Lao Culture Tourism Public Group Company

(Previously known as “Lao Cement Public Company”)

Sepecial purpose separate financial statements (Unaudited)

For the three-month period of quarter I ended 31 March 2024

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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 change 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, issued by the Ministry of Planning and Investment, which modified the principal business activities of the Company.

On 30 October 2023, Ministry of Industry and Commerce issued Business License No.3330/BLO for the company's change of its name from Lao Cement Public Company to Lao Culture Tourism Public Group Company.

The Company also obtained the following amended Business Licenses:

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 March 2024 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	

GENERAL INFORMATION (continued)

THE COMPANY (continued)

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.

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.

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 separate financial statements for the year ended 31 March 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE SEPARATE FINANCIAL STATEMENTS

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

STATEMENT BY MANAGEMENT

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

On behalf of the Board of Management:

Mr. Nie Lei
General Director

Vientiane, Lao PDR

20 May 2024

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

SPECIAL PURPOSE SEPARATE BALANCE SHEET (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Notes	31 March 2024 LAK	31 December 2023 LAK
ASSETS			
Non-current assets			
Property, plant and equipment	4	1,049,541,899	569,628,666
Construction in progress	6	35,213,924,602	33,848,808,652
Intangible assets	5	3,687,136,775	3,689,043,755
Investment in subsidiaries	7	1,564,427,541	1,189,235,074
Other non-current assets		-	-
Total non-current assets		**41,515,030,818**	**39,296,716,147**
Current assets			
Other current assets	8	3,948,327,562	1,705,010,743
Inventories	9	6,872,650,400	6,880,835,715
Amount due from related parties		380,262,419	224,362,213
Trade receivables	10	4,645,717,467	2,464,105,715
Cash	11	231,253,104	1,606,207,716
Total current assets		**16,078,210,952**	**12,880,522,102**
TOTAL ASSETS		**57,593,241,769**	**52,177,238,249**
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables		1,467,170,721	1,441,398,721
Advance from customers	12	24,775,995,210	20,274,717,670
Amounts due to related parties	22	8,406,951,725	8,389,384,462
Statutory obligations	13	6,103,534,143	6,109,246,395
Payables to employees		9,891,220,678	8,019,276,919
Other payables	14	20,779,887,719	18,364,896,342
Total current liabilities		**71,424,760,195**	**62,598,920,509**
TOTAL LIABILITIES		**71,424,760,195**	**62,598,920,509**
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		(78,473,012,079)	(75,063,175,913)
Total equity		**(13,831,518,426)**	**(10,421,682,260)**
TOTAL LIABILITIES AND EQUITY		**57,593,241,769**	**52,177,238,249**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

20 May 2024

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

SPECIAL PURPOSE SEPARATE INCOME STATEMENT (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Notes	*31 March 2024* *LAK*	*31 March 2023* *LAK*
Revenue from sale of goods		-	-
Cost of goods sold		-	-
Gross loss		**-**	**-**
Other operating income	16	631,825,000	853,938,000
Other operating expenses	17	(596,057,352)	(2,745,405,253)
Provision for doubtful accounts		-	-
Selling and distribution costs		-	(311,689,953)
Administrative expenses	18	(3,578,912,753)	(2,057,448,283)
Operating loss		**(3,543,145,105)**	**(4,260,605,489)**
Finance income	19	452,715,865	12,454,551
Finance costs	20	(318,706,233)	(43,558,509)
Loss before tax		**(3,409,135,473)**	**(4,291,709,447)**
Profit tax expenses	21	-	-
Net loss after tax for the year		**(3,409,135,473)**	**(4,291,709,447)**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

20 May 2024

Lao Culture Tourism Public Group Company

(Previously known as "Lao Cement Public Company")

SPECIAL PURPOSE SEPARATE STATEMENT OF CHANGES IN EQUITY (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	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 2023	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(76,867,283,050)	(12,225,789,398)
Net loss for the year	-	-	-	-	(4,291,709,447)	(4,291,709,447)
As at 31 March 2023	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(81,158,992,497)**	**(16,517,498,845)**
As at 31 January 2024	20,002,000,000	18,385,975,511	7,704,052,546	18,549,465,596	(78,473,012,079)	(13,831,518,426)
Net profit for the year	-	-	-	-	(3,409,135,473)	(3,409,135,473)
As at 31 March 2024	**20,002,000,000**	**18,385,975,511**	**7,704,052,546**	**18,549,465,596**	**(81,882,147,552)**	**(17,240,653,899)**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

