# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – converted financial statements

For the year ended 31 December 2025

Building a better working world

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – converted financial statements

For the year ended 31 December 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

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# SOUVANNY HOME CENTER PUBLIC COMPANY

GENERAL INFORMATION

## THE COMPANY

Souvanny Home Center Public Company ("the company") is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company 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 2025 is as follows:

| *Shareholders* | *Number of shares (par value: LAK 2,000/share)* | *Shares equal to Percentage* |
|---|---|---|
| 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 2025 is LAK 330,000,000,000 (31 December 2024: 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 9 branches in Lao PDR, 4 branches in Vientiane Capital and 5 branches in provinces, including:

- Phonetongsavath branch is located at No366, Phonetongsavath Village, Chathabouly District, Vientiane Capital;
- Srikai branch is located at 13 North Rd, Nahae Village, Sikhottabong District, Vientiane Capital;
- Xokyai branch is located at 450 Rd, Xokyai Village, Sikhottabong District, Vientiane Capital;
- Somsanouk branch is located at T5 Rd, S omsanouk village, Hardsaiyfong district, Vientiane Capital;
- Pakxan branch is located at 13 South Rd, Sisaart Village, Pakxan District, Borlikhamxay Province;
- Thakhaek branch is located at Phonphim Village, Thakhaek District, Khammuan Province;
- Savannakhet branch is located at 9 Rd, Phonesavarngnuea Village, Kaysone Phomvihan City, Savannakhet Province;
- Pakse branch is located at No 13 Rd, Karng Village, Pakse Capital City, Champasak Province;
- Luangphabang branch is located at 13 North Rd, Phonexay village, Luangphabang City, Luangphabang Province.

GENERAL INFORMATION (continued)

**THE COMPANY** (continued)

The Company also has 2 branches which are under construction, including:

- Udomxay branch is located at 13 North Rd, Nasao village, Xay District, Udomxay Province;
- Vangvieng branch is located at 13 North Rd, Khanmark village, Vangvieng district, Viengchan Province.

The number of the Company's employees as at 31 December 2025 is 786 (31 December 2024: 733).

**BOARD OF DIRECTORS**

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

| *Name* | *Position* | *Date of appointment/resignation* |
|---|---|---|
| Mr. Somchith INTHAMITH | Chairman of the Board Directors, Independent Director | Appointed on 17 February 2025 for a term of 2 years |
| Assoc.Prof.Dr. Xayphone KONGMANILA | Vice-Chairman of Board of Directors, Independent Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Waddana SOUKHABANDITH | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Sonesavanh SENGAPHAY | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Phannola SOUKHABANDITH | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Kotsada SOUKHABANDITH | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Bounthavy SIMMAXAY | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Ms. Chutikan SRISAENGCHAN | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |
| Mr. Piphop VASANAARCHASAKUL | Member of Board of Directors | Appointed on 17 February 2025 for a term of 2 years |

**BOARD OF MANAGEMENT**

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

| *Name* | *Position* |
|---|---|
| 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 2025 ("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

23 March 2026

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Ernst & Young Lao Co., Ltd
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Reference: 13642391/69288435 - LAK converted

# INDEPENDENCE AUDITORS' REPORT

**To: The shareholders of Souvanny Home Center Public Company**

## *Introduction*

We have audited the financial statements of Souvanny Home Center Public Company (the Company) which comprise the LAK-converted statement of financial position as at 31 December 2025, the LAK-converted income statement, LAK-converted statement of changes in equity and LAK-converted statement of 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 LAK-converted 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' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Lao PDR. We have also 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 LAK-converted 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 matter.



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***Key Audit Matters***

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current year. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's 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 Auditor's responsibilities for the audit of the 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 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 financial statements.

| Key Audit Matter | How Our Audit Addressed the Key Audit Matter |
|---|---|
| **Provision for slow moving and obsolete inventories and net realisable value**<br><br>As disclosed in Note 14 to the financial statements, the carrying amount of inventories balance as at 31 December 2025 was 578,300,775,412 LAK (original amount of 844,210,060 THB) and the provision for slow moving and obsolete was 9,141,673,438 LAK (original amount of 13,345,119 THB), and provision for net realizable value ("NRV") was 306,721,384 LAK (original amount of 447,755 THB).<br><br>Management is required significant judgement in assessing the appropriate level of the provisions for slow moving and obsolete inventories. This includes assessing inventory valuation based on aging, evaluating expected sale volumes, and considering the level of discounts to sell aged or impaired items. The NRV assessment also involves estimating expected selling prices and the costs necessary to complete the sale. Due to the level of judgement involved and its impact on the financial statements, we identified the provision for slow moving and obsolete inventories and NRV as a key audit matter. | As part of our audit, among other audit procedures, we assessed the reasonableness of management's assumptions in determining the provisions for slow-moving and obsolete inventories. On a sample basis, we inspected actual sale discounts announced at showrooms, to evaluate the Company's pricing strategy for aging items. We attended and 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 accuracy of the aging report and recalculated the allowance for slow moving and obsolete items based on the Company's policy.<br><br>With respect to the NRV assessment, we evaluated the appropriateness of estimated selling prices used in NRV calculation.<br><br>We also reviewed the appropriateness and adequacy of the disclosures relating to provisions and NRV of inventories in the financial statements. |



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### *Responsibilities of Management for the LAK-converted Financial Statements*

Management is responsible for the preparation 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 of the LAK-converted financial statements, and for such internal control as management determines is necessary to enable the preparation 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

## *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 ISA 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 ISA, 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.



