# The Annual Gerneral Shareholder's Meeting Report 2017
# of
# Souvanny Home Center Public Company
# ("Company")

**Time and Location**

The meeting took place on 06th April 2018 at 14.00h, the 8th Floor of Lao Security Exchange, Phonethanneua Village, Saysettha District, Vientiane Capital, Lao PDR.

**Before opening the meeting**

The Chairman of the Executive Council Mr. Ounh LASOUKANH chaired the Common Shareholders' Meeting 2017. It was taken part in by 54 participants and 35 representatives, which totally said to be 89 persons holding 149,799,700 shares or ranging of 90.79% of the total shares paid by the company in accordance with the quorum and regulations of the company. Then Chairman opened the meeting officially and assigned the MC to introduce directors and relevant officials who attended the meeting as in the following details:

(1.) Members of the Executive Council who attended the meeting:

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| 1.1. | Mr. Ounh LASOUKANH | Position: | Chairman of the Executive Council; |
| 1.2. | Mrs. Paphatsone SOUKBANDITH | Position: | Vice Chairman of the Executive Council; |
| 1.3. | Mr. Waddana SOUKBANDITH | Position: | Member of the Executive Council; |
| 1.4. | Mr. Khamkong LIEMPHRACHANH | Position: | Member of the Executive Council; |
| 1.5. | Mr. Padith VONGSENA | Position: | Member of the Executive Council; |
| 1.6. | Mr. Phiphop VASANAARCHASAKUL | Position: | Member of the Executive Council; |
| 1.7. | Ms. Chutikan SRISAENGCHAN | Position: | Member of the Executive Council; |
| 1.8. | Mrs. Viengdara BOUBPHA | Position: | Member of the Executive Council; |
| 1.9. | Mr. Khamphone PHILAPHAN | Position: | Member of the Executive Council; |

(2.) Relevant Officials

| | |
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| 2.1. Mr. Apisit THIENGTRONGPINYO | Representative from PriceWaterHouse; |
| Mr. Niti PANYAVISITKUL | Representative from PriceWaterHouse; |
| 2.2. Mr. Bounthom FONGVILATH<br>Mr. Anin XAYYAVONG | Representative from Souvanny Home Center Public Company, on behalf of the Inspection Committee of the meeting and voting; |
| 2.3. Ms. Phonesawan PHONEPASERD | Representative from the Lao Security Exchange Management Committee, on behalf of the Monitoring and Evaluation Committee of the Shareholders' Meeting; |
| 2.4. Mr. Vongpaserd SEANGVONGDUEAN | Representative from the Lao Security Exchange Management Committee, on |

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|---|---|
| | behalf of the Monitoring and Evaluation Committee of the Shareholders' Meeting; |
| 2.5. Ms. Thidaphone SEANGSIRICHAN | Representative from Lao Security Exchange, on behalf of the Monitoring and Evaluation Committee of the Shareholders' Meeting; |
| 2.6. Mr. Inthilath THAMMAVONG | Minor Shareholder of Souvanny Home Center Public Company, on behalf of the Monitoring and Evaluation Committee of the Shareholders' Meeting; |

After that, the MC reported the agendum for that day and explained how to vote for the attendants, as follows:

(1.) Agendum:
- (1.1.) To consider and approve the report Meeting of Shareholders 2016;
- (1.2.) To consider and approve for SVN's busiess operating result of 2017, and the financial statement of 2017;
- (1.3.) To consider and approve the Company Business Plan for 2018;
- (1.4.) To consider and approve the dividend payment from the business operating result for the year 2017;
- (1.5.) To consider and approve for the appointment of the external auditor for the year 2018 and determinaton of remuneration;
- (1.6.) To consider and appoint Members of the Executive Council who have resigned;
- (1.7.) To consider and appoint Vice Chairman of the Executive Council who has resigned.
- (1.8.) To consider and approve to close down business of SVN's Thongkhankham Branch.
- (1.9.) To consider and approve the cancelation of distributing the Elevator and Escalator Products.
- (1.10.) To consider the appointment of inspection committee, risk protection committee and Compensation committee.
- (1.11.) Others (If applicable).

(2.) Voting:
- A shareholder is entitled to be voted equivalently to the rest of shareholders, which held by the shareholder equivalently to one vote.
- At each vote, the MC would ask a question if there was a shareholder who disagreed or disapproved.

  In case of disagreement or disapproval, please put the cross (✖) and write a name and surname in the voting card for that vote on the bar code of each shareholder, which was distributed before the meeting by the officials and it must be raised highly until the voting card was collected by the officials in order to bring for the vote counting for that vote and the shareholder should not raise the vote card. It is deemed that only the shareholder has the resolution to agree with the proposal at the meeting.

  If a shareholder raises the voting card, it is deemed that it was disagreed with the proposal for consideration unless the shareholder did not make a mark in Power of

Attorney. It stated clearly that it would be recorded as disagreement, which would be noted by the company.

