MAHATHUEN LEASING PUBLIC COMPANY

INTERIM FINANCIAL INFORMATION
(UNAUDITED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 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 three-month period ended March 31,2023.

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 three-month period ended March 31,2023, 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 3,2023

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Assets			
Current assets			
Cash and cash equivalents	4	5,166,135,870	6,679,159,473
Current portion of finance lease receivables and instalment loan receivables, net	5	58,426,630,708	56,170,138,344
Asset held for sale, net	6	282,025,288	261,652,873
Other current assets	7	667,765,884	676,742,783
Total current assets		**64,542,557,750**	**63,787,693,473**
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	35,177,914,931	40,436,766,879
Property plant and equipment, net	8	692,067,335	649,599,179
Intangible assets, net	9	110,439,687	129,298,349
Other non-current asset		37,987,313	57,683,513
Total non-current assets		**40,018,411,966**	**45,273,350,620**
Total assets		**104,560,969,716**	**109,061,044,093**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer

Date: 3 May 2023

The accompanying notes on pages 7 to 14 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Notes	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Liabilities and equity			
Current liabilities			
Trade and other payables	10	2,085,133,228	3,586,598,484
Income tax payable		242,836,017	2,541,872,732
Borrowings - current portion	11	17,969,447,895	22,429,331,514
Other current liabilities		47,604,896	46,335,134
Total current liabilities		**20,345,022,036**	**28,604,137,864**
Non-current liabilities			
Borrowings	11	8,771,314,565	9,330,019,783
Other non-current liabilites		211,325,000	207,575,000
Total non-current liabilities		**8,982,639,565**	**9,537,594,783**
Total liabilities		**29,327,661,601**	**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	12	4,890,597,270	4,890,597,270
Unappropriated		17,510,043,295	13,196,046,626
Total equity		**75,233,308,115**	**70,919,311,446**
Total liabilities and equity		**104,560,969,716**	**109,061,044,093**

Mr. Manop Tririthvilai
Chief Executive Officer

Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer

Date: 3 May 2023

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

	Notes	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Revenue from interest - finance lease and installment loans, net		9,543,073,367	7,433,735,555
		9,543,073,367	**7,433,735,555**
Other income	15	482,036,087	325,342,531
Administrative expenses	16	(4,434,737,803)	(3,815,706,704)
Doubtful accounts and bad debt expenses		(481,014,415)	(338,378,024)
Net gain (loss) on foreign exchange rate		459,053,068	(566,427,858)
Operating profit		**5,568,410,304**	**3,038,565,500**
Finance expense		(1,011,577,618)	(626,860,641)
Profit before income tax expenses		**4,556,832,686**	**2,411,704,859**
Income tax expenses	17	(242,836,017)	(513,502,126)
Net profit for the year		**4,313,996,669**	**1,898,202,733**
Earnings (loss) per share			
Basic earnings (loss) per share	13	10.78	4.75

Mr. Manop Trirthvilai
Chief Executive Officer
Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer
Date: 3 May 2023

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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
Profit for the year	13	-	-	-	1,898,202,733	1,898,202,733
As at 31 March 2022		**40,000,000,000**	**12,832,667,550**	**4,785,832,107**	**16,431,362,890**	**74,049,862,547**
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	13	-	-	-	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**

Mr. Manop Trirthvilai
Chief Executive Officer
Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer
Date: 3 May 2023

The accompanying notes on pages 7 to 14 from part of these financial information

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

	Notes	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Cash flow from operating activities:			
Profit before income tax expense		4,556,832,685	2,411,704,859
Adjustments to reconcile net profit to net cash			
Bad debts and doubtful accounts		481,014,415	338,378,024
Amortisation of deferred commission expenses		769,348,266	1,003,977,686
Impairment loss of asset held for sale		3,750,000	(6,250,000)
Depreciation and amortisation	8,9	97,330,846	137,016,286
Finance expense		1,011,577,618	626,860,641
Unrealisation (Gain) loss on exchange rate		(570,742,606)	750,527,526
Operating gain before working capital changes		**6,349,111,224**	**5,262,215,022**
Changes in working capital:			
Finance lease receivables		2,082,617,182	(10,485,996,982)
Asset held for sale		(24,122,415)	54,433,555
Other current and non-current assets		28,673,099	(179,732,429)
Trade and other payables		(2,342,792,430)	(2,095,876,150)
Other current liabilities		1,226,863	(1,890,632)
Other non-current liabilites		3,750,000	8,075,000
Cash generated from operation		**6,098,463,523**	**(7,438,772,616)**
Commission expense paid		(323,750,000)	(1,440,750,000)
Interest paid		(170,250,444)	(626,860,641)
Income tax paid		(2,541,872,732)	(1,116,585,046)
Net cash (used in) generated from operating activities		**3,062,590,347**	**(10,622,968,303)**

