Lao people's Democratic Republic

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No. 780 -...../PCD

Vientiane Capital, Date: 02 APR 2021.....

LETTER OF INVITATION

To: Shareholders of Phousy Construction and Development Public Company

Subject: Invitation to the Annual General Meeting of Shareholders for the year 2020

- Pursuant to the resolution of the 1st Board of Directors meeting for the year 2021 of Phousy Construction and Development Public Company. Dated 15 March 2021.

Phousy Construction and Development Public Company (PCD) is honored to invite the shareholders of PCD to attend the Annual General Meeting of Shareholders for the year 2020 on 28 April 2021, at 2:30 p.m. (The Registration will be available at 01:00 p.m.) at the 12th floor of Continental Plaza Hotel, Nongbuathong-tai Village, Sikhottabong District, Vientiane Capital, Lao PDR. In order to consider and approve the issues as indicated in the agenda attached herewith.

March 31st 2021 is determined as the Record Date of the listing book of shareholders in order to stipulate the rights of shareholders to attend the Annual General Meeting of shareholders for the year 2020.

The third persons should be authorized to attend and vote for the meeting if the shareholders are not available. Please kindly complete the information and sign to the letter of authorization in accordance with attachments and submit to the secretariat of the meeting before the meeting.

Your attendance is always highly appreciated.

Sincerely yours,

Chairman of Board of Directors

ສີທອງ ພົມມະຈິດ

PCD, 3rd floor, Continental Plaza Hotel, Nongbuathong-tai Village, Sikhottabong District, Vientiane Capital, Lao PDR. Tel/Fax: (856-21) , Email: info@phousy.com; Website: www.phousy.com

Phousy Construction and Development Public Company

The Documents of the Annual General Meeting of Shareholders for the year 2020

On Wednesday, 28 April 2021

The Registration time is at 01:00 pm

At the 12th floor of Continental Plaza Hotel,

Nongbuathong-tai Village, Sikhottabong District,

Vientiane Capital, Lao PDR.

Tel :+856 (21) 265 394

The Attachments

1. Agenda of the Annual General Meeting of Shareholders for the year 2020 (Attachment 1);
2. Minutes of the Annual General Meeting of Shareholders for the year 2019 (Attachment 2);
3. The Annual Report and Financial Statements of the year 2019 (Attachment 3);
4. Curriculum Vitae of Independent Directors (Attachment 4);
5. Application form of Proxy (Attachment 5);
6. Documents and evidences required for attending the meeting, registering and voting at the meeting of shareholders (Attachment 6);
7. Map of the meeting destination (Attachment 7).

Remarks:

1. Shareholders shall obtain the invitation letter and related documents from 07 April 2021 at the 4th floor of LSX Building, Settlement and Depositary Department, Phonethan Village, Saysettha District, Vientiane Capital. Tel: (+85621) 454361-4.
2. The shareholders shall hold their own ID card or Passport (For the case of foreigners) at the meeting day in order to verify themselves.
3. The Shareholders who will authorize a representative to attend the meeting and vote on their behalf shall complete and provide signature on the proxy (attachment 5).
4. The proxy attendees shall hold the documents or evidences for verifying themselves to attend the meeting in accordance with the details stated in **Attachment 6** and submit to the chairman of the meeting or the authorized person of chairman.
5. In case, shareholders authorize the director of company to attend the meeting, the shareholders shall complete the information and sign on the proxy form and select a director of the company by ticking (✓) to the name. The proxy shall be submitted to Phousy Construction and Development Public Company, secretary of meeting at the 3rd floor of Continental Plaza Hotel in Nongbouathong-tai village, Sikhottabong district, Vientiane Capital, Lao PDR before 28th April 2021.
6. If you have any concerns or questions for the proxy, please contact Mr. Anolay Siharath via Tel: (+856-21) 265 394 or (+856-20) 2240 7393 during office hours.

Attachment 1

Agenda for the Annual General Meeting of Shareholders for the year 2020 of Phousy Construction and Development Public Company

Agenda 1: Considering and endorsing the Minutes of the Annual General Meeting of Shareholders for the year 2019

Supporting Information: The agendas and minutes of Annual General Meeting of Shareholders for the year 2019 that held on 29th May 2020 were considered and recorded correctly in accordance with the detail of the meeting. The detail of the meeting minutes was enclosed herewith (**attachment 2**).

Board of Directors' opinion: The BODs have clearly reviewed and agreed the Annual General Meeting of shareholders consider and approve this agenda.

Voting: The law on enterprise is stipulated that this agenda shall be approved by over half numbers of the total votes in the meeting.

Agenda 2: Considering and endorsing the PCD's business performance report and the financial statements audited by auditing company for the year 2020

Supporting Information:

I. The business Performance for the year 2020 has detailed as follows:

❖ **Marketing**

Currently, PCD is continuing to implement two unfinished projects: the construction of a two-story paved road from Ban Ou Village Luang Prabang District to Sibunheung village Nan district, Luang Prabang province, 50.2 km long, and an upgrade road from Kieu Cheia village to Muang Heub Village Phonethong district Laouang Prabang Province, 32.565 km in length.

- The Vientiane-Pakse Expressway project, worth more than $ 4 billion, and we, Phousy Construction and Development Public Company, are among the four companies that have been shortlisted for the final round. The survey and design of the corridor is now underway, and the Ministry of Public Works and Transport is preparing to submit it to the government.

- Modern resettlement villages for low-income guests of 200,000 across the country are also looking for foreign partners.

- The second phase of the 8.3-kilometer landslide protection project in Vientiane Capital (subcontracted by a Korean company) has already been submitted and is currently awaiting the opening of bids.

- Construction of infrastructure project of Louang Prabang Special Economic Zone worth US $ 2.5 million is waiting for the owner of the project to demarcate the border and compensate for the environmental impact before it can be implemented.

❖ **Tax**

The State Tax in the Year 2020

Item	Details	Total value (kip)
1	Value Added Tax	573.030.630
2	Payroll Tax	30.336.000
3	Profit Tax	158.860.089
	Total	**762.226.719**

❖ **Human Resource Management**

The total staffs of the company in December 31st 2020 is 177 persons, PCD had completely offered all the staffs with Social Security, annual medical checkup, dates and times and annual leave in accordance with the Labor Law of Laos.

II. The financial statements for the year 2020 has detailed as follows:

Description	2020	2019
Total assets (Million LAK)	620.328	665.044
Total liabilities (Million LAK)	168.200	154.974
Total shareholders' equity (Million LAK)	452.128	510.070
Total revenue (Million LAK)	5.642	9.699
Net profit/loss (Million LAK)	(57.942)	(8.790)
Net profit per share (LAK/Share)	(99,56)	(15,10)

Details of the draft of financial statements for the year 2020 as **attachment 3.**

Board of Directors' opinion: The BODs have clearly reviewed and agreed the Annual General Meeting of shareholders consider and approve this agenda.

Voting: The law on enterprise is stipulated that this agenda shall be approved by over half numbers of the total votes in the meeting.

Agenda 3: Considering that there's no dividend payments for the year 2020

Supporting Information: The report of CEO to the meeting: Pursuant to the enterprises law, No 46/NA, dated 26 December 2013 on the article 155 "Distribution of Dividend", the company shall not pay the dividends if the accumulated loss still remains from the previous year.

Board of Directors' opinion: The BODs have clearly reviewed and agreed the Annual General Meeting of shareholders for the year 2020 to consider and approve this agenda.

Voting: The law on enterprise is stipulated that this agenda shall be approved by over half numbers of the total votes in the meeting.

Agenda 4: Considering and endorsing the PCD's business plan for the year 2021

1. The construction project for the North national high way No.13 from Songpuey to Phonghong, 5 km in length costs LAK 4,500,000,000 (submitted from Chinese Company).
2. The second phase of landslide construction project in Vientiane, 8.3 km in length (submitted from Korean company).
3. The road construction project at Special Economic Zone in Luang Prabang, submitted from Phousy Group cooperated with Mega Hongsa company.
4. The first phase of village allocation project, 200 houses.
5. The first phase of fundamental construction project at Special Economic Zone S2 costs 2.5 million USD, submitted from Phousy Group.

