



ANNUAL REPORT

2024



Contents

	Page
MESSAGE FROM CHAIRMAN OF THE BOARD OF DIRECTORS.....	I
MESSAGE FROM CHIEF EXECUTIVE OFFICER.....	II
I. OVERVIEW OF THE COMPANY	1
1. VISION.....	1
2. MISSION	1
3. COMPANY BACKGROUND IN BRIEF.	1-7
II. GENERAL AND IMPORTANCE INFORMATION OF COMPANY 2024	8
1. LOCATION AND NETWORK.....	8
2. BUSINESS TYPE AND ENTERPRISE’S REGISTERED NUMBER.....	8
3. CONTACT INFORMATION	8
4. THE IMPORTANT EVENT OCCURRED WITHIN THE YEAR 2024.....	9
5. THE POLICY OF DIVIDEND PAYMENT.....	10
III. REVIEW OF BUSINESS OPERATING RESULT 2024.....	11
1. GLOBAL AND DOMESTIC ECONOMY CONDITION 2024.....	11
2. THE OUTSTANDING WORK OF THE COMPANY IN BRIEF 2024.....	11
3. THE COMPANY’S BUSINESS OPERATION RESULT 2024.....	11-12
4. THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR 2024	14
5. THE 5 YEARS RETROSPECTIVE FINANCE STATEMENTS OF THE COMPANY	15-16
6. MARKETING IN THE YEAR 2024	17
7. HUMAN RESOURCES IN THE YEAR 2024.....	21
IV. SECURITIES AND SHAREHOLDERS 2024.....	21
1. REGISTERED CAPITAL.....	21
2. SHAREHOLDERS.....	21
V. ORGANIZATION STRUCTURE OF BOARD OF DIRECTORS, MANAGING DIRECTORS AND THE ACTIVITIES OF THE BOARD.	22
1. ORGANIZATION CHART OF THE COMPANY	22
2. BOARD OF DIRECTORS OF SVN 2024	23
3. BRIEF BIOGRAPHY OF THE BOARD OF DIRECTORS	24-29
4. DIRECTORS OF THE COMPANY	30
5. ACTIVITIES OF THE BOARD OF DIRECTORS IN THE YEAR 2024.....	30
VI. AUDIT SERVICE FEE AND OTHER SERVICE FEE FOR THE YEAR 2024.....	31
VII. SOCIAL RESPONSIBILITY 2024.....	31
1. OBLIGATION HAND-OVER IN THE YEAR 2024	31
2. SOCIAL ASSISTANCE IN 2024.....	32
VIII. BODY’S MANAGEMENT POLICY IN 2024	33
IX. RISK MANAGEMENT POLICY IN 2024.....	34
X. ENVIRONMENT POLICY IN THE YEAR 2024	34

XI. BUSINESS PLAN FOR THE YEAR 2025	34
1. INCOME-CREATING PLAN OF THE YEAR 2025	34
2. MARKETING PLAN FOR THE YEAR 2025	34
3. THE DEVELOPMENT PLAN OF MANAGEMENT STANDARD FOR THE YEAR 2025.....	35
4. HUMAN RESOURCE DEVELOPMENT PLAN OF THE YEAR 2025.....	35
5. INVESTMENT AND BUSINESS EXPANSION PLAN OF THE YEAR 2025	35



Message from Chairman of the Board of Directors

To Respectful Shareholders

The Board of Directors of the Souvanny Home Center Public Company held its 1st Board Meeting on February 17, 2025, at 2:00 PM at the Souvanny Home Center Public Company, Headquarters, the 4th Floor, Phonethongsavath Village, Chanthaburi District, Vientiane Capital.

The meeting has considered the 09 important agendas namely the consideration and approval of the report of the previous meeting of the Board of Directors; the report of the business results of the company for 2024 and a financial report of the company for 2024; the business plan of the company for 2025; the payment of dividends from the business operation of the company in 2024; the appointment of the external auditor and determination of remuneration for the year 2025; the appointment of Members of the Board to replace Those whose tenure is terminated; the call of common shareholders' meeting for 2023; determination of the date to close the accounting book of shareholders, and the appointment of the inspection committee of shareholders' meeting and vote;

I hope that our shareholders will see and facilitate the good conditions for the company's management and development for the year 2025 in order to expand our business with efficiency and sustainability, Finally, I wish you, all shareholders good health.

Mr. Somchit INTHAMITH

Chairman of Board of Directors



Message from Chief Executive Officer

To Respectful Shareholders

In the past year 2024, Souvanny Home Center Public Company aims to launch the business of distributing construction Materials and Decoration Products to satisfy customers and make stable compensation for the shareholders

Despite the challenges in the market, the company has continued to grow, generating sales growth of nearly 16% in 2024 compared to 2023 through market expansion strategies, opening new branches, and developing both offline and online sales channels. The most important things are improving the efficiency of service and inventory management, building business alliances, and developing our human resources to support business growth and meet customer needs in all areas.

I, on behalf of the Management team, would like to thank you so much for all the shareholders that have supported us continuously. I believe that by committing to results-oriented work and innovations, we can lead the company to growth and create sustainable returns for all parties. Finally, we bless all Shareholders and all Parties have good health and success in your duty and your business.

Mr. Waddana SOUKHABANDITH

Chief Executive Officer (CEO)



Annual Report 2024

I. Overview of the Company

1. Vision

Souvanny Home Center will become a leader in the development of modern trade centers on construction materials, home decoration, home appliances, and General Supplies in all sale channels to meet the customer's needs in Lao PDR and connects to the ASEAN market.

2. Mission

- Developing the import of construction materials, home furnishings, home appliances, and consumer goods from all areas with quality and reasonable prices to all customer groups, and all areas of Laos, contributing to be a part to drive the Lao economy.
- Improving the Service and Hand-over in all sales channels both Offline and Online to be modernized
- Enhancing the capacity of personnel and creating continuously successor staffs to be the potential personnel to cope with the new technologies changing in the transfer periods and changing of the customer's behavior in the new era
- Developing Laos' trade links with ASEAN and the world, as Laos is the center of the region
- Maintain all interests of all parties involved in the Company and contribute to social and environmental responsibility for sustainable green development.

3. Company Background in brief.

Souvanny Home Center Public Company (“the Company” or “SVN”) operates a one-stop shopping-home center which provides both services and full-ranged 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. Most of the imported products of the Company are of high quality with well-known brands easily recognized and effectively managed by the modern computer system, focusing on distribution and

warehouse systems. The products can be separated over 20 categories vary on the customers' needs under the slogan that **“improving products and services to be high quality for meeting each targeted market group, satisfying customers, controlling working procedure to gain the standard, and continuous development”**. The Company's distribution channel is to sell through its own modern trade showrooms under the Lao PDR.'s top brand “Souvanny”.

Souvanny's shop was established in 1988 by Mrs. Souvanny Soukbandith (Mrs. Souvanny), Mr. Waddana Soukhabandith (Mr. Waddana), and Mr. Phannola Soukhabandith (Mr. Phannola).

- **Year 1988**

Souvanny shop was established from the vision of Ms. Souvanny seeing economic growth opportunity in Lao PDR, construction and infrastructure industries in particular, together with Mr. Waddana who just graduated in architecture and had a lot of experiences in construction. At this time was also the period of Government support to promote the economy. As such, they decided to start the distribution business of construction materials in a shophouse (approximately area 50 sq.m) at Sisawat Village, Chanthabuly District, Vientiane Lao PDR. However, currently, it becomes a sub-branch (Thongkhankham branch) with the registered capital LAK 3,250,000 which this branch was closed to service

- **Year 1993**

According to the rapid growth in the construction industry in Lao PDR, the need for construction material products was increased, causing higher competition in the industry, leading the Company lost track of cost management. However, the Company eventually found the ways to directly buy the products from the suppliers in a time that the Government promotes international trades on the Thai-Lao border, leading the Company to be able to overcome its competitors.

To improve the Company structure, the Company was registered as Souvanny Trading Export-Import Sole Company Limited with registered capital LAK 100,000,000.

- **Year 2000 (Phontong branch)**

This was the beginning point of the Company's rapid growth as the need for construction materials has increased, together with Mr. Kotsada Soukhabandith graduating from abroad and coming to help manage the Company business. This year, the Company opened the Phontong branch operating the first one-stop shopping-home center which provides both services and full-ranged products from construction materials to home supplies and decorations in a modern trade showroom with a shopping area and warehouse space of over 6,000 sq.m., with 60 cars parking. Besides, the head office was moved from Thongkhankham branch to the Phontong branch (currently a head office)



- **Year 2004 (Sikhai branch)**

During this year, Lao PDR had opened an investment opportunity to prepare for the host of the 25th Southeast Asian Games in 2009. As such, the Company decided to open Sikhai branch at Nahae Village, Sikhottabong District, Vientiane Lao PDR to operate the biggest one-stop shopping-home center which provides both services and full-ranged products from construction materials to home supplies and decoration on the shopping space and warehouse space of over 20,000 sq.m., with car parking of over 60 places.



- **Year 2015**

- In 2015, the Company has transformed the business from Souvanny Trading Export-Import Sole Company Limited to Sovanny Trading Export-Import Company Limited with the registered capital LAK 500,000,000;
- Extraordinary General Shareholder's Meeting No. 1/2015, on 28th July 2015 has approved the important issues as follow:
 1. Changing the par value from LAK 50,000 per share to LAK 2,000 per share
 2. Approving an increase in registered capital from LAK 500,000,000 to LAK 280 billion, a total of 140,000,000 shares.
- The Company was invested by **Global House International Company Limited**, a joint venture company between Siam Global House Public Company Limited and Siam Cement Public Company Limited, who provides both services and full-ranged products from construction materials to home supplies and decoration in Thailand, expecting to obtain business operation know-how to improve the Company business. (Shareholding Structure by Mr. Soukbandith's Family at 51% and 33.94% by Global House International Company Limited);
- Extraordinary General Shareholder's Meeting No. 3/2015, on 13th September 2015, has agreed on the important issues as follow:
 1. Transforming the Company to public company and changing the company name to Souvanny Home Center Public Company
 2. Approving an increase in registered capital for Initial Public Offering (IPO) LAK 50 billion by issuing 25,000,000 ordinary shares, with a par value of LAK 2,000 per share to respond to economic growth and become a listed company in Lao Securities Exchange (LSX).
 3. The Company's share, SVN, was listed in LSX and the first trading day on 11 December 2015.
- On the 15th September 2015, the company has gained the certificate of quality management ISO 9001 version 2008



Cert No. 75Q17255

- And also open to reservation of IPO share during 29-30 November to 01 January 2015 at a total of 25 millions of shares with a price of 3100 Lak/share
- Moreover, on the 11th December 2015, the company officially registered to be the registered company in Lao Security Exchange.

- **Year 2016**

Souvanny Home Center Public Company (SVN) was held the Annual General Shareholders' Meeting for the year 2015 on 22 April 2016 at 02:00 pm at meeting room, the floor 8 in the Lao Security Exchange Building, phonthanneu village, Road T4, Sayshetha District, Vientiane Lao PDR attending with 118 shareholders, at the total of 157 millions of shares equivalent to 95.60% of total shares of the company, the meeting considered 9 agendas and the important agenda was dividend Consideration and Payment of 2015 of the company with a ratio of 45 Lak/share

- **Year 2017 (Xokyai Branch)**

Souvanny Home Center Public Company (SVN) has opened the new branch located in Xokyai Village, Xaysetha district, Vientiane Capital on the 450 Road on the 30 January 2017 with the showroom area and warehouse space of over 25,000 sq.m. called Xokyai Branch which is in the Vientiane Capital with a variety of products and full service.



- **Year 2017 (Pakxun Branch)**

In September, The company has had the grand opening ceremony one more branch on 30 September 2017 which is the first branch of Souvanny Home Center Company located in a different province of Sisaard village, Pakxun district, Borlikhamxay province which the showroom and inventory area of over 15,000 sq.m with a full and comprehensive product and service to serve the customers, the ceremony was honorable attended by Mr. Kongkeo Xaysongkham, provincial governor which was interested in Pakxun people as people in Borlikhamxay province.



- **Year 2018 (Pakse Branch)**

- In the middle of the year 2018, Souvanny Home Center Public Company opened one more branch in the southern provinces of Laos to service the southern market of Champasack, Salavan, Sekong, and Attapeu Provinces, called Pakse Branch which is located at Kang Village, Pakse Capital. Champasack province with a showroom area and warehouse space of over 15,000 sq.m. which opened officially on 17 June 2018 attended the opening ceremony by Mr. Somsavath Lengsavath, the consultant of the executive committee of the central party and Dr. Bounthong Divixai, the Governor of Champasack Province.



- And on September 22, 2018, Souvanny Home Center Public Company has gotten the ISO 9001 Standard Management System Certification version 2015.



Cert No. 75Q17255

- **Year 2019**

Souvanny Home Center Public Company, the Thongtoun Branch was stopped Service on 1 July 2019

- **Year 2020 (Thakhek Branch)**

On 02 March Of 2020, Souvanny Home Center Public Company have been opened one more new Branch, called Thakhek Branch Located at Phonphim village of Thakhek district in Khammuan Province with a showroom area and warehouse space of over 15,000 sq.m.