- For a shareholder who has been assigned to be a representative to attend the meeting and vote required by the shareholders as stated in the Power of Attorney, the company took the votes as stated in the Power of Attorney to record the votes in advance. When the voters register, in order to facilitate the representatives, the representatives do not have to vote again at that meeting.

(3.) Counting the vote results:

- Voting result at each agenda will be counted and it will be done based on the disagreement of the shareholders at the meeting and assigned representatives who attended the meeting, as recorded by the company in advance by deducting from the total shares of the shareholders who took part in the meeting and voted for each agenda.
- The Chairman will announce the voting result at each agenda in the meeting after each agenda is ended dividing how many votes they agreed and disagreed into the percentage (%). In case a shareholder does not agree after it is announced and acknowledged by the meeting, the company will not take such votes for counting again.

Next, the Chairman continued the Common Shareholders' Meeting 2017 by reporting each agenda, as follows

**Agenda 1**. **To consider and approve the report Meeting of Shareholders 2016.**

The Chairman proposed to the meeting to consider and approve the Common Shareholders' Meeting Report 2016. It was attended by 57 participants and 25 representatives, which totally said to be 82 persons holding 149,969,600 shares or ranging of 90.90% of the total shares paid by the company in accordance with the quorum and regulations of the company as detailed in the following agendum:

- Agenda 1. To consider and approve for Business operating result of 2016, and the financial statement of 2016 of company.
  Resolution: The meeting agreed to approve for Business operating result of 2016 and Financial Report 2016.
- Agenda 2. To consider and approve the business plan of the Company for the year 2017.
  Resolution: The meeting agreed to approve the business plan of the Company for the year 2017.
- Agenda 3. To consider and approve the dividend payment from SVN's operating resultof 2016.
  Resolution: The meeting agreed to approve the dividend payment from SVN's business operating result of 2016 for the shareholders listed in the shareholding book on the closing date of 09 March 2017 at the rate of 20 Kip/Share, which totally said to be 3,256,594,838 Kip and calculated to be 50% of the net profit after deducting the reserve as defined on the payment date of 03 May 2017.
- Agenda 4. To consider and appoint the external accounting auditor and determine the wage for the external auditor in 2017.
  Resolution: The meeting agreed to appoint PriceWaterHouseCoopers (Lao) Co., Ltd as the external auditor of the company for 2017 with wage rate of 50,000 USD.

- Agenda 5. To consider and approve the appointment of Member of the Executive Council whose tenure have resigned.
- Agenda 5.1 To consider the appointment of Mr. Waddana SOUKBANDITH to be the Member of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Waddana SOUKBANDITH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.
- Agenda 5.2 To consider the appointment of Mr. Phannola SOUKBANDITH to be the Member of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Phannola SOUKBANDITH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.
- Agenda 5.3 To consider the appointment of Mr. Padith VONGSENA to be the Member Of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Padith VONGSENA to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held. His qualifications are accepted even he has a share of 5 0 % in VPS Accounting Service Co., Ltd.
- Agenda 5.4 To consider the appointment of Mr. Kkamkong LIEMPHRACHANH to be the Member of Executive Council of the company.

  Resolution: The meeting agreed and approved the re-appointment of Mr. Kkamkong LIEMPHRACHANH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.
- Agenda 5.5 To consider the appointment of Mr. Witoon SURIYAWANAKUL to be the Member of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Witoon SURIYAWANAKUL to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.
- Agenda 5.6 To consider the appointment of Mr. Witoon SURIYAWANAKUL to be the Member of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Varith CHINTAANAVANH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.
- Agenda 5.7 To consider the appointment of Mr. Kotsada SOUKBANDITH to be the Member of Executive Council of the company.

  Resolution: the meeting agreed and approved the re-appointment of Mr. Kotsada SOUKBANDITH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.

– Agenda 5.8 To consider the appointment of Mrs. Phapatsone SOUKBANDITH to be the Member of Executive Council of the company.

Resolution: the meeting agreed and approved the re-appointment of Mrs. Phapatsone SOUKBANDITH to be the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.

– Agenda 5.9 To consider the appointment of Mr. Ounh LASOUKANH to be the Member of Executive Council of the company.

Resolution: the meeting agreed and approved the re-appointment of Mr. Ounh LASOUKANH is the Member of Executive Council of the company with 2 years tenure on the date the Common Shareholders' Meeting 2016 is held.

– Agenda 6 To consider and approve the remuneration Member of Executive Council of the company.

