

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-converted interim financial statements

For six-month periods ended 30 June 2024



SOUVANNY HOME CENTER PUBLIC COMPANY

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SOUVANNY HOME CENTER PUBLIC COMPANY

GENERAL INFORMATION

THE COMPANY

Souvanny Home Center Public Company ("the company") is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company operate under Business License No. 0036/ERO dated 07 January 2022. The principal business operation of the Company is to operate a one-stop shopping-home center which provides both services and full-range products from construction material to home supplies and decoration such as, tile, sanitary ware, paint, home, and office decoration material, furniture and others. Moreover, the Company also has services including the product recommendation to customers, interior design for kitchen and restroom, and product delivery.

The shareholding structure of the Company as at 30 June 2024 is as follows:

<i>Shareholders</i>	<i>Number of shares (par value: LAK 2,000/share)</i>	<i>Shares equal to Percentage</i>
Mr. Waddana SOUKHABANDITH (*)	28,524,440	17.29%
Mr. Phannola SOUKHABANDITH (*)	26,844,580	16.27%
Mr. Kotsada SOUKHABANDITH (*)	26,844,580	16.27%
Ms. Phaphatsone SOUKHABANDITH (*)	840,000	0.51%
Ms. Viengdala BOUPHA (*)	840,000	0.51%
Mr. Anousone OUNTAY (*)	28,000	0.02%
Mr. Bounthavy SIMMAXAY (*)	22,400	0.01%
Mr. Souvanny SISOMCHAY (*)	28,000	0.02%
Mr. Xaysangkhom XUMMANYVONG (*)	28,000	0.02%
Global House International Limited	56,000,000	33.94%
Other public corporation and individual investors	25,000,000	15.15%
	165,000,000	

(*) These shareholders represent for Soukhabandith family with total shares holding 50.92%.

The initial registered capital of the Company is LAK 330,000,000,000. The actual paid-up capital of the Branch as at 30 June 2024 is LAK 330,000,000,000 (31 December 2023: LAK 330,000,000,000).

The Company's head office is located at number 366 Ban Phonetongsavath, Chanthaburi District, Vientiane Capital, Lao PDR. The Company has 7 branches in Lao PDR, 3 branches in Vientiane Capital and 4 branches in provinces, including:

- ▶ Phonetongsavath branch locates at No366, Phonetongsavath Village, Chathabouly District, Vientiane Capital.
- ▶ Srikai branch locates at 13 North Rd, Nahae Village, Sikhottabong District, Vientiane Capital.
- ▶ Xokyai branch locates at 450 Rd, Xokyai Village, Sikhottabong District, Vientiane Capital.
- ▶ Pakxan branch locates at 13 South Rd, Sisaart Village, Pakxan District, Borlikhamxay Province.
- ▶ Thakhaek branch locates at Phonphim Village, Thakhek District, Khammouan Province.
- ▶ Savannakhet branch locates at 9 Rd, Phonesavarngnuea Village, Kaysone Phomvihian City, Savannakhet Province.
- ▶ Pakse branch locates Karng Village, Pakse Capital City, Champasak Province.

SOUVANNY HOME CENTER PUBLIC COMPANY

GENERAL INFORMATION (continued)

BOARD OF DIRECTORS

Members of Board of Directors during the period and as at the date of this report are:

<i>Name</i>	<i>Position</i>	<i>Date of appointment/resignation</i>
Mr. Somchith INTHAMITH	Chairman of the Board Directors, Independent Director	Appointed on 07 April 2023
Assoc.Prof.Dr. Xayphone KONGMANILA	Vice-Chairman of Board of Directors, Independent Directors	Appointed on 07 April 2023
Mr. Waddana SOUKHABANDITH	Member of Board of Directors	Appointed on 07 April 2023
Mr. Sonesavanh SENGAPHAY	Member of Board of Directors	Appointed on 08 April 2024
Mr. Bounterm KOMMITTAPHAP	Member of Board of Directors	Resigned on 07 April 2024
Mr. Phannola SOUKHABANDITH	Member of Board of Directors	Appointed on 07 April 2023
Mr. Kotsada SOUKHABANDITH	Member of Board of Directors	Appointed on 07 April 2023
Mrs. Khamkhai LORVANXAY	Member of Board of Directors	Appointed on 07 April 2023
Ms. Chutikan SRISAENGCHAN	Member of Board of Directors	Appointed on 07 April 2023
Mr. Piphop VASANAARCHASAKUL	Member of Board of Directors	Appointed on 07 April 2023

BOARD OF MANAGEMENT

Members of the Management during the period and at the date of this report are:

<i>Name</i>	<i>Position</i>
Mr. Waddana SOUKHABANDITH	Chief Executive Officer
Mr. Phannola SOUKHABANDITH	Chief Financial Officer
Mr. Kotsada SOUKHABANDITH	Chief Operation Officer

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Waddana SOUKHABANDITH, Chief Executive Officer.

AUDITOR

The auditor of the Company is Ernst & Young Lao Co., Ltd.

SOUVANNY HOME CENTER PUBLIC COMPANY

REPORT OF MANAGEMENT

Management of Souvanny Home Center Public Company ("the Company") is pleased to present this report and LAK-converted interim financial statements of the Company for the six-month period ended 30 June 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE LAK CONVERTED INTERIM FINANCIAL STATEMENTS

Management is responsible for the preparation of the LAK-converted interim financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the LAK-converted interim financial statements. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those LAK-converted interim financial statements, management is required to:

- ▶ select suitable accounting policies and then apply them consistently;
- ▶ make judgement and estimates that are reasonable and prudent;
- ▶ state whether applicable accounting policies have been followed, subject to any material departures disclosed and explained in the LAK-converted interim financial statements; and
- ▶ prepare the LAK-converted interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position and to ensure that the accounting records comply with the accounting policies applied. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management has confirmed that it has complied with the above requirements in preparing the accompanying LAK-converted interim financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying LAK-converted interim financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the interim financial statements.

