes of more than half of the shareholders attending the meeting as follow:

- **Approved: 572,493,400 votes, equivalent to 100% of the total votes that attended the meeting.**

The Chairman informed the Meeting that all agendas were completely considered and approved and proposed the Shareholders to provide additional comments and suggestions.

There were some additional comments as follows:

- Mr. KRAIWAL KADAVANICH, the shareholder from Thailand has a suggestion:

1. The distributed documents for translation version between Lao and English are kept for the same meaning, but there were minor error about spelling.
2. In the term of English language should not use for LAKm, it should be M.LAK for correction and in line with business terminology.

❖ The Chairman expressed his sincere thank you for all comments which will be applied for the next meeting.

At the end of the Annual General Shareholders' Meeting, the Chairman informed to the Meeting that there was a total of 164 shareholder with 24 being the actual shareholders and 140 proxies at the Meeting, representing 572,493,400 shares or 98.37% of the total paid-up shares of the Company.

The meeting has no additional questions, the Chairman declared the closing of the meeting at 4:00 pm on the same day.

Chairman of the Meeting

Minutes takers