MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

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 three-month period ended March 31,2024.

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 three-month period ended March 31,2024, 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

May 9,2024

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Assets			
Current assets			
Cash and cash equivalents	4	919,437,875,870	904,775,929,399
Current portion of finance lease receivables and instalment loan receivables, net	5	63,197,378,709	63,329,837,434
Asset held for sale, net	6	93,009,238	155,406,395
Other current assets	7	1,739,627,063	1,656,496,861
Total current assets		**984,467,890,880**	**969,917,670,089**
Non- current assets			
Restricted cash reserved for borrowing guarantee		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 instalment loan receivables, net	5	22,632,810,769	22,893,804,241
Property plant and equipment, net	8	700,663,022	719,445,435
Intangible assets, net	9	33,905,238	52,921,342
Other non-current asset		10,588,365	7,647,059
Total non-current assets		**27,377,970,094**	**27,673,820,777**
Total assets		**1,011,845,860,974**	**997,591,490,866**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 9 May 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 9 May 2024

The accompanying notes on pages 7 to 16 are an integral part of these financial statements

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024

	Notes	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	10	6,332,232,855	6,968,095,441
Income tax payable		1,226,365,998	713,016,274
Short-term and current portion of long-term borrowing	11	921,271,200,000	908,805,460,751
Other current liabilities		47,498,989	50,616,491
Total current liabilities		**928,877,297,842**	**916,537,188,957**
Non-current liabilities			
Long-term borrowing	11	-	625,359,032
Other non-current liabilites		210,950,000	193,075,000
Total non-current liabilities		**210,950,000**	**818,434,032**
Total liabilities		**929,088,247,842**	**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	12	5,822,252,913	5,822,252,913
Unappropriated		24,102,692,669	21,580,947,414
Total equity		**82,757,613,132**	**80,235,867,877**
Total liabilities and equity		**1,011,845,860,974**	**997,591,490,866**

Mr. Manop Tririthvifai
Chief Executive Officer

Date: 9 May 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 9 May 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Revenue from interest - finance lease and installment loans, net		8,796,818,392	9,543,073,367
		8,796,818,392	**9,543,073,367**
Other income	15	6,226,246,223	501,719,381
Administrative expenses	16	(5,846,850,137)	(4,454,421,097)
Doubtful accounts and bad debt expenses		(738,044,368)	(481,014,415)
Net gain (loss) on foreign exchange rate		(386,029,086)	459,053,068
Operating profit		**8,052,141,024**	**5,568,410,304**
Finance expense		(4,852,046,045)	(1,011,577,618)
Profit before income tax expenses		**3,200,094,979**	**4,556,832,686**
Income tax expenses	17	(678,349,724)	(242,836,017)
Net profit for the year		**2,521,745,255**	**4,313,996,669**
Earnings (loss) per share			
Basic earnings (loss) per share	13	6.30	10.78

Mr. Manop Tririthvijai
Chief Executive Officer

Date: 9 May 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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
Profit for the year		-	-	-	4,313,996,669	4,313,996,669
As at 31 March 2023		**40,000,000,000**	**12,832,667,550**	**4,890,597,270**	**17,510,043,295**	**75,233,308,115**
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 year		-	-	-	2,521,745,255	2,521,745,255
As at 31 March 2024		**40,000,000,000**	**12,832,667,550**	**5,822,252,913**	**24,102,692,669**	**82,757,613,132**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 9 May 2024

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Chief Financial Officer

Date: 9 May 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Cash flow from operating activities:			
Profit before income tax expense		3,200,094,979	4,556,832,686
Adjustments to reconcile net profit to net cash			
Bad debts and doubtful accounts	5	738,044,368	481,014,415
Amortisation of deferred commission expenses		300,933,766	769,348,266
Impairment loss of asset held for sale		3,750,000	3,750,000
Depreciation and amortisation	8, 9	94,416,277	97,330,846
Finance expense		4,852,046,045	1,011,577,618
Unrealisation (gain) loss on exchange rate		187,903,641	(570,742,606)
Cashflow before changes in working capital		**9,377,189,076**	**6,349,111,225**
Changes in working capital:			
Finance lease receivables		(534,701,473)	2,082,617,182
Asset held for sale		58,647,157	(24,122,415)
Other current and non-current assets		(86,071,508)	28,673,099
Trade and other payables		(405,813,927)	(2,342,792,430)
Other current liabilities		(3,170,968)	1,226,863
Other non-current liabilites		17,875,000	3,750,000
Cash generated from operation		**8,423,953,357**	**6,098,463,524**
Commission expense paid		(105,850,000)	(323,750,000)
Interest paid		(5,082,094,705)	(170,250,444)
Income tax paid		(165,000,000)	(2,541,872,732)
Net cash (used in) generated from operating activities		**3,071,008,652**	**3,062,590,348**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 9 May 2024

