Lao Culture Tourism Public Group Company

(Previously known as "Lao Cement Public Company")

Special purpose separate financial statements

For the year ended 31 December 2023



CONTENTS

	Pages
General information	1 - 3
Report of management	4
Independent auditors' report	5 - 8
Special purpose separate balance sheet	9
Special purpose separate income statement	10
Special purpose separate statement of changes in equity	11
Special purpose separate statement of cash flows	12
Notes to the special purpose separate financial statements	13 - 31

Lao Culture Tourism Public Group Company
(Previously known as "Lao Cement Public Company")

GENERAL INFORMATION

THE COMPANY

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

On 6 December 1999, the Company received the 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.

On 14 February 2018, the Company received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Company had completed IPO process with the total 40,004,000 shares of the Company (under the ticker "LCC") have been officially listed on Lao Securities Exchange.

On 20 February 2018, Ministry of Industry and Commerce issued Business Licence No.0160/BLO for the Company's name has been changed from Lao Cement Co., Ltd to Lao Cement Public Company.

On 2 May 2023, the Company obtained the new Investment License No. 119.2023/MPI, issued by the Ministry of Planning and Investment, which modified the principal business activities of the Company.

On 30 October 2023, the Company obtained the latest Business License No.3330/BLO from Ministry of Industry and Commerce, according to which the Company's name has been changed from Lao Cement Public Company to Lao Culture Tourism Public Group Company.

The principal activities of the Company changes from production, wholesale and retail of cement and other related cement products to tourism and construction of culture park, hotel and condominium building.

The shareholding structure of the Company as at 31 December 2023 is as follows:

Shareholders	*Number of shares*	*Percentage*
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	14,280,000	35.6964%
Lao Agriculture-Forestry Development and Service Company (DAI)	13,720,000	34.2966%
Lao-China Securities Co., Ltd (LCS)	7,547,800	18.8676%
Other public corporation and individual investors	4,456,200	11.1394%
	40,004,000	

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

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

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

Name	*Position*	*Appointment/resignation*
Mr. Nie Lei	Chairman	Appointed on 09 March 2023
Mr. Yang ChunYin	Chairman	Resigned on 09 March 2023
Mr. Vanthong Sitthikoun	Vice chairman	Appointed on 23 June 2020
Mr. Zhang Jing Hua	Member	Appointed on 09 March 2023
Mrs. Cai Ling Ling	Member	Appointed on 09 March 2023
Mr. Ding Zhen Xu	Member	Appointed on 09 March 2023
Mr.Lyu Lin	Member	Appointed on 09 March 2023
Mr. Khambon Xaylaovong	Member	Appointed on 23 June 2020
Mr. Vichit Souvannalad	Member	Appointed on 23 June 2020
Mr. Dai Rong Hua	Independent member	Appointed on 09 March 2023
Mr. Liu Hao	Independent member	Appointed on 09 March 2023
Mr. Vongvichit Keovongkot	Independent member	Appointed on 23 June 2020
Mr. Jie Yaoqi	Member	Resigned on 09 March 2023
Mr. Zhang Li	Member	Resigned on 09 March 2023
Mr. Ou Yang Ji Yong	Member	Resigned on 09 March 2023
Mr. Xiao Jie	Independent member	Resigned on 09 March 2023
Mr. Li Chun Bo	Independent member	Resigned on 09 March 2023

MANAGEMENT

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

Name	*Position*	*Appointment/resignation*
Mr. Nie Lei	General Director	Appointed on 09 March 2023
Mr. Zhang Li	General Director	Resigned on 09 March 2023
Mr. Vichit Souvannalad	Deputy Director	Appointed on 23 June 2020
Mr. Lyu Lin	Deputy Director	Appointed on 09 March 2023
Mr. Zhang Jing Hua	Director	Appointed on 09 March 2023
Mr. Khambon Xaylaovong	Director	Appointed on 23 June 2020
Mr. Xie Liang Wu	Director	Appointed on 09 March 2023
Mr. Vongvichit Keovongkot	Director	Appointed on 23 June 2020
Mr. Li Chun Bo	Director	Resigned on 09 March 2023
Mr. Jie Yaoqi	Director	Resigned on 09 March 2023
Mr. Xiao Jie	Director	Resigned on 09 March 2023

GENERAL INFORMATION (continued)

AUDIT COMMITTEE

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

Name	*Position*	*Appointment/resignation*
Mr. Dai Rong Hua	Chairman	Appointed on 09 March 2023
Mr. Xiao Jie	Chairman	Resigned on 09 March 2023
Mr. Ding Zhun Xu	Member	Appointed on 09 March 2023
Mr. Vongvichit Keovongkot	Member	Appointed on 23 June 2020
Mr. Liu Hao	Member	Appointed on 09 March 2023
Mr. Li Chun Bo	Member	Resigned on 09 March 2023

LEGAL REPRESENTATIVE

The legal representative of the Company from 1 January 2023 to 08 March 2023 was Mr. Zhang Li, General Director and from 09 March 2023 to the date of this report is Mr. Nie Lei, General Director cum Chairman.

