Mahathuen Leasing Public Company

The Three-Month Report

As at for the three-month period ended March 31,2021

The first three month Report
31 March 2021

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1. Mahathuen Leasing Public Company

1.1 General Information of Company

Company Name	:	Mahathuen Leasing Public Company
Business type	:	Financial Leasing
Symbol	:	MHTL
Registered Office	:	House number 628, (kilometer 5) Kaison Road, Phonphanao Village, Xaysettha District, Vientiane Capital
Foreign Investment License	:	Foreign Investment License, No: 196-11/MPI/IPD3 date 10 August 2011
Enterprise registration certificate	:	0902/ERO date 10 June 2019
Enterprise tax certificate	:	725714405-9-00
Register capital	:	40.000.000.000 Kip
Number of share	:	40.000.000 shares
Email	:	info@mahathuen.com
Website	:	www.mahathuen.com
Tel	:	(856) 21 418065
Fax	:	(856) 21 418066

2. Company Background

Mahathuen Leasing Public Company (hereinafter "the Company" or "MHTL"). The Company was established as a limited company on 02 September 2011 with a registered capital of USD 300,000 and enterprise registration certificate No. 3151/RO with the business category of financial leasing (non-real estate). MHTL has been established by two experienced individuals who have more than 20 years of experience in doing business in Lao PDR; Mrs. Inthavilay Oudom, a Lao investor, which held 12% in the Company and Mr Chakrit Naksorn, a Thai investor held 88%.

To establish a Leasing business in Lao PDR a business license from the Bank of Lao PDR is required therefore the Company is under the supervision of Financial Institution Supervision Department of the Bank of Lao PDR.

MHTL is engaged in the leasing business in Lao PDR, particularly retail finance (non-real estate) since the establishment of the company. In the early stage, the Company mainly focused on Japanese made motorcycle financing such as HONDA, SUZUKI, YAMAHA and others to build client base, obtain knowledge, gain experience for the organization, develop capacity building and appropriate working system, as well as learning about consuming behaviors and business operation in Lao PRD before expanding its investment in other retail financial products.

During the first three years of business operations and Company's short-term plan, MHTL was focusing on the development of the organization culture and capacity building. Therefore, the business policy was more conservative in terms of marketing with a concrete action plan for financial leasing evaluation and approval. A proper plan for small size leasing with low capital investment by professional approach was established, which led to the internal working policy, regulations as well as other requirements for the consideration of leasing approvals, however the process can be flexible according to the market situation and business competition.

From 2014 – 2016, the Company focused on expanding customer base by strengthening customer relationships and build market leadership, by increasing the proportion of market share in order to expand more branches and service units in Vientiane capital in the future. In addition, the Company also planned to broaden its products such as: financing of used motorcycles including refinancing for existing customers base on payments history to build customer base for expansion to other products.

Since 2017, the Company plans to expand its branches and service units to other provinces in Lao PDR including other products by having the Company listed in Lao Securities Exchange to raise capital fund. In preparation for the Company to be listed in Lao Securities Exchange, an increase of aggressive business strategy will need to be implemented including a strong internal control and risk management as well as good corporate governance to strengthen the business operations by creating a balance between the stakeholders such as customers, partners, investors and shareholders of the Company.

The Company converted into a public Company on 20 November 2017, with a registered capital of LAK 27,760,000,000, and has been operating as financial leasing (non-real estate) under the Law of Lao PDR (hereinafter "Conversion date") with the Company's shares held by MAHATHUEN Holding Company Limited Thailand totaling 97.5792507204611%, Mrs. Inthavilay Oudom, Lao individual 2.420432276571% and 11 other shareholders at approximately 0.0003170028818%.

Before IPO of MHTL, the Company had increased its registered capital 6 times. On the date of establishment, the registered capital was USD 300,000 and in 2012 it was converted in to Lao kip currency at around LAK 5.6 billion. In 2014 the Company raised additional capital twice, to LAK 12.8 and LAK 17.76 billion. In 2015 the Capital was raised up to LAK 23.36 billion and in 2016, the Capital also increased to LAK 25.6 billion and LAK 27.76 billion.

In 2018, the company had increased its registered capital 12. 240. 000 Shares with a par value of LAK 1,000 per share for Initial Public Officering and Approval by Lao Securities Commission Office on 13 June 2018, after the company completed IPO 40. 000. 000 Shares or Capital LAK 40.000.000.000 which the company is list company in Lao Security Exchange on 18 September 2019 and the and MHTL was the eighth company to list. Please see the details of capital increasing on the table below:

In 2019, the company has established a Service Center in Savannakhet province. Donghen Service Center located at 254/ 259 Donghen village, Road 9, Artsaphangthong District, Savannakhet Province Page 3 of 22

In June 2019, the company has started the financial service for Agricultural Equipment, which focused on the hand tractor as a trial project and expected to expand the financial service to cover more kinds of Agricultural Equipment further.

In 2020, the company has started the new financial service, which has provided the refinance for Used car since September 2020.

On December 4, 2020, the Extra-ordinary General Shareholders meeting no.1 of the year 2020 has approved with special resolution as below.

1. to amend the proportion of the Promoters' share and change the proportion of floating shares in the Lao Security Exchange, which as much as possible with be allowed by the related Laws and the Regulations. And authorize the Executive Director of the company to have the authority in any activity such as the decision making, the signing in any documents, etc. to process.
2. change the par value from LAK 1,000 per share to LAK 100 per share by increase the number of total shares to 400,000,000 shares from 40,000,000 shares with the registered and paid-up capital is equal to LAK 40,000,000,000, which remains unchanged. And to authorize the Executive Director of the company to have the authority in any activity such as the decision making, the signing in any documents, etc. to process.

