ກຸ່ມບໍລິສັດ ທ່ອງທ່ຽວ ວັດທະນະທຳລາວ ມະຫາຊົນ
Lao Culture Tourism Public Group Company

No: 156/LCTC

Vientiane Capital, Date: 14 OCT 2026

To : Director General of the Securities Exchange Commission Offices;
The Honorable Director of the Lao Securities Exchange;
Dear Shareholders of Lao Culture Tourism Public Group Company Limited,

Subject: Report on the progress of the implementation of the Improvement and Rehabilitation of the company on 3rd quarter of 2026

- According to the Rehabilitation plan of the Lao Cement Public Company, no. 1958/MOD, date 21/4/2022.
- According to the implementation of the Improvement and Rehabilitation of the company s business dated 30/12/2021

Lao Culture Tourism Public Company (LCTC) would like to report to you on the progress of the implementation of Improvement and Rehabilitation of the company since the company entered the business recovery process with the following details:

I. Accounts Receivable Settlement

Up to the present, the majority of accounts receivable have been successfully recovered, leaving an uncollected balance of **LAK 392,289,331**, with a zero (**0**) provision for bad debts established. The recovered accounts receivable was entirely utilized to repay bank loans and to disburse a portion of severance allowances for departed employees.

II. Liabilities Settlement (As of 2020)

By 2020, total payable liabilities amounting to **LAK 37.82 billion** had been cleared, encompassing bank loans, accounts payable, customer advance payments, payables to related parties, bond liabilities, employee payables, and other liabilities.

Following the assumption of office by the new Chinese shareholder representative at the company, settlement of these liabilities continued. However, outstanding tax obligations payable to the government remain unpaid. Settlement of these pending tax liabilities is contingent upon the new Chinese shareholder representative obtaining the official Foreign Investment License from the Government of China.

III. Labor Dispute Resolution

Severance allowances totaling **LAK 9.88 billion** have been settled at **80%**. To date,

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an remaining severance allowance balance of **LAK 3,918,319,964** remains unpaid. Payment of this outstanding severance amount is contingent upon the new Chinese shareholder representative obtaining the official Foreign Investment License from the Government of China.

IV. Acquisition of LCS and Minority Shares

Upon obtaining the official Foreign Investment License from the Government of China, the new Chinese shareholder representative will proceed with the acquisition of shares in LCS Company and individual minority shareholders.

V. Business Plan

1. Culture & Tourism Project

1.1 Current Status

This is the core project group of the company, comprising the construction of the Culture & Tourism Building, the Vang Vieng Culture & Tourism Industrial-Economic Zone Development Project, the Blue Moon Lake International Resort Project in Vang Vieng (Ministry of National Defense Vang Vieng Training Center), and the company employee dormitory. All four projects are currently under construction, with only the Culture & Tourism Building currently generating partial operational revenue.

1. **Culture & Tourism Building Construction Project:**
    - Groundbreaking: April 2023.
    - Main structural completion: October 2025.
    - Current status: External facade decoration is **90%** completed. Specifically, floors 2, 4, 13, and 20 are fully constructed and operational, while floors 1, 3, and 11–20 have reached **75%** structural completion.
2. **Vang Vieng Culture & Tourism Industrial-Economic Zone Development Project:**
    - Groundbreaking: January 2024.
    - Current status: Master planning, techno-economic feasibility study, and environmental impact assessment (EIA) have been completed and approved by the Vientiane Province Information, Culture and Tourism Department. Furthermore, a land surveying and measurement certificate has been obtained for an area of **1,981,314 m²**, and applications for surveying certificates for the remaining land parcels will continue.

3. **Blue Moon Lake International Resort, Vang Vieng (Ministry of National Defense Vang Vieng Training Center):**
    - Groundbreaking: January 2024.
    - Current status: Internal roads, guard posts, monumental gates, advertising signages, and other project infrastructure fundamentals were completed by April 2026. Investment attraction and construction will officially commence upon issuance of the land title certificate.
4. **Employee Dormitory:**
    - Main structure is **90%** completed; interior finishing works have commenced and it is nearing operational readiness.

1.2 Projected Revenue Commencement Timeline

1. **Employee Dormitory:** Scheduled to open by the **end of 2026**, prioritizing accommodation for internal company personnel, with rental income generation expected to commence from **2027** onwards.
2. **Culture & Tourism Building:** Floors 2, 4, 13, and 20 are completed and operational, generating partial revenue from condominium sales. The overall project is projected to be fully completed in the **first half of 2027**, initiating active condominium sales, alongside progressive investment and service rollout by retail shops and hotels. Stable operational revenue is anticipated by **2028**.
3. **Vang Vieng Culture & Tourism Industrial-Economic Zone & Blue Moon Lake International Resort:** Design planning and investment attraction for sub-construction zones will be finalized in **2027**, with incremental revenue generation from cultural tourism operations, hotels, and venue rentals expected between **2028 and 2029**.

