

LA PRUDENCE LEASING FINANCE CO. LTD

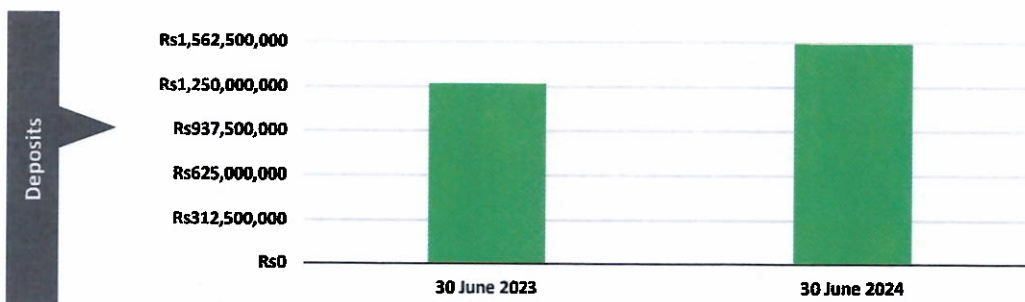
**UNAUDITED INTERIM FINANCIAL STATEMENTS
30 JUNE 2024**

**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 30 JUNE 2024**

FINANCIAL REVIEW

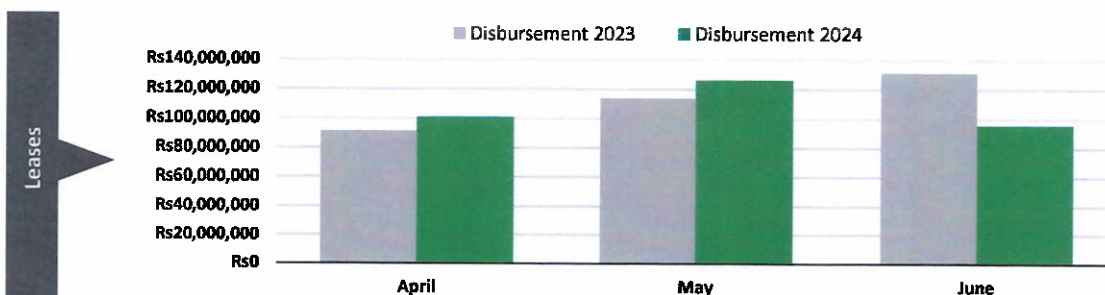
Deposits from customers

Total deposits grew by 22.41% and stood at Rs 1.551 billion as at 30 June 2024 as compared to Rs 1.267 billion as at 30 June 2023.



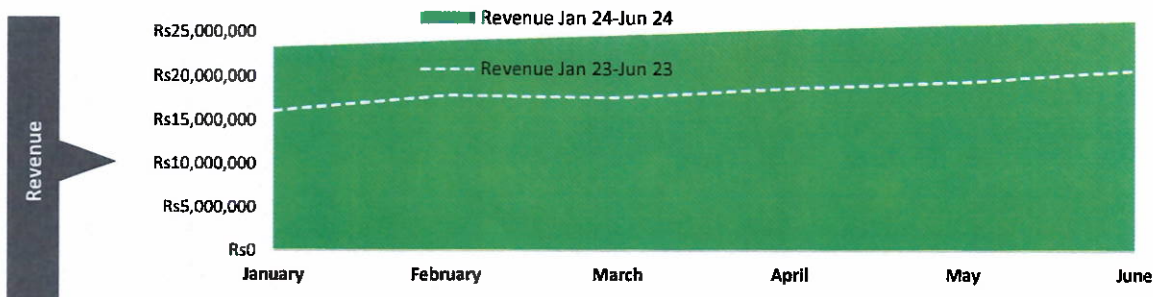
Leases disbursed

The amount of leases approved stood at Rs 322.5 million for the quarter ended 30 June 2024 while for the same quarter last year an amount of Rs 337 million was approved as new leases representing a decrease of 4.32% which is mainly explained by an abnormal surge in the amount of leases disbursed in the second quarter of 2023 following expectations that the excise duty rebate scheme would be abolished after June 2023. The average monthly disbursement for the quarter under review is Rs 107.5 million compared to Rs 112.3 million for the same quarter last year.