3. Philosophy and the core business operation

3.1 Company Philosophy

(Slogan)

"All Financial is possible here

(Vision)

"Be a Listed company on LSX and the leader of Leasing company for Motorcycle in Lao PDR"

(Mission)

" Mahathuen Leasing we provide the financial service for all" a commitment in our business operation for stakeholders with this mission below:

For client	**:**	To win customer's heart with excellent customer service by a professional team with financial innovations
For staff	**:**	To promote professional development and stability on work – life balance
For shareholder's	**:**	To be listed on Lao securities Exchange and give good returns
For partner	**:**	To build trust with business partners who are ready to grow and succeed together
For society	**:**	To be an alternative investment for Lao people

3.2 The core business operation

The Company has 3 types of leasing service such as:

1. New motorcycle
2. Used motorcycle
3. Refinance

3.2.1 New motorcycle leasing service

The Company provides motorcycle leasing service by focusing on well-know Japanese brands including HONDA, YAMAHA, SUSUKI, and other. Approximately, 90 percent of all motorcycle leases are HONDA that includes the target group of customer that fall under the low to medium income.

For the motorcycle leases service, customer may not have enough money to purchase a new motorcycle of the shop and require installment payment, in such case customers will need to pay initial payment or down payment (minimum amount) and the remaining amount will be in the leases contact with installment payment period. Once the contract is signed, customers can utilize the motorbike but maintenance lies under the responsibility of the customers and the ownership of the motorbike will be under the company until the customers made payment in full and the

ownership will be transferred to customers. If the installment left unpaid for three month, then contract will be canceled automatically and the motorbike must be returned to the Company.

In the process of leases service, there's a team specialized in evaluating the customer credit who constantly contracting the motorcycle partner in Vientiane Capital including big and small dealers covering more than 30 dealers shops. When a customer is interested in purchasing a motorcycle through financing, the company will provide leasing information to the customer, evaluate the credit and qualification of the customer before approving the lease. For time saving, the Company have placed a representative at the motorcycle dealer instead of asking the customer to come to the company.

The motorcycle dealers are playing a big role for the company as they are the passage way for the company to get to customers, therefore building good relationship with business partner is crucial for the company.

3.2.2 Second- hand Motorcycle

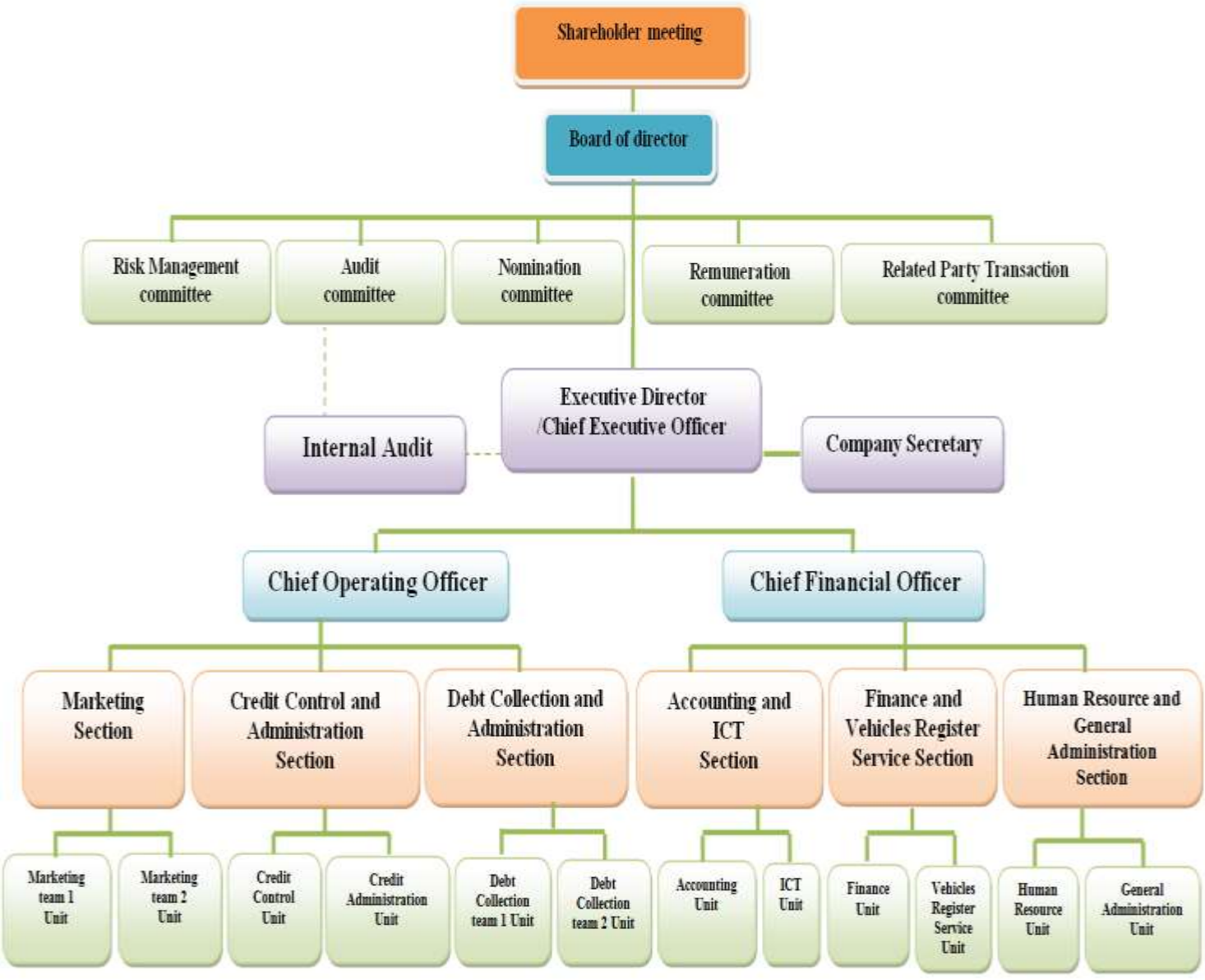
The Company provides second-motorcycle leasing from the confiscated motorcycle and the process of credit evaluation is similar to the first- hand motorcycle leasing. Second- hand motorcycle leasing gave the Company the opportunity to expands its customer base also provides the opportunity to customer who want Japanese made motorcycle but do not have enough fund to purchase first-hand. In the future, the Company is planning to expand the Second-hand motorcycle leasing to motorcycle dealers.

