Lao Cement Public Company

Interim Separate Financial Statements

31 March 2018

Lao Cement Public Company

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Lao Cement Public Company

GENERAL INFORMATION

THE COMPANY

Lao Cement Public Company ("the Company"), formerly known as Lao Cement Co.,Ltd, was established in accordance with the Article of Association signed in Vientiane Laos on 15th December 1998 by Lao Agriculture-Forestry Development and Service Company ("Party A") and China Yunnan Corporation for International Techno-Economic Cooperation ("Party B").

On 6th December 1999, the Company received its first Business Licence No.1154/BLO issued by the Ministry of Industry and Commerce, which allowed the Company to operate in cement and other related cement products for domestic consumption and export.

The Company also obtained amended Business Licenses as following:

Business License	*Date*
0078/BLO	5 April 2006
1719/BLO	26 February 2009
0244/BLO	20 February 2012
1436/BLO	15 Nov 2012
791/BLO	13 November 2015
1016/BLO	5 December 2016
0247/BLO	24 March 2017
0688/BLO	2 August 2017

During the year, the principal activities carried out by the Company are:

- Production of cement and other related cement product;
- Wholesale and retail of cement and other related cement product for domestic consumption and export.

The Company's registered head office is located at Nongbon Road, Nongbon Village, Xaysettha District, Vientiane Capital, Lao PDR. The Company also has Vangvieng Cement Plant No. II located in Vangvieng province, Lao PDR.

THE BOARD OF DIRECTORS

The members of the Board of Directors during the year and as at the date of this report are:

Mr. Liu Wei	Chairman	
Mr. Bounpeng Bouaphanh	Vice chairman	
Mr. Zhangli	Member	
Mr. Zhao Shi	Member	
Mr. Chen Jian De	Member	Resigned on 31 October 2017
Mr. Jie Yaoqi	Member	Appointed on 31 October 2017
Mr. Khambon Xaylaovong	Member	
Mr. Thongpon Kingkhamphet	Member	
Mr. Xiao Jie	Independent member	
Mr. Li Chun Bo	Independent member	
Mr. Vongvichit Keovongkot	Independent member	

GENERAL INFORMATION (continued)

THE COMPANY'S MANAGEMENT

The members of the Company's management during the year and at the date of this report are:

Mr. Zhangli	General Director	
Mr. Liu Wei	Director	
Mr. Bounpeng Bouaphanh	Director	
Mr. Zhao Shi	Director	
Mr. Chen Jian De	Director	Resigned on 31 October 2017
Mr. Jie Yaoqi	Director	Appointed on 31 October 2017
Mr. Khambon Xaylaovong	Director	
Mr. Thongpon Kingkhamphet	Director	
Mr. Xiao Jie	Director	
Mr. Li Chun Bo	Director	
Mr. Vongvichit Keovongkot	Director	

AUDIT COMMITTEE

The members of the Company's audit committee during the year and at the date of this report are:

Mr. Xiao Jie	Chairman
Mr. Li Chun Bo	Member
Mr. Vongvichit Keovongkot	Member

Lao Cement Public Company

REPORT OF MANAGEMENT

Management of Lao Cement Public Company ("the Company") is pleased to present its report and the Company's financial statements for the year ended 31 March 2018.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the financial statements. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and for ensuring that the financial statements comply with an applicable accounting policies. It is also responsible for safeguarding the assets of the Company and thus for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements for the year ended 31 March 2018 which are prepared in accordance with the accounting policies as described in Note 3 to the financial statements.

