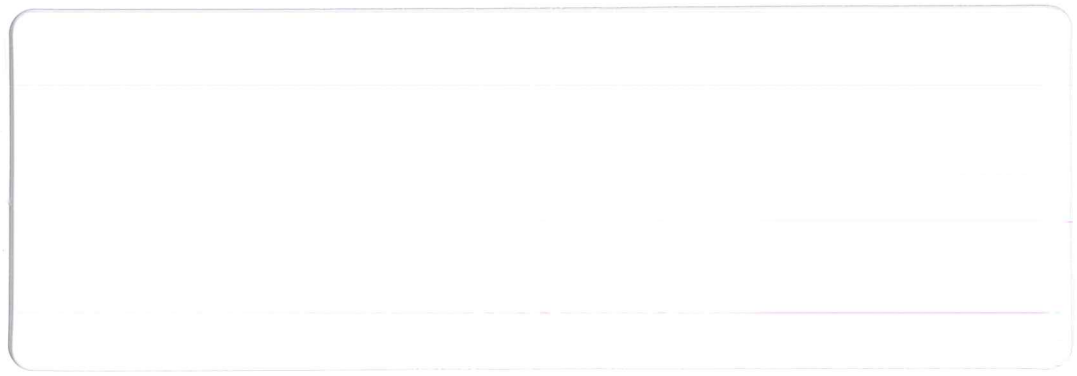



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Lao ASEAN Leasing Public Company

Special purpose interim financial statements

For the six-month period ended 30 June 2021

Lao ASEAN Leasing Public Company

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Lao ASEAN Leasing Public Company

GENERAL INFORMATION

THE COMPANY

Lao ASEAN Leasing Public Company ("the Company"), formerly known as Lao ASEAN Leasing Company Limited, is a public company incorporated in Lao PDR in accordance with Enterprise Registration No.081/ELSD issued by the Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce on 5 February 2015 and the latest amendment which is Enterprise Registration No. 0222/ELSD dated 19 February 2019. The Company was granted approval from the Bank of Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities.

The principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles and cars.

Paid-up capital

The Company's registered paid-up capital as at 30 June 2021 is LAK 30,150,000,000.

Location

The Company's head office is located at 2nd Floor, NNN Building, Phonsinuan Village, Sisattanak District, Vientiane Capital, Lao PDR.

THE BOARD OF DIRECTORS

Members of the Board of Directors as at the date of this report are as follows:

Name	*Position*	*Date of appointment*
Mrs. Yuki Scott	Chairwoman	Appointed on 19 December 2019
Mr. Mitsuteru Nagaya	Vice-chairman	Appointed on 15 September 2021
Mr. Tomofumi Suematsu	Member	Appointed on 19 December 2019
Mr. Shingo Yamanaka	Member	Appointed on 15 September 2021
Mr. Hirofumi Inada	Member	Appointed on 15 September 2021

LEGAL REPRESENTATIVE

The legal representative of the Company as at the date of this report is as below:

Name	*Position*	*Date of appointment*
Mr. Shingo Yamanaka	General Director	Appointed on 15 September 2021

AUDITORS

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

Lao ASEAN Leasing Public Company

REPORT OF MANAGEMENT

The Management of Lao ASEAN Leasing Public Company ("the Company") is pleased to present its report and the Company's interim financial statements as at and for the six-month period ended 30 June 2021.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

Management is responsible for the interim financial statements of each financial period which give a true and fair view of the interim financial position of the Company and its interim operational results and cash flows for the period. 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 standards have been followed, subject to any material departures disclosed and explained in the interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and to ensure that the accounting records comply with an appropriate accounting framework. 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 complied with the above requirements in preparing the accompanying interim financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 5 to the interim financial statements.

For and on behalf of Management:

Mr. Shingo Yamanaka
General Director

Vientiane Capital, Lao PDR

7 October 2021

Ernst & Young Lao Co., Ltd
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Reference: 61235186/22823133

INDEPENDENT AUDITORS' REPORT

To: The shareholders of Lao ASEAN Leasing Public Company

Introduction

We have reviewed the accompanying special purpose interim financial statements of Lao ASEAN Leasing Public Company ("the Company"), which comprise the interim statement of financial position as at 30 June 2021, and the interim statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and notes to the interim financial statements, including a summary of significant accounting policies. The Company's management is responsible for the preparation of these interim financial statements in accordance with accounting policies as described in Note 5 to the interim financial statements. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements of the Company for the six-month period ended 30 June 2021 are not prepared, in all material respects, in accordance with Note 5 to the interim financial statements.

Emphasis of Matters

We draw attention to:

- Note 17 to the financial statements which disclosed: (i) there was a difference of profit tax payable as at 31 December 2020 between the amount recognised in the financial statements and the Tax Inspection Conclusion; and (ii) the Company has not declared and paid profit tax on a semi-annual basis for the six-month period ended 30 June 2021. It may result in future obligations levied by the Tax Authority.

- Note 4 Changes in accounting policies and disclosures, from 1 January 2020, the Company has changed its policy on recognition and measurement of impairment of financial instruments, and accordingly presented the impacts of these foregoing changes in accounting policies to the previous year's financial statements in Note 31 – Restatement of prior year's financial statements due to changes in accounting policies.

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- Note 2 to the financial statements, which describes the basis of preparation, under which the accounting policies used and disclosures made are not intended to, and do not, comply with all the requirements of International Financial Reporting Standards.

Our conclusion is not modified in respect of these matters.

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

Ha Phuong Dang
Partner

Vientiane Capital, Lao PDR

7 October 2021

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Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the six-month period ended 30 June 2021

	Notes	*For the six-month period ended 30 June 2021* *LAK*	*For the six-month period ended 30 June 2020 (restated)* *LAK*
Interest and similar income		101,810,761,000	142,430,240,144
Other interest and similar income		7,609,194,077	6,966,436,367
Interest and similar expense		(382,571,269)	(14,227,168,907)
Net interest income	**7**	**109,037,383,808**	**135,169,507,604**
Fees and commission income		-	-
Fees and commission expense	8	(4,254,771,370)	(4,159,787,896)
Net fees and commission income		**(4,254,771,370)**	**(4,159,787,896)**
Net foreign exchange gain/(loss)		11,893,668,944	(1,162,687,357)
Other operating income	9	144,863,712	-
Total operating income		**116,821,145,094**	**129,847,032,351**
Change in allowance for impairment losses	14.2	(13,201,044,815)	22,719,053,142
NET OPERATING INCOME		**103,620,100,279**	**152,566,085,493**
Personnel expenses	10	(16,434,511,792)	(15,060,778,981)
Depreciation of property and equipment	16	(501,508,494)	(542,858,876)
Other operating expenses	11	(15,561,094,773)	(19,010,849,614)
TOTAL OPERATING EXPENSES		**(32,497,115,059)**	**(34,614,487,471)**
PROFIT BEFORE TAX		**71,122,985,220**	**117,951,598,022**
Current profit tax expense	19	(8,869,777,137)	(10,504,283,427)
NET PROFIT FOR THE PERIOD		**62,253,208,083**	**107,447,314,595**
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**62,253,208,083**	**107,447,314,595**
Earnings per share			
Basic, profit for the year attributable to ordinary equity holders	20	206	149

