Lao - China Securities Public Company

Prospectus

Initial Public Offering (IPO)

Offering amount 111,111,200 shares with a par value of 100 Kip/Share

Offering Price: 130 Kip/Share (IPO Price)

Offering to domestic investors in Lao PDR and foreign investors

Subscription period:

Between 01 April 2025 and 03 April 2025

Between 8:00 am and 3:00 pm

PROSPECTUS

LAO-CHINA SECURITIES PUBLIC COMPANY

ບໍລິສັດຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

Initial Public Offering (IPO) of

up to 111,111,200 ordinary Shares, with par value of LAK100/Share

Offering Price LAK130/Share

Offering to the public investors in Lao PDR and foreign investors

Subscription Period:

From 01 April to 03 April 2025

From 8:00 am to 15:00 pm

Financial advisor	: BCEL-KT Securities Company Limited
Joint-financial advisor	: APM(LAO) Securities Company Limited
Underwriter	: BCEL-KT Securities Company Limited
External auditor	: EY Lao Company Limited
Legal advisor	: THT Law and Consultancy (Lao) Sole Company Limited

Disclaim: This prospectus constitutes a material disclosure and should be read in its entirety to ensure the complete comprehension of all contents herein. Furthermore, investors may seek consultation with a broker, accountant, legal, or other relevant professional for advising regarding this prospectus.

IMPORTANT NOTICE

This Prospectus has been prepared to provide preliminary investment information solely for potential investors interested in the Company's newly issued shares. The Lao Securities Commission (LSC) or the Lao Securities Commission Office (LSCO) assumes no responsibility or recommends investment in this share offering, guarantees their prices or returns, certifies the completeness and accuracy of information contained herein. The verification of accuracy and completeness of whole contents and information in this prospectus remains the sole responsibility of the Company.

In the event that the contents or information in this prospectus are found to be false or omitted any information which should be disclosed, shareholders may claim damages from the Company in accordance with relevant laws and regulations.

Investors may review or request copies of the prospectus that has been filed with the LSCO, or access it through the LSCO website (www.lsc.gov.la).

The original prospectus prepared in the Lao language (the "Lao Prospectus") has been filed with the LSCO. The English translation (the "English Prospectus") has been prepared by the Securities Company and the Company. Notwithstanding the careful attention given to this English translation, it carries no legal binding and has not been certified for accuracy. This English translation does not constitute a prospectus as defined under the Law on Securities (Amended) No. 79/NA, dated December 3, 2019 (the "Securities Law"). Only the original Lao Prospectus has legal binding under the Securities Law and the laws of the Lao PDR. The distribution of the legally effective prospectus under the Securities Law pertains to the initial public offering of shares in the Lao PDR. This offering must comply with the rules and regulations of the LSCO, and the Lao Prospectus has been prepared specifically for the purpose of the initial public offering in the Lao PDR. Accordingly, the offered shares have not been registered under the Securities laws of any jurisdiction other than the securities regulations of the Lao PDR. Neither the format nor content of the Lao Prospectus and English Prospectus has been certified as adequate or sufficient for securities offerings in any other jurisdiction. Prospective investors should review both the Lao Prospectus and English Prospectus concurrently before making any investment decision regarding the offered shares.

This offering of newly issued shares constitutes the Company's initial public offering in order to raise funds, and the offered shares shall be listed on LSX, subject to the Lao Securities Exchange's (LSX) approval of the Company's initial listing application. LSX, established in October 2010, operates as a secondary market. The Company shall submit its application for listing and trading on LSX by the specified date and anticipates that its shares will be approved for listing on LSX on or about the specified date.

The Company expects that the share payment shall be completed within the offering period, with share allotment to shareholders to be executed through LSX Securities Depository Center, and the Company's shares shall be approved for listing on LSX no later than 10 days following submission of the listing application.

Prior to investing in the offered shares, investors should carefully consider all associated risks. Prospective investors are strongly advised to review the section entitled "Risk Factors" before making any investment decision regarding the offered shares.

“All investment carry risks. Prospective investors should carefully study all information before making any investment decision”

INTERMEDIARY PARTIES

❖ **Offering Company** **Lao-China Securities Public Company** Thatluang Lake Special Economic Zone, PhonThan Village, Saysettha District, Vientiane, Lao PDR Tel: (856-21) 419 222 Fax: (856-21) 419 222 Website: www.lcs.com.la	❖ **Financial Advisor and Underwriter** **BCEL-KT Securities Company Limited** Thatluang Lake Special Economic Zone, PhonThan Village, Saysettha District, Vientiane, Lao PDR Tel: (856-21) 265 477 Fax: (856-21) 265 488 Website: www.bcel-kt.com
❖ **Joint Financial Advisor** **APM(LAO) Securities Company Limited** Khun Bu Lom Rd, Hatsady Village, Chanthabuly District, Vientiane, Lao PDR Tel: (856-21) 253 420 Fax: (856-21) 253 419 Website: www.apmassetpro.co.th	❖ **External Auditor** **EY Lao Company Limited** Floor 6, KOLAO Tower Building I, NongBone Village, Saysettha District, Vientiane, Lao PDR Tel: (856-21) 455 077 Website: www.ey.com
❖ **Legal Advisor** **THT Law and Consultancy (Lao) Sole Company Limited** Ban Saphanthong Kang, Sisattanak District, Vientiane, Lao PDR Tel: (856-20) 5505 7711 Email: tianyi.zhang@tahota.com Website: www.tahota.com	❖ **Selling Agent** **LDB Securities Sole Co., Ltd (LDB-S)** Souphanouvong Road, Sihom Village Chanthabouly district, Vientiane Capital Tel: (856-21) 54886648 Fax: (856-21) 224001-3 Website: www.ldb-s.com.la
❖ **Selling Agent** **Banque Pour le Commerce Exterieur Lao (BCEL)** 01, Pangkham Road, Chanthabuly, Vientiane Capital, Laos Tel: (856-21) 213 200 Fax: (856-21) 213 202 Email: bcelhqv@bcel.com.la Website: www.bcel.com.la	

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The information in this prospectus is accurate as of the date specified herein. Investors should be aware that following the date indicated in this prospectus, certain information may change, including: business operations, financial position, business performance, and other projections, which may affect the accuracy or completeness of this prospectus.

In making investment decisions, investors should personally review both the Lao and English versions of this prospectus, as well as other relevant documents pertaining to this offered share, including associated benefits and risks. Investors should not interpret the contents of this prospectus or its attachments as legal, business, financial-accounting, or tax advice regarding their individual circumstances related to investing in the offered shares.

This share offering has not been approved or rejected by any regulatory authority other than the Lao Securities Commission Office (LSCO). The format and contents of this prospectus have not been certified for appropriateness or sufficiency of information for share offerings in other countries.

DEFINITIONS

Lao PDR	Lao People Democratic Republic
People's Republic of China	PR China
Company/Issuer/LCS	Lao-China Securities Public Company
Financial Advisor	BCEL-KT Securities Company Limited
Underwriter	BCEL-KT Securities Company Limited
LSC	Lao Securities Commission
LSCO	Lao Securities Commission Office
LSX	Lao Securities Exchange
IPO	Initial Public Offering
PO	Public Offering
RO	Right Offering
PP	Private Placement
Article of Association	The Company's Article of Association, including all amendments thereof
Standing Committee	The Standing Committee of National Assembly
Subscription Period	The Subscription Period for Lao-China Securities Public Company shall be from 01 April to 03 April 2025
Financial Statements	The financial statement shall consist of (i) Balance Sheet, (ii) Income Statement, (iii) Cash Flows Statement, and (iv) Statement of Changes in Shareholders' Equity
Offered Shares	The total number of shares issued is 111,111,200 shares, with offering price at LAK130/share
Par value	The par value refers to the nominal value of securities as specified in the prospectus, subscription forms for ordinary shares, corporate bonds, and government bonds.
External Auditor/E&Y	EY Lao Company Limited
Legal Advisor/TAHOTA	THT Law and Consultancy (Lao) Sole Company Limited

BCEL	Banque Pour La Commerce Exterieur Lao Public
APB	Agricultural Promotion Bank Company Limited
BOL	Bank of the Lao PDR
Pacific Securities	The Pacific Securities Company limited
LII	The Lao Information Industry Company Limited
QE/Quantitative Easing	Quantitative easing means a form of monetary policy executed by the central bank of each nation to mitigate the challenges posed by a decelerating economy.
PE/Private Equity	Private equity refers to the investment in shares that are not publicly traded or in the equity of companies that have not been listed on the stock exchange
VC/Venture Capital	Venture Capital refers to the collaborative investment in private companies by providing financial support to acquire equity in entities that lack sufficient capital for establishment, such as startups or newly formed enterprises
Green Bond	Green bonds or sustainability bonds are instruments for raising funds to finance projects that are environmentally friendly or promote environmental conservation.

EXECUTIVE SUMMARY

The following executive summary does not encompass all essential information for investors. Investors should read this prospectus entirety, including all financial information, relevant notes, and risk factors prior to making any investment decisions.