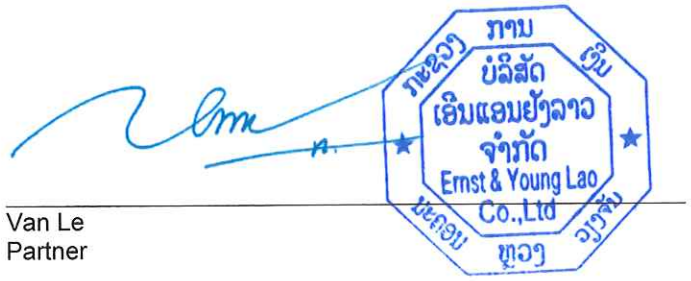
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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

23 March 2026



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# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED INCOME STATEMENT
for the year ended 31 December 2025

| | Notes | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|---|
| Revenue from sales | 4 | 976,562,241,035 | 889,136,410,513 |
| Cost of sales | 5 | (720,720,654,761) | (662,599,988,428) |
| **Gross income** | | **255,841,586,274** | **226,536,422,085** |
| Other incomes | 6 | 5,274,772,962 | 3,674,805,642 |
| Selling expenses | 7 | (119,037,617,527) | (102,634,073,576) |
| Administrative expense | 8 | (53,444,908,313) | (46,358,197,235) |
| Finance costs | 9 | (10,985,162,659) | (7,185,538,145) |
| Net foreign exchange gain/(loss) | 10 | 3,856,704,488 | (2,910,643,490) |
| | | **(174,336,211,049)** | **(155,413,646,804)** |
| **Profit before income tax expense** | | **81,505,375,225** | **71,122,775,281** |
| Profit tax expenses | 24 | (14,389,630,667) | (12,668,993,305) |
| **Net profit for the year** | | **67,115,744,558** | **58,453,781,976** |
| **Earnings per share** | 25 | **407** | **354** |

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

23 March 2026

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

| | | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|---|
| **ASSETS** | | | |
| **Current assets** | | | |
| Cash and cash equivalents | 11 | 54,462,872,201 | 18,620,031,453 |
| Short-term deposit | 12 | 12,774,252,960 | 31,899,172,500 |
| Trade and other receivables, net | 13 | 11,638,419,496 | 9,506,989,027 |
| Inventories | 14 | 568,852,380,590 | 492,761,257,919 |
| Other current assets | 15 | 52,853,581,121 | 37,382,604,013 |
| **Total current assets** | | **700,581,506,368** | **590,170,054,912** |
| **Non-current assets** | | | |
| Assets under purchase and construction in progress | 16.1 | 30,145,012,342 | 86,445,154,337 |
| Tangible assets | 16.2 | 552,649,280,590 | 426,732,466,152 |
| Intangible assets | 16.3 | 894,335,256,462 | 698,577,813,801 |
| Other non-current assets | 17 | 16,212,172,726 | 14,202,483,420 |
| **Total non-current assets** | | **1,493,341,722,120** | **1,225,957,917,710** |
| **TOTAL ASSETS** | | **2,193,923,228,488** | **1,816,127,972,622** |

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2025

| | Notes | 31 December 2025 LAK | 31 December 2024 LAK |
|---|---|---|---|
| **LIABILITIES AND EQUITY** | | | |
| **Current liabilities** | | | |
| Trade and other payables | 18 | 96,022,115,694 | 58,576,579,443 |
| Bank overdraft and short-term borrowings | 19 | 104,537,792,011 | 67,390,661,817 |
| Long-term borrowings – current portion | 19 | 51,033,990,000 | 24,031,020,120 |
| Profit tax payable | 24 | 12,800,507,234 | 11,293,089,759 |
| Deposits from customers | 21 | 4,325,439,631 | 4,342,244,971 |
| Other current liabilities | 22 | 86,285,900,607 | 19,728,450,938 |
| **Total current liabilities** | | **355,005,745,177** | **185,362,047,048** |
| **Non-current liabilities** | | | |
| Long-term borrowings – non-current portion | 19 | 59,594,342,430 | 35,347,370,505 |
| Debentures | 20 | 65,453,661,000 | 66,233,252,250 |
| **Total non-current liabilities** | | **125,048,003,430** | **101,580,622,755** |
| **TOTAL LIABILITIES** | | **480,053,748,607** | **286,942,669,803** |
| **Equity** | | | |
| Share capital | 23 | 330,000,000,000 | 330,000,000,000 |
| Share premium | 23 | 24,735,724,722 | 24,735,724,722 |
| Legal reserve | | 32,738,923,219 | 26,027,348,763 |
| Other reserve | | 32,488,923,219 | 25,777,348,763 |
| Retained earnings | | 310,949,989,104 | 277,057,393,458 |
| Foreign exchange differences reserve | | 982,955,919,617 | 845,587,487,113 |
| **Total equity** | | **1,713,869,479,881** | **1,529,185,302,819** |
| **TOTAL LIABILITIES AND EQUITY** | | **2,193,923,228,488** | **1,816,127,972,622** |

