ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ
ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ
LAO CEMENT PUBLIC COMPANY
ບ້ານ ໂພນພະເນົາ ວຽງຈັນ, ສປປລາວ ຕູ້ ປ.ນ 6821, ໂທຣ: (865-21) 451222,451116 ແຟັກ:451117
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Lao Cement Public Company
Business Performance of 2023

I. Annual Report of the Company

1. Background

Lao Cement Public Company (LCC) is shifted from Lao Cement Co., Ltd. established in 1998 as a joint venture between Nhun Nan International Economic and Technical Cooperation Company (CYC) of People's Republic of China and State-owned Agriculture, Industry and Import-Export Service Development Company (DAI) of Lao PDR with the respective ownership rate of 60% (CYC) and 40% (DAI); the initial registered capital of US$ 1,100,000. Its main purpose is to build a cement factory financed by the Chinese Government. The Governmental loan was 269,612,040 yuan or US$ 32,561,841 at that time. By the end of 2014, the company repaid all principal and interest of this loan.

The company started to build Vang Vieng cement factory 2 on December 26, 1999 which officially started production on March 22, 2002 and has continued to produce and consume Ca Thing Thong cement according to American standards ASTM-C-150, GB-175: 2007 standards of People's Republic of China. There are 03 types of cement: Ca Thing Thong (Golden Bull brand) red cement, Ca Thing Thong (Golden Bull brand) blue cement and Ca Thing Thong (Golden Bull brand) green cement. Cement is all manufactured from domestic materials such as limestone, clay, sand, plaster and coal.

In 2013, the Government of Lao PDR adjusted the share ratio of the Company: 51% of Nhun Nan Yunnan International Economic and Technical Cooperation Company (CYC) and 49% of State-owned Agriculture, Industry and Import-Export Service Development Company (DAI). So far after being shifted into a public company and registered on the Lao stock market on March 02, 2018, the share ratio has been 35.6964% (UQNT), 34.2966% (DAI), 0.007% (Founding shareholders) and 30% (the public).

✡. Information of the Company

- Company name: Lao Cement Public Company
- Head office: Phonphanao Village, Xayxetha district, Vientiane Capital
- Tel: 021 451116, Fax: 021 451117
- Factory: Vang Vieng II Cement Factory
- Address: Khanmac Village, VangVieng District, Vientiane Province
- Tel: 023 511245 , Fax: 023 511247
- Registered capital: LAK 20,002,000,000

✡. Vision, goal and mission:

1. Vision:

   * Create a company to become a comprehensive tourism and culture company.
   * Building a safe and environment-friendly production company, paying attention to quality, fairly cooperating with partners, maintaining mutual benefits and sustainable industrial development.

2. Mission:

   * Provide high- quality cement according to the prescribed standards, create trust for consumers.
   * Make customers satisfied about service.
   * Reduce production and consumption costs, increase business efficiency.
   * Develop technical and industrial personnel of the company to become experts in the future.

2. Business conditions in 2023

The board of directors of the old and new sets of the Lao Cement Company took 3 months to hand over the work and completed the handing over of the work in February 2023.

In the past year, the new board of directors implemented the direction and strategic development plan adopted through the board of directors meeting, carried out many tasks such as working relationships with various related parties, deepened exchanges on culture, tourism, mining and other fields. At the same time, there is a business development plan for all the business sectors mentioned above.

1. Business Conditions

In the past 1 year, the company has carried out various important works as below:

1.1 The Construction Project of the Office Building of the Lao Culture Tourism Public Group Company:

It is estimated that the building structure can be completed by the end of September 2024, the progress of the project until 30/12/2023 has completed the construction of 15 floors and completed the decoration of 4 model rooms.

1.2 Planning and Design for the Construction Project of Demonstration Area of Economy, Industry, Tourism and Culture in Vang Vieng District:

Completed the planning and design process for the project and was approved by the relevant parties. In addition, they signed a construction project contract with Engineering Company No. 8 Limited of China Construction Group and Construction Company No. 3 of Yunnan Construction-Investment and Holding Company Group. At the same time, a groundbreaking ceremony was held on 12/01/2024.

1.3 Planning to Establish A Service Center and Tourism Management in Vang Vieng District:

Which is a project that will cooperate with the cultural and tourism authority that will set up the service center in Lao cement factory after 2, the prospectus has already been sent to the relevant parties.

1.4 Maintenance of Art Corps:

Which is a project to collaborate with art schools, train artists to prepare to perform in various tourist areas.