Revenue

Revenue from finance and operating lease activities increased significantly by 31.50% to reach Rs 77.676 million for the quarter under review while it stood at Rs 59.070 million for the same quarter last year. The monthly revenue on average for the quarter under review is Rs 25.89 million compared to Rs 19.69 million for the same quarter last year.

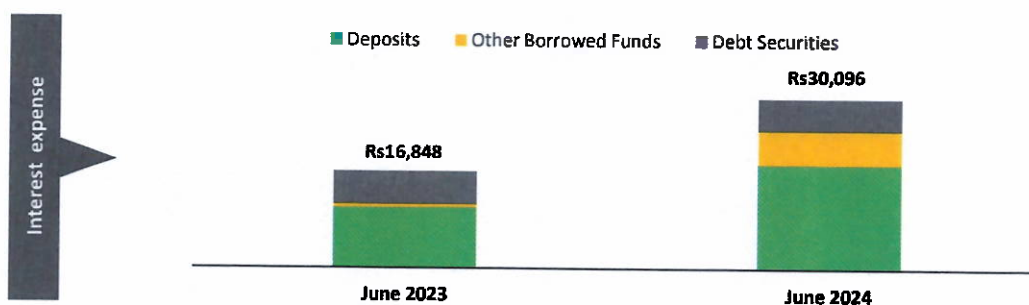


**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 30 JUNE 2024**

FINANCIAL REVIEW (CONTINUED)

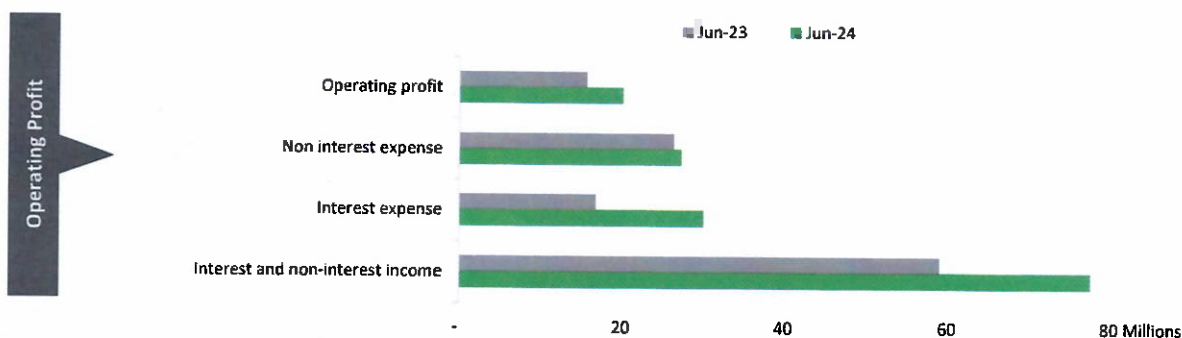
Interest expense

Interest expense increased by 78.63% to reach Rs 30.096 million for the quarter 30 June 2024 while it stood at Rs 16.848 million for the same quarter last year. The increase in interest expense is the result of increased borrowed funds and the raising of debt securities to support the Company's grow strategy. Interest paid to depositors has also increased to Rs 18.10 million for the quarter ended 30 June 2024 compared to Rs 10.48 million for the same quarter last year.



Operating Profit

The operating profit for the quarter ended 30 June 2024 was Rs 20.164 million as compared to Rs 15.719 million for the same quarter last year, representing a growth of 28.2%. Interest income grew by 31% as a result of "Grow Back the Books" strategy with our lease book increasing to Rs 2.4 billion compared to Rs 1.8 billion in June 2023. Our interest expense increased to Rs30.1M for the quarter 30 June 2024 (2023: Rs16.8M) which had been financed from more diversified sources of funding including deposits from customers, bonds, term loans and money market lines. Slight increase of 3% in non interest expense was mainly due to additional personnel to support increased business operations. Increase in provision for credit losses is in line with the normal growth of our leasebook with NPA at 1.64% as at 30 June 2024.

