MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)

AS AT AND FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2022

MAHATHUEN LEASING PUBLIC COMPANY

GENERAL INFORMATION

The management of Mahathuen Leasing Public Company ("the Company") presents its report and the Company's interim financial statement for the nine-month period ended September 30,2022.

STATEMENT OF THE MANAGEMENT' RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The company's management is responsible for the preparation of the interim financial statements which have been prepared in accordance with the accounting policies as described in the interim financial statement. These accounting policies are not intended to present the financial position, the results of operations and the cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those interim financial statements, the Company's management is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the interim financial statement on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Company's management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the financial position of the Company and for ensuring that the interim financial statements comply with the selected accounting policies. It is also responsible for safeguarding the assents of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company's management has confirmed that the Company has complied with the above requirements in preparing the accompanying interim financial statements.

APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

We hereby approve the accompanying interim financial statements for the nine-month period ended September 30,2022, which are prepared in accordance with the accounting policies as described in the interim financial statements.

On behalf of the Company's management

MAHATHUEN LEASING PUBLIC COMPANY

Manop Tririthvilai
Chief Executive Officer
November 3,2022

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Assets			
Current assets			
Cash and cash equivalents	4	14,322,563,777	13,057,187,126
Current portion of finance lease receivables and installment loan receivables, net	5	50,518,812,099	47,696,091,192
Asset held for sale, net	6	203,096,323	262,786,334
Other current assets	7	958,644,046	503,095,189
Total current assets		**66,003,116,245**	**61,519,159,841**
Non- current assets			
Restricted cash reserved for borrowing guaranteed	8	2,000,000,000	-
Cash deposit at Bank of Lao PDR		2,000,002,700	2,000,002,700
Finance lease receivables and installment loan receivables, net	5	34,876,480,418	32,091,186,121
Property and equipment, net	9	702,943,946	939,382,351
Intangible assets, net	10	148,576,091	205,780,698
Other non current assets		83,380,976	174,497,244
Total non-current assets		**39,811,384,131**	**35,410,849,114**
Total assets		**105,814,500,376**	**96,930,008,955**

Mr Manop Tririthvilai
Chief Executive Officer
Date: 3 November 2022

M.L Thongthawal Thongtham
Chief Financial Officer
Date: 3 November 2022

The accompanying notes on pages 6 to 14 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Notes	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	11	3,104,242,515	4,580,752,344
Income tax payable		2,415,133,959	2,041,935,197
Long-term borrowings-current portion	12	21,407,986,929	-
Other current liabilities		46,316,263	44,011,600
Total current liabilities		**26,973,679,666**	**6,666,699,141**
Non-current liabilities			
Long-term borrowings	12	9,418,840,886	17,894,400,000
Other non-current liabilites		220,075,000	217,250,000
Total non-current liabilities		**9,638,915,886**	**18,111,650,000**
Total liabilities		**36,612,595,552**	**24,778,349,141**
Equity			
Share capital		40,000,000,000	40,000,000,000
Share premium		12,832,667,550	12,832,667,550
Retained earnings			
Appropriated legal reserve		4,785,832,107	4,785,832,107
Unappropriated		11,583,405,167	14,533,160,157
Total equity		**69,201,904,824**	**72,151,659,814**
Total liabilities and equity		**105,814,500,376**	**96,930,008,955**

Mr Manop Trirthvilai
Chief Executive Officer

Date: 3 November 2022

M.L Thongthawal Thongtham
Chief Financial Officer

Date: 3 November 2022

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2022

	Note	Unaudited 1 July - 30 September 2022 LAK	Unaudited 1 July - 30 September 2021 LAK
Interest from finance lease and installment loans		7,602,364,887	6,585,268,972
Total revenue		**7,602,364,887**	**6,585,268,972**
Other income		441,255,786	310,664,587
Administrative expenses		(3,270,648,979)	(3,631,209,787)
Doubtful accounts and bad debt expenses		(466,535,945)	(357,517,148)
Net loss on foreign exchange rate	13	(2,556,611,085)	(423,579,136)
Operating profit		**1,749,824,664**	**2,483,627,488**
Finance expense		(997,468,024)	(505,293,850)
Net profit before income tax expenses		**752,356,640**	**1,978,333,638**
Income tax expense	15	(699,524,381)	(354,966,758)
Net profit for the period		**52,832,259**	**1,623,366,880**
Earnings per share			
Basic earnings per share	16	0.13	4.06

