

AGREEMENT
ON THE DEVELOPMENT OF LUANGPHRABANG SPECIAL
ECONOMIC ZONE,
LUANGPHRABANG PROVINCE, LAO PDR

Between

GOVERNMENT OF LAO PEOPLE'S DEMOCRATIC REPUBLIC

Represented by

The National Committee
For Management Special Economic Zone and Specific Economic Zone

And

PHOUSY GROUP SOLE CO., LTD

Duly Registered under the Laws of Lao PDR

Vientiane Capital, dated 17 January 2016

Translated by LLC Co.,LTD
Attorney-At-LAW

Case No 280/008

Certified true and exact translation
By Attorney-At-Law

AGREEMENT
ON THE DEVELOPMENT OF LUANGPHRABANG SPECIAL ECONOMIC ZONE,
LUANGPHRABANG PROVINCE, LAO PDR

This agreement is made and signed in Vientiane Capital, Lao PDR on 17 January 2016.

Between

The GOVERNMENT OF LAO PEOPLE'S DEMOCRATIC REPUBLIC, Represented by The National Committee For Management Special Economic Zone and Specific Economic Zone, herein after referred to "Party A".

Address: The Government's Office
Tel: + 856-21-254 474
Fax: + 856-21-254 474
Email:

And

PHOUSY GROUP SOLE CO., LTD, a company duly registered under the laws of Lao PDR, with its office located at Sailom Road, the 6th Floor, Vientiane Plaza Hotel Building, Chanthabouly District, Vientiane Capital, Lao PDR, herein after referred to "Party B".

Tel: + 856-21-265 394
Fax: + 856-21-265 394
Email: info@phousygroup.com
Website: www.phousygroup.com

WHEREAS:

The parties unanimously agree to create the Special Economic Zone, Luangphrabang Province with agreement to a new name which is registered under the laws of Lao PDR: Luangphrabang Special Economic Zone and English abbreviation as "LSEZ".

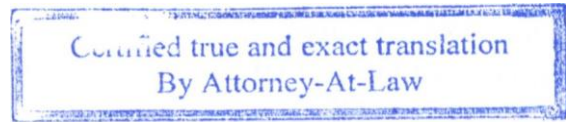
1. Party A and Party B are intended to co-develop Luangphrabang Special Economic Zone in the land area of 4,850 hectares that is located at Chomphet District and Luangphrabang District, Luangphrabang Province to be an economic zone with available facilities for investors, legal entities and individuals both inside and outside the country such as: Shopping Center and Duty Free Shop; Hotel and Restaurant; Amusement Park; Warehouse; Bank-Financial Institute; Parking Lot; Wastewater Treatment Station and

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Waste Disposal focusing on building an area that is modern, safe, possesses an economically strong background, fosters social cultural integration, as well as enhancing the civilization and culture of the nation, is environmentally friendly, promotes sustainable development, and transforms into administration and management of a modern industry that is transparent and auditable;

2. Party A wishes to promote the potential of domestic investors to invest in the development of the aforementioned land with effective, beautiful, modern, orderly, international standards and the potential to generate the highest income to Party A and Party B.

References:

Upon agreeing to create this Agreement, the parties reference the main relevant legislation of Lao PDR as follows:

1. The Law on Investment Promotion, No. 02/NA, dated 08/07/2009.
2. The Decree on Special Economic Zone and Specific Economic Zone, No. 443/PM, dated 26/10/2010 approved by the National Assembly Standing Committee in according to the Resolution No. 47/NASC, dated 26/10/2010.

NOW AND THEREFORE, the parties agree with the contents as follows:

Article 1: Objective

The parties unanimously agree to volunteer in co-developing Luangphrabang Special Economic Zone to become an economic zone with available facilities for investors, legal entities and individuals both inside and outside country such as: real estate (housing estate, commercial buildings); international school with international quality and standards; hospital; bank and financial center; golf course and stadium; shopping center and duty free shop; hotel and restaurant; warehouse; agriculture zone; industry zone; infrastructure system (road, Mekong River Bridge, power station, water supply, wastewater treatment station and waste disposal) focusing on building an area that is modern, safe, possesses an economically strong background, fosters social cultural integration, as well as enhancing the civilization and culture of the nation, is environmentally friendly, promotes sustainable development, and transforms into administration and management of a modern industry that is transparent and auditable.

Total area of the project that shall apply in the development of infrastructure construction of the zone and construction of facilities for performing activities in accordance with the scope of the activities of the Luangphrabang Special Economic Zone as stipulated in this Agreement.

Article 2: Definitions and Interpretation of the Terms

Terms used in this Agreement shall have certain meanings, as follows, without other meanings:

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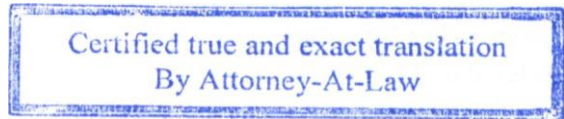
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1. "Law" means laws that are promulgated in Lao PDR;
2. "Government" means the Government of Lao People's Democratic Republic including representatives of the Government such as ministries, organization equivalents and local administrative authorities, in which in this agreement, the representative of the Government is The National Committee For Management Special Economic Zone and Specific Economic Zone (NCSEZ);
3. "Parties" means NCSEZ and Phousy Group Co., Ltd as defined in this Agreement;
4. "Project Area" means land area as defined to be developed in according to the target of this agreement with total area of 4,850 hectares, as the map attached hereby this Agreement;
5. "Land Map" means official documents that representative authorities issued to Party A for responsible for the management of the land and issuing land title certificate, such documents shall define scope, size of land and sealed by such in-charge government authorities that shall be deem the project area that Party B obtained the right to develop the project in accordance with the development policies of SEZ of the Government of Lao PDR•,
6. "Environment" means things including living and non-living things, caused by nature or man-made, living around any target such as: human, animal, plants and others that has relations and have negative and positive effects to each other to living, existing and growing of both human and natural types;
7. "Pollution" means environmental conditions that has changed on material, organic and inorganic, because there is an element or contaminant in water, soil, or climate that exceeds the defined environmental quality standards, which is the cause of environmental pollution and causes negative effects to the health of human and animals' lives, plants and environment;
8. "An Authorized Person" means individual, legal entity or organization that is authorized by Party A or Party B to perform any tasks on behalf of itself under this agreement with the scope of rights and time set;
9. "Agreement" means all texts as stipulated in this Agreement or documents as attachment to this Agreement that the parties signed and shall be respect, comply completely and strictly;
10. "Joint Venture" means a newly formed company based on shareholding as defined in this Agreement to operate project's activities and develop Luangphrabang Special Economic Zone;
11. "Investor" means domestic and international investor whom invests in Luangphrabang Special Economic Zone;
12. "Foreign Currency" means currency of the country approved and recognized by international banks;
13. "Administration by Single Seal Mechanism" means administration of Luangphrabang Special Economic Zone who is responsible in accordance with the scope of rights and

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duties of the Board of Directors of Luangphrabang Special Economic Zone with its seal which has the right to use in coordinate, cooperate, and agree on activities based on its scope of rights with all parties inside and outside the country;

14. "State Land Use Right Certificate" means the only main evidential document related to state land use rights that is issued by an authority representing Party A;
15. "LAK" means a currency of Lao People's Democratic Republic;
16. "Annual Profit Net" means an annual net profit of the project company after deducting the payment of expenses, capital and taxes;
17. "Share" means share shown in registered capital or capital that is provided by Party B;
18. "Term of Agreement" means term or duration of the development of Luangphrabang Special Economic Zone as stipulated in the Article 3 of this Agreement;
19. "USD" means a currency of the United State of America;
20. "Business" means investment activities that Party B shall invest in the development of Luangphrabang Special Economic Zone as stipulated in the Article 9 of this Agreement;

Article 3: Term of Agreement and Duration of the Project Construction

This Agreement shall have a term of ninety-nine (99) years from the signing date (including the duration of construction).

For project construction, it shall have a ten (10) years term divided into two (2) phases from 2016-2025 from the signing date to complete the construction of infrastructure supporting the activities of investments as stipulated in this Agreement with details as follows:

- Phrase I (2016-2020) comprises activities and tasks such as: land area survey to define the scope, conducting land compensation, survey and design, constructing road, constructing buildings and housings, power station, water supply and other related tasks;
- Phrase 2 (2021-2025) comprises activities and tasks such as: continue to construct main and sub-roads, public utilities systems, pioneer, allocate, define and establishing basic activities such as: buildings and housings, hotels, resorts and golf course.

Article 4: Land of Luangphrabang Special Economic Zone

Luangphrabang Special Economic Zone shall have a total land area of 4,850 hectares which covers the new city area of Chomphet District with the area of about 3,350 hectares and covering the suburb area of Luangphrabang District at 2 points with an area of about 1,500

hectares, which is the area for the project development in accordance with the target and conditions as stipulated in this Agreement (the Master Plan of Development).

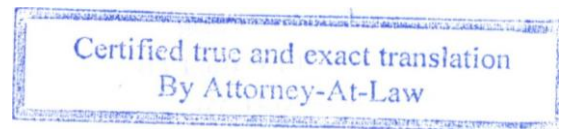
Article 5: Principles of Developments

Development of Luangphrabang Special Economic Zone shall comply with the basic principles as follows:

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1. Development shall be associated with the guarantee of environmental protection;
2. Development shall be associated with sustainability;
3. Ensuring turning land into capital and assets;
4. Ensuring the efficiency of social-economic;
5. Ensuring the principles of management in according to the 8 principles as stipulated in the Article 80 of the Decree on Special Economic Zone and Specific Economic Zone, No. 443/PM, dated 26/10/2010.



Article 6: Demarcation of Project Area

Board of Directors of Luangphrabang Special Economic Zone and Party B shall coordinate with Luangphrabang Administrative Authority and relevant parties at the local and central levels to demarcate the area stipulated in Article 4 of this Agreement, such demarcation shall be completed at least not later than ninety (90) days from the signing date according to the land map that has defined demarcation which belongs to Luangphrabang Special Economic Zone. The State Land Use Right Certificate of such area shall be attached as an annex of this Agreement.

