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Message from Chairman of the Board of Directors

To Respectful Shareholders

The Board of Directors of the Souvanny Home Center Public Company held its 1st Board Meeting on February 14, 2023, at 2:00 PM at the Souvanny Home Center Public Company, Headquarters, the 4th Floor, Phonethongsavath Village, Chanthaburi District, Vientiane Capital.

The meeting has considered the 10 important agendas namely the consideration and approval of the report of the previous meeting of the Board of Directors; the report of the business results of the company for 2022 and a financial report of the company for 2022; the business plan of the company for 2023; the payment of dividends from the business operation of the company in 2022; the appointment of the external auditor and determination of remuneration for the year 2023; the appointment of Members of the Board to replace those whose tenure is terminated; the company's debenture issuance for use in the business operation of the company in the amount of not exceeding 120 million THB or equivalent in United States Dollar (USD); the call of common shareholders' meeting for 2022; determination of the date to close the accounting book of shareholders, and an appointment of the inspection committee of shareholders' meeting and vote;

I hope that our shareholders will see and facilitate the good conditions for the company's management and development for the year 2023 in order to expand our business with efficiency and sustainability, Finally, I wish you, all shareholders good health.

Mr. Somchit INTHAMITH

Chairman of Board of Directors



Message from Chief Executive Officer

To Respectful Shareholders

Over 2022, We have faced fairly fluctuation, although the germ outbreak of COVID-19 calms down, we have faced new situations such as the conflict between Russia and Ukraine including the conflict at the multilateral levels which they are the cause of the higher cost of transportation and every product comprising with the Value of Lao Kip is weak and Inflation situations that have affected wholly to all Companies in Laos

Our Company is the one that has been affected but We are able to expand a new branch in Savannakhet Province in 2022 which makes our company keep sales growing constantly

By 2023, we target growth of 10% despite that we still have continuous and violent difficulties, in especially, the customer's afford decreased, but we believe that positive factors such as tourism and private investment expanded will help to restore the demand for construction materials which makes our sales grow

we, on behalf of the Management team, would like to thank you so much for your all supporter and all parties that are always to suggest, help and sponsor

Finally, we bless all Shareholders and all Parties have good health and success in your duty and your business.

Mr. Waddana SOUKHABANDITH

Chief Executive Officer (CEO)



Annual Report 2022

✓ Overview of the Company

➤ Vision

Souvanny Home Center will become a leader in the development of modern trade centers on construction materials, home decoration, home appliances, and General Supplies in all sale channels to meet the customer's needs in Lao PDR and connects to the ASEAN market.

➤ 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.

➤ Company Background in brief.

Souvanny Home Center Public Company (“the Company” or “SVN”) operates a 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, furniture and others. Moreover, the Company also has services including the product recommendation to customers, interior design for kitchen and restroom, and product delivery. Most of the imported products of the Company are of high quality with well-known brands easily recognized and effectively managed by the modern computer system, focusing on distribution and

warehouse systems. The products can be separated over 20 categories vary on the customers' needs under the slogan that **“improving products and services to each market level with high quality, keeping working procedure to gain the standard, satisfying customers, and**

continuous development”. The Company’s distribution channel is to sell through its own modern trade showrooms under the Lao PDR.’s top brand “Souvanny”. Souvanny’s shop was established in 1988 by Mrs. Souvanny Soukbandith (Mrs. Souvanny), Mr. Waddana Soukbandith (Mr. Waddana), and Mr. Phannola Soukbandith (Mr. Phannola).

Year 1988

- Souvanny shop was established from the vision of Ms. Souvanny seeing economic growth opportunity in Lao PDR, construction and infrastructure industries in particular, together with Mr. Waddana who just graduated in architecture and had a lot of experiences in construction. At this time was also the period of Government support to promote the economy. As such, they decided to start the distribution business of construction materials in a shophouse (approximately area 50 sq.m) at Sisawat Village, Chanthabuly District, Vientiane Lao PDR. However, currently, it becomes a sub-branch (Thongkhankham branch) with the registered capital LAK 3,250,000.

Year 1993

- According to the rapid growth in the construction industry in Lao PDR, the need for construction material products was increased, causing higher competition in the industry, leading the Company lost track of cost management. However, the Company eventually found the ways to directly buy the products from the suppliers in a time that the Government promotes international trades on the Thai-Lao border, leading the Company to be able to overcome its competitors.
- To improve the Company structure, the Company was registered as Souvanny Trading Export-Import Sole Company Limited with registered capital LAK 100,000,000.

Year 2000 (Phontong branch)

This was the beginning point of the Company's rapid growth as the need for construction materials has increased, together with Mr. Kotsada Soukhabandith graduating from abroad and coming to help manage the Company business. This year, the Company opened the Phontong 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 with a shopping area of 1,500 sq.m., warehouse space of 2,000 sq.m, and parking space of 20 units. Besides, the head office was moved from Thongkhankham branch to the Phontong branch (currently a head office)



Year 2004 (Sikhai branch)

During this year, Lao PDR had opened an investment opportunity to prepare for the host of the 25th Southeast Asian Games in 2009. As such, the Company decided to open Sikhai branch at Nahae Village, Sikhottabong District, Vientiane Lao PDR to operate the biggest one-stop shopping-home center which provides both services and full-ranged products from construction materials to home supplies and decoration on the shopping space of 2,000 sq.m., warehouse space of 5,000 sq.m. and parking of 60 units.



Year 2015

- In 2015, the Company has transformed the business from Souvanny Trading Export-Import Sole Company Limited to Sovanny Trading Export-Import Company Limited with the registered capital LAK 500,000,000.
- Extraordinary General Shareholder's Meeting No. 1/2015, on 28th July 2015 has approved the important issues as follow:
 - o Changing the par value from LAK 50,000 per share to LAK 2,000 per share
 - o Approving an increase in registered capital from LAK 500,000,000 to LAK 280 billion, a total of 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. (Shareholding Structure by Mr. Soukbandith's Family at 51% and 33.94% by Global House International Company Limited)
- Extraordinary General Shareholder's Meeting No. 3/2015, on 13th September 2015, has agreed on the important issues as follow:
 - o Transforming the Company to public company and changing the company name to Souvanny Home Center Public Company
 - o Approving an increase in registered capital for Initial Public Offering (IPO) LAK 50 billion by issuing 25,000,000 ordinary shares, with a par value of LAK 2,000 per share to respond to economic growth and become a listed company in Lao Securities Exchange (LSX).
 - o The Company's share, SVN, was listed in LSX and the first trading day on 11 December 2015.
- On the 15th September 2015, the company has gained the certificate of quality management version ISO 9001: 2008
- And also open to reservation of IPO share during 29-30 November to 01 January 2015 at a total of 25 millions of shares with a price of 3100 Lak/share

- Moreover, on the 11th December 2015, the company officially registered to be the registered company in Lao Security Exchange.

Year 2016

Souvanny Home Center Public Company (SVN) was held the Annual General Shareholders' Meeting for the year 2015 on 22 April 2016 at 02:00 pm at meeting room, the floor 8 in the Lao Security Exchange Building, phonthan village, Road T4, Sayshetha District, Vientiane Lao PDR attending with 118 shareholders, at the total of 157 millions of shares equivalent to 95.60% of total shares of the company, the meeting considered 9 agendas and the important agenda was dividend Consideration and Payment of 2015 of the company with a ratio of 45 Lak/share

Year 2017 (Xokyai Branch in January)

Souvanny Home Center Public Company (SVN) has opened the new branch located in Xokyai Village, Xaysetha district, Vientiane Capital on the 450 Road on the 30 January 2017 with the showroom area of 12,000 sq.m. the new store is called Xokyai Branch which is in the Vientiane Capital with variety of products and full service.



Year 2017 (Pakxun Branch in January)

In September, The company has had the grand opening ceremony one more branch on 30 September 2017 which is the first branch of Souvanny Home Center Company located in a different province of Sisaard village, Pakxun district, Borlikhamxay province which the showroom area of 7,500 sq.m and inventory area of 7,500 sq.m with a full and comprehensive product and service to serve the customers, the ceremony was honorable to attend by Mr. Kongkeo Xaysongkham, provincial governor which was interested in Pakxun people as people in Borlikhamxay province.



Year 2018 (Pakse Branch)

In the middle of year 2018, Souvanny Home Center Public Company has opened one more branch in southern provinces of Laos to service the southern market as Champasack, Salavan, Sekong and Attapeu Provinces, the new branch is called Pakse Branch which is located at Kang



Village, Pakse Capital. Champasack province which has opened officially on 17 June 2018 attending the opening ceremony by Mr. Somsavath Lengsavath, the consultant of executive committee of central party and Dr. Bounthong Divixai, the Governor of Champasack Province.

And on September 22, 2018, Souvanny Home Center Public Company has gotten the ISO 9001 Standard Management System Certification version 2015.



Cert No. 75Q17255

Year 2019

Souvanny Home Center Public Company, the Thongtoun Branch was stopped Service on 1 July 2019

Year 2020 (Thakhek Branch)

On 02 March Of 2020, Souvanny Home Center Public Company have been opened one more new Branch as Thakhek Branch Located at Phonphim Khammuan Province



Year 2021 (Savannakhet Branch)

Savannakhet Branch has been opened on 14 December 2021, located at Phonsavangneu village Kaysonephomvihane city Savannakhet Province with a showroom area of around 16.000 s.q and available over 10.000 items of merchandise



▪ Business Expansion in Brief



✓ Review of Business Operating Result 2022

➤ Global and Domestic Economy Condition 2022

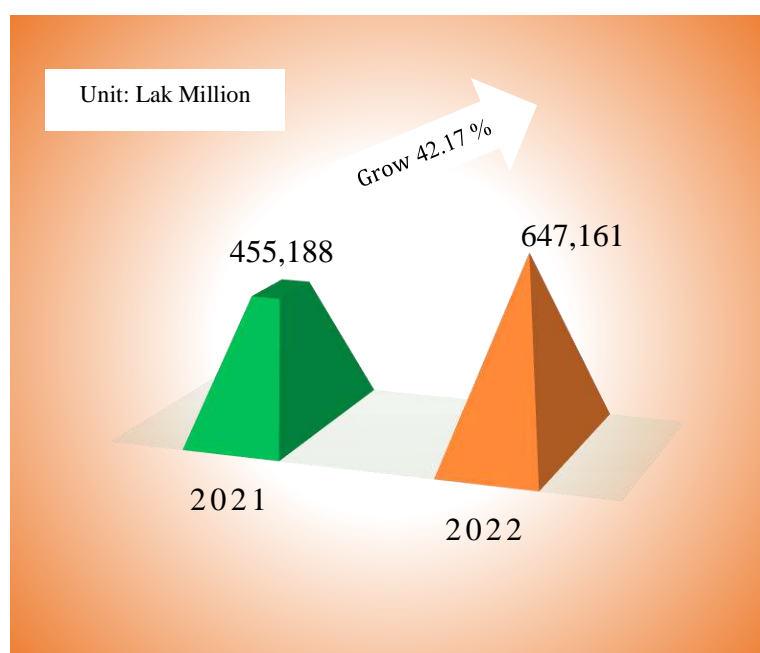
in 2022, the world faces an economic crisis from the conflict between Russia and Ukraine and the conflict in the south sea of china has affected the Lao economy, combined with the budget difficulties of the Lao economy which makes Lao economic growth unfulfilled as the goal set

