ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ
ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ
LAO CEMENT PUBLIC COMPANY
ບ້ານໂພນພະເນົາ ວຽງຈັນ, ສ.ປ.ປ.ລາວ ຕູ້ປນ 6821, ໂທຣ: (865-21) 451222, 451116 ແຟັກ: 451117
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Lao Cement Public Company
Business Performance of 2022

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 performance of 2022

With the support of the board of directors of the Lao Cement Public Company, which has overcome financial difficulties and carried out various tasks well since the suspension of production until now and has strictly followed the of the company', which is detailed as follows:

1. Try to promote the new shareholders of the company: after looking for new investors (such as Qianhan Yunnan Technology Network Company) who are interested in buying the company's shares, the company participated and actively followed up on the preparation of various documents to request approval from the Lao government to have inter relations with the Yunnan International Economic-Technology Cooperation Company in China to sign a share purchase agreement with such company. Moreover, the company has completed various important tasks in response to consideration of the share trading of the relevant parties from both the Lao and Chinese governments until it was approved by both Lao-Chinese governments in the end.
2. Trade receivable is an important task: until 2022, customers with overdue debts will be reduced by 18 organizations. The debt collection this year reached the amount of 11,157 billion kip, the remaining trade receivable is 10.83 billion kip.
3. Debt settlement: avoid breach of contract and risk of lawsuits which are detailed as follows:

- By the end of February 2022, the company has paid 30% of the severance allowance in 2 installments, and will follow the decisions of the 1731 committee to pay the severance to the employee until completion.
- By the end of February 2022, the company has fully paid off the bank loan.
- The company has paid the outstanding debt related to the supplier of goods and transportation services as a basis.

4. The company held the board meetings four times and a shareholder meeting in 2022 to consider and approve the company's important tasks such as: Reorganization of Lao Cement Company's property that is not related to the tourism and culture sector, transferring the right name-use of the individual that owned office land in Phon Pao Village, Xaysetha District, Vientiane from an individual name to Lao Cement Company, changing the business sector and changing the company name, proposing to the high ranking level to select the location and building of Vang Vieng Cement Factory No. 01 to participate in the tourism and culture project of Lao Cement Public Company. Furthermore, the company is creating the requirements, regulations and organizational framework of Lao Cement Company, reported the work to the government proactively and disclosed the company's information in a timely manner, issued the company's financial statements as required.
5. According to the guidance from the Board of Directors, the inventories have settled in the warehouse.
6. According to the needs of the new business model, the organizational structure, staff, and internal management system of the company have been updated to be more modern.
7. Increased the security of the factory through the local military to ensure the safety of the employees and the assets of the company.

✡. The implementation of 2023

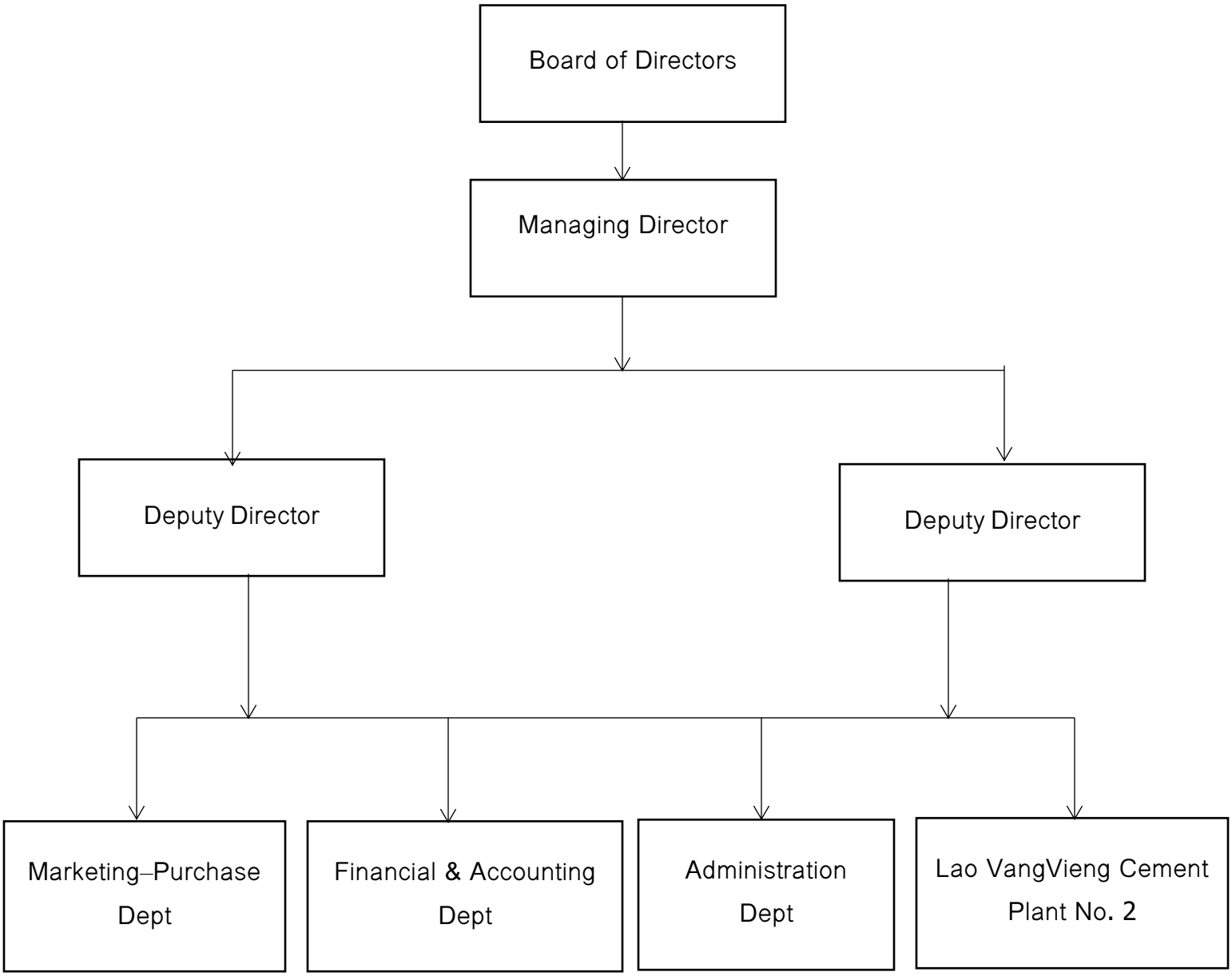
1. To continue the settlement and collecting account receivables, enhancing the methods of collecting account receivables, repayment of banks, staff's compensations payment, reducing risks for sues and other conflicts.
2. To collaborate with shareholders, report and discuss the issues with related parties of the government, and try to encourage and implement the stock contribution and rehabilitation plan of the company.
3. Accelerate cooperation with companies that have a joint venture plan with the company to be able to operate, legally and according to the laws and regulations of the government.

✡. <u>Organizational structure</u>

- Organizational structure :

The organizational structure of Lao Cement Public Company consists of a Board of Directors of 11 people (including 3 independent members), a Board of Management of 3 people and 03 departments.

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,



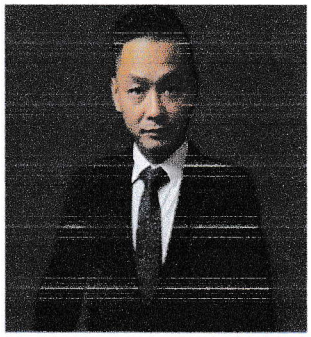
Mr Vongvichit KEOVONGKOD

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

Lao Cement Public Company