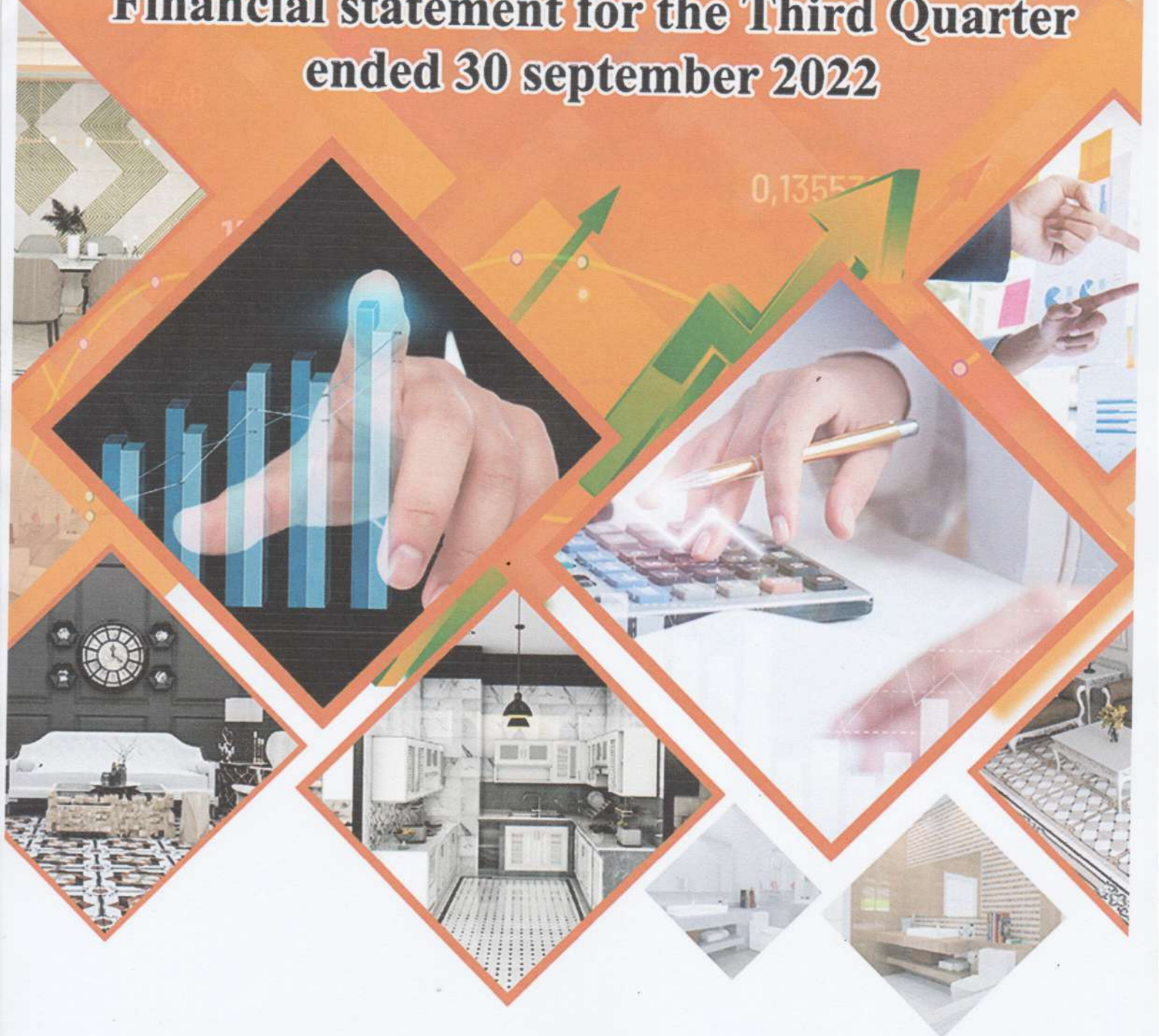
Financial statement for the Third Quarter ended 30 september 2022