➤ The Outstanding Work of the company in Brief 2022

In 2022, the Souvanny Home Center Public Company, we were successful in generating sales growth constantly Because of expanding savannakhet branches and readdressing the product group to meet the customer need which is to be the target adjustment set and also plans to expand sales channels and the broader scope of the sales, as well as provide the foundation to support growth when the market has recovered, including dealing with construction growth from tourism and investment expansion which it is predicted that they will bring the good condition for the next years

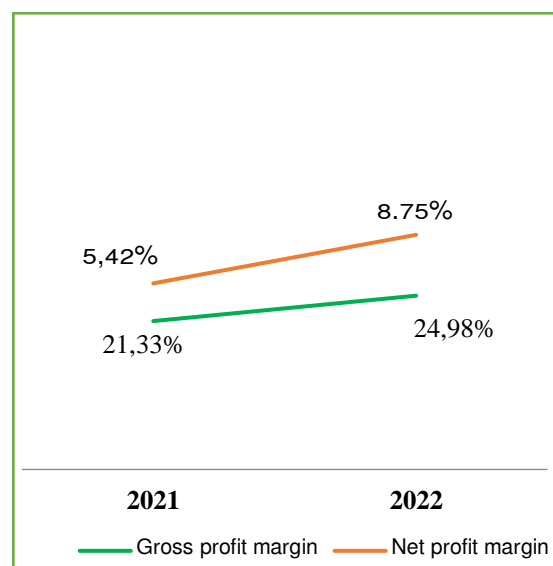
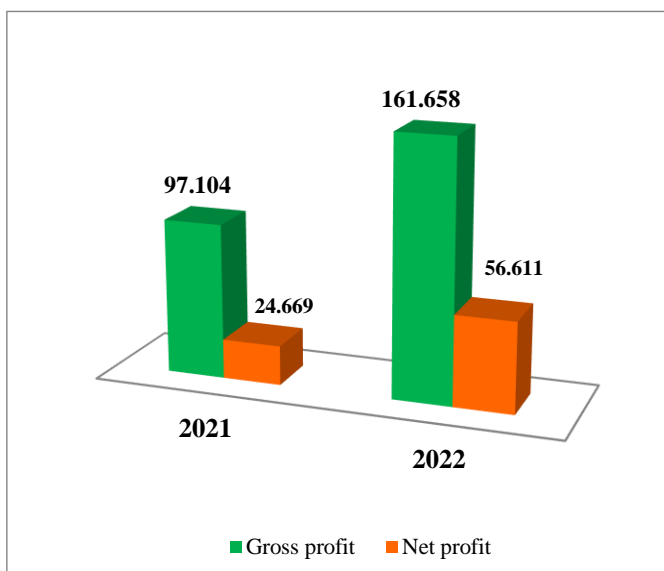
➤ The company's Business Operation result 2022.

• Revenue



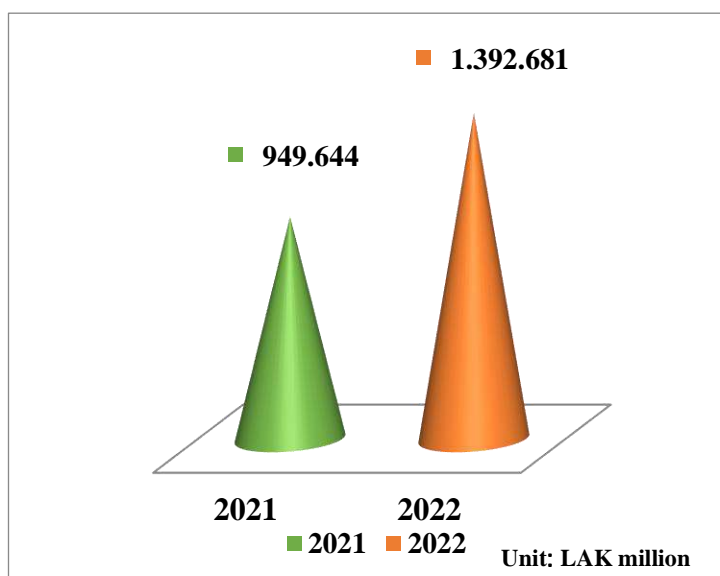
The Company has made total revenue in 2021 was equal to LAK **455,188** million and The revenue in 2022 increased to LAK **647,161** million at the percentage of 42.17 of increased growths compared with 2022, the main major of growth was an increase in product category varieties, new products, and revenue from expanding new more branches.

• **Net Profit**



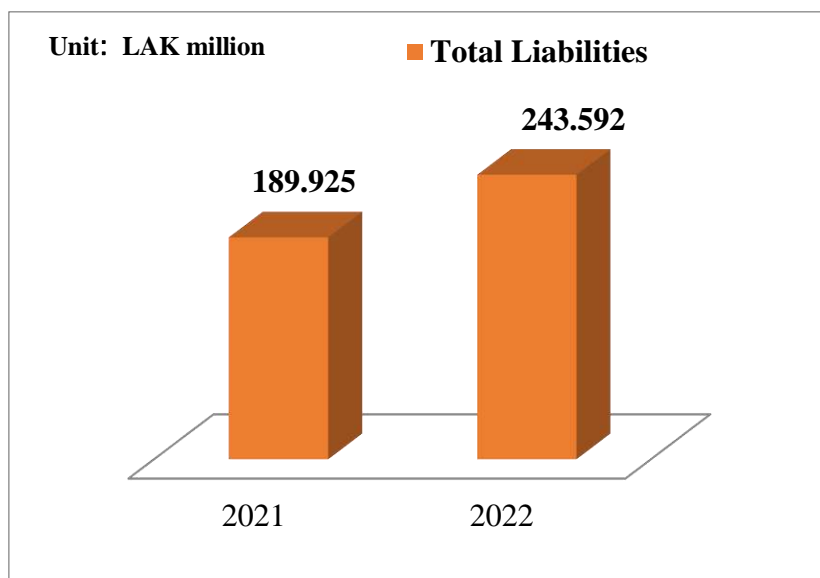
The company's net profit in 2021 was equal to LAK **24,669** million and its net profit rate amounted to **5.42** percent. In 2022, the company had net profit increased to LAK **56,611** million, and the net profit rate was equivalent to **8.75** percent, the company's net profit increased due to the company's revenue from sales of old and new branches by including adjustment of product structure increasing more decorative Products.

• **Total Assets**



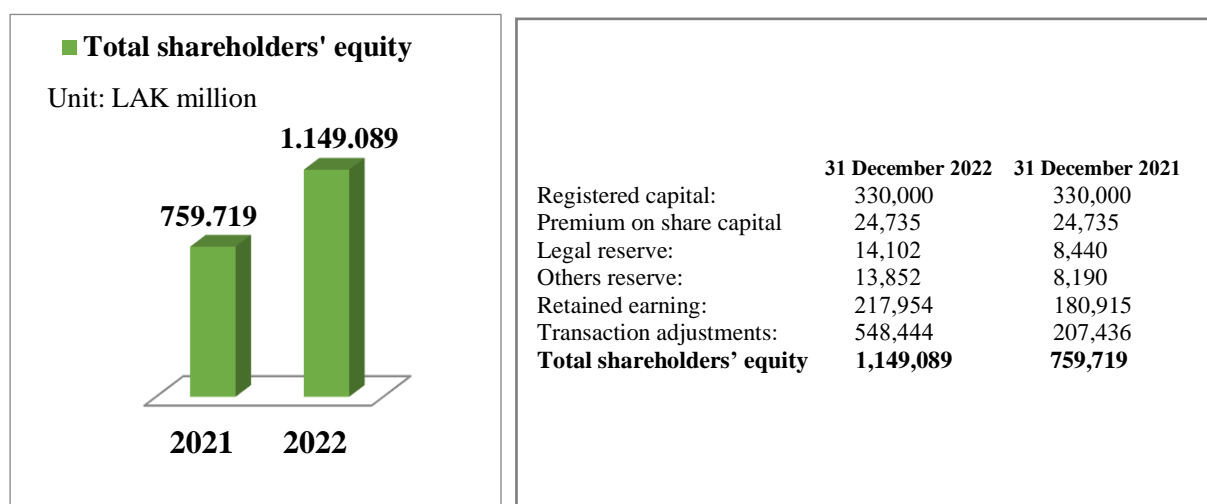
As of 31 December 2021, the Company had total assets of LAK **949,644** million and an increase to LAK **1,392,681** million in 2022, The main factors that the company's assets have increased are expansion and buying the equipment for new branches namely: Thakhek branches (Khammuan Province), Savannakhet Branch (Savannakhet Province), and the products in inventories have increased based on the business expansion

- **Total Liabilities**



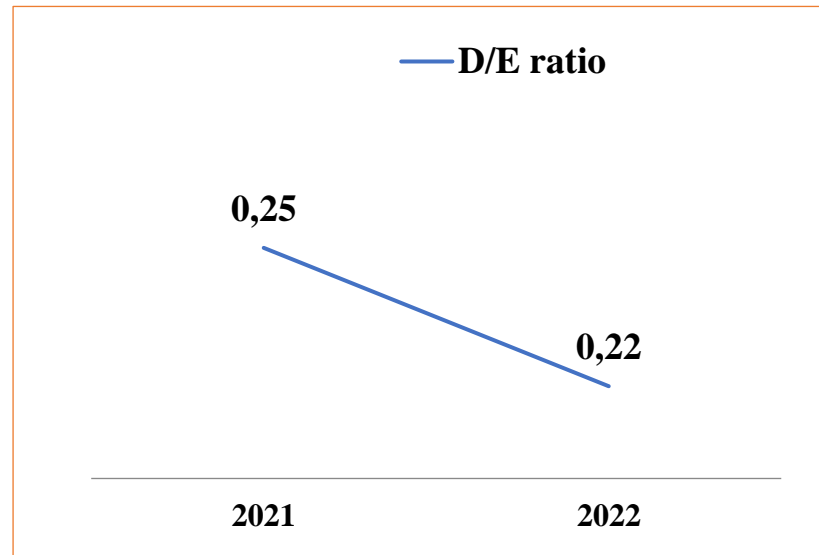
As of 31 December 2021, the total liabilities of the Company increased from LAK **189,925** million to LAK **243,592** million in 2022 due to the Current trade liabilities such as long-term loans from financial institutions in order to use for the company's business operations that were increased.

