MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

pwc

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Mahathuen Leasing Public Company

We have reviewed the interim financial information of Mahathuen Leasing Public Company (the Company), which comprises of the financial position as at 30 June 2024, the related statements of income, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting policies as described in Note 2 to the interim financial information. 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 the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with the accounting policies as described in Note 2 to the interim financial information.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By Apisit Thiengtrongpinyo
Partner

Vientiane Capital, Lao PDR
Date: 8 August 2024

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Assets			
Current assets			
Cash and cash equivalents	5	966,604,347,050	904,775,929,399
Current portion of finance lease receivables and installment loan receivables, net	6	59,256,441,365	63,329,837,434
Asset held for sale, net	7	109,600,410	155,406,395
Other current assets	8	1,684,842,048	1,656,496,861
Total current assets		**1,027,655,230,873**	**969,917,670,089**
Non- current assets			
Restricted cash reserved for borrowing guaranteed	9	-	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	6	19,370,878,299	22,893,804,241
Property and equipment, net	10	674,905,965	719,445,435
Intangible assets, net	11	14,889,135	52,921,342
Other non current assets		123,044,510	7,647,059
Total non-current assets		**22,183,720,609**	**27,673,820,777**
Total assets		**1,049,838,951,482**	**997,591,490,866**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

The accompanying notes on pages 8 to 16 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	Notes	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	12	7,736,821,664	6,968,095,441
Income tax payable		1,184,230,835	713,016,274
Short-term and long-term borrowings			
- current portion	13	962,256,000,000	908,805,460,751
Other current liabilities		52,875,033	50,616,491
Total current liabilities		**971,229,927,532**	**916,537,188,957**
Non-current liabilities			
Long-term borrowings	13	-	625,359,032
Other non-current liabilites		218,525,000	193,075,000
Total non-current liabilities		**218,525,000**	**818,434,032**
Total liabilities		**971,448,452,532**	**917,355,622,989**
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		5,822,252,913	5,822,252,913
Unappropriated		19,735,578,487	21,580,947,414
Total equity		**78,390,498,950**	**80,235,867,877**
Total liabilities and equity		**1,049,838,951,482**	**997,591,490,866**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Interest from finance lease and installment loans		17,188,528,830	18,227,984,725
Other income	15	12,453,330,473	771,044,699
Total revenue		**29,641,859,303**	**18,999,029,424**
Administrative expenses	16	(12,470,264,239)	(9,462,432,229)
Doubtful accounts and bad debt expenses		(1,468,395,343)	(1,001,365,761)
Finance expense		(9,792,721,519)	(1,690,656,861)
Net loss on foreign exchange rate		(571,616,294)	(1,545,548,312)
Total operating expenses		**(24,302,997,395)**	**(13,700,003,163)**
Profit before income tax expenses		**5,338,861,908**	**5,299,026,261**
Income tax expense	18	(1,184,230,835)	-
Net profit for the period		**4,154,631,073**	**5,299,026,261**
Earnings per share			
Basic earnings per share	19	10.39	13.25