On behalf of the Board of Directors:

Zhang Li
General Director

Vientiane, Lao PDR

10 May 2018

Lao Cement Co., Public
Nongbone Rd., Saysetha district Vientiane Lao PDR.
021 412111, fax 021 454130

BALANCE SHEET

Quarter I 2018

ASSETS	THIS PERIOD 31/03/2018			LAST PERIOD
	GROSS	Depreciation	NET	NET 31/12/2017
NON-CURRENT ASSETS	**370,063,568,011.65**	**334,002,650,181.90**	**36,060,917,829.75**	**40,720,226,365.00**
Goodwill 2010	-	-	-	-
Intangible Assets	328,548,475.00	-	328,548,475.00	328,548,475.00
Property, plant & equipment	365,277,033,273.75	334,002,650,181.90	31,274,383,091.85	35,542,584,664.00
Assets under construction	4,457,986,262.90	-	4,457,986,262.90	4,849,093,226.00
FINANCIAL ASSETS	**0.00**	**-**	**0.00**	**0.00**
Investments accounted for using	-	-	-	-
Investments in subsidiaries & re	-	-	-	-
Other inverstments	-	-	-	-
Loans & other non-current financ	0.00	-	0.00	0.00
OTHER NON-CURRENT ASSETS	**-**	**-**	**-**	**-**
Deferred tax - Assets	-	-	-	-
Deferred Expenses	-	-	-	-
TOTAL NON-CURRENT ASSETS	**370,063,568,011.65**	**334,002,650,181.90**	**36,060,917,829.75**	**40,720,226,365.00**
CURRENT ASSETS	-	-	-	-
Inventories	35,992,372,257.51	-	35,992,372,257.51	30,841,850,999.00
Receivables & similar assets	**36,200,466,709.98**	**-**	**36,200,466,709.98**	**43,448,076,131.00**
Trade receivables	29,957,802,637.00	-	29,957,802,637.00	42,081,522,477.00
Tax assets	1,169,145,552.40	-	1,169,145,552.40	-
Other receivables	5,073,518,520.58	-	5,073,518,520.58	1,366,553,654.00
Other current assets	10,546,006,058.66	-	10,546,006,058.66	11,624,679,125.00
Defference from currency convers	-	-	-	-
TOTAL CURRENT ASSETS	**82,738,845,026.15**	**-**	**82,738,845,026.15**	**85,914,606,255.00**
TOTAL ASSETS	**452,802,413,037.80**	**334,002,650,181.90**	**118,799,762,855.90**	**126,634,832,620.00**

Vientiane dated: 10 MAY 2018

The Managing Director

ZHANG LI

Finance&Accounting Dept.

ZHANG YONGFU

Reported by

Mr. Phouthasone VELAVONG

Lao Cement Co., Public
Nongbone Rd., Saysetha district Vientiane Lao PDR.
021 412111, fax 021 454130

BALANCE SHEET

Quarter I 2018

LIABILITY	THIS PERIOD 31/03/2018	LAST PERIOD 31/12/2017
EQUITY	**73,364,072,025.31**	**72,333,821,146.00**
- Issued share capital	14,001,400,000.00	14,001,400,000.00
- Share premium & reserves/(Con	34,320,887,134.00	34,320,887,134.00
- Revaluation reserves	-	-
- Reserves relating to investme	-	-
- Net income/(Group share of ne	1,030,250,879.31	-
- Profit & loss accounts	24,011,534,012.00	24,011,534,012.00
Group share of equity	-	-
Minority interests	-	-
TOTAL EQUITY (I)	**73,364,072,025.31**	**72,333,821,146.00**
NON-CURRENT LIABILITIES	-	-
- Defferred tax liabilities	-	-
- Other non-current liabilities	-	-
- Provisions & deferred income	25,116,507,380.00	27,116,507,380.00
- Borrowings	7,107,150,240.00	12,107,150,240.00
TOTAL NON-CURRENT LIABILITIES (II	**32,223,657,620.00**	**39,223,657,620.00**
CURRENT LIABILITIES	-	-
- Short-term borrowing	-	-
- Trade and similar paybles	10,771,928,034.00	10,294,385,490.00
- Deffered incomes	-	-
- Other current liabilities	2,440,105,176.59	4,782,968,364.00
- Bank overdraft	-	0.00
	-	-
TOTAL CURRENT LIAABLILITEIS (III)	**13,212,033,210.59**	**15,077,353,854.00**
TOTAL EQUITY & LIABILITIES (I+II+	**118,799,762,855.90**	**126,634,832,620.00**

Vientiane dated: 10 MAY 2018

The Managing Director

ZHANG LI

Finance&Accounting Dept.

