



Financial Statement for the First Quarter ended 31 March 2024



ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ
Souvanny Home Center Public Company

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Content

I. Statement of Financial Position	2-3
II. Statement of income (For first quarter).....	4
III. Statement of Changes in Equity.....	5
IV. Statement of Cash Flows	6-7
1. General information	8
2. Basis of preparation	8
3. Estimates	8
4. Cash and cash equivalents	8-9
5. Trade and other receivables, net.....	9
6. Inventories, net	10
7. Other current assets.....	10
8. Property, plant and equipment, net	10
9. Intangible assets	11
10. Trade and other payables	11
11. Borrowings from a financial institution	11-12
12. Long-term borrowings from debentures	13
13. Reserve	13
Legal reserve	13
Other reserve.....	13
14. Dividend.....	13
15. Income tax expense	13-14
16. Basic earnings per share.....	14
17. Related party transactions.....	14
17.1 Income and expenses	15
17.2 Outstanding related party transactions	15
17.3 Key management compensation	15
18. Selling and Administrative expenses.....	15
19. Commitment and significant transactions	15

Souvanny Home Center Public Company
Statement of Financial Position
For the First Quarter period ended 31 March 2024

		31 March	31 December
		2024	2023
	Notes	LAK	LAK
Assets			
Current assets			
Cash and cash equivalents	4	106,412,225,410	97,622,510,973
Trade and other receivables, net	5	7,058,195,698	5,564,004,643
Inventories, net	6	491,029,533,566	484,347,770,402
Other current assets	7	46,898,656,905	38,424,118,275
Total current assets		<u>651,398,611,579</u>	<u>625,958,404,293</u>
Non-current assets			
Property, plant and equipment, net	8	1,202,278,653,650	1,171,299,214,767
Intangible assets, net	9	408,580,883	365,075,938
Other non-current assets		13,262,366,676.00	8,730,500,190
Total non-current assets		<u>1,215,949,601,209</u>	<u>1,180,394,790,895</u>
Total assets		<u>1,867,348,212,788</u>	<u>1,806,353,195,188</u>



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 03 May 2024

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 03 May 2024

The accompanying notes on pages 8 to 15 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Financial Position
For the First Quarter period ended 31 March 2024

		31 March 2024 LAK	31 December 2023 LAK
	Notes		
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	11	40,387,545,687	54,694,740,214
Trade and other payables	10	89,788,117,656	65,565,702,900
Current portion of long-term borrowings	11	30,973,530,533	26,353,809,980
Profit tax payable		16,278,500,702	12,359,633,801
Deposits from customers		2,718,816,395	2,952,230,119
Other current liabilities		12,647,162,910	19,538,533,683
Total current liabilities		192,793,673,883	181,464,650,697
Non Current liabilities			
Long-term borrowings from financial institut	11	53,069,849,760	48,063,332,611
Long-term borrowings from debentures	12	63,859,415,400	62,116,071,600
Total non current liabilities		116,929,265,160	110,179,404,211
Total liabilities		309,722,939,043	291,644,054,908
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	13	20,181,970,566	20,181,970,566
Appropriated - Other reserve	13	19,931,970,566	19,931,970,566
Unappropriated		268,852,061,127	250,094,367,876
Translation adjustments		893,923,546,765	869,765,106,550
Total equity		1,557,625,273,746	1,514,709,140,280
Total liabilities and equity		1,867,348,212,788	1,806,353,195,188



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Souvanny Home Center Public Company
Statement of comprehensive income
For the First Quarter period ended 31 March 2024

		31 March 2024 LAK	31 March 2023 LAK
	Notes		
Revenue from sales		231,488,824,877	191,662,411,358
Cost of sales		(173,017,309,090)	(141,522,185,929)
Gross profit		58,471,515,787	50,140,225,429
Other incomes		747,440,997	643,522,322
Selling expenses		(21,954,920,282)	(15,700,118,137)
Administrative expenses		(12,059,425,709)	(10,082,427,509)
Finance costs		(1,918,722,387)	(1,817,422,916)
Foreign exchange loss, net		(836,048,115)	1,919,229,625
Profit before income tax expense		22,449,840,291	25,103,008,814
Income tax expense	15	(3,692,147,040)	(4,868,946,662)
Net profit for the period		18,757,693,251	20,234,062,152
Earnings per share			
Basic earnings per share	16	114	123