On behalf of the Board of Management:



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Vientiane, Lao PDR

28 August 2024

Reference: 13642391/68220288 – LR-LAK-converted

REPORT ON REVIEW OF SPECIAL PURPOSE INTERIM FINANCIAL STATEMENTS

To: The shareholders of Souvanny Home Center Public Company

We have reviewed the Company's LAK-converted special purpose interim financial statements which comprise the LAK-converted special purpose interim statement of financial position as at 30 June 2024, the LAK-converted special purpose interim income statement, LAK-converted special purpose interim statement of changes in equity and LAK-converted special purpose interim statement of cash flows for the six-month period then ended, and notes to the LAK-converted special purpose interim financial statements, including a summary of significant accounting policies (collectively being referred to as "the LAK-converted special purpose interim financial statements").

Management's responsibility

Management is responsible for the preparation and presentation of these LAK-converted special purpose interim financial statements in accordance with the accounting policies as described in Note 3 and the statutory requirements relevant to the preparation and presentation of the LAK-converted special purpose interim financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the LAK-converted special purpose interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express a conclusion on the LAK-converted special purpose interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of LAK-converted special purpose interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying LAK-converted special purpose interim financial statements are not prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the LAK-converted special purpose interim financial statements.

Emphasis of Matter

We draw attention to Note 2 to the LAK-converted special purpose interim financial statements which describes the basis of accounting. The LAK-converted special purpose interim financial statements are prepared to assist the Company's management in meeting the reporting requirements of its shareholders and the stock market regulators. As a result, the special LAK-converted purpose interim financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Company's management and its owners and the stock market regulators and should not be distributed to or used by other parties.

We also draw attention to Note 3.1 of the LAK-converted special purpose interim financial statements. The LAK-converted special purpose interim financial statements for the six-month period ended 30 June 2024 are prepared based on the THB-denominated financial statements for the same reporting period in accordance with Note 3 to THB-denominated special purpose interim financial statements.

Our conclusion is not modified in respect of these matters.

Other Matter

The LAK-converted special purpose interim financial statements of the Company for the six-month period ended 30 June 2023 were reviewed by another audit firm which expressed an unmodified conclusion on those financial statements on 16 August 2023. In addition, the LAK-converted special purpose financial statements of the Company as at 31 December 2023 were audited by this auditor who issued unqualified opinion on those financial statements on 13 February 2024.



Van Le
Partner

Audit Practising Registration
Certificate No. 018/LCPAA-APT-2019

Vientiane, Lao PDR

28 August 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

		30 June 2024 LAK	31 December 2023 LAK
ASSETS			
Current assets			
Cash and cash equivalents	4	46,693,485,635	97,622,510,973
Short-term deposit	5	32,835,037,500	-
Trade and other receivables, net	6	7,044,323,865	5,158,247,340
Inventories	7	543,962,716,145	484,347,770,402
Other current assets	8	43,374,939,553	38,829,875,290
Total current assets		673,910,502,698	625,958,404,005
Non-current assets			
Assets under purchase and construction in progress	9.1	104,183,416,828	51,471,512,607
Tangible assets	9.2	423,930,068,245	411,083,693,711
Intangible assets	9.3	752,233,430,843	709,109,081,833
Other non-current assets	10	15,124,503,223	8,730,500,082
Total non-current assets		1,295,471,419,139	1,180,394,788,233
TOTAL ASSETS		1,969,381,921,837	1,806,353,192,238

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED
INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2024

	Notes	30 June 2024 LAK	31 December 2023 LAK
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	80,383,860,788	65,565,702,900
Bank overdraft and short-term borrowings	12	83,512,221,103	54,694,740,214
Long-term borrowings – current portion	12	30,051,894,600	26,353,809,939
Profit tax payable	24	18,303,167,915	12,359,633,801
Deposits from customers	14	1,549,739,923	2,952,230,119
Other current liabilities	15	20,297,377,646	19,538,530,490
Total current liabilities		234,098,261,975	181,464,647,463
Non-current liabilities			
Long-term borrowings – non current portion	12	49,669,277,015	48,063,332,895
Debentures	13	66,747,300,000	62,116,071,600
Total non-current liabilities		116,416,577,015	110,179,404,495
TOTAL LIABILITIES		350,514,838,990	291,644,051,958
Equity			
Share capital	16	330,000,000,000	330,000,000,000
Share premium	16	24,735,724,722	24,735,724,722
Legal reserve		20,181,970,566	20,181,970,566
Other reserve		19,931,970,566	19,931,970,566
Retained earnings		261,709,478,838	250,094,367,876
Translate adjustment		962,307,938,155	869,765,106,550
Total equity		1,618,867,082,847	1,514,709,140,280
TOTAL LIABILITIES AND EQUITY		1,969,381,921,837	1,806,353,192,238



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

28 August 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED
INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2024

		For the six-month period ended 30 June 2024 LAK	For the six-month period ended 30 June 2023 LAK
	Notes		
Revenue from sales	17	456,879,857,343	372,566,804,956
Cost of sales	18	(343,555,701,773)	(275,351,205,605)
Gross income		113,324,155,570	97,215,599,351
Other incomes	19	1,849,425,618	1,287,008,984
Selling expenses	20	(43,385,129,615)	(31,755,117,889)
Administrative expense	21	(28,040,247,608)	(21,065,836,203)
Finance costs	22	(4,016,205,629)	(4,177,406,127)
Net foreign exchange (loss)/gain	23	(2,304,686,924)	1,435,608,647
		(75,896,844,158)	(54,275,742,588)
Profit before income tax expense		37,427,311,412	42,939,856,763
Profit tax expenses	24	(6,012,200,450)	(6,909,045,873)
Net profit for the period		31,415,110,962	36,030,810,890
Earnings per share	25	190	218



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

28 August 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF CHANGES IN EQUITY for the six-month period ended 30 June 2024