20 May 2024

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

SEPARATE STATEMENT OF CASH FLOWS (Unaudited)
For the three-month period of quarter I ended 31 March 2024

	Notes	*31 March 2024 LAK*	*31 March 2023 LAK*
OPERATING ACTIVITIES			
Profit/(loss) before tax		**(3,409,135,473)**	**(4,291,709,447)**
Adjustments for:			
Depreciation of property, plant and equipment	4,5	78,213,267	1,894,781,651
(Reversal of provision)/provision for inventories		-	-
(Reversal of provision)/provision for doubtful account		-	-
Net foreign exchange (gain)/loss		131,678,405	(31,103,958)
Profit from investing activities		-	-
Interest expenses		-	-
Working capital adjustments:		-	-
(Increase)/Decrease in trade and other receivables, including amount due from related parties		(4,545,528,047)	1,700,628,780
Decrease (increase) in other current assets			-
Decrease in inventories		8,185,315	644,801,076
Increase/(decrease) in trade and other payables, including amount due to related parties		6,869,203,485	(212,302,060)
Loan interest paid		-	-
Interest income		-	
Net cash flows from/(used in) operating activities		**(867,383,048)**	**92,630,900**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		-	-
Proceeds from disposals of fixed assets		-	-
Acquisitions of intangible fix assets		-	-
Proceeds from disposals fix assets		-	-
Investment in subsidiaries		-	-
Construction in progress		-	-
Net cash flows (used in)/from investing activities		**-**	**-**
FINANCING ACTIVITIES			
Repayment of bank borrowings		-	-
Net cash flows used in financing activities		**-**	**-**
Net decreased in cash		(1,374,954,612)	(123,734,859)
Cash at the beginning of the year		1,606,207,716	643,463,064
Forex			-
Cash at the end of the year	**11**	**231,253,104**	**767,197,921**

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

20 May 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 6th 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 change 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.

On 30 October 2023, Ministry of Industry and Commerce issued Business Licence No.3330/BLO for the company’s change of its name 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 March 2024, the Company had 53 employees (31 December 2023: 52 employees).

2. BASIS OF PREPARATION

The Company has subsidiaries as disclosed in Note 7 to the separate financial statements. The Company prepared and presented its separate financial statements for the three-month period of quarter I ended 31 March 2024 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 separate 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. Therefore, the Company does not prepare the consolidated financial statements of the Company and its subsidiaries for the three-month period of quarter I ended 31 March 2024.

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.

According to the Law on Securities No. 79/NA dated 03 December 2019, if an issuer is a group of companies, the financial statements shall comprise both separate and consolidated financial information. However, the company is granted exemption by Lao Securities Commission Office to not prepare consolidated financial statements due to in progression of restructuring, in accordance with meeting with LSCO on 5th March, 2024.

For the three-month period of quarter I ended 31 March 2024, the Company has prepared its annual financial statements in accordance with the accounting policies as set out in Note 3 to the separate financial statements. These accounting policies are not intended to present the separate financial position, separate results of operations and separate cash flows of the Company in accordance with international generally accepted accounting principles.

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

As at 31 December 2023, 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. 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 cash flow from future operating activities and/or the continuing financial support from its owner.

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 and for the coming year, if necessary. On this basis, the Company's management considers it is as appropriate to prepare the Company's 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 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 are recognized in the 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 assets

Intangible assets represent 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)

Other non-current assets

Assets which were purchased, controlled and used by the Company of which tittles are registered under other parties' names are reported as Company's other non-current assets. Depreciation is calculated on a straight-line basis over the expected useful life of 20 years.

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 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 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 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 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, 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 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 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							
At 1 January 2024	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
Additional	-	-	482,369,500	-	75,757,000	-	558,126,500
Disposal	-	-	(507,423,931)	-	(808,022,481)	-	(1,315,446,413)
At 31 March 2024	134,382,315,687	211,980,181,962	15,382,616,740	1,855,693,263	1,378,744,095	436,983,816	365,416,535,562
Accumulated depreciation							
At 1 January 2024	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
Charge for the year	-	-	75,000,000	-	3,213,269	-	78,213,269
Disposal	-	-	(507,423,931)	-	(808,022,481)	-	(1,315,446,412)
At 31 March 2024	134,382,315,687	211,980,181,962	14,425,247,240	1,855,693,263	1,286,571,698	436,983,816	364,366,993,666
Net book value							
At 31 January 2024	-	-	550,000,000	-	19,628,666	-	569,628,666
At 31 March 2024	-	-	957,369,500	-	92,172,399	-	1,049,541,899