Article 7: Basic Principles of the Activities of Luangphrabang Special Economic Zone

Based on the Decision to allow Luangphrabang Special Economic Zone to implement under the Law on Investment Promotion, No. 02/NA, dated 08/07/2009, the Decree on Special Economic Zone and Specific Economic Zone, No. 443/PM, dated 26/10/2010 and this Agreement to enable the development of Luangphrabang Special Economic Zone to become into existence according to the targets set forth, the parties and the Board of Directors of Luangphrabang Special Economic Zone shall comply with the basic principles on activities as follows:

1. Upgrading the level of the local community's living conditions on materials and mind continuously;

2. All business units shall be equal before the laws, conducting activities, competition and cooperation in accordance to the market mechanisms, unless otherwise it has received the privilege as stipulated in this Agreement;
3. Administration and management of the governing activities within the area with selfreliance and independence of administration in accordance with laws and regulations;
4. Compliance with administration principles in accordance with the single seal;
5. Adhering to the principle of market value at moderate price;
6. Ensuring the rights and interests of all parties in society;
7. Ensuring the development of Luangphrabang Special Economic Zone grows quickly and sustainably;
8. Ensuring the stability, peacefulness, and safety for lives and assets of the people within the area.

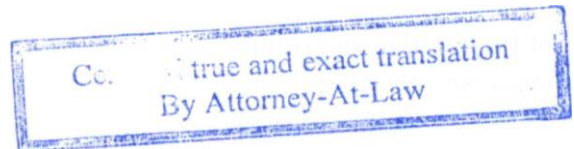
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Attorney-At-LAW



Article 8: Construction of Infrastructures

Development of Luangphrabang Special Economic Zone shall comprise the development of infrastructure as defined in the project construction plan. Construction of infrastructure comprises surface adjustments, roads within the area, water supply system, drainage system, electric system, waste disposal system and wastewater treatment system, gate and enter-exit point of the area, fencing around the area and roads within the area.

Article 9: Investment Activities

Development of Luangphrabang Special Economic Zone shall comprise the main investment activities as follows:

1. real estate (housing estate, commercial buildings and housings;
2. International school of international quality and standards;
3. Hospital and Medical Care Center;
4. Bank-Financial Institutions;
5. Golf course and stadium;
6. Shopping center and duty free shop;
7. Hotel, entertainment and restaurant;
8. Warehouse services;
9. Agriculture zone and agriculture production processing;
10. Industry zone;
11. Infrastructure systems (wastewater treatment and waste disposal, telecommunication, electricity, water supply and so on);
12. Sports center, cultural center and amusement park.

With respect to the development of the infrastructure of LSEZ, Party B shall construct the bridge across the Mekong river in order to link the new zone, Chomphet to Luangprabang town. In regard to the technical details and all related documents, the Secretariat of the LSEZ shall be the focal point for liaising with all related sectors, local authorities and Party B shall investigate and execute all necessities to sign the contract and commence the construction of the bridge and development of the LSEZ.

Article 10: Total Investment and Source of Fund

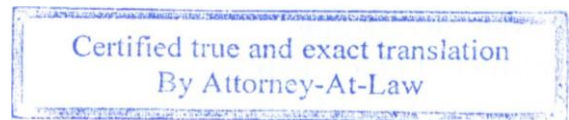
1. Party B shall find a sufficient source of funds for development the project, which has a total cost of US\$ 1,200,000,000 based on the activities listed in Article 9 of this Agreement.

2. Party B shall be solely responsible for sourcing the funds in accordance to the aforementioned value or amount.

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Article 11: Type of Investment

In order to implement the project under this Agreement, both Parties shall set up a Joint Venture company under the laws of Lao PDR which has the following details:

1. Name of JV Company: Diamond Head Joint Development Co., Ltd
2. Total investment capital: US\$1,200,000,000; registered capital: US\$400,000,000
3. Shares holding: Party B shall hold 70%, Party A (represented by Luangprabang Provincial Department) shall hold 30% without contributing the capital, in which Party B shall be responsible for injecting the entire capital amount and shall hold the rights of the land within the scope of the concession period at the ratio of 30%.

Article 12: Benefits Sharing

Both parties agree to share the benefits as below:

1. Revenue generated from the rent of the land and the operations related to real estate activities, Party B shall provide 30% to Party A and 70% to Party B respectively during the project period, in which such sharing shall take place every 6 months and 12 months.
2. With respect to the net profit derived from the business operations or activities (beyond those listed in Article I of this Agreement), the net profit shall be divided in accordance to the shareholding portions such as 70% to Party B and 30% to Party A respectively.
3. With respect to the revenue from the tax, customs, official fees and service fees, One Stop Service office shall be responsible in accordance to the Decision No. 73/PM, dated 28 September 2015, laws of Lao PDR, LSEZ Agreement and provide to the fiscal budget (50% to Central level, 20% to Luangprabang province, 15% to Chomphet and Luangprabang District, 10% to LSEZ and 5% to HR and Environmental fund respectively in accordance to the ratio as set forth in the legislation of LSEZ Development and Management. During the implementation, the officer of tax-customs shall be included.

Article 13: Rights and Responsibilities of Party A

Party A shall have the following rights and responsibilities:

1. Facilitate and provide the support to Party B for project development;

2. Collect revenue, taxes, customs, official fees, and service fees from business operators and those who generate incomes from conducting activities within LSEZ;
3. Liaise and coordinate with all related sectors for appointment of the Board of LSEZ in accordance to the regulations;
4. Liaise and coordinate with all related sectors for management and security protection within the zone;
5. Assist to solve any issues in the event of conflict between individuals or entities incurred

within the zone;

