Annual Business Report 2024

of Lao Culture Tourism Group Public Company

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 Culture Tourism Public Group Company
- Head office: Phonphanao Village, Xayxetha district, Vientiane Capital
- Tel: 021 451116, Fax: 021 451117
- 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:

   * 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 2024

1). Tourism and cultural building construction project

The Tourism and Culture Building is a building that includes a hotel, condos and offices in the same building and is the headquarters for the company. This construction project, located in Phonphanao Village, Xaysettha District, Vientiane Capital, held a groundbreaking ceremony on April 25, 2023 and began construction of the foundation in May. To date, the foundation of the infrastructure has been completed up to 14 floors. It is expected to complete the construction of the building structure before August 2025 and the interior decoration of the 3rd floor, which will be the company's office, before October 2025.

2). Vang Vieng Industrial Economic, Tourism and Cultural Demonstration Zone Construction Project

This construction project is located in KhanMak Village, Vang Vieng District, Vientiane Province, covering the area of Vang Vieng Cement Plant at Building 1 and Building 2. A groundbreaking ceremony was held on January 12, 2024. The master plan and analysis of this project have been completed. Currently, work is underway to prepare an environmental impact assessment.

3). Construction project of Nong Si Duang Chan International Resort, Vang Vieng (Vang Vieng Training Center, Ministry of National Defense)

This construction project is located in Phonxou Village, Vang Vieng District, Vientiane Province, covering an area of approximately 24 hectares and a groundbreaking ceremony was held on January 12, 2024. Initial construction work is being prepared, such as electrical systems, water systems, and road repairs.

4). Agricultural machinery spare parts distribution market construction project

This construction project is located in NonKheelex Village, Sikhottabong District, Vientiane Capital. It is a group of buildings that combine commerce, accommodation, hotels and offices in the same area. The groundbreaking ceremony was held on April 4, 2024. This project will be divided into phases, with the construction area of the first phase having been completed, approximately 3,000 square meters.

5). Lao Culture Tourism Group Dormitory Building Construction Project

This construction project is located in NonSavang Village, Xaysettha District, Vientiane Capital, covering an area of 2000 square meters, is a 3-story building with a total of 14 bedrooms. The construction of the building structure has been completed.

6). Construction project of the Buddha statue at the Buddha statue on top of Mount Phaboua Vang Vieng

This construction project is located in Buddha statue on top of Mount Phaboua, Nakhoun Village, Vang Vieng District, Vientiane Province, about 12 kilometers from the Vang Vieng Economic, Industrial, Tourism and Cultural Demonstration Zone. The conceptual design plan for the project has been completed. Currently, survey work is underway, with construction scheduled to begin in May 2025.

7).Cinema building construction project

This construction project is located in Kaoyot Village, Sikhottabong District, Vientiane Capital, with a total area of 3050 square meters. It is a land development project in cooperation with the Film Department of the Ministry of Information, Culture and Tourism. The design plan and cooperation agreement have been completed and submitted to relevant parties for consideration. After the official approval and signing of the contract, construction will begin this year.

8). Land development project in collaboration with the Lao Front for National Construction

This construction project is located in: Xiengyeun Village, Chanthabouly District, Vientiane Capital. It is a land development project that will be in cooperation with the Lao Front for National Construction. The plan has been completed and submitted to relevant parties for consideration. After approval, a cooperation agreement will be drafted for this land development project.

In addition, the company signed a memorandum of understanding with the Department of Human Resources and Social Organization of the Central Committee of the Lao Front for National Construction on March 11, 2025. Through several consultations, the work on the rehabilitation of the international passenger shipping route along the Mekong-Lancang River, the cooperation in establishing the Lao-China Buddhist Cultural Foundation, and other work in the tourism field have gradually progressed.

9). Mining work

On June 3, 2024, the company signed a cooperation agreement on the development of mining in Hua Phan province with the State Rural Development Company of the Ministry of National Defense. After that, it submitted a request to the government to follow the procedures. So far, it has received guidance from the Prime Minister's Office and is waiting for the Ministry of Planning and Investment to convene a meeting to negotiate the concession agreement according to the procedures.

In addition, both parties agreed to jointly develop the land of the State Rural Development Company to build a new building. The project design plan and survey work have been completed and construction will begin this year.

10). Acquisition of shares of Film and Television Production Center Limited

Through several negotiations with partners, we signed a share purchase agreement and officially became a 50% shareholder of the Film and Television Production Center Limited on December 6, 2024. This year, there are plans for filming films, organizing forums, exhibitions, film festivals, music festivals, and various other activities.