Mr. Shingo Yamanaka
General Director

Mr. Adnan Ghani
Chief Financial Officer

Vientiane Capital, Lao PDR

7 October 2021

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2021

	Notes	*30 June 2021* LAK	*31 December 2020* LAK
ASSETS			
Current assets			
Cash and cash equivalents	12	67,013,172,114	92,900,530,090
Deposit with Bank of the Lao PDR ("BOL")	13	1,968,900,000	1,968,900,000
Hire purchase receivables – current portion	14	533,861,250,177	470,747,714,292
Loan to related parties	22	-	5,233,900,000
Other current assets	15	6,307,458,219	11,404,014,665
Total current assets		**609,150,780,510**	**582,255,059,047**
Non-current assets			
Hire purchase receivables – non-current portion	14	98,967,322,392	146,793,146,336
Property and equipment	16	2,646,336,261	2,228,114,389
Other non current assets		1,338,916,083	203,975,082
Total non-current assets		**102,952,574,736**	**149,225,235,807**
TOTAL ASSETS		**712,103,355,246**	**731,480,294,854**
LIABILITIES			
Current liabilities			
Statutory obligations	17	89,777,645,408	88,170,186,528
Short-term borowings	18	8,219,016,494	9,277,676,355
Other current liabilities		7,949,406,382	4,746,003,449
Total current liabilities		**105,946,068,284**	**102,193,866,332**
Non-current liabilities			
Long-term borrowings	18	19,918,956,712	105,301,306,355
Total non-current liabilities		**19,918,956,712**	**105,301,306,355**
TOTAL LIABILITIES		**125,865,024,996**	**207,495,172,687**
EQUITY			
Registered paid-up capital	21	30,150,000,000	30,150,000,000
Share premium		155,497,646,314	155,497,646,314
Other capital		290,000,000	290,000,000
Retained earnings		400,300,683,936	338,047,475,853
TOTAL EQUITY		**586,238,330,250**	**523,985,122,167**
TOTAL LIABILITIES AND EQUITY		**712,103,355,246**	**731,480,294,854**

Mr. Shingo Yamanaka
General Director

Mr. Adnan Ghani
Chief Finance Officer

Vientiane Capital, Lao PDR

7 October 2021

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2021

	Registered paid-up capital LAK	*Share premium LAK*	*Other capital LAK*	*Retained earnings LAK*	*Total LAK*
Balances as at 1 January 2020	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**207,714,553,933**	**393,652,200,247**
Profit for the period	-	-	-	44,773,317,586	44,773,317,586
Balances as at 30 June 2020	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**252,487,871,519**	**438,425,517,833**
Balances as at 1 January 2021	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**338,047,475,853**	**523,985,122,167**
Profit for the period	-	-	-	62,253,208,083	62,253,208,083
Balances as at 30 June 2021	**30,150,000,000**	**155,497,646,314**	**290,000,000**	**400,300,683,936**	**586,238,330,250**

Mr. Shingo Yamanaka
General Director

Mr. Adnan Ghani
Chief Finance Officer

Vientiane Capital, Lao PDR

7 October 2021

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2021

	Notes	*For the six-month period ended 30 June 2021 LAK*	*For the six-month period ended 30 June 2020 (restated) LAK*
OPERATING ACTIVITIES			
Profit before tax		**71,122,985,220**	**117,951,598,022**
Adjustments for:			
Depreciation and amortization charges	16	501,508,494	542,858,876
Change in allowance for impairment losses	14	13,201,044,815	(22,719,053,142)
Interest expenses		382,571,269	14,227,168,907
Net foreign exchange (gain)/loss		4,835,082,667	1,821,188,412
Change in operating assets			
Net change in hire purchase receivables		(50,203,707,319)	19,180,083,308
Net change in loans to related parties		5,233,900,000	-
Net change in other assets		3,961,615,446	414,572,136
Change in operating liabilities			
Net change in other liabilities		14,415,121,178	13,611,751,349
Interest paid		(382,571,268)	(14,227,168,907)
Profit tax paid		(1,594,168,606)	-
Net cash flows from operating activities		**61,473,381,896**	**130,802,998,961**
INVESTING ACTIVITIES			
Acquisitions of property and equipment		(919,730,367)	(420,205,214)
Net cash flows used in investing activities		**(919,730,367)**	**(420,205,214)**
FINANCING ACTIVITIES			
Capital contribution and issuance of shares		-	-
Borrowing drawdown		-	17,912,000,000
Borrowing repayment		(86,441,009,505)	(155,071,120,534)
Net cash flows used in financing activities		**(86,441,009,505)**	**(137,159,120,534)**
Net change in cash and cash equivalents		**(25,887,357,976)**	**(6,776,326,787)**
Cash and cash equivalents at the beginning of the period	**12**	**92,900,530,090**	**336,866,272,315**
Cash and cash equivalents at the end of the period	**12**	**67,013,172,114**	**330,089,945,528**

Mr. Shingo Yamanaka
General Director

Mr. Adnan Ghani
Chief Finance Officer

Vientiane Capital, Lao PDR

7 October 2021

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2021

1. CORPORATE INFORMATION

Lao ASEAN Leasing Public Company ("the Company"), formerly known as Lao ASEAN Leasing Company Limited, is a public company incorporated in Lao PDR in accordance with Enterprise Registration No.081/ELSD issued by the Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce on 5 February 2015 and the latest amendment which is Enterprise Registration No. 0222/ELSD dated 19 February 2019. The Company was granted approval from the Bank of Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities.

The principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles and cars.

The registered paid-up capital as at 30 June 2021 is LAK 30,150,000,000.

The Company's head office is located at 2nd Floor, NNN building, Phonsinuan Village, Sisattanak District, Vientiane Capital, Lao PDR.

Total number of employees of the Company as at 30 June 2021 is 689 people (2020: 593 people).

2. BASIS OF PREPARATION

The interim financial statements are prepared solely for the use of the Company to meet the reporting requirements of the management, shareholders of the Company, Bank of the Lao PDR and the Laos Securities Commission Office. These interim financial statements are prepared in accordance with the accounting policies as described in Note 5. These accounting policies are primarily based on the International Financial Reporting Standards ("IFRS") as issued by International Accounting Standard Board. However, this is not a complete set of general purpose financial statements prepared in accordance with IFRS.

Accordingly, the accompanying interim financial statements are not intended to be prepared in accordance with IFRS ("the special purpose interim financial statements").

The special purpose interim financial statements have been prepared on a historical cost basis, except as disclosed in other notes.

The Company maintains its accounting records in Lao Kip ("LAK") which is the Company's functional currency and presents its special purpose interim financial statements in Lao Kip.