Reported by

Mr. Phouthasone VOLAVONG

ZHANG YONGFU

Lao Cement Co., Public
Nongbone Rd., Saysetha district Vientiane Lao PDR.
021 412111, fax 021 454130

Incomes Statement analysed by nature

Quarter I 2018

DESCRIPTOIN	THIS PERIOD	PREV. PERIOD
I.1 Change in inventories of finished products and work progress	22,810,920,506.00	-
I.2 Capitalised production	3,975,091,130.60	-
I.3 Other incomes	-	-
I Total revenue(I.1+I.2+I.3)	**26,786,011,636.60**	-
II.1 Purchases and change in related inventories	9,934,206,853.86	-
II.2 Other bought-in products and services	7,943,304,692.00	-
IITotal consumption of goods and services (II.1+II.2)	**17,877,511,545.86**	-
III OPERATING VALUE ADDED (I-II)	**8,908,500,090.74**	-
A.1 Operating grants, Personnel costs	4,752,339,090.00	-
A.2 Taxes other than taxes on income	41,077,862.00	-
IV GROSS OPERATING MARGIN (III-A.1-A.2)	**4,115,083,138.74**	-
B.1 Other operating incomes	6,330,230.75	-
B.2 Other operating expenses	-814,874,514.00	-
B.3 Depreciation & impairment losses	-1,945,382,768.78	-
B.4 Reversals of impairment losses & provisions	-	-
V OPERATING PROFIT (LOSS) (IV+B1+B2+B3+B4)	**1,361,156,086.71**	-
VI.1 Financial Incomes	106,046,548.24	-
VI.2 Financial expenses	-436,951,755.64	-
VI FINANCIAL PROFIT (LOSS) (VI.1+VI.2)	**-330,905,207.40**	-
VII PROFIT (LOSS) BEFORE TAX (V+VI)	**1,030,250,879.31**	-
C.1 Current tax	-	-
C.2 Deferred tax	-	-
D.1 ORDINARY PROFIT (LOSS) (I+B.1+B.4+VI.1)	**26,898,388,415.59**	-
D.2 TOTAL OPERATING EXPENSES (VI.2+B.3+B.2+A.2+A.1+II)	**25,868,137,536.28**	-
VIII PROFIT (LOSS) FOR THE PERIOD D.1+C.2-C.1-D2	**1,030,250,879.31**	-
IX.1 Extraordinary Incomes	-	-
IX.2 Extraordinary Charges	-	-
IX EXTRAORDINARY PROFIT (LOSS) (IX.1+IX.2)	-	-
X PROFIT (LOSS) FOR THE PERIOD (VIII+IX)	**1,030,250,879.31**	-
* Group share of profit from investments accounted	-	-
for using the equity method	-	-
TOTAL PROFIT (LOSS) FOR THE PERIOD OF WICH:	-	-
Minority interests	-	-
Group Share	-	-

Vientiane dated: 10 MAY 2018

The Managing Director

ZHANG LI

Finance&Accounting Dept.

ZHANG YONGFU

Reported by

Mr. Phouthasone VOLAVONG

Lao Cement Co., Public
Nongbone Rd., Saysetha district Vientiane Lao PDR.
021 412111, fax 021 454130

