VIENTIANE CENTER
ວຽງຈັນເຊັ້ນເຕີ
ບໍລິສັດ ວຽງຈັນເຊັ້ນເຕີ ລາວ ມະຫາຊົນ
VIENTIANE CENTER LAO PUBLIC COMPANY
ຖະໜົນຄຸວຽງ, ບ້ານໜອງຈັນ, ເມືອງ ສີສັດຕະນາກ, ນະຄອນຫຼວງວຽງຈັນ, ໂທ ແລະ ແຟັກ: (+856) 21 228299
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Vientiane Center Lao Public Company
Business Performance Review for the year 2022 and Business Plan for the year 2023

1. Company Information

1.1 Vision

VCL aims to establish the brand as the number one shopping center in Laos, as a shopping center, office center, financial center and exhibition center, service center of Laos.

1.2 Mission

To bring a more fulfilling lifestyle to Laos.

1.3 Company Introduction

Vientiane Center Lao Public Company (the Company) was established on November 30 2017 and was a public company split off from North Nongchan Complex Development Co., Ltd., a joint venture between China Yunnan Construction and Investment Holding Group Co., Ltd. and Krittaphong Group Co., Ltd. Vientiane Center Lao Public Company was listed on Lao Securities Exchange on May 31 2019, stock code: VCL, registered capital: 147,199,900,000 Kip.

The business scope of the Company consists of real estate development for sales and leasing, specifically including the lease and sale of shops, office building, event space, and advertising as well as joint operations. The Vientiane Center shopping mall and office building operated by the Company have attracted well-known merchants and multinational companies such as Bank of China(Hong Kong), Amazon Coffee, Miniso, Major Platinum Cineplex Cinema, Prudential Insurance and DKSH. At present, Vientiane Center has become the leading retailer and shopping, business, financial and exhibition center in Laos and is recognized as the typical cooperation model awarded by governments of China and Laos.

1.4 Company General Information

1.4.1 Location

The office is located at KhouVieng Road, Nongchan Village, Sisattanak District, Vientiane Capital.

1.4.2 Contact Information

Phone (+ 856-21) 228299

Fax (+ 856-21) 228299

Website: http://www.vclao.com/

1.4.3 Registered capital

The registered capital as of March 09, 2023 is 147,199,900,000 kip.

1.4.4 Shareholders Information

The list of major shareholders of VCL holding 5% or more as of March 09, 2023 are:

1. North NongChan Complex Development Company Limited the number of shares held is 95,999,200 shares equal to 65.22% of the total shares.

2. Lao-China Securities Company Limited held 47,443,000 shares equal to 32.23% of the required shares total number of shares.

2. Financial Position and Business Performance

2.1 The analysis of Industry Market

Looking back to 2022, the overall business environment in Laos is still under the continuous impact of the global epidemic. The currency of Laos, the kip, has depreciated, inflation remains high, and the commercial retail market in Vientiane continues to suffer from the downturn. The existing shops and office leasing businesses are greatly affected by the market environment. However, with the gradual relaxation of epidemic prevention and control policies in Laos and neighboring countries, the market activity began to pick up, and the industry of each operating sector of the company showed a good trend.

2.2 Important business development of the company

Vientiane Center adheres to the advantages of combining shopping malls and office buildings. While continuously improving the service quality of office buildings, Vientiane Center creates convenient shopping environment and office facilities, actively expands new customers, and stabilizes the rental rate of shopping malls and office buildings.

In terms of commercial activities, Vientiane Center is guided by the atrium activities of the shopping mall to continuously improve the customer flow. The company organized 57 large and medium-sized activities throughout the year, and self-curated exhibitions such as Halloween talent show, Vientiane Center Laos International Coffee Festival, Vientiane Center Annual brand Auto Show, etc. External investment introduction, such as Laos 2022 hip-hop Music Festival, Laos first large-scale job recruitment exhibition, Laos Annual Book Fair, Laos Miss 30 talent show, etc., has provided a strong guarantee for the customer flow of the shopping mall.

In terms of joint operation, Major Platinum Cineplex cinema in Vientiane Center boosts consumer confidence by introducing new films and conducting preferential activities, and gradually increases the attendance rate and box office revenue.

2.3 Important Financial Information for the year 2022

2.3.1 Revenue

In 2022, the annual operating income is 11,106,169,004.00 Kip, with an increase of 22.35% from last year, of which the shop space rental income is 4,001,617,599.29 Kip, the income from office space rental is 3,250,727,202.86 Kip, the income from jont-operation business is 1,846,525,366.00 Kip, the income from the event space rental is 1,112,753,073.90 Kip, the income from advertising space is 883,440,842.75 Kip and the other income is 11,104,919.20 Kip.

Reasons for the increase of revenue in 2022: The relaxation of the epidemic prevention and control policies in Laos and neighboring countries ,which has significantly increased the market activity, directly driving the increase in the revenue of all operating sectors.

