VIENTIANE CENTER
ວຽງຈັນເຊັ້ນເຕີ
ບໍລິສັດ ວຽງຈັນເຊັ້ນເຕີ ລາວ ມະຫາຊົນ
VIENTIANE CENTER LAO PUBLIC COMPANY
ຖະໜົນຄຸ້ວຽງ. ບ້ານໜອງຈັນ, ເມືອງ ສີສັດຕະນາກ, ນະຄອນຫຼວງວຽງຈັນ, ໂທ ແລະ ແຟັກ: (+856) 21 228299
KHUVIENG ROAD, NONGCHAN VILLAGE, SISATTANAK DISTRICT, VIENTIANE CAPITAL, Tel & Fax: (+856) 21 228299

Vientiane Center Lao Public Company

Business Performance Review for the first half of the year 2020 and Business Plan for the second half of the year 2020

Content

1. Company Profile

2. Vision and Mission

2.1 Vision

2.2 Mission

3. Organizational Structure

4. Operating Outcome

4.1 Revenue

4.2 Profit and loss

4.3 Total assets

4.4 Total liabilities

4.5 Taxation

5. Work of the Sales and Marketing

6. Work of the Board of Directors

7. Corporate Social Responsibility

8. Business Plan for second half of the year 2020

1. Company Profile

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, Amazon Coffee, Miniso, Lao-China Railway, the Korean Western Power, and Prudential Insurance. 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.

2. Vision and Mission

2.1 Vision

To be the leading retailer and shopping, business, financial and exhibition center in Laos.

2.2 Mission

To bring a more fulfilling lifestyle inLaos.

3. Organization structure

3.1Vientiane Center Lao Public Company has 11 directors, of which the General Manager is chosen among the directors.

3.2 The 2nd Board of Directors of Vientiane Center Lao Public Companyhas 11 directors, the list is as follows:

1. Ms. Zhou Lei	Chairman
2. Ms. Orlathay SANTIKHONGKA	Vice Chairman
3. Mr. Li Xiaodong	Director,Gerneral manager
4. Mr. Wei Hua	Director
5. Mr. Bualapha SANTIKHONGKA (Yao Bin)	Director
6. Mr. Wu Xinghua	Director
7.Mr. Sun Feihu	Director
8.Ms.Deng Yu	Independent Director
9. Mr. Xiao Yong	Independent Director

10. Mr. Viengsavanh PHANTALY — Independent Director

11. Mr. Joxong BouaSiNengMa — Independent Director

4. Operating Outcome

4.1 Revenue

Forthe first half year of 2020, the Company's operating income is 56.34 hundred million kip, decresing 12 percent from the previous year. Which the rental income is 19.95 hundred million Kip, the income from office space rental is 24.63 hundred million kip, the income from the venture agreement is 3.57 hundred million Kip, the income from the event space rental is 2.48 hundred million Kip and advertising space is 5.70 hundred million Kip. The reason of decrease in income was due to the impact of the new CoronavirusEpidemic, the Vientiane Center had closed from April 1 to May 3, 2020 in accordance with the prevention and control measures of the Lao Epidemic Prevention and Control Committee.

4.2 Profit and loss

For the first half year of 2020, the profit before tax is 43.64 hundred million kip, decresing 37 percent from the year 2019, the net profit is 36.49 hundred million kip. The reason of decrease in profits was due to the impact of the newCoronavirusEpidemic, the Vientiane Center had closed from April 1 to May 3, 2020 in accordance with the prevention and control measures of the Lao Epidemic Prevention and Control Committee.

4.3 Total assets

For the first half year of 2020, the Company's total assets are 2419.14 hundred million Kip, increased 6% compared with the year 2019. The reason for the increase in total assets was due to thePurchase of new investment real estate, the purchase price has not been paid, assets and liabilities have increased at the same time.

4.4 Total liabilities

for the first half year of 2020, the company's total liabilities for the years 726.75 hundred million kip, decreased 4% compared with the year 2019. the reason for the increase in debt was due to thePurchase of new investment real estate, the purchase price has not been paid, assets and liabilities have increased at the same time

4.5 Taxation

In the first half year of 2020, the total taxation is 6.49 hundred million kip, of which corporte income tax accounted for 2.16 hundred million kip, the value added tax for 4.30 hundred million

kip , the personal income tax for 0.03 hundred million kip.

5. Work of the Sales and Marketing

Looking back for first half of the year 2020, Affected by the COVID-19 pandemic, since February 2020, Laos government documents are successively issued,to suspend the reception of foreign tourist groups,for example, from Thailand, China, Vietnam, and South Korea, which are the main source countries of Laos tour groups, have successively experienced domestic epidemics.

