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 2024 and Business Plan for the year 2025

1. Company Information

1.1 Vision

VCL aims to establish itself as Laos' premier commercial brand and create the "shopping center, office center, financial center and exhibition center" in Laos.

1.2 Mission

To bring a more fulfilling urban lifestyle to Laos.

1.3 Company Introduction

Vientiane Center Lao Public Company (the Company),established on November 30 2017, was a subsidiary of VCL established by North Nongchan Complex Development Co., Ltd., a joint venture between China Yunnan Construction and Investment Holding Group Co., Ltd. and Krittaphong Group Co., Ltd, through the spin-off of high-quality assets. It was listed on Lao Securities Exchange on May 31 2019 with the stock code of VCL.

The company specializes in real estate development for sales and leasing, offering a range of services such as the lease and sale of shops and office buildings, the lease of event spaces and advertising spaces, as well as joint operations for large-scale business formats. The Vientiane Center shopping mall and office building operated by the Company have attracted well-known merchants such as Bank of China, Miniso and Major Platinum Cineplex Cinema as well as multinational companies including Korea Western Power Co., Ltd., Prudential Plc, DKSH and Datang Group. At present, Vientiane Center has become the leading commercial brand and the "shopping, office, financial and exhibition center" in Laos and is recognized as the typical cooperation model awarded by governments of China and Laos.

1.4 General Information of the Company

1.4.1 Location

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

1.4.2 Contact Information

Tel: (+ 856-21) 228299

Fax: (+ 856-21) 228299

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

1.4.3 Registered capital

The registered capital as of March 28, 2025 is 147,199,900,000 kip.

1.4.4 Shareholder Information

As of March 28, 2025, the status of shareholders holding 5% or more of the shares is as follows:

1. North NongChan Complex Development Co., Ltd. held 95,999,200 shares, accounting for 65.22% of the total shares.

2. Lao-China Securities Company Limited held 48,152,000 shares, accounting for 32.71% of the total shares.

2. Industry Analysis and Key Financial Indicators for the Company

Reflecting on 2024, the adverse macroeconomic environment—marked by a sharp depreciation of the Lao Kip, a shortage of foreign exchange reserves, high inflation, labor outflows, and declining purchasing power among local consumers—impacted operations in several ways: Firstly, Sustained decline in retail sales, prolonged mall leasing cycles, and failure to meet merchant recruitment targets; Secondly, Tenant budget cuts due to market pressures, leading to lease terminations and rent reductions; Thirdly, Intensified competition as nearby projects (Naga Mall and Vientiane Lifestyle Center) adopted more flexible leasing strategies to attract retail and office tenants, diverting customer traffic. However, with an increasing number of new entrants into the Lao market, activity in the retail and office leasing sectors has shown signs of recovery. By promptly adjusting its leasing policies, the company has fostered positive trends across its operational segments.

2.2 Development of the company’s important businesses

Vientiane Center has leveraged the complementary advantages of integrating retail and office spaces. While continuously improving the service quality of its office properties, it has also cultivated a convenient shopping environment and office amenities, actively attracting new tenants and maintaining stable occupancy rates. As of the end of 2024, the retail occupancy rate under the company's portfolio reached 90%, with office spaces also achieving 90%. In event-driven leasing, Vientiane Center hosted nearly 80 large and medium-sized events, including: China (Yunnan) Export Goods Exhibition, Miss Laos TOP 30 Launch Ceremony 2024, Laos National Productivity Festival, Lao Traditional Handicrafts Exhibition,

International Coffee Festival, International Children's Day, Korea Week, Mr. & Miss Bodybuilding Laos Competition,

These events significantly boosted foot traffic, reinforcing Vientiane Center's position as Vientiane's premier venue for thematic activities.

For the Joint-Operated anchor tenants, the Major Platinum Cineplex at Vientiane Center enhanced seat occupancy and box office revenue through regular film updates and ticketing promotions, demonstrating steady growth.

2.3 Risk Disclosure Statement

The business performance of VCL was constrained by factors such as Laos' limited urban scale, population size, currency depreciation, consumer purchasing power, and intense competition within the industry. These challenges have prolonged the merchant acquisition cycle and created risks of underperforming against targets.

2.4 The Company's Key Financial Indicators for the year 2024

2.4.1 Revenue

For the year 2024, VCL achieved a total operating revenue of 22,998,658,487.00 kip, up 31% year-on-year, including the shop rental revenue of 5,667,332,649.00 kip, the office building rental revenue of 12,875,480,640.00 kip, the concession income of 1,985,240,399.00 kip, the event space rental revenue of 1,302,861,523.00 kip, Billboard rental revenue of 1,103,984,260.00 kip and other revenue of 63,759,016.00 kip.