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

23 March 2026

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK- CONVERTED STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2025

| | *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 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** |
| **Balance as at 1 January 2025** | **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** |
| Net profit during the year | - | - | - | - | 67,115,744,558 | - | 67,115,744,558 |
| Legal reserve | - | - | 6,711,574,456 | - | (6,711,574,456) | - | - |
| Other reserve | - | - | - | 6,711,574,456 | (6,711,574,456) | - | - |
| Dividend paid *(Note 26)* | - | - | - | - | (19,800,000,000) | - | (19,800,000,000) |
| Translation adjustment | - | - | - | - | - | 137,368,432,504 | 137,368,432,504 |
| **Balance as at 31 December 2025** | **330,000,000,000** | **24,735,724,722** | **32,738,923,219** | **32,488,923,219** | **310,949,989,104** | **982,955,919,617** | **1,713,869,479,881** |

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR
23 March 2026

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

| | Notes | 2025 LAK | 2024 LAK |
|---|---|---|---|
| **OPERATING ACTIVITIES** | | | |
| **Profit for the year** | | **81,505,375,225** | **71,122,775,281** |
| *Adjustments for:* | | | |
| Depreciation charged during the year | 16.2 | 31,686,973,940 | 28,709,027,609 |
| Amortization charged during the year | 16.3 | 158,511,354 | - |
| Loss from written-off of property, plant and equipment | 16.2 | 611,124,597 | 69,791,733 |
| Unrealized (gain)/loss from exchange rate | 10 | (2,887,263,110) | 1,258,575,646 |
| Interest expense | 9 | 10,412,565,247 | 6,380,811,909 |
| Allowance for slow moving and obsolete inventories | | 731,695,398 | 1,369,945,340 |
| Reversal of allowance for doubtful debts | 8 | 198,707,276 | (1,975,652,644) |
| Allowance for sale return of trade receivables | | (66,029,647) | (111,485,582) |
| *Working capital adjustments:* | | | |
| Changes in trade and other receivables | | (1,721,846,985) | (2,632,301,159) |
| Changes in inventories | | (31,687,271,884) | (17,620,665,713) |
| Changes in other current and non-current assets | | (12,210,005,631) | (4,926,270,000) |
| Changes in trade and other payables | | 31,133,455,812 | (6,152,109,870) |
| Changes in Customer deposits | | (384,833,124) | 4,521,621,849 |
| Changes in other current liabilities | | 59,674,320,728 | 1,133,883,510 |
| Profit tax paid | 24 | (13,668,993,189) | (10,782,859,692) |
| **Net cash flows from operating activities** | | **153,486,486,007** | **70,365,088,217** |
| **INVESTING ACTIVITIES** | | | |
| Settlement of investment in term deposits | | 33,229,287,000 | - |
| Investment in term deposit | | (12,780,495,000) | (31,899,172,500) |
| Purchase of property, plant and equipment and construction in progress | | (183,428,237,000) | (86,385,421,366) |
| Proceeds from sale of property, plant and equipment | | 779,937,900 | - |
| **Net cash flows used in investing activities** | | **(162,199,507,100)** | **(118,284,593,866)** |
| **FINANCING ACTIVITIES** | | | |
| Proceed from short-term borrowings | | 545,286,398,606 | 357,300,100,406 |
| Repayment of borrowings from bank | | (470,852,963,750) | (360,285,320,801) |
| Interest paid | | (10,381,227,433) | (8,909,506,025) |
| Dividend paid | 26 | (19,800,000,000) | (19,800,000,000) |
| **Net cash flows used in financing activities** | | **44,252,207,423** | **(31,694,726,420)** |

# SOUVANNY HOME CENTER PUBLIC COMPANY

LAK – CONVERTED STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2025

| | Notes | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|---|
| **Net increase/(decrease) in cash** | | **35,539,186,330** | **(79,614,232,069)** |
| Cash at the beginning of the year | **11** | 16,591,066,025 | 97,622,510,973 |
| Translation adjustment | | 2,304,161,170 | (1,417,212,879) |
| **Cash at the end of the year** | **11** | **54,434,413,525** | **16,591,066,025** |

