Report
Corporate Governance Assessment Result of
Souvanny Home Center Public Company
2024



By:

Lao Securities Exchange

Contents

1. Info of Souvanny Home Center Public Company 1

1.1. General Information 1

1.2. Financial Information 1

1.3. List of Board of Directors 1

1.4. List of Board Committees 1

1.5. List of the Directors 2

1.6. List of the Persons in Charge of CG 2

2. Overview of Corporate Governance Assessment Result 2

2.1. The Assessment Result by Actual Score 2

2.2. The Assessment Result Calculated in Each Scoring Categories 3

3. Achievements and Outstanding Issues 4

3.1. Section 1 Shareholder Rights and Equal Treatment of Shareholders 4

3.2. Section 2 Management of Relationship with Stakeholders 5

3.3. Section 3 Disclosure and Transparency 5

3.4. Section 4 Roles and Responsibilities of the Board 7

4. Suggestions for Improvement 8

4.1. Suggestion to be stipulated in the Internal Regulations 8

4.2. Suggestions for Further Implementation 9

1. Info of Souvanny Home Center Public Company

1.1. General Information

Title	Description
Company Name:	Souvanny Home Center Public Company (SVN)
Headquarter Location:	Phonethongsavath village, chanthaburi District, Vientiane capital.
Tel:	021 415645
Type of Key business:	Provide construction products and decoration
Date of Listing:	11 December 2015
Website:	www.souvanny.la
Number of Employees:	813 People
Number of Listed Shares:	165,000,000 Shares
Market Price (20/12/2023):	3,700 KIP/Share
Market Capitalization (20/12/2023):	610,500,000,000 KIP

1.2. Financial Information

Financial Data (31 December 2023) Million KIP	
Assets: 1,806,353	Revenues: 772,075
Liabilities: 291,644	Expenses: 711,276
Equities: 1,514,709	Net Profit: 60,799

1.3. List of Board of Directors

The board of directors of SVN consists of total 9 members as follow:

No	Name and Surname	Position
1	Mr. Somchith Inthamith	Chairman/Independent Member
2	Mr. Xayphone kongmanila Ph.D	Vice Chairman/Independent Member
3	Mr. Waddana Soukhabandith	Member
4	Mr. Sonesavanh Sengaphay	Independent Member
5	Mr. Phannola Soukhabandith	Member
6	Mr. Kotsada Soukhabandith	Member
7	Mrs. Khamkhai Lorvanxay	Member
8	Mrs. Chutikan Srisaengchan	Member
9	Mr. Piphop Vasanaarchasakul	Member

1.4. List of Board Committees

The board of directors of SVN includes of total 4 committees, each board committee has the following members:

1) Audit Committee

No	Name and Surname	Position
1	Mr. Xayphone kongmanila Ph.D	Chairman/Independent Member
2	Mr. Waddana Soukhabandith	Member

3	Mr. Phannola Soukhabandith	Member

2) Rick Management Committee

No	Name and Surname	Position
1	Mr. Somchith Inthamith	Chairman/Independent Member
2	Mr. Waddana Soukhabandith	Member
3	Mr. Phannola Soukhabandith	Member

3) Nomination Committee

No	Name and Surname	Position
1	Mr. Somchith Inthamith	Chairman/Independent Member
2	Mr. Waddana Soukhabandith	Member
3	Mr. Phannola Soukhabandith	Member

4) Remuneration Committee

No	Name and Surname	Position
1	Mr. Sonesavanh Sengaphay	Chairman/Independent Member
2	Mr. Waddana Soukhabandith	Member
3	Mr. Phannola Soukhabandith	Member

1.5.List of the Directors

No	Name and Surname	Position
1	Mr. Waddana Soukhabandith	Chief Executive Officer
2	Mr. Phannola Soukhabandith	Chief Financial Officer
3	Mr. Kotsada Soukhabandith	Chief Operating Officer

1.6.List of the Persons in Charge of CG

No	Name and Surname	Contact	Email
1	Mr. Vichith Viengxay	020 7688 7979	vichith.vx@gmail.com
2	Mrs. Phannuda Phimavong	020 5988 8860	phannudapmv16@gmail.com

2. Overview of Corporate Governance Assessment Result

2.1. The Assessment Result by Actual Score

In 2024, SVN has achieved a total of 75.98 scores for CG Scorecard assessment, classified in 4 Stars Rating. The details are provided as follows:

Schedule	Total score	Actual Score
Shareholder Rights and the Equal Treatment of Shareholders.	10	7.00
Management of Relationship with Stakeholders	10	6.82
Disclosure and Transparency	40	32.97
Roles and Responsibilities of the Board	40	29.19
Total	**100**	**75.98**