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6. Create a conducive environment and liaise with all related sectors in order to allow Party B to use or connect the access of public utilities to the project, especially the road access, electricity, water, telephone and others. Party B shall be solely responsible for all expenses and service fees;
7. Liaise and coordinate with all related sectors to certify the plan, design documents, construction permit of the LSEZ created and proposed by Party B including providing support to all proposals that are in compliance with urban planning regulations made by Party B;
8. Appoint its representative to be a member of the Board of Directors in accordance to the holding ratio under this Agreement;
9. Receive dividends from project development in accordance to the shareholding portions;
10. Monitor the activities of the JV Company's Board of Directors, provide comments, suggestions in order to assure that the project or JV Company has effective operations;
11. Propose to audit the project account in the event that the financial or accounting information of the JV company is not clear;
12. Liaise and assist to coordinate with all related sectors in order to facilitate Party B in obtaining approvals for importing machinery, equipment, materials for construction, installation, vehicles, experts, professionals and necessary labor for implementation of the project as defined in this Agreement and the project development plan of the LSEZ from time to time;
13. Has the right to enter-exit the project area in order to monitor the project implementation made by Party B and provide any warnings in the event that Party B breaches the Agreement or laws of Lao PDR;
14. Encourage the implementation of the development plan and the advertisement for attracting investment into the LSEZ.

Article 14: Rights and Responsibilities of Party B

Party B shall have the following rights and responsibilities:

1. Take full responsibility for financial matters and source the sufficient funds for project development;
2. Survey, design and detail the plans for construction of every activity of the project based on the initial consensus of Party A and then propose for approval from the related sectors for commencing the construction in accordance to the approved design;
3. Create the master development plan, feasibility study, socio-environmental impact assessment, which must be completed within 120 days from the signing date of this Agreement and shall be certified by the related sectors before commencing;
4. Party B shall liaise with the LSEZ, sectors and local authorities for conducting the survey and the signing of separate agreements for constructing the Mekong River bridge to be the basic infrastructure that links Chomphet and Luangprabang Districts in order to focus

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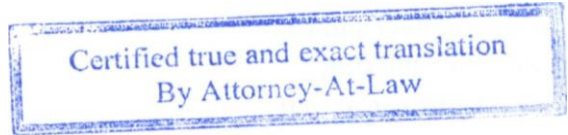
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on execution of the contract and commence the construction of the bridge, as well as commencing the development of LSEZ.

5. Liaise with Party A, negotiate, mediate, and compensate local people that will be affected by the project before commencing the project;
6. Take responsibility for compensation of the land acquisition and premises, plantation of individuals and entities within the project zone;
7. Take initiative for marketing, finding co-investors, if necessary, for completing the project and generate the targeted profit, in order to secure sufficient funding for construction, project operation and all expenses related to the project;
8. Encourage local and foreign investors to use the services within the project in accordance with the laws of Lao PDR;
9. Provide full cooperation with the local authorities and all related sectors for maintaining security, safety and ordinances;
10. Protect the environment in accordance with the direction and policy of the LSEZ for sustainability and green concepts;
11. During the project period, Party B shall manage and operate all business activities in accordance to the regulations and laws of Lao PDR from the commencement date of the project development;
12. Create a project that could link the involvement of local people for sharing benefits in order to lift up the livelihoods of the local people, generate revenue, create employment, connect infrastructure to all related villages, commodity commercial networks, and commercial activities based on family contract. Provide priority for the local labor to work in the zone;
13. Proceed with the project development in accordance with the scope of works, procedures and investment into the project in accordance with this Agreement;
14. Facilitate and provide the full cooperation to Party A including all related sectors for conducting the inspection and monitoring the implementation of the project once proposed by Party A;
15. Manage, use, pay and receive the benefits related to the capital invested within the LSEZ;
16. Based on the laws and policy under the Decree of SEZ and all priorities conditions outlined in this Agreement, Party B shall have the right to source the funds and attract investors by itself as well as proposing to Party A for providing appropriate assistance for the attraction of investment;
17. Liable for taxes, customs, and official fees in accordance with the laws and provisions set forth in this Agreement;
18. Provide the full cooperation to the secretariat of the LSEZ and take responsibility for the installation an electronic system for managing the entry-exit of the zone for the ease of monitoring by the Government for transparent management, monitoring and inspection.
19. Respect and comply with the Lao Constitution, regulations and laws of Lao PDR.

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Article 15: Transfer of Project Shares and Business Operations

1. Domestic and foreign individuals or entities shall be able to purchase the business operations or partial assets of the project, except the land shall still belong to the state;
2. In the event that Party B has the intention to transfer the shares or sell the shares partially or entirely, it shall receive the approval from Party A, in which Party B shall send the written notice to Party A. The official notice shall include the reasons for transferring or sell, and the CV of the transferee or buyer;
3. Within the project period, in the event that Party B has the intention to transfer the shares or sell the shares partially or entirely, it shall give priority to Party A.
4. For the profit derived from the sale or transfer of the shares, Party B shall be liable for obligations as defined in the Law on Tax of Lao PDR.

Article 16: Establishment of LSEZ

Management of the LSEZ shall be implemented based on one stamp, in accordance with the development and management of the SEZ; the Board of Directors shall be appointed by the SEZ which shall be composed of five (5) members, in which two (2) are nominated by Party A and three (3) by Party B respectively.

A representative of Party B shall be the chairman of the Board of Directors and take full responsibility for the economics and development of the infrastructure of the project, in which it shall coordinate with the representative of Party A. The vice chairman shall be the representative of Party A and act as the head of the one stop service office in order to sign all related permits on behalf of the Government as well as keeping the stamp of the Board of Directors; collate the taxes, customs, official fees and all service fees within the zone in accordance to the laws of Lao PDR. The Vice Chairman shall take full responsibilities for overall management and security of the zone and report directly to the Government (without reporting through the representative of Party B) with respect to the overall management and security of the zone, it shall be subject to Chomphet and Luangprabang authorities.