- **Total shareholders' equity**



As of 31 December 2021, total shareholders' equity was equal to LAK **759,719** million, and it increased to LAK **1,149,089** million in 2022. The reason was that the company deducted increasing legal reserves and other reserves, Meanwhile, retained earnings increased compared with 2021 from LAK **180,915** million to LAK **217,954** million due to the increase in net profit and exchange rate of financial rate adjustment.

- **D/E Ratio**



In 2021, the company has been a debt-to-equity ratio of **0.25** But, in 2022 the D/E ratio significantly decreased to **0.22** because the company's retained profit was raised which reflects the good financial structure as below 1 time and also implied low insolvency risk and high borrowing capabilities

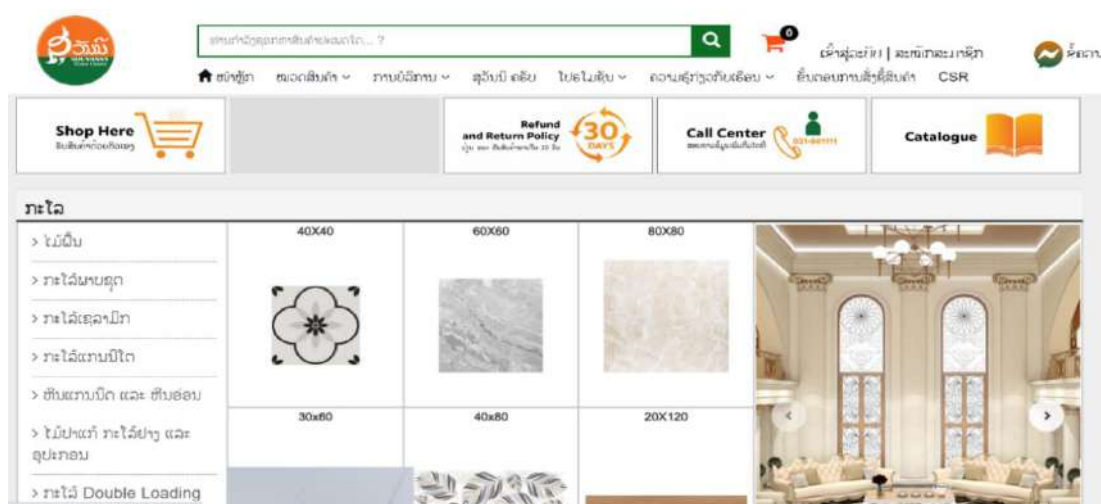
➤ Marketing in the year 2022

• Product Strategy:

- The company has defined the product segmentation in the right category and set the positioning of each product clearly in order to increase the efficiency of work implementation.
- Defined the product warranty in each category to make customers be confident in product quality
- Managed the best seller products and related products to be available to sell and meet the customers' need;
- Developed customer service on the consulting, 3D design, and quotation assessment, as well as the provided installation service to make the customer convenience

• Place Strategy

- In 2022, the company has gone on to create good connections with the customer types such as General Customers, Wholesalers, project customers, artisans, and vocational students in all channels through many sale promotions
- We have continued to develop sale channels through the website and SOUVANNY Application on mobile that the Customers can elect and buy products on the online channel in order to facilitate to them



- **Promotion Strategy**

- **Advertising:**

We advertised many communication channels with high efficiency in order to create the customers' demand and raise the acknowledgment in specific product catalogs that are the strong point of the company the detail as below:

- Printed media by leaflet to distribute to our target customer groups
- Signage such as main street billboards of each province to advertise products and souvanny's Brand and Signages in front of and in the showroom
- Local Radio in different provinces such as radio of Borikhamxay, Khammuan, Champasak and Savannakhet Provinces
- Online media such as Website, Facebook, line official, Instagram, youtube, Tiktok and others.

Billboard



Leaflet



Online



- **Sale Promotion:**

We launched a variety of sale promotions to be oriented to personnel selling, trade, and customer promotion the detail as below:

- The loyalty Program, Souvanny Club for customers who would like to be members to collect scores to redeem premiums in order to persuade customers to rebuy and become regular customers



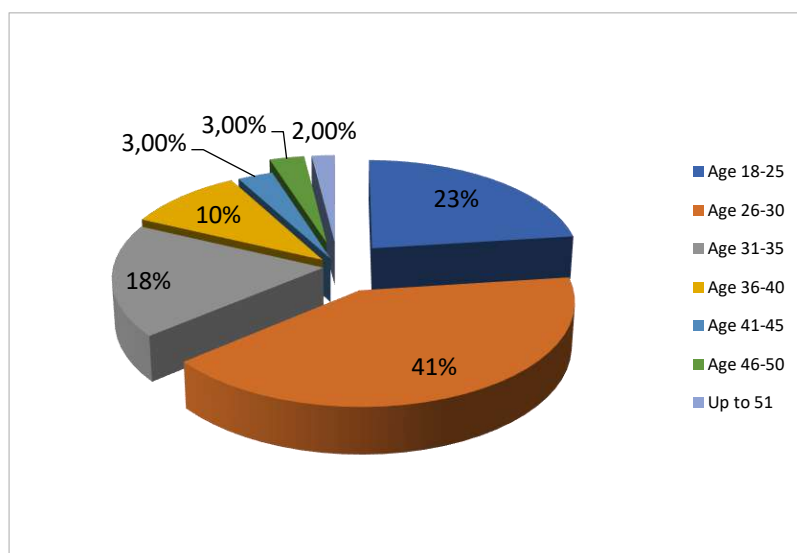
- Sale promotion, buy at the value get free premium to immediately satisfy customers.

➤ Human Resources in the year 2022

- The company has promoted many positions for the employees who have outstanding results and raise the annual salary for all levels.
- We continuously held the training for the staffs at all level to raise their skill of work such as product knowledge, service mind, and specific subjects for the specific position.
- And also focused on the term of social welfare in order to improve employees' beings and usually paid money to them in accordance with the social welfare organization's condition



The average of the employees' age in the Company



✓ **General and Importance Information of Company 2022**

➤ **Location and Network**

The Head Office of Company is located at No 366, Phonetongsavath Village, Chanthabouly District, Vientiane Capital. Nowadays, there are 7 branches, 3 branches in Vientiane capital and 4 branches in the different province such as:

✚ **3 branches in Vientiane capital**

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

✚ **4 branches in the different province**

4. Pakxan branch address: 13 South Rd, Sisaart village, Pakxan District, Borlikhamxay Province.
5. Pakse branch address: Kang Village, Pakse Capital City, Champasak Province.
6. Thakhek Branch address: 13 North Rd, Phonephim village, Thakhek District, Khammuan Province.
7. Savannakhet Branch address: 9 Road, Phonesavangneu Village, Kaysonaphomvihane City, Savannakhet Province

➤ **Contact Information**

- Tel: (+856-21) 415645
- Whatsapp: (+856-20) 96 935 223
- E-mail: Souvanny@souvanny.la
- Website: www.souvanny.la

✓ **Securities and Shareholders 2022**

➤ **Registered Capital**

The Company has paid registered capital of LAK 330.00 billion on 31 December of 2022, as the ordinary shares of 165.000,000 with par value at LAK 2,000 per share.

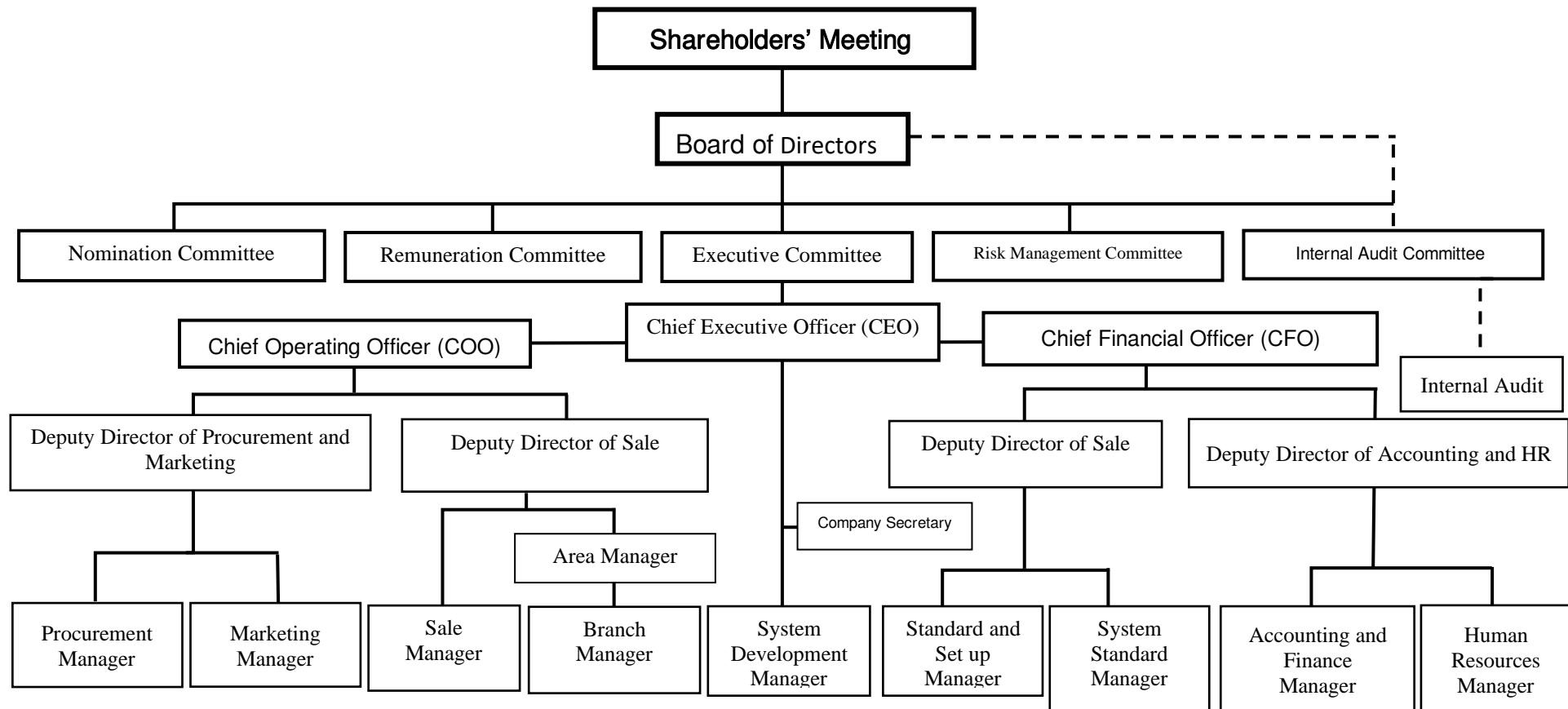
➤ **Shareholders**

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

- Soukbandith family with 83,893,600 shares equal to 51 %
- Global House International Company Limited with 56,000,000 shares equal to 33.94%

