



Financial statement for the Third Quarter ended 30 September 2021



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Souvanny Home Center Public Company

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Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2021

		30 September	31 December
		2021	2020
	Notes	LAK	LAK
Assets			
Current assets			
Cash and cash equivalents	4	4,702,343,599	3,734,536,186
Trade and other receivables, net	5	11,170,301,397	11,221,223,619
Inventories, net	6	259,359,237,265	244,475,544,506
Other current assets		7,970,159,728	7,373,681,890
Total current assets		<u>283,202,041,989</u>	<u>266,804,986,201</u>
Non-current assets			
Property, plant and equipment, net	7	630,381,446,961	603,046,157,185
Intangible assets, net		39,320,099	38,975,565
Other non-current assets		-	-
Total non-current assets		<u>630,420,767,060</u>	<u>603,085,132,750</u>
Total assets		<u>913,622,809,049</u>	<u>869,890,118,951</u>



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 8 November 2021

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 8 November 2021

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

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 September 2021

		30 September	31 December
		2021	2020
	Notes	LAK	LAK
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	9	72,585,786,640	85,933,290,928
Trade and other payables	8	53,500,789,164	43,605,028,476
Current portion of long-term borrowings	9	13,760,196,283	9,068,667,781
Profit tax payable		2,014,716,953	740,792,797
Deposits from customers		2,973,087,812	1,130,450,932
Other current liabilities		8,419,824,787	16,545,347,976
Total current liabilities		<u>153,254,401,639</u>	<u>157,023,578,890</u>
Non Current liabilities			
Long-term borrowings from financial institution	9	<u>13,090,472,764</u>	<u>8,998,418,768</u>
Total non current liabilities		<u>13,090,472,764</u>	<u>8,998,418,768</u>
Total liabilities		<u><u>166,344,874,403</u></u>	<u><u>166,021,997,658</u></u>
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		<u>330,000,000,000</u>	<u>330,000,000,000</u>
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	10	5,973,926,973	5,973,926,973
Appropriated - Other reserve		5,723,926,973	5,723,926,973
Unappropriated		175,759,888,383	164,542,719,132
Translation adjustments		205,084,467,595	172,891,823,493
Total equity		<u>747,277,934,646</u>	<u>703,868,121,293</u>
Total liabilities and equity		<u><u>913,622,809,049</u></u>	<u><u>869,890,118,951</u></u>



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Souvanny Home Center Public Company
Statement of comprehensive income
For the nine-month period ended 30 September 2021

	Notes	2021 LAK	2020 LAK
Revenue from sales		331,350,496,682	290,680,435,948
Cost of sales		(263,865,027,950)	(240,025,715,510)
Gross profit		67,485,468,732	50,654,720,438
Other incomes		1,151,613,224	1,876,827,140
Selling expenses		(26,033,888,676)	(22,804,220,123)
Administrative expenses		(23,670,389,548)	(20,755,482,058)
Finance costs		(3,629,732,707)	(3,633,190,908)
Foreign exchange loss, net		1,215,152,594	3,073,122,981
Profit before income tax expense		16,518,223,619	8,411,777,470
Income tax expense	12	(1,938,354,368)	(480,631,073)
Net profit for the period		14,579,869,251	7,931,146,397
Earnings per share			
Basic earnings per share	13	88	48



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Souvanny Home Center Public Company
Statement of comprehensive income
For the Third Quarter period ended 30 September 2021

Notes	2021 LAK	2020 LAK
Revenue from sales	107,966,499,061	100,581,599,591
Cost of sales	(84,438,134,690)	(80,390,952,537)
Gross profit	23,528,364,371	20,190,647,054
Other incomes	350,201,675	277,305,557
Selling expenses	(8,844,056,152)	(8,239,155,298)
Administrative expenses	(7,653,114,932)	(7,464,589,651)
Finance costs	(1,448,416,843)	(1,019,088,550)
Foreign exchange (loss)/gain, net	1,150,226,601	501,419,721
Profit before income tax expense	7,083,204,720	4,246,538,833
Income tax expense	(549,056,909)	(470,520,291)
Net profit for the period	6,534,147,811	3,776,018,542
Earnings per share		
Basic earnings per share	40	23



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Souvanny Home Center Public Company
Statement of changes in equity
For the nine-month period ended 30 September 2021