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Chief Financial Officer

Date: 9 May 2024

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2024

	Notes	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Cash flows from investing activities:			
Acquisitions of property plant and equipment	8	(56,617,760)	(120,940,340)
Net cash used in investing activities		**(56,617,760)**	**(120,940,340)**
Cash flows from financing activities:			
Proceeds from borrowings	11	-	4,068,240,000
Repayment of borrowings	11	(2,391,219,783)	(8,527,148,837)
Net cash from (used in) financing activities		**(2,391,219,783)**	**(4,458,908,837)**
Net (decrease)/increase in cash and cash equivalents		623,171,109	(1,517,258,829)
Cash and cash equivalents at the beginning of the year		904,775,929,399	6,679,159,473
Exchange gains on cash and cash equivalents		14,038,775,362	4,235,226
Cash and cash equivalents at the end of the year	3	**919,437,875,870**	**5,166,135,870**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 9 May 2024

Ms. Soukphaphone Thongphaiboun
Chief Financial Officer

Date: 9 May 2024

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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 initial public offering by Lao Securities and Commission Office (LSCO).

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 financial statements were authorised by the Board of Directors on 9 May 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 Cash and cash equivalents

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Cash on hand	9,940,464	38,921,900
Deposits held at call with banks[(i)]	6,627,935,406	5,937,007,499
Fixed deposits with banks[(ii)]	912,800,000,000	898,800,000,000
Total	**919,437,875,870**	**904,775,929,399**

(i) Deposits held at call with banks represent cash deposited in three different currencies being Lao Kip (LAK), Thai Baht and US Dollars with local reputable banks and foreign bank branches in current account.

(ii) Fixed deposit at bank represents the 3-month in Baht currency with interest at 2.5% per annum.

5 Finance lease and installment loan receivables, net

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Current		
Current portion of finance lease receivables	999,426,117	1,087,689,299
Current portion of installment loan receivables	69,979,432,110	69,127,826,376
	70,978,858,227	**70,215,515,675**
Add Initial direct cost	411,505,529	521,345,223
Less allowance for doubtful accounts	(8,192,985,047)	(7,407,023,464)
	63,197,378,709	**63,329,837,434**
Non-current		
Finance lease receivables	95,578,149	168,286,430
Installment loan receivables	22,545,879,999	22,694,487,334
	22,641,458,148	**22,862,773,764**
Add Initial direct cost	240,859,328	326,103,399
Less allowance for doubtful accounts	(249,506,707)	(295,072,922)
	22,632,810,769	**22,893,804,241**
Total	**85,830,189,478**	**86,223,641,675**

As at 31 March 2024 and 31 December 2023, financial lease and installment loan receivables, can analyse aging as follows:

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Not yet due	73,249,868,275	73,759,785,934
1 – 3 months	10,444,135,036	10,186,010,761
4 – 6 months	1,439,459,311	1,498,171,269
7 – 12 months	1,964,782,276	1,755,817,947
Over 12 months	6,522,071,478	5,878,503,528
	93,620,316,376	**93,078,289,439**
Add Initial direct cost	652,364,856	847,448,622
Less allowance for doubtful accounts	(8,442,491,754)	(7,702,096,386)
Total	**85,830,189,478**	**86,223,641,675**

6 Asset held for sale, net

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Motorcycles	99,259,238	167,906,395
Less allowance for diminution in value of assets	(6,250,000)	(12,500,000)
Total	**93,009,238**	**155,406,395**

7 Other current assets

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Interest receivable from bank deposit	910,511,613	812,198,623
Prepaid expenses	594,489,094	742,151,185
Advance payments	35,647,000	28,776,000
Others	198,979,356	73,371,053
Total	**1,739,627,063**	**1,656,496,861**

8 Property and equipment, net

	LAK
As at 31 December 2023 – Audited	719,445,435
Additions	56,617,760
Less: depreciation	(75,400,173)
Net book amount as at 31 March 2024 – Unaudited	**700,663,022**

9 Intangible assets, net

	LAK
As at 31 December 2023 – Audited	52,921,342
Additions	-
Less: amortisation	(19,016,104)
Net book amount as at 31 March 2024 – Unaudited	**33,905,238**

10 Trade and other payables

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Accrued expenses – related party (note 18)	4,530,425,228	4,760,473,887
Accrued expenses	1,288,135,579	2,011,288,365
Trade payables	392,468,000	98,668,000
Other tax payables	121,204,048	97,665,189
Total	**6,332,232,855**	**6,968,095,441**

11 Borrowings

The movements of borrowings for the three-month period ended 31 March 2024 and 31 December 2023, is as follows:

	Unaudited 31 March 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)
Loss on exchange rate	14,231,600,000	69,505,200,000
Ending balance	**921,271,200,000**	**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 31 December 2023, the outstanding balance is USD 400,000 equivalents to LAK 8,471 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. Subsequently, on 13 March 2024, the Company repaid such borrowing entirely earlier than its maturity date.

