MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)

AS AT AND FOR THE NINE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2023

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 30,2023.

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 30,2023, which are prepared in accordance with the accounting policies as described in the interim financial statements.

On behalf of the Company's management

ບໍລິສັດ ມະຫະທຶນ ເຊົ່າສິນເຊື່ອ ມະຫາຊົນ MAHATHUEN LEASING PUBLIC COMPANY

Manop Tririthvilai

Chief Executive Officer

November 10,2023

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Notes	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Assets			
Current assets			
Cash and cash equivalents	4	830,715,387,733	6,679,159,473
Current portion of finance lease receivables and installment loan receivables, net	5	61,446,952,402	56,170,138,344
Asset held for sale, net	6	237,517,645	261,652,873
Other current assets	7	1,306,348,778	676,742,783
Total current assets		**893,706,206,558**	**63,787,693,473**
Non- current assets			
Restricted cash reserved for borrowing guaranteed	8	2,000,000,000	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	25,885,616,644	40,436,766,879
Property and equipment, net	9	681,789,261	649,599,179
Intangible assets, net	10	72,146,414	129,298,349
Other non current assets		11,454,548	57,683,513
Total non-current assets		**30,651,009,567**	**45,273,350,620**
Total assets		**924,357,216,125**	**109,061,044,093**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2023

	Notes	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	11	5,157,475,587	3,586,598,484
Income tax payable		110,922,422	2,541,872,732
Short-term and long-term borrowings			
- current portion	12	840,108,289,134	22,429,331,514
Other current liabilities		48,018,141	46,335,134
Total current liabilities		**845,424,705,284**	**28,604,137,864**
Non-current liabilities			
Long-term borrowings	12	1,082,151,752	9,330,019,783
Other non-current liabilites		218,075,000	207,575,000
Total non-current liabilities		**1,300,226,752**	**9,537,594,783**
Total liabilities		**846,724,932,036**	**38,141,732,647**
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		4,890,597,270	4,890,597,270
Unappropriated		19,909,019,269	13,196,046,626
Total equity		**77,632,284,089**	**70,919,311,446**
Total liabilities and equity		**924,357,216,125**	**109,061,044,093**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 30 September 2023 LAK	Unaudited 30 September 2022 LAK
Interest from finance lease and installment loans		26,998,047,277	22,956,429,267
Total revenue		**26,998,047,277**	**22,956,429,267**
Other income	15	1,538,780,383	1,264,879,351
Administrative expenses	16	(14,747,837,540)	(10,630,511,176)
Doubtful accounts and bad debt expenses		(1,514,788,978)	(1,264,776,408)
Net loss on foreign exchange rate		(2,913,747,725)	(8,421,488,459)
Operating profit		**9,360,453,417**	**3,904,532,575**
Finance expense		(2,536,558,352)	(2,575,120,188)
Net profit before income tax expenses		**6,823,895,065**	**1,329,412,387**
Income tax expense	14	(110,922,422)	(1,999,167,377)
Net profit/(loss) for the period		**6,712,972,643**	**(669,754,990)**
Earnings per share			
Basic earnings per share	17	16.78	(1.67)

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 1 July - 30 September 2023 LAK	Unaudited 1 July - 30 September 2022 LAK
Interest from finance lease and installment loans		8,770,062,552	7,602,364,887
Total revenue		**8,770,062,552**	**7,602,364,887**
Other income	15	812,859,413	645,587,565
Administrative expenses	16	(5,330,529,043)	(3,474,980,758)
Doubtful accounts and bad debt expenses		(513,423,218)	(466,535,945)
Net loss on foreign exchange rate		(1,368,199,409)	(2,556,611,085)
Operating profit		**2,370,770,295**	**1,749,824,664**
Finance expense		(845,901,491)	(997,468,024)
Net profit before income tax expenses		**1,524,868,804**	**752,356,640**
Income tax expense	14	(110,922,422)	(699,524,381)
Net profit/(loss) for the period		**1,413,946,382**	**52,832,259**
Earnings per share			
Basic earnings per share	17	3.53	0.13