The reasons for the increase in the company's revenue in 2024 were as follows: First, the market activity in Laos and surrounding countries has significantly improved, coupled with expand merchant recruitment efforts, which directly drove the growth in revenue from the shop and office leasing sector. Second, most of the company's income contracts are denominated in US dollars, and the depreciation of the Lao national currency, the Kip, led to a further increase in revenue when converted into Kip terms.

2.4.2 Profit and Loss

For the year 2024, the company's operating expenses totaled 11,668,774,760.00 kip, up 24% year-on-year, The primary reason was the increase in operational management expenses (which was attributed to: Firstly, 71% year-on-year rise in VCL's activity expenses in 2024; Secondly, The significant depreciation of the Lao Kip, as the company's audit and

management fees are denominated in US dollars); Profit before tax amounted to 23,793,891,307.00 kip, income tax expense to 4,538,525,316.00 kip and net profit to 19,255,365,991.00 kip, down 58% year-on-year.

The increase in net profit was attributable to the company's enhanced investment promotion efforts, which boosted operating revenue, along with stricter cost control measures, resulting in revenue growth outpacing the rise in operating expenses.

2.4.3 Total assets

As of December 31, 2024, the Company's assets totaled 336,166,803,849.00 kip, up 7.43% year-on-year compared to 2023.

The increase in assets was primarily due to: 1. New asset acquisitions in 2024; 2. Higher occupancy rates in shopping malls and office buildings, leading to growth in merchant rentals and accounts receivable.

2.4.4 Total liabilities

As of December 31, 2024, the Company's liabilities totaled 53,285,519,029.00 kip, up 9.72% year-on-year compared to 2023.

Reasons for the increase in liabilities: The Deferred income tax liabilities increased caused by the increase in value evaluation of the Company's investment real estate assets during the reporting period.

3. Organizational Structure of the Board of directors and the Committees

3.1 Board of Directors

3.1.1 Members of the Board of Directors

The Board of Directors of Vientiane Center Lao Public Company consists of 11 members:

- Mr. He Jun: Chairman; Number of shares: 0; Salary: 0
- Ms. Orlathai Santikongkha: Vice Chairman; Number of shares: 0; Salary: 0
- Mr. Bulapha Santikongkha: Member of the Board; Number of shares: 0; Salary: 0
- Mr. Wang Weikun: Member of the Board; Number of shares: 0; Salary: 0
- Mr. Wu Xinghua: Member of the Board; Number of shares: 0; Salary: 0
- Mr. Luo Xiaodong: Member of the Board; Number of shares: 5,000; Salary: 0
- Mr. Lei Yaohai: Member of the Board; Number of shares: 4,900; Salary: 0
- Mr. Xiao Yong: Independent Member; Number of shares: 0; Salary: 0

- Ms. Zhang Tianyi: Independent Member；Number of shares: 0; Salary: 0
- Mr. Viengsavanh Phanthaly: Independent Member；Number of shares: 0; Salary: 0
- Mr. Josong Bouasinengma: Independent Member；Number of shares: 0; Salary: 0

3.1.2 Profiles of Members of the Board of Directors

（1）Mr. He Jun



- Nationality: Chinese
- Date of birth: 11 /04/1989
- Languages: Chinese, English.
- Designation: Chairman
- Educational Background: Master of Business Administration from Yunnan University.

（2）Ms. Orlathay SANTIKHONGKHA



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

（3）Mr. Wang Weikun



- Nationality: Chinese
- Date of birth: 15 /05/1984
- Languages: Chinese, English.
- Designation: Chief Executive Officer
- Educational Background: Master of Finance from University of International Business and Economic(China); Master of International Relations from Waseda University(Japan).

