# THE FIRST SIX - MONTH REPORT 2019

ສຸວັນນີ
SOUVANNY
Home Center

## ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

## Souvanny Home Center Public Company


ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ
SOUVANNY HOME CENTER PUBLIC COMPANY
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# *The First six-month Report 2019*

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# Board of Directors of SVN



ທ່ານ ອຸ່ນ ຫຼ້າສຸກັນ

**Mr. Ounh LASOUKANH**

ປະທານສະພາບໍລິຫານ

**Chairman of board**



ທ່ານ ນາງ ປະພັດສອນ ສຸຄະບັນດິດ

**Mrs. Paphatsone SOUKHABANDITH**

ຮອງປະທານສະພາບໍລິຫານ

**Vice Chairman of board**



ທ່ານ ວັດດານາ ສຸຄະບັນດິດ

**Mr. Waddana SOUKHABANDITH**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ບຸນເຕີມ ກິມມິດຕະພາບ

**Mr. Bounterm KOMMITTAPHARB**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ປະດິດ ວົງເສນາ

**Mr. Padith VONGSENA**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ພິພົບ ວາດສະໜາອາຊາສະກຸນ

**Mr. Phiphop VASANAARCHASAKUL**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ນາງ ສຸຕິການ ສີແສງຈັນ

**Ms. Chutikan SRISAENGCHAN**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ນາງ ວຽງດາລາ ບຸບຜາ

**Mrs. Viengdara BOUBPHA**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**



ທ່ານ ຄຳພອນ ພິລະພັນ

**Mr. Khamphone PHILAPHAN**

ສະມາຊິກສະພາບໍລິຫານ

**Member of board**

# ຄະນະຜູ້ອຳນວຍການໃຫຍ່ຂອງ ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ
# Managing Directors of SVN



ທ່ານ ວັດດານາ ສຸຄະບັນດິດ
**Mr. Waddana SOUKHABANDITH**
ຜູ້ອຳນວຍການໃຫຍ່
**CEO**



ທ່ານ ພັນໂນລາ ສຸຄະບັນດິດ
**Mr. Phannola SOUKHABANDITH**
ຮອງຜູ້ອຳນວຍການຝ່າຍການເງິນ
**CFO**



ທ່ານ ກົດສະດາ ສຸຄະບັນດິດ
**Mr. Kotsada SOUKHABANDITH**
ຮອງຜູ້ອຳນວຍການຝ່າຍປະຕິບັດການ
**COO**

## 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 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, a joint venture company between Siam Global House Public Company Limited and Siam Cement Public 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, **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.

Nowadays, there are 1 Head office and 6 branches in Vientiane sach as: Phonetong branch, Sikhai branch, Thongtoum branch, Xokyai branch and 2 branches in the other province such as: Pakxan branch and Pakse branch.

## ➢ The Core Objective of Business Operation

1. Increase sales to 12%.
2. Delivery full-range products with on time basis to 95%
3. Create customer satisfaction to 95%

## ➢ Vision

To become a leading modern construction materials and home decoration company in Lao PDR and connecting to ASEAN market.

## ➢ Mission

Aim to develop the provision of high quality and variety products, improve the service mechanism to be standardized and modernized, set the price to be reasonable and suitable to meet all level demand of house owners, contractors and dealers, contribute actively to respond the society and environment, also develop constantly personnel in order to support company's goal for expanding new branch covering countrywide.

## Business Operation

### 1. Revenue

The Company had a total revenue of LAK 203,236 million in the First six-month of 2019 compared with revenue in the First six-month of 2018 was LAK 156,603 million, it was indicated that total revenue of the First six-month of 2019 was increase. Because the company has increased in product category varieties and revenue from new branches.

### 2. Expenses

The company had the total expense of LAK 31,160 million in the first six-month of 2019 compared with expenses in the first six-month of 2018 was LAK 27,583 million, it was indicated that total expenses of the First six-month of 2019 were increased. Due to the company had expanded new branches, the increasing of employees and fixed assets increase from expanding new branches. It was a reason that depreciation charges increase respectively.

### 3. Net Profits

The Company had total net Profits of LAK 4,248 million in the First six-month of 2019.

## Marketing

### 1. Product:

The Company focused on marketing by selecting and providing the new product categories from suppliers with international standard in order to be able to provide high quality and various products to customers and Company has constantly increased new products to be choices for customers by aiming to be the one-stop Shopping center of construction materials and home decor with modern and biggest showroom in Lao PRD as slogan of Imagination can be realized.