1.3 Action Plan

1. Expedite the interior finishing of the hotel and commercial floors within the Culture & Tourism Building while simultaneously conducting investment promotion.
2. Accelerate the process of acquiring land surveying certificates for remaining land parcels, submit applications for signing the project concession agreement with the government concurrently, and subsequently incorporate the project into the list of projects under the Lao-China economic corridor cooperation framework.

3. Drive investment promotion for the Blue Moon Lake International Resort in Vang Vieng, accelerate the tender application process for architectural and construction engineering firms for the resort hotel, and rehabilitate infrastructure to establish an integrated project package.
4. Complete the construction, inspection, and acceptance sign-off of the employee dormitory by the **end of 2026** for operational launch.
5. Cooperate with the Xishuangbanna Yunnan Cultural Tourism Group to operate international tour businesses, establishing dual tourism, medical check-up, and wellness tourism corridors between Laos and China to diversify revenue streams.

1.4 Risk Mitigation Measures

1. **Delay in Land Documentation Processing:** Assign dedicated personnel to coordinate closely with relevant authorities to expedite land title deed issuance for the Culture & Tourism Building and the Vang Vieng development zone, while closely monitoring approval progress and timely resolving administrative roadblocks.
2. **Construction Schedule Delays:** Establish detailed micro-schedules for each construction phase, implement a reverse-countdown planning mechanism, and rigorously execute progress evaluations for contracting units. Manage and schedule procurement of materials, equipment, and cross-border logistics in advance, building in buffer timelines to effectively mitigate schedule delay risks.
3. **Investment Attraction & Subsequent Operational Risks:** Compile and analyze business models of the culture and tourism markets in Vientiane Capital and Vang Vieng in advance. Prepare hotel, condominium, and retail resources while coordinating with public and private enterprises to ensure successful investment attraction outcomes.

2. Phu Pha Bua Buddha Image Project

2.1 Current Status

Located at the peak of Phu Pha Bua, Na Khoun Village, Vang Vieng District, Vientiane Province, covering an area of **1,087,759 m²**, the project is currently in the road construction and repair phase. It is not yet open to the public and generates no operational revenue.

1. Overall master design plan completed.

2. Site surveying and proposal for the establishment of the Phu Pha Bua Buddha Image Foundation completed in **2025**.
3. Construction contractor mobilized on-site in **January 2026** to construct the access road to the peak of Phu Pha Bua.
4. Official decree approving the establishment of the Phu Pha Bua Buddha Image Foundation issued by the Central Committee Organization Department in **April 2026**.
5. Official founding ceremony of the Phu Pha Bua Buddha Image Foundation held at the National Convention Center on **August 28, 2026**.

2.2 Projected Revenue Commencement Timeline

Phase 1 of the project is scheduled to open for trial operations in **2028**, generating revenue from ticket sales, cultural services, and other related activities.

2.3 Action Plan

1. Apply for official construction permits from relevant authorities.
2. Coordinate with the activities of the Phu Pha Bua Buddha Image Foundation to promote publicity and build project credibility.
3. Utilize the Phu Pha Bua Buddha Image Foundation to systematically execute fundraising and specialized financial management for project construction funds.
4. Drive preparatory construction for the main structural Buddha image on the mountain peak and establish a detailed construction progress schedule.

2.4 Risk Mitigation Measures

1. **Religious Regulatory and Legal Compliance:** Maintain close coordination and cooperation with the Central Committee Organization Department, the Lao Buddhist Fellowship Organization, and the Ministry of Information, Culture and Tourism to ensure all construction and operational steps strictly adhere to religious affairs, cultural, and tourism management regulations of the Lao PDR.
2. **Fund Management:** Engage and collaborate with legitimate investors for joint development and operation of the Buddha image project. Establish a dedicated project bank account to govern the targeted utilization of funds, maintain transparent revenue-expenditure bookkeeping, and ensure financial stability for construction.

3. **Mountainous Terrain Construction Risks:** Due to the complex topography of the mountain peak, enforce rigorous construction standards, including slope stability, landslide prevention, and lightning protection, alongside conducting regular construction safety inspections.

3. Tourism Products Manufacturing and Processing Project

3.1 Current Status

The project is currently in the business model planning and capital/resource accumulation phase; operations and revenue generation have not yet commenced. Based on the group's strategic planning across its two core tourist destinations (Vientiane and Vang Vieng), combined with the bilateral Lao-China tourism and cultural cooperation initiatives, the project's business model has been finalized. It focuses on developing cultural products, local tourism souvenirs, and the production, processing, and retail exhibition of characteristic tourism commodities (such as Lao coffee) to meet the operational demands of the group's affiliated tourist attractions and hotels, thereby ensuring swift implementation and immediate realization of actual revenue.