The representative from the Government and Developer shall rotate the roles for being the Chairman and Vice chairman of the LSEZ in accordance to the agreement of both parties.

Article 17: Rights and Duties of LSEZ's Board of Directors

Apart from the rights and duties specified in the Decree on SEZ, No. 443/PMO, dated 26 October 2010, the LSEZ's Board of Directors shall have the following rights and duties:

1. Implement in accordance to the Master Plan, short-term development plan, medium term and long term plan;
2. Analyze and formulate the policy and regulations for economic management, infrastructure development and rules for development, attraction and investment

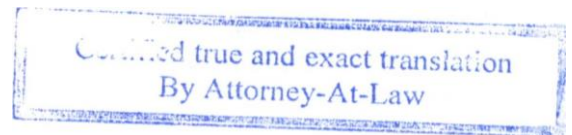
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- promotion, rules for business registration, procedures for submitting documents and other implementation in accordance to its roles;
3. Manage the domestic operation within the zone of information, culture, education, sports, hygiene, public utilities, environment and others;
 4. Set up One-Stop Service in order to be responsible for issuing the Enterprise Registration Certificate and other documents. Manage the activities within the zone regarding entering and exiting the zone (including the registration of the business, collection of taxes and others).
 5. Issue all domestic certificates such as foreign ID card, family book, foreign working permit, foreign working ID, etc;
 6. Supply the information and investment policy in order to facilitate investment, attract domestic and foreign enterprises to invest within the zone; facilitate and find all possible income sources, and increase the revenue to the zone and state;
 7. Liaise with Party B for implementation and advertise to investors and travelers to enter into the zone;
 8. Manage the immigration of local and foreign people, entrepreneurs and visitors within the zone;
 9. Approve, monitor, check the import and export of materials for construction, every commodity in accordance to the rules and regulations;
 10. Liaise with local authorities and all related sectors for arranging the employment for local people by prioritizing local people, identifying projects or activities of nearby villages to be involved with the zone and to maximize the best interests of them;

11. Take responsibility for initially mediating any conflicts within the zone, focusing on the fair protection of the investors within the zone. In the event that the conflict could not be resolved, it shall be preceded in accordance to the Lao judiciary procedures.
12. Publish and campaign the policies of the Central Party, laws and regulations of the Government as well as the LSEZ from time to time to staff, civil servants and domestic investors to encourage development, investment in public health, culture and technology areas;
13. Maintain peace and ordinance within the zone.
14. Encourage the speedy growth of the zone related to promotion of tourism, unique culture, environmental protection and sustainable growth;
15. Promote and encourage the application of advanced technology and extensive experiences to develop the areas to become an integrated advanced zone;
16. Protect the environment, inspect and solve the issues of enterprises that have a negative impact to the environment in order to ensure sustainable development within the zone;
17. Praise staff and civil servants that have outstanding contributions to the zone and punish those who violate against the law of Lao PDR;

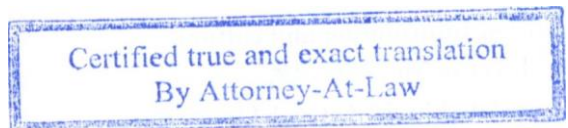
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18. Conclude and report the results of project implementation for short term, medium term and long term to the secretariat and SEZ in the timely manner.

Article 18: Incentives on Tax, Custom and Concession Fee

A. Incentives to Party B

1. Receive profit tax exemption for four (4) years from the year that generates revenue. Upon the expiration date, it shall pay 50% of the tax rate defined in the laws of Lao PDR;
2. Pay income tax derived from the rent or transfer ownership of premises or construction at 50% of the rate defined in the laws of Lao PDR;
3. For the salary, labor fee, OT, position allowance, duties fee, bonus or other benefits in cash or in kind, it shall pay at the discount rate of 50% of the rate defined in the laws of Lao PDR•,
4. Pay all other taxes at 50% of the rate defined in the laws of Lao PDR;
5. Receive an exemption for all taxes and custom fees for importing machinery, equipment, raw materials, vehicles that are used within the zone in accordance to the construction plan. Apart from the above, it shall comply with the Law on Investment Promotion promulgated from time to time.

B. Incentives within the Zone

1. LSEZ's board shall consider its zone's incentives by liaising with the Secretariat of SEZ based on each type of business especially businesses for public use, profitable businesses and size of investment as follows:
 - Investment for public use shall receive 5 years of tax exemption;
 - Small and medium enterprises shall receive 4 years of tax exemption;
 - Businesses that quickly become profitable, such as services and trading, shall receive 2 years of tax exemption;

Upon the expiration of the exemption period and an investor is still not able to generate profits, it shall be able to propose for an extension of the tax exemption period, in which the investor shall hold the accounting book in accordance to the Law on Accounting and other related laws of Lao PDR. Upon the expiration of the exemption period, an investor shall comply with the Law on Tax.