Board of Directors' opinion: The BODs have clearly reviewed and agreed the Annual General Meeting of shareholders for the year 2021 to consider and approve this agenda.

Voting: The law on enterprise is stipulated that this agenda shall be approved by over half numbers of the total votes in the meeting.

Agenda 5: Considering and endorsing the appointment of the external auditors for the year 2021

Supporting Information: Pursuant to the enterprises law, No 46/NA, dated 26 December 2013 on the article 154 and responsibility of the Annual General Meeting of Shareholders, the Annual General Meeting of Shareholders is assigned to elect the auditors and the wage of audit service. According to the proposal of board of director, Price Water House Cooper (Laos) Co., Limited (PwC) is appointed to be the external auditor for the year 2021 together with the maximum wage of 35,000 USD. PwC is a standard audit company including trust in its service from internationally. The details of the fees from the previous years are shown as follows:

Year	The external auditors	Remuneration (USD)
2016	Price Water House Cooper (Lao) Co., Ltd.	47.000
2017	Price Water House Cooper (Lao) Co., Ltd.	45.000
2018	Price Water House Cooper (Lao) Co., Ltd.	32.390
2019	Price Water House Cooper (Lao) Co., Ltd.	35.690
2020	Price Water House Cooper (Lao) Co., Ltd.	35.000

Board of Directors' opinion: The BODs have clearly reviewed and agreed the Annual General Meeting of shareholders for the year 2021 to consider and approve this agenda.

Voting: The law on enterprise is stipulated that this agenda shall be approved by over half numbers of the total votes in the meeting.

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No.....535-...../PCD

Vientiane Capital, Date: .....02 JUN 2020.....

Minutes
The Annual General Meeting of Shareholders for the year 2019

Phousy Construction and Development Public Company (PCD) hosted the Annual General Meeting of Shareholders for the year 2019 on 29 May 2020 at 14:20 pm, at the 12th floor of Continental Plaza Hotel, Nongbuathong-tai Village, Sikhottabong District, Vientiane Capital. The meeting was attended by 12 actual shareholders and 129 proxies attending the meeting or equal to 141 shareholders, holding the total share of 572.581.500 shares or 98.38 % of the total paid-up shares of the Company.

The host introduced the meeting participants as follows:

1.	Mr. Khanthongvong Dalavong	Vice Chairman/ Independent Director
2.	Mr. Sitha Phommachith	Director/CEO
3.	Mr. Phoukhong Ouanlamany	Director

Mr. Sithong Phommachith, Chairman and Mr. Nanthalath Thilakun, Director / Independent Director cannot joined this meeting due to they are in a business trip. Therefore, the chairman has appointed Mr. Khanthongvong Dalavong, Vice Chairman/ Independent Director to act as chair the meeting on his behalf.

In the meeting, there're a representatives from Lao Securities Commission Office, Lao Securities Exchange, Price Water House Cooper (Lao) Co., Ltd.

The host informed the instructing of vote, Vote Counting and publicizing the result of vote to the shareholders.

Subsequently, The Chairman of the meeting has officially opened the meeting and He has appointed Mr. Sitha Phommachith Director/CEO reported about the agenda content with the following details:

Agenda 1: Considering and endorsing the Minutes of the Annual General Meeting of Shareholders for the year 2018

The CEO reported the Minutes of the Minutes of the Annual General Meeting of Shareholders for the year 2018 held on 28th February 2020 that the meeting has been reviewing all activities with the minute of the meeting correctly.

After The CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The CEO proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

Agenda 2: Considering and endorsing the PCD's business performance report for the year 2019 and the audited financial statements for the year 2019

The CEO reported to the meeting as followings:

I. **The business Performance for the year 2019 has detailed as follows:**

❖ **Marketing**

Currently, PCD is one of the top four finalists whose submitted bidding document for the Southern Highway Road project with an approximated project value of 4 billion US Dollars, It is currently in the process of surveying the corridors and designing a valuation plan to submit to the project owner and prepare to sign a construction contract in the next phase. We are also looking for international partners and partners to develop real estate projects by constructing a 4-5-star hotel in Vientiane, Luang Prabang, and a newly refurbished villa for 200,000 low-income individuals across the country.

❖ **Tax**

The State Tax in the Year 2019

Item	Details	Total value (kip)
1	Value Added Tax	596,549,478
2	Payroll Tax	42,943,000
3	Profit Tax	143,172,635
	Total	**782,665,113**

❖ **Human Resource Management**

31/12/2019 total number of staff as 177 staffs, PCD has been completes Social Security for all employees and wellbeing aspect so that staffs can rest assure that they and their families are being taken care off including annual health check, working hours and holidays in accordance to the Lao Labor Law.

❖ **The Operation Result compared to the year 2019 Plan**

No.	Project name	Compare to planned of 2019	
1	Road improvement Brokeo to Luangnamtha Province	0%	Not yet operation (the government has delayed for the proposed project to list on the budget plan of 2020-2021)
2	Road improvement Attapeu Province	0%	Not yet operation (On processing of the reporting to the government approve for a budgeting before construction)
3	Road improvement Brokeo Province	0%	Not yet operation (the provincial governor has separated into mini-portion for a new provincial budget)

4	Road improvement Luangphabang Province	0%	Not yet operation (On processing of budget approval from the government, this project will be listed on new budget of 2020-2021)

II. **The financial statements for the year 2019 has detailed as follows:**

Description	2019	2018
Total assets (Million LAK)	675.643	669.615
Total liabilities (Million LAK)	166.770	150.755
Total shareholders' equity (Million LAK)	508.873	518.860
Total revenue (Million LAK)	5.590	0
Net profit (Million LAK)	(9.986)	(283.421)
Net profit attributable to equity holders (LAK/Share)	(17,16)	(486,98)

After The CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The CEO proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

Agenda 3: Considering that there's no dividend payments for the year 2019

The CEO reported to the meeting: Pursuant to the enterprises law, No 46/NA, dated 26 December 2013 on the article 155 stipulated "Distribution of Dividend" a company shall not distribution of dividend when the company sustains accumulated loss from the previous year. For the year 2019 the company loss LAK 9.986 million.

After the CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The CEO proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

Agenda 4: Considering and endorsing the PCD's business plan for the year 2020

The CEO reported to the meeting: In 2020, PCD has signed 3 new contacts of the road improvement and continues operating 2 old projects. PCD expected the budget investment LAK 31.479 million and the construction target LAK 56.898 million, Detail as follows:

Units: million LAK

No.	Project name	Budget Investment	Construction Target
1	Road improvement Brokeo to Luangnamtha Province	6.581	11.545
2	Road improvement Attapeu Province	8.104	14.472
3	Road improvement Luangphabang Province	3.694	6.482
4	Road wearing course improvement Luangphabang Province	3.400	8.234
5	Road construction Double Bituminous Surface Treatment Ban Ou to Ban Sibounhuang, Luangphabang District, Luangphabang Province	9.700	16.165
Total amount		**31.479**	**56.898**

After the CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The CEO proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

Agenda 5: Considering and endorsing the appointment of the independent auditors for the year 2020

The CEO reported to the meeting: Pursuant to the enterprises law, No 46/NA, dated 26 December 2013 on the article 154 stipulated "Right and Duties of shareholders meeting to appoint the independent auditor and determination of its fees" the BOD agreed to propose the annual general meeting of shareholders to consider for appointing PricewaterhouseCoopers (Laos) Ltd (PWC) to be the independent auditor for the year 2020 and the fees shall be not exceeding of USD 35.000. PWC is international trust and standard. The fees from the previous years as follows:

Year	The independent auditors	Remuneration (USD)
2017	Price Water House Cooper (Lao) Co., Ltd.	45.000
2018	Price Water House Cooper (Lao) Co., Ltd.	32.390
2019	Price Water House Cooper (Lao) Co., Ltd.	35.690

After the CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The CEO proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

Agenda 6: Considering and endorsing the new Board of Directors from 2020-2022

The CEO reported to the meeting: Pursuant to the PCD's Articles of Association (AOA) and Agreement on Board of Directors, No. 10/LSC, Dated 26 April 2019. Members of BOD have the term of 2 years and the appointment of BOD's members must be approved by the Shareholders' Meeting. The current BOD has completed the term of office. PCD agreed the meeting of shareholders to approve the new BOD's members from 2020-2022 as named below:

1. Mr. Sithong phommachit — Chairman
2. Mr. Bounmy Manivong — Vice Chairman/ Independent Director
3. Mr. Nanthalath Thilakoun — Director / Independent Director
4. Mr. Sitha Phommachit — Director
5. Mr. Phoukhong Ouanlamany — Director

After the CEO has reported and encouraged all of the shareholders to share their opinions and nobody.

