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

Semi-Annual Report 2026

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. (briefly “NNCD”), 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's scope of business is real estate development for sale and lease, specifically including retail store rentals and sales, office rentals and sales, event venue rentals, and large-scale joint ventures. The Vientiane Center shopping mall and office project, which the company operates, has attracted well-known businesses such as Bank of China, Miniso, Major Platinum Cineplex, and large multinational corporations like Korea Western Power Co., Ltd, Prudential Insurance, DKSH, and Datang Group, through brand building, service enhancement, and business model adjustments. Currently, Vientiane Center has been initially developed into a "shopping center, office center, financial center, and exhibition center" in Laos, making it the leading commercial brand in Laos and hailed by the governments of China and Laos as a model for China-Laos cooperation.

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 August 10, 2026 is 147,199,900,000 kip.

1.4.4 Shareholder Information

As of August 10, 2026, 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 Republic Company held 49,110,800 shares, accounting for 33.36% of the total shares.

2. Management Discussion and Analysis

2.1 Principal Activities of the Company

Vientiane Center Public Company (the “Company”) holds a portion of retail shop and office assets within the Vientiane Commercial and Tourism Center. As of now, the Company owns 5,827.48 m ²of retail shop space, including its joint operation with Major Platinum Cinecomplex, the first international cinema chain in Laos; 5,105.33 m ²of office space; and 591.62 m² of event space. The Company’s total property assets amount to 11,524.43 m².
The Company’s principal activities include shop and office leasing, event space leasing within the mall, and joint operations.

2.2 Overview of the Company's Key Business Operations

In terms of shopping mall tenant recruitment, Vientiane Center adheres to the principle of "placing equal emphasis on improving occupancy rates and enhancing asset returns," implementing differentiated leasing strategies based on tenants' operating performance, brand influence, and market trends. For quality tenants with stable operations and strong brand influence, the company promotes the signing of medium- and long-term lease contracts; for tenants with relatively lower operational efficiency and greater room for adjustment, short-term leases are adopted to reserve space for subsequent business mix optimization. In the shopping mall events segment, Vientiane Center hosted a total of 25 large- and medium-scale events, covering diverse fields such as finance, parent-child activities, technology, coffee, environmental protection, international expositions, industrial achievements, and festive celebrations. These included the Lao Development Bank Lucky

Draw, the PIS Fun Parent-Child Carnival, the Lao Youth Robot Competition, the Lao Fine Coffee Bean Competition, the Waste-to-Art Exhibition, the Vientiane International Life Expo, the Yunnan Alternative Plantation Achievements Exhibition and Industrial Upgrading Expo, and the Children's Day event, among others. In addition, the mall operations team independently planned, coordinated, and executed two key events—the GPX New Product Launch and the ZTE Grand Opening Ceremony—effectively boosting foot traffic and enhancing the mall's industry brand influence. In the mall's joint-operation segment, the partner tenant Major Cineplex hosted special events such as the Film Week for the 65th Anniversary of China-Laos Diplomatic Relations and the "China-Laos Friendship Year," as well as the Japanese Film Festival. It also coordinated with foreign diplomatic missions including the Russian Embassy to Laos and the Indian Embassy to Laos to jointly organize multiple themed cultural events. The cinema continued to diversify its film offerings by introducing a number of popular movies, further strengthening the mall's ability to attract visitors.

In terms of office building tenant recruitment, the company continues to expand its client network and actively engages with Chinese-funded enterprises, international service agencies, fintech companies, education and training institutions, and other clients to further diversify the tenant mix of the office building.

2.3 The Company’s Key Financial Indicators for the year 2026

2.3.1 Revenue

As of June 30, 2026, the Company achieved total operating revenue of 11,227,605,892.00 kip, representing a year-on-year decrease of 6.82%. This comprised 3,846,756,727.00 kip in shop rental income, 5,983,107,170.00 kip in office rental income, 1,023,335,070.00 kip in joint-operation income, 362,443,009.00 kip in event venue rental income, and 11,963,916.00 kip in other income.