✓ **Organization Structure of Board of Directors, Managing Directors and the Activities of the Board.**

➤ **Organization Chart of the Company**



➤ **Board of Directors of SVN 2022**



Mr. Somchith INTHAMITH
Chairman and the Board of Directors, Independent Director



Mr. Xayphone KONGMANILA, Ph.D
Vice Chairman of the Board of Directors, Independent Director



Mr. Waddan SOUKHABANDITH
Member of the Board of Directors, Chief Executive Officer (CEO)



Mr. Bounterm KOMMITTAPHARP
Member of the Board of Directors, Independent Director



Mr. Phannola SOUKHABANDITH
Member of the Board of Directors, Chief Financial Officer (CFO)



Mrs. Khamkhai LORVANXAY
Member of the Board of Directors



Mr. Kotsada SOUKHABANDITH
Member of the Board of Director, Chief Operating Officer (COO)




Ms. Chutikan SRISAENGCHAN
Member of the Board of Directors



Mr. Piphop VASANAARCHASAKUL
Member of the Board of Directors

➤ **Brief biography of the Board of Directors**

	Name and Surname	<div>1</div>
	Mr. Somchith INTHAMITH	
	Nationality	: Lao
	Date of Birth	:13 March 1960
	Religion	: Buddhist
	Current address	: Chommany village, Xaysettha District, Vientiane Capital, Passport Number: D0030771
	Positions	:Chairman of the Board of Directors and Independent Director
Highest Education		
Master of Development Economics, Martin- Luther-Universität Halle-Wittenberg Germany, 1985		
Work Experiences		

- Officer at the Lao Embassy in Berlin, 1985-1986
- Officer of Department of Agricultural Planning, and State Planning Commission, 1987-1988
- Deputy Minister of Commerce and Foreign Economic Relations, 1989-1990
- Deputy Director General, Department of Economic Cooperation, Ministry of Commerce and Foreign Economic Relations, 1990-1993
- Deputy Director General, Department of Foreign Economic Cooperation, Committee on Planning and Cooperation 1994-1996
- Director, Department of ASEAN Economic Cooperation, 1996
- Senior Economic Officials of the Lao PDR to the ASEAN (SOM) 1997-2005
- Negotiations with the World Trade Organization 2004
- Head of the Department of Economy, Ministry of Foreign Affairs, 1999-2007
- Head of the Department of International Cooperation, Ministry of Planning and Investment, 2008-2011
- Deputy Minister of Planning and Investment, 2011-2014
- Deputy Minister of Industry and Commerce, 2014-2021
- Deputy Chairman of the Economic and Financial Committee of the Party Central Committee, 25/01/2022-Present;



Name and Surname 2

Mr. Xayphone KONGMANILA, Ph.D

Nationality : Lao

Date of Birth : 30 December 1973

Religion : Buddhist

Current address : Nasiew village, Naxaythong District, Vientiane Capital

Positions : Vice-Chairman of the Board of Directors and Independent Director

Highest Education

Doctor of Philosophy in Business Management, Graduate School for International Development and Cooperation, Hiroshima University, Japan, year 2009;

Work Experiences

- Telecommunication Engineer, Lao telecom development project, Enterprise of Telecommunication Laos, Vientiane, Laos, year 1995-1997
- Project Inspector, Project Division, Hi-Key Aircond. Technology Co., Ltd., Bangkok, Thailand, year 2000-2011
- Marketing and Operation Manager, Kharoonroj (Laos) Co., Ltd. Vientiane, Laos, year 2011
- Lecturer of Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2002-2011.
- Deputy Director of Department of Accountancy, Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2011-2017;
- Director of Department of Accountancy, Faculty of Economics and Business Management, National University of Laos, Vientiane, Laos, year 2017-Present



Name and Surname

3

Mr. Waddana SOUKHABANDITH

Nationality : Lao

Date of Birth : 28 October 1966

Religion : Buddhist

Current address : Viengchaleun village,
Xaysettha District, Vientiane Capital

Positions : Member of the Board of Directors, Chief
Executive Officer

Highest Education

Master of Business Administration, MAHASARAKHAM University, Thailand, year 2002;

Work Experiences

- Chief Executive Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 1988-Present



Name and Surname

4

Mr. Bounterm KOMMITTAPHARB

Nationality : Lao

Date of Birth : 03 March 1955

Religion : Buddhist

Current address : Phonsaard village, Xaysettha
District, Vientiane Capital

Positions : Member of the Board of Directors,
Independent Director

Highest Education

Bachelor' Degree of Law University, Lao, year 2011

Work Experiences

- Responsible for the Administration work of Justice Ministry, year 1982-1994.
- Responsible for Financial work of Faculty of Law and Political Science, year 1994-1997
- Head of Summary and Inspection Department, year 1999
- Judge, year 1997-2015



Name and Surname

5

Mr. Phannola SOUKHABANDITH

Nationality : Lao

Date of Birth : 22 September 1969

Religion : Buddhist

Current address : Phonsavannuea village, Sisattanak District, Vientiane

Positions : Member of the Board of Directors, Chief Financial Officer

Highest Education

Master of Business Administration, MAHASARAKHAM University, Thailand, year 2002

Work Experiences

- Chief Financial Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 1988-Present



Name and Surname

6

Mr. Kotsada SOUKHABANDITH

Nationality : Lao

Date of Birth : 04 January 1972

Religion : Buddhist

Current address : Nongnieng village, Xaysettha District, Vientiane Capital

Positions : Member of the Board of Directors, Chief Operating Officer

Highest Education

Master of Business Administration, Khonkaen University, Thailand, Year 2007

Work Experiences

- Chief Operating Officer of SOUVANNY HOME CENTER PUBLIC COMPANY, year 2000-Present



Name and Surname

7

Mrs. Khamkhai LORVANXAY

Nationality : Lao

Date of Birth : 21 August 1978

Religion : Buddhist

Current address : Nakhaekham village, Xaythany
District, Vientiane Capital

Positions : Member of the Board of Directors,

Highest Education

Bachelor of Business Administration, Settha Business Administration College,
Laos, 2010

Work Experiences

- Sales staff of Souvanny Home Center Public Company, 2000-2005;
- Head of Sales of Souvanny Home Center Public Company, 2005-2015;
- Purchasing Manager of Souvanny Home Center Public Company, 2015-Present



Name and Surname

8

Ms. Chutikan SRISAENGCHAN

Nationality : Thai

Date of Birth : 25 April 1969

Religion : Buddhist

Current address : Roi Et, Thailand

Positions : Member of the Board of Directors,

Highest Education

Master of Business Administration, Khonkaen University, Thailand, year 2001

Work Experiences

- Director of Siam Global House PCL, 2008-2012
- Deputy Chief Executive Officer of Financial and Accounting of Siam Global House PCL, year 2012-Present



Name and Surname

9

Mr. Piphop VASANAARCHASAKUL

Nationality : Thai

Date of Birth : 21 May 1970

Religion : Buddhist

Current address : Roi Et, Thailand

Positions : Member of the Board of Directors,

Highest Education

Bachelor's Degree of Humanities, Kasetsart University, Thailand, Year 1993

Work Experiences

- Assistant Deputy Chief Executive Officer- Business Development of Siam Global House PCL, year 2014-2017;
- Deputy Chief Executive Officer- Business Development of Siam Global House PCL, year 2017-Present
- Commissioner of PT CATURKARDA DEPO BANGUNAN TBK (Indonesia) 2022 - Present

➤ Executive committee of Company 2022

Mr. Waddana SOUKHABANDITH
Chief Executive Officer/CEO



Mr. Kotsada SOUKHABANDITH
Vice Chairman/COO



Mr. Phannola SOUKHABANDITH
Vice Chairman/CFO

➤ **Activities of the Board of Directors in the year 2022**

- The Board of Directors' meeting was held for 4 times
- The Audit Committee's meeting was held for 4 times
- The Remuneration Committee's meeting was held for 2 times
- The Risk Management Committee's meeting was held for 2 times
- The Nomination Committee's meeting was held for 2 times

➤ **Remuneration of Members of Board of Directors.**

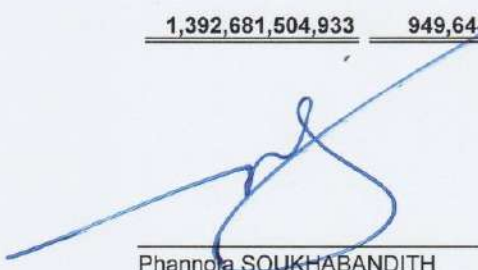
The allowance to attend a meeting of member of the board of directors of the company who the independent member of the board of directors as follows:

- | | |
|---|------------------------|
| - The Chairman of the board of directors | 6,500,000 Kip/1 times. |
| - The Deputy Chairman of the board of directors | 4,300,000 Kip/1 times. |
| - The member of the board of directors | 4,300,000 Kip/1 times |

✓ **Financial Statement Report 2022****SOUVANNY HOME CENTER PUBLIC COMPANY****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 LAK	2021 LAK
Assets			
Current assets			
Cash and cash equivalents	5	38,288,451,914	3,285,274,048
Trade and other receivables, net	6	6,217,863,819	12,497,867,185
Inventories, net	7	402,463,937,243	289,175,467,358
Other current assets	8	20,547,738,684	7,159,850,423
Total current assets		467,517,991,660	312,118,459,014
Non-current assets			
Property, plant and equipment, net	9	904,691,252,324	637,484,068,573
Other non-current assets	8	20,355,868,711	-
Intangible assets, net	10	116,392,238	41,679,842
Total non-current assets		925,163,513,273	637,525,748,415
Total assets		1,392,681,504,933	949,644,207,429


 Waddana SOUKHABANDITH
 Chief Executive Officer
 Date: 14 February 2023


 Phannola SOUKHABANDITH
 Chief Financial Officer
 Date: 14 February 2023

The accompanying notes on pages 12 to 30 are an integral part of financial information.