The above-mentioned countries have taken the initiative to restrict their citizens' outbound travel, and the Lao government has banned the reception of tour groups in order to strictly prevent the import of the epidemic, which has a certain impact on the improvement of the business performance of the mall.

Laos took the initiative to cancel domestic events, banquets, etc. leading to the complete cancellation of theCompany's events andactivities;

OnMarch 29, His Excellency Thong Loun, Prime Minister of Laos, issued the No.6Prime Minister's Order, The city in Laos is completely closed and all non-essential activities are prohibited, which led to the closure of the Vientiane Center Mall.

In terms of the retail and the office building, the competition for the commercial real estate in Vientiane has been intensified, except the previous traditional commercial competition project such as the ITECC MALL, WTC and Parkson have also started the sales and marketing work in 2020. As for the office building, Kolao Tower,VangVieng Tower, Crowne Plaza(Office Building)havemaintained a stable occupancy while Consininternational officebuilding will also start operations in 2020.However, the Vientiane Center adheres to the advantages of combining shopping malls and office buildings, creating more convenient shopping and office facilities, and comprehensively improving service quality. During the epidemic, it will provide support to merchants, stabilize the occupancy rate, and respond to market conditions in a timely manner after the closure in May. Operation, combined with popular interactions such as new car launch conferences while ensuring safety, achieved a good consumption rebound.

At first half of the year 2020,a total of 22 events were held in the Vientiane Center shopping mall, such as Japan and Thailand product exhibitions, GAC Trumpchi GAC new car launch conference, ISUZU, Nissan Nissan Auto Show,Children's Day activities, etc., provide a certain guarantee for the passenger flow of the mallAmong them, 13 self-planned activities have brought positive promotion to the overall popularity of the mall. In terms of office buildings, it strives to create a coordinated and integrated development with shopping malls as its supporting facilities, and uses shopping malls as its advantage in attracting investment in office buildings, and guides the

numerous employees of the office buildings to be the consumers of shopping malls. As of the first half of 2020, there have been 2 newly signed companies for the office building of the Public Company in Vientiane Center, Laos, and a total of 12 have settled, with an occupancy rate of 84%. In the future, on the basis of maintaining the number of leased companies, we will actively seek new companies to settle in, and further Boost Public Company in Vientiane Center's revenue.

6. Work of the Board of Directors

6.1In the first half of 2020, the board of directors organized a total of 4 meetings, including 3 board meetings and 1 shareholder meeting.

6.2 The Related Party Transaction Control Committee convened a meeting to conduct research on related transactions related to the purchase of assets, and formed a report to be submitted to the board of directors for deliberation, providing basic information for directors' decision-making。

6.3 According to the requirements of the Nomination Committee on the implementation of the guidelines issued by the Lao Securities Regulatory Commission on April 30, 2019,

Conducted review work on the nominations of the company's second board of directors, and formed a review report and submitted it to the board of directors for deliberation, providing basic information for the decision-making of the shareholders meeting

6.4 According to the work plan, the audit committee reviews the company's financial audit report for the first quarter to ensure the accuracy of the company's financial report.

7. Corporate Social Responsibility

In June 2020,On the occasion of the fifth anniversary of the opening of the Vientiane Center, a large-scale charity blood donation and charitable donation handover ceremony was held with the Lao Red Cross. More than 630 people participated in blood donations. Handed over charitable donations up to 13.038 million kip to the disaster-stricken areas to contribute to the local charity.



8. Business Plan for the year 2020

8.1 Continue to carry out preparations for the purchase of high-quality assets in accordance with the plan for the use of raised funds, and implement it after approval in accordance with relevant laws and regulations;

8.2 Regarding shopping malls, first, continue to strengthen epidemic control measures against the background of the impact of the epidemic to create a safe shopping environment;Second, under the premise of ensuring safety, in the second half of the year, we will combine traditional shopping mall activities with innovative commercial and cultural activities, plan activities such as Motor Show, Lao Coffee Culture, etc., create a profit pillar, and strengthen cooperation with well-known enterprises in Laos , Focusing on well-known brand exhibitions and cultural promotion activities;

The third is to improve and enrich Facebook online shopping channel products. In the second half of the year, we will continue to deepen the operation of online shopping and improve online brand shopping mall products.

8.3 Regarding office buildings, one is to increase the investment attraction of foreign customers in the local market of Laos, and to look for local customers who have expired under the influence of the epidemic;

The second is to further strengthen the coordinated development of shopping malls and office buildings, and jointly plan activities, such as distributing coupons and co-organizing Yoga activities, to divert the consumption of employees in office buildings to the Vientiane Central Shopping Center, and use activities to improve office service quality.

Vientiane Centre Lao Public Company

BOD of chairman

ບໍລິສັດ ວຽງຈັນເຊັ້ນເຕີ ລາວ ມະຫາຊົນ
Vientiane Center Lao Public Company