Incomes Statement analysed by function within entities

Quarter I 2018

DESCRIPTOIN	THIS PERIOD	PREV. PERIOD
Revenue	22,810,920,506.00	-
Cost of sales	17,383,990,052.04	-
GROSS PROFIT	**5,426,930,453.96**	**-**
Other Operating incomes	6,330,230.75	-
Distribution costs	-1,545,376,484.00	-
Administrative expenses	-1,711,853,600.00	-
Other expenses	-814,874,514.00	-
OPERATING PROFIT (LOSS)	**1,361,156,086.71**	**-**
Financial Incomes	106,046,548.24	-
Financial expenses	-436,951,755.64	-
PROFIT (LOSS) BEFORE TAX	**1,030,250,879.31**	**-**
Current tax	-	-
Deferred tax	-	-
ORDINARY PROFIT (LOSS)	**1,030,250,879.31**	**-**
Extraordinary Incomes	-	-
Extraordinary Charges	-	-
EXTRAORDINARY PROFIT (LOSS)	**-**	**-**
PROFIT (LOSS) FOR THE PERIOD	**1,030,250,879.31**	**-**
* Group share of profit from investments accounted	-	-
for using the equity method	-	-
TOTAL PROFIT (LOSS) FOR THE PERIOD OF WICH:	-	-
Minority interests	-	-
Group Share	-	-

Vientiane dated: 10 MAY 2018

The Managing Director

ZHANG LI

Finance&Accounting Dept.

ZHANG YONGFU

Reported by

Mr. Phouthasone VOLAVONG

Lao Cement Co:, Public
Nongbone Rd., Saysetha district Vientiane Lao PDR.
021 412111, fax 021 454130

STATEMENT OF CASH FLOWS FOR THE ENDED 31 MARCH 2018

DESCRIPTOIN	31/03/2018	31/12/2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	**1,030,250,879.31**	**10,499,668,955.00**
Adjustments for:		
Depreciation of property, plant and equipment	1,945,382,768.78	8,011,596,157.00
Change in provisions for inventories		
Change in Provisions for doubtful debts		1,021,948,000.00
Net foreign exchange loss/gains		27,346,701.00
Interest income		-
Interest expenses	436,951,755.64	1,690,821,492.00
Operating income before working capital changes	**3,412,585,403.73**	**21,251,381,305.00**
Increase in trade and other receivables	-9,438,941,015.73	-12,653,751,383.00
Decrease in inventories	5,150,521,258.51	7,137,614,526.00
Increase/Decrease in trade and other payables	3,706,964,866.58	2,689,915,455.00
Loan interest paid	-176,845,423.00	-1,690,821,492.00
Income tax paid	50,000,000.00	-3,500,917,506.00
Net cash flows from operating activities	**708,300,313.64**	**13,233,420,905.00**
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions of property, plant and equipment	-54,403,286.71	-1,803,531,547.00
Interest received		-
Net cash flows used in investing activities	**-54,403,286.71**	**-1,803,531,547.00**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid		1,305,529,600.00
Proceeds from bank borrowings		21,140,050,240.00
Repayment of bank borrowings	-5,000,000,000.00	-28,809,246,400.00
Net cash flows (used in)/from financing activities	**-5,000,000,000.00**	**-8,974,725,760.00**
Net increase in cash	-933,517,569.34	2,455,163,598.00
Cash at the beginning of the year	11,479,523,628.00	9,045,254,364.00
Impact of exchange rate fluctuation		-20,894,334.00
Cash at the end of the year	**10,546,006,058.66**	**11,479,523,628.00**

Vientiane dated: 10 MAY 2018

The Managing Director

ZHANG LI

Finance&Accounting Dept

ZHANG YONGFU

Reported by

Mr. Phouthasone Volin

Lao Cement Public Company

STATEMENT OF CHANGES IN EQUITY
for the ended 31 March 2018

	Contributed legal capital LAK	*Share premium LAK*	*Legal reserve LAK*	*Plant expansion reserve LAK*	*Retained earnings LAK*	*Total LAK*
As at 31 December 2017	**14,001,400,000**	**16,660,000**	**6,800,594,894**	**17,194,279,118**	**34,320,887,134**	**72,333,821,146**
Issuance of new shares						
Net profit for this period					1,030,250,879	1,030,250,879
Transfer to legal reserve						
Transfer to other reserve						
Additional tax for prior years in accordance with Tax inspection						
Transfer to welfare reserve						
Dividends declared						
As at 31 March 2018	**14,001,400,000**	**16,660,000**	**6,800,594,894**	**17,194,279,118**	**35,351,138,013**	**73,364,072,025**