3.2.3 Refinance

The Company provides refinancing service to customer with the existing loan either with the company or other financing companies by using the motorcycle under the loan contract as a collateral or the customer' own motorcycle. The applicant must be specific on the objective of refinance; the Company will evaluate the cost of motorcycle base on the Company's policy to calculation the interest late and fees will be different form motorcycle leasing, but the procedures will be the same.

4. Management and Corporate Governance

4.1 Organization chart



4.2 Committee

- **Board of Director**

Table: Name list of Board of Directors

No.	Photo	(Board of Directors)	Nationality	Position
1		Mr. Chakrit Naksorn	Thai	Chairman
2		Mrs. Inthavilay Oudom	Lao	Vice Chairwoman
3		Mr. Manop Tririthvilai	Thai	Member of BOARD OF DIRECTORS/CEO
4		Mrs. Prathana Naksorn	Thai	Member of BOARD OF DIRECTORS
5		Miss Sutida Naksorn	Thai	Member of BOARD OF DIRECTORS
6		Mr. Kriengkrai Nissyan	Thai	Member of BOARD OF DIRECTORS
7		Mr. Winyou Jeeraprapakan	Thai	Member of BOARD OF DIRECTORS (Independent)
8		Mr. Nantapat Ngamplung	Thai	Member of BOARD OF DIRECTORS (Independent)
9		Mr. Theeramate Vuttipadhpibul	Thai	Member of BOARD OF DIRECTORS (Independent)

- **Committee of the Board of Directors**

The Committee of the Board of Directors consist as following;

1. Audit Committee
2. Risk Management Committee
3. Nomination Committee
4. Remuneration Committee
5. Related party Transaction Committee

4.2.1 Audit Committee

Table: Name list Audit Committee

No.	Audit Committee	Nationality	Position
1	Mr. Kriengkrai Nissyan	Thai	Chairman
2	Mr. Nantapat Ngamplung	Thai	Audit Committee / Independent
3	Mr. Theeramate Vuttipadhpibul	Thai	Audit Committee / Independent
4	Mr. Winyou Jeeraprapakan	Thai	Audit Committee / Independent

4.2.2 Risk Management Committee

Table: Name list Risk Management Committee

No.	Name list	Nationality	Position
1	Mr. Chakrit Naksorn	Thai	Chairman of Risk management committee
2	Mr. Manop Tririthvilai	Thai	Risk management committee
3	Mr. Theeramate Vuttipadhpibul	Thai	Risk management committee/ Independent
4	Mr. Winyou Jeeraprapakan	Thai	Risk management committee/ Independent

4.2.3 Remuneration Committee

Table: Name list Remuneration Committee

No.	Name list	Nationality	Position
1	Mr. Chakrit Naksorn	Thai	Chairman of Remuneration Committee
2	Mr. Kriengkrai Nissyan	Thai	Remuneration Committee
3	Mr. Theeramate Vuttipadhpibul	Thai	Remuneration Committee/ Independent member

4.2.4 Nomination Committee

Table: Name list Nomination Committee

No.	Name list	Nationality	Position
1	Mr. Chakrit Naksorn	Thai	Chairman of nominating committee
2	Mr. Kriengkrai Nissyan	Thai	Nominating committee
3	Mr. Nantapat Ngamplung	Thai	Nominating committee / Independent member

2.4.5 Related party Transaction Committee

Table: Name list Related party Transaction Committee

No.	Name list	Nationality	Position
1	Mr. Theeramate Vuttipadhpibul	Thai	Chairman of Related Party Transaction Committee/ Independent director
2	Mr. Kriengkrai Nissyan	Thai	Related party transaction committee
3	Mr. Nantapat Ngamplung	Thai	Related party transaction Committee/ Independent director

5. Business Performance

5.1 Marketing Performance

In the first three-month of 2021 the company has the number of new booking of motorcycle leasing business equal to 1.744 Unit or LAK 21.420,1 million. which it's increased 17,6 percent in term of the loan amount when compared with the first Three-month of 2020.

