ສາທາລະນະລັດ ປະຊາທິປະໄຕ ປະຊາຊົນລາວ
ສັນຕິພາບ ເອກະລາດ ປະຊາທິປະໄຕ ເອກະພາບ ວັດທະນະຖາວອນ
ບໍລິສັດ ຊີມັງລາວ ມະຫາຊົນ
LAO CEMENT PUBLIC COMPANY
ບ້ານໂພນພະເນົາ ວຽງຈັນ, ສ.ປ.ປ.ລາວ ຕູ້ປນ 6821, ໂທຣ: (865-21) 451222,451116 ແຟັກ: 451117
PHONPHANAO VILLAGE,VIENTIANE, LAO P.D.R. P.O.BOX 6821, TEL : (856 - 21) 451222,451116 FAX:451117
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No. 219 /LCC

Vientiane Capital, Date 07 SEP 2020

SUMMARY OF THE BUSINESS REPORT OF LAO CEMENT COMPANY IN THE FIRST 06 MONTHS OF 2020

I. Background

Lao Cement Public Company (LCC) is shifted from Lao Cement Co., Ltd. established in 1998 as a joint venture between Nhun Nan International Economic and Technical Cooperation Company (CYC) of People's Republic of China and State-owned Agriculture, Industry and Import-Export Service Development Company (DAI) of Lao PDR with the respective ownership rate of 60% (CYC) and 40% (DAI); the initial registered capital of US$ 1,100,000. Its main purpose is to build a cement factory financed by the Chinese Government. The Governmental loan was 269,612,040 yuan or US$ 32,561,841 at that time. By the end of 2014, the company repaid all principal and interest of this loan.

The company started to build Vang Vieng cement factory 2 on December 26, 1999 which officially started production on March 22, 2002 and has continued to produce and consume Ca Thing Thong cement according to American standards ASTM-C-150, GB-175: 2007 standards of People's Republic of China. There are 03 types of cement: Ca Thing Thong (Golden Bull brand) red cement, Ca Thing Thong (Golden Bull brand) blue cement and Ca Thing Thong (Golden Bull brand) green cement. Cement is all manufactured from domestic materials such as limestone, clay, sand, plaster and coal.

In 2013, the Government of Lao PDR adjusted the share ratio of the Company: 51% of Nhun Nan Yunnan International Economic and Technical Cooperation Company (CYC) and 49% of State-owned Agriculture, Industry and Import-Export Service Development Company (DAI). So far after being shifted into a public company and registered on the Lao stock market on March 02, 2018, the share ratio has been 35.6964% (CYC), 34.2966% (DAI), 0.007% (Founding shareholders) and 30% (the public).

II. Information of the Company

- Company name: Lao Cement Public Company
- Head office: Phonphanao Village, Xayxetha district, Vientiane Capital
- Tel: 021 451116, Fax: 021 451117
- Website: WWW.LAOCEMENT.COM
- Factory: Vang Vieng II Cement Factory
- Address: Khanmac Village, VangVieng District, Vientiane Province
- Tel: 023 511245 , Fax: 023 511247
- Design production capacity: 200,000 tons/year
- Registered capital: LAK 14,001,400,000

III. Vision, goal and mission:

1. Vision:

   Building a safe and environment-friendly production company, paying attention to quality, fairly cooperating with partners, maintaining mutual benefits and sustainable industrial development.

2. Mission:

   * Provide high- quality cement according to the prescribed standards, create trust for consumers.

   * Make customers satisfied about service.

   * Reduce production and consumption costs, increase business efficiency.

   * Develop technical and industrial personnel of the company to become experts in the future.

   * Improve the internal management efficiency according to international standards ISO: 9001: 2015

3. Objectives

1) Cement production: 200,000 tons/year.
2) Supply of cement for projects and customers who complete contracts.
3) Lower production costs and higher competitiveness.

IV. Production and business results

In the past 06 months, the Company achieved the following sales:

A. Production and consumption:

- Cement production: 48,002.36 tons
- Cement consumption: 54,703.80 tons

B. Turnover: LAK 24,837,369,056

C. Costs: Total costs in the first 06 months of 2020 is LAK 40,316,283,219

D. Profits: Loss (LAK 15,478,914,163)

V. Consumption market

- To promote marketing activities, the Company has advertised its products on radio stations, newspapers, leaflets, roadside advertising boards and on the internet.

VI. Fulfillment of obligations to the state and society

In the first 6 months of 2020, the State has fulfilled its obligations of LAK 1,747,051,465 to the State, where:

+ VAT: LAK 1,520,593,761

+ Sales tax: LAK 201,301,099

+ Resource tax: LAK 25,156,605

+ Profit tax: LAK 0

- In addition to fulfillment of the obligations to the state as prescribed, it also gave social support of LAK 14,104,000 in kind and in cash. Moreover, it also contributed to repairing roads and bridges (Ban Phon Xu road to Na Khun village, VangVieng district, Vientiane province), supported and participated in activities of the local authorities and repaired other public works.