（4）Mr. Boulapha SANTIKHONGKHA



- Nationality**:** Laos
- Date of birth**:** 06/02/**19**67
- Languages: Chinese, Laos
- Designation: Member of the Board
- Educational Background**:** Bachelor of Business Administration from South China University of Technology**.**

（5）Mr. Wu Xinghua



- Nationality**:** Chinese
- Date of birth**:** 09/01/**19**84
- Languages: Chinese, English, Laos, Thai
- Designation: Member of the Board, Chief Operation Officer
- Educational Background**:** Master of Business Administration from Thailand Assumption University**.**

（7）Mr. Luo Xiaodong



- Nationality**:** Chinese
- Date of birth**:** 07/03/**19**89
- Languages: Chinese
- Designation: Member of the Board
- Educational Background**:** Bachelor of Finance and Financial Management from Yunnan University of Finance and Economics**.**

(7) Mr. Lei Yaohai



- Nationality**:** Chinese
- Date of birth**:** **28 /11/1984**
- Languages: Chinese, Laos
- Designation: Member of the Board
- Educational Background: Master of Business Administration from Khon Kaen University**.**

（8）Mr. Xiao Yong



- Nationality**:** Chinese
- Date of birth**:** 02/**0**7/**19**77
- Languages: Chinese
- Designation: Independent Member
- Educatioal Background: Master of Financial Management Shandong University of Finance (China).

（9）Mr. Zhang Tianyi



- Nationality**:** Chinese
- Date of birth**:** 25/10/**19**76
- Languages: Chinese
- Designation: Independent Member
- Educational Background**:** Master of Law from Yunan University (China)**.**

（10）Mr. Viengsavanh PHANTHALY



- Nationality**:** Laos
- Date of birth**:** 25/**0**1/**19**76
- Languages: Laos, English, Thai
- Designation: Independent Member
- Educational Background: Master of Corporate Law and Securities Law from University of Washington.

（11）Mr Joexiong BOUASYNENGMA



- Nationality**:** Laos
- Date of birth**: 15**/12/**1972**
- Languages: Laos, Chinese, English, Thai
- Designation: Independent Member
- Educational Background: Master of International Finance from Renmin University of China.

3.2 the Committees

3.2.1. Executive Committee:

1) Mr. WANG WeiKun, Chairman of the Executive Committee / Chief Executive Officer (CEO)

2) Mr. WU Xinghua, Member of the Executive Committee / Chief Operating Officer (COO)

3) Mr. LUO Xiaodong, Member of the Executive Committee / Chief Financial Officer (CFO)

3.2.2 Audit Committee:

1) Mr. Josong Bouasinengma, Chairman of the Audit Committee / Independent Member

2) Mr. He Jun, Member of the Audit Committee / Chairman of BOD

3) Mr. Mr. Xiaoyong, Member of the Audit Committee / Independent Member

3.2.3 Risk Management Committee:

1) Mr. Viengsavanh Phanthaly, Chairman of the Risk Management Committee / Independent Member

2) Mr. Josong Bouasinengma, Member of the Risk Management Committee / Independent Member;

3) Mr. LUO Xiaodong, Member of the Risk Management Committee / Member;

3.2.4 Nomination Committee:

1) Mr. Josong Bouasinengma, Chairman of the Nomination Committee / Independent Member;

2) Mr. Zhang Tianyi, Member of the Nomination Committee / Independent Member;

3) Mr. Bualapha Santikongkha, Member of the Nomination Committee / Member;

3.2.5 Remuneration Committee:

1) Mr. Zhang Tianyi, Chairman of the Remuneration Committee / Independent Member;

2) Mr. Xiaoyong, Member of the Remuneration Committee / Independent Member;

3) Mr. Wu Xinghua, Member of the Remuneration Committee / Member;

3.2.6 Related Party Transaction Committee:

1) Mr. Josong Bouasinengma, Chairman of the Related Party Transaction Committee / Independent Members;

2) Mr. Bualapha Santikongkha, Member of the Related Party Transaction Committee / Member;

3) Mr. Xiaoyong, Member of the Related Party Transaction Committee / Independent Member;

3.3 Progress of the Work of the Board of Directors and Various Committees

3.3.1 At the board level, a total of 9 meetings were convened in 2024, during which 18 agenda items were deliberated and approved, including the annual work report and financial audit report for the year 2023.

3.3.2 According to the relevant regulations of the Lao Securities and Exchange Commission, the Nomination Committee conducted a review of the proposed changes to the members of the fourth Board of Directors, and submitted a review report to the members of the Board of Directors for deliberation, providing foundational information for the board's decision making.

3.3.3 According to the annual work plan, the Audit Committee convened 4 meetings to review the financial audit report for the year 2023, the first quarter of 2024, the first half of 2024 and the third quarter of 2024, to ensure the accuracy of the company's financial report disclosure.

3.3.4 The Related Party Transaction Committee convened three meetings to review the three

related party transactions conducted by the company, providing reference opinions for the decision-making leadership to approve associated transactions.