The Chairman proposed that the meeting to consider and approve this agenda.

Resolution: the meeting has thoroughly considered and the unanimous resolution as follow:

- Approved: 572.581.500 votes, equivalent to 100% of the total votes that attended the meeting.

The Chairman of the meeting informed to the Meeting that all agendas were completely considered and approved and proposed the Shareholders to provide additional comments and suggestions which is nobody comment.

The meeting has no a new agenda to approve, the Chairman of the meeting has officially declared to close the meeting at 15:30 pm on the same day.

Chairman of the Meeting | **Minutes takers**





Note: Minutes of the Annual General Meeting of Shareholders for the year 2019 shall use the Lao language as the original.









Business Performance Report for the Year 2020

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Business Performance Report for the year 2020

I. ABOUT PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

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

The Company, **"Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited",** was established by **Mr. Siphone Outhoumphone (Mr. Siphone)** in 1997 with registered capital of LAK 10,000 million, at that time, the Company targeted to be the construction service provider especially in infrastructure project in order to support and facilitate the transportation in northern part of Lao PDR. The Company has experienced the exponential growth which has made it to become the leader in construction engineering services firm of the northern part of Lao PDR. In 2009, **Mr. Sithong Phommachith (Mr. Sithong)**, a young businessman with a vision, became the Company's successor from Mr. Siphone which had achieved exceptional infrastructure projects, such as 2 levels asphalt paving in the northern areas, urban by-pass of Luang Prabang province, earthmoving project for building the road along Lao PDR-Viet Nam-Cambodia borders, conducted the road maintenance work damaged by natural disasters and others.The Company has the potential and therefore has become a leader in infrastructure development due to the fact the Company possesses number of personnel with high level of competency, state-of-the art in construction engineering and technology, maintain consistent quality and standards, on time for project hand over, as well as the ability to build trust to the customers who are the project owner. At present, the Company name has been changed to **Phousy Construction and Development Public Company** to enable the expansion of service scope in comprehensive construction engineering services and act as a project developer in the future.

Year		Summary Company Outstanding Events
1997	:	Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited were established by Mr. Siphone Outhoumphone (Mr. Siphone) with the registered capital LAK 10,000 million to operate the construction business by attend the bidding from the government or the Ministry of Public Works and Transportation (MPWT) or PWT division, Luang Prabang Province. Mr. Siphone saw the difficulty of the transportation, or ground logistic due to inconvenient and dangerous road and with his vision to expand construction business by focusing on infrastructure construction in northern part of the country.
2004 - 2005	:	From the country's economic growth and expansion spreading through small and large city, the in-land logistic has become more important. Mr. Siphone had expanded construction business to Xayaburi and Bokeo

		District but still focus on infrastructure construction such as Road and Bridge. At that time, Mr. Sithong was responsible for Administrative and Site Management.
2009	:	Mr. Sithong is a young business man with vision, he was successor to run the construction business by transferred from Mr. Siphone to Mr. Sithong and still use the same name as "Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited".
2011	:	Mr. Sithong saw the rapid growth of Luang Prabang Province in crowded area so he advised the Board of Directors to present a project to PWT division of Luang Prabang province to build the by-pass road No.13 North from Kokngiew Village to Phonexay Village and concrete bridge crossing Nam Khan river by total project cost of LAK 209,907 million, which Company used its own working capital to be an advance investment on the construction.
2016	:	According to Annual General Meeting of shareholders on 18th October 2016, the Company has approved to amend the par value to LAK 2,000 per share, increased the registered capital from LAK 10,000 million to LAK 700,000 million and transformed itself from Phousy Luang Prabang Road & Bridge Construction and Maintenance Sole Company Limited to **"Phousy Construction and Development Public Company"**. According to Extraordinary General Meeting on 18th November 2016, the Company has approved to increase registered capital in amount of LAK 300,000 million by issuing initial public offering in amount of 150 million shares with par value LAK 2,000 per share in order to initial public offering (IPO) to be listed in Lao Securities Exchange (LSX) which increased the Company's registered capital to LAK 1,000,000 million after IPO.
2017		On May 9, 2017, the Lao Securities Commission Office has issued a letter no. 220/LSCO to Phousy Construction and Development Public Company to reduce par value from 2000 Kip per share to 1000 Kip per share which resulted in the reduction of the registered capital amount from 700,000 million Kip to 582, 000 Kip. The altered registered capital amount was reflected in the business registration issued by Ministry of Industry and Commerce on June 27, 2017. On October 2, 2017, the company has completed its new registration capital with an additional amount of 82,000 million Kip right after its closing of the IPO resulting in the new registered capital of 582,000 million Kip. On October 10, 2017, the company had its first day trading and officially listed in the Lao Stock Exchange which has common shares of 82 million shares of par value 1000 Kip per share. The opening trade price per share was 1300 kip per share and closing trade price was at 1350 Kip per share

II CORE BUSINESS OPERATIONS

Vision

Phousy Construction and Development strives to pioneer the construction, technology and development in Lao PDR and expanded our business to ASEAN countries.

Mission

Our mission is to provide the best services with international standards in all areas such as high quality, timely delivery, attention to details, honesty and fairness to our partners and customers.

Values

P: Performance that is unrivalled

C: Comprehensive customer relations as the top priority

D: Delivery of on-time high quality work

III ORGANIZATIONAL STRUCTURES

Board of Directors of PCD



ທ່ານ ສີທອງ ພົມມະຈິດ

ປະທານສະພາບໍລິຫານ

Mr. Sithong PHOMMACHITH

Chairman



ທ່ານ ບຸນມີ ມະນີວົງ

ຮອງປະທານສະພາບໍລິຫານ / ສະມາຊິກອິດສະຫຼະ

Mr. Bounmy MANYVONG

Vice Chairman / Independent Member



ທ່ານ ສີທາ ພົມມະຈິດ

ສະມາຊິກສະພາບໍລິຫານ / ຜູ້ອຳນວຍການໃຫຍ່

Mr. Sitha PHOMMACHITH

Member / Chief Executive Officer



ທ່ານ ພູໂຂງ ອ້ວນລະມະນີ ສະມາຊິກ

ສະມາຊິກສະພາບໍລິຫານ

Mr. Phoukhong OUANLAMANY

Member



ທ່ານ ນັນທະລັດ ທິລະກຸນ

ສະມາຊິກອິດສະຫຼະ

Mr. Nanthalath THILAKUN

Member / Independent Member

Managing Directors of PCD



ທ່ານ ສີທາ ພົມມະຈິດ
ຜູ້ອຳນວຍການໃຫຍ່
Mr. Sitha PHOMMACHITH
Chief Executive Officer



ທ່ານ ອຳໄพວັນ ຈັນທະພາລີ
ຜູ້ຊ່ວຍຜູ້ອຳນວຍການໃຫຍ່ຝ່າຍປະຕິບັດການ
Mr. Amphaivanh CHANHTHAPHALY
Chief Operations Officer



ທ່ານ ອາໂນໄລ ສີທາຣາດ
ຜູ້ຊ່ວຍຜູ້ອຳນວຍການໃຫຍ່ຝ່າຍການເງິນ
Mr. Anolay SIHARATH
Chief Financial Officer



ທ່ານ ດວງ ປະທຸມລັກ
ພະແນກ ຈັດຕັ້ງ ບໍລິຫານ
Mr. Duang PATHOUMLACK
Head of HR and Administration Department



ທ່ານ ພຸດທະເສນ ພົມມີໄຊ
ພະແນກ ພັດທະນາທຸລະກິດ ແລະ ການຕະຫຼາດ
Mr. Phoutthasen PHOMMIXAY
Head of Business Development and Marketing Department



ທ່ານ ວິລະຄົມ ພິລາກຸນ
ພະແນກ ອອກແບບ ແລະ ສຳຫລວດ
Mr. Vilakhom PHILAKOUN
Head of Design and Survey Department