5. INTANGIBLE FIX ASSETS

	Software *LAK*	*Land use right* *LAK*	*Total* *LAK*
Cost			
At 1 January 2024	-	328,548,475	328,548,475
Addition	38,139,600	3,382,330,000	3,420,469,600
Other	-	(55,524,700)	(55,524,700)
At 31 March 2024	38,139,600	3,655,353,775	3,693,493,375
Accumulated depreciatior			
At 1 January 2024	-	-	-
Charge for the year	6,356,600	-	6,356,600
At 31 March 2024	6,356,600	-	6,356,600
Net book value			
At 1 January 2024	-	328,548,475	328,548,475
At 31 March 2024	31,783,000	3,655,353,775	3,687,136,755

6. CONSTRUCTION IN PROGRESS

	31 March 2024 *LAK*	*31 December 2023* *LAK*
Konpook mining project	5,966,361,212	5,966,361,212
Building 21	28,875,935,507	27,518,092,056
Grand house project	277,024,500	269,752,000
Nongbone project	52,484,784	52,484,784
Resort Hotel project	42,118,600	42,118,600
	35,213,924,602	**33,848,808,652**

7. INVESTMENT IN SUBSIDIARIES

	31 March 2024 LAK	*31 December 2023 LAK*
Subsidiary		
Zhongke Herb (Lao) Sole Co., LTD (i)	558,564,000	558,564,000
Lao City Construction Development Sole Co., LTD (ii)	1,005,863,541	630,671,074
Lao New Building Materials Sole Co., LTD (iii)	-	-
Lao National Tourism Planning and Design Institute Sole Co., LTD (vi)	-	-
Laos International Exhibition Services Sole Co., LTD (v)	-	-
Laos Mineral Resources Development Sole Co,. LTD (vi)	-	-
	1,564,427,541	**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 8 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.

(iv) On 12 October 2023, the company established National Tourism Planning and Design Institute Sole Co., LTD, a company incorporated in Lao PDR, with registered capital at LAKm 2,000. The principal activity of National Tourism Planning and Design Institute Sole Co., LTD is providing building design services, design tourist attractions services and explore the design and construction of road bridges.

(v) On 1 February 2024, the company established Laos International Exhibition Services Sole Co., LTD, a company incorporated in Lao PDR, with registered capital at LAKm 500. The principal activity of Laos International Exhibition Services Sole Co., LTD is providing film production, produce advertising media, and image design.

(vi) On 29 February 2024, the company established Laos Mineral Resources Development Sole Co,. LTD, a company incorporated in Lao PDR, with registered capital at LAKm 500. The principal activity of Laos Mineral Resources Development Sole Co,. LTD is providing mining exploration services

8. OTHER CURRENT ASSETS

	31 March 2024 *LAK*	*31 December 2023* *LAK*
Advance to employees	849,061,082	1,045,274,299
Others	3,099,266,480	659,736,444
	3,948,327,562	**1,705,010,743**

9. INVENTORIES

	31 March 2024 *LAK*	*31 December 2023* *LAK*
Raw materials and consumables	1,249,366,857	1,250,456,423
Tools and supplies	6,764,382,196	6,771,477,945
Work in progress	9,139,216,605	9,139,216,605
Finished goods	773,052,367	773,052,367
Provision for inventories	(11,053,367,625)	(11,053,367,625)
	6,872,650,400	**6,880,835,715**

10. TRADE RECEIVABLES

	31 March 2024 *LAK*	*31 December 2023* *LAK*
Trade receivables	5,089,337,424	10,557,692,032
Provision for doubtful accounts	(443,619,957)	(8,093,763,407)
	4,645,717,467	**2,463,928,625**

Details of provision for doubtful accounts as at 31 March 2024 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 March 2024 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 March 2024 LAK	*31 December 2023 LAK*
Cash on hand	26,029,893	51,939,545
Cash in banks	205,223,211	1,554,268,171
	231,253,104	**1,606,207,716**

12. ADVANCES FROM CUSTOMERS

	31 March 2024 LAK	*31 December 2023 LAK*
Advance from a purchaser according to the asset's disposal contract	20,575,694,000	18,537,768,000
Advance from Condominium deposit	4,180,301,210	1,716,949,670
Other Advance from customers	20,000,000	20,000,000
	24,775,995,210	**20,274,717,670**

13. STATUTORY OBLIGATIONS

	31 March 2024 LAK	*31 December 2023 LAK*
Foreign contractor tax payables	3,058,050,485	3,058,050,485
Output value added tax	1,240,616,125	1,240,616,125
Profit tax payable (Note 20)	479,656,526	479,656,526
Other taxes	1,325,211,007	1,330,923,259
	6,103,534,143	**6,109,246,395**