ບໍລິສັດ ສວັນນີ ໂຮມເຊັນຕີ ມະຫາຊົນ

Souvanny Home Center Public Company

PHONTONGSAVAT RD, PHONTONG VILLAGE, CHANTHABULY DISTRICT, VIENTIANE CAPITAL

OFFICE; (856 21) 415645, FAX; (856 21) 262984, WWW.SOUVANNY.LA

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Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2022

	Notes	30 September 2022 LAK	31 December 2021 LAK
Assets			
Current assets			
Cash and cash equivalents	4	2,675,707,724	3,285,274,048
Trade and other receivables, net	5	10,746,030,079	12,497,867,185
Inventories, net	6	393,834,944,462	289,175,467,358
Other current assets		40,513,564,445	7,159,850,423
Total current assets		447,770,246,710	312,118,459,014
Non-current assets			
Property, plant and equipment, net	7	839,587,671,775	637,484,068,573
Intangible assets, net		92,160,702	41,679,842
Other non-current assets		-	-
Total non-current assets		839,679,832,477	637,525,748,415
Total assets		**1,287,450,079,187**	**949,644,207,429**

Waddana SOUKHABANDITH
Chief Executive Officer
Date:

02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date:

02 NOV 2022

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2022

	Notes	30 September 2022 LAK	31 December 2021 LAK
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	9	101,726,696,483	85,686,567,355
Trade and other payables	8	32,582,870,985	59,803,233,466
Current portion of long-term borrowings	9	18,417,631,143	13,820,250,486
Profit tax payable		7,136,680,690	4,066,651,565
Deposits from customers		1,198,255,098	2,129,487,607
Other current liabilities		10,720,880,084	14,747,214,631
Total current liabilities		171,783,014,483	180,253,405,110
Non Current liabilities			
Long-term borrowings from financial institution	9	62,673,369,280	9,671,632,212
Total non current liabilities		62,673,369,280	9,671,632,212
Total liabilities		234,456,383,763	189,925,037,322
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	10	8,440,875,640	8,440,875,640
Appropriated - Other reserve		8,190,875,640	8,190,875,640
Unappropriated		217,217,848,044	180,915,608,468
Translation adjustments		464,408,371,378	207,436,085,637
Total equity		1,052,993,695,424	759,719,170,107
Total liabilities and equity		1,287,450,079,187	949,644,207,429

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

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Souvanny Home Center Public Company
Statement of comprehensive income
For the nine-month period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Revenue from sales		470,702,940,614	331,350,496,682
Cost of sales		(354,654,811,590)	(263,865,027,950)
Gross profit		**116,048,129,024**	**67,485,468,732**
Other incomes		1,986,898,988	1,151,613,224
Selling expenses		(38,055,959,317)	(26,033,888,676)
Administrative expenses		(28,431,934,758)	(23,670,389,548)
Finance costs		(5,844,716,354)	(3,629,732,707)
Foreign exchange loss, net		5,218,372,821	1,215,152,594
Profit before income tax expense		**50,920,790,404**	**16,518,223,619**
Income tax expense	12	(6,368,550,828)	(1,938,354,368)
Net profit for the period		**44,552,239,576**	**14,579,869,251**
Earnings per share			
Basic earnings per share	**13**	**270**	**88**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

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Souvanny Home Center Public Company
Statement of comprehensive income
For the Third Quarter period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Revenue from sales		161,112,611,618	107,966,499,061
Cost of sales		(121,914,948,095)	(84,438,134,690)
Gross profit		**39,197,663,523**	**23,528,364,371**
Other incomes		907,505,092	350,201,675
Selling expenses		(14,389,086,707)	(8,844,056,152)
Administrative expenses		(10,416,825,344)	(7,653,114,932)
Finance costs		(2,530,102,768)	(1,448,416,843)
Foreign exchange (loss)/gain, net		(1,598,708,179)	1,150,226,601
Profit before income tax expense		**11,170,445,617**	**7,083,204,720**
Income tax expense		(1,247,139,398)	(549,056,909)
Net profit for the period		**9,923,306,219**	**6,534,147,811**
Earnings per share			
Basic earnings per share		60	40