Notes	Issued and paid-up ordinary shares		Premium on share capital		Legal reserve		Other reserve		Unappropriated retained earnings		Translation adjustments		Total equity	
	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 January 2020	330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	157,575,153,226	105,400,043,455	627,006,883,873							
Net profit for the period	-	-	-	-	7,931,146,397.00	-	7,931,146,397							
Dividend paid	-	-	-	-	(2,640,000,000)	-	(2,640,000,000)							
Translation adjustments	-	-	-	-	-	-	36,065,045,048							
Ending balance 30 September 2020	330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	162,866,299,623	141,465,088,503	668,363,075,318							
Opening balance 1 January 2021	330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	164,542,719,132	172,891,823,494	703,868,121,294							
Legal reserve	-	-	-	-	-	-	-							
Other reserve	-	-	-	-	-	-	-							
Net profit for the period	-	-	-	-	14,579,869,251.00	-	14,579,869,251							
Dividend paid	-	-	-	-	(3,362,700,000)	-	(3,362,700,000)							
Translation adjustments	-	-	-	-	-	-	32,192,644,101							
Ending balance 30 September 2021	330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	175,759,888,383	205,084,467,595	747,277,934,646							

Ending balance 30 September 2021



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Souvanny Home Center Public Company
Statement of changes in equity
For the Third Quarter period ended 30 September 2021

	Notes	Issued and paid-up ordinary shares		Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments		Total equity
		LAK	LAK					LAK	LAK	
Opening balance 1 July 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	159,090,281,081	137,781,597,925	660,903,566,198		
Legal reserve		-	-	-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	3,776,018,542	-	3,776,018,542	-	3,776,018,542
Translation adjustments		-	-	-	-	-	3,683,490,578	3,683,490,578	-	3,683,490,578
Ending balance 30 September 2020		330,000,000,000	24,735,724,722	4,772,981,235	4,522,981,235	162,866,299,623	141,465,088,503	668,363,075,318		
Opening balance 1 July 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	169,225,740,572	175,092,037,507	710,751,356,747		
Legal reserve		-	-	-	-	-	-	-	-	-
Other reserve		-	-	-	-	-	-	-	-	-
Net profit for the period		-	-	-	-	6,534,147,811	-	6,534,147,811	-	6,534,147,811
Dividend paid		-	-	-	-	-	-	-	-	-
Translation adjustments		-	-	-	-	-	29,992,430,088	29,992,430,088	-	29,992,430,088
Ending balance 30 September 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	175,759,888,383	205,084,467,595	747,277,934,646		



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Date: 8 November 2021

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Chief Financial Officer
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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2021

	Notes	30 September 2021 LAK	30 September 2020 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		16,518,223,619	8,411,777,470
Adjustments for:			
Depreciation	7	13,614,222,921	12,397,395,978
Amortisation		24,711,228	31,693,297
Gain from disposes of property, plant and equipment		(42,239,045)	(9,448,583)
Gain/Loss on exchange rate		(2,744,266,966)	(3,192,066,533)
Interest expense		3,629,732,707	3,633,190,908
Inventories provision (reversal)		91,608,086	99,074,635
Trade and other receivables provision (reversal)		549,164,338	203,543,517
Allowance for sale return of trade receivable		834,854,509	38,639,529
Operating profit before working capital changes		<u>32,476,011,398</u>	<u>21,613,800,218</u>
Changes in operating assets and liabilities			
- Trade and other receivables		(826,100,624)	3,486,563,405
- Inventories		(3,926,766,335)	(6,403,355,003)
- Other current assets		(263,240,503)	(541,715,118)
- Other non-current assets		-	-
- Trade and other accounts payable		7,688,903,739	5,388,602,963
- Deposits from customers		1,791,548,637	345,078,345
- Other current liabilities		<u>(8,854,995,897)</u>	<u>246,219,158</u>
Cash generated from operations		28,085,360,415	24,135,193,968
Interest paid		(3,647,990,609)	(3,620,307,877)
Income tax paid		(699,394,936)	(324,885,700)
Net cash used in operating activities		<u>23,737,974,870</u>	<u>20,190,000,391</u>
Cash flows from investing activities :			
Purchases of plant and equipments	7	(13,538,772,956)	(6,584,113,699)
Purchases of computer software		(24,267,721)	-
Proceeds from disposals of property, plant and equipments		124,173,420	10,660,917
Net cash used in investing activities		<u>(13,438,867,257)</u>	<u>(6,573,452,782)</u>

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Souvanny Home Center Public Company
Statement of Cash flows
For the nine-month period ended 30 September 2021

