VIENTIANE CENTER
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ບໍລິສັດ ວຽງຈັນເຊັ້ນເຕີ ລາວ ມະຫາຊົນ
VIENTIANE CENTER LAO PUBLIC COMPANY
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Vientiane Center Lao Public Company

Business Performance Review for the first six months of the year 2021 and Business Plan for the second six months of the year 2021

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1. Company Profile

Vientiane Center Lao Public Company (the Company or VCL) 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, Lao-China Railway, DKSH 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 to Laos.

3. Organizational Structure

1.1 Vientiane Center Lao Public Company has 11 directors, of which the general manager is chosen among the directors.

3.2 The 11 directors of Vientiane Center Lao Public Company are as follows:

1. Mr. Wang Weikun — Chairman

2. Ms. Orlathay SANTIKHONGKA	Vice Chairman
3. Mr. Li Xiaodong	Director, General Manager
4. Mr. Bualapha SANTIKHONGKA (Yao Bin)	Director
5. Mr. Wu Xinghua	Director
6. Mr. Sun Feihu	Director
7. Mr. Luo Xiaodong	Director
8. Mr. Xiao Yong	Independent Director
9. Mr. Zhang Tianyi	Independent Director
10. Mr. Viengsavanh PHANTALY	Independent Director
11. Mr. JoXong BouaSiNengMa	Independent Director

4. Operating Outcome

4.1. Revenue

In the first half year of 2021, the Company achieved total operating revenue of 5,121,735,667.42 Kipp and completed 60% of the annual budget .Among them, the total revenue of shops and office leases was 4,263,174,649.33 Kip, 73% of the annual budget completed Activity space and advertising space rental income 850,565,790.16 Kip, 31% of the annual budget ; Other income was 7,995,227.93 kip .Revenue in the first half of the year decreased by 9% compared to the same period last year. The reason for the decrease: Due to the impact of COVID-19, Vientiane Center was closed from April 23 to June 4, 2021 in accordance with the prevention and control measures of the Laos Epidemic Prevention and Control Commission, especially the cinema has been closed since then, resulting in the decrease in revenue.

4.2. Profit and Loss

The Company's total expenses for the first half of 2021 are 1,504,446,331.00 Kip, representing 30% of the annual budget, of which total interest expenses are 1,130,313,576.00 Kip;Total profit

was 3,607,435,140 kip, down 17% from 2020, of which net profit was 2,991,527,806 kip. Reason for reduced profit: Due to the impact of COVID-19, vientiane Center was closed from April 23 to June 5, 2021 in accordance with the prevention and control measures of the Laos Epidemic Prevention and Control Commission.

4.3. Total Assets

The company's total assets for the first half of 2021 were 259,576,099,699 kip, an increase of 7% compared to the first half of 2020.Reasons for increased assets: increased value of investment real estate and profitability of the company.

4.4. Total Liabilities

The company's total liabilities for the first half of 2021 were 83,333,401,641 Kipp, an increase of 15% compared to the first half of 2020.Reason for the increase in liabilities: due to the confirmation of the advance receipt of the bank of China.

4.5. Taxations

he total tax paid by the company in the first half of 2021 is 6,426,582 kip, mainly employee income tax.

5. Work of Sales and Marketing

In the first half of 2021, Laos was affected by the second wave of NOVEL CORONAVIRUS outbreak. From April 23 to June 4, 2021, shopping malls were closed in accordance with the prevention and control measures of Laos Epidemic Prevention and Control Committee.Office buildings are still affected by the epidemic, the settled enterprises adopt home office to reduce clustering, shopping malls and office buildings to attract investment and resume normal operations are still blocked to some extent.However, Vientiane Center took the completion of the annual operational responsibility target as the main line, and steadily promoted the work of operation and

management. Under the influence of the epidemic, VCL has made some breakthroughs in various aspects of investment promotion, as follows:

In terms of brand investment, In the first half of 2021, VCL will focus on domestic market in Laos and local well-known brands, and successfully introduce Crowne Plaza Elephant Lounge, Apple brand authorized store, Phonexay, Thongkeo and Jamiena jewelry stores, etc.And to create a concentrated area of business, such as Thailand's famous brand grafting and introduction. During the closure of the shopping mall, VCL actively performed its social responsibility by providing rent and online operation support to merchants to stabilize the occupancy rate and overcome difficulties together. Vientiane Center introduced offline brands into vientiane Center's Facebook online channel and established strategic cooperation with DroppinX, the largest local online shopping platform in Laos. It has made a breakthrough in attracting investment through multiple channels and driven the turnover in the case of the second outbreak of the epidemic.

