Lao ASEAN Leasing Public Company

Interim financial statements

For the six-month period ended 30 June 2025

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 the Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities. On 9 September 2019, the Company received the Certificate of Initial Public Offering (IPO) completion issued by Lao Securities Commission Office. 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 principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles, cars and real estates.

Paid-up capital

The Company's registered paid-up capital as at 30 June 2025 is LAK 30,150,000,000 (31 December 2024 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 during the six-month period ended 30 June 2025 and as at the date of this report are as follows:

Name	*Position*	*Date of appointment*
Mrs. Yuki Scott	Chairwoman	Re-Appointed on 28 April 2022
Mr. Mitsuteru Nagaya	Vice-chairman	Appointed on 15 September 2021
Mr.Yoshihito Oshima	Member	Appointed on 13 September 2022
Mr. Hirofumi Inada	Member	Appointed on 15 September 2021
Mrs. Harumi Ide	Member	Re-Appointed on 28 April 2022

MANAGEMENT

Members of the Management during the six-month period ended 30 June 2025 and as at the date of this report are as follows:

Name	*Position*	*Date of appointment*
Mr.Yoshihito Oshima	General Director	Appointed on 13 September 2022

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and as at the date of this report is Mr. Yoshihito Oshima – General Director.

AUDITOR

The auditor of the Company is 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 2025.

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 interim 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 give a true and fair view of the interim financial position of the Company as at 30 June 2025, and of the results of its operations, its changes in equity and its cash flows for the six-month period then ended in accordance with International Financial Reporting Standards.

For and on behalf of Management:

Mr. Yoshihito Oshima
General Director

Vientiane Capital, Lao PDR

11 February 2026

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Reference: 11729320/68456711 - LR

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The shareholders of Lao ASEAN Leasing Public Company

We have reviewed the accompanying interim financial statements of Lao ASEAN Leasing Public Company ("the Company") as at 30 June 2025 which comprise the interim statement of financial position as at 30 June 2025 and the related interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standards (IFRS). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements No.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 information does not present fairly, in all material respects, the financial position of the Company as at 30 June 2025, and of its financial performance and its cash flows for the six-month period then ended in accordance with IFRS.

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Emphasis of Matters

We draw attention to Note 19 to the financial statements which disclosed: there was a difference of profit tax payable as at 30 June 2025 between the amount recognized in the financial statements and the Tax Inspection Conclusion. These matters may result in future obligations levied by the Tax Authority. Our conclusion is not modified in respect of this matter.

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

Van Le
Partner

Audit Practicing Registration
Certificate No. 018/LCPAA_APT-2019

Vientiane Capital, Lao PDR

11 February 2026

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Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF PROFIT OR LOSS
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
Interest income calculated using effective interest method		231,074,594,095	203,878,869,453
Other interest and similar income		14,775,206,210	13,310,108,672
Interest expense calculated using effective interest method		(8,888,583,731)	(1,147,859,937)
Net interest income	**8**	**236,961,216,574**	**216,041,118,188**
Fees and commission expense	9	(7,828,787,179)	(6,074,599,185)
Net fees and commission expense		**(7,828,787,179)**	**(6,074,599,185)**
Net foreign exchange gain		3,270,453,846	49,341,228,515
Other operating income		163,761,181	932,073,404
Total operating income		**232,566,644,422**	**260,239,820,922**
Charge of expense on financial assets' credit losses	10	(57,335,663,038)	(1,328,285,964)
NET OPERATING INCOME		**175,230,981,384**	**258,911,534,958**
Personnel expenses	11	(32,613,140,177)	(31,986,966,464)
Depreciation of property and equipment	17	(1,580,242,529)	(3,696,353,831)
Other operating expenses	12	(32,001,578,082)	(24,610,825,510)
TOTAL OPERATING EXPENSES		**(66,194,960,788)**	**(60,294,145,805)**
PROFIT BEFORE TAX		**109,036,020,596**	**198,617,389,153**
Current profit tax expense	20	(29,516,951,769)	(31,085,328,951)
NET PROFIT FOR THE PERIOD		**79,519,068,827**	**167,532,060,202**

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF COMPREHENSIVE INCOME
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
NET PROFIT FOR THE PERIOD		**79,519,068,827**	**167,532,060,202**
Other comprehensive income		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**79,519,068,827**	**167,532,060,202**
Earnings per share			
Basic, profit for the period attributable to ordinary equity holders	21	264	556

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Notes	30 June 2025 LAK	31 December 2024 LAK
ASSETS			
Current assets			
Cash and cash equivalents	13	78,267,864,263	101,609,825,868
Due from banks	14	153,699,518,749	131,181,528,904
Hire purchase receivables – current portion	15	1,412,183,520,250	1,329,813,233,523
Other current assets	16	185,955,344,822	154,521,612,766
Total current assets		**1,830,106,248,084**	**1,717,126,201,061**
Non-current assets			
Hire purchase receivables – non-current portion	15	74,941,936,047	33,836,059,635
Property and equipment	17	10,034,955,442	8,815,421,319
Total non-current assets		**84,976,891,489**	**42,651,480,954**
TOTAL ASSETS		**1,915,083,139,573**	**1,759,777,682,015**
LIABILITIES			
Current liabilities			
Short-term borrowings	18	139,191,174,582	139,271,000,000
Statutory obligations	19	211,730,735,354	180,443,146,571
Other current liabilities		2,745,174,457	3,435,808,896
Total current liabilities		**353,667,084,393**	**323,149,955,467**
Non-current liabilities			
Long-term borrowings	18	63,839,002,032	18,716,101,993
Due to related parties	23	701,558,201	555,198,435
Total non-current liabilities		**64,540,560,233**	**19,271,300,428**
TOTAL LIABILITIES		**418,207,644,626**	**342,421,255,895**
EQUITY			
Registered paid-up capital	22	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		1,295,862,848,633	1,216,343,779,806
Legal reserve		15,075,000,000	15,075,000,000
TOTAL EQUITY		**1,496,875,494,947**	**1,417,356,426,120**
TOTAL LIABILITIES AND EQUITY		**1,915,083,139,573**	**1,759,777,682,015**

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2025

	Registered paid-up capital LAK	*Legal reserve LAK*	*Share premium LAK*	*Other capital LAK*	*Retained earnings LAK*	*Total LAK*
Balances as at 1/1/2024	**30,150,000,000**	**15,075,000,000**	**155,497,646,314**	**290,000,000**	**1,366,629,429,676**	**1,567,642,075,990**
Net profit for the year	-	-	-	-	168,090,958,130	168,090,958,130
Dividend paid	-	-	-	-	(318,376,608,000)	(318,376,608,000)
Balances as at 31/12/2024	**30,150,000,000**	**15,075,000,000**	**155,497,646,314**	**290,000,000**	**1,216,343,779,806**	**1,417,356,426,120**
Profit for the period	-	-	-	-	79,519,068,827	79,519,068,827
Balances as at 30/6/2025	**30,150,000,000**	**15,075,000,000**	**155,497,646,314**	**290,000,000**	**1,295,862,848,633**	**1,496,875,494,947**