<u>Notes</u>	<u>30 September 2021 LAK</u>	<u>30 September 2020 LAK</u>
Cash flows from financing activities :		
Proceeds from a short-term borrowing	292,237,001,731	74,217,905,622
Repayment on a borrowings from bank	(301,091,153,337)	(88,727,300,639)
Dividend paid	(3,362,700,000)	(2,640,000,000)
Net cash used in financing activities	<u>(12,216,851,606)</u>	<u>(17,149,395,017)</u>
Net decrease in cash and cash equivalents		
Cash and cash equivalent at the beginning of the period	3,734,536,186	3,740,207,940
Effect of exchange rate changes on cash and cash equivalents	2,885,551,406	3,535,758,079
Cash and cash equivalent at the end of the period	<u>4,702,343,599</u>	<u>3,743,118,611</u>
Significant non cash items		
Other payables from purchases of plant and equipments	236,223,596	1,360,643,329
Interest payable	18,257,902	(12,883,031)



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Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2021

	<u>Notes</u>	<u>30 September 2021 LAK</u>	<u>30 September 2020 LAK</u>
Cash flow from operating activities:			
Net profit before income tax for the period		7,083,204,720	4,246,538,833
Adjustments for:			
Depreciation		4,630,993,337	4,358,061,027
Amortisation		2,082,845	11,052,308
Gain from disposes of property, plant and equipment		(361,259)	(6,646,000)
Gain/Loss on exchange rate		(3,017,040,013)	293,298,749
Interest expense		1,448,416,843	1,019,088,550
Inventories provision (reversal)		(122,280,449)	(308,818,744)
Trade and other receivables provision (reversal)		(286,576,297)	(9,247,249)
Allowance for sale return of trade receivable		616,431,528	(672,542,621)
Operating profit before working capital changes		<u>10,354,871,254</u>	<u>8,930,784,853</u>
Changes in operating assets and liabilities			
- Trade and other receivables		(1,153,017,468)	(1,101,699,928)
- Inventories		(12,696,085,894)	(22,047,379,423)
- Other current assets		(1,110,678,629)	(2,300,853,813)
- Other non-current assets		0	0
- Trade and other accounts payable		9,846,085,878	10,610,563,058
- Deposits from customers		1,595,603,508	292,174,546
- Other current liabilities		(898,036,026)	(289,698,760)
Cash generated from operations		5,938,742,622	(5,906,109,468)
Interest paid		(1,451,609,849)	(1,016,843,632)
Income tax paid		(2,000,000)	(1,000,000)
Net cash used in operating activities		<u>4,485,132,773</u>	<u>(6,923,953,101)</u>
Cash flows from investing activities :			
Purchases of plant and equipments	8	(4,935,862,340)	(2,072,389,711)
Purchases of computer software		(10,958,661)	-
Proceeds from disposals of property, plant and equipments		3,675,753	1,783,353
Net cash used in investing activities		<u>(4,943,145,248)</u>	<u>(2,070,606,358)</u>

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

Souvanny Home Center Public Company
Statement of Cash flows
For the Third Quarter period ended 30 September 2021

<u>Notes</u>	<u>30 September 2021 LAK</u>	<u>30 September 2020 LAK</u>
Cash flows from financing activities :		
Proceeds from a short-term borrowing	72,365,059,496	(79,334,902,980)
Repayment on a borrowings from bank	(72,923,273,478)	84,006,905,966
Dividend paid	-	-
Net cash used in financing activities	<u>(558,213,982)</u>	<u>4,672,002,986</u>
Net decrease in cash and cash equivalents		
Cash and cash equivalent at the beginning of the period	(1,016,226,458)	(4,322,556,473)
Effect of exchange rate changes on cash and cash equivalents	-	-
	<u>2,737,244,473</u>	<u>2,380,467,081</u>
Cash and cash equivalent at the end of the period	<u>1,721,018,016</u>	<u>(1,942,089,392)</u>
Significant non cash items		
Other payables from purchases of plant and equipments	9,512,176	7,429,273
Interest payable		



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Souvanny Home Center Public Company
Condensed notes to the third quarter financial information
For the third quarter period ended 30 September 2021

1. General information

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

The Company's headquarters' registered address is number 366 Ban Phonetongsavath, Chanthabury District, Vientiane Capital, Lao PDR. The Company also has 6 such as: Phonetong branch, Sikhai branch, XokYai branch, Paksan branch, Pakse branch and Thakhek branch.

The Board of Directors authorised this condensed the third quarter financial information for issue on 8 November 2021.

