

MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)

AS AT AND FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2021

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Assets			
Current assets			
Cash and cash equivalents	5	10,026,319,601	12,404,353,323
Current portion of finance lease receivables and installment loan receivables, net	6	47,965,106,506	47,412,873,880
Asset held for sale, net	7	279,165,744	187,570,860
Other current assets	8	378,206,821	334,581,595
Total current assets		**58,648,798,672**	**60,339,379,658**
Non- current assets			
Cash deposit at Bank of Lao PDR		2,000,002,700	2,000,002,700
Finance lease receivables and installment loan receivables, net	6	30,588,880,258	25,302,582,221
Property and equipment, net	9	784,007,860	1,037,381,048
Intangible assets, net	10	199,618,809	60,019,000
Other non current assets		131,153,860	-
Total non-current assets		**33,703,663,487**	**28,399,984,969**
Total assets		**92,352,462,159**	**88,739,364,627**

Mr Manop Trirthvilai
Chief Executive Officer

Date: 5 November 2021

Miss Sureeporn Suwanchairob
Accounting Manager

Date: 5 November 2021

The accompanying notes on pages 8 to 17 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2021

	Notes	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	11	2,232,806,002	4,074,936,044
Liability under a finance lease agreement	12	-	78,339,545
Income tax payable		2,088,486,887	1,722,492,613
Other current liabilities		27,419,624	26,759,480
Total current liabilities		**4,348,712,513**	**5,902,527,682**
Non-current liabilities			
Long-term borrowings	13	17,044,800,000	11,936,400,000
Other non-current liabilites		231,000,000	140,375,000
Total non-current liabilities		**17,275,800,000**	**12,076,775,000**
Total liabilities		**21,624,512,513**	**17,979,302,682**
Equity			
Share capital	14	40,000,000,000	40,000,000,000
Share premium	14	12,832,667,550	12,832,667,550
Retained earnings			
Appropriated legal reserve		4,026,672,320	4,026,672,320
Unappropriated		13,868,609,776	13,900,722,075
Total equity		**70,727,949,646**	**70,760,061,945**
Total liabilities and equity		**92,352,462,159**	**88,739,364,627**

Mr Manop Trirthvilai
Chief Executive Officer

Date: 5 November 2021

Miss Sureeporn Suwanchairob
Accounting Manager

Date: 5 November 2021

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2021

	Note	Unaudited 1 July - 30 September 2021 LAK	Unaudited 1 July - 30 September 2020 LAK
Interest from finance lease and installment loans		6,585,268,972	5,795,033,285
Total revenue		**6,585,268,972**	**5,795,033,285**
Other income		310,664,587	318,992,905
Administrative expenses		(3,631,209,787)	(3,118,584,667)
Doubtful accounts and bad debt expenses		(357,517,148)	(239,645,729)
Net loss on foreign exchange rate		(423,579,136)	(356,338,288)
Operating profit		**2,483,627,488**	**2,399,457,506**
Finance expense		(505,293,850)	(524,864,839)
Net profit before income tax expenses		**1,978,333,638**	**1,874,592,667**
Income tax expense	17	(354,966,758)	(372,447,341)
Net profit for the period		**1,623,366,880**	**1,502,145,326**
Earnings per share			
Basic earnings per share	15	4.06	3.76

Mr Manop Tririthvilai
Chief Executive Officer

Date: 5 November 2021

Miss Sureeporn Suwanchairob
Accounting Manager

Date: 5 November 2021

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2021

	Note	Share capital LAK	Share Premium LAK	Retained earnings: Appropriated Legal Reserve LAK	Retained earnings: Unappropriated LAK	Total LAK
As at 1 July 2020		40,000,000,000	12,832,667,550	3,252,194,002	11,095,260,410	67,180,121,962
Profit for the period	15	-	-	-	1,502,145,326	1,502,145,326
As at 30 September 2020		**40,000,000,000**	**12,832,667,550**	**3,252,194,002**	**12,597,405,736**	**68,682,267,288**
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	15	-	-	-	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**

