SOUVANNY HOME CENTER PUBLIC COMPANY



INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2019

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AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Souvanny Home Center Public Company

We have reviewed the accompanying interim statement of financial position of Souvanny Home Center Public Company as at 30 June 2019, and the related statements of income for six-month period then ended, and the related statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with the Company's accounting principles as described in Note 2 in the annual financial statements. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review 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 condensed interim financial information is not prepared, in all material respects, in accordance with the Company's accounting principles.

For PricewaterhouseCoopers (Lao) Sole Company Limited

By Apisit Thiengtrongpinyo
Partner
Date: 15 August 2019

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 June 2019

	Notes	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Assets			
Current assets			
Cash and cash equivalents	4	3,546,392,695	8,873,646,944
Trade and other receivables, net	5	24,010,966,909	15,759,344,828
Inventories, net	6	190,098,465,781	192,544,408,281
Other current assets	7	4,602,944,436	5,789,722,614
Total current assets		**222,258,769,821**	**222,967,122,667**
Non-current assets			
Property, plant and equipment, net	8	525,971,045,502	490,347,457,551
Intangible assets, net		100,823,043	167,647,579
Other non-current assets		1,586,991,743	1,566,867,647
Total non-current assets		**527,658,860,288**	**492,081,972,777**
Total assets		**749,917,630,109**	**715,049,095,444**

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 15 August 2019

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 15 August 2019

The accompanying notes on pages 8 to 16 are an integral part of this six-month financial information.

Souvanny Home Center Public Company
Statement of Financial Position
As at 30 June 2019

	Notes	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Liabilities and equity			
Current liabilities			
Bank overdraft and short-term borrowings	10	70,194,175,351	57,561,798,309
Trade and other payables	9	43,750,897,139	44,053,148,989
Current portion of long-term borrowings	10	7,321,672,642	7,199,814,350
Profit tax payable		629,994,968	-
Deposits from customers		1,396,073,649	25,868,305,744
Other current liabilities		14,185,145,633	10,333,441,565
Total current liabilities		**137,477,959,382**	**145,016,508,957**
Non Current liabilities			
Long-term borrowings from financial institution	10	19,981,405,153	21,831,908,085
Total non current liabilities		**19,981,405,153**	**21,831,908,085**
Total liabilities		**157,459,364,535**	**166,848,417,042**
Equity			
Share capital			
Authorized share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		**330,000,000,000**	**330,000,000,000**
Issued and paid-up share capital			
Ordinary shares 165 million shares at par value of LAK 2,000		330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve		3,652,027,345	3,652,027,345
Appropriated - Other reserve		3,402,027,345	3,402,027,345
Unappropriated		152,855,600,783	149,927,522,108
Translation adjustments		77,812,885,379	36,483,376,882
Total equity		**592,458,265,574**	**548,200,678,402**
Total liabilities and equity		**749,917,630,109**	**715,049,095,444**

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Souvanny Home Center Public Company
Statement of comprehensive income
For the six-month period ended 30 June 2019

	Notes	Unaudited 2019 LAK	Unaudited 2018 LAK
Revenue from sales		201,981,790,257	155,951,614,417
Revenue from services		1,254,682,971	651,592,910
Cost of sales		(173,425,383,540)	(128,566,707,132)
Cost of services		(240,107,612)	(593,161,202)
Gross profit		**29,570,982,076**	**27,443,338,993**
Other incomes		2,958,937,826	2,625,258,940
Selling expenses		(15,739,124,704)	(13,595,201,061)
Administrative expenses		(12,972,816,974)	(12,241,186,892)
Finance costs		(2,449,002,438)	(1,746,735,402)
Foreign exchange gain/ (loss), net		3,509,097,857	(161,572,213)
Profit before income tax expense		**4,878,073,643**	**2,323,902,365**
Profit tax expense	12	(629,994,968)	-
Net profit for the period		**4,248,078,675**	**2,323,902,365**
Earnings per share			
Basic earnings per share	13	26	14

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Souvanny Home Center Public Company
Statement of changes in equity
For the six-month period ended 30 June 2019

