ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ

ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ

LAO CEMENT PUBLIC COMPANY

ບ້ານ ໂພນພະເນົາ ວຽງຈັນ, ສປປລາວ ຕູ້ ປ.ນ 6821, ໂທຣ: (865-21) 451222,451116 ແຟັກ:451117
PHONPHANAO VIENTIANE, LAO P.D.R. P.O.BOX 6821, TEL : (856 - 21) 451222,451116 FAX:451117
E-mail:Lcc@laocement.com,www.laocement.com

No. 046 /LCC

Vientiane Cap., Date: 20 APR 2022

To: All shareholders of Lao Cement Public Company

Subject: The invitation of Annual General Meeting of Shareholders of 2021.

- According to the agreement of the BODs' meeting on 23 March 2022.
- According to the list of shareholders from Lao Securities Exchange.

Lao Cement Public Company (LCC) kindly invited all shareholders of the LCC, to attend the Annual General Meeting of shareholders of the company on 30 April 2022, at 09:00. The registration shall be started from 08:30-09:00 at 8fl of Lao Securities Exchange building, Phonthan village, Saysetha District, Vientiane Capital, Lao PDR. This meeting shall consider and approve each agenda (see attached file).

LCC shall notify Lao Securities Exchange in order to use the Record date on 1 April 2022 for the right of shareholders to participate in the AGM of 2021. Thus, the LCC shall define the recorded date based on the approval on that date from Lao Securities Exchange.

The Shareholders of LCC shall receive the invitation letter for attending the AGM (barcode) with the relevant agendas at Lao Securities Exchange building.

Thus, we hope that all of shareholders shall consider attending the AGM.

Sincerely yours,

Chair of BODs
Lao Cement Public Company

ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ
Lao Cement Public Company

Yangchunyin

Shareholders' Meeting for the year 2021

of Lao Cement Public Company

Lao Cement Public Company , Dated_____

Attachments

1. Agenda for LCC's Annual General Shareholders' Meeting for the year 2021.
2. Minutes of Annual General Shareholders' Meeting for the year 2020
3. Business Performance Report of LCC for the year 2021.
4. The audited financial statement of the year 2021 and no dividend payment of the year 2021 due to the loss of LCC.
5. The Rehabilitation plan of Lao Cement Public Company
6. Proxy form.
7. Map of the meeting venue for the year 2021.

Remark:

1. All shareholders shall obtain the invitation letter and all attachments started from 20nd April 2022 at Settlement and Depositary Department, 4th floor of Lao Securities Exchange Build, Phonthan Neua Village, T4 Road, Saysettha District, Vientiane Capital. Tel: (856-21) 454361, Fax: (856-21) 454361-4.
2. The shareholders who shall attend the meeting are required to bring the ID card or passport (for foreign shareholders) to identify himself/herself to attend the meeting.
3. The shareholders, who determine someone to attend the meeting and vote in the meeting, have to correctly and completely fill and sign the Proxy Form as attached as **Attachment 6.**
4. The proxy who will attend the meeting must present documents or evidences to identify himself/herself to attend the meeting, according to the detail specific in this document, and submit to the Chairman and/or a person authorized by the Chairman then the proxy could attend the meeting.
5. In case of the shareholders wish to appoint the directors of the company to attend the meeting and vote on your behalf, please complete the Proxy Form and put a mark (✓) to choose one of directors of the company to be your representative and submit the Proxy Form including supporting documents to Lao Cement Public Company, 1st floor, the Company Secretary Office, PHONPHANAO Village, Saysettha District, Vientiane Cpaital, Lao PDR, P.O Box 6821 and please deliver to the company before 29th April 2022.
6. If you have any queries and questions related to the Proxy appointment, please contact to Ms Khammy (856-20) 55966610 and Mr. Zhao Bingbin (856-20) 56011786, during the office hours.

Vote Instruction

1. The attendees will be given the ballot for voting in each agenda requiring a vote at the time of registration. For the case of proxy in which the voting in each agenda has been clearly specified by the shareholder in the Proxy, LCC will record such voted at the time of the registration and the proxy will not be required to vote.
2. Only the shareholders who DO NOT AGREE with the matters proposed by the meeting are invited to vote (meaning that those who agree with such appointment are not necessary to make any vote).
3. To vote, please kindly fill in the distributed ballot which must clearly specify about your name and surname, total number of LCC shares you holding and mark a cross in the Disapprove box.
4. After you have clearly casted your vote, please kindly raise your hand with the ballot in order for organizers are be able to take the ballot and count the votes.
5. You will be informed about the voting result right in the meeting which one share quals one vote.
6. The disapproval votes will be effective only in the case such votes account for more than half of the total number of LCC shares attending the meeting which have been specify in the article 143 of Enterprise Law.

Appendix 01

The agenda of Annual General Meeting of shareholders of Lao Cement Public Company for year 2021

- **Agenda 01**: The implementation of the previous resolution of AGM.

I. AGM 2019

1. Related to the agenda of 1, 2, 3, 4, 5, 6, 7 were implemented based on the resolutions of the previous AGM.

BODs comment:

The shareholders shall only acknowledge the report on the implementation of the previous resolution of AGM that has not required the voting.

- **Agenda 02**: To consider and approve the minute of AGM of 2020

Content:

The AGM of 2020 shall be held on 30 April 2021 that has recorded the meeting based on the detail on Appendix 02.

BODs comment:

The minute of the AGM is accurate and completed by the agreement on the AGM of 2020 on 30 April 2021.

The voting right:

According to the Enterprise Law on the method of voting right for consideration on the minute of the Shareholders' meeting shall have more than half of the voting share of participants.

- **Agenda 03**: To consider and approve the business performance of year 2021.

Content:

The report on business performance of year 2020 that was reported on the BODs' meeting on 23 March 2022, which has a detailed content on Appendix 03.

BODs comment:

The BODs of the company have carefully proposed to the AGM for consideration and approval for the business performance of year 2021.

The voting right:

According to the Enterprise Law on the method of voting right for consideration on the minute of the Shareholders' meeting shall have more than half of the voting share of participants.

Agenda 04: To Consider and approve the audited financial statement of the year 2021 and no dividend payment of the year 2021 due to the loss of LCC..

Content:

The external auditor or Ernst and Young, which is attached on Appendix 04, shall audit the Financial Statement of year 2021. This financial statement was reported on the BODs' meeting on 23 March 2022 and disclosed on LSX' website.

BODs comment:

The BODs of the company have carefully proposed to the AGM for consideration and approval on the business performance of 2021 and no dividend payment for year 2021

The voting right:

According to the Enterprise Law on the method of voting right for consideration on the minute of the Shareholders' meeting shall have more than half of the voting share of participants.

Agenda 05: To Consider and approve the Rehabilitation plan of Lao Cement Public Company

Content:

The Rehabilitation plan of Lao Cement Public Company on Appendix 05, on the BODs' meeting on 23 March 2022 and disclosed on LSX' website.

BODs comment:

The BODs of the company have carefully proposed to the AGM for consideration and approval on the Rehabilitation plan of Lao Cement Public Company

The voting right:

According to the Enterprise Law on the method of voting right for consideration on the minute of the Shareholders' meeting shall have more than half of the voting share of participants.

Attachment 2:

The Minutes of the Annual General Shareholders' meeting of Lao Cement Public Company of 2020

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
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ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ

LAO CEMENT PUBLIC COMPANY

ບ້ານ ໂພນພະເນົາ ວຽງຈັນ, ສປປລາວ ຕູ້ ປ.ນ 6821, ໂທຣ: (865-21) 451222,451116 ແຟັກ:451117
PHONPHANAO VIENTIANE, LAO P.D.R. P.O.BOX 6821, TEL : (856 - 21) 451222,451116 FAX:451117
E-mail:Lcc@laocement.com,www.laocement.com

No 037 / LCC

Vientiane capital, dated 04 APR 2021

The Minutes of the Annual General Shareholders' meeting of Lao Cement public Company for the year 2020

The meeting took place on April 30, 2021 at :9:00 at 8th Floor, Lao Securities Exchange Building at Phonthanneua Village, Saysettha District, Vientiane capital, chaired by Mr. Zhang li, Directors LCC. The meeting saw the attendance of 20 persons, of which number of shareholders personally attended the meeting is 8 people and by proxy is 12 people, representing 35,591,000 shares, equivalent to 89 percent of the Company's total shares, which was eligible to hold the meeting as stipulated by the provisions of laws and Company's regulations.