1. Issuer

Issuer	:	Lao-China Securities Public Company
Type of Business	:	Financial advisory, investment advisory, securities brokerage, securities dealer, securities underwriting, and private fund management
Symbol	:	LCS
Registered Office	:	Thatluang Lake Special Economic Zone, PhonThan Village, Saysettha District, Vientiane, Lao PDR
Business license	:	043/LSC, dated December 5, 2024
Enterprise registration	:	0010/ERO, dated October 25, 2024
Tax identification	:	957134401-9-00
Registered capital	:	LAK100,000,000,000
Number of offered shares	:	111,111,200 shares
Offering price	:	LAK130
Offering proportion	:	10% of total listed shares
Email	:	Broker@lcs.com.la
Website	:	www.lcs.com.la
Telephone	:	(856-21) 419 222
Facebook	:	Lao-China Securities Public Company

❖ **Issuer**

Lao-China Securities Public Company (referred to as: "LCS" or "the Company"), formerly known as Lao-China Securities Company Limited, is the first securities company established under the cooperation between Lao PDR and People's Republic of China. The Company was established on June 27, 2013, as a limited company under the name Lao-China Securities Company Limited, with the Enterprise Registration No. 0631/ERO. The Company received its securities business license from the Lao Securities Commission (referred to as: "LSC") under License No. 010/LSC, dated November 16, 2013. The Company was established with a registered capital of LAK100,000,000,000 (One hundred billion kip), comprising 10,000,000 shares (ten million shares) with a par value of LAK 10,000 per share (ten thousand kip per share). The Company's office is located on the 6th floor of LSX Building, Kamphaengmueang Road, Phonthan Neua Village, Saysettha District, Vientiane Capital. The Company operates as a full-service securities firm, providing financial ❶ advisory service, ❷ securities brokerage service, and ❸ securities underwriting service. LCS has three shareholders as follows:

1) Agricultural Promotion Bank (referred to as: "APB") holds 4,100,000 shares (four million one hundred thousand shares), equivalent to 41% (forty-one percent), with a value of LAK41,000,000,000 (forty-one billion kip).

2) Pacific Securities Company Limited (referred to as: "Pacific Securities") holds 3,900,000 shares (three million nine hundred thousand shares), equivalent to 39% (thirty-nine percent), with a value of LAK39,000,000,000 (thirty-nine billion kip).

3) Lao Information Industry Company Limited (referred to as: “LII”) holds 2,000,000 shares (two million shares), equivalent to 20% (twenty percent), with a value of LAK20,000,000,000 (twenty billion kip).

In 2021, pursuant to the resolution of LCS Annual Ordinary Shareholders' Meeting for the year 2019, No. 002/LCS, dated January 27, 2021, LCS expanded its securities business operations by establishing a Private Fund Management Department. This expansion aligned with the Securities Law (Amended) No. 79/NA, dated December 3, 2019, enabling the Company to keep pace with the evolving securities business landscape in Lao PDR.

In 2022, LCS received a comprehensive business license from the LSC under License No. 01/LSC, dated January 10, 2022. This license authorized the company to provide fully securities services, including ❶ financial advisory, ❷ investment advisory, ❸ securities brokerage, ❹ securities dealer, ❺ securities underwriting, and ❻ private fund management. Notably, LCS stands as the only securities company in Lao PDR operating a fully of securities services as stipulated under Article 58 (Amended) regarding the scope of business operations of securities companies, in accordance with the Securities Law (Amended) No. 79/NA, dated December 3, 2019.

In 2024, pursuant to the resolution of LCS First Extraordinary Shareholders' Meeting for the year 2024 No. 002/LCS, dated May 10, 2024, LCS relocated its head office to the Thatluang Lake Special Economic Zone. Following the relocation, LCS received a new Enterprise Registration No. 0010/ERO issued by the Enterprise Registration Office, Vientiane Special Economic Zone Management Committee, dated June 25, 2024. The new office is located at: Thatluang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital.

LCS transformed from a limited company to a public company under Enterprise Registration No. 0010/ERO, dated October 25, 2024. The Company maintains its registered capital of LAK100,000,000,000 (one hundred billion Kip), structured as 1,000,000,000 shares (one billion shares) with a par value of LAK 100 per share (one hundred kip per share). The Company's ownership is distributed among three shareholders:

- Agricultural Promotion Bank holds 410,000,000 shares (four hundred ten million shares), equivalent to 41% (forty-one percent), with a value of LAK41,000,000,000 (forty-one billion kip).
- Pacific Securities Company Limited holds 390,000,000 shares (three hundred ninety million shares), equivalent to 39% (thirty-nine percent), with a value of LAK39,000,000,000 (thirty-nine billion kip).
- Lao Information Industry Company Limited holds 200,000,000 shares (two hundred million shares), equivalent to 20% (twenty percent), with a value of LAK20,000,000,000 (twenty billion kip).

2. Use of Proceeds

The Company plans to raise capital through its Initial Public Offering (IPO) amounting to LAK14,444,456,000 (fourteen billion four hundred forty-four million four hundred fifty-six thousand kip). The LAK10,000,000,000 (ten billion kip) will be allocated to establish a Fund Management Company in accordance with Article 72 (New) of the Securities Law (Amended) No. 79/NA, dated December 3, 2019, regarding the conditions for obtaining a fund management business license. The remaining LAK4,444,456,000 (four billion four hundred forty-four million four hundred fifty-six thousand kip) will be utilized as working capital for the Company's operations. The detailed breakdown of the IPO proceeds utilization is as follows:

Table: Objectives of the utilization plan of IPO proceeds

Objective	**Total Investment amount (LAK)**	**Use of Proceed (LAK)**	**%**	**Estimated timeline for usage**
Investment in establishing a Fund Management company	10,000,000,000	10,000,000,000	69.23%	First half of 2025
Working capital	4,444,456,000	4,444,456,000	30.77%	Early2025
Total	**14,444,456,000**	**14,444,456,000**	**100%**	

3. Risk Factors

3.1 Macroeconomic risk

3.2 Risk from the securities market vitality

3.3 Risk from the competition in the securities business

3.4 Risk from the trading system disruption

3.5 Risk from dependence on major clients

3.6 Risk from securities underwriting

3.7 Risk from employee turnover

3.8 Risk from operating under strict regulatory and requirements of relevant authorities

3.9 Risk from human error

3.10 Risk from control of major shareholders

3.11 Risk from revenue projection

3.12 Risk from fund management company

4. Shareholding Structure

No.	Shareholders	Before IPO		After IPO	
		Number of shares	%	Number of shares	%
1	Agricultural Promotion Bank	410,000,000	41.00%	410,000,000	36.90%
2	Pacific Securities Company Limited	390,000,000	39.00%	390,000,000	35.10%
3	Lao Information Industry Company Limited	200,000,000	20.00%	200,000,000	18.00%
4	General investors	-	-	111,111,200	10.00%
Total		**1,000,000,000**	**100.00%**	**1,111,111,200**	**100.00%**

❖ Dividend Policy

The Company has a policy to distribute dividend no less than 50% of the net profit as reported in the Company's financial statements after allocating to statutory reserves. However, the dividend payment will rely on future investment plans, operational needs and other relevant considerations. Once the board of directors of the Company agrees on the annual dividend payment, the decision shall be suggested to the annual shareholders' meeting for the consideration and approval. Except for the interim dividend payment, shareholders can grant the payment authorization to the board of directors. However, such payment must be reported to the shareholders' meeting and authorization must be granted for the future payment.

5. Board of Directors and Management Committee

No.	Name and Surname	Designation
1	Mr. Nooxay Phoomsuwan	Chairman
2	Mr. Li Changwei	Vice Chairman
3	Mr. Zhou Kun	Member
4	Mr. Zhang Hongbin	Member
5	Mr. Somphong Bolibouth	Member
6	Mr. Li Lin	Member
7	Assoc. Prof. Piya Vongphit, PhD	Member / Independent
8	Mr. Wang Wei	Member / Independent
9	Mr. Nah Chantalivong	Member / Independent