11). Transfer of shares of Fasta Tobacco Trading Company Limited

Through several negotiations with partners, we signed a share transfer agreement and became a 20% shareholder of Fasta Tobacco Trading Company Limited on December 16, 2024, and changed the legal entity of the company to Mr. DING YUDONG. This year, we will start operating cigarette distribution activities in accordance with relevant regulations.

12). Proposal to establish the Lao National Development Fund Management Company Limited

This project will be in collaboration with a fund management company from China. The company has prepared a proposal for establishment and related information and submitted it to the NMC for consideration in 2024. After that, a signing ceremony for the establishment of a fund management company was held between the Group and Shuimu Huili Fund Management (Beijing) Co., Ltd. on March 17, 2025, with the NMC attending as a witness. Currently, we are waiting for a response from the NMC.

13). Proposal to establish Green Resources Development Company Limited

This project will be in collaboration with the State Rural Development Company of the Ministry of National Defense. The company has prepared a proposal for establishment and related information and submitted it to the Ministry of National Defense in 2024. After that, two consultation meetings have been held. Currently, the company is waiting for the Department of Economy to convene a meeting for further negotiations.

14). Comprehensive cooperation with the Ministry of Information, Culture and Tourism

In 2024, the Ministry of Information, Culture and Tourism proposed that its subsidiary company, the Lao National Institute of Tourism Planning and Design Company Limited, participate in the planning, design, promotion, construction, and operation of various tourist attractions registered in the Ministry of Information, Culture and Tourism. In cooperation with relevant departments of the Ministry of Information, Culture and Tourism, the company will create various tourist attractions to become modern tourist attractions with complete, dignified, standardized, safe, and suitable facilities for tourism. The

proposal has been approved as a basis. The company has prepared a detailed work plan, budget, and personnel to participate in the consultation meeting organized by relevant departments of the Ministry of Tourism.

15). Proposal to establish the Lao-China Buddhist Cultural Foundation

Through negotiations with the Department of Human Resources and Social Organizations of the Lao Front for National Construction on several occasions, they agreed to jointly establish the Lao-China Buddhist Cultural Foundation, which will be a channel to raise funds specifically for the construction of the Buddha image in Vang Vieng, to make the desire to build the Buddha image in Sivali, promote Buddhist culture, and promote comprehensive socio-economic development a reality.

16). Proposal to establish a Lao National Botanical Garden

On April 25, 2023, the company signed a strategic cooperation agreement with the Xishuangbanna Tropical Botanical Garden of the Chinese Academy of Sciences. Through consultation, the two sides plan to establish the Lao National Botanical Garden on the mountain behind the Vang Vieng Cement Factory **Building** No. 1 and **Building** No. 2, and set up a biodiversity conservation center in the garden. The concept of this project has been reported to the Ministry of Agriculture and Forestry. Currently, we are jointly planning and designing further for this project.

II.The condition of the assets of the Vang Vieng Cement Factory, Building 2

On March 5, 2025, the director and the board of directors of the group inspected the asset management status of the second phase of the Vang Vieng Cement Factory. To date, about 94% of the old machinery and equipment in the factory have been dismantled.

Because the area is clearly divided and field staff are assigned, safety and convenience are ensured during the demolition work. However, because the site where the machinery is being dismantled is a multi-story building, it is not possible to have many demolition technicians working at the same time for fear of safety accidents. In addition, most of the machinery is made of hard steel and heat-resistant steel, making it difficult to use and cut. Therefore, there are various difficulties in every stage of demolition, cutting and moving. Not only must safety be ensured, but caution must also be exercised so as not to affect the basic structure because the company wants to preserve the structure of the buildings.

To date, the factory has dismantled 1,922.38 tons of machinery, and generated revenue from asset disposal of 11,610,061,400 kip, of which 4,211,612,391 kip has been used to pay severance pay to employees, while the remaining 3,999,356,044 kip will be paid off before June 30, 2025.

III. Annual Work Plan 2025

In addition to continuing to successfully implement the projects summarized above as planned, the company will also actively prepare to resume trading on the stock market.

IV. Opening of the shareholders' and board of directors' meetings

As of December 31, 2024, the company has held 1 shareholder meeting and 4 board meetings, considering and approving the following important proposals:

Minutes of the 2022 Annual General Meeting of Shareholders of the Company; Agenda of the 2023 Annual General Meeting of Shareholders of the Company; Report on the Company's 2023 Business Performance; Financial Report of the Company for the Year 2023; Contract for the Construction of the NongSifaDouangchanh Vangvieng International Resort (Vangvieng Training Center, Ministry of National Defense); Regulations of the Lao Cultural Tourism Group Public Company; Registration of Subsidiaries; Changes in Senior Management; Bank Loans; Amendments to the Enterprise Registration Certificate of Lao Urban Development Construction Company Limited; Amendments to the Enterprise Registration Certificate of Samunphai Zhongke (Laos) Company Limited; Proposal to upgrade the construction project of the Vangvieng Economic, Tourism and Cultural Industry Demonstration Zone; Continued implementation of the asset inventory of Vangvieng Cement Factory Building 02 and disbursement of operating allowances; Amendments to the Lao Board of Directors; Appointment of Senior Management; Business report for the first 6 months of 2024 and business plan for the last 6 months of 2024 of Lao Culture Tourism Group Public Company; Financial report for the first 6 months of 2024 of Lao Culture Tourism Group Public Company; Loan from Lao-Viet Bank; Amendment of the Chinese Board of Directors; Appointment of the General Director of the company; Economic-technical analysis of the project for the development of the Vang Vieng Cultural Tourism Economic and Industrial Zone, Vientiane District, Vientiane Province, Lao PDR; Report on the assessment and inventory of assets of Vang Vieng Cement Factory, Building II.

V. Basic information for the Board of Directors and Staff

The Board of Directors of Lao Tourism and Culture Public Company Limited consists of 11 members, 4 from the Lao side (1 independent board member), 7 from the Chinese side (2 independent board members).

As of December 31, 2024, the company has a total of 54 permanent Staff.

- The Board of Directors has the following detailed information:



Mr. NIE LEI

Date of birth: Dec 11, 1971 Nationality: Chinese

Chairman of the Board of Directors

General Manager



Mr. Vanhthong

SITTHIKOUN

Date of birth: Mar 02, 1960 Nationality: Lao

Vice Chairman of the Board of Directors



Mr.Khambon

XAYLAOVONG

Date of birth: Feb 15, 1958 Nationality: Lao

Board of Directors

Deputy Director General



Mr. DING YUDONG

Date of birth: Jul 07, 1967 Nationality: Chinese

Board of Directors

Director General



Mr. ZHANG JINGHUA

Date of birth: Nov 26, 1978 Nationality: Chinese

Board of Directors

Chief Financial Officer



Mr. WANG HUI

Date of birth: Oct 01, 1972 Nationality: Chinese

Board of Directors

Senior engineer



Mr. Sinthanou SOMPONGBOUTTAKHAN

Date of birth: Jul 20, 1971 Nationality: Lao

Board of Directors

Deputy Director General



Ms. CAI LINGLING

Date of birth: Oct 10, 1949 Nationality: Chinese

Board of Directors



Mr. DAI YONGHUA

Date of birth: Jul 03, 1973 Nationality: Chinese

Independent Board Member



Mr. LIU HAO

Date of birth: Dec 01, 1977 Nationality: Chinese

Independent Board Member



Mr. Vikhamdeang INTHAXAY

Date of birth: Aug 15, 1980 Nationality: Lao

Independent Board Member

VI. Dividend plan

Because the company is currently in the process of revitalizing and transforming its business model, it is not yet profitable enough to distribute dividends to shareholders, so there is no dividend plan for 2024.

VII. Other important tasks

1. **Litigation:** None.
2. **Sanctions against senior executives from relevant inspection and monitoring departments:** None.
3. Changes in major shareholders and CEO: According to the resolution of the 01st Extraordinary General Meeting of the Board of Directors of the Company for the year 2024 dated 05 February 2024, Mr. DING YUDONG was appointed as the CEO of the Company.
4. **Purchase of shares of another company, sale of company assets:**
   4.1 Signed a share purchase agreement and officially became a 50% shareholder of Film and Television Production Center Co., Ltd. on December 6, 2024.
   4.2 Signed a share transfer agreement and became a shareholder holding 20% of Fasta Tobacco Trading Company Limited on 16/12/2024.
5. **High-value transactions related to the company:** None.
6. **Independence of the parent company:** There is independence in terms of personnel, assets, financial accounts, activities, and organization.
7. **Hiring an audit firm:** The services of the original audit firm have continued to be used for the year 2024 without any changes.
8. **Signing of important contracts and guarantees**
   8.1 Signed a contract for the construction of the Nong Si Duangchan International Resort Area, Vang Vieng (Vang Vieng Training Center, Ministry of National Defense) with Construction Company No. 3, affiliated with Yunnan Construction and Investment Company on 12/01/2024.
   8.2 Signed a contract for the construction of a market for agricultural machinery spare parts with Construction Company No. 3, affiliated with Yunnan Construction and Investment Company, on April 4, 2024.
   8.3 Signed a contract for the construction of the Buddha statue on top of Mount Phaboua with Yunnan Railway Group Co., Ltd. and XIZHAO Engineering Consulting Co., Ltd. on December 6, 2024
   8.4 Until 31/12/2024, there is no guarantee.

Director

NIE LEI