



The First Six-month Report 2021



បំណិន ស៊ុវ៉ានី នៃមជ្ឈមណ្ឌល មហាសាធារណៈ
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I. Overview of business of Company.

1. Vision.

Souvanny Home Center will become a leader 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 continuously 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. 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 Exchge (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

II. Financial Status and Business Operation Result

1. **Revenue:** Total revenue of the first six-month 2021 was equivalent to LAK 223,383 million, compared to the same period last year, it increased by LAK 33,285 million or equal to 17.51% due to the increase in the product variety and the increase in the number of new products, and Revenue from new branches was also increased.
2. **Expenses:** Total expenses of the first six-month 2021 were equivalent to LAK 35,388 million, compared to the same period last year, it increased by LAK 4,918 million or equal to 16.14%, due to depreciation from new branches, at the same time, selling and administrative expenses also increased.
3. **Net Profit:** Total net profit of the first six-month 2021 was equivalent to LAK 8,045 million.
4. **Asset:** Total assets as of June 30, 2021, were equivalent to LAK 859,943 million compared to December 31, 2020, it decreased by LAK 9,946 million, or equal to -1.14% due to the increase in depreciation of assets, resulting in a decline in the value of assets, and at the same time, trade receivables and inventories decreased as well.
5. **Liabilities:** Total liabilities as of June 30, 2021, were equivalent to LAK 149,192 million compared to December 31, 2020, Which decreased by LAK 16,829 million. or equal to -10.14% due to the company paid for the trade payables and the short-term borrowing increasingly.
6. **Equity:** Total equity as of June 30, 2021, was equivalent to LAK 710,751 million compared to December 31, 2020, it increased by LAK 6,883 million, or equal to 0.98% due to the increase of the company's profit and financial transaction adjustments.

Note: For business performance figures depend on Financial Statements.

III. General Information and some important information of 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, Vientiane capital.
Tel: 021 560000 / 020 56082311
2. Sikhai branch address: 13 North Rd, Nahae village, Sikhottabong District, Vientiane capital.
Tel: 021 621254 / 020 58842414
3. Xokyai branch address: 450 Rd, Xokyai village, Xaysettha District, Vientiane capital.
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.la
- Website: www.souvanny.la

IV. Securities and Shareholders 2021

➤ Registered Capital

The Company has paid registered capital of LAK 330 billion on 30 June of 2021, as the ordinary shares of 165,000,000 with par value at LAK 2,000 per share.

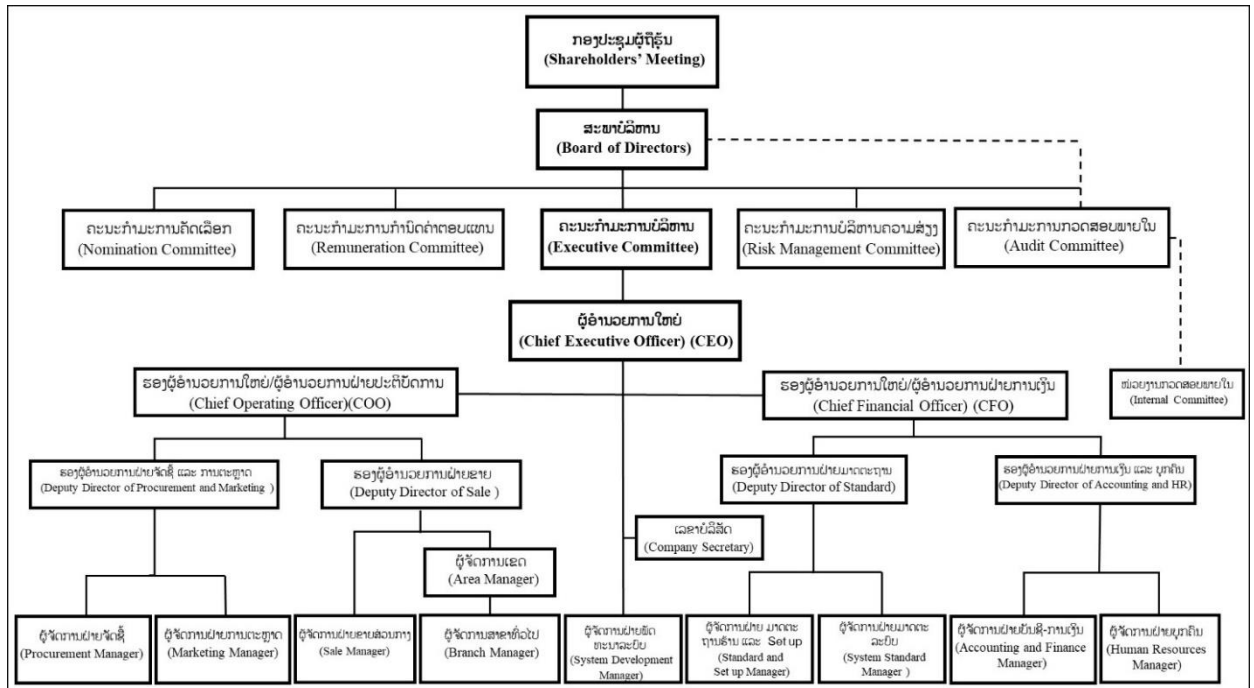
➤ Shareholders.

