

**Prospectus Dated 10 December 2013**



**LAO WORLD PUBLIC COMPANY**

**Initial Public Offering of**

**Up to 3,956,100 Ordinary Shares**

**of**

**Lao World Public Company**

**(The “Company” or “Lao World”)**

(Registered in the Lao People’s Democratic Republic (“Lao PDR”) as a public company with limited liability)

**Par Value of Kip: 2,000 per share**

**Offering Price:**

Kip 10,200 per share to the Public inside Lao PDR and international



**IMPORTANT NOTICE**

THIS IS AN IMPORTANT DOCUMENT AND SHOULD BE READ IN ITS ENTIRETY. YOU MAY WISH TO CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR OR OTHER PROFESSIONAL, ADVISER ABOUT ITS CONTENTS.

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**Subscription Period:**

Between 08.30 am – 3.30 pm., during 17-19 December 2013  
(except on 19 December 2013, the subscription will be closed at 12.00 pm.)

**Financial Advisor and Underwriter:**

BCEL-KT Securities Company Limited

**External Auditor:**

PricewaterhouseCoopers (Lao) Limited

**Legal Advisor:**

Lao Premier International Law Office Limited

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Prior to making a decision to invest, investors should exercise their own judgment when considering the information relating to the issuing company and the conditions of securities, including the suitability for investment and the relevant risk exposure. The effectiveness of this prospectus does not represent that the Securities and Exchange Commission or the Office of the Securities and Exchange Commission has recommended investment in the securities, nor assured the value or returns on the securities, nor certified the accuracy and completeness of the information contained in this prospectus. The liability for certification of the accuracy and completeness of information contained in this prospectus rests with the offerors of securities.

If the prospectus contains any false statements or omits to state any material information which should be disclosed, securities holders shall be entitled to claim damages from the issuing company or the owner of the securities pursuant to the relevant laws and regulations in the Lao PDR.

Investor may review and request a copy of the registration statement and prospectus filed with the Office of the Securities and Exchange Commission at the Office of the Securities and Exchange or via its website at <http://www.lsc.gov.la>

**Investing in the Company's shares involves risk.  
Investors should consider the information herein before making a decision to invest.**

The Company is offering up to 3,956,100 ordinary shares of the Company (the “**Shares**”), in accordance with the rules and regulations of the Securities and Exchange Commission of Lao PDR (the “**SEC**”) pursuant to the initial public offering (the “**IPO**” or the “**Offer**”).

As part of the Offer, the Shares are being distributed and offered in a public offering to investors inside and outside Lao PDR by BCEL-KT Securities Company Limited (“**BCEL-KT**” the “**Underwriter**”) through Banque Pour Le Commerce Exterieur Lao Public (“**BCEL**” or the “**Selling Agent**”) in reliance on applicable laws in the countries in which such offers are made, (altogether the “**Combined Offer**”).

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A prospectus originally written in the Lao language has been filed with the Office of the Securities and Exchange Commission of Lao PDR (the “**Office of the SEC**”) (the “**Lao Prospectus**”). The English translation of the Lao Prospectus (the “**English Prospectus**”) was prepared by BCEL-KT and the company. Although care was taken to render the translation as reliable as possible, it does not carry any legal authority and no representation is made as to its accuracy and the English translation is not a prospectus defined under the Securities Law No. 21/NA (the “**SEC Law**”). Only the original text written in the Lao language has legal force under the SEC Law and the Lao law requires the distribution of a prospectus that has become effective under the SEC Law in connection with any public offering of Shares in Lao PDR. The Offer will be in compliance with the applicable rules and regulations of the SECO and the Lao Prospectus was prepared specifically for the initial public offering of the Shares in Lao PDR. Accordingly, **the Shares will not be registered under the securities laws in any jurisdiction other than the securities laws of Lao PDR.** No representation is being given that the form or contents of the Lao Prospectus and the English Prospectus are appropriate or sufficient for an offering in any other jurisdiction. The Lao Prospectus and the English Prospectus should be read together prior to making an investment decision to buy the Shares.

This Offer is the initial public offering of the Company’s Shares and if the Lao Securities Exchange (the “**LSX**”) approves the initial listing application of the Company, the Company’s shares will be listed on the LSX. The LSX is a new secondary market which was established in October 2010. The Company will apply for the listing and trading of the shares on the LSX on date. The Company expects that its shares will be listed on the LSX and begin trading on or around date.

The Company expects that payment for the Shares will be within the offering period, in immediately available funds, that delivery of the Shares to shareholders will be made through the LSX’s depository with the Securities Depository Center and the Shares of the Company will be approved for listing on the LSX no more than 7 days after submitting the listing application.

Prior to investment in the Shares, investors should consider risks involved. Please read the sections titled “Risk Factors” prior to investing in the Shares”.

**REGISTERED & PRINCIPAL OFFICE****Lao World Public Company**

Lao-ITECC Building,  
Kamphengmouang Road  
Ban Phonthan Neua, Xaysettha district,  
Vientiane, Lao PDR

**LEGAL ADVISOR****Lao Premier International Law Office**

7<sup>th</sup> Floor, Lao Securities Exchange Building  
Kamphengmouang Road,  
Ban Phonthan Neua, Xaysettha district  
Vientiane, Lao PDR

**INDEPENDENT ACCOUNTANT****PricewaterhouseCoopers (Lao) Limited**

4<sup>th</sup> Floor, ANZ Vientiane Commercial  
Building  
33 Lane Xang Avenue  
Ban Hatsady, Chanthabouly district  
Vientiane, Lao PDR

**FINANCIAL ADVISOR****BCEL-KT Securities Company Limited**

7<sup>th</sup> Floor, Lao Securities Exchange Building  
Kamphengmouang Road,  
Ban Phonthan Neua, Xaysettha district,  
Vientiane, Lao PDR

**UNDERWRITER****BCEL-KT Securities Company Limited**

7<sup>th</sup> Floor, Lao Securities Exchange Building  
Kamphengmouang Road,  
Ban Phonthan Neua, Xaysettha district,  
Vientiane, Lao PDR

**SELLING AGENT****Banque Pour Le Commerce Exterieur Lao  
Public**

No. 1, Pangkham Street  
Chanthabouly district  
Vientiane, Lao PDR

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The information in this Prospectus may only be accurate as of the date of this Prospectus. Investors should be aware that since the date of this Prospectus there may have been changes in certain information contained in it, e.g. business, financial conditions, results of operations, prospects or otherwise that could affect the accuracy or completeness of the information herein.

In making an investment decision, investors must rely on their own examination of the Lao Prospectus, the English Prospectus and other documents in connection with the Offer, including its merits and the risks involved. Investors should not construe the contents of this Prospectus or its appendices as legal, business, financial or tax advice. Each investor should consult its own legal counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning an investment in the Shares, as the case may be.

The Offer has not been approved by the authorities in any jurisdiction other than the Office of the SEC or disapproved or recommended by the authorities in any jurisdiction. No representation is being given that the form or contents of this Prospectus are appropriate or sufficient for an offering in any other jurisdiction.

In this Prospectus, the terms have the following definitions:

Term	Refers to:
Lao- ITECC Agreement	Agreement on Lao-ITECC dated 24 December 2003 and as amended on 11 May 2011 and 17 Sep 2012.
Amended Agreement	The Amended Agreement on Lao-ITECC on 11 May 2011 and 17 Sep 2012.
Savan -ITECC Agreement	Agreement on Savan -ITECC dated 22 July 2009.
AOA	Articles of Association of the Company
BCEL	Banque Pour Le Commerce Exterieur Lao Public (“Selling Agent”)
BCEL-KT	BCEL-KT Securities Company Limited (“Financial Advisor and Underwriter”)
BOL	The Bank of Lao PDR
BOT	Build, Operate and Transfer
Conversion Date	The date that the Company was converted to a Public Company, being 12 October 2011
ERC	Enterprise Registration Certificate
Lao World or the Company	Lao World Public Company, registered in Lao PDR
Lao World Savan or Affiliate Company	Lao world Savan Company Limited, registered in Lao PDR.
Financial Advisor	BCEL-KT Securities Company Limited
Financial Statements	The financial statements, consisting of (i) the balance sheet, (ii) the income statement and (iii) statement of cash flow, which are reviewed and audited by PWC for the years 2010, 2011, 2012 (iv) unaudited internal financial statement for the six month period end 30 June 2013 of the Company and affiliated company.
GOL	The Government of Lao PDR
IFRS	International Financial Reporting Standards
Initial Public Offering or IPO	Initial Public Offering of the Shares of Lao World on the Lao Securities Exchange
Investment License	Foreign investment No.002-04/khor.lor.hor dated 15 January 2004
LAK or Kip	The Lao Kip, which is the legal tender currency of Lao PDR
Lao-ITECC	Lao International Trade Exhibition and Convention Center
Lao PDR	The Lao People’s Democratic Republic
LAS	Lao Accounting Standards
LITECC cinema	Lao-ITECC cinemas operated by Lao World
LSX	The Lao Securities Exchange
MOF	The Ministry of Finance
MOIC	The Ministry of Industry and Commerce
MPI	The Ministry of Planning and Investment
NASC Resolution	NASC Resolution No. 132/NASC dated 13 December 2010
Offer or Combined Offer	The Initial Public Offering of the Shares in accordance with the rules and regulations of the SEC pursuant to the initial public offering
Offering Period	The Offering period of the Shares of Lao World being offered between 08.30 am – 3.30 pm., during 17-19 December 2013 (except on 19 December 2013, the subscription will be closed at 12.00 pm.)
Office of the SEC	The Office of the Securities and Exchange Commission of Lao PDR
PPE	Plant, Property and Equipment
PWC	PricewaterhouseCoopers (Lao) Limited
SEC	The Securities and Exchange Commission of Lao PDR
Selling Agent	Banque Pour Le Commerce Exterieur Lao Public
Shares	up to 3,956,100 Ordinary Shares of par value Kip 2,000 per share
Supermarket or Tang Freres	The Supermarkets operated by Lao World with the brand “Tang Freres”
Thai Baht	The legal tender currency of the Kingdom of Thailand
TRC	Tax Registration Certificate
Underwriter	BCEL-KT Securities Company Limited
Underwriting Agreement	The Underwriting Agreements between the Company and the Underwriter
USD	United States dollars

## EXECUTIVE SUMMARY

*The following summary may not contain all of the information that may be important to investors. Investors should read this entire Prospectus, including the financial data and related notes and the “Risk Factors” before making an investment decision. See also Section 1.4 on Business for more details of the Company’s business*

### THE COMPANY

The Company signed a 35-year concession agreement with the Government of the Lao PDR (“GOL”) on 24 December 2003 which requires the Company to invest in an exhibition hall, entertainment complex, and other related business within a contract area of 142,627 square meters on the GOL’s land at consideration due to GOL for 35 years from the agreement date. In addition, all assets and business, under the above mentioned concession agreement, will be transferred to the GOL at the completion date of the agreement under the Build, Operate and Transfer (“BOT”) conditions. In addition, the Company has received exemption from corporate income tax from the first 10 years of operation commencing 24 December 2003 and further subject to a reduced income tax rate at 50 percent of the normal income tax rate for another 10 years.

Lao World Public Company (the “Company” or “Lao World”) was originally established as a limited company, Lao World Company Limited, on 31 March 2004 as a 100 percent owned by a family of Thai businessman, Mr. Sackchai Wongmalasith. Lao World converted to a public company with limited liability, establishing the Company, on 12 October 2011 under the laws of Lao PDR (the “Conversion Date”), having its registered address at Khampheng Mouang Road, Ban Phonthan Neua, Xaysettha District Vientiane, Lao PDR.

On 22 November 2011, the Company increased its registered capital to Kip 44,190,000,000, and was issued with Enterprise Registration Certificate No. 4224/ERO (“ERC”).

On 11 May 2011 and 17 September 2012, GOL and the Company agreed to amend the Agreement on Lao-ITECC dated 24 December 2003; the concession period is extended more 55 years from 35 years to 90 years (from 2003 – 2093) and adds a condition to facilitate the Company’s listing on the Lao Securities Exchange (“LSX”).

Prior to the Offering, there are 9 promoters jointly hold 100 percent of the total capital of the Company. On 28 May 2013, The 1st General Meetings of the shareholders held on 2013, had a resolution to obtain Lao World Savan Co., Ltd. (“Lao World Savan”) to be the affiliated company by purchasing shares of Lao World Savan. The Company also increased the registered capital in the amount of Kip 27,019,618,000 from Kip 44,190,000,000 to Kip 71,209,618,000. As a result, the Company holds Lao World Savan shares 99.99 percent of the total shares.

### BUSINESS

- The Company operates business under Lao-ITECC Agreement dated 24 December 2003 and as amended on 11 May 2011 and 17 September 2012 for doing the following services:
- Exhibition and
- Supermarket, Trade center and import goods



- Car rental, Conference and meeting room, Seminar room, Office, Internet room and Banquet Hall
- Food center and Entertainments
- Art performance, Cinema and Concert
- Bowling and Game machines
- Health center
- Education center
- Amusement park and Swimming pool

In the present, the Company has operated consist of exhibition, conference, banquet, supermarket and entertainment.

The Company's total revenues as of 2012, 2011 and 2010 amounted to Kip 75.93 billion, Kip 61.90 billion and Kip 65.19 billion respectively.

	2012		2011		2010	
	Billion Kip	%	Billion Kip	%	Billion Kip	%
Sales and service revenue						
• Sales revenue	38.31	50.45	33.26	53.73	37.56	57.62
• Service revenue	36.99	48.72	28.73	46.42	23.98	36.78
<b>Total sales and service revenue</b>	<b>75.30</b>	<b>99.17</b>	<b>61.99</b>	<b>100.15</b>	<b>61.54</b>	<b>94.40</b>
Other income	0.19	0.25	0.009	0.01	0.041	0.06
Gain (loss) on exchange rate	0.30	0.39	(0.1)	(0.16)	3.43	5.26
Interest income	0.15	0.19	-	-	0.18	0.28
<b>Total revenues</b>	<b>75.93</b>	<b>100</b>	<b>61.90</b>	<b>100</b>	<b>65.19</b>	<b>100</b>

## FUTURE PLANS

The Company aims to maintain to be the largest convention and entertainment centre in Lao PDR. The principle activities of Lao World involve exhibition, conferences, seminars, entertainment and related activities. The Company also plans to expand the area of its business by establishment a state-of-the-art shopping mall, with the aim to cater to foreign and domestic customer needs and to expand its market to the international level.

## SELECTED FINANCIAL INFORMATION

The table shown below is a summary of the Company's financial information for the years 2012, 2011 and 2010. Investors should read this table in conjunction with the Company's "Financial statements", a copy of which is provided at Appendix II.

## Balance Sheet

Financial Summary (Kip)	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
Cash and cash equivalents	3,131,367,829	5,727,416,256	2,964,167,413
Current assets	39,354,848,822	12,474,357,105	10,856,754,383
Non-current assets	69,706,599,123	73,243,451,343	77,098,731,489
<b>Total Assets</b>	<b><u>109,061,447,945</u></b>	<b><u>85,820,162,863</u></b>	<b><u>87,955,485,872</u></b>
Borrowing	14,008,750,000	13,675,748,240	30,408,738,761
Current liabilities	30,378,076,823	24,207,059,131	40,309,194,066
<b>Total liabilities</b>	<b><u>30,378,076,823</u></b>	<b><u>24,207,059,131</u></b>	<b><u>40,309,194,066</u></b>
Issued and paid-up share capital	44,190,000,000	44,190,000,000	7,875,000,000
Retained earnings	34,493,371,122	17,423,103,732	39,771,291,806
<b>Total shareholders' equity</b>	<b><u>78,683,371,122</u></b>	<b><u>61,613,103,732</u></b>	<b><u>47,646,291,806</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>109,061,447,945</u></b>	<b><u>85,820,162,863</u></b>	<b><u>87,955,485,872</u></b>

## Income Statement

Financial Summary (Kip)	For the year end of 31 December 2012	For the year end of 31 December 2011	For the year end of 31 December 2010
Revenue from sales and services	75,297,132,412	61,993,684,902	61,540,051,717
Cost of sales and services	(44,430,912,248)	(37,537,062,045)	(38,127,856,265)
<b>Gross Profit</b>	<b><u>30,866,220,164</u></b>	<b><u>24,456,622,857</u></b>	<b><u>23,412,195,452</u></b>
<b>Operating profit</b>	<b><u>17,046,358,492</u></b>	<b><u>13,966,811,926</u></b>	<b><u>16,638,961,901</u></b>
<b>Net profit for the year</b>	<b><u>17,070,267,390</u></b>	<b><u>13,966,811,926</u></b>	<b><u>16,606,836,064</u></b>

## **THE OFFER**

Offer Details	Description
The Issuer	Lao World Public Company
Combined Offer	3,956,100 ordinary shares are being offered to the public in Lao PDR and international. The Combined Offer has been registered as an initial public offering with the Lao SEC.
Public Offer	Shares are being offered in an initial public offering in the Lao PDR by the Underwriter through the Selling Agent. Shares are being offered outside the Lao PDR by the Underwriter to investors in reliance on other applicable laws in the countries in which such offers are made.
Par Value	Kip 2,000 per share.
Offering Price	Kip 10,200 per share for the shares to be offered to the public in the Lao PDR and foreign investors
Voting Rights	Owners of the shares will be entitled to full voting rights. See "Description of Shares – Voting Rights"
Dividend	The Company will pay dividend to shareholders at no less than 50 percent of the available net profit of the Company after deducting statutory/legal reserve fund and other reserve funds (if any), please see "Dividend policy". However, the dividend payment will be depended on the consideration and approval from the shareholders' meeting.  The dividend paid to shareholders will be subject to tax exemption.
Listing	The Company will make the application for listing eligibility review prior to the application for initial listing of the Company's shares on the LSX, which will be made promptly after the Company (i) registers the increase in its capital with the MOIC and

Offer Details	Description
	(ii) receives the updated enterprise registration certificate from the MOIC, both of which will take place after the offering of and subscription for the IPO
Settlement and Delivery of the Shares	Delivery of the shares will be made after the payment for the shares offered. It is expected that delivery of the shares in the IPO will be made through the LSX's depository by the Securities Depository Centre approximately 15 business days after the payment for the shares
Share Ownership Restriction	Upon the approval on the IPO by the SECO and initial listing by the LSX, foreign investors may hold the Shares according to the terms and conditions of this Prospectus.
Use of Proceeds	The net proceeds from the Combined Offer will be approximately Kip 7.9 million. Such net proceeds, together with any earnings thereon, will be invested in construction of buildings both in Lao-ITECC and Savan-ITECC and be a working capital for its business.
Certain events in the course of the Offer are summarized below. Certain of the dates are estimates provided by the Company and are subject to change. All references to times in this Prospectus are to local time in Lao PDR (which is Greenwich Mean Time plus 7 hours)	
Offering Period for the Combined Offer	Between 8.30 a.m. to 3.30 p.m., during 17-19 December 2013 (except on 19 December 2013, the subscription will be closed at 12.00 pm.)
Subscription and Payment	Payment to the Company shareholders accompanying subscriptions for the shares offered in the Offer is due on subscription date
Allocation to Investors in the Offer	Allocation of the Shares in the Combined Offer will process after the end of the offering period, which is expected to be completed no later than 7 business days after the end of the Offering Period
Registration of Increase in Share Capital and Notification of the Change in Enterprise Registration Certificate	Application for the registration of the increase in the Company's capital with the competent department of the MOIC must be filed together with the notification of the change in enterprise registration certificate with the MOIC to reflect the capital increase within 10 business days after the completion of the Combined Offer.
Initial Listing Application	Application for initial listing of the shares on the LSX will be submitted after receiving the updated enterprise registration certificate from the MOIC
Listing on the LSX	This is expected to occur within 14 days of the filing of the initial listing application

**PART 1**  
**LAO WORLD PUBLIC COMPANY**

Name	Lao World Public Company
Type of business	Lao International Trade Exhibition and Convention Center
Registered address	Lao World Public Company, Lao-ITECC Building, Kamphengmuang Road Ban Phonthan Neua, Xaysettha district, Vientiane Capital
Investment License	Investment License No. 002-04/khor-lor-hor dated 15 January 2004
Enterprise registration certificate	ERC No. 0348/jor-tor-wor, dated 28 June 2013
Enterprise tax certificate	729549606-9-00
Registered capital	Kip 71,209,618,000
Homepage	<a href="http://www.lao-itecc.la">http://www.lao-itecc.la</a>
Email	laoitecc@gmail.com
Telephone	+856 (0) 21 415477
Fax	+856 (0) 21 415409, 415410

## 1.1 ISSUING COMPANY

Lao World Public Company was originally established as a limited company on 31 March 2004 in accordance with the Agreement on Lao International Trade Exhibition and Convention Center (the “Lao-ITECC”) dated 24 December 2003, the Amended Agreement dated 11 May 2011 and the Amended Agreement dated 17 September 2012 (the “Lao-ITECC Agreement Amended Agreement”) and Approval of foreign investment No.002-04 /khor.lor.hor dated 15 January 2004 (“Investment License”).

The initial Lao-ITECC Agreement granted the establishment of Lao World Company Limited in the form of Build-Operate and Transfer (BOT) concession during the period of 35 years and operation of various businesses in relation to trade exhibition and convention center. At the end of the period, Lao World has to transfer its assets to Lao government. In addition to that, the Amended Agreement dated 11 May 2011 and the Amended Agreement dated 17 September 2012 (the” Amended Agreement”), the Lao Government approved the conversion of Lao World Co., Ltd. to be a public company and rights to continue its trade exhibition, convention center and other businesses in the initial Lao-ITECC Agreement including extension of the BOT concession to be 90 years.

On 12 October 2011, Lao World Company Limited was converted to a public company (also referred to as the “Conversion date”) with a limited liability under the laws of Lao PDR, having its registered address at Lao-ITECC Building, Kamphengmuang Road Ban Phonthan Neua, Xaysettha district, Vientiane Capital.

Thereafter, on 22 November 2011, the Company increased its share capital to Kip 44,190,000,000 consisting of 22,095,000 shares with Kip 2,000 par value each by converting the retained earnings of the Company and registered such capital increase with Ministry of Industry and Commerce (“MOIC”) having its ERC No.4224/ERO. The Company’s shares were held by 5 foreign individuals and 4 Lao individuals at approximately 99.96% and 0.04% respectively.

On 28 May 2013, The 1<sup>st</sup> General Meetings of the shareholders held on 2013, had a resolution to obtain Lao World Savan Co., Ltd. (“Lao World Savan”) to be the affiliated company by purchasing shares of Lao World Savan. The Company also increased the registered capital in the amount of Kip 27,019,618,000 from Kip 44,190,000,000 to Kip 71,209,618,000. As a result, the Company holds Lao World Savan shares 99.99 percent of the total shares.

The Company operates a variety of business in relation to trade exhibition and convention center including supermarket, banquets, bowling and cinema.



## 1.2 USE OF PROCEEDS.

The net proceeds from the Combined Offer will be approximately Kip 7.9 billion. Such net proceeds, together with any earnings thereon, will be invested to construct building both in Lao-ITECC and Savan-ITECC and be a working capital for increment the Company valuable and investors' profitability.

*Table 1: Use of proceeds*

<b>Purpose</b>	<b>Amount (Kip billion)</b>	<b>Percentage</b>	<b>Estimated period of using such proceeds</b>
1. Construction of building in Lao-ITECC	no less than 4.7	Approximately 60%	2014
2. Construction of building in Savan-ITECC	no less than 1.6	Approximately 20%	2014
3. Working capital	no less than 1.6	Approximately 20%	2014
<b>Total</b>	<b>no less than 7.9</b>		

## 1.3 RISK FACTOR

Investing in any business may entail risks. Prior to making any judgment to invest, and with regard to the risks described below, investors should carefully review all of the information in this Prospectus. The following sections describe a number of the possible risks that might affect the Company and the value of any investment in the Company. Although the Company has tried to review all significant risks, there may be other risks of which the Company is unaware and some risks, that could in fact be significant which is currently understood to be not of significance. Additional risks not presently known to the Company and other risks currently believed to be immaterial may also impair the Company's business operations, financial condition, results of operations and prospects. This Prospectus also contains forward looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the Company described below and elsewhere in this Prospectus.

Lao PDR may be thought of as a "frontier market" and investing in newly established stock exchanges may entail risks that may not happen even in "emerging markets". Thus, in addition to issues relating to the Company (quality of management and assets, cash flow generation, financial liquidity, regulation of the telecommunications market and so forth), investors should pay careful attention to the issues relating to the new stock exchange, including but not limited to regulation, taxation, liquidity and transaction costs.

In addition to the other information contained in this Prospectus, prospective investors should consider the risks described below before making any investment decision. The following describes some of the significant risks that could affect the Company and the value of any investment in the Company. Moreover, additional risks may be known to the Company, or risks that the Company currently deems immaterial, may have a similar adverse effect and investors could lose all or part of their investment.

*The main risk factors are summarized below:*

### **1.3.1 Risk factors of Trade exhibition and Convention centers**

#### *1) Risk associated with the ability to draw attention from exhibitors and foreign delegates*

As the Company's revenue is generated principally from the rent of facilities space to exhibitors, organizers, entertainment agencies for a short period, therefore, close relationship with existing clients is important to support the business in the future. The Company has established long-term relationship with exhibitors, organizers, and government agencies, e.g. Lao Handicraft Associations, Chamber of Lao Commerce, Industry and Commerce Department of Vientiane Capital, and the Department Export Promotion of Thailand; all have shown strong support to the Company's business.

Lao World has a mission to provide sufficient facilities space that matches with market demand e.g. the type of exhibition, conference, and seminar. The Company is currently the leading exhibition and convention center in terms of facilities space in Vientiane, Savannakhet and Pakse, and is also planning for space and facilities expansion. In addition, Lao World plans to market and promote its trade exhibition and convention centers in both locations through the media such as television, radios, as well as with newspapers, fliers, billboards and cross-roads by giving information about the events held at both facilities in order to draw more visitors from tourism industry.

#### *2) Risk associated with more intense competition*

In order to cope with the increasing demand for convention space in the market, Lao World is faced with a potential threat in which new entrants or owners of similar products such as those in hotels may expand their facilities. However, this risk is relatively low as hotels offer different target segment and new entrants need the large amount of capital that would need to be invested on land and construction.

### **1.3.2 Risk factors of Tang Freres Lao Supermart**

#### *1) Risk associated with inventory management*

For supermarket operations, well-stock management and procurement process are required to avoid risk of stock shortage, stock overage, over stock including risk related to food hygiene and safety which can directly and indirectly cost the Company and customer dissatisfaction. Lao World has placed this issue at high regard, it applies inventory management system, the ADA program to ensure that products in the supermarket are well managed and well tracked of input/output of stocks and stock levels. The Company also develops its internal procedures such the determination of the stock-level of inventory, the preparation of the turnover list of its inventory and the approval process on the inventory procurement, etc.

#### *2) Risk associated with more intense competition*

Besides the mom-and-pop shops in Vientiane, there are also other modern trade stores such as M-Point minimarts, etc. offering similar products in various scales. In the near future, branded modern trades might enter the Lao retail market as well, placing Tang Freres Lao Supermarket in

high competition. However, since Tang Freres Lao Supermarket is the only supermarket located at Lao-ITECC building, it ensures that the risk associated with such competition is minimized.

*3) Risk of dependency on key suppliers*

Prior to the Conversion date, most of the purchases of Tang Freres Lao Supermarket are from Thai World Company via a related party due to the convenient and Thai World Company logistics facilities. However, the Company applies new policy on the purchasing procedures such as comparison of product cost between imports and local distributor procurement and intends to import through Thai World Company mainly custom-duty-free goods.

**1.3.3 Risk factors of Entertainment business (Cinema, Bowling)**

*1) Risk of relying on movie film distributors*

The Company operates cinema by renting second-run Thai and foreign films from film distributors in Thailand and running sponsored Lao film from local producers; therefore, it has to rely on both domestic and foreign movie film distributors. The popularity of movie film will determine revenues from movie ticket sales. Movie film distributors also have to rely on the theater owners in order to launch the movie. Therefore, this risk is low as movie film distributors and cinema owner depend on each other to grow the movie business.

*2) Risk associated with more intense competition*

The risk of competition in entertainment business is high as there are other bowling alleys offered in Vientiane; however, the Company tries to provide one-stop entertainment complex that serves customers with various entertaining activities such as cinema, bowling to reduce the risk of competition.

*3) Risk of substituted products*

DVDs and CDs sold both legitimately and illegitimately might affect revenue stream of the Company's cinema business. As laws and regulations related to Intellectual Property rights in Lao PDR are not enforced effectively; therefore, such products are substitutes for watching movies in cinema. However, currently, the only existing cinema, upheld at international standard, in Vientiane and Pakse are ones of Lao World; therefore, the Company is still able to cater to audience who are still fond of cinema experience.

*4) Risk of fire*

The Company may have risk of fire incident; however the Company has an accidental property damage insurance which fire, water damage and burglary are covered, the cost of damage property and equipment shall be occurred at maximum of USD 10 million. Moreover, for the safety of audience and employees, the Vientiane Fire Department inspects the Company annually for its fire safety system.



### **1.3.4 Financial risk**

#### *1) Foreign exchange rate risk*

The Company may experience risk from the foreign exchange. Operating costs are mostly paid in Kip; however, some products and services are sometimes purchased in Thai Baht, US dollars and other foreign currencies. Fluctuations in currency exchange rates may make such purchases more expensive. For these reasons, significant fluctuations could have a material adverse effect on the Company's business.

### **1.3.5 Risk of business and financial performance from affiliated companies**

The Company has invested in Lao World Savan Co.,Ltd. which has a paid up capital in the amount of USD 3,500,160. The Company holds the shares for 99.99 percent of total registered capital. Lao World Savan operates Trade exhibition and Convention, Seminar and Banquet etc. It's performance has to be consolidated with the Company's financial Statement. Therefore in case of Lao World Savan's business performance gains loss it certainly effect to the Company's consolidated financial Statement.( See part 1.4.4 investment in Lao World Savan Litimited for the detail of business operation and business performance of affiliated companies)

### **1.3.6 Other risks**

*1) Economic, political, legal and regulatory conditions in Lao PDR may materially and adversely affect the Company's business, cash flows, financial condition, results of operations and prospects.*

The Company is subject to political, legal and regulatory conditions in Lao PDR that differ in certain significant respects from those prevailing in other countries with more transparent political systems and more developed economies than Lao's economy. The Company's business and operations are subject to the changing political and economic conditions prevailing from time to time in Lao PDR. The GOL has frequently intervened in the Lao PDR economy and occasionally made significant policy changes. The GOL's policies have included, among other things, wage and price controls, capital controls and limits on imports. The Company's business, financial condition and results of operations may be adversely affected by changes in government policies.

The Company's performance is partially dependent on the health of the overall Lao PDR economy and political environment. The Lao PDR economy has gradually recovered from the Asian economic crisis and has begun to register positive economic growth in recent years. The Company cannot assure you that Lao's gross domestic product (GDP) will continue to grow in the future. We also cannot assure you that current or future governments will adopt economic policies conducive to sustaining economic growth.

Other external factors affecting the Lao PDR economy, directly or indirectly, include:

- Recessions or potential economic downturns in the United States, Europe, Asia or elsewhere in the world;
- Fluctuations in interest rates, Kip exchange rates, prices of debt and equity securities;

- The fluctuations in world oil prices and other commodity prices;
- Changes in the government’s economic policies;
- Acts of global and regional terrorism and instability that threaten or undermine, in particular, trade and tourism in Lao PDR; and
- A potential recurrence or outbreak of avian flu, SARS, the H1N1 or other infectious diseases in Lao PDR or elsewhere.

## *2) Limitation of enforceability of non-Lao judgments in Lao PDR*

The Company is duly incorporated in Lao PDR, and all assets of the Company are located in Lao PDR. In addition, most of the directors and executive officers of the Company are residents of Lao PDR. Consequently, there is a certain risk of being able to effect service of process upon the Company or such persons outside Lao PDR or the enforcement against the Company or such persons of any judgments obtained in courts outside Lao PDR.

Furthermore, a court of Lao PDR may acknowledge and enforce a non-Lao PDR court judgment only under the conditions as follows:

- (a) Decision of those countries which are signatories to treaties to which the Lao PDR is a signatory or party;
- (b) Case which does not impact adversely on the sovereignty or contradict the laws of Lao PDR; and
- (c) Decision which does not violate the regulations on civil procedures and does not contradict the laws and regulations relating to security and social order.

As a result, to the extent investors succeed in bringing legal actions against the Company or the directors and executive officers of the Company, it should be mainly subject to the above conditions. Further, there may be limited in their remedies, and any recovery in any Lao legal proceeding might be limited depending on the relevant court’s discretion.

## *3) Risk in relation to agreement*

- *The Lao-ITECC Agreement*

The Company has substantial rights and obligations to conduct its businesses pursuant to the terms and conditions under the Agreement of Investment for the Construction of Lao-ITECC, made between the Company and the Government of Lao PDR by the Ministry of Planning and Investment (“MPI”), dated 24 December 2003, as amended dated 11 May 2011 and 11 September 2012, the Lao-ITECC Agreement. The Company is granted certain privileges within certain period from the date of the ITECC Agreement (e.g. (i) a grace period of land lease payment for 10 years, (ii) profit tax exemption for 10 years, and (iii) 50% reduction on normal profit tax rate for another 10 years) with the obligation to invest, build, operate and transfer (BOT) the buildings, structures and business operation of the Lao-ITECC to the Government of Lao PDR, ninety years after the date of the Lao-ITECC Agreement dated 24 December 2003, as amendment agreement dated 11 May 2011 and 11 September 2012 (“Lao-ITECC Agreement”). As a result,

the operation and revenue of the core business of the Company may be limited to the ninety year period set forth in the Lao-ITECC Agreement, as the building, structure and business operation, which are considered major fixed assets of the Company, will be transferred to the Government of Lao PDR after such ninety-year period.

In addition to the foregoing grace period of land lease payment and profit tax exemption for 10 years (to be ended on 23 Dec 2013) and 50% reduction on profit tax for another 10 years (effective from 24 Dec 2013 until 23 Dec 2023), there are other rights and obligations of the Company set forth in the Lao-ITECC Agreement. Please see a summary of material terms and conditions of the Lao-ITECC Agreement in the Appendix II.

However, there is no legal prohibition against the Company seeking an opportunity to negotiate with the Government of Lao PDR to extend or relax any terms and conditions set forth in the Lao-ITECC Agreement.