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026

Lao ASEAN Leasing Public Company

INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025* LAK	*For the six-month period ended 30 June 2024* LAK
OPERATING ACTIVITIES			
Profit before tax		**109,036,020,596**	**198,617,389,153**
Adjustments for:			
Depreciation and amortization charges	17	1,580,242,529	3,696,353,831
Charge of expense on financial assets' credit losses	10	57,335,663,038	1,328,285,964
Interest expenses	8	8,888,583,731	1,147,859,937
Interest income	8	(231,074,594,095)	(203,878,869,453)
Net unrealized foreign exchange gain		(8,299,476,303)	(105,277,141,527)
Change in operating assets			
Net change in due from Bank		(22,044,522,288)	(4,750,319,807)
Net change in hire purchase receivable		(152,583,485,390)	(24,327,968,422)
Net change in other assets		(31,295,624,257)	(39,031,780,099)
Change in operating liabilities			
Net change in other liabilities		1,365,954,274	(8,203,096,073)
Interest paid		(8,381,607,076)	(1,147,859,937)
Interest received		210,534,154,254	183,850,148,163
Profit tax paid		-	(3,326,739,927)
Net cash flows used in operating activities		**(64,938,690,987)**	**(1,303,738,197)**
INVESTING ACTIVITIES			
Acquisitions of property and equipment	17	(2,799,776,651)	(4,927,479,247)
Net cash flows used in investing activities		**(2,799,776,651)**	**(4,927,479,247)**
FINANCING ACTIVITIES			
Borrowing drawdown		299,460,515,333	19,000,000,000
Borrowing repayment		(255,064,009,300)	(1,795,167,518)
Net cash flows from financing activities		**44,396,506,033**	**17,204,832,482**
Net change in cash and cash equivalents		**(23,341,961,605)**	**10,973,615,038**
Cash and cash equivalents at the beginning of the year	**13**	**101,609,825,868**	**191,315,208,217**
Cash and cash equivalents at the end of the period	**13**	**78,267,864,263**	**202,288,823,255**

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026

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 the Lao PDR (the "BOL") on 2 February 2015 and the latest amendment on 14 September 2017 for conducting its leasing activities. On 9 September 2019, the Company received the Certificate of Initial Public Offering (IPO) completion issued by Lao Securities Commission Office. 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 principal business operation of the Company is to provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles, cars and real estates.

The registered paid-up capital as at 30 June 2025 is LAK 30,150,000,000 (31 December 2024 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 2025 is 508 people (2024: 465 people).

2. BASIS OF PREPARATION

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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

The Company maintains its accounting records in United State Dollar ("USD") which is the Company's functional currency and presents its interim financial statements in Lao Kip.

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

3. STATEMENT OF COMPLIANCE

The interim financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB.

4. PRESENTATION OF INTERIM FINANCIAL STATMENTS

The interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with IFRSs. The Company has prepared the interim financial statements on the basis that it will continue to operate as a going concern. The Management consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 2024, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2024, but do not have an impact on the interim financial statements of the Company.

The following are the significant accounting policies applied by the Company in preparing its interim financial statements:

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 2025 and 30 June 2024 as presented in Note 31). Unrealized exchange differences arising from the translation of monetary assets and liabilities on the reporting date are recognized in the Interim statement of profit or loss.

5.2 Recognition of interest income

5.2.1 The effective interest rate method ("EIR")

Under IFRS 9, interest income is recorded using the EIR method for all financial assets measured at amortised cost. Interest expense is also calculated using the EIR method for all financial liabilities held at amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or liability or, when appropriate, a shorter period, to the gross carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the financial asset) is calculated by taking into account transaction costs and any discount or premium on the acquisition of the financial asset, as well as fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the hire purchase receivable. Hence, the EIR calculation also takes into account the effect of potentially different interest rates that may be charged at various stages of the financial asset's expected life, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations of fixed rate financial assets' or liabilities' cash flows are revised for reasons other than credit risk, then changes to future contractual cash flows are discounted at the original EIR with a consequential adjustment to the carrying amount. The difference from the previous carrying amount is booked as a positive or negative adjustment to the carrying amount of the financial asset or liability on the balance sheet with a corresponding increase or decrease in Interest revenue/expense calculated using the effective interest method.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.2 Recognition of interest income (continued)

5.2.2 Interest and similar income and expense

Net interest income comprises interest income and interest expense calculated using the effective interest method and other methods. These are disclosed separately on the face of the income statement for both interest income and interest expense.

Interest income/expense calculated using the effective interest method, the Company only includes interest on those financial instruments that are set out in Note 5.2.1.

The Company calculates interest income on financial assets, other than those considered credit-impaired, by applying the EIR to the gross carrying amount of the financial asset.

When a financial asset becomes credit-impaired and is therefore regarded as 'Stage 3', the Company calculates interest income by applying the EIR to the net amortised cost of the financial asset. If the financial asset cures and is no longer credit-impaired, the Company reverts to calculating interest income on a gross basis.

5.3 Net loss on derecognition of financial assets measured at amortised cost

Net loss on derecognition of financial assets measured at amortised cost includes loss (or income) recognised on sale or derecognition of financial assets measured at amortised costs calculated as the difference between the book value (including impairment) and the proceeds received.

5.4 Financial instruments - initial recognition

5.4.1 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.

5.4.2 Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments, as described in Notes 5.6.1.1 and Note 5.6.1.2. Financial instruments are initially measured at their fair value (as defined in Note 5.6), except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Financial receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Company account for the Day 1 profit or loss, as described below.

5.4.3 'Day 1' profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Company recognizes the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.4 *Financial instruments - initial recognition* (continued)

5.4.4 Measurement categories of financial assets and liabilities

The Company classifies all of its financial assets based on the business model for managing the assets and the assets' contractual terms, measured at either:

- Amortised cost, as explained in Notes 5.6.1;
- FVOCI (The Company has not got any financial assets classified at FVOCI);
- FVTPL (The Company has not got any financial assets classified at FVTPL).

Financial liabilities are measured at amortised cost or at FVTPL when they are held for trading, or the fair value designation is applied (The Company has not got any financial liabilities classified at FVTPL).

