2020

The Third Quarter report 2020

30 September 2020

ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

Souvanny Home Center Public Company



ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

Souvanny Home Center Public Company

PHONTONGSAVAT RD, PHONTONG VILLAGE, CHANTHABULY DISTRICT, VIENTIANE CAPITAL

OFFICE: (856) 21 415645, FAX: (856) 21 262984, WWW . SOUVANNY.COM



The Third Quarter Report 2020

I. Overview of business of Company.

1. Vision.

Souvanny Home Center will become a leader in of the development of modern trade centers on construction materials, home decoration, home appliances, and Consumer goods in all sale channels to meet the customer's needs in Lao PDR and connects to the ASEAN market.

2. Mission

- Developing the import of construction materials, home furnishings, home appliances, and consumer goods from all areas with quality and reasonable prices to all customer groups, and all areas of Laos, contributing to be a part to drive the Lao economy.

- Improving the Service and Hand-over in all sales channels both Offline and Online to be modernized.

- Enhancing the capacity of personnel and creating continuous successor staffs to be the potential personnel to cope with the new technologies changing in the transfer periods and changing of the customer's behavior in the new era.

- Developing Laos' trade links with ASEAN and the world, as Laos is the center of the region.

- Maintain all interests of all parties involved in the Company and contribute to social and environmental responsibility for sustainable green development.

3. The Core Objective of Business Operation

- Increase average sales not less than 10% of total sales compared with the previous year.

- Increase sales of new product in portion of 20% of total sales.

II. Financial Status and Business Operation Result

1. **Revenue:**
   - Total revenue of the third quarter 2020 were equivalent to LAK 100,582 million, compared to the same period last year an increase of LAK 16,444 million or equal to 19.54% due to the increased sales revenue and revenue from newly opened branches, Therefore the company has increased revenue.
   - Total accumulated revenues for nine-month 2020 were equivalent to LAK 290,680 million, compared to the same period last year, an increase of LAK 3,306 million or equal to 1.15% due to the company has the increase in product category varieties and revenue from new branches.
2. **Expenses:**
   - Total expenses of the third quarter 2020 were equivalent to LAK 16,723 million, compared to the same period last year an increase of LAK 1,208 million or equal to 7.78 %, due to the increase in sales and administrative expenses as well as the expenses of the new branch.
   - Total accumulated expenses for nine-month 2020 were equivalent to LAK 47,193 million, compared to the same period last year an increased LAK 517 million or equal to 1.10 %, due to the rise of administrative expenses and fixed assets increase from expanding new branches, it was a reason that depreciation charges increased respectively.

3. **Net Profit:**
   - Total net profit of the third quarter of 2020 were equivalent to LAK 3,776 million.
   - Accumulated net profit for nine-month of 2020 were equivalent to LAK 7,931 million.
4. **Asset:** Total assets as at September 30, 2020, were equivalent to LAK 829,061 million compared to December 31, 2019, increased LAK 43,446 million, or equal to 5.53%.
5. **Liabilities:** Total liabilities as at September 30, 2020, were equivalent to LAK 160,698 million compared to December 31, 2019, increased LAK 2,090 million. or equal to 1.31%.
6. **Equity:** Total equity as at September 30, 2020, were equivalent to LAK 668,363 million compared to December 31, 2019, increased LAK 41,356 million, or equal to 6.59%.

Note: For business performance figures depend on Financial Statement.

III. General Information and some important information about SVN

1. Location and Network

The Head Office of the Company is located at No 366, Phonetongsavath Village, Chanthabouly District, Vientiane Capital. Nowadays, there are 6 branches. 3 branches in Vientiane and 3 branches in other provinces such as:

1. Phonetong branch address: No 366, Phonetong Rd, phonetongsavath village, Chanthabouly District.
   Tel: 021 560000 / 020 56082311
2. Sikhai branch address: 13 North Rd, Nahae village, Sikhottabong District.
   Tel: 021 621254 / 020 58842414
3. Xokyai branch address: 450 Rd, Xokyai village, Xaysettha District.
   Tel: 021 466009 / 020 55112509
4. Pakxan branch address: 13 South Rd, Sisaart village, Pakxan District, Borlikhamxay Province.
   Tel: 054 791026 / 020 58097558
5. Pakse branch address: Karng village, Pakse Capital City, Champasuk Province.
   Tel: 031 514091 / 020 56206753
6. Thakhek branch address: Phonphim village, Thakhek District, Khammuan Province.
   Tel: 051 212353 / 020 94071293

2. Contact Information

- Tel: (+856-21) 415645 / 021 561111
- fax: (+856-21) 262984
- E-mail: Souvanny@souvanny.com
- Website: www.souvanny.com