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Note	Share capital LAK	Share Premium LAK	Retained earnings: Appropriated Legal Reserve LAK	Retained earnings: Unappropriated LAK	Total LAK
As at 1 January 2023		40,000,000,000	12,832,667,550	4,890,597,270	13,196,046,626	70,919,311,446
Loss for the period		-	-	-	5,299,026,261	5,299,026,261
Dividends paid	17	-	-	-	-	-
As at 30 June 2023		**40,000,000,000**	**12,832,667,550**	**4,890,597,270**	**18,495,072,887**	**76,218,337,707**
As at 1 January 2024		40,000,000,000	12,832,667,550	5,822,252,913	21,580,947,414	80,235,867,877
Profit for the period		-	-	-	4,154,631,073	4,154,631,073
Dividends paid	17	-	-	-	(6,000,000,000)	(6,000,000,000)
As at 30 June 2024		**40,000,000,000**	**12,832,667,550**	**5,822,252,913**	**19,735,578,487**	**78,390,498,950**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Cash flows from operating activities:			
Profit before income tax expense		5,338,861,908	5,299,026,261
Adjustments to reconcile net profit to net cash			
Bad debts expenses		221,057,222	162,834,005
Allowance for doubtful accounts		1,247,338,121	838,531,756
Amortisation of deferred commission expenses		537,996,600	1,376,394,852
Impairment loss of asset held for sale		(6,250,000)	7,500,000
Depreciation and amortisation	10, 11	182,534,437	198,095,527
Interest expense		9,792,721,519	1,690,656,861
Unrealisation loss on exchange rate		388,090,432	825,502,365
Operating gain before working capital changes		**17,702,350,239**	**10,398,541,627**
Changes in working capital:			
Finance lease receivables and installment loan receivables		5,790,025,194	3,645,969,748
Asset held for sale		52,055,985	(134,323,958)
Other current and non-current assets		(143,742,638)	(225,886,705)
Trade and other payables		879,128,862	585,441,284
Other current liabilities		2,047,729	1,045,824
Other non-current liabilites		25,450,000	10,250,000
Cash generated from operation		**24,307,315,371**	**14,281,037,820**
Commission expense paid		(180,800,000)	(464,500,000)
Interest paid		(9,903,124,159)	(286,162,015)
Income tax paid		(713,016,274)	(2,541,872,732)
Net cash generated from operating activities		**13,510,374,938**	**10,988,503,073**

Mr Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

	Notes	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Cash flows from investing activities:			
Acquisitions of property and equipment	10	(99,962,760)	(190,759,690)
Restricted cash reserved for borrowing guarantee	9	2,000,000,000	-
Net cash from/(used in) investing activities		**1,900,037,240**	**(190,759,690)**
Cash flows from financing activities:			
Proceeds from borrowings	13	-	5,628,240,000
Repayments of borrowings	13	(2,391,219,783)	(22,819,118,655)
Dividends paid	17	(6,000,000,000)	-
Net cash used in financing activities		**(8,391,219,783)**	**(17,190,878,655)**
Net increase/(decrease) in cash and cash equivalents		**7,019,192,395**	**(6,393,135,272)**
Cash and cash equivalents at the beginning of the period		904,775,929,399	6,679,159,473
Exchange gains on cash and cash equivalents		54,809,225,256	32,637,136
Cash and cash equivalents at the end of the period	5	**966,604,347,050**	**318,661,337**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 8 August 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 8 August 2024

The accompanying notes on pages 8 to 16 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 June 2012.

On 13 June 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 gold, motorcycle and tractors.

The interim financial information was authorised by the Board of Directors on 8 August 2024.

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 2023. 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 2023.

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 2023.

4 Classification

Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results of operations. The revision has been made to the Statements of Income for period ended 30 June 2023, to present to the Statement of income to one-step format.

5 Cash and cash equivalents

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Cash on hand	15,939,939	38,921,900
Cash at banks	13,188,407,111	5,937,007,499
Fixed deposits with banks	953,400,000,000	898,800,000,000
Total	**966,604,347,050**	**904,775,929,399**

6 Finance lease and instalment loan receivables, net

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Current		
Current portion of finance lease receivables	888,806,620	1,087,689,299
Current portion of installment loan receivables	66,761,369,609	69,127,826,376
	67,650,176,229	**70,215,515,675**
Add Initial direct cost	311,942,217	521,345,223
Less allowance for doubtful accounts	(8,705,677,081)	(7,407,023,464)
	59,256,441,365	**63,329,837,434**
Non-current		
Finance lease receivables	53,293,420	168,286,430
Installment loan receivables	19,383,032,502	22,694,487,334
	19,436,325,922	**22,862,773,764**
Add Initial direct cost	178,309,804	326,103,399
Less allowance for doubtful accounts	(243,757,427)	(295,072,922)
	19,370,878,299	**22,893,804,241**
Total	**78,627,319,664**	**86,223,641,675**