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

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Souvanny Home Center Public Company
Statement of changes in equity
For the nine-month period ended 30 September 2022

	Notes	Issued and paid-up ordinary shares	Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Total equity
		LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 January 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	164,542,719,132	172,891,823,494	703,868,121,294
Net profit for the period		-	-	-	-	14,579,869,251.00	-	14,579,869,251
Dividend paid		-	-	-	-	(3,362,700,000)	-	(3,362,700,000)
Translation adjustments		-	-	-	-	-	32,192,644,101	32,192,644,101
Ending balance 30 September 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	175,759,888,383	205,084,467,595	747,277,934,646
Opening balance 1 January 2022		330,000,000,000	24,735,724,722	8,440,875,640	8,190,875,640	180,915,608,468	207,436,085,637	759,719,170,107
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	44,552,239,576	-	44,552,239,576
Dividend paid		-	-	-	-	(8,250,000,000)	-	(8,250,000,000)
Translation adjustments		-	-	-	-	-	256,972,285,741	256,972,285,741
Ending balance 30 September 2022		**330,000,000,000**	**24,735,724,722**	**8,440,875,640**	**8,190,875,640**	**217,217,848,044**	**464,408,371,378**	**1,052,993,695,424**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of changes in equity
For the Third Quarter period ended 30 September 2022

	Notes	Issued and paid-up ordinary shares	Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Total equity
		LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 July 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	169,225,740,572	175,092,037,507	710,751,356,747
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	6,534,147,811	-	6,534,147,811
Translation adjustments		-	-	-	-	-	29,992,430,088	29,992,430,088
Ending balance 30 September 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	175,759,888,383	205,084,467,595	747,277,934,646
Opening balance 1 July 2022		330,000,000,000	24,735,724,722	8,440,875,640	8,190,875,640	207,294,541,825	447,627,523,406	1,026,289,541,233
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	9,923,306,219	-	9,923,306,219
Dividend paid		-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	16,780,847,972	16,780,847,972
Ending balance 30 Septerber 2022		330,000,000,000	24,735,724,722	8,440,875,640	8,190,875,640	217,217,848,044	464,408,371,378	1,052,993,695,424

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		50,920,790,404	16,518,223,619
Adjustments for:			
Depreciation	7	16,613,473,952	13,614,222,921
Amortisation		5,399,956	24,711,228
Gain from disposes of property, plant and equipment		(155,546,097)	(42,239,045)
Gain/Loss on exchange rate		(19,671,928,377)	(2,744,266,966)
Interest expense		5,844,716,354	3,629,732,707
Inventories provision (reversal)		1,727,860,742	91,608,086
Trade and other receivables provision (reversal)		(119,784,625)	549,164,338
Allowance for sale return of trade receivable		186,226,526	834,854,509
Operating profit before working capital changes		55,351,208,833	32,476,011,398
Changes in operating assets and liabilities			
- Trade and other receivables		5,852,069,814	(826,100,624)
- Inventories		(9,978,881,827)	(3,926,766,335)
- Other current assets		(30,966,685,373)	(263,240,503)
- Trade and other accounts payable		(47,474,118,679)	7,688,903,739
- Deposits from customers		(1,641,184,201)	1,791,548,637
- Other current liabilities		(8,911,360,831)	(8,854,995,897)
Cash generated from operations		(37,768,952,262)	28,085,360,415
Interest paid		(5,876,276,553)	(3,647,990,609)
Income tax paid		(3,951,260,210)	(699,394,936)
Net cash used in operating activities		(47,596,489,025)	23,737,974,870
Cash flows from investing activities :			
Purchases of plant and equipments	7	(7,365,147,369)	(13,538,772,956)
Purchases of computer software		(42,636,595)	(24,267,721)
Proceeds from disposals of property, plant and equipments		528,527,300	124,173,420
Net cash used in investing activities		(6,879,256,664)	(13,438,867,257)