	Note	Issued and paid-up ordinary shares	Premium on share capital	Legal reserve	Other reserve	Unappropriated retained earnings	Translation adjustments	Total equity
		LAK	LAK	LAK	LAK	LAK	LAK	LAK
Opening balance 1 January 2018 -Audited		330,000,000,000	24,735,724,722	3,332,971,187	3,082,971,187	150,496,317,879	12,759,549,711	524,407,534,686
Other reserve		-	-	-	232,390,237	(232,390,237)	-	-
Net profit for the period		-	-	-	-	2,323,902,365	-	2,323,902,365
Dividend paid	11	-	-	-	-	(1,650,000,000)	-	(1,650,000,000)
Translation adjustments		-	-	-	-	-	11,818,186,130	11,818,186,130
Ending balance 30 June 2018 - Unaudited		**330,000,000,000**	**24,735,724,722**	**3,332,971,187**	**3,315,361,424**	**150,937,830,007**	**24,577,735,841**	**536,899,623,181**
Opening balance 1 January 2019 - Audited		330,000,000,000	24,735,724,722	3,652,027,345	3,402,027,345	149,927,522,108	36,483,376,882	548,200,678,402
Net profit for the period		-	-	-	-	4,248,078,675	-	4,248,078,675
Dividend paid	11	-	-	-	-	(1,320,000,000)	-	(1,320,000,000)
Translation adjustments		-	-	-	-	-	41,329,508,497	41,329,508,497
Ending balance 30 June 2019 - Unaudited		**330,000,000,000**	**24,735,724,722**	**3,652,027,345**	**3,402,027,345**	**152,855,600,783**	**77,812,885,379**	**592,458,265,574**

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Souvanny Home Center Public Company
Statement of Cash flows
For the six-month period ended 30 June 2019

	Notes	Unaudited 30 June 2019 LAK	Unaudited 30 June 2018 LAK
Cash flow from operating activities:			
Net profit before income tax for the period		4,878,073,643	2,323,902,365
Adjustments for:			
Depreciation	8	6,819,836,873	5,602,226,290
Amortisation		76,242,359	150,641,188
Gain from disposes of property, plant and equipment		(1,170,766)	15,510,382
Gain/Loss on exchange rate		(30,387,875,177)	(1,234,017,402)
Interest expense		2,449,002,438	1,746,735,402
Allowance for slow moving and obsolete inventories	6	(503,515,984)	(3,191,963,235)
Allowance for goods return	6	527,690,421	-
Allowance for doubtful debts		185,773,451	(155,644,979)
Allowance for sale return of trade receivable		589,441,379	-
Operating profit before working capital changes		(15,366,501,363)	5,257,390,012
Changes in operating assets and liabilities			
- Trade and other receivables		(7,843,240,386)	1,432,973,474
- Inventories		16,879,039,720	(29,616,729,182)
- Other current assets		1,621,501,749	512,069,757
- Other non-current assets		97,524,770	(150,473,440)
- Trade and other accounts payable		(5,023,714,708)	5,892,372,218
- Deposits from customers		(26,414,563,876)	1,332,326,954
- Other current liabilities		3,075,813,596	3,279,509,216
Cash used for operations		(32,974,140,498)	(12,060,560,991)
Interest paid		(2,449,002,438)	(1,746,735,402)
Profit tax paid		(300,000)	(149,000,000)
Net cash used in operating activities		**(35,423,442,936)**	**(13,956,296,393)**
Cash flows from investing activities :			
Purchases of plant and equipments	8	(4,211,779,969)	(13,631,788,368)
Purchases of computer software		-	(19,103,374)
Proceeds from disposals of property, plant and equipments		1,170,216	100,384,197
Net cash used in investing activities		**(4,210,609,753)**	**(13,550,507,546)**

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Souvanny Home Center Public Company
Statement of Cash flows
For the six-month period ended 30 June 2019

	Notes	30 June 2019 LAK	30 June 2018 LAK
Cash flows from financing activities :			
Proceeds from borrowings	10	77,869,817,889	76,111,573,898
Repayment on borrowings from bank	10	(45,103,759,225)	(51,254,228,227)
Dividend paid	11	(1,320,000,000)	(1,650,000,000)
Net cash generated from financing activities		**31,446,058,664**	**23,207,345,671**
Net decrease in cash and cash equivalents		(8,187,994,025)	(4,299,458,267)
Cash and cash equivalent at the beginning of the period	4	8,873,646,944	7,825,563,835
Effect of exchange rate changes on cash and cash equivalents		2,860,739,776	1,531,761,181
Cash and cash equivalent at the end of the period		**3,546,392,695**	**5,057,866,749**
Significant non cash items			
Other payables from purchases of plant and equipments		1,413,715,061	1,323,388,105

Waddana SOUKHABANDITH
Chief Executive Officer
Date: 15 August 2019

Phannola SOUKHABANDITH
Chief Financial Officer
Date: 15 August 2019

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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 engages in the trading of a full range of goods and materials for construction, additions, refurbishment, renovation and improvement of buildings, houses and residences, and provides related services.