- **Year 2021 (Savannakhet Branch)**

Savannakhet Branch has been opened on 14 December 2021, located at Phonsavangneu village, Kaysonephomvihane city in Savannakhet Province with a showroom area warehouse space of over 16,000 sq.m. and available over 10,000 items of merchandise

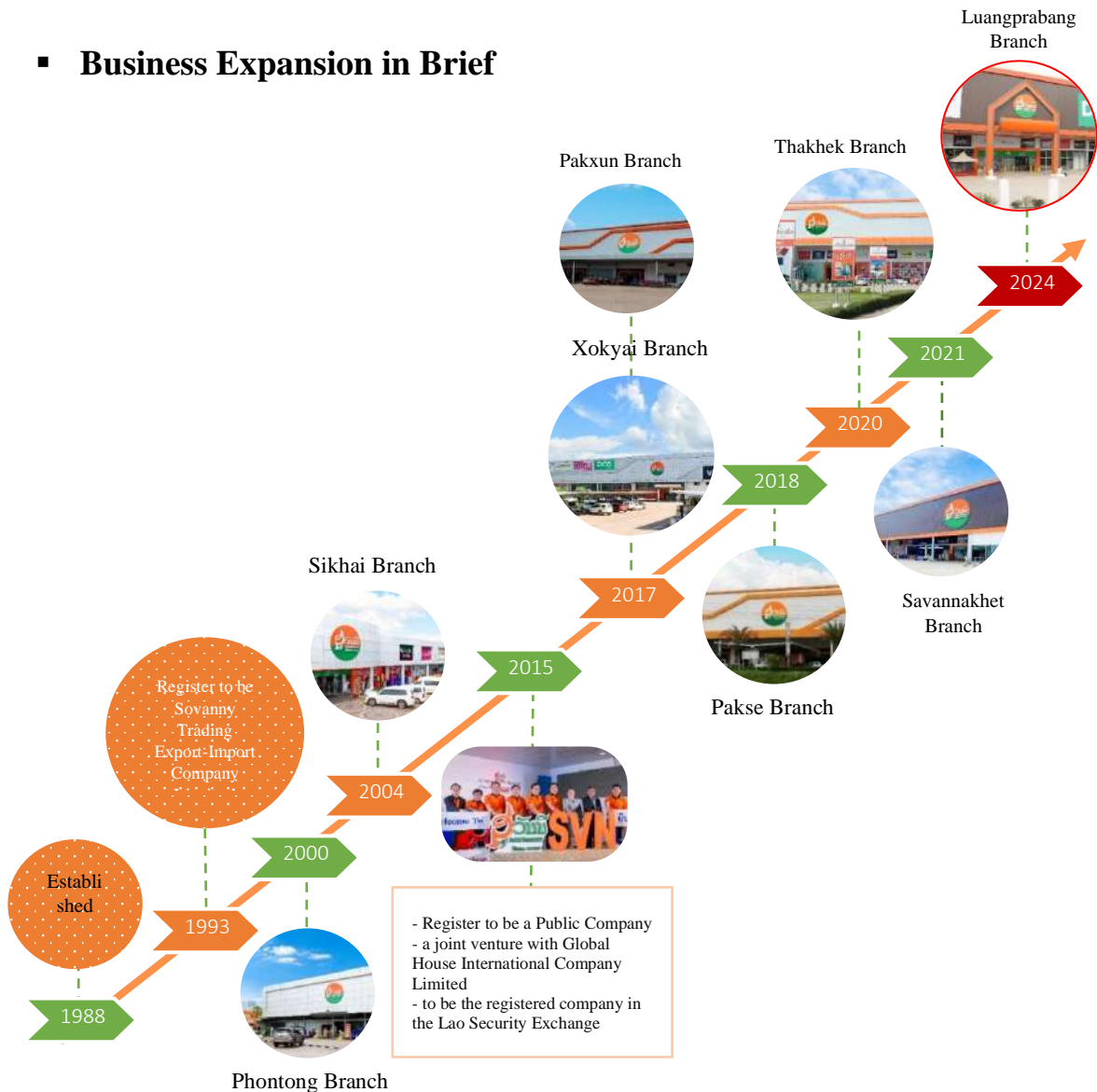


➤ **Year 2023 (Souvanny issued the debenture)**

On June 9, 2023, the opening ceremony of the first sale of the debenture of Souvanny Home Center Public Company in the Lao Securities Exchange (LSX) was opened officially, the corporate bond has a value of 3 million US dollars or approximately 51,6 billion kips. The value of the corporate bond is 50 thousand US dollars per unit. The interest rate is 7.50% per year with 4 years of tenure to use for the fund for running the business or paying the loan of the financial institute or investing to expand the new store or utilizing for Revolving capital



▪ **Business Expansion in Brief**



II. General and Importance Information of Company 2024

1. Location and Network

The Head Office of Company is located at No 366, Phonetongsavath Village, Chanthabouly District, Vientiane Capital. Nowadays, there are 8 branches, 3 branches in Vientiane capital and 5 branches in the different province such as:

➤ **3 branches in Vientiane capital**

1. Phonetong branch address: No 366, Phonetong Rd, phonetongsavath village, Chanthabouly District, Vientiane Capital Tel 021 560000 and 020 56082311;
2. Sikhai branch address: 13 North Rd, Nahae village, Sikhottabong District, Vientiane Capital, Tel 021 621254 and 020 58842414;
3. Xokyai branch address: 450 Rd, Xokyai village, Xaysettha District, Vientiane Capital Tel 021 466009 and 020 55112509;

➤ **5 branches in the different province**

4. Pakxan branch address: 13 South Rd, Sisaart village, Pakxan District, Borlikhamxay Province Tel 054 791026 and 020 58097558;
5. Pakse branch address: Kang Village, Pakse Capital City, Champasak Province Tel 031 514091 and 020 56206753;
6. Thakhek Branch address: 13 South Rd, Phonephim village, Thakhek District, Khammuan Province Tel 051514091 and 020 94071293;
7. Savannakhet Branch address: 9 Road, Phonesavangneu Village, Kaysonephomvihane City, Savannakhet Province Tel 041 215858
8. Luangprabang Branch address: 13 North Rd, Phonexay Village, Luangprabang City, Luangprabang Province Tel 071 211 455

2. Business Type and Enterprise's Registered Number

- 2.1 Business Type: Wholesale and Retail of Construction Materials and Home Decoration running the business as the Public Company
- 2.2. Enterprise Registered Number: 01-00001304

3. Contact Information

- Tel: (+856-21) 415645
- Whatsapp: (+856-20) 96 935 223
- E-mail: Souvanny@souvanny.la
- Website: www.souvanny.la
- [Mobile App: Souvanny \(Retail\)](#)
- Facebook: Souvanny Home Center
- Line ID: @Souvanny
- Instagram: Souvanny Home Center
- Tiktok: Souvanny Home Center

4. The Important Event occurred within the year 2024

➤ Souvanny Opens new Branch of Luangprabang

On October 13, 2024, Souvanny Home Center officially opened its new branch, the 8th branch, Luang Prabang Branch, in Phonexay Village, Luangprabang City, Luang Prabang Province, with an exhibition area and warehouse of no less than 15,000 square meters, with a wide range of products and a complete range to meet the customers' needs in building new homes, improving or extending their homes, both inside and outside. It handles all categories of construction materials and home decoration such as cement, steel, roofing tiles, paints, electrical appliances, furniture, and home decor, more than 10,000 items, with a large convenient parking space.



➤ Souvanny received the Outstanding Disclosure Award

On December 20, 2024, Souvanny Home Center attended the summary meeting on the implementation of information disclosure work and the evaluation of the implementation of the management of the company listed in the Lao Security Exchange for the year 2023

By summarizing the implementation of the mentioned work, Souvanny Home Center can win the awards below:

1. Excellent Information Disclosure Performance Type I.
2. Excellent Management Performance Type II.

Souvanny Center Public Company is honored and proud of the achievements it has made while maintaining quality and improving the implementation of all its work to be better every year.



5. The Policy of Dividend Payment

- a. The company will pay the dividend to the shareholders from the net profit after the company has paid the tax, and already deducted the retained fund according to the regulation and law;
- b. The Shareholders will receive the dividend at the portion of shareholdings within 30 days accounting from the date that the shareholder meeting approved the dividend and the shareholders listed in the shareholder account book only that are entitled to receive the dividend;
- c. The ordinary shareholders are entitled to get the dividends in cash or as ordinary shares according to the agreement of the shareholders' meeting. In the case of sharing the dividend under the form of Shares, it will be permitted by the Lao Securities Commission Office before;
- d. Additional Shares are used to pay the dividends, it is considered to pay already completely and the share received as the dividends is the same value in money paid as the dividend;
- e. In the case of additional Shares from the dividend calculated to be a decimal number, the Decimal will be calculated and paid as the money according to the value of shares set in this regulation.

III. Review of Business Operating Result 2024

1. Global and Domestic Economy Condition 2024

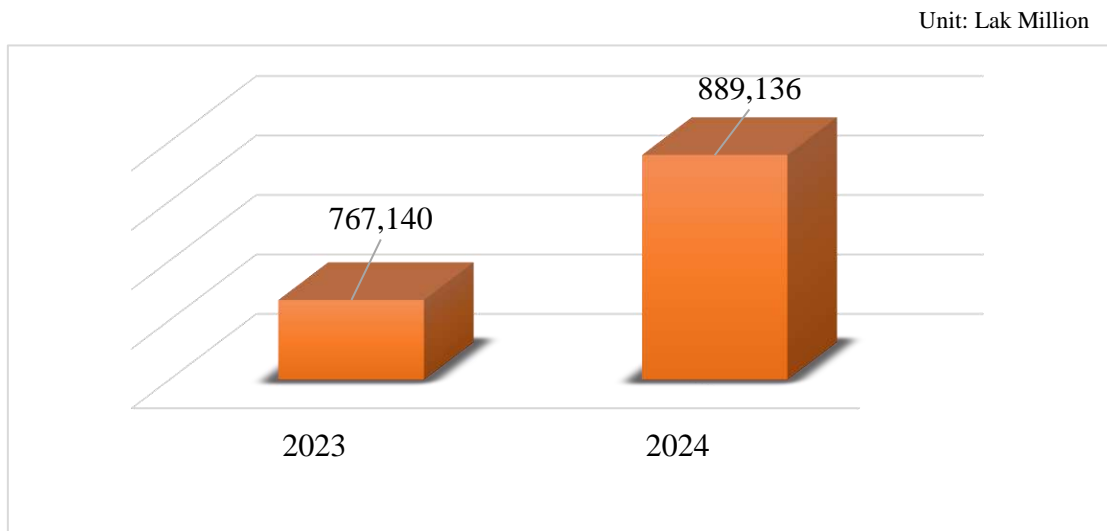
The global and regional economic situation is still facing the uncertainty of the shortage of raw materials and the production chain, causing the cost of production to rise due to war conflicts and direct and indirect commercial hinder, causing an economic and financial recession, resulting in inflation and currency costs, causing the purchasing power of customers to decrease, and as a result, the economic growth of some areas is negative and some areas have low growth.

2. The Outstanding Work of the company in Brief 2024

In 2024, Souvanny Home Center Public Company generated sales with a total growth of almost 16% due to the improvement of new product categories that are more accurate to the market's needs at each segment, resulting in increased sales

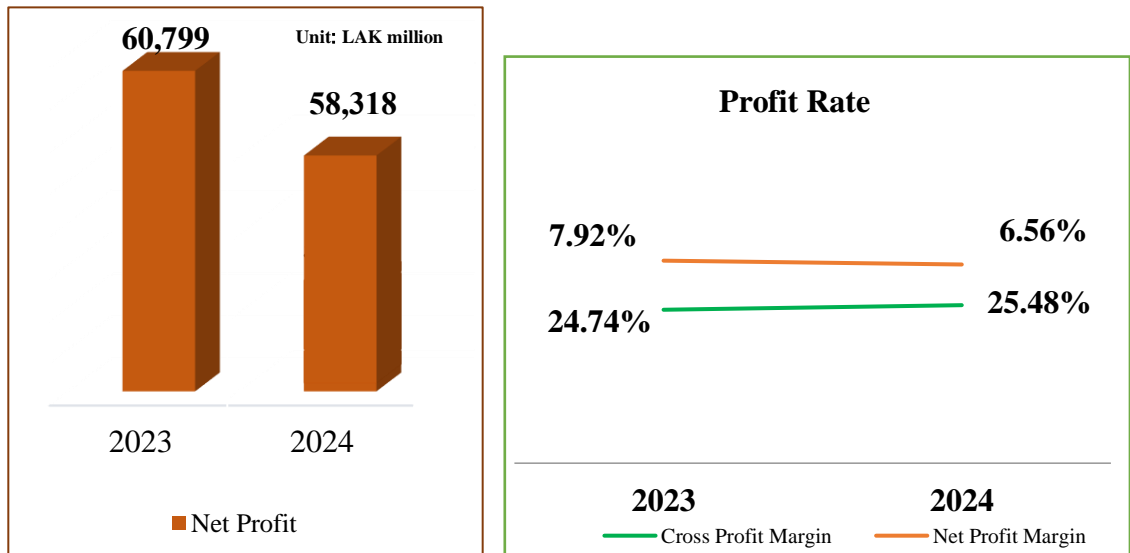
3. The company's Business Operation result 2024.