14. OTHER PAYABLES

	31 March 2024 LAK	*31 December 2023 LAK*
Dividends payable to related parties (Note 21) (*)	13,581,363,960	13,581,363,960
Others	7,198,523,760	4,783,532,382
	20,779,887,719	**18,364,896,342**

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

	31 March 2024 LAK	*31 December 2023 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 March 2024		*31 December 2023*	
	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 March 2024 and 31 December 2023 is as follows:

	31 March 2024		*31 December 2023*	
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

	31 March 2024 LAK	*31 March 2023 LAK*
Income from disposal of raw material, scrap and fix assets	210,000,000	517,638,000
Others	421,825,000	336,300,000
	631,825,000	**853,938,000**

17. OTHER OPERATING EXPENSES

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

	31 March 2024 LAK	*31 March 2023 LAK*
Depreciation expenses of suspended plants	2,092,268	2,439,113,323
Provision of inventory	-	-
Personnel expenses	469,459,114	194,884,025
Utility and fuel	70,932,219	66,211,208
Cost of raw material disposed	-	-
Others	53,573,751	45,196,697
	596,057,352	**2,745,405,253**

18. ADMINISTRATIVE EXPENSES

	31 March 2024 LAK	*31 March 2023 LAK*
Personnel expenses	1,987,957,029	1,269,934,322
Technical fees	-	-
Depreciation expenses	78,027,981	17,817,803
Utility and fuel expenses	79,131,507	99,236,670
Rental fee	54,032,337	61,919,903
Maintenance expenses	144,569,487	49,590,245
Printing and publication expenses	4,960,000	6,052,000
Travelling expenses	77,459,868	76,104,059
Office supplies	21,080,024	-
Guest welcoming and entertainment	254,498,092	-
Consultant fee	375,993,000	-
Other administrative expenses	501,203,428	476,793,281
	3,578,912,753	**2,057,448,283**

19. FINANCE INCOME

	31 March 2024 LAK	*31 March 2023 LAK*
Interest income	28,817	626,027
Foreign exchange gain	452,687,048	10,830,523
	452,715,865	**12,454,550**

20. FINANCE COSTS

	31 March 2024 *LAK*	*31 March 2023* *LAK*
Interest expenses	-	-
Foreign exchange losses	318,706,233	43,558,509
	318,706,233	**43,558,509**

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 2022 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 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

	31 March 2024	*31 December 2023*
Gain/(loss) before tax	**(3,409,135,473)**	**1,818,307,137**
Adjustments		
Provision for inventories	-	-
Provision for doubtful accounts *(Note 16)*	-	(7,650,143,450)
Other non-taxable income	421,825,000	699,649,070
Other non-deductible expenses	538,380,092	3,796,823,105
Estimated current taxable losses	**(2,448,930,381)**	**(1,335,364,138)**
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 March 2024*	*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	2,767,313,684	-	-	2,767,313,684
2024	2029	2,448,930,381	-	-	2,448,930,381
TOTAL		**87,613,089,326**	**-**	**(22,074,986,857)**	**65,538,102,469**

Estimated tax loss as per the Company's profit tax declaration for the year 2019, 2020, 2021, 2022, 2023 and 2024 have not been audited by the local tax authorities as of the date of these 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*	*31 March 2024 LAK*	*31 March 2023 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 March 2024 and 31 March 2023 were as follows:

Related parties	*Relationship*	*Nature of transaction*	*31 March 2024 LAK*	*31 March 2023 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 March 2024 and 31 March 2023 were as follows:

Related parties	*Relationship*	*Nature of transaction*	*31 March 2024 LAK*	*31 March 2023 LAK*
Amounts due to related parties				
Yunnan Qianhan Technology Network Limited ("Yunnan Qianhan")	Shareholder	Net debt transfer from CYC	3,220,310,863	3,220,310,863
		Borrowing	794,255,059	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	**8,389,384,462**
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:

	31 March 2024 LAK	*31 March 2023 LAK*
Salaries and bonus	595,362,000	616,557,000
	595,362,000	**616,557,000**

23. SUBSEQUENT EVENTS

There has not been any significant event that has arisen since 31 March 2024 that requires adjustments or disclosures to be made in the separate financial statements.

24. APPROVAL FOR ISSUE

The separate financial statements as at and for the year ended 31 March 2024 were authorised for issue by the Company's management on 20 May 2024.

Mr. Nie Lei
General Director

Mr. Zhang Jing Hua
Head of Accounting & Finance

Vientiane, Lao PDR

20 May 2024