Resolution: the meeing agreed to approve the remuneration of the Executive Council Members based on the old rate, as follows:

1. Travel allowances for attending the meeting each time
   - Chairman of the Executive Council 1,500,000 Kip/1time;
   - Vice Chairman of the Executive Council Member 1,000,000 Kip/1time;
   - Member of the Executive Council 1,000,000 Kip/1time.
2. Salaries of the Executive Council Members, especially independent members
   - Chairman of the Executive Council 6,000,000 Kip/ Month/Person;
   - Vice Chairman of the Executive Council Member 5,000,000 Kip/ Month/Person; and
   - Member of the Executive Council 5,000,000Kip/ Month/Person.

– Agenda 7 To consider and approved the additional objectives of the company.

Resolution: More objectives of the company for distributing goods were approved, as follows:

1. Daily facilities such as utensils, bedding, etc.
2. Goods for agriculture including, but unlimited, such as fertilizer, pesticide and materials to focus on the agriculture, etc.
3. Bicycles and materials regarding the bicycles;
4. Office supplies and;
5. Offerings such as incense stick, candles, bed and bucked-decorated offerings, etc.

Or any clause in accordance with the Enterprise Registration and Management Department, Ministry of Industry and Commerce and/ or relevant sectors to agree with the objectives of the company and able to distribute the goods above.

– Agenda 8 To consider and approve the modification of the enterprise registration

certificate, company rules and registration documents of the company.

Resolution: the meeting approved the modification of the registration documents of the company by providing the agreement of this meeting.

All of these were considered and agreed by the Executive Council thoroughly at the Shareholders' Meeting and the Shareholders' Meeting Report for 2016 was also considered and adopted.

After the Chairman of the Executive Council briefed Agenda 1, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** using English has many points, which are improper and are not complied with the Lao language e.g. Writing "busy" in Lao, but writing "not free" in English, which considered to dishonor the Executive Council Members.

- **Mr. Chairman:** Thank you Mr. KRAIWAL KADAVANICH for his comments, which are related to the technical field; the secretariat is assigned to take note amd collaborate with the relevant sectors to consider and improve translation.

Apart from that, the Chairman proposed to the meeting to consider and adopt the Common Shareholders' Meeting Report 2016. In this Agenda, the meeting will adopt the votes with over a half of the total voters who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters who attended the meeting comparatively and an agreement of 149,799,700 vote or 100% of the total voters who attended the meeting.

**Resolution:** The Common Shareholders' Meeting Report 2016 was approved.

**Agenda 2. To consider and approved the business operating result of 2017, and the financial statements 2017 of company.**

The Chairman of the Executive Council proposed the meeting to consider and approve the business operating result of 2017, and the financial statements of 2017 through the consideration of the Executive Council and audited by the external auditor and the company disclosed the business operating result of 2017, and the financial statements of 2017 of the company in the websites of the company and Lao Security Exchange with the important information which will be reported by the Vice Managing Director, in charge of Finance, Mr. Phannola SOUKBANDITH, as follows:

The total income of the company in 2016 was 274,023,501,981 million Kip, consisting of the income of 273,050,292,557 million Kip from sales and 973,209,424 million Kip from services. It indicated that in 2 0 1 7, the income grew up 300,938,965,790 million Kip, consisting of the income of 299,063,433,879 million Kip from sales and 1,875,531,911 million Kip from services. It showed that the income increased to the rate of 9.82% compared with the year 2016's income due to the company has added several product groups and sales of new branches increased. The net profit of the company in 2016 was 8,141,487,097 million Kip and the net profit in 2017 was 4,260,029,000 million Kip. In 2016, it had the net profit of 2.97% and in 2017, it had the net profit of 1.42% of the total income. The main cause that the net profit of the company reduced was the company's selling expenses, the company's administration cost from expanding new branches But most of the increase is attributable

to the increased depreciation and the profit income from the exchange rate was lower. The total assets On 31 December 2016, it was equaled to 535,904,649,928 million Kip, on 31 December 2017 it increased to 643,210,287,205 million Kip. The main reasons that such assets increased were constructing more buildings and purchasing materials for new branches, namely Xokyai, Paksan, Pakse and Thakhaek branches and at the same time, the the product in inventory has increased based on the expansion of those branches. For the total liabilities, it also increased from 65,244,514,047 million Kip to 118,802,752,519 million Kip, the main portion in liabilities of the Company were from the accounts payable and advance payment from customers and Long-term borrowings from financial institutions. On 31 December 2016, total shareholders' equity was equal to 470,660,135,881 million Kip and it increased to 524,407,534,686 million Kip in 2017 because the company deducted more reserve in accordance with the laws and other reserves, The collected profit increased from 150,388,294,678 million Kip to 150,496,317,879 million Kip due to the dividend payment from the business operating result of the company 2016 for the shareholders. At the same time, the net profit of the company was reduced if compared with the year 2016. The main cause that expense was higher was from the preparation of the business expansion.

All this, the Executive Council considered and agreed to the meeting to consider and approve the Business operating result and Financial Statement for the year 2017.