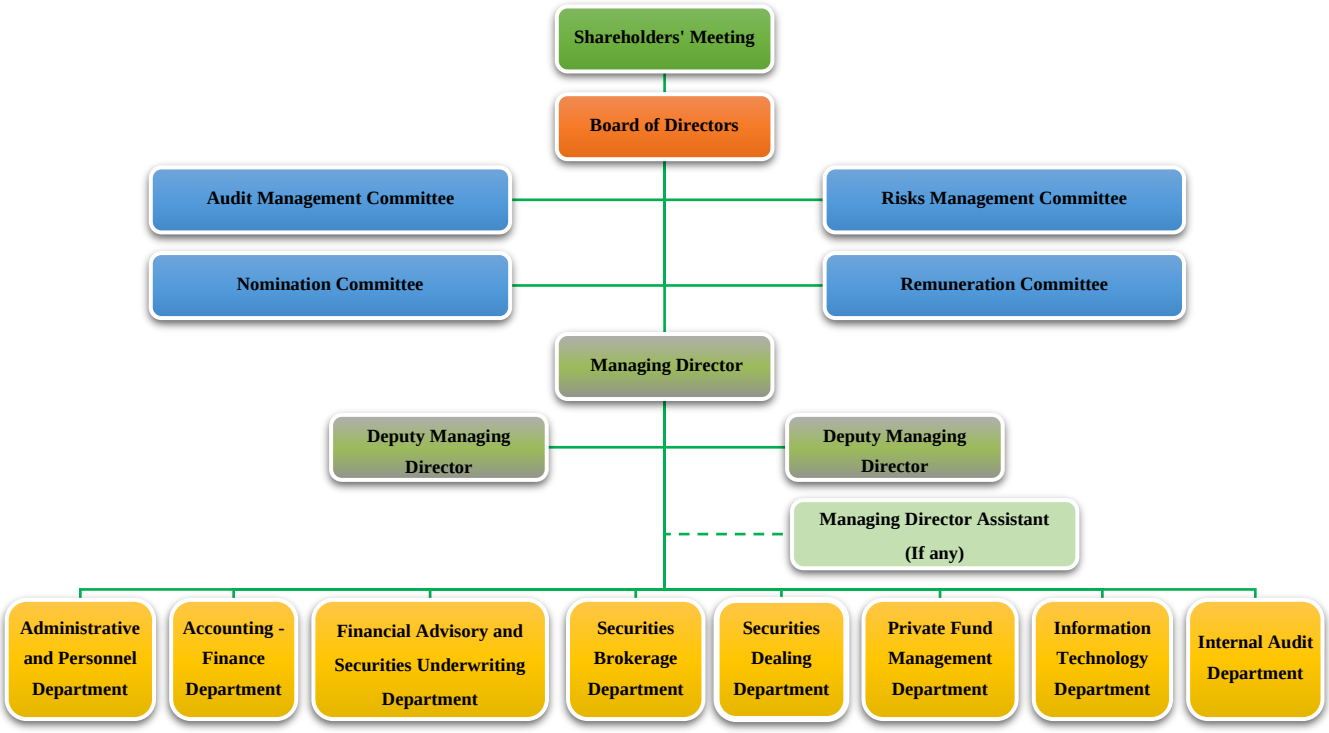
❖ Management Committee

Committees of the Board of Directors	
1	Audit Management Committee
2	Risk Management Committee
3	Nomination Committee
4	Remuneration Committee

6. Executive Managing Directors and Organization Structure

No.	Name and Surname	Designation
1	Mr. Li Lin	General Managing Director
2	Mr. Soutthideth Bounluxay, PhD	Deputy Managing Director
3	Mr. Phongsavath Leuname	Deputy Managing Director

Organization Structure



7. Financial Information and Business Performance

❖ Financial Statements

Table: Summary of Financial Statements 2022-2024 (Audited by E&Y)

Unit: LAK

	2022	2023	2024
Assets			
Current assets	63,708,955,603	72,043,682,777	71,466,398,822
Non-current assets	67,966,169,797	60,566,238,049	93,594,903,560
Total Assets	**131,675,125,400**	**132,609,920,826**	**165,061,302,382**
Liabilities			
Short-term borrowings	26,349,120,000	26,330,955,000	26,248,421,223
Deferred revenue	-	-	8,635,769,765
Payables to customers	4,032,691,611	4,478,433,902	4,196,433,350
Other payables	116,998,638	522,251,432	332,076,749
Employee benefits	378,613,676	375,483,035	368,765,610
Total Liabilities	**30,877,423,925**	**31,707,123,369**	**39,781,466,697**
Owners' Equity			
Contributed charter capital	100,000,000,000	100,000,000,000	100,000,000,000
Accumulated losses	(3,409,711,304)	18,060,214	10,206,778,619
Legal reserves	975,420,695	975,420,695	2,107,500,518
Available for sale reserve	305,730,000	(1,117,755,000)	11,938,485,000
Business expansion reserve	2,926,262,084	1,027,071,548	1,027,071,548
Total Owners' Equity	**100,797,701,475**	**100,902,797,457**	**125,279,835,685**
Total Liabilities and Owners' Equity	**131,675,125,400**	**132,609,920,826**	**165,061,302,382**

❖ Income Statement

Table of Income Statement 2022-2024 (audited by E&Y)

Unit: LAK

	2022	2023	2024
Total Revenue	16,213,626,039	12,206,286,750	15,805,189,364
Total Expenses	(10,569,630,017)	(10,677,705,768)	(4,484,391,136)
Profit Before Tax	5,643,996,022	1,528,580,982	11,320,798,228
Profit Tax Expense	-	-	-
Net profit after tax	**5,643,996,022**	**1,528,580,982**	**11,320,798,228**

❖ Statement of Cash Flows

Table of Statement of Cash Flows 2022-2024 (audited by E&Y)

Unit: LAK

	2022	2023	2024
Profit before tax	5,643,996,022	1,528,580,982	11,320,798,228
Net cash flows from operating activities	(4,504,426,167)	(297,573,099)	14,528,146,464
Net cash flows from investing activities	6,565,778,830	2,529,572,522	(19,284,752,232)
Net cash flows used in financing activities	(275,452,000)	(144,282,000)	(207,661,277)
Net decrease in cash	1,785,900,663	2,087,717,423	(4,964,267,045)
Cash at the beginning of the year	6,879,782,066	8,665,682,729	10,753,400,152
Cash at the end of the year	**8,665,682,729**	**10,753,400,152**	**5,789,133,108**

❖ Key Financial Ratios

		2022	2023	2024
Profitability Ratios				
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(%)	37.47	14.99	73.32
Earnings Before Interest and Tax (EBIT)	(%)	36.37	13.56	72.44
Net profit margin	(%)	34.81	12.52	71.63
Return on Equity (ROE)	(%)	5.60	1.52	10.01
Return on Asset (ROA)	(%)	4.25	1.16	7.61
Liquidity Ratio				
Current ratio	(X)	2.06	2.27	1.80
Assets Efficiency Ratios				
Total assets turnover ratio	(X)	0.12	0.09	0.11
Fixed asset turnover ratio	(X)	43.12	52.85	12.69
Capital Structure Ratios				
Debt to equity ratio	(X)	0.31	0.31	0.32
Debt to total assets ratio	(X)	0.23	0.24	0.24
Debt to EBITDA ratio	(X)	5.08	17.33	3.43
Interest coverage ratio	(X)	24.02	14.51	90.44
Interest-bearing debt to EBITDA ratio	(X)	4.34	14.39	2.27

Part I
Lao-China Securities Public Company

1. Issuer

1.1. General Information

Issuer	:	Lao-China Securities Public Company
Types of Business	:	Financial advisory service, investment advisory service, securities brokerage, securities dealer, securities underwriting service, and private fund management
Symbol	:	LCS
Registered Office	:	Thatluang Lake Special Economic Zone, PhonThan Village, Saysettha District, Vientiane, Lao PDR
Business license	:	043/LSC, dated December 5, 2024
Enterprise registration	:	0010/ERO, dated October 25, 2024
Tax identification number	:	957134401-9-00
Registered capital	:	LAK100,000,000,000
Number of offered shares	:	111,111,200 shares
Offering Price	:	LAK130
Offering Proportion	:	10% of total listed shares
Email	:	Broker@lcs.com.la
Website	:	www.lcs.com.la
Telephone	:	(856-21) 419 222
Facebook	:	Lao-China Securities Public Company

1.2. Company Background

Lao-China Securities Public Company (referred to as: "LCS" or "the Company"), formerly known as Lao-China Securities Company Limited, is the first securities company established under the cooperation between Lao PDR and People's Republic of China. The Company was established on June 27, 2013, as a limited company under the name Lao-China Securities Company Limited, with the Enterprise Registration No. 0631/ERO. The Company received its securities business license from the Lao Securities Commission (referred to as: "LSC") under License No. 010/LSC, dated November 16, 2013. The Company was established with a registered capital of LAK100,000,000,000 (One hundred billion kip), comprising 10,000,000 shares (ten million shares) with a par value of LAK10,000 per share (ten thousand kip per share). The Company's office is located on the 6th floor of LSX Building, Kamphaengmueang Road, Phonthan Neua Village, Saysettha District, Vientiane Capital. The Company operates as a full-service securities firm, providing ❶ financial advisory service, ❷ securities brokerage service, and ❸ securities underwriting service.

LCS has three shareholders as follows:

1) Agricultural Promotion Bank (referred to as: "APB") holds 4,100,000 shares (four million one hundred thousand shares), equivalent to 41% (forty-one percent), with a value of LAK41,000,000,000 (forty-one billion kip).

   APB was established by Prime Minister's Decree No. 92/PM dated June 19, 1993, with an initial registered capital of one billion kip. The bank's primary objective was to provide loans for agricultural and forestry sector development by offering low-interest loans to both farming groups and individual farmers. APB operated on a non-profit basis supported by government funds and various organizations and non-deposit taking activities which resulted in APB operating under regulatory frameworks distinct from other financial institutions.

   In alignment with government reform initiatives on March 22, 2021, APB entered into a joint venture agreement with Phongsupthavy Construction - Roads, Housing and Irrigation Sole Co., Ltd., which acquired a 70% of APB’s shareholding, while the Ministry of Finance representing the government holds 30% of remaining shares. APB operates under the supervision of the Bank of Lao PDR and complies with the laws and regulations of Lao PDR, while fulfilling its role in National Socio-Economic Development.

   In July 2022, APB completed its corporate restructuring, transitioning from a state-owned enterprise to a limited company, and was renamed Agricultural Promotion Bank Company Limited. Currently, APB comprises one headquarter, 17 branches, and 82 service units nationwide, positioning itself as a leading state-owned commercial bank specializing in agricultural services and rural development. To provide services to growing APB’s clients annually, the bank continues to expand its service network throughout the country, particularly focusing on the government’s designated social-economic development zones, enabling customers and citizens to access APB's increasingly improved banking services.