Company's fiscal years start on 1 January and end on 31 December.

3. PRESENTATION OF THE INTERIM FINANCIAL STATMENTS

The Company presents its interim statement of financial position in order of liquidity. Financial assets and financial liabilities are generally reported gross in the interim statement of financial position. They are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognized amounts without being contingent on a future event, the parties also intend to settle on a net basic in all of the following circumstances:

- The normal course of business
- The event of default
- The event of insolvency or bankruptcy of the Company and/or its counterparties

4. CHANGE IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2020. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

5.1 Foreign currency translation

Transactions in foreign currencies are initially recorded at the spot rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into LAK at the spot rate of exchange at the reporting date (see list of exchange rates of applicable foreign currencies against LAK on 30 June 2021 and 31 December 2020 as presented in Note 32). Unrealized exchange differences arising from the translation of monetary assets and liabilities on the reporting date are recognized in the statement of profit or loss.

5.2 Financial instruments - initial recognition and subsequent measurement

5.2.1 Date of recognition

All financial assets and liabilities, with the exception of hire purchase receivables, are initially recognized on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes "regular way trades" - purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Hire purchase receivables are recognised when funds are transferred to pay for the assets under hire purchase agreements.

5.2.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

5.2.3 The effective interest rate method

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period, to the gross carrying amount of the financial asset or financial liability. The gross carrying amount of the financial asset or financial liability is adjusted if the Company revises its estimates of payments or receipts. The adjusted gross carrying amount is calculated based on the original or latest re-estimated EIR and the change in is recorded as 'Interest and similar income' for financial assets and 'Interest and similar expense' for financial liabilities. The accounting policies for the EIR method vary by instruments and are further explained in Notes:

- 5.2.5 for 'Hire purchase receivables'
- 5.2.6 for 'Borrowings'
- 5.4 for 'Impairment of financial assets'
- 5.5 for 'Recognition of income and expenses'

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Financial instruments - initial recognition and subsequent measurement (continued)

5.2.4 'Day 1' profit or loss

When the transaction price differs from the fair value of other observable current market transactions in the same instrument, or based on a valuation technique whose variables include only data from observable markets, the Company immediately recognises the difference between the transaction price and fair value (a 'Day 1' profit or loss) in 'Net trading income'. In cases where fair value is determined using data which is not observable, the difference between the transaction price and model value is only recognised in the statement of profit or loss when the inputs become observable, or when the instrument is derecognised.

5.2.5 Hire purchase receivables

Hire purchase receivables are classified as "Loans and receivables" in accordance with IAS 39. After initial measurement, amounts 'Hire purchase receivables' are subsequently measured at amortized cost using the EIR methodology, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. Therefore, the Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of the receivable, hence, recognising the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (prepayments, penalty interest and charges).

If expectations are revised, a positive or negative adjustment is booked to the carrying amount in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the statement of profit or loss.

5.2.6 Borrowings

"Borrowings" include arrangements where the substance of the contractual arrangements result in the Company having an obligation either to deliver cash or another financial asset to the holder.

After initial measurement, "borrowings" are subsequently measured at amortised cost using the EIR. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the EIR.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Financial instruments - initial recognition and subsequent measurement (continued)

5.2.7 Reclassification of financial assets

Effective from 1 July 2008, the Company was permitted to reclassify, in certain circumstances, non-derivative financial assets out of the 'Held-for-trading' category and into the 'Available-for-sale', 'Loans and receivables', or 'Held-to-maturity' categories. From this date it was also permitted to reclassify, in certain circumstances, financial instruments out of the 'Available-for-sale' category and into the 'Loans and receivables' category. Reclassifications are recorded at fair value at the date of reclassification, which becomes the new amortized cost.

For a financial asset reclassified out of the 'Available-for-sale' category, any previous gain or loss on that asset that has been recognized in equity is amortized to profit or loss over the remaining life of the investment using the EIR. Any difference between the new amortized cost and the expected cash flows is also amortized over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired then the amount recorded in equity is recycled to the statement of profit or loss.

In rare circumstances, the Company may reclassify a non-derivative trading asset out of the 'Held-for-trading' category and into the 'Loans and receivables' category if it meets the definition of loans and receivables and the Company has the intention and ability to hold the financial asset for the foreseeable future or until maturity. If a financial asset is reclassified, and if the Company subsequently increases its estimates of future cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognized as an adjustment to the EIR from the date of the change in estimate.

Reclassification is at the election of management, and is determined on an instrument by instrument basis.

5.3 De-recognition of financial assets and financial liabilities

5.3.1 Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the asset have expired. The Company also derecognises the assets if it has both transferred the asset, and the transfer qualifies for derecognition.

The Company has transferred the asset if, and only if, either:

- The Company has transferred its contractual rights to receive cash flows from the asset; Or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement.

Pass-through arrangements are transactions when the Company retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when certain conditions are met. At 30 June 2021, the Company does not have financial assets which are subject to such arrangements.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.3 De-recognition of financial assets and financial liabilities (continued)

5.3.1 Financial assets (continued)

A transfer only qualifies for derecognition if either:

- The Company has transferred substantially all the risks and rewards of the asset; Or
- The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

In relation to the above, the Company considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

The Company also derecognises a financial asset, in particular, a loan to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new loan, with the difference recognised as an impairment in the statement of profit or loss.

5.3.2 Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.4 Impairment of financial assets

5.4.1 Overview of the ECL principles

In 2020 the Company adoption of IFRS 9 has fundamentally changed the Company's loan loss impairment method by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. From 1 January 2020, the Company has been recording the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL in this section all referred to as 'financial instruments' and restated the comparative figures.

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12mECL) as outlined in Note 5.4.2. The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 27.1.

The 12mECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12mECLs are calculated on a collective basis as each loan of the Company is immaterial to the interim financial statements of the Company. The Company classes the loans to customers based on the product types.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition. This is further explained in Note 27.1.

Based on the above process, the Company groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1 When loans are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2 When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3 Loans considered credit-impaired (as outlined in Note 27.1). The Company records an allowance for the life time ECLs.

For financial assets for which the Company has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.4 Impairment of financial assets (continued)

5.4.2 The calculation of ECLs

The Company calculates ECLs based on a two probability-weighted scenarios to measure the expected cash shortfalls, discounted at the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- Probability of Default ("PD") — The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio. The concept of PDs is further explained in Note 27.1.
- Exposure at Default ("EAD") — The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, accrued interest from missed payments. The EAD is further explained in Note 27.1.
- Loss Given Default ("LGD") — The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive. It is usually expressed as a percentage of the EAD. The LGD is further explained in Note 27.1.

When estimating the ECLs, the company calculates a weighted average of the macroeconomic forecasts from external sources. From there, the company takes into accounts the impact of economic factors to through-the-circle PD using expert judgments..