5.5 *Determination of fair value*

The Company uses the valuation techniques commonly used by market participants to price financial instruments and techniques which have been demonstrated to provide reliable estimates of prices obtained in actual market transactions. In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarised below:

- Level 1 financial instruments – Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Company accesses to at the measurement date. The Company considers markets as active only if there are sufficient trading activities with regards to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available at the reporting date.
- Level 2 financial instruments – Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Company will classify the instruments as Level 3.
- Level 3 financial instruments – Those that include one or more unobservable input that is significant to the measurement as whole.

The Company evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassify instruments when necessary, based on the facts at the end of the reporting period.

5.6 *Financial assets and liabilities*

5.6.1 Due to other credit institutions, Hire purchase receivables, Advance to related parties at amortized cost

The Company only measures due to other credit institutions, hire purchase receivables, advance to related parties at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The details of these conditions are outlined below.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.6 *Financial assets and liabilities* (continued)

5.6.1.1 Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).

The expected frequency, value and timing of sales are also important aspects of the Company's assessment. The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

5.6.1.2 The SPPI test

As a second step of its classification process the Company assesses the contractual terms of financial assets to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Company applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

5.7 *Reclassification of financial assets*

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

5.8 *De-recognition of financial assets and financial liabilities*

5.8.1 Derecognition due to substantial modification of terms and conditions

The Company derecognises a financial asset, such as hire purchase receivables, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new hire purchase receivables, with the difference recognised as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognised hire purchase receivables are classified as Stage 1 for ECL measurement purposes.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5.8.1 Derecognition due to substantial modification of terms and conditions (continued)

When assessing whether or not to derecognise a hire purchase receivable, amongst others, the Company considers the following factors:

- Change in the currency of the hire purchase receivable;
- Change in counterparty; and
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Company records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Company considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent (10%). For financial assets, this assessment is based on qualitative factors.

5.8.2 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 derecognizes 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 2024, the Company does not have financial assets which are subject to such arrangements. when all of the following three conditions are met:

- The Company has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right of full recovery of the amount lent plus accrued interest;
- The Company cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows; and

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5.8.2 Financial assets (continued)

- The Company has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Company is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the short settlement period from the collection date to the date of required remittance to the eventual recipients.

A transfer only qualifies for de-recognition 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.

The Company considers 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 neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset continues to be recognized only to the extent of the Company's continuing involvement, in which case, the Company also recognises 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.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Company would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

5.8.3 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.

5.8.4 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the interim statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Financial assets and financial liabilities are generally reported gross in the interim statement of financial position except when IFRS netting criteria are met.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.8 *De-recognition of financial assets and financial liabilities* (continued)

5.8.4 Offsetting of financial assets and financial liabilities (continued)

Other instruments are only offset and reported net when, in addition to having an unconditional legally enforceable right to offset the recognised amounts without being contingent on a future event and the Company also intends to settle on a net basis in all 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.

5.9 *Impairment of financial assets*

5.9.1 Overview of the ECL principles

The Company's hire purchase receivable loss impairment applied a forward-looking ECL approach. The Company has been recording the allowance for expected credit losses for all hire purchase receivables and other debt financial assets not held at FVTPL in this section all referred to as 'financial instruments'.

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 5.9.2. The Company's policies for determining if there has been a significant increase in credit risk are set out in Note 28.1.

The 12-month ECL is the portion of life time ECLs 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 hire purchase receivable of the Company is immaterial to the interim financial statements of the Company. The Company classes the hire purchase receivables 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, by considering the change in the risk of default occurring over the remaining life of the financial instrument. This is further explained in Note 28.1.

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

- Stage 1 When hire purchase receivables are first recognised, the Company recognises an allowance based on 12m ECLs. Stage 1 hire purchase receivables also include facilities where the credit risk has improved and the hire purchase receivables has been reclassified from Stage 2.
- Stage 2 When a hire purchase receivables has shown a significant increase in credit risk since origination, the Company records an allowance for the life time ECLs. Stage 2 hire purchase receivables also include facilities, where the credit risk has improved and the hire purchase receivable has been reclassified from Stage 3.
- Stage 3 Hire purchase receivables considered credit-impaired (as outlined in Note 28.1). 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)

5.9 *Impairment of financial assets* (continued)

5.9.2 The calculation of ECLs

The Company calculates ECLs based on a three 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 28.1.
- 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 28.1.
- 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 28.1.

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 summarized 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 hire purchase receivables 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 hire purchase receivables considered credit-impaired, the Company recognises the lifetime expected credit losses for these hire purchase receivables. The method is similar to that for Stage 2 assets, with the PD set at 100%.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.9 Impairment of financial assets (continued)

5.9.3 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.

5.10 Write-off

Financial assets are written off when the Company has no reasonable expectation of recovering a financial asset. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to other income.

5.11 Cash and cash equivalents

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

5.12 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:

Computer equipment	20%
Furniture and fixtures	20%
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 interim statement of profit or loss in the period the asset is derecognized.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

5.13.1 Company as a leasee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (less any lease incentives receivable), variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

5.14 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.

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.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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 interim statement of profit or loss.

5.15 *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 and 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 2025, 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.

5.16 *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 interim statement of profit or loss net of any reimbursement in other operating expenses.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.17 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 recognized directly in equity is recognized in equity and not in the interim 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 utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized 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 realized 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 recognized as income tax benefits or expenses in the interim 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 interim statement of profit or loss together with the respective deferred loss or gain. The Company also recognizes 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.

5.18 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 financial statements are disclosed below. The Company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.18 Standards issued but not yet effective (continued)

On 30 May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date;
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed;
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments;

The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI) The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments. With respect to the amendments on the derecognition of financial liabilities that are settled through an electronic payment system, the Company is currently performing an assessment of all material electronic payment systems utilised in the various jurisdictions it operates, in order to assess whether the amendments will result in a material change with respect to current practices and whether it meets the conditions to apply the accounting policy option to derecognise such financial liabilities before the settlement date. Moreover, the Company is reviewing all its other payment systems (such as cheques, credit cards, debit cards) to ensure that the corresponding financial assets are derecognised when the right to cash flows are extinguished and that the corresponding financial liabilities are derecognised on settlement date. In addition, the Company is assessing the impact of the Amendments on its financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features, as well as on non-recourse financing and contractually linked instruments. Based on the initial assessment performed, the amendments in these areas are not expected to have a material impact on the financial statements, however, the assessment is yet to be concluded.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18 Presentation and Disclosure in Financial Statements, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. There are specific presentation requirements and options for entities, such as Good Bank, that have specified main business activities (either providing finance to customers or investing in specific type of assets, or both).

It also requires disclosure of newly defined management-defined performance measures, which are subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes.

5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

5.18 Standards issued but not yet effective (continued)

Narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively. The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

5.19 New and amended standards

Lack of exchangeability - Amendments to IAS 21

The amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments are effective for annual reporting periods beginning on or after 1 January 2025. When applying the amendments, an entity cannot restate comparative information. The amendments did not have a material impact on the Company's financial statements.