This condensed third quarter financial information has been reviewed, but not audited by external audit.

2. Basis of preparation

The third quarter financial information has been prepared in accordance with the Company's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2020. The primary financial information (i.e. statement of financial position, statement of income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

The third quarter financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

3. Estimates

The preparation of the third quarter financial information requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

In preparing this third quarter financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2020, with the exception of a change in estimate that is required in determining the allowance for slow moving and obsoleted inventories (see in Note 6).

Souvanny Home Center Public Company
Condensed notes to the third quarter financial information
For the third quarter period ended 30 September 2021

4. Cash and cash equivalents

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Cash on hand	463,991,579	544,964,444
Deposits held at call with financial institutions	4,238,352,020	3,189,571,742
Cash and cash equivalents	<u>4,702,343,599</u>	<u>3,734,536,186</u>

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

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

5. Trade and other receivables, net

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Trade accounts receivables	10,488,617,933	11,252,147,774
<u>Less</u> allowance for doubtful debt	<u>(1,357,358,742)</u>	<u>(1,556,532,035)</u>
Trade accounts receivable, net	9,131,259,191	9,695,615,739
Staff borrowings	201,616,778	12,090,950
Other receivables (i)	1,837,425,428	1,513,516,930
	<u>2,039,042,206</u>	<u>1,525,607,880</u>
Trade and other receivables, net	<u>11,170,301,397</u>	<u>11,221,223,619</u>

The Outstanding trade accounts receivable balance as 30 September 2021 is aged as follows:

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Not yet due	4,334,108,320	4,210,619,066
Past due:		
1 – 3 months	1,421,502,356	1,315,949,505
3 - 6 months	163,904,934	110,693,640
6 - 12 months	109,492,093	375,471,140
Over 12 months	4,459,610,230	5,239,414,423
Trade and other receivables, net	<u>10,488,617,933</u>	<u>11,252,147,774</u>
<u>Less</u> allowance for doubtful debt	<u>(1,357,358,742)</u>	<u>(1,556,532,035)</u>
Trade accounts receivable, net	<u>9,131,259,191</u>	<u>9,695,615,739</u>

The allowance was set up from the remaining accounts receivable balance which has been outstanding for more than six months and hasn't been collected up to the present date.

Souvanny Home Center Public Company
Condensed notes to the third quarter financial information
For the third quarter period ended 30 September 2021

6. Inventories, net

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Inventories	262,901,582,772	247,926,281,927
Less: Allowance for slow moving and obsolete	(3,222,575,602)	(2,617,492,376)
Allowance for diminution in value of inventories	(319,769,905)	(833,245,045)
Inventories, net	<u>259,359,237,265</u>	<u>244,475,544,506</u>

Management reassessed and reviewed related allowance for slow moving and obsoleted inventories. Rising adjust related allowance for slow moving and decrease in value of inventory has been revised cost of sale increase LAK 3,542 million (2020: LAK 3,451 million) as slow moving can be actually sold at a higher turnover which is better than previously estimated. As a result, related allowance and cost of goods sold has been adjusted up to be consistent with recent facts and analysis.

7. Property, plant and equipment, net

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Opening net book value	603,046,157,185	550,085,847,112
Additions	13,774,996,552	11,606,041,779
Foreign exchange translation difference	27,256,450,520	58,430,912,314
sell	(81,934,375)	(129,132,433)
Depreciation charge	(13,614,222,921)	(16,947,511,588)
Closing net book value	<u>630,381,446,961</u>	<u>603,046,157,185</u>

Additions during the period ended 30 September 2021 mainly consisted of office equipment and buildings. Total addition of LAK 13,775 million consisted of cash transaction (already paid) of LAK 13,539 million and non-cash transactions (not yet paid) of LAK 236 million.