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Note	Share capital LAK	Share Premium LAK	Retained earnings: Appropriated Legal Reserve LAK	Retained earnings: Unappropriated LAK	Total LAK
As at 1 January 2022		40,000,000,000	12,832,667,550	4,785,832,107	14,533,160,157	72,151,659,814
Loss for the period		-	-	-	(669,754,990)	(669,754,990)
Dividends paid	13	-	-	-	(2,280,000,000)	(2,280,000,000)
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**
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
Profit for the period		-	-	-	6,712,972,643	6,712,972,643
Dividends paid	13	-	-	-	-	-
As at 30 September 2023		**40,000,000,000**	**12,832,667,550**	**4,890,597,270**	**19,909,019,269**	**77,632,284,089**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2023

	Note	Share capital LAK	Share Premium LAK	Retained earnings: Appropriated Legal Reserve LAK	Retained earnings: Unappropriated LAK	Total LAK
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		-	-	-	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**
As at 1 July 2023		40,000,000,000	12,832,667,550	4,890,597,270	18,495,072,887	76,218,337,707
Profit for the period		-	-	-	1,413,946,382	1,413,946,382
As at 30 September 2023		**40,000,000,000**	**12,832,667,550**	**4,890,597,270**	**19,909,019,269**	**77,632,284,089**

Mr. Manop Tririthwilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 30 September 2023 LAK	Unaudited 30 September 2022 LAK
Cash flows from operating activities:			
Profit before income tax expense		6,823,895,065	1,329,412,387
Adjustments to reconcile net profit to net cash			
Bad debts expenses		162,834,005	(3,128,000)
Allowance for doubtful accounts		1,351,954,973	1,267,904,408
Amortisation of deferred commission expenses		1,872,560,766	2,878,499,494
Impairment loss of asset held for sale		(3,750,000)	(10,000,000)
Depreciation and amortisation	9, 10	299,836,043	414,017,399
Interest expense		2,536,558,352	2,575,120,188
Unrealisation loss on exchange rate		1,445,599,552	8,284,843,319
Operating gain before working capital changes		**14,489,488,756**	**16,736,669,195**
Changes in working capital:			
Finance lease receivables and installment loan receivables		6,520,709,950	(7,034,456,856)
Asset held for sale		27,885,228	69,690,011
Other current and non-current assets		(583,377,027)	(364,432,591)
Trade and other payables		(241,098,118)	(1,476,509,829)
Other current liabilities		1,175,104	(31,275,426)
Other non-current liabilites		10,500,000	2,825,000
Cash generated from operation		**20,225,283,893**	**7,902,509,504**
Commission expense paid		(557,100,000)	(2,603,406,560)
Interest paid		(724,583,132)	(2,542,230,979)
Income tax paid		(2,541,872,732)	(1,625,968,615)
Net cash generated from/(used in) operating activities		**16,401,728,029**	**1,130,903,350**

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 30 September 2023 LAK	Unaudited 30 September 2022 LAK
Cash flows from investing activities:			
Acquisitions of property and equipment	9	(274,874,190)	(120,374,387)
Restricted cash reserved for borrowing guarantee	8	-	(2,000,000,000)
Net cash used in investing activities		**(274,874,190)**	**(2,120,374,387)**
Cash flows from financing activities:			
Proceeds from borrowings	12	828,828,240,000	5,000,000,000
Repayments of borrowings	12	(27,956,430,411)	(614,772,185)
Dividends paid	13	-	(2,280,000,000)
Net cash from/(used in) financing activities		**800,871,809,589**	**2,105,227,815**
Net decrease in cash and cash equivalents		**816,998,663,428**	**1,115,756,778**
Cash and cash equivalents at the beginning of the period		6,679,159,473	13,057,187,126
Exchange gains on cash and cash equivalents		7,037,564,832	149,619,872
Cash and cash equivalents at the end of the period	4	**830,715,387,733**	**14,322,563,776**