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 recognized 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 quality assessment, 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 interim 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 5.2.1, recognizes interest income using a rate of return that represents the best estimate of a constant rate of return over the expected behavioral life of hire purchase receivables and borrowings and recognizes 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 behavior and life-cycle of the instruments, as well expected changes to other fee income/expense that are integral parts of the instrument.

6.4 Fair value of financial instruments

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique.

6. SIGNIFICANT ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

6.4 Fair value of financial instruments (continued)

When the fair values of financial assets and financial liabilities recorded in the interim statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of valuation models. The inputs to these models are taken from observable markets where possible, but where this is not feasible, estimation is required in establishing fair values. Judgements and estimates include considerations of liquidity and model inputs related to items such as credit risk (both own and counterparty), funding value adjustments, correlation and volatility. For further details about determination of fair value please see Note 5.5 and Note 30.

6.5 Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the tax losses can be utilized. Although in Laos tax losses can be utilized indefinitely, judgement is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

When the Company can reliably measure the outflow of economic benefits in relation to a specific case and considers such outflows to be probable, the Company records a provision against the case. Where the probability of outflow is considered to be remote, or probable, but a reliable estimate cannot be made, a contingent liability is disclosed. However, when the Company is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Company does not include detailed, case-specific disclosers in its interim financial statements.

Given the subjectivity and uncertainty of determining the probability and amount of losses, the Company takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar incidents. Significant judgement is required to conclude on these estimates.

6.6 Provisions and other contingent liabilities

The Company operates in a regulatory and legal environment that, by nature, has a heightened element of litigation risk inherent to its operations. As a result, it is involved in various litigation, arbitration and regulatory investigations and proceedings, arising in the ordinary course of the Company's business.

7. SEGMENT INFORMATION

A segment is a component determined separately by the Company which is engaged in providing products or related services (business segment) or providing products or services in a particular economic environment (geographical segment), that is subject to risks and returns that are different from those of other segments.

The Company's principal activities per Business License are provide hire-purchase services through providing credit line for individual and corporate customers to buy motorcycles and cars. In addition, these activities are only taking place within Lao PDR. Therefore, the Company's risks and returns are not impacted by the Company's services that the Company is providing or the locations where the Company is doing the business. As a result, the Company's management is of the view that there is only one segment for business and geography and therefore presentation of segmental information is not required.

8. NET INTEREST INCOME

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Interest income calculated using effective interest method from:		
Hire purchase receivables	229,488,162,832	203,723,856,315
Saving deposit	1,586,431,263	155,013,138
	231,074,594,095	203,878,869,453
Other interest and similar income	14,775,206,210	13,310,108,672
	245,849,800,305	**217,188,978,125**
Interest expense calculated using effective interest method for:		
Interest expense from borrowings	(8,888,583,731)	(1,147,859,937)
Net interest income	**236,961,216,574**	**216,041,118,188**

9. FEES AND COMMISSION EXPENSE

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Fees and commission expense for		
Commission fees	6,077,419,023	4,249,380,880
Car/bike ownership changing fee	1,286,491,000	1,123,897,000
Other fees	464,877,156	701,321,305
	7,828,787,179	**6,074,599,185**

10. CHARGE OF EXPENSE ON FINANCIAL ASSETS' CREDIT LOSSES

The table below shows the ECL charge of expense on financial instruments' credit losses for the six-month period ended 30 June 2025 recorded in the interim statement of profit or loss:

	Note	*Stage 1*	*Stage 2*	*Stage 3*	*Total*
Cash and cash equivalents	13	-	-	-	-
Due from Banks	14	-	-	-	-
Hire purchase receivables	15	(285,419,532)	(1,472,819,484)	(55,577,424,022)	(57,335,663,038)
		(285,419,532)	**(1,472,819,484)**	**(55,577,424,022)**	**(57,335,663,038)**

The table below shows the ECL charge of expense on financial instruments' credit losses for the six-month period ended 30 Jun 2024 recorded in the interim statement of profit or loss:

	Stage 1	*Stage 2*	*Stage 3*	*Total*
Cash and cash equivalents	-	-	-	-
Due from Banks	-	-	-	-
Hire purchase receivables	10,622,323,758	4,811,895,415	(16,762,505,137)	(1,328,285,964)
	10,622,323,758	**4,811,895,415**	**(16,762,505,137)**	**(1,328,285,964)**

11. PERSONNEL EXPENSES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Wages and salaries	28,007,205,352	26,477,955,437
Other staff costs	4,605,934,825	5,509,011,027
	32,613,140,177	**31,986,966,464**

12. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Taxes and social insurance obligation	5,610,324,035	4,488,192,614
Consultancy fee	5,464,605,909	4,959,671,058
Rental expenses	5,159,879,300	1,362,634,358
Meeting expense	3,514,334,669	1,590,900,584
Utilities	3,142,156,702	2,767,653,761
Transportation and travel	2,705,036,397	2,947,499,538
Repairs and maintenance	1,446,907,352	1,036,647,535
Supplies	1,176,620,608	909,589,139
Petrol	885,439,500	877,911,749
Marketing	501,205,827	777,178,929
Others	2,395,067,783	2,892,946,245
	32,001,578,082	**24,610,825,510**

13. CASH AND CASH EQUIVALENTS

	30 June 2025 LAK	*31 December 2024 LAK*
Cash on hand	2,400,520,119	1,897,156,383
Demand/saving deposits at banks		
- in LAK	4,687,661,452	1,680,499,951
- in THB	7,566,216,043	2,500,193,578
- in USD	63,428,915,467	73,297,063,712
- in other currencies	184,551,182	b168,510,855
Term Redeposit with term below 3 months in USD	-	22,066,401,389
Allowance for ECL	-	-
	78,267,864,263	**101,609,825,868**

Gross carrying value of deposits with terms of 3 months or less

The table below shows the credit quality and maximum exposure to credit risk based on the Company's stage classification. The amounts presented are gross carrying value. Details of the Company's stage classification are explained in Note 28.

	30 June 2025		*31 December 2024*
	Stage 1 LAK	*Total LAK*	*Total LAK*
0 DPD	-	-	22,066,401,389
	-	**-**	**22,066,401,389**

A reconciliation of changes in the gross carrying amount is as follows:

	Stage 1 Individual LAK
Gross carrying amount as at 01 January 2025	**22,066,401,389**
Payments and assets derecognized	(22,066,401,389)
Gross carrying amount as at 30 June 2025	**-**

14. DUE FROM BANKS

	30 June 2025 LAK	*31 December 2024 LAK*
Accounts with BOL		
- Registered capital reserve in LAK (*)	1,968,900,000	1,968,900,000
Accounts with domestic bank		
- Term deposits in USD	151,730,618,749	129,212,628,904
Allowance for ECL	-	-
	153,699,518,749	**131,181,528,904**

(*) According to Decision No. 721/BOL dated 22 September 2022, which was effective from 22 September 2022, the Company is required to maintain a positive balance at the BOL in the form of special deposit . This balance earns no interest.

