SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-converted interim financial statements

For six-month periods ended 30 June 2025



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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 center 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 30 June 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 equivalent to THB 1,328,295,734. The actual paid-up capital of the Branch as at 30 June 2025 is LAK 330,000,000,000 equivalent to THB 1,328,295,734 (31 December 2024: LAK 330,000,000,000 equivalent to THB 1,328,295,734).

The Company's head office is located at number 366 Ban Phonetongsavath, Chanthaburi District, Vientiane Capital, Lao PDR. The Company has 8 branches in Lao PDR, 3 branches in Vientiane Capital and 5 branches in provinces, including:

- Phonetongsavath branch 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;
- 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.

THE COMPANY (continued)

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

- Somsanouk branch is located at T5 Rd, Somsanouk village, Hardsaiyfong district, Vientiane Capital;
- 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.

BOARD OF DIRECTORS

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

Name	*Position*	*Date of appointment*
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 period 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 period 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 LAK-converted interim financial statements of the Company for the six-month period ended 30 June 2025.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE LAK CONVERTED INTERIM FINANCIAL STATEMENTS

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

STATEMENT BY MANAGEMENT

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

On behalf of the Board of Management:

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Vientiane, Lao PDR

22 August 2025

Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
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Reference: 13642391/69288435 – LR-LAK-converted

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The shareholders of Souvanny Home Center Public Company

We have reviewed the Company's LAK-converted interim financial statements which comprise the LAK-converted interim statement of financial position as at 30 June 2025, the LAK-converted interim income statement, LAK-converted interim statement of changes in equity and LAK-converted interim statement of cash flows for the six-month period then ended, and notes to the LAK-converted interim financial statements, including a summary of significant accounting policies (collectively being referred to as "the LAK-converted interim financial statements").

Management's responsibility

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

Auditors' responsibility

Our responsibility is to express a conclusion on the LAK-converted interim financial statements based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

A review of LAK-converted interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying LAK-converted interim financial statements are not prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the LAK-converted interim financial statements.

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Emphasis of Matter

We draw attention to Note 2 to the LAK-converted interim financial statements which describes the basis of accounting. The LAK-converted interim financial statements are prepared to assist the Company's management in meeting the reporting requirements of its shareholders and the stock market regulators. As a result, the LAK-converted purpose interim financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Company's management and its owners and the stock market regulators and should not be distributed to or used by other parties.

We also draw attention to Note 3.1 of the LAK-converted interim financial statements. The LAK-converted interim financial statements for the six-month period ended 30 June 2025 are prepared based on the THB-denominated interim financial statements for the same reporting period in accordance with Note 3 to THB-denominated interim financial statements.

Our conclusion is not modified in respect of these matters.



Van Le
Partner

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

Vientiane, Lao PDR

22 August 2025

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SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
Revenue from sales	4	471,338,309,772	456,879,857,343
Cost of sales	5	(353,434,360,004)	(343,555,701,773)
Gross income		**117,903,949,768**	**113,324,155,570**
Other incomes	6	2,890,616,094	1,849,425,618
Selling expenses	7	(56,377,538,097)	(49,159,192,641)
Administrative expense	8	(26,427,669,894)	(21,831,970,037)
Finance costs	9	(4,729,554,194)	(4,450,420,174)
Net foreign exchange gain/(loss)	10	2,588,203,945	(2,304,686,924)
		(82,055,942,146)	**(75,896,844,158)**
Profit before income tax expense		**35,848,007,622**	**37,427,311,412**
Profit tax expenses	24	(6,308,192,579)	(6,012,200,450)
Net profit for the period		**29,539,815,043**	**31,415,110,962**
Earnings per share	25	**179**	**190**

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

22 August 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

	Notes	30 June 2025 LAK	31 December 2024 LAK
ASSETS			
Current assets			
Cash and cash equivalents	11	37,484,647,325	18,620,031,453
Short-term deposit	12	31,917,572,100	31,899,172,500
Trade and other receivables, net	13	10,422,272,215	9,506,989,027
Inventories	14	501,239,134,362	492,761,257,919
Other current assets	15	39,505,639,954	37,382,604,013
Total current assets		**620,569,265,956**	**590,170,054,912**
Non-current assets			
Assets under purchase and construction in progress	16.1	106,268,015,641	86,445,154,337
Tangible assets	16.2	440,963,743,026	426,732,466,152
Intangible assets	16.3	734,743,951,885	698,577,813,801
Other non-current assets	17	-	14,202,483,420
Total non-current assets		**1,281,975,710,552**	**1,225,957,917,710**
TOTAL ASSETS		**1,902,544,976,508**	**1,816,127,972,622**

