Management Discussion & Analysis (MD&A) of the year 2025

1. Executive Summary.

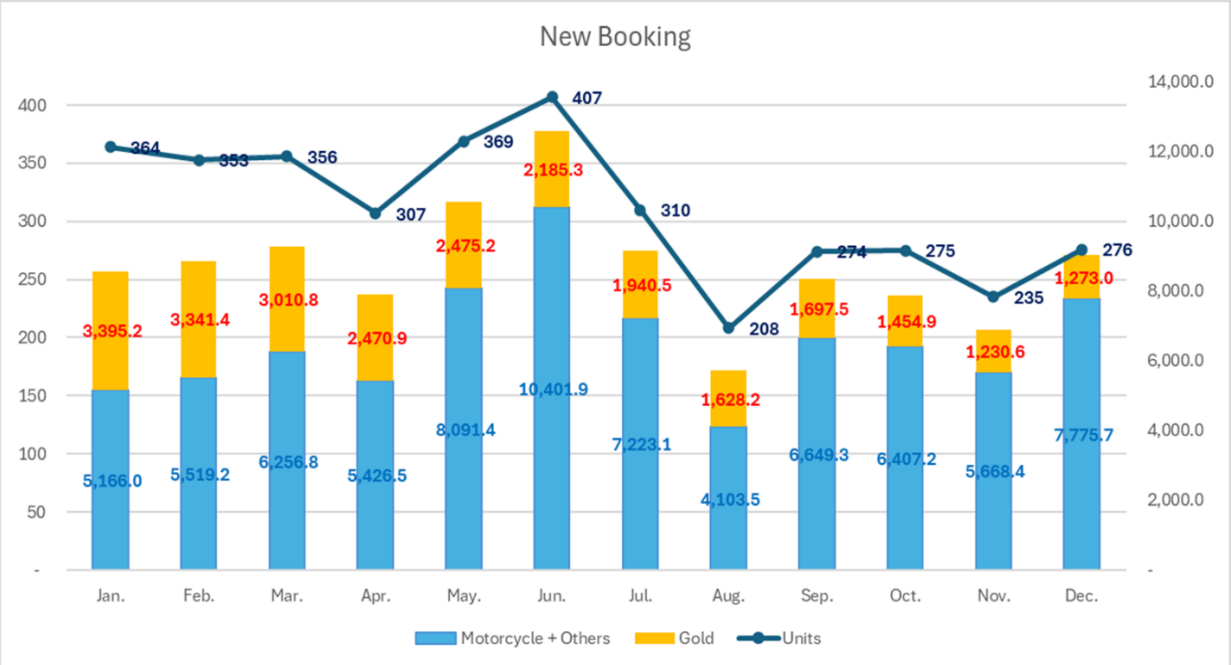
- Net profit was LAK 10,369.5 million, which the Highest Net profit since Operation started.
- New loan origination was LAK 104,792 million, which the first time of the new Customer's loan amount was more than LAK 100,000 million
- Focus on Motorcycle finance business, which reach to 75 % from total new customer's loan.
- Concentrating on the company's good customers by offering special campaigns, especially gold finance customers.

2. Operation and Marketing Performance

In 2025 the company has the number of new loans of leasing business was equal to 3,734 Contracts, which decreased 98 Contracts or about 2.6 percent, while in term of value the new loan of leasing business was equal LAK 104,792 million, which increased LAK 29,610 million or about 39.4 percent because the company's expansion by reach to new loan facility.

Table: New loan of lease business

The new leasing business loan for the 2024 and 2025 comparison				
	December 31, 2024	December 31, 2025	Change	percent
Number of contract (unit)	3,832	3,734	-98	-2.6
Loan Amount (Million Kip)	75,182	104,792	+29,610	+39.4



3. Financial Analysis

3.1 Revenues

In 2025 and 2024, the Company had total revenues of LAK 40,939.1 million, and LAK 56,040.2 million respectively, decreased LAK 15,101.1 million or about 26.9 percent. The main portion of revenue had been the Interest Revenues of LAK 39,434.1 million in 2025 while compared with 2024 was equal LAK 33,570.3 million, had increased LAK 5,863.8 million or 17.5 percent.

Table: Revenues

REVENUES	December 31, 2024		December 31, 2025		Change	
	LAK: Million	%	LAK: Million	%	LAK: Million	%
Interest income	33,570.3	59.9	39.434.1	96.3	+5,863.8	+17.5
Other incomes	22,469.9	40.1	1,505.0	3.7	-20,964.9	-93.3
Total Revenues	**56,040.2**	**100.0**	**40,939.1**	**100.0**	**-15,101.1**	**-26.9**

3.2 Expanses

In 2025 and 2024, the Company had total expenses include financial expense of LAK 27,973.1 million and LAK 48,636.0 million Respectively, which decreased LAK 20,662.9 million or about 42.4 percent. The mainly decreasing expenses came from the financial cost in 2025 was equal LAK 1,157.0 million while compared with 2024 was equal LAK 17,259.8 million which decreased LAK 16,102.8 million or about 93.3 percent because of the company repay the borrowed.