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanics of the ECL method are summarised below:

- Stage 1 — The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Company calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by the original EIR. PD calculation is made for each of the three scenarios, as explained above.
- Stage 2 — When a loan has shown a significant increase in credit risk since origination, the Company records an allowance for the LTECLs. The mechanics are similar to those explained above but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by the original EIR.
- Stage 3 — For loans considered credit-impaired, the Company recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.4 Impairment of financial assets (continued)

5.4.3 Forward looking information

In its ECL models, the Company relies on a range of forward-looking information as economic inputs, such as:

- GDP growth
- Foreign exchange rate

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the interim financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

5.5 Recognition of income and expense

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

5.5.1 Interest and similar income and expense

For all financial instruments measured at amortized cost, interest-bearing financial assets classified as available-for-sale and financial instruments designated at fair value through profit or loss, interest income or expense is recorded using the EIR. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

When the recorded value of a financial asset or a group of similar financial assets has been reduced by an impairment loss, interest income continues to be recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

5.5.2 Fees and commission income

The Company earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Company expects to be entitled in exchange for providing the services. The performance obligations, as well as the timing of their satisfaction, are identified, and determined, at the inception of the contract. The Company's revenue contracts do not typically include multiple performance obligations, as explained further in 5.5.2.1 and 5.5.2.2 below. When the Company provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time (unless otherwise specified in 5.5.2.1 and 5.5.2.2 below). The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

5.5.2.1 Fee and commission income from services where performance obligations are satisfied over time

Performance obligations satisfied over time include services where the customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.5 Recognition of income and expense (continued)

5.5.2.2 Fee and commission income from providing services where performance obligations are satisfied at a point in time

Services provided where the Company's performance obligations are satisfied at a point in time are recognized once control of the services is transferred to the customer. This is typically on completion of the underlying transaction or service or, for fees or components of fees that are linked to a certain performance, after fulfilling the corresponding performance criteria. These include fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party, such as the arrangement/participation or negotiation of the acquisition of shares or other securities, or the purchase or sale of businesses, brokerage and underwriting fees.

The Company typically has a single performance obligation with respect to these services, which is to successfully complete the transaction specified in the contract.

5.6 Cash and cash equivalents

Cash in the statement of financial position comprise cash at banks with original matury of 3 months or less and cash on hand.

5.7 Property and equipment

Property and equipment is stated at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Depreciation is calculated using the straight–line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The following are annual rates used:

Office equipment	20%
Computer equipment	20%
Furniture and fixtures	20%
Motor vehicles	20%

Property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in 'Other operating income' in the statement of profit or loss in the year the asset is derecognized.

5.8 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit (CGU)'s fair value less costs to sell and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.8 *Impairment of non-financial assets* (continued)

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre–tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

5.9 *Employee benefits*

Post-employment benefits

Post-employment benefits are paid to retired employees of the Company by the Social Security Fund Department which belongs to the Ministry of Labor and Social Welfare. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 6.00% of employee's basic salary on a monthly basis. The Company has no further obligation concerning post-employment benefits for its employees other than this.

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Company has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- The worker lacks specialised skills or is not in good health, thus cannot continue to work;
- The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the basic monthly salary earned before the termination of work. As at 30 June 2021, there is no employee of the Company who was dismissed under the above-mentioned grounds; therefore the Company has not made a provision for termination allowance in the interim financial statements.

5.10 *Provisions*

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the effect of the time value of money is material, the Company determines the level of provision by discounting the expected cash flows at a pre-tax rate reflecting the current rates specific to the liability. The expense relating to any provision is presented in the statement of profit or loss net of any reimbursement in other operating expenses.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.11 Profit tax

Current tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted, or substantively enacted, by the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it becomes probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Current and deferred taxes are recognised as income tax benefits or expenses in the statement of profit or loss except for tax related to the fair value remeasurement of available-for-sale assets, foreign exchange differences and the net movement on cash flow hedges, which are charged or credited to OCI. These exceptions are subsequently reclassified from OCI to the statement of profit or loss together with the respective deferred loss or gain. The Company also recognises the tax consequences of payments and issuing costs, related to financial instruments that are classified as equity, directly in equity.

The Company only off-sets its deferred tax assets against liabilities when there is both a legal right to offset and it is the Company's intention to settle on a net basis.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.12 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's interim financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Company.

Amendments to IFRS 3: Definition of a Business

In October 2018, the IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.12 *Standards issued but not yet effective* (continued)

Amendments to IAS 1 and IAS 8: Definition of Material

In October 2018, the IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

The amendments to the definition of material is not expected to have a significant impact on the Company's interim financial statements.

5.13 *Standards issued but not yet applied*

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Company applied recognition and measurement of impairment in accordance with IFRS 9 starting from 1 January 2020 and are performing a detailed impact assessment of other aspects of IFRS 9 and will apply them fully upon the decision of the management and guidance from Bank of the Lao PDR.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim financial statements requires management to make estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management has made the following judgements and assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Company's control and are reflected in the assumptions if and when they occur. Items with the most significant effect on the amounts recognised in the interim financial statements with substantial management judgement and/or estimates are collated below with respect to judgements/estimates involved.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

6.1 Impairment losses on financial assets

The measurement of impairment losses both under IFRS 9 across all categories of financial assets in scope requires judgement, in particular, the estimation of the amount and timing of future cash flows when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Company's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Company's internal credit grading model, which assigns PDs to the individual grades;
- The Company's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment;
- The segmentation of financial assets when their ECL or elements of ECL are is assessed on a collective basis;
- Development of ECL models, including the various formulas and the choice of inputs;
- Determination of associations between macroeconomic scenarios and, economic inputs, such as GDP growth, CPI index and the overdue rate, and the effect on PDs;
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

It has been the Company's policy to regularly review its models in the context of actual loss experience and adjust when necessary.

6.2 Going concern

The Company's management has made an assessment of its ability to continue as a going concern and is satisfied that it has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

6.3 Effective Interest Rate (EIR) method

The Company's EIR methodology, as explained in Note 5.2.3, recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioural life of hire purchase receivables and borrowings and recognises the effect of potentially different interest rates charged at various stages and other characteristics of the product life cycle (including prepayments and penalty interest and charges). This estimation, by nature, requires an element of judgement regarding the expected behaviour and life-cycle of the instruments, as well expected changes to other fee income/expense that are integral parts of the instrument.