Gross carrying value for term deposits at domestic banks

The table below shows the credit quality and maximum exposure to credit risk based on the Company's stage classification. The amounts presented are gross carrying value. Details of the Company's stage classification are explained in Note 28.

	30 June 2025		*31 December 2024*
	Stage 1 LAK	*Total LAK*	*Total LAK*
0 DPD	151,730,618,749	151,730,618,749	129,212,628,904
	151,730,618,749	**151,730,618,749**	**129,212,628,904**

A reconciliation of changes in the gross carrying amount is as follows:

	Stage 1 Individual LAK
Gross carrying amount as at 01 January 2025	**129,212,628,904**
Additional	21,408,000,000
Accrued interest	1,586,431,263
Foreign exchange difference	(476,441,418)
Gross carrying amount as at 30 June 2025	**151,730,618,749**

15. HIRE PURCHASE RECEIVABLES

15.1 Hire purchase receivables

	30 June 2025 LAK	*31 December 2024 LAK*
Hire purchase receivables	1,863,105,328,054	1,680,423,158,815
Allowance for impairment losses	(375,979,871,757)	(316,773,865,657)
	1,487,125,456,297	**1,363,649,293,158**
In which:		
Current portion	*1,412,183,520,250*	*1,329,813,233,523*
Non-current portion	*74,941,936,047*	*33,836,059,635*

Title of the goods is only transferred completely to the purchaser after the complete settlement of principal and interest.

Analysis by term

	30 June 2025 LAK	*31 December 2024 LAK*
Short term	413,042,621,156	471,268,877,841
Medium term	1,384,531,552,792	1,151,195,697,652
Long term	65,531,154,106	57,958,583,322
	1,863,105,328,054	**1,680,423,158,815**

15.2 Allowance for impairment losses

The table below shows the credit quality and maximum exposure to credit risk based on the Company's stage classification. The amounts presented are gross of impairment allowances:

	30 June 2025			
Internal rating grade (Number of DPD)	*Stage 1 Collective LAK*	*Stage 2 Collective LAK*	*Stage 3 Collective LAK*	*Total LAK*
0 DPD	1,185,670,312,052	-	-	1,185,670,312,052
1 - 89 DPD	-	261,644,715,707	-	261,644,715,707
90+ DPD	-	-	415,790,300,295	415,790,300,295
	1,185,670,312,052	**261,644,715,707**	**415,790,300,295**	**1,863,105,328,054**

The amounts presented are gross of impairment allowances for the year ended 31 December 2024 are as follows:

	31 December 2024			
Internal rating grade (Number of DPD)	*Stage 1 Collective LAK*	*Stage 2 Collective LAK*	*Stage 3 Collective LAK*	*Total LAK*
0 DPD	1,069,178,113,440	-	-	1,069,178,113,440
1 - 89 DPD	-	267,529,586,765	-	267,529,586,765
90+ DPD	-	-	343,715,458,610	343,715,458,610
	1,069,178,113,440	**267,529,586,765**	**343,715,458,610**	**1,680,423,158,815**

15. HIRE PURCHASE RECEIVABLES (continued)

15.2 Allowance for impairment losses (continued)

A reconciliation of changes in the gross carrying amount is as follows:

	Stage 1 Collective LAK	*Stage 2 Collective LAK*	*Stage 3 Collective LAK*	*Total LAK*
Gross carrying amount as at 1/1/2024	**707,399,511,769**	**312,564,937,858**	**296,127,614,262**	**1,316,092,063,889**
New assets originated or purchased	853,716,983,993	175,003,026,917	70,510,815,197	1,099,230,826,107
Payments and assets derecognized	(501,331,645,648)	(210,941,507,202)	(75,246,629,182)	(787,519,782,032)
Transfer to stage 1	42,754,436,863	(42,060,475,541)	(693,961,322)	-
Transfer to stage 2	(52,015,399,240)	52,919,002,678	(903,603,438)	-
Transfer to stage 3	(23,106,209,679)	(33,805,068,440)	56,911,278,119	-
Foreign exchange difference	41,760,435,382	13,849,670,495	(2,990,055,026)	52,620,050,851
Gross carrying amount as at 31/12/2024	**1,069,178,113,440**	**267,529,586,765**	**343,715,458,610**	**1,680,423,158,815**
New assets originated or purchased	621,874,552,869	117,950,698,370	13,051,851,115	752,877,102,354
Payments and assets derecognized	(471,508,929,927)	(100,645,031,301)	(31,435,712,696)	(603,589,673,924)
Transfer to stage 1	32,108,064,307	(31,353,413,421)	(754,650,886)	-
Transfer to stage 2	(73,018,770,514)	74,796,264,811	(1,777,494,297)	-
Transfer to stage 3	(14,964,565,912)	(67,232,700,484)	82,197,266,396	-
Foreign exchange difference	22,001,847,789	599,310,967	10,793,582,053	33,394,740,809
Gross carrying amount as at 30/6/2025	**1,185,670,312,052**	**261,644,715,707**	**415,790,300,295**	**1,863,105,328,054**

15. HIRE PURCHASE RECEIVABLES (continued)

15.2 Allowance for impairment losses (continued)

A reconciliation of changes in the corresponding ECL allowances is as follows:

	Stage 1 Collective LAK	*Stage 2 Collective LAK*	*Stage 3 Collective LAK*	*Total LAK*
Allowance for impairment losses balance as at 1/1/2024	**2,921,917,556**	**22,537,068,917**	**220,413,886,744**	**245,872,873,217**
New assets originated or purchased	3,426,938,501	12,411,231,695	37,183,938,684	53,022,108,880
Payments and assets derecognised	(14,980,407,842)	(15,571,218,505)	(51,119,674,900)	(81,671,301,247)
Transfer to stage 1	3,648,515,426	(3,342,016,576)	(306,498,850)	-
Transfer to stage 2	(211,976,397)	599,670,284	(387,693,887)	-
Transfer to stage 3	(4,733,003,904)	(3,702,637,460)	8,435,641,364	-
Impact on ECL of exposures transferred between stages during the period	(3,502,089,544)	2,829,296,930	33,831,241,597	33,158,448,983
Changes to models and inputs used for ECL calculations	66,966,230	394,376,787	53,700,937,636	54,162,280,653
Net movement of ECL allowances	*(16,285,057,530)*	*(6,381,296,845)*	*81,337,891,644*	*58,671,537,269*
Foreign exchange adjustment	17,550,563,136	2,250,698,692	(7,571,806,657)	12,229,455,171
Allowance for impairment losses balance as at 31/12/2024	**4,187,423,162**	**18,406,470,764**	**294,179,971,731**	**316,773,865,657**
New assets originated or purchased	2,923,485,168	9,452,864,740	5,882,449,492	18,258,799,400
Payments and assets derecognised	(2,499,761,388)	(6,494,693,608)	(17,216,966,934)	(26,211,421,930)
Transfer to stage 1	2,465,088,331	(2,133,197,314)	(331,891,017)	-
Transfer to stage 2	(364,457,104)	1,080,254,057	(715,796,953)	-
Transfer to stage 3	(75,302,616)	(4,953,108,345)	5,028,410,961	-
Impact on ECL of exposures transferred between stages during the period	(2,256,905,504)	4,312,030,142	32,487,200,540	34,542,325,178
Changes to models and inputs used for ECL calculations	93,272,645	208,669,812	30,444,017,933	30,745,960,390
Net movement of ECL allowances (Note 10)	285,419,532	1,472,819,484	55,577,424,022	57,335,663,038
Foreign exchange adjustment	776,023,882	(907,149,662)	2,001,468,842	1,870,343,062
Allowance for impairment losses balance as at 30/6/2025	**5,248,866,576**	**18,972,140,586**	**351,758,864,595**	**375,979,871,757**

16. OTHER CURRENT ASSETS

	30 June 2025 *LAK*	*31 December 2024* *LAK*
Advances to related parties (Note 23.2.1) (*)	169,708,294,444	139,420,326,769
Advance to building apartment (**)	7,887,135,360	7,914,030,020
Dividend tax advance	1,487,761,490	1,487,761,490
Advances to staff	133,502,421	859,778,706
Rental prepayment	4,366,168,021	2,467,232,695
Others	2,372,483,086	2,372,483,086
	185,955,344,822	**154,521,612,766**

(*) Including the Payment on behalf of Pawn Shop Number One Individual Enterprise for purpose of land acquisition of those related Companies. According to the Agreement of the LALCO with Pawn Shop Number One Individual Enterprise signed on Jan 2021, the company has to repay LALCO within 5 years. The purchased lands are used as collateral for the advance and the land titles will transfer to LALCO each company fail to pay on time. LALCO also manage all land certificates and only release upon receiving full payment.

(**) The balance is the outstanding amount of advance from the Company to ACEB Estate development Co., Ltd according to the contract for an investment into an apartment building. The advances were made in USD with total of USD 1,000,000. This was advanced for investment and will be repaid or due within the next twelve months.

17. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS

Movements of property and equipment for the six-month period ended 30 June 2025 are as follows:

	Vehicles *LAK*	*Furniture and fixtures* *LAK*	*Computer equipment* *LAK*	*Total* *LAK*
Cost				
As at 1 January 2025	8,960,635,143	2,790,819,447	9,617,526,416	21,368,981,006
Additions	730,524,000	282,826,267	1,786,426,384	2,799,776,651
As at 30 June 2025	9,691,159,143	3,073,645,714	11,403,952,800	24,168,757,657
Accumulated depreciation				
As at 1 January 2025	5,592,943,120	1,358,727,491	5,601,889,075	12,553,559,686
Charge for the period	572,035,733	222,347,168	785,859,628	1,580,242,529
As at 30 June 2025	6,164,978,853	1,581,074,659	6,387,748,703	14,133,802,215
Net book value				
As at 1 January 2025	3,367,692,023	1,432,091,956	4,015,637,340	8,815,421,319
As at 30 June 2025	3,526,180,290	1,492,571,055	5,016,204,097	10,034,955,442

17. PROPERTY AND EQUIPMENT AND RIGHT-OF-USE ASSETS (continued)

Movements of property and equipment for the year ended 31 December 2024 are as follows:

	Vehicles	*Furniture and fixtures*	*Computer equipment*	*Right of use assets*	*Total*
	LAK	*LAK*	*LAK*	*LAK*	*LAK*
Cost					
As at 1 January 2024	8,229,669,143	2,104,365,191	7,273,917,218	3,849,194,340	21,457,145,892
Additions	730,966,000	686,454,256	2,343,609,197	-	3,761,029,453
Written off/termination	-	-	-	(3,849,194,340)	(3,849,194,340)
As at 31 Dec 2024	8,960,635,143	2,790,819,447	9,617,526,415	-	21,368,981,005
Accumulated depreciation					
As at 1 January 2024	4,737,846,412	858,264,099	4,492,773,135	2,171,476,008	12,260,359,654
Charge for the year 2024	855,096,708	500,463,392	1,109,115,940	1,677,718,332	4,142,394,372
Written off/termination	-	-	-	(3,849,194,340)	(3,849,194,340)
As at 31 Dec 2024	5,592,943,120	1,358,727,491	5,601,889,075	-	12,553,559,686
Net book value					
As at 1 January 2024	3,491,822,731	1,246,101,092	2,781,144,083	1,677,718,332	9,196,786,238
As at 31 Dec 2024	3,367,692,023	1,432,091,956	4,015,637,340	-	8,815,421,319

Movements of property and equipment for the six-month period ended 30 June 2024 are as follows:

	Vehicles	*Furniture and fixtures*	*Computer equipment*	*Right of Use assets*	*Total*
	LAK	*LAK*	*LAK*	*LAK*	*LAK*
Cost					
As at 1 January 2024	8,229,669,143	2,104,365,191	7,273,917,218	3,849,194,340	21,457,145,892
Additions	-	655,383,027	111,727,900	4,160,368,320	4,927,479,247
As at 30 June 2024	8,229,669,143	2,759,748,218	7,385,645,118	8,009,562,660	26,384,625,139
Accumulated depreciation					
As at 1 January 2024	4,737,846,412	858,264,099	4,492,773,135	2,171,476,008	12,260,359,654
Charge for the period	427,548,354	255,296,754	542,742,402	2,470,766,321	3,696,353,831
As at 30 June 2024	5,165,394,766	1,113,560,853	5,035,515,537	4,642,242,329	15,956,713,485
Net book value					
As at 1 January 2024	3,491,822,731	1,246,101,092	2,781,144,083	1,677,718,332	9,196,786,238
As at 30 June 2024	3,064,274,377	1,646,187,365	2,350,129,581	3,367,320,331	10,427,911,654