2.3.2 Expenditure and profit

In 2022, the total expenditure of VCL is 4,547,956,175.00 Kip, with an increase of 109.76% from last year, mainly due to the increase in the expenditure of property management fee (in the first half of 2021, the property assets under the name of VCL has not been charged management fee); exchange rate gains are 1,345,695,014.00 kip, with a decrease of 51.89% from last year, mainly due to the decrease in non-kip currencies held by the Company; Pre-tax profit is 99,301,787,843.00 Kip.; income tax expense is 20,849,350,656.00 Kip; net profit is 78,452,437,187.00 Kip, with an increase of 875.49% from last year.

Reasons for net profit growth: Mainly due to the serious depreciation of the Kip in Laos in 2022 and the increase of value evaluation of the investment real estate assets held by the Company, the net profit growth of the company is relatively large.

2.3.3 Total assets

In 2022, the total assets of the company were 296,311,787,937.00 kip, a increase of 48.02% from last year.

Reasons for the increase of total assets: mainly due to corporate earnings during the reporting period, and the increase of value evaluation of the investment real estate assets held by the Company.

2.3.4 Total liabilities

In 2022, the total liabilities of the company was 38,037,784,205.00 kip, a increase of 101.43% from last year.

Reasons for the increase of total Liabilities: the increase was due to the Deferred income tax liabilities increased caused by the increase of value evaluation of the Company's investment real estate assets during the reporting period.

3. Organization Structure of Board of directors and Committees

3.1 Board of director

3.1.1 Members of Board of director

The Board of Directors of Vientiane Center Lao Public Company Limited 3^{rd} consists of 11 members:

- Mr. He Jun	Chairman
- Ms. Orlathai Santikongkha	Vice Chairman
- Mr. Wang Weikun	Director and General manager
- Mr. Bulapha Santikongkha	Director
- Mr. Wu Xinghua	Director
- Mr. Sun Feihu	Director
- Mr. Luo Xiaodong	Director
- Mr. Xiao Yong	Independent director
- Ms. Zhang Tianyi	Independent director
- Mr. Viengsavanh Phanthaly	Independent director
- Mr. Josong Bouasinengma	Independent director

3.1.2 Members of Board of director background in brief

（1）Mr. He Jun



- Nationality: Chinese
- Date of birth: 11 /04/1989
- Languages: Chinese, English.
- Designation: Chairman
- Education: Graduated from University of YUNNAN(China), Major in Master degree of the Business Administration.

（2）Ms. Orlathay SANTIKHONGKHA



- Nationality: Laos
- Date of birth: 21 /01/1979
- Languages: Chinese, English.
- Designation: Vice of Chairman
- Education: Graduated from Laos National University, major in Master of Business Administration.

（3）Mr. Wang Weikun



- Nationality: Chinese

- Date of birth: 15 /05/1984
- Languages: Chinese, English.
- Designation: Chairman
- Education: Graduated from University of International Business and Economic(China), Major in Master degree of the Finance; Waseda University(Japan), Major in Master degree of the International Relations .

（4）Mr. Boulapha SANTIKHONGKHA



- Nationality: Laos
- Date of birth: 06/02/1967
- Languages: Chinese, Laos
- Designation: Director,
- Education: Graduated from South China University of Technology, major in Bachelor degree of Business Administration.

（5）Mr. Wu Xinghua



- Nationality: Chinese
- Date of birth: 09/01/1984
- Languages: Chinese, English, Laos, Thai
- Designation: Director, Chief Operation Officer
- Education:Graduated from Thailand Assumption University, major in Master of Business Administration.

（6）Mr. Sun Feihu



- Nationality: Chinese
- Date of birth: 17 /03/1986
- Languages: Chinese
- Designation: Director, Chief Financial Officer
- Education: Graduated from Yunnan University of Finance and Economics, major in Bachelor degree of Business Administration.

（7）Mr. Luo Xiaodong



- Nationality: Chinese
- Date of birth: 07/03/1989
- Languages: Chinese
- Designation: Director
- Education: Graduated from Yunnan University of Finance and Economics, major in Bachelor of Finance and Financial Management.

（8）Mr. Xiao Yong



- Nationality: Chinese
- Date of birth: 02/07/1977

- Languages: Chinese
- Designation: Independent Director
- Education: Graduated from China Shandong University of Finance, major in Master degree of Finance.

（9）Mr. Zhang Tianyi



- Nationality: Chinese
- Date of birth: 25/10/1976
- Languages: Chinese
- Designation: Independent Director
- Education: Graduated from China Yunan University, major in Master degree of Laws.

（10）Mr. Viengsavanh PHANTHALY



- Nationality: Laos
- Date of birth: 25/01/1976
- Languages: Laos, English, Thai
- Designation: Independent Director
- Education: Graduated from University of Washington, major in Master degree of Corporate Law and Securities Law.