The shareholder of the Company who has share more than 5% of total shares

- Soukbandith family with 82,213,600 shares equal to 50.8445 %
- Global House International Company Limited with 56,000,000 shares equal to 33.9394 %.

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

1. Organization Chart of the Company.



2. The structure of SVN’s Board of Directors and their curriculum vitae.

2.1 Board of Directors of SVN consists of 9 members:

- | | |
|-----------------------------------|---|
| 1. Mr. Ounh LASOUKANH | Chairman of the Board of Directors, independent member. |
| 2. Mr. Anousone OUNTAI | Vice Chairman of the Board of Directors. |
| 3. Mr. Waddana SOUKHABANDITH | Member of the Board of Directors. |
| 4. Mr. Bounterm KOMMITTAPHAP | Member of the Board of Directors, independent member. |
| 5. Mr. Xayphone KONGMANILA .Ph.D. | Member of the Board of Directors, independent member. |
| 6. Mr. Piphop VASANAARCHASAKUL | Member of the Board of Directors. |
| 7. Ms. Chutikan SRISAENGCHAN | Member of the Board of Directors. |
| 8. Mr. Phannola SOUKHABANDITH | Member of the Board of Directors. |
| 9. Mr. Kotsada SOUKHABANDITH | Member of the Board of Directors. |

2.2 Briefly Background of the 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 the Board of Directors of SVN. Chairman of the Risk Management Committee, Chairman of the Selection Committee and Independent Director of SVN
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting. - Attendance 1 time Risk Management Committee meeting. - Attendance 1 time Selection Committee meeting.

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 Directors of SVN.
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting.

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 Directors of SVN. CEO of SVN.
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting. - Attendance 2 times Audit Committee meeting. - Attendance 1 time Risk Management Committee meeting. - Attendance 1 time Selection Committee meeting. - Attendance 1 time remuneration Committee meeting.

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	Chairman of the Remuneration Committee, Member of Board of Directors of SVN, Independent Director of SVN
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting. - Attendance 1 time remuneration Committee meeting.

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	Chairman of the Audit Committee, Member of Board of Directors of SVN, Independent Director of SVN
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting. - Attendance 2 times Audit Committee meeting.

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 Directors of SVN. Deputy Chief Executive Officer- Business Development of Siam Global House PCL.
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting.

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 Directors of SVN. Deputy Chief Executive Officer of Financial and Accounting of Siam Global House PCL

Attendance at various meeting in 2021 - Attendance 1 time shareholder meeting, 2 times Board meeting.

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 Directors of SVN.
Chief financial officer Of SVN (CFO)

Attendance at various meeting in 2021

- Attendance 1 time shareholder meeting, 2 times Board meeting.
- Attendance 2 times Audit Committee meeting.
- Attendance 1 time Risk Management Committee meeting.
- Attendance 1 time Selection Committee meeting.
- Attendance 1 time remuneration Committee meeting.

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 Directors of SVN. Chief operating officer Of SVN (COO)
Attendance at various meeting in 2021	- Attendance 1 time shareholder meeting, 2 times Board meeting. - Attendance 2 times Audit Committee meeting. - Attendance 1 time Risk Management Committee meeting. - Attendance 1 time Selection Committee meeting. - Attendance 1 time remuneration Committee meeting.

2.3 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)

3. The activities of SVN's Board.

1. The activities of SVN's Board.

- The 01st Ordinary Meeting of the Board of Directors of Souvanny Home Center Public Company (SVN) for the year 2021 was held at 14:00 on the 19th February 2021, at the Head Office of SVN. The Meeting was presided by Mr. Ounh LASOUKANH, Chairman of the Board of Directors of SVN, and the participation of Board members and invited guests.

- The 02nd Ordinary Meeting of the Board of Directors of Souvanny Home Center Public Company (SVN) for the year 2021 was held at 14:00 on the 12th May 2021, 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, with the participation of Board members and invited participants.

2. The activities of Shareholders' Meeting.

- The shareholder' 2020 meeting was held on 09th April 2021 at 14:00h, on the Meeting Room 8 Floor of Lao Securities Exchange Building, Phaonthunnuea Village, Xaysettha District, Vientiane Capital, Lao PDR. The meeting was attended by 32 participants who are the shareholders and 36 representatives, which totally said to be 68 persons with the total number of 149,445,100 shares or equal to 90.58 % of the company's total paid shares.