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Souvanny Home Center Public Company
Statement of changes in equity
For the First Quarter period ended 31 March 2024

	Notes	Issued and paid-up ordinary shares LAK	Premium on share capital LAK	Legal reserve LAK	Other reserve LAK	Unappropriated retained earnings LAK	Translation adjustments LAK	Total equity LAK
Opening balance 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
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	20,234,062,152	-	20,234,062,152
Dividend paid		-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	15,762,889,125	15,762,889,125
Ending balance 31 March 2023		330,000,000,000	24,735,724,722	14,102,046,968	13,852,046,968	238,189,041,241	564,207,140,598	1,185,086,000,497
Opening balance 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
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	18,757,693,251	-	18,757,693,251
Dividend paid		-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	24,158,440,215	24,158,440,215
Ending balance 31 March 2024		330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	268,852,061,127	893,923,546,765	1,557,625,273,745



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Souvanny Home Center Public Company
Statement of Cash flows
For the First Quarter period ended 31 March 2024

	Notes	31 March 2024 LAK	31 March 2023 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		22,449,840,291	25,103,008,814
Adjustments for:			
Depreciation	8	6,827,159,221	6,279,843,435
Amortisation		0	156,899
Gain from disposes of property, plant and equipment		5,174,793	468,221.83
Gain/Loss on exchange rate		2,671,890,536	(2,113,768,416)
Interest expense		1,918,722,387	1,817,422,916
Inventories provision (reversal)		525,476,435	(2,279,639,221)
Trade and other receivables provision (reversal)		(1,035,807,078)	(375,631,379)
Allowance for sale return of trade receivable		1,162,860,867	1,289,154,374
Operating profit before working capital changes		34,525,317,451	29,721,015,644
Changes in operating assets and liabilities			
- Trade and other receivables		(1,533,079,424)	(1,324,787,329)
- Inventories		467,578,671	9,140,569,785
- Other current assets		(12,397,548,953)	(8,769,412,253)
- Other non-current assets		-	-
- Trade and other accounts payable		23,183,481,813	16,001,947,825
- Deposits from customers		(280,193,809)	1,539,809,571
- Other current liabilities		(7,159,291,765)	(2,264,788,919)
Cash generated from operations		36,806,263,985	44,044,354,324
Interest paid		(1,960,402,688)	(1,831,978,258)
Income tax paid		0	(9,934,957,710)
Net cash used in operating activities		34,845,861,297	32,277,418,356
Cash flows from investing activities :			
Purchases of plant and equipments	8	(19,308,831,532)	(2,681,173,384)
Purchases of computer software		(37,719,913)	(30,448,627)
Proceeds from disposals of property, plant and equipments		-	-
Net cash used in investing activities		(19,346,551,445)	(2,711,622,011)



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Souvanny Home Center Public Company
Statement of Cash flows
For the First Quarter period ended 31 March 2024

	Notes	31 March 2024 LAK	31 March 2023 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		81,101,610,430	82,278,989,059
Repayment on a borrowings from bank		(87,410,838,478)	(116,199,178,197)
Proceeds from debentures		-	-
Dividend paid		-	-
Net cash used in financing activities		(6,309,228,048)	(33,920,189,138)
Net decrease in cash and cash equivalents			
Cash and cash equivalent at the beginning of the period		9,190,081,803	(4,354,392,794)
Effect of exchange rate changes on cash and cash equivalents		97,622,510,973	38,288,451,914
		(400,367,366)	823,805,921
Cash and cash equivalent at the end of the period		106,412,225,410	34,757,865,041
Significant non cash items			
Other payables from purchases of plant and equipments		-	-
Interest payable		41,680,300	14,555,342



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 03 May 2024

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Chief Financial Officer
Date: 03 May 2024

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

1. General 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 principally engaged trades a full range of goods and materials for construction, addition, refurbishment, renovation and improvement of buildings, houses and residences, and provides related services.

