Lao ASEAN Leasing Company Limited

Financial Statements

For the period from 30 June 2019 to 30 September 2019

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THE COMPANY

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 previous Enterprise Registration was No. 1191/ELSD, dated 17 December 2018. The Company was granted approval from the Bank of Lao PDR (the "BOL") on 2 February 2015 and the company later obtained an amendment on 14 September 2017 for conducting its leasing activities. On 09 August 2019, the Company obtained new operating license from the BOL, No. 12/BOL, for conducting business under a listed company.

On 09 September 2019, Lao Securities Commission Office approved the company for Innitail Public Offering in amount of 60,300,000 shares in Lao Securities Exchange in accordance with Listing Certificate No.0010/LSCO, dated 09 September 2019. The issued shares resulted the Company's recapitalization in amount of LAK 162,810,000,000. The Company received the new Business License No. 0222/ELSD, dated 19 February 2019 issued by the Enterprise Licensing and Supervision Department, Ministry of Industry and Commerce. Currently, the Company is in process of IPO issuing and is not fully contributed by the investors as at the date of this interim report.

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 2019 is LAK 24,120,000,000.

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 during the six-month period ended 30 June 2019 and at the date of this report are as follows:

Name	Position	Date of appointment/resignation
Mrs. Yuki Scott	Chairman	Appointed on 19 February 2019
Mrs. Yuki Scott	Member	Resigned on 19 February 2019
Mr. Tomofumi Suematsu	Chairman	Resigned on 19 February 2019
Mr. Tomofumi Suematsu	Member	Appointed on 19 February 2019
Mr. Tomofumi Suematsu	General Director	Appointed on 13 October 2015
Ms. Makiko Oikawa	Vice-chairman	Appointed on 19 February 2019
Mr. Yoshihito Oshima	Vice-chairman	Appointed on 13 October 2015 Resigned on 19 February 2019
Ms. Yuriko Oshima	Member	Appointed on 13 October 2015 Resigned on 19 February 2019
Mr. Somsouk Phimphachanh	Member	Appointed on 13 October 2015 Resigned on 19 February 2019
Mr. Tomohiro Yoshida	Member	Appointed on 19 February 2019
Mrs. Harumi Ide	Member	Appointed on 19 February 2019

THE BOARD OF MANAGEMENT

Members of the Management of during the year and at the date of this report are as follows:

Name	Position	Date of appointment
Mr. Tomofumi Suematsu	General Director	Appointed on 13 October 2015
Ms. Risa Yamaguchi	Chief Financial Officer	Appointed on 19 February 2019
Mr. Kazutaka Morikawa	Chief Operating Officer	Appointed on 19 February 2019

LEGAL REPRESENTATIVE

The legal representative of the Company during the six-month period ended 30 June 2019 and at the date of this report is Mr. Tomofumi Suematsu, General Director and Member of the Board of Directors.

AUDITORS

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

Lao ASEAN Leasing Company Limited

FINANCIAL STATEMENT
for the period from 30 June 2019 to 30 September 2019

The Management of Lao ASEAN Leasing Company Limited ("the Company") is pleased to present its report and the Company's financial statements as at and for the year ended 31 December 2018.

MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

Management is responsible for the financial statements of each financial year which give a true and fair view of the financial position of the Company and of the Company's operational results and cash flows for the year. In preparing those 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 financial statements; and
- prepare the 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 International Financial Reporting Standards. 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 financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as at and for the year ended 31 December 2018 which are prepared in accordance with International Financial Reporting Standards.

For and on behalf of Management:

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Mr. Tomofumi Suematsu
General Director

Vientiane, Lao PDR

15 November 2019

Lao ASEAN Leasing Company Limited

FINANCIAL STATEMENT
for the period from 30 June 2019 to 30 September 2019

	For the period from 30 June 2019 to 30 September 2019 LAK	*For the period from 30 June 2018 to 30 September 2018 LAK*
Interest and similar income	37,435,812,440	42,744,586,384
Interest and similar expense	(10,113,126,188)	(9,751,657,658)
Net interest income	**27,322,686,252**	**32,992,928,726**
Fees and commission income	1,498,110,472	1,700,524,899
Fees and commission expense	(2,545,325,103)	(3,192,263,480)
Net fees and commission income	**(1,047,214,631)**	**(1,491,738,581)**
Other operating income	32,155,186	35,217,292
Total operating income	**26,307,626,807**	**31,536,407,437**
NET OPERATING INCOME	**26,307,626,807**	**31,536,407,437**
Personnel expenses	(8,340,663,091)	(8,442,540,437)
Depreciation of property and equipment	(351,998,755)	(279,891,783)
Other operating expenses	(5,563,345,139)	(7,332,630,773)
TOTAL OPERATING EXPENSES	**(14,256,006,985)**	**(16,055,062,993)**
NET PROFIT FOR THE YEAR	**12,051,619,822**	**15,481,344,444**
Other comprehensive income	-	-
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	**12,051,619,822**	**15,481,344,444**