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing	10	393,330,379,701	292,237,001,731
Repayment on a borrowings from bank	10	(351,482,684,492)	(301,091,153,337)
Dividend paid	11	(8,250,000,000)	(3,362,700,000)
Net cash used in financing activities		33,597,695,209	(12,216,851,606)
Net decrease in cash and cash equivalents		(20,878,050,480)	(1,917,743,993)
Cash and cash equivalent at the beginning of the period		3,285,274,048	3,734,536,186
Effect of exchange rate changes on cash and cash equivalents		20,268,484,157	2,885,551,406
Cash and cash equivalent at the end of the period		**2,675,707,724**	**4,702,343,599**
Significant non cash items			
Other payables from purchases of plant and equipments		315,905,110	236,223,596
Interest payable		31,560,199	18,257,902

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		11,170,445,617	7,083,204,720
Adjustments for:			
Depreciation		6,246,786,857	4,630,993,337
Amortisation		1,350,307	2,082,845
Gain from disposes of property, plant and equipment		(181,868,476)	(361,259)
Gain/Loss on exchange rate		(25,377,348,156)	(3,017,040,013)
Interest expense		2,530,102,768	1,448,416,843
Inventories provision (reversal)		888,416,228	(122,280,449)
Trade and other receivables provision (reversal)		(91,503,787)	(286,576,297)
Allowance for sale return of trade receivable		(277,573,557)	616,431,528
Operating profit before working capital changes		(5,091,192,201)	10,354,871,254
Changes in operating assets and liabilities			
- Trade and other receivables		224,557,978	(1,153,017,468)
- Inventories		19,485,107,096	(12,696,085,894)
- Other current assets		3,209,021,639	(1,110,678,629)
- Other non-current assets		0	0
- Trade and other accounts payable		(24,346,013,030)	9,846,085,878
- Deposits from customers		(908,184,371)	1,595,603,508
- Other current liabilities		(10,501,986,557)	(898,036,026)
Cash generated from operations		(17,928,689,444)	5,938,742,622
Interest paid		(2,526,212,708)	(1,451,609,849)
Income tax paid		(10,000,000)	(2,000,000)
Net cash used in operating activities		(20,464,902,152)	4,485,132,773
Cash flows from investing activities :			
Purchases of plant and equipments		(1,643,277,991)	(4,935,862,340)
Purchases of computer software		(22,089,706)	(10,958,661)
Proceeds from disposals of property, plant and equipments		528,527,300	3,675,753
Net cash used in investing activities		(1,136,840,397)	(4,943,145,248)

The accompanying notes on pages 12 to 18 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2022

	Notes	30 September 2022 LAK	30 September 2021 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		120,644,236,802	72,365,059,496
Repayment on a borrowings from bank		(124,922,613,579)	(72,923,273,478)
Dividend paid		-	-
Net cash used in financing activities		(4,278,376,777)	(558,213,982)
Net decrease in cash and cash equivalents		(25,880,119,326)	(1,016,226,458)
Cash and cash equivalent at the beginning of the period			-
Effect of exchange rate changes on cash and cash equivalents		21,281,538,989	2,737,244,473
Cash and cash equivalent at the end of the period		**(4,598,580,337)**	**1,721,018,016**
Significant non cash items			
Other payables from purchases of plant and equipments		-	-
Interest payable		31,560,199	18,257,902

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 02 NOV 2022

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 02 NOV 2022

The accompanying notes on pages 12 to 18 are an integral part of financial information.

1. General information

Souvanny Home Center Public Company is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company principally engaged trades a full range of goods and materials for construction, addition, refurbishment, renovation and improvement of buildings, houses and residences, and provides related services.