ທ່ານ ເກດສະໜາ ຈັນທະວົງ
ພະແນກ ກໍ່ສ້າງ ເຕົ້າມ້ຽ
Mr. Kethsana CHANHTHAVONG
Head of Construction and Monitoring Deparment



ທ່ານ ນາງ ໄธທອງ ພົມມະຈິດ
ພະແນກ ການບັນຊີ ການເງິນ
Mrs. Haithong PHOMMACHITH
Head of Finance and Accounting Deparment



ທ່ານ ບຸນທິດ ທອງສັກດີ
ພະແນກ ພະແນກສາງ
Mr. Bounthod THONGSACKDY
Head of Inventory Department



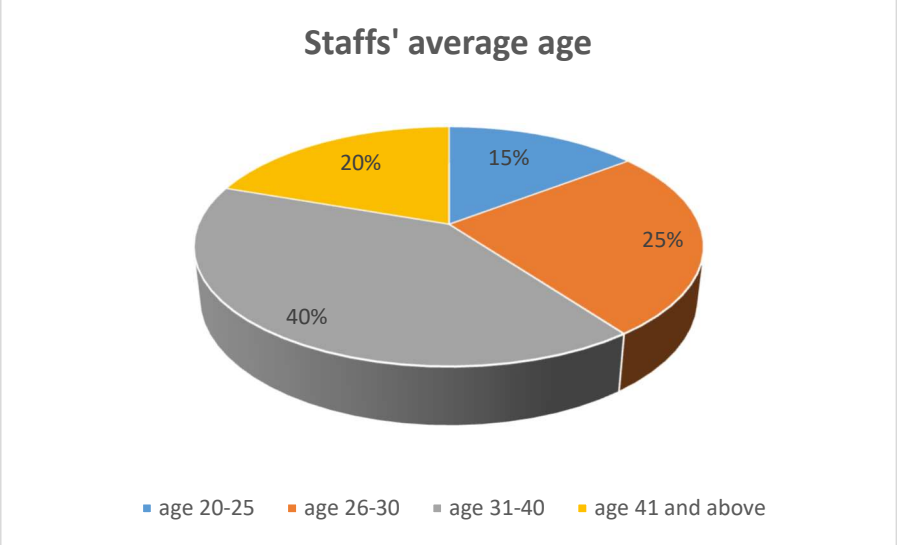
ທ່ານ ຄອນສະຫວັນ ທຳວົງສິດ
ພະແນກ ຈັດຊື້ຈັດຈ້າງ
Mr. Khonesavanh THAMVONGSITH
Head of Procurement Department

II. SUMMARY OF BUSINESS PERFORMANCE REPORT FOR THE YEAR 2010

Human Resource Management

In regard to the human resources management aspect, in the year 2020 PCD has focusing an organizational Re-structure to be aligned with the structure and conditions of the Lao Securities Exchange. Social welfare provides better care for employees in the organization, works day by day and has annual leave according to Lao Labor Law. And implemented the order of No.06/ນຍ To combat and prevent the outbreak of COVID 19 strictly.

- Total number of staff as off 31/12/2020: 177 staffs
- Staff turn-over: 0 %
- Staff released off duty: 0
- Staff Promotion: 0 staffs



➢ **Remuneration and Social Welfare**

- No Salary increases for staffs

➢ **Organize activities for unity of staffs**

- Not active in action due to outbreak COVID-19

Capacity building for staff

- In the Year 2020, there was no activities

Marketing

As a service provider of comprehensive engineering by emphasizing on infrastructure developments services which the majority of the project owners are the government sector. Therefore, our marketing strategy focus on the government sector by transferring the projects on a quality and on-time basis which is an important factor for the project owner that will trust on a quality provided by the Company which create an opportunity to get more jobs in the future. In addition, the Company has built good relationship with the government sector by provide and exchange the construction information along with the studies, exploration of addition areas for road project developments which creates a better chance of winning the bidding.

Currently, PCD is continuing to implement two unfinished projects: the construction of a two-story paved road from Ban Ou Village Luang Prabang District to Sibunheung village Nan district, Luang Prabang province, 50.2 km long, and an upgrade road from Kieu Cheia village to Muang Heub Village Phonethong district Laouang Prabang Province, 32.5 km in length.

The Vientiane-Pakse Expressway project, worth more than $ 4 billion, and we, Phousy Construction and Development Public Company, are among the four companies that have been shortlisted for the final round. The survey and design of the corridor is now underway, and the Ministry of Public Works and Transport is preparing to submit it to the government.

Modern resettlement villages for low-income guests of 200,000 across the country, are also looking for foreign partners.

The second phase of the 8.3-kilometer landslide protection project in Vientiane Capital (subcontracted by a Korean company) has already been submitted and is currently awaiting the opening of bids.

Construction of infrastructure project of Louang Prabang Special Economic Zone worth US $ 2.5 million is waiting for the owner of the project to demarcate the border and compensate for the environmental impact before it can be implemented.

- **Characteristics of Target Customers**

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

- **Project Bidding**

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

- **Competitive Strategy**

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

A. Comprehensive construction service company

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

B. Quality and standard of the work

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

C. Submitting the work on time

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

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

D. Pays attention on the detail of the project

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

E. Being honest and fair to our colleagues

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

F. Being reliable and trusted by our customers

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

Organizational Strategy

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

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

TAX

Phousy Development and Construction Public Company was fully registered under the Laws of Lao PDR, especially Law of Taxation which is strictly implemented based on the following table on the payment of tax:

The State Tax in the first 6 Month of the Year 2020

Item	Details	Units	Total value (kip)
1	Value Added Tax		573,030,630
2	Payroll Tax		30,336,000
3	Profit Tax		158,860,089
	Total		**762,226,719**

Note: The Business Performance Figures are based on the financial statement report.

Managing Director

Phousy Construction and Development Public

Mr. Sitha PHOMMACHITH

PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY



FINANCIAL STATEMENTS

31 DECEMBER 2020

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF PHOUSY CONSTRUCTION AND DEVELOPMENT PUBLIC COMPANY

Our opinion

In our opinion, the financial statements of Phousy Construction and Development Public Company (the Company) are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Emphasis of Matter - Basis of accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements have been prepared in accordance with the Company's accounting policies which the accounting basis used in the preparation of these financial statements may differ from International Financial Reporting Standard (IFRS). The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRS. Our opinion is not modified in respect to this matter.

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Key audit Matter

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We determine one key audit matter: Allowance for doubtful account receivables. The matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter
Allowance for doubtful account receivables *Refer to Note 2.4 'Accounting policies – Trade and other receivables' and Note 6 ' Trade and other receivables' to the financial statements.* As at 31 December 2020, trade receivables – Government of Lao PDR (GoL), who is only one customer of the Company, has balance amounted LAK 312,270 million less allowance for doubtful account receivables of LAK 304,903 million which represents 49 % the total assets in the financial statements, as resulting in net book value of LAK 7,367 million. The payment term depends on annual budget of GoL. During the year, GoL has limited their budget as a result payment during the year just LAK 6,303 million until reporting date. This affects to the working capital. Currently, the Company has in process of negotiating new payment terms with GoL. Management considers to set up an allowance based on the recoverable amount for conservative purpose. The recoverable amount was estimated by reference to the aging profile, historical payment pattern. We focus on this area as the trade accounts receivable was significant to the financial statements, and the allowance was based on management's judgement in evaluating the situation and condition of trade accounts receivable to consider the collectability of the Company.	Our key procedures include the following: • Inquired management about the method used as well as the assumptions made and understood the management's process and policy for setting up allowance for doubtful accounts; • Tested the accuracy of aging of trade receivables at year end on a sample basis; • Checked supporting documents such us certification of work completion that accepted by GoL to ensure that GoL has accepted the progress of work; • Assessed the recoverability of the unsettled recoverable on samples basis through our evaluation of management's assessment with reference to the credit profile of the customer, historical payment pattern of the customer, publicly availability information and latest correspondence with the customer and to reconsider if any additional provision should be made; and • Tested subsequent settlements of trade receivables after balance sheet date on sample basis, if any. Based upon the above procedures performed, we satisfied ourselves that management had taken reasonable judgements that were materially supported by the available evidence in respect of the relevant receivable balances. We did not encounter any issues through these audit procedures that indicated that provisioning in respect of trade receivables was inappropriate.

