Lao People's Democratic Republic

Peace Independent Democracy Unity Prosperity.

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No. 029 / PCD

Vientiane, date 17/01/2024

Letter

Attn: The director of Lao Security Commission Office.

The director of Lao Security Exchange.

The Investors and shareholders of Phousy Construction and Development Public Company.

Title: The Solution plan of Capital Impairment, Phousy Construction and Development Public company.

- **According to** the letter of Lao Security Exchange to Phousy Construction and Development Public Company for the conditional preserving the status of the listed company in Lao security Exchange.
- **According to** the agreement of the PCD Board Resolution on 12 Jan 2024

Phousy Construction and Development Public company would like to report to you about the plan to solve the capital impairment. During the last 3 years, there was an epidemic of COVID – 19 affecting the operation of the company, in addition, according to the accounting policy the deduction of doubtful debits will be zero for commercial and other debts with arrears more than 3 years, which will reduce the company's assets and capital and is one of the causes of the company's capital impairment. However, the company has a plan to solve the capital impairment as follows:

1. Projects in the plan for the year 2022 – 2030

1. Phousy Construction and Development Public company has a jointed investment 25%,and Is the main contractor is cold mining in Vieng Phu Kha District, Luang Namtha Province.Estimated investment cost of 5 dollars per ton, revenue of 12 dollars per ton (from investment and revenues which is total 75 million dollars).
2. Phousy Construction and Development Public company invests in the bypass road project from Don Num town to Bua Village, Vientiane within a distance of 30 kilometers. Estimated investment value of 210 million dollars with an interests return rate of 10%.

3. Phousy Construction and Development Public company invests in 1000 megawatts of solar power. Estimated investment value of 800 million dollars with an interest return rate of 12.8%.
4. Phousy Construction and Development Public company, investment study plan, hydropower project totaling 1150 megawatts.
5. Phousy Construction and Development Public company is preparing the tender for the project.
   1.5.1 Luang Prabang Bridge Construction project with NEDA funding.
   1.5.2 R12 road construction project with NIDA funding.
   1.5.3 Land construction project in Luang Prabang province with EDCF funding (Korea)
   1.5.4 The project to build garbage fields and alleys in the city of Luang Prabang Province with funding from the world bank.

According to the plan of Phousy Construction and Development Public company estimates that it will be able to solve the capital impairment.

Very Hight respectful

Director

Phousy Construction and Development Public Company

Sitha PHOMMACHITH