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2025

	Notes	30 June 2025 LAK	31 December 2024 LAK
LIABILITIES AND EQUITY			
Current liabilities			
Trade and other payables	18	69,539,859,078	58,576,579,443
Bank overdraft and short-term borrowings	19	48,702,618,595	67,390,661,817
Long-term borrowings – current portion	19	30,419,055,837	24,031,020,120
Profit tax payable	24	6,329,156,024	11,293,089,759
Deposits from customers	21	3,821,730,207	4,342,244,971
Other current liabilities	22	17,435,567,875	19,728,450,938
Total current liabilities		**176,247,987,616**	**185,362,047,048**
Non-current liabilities			
Long-term borrowings – non-current portion	19	43,721,357,913	35,347,370,505
Debentures	20	65,422,096,200	66,233,252,250
Total non-current liabilities		**109,143,454,113**	**101,580,622,755**
TOTAL LIABILITIES		**285,391,441,729**	**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		26,027,348,763	26,027,348,763
Other reserve		25,777,348,763	25,777,348,763
Retained earnings		286,797,208,501	277,057,393,458
Foreign exchange differences reserve		923,815,904,030	845,587,487,113
Total equity		**1,617,153,534,779**	**1,529,185,302,819**
TOTAL LIABILITIES AND EQUITY		**1,902,544,976,508**	**1,816,127,972,622**

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phanhola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

22 August 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 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 for the period	-	-	-	-	31,415,110,962	-	31,415,110,962
Dividend paid	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustments	-	-	-	-	-	92,542,831,605	92,542,831,605
Balance as at 30 June 2024	**330,000,000,000**	**24,735,724,722**	**20,181,970,566**	**19,931,970,566**	**261,709,478,838**	**962,307,938,155**	**1,618,867,082,847**
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 for the period	-	-	-	-	29,539,815,043	-	29,539,815,043
Dividend paid	-	-	-	-	(19,800,000,000)	-	(19,800,000,000)
Translation adjustments	-	-	-	-	-	78,228,416,917	78,228,416,917
Balance as at 30 June 2025	**330,000,000,000**	**24,735,724,722**	**26,027,348,763**	**25,777,348,763**	**286,797,208,501**	**923,815,904,030**	**1,617,153,534,779**

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

22 August 2025

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
OPERATING ACTIVITIES			
Profit for the period		**35,848,007,622**	**37,427,311,412**
Adjustments for:			
Depreciation charged during the period	16.2	14,634,418,844	13,800,165,792
Amortisation charged during the period	16.3	19,243,881	-
Gain from disposes of property, plant and equipment		75,321,710	17,400,782
Unrealised loss/(gain) from exchange rate	10	(843,418,139)	(2,192,091,482)
Interest expense	9	4,425,382,326	4,016,205,629
Allowance for slow moving and obsolete inventories	5	531,820,405	260,356,524
Additional charge/(reversal) of allowance for doubtful debts	8	180,981,194	(1,219,658,248)
Allowance for sale return of trade receivable		(198,706,181)	(150,074,500)
Working capital adjustments:			
Changes in trade and other receivables		(598,112,193)	(1,511,572,210)
Changes in inventories		15,563,130,145	(28,993,105,370)
Changes in other current and non-current assets		(7,665,698,743)	(7,735,512,896)
Changes in trade and other payables		10,204,580,501	10,411,946,879
Changes in Customer deposits		(717,999,951)	(1,520,849,979)
Changes in other current liabilities		(10,538,008,095)	13,094,387
Profit tax paid	24	(11,668,993,189)	-
Net cash flows from operating activities		**49,251,950,137**	**22,623,616,720**
INVESTING ACTIVITIES			
Proceeding of investment in term deposits		32,163,266,088	-
Investment in term deposits		(32,483,298,586)	(32,835,037,500)
Purchase of property, plant and equipment and construction in progress		(1,224,681,592)	(49,724,073,598)
Purchases of computer software		(576,058,497)	(74,153,110)
Proceeds from disposal of property, plant and equipment		761,677,346	-
Net cash flows used in investing activities		**(1,359,095,241)**	**(82,633,264,208)**
FINANCING ACTIVITIES			
Proceeding of borrowings from bank		204,688,555,263	184,406,123,144
Repayment of borrowings from bank		(211,051,037,707)	(162,121,413,636)
Interest paid		(4,384,671,779)	(4,026,926,027)
Dividend paid	26	(19,800,000,000)	(19,800,000,000)
Net cash flows used in financing activities		**(30,547,154,223)**	**(1,542,216,519)**