After the Vice Managing Director/CFO briefed Agenda 2, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve the business operating result and the Financial Statement for the year 2017. In this Agenda, the meeting will vote and approve the votes with over a half of the total voters who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters who attended the meeting and an agreement of 149,799,700 vote or 100% of the total voters who attended the meeting.

**Resolution:** the meeting agreed and approved the business operating result of 2017, and the Financial statements 2017 of company.

**Agenda 3. To consider and approve the business plan of the Company for the year 2018.**

The Chairman proposed the business plan of the company for 2018 to the meeting thoroughly, the main details of the 2018 business plan to increase sales figure was reported by the Managing Director, Mr. Waddana SOUKBANDITH as follows:

For the sales in 2018, the Company has plan to increase sales as: Overview of Business Growth with 20%, in old branches with 5% through expanding the variety of product groups, Accelerate to increase new customers in mentioned channels above and Expand more sale channels of Online Selling and Installment term through AEON Leasing Service (Lao) Co,. Ltd to make more convenience of customers' payment and expand two more branches in different provinces such as: Pakse and Thakhaek Branches.

In 2018, Company plans to increase awareness of Souvanny Home Center's brand at the percentage of 90% and of the product at 70% in Vientiane Capital and the awareness increase of

Souvanny Home Center's brand at 70% and at the 50% of the product in different Provinces through several media such as Website, Facebook, Line, IG, YouTube, Billboard, Leaflet, Telephone, Radio and others.

- Accelerate to constantly expand the House Brand Products in order to be able to compete on price and increase more margin.
- Make integrated sale promotion namely Monthly promotion of each brand, the 6 month sale promotion, and score Accumulation to redeem the prizes.
- Intend to make more Cooperated Social Responsibility Programs through company's main project as " Your Smile is our Happiness" in order to rise company's good image.

After being the Public Company, it was changed in many terms and In the year 2018, Company plans to improve its service to be more quality and efficiency, and also give more importance in the term of company's personnel by upgrading their capacity of many skills such as product knowledge, sale technique skills through monthly training program in order to make them work with efficiency and they are still provided the training from Suppliers who are expert in their product knowledge shifting to share lessons, therefore, the company has put the right man in right job and promotes the one who always develop themselves in their duty to be more high positions and also motivates them by many incentives as money, gift, travelling and others.

For the Investment, Company plans to expand 3 branches to supply customer's demand the detail as below:

| No | Detail and location | Size (sq.m) | Period of Investment |
|---|---|---|---|
| **1** | PAKSE Branch: GangVillage,Pakse District,Champasak Province, Lao PDR | Showroom: notless than 12,000 sq.m, Warehouse space: 6,000 sq.m | At the beginning of 2018 |
| **2** | THAKHEK Branch: Phonephim Village, Thakhek District, Khammouan Province, Lao PDR | Showroom: notless than 10,000 sq.m, Warehouse space: 4,750 sq.m | At the end of 2018 |
| **3** | SAVANNAKHET Branch: PhonesangNeau Village, KaysonePhomevihane District,Savannakhet Province, Lao PDR | Showroom: notless than 13,000 sq.m, Warehouse space: 3,000 sq.m | At the beginning of 2019 |

The Company's strategy in 2018 will focus on improving and applying the high technology to help the sale management by creating and developing important programs which increase capacity of company's management system and connect operation in each branch with high efficiency. Accordingly, it will continuous to develop the operation management system in order to get the ISO 2015 which is the international certificate from United Kingdom Accreditation Service (UKAS) on quality management system and applies the ISO 2015 to manage all of souvanny's branches.

In accordance with the Revised Law on Enterprise, Ref. No. 46/NA, Dated 26 December 2013, it determines the business operation of the company, which shall be adopted by the Shareholders' Meeting in reference to the document in Agenda 3, including the business dissemination of the company for such operation in the websites of the company and Lao Security Exchange.

All this, the Executive Council and Board of Directors considered thoroughly and agreed with the meeting to adopt the Business Plan for 2018.

After the Managing Director briefed Agenda 3 , an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** Cashiers lack of knowledge on using credit cards from one bank to another, which costs a client more payments. The cashiers must be instructed and trained how to use the credit cards.

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments and agreed with the comments; then the secretariat is assigned to take note and collaborate with the relevant sectors to consider and improve the operation of the company.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** In using the price tag services indicate different prices when the payment is made differently, indicating that it does not match with each other due to replacing the price tags untimely.

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments and explain the cause of more frequent exchange rate and address ways to resolve at the beginning. the secretariat is assigned to take note and collaborate with the relevant sectors to consider and improve the operation of the company..

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** For the sales increasing plan. Why is the general sales determined at the rate of 20%?