I. The secretariat of the meeting welcomed guests and instructed the participants of the meeting as follows:o

- Shareholders' Meeting participant from Kunming (Online) :

1. Mr Yang CHUNYIN	Position: Chairman of the Board of Directors LCC, General Director of the Yunnan International Company (CYC)
2. Mr Ou YANGJIYONG	Position: Vice Chairman of the Board of Directors LCC, Deputy Director of the Yunnan International Company (CYC)
3. Mr. Xiao JIE	Position: Independent Board members LCC
4. Mr. Li CHUNBO	Position: Independent Board members LCC

- Shareholders' Meeting participant from Vientiane Capital had comments :

1. Mr. Vanhthong SITTHIKOUN	Position: Vice Chairman of Board of Directors LCC, General Director of State-owned Enterprise DAI
2. Mr. Khambon XAYLAOVONG	Position: Member of the Board of Directors LCC , Deputy Director of State-owned Enterprise DAI

3. Mr. Zang LI Position: Member of the Board of Directors, Director LCC,

4. Mr. Vichit SOUVANNALATH Position: Member of the Board of Directors, Deputy Director LCC

5. Mr. Jieyao QI Position:Member of the Board of Directors, Deputy Director LCC

6. Mr. Vongvichit KEOVONGKOD Position: Independent Board members LCC

7. Mr. Linly Position: Directors of Lao China Securities Company Limited

8. Mr. Thongponh KINGKHAMPHET Position: Deputy Director of State-owned Enterprise DAI

9. Mrs. Vannaphone SOUNANTHA Position: Specialist of Securities Distribution Management Board at the Headquarters LSC.

10.Mrs. Anouvanh THAMMAVONG Position: Specialist of Securities Distribution Management Board at the Headquarters LSC.

11. Mr. Ekkaxay MANYVONG Position: Specialist of Registration and Information Disclosure Department LSX.

12.Mr. Sinthanou SOMFONGBOUTAKHAN Position: Deputy of management board – organization representing for small shareholder.

II. Proposing voting rules and procedures at the meeting as follows:

1. Regarding the voting:

1) A shareholder shall have vote equal with total number of shares held, one share represents for one vote.

2) During the voting, the shareholder must combine information included to use the voting card delivered, in which must specify the relevant information including his full name, number of shares of Lao Cement Public Company held by him mark the cross on the disapproval space.

3) Where one shareholder does not agree, mark the cross for disapproval opinion in the voting card, raise that card for the officer to check such voting card. If the shareholder does not raise the card, it is deemed that he agree with the proposal of the meeting, except for shareholders who are marked badges in the authorization letter, the company will record such disapproval vote.

4) For shareholders delegating their representative to attend the meeting, the representative shall vote according to the demands of the shareholder making that authorization.

2. Counting and notification of voting results:

1) The shareholder will be informed of the counting of voting results right at the meeting, the counting the number of votes will carry out on the basis of one share is equal to one vote.

2) The voting against will be valid when there are over a half of the votes compared to total number of shares of Lao Cement Public Company in the meeting as specified in Article 143 of the Enterprise Law.

3) The counting of the results of each voting session will count the votes of the shareholders present in the meeting and shareholders delegating for the representative recorded by the company before attending the meeting and voting in each session.

4) Mr. Sinthanou SOMFONGBOUTAKHAN, the meeting's voting observer will announce the voting results in each session to the meeting, after the voting is completed, he will divide the number of votes for and against: numbers of each type and its corresponding percentage.

5) For shareholders giving a disapproval vote after the voting supervisor informed the voting result in each session in which the voting is ended, the company will not count such vote.

According to the relevant laws and regulations, in this meeting, the observer shall not ask questions during the procedure of the meeting, only the shareholders may ask questions and give opinion at each session.

III. Proposals at the sessions of the meeting

- Agenda 1: The Meeting heard the report on the implementation of the resolutions adopted in the previous Meeting.
- Agenda 2: To consider and approve the Minutes of Annual General Shareholders' Meeting for the year 2019.
- Agenda 3: To Consider and approve the minutes of 1st Extraordinary General Shareholders' Meeting of the year 2020
- Agenda 4**:** To consider and approve the business performance of the LCC for year 2020.
- Agenda 5: To Consider and approve the audited financial statement of the year 2020 and no dividend payment of the year 2020 due to the loss of LCC.

- Agenda **6**: : To Consider and approve to appoint External Auditor for the year 2021

Meanwhile, Mr. Zhangli, Chairman of the meeting, started the Annual General Meeting of Shareholders of 2020 by assigning the relevant person to report on each session, details are as follows:

- **Agenda 1: The Meeting heard the report on the implementation of the resolutions adopted in the previous Meeting**

The Company's Deputy Director (Mr. Vichit SOUVANNALATH) reported the resolution of the previous annual general meeting of shareholders to shareholders, Chairman of the Meeting gave the opportunity for shareholders to give their opinions but shareholders did not raise any questions, this session had no voting, only reported to shareholders.

- **Agenda 2: To consider and approve the minute of Annual General Shareholders' meeting of Lao Cement Public Company for the year 2019**

The Company's Deputy Director (Mr. Vichit SOUVANNALATH) reported the resolution of the previous annual general meeting of shareholders of 2019 to the shareholders, details in the attached document 02, which was attached to the invitation letter and publicized on the website of the securities market and the meeting of the Board of Directors LCC was also certified to be correct, then approving the proposal for the shareholders' meeting to examine and and certify. Therefore, Chairman of the meeting gave the opportunity for shareholders give their opinions, but the shareholders did not have any question.

The meeting has the resolve with the vote of approval 35,591,000 votes, equivalent to 100% of the total votes attending the meeting, and the disapproval 0 vote, equivalent to 0% of the total votes attending the meeting

- **Agenda 3: To Consider and approve the minutes of 1st Extraordinary General Shareholders' Meeting of the year 2020**

The Company's Deputy Director (Mr. Vichit SOUVANNALATH) reported the resolution of the previous of 1st Extraordinary general meeting of shareholders of 2020 to the shareholders, details in the attached document 03, which was attached to the invitation letter and publicized on the website of the securities market and the meeting of the Board of Directors LCC was also certified to be correct, then approving the proposal for the shareholders' meeting to examine and and certify. Therefore, Chairman of the meeting gave the opportunity for shareholders give their opinions, but the shareholders did not have any question.

The meeting has the resolve with the vote of approval 35,591,000 votes, equivalent to 100% of the total votes attending the meeting, and the disapproval 0 vote, equivalent to 0% of the total votes attending the meeting.

Agenda 4: To consider and approve the Business performance of 2020

Mr Zhang Li, CEO of LCC reported on the business performance of 2020 of the company (see more detail on appendix 04), which enclosed within the invitation letter for Shareholder's meeting, and officially disclosed on the Lao Securities Exchange website by the agreement of the BODs' meeting of LCC. Therefore, this agenda shall be proposed by the shareholders meeting for consideration and approval. The Chairman of the meeting opened the stage for the comments but the shareholders did not have any question.

The meeting has the resolve with the vote of approval 35,591,000 votes, equivalent to 100% of the total votes attending the meeting, and the disapproval 0 vote, equivalent to 0% of the total votes attending the meeting

Agenda 5: : To Consider and approve the audited financial statement of the year 2020 and

no dividend payment of the year 2020 due to the loss of LCC.

Mr. Zhang Yong Fu, Chief of Accounting and Finance department, proposed to the meeting for consideration and approve regarding the Financial statement of 2020 and no dividend payment of the year 2020 due to the loss of LCC.(see more detail on appendix 05), which enclosed within the invitation letter for Shareholder's meeting, and officially disclosed on the Lao Securities Exchange website by the agreement of the BODs' meeting of LCC. Therefore, this agenda shall be proposed by the shareholders meeting for consideration and approval. Thus, The Chairman of the meeting opened the stage for the comments.

Mr. Li Lin, a shareholder of the LCC asked to the meeting that according to the working capital of the LCC nowadays, could the LCC business normally operate?

Mr. Chang Yong Fu, Head of Accounting and Finance department answered to the meeting that the working capital of the LCC nowadays could operate the LCC business as normal. No further questions from other shareholders.

The meeting has the resolve with the vote of approval 35,591,000 votes, equivalent to 100% of the total votes attending the meeting, and the disapproval 0 vote, equivalent to 0% of the total votes attending the meeting.

Agenda 6: To Consider and approve to appoint External Auditor for the year 2021

Mr. Zhang Yong Fu, Chief of Accounting and Finance department, proposed to the meeting for consideration and approve to appoint External Auditor for the year 2021 of the company (see more detail on appendix 06), which enclosed within the invitation letter for Shareholder's meeting, and officially disclosed on the Lao Securities Exchange website by the agreement of the BODs' meeting of LCC. Therefore, this agenda shall be considered and approved by the shareholders' meeting. Thus, the Chairman of the meeting opened the stage for the comments but the shareholders did not have any question.

The meeting has the resolve with the vote of approval 35,591,000 votes, equivalent to 100% of the total votes attending the meeting, and the disapproval 0 vote, equivalent to 0% of the total votes attending the meeting.

Through the report, the meeting of shareholders had a total of 6 sessions of which 1 sessions did not vote and was successful.

Accordingly, Chairman of the meeting sent wishes to the shareholders, the Board of Directors and the guests, and the meeting was closed at 11:30 on the same day.

Chairman of the meeting **Prepared by**

ZHANG LI

Note: This minutes shall use the document in Lao language as the original.

