2020

Financial Statement for the Third Quarter ended 30 September 2020

ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

Souvanny Home Center Public Company



ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

Souvanny Home Center Public Company

PHONTONGSAVAT RD, PHONTONG VILLAGE, CHANTHABULY DISTRICT, VIENTIANE CAPITAL

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Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2020

	Notes	30 September 2020 LAK	31 December 2019 LAK
Assets			
Current assets			
Cash and cash equivalents	4	3,743,118,611	3,740,207,940
Trade and other receivables, net	5	13,424,555,791	16,223,470,257
Inventories, net	6	225,555,256,749	207,366,001,254
Other current assets		9,137,564,677	8,129,892,874
Total current assets		251,860,495,828	235,459,572,325
Non-current assets			
Property, plant and equipment, net	7	577,159,616,418	550,085,847,112
Intangible assets, net		40,664,830	69,553,646
Other non-current assets		-	-
Total non-current assets		577,200,281,248	550,155,400,758
Total assets		**829,060,777,076**	**785,614,973,083**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 10 NOV 2020

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 10 NOV 2020

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2020

	Notes	30 September 2020 LAK	31 December 2019 LAK
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	9	66,187,468,227	70,121,900,273
Trade and other payables	8	53,768,106,029	44,470,100,376
Current portion of long-term borrowings	9	8,662,656,998	8,240,787,500
Profit tax payable		498,553,443	324,820,091
Deposits from customers		1,276,460,278	880,894,353
Other current liabilities		19,551,800,033	18,246,895,277
Total current liabilities		149,945,045,008	142,285,397,870
Non Current liabilities			
Long-term borrowings from financial institution	9	10,752,656,750	16,322,691,340
Total non current liabilities		10,752,656,750	16,322,691,340
Total liabilities		160,697,701,758	158,608,089,210
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	10	4,772,981,235	4,772,981,235
Appropriated - Other reserve		4,522,981,235	4,522,981,235
Unappropriated		162,866,299,623	157,575,153,226
Translation adjustments		141,465,088,503	105,400,043,455
Total equity		668,363,075,318	627,006,883,873
Total liabilities and equity		829,060,777,076	785,614,973,083

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Souvanny Home Center Public Company
Statement of comprehensive income
For the nine-month period ended 30 September 2020

	Notes	2020 LAK	2019 LAK
Revenue from sales		290,680,435,948	286,031,900,778
Revenue from services		-	1,342,347,230
Cost of sales		(240,025,715,510)	(245,098,009,075)
Cost of services		-	(247,499,381)
Gross profit		**50,654,720,438**	**42,028,739,552**
Other incomes		1,876,827,140	5,000,772,739
Selling expenses		(22,804,220,123)	(23,453,650,166)
Administrative expenses		(20,755,482,058)	(19,212,364,821)
Finance costs		(3,633,190,908)	(4,009,890,505)
Foreign exchange loss, net		3,073,122,981	5,085,157,293
Profit before income tax expense		**8,411,777,470**	**5,438,764,092**
Income tax expense	12	(480,631,073)	(274,900,369)
Net profit for the period		**7,931,146,397**	**5,163,863,723**
Earnings per share			
Basic earnings per share	**13**	**48**	**31**

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Souvanny Home Center Public Company
Statement of comprehensive income
For the Third Quarter period ended 30 September 2020

	Notes	2020 LAK	2019 LAK
Revenue from sales		100,581,599,591	84,050,110,521
Revenue from services		0	87,664,259
Cost of sales		(80,390,952,537)	(71,672,625,535)
Cost of services		0	(7,391,769)
Gross profit		**20,190,647,054**	**12,457,757,476**
Other incomes		277,305,557	2,041,834,913
Selling expenses		(8,239,155,298)	(7,714,525,462)
Administrative expenses		(7,464,589,651)	(6,239,547,847)
Finance costs		(1,019,088,550)	(1,560,888,067)
Foreign exchange (loss)/gain, net		501,419,721	1,576,059,436
Profit before income tax expense		**4,246,538,833**	**560,690,449**
Income tax expense		(470,520,291)	355,094,599.00
Net profit for the period		**3,776,018,542**	**915,785,048**
Earnings per share			
Basic earnings per share		23	6