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments and explain the cause of undetailed writing, meaning that the sales of old branch was increased at the rate of 5% from the old sales of the old and new branches at the rate of 15%. From the old sales of the company, the new branch which will open in 2018 and that, Pakse branch.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** Why is the marketing plan determined to be done in Vientiane much more than in provinces even many clients know already?

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments and explain the cause why we need to advertise in Vientiane much more than in Vientiane even many people already know Souvanny Home Center Public Company, but they do not know what kind of new products we selll because we increase the category of the products and including the results of our survey for clients in Thangone, which one of the areas that the clients do not know our shop. Thus, we need to advertise and acknmowledge them much more in Vientiane than in provinces.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** Why wasn't the investment plan between 2016 and 2017 matched the same as the report of previous years. Why is the time for opening a new branch extended?

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH and explain the reasons why opening a new branch is extended due to the situation of the construction and Lao economy are not very good these days. At the same time, the construction of the government sector is also decreased and the construction of the public sector is going slower. Therefore, in order to avoid the effect of the business, so we have postponed opening e.g. Thakhek and Savannakhet branch.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** The strategy of the organization regarding the content of the report of ISO VERSION 2008 was not mentioned, but ISO VERSION 2015. In fact, it should have been mentioned that the company was adopted ISO 2008 previously to entrust the clients and shareholders.

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments and agreed to instruct; then the secretariat who prepared the meeting is assigned to consider and improve its more details.

After that, the Chairman proposed to the meeting to consider and approve the business plan of the Company for the year 2018. In this Agenda, the meeting must vote with over a half of the total voters who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement 149,799,700 vote or 100% of the total voters who attended the meeting.

**Resolution:** The meeting considered and approved the business plan of the Company for the year 2018.

**Agenda 4. To consider and approve the dividend payment from the business operating result for the year 2017.**

The Chairman informed the meeting that the Business operating result Report 2017 and the Financial Statement Report 2017 were approved by the Shareholders' Meeting in Agenda 2, it indicated that in 2017, the company had the net profit from the Business operating result at the amount of 4,260,029,000 Kip when it was deducted for reserve in line with the regulations and the collected reserve at the total rate of 20% as net profit, it has remained 3,408,023,200 Kip, so it was proposed to pay the dividend for the shareholders listed in the shareholding book on the closing date of 9 March 2018 at the rate of 10 Kip/Share. The dividend which must be paid is 1,704,011,600 Kip, calculating 50% of the net profit after deducting for reserve in accordance with the regulations and the collected reserve which determined the date to pay on 3 May 2018.

After the Chairman of the Executive Council reported, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

All that, the Chairman proposed to the meeting to consider and approve the payment of dividend from

the business oprating result for 2017. In this Agenda, the meeting must vote with over a half of the total voters who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 votes or 100% of the total voters who attended the meeting.

**Resolution:** The payment of dividend from the business operating result of the company in 2017 was approved for the shareholders listed in the shareholding book on the closing date of 9 March 2018 at the rate of 10 Kip/Share. The total dividend which must be paid is 1,704,011,600 Kip, calculating 50% of the net profit after deducting for reserve in accordance with the regulations and the collected reserve which determined the date to pay on 3 May 2018.

**Agenda 5. To consider and approve the appointment of the external auditor for the year 2018 and determination of remuneration.**

The Chairman of the Executive Council announced the meeting regarding the Revised Law on Enterprise, Ref. No. 46/ NA, Dated 26 December 2013 and the Notice of the Lao Securities Commission Office, which determines that the company that registers a lao security exchange must have an external auditor, approved by the Lao Security Exchange Management Committee through the agreement of the Executive Council Meeting which proposed PriceWaterHouseCoopers (Lao) Sole Co., Ltd as the external auditor of the company in 2018 with the wage of 50,000 USD due to PriceWaterHouseCoopers (Lao) Sole Co., Ltd has been the external auditor for the company since the share was declared to sell to the public firstly, it has much experience, thoroughness, duty honesty and it is the standards and trusted auditing company at the international level. For the wage, it is appropriate for auditing works of the company to ensure the accuracy and transparency of the audit, it is very necessary to have overseas experts. Of this, PriceWaterHouseCoopers (Lao) Sole Co., Ltd has been the external auditor of the company for 4 years continuously, from 2014 until the present.

After the Chairman of the Executive Council reported, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and appoint the external auditor and determine the wage for the auditor in 2018. In this Agenda, the meeting must vote with over a half of the total voters who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 vote or 100% of the total voters who attended the meeting.

**Resolution:** PriceWaterHouseCoopers (Lao) Sole Co., Ltd was approved to be the external auditor of the company in 2018 with wage rate of 50,000 USD.