Table: New loan of motorcycle lease

The new loan of motorcycle lease for first three-month of 2020 and 2021 comparison				
	for first three-month 2020	for first three-month 2021	Change	percent
Number of contract (unit)	1.580	1.744	+164	+10,4
Loan Amount (Million Kip)	18.221,4	21.420,1	+3.198,7	+17,6

5.2 Revenues

In the first three-month of 2020 and the first three-month of 2021 the Company had total revenues of LAK 6.909,7 million, LAK 6.790.9 million respectively, decreased at about 1,7 percent

Table: Revenues

REVENUES	first three-month of 2020		first three-month of 2021		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	6.643,7	96,2	6.420,8	94,6	-222,9	-3,4
Other incomes	266,0	3,8	370,1	5,4	+104,1	+39,1
Total Revenues	**6.909,7**	**100,0**	**6.790,9**	**100,0**	**-118,8**	**-1,7**

5.3 Expanses

In the first three-month of 2020 and the first three-month of 2021 the Company had total expenses including financial expenses of LAK 4.304,1 million and LAK 4.375,7 million respectively.

Table: Expenses

Expanses	Three - month of 2020		Three - month of 2021		Changed	
	LAK:million	%	LAK:million	%	LAK:million	%
Administrative expense	3.381,7	78,6	3.227,7	73,8	-154,0	-4,6
Doubtful account expense	281,5	6,5	-60,8	-1,4	-342,3	-121,6
Net loss on change rate	9,7	0,2	787,5	18,0	+777,8	+8.018,6
Finance cost	631,2	14,7	421,3	9,6	-209,9	-33,3
Total Expenses	**4.304,1**	**100,0**	**4.375,7**	**100,0**	**+71,6**	**+1,7**

5.4 Net profit and Net profit Margin

In the first three-month of 2020 and the first three-month of 2021, the Company had net profit equal to LAK 2.154,5 million and LAK 2.064,1 million respectively, or 31,2 Percent and 30,4 percent comparing to total revenues respectively, net profit before income tax expense also decreased from LAK 2.605,6 to LAK 2.415,3 million kip

5.5 Taxes

MHTL is a public company and lists in LSX, and operates its business under Lao PDR law. MHTL obligates to pay tax to the Government of Laos including Dividend Tax, VAT, Personal income tax. in the Three - month of 2021 was 262,2 million kip and represents as below:

Table: Taxes

NO.	Details	Million
1	VAT	27,1
2	Personal Income Tax	235,1
3	Corporate Income Tax	0,0
Total Taxes		262,2

Chief Executive Officer

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Mr. Manop Triritvilai

Mahathuen Leasing Public Company

Interim financial statement
(UNAUDITED)

As at for the Three-month period ended March 31,2021

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 31,2021.

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 31,2021, 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 12 ,2021

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31,2021

UNIT : LAK

	Notes	As at March 31, 2021 "UNAUDITED"	As at December 31, 2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4.1	8,174,106,865	12,404,353,323
Current portion of finance lease and installment loan receivables	5	48,566,702,208	47,412,873,880
Asset held for sale	6	219,937,956	187,570,860
Other current assets	7	558,048,774	334,581,595
Total Current Assets		57,518,795,803	60,339,379,658
NON-CURRENT ASSETS			
Cash deposit at Bank of Lao PDR	8	2,000,002,700	2,000,002,700
Finance lease and installment loan receivables	5	30,030,611,692	25,302,582,221
Leasehold improvements and equipment	9	965,821,957	1,037,381,048
Intangible asset	10	99,499,000	60,019,000
Total Non-current Assets		33,095,935,349	28,399,984,969
TOTAL ASSETS		**90,614,731,152**	**88,739,364,627**

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT MARCH 31,2021

UNIT : LAK

	Notes	As at March 31, 2021 "UNAUDITED"	As at December 31, 2020
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Trade and other payables	11	3,087,840,882	4,074,936,044
Current portion of liability under a finance lease agreement	12	-	78,339,545
Income tax payable		1,783,166,680	1,722,492,613
Other current liabilities		669,346,130	26,759,480
Total Current Liabilities		5,540,353,692	5,902,527,682
NON-CURRENT LIABILITIES			
Long-term borrowings from a financial institution	13	12,073,200,000	11,936,400,000
Other non-current liabilities		176,500,000	140,375,000
Total Non-current Liabilities		12,249,700,000	12,076,775,000
TOTAL LIABILITIES		17,790,053,692	17,979,302,682
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized share capital	15	40,000,000,000	40,000,000,000
Issued and paid-up share capital		40,000,000,000	40,000,000,000
Premium on ordinary shares		12,832,667,550	12,832,667,550
RETAINED EARNINGS			
Appropriated - legal reserve		4,026,672,320	4,026,672,320
Unappropriated		15,965,337,590	13,900,722,075
TOTAL SHAREHOLDERS' EQUITY		72,824,677,460	70,760,061,945
TOTAL LIABILITES AND SHAREHOLDERS' EQUITY		**90,614,731,152**	**88,739,364,627**

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF INCOME

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2021

UNIT : LAK

	Notes	2021	2020
REVENUES			
Revenue from interest - finance leases and installment loans		6,420,828,106	6,643,652,627
Other income	17	370,125,726	266,005,643
Total Revenues		6,790,953,832	6,909,658,270
EXPENSES			
Administrative expenses	18	3,227,698,324	3,381,735,334
Doubtful accounts and bad dept expense	19	(60,784,859)	281,493,223
Net loss on foreign exchange rate		787,488,868	9,654,482
Finance costs		421,261,917	631,199,265
Total Expenses		4,375,664,250	4,304,082,304
PROFIT BEFORE INCOME TAX EXPENSE		2,415,289,582	2,605,575,966
INCOME TAX EXPENSE	20	350,674,067	451,043,878
NET PROFIT		**2,064,615,515**	**2,154,532,088**
BASIC EARNINGS PER SHARE (LAK)	15	52	54