Mr. Tomofumi Suematsu
General Director

Mr. Kazutaka Morikawa
Accounting-Finance Manager

Vientiane Capital, Lao P.D.R

15 November 2019

Lao ASEAN Leasing Company Limited

FINANCIAL STATEMENT
for the period from 30 June 2019 to 30 September 2019

	30 September 2019 LAK	*30 June 2019 LAK*
ASSETS		
Current assets		
Cash and cash equivalents	329,575,289,305	148,134,657,996
Deposit with the Bank of Lao	1,667,400,000	1,667,400,000
Hire purchase receivables – current portion	311,375,469,337	262,255,377,648
Other assets	108,033,102,610	107,212,339,747
Total current assets	**750,651,261,252**	**519,269,775,391**
Non-current assets		
Hire purchase receivables – non-current portion	278,125,986,250	274,588,126,021
Property and equipment	2,693,856,343	2,944,176,098
Asset under construction	202,816,256	202,816,256
Other non current assets	88,491,083	88,491,084
Total non-current assets	**281,111,149,932**	**277,823,609,459**
TOTAL ASSETS	**1,031,762,411,184**	**797,093,384,850**
LIABILITIES		
Current liabilities		
Statutory obligations	50,504,820,573	50,507,406,255
Other liabilities	45,894,124,132	2,017,182,848
Total current liabilities	**96,398,944,705**	**52,524,589,103**
Non-current liabilities		
Long-term borrowings	544,035,137,021	527,237,782,861
Due to related parties	47,199,815,199	47,199,815,199
Total non-current liabilities	**591,234,952,220**	**574,437,598,060**
TOTAL LIABILITIES	**687,633,896,925**	**626,962,187,163**
EQUITY		
Paid up capital	186,065,696,750	24,120,000,000
Other capital	290,000,000	290,000,000
Retained earnings	157,772,817,509	145,721,197,687
TOTAL EQUITY	**344,128,514,259**	**170,131,197,687**
TOTAL LIABILITIES AND EQUITY	**1,031,762,411,184**	**797,093,384,850**

Mr. Tomofumi Suematsu
General Director

Mr. Kazutaka Morikawa
Accounting-Finance Manager

Vientiane Capital, Lao P.D.R

15 November 2019

	Paid-up capital LAK	*Retained earnings LAK*	*Other capital LAK*	*Total LAK*
Balances as at 30 June 2018	**24,410,000,000**	**51,351,386,052**	**-**	**75,761,386,052**
Profit for the period	-	15,481,344,444	-	15,481,344,444
Balances as at 30 September 2018	**24,410,000,000**	**66,832,730,496**	**-**	**91,242,730,496**
Balances as at 30 June 2019	**24,410,000,000**	**145,721,197,687**	**290,000,000**	**170,131,197,687**
Capital contribution	161,945,696,750	-	-	161,945,696,750
Profit for the period	-	12,051,619,822	-	12,051,619,822
Balances as at 30 September 2019	**186,065,696,750**	**157,772,817,509**	**290,000,000**	**344,128,514,259**

Mr. Tomofumi Suematsu
General Director

Mr. Kazutaka Morikawa
Accounting-Finance Manager

Vientiane Capital, Lao P.D.R

15 November 2019

Lao ASEAN Leasing Company Limited

STATEMENT OF CASH FLOWS
for the period from 30 June 2019 to 30 September 2019

	2018 LAK	*2017 LAK*
OPERATING ACTIVITIES		
Profit before tax	**12,051,619,822**	**15,481,344,444**
Adjustments for:		
Depreciation and amortization charges	₯351,998,755	279,891,783
Net foreign exchange loss/(gain)	16,797,354,160	13,197,791,658
Change in operating assets		
Net change in hire purchase receivable	(52,657,951,918)	(42,534,409,485)
Net change in loans to related parties	(820,762,862)	(225,199,206)
Net change in other assets	-	(17,403,278,478)
Change in operating liabilities		
Net change in due to related parties	-	850,220,619
Net change in other liabilities	43,874,355,602	2,999,703,167
Net cash flows from/(used in) operating activities	**19,596,613,559**	**(27,353,935,498)**
INVESTING ACTIVITIES		
Acquisitions of property and equipment	(101,679,000)	(118,063,220)
Net cash flows used in investing activities	**(101,679,000)**	**(118,063,220)**
FINANCING ACTIVITIES		
Capital contribution	161,945,696,750	-
Net cash flows from financing activities	**161,945,696,750**	**-**
Net increase/(decrease) in cash and cash equivalents	**181,440,631,309**	**(27,471,998,718)**
Cash and cash equivalents at the beginning of the year	**148,134,657,996**	**91,696,990,797**
Cash and cash equivalents at the end of the year	**329,575,289,305**	**64,224,992,079**

Mr. Tomofumi Suematsu
General Director

Mr. Kazutaka Morikawa
Accounting-Finance Manager

Vientiane Capital, Lao P.D.R

15 November 2019