7. NET INTEREST INCOME

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Interest and similar income calculated using effective interest method from:		
Hire purchase receivables	101,810,727,954	142,430,240,144
Saving deposit	33,046	-
Other interest and similar income	7,609,194,077	6,966,436,367
	109,419,955,077	**149,396,676,511**
Interest expense for:		
Long-term borrowings	(382,571,269)	(14,227,168,907)
Net interest income	**109,037,383,808**	**135,169,507,604**

8. FEES AND COMMISSION EXPENSE

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Fees and commission expense for		
Commision fees	1,313,336,941	496,361,111
Car/bike ownership changing fee	2,191,403,000	2,311,026,000
Other fees	750,031,429	1,352,400,785
	4,254,771,370	**4,159,787,896**

9. OTHER OPERATING INCOME/(EXPENSES)

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Other operating income	144,863,712	-
	144,863,712	**-**

10. PERSONNEL EXPENSES

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Wages and salaries	14,055,710,816	11,960,897,196
Other staff costs	2,378,800,976	3,099,881,785
	16,434,511,792	**15,060,778,981**

11. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Marketing	-	54,962,600
Petrol	834,668,500	854,741,000
Supplies	1,891,347,570	1,727,949,792
Legal fees	127,967,400	280,442,020
Repairs and maintenance	681,387,491	636,671,887
Utilities	1,461,167,646	1,320,770,173
Insurance	79,778,836	107,156,724
Transportation and travel	1,797,689,372	1,237,257,627
Taxes and social insurance obligation	2,864,512,483	6,953,265,727
Rental expenses	2,469,938,845	2,116,206,673
Consultancy fee	2,026,284,639	2,204,363,708
Others	1,326,351,991	1,517,061,683
	15,561,094,773	**19,010,849,614**

12. CASH AND CASH EQUIVALENTS

	30 June 2021 LAK	*31 December 2020 LAK*
Cash on hand	1,050,984,540	1,310,333,042
Demand/saving deposits at banks		
- in LAK	10,131,727,118	15,558,659,989
- in THB	4,680,701,556	2,930,974,327
- in USD	51,056,913,787	73,005,139,438
- in other currencies	92,845,113	95,423,294
	67,013,172,114	**92,900,530,090**

13. DEPOSIT WITH BANK OF THE LAO PDR ("BOL")

	30 June 2021 LAK	*31 December 2020 LAK*
Registered capital reserve		
- in LAK	1,968,900,000	1,968,900,000
	1,968,900,000	**1,968,900,000**

Under regulations of the BOL, the Company is required to maintain a minimum balance of special deposit at the BOL which is at least 10% of the Company's registered capital and upon the notice of request from the BOL from time to time. This balance earns no interest.

14. HIRE PURCHASE RECEIVABLES

14.1 Hire purchase receivables

	30 June 2021 LAK	*31 December 2020 LAK*
Hire purchase receivables	688,325,445,815	659,836,689,059
Allowance for impairment losses	(55,496,873,246)	(42,295,828,431)
	632,828,572,569	**617,540,860,628**
In which:		
Current portion	*533,861,250,177*	*470,747,714,292*
Non-current portion	*98,967,322,392*	*146,793,146,336*

Title of the goods is only transferred completely to the purchaser after the complete settlement of principal and interest. Each receivable is guaranteed by a third party who will be responsible for the payment in case the purchaser defaults.

Interest rates for hire purchase receivables during the year are as follows:

	2021 % per month	*2020 % per month*
Hire purchase receivables from car product	*0.00% - 5.00%*	0.01% - 5.00%
Hire purchase receivables from bike product	*0.02% - 10.00%*	0.01% - 6.00%

Analysis by currency

	30 June 2021 LAK	*31 December 2020 LAK*
Hire purchase receivables denominated in LAK	16,944,151,845	17,572,356,110
Hire purchase receivables denominated in USD	635,638,134,969	611,330,013,731
Hire purchase receivables denominated in THB	35,743,159,001	30,934,319,218
	688,325,445,815	**659,836,689,059**

14.2 Allowance for impairment losses

The table below shows the ECL charges on hire purchase receivables for the year recorded in the income statement.

	Stage 1 LAK	*Stage 2 LAK*	*Stage 3 LAK*	*Total LAK*
Hire purchase receivables	289,721,562	(4,691,018,230)	(8,799,748,147)	(13,201,044,815)
Total impairment loss	**289,721,562**	**(4,691,018,230)**	**(8,799,748,147)**	**(13,201,044,815)**

An analysis of changes in the corresponding ECL allowances is as follows:

	2021 LAK	*2020 LAK*
Opening balance	42,295,828,431	52,462,525,116
Change/(reversed) during the period	13,201,044,815	(10,166,696,685)
Closing balance	**55,496,873,246**	**42,295,828,431**

14. HIRE PURCHASE RECEIVABLES (continued)

14.2 Allowance for impairment losses (continued)

The table below shows the credit quality and the maximum exposure to credit risk based on the Company's internal credit rating system, 12-month Basel PD range and year-end stage classification.

Internal rating grade (Number of DPD)	*12-month PD range*	*Stage 1*		*Stage 2*		*Stage 3*		*Total*	
		Gross carrying amount LAK	*ECL LAK*	*Gross carrying amount LAK*	*ECL LAK*	*Gross carrying amount LAK*	*ECL LAK*	*Gross carrying amount LAK*	*ECL LAK*
0 DPD	1.95% - 10.17%	266,307,880,242	584,780,892	-	-	-	-	266,307,880,242	584,780,892
1 - 89 DPD	15.93% - 50.41%	-	-	226,329,517,037	7,733,790,021	-	-	226,329,517,037	7,733,790,021
90+ DPD	100.00%	-	-	-	-	195,688,048,536	47,178,302,333	195,688,048,536	47,178,302,333
		266,307,880,242	**584,780,892**	**226,329,517,037**	**7,733,790,021**	**195,688,048,536**	**47,178,302,333**	**688,325,445,815**	**55,496,873,246**

15. OTHER ASSETS

	30 June 2021 *LAK*	*31 December 2020* *LAK*
Advances to related parties (Note 22)	25,427,512	96,591,650
Dividend tax advance	1,487,761,490	1,487,761,490
Advances to other parties	-	6,116,513,481
Other advances	901,057,132	291,818,469
Rental prepayment	2,206,470,825	2,338,968,613
Others	1,686,741,260	1,072,360,962
	6,307,458,219	**11,404,014,665**

16. PROPERTY AND EQUIPMENT

Movements of property and equipment for the six-month period ended 30 June 2021 are as follows:

	Vehicles *LAK*	*Furniture and fixtures* *LAK*	*Computer equipment* *LAK*	*Total* *LAK*
Cost				
As at 1 January 2021	4,369,517,343	578,433,348	2,935,433,845	7,883,384,536
Additions	-	30,541,000	889,189,367	919,730,367
As at 30 June 2021	**4,369,517,343**	**608,974,347**	**3,824,623,212**	**8,803,114,902**
Accumulated depreciation				
As at 1 January 2021	3,963,444,172	287,953,012	1,403,872,963	5,655,270,147
Charge for the period	99,237,844	53,364,358	348,906,292	501,508,494
As at 30 June 2021	**4,062,682,016**	**341,317,370**	**1,752,779,255**	**6,156,778,641**
Net book value				
As at 1 January 2021	**406,073,171**	**290,480,336**	**1,531,560,882**	**2,228,114,389**
As at 30 June 2021	**306,835,327**	**267,656,977**	**2,071,843,957**	**2,646,336,261**

17. STATUTORY OBLIGATIONS

	30 June 2021 LAK	*31 December 2020 LAK*
Personal income taxes	404,976,125	404,976,125
Foreign contractor withholding taxes	2,094,755,175	8,490,226,552
Profit tax (*)	87,277,914,108	79,274,983,851
	89,777,645,408	**88,170,186,528**

(*) Detail of profit tax are as follow:

	30 June 2021 LAK	*31 December 2020 LAK*
Profit tax up to 2020	78,408,136,971	58,680,131,107
Profit tax of 2021 *(Note 19)*	8,869,777,137	20,594,852,744
	87,277,914,108	**79,274,983,851**

Based on the Tax Inspection Minutes by the Tax Authority on the tax inspection results for the years 2015 – 2020, the amount of profit tax payable as at 31 December 2020 was LAK 1.7 billion. The difference amounting to LAK 77.3 billion between the profit tax payable amount presented in the financial statements and the amount per Tax Inspection Minutes may result in future request for additional payment from Tax Authority.