AUDITOR

The auditor of the Company is Ernst & Young Lao Co., Ltd.

Lao Culture Tourism Public Group Company
(Previously known as "Lao Cement Public Company")

REPORT OF MANAGEMENT

Management of Lao Culture Tourism Public Group Company ("the Company") is pleased to present its report and the Company's special purpose separate financial statements for the year ended 31 December 2023.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SPECIAL PURPOSE SEPARATE FINANCIAL STATEMENTS

Management is responsible for the preparation of the special purpose separate financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the special purpose separate financial statements. These accounting policies are not intended to present the special purpose separate financial position, the results of operations and cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those special purpose separate 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 policies have been followed, subject to any material departures disclosed and explained in the special purpose separate financial statements; and
- prepare the special purpose separate 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 special purpose separate financial position of the Company and for ensuring that the special purpose separate financial statements comply with the accounting policies applied. 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 confirmed that it has complied with the above requirements in preparing the accompanying special purpose separate financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying special purpose separate financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the special purpose separate financial statements.

On behalf of the Board of Management:

Mr. Nie Lei
General Director

Vientiane, Lao PDR

12 April 2024

Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
Vientiane Capital, Lao P.D.R.

Tel: +856 21 455 077
Fax: +856 21 455 078
ey.com

Building a better working world

Reference: 11728747/67876709

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Lao Culture Tourism Public Group Company

Opinion

We have audited the special purpose separate financial statements of Lao Culture Tourism Public Group Company ("the Company"), which comprise the special purpose separate financial position as at 31 December 2023, and the special purpose separate income statement, special purpose separate statement of changes in equity and special purpose separate statement of cash flows for the year then ended, and notes to the special purpose separate financial statements, including the material accounting policy information.

In our opinion, the accompanying special purpose separate financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the financial statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the special purpose separate financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to:

- Note 3 of the special purpose separate financial statements which stated that the Company prepared and presented its special purpose separate financial statements for the year ended 31 December 2023 in accordance with the Accounting Law of the Lao PDR and with the regulations stipulated by Ministry of Finance of Lao PDR relevant to preparation and presentation of special purpose separate financial statements, which does not specifically require an entity which has subsidiaries to prepare consolidated financial statements.

  In addition, according to the Securities Law of the Lao People's Democratic Republic, listed entities that function as holding groups are required to prepare consolidated financial statements. However, the Company got the consent from Lao Securities Commission Office for not preparing consolidated financial statements for the year ended 31 December 2023 due to the Company is in the progression of restructuring. Therefore, the Company does not prepare the consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2023.

- Note 3 to the special purpose separate financial statements which describes the accounting policies adopted by the Company. These accounting policies are not intended to present the special purpose separate financial position, the special purpose separate results of operations and special purpose separate cash flows of the Company in accordance with international generally accepted accounting principles. As also disclosed in Note 2 to the special purpose separate financial statements, the special purpose separate financial statements are prepared to assist the Company's management in meeting the reporting requirements of its owners. As a result, the special purpose separate financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Company's management and its owners, and should not be distributed to or used by other parties.

A member firm of Ernst & Young Global Limited

Our conclusion is not modified in respect of these matters.

Material Uncertainty Related to Going Concern

We draw attention to Note 2 in the special purpose separate financial statements, which indicates that the Company incurred a net profit from other operating income of LAK 1.8 billion for the year ended 31 December 2023. As of this date, the Company's accumulated losses of LAK 75 billion exceeded contributed charter capital by LAK 55 billion, and the Company's current liabilities also exceeded its current assets by LAK 49.7 billion. On 25 August 2020, the Company published Announcement No.202/LCC about temporarily ceasing all production until further notice. As stated in Note 2, these events, or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the special purpose separate financial statements of the current year. In addition to the matter described in the Material Uncertainty Related to Going Concern section above, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the special purpose separate financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the special purpose separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the special purpose separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying special purpose separate financial statements.

Impairment of inventories

As at 31 December 2023, the Company presented the total of net inventories of LAK 6.9 billion, including the provision of LAK 11.1 billion. Such total inventories accounted for 13.2% of the total assets of the Company. We considered the valuation of inventories to be a key audit matter because (a) the impact of provision for inventories adjustment is material to the profit or loss for the year, and (b) the impairment calculation requires significant judgement in determining the impaired volume and estimated selling price. As a result, our audit procedures, among others, including obtaining the understanding of the Company's internal process over the valuation of inventories, verification of their physical conditions and testing the relevant net realisable values. The Company's disclosure about the relevant accounting policy and the detailed disclosure about the Company's inventories are presented in Notes 3 and Note 9.