	Share capital LAK	Share premium LAK	Legal reserve LAK	Other reserve LAK	Retained earnings LAK	Translation adjustment LAK	Total LAK
Balance as at 1 January 2023	330,000,000,000	24,735,724,722	14,102,046,968	13,852,046,968	217,954,979,089	548,444,251,473	1,149,089,049,220
Net profit during the period	-	-	-	-	60,799,235,983	-	60,799,235,983
Legal reserve	-	-	6,079,923,598	-	(6,079,923,598)	-	-
Other reserve	-	-	-	6,079,923,598	(6,079,923,598)	-	-
Dividend paid	-	-	-	-	(16,500,000,000)	-	(16,500,000,000)
Translation adjustment	-	-	-	-	-	321,320,855,077	321,320,855,077
Balance as at 31 December 2023	330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	250,094,367,876	869,765,106,550	1,514,709,140,280
Balance as at 1 January 2024	330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	250,094,367,876	869,765,106,550	1,514,709,140,280
Net profit during the period	-	-	-	-	31,415,110,962	-	31,415,110,962
Dividend paid	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustment	-	-	-	-	-	92,542,831,605	92,542,831,605
Balance as at 30 June 2024	330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	261,709,478,838	962,307,938,155	1,618,867,082,847



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Channara SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

28 August 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF CASH FLOWS for the six-month period ended 30 June 2024

		For the six-month period ended 30 June 2024 LAK	For the six-month period ended 30 June 2023 LAK
	Notes		
OPERATING ACTIVITIES			
Profit for the period		37,427,311,412	42,939,856,763
<i>Adjustments for:</i>			
Depreciation charged during the period	9.2	13,800,165,792	12,765,956,980
Amortisation charged during the period		-	255,450
Gain from disposes of property, plant and equipment		17,400,782	855,362,041
Unrealised loss/(gain) from exchange rate	23	(2,192,091,482)	(2,076,883,361)
Interest expense	22	4,016,205,629	4,177,406,127
Allowance for slow moving and obsolete inventories		260,356,524	(1,814,031,214)
Reversal of allowance for doubtful debts	21	(1,219,658,248)	(705,338,529)
Allowance for sale return of trade receivable		(150,074,500)	(595,109,022)
<i>Working capital adjustments:</i>			
Changes in trade and other receivables		(1,511,572,210)	557,093,035
Changes in inventories		(28,993,105,370)	(2,511,626,973)
Changes in other current and non-current assets		(7,735,512,896)	(1,334,622,487)
Changes in trade and other payables		10,411,946,879	6,875,631,224
Changes in Customer deposits		(1,520,849,979)	25,854,234
Changes in other current liabilities		13,094,387	(640,232,693)
Interest paid		(4,026,926,027)	(4,160,122,405)
Profit tax paid		-	(9,944,957,710)
Net cash flows from/(used in) operating activities		18,596,690,693	44,414,491,460
INVESTING ACTIVITIES			
Investment in term deposits	5	(32,835,037,500)	-
Purchase of property, plant and equipment and construction in progress		(49,724,073,598)	(10,634,962,801)
Purchases of computer software		(74,153,110)	(60,724,393)
Net cash flows used in investing activities		(82,633,264,208)	(10,695,687,194)
FINANCING ACTIVITIES			
Proceed from short-term borrowings		184,406,123,144	237,042,414,813
Repayment of borrowings from bank		(162,121,413,636)	(273,674,088,571)
Proceed from debentures		-	56,914,470,000
Dividend paid	26	(19,800,000,000)	(16,500,000,000)
Net cash flows used in financing activities		2,484,709,508	3,782,796,242

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED
INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2024

	Notes	For the six-month period ended 30 June 2024 LAK	For the six-month period ended 30 June 2023 LAK
Net increase/(decrease) in cash		(61,551,864,006)	37,501,600,507
Cash at the beginning of the period		97,622,510,973	38,288,451,914
Translation adjustment		4,990,745,261	1,890,707,321
Cash at the end of the period	4	<u>41,061,392,228</u>	<u>77,680,759,742</u>



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

28 August 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO LAK-CONVERTED THE INTERIM FINANCIAL STATEMENTS
as at 30 June 2024 and the six-month period then ended

1. CORPORATE INFORMATION

Souvanny Home Center Public Company is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company operate under Business License No. 0036/ERO dated 07 January 2022. The principal business operation of the Company is to operates a one-stop shopping-home center which provides both services and full-range products from construction material to home supplies and decoration such as, tile, sanitary ware, paint, home, and office decoration material, furniture and others. Moreover, the Company also has services including the product recommendation to customers, interior design for kitchen and restroom, and product delivery.

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- ▶ Pakse branch locates Karng Village, Pakse Capital City, Champasak Province.

The number of the Company's employees as at 30 June 2024 is 682 (31 December 2023: 687).

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

2. BASIS OF PREPARATION

2.1 *Accounting policies*

According to the Accounting Law No.46/NA dated 20 November 2023, public interest entities, including listed companies should apply International Financial Reporting Standards ("IFRS") in preparing their annual interim financial statements. In accordance with the Official Letter No. 1137/MOF dated 27 April 2020 by the Ministry of Finance, public interest entities are allowed to delay the application of IFRS until 1 January 2026 onwards. The management is presently preparing action plan for implementation IFRSs in accordance with announcement.

2.2 *Purpose of preparing the LAK-converted financial statements*

The Company's accounting currency is THB as disclosed in Note 2.4. The Company has prepared THB-denominated financial statements for the six-month period ended 30 June 2024 on 28 August 2024.

In addition to the THB-denominated financial statements, the Company also converted the THB-denominated financial statements to the financial statements using Lao Kip as presentation currency ("the LAK-converted financial statements"). The LAK-converted financial statements are to assist the Company in submitting the financial statements to the stock market regulators and shareholders.