2. Value Added Tax to be paid to the government includes:

- Pay 5% for goods and services imported, produced and made within LSEZ;
 - Pay 0% for goods and services, produced within LSEZ and made for export purposes;
 - For goods and services from LSEZ that are sold or used outside the zone, it shall comply to the laws of Lao PDR.
3. Other tax rates are:

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- Income tax, labor, OT, position allowance, duties allowance, bonus and other benefits in cash or in kind, the discount rate of 50% of the normal rate regulated in the laws of Lao PDR shall apply;
 - Pay all other taxes at 50% of the rate defined in the laws of Lao PDR;
4. Apart from the above, it shall comply with the Law on Investment Promotion promulgated from time to time.

Article 19: Labor and Training

Both Parties agree on labor and training issues as follows:

1. Party B shall prioritize the use of local labor in accordance to the Law on Labor;
2. Party B shall ensure to apply the labor policy as per requirement defined in the Law on Labor;
3. Party B shall train local staff to become proficient, knowledgeable, and efficient in order to systematically meet the demands for the workforce;
4. Party B shall propose to Party A for the use of foreign employees for specific skills needed in instances that local labor could not meet such requirements. However, the ratio shall not exceed the laws and regulations of Lao PDR and should strive to train local labor to replace foreign labor in the near future.

Article 20: Safety

To ensure the protection of benefits, collective assets and the life of those who use the services within the zone to be safe, Party B shall:

1. Submit the master plan and details of the construction plan within the zone to Party A for consideration and certifying in accordance with the laws of Lao PDR;
2. Construct in accordance to the approved plan in accordance to the laws of Lao PDR;
3. Monitor, repair and maintain the premises within the zone to ensure that the premises and other facilities are ready for use;
4. Construct, install a safety network to ensure the safety of the entire zone.

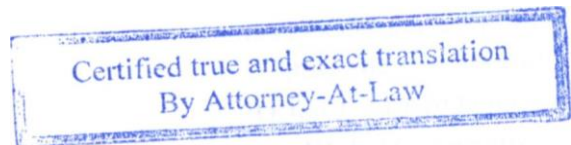
Article 21: Bilateral Cooperation

In order to maximize the development of LSEZ, both Parties shall cooperate with each other for implementing the tasks as follows:

1. Both Parties agree that it shall strive to perform its roles and obligations to achieve the optimal benefits of both parties;
2. Both Parties shall jointly discuss in order to consider all situations related to financial and regulatory matters, provisions of the contract that need to be reviewed or amended in order to ensure the implementation of this Agreement without taking for granted either

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side or take advantage or disadvantage either side. The revision shall be made every five (5) years during the concession period or upon the request from either party.

Article 22: Protection of the Rights and Benefits of Party B and Investors

Party A shall provide the protection of rights and benefits of Party B and investors within LSEZ based on the laws of Lao PDR, rectified convention. The Government acknowledges and fully protects investment and assets of the investors without confiscating or seizing to become state assets in any form through administrative or any measures above the laws. In the event that the Government is required to use for the public interest or the national benefits, investors or owners of such assets shall receive the compensation at market price and the payment method shall be mutually agreed by both Parties.

Article 23: Intellectual Property Protection

The Government acknowledges and protects the intellectual property rights and related rights of Party B and investors within the zone as defined under the laws of Lao PDR and

international conventions that Laos is a party member thereof. For those whom wish to receive such protection, it shall register its trademark, patent and copy right in accordance to the related laws of Lao PDR.

Article 24: Enter-Exit Zone

To enter-exit LSEZ, local people, foreigners, expatriates and vehicles must go through the entrance gate of the zone, in which Party B shall install an electronic system for inspection and managing the entrance-exit in order to facilitate, expedite and secure the safety and ordinance.

Article 25: Import-Export Products

Products, goods or equipment, except prohibited materials imported for consumption, sale, and services within the zone shall receive incentives for exemption or discounted tax rates, imported tax rates in accordance to the zone. However in the event that the products, goods or materials are used outside the zone, it shall strictly comply with the Law on Taxes of Lao PDR.

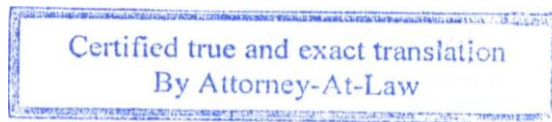
Article 26: Management of Population

Entities and individuals that operate a business or live in the zone shall register with the SEZ One-Stop service.

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Article 27: Respect Traditional Customs

Party B and others that operate within the LSEZ shall respect and follow traditional customs as well as not to create any regulations that could harm the traditional and national culture and customs.

Article 28: Findings Old Materials, Precious Metals and Natural Resources

During the implementation of the project period, if Party B, investors or contractors happen to find materials, precious metals in economic or historical values or old materials or resources on or underground, developers, investors or contractors shall cease the construction immediately and notify Party A for acknowledgement and supervising. Developers, investors or contractors shall not destroy or move based on its own discretion and must notify the Board of LSEZ immediately. Upon receipt of such notification, the Board of LSEZ shall immediately liaise with all related public sectors to relocate such things out of the zone in order to mitigate the time impact to the construction.

Such metals found shall belong to the country or the Government shall manage it.

Article 29: Environment Protection

In order to protect the environment in accordance with international standards, Party B shall comply with all laws and regulations related to the protection of the environment and nature and proceed with its business as follows:

1. Manage the waste or residuals to the natural resources in order to maintain sustainable development;
2. Protect the natural resources from not being destroyed;
3. Protect the holy and historical places;
4. Protect pollution and the destruction of natural environment;
5. Maintain good health and safety of staff-employees and nearby villages.