- *Savan- ITECC Agreement*

Lao World Savan Company Limited is a subsidiary company of LaoWorld Public Company which has substantial rights and obligations to conduct its businesses pursuant to the terms and conditions under the Agreement of Investment for the Construction and managed the Trade Centre, Exhibition, and Convention hall (“Savan - ITECC Agreement”), made between the Company and Savannakhet Province on 22 July 2009. Lao World Savan is granted certain privileges within certain period from the date of the Savan - ITECC Agreement (e.g. (i) a grace period of land lease payment for 10 years, (ii) profit tax exemption for 10 years, and (iii) 50% reduction on normal profit tax rate for another 10 years) with the obligation to invest, build, operate and transfer (BOT) the buildings, structures and business operation of the Savan - ITECC to the Government of Lao PDR, fifty years after the date of the Savan - ITECC Agreement dated 22 July 2009. As a result, the operation and revenue of the core business of Lao World Savan may be limited to the fifty year period set forth in the Sanvan - ITECC Agreement, as the building, structure and business operation, which are considered major fixed assets of Lao World Savan, will be transferred to the Government of Lao PDR after such fifty-year period. In addition, there are other rights and obligations of Lao World Savan set forth in the Savan - ITECC Agreement. Please see a summary of material terms and conditions of the Savan – ITECC Agreement in the Appendix VI.

However, there is no legal prohibition against Lao World Savan seeking an opportunity to negotiate with the Government of Lao PDR to extend or relax any terms and conditions set forth in the Savan - ITECC Agreement.

- *The Champasak Commercial Center Lease Agreement*

Pakse Exhibition Center operates under Lease Agreement for the second and third Floor with Champasac Commercial Center in rental period of 12 years from 11 August 2005 to 31 December 2017. The Company may have risk from ignoring to extend the lease agreement however the shareholder still has a good relation with the owner of Champasak Commercial Center. Therefore it is most possible to extend the agreement period. In addition to avoid such risk, the Company surveyed for a new suitable place in case it could not extend the lease agreement.

*4) The Lao securities market is relatively small and may cause the market price of our shares to be more volatile.*

The Lao securities market is substantially smaller and less active (as it is newly established) than the securities markets in the other countries where the securities markets have long been established. As a result, the Lao securities market has been less liquid and can be more volatile than many other markets. The relatively small market capitalization of, and trading volume on, the LSX, compared to certain other global stock exchanges, may cause the market price of securities listed on the LSX, including our shares, to fluctuate more than those listed on larger global stock exchanges. The market price of our shares may be adversely affected by the lack of liquidity on the LSX. These market characteristics may limit your ability to sell our shares and may also affect the market price of the Company's shares.

*5) A possible change in shareholding structure and may be unable to retain key management personnel and other employees*

The Company's business depends to a significant extent upon our major shareholders and the continued services of the Company's executive officers and other key management personnel. Significant sales of the shares by the Company's major shareholders could affect the Company's business and also adversely affect the trading price of the shares. The major shareholders will own, directly and indirectly, [-] of the Company's outstanding shares after giving effect to the Combined Offer. The Company cannot predict the effect, if any, that future sales will have on the market price of the shares prevailing from time to time. Furthermore, the dilution of our major shareholders, or the loss of any of our executive officers and other key management personnel or failure to recruit suitable or comparable replacements could have an adverse effect on the Company's business.

*6) Denomination of the Ordinary Shares and associated payments in Kip will expose certain investors to foreign exchange risks.*

Transactions in the Ordinary Shares on the LSX will be settled in Kip. Any dividends paid in respect of the Ordinary Shares will be payable in Kip. Fluctuations in the exchange rate between the Baht and other currencies will affect the equivalent in such other currencies of the Kip price of shares on the LSX and of the Kip amount of any dividends distributed by the Company and of any gains or losses realized by investors on a sale of Ordinary Shares.

## **1.4 CURRENT BUSINESS**

The principal activities of the Company involve managing and providing facilities for its exhibition and convention centre at Lao International Trade Exhibition and Convention Center, the Lao-ITECC in Vientiane Capital and Pakse Exhibition Center in Champasak province.

Lao-ITECC is the single largest venue in Lao PDR with a total area of approximately 30,000 squares meters. It comprises a main complex, with its vast indoor and outdoor area facilities and abundant parking spaces, it has been the venue of choice for prominent international and regional conferences and historical events hosted by the Government of Lao PDR and private sectors,

which include the 23<sup>rd</sup> ASEAN Tourism Forum, the 10<sup>th</sup> ASEAN Summit, the 38<sup>th</sup> ASEAN Ministerial Meeting and Vientiane EXPO 2005.

A main complex consists of 15,000-square meter Lao-ITECC building and over 1,000 parking spaces. On the ground floor, the central space of 8,200 m<sup>2</sup> (exhibition hall) has been the preferred venue for trade exhibition and fairs, concerts and social activities since its establishment. Other spaces are occupied by Tang Freres supermarket, and the Company’s office. The second floor comprises convention centers and entertainment facilities: the grand ballroom, multi-function rooms, 2 theaters and bowling lane.

The Lao World Pakse branch offers exhibition center and Tang Freres Supermarket in Champasak Trade Center, located on the second and third floors of Champasak Trade Center, in the heart of Southern commercial province – Champasak, and also cinema facility located nearby.

The Company’s services can be divided into two types: 1) Exhibition facilities services and 2) Other services

#### 1.4.1 Exhibition facilities services

The Company manages an exhibition and convention center with dedicated and skillful team, which has vast experience on assisting customers in conducting all types of international events including exhibitions, conferences, weddings, gala dinners, concerts, product promotion.

The overall services of the Company are to provide facilities to conduct conventions and exhibition events for a short period of time according to a prearranged schedule of the organizer.

##### 1) Lao-ITECC Building, Vientiane Capital

A perfect place for exhibition and convention in Lao PDR, located in Vientiane Capital, Lao-ITECC building (with 15-meter high ceiling), comprises 8,200-m<sup>2</sup> ground floor space and 12 multi-purpose rooms of various sizes, detailed shown as below.

Table 2: Feature, room area and capacity of Lao-ITECC

Features of Lao-ITECC Building	Approximate Floor Area (m <sup>2</sup> )	Approximate Dimension (L*W*H) m <sup>3</sup>	Suggested Room Capacity (seats)			
			Theatre	Class room	Banquet	Standard Booth (3x3m <sup>2</sup> )
Conference room I (B2)	600	20x30x5	428	300	428	-
Conference room II (B3)	400	20x20x5	285	200	285	-
Conference room III (B4)	600	20x30x5	428	300	428	-
Convention hall A (B5)	600	20x30x5	428	300	428	-
Convention hall B (B6)	1,800	60x30x5	1,280	900	1,280	-
Seminar room I (B7)	105	7x15x3	65	40	65	-
Seminar room II (B8)	35	7x5x3	20	10	20	-
Seminar room III (B9)	70	7x10x3	45	26	45	-
Seminar room IV (B10)	70	7x10x3	45	26	45	-
Seminar room V (B11)	70	7x10x3	45	26	45	-
Seminar room VI (B12)	35	7x5x3	20	10	20	-
Seminar room VII (B14)	105	7x15x3	65	40	65	-
Exhibition Hall	8,200	-	-	-	-	529

The Company arranged the events of 19, 19, 21 and 22 in 2009, 2010, 2011 and 2012, respectively



The exhibition and convention events can be divided into three categories, as follows:

- *Events held annually or semi-annually*

Exhibition	Organizer/Customer
1. International Furniture Fair (2009-2012)	Industry and Commerce Department of Vientiane Capital
2. Mid year sale (2009-2012)	Lao World
3. Lao-Viet trade fair	Vietnam Trade Promotion Agency and Lao World
4. Motor show (2009-2012)	Lao World
5. Lao-Thai trade fair (2009-2012)	Department of Export Promotion (DEP) of Thailand
6. Lao Handicraft (2009-2012)	Lao Handicraft Association

- *Events held with separate contracts for each event*

Exhibition	Organizer/Customer
1. 23 <sup>rd</sup> ASEAN Tourism Forum (2004)	GOL
2. 10 <sup>th</sup> ASEAN Summit (2004)	GOL
3. 38 <sup>th</sup> ASEAN Ministerial Meeting (2005)	GOL
4. Vientiane EXPO (2005)	GOL
5. Thailand Exhibition (2009)	Department of Export Promotion (DEP)
6. SME fair	Lao and Thailand Chamber of Commerce
7. Lao-ITECC Trade Fair (450 years of Thatluang, 2010)	Industry and Commerce Department of Vientiane Capital

In addition, there are various events in the year 2013 as follow:

Exhibition	Date	Organizer/Customer
1. Asian Tourism Forum 2013	17 - 24/01/2013	GOL
2. Valentine Fair	02 - 14/02/2013	Lao World
3. ALACE Fair	21 - 24/02/2013	Lao World
4. Modern Life Fair	02 - 10/03/2013	Lao World
5. Happy Life Style Fair	16 - 24/03/2013	Lao World
6. Fashion Show Fair	30/3 - 10/4/2013	Lao World
7. Wonderful Summer	20 - 28/04/2013	Lao World
8. Life and Living Fair	04 - 12/05/2013	Lao World
9. Health and Beauty Fair	17 - 25/05/2013	Lao World
10. International Furniture Fair	28/5 - 02/6/2013	Department of Industry & Commerce Vientiane Capital
11. Mid Year Sale	08 - 16/06/2013	Lao World
12. Lao - Thai Trade Fair	03 - 07/07/2013	Department of International Trade Promotion (Thailand)
13. Food and Beverage Festival	13 - 21/07/2013	Lao World
14. Mother and Child	27/7 - 4/8/2013	Lao World
15. Motor Show and ICT Fair	10 - 18/08/2013	Lao World
16. Agriculture Fair	24/8 - 01/9/2013	Ministry of Agriculture and Forestry
17. Back to School	07 - 15/09/2013	Lao World
18. Made in Lao	21 - 29/09/2013	Ministry of Industry and Commerce
19. New Life New Look	05 - 13/10/2013	Lao World
20. Lao Handicraft	30/10 - 3/11/2013	Lao Handicraft Association
21. Lao-ITECC Trade Fair	09 - 17/11/2013	Department of Industry & Commerce Vientiane Capital
22. Fashion Food Furniture Fair	23/11 - 1/12/2013	Lao World
23. Lao-Viet Trade Fair	07 - 15/12/2013	Department of Trade Promotion (Vietnam) and Lao World
24. Christmas Fair	21 - 29/12/2013	Lao World

## 2) Pakse Exhibition Center, Champasak province

Pakse Exhibition Center operates under Lease Agreement for the second and third Floor of Champasak Trade Center with a rental period of 12 years starting from 11 August 2005 until 31 December 2017. The Company received rental payment exemption rental charge for 3 months from 11 August 2005 to 31 December 2005.

A perfect place for exhibition and convention in Lao PDR, located in Champasak Province, Pakse Exhibition Center, comprises 5,148-m<sup>2</sup> both second and third floor each (including 2,376 m<sup>2</sup> supermarket on the second floor), detailed shown as below.

*Table 3: Feature, room area and capacity of Pakse Exhibition Center*

Features of Pakse Exhibition Center	Approximate Floor Area (m <sup>2</sup> )	Suggested Room Capacity (seats)			
		Theatre	Classroom	Banquet	Standard Booth (3x3 m <sup>2</sup> )
Exhibition Hall	7,920	-	-	-	250

The Company arranged the events of 13, 13 11 and 14 in 2009, 2010 2011 and 2012, respectively

According to its historical exhibition income from both locations, revenue from exhibition and convention centers is not affected by seasonality, the number of events and estimated numbers of attendees are quite constant all across the years except during the festive season.

The Company also provides additional services for its customers free of charge, as follows:

- Security service
- Booth installation service
- Cleaning service
- Air-conditioning system
- Lighting and ventilation service during the set up period, events, and
- Car parking reserved for VIP
- First Aid Corner

#### **1.4.2 Other services in Lao-ITECC in Vientiane capital and Pakse Champasak**

Besides the trade exhibition and convention centers, Lao World also offers other related services to customers including supermarkets, entertainment.

##### *1) Tang Freres Lao Supermarket*

Tang Freres Lao Supermarket (the “Supermarkets” or “Tang Freres”) located at both the Lao-ITECC Building and Pakse Exhibition Center. Both of the Supermarkets offer clean, comfortable shopping environment with a wide assortment of goods available at reasonable prices including provide outstanding customer services. The majority of the space of the Supermarkets is dedicated to the sale of consumer goods and groceries at reasonable prices and of excellent quality.





## Products and Services

The Supermarkets has over 6,500 of products to serve our customers such as

- Grocery food
- Cooking needs
- Agricultural product
- Pasta & instant food
- Canned food
- Baking needs
- Confectionery & snack
- Food supplement
- Beverage
- Grocery Non-Food
- Health & beauty
- Oral hygiene
- Hair care
- Cosmetics
- Household chemical
- Paper goods
- Fresh Food
- Bakery
- Meat

- Fish
- Dairy
- Liquor & Tobacco
- Book Corner
- Entertainment media corner with cassette, CD, VCD and DVD
- Sport goods and equipment corners.

Tang Freres also provides rental space located inside the store to let small retailers conduct business within Lao World. However, goods and services providing must be different from the goods sold in the Supermarkets. Customers visiting Tang Freres could increase range of products and services available at a single visitation, enhancing the overall shopping experience.

## 2) Entertainment

- *LITECC cinema*

Lao-ITECC cinema (the “LITECC cinema”), was first introduced in 2005 in Vientiane and 2008 in Champasak. Lao World built the first of its kind LITECC cinema in Vientiane and Champasak, Lao PDR. Even though its convention center is the core business and act as an anchor tenant, Lao World also offers cinema, bowling.

With the strong movie culture and having LITECC cinema as supplement attraction, Lao World has grown exponentially throughout the years with the rental of spots for the convention areas. The synergy is extremely well pronounced. Lao-ITECC is located in the heart of Vientiane, Lao PDR and could easily penetrate into the residential and populated areas providing an enhanced convenience access to the movie lovers.

With a total of 2 screens each in both Vientiane and Champasak, and about 546 seats in Vientiane and 440 seats in Champasak. Lao World continues to run about 60+ films each year. Ticket price is currently at Kip 10,000 each. Lao World will provide comfortable seating for its customers to view high quality, second run movies. The theatre's management will be aided in movie selection by being able to see how movies have fared in their initial run, especially those that have shown success in the teenager segment. With 2 screens in which to show movies, both markets can be targeted at the same time with minimal cannibalization.

- *Bowling*

Bowling was added to the portfolio of lifestyle entertainment services in 2005 with 32 lanes, including 2 VIP lanes which offer karaoke, in the alley. The Company concept and positioning is to have friends and families to come in and enjoy the game. The bowling alley is decorated and modernly designed, suitable for the segment of consumers that bowling attract.

- *Rental Spaces*

The Company operates retail space rental and services business to compliment the lifestyle entertainment model by offering the customers with more variety of entertainment service beyond movie, bowling. The Company selects suitable brands that offer distinctive products and services

that match customers' lifestyle. Retail spaces are packaged in 2 types – yearly lease contracts and monthly-term rental contracts which are offered during the events. With the intense competition, every business is in need of new space to populate their products and expand their network every year.

### 1.4.3 Revenue structure

The table below provides the Company's revenue structure over the past three years covering its financial period ended 31 December 2010-2012.

Table 4: Revenue structure for the year 2010 - 2012

Line of business	2012		2011		2010	
	Kip million	%	Kip million	%	Kip million	%
<b>1. Exhibition Facilities services</b>	<b>25,578.10</b>	<b>34%</b>	<b>24,697.68</b>	<b>40%</b>	<b>21,307.13</b>	<b>35%</b>
<b>2. Other services</b>	<b>49,718.98</b>	<b>66%</b>	<b>37,295.96</b>	<b>60%</b>	<b>40,232.92</b>	<b>65%</b>
Supermarket	20,271.93	27%	19,980.78	32%	24,707.23	40%
Rental Space	18,638.18	25%	10,669.53	17%	1,082.36	1.7%
Entertainment	3,697.60	5%	4,153.65	7%	4,311.32	7%
Others	7,111.27	9%	2,492.00	4%	10,132.01	16%
<b>Total</b>	<b>75,297.08</b>	<b>100%</b>	<b>61,993.64</b>	<b>100%</b>	<b>61,540.05</b>	<b>100%</b>

During the past three years, the Company's revenues were mainly generated from exhibitions, which accounted for approximately 36% of total revenues, and supermarket, Banquet and wedding services, entertainment, rental space and others represented 64% of revenues.

### 1.4.4 Investment in Lao World Savan Co., Ltd.

Lao World Savan Co., Ltd. ("Lao World Savan") was established on 3 August 2009 under Savan ITECC Agreement dated 22 July 2009 and received an Enterprise Registration Certificate No. 757/jor-khor.Sor-Khor dated 23 July 2009 and the 1st Amendment No. 0923//jor-khor.Sor-Khor dated 14 June 2012 (The details of Agreement as Appendix VI)

Lao World Savan was established under the Build, Operate and Transfer ("BOT") model for 50 years to operate various business related to exhibition and convention center. Lao World Savan shall transfer its businesses and assets to the GOL at the completion date of the agreement.

Lao World Savan's registered capital was USD 3,500,160. The Company held 99.99 percent of its total shares on 28 June 2013.

#### Lao World Savan's registered capital

Paid up capital as of the date of this Prospectus	3,500,160 USD
Par value of shares	1 USD
Class of shares	Ordinary shares
Voting right	1 vote per share

The table below indicates the equity ownership of Lao World Savan before and after acquisition of the company

*Table 5: Equity ownership of World Savan before and after acquisition of the Company*

Shareholders	Before acquisition of the company		After acquisition of the company	
	Number of Shares Owned	Percentage of Shares Owned (approximately)	Number of Shares Owned	Percentage of Shares Owned (approximately)
1. Mr.Steven Chan	1,050,048	30.00 %	-	-
2. Mr.Phonepadith Ratanavanh	1,050,048	30.00 %	-	-
3. Mrs.Eng Ratanavanh	700,032	20.00 %	-	-
4. Mrs.Phonepasit Ratanavanh	350,016	10.00 %	-	-
5. Mr.Sackchai Wongmalasith	350,016	10.00 %	1	0.01 %
6. Lao World Public Company	-	-	3,500,159	99.99 %
<b>Total</b>	<b>3,500,160</b>	<b>100.00 %</b>	<b>3,500,160</b>	<b>100.00 %</b>

Lao World Savan is located at Bane Phonesavangtai, Kaisonphomvihan District, Savannakhet Province, on 3 storey building with the total area of 13,050 sq.m. and consists of a large hall for exhibition, conference, wedding and party events, convention and seminar. In addition, Lao World Savan also includes Tang Freres supermarket, rental space and a large car parking area. Moreover, Lao World Savan has a construction project of 6-storeybuilding next to the above mentioned building with 90% completion. The building will consist of market, rental space, cinema, bowling and rental service apartment.



Lao World Savan has organized 13 exhibition events in 2012 and 9 events in the 1<sup>st</sup> half of 2013. It has also organized conferences, seminars and banquets. In addition, it provided room for rent. Currently 64 rooms from 324 rooms have been rented.

1). Assets used for business operations in Lao World Savan

Lao World Savan holds a vast amount of assets classified as Plant, Property and Equipment (“PPE”). These assets are broken down into four categories; Buildings, Machinery and Equipment, Vehicles, Furniture and fixtures, and assets under construction. A breakdown of each asset category is detailed in the table below.

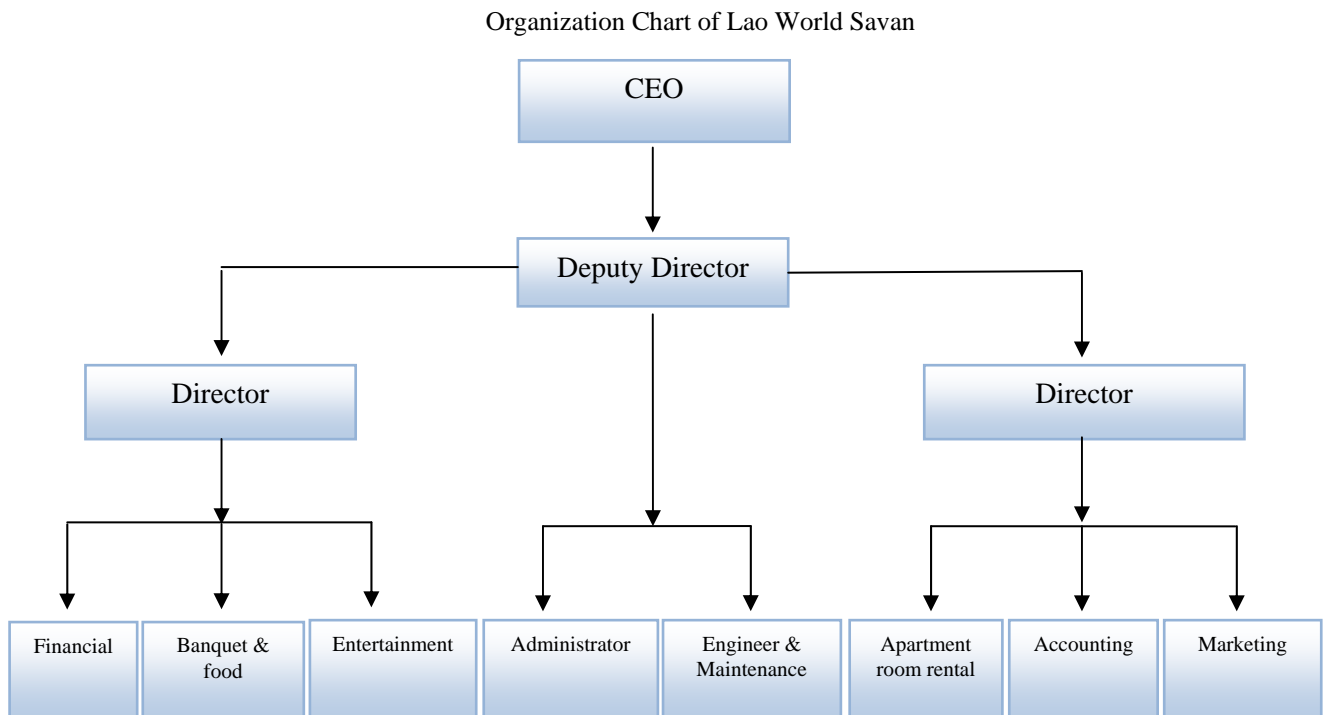
*Table 6: Net Book Value of assets used in business operations in Lao World Savan in 2012*

<b>Type of Plant, Property or Equipment</b>	<b>At 31 December 2012</b>
Buildings	50,267,147,340
Machinery and Equipment	13,393,141,618
Vehicles	3,826,005,033
Furniture and fixtures	4,035,393,317
Assets under construction	37,662,483,059
<b>TOTAL</b>	<b>109,184,170,367</b>

2). Dividend policy of Lao World Savan

Lao World Savan will pay dividend to shareholders at no less than 50 percent of the available net profit of the company after deducting for statutory/legal reserve fund and other reserve funds (if any). However, the dividend payment will be depended on the consideration and approval from the shareholders’ meeting.

### 3). Management and corporate governance



- *Management of Lao World Savan*

Currently, the management of Lao World Savan is composed of 4 people as detail below:

- |                                 |                               |
|---------------------------------|-------------------------------|
| (1). Mr. Sackchai Wongmalasith  | Chief Executive Officer (CEO) |
| (2). Dr. Vanhleng Phommachanh   | Deputy Director               |
| (3). Ms. Aonkham Sackdala       | Director                      |
| (4). Ms. Sonesayfhon Phimmasane | Director                      |

- *Authorized Director(s) and Authorization*

Directors who can sign to bind the Lao World Savan are Chief Executive Officer (CEO) or Deputy Director signs alone with the company's seal affixed.

- *Employees*

As at 30 June 2013, Lao World Savan employed 89 full-time employees.

Table 7: Lao World Savan's personnel

Position	No of employees
Administration & Management	5
Accounting-Finance-Internal Audit	7
Shipping	3
Building (Engineering & Maintenance)	6
Banquet	18
Marketing	16
Apartment room rental	6
Electricity Bus	9
Housekeeping	2
Supermarket	17
<b>Total</b>	<b>89</b>

4). Operational and financial performance of Lao World Savan

The information contained in this section has been reviewed by PWC. None of the advisors, other than PWC, has responsibility for this information.

The following table presents selected financial information derived from Lao World Savan audited financial statements as at 31 December 2012 presented in accordance with the company accounting policies and reporting practices in Lao PDR.

- Balance Sheet

Table 8: Financial position of Lao World Savan in 2012

(Kip)	As at 31 December 2012
Cash and cash equivalents	1,620,124,886
Current assets	4,549,509,397
Non-current assets	110,320,093,913
<b>Total Assets</b>	<b>114,869,603,310</b>
Borrowing	65,074,371,736
Current liabilities	96,313,508,114
<b>Total liabilities</b>	<b>96,313,508,114</b>
Authorized share capital	30,287,328,874
Ordinary shares	
Retained earnings	(11,731,233,678)
<b>Total shareholders' equity</b>	<b>18,556,095,196</b>
<b>Total liabilities and shareholders' equity</b>	<b>114,869,603,310</b>

- *Income Statement*

*Table 9: Operating result of Lao World Savan in 2012*

(Kip)	For the year end of 31 December 2012
Revenue from sales and services	5,491,202,061
Cost of sales and services	(7,162,561,302)
<b>Gross Profit</b>	<b>(1,671,359,241)</b>
Other income	174,781
Administrative expenses	(3,871,726,029)
Gain (loss) on exchange rate, net	144,823,469
<b>Operating profit</b>	<b>(5,398,087,020)</b>
Interest expenses	(146,717,423)
Net profit before tax	(5,544,804,443)
Tax	-
<b>Net profit for the year</b>	<b>(5,544,804,443)</b>

- *Financial Ratio\**

*Table 10: Financial ratio of Lao World Savan in 2012*

	For the year end of 31 December 2012
Current ratio (X)	0.05
Gross Profit margin	(30.4)%
EBIT Margin	(98.3)%
EBIT Margin / Assets	(4.7) %
Net Profit Margin	(101.0)%
ROE	(29.9)%
ROA	(4.8)%
D/E (X)	5.2

*Remark: \* Above financial ratios were calculated by BCEL-KT*

## **1.5 FUTURE PLAN**

### **1.5.1 Business strategy**

Lao World Public Company is a leading company in providing international trade exhibition and convention center services, so the Company's strategy intends to maintain its position as the leader in the market and expand its business in order to meet the customer's demand and expand its investment to cover every part of Laos.



Company believes that the domestic market offer substantial growth opportunities. Meanwhile, the Company will pursue additional revenue sources by providing additional businesses and services such as: supermarket, cinema, etc.

### 1.5.2 Business expansion in the future

#### *1) Future plan of Lao International Trade Exhibition and Convention Center (Lao-ITECC), Vientiane*

To respond the increasing demand of the market, the Company is establishing the new shopping mall in the name of “ITECC Market”. It is a 9-storey building with a construction cost of approximately USD 32 million and will take 18 months for construction. The project area is about 45,000sqm. After completion of the construction,, the Company expects that it can provide various services, such as, area for rent for department store and supermarket, banquets, convention and conference hall etc.



The Company plans to expand the areas of exhibition and convention center into a shopping zone for various products starting from local handicraft products to international brand name products aiming to meet the requirements of local and international customers and to expand the market into international market.

#### *2) Future plan of Savan International Trade Exhibition and Convention Center (Savan-ITECC), Savannakhet province.*

Savan-ITECC plans to operate full services of all 6-storey building at the the end of the year 2013. In the building there are a car parking area with a capacity of about 800 cars, the area for fresh food market with air conditioning conditions, an apartment consisted of 150 rooms equipped with air conditioner, television set and furniture.

Moreover, the building also includes an area for entertainment services, such as, cinema, bowling center, food court and other services. All services in the new 6-storey building attract lot of interests from many customers who wishing to book spaces for running their businesses.

## 1.6 ASSETS USED IN BUSINESS OPERATIONS

### 1.6.1 Lao World Public Company

The Company holds a vast amount of assets classified as Plant, Property and Equipment (“PPE”). These assets are broken down into four categories; Buildings, Machinery and Equipment, Vehicles and Furniture and fixtures. A breakdown of each asset category is detailed in the table below.

*Table 11 : Net Book Value of Plant, Property and Equipment of Lao World for 2012, 2011 and 2010*

Type of Plant, Property or Equipment	At 31 December 2012	At 31 December 2011	At 31 December 2010
Buildings	57,165,277,173	61,795,879,916	63,925,090,976
Machinery and Equipment	2,368,483,946	3,096,616,070	4,013,537,352
Vehicles	1,855,839,318	987,190,710	894,772,573
Furniture and fixtures	8,215,863,736	7,354,764,647	8,188,923,802
<b>TOTAL</b>	<b>69,605,464,173</b>	<b>73,234,451,343</b>	<b>77,022,324,703</b>

## 1.7 LEGAL DISPUTES

During the normal course of business operations, claims or disputes can arise, which may result in litigation or regulatory proceedings. Currently, the Company and the Company’s directors, or shareholders are not involved in any litigation, arbitration, claims, tribunal or criminal proceedings or other disputes whether actual or prospective, and whether as claimant, defendant, third party or witness.

The Company has received a certify letters from the Vientiane Capital People’s Court, confirming that there are no legal proceeding and cases against Lao World Company Limited and Lao World Public Company at the Vientiane Capital People’s Court as follow:-

- Certify letter from the Vientiane Capital People’s Court,
- number 04/SPC.VTE dated 10 April 2013
- Certify letter from the Vientiane Capital People’s Court area I,
- number 291/SPC dated 10 April 2013
- Certify letter from the Vientiane Capital People’s Court area II,
- number 71/SPC.2 dated 10 April 2013
- Certify letter from the Vientiane Capital People’s Court area III, number 187/SPC.3 dated 22 April 2013

## 1.8 CAPITAL STRUCTURE

The Company's registered capital was Kip 7,875,000,000 prior to the Conversion Date, in addition, the shareholders granted consent to the capital increase under the IPO plan, pursuant to which the Company will undergo a selective capital increase by converting its retained earnings into the Company's registered capital.

As of 22 November 2011, the Company proceeded par split from Kip 10,500 to Kip 2,000 per share; thereafter the Company increased its registered capital to Kip 44,190,000,000, divided into 22,095,000 ordinary shares with a par value of Kip 2,000 each. On 28 June 2013, the Company increased its registered capital from Kip 44,190,000,000, divided into 22,095,000 shares to Kip 71,209,618,000 divided into 35,604,809 shares with a par value of Kip 2,000 each.

### Registered capital

Paid up capital as of the date of this Prospectus	71,209,618,000
Par value of shares	2,000 Kip
Number of shares before IPO	35,604,809 shares
Class of shares	Ordinary shares
Voting right	1 vote per share

As of the date of this Prospectus, the nine existing shareholders own a controlling equity interest in the Company, holding approximately 100 percent of the Company's total issued and outstanding shares of 35,604,809.

After the completion of the Combined Offer, the nine existing shareholders will maintain approximately 90 percent of the total issued and the remaining 10 percent of the Company's total shares will be held by public investors. The table below indicates the equity ownership of the Company prior and after the Combined Offer.

*Table 12 : Equity ownership of the Company prior and after the Combined Offer*

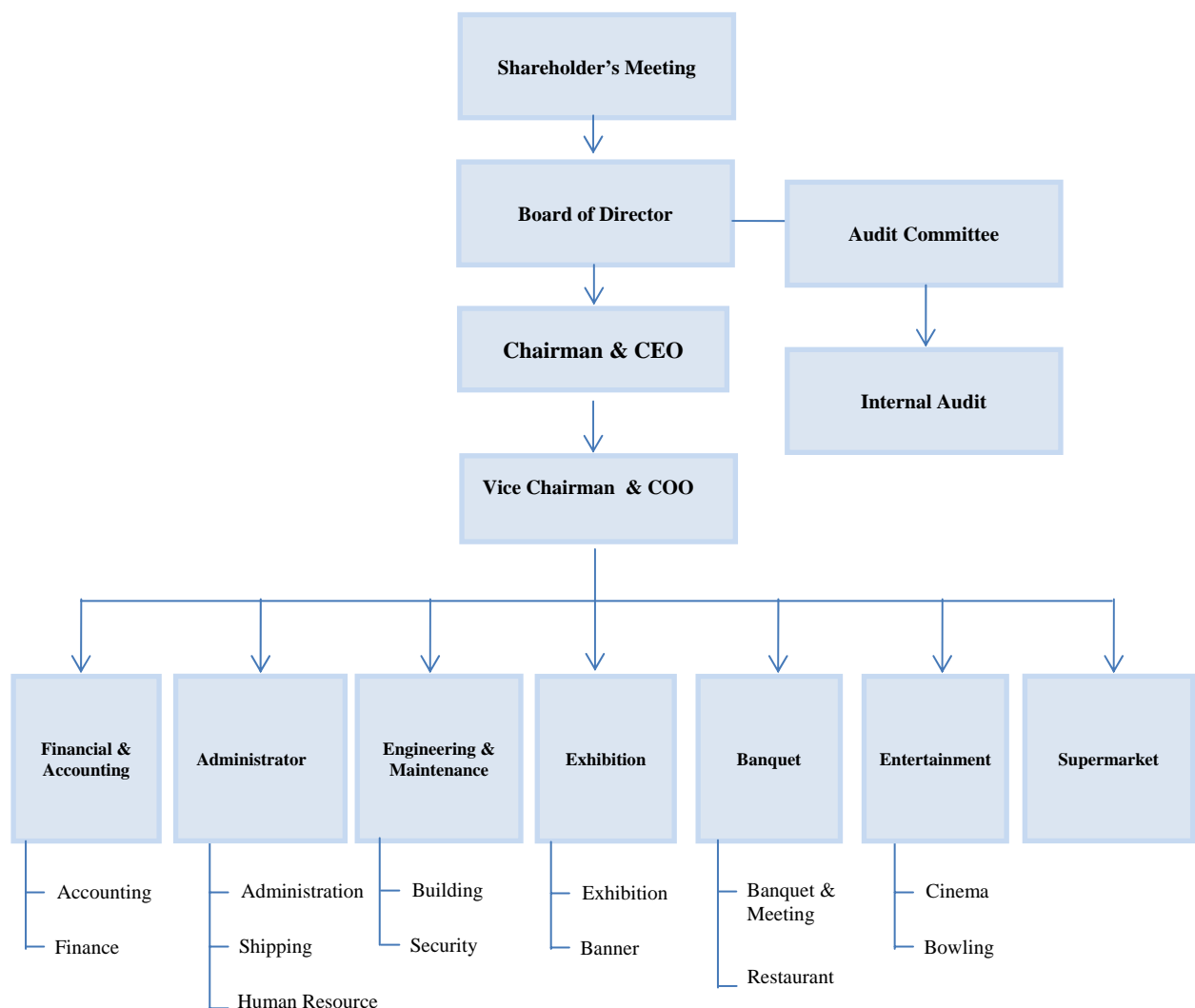
Shareholders	Prior to the Combined Offer		After the Combined Offer	
	Number of Shares Owned	Percentage of Shares Owned (approximately)	Number of Shares Owned	Percentage of Shares Owned (approximately)
1. Mr.Steven Chan	8,458,944	23.76 %	8,458,944	21.38 %
2. Mr.Phonepadith Ratanavanh	8,458,944	23.76 %	8,458,944	21.38 %
3. Mrs.Eng Ratanavanh	7,107,963	19.96 %	7,107,963	17.96 %
4. Mrs.Phonepasit Ratanavanh	5,756,981	16.17 %	5,756,981	14.55 %
5. Mr.Sackchai Wongmalasith	5,813,977	16.33 %	5,813,977	14.69 %
6. Ms.Ngamsangiem Nhouyvanisvong	2,000	0.01 %	2,000	0.01 %
7. Mrs.Kitsamone Phommachan	2,000	0.01 %	2,000	0.01 %
8. Ms.Phayphanome Nhouyvanisvong	2,000	0.01 %	2,000	0.01 %
9. Mr.Visanh Nalongsak	2,000	0.01 %	2,000	0.01 %
10. Public investors	-	-	3,956,100	10 %
<b>Total</b>	<b>35,604,809</b>	<b>100.00 %</b>	<b>39,560,909</b>	<b>100.00 %</b>

### 1.8.1 Dividend policy

Lao World will pay dividend to its shareholders at no less than 50 percent of the net profit of the Company after deducting statutory/legal reserve fund and other reserve funds (if any). However, the dividend payment will be depended on the consideration and approval from the shareholders' meeting. Any dividends will be paid to shareholders in Kip and will be subject to tax exemption.