Mr Manop Trirthvilai
Chief Executive Officer
Date: 5 November 2021

Miss Sureeporn Suwanchairob
Chief Financial Officer
Date: 5 November 2021

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE-MONTH OF QUARTER III PERIOD ENDED 30 SEPTEMBER 2021

	Note	Unaudited 1 July - 30 September 2021 LAK	Unaudited 1 July - 30 September 2020 LAK
Cash flows from operating activities:			
Profit before income tax expense		1,978,333,638	1,874,592,667
Adjustments to reconcile net profit to net cash			
Bad debts and doubtful accounts		357,517,148	239,645,729
Amortisation of deferred commission expenses		968,159,301	979,334,622
Impairment loss of asset held for sale		(48,750,000)	3,750,000
Depreciation		124,394,943	134,094,009
Interest expenses		505,293,850	524,864,839
Income tax expense		(354,966,758)	(372,447,341)
Unrealisation loss on exchange rate		407,983,954	251,507,737
Operating gain before working capital changes		**3,937,966,076**	**3,635,342,262**
Changes in working capital:			
Finance lease receivables and installment loan receivables		(1,128,658,141)	1,777,576,793
Asset held for sale		406,540,382	(56,073,635)
Other current assets		(70,762,230)	301,152,774
Other non-current asset		(6,358,308)	-
Trade and other payables		(264,164,205)	197,323,271
Other current liabilities		80,255	625,040
Income tax payable		354,966,758	372,447,341
Other non-current liabilites		19,750,000	20,125,000
Cash generated from operation		**3,249,360,587**	**6,248,518,846**
Commission expense paid		(908,350,000)	(906,600,000)
Interest paid		(505,293,850)	(529,309,569)
Income tax paid		(440,000,000)	(480,000,000)
Net cash generated from/(used in) operating activities		**1,395,716,737**	**4,332,609,277**
Cash flows from investing activities:			
Acquisitions of property ,equipment and intangible		(103,687,150)	(43,451,091)
Net cash used in investing activities		**(103,687,150)**	**(43,451,091)**

Mr Manop Thirithvilai
Chief Executive Officer
Date: 5 November 2021

Miss Sureeporn Suwanchairob
Accounting Manager
Date: 5 November 2021

The accompanying notes on pages 8 to 16 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 2021

	Note	Unaudited 1 July - 30 September 2021 LAK	Unaudited 1 July - 30 September 2020 LAK
Cash flows from financing activities:			
Proceeds from borrowings		4,083,200,000	-
Repayment of borrowings		-	(3,888,600,000)
Payment for principal elements of lease payments		-	(11,713,370)
Net cash from (used in) financing activities		**4,083,200,000**	**(3,900,313,370)**
Net decrease in cash and cash equivalents		**5,375,229,587**	**388,844,816**
Cash and cash equivalents at the beginning of the period		4,634,812,131	10,112,526,489
Exchange gains/(losses) on cash and cash equivalents		16,277,883	8,986,895
Cash and cash equivalents at the end of the period		**10,026,319,601**	**10,510,358,200**

Mr Manop Trinthvilai
Chief Executive Officer

Date: 5 November 2021

Miss Sureeporn Suwanchairob
Accounting Manager

Date: 5 November 2021

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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 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 principle 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 Director on 5 November 2021.

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 2020. 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 2020.

The accounting principles applied may materially differ from International Financial Reporting Standards (IFRS). These areas of significant differences are, for example, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument and pre-operation cost.

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 Significant events during the current period

The COVID-19 infections in Lao increased significantly during April of 2021 leading to the lockdown of Vientiane Capital and all provinces of Laos. This significant increase of infections is described as the second wave where stricter measures taken by various governments to contain the virus have affected the economic activity.

The Company has taken several measures to supports customers, who have the impact from COVID 19 pandemic, following the Bank of Lao PDR's relief measurement to help debtors suffering from Lao economic situation, by providing grace periods for principal and interest payments and reducing rate according to the conditions and terms specified by the Company.

