ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ຊີມັ້ງລາວ ມະຫາຊົນ
LAO CEMENT PUBLIC COMPANY

ຖະໜົນ ໜອງບອນ ວຽງຈັນ, ສ. ປ. ປ. ລາວ ຕູ້ ປ.ນ 6821, ໂທຣ: (856-21) 412111, 451116 ແຟັກ: 263120, 451222
NONGBONE RD, VIENTIANE, LAO P.D.R P.O.BOX 6821, TEL: (856-21) 412111, 451116 FAX: 263120, 451222
E-mail: Lcc@laocement.com, www.laocement.com

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No...../LCC
Vientiane Capital, Date: 22 MAY 2018

Notification of Invitation Letter

To: Shareholders of Lao Cement Public Company
Subject: Invitation to the Annual General Shareholders' Meeting for the year of 2017.

- Pursuant to the resolution of LCC Board of Directors' meeting, dated: 30/4/2018.
- Pursuant to the list of shareholder from the Lao Securities Exchange.

Lao Cement Public Company has an honor to invite the shareholders of LCC in order to participate the Annual General Shareholders' Meeting for the year of 2017, which will be organized on 31st May 2018 at 2:00 PM. (The registration would begin at 1:30 PM.), at Meeting Room of Donchan Palace, Vientiane Capital, to determine and approve the matters as involved in the agenda attached herewith.

We hope that you will provide a time to attend this meeting.

Sincerely yours,

Chairman of the Board of Directors
Lao Cement Public Company

Liu Wei

Remark: Contact number: 021-451116
Chinese: Mr. zhao xingsheng 020-5544165411
Laotian: Mr. Chanthavilay 020-22225180
Dress: Formal
Attachment: Document shall present to the meeting

Attachment 1:

Agenda of Lao Cement Public Company's Annual General Shareholders' Meeting of 2017

- **Agenda 1:** Listening to the business operation of 2017.

Detail:
The Business Operation Report of 2017 reported on the BOD's meeting on 30 April 2018, see more information in attachment 2.
Management decision:
The Business Operation Report of 2017 will be a minuet of the LCC's BOD's meeting and this will be only a report for acknowledgement of shareholders' meeting and do not have the voting for this matter.

- **Agenda 2:** To consider and approve the LCC's financial statement of 2017.

Detail: The LCC's financial statement of 2017 has audited by the external auditor or E&Y in attachment 3. This financial statement was reported to the LCC's BOD' meeting on 30th April 2018 and disclosed on the Lao Securities Exchange website.

Management decision:

The financial statement of 2017 was reported to the LCC's BOD meeting on 30th April 2018 based on the accuracy and completions, which agreed to propose to the shareholders' meeting for consideration and approval.

The requirement of voting:

Regarding the Enterprise Law, it described that this agenda will be passed by the voting of more than half the attendees of the meeting.

- **Agenda 3:** To consider and approve the dividend of 2017.

Detail:
The detail of the dividend report would be in the attachment 4.
Management decision:
The dividend report was considered by the LCC's BOD on 30th April 2018 based on the accuracy and reasonable, which agreed to propose to the shareholders' meeting for consideration and approval.
The requirement of voting:
Regarding the Enterprise Law, it described that this agenda will be passed by the voting of more than half the attendees of the meeting.

- **Agenda 4: The LCC's Business Operation of 2018**

Detail:

The detail of the LCC's Business Operation of 2018 be in the attachment 5.

Management decision:
The LCC's Business Operation of 2018 was considered by the LCC's BOD on 30th April 2018 based on the accuracy and reasonable, which agreed to propose to the shareholders' meeting for consideration and approval.
The requirement of voting:

Regarding the Enterprise Law, it described that this agenda will be passed by the voting of more than half the attendees of the meeting.

- **Agenda 5:** To consider and approve the appointment of LCC's 2018-2020.

Detail:
This matter will be in attachment 6.
Management decision:
The appointment of LCC's 2018-2020 audit was considered by the LCC's BOD on 30th April 2018 based on the accuracy and reasonable, which agreed to propose to the shareholders' meeting for consideration and approval.
The requirement of voting:
Regarding the Enterprise Law, it described that this agenda will be passed by the voting of more than half the attendees of the meeting.

- **Agenda 6: To consider and approve the ended term of the BOD's member for Mr. ZHAO Shi (Former)**

Detail:
The previous BOD's members: This has reported to the BODs' meeting on 30th April 2018.