（11） Mr joexiong BOUASYNENGMA



- Nationality: Laos
- Date of birth: **15**/12/**1972**
- Languages: Laos, Chinese, English, Thai
- Designation: Independent Director
- Education: Graduated from RENMIN UNIVERSITY of CHINA, major in Master degree of Administration.

3.2 The activities of the board of director and its subordinate with committees

3.2.1 In 2022, the Commission convened a total of 4 meetings, and considered and approved 14 Proposals including 2021 annual work report and financial audit report.

3.2.2 According to the relevant regulations of the Lao Securities and Exchange Commission, Conducted a review of nominations for changes to the third term of Board of Directors, and provided the basic information to the members of the Board of Directors in making decisions and presented to the Board of Directors for consideration and approval.

3.2.3 According to the annual work plan, the Audit Committee convened 4 meetings to review the financial audit report of the Company in 2021, the first quarter of 2022, the first half of 2022 and the third quarter of 2022 respectively, to ensure the accuracy of the company's financial report disclosure.

4. Social Responsibility

4.1 Taxation

In 2022, the total annual tax obligations of VCL will be 356.2694 million Kip, the details of which are as follows:

No	Items	Amount(million kip)	
		Year 2022	Year 2021
1	Profit tax	-	8.4593
2	Vat	339.2527	-
3	Income tax	17.0167	6.3858
4	Other tax	-	-
Total		356.2694	14.8451

4.2 Participation in social Work

4.2.1 From March 16 to 20, 2022, a forum on " Lao Employment Expo 2022" was held at Vientiane Center, organized by the Lao National Chamber of Commerce and Industry (LNCCI), co-organized by Vientiane Center, and participated by the Lao Ministry of Education and Sports, the Lao Ministry of Labor and Social Welfare and the Lao Federation of Trade Union, to study and discuss how to restore employment and relieve social pressure under the current epidemic trend in Laos, as well as the direction of the future development of labor market in Laos, which to some extent boosted confidence in the Lao job market.



4.2.2 Vientiane Center has actively provided convenience services for charity fundraising activities in Laos. Five donation boxes for charity organizations have been placed beside escalators and at the corner of sidewalks. In 2022, a total of 9,476,000 kip was raised for public welfare organizations in Laos.





5. The Investor relations maintenance activities

5.1 Vientiane Center participated in the investor meeting held by Laos Stock Exchange, focusing on the company's general situation, main business, organization, development strategy and 2022 business plan, corporate social responsibility and the company's key financial indicators in 2021.

5.2 Vientiane Center and Lao-China Securities Company held the second investor specific object survey in 2022. At present, a special working group has been set up to jointly promote the stock purchase of Vientiane Center and further improve the stock liquidity of Vientiane Center.

6. The Business Plan for the year of 2023

6.1 Commercial Plan

In 2023, guided by the realization of annual business indicators, the company will dig deep into the shopping mall and office leasing market in Laos, constantly optimize investment and operation policies, and continuously improve its core competitiveness.

6.1.1 Improve service quality and build a good reputation

By refining on-site operation services, improving service quality, retaining existing shopping malls and office buildings customers, forming a good market reputation, creating a brand image of "high-quality service", and promoting the foreign investment of shopping malls and office buildings.

6.1.2 Strengthen publicity and expand investment channels

One is to increase the promotion of shopping malls and office buildings, implement multi-policy, multi-mode cooperation according to customer characteristics, in order to improve the success rate of investment and shopping malls and office buildings rental rate.

Second, strengthen the mining of existing customers in Laos, actively expand the dynamics of new Chinese enterprises in Laos and explore information channels for new enterprises, and constantly increase the customer reserve of shopping malls and office buildings.

The third is to stimulate the enthusiasm of the company's marketing through the incentive mechanism of all employees to attract investment, and increase the efforts of destocking the assets of shopping malls and office buildings.

6.1.3 Acquire the assets of North Nongchan Company to improve the company's revenue and profit

It is planned to use the undistributed profits of the company to purchase part of the property assets of Vientiane International Commercial Tourism Center project held by North Nongchan Company, increase the total assets of the company and improve the company's future revenue and profit.

6.2 Operation Plan

6.2.1 Strengthen the property management and safety management of Vientiane Center, continuously improve the hardware facilities and overall image of Vientiane Center, create a safe, hygienic and clean overall business environment, and continuously consolidate and enhance the brand of Vientiane Center.

6.2.2 Strengthen activity investment, continue to expand high-quality activity exhibition customers and establish long-term cooperative relations, and build influential high-quality activities such as International Coffee Festival, annual brand Auto show, job recruitment exhibition, Laos Book Festival into the event brand of Vientiane Center.

6.2.3 Strengthen the operation and management of the company's advertising space assets,

develop new advertising space, strengthen the tracking and management of advertising investment attraction and delivery, and improve the operating efficiency and benefit of advertising space.

Chairman

He Jun