The Company's address of its registered headquarters is: 366 Ban Phonetongsavath, Chanthaburi District, Vientiane Capital, Lao PDR.

This condensed interim financial information was authorised for issue by the Board of Directors on 15 August 2019.

This condensed interim financial information has been reviewed, not audited.

2. Accounting policies

2.1 Basis of preparation

The condensed interim 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 2018. The primary financial information (i.e. statement of financial position, statement of comprehensive 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 No.007/SECO, dated 3 April 2014 issued by Lao Securities and Exchange Commission Office.

The condensed interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

According to the Accounting Law and Regulation on accounting and auditing in securities sector under the Securities Commission Office in Lao P.D.R., all listed companies are required to prepare their financial statements in accordance with International Financial Reporting Standards (IFRSs) as generally accepted accounting principles. At present, the Securities Commission Office is still flexible and allows listed companies to apply their own significant accounting policies, but they also encourage listed companies to fully adopt the IFRSs as they will be enforced in the future. In Lao PDR, there are significant differences between a company's own accounting policies and the IFRSs, in many areas such as property, plant and equipment, leases, current and deferred income tax, pre-operation costs and borrowings cost. Hence, users of the financial statements should be aware and understand these differences and how these will affect their interpretation and decision making.

3. Estimates

The preparation of interim 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.

4. Cash and cash equivalents

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Cash on hand	406,803,293	891,617,104
Deposits held at call with financial institutions	3,139,589,402	7,982,029,840
Cash and cash equivalents	3,546,392,695	8,873,646,944

Cash on hand includes petty cash.

Deposits held at call with financial institutions represents cash deposited in current accounts with reputable local banks in three currencies: US Dollars, Thai Baht, and Lao Kip.

5. Trade and other receivables, net

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Trade receivables	25,204,226,771	15,777,824,422
Less: Allowance for doubtful accounts	(1,364,193,525)	(1,088,932,900)
Allowance for sale return of trade receivables	(613,949,603)	-
Trade receivables, net	23,226,083,643	14,688,891,522
Staff borrowings	35,616,668	45,493,253
Other receivables	749,266,598	1,024,960,053
	784,883,266	1,070,453,306
Trade and other receivables, net	24,010,966,909	15,759,344,828

Outstanding trade receivables balance can be analysed as follows:

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Not yet due	14,602,925,663	3,813,529,908
Overdue:		
Within 3 months	4,757,538,289	6,422,471,137
3 - 6 months	1,079,979,965	448,036,210
6 - 12 months	1,710,828,309	2,152,090,284
Over 12 months	3,052,954,590	2,941,696,883
Less: Allowance for doubtful accounts	(1,364,193,525)	(1,088,932,900)
Allowance for sale return of trade receivables	(613,949,648)	-
Trade receivables, net	23,226,083,643	14,688,891,522

5. Trade and other receivables, net (continued)

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

6. Inventories, net

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Tiles and construction materials	61,195,163,856	52,071,257,040
Sanitary wares and faucets	37,582,788,744	34,257,653,349
Elevators and escalator parts	1,286,060,035	32,739,267,081
Roofs and decorations	35,811,953,182	29,724,537,549
Paints, tools and electrical equipment	55,289,951,386	44,088,791,967
Others	1,442,059,706	2,000,157,513
Add : Allowance for goods return	527,690,421	-
Less: Allowance for slow moving and obsolete inventories	(1,419,258,620)	(979,921,185)
Allowance for decrease in value of inventories	(1,617,942,929)	(1,357,335,033)
Inventories, net	190,098,465,781	192,544,408,281

The change in inventories recognised as an expense in the cost of sales in this period is LAK 172,922 million (2018: LAK 283,844 million).

During the interim period ended 30 June 2019, management reassessed and reviewed related allowance for slow moving and obsoleted inventories. Related allowance for slow moving and decrease in value of inventory has been revised up LAK 504 million (2018 : revised down LAK 3,192 million) as slow moving can be actually sold at a lower turnover 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.