Responsibilities of Management and Those Charged with Governance for the Special purpose separate financial statements

Management is responsible for the preparation of the special purpose separate financial statements in accordance with the accounting policies as described in Note 3 to the special purpose separate financial statements, and for such internal control as management determines is necessary to enable the preparation of the special purpose separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose separate financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

A member firm of Ernst & Young Global Limited

Other information

Management is responsible for the other information. The other information comprises the information included in business performance review but does not include the special purpose separate financial statements and our auditor's report thereon. The business performance review is expected to be made available to us after the date of this auditor's report.

Our opinion on the special purpose separate financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the special purpose separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the special purpose separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Auditors' Responsibilities for the Audit of the Special Purpose Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the special purpose separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these special purpose separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the special purpose separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

A member firm of Ernst & Young Global Limited

Building a better working world

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For and on behalf of Ernst & Young Lao Co., Ltd



Anh Hoang Trinh
Partner

Vientiane, Lao PDR

12 April 2024

A member firm of Ernst & Young Global Limited

Lao Culture Tourism Public Group Company
(Previously known as "Lao Cement Public Company")

SPECIAL PURPOSE SEPARATE BALANCE SHEET
as at 31 December 2023

	Notes	31 December 2023 LAK	31 December 2022 LAK
ASSETS			
Non-current assets			
Property, plant and equipment	4	569,628,666	3,569,273,346
Construction in progress	6	33,848,808,652	5,965,924,208
Intangible fix assets	5	3,689,043,755	328,548,475
Investment in subsidiaries	7	1,189,235,074	-
Other non-current assets		-	147,280,000
Total non-current assets		**39,296,716,147**	**10,011,026,029**
Current assets			
Other current assets	8	1,705,010,743	46,422,040
Inventories	9	6,880,835,715	10,868,847,852
Amount due from related parties		224,362,213	-
Trade receivables	10	2,464,105,715	2,463,928,625
Cash	11	1,606,207,716	643,463,064
Total current assets		**12,880,522,102**	**14,022,661,581**
TOTAL ASSETS		**52,177,238,249**	**24,033,687,610**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		1,441,398,721	1,047,905,716
Advance from customers	12	20,274,717,670	127,773,000
Amounts due to related parties	22	8,389,384,462	6,257,925,856
Statutory obligations	13	6,109,246,395	5,178,864,580
Payables to employees		8,019,276,919	9,083,230,303
Other payables	14	18,364,896,342	14,577,977,551
Total current liabilities		**62,598,920,509**	**36,273,677,006**
TOTAL LIABILITIES		**62,598,920,509**	**36,273,677,006**
Equity			
Contributed capital	15	20,002,000,000	20,002,000,000
Share premium		18,385,975,511	18,385,975,511
Legal reserve		7,704,052,546	7,704,052,546
Plant expansion reserve		18,549,465,596	18,549,465,596
Accumulated losses		(75,063,175,913)	(76,881,483,050)
Total equity		**(10,421,682,260)**	**(12,239,989,397)**
TOTAL LIABILITIES AND EQUITY		**52,177,238,249**	**24,033,687,610**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

12 April 2024

Lao Culture Tourism Public Group Company
(Previously known as "Lao Cement Public Company")

SPECIAL PURPOSE SEPARATE INCOME STATEMENT
for the year ended 31 December 2023

	Notes	2023 LAK	2022 LAK
Revenue from sale of goods		-	-
Cost of goods sold		-	-
Gross loss		**-**	**-**
Other operating income	16	24,108,787,955	2,464,852,716
Other operating expenses	17	(9,810,203,397)	(18,176,290,928)
Provision for doubtful accounts		-	(2,776,485,098)
Administrative expenses	18	(11,325,016,316)	(7,417,425,881)
Operating income/(loss)		**2,973,568,242**	**(25,905,349,191)**
Finance income	19	8,138,373	2,703,950,163
Finance costs	20	(1,163,399,478)	(265,972,635)
Profit/(Loss) before tax		**1,818,307,137**	**(23,467,371,663)**
Profit tax expenses	21	-	-
Net profit/(loss) after tax for the year		**1,818,307,137**	**(23,467,371,663)**

ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ
Lao Cement Public Company

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

12 April 2024

Lao Culture Tourism Public Group Company

(Previously known as "Lao Cement Public Company")

SPECIAL PURPOSE SEPARATE STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2023

	Contributed legal capital LAK	*Share premium LAK*	*Legal reserve LAK*	*Plant expansion reserve LAK*	*Retained earnings/ (accumulated losses) LAK*	*Total LAK*
As at 1 January 2022	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(53,414,111,387)	11,227,382,266
Net loss for the year	-	-	-	-	(23,467,371,663)	(23,467,371,663)
As at 31 December 2022	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(76,881,483,050)**	**(12,239,989,397)**
As at 1 January 2023	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(76,881,483,050)	(12,239,989,397)
Net profit for the year	-	-	-	-	1,818,307,137	1,818,307,137
As at 31 December 2023	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(75,063,175,913)**	**(10,421,682,260)**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

12 April 2024

Lao Culture Tourism Public Group Company
(Previously known as "Lao Cement Public Company")