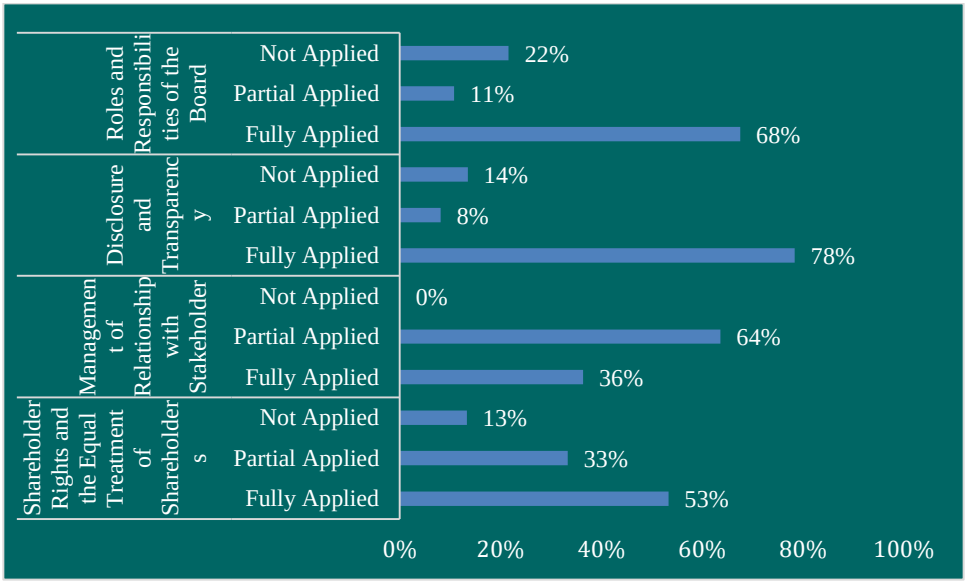
1. Shareholder Rights and the Equal Treatment of Shareholders achieved 7.00 scores;
2. Management of Relationship with Stakeholders achieved 6.82 scores;
3. Disclosure and Transparency achieved 32.97 scores;
4. Roles and Responsibilities of the Board achieved 29.19 scores.

2.2. The Assessment Result Calculated in Each Scoring Categories

The scoring comprises of 3 categories including FA (Fully Applied) = 1 Score, PA (Partial Applied) = 0,5 Score and NA (Not Applied) = 0 Score, which the result of SVN performance could be shown as follows:

SVN	Shareholder Rights and the Equal Treatment of Shareholders		Management of Relationship with Stakeholder		Disclosure and Transparency		Roles and Responsibilities of the Board		Total	
	Question	%	Question	%	Question	%	Question	%	Question	%
Fully Applied	8.0	53%	4.0	36%	29.0	78%	25.0	68%	66.0	66%
Partial Applied	5.0	33%	7.0	64%	3.0	8%	4.0	11%	19.0	19%
Not Applied	2.0	13%	0.0	0%	5.0	14%	8.0	22%	15.0	15%
Total	**15.0**	**100%**	**11.0**	**100%**	**37.0**	**100%**	**37.0**	**100%**	**100.0**	**100%**

As shown in the above table, SVN has achieved the corporate governance implementation in fully applied (FA) 66%, followed by partial applied (PA) 19% and not applied (NA) 15%. The assessment results above could be shown in the bar chart as below:



3. Achievements and Outstanding Issues

3.1. Section 1 Shareholder Rights and Equal Treatment of Shareholders

SVN has achieved the implementation in fully applied (FA) 53%, followed by partial applied (PA) 33% and not applied (NA) 13% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- The organization of shareholder meetings: SVN sent an invitation letter at least 21 days and relevant important documents to shareholders before the shareholder meeting date as well as inform the procedures, methods of voting and voting result in each agenda including provide the right to shareholders in voting 1 share per 1 vote. - SVN has defined the dividend policies and paid dividends to shareholders along the list in the shareholder's book within 30 days from the date of having the resolution on dividend payment. - The appointment or cancellation of the audit company contract and the audit service fee has been approved by the shareholders' meeting. - The shareholders received comprehensive information regarding the experience and the background of candidates for board of directors' member including about age, academic qualifications and other relevant,	- SVN does not set the policy of shareholder's rights who hold individually or collectively at least 5% of the company's total shares has the rights to add an agenda of the shareholder's meeting, and the shareholder who individually or collectively less than 5% of the company's total shares has the right to propose to add agenda of the shareholder's meeting to the company for consideration in the internal regulation. - SVN does not set the policy of shareholder's rights who hold individually or collectively at least 10% of the company's total shares has the rights to propose the board or company's director to convene the shareholder's meeting in the internal regulation. - SVN does not prescribe incidents on issuance of newly shares, transaction of the purchase, sale or transfer the assets with value at 50% or higher of company's total assets or other significant matters which shall be approved by the shareholders'

such as directorships in other listed/non-listed companies. - The CEO and the external auditor attended the shareholders' meetings to answer the questions and clarify the relevant issues.	meeting in the company's internal regulation.