Appendix 03

Lao Cement Public Company
Business Performance of 2021

I. Background

Lao Cement Public Company (LCC) is shifted from Lao Cement Co., Ltd. established in 1998 as a joint venture between Nhun Nan International Economic and Technical Cooperation Company (CYC) of People's Republic of China and State-owned Agriculture, Industry and Import-Export Service Development Company (DAI) of Lao PDR with the respective ownership rate of 60% (CYC) and 40% (DAI); the initial registered capital of US$ 1,100,000. Its main purpose is to build a cement factory financed by the Chinese Government. The Governmental loan was 269,612,040 yuan or US$ 32,561,841 at that time. By the end of 2014, the company repaid all principal and interest of this loan.

The company started to build Vang Vieng cement factory 2 on December 26, 1999 which officially started production on March 22, 2002 and has continued to produce and consume Ca Thing Thong cement according to American standards ASTM-C-150, GB-175: 2007 standards of People's Republic of China. There are 03 types of cement: Ca Thing Thong (Golden Bull brand) red cement, Ca Thing Thong (Golden Bull brand) blue cement and Ca Thing Thong (Golden Bull brand) green cement. Cement is all manufactured from domestic materials such as limestone, clay, sand, plaster and coal.

In 2013, the Government of Lao PDR adjusted the share ratio of the Company: 51% of Nhun Nan Yunnan International Economic and Technical Cooperation Company (CYC) and 49% of State-owned Agriculture, Industry and Import-Export Service Development Company (DAI). So far after being shifted into a public company and registered on the Lao stock market on March 02, 2018, the share ratio has been 35.6964% (CYC), 34.2966% (DAI), 0.007% (Founding shareholders) and 30% (the public).

II. Information of the Company

- Company name: Lao Cement Public Company
- Head office: Phonphanao Village, Xayxetha district, Vientiane Capital

- Tel: 021 451116, Fax: 021 451117
- Website: WWW.LAOCEMENT.COM
- Factory: Vang Vieng II Cement Factory
- Address: Khanmac Village, VangVieng District, Vientiane Province
- Tel: 023 511245 , Fax: 023 511247
- Design production capacity: 200,000 tons/year
- Registered capital: LAK 14,001,400,000

III. Vision, goal and mission:

1. Vision:

   Building a safe and environment-friendly production company, paying attention to quality, fairly cooperating with partners, maintaining mutual benefits and sustainable industrial development.

2. Mission:

   * Provide high- quality cement according to the prescribed standards, create trust for consumers.

   * Make customers satisfied about service.

   * Reduce production and consumption costs, increase business efficiency.

   * Develop technical and industrial personnel of the company to become experts in the future.

   * Improve the internal management efficiency according to international standards ISO: 9001: 2015

IV. Business operations of 2021 of Lao Cement Public company

In 2021, The Lao Cement Public Company (LCC) has been dealing with the Covid19 pandemic and, with the support from the Board of directors of LCC. The company manages business well since the suspension of the cement production by asserting a new solution with the new capital contribution and rehabilitations plan for the company as follow:

1. The new capital contributions of the company: the major shareholders tried to find a new investor who was required to acquire the company and the new investor had the agreement to acquire 1st and 3rd major shareholders of the company, which are International Yunnan Company and Lao-China Securities Company. Currently, there is a process to have consensus from related parties, especially Lao and the Chinese Government.
2. Account receivable is a priority task: the company has reduced account receivable with 15 entities, with the collecting account receivable of 14,184 billion kip of this year, the remaining account receivable of 17,572 billion kip.
3. The settlement of the account payable default and the risks of lawsuit

3.1. In the end of February 2022, the company had paid 30% of the pensions for the employees exit by 2 terms and signed the employees exit pension plan between the major shareholders and related pirates of government.
3.2. At the end of February 2022, the company had the bank loan.
3.3. The company solved the trade payable with the suppliers and logistic companies in the basic manners.

4. The company held the BODs meeting 4 times, Shareholders' meeting 1 time, which completed considerations and approval for the necessary works of the company such as the new capital contributions of the company, disclosure and reporting obligations that the company had allowed by the Lao Securities Commission Office and Lao Securities Exchange to remain listing status of the company on the LSX for 5 years in order to conduct the new capital contributions of the company.
5. According to the instructions of the BODs, the company had the settlement of the inventories to reduce the expenses of labor of the company.
6. The company implemented strict measures against the Covid19 pandemic, the outstanding employees mostly had 3rd vaccination without getting diseases. The factory has increased the preventions, adjusted the security of militaries to ensure the safety of lives and assets.

V. The implementation of 2022

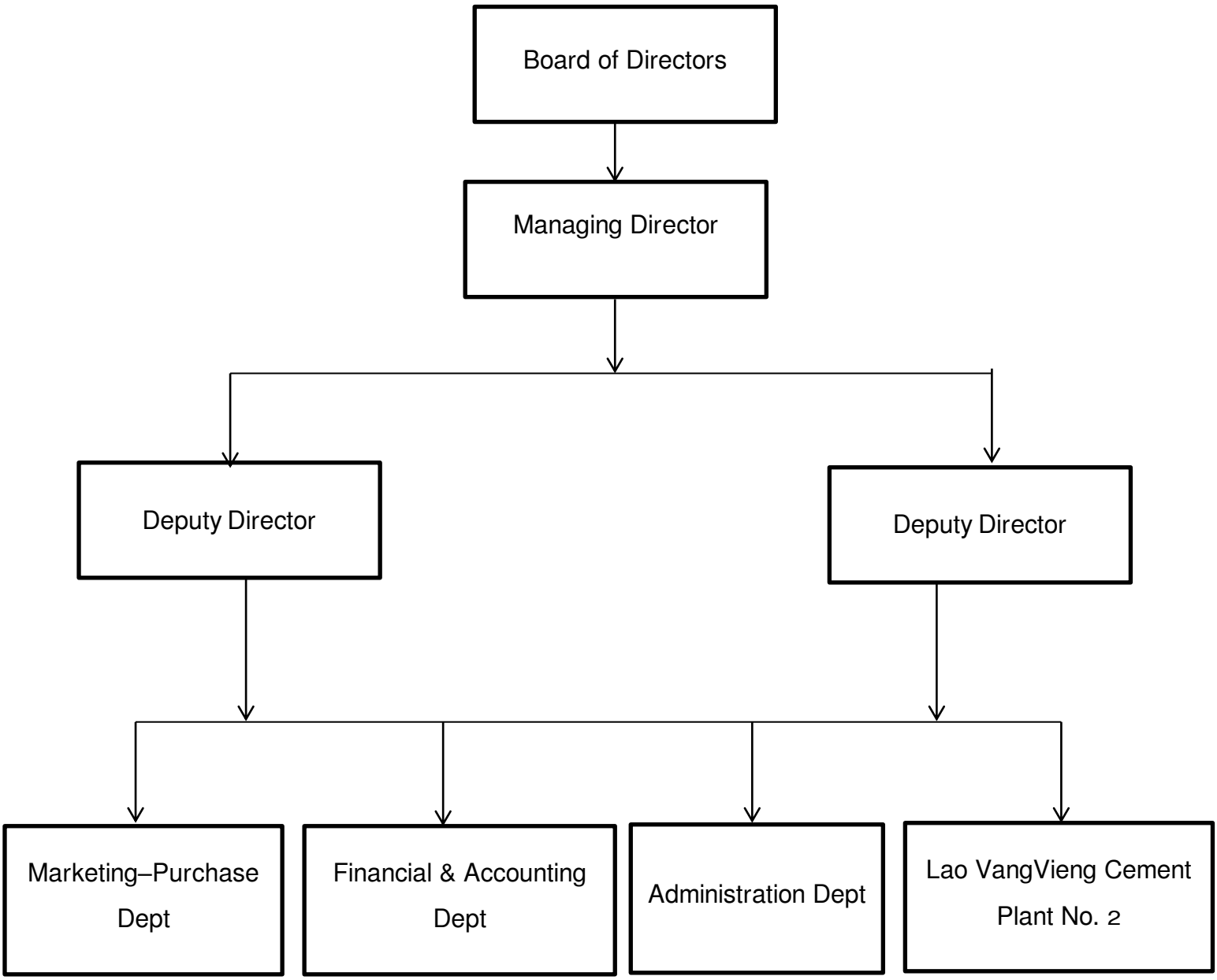
1. To continue the settlement and collecting account receivables, enhancing the methods of collecting account receivables, repayment of banks, staff's compensations payment, reducing risks for sues and other conflicts.
2. To collaborate with shareholders, report and discuss the issues with related parties of the government, and try to encourage and implement the stock contribution and rehabilitation plan of the company.
3. To secure the safety and Covid19 prevention efficiency.

VI. Organizational structure

- Organizational structure :

The organizational structure of Lao Cement Public Company consists of a Board of Directors of 10 people (including 3 independent members), a Board of Management of 3 people and 03 departments.