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Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion upon them.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

Responsibilities of the directors and audit committee for the financial statements

The directors are responsible for the preparation and presentation of the financial statements in accordance with accounting policies described in Note 2 to the financial statements, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By: Apisit Thiengtrongpinyo
Partner

Vientiane, Lao PDR
Date 15 March 2021

Phousy Construction and Development Public Company

Statement of financial position
As at 31 December 2020

Assets	Notes	2020 Million LAK	2019 Million LAK
Current assets			
Cash and cash equivalents	5	88	195
Trade and other receivables, net	6	138,017	181,442
Inventories		320	318
Other current assets	7	10,676	7,698
Total current assets		**149,101**	**189,653**
Non- current assets			
Property plant and equipment, net	8	470,366	474,530
Long-term loan to related party	9	861	861
Total Non-current assets		**471,227**	**475,391**
Total assets		**620,328**	**665,044**
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	10	47,973	45,743
Current portion of long-term borrowings - financial institutions	11	38,422	38,422
Current portion of long-term borrowings - related parties	11	8,000	4,200
Profit tax payable	12	12,971	8,486
Other current liabilities	13	52,834	46,323
Total current liabilities		**160,200**	**143,174**
Non-current liabilities			
Long-term borrowings – related parties	11	8,000	11,800
Total Non-current liabilities		**8,000**	**11,800**
Total liabilities		**168,200**	**154,974**
Equity			
Authorised share capital	14	582,000	582,000
Share premium	14	12,540	12,540
Retained earnings/(Accumulated loss)			
Appropriated legal reserve	15	11,572	11,572
Unappropriated		(153,984)	(96,042)
Total equity		**452,128**	**510,070**
Total liabilities and equity		**620,328**	**665,044**

Mr. Sitha PHOMMACHITH
Managing Director
Date: 15 March 2021

Mr. Anolay SIHARATH
Chief Financial Officer
Date: 15 March 2021

The accompanying notes on pages 9 to 23 from an integral part of these financial statements.

Phousy Construction and Development Public Company

Statement of income
For the year ended 31 December 2020

	Notes	2020 Million LAK	2019 Million LAK
Revenue from construction		2,647	5,590
Cost of construction		(5,149)	(7,603)
Gross profit		**(2,502)**	**(2,013)**
Other income		2,995	4,109
Impairment (loss)/gain, net		(40,754)	1,941
Administrative expenses		(2,727)	(3,361)
Foreign exchange loss		(2,220)	(796)
Interest expenses	18	(8,091)	(8,521)
Loss before income tax expenses		**(53,299)**	**(8,641)**
Profit tax expenses	19	(4,643)	(149)
Loss for the year		**(57,942)**	**(8,790)**
Earnings per share			
Basic earnings (loss) per share	20	(99.56)	(15.10)

Mr. Sitha PHOMMACHITH
Managing Director
Date: 15 March 2021

Mr. Anolay SIHARATH
Chief Financial Officer
Date: 15 March 2021

The accompanying notes on pages 9 to 23 from an integral part of these financial statements.

Phousy Construction and Development Public Company

Statement of changes in equity
For the year ended 31 December 2020

	Note	Share capital (Note 14) Million LAK	Share premium (Note 14) Million LAK	Retained earnings/(Accumulated loss) Legal reserve (Note 15) Million LAK	Unappropriated Million LAK	Total Million LAK
Balance 1 January 2020		582,000	12,540	11,572	(96,042)	510,070
Loss for the year		-	-	-	(57,942)	(57,942)
Balance 31 December 2020		**582,000**	**12,540**	**11,572**	**(153,984)**	**452,128**
Balance 1 January 2019		582,000	12,540	11,572	(87,252)	518,860
Loss for the year		-	-	-	(8,790)	(8,790)
Balance 31 December 2019		**582,000**	**12,540**	**11,572**	**(96,042)**	**510,070**

Mr. Sitha PHOMMACHITH
Managing Director
Date: 15 March 2021

Mr. Anolay SIHARATH
Chief Financial Officer
Date: 15 March 2021

The accompanying notes on pages 9 to 23 from an integral part of these financial statements.

Phousy Construction and Development Public Company

Statement of cash flows
For the year ended 31 December 2020

	Notes	2020 Million LAK	2019 Million LAK
Cash flows from operating activities:			
Loss before income tax for the year		(53,299)	(8,641)
Adjustments:			
Foreign exchange loss		2,257	-
Depreciation charges	8	4,164	4,190
Amortisation charges		-	5
Interest expense	18	8,091	8,521
Impairment (loss)/gain, net		41,821	(1,941)
Operating loss before working capital changes		**3,034**	**2,134**
Changes in working capital:			
- Trade and other receivables		1,604	6,087
- Inventories		(2)	5
- Other current assets		(2,977)	(3,625)
- Trade and other accounts payable		(28)	(2,408)
- Other current liabilities		(400)	5,489
Cash generated from operations		1,231	7,682
Income tax paid		(159)	(143)
Net cash generate from operating activities		**1,072**	**7,539**
Cash flows from investing activities :			
Purchases of property plant and equipment		-	(8)
Net cash used in investing activities		**-**	**(8)**
Cash flows from financing activities :			
Proceeds from borrowings	11	3,200	10,515
Repayments of borrowings	11	(3,200)	(9,600)
Interest paid		(1,179)	(8,305)
Net cash from financing activities		**(1,179)**	**(7,390)**
Net (decrease)/increase in cash and cash equivalents		(107)	141
Cash and cash equivalent at the beginning of the year	5	195	54
Effect of exchange rate changes on cash and cash equivalent		-	-
Cash and cash equivalent at the end of the year	5	**88**	**195**

Mr. Sitha PHOMMACHITH
Managing Director
Date: 15 March 2021

Mr. Anolay SIHARATH
Chief Financial Officer
Date: 15 March 2021

The accompanying notes on pages 9 to 23 from an integral part of these financial statements.

1. General information

Phousy Construction and Development Public Company is a public company. The address of the Company's registered office is at Continental Plaza Hotel, Nongbuathong-Tai Village, Sikhottabong District, Vientiane Capital, Lao PDR.

The principal businesses of the Company are construct, repair and maintenance road, bridge and others. There is only one customer which is Government of Lao PDR (GoL).

The Company was listed on the Lao Securities Exchange (LSX) market on 10 October 2017.

These financial statements were authorised for issue by managing director on 15 March 2021.

2. Accounting policies

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

2.1 Basis of preparation

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

According to the Accounting Law no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply Financial Reporting Standard (IFRS). However, Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIEs to prepare action plan for adoption IFRS within four-year period. The management is presently preparing action plan for implementation IFRS in accordance with the announcement.

The accounting principles applied may materially differ from IFRS. These areas of significant differences are, for example leases, revenue, borrowing cost, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax.

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

Going concern assumption

The Company incurred a net loss of LAK 57,942 million during the financial year ended 31 December 2020 (2019: Loss LAK 8,790 million). According to the delay of payments from customer, the Company is in the negotiation process for new payment schedule but no solution as at reporting date.

2. Accounting policies (Continued)

2.1 Basis of preparation (Continued)

Going concern assumption (Continued)

The related party and major shareholder issued letter of support to the Company by accepts responsibility of providing and undertakes to provide sufficient financial assistance and postpone payment schedule to Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations now and in the future until the Company will have sufficient financial position. Therefore, these financial statements are prepared on going concern basis.

2.2 Foreign currency transactions

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

Foreign currency transactions are translated into LAK using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currency are translated into LAK at the exchange rates prevailing at the balance sheet dates. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

2.3 Cash and cash equivalents

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

2.4 Trade and other receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. Management consider provision for allowance for doubtful account when the outstanding balance is over 3 years.

No provision made on outstanding balances of loan to related parties, trade and receivables and other receivables from related parties.

2.5 Inventories

Inventories are stated at the lower of the purchase cost and net realisable value. The cost is determined using the weighted average method. The purchase cost comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates from suppliers. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2. Accounting policies (Continued)

2.6 Property, plant and equipment

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

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to statement of income during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to their residual values over their estimated useful lives, as follows:

Asset types	Years
Building	10
Vehicle	10
Office equipment	5
Furniture and fixture	5

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in statement of income.