Party B shall take reasonable action and not take any activities that could avoid or prevent the sustainable growth of natural resources within the zone in accordance to the Law on Natural Resources Protection, especially the development of LSEZ to be in parallel with natural resources, green and sustainable development.

Article 30: Insurance

In order to insure and reduce the risk of LSEZ project development, Party B shall procure insurance with an insurance company registered under the laws of Lao PDR. The insurance shall cover the project, movable and immovable assets, employees, emergency cases and any loss of life. The insurance shall also extend to cover the cost for rights and benefits of others that might be impacted from project operations.

Article 31: Dispute Resolution

The Parties shall implement the Agreement with good faith and goodwill. Any disputes in connection with this Agreement must be settled through negotiation and compromise. If any party reasonably considers that the dispute cannot be settled by good faith negotiations, then it may submit the dispute for settlement to the Economic Dispute Settlement Court of Lao People's Democratic Republic. In the event that the parties are not satisfied with the settlement issued by the Economic Dispute Settlement Court of Lao People's Democratic Republic, the parties agree to further submit disputed to be settle by the Court of Lao People's Democratic Republic for final settlement that will have a binding effect to the parties.

Article 32: Transfer of Rights

In the event that Party B is not able to finish the construction project within the timeframe as stated in Article 3 of this Agreement, Party B shall not transfer its rights, including its right or part of its right in project development investment, to a third party.

Upon receiving permission from Party A, the transfer of the rights shall guarantee that the assignee agrees to perform its obligations in accordance with the terms and conditions stated in the Agreement.

Article 33: Accounting and Financial Management

Both Parties agree to have accounting and financial management as follows:

1. The accounting and financial management shall be in compliance with the regulations and laws of Lao PDR.
2. Party B shall hire a reputable accounting consultant and registered auditors that are duly acknowledged by the public authority.
3. Party B shall submit its quarterly financial report to Party A regularly.
4. The fiscal period starts on January 1st and ends on December 31st of each year. Party B is obliged to report its financial status to Party A no later than March 31st of following fiscal year.

5. The Shareholders, as stipulated in Article I I of this Agreement, shall have the right to be informed of the details of the joint venture's financial report as well as have the right to express opinions on the financial report.
6. All account bookings shall be recorded in Lao Kip and all transactions of investment within the special zone shall be done through the banking system.

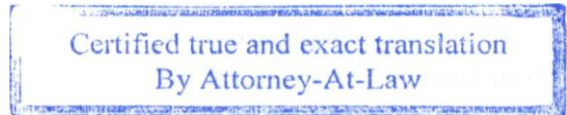
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Article 34: Auditing



In order to maintain transparency and monitor the benefits arising from the Luangprabang Special Zone Development Project, the State Audit Organization, or any financial audit authority assigned by Party A, are entitled to conduct Party B's financial audit once a year according to the relevant law which will usually be conducted at year's end or the beginning of next fiscal year. The State Audit Organization shall send a notice to the Special Economic Zone Committee and Party B fifteen (15) days prior to the commence of the audit.

Article 35: Force Majeure

Failure to fulfill a clause, provision or condition of this Agreement due to force majeure which are situations or events that are beyond the foreseeable control, including but not limited to earthquake, riot, flood, natural disaster, war, strike, epidemic, or any failures that cause either Party A or Party B to perform its obligations or duties under this Agreement will not be deemed to be a breach of this Agreement if the affected party has tried with its best effort to solve the problem or the force majeure and if the force majeure has lasted for more than six (6) months.

In the event of the aforementioned force majeure, Party B shall have measures to protect investors' lives and assets and the residents in the Special Zone and Party B's assets to minimize the loss as much as possible. Party B shall report the situation of the force majeure to Party A immediately.

In the event of force majeure, each party shall immediately inform each other of its actions encountering the force majeure to the other party in writing, informing the other party of the nature of the force majeure and the extent to which such party is forced to suspend or delay fulfilling its obligation hereunder within fifteen (15) days. Since the date of sending the notice, both parties shall discuss ways to confirm the following matters:

- 1) To ensure if there is really a force majeure event
- 2) If the force majeure still continues
- 3) To estimate how long the force majeure event will last
- 4) Impact of the force majeure to the implementation of the project

Both parties shall discuss or negotiate with fairness to find suitable and satisfactory solutions for each party to cope with the force majeure event.

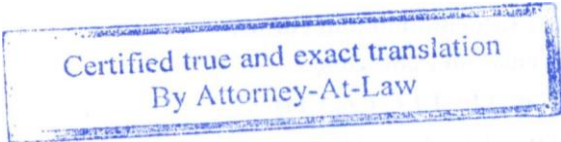
Article 36: Failures

Upon a material failure by either party B to pay or perform obligations under or pursuant to this Agreement and to reverse the failure, Party A shall send Party B a notice in writing to address the failure (the notice shall clearly state which article the failure is relevant) and Party B shall have at least ninety (90) days since the receipt of the notice to cure such default. The time frame set for curing the default shall be clearly stated in the notice according to the default and

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the reason associated to the default. In the event that Party B does not take action to recover the damage within the defined time frame in the written notice, Party A is obliged to take measures to extend education, warnings, and fines to Party B based on each default accordingly.