1. Mr LIU Wei	Chairman
2. Mr Bounpeng BUOPHAN	Vice Chairman
3. Mr ZHAO Shi	Vice Chairman
4. Mr Khambon XAYLAOVONG	Director
5. Mr ZHANG Li	Director (CEO)
6. Mr Thongpob KINGKHAMPHET	Director
7. Mr JIE Yaoqi	Director
8. Mr XIAO Jie	Independen Director
9. Mr LI chunbo	Independen Director
10. Mr Vongvichit KEOVONGKOT	Independen Director

Management decision:
This matter was considered by the LCC's BOD on 30th April 2018 based on the accuracy and reasonable, which agreed to propose to the shareholders' meeting for consideration and approval.
The requirement of voting:
Regarding the Enterprise Law, it described that this agenda will be passed by the voting of more than half the attendees of the meeting.

- **Agenda 7:** To consider and approve the new appointment of the BOD's member, Mr. LI Ming (New member)

1. Mr LIU Wei	Chairman
2. Mr Bounpeng BUOPHAN	Vice Chairman
3. Mr LI ming	Director
4. Mr Khambon XAYLAOVONG	Director
5. Mr ZHANG Li	Director (CEO)
6. Mr Thongpob KINGKHAMPHET	Director
7. Mr JIE Yaoqi	Director

8. Mr XIAO Jie Independen Director
9. Mr LI chunbo Independen Director
10. Mr Vongvichit KEOVONGKOT Independen Director

Detail:

The new BOD's member:
This matter has reported to the BODs' meeting on 30th April 2018 which will be on the attachment 7.

Management decision:
This matter was considered by the LCC's BOD on 30th April 2018 based on the accuracy and reasonable, which agreed to propose to the shareholders' meeting for consideration and approval.

Vientiane capital, date ...2..2..MAY..2018
Lao Cement Public Company

Lao Cement Public Company's business performance report of year 2017

In the year 2017, LCC could manufacture the cement of 250.000 ton, distribution of 250.000 ton. According to the external audit, the total revenue of the company was 15.768 million of US dollars; the profit was 1.268 million of US dollars that reached the target that BOD defined.

I. Significant implementations of 2017:

1. Knowing the opportunities of the market, seeking the new success.
   1.1. According to the trend of the product brand and circumstances of locations, it could facilitate for the success for instance, the purchasing contract with Lao-China train construction project. This could increase the distribution of cement more than 39 percent.
   1.2. There were improvements of management and administration to decline the energy. The machines could be adjusted by the controller system for producing. This increased the capacity of machines that made the cost of cement reduced with 4,1 percent
   1.3. Seeking the solutions to improve every sector by improving the inventory to facilitate the container and flow of cement.
   1.4. Seeking the guarantee of quality of the products in regular and also supplies cement with quality to the demand of clients.
   1.5. The financial control was improved by every sector had involved with more accuracy and restriction for economic analysis. The improvement of cash flow for using the economy ways that lead to reduce loan with 39 percent, the expenditure was decreased 25 percent. The debt to asset ratio was reduced by 42 percent.
2. Focus on business improvement for the sustainable development
   2.1. The encouragement of listing on the stock market for capital raising. Regarding the support of both parities. On 9th February 2018, the company could complete the public offering and listed on the Lao Securities Exchange on the 2nd March 2018. The amount of fund raising was 28,8 billion kips or equals 3,47 million US dollar that leads to develop the business in the future.
   2.2. The development of the gypsum mining: According to the collaboration of both partners, the project of gypsum mining can be done. In the late 2017, the all machines could be installed and began manufacture. This could reduce the cost of gypsum around 10 percent.
   2.3. The exploration of the coal mining: It could construct completely the road of 10km to the mining, and also completely mine some tasks in order to collect the detail information. This information would send to related party of the Government and this exploration could have a period of 3 years.
3. The improvement of ISO for strengthens the management and administration.
   In 2017, the company has completed the improvement of ISO 9001:2015 standards in accordance with the laws and regulations. The company has strictly believed in the instruction of both shareholders, enhancing the supervisory rules and unanimous policies. Convincing the directions of management and supervise the rights of democracy. From those reasons, there is a consensus on the crucial matters with the

clarification of the both parties, thus the production and distribution of cement could comply the related rules and regulations.