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2021

UNIT : LAK

	Notes	Paid-up Share Capital	Premium on Ordinary Shares	Retained Earnings		Total Shareholders' Equity
				Appropriated Legal Reserve	Unappropriated	
For the three-month period ended March 31,2020						
Beginning balance as at January 1, 2020		40,000,000,000	12,832,667,550	3,252,194,002	10,930,417,218	67,015,278,770
Profit for the year	15	-	-	-	2,154,532,088	2,154,532,088
Ending balance as at March 31,2020		40,000,000,000	12,832,667,550	3,252,194,002	13,084,949,306	69,169,810,858
For the three-month period ended March 31,2021						
Beginning balance as at January 1, 2021		40,000,000,000	12,832,667,550	4,026,672,320	13,900,722,075	70,760,061,945
Profit for the year	15	-	-	-	2,064,615,515	2,064,615,515
Ending balance as at March 31,2021		40,000,000,000	12,832,667,550	4,026,672,320	15,965,337,590	72,824,677,460

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING PUBLIC COMPANY

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2021

UNIT : LAK

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax expense		2,415,289,582	2,605,575,966
Adjustments for:			
Bad debts and doubtful accounts		(60,784,859)	281,493,223
Amortization of deferred commission expense	4.2	974,342,237	1,150,225,953
Impairment loss of asset held for sale		5,000,000	16,250,000
Depreciation		132,350,651	131,911,263
Finance costs		421,261,917	631,199,265
Unrealized loss on exchange rate		646,360,966	-
Profit from operations before changes in operating assets and liabilities		4,533,820,494	4,816,655,670
Changes in operating assets and liabilities			
Increase in finance lease and installment loan receivables		(5,517,328,941)	(2,360,241,897)
Increase in asset held for sale		(37,367,096)	(172,391,646)
Decrease (increase) in other current assets		(232,100,267)	21,028,088
Decrease in trade and other payables		(610,912,772)	(1,485,353,486)
Increase in other current liabilities		134,439,450	4,262,695
Increase in other non-current liabilities		36,125,000	13,000,000
Cash received from operations		(1,693,324,132)	836,959,424
Cash paid for commission expense		(1,279,500,000)	(1,186,350,000)
Cash paid for interest		(788,811,221)	(715,959,786)
Cash paid for income tax		(290,000,000)	(379,000,000)
Net cash used in operating activities		(4,051,635,353)	(1,444,350,362)

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING COMPANY LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31,2021

UNIT : LAK

	Notes	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for purchases of leasehold improvements and equipment and intangible asset		(100,271,560)	(30,862,166)
Net cash used in investing activities		(100,271,560)	(30,862,166)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash repayment of short-term borrowing from a related party		-	(6,000,000,000)
Cash payments for liability under a finance lease agreement		(78,339,545)	(10,673,836)
Net cash provided by financing activities		(78,339,545)	(6,010,673,836)
Net increase in cash and cash equivalents		(4,230,246,458)	(7,485,886,364)
Cash and cash equivalents as at January 1,		12,404,353,323	11,898,579,158
Cash and cash equivalents as at March 31,	4.1	**8,174,106,865**	**4,412,692,794**

Notes to the financial statement form an integral part of these statements

MAHATHUEN LEASING PUBLIC COMPANY
CONDENSED NOTES TO THE INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2021
"UNAUDITED"

1. GENERAL INFORMATION AND OPERATION OF THE COMPANY

Mahathuen Leasing Public Company (the "Company") is a company, incorporated and domiciled in the Lao People's Democratic Republic ("Lao PDR"). The address of the Company's registered office is at 628, Ban Phonphanao, K5, Kaysonephomvihan Road, Saysettha District, Vientiane Capital, Lao PDR. The principal business of the Company is to retail finance business through providing credit lines for individual customers to buy motorcycles and tractors.

The Company was incorporated on September 2, 2011 by obtaining an Enterprise Registration Certificate from the Ministry of Industry and Commerce. The Company commenced the operation after obtaining a license issued by Bank of the Lao PDR ("BOL") on June 11, 2012. On November 20, 2017, the Company has transformed from the limited company into Public Company and changed the Company's name from Mahathuen Leasing Company Limited to Mahathuen Leasing Public Company.

On June 13, 2018, the Company has been approved for offering its shares for initial public offering by Lao Securities Commission. The symbol is MHTL.

The Company's major shareholder is Mahathun Holding Company Limited which was registered in Thailand.

Coronavirus Disease 2019 Pandemic

A novel coronavirus ("COVID-19") pandemic started in early 2020 in Lao PDR. It clearly affects overall Lao PDR and global economy, including the Company's employees, customers, business partners and business operations.

In order to mitigate the impacts, the Company provides supports to customers as the relief measurement for loan to affected customer from the impact of COVID-19, following to the Bank of Lao's the relief measurement to help debtors from the Lao economic situation, by providing grace period for principal and interest, reducing interest rate and service fee according to conditions and terms specified by the Company.

Nevertheless, the Company's management will continue to monitor the ongoing development and regularly assess the financial impact in respect of valuation of assets, provisions and contingent liabilities.