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

23 March 2026

## 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 2025 is as follows:

| *Shareholders* | *Number of shares (par value: LAK 2,000/share)* | *Shares equal to Percentage* |
|---|---|---|
| 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 2025 is LAK 330,000,000,000 (31 December 2024: 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 9 branches in Lao PDR, 4 branches in Vientiane Capital and 5 branches in provinces, including:

- Phonetongsavath branch is located at No366, Phonetongsavath Village, Chathabouly District, Vientiane Capital;
- Srikai branch is located at 13 North Rd, Nahae Village, Sikhottabong District, Vientiane Capital;
- Xokyai branch is located at 450 Rd, Xokyai Village, Sikhottabong District, Vientiane Capital;
- Somsanouk branch is located at T5 Rd, Somsanouk village, Hardsaiyfong district, Vientiane Capital;
- Pakxan branch is located at 13 South Rd, Sisaart Village, Pakxan District, Borlikhamxay Province;
- Thakhaek branch is located at Phonphim Village, Thakhaek District, Khammuan Province;
- Savannakhet branch is located at 9 Rd, Phonesavarngnuea Village, Kaysone Phomvihan City, Savannakhet Province;
- Pakse branch is located at No 13 Rd, Karng Village, Pakse Capital City, Champasak Province;
- Luangphabang branch is located at 13 North Rd, Phonexay village, Luangphabang City, Luangphabang Province.

## 1. CORPORATE INFORMATION (continued)

The Company also has 2 branches which are under construction, including:

- Udomxay branch is located at 13 North Rd, Nasao village, Xay District, Udomxay Province;
- Vangvieng branch is located at 13 North Rd, Khanmark village, Vangvieng district, Viengchan Province.

The number of the Company's employees as at 31 December 2025 is 786 (31 December 2024: 733).

## 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 2025 on 25 February 2026.

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.

## 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.

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.

***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. 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 2025 are translated using the closing exchange rate of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 685.02 LAK/THB except for share capital, share premium, legal reverse, 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 2025 are translated using the average exchange rate during the year of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 655.41 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:

| *Overdue days* | *Provision rate* |
|---|---|
| 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.

## 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 |

## 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 currents 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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *3.9 Accrual of rebate from supplier*

Rebate is an amount accrued based on purchased amount times discount rate agreed in the contract with suppliers. Rebate is settled by netting with the invoices when the Company makes payments to those suppliers.

### *3.10 Legal Reserves*

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

### *3.11 Foreign currencies*

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

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

### *3.12 Revenue recognition*

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

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

*Sale of goods*

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

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.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *3.13 Taxation*

*Current tax*

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

### *3.14 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 caculated and presented.

### *3.15 Related party transactions*

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

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

### *3.16 Dividend distribution*

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### *3.17 Employee benefits*

*Post-employment benefits*

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

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

| *Working years* | *Percentage of pension fund contributed by the Company (*)* |
|---|---|
| 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 2025, 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

## 4. REVENUE FROM SALES

| | 2025 LAK | 2024 LAK |
|---|---|---|
| Sale of goods | 975,610,216,123 | 887,562,594,853 |
| Transportation services | 678,028,697 | 1,085,306,286 |
| Repair and maintenance services | 273,996,215 | 488,509,374 |
| | **976,562,241,035** | **889,136,410,513** |

## 5. COST OF SALES

| | 2025 LAK | 2024 LAK |
|---|---|---|
| Cost of goods sold | 663,537,039,326 | 609,521,300,516 |
| Delivery and freight charges | 56,451,920,299 | 51,708,742,572 |
| Net change in inventory provision | 731,695,136 | 1,369,945,340 |
| | **720,720,654,761** | **662,599,988,428** |

## 6. OTHER INCOMES

| | 2025 LAK | 2024 LAK |
|---|---|---|
| Rental income | 3,733,550,858 | 2,885,573,937 |
| Interest income | 761,284,204 | 789,231,705 |
| Income from sales of fixed asset | 779,937,900 | - |
| | **5,274,772,962** | **3,674,805,642** |

## 7. SELLING EXPENSES

| | 2025 LAK | 2024 LAK |
|---|---|---|
| Salaries, wages and other employee benefits | 58,709,218,014 | 47,457,952,204 |
| Depreciation and amortization | 30,505,479,218 | 27,975,197,640 |
| Rental fees – offices and showrooms | 21,313,475,816 | 18,244,993,836 |
| Fuel expense | 3,955,229,455 | 4,141,288,121 |
| Sales Promotion and advertising expense | 4,554,215,024 | 4,814,641,775 |
| | **119,037,617,527** | **102,634,073,576** |