3.1. Revenue



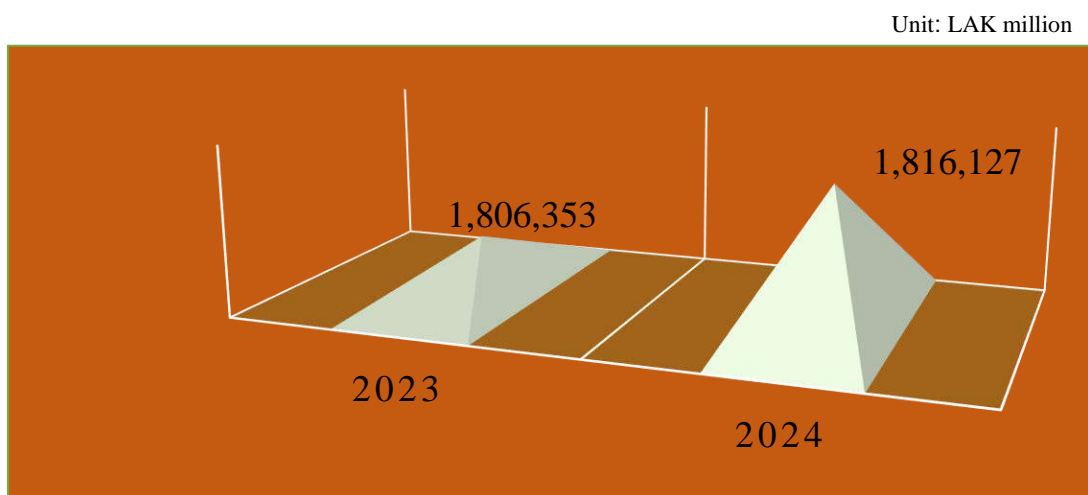
The Company has made total revenue in **2023** was equal to LAK **767,140** million and The revenue in **2024** increased to LAK **889,136** million at the percentage of **15.79** of increased growths compared with **2023**, the main major of growth was an increase in product category varieties, and launching the sale promotions to motivate the customer to use our service more and the income increase from new branch opening of Luang Prabang Branch at the end of year 2024.

3.2. Net Profit



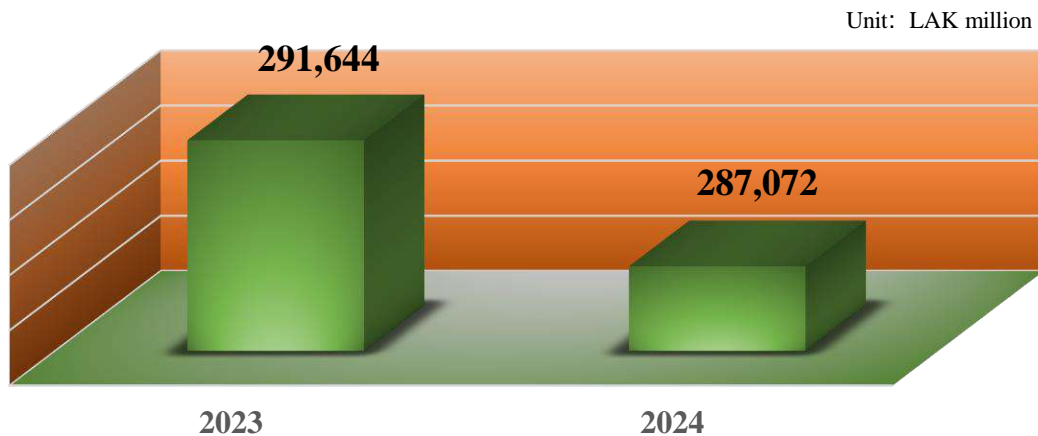
The company's net profit in 2023 was equal to LAK **60,799** million, and its net profit rate amounted to **7.92** percent. In 2024, the company's net profit increased to LAK **58,318** million, and the net profit rate was equivalent to **6.56** percent. The company's net profit decreased due to increasing of sale and administration expenditure and Expense for sale promotion for new branch opening of Luang Prabang Branch.

3.3. Assets



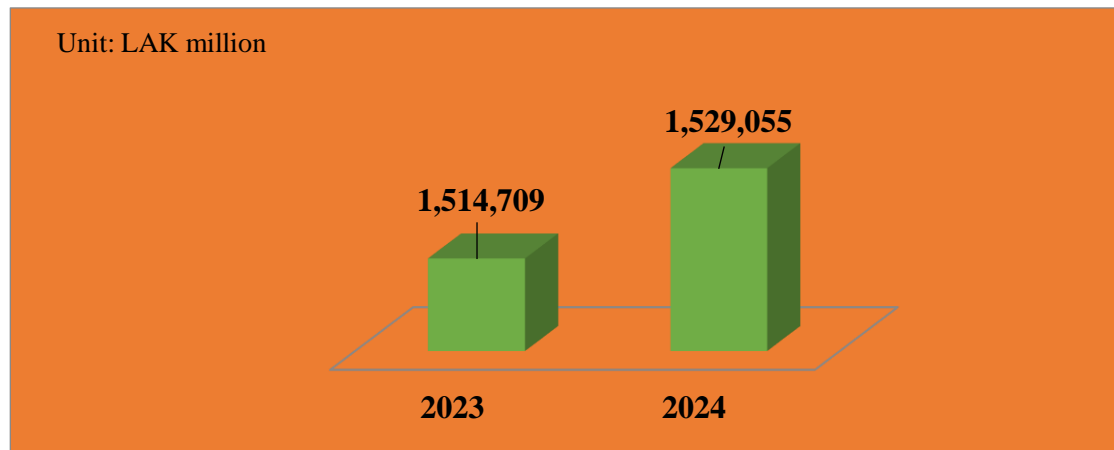
As of 31 December **2023**, the Company's total assets of LAK **1,806,353** million increased to LAK **1,816,127** million in **2024**, Compared to the year 2023 increased Lak **9,774** million or equaled to **0.54%**, the company's assets increased due to the Company raised more products in inventory to meet the customer's needs, the increasing of non-current assets from expanding the new stores and Other current assets also increased accordingly

3.4. Liabilities



As of 31 December 2023, the total liabilities of the Company decreased from LAK **291,644** million to LAK **287,072** million in 2024, compared to the year 2023, it decreased to Lak **4,571** million or equaled **1.59** percent due to The company has repaid some of its long-term loans that are due

3.5. Equity



As of 31 December 2023, the total shareholders' equity was equal to LAK **1,514,709** million, it increased to LAK **1,529,055** million in 2024. An increase of LAK **14,346** million or **0.95** percent due to the increase in net profit and the exchange rate of financial rate adjustment.

3.6. Financial Ratio

	2024	2023
Debt-to-Asset Ratio (D/A)	0.16	0.16
Debt to Equity Ratio (D/E)	0.19	0.19
Return to Asset Ratio (ROA)	3.21%	3.37%
Return to Equity Ratio (ROE)	3.81%	4.01%
Gross Profit (G/P)	25.48%	24.74%
Net Profit (N/P)	6.56%	7.92%
Current Liquidity Ratio+	3.18	3.45
Inventory Turnover Period	269	274
Debt Service Coverage Ratio (DSCR)	4.45	4.09
Price-Earning Ratio (P/E)	7	10

4. The Financial Statements of the Company for the year 2024

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – converted financial statements

For the year ended 31 December 2024



SOUVANNY HOME CENTER PUBLIC COMPANY

CONTENTS

	<i>Pages</i>
General information	1 - 2
Report of management	3
Independence auditor's report	4 - 7
LAK – converted statement of financial position	8 - 9
LAK – converted income statement	10
LAK – converted statement of changes in equity	11
LAK – converted statement of cash flows	12 - 13
Notes to the LAK – converted financial statements	14 - 35

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 operates under the latest Business License No. 3271/ERO dated 29 August 2024. The principal business operation of the Company is to operate a one-stop shopping-home centre 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 31 December 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 Company as at 31 December 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 8 branches in Lao PDR, 3 branches in Vientiane Capital and 5 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, Thakhaek District, Khammuan Province;
- ▶ Savannakhet branch locates at 9 Rd, Phonesavarnnguea Village, Kaysone Phomvihian City, Savannakhet Province;
- ▶ Pakse branch locate at No 13 Rd, Karng Village, Pakse Capital City, Champasak Province;
- ▶ Luangphabang branch locate at 13 North Rd, Phonexay village, Luangphabang City, Luangphabang Province.

SOUVANNY HOME CENTER PUBLIC COMPANY

GENERAL INFORMATION (continued)

The Company also has 3 branches which are under construction, including:

- ▶ Somsanouk branch located at T5 Rd, Somsanouk village, Hardsaiyong district, Vientiane Capital;
- ▶ Udomxay branch located at 13 North Rd, Nasao village, Xay District, Udomxay Province;
- ▶ Vangvieng branch located at 13 North Rd, Khanmark village, Vangvieng district, Viengchan Province.

The number of the Company's employees as at 31 December 2024 is 733 (31 December 2023: 687).

BOARD OF DIRECTORS

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

<u>Name</u>	<u>Position</u>	<u>Date of appointment/resignation</u>
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 year and at the date of this report are:

<u>Name</u>	<u>Position</u>
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 year 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 the LAK-converted financial statements of the Company for the year ended 31 December 2024 (“the financial statements”).

MANAGEMENT’S RESPONSIBILITY IN RESPECT OF THE LAK-CONVERTED FINANCIAL STATEMENTS

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

STATEMENT BY MANAGEMENT

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

On behalf of the Board of Management:



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Vientiane, Lao PDR

20 February 2025

Reference: 13642391/68220877- LAK converted

INDEPENDENCE AUDITORS' REPORT

To: The shareholders of Souvanny Home Center Public Company

Introduction

We have audited the Company's LAK-converted financial statements which comprise the LAK-converted statement of financial position as at 31 December 2024, the LAK-converted income statement, LAK-converted statement of changes in equity and LAK-converted cash flows for the year then ended, and notes to the LAK-converted financial statements, including a summary of significant accounting policies (collectively being referred to as "the LAK-converted financial statements").

In our opinion, the accompanying LAK-converted financial statements of the Company are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 3 to the LAK-converted financial statements, which describes the accounting policies adopted by the Company. 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.

Our opinion is not modified in respect of this matters.

Other Matter

The LAK-converted financial statements of the Company for the year ended 31 December 2023 were audited by another audit firm, which expressed an unmodified opinion on those financial statements on 13 February 2024.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the LAK-converted financial statements of the current year. We have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the LAK-converted financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Audit's Responsibilities for the Audit of the LAK-converted financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the LAK-converted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying LAK-converted financial statements.

Provision for slow moving and obsolete inventories and net realisable value

As disclosed in Note 7 to the LAK-converted financial statements, the carrying amount of inventories balance as at 31 December 2024 was 500,736,982,852 LAK (equivalent to 795,862,809 THB) and the provision for slow moving and obsolete was 7,801,849,905 LAK (equivalent to 12,400,127 THB), and provision for net realisable value ("NRV") was 173,875,028 LAK (equivalent to 276,354 THB).

Significant judgement is required in assessing the appropriate level of the provision for slow moving and obsolete inventory. Such judgements include management's expectations of forecasted sale discounts and inventory aging. The assessment process in determining the net realisable value involve estimation of expected selling prices and expected costs to sell. As a result, we consider the provisioning for slow moving and obsolete inventories and net realisable value to be key audit matters.

As part of our audit, we assessed the reasonableness of management's assumptions regarding the allowance for slow-moving and obsolete items by observing the actual sale discounts announced at showrooms, on a sample basis, to confirm their discount policy for slowing moving items. We observed the physical inventory count performed by management and assessed the physical condition of the inventories in order to identify slow moving and obsolete items. We tested the aging of the inventories and recalculated the allowance for slow moving and obsolete item. We tested the reasonableness of selling prices used in NRV calculation. We also review the appropriateness and adequacy of financial statements disclosures relating to provision and net realisable value of inventories in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual report but does not include LAK-converted financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the LAK-converted financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the LAK-converted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the LAK-converted financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the LAK-converted Financial Statements

Management is responsible for the preparation and presentation of the LAK-converted 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 financial statements, and for such internal control as management determines is necessary to enable the preparation and presentation of the LAK-converted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the LAK-converted financial statements, the Company's management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Company's management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of LAK-converted Financial Statements

Our objectives are to obtain reasonable assurance about whether the LAK-converted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these LAK-converted financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the LAK converted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Company's management.