Zhang LI
General Director

10 May 2018

Zhang Yongju
Head of Accounting – Finance Department

NOTES TO THE FINANCIAL STATEMENTS
as at 31 March 2018

1. CORPORATE INFORMATION

Lao Cement Public Company ("the Company"), formerly known as Lao Cement Co.,Ltd, was established in accordance with the Article of Association signed in Vientiane Laos on 15th December 1998 by Lao Agriculture-Forestry Development and Service Company ("Party A") and China Yunnan Corporation for International Techno-Economic Cooperation ("Party B").

On 6th December 1999, the Company received its first Business Licence No.1154/BLO issued by the Ministry of Industry and Commerce, which allowed the Company to operate in cement and other related cement products for domestic consumption and export.

The Company also obtained amended Business Licenses as following:

Business License	*Date*
0078/BLO	5 April 2006
1719/BLO	26 February 2009
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1436/BLO	15 November 2012
791/BLO	13 November 2015
1016/BLO	5 December 2016
0247/BLO	24 March 2017
0688/BLO	2 August 2017

During the year, the principal activities carried out by the Company are:

- Production of cement and other related cement product;
- Wholesale and retail of cement and other related cement product for domestic consumption and export.

The Company's registered head office is located at Nongbon Road, Nongbon Village, Xaysettha District, Vientiane Capita, Lao PDR. The Company also has Vangvieng Cement Plant No. II located in Vangvieng province, Lao PDR.

As at 31 March 2018, the Company had 410 employees (2016: 440 employees).

2. BASIS OF PREPARATION

The financial statements of the Company have been prepared using the historical cost convention. These financial statements are expressed in Lao Kip ("LAK") as it is the currency in which the majority of the Company's transaction are denominated and settled.

The Company's 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 financial position, results of operations and cash flows of the Company in accordance with international generally accepted accounting principles.

The financial statements are prepared to assist the Company in meeting the reporting requirements of its shareholders. As a result, the financial statements may not be suitable for another purpose and will not be distributed to or used by other parties.

Fiscal year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

The cost of a property, plant and equipment purchased by the Company consists of its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions, improvements and renewals are capitalized while expenditures for maintenance and repairs are charged to the income statement.

When an item of property, plant and equipment is sold or retired, their cost and accumulated depreciation are removed from the balance sheet and any gain or loss resulting from their disposal is included in the other operating income or expense accounts, respectively, in the income statement.

Construction in progress represents assets under construction. This includes the costs of construction and other directly attributable costs.

Fully depreciated assets are retained in the accounts until they are no longer in use and no further depreciation and amortization are recognized in the income statement.

Depreciation

Depreciation of property, plant and equipment is calculated on a straight-line basis over the expected useful lives of the assets as follows:

Buildings and structures	5 to 20 years
Machinery and equipment	5 years
Means of transportation	5 years
Leasehold improvement	10 years
Office equipment	10 years
Others	10 years

Depreciation on property, plant and equipment acquired or disposed of during the year is provided for on a pro-rata basis with reference to the month of acquisition or disposal. No depreciation is provided for assets under construction until such time that the relevant assets are completed and put into use.

Inventories

Inventories are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value.

Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs to complete and the estimated costs necessary to make the sale.

The periodic method is used to record inventories, which are valued as follows:

Raw materials	- cost of purchase on a weighted average cost basis.
Work-in-progress and Finished goods	- cost of direct materials and labour plus attributable manufacturing overheads based on the normal operating capacity on a weighted average cost basis.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Provision for obsolete inventories

Provision for obsolete inventories is the estimated loss arising due to the impairment in value (through diminution, damage, obsolescence, etc.) of inventories based on appropriate evidence of impairment available at the balance sheet date.

Increases and decreases to the provision balance are recorded into the cost of goods sold and services rendered in the income statement.