SPECIAL PURPOSE SEPARATE STATEMENT OF CASH FLOWS
for the year ended 31 December 2023

	Notes	2023 LAK	2022 LAK
OPERATING ACTIVITIES			
Profit/(loss) before tax		**1,818,307,137**	**(23,467,371,663)**
Adjustments for:			
Depreciation of property, plant and equipment	4,5	3,026,514,300	6,003,561,616
(Reversal of provision)/provision for inventories		(610,550,245)	6,360,384,099
(Reversal of provision)/provision for doubtful account		(7,650,143,450)	2,776,485,098
Net foreign exchange (gain)/loss		1,217,159,590	(2,459,572,919)
Profit from investing activities		(8,794,535,894)	(626,830)
Interest expenses	20	-	22,222,222
Working capital adjustments:		-	
(Increase)/decrease in trade and other receivables, including amount due from related parties		(222,082,236)	7,709,466,890
Decrease (increase) in other current assets		(1,665,724,036)	-
Decrease in inventories		4,598,562,382	3,572,447,792
Increase/(decrease) in trade and other payables, including amount due to related parties		23,862,314,306	(845,303,561)
Loan interest paid		-	(22,222,222)
Interest income		8,138,373	626,832
Net cash flows from/(used in) operating activities		**15,587,960,227**	**(349,902,646)**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		(22,420,000)	(38,000,000)
Proceeds from disposals of fixed assets		8,794,535,894	220,000,000
Acquisitions of intangible fix assets		(3,273,189,600)	-
Proceeds from disposals fix assets		55,524,700	-
Investment in subsidiaries		(1,189,235,074)	-
Construction in progress		(19,006,976,169)	-
Net cash flows (used in)/from investing activities		**(14,641,760,249)**	**182,000,000**
FINANCING ACTIVITIES			
Repayment of bank borrowings		-	(2,000,000,000)
Net cash flows used in financing activities		**-**	**(2,000,000,000)**
Net decreased in cash		946,199,978	(2,167,902,646)
Cash at the beginning of the year		643,463,064	351,792,791
Forex		16,544,674	2,459,572,919
Cash at the end of the year	**11**	**1,606,207,716**	**643,463,064**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

12 April 2024

1. CORPORATE INFORMATION

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

On 6 December 1999, the Company received the 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.

On 14 February 2018, the Company received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Company had completed IPO process with the total 40,004,000 shares of the Company (under the ticker "LCC") have been officially listed on Lao Securities Exchange.

On 20 February 2018, Ministry of Industry and Commerce issued Business Licence No.0160/BLO for the Company's changed of its name from Lao Cement Co., Ltd to Lao Cement Public Company.

On 2 May 2023, the Company obtained the new Investment License No. 119.2023/MPI, which is issued by the Ministry of Planning and Investment, which modified the principal business activities of the Company.

On 30 October 2023, the Company obtained its latest Business Licence No.3330/BLO Ministry of Industry and Commerce, according to which the Company's name has been changed from Lao Cement Co., Ltd to Lao culture Tourism Public group company.

The principal activities of the Company changes from production, wholesale and retail of cement and other related cement products to tourism and construction of culture park, hotel and condominium building.

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

As at 31 December 2023, the Company had 52 employees (31 December 2022: 46 employees).

2. BASIS OF PREPARATION

Purpose of the preparation of the special purpose separate financial statements and reason of not preparing the special purpose consolidated financial statements

The Company has subsidiaries as disclosed in Note 1 and Note 23 to the special purpose separate financial statements. The Company prepared and presented its special purpose separate financial statements for the year ended 31 December 2023 in accordance with the Accounting Law of the Lao PDR and with the regulations stipulated by Ministry of Finance of Lao PDR relevant to preparation and presentation of financial statements which does not specifically require entity which has subsidiaries to prepare consolidated financial statements under the accounting policies adopted by the company as described in Note 3.

In addition, according to the Securities Law of the Lao People's Democratic Republic, listed entities that function as holding groups are required to prepare consolidated financial statements. However, the company got the consent from Lao Securities Commission Office for not preparing consolidated financial statements for the year ended 31 December 2023 due to the company is in the progression of restructuring which was recorded in the official letter 126/LCC dated on 9 April 2024 from the Company to Lao Securities Commission Office.

Therefore, the Company does not prepare the special purpose consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2023.

According to the Accounting Law No.47/NA dated 26 December 2013, public interest entities, including listed companies should apply International Financial Reporting Standards ("IFRS") in preparing their annual financial statements, starting from 2017. In accordance with the Official Letter No. 1137/MOF dated 27 April 2020 by the Ministry of Finance, public interest entities are allowed to delay the application of IFRS until 1 January 2026.

For the year ended 31 December 2023, the Company has prepared its annual financial statements in accordance with the accounting policies as set out in Note 3 to the special purpose separate financial statements. These accounting policies are not intended to present the special purpose separate financial position, special purpose separate results of operations and special purpose separate cash flows of the Company in accordance with international generally accepted accounting principles.