- ▶ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the LAK -converted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

we also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought of bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charge with governance, we determine those matters that were of most significance in the audit of the LAK-converted financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precluded public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Van Le
Partner

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

Vientiane, Lao PDR

20 February 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

		31 December 2024 LAK	31 December 2023 LAK
ASSETS			
Current assets			
Cash and cash equivalents	4	18,620,031,453	97,622,510,973
Short-term deposit	5	31,899,172,500	-
Trade and other receivables, net	6	9,506,989,027	5,158,247,340
Inventories	7	492,761,257,919	484,347,770,402
Other current assets	8	37,382,604,013	38,829,875,578
Total current assets		590,170,054,912	625,958,404,293
Non-current assets			
Assets under purchase and construction in progress	9.1	86,445,154,337	51,471,515,161
Tangible assets	9.2	426,732,466,152	411,083,693,711
Intangible assets	9.3	698,577,813,801	709,109,081,833
Other non-current assets	10	14,202,483,420	8,730,500,190
Total non-current assets		1,225,957,917,710	1,180,394,790,895
TOTAL ASSETS		1,816,127,972,622	1,806,353,195,188

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF FINANCIAL POSITION (continued)

as at 31 December 2024

	Notes	31 December 2024 LAK	31 December 2023 LAK
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	11	58,576,579,443	65,565,702,900
Bank overdraft and short-term borrowings	12	67,390,661,817	54,694,740,214
Long-term borrowings – current portion	12	24,031,020,120	26,353,809,980
Profit tax payable	24	11,293,089,759	12,359,633,801
Deposits from customers	14	4,342,244,971	2,952,230,119
Other current liabilities	15	19,728,450,938	19,538,533,683
Total current liabilities		185,362,047,048	181,464,650,697
Non-current liabilities			
Long-term borrowings – non current portion	12	35,347,370,505	48,063,332,611
Debentures	13	66,233,252,250	62,116,071,600
Total non-current liabilities		101,580,622,755	110,179,404,211
TOTAL LIABILITIES		286,942,669,803	291,644,054,908
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		26,027,348,763	20,181,970,566
Other reserve		25,777,348,763	19,931,970,566
Retained earnings		277,057,393,458	250,094,367,876
Foreign exchange differences reserve		845,587,487,113	869,765,106,550
Total equity		1,529,185,302,819	1,514,709,140,280
TOTAL LIABILITIES AND EQUITY		1,816,127,972,622	1,806,353,195,188



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

20 February 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED INCOME STATEMENT

for the year ended 31 December 2024

	Notes	31 December 2024 LAK	31 December 2023 LAK
Revenue from sales	17	889,136,410,513	767,139,816,343
Cost of sales	18	(662,599,988,428)	(577,868,541,221)
Gross income		226,536,422,085	189,271,275,122
Other incomes	19	3,674,805,642	3,775,988,159
Selling expenses	20	(102,634,073,576)	(81,245,888,252)
Administrative expense	21	(46,358,197,235)	(31,339,965,443)
Finance costs	22	(7,185,538,145)	(10,029,444,797)
Net foreign exchange (loss)/gain	23	(2,910,643,490)	1,160,130,886
		(155,413,646,804)	(117,679,179,447)
Profit before income tax expense		71,122,775,281	71,592,095,675
Profit tax expenses	24	(12,668,993,305)	(10,792,859,692)
Net profit for the year		58,453,781,976	60,799,235,983
Earnings per share	25	354	368



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

20 February 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK- CONVERTED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

	Share capital LAK	Share premium LAK	Legal reserve LAK	Other reserve LAK	Retained earnings LAK	Foreign exchange differences reserve 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 year	-	-	-	-	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 year	-	-	-	-	58,453,781,976	-	58,453,781,976
Legal reserve	-	-	5,845,378,197	-	(5,845,378,197)	-	-
Other reserve	-	-	-	5,845,378,197	(5,845,378,197)	-	-
Dividend paid (Note 26)	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustment	-	-	-	-	-	(24,177,619,437)	(24,177,619,437)
Balance as at 31 December 2024	330,000,000,000	24,735,724,722	26,027,348,763	25,777,348,763	277,057,393,458	845,587,487,113	1,529,185,302,819



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR
20 February 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

	Notes	31 December 2024 LAK	31 December 2023 LAK
OPERATING ACTIVITIES			
Profit for the year		71,122,775,281	71,592,095,675
<i>Adjustments for:</i>			
Depreciation charged during the year	9.2	28,709,027,609	26,264,684,632
Amortization charged during the year	9.3	-	276,619
Loss from disposes of property, plant and equipment		69,791,733	241,033,613
Unrealized loss from exchange rate	23	1,258,575,646	15,766,091,931
Interest expense	22	6,380,811,909	7,288,621,421
Allowance for slow moving and obsolete inventories		1,369,945,340	(1,968,627,461)
Reversal of allowance for doubtful debts	21	(1,975,652,644)	(1,839,104,424)
Allowance for sale return of trade receivables		(111,485,582)	721,179,343
<i>Working capital adjustments:</i>			
Changes in trade and other receivables		(2,632,301,159)	3,671,661,218
Changes in inventories		(17,620,665,713)	30,992,773,852
Changes in other current and non-current assets		(4,926,270,000)	4,634,987,252
Changes in trade and other payables		(6,152,109,870)	(2,827,444,258)
Changes in Customer deposits		4,521,621,849	396,759,860
Changes in other current liabilities		1,133,883,510	1,198,248,403
Interest paid			
Profit tax paid		(10,782,859,692)	(10,944,957,710)
Net cash flows from/(used in) operating activities		70,365,088,217	145,188,279,966
INVESTING ACTIVITIES			
Investment in term deposits	5	(31,899,172,500)	-
Purchase of property, plant and equipment and construction in progress		(86,385,421,366)	(45,475,264,153)
Purchases of computer software		-	(216,925,978)
Proceeds from disposals of property, plant and equipment		-	245,388,000
Net cash flows used in investing activities		(118,284,593,866)	(45,446,802,131)
FINANCING ACTIVITIES			
Proceed from short-term borrowings		357,300,100,406	481,773,255,542
Repayment of borrowings from bank		(360,285,320,801)	(553,376,221,402)
Proceed from debentures		-	62,116,071,600
Interest paid		(8,909,506,025)	(7,246,570,390)
Dividend paid	26	(19,800,000,000)	(16,500,000,000)
Net cash flows used in financing activities		(31,694,726,420)	(33,233,464,650)

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF CASH FLOWS (continued)

for the year ended 31 December 2024

	Notes	31 December 2024 LAK	31 December 2023 LAK
Net increase/(decrease) in cash		(79,614,232,069)	66,508,013,185
Cash at the beginning of the year		97,622,510,973	38,288,451,914
Translation adjustment		(1,417,212,879)	(7,173,954,126)
Cash at the end of the year	4	16,591,066,025	97,622,510,973



Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

20 February 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS
as at 31 December 2024 and for the year then ended

1. CORPORATE INFORMATION

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 operates under the latest Business License No. 3271/ERO dated 29 August 2024. The principal business operation of the Company is to operate a one-stop shopping-home centre 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 31 December 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%
Ms. 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 Company as at 31 December 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 8 branches in Lao PDR, 3 branches in Vientiane Capital and 5 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, Thakhaek District, Khammuan Province;
- ▶ Savannakhet branch locates at 9 Rd, Phonesavarngnuea Village, Kaysone Phomviharn City, Savannakhet Province;
- ▶ Pakse branch locate at No 13 Rd, Karng Village, Pakse Capital City, Champasak Province;
- ▶ Luangphabang branch locate at 13 North Rd, Phonexay village, Luangphabang City, Luangphabang Province.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

1. CORPORATE INFORMATION (continued)

The Company also has 3 branches which are under construction, including:

- ▶ Somsanouk branch locate at T5 Rd, Somsanouk village, Hardsaiyfong district, Vientiane Capital;
- ▶ Udomxay branch located at 13 North Rd, Nasao village, Xay District, Udomxay Province;
- ▶ Vangvieng branch located at 13 North Rd, Khanmark village, Vangvieng district, Viengchan Province.

The number of the Company's employees as at 31 December 2024 is 733 (31 December 2023: 687).

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 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 year ended 31 December 2024 on 20 February 2025.

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 financial statements 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.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

2. BASIS OF PREPARATION (continued)

2.5 *Presentation currency*

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

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 FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year 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 financial statement from Thai Baht into Lao kip ("LAK") as the following process:

- ▶ Items in LAK-converted year end statement of financial position as at 31 December 2024 are translated using the closing exchange rate of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 629.18 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 income statement and cash flow for the year ended 31 December 2024 are translated using the average exchange rate during the year of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 655.14 LAK/THB;
- ▶ All foreign exchange differences from financial statements translation from THB to LAK are presented under translation adjustment in the 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:

<u>Overdue days</u>	<u>Provision rate</u>
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 LAK-converted income statement.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year 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 LAK-converted statement of financial position date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the LAK-converted 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 LAK-converted 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 LAK-converted 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 FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year 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 LAK-converted 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 LAK-converted 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 current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the LAK-converted 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 year 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 year of the facility to which it relates.

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

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 *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.

3.10 *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 year.

Gains and losses on foreign exchange translation are included in the LAK-converted income statement.

3.11 *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 LAK-converted income statement on a straight-line basis over the lease term.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.12 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 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 year computed using the applicable tax rate for the year.

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

3.13 Earnings per share

Basic earnings per share amounts are calculated by dividing net profit after tax for the year 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 year.

Diluted earnings per share amounts are not calculated and presented.

3.14 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.

3.15 Dividend distribution

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

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.16 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 31 December 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 financial statements

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

4. CASH AND CASH EQUIVALENTS

	31 December 2024 LAK	31 December 2023 LAK
Cash on hand	684,574,488	1,873,737,112
Cast at banks	17,935,456,965	95,691,118,829
Bank Overdraft	-	57,655,032
	18,620,031,453	97,622,510,973

Cash, cash equivalents and bank overdrafts include the following for the purposes of the LAK-converted statements of cash flows:

	31 December 2024 LAK	31 December 2023 LAK
Cash on hand	684,574,488	1,873,737,112
Cast at banks	17,935,456,965	95,691,118,829
Bank Overdraft	-	57,655,032
	18,620,031,453	97,622,510,973
Bank Overdraft	(2,028,965,428)	-
	16,591,066,025	97,622,510,973

5. SHORT-TERM DEPOSIT

	31 December 2024 LAK	31 December 2023 LAK
Short-term deposit	31,899,172,500	-
	31,899,172,500	-

As at 31 December 2024, the term deposits at a domestic bank are in USD with terms from 3 months to 6 months at interest rates ranging from 1.35 % to 2.10 % per annum.

6. TRADE AND OTHER RECEIVABLES, NET

	31 December 2024 LAK	31 December 2023 LAK
Trade receivables	13,409,175,790	11,045,224,899
Less allowance for doubtful debts	(3,902,186,763)	(5,886,977,559)
Trade accounts receivable, net	9,506,989,027	5,158,247,340

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK - CONVERTED FINANCIAL STATEMENTS (continued)

as at 31 December 2024 and for the year then ended

6. TRADE AND OTHER RECEIVABLES, NET (continued)

The outstanding trade accounts receivable balance as at 31 December 2024 is aged as follows:

	31 December 2024 LAK	31 December 2023 LAK
Not yet due	7,950,921,596	3,752,442,359
Overdue		
1 – 3 months	1,489,591,946	880,190,355
3 – 6 months	66,475,485	525,615,903
6 – 12 months	-	400,720,830
Over 12 months	3,902,186,763	5,486,255,452
Trade accounts receivables	13,409,175,790	11,045,224,899
<u>Less</u> allowance for doubtful debts	<u>(3,902,186,763)</u>	<u>(5,886,977,559)</u>
Trade accounts receivable, net	<u>9,506,989,027</u>	<u>5,158,247,340</u>

7. INVENTORIES

	31 December 2024 LAK	31 December 2023 LAK
Inventories	500,736,982,852	491,108,241,328
<u>Less:</u>		
Provision for slow moving and obsolete	(7,801,849,905)	(6,532,248,329)
Provision for Net realisable value ("NRV")	(173,875,028)	(228,222,597)
Inventories, net	<u>492,761,257,919</u>	<u>484,347,770,402</u>

8. OTHER CURRENT ASSETS

	31 December 2024 LAK	31 December 2023 LAK
Advance payments to suppliers	5,706,649,338	4,583,529,979
Accrued rebate from suppliers (i)	1,949,361,577	4,065,261,221
Prepaid insurance premium	56,238,807	74,945,474
Prepayment for lease contracts (ii)	27,747,965,086	27,831,104,087
Others (iii)	1,565,079,464	925,905,164
Staff loans	357,309,741	347,851,278
Prepaid profit tax	-	1,001,278,375
	<u>37,382,604,013</u>	<u>38,829,875,578</u>

(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 Oudomxay, Somsanouk and Vangvieng branches which are under constructions and (ii) buildings lease contracts of Phontong, Sokyai, Thakhek, Savannakhet, Paksan, Pakse and Luangphabang.