The LAK-converted financial statements are prepared based on the THB-denominated financial statements which were prepared in accordance with note 3 to the THB-denominated special purpose interim financial statement and the statutory requirements relevant to the preparation and presentation of financial statements.

Accordingly, the accompanying LAK-converted financial statements, including their utilisation are not designed for those who are not informed about Lao's accounting principles, procedures and practices and furthermore are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries other than Laos.

2.3 *Fiscal year*

The Company's fiscal year starts on 1 January and ends on 31 December.

2.4 *Accounting currency*

The Company maintains its accounting records in THB as it is the currency in which majority of the Company's transactions are denominated and settled. All values are shown in THB except when otherwise indicated.

2.5 *Presentation currency*

For the purpose of reporting to stock market regulators, the Company prepares financial statements using LAK as the presentation currency.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

2. BASIS OF PREPARATION (continued)

2.6 *Significant accounting judgements, estimates and assumptions*

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and expenses already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authority of Lao PDR. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulation by the taxable entity and the responsible tax authority. Such differences in interpretation may arise depending on the conditions prevailing in Lao PDR.

Impairment of trade receivables

The Company has established the allowance for doubtful accounts to reflect the impairment of trade receivables, related to the provision of loss from unbillable customers. The allowance for doubtful accounts is the effect of the Company's estimation of future cash inflow, with that assessment being based on the consideration of historical collection experience, known and identified instances of default and consideration of market trends.

Allowance for a decrease in the value of inventories

The Company has established an allowance for the decrease in value of inventories to reflect the net realisable value from inventories. The allowance for a decrease in the value of inventories is the effect of the Company's analysis of obsoleted inventories and forecasts of future sales. The balance of inventories will be written-off once the inventories are obsolete and are unable to be sold.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 *Conversion of THB-denominated financial statements into LAK-converted financial statements*

The Company converted its interim financial statement from Thai Baht into Lao kip ("LAK") as the following process:

- ▶ Items in LAK-converted interim statement of financial position as at 30 June 2024 are translated using the closing exchange rate of Banque Pour Le Commerce Extérieur Lao Public (BCEL) which is 677.50 LAK/THB except for share capital, share premium, legal reserve, other reserve, which are translated at historical foreign exchange rates by the Company;
- ▶ Items in the LAK-converted interim income statement and cash flow for the six-month period ended 30 June 2024 are translated using the average exchange rate during the period of Banque Pour Le Commerce Extérieur Lao Public (BCEL) which is 651.30 LAK/THB;
- ▶ All foreign exchange differences from financial statements translation from THB to LAK are presented under translation adjustment in the interim statement of changes in equity.

3.2 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand, cash at banks, and other short-term investments with original maturity of three months or less. An investment normally qualifies as a cash equivalent only when it has a short maturity of three months or less from the date of acquisition. Bank overdrafts are normally considered financing activities similar to borrowings. However, if they are repayable on demand and form an integral part of the Company's cash management, bank overdrafts are a component of cash and cash equivalents.

3.3 *Trade and other receivables*

Trade accounts receivable is carried at the original invoice amount and subsequently measured at the remaining balance less any allowance for doubtful debts.

Allowances for doubtful debts

The estimate on allowance for doubtful debt is based on number of overdue days and provision rate as below:

<i>Overdue days</i>	<i>Provision rate</i>
0 – 180 days	0%
More than 180 days	100%

Increase or decrease in the balance of allowances for doubtful debts are recognized in Administrative Expenses in the interim income statement.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 *Inventories*

Inventories are stated at the lower of the purchase cost and net realisable value. The cost is determined using the weight average method. The purchase cost comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates from suppliers.

Net realisable value

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expense.

Provision for obsolete inventories

An inventory provision is created for the estimated loss arising due to the impairment of value (through diminution, damage, obsolescence, etc.) of inventories owned by the Company, based on appropriate evidence of impairment available at the interim statement of financial position date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim statement of profit or loss.

3.5 *Property, plant and equipment*

Property, plant and equipment are stated at cost less accumulated depreciation.

The cost of an item of property, plant and equipment comprises of its purchase price and any directly attributable costs of bringing the item to working condition for its intended use.

Expenditures for additions, improvements and renewals are added to the carrying amount of the assets and expenditures for maintenance and repairs are charged to the interim statement of profit or loss as incurred.

When an item of property, plant and equipment is sold or retired, any gain or loss resulting from its disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim statement of profit or loss.

Depreciation

Depreciation of property, plant and equipment is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Buildings	20 - 30 years
Machinery and equipment	3 - 5 years
Furniture and fixtures	2 - 10 years
Motor and Vehicles	3 - 5 years

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 *Intangible assets*

Intangible assets consist of computer software and the land use rights with indefinite life. Intangible fixed assets are stated at cost less accumulated amortisation.

The cost of an intangible fixed asset comprises of its purchase price and any directly attributable costs of preparing the intangible fixed asset for its intended use.

Expenditures for additions, improvements are added to the carrying amount of the assets and other expenditures are charged to the interim statement of profit or loss as incurred.

When intangible fixed assets are sold or retired, any gain or loss resulting from their disposal (the difference between the net disposal proceeds and the carrying amount) is included in the interim statement of profit or loss.

Amortisation of intangible fixed assets are calculated on a straight-line basis over the estimated useful life of each asset as follow:

Computer software	5 years
Land use rights	Indefinite life

3.7 *Trade, other payables and accruals*

Trade, other payables and accruals are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Company.

3.8 *Borrowings*

Borrowings are recognized initially at cash received; net of transaction costs incurred.

Borrowings are classified as currents liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the interim statement of financial position date.

Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

All other borrowing costs are recognised as expense in the period in which they are incurred.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10 Legal Reserves

Legal reserve is set aside in order to secure against risks, whereby the Company shall annually transfer 10% of its net profit after tax into the legal reserve, after deducting accumulated losses. When the legal reserve reaches one-half of the contributed charter capital, the Company may suspend the conversion of profit to such fund, unless otherwise approved by the Company's owners.