Mr.Manop Tririthvilai
Chief Executive Officer

Date: 3 November 2022

M.L Thongthawal Thongtham
Chief Financial Officer

Date: 3 November 2022

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2022

	Note	Share capital LAK	Share Premium LAK	Retained earnings: Appropriated Legal Reserve LAK	Retained earnings: Unappropriated LAK	Total LAK
As at 1 July 2021		40,000,000,000	12,832,667,550	4,026,672,320	12,245,242,896	69,104,582,766
Profit for the period	16	-	-	-	1,623,366,880	1,623,366,880
As at 30 September 2021		**40,000,000,000**	**12,832,667,550**	**4,026,672,320**	**13,868,609,776**	**70,727,949,646**
As at 1 July 2022		40,000,000,000	12,832,667,550	4,785,832,107	11,530,572,908	69,149,072,565
Profit for the period	16	-	-	-	52,832,259	52,832,259
As at 30 September 2022		**40,000,000,000**	**12,832,667,550**	**4,785,832,107**	**11,583,405,167**	**69,201,904,824**

Mr.Manop Tririthvilai
Chief Executive Officer

Date: 3 November 2022

M.L Thongthawal Thongtham
Chief Financial Officer

Date: 3 November 2022

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2022

	Note	Unaudited 1 July - 30 September 2022 LAK	Unaudited 1 July - 30 September 2021 LAK
Cash flows from operating activities:			
Profit before income tax expense		752,356,640	1,978,333,638
Adjustments to reconcile net profit to net cash			
Bad debts and doubtful accounts		466,535,945	357,517,148
Amortisation of deferred commission expenses		867,733,386	968,159,301
Impairment loss of asset held for sale		(5,000,000)	(48,750,000)
Depreciation		140,213,596	124,394,943
Interest expenses		997,468,024	505,293,850
Unrealisation loss on exchange rate		2,375,789,612	407,983,954
Operating gain before working capital changes		**5,595,097,203**	**4,292,932,834**
Changes in working capital:			
Finance lease receivables and installment loan receivables		(411,838,076)	(1,128,658,141)
Asset held for sale		21,914,730	406,540,382
Other current and non-current assets		(283,069,161)	(77,120,538)
Trade and other payables		957,903,690	(264,164,205)
Other current liabilities		4,608,243	80,255
Other non-current liabilites		(5,625,000)	19,750,000
Cash generated from operation		**5,878,991,629**	**3,249,360,587**
Commission expense paid		(591,356,560)	(908,350,000)
Interest paid		(1,000,253,784)	(505,293,850)
Income tax paid		(459,383,569)	(440,000,000)
Net cash generated from/(used in) operating activities		**3,827,997,716**	**1,395,716,737**
Cash flows from investing activities:			
Acquisitions of property ,equipment and intangible		(62,967,060)	(103,687,150)
Net cash used in investing activities		**(62,967,060)**	**(103,687,150)**
Cash flows from financing activities:			
Proceeds from borrowings		-	4,083,200,000.00
Repayment of borrowings		(371,434,743)	-
Net cash from (used in) financing activities		**(371,434,743)**	**4,083,200,000**
Net decrease in cash and cash equivalents		**3,393,595,913**	**5,375,229,587**
Cash and cash equivalents at the beginning of the period		10,925,398,148	4,634,812,131
Exchange gains/(losses) on cash and cash equivalents		3,569,716	16,277,883
Cash and cash equivalents at the end of the period	4	**14,322,563,777**	**10,026,319,601**

Mr Manop Trirthvilai
Chief Executive Officer

Date: 3 November 2022

M.L Thongthawal Thongtham
Chief Financial Officer

Date: 3 November 2022

The accompanying notes on pages 6 to 14 from part of these financial information

1 General information

Mahathuen Leasing Public Company (the Company) is a listed company in the Lao Securities Exchange and incorporated and resident in Lao PDR. The Company was incorporate and registered with the Ministry of Industry and Commerce on 2 September 2011. The Company commenced the operations after obtaining a license from Bank of the Lao PDR (BOL) on 11 September 2012.

On 13 September 2018 the Company was approved for offering its shares for initial public offering by Lao Securities and Commission Office.