(iii) Others includes prepayment of borrowings approval fee, staff's parking lot rentals, apartments rental provided to executive employees and accrued interest receivable.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year 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 31 December 2024 are as follows:

Cost	Buildings and structures	Machinery and equipment	Furniture and fixtures	Motor Vehicles	Software	Total
	LAK	LAK	LAK	LAK	LAK	LAK
As at 1 January 2024	48,654,494,474	-	2,451,945,388	-	365,075,299	51,471,515,161
Additions	51,778,944,832	23,263,758	25,392,646,177	20,762,775	248,679,525	77,464,297,067
Adjustment of cost	2,168,252,818	-	-	-	-	2,168,252,818
Transfer to fixed assets	(33,740,421,694)	-	(10,154,062,042)	-	-	(43,894,483,736)
Foreign exchange differences	(722,587,731)	-	(36,414,843)	-	(5,424,399)	(764,426,973)
As at 31 December 2024	68,138,682,699	23,263,758	17,654,114,680	20,762,775	608,330,425	86,445,154,337

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year 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	-	2,044,032,074	3,165,987,038	287,807,440	5,497,826,552
Transfer from CIP	33,740,421,471	-	10,154,062,042	-	43,894,483,513
Written-off	-	(159,197,634)	(549,708,801)	(29,149,118)	(738,055,553)
Foreign exchange difference	(7,484,487,238)	(281,522,887)	(1,666,675,899)	(565,500,888)	(9,998,186,912)
As at 31 December 2024	530,214,038,532	20,559,284,906	123,327,093,991	37,770,415,528	711,870,832,957
Accumulated depreciation					
As 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 year	17,209,451,676	1,202,413,728	9,096,953,026	1,200,209,179	28,709,027,609
Written-off	-	(141,033,911)	(514,901,462)	(15,085,062)	(671,020,435)
Foreign exchange difference	(2,602,009,509)	(285,118,652)	(1,573,780,672)	(569,803,182)	(5,030,712,015)
As at 31 December 2024	143,889,441,848	16,765,935,326	88,703,253,723	35,779,735,908	285,138,366,805
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 31 December 2024	386,324,596,684	3,793,349,580	34,623,840,268	1,990,679,620	426,732,466,152

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

9. PROPERTY, PLANT AND EQUIPMENT (continued)

9.3 Intangible assets

	Land use rights LAK	Software LAK	Total LAK
Cost			
As at 1 January 2024	709,109,081,833	2,360,021,898	711,469,103,781
Foreign exchange difference	<u>(10,531,268,082)</u>	<u>(35,049,647)</u>	<u>(10,566,317,729)</u>
As at 31 December 2024	<u>698,577,813,801</u>	<u>2,324,972,251</u>	<u>700,902,786,052</u>
Accumulated amortisation			
As at 1 January 2024	-	2,360,021,898	2,360,021,898
Charge for the year	-	-	-
Foreign exchange difference	<u>-</u>	<u>(35,049,647)</u>	<u>(35,049,647)</u>
As at 31 December 2024	<u>-</u>	<u>2,324,972,251</u>	<u>2,324,972,251</u>
Net book value			
As at 1 January 2024	709,109,081,833	-	709,109,081,833
Foreign exchange difference	<u>(10,531,268,082)</u>	<u>-</u>	<u>(10,531,268,082)</u>
As at 31 December 2024	<u>698,577,813,801</u>	<u>-</u>	<u>698,577,813,801</u>

10. OTHER NON-CURRENT ASSETS

	31 December 2024 LAK	31 December 2023 LAK
Prepayment for rental buildings	<u>14,202,483,420</u>	<u>8,730,500,190</u>
	<u>14,202,483,420</u>	<u>8,730,500,190</u>

11. TRADE AND OTHER PAYABLES

	31 December 2024 LAK	31 December 2023 LAK
Trade payable to related parties (Note 27.2)	7,894,769,326	11,399,309,064
Trade payable to third parties	49,613,158,267	53,248,165,530
Other payables (i)	<u>1,068,651,850</u>	<u>918,228,306</u>
	<u>58,576,579,443</u>	<u>65,565,702,900</u>

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

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

12. BANK OVERDRAFT AND BORROWINGS

	31 December 2024 LAK	31 December 2023 LAK
Current		
Bank Overdraft (i,ii,iii)	2,028,965,427	-
Short-term borrowings (iv, v)	65,361,696,390	54,694,740,214
	67,390,661,817	54,694,740,214
Long-term borrowings - current portion (vi, vii)	24,031,020,120	26,353,809,980
	91,421,681,937	81,048,550,194
Non-current		
Long-term borrowings – non current portion (vi, vii)	35,347,370,505	48,063,332,611
	126,769,052,442	129,111,882,805

Bank Overdraft balance as at 31 December 2024 includes:

- i) An overdraft Agreement with a local commercial bank with the credit limit of LAK 2,520,100,000 of which the monthly interest rate is the Lao Base Rate 1 month plus 3.874% margin per annum. The facility is secured by the shareholder's land.
- ii) An 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 facility is secured by the shareholder's land.
- iii) A Master Credit Facility Agreement with a local commercial bank with contract value of LAKm 94,178. The agreement includes facilities in category of letter of guarantee, (bid & purchase & performance), letter of credit and trust receipt. There is no balance of this contract as at 31 December 2024.

Short-term borrowing balance as at 31 December 2024 includes:

- iv) A short-term borrowing from a local commercial bank with a credit limit of LAKm 30,000 and a fixed interest of 6.05% per annum. The 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) A revolving borrowing from an oversea commercial bank with a credit limit of THB 250 million and interest rates ranging from 4.60% to 4.85% per annum. Each disbursement is 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.

Long-term borrowing balance as at 31 December 2024 includes:

- vi) A long-term borrowing from local commercial bank with a credit limit of THB 50 million, interest rate ranging of 5% per annum and maturity date on March 2025. The principle is scheduled to be paid quarterly, and the interest is to be paid monthly.
- vii) A Long-term borrowing from local commercial bank with a credit limit of THB 145 million, an annual fixed interest of 6.05% per annum and maturity date on 31 May 2027, The loan principle has been paid quarterly starting from 31 August 2022. The borrowing is secured by the shareholder's land.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

13. DEBENTURES

Debentures as at 31 December 2024 are as follow:

	<u>31 December 2024</u> LAK	<u>31 December 2023</u> LAK
Debentures issued in Lao Securities Exchange	66,233,252,250	62,116,071,600
	<u>66,233,252,250</u>	<u>62,116,071,600</u>

This is unsubordinated unsecured long-term debentures issued in the Lao Securities Exchange. Summary of key terms and conditions of the debentures as at 31 December 2024 are as below:

<u>ISIN Code</u>	<u>Original Amount (USD)</u>	<u>LAK equivalent</u>	<u>Interest rate (% p.a)</u>	<u>Years</u>	<u>Interest payment</u>	<u>Maturity date</u>
LA80000115D6	3,000,000	66,233,252,250	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

	<u>31 December 2024</u> LAK	<u>31 December 2023</u> LAK
Defer rental revenues	1,787,028,765	926,679,694
Defer revenue of undelivered good from sales	4,536,580,140	4,989,947,018
Accrual related marketing activities (i)	3,658,805,515	4,699,131,909
Bond interest payable	567,033,273	590,891,425
Other tax payable (ii)	3,088,441,389	1,575,474,589
Other staff payable (iii)	2,046,684,883	1,201,709,043
Others current liability (iv)	4,043,876,973	5,554,700,005
	<u>19,728,450,938</u>	<u>19,538,533,683</u>

- (i) Accrual related marketing activities presents the fund of marketing activities from suppliers;
- (ii) Other tax payable represents tax payable of profit income tax, value added tax and corporate income tax;
- (iii) Other staff payable represents the accrual of Social Security, pension fund and fund received from deducted employee's salary and benefits;
- (iv) Other current liabilities represent the advance deposit received from supplier for product consultant's salary, accrued other expenses, accrued expense for import goods and accrued interest expense of borrowing.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

16. SHARE CAPITAL AND SHARE PREMIUM

	<u>Number of shares</u>	<u>Ordinary shares in LAK</u>	<u>Share premium in LAK</u>
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 31 December 2024	165,000,000	330,000,000,000	24,735,724,722

17. REVENUE FROM SALES

	<u>2024 LAK</u>	<u>2023 LAK</u>
Sale of goods	887,562,594,853	765,971,176,315
Transportation services	1,085,306,286	957,421,247
Repair and maintenance services	488,509,374	211,218,781
	889,136,410,513	767,139,816,343

18. COST OF SALES

	<u>2024 LAK</u>	<u>2023 LAK</u>
Cost of goods sold	609,521,300,516	541,794,415,045
Delivery and freight charges	51,708,742,572	38,042,753,637
Net change in inventory provision	1,369,945,340	(1,968,627,461)
	662,599,988,428	577,868,541,221

19. OTHER INCOMES

	<u>2024 LAK</u>	<u>2023 LAK</u>
Rental income	2,885,573,937	3,453,211,008
Interest income	789,231,705	322,777,151
	3,674,805,642	3,775,988,159

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

20. SELLING EXPENSES

	2024 <u>LAK</u>	2023 <u>LAK</u>
Salaries, wages and other employee benefits	47,457,952,204	34,474,360,915
Depreciation and amortization	27,975,197,640	25,635,105,925
Rental fees – offices and showrooms	18,244,993,836	15,050,098,156
Fuel expense	4,141,288,121	3,868,046,582
Sales Promotion and advertising expense	4,814,641,775	2,218,276,674
	<u>102,634,073,576</u>	<u>81,245,888,252</u>

21. ADMINISTRATIVE EXPENSES

	2024 <u>LAK</u>	2023 <u>LAK</u>
Depreciation and amortisation	733,829,969	629,855,005
Salaries, wages and other employee benefits	31,514,552,924	17,942,365,669
Reversal of allowance for doubtful account receivable	(1,975,652,644)	(1,839,104,458)
Repairs and maintenance expense	2,966,884,240	3,340,726,420
Utilities	5,109,851,529	4,248,933,570
Office supplies	1,063,091,288	1,062,866,645
Professional fees	4,090,098,483	3,966,757,636
Others Admin expense	1,685,184,018	823,553,755
Audit fee	551,852,379	698,891,827
Insurance expense	618,505,049	465,119,374
	<u>46,358,197,235</u>	<u>31,339,965,443</u>

22. FINANCE COSTS

	2024 <u>LAK</u>	2023 <u>LAK</u>
Interest expense from:		
Borrowing from financial institutes	5,248,756,522	6,913,848,030
Debentures	1,132,055,387	2,523,137,289
Others	8,423,121	3,453,301
Bank charge	796,303,115	589,006,177
	<u>7,185,538,145</u>	<u>10,029,444,797</u>

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

23. NET FOREIGN EXCHANGE (LOSS)/GAIN

	2024 LAK	2023 LAK
Net unrealized (loss)/gain from dealing in foreign currency	(1,258,575,646)	6,314,659,590
Net realized (loss) from dealing in foreign currency	(1,652,067,844)	(5,154,528,704)
	<u>(2,910,643,490)</u>	<u>1,160,130,886</u>

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 year ended 31 December 2024 is 20%. (for the year ended 31 December 2023: 20%)

	31 December 2024 LAK	31 December 2023 LAK
Profit before tax for the year	71,122,775,281	71,592,095,675
<i>Adjustments to increase/(decrease)</i>		
Depreciation that has been deducted over the useful life as defined in Tax Law	(9,059,402,725)	(8,816,101,915)
Reversal of provision for doubtful debt	(1,975,652,644)	(1,839,104,458)
Net change in inventory provision	1,369,945,340	(1,968,627,372)
Unrealised foreign exchange gain	1,258,575,646	(6,314,659,590)
Other non-deductible expense	628,725,047	1,310,696,301
Taxable profit	63,344,965,945	53,964,298,641
Current PT expense, at the statutory rate of 20%	12,668,993,305	10,792,859,692
PT payable at the beginning of the year	11,651,392,145	11,564,148,709
PT paid during the year	(10,782,859,692)	(9,934,957,710)
Translation adjustment	(2,244,435,999)	(62,416,890)
PT payable at the end of the year	<u>11,293,089,759</u>	<u>12,359,633,801</u>

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

25. EARNINGS PER SHARE

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

	<u>31 December 2024</u> LAK	<u>31 December 2023</u> LAK
Net profit attributable to ordinary shareholders in LAK	58,453,781,976	60,799,235,983
Weighted average number of ordinary shares	<u>165,000,000</u>	<u>165,000,000</u>
Basic earnings per share	354	368

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:

<u>Shareholders</u>	<u>Number of shares</u> <u>(par value:</u> <u>LAK 2,000/share)</u>	<u>Shares equal</u> <u>to Percentage</u>
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	<u>25,000,000</u>	15.15%
	<u>165,000,000</u>	

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

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year 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>Relationship</i>	<i>Transaction</i>	<i>31 December 2024 LAK</i>	<i>31 December 2023 LAK</i>
SCG INTERNATIONAL CORPORATION Co., Ltd	Affiliate	Purchases of goods from related parties	76,593,632,060	72,802,423,277
SCG CERAMICS PUBLIC COMPANY LIMITED	Affiliate	Purchases of goods from related parties	52,102,988,728	76,387,660,042
SCG INTERNATIONAL LAOS CO.,LTD	Affiliate	Purchases of goods from related parties	142,931,805	-
SCG DISTRIBUTION CO.,LTD	Affiliate	Professional fee	144,785,253	-
SOUKHABANDITH family	Shareholder	Rental expense	18,280,370,645	17,269,278,418
		Revenue of good sales to related parties	421,391,910	-

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>31 December 2024 LAK</i>	<i>31 December 2023 LAK</i>
<i>Rental prepayment</i>			
SOUKHABANDITH family	Shareholder	34,626,106,186	36,561,604,277
<i>Trade account receivable</i>			
SOUKHABANDITH family	Shareholder	119,438,543	-
<i>Trade and other accounts payable (Note 11)</i>			
SCG INTERNATIONAL CORPORATION Co., Ltd	Affiliate	3,494,019,165	3,306,029,755
SCG CERAMICS PUBLIC COMPANY LIMITED	Affiliate	4,261,702,486	8,093,279,309
SCG DISTRIBUTION CO.,LTD	Affiliate	139,047,675	-
		7,894,769,326	11,399,309,064

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO THE LAK – CONVERTED FINANCIAL STATEMENTS (continued)
as at 31 December 2024 and for the year then ended

27. RELATED PARTY TRANSACTIONS (continued)

27.2 Outstanding balances arising from related party transactions

Transactions with key management personnel of the Company

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

	31 December 2024 LAK	31 December 2023 LAK
Salaries and other benefit	7,914,955,888	5,107,732,882

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 from two to five and half years, and the majority of lease agreements are renewable at the end of the lease year with the contract value subject to adjustment based on the revalued land price.