1.5 Registration of Lao Urban Development Construction Company Sole Limited:

Which is a subsidiary company that was registered on 26/06/2023 to target real estate activities related to tourism, trade and accommodation according to the unique architectural style of Laos which can meet the requirements of modern living. In addition, it is also responsible for the construction of the office building of the Lao Cultural Tourism Company.

1.6 Registration of Lao New Construction Materials Company Sole Limited:

Which is a subsidiary company registered on 10/08/2023 to manufacture and distribute new types of construction materials, such as new types of wall panels and cement pipes, which can be supplied to the construction project of the economic, tourism and culture demonstration area in Vang Vieng district and meet the needs of the construction market.

1.7 Registration of Lao National Tourism Planning and Design Institute Company Sole Limited:

Which is a subsidiary company that was registered on 12/10/2023 to support the design work for the Office of State Enterprises (DAI), the construction project on the land of the Department of Film, the construction project on the land of the Ministry of Information and Culture (MOIC), Information and Information, the construction project on the land of the State Enterprise (DAI), the construction project of the Vang Vieng District Training Center, the Ministry of Defense and many other projects.

1.8 Planning to Establish A Biodiversity Conservation Center and the Lao National Botanical Garden:

Which is a project to cooperate with the scientific institute and which is located on the hill behind the Lao Vang Vieng cement factory for the 2nd building.

1.9 Establishment of the Vocational, Cultural and Tourism College:

Signed a memorandum of understanding with the Vocational College, Zongxing Urban Management, looking for a suitable location for the school. In addition, last year 2023, received 60 grants to continue studying in China with the said school, with the field of tourism, transportation and medical nursing, and the students officially enrolled in September 2023, in which, the students who graduated from the field of tourism, which the company will be responsible for allocating jobs to.

1.10 Registration of a Lao International Exhibition Service Company:

Which is a subsidiary company that was registered on 01/02/2024. The main purpose is to propose for approval for the company to be responsible for the development planning and operation of the Lao National Museum and Culture Hall from the Ministry of Information and Culture (MOIC).

1.11 Planning to Buy Shares of Film-TV Production Centers:

Plan to acquire 50% of the shares of the film-TV program production center. At the same time, it will also carry out a real estate project on the land of the film-TV program production center (the land of the Film Department).

1.12 Registration of Lao Mining Resource Development Company Sole Limited:

Which is a subsidiary company that was registered on 29/02/2024, at the end of 2023, which has surveyed the mining field located in Xayabuly Province, Luangprabang Province and Vientiane Province. The work plan in the next step is to carry out exploration-mining projects under the Ministry of Defense.

2. Investment Conditions

According to the company's business development plan, the company has invested in various business sectors, the details of which are as follows:

2.1 Tourism Sector:

Lao Culture Tourism Public Group Company is responsible for conducting tourism business to develop and improve the quality and green tourism network, create a property management system, tourist resource management, tourism promotion, trade management, and standard hotel management.

2.2 Real Estate Sector

Lao Town Construction and Development Sole Company Limited is responsible for conducting real estate business related to tourism, trade and recreation according to the unique architectural style of Laos which can meet the requirements of modern living.

2.3 Mining Sector

The Lao Mining Resources Development Sole Company Limited is responsible for the mining business, planning to cooperate with the state-owned enterprises under the Ministry of Defense to carry out exploration-mining projects using the resources of the state-owned enterprises and the Ministry of Defense.

2.4 Exhibition Service Sector

The Lao-International Exhibition Services Sole Company Limited is responsible for the business of exhibition services, will operate the National Museum and the Cultural Hall, host the Lan Chang-Mekong River Film Festival and exhibitions or seminars on various topics at the international level.

2.5 Green Energy Sector

The company is responsible for green energy business. It plans to cooperate with the Chinese energy company to run a solar power generation project on a 100 hectare plot of land located in Sangthong District.

2.6 Advertising and Film-Television Sector

The film-TV program production center is responsible for investing in the filming of documentary films about the culture and tourism of Laos, conducting advertising work for the tourism sector of the group of companies.

2.7 Culture and Education Sector

The Vocational College of Culture and Tourism (planned to be established) will be responsible for conducting educational and cultural business in cooperation with the Chinese Vocational College. Open teaching-teaching courses in tourism services, hotel management, translation, tea ceremony, coffee ceremony, Lao cultural art performance, short video filming and other fields to create personnel as professionals in various fields.

3. New Developments and Changes in the New Year

According to the direction and strategic development plan approved through the meeting of the board of directors, the business model has been transformed from cement production into a tourism and culture sector which is a green business that can be developed sustainably. In addition to taking the tourism sector as the main business, the company has also expanded to the agriculture sector, urban development, green energy, mineral resources, professional education, exhibitions with modern techniques and other related activities to meet the demands of economic and social development.