## 1.9 MANAGEMENT AND CORPORATE GOVERNANCE

Organization Chart as of December, 2013



## 1.9.1 The Board of Director

Board of Directors of the Company currently consists of 7 directors as following



Mr. Sackchai Wongmalasith  
Chairman  
Chief Executive Officer (CEO)



Mr. Visanh Nalongsak  
Vice Chairman  
Chief Operating Officer (COO)



Mr. Sunthorn Manodharm  
Vice Chairman  
Independent Director  
Chairman of the Auditing Committee



Ms. Pheyphanome Nhoyvanisvong  
Director



Ms. Somprasong Palamee  
Director



Mr. Khamphone Phonekeo  
Director



Mrs. Kittima Leelayouva  
Independent Director

- *Authorized Director(s) and Authorization*

Directors who has legal authorization to sign documents of the Company with the Company's seal affixed are Chief Executive Officer (CEO) or Chief Operating Officer (COO)

- *Scope of authority and responsibilities of the Board of Directors*

The Board of Directors do not involve in the day-to-day business operations of the Company unless any of the Directors is appointed in management roles.

Specified in the Enterprise Law, the Board of Directors of the Company is responsible for the administrative affairs of the Company and has specific rights and duties including involve in setting out the Company's direction through the shareholders meeting, appointment of directors in case of vacancy, etc.

- *Selection of Directors*

Pursuant to the Company's AOA, the Board of Directors of the Company shall consist of at least 5 directors.

The Board of Directors shall be appointed or removed by the Shareholders' Meeting with majority votes of the shareholders attending the meeting. Each director has a term of office of 2 years and may be re-elected for another term as stated in the Enterprise Law.

- *Remunerations of the Board of Directors*

Non-executive of Board Directors receives no salary, but receive a meeting allowance for each meeting as approve by the Shareholders' Meeting. Executive Directors receive their monthly salary and bonuses as per usual staff rules.

### *1) Selection of Management*

The Management of the Company is composed of Chief Executive Officer and Chief Operating Officer which are appointed by the Shareholders' Meeting as following:



Mr. Sackchai Wongmalasith  
Chief Executive Officer (CEO)



Mr. Visanh Nalongsak  
Chief Operating Officer (COO)

- *Remunerations of Chief Executive Officer and Chief Operating Officer*

Chief Executive Officer and Chief Operating Officer receive salary and benefits pursuant to company structure as approved by the Shareholders' Meeting.

- *Auditing Committee*

The Auditing Committee comprises of two independent directors who has knowledge and experience in finance, accounting and business management.

The Auditing Committee:

Mr. Sunthorn Manodharm	Chairman of the Auditing Committee
Mrs. Kittima Leelayouva	Auditing Committee

The rights and responsibilities of the Auditing Committee include:

- Propose the election and appointment of external auditor;
- Review and approve financial statements of the year and half year and/or quarterly (if required); and
- Review and approve the internal audit report.

## 2) *Shareholders' Meeting*

The quorum for any shareholders' meeting of the Company shall be at least two shareholders representing more than half of the total paid shares.

## 3) *Voting rights*

A shareholder is generally entitled to one vote per share. A resolution may be adopted at a general meeting by a simple majority vote. The following matters relating to the Company require a special resolution of the shareholders:

- voting on matters specified by the Enterprise Law;
- amending the AOA of the Company;
- increasing or reducing the capital of the Company;
- the merger or dissolution of the Company;
- the sale or transfer of all or a substantial part of the business of the Company to another person; and
- the purchase or acceptance of a transfer of the business of another enterprise.

Special resolutions shall be passed by a vote of at least two-thirds of the shareholders or their proxies attending the meeting, representing at least 80 percent of the total paid shares.

Pursuant to the Enterprise Law, a shareholder may be restricted from voting on a matter in which they are involved and through this involvement may receive a direct benefit or gain. The members present at a shareholders' meeting shall determine whether a shareholder falls within this scope.

#### 4) *Employees*

Since the establishment of the Company, the business and operations have not been interrupted by any work stoppages, slowdowns or strikes. The Company believes that its employees are one of the most valuable assets of the Company and prerequisite of Company's success. The Company plans to develop and have the strongest management and staff by placing the best and most fitting people in the respective field. With a strong team in place, the Company will be the on top of its tiers and industry in Lao PDR.

As at 31 December 2012, the Company employed a total of 231 full-time employees.

*Table 13: Company's personnel*

<b>Position</b>	<b>No of employees</b>
Administration & Management	35
Accounting-Finance-Internal Audit	10
Shipping	4
Building (Engineering & Maintenance)	55
Exhibition	7
Banquet	29
Entertainment	48
Supermarket	43
<b>Total</b>	<b>231</b>

#### 5) *Remuneration*

The total salary expense of 2012 approximately amounted to Kip 4.53 billion

### **1.10 INTERNAL CONTROL**

The Company has recognized such needs and therefore initiated internal audit function within organization along with implemented the internal control system. The first priority of internal control system is for purchasing process and inventory management and control system. The internal control functions include the following:

- Assure the transparency of accounting system
- Provide independence opinion to the board of directors
- Preserve the interests of shareholders
- Ensure the compliance with Lao PDR laws and regulations

In addition, based on the observation from an external auditor, which was appointed to audit the Company's financial statements since the year ended 31 December 2009, these are significant areas requiring improvement:



### **1.10.1 Purchasing process and inventory management**

It is found that the Company has no formal policy in several aspects of procurement process including price comparison (purchased items with the market price or between local and overseas supplies or price offers between suppliers) and follow up system of long outstanding purchase orders. Moreover, it is recommended that the Company should set up formal procedure of inventory management and monitoring process of long outstanding balances of inventories.

Pursuant the PWC's recommendation, the management development has been improved as such in procurement, procedure of inventory. In addition to the recommendation, the Company also applied the following:

- Research new suppliers/new items between local and overseas including price comparison by considering the rules of Free Trade Area (FTA) among ASEAN import goods
- Management monitoring process of purchase and decision on new suppliers/items.
- Policy of sale price by combination of the Company's margin, comparing to the competitors price and market price
- Formal procedure of inventory management and process of record of data.

In addition, the Company also emphasized the appropriate corporate governance to improve the internal control system and transparency of business process. Hence, the auditing committee, comprising of two independent directors, to work directly with the Company's internal audit team.

## **1.11 RELATED PARTY TRANSACTIONS**

Prior to the Combined Offer, the nine existing shareholders own a controlling equity interest in the Company. The transaction the Company has entered into with related persons or companies held by the nine existing shareholders will constitute as related party transactions. The Company is a party to a few agreements with "related parties" as determined under the relevant regulations, including one of the Company's major shareholder, and its associated company, and engages from time to time in transactions with them. The Company believes these agreements and transactions have generally been entered into on arm's length terms or on terms that the Company believes have generally been at least as favorable to the Company as similar transactions with non-affiliates.

During the audited years 2010-2012, the Company carried out transactions with the related persons or companies held by the nine existing shareholders as disclosed in the Notes of Financial Statements in Appendix II.

The Company describes below the material transactions that the Company has entered into with the Company's major shareholder, and its associated companies. The transactions were carried out on commercial terms and conditions and at market rates. Significant related party transactions of the Company with related persons or companies held by the nine existing shareholders in the year 2012 (with values of above Kip 100,000,000) are as follows:

*Table 14: The summary of Company's related party transactions*

<b>Related Party</b>	<b>Relationship</b>	<b>Nature of Transaction</b>	<b>Transaction value in 2012 (Kip)</b>	<b>Necessity/Justification</b>
1. Lao World Savan Co.,Ltd.	Chan Family is a major shareholder of Lao World Savan Co.,Ltd.	Short term borrowing	16,323,261,649	Lao World entered into a short-term loan agreement with Lao World Savan to fund its investment and working capital. The return payment will be done within 1 year start from November 2012 with interest rate 6.5%. In 2012 received interest in the amount of Kip 146,717,423
2. Thai World Import&Export Co.,Ltd.	Chan Family is major shareholder of Thai World	Purchases of Goods	8,591,960,783	This transaction is a transaction in the ordinary course of business. The transactions are mainly related to purchases of goods for the supermarket and carried out under normal terms and conditions including pricing and credit terms.
		Account Payables	5,530,721,022	This transaction is a transaction in the ordinary course of business.

## **1.12 POLICY FOR FUTURE RELATED PARTY TRANSACTION.**

With regard to future related party transactions, the Company anticipates that there will be related party transactions in the ordinary course of business of the Company with other companies jointly controlled by the nine shareholders. The Company and its management shall consider the necessity and the appropriateness of such transactions, and the benefits to the Company. In addition, the Company shall proceed with such transactions in a transparent manner pursuant to the good corporate governance policy of the Company. Such agreements and transaction shall be entered into on arm's length terms or on terms that the Company believes shall be as favorable to the Company as similar transactions which are not related party transactions. Such agreements and transaction shall be entered into in compliance with all applicable laws and relevant regulations.

## **1.13 FINANCIAL AND OPERATING RESULTS**

The following information contained in this section has been reviewed by PWC. None of the advisors, other than PWC, has responsibility for this information.

The following table presents selected financial information derived from the Company audited financial statements as at 31 December 2010, 2011 and 2012 presented in accordance with the Company accounting policies and reporting practices in Lao PDR.

This financial and operating data should be read in conjunction with the Company audited financial statements, and Management's Discussion and Analysis of Financial Condition and Results of Operations included elsewhere in this Prospectus.

1) Balance Sheet

Table 15 : Balance sheet as at 2012, 2011 and 2010

Financial Summary (Kip)	As at 31 December 2012	As at 31 December 2011	As at 31 December 2010
Cash and cash equivalents	3,131,367,829	5,727,416,256	2,964,167,413
Current assets	39,354,848,822	12,474,357,105	10,856,754,383
Non-current assets	69,706,599,123	73,243,451,343	77,098,731,489
<b>Total Assets</b>	<b><u>109,061,447,945</u></b>	<b><u>85,820,162,863</u></b>	<b><u>87,955,485,872</u></b>
Borrowing	14,008,750,000	13,675,748,240	30,408,738,761
Current liabilities	30,378,076,823	24,207,059,131	40,309,194,066
<b>Total liabilities</b>	<b><u>30,378,076,823</u></b>	<b><u>24,207,059,131</u></b>	<b><u>40,309,194,066</u></b>
Issued and paid-up share capital	44,190,000,000	44,190,000,000	7,875,000,000
Retained earnings	34,493,371,122	17,423,103,732	39,771,291,806
<b>Total shareholders' equity</b>	<b><u>78,683,371,122</u></b>	<b><u>61,613,103,732</u></b>	<b><u>47,646,291,806</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>109,061,447,945</u></b>	<b><u>85,820,162,863</u></b>	<b><u>87,955,485,872</u></b>

2) Income Statement

Table 16 : Income statement for the year 2012,2011 and 2010

Financial Summary (Kip)	For the year end of 31 December 2012	For the year end of 31 December 2011	For the year end of 31 December 2010
Revenue from sales and services	75,297,132,412	61,993,684,902	61,540,051,717
Cost of sales and services	(44,430,912,248)	(37,537,062,045)	(38,127,856,265)
<b>Gross Profit</b>	<b><u>30,866,220,164</u></b>	<b><u>24,456,622,857</u></b>	<b><u>23,412,195,452</u></b>
Administrative expenses	(14,305,031,754)	(10,397,457,128)	(10,241,288,745)
Other income	189,268,609	9,275,025	40,655,747
Gain (loss) on exchange rate, net	295,901,473	(101,628,828)	3,427,399,447
<b>Operating profit</b>	<b><u>17,046,358,492</u></b>	<b><u>13,966,811,926</u></b>	<b><u>16,638,961,901</u></b>
Interest income	146,717,423	-	183,949,168
Interest expenses	(122,808,525)	-	(216,075,005)
<b>Net profit for the year</b>	<b><u>17,070,267,390</u></b>	<b><u>13,966,811,926</u></b>	<b><u>16,606,836,064</u></b>

### 3) Financial Ratio\*

Table 17: Financial ratio for the year 2012, 2011 and 2010

	For the year end of 31 December 2012	For the year end of 31 December 2011	For the year end of 31 December 2010
Current ratio (X)	1.3	0.5	0.3
Gross Profit margin	41.0%	39.5%	38.0%
EBIT Margin	22.6%	22.5%	27.0%
EBIT Margin / Assets	15.6%	16.3%	18.9%
Net Profit Margin	22.7%	22.5%	27.0%
ROE	21.7%	22.7%	34.9%
ROA	15.7%	16.3%	18.9%
D/E (X)	0.4	0.4	0.8

Remark: \* Above financial ratio was calculated by BCEL-KT

#### 1.13.1 Management's discussion and analysis of financial condition and results of operations

The following financial information is derived from the Company audited financial statements prepared and presented in accordance with the Company's accounting policies.

##### 1) Operating results

- *Revenue from sales and services*

Sales and service revenues are mainly driven by the trade exhibition and convention center and supermarket businesses. During the years 2012, 2011, and 2010, the Company recorded revenue from sales and services of Kip 75.30 billion, Kip 61.99 billion and Kip 61.54 billion, respectively. Sale revenues totaled Kip 38.31 billion, Kip 33.27 billion and Kip 37.56 billion and service revenues were Kip 36.99 billion, Kip 28.73 billion and Kip 23.98 billion respectively.

In 2012, the Company's revenues increased by 21.46 percent from total revenue in 2011, equal to Kip 13.30 billion because the revenue from rental space increased by 59.9 percent of total revenue increase in 2012.

- *Cost of sales and services*

The cost related to sales and services was Kip 44.43 billion in 2012, an increase from the cost of sales and services 2011 of Kip 6.89 billion or 18.37 percent because of the increasing of purchased banquet accessories in the amount of Kip 5.15 billion or 75 percent from the increase of cost of sales and services in 2011. When comparing cost of sales and services with revenue decreased continuously, in 2012, 2011 and 2010 were 59.01, 60.55 and 61.96 percent respectively.

- *Administrative expenses*

Administrative expenses in 2012 were Kip 14.31 billion or 19 percent compare to revenue in 2012, such administrative expenses increased by 37.58 percent or Kip 3.9 billion compare with total administrative expenses in the year 2011 because there were, the first, loss expenses in Kip

2.53 billion or 66 percent from increase of administrative expenses in 2012, the second, maintenance expenses in 13.41 percent from increase of administrative expenses in 2012.

- *Gain (loss) on exchange rate, net*

The net gain (loss) on exchange rate represents the net gain or loss of transactions due to the changes of exchange rate. The Company recorded such gain on exchange rate in 2012, and 2010 of Kip 0.30 billion, and Kip 3.43 billion respectively but in the year 2011, the company loss on exchange rate of Kip 0.10 billion.

- *Operating Profit*

As a result of the foregoing, the Company's operating profit in 2012 was Kip 17.05 billion or 22.64 percent from total revenue in same year, an increase of 22.05 percent from operating profit in the year 2011. The operating profit in 2011 and 2010 were Kip 13.97 billion, and Kip 16.64 billion or 22.53 percent and 27.04 percent compare to total revenue respectively, a decrease of operating profit in 2011 from 2010 due to net loss on exchange rate was Kip 0.10 billion.

- *Net profit*

As a result of aforementioned information, the Company's net profit for the year 2012 amounted to Kip 17.07 billion or 22.67 percent from the total revenue in same year, an increase of Kip 3.10 billion or 22.22 percent from net profit in 2011, which amounted to Kip 13.97 billion. In addition, the Company also acknowledged a decrease of 15.90 percent from net profit in the year 2010 of Kip 16.61 billion.

## 2) *Financial position*

- *Assets*

As at 31 December, 2012, total assets of the Company amounted to Kip 109.06 billion, 27.09 percent increase compared to total assets at the end of 2011. At the same period in 2011, total assets were Kip 85.82 billion, decreased by 2.43 percent compared to total assets at the end of 2010 of Kip 107.11 billion. Primary information relating to assets is detailed below:

Cash and cash equivalent amounted to Kip 3.13 billion, Kip 5.73 billion and Kip 2.96 billion in 2012, 2011 and 2010 respectively.

Trade account receivable totaled Kip 14.41 billion, 1.34 and Kip 2.82 billion, in 2012, 2011 and 2010 respectively representing an increase of 2012 from 2011 was Kip 13.07 billion due to the increase of outstanding trade receivables within 3 months from exhibitions which covered 98.64 percent and acknowledged trade receivables over 3 months from exhibitions covered 1.36 percent and complete settlement over 43 percent on 14 March 2013.

A loan to the third party in the year 2012 was Kip 16.32 billion which was loan to Lao World Savan Co., Ltd. "Savan-ITECC", hold major shares by Mr Sackchai Wongmalasith's family. Such loan was signed by short-term loan agreement with Savan-ITECC for 1 year in 6.5 percent

interest rate. The loan will be used for investment and working capital in Savan-ITECC, start from November 2012.

Inventories remained quite stable in 2012, 2011 and 2010; totaling Kip 4.59 billion, Kip 5.14 billion and Kip 4.36 billion respectively. All inventories mainly 91 percent of net inventories in 2012 were for current inventories of supermarket.

Property, plant and equipment (“PPE”) totaled Kip 69.61 billion or 63.82 percent of total assets in 2012. These PPE are under Lao-ITECC Agreement between Lao government represented by the MPI and Lao World Public Company, in the objective to invest, build, operate and transfer (BOT) of the buildings, structures and business operation of the Lao-ITECC to the Government of Lao PDR after termination in the year 2093

- *Liabilities*

As at 31 December, 2012, 2011 and 2010, total liabilities of the Company amounted to Kip 30.38, 24.21 and 40.31 billion respectively, the liabilities of 2012 increased 25.49 percent from total liabilities the end of 2011. At the same period in 2011, total liabilities decreased by 39.95 percent when compared to total liabilities at the end of 2010. The important details are outlined below:

Total account payable in 2012 totaled Kip 13.89 billion, an increase of 48.38 percent from 2011 was primarily due to the purchasing goods to sale in supermarket from Thai World with credit term 30-60 days.

Loan from local bank in current liabilities was Kip 14.01 billion at the end of 2012. Such current loan was used for working capital and the loan agreement was due at call with 5.50 percent of interest rate per year. And the loans from the other parties were completely settled.

Other current liabilities in 2012, 2011 and 2010 amounted Kip 2.49 billion, Kip 1.18 billion and 0.8 billion respectively. The other liabilities in 2012 increased from 2011 was 111.40 percent due to an increase of the advanced payment from Banquet and Rental space was 69.05 percent of 2012

- *Shareholders' equity*

As at 31 December 2012, 2011 and 2010, total shareholder's equity amounted to Kip 78.68, Kip 61.61 billion and Kip 47.65 billion or 72.15, 71.79 and 54.17 percent respectively, compared to total assets. The important details are listed below:

The issued and paid-up share capital was recorded Kip 7.88 billion at the end of 2010 and remained unchanged at the same period of 2012. In 2011, the issued and paid up share capital was increased to Kip 44.19 billion.

Appropriated retained earnings is set for legal reserve in accordance with the Enterprise Law of Lao PDR which requires the appropriation of net profit as a legal reserve of at least 10% of annual net profit until such reserve reaches 50% of authorized share capital. The legal reserve amounted to Kip 6.16 billion in 2012, Kip 4.45 billion in 2011 and Kip 3.06 billion in 2010.

Un-appropriated retained earnings totaled of Kip 28.33 billion, Kip 12.97 billion and Kip 36.72 billion in 2012, 2011, and 2010 respectively.

3) *Operating result and financial position of the Company and affiliated company for the six month period end of 30 June 2013.*

*The following financial information is derived from the Company and affiliated company's unaudited internal financial statements for the six month period end of 30 June 2013 (For more the detail see Appendix 2)*

*Table 18: The financial position of the Company and affiliated company for the six month period end of 30 June 2013*

Balance Sheet	30 June 2013	30 June 2013	30 June 2013
	Lao World (Vientiane)	Lao World (Pakse)	Lao World Savan
Cash and cash equivalents	2,943,030,551.43	599,363,578.77	1,652,376,678.96
Current assets	70,512,210,543.18	2,249,812,262.75	4,998,861,041.60
Non-current assets	73,287,189,070.94	302,930,396.00	111,242,259,637.06
<b>Total Assets</b>	<b><u>143,799,399,614.12</u></b>	<b><u>2,552,742,658.75</u></b>	<b><u>116,241,120,678.66</u></b>
Current liabilities	11,850,714,468.47	1,185,377,715.27	66,671,054,796.17
Non-Current liabilities	14,455,920,000.18	3,423,804,826.44	32,809,658,144.81
<b>Total Liabilities</b>	<b><u>26,306,634,468.65</u></b>	<b><u>4,609,182,541.71</u></b>	<b><u>99,480,712,940.98</u></b>
Issued and paid-up share capital	74,477,328,874.00		30,287,328,874.00
Retained earnings	36,855,444,851.47	(2,056,439,882.96)	(13,526,921,136.31)
<b>Total shareholders' equity</b>	<b><u>117,492,765,145.47</u></b>	<b><u>(2,056,439,882.96)</u></b>	<b><u>16,760,407,737.69</u></b>
<b>Total liabilities and shareholders' equity</b>	<b><u>143,799,399,614.12</u></b>	<b><u>2,552,742,658.75</u></b>	<b><u>116,241,120,678.67</u></b>

*Table 19: The operating result of the Company and affiliated company for the six month period end of 30 June 2013*

<b>Income Statement</b>	<b>30 June 2013</b>	<b>30 June 2013</b>	<b>30 June 2013</b>
	<b>Lao World (Vientiane)</b>	<b>Lao World (Pakse)</b>	<b>Lao World Savan</b>
Revenue from sales and services	30,373,980,399.86	2,530,948,013.00	8,552,232,848.48
Cost of sales and services	(16,809,548,796.99)	(2,651,079,588.85)	(6,288,185,201.48)
<b>Gross profit</b>	<b><u>13,564,431,602.87</u></b>	<b><u>(120,131,575.85)</u></b>	<b><u>2,264,047,647.00</u></b>
Administration expenses	(7,220,378,725.77)	(177,503,174.00)	(3,565,412,177.64)
<b>Operating expense</b>	<b><u>6,344,052,877.10</u></b>	<b><u>297,634,749.85</u></b>	<b><u>1,301,364,530.64</u></b>
Interest Income (expenses), net	398,046,618.62	21,160,520.12	(494,322,928.96)
<b>Net Profit for the year</b>	<b><u>6,742,099,495.72</u></b>	<b><u>(276,474,229.73)</u></b>	<b><u>(1,795,687,459.60)</u></b>



## **PART 2**

### **INFORMATION RELATING TO THE OFFER**

#### **2.1 DESCRIPTION OF SHARES.**

The following section outlines information relating to the shares of the Company and ownership rights of the shareholders based on the Company's AOA and the relevant laws and regulations of Lao PDR.

##### **2.1.1 General**

The Company was converted from a private company to a public company with limited liability under the laws of Lao PDR. On the Conversion Date, the nine existing shareholders owned 100 percent of registered shares of the Company. Thereafter, the Company resolved in its Shareholders' Meeting to the following agenda:

- Conduct a par split from Kip 10,500 to Kip 2,000; as a result, the number of share increased from 750,000 to 3,937,500 shares; and
- Approved to increase company's register capital of Kip 36,315,000,000 to paid up capital at a par value of Kip 2,000 per share; as a result, the paid up capital and paid up shares increased from Kip 7,875,000,000 to Kip 44,190,000,000 and from 3,937,500 shares to 22,095,000 shares.

On 28 May 2013, the 1<sup>st</sup> General Meeting of Shareholder 2013 had a resolution to increase registered capital in the amount of Kip 27,019,618,000 from Kip 44,190,000,000 divided to 22,095,000 shares to Kip 71,209,618,000 divided to 35,604,809 shares

For the offering of the Company's issued shares for the initial public offering, the Company will float their new shares 3,956,100 ordinary shares or approximately 10 percent of total shares after increase registered capital.

The Company is governed primarily by its AOA and certain provisions of the Enterprise Law.

- *Share capital*

The share capital of the Company as of the date of this Prospectus is Kip 71,209,618,000 consisting of 35,604,809 ordinary shares with Kip 2,000 par value each. All of the Shares are fully paid.

After the Combined Offer, the Underwriter will make the initial listing application for the Company's Shares on the LSX. The Company expects the application to be approved, subject to the compliance and qualification of the Company with LSX rules.

- *Limitation on foreign ownership of shares*

Lao law places restrictions on the amount of shares foreign investors may acquire and hold. Pursuant to the *Decision on the Rules for Managing the Purchase and Sale of Shares for Foreign Investors on the LSX* No. 012/SEC (19 May 2011) foreign investors are entitled to the percentage as stated in the following order of authority as listed in Article 8 of this decision, as follows:

- Regulations of the concerned sector;
- Resolutions of the Shareholders' Meeting of the listed company;
- Instructions as stipulated by SEC;
  - The total amount of shares to be held by all foreign entities and individuals cannot be more than ten percent of the total shares of the listed company;
  - The amount of shares to be held by one foreign entity or individual cannot be more than one percent of the total shares of the listed company

However, as Lao World is registered as a 100 percent foreign entity with legitimated Investment License obtaining approval of public offering from both SECO and LSX. The foreign ownership limitation of Lao World shall be 100 percent of total issued shares.

- *Dividends*

The distribution of dividends requires approval from the shareholders of the Company. Dividends are distributed equally on a pro rata basis.

Pursuant to the Enterprise Law, the Company may not distribute dividends when it has sustained accumulated losses in previous years. Additionally, the Company is required to convert 10 percent of its net profit into a statutory/legal reserve fund, after deducting its accumulated losses. The Company may suspend converting its net profit to such fund when the reserve fund reaches half of the registered capital of the Company, unless otherwise stated by the AOA.

- *General meetings of the shareholders*

Pursuant to the AOA, the Board of Directors of the Company shall convene an annual general meeting of shareholders by the 4<sup>th</sup> month in the Company's next fiscal year. The Board of Directors of the Company may call an extraordinary meeting when it deems necessary for example in the event a position of an auditor is vacant. If a request for an extraordinary meeting is lodged by the requisite number of shareholders or directors (as listed in the Enterprise Law) or is ordained by court order, the Board of Directors shall convene the extraordinary meeting within 30 days from the date the request was received.

Notice of any general meeting must be delivered directly, or through other appropriate means, to all shareholders of the Company at least five business days prior to the meeting.

The quorum for any Shareholders' Meeting of the Company shall be at least two shareholders representing more than half of the total paid shares.

- *Voting rights*

A shareholder is generally entitled to one vote per share. A resolution may be adopted at a general meeting by a simple majority vote. The following matters relating to the Company require a special resolution of the shareholders:

- (i) voting on matters specified by the Enterprise Law;
- (ii) amending the AOA of the Company;
- (iii) increasing or reducing the capital;
- (iv) the merger or dissolution of the Company;
- (v) the sale or transfer of all or a substantial part of the business of the Company to another person; and
- (vi) the purchase or acceptance of a transfer of the business of another enterprise.

Special resolutions shall be passed by a vote of at least two-thirds of the shareholders or their proxies attending the meeting, representing at least 80 percent of the total paid shares.

Pursuant to the Enterprise Law, a shareholder may be restricted from voting on a matter in which they are involved and through this involvement may receive a direct benefit or gain. The members present at a Shareholders' Meeting shall determine whether a shareholder falls within this scope.

- *Pre-emptive rights and issuance of additional Ordinary Shares*

Part 1 of the NASC Resolution (the "NASC Resolution") provides an exemption for all companies listed on the LSX from their legal obligations under the Enterprise Law relating to the pre-emptive rights of the shareholders when selling additional shares of a company. Pursuant to the Enterprise Law, the Company is required to call for a Shareholders' Meeting seeking approval for any increase of the Company's registered capital. An increase in registered capital shall be registered with the MOIC within 10 business days from the date specified for the payment of subscribed shares. In addition, after the registration of the increase of capital, the Company will give public notice of the increase within 10 business days from the registration date.

- *Liquidation rights*

In the event of liquidation, the assets remaining after distribution to the creditors in full shall be distributed to the shareholders in proportion to the number of shares held.

- *Shareholder register*

The Company shall record the names, addresses and nationalities of the shareholders in a Shareholder register book.

## **2.2 SHARE TRANSFER RESTRICTION.**

Other than for limited periods after the closing of the Combined Offer pursuant to LSX listing requirements, the nine promoters are restricted from transferring its 10 percent of total shares in the Company within two years of the conversion of the Company pursuant to the Enterprise Law. As the nine shareholders are promoters of the Company as defined in the Enterprise Law, the nine promoters must jointly hold shares representing at least 10 percent of the registered capital of the Company for a two year time period. In addition, if the Company will be registered in Lao Securities Exchange (the “LSX”) under the LSX listing regulation No. 24/LSX dated 07 January 2011, the largest shareholders and the related persons is prohibited to transfer their shares within 6 months after listed in the LSX.

## **2.3 DETERMINATION OF OFFERING PRICE.**

The determination of the offering price was based on the earning per share by using net profit of the first two quarter of 2013 and the estimate profit derived in the last two quarter of 2013 and estimated profit in 2014 by considering to the dividend yield in 2013, 2014 and in the future, in order to get dividend yield approximately 5-11 percent. In addition, the market comparables are taken from the value of securities of other similar companies in regional stock markets, the price/earnings ratio in particular was identified. The range of price/earnings of regional peers as of 12 September 2013 is around 6-29 time earnings. That range of the company compare to profit in 2012 make the share price equal to 6,400 – 12,000 kip (P/E = price x total of shares after IPO / net profit).

## **2.4 SUBSCRIPTION, OFFERING PROCESS AND ALLOCATION.**

### **2.4.1 Offering method**

The Shares are being distributed and offered in a public offering by the Underwriter through the Selling Agent to investors inside and outside Lao PDR in reliance on applicable laws in the countries in which such offers are made.

- *Combined Offer*

3,956,100 ordinary shares are being offered in the Combined Offer, consisting are to be offered to public in Lao PDR and foreign investors.

Relating to the Combined Offer, there are no special offer on the number of shares and offering price for their employees.

The Combined Offer has been registered as an initial public offering with the SEC.

- *Public Offer*

Shares are being offered in an initial public offering in the Lao PDR by the Underwriter through the Selling Agent

Shares are being offered outside the Lao PDR by the Underwriter to investors in reliance on applicable laws in the countries in which such offers are made.

***The Offering Price in the Combined Offer*** equals to Kip 10,200 per share.

- *Details of underwriter and selling agent*

- (1) Underwriter**

- BCEL-KT Securities Company Limited  
7th Floor, Lao Securities Exchange Building  
Kamphengmouang Road, Xaysettha District,  
Vientiane Capital, Lao PDR  
Tel: (+856-21) 265477  
Fax: (+856-21) 265488

- (2) Selling Agent**

- There are 4 selling agents in Vientiane Capital:

- 1. BCEL-KT Securities Company Limited  
7<sup>th</sup> Floor, Lao Securities Exchange Building  
Khamphaengmouang Road,  
Xaysettha District,  
Vientiane Capital, Lao PDR  
Tel: (+856-21) 265-477  
Fax: (+856-21) 265-488
    - 2. Banque Pour Le Commerce Exterieur Lao (Head Office)  
No01, Pangkham Street,  
Ban Xiengneun, Chanthabouly District,  
Vientiane Capital, Lao PDR  
Tel: (+856-21) 213-200, 222-495  
Fax: (+856-21) 213-202
    - 3. Banque Pour Le Commerce Exterieur Lao (Dong Dok Branch)  
Khamhoung Village, Xaythany District,  
Vientiane Capital, Lao PDR  
Tel: (+856-21) 771-495, 720-344  
Fax: (+856-21) 771-496
    - 4. Banque Pour Le Commerce Exterieur Lao (Vientiane Capital Branch)  
Asian Road, Ban Thongkhankham, Chanthabouly District,  
Vientiane Capital, Lao PDR  
Tel: (+856-21) 213-205, 219-763, 219-764  
Fax: (+856-21) 219-765

- **There are 16 selling agents outside Vientiane Capital:**
  1. Banque Pour Le Commerce Exterieur Lao (Phongsaly Branch)  
No 061 NamTha Street, Ban PhouPhah,  
Phongsaly District, Phongsaly Province, Lao PDR  
Tel: (+856-88) 210-224  
Fax: (+856-88) 210-221
  2. Banque Pour Le Commerce Exterieur Lao (Luangnamtha Branch)  
N0. 130/6 Numtha Road, Ban oudomsin,  
Numtha District, Luangnamtha Province, Lao PDR  
Tel: (+856-86) 211-316  
Fax: (+856-86) 211-319
  3. Banque Pour Le Commerce Exterieur Lao (Bokeo Branch)  
No 200 Huaysay North Village,  
Huaysay District, Borkeo Province, Lao PDR  
Tel: (+856-84) 212-162, 212-169, 212-171  
Fax: (+856-84) 212-162, 212-169
  4. Banque Pour Le Commerce Exterieur Lao (Oudomxay Branch)  
North No13 Road Navannoi Village,  
Xay District, Oudomxay Province, Lao PDR  
Tel: (+856-81) 211-260, 211-261, 211-263  
Fax: (+856-81) 211-262, 211-925
  5. Banque Pour Le Commerce Exterieur Lao (Xayabuly Branch)  
Sisaathsomphou Village,  
Phaklay District, Sayyaboulou Province, Lao PDR  
Tel: (+856-74) 550-051  
Fax: (+856-74) 550-053
  6. Banque Pour Le Commerce Exterieur Lao (Luang Prabang Branch)  
Phouvao Road, PhonPheang Village,  
Laungprabang District, Laungprabang, Lao PDR  
Tel: (+856-71) 252-814  
Fax: (+856-71) 260-598
  7. Banque Pour Le Commerce Exterieur Lao (Xiang khoang Branch)  
Road KM 7, Tern Village,  
Parek District, Xiengkhaung Province, Lao PDR  
Tel: (+856-61) 213-291  
Fax: (+856-61) 213-290
  8. Banque Pour Le Commerce Exterieur Lao (Houaphanh Branch)  
Phanxay Village,  
Samneua District, Houaphanh Province, Lao PDR  
Tel: (+856-64) 312-112  
Fax: (+856-64) 312-109

9. Banque Pour Le Commerce Exterieur Lao (Vang Vieng Branch)  
Sengsavang Village Kangmuong Street,  
Vangvieng City, Vientiane Province, Lao PDR  
Tel: (+856-23) 511-434  
Fax: (+856-23) 511-433
10. Banque Pour Le Commerce Exterieur Lao (Bolikhamsai Branch)  
13 south Road,Ban sivilay,  
Paksan District, Bolikhamxay Province, Lao PDR  
Tel: (+856-54) 280-112, 280-113  
Fax: (+856-54) 790-919
11. Banque Pour Le Commerce Exterieur Lao (Khammouan Branch)  
Vientiane Road. Chomngeun Village,  
Thakhek District Khammouane Province, Lao PDR  
Tel: (+856-51) 212-686, 212-689, 250-747  
Fax: (+856-51) 212-685
12. Banque Pour Le Commerce Exterieur Lao (Savannakhet Branch)  
Latsavongseuk Road Sunantha Village,  
Khanthabouly District Savannakhet Province, Lao PDR  
Tel: (+856-41) 212-261  
Fax: (+856-41) 212-723
13. Banque Pour Le Commerce Exterieur Lao (Champasak Branch)  
No11 Watluang Village,  
Pakse District Champassak Province, Lao PDR  
Tel: (+856-31) 212-770-7  
Fax: (+856-31) 212-974
14. Banque Pour Le Commerce Exterieur Lao (Attapeu Branch)  
Road 18B.Tanxoum Village,  
Attapeu Province, Lao PDR  
Tel: (+856-36) 211-919-29, 260-002  
Fax: (+856-36) 211-939, 260-003
15. Banque Pour Le Commerce Exterieur Lao (Salavan Branch)  
Ban Nalek, Salavan District, Salavan Province, Lao PDR  
Tel: (+856-34) 212-063  
Fax: (+856-34) 212-038
16. Banque Pour Le Commerce Exterieur Lao (Sekong Branch)  
Ban Vathlouang, Lamam District, Sekong Province, Lao PDR  
Tel: (+856-38) 211-687  
Fax: (+856-38) 211-689

Nevertheless, the underwriter may consider changing or adding new selling agent

- *Condition of underwriting*

The Company has appointed the Underwriter to procure the subscription of and payment for the total 3,956,100 shares, with a par value of Kip 2,000 per share, on the firm underwriting basis, subject to the terms and conditions of the Underwriting Agreement.