18. BORROWINGS

Lender	*30 June 2025 LAK*	*31 December 2024 LAK*
Rashid Hussein Bank Co., Ltd, Vientiane branch	20,884,851,086	18,716,101,993
Banque Pour Le Commerce Exterieur Lao Public	59,486,576,132	58,800,000,000
Kasikornthai Bank Sole Limited, Vientiane branch	79,704,598,450	80,471,000,000
Independence Limited Co.	42,954,150,946	-
	203,030,176,614	**157,987,101,993**
In which:		
Current portion	*139,191,174,582*	*139,271,000,000*
Non-current portion	*63,839,002,032*	*18,716,101,993*

Details of the borrowings as at 30 June 2025 are as follows:

Lender	*Start date*	*End date*	*Currency*	*Balance in OC*	*Equivalent LAK*	*Interest rate % per annum*
BCEL	22-Nov-24	1-Nov-25	LAK	58,800,000,000	59,486,576,132	9.56%
RHB	7-Apr-23	7-Apr-29	LAK	5,746,248,378	5,346,299,191	7.00%
RHB	19-May-23	19-May-29	LAK	5,855,555,416	5,685,663,325	7.00%
RHB	19-Jan-23	19-Jan-29	LAK	5,418,557,011	5,780,248,098	7.00%
RHB	10-Jan-25	10-Feb-27	LAK	4,047,947,221	4,072,640,472	11.00%
K bank	9-May-25	8-Jul-25	LAK	5,000,000,000	5,001,468,986	12.00%
K bank	16-May-25	8-Jul-25	LAK	2,000,000,000	2,000,576,071	12.00%
K bank	20-May-25	8-Jul-25	LAK	8,000,000,000	8,002,274,470	12.00%
K bank	21-May-25	8-Jul-25	LAK	2,000,000,000	2,000,566,632	12.00%
K bank	23-May-25	8-Jul-25	LAK	2,000,000,000	2,000,562,486	12.00%
K bank	3-Jun-25	1-Aug-25	LAK	60,699,300,000	60,699,149,805	12.00%
Independence Limited Co.	13-Jun-25	30-Jun-32	USD	2,006,521	42,954,150,946	7.00%
					203,030,176,614	

19. STATUTORY OBLIGATIONS

	30 June 2025 LAK	*31 December 2024 LAK*
Profit tax (*)	194,121,155,469	164,604,203,700
Personal income taxes	489,956,437	527,432,193
Other	17,119,623,448	15,311,510,678
	211,730,735,354	**180,443,146,571**

(*) Detail of profit tax payable are as follow:

	30 June2025 LAK	*31 December 2024 LAK*
Profit tax up to 2020 (i)	57,480,815,245	57,480,815,245
Profit tax of 2021 (ii)	16,661,197,099	16,661,197,099
Profit tax of 2022 (iii)	9,799,578,882	9,799,578,882
Profit tax of 2023 (iv)	30,624,451,874	30,624,451,874
Profit tax of 2024 (v)	50,038,160,600	50,038,160,600
Profit tax of current period (vi)	29,516,951,769	-
	194,121,155,469	**164,604,203,700**

19. STATUTORY OBLIGATIONS (continue)

(i) Up to 2020 the difference of profit tax payable between the amount recognized in the financial statements and the Tax Inspection Conclusion based on the Tax Inspection Minutes by the Tax Authority on the tax inspection results for the years 2015 – 2020 is 57.5 billion LAK.

(ii) In the year 2021 the difference of profit tax payable between the amount recognized in the financial statements and the Tax Inspection Conclusion based on the Tax Inspection Minutes by the Tax Authority on the tax inspection results for the years 2021 is 16.7 billion LAK.

(iii) In the year 2022 the difference of profit tax payable between the amount recognized in the financial statements and the tax declared and paid for the years 2022 is LAK 9.8 billion.

(iv) In the year 2023 the difference of profit tax payable between the amount recognized in the financial statements and the tax declared and paid for the years 2023 is LAK 30.6 billion.

(v) In the year 2024 the profit tax payable arising from to LAK 50.04 billion. During 2024, the company is not yet inspected by the Tax Authority and the Company has not yet paid any tax expense for financial year 2024.

(vi) In the year 2025 the profit tax payable arising from 6 months 2025 tax profit is LAK 29.5 billion. During 2024, the company is not yet inspected by the Tax Authority.

The tax returns filed by the Company are subject to examination by the tax authorities. As the application of tax laws and regulations is susceptible to varying interpretations, the amounts reported in the financial statements could change at a later date upon final determination by the tax authorities.

20. PROFIT TAX

Current profit tax

The major components of income tax expense for the six-month period ended 30 June 2025 and 30 June 2024 are:

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Current profit tax:		
Current income tax charge	30,807,204,119	50,723,477,831
Adjustment in respect of others	(1,290,252,350)	(19,638,148,880)
Income tax expense reported in the interim statement of profit or loss	**29,516,951,769**	**31,085,328,951**

In accordance with the Law on Profit Tax No.67/NA dated 18 June 2019, which is effective for the periods from 1 January 2020, profit tax ("PT") rate at 13% applies to the listed companies in LSX for a period of four years commencing from listed date and at 20% for the subsequent years. According to the tax rate applicable for the six-month period ending 30 June 2025 is 20% and for the six-month period ended 30 June 2024 is 20%.

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.

21. EARNINGS PER SHARE

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

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

	30 June 2025 LAK	*30 June 2024 LAK*
Profit attributable to ordinary equity holders	79,519,068,827	167,532,060,202
Weighted average number of ordinary shares	301,500,000	301,500,000
Earnings per share	264	556

There is no dilution factor at the end of the periods, the Company does not calculate and present Diluted earnings per share.

22. PAID UP CAPITAL

22.1 Ordinary shares

	30 June 2025		*31 December 2024*	
	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 2025		*31 December 2024*	
	Total (LAK)	*Number of ordinary shares*	*Total (LAK)*	*Number of ordinary shares*
O International Ltd. (i)	803,300,000	8,033,000	803,300,000	8,033,000
LALCO Holdings Pte Ltd. (ii)	23,617,480,000	236,174,800	23,617,480,000	236,174,800
Plumeria Investment Ltd (iii)	5,415,510,000	54,155,100	5,415,510,000	54,155,100
Other public investors	313,710,000	3,137,100	313,710,000	3,137,100
	30,150,000,000	**301,500,000**	**30,150,000,000**	**301,500,000**

22. PAID UP CAPITAL (continued)

22.1 Ordinary shares (continued)

(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.

(iii) Plumeria Investments Ltd. is a limited liability company incorporated in Cayman Islands in accordance with Company Registration No. 320262 issued on February 2017. The principal business operations of the Plumeria Investments Ltd. are investment holding and provision of consulting and financing services.

22.2 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).

23. 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.