The decline in the Company's operating revenue for the first half of 2026 is attributable to the following factors: First, from a macroeconomic perspective, Laos experienced slowing economic growth in 2026, with inflation rebounding to nearly 10.2% in April, severely eroding household purchasing power and leading to a marked contraction in consumer spending. Fuel price shocks drove up transportation, logistics, and commodity costs, further

squeezing consumers' disposable income. Second, from a market competition standpoint, Vientiane Commercial Center faces increasingly fierce competition—foreign-invested and locally based modern commercial facilities are accelerating their deployment, further diverting foot traffic and tenant resources away from traditional commercial centers. At the same time, the rise of online shopping channels has accelerated the consumer shift toward digital platforms, steadily diminishing the appeal of physical commercial spaces.

2.3.2 Profit and Loss

As of June 30, 2026, the Company's operating expenses amounted to 6,370,738,720.00 kip, representing a year-on-year increase of 26.53%. This was primarily attributable to the following factors: First, maintenance and renovation costs continued to rise as the mall aged. With the increasing operational lifespan of the commercial center, building structures, electromechanical equipment, and public facilities have all entered a phase of high-frequency maintenance and renewal cycles, and the necessary expenditures for repairs, equipment replacement, and functional upgrades have grown year by year, directly driving up costs during the operation and maintenance phase. Second, the macro cost environment deteriorated sharply. At the beginning of 2026, global crude oil prices surged due to the Middle East conflict, and domestic fuel prices in Laos nearly tripled between late February and early April. The spike in fuel prices directly drove up transportation and logistics costs as well as building material prices, affecting all aspects of commercial operations. In April 2026, the inflation rate reached 10.2%, returning to double digits for the first time in 12 months. Third, to enhance customer experience and retain quality tenants, the Company produced billboards for core clients of Bank of China and provided supporting service facilities such as parking lots. While this investment helped stabilize client relationships and secure renewals with quality tenants, it also increased current-period operating expenses. Against the backdrop of high inflation and broad-based increases in raw material and labor costs, the growth in various operating expenses far exceeded that of previous years.

As of June 30, 2026, the Company's pre-tax profit was 5,655,948,393.00 kip, income tax expense was 1,235,680,124.00 kip, and net profit was 4,420,268,269.00 kip, representing a year-on-year decrease of 49.15%. This was the result of two-way pressure from contracting revenue on one side and rising costs on the other. On the revenue side, rental and

joint-operation income both declined due to multiple factors including intensifying market competition, less-than-ideal occupancy rates caused by mall aging, and declining consumer purchasing power. On the cost side, increased spending on mall renovation and maintenance, broad-based operating cost increases driven by inflation, and client retention expenditures such as billboards and parking lots for quality tenants like Bank of China collectively pushed up current-period operating costs. The "scissors" effect of declining revenue and rising costs directly narrowed both the Company's gross profit margin and net profit margin. In addition, persistently high fuel prices in Laos in 2026 drove up energy and logistics costs for commercial operations, further compressing profit margins. With the external operating environment continuing to deteriorate and the underlying issue of aging internal facilities yet to be fundamentally addressed, the Company's profitability was significantly impacted, resulting in a marked decline in profit levels compared with the same period of the previous year.

2.3.3 Total assets

As of June 30, 2026, the Company's total assets amounted to 349,908,642,959.00 kip, representing a year-on-year increase of 1.46% compared with 2025.

The asset growth was primarily driven by sustained capital investment. To address the decline in competitiveness caused by the aging of the mall, the Company continuously invested in facility renovation, maintenance, and functional upgrades during the reporting period, including building repairs, equipment updates, public area renovations, the production of billboards for core quality tenants (such as Bank of China), and the enhancement of supporting service facilities. These investments increased the long-term deferred expenses account, contributing to the year-on-year growth in total assets.

2.3.4 Total liabilities

As of June 30, 2026, the Company's total liabilities amounted to 54,406,369,029.00 kip, representing a year-on-year increase of 2.53% compared with 2025.

The increase in liabilities was attributable to the following factors: First, increased expenditures on property maintenance, renovation, and equipment procurement for the mall and office building gave rise to operating liabilities. Second, as the Company's assets

primarily consist of investment properties measured at fair value, the differences between accounting and tax treatments resulted in deferred tax liabilities.