Organization of LCC Public Company



Board of Directors of LCC



Mr Yang chunying

Chairman of board



Mr Vanhthong SITTHIKOUN

Vice Chairman of board



Mr Ou yang ji yong

Vice Chairman of board



Mr Zhang LI

Member of board



Mr Khambon XAYLAOVONG

Member of board



Mr Vichit SOUVANHNALATH

Member of board



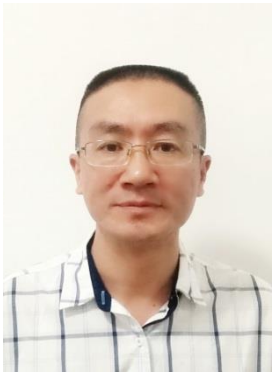
Mr Jie YAOQI

Member of board



Mr Xiao JIE

Independent Board of Director



Mr Li CHUNBO

Independent Board of Director



Mr Vongvichit KEOVONGKOD

Independent Board of Director

Managing Directors of LCC



Mr Zhang LI

Director (CEO)



Mr Vichit SOUVANHNALATH

Deputy Director (CFO)



Mr Jie YAOQI

Deputy Director (COO)

Reported by

Zhang Li

Appendix 04

Financial Report of
the Lao Cement Public Company for year 2021

Financial Report of
the Lao Cement Public Company for year 2021

I. Business Performance of 2021

The Lao Cement Public Company has suspended the cement production which, could not receive main revenue in year 2021 and made a loss of 21,592,705,664 kip as follow:

1. The expenditures of the company was 12,587,600,696 kip including depreciation of property was 6,041,190,590 kip, change in provisions of inventories was 4,382,638,682 kip, labor was 808,242,389 kip, utilities were 182,113,576 kip, others were 1,173,415,459 kip.
2. The Trade Receivable was 3,406,151,417 kip.
3. The Administrative expenses were 4,856,312,762 kip including labor expense was 3,445,419,539 kip, other expense for travel, operation, and Brokerage Company were 1,410,893,223 kip.
4. The revenue from profit was 1,005,65 kip, financial cost was 891,203,554 kip including bank-loan interest of Lao-China Bank was 323,888,888 kip, impact of exchange rate fluctuation was 567,314,666 kip.

II. Financial status of 2021

Items	Kip	USD	Item	Kip	USD
Account and cash	351,792,791	31,455	Borrowings	2,000,000,000	178,827
Inventories	20,801,679,743	1,859,950	Trade payable	8,093,154,143	723,637
Trade receivable	12,239,495,443	1,094,375	Payable to employees	9,494,267,488	848,915
Other receivable	38,921,847	3,480	Tax payable	5,210,837,226	465,919
Other current assets	18,000,000	1,609	Other payables	14,320,721,709	1,280,465
Total current assets	**33,449,889,824**	**2,990,870**	**Total liabilities**	**39,118,980,566**	**3,497,763**
Total non-current assets	**16,896,473,008**	**1,510,772**	**Total equity**	**11,227,382,266**	**1,003,879**
Total assets	**50,346,362,832**	**4,501,642**	**Total liabilities and equity**	**50,346,362,832**	**4,501,642**

More detail in the audited financial statement of 31/12/2021, exchange rate was 1$= 11.184 kip

In the end of 2021, the company has total assets was 50,346,362,832 kip that reduced 39% compared to the previous year with the main reasons were collecting trade receivable and inventories, In 2021 the company had net trade-receivable was 12,239,495,443 kip that inclined 59% compared to 2020 with the main reasons for deduction of liabilities was collecting trade receivable from the Kom Electricities dam, Hongzue company and others.

The trade payable was 39,118,980,566 kip that reduced 21% compared to the 2020 with the main reasons of loan-payable, payable to employees, coal and transportations, the total equity was 11,227,382,266 kip that reduced 66% when compared to previous year with the main reasons of cement-production suspension.

The end of 2021, the D/E ratio increased 77.7% when compared to previous year with the reason for payable to employees.

Ⅲ. Equity of company

At 31/12/2021, the company has bank account and cash of 351,792,791 kip.

2021, company faced the difficulties of Covid-19 pandemic that collected trade receivable was 14.2 billion kip, loan payable of Lao-China bank was 6 billion kip, coals was 3.6 billion kip, 20% of total payable to employees was 2.2 billion kip.

Loan payable to companies with amount of 2 billion kip was completed in Q1 of 2022 and there is no any bank loan.

IV. Dividend plan

In 2021, the company has suspended the cement-production and accumulates loss from the operations that made no profit for the shareholders. Therefore, the company shall not pay the dividend for year 2021.

V. Implementation plan for 2022

1. To allocate the appropriated capital of company, manage the fund using, implement the payable to employees, maintain the business normally.

2. To implement the financial reporting and disclosure during the suspension of the production.

3. To implement the asset valuations of the company for the capital contribution of the new company.

The financial report has finished that propose to all shareholders for considerations and approval.

Reported by
Zang Yong Fu
31 March 2022

Lao Cement Public Company

BALANCE SHEET
as at 31 December 2021

	Notes	31 December 2021 LAK	31 December 2020 (Restated) LAK
ASSETS			
Non-current assets			
Property, plant and equipment	4	9,534,834,962	15,738,565,771
Construction in progress	5	6,822,689,571	6,820,639,571
Intangible assets		328,548,475	328,548,475
Other non-current assets	6	210,400,000	241,960,000
Total non-current assets		**16,896,473,008**	**23,129,713,817**
Current assets			
Other current assets	7	18,000,000	190,460,000
Inventories	8	20,801,679,743	25,590,188,553
Other receivables	9	38,921,847	121,947,501
Trade receivables	10	12,239,495,443	29,609,461,429
Cash	11	351,792,791	3,416,095,713
Total current assets		**33,449,889,824**	**58,928,153,196**
TOTAL ASSETS		**50,346,362,832**	**82,057,867,013**
LIABILITIES AND EQUITY			
Current liabilities			
Borrowings	12	2,000,000,000	8,000,000,000
Trade payables		2,211,807,006	4,751,971,174
Advance from customers		152,773,000	152,773,000
Amounts due to related parties	25	5,728,574,137	5,834,035,151
Statutory obligations	13	5,210,837,226	5,170,698,904
Payables to employees		9,494,267,488	11,682,408,305
Other payables	14	14,320,721,709	13,645,892,550
Total current liabilities		**39,118,980,566**	**49,237,779,084**
TOTAL LIABILITIES		**39,118,980,566**	**49,237,779,084**
Equity			
Contributed capital	15	20,002,000,000	20,002,000,000
Share premium		18,385,975,511	18,385,975,511
Legal reserve		7,704,052,546	7,704,052,546
Plant expansion reserve		18,549,465,596	18,549,465,596
Accumulated losses		(53,414,111,387)	(31,821,405,723)
Total equity		**11,227,382,266**	**32,820,087,930**
TOTAL LIABILITIES AND EQUITY		**50,346,362,832**	**82,057,867,014**

Zhang Li
General Director

Visay Douang Savath
Deputy Head of Accounting & Finance

Vientiane, Lao PDR
14 April 2022

Lao Cement Public Company

INCOME STATEMENT
for the year ended 31 December 2021

	Notes	2021 LAK	2020 (restated) LAK
Revenue from sale of goods	16	-	26,342,629,966
Cost of goods sold	17	-	(50,100,648,288)
Gross loss		**-**	**(23,758,018,322)**
Other operating income	18	147,557,115	355,106,778
Other operating expenses	19	(12,587,600,696)	-
Provision for doubtful accounts		(3,406,151,417)	(508,273,554)
Selling and distribution costs	20	-	(1,552,507,710)
Administrative expenses	21	(4,856,312,762)	(9,553,883,985)
Operating loss		**(20,702,507,760)**	**(35,017,576,793)**
Finance income	22	1,005,650	10,372,529
Finance costs	23	(891,203,554)	(990,187,011)
Loss before tax		**(21,592,705,664)**	**(35,997,391,275)**
Profit tax expenses	24	-	-
Net loss after tax for the year		**(21,592,705,664)**	**(35,997,391,275)**

Zhang Li
General Director

Visay Douang Savath
Deputy Head of Accounting & Finance

Vientiane, Lao PDR

14 April 2022

Lao Cement Public Company

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Contributed legal capital LAK	*Share premium LAK*	*Legal reserve LAK*	*Plant expansion reserve LAK*	*Retained earnings/ (accumulated losses) LAK*	*Total LAK*
As at 1 January 2020	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	4,175,985,552	68,817,479,205
Net loss for the year (Restated)	-	-	-	-	(35,997,391,275)	(35,997,391,274)
As at 31 December 2020 (Restated)	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(31,821,405,723)**	**32,820,087,930**
As at 1 January 2021 (restated)	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(31,821,405,723)	32,820,087,930
Net loss for the year	-	-	-	-	(21,592,705,664)	(21,592,705,664)
As at 31 December 2021	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(53,414,111,387)**	**11,227,382,266**