SOUVANNY HOME CENTER PUBLIC COMPANY

LAK-CONVERTED INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2025

	Notes	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
Net increase/(decrease) in cash		**17,345,700,673**	**(61,551,864,006)**
Cash at the beginning of the period	11	18,620,031,453	97,622,510,973
Translation adjustment		1,518,915,199	4,990,745,261
Cash at the end of the period	**11**	**37,484,647,325**	**41,061,392,228**

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

22 August 2025

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.

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1. CORPORATE INFORMATION (continued)

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

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- 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 30 June 2025 is 745 (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 interim 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 interim financial statements

The Company's accounting currency is THB as disclosed in Note 2.4. The Company has prepared THB-denominated interim financial statements for the six-month period ended 30 June 2025 on 22 August 2025.

In addition to the THB-denominated interim financial statements, the Company also converted the THB-denominated interim financial statements to the interim financial statements using Lao Kip as presentation currency ("the LAK-converted interim financial statements"). The LAK-interim converted financial statements are to assist the Company in submitting the financial statements to the stock market regulators and shareholders.

The LAK-converted interim financial statements are prepared based on the THB-denominated interim financial statements which were prepared in accordance with note 3 to the THB-denominated interim financial statement and the statutory requirements relevant to the preparation of financial statements.

Accordingly, the accompanying LAK-converted interim 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 interim financial statements into LAK-converted interim financial statements

The Company converted its interim financial statement from Thai Baht into Lao kip ("LAK") as the following process:

- Items in LAK-converted interim statement of financial position as at 30 June 2025 are translated using the closing exchange rate of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 661.23 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 interim income statement and cash flow for the six-month period ended 30 June 2025 are translated using the average exchange rate during the period of Banque Pour Le Commerce Exterieur Lao Public (BCEL) which is 640.06 LAK/THB;

- All foreign exchange differences from interim financial statements translation from THB to LAK are presented under translation adjustment in the interim 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 interim 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 interim statement of financial position date.

Increases or decreases to the provision balance are recorded into the cost of goods sold account in the interim 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 interim 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 interim 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 interim 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 interim 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 interim 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 period 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 period of the facility to which it relates.

All other borrowing costs are recognised as expense in the period 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 period.

Gains and losses on foreign exchange translation are included in the interim 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 interim 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 interim 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 period computed using the applicable tax rate for the year.

Personal income tax is the tax payable on salary paid to staff for the period 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 period 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 period.

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 interim financial statements in the period 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 30 June 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 interim financial statements

4. REVENUE FROM SALES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024* LAK
Sale of goods	470,413,073,511	456,016,093,182
Transportation service	661,031,011	611,841,302
Repair and maintenance service	264,205,250	251,922,859
	471,338,309,772	**456,879,857,343**

5. COST OF SALES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024* LAK
Cost of goods sold	327,093,370,373	315,215,425,004
Delivery and freight charges	25,809,169,226	28,079,920,245
Net change in inventory provision	531,820,405	260,356,524
	353,434,360,004	**343,555,701,773**

6. OTHER INCOMES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024* LAK
Rental income	1,776,433,231	1,418,239,618
Interest income	352,505,517	431,186,000
Income from sales of fixed asset	761,677,346	-
	2,890,616,094	**1,849,425,618**

7. SELLING EXPENSES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Salaries, wages and other employee benefits	28,048,100,562	21,777,968,507
Depreciation and amortisation	14,154,552,938	13,447,930,917
Rental fees – offices and showrooms	10,098,468,191	8,763,917,405
Fuel expense	1,957,755,387	2,297,164,311
Sales Promotion and advertising expense	2,118,661,019	2,872,211,501
	56,377,538,097	**49,159,192,641**

8. ADMINISTRATIVE EXPENSES

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Depreciation and amortisation	499,109,787	352,237,993
Salaries, wages and other employee benefits	16,779,129,062	15,222,125,973
Additional charge/(reversal) of allowance for doubtful account receivable	180,981,194	(1,219,658,248)
Repairs and maintenance expense	1,618,062,639	1,456,106,851
Utilities	3,048,652,769	2,337,314,448
Office supplies	686,259,512	457,588,140
Professional fees	2,048,188,123	1,919,967,921
Others administrative expense	1,006,561,490	711,233,227
Audit fee	295,892,876	277,245,384
Insurance expense	264,832,442	317,808,348
	26,427,669,894	**21,831,970,037**