For the period ended, management reviewed to get an estimate of the allowance for goods returned with a right of return of within 30 days. Therefore, the allowance recognised for the goods expected to be returned which affect the cost of goods sold has been revised down LAK 528 million.

7. Other current assets

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Advance payment to suppliers	660,909,234	453,845,505
Accrued rebate from suppliers	2,945,594,710	4,531,136,748
Prepaid insurance premium	141,576,228	96,869,874
Others	854,864,264	707,870,487
Other current assets	4,602,944,436	5,789,722,614

8. Property, plant and equipment, net

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Opening net book value – audited	490,347,457,551	460,349,989,027
Additions	5,625,495,030	21,178,572,920
Foreign exchange translation difference	36,817,929,243	20,721,144,032
Disposal	551	(6,661)
Depreciation charge	(6,819,836,873)	(11,902,241,767)
Closing net book value - unaudited	525,971,045,502	490,347,457,551

Additions during the six-month period ended 30 June 2019 mainly consisted of buildings and office equipment for branch at provinces. Total additions of LAK 5,625 million consisted of cash transactions (already paid) of LAK 4,212 million and non-cash transactions (not yet paid) of LAK 1,413 million.

9. Trade and other payables

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Trade payables - third parties	43,682,049,402	44,053,148,989
Other payables	68,847,737	-
Trade and other payables	43,750,897,139	44,053,148,989

10. Borrowings

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Current		
Borrowings from financial institutions	77,578,541,260	64,888,623,309
Non-current		
Borrowings from financial institutions	20,185,002,840	21,980,475,000
Borrowings	97,763,544,100	86,869,098,309
Less: Deferred financing service fee	(266,290,954)	(275,577,565)
Borrowings from a financial institutions, net	97,497,253,146	86,593,520,744

10. Borrowings (continued)

Movements in borrowings are as follows:

	Unaudited 30 June 2019 LAK
Opening balance as at 1 January 2019 - audited	86,593,520,744
Additions	77,869,817,889
Repayments	(45,103,759,225)
Translation adjustments	(21,862,326,262)
Closing balance - unaudited	97,497,253,146

During the six-month period ended 30 June 2019, 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, and for the six-month period ended 30 June 2019, there was an amount of LAK 34,618 million drawn down.

ii) Short-term borrowing from LaoViet bank in Laos at a fixed interest rate of 6.5%. The repayments are required within five months after the drawdown. The facilities are secured by the shareholder's land, and for the six-month period ended 30 June 2019, there was an amount of LAK 13,251 million drawn down.

iii) Short-term loan from Kasikorn bank in Laos for a contract amount of THB 110 million with an annual fixed interest of 6.4% per annum. The repayments are required within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land. For the six-month period ended 30 June 2019, there was an amount of LAK 30,000 million drawn down.

iv) Long-term loan from Kasikorn bank from Laos for a contract amount of THB 110 million with an annual fixed interest of 6% per annum which is due in December 2022. The loan principle has been paid quarterly starting from March 2019 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land. During the six-month period ended 30 June 2019, the loan was fully drawn down in the year ended 2018.

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

11. Dividend

At the Annual General Meeting of Shareholders held on 5 April 2019, 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 2018 to 31 December 2018 of LAK 8 per share totalling LAK 1,320 million (2018: LAK 1,650 million). The dividend was paid in May 2019 to the shareholders.

12. Profit tax expense

The Profit tax expenses included in the interim 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 effective on 28 January 2016, the Company must pay taxes on its net taxable income at the rate of 24%.Then after listing on the LSX, the Company shall pay taxes on its net taxable income at the rate of 24%, subject to further reduction to the rate of 5% during the first four years after the Company's registration date (2015 to 2018) in accordance with the Enactment of the President of Lao PDR regarding Profit tax and Fee for Securities and Exchange, No. 1/ President, date 28 December 2010.

For the six-month period ended 30 June 2018, as the non-deductible income and expenses was in accordance with the Law Tax Law, there was no income tax expense was recognised for the period.

For the six-month period ended 30 June 2019, the Company represent the profit tax on its net taxable income at 24% after consider the non-deductible income and expenses was in accordance with the Law Tax Law.

13. Basic earnings per share

As at 30 June 2019, basic earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the period.

	Unaudited 30 June 2019	Unaudited 30 June 2018
Net profit for the period attributable to shareholders (LAK)	4,248,078,675	2,323,902,365
Weighted average number of ordinary shares (shares)	165,000,000	165,000,000
Basic earnings per share	26	14

14. Related party transactions

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 rights 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.