Zhang Li
General Director

Visay Douang Savath
Deputy Head of Accounting & Finance

Vientiane, Lao PDR

14 April 2022

Lao Cement Public Company

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

	Notes	2021 LAK	2020 Restated LAK
OPERATING ACTIVITIES			
Loss before tax		**(21,592,705,664)**	**(35,997,391,275)**
Adjustments for:			
Depreciation of property, plant and equipment	4	6,203,730,809	8,245,904,324
Provisions for inventories		4,382,638,682	350,743,333
Provisions for doubtful accounts		3,406,151,417	508,273,554
Net foreign exchange loss		329,130,295	69,075,908
Profit from investing activities		(1,005,650)	(10,372,529)
Interest expenses	23	323,888,888	921,111,103
Working capital adjustments:			
Decrease/(increase) in trade and other receivables, including amount due from related parties		14,250,860,222	19,349,317,567
Decrease in inventories		405,870,128	13,226,474,364
(Decrease)/increase in trade and other payables, including amount due to related parties		(4,192,522,218)	(7,939,582,676)
Loan interest paid		(341,111,110)	(914,444,437)
Net cash flows used in operating activities		**3,174,925,799**	**(2,190,890,764)**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		(2,050,000)	(445,429,814)
Interest received		1,005,650	10,372,529
Net cash flows (used in)/from investing activities		**(1,044,350)**	**(435,057,285)**
FINANCING ACTIVITIES			
Issuance of shares		-	-
Dividend paid		-	-
Proceed from bank borrowings		-	8,000,000,000
Repayment of bank borrowings		(6,000,000,000)	(8,000,000,000)
Net cash flows from financing activities		**(6,000,000,000)**	**-**
Net decreased in cash		(2,826,118,551)	(2,625,948,049)
Cash at the beginning of the year		3,416,095,713	6,042,043,762
Forex		(238,184,371)	-
Cash at the end of the year	**11**	**351,792,791**	**3,416,095,713**

Zhang Li
General Director

Visay Douang Savath
Deputy Head of Accounting & Finance

Vientiane, Lao PDR

14 April 2022

Attachment 5:

(Draft)
Rehabilitation plan of Lao Cement Public Company

- According to the Agreement on the Committee for Lao Cement Public Company Rehabilitation plan, no 1731/MOD, dated 22 March 2021.

I. Purpose and Expectation:

- The purpose of making the rehabilitation plan of Lao Cement Public Company (LCC) is to collect the recommendations from relevant commissioners of related parties to define the potential instructions for the LCC to deal with the crisis by improvement and rehabilitation of the company in the near future.
- To be the instructions of implementation plan for the Lao Cement Public Company regarding the related rules and laws in Lao PDR, and also assist the LCC could be a listed company on the Lao Securities Exchange.
- To create the basic conditions and environment by supporting, attracting a new investor who is only an interested company that would like to develop the business of LCC in order to ensure the appropriateness of investment sectors including the avoidance of the company bankruptcy.

II. Background Information of company:

1. The Investment and holding shares: the Lao Cement Public Company (Lao Cement Factory II, hereinafter: LCC), registered and established in 1998. The company is a joint venture between the Chinese Yunnan Company (CYC) and the Development Agriculture Industry (DAI), at the initial stage the ratio of shareholders was CYC hold 60% and DAI hold 40%, by using the loans from Chinese government with amount of 200 million Yuan. The factory II was completed and operated in March 2002, the capacity of cement production was 200,000 ton/year, the line production was the dried oven that was the first industry in Lao PDR. On 1st January 2013, there was the amended contract of the Lao Cement Company with the Lao government by changing the shareholdings such as: CYC holds 14,280,000 shares or equivalent to 35,6964%, and DAI holds 13,720,000 shares or equivalent to 34,2966%, Lao-China Securities Company holds 7,547,800 shares or equivalent to 18,8676%, the minority shareholders hold 4,456,200 shares or equivalent to 11,1394%. Total investment value is 36,241,513 USD

2. Organization Structure and Personal:

- The Board of Directors: 10 members (6 Chineses and 4 Laotian) consist of:

1) Mr Yang chun Yin Chairman
2) Mr Vanhthong Sithikoun Vice-Chairman
3) Mr. Ou Yang ji Yong Vice-Chairman
4) Mr. Zang Li Member
5) Mr. Jie Yao qi Member
6) Mr. xieo Je Independent Director
7) Mr. Li chun Bo Independent Director
8) Mr. Khambon Xaylaovong Member

9) Mr. Vichit Souvanhnalath Member
10) Mr. Vongvichit Keovongkot Independent Director

- Board of Managements: 3 persons (2 Chinese and 1 Laotian) consist of:
  1) Mr. Zang Li Managindg Director
  2) Mr. Vichit Souvanhnalath Deputy Managing Director
  3) Mr. Jie Yao qi Deputy Managing Director

- Number of employees:

- As of 31 July 2020, the company has 276 employees with 10 Chinese and 266 Laotian.
- Employees mostly offered to resign from the company from 1 August 2020, and the company remains the 18 employees to manage jobs. The remaining employees have stopped the work and are waiting for the provisions for employees' resignation.

3. **Production and Operations:** the cement factory II (LCC) brough law materials from own mining especially cement stone, white clay, red clay, mountain sand, but the anthracite and glue stone were from outsources. The cement product of the company uses a cycle oven with a clinker of 700 ton daily. The capacity of production was 200,000 ton per year. The main production is Portland cement with gold bull by I level and mixed cement of gold bull production with P-32.5 of ASTM standard, Lao standard and Chinese standard (GB).

   Since the establishment of the cement factory II, Lao and China shareholders have had decent collaborations with the well-known quality of products. Moreover, the company has social responsibilities especially the environmental protections, royalties and helping society. The gold bull cement production is a famous brand in the market, its company was the first that international organization acknowledged the ISO 9001:2015 of the company. The gold bull cement production was used in the constructions of the Ministry Office, National Assembly, National stadium, Lanexang avenue, Donchan hotel, Hin Heub bridge, dams, and other small projects. Apart from that, the company had chosen to be the main supplier for Lao-China railway and Vientiane-Vangvieng tollway in Lao PDR. Prior to 2019, the company had profit continuously with a good economy and fabulous society. The company has obligations for society such as: taxes payment, increasing the labor jobs for provincials, donations for provincial organizations, remaining army relationships, helping schools, hospitals, road repair and others. Significantly, the company had been rewarded by the Lao and Chinese government in several years, and was a typical business for the collaborations of technique and economy of Lao and China.

   In 2014, the company paid all the loans for factory establishment with principal and interest to the Bank of Lao PDR by the time.

   During 2003-2019, the company could produced and distributed the cement with total amount of 4,008,800 ton that earned income with total amount of 2.346 billion kip and made a profit with 101 billion kip, paid tax with amount of 194 billion kip and social responsibilities with amount of 2,62 billion kip.

4. **The concession right for mining:** the company had the concession rights and mining as follow:
   - Concession rights for cement stone mining at Bua crif, Nakhoun village, Vangvieng District with 51 ha.

- Concession rights for clay mining at Nathong village, Vangvieng District with 3 ha.
- Concession rights for mountain sand mining at NumPad Nuer village, Vangvieng District with 5 ha.
- Concession rights for coal mining at Khokphouk village, Vangvieng District with 20 km2.

5. Economic figure of company in the end of 2020:

Total assets and liabilities: on 31 December 2020, the company has total assets of 82,05 billion kip with total non-current assets of 23,13 billion kip, total trade receivable of 29,73 billion kip, inventories 25,59 billion kip, other current assets of 58,93 billion kip, total liabilities of 37,82 billion kip, total equity of 44,23 billion kip.

Total assets and liabilities: on 31 June 2021, the company has total assets of 59,18 billion kip with non-current assets of 19,61 billion kip, trade receivable of 17,17 billion kip, current assets 39,56 billion kip, total liabilities of 39,45 billion kip, total equity of 19,72 billion kip. (Attachment 01)

III. Challenges and Issues:

In 2019, there was the hyper competition of the cement price of some cement companies, in which the price of cement in the market had huge margins and under the production costs. Thus, the company faced a deficit with an amount of 22,48 billion kip, in 2020 there was the Covid-19 pandemic, which was from April 2020 until now the company has suspended the cement productions that led to lack of efficient working capital. The main reasons for suspended cement production was the company had deficit of operations with difficulties of economy and Covid-19 pandemic continuously with details below:

1. The Covid-19 pandemic, according to the order no. 06/MO, date 29 Mar 2020 on enhancing of preventive measures and protections against Covid-19 from 1st April 2020 until now, the company had suspended the cement production, several constructions projects in Lao PDR had decreased, in April to July 2020 the quantities of cement distribution of companies has decreased around 60,000 ton, the income from cement distributions were decreased by 3,220,000 USD. It accumulated losses in the semi-annual of 2020. Therefore, the LCC board of directors meeting on 23 June 2020 had decided to propose to related parties of government to suspend the cement production in order to make the improvement plan for the company to continue the operations.
2. The cement products are so over-supplied that many factories have decided to reduce the price of products to make a targeted sale with the decreasing price of cement continuously. Several cement businesses faced the deficits with the demand of purchasers in the market and delaying the cement payment from the customers which could not get the trade receivable on time that caused the company to lack the working capital to continue the production line.
3. The cement factory II has capacity of production with 220,000 ton per year, over the 20 years it was made by obsolete technique and machines that could produce cement with small amount and high costs, several number of employees, high costs of maintenance, law material source away from factory. these made the high costs of productions and face the difficulties of business.
4. The factory was located in the Vanvieng district, which is the tourist place that could have a negative impact on the tourism with the recommendation of the government for environmental protection.