## 8. ADMINISTRATIVE EXPENSES

| | 2025 LAK | 2024 LAK |
|---|---|---|
| Depreciation and amortisation | 1,340,006,076 | 733,829,969 |
| Salaries, wages and other employee benefits | 33,509,996,757 | 31,514,552,924 |
| Charged/(reversal) of allowance for doubtful account receivable | 198,707,276 | (1,975,652,644) |
| Repairs and maintenance expense | 3,182,492,957 | 2,966,884,240 |
| Utilities | 7,057,311,031 | 5,109,851,529 |
| Office supplies | 1,518,572,439 | 1,063,091,288 |
| Professional fees | 3,669,452,651 | 4,090,098,483 |
| Others Admin expense | 1,720,264,752 | 1,685,184,018 |
| Audit fee | 692,749,153 | 551,852,379 |
| Insurance expense | 555,355,221 | 618,505,049 |
| | **53,444,908,313** | **46,358,197,235** |

## 9. FINANCE COSTS

| | 2025 LAK | 2024 LAK |
|---|---|---|
| **Interest expense from:** | | |
| Borrowing from financial institutes | 8,755,029,870 | 5,248,756,522 |
| Debentures | 1,657,535,377 | 1,132,055,387 |
| Bank charge | 572,597,412 | 796,303,115 |
| Others | - | 8,423,121 |
| | **10,985,162,659** | **7,185,538,145** |

## 10. NET FOREIGN EXCHANGE GAIN/(LOSS)

| | *2025 LAK* | *2024 LAK* |
|---|---|---|
| Net unrealized gain/(loss) from dealing in foreign currency | 2,887,263,110 | (1,258,575,646) |
| Net realized gain/(loss) from dealing in foreign currency | 969,441,378 | (1,652,067,844) |
| | **3,856,704,488** | **(2,910,643,490)** |

## 11. CASH AND CASH EQUIVALENTS

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Cash on hand | 379,386,545 | 684,574,488 |
| Cast at banks | 54,083,485,656 | 17,935,456,965 |
| | **54,462,872,201** | **18,620,031,453** |

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

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Cash on hand | 379,386,545 | 684,574,488 |
| Cast at banks | 54,083,485,656 | 17,935,456,965 |
| | **54,462,872,201** | **18,620,031,453** |
| Bank Overdraft | (28,458,676) | (2,028,965,428) |
| | **54,434,413,525** | **16,591,066,025** |

## 12. SHORT-TERM DEPOSIT

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Short-term deposit | 12,774,252,960 | 31,899,172,500 |
| | **12,774,252,960** | **31,899,172,500** |

As at 31 December 2025, the term deposits at a domestic bank are in USD with terms from 3 months at interest rates 1.70% per annum.

## 13. TRADE AND OTHER RECEIVABLES, NET

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Trade receivables | 16,094,645,152 | 13,409,175,790 |
| *Less allowance for doubtful debts* | *(4,456,225,656)* | *(3,902,186,763)* |
| Trade accounts receivable, net | **11,638,419,496** | **9,506,989,027** |

The outstanding trade accounts receivable balance as at 31 December 2025 is aged as follows:

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Not yet due | 9,262,773,883 | 7,950,921,596 |
| Overdue | | |
| 1 – 3 months | 2,055,985,955 | 1,489,591,946 |
| 3 – 6 months | 319,659,658 | 66,475,485 |
| 6 – 12 months | 548,500,549 | - |
| Over 12 months | 3,907,725,107 | 3,902,186,763 |
| Trade accounts receivables | **16,094,645,152** | **13,409,175,790** |
| *Less allowance for doubtful debts* | *(4,456,225,656)* | *(3,902,186,763)* |
| Trade accounts receivable, net | **11,638,419,496** | **9,506,989,027** |

## 14. INVENTORIES

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Inventories | 578,300,775,412 | 500,736,982,852 |
| *Less:* | | |
| *Provision for slow moving and obsolete* | *(9,141,673,438)* | *(7,801,849,905)* |
| *Provision for Net realisable value ("NRV")* | *(306,721,384)* | *(173,875,028)* |
| **Inventories, net** | **568,852,380,590** | **492,761,257,919** |

## 15. OTHER CURRENT ASSETS

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Advance payments to suppliers | 3,184,482,266 | 5,706,649,338 |
| Accrued rebate from suppliers (i) | 4,147,339,726 | 1,949,361,577 |
| Prepaid insurance premium | 63,108,618 | 56,238,807 |
| Prepayment from related parties for lease contracts (Note 27.2) (ii) | 42,955,499,650 | 27,747,965,086 |
| Others (iii) | 2,037,848,676 | 1,565,079,464 |
| Staff loans | 465,302,185 | 357,309,741 |
| | **52,853,581,121** | **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 (ii.1) land lease contracts of Oudomxay and Vangvieng branches which are under constructions and (ii.2) buildings lease contracts of Phontong, Sokyai, Somsanouk, 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.