The Company's headquarters' registered address is number 366 Ban Phonetongsavath, Chanthabury District, Vientiane Capital, Lao PDR. The Company also has 7 such as: Phonetong branch, Sikhai branch, XokYai branch, Paksan branch, Pakse branch, Thakhek branch and Savannakhet branch.

These financial statements were authorised for issue by the Board of Directors on 03 May 2024.

2. Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described below and have been prepared generally under the historical cost convention.

According to the Accounting Law no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply IFRS. However, Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIEs to prepare action plan for adoption IFRS within four-year period. The management is presently preparing action plan for implementation IFRS in accordance with the announcement. The accounting principles applied may materially differ from International Financial Reporting Standards (IFRS).

3. Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current events and actions, actual results may materially differ from those estimates

4. Cash and cash equivalents

	31 March 2024 LAK	31 December 2024 LAK
Cash on hand	389,373,907	1,873,737,750
Deposits held at call with financial institutions	106,022,851,503	95,748,773,223
Cash and cash equivalents	106,412,225,410	97,622,510,973

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

Cash on hand includes petty cash and cash from sales that is for general use.

Deposits held at call with financial institutions represents cash deposited with reputable local banks in 4 currencies, US dollars, Thai baht and Lao kip and China Yuan in current accounts.

5. Trade and other receivables, net

	31 March 2024 LAK	31 December 2023 LAK
Trade accounts receivables	11,541,961,180	11,045,224,899
<u>Less</u> allowance for doubtful debt	(4,935,792,515)	(5,886,977,559)
Trade accounts receivable, net	6,606,168,665	5,158,247,340
Staff borrowings	452,027,033	347,851,278
Other receivables (i)	0	57,906,025
	452,027,033	405,757,303
Trade and other receivables, net	7,058,195,698	5,564,004,643

The Outstanding trade accounts receivable balance as 31 March 2024 is aged as follows:

	31 March 2024 LAK	31 December 2023 LAK
Not yet due	4,223,437,542	3,752,442,359
Past due:		
1 – 3 months	599,258,240	880,190,355
3 - 6 months	179,674,612	525,615,903
6 - 12 months	38,053,704	400,720,830
Over 12 months	6,501,537,082	5,486,255,452
Trade and other receivables, net	11,541,961,180	11,045,224,899
<u>Less</u> allowance for doubtful debt	(4,935,792,515)	(5,886,977,559)
Trade accounts receivable, net	6,606,168,665	5,158,247,340

Trade accounts receivables aged more than six months are mainly receivables which are still trading actively. The allowance for doubtful debts is set up from the outstanding account receivable balances that have been overdue are more than six months and management's evaluation, based on recent historical payments of accounts receivable and expectations regarding the future collectability of accounts receivable.

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

6. Inventories, net

	31 March 2024 LAK	31 December 2023 LAK
Inventories	498,422,605,048	491,108,241,328
Less: Allowance for slow moving and obsolete	(7,120,753,674)	(6,532,248,329)
Allowance for diminution in value of inventories	(272,317,808)	(228,222,597)
Inventories, net	<u>491,029,533,566</u>	<u>484,347,770,402</u>

The management reassessed and reviewed the related allowance for slow-moving and obsolete inventories. Related allowance for slow-moving and an increase in the value of inventory has been rise up to LAK 7,120 million (2023: LAK 6,532 million), as slow-moving inventories can be actually sold at a higher turnover. As a result, the related allowance and cost of goods sold has been increase to be consistent with recent facts and analysis.