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 1 July - 30 September 2023 LAK	Unaudited 1 July - 30 September 2022 LAK
Cash flows from operating activities:			
Profit before income tax expense		1,524,868,804	752,356,640
Adjustments to reconcile net profit to net cash			
Bad debts expenses		-	-
Allowance for doubtful accounts		513,423,218	466,535,945
Amortisation of deferred commission expenses		496,165,914	867,733,386
Impairment loss of asset held for sale		(11,250,000)	(5,000,000)
Depreciation and amortisation		101,740,517	140,213,596
Interest expense		845,901,491	997,468,024
Unrealisation loss on exchange rate		620,097,187	2,375,789,612
Operating gain before working capital changes		**4,090,947,131**	**5,595,097,203**
Changes in working capital:			
Finance lease receivables and installment loan receivables		2,874,740,203	(411,838,076)
Asset held for sale		162,209,186	21,914,730
Other current and non-current assets		(357,490,324)	(283,069,161)
Trade and other payables		(826,539,402)	957,903,690
Other current liabilities		129,278	4,608,243
Other non-current liabilites		250,000	(5,625,000)
Cash generated from operation		**5,944,246,072**	**5,878,991,629**
Commission expense paid		(92,600,000)	(591,356,560)
Interest paid		(438,421,116)	(1,000,253,784)
Income tax paid		-	(459,383,569)
Net cash generated from/(used in) operating activities		**5,413,224,956**	**3,827,997,716**

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2023

	Notes	Unaudited 1 July - 30 September 2023 LAK	Unaudited 1 July - 30 September 2022 LAK
Cash flows from investing activities:			
Acquisitions of property and equipment		(84,114,500)	(62,967,060)
Restricted cash reserved for borrowing guarantee		-	-
Net cash used in investing activities		**(84,114,500)**	**(62,967,060)**
Cash flows from financing activities:			
Proceeds from borrowings		823,200,000,000	-
Repayments of borrowings		(5,137,311,756)	(371,434,743)
Dividends paid		-	-
Net cash from/(used in) financing activities		**818,062,688,244**	**(371,434,743)**
Net decrease in cash and cash equivalents		**823,391,798,700**	**3,393,595,913**
Cash and cash equivalents at the beginning of the period		318,661,337	10,925,398,148
Exchange gains on cash and cash equivalents		7,004,927,696	3,569,716
Cash and cash equivalents at the end of the period	4	**830,715,387,733**	**14,322,563,777**

Mr Manop Tririthvilai
Chief Executive Officer

Date: 10 November 2023

Ms.Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 10 November 2023

The accompanying notes on pages 11 to 22 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 motorcycle , tractors and gold.

The interim financial information was authorised by Board of Directors on 10 November 2023.

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 2022. 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 2022.

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 2022.

4 Cash and cash equivalents

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Cash on hand	10,346,977	25,884,159
Cash at banks	830,705,040,756	6,653,275,314
Total	**830,715,387,733**	**6,679,159,473**

5 Finance lease and instalment loan receivables, net

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Current		
Current portion of finance lease receivables	1,306,963,373	1,304,674,924
Current portion of installment loan receivables	66,550,904,372	59,089,032,739
	67,857,867,745	**60,393,707,663**
Add Initial direct cost	666,374,420	1,260,729,026
Less allowance for doubtful accounts	(7,077,289,763)	(5,484,298,345)
	61,446,952,402	**56,170,138,344**
Non-current		
Finance lease receivables	243,442,454	480,170,540
Installment loan receivables	25,577,015,755	39,411,368,189
	25,820,458,209	**39,891,538,729**
Add Initial direct cost	472,011,477	1,193,117,636
Less allowance for doubtful accounts	(406,853,042)	(647,889,486)
	25,885,616,644	**40,436,766,879**
Total	**87,332,569,046**	**96,606,905,223**

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

As at 30 September 2023, financial lease and instalment loan receivables, can analyse aging as follows:

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Not yet due	72,398,073,323	82,651,207,657
1 – 3 months	12,780,891,697	10,670,660,205
4 – 6 months	1,251,549,848	840,975,684
7 – 12 months	1,454,106,662	1,726,930,204
Over 12 months	5,793,704,424	4,395,472,642
	93,678,325,954	**100,285,246,392**
Add Initial direct cost	1,138,385,897	2,453,846,662
Less allowance for doubtful accounts	(7,484,142,805)	(6,132,187,831)
Total	**87,332,569,046**	**96,606,905,223**

6 Asset held for sale, net

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Motorcycles	253,767,645	281,652,873
Less allowance for diminution in value of assets	(16,250,000)	(20,000,000)
Total	**237,517,645**	**261,652,873**