IV. Opportunities and Resources:

Despite the current crisis of the company, the company has the talent on some resources that could mine and make the decisive instruction in the future as follow:

1. LCC is a listed company on the Lao Securities Exchange that could extend the development through the stock market and help the company to operate substantially in Lao PDR in the future.
2. LCC finished the loans for factory establishment with interest and principal in 2014.
3. LCC has the concession right for mining (cement stone, white clay, red clay and mountain sand) which contains sufficient amounts of those materials. Moreover, there are the concession rights for coal mining in Kokphouk village, Hinheub district, Vientiane province with the completed dig that is possible for a high economy. The report of mining is in the process of proposing the Lao government and related pirates to evaluate with accumulated amounts and reviewing that report. It expects to have the investment contract in the near future.
4. LCC has owned the gold cement products which are the famous and high demand in the the market of Lao PDR.
5. The geography: the cement factory II is near the 13 North Road and Vangvieng tourism with the well-known place, big area of factory with 58 ha, stunning view, green trees, fresh air, front lake, back crifs and nice view of factory. After the Lao-China railway has finished in 2021, the Vangvien area shall be the central of that railway and tollway for the central tourism. The logistics are feasible and fast. That could make the location of the factory a unique cultural tour with different places.

V. Improvement and Rehabilitation plan of LCC:

According to the research with discussion on the possibility of improvement and rehabilitation plan of LCC by the Committees as follow:

1. **Short-term:** The LCC managements shall conduct the implementation of trade receivable quickly, allocate the employees with appropriateness, and reduce the costs of the company in present.
    - **Employee allocations:**

The number of LCC employee is 276 persons, there were some voluntary resignations of employee with total amount of 269 persons on 1st August 2020, the remaining of 3 Lao and 4 Chinese employees who has not proposed resignations yet. Due to this period of company has to allocate the employees who resigned; the representative of contract workers shall manage the works for trade receivable and keep the factory secure with total 18 employees those employees shall receive salary based on previous manner, but other benefits shall be reduced based on the exact appropriateness and working period of contract workers without provisions to employees.

- **Trade receivable collection:**

After the suspension of the cement factory, the main task shall be the collection of trade receivable in a timely manner in order to use those funds in the payable to employees, bank loans, other liabilities that led to sue the company by employees and other debtors.

The management of the LCC shall closely instruct the trade receivable in the end of 2020 with amount of 29,73 billion kip before the completeness of the new capital contribution from investors. In case, the trade receivable was a failure, the company shall negotiate with the new investor to be responsible for that and continue to collect the trade receivable after finishing the capital contribution. However, the LCC shall have the statement of trade receivable for each client to the new investors for references in the near future.

- **Trade payable settlement:**

The LCC management shall prioritize the settlement of trade payable with real collection of trade receivable, which shall pay principle of loan from Lao-China bank on time, law materials, royalties, and others. The payable to employees shall be paid by terms with percentage of each person according to the capabilities of company. Regarding the figure of 2020, the company has trade payable with an amount of 37,82 billion kip with the remaining employee provisions payment of 9,22 billion kip. The all settlement shall be finished before the new capital contribution from the new investors. In case, it could not be settled on time the LCC shall negotiate with new investors after the completeness of transfer shares.

- **The labor dispute resolutions:**

As of 31st July 2020, LCC has 276 employees, 263 Laotian permanent employees, 6 Chinese permanent employees, 4 Chinese contract workers. In that number of employees, there were 3 Laotian and 4 Chinese employees who had not proposed the resignations, other employees had the proposal of resignation by the agreement of provisions to labor. The calculator of provision shall make it multiple basic salary and number of working years and pay at one time with 20% of total net provision of each employee and company shall continue to pay when collecting the trade receivable from big clients in each term. Currently, the information of provision to employee's calculation includes 7 employees who have not proposed resignations with an amount of 12,08 billion kip and paid 2,20 billion kip with remaining 9,88 billion kip (those 7 employees have the same provisions calculations). at the present the resolutions plan for labor dispute as follow:

1. The unpaid number of provisions for employees:
   the company shall collect the trade receivable from big project quickly to pay the provision for employees of 80% at least within the end of 2022 and make the provision for employee payment plan (Attachment 03)
2. To avoid the sue from employees, the company shall negotiate with the new investors and could respond to pay all provisions for employees during the trading and share transfer.
3. three Laotian employees who have not proposed resignations: proposed those employees to voluntary resign and accept the benefits implementation as the resigned employees.
4. Four Chinese contract employees: implement the previous benefits as the Laotian and Chinese permanent employees

- **Finding targeted partner:**

The LCC shall study and find the new partner to develop and improve the company in the future. The LCC shall cooperate with major shareholders such as CYC, DAI, Lao-China Securities Company and others to help the survey and find the interested partners for being the developers of LCC regarding the needs of them. At the previous time, there was not any intention from partners who would like to continue to produce and distribute cement in the survey.

- The main reasons for uninterested partner to continue the business of cement productions:
  - Sufficient supply of cement products in the market of Lao PDR after the new cement factory establishment has led to high competitions and every factory is operating without full capacities.
  - The cement factory II was designed with small capacities (compared to new cement factory), obsolete technologies, old, high costs for new machine improvement.
  - The factory was located in a tourism area that has the risk from suspension of investment in case of concession expiration.

2. **Middle and Long term:** search, study and select investor or partner who could buy shares for capital contributions:

At the committees meeting of improvement and rehabilitation plan for LCC on 7 April 2021, agreed on the high possibilities that joint with new investors by changing original business or cement productions to tourism business, which use all areas of the cement factory and remain the area, law material, building, utilities and brand of cement. This option is the Zhieng Han Technology Network Company had the proposal on the joint investments to develop this project.

Cooperation plan with Zhieng Han Technology Network Company being major shareholders and LCC and changing cement business to mixed culture and tourism:

At present, the Zhieng Han Technology Network Company had a written proposal to buy the shares of CYC with 35,6964% and Lao-China Securities (LCS) company with 18,8676% in LCC. The purpose of this proposal to have a plan for developing the culture-tourism by mixing in Vanvieng area Vientiane province with the area of cement factory II. This project would construct the gold bull cultural hall, golf club, Lao cultural park, health and other tourism services, which details of the project are on the process to the Ministry of Planning and Investments.

A. Targeted share contribution of new investor:

In the beginning, the new investor had the purpose to buy all shares of CYC with 35,6964% and LCS with 18,8676 % to become the largest shareholder in LCC. However, the share of DAI shall remain with 34,2966%, minorities shareholders of 11,1393% shall be depending on the trading of each shareholder.

B. Expectation and procedures of new capital contributions (trading shares)

The buying shares of CYC shall be implemented by contract due to the non-free float shares and share of LCS shall be bought by contract and through the market in case of

transferring shares by contract, Zhieng Han company shall met the criteria of takeover that shall make tender offer to all minorities shareholders which approved by the shareholders' meeting and submit the propose to Lao Securities Commission Office (LSCO) with the appointment of securities company in order to conduct by them self and documents as follow:

- Tenders offer application forms by LSCO.
- The opinions of BODs of listed companies and independent directors regarding the tenders offer.
- Tenders offer letters.

● Tenders offer procedure as follow:

1. The new investor signed the trading securities contract with CYC and LCS.
2. The LCC shall disclose on the LSX' website regarding the trading shares of major shareholders of CYC and LCS from new investors.
3. The new inverter proposed to buy shares from minority shareholders based on the LSCO's regulations.
4. The LCC announced the cultural tourism development plan for 5 years, with duration, price and number of shares that new investors would buy through the secondary market with the approval of LSCO.

   After the tender offer is finished, in case the minority shareholders are less than 30 and ratio of minority shareholders less than 5% of total outstanding shares, LSX shall not count this requirement for delisting of LCC. However, the LSX shall keep the listing status of listed companies by giving the time of rehabilitation or changing business within 3 years according to the foreign exchanges cases to solve that matter. LSX shall retain the listing status of LCC by notice of the suspension on trading securities of LCC during the rehabilitation. In case the LCC could solve the problem, LSX shall allow securities trading of LCC on the main as usual on the first day trading without limitation of price limit (according to the LSX' regulations).

❖ **The contents on the tenders offer letter**

The full and partial tenders offer shall consist of contents as follow:

- The purpose and reasons of tender offer;
- Name, address of offeror, in case legal entity shall have name, address, business type, list of control persons, beneficiary, organizational structure and resolutions of shareholders meeting related to the tender offer;
- Information about share price, share allocation methods (in case partial tender offer), cancellation requirements for tender offer, duration and place of tender offer, and the last day of tender offer;
- Amount and ratio of shareholder of offeror in the listed companies (optional);
- Information about independent financial advisor and representative of securities company in tender offer;
- The analysis report of impacts on tender offer of listed companies;
- Information of offeror business and detail of related transaction with listed companies (optional);
- The one year forecast about improvement or rehabilitation or changing business, assets, employees, organization, AOI and other of listed companies;
- Information about buying and selling securities of the offeror of a listed company during 90 days after the submission of tender offer documents to LSCO. The company has proposed to buy shares, shall submit the letter to LSCO for considerations including the disclosed reasons and direction of business of the offeror

and listed companies on the letter by the opinions of BODs and independent financial advisor.