- *Estimated expenses in relation to the Offer*

The Company will pay the Underwriter an underwriting commission for the underwriting of the Shares. The Selling Agent will share in the underwriting commission of the Underwriter. The aggregate expenses of the Combined Offer, not including the Underwriter's underwriting commission will be substantially paid by the Company and are estimated to be approximately US\$ 150,000.

- *Procedures for obtaining Prospectus and Subscription Form*

The Prospectus and the subscription form will be made available for investors at BCEL-KT Securities Company Limited, 7th Floor, Lao Securities Exchange Building, Kampaengmouang Road, Xaysetha District, Vientiane, Lao PDR and the subscription form will be made available at the contact address of each branch of the Selling Agent in the Combined Offer between 8.30 a.m. to 3.30 p.m. during 17-19 December 2013 (except on 19 December 2013, the subscription will be closed at 12.00 pm.) (The "Offering Period").

#### **2.4.2 Subscription method**

A subscriber can obtain the subscription form at the Underwriter and Selling Agent, within the Offering Period specified in this section. The subscriber must clearly fill out the subscription form and cause its authorized signatory to sign together with the Company's seal affixed (if any), and must pay a subscription price according to the procedures in this section, by the end of the Offering Period.

In the Combined Offer, the subscription shall be at the minimum amount of 100 shares and in multiples of 100 shares.

A subscriber must fully and clearly fill out the subscription form and submit all documents as shall be required by the Underwriter or Selling Agent (as the case may be) together with the full payment of the subscription price to the Underwriter or Selling Agent. A subscriber must make a subscription payment in a full amount of the share subscription between 8.30 am. to 3.30 pm., during 17-19 December 2013 (except on 19 December 2013 the subscription will be closed at 12.00 pm.) by transferring the payment money so that the underwriter can receive such amounts within the last day of subscription.

A subscriber shall bring (1) Subscription form and (2) Document of Identification and (3) Document certifying money transfer with an amount equal or exceed the subscription amount to subscriber's securities trading account (similar to securities trading process) and submit those documents to BCEL-KT Securities Company Limited, 7th Floor, Lao Securities Exchange Building, Kamphengmouang Road, Xaysetha District, Vientiane, Lao PDR or Selling Agent as of the date and time mentioned in the subscription form.



Required document for identification are as below:

- (1) For Lao individual: A certified copy of Lao ID card
- (2) For Foreign individual: A certified copy of passport
- (3) Letter of attorney: in case there is a third person to be a subscriber's representative
- (4) Juristic Person: A certified copy of the passport or Lao ID card of authorized person(s) and/or Copies of certificate of incorporation (if any)

The Underwriter and Selling Agent accepting the subscription shall provide evidence of the subscription for the Shares to the subscriber. The number of the Shares allocated, procedures and period of payment will be notified by the Underwriter or the Selling Agent.

- *Receipt of payment and keeping of subscription payment*

Each subscriber must make a subscription payment in full to the Underwriter or the Selling Agent, by submitting the payment to the subscriber's securities account opened with BCEL-KT. Consequently, the Underwriter or the Selling Agent will debit subscription payment from subscriber's securities account. Subscribers can make a subscription payment at BCEL's head office, any branches and service units.

The subscriber is responsible for bank charges or expenses relating to the conversion of foreign currency by paying these separately from the subscription payment and shall send evidence of the transfer to the Underwriter or Selling Agent on confirmation of the subscription. The subscriber who has made a subscription payment may not cancel the subscription and request a refund of the subscription payment.

- *Over-subscription*

In the event that the aggregate number of the Shares for which valid subscription is received by the Underwriter and Selling Agent exceeds the number of the Shares that the Company has agreed to issue, the Underwriter and the Company shall have discretion to allocate the Shares to any or all of the investors in accordance with related laws and regulations.

- *Refund of subscription payment*

The Underwriter and Selling Agent shall notify the result of the allotment of the Shares to subscribers who do not receive the allotment of the Shares in whole or in part. The Underwriter or Selling Agent (as the case may be) shall send a refund of subscription payment to the subscribers who do not receive the full allotment of the Shares for which they subscribed by means of wire transfer or issuance of crossed cheques to the subscribers within two business days from the end of the allocation period. Such refund shall be made proportionately to the subscription price of unallotted Shares. The refund of the unallotted Shares shall be without any interest or compensation for damages provided the payment is made in accordance with the procedures herein, failing which the Underwriter and Selling Agent shall be liable to pay the relevant

subscribers default interest at the rate of five percent per annum of the unreturned subscription money until that amount is fully paid.

### **2.4.3 Allotment of Shares**

Allocation of the Shares in the Combined Offer will process after the end of the offering period, which is expected to be completed no later than 7 business days after the end of the Offering Period.

The allotment of the Shares will be made in the best interests of the Company. However, the Underwriter and Selling Agent reserve the right to refuse a subscription for the Shares according to the subscription form where the Underwriter or Selling Agent (as the case may be) deems that such subscription does not comply with the subscription method which will smooth all of the process and made the best interests of the Company.

### **2.5 DELIVERY OF SHARE.**

The Share Registrar shall deposit the Shares in the securities account of the subscribers. This will be done through registered brokers who have opened accounts on behalf of their clients as notified by the subscribers on the subscription forms. The shares will then be registered and deposited at the Securities Depository Center.

### **2.6 PLAN OF DISTIBUTION AND USE OF PRROCEEDS.**

The Underwriter has entered into an Underwriting Agreement pursuant to which the Company has agreed to issue and the Underwriter has agreed to procure subscribers for the subscription and purchase of 3,956,100 Shares, with a par value of Kip 2,000 per share.

The Selling Agent has entered into an agreement with the Underwriter pursuant to which the Selling Agent will place the Shares with general investors and/or employees of the Company inside Lao PDR and the Underwriter will place the Shares with investors outside the Lao PDR in reliance on applicable laws in the countries in which such offers are made, which will not be subject to any filing requirement.

The Underwriter and the Selling Agent plan to place approximately 3,956,100 shares to be offered to public in Lao PDR and foreign investors.

The Underwriter is to market the Shares, subject to approval of legal matters by its counsel, including the validity of the Shares, and other conditions contained in the Underwriting Agreement, such as the receipt by the Underwriter of officer's certificates. The Underwriter reserves the right to withdraw, cancel or modify its offer of the Shares and to reject orders in whole or in part to the extent permissible under the securities laws of the Lao PDR.

The Company has agreed to fully indemnify the Underwriter against certain liabilities, including liabilities under the Lao laws and any other Lao securities laws, and to contribute to payments which the Underwriter may be required to make in respect of those liabilities.

- *Over-allotment option*

There will be no over-allotment option in the Offer.

- *Shares are not being registered in any jurisdiction except the Lao PDR*

The Offer will be in compliance with the applicable rules and regulations of the SEC, and the Lao Prospectus was prepared specifically for the Initial Public Offering of the Shares in the Lao PDR. Accordingly, the Shares will not be registered under the securities laws in any jurisdiction other than the Lao PDR. No representation is being given that the form or contents of the Lao Prospectus and the English Prospectus are appropriate or sufficient for an offering in any other jurisdiction.

The Lao Prospectus and the English Prospectus should be read together prior to making an investment decision to purchase the Shares. Foreign Investors are directed to pay careful attention to the selling restrictions set out beginning on Page iii of this Prospectus.

- *Lao Offer*

This Offer is the initial public offering of the Company's Shares and if the LSX approves the initial listing application of the Company, the Company's Shares will be listed on the LSX. The LSX is a new secondary market which was established in October 2010. Prior to this Offer, there has been no public market for the Shares. The Company expects that its shares will be listed on the LSX and begin trading on or around 25 December 2013.

- *Price stabilization*

Neither the Underwriter nor the Selling Agent makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the Shares. In addition, neither the Underwriter nor the Selling Agent makes any representation that the Underwriter or the Selling Agent will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

## 2.7 USE OF PROCEEDS.

The net proceeds from the Combined Offer will be approximately Kip 7.9 billion. Such net proceeds, together with any earnings thereon, will be invested to construct of building both in Lao-ITECC and Savan-ITECC and be a working capital for increment the Company valuable and investors' profitability.

*Table 18: Use of proceeds*

<b>Purpose</b>	<b>Amount (Kip billion)</b>	<b>Percentage</b>	<b>Estimated period of using such proceeds</b>
1. Construction Itecc Market building in Vientiane	no less than 4.7	Approximately 60%	2014
2. Construction Savan-ITECC building in Savan	no less than 1.6	Approximately 20%	2014
3. Working capital	no less than 1.6	Approximately 20%	2014
<b>Total</b>	<b>no less than 7.9</b>		

**PART 3**  
**CERTIFICATION OF THE ACCURACY**

**3.1 CERTIFICATION OF THE ACCURACY OF THE COMPANY**

We have reviewed the information contained herein the Lao Prospectus and with cautious as the position of the Chief Executive Office that such information is accurate and complete.

IN WITNESS WHEREOF, we also certified that the entire information is the documents certified true and correct as the same set. We hereby authorized Mr. Visanh Nalongsak to initial every page of the documents. If any documents do not contain such initial of Mr.Visanh Nalongsak, we will deem that such documents are not the information that we have certified.

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr.Sackchai Wongmalasith	Chief Executive Officer	-Signature-

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr.Visanh Nalongsak	Chief Operating Officer	-Signature-

**The Board of Directors of the Company**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr.Sackchai Wongmalasith	Chairman and Chief Executive Officer	-Signature-
2. Mr.Visanh Nalongsak	Vice Chairman and Chief Operating Officer	-Signature-
3. Mr.Sunthorn Manodharm	Vice Chairman, Independent Director	-Signature-
4. Mrs.Kittima Leelayouva	Independent Director	-Signature-
5. Mrs. Pheyphanome Nhouyvanisvong	Director	-Signature-
6. Mrs. Somprasong Palamee	Director	-Signature-
7. Mr. Khamphone Phonekeo	Director	-Signature-

**The Executive of the Internal Auditing**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr.Sunthorn Manodharm	Vice Chairman of the Board of Director Independent Director Chairman of the Auditing Committee	-Signature-

**The Executive of the Accounting Department**

<u>Name</u>	<u>Position</u>	<u>Signature</u>
1. Mr.Somvang Luangphomlithided	Accounting Manager	-Signature-

### **3.2 CERTIFICATION OF THE ACCURACY OF THE SECURITIES COMPANY**

This Prospectus is the part of application for initial listing of Lao World Public Company (the “Company”).

It was prepared and issued by cooperation of the Company and BCEL-KT Securities Company Limited under Underwriter Agreement.

I hereby certified that the valuation analysis and the use of words in this prospectus are accurate and complete base on the information that the Company provided.

BCEL-KT Securities Company Limited

<b><u>Name</u></b>	<b><u>Position</u></b>	<b><u>Signature</u></b>
1. Mr.Kumpon Suangburanakul	Managing Director	-Signature-

**APPENDIX I**  
**SUBSCRIPTION FORM**



# Subscription Form for New Ordinary Shares of LAO WORLD PUBLIC COMPANY

Initial Public offering with par value of Kip 2,000 at the offering price of Kip **10,200** per share  
(Each subscriber must subscribe for a minimum of 100 shares, and if more, in multiples of 100 shares)

Subscription Date : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Subscription No. \_\_\_\_\_

**Subscriber please clearly fill in the spaces below**

Name – Last Name \_\_\_\_\_ BCEL- KT A/c No. \_\_\_\_\_ Password No. \_\_\_\_\_

( ) ID Card ( ) Alien Card ( ) Passport ( ) Company Registered No. \_\_\_\_\_

Nationality \_\_\_\_\_ Date of Birth \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ Occupation \_\_\_\_\_

Address \_\_\_\_\_ Country \_\_\_\_\_

Telephone No. \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Fax No. \_\_\_\_\_ E-Mail : \_\_\_\_\_

**Hereby subscribe for and request allotment of new ordinary shares of LAO WORLD PUBLIC COMPANY** as follows:

No. of Share subscribed	Offering Price (Kip)	Amount Due (Kip)	Amount (Words)
	10,200		

Made payable to : **BCEL- KT Securities Co.,Ltd for Aggregate** Bank Name : **Banque pour le Commerce Exterieur Lao Public (BCEL)**

Bank Account No. : **010-19-00-00013745-002**

If the shares are allotted to me, I/We hereby agree to the Company to issue a share certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to **BCEL-KT Securities Company Limited** which I/We have account with the said Company. (Name of the subscriber must be the same to the account name.)

If the subscribed shares are not allotted to me, I/we agree that the payment or excess payment will be returned to me/us by deposit into my/our trading account with **BCEL-KT Securities Company Limited**.

I/We hereby undertake to subscribe the above ordinary shares as allocated to me and shall not cancel this offering subscription including with acceptance of fund return in case of my subscription is to be refused with the cause of incompleteness of document required by the company or any other reasons.

Signature  \_\_\_\_\_ Subscriber  
( \_\_\_\_\_ )

*\*\* Please be aware that there is risk involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription. \*\**

**Document Required Individual :-** Copy of ID Card (Loa nationality) / Copy of Passport (Foreigner) (to be certified for true copy by the holder)

**Juristic Person :-** Copy of ID Card or Passport of Authorized Person(s) (Certified True copy of the holder)

>>> For officer uses only >>>	Checker: _____ _____ / _____ / _____	Input: _____ _____ / _____ / _____
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## Subscription Receipt for New Ordinary Shares of LAO WORLD PUBLIC COMPANY (Subscriber please also fill out this portion)

Subscription Date : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Subscription No. \_\_\_\_\_

I/We received money from (name of subscriber) \_\_\_\_\_ BCEL- KT A/c No. \_\_\_\_\_ Password No. \_\_\_\_\_

for a subscription of new ordinary shares of **LAO WORLD PUBLIC COMPANY** for \_\_\_\_\_ shares

Amount : Kip \_\_\_\_\_ Payment Date : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

If the shares are allotted to me, I hereby agree to the Company to issue a share certificate in the name of "Lao Securities Depository Centre" for the allotted shares and arrange further to **BCEL- KT Securities Company Limited**.

Authorized Officer \_\_\_\_\_

**APPENDIX II**  
**FINANCIAL STATEMENTS**



*Lao World Company Limited (Chan Complex)*  
*Financial Statements*

*For the year ended 31 December 2010*



**LAO WORLD COMPANY LIMITED (CHAN COMPLEX)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

<b>CONTENTS</b>	<b>Page</b>
Statement by the Board of Directors	1 - 2
Independent auditor's report	3 - 4
Balance sheet	5 - 6
Statement of income	7
Statement of changes in equity	8
Statement of cash flow	9
Notes to the financial statements	10 - 26

## **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors have pleasure in submitting their report together with the audited financial statements of Lao World Company Limited (Chan Complex) (“the Company”) for the year ended 31 December 2010.

### ***PRINCIPAL ACTIVITY***

The Company is engaged in the operation of a state-of-the-art exhibition and conference centre which offers an active arena for business communications and other related business activities, including entertainment, restaurant and supermarket.

### ***RESULTS***

The financial performance for the year ended 31 December 2010 is set out in the statement of income on page 7.

### ***ASSETS***

At the date of this report, the Board of Directors is not aware of any circumstances that would render the values attributed to the assets in the financial statements of the Company misleading.

### ***VALUATION METHODS***

At the date of this report, the Board of Directors is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

### ***CONTINGENT AND OTHER LIABILITIES***

At the date of this report there does not exist:

- (a) any charge on the assets of the Company that has arisen since the end of the year and that secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Company that has arisen since the end of the year.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the year which, in the opinion of the Board of Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

### ***CHANGE OF CIRCUMSTANCES***

At the date of this report, the Board of Directors is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company that would render any amount stated in the financial statements misleading.

## ***ITEMS OF AN UNUSUAL NATURE***

The financial performance of the Company for the year ended 31 December 2010 was not, in the opinion of the Board of Directors, materially affected by any items, transactions or events of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect substantially the financial performance of the Company for the current year.

## ***AUDITORS***

The auditors, PricewaterhouseCoopers (Lao) Limited, have expressed their willingness to accept re-appointment.

## **RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS**

The Board of Directors is responsible to ensure that the financial statements are properly drawn up so as to present fairly the financial position of the Company as at 31 December 2010, its financial performance for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- i) adopt appropriate accounting policies that are supported by reasonable and prudent judgments and estimates and then apply them consistently;
- ii) maintain adequate accounting records and an effective system of internal controls;
- iii) prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- iv) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance, and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

On behalf of the Board of Directors of Lao World Company Limited (Chan Complex), we do hereby state that the accompanying balance sheet, statement of income, statement of changes in equity, together with the notes thereto, present fairly, in all material respects, the financial position of the Company as at 31 December 2010, its financial performance for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements.

On behalf of the Board of Directors:

  
  
Mr. Visarh Nalongsak  
Managing Director  
Date: 9 August 2011



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF LAO WORLD COMPANY LIMITED (CHAN COMPLEX)

We have audited the accompanying financial statements of Lao World Company Limited (Chan Complex) ("the Company") which comprise the balance sheet as of 31 December 2010 and the statement of income, statement of changes in equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes on pages 10 to 26.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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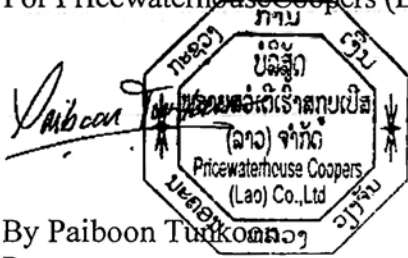
*PricewaterhouseCooper (Lao) Ltd. . Unit 1-3, 4<sup>th</sup> Floor, ANZ Vientiane Commercial Building, 33 Lane Xang Avenue, PO Box 7003, Telephone : + 856 21 222718-9, Facsimile: + 856 21 222723, [www.pwc.com/](http://www.pwc.com/)*



*Opinion*

In our opinion, the accompanying financial statements have been prepared, in all material respects, in accordance with the basis set out in Note 2.

For PricewaterhouseCoopers (Lao) Limited



By Paiboon Tuskom  
Partner  
Vientiane, Lao PDR  
Date: 9 August 2011

**Lao World Company Limited (Chan Complex)**  
**Statements of income**  
**For the year ended 31 December 2010**

	Notes	2010 Kip	2009 Kip
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	6	2,964,167,413	4,622,343,665
Trade accounts receivable, net	7	2,826,133,673	13,968,472,718
Loan to third party	8	-	4,251,000,000
Inventories, net	9	4,363,499,369	4,338,668,377
Other current assets	10	702,953,928	992,107,204
<b>Total Current Assets</b>		<b>10,856,754,383</b>	<b>28,172,591,964</b>
<b>Non-Current Assets</b>			
Property, plant and equipment, net	11	77,022,324,703	78,906,358,156
Intangible assets, net	12	67,769,786	4,253,161
Deposits		8,637,000	26,634,000
<b>Total Non-Current Assets</b>		<b>77,098,731,489</b>	<b>78,937,245,317</b>
<b>Total Assets</b>		<b>87,955,485,872</b>	<b>107,109,837,281</b>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 9 August 2011





(Mr. Outavong Nhouyvanisvong)  
 Financial Controller  
 Date : 9 August 2011

The accompanying notes on page 10 to 26 are an integral part of these financial statements.

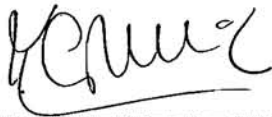


**Lao World Company Limited (Chan Complex)**  
**Statements of income**  
**For the year ended 31 December 2010**

	<u>Notes</u>	<u>2010 Kip</u>	<u>2009 Kip</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable	13	9,100,692,942	9,661,562,904
Borrowings from bank	14	-	4,251,000,000
Other current liabilities	15	799,762,363	2,023,304,958
<b>Total Current Liabilities</b>		<u>9,900,455,305</u>	<u>15,935,867,862</u>
<b>Non-Current Liabilities</b>			
Borrowings from related party	14	30,408,738,761	60,134,513,677
<b>Total Non-Current Liabilities</b>		<u>30,408,738,761</u>	<u>60,134,513,677</u>
<b>Total Liabilities</b>		<u>40,309,194,066</u>	<u>76,070,381,539</u>
<b>Shareholders' Equity</b>			
Share capital			
Authorised share capital			
Ordinary shares	16	7,875,000,000	7,875,000,000
Issued and paid-up share capital		7,875,000,000	7,875,000,000
Retained earnings			
Appropriated - legal reserve	17	3,056,283,485	1,395,599,879
Unappropriated		36,715,008,321	21,768,855,863
<b>Total Shareholders' Equity</b>		<u>47,646,291,806</u>	<u>31,039,455,742</u>
<b>Total Liabilities and Shareholders' Equity</b>		<u>87,955,485,872</u>	<u>107,109,837,281</u>

  
 (Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 9 August 2011




  
 (Mr. Outavong Nhouyvanisvong)  
 Financial Controller  
 Date : 9 August 2011

The accompanying notes on page 10 to 26 are an integral part of these financial statements.

**Lao World Company Limited (Chan Complex)**  
**Statements of income**  
**For the year ended 31 December 2010**

	Notes	2010 Kip	2009 Kip
Sales and service revenues	18	61,540,051,717	69,184,363,517
Cost of sales and services		(38,127,856,265)	(41,717,111,822)
<b>Gross profit</b>		23,412,195,452	27,467,251,695
Administrative expenses		(10,241,288,745)	(11,783,251,538)
Other income		40,655,747	2,330,750
Gain (loss) on exchange rate, net	20	3,427,399,447	(1,791,805,658)
<b>Operating profit</b>	19	16,638,961,901	13,894,525,249
Interest income		183,949,168	420,415,454
Interest expenses		(216,075,005)	(358,941,910)
<b>Net profit for the year</b>		<b>16,606,836,064</b>	<b>13,955,998,793</b>
<b>Basic earnings per share</b>			
Net profit for the year	22	22,142	18,608

  
 (Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 9 August 2011




  
 (Mr. Outavong Nhouyvanisvong)  
 Financial Controller  
 Date : 9 August 2011

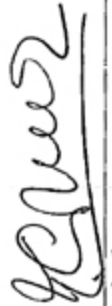
The accompanying notes on page 10 to 26 are an integral part of these financial statements.

Lao World Company Limited (Chan Complex)  
Statement of changes in equity  
For the year ended 31 December 2010

	Retained earnings			Total Kip
	Issued and paid up share capital (Note 16) Kip	Legal reserve (Note 17) Kip	Unappropriated Kip	
<b>Opening balance 1 January 2010</b>	7,875,000,000	1,395,599,879	21,768,855,863	31,039,455,742
Net profit for the year	-	-	16,606,836,064	16,606,836,064
Legal reserve	-	1,660,683,606	(1,660,683,606)	-
<b>Closing balance 31 December 2010</b>	<b>7,875,000,000</b>	<b>3,056,283,485</b>	<b>36,715,008,321</b>	<b>47,646,291,806</b>
<b>Opening balance 1 January 2009</b>	7,875,000,000	-	9,208,456,949	17,083,456,949
Net profit for the year	-	-	13,955,998,793	13,955,998,793
Legal reserve	-	1,395,599,879	(1,395,599,879)	-
<b>Closing balance 31 December 2009</b>	<b>7,875,000,000</b>	<b>1,395,599,879</b>	<b>21,768,855,863</b>	<b>31,039,455,742</b>



  
(Mr. Visanh Nalongsak)  
Managing Director  
Date : 9 August 2011

  
(Mr. Outavong Nhouyvanisrongs)  
Financial Controller  
Date : 9 August 2011

The accompanying notes on page 10 to 26 are an integral part of these financial statements.

**Lao World Company Limited (Chan Complex)**  
**Statement of cash flows**  
**For the year ended 31 December 2010**


	<u>Notes</u>	<u>Kip</u>
<b>Cash flows from operating activities</b>		
Cash generated from operating	21	27,751,806,671
Interest paid		(216,075,005)
Net cash generated from operating activities		<u>27,535,731,666</u>
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	11	(1,234,075,845)
Purchases of intangible assets		(28,532,000)
Loan repayments received from third parties		4,251,000,000
Interest received		183,949,169
Net cash received in investing activities		<u>3,172,341,324</u>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings from bank	14	4,902,000,000
Repayments on long-term borrowings from bank	14	(9,027,000,000)
Repayments on long-term borrowings from related party	23.3	(28,108,892,792)
Net cash used in financing activities		<u>(32,233,892,792)</u>
<b>Net decrease in cash and cash equivalents</b>		(1,525,819,802)
Cash and cash equivalents at the beginning of the year		4,622,343,665
Exchange losses on cash and cash equivalents		(132,356,450)
<b>Cash and cash equivalents at the end of the year</b>	6	<u>2,964,167,413</u>

**Non-cash item:**

Acquisitions of plant and equipment which have not been paid	1,656,329,489
--	---------------

  
 (Mr. Visank Nalongsak)  
 Managing Director  
 Date : 9 August 2011



  
 (Mr. Outavong Nhouyvanisvong)  
 Financial Controller  
 Date : 9 August 2011

The accompanying notes on page 10 to 26 are an integral part of these financial statements.

## **1 General information**

Lao World Company Limited (Chan Complex) (“the Company”) is a limited company incorporated and resident in Lao PDR and operates under the name of Lao International Trade Exhibition and Convention Centre (Lao-ITECC). The address of the Company’s registered office is as follows:

Khampang Muang Road, Xaysettha District Vientiane, Lao PDR

The principal business operations of the Company are summarised as follows.

- Supermarket
- Food and beverage
- Banquet
- Exhibition
- Entertainment

The Company signed a 35-year concession agreement (the Agreement) with the Government of the Lao PDR (GoL) on 24 December 2003. This Agreement requires the Company to invest in an exhibition hall, entertainment complex, golf course and others within a contract area of 142,627 square meters on the GoL’s land at nil consideration due to GoL for 10 years from the Agreement date. In addition, all assets will be transferred to the GoL at the completion date of the agreement under the Build, Operate and Transfer - “BOT”) conditions. In addition, the Company has received exemption from corporate income tax from the first 10 years of operation commencing 24 December 2003 (contract date) and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years.

Under the Agreement, the Company is required to comply with several terms and conditions which mainly include the construction period, minimum investment and share capital.

On 11 March 2011, GoL and the Company agreed to amend the Concession Agreement. Under this amendment, the concession period is extended from 35 years to 50 years and adds a condition to facilitate the Company’s listing on the Lao Securities Exchange.

These financial statements were authorised for issue by the Board of Directors on 9 August 2011.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below:

### **2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies prescribed in Note 2 of these financial statements.

The preparation of the financial statements in conformity with the Company's accounting policy requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

### **2.2 Foreign currency translation**

Items included in the financial statements are measured using Kip.

Foreign currency transactions are translated into Kip using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

### **2.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks or other short-term highly liquid investments with original maturities of three months or less.

### **2.4 Trade accounts receivable**

Trade accounts receivable are carried at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within selling and marketing costs.

## **2 Accounting policies (Cont'd)**

### **2.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

### **2.6 Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software for its intended use. These costs are amortised over their estimated useful lives of five years.

### **2.7 Property, plant and equipment**

Property, plant and equipment are initially recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. In the case of self-constructed assets, the cost of construction consists of the materials, direct labour and other expenses attributable to the construction which are allocated to the assets on a systematic basis. Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write-off the cost to its residual value over the estimated useful life as follows:

Buildings	35 years
Machinery and equipment	10 years
Vehicles	5 years
Furniture and fixtures	10 years

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

## **2 Accounting policies (Cont'd)**

### **2.8 Impairment of assets**

Property, plant and equipment and other non-current assets, including intangible assets and other deposits are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow. Assets that suffered impairment are reversed for possible impairment loss of the estimate of the recoverable amounts and changed in the subsequent period after the Company's recognition of impairment.

### **2.9 Leases - where the Company is the lessee**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

#### **Leases - where the Company is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.10 Borrowings**

Borrowings are recognised initially at cash received, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.



## **2 Accounting policies (Cont'd)**

### **2.11 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain, except provision for employee benefit that the Company recognises related liabilities and expenses when incurred.

### **2.13 Revenue recognition**

Revenues of the Company are principally from the supermarket, food and beverage, banquet, exhibition and entertainment.

Revenue comprises the invoiced value for the sale of goods net of output tax, rebates and discounts.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which is generally at the time when goods are dispatched to the customer and invoices are issued. Revenue from providing services is recognised when the services are rendered.

Revenue from food and beverage sales is recognised upon delivery of goods to customers.

Other revenues are recognised on the following basis:

- Rental income - Rental income received in advance is recorded as unearned income then recognised in the statement of income on a straight-line basis over the term of the lease.
- Interest income - on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

### **3 Financial risk management**

#### **3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates. Management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

##### **3.1.1 Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Thai Baht and the US Dollar ("USD"). The foreign exchange risk arises from future commercial transactions mainly from purchase and loan. As at 31 December 2010, management did not use any financial instrument since it considers that the anticipated cost of using financial instruments would exceed the foreseeable benefits.

##### **3.1.2 Interest rate risk**

The Company's financial income and expense is dependent on changes in market interest rates from third party loans and borrowings from related parties and the bank. As at 31 December 2010, management considered the interest risk as insignificant as the majority of borrowings are interest free borrowings from shareholders and borrowing from the bank was settled on 2 July 2010 (Note 14). Therefore, management did not use any financial instruments to manage such risk.

##### **3.1.3 Credit risk**

The Company has no significant concentrations of credit risks as sales are normally made in cash or short credit terms with various different types of customers who have a good credit history. Cash and bank transactions are only made with high credit quality financial institutions.

##### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to support ongoing business and future investment for expansion. Management maintains its broad cash forecasts to aid in cash and liquidity management and ensure it has sufficient cash to meet short term operation needs and long-term investment plans.

#### **4 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **4.1 Allowance for obsolete and slow-moving inventories**

The Company has made allowance, where necessary, for obsolete and slow moving inventories by estimating the net realisable value calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses.

##### **4.2 Property, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from the previous estimate, or it will write-off or write down technically obsolete or assets that have been abandoned or sold.

#### **5 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern from the ongoing project on hand in order to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Company may borrow new funds from shareholders and lenders, issue new shares and adjust the amount of dividends paid to shareholders in the future.

**6 Cash and cash equivalents**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Cash on hand	1,461,648,380	1,124,389,639
Deposits held at call with banks	1,502,519,033	3,497,954,026
<b>Total</b>	<b>2,964,167,413</b>	<b>4,622,343,665</b>

Deposits held at call with banks represent cash deposited in 3 different currencies being USD, Kip, and Thai Baht in current accounts at no interest with local reputable banks and foreign bank branch.

**7 Trade accounts receivable, net**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Trade accounts receivable - third party, gross	2,828,133,673	13,968,472,718
<u>Less: Allowance for trade receivables</u>	<u>(2,000,000)</u>	<u>-</u>
<b>Total</b>	<b>2,826,133,673</b>	<b>13,968,472,718</b>

Outstanding trade accounts receivable as at 31 December are as follows:

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Up to 3 months	2,701,666,655	13,956,119,918
3 - 6 months	9,735,000	12,352,800
Over 6 months	116,732,018	-
	2,828,133,673	13,968,472,718
<u>Less: Allowance for trade receivables</u>	<u>(2,000,000)</u>	<u>-</u>
<b>Total</b>	<b>2,826,133,673</b>	<b>13,968,472,718</b>

Trade accounts receivable outstanding over 6 months mainly represent receivables from the SME fair in March 2010 (Board of Trade of Thailand). Management believes that they could receive the amount in 2011; there is no credit issue with this customer from past experience.

**Lao World Company Limited (Chan Complex)**  
**Notes to the financial statements**  
**For the year ended 31 December 2010**

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**8 Loan to third party**

Loan to a third party was settled on 28 June 2010. (2009: USD 500,000 unsecured, with agreed interest rate and due at call).

