Lao People's Democratic Republic
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No : 624/PCD

Vientiane Capital, April 27, 2018

Attention : Director of Lao Securities Exchange

Subject : Disclosure of detailed information on the annual performance for year 2017

- In reference to the Request Letter for Information Disclosure of Lao Securities Exchange no 114/LSX, date 24 April, 2018

In order to respond the request letter, Phousy Construction and Development Public Company ("PCD") would like to clarify the following details:

1. **Clarify the annual performance for year 2017 that was decreased from the expected plan.**

Year 2017	Expected Plan	Actual implementation	Calculated in percentage
Income (million LAK)	342,52	**45,38**	13,24%
Net profit (Billion LAK)	181,90	**6,72**	3,69%
Profit per share (LAK)	312,54	**16,56**	5,29%

Main reasons of the project income implementation are not achieved as planned:

- ❖ The project implementation on planned incomes was delayed and it is also late for the implementation as planned;
- ❖ In order to prepare new income plan for duration of 5 years from 2018 to 2023, Phousy Construction and Development Public Company has utilized annual budget plan 2017 for developing 5 new projects;
- ❖ Project owners are late to make a payment to Phousy Construction and Development Public Company.

2. **Clarify to all projects for the Annual Plan 2017 that are not capable to implement or to suspend.**
3. **Clarify to all projects that are capable to acknowledge on income in 2017.**

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The table below for clarifying the No 2 and No 3 for an annual work plan 2017 and actual performance

(Unit: 1 million LAK)

Item	Project Name	Plan 2017	Actual Implementation	Remark
1	Road Upgrading Project on the route number 3503, Luangprabang province (Kiewchia)	32,353	0	Ongoing to adjust drawings for making them suitable and proposing to owner project.
2	Double level asphalt paving project from BanOu village to Siboungheuang village	137,446	44,622	Some volume of implemented project are not recorded for inspection on 31/12/2017 with the value of 4.462 billion LAK.
3	Earthmoving project for building the road along Laos-Vietnam-Cambodia borders, Attapeu Province	120,074	0	The project is in the period of transfer between Ministry of Nation Defenses and Ministry of Ministry of Public Works and Transports
4	National road repair project 01 No 17 A , 70.01 km	4,485	3,048	Completed 67.95 %.
5	National road repair project 02 No R3, 42 km	9,224	0	PCD had handover back to the project owner in order to propose it to other firm for the implementation.
6	National road repair project 03 1C , 20 km	2,252	2,252	Completed 100%
7	Erosion protection project	36,686	0	Lao government has not approved yet and this project is under the consideration on budget for investment
	ລວມ :	**342,520**	**49,922**	

4. Clarify to the possibility of new projects development (5 project) for year 2018

❖ **The possibility of new project development plan for 5 project of fiscal year 2018-2019 as follows:**

1. Process of Feasibility Study, design and evaluation for 5 project were inspected by project owner: Provincial Department of Public Work and Transport, Department of transport of Ministry of Public Work and Transport which were inspected and initially approved in order propose to Unit of project assessment and certify that the projects are necessary and positive for the implementation;
2. These projects are prioritized activities of the province. Because the projects are important for developing an infrastructure, for upgrading network system of transportation into integration, for improving the provincial economy better based on activities of transports;
3. The projects were evaluated, approved by relevant parties. The next process is to propose into the budget plan of Lao National Assembly as guide for making a payment;
4. Phousy Construction and Development Public Company has determined 5 projects into investment plan for fiscal year 2018-2019 and the projects were proposed to financial institutions for supporting funds;
5. The project owner has paid attention and coordinated the Ministry of Planning and Investment, the Ministry of finances for requesting an approval on the projects which are able to implement based on provincial development plan.

Therefore, PCD would like to inform to the Director of Lao Securities Exchange and all shareholders of Phousy Construction and Development Public Company to aware and understand the mentioned details.

Yours sincerely

Phousy Construction and Development Public Company
Chief Financial Officer

Anolay SIHARATH

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