2. BASIS FOR PREPARATION AND PRESENTATION OF THE INTERIM FINANCIAL STATEMENTS

2.1 The Company maintains its accounting records in Lao Kip ("LAK") and the interim financial statements have been prepared in accordance with the Company's accounting policies. The Company presents its interim financial statements using the following policies and policies as disclosed in Note 3 to the interim financial statements:

- The statement of financial position as of the end of the current interim period and a comparative statement of financial position as of the end of the immediately preceding financial year.
- The statements of income for the current interim period and cumulatively for the current financial year to date, with comparative statements of income for the comparable interim period (current and year-to-date) of the immediately preceding financial year.
- The statement of changes in shareholders' equity cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.
- The statement of cash flows cumulatively for the current financial year to date, with a comparative statement for the comparable year-to-date period of the immediately preceding financial year.

2.2 The statement of financial position as at December 31,2020 presented herein for comparison, have been derived from the financial statements of the Company for the year then ended which had been previously audited. The statement of income, statement of changes in shareholders' equity and statement of cash flows for the three-month period ended March 31, 2020 presented herein for comparison, have not been audited.

2.3 The Company's accounting policies applied differ from International Financial Reporting Standards ("IFRSs"). Accordingly, these interim financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRSs.

2.4 The unaudited results of operations presented in the three-month period ended March 31, 2021 are not necessarily an indication nor anticipation of the operating results for the full year.

2.5 The interim financial statements for the three-month period ended March 31, 2021 should be read in conjunction with the audited financial statements for the year ended December 31, 2020.

2.6 The interim financial statements have been prepared under the measurement basis of historical cost except as disclosed in the significant accounting policies.

3. SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim financial statements have been prepared in accordance with the Company's accounting policies which are consistent with those used in the financial statements for the year ended December 31, 2020.

4. SUPPLEMENTARY DISCLOSURES OF CASH FLOW INFORMATION

4.1 Cash and cash equivalents as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Cash on hand	41,033,550	65,894,780
Cash at banks	8,133,073,315	12,338,458,543
	8,174,106,865	12,404,353,323

4.2 Non-cash items from initial direct cost of finance lease receivables and installment loan receivables as at March 31, consist of the following:

	2021 LAK	2020 LAK
Initial direct cost brought forward	2,574,465,482	3,032,978,953
Add Increase during the years	1,279,500,000	1,186,350,000
Less Amortization of deferred commission expense	(974,342,237)	(1,150,225,953)
Initial direct cost carried forward	2,879,623,245	3,069,103,000

5. FINANCE LEASE AND INSTALLMENT LOAN RECEIVABLES

Finance lease and installment loan receivables as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021		
	Within one year	**Over 1 year to 5 years**	**Total**
	LAK	**LAK**	**LAK**
Finance lease receivables			
Finance lease receivables	1,810,370,005	305,254,000	2,115,624,005
Less Unearned interest income	(506,763,516)	(71,823,640)	(578,587,156)
	1,303,606,489	233,430,360	1,537,036,849
Add Initial direct cost	9,898,721	9,763,846	19,662,567
	1,313,505,210	243,194,206	1,556,699,416
Less Allowance for doubtful debts	(786,531,758)	(13,524,641)	(800,056,399)
Total finance lease receivables	526,973,452	229,669,565	756,643,017
Installment loan receivables			
Installment loan receivables	70,207,994,955	37,723,255,000	107,931,249,955
Less Unearned interest income	(21,317,456,150)	(8,876,235,085)	(30,193,691,235)
	48,890,538,805	28,847,019,915	77,737,558,720
Add Initial direct cost	1,522,793,683	1,337,166,996	2,859,960,679
	50,413,332,488	30,184,186,911	80,597,519,399
Less Allowance for doubtful debts	(2,373,603,732)	(383,244,784)	(2,756,848,516)
Total installment loan receivables	48,039,728,756	29,800,942,127	77,840,670,883
Total	**48,566,702,208**	**30,030,611,692**	**78,597,313,900**

	December 31, 2020		
	Within one year	**Over 1 year to 5 years**	**Total**
	LAK	**LAK**	**LAK**
Finance lease receivables			
Finance lease receivables	1,927,297,178	265,304,000	2,192,601,178
Less Unearned interest income	(510,032,339)	(57,929,263)	(567,961,602)
	1,417,264,839	207,374,737	1,624,639,576
Add Initial direct cost	11,086,985	8,455,558	19,542,543
	1,428,351,824	215,830,295	1,644,182,119
Less Allowance for doubtful debts	(812,578,502)	(13,408,937)	(825,987,439)
Total finance lease receivables	615,773,322	202,421,358	818,194,680

	December 31, 2020		
	Within one year	**Over 1 year to 5 years**	**Total**
	LAK	**LAK**	**LAK**
Installment loan receivables			
Installment loan receivables	66,878,967,440	31,462,254,000	98,341,221,440
Less Unearned interest income	(19,145,950,699)	(7,061,229,923)	(26,207,180,622)
	47,733,016,741	24,401,024,077	72,134,040,818
Add Initial direct cost	1,436,638,734	1,118,284,205	2,554,922,939
	49,169,655,475	25,519,308,282	74,688,963,757
Less Allowance for doubtful debts	(2,372,554,917)	(419,147,419)	(2,791,702,336)
Total installment loan receivables	46,797,100,558	25,100,160,863	71,897,261,421
Total	**47,412,873,880**	**25,302,582,221**	**72,715,456,101**

The outstanding balances of finance lease receivables and installment loan receivables as at March 31, 2021 and December 31, 2020 aged by the number of months are summarized as follows:

	As at March 31, 2021	**As at December 31, 2020**
	Finance lease and installment loan receivables net of unearned interest income	**Finance lease and installment loan receivables net of unearned interest income**
	LAK	**LAK**
Not yet due	62,787,552,089	54,414,161,391
Past due 1 - 3 months	12,337,611,067	14,672,370,031
Past due 4 - 5 months	583,760,725	1,145,245,622
Past due 6 - 12 months	1,129,501,345	1,297,787,808
Past due over 12 months	2,436,170,343	2,229,115,542
Total	79,274,595,569	73,758,680,394
Allowance for doubtful debts	3,556,904,916	3,617,689,775

For the three-month period ended March 31, 2021 and 2020 , no bad debt expense.