**9 Inventories, net**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Finished goods	5,028,661,415	5,042,763,508
<u>Less</u> Allowance for obsolete and slow moving inventories	<u>(665,162,046)</u>	<u>(704,095,131)</u>
<b>Total</b>	<b><u>4,363,499,369</u></b>	<b><u>4,338,668,377</u></b>

Finished goods mainly consist of inventory stock for the supermarket amounting to Kip 4,214,263,764 (2009: Kip 4,243,534,791).

**10 Other current assets**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Cash advances to staff	20,360,000	52,826,000
Prepaid business turnover tax/value added tax - Pakse branch (i)	62,037,599	13,065,488
Advance payments for exhibition and banquet (ii)	507,961,662	926,215,716
Prepaid insurances (iii)	<u>112,594,667</u>	<u>-</u>
<b>Total</b>	<b><u>702,953,928</u></b>	<b><u>992,107,204</u></b>

(i) Prepaid turnover tax/value added tax is the balance of Pakse branch and this could be carried forward to net off with future tax liabilities of Pakse branch.

(ii) Advance payments to staff for exhibition and banquet preparation are charged to the related cost of sales and services once related events and obligations have been fulfilled and completed.

(iii) In September 2010, the management decided to apply fire and damage insurances in order to cover major assets which are buildings and vehicles. There was no insurance policy made for cover those assets in 2009.

Lao World Company Limited (Chan Complex)  
Notes to the financial statements  
For the year ended 31 December 2010

11 Property, plant and equipment, net	Buildings	Machinery and equipment	Vehicles	Furniture and fixtures	Total
	Kip	Kip	Kip	Kip	Kip
<b>Year ended 31 December 2009</b>					
Opening net book amount	66,090,627,827	5,931,671,872	764,860,622	6,964,407,019	79,751,567,340
Additions	814,662,100	24,100,000	859,350,000	2,069,247,705	3,767,359,805
Depreciation charge (Note 19)	(1,268,948,583)	(1,565,723,497)	(401,951,929)	(1,375,944,980)	(4,612,568,989)
<b>Closing net book amount</b>	<b>65,636,341,344</b>	<b>4,390,048,375</b>	<b>1,222,258,693</b>	<b>7,657,709,744</b>	<b>78,906,358,156</b>
<b>At 31 December 2009 (Audited)</b>					
Cost	73,153,087,742	9,215,841,009	3,761,531,068	12,637,121,642	98,767,581,461
Less: Accumulated depreciation	(7,516,746,398)	(4,825,792,634)	(2,539,272,375)	(4,979,411,898)	(19,861,223,305)
<b>Net book amount</b>	<b>65,636,341,344</b>	<b>4,390,048,375</b>	<b>1,222,258,693</b>	<b>7,657,709,744</b>	<b>78,906,358,156</b>
<b>Year ended 31 December 2010</b>					
Opening net book amount	65,636,341,344	4,390,048,375	1,222,258,693	7,657,709,744	78,906,358,156
Additions	481,346,790	565,042,500	-	1,844,016,044	2,890,405,334
Write-offs* (Note 19)	(100,453,130)	-	-	-	(100,453,130)
Depreciation charge (Note 19)	(2,092,144,028)	(941,553,523)	(327,486,120)	(1,312,801,986)	(4,673,985,657)
<b>Closing net book amount</b>	<b>63,925,090,976</b>	<b>4,013,537,352</b>	<b>894,772,573</b>	<b>8,188,923,802</b>	<b>77,022,324,703</b>
<b>At 31 December 2010</b>					
Cost	73,533,981,402	9,780,883,509	3,761,531,068	14,481,137,686	101,557,533,665
Less: Accumulated depreciation	(9,608,890,426)	(5,767,346,157)	(2,866,758,495)	(6,292,213,884)	(24,535,208,962)
<b>Net book amount</b>	<b>63,925,090,976</b>	<b>4,013,537,352</b>	<b>894,772,573</b>	<b>8,188,923,802</b>	<b>77,022,324,703</b>

As described in Note 1, all assets are subject to build, operate and transfer conditions at the end of the concession agreement with the GoL which is approximately the end of 2053. In 2010, total addition of Kip 2,890,405,334 consisted of cash transaction of Kip 1,234,075,845 and non-cash transactions of Kip 1,656,329,489 (as part of account payable).

Write-offs expenses represent disposed items from the renovation of golf driving range facilities in 2010.

**Lao World Company Limited (Chan Complex)**  
**Notes to the financial statements**  
**For the year ended 31 December 2010**

**12 Intangible assets, net**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
<b>Year ended 31 December</b>		
Opening net book amount	4,253,161	8,583,081
Additions	73,907,000	-
Amortisation (Note 19)	<u>(10,390,375)</u>	<u>(4,329,920)</u>
<b>Closing net book amount</b>	<b><u>67,796,786</u></b>	<b><u>4,253,161</u></b>
<b>At 31 December</b>		
Cost	94,387,259	20,480,259
Less: Accumulated amortisation	<u>(26,617,473)</u>	<u>(16,227,098)</u>
<b>Net book amount</b>	<b><u>67,769,786</u></b>	<b><u>4,253,161</u></b>

Intangible assets mainly comprise computer software licence fees. These costs are amortised over five years (Note 2.6).

**13 Accounts payable**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Accounts payable - third parties	2,539,307,724	6,398,826,825
Accounts payable - related party (Note 23)	<u>6,561,385,218</u>	<u>3,262,736,079</u>
<b>Total</b>	<b><u>9,100,692,942</u></b>	<b><u>9,661,562,904</u></b>

**14 Borrowings**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Borrowings from bank	-	4,251,000,000
Borrowings from related party (Note 23)	<u>30,408,738,761</u>	<u>60,134,513,677</u>
<b>Total</b>	<b><u>30,408,738,761</u></b>	<b><u>64,385,513,677</u></b>

**Lao World Company Limited (Chan Complex)**  
**Notes to the financial statements**  
**For the year ended 31 December 2010**

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**14 Borrowings (Cont'd)**

*Borrowings from bank*

Movements in borrowing from bank are as follows:

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
<b>At 1 January</b>	4,251,000,000	4,245,500,000
Additions	4,902,000,000	..
Repayments	(9,027,000,000)	..
(Gain)/Loss on exchange rate	(126,000,000)	5,500,000
<b>At 31 December</b>	<b>-</b>	<b>4,251,000,000</b>

Borrowing from bank is comprise:

- Borrowings from local bank USD 500,000 were settled on 2 July 2010 (2009: USD 500,000). These borrowings are unsecured, due at call and have an interest rate at 8.33% per annum (2009: 8.33% per annum).
- Borrowings from local bank USD 600,000 were settled on 15 November 2010 (2009: nil). These borrowings are unsecured, due at call and have an interest rate at 6.75% per annum. (2009: nil).

*Borrowings from a related party*

Borrowings from a related party represent unsecured borrowings from the major shareholder. These borrowings consist of i) USD 3,768,956 (2009: USD 6,527,566) and ii) borrowings in Thai Baht that were settled during the year (2009: Baht 18,158,540). These borrowings carry no interest and are due at call.

Movement in borrowing from related party, refer to Note 23.3

The interest rate exposure on the borrowings of the Company is as follows:

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
- At fixed rates	-	4,251,000,000
- No interest	30,408,738,761	60,134,513,677
<b>Total</b>	<b>30,408,738,761</b>	<b>64,385,513,677</b>



**Lao World Company Limited (Chan Complex)**  
**Notes to the financial statements**  
**For the year ended 31 December 2010**

**15 Other current liabilities**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Advances received from customers	122,984,800	34,270,000
Accrued business turnover tax/value added tax - Head office	323,089,421	1,724,765,458
Accrued professional and service fees	274,482,000	263,562,000
Others	79,206,142	707,500
<b>Total</b>	<b>799,762,363</b>	<b>2,023,304,958</b>

Accrued business turnover tax/value added tax as of 31 December 2010 is the balance of head office and it was paid to the Tax Department on 11 January 2011 (2009: paid to the Tax Department on 5 July 2010).

Advances received from customers mainly consisted of advances received for banquets and advances received from shop rentals in the supermarket. The Company will recognise the advances received from customers to be revenue when the goods and services are delivered to customers.

**16 Share capital**

	<b>Number of shares Shares</b>	<b>Ordinary Shares Kip</b>	<b>Total Kip</b>
At 1 January 2009	750,000	7,875,000,000	7,875,000,000
Issue of shares	-	-	-
At 31 December 2010	750,000	7,875,000,000	7,875,000,000
	<b>Number of shares Shares</b>	<b>Ordinary Shares Kip</b>	<b>Total Kip</b>
At 1 January 2008	750,000	7,875,000,000	7,875,000,000
Issue of shares	-	-	-
At 31 December 2009	750,000	7,875,000,000	7,875,000,000

The total authorised number of ordinary shares is 750,000 shares (2009: 750,000 shares) with a par value of Kip 10,500 per share (2009: Kip 10,500 per share). All issued shares are fully paid.

**16 Share capital (Cont'd)**

The Company's shareholders consist of Mr. Stewen Chan who holds 30 % (2009: 30%), Mr. Phonepadith Lattanavanh who holds 30% (2009: 30%), Mrs. Eng Lattanavanh who holds 20 % (2009: 20%), Mrs. Phonepasith Lattanavanh who holds 10 % (2009: 10%) and Mr. Sackxay Vongmalasith who holds 10 % (2009: 10%). All of the Company's shareholders are Chan family.

**17 Legal reserve**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
At 1 January	1,395,599,879	-
Appropriation during the year	1,660,683,606	1,395,599,879
At 31 December	<u>3,056,283,485</u>	<u>1,395,599,879</u>

Legal reserve is set-up in accordance with the Article 151 of the Enterprise Law of the Lao PDR which requires the appropriation of net profit as a legal reserve of at least 10% of the annual net profit until such reserve reaches 50% of authorised share capital.

On 31 December 2010 and 2009, management approved the allocation of net profit for the year ended 31 December 2010 and 2009 to legal reserve at the rate of 10%.

**18 Sales and service revenues**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Sale revenues	37,556,969,619	49,021,679,946
Service revenues	23,983,082,098	20,162,683,571
<b>Total</b>	<u><b>61,540,051,717</b></u>	<u><b>69,184,363,517</b></u>

**19 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Cost of finished goods sold	23,901,802,566	29,718,672,812
Staff cost	6,191,694,019	3,851,389,175
Depreciation on property, plant and equipment (Note 11)	4,673,985,657	4,612,568,989
Amortisation on intangible assets (Note 12)	10,390,375	4,329,920
Write-offs (Note 11)	100,453,130	-
Utility expenses	3,682,238,366	4,309,386,983
Repairs and maintenance expenditure on property, plant and equipment	1,662,130,525	1,095,605,687

**20 Gain (loss) on exchange rates, net**

Gain (loss) on exchange rates is mainly due to gain (loss) on exchange rates from borrowing from a related party in USD and Thai Baht currencies (Note 14). During 2010 the Thai Baht and USD were depreciated against the Kip currency, which is the reporting currency, while they appreciated in 2009.

**21 Cash flow from operating activities**

	<b>2010</b>
	<b>Kip</b>
Net profit before income tax	16,606,836,064
Adjustments for:	
Depreciation (Note 11)	4,673,985,657
Amortisation (Notes 12)	10,390,375
Write-offs (Note 11)	100,453,130
Foreign exchange gain	(1,610,525,674)
Interest income	(183,949,168)
Interest expense	216,075,005
Changes in working capital:	
Inventories	(24,829,554)
Trade and other receivables	9,440,633,118
Other current assets	289,153,276
Deposit	17,997,000
Accounts and other payable	(560,869,963)
Accrued expenses and other current liabilities	(1,223,542,595)
<b>Cash generated from operations</b>	<b>27,751,806,671</b>

## 22 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	<u>2010</u>	<u>2009</u>
Net profit attributable to ordinary shareholders (Kip)	16,606,836,064	13,955,998,793
Weighted average number of ordinary shares in issue (Shares)	750,000	750,000
Basic earnings per share (Kip)	22,142	18,068

## 23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by the Chan family who wholly own the Company's shares (Note 16).

The following significant transactions were carried out with related parties:

### 23.1 Purchases of goods

	<u>2010</u> <u>Kip</u>	<u>2009</u> <u>Kip</u>
Purchases of goods and others from:		
Other related parties - Thai World	<u>8,727,187,017</u>	<u>10,343,785,115</u>
	<u>8,727,187,017</u>	<u>10,343,785,115</u>

Thai World Import Export Company Limited (Thai World) is controlled by the Chan family. The above transactions are mainly related to purchases of goods for the supermarket and carried out under normal terms and conditions including pricing and credit terms. In general, the credit term is around 30-60 days.

**23 Related party transactions (Cont'd)**

**23.2 Outstanding balances arising from purchases of goods**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Payables to:		
Other related parties - Thai World	6,561,385,218	3,262,736,079
	<u>6,561,385,218</u>	<u>3,262,736,079</u>

**23.3 Borrowings from related party**

	<b>2010</b>	<b>2009</b>
	<b>Kip</b>	<b>Kip</b>
Borrowings from major shareholder		
At 1 January	60,134,513,677	62,414,681,688
Additions	-	3,254,484,394
(Gain)/Loss on exchange rates	(1,616,882,124)	285,892,413
Less : Repayments	<u>(28,108,892,792)</u>	<u>(5,820,544,818)</u>
<b>At 31 December</b>	<b><u>30,408,738,761</u></b>	<b><u>60,134,513,677</u></b>

The borrowings from the major shareholder were interest free (Note 14).

**LAO WORLD PUBLIC COMPANY**  
*(PREVIOUSLY, LAO WORLD COMPANY LIMITED (CHAN COMPLEX))*



**FINANCIAL STATEMENTS**  
**31 DECEMBER 2011**

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## **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors have pleasure in submitting their report together with the audited financial statements of Lao World Public Company (*Previously, Lao World Company Limited (Chan Complex)*) (“the Company”) for the year ended 31 December 2011.

### ***PRINCIPAL ACTIVITY***

The Company is engaged in the operation of a state-of-the-art exhibition and conference centre which offers an active arena for business communications and other related business activities, including entertainment, restaurant and supermarket.

### ***RESULTS***

The financial performance for the year ended 31 December 2011 is set out in the statement of income on page 7.

### ***ASSETS***

At the date of this report, the Board of Directors is not aware of any circumstances that would render the values attributed to the assets in the financial statements of the Company misleading.

### ***VALUATION METHODS***

At the date of this report, the Board of Directors is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

### ***CONTINGENT AND OTHER LIABILITIES***

At the date of this report there does not exist:

- (a) any charge on the assets of the Company that has arisen since the end of the year and that secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Company that has arisen since the end of the year.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the year which, in the opinion of the Board of Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

### ***CHANGE OF CIRCUMSTANCES***

At the date of this report, the Board of Directors is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company that would render any amount stated in the financial statements misleading.



### **ITEMS OF AN UNUSUAL NATURE**

The financial performance of the Company for the year ended 31 December 2011 was not, in the opinion of the Board of Directors, materially affected by any items, transactions or events of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Directors, to affect substantially the financial performance of the Company for the current year.

### **AUDITORS**

The auditors, PricewaterhouseCoopers (Lao) Co., Ltd, have expressed their willingness to accept re-appointment.

### **RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS**

The Board of Directors is responsible to ensure that the financial statements are properly drawn up so as to present fairly the financial position of the Company as at 31 December 2011, its financial performance for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- i) adopt appropriate accounting policies that are supported by reasonable and prudent judgments and estimates and then apply them consistently
- ii) maintain adequate accounting records and an effective system of internal controls
- iii) prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future, and
- iv) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance, and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

On behalf of the Board of Directors of the Company, we do hereby state that the accompanying statement of financial position, statement of income, statement of changes in equity and statement of cash flow together with the notes thereto, present fairly, in all material respects, the financial position of the Company as at 31 December 2011, its financial performance for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements.

On behalf of the Board of Directors:



Mr. Wisanh Nalongsak  
Managing Director

Date: 1 October 2012



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF LAO WORLD PUBLIC COMPANY (*PREVIOUSLY, LAO WORLD COMPANY LIMITED (CHAN COMPLEX)*)

We have audited the accompanying financial statements of Lao World Public Company (*Previously, Lao World Company Limited (Chan Complex)*) ("the Company") which comprise the statement of financial position as of 31 December 2011 and the statement of income, statement of changes in equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes on pages 11 to 28. The financial statements have been prepared by management of the Company in accordance with the accounting policies described in note 2 of the financial statements.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis set out in Note 2.

For PricewaterhouseCoopers (Lao) Co., Ltd.



By Paiboon  
Partner  
Vientiane, Lao PDR  
Date: 1 October 2012

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of financial position**  
**As at 31 December 2011**

	<u>Notes</u>	<u>2011</u> <u>Kip</u>	<u>2010</u> <u>Kip</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	5,727,416,256	2,964,167,413
Trade and other receivables, net	7	1,347,227,529	2,826,133,673
Inventories, net	8	5,136,963,704	4,363,499,369
Other current assets	9	262,749,616	702,953,928
Total current assets		<u>12,474,357,105</u>	<u>10,856,754,383</u>
<b>Non-current assets</b>			
Property, plant and equipment, net	10	73,234,451,343	77,022,324,703
Intangible assets, net	11	99,717,415	67,769,786
Deposits		11,637,000	8,637,000
Total non-current assets		<u>73,345,805,758</u>	<u>77,098,731,489</u>
<b>Total assets</b>		<u><b>85,820,162,863</b></u>	<u><b>87,955,485,872</b></u>



(Mr. Visanh Nalongsak)  
**Managing Director**  
 Date : 1 October 2012



(Mr. Somvang Luangphomlithided)  
**Accounting manager**  
 Date : 1 October 2012

The accompanying notes on page 11 to 28 are an integral part of these financial statements.

Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))  
**Statement of financial position**  
**As at 31 December 2011**

	<u>Notes</u>	<u>2011 Kip</u>	<u>2010 Kip</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	12	9,352,847,740	9,100,692,942
Borrowings	13	13,675,748,240	30,408,738,761
Other current liabilities	14	<u>1,178,463,151</u>	<u>799,762,363</u>
Total current liabilities		<u>24,207,059,131</u>	<u>40,309,194,066</u>
<b>Total liabilities</b>		<b><u>24,207,059,131</u></b>	<b><u>40,309,194,066</u></b>
<b>Shareholders' equity</b>			
Share capital			
Authorised share capital			
Ordinary shares	15	<u>44,190,000,000</u>	<u>7,875,000,000</u>
Issued and paid-up share capital		44,190,000,000	7,875,000,000
Retained earnings			
Appropriated - legal reserve	16	4,452,964,678	3,056,283,485
Unappropriated		<u>12,970,139,054</u>	<u>36,715,008,321</u>
<b>Total shareholders' equity</b>		<b><u>61,613,103,732</u></b>	<b><u>47,646,291,806</u></b>
<b>Total liabilities and shareholders' equity</b>		<b><u>85,820,162,863</u></b>	<b><u>87,955,485,872</u></b>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 1 October 2012

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 1 October 2012

The accompanying notes on page 11 to 28 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of income**  
**For the year ended 31 December 2011**

	<b>Notes</b>	<b>2011 Kip</b>	<b>2010 Kip</b>
Sales and service revenues	17	61,993,684,902	61,540,051,717
Cost of sales and services		<u>(37,537,062,045)</u>	<u>(38,127,856,265)</u>
<b>Gross profit</b>		24,456,622,857	23,412,195,452
Administrative expenses		(10,397,457,128)	(10,241,288,745)
Other income		9,275,025	40,655,747
Gain (loss) on exchange rate, net	19	<u>(101,628,828)</u>	<u>3,427,399,447</u>
<b>Operating profit</b>	18	13,966,811,926	16,638,961,901
Interest income		-	183,949,168
Interest expenses		<u>-</u>	<u>(216,075,005)</u>
<b>Profit before income tax</b>		<b>13,966,811,926</b>	<b>16,606,836,064</b>
Income tax expenses	20	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<b><u>13,966,811,926</u></b>	<b><u>16,606,836,064</u></b>
 <b>Basic earnings per share</b>			
Profit for the year	22	<u>2,365</u>	<u>22,142</u>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 1 October 2012

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 1 October 2012

The accompanying notes on page 11 to 28 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of changes in equity**  
**For the year ended 31 December 2011**

	Issued and paid up share capital (Note 15) Kip	Retained earnings		Total Kip
		Legal reserve (Note 16) Kip	Unappropriated Kip	
<b>Opening balance 1 January 2011</b>	7,875,000,000	3,056,283,485	36,715,008,321	47,646,291,806
New shares issued	36,315,000,000	-	(36,315,000,000)	-
Profit for the year	-	-	13,966,811,926	13,966,811,926
Legal reserve	-	1,396,681,193	(1,396,681,193)	-
<b>Closing balance 31 December 2011</b>	<b>44,190,000,000</b>	<b>4,452,964,678</b>	<b>12,970,139,054</b>	<b>61,613,103,732</b>
<b>Opening balance 1 January 2010</b>	7,875,000,000	1,395,599,879	21,768,855,863	31,039,455,742
Profit for the year	-	-	16,606,836,064	16,606,836,064
Legal reserve	-	1,660,683,606	(1,660,683,606)	-
<b>Closing balance 31 December 2010</b>	<b>7,875,000,000</b>	<b>3,056,283,485</b>	<b>36,715,008,321</b>	<b>47,646,291,806</b>



(Mr. Somvang Luangphomlithid) Accounting manager  
 Date : 1 October 2012

The accompanying notes on pages 11 to 28 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of cash flows**  
**For the year ended 31 December 2011**

	Notes	2011 Kip	2010 Kip
<b>Cash flows from operating activities</b>			
Cash generated from operating	21	21,716,326,633	27,751,806,671
Interest paid		-	(216,075,005)
Net cash generated from operating activities		<u>21,716,326,633</u>	<u>27,535,731,666</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	10	(2,106,336,215)	(1,234,075,845)
Purchases of intangible assets		(93,855,000)	(28,532,000)
Loans repaid from third parties		-	4,251,000,000
Interest received		-	183,949,169
Net cash received/(used) in investing activities		<u>(2,200,191,215)</u>	<u>3,172,341,324</u>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings from bank		-	4,902,000,000
Proceeds from long-term borrowings from related party	23.3	899,464,440	-
Repayments on long-term borrowings from bank		-	(9,027,000,000)
Repayments on long-term borrowings from related party	23.3	<u>(17,566,369,616)</u>	<u>(28,108,892,792)</u>
Net cash used in financing activities		<u>(16,666,905,176)</u>	<u>(32,233,892,792)</u>

  
 (Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 1 October 2012

  
 (Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 1 October 2012

The accompanying notes on page 11 to 28 are an integral part of these financial statements.



**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of cash flows**  
**For the year ended 31 December 2011**

	Notes	2011 Kip	2010 Kip
<b>Net increase/(decrease) in cash and cash equivalents</b>		2,849,230,242	(1,525,819,802)
Cash and cash equivalents at the beginning of the year		2,964,167,413	4,622,343,665
Exchange losses on cash and cash equivalents		(85,981,399)	(132,356,450)
<b>Cash and cash equivalents at the end of the year</b>	6	<u>5,727,416,256</u>	<u>2,964,167,413</u>

**Non-cash items:**

Acquisitions of plant and equipment which have not been paid		681,215,355	1,656,329,489
Acquisitions of intangible assets which have not been paid		-	45,375,000
Issuance of ordinary shares through the retained earnings conversion		36,315,000,000	-

  
 (Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 1 October 2012

  
 (Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 1 October 2012

The accompanying notes on page 11 to 28 are an integral part of these financial statements.

## **1 General information**

Lao World Company Limited (Chan Complex) is a limited company incorporated and resident in Lao PDR and operates under the name of Lao International Trade Exhibition and Convention Centre (“Lao-ITECC”). The address of the Company’s registered office is:

Khampang Muang Road, Xaysettha District Vientiane, Lao PDR

The principal business operations of the Company are:

- Supermarket
- Food and beverage
- Banquet
- Exhibition
- Entertainment

The Company signed a 35 year concession agreement (“the Agreement”) with the Government of the Lao PDR (“GoL”) on 24 December 2003. This Agreement requires the Company to invest in an exhibition hall, entertainment complex, golf course and others within a contract area of 142,627 square meters on the GoL’s land at nil consideration due to GoL for 10 years from the Agreement date. Also, all assets will be transferred to the GoL at the completion date of the agreement under the Build, Operate and Transfer (“BOT”) conditions. In addition, the Company received exemption from corporate income tax for the first 10 years of operation commencing 24 December 2003 (contract date) until 2013 and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years.

Under the Agreement, the Company is required to comply with several terms and conditions which mainly include the construction period, minimum investment and share capital.

On 11 March 2011, GoL and the Company agreed to amend the Agreement. Under this amendment, the concession period is extended from 35 years to 50 years and adds a condition to facilitate the Company’s listing on the Lao Securities Exchange.

On 16 September 2011, the Extraordinary General Shareholders’ Meeting passed a resolution to change the Company’s name from Lao World Company Limited (Chan Complex) to Lao World Public Company (“the Company”) in preparation to list on the Lao Securities Exchange. The Company registered the new name at the Ministry of Planning and Investment on 21 October 2011.

In addition, on 20 August 2012, GoL and the Company agreed to a second amendment of the Agreement. Under this amendment, the concession period is extended from 50 years to 90 years. This make the concession period will be extended until the end of 2093.

These financial statements were authorised for issue by the Board of Directors on 1 October 2012.

## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### **2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies prescribed in Note 2 of these financial statements.

There are no comprehensive set of accounting standards in Laos ("LAS"). LAS is currently under development by the Accounting Department and Laos Institution of Certified Public Accountant ("LICPA"). At present, companies apply Laos Accounting Manual ("LAM") issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly there are significant difference between LAM and International Financial Reporting Standards ("IFRS"). These areas of significant difference are, for example, property, plant and equipment, leases, intangible assets, concession arrangements, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax and financial instrument. The accounting principles applied may materially differ from generally accepted accounting principles including International Financial Reporting Standards ("IFRS") adopted in certain countries and jurisdictions. Consequently, this financial information is addressed only to those who are informed about the Company's accounting principles, procedures and practices.

The preparation of the financial statements in conformity with the Company's accounting policy requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

### **2.2 Foreign currency translation**

Items included in the financial statements are measured using Kip.

Foreign currency transactions are translated into Kip using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2 Accounting policies (Cont'd)**

**2.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks or other short-term highly liquid investments with original maturities of three months or less.

**2.4 Trade and other receivables**

Trade and other receivables are carried at original invoice amount and subsequently measured at the remaining amount less allowance for receivables impairment based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within selling and marketing costs.

**2.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

**2.6 Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software for its intended use. These costs are amortised over their estimated useful lives of five years.

## **2 Accounting policies (Cont'd)**

### **2.7 Property, plant and equipment**

Property, plant and equipment are initially recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. In the case of self-constructed assets, the cost of construction consists of the materials, direct labour and other expenses attributable to the construction which are allocated to the assets on a systematic basis. Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write-off the cost to its residual value over their estimated useful life as follows:

Buildings	35 years
Machinery and equipment	10 years
Vehicles	5 years
Furniture and fixtures	10 years

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

### **2.8 Impairment of assets**

Property, plant and equipment and other non-current assets, including intangible assets and other deposits are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow. Assets that suffered impairment are reversed for possible impairment loss of the estimate of the recoverable amounts and changed in the subsequent period after the Company's recognition of impairment.

**2 Accounting policies (Cont'd)**

**2.9 Leases - where the Company is the lessee**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

**Leases - where the Company is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

**2.10 Borrowings**

Borrowings are recognised initially at cash received, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

**2.11 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain, except provision for employee benefit that the Company recognises related liabilities and expenses when incurred.

**2 Accounting policies (Cont'd)**

**2.13 Revenue recognition**

Revenues of the Company are principally from the supermarket, food and beverage, banquet, exhibition and entertainment.

Revenue comprises the invoiced value for the sale of goods net of output tax, rebates and discounts.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which is generally at the time when goods are dispatched to the customer and invoices are issued. Revenue from providing services is recognised when the services are rendered.

Revenue from food and beverage sales is recognised upon delivery of goods to customers.

Other revenues are recognised on the following basis:

- Rental income - Rental income received in advance is recorded as unearned income then recognised in the statement of income on a straight-line basis over the term of the lease.
- Interest income - on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

### **3 Financial risk management**

#### **3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates. Management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

##### **3.1.1 Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Thai Baht and the US Dollar ("USD"). The foreign exchange risk arises from future commercial transactions mainly from purchase and loan. As at 31 December 2011, management did not use any financial instrument since it considers that the anticipated cost of using financial instruments would exceed the foreseeable benefits.

##### **3.1.2 Interest rate risk**

The Company's financial income and expense is dependent on changes in market interest rates from related parties and the banks. As at 31 December 2011, management considered the interest risk as insignificant as the borrowings are interest free borrowings from shareholders. Therefore, management did not use any financial instruments to manage such risk.

##### **3.1.3 Credit risk**

The Company has no significant concentrations of credit risks as sales are normally made in cash or short credit terms with various different types of customers who have a good credit history. Cash and bank transactions are only made with high credit quality financial institutions.

##### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to support ongoing business and future investment for expansion. Management maintains its broad cash forecasts to aid in cash and liquidity management and ensure it has sufficient cash to meet short term operation needs and long-term investment plans.



#### **4 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **4.1 Allowance for obsolete and slow-moving inventories**

The Company has made allowance, where necessary, for obsolete and slow moving inventories by estimating the net realisable value calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses.

##### **4.2 Property, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from the previous estimate, or it will write-off or write down technically obsolete or assets that have been abandoned or sold.

#### **5 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern from the ongoing project on hand in order to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Company may borrow new funds from shareholders and lenders, issue new shares and adjust the amount of dividends paid to shareholders in the future.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

---

**6 Cash and cash equivalents**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Cash on hand	574,164,326	1,461,648,380
Deposits held at call with banks	5,153,251,930	1,502,519,033
<b>Total</b>	<b>5,727,416,256</b>	<b>2,964,167,413</b>

Deposits held at call with banks represent cash deposited in three different currencies being USD, Kip, and Thai Baht in current accounts at no interest with local reputable banks and foreign bank branch.

**7 Trade and other receivables, net**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Trade and other receivables - third party, gross	1,398,017,529	2,828,133,673
<u>Less: Allowance for receivables impairments</u>	<u>(50,790,000)</u>	<u>(2,000,000)</u>
<b>Total</b>	<b>1,347,227,529</b>	<b>2,826,133,673</b>

Outstanding trade and other receivables as at 31 December are as follows:

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Up to 3 months	1,330,020,435	2,701,666,655
3 - 6 months	11,894,596	9,735,000
Over 6 months	56,102,498	116,732,018
	1,398,017,529	2,828,133,673
<u>Less: Allowance for receivables impairments</u>	<u>(50,790,000)</u>	<u>(2,000,000)</u>
<b>Total</b>	<b>1,347,227,529</b>	<b>2,826,133,673</b>

Trade and other receivables outstanding over 6 months mainly represent receivables from banquet of Kip 45.5 million which is considered as majority of allowance for receivables impairments as at 31 December 2011.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**8 Inventories, net**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Finished goods	5,821,316,873	5,028,661,415
<u>Less</u> Allowance for obsolete and slow moving inventories	<u>(684,353,169)</u>	<u>(665,162,046)</u>
<b>Total</b>	<b><u>5,136,963,704</u></b>	<b><u>4,363,499,369</u></b>

Finished goods mainly consist of stock for the supermarket amounting to Kip 4,675,864,419 (2010: Kip 4,214,263,764).

**9 Other current assets**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Cash advances to staff	1,200,000	20,360,000
Prepaid value added tax ("VAT") - Pakse branch	84,661,254	62,037,599
Advance payments for exhibition and banquet (i)	-	507,961,662
Other prepayments (ii)	<u>176,888,362</u>	<u>112,594,667</u>
<b>Total</b>	<b><u>262,749,616</u></b>	<b><u>702,953,928</u></b>

(i) Advance payments to staff for exhibition and banquet preparation are charged to the related cost of sales and services once related events and obligations have been fulfilled and completed.

(ii) Other prepayments mainly represent fire and damage insurances in order to cover major assets which are buildings and vehicles. It will be amortised to statement of income on the straight line basis over the contract period.

Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))  
Notes to the financial statements  
For the year ended 31 December 2011

10 Property, plant and equipment, net	Buildings		Machinery and equipment		Vehicles		Furniture and fixtures		Total	
	Kip		Kip		Kip		Kip		Kip	
<b>At 31 December 2010</b>										
Cost	73,533,981,402	9,780,883,509	3,761,531,068	14,481,137,686	101,557,533,665					
Less: Accumulated depreciation	(9,608,890,426)	(5,767,346,157)	(2,866,758,495)	(6,292,213,884)	(24,535,208,962)					
<b>Net book amount</b>	<b>63,925,090,976</b>	<b>4,013,537,352</b>	<b>894,772,573</b>	<b>8,188,923,802</b>	<b>77,022,324,703</b>					
<b>Year ended 31 December 2011</b>										
Opening net book amount	63,925,090,976	4,013,537,352	894,772,573	8,188,923,802	77,022,324,703					
Additions	8,590,001	65,295,828	422,154,740	635,181,512	1,131,222,081					
Depreciation charge (Note 18)	(2,137,801,061)	(982,217,110)	(329,736,603)	(1,469,340,667)	(4,919,095,441)					
<b>Closing net book amount</b>	<b>61,795,879,916</b>	<b>3,096,616,070</b>	<b>987,190,710</b>	<b>7,354,764,647</b>	<b>73,234,451,343</b>					
<b>At 31 December 2011</b>										
Cost	73,542,571,403	9,846,179,337	4,183,685,808	15,116,319,198	102,688,755,746					
Less: Accumulated depreciation	(11,746,691,487)	(6,749,563,267)	(3,196,495,098)	(7,761,554,551)	(29,454,304,403)					
<b>Net book amount</b>	<b>61,795,879,916</b>	<b>3,096,616,070</b>	<b>987,190,710</b>	<b>7,354,764,647</b>	<b>73,234,451,343</b>					

As described in Note 1, all assets are subject to build, operate and transfer conditions at the end of the concession agreement with the GoL which is approximately the end of 2093. In 2011, total addition of Kip 1,131,222,081 (2010: Kip 2,890,405,334) consisted of cash transactions of Kip 450,006,726 (2010: Kip 1,234,075,845) and non-cash transactions of Kip 681,215,355 (2010: Kip 1,656,329,489) (as part of trade and other payables).

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

**11 Intangible assets, net**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
<b>Year ended 31 December</b>		
Opening net book amount	67,769,786	4,253,161
Additions	48,480,000	73,907,000
Amortisation (Note 18)	(16,532,371)	(10,390,375)
<b>Closing net book amount</b>	<b>99,717,415</b>	<b>67,769,786</b>
<b>At 31 December</b>		
Cost	142,867,259	94,387,259
Less: Accumulated amortisation	(43,149,844)	(26,617,473)
<b>Net book amount</b>	<b>99,717,415</b>	<b>67,769,786</b>

Intangible assets mainly comprise computer software licence fees. These costs are amortised over five years (Note 2.6). In 2011, the total addition of Kip 48,480,000 which is paid in cash.