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Souvanny Home Center Public Company
Statement of changes in equity
For the nine-month period ended 30 September 2020

	Notes	Issued and paid-up ordinary shares	Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Total equity
		LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 January 2019		330,000,000,000	24,735,724,722	3,652,027,345	3,402,027,345	149,927,522,108	36,483,376,882	548,200,678,402
Net profit for the period		-	-	-	-	5,163,863,723	-	5,163,863,723
Dividend paid		-	-	-	-	(1,320,000,000)	-	(1,320,000,000)
Translation adjustments		-	-	-	-	-	53,992,164,893	53,992,164,893
Ending balance 30 September 2019		330,000,000,000	24,735,724,722	3,652,027,345	3,402,027,345	153,771,385,831	90,475,541,775	606,036,707,018
Opening balance 1 January 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	157,575,153,226	105,400,043,455	627,006,883,873
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	7,931,146,397.00	-	7,931,146,397
Dividend paid		-	-	-	-	(2,640,000,000)	-	(2,640,000,000)
Translation adjustments		-	-	-	-	-	36,065,045,048	36,065,045,048
Ending balance 30 September 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	162,866,299,623	141,465,088,503	668,363,075,318
			-	-	-	-	-	-

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Souvanny Home Center Public Company
Statement of changes in equity
For the Third Quarter period ended 30 September 2020

	Notes	Issued and paid-up ordinary shares	Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Total equity
		LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 July 2019		330,000,000,000	24,735,724,722	3,652,027,345	3,402,027,345	152,855,600,783	77,812,885,379	592,458,265,574
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	915,785,048	-	915,785,048
Translation adjustments		-	-	-	-	-	12,662,656,396	12,662,656,396
Ending balance 30 September 2019		330,000,000,000	24,735,724,722	3,652,027,345	3,402,027,345	153,771,385,831	90,475,541,775	606,036,707,018
Opening balance 1 July 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	159,090,281,081	137,781,597,925	660,903,566,198
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	3,776,018,542	-	3,776,018,542
Dividend paid		-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	3,683,490,578	3,683,490,578
Ending balance 30 Septerber 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	162,866,299,623	141,465,088,503	668,363,075,318

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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2020

	Notes	30 September 2020 LAK	30 September 2019 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		8,411,777,470	5,438,764,092
Adjustments for:			
Depreciation	7	12,397,395,978	10,438,521,597
Amortisation		31,693,297	87,285,305
Gain from disposes of property, plant and equipment		(9,448,583)	(2,191,990)
Gain/Loss on exchange rate		(3,192,066,533)	(1,022,786,775)
Interest expense		3,633,190,908	4,009,890,505
Inventories provision (reversal)		99,074,635	490,902,048
Trade and other receivables provision (reversal)		203,543,517	(149,867,139)
Allowance for sale return of trade receivable		38,639,529	943,009,524
Operating profit before working capital changes		21,613,800,218	20,233,527,168
Changes in operating assets and liabilities			
- Trade and other receivables		3,486,563,405	(1,392,316,681)
- Inventories		(6,403,355,003)	14,398,897,386
- Other current assets		(541,715,118)	(127,994,338)
- Other non-current assets		-	103,387,918
- Trade and other accounts payable		5,388,602,963	(15,855,322,721)
- Deposits from customers		345,078,345	(21,198,202,438)
- Other current liabilities		246,219,158	6,488,749,747
Cash generated from operations		24,135,193,968	2,650,726,041
Interest paid		(3,620,307,877)	(4,009,890,505)
Income tax paid		(324,885,700)	(300,000)
Net cash used in operating activities		20,190,000,391	(1,359,464,464)
Cash flows from investing activities :			
Purchases of plant and equipments	7	(6,584,113,699)	(6,114,479,858)
Purchases of computer software		-	-
Proceeds from disposals of property, plant and equipments		10,660,917	1,569,409
Net cash used in investing activities		(6,573,452,782)	(6,112,910,449)

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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2020