Mr. Manop Trirthvilai
Chief Executive Officer

Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer

Date: 3 May 2023

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MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2023

	Notes	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Cash flows from investing activities:			
Acquisitions of property plant and equipment	8	(120,940,340)	(30,941,950)
Net cash used in investing activities		**(120,940,340)**	**(30,941,950)**
Cash flows from financing activities:			
Proceeds from borrowings	11	4,068,240,000	-
Repayment of borrowings	11	(8,527,148,837)	-
Net cash from (used in) financing activities		**(4,458,908,837)**	**-**
Net (decrease)/increase in cash and cash equivalents		**(1,517,258,830)**	**(10,653,910,253)**
Cash and cash equivalents at the beginning of the year		6,679,159,473	13,057,187,126
Exchange gains on cash and cash equivalents		4,235,227	136,875,548
Cash and cash equivalents at the end of the year	4	**5,166,135,870**	**2,540,152,421**

Mr. Manop Tirithvilai
Chief Executive Officer

Date: 3 May 2023

Miss Sureeporn Suwanchairob
Acting Chief Financial Officer

Date: 3 May 2023

The accompanying notes on pages 7 to 14 from part of these financial information

1 General information

Mahathuen Leasing Public Company (the Company) is a listed company in the Lao Securities Exchange and incorporated and resident in Lao PDR. The Company was incorporate and registered with the Ministry of Industry and Commerce on 2 September 2011. The Company commenced the operations after obtaining a license from Bank of the Lao PDR (BOL) on 11 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 the Directors of the Company on 3 May 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 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 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 31 March 2023 LAK	Audited 31 December 2022 LAK
Cash on hand	22,442,480	25,884,159
Cash at banks	5,143,693,390	6,653,275,314
Total	**5,166,135,870**	**6,679,159,473**

5 Finance lease and installment loan receivables, net

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Current		
Current portion of finance lease receivables	1,437,949,820	1,304,674,924
Current portion of installment loan receivables	61,945,908,067	59,089,032,739
	63,383,857,887	**60,393,707,663**
Add Initial direct cost	1,060,589,729	1,260,729,026
Less allowance for doubtful accounts	(6,017,816,908)	(5,484,298,345)
	58,426,630,708	**56,170,138,344**
Non-current		
Finance lease receivables	530,865,857	480,170,540
Installment loan receivables	34,298,493,744	39,411,368,189
	34,829,359,601	**39,891,538,729**
Add Initial direct cost	947,658,668	1,193,117,636
Less allowance for doubtful accounts	(599,103,338)	(647,889,486)
	35,177,914,931	**40,436,766,879**
Total	**93,604,545,639**	**96,606,905,223**

As at 31 March 2023 and 31 December 2022, financial lease and installment loan receivables, can analyse aging as follows:

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Not yet due	79,393,537,231	82,651,207,657
1 – 3 months	11,689,682,528	10,670,660,205
4 – 6 months	752,927,309	840,975,684
7 – 12 months	1,257,125,800	1,726,930,204
Over 12 months	5,119,944,620	4,395,472,642
	98,213,217,488	**100,285,246,392**
Add Initial direct cost	2,008,248,397	2,453,846,662
Less allowance for doubtful accounts	(6,616,920,246)	(6,132,187,831)
Total	**93,604,545,639**	**96,606,905,223**

6 Asset held for sale, net

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Motorcycles	305,775,288	281,652,873
Less allowance for diminution in value of assets	(23,750,000)	(20,000,000)
Total	**282,025,288**	**261,652,873**

7 Other current assets

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Prepaid expenses	477,194,527	535,837,453
Advance payments	32,430,010	25,873,630
Value-added tax receivable	48,581,147	-
Others	109,560,200	115,031,700
Total	**667,765,884**	**676,742,783**

8 Property and equipment, net

	LAK
As at 31 December 2022 – Audited	649,599,179
Additions	120,940,340
Less: depreciation	(78,472,184)
Net book amount as at 31 March 2023 – Unaudited	**692,067,335**

