Lao World Public Company

Interim Consolidated Financial Statements (Un-Audited)

For the three-month period ended 31 March 2023

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Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 31 March 2023

	Notes	*Un-Audited 31 March 2023* LAK	*Audited 31 December 2022* LAK
ASSETS			
Current assets			
Cash and cash equivalents	4	26,615,478,439	821,905,937
Trade and other receivables		36,269,627,619	65,004,960,104
Inventories		2,790,675,890	2,796,226,664
Other current assets		18,186,051,952	18,440,020,443
Total current assets		**112,619,697,873**	**87,063,113,148**
Non-current assets			
Property, plant and equipment	5	131,335,358,178	132,556,938,430
Investment property	6	426,720,660,950	428,430,816,297
Intangible assets		187,187,815	200,263,637
Other non-current assets		2,563,152,794	2,523,329,896
Total non-current assets		**560,806,359,736**	**563,711,348,257**
TOTAL ASSETS		**673,426,057,610**	**650,774,461,408**
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables		227,019,605,624	213,127,887,998
Short-term borrowings	7	35,393,742,405	35,393,742,405
Unearned income - short term		3,935,911,889	3,935,911,889
Other current liabilities		63,648,586,049	41,344,809,996
Total current liabilities		**329,997,845,967**	**293,802,352,288**
Non-current liabilities			
Long-term borrowings	7	17,333,672,417	19,071,063,900
Unearned income - long term		285,027,227,453	285,553,234,588
Total non-current liabilities		**302,360,899,871**	**304,624,298,488**
TOTAL LIABILITIES		**632,358,745,837**	**598,4266,650,776**
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		(11,280,498,858)	(60,717,396,836)
Total equity		**41,067,311,772**	**52,347,810,632**
TOTAL LIABILITIES AND EQUITY		**673,426,057,610**	**650,774,461,408**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

15 May 2023

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the three-month period ended 31 March 2023

	Notes	*Un-Audited For the three-month period ended 31 March 2023 LAK*	*Un-Audited For the three-month period ended 31 March 2022 LAK*
Sales and service revenue		13,630,700,101	7,698,838,459
Cost of sales and services		(5,039,492,302)	(6,854,594,667)
Gross Profit		**11,607,302,207**	**844,243,792**
Administrative expenses		(8,525,319,554)	(4,334,036,160)
Other income		7,757,009	69,125,481
Loss/(gain) on exchange rate, net		(10,825,718,271)	(210,701,853)
Operating loss		**(10,752,073,016)**	**(3,631,368,740)**
Interest expenses		528,114,842	360,563,267
Loss before income tax		**(11,280,498,858)**	**(3,270,805,473)**
Profit tax expenses		-	-
Loss for the period	9	**(11,280,498,858)**	**(3,270,805,473)**
Basic earnings per share		*(286)*	*(83)*

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

15 May 2023

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the three-month period ended 31 March 2023

	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**	**(60,717,396,838)**	**(12,996,191,989)**	**52,347,810,630**
Net loss for the period	-	-	-	(11,280,498,858)	-	(11,280,498,858)
As at 30 September 2022	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**(71,997,895,696)**	**(12,996,191,989)**	**41,067,311,772**
As at 1 January 2021	**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	-	-	-	(3,270,805,473)	-	(3,270,805,473)
As at 30 September 2021	**79,121,818,000**	**33,581,993,681**	**13,357,587,776**	**20,322,057,719**	**(12,996,191,989)**	**92,743,149,749**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

15 May 2023

Lao World Public Company

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
for the three-month period ended 31 March 2023