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

As at 30 June 2024, financial lease and instalment loan receivables, can analyse aging as follows:

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Not yet due	66,308,703,980	73,759,785,934
1 – 3 months	10,098,907,148	10,186,010,761
4 – 6 months	1,703,878,386	1,498,171,269
7 – 12 months	1,945,487,282	1,755,817,947
Over 12 months	7,029,525,355	5,878,503,528
	87,086,502,151	**93,078,289,439**
Add Initial direct cost	490,252,021	847,448,622
Less allowance for doubtful accounts	(8,949,434,508)	(7,702,096,386)
Total	**78,627,319,664**	**86,223,641,675**

7 Asset held for sale, net

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Motorcycles	115,850,410	167,906,395
Less allowance for diminution in value of assets held for sale	(6,250,000)	(12,500,000)
Total	**109,600,410**	**155,406,395**

8 Other current assets

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Interest receivable from bank deposit	848,917,800	812,198,623
Prepaid expenses	481,747,286	742,151,185
Advance payment	132,726,000	28,776,000
Others	221,450,962	73,371,053
Total	**1,684,842,048**	**1,656,496,861**

9 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 guaranteed reserve for the borrowing with domestic commercial bank through the borrowing contract period (note 13). The loan was fully repaid on 13 March 2024 and the restricted cash was withdraw to cash and cash equivalent.

10 Property and equipment, net

	LAK
As at 1 January 2024 – Audited	719,445,435
Additions	99,962,760
Less: depreciation	(144,502,230)
Net book amount as at 30 June 2024 – Unaudited	**674,905,965**

11 Intangible assets, net

	LAK
As at 1 January 2024 – Audited	52,921,342
Additions	-
Less: amortisation	(38,032,207)
Net book amount as at 30 June 2024 – Unaudited	**14,889,135**

12 Trade and other payables

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Accrued expenses - related party (note 20)	4,650,071,248	4,760,473,887
Accrued expenses	1,893,314,202	2,011,288,365
Trade payables	1,049,336,000	98,668,000
Other tax payable	144,100,214	97,665,189
Total	**7,736,821,664**	**6,968,095,441**

13 Borrowings

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Current	962,256,000,000	908,805,460,751
Non-current	-	625,359,032
Total	**962,256,000,000**	**909,430,819,783**

13 Borrowings (continued)

The movements of borrowings for the six-month period ended 30 June 2024 is as follows:

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Opening balance	909,430,819,783	31,759,351,297
Addition	-	828,828,240,000
Repayment	(2,391,219,783)	(20,661,971,514)
Unrealised loss on exchange	55,216,400,000	69,505,200,000
Ending balance	**962,256,000,000**	**909,430,819,783**

The Company entered into a loan agreement with a financial institution in February 2020. The available term-loan facility in an aggregate amount of USD 3 million with interest rate 1.2% per annum and the repayment period of borrowing is 3 years start from each drawdown date. The borrowing was guaranteed by major shareholder.

As at 30 June 2024, the outstanding balance is USD 400,000 equivalents to LAK 8,856 million.

On 31 March 2022, the Company entered credit facilities contract with the domestic commercial bank 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 fixed deposit and current bank account balance through the contract period (note 9). The loan was fully repaid on 13 March 2024.

On 27 March 2023, the Company entered loan contract with the shareholder amounting USD 240,000 or equivalent to LAK 4,068 million with the term of 3 months and interest 13% per annum. The loan was fully repaid on 29 September 2023.

On 30 May 2023, the Company entered one-month loan contract with the related party amounting Baht 3 million or equivalent to LAK 1,560 million with interest 15% per annum. The loan was fully repaid on 29 June 2023.