Table: Expenses

Expanses	December 31, 2024		December 31, 2025		Changed	
	LAK:million	%	LAK:million	%	LAK:million	%
Administrative expense	24,410.2	50.2	23,889.3	85.4	-520.9	-2.1
Doubtful account expense	4,646.0	9.6	2,956.4	10.6	-1,689.6	-36.3
Net loss on exchange rate (Gain)	2,320.0	4.8	-29.6	-0.1	-2,349.6	-101.2
Finance cost	17,259.8	35.5	1,157.0	4.1	-16,102.8	-93.3
Total Expenses	**48,636.0**	**100.0**	**27,973.1**	**100.0**	**-20,662.9**	**-42.4**

In 2025 and 2024, the total expenses of the company divided to Administrative expense was equal LAK 23,889.3 million or about 85.4 percent and LAK 24,410.2 million or about 50.2 percent and Doubtful account expense was equal LAK 2,956.4 million or about 10.6 percent and LAK 4,646.0 million or about 9.6 percent and Net gain on exchange rate was LAK 29.6 million or about 0.1 percent and Net lost LAK 2,320.0 million or about 4.8 percent and Financial cost was LAK 1,157.0 million or about 4.1 percent and LAK 17,259.8 million or about 35.5 percent Respectively.

The Administrative expenses included the employee expenses, remunerative expenses of management, Infrastructure expenses, Marketing Expenses, loss of repossesses selling, Staff's, incentive expenses, Depreciation and Other expenses. In 2025 the Total expense decreased 42.4 percent while the Total Revenue decreased 26.9 percent.

3.3 Net profit.

In 2025 and 2024, the company had a net profit of LAK 10,369.5 million or about 25.3 percent while compared with the Total revenue and LAK 6,646.1 million or about 11.8 percent Respectively, the net profit increased by LAK 3,723.4 million or about 56.0 percent.

3.4 Total Assets

In 2025, and 2024 the Company had Total Assets equal to LAK 109,426.9 million and LAK 85,521.5 million respectively. The main asset was Current portion of finance lease receivable and installment loan receivables equal to LAK 56,789.2 million and in 2024 is equal LAK 56,448.6 million, which about 51.9 percent and 66.0 percent comparing to total assets respectively.

Table: Assets

ASSETS	31 Dec 2024		31 Dec 2025	
	LAK: million	%	LAK: million	%
Current assets				
Cash and cash equivalents	3,766.3	4.4	598.4	0.5
Current portion of finance lease receivable and installment loan receivables	56,448.6	66.0	56,789.2	51.9
Properties foreclosed	235.0	0.3	1,929.2	1.8
Other current assets	1,259.8	1.5	1,312.9	1.2
Total current assets	**61,709.7**	**72.2**	**60,629.8**	**55.4**
Non- current assets				
Cash deposit for Loan	0.0	0.0	0.0	0.0
Cash deposit at bank of Lao PDR	2,000.0	2.3	2,000.0	1.8
Finance lease receivables and installment loan receivables	20,992.6	24.5	46,153.8	42.2
Leasehold improvement and equipment	614.3	0.7	633.2	0.6
Intangible asset	0	0	0	0
Other non-current assets	204.9	0.2	10.0	0.0
Total non-current assets	**23,811.8**	**27.8**	**48,797.1**	**44.6**
Total assets	**85,521.5**	**100.0**	**109,426.9**	**100.0**

3.4.1 Current Assets

In 2025 and 2024, the Company had current assets equal to LAK 60,629.8 million and LAK 61,709.7 million respectively or about 55.4 percent and 72.2 percent of total assets respectively.

Beside current assets mentioned above that there are also Cash and cash equivalents equal to LAK 598.4 million and LAK 3,766.3 million respectively or about 0.5 percent and 4.4 percent of total assets respectively. Properties foreclosed was equal to LAK 1,929.2 million and LAK 235.0 million or about 1.8 percent and 0.3 percent of total assets. Other current assets equal to LAK 1,312.9 million and LAK 1,259.8 million, or about 1.2 percent and 1.5 percent of total assets.

3.4.2 Non-current Assets

In 2025 and 2024 the Company had non-current assets equal to LAK 48,797.1 million and LAK 23,811.8 million respectively or about 44.6 percent and 27.8 percent of total assets respectively. The main asset was Finance lease receivables and installment loan receivables equal to LAK 46,153.8 million and in 2024 is equal LAK 20,992.6 million increased LAK 25,161.2 million, which about 119.9 percent because the company expand the business by the new customer increasing.