The Company has not declared and paid profit tax for six-month period ended 30 June 2021 on a semi-annual basis in accordance with current tax regulations.

18. BORROWINGS

Borrowings as at 30 June 2021 are as follows:

Lender	*30 Jun 2021 LAK*	*31 December 2020 LAK*
Banque Franco-Lao Bank	8,219,016,494	12,666,524,877
First Geneva Investors SA	-	57,600,515,586
Varteni Investment Limited	19,918,956,712	44,311,942,247
	28,137,973,206	**114,578,982,710**
In which:		
Current portion	*8,219,016,494*	*9,277,676,355*
Non-current portion	*19,918,956,712*	*105,301,306,355*

Details of the borrowings's terms and interest as at 30 June 2021 are as follows:

Lender	*Currency*	*30 Jun 2021 Amount in original currency*	*Term*	*Payment term*	*Interest rate*
Banque Franco-Lao Bank	USD	867,900	2 years from 30 April 2020	Principal and interest is paid monthly	8.5% p.a.
Varteni Investment Limited	USD	2,103,375	10 years from 29 July 2015	Principal and interest is paid at maturity	10% p.a.

19. PROFIT TAX

Current profit tax

The major components of income tax expense for the six-month periods ended 30 June 2021 and 30 June 2020 are:

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Current profit tax:		
Current profit tax charge	9,245,988,078	10,502,744,192
Non taxable (income)/expenses	(376,210,941)	1,539,235
Income tax expense reported in interim statement of profit and loss	**8,869,777,137**	**10,504,283,427**

According to Tax Law No.70/NA dated 15 December 2015 which is effective on or after 24 May 2016, the Company is granted profit tax reduction of 5% from normal PT rate for the first four years commencing from 2019 to 2022. After that, the Company has the obligation to pay PT at the rate of 24%. Accordingly, the Company's PT rate for the year 2019 is 19%.

In accordance with the Law on Profit Tax No.67/NA dated 18 June 2019 (replaced the Tax Law No.70/NA) which is effective for the periods from 1 January 2020, PT rate at 13% applies to the listed Company in LSX for a period of four years commencing from listed date and at 20% for the subsequent years. Accordingly, the Company's PT rate for the year 2020 is 13%.

Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the interim financial statements could be changed at a later date upon final determination by the tax authorities.

20. EARNINGS PER SHARE

Basic Earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic EPS calculations:

	For the six-month period ended 30 June 2021 LAK	*For the six-month period ended 30 June 2020 LAK*
Profit attributable to ordinary equity holders	62,253,208,083	44,773,317,586
Weighted average number of ordinary shares	301,500,000	301,500,000
Earnings per share	206	149

21. PAID UP CAPITAL

21.1 Ordinary shares

	30 Jun 2021		*31 December 2020*	
	Quantity	*Amount (LAK)*	*Quantity*	*Amount (LAK)*
Authorized shares				
Issued and paid-up shares				
Ordinary shares	301,500,000	30,150,000,000	301,500,000	30,150,000,000
Closing balance	**301,500,000**	**30,150,000,000**	**301,500,000**	**30,150,000,000**

On 9 September 2019, the Company received the Certificate of Initial Public Offering (IPO) completion issued by Lao Securities Commission Office, according to which the Company has completed IPO process where 60,300,000 shares with par value of LAK 100 per share and selling prices of LAK 2,700 per share were issued.

The total 301,500,000 shares of the Company (under the ticker "LALCO") have been officially listed on Lao Securities Exchange since 19 August 2019. The par value of each share is LAK 100.

Details of owners' capital contribution are as below:

	30 June 2021		*31 December 2020*	
	Total (LAK)	*Number of ordinary shares*	*Total (LAK)*	*Number of ordinary shares*
O International Ltd. (i)	6,170,270,000	61,702,700	6,170,270,000	61,702,700
LALCO Holdings Pte Ltd. (ii)	23,617,480,000	236,174,800	23,617,480,000	236,174,800
Other public investors	362,250,000	3,622,500	362,250,000	3,622,500
	30,150,000,000	**301,500,000**	**30,150,000,000**	**301,500,000**

(i) O International Ltd. is a limited liability company incorporated in Cayman Islands in accordance with Company Registration No. 293031 issued on October 2014. The principal business operations of the O International Ltd. are investment, immovable industry and provision of consulting and financing services.

(ii) LALCO Holdings Pte Ltd. is a limited liability company incorporated in Singapore in accordance with Company Registration No. 201542276K issued on December 2015. The principal business operations of the LALCO Holdings Pte Ltd. are provision of management, technology and business support services and investment holding business.

21.2 Shares premium

Share premium resulted from the IPO amounting to LAK 155,497,646,314 is the difference between the issue price (LAK 162,810,000,000) and the par value of the shares (LAK 6,030,000,000) after deducting share issuing cost (LAK 1,282,353,686).

22. RELATED PARTY TRANSACTIONS

Related party transactions include all transactions undertaken with other parties to which the Company is related. A party is related to the Company if:

(a) directly, or indirectly through one or more intermediaries, the party:
- controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries and fellow subsidiaries);
- has an interest in the Company that gives it significant influence over the Company; or
- has joint control over the Company.