2) Pacific Securities Company Limited (referred to as: "Pacific Securities") holds 3,900,000 shares (three million nine hundred thousand shares), equivalent to 39% (thirty-nine percent), with a value of LAK39,000,000,000 (thirty-nine billion kip).

   In 2007, Pacific Securities was listed on the Shanghai Stock Exchange. Over the subsequent years, Pacific Securities has consistently strengthened its investment position through business accumulation, financial methods, and increased investment initiatives. The Company has successfully implemented private organizational structures and profit-sharing mechanisms, resulting in its registered capital increasing to CNY6.8 billion. As of September 2024, the Company's total assets reached CNY17.1 billion, with net assets of CNY9.6 billion. As a listed company, following years of stable development, Pacific Securities has established a comprehensive business system and professional team. The Company maintains high market standards and liquidity, with a service network that extends across all provinces, municipalities, autonomous regions, and directly-administered municipalities in China, excluding Hong Kong, Macau, and Taiwan. The Company's profit generation model has become increasingly diversified, and it has evolved into a national medium-sized securities company.

3) Lao Information Industry Company Limited (referred to as: "LII") holds 2,000,000 shares (two million shares), equivalent to 20% (twenty percent), with a value of LAK20,000,000,000 (twenty billion kip).

   LII was established in October 2010 and is one of a well-known company with extensive experiences in operating business and maintains strong collaborative relationships with leading companies in Lao PDR. LII effectively leverages its competitive advantages through strategic partnerships across diverse business sectors, including beverage distribution, tourism, IT technical services, automobile dealerships, hospitality businesses, and other enterprises. This diversified approach has enabled LII to continuously expand its service portfolio and successfully attract foreign investment. Looking ahead, LII aims to establish itself as a comprehensive IT technical center, providing updated information regarding stock price display systems, comprehensive sets of financial reporting systems, online securities trading platforms, and comprehensive IT solutions.

In 2021, pursuant to the resolution of LCS Ordinary Shareholders' Meeting for the year 2019, No. 002/LCS dated January 27, 2021, LCS expanded its securities business operations by establishing a Private Fund Management Department. This expansion aligned with the Securities Law (Amended) No. 79/NA, dated December 3, 2019, enabling the Company to keep pace with the evolving securities business landscape in Lao PDR.

In 2022, LCS received a comprehensive business license from the LSC under License No. 01/LSC, dated January 10, 2022. This license authorized the Company to provide fully securities services, including ❶ financial advisory, ❷ investment advisory, ❸ securities brokerage, ❹ securities dealer, ❺ securities underwriting, and ❻ private fund management. Notably, LCS stands as the only securities company in Lao PDR operating a full securities service as stipulated under Article 58 (Amended) regarding the scope of business operations of securities companies, in accordance with the Securities Law (Amended) No. 79/NA, dated on December 3, 2019.

In 2024, pursuant to the resolution of the First LCS Extraordinary Shareholders' Meeting for the year 2024, No. 002/LCS, dated May 10, 2024, LCS relocated its office to the Thatluang Lake Special Economic Zone. Following the relocation, LCS received a new Enterprise Registration No. 0010/ERO issued by the Enterprise Registration Office, Vientiane Special Economic Zone Management Committee, dated June 25, 2024. The new office is located at: Thatluang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital.

LCS transformed from a limited company to a public company under Enterprise Registration No. 0010/ERO, dated October 25, 2024. The Company maintains a registered capital of LAK100,000,000,000 (one hundred billion kip), now structured as 1,000,000,000 shares (one billion shares) with a par value of 100 kip per share (one hundred kip per share). The Company's ownership is distributed among three shareholders:

- Agricultural Promotion Bank holds 410,000,000 shares (four hundred ten million shares), equivalent to 41% (forty-one percent), with a value of LAK41,000,000,000 (forty-one billion kip).
- Pacific Securities Company Limited holds 390,000,000 shares (three hundred ninety million shares), equivalent to 39% (thirty-nine percent), with a value of LAK39,000,000,000 (thirty-nine billion kip).

- Lao Information Industry Company Limited holds 200,000,000 shares (two hundred million shares), equivalent to 20% (twenty percent), with a value of LAK20,000,000,000 (twenty billion kip).

Since its inception, LCS has expanded its securities business operations from three service categories to six categories, making it the only full-service securities firm in the Lao PDR. The Company's office is located in Thatluang Lake Special Economic Zone, Phonthan Village, Xaysettha District, Vientiane. This prime location serves to attract both domestic and foreign investors.

1.3. Financial Advisory, Securities Underwriting and Government Bond Selling Agent in the past

2017		Banque Pour La Commerce Exterieur Lao Public	Served as financial advisor and underwriter for BCEL in its Rights Offering to existing shareholders and Public Offering (RO/PO), with a total value of LAK360 billion;
2018		Lao Culture Tourism Public Group Company	Served as financial advisor and underwriter for the Initial Public Offering (IPO) of Lao Cement Public Company with an approximate value of LAK29 billion, and facilitated its listing on the Lao Securities Exchange (LSX) on March 2, 2018. Currently the Company changed its name to Lao Culture Tourism Public Group Company;
		Lao Telecommunications Public Company	Successfully assisted in the transformation of Lao Telecommunications State Enterprise into Lao Telecommunications Public Company on December 3, 2018;
		Ministry of Finance	Collaborated with BCEL-KT Securities Company Limited (BCEL-KT) and LDB Securities Company Sole Limited (LDB-S) as financial advisor and selling agent for the Ministry of Finance's government bond issuance denominated in Lao kip, valued at LAK1,000 billion;
2019		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for another government bond issuance by the Ministry of Finance, valued at LAK1,700 billion;
		Vientiane Center Lao Public Company	Served as financial advisor and IPO underwriter for Vientiane Center Lao Public Company, and facilitating its listing on LSX on May 31, 2019, with an approximate value of LAK54 billion;
		Banque Pour La Commerce Exterieur Lao Public	Served as financial advisor and underwriter for BCEL's Rights Offering and Public Offering (RO/PO) of government-held shares 10%, with an approximate value of LAK115 billion;

2020		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for multiple government bond issuances by the Ministry of Finance, including two kip-denominated bonds valued at LAK1,700 billion and LAK 1,500 billion, respectively, as well as a USD-denominated bond valued at USD 50 million;
		Houng Ah Loun Logistics Sole Company Limited	Signed MOU with Houng Ah Loun Logistics Sole Co., Ltd. on June 16, 2020, to facilitate its Initial Public Offering (IPO);
		UniqTek Company Limited and IndusTek Company Limited	Signed MOU with UniqTek Company Limited and IndusTek Company Limited on June 26, 2020, to prepare for their Initial Public Offerings (IPOs);
		ETL Company Limited	Signed MOU with ETL Company Limited on July 9, 2020, to prepare for its Initial Public Offering (IPO);
2021		Lao Post Company limited (Enterprise des Postes Lao)	Served as financial advisor for the share valuation of Lao Post Company limited (EPL);
2022		Lao State Fuel Company	Collaborated with BCEL-KT, LDB-S and APM (Lao) Securities to conduct preliminary research studies for Lao State Fuel Company (LSFC);
2023		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for multiple government bond issuances by the Ministry of Finance, including kip-denominated bonds valued at LAK2,500 billion and USD-denominated bond valued at USD 50 million;
		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for multiple government bond issuances by the Ministry of Finance, including kip-denominated bonds valued at LAK3,000 billion, USD-denominated bond valued at USD 100 million, and THB-denominated bonds valued at THB 3,000 million;
		Yodngeum Power Public Company	Collaborated with BCEL-KT as financial advisor for Yod Ngeum Power Public Company to facilitate in its IPO and listing on LSX.

2024		Lao Airlines State Enterprise	Collaborated with BCEL-KT as financial advisor for the share valuation of Lao Airlines State Enterprise;
		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for multiple government bond issuances by the Ministry of Finance, including kip-denominated bonds valued at LAK1,200 billion, USD-denominated bond valued at USD 100 million, and THB-denominated bonds valued at THB 3,500 million;
		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for the Ministry of Finance's government bond issuance denominated in Thai Baht, valued at THB 4,000 million;
		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for the Ministry of Finance's government bond issuance denominated in Thai Baht, valued at THB 5,000 million;
		Lao Digital TV Company Limited	Signed MOU with Lao Digital TV Company Limited on November 8, 2024, to facilitate its Initial Public Offering (IPO).
		Ministry of Finance	Collaborated with BCEL-KT and LDB-S as financial advisor and selling agent for the Ministry of Finance's government bond issuance denominated in Chinese Yuan, valued at CNY500 million;

2. Objective of the use of proceeds from IPO

The Company plans to raise capital through its Initial Public Offering (IPO) amounting to LAK14,444,456,000 (fourteen billion four hundred forty-four million four hundred fifty-six thousand). Of this amount, LAK10,000,000,000 (ten billion kip) will be allocated to establish a fund management company in accordance with Article 72 (New) of the Securities Law (Amended) No. 79/NA, dated December 3, 2019, regarding the conditions for obtaining a fund management business license. The remaining LAK 4,444,456,000 (four billion four hundred forty-four million four hundred fifty-six thousand) will be utilized as working capital for the Company's operations. The detailed breakdown of the IPO proceeds utilization is as follows:

Table 1 Objectives of the use of proceeds from IPO

Objective	**Total Investment amount (LAK)**	**Use of Proceed (LAK)**	**%**	**Estimated timeline for usage**
Investment in establishing a Fund Management company	10,000,000,000	10,000,000,000	69.23%	First half of 2025
Working capital	4,444,456,000	4,444,456,000	30.77%	Early 2025
Total	**14,444,456,000**	**14,444,456,000**	**100%**	

3. Risk factors

An investment in any business sector inherently involves risks. Before making investment decisions, investors should carefully consider potential future risks. Investors should thoroughly review all information contained in this prospectus, which outlines various potential risks and their future impact on the Company. Although the Company has made every effort to identify all significant risk factors, there may be other unforeseen risks that the Company has not anticipated - risks that are currently unknown but may emerge in the future. These could negatively impact business operations, financial performance, legal compliance, and other relevant regulatory conditions. This prospectus includes future business performance projections. However, the Company's actual results may differ from these forecasts due to the risks detailed herein. Investors must carefully evaluate the risk factors described below before making any investment decisions. The following sections outline several significant risks that could affect the Company and the value of investments in the Company. Furthermore, there may be additional risks that are either known or currently considered insignificant, which could similarly have adverse effects on the Company. Investors should be aware that they may lose part or all of their investment. The following are the summary of the identifiable risks as detailed below:

3.1. Macroeconomics risk

The Lao PDR economy is currently facing challenges related to the depreciation of the Lao Kip and high inflation rates. These factors have led to increased operational and production costs for listed companies as most Lao businesses rely heavily on imported raw materials and machineries which require payments in foreign currency. This situation has resulted in listed companies experiencing losses due to currency depreciation and higher inflation, leading to declining share prices. Consequently, some listed companies have reported operating losses and have been unable to pay dividends to shareholders, contributing to reducing trading transactions on LSX.

Currently, Lao economy is in the early stage of recovery from multiple challenges, including the impact of disease outbreaks, the effects of conflicts between major powers, and natural disasters. These factors continue to create economic difficulties, particularly in terms of monetary and financial stability, currency depreciation, and persistently high inflation rates. In response, Bank of the Lao PDR has raised the interest rate policy to absorb excess funds into the system. This has influenced commercial banks to increase their interest rates, prompting both domestic and foreign individual and institutional investors to favor bank deposits over other investment options. Consequently, trading activity on LSX has shown a declining trend, while foreign investors face additional challenges due to currency depreciation, resulting in foreign exchange losses and reduced foreign trading transactions in LSX.

At the same time, economic risks have impacted on investors income, creating financial constraints that limit investment capacity. With many companies unable to pay dividends due to losses, stock trading has become illiquid; and share prices have been generally in a downward trend, resulting in significant trading losses for investors.

These economic risks have also affected securities companies to have reduced income from brokerage services due to the decreased trading volume and the lack of liquidity on LSX. Additionally, revenue from financial advisory services has declined as the economic downturn has caused many companies to postpone capital raising plan through the capital market due to operational losses. The economic situation has also impacted on employees, as the higher inflation rate led to currency depreciation and

increased prices of consumer goods. Therefore, income of employees reduced, causing in increased staff turnover at securities companies. This has resulted in a shortage of experienced and skilled personnel in the securities sector, further affecting securities companies' revenue decreases.

3.2. Risk from the securities market volatility

The securities business is related with and influenced by the economic and capital markets of each country. Trading volume in the securities market directly impacts on brokerage fee revenue, which is the primary source of the Company's income. Furthermore, uncertainty in market trading volumes affects the allocation of various resources, including staff preparation, necessary to maintain efficient service delivery which affects the Company's operational costs. The risk of securities market volatility stems from fluctuations and changes in stock prices that vary with market situations during different periods. These fluctuations are influenced by multiple factors, including the operational performance of listed companies, changes in economic, political, and policies changes that affect stock prices.

3.3. Risk from competition in the securities business

In the Lao PDR, there are currently four operating securities companies, including BCEL-KT Securities Company Limited, Lao-China Securities Public Company, LDB Securities Sole Company Limited, and APM(Lao) Securities Company Limited. Among these, Lao-China Securities Public Company has established a strong reputation for its comprehensive customer services, including securities brokerage, financial advisory services, and underwriting. The securities business is characterized by intense competition, particularly in the brokerage segment, which constitutes a significant portion of company revenues. In response to this competitive landscape, securities firms have implemented their adaptation and have increasingly focused on quality-based competition to maintain their client base.

Therefore, the Company has implemented support measures to address the competitive pressures within the Securities business through the development in technologies, products and human resources in order to effectively serve our diverse clients. In addition, the Company implemented several initiatives for its service value creation to clients such as providing high-quality securities analysis, offering valuable guidance to clients and potential investors, delivering educational information to build investor confidence, expanding financial advisory services for new listings, introducing new financial instruments such as corporate bonds, government bonds, funds, and other securities products to provide broader investment alternatives to investors while preparing for potential future changes in brokerage fee structures that may intensify competition pressure within the securities business in the future.

3.4. Risk from trading system disruption

Currently, the securities trading system relies on LSX which is the real-time trading system for order placement. Furthermore, the payment, settlement, and client data processing are all dependent on LSX systems. Consequently, any disruption to LSX infrastructure will affect the operation of securities companies.

3.5. Risk from dependence on major clients

Dependence on major clients is also a risk for the Company. In the future, if major clients of the Company use other securities companies, brokerage fee revenue which has a significant contribution to the Company's revenue could potentially be affected. However, our long-standing relationship and focus on providing service to major clients over many years has cultivated strong client loyalty, significantly reducing our client attrition rate. Moreover, we have implemented a strategic policy to actively expand the new client base of both institutional and retail investors to reduce the reliance on major clients.

3.6. Risk from securities underwriting

Securities underwriting service exposes the Company to potential losses and liquidity risks. These risks primarily arise when the underwriter must purchase remaining securities that were not successfully sold as targeted. The underwriter must take this responsibility in compliance with requirements in the securities issuance regulation. Key factors influence the risks associated with securities underwriting consist of inappropriate pricing of securities, volatility in the money market and the securities Market. To mitigate these risks, the Company conducts preliminary studies and analyses of the issuer companies and evaluates the interest of client and investor. Following comprehensive assessment, the underwriter determines that the risk of incomplete selling is low. If not, the matter must still be presented to the Company's Board of Directors for approval prior to signing any underwriting agreement. The securities underwriting service has two types. **Best Efforts Underwriting** means the underwriter commits to selling shares as many as possible but assumes no obligation to purchase unsold shares, and **Firm Commitment Underwriting** means the underwriter guarantees to sell all shares and must purchase any unsold portions which has high risk exposure because the Company may face losses and liquidity constraints if share prices decline after purchasing unsold securities.

3.7. Risk from employee turnover

In securities business, personnel with specialized expertise, capabilities, experiences, and expertise in the securities business such as brokers, financial advisors, investment advisors, and securities analysts are crucial for the success of securities business operations. In the current competitive environment, there is a significant competition for hiring talent and job mobility of personnel across various sectors. Therefore, if the Company's experienced and specialized expertise personnel are recruited away by competitors, the Company's operations and revenue could negatively be affected.

3.8. Risk from operating under strict laws, regulations, and requirements of relevant authorities

The securities company's operations are governed by laws, regulations, and requirements overseen by the LSC, LSX and other relevant authorities. Any amendment to these regulatory requirements may impact the Company's competitiveness, financial costs, and operational performance. For instance, changes in brokerage commission fees and other relevant fees related to the securities business, may have directly affected the Company's revenue. Non-compliance with regulations or violation of rules may result in operational suspension or license revocation.

However, the Company has the internal audit department responsible for conducting the review and inspection of all departments within the Company to ensure compliance with principles and regulatory requirements. If any department has any violation, they will receive notices and be reported to the Company's board of directors for solving problems in accordance with relevant regulations.

3.9. Risk from operational human error

Securities business fundamentally relies on reputation and client trust as critical keys to the success of business operations. The Company's staff normally have regular communication with clients and have access to their personal information, which creates inherent operational risks. These risks can manifest when employees fail to properly implement client's orders, violate the Company's procedures, have any action above their authorized duties, place wrong trading orders, and engage in other actions that may be harmful to clients' interests. These incidents can damage the Company's reputation and loss of clients' trust. In the event of incurred losses to the clients, the Company must compensate for such losses.

The Company pays attention to such risks by implementing a regular employee performance monitoring by the internal audit department to mitigate these operational risks. The internal auditor would conduct a thorough review of each department's operations and promptly report any irregularities to the management of the Company for future preventive actions.

3.10. Risk from control of major shareholder

A risk arising from the concentration of control among major shareholders potentially impacts minority shareholder interests which becomes particularly critical when voting in the shareholders' meeting. If major shareholders unify their votes, minority shareholders will experience disadvantages as they collectively hold only 10% of voting rights. According to the Enterprise Law (Amended) No. 33/NA dated December 29, 2022, Article 146, resolutions of a shareholders' meeting are classified into two types: ordinary resolutions and extraordinary resolutions. For ordinary resolutions, decisions come into effect only when receiving more than half of voting rights in the meeting, with one share equals to one vote.