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

These financial statements were authorised for issue by the Board of Directors on 02 NOV 2022

2. Basis of preparation

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

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

3. Estimates

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

4. Cash and cash equivalents

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Cash on hand	505,567,341	637,529,904
Deposits held at call with financial institutions	2,170,140,383	2,647,744,144
Cash and cash equivalents	2,675,707,724	3,285,274,048

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

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

5. Trade and other receivables, net

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Trade accounts receivables	10,853,897,985	10,628,677,359
Less allowance for doubtful debt	(1,727,097,466)	(1,395,937,031)
Trade accounts receivable, net	9,126,800,519	9,232,740,328
Staff borrowings	220,260,076	196,184,144
Outstanding income		
Other receivables (i)	1,398,969,484	3,068,942,713
	1,619,229,560	3,265,126,857
Trade and other receivables, net	10,746,030,079	12,497,867,185

The Outstanding trade accounts receivable balance as 30 September 2022 is aged as follows:

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Not yet due	3,619,696,293	4,074,416,366
Past due:		
1 – 3 months	861,119,679	1,845,543,058
3 - 6 months	145,897,213	141,087,731
6 - 12 months	532,574,903	101,794,992
Over 12 months	5,694,609,897	4,465,835,212
Trade and other receivables, net	10,853,897,985	10,628,677,359
Less allowance for doubtful debt	(1,727,097,466)	(1,395,937,031)
Trade accounts receivable, net	9,126,800,519	9,232,740,328

Trade receivables aged more than 6 months are mainly receivables that are still trading actively with the Company. The allowance for doubtful debts was set up from the outstanding accounts receivable balances that have been overdue more than 6 months and management's evaluation, based on recent historical payments of account receivable and expectation regarding the future collectability of these accounts receivable.

6. Inventories, net

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Inventories	400,483,571,291	292,865,882,718
Less: Allowance for slow moving and obsolete	(6,087,899,758)	(3,500,789,509)
Allowance for diminution in value of inventories	(560,727,071)	(189,625,851)
Inventories, net	393,834,944,462	289,175,467,358

As at 30 September 2022, management reassessed and reviewed the related allowance for slow-moving and obsolete inventories. Related allowance for slow-moving and increase in the value of inventory has been revised up to LAK 6,648 million (2021: LAK 3,690 million), as increase in value of inventories has been improved. As a result, the related allowance and cost of goods sold has been adjusted up to be consistent with recent facts and analysis.

7. Property, plant and equipment, net

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Opening net book value	637,484,068,573	603,046,157,185
Additions for Nine-month period	7,681,052,479	24,281,601,376
Foreign exchange translation difference	211,409,005,877	28,535,775,601
sell	(372,981,203)	(98,807,766)
Depreciation charge	(16,613,473,952)	(18,280,657,823)
Closing net book value	839,587,671,775	637,484,068,573

Additions during the Nine-month period ended 30 September 2022 mainly consisted of office equipment and buildings. Total addition of LAK 7,681 million consisted of cash transaction (already paid) of LAK 7,365 million and non-cash transactions (not yet paid) of LAK 316 million.

8. Trade and other payables

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Trade accounts payable- related parties	6,440,765,632	10,943,297,126
Trade accounts payable– third parties	24,847,685,508	47,745,460,523
Other payables	1,294,419,845	1,114,475,817
Trade and other account payables	32,582,870,985	59,803,233,466

9. Borrowings

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Current		
Bank overdraft	6,101,597,625	5,088,905,747
Short-term borrowings	95,625,098,974	80,597,661,608
Current portion of long-term borrowings	18,417,631,143	13,820,250,486
Non-current		
Long-term borrowings	62,673,369,164	9,671,632,212
Total borrowings	182,817,696,906	109,178,450,053

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

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
At fixed rates	156,820,415,815	104,155,141,145
At floating rates	25,997,281,091	5,023,308,908
Total borrowings	182,817,696,906	109,178,450,053

Short-term borrowing from Krungsri bank in Laos for which the interest rate is the Low Rate Limit (LRL) plus a percentage of the margin per annum. The repayments are required within five months after drawdown. The facilities are secured by the shareholder's land.

