Financial Statements for the Third Quarter ended 30 September 2025



ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ 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

Content

I. Statement of Financial Position 2-3
II. Statement of comprehensive income (For nine-month)..... 4
III. Statement of comprehensive income (For third quarter) 5
IV. Statement of Changes in Equity (For nine-month).....6
V. Statement of Changes in Equity (For third quarter) 7
VI. Statement of Cash Flows (For nine-month).....8-9
VII. Statement of Cash Flows (For third quarter).....10-11
1. General information 12
2. Basis of preparation 13
3. Cash and cash equivalents 14
4. Short-Term deposit.....14
5. Trade and other receivables, net.....14
6. Inventories, net 15
7. Other current assets.....15
8. Property, plant and equipment, net 16
9. Intangible assets 16
10. Other non-current assets 16
11. Trade and other payables 16
12. Borrowings from a financial institution.....17
13. Reserve 18
14. Debentures.....18
15. Dividend.....19
16. Expense.....19
16.1 Selling Expenses 19
16.2 Administrative Expenses.....19
16.3 Finance Cost.....19
17. Income tax expense 20
18. Basic earnings per share 20
19. Related party transactions 21
19.1 Income and expenses.....21
19.2 Outstanding related party transactions.....21
19.3 Key management compensation.....21
20. Commitment and significant transactions..... 22
21. Events after the reporting period 22

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2025

	Notes	30 September 2025 LAK	Audited 31 December 2024 LAK
Assets			
Current assets			
Cash and cash equivalents	3	43,396,350,802	18,620,031,453
Term deposit	4	42,749,828,000	31,899,172,500
Trade and other receivables, net	5	9,983,643,398	9,506,989,027
Inventories, net	6	523,634,820,222	492,761,257,919
Other current assets	7	44,474,764,778	37,382,604,013
Total current assets		664,239,407,200	590,170,054,912
Non-current assets			
Fixed assets under purchasing or constructing		122,579,624,567	86,445,154,337
Property, plant and equipment, net	8	442,197,309,833	426,732,466,152
Intangible assets, net	9	744,526,353,562	698,577,813,801
Other non-current assets	10	20,766,835,890	14,202,483,420
Total non-current assets		1,330,070,123,852	1,225,957,917,710
Total assets		**1,994,309,531,052**	**,1,816,127,972,622**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 07 November 2025

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 07 November 2025

The accompanying notes on pages 12 to 22 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2025

	Notes	30 September 2025 LAK	Audited 31 December 2024 LAK
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	12	105,383,332,038	67,390,661,817
Trade and other payables	11	74,831,689,705	58,576,579,443
Current portion of long-term borrowings	12	30,831,450,139	24,031,020,120
Profit tax payable		8,978,122,549	11,293,089,759
Deposits from customers		4,915,320,949	4,342,244,971
Other current liabilities		14,244,215,887	19,728,450,938
Total current liabilities		239,184,131,267	185,362,047,048
Non Current liabilities			
Long-term borrowings from financial institution	12	36,230,385,270	35,347,370,505
Long-term borrowings from debentures	14	65,712,784,200	66,233,252,250
Total non current liabilities		101,943,169,470	101,580,622,755
Total liabilities		341,127,300,738	286,942,669,803
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	13	26,027,348,763	26,027,348,763
Appropriated - Other reserve		25,777,348,763	25,777,348,763
Unappropriated		301,241,439,113	277,057,393,457
Translation adjustments		945,400,368,953	845,587,487,113
Total equity		1,653,182,230,314	1,529,185,302,819
Total liabilities and equity		**1,994,309,531,052**	**1,816,127,972,622**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 07 November 2025

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Chief Financial Officer
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Souvanny Home Center Public Company
Statement of comprehensive income
For the nine-month period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Revenue from sales		705,115,832,258	662,313,697,300
Cost of sales		(524,899,058,443)	(493,518,763,154)
Gross profit		**180,216,773,815**	**168,794,934,146**
Other incomes		3,989,800,925	2,815,188,641
Selling expenses	16	(87,287,591,738)	(75,101,421,437)
Administrative expenses	16	(39,276,356,743)	(33,122,072,536)
Finance costs	16	(7,282,113,390)	(7,052,915,476)
Foreign exchange loss, net		2,514,167,407	(402,108,074)
Profit before income tax expense		**52,874,680,276**	**55,931,605,263**
Income tax expense	17	(8,890,634,620)	(8,895,332,231)
Net profit for the period		**43,984,045,656**	**47,036,273,032**
Earnings per share			
Basic earnings per share	18	267	285