3.11. Risk from revenue projection

The Company may face inherent uncertainties in its revenue projections because it uses forecasting basis for planning. However, actual operating income may deviate from the projection, either exceeding or below the estimation. This may be caused by various factors including macroeconomic conditions, inflation rates, bank interest rate adjustments, taxation policy, natural disasters, disease outbreaks, political uncertainties, and related policies. Simultaneously, these factors may also significantly impact investors' investment in stocks, government bonds, corporate bonds, and mutual funds, as well as affecting potential companies planning to list on LSX. Such market dynamics can consequently influence the LCS's operating incomes and overall financial performance.

3.12. Risk from fund management company

A fund management company also inherits similar characteristics as a securities company including market risk, interest rate risk, credit risk, liquidity risk, foreign exchange risk, technical risk and internal risk such as risk from fund management.

However, investors who decide to invest through a fund has lower risk exposure than those decide to invest by themselves as a fund has professional personnels to allocate investors' money for proper investment.

Beside the above risk, investors must also carefully consider various market-related factors associated with LSX, including legal frameworks, regulatory requirements, tax implications, liquidity, and related transaction fees.

4. Current business operations

4.1. Organizational culture and business operation policies

Our business operations are carrying on the principle of **"Creating Win-Win Benefits",** which encompasses two key elements. "**Creating Together**" means our commitment to developing a new and outstanding structure for an organization, and "**Win-Win Benefits**" means our continuous operating business to pursuit of mutual benefits across all stakeholders. The details are as following:

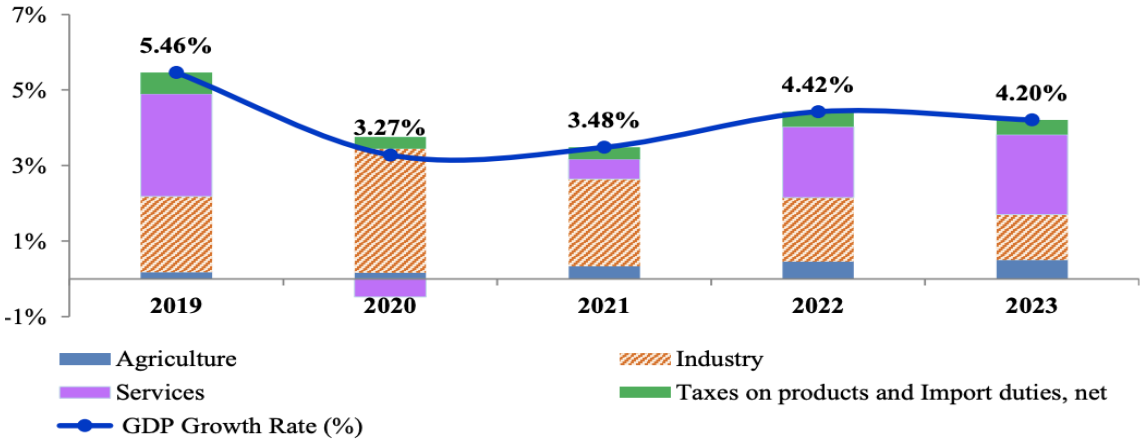
Customer	**:**	Provide service to customers with an honest manner and present high-quality products to strengthen their trust in our organization
Employee	**:**	Continuously enhance professional capabilities to ensure adequate knowledge and professionalism of our staff
Shareholder	**:**	Maximize shareholders profit
Social Responsibility	**:**	Contribute to the promotion of the socio-economic development, and develop the capital market of Lao PDR and China by fostering knowledge exchange and mutual learning between both markets

4.2. Economic situation

In 2023, the global economy had a sign of recovery from the COVID-19 pandemic. However, many countries continued to experience elevated inflation rates, political uncertainties particularly in the Middle East, and rising oil prices, which impacted the global economic landscape. In the Lao PDR, the Bank of the Lao PDR maintains a high policy interest rate of 10.5%, according to Decision No. 904/BOL dated August 27, 2024, which has an indirect impact on economic growth. The high interest rate, combined with limited foreign currency reserves and the depreciation of the Lao currency against major currencies, created headwinds for both equity and bond investments.

In 2023, The GDP growth of Lao PDR declined to 4.2% (Expected 4.5%), down from 4.42% in 2022. The Nominal GDP reached LAK265,475 billion (current prices). The GDP per capita has decreased, falling to USD 1,832 in 2023 from USD2,022 in 2022, with a total population of 7,545,792 people. Inflation remained increased in 2023, with the peak at 41.3% in February 2023 and the annual average rate in 2023 of 31.2%, marking a substantial increase from 23% in 2022.

Figure 1 Economic growth of Lao PDR during 2019-2023



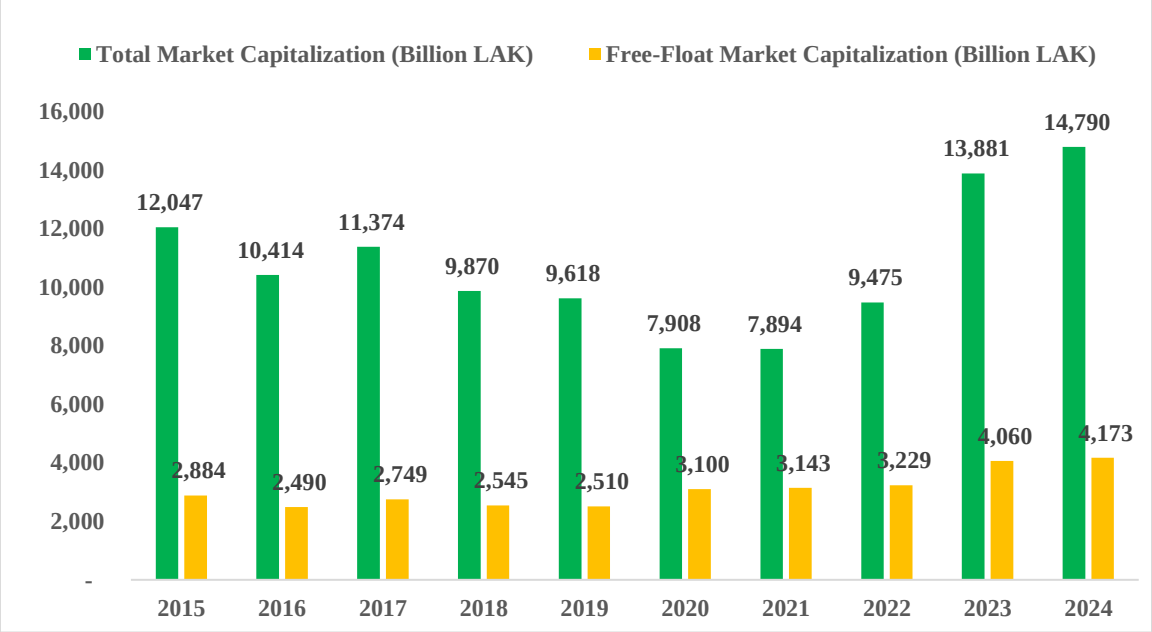
Source: Lao Statistics Bureau (Ministry of Planning and Investment) www.lsb.gov.la

4.3. Securities business industry overview

Securities companies in Lao PDR currently comprises four securities companies: BCEL-KT Securities Company Limited, Lao-China Securities Public Company, LDB Securities Sole Company Limited, and APM (Lao) Securities Company Limited. The first three companies provide comprehensive services including securities brokerage service, financial advisory service, and securities underwriting service, while APM Lao Securities Company Limited exclusively offers financial advisory service.

In 2024, market capitalization of LSX valued LAK14,790 billion, which increased for LAK 909 billion or 6.5% compared to the previous year. Free-float market capitalization[6] valued LAK4,173 billion on the last trading day of 2024, which increased 1.9% compared to 2023.

Figure 2 Market capitalization of LSX

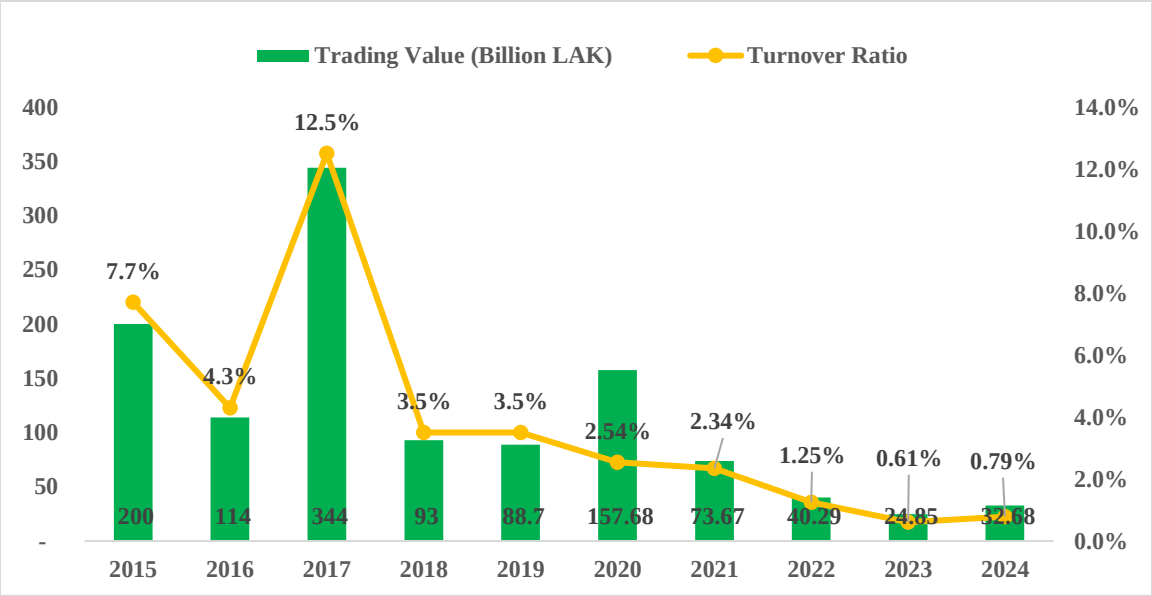


Source: LSX Performance Report 2024, (www.lsx.com.la)

- **Trading value, turnover ratio**

An increase in trade of stocks can be observed in 2024, as turnover ratio slightly increased to 0.79% from 0.61% in 2023. Total trading valued amounted to LAK32.68 billion, increasing for 31.50% compared to the previous year. On average, daily trading value amounted to LAK131.81 million.