**Agenda 6. To consider and approve the appointment of Members of the Executive Council who have resigned.**

The chairman informed the meeting that according to reference of the Lao National Security Exchange Committee No. 0040/LSCO dated 30 August 2017, to update the Member of the Executive Council in accordance with the agreement of the Board of Directors of Listed company No. 0024 / LSC dated 26 October 2016, so that 4 Members of the Executive Council of company, Mr. Phannola SOUKBANDITH, Mr. Kotsada SOUKBANDITH, Mr. Witoon SURIYAWANAKUL, Mr. Warit

JINTANAWAN have resigned from the Member of the Executive Council of Company according to their resignation on the 09th Feb of 2018. Therefore, there are still only 5 Members of the Executive Council to attend the meeting which causes the member of the executive Council to have available positions. During the that time, the Executive Council Meeting has considered and selected proper external person to be Member of the Executive Council of the company in order to work in place of resigned member and the selected Member of the Executive Council have the term of working equal to the rest of the term of Member of the Executive Council who had resigned.

The 1st Executive Council Meeting 2018 held on 16th February 2018. The meeting have resolution of the appointment of Member of the Executive Council in place of who have resigned. as the following agendum:

**Agenda 6.1 To consider the appointment of Mrs. Viengdara BOUBPHA to be the Member of the Executive Council who had resigned.**

Due to Mrs. Viengdara BOUBPHA is a shareholder. In this Agenda, it is deemed that she is a stakeholder regarding the vote in accordance with the Revised Law on Enterprise, Ref. No. 46/NA, Dated 26 December 2013, Article 146 (4), it is limited to have right in voting and in order to vote fairly and transparently, Mrs. Viengdara BOUBPHA was requested to leave the meeting temporarily.

The Chairman read the biography of Mrs. Viengdara BOUBPHA as specified in the Annex regarding the consideration of Agenda 6.
After the Chairman of the Executive Council read the biography of Mrs. Viengdara BOUBPHA, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** Reasons why 4 members of the Executive Council resigned must be informed in documentation.
  **Mr. Chairman:** Thank you Mr. KRAIWAL KADAVANICH for his comments and agreed to instruct; then the secretariat who prepared the meeting is assigned to consider and improve.

After that, the Chairman proposed to the meeting to consider and approve the appointment of Mrs. Viengdara BOUBPHA to be the member of Excecutive Council in place of who has resigned. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 148,959,700 votes or 100% of the total voters who attended the meeting.

**Resolution**: the meeing agreed and approved the appointment of Mrs. Viengdara BOUBPHA to be the member of Excecutive Council instead of who has resigned to have the term of working equal to the rest of the term of a Member of the Executive Council who has resigned.

**Agenda 6.2 To consider the appointment of Ms. Chutikan SRISAENGCHAN to be the Member of the Executive Council who has resigned.**

The Chairman read the biography of Ms. Chutikan SRISAENGCHAN as specified in the Annex regarding the consideration of Agenda 6.2.

After the Chairman of the Executive Council read the biography of Ms. Chutikan SRISAENGCHAN, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve the appointment of Ms. Chutikan SRISAENGCHAN to be the member of Excecutive Council in place of who has resigned. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 votes or 100% of the total voters who attended the meeting.

**Resolution**: the meeting agreed and approved the appointment of Ms. Chutikan SRISAENGCHAN to be member of Excecutive Council in place of who has resigned to have the term of working equal to the rest of the term of a Member of the Executive Council who has resigned.

**Agenda 6.3 To consider the appointment of Mr. Khamphone PHILAPHAN to be the Member of the Executive Council who has resigned.**

Due to Mr. Khamphone PHILAPHAN is shareholder. In this Agenda, it is deemed that he is a stakeholder regarding the vote in accordance with the Revised Law on Enterprise, Ref. No. 46/NA, Dated 26 December 2013, Article 146 (4), it is limited to have right in voting and in order to vote fairly and transparently, Mr. Khamphone PHILAPHAN was requested to leave the meeting temporarily.

The Chairman read the biography of Mr. Khamphone PHILAPHAN as specified in the Annex regarding the consideration of Agenda 6.3.
After the Chairman of the Executive Council read the biography of Mr. Khamphone PHILAPHAN, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve the appointment of Mr. Khamphone PHILAPHAN to be the member of Excecutive Council instead of who has resigned. In this Agenda, the meeting must vote with over a half of the total votes who attended the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,787,800 votes or 100% of the total voters who attended the meeting.

**Resolution**: the meeting agreed and approved the appointment of Mr. Khamphone PHILAPHAN to be the member of Excecutive Council in place of who has resigned to have the term of working equals to the rest of the term of a Member of the Executive Council who has resigned.

**Agenda 6.4 To consider the appointment of Mr. Piphop VASANAARCHASAKUL to be the Member of the Executive Council who has resigned.**

The Chairman read the biography of Mr. Phiphop VASANAARCHASAKUL as specified in the Annex regarding the consideration of Agenda 6.4.
After the Chairman of the Executive Council read the biography of Mr. Phiphop VASANAARCHASAKUL, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve appointment of Mr. Phiphop VASANAARCHASAKUL to be member of Excecutive Council in place of who has resigned. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 votes or 100% of the total voters who attended the meeting.