Article 37: Suspension of the Development

In case of a force majeure event, as defined in Article 35 of this Agreement, which makes Party B unable to develop, invest and operate business in an ordinary manner and causes the Agreement unable to meet its objectives, Party B is entitled to suspend the development and construction of LPBSEZ and shall propose to Party A in writing prior to the suspension. Upon the cause of suspension is remedied, Party B shall immediately recover all tasks in the area within thirty (30) days as of the completion of the remedy.

Article 38: Termination of the Agreement

This Agreement may be terminated due to any condition as defined in this Agreement:

1. Party B violates Article 36 of this Agreement;
2. Party B has not developed or has ceased the development of the Project for more than one (1) year;
3. Both Parties mutually agree to terminate this Agreement.

Article 39: Dissolution of the Agreement

This Agreement shall be dissolved in the following conditions:

1. Both Parties mutually agree to terminate this Agreement and conduct a settlement;
2. Party B is in the state of being bankrupt;
3. There is termination of the Agreement as defined in Article 38 of this Agreement.

In case of dissolution of the Agreement due to default of Party B, Party B shall conduct a settlement and clearance of all liabilities.

In case of dissolution of the agreement due to the default of Party A, Party A shall be responsible for damages to Party B.

Article 40: Transfer

Both Parties agree on the transfer as follows:

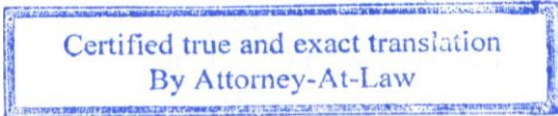
1. Investment on the development of the Project is in compliance with Build-Operate-Transfer principles. Therefore, when the Agreement has expired as defined in Article 3 of this Agreement, both Parties shall conduct a settlement of the Project's assets and transfer the land use rights with construction, premises, and all infrastructures of the Project to Party A to solely have possession of and carry on the Project without any conditions. Settlement

and transfer shall be complete within twelve (12) months prior to the expiration date of this Agreement.

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2. Settlement may be conducted by an external person who is appointed to do the task on behalf of the Parties. Such appointment shall be agreed by both Parties.
3. Upon the completion of the transfer, if Party A wants to grant the concession or have a joint venture, Party A shall give priority to Party B before a eliciting a third party based on new negotiation and agreement on new conditions;
4. Prior to the transfer, Party B shall pass on the technical management to Party A in order to carry out the management in an ordinary manner.

Article 41: Management of the Orderliness

General National Defense - Public Security activities in Luangphrabang Province shall be the overall responsibility of the Government, mainly under the supervision of the Administrative Authority of Luangphrabang Province and Chomphet District, Luangphrabang District. Internal public security shall be the responsibility of the Executive Council of the Zone to be led and managed as appropriate, such as supplying security officers or if required it shall coordinate with the public security officers of the relevant district and Luangphrabang Province.

Article 42: Governing Law

This agreement, as well as all attached documents (if any), shall be governed, applied and construed under the Laws of Lao PDR.

Article 43: Documents Delivery

All notices, documents, reports, statistics and official communications of the Parties subject to this agreement shall be delivered to the receiver by post, fax or telex, email or delivered by hand to the addresses of the parties stipulated in this agreement or other addresses that the parties shall inform each other from time to time.

Article 44: Language

This Agreement, as well as attached documents, have been made in six (6) original Lao language copies, in which, four (4) original copies are kept by Party A and 2 original copies are kept by Party B.

Article 45: Effectiveness

This Agreement, as well as all attached documents (if any), shall become effective and enforceable from the date signing by the Parties.

Therefore, the Parties hereby sign in the presence of witnesses as evidence and reference for implementation.

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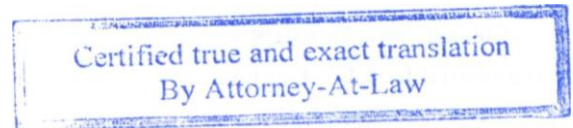
Signed on behalf of and Representing
GOVERNMENT OF LAO PDR

(Signed & Sealed)

Name: Khamkhan Chanthavisouk
Position: Governor, Luangphrabang Province
SEZ Committee

Witness:
(Signed & Sealed)
Name: Ms. Buatha Khattigha Position:
Vice President
Head of Secretariat, SEZ

Witness:
(Signed & Sealed)
Name: Chan Vannasi
Position: Governor, Chomphet District
Luangphrabang Province



Witness:
(Signed & Sealed)
Name: Soukan Bounyong
Position: Governor, Luangphrabang
District Luangphrabang Province

Witness:
(Signed & Sealed)
Name: Manothong Vongxay
Signed on behalf of and Representing
PHOUSY GROUP CO., LTD
(Signed & Sealed)

Name: Mr. Sithong Phommachith
Position: President

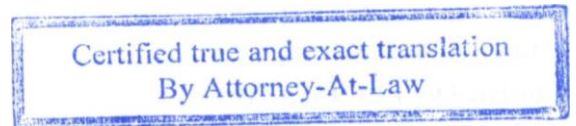
Witness:
(Signed & Sealed)

Name: Mr. Sitha Phommachith Position:
Vice President

Witness:
(Signed & Sealed)
Name: Souvanny Kongphachit
Position: Vice President

Position: Director General, Department of Investment
Promotion Ministry of Planning and Investment

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Attached Documents

Attached file 1 : Master Plan on Development of Luangphrabang Province

Attached file 2: Map of Whole Project Area and State Land Use

Attached file 3: Certificate

Attached file 4: Feasibility Study of the Project

Environmental and Social Impact Assessment of the Project
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