	31 December 2024 LAK	31 December 2023 LAK
Less than 1 year	-	-
From 1 - 5 years	41,548,442,288	30,300,203,016
TOTAL	41,548,442,288	30,300,203,016

28.2 Letter of credit and guarantee


As at 31 December 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 31 December 2024 that requires adjustment or disclosure to be made in the LAK-converted financial statements of the Company.



 Mr. Waddana SOUKHABANDITH
 Chief Executive Officer

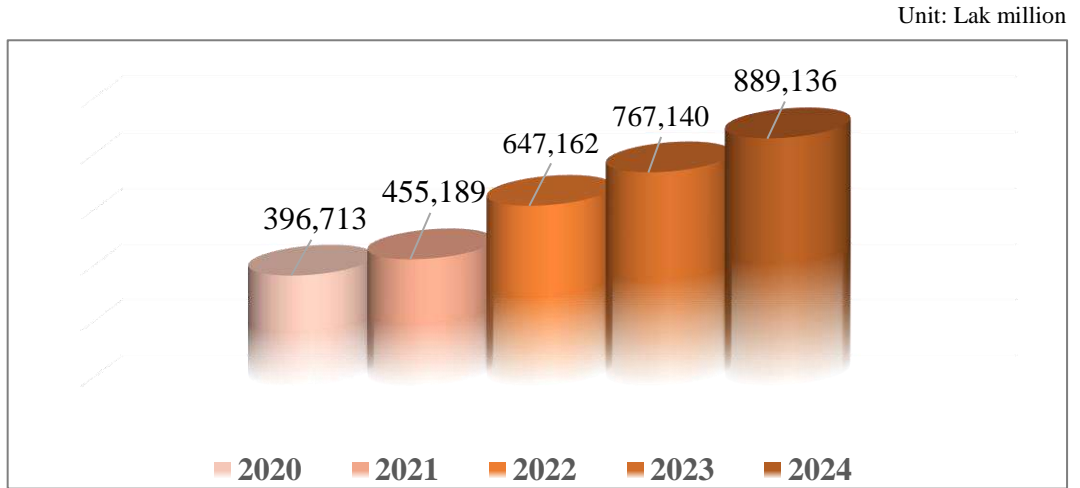

 Mr. Phaniola SOUKHABANDITH
 Chief Financial Officer

Vientiane, Lao PDR

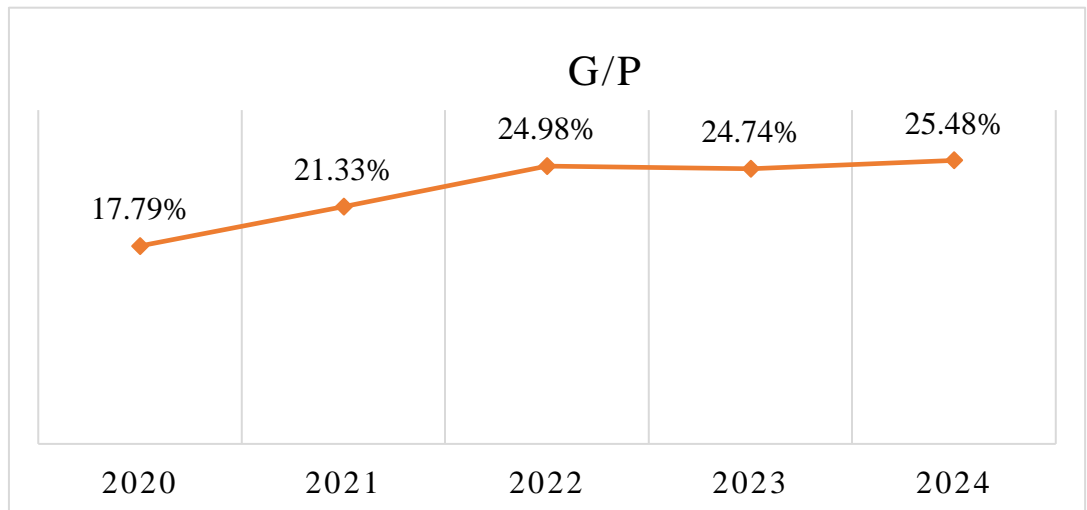
20 February 2025

5. The 5 years Retrospective Finance Statements of the company

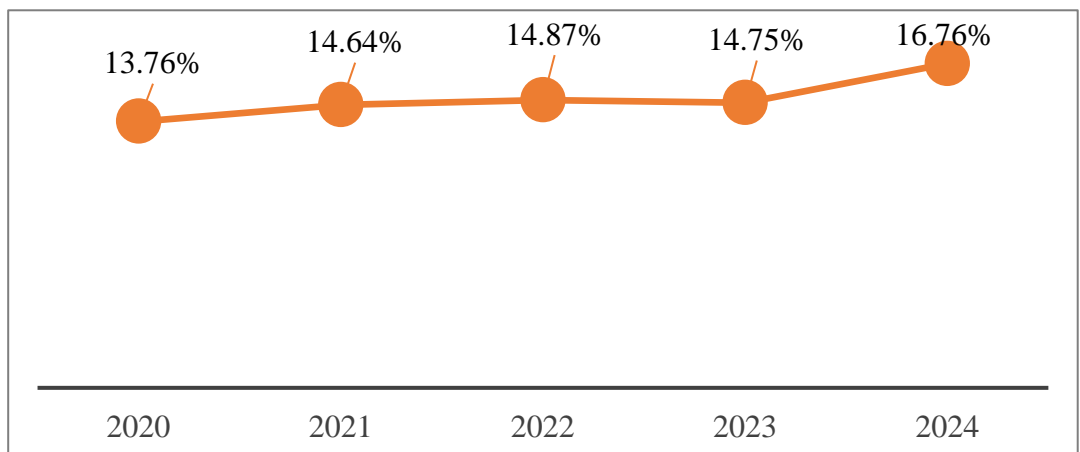
- The 5-year retrospective Income



- The Gross Profit Rate for 5-year retrospectively

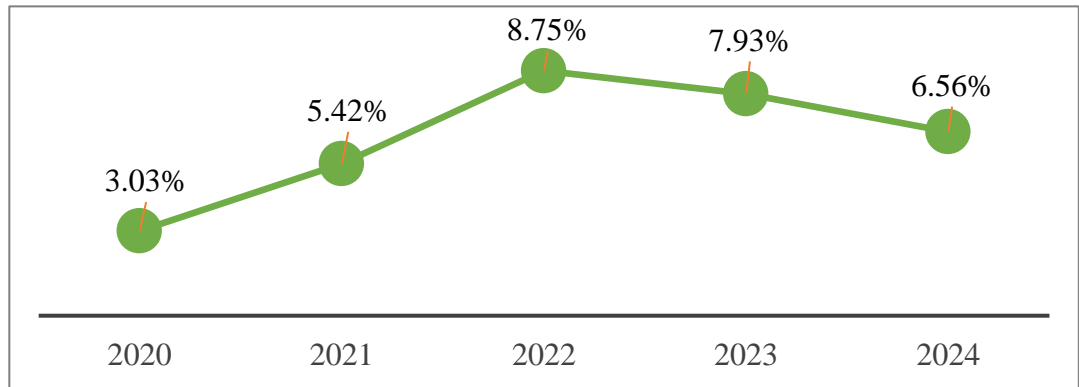


- Expense Rate compared Income for 5-year retrospectively

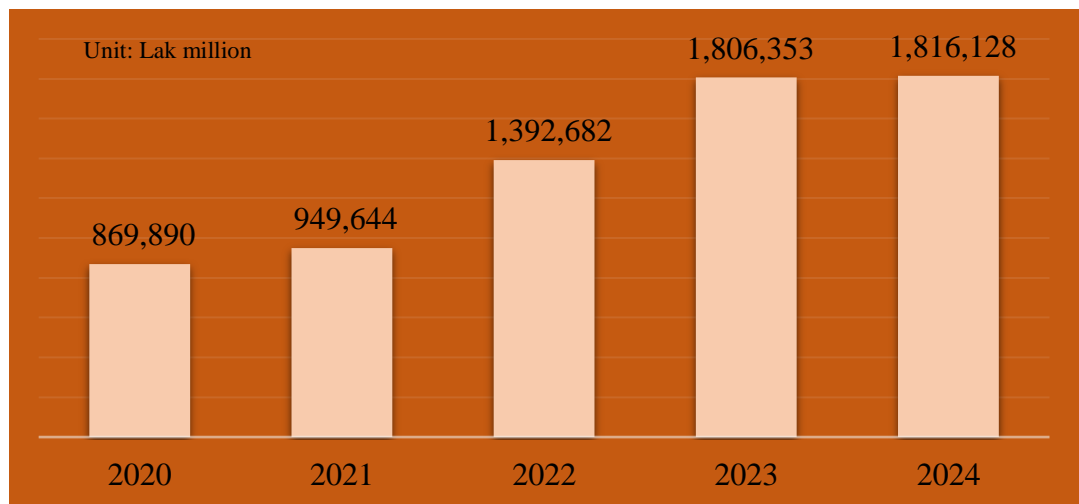


▪ **Net Profit Rate compared Income for 5-year retrospectively**

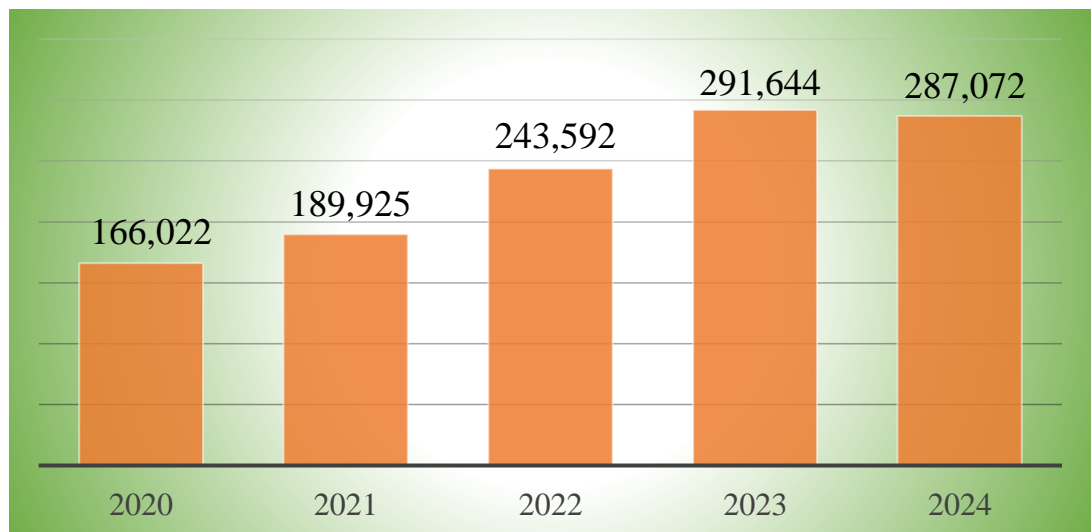
Unit: Lak million



▪ **The 5-year retrospective Assets**



▪ **The 5-year retrospective Liability**



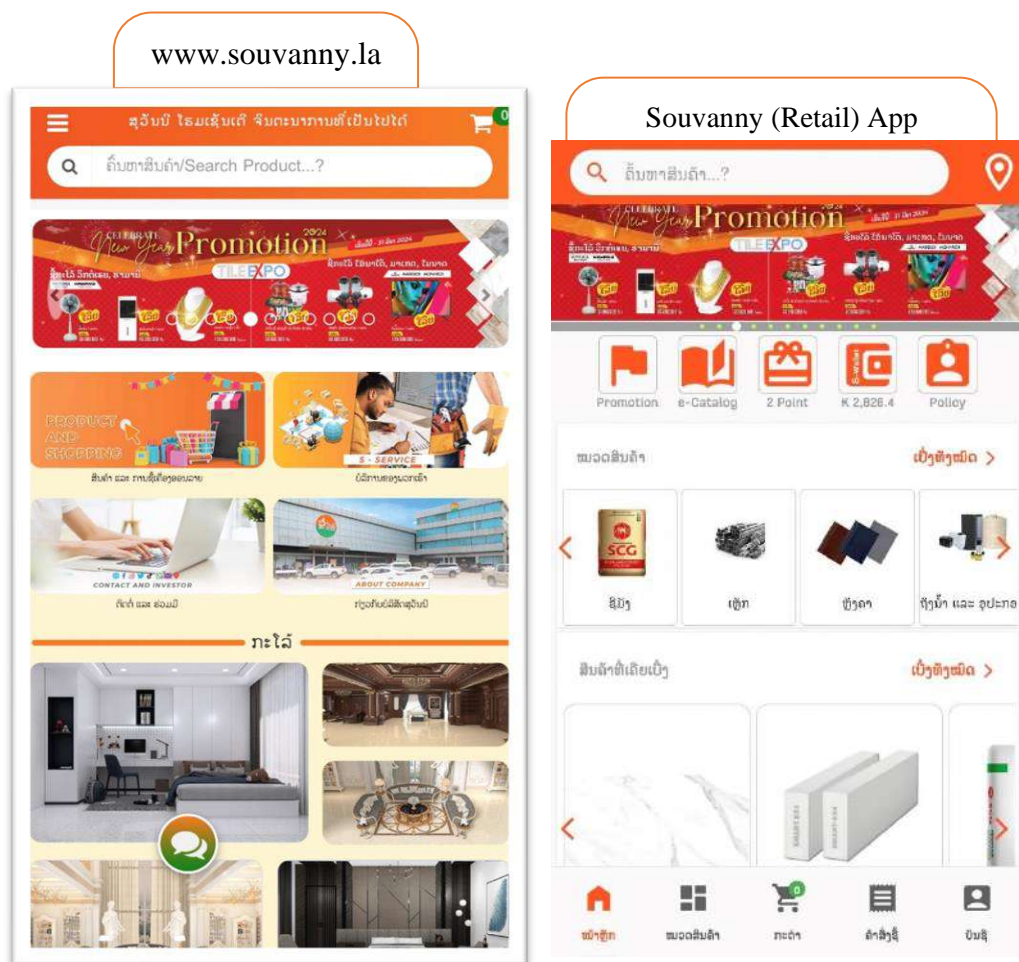
6. Marketing in the year 2024

6.1. Product Strategy:

- defined the product segmentation in the right category and set the positioning of each product clearly in order to increase the efficiency of work implementation.

6.2. Place Strategy

- In 2024, the company has gone on to create good connections with the customer types such as General Customers, Wholesalers, project customers, artisans, and vocational students in all channels through many sale promotions and Souvanny Club.
- We have continued to develop sale channels through the website and the SOUVANNY Application on mobile that the Customers can elect and buy products on the online channel easily and also to expand sale area widely which the Souvanny Retail App has opened to service since June of the year 2024.



6.3. Promotion Strategy

6.3.1. Advertising:

We have been advertising through multiple channels, both offline and online, to build awareness of Souvanny and the core product brand to create demand for products in the company's core product categories through various content that targets each segment market, such as:

- **Offline Channel:** Leaflet, Movement Billboard, Street Billboard, and Local Radio in different provinces such as radio of Borikhamxay, Khammuan, Champasak and Savannakhet Provinces
- **Online Channel:** Website, Facebook, Instagram, youtube, Tiktok and others.

Leaflet



Online Content



6.3.2. Sale Promotion:

We launched a variety of sale promotions to be oriented to personnel selling, Wholesaler, and customer the detail as below:

- The loyalty Program, Souvanny Club for customers who would like to be members to collect scores to redeem premiums in order to persuade customers to rebuy and become regular custo



- Sale promotion, buy at the value get free premium to immediately satisfy customers.



- Launching the sweepstake promotion to return profits to customers, starting from March to July 2024, giving away gold necklaces, electrical appliances, and other prizes worth more than LAK 560 million.



7. Human Resources in the year 2024

- The company has amended and promoted many positions for the general employees who have outstanding results, activeness, and always development to be Department Managers;
- We continuously held the internal and external training for the staffs at all level to raise their skill of work such as product knowledge, service mind, and specific subjects for the specific position such as leadership skills, high level management and others.



Average Work Age Rate of Employees in the Body

Work Age (Year)	Employee Amount	Rate %
0-2	307	35%
3-5	150	17%
6-8	214	24%
9-11	84	10%
12-15	69	8%
16 up	51	6%
TOTAL	875	100%

IV. Securities and Shareholders 2024

1. Registered Capital

The Company has paid registered capital of LAK 330,000 billion on 31 December of 2024, as the ordinary shares of 165,000,000 with par value at LAK 2,000 per share.

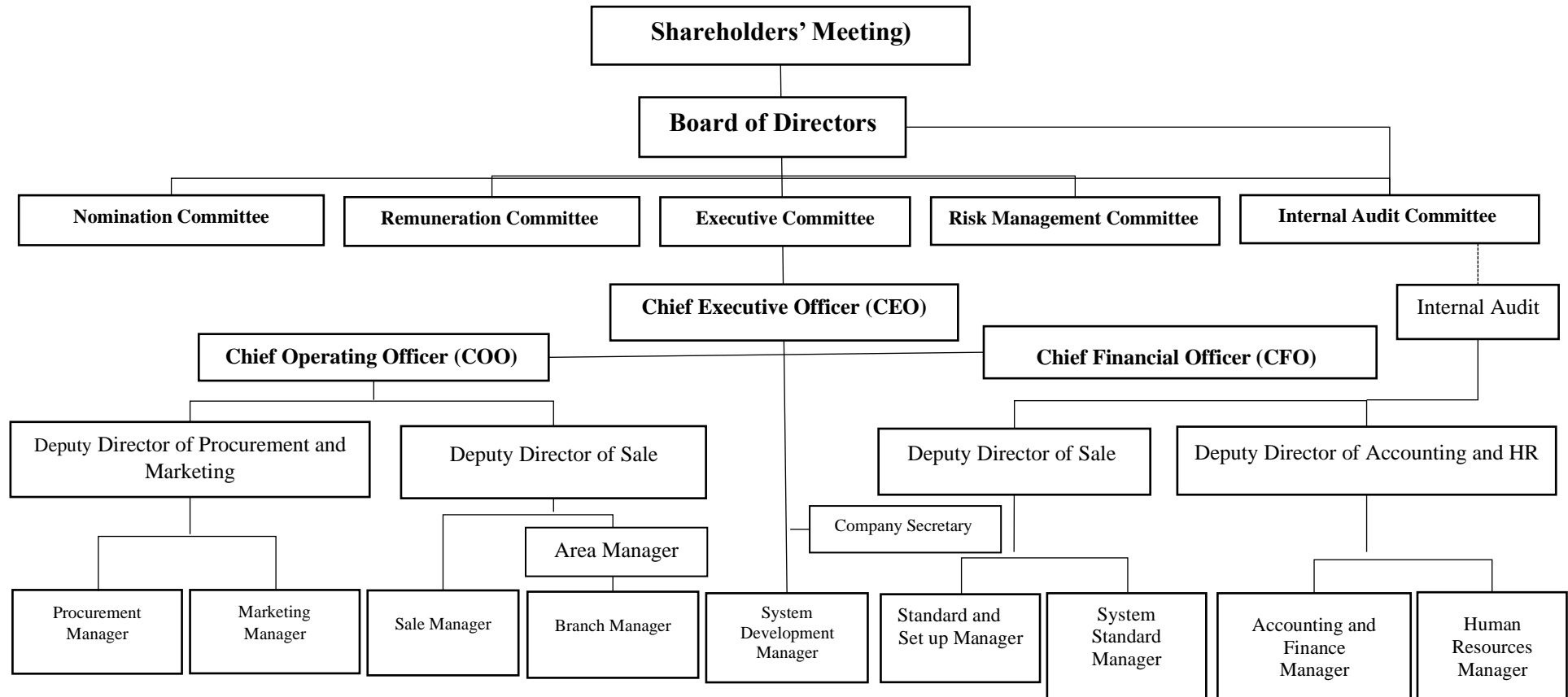
2. Shareholders

the shareholder of the Company who has share more than 5% of total shares

- Soukbandith family with 83,893,600 shares equal to 51%
- Global House International Company Limited with 56,000,000 shares equal to 33.94%

V. Organization Structure of Board of Directors, Managing Directors and the Activities of the Board.

1. Organization Chart of the Company



2. Board of Directors of SVN 2024



Mr. Somchith INTHAMITH