3.11 Foreign currencies

Transactions in foreign currencies are translated into THB at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into THB at the exchange rate ruling at the end of reporting period.

Gains and losses on foreign exchange translation are included in the interim income statement.

3.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The Company recognises revenue when the amount of revenue can be reliably measured. It is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below.

Sale of goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually upon the delivery of the goods. Sales of goods subject to installation and inspection conditions are recognised when the buyer accepts the delivery and the installation and inspection are completed.

The Company's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amounts of returns are reassessed at each reporting date.

Other income includes interest income and rental income:

- ▶ Interest income is recognised on an accrual basis using contractual interest rate.
- ▶ Rental income from billboards that is leased to suppliers under an operating lease is recognised in the interim income statement on a straight-line basis over the lease term.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.13 *Taxation*

Current tax

Provision is made for profit tax on the current year's profits, based on the Tax Law governing taxation within Lao PDR. The Company is obliged to pay profit tax at rate of 20% of total profit before tax in accordance with the Tax Law No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020. Accordingly, the Company is subject to the tax rate of 20%. The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the interim financial statements could be changed at a later date upon final determination by the tax authorities.

Other taxes

Other taxes payable include value added tax and employees' personal income tax.

Value added tax is the tax liability determined on revenue for the period computed using the applicable tax rate for the year.

Personal income tax is the tax payable on salary paid to staff for the period determined using applicable tax rate for the years.

3.14 *Earnings per share*

Basic earnings per share amounts are calculated by dividing net profit after tax for the period attributable to ordinary shareholders of the Company (after adjusting for the bonus and welfare fund) by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are not calculated and presented.

3.15 *Related party transactions*

Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial and operational decisions or are subject to common control or common significant influence.

Transactions with related parties are conducted based on market prices or, where no market prices exist, at contractually agreed prices.

3.16 *Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's interim financial statements in the period in which the dividends are approved by the Company's shareholders.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.17 Employee benefits

Post-employment benefits

Post-employment benefits are paid to retired employees by the Social Security Fund Department which belongs to the Ministry of Labor and Social Welfare. The Company is required to contribute to these post-employment benefits by paying social insurance premium to the Social Insurance Agency at the rate of 6% of employee's basic salary on a monthly basis.

Additionally, the Company and the employee contributes monthly a certain amount of the employee's monthly salary, ranging from 0.5 – 2%, according to the employee's position into pension fund. Retirement benefits from this pension fund are paid to retired employees at the time of retirement, at a percentage starting from 50 – 100% of pension fund contributed by the Company and based on the number of working years as follows.

<i>Working years</i>	<i>Percentage of pension fund contributed by the Company (*)</i>
Less than 10 years	No retirement benefit
10 years and more	50%
15 years and more	60%
20 years and more	70%
25 years and more	80%
30 years and more	100%

(*) The employees shall receive full amounts of his/her contributions in this fund upon retirement date.

The Company has no further obligation concerning post-employment benefits for its employees other than this.

Termination benefits

In accordance with Article 82 of the Amended Labour Law No. 43/NA approved by the President of the Lao People's Democratic Republic on 28 January 2014, the Company has the obligation to pay allowance for employees who are terminated by dismissal in the following cases:

- ▶ The worker lacks specialised skills or is not in good health and thus cannot continue to work;
- ▶ The employer considers it necessary to reduce the number of workers in order to improve the work within the labour unit.

For the termination of an employment contract on any of the above-mentioned grounds, the employer must pay a termination allowance which is calculated on the basis of 10% of the last salary or wage multiplied by the total number of months worked. As at 30 June 2024, there are no employees of the Company who were dismissed under the above-mentioned grounds; therefore, the Company has not made any provision for termination allowance in the separate interim financial statements

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

4. CASH AND CASH EQUIVALENTS

	30 June 2024 LAK	31 December 2023 LAK
Cash on hand	344,791,945	1,873,737,112
Cast at banks	46,348,693,690	95,691,118,829
Bank Overdraft	-	57,655,032
	46,693,485,635	97,622,510,973

Cash, cash equivalents and bank overdrafts include the following for the purposes of the Interim statement of cash flows:

	30 June 2024 LAK	31 December 2023 LAK
Cash on hand	344,791,945	1,873,737,112
Cast at banks	46,348,693,690	95,691,118,830
Bank Overdraft	-	57,655,032
	46,693,485,635	97,622,510,973
Bank Overdraft	(5,632,093,407)	-
	41,061,392,228	97,622,510,973

5. SHORT-TERM DEPOSIT

	30 June 2024 LAK	31 December 2023 LAK
Short-term deposit	32,835,037,500	-
	32,835,037,500	-

As at 30 June 2024, the term deposit is at a domestic bank in USD with a term of 6 months and at interest rate 2.10 % per annum.

6. TRADE AND OTHER RECEIVABLES, NET

	30 June 2024 LAK	31 December 2023 LAK
Trade receivables	12,020,595,918	11,045,225,538
Less allowance for doubtful debts	(4,976,272,053)	(5,886,978,198)
Trade accounts receivable, net	7,044,323,865	5,158,247,340

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and the six-month period then ended

6. TRADE AND OTHER RECEIVABLES, NET (continued)

The outstanding trade accounts receivable balance as at 30 June 2024 is aged as follows:

	30 June 2024 LAK	31 December 2023 LAK
Not yet due	5,723,164,312	3,752,442,998
Overdue		
1 – 3 months	1,299,159,095	880,190,355
3 – 6 months	22,002,490	525,615,903
6 – 12 months	87,506,578	400,720,830
Over 12 months	4,888,763,443	5,486,255,452
Trade accounts receivables	12,020,595,918	11,045,225,538
Less allowance for doubtful debts	(4,976,272,053)	(5,886,978,198)
Trade accounts receivable, net	7,044,323,865	5,158,247,340