Short-term loan from Kasikorn bank in Laos for a contract amount of LAK 30,000 million with an annual fixed interest of 6.4% per annum. The repayments are required within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land.

Short-term borrowing from Exim Bank in Thailand, contract start on 26 March 2020 with a fixed interest rate of 4%. The repayments are required within five months after the drawdown. The facilities are secured by the shareholder's land

Long-term loan from Kasikorn bank from Laos for a contract amount of THB 110 million with an annual fixed interest of 6% per annum which is due in December 2022. The loan principle has been paid quarterly starting from March 2019 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land.

Long-term loan from KASIKORN THAI BANK Limited in Laos for a contract amount of THB 50 million with an annual fixed interest of 5% per annum which is due in December 2025. The loan principle has been paid quarterly starting from June 2021 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land. The loan was fully drawn down during the year 2021.

Long-term loan from KASIKORN THAI BANK Limited for a contract amount of THB 145 million with an annual fixed interest of 5% per annum which is due on 31 May 2027. The borrowing is secured by the shareholder's land.

10. Reserve

Legal reserve

	Unaudited 30 September 2022 LAK	Audited 31 December 2021 LAK
Opening balance	8,440,875,640	5,973,926,973
Additional	-	2,466,948,667
Ending balance	8,440,875,640	8,440,875,640

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

Other reserve

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

11. Dividend

At the Annual General Meeting of Shareholders 2021 held on 05 April 2022, it was resolved that dividend be paid to shareholders in respect of 2021 operating results at LAK 50 per shares (2020: LAK 20.38 shares), totaling of LAK 8,250 million (2020: LAK 3,363). The dividend was paid in 04 May 2022 to the shareholder.

12. Income tax expense

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

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

	Unaudited 30 September 2022 LAK
Reconciliation between income tax expense and accounting profit:	
Accounting profit before income tax	50,920,790,404
Non-deductible and reversal items for tax purpose (1)	(19,078,035,550)
Taxable income (Loss)	31,842,754,854
Tax calculated at the tax rate of 20%	6,368,550,971

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

13. Basic earnings per share

As at 30 September 2022, basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issued during the period.

	Unaudited 30September 2022 LAK	Unaudited 30September 2021 LAK
Net profit for the period attributable to shareholders (LAK)	44,552,239,576	14,579,869,251
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per shares	**270**	**88**

14. Related party transactions with management in the company.

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

The following material transactions were carried out with related parties.

14.1 Income and expenses

	Unaudited 30 September 2022 LAK	Unaudited 30 September 2021 LAK
Purchases of goods from related party	84,048,063,208	60,852,918,822
Rental expense	9,437,554,546	4,848,821,647
	93,485,617,754	**65,701,740,469**

14.2 Outstanding balance arising from related party transactions

	Unaudited 30September 2022 LAK	Unaudited 31 December 2021 LAK
Accrued rental expense	712,815,750	2,594,224,397
Trade accounts payable	6,440,765,632	10,943,297,126

14.3 Key management compensation

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

	Unaudited 30September 2022 LAK	Unaudited 30September 2021 LAK
For nine-month period ended	2,117,307,163	1,592,561,921

15. Selling and Administrative expenses.

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

16. Commitment and significant transactions

Operating lease commitments - where the Company is the lessee.

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

	Unaudited 30September 2022 LAK	Unaudited 31 December 2021 LAK
Not later than 1 year	10,369,225,749	1,250,349,754
1 - 5 years	44,118,924,897	2,504,125,123
Closing balance 30 September 2022	54,488,150,646	3,754,474,877