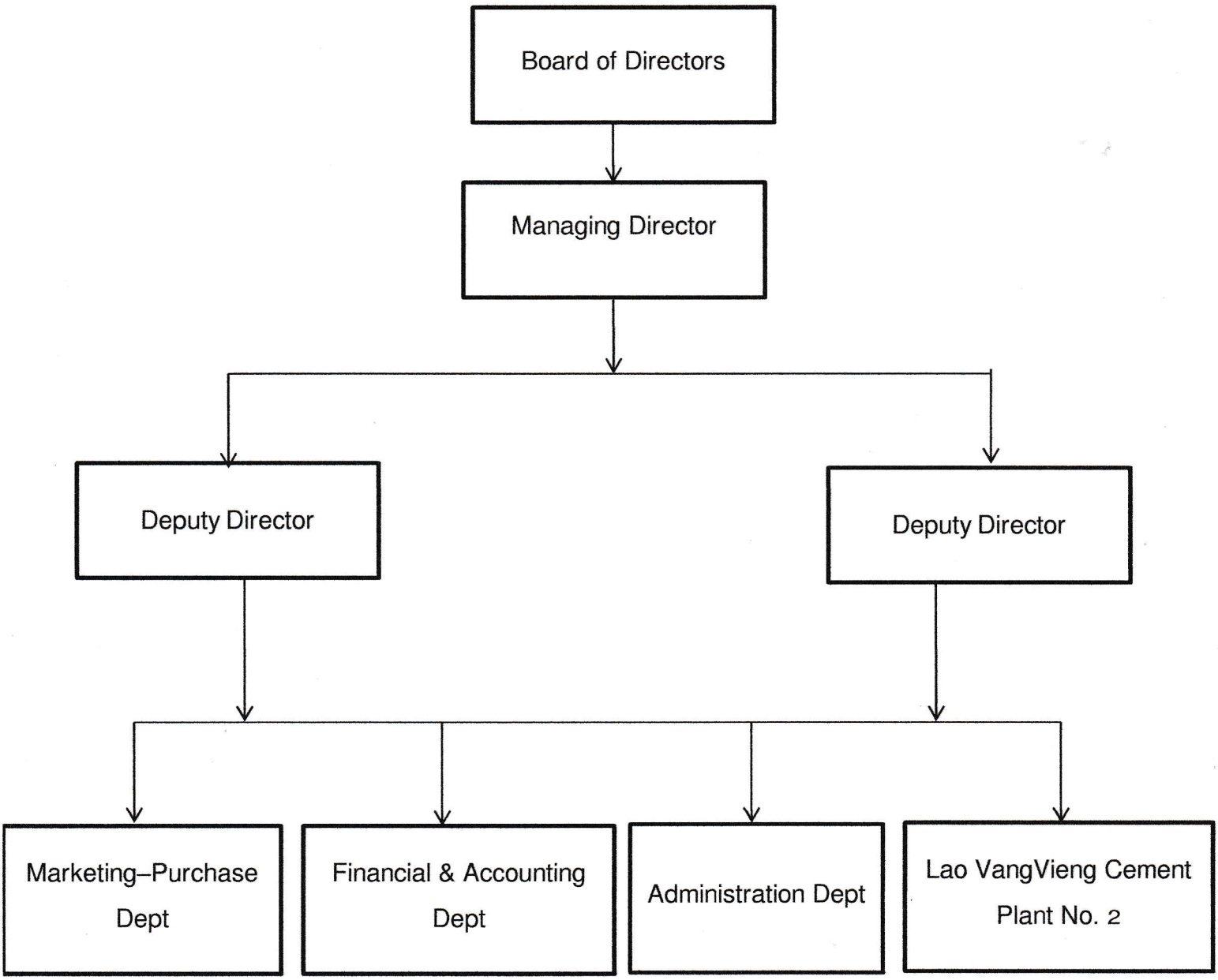
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VII. Organizational structure