**Resolution**: the meeting agreed and approved the appointment of Mr. Phiphop VASANAARCHASAKUL to be the member of Excecutive Council instead of who has resigned to have the term of working equals to the rest of the term of a Member of the Executive Council who has resigned.

**Agenda 7. To consider the appointment of Vice Chairman of the Executive Council whobtenure is resigned.**

The chairman informed the meeting that Vice Chairman of the Executive Council of company, Mr. Waddana SOUKBANDITH has resigned from the Vice Chairman of the Executive Council of Company. Therefore, the Vice Chairman of the executive Council have available positions. During the that time, 1st Executive Council Meeting 2018 held on 16th February 2018 has considered and selected Mrs. Paphatsone SOUKBANDITH who have acknowledge and capability in finance, management and accounting including their experience in business of construction material distribution for many years to be Vice Chairman of the Executive Council of the company.
After the Chairman of the Executive Council reported, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

The Chairman read the biography of Mrs. Paphatsone SOUKBANDITH as specified in the Annex regarding the consideration of Agenda 7.
After the Chairman of the Executive Council read the biography of Mrs. Paphatsone SOUKBANDITH, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders-.

After that, the Chairman proposed to the meeting to consider and approve the appointment of Vice Chairman of the Executive Council in place of who has resigned. In this Agenda, the meeting must vote with over a half of the total voters who attended the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 148,959,700 votes or 0% of the total voters who attended the meeting.

**Resolution**: The meeting agreed and approved Mrs. Paphatsone SOUKBANDITH to be Vice Chairman of the Executive Council of company instead of who has resigned.

**Agenda 8. To consider to close down business of SVN's Thongkhankham Branch.**

The chairman informed the meeting that SVN' s Thongkhankhum Branch is closed down. Therefore, It is proposed the Meeting to consider, which detail is reported by Mr Phannola SOUKBANDITH Vice Director/CFO of the company.

- Due to SVN's Thongkhankham Branch has the small area about 144 square meters which it is no enough to display products and storage areas is limited and also there are no parking space available for customers.
- The main products sold are paint and panint's equipment, which these types of products give low profit and the shops selling the same kind of goods have a lot and competition in prices is so high to cuase low income.
- SVN's Phontong, Sikhai and Xokyai branchs sell the same product and they are located near the Thongkhankham branch so that customers will use therir service intead of the thongkhankham branch.
- The tendency to increase the sales of the branch is also difficult and can not be extended because of inappropriate location factors.

After the Chief Financial Officer of the Executive Council reported, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** At this agenda, it is not necessary to report to The Annual Gerneral Shareholder's Meeting because it is not a proposal to change the objective of the company.

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments, which are related to the regulations, indicating that it must be done through agreement from The Annual Gerneral Shareholder's Meeting and the objective is to use as reference for modifying the enterprise registration of the company.

After that, the Chairman proposed to the meeting to consider and approve closing-down of SVN's Thongkhankham Branch. This agenda is specifically resolution in the Annual General Shareholders' Meeting for the Year 2017 of Souvanny Home Center Public Company. Meeting must be approved by the votes of 2/3 (Two-Third) of the total votes attending the meeting and at least 80% of total shares paid.

After such matter was considered, the meeting had a disagreement of 0 person or equal 0% of the total votes attending the meeting and disagreement of 0 vote or equal 0% of the total shares paid and agreement of 89 persons (votes) or equal 100% of the total votes attending the meeting and agreement of 149,799,700 votes or equal 90.79% of the total shares paid.

**Resolution**: The meeting agree and approved of closing down business of SVN's Thongkhankham Branch.

**Agenda 9. To consider and approve the cancelation of distributing the Elevator and Escalator Products.**

The chairman informed the meeting that company has currently been available the elevator and escalator products, which its operation has to rely on recourse of technician, expertise and crucial equipment supply from Mitsubishi or oversea countries which are our problem and difficulties indicating that the distribution of the Elevator and Escalator Products do not comply with The company's main objectives of distributing products and construction materials. The reasons are reported by Mr. Phannola SOUKBANDITH, Vice Director/CFO of the company.

- Due to our company's business operating about selling a construction materials and the Elevator and Escalator Products are not consistent with The company's main objectives.
- The cost of doing business in the goods category is high which its operation has to rely on recourse of technician, expertise and crucial equipment supply from Mitsubishi or oversea countries.
- Now, The high buildings construction's project in the country has small size and the most of projects are chinese owners, which like to use Elevator and Escalator from Chinese brand because it is cheaper. So that Elevator and Escalator distribution is difficult becuase it is based on project onwer and price competition factors.