In terms of activities and advertising, in the first half of 2021, we will actively transition to the direction of self-curated exhibition, and still hold more than 20 large and medium-sized activities safely under the government's activity control .Planned exhibitions such as OPPO Reno5 appreciation meeting, Thai brand soap press conference, and held Laos domestic tourism exhibition Let's Travel ii jointly with Laos Federation of Industry and Commerce; introduced external investment activities such as The Final of Pepsi Blackpink Global Dance Competition in Laos, Jaguar Land Rover and Nissan road show, so as to guarantee the passenger flow in shopping malls during the epidemic period.The overall popularity of shopping malls to bring a good positive effect;

In terms of office buildings, there are 11 companies (VCL caliber) in the office buildings, and the occupancy rate is 71.64%.Office building investment to create a coordinated development of shopping malls as a supporting system, to shopping malls as a supporting office business to enter the advantages, and the office buildings entered enterprises many staff guide back feeding for shopping malls consumer groups.Under the continuous influence of the epidemic, the office

investment is still to further strengthen the service quality, improve the operation service ability, establish the professional brand image of The Vientiane Center office, on the basis of maintaining the settled enterprises, pay attention to the stock customers in the internal market of Laos, actively seek for new enterprises to settle in, and further enhance the income of the public company.

6. Work of the Board of Directors

6.1. In the first half of 2021, a total of 4 meetings were held at the board level, including 3 board meetings and 1 shareholders' meeting.

6.2. Related Party Transactions Control Committee convened a meeting to discuss and study related party transactions related to the purchase of assets.As for the asset price matters, it is suggested to hire an appraisal institution with the qualification recognized by the Laos Certification and Control Commission to conduct the appraisal. After the appraisal results are issued, a report shall be submitted to the board of directors for deliberation. According to the requirements of the Lao Securities Commission Office that the members of all the committees under the Board of Directors shall be directors. The Nomination Committee reviewed the members under Risk Control Committee, Nomination Committee, Compensation Management Committee, and Related Party Transaction Committee and formed a report submitted to the Board of Directors for approval, which provided decision-making information for the Board Meeting.

6.3. Based on the work plan, the Auditing Committee will review the Company's first quarter, semi-annual, third quarter and the annual financial reports of 2020 to ensure the accuracy.

6.4. The Audit Committee convened two meetings according to the work plan to review the financial audit report of the company in 2020 and the financial audit report of the first quarter of 2021 respectively to ensure the accuracy of the company's financial report.

7. Corporate Social Responsibility

7.1 From April 28 to May 16, 2021, VIentiane Center joined hands with the Lao Ministry of Health to set up COVID-19 vaccination sites, and a total of 13,200 people were vaccinated, greatly accelerating the vaccination coverage rate in Vientiane city. The Lao Ministry of Health awarded vientiane Center a certificate of contribution to vaccination.



7.2 Cooperated with Public welfare organizations such as Lao 1623, 1624, Red Cross and Heart to Heart to set up 5 public welfare donation boxes in the shopping mall, and raised a total of 9,624,000 kip in the first half of 2021. All the above funds have been handed over to the corresponding public welfare organizations.



8. Business plan for the second half of the year 2021

8.1 Continue to accelerate the asset evaluation of quality asset purchase according to the use plan of raised funds, and implement it after approval in accordance with relevant laws and regulations;

8.2 shopping mall, VCL will turn challenges into opportunities, continued ascension to improve store brands and layout of the formats, will be based on the existing businesses and formats, seek improvement in stability, makes the high-quality goods classification, grafting support international brand landing at the mall, after the government release activity control linkage contract partner planning innovative forms of activity gradually drive the popularity, We should seize strategic consumption opportunities such as the opening of the China-Laos Railway at the end of this year. First, we should standardize the epidemic "new normal" control process and create a safe shopping environment in the context of the epidemic. Second, strengthen the linkage between online and offline shopping, and explore new channels for brand growth in shopping malls;Third, pay close attention to brand promotion strategy, grafting brand landing, strengthen operation support, play the leading role of international brands; Fourth, on the premise of ensuring security, we will continue to create novel commercial and cultural activities in the second half of the year, promote the implementation of traditional planning activities such as Motor Show and Lao Coffee Culture International Coffee Culture Festival, promote external planning, and strengthen cooperation with well-known enterprises in Laos. Focusing on building new profit growth points for well-known brand exhibitions and cultural promotion activities, making event planning and holding a profit pillar, and jointly driving the customer flow

8.3 In terms of office buildings, due to the impact of the epidemic, enterprises settled in Laos have to work from home to reduce agglomeration. Due to the continuous economic downturn in Laos, some existing enterprises settled in Laos have difficulties in operation, and they are trying to reduce the rent or office rental area from our company, which indirectly pressures the office buildings. In addition, external customers continued to be blocked, due to the closure of ports, resulting in investment is not as expected.In the second half of 2021, VCL will focus on strengthening the internal service quality, further improving the operation and management ability, reducing costs and improving the efficiency of the use of budget funds, and grasping the demand of some customers in the Lao market for rent exchange due to the epidemic. First, it will strengthen internal collaborative development and give play to the interactive advantages of shopping malls and office buildings.Second, to increase the efforts to attract customers in the local stock market of Laos, seek for local expired stock customers under the influence of the epidemic, and strive for new breakthroughs in attracting customers; Third, strengthen the service quality, establish the

professional brand image of vientiane Center office building, improve the hardware and software facilities of the office building, and build the international service quality brand of vientiane Center office building.

Chairman of VCL