The special purpose separate financial statements of the Company have been prepared using the historical cost convention. These special purpose separate 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.

Going concern assumption

The Company incurred a net profit after tax of LAK 1.8 billion for the year ended 31 December 2023. As at this date, the Company's accumulated losses of LAK 75 billion exceeded contributed charter capital by LAK 55 billion, and the Company's current liabilities also exceeded its current assets by LAK 49.7 billion. On 25 August 2020, the Company published Announcement No.202/LCC about temporarily ceasing cement production until further notice. The Company is transitioning from cement production to tourism, construction of culture park, hotel and condominium building. These conditions indicate that a material uncertainty exists that may cast significant doubt about the Company's ability to continue as a going concern. In view thereof, the Company's ability to continue in business is dependent on the continuing financial support from its owner.

2. BASIS OF PREPARATION (continued)

The Company's management has prepared appropriate business and finance plans to the operations of the Company. In addition, Yunan Qianhan – its majority shareholder, also has confirmed its willingness and ability to provide adequate funds to the Company to enable it to continue operations for thought the next 12 months, if necessary. On this basis, the Company's management considers it is as appropriate to prepare the Company's special purpose separate financial statements on the going concern basis.

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 special purpose separate income statement.

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

Depreciation

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

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

The useful life of leasehold improvement is determined based on management estimates on expected usage and might be different with the lease term.

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.

Intangible fix assets

Intangible fix assets consist of computer software and land use right. The cost of the software comprises its purchase price plus any directly attributable costs of bringing the software to working condition for its intended use.

Land use rights with indefinite term of use and are stated at cost. The cost of land use rights, which comprise the purchase price and any directly attributable costs, is not amortized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

The Company as a lessee

Leases, where all the risks and benefits of ownership of the leased items are not transferred substantially to the Company are operating leases. Operating lease payments are recognized as an expense in the profit or loss on a straight-line basis over the lease term. Contingent rental payable is recognized as an expense in the period in which they are incurred.

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, consumables, tools and supplies	-	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.

Investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The Group controls an entity when the group is exposed to, or has rights to, variable returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains or loss on transactions between group companies are eliminated. A list of the group's subsidiaries is shown in note 7.

In the special purpose separate financial statements, investments in subsidiaries are accounted at cost.

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 other operating expenses for additional provision and in the other operating income for reversal of provision in the special purpose separate 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 consideration of historical data and 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%

Increases or decreases to the provision balance are recorded as "Other operating expenses" or "Other operating income" respectively in the special purpose separate financial statements

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 special purpose separate 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 special purpose separate 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, public 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 (10%) of its net profit into the reserve fund, after deducting its accumulated losses. When the legal reserve reaches one-half of the contributed charter capital, the Company may suspend the conversion of profit to such fund, unless otherwise approved by the Company's owners.

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 Directors on an annual basis.

Reserve funds of current year are appropriated from net profit of prior year upon the approval of the Annual General Meeting of Shareholders.

Foreign currencies

The special purpose separate 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 special purpose separate 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.

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.

Any adjustments to the amount of tax payable of prior years as a result of Tax inspection are recorded directly into retained earnings.

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 operational 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.

Other operating expenses

Expenses relating to the suspended plants are recognised as other operating expenses.

Segment information

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities per Business License are to produce and distribute cement and other related cement products. In addition, these activities are only taking place within Lao PDR. Therefore, the Company's risks and returns are not impacted by the Company's services that the Company is providing or the locations where the Company is doing the business. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

4. PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures LAK	*Machinery and equipment LAK*	*Means of transportation LAK*	*Leasehold improvement LAK*	*Office equipment LAK*	*Others LAK*	*Total LAK*
Cost							
As at 1 January 2023	134,382,315,687	212,710,511,562	21,688,472,198	1,855,693,263	2,088,589,576	436,983,816	373,162,566,102
Additional	-	-	-	-	22,420,000	-	22,420,000
Disposal	-	(730,329,600)	(6,280,801,027)	-	-	-	(7,011,130,627)
As at 31 December 2023	134,382,315,687	211,980,181,962	15,407,671,171	1,855,693,263	2,111,009,576	436,983,816	366,173,855,475
Accumulated depreciation							
As at 1 January 2023	133,038,621,827	211,559,068,574	20,662,628,285	1,807,400,678	2,088,589,576	436,983,816	369,593,292,756
Charge for the year	1,343,693,860	1,151,442,988	475,843,913	48,292,585	2,791,334	-	3,022,064,680
Disposal	-	(730,329,600)	(6,280,801,027)	-	-	-	(7,011,130,627)
As at 31 December 2023	134,382,315,687	211,980,181,962	14,857,671,171	1,855,693,263	2,091,380,910	436,983,816	365,604,226,809
Net book value							
As at 1 January 2023	1,343,693,860	1,151,442,988	1,025,843,913	48,292,585	-	-	3,569,273,346
As at 31 December 2023	-	-	550,000,000	-	19,628,666	-	569,628,666