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Souvanny Home Center Public Company
Statement of comprehensive income
For the Third Quarter period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Revenue from sales		233,777,522,486	205,433,839,957
Cost of sales		(171,464,698,438)	(149,963,061,381)
Gross profit		**62,312,824,048**	**55,470,778,576**
Other incomes		1,099,184,831	965,763,023
Selling expenses		(30,910,053,641)	(25,942,228,796)
Administrative expenses		(12,848,686,849)	(11,290,102,499)
Finance costs		(2,552,559,196)	(2,602,495,302)
Foreign exchange (loss)/gain, net		(74,036,538)	1,902,578,850
Profit before income tax expense		**17,026,672,655**	**18,504,293,851**
Income tax expense		(2,582,442,041)	(2,883,131,781)
Net profit for the period		**14,444,230,614**	**15,621,162,070**
Earnings per share			
Basic earnings per share		88	95

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Date: 07 November 2025

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Date: 07 November 2025

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Souvanny Home Center Public Company
Statement of changes in equity
For the nine-month period ended 30 September 2025

	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 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 for the period		-	-	-	-	47,036,273,032	-	47,036,273,032
Dividend paid	15	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustments		-	-	-	-	-	58,057,459,927	58,057,459,927
Ending balance 30 September 2024		330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	277,330,640,908	927,822,566,477	1,600,002,873,238
Opening balance 1 January 2025		330,000,000,000	24,735,724,722	26,027,348,763	25,777,348,763	277,057,393,457	845,587,487,113	1,529,185,302,819
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	43,984,045,656	-	43,984,045,656
Dividend paid	15	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustments		-	-	-	-	-	99,812,881,840	99,812,881,840
Ending balance 30 September 2025		**330,000,000,000**	**24,735,724,722**	**26,027,348,763**	**25,777,348,763**	**301,241,439,113**	**945,400,368,953**	**1,653,182,230,314**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 07 November 2025

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Chief Financial Officer
Date: 07 November 2025

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Souvanny Home Center Public Company
Statement of changes in equity
For the Third Quarter period ended 30 September 2025

	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 2024		330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	261,709,478,838	962,307,938,832	1,618,867,083,524
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	15,621,162,070	-	15,621,162,070
Translation adjustments		-	-	-	-	-	(34,485,372,356)	(34,485,372,356)
Ending balance 30 September 2024		330,000,000,000	24,735,724,722	20,181,970,566	19,931,970,566	277,330,640,908	927,822,566,477	1,600,002,873,238
Opening balance 1 July 2025		330,000,000,000	24,735,724,722	26,027,348,763	25,777,348,763	286,797,208,500	923,815,904,030	1,617,153,534,779
Legal reserve		-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	14,444,230,614	-	14,444,230,614
Dividend paid		-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	21,584,464,923	21,584,464,923
Ending balance 30 Septerber 2025		330,000,000,000	24,735,724,722	26,027,348,763	25,777,348,763	301,241,437,814	945,400,368,953	1,653,182,230,314

Waddana SOUKHABANDITH
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Date: 07 November 2025

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Chief Financial Officer
Date: 07 November 2025

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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		52,874,680,276	55,931,605,263
Adjustments for:			
Depreciation		22,535,178,891	21,098,005,745
Amortisation		48,996,056	0
Gain from disposes of property, plant and equipment		(668,452,077)	26,121,244
Gain/Loss on exchange rate		(2,563,430,491)	(2,461,586,091)
Interest expense		7,282,113,390	6,452,778,227
Inventories provision (reversal)		268,505,773	558,836,967
Trade and other receivables provision (reversal)		477,490,535	(1,928,345,882)
Allowance for sale return of trade receivable		1,472,073,383	1,442,179,214
Operating profit before working capital changes		81,727,155,737	81,119,594,687
Changes in operating assets and liabilities			
- Trade and other receivables		(1,808,435,881)	(2,044,564,991)
- Inventories		878,504,944	(26,586,745,152)
- Other current assets		(10,304,415,171)	7,580,643,730
- Trade and other accounts payable		11,477,104,618	(9,507,370,144)
- Deposits from customers		290,908,559	611,583,723
- Other current liabilities		(6,722,807,745)	(10,712,602,578)
Cash generated from operations		75,538,015,061	40,460,539,275
Interest paid		(7,325,533,332)	(6,490,112,542)
Income tax paid		(11,729,380,688)	(13,543,752,269)
Net cash used in operating activities		56,483,101,041	20,426,674,464
Cash flows from investing activities :			
settlement of investment in term deposit		32,330,395,000	-
Investment in term deposits		(43,721,415,000)	-
Purchases of property, plant and equipments and construction in progress		(40,291,808,988)	(67,953,998,650)
Purchases of computer software		(604,137,641)	(169,255,477)
Proceeds from disposals of property, plant and equipments		773,226,300	-
Net cash used in investing activities		(51,513,740,329)	(68,123,254,127)

Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		363,431,888,291	279,101,174,311
Repayment on a borrowings from bank		(325,993,469,808)	(249,306,950,986)
Dividend paid		(19,800,000,000)	(19,800,000,000)
Proceeds from debentures		-	0
Net cash used in financing activities		17,638,418,483	9,994,223,325
Net decrease in cash and cash equivalents		22,607,779,195	(37,702,356,338)
Cash and cash equivalent at the beginning of the period		18,620,031,453	97,622,510,973
Translation adjustment		2,168,540,154	(7,390,706,400)
Cash and cash equivalent at the end of the period		**43,396,350,802**	**52,529,448,236**
Significant non cash items			
Interest payable		43,419,942	37,334,315

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Chief Executive Officer
Date: 07 November 2025

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Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		17,026,672,654	18,504,293,851
Adjustments for:			
Depreciation		7,900,760,047	7,297,839,953
Amortisation		29,752,175.00	0
Gain from disposes of property, plant and equipment		(743,773,787)	8,720,462
Gain/Loss on exchange rate		(1,720,012,352)	(269,494,609)
Interest expense		2,856,731,064	2,436,572,598
Inventories provision (reversal)		(263,314,632)	298,480,443
Trade and other receivables provision (reversal)		296,509,341	(708,687,634)
Allowance for sale return of trade receivable		1,670,779,564	1,592,253,714
Operating profit before working capital changes		27,054,104,075	29,159,978,778
Changes in operating assets and liabilities			
- Trade and other receivables		(1,210,323,688)	(532,992,781)
- Inventories		(14,684,625,201)	2,406,360,218
- Other current assets		(2,638,716,428)	15,316,156,625
- Trade and other accounts payable		1,272,524,117	(19,919,317,023)
- Deposits from customers		1,008,908,510	2,132,433,702
- Other current liabilities		3,815,200,350	(10,725,696,965)
Cash generated from operations		14,617,071,735	17,836,922,554
Interest paid		(2,940,861,553)	(2,463,186,515)
Income tax paid		(60,387,499)	(13,543,752,269)
Net cash used in operating activities		11,615,822,683	1,829,983,770
Cash flows from investing activities :			
settlement of investment in term deposit		167,128,912	32,835,037,500
Investment in term deposits		(11,238,116,414)	-
Purchases of property, plant and equipments and construction in progress		(39,067,127,396)	(18,229,925,052)
Purchases of computer software		(28,079,144)	(95,102,367)
Proceeds from disposals of property, plant and equipments		11,548,954	-
Net cash used in investing activities		(50,154,645,088)	14,510,010,081

The accompanying notes on pages 12 to 22 are an integral part of financial information.

Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2025

	Notes	30 September 2025 LAK	30 September 2024 LAK
Cash flows from financing activities :			
Proceeds from a short-term borrowing		158,743,333,028	94,695,051,167
Repayment on a borrowings from bank		(114,942,432,101)	(87,185,537,350)
Net cash used in financing activities		43,800,900,927	7,509,513,817
Net decrease in cash and cash equivalents		5,262,078,522	23,849,507,668
Cash and cash equivalent at the beginning of the period		0	0
Translation adjustment		649,624,955	(12,381,451,661)
Cash and cash equivalent at the end of the period		**5,911,703,477**	**11,468,056,008**
Significant non cash items			
Other payables from purchases of plant and equipments		-	-
Interest payable		43,419,942	37,334,315

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 07 November 2025

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 07 November 2025

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1. General 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 Company's head office is located at number 366 Ban Phonetongsavath, Chanthabuly 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;
- Pakse branch locate at No 13 Rd, Karng Village, Pakse Capital City, Champasak Province;
- Thakhaek branch locates at Phonphim Village, Thakhaek District, Khammuan Province;
- Savannakhet branch locates at 9 Rd, Phonesavarngnuea Village, Kaysone Phomvihan City, Savannakhet Province;
- Luangphabang branch locate at 13 North Rd, Phonexay village, Luangphabang City, Luangphabang Province.

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.

These financial statements were authorised for issue by the Board of Directors on 07 November 2025

2. Basis of preparation

2.1 Accounting policies

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.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 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.

3. Cash and cash equivalents

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Cash on hand	487,382,433	684,574,488
Deposits held at call with financial institutions	42,908,968,369	17,935,456,965
Cash and cash equivalents	43,396,350,802	18,620,031,453

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.