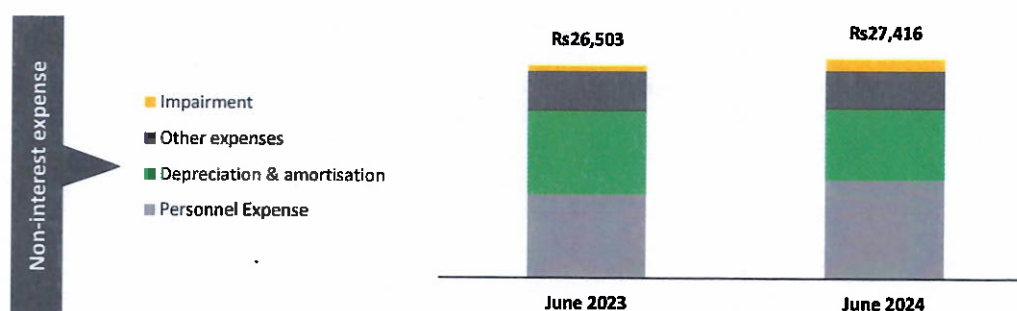


**LA PRUDENCE LEASING FINANCE CO LTD
FOR THE PERIOD ENDED 30 JUNE 2024**

FINANCIAL REVIEW (CONTINUED)

Non-Interest Expense

Non-interest expense for the quarter ended 30 June 2024 stood at Rs 27.415 million compared to Rs 26.502 million for the same quarter last year. The increase of 3.45% in non-interest expense is mainly explained by an increase in provision for impairment, personnel expenses and professional fees.



Credit Quality

Non-performing lease as a percentage of total lease portfolio is 1.64% as at 30 June 2024.

Sector-Wise distribution of the leasing portfolio

30 June 2024	Total capital outstanding Rs	ECL Rs	Net Rs
Agriculture and Fishing	56,793,668	474,203	56,319,465
Manufacturing and Textile	216,657,401	1,734,144	214,923,257
Tourism	262,688,953	1,202,622	261,486,331
Transport	343,554,785	2,328,115	341,226,670
Construction and Civil Engineering	156,679,145	1,359,661	155,319,484
Financial and Business Services	85,193,910	970,532	84,223,378
Traders & Commerce	390,744,045	12,207,423	378,536,622
Personal	12,997,394	71,704	12,925,690
Professional	141,501,339	938,060	140,563,279
Media entertainment and recreational Activities	53,814,364	309,133	53,505,231
Freeport Enterprise	61,527	172	61,355
Other	50,754,753	241,062	50,513,691
Infrastructure	10,324,543	307,688	10,016,855
Education	67,175,034	869,517	66,305,517
Modernisation and Expansion	723,814	2,016	721,798
ICT Services	115,448,735	513,611	114,935,124
Services Sector	375,352,189	4,130,670	371,221,519
Health Development	84,727,179	684,368	84,042,811
	2,425,192,778	28,344,701	2,396,848,077

Capital Structure

As a non-bank deposit taking institution, the company is required to:

- Maintain a minimum capital adequacy ratio of 10%.
The Company's CAR was 16.15% for quarter 30 June 2024 and 19.58% for 30 June 2023.
- Maintain liquid assets equivalent to not less than 10% of deposit liabilities.
The liquidity asset ratio was at 16.04% for quarter 30 June 2024 and 17.25% for the same quarter last year.