The Company's head office is located at 628, Phonphanao Village, KM5, Kaisonphomvihan Road, Xaysettha District, Vientiane capital, Lao PDR.

The principal activities of the Company are to retail finance business through providing credit lines for individual customers to buy motorcycle and tractors.

The interim financial information was authorised by Directors on 3 November 2022.

2 Basis of preparation and accounting policies

The interim financial information has been prepared in accordance with the Company's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2021. The primary financial information (i.e. statement of financial position, statement of income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2021.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current events and actions, actual results may materially differ from those estimates.

3 Estimates

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

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2021.

4 Cash and cash equivalents

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Cash on hand	30,261,080	41,035,623
Cash at banks	14,292,302,697	13,016,151,503
Total	**14,322,563,777**	**13,057,187,126**

5 Finance lease and instalment loan receivables, net

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Current		
Current portion of finance lease receivables	1,289,149,966	1,142,390,791
Current portion of installment loan receivables	53,350,526,266	49,443,374,420
	54,639,676,232	**50,585,765,211**
Add Initial direct cost	1,249,119,792	1,366,237,006
Less allowance for doubtful accounts	(5,369,983,925)	(4,255,911,025)
	50,518,812,099	**47,696,091,192**
Non-current		
Finance lease receivables	533,401,809	323,369,606
Installment loan receivables	33,904,968,135	31,017,898,812
	34,438,369,944	**31,341,268,418**
Add Initial direct cost	1,135,740,890	1,293,716,612
Less allowance for doubtful accounts	(697,630,416)	(543,798,909)
	34,876,480,418	**32,091,186,121**
Total	**85,395,292,517**	**79,787,277,313**

5 Finance lease and instalment loan receivables, net (continued)

As at 30 September 2022, financial lease and instalment loan receivables, can analyse aging as follows:

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Not yet due	68,676,525,552	59,043,910,017
1 - 3 months	13,372,289,132	16,691,343,418
4 - 6 months	1,033,905,941	1,812,386,831
7 - 12 months	1,693,361,013	1,394,089,145
Over 12 months	4,301,964,538	2,985,304,218
	89,078,046,176	**81,927,033,629**
Add Initial direct cost	2,384,860,682	2,659,953,618
Less allowance for doubtful accounts	(6,067,614,341)	(4,799,709,934)
Total	**85,395,292,517**	**79,787,277,313**

6 Asset held for sale, net

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Motorcycles	221,846,323	291,536,334
Less allowance for diminution in value of assets	(18,750,000)	(28,750,000)
Total	**203,096,323**	**262,786,334**

7 Other current assets

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Prepaid expenses - Current portion	384,169,203	449,969,869
Advance payments	508,638,070	42,757,320
Value-added tax receivable	33,990,426	-
Others	31,846,347	10,368,000
Total	**958,644,046**	**503,095,189**

8 Restricted cash reserved for borrowing guarantee

Restricted cash present fixed deposit of LAK 1,500 million and minimum LAK 500 million of current account are the guarantee reserve for the borrowing with BFL through the borrowing contract period (note 12).

9 Property and equipment, net

	LAK
As at 1 January 2022 – Audited	939,382,351
Additions	120,374,387
Less: depreciation	(356,812,792)
Net book amount as at 30 September 2022 – Unaudited	**702,943,946**

10 Intangible assets, net

	LAK
As at 1 January 2022 – Audited	205,780,698
Additions	-
Less: amortisation	(57,204,607)
Net book amount as at 30 September 2022 – Unaudited	**148,576,091**

11 Trade and other payables

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Trade payables	1,963,253,500	2,727,309,000
Accrued expenses	1,081,012,024	1,451,698,670
Trade payables – related parties (Note 17)	-	313,206,000
Other payables – related parties (Note 17)	-	38,750,000
Other tax payable	59,976,991	49,788,674
Total	**3,104,242,515**	**4,580,752,344**

12 Borrowings

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Current	21,407,986,929	-
Non-current	9,418,840,886	17,894,400,000
Total	**30,826,827,815**	**17,894,400,000**

The movements of borrowings for the nine-month period ended 30 September 2022 is as follows:

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Opening balance	17,894,400,000	11,936,400,000
Addition	5,000,000,000	4,083,200,000
Repayment	(614,772,185)	-
Loss on exchange	8,547,200,000	1,874,800,000
Ending balance	**30,826,827,815**	**17,894,400,000**

On 31 March 2022, the Company entered into Contract for Credit Facilities with Banque France Lao Limited (BFL) amounting LAK 5 billion with term 3 years and interest 9% per annum, interest and principal repayment on monthly, start from 8 May 2022 to 8 April 2025.