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. On 31 March 2024, the outstanding borrowing balance was 1,400 million Baht equivalent to LAK 912,800 million.

12. Legal reserved

Legal reserve is set-up in accordance with the Enterprise Law of the Lao PDR under article 156 which requires the appropriation of profit as a legal reserve of at least 10% of the annual net profit until such reserve reaches 50% of authorized share capital.

13. 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 in issue during the period, adjusted by the impact from change in par value of shares for comparative purpose as follows:

	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Net profit attributable to ordinary shareholders	2,521,745,255	4,313,996,669
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	6.30	10.78

14. Dividends

At the Annual General Shareholder's Meeting for the year 2022 on 25 April 2023, shareholders approved the appropriate its net income to legal reserve amounting LAK 104,765,163 and no dividend 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 931,655,643.

15. Other income

	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Interest income from bank deposit	5,694,667,038	106,439,157
Penalty – customers	458,710,727	384,958,640
Net gain on sale of assets held for sale	53,598,688	-
Others	19,269,770	10,321,584
Total	**6,226,246,223**	**501,719,381**

16. Administrative expenses

	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Staff costs	3,366,902,715	2,719,413,047
Marketing and advertising expenses	360,702,295	308,661,725
Professional fees	360,550,864	205,590,600
Transportation and travelling expenses	284,890,116	190,084,343
Remuneration of managements	226,750,000	325,250,000
Utility expenses	238,230,703	200,366,821
Net loss on sale of assets held for sale	-	38,853,903
Depreciation and amortization	94,416,277	97,330,846
Other expenses(*)	914,407,167	368,869,812
Total	**5,846,850,137**	**4,454,421,097**

(*) Other expenses is consist of withholding tax expense absorb by the Company amount LAK 487 million, repairs and maintenance of fixed assets and intangible assets amount LAK 104 million, bank charge amount LAK 77 million , corporate social responsibility activity (CSR) amount LAK 40 million , office equipment amount LAK 85 million and other miscellaneous minor expenditure.

17. 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.

For the three-month period ended 31 March 2024, the Company recognized income tax expense in statement of income of LAK 678 million (2023: LAK 243 million)

The income tax expense calculation showing as below:

	LAK
Profit before income tax - accounting	3,200,094,978
Tax effect of:	
➢ Loss on reversal of allowance for diminution in value of assets held for sale	3,750,000
➢ Net unrealised loss from exchange rate	187,903,643
Taxable income	**3,391,748,621**
Profit tax expense at the rate of 20%	678,349,724

18. Related-party transactions

a) Transactions with related parties

Transactions with related parties for the three-month ended 31 March, are as follows:

	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Purchases of goods and services from:		
Shareholder and related party		
Guarantee expense	260,538,120	837,081,792
Interest expense	4,530,425,228	7,273,066
Other expense	-	49,800,000
	4,790,963,348	**894,154,858**

b) Outstanding balances with related parties

Outstanding balances with related parties as at 31 March 2024 and 31 December 2023, are as follows:

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Payables:		
Shareholder and related party		
Short-term borrowings	912,800,000,000	898,800,000,000
Accrued interest expense	4,530,425,228	4,760,473,887
Total	**917,330,425,228**	**903,560,473,887**

c) Key management compensation

Compensation paid to key management for the three-month ended 31 March, are as follow:

	Unaudited 31 March 2024 LAK	Unaudited 31 March 2023 LAK
Salaries and others	186,250,000	240,250,000
Yearly bonus	40,500,000	85,000,000
Total	**226,750,000**	**325,250,000**

19. Commitments

Operating lease commitments

The Company has commitment under long-term lease for office space
As at 31 March 2024 and 31 December 2023, operating lease commitment contracted but not recognised as liabilities is as follow:

	Unaudited 31 March 2024 LAK	Audited 31 December 2023 LAK
Within one year	299,852,719	271,332,895
Over 1 year but not over 5 years	1,143,844,526	1,296,595,944
Total	**1,443,697,245**	**1,567,928,839**

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.