Chairman and the Board of Directors, Independent Director, Chairman of Nomination and Risk Management Committee



Mr. Xayphone KONGMANILA, Ph.D
Vice Chairman of the Board of Directors, Independent Director and Chairman of Audit Committee



Mr. Waddana SOUKHABANDITH
Member of the Board of Directors and Chief Executive Officer (CEO)



Mr. Sonesavanh SENGAPHAY
Member of the Board of Directors, Independent Director and Chairman of Remuneration Committee



Mr. Phannola SOUKHABANDITH
Member of the Board of Directors and Chief Financial Officer (CFO)



Mrs. Khamkhai LORVANXAY
Member of the Board of Directors and Purchasing Manager



Mr. Kotsada SOUKHABANDITH
Member of the Board of Director, Chief Operating Officer (COO)




Ms. Chutikan SRISAENGCHAN
Member of the Board of Directors



Mr. Piphop VASANAARCHASAKUL
Member of the Board of Directors

3. Brief biography of the Board of Directors

	Name and Surname	1
	Mr. Somchith INTHAMITH	
	Nationality	: Lao
	Date of Birth	: 13 March 1959
	Religion	: Buddhist
	Current address	: Chommany village, Xaysettha District, Vientiane Capital, Passport Number: D0030771
	Positions	: Chairman of the Board of Directors, Independent Director and Chairman of Nomination and Risk Management Committee
Highest Education		
Master of Development Economics, Martin- Luther-Universität Halle-Wittenberg Germany, 1985		
Work Experiences		

- Officer at the Lao Embassy in Berlin, 1985-1986;
- Officer of Department of Agricultural Planning, and State Planning Commission, 1987-1988;
- Deputy Minister of Commerce and Foreign Economic Relations, 1989-1990;
- Deputy Director General, Department of Economic Cooperation, Ministry of Commerce and Foreign Economic Relations, 1990-1993;
- Deputy Director General, Department of Foreign Economic Cooperation, Committee on Planning and Cooperation 1994-1996;
- Director, Department of ASEAN Economic Cooperation, 1996;
- Senior Economic Officials of the Lao PDR to the ASEAN (SOM) 1997-2005;
- Negotiations with the World Trade Organization 2004;
- Head of the Department of Economy, Ministry of Foreign Affairs, 1999-2007;
- Head of the Department of International Cooperation, Ministry of Planning and Investment, 2008-2011;
- Deputy Minister of Planning and Investment, 2011-2014;
- Deputy Minister of Industry and Commerce, 2014-2021;
- Deputy Chairman of the Economic and Financial Committee of the Party Central Committee, 25/01/2022-Present.



2

Name and Surname

Mr. Xayphone KONGMANILA, Ph.D


Nationality : Lao**Date of Birth** : 30 December 1973**Religion** : Buddhist**Current address** : Nasiew village, Naxaythong
District, Vientiane Capital**Positions** : Vice-Chairman of the Board
of Directors, Independent
Director and Chairman of
Audit Committee**Highest Education**

Doctor of Philosophy in Business Management, Graduate School for International Development and Cooperation, Hiroshima University, Japan, year 2009;

Work Experiences

- Telecommunication Engineer, Lao telecom development project, Enterprise of Telecommunication Laos, Vientiane, Laos, year 1995-1997;
- Project Inspector, Project Division, Hi-Key Aircond. Technology Co., Ltd., Bangkok, Thailand, year 2000-2011;
- Marketing and Operation Manager, Kharonroj (Laos) Co., Ltd. Vientiane, Laos, year 2011;
- Lecturer of Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2002-2011;
- Deputy Director of Department of Accountancy, Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2011-2017;
- Audit Committee for Board of Director of BCEL, 2011-2017;
- Financial Consultant of Thiphaya Insurance Laos Co., Ltd, 2018;
- Received Best Research Awards from National University of Laos, 2018;
- Visiting Professor at Senshu University, Japan, 2019-2020, 2023;
- Member Board of Director, Audit Committee and Risk Management Committee of the Agriculture Promotion Bank, 2022-Present;
- National Expert at FLEGT-FC Project, Ministry of Agriculture and Forestry, 2022-Present;
- Director of Department of Accountancy, Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2017-2025;
- Vice Dean, Faculty of Economics and Business Management, National University of Laos, 2025-Present.

3



Name and Surname

Mr. Waddana SOUKHABANDITH
Nationality : Lao
Date of Birth : 28 October 1966
Religion : Buddhist
Current address : Viengchaleun village,
Xaysettha District, Vientiane Capital
Positions : Member of the Board of Directors, Chief Executive Officer


Highest Education

Master of Business Administration, MAHASARAKHAM University, Thailand, year 2002;

Work Experiences

- Chief Executive Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 1988-Present.