The Company entered a loan contract with the related party in September 2023. The available loan facility in an aggregate amount of Baht 1,500 million with term 1 year and interest 2% per annum, interest payment on monthly, start from 20 September 2023 to 19 September 2024 (note 20). On 30 June 2024, the outstanding borrowing balance was 1,400 million Baht equivalent to LAK 953,400 million.

14 Net loss on foreign exchange rate

During the year, Lao Kip (LAK) was depreciating when compare with US Dollars and Baht. Therefore, there was significant unrealise loss on exchange rate from borrowing in US Dollar and Baht (note 13)

15 Other income

	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Interest income from bank deposits	11,483,675,121	113,609,449
Penalty - customers	878,886,345	639,851,515
Other	90,769,007	17,583,735
	12,453,330,473	**771,044,699**

16 Administrative expense

Administrative expense consists of the following nature:

	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Staff costs	7,398,509,511	5,504,358,197
Other taxes expense	940,669,580	28,562,873
Marketing and advertising expense	623,503,399	1,126,387,761
Other expenses	689,863,198	427,041,273
Audit and legal fee	574,853,480	452,588,700
Remuneration of managements	479,500,000	597,508,999
Travelling expense	570,327,761	418,311,204
Rental expense	385,738,029	320,955,937
Bank and other fees	331,119,160	175,944,260
Depreciation and amortisation	182,534,438	198,095,527
Office stationery	176,428,353	106,036,539
Utility expenses	117,217,330	106,640,959
	12,470,264,239	**9,462,432,229**

17 Dividends

At the Annual General Shareholder's Meeting for the year 2022 on 25 April 2023, shareholders approved that no payment for the operating result for the year ended 31 December 2022 due to the Company reserve the cash flow to repay the borrowing which due within the next six-month period and to support business expansion for the fiscal year 2023.

At the Annual General Shareholder's Meeting for the year 2023 on 25 April 2024, shareholders approved the payment of annual dividend from net profit 12 months period ended 31 December 2023 at LAK 15 per share, totalling LAK 6,000 million and appropriate its net income to legal reserve amounting LAK 931 million.

18 Income tax expenses

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.

Reconciliation between income tax expense and accounting profit for the period are as follow:

	LAK
Profit before income tax - accounting	
Tax effect of:	5,338,861,908
Other tax expense	200,451,837
Gain on reversal of allowance for diminution in value of assets held for sale	(6,250,000)
Net unrealised loss from exchange rate	388,090,429
Taxable income	**5,921,154,174**
Profit tax expense at the rate of 20%	1,184,230,835

19 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the period by weighted average of the ordinary shares.

	Unaudited 30 June 2024	**Unaudited 30 June 2023**
Net profit (Loss) attributable to ordinary shareholders (LAK)	4,154,631,073	5,299,026,261
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	10.39	13.25

20 Related-party transactions

a) Transactions with related parties

The significant transactions with related parties for the six-month period ended 30 June 2024 are as follows:

	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Others expense:		
Related party - interest expense	9,180,778,105	-
Shareholder - interest expense	-	148,213,881
Shareholder - guarantee expense	524,771,097	1,220,577,988
	9,705,549,202	**1,368,791,869**

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

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Other payables:		
Related party – interest payable (Note 12)	4,650,071,248	4,760,473,887
Short-term borrowing		
Related party (Note 13)	953,400,000,000	898,800,000,000

c) Key management compensation

Managements remuneration for the period are as follow:

	Unaudited 30 June 2024 LAK	Unaudited 30 June 2023 LAK
Short-term benefits (Note 16)	479,500,000	597,508,999

21 Commitments

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

Operating lease commitment contracted but not recognised as liabilities is as follow:

	Unaudited 30 June 2024 LAK	Audited 31 December 2023 LAK
Within one year	295,161,585	271,332,895
Over 1 year but not over 5 years	946,682,705	1,296,595,944
Total	**1,241,844,290**	**1,567,928,839**

22 Subsequent events

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