7 Other current assets

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Prepaid expenses – Current portion	755,011,886	535,837,453
Advance payments	78,964,212	25,873,630
Advance payment – commission at site	17,225,000	111,096,700
Value-added tax receivable	102,496,994	-
Accrued interest receivable	352,550,686	-
Others	100,000	3,935,000
Total	**1,306,348,778**	**676,742,783**

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 2023 – Audited	649,599,179
Additions	274,874,190
Less: depreciation	(242,684,108)
Net book amount as at 30 September 2023 – Unaudited	**681,789,261**

10 Intangible assets, net

	LAK
As at 1 January 2023 – Audited	129,298,349
Additions	-
Less: amortisation	(57,151,935)
Net book amount as at 30 September 2023 – Unaudited	**72,146,414**

11 Trade and other payables

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Trade payables	1,039,756,000	2,497,004,000
Accrued expenses	2,197,315,924	1,007,722,293
Accrued expenses-related parties (Note 17)	1,821,944,086	-
Other tax payable	98,459,577	81,872,191
Total	**5,157,475,587**	**3,586,598,484**

Accrued expenses mainly consist of accrued of salary and bonus amounting LAK 1,576 million, audit and tax consult service amounting LAK 318 million.

12 Borrowings

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Current	840,108,289,134	22,429,331,514
Non-current	1,082,151,752	9,330,019,783
Total	**841,190,440,886**	**31,759,351,297**

The movements of borrowings for the nine-month period ended 30 September 2023 is as follows:

	Unaudited 30 September 2023 LAK	Audited 31 December 2022 LAK
Opening balance	31,759,351,297	17,894,400,000
Addition	828,828,240,000	5,000,000,000
Repayment	(27,956,430,411)	(995,848,703)
Unrealised loss on exchange	8,559,280,000	9,860,800,000
Ending balance	**841,190,440,886**	**31,759,351,297**

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 8).

On 27 March 2023, the Company entered loan contract with the shareholder (Mahathuen Holding Co., Ltd) amounting USD 240,000 or equivalent to LAK 4,068 million with the term of 3 months and interest 13% per annum. On 29 May 2023, both parties agreed to postponed the payment to 30 September 2023 (note 18)

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

On 20 September 2023, the Company entered loan contract with the related party amounting THB 1,500 million with term 1 years and interest 2% per annum, interest payment on monthly, start from 20 September 2023 to 19 September 2024 (note 18).

13 Dividends

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.

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.

14 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 nine-month period ended 30 September 2023 are as follow:

	LAK
Profit before income tax - accounting	6,823,895,065
Tax effect of:	
Allowance for diminution in value of assets held for sale	(3,750,000)
Unrealised gain from exchange rate(1)	(6,265,532,955)
Taxable income	**554,612,110**
Profit tax expense at the rate of 20%	**110,922,422**

(1) Unrealised gain from exchange rate for tax purpose.

15 Other Income

Other Income for the nine-month period ended September 30, consists of the following nature:

	Unaudited The nine-month period ended September 30	
	2023 **LAK**	**2022** **LAK**
Penalty income	1,099,674,480	967,858,492
Net gain on sale of assets held for sale	5,070,430	138,845,731
Other	434,035,473	158,175,128
	1,538,780,383	**1,264,879,351**

Other Income for the three-month of quarter III period ended September 30, consists of the following nature:

	Unaudited The three-month of quarter III period ended September 30	
	1 July - 30 September	
	2023 **LAK**	**2022** **LAK**
Penalty income	403,671,295	351,743,567
Net gain on sale of assets held for sale	50,194,162	204,331,779
Other	358,993,956	89,512,219
	812,859,413	**645,587,565**

16 Administrative expense

Administrative expense for the nine-month period ended September 30, consists of the following nature:

	Unaudited The nine-month period ended September 30	
	2023 LAK	**2022 LAK**
Staff costs	9,069,503,304	6,969,200,703
Marketing and advertising expense	1,671,557,110	561,981,285
Other expenses	1,063,346,276	803,074,593
Audit and legal fee	643,251,100	349,843,969
Remuneration of managements	639,634,000	645,250,000
Travelling expense	698,120,436	364,654,708
Rental expense	490,870,300	391,912,091
Depreciation and amortisation	299,836,043	414,017,399
Utility expenses	171,718,971	130,576,428
	14,747,837,540	**10,630,511,176**