2.7 Borrowings

Borrowings are recognised initially at cash proceed received.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

All borrowing costs are recognised in statement of income in the period in which they are incurred.

2.8 Revenue recognition

Revenue comprises the invoice value net of rebates and discounts, if any. Revenue from the construction and services are recognised when the goods or services are transferred or delivered and accepted by the buyer.

Other income is recognised on the following basis:

- Interest income is recognised on a time-proportion basis, taking into account the principal outstanding and interest rate over the period to maturity, when it is determined that such income will be accrued to the Company.
- Other income is recognised on an accrual basis.

2. Accounting policies (Continued)

2.9 Taxation

The Company records corporate income tax on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods for temporary differences. Currently there are vary tax practices in Lao PDR. Income tax expenses are recognised based on the operating result for the year after adjustments for non-deductible expenses and other transactions under the related Lao Tax Law at the relevant tax rate or revenue from sale or service multiplied with pre-determined profit rate and profit tax rate. According to the practice of tax payment between the Company and tax authority, profit tax is calculated by base on second option (Note 19).

In Lao PDR, income tax returns are reviewed in details by the relevant authorities on a regular basis. Tax issues raised during the reviews may require judgments and interpretations by the relevant authority. Tax reviews may result in additional tax payments or refunds as necessary. Such additional payment or refund is recognised as income tax expenses in the year in which the reviews are completed.

2.10 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated, except for the provision for employee benefits as described in Note 2.11.

2.11 Employee benefits

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

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

3. Significant events during the current year.

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2020, with a significant number of infections. Measures taken by various governments to contain the virus have affected economic activity. The Company have taken a number of measures to monitor and prevent the effects of the COVID-19 virus such safety and health measures for our people (like social distancing and working from home) and securing the supply of materials that are essential to our operating process.

At this stage, the impact on our business and results is limited. the Company will continue to follow the various national institutes policies and advice and in parallel will do our utmost to continue our operations in the best and safest way possible without risking the health of our people.

3. Significant events during the current year (Continued)

From 4 May 2020, the Government implement the modified the lock down of the country, most of the business units are allowed to continue the operation. Thus, management believed and also ensures that there is not significant impact to the financial statements of the Company for the year ended 31 December 2020.

The management is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategising effective solutions.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

4.1 Impairment of trade receivables

In determining an allowance for doubtful accounts, the Company make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts.

4.2 Impairment of property plant and equipment

The Company has assessed the recoverable amount of those assets based on fair value less cost to sell. The fair value was determined from market price of equivalent assets. Any result provision for impairment will recognise in statements of income.

5. Cash and cash equivalents

	2020 Million LAK	2019 Million LAK
Cash on hand	18	145
Deposits held at call with financial institutions	70	50
	88	**195**

Cash on hand includes petty cash for day to day operation.

Deposits held at call with financial institutions represents cash deposited with reputable local banks in currencies, US dollars, Thai baht and Lao kip in current accounts with none interest.

6. Trade and other receivables, net

	2020 Million LAK	2019 Million LAK
Trade account receivables	312,270	315,662
Less: Allowance for doubtful debt	(304,903)	(264,149)
Trade accounts receivable, net (a)	7,367	51,513
Amount due from Phousy Group (Note 21) b)	68,987	64,491
Short-term loan to Phousy Group (Note 21) b)	61,260	65,035
Other receivable	403	403
	138,017	**181,442**

(a) The outstanding trade receivable balance as at 31 December is aged as follows:

	2020 Million LAK	2019 Million LAK
Not yet due	-	-
Overdue:		
0-3 months	2,912	1,042
3-6 months	-	569
6-12 months	544	-
Over 1 year	-	-
Over 2 years	-	48,576
Over 3 years	308,814	265,475
Trade and other receivables, net	312,270	315,662
Less Allowance for doubtful debts*	(304,903)	(264,149)
	7,367	**51,513**

*The Company has only one customer, Government of Laos (GoL), which will consider provision for doubtful account in some certain criteria. Although there was no default payment from GoL in the past however, management considered to set up allowance for doubtful account 100% for outstanding balance over 3 years for conservative.

7. Other current assets

	2020 Million LAK	2019 Million LAK
Interest receivable from related party*	10,411	7,417
Advances to supplier	206	206
Advances to staff	39	47
Prepayment	20	28
	10,676	**7,698**

* Interest receivable from related party – related from loan to Phousy Group in Note 6.

8. Property, plant and equipment, net

	Land	Building	Motor vehicles	Furniture and fixture	Computer and office equipment	Total
	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK	Million LAK
At 31 December 2019						
Cost	466,000	18	34,852	1,061	448	502,379
Less Accumulated depreciation	-	(10)	(25,138)	(980)	(422)	(26,550)
Provision for impairment	-	-	(1,299)	-	-	(1,299)
Net book amount	**466,000**	**8**	**8,415**	**81**	**26**	**474,530**
Opening net book amount	**466,000**	**8**	**8,415**	**81**	**26**	**474,530**
Depreciation charge (Note 17)	-	(2)	(4,096)	(53)	(13)	(4,164)
Closing net book amount	**466,000**	**6**	**4,319**	**28**	**13**	**470,366**
At 31 December 2020						
Cost	466,000	18	34,852	1,061	448	502,379
Less Accumulated depreciation	-	(12)	(29,234)	(1,033)	(435)	(30,714)
Provision for impairment	-	-	(1,299)	-	-	(1,299)
Net book amount	**466,000**	**6**	**4,319**	**28**	**13**	**470,366**

Land LAK 48,968 million are secured for borrowings (Note 11).

9. Long-term loan to related party

	2020 Million LAK	2019 Million LAK
Loan to:		
-Related party (Note 21) b)	861	861

10. Trade and other payables

	2020 Million LAK	2019 Million LAK
Trade payable - third party	12,851	19,101
Other payable - related party (Note 21) b)	35,122	26,642
	47,973	**45,743**

11. Borrowings, net

	2020 Million LAK	2019 Million LAK
Financial institution	38,422	38,422
Related parties (Note 21) b)	16,000	16,000
	54,422	**54,422**

	2020 Million LAK	2019 Million LAK
Current	46,422	42,622
Non-current	8,000	11,800
	54,422	**54,422**

11. Borrowings, net (continued)

The movement in borrowings can be analysed as follows:

	2020 Million LAK	2019 Million LAK
Opening balance 1 January	54,422	53,507
Additions during the year	3,200	10,515
Repayments of borrowings during the year	(3,200)	(9,600)
As at 31 December	**54,422**	**54,422**

Borrowing from financial institution and related parties.

The Company signed a borrowing agreement amount LAK 36,000 million and LAK 5,000 million with local financial institution for working capital for road construction with interest rate of 17 % and 13 % respectively per annum since year 2015. This borrowing is guaranteed by land of the Company (Note 8) and land of related parties. The Company is required to repay principal within 3 years after the first drawdown on annually and interest is payable on monthly.

As at reporting date, the Company is in negotiation process for new term and condition of payment with lender and the lenders do not take any action to the Company according to this default.

During the year 2020 the Company took additional loan amount LAK 3,200 million from related parties (Note 21) interest rate 10 % per annum.

The aging analysis of these borrowings is as follows:

	2020 Million LAK	2019 Million LAK
Less than one year	46,422	42,622
More than one year but not over 5 years	8,000	11,800
Over 5 years	-	-
	54,422	**54,422**

12. Profit tax payable

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

As at 31 December 2020, profit tax payable presented profit tax payable from construction revenue during the year and before 2020.

13. Other current liabilities

	2020 Million LAK	2019 Million LAK
VAT payable	29,991	30,300
Interest payable from related parties	567	134
Interest payable from financial institutions	17,592	11,138
Dividend payable	1,863	1,863
Advance received from sub-contractor	875	982
Advance received from Government	893	893
Accrued salary	141	211
Others	912	802
	52,834	**46,323**

14. Share capital and premium on share capital

	Number of shares Million Shares	Ordinary shares Million LAK	Share Premium Million LAK	Total Million LAK
At 1 January 2019	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2019	**582**	**582,000**	**12,540**	**594,540**
At 1 January 2020	582	582,000	12,540	594,540
Issued of shares	-	-	-	-
At 31 December 2020	**582**	**582,000**	**12,540**	**594,540**

As at 31 December 2020, the Company has share 582,000,000 shares with a par value of LAK 1,000 per share and issued shares were fully paid.