9. FINANCE COSTS

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Interest expense from:		
Borrowing from financial institutes	3,910,082,562	3,434,138,168
Debentures	515,299,764	573,693,046
Bank charge	304,171,868	434,214,748
Others	-	8,374,212
	4,729,554,194	**4,450,420,174**

10. NET FOREIGN EXCHANGE GAIN/(LOSS)

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Net unrealized gain from dealing in foreign currency	843,418,139	2,192,091,482
Net realized gain/(loss) from dealing in foreign currency	1,744,785,806	(4,496,778,406)
	2,588,203,945	**(2,304,686,924)**

11. CASH AND CASH EQUIVALENTS

	30 June 2025 LAK	*31 December 2024 LAK*
Cash on hand	615,001,427	684,574,488
Cast at banks	36,869,645,898	17,935,456,965
	37,484,647,325	**18,620,031,453**

Cash, cash equivalents and bank overdrafts include the following for the purposes of the Interim statement of cash flows:

	30 June 2025 LAK	*31 December 2024 LAK*
Cash on hand	615,001,427	684,574,488
Cast at banks	36,869,645,898	17,935,456,965
	37,484,647,325	**18,620,031,453**
Bank Overdraft	-	(2,028,965,428)
	37,484,647,325	**16,591,066,025**

12. SHORT-TERM DEPOSIT

	30 June 2025 LAK	*31 December 2024 LAK*
Short-term deposit	31,917,572,100	31,899,172,500
	31,917,572,100	**31,899,172,500**

As at 30 June 2025, the term deposit is at a domestic bank in USD with a term of 3 months and at interest rate 1.35 % per annum.

13. TRADE AND OTHER RECEIVABLES, NET

	30 June 2025 LAK	*31 December 2024 LAK*
Trade receivables	14,710,231,727	13,409,175,790
Less allowance for doubtful debts	*(4,287,959,512)*	*(3,902,186,763)*
Trade accounts receivable, net	**10,422,272,215**	**9,506,989,027**

The outstanding trade accounts receivable balance as at 30 June 2025 is aged as follows:

	30 June 2025 LAK	*31 December 2024 LAK*
Not yet due	7,126,222,167	7,950,921,596
Overdue		
1 – 3 months	1,358,200,354	1,489,591,946
3 – 6 months	1,937,849,694	66,475,485
6 – 12 months	341,356,119	-
Over 12 months	3,946,603,572	3,902,186,763
Trade accounts receivables	**14,710,231,906**	**13,409,175,790**
Less allowance for doubtful debts	*(4,287,959,691)*	*(3,902,186,763)*
Trade accounts receivable, net	**10,422,272,215**	**9,506,989,027**

14. INVENTORIES

	30 June 2025 LAK	*31 December 2024 LAK*
Inventories	510,170,609,982	500,736,982,852
Less:		
Provision for slow moving and obsolete	*(8,626,906,470)*	*(7,801,849,905)*
Provision for Net realisable value ("NRV")	*(304,569,150)*	*(173,875,028)*
Inventories, net	**501,239,134,362**	**492,761,257,919**

15. OTHER CURRENT ASSETS

	30 June 2025 LAK	*31 December 2024 LAK*
Advance payments to suppliers	3,556,784,603	5,706,649,338
Accrued rebate from suppliers (i)	2,520,748,280	1,949,361,577
Prepaid insurance premium	274,725,857	56,238,807
Prepayment for lease contracts (ii)	29,302,651,510	27,747,965,086
Staff loans	315,765,757	357,309,741
Others (iii)	3,534,963,947	1,565,079,464
	39,505,639,954	**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 include prepayments 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 30 June 2025 are as follows:

	Buildings and structures LAK	*Machinery and equipment LAK*	*Furniture and fixtures LAK*	*Motor vehicles LAK*	*Computer Software LAK*	*Total LAK*
Cost						
As at 1 January 2025	68,138,682,699	23,263,758	17,654,114,680	20,762,775	608,330,424	86,445,154,337
Foreign exchange differences	3,471,507,361	1,185,234	899,436,021	1,057,815	30,992,986	4,404,179,417
Additions	13,296,620,669	526,242,686	3,003,650,751	2,863,563,495	2,744,931,038	22,435,008,639
Transfer to fixed assets	(2,279,578,258)	-	(1,278,077,998)	(2,863,563,495)	(595,107,001)	(7,016,326,752)
As at 30 June 2025	**82,627,232,471**	**550,691,678**	**20,279,123,454**	**21,820,590**	**2,789,147,447**	**106,268,015,641**