3. Possible Risks

3.1 Shopping Mall Leasing and Operations: First, the rapid growth in commercial space and the number of retail units in Vientiane City, coupled with insufficient growth in consumer demand and purchasing power, has led to a relative oversupply of commercial space, diversion of tenant resources, and intensifying competition in tenant recruitment. Second, the impact of online shopping has reduced residents' willingness to shop at physical malls, putting pressure on mall foot traffic and sales, and eroding some tenants' confidence in their operations. Third, the mall's distinctive features and branding are not prominent enough, and there is a lack of core traffic-driving business categories, meaning that its differentiated competitiveness still needs further enhancement. Fourth, supporting facilities such as smoke exhaust and drainage systems at the mall require urgent technical upgrades, which affects day-to-day operational efficiency.

3.2 Office Building Leasing and Operations: First, the continued introduction of new office buildings and mixed-use office properties in Vientiane City has increased the supply of leasable office space, intensifying market competition and exerting growing downward pressure on prices. Second, some vacant office units remain unrenovated or have impractical functional layouts, resulting in low tenant acceptance and extended lease-up cycles.

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

4.1 Board of Directors

4.1.1 Members of the Board of Directors

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

- Mr. Zeng Chunlin: 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. Wang Yu: 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

4.1.2 Profiles of Members of the Board of Directors

（1）Mr. Zeng Chunlin



- Nationality: Chinese
- Date of birth: 22 /05/1983
- Languages: Chinese, English.
- Designation: Chairman
- Educational Background: The English major at 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. Wang Yu



- Nationality**:** Chinese
- Date of birth**:** 31/01/**19**96
- Languages: Chinese
- Designation: Independent Member
- Educational Background**:** Master of Laws in Economic Law, Yunnan University of Finance and Economics

（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.

4.2 the Committees

4.2.1. 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)

4.2.2 Audit Committee:

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

2) Mr. Zeng Chunlin, Member of the Audit Committee / Chairman of BOD

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

4.2.3 Risk Management Committee:

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

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

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

4.2.4 Nomination Committee:

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

2) Mr. Wang Yu, Member of the Nomination Committee / Independent Member;

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

4.2.5 Remuneration Committee:

1) Mr. Wang Yu, 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;

4.2.6 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;

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

4.3.1 At the Board level, a total of 5 meetings were organized and held in the first half of 2026, at which 13 agenda items were reviewed and approved, including the 2025 Annual Report and the financial audit report.

4.3.2 In accordance with the relevant administrative regulations of the Lao Securities Commission, the Nomination Committee conducted a review of the proposed candidates for the changes in the Board Secretary and Deputy General Manager positions, and prepared a review report for submission to the board for deliberation, thereby providing foundational information for board decision-making.

4.3.3 The Audit Committee convened two meetings in accordance with its annual work plan to review the company's 2025 Annual financial audit report and the first-quarter 2026 financial report, respectively, ensuring the accuracy of the company's financial reporting

disclosures.

4.3.4 The Company's Related Party Transactions Committee convened one meeting to review one related-party transaction, providing reference opinions for the decision-making level when approving related-party transaction matters.

5. Social Responsibility

5.1 Taxation

Vientiane Center actively fulfills its tax obligations in compliance with laws and regulations, with total tax payments reaching 169,276,900 Kip in the first half of 2026, as detailed below:

No	Items	Amount(million kip)	
		the first half of 2026	the first half of 2025
1	Profit tax	-	-
2	Vat	14,385.66	1,172.41
3	Income tax	2,542.03	23.89
4	Other tax	-	-
Total		16,927.69	1,196.30

6. Investor Relations Maintenance Activities

On May 21, 2026, 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 2026 business plan, Corporate social responsibility (CSR) initiatives, Key financial indicators for the 2025 fiscal year.

7. The Related Party Transactions

There was one related party transactions in the first half of 2026:

Appointing North Nongchan Complex Development Co., Ltd. to carry out VCL's asset operation services.

This matter falls within the decision-making authority of the Board of Directors, and after reviewed by the Company's Related Party Transactions Committee, it was submitted to the Board of Directors on 04/02/2026 for deliberation and execution. The resolution had been disclosed on the website of the Lao Securities Exchange.

8. 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.

Chairman

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Zeng ChunLin