Figure 3 Trading value and turnover ratio

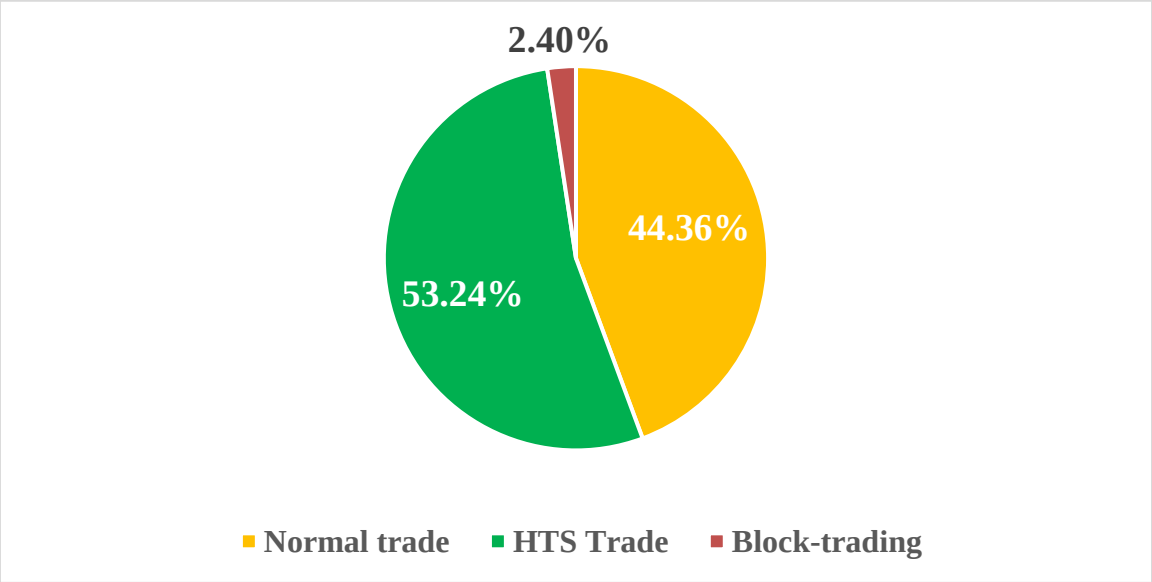


Source: LSX Performance Report 2024 (www.lsx.com.la)

- **Trading Channel**

Trading value by HTS had the largest proportion compared to other two channels – normal trade (via brokers) and block trade (off-market trade). Trade by HTS accounted for 53.24% of total trading value, while normal trade and block trade accounted for 44.36% and 2.40%, respectively.

Figure 4 Proportion of stock trading in different channel



Source: LSX Performance Report 2024 (www.lsx.com.la)

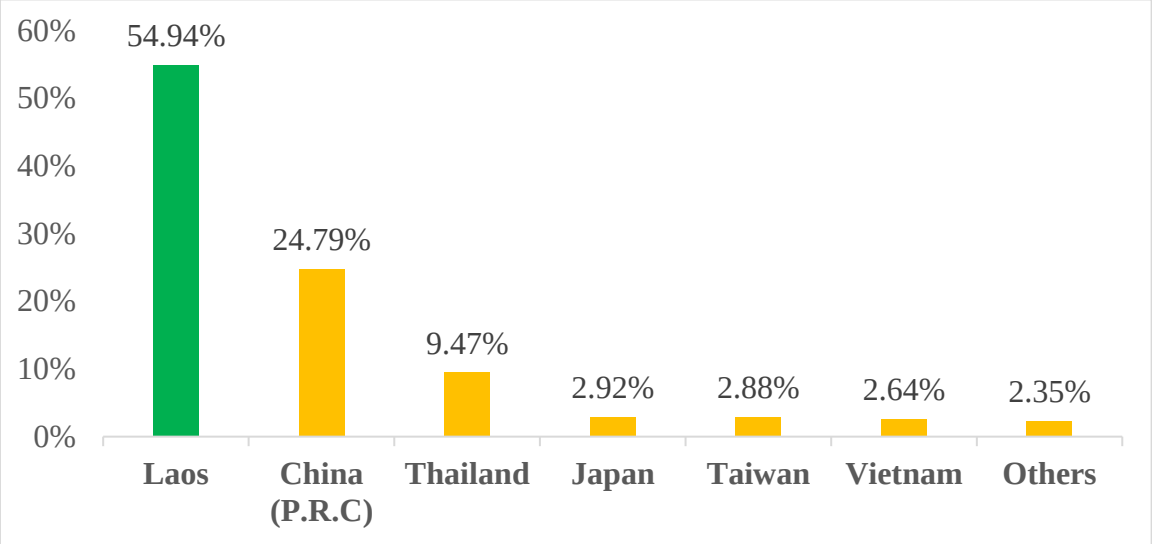
- **Trading by countries of investors**

Similar with the previous year, domestic investors still play a crucial part in stock investment 2024. Their trading value was the largest among all investor types, accounting for 54.94% of total trading value, while 45.06% of trading value belonged to foreign investors.

Individual investors, however, has the majority in trading value. In the proportion of 54.94% contributed by domestic investors, trade by individual investors accounted for 53.59%, while trade by institutional investors accounted for 1.36%. For foreign investors, trade by individual investors was 43.98%, while trade by institutional investors was 1.08%.

Domestic investors remained the main player in the market, whose trading value accounted for 54.94%. This was followed by Chinese, Thai, Japanese, Taiwanese, Vietnamese and investors from other countries, which covered 24.79%, 9.47%, 2.92%, 2.88%, 2.64%, and 2.35%, respectively.

Figure 5 Trading by country

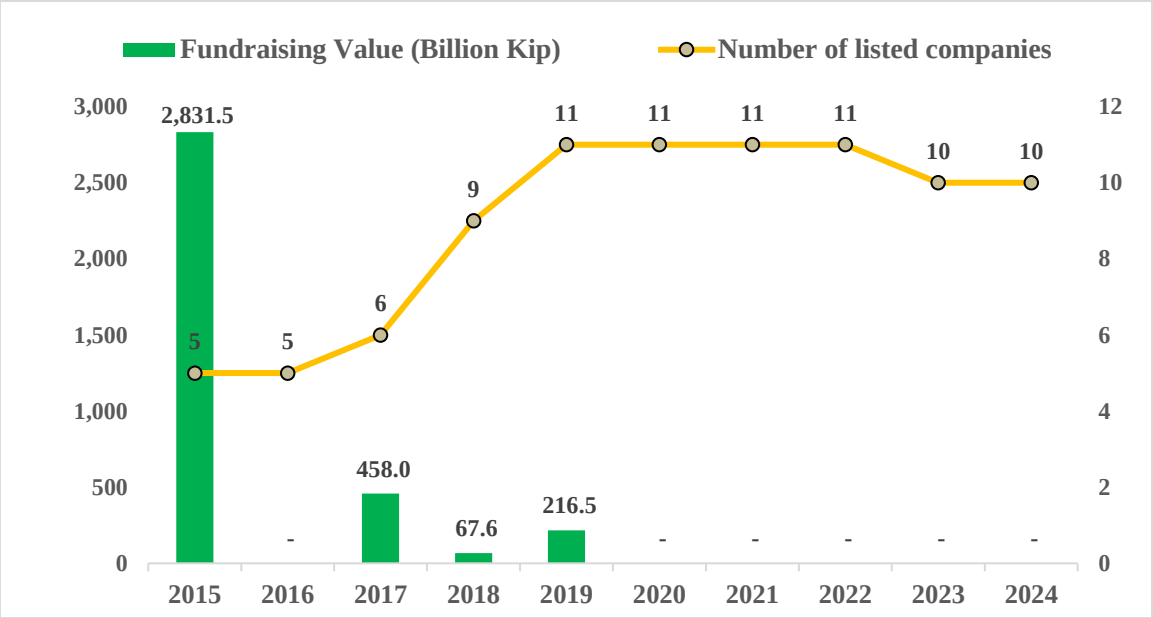


Source: LSX Performance Report 2024 (www.lsx.com.la)

- **Listed companies**

In 2024, the number of listed companies remained unchanged the same as the fund-raising amount. As Lao World Public Company voluntarily delisted, currently, there are 10 listed companies in LSX, namely EDL-Generation Public Company, Banque Pour Le Commerce Exterieur Lao Public, Petroleum Trading Lao Public Company, Souvanny Home Center Public Company, Phousy Construction and Development Public Company, Lao Cement Public Company (Currently named as Lao Tourism Public Group Company), Mahathuen Leasing Public Company, Lao ASEAN Leasing Public Company, Vientiane Center Lao Public Company, and Lao AgroTech Public Company.