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	23,493,700	754,847,062	455,893,824	30,943,502	1,265,178,088
Transfer from CIP	2,279,578,258	-	1,278,077,998	2,863,563,496	6,421,219,752
Disposals	-	(39,709,923)	(1,098,598,817)	(1,688,764,063)	(2,827,072,804)
Foreign exchange differences	27,013,170,953	1,047,447,676	6,283,228,064	1,924,314,668	36,268,161,361
As at 30 June 2025	559,530,281,442	22,321,869,721	130,245,695,060	40,900,473,131	752,998,319,354
Accumulated depreciation					
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 period	8,783,232,629	708,738,907	4,591,209,943	551,237,365	14,634,418,844
Disposals	-	(34,104,681)	(1,026,397,641)	(1,688,758,112)	(2,749,260,434)
Foreign exchange differences	7,621,266,709	877,621,036	4,671,041,362	1,841,122,006	15,011,051,113
As at 30 June 2025	160,293,941,186	18,318,190,588	96,939,107,387	36,483,337,167	312,034,576,328
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 30 June 2025	399,236,340,256	4,003,679,133	33,306,587,673	4,417,135,964	440,963,743,026

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
Transfer from CIP	-	595,107,000	595,107,000
Foreign exchange differences	35,590,911,302	118,451,918	35,709,363,220
As at 30 June 2025	734,168,725,103	3,038,531,169	737,207,256,272
Accumulated amortisation			
As at 1 January 2025	-	2,324,972,251	2,324,972,251
Charge for the period	-	19,243,881	19,243,881
Foreign exchange differences	-	119,088,255	119,088,255
As at 30 June 2025	-	2,463,304,387	2,463,304,387
Net book value:			
As at 1 January 2025	698,577,813,801	-	698,577,813,801
As at 30 June 2025	734,168,725,103	575,226,782	734,743,951,885

17. OTHER NON-CURRENT ASSETS

	30 June 2025 LAK	*31 December 2024* LAK
Prepayment for rental buildings	-	14,202,483,420
	-	**14,202,483,420**

18. TRADE AND OTHER PAYABLES

	30 June 2025 LAK	*31 December 2024* LAK
Trade payable to related parties *(Note 27.2)*	12,613,407,317	7,894,769,326
Trade payable to third parties	56,054,788,619	49,613,158,267
Other payables (i)	871,663,142	1,068,651,850
	69,539,859,078	**58,576,579,443**

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

19. BANK OVERDRAFT AND BORROWINGS

	30 June 2025 *LAK*	*31 December 2024* *LAK*
Current		
Bank Overdraft (i, ii)	-	2,028,965,427
Short-term borrowings (iii, iv, v)	48,702,618,595	65,361,696,390
	48,702,618,595	**67,390,661,817**
Long-term borrowings - current portion (vi, vii, viii)	30,419,055,837	24,031,020,120
	79,121,674,432	**91,421,681,937**
Non-current		
Long-term borrowings – non-current portion (vi, vii, viii)	43,721,357,913	35,347,370,505
	122,843,032,345	**126,769,052,442**

Bank Overdraft balance as at 30 June 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 30 June 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 30 June 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.

20. DEBENTURES

Debentures as at 30 June 2025 are as follow:

	30 June 2025' LAK	*31 December 2024 LAK*
Debentures issued in Lao Securities Exchange	65,422,096,200	66,233,252,250
	65,422,096,200	**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 June 2025 are as below:

ISIN Code	*Original Amount (USD)*	*LAK equivalent*	*Interest rate (% p.a)*	*Years*	*Interest payment*	*Maturity date*
LA80000115D6	3,000,000	65,422,096,200	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

	30 June 2025 LAK	*31 December 2024 LAK*
Defer rental revenues	2,788,813,566	1,787,028,765
Defer revenue of undelivered good from sales	2,783,966,089	4,536,580,140
Accrual related marketing activities (i)	883,206,896	3,658,805,515
Bond interest payable	567,390,222	567,033,273
Other Tax payable (ii)	2,531,739,245	3,088,441,389
Other staff payable (iii)	3,353,363,144	2,046,684,883
Other current liability (iv)	4,527,088,713	4,043,876,973
	17,435,567,875	**19,728,450,938**

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

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

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

(iv) Other current liabilities represent the advance deposit received from supplier for product consultant's salary, accrued other expenses, accrued expense for import goods and accrued interest expense of borrowing.