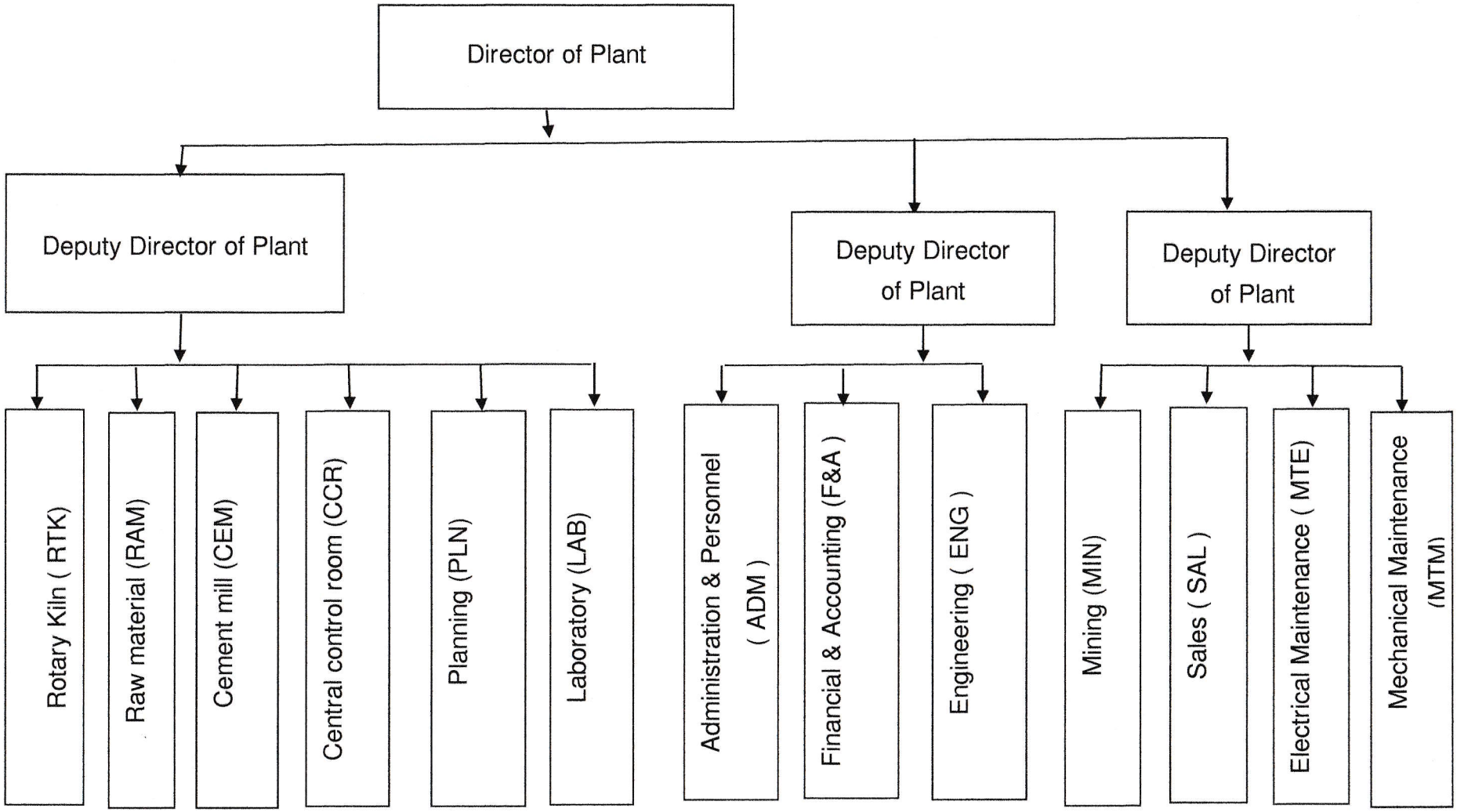
6.1 Organizational structure

The organizational structure of Lao Cement Public Company consists of a Board of Directors of 10 people (including 3 independent members), a Board of Management of 3 people and 16 departments.

Organization of LCC Public Company



ORGANIZATION STRUCTURE OF VANGVIENG CEMENT PLANT No.II



- Number of officers and employees:
- Lao Cement Public Company (Cement factory 2) has a total of 341 employees (31 females) of which official Lao officers are 279 (24 females), the official Chinese officers are 10 (1 female); the unofficial employees are 52 people (6 females).

Details	Permanent staff Lao	Permanent staff china	Workers
- Head office - CEMENT PLANT No.II	17 staff, Female 06 staff 262 staff , Female 18 staff	6 staff, Female 1 staff 4 staff , Female 0 staff	1 staff, Female 1 staff 51 staff , Female 5 staff

Board of Directors of LCC



Mr Yang chunying

Chairman of board



Mr Vanhthong SITTHIKOUN

Vice Chairman of board



Mr Ou yang ji yong

Vice Chairman of board



Mr Zhang LI

Member of board



Mr Khambon XAYLAOVONG

Member of board



Mr Vichit SOUVANHNALATH

Member of board



Mr Jie YAOQI

Member of board



Mr Xiao JIE

Independent Board of Director



Mr Li CHUNBO

Independent Board of Director



Mr Vongvichit KEOVONGKOD

Independent Board of Director

Managing Directors of LCC



Mr Zhang LI

Director (CEO)



Mr Vichit SOUVANHNALATH

Deputy Director (CFO)



Mr Jie YAOQI

Deputy Director (COO)

General Director

Lao Cement Public Company

ZHANG LI