3.2 Projected Revenue Commencement Timeline

Coffee processing factory production is scheduled to commence in **2027**, generating revenue through tourism merchandise manufacturing, wholesale, retail across scenic sites, and cross-border distribution channels.

3.3 Action Plan

1. Integrate with existing culture and tourism master plans to expand the closed-loop operational model spanning from development, design, and manufacturing to tourism product processing.
2. Coordinate with the Ministry of Information, Culture and Tourism to propose favorable tax and customs incentives alongside other supportive tourism industry policies.
3. Conduct market research on Lao-China tourism demands to develop cultural goods, local handicrafts, and signature products tailored to cross-border tourists.
4. Leverage the tourism cooperation channels of the Xishuangbanna Cultural Tourism Group to establish export and cross-border sales channels for local Lao tourism products.

3.4 Risk Mitigation Measures

1. **Product Homogeneity Risk:** Differentiate specialized products by integrating Lao Buddhist culture, natural assets, and local traditions, establishing a prominent IP built around the Phu Pha Bua Buddha Image Project and Vang Vieng ecotourism.
2. **Undeveloped Supply Chain Risk:** Coordinate with local raw material suppliers in advance to establish stable procurement channels, while preparing and stockpiling supplier networks and cross-border logistics partners.

4. Agricultural Machinery Spare Parts Market Construction Project

4.1 Current Status

Located in Nonkhi Lek Village, Xaythany District, Vientiane Capital, this multi-functional complex integrates commercial, residential, hotel, and office spaces. While certain portions have been completed, the overall project remains under phased construction and is preparing for investment promotion. It is not officially open for business and generates no operational revenue. Groundbreaking occurred in **April 2024**, and the construction of Building No. 3 was completed in **April 2026** (covering a land area of **602.88 m²**, a total construction area of **2,723.84 m²**, featuring retail shops on the 1st floor and guest rooms on floors 2–4). This building has passed construction standards and acceptance inspections, meeting readiness conditions for operation. Remaining sections will be constructed progressively.

4.2 Projected Revenue Commencement Timeline

Fundraising for the project will commence at the **end of 2026**, with overall completion targeted for **2027**. Following full project completion in **2028**, sustainable revenue will be generated from commercial leasing, room sales, hotel operations, and market management.

4.3 Action Plan

1. Finalize internal land cooperation documentation procedures by the **end of 2026**.
2. Refine the market business model plan while actively attracting investment by inviting local commercial traders, spare parts dealers, and agricultural machinery repair service providers to establish a dedicated agricultural machinery commercial district in Vientiane Capital.
3. Accelerate construction of surrounding shops, condominiums, hotels, and ancillary facilities.

4. Establish a professional market management team and enact regulations governing leasing, real estate asset management, and market administration.

5. Risk Mitigation Measures

1. **Slow Investment Promotion Progress:** Directly engage and negotiate with local agricultural operators and machinery enterprises, introducing phased investment promotion policies to accelerate merchant clustering.
2. **Phased Construction Strategy:** Implement a "construct-and-open zone by zone" operational model, activating completed sections early to generate advance cash flow to reinvest into subsequent construction phases.

5. Mining Project

5.1 Current Status

Currently awaiting the official signing of the government contract; there are no active operations or operational revenues.

1. On **June 3, 2024**, the group signed a mining sector development cooperation agreement covering an area of **131.92 km²** in Huaphanh Province with the Rural Development State Enterprise of the Ministry of National Defense.
2. Project preliminary preparation work is fully complete, pending the formal signing of the project contract between the Rural Development State Enterprise and the government.

5.2 Projected Revenue Commencement Timeline

Upon contract execution and project mobilization, preliminary surveys and trial extraction are expected to be completed in **2027**, generating initial cash flow from collaborative mining operations. Full commercial extraction, partial ore processing, and sales revenue are projected to commence in **2028**.

5.3 Action Plan

1. Assign dedicated personnel to monitor government review procedures, coordinating with the Rural Development State Enterprise at every stage to expedite project implementation.
2. Monitor collaborative mining building construction work, which will commence immediately upon approval.
3. Pre-allocate project capital reserves while preparing technical mining human resources and management teams.

5.4 Risk Mitigation Measures

1. **Uncertain Government Review Timeline:** Establish a regular government liaison mechanism, closely monitor approval progress, and prepare pre-compiled approval dossiers in advance.
2. **Mining Legal Regulatory Compliance:** Strictly adhere to the Law on Minerals, the Environmental Protection Law, and production safety regulations of the Lao PDR; ensure all development stages obtain prior legal authorizations to proactively avoid regulatory non-compliance risks.

Therefore, we shall report to you for your information.

Sincerely yours,

Director Company

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