4. Short-Term deposit

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Short-Term deposit	42,749,828,000	31,899,172,500

As at 31 March 2025, the term deposits at a domestic bank are in USD with terms from 3 months to 6 months at interest rates raging from 1.35 % to 2.10 % per annum.

5. Trade and other receivables, net

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Trade accounts receivables	14,631,802,526	13,409,175,790
Less allowance for doubtful debt	(4,648,159,128)	(3,902,186,763)
Trade accounts receivable, net	**9,983,643,398**	**9,506,989,027**

The Outstanding trade accounts receivable balance as 30 September 2025 is aged as follows:

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Not yet due	9,090,837,770	7,950,921,596
Past due:		
1 – 3 months	887,409,687	1,489,591,946
3 - 6 months	5,395,940	66,475,485
6 - 12 months	691,016,234	-
Over 12 months	3,957,142,895	3,902,186,763
Trade and other receivables, net	**14,631,802,526**	**13,409,175,790**
Less allowance for doubtful debt	(4,648,159,128)	(3,902,186,763)
Trade accounts receivable, net	**9,983,643,398**	**9,506,989,027**

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

6. Inventories, net

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Inventories	532,397,329,122	500,736,982,852
Less: Allowance for slow moving and obsolete	(8,522,548,775)	(7,801,849,905)
Allowance for diminution in value of inventories	(239,960,125)	(173,875,028)
Inventories, net	**523,634,820,222**	**492,761,257,919**

The management reassessed and reviewed the related allowance for slow-moving and obsolete inventories. Related allowance for slow-moving and an increase in the value of inventory has been revised up to LAK 8,522 million (2024: LAK 7,801 million), as slow-moving inventories can be actually sold at a lower turnover. As a result, the related allowance and cost of goods sold has been rise to be consistent with recent facts and analysis.

7. Other current assets

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Advance payments to suppliers	4,340,795,798	5,706,649,338
Accrued rebate from suppliers (i)	3,487,092,615	1,949,361,577
Prepaid insurance premium	139,243,118	56,238,807
Prepayment for lease contracts (ii)	29,464,231,817	27,747,965,086
Other (iii)	7,043,401,430	1,922,389,205
Other current assets	**44,474,764,778**	**37,382,604,013**

(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 profit tax, borrowings approval fee, staff's parking lot rentals, apartments rental provided to executive employees and accrued interest receivable.

8. Property, plant and equipment, net

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Opening net book value	**426,732,466,152**	**411,083,693,711**
Additions	10,746,297,928	49,392,310,065
Foreign exchange translation difference	27,358,498,867	(4,967,474,897)
sell	(104,774,223)	(67,035,118)
Depreciation charge	(22,535,178,891)	(28,709,027,609)
Closing net book value	**442,197,309,833**	**426,732,466,152**

9. Intangible fixed assets, net

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Opening net book value	**698,577,813,801**	**709,109,081,883**
Additions	604,137,641	-
Foreign exchange translation difference	45,393,398,176	(10,531,268,082)
Depreciation charge	(48,996,056)	-
Closing net book value	**744,526,353,562**	**698,577,813,801**

10. Other non-current assets

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Prepayment for rental buildings	**20,766,835,890**	**14,202,483,420**

11. Trade and other payables

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Trade accounts payable- related parties	14,618,332,249	7,894,769,326
Trade accounts payable– third parties	57,637,753,550	49,613,158,267
Other payables	2,575,603,906	1,068,651,850
Trade and other account payables	74,831,689,705	58,576,579,443

12. Borrowings

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Current		
Bank overdraft	-	2,028,965,427
Short-term borrowings	105,383,332,038	65,361,696,390
Current portion of long-term borrowings	30,831,450,139	24,031,020,120
Non-current		
Long-term borrowings	36,230,385,270	35,347,370,505
Total borrowings	172,445,167,448	126,769,052,442

Bank Overdraft balance as at 30 September 2025 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.

Short-term borrowing balance as at 30 September 2025 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 30 September 2025 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.

The deferred financing service fee was recongnised as a prepayment when occurred and is amortised throughout the contract period.

