The Nine-month Report 2019

I. Overview of business of Company.

1. Vision.

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

2. Mission

Aiming 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.

3. The Core Objective of Business Operation

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

II. Financial Status and Business Operation

1. Revenue.

The Company had a total revenue of LAK 287,374 million in the nine-month of 2019 compared with revenue in the nine-month of 2018 was LAK 235,516 million, it was indicated that total revenue of the nine-month of 2019 was increased. Because the company has increased in product category varieties and revenue from new branches.

2. Expenses.

The company had the total expense of LAK 42,666 million in the nine-month of 2019 compared with expenses in the nine-month of 2018 was LAK 39,711 million, it was indicated that total expenses of the nine-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 increased respectively.

3. Net Profits.

The Company had a total net Profit of LAK 5,163 million in the nine-month of 2019.

Note: For business performance figures depend on Financial Statement.

III. General Information and some important information of SVN

1. Location and Network

The Head Office of Company is located at No 366, Phonetongsavath Village, Chanthabouly District, Vientiane Captital. Nowadays, there are 5 branches. 3 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. Xokyai branch address: 450 Rd, Xokyai village, Xaysettha District.
4. Pakxan branch address: 13 South Rd, Sisaart village, Pakxan District, Borlikhamxay Province.
5. Pakse branch address: Karng village, Pakse District, Champasuk Province.

2. Contact Information

- Tel: (+856-21) 415645
- 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 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, expecti

ng 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.

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

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.	Mrs. Paphatsone SOUKHABANDITH	Vice Chairwoman
3.	Mr. Waddana SOUKHABANDITH	Member
4.	Mr. Bounterm KOMMITTAPHAP	Member
5.	Mr. Padith VONGSENA	Member
6.	Ms. Chutikan SRISAENGCHAN	Member
7.	Mrs. Viengdala BOUPHA	Member
8.	Mr. Khamphone PHILAPHANH	Member
9.	Mr. Piphop VASANAARCHASAKUL	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 Souvanny Home Center Public Company

2. Mrs. Paphatsone SOUKHABANDITH



Date of Birth	28/10/1976
Nationality	Lao.
Education Background	Bachelor Degree Engineering University, Lao.
Positions	Vice chairwomen of Board of SVN. Assistant Manager of SVN.

3. Mr. Waddana SOUKHABANDITH



Date of Birth	28/10/1966
Nationality	Lao.
Education Background	Master Management, 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 University, Lao
Positions	Member of Board of SVN. Chairman of the Remuneration Committee, Independent Director of SVN

5. Mr. Padith VONGSENA



Date of Birth	06/01/1963
Nationality	Lao
Education Background	Master of Accounting, Auditing and Economic Research, Engineering Institute of the Union of Soviet Socialist Republics.
Positions	Member of Board of SVN. Chairman of the Internal Audit Committee, Independent Director of Souvanny Home Center Public Company

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. Mrs. Viengdara BOUBPHA



Date of Birth	20/11/1977
Nationality	Lao
Education Background	Bachelor's degree of Business Administration, COMCENTER College.
Positions	Member of Board of SVN. Deputy Director of Purchasing of SVN.

9. Mr. Khamphone PHILAPHAN



Date of Birth	04/10/1972
Nationality	Lao
Education Background	Bachelor's Degree of Accounting, Pakpasak Technical College.
Positions	Member of Board of SVN. Sales manager of SVN.

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.

Board of SVN held the meeting for 2 times as follows:

- The 01st Ordinary Meeting of the Board of Directors of Souvanny Home Center Public Company (SVN) for the year 2019 was held on the 22nd February 2019, at the Head Office of SVN. The Meeting was presided by Mr. Ounh LASOUKANH, Chairman of SVN's Board of Directors, with the participation of Board members and invited participants.
- The 02nd Ordinary Meeting of the Board of Directors of Souvanny Home Center Public Company (SVN) for the year 2019 was held on the 15th August 2019, at the Head Office of SVN. The Meeting was presided by Mr. Ounh LASOUKANH, Chairman of SVN's Board of Directors, with the participation of Board members and invited participants.

2. The activities of Shareholders' Meeting.

Shareholders' Meeting of SVN held the meeting for 2 times as follows:

- The Annual General Shareholders' Meeting for the Year 2018 was held on 05th April 2019 on the 8th Floor of the Lao Securities Exchange.
- The Extra-ordinary Shareholders' Meeting No.01/2019 was held on 09th October 2019 on the 8th Floor of the Lao Securities Exchange.

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 nine-month 2019	
No.	**Details**	**Total value (kip)**
1	Import Duty	1,810,980,394
2	Value Added Tax	27,302,133,865
3	Excise Tax	138,953,901
4	Payroll Tax	869,452,075
5	Profit Tax	1,200,000
	Total	**30,122,720,235**

2. Corporate Social Responsibility.

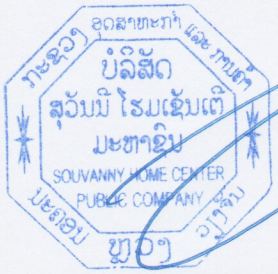
Souvanny Home Center Public Company supported the society such as: On the 5th September 2019, Company donated relief goods to flood victims at Parkxon Village, Xanasomboun District, Champasak Province and On 6 September 2019 supported relief goods to flood victims at Phukkha Village and Saphard village, Vapy District, Salavanh Province and Provided cleaning equipment for Parkse City'soffice.





Chief Executive Officer

Souvanny Home Center Public Company



Waddana SOUKHABANDITH