**12 Trade and other payables**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Trade and other payables - third parties	2,546,932,645	2,539,307,724
Trade and other payables - related party (Note 23.2)	6,805,915,095	6,561,385,218
<b>Total</b>	<b>9,352,847,740</b>	<b>9,100,692,942</b>

**13 Borrowings**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Borrowings from related party (Note 23.3)	13,675,748,240	30,408,738,761
<b>Total</b>	<b>13,675,748,240</b>	<b>30,408,738,761</b>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**13 Borrowings (Cont'd)**

*Borrowings from a related party*

Borrowings from a related party represent unsecured borrowings from the major shareholder. These borrowings consist of i) USD 1,688,360 (2010: USD 3,768,956) and ii) Thai Baht 404,600 (2009: nil). These borrowings carry no interest and are due at call.

Movement in borrowings from related party, refer to Note 23.3

The interest rate exposure on the borrowings of the Company is as follows:

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
- At fixed rates	-	-
- No interest	13,675,748,240	30,408,738,761
<b>Total</b>	<b>13,675,748,240</b>	<b>30,408,738,761</b>

**14 Other current liabilities**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Advances received from customers	224,870,186	122,984,800
Accrued value added tax ("VAT") - Head office	613,081,581	323,089,421
Accrued professional and service fees	285,141,255	274,482,000
Others	55,370,129	79,206,142
<b>Total</b>	<b>1,178,463,151</b>	<b>799,762,363</b>

Accrued value added tax mainly arisen from selling products in Supermarket and revenues from exhibition. As of 12 January 2012, accrued value added tax was paid to the Tax Department (2010: paid to the Tax Department on 11 January 2011).

Advances received from customers mainly consisted of advances received for banquets and advances received from shop rentals in the supermarket. The Company will recognise the advances received from customers to be revenue when the goods and services are delivered to customers.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**15 Share capital**

	<b>Number of shares Shares</b>	<b>Ordinary Shares Kip</b>	<b>Total Kip</b>
At 1 January 2010	750,000	7,875,000,000	7,875,000,000
Issue of shares	-	-	-
At 31 December 2010	750,000	7,875,000,000	7,875,000,000
Split par value of shares	3,937,500	7,875,000,000	7,875,000,000
New shares issued	18,157,500	36,315,000,000	36,315,000,000
At 31 December 2011	22,095,000	44,190,000,000	44,190,000,000

On 26 July 2011, the Extraordinary General Shareholders' Meeting passed a resolution to split par value of existing shares from Kip 10,500 per share to Kip 2,000 per share, it resulted to increase in the number of shares from 750,000 shares to 3,937,500 shares. On the same date, the shareholders approved the increased of registered share capital by Kip 36,315,000,000 (from Kip 7,875,000,000 to Kip 44,190,000,000). Whereby, this increased in share capital has been converted from retained earnings account. The Company registered the increased share capital with the Ministry of Planning and Investment on 21 October 2011.

As at 31 December 2011, the total authorised number of ordinary shares is 22,095,000 shares (2010: 750,000 shares) with a par value of Kip 2,000 per share (2010: Kip 10,500 per share). All issued shares are fully paid.

The Company's shareholders mainly consist of Mr. Stewen Chan who holds 20 % (2010: 30%), Mr. Phonepadith Lattanavanh who holds 20% (2010: 30%), Mrs. Eng Lattanavanh who holds 20 % (2010: 20%), Mrs. Phonepasith Lattanavanh who holds 20 % (2010: 10%) and Mr. Sackxay Vongmalasith who holds 20 % (2010: 10%). The majority of the Company's shareholders are from the Chan family.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**16 Legal reserve**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
At 1 January	3,056,283,485	1,395,599,879
Appropriation during the year	1,396,681,193	1,660,683,606
At 31 December	<u>4,452,964,678</u>	<u>3,056,283,485</u>

Legal reserve is set-up in accordance with the Article 151 of the Enterprise Law of the Lao PDR which requires the appropriation of profit as a legal reserve of at least 10% of the annual profit until such reserve reaches 50% of authorised share capital.

At 31 December 2011, management approved the allocation of profit for the year ended 31 December 2011 to legal reserve at the rate of 10%. (2010: at 10% of profit for the year to legal reserve)

**17 Sales and service revenues**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Sale revenues	33,265,467,187	37,556,969,619
Service revenues	28,728,217,715	23,983,082,098
<b>Total</b>	<b><u>61,993,684,902</u></b>	<b><u>61,540,051,717</u></b>

**18 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Cost of finished goods sold	22,393,042,347	23,901,802,566
Staff cost	4,544,844,937	6,191,694,019
Depreciation on property, plant and equipment (Note 10)	4,919,095,411	4,673,985,657
Amortisation on intangible assets (Note 11)	16,532,371	10,390,375
Write-offs*	-	100,453,130
Utility expenses	2,990,165,836	3,682,238,366
Repairs and maintenance expenditure on property, plant and equipment	1,637,474,844	1,662,130,525

\* Write-offs expenses mainly represented those old assets written off as a part of the renovation golf course building in 2010.



**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**19 Gain (loss) on exchange rates, net**

Gain (loss) on exchange rates is mainly due to gain (loss) on exchange rates from borrowings from a related party in USD and Thai Baht currencies (Note 13).

**20 Income tax expenses**

The Company is still under the corporate income tax exemption for the first 10 years after operation commencing 24 December 2003 (contract date) until 2013 and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years (Note 1).

**21 Cash flow from operating activities**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Profit before income tax	13,966,811,926	16,606,836,064
Adjustments for:		
Depreciation (Note 10)	4,919,095,441	4,673,985,657
Amortisation (Notes 11)	16,532,371	10,390,375
Write-offs (Note 18)	-	100,453,130
Foreign exchange gain	19,896,054	(1,610,525,674)
Interest income	-	(183,949,168)
Interest expense	-	216,075,005
<b>Changes in working capital:</b>		
Inventories	(773,464,334)	(24,829,554)
Trade and other receivables	1,478,906,144	9,440,633,118
Other current assets	440,204,311	289,153,276
Deposit	(3,000,000)	17,997,000
Trade and other payables	1,272,643,932	(560,869,963)
Other current liabilities	378,700,788	(1,223,542,595)
<b>Cash generated from operations</b>	<b>21,716,326,633</b>	<b>27,751,806,671</b>

**22 Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>2011</b>	<b>2010</b>
Profit attributable to ordinary shareholders (Kip)	13,966,811,926	16,606,836,064
Weighted average number of ordinary shares in issue (Shares)	5,904,563	750,000
Basic earnings per share (Kip)	2,365	22,142

**23 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by the Chan family who wholly own the Company's shares (Note 15).

The following significant transactions were carried out with related parties:

**23.1 Purchases of goods**

	<u>2011</u> <b>Kip</b>	<u>2010</u> <b>Kip</b>
Purchases of goods and others from:		
Related party - Thai World	6,174,495,988	8,727,187,017
	<u>6,174,495,988</u>	<u>8,727,187,017</u>

Thai World Import Export Company Limited ("Thai World") is controlled by the Chan family. The above transactions are mainly related to purchases of goods for the supermarket and carried out under normal terms and conditions including pricing and credit terms. In general, the credit term is around 30-60 days.

**23.2 Outstanding balances arising from purchases of goods**

	<u>2011</u> <b>Kip</b>	<u>2010</u> <b>Kip</b>
Payables to:		
Related party - Thai World (Note 12)	6,805,915,095	6,561,385,218
	<u>6,805,915,095</u>	<u>6,561,385,218</u>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2011**

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**23 Related party transactions (Cont'd)**

**23.3 Borrowings from related party**

	<b>2011</b>	<b>2010</b>
	<b>Kip</b>	<b>Kip</b>
Borrowings from major shareholder		
At 1 January	30,408,738,761	60,134,513,677
Additions	899,464,440	-
(Gain)/Loss on exchange rates	(66,085,345)	(1,616,882,124)
Less : Repayments	<u>(17,566,369,616)</u>	<u>(28,108,892,792)</u>
<b>At 31 December</b>	<b><u>13,675,748,240</u></b>	<b><u>30,408,738,761</u></b>

The borrowings from the major shareholder were interest free (Note 13).

**24 Events after the reporting period**

On 20 August 2012, GoL and the Company agreed to amendment of the Agreement. Under this amendment, the concession period is extended from 50 years to 90 years (Note 1). This make the concession period will be extended until the end of 2093.

**LAO WORLD PUBLIC COMPANY**

*(PREVIOUSLY, LAO WORLD COMPANY LIMITED  
(CHAN COMPLEX))*



**pwc**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2012**

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## **STATEMENT BY THE BOARD OF DIRECTORS**

The Board of Directors have pleasure in submitting their report together with the audited financial statements of Lao World Public Company (*Previously, Lao World Company Limited (Chan Complex)*) (“the Company”) for the year ended 31 December 2012.

### ***PRINCIPAL ACTIVITY***

The Company is engaged in the operation of a state-of-the-art exhibition and conference centre which offers an active arena for business communications and other related business activities, including entertainment, restaurant and supermarket.

### ***RESULTS***

The financial performance for the year ended 31 December 2012 is set out in the statement of income.

### ***ASSETS***

At the date of this report, the Board of Directors is not aware of any circumstances that would render the values attributed to the assets in the financial statements of the Company misleading.

### ***VALUATION METHODS***

At the date of this report, the Board of Directors is not aware of any circumstances that have arisen which would render adherence to the existing method of valuation of assets and liabilities in the financial statements of the Company misleading or inappropriate.

### ***CONTINGENT AND OTHER LIABILITIES***

At the date of this report there does not exist:

- (a) any charge on the assets of the Company that has arisen since the end of the year and that secures the liabilities of any other person; or
- (b) any contingent liability in respect of the Company that has arisen since the end of the year.

No contingent or other liability of the Company has become enforceable, or is likely to become enforceable within the period of 12 months after the end of the year which, in the opinion of the Board of Directors, will or may have a material effect on the ability of the Company to meet its obligations as and when they fall due.

### ***CHANGE OF CIRCUMSTANCES***

At the date of this report, the Board of Directors is not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Company that would render any amount stated in the financial statements misleading.

## ***ITEMS OF AN UNUSUAL NATURE***

The financial performance of the Company for the year ended 31 December 2012 was not, in the opinion of the Board of Directors, materially affected by any items, transactions or events of a material and unusual nature.

There has not arisen in the interval between the end of the year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Board of Directors, to affect substantially the financial performance of the Company for the current year.

## ***AUDITORS***

The auditors, PricewaterhouseCoopers (Lao) Co., Ltd, have expressed their willingness to accept re-appointment.

## **RESPONSIBILITY OF THE BOARD OF DIRECTORS IN RESPECT OF THE FINANCIAL STATEMENTS**

The Board of Directors is responsible to ensure that the financial statements are properly drawn up so as to present fairly the financial position of the Company as at 31 December 2012, its financial performance for the year then ended. In preparing these financial statements, the Board of Directors is required to:

- i) adopt appropriate accounting policies that are supported by reasonable and prudent judgments and estimates and then apply them consistently
- ii) maintain adequate accounting records and an effective system of internal controls
- iii) prepare the financial statements on a going-concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future, and
- iv) effectively control and direct the Company and be involved in all material decisions affecting its operations and performance, and ascertain that such have been properly reflected in the financial statements.

The Board of Directors confirms that the Company has complied with the above requirements in preparing the financial statements.

On behalf of the Board of Directors of the Company, we do hereby state that the accompanying statement of financial position, statement of income, statement of changes in equity and statement of cash flow together with the notes thereto, present fairly, in all material respects, the financial position of the Company as at 31 December 2012, its financial performance for the year then ended in accordance with the accounting policies set out in Note 2 to the financial statements.

On behalf of the Board of Directors:



Mr. Visanh Nalongsak  
Managing Director

Date: 3 April 2013



## INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF LAO WORLD PUBLIC COMPANY (*PREVIOUSLY, LAO WORLD COMPANY LIMITED (CHAN COMPLEX)*)

We have audited the accompanying financial statements of Lao World Public Company (*Previously, Lao World Company Limited (Chan Complex)*) ("the Company") which comprise the statement of financial position as of 31 December 2012 and the statement of income, statement of changes in equity and statement of cash flow for the year then ended and a summary of significant accounting policies and other explanatory notes. The financial statements have been prepared by management of the Company in accordance with the accounting policies described in note 2 of the financial statements.

### *Management's responsibility for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



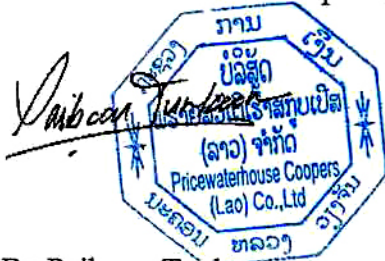


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the accompanying financial statements are prepared, in all material respects, in accordance with the basis set out in Note 2.

For PricewaterhouseCoopers (Lao) Co., Ltd.



By Paiboon Tunkoon  
Partner  
Vientiane, Lao PDR  
Date: 3 April 2013

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of financial position**  
**As at 31 December 2012**

	<u>Notes</u>	<u>2012 Kip</u>	<u>2011 Kip</u>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	3,131,367,829	5,727,416,256
Trade and other receivables, net	7	14,414,824,896	1,347,227,529
Loan to related party	23.3	16,323,261,649	-
Inventories, net	8	4,594,944,469	5,136,963,704
Other current assets	9	890,449,979	262,749,616
<b>Total current assets</b>		<u>39,354,848,822</u>	<u>12,474,357,105</u>
<b>Non-current assets</b>			
Property, plant and equipment, net	10	69,605,464,173	73,234,451,343
Intangible assets, net	11	75,172,950	99,717,415
Deposits – Inventory purchases		25,962,000	11,637,000
<b>Total non-current assets</b>		<u>69,706,599,123</u>	<u>73,345,805,758</u>
<b>Total assets</b>		<u><b>109,061,447,945</b></u>	<u><b>85,820,162,863</b></u>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 3 April 2013

The accompanying notes on page 11 to 30 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of financial position**  
**As at 31 December 2012**

	<u>Notes</u>	<u>2012 Kip</u>	<u>2011 Kip</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>Current liabilities</b>			
Trade and other payables	12	13,878,074,529	9,352,847,740
Borrowings	13	14,008,750,000	13,675,748,240
Other current liabilities	14	<u>2,491,252,294</u>	<u>1,178,463,151</u>
Total current liabilities		<u>30,378,076,823</u>	<u>24,207,059,131</u>
<b>Total liabilities</b>		<u><b>30,378,076,823</b></u>	<u><b>24,207,059,131</b></u>
<b>Shareholders' equity</b>			
Share capital			
Authorised share capital			
Ordinary shares	15	<u>44,190,000,000</u>	<u>44,190,000,000</u>
Issued and paid-up share capital		44,190,000,000	44,190,000,000
Retained earnings			
Appropriated - legal reserve	16	6,159,991,417	4,452,964,678
Un-appropriated		<u>28,333,379,705</u>	<u>12,970,139,054</u>
<b>Total shareholders' equity</b>		<u><b>78,683,371,122</b></u>	<u><b>61,613,103,732</b></u>
<b>Total liabilities and shareholders' equity</b>		<u><b>109,061,447,945</b></u>	<u><b>85,820,162,863</b></u>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 3 April 2013

The accompanying notes on page 11 to 30 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of income**  
**For the year ended 31 December 2012**

	<b>Notes</b>	<b>2012 Kip</b>	<b>2011 Kip</b>
Sales and service revenues	17	75,297,132,412	61,993,684,902
Cost of sales and services		<u>(44,430,912,248)</u>	<u>(37,537,062,045)</u>
<b>Gross profit</b>		30,866,220,164	24,456,622,857
Administrative expenses		(14,305,031,754)	(10,397,457,128)
Other income		189,268,609	9,275,025
Gain (loss) on exchange rate, net	19	<u>295,901,473</u>	<u>(101,628,828)</u>
<b>Operating profit</b>	18	17,046,358,492	13,966,811,926
Interest income	23.3	146,717,423	-
Interest expenses	13	<u>(122,808,525)</u>	<u>-</u>
<b>Profit before income tax</b>		<b>17,070,267,390</b>	<b>13,966,811,926</b>
Income tax expenses	20	<u>-</u>	<u>-</u>
<b>Profit for the year</b>		<b><u>17,070,267,390</u></b>	<b><u>13,966,811,926</u></b>
 <b>Basic earnings per share</b>			
Profit for the year	22	<u>773</u>	<u>2,365</u>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 3 April 2013

The accompanying notes on page 11 to 30 are an integral part of these financial statements.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of changes in equity**  
**For the year ended 31 December 2012**

	Retained earnings			Total Kip
	Issued and paid up share capital (Note 15) Kip	Legal reserve (Note 16) Kip	Un-appropriated Kip	
<b>Opening balance 1 January 2012</b>	44,190,000,000	4,452,964,678	12,970,139,054	61,613,103,732
New shares issued	-	-	-	-
Profit for the year	-	-	17,070,267,390	17,070,267,390
Legal reserve	-	1,707,026,739	(1,707,026,739)	-
<b>Closing balance 31 December 2012</b>	<b>44,190,000,000</b>	<b>6,159,991,417</b>	<b>28,333,379,705</b>	<b>78,683,371,122</b>
<b>Opening balance 1 January 2011</b>	7,875,000,000	3,056,283,485	36,715,008,321	47,646,291,806
New shares issued	36,315,000,000	-	(36,315,000,000)	-
Profit for the year	-	-	13,966,811,926	13,966,811,926
Legal reserve	-	1,396,681,193	(1,396,681,193)	-
<b>Closing balance 31 December 2011</b>	<b>44,190,000,000</b>	<b>4,452,964,678</b>	<b>12,970,139,054</b>	<b>61,613,103,732</b>



(Mr. Visanh Nakongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithid)  
 Accounting manager  
 Date : 3 April 2013

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**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of cash flows**  
**For the year ended 31 December 2012**

	<u>Notes</u>	<u>2012 Kip</u>	<u>2011 Kip</u>
<b>Cash flows from operating activities</b>			
Cash generated from operating	21	16,078,211,165	21,716,326,633
Interest paid		(122,808,525)	-
Net cash generated from operating activities		<u>15,955,402,640</u>	<u>21,716,326,633</u>
<b>Cash flows from investing activities</b>			
Purchases of property, plant and equipment	10	(2,867,733,390)	(2,106,336,215)
Purchases of intangible assets		-	(93,855,000)
Loan granted to related party	23.3	(16,323,261,649)	-
Net cash received/(used) in investing activities		<u>(19,190,995,039)</u>	<u>(2,200,191,215)</u>
<b>Cash flow from financing activities</b>			
Proceeds from long-term borrowings from bank	13	29,278,100,000	-
Proceeds from long-term borrowings from related party	23.4	20,427,678,000	899,464,440
Repayments on long-term borrowings from bank		(15,238,000,000)	-
Repayments on long-term borrowings from related party	23.4	(33,915,001,894)	(17,566,369,616)
Net cash used in financing activities		<u>552,776,106</u>	<u>(16,666,905,176)</u>



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 3 April 2013

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**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Statement of cash flows**  
**For the year ended 31 December 2012**

	<u>Note</u>	<u>2012</u> <u>Kip</u>	<u>2011</u> <u>Kip</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		(2,682,816,293)	2,849,230,242
Cash and cash equivalents at the beginning of the year		5,727,416,256	2,964,167,413
Exchange losses on cash and cash equivalents		86,767,866	(85,981,399)
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<u>3,131,367,829</u>	<u>5,727,416,256</u>
<b>Non-cash items:</b>			
Acquisitions of plant and equipment which have not been paid		1,866,449,322	681,215,355
Issuance of ordinary shares through the retained earnings conversion		-	36,315,000,000



(Mr. Visanh Nalongsak)  
 Managing Director  
 Date : 3 April 2013

(Mr. Somvang Luangphomlithided)  
 Accounting manager  
 Date : 3 April 2013

The accompanying notes on page 11 to 30 are an integral part of these financial statements.

## **1 General information**

Lao World Company Limited (Chan Complex) is a limited company incorporated and resident in Lao PDR and operates under the name of Lao International Trade Exhibition and Convention Centre ("Lao-ITECC"). The address of the Company's registered office is:

Khampang Muang Road, Xaysettha District Vientiane, Lao PDR

The principal business operations of the Company are:

- Supermarket
- Food and beverage
- Banquet
- Exhibition
- Entertainment

The Company signed a 35 year concession agreement ("the Agreement") with the Government of the Lao PDR ("GoL") on 24 December 2003. This Agreement requires the Company to invest in an exhibition hall, entertainment complex, golf course and others within a contract area of 142,627 square meters on the GoL's land at nil consideration due to GoL for 10 years from the Agreement date. Also, all assets will be transferred to the GoL at the completion date of the agreement under the Build, Operate and Transfer ("BOT") conditions. In addition, the Company received exemption from corporate income tax for the first 10 years of operation commencing 24 December 2003 (contract date) until 2013 and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years.

Under the Agreement, the Company is required to comply with several terms and conditions which mainly include the construction period, minimum investment and share capital.

On 16 September 2011, the Extraordinary General Shareholders' Meeting passed a resolution to change the Company's name from Lao World Company Limited (Chan Complex) to Lao World Public Company ("the Company") in preparation to list on the Lao Securities Exchange. The Company registered the new name at the Ministry of Planning and Investment on 21 October 2011.

During 2011 to 2012, the GoL and the Company agreed to further amend the Agreement which resulted in the extension of the concession period from 35 years to 90 years (from 2003 to 2093). In addition, both parties agreed to add a condition to facilitate the Company's listing plan at the Lao Securities Exchange ("LSX") in the near future.

These financial statements were authorised for issue by the Board of Directors on 3 April 2013.



## **2 Accounting policies**

The principal accounting policies adopted in the preparation of these financial statements are set out below.

### **2.1 Basis of preparation**

The financial statements have been prepared under the historical cost convention and in accordance with the accounting policies prescribed in Note 2 of these financial statements.

There are no comprehensive set of accounting standards in Lao (“LAS”). LAS is currently under development by the Accounting Department and Lao Institution of Certified Public Accountant (“LICPA”). At present, companies apply Lao Accounting Manual (“LAM”) issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly there are significant difference between LAM and International Financial Reporting Standards (“IFRS”). These areas of significant difference are, for example, property, plant and equipment, leases, intangible assets, concession arrangements, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax and financial instrument. The accounting principles applied may materially differ from generally accepted accounting principles including International Financial Reporting Standards (“IFRS”) adopted in certain countries and jurisdictions. Consequently, this financial information is addressed only to those who are informed about the Company’s accounting principles, procedures and practices.

The preparation of the financial statements in conformity with the Company’s accounting policy requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

### **2.2 Foreign currency translation**

Items included in the financial statements are measured using Kip.

Foreign currency transactions are translated into Kip using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

**2 Accounting policies (Cont'd)**

**2.3 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, deposits held at call with banks or other short-term highly liquid investments with original maturities of three months or less.

**2.4 Trade and other receivables**

Trade and other receivables are carried at original invoice amount and subsequently measured at the remaining amount less allowance for receivables impairment based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the income statement within selling and marketing costs.

**2.5 Inventories**

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the first-in, first-out method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

**2.6 Intangible assets**

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software for its intended use. These costs are amortised over their estimated useful lives of five years.

## **2 Accounting policies (Cont'd)**

### **2.7 Property, plant and equipment**

Property, plant and equipment are initially recorded at cost. Cost is measured by the cash or cash equivalent price of obtaining the asset and bringing it to the location and condition necessary for its intended use. In the case of self-constructed assets, the cost of construction consists of the materials, direct labour and other expenses attributable to the construction which are allocated to the assets on a systematic basis. Property, plant and equipment are stated at cost less accumulated depreciation.

Depreciation is calculated on the straight line basis to write-off the cost to its residual value over their estimated useful life as follows:

Buildings	35 years
Machinery and equipment	10 years
Vehicles	5 years
Furniture and fixtures	10 years

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Company. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in operating profit.

### **2.8 Impairment of assets**

Property, plant and equipment and other non-current assets, including intangible assets and other deposits are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flow. Assets that suffered impairment are reversed for possible impairment loss of the estimate of the recoverable amounts and changed in the subsequent period after the Company's recognition of impairment.

## **2 Accounting policies (Cont'd)**

### **2.9 Leases - where the Company is the lessee**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

### **Leases - where the Company is the lessor**

Assets leased out under operating leases are included in property, plant and equipment in the statement of financial position. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

### **2.10 Borrowings**

Borrowings are recognised initially at cash received, net of transaction costs incurred.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

### **2.11 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain, except provision for employee benefit that the Company recognises related liabilities and expenses when incurred.

## **2 Accounting policies (Cont'd)**

### **2.13 Revenue recognition**

Revenues of the Company are principally from the supermarket, food and beverage, banquet, exhibition and entertainment.

Revenue comprises the invoiced value for the sale of goods net of output tax, rebates and discounts.

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer, which is generally at the time when goods are dispatched to the customer and invoices are issued. Revenue from providing services is recognised when the services are rendered.

Revenue from food and beverage sales is recognised upon delivery of goods to customers.

Other revenues are recognised on the following basis:

- Rental income - Rental income received in advance is recorded as unearned income then recognised in the statement of income on a straight-line basis over the term of the lease.
- Interest income - on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

### **2.14 Income tax expenses**

The income tax expenses included in the financial statements for the period represent the profit tax for the period concerned as determined in accordance with the Lao Tax Law. According to the Concession Agreement (Note 1), the Company is exempted for profit tax for the first 10 years after operation commencing from 24 December 2003 (contract date) until 2013 and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years.

### **3 Financial risk management**

#### **3.1 Financial risk factors**

The Company's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates. Management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

##### **3.1.1 Foreign exchange risk**

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Thai Baht and the US Dollar ("USD"). The foreign exchange risk arises from commercial transactions mainly from purchases and borrowings. As at 31 December 2012, management did not use any financial instrument since it considers that the anticipated cost of using financial instruments would exceed the foreseeable benefits.

##### **3.1.2 Interest rate risk**

The Company's financial income and expense is dependent on changes in market interest rates from related parties and the banks. As at 31 December 2012, management considered interest rate risk as insignificant as interest rates are fixed for borrowings from bank (in 2012) and no interest charge on borrowing from related parties (in 2011). Therefore, management did not use any financial instruments to manage such risk.

##### **3.1.3 Credit risk**

The Company has no significant concentrations of credit risks as sales are normally made in cash or short credit terms with various numbers and types of retail customers and thus credit risk is diversified. Cash and bank transactions are only made with high credit quality financial institutions.

##### **3.1.4 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash to support ongoing business and future investment for expansion. Management maintains its broad cash forecasts to aid in cash and liquidity management and ensure it has sufficient cash to meet short term operation needs and long-term investment plans.

#### **4 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### **4.1 Allowance for obsolete and slow-moving inventories**

The Company has made allowance, where necessary, for obsolete and slow moving inventories by estimating the net realisable value calculated from the selling price in the ordinary course of business, less the cost of completion and selling expenses.

##### **4.2 Property, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Company's property, plant and equipment and intangible assets. Management will revise the depreciation charge where useful lives and residual values are different from the previous estimate, or it will write-off or write down technically obsolete or assets that have been abandoned or sold.

#### **5 Capital risk management**

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern from the ongoing project on hand in order to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Company may borrow new funds from shareholders and lenders, issue new shares and adjust the amount of dividends paid to shareholders in the future.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

**6 Cash and cash equivalents**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Cash on hand	759,221,342	574,164,326
Deposits held at call with banks	2,372,146,487	5,153,251,930
<b>Total</b>	<b>3,131,367,829</b>	<b>5,727,416,256</b>

Deposits held at call with banks represent cash deposited in three different currencies being USD, Kip, and Thai Baht in current accounts at no interest with local reputable banks and foreign bank branch.

**7 Trade and other receivables, net**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Trade and other receivables - third parties	14,414,824,896	1,398,017,529
<u>Less: Allowance for receivables impairments</u>	<u>-</u>	<u>(50,790,000)</u>
<b>Total</b>	<b>14,414,824,896</b>	<b>1,347,227,529</b>

Outstanding trade and other receivables as at 31 December are as follows:

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Up to 3 months	14,219,492,141	1,330,020,435
3 - 6 months	86,377,591	11,894,596
Over 6 months	108,955,164	56,102,498
	14,414,824,896	1,398,017,529
<u>Less: Allowance for receivables impairments</u>	<u>-</u>	<u>(50,790,000)</u>
<b>Total</b>	<b>14,414,824,896</b>	<b>1,347,227,529</b>

Trade and other receivables outstanding over 6 months mainly represent receivables from banquet of Kip 84 million which was subsequently received in full on 14 March 2013.



**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**8 Inventories, net**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Finished goods	5,279,297,638	5,821,316,873
<u>Less</u> Allowance for obsolete and slow moving inventories	<u>(684,353,169)</u>	<u>(684,353,169)</u>
<b>Total</b>	<b><u>4,594,944,469</u></b>	<b><u>5,136,963,704</u></b>

Finished goods mainly consist of stock for the supermarket amounting to Kip 4,192,031,359 (2011: Kip 4,675,864,419).

**9 Other current assets**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Cash advances to staff	-	1,200,000
Prepaid value added tax (“VAT”) - Pakse branch	-	84,661,254
Advance payments for exhibition and banquet (i)	102,898,303	-
Accrued interest income from related party (23.3)	146,717,423	-
Prepaid land rentals (ii)	427,999,858	-
Other prepayments (iii)	<u>212,834,395</u>	<u>176,888,362</u>
<b>Total</b>	<b><u>890,449,979</u></b>	<b><u>262,749,616</u></b>

- (i) Advance payments to staff for exhibition and banquet preparation are charged to the related cost of sales and services once related events and obligations have been fulfilled and completed.
- (ii) Prepaid land rentals represent prepaid land rental for golf course area and the adjacent area to the golf course paid to a landlord to support the business expansion plan.
- (iii) Other prepayments mainly represent prepaid fire and damage insurance premiums in order to cover major assets which are buildings and vehicles. It will be amortised to statement of income on the straight line basis over the contract period.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

**10 Property, plant and equipment, net**

	Buildings		Machinery and equipment		Vehicles		Furniture and fixtures		Total	
	Kip	Kip	Kip	Kip	Kip	Kip	Kip	Kip	Kip	Kip
<b>At 31 December 2011</b>										
Cost	73,542,571,403	9,846,179,337	4,183,685,808	15,116,319,198	102,688,755,746					
Less: Accumulated depreciation	(11,746,691,487)	(6,749,563,267)	(3,196,495,098)	(7,761,554,551)	(29,454,304,403)					
<b>Net book amount</b>	<b>61,795,879,916</b>	<b>3,096,616,070</b>	<b>987,190,710</b>	<b>7,354,764,647</b>	<b>73,234,451,343</b>					
<b>Year ended 31 December 2012</b>										
Opening net book amount	61,795,879,916	3,096,616,070	987,190,710	7,354,764,647	73,234,451,343					
Additions	-	263,642,992	1,229,838,600	2,559,485,765	4,052,967,357					
Disposals/Write-off (Note 18)	(2,524,809,421)	-	-	-	(2,524,809,421)					
Impairment charge (Note 18)	-	-	-	(138,595,009)	(138,595,009)					
Depreciation charge (Note 18)	(2,105,793,322)	(991,775,116)	(361,189,992)	(1,559,791,667)	(5,018,550,097)					
<b>Closing net book amount</b>	<b>57,165,277,173</b>	<b>2,368,483,946</b>	<b>1,855,839,318</b>	<b>8,215,863,736</b>	<b>69,605,464,173</b>					
<b>At 31 December 2012</b>										
Cost	70,427,441,817	10,109,822,330	3,156,040,008	17,675,804,964	101,369,109,119					
Less: Accumulated depreciation and impairment	(13,262,164,644)	(7,741,338,384)	(1,300,200,690)	(9,459,941,228)	(31,763,644,946)					
<b>Net book amount</b>	<b>57,165,277,173</b>	<b>2,368,483,946</b>	<b>1,855,839,318</b>	<b>8,215,863,736</b>	<b>69,605,464,173</b>					

As described in Note 1, all assets are subject to build, operate and transfer conditions at the end of the concession agreement with the GoL which is approximately the end of 2093. In 2012, total addition of Kip 4,502,967,357 (2011: Kip 1,131,222,081) consisted of cash transactions of Kip 2,636,518,035 (2011: Kip 450,006,726) and non-cash transactions of Kip 1,866,449,322 (2011: Kip 681,215,355) as part of trade and other payables.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**11 Intangible assets, net**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
<b>Year ended 31 December</b>		
Opening net book amount	99,717,415	67,769,786
Additions	-	48,480,000
Amortisation (Note 18)	<u>(24,544,465)</u>	<u>(16,532,371)</u>
<b>Closing net book amount</b>	<b><u>75,172,950</u></b>	<b><u>99,717,415</u></b>
<b>At 31 December</b>		
Cost	142,867,259	142,867,259
<u>Less: Accumulated amortisation</u>	<u>(67,694,309)</u>	<u>(43,149,844)</u>
<b>Net book amount</b>	<b><u>75,172,950</u></b>	<b><u>99,717,415</u></b>

Intangible assets mainly comprise computer software licence fees. These costs are amortised over five years (Note 2.6).

**12 Trade and other payables**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Trade and other payables - third parties	8,347,353,507	2,546,932,645
Trade and other payables - related party (Note 23.2)	<u>5,530,721,022</u>	<u>6,805,915,095</u>
<b>Total</b>	<b><u>13,878,074,529</u></b>	<b><u>9,352,847,740</u></b>

**13 Borrowings**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Borrowings from bank	14,008,750,000	-
Borrowings from related party (Note 23.4)	<u>-</u>	<u>13,675,748,240</u>
<b>Total</b>	<b><u>14,008,750,000</u></b>	<b><u>13,675,748,240</u></b>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**13 Borrowings (Cont'd)**

*Borrowings from bank*

Movements in borrowing from bank are as follows:

	<b>2010</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
<b>At 1 January</b>	-	-
Additions	29,278,100,000	-
Repayments	(15,238,000,000)	-
(Gain)/Loss on exchange rate	(31,350,000)	-
<b>At 31 December</b>	<b>14,008,750,000</b>	<b>-</b>

As at 31 December 2012, Borrowings from local bank of USD 1,750,000 (equivalent to Kip 14,008,750,000) are unsecured, due at call and have an interest rate at 5.5% per annum. During the year 2012, the interest expenses derived from these borrowings are Kip 122,808,525. ✓

*Borrowings from a related party*

Borrowings from a related party represent unsecured borrowings from the major shareholder. As at 31 December 2012, the balance of borrowings from related party is nil (2011: USD 1,688,360 and Thai Baht 404,600). These borrowings carry no interest and are due at call.