13. Reserve

Legal reserve

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Opening balance	26,027,348,763	20,181,970,566
Additional	-	5,845,378,197
Ending balance	26,027,348,763	26,027,348,763

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

Other reserve

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

14. Debentures

Debentures as at 30 September 2025 are as follow:

	Unaudited 30 September 2025 LAK	**Audited 31 December 2024 LAK**
Debentures issued in Lao Securities Exchange	65,712,784,200	66,233,252,250

This is unsubordinated unsecured long-term debentures issued in the Lao Securities Exchange. Summary of key terms and conditions of the debentures as at 30 September 2025 are as below:

ISIN Code	Original Amount (USD)	LAK equivalent	Interest rate (% p.a)	Years	Interest payment	Maturity date
LA80000115D6	3,000,000	65,712,784,200	7.50%	4	Semi-Annual basis	19 May 2027

15. Dividend

At the Annual General Meeting of Shareholders 2024 held on 10 April 2025, it was resolved that dividend be paid to shareholders in respect of 2024 operating results at LAK 120 per shares (2024: LAK 120 shares), totaling of LAK 19,800 million (2023: LAK 19,800 million). The dividend was paid in 07 May 2025 to the shareholder.

16. Income tax expense

16.1 Selling Expenses

	Unaudited 30 September 2025 LAK	Unaudited 30 September 2024 LAK
Salaries, wages and other employee benefits	42,911,275,918	33,912,701,360
Depreciation and amortization	22,584,175,168	3,273,307,488
Rental fees-offices and showrooms	15,428,577,748	3,452,602,079
Fuel expense	2,902,869,762	21,098,005,759
Sales Promotion and advertising expense	3,460,693,142	13,364,804,752
Selling Expenses	87,287,591,738	75,101,421,437

16.2 Administrative Expenses

	Unaudited 30 September 2025 LAK	Unaudited 30 September 2024 LAK
Salaries, wages and other employee benefits	24,681,458,856	23,581,189,466
Rental expense	26,171,540	26,670,047
Utilities	4,973,800,780	3,659,899,544
Audit fee	487,980,655	414,249,547
Professional fees	3,349,956,805	2,782,717,957
Maintenance and Repairs expense	2,397,474,101	2,191,441,641
Insurance expense	405,091,998	471,787,708
Others administrative expense	2,954,422,007	-5,883,373
Administrative Expenses	39,276,356,743	33,122,072,536

16.3 Finance Cost

	Unaudited 30 September 2025 LAK	Unaudited 30 September 2024 LAK
Interest expense from:		
Borrowing from financial institutes	6,080,947,035	5,555,481,736
Debentures	783,530,944	888,814,144
Bank charge	417,635,412	608,619,595
Finance Cost	7,282,113,390	7,052,915,476

The Selling, Administrative, and Finance cost for the nine-month period of 2024 have changed from the figures presented in the Financial Statements For the Third Quarter period of 2024 due to the audit performed by the external auditor (EY) in the second quarter of 2025.
The following expense reclassifications have been made:
1. Depreciation expenses have been reclassified from Administrative expenses to Selling expenses.
2. Bank fees have been reclassified from Administrative expenses to Finance costs.
This reclassification is for presentation purposes and to enhance management clarity only, and it has no impact on the profit or loss (net profit).

17. 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 2025 LAK
Reconciliation between income tax expense and accounting profit:	
Accounting profit before income tax	52,874,680,276
Non-deductible and reversal items for tax purpose (1)	(8,421,507,176)
Taxable income (Loss)	44,453,173,100
Tax calculated at the tax rate of 20%	8,890,634,620

(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.

18. Basic earnings per share

As at 30 September 2025, 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 30 September 2025 LAK	Unaudited 30 September 2024 LAK
Net profit for the period attributable to shareholders(LAK)	43,984,044,357	47,036,273,032
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per shares	267	285

19. 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.

19.1 Income and expenses

	Unaudited 30 September 2025 LAK	Unaudited 30 September 2024 LAK
Purchases of goods from related party	98,331,306,139	101,096,257,908
Rental expense	15,937,345,996	13,587,354,472
	114,268,652,135	**114,683,612,380**

19.2 Outstanding balance arising from related party transactions

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Prepaid rental – Related parties	29,464,231,817	34,626,106,186
Trade accounts payable	14,618,332,249	8,014,207,869

19.3 Key management compensation

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

	Unaudited 30 September 2025 LAK	Unaudited 30 September 2024 LAK
For nine-month	6,728,810,250	5,851,488,828

20. Commitment and significant transactions

Operating lease commitments - where the Company is the lessee.

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

	Unaudited 30 September 2025 LAK	Audited 31 December 2024 LAK
Not later than 1 year	-	-
1 - 5 years	19,128,185,291	41,548,442,288
Closing balance	19,128,185,291	41,548,442,288

21. Events after the reporting period

Souvanny Home Center Public Company has expanded 1 more branch, namely: the Somsanouk branch, which is the 9th branch of the company, located at T5 Rd, Somsanouk village, Hardsaiyfong district, Vientiane Capital, Somsanouk branch will officially open for service On November 08, 2025.

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 07 November 2025

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 07 November 2025