4. The Circumstances of the Opening of the Meeting of Shareholders and the Board of Directors

Until 30/06/2023, the company held 2 shareholder meetings and 3 board meetings to consider and approve the change of shares of the Lao Public Cement Company, the change of the legal representative (general director) of the Lao Public Cement Company, the continuation of the implementation of the plan to improve and restore the business of the Lao Public Cement Company, the collection of the assets of the Lao Public Cement Company that are not related to the tourism and culture sector, the demolition and construction of the offices of the Lao Public Cement Company Renew before May 2023 , changing the business sector and changing the name of the company, proposing to the upper level to select the location and building of the 1st Vang Vieng Cement Factory to participate in the tourism and culture project of Lao Public Cement Co., Ltd., re-establishing the rules and regulations and organizational structure of Lao Public Cement Co., Ltd., appointing a new board of directors of Lao Public Cement Co., Ltd., appointing senior executives of Lao Public Cement Co., Ltd, the establishment of Zongker Herbal Medicine

Company (Laos) Limited, the termination of the relocation of the Vang Vieng No. 2 cement factory to the new resource industrial zone in Khammouan Province, the appointment of a committee responsible for the assets of the company in the Vang Vieng No. 2 Cement Factory, the establishment of the Lao Urban Development Company Limited and Lao New Construction Materials Co., Ltd. Scrap steel etc.

5. Basic Information for the Board of Directors and Staff

The Board of Directors has 11 people, the Lao side has 4 people (1 independent board commissioner and the Chinese side has 7 people (2 independent board commissioners). There are 54 permanent employees.

6. Dividend Plan

Because the company is still in the period of changing the business model, there is no profit to be distributed to the shareholders, therefore, there is no dividend plan for 2023.

II. Various Important Tasks

1. **Petition case**: Until 12/30/2023, there was no new petition case.

2. **Punishment against senior management from parties related to follow-up inspection:** None.

3. Changes in major shareholders and directors: None.

4. Purchase of other company's shares, sale of company's assets: There is no purchase of other company's shares, but the company has appointed a committee in charge of inventorying the company's assets. They are working on the inventory of machines and equipment that are not working at the factory. It is estimated that the inventory will be completed within April.

5. High value transactions related to the company: None.

6. Independence of the Initial Company: Independence in terms of personnel, property, financial accounting, operations and organization.

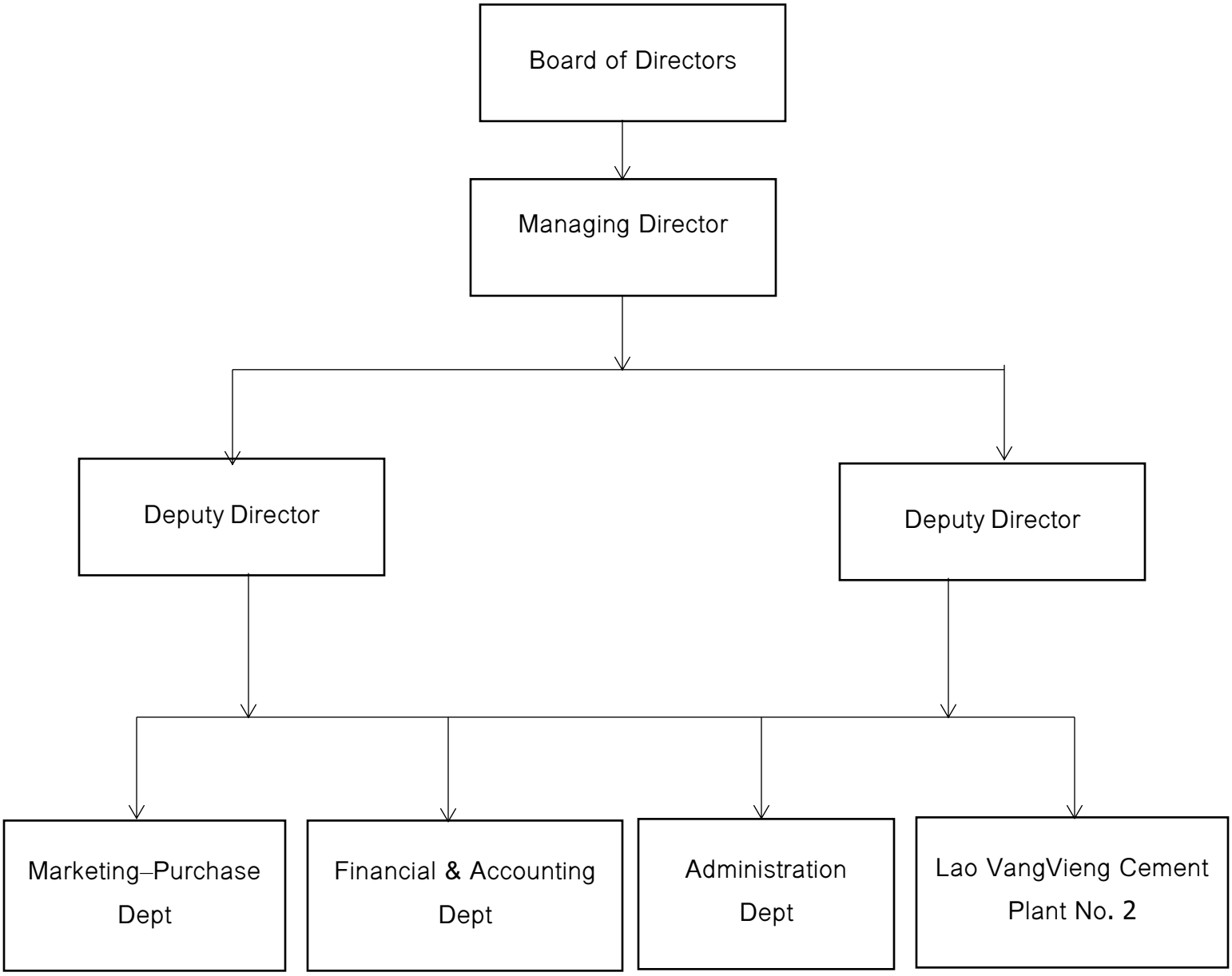
7. **Hiring an audit company**: Continue to use the services of an audit company, there is no change.