6. ASSET HELD FOR SALE

Asset held for sale as at March 31, 2021 and December 31, 2020 consists of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Asset held for sale - motorcycles	248,687,956	211,320,860
Less Allowance for diminution in value of assets	(28,750,000)	(23,750,000)
	219,937,956	187,570,860

7. OTHER CURRENT ASSETS

Other current assets as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Prepaid expenses	513,658,774	292,490,017
Advance payments	11,116,000	9,239,640
Value-added tax receivable	-	8,633,089
Others	33,274,000	24,218,849
	558,048,774	334,581,595

8. CASH DEPOSIT AT BANK OF THE LAO PDR

As at March 31, 2021 and December 31, 2020, the Company has restricted cash deposit as mandatory reserves with Bank of the Lao PDR (the "BOL") amounting to LAK 2,000 million, which equals 5% of total registered share capital. Such cash cannot be used for day-to-day operation. It can only be refunded if the Company permanently closes its business.

9. LEASEHOLD IMPROVEMENTS AND EQUIPMENT

Leasehold improvements and equipment as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Carrying amount as at January 1,	1,037,381,048	1,454,220,193
Acquisitions during the period	60,791,560	116,102,167
Depreciation for the period	(132,350,651)	(532,941,312)
Carrying amount	965,821,957	1,037,381,048

10. INTANGIBLE ASSET

Computer Software under installation as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Carrying amount as at January 1,	60,019,000	42,493,727
Acquisitions during the period	39,480,000	60,019,000
Amortization for the period	-	(42,493,727)
Carrying amount	99,499,000	60,019,000

11. TRADE AND OTHER PAYABLES

Trade and other payables as at March 31, 2021 and December 31, 2020 consist of the following:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Trade payables - related parties (see Note 21)	100,333,000	190,075,000
Trade payables - other parties	2,122,501,000	2,179,740,000
Other payables - related parties (see Note 21)	7,248,000	28,136,000
Tax payable	84,129,805	52,852,813
Accrued guarantee expenses - related parties (see Note 21)	-	367,549,304
Accrued expenses	773,629,077	1,256,582,927
	3,087,840,882	4,074,936,044

12. LIABILITY UNDER A FINANCE LEASE AGREEMENT

The Company entered into a financial lease agreement of vehicle. The minimum lease payments and their present value of liability under the finance lease agreement as at March 31, 2021 and December 31, 2020 consist of the following:

	Minimum lease payments		Present value of minimum lease payments	
	As at March 31, 2021 LAK	As at December 31, 2020 LAK	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Current portion of liabilities under a finance lease agreement	-	78,339,545	-	78,339,545
Less Deferred interest			-	-
			-	78,339,545

13. LONG-TERM BORROWING FROM A FINANCIAL INSTITUTION

As at March 31, 2021 the Company has a long-term borrowings from a financial institution of USD 1.20 million (equivalent to LAK 12,073 million), which carried interest rate of Foreign Currency Deposit Rate plus 1.20% per annum, were guaranteed by a parent company and will due within 3 years from the drawdown date.

14. LEGAL RESERVE

Under the Articles 156 and 157 of the existing Law on Enterprise of Lao PDR, a limited company, shall annually after deducting losses, put ten percent of the net profit into a reserve fund. When the reserve fund accumulates half of the registered capital, a limited company may suspend such reduction. Unless otherwise, provided by the bylaws of a limited company. The legal reserve fund shall only be used to recover from the losses of the Company.

Article 195 has stated that Articles 156 and 157 are also applicable to a public company.

15. EARNINGS PER SHARE

For the three-month period ended March 31, the Company calculated the weighted average number of ordinary shares and earnings per share as follows:

	2021 LAK	2020 LAK
Number of ordinary share as at March 31,	40,000,000	40,000,000
Net profit for the three-month period ended March 31,	2,064,615,515	2,154,532,087
Basic earnings per share	52	54

16. DIVIDENDS

On May 29, 2020, the general shareholders' meeting passed a resolution to pay dividends from net profit for 2019 to shareholders amounting to LAK 4,000 million. Such dividends were paid in June 2020.

At the Annual General Meeting of Shareholder 2020 held on 27 April 2021, the shareholders approved for the dividend payment from net profit and operating results for the year 2020 at the rate of LAK 155 per share, totaling of LAK 6,200 million. Such dividends are to be paid in May 2021.

