# THE NINE-MONTH REPORT

## 30 September 2018




ສຸວັນນີ SOUVANNY Home Center

# ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັນເຕີ ມະຫາຊົນ

## SOUVANNY HOME CENTER PUBLIC COMPANY

Phontongsavat Rd, Chanthabuly District, Vientiane Capital, Lao PDR
OFFICE: (856-21) 415 645. FAX/TEL: (856-21) 262 984 Website: /www.souvanny.com



ສາຂາໂພນຕ້ອງ
ໂທ: 021 560000, 561111



ສາຂາສີໂຄ
ໂທ: 021 621254, 621255



ສາຂາໂຊກໃຫຍ່
ໂທ: 030 5096493




ສາຂາທ່ຽງຂັນຄຳ
ໂທ: 021 212378, 254584



ສາຂາທ່ຽງຕຸມ
ໂທ: 021 265331, 265332



ສາຂາຫາມຊຸ້ມ
ໂທ: 051 791028




# *The nine-month Report 2018*

# Contents


- History of Souvanny Home Center
- Summary Business Operation of the nine-month report 2018
- Marketing
- Human Resource
- Management

# ຄະນະສະພາບໍລິຫານຂອງ ບໍລິສັດ ສຸວັນນີ ໂຮມເຊັ້ນເຕີ ມະຫາຊົນ

# 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 ຄຳກົ່ງ ລ່ຽມພຣະຈັນ

**Mr. Khamkong LIEMPHRACHANH**

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 ໂຮມເຊັ້ນເຕີ ມະຫາຊົນ

# Managing Directors of SVN



ທ່ານ ວັດດານາ ສຸຄະບັນດິດ

**Mr. Waddana SOUKHABANDITH**

ຜູ້ອຳນວຍການໃຫຍ່

**CEO**



ທ່ານ ພັນໂນລາ ສຸຄະບັນດິດ

**Mr. Phannola SOUKHABANDITH**

ຮອງຜູ້ອຳນວຍການຝ່າຍການເງິນ

**CFO**



ທ່ານ ກິດສະດາ 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 20%.
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.

## Main Risk of Company

1. Competitors keep avoid to pay taxes due they aren't Listed Companies in Lao Securities Exchange (LSX).
2. National Economic Situation Expansion is slow down.
3. Foreign Currency Volatility.

## Business Operation

### 1. Revenue

The Company had total revenue of 235,517 million Kip in nine-month 2018 compared with revenue in nine-month 2017 of 215,196 million kip, it indicated that total revenue of the nine months of 2018 were increased. Because the company had increased of product category varieties and expanded new branches.

### 2. Expenses

The company had total expense of 41,052 million kip in nine-month 2018 compared with expense in nine-month 2017 of 37,808 million kip, it indicated that total expenses of the nine months of 2018 were increased. Due to the company had expanded new branches, increasing of employees and fixed assets that increase from expanding new branches. At a result, depreciation charge increase respectively.

### 3. Net Profits

The Company had total net Profits in nine-month 2018 was 3.432 million Kip.

## Marketing

### 1. Product:

The Company focused on the 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. Now, the Company has over 538 brands with 61,725 SKUs 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 or new branches in communities where is convenient and near to customers to come to use its service. For future plan, the Company will expand the branches which is one of the sale channels of the company and expanding more new customers.

### 3. Promotion.

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

1. **Advertising:**

- Printed media such as: leaflet, 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: Website: souvanny.com, Facebook: SOUVANNY Home Center, Radio, Television, Line, IG and other.

2. **Sale Promotion**

The company had created the sale promotion through activities namely: discount the for the specific events, redeeming, giving out, premium, sweepstake, promotion for point of purchase, promotion for craftsman, lucky draw.

3. **Public Relations**

Last 9 month of 2018, Souvanny Home Center not only donated 2000 sandbags to prevent the flood in Pakse city, Champasak Province and also contributed fund to help the flood victims in Sanamxay District, Attapeu Province at the amount of 200 million Kip, at the total donation of 220 million kip..




Image: SVN contributes fund for helping the flood victims in Sanamxay District, Attapeu Province.

## Human Resource

The Company also focused on the strategy and improving the organization by transforming from company limited to public company in order to comply the qualification and condition required by LSX's regulation.

In the welfare, the care of the living conditions of the employees are better, more secure and to encourage employees to be committed, active and enthusiastic in their work.

## Management

The Company is follow 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" and improve the IT system to be high quality. Recently, the Company has received an international certificate from United Kingdom Accreditation Service (UKAS) which is ISO:2015 every branches of the Company.

## Tax

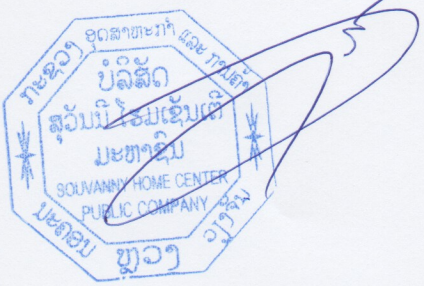
After the company Souvanny Home Center Public Company registered to be listed of the Lao Security Exchange at the end of 2015, the company has strictly taken under the law of the Lao P.D.R. particularly Tax law by performing its obligation to the state such as Value Added Tax (VAT 10%), payroll tax, profit tax etc.

| | **The state tax in nine-month 2018** | |
|---|---|---|
| **No.** | **Details** | **Total value (kip)** |
| 1 | Import Duty | 1,848,094,631 |
| 2 | Value Added Tax | 24,531,278,534 |
| 3 | Excise Tax | 13,494,898 |
| 4 | Payroll Tax | 900,574,801 |
| 5 | Profit Tax | 17,001,637 |
| | **Total** | **27,310,444,501** |

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

**Chief Executive Officer**

**Souvanny Home Center Public Company**



**Waddana SOUKHABANDITH**