Movement in borrowings from related party, refer to Note 23.4

The interest rate exposure on the borrowings of the Company is as follows:

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
- At fixed rates	-	-
- No interest	-	13,675,748,240
<b>Total</b>	<b>-</b>	<b>13,675,748,240</b>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**14 Other current liabilities**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Advances received from customers	1,702,138,225	224,870,186
Accrued value added tax (“VAT”) - Head office	502,001,382	613,081,581
Accrued expenses	234,234,293	285,141,255
Others	52,878,394	55,370,129
<b>Total</b>	<b><u>2,491,252,294</u></b>	<b><u>1,178,463,151</u></b>

Accrued value added tax mainly arisen from selling products in Supermarket and revenues from exhibition. As of 15 January 2013, accrued value added tax was paid to the Tax Department (2011: paid to the Tax Department on 12 January 2012).

Advances received from customers mainly consisted of advances received for banquets and advances received from shop rentals in the supermarket. The Company will recognise the advances received from customers to be revenue when the goods and services are delivered to customers.

**15 Share capital**

	<b>Number of</b>	<b>Ordinary</b>	<b>Total</b>
	<b>shares</b>	<b>Shares</b>	<b>Total</b>
	<b>Shares</b>	<b>Kip</b>	<b>Kip</b>
At 1 January 2011	750,000	7,875,000,000	7,875,000,000
Split par value of shares	3,937,500	7,875,000,000	7,875,000,000
New shares issued	18,157,500	36,315,000,000	36,315,000,000
At 31 December 2011	22,095,000	44,190,000,000	44,190,000,000
New shares issued	-	-	-
At 31 December 2012	<u>22,095,000</u>	<u>44,190,000,000</u>	<u>44,190,000,000</u>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**15 Share capital (Cont'd)**

On 26 July 2011, the Extraordinary General Shareholders' Meeting passed a resolution to split par value of existing shares from Kip 10,500 per share to Kip 2,000 per share, it resulted to increase in the number of shares from 750,000 shares to 3,937,500 shares. On the same date, the shareholders approved the increased of registered share capital by Kip 36,315,000,000 (from Kip 7,875,000,000 to Kip 44,190,000,000). Such increase in share capital has been converted from retained earnings account. The Company registered the increased share capital with the Ministry of Planning and Investment on 21 October 2011.

As at 31 December 2012, the total authorised number of ordinary shares is 22,095,000 shares (2011: 22,095,000 shares) with a par value of Kip 2,000 per share (2011: Kip 2,000 per share). All issued shares are fully paid.

The Company's shareholders mainly consist of Mr. Stewen Chan who holds 20 % (2011: 20%), Mr. Phonepadith Lattanavanh who holds 20% (2011: 20%), Mrs. Eng Lattanavanh who holds 20 % (2011: 20%), Mrs. Phonepasith Lattanavanh who holds 20 % (2011: 20%) and Mr. Sackxay Vongmalasith who holds 20 % (2011: 20%). The majority of the Company's shareholders are from the Chan family.

**16 Legal reserve**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
At 1 January	4,452,964,678	3,056,283,485
Appropriation during the year	1,707,026,739	1,396,681,193
At 31 December	<u>6,159,991,417</u>	<u>4,452,964,678</u>

Legal reserve is set-up in accordance with the Article 151 of the Enterprise Law of the Lao PDR which requires the appropriation of profit as a legal reserve of at least 10% of the annual profit until such reserve reaches 50% of authorised share capital.

At 31 December 2012, management approved the allocation of profit for the year ended 31 December 2012 to legal reserve at the rate of 10%. (2011: at 10% of profit for the year to legal reserve)

**17 Sales and service revenues**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Sale revenues	38,306,485,771	33,265,467,187
Service revenues	36,990,646,641	28,728,217,715
<b>Total</b>	<u><b>75,297,132,412</b></u>	<u><b>61,993,684,902</b></u>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**18 Expense by nature**

The following expenditure items, classified by nature, have been charged in arriving at operating profit:

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Cost of finished goods sold	27,698,629,948	22,393,042,347
Staff cost and other benefits	7,253,179,817	6,514,718,986
Depreciation on property, plant and equipment (Note 10)	5,018,550,097	4,919,095,441
Write-offs (Note 10)*	2,524,809,421	-
Repairs and maintenance expenditure on property, plant and equipment	2,214,462,518	1,637,474,844
Loss on impairment of property, plant and equipment (Note 10)	138,595,009	-
Amortisation of intangible assets (Note 11)	24,544,465	16,532,371

\* Write-offs expenses represented those old assets written off as a part of the building in 2012 (2011: Nil).

**19 Gain (loss) on exchange rates, net**

Gain (loss) on exchange rates is mainly due to gain (loss) on exchange rates from borrowings from a related party in USD and Thai Baht currencies (Note 13).

**20 Income tax expenses**

The Company is still under the corporate income tax exemption for the first 10 years after operation commencing 24 December 2003 (contract date) until 2013 and further subject to a reduced income tax rate at 50% of the normal income tax rate for another 10 years (Note 1).

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**21 Cash flow from operating activities**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Profit before income tax	17,070,267,390	13,966,811,926
Adjustments for:		
Depreciation (Note 10)	5,018,550,097	4,919,095,441
Amortisation (Notes 11)	24,544,465	16,532,371
Write-offs (Note 18)	2,524,809,421	-
Loss on impairment of property, plant and equipment (Note 18)	138,595,009	-
Foreign exchange gain	(306,542,212)	19,896,054
Interest income	(146,717,423)	-
Interest expense	122,808,525	-
<b>Changes in working capital:</b>		
Inventories	542,019,235	(773,464,334)
Trade and other receivables	(13,067,597,367)	1,478,906,144
Other current assets	(480,982,940)	440,204,311
Deposit	(14,325,000)	(3,000,000)
Trade and other payables	3,339,992,822	1,272,643,932
Other current liabilities	1,312,789,143	378,700,788
<b>Cash generated from operations</b>	<b>16,078,211,165</b>	<b>21,716,326,633</b>

**22 Earnings per share**

Basic earnings per share are calculated by dividing the profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	<b>2012</b>	<b>2011</b>
Profit attributable to ordinary shareholders (Kip)	17,070,267,390	13,966,811,926
Weighted average number of ordinary shares in issue (Shares)	22,095,000	5,904,563
Basic earnings per share (Kip)	773	2,365



**23 Related party transactions**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company is controlled by the Chan family who wholly own the Company's shares (Note 15).

The following significant transactions were carried out with related parties:

**23.1 Purchases of goods**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Purchases of goods and others from:		
Related party - Thai World	8,591,960,783	6,174,495,988
	<u>8,591,960,783</u>	<u>6,174,495,988</u>

Thai World Import Export Company Limited ("Thai World") is controlled by the Chan family. The above transactions are mainly related to purchases of goods for the supermarket and carried out under normal terms and conditions including pricing and credit terms. In general, the credit term is around 30-60 days.

**23.2 Outstanding balances arising from purchases and sales of goods and other transactions**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
Payables to:		
Related party - Thai World (Note 12)	5,530,721,022	6,805,915,095
	<u>5,530,721,022</u>	<u>6,805,915,095</u>

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**23 Related party transactions (Cont'd)**

**23.3 Loan to related party**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
	<u>                    </u>	<u>                    </u>
At 1 January	-	-
Additions	16,323,261,649	-
(Gain)/Loss on exchange rates	-	-
Less : Repayments	<u>                    </u>	<u>                    </u>
<b>At 31 December</b>	<b><u>16,323,261,649</u></b>	<b><u>                    </u></b>

This represents loan given to Lao World Savan Limited (“Savan ITEC”) in November 2012 and due within 12 months. Interest income derived from this loan in 2012 is Kip 146,717,423 (2011: None). This interest income remained in accrued interest income as at 31 December 2012.

**23.4 Borrowings from related party**

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
	<u>                    </u>	<u>                    </u>
Borrowings from major shareholder		
At 1 January	13,675,748,240	30,408,738,761
Additions	20,427,678,000	899,464,440
(Gain)/Loss on exchange rates	(188,424,346)	(66,085,345)
Less : Repayments	<u>(33,915,001,894)</u>	<u>(17,566,369,616)</u>
<b>At 31 December</b>	<b><u>                    </u></b>	<b><u>13,675,748,240</u></b>

The borrowings from the major shareholder were interest free (Note 13). As a result, there was no interest expenses incurred in 2012 and 2011. The Company repaid for the full amount of outstanding borrowings in December 2012.

**Lao World Public Company (Previously, Lao World Company Limited (Chan Complex))**  
**Notes to the financial statements**  
**For the year ended 31 December 2012**

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**24 Commitments**

As at 31 December 2012, the Company had significant outstanding operating commitments under the concession agreement related to land rental expense to GoL commencing from December 2013.

The future aggregate minimum payments under non-cancellable conditions of this concession agreement are as follows:

	<b>2012</b>	<b>2011</b>
	<b>Kip</b>	<b>Kip</b>
No later than 1 year	1,239,117	-
Later than 1 year and no later than 5 years	59,477,600	45,847,317
Later than 5 years	1,130,074,400	1,144,943,800
<b>Total</b>	<b>1,190,791,117</b>	<b>1,190,791,117</b>

**25 Events after the reporting period**

On 25 February 2013, the Company's Board of Directors ("BoD") approved for the listing on Lao Securities Exchange ("LSX") in 2013, (refer to the BoD meeting of February 2013).

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ

ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

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ນະຄອນຫລວງວຽງຈັນ

ບໍລິສັດ ລາວເວີນ ມະຫາຊົນ

ໂທ: 021 415 425 ແຟັກ: 021 415 409

**ສະຫລຸບປັນຊີປະຈຳງວດ**

( ແຕ່ວັນທີ 01 / 01 / 2013 - 30 / 06 / 2013 )

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ມະຫາຊົນ  
ຖະໜົນ T4 ບ້ານໂພນທັນເໜືອ  
ເມືອງໄຊເສດຖາ ມະ-ຄອນຫລວງ-ວຽງ-ຈັນ  
(856-21) 415 425  
(856-21) 415477

**ໃບສະຫຼຸບຊັບສິນບັດ - ຊັບສິນ**

ແຕ່ເດືອນ 1 - 6 ປີ 2013

ຊັບສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນ 30/06/2013			ງວດຜ່ານມ ມູນຄ່າ ຍັງເຫຼືອ
		ລວມ	ຄ່າຫຼຸ້ຍຫຼຽນ/ ສູນເສຍມູນຄ່າ	ມູນຄ່າ ຍັງເຫຼືອ	
ຊັບສິນບໍ່ຫມູນວຽນ		<u>104,554,934,818.90</u>	<u>34,691,550,574.40</u>	<u>69,863,384,244.50</u>	<u>69,353,185,891.25</u>
. ຜິດດ່ຽງການຊື້ກິດຈະການ ( ຫລື ຄ່ານິຍົມ )					
. ຊັບສິນບັດຄົງທີ່ ບໍ່ມີຕົວຕົນ		142,867,259.00	79,933,006.54	62,934,252.46	75,172,950.46
. ຊັບສິນບັດຄົງທີ່ ມີຕົວຕົນ		101,870,263,405.25	34,611,617,567.86	67,258,645,837.39	69,278,012,940.79
. ຊັບສິນບັດຄົງທີ່ ພວມຊື້ ຫລື ພວມຜະລິດ		2,541,804,154.65		2,541,804,154.65	
ຊັບສິນບັດຄົງທີ່ການເງິນ		<u>3,423,804,826.44</u>		<u>3,423,804,826.44</u>	<u>3,231,770,126.44</u>
. ໃບຍັງຢືນຊັບ ຕິເປັນມູນຄ່າທຽບເທົ່າ					
. ໃບຍັງຢືນຮ່ວມປະກອບທຶນ ແລະ ຫນີ້ຕອງຮັບ ທີ່ຕິດພັນ		3,423,804,826.44		3,423,804,826.44	3,231,770,126.44
. ໃບຍັງຢືນຊັບຄົງທີ່					
. ເງິນໃຫ້ກູ້ຢືນ ແລະ ຊັບສິນບັດຄົງທີ່ ການເງິນ					
ຊັບສິນອື່ນໆ ທີ່ບໍ່ຫມູນວຽນ					
. ອາກອນເຍື້ອນຊໍາລະ, ລາຍຈ່າຍເຍື້ອນຊໍາລະ					
ລວມຍອດ ຊັບສິນບໍ່ຫມູນວຽນ		<u>107,978,739,645.34</u>	<u>34,691,550,574.40</u>	<u>73,287,189,070.94</u>	<u>72,584,956,017.69</u>
ຊັບສິນຫມູນວຽນ					
. ເຄື່ອງໃນສາງ		<u>3,162,320,197.53</u>	<u>455,468,015.85</u>	<u>2,706,852,181.68</u>	<u>2,796,528,440.68</u>
. ຫນີ້ຕອງຮັບ		<u>64,862,327,810.07</u>		<u>64,862,327,810.07</u>	<u>31,523,892,221.37</u>
ລູກຄ້າ ແລະ ລູກຫນີ້ອື່ນໆ		3,713,824,778.09		3,713,824,778.09	14,413,078,896.72
ອາກອນ					
ຫນີ້ຕອງຮັບ ແລະ ຊັບສິນຄ້າຍຄືກັນ		61,148,503,031.98		61,148,503,031.98	17,110,813,324.65
. ເງິນສົດລວມ ແລະ ສິ່ງທີ່ຄ້າຍຄືເງິນສົດລວມ		<u>2,943,030,551.43</u>		<u>2,943,030,551.43</u>	<u>3,152,503,945.72</u>
ລວມຍອດ ຊັບສິນຫມູນວຽນ		<u>70,967,678,559.03</u>	<u>455,468,015.85</u>	<u>70,512,210,543.18</u>	<u>37,472,924,607.77</u>
ລວມຍອດ ຊັບສິນ		<u>178,946,418,204.37</u>	<u>35,147,018,590.25</u>	<u>143,799,399,614.12</u>	<u>110,057,880,625.46</u>

ວຽງ-ຈັນ, ວັນ-ທີ: 09-06-2013

ຜູ້ລາຍງານ

ຫົວໜ້າບັນຊີ




**ວິສັນ ມະລິງສັກ**  
**Visanh NALONGSAK**

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
 ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ມະຫາຊົນ  
 ຖະໜົນ T4 ບ້ານໂພນທັນເໜືອ  
 ເມືອງໄຊເສດຖາ ນະຄອນຫລວງ-ວຽງ-ຈັນ  
 (856-21) 415 425  
 (856-21) 415477

**ໃບສະຫຼຸບຊັບສິນບັດ - ໜີ້ສິນ**

ແຕ່ເດືອນ 1 - 6 ປີ 2013

ໜີ້ສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນຊີ 30/06/2013	ງວດຜ່ານມາ
ທຶນຕົນເອງ		<u>117,492,765,145.47</u>	<u>80,463,336,775.75</u>
. ທຶນຈົດທະບຽນ		74,477,328,874.00	44,190,000,000.00
. ມູນຄ່າສ່ວນເພີ່ມ ແລະ ຄັງສະສິນ		6,159,991,420.00	6,159,991,420.00
. ຜິດດ່ຽງຈາກການຕີມູນຄ່າຄືນໃໝ່			
. ຜິດດ່ຽງຈາກການຕີມູນຄ່າທຽບເທົ່າ			
. ຜົນໄດ້ຮັບສຸດທິ		36,855,444,851.47	30,113,345,355.75
. ທຶນຕົນເອງອື່ນໆ - ຍອດຍົກມາ			
ພູດສ່ວນຂອງບໍລິສັດ ລວມກິດຈະການ			
ພູດສ່ວນຂອງຜູ້ຖືຮຸ້ນສ່ວນນ້ອຍ			
ລວມຍອດ ທຶນຕົນເອງ I		<u>117,492,765,145.47</u>	<u>80,463,336,775.75</u>
ໜີ້ສິນບໍ່ຫມູນວຽນ			
. ອາກອນເຍື້ອນຊໍາລະ			
. ເງິນຊ່ວຍຫມູນກໍ່ສ້າງພື້ນຖານ			
. ເງິນແຮ		14,455,920,000.00	14,008,750,000.00
. ເງິນກູ້ຢືມ ແລະ ໜີ້ຕ້ອງສົ່ງການເງິນ		0.18	
ລວມຍອດ ໜີ້ສິນ ທີ່ບໍ່ຫມູນວຽນ II		<u>14,455,920,000.18</u>	<u>14,008,750,000.00</u>
ໜີ້ສິນ ຫມູນວຽນ			
. ໜີ້ຕ້ອງສົ່ງ ໄລຍະສັ້ນ - ພາກສ່ວນໄລຍະສັ້ນ ຂອງໜີ້ໄລຍະຍາວ			
. ຜູ້ສະຫນອງ ແລະ ບັນຊີ ທີ່ຕິດພັນ		10,450,418,536.31	14,645,168,298.88
. ລາຍຮັບໆລ່ວງໜ້າ		12,526,080.00	52,771,000.00
. ໜີ້ຕ້ອງສົ່ງອື່ນໆ		797,816,486.56	532,386,024.83
. ບັນຊີຄັງເງິນສົດລວມ - ເງິນເບີກເກິນ		589,953,365.60	126,583,373.00
ລວມຍອດ ໜີ້ສິນຫມູນວຽນ		<u>11,850,714,468.47</u>	<u>15,356,908,696.71</u>
ລວມຍອດ ໜີ້ສິນ		<u>143,799,399,614.12</u>	<u>109,828,995,472.46</u>

ວຽງ-ຈັນ, ວັນ-ທີ: 09 OCT 2013



ຫົວໜ້າບັນຊີ

ຜູ້ລາຍງານ

**ວິສັນ ນະລົງສັກ**  
**Visanh NALONGSAK**

ບໍລິສັດ ລາວເວີນ ມະຫາຊົນ  
ຖະໜົນ T4 ບ້ານໂພນທັນເໜືອ  
ເມືອງໄຊເສດຖາ ນະຄອນຫລວງ-ວຽງ-ຈັນ  
(856-21) 415 425  
(856-21) 415477

## ໃບລາຍງານຜົນໄດ້ຮັບປະຈຳງວດ

1 - 6 ປີ 2013

ເນື້ອໃນລາຍການ	ລວມ	ເຄື່ອນໄຫວໃນງວດນີ້	ສະສົມໃນງວດຜ່ານມາ
ຕົວເລກທຸລະກິດ 70; ( 709 )	30,373,980,399.86	30,373,980,399.86	
ຜົນຜະລິດເກັບມ້ຽນໃນສາງ 71			
ຜົນຜະລິດຄົງທີ່ 72			
<b>I ຜົນຜະລິດໃນປີ</b>	<b><u>30,373,980,399.86</u></b>	<b><u>30,373,980,399.86</u></b>	
ຊື້ທີ່ໄດ້ຊົມໃຊ້ 60	9,208,655,002.80	9,208,655,002.80	
ບໍລິການທາງນອກ ແລະ ຊົມໃຊ້ອື່ນໆ 62	7,600,893,794.19	7,600,893,794.19	
<b>II ຜົນຊົມໃຊ້ໃນປີ</b>	<b><u>16,809,548,796.99</u></b>	<b><u>16,809,548,796.99</u></b>	
<b>III ມູນຄ່າສ່ວນເພີ່ມໃນການທຸລະກິດ ( I - II )</b>	<b><u>13,564,431,602.87</u></b>	<b><u>13,564,431,602.87</u></b>	
ລາຍຈ່າຍໃຫ້ພະນັກງານ 64	3,798,835,537.53	3,798,835,537.53	
ອາກອນ, ຄ່າທຳນຽມ ແລະ ລາຍຈ່າຍປະເພດດຽວ 63	276,619,865.56	276,619,865.56	
<b>IV ສ່ວນເກີນລວມ ໃນການທຸລະກິດ</b>	<b><u>9,488,976,199.78</u></b>	<b><u>9,488,976,199.78</u></b>	
ລາຍຮັບອື່ນໆ ໃນການທຸລະກິດ 74; 75			
ລາຍຈ່າຍອື່ນໆ ໃນການທຸລະກິດ 65			
ຫັກຄ່າຫລຸ້ຍຫຼຽນ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 68	(3,144,923,322.68)	(3,144,923,322.68)	
ເກັບຄືນຄ່າຫລຸ້ຍຫຼຽນ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 78			
<b>V ຜົນໄດ້ຮັບ ໃນການທຸລະກິດ</b>	<b><u>6,344,052,877.10</u></b>	<b><u>6,344,052,877.10</u></b>	
ລາຍຮັບການເງິນ 76	1,166,824,076.13	1,166,824,076.13	
ລາຍຈ່າຍການເງິນ 66	768,777,457.51	768,777,457.51	
<b>VI ຜົນໄດ້ຮັບການເງິນ</b>	<b><u>398,046,618.62</u></b>	<b><u>398,046,618.62</u></b>	
<b>VII ຜົນໄດ້ຮັບ ກ່ອນການເສຍອາກອນ ( V + VI )</b>	<b><u>6,742,099,495.72</u></b>	<b><u>6,742,099,495.72</u></b>	
ອາກອນຕ້ອງຈ່າຍ ບ່ວງຜົນໄດ້ຮັບປົກກະຕິ 691; 692			
ອາກອນເຍື່ອນຊຳລະ ( ສ່ວນປ່ຽນແປງ ) 694; 793			
<b>ລວມຍອດ ລາຍຮັບ ຈາກກິດຈະການປົກກະຕິ</b>	<b><u>31,540,804,475.99</u></b>	<b><u>31,540,804,475.99</u></b>	
<b>ລວມຍອດ ລາຍຈ່າຍ ຈາກກິດຈະການປົກກະຕິ</b>	<b><u>24,798,704,980.27</u></b>	<b><u>24,798,704,980.27</u></b>	
<b>VIII ຜົນໄດ້ຮັບສຸດທິ ຈາກກິດຈະການປົກກະຕິ</b>	<b><u>6,742,099,495.72</u></b>	<b><u>6,742,099,495.72</u></b>	
ອົງປະກອບຜິເສດ - ລາຍຮັບ 77			
ອົງປະກອບຜິເສດ - ລາຍຈ່າຍ : 67; 696			
<b>IX ຜົນໄດ້ຮັບຜິເສດ</b>			
<b>X ຜົນໄດ້ຮັບສຸດທິໃນປີ</b>	<b><u>6,742,099,495.72</u></b>	<b><u>6,742,099,495.72</u></b>	
ພູດສ່ວນຜົນໄດ້ຮັບ ຂອງບໍລິສັດ ທີ່ໄດ້ຕີມູນຄ່າຮຸ້ນທຽບເທົ່າ ( 1 )			
<b>XI ຜົນໄດ້ຮັບສຸດທິ ຂອງກຸ່ມບໍລິສັດ ລວມກິດຈະການ (1)</b>			
ໃນນັ້ນ :			
. ພູດສ່ວນ ຂອງຜົນປະໂຫຍດສ່ວນນ້ອຍ (1)			
. ພູດສ່ວນ ຂອງກຸ່ມ (1)			

ວຽງ-ຈັນ, ວັນ-ທີ 09 OCT 2013  
ຜູ້ລາຍງານ

ຫົວໜ້າບັນຊີ



ວິສັນ ນະລົງສັກ  
Visanh NALONGSAK



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

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ບໍລິສັດ ລາວເວີນ ຈຳກັດ ( ຈັນຄອມເປັລັກສ ) ສາຂາ ປາກເຊ  
ບ້ານ ຫຼັກເມືອງ ເມືອງ ປາກເຊ ແຂວງ ຈຳປາສັກ  
ໂທ : ( 856-31 ) 254256 / 257

ສະຫລຸບປັນຊີ ປະຈຳງວດທີ 1 2013

( ແຕ່ເດືອນ 01 ທາ 06 ປີ 2013 )



ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ຈຳກັດ ( ຈັນ ຄອມເປລັກ ) ສາຂາ ປາກເຊ  
ບ້ານ ຫຼັກເມືອງ  
ເມືອງປາກເຊ ແຂວງ ຈຳປາສັກ  
(856-31) 254 256  
(856-31) 254 257

**ໃບສະຫຼຸບຊັບສິນບັດ - ຊັບສິນ**

ແຕ່ເດືອນ 1 - 6 ປີ 2013

ຊັບສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນ 30/06/2013			ງວດຜ່ານມ ມູນຄ່າ ຍັງເຫຼືອ
		ລວມ	ຄ່າຫຼຸຍຫຼຽນ/ ສູນເສຍມູນຄ່າ	ມູນຄ່າ ຍັງເຫຼືອ	
ຊັບສິນບໍ່ໝູນວຽນ		<b>490,416,722.00</b>	<b>187,486,326.00</b>	<b>302,930,396.00</b>	<b>327,451,232.00</b>
. ຜິດດ່ຽງການຊື້ິດາະການ ( ຫລື ຄ່ານິຍົມ )					
. ຊັບສິນບັດຄົງທີ່ ບໍ່ມີຕົວຕົນ					
. ຊັບສິນບັດຄົງທີ່ ມີຕົວຕົນ		490,416,722.00	187,486,326.00	302,930,396.00	327,451,232.00
. ຊັບສິນບັດຄົງທີ່ ພວມຊື້ ຫລື ພວມຜະລິດ					
ຊັບສິນບັດຄົງທີ່ການເງິນ					
. ໃບຍັງຍືມຊັບ ຕິເປັນມູນຄ່າທຽບເທົ່າ					
. ໃບຍັງຍືນຮ່ວມປະກອບທຶນ ແລະ ຫນີ້ຕ້ອງຮັບ ທີ່ຕິດຜັນ					
. ໃບຍັງຍືນຊັບຄົງທີ່					
. ເງິນໃຫ້ກູ້ຢືນ ແລະ ຊັບສິນບັດຄົງທີ່ ການເງິນ					
ຊັບສິນອື່ນໆ ທີ່ບໍ່ໝູນວຽນ					
. ອາກອນເຍື້ອນຊຳລະ, ລາຍຈ່າຍເຍື້ອນຊຳລະ					
ລວມຍອດ ຊັບສິນບໍ່ໝູນວຽນ		<b>490,416,722.00</b>	<b>187,486,326.00</b>	<b>302,930,396.00</b>	<b>327,451,232.00</b>
ຊັບສິນໝູນວຽນ					
. ເຄື່ອງໃນສາງ		1,614,733,283.98		1,614,733,283.98	2,027,301,181.50
. ຫນີ້ຕ້ອງຮັບ		35,715,400.00		35,715,400.00	27,708,000.00
. ລູກຄ້າ ແລະ ລູກຫນີ້ອື່ນໆ		34,215,400.00		34,215,400.00	27,708,000.00
. ອາກອນ					
. ຫນີ້ຕ້ອງຮັບ ແລະ ຊັບສິນຄ້າຍຄືກັນ		1,500,000.00		1,500,000.00	
. ເງິນສົດລວມ ແລະ ສິ່ງທີ່ຄ້າຍຄືເງິນສົດລວມ		599,363,578.77		599,363,578.77	1,064,367,536.27
ລວມຍອດ ຊັບສິນໝູນວຽນ		<b>2,249,812,262.75</b>		<b>2,249,812,262.75</b>	<b>3,119,376,717.77</b>
ລວມຍອດ ຊັບສິນ		<b>2,740,228,984.75</b>	<b>187,486,326.00</b>	<b>2,552,742,658.75</b>	<b>3,446,827,949.77</b>



**ສຸລິນ ຜົມມະສອນ**  
**Sureen PHOMMASONE**

ຫົວໜ້າບັນຊີ

ປາກເຊ, ວັນ-ທີ:.....  
ຜູ້-ລາຍ-ງານ

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
 ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ຈຳກັດ ( ຈັນ ຄອມເປລັກ ) ສາຂາ ປາກເຊ  
 ບ້ານ ຫຼັກເມືອງ  
 ເມືອງປາກເຊ ແຂວງ ຈຳປາສັກ  
 (856-31) 254 256  
 (856-31) 254 257

ໃບສະຫຼຸບຊັບສິນບັດ - ໜີ້ສິນ

ແຕ່ເດືອນ 1 - 6 ປີ 2013

ໜີ້ສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນຊີ 30/06/2013	ງວດຜ່ານມາ
ທຶນຕົນເອງ		<b>-2,056,439,882.96</b>	<b>-1,779,965,653.23</b>
ທຶນຈົດທະບຽນ			
ມູນຄ່າສ່ວນເພີ່ມ ແລະ ຄັງສະສິນ			
ຜິດດ່ຽງຈາກການຕີມູນຄ່າຄົນໃໝ່			
ຜິດດ່ຽງຈາກການຕີມູນຄ່າທຽບເທົ່າ			
ຜົນໄດ້ຮັບສຸດທິ		-2,056,439,882.96	-1,779,965,653.23
ທຶນຕົນເອງອື່ນໆ - ຍອດຍົກມາ			
ພູດສ່ວນຂອງບໍລິສັດ ລວມກິດຈະການ			
ພູດສ່ວນຂອງຜູ້ຖືຮຸ້ນສ່ວນນ້ອຍ			
ລວມຍອດ ທຶນຕົນເອງ I		<b>-2,056,439,882.96</b>	<b>-1,779,965,653.23</b>
ໜີ້ສິນບໍ່ໝູນວຽນ			
ອາກອນເຍື່ອນຊຳລະ			
ເງິນຊ່ວຍໝູນກໍ່ສ້າງພື້ນຖານ			
ເງິນແຮ			
ເງິນກູ້ຢືມ ແລະ ໜີ້ຕ້ອງສິ່ງການເງິນ		3,423,804,826.44	3,231,770,126.44
ລວມຍອດ ໜີ້ສິນ ທີ່ບໍ່ໝູນວຽນ II		<b>3,423,804,826.44</b>	<b>3,231,770,126.44</b>
ໜີ້ສິນ ໝູນວຽນ			
ໜີ້ຕ້ອງສິ່ງ ໂລຍະສັ້ນ - ຜາກສ່ວນໂລຍະສັ້ນ ຂອງໜີ້ໂລຍະຍາວ			
ຜູ້ສະຫມອງ ແລະ ບັນຊີ ທີ່ຕິດພັນ		1,129,393,891.27	1,907,808,525.56
ລາຍຮັບໆລ່ວງໜ້າ			
ໜີ້ຕ້ອງສິ່ງອື່ນໆ		55,983,824.00	22,493,751.00
ບັນຊີຄັງເງິນສົດລວມ - ເງິນເບີກເກີນ			64,721,200.00
ລວມຍອດ ໜີ້ສິນໝູນວຽນ		<b>1,185,377,715.27</b>	<b>1,995,023,476.56</b>
ລວມຍອດ ໜີ້ສິນ		<b>2,552,742,658.75</b>	<b>3,446,827,949.77</b>



ສຸລິນ ພົມມະສອນ  
 Sureen PHOMMASONE

ຫົວໜ້າບັນຊີ

ປາກເຊ, ວັນ-ທີ:.....

ຜູ້-ລາຍ-ງານ

ບໍລິສັດ ລາວເວີນ ຈຳກັດ ( ຈັນ ຄອມເປລັກ ) ສາຂາ ປາກເຊ  
ບ້ານ ຫຼັກເມືອງ  
ເມືອງປາກເຊ ແຂວງ ຈຳປາສັກ  
(856-31) 254 256  
(856-31) 254 257

# ໃບລາຍງານຜົນໄດ້ຮັບປະຈຳງວດ

1 - 6 ປີ 2013

ເນື້ອໃນລາຍການ	ລວມ	ເຄື່ອນໄຫວໃນງວດນີ້	ສະສົມໃນງວດຜ່ານມາ
ຕົວເລກທຸລະກິດ 70; ( 709 )	2,530,948,013.00	2,530,948,013.00	
ຜົນຜະລິດເກັບມ້ຽນໃນສາງ 71			
ຜົນຜະລິດຄົງທີ່ 72			
<b>I ຜົນຜະລິດໃນປີ</b>	<b><u>2,530,948,013.00</u></b>	<b><u>2,530,948,013.00</u></b>	
ຊື້ທີ່ໄດ້ຊົມໃຊ້ 60	2,069,990,459.65	2,069,990,459.65	
ບໍລິການທາງນອກ ແລະ ຊົມໃຊ້ອື່ນໆ 62	581,089,129.20	581,089,129.20	
<b>II ຜົນຊົມໃຊ້ໃນປີ</b>	<b><u>2,651,079,588.85</u></b>	<b><u>2,651,079,588.85</u></b>	
<b>III ມູນຄ່າສ່ວນເພີ່ມໃນການທຸລະກິດ ( I - II )</b>	<b><u>(120,131,575.85)</u></b>	<b><u>(120,131,575.85)</u></b>	
ລາຍຈ່າຍໃຫ້ພະນັກງານ 64	152,982,338.00	152,982,338.00	
ອາກອນ, ຄ່າທຳນຽມ ແລະ ລາຍຈ່າຍປະເພດດຽວ 63			
<b>IV ສ່ວນເກີນລວມ ໃນການທຸລະກິດ</b>	<b><u>(273,113,913.85)</u></b>	<b><u>(273,113,913.85)</u></b>	
ລາຍຮັບອື່ນໆ ໃນການທຸລະກິດ 74; 75			
ລາຍຈ່າຍອື່ນໆ ໃນການທຸລະກິດ 65			
ຫັກຄ່າທຸລະກິດ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 68	(24,520,836.00)	(24,520,836.00)	
ເກັບຄືນຄ່າທຸລະກິດ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 78			
<b>V ຜົນໄດ້ຮັບ ໃນການທຸລະກິດ</b>	<b><u>(297,634,749.85)</u></b>	<b><u>(297,634,749.85)</u></b>	
ລາຍຮັບການເງິນ 76	61,047,975.12	61,047,975.12	
ລາຍຈ່າຍການເງິນ 66	39,887,455.00	39,887,455.00	
<b>VI ຜົນໄດ້ຮັບການເງິນ</b>	<b><u>21,160,520.12</u></b>	<b><u>21,160,520.12</u></b>	
<b>VII ຜົນໄດ້ຮັບ ກ່ອນການເສຍອາກອນ ( V + VI )</b>	<b><u>(276,474,229.73)</u></b>	<b><u>(276,474,229.73)</u></b>	
ອາກອນຕ້ອງຈ່າຍ ບ່ວງຜົນໄດ້ຮັບປົກກະຕິ 691; 692			
ອາກອນເຍື່ອນຊໍາລະ ( ສ່ວນປ່ຽນແປງ ) 694; 793			
ລວມຍອດ ລາຍຮັບ ຈາກກິດຈະການປົກກະຕິ	<u>2,591,995,988.12</u>	<u>2,591,995,988.12</u>	
ລວມຍອດ ລາຍຈ່າຍ ຈາກກິດຈະການປົກກະຕິ	<u>2,868,470,217.85</u>	<u>2,868,470,217.85</u>	
<b>VIII ຜົນໄດ້ຮັບສຸດທິ ຈາກກິດຈະການປົກກະຕິ</b>	<b><u>(276,474,229.73)</u></b>	<b><u>(276,474,229.73)</u></b>	
ອົງປະກອບພິເສດ - ລາຍຮັບ 77			
ອົງປະກອບພິເສດ - ລາຍຈ່າຍ : 67; 696			
<b>IX ຜົນໄດ້ຮັບພິເສດ</b>			
<b>X ຜົນໄດ້ຮັບສຸດທິໃນປີ</b>	<b><u>(276,474,229.73)</u></b>	<b><u>(276,474,229.73)</u></b>	
ພູດສ່ວນຜົນໄດ້ຮັບ ຂອງບໍລິສັດ ທີ່ໄດ້ຕີມູນຄ່າຮຸ້ນທຽບເທົ່າ ( 1 )			
<b>XI ຜົນໄດ້ຮັບສຸດທິ ຂອງກຸ່ມບໍລິສັດ ລວມກິດຈະການ (1)</b>			
ໃນນັ້ນ :			
. ພູດສ່ວນ ຂອງຜົນປະໂຫຍດສ່ວນນ້ອຍ (1)			
. ພູດສ່ວນ ຂອງກຸ່ມ (1)			

ປາກເຊ, ວັນ-ທີ:.....

