Vientiane Center Lao Public Company

Interim financial statements

30 September 2019

Vientiane Center Lao Public Company

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Vientiane Center Lao Public Company

GENERAL INFORMATION

THE COMPANY

Vientiane Center Lao Public Company ("the Company") was established in accordance with the Business License No. 1169/ERM dated 30 November 2017 issued by the Department of Enterprise Registration and Management, the Ministry of Industry and Commerce of Lao PDR.

In 2019, the Company has completed Initial Public Offering (IPO) process offering where 51,199,900 shares with par value of LAK 1,000 per share and selling price of LAK 1,050 per share were issued. Accordingly, the Company received the Certificate of Initial Public Offering (IPO) completion No.0006/LSCO on 29 May 2019 issued by Lao Securities Commission Office and Business License No. 0833/ERM on 29 May 2019 issued by Department of Enterprise Registration and Management, the Ministry of Industry and Commerce of Lao PDR. The total 147,199,900 shares of the Company (under the ticker "VCL") have been officially listed on Lao Securities Exchange since 31 May 2019.

The principal activities of the Company per Business License are to develop and lease shopping malls and offices.

The Company's head office is located at Khouvieng Road, Nongchanh Village, Sisattanark District, Vientiane Capital, Lao PDR.

THE BOARD OF DIRECTORS

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

Name	*Position*
Mr. Wei Hua	Chairman
Ms. Orlathai Santikhongkha	Vice Chairman
Mr. Liu Guangcan	Member
Mr. Boulapha Santikhongkha	Member
Mr. Chai Jianhong	Member
Mr. Li Xiaodong	Member
Mr. Wuxinghua	Member
Mr. Xiao Yong	Member
Mrs. Deng Yu	Member
Mr. Lu Jian	Member
Mr. Viengsavanh Phanthaly	Member

MANAGEMENT

Members of the Management during the period and at the date of this report are:

Name	*Position*
Mr. Li Xiaodong	Executive Director
Mr. Sun Fei Hu	Director
Mr. Miao Zhen Wu	Director

AUDIT COMMITTEE

Members of the Audit committee during the period and at the date of this report are:

Name	*Position*
Mr. Xiao Yong	Head
Mrs. Deng Yu	Member
Mr. Viengsavanh Phanthaly	Member

GENERAL INFORMATION

LEGAL REPRESENTATIVE

The Company's legal representative during the period and at the date of this report is Mr. Li Xiaodong, Executive Director.

AUDITORS

The auditors of the Company are Ernst & Young Lao Co., Ltd.

Vientiane Center Lao Public Company

REPORT OF MANEGEMENT

Management of Vientiane Center Lao Public Company ("the Company") is pleased to present its report and interim financial statement of the Company for the nine-month period ended 30 September 2019.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THR INTERIM FIANCIAL STATEMENTS

Management is responsible for the interim financial statement of each financial period which gives a true and fair view of the interim financial position of the Company and of its interim results and interim cash flow. In preparing those interim financial statements, management is required to:
Select suitable accounting policies and then apply them consistently;
Make judgements and estimates that are reasonable and prudent;
State whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the interim financial statement; and
Prepare the interim financial statement on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

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

Management confirmed that it has complies with the above requirements in preparing the accompanying interim financial statement.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements for the nine-month period ended 30 September 2019 have been prepared in accordance with the accounting policies as described in Note 3 to the interim financial statements.

On behalf of management

Mr. Li Xiaodong
Executive Director

Vientiane Capital, Lao PDR

31 October 2019



Vientiane Center Lao Public Company

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the nine-month period ended 30 September 2019

	For the six-month period ended 30 September 2019	*For three months of the Q3/2019*
	LAK	*LAK*
Revenue	20,474,363,466	6,342,009,847
Other operating income	2,059,348,437	939,566,571
Gross income	**22,533,711,903**	**7,281,576,418**
Operating expenses	(14,602,184,499)	(4,547,481,070)
Valuation gain from investment property	2,784,600,000	-
Operating profit	**10,716,127,404**	**2,734,095,348**
Financial income	189,774,538	134,132,528
Financial expenses	(1,706,887,147)	(582,225,525)
Profit before tax	**9,199,014,795**	**2,286,002,351**
Profit tax expense	(1,747,812,811)	(434,340,447)
Profit for the period	**7,451,201,984**	**1,851,661,904**
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period, net of tax	**7,451,201,984**	**1,851,661,904**
Earnings per share		
- *Basic, profit for the period attributable to ordinary equity holders*	*62.48*	*N/A*