## 16. PROPERTY, PLANT AND EQUIPMENT

### *16.1 Assets under purchase and construction in progress*

Movements of assets under purchase and construction in progress as at 31 December 2025 are as follows:

| | *Buildings and structures* LAK | *Machinery and equipment* LAK | *Furniture and fixtures* LAK | *Motor Vehicles* LAK | *Software* LAK | *Total* LAK |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As at 1 January 2025 | 68,138,682,699 | 23,263,758 | 17,654,114,680 | 20,762,775 | 608,330,425 | 86,445,154,337 |
| Additions | 29,685,704,589 | 3,522,156,470 | 12,756,576,478 | 3,528,973,261 | 2,917,829,606 | 52,411,240,404 |
| Transfer to fixed assets | (74,967,554,810) | (3,032,390,001) | (31,705,398,555) | (3,257,157,325) | (3,421,674,900) | (116,384,175,591) |
| Foreign exchange differences | 6,047,927,685 | 2,064,856 | 1,566,963,589 | 1,842,885 | 53,994,177 | 7,672,793,192 |
| As at 31 December 2025 | 28,904,760,163 | 515,095,083 | 272,256,192 | 294,421,596 | 158,479,308 | 30,145,012,342 |

## 16. PROPERTY, PLANT AND EQUIPMENT (continued)

### *16.2 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 2025 | 530,214,038,532 | 20,559,284,906 | 123,327,093,991 | 37,770,415,528 | 711,870,832,957 |
| Addition | 24,338,966 | 3,433,533,281 | 3,038,833,601 | 2,310,870,019 | 8,807,575,867 |
| Transfer from CIP | 74,967,554,810 | 3,032,390,001 | 31,705,398,555 | 3,257,157,325 | 112,962,500,691 |
| Disposal | - | (783,425,993) | (1,849,900,243) | (1,749,523,098) | (4,382,849,334) |
| Foreign exchange difference | 47,061,315,261 | 1,824,823,871 | 10,946,401,219 | 3,352,468,095 | 63,185,008,446 |
| As at 31 December 2025 | 652,267,247,569 | 28,066,606,066 | 167,167,827,123 | 44,941,387,869 | 892,443,068,627 |
| **Accumulated depreciation** | | | | | |
| As at 1 January 2025 | 143,889,441,848 | 16,765,935,326 | 88,703,253,723 | 35,779,735,908 | 285,138,366,805 |
| Charge for the year | 18,518,911,137 | 1,574,079,315 | 10,191,472,213 | 1,402,511,275 | 31,686,973,940 |
| Disposal | - | (275,686,998) | (1,746,515,326) | (1,749,522,413) | (3,771,724,737) |
| Foreign exchange difference | 13,608,143,731 | 1,559,239,703 | 8,333,647,496 | 3,239,141,099 | 26,740,172,029 |
| As at 31 December 2025 | 176,016,496,716 | 19,623,567,346 | 105,481,858,106 | 38,671,865,869 | 339,793,788,037 |
| **Net book value** | | | | | |
| As at 1 January 2025 | 386,324,596,684 | 3,793,349,580 | 34,623,840,268 | 1,990,679,620 | 426,732,466,152 |
| As at 31 December 2025 | 476,250,750,853 | 8,443,038,720 | 61,685,969,017 | 6,269,522,000 | 552,649,280,590 |

## 16. PROPERTY, PLANT AND EQUIPMENT (continued)

### *16.3 Intangible assets*

| | *Land use rights LAK* | *Software LAK* | *Total LAK* |
|---|---|---|---|
| **Cost** | | | |
| As at 1 January 2025 | 698,577,813,801 | 2,324,972,251 | 700,902,786,052 |
| Addition | 130,496,310,000 | - | 130,496,310,000 |
| transfer from CIP | - | 3,421,674,900 | 3,421,674,900 |
| Foreign exchange difference | 62,005,130,314 | 206,362,419 | 62,211,492,733 |
| As at 31 December 2025 | 891,079,254,115 | 5,953,009,570 | 897,032,263,685 |
| **Accumulated amortisation** | | | |
| As at 1 January 2025 | - | 2,324,972,251 | 2,324,972,251 |
| Charge for the year | - | 158,511,354 | 158,511,354 |
| Foreign exchange difference | - | 213,523,618 | 213,523,618 |
| As at 31 December 2025 | - | 2,697,007,223 | 2,697,007,223 |
| **Net book value** | | | |
| As at 1 January 2025 | 698,577,813,801 | - | 698,577,813,801 |
| As at 31 December 2025 | 891,079,254,115 | 3,256,002,347 | 894,335,256,462 |

## 17. OTHER NON-CURRENT ASSETS

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Prepayment from related parties for rental buildings (Note 27.2) | 16,212,172,726 | 14,202,483,420 |
| | **16,212,172,726** | **14,202,483,420** |

