Lao World Public Company

Interim Consolidated Financial Statements (Un-Audited)

For the nine-month period ended 30 September 2022

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Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 September 2022

	Notes	*Un-Audited 30 September 2022* LAK	*Audited 31 December 2021* LAK
ASSETS			
Current assets			
Cash and cash equivalents	4	4,382,426,506	3,993,063,772
Trade and other receivables		78,468,986,492	38,585,096,648
Inventories		3,022,104,083	2,749,444,618
Other current assets		11,807,048,725	7,015,632,533
Total current assets		**97,680,565,806**	**52,343,237,571**
Non-current assets			
Property, plant and equipment	5	134,296,478,311	140,554,520,773
Investment property	6	430,394,524,170	435,472,166,177
Intangible assets		213,630,025	98,152,365
Other non-current assets		6,913,648,029	42,642,499,803
Total non-current assets		**571,818,280,536**	**618,767,339,118**
TOTAL ASSETS		**669,498,846,341**	**671,110,576,689**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		202,288,475,591	177,816,109,829
Short-term borrowings	7	30,399,873,525	32,832,427,077
Unearned income - short term		4,240,667,822	4,498,582,442
Other current liabilities		39,125,613,132	34,615,892,487
Total current liabilities		**276,054,630,070**	**249,763,011,836**
Non-current liabilities			
Long-term borrowings	7	21,596,220,436	14,007,926,448
Unearned income - long term		307,716,019,361	311,325,683,184
Total non-current liabilities		**329,312,239,797**	**325,333,609,632**
TOTAL LIABILITIES		**605,366,869,867**	**575,096,621,468**
Equity			
Issued capital		79,121,818,000	79,121,818,000
Share premium		33,581,993,681	33,581,993,681
Reserve from business combination under common control		(12,996,191,989)	(12,996,191,989)
Legal reserve		13,357,587,776	13,357,587,776
Retained earnings		(48,933,230,994)	(17,051,252,246)
Total equity		**64,131,976,474**	**96,013,955,222**
TOTAL LIABILITIES AND EQUITY		**669,498,846,341**	**671,110,576,689**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

14 November 2022

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the nine-month period ended 30 September 2022

	Notes	*Un-Audited For the three-month period ended 30 September 2022 LAK*	*Un-Audited For the three-month period ended 30 September 2021 LAK*
Sales and service revenue		34,228,371,331	5,465,405,672
Cost of sales and services		(23,330,242,283)	(5,507,411,960)
Gross Profit		**10,898,129,049**	**(42,006,288)**
Administrative expenses		(14,216,876,093)	(5,065,127,047)
Other income		318,953,520	94,984,199
Loss/(gain) on exchange rate, net		(28,506,285,259)	(228,855,140)
Operating loss		**(31,506,078,783)**	**(4,779,430,996)**
Interest expenses		(375,899,964)	(322,892,115)
Loss before income tax		**(31,881,978,747)**	**(5,102,323,111)**
Profit tax expenses		-	-
Loss for the period	9	**(31,881,978,747)**	**(5,102,323,111)**
Basic earnings per share		*(806)*	*(129)*

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

14 November 2022

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the nine-month period ended 30 September 2022

	Issued capital LAK	*Share premium LAK*	*Legal reserve LAK*	*Accumulated retained earnings LAK*	*Reserves from business combination under common control LAK*	*Total LAK*
As at 1 January 2022	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**(17,051,252,246)**	**(12,996,191,989)**	**96,013,955,222**
Net loss for the period	-	-	-	(31,881,978,747)	-	(31,881,978,747)
As at 30 September 2022	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**(48,933,230,994)**	**(12,996,191,989)**	**64,131,976,474**
As at 1 January 2021	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**12,011,919,645**	**(12,996,191,989)**	**125,077,127,114**
Net loss for the period	-	-	-	(5,102,323,111)	-	(5,102,323,111)
As at 30 September 2021	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**6,909,596,533**	**(12,996,191,989)**	**119,974,804,329**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

14 November 2022

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the nine-month period ended 30 September 2022