3.2. Section 2 Management of Relationship with Stakeholders

SVN has achieved the implementation in fully applied (FA) 36%, followed by partial applied (PA) 64% and not applied (NA) 0% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- The board determined the policy on safeguarding and welfare. - The board does not specified a contact channel to receive comments or petitions from its stakeholders on problems, doubts or violations of their rights/contracts on the website or the annual business performance report. - SVN created a mechanism for providing information, comments or petitions of employees to the behavior that is not in accordance with the code of ethics, regulations or laws of the members of the board of directors or senior management of the company. - The board has defined the policies to rigorously counter fraud and bribery in its code of ethics.	- The board does not approve the policy on protect the rights and interests of its stakeholders. - The board does not formulate and set the policy on training and human development for its employees so that the company's employees can actively contribute to the implementation of the work to achieve the company's goals and involve in the company's corporate governance. - The board does not approve the policy or mechanism to protect its employees or stakeholders who provide information, comments or petitions about behavior that is inconsistent with ethics, regulations and relevant laws. - The board does not approve the policies on the selection of trade partners, suppliers and contractors. - The board does not approve the policies on relationship with local communities where the company is operating. - The board does not approve the policies to protect rights and interest of creditors especially regarding security and default terms and conditions. - The board does not approve policies for environment and promotion of its sustainable development.

3.3. Section 3 Disclosure and Transparency

SVN has achieved the implementation in fully applied (FA) 78%, followed by partial applied (PA) 8% and not applied (NA) 14% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues

- SVN disclosed the information of manners, values and list of individuals and related legal entities as well as relationship of him/her to related parties transaction in the company's annual financial statements.
- SVN disclosed on the vision, goal or strategy plan in business operation of the company in the annual business performance report.
- SVN disclosed information on the risk factors, dividend policy, financial information and non-financial information, background and training of the board, number of holding the board meeting and board committee meeting, important occurred events in the annual business performance report.
- SVN disclosed information on the list of direct and indirect shareholders who held 5% or more shares.
- SVN disclosed on the direct and indirect shareholding of the board members, senior managements.
- SVN disclosed the semi-annual/annual business performance report, quarter/annual financial statements, resolution of shareholder's meeting, and minute of shareholder's meeting on the company's website normally.
- SVN disclosed the annual business performance report and annual financial statement that have been audited by external auditors within 120 days from the end of the accounting year.
- SVN disclosed the financial statements for Q1 and Q3 within 45 days after the end of such quarter.
- SVN has disclosed the financial statement for the 6 months of the year that have been reviewed by external auditors within 60 days from the end of the 2nd quarter.
- SVN has disclosed the resolution of the shareholders' meeting within 24 hours after completion of the shareholders' meeting.
- SVN disclosed the audit firm's service fee obtained from the financial auditing of each

- SVN does not disclose the policy on related party transactions such as the procedure for considering and approving related party transactions (RPTs) in the annual business performance report.
- SVN does not report and disclose information on the purchase and sale of shares of board members and the senior managements, chief internal auditor, chief accounting officer and chief financial officer within 72 hours.
- SVN does not formulate and disclose the specific regulation on remuneration of board, senior managements and important officers via the company's website.
- SVN does not disclose the policy on the remuneration and total value of the board members, senior managements each individual in the annual business performance report.

year in the annual financial performance report. - SVN created and disclosed the criteria used for the nomination, election and appointment of the new board. - SVN disclosed an officer in charge of relation with shareholders and investors (investor relations). - Persons in charge of reporting and a person disclosure information have been appointed and have undergone training for such work.	