Administrative expense for the three-month of quarter III period ended September 30, consists of the following nature:

	Unaudited The three-month of quarter III period ended September 30	
	1July – 30 September	
	2023 LAK	**2022 LAK**
Staff costs	3,395,145,108	2,222,323,529
Marketing and advertising expense	545,169,349	136,490,995
Other expenses	370,885,062	301,947,266
Audit and legal fee	190,662,400	119,932,150
Remuneration of managements	212,125,000	210,750,000
Travelling expense	279,809,232	159,825,956
Rental expense	169,914,363	135,783,384
Depreciation and amortisation	101,740,517	140,213,596
Utility expenses	65,078,012	47,713,882
	5,330,529,043	**3,474,980,758**

17 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.

Earnings per share for the nine-month period ended September 30, as follows:

	Unaudited The nine-month period ended September 30	
	2023 LAK	**2022 LAK**
Net profit attributable to ordinary shareholders (LAK)	6,712,972,643	(669,754,990)
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	16.78	(1.67)

Earnings per share for the three-month of quarter III period ended September 30, as follows:

	Unaudited The three-month of quarter III period ended September 30	
	1 July – 30 September	
	2023 LAK	**2022 LAK**
Net profit attributable to ordinary shareholders (LAK)	1,413,946,382	52,832,259
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	3.53	0.13

18 Related-party transactions

a) Transactions with related parties

Transactions with related parties for the nine-month period ended 30 September, are as follows:

	Unaudited The nine-month period ended September 30	
	2023 LAK	**2022 LAK**
Others expense :		
Shareholder-guarantee expense	1,468,052,525	2,162,130,107
Shareholder-interest expense	654,768,267	-
	2,122,820,792	**2,162,130,107**
Purchases of goods and services from:		
Other related parties*		
Purchase of leasing assets	-	4,818,439,000
Commission expense	-	241,750,000
Other expense	-	68,250,000
	-	**5,128,439,000**
Total	**2,122,820,792**	**7,290,569,107**

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

	Unaudited The three-month of quarter III period ended September 30	
	1 July - 30 September	
	2023 LAK	**2022 LAK**
Others expense :		
Shareholder-guarantee expense	247,474,537	817,348,058
Shareholder-interest expense	506,554,386	-
	754,028,923	**817,348,058**

Purchases of goods and services from:		
Other related parties*		
Purchase of leasing assets	-	4,818,439,000
Commission expense	-	241,750,000
Other expense	-	68,250,000
	-	**5,128,439,000**
Total	**754,028,923**	**5,945,787,058**

*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. Therefore, the transaction for the period six-month period ended 30 June 2022 above presents the transaction during 1 January – 28 April 2022.

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

	Unaudited 30 September 2023 LAK	**Audited 31 December 2022 LAK**
Other payables:		
Shareholder	1,821,944,086	-

This is included guarantee payable LAK 1,468 million and interest payable LAK 354 million.

Short-term borrowing		
Shareholder (Note 12)	830,200,000,000	-

c) Key management compensation

Compensation paid to key management for the nine-month period ended September 30 ,are as follow:

	Unaudited The nine-month period ended September 30	
	2023 LAK	**2022 LAK**
Salaries and others	639,634,000	645,250,000

Compensation paid to key management for the three-month of quarter III period ended September 30 ,are as follow:

	Unaudited The three-month of quarter III period ended September 30	
	1 July – 30 September	
	2023 LAK	**2022 LAK**
Salaries and others	212,125,000	210,750,000

19 Commitments

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

As at 30 September 2023 and 31 December 2022, operating lease commitment contracted but not recognised as liabilities is as follow:

	Unaudited 30 September 2023 LAK	**Audited 31 December 2022 LAK**
Within one year	388,650,783	188,093,204
Over 1 year but nit over 5 years	1,340,967,795	1,482,771,482
Total	**1,729,618,578**	**1,670,864,686**

20 Subsequent events

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