Currently, LSCO is on the process for drafting the agreement on Takeover which shall have the procedure for tender offer as follow:

- Disclosure;
- Tender offer documents submission;
- Tender offer documents consideration;
- Disclosure on tender offer documents, opinion of BODs and independent financial advisor;
- Conduct full tender offer;
- Cancellation of full tender offer;
- Settlement and share transfer;
- Report on full tender offer.

- **The disclosure of holding shares of offer**

The offeror of full tender offer shall disclose the holding shares and inform the purpose such holding through LSX's disclosure system and other channels based on relevant regulations including the report to LSCO, LSX, and listed company for acknowledgement within one business day from the date of holding share pursuant to Article 7 of Takeover Agreement. The partial tender offer shall not require to disclose the holding shares.

- **Tender offer documents submission**

The offeror of full tender offer shall submit the documents based on the Article 18 of Takeover Agreement to LSCO with correctness and relevant documents including sending such documents to LSX for references and listed company for proposing to opinions of BODS on tender offer. The BODs of listed companies shall appoint the independent financial advisory to provide the opinion on such tender offer and references of opinions. The partial tender offer shall submit tender offer documents based on the para one of Article 18 of Takeover Agreement to LSCO for the approval.

- **Tender offer documents consideration**

  LSCO shall consider the documents of full and partial tender offer within 10 business days after the completed and corrected documents submission. LSCO shall inform the research to the offer with the reasons. LSCO has the right to require more documents and information from the offeror if it is necessary for considerations by giving reasons or more information.

- **Disclosure on tender offer documents, opinion of BODs and independent financial advisor**

  The offeror and listed company shall disclose the tender offer letter, opinion of BODs and independent financial advisor through LSX's disclosure system or other channels according to related regulation for 5 days consecutively after receiving the recommendations from LSCO.

- **Conduct tender offer**

  The offeror of full and partial tender offer shall appoint the securities company to conduct the tender offer by themselves and complete the tender offer within 30 days after the LSCO had notified or approved such tender offer.

  For the partial tender offer, after the end of the tender offer, in case shareholders agreed to sell an excess number of shares of offers that granted approval from LSCO, the allocation of such shareholders shall conduct regarding the weight average method of total shares. In case of the tender offer of a listed company that made the company

delisted from market, the offeror shall propose to buy all shares from shareholders with the same price and extend 10 business days after the end of tender offer.

- **Cancellation of tender offer**

The offeror of full and partial tender offer shall be canceled as following cases:

- There is unexpected event that may cause the damage of finance and operations of listed companies during the tender offer;
- Other matters that LSCO describes.

The offeror shall submit the cancellation form to the LSCO with the notice to LSX and listed companies for acknowledgement.

LSCO shall consider the cancellation form of the offeror within 10 business day after receiving completed such form.

The offeror shall disclose the cancellation form of tender offer to the public through the LSX's disclosure system within 1 business day after the approval of LSCO.

- **Settlement and share transfer**

The securities company who is the agent of tender offer shall perceive the agreement form of lock-up period. After one day's business of ending the tender offer, the securities company shall propose to LSX for the settlement and share transfer with relevant rules.

- Report on tender offer

The offeror of full tender offer shall report on the tender offer of listed company to LSCO within 5 business days after the end of tender offer and disclose such tender offer within 5 business to the public through the LSX disclosure website.

The partial tender offer of the listed company shall be reported to LSCO within 3 business days after the end of tender offer. After LSCO certified the report on tender offer, the securities company who is the agent of tender offer shall perform the settlement and share transfer based on the contents in Article 21 of Takeover Agreement including the disclosure of such tender offer to the public through the LSX disclosure website.

- **Price determination of tender offer:**

  - The price determinations between new investors and the major shareholders (CYC and LCS) shall be negotiated based on the contract.
  - The price determination between new investors and minorities shareholders:

  After the new investor completed the shares trading with CYC and LCS, which became the shareholder who controls the company based on Article 3 of Law on Securities (Amended) no. 79/NA, date 3 December 2019, thus the new investor shall have full or partial tender offer with other shareholders according to the closing price weighted average of LCC on the LSX that LSCO described in the regulations as reference for price determination.

  The full or partial tender offer for minority shareholders shall be implemented according to the Agreement on the price determination, which is the highest price that the offeror bought those shares in previous 90 days and such price shall not be less than market price. In case there are no trading shares of the offeror, the price determination shall be used the price average from 90 days of the end of tender offer.

- Rehabilitation, backdoor listing, and trading share redemption of LCC after rehabilitations:

  The shareholders and business restructuring of LCC could implement that without changing the listing status of the company. LCC shall have backdoor listing based on the requirements of LSX. please see more detail on the recommendation of LSX for listing status of LCC (Attachment 02).

C. Relevant legislations:

1. The changing original business:

According to the Law on Promoting Investment no. 14/NA, date 17 November 2016, Article 47 and 67 para 6 that defined the rights of shareholders such as: the shareholders could change the objective or investments in case of unprofitability of business due to changing policies, laws and regulations. This means that BODs and Shareholders meeting had resolutions for such matters and proposed a single door of investment services at the Ministry of Planning and Investment in order to research the report to a high ranking level for considerations based on laws and regulations for changing new business.

2. Investment concession extension procedures:

The LCC has to change the original business from cement productions to tourism with the original contract that would terminate in 2028, thus the investor shall propose to the government for new concession to serve the new business of tourism development based on relevant law.

D. Concession rights and mining:

Due to the LCC has changed business from cement production to tourism, thus the concession right that granted from related parties could implement as follow:

1. Keeping concession rights:

In case the company has a purpose to operate the tourist business with the implementation of a contract that was signed with the government on 17 November 1998 and additional contract on 25 November 2013. The LCC could keep concession rights and mining that in line with the establishment of cement factory II by adjusting the contents on the contract and have the new signing with the government that remain the law material mining without other unnecessary contents or making a concession contract of law material (new mining concession) by receiving the special considerations instead of developer in the previous concessional area.

Apart from the coal mining contract of the government at Kokphouk at Hinhueb, Vientiane province, LCC could keep concession rights that are described on the investment contract.

2. Concession rights transfer:

In case LCC has the purpose to transfer the rights of concession for coal mining to internal partners of the company or other companies to continue to mine the minerals for cement factories that could implement the relevant laws, especially the Law on Promoting Investment, Law on Minerals, Law on Tax and so on. Nevertheless, the company has to propose to the Ministry of Planning and Investment on behalf of the contract partner for changing ownership of such concession rights.

E. Personal recruitment:

1. Laotian employee employment:

Laotian personnel would take place in the project according to the requirements of jobs with a certain amount or specific technical work related to exactly jobs. However, Laotian laborers would be considered the priorities with the former employees of LCC by appropriateness of work.

2. Foreign employees' employment:

It would be implemented based on the Law on labor (amended) no. 43/NA, date 24 December 2013, especially Section III Part 5 and Section IV part 5.

F. The challenges for rehabilitation:

Through the discussion of 1731 committees have seen that the LCC would not implement smoothly during the rehabilitation plan that may led to have some problems for unsuccessful rehabilitation as follow:

1. The LCC could not collect total trade receivable on time that led to unsettling the trade payable (including provision to employees) which have a sue and legal dispute.
2. The LCC shall not be qualified for the purpose of trading shares of CYC 2021-QGB 003 date 17 March 2021, it could cancel trading shares from Zhieng Han Technology Network Company.
3. It could not expect the successful tourist development project of such a company.
4. Despite the cultural and tourist development project being unique, there are similar tourists in the competitions.

G. Advantage and Challenges of rehabilitation plan:

- **Advantage:**

1. To maintain the image and history of vital collaboration substantially between the Lao-China government.
2. To be a basic condition for enhancing the history and typical company for collaboration of two nations Lao and China.
3. To keep the image of LCC on listing status on the LSX and remain the gold bull brand.
4. To follow the government's direction, Vangvieng is a tourist destination, including the potential of substantial development of the company.
5. Despite changing core business, the company could keep and use the original buildings and famous brand.
6. To select the experience employees for the company based on the job require and create the opportunities of jobs for provincial people.
7. There are buildings and facilities that could use buildings, constructions, roads, utilities and others for serving the cultural and tourist development business.
8. Some former employees of LCC would have hoped to apply for the job at the new project.
9. There is the verification of the Zhieng Han Technology Network Company from the cabinet of trade and economy of the Chinese embassy to Lao PDR.
10. There are more modern tourist places, it is a decent optional attraction for tourists from domestic and foreign countries to visit Vangvieng.

- **Challenges, Disadvantage:**

1. The company could not operate the core business such as cement productions.
2. To attract investors and change a cultural tourism business that has to be comprehensive and getting support from related parties from government and society closely.
3. The company shall not make a profit during the change of tourist business in the initial stage.
4. The tourist service in Vangvieng is a supreme competition that several parties would like to invest from past to future, thus this project shall strengthen and launch quickly including the new products of tourism to make a landmark and compete in the future.