4. Focus on health, environment, safety and social responsibility
   4.1. Health and safety: The company has to careful the settlement and solutions for the dangerous items or easily burn by full inspections related to the stall and usage of chemical material. This would supervise the risks and burning through the processes of checking the pressure, heat, and others.
   4.2. The company has an intention to maintain the environment: The factory of company gets the guarantee of supervision dust and gas emission in accordance with the standard. Hence, the authority provided a certificate to the company regarding the supervision on the gas emission.
   4.3. Social responsibility: The company had a repairmen of road and bridge, school, hospital and public health buildings, and also provide training to the Lao employee in terms of technical works, management, and so on. The company had an honor to welcome high-ranking officers from government and society; therefore company has perceived the supports from the society.

Vientiane capital, date:.....22 MAY 2018.....

Lao Cement Public Company

Lao Cement Public Company

BALANCE SHEET
as at 31 December 2017

	Notes	31 December 2017 LAK	31 December 2016 LAK
ASSETS			
Non-current assets			
Property, plant and equipment	4	35,542,584,664	43,715,184,482
Construction in progress	5	4,417,773,226	3,209,787,416
Intangible assets		328,548,475	328,548,475
Other non-current assets	6	431,320,000	494,440,000
Total non-current assets		**40,720,226,365**	**47,747,960,373**
Current assets			
Other current assets		145,135,500	198,773,000
Inventories	7	30,841,850,999	37,222,916,127
Other receivables		19,997	18,079,997
Advances to suppliers		1,366,553,654	2,261,797,464
Trade receivables	8	42,081,522,477	29,419,657,784
Cash	9	11,479,523,628	9,045,254,364
Total current assets		**85,914,606,255**	**78,166,478,736**
TOTAL ASSETS		**126,634,832,620**	**125,914,439,109**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		10,294,385,490	7,358,516,251
Advance from customers		154,773,000	413,328,740
Amounts due to related parties	23	3,191,212,598	3,014,966,583
Borrowings	10	12,107,150,240	19,776,346,400
Statutory obligations	11	7,184,154,148	4,143,013,152
Payables to employees		676,478,313	-
Welfare fund reserve	12	5,380,508,915	8,002,865,857
Other payables	13	15,312,348,770	23,609,863,143
Total current liabilities		**54,301,011,474**	**66,318,900,126**
TOTAL LIABILITIES		**54,301,011,474**	**66,318,900,126**
Equity			
Contributed legal capital	14	14,001,400,000	3,631,150,081
Share premium		16,660,000	-
Legal reserve		6,800,594,894	6,220,227,892
Plant expansion reserve		17,194,279,118	16,323,728,614
Retained earnings		34,320,887,134	33,420,432,396
Total equity		**72,333,821,146**	**59,595,538,983**
TOTAL LIABILITIES AND EQUITY		**126,634,832,620**	**125,914,439,109**

Zhang Li
General Director

10 April 2018

Zhang Yongfu
Head of Accounting – Finance Department

The attached notes 1 to 25 form part of the financial statements

Lao Cement Public Company

INCOME STATEMENT
for the year ended 31 December 2017

	Notes	2017 LAK	2016 LAK
Revenue from sale of goods	15	130,516,304,369	101,637,741,574
Cost of goods sold	16	(106,017,162,625)	(82,016,611,712)
Gross profit		**24,499,141,744**	**19,621,129,862**
Other operating income	17	96,035,087	841,043,751
Provision for doubtful debt		(1,021,948,000)	(1,062,276,380)
Selling and distribution costs	18	(3,192,546,236)	(2,147,581,695)
Administrative expenses	19	(8,531,644,633)	(7,798,365,632)
Operating profit		**11,849,037,962**	**9,453,949,906**
Finance income	20	698,624,921	138,337,463
Finance costs	21	(2,047,993,928)	(1,936,215,754)
Profit before tax		**10,499,668,955**	**7,656,071,615**
Profit tax expenses	22	(1,895,544,191)	(2,246,064,837)
Net profit after tax for the year		**8,604,124,764**	**5,410,006,778**

Zhang Lei
General Director

10 April 2018

Zhang Yongfu
Head of Accounting – Finance Department

The attached notes 1 to 25 form part of the financial statements.