In considering each possible related-party relationship, attention is given to the substance of the relationship, and not merely the legal form.

The Company is controlled by the SOUKBANDITH family, who own 51% of the Company's shares. 34% of the company's shares is owned by 'Global House International Limited', a listed company in Thailand and the remaining 15% of the shares is widely held.

14. Related party transactions (continued)

The following significant transactions were carried out with related parties.

i) Sales of goods and services

For the six-month period ended	Unaudited 30 June 2019 LAK	Unaudited 30 June 2018 LAK
Sales of goods to shareholders	322,646	82,241,964

ii) Purchases of goods and services

For the six-month period ended	Unaudited 30 June 2019 LAK	Unaudited 30 June 2018 LAK
Purchases of goods from related party	38,885,115	107,992,676
Rental expense	2,346,120,002	1,870,733,375

The purchase of goods is mainly from "Siam Global House Public Company Limited" (Global House), which is the parent company of Global House International Limited (a shareholder).

The rental expense is for land and buildings being rented from the major shareholders to support operations. The rental charge is based on the agreed price between both parties by referring to market prices.

iii) Outstanding balances arising from related party transactions

	Unaudited 30 June 2019 LAK	Audited 31 December 2018 LAK
Trade receivable – Global House (Note 5)	23,794,241	39,476,168
Accrued rental expenses	9,885,387,359	6,896,265,613

iv) Key management compensation

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

	Unaudited 30 June 2019 LAK	Unaudited 30 June 2018 LAK
For three-month period ended	447,700,000	449,575,000
For six-month period ended	834,900,000	899,150,000

15. Commitments and significant agreements

Operating lease commitments - where the Company is the lessee

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

	30 June 2019 LAK	31 December 2018 LAK
Not later than 1 year	9,239,859,703	7,655,803,273
1 - 5 years	11,555,441,650	15,949,074,494
	20,795,301,353	23,604,877,767

16. Supplementary information

The Company presents the unaudited statement of income for the three-month period ended 30 June 2019 under this note to the unaudited financial statements. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office (Note 2).

Summary of statement of income
For the three-month period ended 30 June 2019 and 2018

	Unaudited 2019 LAK	Unaudited 2018 LAK
Revenue from sales	112,700,537,671	78,862,652,378
Revenue from services	916,035,601	312,396,170
Cost of sales	(98,348,438,770)	(64,491,451,703)
Cost of services	(176,209,752)	(298,521,225)
Gross profit	**15,091,924,750**	**14,385,075,620**
Other incomes	1,557,150,620	1,492,747,569
Selling expenses	(8,061,913,055)	(5,999,966,750)
Administrative expenses	(6,751,406,668)	(6,477,346,586)
Finance costs	(1,336,370,304)	(980,634,817)
Foreign exchange gain (loss), net	2,371,764,530	(1,437,759,637)
Profit before income tax expense	**2,871,149,873**	**982,115,399**
Profit tax expense	(386,065,030)	-
Net profit for the period	**2,485,084,843**	**982,115,399**

17 Event after the reporting period

17.1 Transfer of rights and obligations as distributor of Mitsubishi elevators and escalators

As stated in the Asset Transfer Agreement and as negotiated with Mitsubishi Elevator (Thailand) Co., Ltd. (MET), the Company will transfer its assets, properties, and rights as distributor of Mitsubishi elevator and escalator to MET and to its subsidiaries, wholly-owned by MET, in Lao PDR. The transfer includes sales contracts, employment contracts, inventories, spare parts and tools for maintenance, fix assets, and vehicles relating to sale of elevators and escalators. The selling price is USD 1.1 million (inclusive of value added tax), which is equivalent to LAK 9,513 million. The transfer will be complete by 30 October 2019.

Related asset, properties and rights of the Company are as follow:

	Unaudited As of 30 June 2019 LAK
Inventories	1,430,047,054
Property, plant and equipment, net	232,343,924
Trade payable - Mitsubishi	515,383,060

Since 1 July 2019, the Company no longer has the right and obligation to sell and service related to elevator and escalator to customers.

17.2 Closing of branch

On 1 July 2019, the Company closed its Toungtoom branch located in Vientiane Capital. This branch mainly operated for selling of elevators and escalators.

Aside from the events mentioned above, there are no other significant events occurring after the period end requiring adjustments or disclosures to the financial information for the period ended 30 June 2019.