LA PRUDENCE LEASING FINANCE CO LTD
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

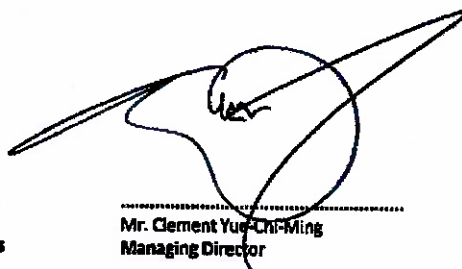
	June 2024	30 June 2023	December 2023
	Rs	Rs	Rs
	Unaudited	Unaudited (Revised)	Audited
ASSETS			
Cash and cash equivalents	42,556,522	69,795,269	76,648,737
Deposits with financial institutions	206,215,247	51,431,348	127,985,122
Investment in debt securities at amortised cost	-	97,294,000	88,924,506
Net investment in lease receivables	2,396,848,077	1,796,083,947	2,117,630,859
Advance on finance leases	37,686	1,350,572	1,028,910
Property and equipment	118,814,668	131,308,450	132,434,084
Right-of-use assets	-	1,973,874	982,842
Intangible assets	9,833,950	16,031,965	11,902,981
Assets held for sale	2,863,767	1,775,770	3,230,500
Other assets*	12,459,440	16,596,490	6,145,046
Total assets	2,789,639,347	2,183,641,685	2,576,913,587
LIABILITIES			
Deposits from customers*	1,551,007,365	1,267,090,774	1,422,904,517
Other borrowed funds	526,020,158	183,664,418	402,054,691
Debt Securities	308,816,135	367,609,990	367,780,617
Lease liabilities	-	2,100,107	1,066,492
Other liabilities	39,548,215	32,962,967	38,618,953
Current tax liability	4,000,519	3,233,130	3,995,729
Deferred tax liabilities	1,920,622	1,936,268	1,920,622
Retirement benefit obligations	2,496,342	602,292	2,496,342
Total liabilities	2,427,809,356	1,859,199,946	2,246,837,963
SHAREHOLDER'S EQUITY			
Share capital	200,000,000	200,000,000	200,000,000
Statutory Reserve	45,178,648	35,935,661	40,415,493
General risk reserve	24,878,590	8,648,698	24,878,590
Retained earnings	91,772,753	78,857,380	64,781,541
Total equity	361,829,991	324,441,739	330,075,624
Total equity and liabilities	2,789,639,347	2,183,641,685	2,576,913,587

31/07/2024

Authorised for issue by the board of Directors on and signed on its behalf by :



Mr. Mushtaq Oosman
Chairperson of the Board of Directors



Mr. Clement Yue Chi-Ming
Managing Director



Mrs. Yeung Min (Christine) John Chuan
Chairperson of the Audit Committee

*Revised balances are due to reclassifications made at year end 31 December 2023 and applied for quarterly comparatives.