	Notes	*Un-Audited For the three-month period ended 30 September 2022* LAK	*Un-Audited For the three-month period ended 30 September 2021* LAK
OPERATING ACTIVITIES			
Loss for the period		**(31,881,978,747)**	**(5,102,323,111)**
Adjustments for:			
Depreciation charged during the period		11,664,458,831	3,826,582,333
Amortisation charged during the period		29,893,375	16,033,716
Provision for doubtful debt	20	(1,397,005,384)	-
Provision for inventories		-	-
Unrealised loss/(gain) from exchange rate		5,063,680,890	304,407,319
Interest expenses		375,899,964	322,892,115
Working capital adjustments:			
Changes in inventories		(272,659,465)	46,045,343
Change in trade and other receivables		(43,278,300,652)	565,337,343
Changes in current and non-current assets		35,728,851,773	1,761,445,229
Changes in trade and other payables		24,844,032,010	1,025,027,815
Changes in other current liabilities		547,975,971	(2,255,487,985)
Interest paid		(821,449,750)	(322,895,115)
Profit tax paid		-	-
Net cash flows used in operating activities		**603,398,817**	**(187,068,245)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(400,261,859)	(308,290,263)
Net cash flows used in investing activities		**(400,261,859)**	**(308,290,263)**
FINANCING ACTIVITIES			
Proceeds from borrowings from bank			
Repayment of borrowings		(289,323,370)	-
Net cash flows from financing activities		**(289,323,370)**	**-**
Net (decrease)/increase in cash and cash equivalents		**(86,186,412)**	**(121,222,018)**
Cash and Cash equivalents at the beginning of the period		**3,993,063,772**	**3,994,308,537**
Exchange gains on cash and cash equivalents		475,549,146	(304,407,320)
Cash and cash equivalents at the end of the period		**4,382,426,506**	**3,568,679,199**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

14 November 2022

1. CORPORATE INFORMATION

Lao World Public Company ("the Company") is a public company incorporated under the Law on Enterprise of Lao PDR pursuant to the Investment License No.065-13/MPI.I4 issued by the Ministry of Planning and Investment on 13 December 2013. The Company also received its latest Amended Business License No. 0748/ERO issued by the Ministry of Industry and Commerce on 21 August 2017.

The current principal activities of the Company are to provide services on:

- Space and room rental
- Exhibition
- Banquet
- Food and beverage
- Entertainment

The Company's shares were firstly traded under the ticker "LWPC" at the Lao Stock Exchange ("LSX") on 25 December 2013. As at 30 September 2022, the total authorized number of ordinary shares is 39,560,909 shares (2020: 39,560,909 shares) with a par value of LAK 2,000. All issued shares are fully paid.

The Company's head office is located at Lao International Trade Exhibition and Convention Centre ("Lao-ITECC"), Kamphengmouang Road, Ban Phonthan Neua, Saysetha District, Vientiane Capital, Lao PDR.

Corporate structure

The Company has 1 subsidiary, which is consolidated into the Company's interim consolidated financial statements:

Lao World Savan Co., Ltd.

This subsidiary was incorporated under the Law on Enterprise of Lao PDR pursuant to the Business License No. 539/ERO date 31/7/2012 and the latest Amended Business License No. 0078/ERO, under the form of a limited liability company, issued by the Department of Industry and Commerce, Savanakhet Province on 3 March 2021. The head office of Lao World Savan Co., Ltd. is located at Savan International Trade Exhibition and Convention Centre ("Savan-ITECC"), Kaysone District, Savannakhet Province. The principal activities of Lao World Savan Co., Ltd are to provide services on space and room rental, exhibition and entertainment.

As at 31 September 2022, the Company holds a 100% equity share and 100% voting rights in this subsidiary (31 December 2021: 100%).

2. BASIS OF PREPARATION

2.1 Accounting policies

The interim consolidated financial statements of the Company and its subsidiaries ("the Group") have been prepared using the historical cost convention. These interim consolidated financial statements are expressed in Lao Kip ("LAK").

The interim consolidated financial statements have been prepared in accordance with the accounting policies as set out in Note 3. These accounting policies are not intended to present the interim consolidated financial position, the interim consolidated results of operations and cash flows of the Group in accordance with international generally accepted accounting principles.

The interim consolidated financial statements are prepared to assist the Group in meeting the reporting requirements of its owner. As a result, these interim consolidated financial statements may not be suitable for another purpose.

The Group also presents the separate financial information of Lao World Public Company alone for the three-month period ended 31 March 2022 and comparative figures in Note 11 as a supplementary information. This presentation is in accordance with the reporting and disclosure regulation No. 004/LSCO on 28 January 2019 issued by Lao Securities and Exchange Commission Office ("LSCO").

Fiscal year

The Group's fiscal year starts on 1 January and ends on 31 December.

2.2 Basis of consolidation

The interim consolidated financial statements comprise the interim consolidated financial statements of the Company and its subsidiaries for the six-month period ended 30 September 2022.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continued to be consolidated until the date that such control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains or losses result from intra-group transactions are eliminated in full.