After the Chief Financial Officer of the Executive Council reported, an opportunity was opened for the shareholders and they are able to ask if there are some questions.

❖ **Comments from Mr. KRAIWAL KADAVANICH, shareholder from Thailand:** At this agenda, it is not necessary to report to the Annual General Shareholders' Meeting because it is not a proposal to change the objective of the company.

- **Mr. WADDANA SOUKBANDITH, General Director:** Thank you Mr. KRAIWAL KADAVANICH for his comments, whihc are related to the previous agenda regulations, indicating that it must be done through agreement from the the Annual General Shareholders' Meeting because the main objective is the objective of the company, including the distribution cancellation of Elevator and Escalator products.

After that, the Chairman proposed to the meeting to consider and approve the cancelation of distributing the Elevator and Escalator Products . This agenda is specifically resolution in the Annual General Shareholders' Meeting for the Year 2017 of Souvanny Home Center Public Company. Meeting must be approved by the votes of 2/3 (Two-Third) of the total votes attending the meeting and at least 80% of total shares paid.

After such matter was considered, the meeting had a disagreement of 0 person or equal 0% of the total votes attending the meeting and disagreement of 0 vote or equal 0% of the total shares paid and agreement of 89 persons (votes) or equal 100% of the total votes attending the meeting and agreement of 149,799,700 votes or equal 90.79% of the total shares paid.

**Resolution:** the meeting agreed and approved the cancelation of distributing the Elevator and Escalator Products.

**Agenda 10. To consider the appointment of inspection committee, risk protection committee and Compensation committee.**

The chairman informed the meeting that company does not have inspection committee, risk protection committee and Compensation committee. So that, the company has seen the importance of this work,

and in order to make it work effectively, During the that time, 1st Executive Council Meeting 2018 held on 16th February 2018 has considered and proposed the right person to take the position. More detail folow as:

**Agenda 10.1** **To consider the appointment of Mr. Padith VONGSENA to be the chairman of inspection committee.**

The Chairman read the biography of Mr. Padith VONGSENA as specified in the Annex regarding the consideration of Agenda 10.

After the Chairman of the Executive Council read the biography of Mr. Padith VONGSENA, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve appointment of Mr. Padith VONGSENA to be the chairman of inspection committee of company. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 votes or 100% of the total voters who attended the meeting.

**Resolution:** the meeting agreed and approved appointment of Mr. Padith VONGSENA to be the chairman of inspection committee of company.

**Agenda 10.2** **To consider the appointment of Mr. Waddana SOUKBANDITH to be the chairman of risk protection committee.**

Due to Mr. Waddana SOUKBANDITH as shareholder. In this Agenda, it is deemed that he is astakeholder regarding the vote in accordance with the Revised Law on Enterprise, Ref. No. 46/NA, Dated 26 December 2013, Article 146 (4), it is limited to have right in voting and in order to vote fairly and transparently, Mr. Waddana SOUKBANDITH was requested to leave the meeting temporarily.
The Chairman read the biography of Mr. Waddana SOUKBANDITH as specified in the Annex regarding the consideration of Agenda 10.

After the Chairman of the Executive Council read the biography of Mr. Waddana SOUKBANDITH, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve appointment of Mr. Waddana SOUKBANDITH to be the chairman of risk protection committee of company. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 121,275,260 votes or 100% of the total voters who attended the meeting.

**Resolution:** the meeting agreed and approved appointment of Mr. Waddana SOUKBANDITH to be the chairman of risk protection committee of company.

**Agenda 10.3** **To consider the appointment Mr. Khamkong LIEMPHRACHANH is the chairman of Compensation committee.**

The Chairman read the biography of Mr. Khamkong LIEMPHRACHANH as specified in the Annex regarding the consideration of Agenda 10.

After the Chairman of the Executive Council read the biography of Mr. Khamkong LIEMPHRACHANH, an opportunity was opened for the shareholders to share their views and they are able to ask if there are some questions.

- No question from the shareholders.

After that, the Chairman proposed to the meeting to consider and approve appointment of Mr. Khamkong LIEMPHRACHANH to be the chairman of Compensation committee of company. In this Agenda, the meeting must vote with over a half of the total votes who attend the meeting.

After such matter was considered, the meeting had a disagreement of 0 vote or 0% of the total voters and an agreement of 149,799,700 votes or 100% of the total voters who attended the meeting.

**Resolution:** the meeting agreed and approved appointment of Mr. Khamkong LIEMPHRACHANH to be the chairman of Compensation committee of company.

No more matters to notify the meeting to consider, the Chairman closed the meeting at 16:50h.

(Mr. Ounh LASOUKANH)
Chairman of the Executive Council

**It has been validated by:**

(Mr. Waddana SOUKBANDITH)
Member of the Executive Council/CEO

(Mr. Phannola SOUKBANDITH)
Vice Director/CFO