Management will continue to monitor the ongoing development and regularly assess the financial impact in respect for the valuation of assets, provisions and contingent liabilities.

4 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 2020.

5 Cash and cash equivalents

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Cash on hand	24,136,216	65,894,780
Cash at banks	10,002,183,385	12,338,458,543
Total	**10,026,319,601**	**12,404,353,323**

6 Finance lease and installment loan receivables, net

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Current		
Finance lease receivables	1,178,479,522	1,417,264,839
Installment loan receivables	49,318,060,861	47,733,016,741
	50,496,540,383	**49,150,281,580**
Add Initial direct cost	1,376,290,939	1,447,725,719
Less allowance for doubtful accounts	(3,907,724,816)	(3,185,133,419)
	47,965,106,506	**47,412,873,880**
Non-current		
Finance lease receivables	194,497,355	207,374,737
Installment loan receivables	29,671,958,891	24,401,024,077
	29,866,456,246	**24,608,398,814**
Add Initial direct cost	1,269,850,198	1,126,739,763
Less allowance for doubtful accounts	(547,426,186)	(432,556,356)
	30,588,880,258	**25,302,582,221**
Total	**78,553,986,764**	**72,715,456,101**

As at 30 September 2021, financial lease and installment loan receivables, can analyse aging as follows:

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Not yet due	55,953,432,967	54,414,161,391
1 - 3 months	18,852,215,931	14,672,370,031
4 - 5 months	1,236,688,753	1,145,245,622
6 - 12 months	1,355,994,095	1,297,787,808
Over 12 months	2,964,664,883	2,229,115,542
	80,362,996,629	**73,758,680,394**
Add Initial direct cost	2,646,141,137	2,574,465,482
Less allowance for doubtful accounts	(4,455,151,002)	(3,617,689,775)
Total	**78,553,986,764**	**72,715,456,101**

7 Asset held for sale, net

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Motorcycles	311,665,744	211,320,860
Less allowance for diminution in value of assets	(32,500,000)	(23,750,000)
Total	**279,165,744**	**187,570,860**

8 Other current assets

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Prepaid expenses	328,487,771	292,490,017
Advance payments	17,245,050	9,239,640
Value-added tax receivable	-	8,633,089
Others	32,474,000	24,218,849
Total	**378,206,821**	**334,581,595**

9 Property and equipment, net

	LAK
As at 1 January 2021 – Audited	1,037,381,048
Additions	116,440,210
Less: depreciation	(369,813,398)
Net book amount as at 30 September 2021 – Unaudited	**784,007,860**

10 Intangible assets, net

	LAK
As at 1 January 2021 – Audited	60,019,000
Additions	144,951,000
Less: amortisation	(5,351,191)
Net book amount as at 30 September 2021 – Unaudited	**199,618,809**

11 Trade and other payables

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Trade payables – related parties (Note 18)	-	190,075,000
Trade payables	1,049,427,000	2,179,740,000
Other payables – related parties (Note 18)	5,940,000	28,136,000
Tax payable	59,085,039	52,852,813
Accrued expenses	1,118,353,963	1,624,132,231
Total	**2,232,806,002**	**4,074,936,044**

12 Liability under a finance lease agreement

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Liability under a finance lease agreement	-	78,339,545
Total	-	**78,339,545**

The movements of liability under a finance lease agreement for the nine-month period ended 30 September 2021 is as follows:

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Opening book value, net	78,339,545	128,961,814
Repayments	(78,339,545)	(50,622,269)
Closing book value, net	-	**78,339,545**

13 Borrowings

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Borrowings from banks	17,044,800,000	11,936,400,000
Total	**17,044,800,000**	**11,936,400,000**

13 Borrowings (continue)

The movements of borrowings for the nine-month period ended 30 September 2021 is as follows:

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Opening book value, net	11,936,400,000	20,100,000,000
Borrowings received during the period	4,083,200,000	14,433,600,000
Borrowings repaid during the period	-	(23,028,600,000)
Un-realisation loss on exchange	1,025,200,000	431,400,000
Closing book value, net	**17,044,800,000**	**11,936,400,000**

The borrowing is guaranteed by Mahathun Holding Co., Ltd., a company shareholder. The borrowing is repayable in year 2023.