8. Important Agreements and Warranties:

8.1 Signed a contract for the construction of tourism and cultural buildings between Lao Public Cement Company and No. 6 Construction Company under Yunnan Construction-Investment Company, total construction area of 23,800 square meters, construction value of 23,562,000.00 Yuan.

8.2 Until 31/12/2023 there is no guarantee whatsoever.

Organization of LCC Public Company



Board of Directors of LCC



Mr NIE LEI

Date of birth : 11/12/971

Nationality : Chinese

Position: Chairman of the Board of Directors, Director of LCC



Mr Vanhthong SITTHIKOUN

Date of birth : 02/03/1960

Nationality : Lao

Position:Vice Chairman of Board of Directors LCC, General Director of State-owned Enterprise DAI



Mr LYULIN

Date of birth : 17/7/1957

Nationality : Chinese

Position: : Member of the Board of Directors, Deputy Director LCC,



Mr Zhang JINHUA

Date of birth : 26/11/1978

Nationality : Chinese

Position: Member of the Board of Directors, CFO



Ms Cai LINGLING

Date of birth : 10/10/1949

Nationality : Chinese

Position: Member of the Board of Directors



Mr Ding ZHENXU

Date of birth : 18/11/1973

Nationality : Chinese

Position: Member of the Board of Directors



Mr Dai RONGHUA

Date of birth : 3/7/1973

Nationality : Chinese

Position : Independent Board members LCC



Mr Liu HAO

Date of birth : 01/12/1977

Nationality : Chinese

Position: Independent Board members LCC



Mr Khambon XAYLAOVONG

Date of birth : 15/2/1958

Nationality : Lao

Position: Member of the Board of Directors,

Deputy Director of State-owned Enterprise DAI



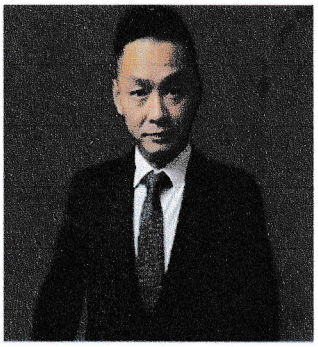
Mr Vichit SOUVANHNALATH
Date of birth : 27/12/1962
Nationality : Lao
Position: Member of the Board of Directors, Deputy Director LCC,



Mr Vongvichit KEOVONGKOD

Date of birth : 1971
Nationality : Lao
Position: Independent Board members LCC

Managing Directors of LCC



Mr NIE LEI

Position: Director LCC (CEO)



Mr Vichit SOUVANHNALATH

Position:Deputy Director LCC



Mr LYU LIN

Position:Deputy Director LCC

Director

NIE LEI