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

15. Legal reserve

	2020 Million LAK	2019 Million LAK
Opening balance	11,572	11,572
Addition during the year	-	-
	11,572	**11,572**

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

16. Dividend

2020:

At the Annual General Meeting of Shareholders, held on 29 May 2020, the shareholders approved no dividend payments for the year 2019 because of the business operating result loss.

2019:

At the Annual General Meeting of Shareholders, held on 28 February 2020, the shareholders approved no dividend payments for the year 2018 because of the business operating result loss.

17. Expenses by nature

	2020 Million LAK	2019 Million LAK
Allowance for doubtful account expenses	40,754	-
Depreciation charge (Note 8)	4,164	4,190
Staff cost	2,014	2,983
Other expenses	912	1,603
Supplies	177	1,386
Consulting expenses	374	423
Travelling cost	169	287
Repairs and maintenance expenses	66	87
Amortisation charges	-	5
	48,630	**10,964**

18. Interest expenses

	2020 Million LAK	2019 Million LAK
Interest expenses from borrowing		
- financial institutions	6,455	6,996
- related parties (Note 21) a)	1,636	1,525
	8,091	**8,521**

19. Profit tax expense

According to the profit tax payment practice between tax authority and the Company as described in (Note 12), profit tax expense presented profit tax from construction revenue during the year but GoL do not make payment.

During the year 2020, new Income Tax Law No.67/NA date 18 June 2019 was effective on 1 January 2020 onward and the Company is subject to pay profit tax at rate 20% and deemed profit margin 15% of business revenue.

20. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year.

	2020	2019
Weighted average number of ordinary shares (million shares)	582	582
Net (Loss) for the year attributable to shareholders (million LAK)	(57,942)	(8,790)
Basic earnings (loss) per share (LAK)	**(99.56)**	**(15.10)**

21. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

21. Related party transactions (Continued)

As at 31 December 2020, the Company is controlled by the Phommachith family, who own 86% of the Company's shares (2019: 86%). The remaining 14% of the share are widely held. The Company's ultimate controlling party is Mr. Sithong Phommachith. He is management of Phousy Group Sole Company Limited (Phousy Group).

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

a) Purchases of goods or services and others

	2020 Million LAK	2019 Million LAK
Interest income from Phousy Group	2,994	3,436
Interest expense (Note 18)	1,636	1,525
Fuel expenses	182	784
Rental	180	180

b) Outstanding balances with related parties

	2020 Million LAK	2019 Million LAK
Amounts due from related parties (Note 6) (1)	68,987	64,491
Short-term loan to Phousy Group (Note 6) (2)	61,260	65,035
Long-term loan to related party (Note 9)	861	861
Other payable - related parties (Note 10)	35,122	26,642
Long-term borrowings (Note 11) (3)	16,000	16,000

(1) This is consisting of amounts due from Phousy Group Sole Company Limited, with no interest and call on demand.

(2) On 27 December 2017, the Company entered into short-term loan agreement LAK 86,531 million with Phousy Group for investment in development of new town project at Luang Prabang with interest rate 5% per annum, no collateral.

(3) Movement of borrowings can be analysis as below:

	2020 Million LAK	2019 Million LAK
Opening balance	16,000	15,085
Additions	3,200	10,515
Repayments	(3,200)	(9,600)
Ending balance	**16,000**	**16,000**

21. Related party transactions (Continued)

b) Outstanding balances with related parties (Continued)

(3) Movement of borrowings can be analysis as below: (Continued)

Borrowings from related parties with interest average 9.75% per annum to 11.13% per annum and using for operating in the Company. The repayment term is 1 to 4 years, on annual basis, start from 2017 to 2022.

Borrowings are denominated in Lao Kip (LAK) and aging analysis of these borrowings is as follows:

	2020 Million LAK	2019 Million LAK
Less than one year	8,000	4,200
More than one year but not over 5 years	8,000	11,800
Over 5 years	-	-
	16,000	**16,000**

22. Commitments and significant agreements

	2020 Million LAK	2019 Million LAK
Office rental commitment (1)	1,080	1,260
Advisory service	-	266
	1,080	**1,526**

(1) The Company leases land and offices under non-cancellable operating lease agreements. The lease term is 10 years, and the majority of lease agreements are renewable at the end of the lease period at an agreed date.

Attachment 4

CURRICULUM VITAE



Mr. Bounmy Manivong

Position: Vice Chairman/Independent Director

Phonsinuan Village, Sisattanak District, VTE

Tel: (856-20) 99949399

Date of Birth: 14 April 1954

Nationality: Lao

EDUCATION

1997-1998	Certificate in the field of Political and Public Administration from National Academy of Political and Public Administration, Vientiane, Laos.
1984	College Diploma from the national academy of political and public Administration, Vietnam
1977-1978	Certificate in the field of Customs-Tax from Luang Prabang College of Finance, Luangprabang Province, Laos.

WORK EXPERIENCE

2014	Deputy Minister of Ministry of Industry and Commerce
2009-2011	Permanent Secretary of permanent Secretary Office, Ministry of Industry and Commerce
2001-2009	Director General of Trade Promotion and Development Department, Ministry of Industry and Commerce
1998-2001	Member committee and Chief of Cabinet of Lao Nation Leading Committee Office for Rural Development and Poverty Eradication, Government Office
1993-1997	Vice Provincial Governor of Luangprabang Province
1982-1993	Chief of Financial Department, Luangprabang Province
1979-1982	Director General of Luangprabang College of Finance, Luangprabang Province
1975-1979	Chief of Customs-Tax Division, Finance Department, Luangprabang Province
1973-1975	Financial Officer at Vietnam-China Border of Finance Department, Luangprabang Province
1968-1972	Budget Planning Officer at Finance Department of Luangprabang Province

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CURRICULUM VITAE



MR. NANTHALATH THILAKOUN

Position: Independent Director

Viengkham Village, Sikhottabong District, VTE

Tel: (856-20) 56110372

Date of Birth: 05 January 1970

Nationality: Lao

Email: thirakul@hotmail.com

EDUCATION

- Diploma of Business Administration, Fanshawe College, United Kingdom.

WORK EXPERIENCE

2016 – Present	Independent Director of Phousy Construction and Development Public Company
2011 – 2016	Director of Consultant – Accounting Company
2009 – 2011	Director of Petroff Communication
2001 – 2003	Manager of Canada Life Insurance

Attachment 5

PROXY

Written at……

Date…..... month…… year…….

(1) I/We…….. Nationality……, date, month and year of birth…… ID card number or ID Passport Reside at……..…..Road……..Village……..…… District…… Province ……..……. Nation ……..

(2) Being a shareholder of Phousy Construction and development Public Company by Holding the ordinary shares in the total amount of……..……. shares, which are equivalent to the same voting right

(3) Hereby appoint (tick ✓ in the box)

☐ (3.1) Mr. /Ms. ……..…….……. Age…….…… years, ID card Or ID passport…… resides at….…….Road.……..… Village…… District……..... Province……. Nation…….or

☐ (3.2) Mr. Bounmy Manivong, Age 67 years, Village Phonsinua District Sisattanak Province Vientiane Nation Lao or

☐ (3.3) Mr. Nanthalath Thilakoun, Age 51 Village Viengkham District Sikottabong Province Vientiane Nation Lao

Any one of them to be my/our proxy to attend and vote on my/our behalf at the Annual General Meeting of Shareholders for the year 2020 at 13:00 pm, on 28 April 2021, at the 12th floor of Continental Plaza Hotel, Nongbuathong-tai Village, Sikhottabong District, Vientiane Capital, Lao PDR or any adjournment at any date, time and place there of

(4) I/We hereby authorize the proxy to vote on my/our behalf at this meeting as follows:

☐ To grant my/our proxy to consider and vote on my/our behalf as he/she may deem appropriate in all respects;

☐ To grant my/our proxy to votes as per my/our intention and consider and vote on my/our behalf in some agendas as he/she may deem appropriate in all respects;

☐ To grant my/our proxy to vote as per my/our intention.