7. INVENTORIES

	30 June 2024 LAK	31 December 2023 LAK
Inventories	551,405,153,915	491,108,241,328
Less:		
Provision for slow moving and obsolete	(7,182,941,042)	(6,532,248,330)
Provision for Net realisable value ("NRV")	(259,496,728)	(228,222,596)
Inventories, net	543,962,716,145	484,347,770,402

8. OTHER CURRENT ASSETS

	30 June 2024 LAK	31 December 2023 LAK
Advance payments to suppliers	6,492,424,234	4,583,529,979
Accrued rebate from suppliers (i)	4,324,473,693	4,065,261,221
Prepaid insurance premium	303,587,073	74,945,474
Prepayment for lease contracts (ii)	29,721,265,115	27,831,103,964
Others (iii)	2,117,896,165	925,904,999
Staff loans	415,293,273	347,851,917
Prepaid profit tax	-	1,001,277,736
	43,374,939,553	38,829,875,290

- (i) Rebate from suppliers represents an accrued amount of rebate to be received from suppliers and is settled by netting with the invoices when the Company makes payments to those suppliers.
- (ii) Prepayment includes (i) land lease contracts of Luang Prabang, Oudomxay, Somsanouk and Vangvieng branches which are under constructions and (ii) buildings lease contracts of Phontong, Sokyai, Thakhek, Savannakhet, Paksan and Pakse.
- (iii) Others includes prepayment includes borrowing approval fee, staff's parking lot rentals, rental payments for apartments provided to executive employees and accrued interest receivable.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

9. PROPERTY, PLANT AND EQUIPMENT

9.1 Assets under purchase and construction in progress

Movements of assets under purchase and construction in progress as at 30 June 2024 are as follows:

Cost	Buildings and structures LAK	Machinery and equipment LAK	Furniture and fixtures LAK	Computer Software LAK	Total LAK
As at 1 January 2024	48,654,494,474	-	2,451,945,388	365,072,745	51,471,512,607
Foreign exchange differences	2,958,914,861	-	149,114,645	22,201,836	3,130,231,342
Additions	30,059,074,745	177,871,529	20,144,379,855	77,136,085	50,458,462,214
Transfer to fixed assets	(707,414,335)	-	(169,375,000)	-	(876,789,335)
As at 30 June 2024	80,965,069,745	177,871,529	22,576,064,888	464,410,666	104,183,416,828

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

9. PROPERTY, PLANT AND EQUIPMENT (continued)

9.2 Tangible assets

	Buildings and structures LAK	Machinery and equipment LAK	Furniture and fixtures LAK	Motor and Vehicles LAK	Total LAK
Cost					
As at 1 January 2024	503,958,104,299	18,955,973,353	112,223,429,611	38,077,258,094	673,214,765,357
Addition	-	741,272,995	601,736,271	-	1,343,009,266
Transfer in/(Out)	707,414,023	-	169,375,000	-	876,789,023
Disposals	-	(60,019,900)	(148,463,425)	-	(208,483,325)
Foreign exchange differences	30,648,127,133	1,150,390,200	6,818,876,965	2,315,662,046	40,933,056,344
As at 30 June 2024	535,313,645,455	20,787,616,648	119,664,954,422	40,392,920,140	716,159,136,665
Accumulated depreciation					
At 1 January 2024	129,281,999,681	15,989,674,161	81,694,982,831	35,164,414,973	262,131,071,646
Charge for the period	8,376,898,768	570,073,850	4,264,880,833	588,312,341	13,800,165,792
Disposals	-	(54,389,991)	(136,692,552)	-	(191,082,543)
Foreign exchange differences	8,199,242,468	993,153,870	5,134,332,894	2,162,184,293	16,488,913,525
As at 30 June 2024	145,858,140,917	17,498,511,890	90,957,504,006	37,914,911,607	292,229,068,420
Net book value					
As at 1 January 2024	374,676,104,618	2,966,299,192	30,528,446,780	2,912,843,121	411,083,693,711
As at 30 June 2024	389,455,504,538	3,289,104,758	28,707,450,416	2,478,008,533	423,930,068,245

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

9. PROPERTY, PLANT AND EQUIPMENT (continued)

9.3 Intangible assets

	<i>Land use rights</i>	<i>Software</i>	<i>Total</i>
	<i>LAK</i>	<i>LAK</i>	<i>LAK</i>
Cost			
As at 1 January 2024	709,109,081,833	2,360,021,898	711,469,103,731
Foreign exchange differences	43,124,348,779	143,524,333	43,267,873,112
As at 30 June 2024	752,233,430,612	2,503,546,231	754,736,976,843
Accumulated amortisation			
As at 1 January 2024	-	(2,360,021,898)	(2,360,021,898)
Charge for the period	-	-	-
Foreign exchange differences	-	(143,524,333)	(143,524,333)
As at 30 June 2024	-	(2,503,546,231)	(2,503,546,231)
Net book value:			
As at 1 January 2024	709,109,081,833	-	709,109,081,833
Foreign exchange differences	43,124,349,010	-	43,124,349,010
As at 30 June 2024	752,233,430,843	-	752,233,430,843

10. OTHER NON-CURRENT ASSETS

	<i>30 June 2024</i>	<i>31 December 2023</i>
	<i>LAK</i>	<i>LAK</i>
Prepayment for rental buildings	15,124,503,223	8,730,500,082
	15,124,503,223	8,730,500,082

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

11. TRADE AND OTHER PAYABLES

	30 June 2024 LAK	31 December 2023 LAK
Trade payable to related parties (Note 27.2)	19,340,468,518	21,670,573,637
Trade payable to third parties	60,271,076,145	42,976,900,957
Other payables (i)	772,316,125	918,228,306
	80,383,860,788	65,565,702,900

(i) Other payable represents refund liabilities from sale returns.