5. INTANGIBLE FIX ASSETS

	Software LAK	*Land use right* LAK	*Total* LAK
Cost			
At 1 January 2023	-	328,548,475	328,548,475
Additional	38,139,600	3,382,330,000	3,420,469,600
Other	-	(55,524,700)	(55,524,700)
At 31 December 2023	38,139,600	3,655,353,775	3,693,493,375
Accumulated depreciation			
At 1 January 2023	-	-	-
Charge for the year	4,449,620	-	4,449,620
At 31 December 2023	4,449,620	-	4,449,620
Net book value			
At 1 January 2023	-	328,548,475	328,548,475
At 31 December 2023	33,689,980	3,655,353,775	3,689,043,755

6. CONSTRUCTION IN PROGRESS

	31 December 2023 LAK	*31 December 2022* LAK
Konpook mining project	5,966,361,212	5,965,924,208
Building 21	27,518,092,056	-
Grand house project	269,752,000	-
Nongbone project	52,484,784	-
Resort Hotel project	42,118,600	-
	33,848,808,652	**5,965,924,208**

7. INVESTMENT IN SUBSIDIARIES

	31 December 2023 LAK	*31 December 2022 LAK*
Subsidiary		
Zhongke Herb (Lao) Sole Co., LTD (i)	558,564,000	-
Lao City Construction Development Sole Co., LTD (ii)	630,671,074	-
Lao New Building Materials Sole Co., LTD (iii)	-	-
	1,189,235,074	**-**

(i) On 14 March 2023, the company established Zhongke Herb (Lao) Sole Co., LTD, a company incorporated in Lao PDR, with registered capital at LAKm 1,000. The principal activity of Zhongke Herb (Lao) Sole Co., LTD is growing and importing herbal plants.

(ii) On 14 June 2023, the company established Lao City Construction Development Sole Co., LTD, a company incorporated in Lao PDR, with registered capital at LAKm 5,000. The principal activity of Lao City Construction Development Sole Co., LTD is construction service.

(iii) On 08 August 2023, the company established Lao New Building Materials Sole Co., LTD, a company incorporated in Lao PDR, with registered capital at LAKm 20,000. The principal activity of Lao New Building Materials Sole Co., LTD is providing the construction material and supply tools.

8. OTHER CURRENT ASSETS

	31 December 2023 LAK	*31 December 2022 LAK*
Advance to employees	1,045,274,299	46,422,040
Others	659,736,444	-
	1,705,010,743	**46,422,040**

9. INVENTORIES

	31 December 2023 LAK	*31 December 2022 LAK*
Raw materials and consumables	1,250,456,423	1,324,092,176
Tools and supplies	6,771,477,945	10,317,849,338
Work in progress	9,139,216,605	10,117,771,841
Finished goods	773,052,367	773,052,367
Provision for inventories	(11,053,367,625)	(11,663,917,870)
	6,880,835,715	**10,868,847,852**

10. TRADE RECEIVABLES

	31 December 2023 LAK	*31 December 2022 LAK*
Trade receivables	2,907,725,672	10,557,692,032
Provision for doubtful accounts	(443,619,957)	(8,093,763,407)
	2,464,105,715	**2,463,928,625**

Details of provision for doubtful accounts as at 31 December 2023 are as follows:

Overdue status	*Receivable balance*	*Provision*
6 months to 1 year past due	-	-
From 1 year to 2 years past due	-	-
More than 2 years past due	(443,619,957)	(443,619,957)
Total	**(443,619,957)**	**(443,619,957)**

Details of provision for doubtful accounts as at 31 December 2022 are as follows:

Overdue status	*Receivable balance*	*Provision*
6 months to 1 year past due	-	-
From 1 year to 2 years past due	-	-
More than 2 years past due	8,093,763,407	8,093,763,407
Total	**8,093,763,407**	**8,093,763,407**

11. CASH

	31 December 2023 LAK	*31 December 2022 LAK*
Cash on hand	51,939,545	449,123,078
Cash in banks	1,554,268,171	194,339,986
	1,606,207,716	**643,463,064**

12. ADVANCES FROM CUSTOMERS

	31 December 2023 LAK	*31 December 2022 LAK*
Advance from a purchaser according to the asset's disposal contract	18,537,768,000	109,773,000
Advance from condominium deposit	1,716,949,670	-
Other advance from customers	20,000,000	18,000,000
	20,274,717,670	**127,773,000**

13. STATUTORY OBLIGATIONS

	31 December 2023 LAK	*31 December 2022 LAK*
Foreign contractor tax payables	3,058,050,485	3,058,050,485
Output value added tax	1,240,616,125	331,786,100
Profit tax payable (Note 21)	479,656,526	479,656,526
Other taxes	1,330,923,259	1,309,371,469
	6,109,246,395	**5,178,864,580**

14. OTHER PAYABLES

	31 December 2023 LAK	*31 December 2022 LAK*
Dividends payable to related parties (Note 22) (*)	13,581,363,960	13,581,363,960
Others	4,783,532,382	996,613,591
	18,364,896,342	**14,577,977,551**