SOUVANNY HOME CENTER PUBLIC COMPANY
**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

	Notes	2022 LAK	2021 LAK
Liabilities			
Current liabilities			
Trade and other payables	11	51,745,048,229	59,803,233,466
Bank overdraft and short-term borrowings	12	84,934,340,351	85,686,567,355
Current portion of long-term borrowings	12	20,671,002,986	13,820,250,486
Profit tax payable	13	11,564,148,709	4,066,651,565
Deposits from customers	14	2,003,390,891	2,129,487,607
Other current liabilities	15	14,345,115,421	14,747,214,631
Total current liabilities		185,263,046,587	180,253,405,110
Non current liabilities			
Long-term borrowings from financial institution	12	58,329,409,126	9,671,632,212
Total non current liabilities		58,329,409,126	9,671,632,212
Total liabilities		243,592,455,713	189,925,037,322
Equity			
Share capital	16	330,000,000,000	330,000,000,000
Premium on share capital		24,735,724,722	24,735,724,722
Retained earnings			
Appropriated - legal reserve	17	14,102,046,968	8,440,875,640
Appropriated - other reserve	17	13,852,046,968	8,190,875,640
Unappropriated		217,954,979,089	180,915,608,468
Translation adjustments		548,444,251,473	207,436,085,637
Total equity		1,149,089,049,220	759,719,170,107
Total liabilities and equity		1,392,681,504,933	949,644,207,429



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 14 February 2023



Phannola SOUKHABANDITH
Chief Financial Officer
Date: 14 February 2023

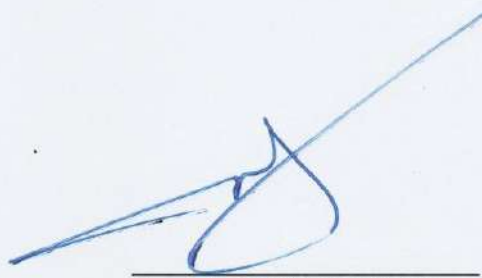
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SOUVANNY HOME CENTER PUBLIC COMPANY
**STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 LAK	2021 LAK
Revenue from sales		647,161,515,668	455,188,800,941
Cost of sales	18	(485,502,857,955)	(358,083,962,107)
Gross profit		161,658,657,713	97,104,838,834
Other incomes		2,561,646,580	1,541,717,834
Selling expenses	18	(53,069,064,227)	(35,015,267,862)
Administrative expenses	18	(43,132,823,609)	(31,639,110,135)
Finance costs		(8,124,604,117)	(4,989,577,589)
Foreign exchange gain		6,662,858,647	1,610,145,798
Profit before income tax expense		66,556,670,987	28,612,746,880
Income tax expense	19	(9,944,957,710)	(3,943,260,210)
Net profit for the year		56,611,713,277	24,669,486,670
Earnings per share			
Basic earnings per share		343 ^r	150



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 14 February 2023



Phannola SOUKHABANDITH
Chief Financial Officer
Date: 14 February 2023

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SOUVANNY HOME CENTER PUBLIC COMPANY

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Issued and paid-up ordinary shares LAK	Premium on share capital LAK	Legal reserve LAK	Other reserve LAK	Unappropriated retained earnings LAK	Translation adjustments LAK	Total equity LAK
Opening balance 1 January 2021		330,000,000,000	24,735,724,722	5,973,926,973	5,723,926,973	164,542,719,132	172,891,823,493	703,868,121,293
Legal reserve		-	-	2,466,948,667	-	(2,466,948,667)	-	-
Other reserve		-	-	-	2,466,948,667	(2,466,948,667)	-	-
Net profit for the year		-	-	-	-	24,669,486,670	-	24,669,486,670
Dividend paid	20	-	-	-	-	(3,362,700,000)	-	(3,362,700,000)
Translation adjustments		-	-	-	-	-	34,544,262,144	34,544,262,144
Ending balance 31 December 2021		330,000,000,000	24,735,724,722	8,440,875,640	8,190,875,640	180,915,608,468	207,436,085,637	759,719,170,107
Opening balance 1 January 2022		330,000,000,000	24,735,724,722	8,440,875,640	8,190,875,640	180,915,608,468	207,436,085,637	759,719,170,107
Legal reserve		-	-	5,661,171,328	-	(5,661,171,328)	-	-
Other reserve		-	-	-	5,661,171,328	(5,661,171,328)	-	-
Net profit for the year		-	-	-	-	56,611,713,277	-	56,611,713,277
Dividend paid	20	-	-	-	-	(8,250,000,000)	-	(8,250,000,000)
Translation adjustments		-	-	-	-	-	341,008,165,836	341,008,165,836
Ending balance 31 December 2022		330,000,000,000	24,735,724,722	14,102,046,968	13,852,046,968	217,954,979,090	548,444,251,473	1,149,089,049,220

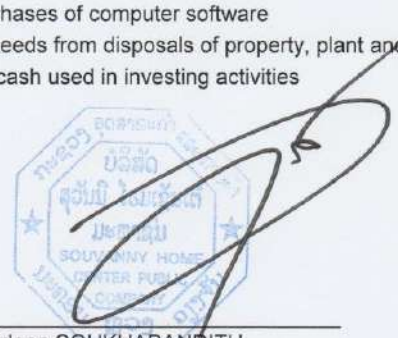

Waddana SOUKHABANDITH
 Chief Executive Officer
 Date: 14 February 2023



Phannola SOUKHABANDITH
 Chief Financial Officer
 Date: 14 February 2023

The accompanying notes on pages 12 to 30 are an integral part of financial information.

SOUVANNY HOME CENTER PUBLIC COMPANY
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 LAK	2021 LAK
Cash flow from operating activities:			
Net profit before income tax for the year		66,556,670,987	28,612,746,880
Adjustments for:			
Depreciation	9	23,011,152,048	18,280,657,823
Amortisation	10	6,694,689	26,848,512
(Gain) from disposes of property, plant and equipment		(341,145,801)	(26,915,457)
(Gain)/Loss on exchange rate		10,898,529,381	(507,670,338)
Interest expense		8,124,604,117	4,989,577,589
Inventories provision		1,507,680,606	73,117,833
Trade and other receivables provision		3,660,182,750	588,643,401
Allowance for sale return		800,697,550	130,957,064
Operating profit before working capital changes		114,225,066,327	52,167,963,307
Changes in operating assets and liabilities			
- Trade and other receivables		7,318,076,794	(1,454,749,302)
- Inventories		12,438,560,104	(32,972,704,626)
- Other current assets		(30,593,484,562)	569,744,061
- Trade and other accounts payable		(33,568,273,843)	12,501,743,628
- Deposits from customers		(1,063,052,890)	944,472,113
- Other current liabilities		(6,949,828,997)	(2,756,303,782)
Cash generated from operations		61,807,062,933	29,000,165,399
Interest paid		(8,065,521,527)	(4,830,017,364)
Income tax paid	13	(3,951,260,210)	(699,394,936)
Net cash generated from operating activities		49,790,281,196	23,470,753,099
Cash flows from investing activities:			
Purchases of plant and equipments		(14,489,151,307)	(22,689,529,359)
Purchases of computer software		(63,068,285)	(28,511,654)
Proceeds from disposals of property, plant and equipments		550,065,950	125,517,385
Net cash used in investing activities		(14,002,153,642)	(22,592,523,628)


Waddana SOUKHABANDITH
 Chief Executive Officer
 Date: 14 February 2023


Phannola SOUKHABANDITH
 Chief Financial Officer
 Date: 14 February 2023

The accompanying notes on pages 12 to 30 are an integral part of financial information.

SOUVANNY HOME CENTER PUBLIC COMPANY
**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 LAK	2021 LAK
Cash flows from financing activities:			
Proceeds from short-term borrowing		496,320,013,715	405,638,543,748
Repayment on borrowings from bank		(489,601,287,323)	(405,480,357,342)
Dividend paid	20	(8,250,000,000)	(3,362,700,000)
Net cash used in financing activities		(1,531,273,608)	(3,204,513,594)
Net increase/(decrease) in cash and cash equivalents			
Cash and cash equivalent at the beginning of the year	5	3,285,274,048	3,734,536,186
Effect of exchange rate changes on cash and cash equivalent		746,323,920	1,877,021,985
Cash and cash equivalent at the end of the year		38,288,451,914	3,285,274,048
Significant non-cash items			
Other payables from purchases of plant and equipment		789,048,267	1,591,866,396
Interest payable		68,702,138	159,560,225



Waddana SOUKHABANDITH
Chief Executive Officer
Date: 14 February 2023



Phannola SOUKHABANDITH
Chief Financial Officer
Date: 14 February 2023

The accompanying notes on pages 12 to 30 are an integral part of financial information.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

Souvanny Home Center Public Company is a public company which is listed on the Lao Securities Exchange (LSX) and is incorporated and domiciled in Lao PDR. The Company principally trades in a full range of goods and materials for construction, additions, refurbishment, renovation and the improvement of buildings, houses and residences, and provides related services.

The registered address of the Company headquarters is number 366 Ban Phonetongsavath, Chanthaburi District, Vientiane Capital, Lao PDR. The Company has seven branches in Lao PDR: Phonetongsavath, Srikai, Xokyai, Paksan, Thakhaek, Savannakhet and Paskse.

On 15 January 2022, the Company opened a new branch at Kaysone Phomvihan City, Savannakhet Province.

These financial statements were authorised for issue by the Board of Directors on 14 February 2023.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described below and have been prepared generally under the historical cost convention.

According to the Accounting Law no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply IFRS. However, Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for listed companies to prepare action plan for adoption IFRS within four-year period. Therefore, listed companies must fully adopt IFRS as of 1 January 2026 onwards.

The management is presently preparing action plan for implementation IFRS in accordance with the announcement. The accounting principles applied may materially differ from International Financial Reporting Standards (IFRSs).

The preparation of financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current events and actions, actual results may materially differ from those estimates.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (Continued)**2.2 Foreign currency translation****(a) Functional and presentation currency**

Items included in the financial statements are measured using Thai Baht, the currency of the primary economic environment in which the Company operates especially for purchases.