12. BANK OVERDRAFT AND BORROWINGS

	30 June 2024 LAK	31 December 2023 LAK
Current		
Bank Overdraft	5,632,093,408	-
Short-term borrowings	77,880,127,695	54,694,740,214
	83,512,221,103	54,694,740,214
Long-term borrowings - current portion	30,051,894,600	26,353,809,939
	30,051,894,600	26,353,809,939
Non-current		
Long-term borrowings – non current portion	49,669,277,015	48,063,332,895
	163,233,392,718	129,111,883,048

- i) Overdraft Agreement with a local commercial bank for amount of LAK 2,520,100,000 of which the monthly interest rate is the Lao Base Rate 1 month plus 3.874%. The facilities are secured by the shareholder's land.
- ii) Overdraft Agreement with a local commercial bank for amount of THB 8,500,000 of which the monthly interest rate is the Lao Base Rate 1 month plus 4.695% a percentage of the margin per annum. The facilities are secured by the shareholder's land.
- iii) Master Credit Facility Agreement with a local commercial bank for a limit of LAKm 94,178. The agreement includes facilities in category of letter of guarantee, (bid & purchase & performance), letter of credit and trust receipt.
- iv) Short-term borrowing from local commercial bank for a contract amount of LAKm 30,000 with an annual fixed interest of 6.05% per annum which is due on 10 November 2024, the loan principle is scheduled to be paid quarterly and the interest is to be paid monthly. The borrowing is secured by the shareholder's land.
- v) Revolving borrowing from oversea commercial bank for a contract amount of THB 250 million with an annual interest in the range of 4.60%- 4.85% per annum, each disbursement are scheduled for settlement within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land.
- vi) Long-term borrowing from local commercial bank for a contract amount of THB 50 million with an annual fixed interest of 5% per annum which is due in March 2025, the loan principle is scheduled to be paid quarterly and the interest is to be paid monthly.
- vii) Long-term borrowing from local commercial bank for a contract amount of THB 145 million with an annual fixed interest of 5% per annum which is due on 31 May 2027. The loan principle is scheduled to be paid quarterly and the interest is to be paid monthly. The borrowing is secured by the shareholder's land.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

13. DEBENTURES

Debentures as at 30 June 2024 are as follow:

	30 June 2024 LAK	31 December 2023 LAK
Debentures issued in Lao Securities Exchange	66,747,300,000	62,116,071,600
	66,747,300,000	62,116,071,600

This is unsubordinated unsecured long-term debentures issued in the Lao Securities Exchange. Summary of key terms and conditions of the debentures as at 30 June 2024 are as below:

ISIN Code	Original Amount (USD)	LAK equivalent	Interest rate (% p.a)	Years	Interest payment	Maturity date
LA80000115D6	3,000,000	66,747,300,000	7.50%	4	Semi-Annual basis	19 May 2027

14. DEPOSITS FROM CUSTOMERS

Deposits from customers are for purpose of guarantee for good purchases and usually settled and cleared within 1-2 months when customers accept the delivery of goods.

15. OTHER CURRENT LIABILITIES

	30 June 2024 LAK	31 December 2023 LAK
Advance received from customers	5,940,267,830	5,916,623,519
Accrual related marketing activities	2,269,545,055	4,699,131,909
Bond interest payable	691,606,905	590,891,425
Other tax payable	3,395,392,198	1,575,474,589
Other staff payable	1,831,073,153	1,201,709,043
Others current liability	6,169,492,505	5,554,700,005
	20,297,377,646	19,538,530,490

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

16. SHARE CAPITAL AND SHARE PREMIUM

	<i>Number of shares</i>	<i>Ordinary shares in LAK</i>	<i>Share premium in LAK</i>
As at 1 January 2023	165,000,000	330,000,000,000	24,735,724,722
Issue of shares	-	-	-
As at 31 December 2023	165,000,000	330,000,000,000	24,735,724,722
As at 1 January 2024	165,000,000	330,000,000,000	24,735,724,722
Issue of shares	-	-	-
As at 30 June 2024	165,000,000	330,000,000,000	24,735,724,722

17. REVENUE FROM SALES

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Sale of goods	456,879,857,343	372,566,804,956
	456,879,857,343	372,566,804,956

18. COST OF SALES

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Cost of goods sold	315,215,425,004	257,425,952,298
Delivery and freight charges	28,079,920,245	19,739,284,521
Net change in inventory provision	260,356,524	(1,814,031,214)
	343,555,701,773	275,351,205,605

19. OTHER INCOMES

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Rental income	1,418,239,618	1,171,021,398
Interest income	431,186,000	115,987,586
	1,849,425,618	1,287,008,984

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

20. SELLING EXPENSES

	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
	<i>LAK</i>	<i>LAK</i>
Salaries, wages and other employee benefits	24,650,179,655	16,884,598,845
Depreciation and amortisation	7,673,868,002	6,026,092,501
Rental fees – offices and showrooms	8,763,917,549	6,892,047,133
Fuel expense	2,297,164,409	1,952,379,410
	43,385,129,615	31,755,117,889

21. ADMINISTRATIVE EXPENSES

	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
	<i>LAK</i>	<i>LAK</i>
Depreciation and amortisation	6,126,301,047	6,740,122,503
Salaries, wages and other employee benefits	15,222,126,286	8,019,321,214
Reversal of allowance for doubtful account receivable	(1,219,658,248)	(705,338,529)
Repairs and maintenance expense	1,456,106,851	1,857,312,439
Utilities	2,337,314,448	1,717,691,630
Office supplies	457,588,400	627,982,571
Professional fees	1,919,967,921	1,660,008,909
Others Admin expense	711,233,277	346,612,376
Audit fee	277,245,384	320,353,581
Insurance expense	317,808,348	210,937,647
Bank charge	434,213,894	270,831,862
	28,040,247,608	21,065,836,203