8. Trade and other payables

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Trade accounts payable– third parties	48,123,449,918	42,655,636,170
Other payables	5,377,339,246	949,392,306
Trade and other account payables	<u>53,500,789,164</u>	<u>43,605,028,476</u>

Souvanny Home Center Public Company
Condensed notes to the third quarter financial information
For the third quarter period ended 30 September 2021

9. Borrowings

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Current		
Bank overdraft	1,476,029,684	20,614,113
Short-term borrowings	71,109,756,956	85,912,676,815
Current portion of long-term borrowings	13,760,196,283	9,068,667,781
Non-current		
Long-term borrowings	13,090,472,764	8,998,418,768
Total borrowings	<u>99,436,455,687</u>	<u>104,000,377,477</u>

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

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
At fixed rates	69,776,458,715	91,621,962,685
At floating rates	29,659,996,972	12,378,414,792
Total borrowings	<u>99,436,455,687</u>	<u>104,000,377,477</u>

During the nine-month period ended 30 September 2021, the significant change on borrowings as follows:

- i. Short-term borrowing from Krungsri bank in Laos for which the interest rate is the Low Rate Limit (LRL) plus a percentage of the margin per annum. The repayments are required within five months after drawdown. The facilities are secured by the shareholder's land.
- ii. Short-term borrowing from Exim bank (Vientiane Branch) in Laos at a fixed interest rate. The repayments are required within 150 days after the drawdown. The facilities are secured by the shareholder's land.
- iii. Short-term loan from Kasikornthai Bank Limited for a contract amount of LAK 30 billion with an annual fixed interest rate. The repayments are required within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land.
- iv. Long-term loan from Kasikornthai Bank Limited for a contract amount of THB 50 million with an annual fixed interest rate which is due in March 2025. The loan principle has been paid quarterly starting from June 2021 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land.

The Deferred financing service fee was recognized when occurred and is amortized throughout the contract period.

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10. Reserve

Legal reserve

	Unaudited	Audited
	30 September	31 December
	2021	2020
	LAK	LAK
Opening balance	5,973,926,973	4,772,981,235
Additional	-	1,200,945,738
Ending balance	5,973,926,973	5,973,926,973

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

Other reserve

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

11. Dividend

At the Annual General Meeting of Shareholders held on 9 April 2021, 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 2020 to 31 December 2020 of LAK 20.38 per share totalling LAK 3,362 million (2019: LAK 2,640 million). The dividend was paid in May 2021 to the shareholders.

12. Income tax expense

The Company doesn't recognise the cooperate income tax payable and receivable in future period in respect of temporary differences. Income tax expense is recognised based on the operating result for the related period and the applicable tax rate.

The Profit tax expenses included in the third quarter financial information for the period represent the profit tax for the period concerned as determined in accordance with the Lao Tax Law.

According to the tax law no. 259 effective on 1 January 2020, the Company calculated Profit taxes on its net taxable income at the rate of 20% after consider the non-deductible income and expenses was in accordance with the Lao Tax Law. For the third quarter period ended 30 September 2021, the non-deductible income and expenses was comprise of the reversal of allowance of inventories, Depreciation on fixed assets that are in excess of the rate or term of life as defined in Lao Tax Law and unrealise gained and loss from revaluation of asset and liabilities in foreign currencies on closing date.

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	Unaudited 30 September 2021 LAK
<i>Reconciliation between income tax expense and accounting profit:</i>	
Accounting profit before income tax	16,518,223,619
Non-deductible and reversal items for tax purpose (1)	(6,826,451,777)
Taxable income (Loss)	9,691,771,842
Tax calculated at the tax rate of 20%	1,938,354,368

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

13. Basic earnings per share

As at 30 September 2021, basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issued during the period.

	Unaudited 30 September 2021 LAK	Unaudited 30 September 2020 LAK
Net profit for the period attributable to shareholders (LAK)	14,579,869,251	7,931,146,397
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per shares	88	48

14. Related party transactions with management in the company.

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

The following material transactions were carried out with related parties.

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14.1 Purchases of goods and services.

	Unaudited 30 September 2021 LAK	Unaudited 30 September 2020 LAK
Purchases of goods from related party	60,852,918,822	64,435,245,564
Rental expense	4,848,821,647	4,426,536,559
	<u>65,701,740,469</u>	<u>68,861,782,123</u>

14.2 Outstanding balance arising from related party transactions

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Accrued rental expense - shareholders	1,823,181,505	10,616,396,603
Trade accounts payable – related party	11,350,664,025	11,567,696,973

14.3 Key management compensation

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

	Unaudited 30 September 2021 LAK	Unaudited 30 September 2020 LAK
For nine-month period ended	1,592,561,921	1,313,337,537

15. Commitment and significant transactions

Operating lease commitments - where the Company is the lessee.

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

	Unaudited 30 September 2021 LAK	Audited 31 December 2020 LAK
Not later than 1 year	2,843,323,024	8,302,628,238
1 - 5 years	2,811,011,232	1,480,230,802
Closing balance 30 September 2021	<u>5,654,334,256</u>	<u>9,782,859,040</u>