	Notes	30 September 2020 LAK	30 September 2019 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		74,217,905,622	66,794,220,958
Repayment on a borrowings from bank		(88,727,300,639)	(62,779,105,011)
Dividend paid		(2,640,000,000)	(1,320,000,000)
Net cash used in financing activities		(17,149,395,017)	2,695,115,947
Net decrease in cash and cash equivalents		(3,532,847,408)	(4,777,258,966)
Cash and cash equivalent at the beginning of the period		3,740,207,940	8,873,646,944
Effect of exchange rate changes on cash and cash equivalents		3,535,758,079	2,149,101,402
Cash and cash equivalent at the end of the period		**3,743,118,611**	**6,245,489,380**
Significant non cash items			
Other payables from purchases of plant and equipments		1,360,643,329	1,858,319,529
Interest payable		(12,883,031)	

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Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2020

	Notes	30 September 2020 LAK	30 September 2019 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		4,246,538,833	560,690,449
Adjustments for:			
Depreciation		4,358,061,027	3,618,684,724
Amortisation		11,052,308	11,042,946
Gain from disposes of property, plant and equipment		(6,646,000)	(1,021,224)
Gain/Loss on exchange rate		293,298,749	29,365,088,402
Interest expense		1,019,088,550	1,560,888,067
Inventories provision (reversal)		(308,818,744)	466,727,611
Trade and other receivables provision (reversal)		(9,247,249)	(335,640,590)
Allowance for sale return of trade receivable		(672,542,621)	353,568,145
Operating profit before working capital changes		8,930,784,853	35,600,028,531
Changes in operating assets and liabilities			
- Trade and other receivables		(1,101,699,928)	6,450,923,705
- Inventories		(22,047,379,423)	(2,480,142,334)
- Other current assets		(2,300,853,813)	(1,749,496,087)
- Other non-current assets		0	5,863,148
- Trade and other accounts payable		10,610,563,058	(10,831,608,013)
- Deposits from customers		292,174,546	5,216,361,438
- Other current liabilities		(289,698,760)	3,412,936,151
Cash generated from operations		(5,906,109,468)	35,624,866,539
Interest paid		(1,016,843,632)	(1,560,888,067)
Income tax paid		(1,000,000)	-
Net cash used in operating activities		(6,923,953,101)	34,063,978,472
Cash flows from investing activities :			
Purchases of plant and equipments	8	(2,072,389,711)	(1,902,699,889)
Purchases of computer software		-	0
Proceeds from disposals of property, plant and equipments		1,783,353	399,193
Net cash used in investing activities		(2,070,606,358)	(1,902,300,696)

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Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2020

	Notes	30 September 2020 LAK	30 September 2019 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		(79,334,902,980)	30,089,681,044
Repayment on a borrowings from bank		84,006,905,966	(58,840,623,761)
Dividend paid		-	-
Net cash used in financing activities		4,672,002,986	(28,750,942,717)
Net decrease in cash and cash equivalents		(4,322,556,473)	3,410,735,059
Cash and cash equivalent at the beginning of the period		-	-
Effect of exchange rate changes on cash and cash equivalents		2,380,467,081	(711,638,374)
Cash and cash equivalent at the end of the period		**(1,942,089,392)**	**2,699,096,685**
Significant non cash items			
Other payables from purchases of plant and equipments		7,429,273	444,604,468
Interest payable			

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1. General information

Souvanny Home Center Public Company is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company principally engaged trades a full range of goods and materials for construction, addition, refurbishment, renovation and improvement of buildings, houses and residences, and provides related services.

The Company's headquarters' registered address is number 366 Ban Phonetongsavath, Chanthabury District, Vientiane Capital, Lao PDR. The Company also has 6 such as: Phonetong branch, Sikhai branch, XokYai branch, Paksan branch, Pakse branch and Thakhek branch.

The Board of Directors authorised this condensed the third quarter financial information for issue on 10 November 2020.

This condensed third quarter financial information has been reviewed, but not audited by external audit.

2. Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described below and have been prepared generally under the historical cost convention.
According to the Accounting Law and Regulation on accounting and auditing in securities sector under Securities Commission Office in Lao P.D.R., all listed companies are required to prepare its financial statements in accordance with International Financial Reporting Standard (IFRSs) as generally accepted accounting principles. At present, Securities Commission Office is still flexible and allows listed companies to apply their own significant accounting policies, but they also encourage listed companies to fully adopt the IFRSs as it will be enforced in the future. In Lao PDR, there are significant differences between the companies' own accounting policies and the IFRSs, in many areas such as property, plant and equipment, leases, current and deferred income tax and pre-operation costs. Hence, users of the financial statements should therefore be aware and understand these differences and how these will affect their interpretation and decision making.