4



Name and Surname

Mr. Sonesavanh SENGAPHAY
Nationality : Lao
Date of Birth : 30 June 1960
Religion : Buddhist
Current address : Phonsavath tai Village, Sikhottabong District, Vientiane Capital
Positions : Member of the Board of Directors, Independent Director and Chairman of Remuneration Committee

Highest Education


- Master of art in law, Tajikistan University of Law, former USSR, year 1993
- Master of law, Chulalongkorn University, Bangkok, Thailand, year 2009

Work Experiences

- Technical Officer, Ministry of Justice, year 1982-1985;

- Technical Officer, Justice Division, Vientiane Province Court, year 1985-1987;
- Studied at The University of Law, Tajikistan, former USSR, year 1988-1993;
- Technical Officer, The Office of the Public Prosecutor General, year 1993-1995;
- Prosecutor of Sikhottabong District, the Prosecutor Office of Vientiane Capital, year 1995-1998;
- Investigator, Deputy Head of Division, The Office of the Public Prosecutor General, year 1998-2001;
- Head of Division, Civil Law Department, The Office of the Public Prosecutor General, year 2001-2004;
- Deputy Director General, Civil Law Department, The Office of the Public Prosecutor General, year 2004-2009;
- Obtaining Master Degree, Chulalongkorn University, Bangkok, Thailand, year 2005-2009;
- Director General of Civil Law Department, The Office of the Public Prosecutor General, year 2009-2015;
- Director General of Inspection Department, The Office of the Public Prosecutor General, year 2015-2021;
- Retried on July 01, 2021;
- Lawyer (Official member of Lao BAR Association) on September 10, 2022;
- Senior Advisor, Hounghuang Khounnatham Consulting Ltd on July 01, 2021-October,2023;
- Legal Advisor, Lanexang Law sole Co., Ltd on November, 2023- May, 2024;
- Legal Advisor, Rajah and Tann (Laos) Co., Ltd on June, 2024-Present.

5



Name and Surname

Mr. Phannola SOUKHABANDITH

Nationality : Lao

Date of Birth : 22 September 1969

Religion : Buddhist

Current address : Phonsavannuea village, Sisattanak District, Vientiane

Positions : Member of the Board of Directors, Chief Financial Officer

Highest Education

Master of Business Administration, MAHASARAKHAM University, Thailand, year 2002

Work Experiences

- Chief Financial Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 1988-Present.

6



Name and Surname

Mr. Kotsada SOUKHABANDITH

Nationality : Lao

Date of Birth : 04 January 1972

Religion : Buddhist

Current address : Nongnieng village, Xaysettha District, Vientiane Capital

Positions : Member of the Board of Directors, Chief Operating Officer

Highest Education

Master of Business Administration, Khonkaen University, Thailand, Year 2007

Work Experiences

- Chief Operating Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 2000-Present.

7



Name and Surname

Mrs. Khamkhai LORVANXAY

Nationality : Lao

Date of Birth : 21 August 1978

Religion : Buddhist

Current address : Nakhaekham village, Xaythany District, Vientiane Capital

Positions : Member of the Board of Directors, And Purchasing Manager

Highest Education

Bachelor of Business Administration, Settha Business Administration College, Laos, 2010

Work Experiences

- Sales staff of Souvanny Home Center Public Company, 2000-2005;
- Head of Sales of Souvanny Home Center Public Company, 2005-2015;
- Purchasing Manager of Souvanny Home Center Public Company, 2015-Present.

8



Name and Surname

Ms. Chutikan SRISAENGCHAN

Nationality : Thai

Date of Birth : 25 April 1969

Religion : Buddhist

Current address : Roi Et, Thailand

Positions : Member of the Board of Directors,

Highest Education

Master of Business Administration, Khonkaen University, Thailand, year 2001

Work Experiences

- Director of Siam Global House PCL, 2008-2012;
- Deputy Chief Executive Officer of Financial and Accounting of Siam Global House PCL, year 2012-Present.

9



Name and Surname

Mr. Piphop VASANAARCHASAKUL

Nationality : Thai

Date of Birth : 21 May 1970

Religion : Buddhist

Current address : Roi Et, Thailand

Positions : Member of the Board of Directors,

Highest Education

Bachelor's Degree of Humanities, Kasetsart University, Thailand, Year 1993

Work Experiences

- Assistant Deputy Chief Executive Officer- Business Development of Siam Global House PCL, year 2014-2017;
- Deputy Chief Executive Officer- Business Development of Siam Global House PCL, year 2017-Present;
- Commissioner of PT CATURKARDA DEPO BANGUNAN TBK (Indonesia) 2022 – Present.

4. Directors of the Company



5. Activities of the Board of Directors in the year 2024

5.1. Meeting Holding

- The Board of Directors' meeting was held for 4 times
- The Audit Committee's meeting was held for 4 times
- The Remuneration Committee's meeting was held for 2 times
- The Risk Management Committee's meeting was held for 2 times
- The Nomination Committee's meeting was held for 2 times

5.2. Attending the meeting of Boards of Directors.

Name and Surname	Position	Meeting attending for times					
		Shareholder's Meeting (AGM)	Board of Directors Meeting	Audit Committee's Meeting	Nomina-tion Committee's Meeting	Risk Mana-gement Committee Meeting	Remunerati on Committee's Meeting
1. Mr. Somchit INTHAMITH	Chairman of the Board of Directors, Independent Director;	1	4		2	2	
2. Assoc. Prof. Dr. Xayphone KONGMANILA	Vice-Chairman of the Board of Directors, Independent Director;	1	4	4			
3. Mr. Waddana SOUKHABANDITH	Member of the Board of Director	1	4	3	2	2	2
4. Mr. Sonesavanh SENGAPHAY	Member of the Board of Directors,	1	4				



	Independent Director;						
5. Mr. Phannola SOUKHABANDITH	Member of the Board of Director	1	4	4	2	2	2
6. Mr. Kotsada SOUKHABANDITH	Member of the Board of Director	1	4	4	2	2	2
7. Mrs. Khamkhai LORVANXAY	Member of the Board of Director	1	4				
8. Ms. Chutikan SRISAENGCHAN	Member of the Board of Director	1	4				
9. Mr.Piphop VASANAARCHASA KUL	Member of the Board of Director	1	4				

6. Remuneration of Board of Directors.

The allowance to attend a meeting of members of the board of directors of the company who the independent members of the board of directors as follows:

- The Chairman of the board of directors 10,500,000 Kip/1 times.
- The Deputy Chairman of the board of directors 6,600,000 Kip/1 times.
- The member of the board of directors 6,600,000 Kip/1 times

VI. Audit Service Fee and Other Service Fee for the year 2024

Ernst & Young Lao Co., Ltd is the External Auditor of the Company with an audit service fee of 560,740,000 Lak for the year 2024.

VII. Social Responsibility 2024

1. Obligation Hand-over in the year 2024

Souvanny Home Center Public Company has strictly taken under the law of the Lao P.D.R. particularly Tax law by performing its obligation to the state such as Value Added Tax, payroll tax, profit tax, and others the details are as follows

The tax handover to the state in 2024			
No.	Details	2023 (LAK)	2024 (LAK)
1	Import Duty	4,551,108,844	3,133,197,400
2	Value Added Tax	81,294,925,202	54,844,898,382
3	Excise Tax	246,663,200	6,320,800
4	Payroll Tax	5,641,477,589	3,209,883,208
5	Profit Tax	22,586,657,239	7,001,697,500
Total		68,195,997,290	114,320,832,074

2. Social Assistance in 2024

Over the year 2024, The Company went on implementing the policies of responsibility of society which helped the society in many terms over 50 programs to bring happiness to society through the project of “Sharing Brings your Smile”, the details are as below

2.1. Assistance on Education in 2024

- On August 26-27, 2024, Souvanny Home Center Public Company donated school supplies, student uniforms, sports equipment and musical instruments at the worth a total of 60,000,000 Lak to 6 primary schools in Vientiane province, including: 3 villages in Meun district, namely Ban Phonsivilay, Ban Namlao, Ban Nayao and 3 more villages in Mat district, namely Ban Houaypamak, Ban Namhuang, Ban MuangMat, a total of 214 students received assistance this time:



2.2. Assistance on Health in 2024

- On 27 March and 11 September of 2024, the Company gathered to donate blood to The Red Cross of Laos, which this year had the volunteers join the activities of 177 people. Blood Donation was taken 2 times per year to help the ill person who needs blood in Emergency time “Give Blood Save Life”



2.3. Other Assistance in 2023

- On September 14, 2024, Souvanny Home Center donated 100 sets of food, drinks, and medicine worth 20,500,000 kip to relieve the suffering of flood victims in Luangnamtha Province.



VIII. Body's Management Policy in 2024

The company has internal policies to manage the body by applying the Management Standard under the ISO 9001 (version 2015), store's standard, and other service standards, namely 5S (Sort, Set in order, Shine, Standardize, and Sustain) and Safety Standard. In addition, the company uses the computer system to control working by applying the effective software and has step approval systems under the internal and external Audit and using the closed circuit camera system (CCTV) at the risk point

In addition, the company has given importance to the implementation of corporate governance (CG), which Souvanny Home Center Public Company has participated in the implementation of management work that the Lao Stock Exchange who is the evaluators in 2024. It can be seen that the company has scored a total of 75.98 points, classified as 4 stars, with the details as below:

PART	TOTAL SCORE	REAL SCORE
Shareholders' rights and equal treatment of shareholders	10	7.00
Management of relationships with market participants	10	6.82
Disclosure and transparency	40	32.97
Roles and responsibilities of the board of directors	40	29.19
TOTAL	100	75.98

1. Shareholders' rights and equal treatment of shareholders: 7.00 points
2. Management of relationships with market participants: 6.82 points
3. Disclosure and transparency: 32.97 points
4. Roles and responsibilities of the board of directors: 29.19 points

IX. Risk Management Policy in 2024

The Business on distributing the Construction Materials faced the main risks last year following;

1. Money Exchange rate
2. Customer's debt
3. The direct and indirect costs are higher
4. And threats

We systemically manage risks the details are below:

- On the Money Exchange rate, we accurately import the products under the Lao Law, so that we are able to buy the currency from the bank;
- In terms of managing the Customer's debt, we have used approval mechanics by carefully considering giving credits and determining the suitable credit value for customers;
- In terms of Cost Control in the inflation situation, we try to look for lower-cost product sources and negotiate with many countries to gain quality products and lower costs to match the customers afford;
- In terms of threats such as Floods, Fires, storms, and earthquakes also, we have bought insurance for each branch to cover every situation that may arise.

X. Environment Policy in the year 2024

The company runs the business with the highest responsibility to the Environment and Society by improving and developing the work procedure and business activities in line with the reserving of the environment such as reducing usage of energy, and resources, releasing greenhouse gases into the air, and reducing the creating the garbage and waste to prevent and decrease the effect to environment and community around the business

XI. Business Plan for the year 2025

1. Income-Creating Plan of the Year 2025

The Company aims to increase sales by 20% compared to the previous year based on trends in economic expansion, and revival of the tourism and construction industry, we have a plan in place to achieve the objectives following

- 1.1. Increase sales by the branch at an average sale of 15-20% per branch;
- 1.2. Use sale promotion strategies for new and old customers;
- 1.3. Expand the target group of construction project customers;
- 1.4. Raise selling Online Channels;
- 1.5. improve the delivery service to be more quick and on time;
- 1.6. Add more new products that create high income namely the decoration product groups.

2. Marketing Plan for the year 2025

- 2.1. Create acknowledgment of the Souvanny brand through Social Media and Content Marketing;
- 2.2. Use data to analyze customers and create relationships with customers;
- 2.3. Organize seasonal sales promotion campaigns.

3. The Development Plan of Management Standard for the Year 2025

- 3.1. Go on improving the store standards to get higher standards;
- 3.2. Move on improving the standard of the ISO-9001 VERSION-2015 works system to get more high standards;
- 3.3. Go on improving the service standards to meet higher the customer's needs.

4. Human Resource Development Plan of the Year 2025

- 4.1. Develop and train all levels of staff by choosing internal and external Trainers who are professionals to upgrade the personnel's capacity to a higher;
- 4.2. Organize the examination to select the good and excellent staff to prepare for dealing with expanding the company;
- 4.3. Create a facilitation environment to link the learning and share the lesson with the educational institution and specialist bodies both internal and external to increase the staff's capacity for analysis, and research to find the competitive advantage of business during the fast-changing customer need.

5. Investment and Business Expansion Plan of the year 2025

- 5.1. The company plans to expand 3 more new branches from the year 2025 to 2026, One of which will open to sale and service in the middle of 2025

SOUVANNY HOME CENTER

Imagination can be realized



ສຸວັນນີ ໂຮມເຊັ່ນເຕີ ມະຫາຊົນ

SOUVANNY HOME CENTER PUBLIC COMPANY

PHONETONGSAVAT RD, BAN PHONETONGSAVAT, CHANTHABULY DISTRICT, VIENTIANE CAPITAL

OFFICE TEL: (+856-21) 415645, FAX/TEL: (+856-21) 262984, WWW.SOUVANNY.LA