3.4. Section 4 Roles and Responsibilities of the Board

SVN has achieved the implementation in fully applied (FA) 68%, followed by partial applied (PA) 11% and not applied (NA) 22% of total questions in the section, which has the details as follows:

Achievements	Outstanding Issues
- SVN has at least one non-executive board member with experience relevant to the company's business. - The board has 02 female board member. - The appointment or dismissal of the board members have been approved by the shareholders' meeting. - The board consists of 9 members and 3 of them are independent members. - The board chairman, the audit committee chairman, risk management committee chairman, chairman of the nomination committee and remuneration are all independent members. - Each board member received significant documents related to the meeting of the board or the board committees at least 7 business days before the meeting. - The board charter explicitly provide details on the rights, duties and responsibilities of the board. - The board has held meetings at least 4 times a year and each board member has attended at least 3/4 of all board meetings within the year. - The board has created a statement on the corporate mission, vision and culture to be communicated to all staff of the company for	- SVN does not set the board structure requirements shall include of 1 non-executive member and 1 female member in the board as well as the expiration of that term, independent members can continue to be eligible for selection and hold positions as other board members that is not independent member in the relevant internal legislation. - The board does not approve the specific regulations of board committees. In additional, do not publish such regulations to public via the company's website. - The internal chapter of the board is not published on the company's website. - The board has not created and disclosed a succession employees plan for the position of board member, senior managements and the important employee of the company. - The board does not evaluate the annual performance of the board, board members and the board committee annually. - The board does not determine a minimum quorum of at least 2/3 of directors for board decision in the board's internal chapter. - The board do not formulate and disclose the criteria and conditions for evaluating the performance of board chairman, board

their understanding on the company's strategic direction. - The audit committee has at least of one independent member with knowledge or experience in accounting. - The audit committee has held its meeting for 4 times per year. - The board approved the plan of board meeting and board committees meeting that covers the date of the meeting and the agenda to be discussed. - The board committees held their meeting normally and in accordance with the relevant regulations.	members and board committee in the annual business performance report. - The risk management committee do not approved and supervised the processes and policies in the identification and management of risks.

4. Suggestions for Improvement

4.1. Suggestion to be stipulated in the Internal Regulations

In order to enhance the corporate governance function, SVN should correct the following outstanding issue:

- Should set the rights who hold individually and collectively of at least 5% of the company's total shares have the right to add an agenda of the shareholder's meeting, and shareholders who held individually and collectively less than 5% of the company's total shares have the right to propose adding agenda of the shareholder's meeting to the company for consideration in the internal regulation;
- Should set the policy of shareholder's rights who hold individually or collectively at least 10% of the company's total shares has the rights to the board or company's director to convene the shareholder's meeting in the internal regulation;
- Should prescribe incidents on issuance of newly shares, transaction of the purchase, sale or transfer the assets with value at 50% or higher of company's total assets or other significant matters which shall be approved by the shareholders' meeting in the company's internal regulation;
- The board should approve policy to protect the rights and interests of its stakeholders, the policy to protect the rights and interests of creditors especially regarding security and default terms and conditions;
- The board should approve the policies on relations with the local communities where the company is operating, the policy on the selection of trading partners, suppliers and contractors, policies for environment and promotion of its sustainable development;
- The board should formulate and approve the policy on training and human development for its employees;
- The board should set the requirements, criteria of being board members, structure of board personnel should have a non-executive member and a female member, rights, duties, responsibilities, term of maximum cumulative working or termination of being board

members, mechanism, procedures and criteria for nomination or remuneration, method of working, remuneration policies of board members and other matters as principles of corporate governance in the guideline on corporate governance for listed company;

- Should formulate the specific regulations of various board committees such as rights, duties, responsibilities, structure of committee personnel, criteria and requirements of being committee members, mechanism, procedures and criteria for nomination or remuneration, methods of working including remuneration policies of committee members and other matters as well as propose to the board for consideration and approve it;
- The board should formulate the policy or mechanism to protect its employees or stakeholders who provide information, comments or petitions about behavior that is inconsistent with ethics, regulations and relevant laws;
- The risk management committee should approved and supervised the processes and policies in the identification and management of risks.

4.2. Suggestions for Further Implementation

In order to enhance the corporate governance implementation, SVN should be more attentive:

- Should disclose information on the policies of RPTs, policies on remuneration, remuneration and total value of the board members and senior managements, companies group or companies in its group (If any or not) in the annual business performance report;
- Should report and disclose information on the purchase and sale of shares of board members and the senior managements, chief internal auditor, chief accounting officer and chief financial officer within 72 hours;
- Should formulate and disclose the specific regulation on remuneration of the board, senior managements and significant employees to the public via the company's website;
- The board should create and disclose employee succession plans for the positions of members of the board, the senior managements and key employees of the company;
- The board should approve the plan of board meeting and board committees meeting that covers the date of the meeting and the meeting agenda;
- The board should approved the specific regulation of board committees as well as publish the regulations to the public via the company's website;
- The board should evaluated the annual performance of the board, board members, and Board committees;
- The board should create and disseminate the criteria, requirements and procedures on evaluating performance of the board chairman, board members and board committee members in the annual business performance report;
- Should disseminate the board chapter in the company's website;

Chief Executive Officer of LSX