(*) Details of dividends payable to related parties are as follows:

	31 December 2023 LAK	*31 December 2022 LAK*
2016 dividends payable to related parties	3,395,146,565	3,395,146,565
2015 dividends payable to related parties	5,773,056,205	5,773,056,205
2014 dividends payable to related parties	*4,413,161,190*	4,413,161,190
	13,581,363,960	**13,581,363,960**

15. CONTRIBUTED CAPITAL

15.1 Shares

	31 December 2023		31 December 2022	
	Quantity (shares)	Amount (LAK)	Quantity (shares)	Amount (LAK)
Authorized shares				
Issued and paid-up shares				
Ordinary shares	40,004,000	20,002,000,000	40,004,000	20,002,000,000

On 14 February 2018, the Company received the Certificate of Initial Public Offering (IPO) completion No.0008/LSX issued by Lao Securities Commission Office, according to which the Company had completed IPO process with the total 40,004,000 shares of the Company (under the ticker "LCC") have been officially listed on Lao Securities Exchange.

The shareholding structure of the Company as at 31 December 2023 and 31 December 2022 is as follows:

	31 December 2023		31 December 2022	
Shareholders	Number of shares	Percentage	Number of shares	Percentage
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	14,280,000	35.696%	14,280,000	35.6964%
Lao Agriculture-Forestry Development and Service Company (DAI)	13,720,000	34.297%	13,720,000	34.2966%
Lao China Securities Co., Ltd (LCS)	7,547,800	18.868%	7,547,800	18.8676%
Other public corporation and individual investors	4,456,200	11.139%	4,456,200	11.1394%
	40,004,000		**40,004,000**	

16. OTHER OPERATING INCOME

	2023 LAK	2022 LAK
Income from disposal of raw material, scrap and fix assets	12,350,399,288	1,520,350,878
Reversal of provision doubtful debts	7,650,143,450	-
Reversal of provision for inventories	610,550,245	-
Others	3,497,694,972	944,501,838
	24,108,787,955	**2,464,852,716**

17. OTHER OPERATING EXPENSES

These mainly comprise expenses relating to the suspended plants with detail is as follows:

	2023 LAK	*2022 LAK*
Depreciation expenses of suspended plants	2,809,950,490	5,895,139,412
Provision of inventory	-	6,360,384,099
Personnel expenses	1,538,474,388	516,923,150
Utility and fuel	231,908,051	190,672,561
Cost of raw material disposed	4,754,291,346	3,336,013,921
Others	475,579,122	1,877,157,785
	9,810,203,397	**18,176,290,928**

18. ADMINISTRATIVE EXPENSES

	2023 LAK	*2022 LAK*
Personnel expenses	6,609,121,196	4,825,910,675
Technical fees	8,000,000	582,746,161
Depreciation expenses	216,563,810	108,422,204
Utility and fuel expenses	415,621,344	157,748,920
Rental fee	230,016,914	6,508,412
Maintenance expenses	511,556,703	52,494,000
Printing and publication expenses	35,620,800	30,069,253
Travelling expenses	554,334,624	370,571,244
Office supplies	187,019,786	7,172,397
Guest welcoming and entertainment	477,340,801	239,832,900
Discount to customers	207,381,850	127,206,325
Audit fee	739,206,000	516,600,000
Other administrative expenses	1,133,232,488	392,143,390
	11,325,016,316	**7,417,425,881**

19. FINANCE INCOME

	2023 LAK	*2022 LAK*
Interest income	8,138,373	626,831
Foreign exchange gain	-	2,703,323,332
	8,138,373	**2,703,950,163**

20. FINANCE COSTS

	2023 LAK	2022 LAK
Interest expenses	-	22,222,222
Foreign exchange losses	1,163,399,478	243,750,413
	1,163,399,478	**265,972,635**

21. PROFIT TAX

According to Amended Investment Certificate dated 17 November 1998, the Company was granted with an exemption from profit tax for 4 years commencing with the first year of earning profits and a 50% reduction on the applicable profit tax rate for the following 2 years. The Company has the obligation to pay profit tax ("PT") at the rate of 20% after the tax reduction period. The first year of earning profits is financial year ended 31 December 2005.

The Company has been listed with in Lao Stock Exchange since 2 March 2018. According to Notification No. 2618/TD dated 4 June 2018 from the Ministry of Finance, the Company is granted profit tax reduction of 5% from normal rate for the first four years from 2018 to 2021. Subsequently, the Company has the obligation to pay PT at normal applicable rate. In accordance with the Law on Profit Tax No.67/NA dated 18 June 2019 (replaced the Tax Law No.70/NA) which is effective for the periods from 1 January 2020, PT rate at 13% applied to the listed Company in LSX for a period of four years commencing from listed date and at 20% for the subsequent years. Accordingly, the Company's taxable income for the year 2023 would be subject to the PT rate of 20%.