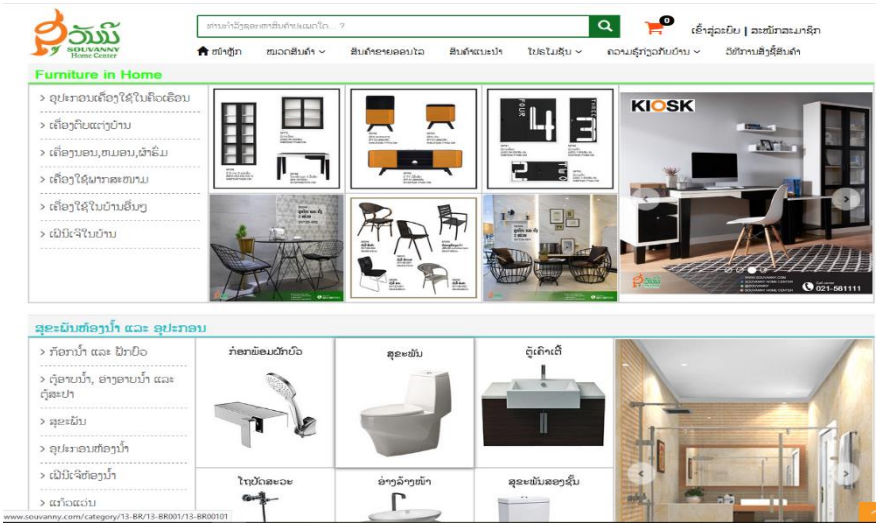
### 2. Place:

The Company has focused on expanding the sale channels Nowadays, there are 6 branches. 4 branches in Vientiane and 2 branches in the other province such as:

1. Phonetong branch address: No 366, Phonetong Rd, phonetongsavath village, Chanthabouly District.
2. Sikhai branch address: 13 North Rd, Nahae village, Sikhottabong District.
3. Thongtoum branch address: T2 Rd, Thongtoum village, Chanthabouly District.
4. Xokyai branch address: 450 Rd, Xokyai village, Xaysettha District.

5. Pakxan branch address:13 South, Sisaart village, Pakxan District, Borlikhamxay Province.
6. Pakse branch address: Karng village, Pakse District, Champasuk Province.

There is also a convenient way for customers to access our products on the company's website [www.souvanny.com](http://www.souvanny.com)




## 3. Promotion.

The Company had more policies for setting sale promotion to be suitable for each group of the product with focusing on the new product and promotion suppliers, the objectives promotion's activities were to increase awareness, acknowledgment of SOUVANNY's brand and create a good image of the company through 3 main channels as follow:

1. **<u>Advertising:</u>**

- **Printed media such as** leaflets, Magazines, new paper, and others.
- **Internal and External signage such as** standee and mobile billboards, Lighting box, Tower, street sign and others…
- **Electronic media such as** www.souvanny.com, Facebook: SOUVANNY Home Center, Radio, Television, Line, IG, and others.

2. **<u>Sale Promotion</u>**

The company had created the sale promotion through activities namely: discount for the specific events, redeeming, giving out, premium, sweepstake, promotion for point of purchase, promotion for craftsman, lucky draw. Developed the Loyalty Program to make the customer come to reuse our service through souvanny family club to redeem the score for premiums.

- Souvanny Home Center Public Company joined with Stiebel Eltron Asia company to hold sweepstake ceremony of gold necklace 5 baht to customers.




- On the 15-16 June of 2019, we held more activities for celebrating the 1st Anniversary of Souvanny Home Center Public Company of Pakse branch such as lucky-draw ceremony, and the question-answering contest related to product and company for prizes or scholarships attended by students from the Technical University of Champasak Province.



- Activity of SHERA offered you to buy only products of SHERA at the value of 560,000 KIP get the coupon for the prize.




## 3. Public Relations

Last the First six-month of 2019, SVN helped and supported societies such as Blood donation, Souvanny Joined with Vientiane 1623 Rescue units to donate educational materials and gifts to students of Xumked Primary School on the occasion of the International Children's Day and National Arbour's Day of 2019. And we not only donated paint DoungYai Primary School (TOA) but also painted in Project of smile Sharing Year 3.

- Donated education materials and gift for students in the international and Children's Day and National Arbour's Day of 2019



- Donated paint (TOA) and painted to DoungYai Primary School.




## Human Resource

The company developed our personnel by organizing more internal and external seminars to become the quality human resources of the company to be able to compete and meet the customers' demands.

In the welfare, the care of the living conditions of the employees are better, Organize activities to take the employees to tour and to encourage employees to be committed, active and enthusiastic in their work.

## Management

The Company will implement by the slogan that "improving the products and services to high quality, deliver full-range Products with on time basis, satisfying customers, and continuous development". By taking the customers centric and listen to feedback from customers to correct deficiencies and improve the IT system to be high quality. Recently, the Company has received an international certificate from the United Kingdom Accreditation Service (UKAS) which is ISO 9001: 2015 every branch of the Company.

## Tax

After the company Souvanny Home Center Public Company registered to be listed of the Lao Security Exchange at the end of 2015, the 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 (VAT 10%), payroll tax, profit tax etc.

| | **The state tax in the First six-month 2019** | |
|---|---|---|
| **No.** | **Details** | **Total value (kip)** |
| 1 | Import Duty | 1,131,214,494 |
| 2 | Value Added Tax | 18,225,814,768 |
| 3 | Excise Tax | 85,970,101 |
| 4 | Payroll Tax | 588,269,833 |
| 5 | Profit Tax | 200,000 |
| | **Total** | **20,031,469,196** |

**Note: For business performance figures depend on Financial Statement.**

**Chief Executive Officer**

**Souvanny Home Center Public Company**

**Waddana SOUKHABANDITH**