	Notes	*Un-Audited For the three-month period ended 31 March 2023* LAK	*Un-Audited For the three-month period ended 31 March 2022* LAK
OPERATING ACTIVITIES			
Loss for the period		**(11,280,498,858)**	**(3,270,805,473)**
Adjustments for:			
Depreciation charged during the period		5,921,993,264	3,711,310,062
Amortisation charged during the period		13,075,819	5,910,762
Provision for doubtful debt	20	2,797,101,211	-
Provision for inventories		27,147,153	-
Unrealised loss/(gain) from exchange rate		37,541,272,955	(212,582,896)
Interest expenses		(523,114,654)	(360,563,267)
Working capital adjustments:			
Changes in inventories		(21,596,379)	(7,187,627)
Change in trade and other receivables		315,345,105	2,449,035,433
Changes in current and non-current assets		1,908,050,885	1,908,050,885
Changes in trade and other payables		(24,125,350,626)	101,866,424
Changes in other current liabilities		21,777,768,918	2,440,207,756
Interest paid		(523,114,654)	-
Profit tax paid		-	-
Net cash flows used in operating activities		**29,802,027,189**	**6,765,242,059)**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(2,990,257,665)	(118,443,024)
Net cash flows used in investing activities		**(2,990,257,665)**	**(118,443,024)**
FINANCING ACTIVITIES			
Proceeds from borrowings from bank		(1,217,311,346)	-
Net cash flows from financing activities		**(1,217,311,346)**	**-**
Net (decrease)/increase in cash and cash equivalents		**25,594,458,178**	**6,646,799,035**
Cash and Cash equivalents at the beginning of the period		**821,905,937**	3,993,063,772
Exchange gains on cash and cash equivalents		-	-
Cash and cash equivalents at the end of the period		**26,615,478,438**	**10,639,862,807**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

15 May 2023

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 31 March 2023, 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 March 2023, the Company holds a 100% equity share and 100% voting rights in this subsidiary (31 December 2022: 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 2023 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 2023.

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 31 March 2023, 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 31 March 2023	*Audited 31 December 2022*
	LAK	*LAK*
Cash on hand	77,583,434	37,856,932
Cash at bank	26,537,895,005	784,049,005
	26,615,478,439	**821,905,937**

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 2023	174,490,062,247	41,918,890,124	9,717,180,915	43,646,154,406	101,964,938	269,874,252,630
Additions	-	205,174,398	-	-	800,214,193	1,005,388,591
At 31 March 2023	174,490,062,247	42,124,064,521	9,717,180,915	43,646,154,406	902,179,131	270,879,641,220
Accumulated depreciation						
At 1 January 2023	(54,936,642,184)	(35,978,675,443)	(9,717,180,915)	(36,684,815,657)	-	(137,317,314,199)
Charge for the year	(2,028,011,618)	(722,595,474)	-	(693,657,578)	-	(3,444,264,670)
At 31 March 2023	(56,964,653,802)	(36,701,270,917)	(9,717,180,915)	(37,378,473,235)	-	(140,761,578,869)
Net book value						
At 1 January 2023	119,553,420,062	5,940,214,681	-	6,961,338,749	101,964,938	132,556,938,430
At 31 March 2023	117,525,408,444	5,422,793,604	-	6,267,681,171	902,179,131	130,118,062,351

6. INVESTMENT PROPERTY

	Completed investment property	*Investment property under development*	*Total*
	LAK	*LAK*	
Cost			
At 1 January 2023	468,587,375,805	-	468,587,375,805
Additions	-	-	
At 31 March 2023	468,587,375,805	-	468,587,375,805
Accumulated depreciation			
At 1 January 2023	(39,388,986,261)	-	(39,388,986,261)
Charge for the year	(2,477,728,594)	-	(2,477,728,594)
At 31 March 2023	(41,866,714,856)	-	(41,866,714,856)
Net book value			
At 1 January 2023	429,198,389,544	-	429,198,389,544
At 31 March 2023	426,720,660,950	-	426,720,660,950

7. BORROWINGS

	Un-Audited 31 March 2023	*Audited 31 December 2022*
	LAK	*LAK*
Borrowings from third parties (*)	30,399,873,525	30,399,873,525
Borrowings from banks (**)	22,327,541,297	24,064,932,780
	52,727,414,822	**54,464,806,305**
Of which:		
Short-term portion	*30,399,873,525*	*30,399,873,525*
Long-term portion	*18,662,398,245*	*19,071,063,900*