(b) the party is a joint venture in which the Company is a venture;

(c) the party is a member of the key management personnel of the Company or its parent;

(d) the party is a close member of the family of any individual referred to in (a) or (c);

(e) the party is an entity that is controlled, jointly controlled or significantly influenced by, or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (c) or (d); or

(f) the party is a post-employment benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

During the six-month period ended 30 June 2021 and six-month period ended 30 June 2020, other than the remuneration paid to the Board of Directors, the Company had transactions with the following related parties:

Related parties	*Relationship*
O International Ltd.	Shareholder
Bluebird Co., Ltd.	Shareholder before 1 January 2018
BBHD Co., Ltd.	Shareholder before 1 January 2018
Lalugo Group Hotel Sole Co., Ltd	Owned by the former General Director and member of Board of Directors
Laluco Hotel 1 Sole Co.,Ltd	Owned by the former General Director and member of Board of Directors
Ogisaka Co., Ltd.	Owned by the Genernal Director
Pawn Shop Number One Individual Enterprise	Affiliate
Lao Thongkeo Leasing Company Limited	Owned by the Chief Operating Officer

22. RELATED PARTY TRANSACTIONS (continued)

Significant transactions with related parties as at 30 Jun 2021 and 31 December 2020 are as follows:

Related parties	*Transactions*	*30 June 2021 LAK*	*31 December 2020 LAK*
Bluebird Co., Ltd.	Net off other advance with payable to the related party	-	6,206,365,367
Lalugo Group Hotel Sole Co., Ltd	Payment on behalf of the related party	25,427,512	96,591,650
Ogisaka Co., Ltd.	Advance to related party	-	153,186,321
Pawn Shop Number One Individual Enterprise	Loan	-	900,000,000
Lao Thongkeo Leasing Company Limited	Loan	-	4,333,900,000

Loans to related parties are short-term and bear interest at 1% per annum.

23. RISK MANAGEMENT POLICIES

Introduction

Risk is inherent in the Company's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Company's continuing profitability and each individual within the Company is accountable for the risk exposures relating to his or her responsibilities.

The Company is exposed to credit risk, liquidity risk and market risk, the latter being subdivided into trading and non-trading risks. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Company's policy is to monitor those business risks through the Company's strategic planning process.

Risk management structure

The Board of Management is responsible for the overall risk management approach and for approving the risk management strategies and principles.

The Board has appointed the Risk Management Committee which has the responsibility to monitor the overall risk process within the Company.

The Risk Management Committee has the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Management Committee is responsible for managing risk decisions and monitoring risk levels and reports to the Board of Management.

24. CURRENCY RISK

Currency risk is the risk exposed to the Company due to changes in foreign exchange rates which adversely impact the Company's foreign currency positions. The Company has set limits on positions by currency, based on its internal risk assessment system and the BOL's regulations. Positions are monitored on a daily basis to ensure positions are maintained within the established limits. Breakdown of assets and liabilities which has been converted into LAK as at 30 June 2021 is as follows:

	In LAK LAK equivalent	*In USD LAK equivalent*	*In THB LAK equivalent*	*Total LAK equivalent*
ASSETS				
Cash and cash equivalents	3,900,837,868	58,425,467,910	4,686,866,336	67,013,172,114
Deposit with the Bank of Lao	1,968,900,000	-	-	1,968,900,000
Hire purchase receivables (*)	16,944,151,845	635,638,134,969	35,743,159,001	688,325,445,815
Other assets	7,646,374,302	-	-	7,646,374,302
TOTAL ASSETS	**30,460,264,015**	**694,063,602,879**	**40,430,025,337**	**764,953,892,231**
LIABILITIES				
Long-term borrowings	-	28,137,973,206	-	28,137,973,206
Other liabilities	4,034,274,610	3,915,131,772	-	7,949,406,382
TOTAL LIABILITIES	**4,034,274,610**	**32,053,104,978**	**-**	**36,087,379,588**
NET EXPOSURE	**26,425,989,405**	**662,010,497,901**	**40,430,025,337**	**728,866,512,643**

(*): This excludes allowance for impairment losses

On the assumptions that other variances are unchanged, the table below shows the sensitivity of profit before tax of the Company to changes occurring at suitable level of foreign exchange rates. Accordingly, the risk due to changes in foreign exchange rates of the Company is inconsiderable.

	Exchange rate increase 1.5%	*Exchange rate decrease 1.5%*
USD	9,930,157,469	(9,930,157,469)
THB	606,450,380	(606,450,380)
Total	**10,536,607,849**	**(10,536,607,849)**

25. INTEREST RATE RISK

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Company is exposed to interest rate risk as a result of mismatches of interest rate re-pricing time of assets and liabilities. The Company manages this risk by matching the re-pricing time of assets and liabilities through risk management strategies. The table below analyzes the interest rate risk for financial assets and financial liabilities of the Company. The Company presents assets and liabilities according to the book value and classified by interest rate repricing date or the closest maturity, which is the earlier:

		Re-pricing time bands					
	Total LAK	*Up to 3 months LAK*	*From 3 to 12 months LAK*	*From 1 to 5 years LAK*	*Over 5 years LAK*	*Non-performing loans which are overdue for more than 90 days LAK*	*Non-interest bearing LAK*
ASSETS							
Cash and cash equivalents	67,013,172,114	-	-	-	-	-	67,013,172,114
Deposit with the Bank of Lao	1,968,900,000	-	-	-	-	-	1,968,900,000
Hire purchase receivables (*)	688,325,445,815	118,983,156,388	62,305,205,350	433,256,833,562	-	73,780,250,515	-
Other assets	7,646,374,302	-	-	-	-	-	7,646,374,302
TOTAL ASSETS	**764,953,892,231**	**118,983,156,388**	**62,305,205,350**	**433,256,833,562**	**-**	**73,780,250,515**	**76,628,446,416**
LIABILITIES							
Long-term borrowings	28,137,973,206	-	-	28,137,973,206	-	-	-
Other liabilities	7,949,406,382	-	-	-	-	-	7,949,406,382
TOTAL LIABILITIES	**36,087,379,588**	**-**	**-**	**28,137,973,206**	**-**	**-**	**7,949,406,382**
NET INTEREST SENSITIVITY GAP	**728,866,512,643**	**118,983,156,388**	**62,305,205,350**	**405,118,860,356**	**-**	**73,780,250,515**	**68,679,040,034**

(*): This excludes allowance for impairment losses

Assuming that all other variables unchanged, the fluctuation in interest rates as at 30 June 2021 that affect the pre-tax profit over the next 12 months period of the Company as at reporting date is as following:

Increase/(decrease) in basis points	*Sensitivity of profit before tax*
+ 100 bps	6,883,254,458
- 100 bps	(6,883,254,458)

26. LIQUIDITY RISK

Liquidity risk is defined as the risk that the Company might be unable to meet its payment obligations when they fall due under both normal and stress circumstances. The table below summaries the maturity profile of the Company's financial assets and undiscounted cash flows of the financial and liabilities as at the end of the reporting period.