The tax returns filed by the Company 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 special purpose separate financial statements could change at a later date upon final determination by the tax authorities.

The current tax payable is based on taxable profit for the year. The Company's liability for current tax is calculated using tax rates that have been enacted at the balance sheet date.

The estimation of profit tax is presented below:

Currency: LAK

	2023	2022
Gain/(loss) before tax	**1,818,307,137**	**(23,467,371,663)**
Adjustments		
Provision for inventories (Note16,17)	-	6,360,384,099
Provision for doubtful accounts (Note 16,17)	(7,650,143,450)	2,776,485,098
Other non-taxable income	699,649,070	-
Other non-deductible expenses	3,796,823,105	1,004,872,034
Estimated current taxable losses	**(1,335,364,138)**	**(13,325,630,431)**
Estimated current PT expenses at rate 20% (2022: 20%)	-	-
PT payable at beginning of the year	479,656,526	479,656,526
PT paid during the year		-
PT payable at the end of the year (Note 13)	**479,656,526**	**479,656,526**

21. PROFIT TAX (continued)

Tax losses carried forward

For tax loss incurred from 2020 and afterwards, in accordance with the amended Tax Law No. 67/NA dated 18 June 2019, article 23, annual losses which are certified by the audit authority or an independent audit firm and acknowledged by the tax authorities, are eligible to be carried forward to offset with future taxable profits for a period of five years after the losses incurred.

Tax losses incurred in 2019 and before are eligible to be carried forward to offset with future taxable profits for a period of three years after the losses incurred, in accordance with the previous Tax Law.

At the balance sheet date, the Company has aggregated accumulated tax losses available for offset against future taxable income. Details are as follows:

Currency: LAK

Originating year	*Can be utilized up to*	*Tax loss amount*	*Utilized up to 31 December 2023*	*Forfeited*	*Unutilized at 31 December 2023*
2019	2022	22,074,986,857	-	(22,074,986,857)	-
2020	2025	34,611,776,360	-	-	34,611,776,360
2021	2026	12,384,451,613	-	-	12,384,451,613
2022	2027	13,325,630,431	-	-	13,325,630,431
2023	2028	1,945,914,383	-	-	1,945,914,383
TOTAL		**84,342,759,644**	**-**	**(22,074,986,857)**	**62,267,772,787**

Estimated tax loss as per the Company's profit tax declaration for the year 2019, 2020, 2021, 2022 and 2023 have not been audited by the local tax authorities as of the date of these special purpose separate financial statements.

22. RELATED PARTY TRANSACTIONS

Transactions with related parties are conducted at contractually agreed prices. Significant transactions with related parties during the years were as follows:

Related parties	*Relationship*	*Nature of transaction*	*2023 LAK*	*2022 LAK*
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	Shareholder	Net debt transfer from CYC	3,220,310,863	1,883,107,316

22. RELATED PARTY TRANSACTIONS (continued)

Balances investment in and due from related parties as at 31 December 2023 and 31 December 2022 were as follows:

Related parties	*Relationship*	*Nature of transaction*	*31 December 2023 LAK*	*31 December 2022 LAK*
Zhong Que Herbs Lao Co., LTD	Subsidiary	Investment	558,564,000	-
		Advance	16,509,801	-
Lao City Construction Development Sole Co., LTD	Subsidiary	Investment	630,671,074	-
		Advance	140,185,912	-
Lao New Building Materials Sole Co., LTD	Subsidiary	Investment	-	-
		Advance	67,666,500	-
			1,413,597,287	**-**

Balances due to related parties as at 31 December 2023 and 31 December 2022 were as follows:

Related parties	*Relationship*	*Nature of transaction*	*31 December 2023 LAK*	*31 December 2022 LAK*
Amounts due to related parties				
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	Shareholder	Net debt transfer from CYC	3,220,310,863	1,883,107,316
		Borrowing	794,255,059	-
Lao Agriculture-Forestry Development and Service Company (DAI)	Shareholder	Purchase of materials	4,374,818,540	4,374,818,540
			8,389,384,462	**6,257,925,856**
Other payables (Note 13)				
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	Shareholder	Dividend payable	7,736,383,104	7,736,383,104
Lao Agriculture-Forestry Development and Service Company (DAI)	Shareholder	Dividend payable	5,844,980,856	5,844,980,856
			13,581,363,960	**13,581,363,960**

22. RELATED PARTY TRANSACTIONS (continued)

Other transactions with related parties

Remuneration to management during the year were as follows:

	2023 LAK	2022 LAK
Salaries and bonus	1,691,969,253	481,690,689
	1,691,969,253	**481,690,689**

23. SUBSEQUENT EVENTS

There has not been any significant event that has arisen since 31 December 2023 that requires adjustments or disclosures to be made in the special purpose separate financial statements.

24. APPROVAL FOR ISSUE

The special purpose separate financial statements as at and for the year ended 31 December 2023 were authorised for issue by the Company's management on 11 April 2024.

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

12 April 2024