4. Social Responsibility

4.1 Taxation

Vientiane Center actively fulfills its tax obligations in compliance with laws and regulations, with total tax payments reaching 126.4454 million Kip in 2024, as detailed below:

No	Items	Amount(million kip)	
		Year 2024	Year 2023
1	Profit tax	-	-
2	Vat	8, 370. 60	37, 728. 49
3	Income tax	4, 275. 94	2, 914. 73
4	Other tax	-	-
Total		12, 644. 54	35, 626. 94

4.2 Social Responsibility

Vientiane Center has actively provided convenience services for charity fundraising activities in Laos. Donation boxes from charity organizations have been placed in areas such as escalator sides and pedestrian walkway corners. In 2024, a total of 14,240,000 kip was raised for public welfare organizations in Laos.





5. Investor Relations Maintenance Activities

5.1 On May 17, 2024, Vientiane Center participated in the Opportunity Day organized by the

Lao Securities Exchange (LSX). The presentation focused on Company profile and core business operations, Organizational structure, Development strategy and 2024 business plan, Corporate social responsibility (CSR) initiatives, Key financial indicators for FY2023.

5.2 On September 20, 2024, Vientiane Center attended the 2nd Opportunity Day hosted by LSX, highlighting: Company overview and primary business activities, Organizational framework, Operational achievements for the first half of 2024.

6. The Related Party Transactions

There were three related party transactions in 2024:

(2) Appointing North Nongchan Complex Development Co., Ltd. to carry out property management matters.

This matter falls within the decision-making authority of the Board of Directors, and after review by the Company's Related Party Transactions Committee, it was submitted to the Board of Directors on 19/03/2024 for deliberation and execution. The resolution has been disclosed on the website of the Lao Securities Exchange.

(1) Procurement of Air Conditioning Systems Installed by North Nongchan Complex Development Co., LTD.

This matter falls within the decision-making authority of the Board of Directors, and after review by the Company's Related Party Transactions Committee, it was submitted to the Board of Directors on 12/04/2024 for deliberation and execution. The resolution has been disclosed on the website of the Lao Securities Exchange.

(3) Appointing North Nongchan Complex Development Co., Ltd. to carry out public company asset operation services.

This matter falls within the decision-making authority of the Board of Directors, and after review by the Company's Related Party Transactions Committee, it was submitted to the Board of Directors on 08/07/2024 for deliberation and execution. The resolution has been disclosed on the website of the Lao Securities Exchange.

7. Dividend policy

Article 5 of the Articles of Association stipulates that:

The profit of Vientiane Center refers to the net profit of the company after deducting expenses, depreciation expenses, debt repayment, taxes to the government, and various reserve funds required to be withheld in accordance with the law and the Articles of Association. The Company may withhold the net profit in order to realize the company's future objectives. In terms of profit distribution,

- The shareholders shall receive the corresponding share of profits according to their own contribution or the proportion of the shares held;

- The profit distribution plan must be approved by the Shareholders Meeting;

- The company will not distribute profits in case of consecutive losses.

8. The Business Plan for the year 2025

8.1 The Operational Plan Targets for the year 2025

In the 2025 operational targets plan, the annual total revenue shall be no less than 23.2 billion Kip, remaining largely flat compared to the actual achievement in 2024.

8.2 Market Operation Plan

8.2.1 Leveraging Synergies Between Mall & Office Towers to Enhance Customer Loyalty

In 2025, VCL will further optimize internal resources to strengthen the integration between retail and office spaces. The company will provide tailored services and commercial amenities for corporate tenants, leveraging office clients as a stable customer base to drive mall consumption. This year, efforts will focus on “enhancing tenant mix and office support services” to improve customer satisfaction and retention, thereby consolidating and further increasing occupancy rates in both mall and office segments.

8.2.2 Increasing Quantity & Quality of Key Events, Continuously Optimizing Retail Mix

(1) Strengthening partnerships with professional event organizers to increase the number

and quality of mall-hosted events, boosting foot traffic and spending.

(2) Expanding leasing efforts for F&B, sports, and entertainment tenants, creating a specialty dining zone to enhance mall traffic and vibrancy, ultimately stabilizing and increasing rental yields.

8.2.3 Deepening Market Outreach to Steadily Improve Occupancy

The company will actively explore the local Lao office leasing market, with a focus on targeting Chinese business chambers and enterprises across Laos. Through comprehensive leasing campaigns and "one-to-one" precision marketing, the company aims to attract high-quality tenants, reinforcing Vientiane Center's reputation as a premium office hub and a key cluster for corporate headquarters.

Chief Executive Officer

王伟昆

Wang Wei Kun