3. *Taxation*

Income tax expense

The income tax expense included in the interim consolidated financial information for the period represent the profit tax for the period concerned as determined in accordance with the Lao Tax Law. According to the Concession Agreement, the Group is exempted for the corporate income tax for the first 10 years after operation commencing as referred to the dated in concession agreement with Government of Lao PDR for both Lao World Public Company (from 24 December 2003 to 24 December 2013) and Lao World Savan Co., Ltd. (from 22 July 2009 to 22 July 2019) and the further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years.

3. *Taxation (Continued)*

For the three-months period ended 30 September 2022, the Group has not accrued any income tax, due to the loss from operation.

Other taxes

Other taxes payable include value added tax and employees' personal income tax.

Value added tax is the tax liability determined on revenue for the period computed using the applicable tax rate for the year.

Personal income tax is the tax payable on salary paid to staff for the period determined using applicable tax rate for the years.

4. CASH AND CASH EQUIVALENT

	Un-Audited 30 September 2022	*Audited 31 December 2021*
	LAK	*LAK*
Cash on hand	84,121,530	142,837,741
Cash at bank	4,298,304,975	3,850,226,031
	4,382,426,505	**3,993,063,772**

5. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures LAK	*Machinery and equipment LAK*	*Vehicles LAK*	*Furniture and fixtures LAK*	*Asset under construction and installation LAK*	*Total LAK*
Cost						
At 1 January 2022	174,490,062,247	41,314,735,394	9,717,180,915	43,599,556,924	101,155,866	269,222,691,346
Additions	-	207,484,270	-	46,597,482	809,072	254,890,824
At 30 September 2022	174,490,062,247	41,522,219,664	9,717,180,915	43,646,154,406	101,964,938	269,477,582,170
Accumulated depreciation						
At 1 January 2022	(50,409,346,156)	(33,678,189,663)	(9,610,170,152)	(34,896,581,064)	-	(128,594,287,036)
Charge for the year	(3,345,802,171)	(1,757,765,834)	(107,010,763)	(1,376,238,056)	-	(6,586,816,824)
At 30 September 2022	(53,755,148,326)	(35,435,955,498)	(9,717,180,915)	(36,272,819,120)	-	(135,181,103,859)
Net book value						
At 1 January 2022	124,080,716,091	7,635,142,536	107,010,763	8,702,975,860	101,155,866	140,554,520,773
At 30 September 2022	120,734,913,920	6,084,860,971	0	7,373,335,286	101,964,938	134,296,478,311

6. INVESTMENT PROPERTY

	Completed investment property	*Investment property under development*	*Total*
	LAK	*LAK*	
Cost			
At 1 January 2022	468,587,375,805	-	468,587,375,805
Additions	-	-	
At 30 September 2022	468,587,375,805	-	468,587,375,805
Accumulated depreciation			
At 1 January 2022	(33,115,209,628)	-	(33,115,209,628)
Charge for the year	(5,077,642,007)	-	(5,077,642,007)
At 30 September 2022	(38,191,448,440)	-	(38,191,448,440)
Net book value			
At 1 January 2022	435,473,569,372	-	435,473,569,372
At 30 September 2022	430,395,927,365	-	430,395,927,365

7. BORROWINGS

	Un-Audited 30 September 2022	*Audited 31 December 2021*
	LAK	*LAK*
Borrowings from third parties (*)	30,399,873,525	30,399,873,525
Borrowings from banks (**)	21,596,220,436	16,440,480,000
	51,996,093,961	**46,840,353,525**
Of which:		
Short-term portion	*33,206,133,967*	*30,399,873,525*
Long-term portion	*18,789,959,994*	*14,007,926,448*

(*) Borrowings from a third party represent unsecured borrowing from former major shareholder of the Group. These borrowings carry no interest and are due call and there is no movement for the period.

(**) Details of the borrowings from banks are as follows:

Lender & Contract No.	*Balance at 30 September 2022 LAK*	*Term*	*Maturity date*	*Interest rate*	*Collateral*
BIC Bank Lao Co., Ltd. LO2019/045	21,596,220,436	11 years	1 Oct 2031	9.0%	Land and building at. Land title No.291 and assignment of all proceeds space rental prepayment from ITECC mall, Lao ITECC and Ocean Park
	21,596,220,436				

8. PROFIT TAX

Under related concession agreements, the Group has received certain investment incentives including the exemption of corporate profit tax ("PT") for the first 10 years after the commencement of business operation and is further subject to a reduced income tax rate at 50% of the normal income tax rate for the next 10 years. The detail of tax exemption periods concerned are as follows:

	Exempted period
Lao World Savan Co., Ltd.	From 24 December 2003 to 24 December 2013
Lao World Public Company	From 22 July 2009 to 22 July 2019

Under the new Income Tax Law No.67/NA dated 18 June 2019, which is effective on or after 1 January 2020, the normal PT rate is 20%. In accordance to the concession agreements, the tax rate applicable for the Group in 2022 is 10% when taking into account the 50% reduction.