(b) Transactions and balances

Foreign currency transactions are translated into Thai baht using the exchange rates prevailing at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income under 'foreign exchange gain/(loss) – net'. The exchange rates used are from Banque pour le Commerce Extérieur Lao Public (BCEL).

The Company converted its financial statements from Thai baht into Lao kip, the presentation currency, as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the reporting date except for share capital, which is presented at historical cost.
- Income and expenses for each statement of income are translated at the average exchange rate during the year.
- All resulting exchange differences are recognised and presented under translation adjustments in statement of changes in equity.

2.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the statements of financial position, bank overdrafts are shown in current liabilities.

2.4 Trade accounts receivables

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining balance less any allowance for doubtful debts based on the review of all outstanding amounts at year end. The allowance is equal to the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss under administrative expenses.

SOUVANNY HOME CENTER PUBLIC COMPANY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (Continued)

2.5 Inventories

Inventories are stated at the lower of the purchase cost and net realisable value. The cost is determined using the weighted average method. The purchase cost comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates from suppliers. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.6 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

The cost of replacing property, plant and equipment is included in the carrying amount of the asset when it is probable that future economic benefits will flow to the Company and the carrying amount of the replaced parts is derecognised. Repairs and maintenance expenses are charged to the statement of income in the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost, to their residual values over their estimated useful lives, as follows:

	Years
Buildings and land improvements	30, 20
Machinery and office equipment	3-5
Furniture and fixtures	2-10
Motor vehicles	3-5

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period.

An asset's carrying amount is written-down to its recoverable amount immediately if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised under 'other gains (losses) – net' in the statement of income.

2.7 Intangible assets

2.7.1 Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring the specific software into use. These costs are amortised over their estimated useful lives of three years. Costs associated with maintaining computer software programmes are recognised as an expense when incurred.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (Continued)**2.8 Borrowings**

Borrowings are recognised at the original value of the proceeds received.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8.1 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised as expense in the period in which they are incurred.

2.9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated, except for the provision for employee benefits as described in Note 2.12.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (Continued)**2.10 Revenue recognition**

Revenue comprises the invoice value of goods sold net of rebates and discounts. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods are transferred or delivered to the buyer. The Company's policy to sell its products to the end customer with a right of return within 30 days. Therefore, a refund liability (included in trade and other payables) and a right to the returned goods (included in other current assets) are recognised for the products expected to be returned. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level by applying expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Sales of goods subject to installation and inspection conditions are recognised when the buyer accepts the delivery and the installation and inspection are completed.

Revenue from maintenance services is recognised as revenue when the service is completed for customers.

Other income is recognised on the following basis:

- Interest income is recognised on a time-proportion basis, taking into account the principal outstanding and interest rate over the period to maturity, when it's determined that the income will be accrued to the Company.
- Other income is recognised on an accrual basis.

2.11 Taxation

The Company records corporate income tax on an accrual basis. The Company doesn't recognise corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognised based on the operating result for the year after adjusted non-deductible expenses and other transactions under the related Lao Tax Law and tax rate. Under Lao Tax Law, Lao Accounting Law and related privileges as a LSX listed company, tax expenses for the year are determined on the basis of the profit the Company has calculated (Note 19).

In Lao PDR, income tax returns are regularly reviewed in details by the relevant authorities. In addition, tax issues raised in the reviews may require substantive judgements and interpretation by the parties concerned. The reviews could therefore potentially result in additional tax payments or refunds being necessary which may be significant. This would result in the payment or refund being recognised as income tax expense in the year in which the reviews are completed.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (Continued)****2.12 Employee benefits**

The Company makes contributions to the Social Security Fund as required by the Lao Labour Law dated 27 June 2018 and the Notification date 13 August 2018. The Company and its employees are required to contribute 6% and 5.5% of the employee's salary, respectively, to the Social Security Fund. The monthly salary of each employee used as a basis for the calculation and contributions are capped at LAK 4.5 million.

According to the Lao Labour Law, when staff retire and meet the criteria outlined in the Law, the Company has an obligation to pay the staff a retirement pension.

Provisions for employee retirement benefits are not accrued each year. The liability is recognised on the balance sheet and the related expenses are recognised in the statements of income based on the actual amount due at the time when employees retire.

3. Financial risk management**Financial risk factors**

The Company's activities expose it to certain financial risks: market risk (including currency risk, cash flow interest rate risk and price risk) credit risk and liquidity risk.

The Company's management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance in a cost-effective manner.

Risk management is generally carried out by management under the supervision of the Board of Directors.

3.1 Foreign exchange risk

The Company operates domestically but is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to purchases made in Thai baht. Foreign exchange risks also arise from other trading transactions and borrowings.

Management believes that the foreign exchange risk from trading transactions is low because the Company uses natural hedging, the buying and selling price is set in Thai baht and the terms of payment and the collection terms are not significantly different.

As at 31 December 2022, management hadn't established formal policies. Also management doesn't use any financial instruments or derivatives to manage the foreign exchange risk from trading and borrowing in Thai baht. However, management monitors the movement of foreign exchange rates regularly and may use financial instruments or derivatives to manage this risk if it considers it necessary in the future. Consequently, significant fluctuations in exchange rates could have a material adverse effect on the Company's business, results of operations, financial conditions and prospects.

SOUVANNY HOME CENTER PUBLIC COMPANY**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

3. Financial risk management (Continued)**3.2 Credit risk**

Credit risk arises mainly from sale on credit to company and individual customers. Management therefore carefully manages its exposure to credit risk. The Company's credit risk principles are as follow:

- Management always reviews and follow up all trade accounts receivables aged more than six months.
- Management assign team to involved in dealing directly with clients.
- Management evaluates the allowance for doubtful debts is set up from the outstanding account receivable balances that have been overdue are more than six months by review the recent historical payments and expectations regarding the future collectability.

3.3 Interest rate risk

The Company has no significant interest-bearing assets. But interest rate risk arises from borrowings which are issued at floating rates, as these expose the Company to cash flow interest rate risk. The company mitigated the risk with short-term borrowings. Management believes that the effect of the interest rate fluctuation will not affect the Company significantly.

3.4 Liquidity risk

Prudent liquidity risk management includes maintaining sufficient cash and short-term investments. Management plans to, but doesn't currently, maintain cash forecasts to aid in liquidity management and ensure that it has sufficient liquid funds to meet short-term operational needs, including loan repayments, and for its long-term investment plan.

3.5 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares.

4. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
4. Critical accounting estimates, assumptions and judgements (Continued)
4.1 Impairment of trade receivables

The Company has established the allowance for doubtful accounts to reflect the impairment of trade receivables, related to the provision of loss from unbillable customers. The allowance for doubtful accounts is the effect of the Company's estimation of future cash inflow, with that assessment being based on the consideration of historical collection experience, known and identified instances of default and consideration of market trends.

4.2 Allowance for a decrease in the value of inventories

The Company has established an allowance for the decrease in value of inventories to reflect the net realisable value from inventories. The allowance for a decrease in the value of inventories is the effect of the Company's analysis of obsoleted inventories and forecasts of future sales. The balance of inventories will be written-off once the inventories are obsolete and are unable to be sold

5. Cash and cash equivalents

	2022 LAK	2021 LAK
Cash on hand	1,547,393,028	637,529,904
Deposits held at call with financial institutions	36,741,058,886	2,647,744,144
Cash and cash equivalents	<u>38,288,451,914</u>	<u>3,285,274,048</u>

Cash on hand includes petty cash and cash received from sales that is used for general purposes.

Deposits held at call with financial institutions represents cash deposited with reputable local banks in three currencies (US dollars, Thai baht and Lao kip) in current accounts with interest at 0.6% - 2.0 % per annum (2021: 1.75% - 2.0% per annum), and in savings accounts with interest at 0.45% - 1.25% per annum.

6. Trade and other receivables, net

	2022 LAK	2021 LAK
Trade accounts receivable	12,191,152,544	12,905,664,740
<u>Less</u> Allowance for doubtful debts	<u>(6,266,253,522)</u>	<u>(1,395,937,031)</u>
Trade accounts receivable, net	<u>5,924,899,022</u>	<u>11,509,727,709</u>
Staff borrowings	188,935,487	196,184,144
Other receivables	104,029,310	791,955,332
	<u>292,964,797</u>	<u>988,139,476</u>
Trade and other receivables, net	<u>6,217,863,819</u>	<u>12,497,867,185</u>

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
6. Trade and other receivables, net (continued)

The outstanding trade accounts receivable balance as at 31 December 2022 is aged as follows:

	2022 LAK	2021 LAK
Not yet due	4,588,327,213	6,351,403,747
Overdue:		
1-3 months	1,330,605,896	1,845,543,058
3-6 months	5,965,782	141,087,731
6-12 months	611,402,541	101,794,992
Over 12 months	5,654,851,112	4,465,835,212
Trade and other receivables, net	12,191,152,544	12,905,664,740
<u>Less</u> Allowance for doubtful debts	(6,266,253,522)	(1,395,937,031)
Trade accounts receivable, net	5,924,899,022	11,509,727,709

Trade accounts receivables aged more than six months are mainly receivables which are still trading actively, the allowance for doubtful debts is set up from the outstanding account receivable balances that have been overdue are more than six months and management's evaluation, based on recent historical payments of accounts receivable and expectations regarding the future collectability of accounts receivable.

7. Inventories, net

	2022 LAK	2021 LAK
Inventories	409,531,257,556	292,865,882,718
<u>Less</u> : Allowance for slow moving and obsolete	(6,748,748,957)	(3,500,789,509)
Allowance for diminution in the value of inventories	(318,571,356)	(189,625,851)
Inventories, net	402,463,937,243	289,175,467,358

The change in inventories recognised as an expense in the cost of sales in this year is LAK 485,502 million (2021: LAK 358,083 million).

As at 31 December 2022, management reassessed and reviewed the related allowance for slow-moving and obsolete inventories, Related allowance for slow-moving and a decrease in the value of inventory has been revised up to LAK 7,067 million (2021: LAK 3,690 million), as slow-moving inventories can be actually sold at a lower turnover. As a result, the related allowance and cost of goods sold has been adjusted up to be consistent with recent facts and analysis.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
8. Other current assets

	2022 LAK	2021 LAK
Current assets		
Advance payments to suppliers	773,039,615	2,936,838,606
Prepaid insurance premium	137,934,712	150,125,591
Accrued rebate from suppliers (i)	3,897,621,436	2,228,267,751
Prepaid rental (Note 21,2) (ii)	13,404,352,054	-
Others	2,334,790,867	1,844,618,475
Non-current assets		
Prepaid rental (Note 21,2) (ii)	20,355,868,711	-
Other current assets	<u>40,903,607,395</u>	<u>7,159,850,423</u>

- (i) Rebate from suppliers represents a confirmed amount of rebate to be received from suppliers and is settled by netting with the invoices when the Company makes payments to those suppliers, most of the accrued rebate from the suppliers as of 31 December 2022 will be settled within the first quarter of 2023.
- (ii) Prepaid rental is from the land rental for contact period 3 – 5 years, which fully paid during the year, the remaining balance was classified in non-current assets.