	Book value LAK	*Up to 3 months LAK*	*From 3 to 12 months LAK*	*From 1 to 5 years LAK*	*Over 5 years LAK*	*Non-performing loans which are overdue more than 90 days LAK*
ASSETS						
Cash and cash equivalents	67,013,172,114	67,013,172,114	-	-	-	-
Deposit with the Bank of Lao	1,968,900,000	1,968,900,000	-	-	-	-
Hire purchase receivables (*)	688,325,445,815	118,983,156,387	62,305,205,350	433,256,833,563	-	73,780,250,515
Other assets						
TOTAL ASSETS	**764,953,892,231**	**195,319,136,639**	**62,305,205,350**	**433,549,299,727**	**-**	**73,780,250,515**
LIABILITIES						
Borrowings	36,628,666,721	1,603,680,767	6,614,989,514	28,409,996,440	-	-
Other liabilities	7,949,406,382	7,949,406,382	-	-	-	-
TOTAL LIABILITIES	**44,578,073,103**	**9,553,087,149**	**6,614,989,514**	**28,409,996,440**	**-**	**-**
NET LIQUIDITY GAP	**720,375,819,128**	**185,766,049,490**	**55,690,215,836**	**405,139,303,287**	**-**	**73,780,250,515**

(*): This excludes allowance for impairment losses

The Company assessed the concentration of risk with respect to refinancing its debts and concluded it to be low. The Company has access to a sufficient variety sources of funding and debt maturity within 12 months.

27. CREDIT RISK

Credit risk is the risk that the Company incurs a loss because its customers or counterparties fail to discharge their contractual obligations. The Company manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and by monitoring exposures in relation to such limits.

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis and may be updated throughout the year subject to approval of the Company's Risk Management Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

The Company has established credit quality review processes to provide early identification of possible changes in the creditworthiness of counterparties. The credit quality review process aims to allow the Company to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

27.1 Impairment assessment

The references below show where the Company's impairment assessment and measurement approach is set out in this report. It should be read in conjunction with the Summary of significant accounting policies.

To apply the expected loss model for the recognition of losses on impaired financial assets for these interim financial statements, the Company developed its owned models to calculate the expected credit loss. The models incorporated historical data in the year since the Company's establishment, current conditions and forecasts of future economic conditions. According to the practices, the historical data applied for the model should be tracked in 5 – 7 years to ensure the meaningful statistical analysis. However, the IFRS 9 only requires the ECL to be measured in the way that reflects reasonable and supportable information that is available without undue cost or effort at the reporting date, the Company applied its own historical data and will update the model in the future.

Definition of default

The Company considers a financial instrument defaulted and therefore Stage 3 (credit-impaired) for ECL calculations in all cases when the borrower becomes 90 days past due on its contractual payments.

Probability of default estimation process

The Company applied the over due date criterion to classify the customers to create the information sources for PD estimation. Based on historical data in the years of operations, the Company estimated the PD for each group of customers and then incorporate forward looking information to obtain the PDs for IFRS 9 ECL calculations.

Result of PD rates for the Company's hire-purchase receivables is as follow:

Group (Number of Day Past Due ("DPD"))	*Stage*	*12-month PD range*
0 DPD	Stage 1	1.84% to 10.44%
1 - 89 DPD	Stage 2	16.12% to 49.42%
90+ DPD	Stage 3	100%

27. CREDIT RISK (continued)

Exposure at default

The exposure at default (EAD) represents the gross carrying amount of the financial instruments subject to the impairment calculation.

To calculate the EAD for a Stage 1 loan, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 loan that is expected to default in the 12 months from the balance sheet date and is also expected to cure and subsequently default again, then all linked default events are taken into account. For Stage 2 and Stage 3 loans, the exposure at default is considered for events over the lifetime of the instruments.

Loss given default

The Company applied historically collected loss data based on product type to construct the LGD rate for each group of financial instruments.

Significant increase in credit risk

The Company continuously monitors all assets subject to ECLs. In order to determine whether an instrument is subject to 12mECL or LTECL, the Company assesses whether there has been a significant increase in credit risk since initial recognition. The Company considers that if contractual payments are more than 1 day past due, the credit risk is deemed to have increased significantly since initial recognition.

28. CAPITAL MANAGEMENT

Capital of the Company includes contributed equity.

The primary objective of the Company's capital management is to ensure that it maintains healthy capital in order to support its business.

For the purpose of the Company's capital management, capital includes issued capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders of the parent.

The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

	30 June 2021 *LAK*	*31 December 2020* *LAK*
Total liabilities	125,865,024,996	207,495,172,687
Less: Cash	(67,013,172,114)	(92,900,530,090)
Net debt	58,851,852,882	114,594,642,597
Equity	586,238,330,250	523,985,122,167
Capital plus net debt	645,090,183,132	638,579,764,764
Gearing ratio	9%	18%

29. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Fair value represents the amount at which an asset could be exchanged or a liability settled on an arms-length basis. As verifiable market prices are not available, market prices are not available for a significant proportion of the Company's financial assets and liabilities, fair values, therefore, have been based on management assumptions according to the profile of the asset and liability base. In the opinion of the Company's management, the carrying amount of the financial assets and liabilities included in the statement of financial position are a reasonable estimation of their fair values. In making this assessment, the Company's management assumes that hire purchase receivables are mainly held to maturity with fair values equal to their book value adjusted for allowance for impairment losses.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments which are measured at fair value by valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

All fair values of financial assets and liabilities are calculated or estimated for disclosure purpose using Level 3 valuation techniques in both years as bellows:

		Fair value			
	Carrying value	*Level 1*	*Level 2*	*Level 3*	*Total*
Financial assets					
Cash and cash equivalents	67,013,172,114	67,013,172,114	-	-	67,013,172,114
Deposit with the Bank of Lao	1,968,900,000	1,968,900,000	-	-	1,968,900,000
Hire purchase receivables (*)	632,828,572,569	-	-	632,828,572,569	632,828,572,569
	701,810,644,683	**68,982,072,114**	**-**	**632,828,572,569**	**701,810,644,683**
Financial liabilities					
Borrowings	28,137,973,206	-	-	28,137,973,206	28,137,973,206
	28,137,973,206	**-**	**-**	**28,137,973,206**	**28,137,973,206**

(*): This includes allowance for impairment losses

There have been no transfers between fair value levels during the reporting period.

30. EXCHANGE RATES OF APPLICABLE FOREIGN CURRENCIES AGAINST LAK AT REPORTING DATE

	30 June 2021 LAK	*31 December 2020 LAK*
United State dollar ("USD")	9470	9,280
Thai baht ("THB")	331.52	330.44

31. RESTATEMENT OF PRIOR YEAR'S FINANCIAL STATEMENTS DUE TO CHANGES IN ACCOUNTING POLICIES

Items	*Previously stated LAK*	*Restatement LAK*	*Restated LAK*
Statement of profit or loss and other comprehensive income for the year ended 30 Jun 2020			
Credit loss expense	(39,954,943,867)	62,673,997,009	22,719,053,142

The restatement is due to the change in accounting policies relating to the application of the ECL model of impairment of financial assets as disclosed in Notes 5.4.

32. EVENTS AFTER THE REPORTING DATE

Other than as disclosed elsewhere in these interim financial statements, there is no other matter or circumstance that has arisen since 30 June 2021 that requires adjustment or disclosure in the interim financial statements of the Company.

Mr. Shingo Yamanaka
General Director

Mr. Adnan Ghani
Chief Finance Officer

Vientiane Capital, Lao PDR

7 October 2021