Lao Cement Public Company

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2017

	Contributed legal capital LAK	*Share premium LAK*	*Legal reserve LAK*	*Plant expansion reserve LAK*	*Retained earnings LAK*	*Total LAK*
As at 1 January 2016	3,631,150,081	-	5,233,380,677	14,843,457,792	37,878,897,764	61,586,886,314
Net profit for the year	-	-	-	-	5,410,006,778	5,410,006,778
Transfer to legal reserve	-	-	986,847,215	-	(986,847,215)	-
Transfer to other reserve	-	-	-	1,480,270,822	(1,480,270,822)	-
Transfer to welfare reserve	-	-	-	-	(986,847,215)	(986,847,215)
Dividends declared	-	-	-	-	(6,414,506,894)	(6,414,506,894)
As at 31 December 2016	**3,631,150,081**	**-**	**6,220,227,892**	**16,323,728,614**	**33,420,432,396**	**59,595,538,983**
As at 1 January 2017	3,631,150,081	-	6,220,227,892	16,323,728,614	33,420,432,396	59,595,538,983
Issuance of new shares	10,370,249,919	16,660,000	-	-	-	10,386,909,919
Net profit for the year	-	-	-	-	8,604,124,764	8,604,124,764
Transfer to legal reserve	-	-	580,367,002	-	(580,367,002)	-
Transfer to other reserve	-	-	-	870,550,504	(870,550,504)	-
Additional tax for prior years in accordance with Tax inspection	-	-	-	-	(1,900,000,000)	(1,900,000,000)
Transfer to welfare.reserve	-	-	-	-	(580,367,002)	(580,367,002)
Dividends declared	-	-	-	-	(3,772,385,518)	(3,772,385,518)
As at 31 December 2017	**14,001,400,000**	**16,660,000**	**6,800,594,894**	**17,194,279,118**	**34,320,887,134**	**72,333,821,146**

Zhang Li
General Director

10 April 2018

Zhang Yongfu
Head of Accounting – Finance Department

The attached notes 1 to 25 form part of the financial statements.

Lao Cement Public Company

STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Notes	2017 LAK	2016 LAK
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**10,499,668,955**	**7,656,071,615**
Adjustments for:			
Depreciation of property, plant and equipment		8,011,596,157	8,143,140,856
Change in provisions for inventories		-	(1,239,419,326)
Change in provisions for doubtful debts		1,021,948,000	1,062,276,380
Net foreign exchange loss/(gains)		27,346,701	(2,433,908)
Interest income		-	(135,903,555)
Interest expenses		1,690,821,492	1,591,172,298
Operating income before working capital changes		**21,251,381,305**	**17,074,904,360**
Increase in trade and other receivables		(12,653,751,383)	(7,739,218,667)
Decrease in inventories		7,137,614,526	5,201,763,189
Increase/(decrease) in trade and other payables		2,689,915,455	(6,623,969,766)
Loan interest paid		(1,690,821,492)	(1,591,172,298)
Income tax paid		(3,500,917,506)	(1,886,448,770)
Net cash flows from operating activities		**13,233,420,905**	**4,435,858,048**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		(1,803,531,547)	(5,376,432,430)
Interest received		-	135,903,555
Net cash flows used in investing activities		**(1,803,531,547)**	**(5,240,528,875)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(1,305,529,600)	-
Proceeds from bank borrowings		21,140,050,240	27,043,446,400
Repayment of bank borrowings		(28,809,246,400)	(24,749,100,000)
Net cash flows (used in)/from financing activities		**(8,974,725,760)**	**2,294,346,400**
Net increase in cash		2,455,163,598	1,489,675,573
Cash at the beginning of the year		9,045,254,364	7,553,144,883
Impact of exchange rate fluctuation		(20,894,334)	2,433,908
Cash at the end of the year	9	**11,479,523,628**	**9,045,254,364**

Zhang Yongfu
General Director

Zhang Yongfu
Head of Accounting – Finance Department

10 April 2018

The attached notes 1 to 25 form part of the financial statements.

Dividend policies report

- Pursuant to the report of external auditor, discussion and agreement of LCC's BOD meeting dated: 30th April 2018.

According to the result of audit by the external auditor was that company has total profit of 10,499,668,955 kip or equals 1,268,535.58 USD. The profit after deduction of the income tax and any reserve was remain 5,033,412,987 kip or equals 608,120.45 USD as follow:

Description	Kip	USD
Profit	10,499,668,955	1,268,535.58
Income tax	1,895,544,191	229,013.43
Profit after tax	8,604,124,764	1,039,522.14
Reserve	3,011,443,667	363,832.75
Dividend amount	5,592,681,097	675,689.39
Dividend tax	559,268.110	67,568.94
Exact dividend payment	5,033,412,987	608,120.45

The company finished first disclosure on 20th October 2017, completed public offering on 9th February 2018 and listed on the stock exchange on 2nd March 2018.