SOUVANNY HOME CENTER PUBLIC COMPANY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Property, plant and equipment, net

	Land LAK	Buildings and improvements LAK	Machineries and Office equipment LAK	Furniture and fixtures LAK	Motor vehicles LAK	Construction in progress LAK	Total LAK
As at							
1 January 2021							
Cost	267,896,239,572	163,271,129,789	6,272,815,082	39,873,046,920	15,009,016,541	12,869,814,616	505,192,062,520
Foreign exchange translation difference	100,381,703,861	47,191,078,789	530,457,619	6,255,608,543	1,848,215,150	12,590,201,037	168,797,264,999
Less Accumulated depreciation	-	(33,723,977,485)	(4,662,079,734)	(19,908,043,702)	(12,649,069,413)	-	(70,943,170,334)
Net book amount	368,277,943,433	176,738,231,093	2,141,192,967	26,220,611,761	4,208,162,278	25,460,015,653	603,046,157,185
For the year ended							
31 December 2021							
Opening net book amount	368,277,943,433	176,738,231,093	2,141,192,967	26,220,611,761	4,208,162,278	25,460,015,653	603,046,157,185
Foreign exchange translation difference	17,776,025,429	8,304,052,891	72,133,051	1,043,708,968	110,952,367	1,228,902,895	28,535,775,601
Additions	-	-	511,075,937	1,060,548,987	428,830,002	22,281,146,450	24,281,601,376
Transfers in (out)	-	11,888,972	121,276,275	3,170,810,610	9,524,198	(3,313,500,055)	-
Disposals – net	-	-	(38,877,123)	(59,929,948)	(695)	-	(98,807,766)
Depreciation charge	-	(7,246,045,817)	(997,655,059)	(7,091,542,781)	(2,945,414,166)	-	(18,280,657,823)
Closing net book amount	386,053,968,862	177,808,127,139	1,809,146,048	24,344,207,597	1,812,053,984	45,656,564,943	637,484,068,573
As at							
31 December 2021							
Cost	267,896,239,572	163,283,018,761	6,752,322,407	43,883,776,651	15,162,256,741	31,837,461,011	528,815,075,343
Foreign exchange translation difference	118,157,729,290	55,495,131,680	602,590,670	7,299,317,511	1,959,167,517	13,819,103,932	197,333,040,600
Less Accumulated depreciation	-	(40,970,023,302)	(5,545,767,029)	(26,838,886,765)	(15,309,370,274)	-	(88,664,047,370)
Net book amount	386,053,968,862	177,808,127,139	1,809,146,048	24,344,207,597	1,812,053,984	45,656,564,943	637,484,068,573

SOUVANNY HOME CENTER PUBLIC COMPANY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Property, plant and equipment, net (continued)

	Land LAK	Buildings and improvements LAK	Machineries and Office equipment LAK	Furniture and fixtures LAK	Motor vehicles LAK	Construction in progress LAK	Total LAK
As at							
1 January 2022							
Cost	267,896,239,572	163,283,018,761	6,752,322,407	43,883,776,851	15,162,256,741	31,837,461,011	528,815,075,343
Foreign exchange translation difference	118,157,729,290	55,495,131,680	602,590,670	7,299,317,511	1,959,167,517	13,819,103,932	197,333,040,600
Less Accumulated depreciation	-	(40,970,023,302)	(5,545,767,029)	(26,838,886,765)	(15,309,370,274)	-	(88,664,047,370)
Net book amount	386,053,968,862	177,808,127,139	1,809,146,048	24,344,207,597	1,812,053,984	45,656,564,943	637,484,068,573
For the year ended							
31 December 2022							
Opening net book amount	386,053,968,862	177,808,127,139	1,809,146,048	24,344,207,597	1,812,053,984	45,656,564,943	637,484,068,573
Foreign exchange translation difference	169,860,415,376	76,442,143,679	613,472,205	9,172,269,899	564,127,224	20,088,494,387	276,740,922,770
Additions	-	-	1,231,430,617	784,112,985	534,295,538	11,136,494,038	13,686,333,178
Transfers in (out)	-	63,521,664,990	23,424,468	6,520,204,104	1,932,487,190	(71,997,780,752)	-
Disposals - net	-	-	(27,765,101)	(181,154,547)	(501)	-	(208,920,149)
Depreciation charge	-	(11,005,711,062)	(1,121,123,816)	(9,452,260,784)	(1,432,056,386)	-	(23,011,152,048)
Closing net book amount	555,914,384,238	306,766,224,746	2,528,584,421	31,187,379,254	3,410,907,049	4,883,772,616	904,691,252,324
As at							
31 December 2022							
Cost	267,896,239,572	226,804,683,751	7,979,412,391	51,006,939,393	17,629,038,968	4,883,772,616	576,200,086,691
Foreign exchange translation difference	288,018,144,666	131,937,275,359	1,216,062,875	16,471,587,410	2,523,294,741	-	440,166,365,051
Less Accumulated depreciation	-	(51,975,734,364)	(6,666,890,845)	(36,291,147,549)	(16,741,426,660)	-	(111,675,199,418)
Net book amount	555,914,384,238	306,766,224,746	2,528,584,421	31,187,379,254	3,410,907,049	4,883,772,616	904,691,252,324

The total additions of LAK 13,686 million consisted of cash transactions of LAK 13,119 million and non-cash transactions of LAK 789 million.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
10. Intangible assets, net

For the year ended 31 December 2021	LAK
Opening net book amount	38,975,565
Foreign exchange translation difference	1,041,135
Additions	28,511,654
Amortisation charge	(26,848,512)
Closing net book amount	41,679,842
As at 31 December 2021	
Cost	896,612,394
Foreign exchange translation difference	95,662,692
<u>Less Accumulated amortisation</u>	<u>(950,595,244)</u>
Net book amount	41,679,842
For the year ended 31 December 2022	LAK
Opening net book amount	41,679,842
Foreign exchange translation difference	18,338,770
Additions (i)	63,068,315
Amortisation charge	(6,694,689)
Closing net book amount	116,392,238
As at 31 December 2022	
Cost	959,680,709
Foreign exchange translation difference	114,001,462
<u>Less Accumulated amortisation</u>	<u>(957,289,933)</u>
Net book amount	116,392,238

(i) Additions during the year is from cost of online shopping application.

11. Trade and other payables

	2022 LAK	2021 LAK
Trade payable – third parties	40,199,324,412	47,745,460,523
Trade payable – related parties (Note 21)	10,877,529,142	10,943,297,126
Other payable (i)	668,194,675	1,114,475,817
Trade and other payables	<u>51,745,048,229</u>	<u>59,803,233,466</u>

(i) Other payable represent refund liability from sale return.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
12. Borrowings

	2022 LAK	2021 LAK
Current		
Bank overdraft	1,547,005,498	5,088,905,747
Short-term borrowings	83,387,334,853	80,597,661,608
Current portion of long-term borrowings	20,671,002,986	13,820,250,486
Non-current		
Long-term borrowings	58,329,409,126	9,671,632,212
Borrowings	163,934,752,463	109,178,450,053

The interest rate exposure on the borrowings of the company is as follows:

	2022 LAK	2021 LAK
Borrowings		
At fixed rates	158,461,996,044	104,155,141,145
At floating rates	5,472,756,419	5,023,308,908
Borrowings	163,934,752,463	109,178,450,053

- i) Short-term borrowing from local commercial bank for which the interest rate is the Low Rate Limit (LRL) plus a percentage of the margin per annum, The repayments are required within five months after drawdown, the facilities are secured by the shareholder's land and for the year ended 31 December 2022, there was an amount of LAK 49,396 million drawn down.
- ii) Short-term borrowing from local commercial bank for a contract amount of THB 30 million with an annual fixed interest of 6.05% per annum, the loan principle has been paid quarterly and the interest has to be paid monthly. The borrowing is secured by the shareholder's land. For the year ended 31 December 2022, there was an amount of LAK 287,800 million drawn down.
- iii) Short-term borrowing from oversea commercial bank for a contract amount of THB 250 million with an annual fixed interest of 4% per annum, the repayments are required within 150 days after the drawdown and the interest has to be paid monthly. The borrowing was secured by the shareholder's land. For the period ended 31 December 2022, there was an amount of LAK 112,432 million drawn down.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
12. Borrowings (continued)

- iv) Long-term borrowing from local commercial bank for a contract amount of THB 50 million with an annual fixed interest of 5% per annum which is due in December 2025, the loan principle has been paid quarterly starting from June 2021 and the interest has to be paid monthly. The borrowing is secured by the shareholder's land. During the year ended 31 December 2022, the loan was fully drawn down.
- v) During the year, the Company entered into a new long-term loan from local commercial bank for contract amount of THB 145 million with an annual fixed interest of 5% per annum which is due on 31 May 2027. The loan principle has been paid quarterly starting from 31 August 2022. The borrowing is secured by the shareholder's land, the loan was fully drawn down in July 2022.

The deferred financing service fee was recognised as a prepayment when occurred and is amortised throughout the contract period.

13. Profit tax payable

The movement of profit tax payable for 2022 is as below:

	LAK
As at 1 January 2022	4,066,651,565
Profit tax expense for the year (Note 19)	9,944,957,710
Paid during the year	(3,951,260,210)
Foreign exchange translation difference	1,503,799,644
Profit tax payable as at 31 December 2022	<u>11,564,148,709</u>

14. Deposits from customers

Deposits are normally settled and cleared within 1-2 months, when the customers accept the delivery of goods.