17. OTHER INCOME

Other income for the three-month period ended March 31, consist of the following:

	2021 LAK	2020 LAK
Penalty income	307,125,420	210,791,738
Others	63,000,306	55,213,905
	370,125,726	266,005,643

18. ADMINISTRATIVE EXPENSES

Administrative expenses for the three-month period ended March 31, consist of the following:

	2021 LAK	2020 LAK
Staff costs	2,032,236,024	1,828,882,192
Remuneration to managements	220,250,000	236,712,400
Utility expenses	135,651,982	123,907,153
Marketing expenses	223,080,000	24,252,000
Net loss on sales of assets held for sale	135,541,179	375,655,723
Professional fee	71,877,208	77,637,370
Depreciation	132,350,651	132,110,763
Entertainment expenses	1,408,000	23,737,100
Stationery expenses	61,102,610	66,797,500
Others	214,200,670	421,543,133
	3,227,698,324	3,311,235,334

19. DOUBTFUL ACCOUNTS AND BAD DEPT EXPENSES

During the first quarter of 2021, the company can manage cash collections from finance lease and installment loan receivables that setting up the allowance for doubtful accounts as at December 31, 2020 ; therefore, the reversal of the allowance offsetting with the additional is presented.

20. TAXATION

The taxation system in the Lao PDR is characterized by numerous taxes and subject to interpretation. Different interpretations exist among numerous taxation authorities. In addition, taxes are subject to review and investigation by a number of authorities, who are enabled by law to impose severe fines, penalties and interest charges.

The Company has been granted the privileges under the Tax Law of Lao PDR by reduction of 5% of profit tax rate from normal rate for four years from the date of registration on the Lao Securities Exchange.

On February 11, 2020, the Ministry of Finance (MoF) issued a notification No. 0424/MoF enforcing the new law on Tax No. 67/Sor Phor Sor dated September 18, 2019 to be effective for the financial period from January 1, 2020 onwards. Under the new law, Article 16, Item 2, Bullet Point 3 stated that the corporate income tax rate for companies listed in the Lao Securities Exchange will be 13% for four years from the date of registration on the Lao Securities Exchange.

21. RELATED PARTY TRANSACTIONS

The Company has business transactions with its related parties which are key management personnel, including directors and companies associated with these individuals constitutes related parties. Such transactions have been dealt with on the terms and basis determined between the Company and related parties.

The amounts and nature of significant balances as at March 31, 2021 and December 31, 2020 and transactions for the three-month period ended March 31, are summarized as follows:

Balances as at March 31, 2021 and December 31, 2020 consist of the following:

Account name/Company's name	Relationship	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Trade payables			
JB Honda	(1)	49,980,000	99,375,000
JB Honda Nonsavang	(1)	24,942,000	79,604,000
JB Honda Thangon	(1)	25,411,000	11,096,000
		100,333,000	190,075,000

Account name/Company's name	Relationship	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Other payables			
JB Honda	(1)	2,556,000	13,020,000
JB Honda Nonsavang	(1)	2,700,000	9,410,000
JB Honda Thangon	(1)	1,992,000	5,706,000
		7,248,000	28,136,000
Accrued guarantee expense			
Mahathun Holding Co., Ltd.	Shareholder	-	367,549,304
		-	367,549,304

Transactions for the three-month period ended March 31, consist of the following:

Account name/Company's name	Relationship	2021 LAK	2020 LAK
Purchase of leasing assets			
JB Honda	(1)	768,613,000	1,281,002,000
JB Honda Nonsavang	(1)	551,933,000	751,258,000
JB Honda Thangon	(1)	222,483,000	301,655,000
		1,543,029,000	2,333,915,000
Commission expense			
JB Honda	(1)	45,000,000	80,050,000
JB Honda Nonsavang	(1)	33,250,000	48,350,000
JB Honda Thangon	(1)	12,750,000	21,900,000
		91,000,000	150,300,000
Other expenses			
JB Honda	(1)	5,064,000	15,660,000
JB Honda Nonsavang	(1)	4,500,000	6,504,000
JB Honda Thangon	(1)	4,404,000	7,374,000
		13,968,000	29,538,000
Interest expense			
Ms. Inthavilay Oudom	Shareholder and director	-	58,219,800
Mahathun Holding Co., Ltd.	Shareholder	-	572,979,465
		-	631,199,265
Guarantee expense			
Mahathun Holding Co., Ltd.	Shareholder	384,543,936	-
		384,543,936	-

(1) The director of the Company is the shareholder of this entity.

Managements' remuneration for the three-month period ended March 31, consists of the following:

	2021 LAK	2020 LAK
Short-term benefits	220,250,000	236,712,400
	220,250,000	236,712,400

22. COMMITMENT

22.1 The Company has commitments under long-term leases for office space. The minimum future lease payments under the lease agreements as at March 31, 2021 and December 31, 2020 are summarized as follows:

	As at March 31, 2021 LAK	As at December 31, 2020 LAK
Within one year	205,160,551	150,037,955
Over 1 year but not over 5 years	1,375,994,624	1,381,246,738
Over 5 years	392,972,370	362,514,661
	1,974,127,545	1,893,799,354

Under the lease agreements, the lessors required the Company to pay rental for 12 months in advance on the date of agreements. For the three-month period ended March 31, 2021 and 2020, rentals applicable to such lease agreements which were paid and recorded as expenses in the statements of income are LAK 106.5 million and LAK 97.5 million, respectively.

22.2 As at March 31,2021 the company has capital commitments relating to Computer software under installation of LAK 99.5 million.

23. APPROVAL FOR ISSUE OF THE FINANCIAL STATEMENTS

This interim financial information was approved for issue by the authorized directors of the Company on May 12, 2021.

Mr.Manop Tririthvilai
Chief Executive Officer
Date : May 12,2021