Beside non-current assets mention above, there's cash deposit at the bank of Lao PDR equal to LAK 2,000.0 million and LAK 2,000.0 million respectively or about 1.8 percent and 2.3 percent of total assets respectively. Leasehold improvement and equipment were equal to LAK 633.2 million and LAK 614.3 million respectively or about 0.6 percent and 0.7 percent of total assets respectively.

3.5 Total Liabilities

In 2025 and 2024, the Company has total liabilities of LAK 18,175.4 million and LAK 4,639.5 million respectively. In the year 2025, The company reach to new loan facility equal LAK 11,000 million both short-term and current portion of long-term borrowing.

Table: Liabilities

Liabilities	31 Dec 2024		31 Dec 2025	
	LAK: million	%	LAK:million	%
Liabilities				
Current liabilities				
Trade and other payables	3,622.5	78.1	4,431.6	24.4
Income tax payables	743.0	16.0	2,506.3	13.8
Short-term and current portion of long-term borrowing	0	0.0	7,000.0	38.5
Other current liabilities	60.0	1.3	49.9	0.3
Total current liabilities	**4,425.5**	**95.4**	**13,987.9**	**77.0**
Non - current liabilities				
Long-term borrowing	0	0.0	4,000.0	22.0
Other non-current liabilities	214.0	4.6	187.5	1.0
Total non-current liabilities	**214.0**	**4.6**	**4,187.5**	**23.0**
Total liabilities	**4,639.5**	**100.0**	**18,175.4**	**100.0**

3.5.1 Current Liabilities

In 2025 and 2024 the Company had current liabilities equal to LAK 13,987.9 million and LAK 4,425.5 million respectively or 77.0 percent and 95.4 percent of total liabilities respectively.

Beside current liabilities mentioned above, trade and other payables are also included which equal to LAK 4,431.6 million and LAK 3,622.5 million respectively or 24.4 percent and 78.1 percent respectively.

3.5.2 Non-current Liabilities

In 2025 and 2024 the Company has non-current liabilities equal to LAK 4,187.5 million and LAK 214.0 million respectively or about 23.0 percent and 4.6 percent of total liabilities respectively.

4. Cashflow Analysis.

In 2025, net cashflow on operating activities was LAK 14,127.7 million. The cash outflow was mainly driven by an increase in finance lease and instalment loan receivables as the Company expanded its lending portfolio.

Net cashflow on investing activities was LAK 251.9 million, mostly for the purchase of equipment.

Net cashflow on financing activities was LAK 11,000.0 million, which came for borrowings were equal LAK 19,700.0 million, less loan repayments were equal LAK 8,700.0 million.

The cash and cash equivalents as of 31 December 2025 was LAK 598.5 million, decreased was equal 84.1% from the previous year.

5. Key Financial Ratio Analysis.

Financial ratio	Unit	2024	2025	Change + / -
Current Ratio	**Times**	**13.94**	**4.33**	**-9.61**
Return On Assets (ROA)	**%**	**7.77**	**9.48**	**+1.71**
Return On Equities (ROE)	**%**	**8.22**	**11.36**	**+3.14**
Debt to Equity (D/E ratio)	**Times**	**0.06**	**0.20**	**+0.14**
Net Profit Margin	**%**	**11.86**	**25.33**	**+13.47**
Earnings per Share (EPS)	**LAK/Share**	**16.62**	**25.92**	**+9.3**

6. Directions and Future Plan (Abbreviation)

6.1 Business and Operation. (Business Plan for the year 2026)

- **Marketing.**

Based On the Business Plan for the year 2026, The main policy is followed,

1. Focus on expanding the leasing for Motorcycle and Gold customers by developing both On-line and Off-line Marketing.
2. Balance the company's portfolio based on the company's cashflow and new loan facility.
3. Expand the new service area in Northern of Lao PDR.
4. Find the new source of funds for the company's expansion of both a loan and a corporate bond.

- **Borrowing and Re-payment.**

Based on the Business plan for 2026, which the Company has planned to borrow the LAK 49,000 million loan to expand the company portfolio. However, the company will seek the new loan facility both of a loan and a corporate bond. If the company reaches any new loan facilities more than the company plan, the company will revise the business plan further.

6.2 ESG and CSR.

- **15 years of Mahathuen celebration.**

  As part of its 15th anniversary activities in 2026, the Company plans to organize community initiatives, including blood donation drives and public cleaning activities. The activities will be carried out according to the Company's approved plan and available resources.

7. Investor Relations Contact Information.

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