## 18. TRADE AND OTHER PAYABLES

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Trade payable to related parties (Note 27.2) | 13,243,010,331 | 7,894,769,326 |
| Trade payable to third parties | 81,799,100,352 | 49,613,158,267 |
| Other payables (i) | 980,005,011 | 1,068,651,850 |
| | **96,022,115,694** | **58,576,579,443** |

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

## 19. BANK OVERDRAFT AND BORROWINGS

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| **Current** | | |
| Bank Overdraft (i, ii) | 28,458,676 | 2,028,965,427 |
| Short-term borrowings (iii, iv, v) | 104,509,333,335 | 65,361,696,390 |
| | **104,537,792,011** | **67,390,661,817** |
| Long-term borrowings - current portion (vi, vii, viii, x) | 51,033,990,000 | 24,031,020,120 |
| | **155,571,782,011** | **91,421,681,937** |
| **Non-current** | | |
| Long-term borrowings – non current portion (vi, vii, viii, x) | 59,594,342,430 | 35,347,370,505 |
| | **215,166,124,441** | **126,769,052,442** |

Bank Overdraft balance as at 31 December 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.

Short-term borrowing balance as at 31 December 2025 includes:

iii) 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 within 150 days, and the interest is to be paid monthly. The borrowing is secured by the shareholder's land.

iv) A Master Credit Facility Agreement with a local commercial bank with credit limit of LAKm 94,178 with interest rates ranging from 7.31% - 12.32%. The agreement includes facilities in category of letter of guarantee, (bid & purchase & performance), letter of credit and trust receipt. 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.

## 19. BANK OVERDRAFT AND BORROWINGS (continued)

Long-term borrowing balance as at 31 December 2025 includes:

vi) A long-term borrowing from local commercial bank with a credit limit of THB 44 million, an interest rate of 5% per annum and maturity date on 31 December 2028. 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.

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 principle has been paid quarterly starting from 31 August 2022. The borrowing is secured by the shareholder's land.

viii) A Long-term borrowing from local commercial bank with a credit limit of THB 25 million, an annual fixed interest of 5% per annum and maturity date on 1 July 2028. The principle has been paid quarterly starting from 31 January 2024. The borrowing is secured by the shareholder's land.

x) A Long-term borrowing from local commercial bank with a credit limit of THB 113 million, an annual fixed interest of 5% per annum and maturity date on 31 October 2029. The principle has been paid quarterly starting from 31 January 2026. The borrowing is secured by the shareholder's land.

## 20. DEBENTURES

Debentures as at 31 December 2025 are as follow:

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Debentures issued in Lao Securities Exchange | 65,453,661,000 | 66,233,252,250 |
| | **65,453,661,000** | **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 31 December 2025 are as below:

| *ISIN Code* | *Original Amount (USD)* | *LAK equivalent* | *Interest rate (% p.a)* | *Years* | *Interest payment* | *Maturity date* |
|---|---|---|---|---|---|---|
| LA80000115D6 | 3,000,000 | 65,453,661,000 | 7.50% | 4 | Semi-Annual basis | 19 May 2027 |

## 21. 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.

## 22. OTHER CURRENT LIABILITIES

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Defer rental revenues | 1,255,992,979 | 1,787,028,765 |
| Defer revenue of undelivered good from sales | 3,436,844,668 | 4,536,580,140 |
| Accrual related marketing activities (i) | 4,473,272,078 | 3,658,805,515 |
| Bond interest payable | 562,382,226 | 567,033,273 |
| Other payable to related parties (Note 27.2) (ii) | 64,734,390,000 | - |
| Other tax payable (ii) | 1,831,385,377 | 3,088,441,389 |
| Other staff payable (iii) | 3,352,124,518 | 2,046,684,883 |
| Others current liability (iv) | 6,639,508,761 | 4,043,876,973 |
| | **86,285,900,607** | **19,728,450,938** |

(i) Accrual related marketing activities presents the fund of marketing activities from suppliers;

(ii) Other payable to related parties presents liability for the acquisition of land;

(iii) Other tax payable represents tax payable of profit income tax, value added tax and corporate income tax;

(iv) Other staff payable represents the accrual of Social Security, pension fund and fund received from deducted employee's salary and benefits;

(v) 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.