VI. The recommendation of assistance from government:

1) To propose the government to support the keeping of LCC on the LSX, due to the new capital contribution of LCC would like to strengthen the culture and tourist development that is provincial unique with the income generation, increased royalties, bright projects, creating value-image for listed companies and attracting new investors continuously. Besides that, if the company delisted from LSX, it would make the company bankrupt, invalid other assets, and cause a loss of shareholders.
2) To propose the government to approve the change of business from cement production to tourism as the core business of the company.
3) To extend the concession term (investment contract): the company is in the process of capital contribution or rehabilitation for changing the core business to culture and tourist development, those investments shall not make a profit in the short-term. Therefore, the company would like to propose the government to extend the terms of concession of LCC or facilitate the creation of new concessions to be done quickly and the new concession contract shall be at least 50 years.
4) To propose the government to solve the delay of trade receivable by encouraging the clients to settle the debt quickly with direct or indirect way. This would make the company solve the liabilities after suspension of cement production and reduced costs to achieve the development sooner.
5) To propose the government to give the incentive of customs and taxes for such a project.
6) To propose to government to add a such project in the Lao-China collaboration plan, including the central and provincial collaborations on the master plan of technique-economy between two governments and relations mechanism between north provinces with Yunnan province to make a condition for such project receiving the support policies, fund and facilities from related parties of both countries.

VI. Opinions and evaluations of 1731 committee:

1. To help the LCC that could complete a rehabilitation plan under the difficult circumstances and uninterested investors for cement business. The company has to consider changing core business by changing to a culture tourist development business with the potential of assets of the company such as venue, building, and other facilities that could utilize those assets for improving the direction of the company by supporting and promoting the successful outcome.
2. The mixed culture tourist development in Vangvieng that the government has a target to be the center of tourism, seems to be in line with the directions of the substantial development of Lao PDR.
3. The cement factory II is located in Vangvieng that the government has a goal to make the Vangvieng as the national tourism, which trend to suspend the cement factories when finished the term of concessions in the future.
4. On the survey of investing in LCC, there is only Zhieng Han Technology Network Company that is interested to invest in LCC by capital contributions and become the largest shareholders to implement based on the procedure of share transfer of LSX that would be fair for shareholders.
5. The committee of rehabilitation of LCC shall have consensus agreement on supporting to achieve the rehabilitation plan of LCC that could be implemented effectively. Therefore, the committee requested Zhieng Han Technology Network Company continuously intend to invest in the culture tourist development business sincerely based on the laws and regulations of Lao PDR. In addition, the committee requested related parties for further collaborations to advocate the rehabilitation plan of LCC by achieving the goal in a certain time.

Indeed: this option shall be only way to improve and improve the LCC from corrupt and only option for interested investor of LCC which make clear documents to buy share officially base on these conditions:

1. LCC shall be listed company on the LSX
2. LCC could have the extension of concession or creation of the investment contract with the government on time.
3. LCC shall change the core business from cement productions and distributions to the tourist development.

This rehabilitation plan was researched and consented in the committees to make the rehabilitation plan of LCC on 30 December 2021.

Head of Committee
Improvement and rehabilit

Attachment 6:

Proxy

I/we …….…… nationality……..……..…… ..
ID card/passport NO:……..……..……Residingat…….…….
Village……..District……..Province……
……
Being a shareholder of Lao Cement Public Company
Holding a total number of……...shares, which are equivalent to the same of votes.
2. Hereby assign Mr/Ms…….……ID card/passport No:……..Residingat…….Village…….……..District……..Province……

To be my proxy to attend and vote on my behalf at the Annual General Shareholders' Meeting for the year 2021 of Lao Cement Public Company, which going to be held on 29th April 2022 at Lao-Itec, Vientiane Capital.

3. I hereby authorize the proxy to vote on my behalf at this meeting as follows (Select one between two choices):

1. □ To grant the proxy to consider and vote on my behalf as he/she may deem appropriate in all respects; or
2. □ To grant the proxy to vote as per my intention indicated in the followings (if you select this option, please choose to vote either approve or disapprove in every agenda):

Agenda 2: To consider and approve the Minutes of Annual General Shareholders' Meeting for the year 2020.
□approve □disapprove

Agenda 3: To consider and approve the Business Performance of 2021.
□approve □disapprove

Agenda 4: To Consider and approve the audited financial statement of the year 2021 and no dividend payment of the year 2021 due to the loss of LCC.
□approve □disapprove

Agenda 5: To Consider and approve the Rehabilitation plan of Lao Cement Public Company
□approve □disapprove

3. Any votes made by the proxy contradicting to this proxy shall be considered as invalid and shall not constitute my/our votes as the shareholder.
4. In case I/we have failed to specify my/our voting intention in any agenda or not clearly specified, my/our vote in such agenda shall be deemed approved.
5.Any action made by the proxy in the meeting in accordance with this proxy, shall be deemed as having been performed by myself/ourself in all respects.

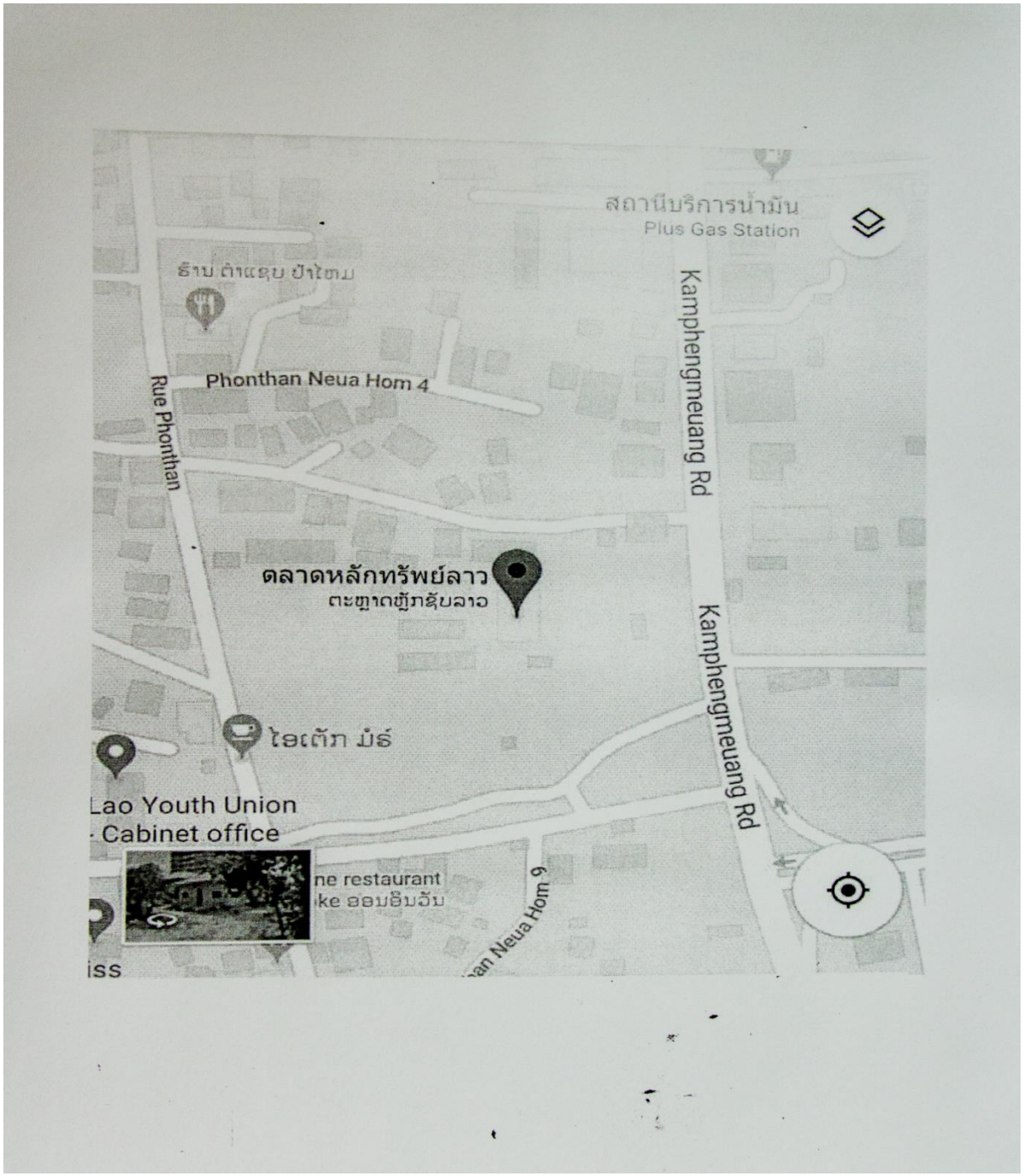
Wrote at……..…date……./……./2022

signed by the shareholder

(……..)

Note: This minutes shall use the document in Lao language as the original.

Map


สถานีบริการน้ำมัน
Plus Gas Station
Phonthan Neua Hom 4
Rue Phonthan
Kamphengmeuang Rd
ตลาดหลักทรัพย์ลาว
Kamphengmeuang Rd
Lao Youth Union
Cabinet office