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
PERIOD ENDED 30 JUNE 2024

	Quarter Ended Unaudited 3 months 30-Jun 2024 Rs	Quarter Ended Unaudited 3 months 30-Jun 2023 Rs	Period ended Unaudited 6 months 30-Jun 2024 Rs	Period ended Unaudited 6 months 30-Jun 2023 Rs	Year ended Audited 12 months 31-Dec 2023 Rs
Interest income					
Interest income calculated using the effective interest rate method	2,910,133	2,443,152	5,466,316	3,220,204	7,708,413
Interest income on investment in finance lease receivables	58,901,447	38,876,860	112,617,476	73,623,820	168,825,818
Interest expense*	(30,095,806)	(16,848,265)	(56,417,527)	(32,137,093)	(80,735,976)
Net interest income	31,715,774	24,471,747	61,666,265	44,706,931	95,798,255
Non-interest income					
Operating lease rental income	9,656,552	11,715,312	19,986,887	24,212,230	45,832,414
Fee and commission income	4,382,084	4,090,087	7,670,355	7,072,286	15,252,925
Other income	1,805,878	1,874,120	3,896,357	2,502,293	7,811,661
Net foreign exchange gain	19,672	70,403	19,672	70,403	25,642
Net non-interest income	15,864,186	17,749,922	31,573,271	33,857,212	68,922,642
Operating income*	47,579,960	42,221,669	93,239,536	78,564,143	164,720,897
Net impairment (loss)/gain on financial assets	(1,464,549)	(726,120)	(3,727,348)	(1,156,701)	3,668,461
Loss on assets held for sale	(333,185)	-	(257,799)	-	(1,183,493)
Personnel expenses	(12,187,999)	(10,237,287)	(24,124,664)	(20,586,675)	(42,577,155)
Depreciation of property and equipment	(7,412,654)	(9,418,513)	(14,937,515)	(18,630,745)	(35,134,330)
Depreciation of right-of-use assets	(495,517)	(495,517)	(991,033)	(991,033)	(1,982,066)
Amortisation of intangible assets	(1,033,529)	(638,112)	(2,069,030)	(1,271,971)	(5,734,841)
Other expenses*	(4,488,512)	(4,987,102)	(9,774,069)	(8,959,939)	(24,069,731)
	(27,415,945)	(26,502,651)	(55,881,458)	(51,597,064)	(107,013,155)
Profit before income tax	20,164,015	15,719,018	37,358,078	26,967,079	57,707,742
Income tax expense	(3,024,602)	(2,357,853)	(5,603,712)	(4,045,062)	(11,586,832)
Profit for the period/year	17,139,413	13,361,165	31,754,366	22,922,017	46,120,910
Other comprehensive income					
<i>Other comprehensive income that will not be reclassified to Profit or loss in subsequent period</i>					
Actuarial gain on retirement benefit obligations	-	-	-	-	(3,090,372)
Related tax	-	-	-	-	525,363
Other comprehensive income for the period/year	-	-	-	-	(2,565,009)
Profit and total comprehensive income for the period/year, net of tax	17,139,413.00	13,361,165	31,754,366	22,922,017	43,555,901

*Revised balances are due to reclassifications made at year end 31 December 2023 and applied for quarterly comparatives.

LA PRUDENCE LEASING FINANCE CO. LTD
STATEMENT OF CHANGES IN EQUITY
PERIOD ENDED 30 JUNE 2024

	Share capital	Statutory reserve	General risk reserve	Retained earnings	Total Equity
	Rs	Rs	Rs	Rs	Rs
Balance at 1 January 2022	200,000,000	29,233,484	-	67,971,539	297,205,023
Profit for the year, net of tax	-	-	-	28,425,816	28,425,816
Other comprehensive income, net of tax	-	-	-	888,884	888,884
Total comprehensive income for the year, net of tax	-	-	-	29,314,700	29,314,700
<i>Transactions with owner</i>					
Dividends	-	-	-	(25,000,000)	(25,000,000)
Appropriation of retained earnings to general risk reserve	-	-	6,988,679	(6,988,679)	-
Transfer to statutory reserve	-	4,263,872	-	(4,263,872)	-
Balance at 31 December 2022	200,000,000	33,497,356	6,988,679	61,033,688	301,519,723
Profit for the year, net of tax	-	-	-	46,120,910	46,120,910
Other comprehensive income, net of tax	-	-	-	(2,565,009)	(2,565,009)
Total comprehensive income for the year, net of tax	-	-	-	43,555,901	43,555,901
<i>Transactions with owner</i>					
Dividends paid during the year	-	-	-	(15,000,000)	(15,000,000)
Appropriation of retained earnings to general risk reserve	-	-	17,889,911	(17,889,911)	-
Transfer to statutory reserve	-	6,918,137	-	(6,918,137)	-
Balance at 31 December 2023	200,000,000	40,415,493	24,878,590	64,781,541	330,075,624
Profit for the period, net of tax	-	-	-	31,754,367	31,754,367
Total comprehensive income for the period, net of tax	-	-	-	31,754,367	31,754,367
Transfer to statutory reserve	-	4,763,155	-	(4,763,155)	-
Balance at 30 June 2024	200,000,000	45,178,648	24,878,590	91,772,753	361,829,991