Related parties	*Relationship*
► O International Ltd.	Shareholder
► Pawn shop number one Individual Enterprise	Affiliate
► Lao Thongkeo leasing Company Limited	Owned by the Chief Operating Officer
► Lalco Trading., Ltd	Owned by the General Director
► Asiamax company Ltd	Affiliate
► Mine Export-Import Co.,Ltd	Affiliate

23. RELATED PARTY TRANSACTIONS (continued)

23.1 Significant transactions with related parties

Related parties	*Transactions*	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
Pawn Shop Number One Individual Enterprise	Payment on behalf of the related party	32,740,357	12,496,671,134
O International Ltd.	Advance to related party	9,547,331,105	62,611,480,737
Lalco Trading., Ltd	Payment on behalf of the related party	2,535,105,764	(969,394,000)
Asiamax Company Ltd	Advance to related party	10,465,910,448	-
Mine Export-Import Co.,Ltd	Advance to related party	7,706,880,000	-

23.2 Significant balances with related parties

23.2.1 Advance to related parties (Note 16)

	30 June 2025 LAK	*31 December 2024 LAK*
Pawn Shop Number One Individual Enterprise	129,937,232,728	129,904,492,371
Asiamax Company Ltd	15,449,263,248	4,983,352,800
O International Ltd.	9,547,331,105	-
Mine Export-Import Co.,Ltd	7,706,880,000	-
Lalco Trading., Ltd	7,067,587,363	4,532,481,598
	169,708,294,444	**139,420,326,769**

23.2.2 Advance from related parties

	30 June 2025 LAK	*31 December 2024 LAK*
Lao Thongkeo Leasing Company Limited	701,558,201	555,198,435
	701,558,201	**555,198,435**

24. 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.

25. 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 position.

On the assumption 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 increased 0.3%	*Exchange rate decreased 0.3%*
USD	4,948,098,221	(4,948,098,221)
THB	863,846,387	(863,846,387)
JPY	553,654	(553,654)
Total	**5,812,498,261**	**(5,812,498,261)**

26. 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-interest bearing LAK*
ASSETS						
Cash and cash equivalents	78,267,864,263	-	-	-	-	78,267,864,263
Due from banks	153,699,518,749	-	151,730,618,749	-	-	1,968,900,000
Hire purchase receivables (*)	1,863,105,328,054	393,910,348,973	487,731,385,860	981,037,453,889	426,139,332	-
Other financial assets	177,595,429,804	-	177,595,429,804	-	-	-
TOTAL ASSETS	**2,272,668,140,870**	**393,910,348,973**	**817,057,434,413**	**981,037,453,889**	**426,139,332**	**80,236,764,263**
LIABILITIES						
Borrowings	203,030,176,614	79,704,598,450	59,486,576,132	63,839,002,032	-	-
Other financial liabilities	701,558,201	701,558,201	-	-	-	-
TOTAL LIABILITIES	**203,731,734,815**	**80,406,156,651**	**59,486,576,132**	**63,839,002,032**	**-**	**-**
NET INTEREST SENSITIVITY GAP	**2,068,936,406,055**	**313,504,192,322**	**757,570,858,281**	**917,198,451,857**	**426,139,332**	**80,236,764,263**

(*) This excludes allowance for impairment losses

Assuming that all other variables unchanged, the fluctuation in interest rates as at 30 June 2025 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	5,584,052,401
- 100 bps	(5,584,052,401)

27. 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 date.

	Book value LAK	*Up to 3 months* LAK	*From 3 to 12 months* LAK	*From 1 to 5 years* LAK	*Over 5 years* LAK
ASSETS					
Cash and cash equivalents	78,267,864,263	78,267,864,263	-	-	-
Due from banks	153,699,518,749	1,968,900,000	151,730,618,749	-	-
Hire purchase receivables (*)	1,863,105,328,054	393,910,348,973	487,731,385,860	981,037,453,889	426,139,332
Other financial assets	177,595,429,804	-	177,595,429,804	-	-
TOTAL ASSETS	**2,272,668,140,870**	**474,147,113,236**	**817,057,434,413**	**981,037,453,889**	**426,139,332**
LIABILITIES					
Borrowings	203,030,176,614	79,704,598,450	59,486,576,132	63,839,002,032	-
Other financial liabilities	701,558,201	701,558,201	-	-	-
TOTAL LIABILITIES	**203,731,734,815**	**80,406,156,651**	**59,486,576,132**	**63,839,002,032**	**-**
NET LIQUIDITY GAP	**2,068,936,406,055**	**393,740,956,585**	**757,570,858,281**	**917,198,451,857**	**426,139,332**

(*) 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.

28. 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 companies 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. The limits are set to minimize 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.

28.1 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 overdue 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*	*Lifetime PD range*
0 DPD	Stage 1	2.32% - 18.09%	-
1 - 89 DPD	Stage 2	-	19.86% - 37.52%
90+ DPD	Stage 3	-	100.00%

28. 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 Hire purchase receivable, the Company assesses the possible default events within 12 months for the calculation of the 12mECL. However, if a Stage 1 Hire purchase receivable 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 Hire purchase receivables, 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.

29. 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 2025 *LAK*	*31 December 2024* *LAK*
Total liabilities	418,207,644,626	342,421,255,895
Less: Cash	(78,267,864,263)	(101,609,825,868)
Net debt (A)	339,939,780,363	240,811,430,027
Equity	1,496,875,494,947	1,417,356,426,120
Capital plus net debt (B)	1,836,815,275,310	1,658,167,856,147
Gearing ratio (A/B)	19%	15%

30. 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 interim 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	78,267,864,263	78,267,864,263	-	-	78,267,864,263
Due from banks	153,699,518,749	153,699,518,749	-	-	153,699,518,749
Hire purchase receivables (*)	1,487,125,456,297	-	-	1,487,125,456,297	1,487,125,456,297
Other financial assets	177,595,429,804			177,595,429,804	177,595,429,804
	1,896,688,269,113	**231,967,383,012**	**-**	**1,664,720,886,101**	**1,896,688,269,113**
Financial liabilities					
Borrowings	203,030,176,614	-	-	203,030,176,614	203,030,176,614
Other financial liabilities	701,558,201	701,558,201	-	-	701,558,201
	203,731,734,815	**701,558,201**	**-**	**203,030,176,614**	**203,731,734,815**

(*) This includes allowance for impairment losses
There have been no transfers between fair value levels during the reporting period.

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

	30 June 2025 *LAK*	*30 June 2024* *LAK*
United State dollar ("USD")	21,408.00	21,999.00
Thai baht ("THB")	657.26	674.18
	149.04	135.11

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 2025 that requires adjustment or disclosure to be made in the interim financial statements of the Company.

Mr. Yoshihito Oshima
General Director

Ms. Nguyen Thi Huong Mai
Preparer

Vientiane Capital, Lao PDR

11 February 2026