3. The activities of Audit Committee.

The progress work during the half year 2021, the Audit Committee held two meetings:

- The first meeting was held on 19th February 2021 to consider and review the financial statements for the year 2020.

- The second meeting was held on 10th May 2021 to consider and review the financial statements for the first quarter of 2021.

4. The activities of the Remuneration Management Committee.

The company held the meeting of the Remuneration Committee No. 01/2021 on 12th May 2021 to consider and approve the evaluation to adjust the annual salary for employees at each level.

5. The activities of the Risk Management Committee.

The Company held the meeting of the Risk Management Committee No. 01/2021 on 12th May 2021 to consider the adoption of risk factors and risk management in terms of the Company's debt collection policy.

6. The activities of the Selection Committee.

The company held the meeting of the Selection Committee No. 01/2021 on 12th May 2021 to consider and approve the results of staff appraisal to adjust to the general level in all position.

4. Remuneration of Members of Board of Directors.

- the allowance to attend a meeting of member of the board of directors of the company who the independent member of the board of directors as follows:

- The Chairman of the board of directors 3,000,000 Kip/1 time.
- The Deputy Chairman of the board of directors 2,000,000 Kip/1 time.
- The member of the board of directors 2,000,000 Kip/1 time.

VI. 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

<u>The state tax in the First six-month of 2021</u>		
No.	Details	Total value (kip)
1	Import Duty	1,101,446,061
2	Value Added Tax	22,625,319,475
4	Payroll Tax	387,168,999
5	Profit Tax	2,000,000
	Total	24,115,934,534

2. Corporate Social Responsibility.

Souvanny Home Center Public Company supported the society such as:

- Souvanny Home Center together to donate Blood to the Lao Red Cross to mobilize blood donation, which has donated a total of 80 bags.



- Souvanny Home Center Public Company has attended the Outstanding Business unit award ceremony in Implementing Tax Obligations 2020 held on April 19th, 2021 at the meeting room of the Tax Department, The Ministry of Finance presented the Category I Award and Certificate of Merit Souvanny Home Center Public Company, which was an honor to hand-over by Mr. Bounchoam UBONPASERTH, Minister of Finance, and Mr. Phannola SOUKHABANDITH, Chief Financial officer of Souvanny Home Center Public Company represented to receive.



- The manager of XokYai branch on behalf of the company donated office equipment to the Lao National Chamber of Commerce and Industry in the form of tables and chairs in 2 sets at XokYai branch on 25/01/2021, the value was 2,535,000 Kip.



- Souvanny Home Center Xoxyai Branch, donated 10 bucket of interior paint to the National University of Laos, Faculty of Environmental Sciences, to help the society in renovating the primary school in Ban Kerntai, Thoulakhom District, Vientiane Province on 05/01/2020, the value was 1,900,000 Kip.



- Souvanny Home Center Public Company donated 120,000,000 Kip to the Vientiane Capital Government Office to contribute to the Lao Government to prevent and control COVID-19 on 27/04/2021.



- Souvanny Home Center Public Company donate drinking water to hospitals in the Vientiane capital and other provinces to strengthen the medical staff to fight and prevent the COVID-19 on 24/04/2021, the value was 10,320,000 Kip.



- Souvanny Home Center Public Company corporated with Thammasone Company., Ltd donated the DOS water tank to Field hospital located at Lane Xang Indoor Sports Center to look after the person who got the COVID-19 On 6/05/2021, the value was 17,500,000 kip.



VII. Body's Management Policy

The company has internal policies to manage the body by applying the Management Standard under the ISO 9001-version 2015, Using the store's standard for servicing and the computer system with effective software in order to control and approve following the work procedures under the internal and external audit team and also utilizing the Closed-circuit television to control the mistakes that might occur to the company

VIII. Risk Management Policy

The Business on distributing the Construction Materials has the main risks last year following;

1. Customer's debt
2. Money Exchange rate
3. Disease Epidemics
4. And threats

We systemically manage risks the detail is below;

- On the term of managing the Customer's debt, we have used approval mechanics by carefully considering giving credits and determining the suitable credit value to customers
- On the Money Exchange rate, we accurately import the products under the Lao Law, so that we are able to buy the currency from the bank;
- On the term of Disease Epidemics such as COVID-19, We have applied the SOUVANNY APP that Customer can select and buy our products on ONLINE and On OFFLINE, We have set the prevention measure of Social distancing, wearing the mask, check temperature before entering the showroom and we have provided hand cleaning gel the entrance and many points around the showroom.
- In terms of threats such as Floods, Fires, storms, earthquakes also, we have bought the insurance for each branch to cover every situation that may arise;

Chief Executive Officer

Souvanny Home Center Public Company



Waddana SOUKHABANDITH