Prepared by:

Mr. Sun Fei Hu
Finance Manager

Reviewed by:

Mr. Li Xiaodong
Executive Director

Vientiane Capital, Lao PDR

31 October 2019

Vientiane Center Lao Public Company

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 September 2019

	30 September 2019 LAK	*31 December 2018 LAK*
ASSETS		
CURRENT ASSETS		
Cash	37,070,169,337	4,144,271,082
Trade and other receivables	13,050,807,182	8,796,019,145
Advance for property purchased	23,400,000,000	-
Total current assets	**73,520,976,519**	**12,940,290,227**
NON-CURRENT ASSETS		
Investment property	167,459,400,000	164,674,800,000
Total non-current assets	**167,459,400,000**	**164,674,800,000**
TOTAL ASSETS	**240,980,376,519**	**177,615,090,227**
EQUITY AND LIABILITIES		
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	4,686,393,591	2,827,996,983
Current portion of long-term borrowings	64,232,500,000	-
Total current liabilities	**68,918,893,591**	**2,827,996,983**
NON-CURRENT LIABILITIES		
Long-term borrowings	-	64,232,500,000
Deferred tax liabilities	4,820,026,089	3,152,429,037
Total non-current liabilities	**4,820,026,089**	**67,384,929,037**
Total liabilities	**73,738,919,680**	**70,212,926,020**
EQUITY		
Contributed capital	147,199,900,000	96,000,000,000
Share premium	2,559,995,000	-
Regulatory reserve fund	1,748,156,184	1,140,216,421
Business expansion fund	1,748,156,184	1,140,216,421
Retained earnings	13,985,249,471	9,121,731,365
Total equity	**167,241,456,839**	**107,402,164,207**
TOTAL LIABILITIES AND EQUITY	**240,980,376,519**	**177,615,090,227**

Prepared by:

Mr. Sun Fei Hu
Finance Manager

Reviewed by:

Mr. Li Xiaodong
Executive Director

Vientiane Capital, Lao PDR

30 October 2019

Vientiane Center Lao Public Company

NTERIM STATEMENT OF CHANGES IN EQUITY
or the nine-month period ended 30 September 2019

	Share capital LAK	*Share premium* LAK	*Regulatory reserve fund* LAK	*Business expansion fund* LAK	*Retained earnings* LAK	*Total* LAK
Balance as at 1 January 2019	**96,000,000,000**	**-**	**1,140,216,421**	**1,140,216,421**	**9,121,731,365**	**107,402,164,207**
Share issued	51,199,900,000	2,559,995,000	-	-	-	53,759,895,000
Adjustment of tax in previous year (*)	-	-	(137,180,435)	(137,180,435)	(1,097,443,482)	(1,371,804,352)
Net profit during the period	-	-	-	-	7,451,201,984	7,451,201,984
Appropriation of profit to reserves	-	-	745,120,198	745,120,198	(1,490,240,396)	0
Balance as at 30 September 2019	**147,199,900,000**	**2,559,995,000**	**1,748,156,184**	**1,748,156,184**	**13,985,249,471**	**167,241,456,839**

Prepared by:

Mr. Sun Fei Hu
Finance Manager

Reviewed by:

Mr. Li Xiaodong
Executive Director

Vientiane Capital, Lao PDR

31 October 2019

Vientiane Center Lao Public Company

INTERIM STATEMENT OF CASH FLOWS
for the nine-month period ended 30 September 2019

	For the nine-month period ended 30 September 2019 LAK
OPERATING ACTIVITIES	
Profit before tax	**9,199,014,795**
Adjustments for:	
Valuation gain from investment property	(2,784,600,000)
Interest expense	1,704,837,605
Operating profit before changes in working capital	**8,119,252,400**
Increase in receivables	(29,359,625,641)
Increase in payables	1,605,077,070
Profit tax paid	(1,198,700,574)
Net cash flows (used in)/ from operating activities	**(20,833,996,745)**
INVESTING ACTIVITIES	
Net cash flows from investing activities	-
FINANCING ACTIVITIES	
Proceeds from issuance of share capital – par value	51,199,900,000
Share premium	2,559,995,000
Net cash flows from financing activities	**53,759,895,000**
Net increase in cash during the period	**32,925,898,255**
Cash at the beginning of the period	**4,144,271,082**
Cash at the end of the period	**37,070,169,337**

Prepared by:

Mr. Sun Fei Hu
Finance Manager

Reviewed by:

Mr. Li Xiaodong
Executive Director

Vientiane Capital, Lao PDR

31 October 2019