Trade receivables and provision for doubtful accounts

Trade receivables are stated net of total gross trade receivables and provision for doubtful accounts.

The Company provides allowance for doubtful accounts for trade receivables based on the overdue age of the receivables as follows:

Overdue period	*Provision rate*
6 months to 1 year	30%
From 1 year to 2 years	50%
More than 2 years	100%

Cash

Cash comprises cash on hand and cash in banks.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs are recorded as expenses during the year in which they are incurred.

Trade payables, accrued expenses and other payables

Payables and accruals are recognized for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

Contributed capital

Contributed capital is recognized in the balance sheet when cash is collected from the shareholders in the case of cash contribution or when there is approval from shareholders in the case of contribution in-kind, and share certificate is issued. Any unpaid capital based on Article of Association, enterprise and tax licenses is not recognized in the balance sheet.

Share premium reserve

The share premium is recognized upon issuance of additional shares, at a surplus between the offering price of additional share issuance and the par value, after deduction of share issuance cost (such as underwriting fees and other relevant valuation, consulting costs).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Reserves

Under the requirement of Enterprise Law no. 46/NA dated 26 December 2013, limited liability companies are required to appropriate net profit to legal reserve fund.

The legal reserve fund is a fund to secure against risks, which is ten percent of its net profit into the reserve fund, after deducting its accumulated losses.

Other reserve funds including welfare fund reserve and plant expansion reserve which are appropriated from retained earnings in accordance with the Article of Incorporation of the Company dated 15 December 1998. The appropriation amount is determined by the Company's Board of Director on an annual basis.

Foreign currencies

The financial statements are presented in LAK which is the Company's functional and presentation currency. Transactions in currencies other than LAK are initially translated using the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. All gains and losses are taken to the finance income and finance costs accounts, respectively, in the income statement.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding trade discount, rebate and sales return. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods.

Interest

Revenue is recognised as the interest accrues (taking into account the effective yield on the asset) unless collectability is in doubt.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Taxation

Profit tax is the expected tax payable on the taxable profit for the year, using tax rate enacted at the balance sheet date and applicable to the reporting period, and any adjustment to tax payable in respect of previous years.

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

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

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

Related party transactions

Parties are considered to be related if they have the ability to control or exercise significant influence over each other in making financial and operation decisions or are subject to common control or common significant influence.

Transactions with related parties are conducted based on market prices or, where no market prices exist, at contractually agreed prices.

4. CONSTRUCTION IN PROGRESS

	31 March 2018 LAK	*31 December 2017 LAK*
Konpook mining project	3,275,364,082	3,275,364,082
The plant's second phase project	1,142,409,144	1,142,409,144
	4,417,773,226	**4,417,773,226**

5 OTHER NON-CURRENT ASSETS

The amount of other non-current assets represents the net book value of land and house which were purchased by the Company but were registered under the name of Mr. Vanhthong Sithikoun - the former president of the Company.

6. INVENTORIES

	31 March 2018 LAK	*31 December 2017 LAK*
Raw materials and consumables	11,564,871,986	4,886,547,920
Tools and supplies	12,821,069,275	13,156,886,482
Work in progress	9,795,797,013	5,717,488,331
Finished goods	1,810,633,983	7,080,928,266
	35,992,372,258	30,841,850,999

7. TRADE RECEIVABLES

	31 March 2018 LAK	*31 December 2017 LAK*
Total trade receivables	32,042,027,017	44,165,746,857
Provision for doubtful accounts	(2,084,224,380)	(2,084,224,380)
	29,957,802,637.00	42,081,522,477

8. CASH

	31 March 2018 LAK	*31 December 2017 LAK*
Cash on hand	220,774,830	491,367,723
Cash in banks	10,325,231,229	10,988,155,905
	10,546,006,059	**11,479,523,628**

9. BORROWINGS

Details of the short-term loans from banks as at 31 March 2018 are as follows:

Bank	*Maturity date*	*Interest rate per annum*	*Interest payment*	*Collateral*	*Currency*	*Amount in original currency*	*Balance as at 31 March 2018 (LAK)*
Lao China Bank Co., Ltd	8 June 2018	10%	Monthly	[*]	LAK	1,107,150,240	1,107,150,240
	10 May 2018	8%	Monthly	[*]	LAK	6,000,000,000	6,000,000,000
							7,107,150,240

Details of the short-term loans from banks as at 31 December 2017 are as follows:

Bank	*Maturity date*	*Interest rate per annum*	*Interest payment*	*Collateral*	*Currency*	*Amount in original currency*	*Balance as at 31 December 2017 (LAK)*
Lao China Bank Co., Ltd	8 June 2018	10%	Monthly	[*]	LAK	1,107,150,240	1,107,150,240
	10 October 2018	10%	Monthly	[*]	LAK	5,000,000,000	5,000,000,000
	10 May 2018	8%	Monthly	[*]	LAK	6,000,000,000	6,000,000,000
							12,107,150,240

[*] Collaterals include land and house in Vientiane bought by the Company but registered under the name of Mr. Vanhthong Sithikoun, the former president of the Company.

10. WELFARE FUND RESERVE

	2018 LAK	2017 LAK
As at 1 January	8,002,865,857	8,002,865,857
Appropriation from retained earnings	580,367,002	580,367,002
Disbursement	(3,202,723,944)	(3,202,723,944)
As at 31 March	**5,380,508,915**	**5,380,508,915**

11. OTHER PAYABLES

	31 March 2018 LAK	31 December 2017 LAK
Dividends payable (*)	15,240,964,360	15,240,964,360
Others	71,384,410	71,384,410
	15,312,348,770	**15,312,348,770**

(*) Details of dividends payable are as follows:

	31 March 2018 LAK	31 December 2017 LAK
2016 dividends payable	3,395,146,965	3,395,146,965
2015 dividends payable	5,773,056,205	5,773,056,205
2014 dividends payable	4,810,162,990	4,810,162,990
2013 dividends payable	1,262,598,200	1,262,598,200
2012 dividends payable	-	-
	15,240,964,360	**15,240,964,360**

12. CONTRIBUTED LEGAL CAPITAL

	Charter capital			Contributed charter capital
	Number of share	*%*	*Amounts as per Business License*	
			LAK	*LAK*
China Yunnan Corporation for International Techno-Economic Cooperation (CYC)	14,280,000	50.9950	7,140,000,000	7,140,000,000
Lao Agriculture-Forestry Development and Service Company (DAI)	13,720,000	48.9952	6,860,000,000	6,860,000,000
Mr. Khambon Xaylaovong	400	0.0014	200,000	200,000
Mr. Vanhthong Sitthikoun	400	0.0014	200,000	200,000
Mr. Thongpon Kingkhamphet	400	0.0014	200,000	200,000
Mr. Zhang Li	400	0.0014	200,000	200,000
Mr. Li Ming	400	0.0014	200,000	200,000
Mr. Tian Qing	400	0.0014	200,000	200,000
Mr. Jie Yao Qi	400	0.0014	200,000	200,000
TOTAL	**28,002,800**	**100**	**14,001,400,000**	**14,001,400,000**

13. REVENUE FROM SALE OF GOODS

	2018 LAK	*2017 LAK*
Sale from bagged cement	22,810,920,506	52,306,118,477
Sale from bulk cement		76,546,665,437
Sale from clinker		1,663,520,455
	22,810,920,506	**130,516,304,369**

14. COST OF GOODS SOLD

	2018 LAK	*2017 LAK*
Sale from cement	17,383,990,052	40,162,416,516
Sale from bulk cement		64,355,985,987
Sale from clinker		1,498,760,122
	17,383,990,052	**106,017,162,625**

15. APPROVAL FOR ISSUE

The financial statements as at and for the ended 31 March 2018 were authorised for issue by the Company's management on 10 May 2018.

Zhang Li
General Director

10 May 2018

Zhang Yongfu
Head of Accounting – Finance Department