(*) 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 31 March 2023 LAK*	*Term*	*Maturity date*	*Interest rate*	*Collateral*
BIC Bank Lao Co., Ltd. LO2019/045	22,327,490,745	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
	22,327,490,745				

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 2023 is 10%

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 31 March 2023 LAK	*For the three-month ended 31 March 2022 LAK*
Net loss attributable to ordinary shareholders in LAK	(11,280,498,858)	(3,270,805,473)
Weighted average number of ordinary shares (*)	39,506,909	39,506,909
Basic earnings per share	**(286)**	**(83)**

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 2023 to 31 March 2023 is 39,560,909.

10. SIGNIFICANT EVENTS

The outbreak of Coronavirus Disease 2019 ("COVID-19") during 2021 and into 2023 has adverse effect on operating results for the three-month period ended 31 March 2023. Therefore, the inflation in Lao PDR is severe which affects the cost of living of lao people in the reduced consumption which affects the operation of LWPC for the quarter 1.

The Group already performed preliminary assessment of the possible impact of Covid-19 and inflation 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 31 March 2023 LAK	*Audited 31 December 2022 LAK*
ASSETS		
Current assets		
Cash and cash equivalents	26,612,888,439	813,871,497
Trade and other receivables	77,210,004,281	77,515,160,590
Loan to related parties	50,224,100,210	50,190,922,033
Inventories	2,790,675,890	2,796,226,664
Other current assets	18,183,427,952	18,402,026,443
Total current assets	**175,021,096,772**	**149,718,207,227**
Non-current assets		
Investment in subsidiaries	30,287,328,874	30,287,328,874
Property, plant and equipment	88,642,402,437	89,570,857,317
Investment property	390,076,262,298	391,786,417,645
Intangible assets	187,187,815	200,263,634
Other non-current assets	1,471,287,202	1,675,957,087
Total non-current assets	**510,664,468,625**	**513,520,824,557**
TOTAL ASSETS	**685,685,565,397**	**663,239,031,784**

LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	142,561,582,112	128,585,347,797
Short-term borrowings	35,393,742,405	35,393,742,405
Unearned income - short term	3,935,911,889	3,935,911,889
Other current liabilities	63,157,133,704	40,701,352,193
Total current liabilities	**245,048,370,110**	**208,616,354,286**
Non-current liabilities		
Long-term borrowings	17,333,672,417	19,071,063,900
Unearned income - long term	285,027,227,453	285,553,234,587
Total non-current liabilities	302,360,899,871	**304,624,298,487**
TOTAL LIABILITIES	**547,409,269,981**	**513,240,652,772**
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	12,214,895,960	23,936,979,555
Total equity	**138,276,295,416**	**149,998,379,012**
TOTAL LIABILITIES AND EQUITY	**685,685,565,397**	**663,239,031,784**

11. SUPPLEMENTARY INFORMATION (continued)

Statement of profit or loss - Lao World Public Company

	Un-Audited For the three-month ended 31 March 2023 LAK	*Un-Audited For the three-month ended 31 March 2022 LAK*
Sales and service revenues	12,679,618,882	7,247,925,716
Cost of sales and services	(1,649,356,542)	(6,508,025,825)
Gross profit	**11,030,262,340**	**242,426,971**
Administrative expenses	(11,120,893,324)	(3,729,982,004)
Other income	-	69,125,481
Gain/(loss) on exchange rate	(11,103,026,770)	(212,582,896)
Operating loss	**(11,193,657,753)**	**(3,133,539,528)**
Interest Income	-	15,047,850
Interest expense	(528,425,842)	354,331,383
Loss before tax	**(11,722,083,595)**	**(2,764,160,295)**
Profit tax expense	-	-
Loss for the period	**(11,722,083,595)**	**(2,764,160,295)**

Mrs. Siphonekham Douangdara
Chief Executive Officer

Mrs. Lamngeun Madmanivong
Chief Financial Officer

Vientiane, Lao PDR

15 May 2023