According to the instruction of Lao Securities Commission Office and consideration for the development of the future, company would like to keep image and make sure the market understands and guarantee the price of shares. Therefore, company would like to pay dividend of 2017 to the shareholders at least 50 percent of total net profit. Hence, company determined to pay dividend of 63 kip per share or equals total amount of payment (63 kip x 40.004.000 shares = 2.520.252.000 kip) and equals 304,000 USD. The remaining profit shall accrue in the balance of account until the next payment of dividend can implement it.

Dividend table for 2018

Shareholders and ratio	Kip	USD
CYC 35,6964%	899,640,000.00	108,691.55
DAI 34,2966%	864,360,000.00	104,429.14
7 individuals: 0,007%	176,400.00	21.31
Public 30%	756,075,600.00	91,346.57
Total:	2,520,252,000.00	304,488.58

The above-expected dividend shall be described on 19th June 2018 as the registration date and will transfer to account on 29th June 2018. Therefore, this report shall propose to this meeting for consideration.

Vientiane capital, date: 24 MAY 2018

Lao Cement Public Company

Business operation report of Lao Cement Public Company of 2018

Dear valued shareholders,

- Pursuant to relevant rules of company;
- Pursuant to the agreement of Board of Directors, dated: 30 April 2018.

Lao Cement Public Company would like to propose to the Annual General Shareholders' meeting for consideration on the main targets as follow:

Year	Cliker (t)	Cement (t)	Profit ($)
2016	177.000	180.000	0.877 milian
2017	200.200	250.000	1,26 milian
2018	200.000	220.000	1 milian

Net asset increased 9 percent.
The improvement of technique of the factories in phase 1: The improvement of inverter in the fan of the machines regarding the crushing raw material and crushing cement.

Thus, I would like to propose this to the meeting for consideration and approval accordantly.

Vientiane capital, date: 22 MAY 2018

Lao Cement Public Company

Consideration for the approval of the appointment of BOD's member.

Curriculum Vitae

Name: Mr. Lee Ming

Birth of date: 1/1974

Address: Yonnan Kounming

Date of Working: 7/1996

Party member: 10/1994

Education:

- Master Degree: Mathematics at Yonnan University
- Bachelor Degree: Economics at Yonnan University
- Qualification: Engineer

Work experience:

– 07/ - 07/05	CYC Budget project
– 09/03 - 07/05	CYC Secretary to CEO
– 07/05 - 02/06	Deputy-Chief of Human Resource department
– 02/06 - 07/07	CYC Chief of Cabinet
– 08/07 - 02/10	Cambodian Office
– 02/10 - 09/12	CYC Deputy-Chief Commerce Promotion department
– 09/12 - 12/14	CYC Chief Party Cabinet
– 01/15 - Current	CYC CEO of International Commerce company bunch.

Date: 22 MAY 2018

Signature

Proxy

I/we .....nationality.....ID card/passport NO:.....

Residingat.....village.....District.....

Province.....

Being a shareholder of lao cement public company

Holding a total number of.....shares which are equivalent to the same of votes

2. Hereby assign Mr/Ms.....ID card/passport NO:.....

Residingat..... ...village..... ...District..... Province.....

To grant the proxy to vote as per my/our intention indicated in the followings (if you select this option, please choose to vote either approve or disapprove in every agenda):

Agenda 2: To consider and approve the Annual report 2017.

☐approve ☐disapprove

Agenda 3: To consider and approve the dividend of 2017.

☐approve ☐disapprove

Agenda 4: To consider and approve the 2018 business plan.

☐approve ☐disapprove

Agenda 5: To consider and approve the appointment of LCC's 2018-2020 .

☐approve ☐disapprove

Agenda 6: To consider and approve the ended term of the BOD's member for Mr. ZHAO Shi (Former)

☐approve ☐disapprove

Agenda 7: To consider and approve the new appointment of the BOD's member, Mr. LI Ming (New member)

☐approve ☐disapprove

Any votes made by the proxy contradicting to this proxy shall be considered as invalid and shall not constitute my/our votes as the shareholder.

In case I/we have failed to specify my/our voting intention in any agenda or not clearly specified, my/our vote in such agenda shall be deemed approved.

Any action made by the proxy in the meeting in accordance with this proxy, shall be deemed as having been performed by myself/ourself in all respects.

Wrote at date

signed by the shareholder

signed by the proxy

Location map