22. FINANCE COSTS

	<i>For the six-month period ended 30 June 2024</i>	<i>For the six-month period ended 30 June 2023</i>
	<i>LAK</i>	<i>LAK</i>
Interest expense from:		
Borrowing from financial institutes	3,434,138,168	3,727,445,779
Debentures	573,693,046	449,960,348
Others	8,374,415	-
	4,016,205,629	4,177,406,127

SOUVANNY HOME CENTER PUBLIC COMPANY

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as at 30 June 2024 and for the six-month period then ended

23. NET FOREIGN EXCHANGE (LOSS)/GAIN

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Net unrealized gain from dealing in foreign currency	2,192,091,482	2,076,883,361
Net realized loss from dealing in foreign currency	(4,496,778,406)	(641,274,714)
	(2,304,686,924)	1,435,608,647

24. PROFIT TAX

Under the Income Tax Law No.67/NA dated 18 June 2019, which is effective on or after 1 January 2020, the normal profit tax ("PT") rate is 20%. In addition, the companies which are registered on Lao Stock Exchange shall be granted incentive rate at 13% for four years from the date of registration. Accordingly, the tax rate applicable for the Company for the six-month period ended 30 June 2024 is 20%. (for the six-month period ended 30 June 2023: 20%)

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Profit before tax for the period	37,427,311,412	42,939,856,763
<i>Adjustments to increase/(decrease)</i>		
Depreciation that has been deducted over the useful life as defined in Tax Law	(4,418,903,767)	(4,166,872,944)
Reversal of provision for doubtful debt	(1,219,658,248)	(705,338,529)
Net change in inventory provision	260,356,524	(1,814,031,214)
Unrealised foreign exchange gain	(2,192,091,482)	(2,076,883,361)
Other non-deductible expense	203,987,160	368,497,107
Taxable profit	30,061,001,599	34,545,227,822
Current PT expense, at the statutory rate of 20%	6,012,200,450	6,909,045,873
PT payable at the beginning of the period	11,583,154,920	(9,944,957,710)
PT paid during the period	-	9,944,957,710
Translation adjustment	707,812,545	5,450,587,928
PT payable at the end of the period	18,303,167,915	12,359,633,801

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

25. EARNINGS PER SHARE

The following reflects the income and share data used in the basic and diluted earnings per share computation:

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Net profit attributable to ordinary shareholders in LAK	31,415,110,962	36,030,810,890
Weighted average number of ordinary shares	165,000,000	165,000,000
Basic earnings per share	190	218

26. Dividend

At the Annual General Meeting of Shareholders held on 08 April 2024, the shareholders approved a resolution to declare a dividend payment from unappropriated retained earnings after legal reserve and other reserve allocation and from the net profit from 1 January 2023 to 31 December 2023 of LAK 120 per share, with total LAK 19,800 million (2022: LAK 16,500 million). The dividend was paid in May 2024 to the shareholders.

27. RELATED PARTY TRANSACTIONS

The Company had transactions with the following related parties during the year:

Shareholders

Mr. Waddana SOUKHABANDITH (*)
Mr. Phannola SOUKHABANDITH (*)
Mr. Kotsada SOUKHABANDITH (*)
Ms. Phaphatsone SOUKHABANDITH (*)
Ms. Viengdala BOUPHA (*)
Mr. Anousone OUNTAY (*)
Mr. Bounthavy SIMMAXAY (*)
Ms. Souvanny SISOMCHAY (*)
Mr. Xaysangkhom XUMMANYVONG (*)
Global House International Limited
Other public corporation and individual investors

(*) These shareholders represent for Soukhabandith family with total shares holding 50.92%.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK-CONVERTED INTERIM FINANCIAL STATEMENTS (continued)
as at 30 June 2024 and for the six-month period then ended

27. RELATED PARTY TRANSACTIONS (continued)

27.1 Income and expenses

Transactions with related parties are conducted at contractually agreed prices. Significant transactions with related parties were as follows:

<i>Related party</i>	<i>Transaction</i>	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
SCG international corporation co., ltd	Purchases of goods from related parties	41,290,659,536	34,730,370,192
SCG ceramics public company limited	Purchases of goods from related parties	30,503,863,455	36,402,703,007
SOUKHABANDITH family	Rental expense	8,781,406,257	6,905,800,219

The rental expense is for land and buildings rented from the major shareholders to support the operation. The rental charge is at the price as agreed between both parties after the revaluation.

27.2 Outstanding balances arising from related party transactions

<i>Related party</i>	<i>Relationship</i>	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Prepaid rental			
SOUKHABANDITH family	Shareholder	33,179,218,340	45,200,498,571
Trade accounts payable (Note 11)			
SCG ceramics public company limited	Affiliate	10,140,833,550	14,022,826,425
SCG international corporation co., ltd	Affiliate	9,199,634,968	7,647,747,212
		19,340,468,518	21,670,573,637

Transactions with key management personnel of the Company

Remuneration to members of the Board of Management is as follows:

	<i>For the six-month period ended 30 June 2024 LAK</i>	<i>For the six-month period ended 30 June 2023 LAK</i>
Salaries and other benefit	3,797,457,405	2,577,868,771

SOUVANNY HOME CENTER PUBLIC COMPANY

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28. COMMITMENTS

28.1 Operating lease commitment

As a lessee

The Company leases land and offices under non-cancellable operating lease agreements from shareholders. The lease term is five and half years, and the majority of lease agreements are renewable at the end of the lease period after the revaluation.

	For the six-month period ended 30 June 2024 LAK	For the six-month period ended 30 June 2023 LAK
Less than 1 year	5,054,990,702	8,743,886,458
From 1 - 5 years	25,746,384,639	21,646,504,945
TOTAL	30,801,375,341	30,390,391,403

28.2 Letter of credit and guarantee

As at 30 June 2024, the Company has letters of credit and letter of guarantee issued by financial institution in respect of inventory importing with suppliers in overseas with totalling at THB 29 million.

29. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen after 30 June 2024 that requires adjustment or disclosure in LAK-converted the interim financial statements of the Company.



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

28 August 2024