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 30 June 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%.. Accordingly, the tax rate applicable for the Company for the six-month period ended 30 June 2025 is 20%. (for the six-month period ended 30 June 2024: 20%)

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Profit before tax for the period	**35,848,007,622**	**37,427,311,412**
Adjustments to increase/(decrease)		
Depreciation that has been deducted over the useful life as defined in Tax Law	(4,570,964,356)	(4,418,903,767)
Reversal of provision for doubtful debt	180,981,194	(1,219,658,248)
Net change in inventory provision	531,820,405	260,356,524
Unrealised foreign exchange gain	(843,418,139)	(2,192,091,482)
Other non-deductible expense	394,535,635	203,987,160
Taxable profit	**31,540,962,361**	**30,061,001,599**
Current PT expense, at the statutory rate of 20%	6,308,192,579	6,012,200,450
PT payable at the beginning of the period	11,488,554,790	11,583,154,920
PT paid during the period	(11,668,993,189)	-
Translation adjustment	201,401,844	707,812,545
PT payable at the end of the period	**6,329,156,024**	**18,303,167,915**

25. EARNINGS PER SHARE

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

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Net profit attributable to ordinary shareholders in LAK	29,539,815,043	31,415,110,962
Weighted average number of ordinary shares	165,000,000	165,000,000
Basic earnings per share	**179**	**190**

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 (2023: LAK 19,800 million). The dividend was paid in May 2025 to the shareholders.

27. RELATED PARTY TRANSACTIONS

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

Shareholders
Mr. Waddana SOUKHABANDITH (*)
Mr. Phannola SOUKHABANDITH (*)
Mr. Kotsada SOUKHABANDITH (*)
Ms. Phaphatsone SOUKHABANDITH (*)
Ms. Viengdala BOUPHA (*)
Mr. Anousone OUNTAY (*)
Mr. Bounthavy SIMMAXAY (*)
Ms. Souvanny SISOMCHAY (*)
Mr. Xaysangkhom XUMMANYVONG (*)
Global House International Limited
Other public corporation and individual investors

(*) 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*	*For the six-month period ended 30 June 2025 LAK*	*For the six-month period ended 30 June 2024 LAK*
SCG International Corporation Co., Ltd	Affiliate	Purchases of goods from related parties	36,980,605,706	41,290,659,536
SCG Ceramics Public Company Limited	Affiliate	Purchases of goods from related parties	21,636,227,202	30,503,863,455
		Rental expense	10,115,560,704	8,781,406,257
Soukhabandith family	Shareholder	Sale of goods to related parties	165,029,667	-
SCG Distribution Co., Ltd	Affiliate	Professional fee	907,292,133	-

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)

27.2 *Outstanding balances arising from related party transactions*

Related party	*Relationship*	*30 June 2025 LAK*	*31 December 2024 LAK*
Prepaid rental *(Note 15)*			
SOUKHABANDITH family	Shareholder	29,302,651,510	34,626,106,186
		29,302,651,510	**34,626,106,186**
Trade accounts receivable *(Note 13)*			
SOUKHABANDITH family	Shareholder	564,211,352	119,438,543
		564,211,352	**119,438,543**
Trade accounts payable *(Note 18)*			
SCG International Corporation Co., Ltd	Affiliate	6,331,312,434	3,494,019,165
SCG Ceramics Public Company Limited	Affiliate	5,732,612,753	4,261,702,486
SCG Distribution Co., Ltd	Affiliate	152,744,130	139,047,675
SCG International Laos Co., Ltd	Affiliate	396,738,000	-
		12,613,407,317	**7,894,769,326**

Transactions with key management personnel of the Company

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

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Salaries and other benefit	4,508,050,817	3,797,457,405

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

	30 June 2025 LAK	*31 December 2024 LAK*
Less than 1 year	-	-
From 1 - 5 years	42,835,808,736	41,548,442,288
TOTAL	**42,835,808,736**	**41,548,442,288**

28.2 Letter of credit and guarantee

As at 30 June 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 29 million.

29. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen after 30 June 2025 that requires adjustment or disclosure to be made in the LAK-converted interim financial statements of the Company.

Mr. Waddana SOUKHABANDITH
Chief Executive Officer

Mr. Phannola SOUKHABANDITH
Chief Financial Officer

Vientiane, Lao PDR

22 August 2025