## 23. SHARE CAPITAL AND SHARE PREMIUM

| | *Number of shares* | *Ordinary shares in LAK* | *Share premium in LAK* |
|---|---|---|---|
| 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 |
| As at 1 January 2025 | 165,000,000 | 330,000,000,000 | 24,735,724,722 |
| Issue of shares | - | - | - |
| As at 31 December 2025 | 165,000,000 | 330,000,000,000 | 24,735,724,722 |

## 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 2025 is 20%. (for the year ended 31 December 2024: 20%)

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| **Profit before tax for the year** | **81,505,375,225** | **71,122,775,281** |
| *Adjustments to increase/(decrease)* | | |
| Depreciation that has been deducted over the useful life as defined in Tax Law | (8,479,062,216) | (9,059,402,725) |
| Charge/(reversal) of provision for doubtful debt | 198,707,276 | (1,975,652,644) |
| Net change in inventory provision | 731,695,136 | 1,369,945,340 |
| Unrealised foreign exchange (gain)/loss | (2,887,263,110) | 1,258,575,646 |
| Other non-deductible expense | 878,699,713 | 628,725,047 |
| **Taxable profit** | **71,948,152,024** | **63,344,965,945** |
| **Current PT expense, at the statutory rate of 20%** | 14,389,630,667 | 12,668,993,305 |
| PT payable at the beginning of the year | 11,293,089,759 | 11,651,392,145 |
| PT paid during the year | (13,668,993,189) | (10,782,859,692) |
| Translation adjustment | 786,779,997 | (2,244,435,999) |
| **PT payable at the end of the year** | **12,800,507,234** | **11,293,089,759** |

## 25. EARNINGS PER SHARE

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

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Net profit attributable to ordinary shareholders in LAK | 67,115,744,558 | 58,453,781,976 |
| Weighted average number of ordinary shares | 165,000,000 | 165,000,000 |
| **Basic earnings per share** | **407** | **354** |

## 26. DIVIDEND

At the Annual General Meeting of Shareholders held on 10 April 2025, 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 2024 to 31 December 2024 of LAK 120 per share, with total LAK 19,800 million equivalent to THB 30,937,500 (2024: LAK 19,800 million equivalent to THB 30,461,533). The dividend was paid on 7 May 2025 to the shareholders.

## 27. RELATED PARTY TRANSACTIONS

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

| *Shareholders* | *Number of shares (par value: LAK 2,000/share)* | *Shares equal to Percentage* |
|---|---|---|
| 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%.

### *27.1 Income and expenses*

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

| *Related party* | *Relationship* | *Transaction* | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|---|---|
| SCG INTERNATIONAL CORPORATION Co., Ltd | Affiliate | Purchases of goods from related parties | 75,365,307,179 | 76,593,632,060 |
| SCG CERAMICS PUBLIC COMPANY LIMITED | Affiliate | Purchases of goods from related parties | 52,040,931,705 | 52,102,988,728 |
| SCG INTERNATIONAL LAOS CO., LTD | Affiliate | Purchases of goods from related parties | - | 142,931,805 |
| SCG DISTRIBUTION CO., LTD | Affiliate | Professional fee | 1,814,043,798 | 144,785,253 |
| SOUKHABANDITH family | Shareholder | Rental expense | 29,434,005,624 | 18,280,370,645 |
| | | Revenue of good sales to related parties | 709,944,323 | 421,391,910 |
| | | Land purchase | 130,496,310,000 | - |

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. RELATED PARTY TRANSACTIONS (continued)

### 27.1 *Income and expenses* (continued)

***Transactions with key management personnel of the Company***

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

| | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Salaries and other benefit | 8,083,837,427 | 7,914,955,888 |

### 27.2 *Outstanding balances arising from related party transactions*

| *Related party* | *Relationship* | *31 December 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|---|
| ***Rental prepayment*** (Note 15,17) | | | |
| SOUKHABANDITH family | Shareholder | 59,167,672,376 | 34,626,106,186 |
| ***Trade account receivable*** | | | |
| SOUKHABANDITH family | Shareholder | 313,194,898 | 119,438,543 |
| ***Trade and other accounts payable*** (Note 18, 22) | | | |
| **SOUKHABANDITH family** | **Shareholder** | **64,734,390,000** | - |
| SCG INTERNATIONAL CORPORATION Co., Ltd | Affiliate | 4,781,736,118 | 3,494,019,165 |
| SCG CERAMICS PUBLIC COMPANY LIMITED | Affiliate | 8,312,624,873 | 4,261,702,486 |
| SCG DISTRIBUTION CO., Ltd | Affiliate | 148,649,340 | 139,047,675 |
| | | **13,243,010,331** | **7,894,769,326** |
| | | **77,977,400,331** | **7,894,769,326** |

## 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 2025 LAK* | *31 December 2024 LAK* |
|---|---|---|
| Less than 1 year | - | - |
| From 1 - 5 years | - | 41,548,442,288 |
| **TOTAL** | **-** | **41,548,442,288** |

## 28. COMMITMENTS (continued)

### *28.2 Letter of credit and guarantee*

As at 31 December 2025, 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 31 million (2024: THB 29 million) and in domestic with totalling at LAK 33 billion (2024: nil).

## 29. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen after 31 December 2025 that requires adjustment or disclosure to be made in the LAK-converted financial statements of the Company.

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

23 March 2026