ຜູ້-ລາຍ-ງານ




ຫົວໜ້າບັນຊີ

ສີເນ ພົມມະສິນ  
Suren PHOMMASONG

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນາຖາວອນ

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ແຂວງ ສະຫວັນນະເຂດ

ບໍລິສັດ ລາວເວີນ ສະຫວັນ ຈຳກັດ

ໂທລ : ( 856 ) 041 260350, ແຟັກ : 041 260346

## ສະຫລຸບປັນຊີປະຈຳປະຈຳງວດ01-06 2013

( ແຕ່ວັນທີ 01/01/2013 - 30/06/2013 )

( ສິກຍີ 2012-2013 )

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ບໍ່ຂຸ້ນຮັບ ໂຕເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ສະຫວັນ ຈຳກັດ

**ໃບສະຫຼຸບຊັບສິນບັດ - ຊັບສິນ**

ແຕ່ເດືອນ 1 - 6 ປີ 2013

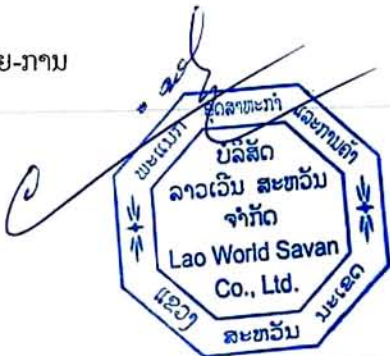
ຊັບສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນ 30/06/2013			ງວດຜ່ານມ ມູນຄ່າ ຍັງເຫຼືອ
		ລວມ	ຄ່າຫຼຸ້ຍຫຼຽນ/ ສູນເສຍມູນຄ່າ	ມູນຄ່າ ຍັງເຫຼືອ	
ຊັບສິນບໍ່ໝູນວຽນ		121,127,097,282.06	9,884,837,645.00	111,242,259,637.06	109,115,770,345.98
. ຜິດດ່ຽງການຊື້ກິດຈະການ ( ຫລື ຄ່ານິຍົມ )					
. ຊັບສິນບັດຄົງທີ່ ບໍ່ມີຕົວຕົນ		25,725,000.00	96,697,521.00	-70,972,521.00	1,430,099,979.00
. ຊັບສິນບັດຄົງທີ່ ມີຕົວຕົນ		121,101,372,282.06	9,788,140,124.00	111,313,232,158.06	107,685,670,366.98
. ຊັບສິນບັດຄົງທີ່ ພວມຊື້ ຫລື ພວມຜະລິດ					
ຊັບສິນບັດຄົງທີ່ການເງິນ					
. ໃບຍັງຍືນຊັບ ຕິເບັນມູນຄ່າທຽບເທົ່າ					
. ໃບຍັງຍືນຮ່ວມປະກອບທຶນ ແລະ ຫນີ້ຕອງຮັບ ທີ່ຕິດພັນ					
. ໃບຍັງຍືນຊັບຄົງທີ່					
. ເງິນໃຫ້ກູ້ຢືມ ແລະ ຊັບສິນບັດຄົງທີ່ ການເງິນ					
ຊັບສິນອື່ນໆ ທີ່ບໍ່ໝູນວຽນ					
. ອາກອນເຍື້ອນຊຳລະ, ລາຍຈ່າຍເຍື້ອນຊຳລະ					
ລວມຍອດ ຊັບສິນບໍ່ໝູນວຽນ		121,127,097,282.06	9,884,837,645.00	111,242,259,637.06	109,115,770,345.98
ຊັບສິນໝູນວຽນ					
. ເຄື່ອງໃນສາງ		1,024,149,234.32		1,024,149,234.32	1,448,972,053.06
. ຫນີ້ຕອງຮັບ		2,322,335,128.32		2,322,335,128.32	2,612,168,801.00
ລູກຄ້າ ແລະ ລູກຫນີ້ອື່ນໆ		1,104,811,561.80		1,104,811,561.80	452,663,718.00
ອາກອນ					
ຫນີ້ຕອງຮັບ ແລະ ຊັບສິນຄ້າຍຄືກັນ		1,217,523,566.52		1,217,523,566.52	2,159,505,083.00
. ເງິນສົດເລວມ ແລະ ສິ່ງທີ່ຄ້າຍຄືເງິນສົດລວມ		1,652,376,678.96		1,652,376,678.96	1,692,692,109.73
ລວມຍອດ ຊັບສິນໝູນວຽນ		4,998,861,041.60		4,998,861,041.60	5,753,832,963.79
ລວມຍອດ ຊັບສິນ		126,125,958,323.66	9,884,837,645.00	116,241,120,678.66	114,869,603,309.77

ສະຫວັນ, ລ້ານ-ທີ: 11/10/13

ອຳ-ນວຍ-ການ

ຫົວໜ້າບັນຊີ

ຜູ້-ລາຍ-ງານ



*(Handwritten signature)*

ສອນສາຍວິນ ພິມມະຈັນ  
Sonesaython PHIMMAJANE

*(Handwritten signature)*  
ສະຫວັນ: 11/10/13

ວິນແລງ ພິມມະຈັນ

Vanhleng PHOMMACHAN

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ບໍ່ຂຸ້ນຮຸນ ບໍ່ປະໂຫຍດ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ສະຫວັນ ຈຳກັດ

ໃບສະຫຼຸບຊັບສິນບັດ - ໜີ້ສິນ

ແຕ່ເດືອນ 1 - 6 ປີ 2013

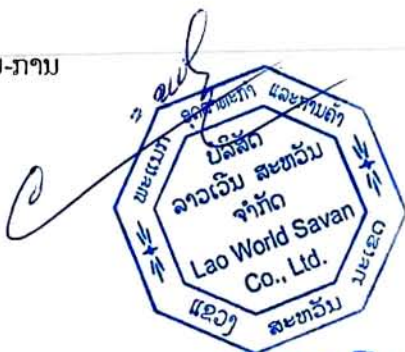
ໜີ້ສິນ	ໝາຍເຫດ	ງວດນີ້ປິດບັນຊີ 30/06/2013	ງວດຜ່ານມາ
ທຶນຕົນເອງ		<u>16,760,407,737.69</u>	<u>18,556,095,197.29</u>
. ທຶນຈົດທະບຽນ		30,287,328,874.00	30,287,328,874.00
. ມູນຄ່າສ່ວນເພີ່ມ ແລະ ຄັງສະສົມ			
. ຜິດດ່ຽງຈາກການຕີມູນຄ່າຄືນໃໝ່			
. ຜິດດ່ຽງຈາກການຕີມູນຄ່າທຽບເທົ່າ			
. ຜົນໄດ້ຮັບສຸດທິ		-13,526,921,136.31	-11,731,233,676.71
. ທຶນຕົນເອງອື່ນໆ - ຍອດຍົກມາ			
ພູດສ່ວນຂອງບໍລິສັດ ລວມກິດຈະການ			
ພູດສ່ວນຂອງຜູ້ຖືຮຸ້ນສ່ວນນ້ອຍ			
ລວມຍອດ ທຶນຕົນເອງ I		<u>16,760,407,737.69</u>	<u>18,556,095,197.29</u>
ໜີ້ສິນບໍ່ຫມູນວຽນ			
. ອາກອນເຍື່ອນຊໍາລະ			
. ເງິນຊ່ວຍຫມູນກໍ່ສ້າງຜັ່ນຖານ			
. ເງິນແຮ			
. ເງິນກູ້ຢືມ ແລະ ຫນີ້ຕ້ອງສົ່ງການເງິນ		32,809,658,144.81	48,751,110,087.55
ລວມຍອດ ໜີ້ສິນ ທີ່ບໍ່ຫມູນວຽນ II		<u>32,809,658,144.81</u>	<u>48,751,110,087.55</u>
ໜີ້ສິນ ຫມູນວຽນ			
. ຫນີ້ຕ້ອງສົ່ງ ໄລຍະສັ້ນ - ພາກສ່ວນໄລຍະສັ້ນ ຂອງຫນີ້ໄລຍະຍາວ			
. ຜູ້ສະຫນອງ ແລະ ບັນຊີ ທີ່ຕິດພັນ		35,640,310,521.66	30,276,341,962.88
. ລາຍຮັບໆລ່ວງຫນ້າ		708,925,473.00	708,925,473.00
. ຫນີ້ຕ້ອງສົ່ງອື່ນໆ		30,321,818,801.51	16,577,130,589.06
. ບັນຊີຄັງເງິນສົດລວມ - ເງິນເບີກເກິນ			
ລວມຍອດ ໜີ້ສິນຫມູນວຽນ		<u>66,671,054,796.17</u>	<u>47,562,398,024.94</u>
ລວມຍອດ ໜີ້ສິນ		<u>116,241,120,678.67</u>	<u>114,869,603,309.78</u>

ສະຫວັນ, ວັນ-ທີ: 11/10/13

ອຳ-ນວຍ-ການ

ຫົວໜ້າບັນຊີ

ຜູ້-ລາຍ-ງານ



*(Handwritten signature)*

ສອນສາຍຝົນ ພິມມະສານ  
Sonesayphon PHIMMASANE

*(Handwritten signature)*

ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ  
ສັນຕິພາບ ເອກະລາດ ບໍ່ຂຸ້ນຮັບ ປະໂຫຍດ ເອກະພາບ ວັດທະນາຖາວອນ

ບໍລິສັດ ລາວເວີນ ສະຫວັນ ຈຳກັດ

**ໃບລາຍງານຜົນໄດ້ຮັບປະຈຳງວດ**

1 - 6 ປີ 2013

ເນື້ອໃນລາຍການ	ລວມ	ເຄື່ອນໄຫວໃນງວດນີ້	ສະສົມໃນງວດຜ່ານມາ
ຕົວເລກທຸລະກິດ 70; ( 709 )	8,552,232,848.48	8,552,232,848.48	
ຜົນຜະລິດເກັບມ້ຽນໃນສາງ 71			
ຜົນຜະລິດຄົງທີ່ 72			
<b>I ຜົນຜະລິດໃນປີ</b>	<b>8,552,232,848.48</b>	<b>8,552,232,848.48</b>	
ຊື້ທີ່ໄດ້ຊົມໃຊ້ 60	3,059,004,614.75	3,059,004,614.75	
ບໍລິການທາງນອກ ແລະ ຊົມໃຊ້ອື່ນໆ 62	3,229,180,586.73	3,229,180,586.73	
<b>II ຜົນຊົມໃຊ້ໃນປີ</b>	<b>6,288,185,201.48</b>	<b>6,288,185,201.48</b>	
<b>III ມູນຄ່າສ່ວນເຜີນໃນການທຸລະກິດ ( I - II )</b>	<b>2,264,047,647.00</b>	<b>2,264,047,647.00</b>	
ລາຍຈ່າຍໃຫ້ພະນັກງານ 64	1,433,546,628.64	1,433,546,628.64	
ອາກອນ, ຄ່າທຳນຽມ ແລະ ລາຍຈ່າຍປະເພດດຽວ 63	444,500.00	444,500.00	
<b>IV ສ່ວນເກີນລວມ ໃນການທຸລະກິດ</b>	<b>830,056,518.36</b>	<b>830,056,518.36</b>	
ລາຍຮັບອື່ນໆ ໃນການທຸລະກິດ 74; 75			
ລາຍຈ່າຍອື່ນໆ ໃນການທຸລະກິດ 65			
ຫັກຄ່າຫຼຸດລົງ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 68	(2,131,421,049.00)	(2,131,421,049.00)	
ເກັບຄືນຄ່າຫຼຸດລົງ, ຄ່າເສື່ອມມູນຄ່າ, ເງິນແຮ 78			
<b>V ຜົນໄດ້ຮັບ ໃນການທຸລະກິດ</b>	<b>(1,301,364,530.64)</b>	<b>(1,301,364,530.64)</b>	
ລາຍຮັບການເງິນ 76	65,722,830.59	65,722,830.59	
ລາຍຈ່າຍການເງິນ 66	560,045,759.55	560,045,759.55	
<b>VI ຜົນໄດ້ຮັບການເງິນ</b>	<b>(494,322,928.96)</b>	<b>(494,322,928.96)</b>	
<b>VII ຜົນໄດ້ຮັບ ກ່ອນການເສຍອາກອນ ( V + VI )</b>	<b>(1,795,687,459.60)</b>	<b>(1,795,687,459.60)</b>	
ອາກອນຕ້ອງຈ່າຍ ບ້ວງຜົນໄດ້ຮັບປົກກະຕິ 691; 692			
ອາກອນເຍື່ອນຊຳລະ ( ສ່ວນປ່ຽນແປງ ) 694; 793			
ລວມຍອດ ລາຍຮັບ ຈາກກິດຈະການປົກກະຕິ	8,617,955,679.07	8,617,955,679.07	
ລວມຍອດ ລາຍຈ່າຍ ຈາກກິດຈະການປົກກະຕິ	10,413,643,138.67	10,413,643,138.67	
<b>VIII ຜົນໄດ້ຮັບສຸດທິ ຈາກກິດຈະການປົກກະຕິ</b>	<b>(1,795,687,459.60)</b>	<b>(1,795,687,459.60)</b>	
ອົງປະກອບຟີເສດ - ລາຍຮັບ 77			
ອົງປະກອບຟີເສດ - ລາຍຈ່າຍ : 67; 696			
<b>IX ຜົນໄດ້ຮັບຟີເສດ</b>			
<b>X ຜົນໄດ້ຮັບສຸດທິໃນປີ</b>	<b>(1,795,687,459.60)</b>	<b>(1,795,687,459.60)</b>	
ພູດສ່ວນຜົນໄດ້ຮັບ ຂອງບໍລິສັດ ທີ່ໄດ້ຖືກມູນຄ່າຮຸ້ນທຽບເທົ່າ ( 1 )			
<b>XI ຜົນໄດ້ຮັບສຸດທິ ຂອງກຸ່ມບໍລິສັດ ລວມກິດຈະການ (1)</b>			
ໃນນັ້ນ :			
. ພູດສ່ວນ ຂອງຜົນປະໂຫຍດສ່ວນນ້ອຍ (1)			
. ພູດສ່ວນ ຂອງກຸ່ມ (1)			

ອຳ-ນວຍ-ການ



ຫົວໜ້າບັນຊີ

**ວັນແຈງ ພິມມະສານ**  
**Vanheng PHOMMACHAN**

ສະຫວັນ, ວັນ-ທີ: 11/10/13

ຜູ້-ລາຍ-ງານ

ສອນສາຍບິນ ພິມມະສານ  
Soesayphon PHIMMAJANE

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Page 1 of 1

## APPENDIX III

### SUMMARY OF LAO-ITECC AGREEMENT

Title	Description/ Material Term
Name and date of agreement	Lao-ITECC Agreement dated 24 December 2003, as amended on 11 May 2011.
Parties	Lao government represented by the MPI (as “Party A”); and Lao World Company Limited (Chan Complex) represented by Mr. Sackchai Wongmalasith (as “Party B”).
Recitals	Party A wishes to construct the international trade exhibition and convention center (“ITECC”) before the ASEAN summit hosted by Lao PDR in 2004. Party B wishes to construct the ITECC as a facility for the ASEAN summit in 2004.
Term	Party B is obliged to invest, build, operate and transfer (BOT) of the buildings, structures and business operation of the Lao-ITECC to the Government of Lao PDR, ninety years after the date of the Lao-ITECC Agreement (24 December 2003).
Company Incorporation	Party A agreed to allow Party B to establish the company under the regulations and laws of the Lao PDR, namely “Lao World Co., Ltd. (Chan Complex).” Lao World Co., Ltd. (Chan Complex) (the “Company”) is entitled to build and operate the ITECC (with all facilities) under the name “Chan Complex.”
Location and size of the ITECC	The ITECC is located at Phonthannuea village, Saysetha District, Vientiane Capital, Lao PDR. The front location is connected to T4 road, with a length of 266 meters. The rear location is next to private land of Lao citizens, with a length of 326 meters. The northern location is abutting land of Mr. Somphawan Intrawong, with a length of 546.87 meters. The southern location is touching private land of Lao people, with a length of 500 meters. The total area of the project is 142,627 square meters. As the land belongs to Party A, Party A agrees to allow Party B to use it for the construction and operation of the project, namely “Lao International Exhibition & Convention Center (LAO-ITECC).” The size of the building is 150 x 120 meters, and it is a two-story building with the total space of 31,181 square meters, with a parking area of around 600 vehicles on the ground floor. On the first floor, there is a grand hall sized 90 x60 meters with a height of 12 meters, including: two conference rooms sized 60 x 30 meters; and two conference rooms sized 20 x30 meters. The second floor will have space for bowling, restaurants and theatres, and the third floor on the rear side of the building will be used for office and warehouse. Within this location there will be places for buildings of commercial services, an amusement park, a swimming pool, golf driving range, and parking lot, including a decorated area to be an attractive location.
Activities of the project	Trade exhibitions Supermarket, commercial building and import of goods Car rental service, conference room service, seminar rooms, office, internet and party services Food and Karaoke center Place for art exhibition, drama theater, concert, movies Bowling and game machines Health care center Language and vocational training center Amusement place and swimming pool
Project	The project development divided in to two phase



Title	Description/ Material Term
development	Phase I: Construction of the building and facilities completed before the ASEAN summit hosted by Lao PDR in 2004. Phase II: Construction of the buildings and facilities to serve the activities of the project mentioned above.
Investment funds of the Company	The total investment funds of the Company are USD 7,500,000. The registered capital of the Company is USD 750,000 (cash USD 200,000 and in kind USD 550,000), in compliance with the Enterprise Law of Lao PDR.
BOT	Party B is obliged to invest, build, operate and transfer (BOT) the buildings, structures and operation of the Lao-ITECC to the Government of Lao PDR, ninety years after the date of the Lao-ITECC agreement.
Rights and obligations of Party A	To provide the land to Party B for the construction of Lao-ITECC without any charge Issuance of the right to use the land to Party B for a period of 50 years Allowed Party B to develop the land for the Lao-ITECC project Agreed with Party B to design and construct the Lao-ITECC To facilitate Party B for the public utilities with cost of Party B Facilitating visas, work permits and permits to stay in Lao PDR for foreign staff Coordination for the issuance of relevant permits/licenses To rent/use the Lao-ITECC at the rate agreed on by both parties
Rights and obligations of party B	Solely responsible for seeking sources of funds for the development of the project Ensure the sufficiency of funds without seeking financial support of guarantee from Party A Remittance of the registered capital Responsible for all costs incurred from the development of the project Responsible for design of the construction Constructing the project within the timeframe under the agreement Ensure the environmental protection Provide the privilege to the government agencies for the exhibition and sale of the domestic products Report on any progress of the project development to the Government of Lao PDR on every 6 month and yearly basis
Policy and rights on custom and tax	Party A agrees to grant the privileges to Party B as follows: Importation of the relevant construction materials, equipment, vehicles, and machines necessary for the construction of the project Grace period for land rental payment (free rent) for ten years No profit tax for ten years and 50% reduction on the profit tax for another 10 years Exemption of business turnover tax for the construction of the project
Conditions of transfer or sale of shares	The transfer and sale of shares must have prior approval from Party A, provided that a transferee may not be eligible to certain existing privileges, and depending on the approval of the Government of Lao PDR.
Conversion to public company	Party B is entitled to convert to a public company and to raise funds, sell and purchase shares in accordance with the regulations of the SECO and LSX.
Labor use and training Lao employees	Party B agrees to: hire Lao labor to work for the Company according to Lao labor law and regulations ensure all Lao employees receive social welfare according to the rules and laws of Lao PDR regularly conduct job training for Lao workers
Safety measurements	Party B agrees to: keep good maintenance and repair of the buildings and facilities obtain insurance on all assets from the insurance company licensed and approved by the Government of Lao PDR.
Arbitration and Mediation	The parties agree to solve any dispute between them in an amicable way through the consultation of both parties. If the dispute cannot be solved in an amicable way within three months, such dispute shall be brought to arbitration and mediation pursuant to the laws of Lao

Title	Description/ Material Term
	PDR.
Force majeure	No parties will be responsible for any damages caused by force majeure (e.g. earthquake, flood, domestic political adverse change that could not be controlled, avoided or prevented, and the operation cannot continue for a period longer than six months).
Early Termination	The parties voluntarily agree to early termination if (i) Party B has a loss ratio of $\frac{3}{4}$ of the investment funds for three consecutive years, and (ii) the shareholders pass a resolution for the dissolution of the Company. In such case, the parties agree to appoint a committee to dissolve the Company. In the case of an event of material default that cannot be remedied within 90 days.
Transfer of project	Within a period of three months before the expiration of the contract, the parties agree to appoint a committee to inspect and transfer the project to Party A.
Governing law	Laws of Lao PDR.

**APPENDIX IV**  
**SUMMARY OF CHAMPASACK COMMERCIAL CENTER LEASE**  
**AGREEMENT (2<sup>ND</sup> FLOOR)**

Title	Description/ Material Term
Name and date of agreement	Champasack Commercial Center Lease Agreement (2nd Floor) dated 11 August 2005, as amended.
Parties	Champasack Commercial Center Company Limited (as the “Lessor”) Lao World Company Limited (Chan Complex) (as the “Lessee”)
Leased Property	The parties agree to lease the entire second floor of Champasack Commercial Center located at Watluang village, Pakse District, Champasack Province, Lao PDR (“Leased Property”). The Lessee shall be responsible for seeking and obtaining the relevant permits and licenses required for its business operations and for complying with municipal regulations. The Lessee shall also be responsible for tax, stamp duty and official fees to the government.
Lease Terms and Payment	The first lease payment period (01 Jan 2006 until 31 Dec 2009): USD 4,000 per month. The second lease payment period (01 Jan 2010 until 31 Dec 2013): USD 6,000 per month. The third lease payment period (01 Jan 2014 until 31 Dec 2017): At a rate to be increased at no more than 50% of the monthly rent of the second lease payment period. The lease payment should be made on a semiannual basis (once every 6 months). A default interest of 5% per month shall be charged for any late payment.
Material Terms	1. The Leased Property should be used for purposes of a shopping mall, and shall be subleased to wholesale shops and other purposes in compliance with the relevant laws. The common area on the ground floor in front of the escalator can be used for promotional activities without charge. 2. Any alteration and modification of the building structure or affixing of any equipment or fixtures to the building requires obtaining prior consent from the Lessor. 3. The Lessee shall be responsible for all electricity, water, security and other costs related to its business operations, including repair costs for the escalator of any amounts above Baht 200,000. 4. The Lessor is responsible for the cleanliness and maintenance of the ground floor and outside of the building.
Early Termination	If: 1. The Lessee, in the view of the Lessor, substantially violates the agreement, the Lessor shall be entitled to immediately terminate the agreement or take legal action at the Lao PDR’s people court.; or 2. The Lessee sustains losses for three consecutive years, which shall be substantially supported by rationale, the agreement may be terminated.
Insurance	The Lessee shall pay 1/3 of the insurance premium of the insurance for the entire building with insurance coverage agreed on by the Lessor.
Force majeure	In the case of disaster, earthquake, natural disaster, lighting, war or other force majeure which causes damage to the Leased Property, the parties shall mutually discuss a reasonable solution.
Dispute Resolution	- The parties agree to mutually solve any dispute between them through the consultation of both parties. - If the dispute cannot be solved, such dispute shall be brought to a Lao PDR court.
Governing law	Laws of Lao PDR

**APPENDIX V**

**SUMMARY OF CHAMPASACK COMMERCIAL CENTER LEASE AGREEMENT (3<sup>RD</sup> FLOOR)**

Title	Description/ Material Term
<i>Name and date of agreement</i>	Champasack Commercial Center Lease Agreement (3rd Floor) dated 11 August 2005, as amended.
<i>Parties</i>	Champasack Commercial Center Company Limited (as the “Lessor”) Lao World Company Limited (Chan Complex) (as the “Lessee”)
<i>Leased Property</i>	1. The parties agree to lease the entire third floor of Champasack Commercial Center located at Watluang village, Pakse District, Champasack Province, Lao PDR (“Leased Property”). 2. The Lessee shall be responsible for seeking and obtaining the relevant permits and licenses required for its business operations and for complying with municipal regulations. The Lessee shall also be responsible for tax, stamp duty and official fees to the government.
<i>Lease Terms and Payment</i>	Grace period for lease payment (rent-free) from the date of the agreement until 31 Dec 2005. The first lease payment period (01 Jan 2006 until 31 Dec 2009): USD 3,000 per month. The second lease payment period (01 Jan 2010 until 31 Dec 2013): USD 4,000 per month. The third lease payment period (01 Jan 2014 until 31 Dec 2017): At a rate to be increased at no more than 50% of the monthly rent of the second lease payment period. The Lessee shall pay for the first lease payment period within 45 days after the date of the agreement. The next lease payment should be made on a semiannual basis (once every 6 months). A default interest of 5% per month shall be charged for any late payment.
<i>Material Terms</i>	1. The Leased Property should be used for purposes of exhibitions, seminars, conferences, concerts, entertainment and social functions, and an amusement park. The common area on the ground floor in front of the escalator can be used for promotional activities without charge. 2. Any alteration and modification of the building structure or affixing of any equipment or fixtures to the building requires obtaining prior consent from the Lessor. 3. The Lessee shall be responsible for all electricity, water, security and other costs related to its business operation. 4. The Lessor is responsible for the cleanliness and maintenance of the ground floor and outside of the building.
<i>Early Termination</i>	In the event that: 1. the Lessee, in the view of the Lessor, substantially violates the agreement, the Lessor shall be entitled to immediately terminate the agreement or take legal action at the Lao PDR’s people court.; or 2. The Lessee sustains losses for three consecutive years, which shall be substantially supported by rationale, the agreement may be terminated.
<i>Insurance</i>	The Lessee shall pay 1/3 of the insurance premium of the insurance for the entire building with insurance coverage agreed on by the Lessor.
<i>Force majeure</i>	In the case of disaster, earthquake, natural disaster, lighting, war or other force majeure which causes damage to the Leased Property, the parties shall mutually discuss a reasonable solution.
<i>Dispute Resolution</i>	- The parties agree to mutually solve any dispute between them through the consultation of both parties. - If the dispute cannot be solved, such dispute shall be brought to a Lao PDR court.
<i>Governing law</i>	Laws of Lao PDR

**APPENDIX VI**  
**SUMMARY OF SAVAN-ITECC AGREEMENT.**

Title	Description/ Material Term
Name and date of agreement	Savan-ITECC establishment Agreement
Parties	Savannakhet Province (as the “Parties A”) Lao World Company Limited (Chan Complex) (as the “Parties B”)
Recitals	Party A wishes to construct the international trade exhibition and convention center (“ITECC”) to serve the government and social activities. Party B wishes to construct the ITECC as a facility for the government and society.
Term	Party B is obliged to invest, build, operate and transfer (BOT) of the buildings, structures and business operation of the Savan-ITECC to the Government of Lao PDR, fifty years after the date of the Savan-ITECC Agreement
Company Incorporation	Party A agreed to allow Party B to establish the company under the regulations and laws of the Lao PDR, namely “Lao World Savan Co., Ltd.” Lao World Savan Co., Ltd. (the “Company”) is entitled to build and operate the ITECC (with all facilities) under the name “Savan-ITECC Complex.”
Location and size of the Savan-ITECC	The Savan-ITECC is located at Bane Phonesavangtai, Kaisonphomvihan District, Savannakhet Province, Lao PDR. The total area of the project is 34,840 square meters refer to the title deed no.1166 and 1167 dated 19/06/2008. As the land belongs to Party A who agrees to allow Party B to use it for the construction and operation of the project, 3 floors building consist of exhibition hall, shops, conference rooms, convention hall, cinema, Bowling lanes, restaurant and surrounding with garden, large car park and other facilitates for business operation.
Activities of the project	Trade exhibitions Shopping center and Supermarket Commercial building and import of goods Conference room service, seminar rooms Food and Karaoke center Place for art exhibition, drama theater, concert, movies Bowling and game machines Amusement and exercise place
Project development	The project development divided in to two phase Phase I: Construction of the building and facilities to comply with the international standard. Phase II: Construction of the other buildings and facilities to serve the activities of the project mentioned above.
Investment funds of the Company	The total investment funds of party B are USD 3,000,000 for the phase I, consist of (i) the investment capital 2,700,000 USD for the expenses of construction and all assets and facility equipment in which use to complete the project, (ii) working capital in the amount of USD 300,000. The registered capital of the Company is USD 3,000,000, in compliance with the Enterprise Law of Lao PDR.
BOT	Both Parties agree to develop this project together in the policy of Build, Operate and Transfer (BOT). Party B obligates to be responsible to invest and manage the Savan-ITECC and transfer to the Province of Lao PDR, fifty years after the date of the Savan-ITECC establishment agreement.
Rights and obligations of Party A	- To expropriate the property owners from the land and provide to Party B for the construction of Savan-ITECC area before Party B will proceed land surface and construction process. Issuance of the right to use the land to Party B for a period of 50 years Issuance of oversea investment certificate to Party B Agreed with Party B to design and construct the Savan-ITECC by itself, appointed the specific technician committee to certify project design, follow

Title	Description/ Material Term																											
	<p>up progress, inspect, safety assurance to assets and labors of Party B including facilitate other necessary matters To facilitate Party B for the public utilities with cost of Party B Facilitating visas, work permits and permits to stay in Lao PDR for foreign staffs in accordance with Law of Lao PDR.</p>																											
Rights and obligations of party B	<p>Solely responsible for seeking sources of funds for the development of the project Responsible for all costs incurred from the development of the project Constructing the project within 12 months under the agreement Ensure the environmental protection of project area and nearby and report the environmental and community monitoring Provide the privilege to the government agencies for the exhibition and sale of the domestic products with satisfactory rental price from both parties.</p>																											
Policy and rights on custom and tax	<p>According to Party B has supported in advance to province for development the real estate and expropriation the property owners from the construction land in the total amount of 1,500,000,000 kip (excluded cost of swimming pool construction), therefore Party A agrees to grant the privileges to Party B as following:- To import the importation of the relevant construction materials to install in the project in accordance with regulation, protection law and domestic and oversea investment promotion which is effective. The construction material list must be submitted to declare in each year. To import equipment, vehicles, and machines necessary for the construction of both phases of the project. Grace period for land rental payment (free rent) for the first ten years from July 2009 to June 30,2019 and the remaining 40 years must be charged for rent as following:-</p> <table border="1" data-bbox="504 1032 1386 1379"> <thead> <tr> <th>Period</th> <th>Year</th> <th>Rental charge (\$US/m2/year)</th> </tr> </thead> <tbody> <tr> <td>The 1st 5 years</td> <td>July 2019-June 30,2024</td> <td>0.12</td> </tr> <tr> <td>The 2nd 5 years</td> <td>July 2024-June 30,2029</td> <td>0.12+4%</td> </tr> <tr> <td>The 3rd 5 years</td> <td>July 2029-June 30,2034</td> <td>0.12+5%</td> </tr> <tr> <td>The 4th 5 years</td> <td>July 2034-June 30,2039</td> <td>0.12+6%</td> </tr> <tr> <td>The 5th 5 years</td> <td>July 2039-June 30,2044</td> <td>0.12+7%</td> </tr> <tr> <td>The 6th 5 years</td> <td>July 2044-June 30,2049</td> <td>0.12+8%</td> </tr> <tr> <td>The 7th 5 years</td> <td>July 2049-June 30,2054</td> <td>0.12+9%</td> </tr> <tr> <td>The 8th 5 years</td> <td>July 2054-June 30,2059</td> <td>0.12+10%</td> </tr> </tbody> </table> <p>Exemption from profit tax for the 1st 10 years and 50% reduction of tax rate specified in law of Lao PDR. on the profit tax for another 10 years Exemption of business turnover tax for the construction of the project Exemption of business turnover tax of Lao World Savan Co., Ltd. for the 1st 2 years.</p>	Period	Year	Rental charge (\$US/m2/year)	The 1st 5 years	July 2019-June 30,2024	0.12	The 2nd 5 years	July 2024-June 30,2029	0.12+4%	The 3rd 5 years	July 2029-June 30,2034	0.12+5%	The 4th 5 years	July 2034-June 30,2039	0.12+6%	The 5th 5 years	July 2039-June 30,2044	0.12+7%	The 6th 5 years	July 2044-June 30,2049	0.12+8%	The 7th 5 years	July 2049-June 30,2054	0.12+9%	The 8th 5 years	July 2054-June 30,2059	0.12+10%
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Conditions of transfer or sale of shares	<p>The transfer and sale of shares, Party B must have prior approval from Party A, If Party A is interested to buy partial of total shares, Party A must be get the first priority.</p>																											
Labor use and training Lao employees	<p>Party B agrees to: hire Lao labor to work for the Company according to Lao labor law and regulations ensure all Lao employees receive social welfare according to the rules and laws of Lao PDR regularly conduct job training for Lao workers</p>																											
Safety measurements	<p>Party B agrees to: keep good maintenance and repair of the buildings and facilities obtain insurance on all assets from the insurance company licensed and approved by the Government of Lao PDR</p>																											
Arbitration and	<p>The parties agree to solve any dispute between them in an amicable way through the</p>																											

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Mediation	consultation of both parties. If the dispute cannot be solved in an amicable way within three months, such dispute shall be brought to arbitration and mediation pursuant to the laws of Lao PDR.
Force majeure	No parties will be responsible for any damages caused by force majeure (e.g. earthquake, flood, domestic political adverse change that could not be controlled, avoided or prevented, and the operation cannot continue for a period longer than six months).
Early Termination	The parties voluntarily agree to early termination if (i) Both parties agree to early terminate their agreement. (ii) Party B has a loss ratio of $\frac{3}{4}$ of the investment funds for three consecutive years. (iii) In the case of an event of material default that cannot be remedied within 90 days.
Transfer of project	Within a period of three months before the expiration of the contract, the parties agree to appoint a committee to inspect and transfer the project to Party A.
Governing law	Laws of Lao PDR.