3. Estimates

The preparation of the third quarter financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing this third quarter financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2019, with the exception of a change in estimate that is required in determining the allowance for slow moving and obsoleted inventories (see in Note 6).

4. Cash and cash equivalents

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Cash on hand	482,859,811	792,983,112
Deposits held at call with financial institutions	3,260,258,800	2,947,224,828
Cash and cash equivalents	**3,743,118,611**	**3,740,207,940**

Cash on hand includes petty cash and cash from sales that is for general use.

Deposits held at call with financial institutions represents cash deposited with reputable local banks in 4 currencies, US dollars, Thai baht, Lao kip and China Yuan in current accounts.

5. Trade and other receivables, net

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Trade accounts receivables	12,958,288,236	16,403,862,177
Less allowance for doubtful debt	(1,316,777,326)	(1,045,710,145)
Trade accounts receivable, net	11,641,510,910	15,358,152,032
Staff borrowings	74,602,830	86,248,588
Other receivables (i)	1,708,442,051	779,069,637
	1,783,044,881	865,318,225
Trade and other receivables, net	**13,424,555,791**	**16,223,470,257**

The Outstanding trade accounts receivable balance as 30 September 2020 is aged as follows:

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Not yet due	4,606,534,180	4,788,775,093
Past due:		
1 – 3 months	1,982,188,605	4,195,607,493
3 - 6 months	506,587,349	4,672,336,873
6 - 12 months	555,870,756	621,748,002
Over 12 months	5,307,107,346	2,125,394,,716
Trade and other receivables, net	12,958,288,236	16,403,862,177
Less allowance for doubtful debt	(1,316,777,326)	(1,045,710,145)
Trade accounts receivable, net	**11,641,510,910**	**15,358,152,032**

The allowance was set up from the remaining accounts receivable balance which has been outstanding for more than six months and hasn't been collected up to the present date.

6. Inventories, net

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Inventories	228,914,052,722	210,445,528,158
Less: Allowance for slow moving and obsolete	(2,316,409,847)	(1,304,948,065)
Allowance for diminution in value of inventories	(1,042,386,126)	(1,774,578,839)
Inventories, net	**225,555,256,749**	**207,366,001,254**

Management reassessed and reviewed related allowance for slow moving and obsoleted inventories. Rising adjust related allowance for slow moving and decrease in value of inventory has been revised cost of sale increase LAK 3,359 million (2019: LAK 3,080 million) as slow moving can be actually sold at a higher turnover which is better than previously estimated. As a result, related allowance and cost of goods sold has been adjusted up to be consistent with recent facts and analysis.

7. Property, plant and equipment, net

	Unaudited 31 September 2020 LAK	Audited 31 December 2019 LAK
Opening net book value	550,085,847,112	490,347,457,551
Additions	7,944,757,028	13,785,456,331
Foreign exchange translation difference	31,527,620,590	60,391,899,409
sell	(1,212,334)	(268,035,659)
Depreciation charge	(12,397,395,978)	(14,170,930,520)
Closing net book value	**577,159,616,418**	**550,085,847,112**

Additions during the period ended 30 September 2020 mainly consisted of office equipment and buildings. Total addition of LAK 7,945 million consisted of cash transaction (already paid) of LAK 6,584 million and non-cash transactions (not yet paid) of LAK 1,361 million.

8. Trade and other payables

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Trade accounts payable– third parties	52,971,516,856	43,752,150,508
Other payables	796,589,173	717,949,868
Trade and other account payables	**53,768,106,029**	**44,470,100,376**

9. Borrowings

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Current		
Bank overdraft	1,214,855,664	2,733,472,138
Short-term borrowings	64,972,612,563	67,388,428,134
Current portion of long-term borrowings	8,662,656,998	8,240,787,500
Non-current		
Long-term borrowings	10,752,656,750	16,322,691,340
Total borrowings	**85,602,781,975**	**94,685,379,113**

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

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
At fixed rates	57,732,595,216	66,294,842,781
At floating rates	27,870,186,759	28,390,536,332
Total borrowings	**85,602,781,975**	**94,685,379,113**

- The Company extended its bank overdraft credit limit on 14 June 2016 from LAK 1,200 million to LAK 33,495 million with a foreign financial institution's Lao branch. The overdraft was secured by a shareholder's land. And the interest rate is Low Rate Limit (LRL) plus a percentage of margin per.