3. History of SOUVANNY

SOUVANNY Home Center Public Company ("the Company" or "SVN") operates one-stop shopping home center which provides both services and full-ranged products from construction material to home supplies and decoration such as, tile, sanitary ware, paint, home and office decoration material. Moreover, the Company also has services including the products recommendation to customers, interior design for kitchen and restroom, and product delivery. Most of the imported products of the Company are high quality with well-known brands easily recognized effectively managed by modern computer system, focusing on distribution and warehouse system. The products can be separated over 20 categories vary on the customers' needs under the slogan that "improving products and services to high quality,

delivering full-range products with on-time basis, satisfying customers, and continuous development". The Company's distribution channel is to sell through its own modern trade showrooms under the brand "Souvanny" to be leading modern construction materials in Lao PDR.

Souvanny's shop was established in **1988** by Mrs. Souvanny SOUKHABANDITH, Mr. Waddana SOUKHABANDITH, and Mr. Phannola SOUKBANDITH at Sisawat Village, Chanthabuly District, Vientiane Lao PDR. However, currently it becomes a sub-branch (Thongkhankham branch) with initial registered capital of 3,250,000 Kip. **In 1993,** the Company was registered as Souvanny Trading Export-Import Sole Company Limited with registered capital 100,000,000 Kip. **In 2000**, the Company rapid growth as the need in construction materials has increased, together with Mr. Kotsada SOUKHABANDITH graduating from abroad and coming to help manage the Company business. In this year, the Company opened Phonetong branch operating the first one-stop shopping home center which provides both services and full-ranged products from construction materials to home supplies and decorations in modern trade showroom. So, the head office was moved from Thongkhankham branch to Phongtong branch (currently Head office). **In 2004,** the company has expanded a new branch as Sikhai branch at Nahae Village, Sikhottabong District, Vientiane. **In 2015,** the Company has transformed the business from Souvanny Trading Export-Import Sole Company Limited to Souvanny Trading Export-Import Company Limited with the registered capital 500,000,000 Kip. Extraordinary General Shareholder's Meeting No. 1/2015, **on 28 July 2015,** has approved the important issues as follow: Changing the par value from 50,000 Kip per share to 2,000 Kip per share. Approving an increase in registered capital from 500,000,000 Kip to 280 billion Kip, total 140,000,000 shares. The Company was invested by Global House International Company Limited, who provides both services and full-ranged products from construction materials to home supplies and decoration in Thailand, expecting to obtain business operation know-how to improve the Company business. Extraordinary General Shareholder's Meeting No.3/2015, the company is controlled by SOUKHABANDITH family who own 60% of the company's share. 40% of the company's shares is owned by Global House International Limited. **on 13 September 2015**, has agreed on the important issues as follow: Transforming the Company to public company and changing the company name to Souvanny Home Center Public Company. Approving an increase in registered capital for Initial Public Offering (IPO) 50 billion Kip by issuing 25,000,000 ordinary shares, with par value of 2,000 Kip per share to respond to economic growth and become a listed company in Lao Securities Exchange (LSX). The Company's share was listed in LSX and first trading day **on 11 December 2015. On 30 January 2017,** the company has expanded a new branch as Xokyai Branch at Xokyai Village, Saysettha District, Vientiane (450 Year Road). **On 30 September 2017**, the company has expanded a new branch as Pakxun Branch at Sisaard Village, Pakxun district, Borlikhamxay Province. **On 31 March 2018**, the company closed business of SVN's Thongkhankham Branch and **On 17 July 2018,** the company has expanded a new branch as Pakse Branch at Karng Village, Pakse district,

Champasak Province. **On 1 July 2019**, the company closed business of SVN's ThongToum Branch.

- On 02 March 2020, the company has expanded a new branch as Thakhek Branch at Phonphim Village, thakhek District, Khammuan Province.

IV. Organization Structure: Board of Directors, Managing Directors and the activities of the Board.

1. The structure of SVN's Board of Directors and their curriculum vitae.

1.1 Board of Directors of SVN consists of 9 members:

1.	Mr. Ounh LASOUKANH	Chairman
2.	Mr. Anousone OUNTAI	Vice Chairman
3.	Mr. Waddana SOUKHABANDITH	Member
4.	Mr. Bounterm KOMMITTAPHAP	Member
5.	Mr. Xayphone KONGMANILA.Ph.D.	Member
6.	Mr. Piphop VASANAARCHASAKUL	Member
7.	Ms. Chutikan SRISAENGCHAN	Member
8.	Mr. Phannola SOUKHABANDITH	Member
9.	Mr. Kotsada SOUKHABANDITH	Member

1.2 Briefly Background of Board of Directors.

1. Mr. Ounh LASOUKANH



Date of Birth	12/10/1950
Nationality	Lao
Education Background	Bachelor of Labor Economics, Hanoi. University of Trade Unions, Vietnam.
Positions	Chairman of Board of SVN. Chairman of the Risk Management Committee, Independent Director of SVN

2. Mr. Anousone OUNTAI



Date of Birth	01/01/1971
Nationality	Lao.
Education Background	Master of Business Administration of University of Laos.
Positions	Vice chairman of Board of SVN.