14 Share capital and share premium

	Par value (LAK)	Unaudited 30 September 2021		Audited 31 December 2020	
		Number	LAK	Number	LAK
Authorised shares					
Ordinary shares	1,000	-	-	40,000,000	40,000,000,000
Ordinary shares	100	400,000,000	40,000,000,000	-	-
Issued and paid-up shares at opening					
Ordinary shares	1,000	-	-	40,000,000	40,000,000,000
Reduction in par value from LAK 1,000 to LAK 100	100	400,000,000	40,000,000,000	-	-
At Closing date					
Ordinary shares	**1,000**	-	-	**40,000,000**	**40,000,000,000**
Ordinary shares	**100**	**400,000,000**	**40,000,000,000**	-	-

On 4 December 2020, at the Extra Ordinary General Shareholders Meeting No.1, the shareholders passed a resolution to approve split the authorised share capital from 40,000,000 ordinary shares with a par value of LAK 1,000 per share to 400,000,000 ordinary shares with a par value of LAK 100 per share which the total capital registered remain unchanged.

The Company has registered the change in par value and number of shares with the Ministry of Industry and Commercial on 24 June 2021.

15 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 1 July - 30 September		
	2021	2020	
		After Split share	Before Split share
Net profit attributable to ordinary shareholders (LAK)	1,623,366,880	1,502,145,327	1,502,145,327
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000	40,000,000
Basic earnings per share (LAK)	4.06	3.76	37.55

The Company presented the basic earnings per share between of 1 July - 30 September 2020, if the change of par value and number of share effective on that period for the comparative purpose.

16 Dividends

At the Annual General Shareholder's Meeting for the year 2019 on 29 May 2020, shareholders approved the payment of annual dividend from net profit 12 months period ended 31 December 2019 at LAK 100 per share, totalling LAK 4,000 million and appropriate its net income to legal reserve amounting LAK 808,458,495.

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.

17 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 June 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% after considering the non-deductible income and expenses was in accordance with the Lao Tax Law.

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.

18. 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 2021 LAK	Unaudited 1 July-30 September 2020 LAK
Purchases of goods and services from:		
Mahathun Holding Co., Ltd.		
Guarantee expense	459,702,473	457,626,298
	459,702,473	**457,626,298**
Other related parties*		
Purchase of leasing assets	1,255,300,000	1,626,343,000
Commission expense	71,250,000	102,000,000
Finance expense	-	21,853,087
Other expense	25,110,000	14,114,000
	1,351,660,000	**1,764,310,087**
Total	**1,811,362,473**	**2,221,936,385**

* The director of the Company is the shareholder of the entity.

18 Related-party transactions (continuous)

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

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Payables:		
Mahathun Holding Co., Ltd.		
Accrued guarantee expense	-	367,549,304
	-	**367,549,304**
Other related parties*		
Trade payable	-	190,075,000
Other payable	5,940,000	28,136,000
	5,940,000	**218,211,000**
Total	**5,940,000**	**585,760,304**

* The director of the Company is the shareholder of the entity.

c) Key management compensation

Compensation paid to key management are as follow:

	Unaudited 1 July-30 September 2021 LAK	Unaudited 1 July-30 September 2020 LAK
Salaries and others	202,750,000	209,043,456

19 Commitments

Operating lease commitments

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

As at 30 September 2021 and 31 December 2020, operating lease commitment contracted but not recognised as liabilities is as follow:

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Within one year	197,706,259	150,037,955
Over 1 year but nit over 5 years	1,302,670,621	1,381,246,738
Over 5 years	45,733,810	362,514,661
Total	**1,546,110,690**	**1,893,799,354**

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.