This borrowing is secured by the fix deposit and current bank account balance through the contract period (note 8).

13 Net loss on foreign exchange rate

During the nine-month period ended 30 September 2022, Lao Kip (LAK) was depreciating when compare with US Dollars. Therefore, there was significant unrealise loss on exchange rate from long-term borrowing in US Dollar.

14 Dividends

At the Annual General Shareholder's Meeting for the year 2020 on 27 April 2021, shareholders approved the payment of annual dividend from net profit 12 months period ended 31 December 2020 at LAK 155 per share, totalling LAK 6,200 million and appropriate its net income to legal reserve amounting LAK 774,478,318.

At the Annual General Shareholder's Meeting for the year 2021 on 28 April 2022, shareholders approved the payment of annual dividend from net profit 12 months period ended 31 December 2021 at LAK 57 per share (before split the par value from 1000 per share to 100 per share) or at LAK 5.7 per share (After split the par value), totalling LAK 2,280 million and appropriate its net income to legal reserve amounting LAK 759,159,787.

15 Income tax expenses

The Company has been granted the privileges under the Tax Law of Lao PDR by reducing 5% of the profit tax rate from the normal rate for four years from the date of registration on the Lao Securities Exchange (The date of registration of the Company is 13 September 2018).

According to the Tax Law no. 259 effective on 1 January 2020, the Company calculated Profit taxes on its net taxable income at the rate of 13% tax privilege for listed Company after considering the non-deductible income and expenses was in accordance with the Lao Tax Law. This rate is valid until the year ended 31 December 2021 and the rate 20% is applicable from 1 January 2022 onward.

In Lao PDR, income tax returns are regularly reviewed in detail by the relevant authorities. In addition, tax issues raised in the reviews may require substantive judgements and interpretation by the parties concerned.

The reviews could therefore potentially result additional tax payments or refunds being necessary which may be significant. This would result in the payment or refund being recognised as income tax adjustment in the year in which the reviews are completed.

16 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares as follows:

	Unaudited 1 July – 30 September	
	2022 LAK	**2021 LAK**
Net profit attributable to ordinary shareholders (LAK)	52,832,258	1,623,366,880
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	0.13	4.06

17 Related-party transactions

a) Transactions with related parties

Transactions with related parties for the three-month of quarter III period ended 30 September, are as follows:

	Unaudited 1 July – 30 September	
	2022 LAK	**2021 LAK**
Purchases of goods and services from:		
Mahathun Holding Co., Ltd.		
Guarantee expense	817,348,058	459,702,473
	817,348,058	**459,702,473**
Other related parties*		
Purchase of leasing assets	-	1,255,300,000
Commission expense	-	71,250,000
Other expense	-	25,110,000
	-	**1,351,660,000**
Total	**817,348,058**	**1,811,362,473**

17 Related-party transactions (continued)

* Other related parties represent the transaction between the Company and the supplier whose owner is one Board of Director of the Company. The Board of directors resigned on 28 April 2022. According to the related party regulation issued by LSCO dated 26 October 2016, that supplier is not considered as a related party.

b) Outstanding balances arising from sales/purchases of goods/services

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Payables:		
Other related parties*		
Trade payable	-	313,206,000
Other payable	-	38,750,000
Total	-	**351,956,000**

*According to a) above therefore 29 April 2022 onward transaction and outstanding balance from this supplier will present under trade payables.

c) Key management compensation

Compensation paid to key management are as follow:

	Unaudited 1 July - 30 September	
	2022 LAK	2021 LAK
Salaries and others	210,750,000	202,750,000

18 Commitments

Operating lease commitments

The Company has commitment under long-term lease for office space

As at 30 September 2022 and 31 December 2021, operating lease commitment contracted but not recognised as liabilities is as follow:

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Within one year	276,979,834	126,981,858
Over 1 year but nit over 5 years	1,499,042,141	1,340,322,412
Over 5 years	-	31,006,070
Total	**1,776,021,975**	**1,498,310,340**

19 Subsequent events

There have been no significant post balance sheet events that would significantly impact the figures in the Company's interim financial information.