3. Mr. Waddana SOUKHABANDITH



Date of Birth	28/10/1966
Nationality	Lao.
Education Background	Master of Business Administration , Mahasarakham University,Thailand.
Positions	Member of Board of SVN. CEO of SVN.

4. Mr. Bounterm KOMMITTAPHAP



Date of Birth	03/03/1955
Nationality	Lao
Education Background	Bachelor' Degree of Law of Faculty of Law and Political Science of Laos
Positions	Member of Board of SVN. Chairman of the Remuneration Committee, Independent Director of SVN

5. Mr. Xayphone KONGMANILA .Ph.D.



Date of Birth	30/12/1973
Nationality	Lao
Education Background	Doctoral Degree of Business Administration, Hiroshima University, Japan.
Positions	Member of Board of SVN. Chairman of the Audit Committee, Independent Director of SVN

6. Mr. Phiphop VASANAARCHASAKUL



Date of Birth	21/05/1970
Nationality	Thai
Education Background	Bachelor's degree of humanities, Kasetsart University, Thailand
Positions	Member of Board of SVN. Deputy Chief Executive Officer- Business Development of Siam Global House PCL.

7. Ms. Chutikan SRISAENGCHAN



Date of Birth	25/04/1969
Nationality	Thai
Education Background	Master of Business Administration, Khonkaen University, Thailand
Positions	Member of Board of SVN. Deputy Chief Executive Officer of Financial and Accounting of Siam Global House PCL

8. Mr. Phannola SOUKHABANDITH



Date of Birth	22/09/1969
Nationality	Lao
Education Background	Master of Business Administration, Mahasarakham University, Thailand.
Positions	Member of Board of SVN. Chief financial officer Of SVN (CFO)

9. Mr. Kotsada SOUKHABANDITH



Date of Birth	04/01/1972
Nationality	Lao
Education Background	Master of Business Administration, Khonkaen University, Thailand
Positions	Member of Board of SVN. Chief operating officer Of SVN (COO)

1.3 The structure of SVN's Executive Management.

1. Mr. Waddana SOUKHABANDITH



Chief Executive Officer of SVN (CEO)

2. Mr. Phannola SOUKHABANDITH



Chief Financial Officer of SVN (CFO)

3. Mr. Kotsada SOUKHABANDITH



Chief Operating Officer of SVN (COO)

2. The activities of SVN's Board.

1. The activities of SVN's Board.

- The 03rd Ordinary Meeting of the Board of Directors of Souvanny Home Center Public Company (SVN) for the year 2020 was held at 14:00 on the 17th August 2020, at the Head Office of SVN. The Meeting was presided by Mr. Ounh LASOUKANH, Chairman of the Executive Council of SVN's Board of Directors and the participation of Board members and invited participants.

2. The activities of Audit Committee.

The Audit Committee held the third meeting of 2020 on 13th August 2020 to consider and review the financial statements for the first Six-month of 2020.

V. Corporate Social Responsibility.

1. Tax Payment.

Souvanny Home Center Public Company has strictly taken under the law of the Lao P.D.R. particularly Tax law by performing its obligation to the state such as Value Added Tax, payroll tax, profit tax, etc.

	The state tax in the Third quarter of 2020	
No.	**Details**	**Total value (LAK)**
1	Import Duty	861,701,300
2	Value Added Tax	9,954,160,758
3	Payroll Tax	244,214,416
4	Profit Tax	
	Total	**11,060,076,474**

	The state tax for the accumulate nine-month of 2020	
No.	**Details**	**Total value (LAK)**
1	Import Duty	1,998,681,551
2	Value Added Tax	29,165,590,388
3	Payroll Tax	537,711,996
4	Profit Tax	1,000,000
	Total	**31,702,983,935**

2. Corporate Social Responsibility.

Souvanny Home Center Public Company supported the society such as:

- Souvanny Home Center together to donate the Blood to Lao Red Cross.



- Donated a water pump to Pah Na Khoun Noy temple



- Donated school roof repair equipment to Somsamai Secondary School



- Donated learning materials to student at Ban Toiy School, Pa Thoum Phone District, Champasack Province.



- Donated floor tiles to Viengchalern Village office



Chief Executive Officer

Souvanny Home Center Public Company

Waddana SOUKHABANDITH