Agenda 1: Considering and endorsing the Minutes of the Annual General Meeting of Shareholders for the year 2019

☐ Approve ☐ Disapprove

Agenda 2: Considering and endorsing the PCD's business performance report and the financial statements audited by auditing company for the year 2020

□ Approve □ Disapprove

Agenda 3: Considering that there's no dividend payments for the year 2020

□ Approve □ Disapprove

Agenda 4: Considering and endorsing the PCD's business plan for the year 2021

□ Approve □ Disapprove

Agenda 5: Considering and endorsing the appointment of the external auditors for the year 2021

□ Approve □ Disapprove

(5) Voting of the proxy in any agenda that is not as specified in this Proxy shall be considered as invalid and shall not be my/our voting as a shareholder.

(6) In case I/we have not specified my/our voting intention in any agenda or not clearly specified or in case the meeting considered and approved in any other exceptional points stated above including any amendments or additional facts, the proxy is able to play the right to consider and vote on my behalf in any suitable situations.

(7) Any business carried out by the proxy at the said meeting, except in case that the proxy does not vote according to my/our intention (s) specified in the Proxy, shall be deemed as having been carried out by myself/ourselves in all respects.

Grantor	Proxy
Signed……..	Signed …….
(……..…….)	(…….)

Remark:

1. The shareholder appointing the proxy must authorize only one proxy to attend and vote at the meeting and may not split the number of shares to several proxies for splitting votes.

2. Pursuant to the Law on Notary (Amended) No. 11/NA, dated 26 November 2009, in order for the appointment by the shareholder to the proxy to have legal effect, this Proxy must be notarized with the court. In this regard, the Company will not take any responsibility in the case where the Proxy submitted to the Company has not been registered with the Notary Office, Ministry of Justice.
3. The proxy must present to the officers at registration desk his/her valid ID card, or family book or passport (in case of foreign investor) together With the copies of the Same documents of the shareholder, this Proxy, and the Invitation to the Meeting.

Attachment 6

Documents and Evidence required being Presented Prior to Attending the Meeting, Proxy, Registration and Voting at the Shareholders' Meeting

For your convenience for the registration process to attend the Annual General Meeting of shareholders for the year 2020 of Phousy Construction and Development Public Company, the shareholders or proxies who will attend the Meeting shall bring the invitation to the Meeting, registration form and proxy form for the registration.

The Company reserves the rights to allow only the Shareholders or the proxies who have proper and complete documents to attend the Meeting.

1. Valid documents and Evidence required to be presented by the shareholders or proxies to attending the Meeting

1.1. Shareholders who are natural Persons

1.1.1. Shareholders attending the Meeting themselves shall present valid documents issued by governmental authorities, e.g. the identification card or passport (foreign shareholders), including the evidence of name or last name change (if any).

1.1.2. Shareholders appointing a proxy to attend the Meeting. A proxy shall present the documents as follows:

(1) A proxy form as attached to the invitation to the Meeting, which has been duly completed and signed by the shareholders and proxy.

(2) A copy of valid document of the shareholder issued by governmental authorities as specified on Item 1.1.1 which has been certified true and correct by the shareholders.

(3) Valid document of the proxy issued by governmental authorities e.g. the identification card or passport (for foreign proxy), the evidence of name or last name change (if any).

1.2. Shareholders who are juristic persons

1.2.1. Representatives of shareholders (authorized directors) attending the meeting themselves, shall present the documents as follows:

- Valid Documents of the representatives of the shareholders (authorized directors) issued by governmental authorities, e.g. the identification card or passport for foreign representatives of the shareholder (authorized director), including the evidence of the name or last name (if any)
- Copies of Foreign Investment License (if any), the Enterprise Registration Certification (Affidavit), the Article of Association and the Tax certificate (of the last year) of the shareholder specifying that the representatives of the juristic person attending the Meeting are duly authorized to represent the shareholder, which have been certified true and correct by the representatives of the shareholder (authorized director)

1.2.2. Shareholders appoint a proxy to attend the Meeting. A proxy shall provide the documents as follows:

- A proxy form as attached to the invitation to the Meeting which has been duly complete and signed by the shareholder and the proxy (authorized directors)

- Copies of Foreign Investment License (if any), the Enterprise Registration Certification (Affidavit), the Article of Association and the Tax certificate (of the last year) of the shareholder specifying that the representatives of the juristic person are duly authorized to represent the shareholders, which have been certified true and correct by the representatives of the shareholder (authorized directors)
- Copies of Valid documents of the representatives of shareholder (authorized directors) issued by governmental authorities Item 1.2.1(1), which have been certified true and correct by the representatives of the shareholder (authorized directors)
- Valid document of the proxy issued by governmental authorities that not expire, e.g. the identification card or passport (for foreign proxy, including the evidence of the name or last name (if any)

1.2.3. In case of the Shareholders who are foreign juristic persons

(1) Please follow the instructions Item 1.2.1 or 1.2.2 as the case may be.

(2) Documents of foreign juristic persons shall be translated in to Lao or English and such translation shall be certified by the representatives (authorized directors) of such foreign juristic persons.

2. Proxy

Shareholders who are unable to attend the Meeting themselves, may appoint a proxy to attend the meeting on the shareholders' behalf by proceeding as follows:

2.1. Appoint any person or one of the directors of Company to attend and vote the Meeting on the shareholders' behalf by specifying the name and details the proxy or marking (✓) in the □ in front of the name of one of the directors as provided in the proxy form to be the proxy to attend the Meeting.

2.2. Return the duly complete proxy form to PCD, a company secretary and Please deliver to the company before 28 April 2021 or at least an hour before the Meeting starts for verification of documents.

In this regard, shareholders may not split shares to appoint several proxies to split votes in the Meeting. Each of the shall authorize the proxy to cast the votes equaling to the same number of shares held by such shareholder, and shall not appoint only parts of the shares held by such shareholders.

3. Registration

The Company will start the registration process for attending the Annual General Meeting of Shareholders for the Year 2020 of Phousy Construction and Development Public Company 2 hours before the meeting starts or from 13:00 a.m. on 28 April 2021, at the Meeting room on At the 12th floor of Continental Plaza Hotel, Nongbuathong-tai Village, Sikhottabong District, Vientiane Capital, Lao PDR Please refer to the map attached.

In each agenda, the company will temporarily suspend the registration process before voting or will re-open the registration again after the completion of vote counting.

4. Voting and Vote Counting Result

4.1. Voting regulation

(1) One share is entitled to one vote. Shareholders shall only cast the votes equaling to the same number of shares held

(2) The company will prepare ballots for every agenda which requires vote. In this regard, the company will distribute the ballots to the shareholders and proxies at the time of registration. **Except** for the case of proxy in which the voting has been clearly specified in the proxy form, the company will not distribute the ballots to the proxy who register after the meeting has commenced will receive only the ballots for the remaining agenda.

4.2. Vote Counting Result

In casting votes in each agenda, the Chairman will ask if anyone disapproves in order to save time of the shareholders and proxies as a whole. The shareholders and the proxies who approve shall not put a mark in the ballots, while the shareholders and the proxies who disapprove or abstained shall put a mark (✓) in the □ disapprove box or abstained box and sign the ballots and raise their hands to deliver the ballots to the company's staff members for vote counting. Except for case of proxy in which the voting has been clearly specified in the proxy form, the company will record such votes at the time of the registration.

In this regard, in the event that the shareholders and proxies submit their disapproval or abstained ballots after the Chairman has announced the voting result of each agenda to the Meeting, the Company will disregard such disapproval votes or abstained votes.

4.3. Vote Counting and Announcement of Voting Result

Prior to the commencement of the Meeting, Managing Director of the company shall explain the vote counting procedures to the Meeting. The Company will counting the votes and inform the voting result to the Meeting before each agenda is finished.

The company will deduct the disapproval votes or abstained votes from the total votes, the remaining votes will be deemed as approval votes.

Attachment 7

Map of the meeting place



Location: 12th floor of Continental Plaza Hotel,

Nongbouathong-tai village, Sikhottabong district, Vientiane Capital, Lao PDR

Tel: +856 (21) 265 394, Fax: +856 (21) 265394