- On 12 December 2017, the Company entered into a new short-term borrowing of THB 145 million with foreign banks in Lao at fixed interest rates at 6.5%-7.5%. The repayments are required within 12 months after drawdown. The facilities are secured by the company's land.

- On 26 March 2020, the Company entered into a new short-term borrowing of THB 250 million with foreign banks at fixed interest rates at 4%-5.75%. The repayments are required within 150 days after drawdown. The facilities are secured by the company's land.

- A long-term borrowing from a financial institution was made in June 2016 and this is due in October 2020. The borrowing is secure by the same shareholder's land with overdraft.

10. Reserve

Legal reserve

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Opening balance	4,772,981,235	3,652,027,345
Additional	-	1,120,953,890
Ending balance	**4,772,981,235**	**4,772,981,235**

The legal reserve was set up as required by Article 156 under the Enterprise Law of the Lao PDR. It requires that at least 10% of the annual net profit be set aside as a legal reserve until such reserve reaches 50% of the authorised share capital.

Other reserve

Apart from legal reserve, the Company also has set aside 10% as another reserve. This is in accordance with the Company's policies registered with the Ministry of Finance, Lao PDR, dated 22 September 2015. The other reserve is for unforeseeable events such as natural disasters. The Company will only use this reserve to if such an event occurs.

11. Dividend

At the Annual General Meeting of Shareholders 2019 held on 08 May 2020, it was resolved that dividend be paid to shareholders in respect of 2019 operating results at LAK 16 per shares totaling of LAK 2,640 million (2018: LAK 1,320 million). The dividend was paid on 08 June 2020 to the shareholder.

12. Income tax expense

According to the tax law effective on 1 January 2020, the company must pay taxes on its net taxable income at the rate of 20%.

The company doesn't recognize corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognized based on the operating result for the related period and the applicable tax rate.

	Unaudited 30 September 2020 LAK
Reconciliation between income tax expense and accounting profit:	
Accounting profit before income tax	8,411,777,470
Non-deductible and reversal items for tax purpose (1)	(6,008,622,105)
Taxable income (Loss)	2,403,155,365
Tax calculated at the tax rate of 20%	**480,631,073**

(1) Non-deductible and reversal items for tax purposes mainly comprise of the reversal of allowance from inventory and unrealized gained and loss from revaluation of asset and liabilities in foreign currencies on closing date.

13. Basic earnings per share

As at 30 September 2020, basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issued during the period.

	Unaudited 30September 2020 LAK	Unaudited 30 September 2019 LAK
Net profit for the period attributable to shareholders (LAK)	7,931,146,397	5,163,863,723
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per shares	**48**	**31**

14. Related party transactions with management in the company.

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

The following material transactions were carried out with related parties.

14.1 Purchases of goods and services.

	Unaudited 30 September 2020 LAK	Unaudited 30 September 2019 LAK
Purchases of goods from related party	64,443,506,273	63,184,349,006
Rental expense	4,426,536,559	2,519,148,228
	68,870,042,832	**65,703,497,234**

14.2 Outstanding balance arising from related party transactions

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Accrued rental expense - shareholders	13,275,622,348	11,032,986,822
Trade accounts payable – SCG	709,928,796	33,562,480

14.3 Key management compensation

Key management includes directors. The compensations paid to management for employee services are as follows:

	Unaudited 30 September 2020 LAK	Unaudited 30 September 2019 LAK
For nine-month period ended	1,313,337,537	1,241,100,000
For the third quarter	449,385,487	406,200,000

15. Commitment and significant transactions

Operating lease commitments - where the Company is the lessee.

The Company leases land and offices under non-cancellable operating lease agreements. The lease terms are 5 years, and the majority of the lease agreements are renewable at the end of the lease period at an agreed rate.

	Unaudited 30 September 2020 LAK	Audited 31 December 2019 LAK
Not later than 1 year	6,791,538,228	7,522,497,343
1 - 5 years	3,412,984,601	10,931,168,653
Closing balance 30 September 2020	**10,204,522,829**	**18,453,665,996**