7. Other current assets

	31 March 2024 LAK	31 December 2023 LAK
Advance payments to suppliers	12,349,299,598	4,583,529,979
Accrued rebate from suppliers (i)	4,443,592,121	4,065,261,221
Prepaid insurance premium	436,471,844	74,945,474
Prepaid rental	12,311,358,608	27,831,104,087
Other (ii)	4,095,568,058	1,869,277,514
Other current assets	<u>46,898,656,905</u>	<u>38,424,118,275</u>

8. Property, plant and equipment, net

	31 March 2024 LAK	31 December 2023 LAK
Opening net book value	<u>1,171,299,214,767</u>	<u>904,691,252,324</u>
Additions	19,308,831,532	47,863,852,553
Foreign exchange translation difference	18,502,941,364	249,307,998,481
sell	(5,174,793)	(486,421,338)
Depreciation charge	(6,827,159,221)	(30,077,467,253)
Closing net book value	<u>1,202,278,653,650</u>	<u>1,171,299,214,767</u>

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

Additions during the first quarter period ended 31 March 2024 mainly consisted of office equipment and buildings. Total addition of LAK 19,308 million.

9. Intangible assets

	31 March 2024 LAK	31 December 2023 LAK
Opening net book value	365,075,938	116,392,238
Additions	37,719,913	216,925,978.00
Foreign exchange translation difference	5,785,032	32,034,341
Depreciation charge	-	(276,619)
Closing net book value	<u>408,580,883</u>	<u>365,075,938</u>

10. Trade and other payables

	31 March 2024 LAK	31 December 2023 LAK
Trade accounts payable- related parties	18,521,456,476	11,399,309,064
Trade accounts payable– third parties	69,017,906,565	53,248,165,530
Other payables	2,248,754,615	918,228,306
Trade and other account payables	<u>89,788,117,656</u>	<u>65,565,702,900</u>

11. Borrowings

	31 March 2024 LAK	31 December 2023 LAK
Current		
Bank overdraft	31,286,397	-
Short-term borrowings	40,356,259,290	54,694,740,214
Current portion of long-term borrowings	30,973,530,533	26,353,809,980
Non-current		
Long-term borrowings	<u>53,069,849,760</u>	<u>48,063,332,611</u>
Total borrowings	<u>124,430,925,980</u>	<u>129,111,882,805</u>

The interest rate exposure on the borrowings of the company is as follows:

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

	31 March 2024 LAK	31 December 2023 LAK
At fixed rates	122,462,444,695	120,016,741,878
At floating rates	1,968,481,285	9,095,140,927
Total borrowings	<u>124,430,925,980</u>	<u>129,111,882,805</u>

- i. Short-term borrowing from local commercial bank for a contract amount of the THB 30 million with an annual fixed interest of 6.05% per annum, the loan principle has been paid quarterly and the interest has to be paid monthly. The borrowing is secured by the shareholder's land.
- ii. Short-term borrowing from oversea commercial bank for a contract amount of the THB 250 million with an annual fixed interest of 4% per annum, the repayments are required within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land.
- iii. Long-term borrowing from local commercial bank for a contract amount of the THB 50 million with an annual fixed interest of 5% per annum which is due in December 2025, the loan principle has been paid quarterly starting from June 2021 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land.
- iv. Long-term loan from local commercial bank for a contract amount of the THB 145 million with an annual fixed interest of 5% per annum which is due on 31 May 2027. The loan principle has been paid quarterly starting from 31 August 2022 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land.
- v. Long-term borrowing from local commercial bank for a contract amount of THB 25 million with an annual fixed interest of 5% per annum which is due in 31 December 2027, the loan principle has been paid quarterly starting from 26 July 2023. The borrowing is secured by the shareholder's land
- vi. Long-term borrowing from local commercial bank for a contract amount of THB 25 million with an annual fixed interest of 5% per annum which is due in 31 October 2027, the loan principle has been paid quarterly starting from 23 November 2023. The borrowing is secured by the shareholder's land

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

12. Long-term borrowings from debentures

The Company issue the debentures with the significant conditions are as follow:

Description	Information
Type	Unsubordinated unsecured debentures
Repayment	Principal repayment at the maturity date
Total offering price	USD 50,000/ unit, totally USD 3,000,000
Issued amount	60 units
Interest rate	Fixed rate 7.5% per annum
Interest due	Semi- annually
Period	4 years
Maturity date	19 May 2027

13. Reserve

Legal reserve

	31 March 2024 LAK	31 December 2023 LAK
Opening balance	20,181,970,566	14,102,046,968
Additional	-	6,079,923,598
Ending balance	20,181,970,566	20,181,970,566

The legal reserve was set up as required by Article 156 under the Enterprise Law of the Lao PDR. It requires that at least 10% of the annual net profit be set aside as a legal reserve until such reserve reaches 50% of the authorised share capital.

Other reserve

Apart from legal reserve, the Company also has set aside 10% as another reserve. This is in accordance with the Company's policies registered with the Ministry of Finance, Lao PDR, dated 22 September 2015. The other reserve is for unforeseeable events such as natural disasters. The Company will only use this reserve to if such an event occurs.

14. Dividend

At the Annual General Meeting of Shareholders 2023 held on 08 April 2024, it was resolved that dividend be paid to shareholders in respect of 2023 operating results at LAK 120 per shares (2022: LAK 100 shares), totaling of LAK 19,800 million (2022: LAK 16,500). The dividend was paid in 06 May 2024 to the shareholder.

15. Income tax expense

According to the tax law effective on 1 January 2020, the company must pay taxes on its net taxable income at the rate of 20%.

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

The company doesn't recognize corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognized based on the operating result for the related period and the applicable tax rate.

	31 March 2024 LAK
<i>Reconciliation between income tax expense and accounting profit:</i>	
Accounting profit before income tax	22,449,840,291
Non-deductible and reversal items for tax purpose (1)	(3,989,104,213)
Taxable income (Loss)	<u>18,460,735,200</u>
Tax calculated at the tax rate of 20%	3,692,147,040

(1) Non-deductible and reversal items for tax purposes mainly comprise of the reversal of allowance from inventory and unrealized gained and loss from revaluation of asset and liabilities in foreign currencies on closing date.

16. Basic earnings per share

As at 31 March 2023, basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issued during the period.

	31 March 2024 LAK	31 March 2023 LAK
Net profit for the period attributable to shareholders(LAK)	18,757,693,251	20,234,062,152
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per shares	114	123

17. Related party transactions with management in the company.

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the company. Individuals owning, directly or indirectly, an interest in the voting right in the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company, and their immediate family members, and companies associated with these individuals, also constitute related parties.

The following material transactions were carried out with related parties.

Souvanny Home Center Public Company
Notes to financial statements
For the First Quarter period ended 31 March 2024

17.1 Income and expenses

	31 March 2024 LAK	31 March 2023 LAK
Purchases of goods from related party	35,042,681,333	35,358,363,831
Rental expense	4,373,714,752	3,383,520,191
	39,416,396,085	38,741,884,022

17.2 Outstanding balance arising from related party transactions

	31 March 2024 LAK	31 December 2023 LAK
Prepaid rental – Related parties	38,230,306,870	36,561,604,277
Trade accounts payable – Related parties	18,521,456,476	11,399,309,064

17.3 Key management compensation

Key management includes directors. The compensations paid to management for employee services are as follows:

	31 March 2024 LAK	31 March 2023 LAK
For first quarter	1,870,796,680	1,035,985,000

18. Selling and Administrative expenses.

Selling and Administrative expenses of company were increased. Due to the company had expanded new branches, increasing of employees and fixed assets that increase from expanding new branches. At a result, depreciation charge increases respectively.

19. Commitment and significant transactions

Operating lease commitments - where the Company is the lessee.

The Company leases land and offices under non-cancellable operating lease agreements. The lease terms are 1-5 years, and the majority of the lease agreements are renewable at the end of the lease period at an agreed rate.

	31 March 2024 LAK	31 December 2023 LAK
Not later than 1 year	-	-
1 - 5 years	28,095,204,665	30,300,203,016
Closing balance	28,095,204,665	30,300,203,016