15. Other current liability

	2022 LAK	2021 LAK
Advance received from customers	5,812,926,314	2,463,480,925
Accrual related marketing activities	4,065,268,799	-
Accrual rental expense	-	2,594,224,470
Other liabilities	4,466,920,308	9,689,509,236
Other current liability	<u>14,345,115,421</u>	<u>14,747,214,631</u>

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
16. Share capital

	Number of shares (Shares)	Ordinary Shares (LAK)	Share Premium (LAK)	Total (LAK)
At 1 January 2021	165,000,000	330,000,000,000	24,735,724,722	354,735,724,722
Issue of shares	-	-	-	-
At 31 December 2021	165,000,000	330,000,000,000	24,735,724,722	354,735,724,722
Issue of shares	-	-	-	-
At 31 December 2022	165,000,000	330,000,000,000	24,735,724,722	354,735,724,722

As at 31 December 2022, the Company had a share capital of 165,000,000 authorised ordinary shares with a par value of LAK 2,000 per share, which were fully paid,

17. Reserves
Legal reserve

	2022 LAK	2021 LAK
At 1 January	8,440,875,640	5,973,926,973
Additions	5,661,171,328	2,466,948,667
At 31 December	14,102,046,968	8,440,875,640

The legal reserve is set up in accordance with the requirements in the Lao Enterprise Law, It is required that at least 10% of the annual net profit is set aside as a legal reserve until that reserve reaches 50% of the authorised share capital.

Other reserve

As well as the legal reserve, the Company also set aside 10% of net profit for the year as other reserve. This is in accordance with the Company's policies registered with the Ministry of Finance and dated 22 September 2017. The other reserve is for unforeseeable events such as natural disasters, The Company will only use the reserve to recover its business' unforeseeable events.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
18. Expenses by nature

Significant expenses classified by nature are as follows:

	2022 LAK	2021 LAK
Change in inventories	483,995,177,348	358,013,807,788
Salaries, wages and other employee benefits	37,799,096,100	27,101,793,060
Allowance for inventory	1,507,680,606	70,154,486
Depreciation and amortisation (Note 9,10)	23,017,846,737	18,307,506,335
Sales promotion and operation support expenses	2,379,328,674	2,245,418,154
Rental fees – offices and showrooms	11,699,614,268	6,279,312,895
Fuel expense	3,713,277,140	1,860,176,080
Repairs and maintenance expense	3,641,222,160	2,472,805,765
Utilities	2,966,892,544	2,687,347,230
Professional fees	2,886,659,559	1,921,649,415
Others	8,097,950,655	3,778,368,896
	<u>581,704,745,791</u>	<u>424,738,340,104</u>

19. Income tax expense

The Company doesn't recognise corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognised based on the operating result for the related period and the applicable tax rate,

	LAK
<i>Reconciliation between income tax expense and accounting profit:</i>	
Accounting profit before income tax	66,556,670,987
Non-deductible and reversal items for tax purpose (1)	<u>(16,831,882,437)</u>
Taxable income	49,724,788,550
Profit tax expense at the tax rate of 20%	<u>9,944,957,710</u>

- (1) Non-deductible and reversal items for tax purposes mainly comprise of the reversal of allowance from inventory and unrealised gained and gain/loss from revaluation of asset and liabilities in foreign currencies on closing date, depreciation on fixed assets that are in excess of the rate or term of life as defined in income tax.

20. Dividends

At the Annual General Meeting of Shareholders held on 5 April 2022, the shareholders approved a resolution to declare a dividend payment from unappropriated retained earnings after legal reserve and other reserve allocation and from the net profit from 1 January 2021 to 31 December 2021 of LAK 50 per share totalling LAK 8,250 million (2021: LAK 3,362 million). The dividend was paid in May 2022 to the shareholders.

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
21. Related-party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Individuals owning, directly or indirectly, an interest in the voting rights in the Company that gives them significant influence over the enterprise, key management personnel, including Directors and officers of the company, and their immediate family members, and companies associated with these individuals, also constitute related parties.

In considering each possible related-party relationship, attention is given to the substance of the relationship, and not merely the legal form.

The Company is controlled by the SOUKHABANDITH family, who own 51% of the Company's shares, 34% of company's shares is owned by 'Global House International Limited', a listed company in Thailand, and the remaining 15% of the shares is widely held.

The nature and amounts of significant related-party transactions for the year ended 31 December 2022 are summarised below.

21.1 Income and expenses

	2022 LAK	2021 LAK
Purchases of goods from related parties	118,292,444,214	81,054,770,914
Rental expense	13,604,490,242	6,475,803,333

The rental expense is for land and buildings rented from the major shareholders to support the operation. The rental charge is at the price as agreed between both parties after the revaluation..

21.2 Outstanding balances arising from related party transactions

	2022 LAK	2021 LAK
Prepaid rental – Related parties	33,760,220,765	-
Trade accounts payable – Related parties	10,877,529,142	10,943,297,126
Accrued rental expense	-	2,594,224,397

21.3 Key management compensation

Key management includes Directors. The compensation paid to management for their services is as follows:

	2022 LAK	2021 LAK
Salaries	2,978,805,616	2,138,794,365

SOUVANNY HOME CENTER PUBLIC COMPANY
**NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**
22. Commitments and significant agreements
Operating lease commitments - where the Company is the lessee

The Company leases land and offices under non-cancellable operating lease agreements from shareholders. The lease term is five years, and the majority of lease agreements are renewable at the end of the lease period after the revaluation.

	2022 LAK	2021 LAK
No later than 1 year	6,994,972,670	1,250,349,754
1-5 years	34,309,820,146	2,504,125,123
Total	<u>41,304,792,816</u>	<u>3,754,474,877</u>

23. Events after the reporting period

There are no significant events occurring after the balance sheet date which require adjustments to or disclosures to be made in the financial statements for the year ended 31 December 2022.

- ✓ **Audit Service Fee 2022**
PricewaterhouseCoopers (Lao) Sole Co., Ltd.) was the external accounting auditor of the company in 2022 with a service fee of 36,500 USD

- ✓ **Social Responsibility 2022**

- **Obligation Hand-over in the year 2022**

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, and others the detail as follows

The tax handover to state in 2022		
No.	Details	Total value (LAK)
1	Import Duty	2,371,443,545
2	Value Added Tax	45,090,312,735
3	Excise Tax	18,681,600
4	Payroll Tax	1,736,199,480
5	Profit Tax	7,884,524,420
	Total	57,101,147,780

- **Social Assistance in 2022**

In the past year 2022, The Company has been continuous to bring happiness to society through the project of “Sharing Brings your smile” with over 40 programs at the total amount of over Lak 339 Million, the detail as below:

- **Assistance on Education in 2022**

1. On 8 February 2022, the company donated computers to use for teaching and studying equipment to Monk school in the Salavanh Province at the value of 10,800,000Kips



2. On 22 February 2022, the Company donated 100 textbooks of 1-5 classes of Primary school to The Poor Relief Project to help the underprivileged of Phongsaly Province at a total value of 6,200,000 Kips
3. On 19 July 2022, The Company support Lak 50 million to the Lao U-19 Football team, which won the runner-up in AFF U19 BOYS CHAMPIONSHIP 2022 INDONESIA
4. Donated Floor tile and Fan to Primary School of Thongvann Village Pakxun District of Borlikhamxay Province at the value of Lak 12 Million
5. Donated the teaching and studying devices, sports equipment, and Solar Cell Light to the primary schools of Kengtapa, Sobbor, and Nongapard Village in the Bualapha district of Khammuane Province at the value of Lak 23 Million



• Assistance on Health in 2022

1. in February 2022, The Company donated souvanny drinking water Lao-Red Cross
2. In February and July of 2022, Souvanny throughout the country joined to donate Blood to Red Cross with the amount of 150 persons



- **Other Assistance in 2022**

1. On 17 January 2022, The Company donated a public Bench to the District office of Thakhek in Khammuane province at the value of 2,400,000 Kips
2. On 8 February 2022, donated Sanitary ware and equipment to the Office of the international immigrant pot, Thakhek- Nakhonphanom to improve the public water class at the value of 8,000,000kips
3. On 11 March 2022, Donated outdoor paint to the District office of Thakhek in Khammuane province at the value of 11,800,000 Kips
4. On 18 April 2022, Donated the Roof tile and roof equipment to the Office of Phonphim village in the Thakhek District of Khammuane Province at the value of 12,000,000 Kips
5. And others

- ✓ **Body's Management Policy in 2022**

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

- ✓ **Risk Management Policy in 2022**

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;

✓ **Business Plan for the year 2023**

➤ **Sales and Finance Plan for the year 2023**

By 2023, the company is aiming for a 10% growth in sales compared to the previous year, Based on the assessment of internal and external environmental factors, which are still highly uncertain due to the global economy, germ epidemic, and declining orders and to achieve the goal the company will implement as following methods:

1. Expand products with high quality for each market segment to be more complete with customers' needs;
2. Increase new products to replace old products being out of date for responding to customers' needs changing every time;
3. Decrease products cost by purchasing products that have D and E form;
4. Improve installation and service after sales to be more efficient.
5. Expand new markets and new areas to be more extensive
6. Integrate three main sales channels such as general customer, project customer, wholesale customer, and study customers' needs for each market segment to increase sales.
7. Link both offline and online sales together, currently, we are developing the system to integrate both offline and online sales to increase sales.
8. Develop delivery faster.

➤ **Marketing Plan for the year 2023**

To achieve this growth goal and to build a long-term foundation, we have planned on the work of marketing as follows;

1. Create a memory of SOUVANNY brand through advertising of online and offline Media namely public billboards, Facebook pages and other;
2. Advertising more quality and benefit of products through online and offline media;
3. Promote social assistance through the project of 'Sharing for smiling' by assisting hospitals, sports and educational equipment to schools in isolated areas, blood donation to Red Cross, and disaster reliefs;
4. Survey customer satisfaction and study needs of target customers to improve the shortcomings and promote strength of company;
5. Develop platform and advertise on the online and offline channels to communicate to the targeted group in each locality;
6. Create sales promotion to each target customer group for boosting sales.

➤ **The Management plan for the year 2023**

1. Continue on improving the store and service standards, and new product display to more meet the customers' needs.
2. Continue to maintain the standard of the ISO-9001 VERSION 2015 better
3. Apply high information technology (IT) in the management system through the writing the applications.

➤ **Human Resources Plan for the year 2023**

1. Develop and give systematic training to personnel in order to apply the improved ISO-9001 Version 2015's standard, increase solving problems, and making decisions skills.
2. Enhance personnel's skills with internal and external training and rank the staff's capacity level in order to increase the potential and advancement for them to deal with the higher position;
3. Improve Organizational structure following changing of business models and customer behavior and develop personnel to get an understanding of coordinate to new structure relied on changing customers group in the market;

➤ **Investment plan for the year 2023**

1. Expand 4 new branches from 2022 to 2025.

Sharing Brings your smile



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