9 Intangible assets, net

	LAK
As at 31 December 2022 – Audited	129,298,349
Additions	-
Less: amortisation	(18,858,662)
Net book amount as at 31 March 2023 – Unaudited	**110,439,687**

10 Trade and other payables

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Trade payables	193,179,000	2,497,004,000
Accrued expenses	1,810,997,616	1,007,722,293
Other tax payables	80,956,612	81,872,191
Total	**2,085,133,228**	**3,586,598,484**

11 Borrowings

The movements of borrowings for the three-month period ended 31 March 2023 and 31 December 2022, is as follows:

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Opening balance	31,759,351,297	17,894,400,000
Addition	4,068,240,000	5,000,000,000
Repayment	(8,527,148,837)	(995,848,703)
(Gain) loss on exchange rate	(559,680,000)	9,860,800,000
Ending balance	**26,740,762,460**	**31,759,351,297**

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 which is Mahathun Holding Company Limited. On 29 March 2023, the company repaid the principal according to the contract in the amount of USD 480,000.

On 31 March 2022, the Company entered into Contract for Credit Facilities with reputation local 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 fix deposit and current bank account balance through the contract period.

On 28 March 2023, the Company entered into Contract Short-term borrowings from related parties (see Note 18) with amounting USD 240,000 with term 3 months and interest 13% per annum, interest and principal repayment on the contract termination date.

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 2023 LAK	Unaudited 31 March 2022 LAK
Net profit attributable to ordinary shareholders	4,313,996,669	1,898,202,733
Weighted average number of ordinary shares in issue (shares)	400,000,000	400,000,000
Basic earnings per share (LAK)	10.78	4.75

14. 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 5.7 per share, totalling LAK 2,800 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 resolution appropriate its net income to legal reserve amounting LAK 104,765,163 and no pay dividends.

15. Other income

Other income consists of the following:

	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Penalty - customers	384,958,640	293,001,697
Others	97,077,447	32,340,834
Total	**482,036,087**	**325,342,531**

16. Administrative expenses

	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Staff costs	2,804,413,047	2,394,599,127
Remuneration of managements	240,250,000	217,250,000
Utility expenses	200,366,821	165,888,709
Net loss on sale of assets held for sale	38,853,903	127,567,103
Depreciation and amortization	97,330,846	137,016,286
Other expenses	1,053,523,186	773,385,479
Total	**4,434,737,803**	**3,815,706,704**

17. Income tax expenses

According to the tax law no. 259 effective on 1 January 2020, 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 until 2021.(The date of registration of the Company is 13 June 2018).

Then since 2022, the Company calculated Profit taxes on its net taxable income at the rate of 20% after considering the non-deductible income and expenses was in accordance with the Lao Tax Law.Income tax expenses (continued)

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.

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 2023 LAK	Unaudited 31 March 2022 LAK
Purchases of goods and services from:		
Mahathun Holding Co., Ltd.		
Guarantee expense	837,081,792	570,753,568
Interest expense	7,273,066	-
Other expense	49,800,000	-
	894,154,858	**570,753,568**
Other related parties*		
Purchase of leasing assets	-	3,960,724,000
Commission expense	-	203,500,000
Other expense	-	68,250,000
	-	**4,232,474,000**
Total	**894,154,858**	**4,803,227,568**

* 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 above presents the transaction during 1 January – 28 April 2022.

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

b) Outstanding balances with related parties

Outstanding balances with related parties as at 31 March 2023 and 31 December 2022, are as follows:

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Payables:		
Mahathun Holding Co., Ltd.		
Short-term borrowings	4,068,240,000	-
Accrued guarantee expense	837,081,792	-
Accrued interest expense	7,273,066	-
Other Accrued expense	49,800,000	-
Total	**4,962,394,858**	-

c) Key management compensation

Compensation paid to key management are as follow:

	Unaudited 31 March 2023 LAK	Unaudited 31 March 2022 LAK
Salaries and others	240,250,000	217,250,000

19. Commitments

Operating lease commitments

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

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

	Unaudited 31 March 2023 LAK	Audited 31 December 2022 LAK
Within one year	233,116,327	188,093,204
Over 1 year but not over 5 years	1,453,472,877	1,482,771,482
Over 5 years	-	-
Total	**1,686,589,204**	**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.