The tax returns filed by the Group are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the interim consolidated financial statements could change at a later date upon final determination by the tax authorities.

9. EARNINGS PER SHARE

	For the three-month ended 30 September 2022 LAK	*For the three-month ended 30 September 2021 LAK*
Net loss attributable to ordinary shareholders in LAK	(31,881,978,747)	(5,102,323,111)
Weighted average number of ordinary shares (*)	39,506,909	39,506,909
Basic earnings per share	**(806)**	**(129)**

Basic earnings per share is calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares issued.

(*) The weighted average number of ordinary shares is calculated based on following information:

- Number of shares from 1 January 2022 to 30 September 2022 is 39,560,909.

10. SIGNIFICANT EVENTS

The outbreak of Coronavirus Disease 2019 ("COVID-19") during 2021 and 2022 has adverse effect on operating results for the three-month period ended 30 September 2022 even the situation has been normal.

The Group already performed preliminary assessment of the possible impact of Covid-19 on its operations, cash flows and financial condition as well as operations of its tenants and customers. The management is of the view that the overall business of the Group is not significantly affected by the pandemic and the Group's measures.

11. SUPPLEMENTARY INFORMATION

The tables below present the separate statement of financial position and separate statement of profit or loss of Lao World Public Company alone. This presentation is in accordance with reporting and disclosure regulation issued by LSCO.

Statement of financial position - Lao World Public Company

	Un-Audited 30 September 2022 LAK	*Audited 31 December 2021 LAK*
ASSETS		
Current assets		
Cash and cash equivalents	4,371,611,506	3,955,776,927
Trade and other receivables	77,194,807,908	51,394,041,630
Loan to related parties	50,405,822,865	50,733,406,203
Inventories	3,022,104,083	2,749,444,618
Other current assets	11,764,526,725	6,999,583,953
Total current assets	**146,758,873,087**	**115,832,253,332**
Non-current assets		
Investment in subsidiaries	30,287,328,874	30,287,328,874
Property, plant and equipment	90,968,264,623	96,058,018,460
Investment property	393,366,338,895	398,060,194,278
Intangible assets	213,630,025	98,152,365
Other non-current assets	5,677,939,525	41,566,930,383
Total non-current assets	**520,513,501,941**	**566,070,624,360**
TOTAL ASSETS	**667,272,375,028**	**681,902,877,691**

LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	120,957,064,508	123,422,561,782
Short-term borrowings	30,399,873,525	32,832,427,077
Unearned income - short term	4,240,667,822	4,498,582,442
Other current liabilities	38,217,898,762	34,185,224,686
Total current liabilities	**193,815,504,617**	**194,938,795,988**
Non-current liabilities		
Long-term borrowings	21,596,220,436	14,007,926,448
Unearned income - long term	307,716,019,361	311,325,683,184
Total non-current liabilities	329,312,239,797	**325,333,609,632**
TOTAL LIABILITIES	**523,127,744,415**	**520,272,405,620**
Equity		
Issued capital	79,121,818,000	79,121,818,000
Share premium	33,581,993,681	33,581,993,681
Legal reserve	13,357,587,776	13,357,587,776
Accumulated retained earnings	18,083,231,157	35,569,072,615
Total equity	**144,144,630,614**	**161,630,472,071**
TOTAL LIABILITIES AND EQUITY	**667,272,375,028**	**681,902,877,691**

11. SUPPLEMENTARY INFORMATION (continued)

Statement of profit or loss - Lao World Public Company

	Un-Audited For the three-month ended 30 September 2022 LAK	*Un-Audited For the three-month ended 30 September 2021 LAK*
Sales and service revenues	32,598,370,869	5,169,829,735
Cost of sales and services	(21,369,631,882)	(4,927,402,764)
Gross profit	**11,228,738,987**	**242,426,971**
Administrative expenses	(11,932,358,940)	(4,648,286,289)
Other income	315,684,362	92,889,926
Gain/(loss) on exchange rate	(1,676,196,909)	228,855,538
Operating loss	**(2,064,132,501)**	**(4,084,113,854)**
Interest Income	(14,848,775,686)	15,052,473
Interest expense	(572,933,270)	(322,892,155)
Loss before tax	**(17,485,841,458)**	**(4,391,953,496)**
Profit tax expense	-	-
Loss for the period	**(17,485,841,458)**	**(4,391,953,496)**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

14 November 2022