Figure 6 Fundraising value and numbers of listed companies



Source: LSX Performance Report 2024 (www.lsx.com.la)

- **Bonds**

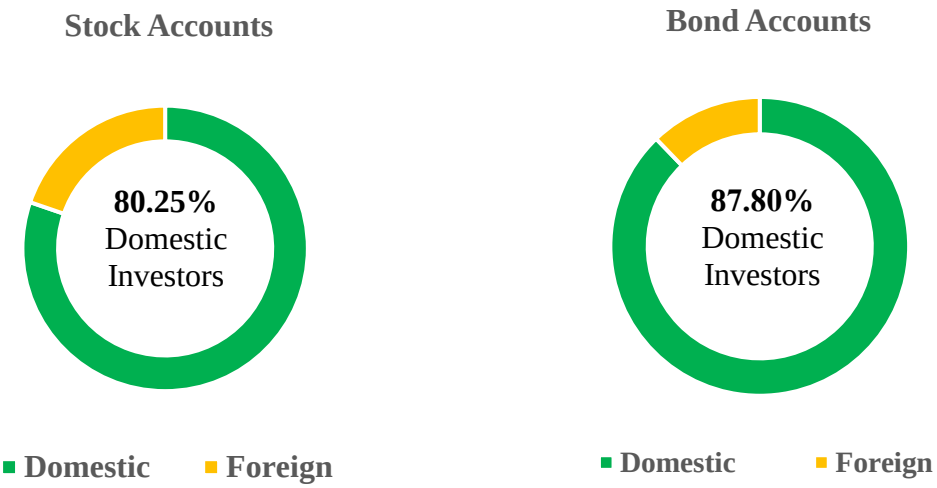
In 2024, new series of government bonds issuing in LAK, THB, and USD were listed in the market. There was a significant rise in listed amount of bonds issuing in foreign currency. THB bonds were worth more than THB5.44 billion, increasing by 81.48% compared to 2023. Similarly, USD bonds valued USD113.38 Million, increasing by 102.07% compared to 2023. Meanwhile the amount of Lao currency bonds was LAK1,042.39 billion, which was 71.85% decrease compared to 2023.

- **Investor base**

As of the last trading day 2024, the total amount of securities account in LSX was 19,153, consisting of 17,678 stock accounts and 1,475 bond accounts. Particularly, there were 870 or 5.18% increase in stock account compared to 2023. Domestic investors still had the majority over foreign investors as their accounts covered 80.25% of total accounts.

For bond accounts, the total number increased by 259 accounts or 21.30% compared to the previous year. Domestic accounts, similar with stock accounts, had the largest proportion, which accounted for 1,295 accounts or 87.80%. Meanwhile, the number of foreign accounts was 180 or 12.20% of the total bond accounts.

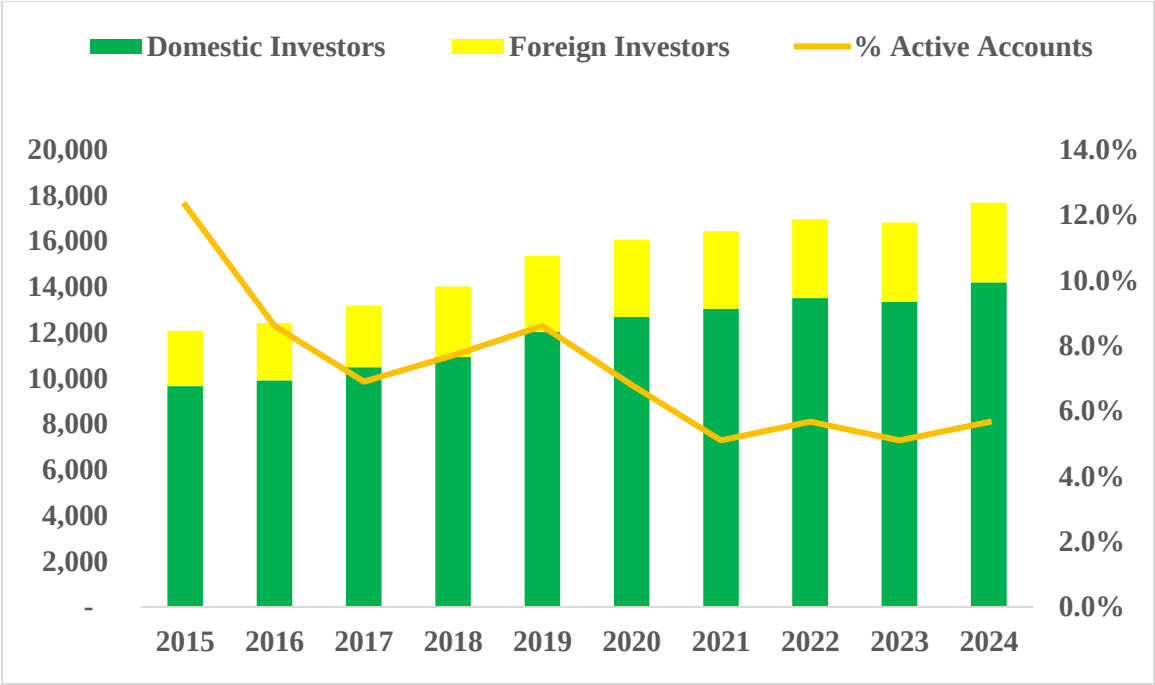
Figure 7 Amount of securities account in LSX



Source: LSX Performance Report 2024 (www.lsx.com.la)

In 2024, the number of active stock accounts is 857 accounts or 5.10% compared to the total number of stock accounts. Among them, the most active stock accounts are the accounts of domestic investors accounting for 79.70% of all active stock accounts. Accounts of foreign individuals, domestic institutions and foreign institutions accounted for 18.79%, 0.82%, and 0.70%, respectively.

Figure 8 Amount of securities account in LSX



Source: LSX Performance Report 2024 (www.lsx.com.la)

4.4. Business Structure

Since its inception in 2013, the Company business adopted a business model of three types of services, including ❶ financial advisory, ❷ securities brokerage, and ❸ securities underwriting. In 2022, the Company was authorized from the LSC to operate three additional business services: ❹ investment advisory, ❺ securities dealer, and ❻ private fund management. The Company is the only securities firm in Lao PDR providing a full-services of securities services in accordance with the securities Law.

Currently, Lao PDR economy is in a gradual recovery period, and many companies are showing interest in raising capital through the capital market. However, the financial instruments available for fundraising are still limited, and the listing requirements on LSX remain relatively strict and rigid. In the near future, there are plans to establish a Secondary Board with more relaxed requirements compared to the main board, aiming to accommodate the listing of small and medium-sized enterprises to access the fund raising through the capital market. Therefore, the Company has planned to restructure its business model to ensure readiness in terms of personnel and services to align with the economic situations and increasing demands of the securities sector in the future.

Advantages of defining and expanding the business structure:

- Diversified products to provide options for investors and companies seeking to invest or raise funds;
- Developing of specialized personnel in the securities business sector;
- Enhancing operational efficiency across all departments.

4.5. Strengths, Weaknesses, Opportunities and Challenges

- **Strengths**

- LSC will be the first securities company to be listed on LSX, which enables the Company to disclose information in accordance with relevant regulations. These will create transparency and credibility, resulting in fostering trust among both domestic and international investors in our services.
- The Company has personnel with adequate skills and knowledge in securities business and completed professional training in various courses, including securities Broker, Financial Advisor, Investment Advisor, securities Analyst, and Fund Manager.
- The Company has Pacific Securities that is a listed company in China as a Chinese shareholder. After years of stable development, the Chinese partner has established comprehensive business systems and teams, maintaining strong market standards and liquidity, expanding extensive service network covers all provinces, cities, and autonomous regions in mainland China (excluding Hong Kong, Macau, and Taiwan), and has diversification of the Company's profit-generating models and its growth into a national mid-sized securities firm capable of providing guidance and consulting in securities business.
- The Chinese partner is a leading securities company in PR China, has over 30 years of securities industry experience, and was ranked seventh among Securities companies listed on the Shanghai Stock Exchange. This expertise enables professional consultation and guidance for the LCS's securities operations while facilitating Chinese investment into the Lao capital market through LCS’s platform.

- LCS gained a strong confidence in the company's services from both domestic and foreign investors in the Company's services, especially Chinese investors, due to our management team and staff members being from the Chinese shareholding partner, who bring over a decade of securities industry experience.
- LCS is the only securities company in Lao PDR that is licensed for private fund management. This Capital raising aims to establish the first investment fund management company in Lao PDR. This new entity will offer services ranging from private funds to mutual funds, creating diverse investment opportunities while expanding the Company's revenue streams and client base.

- **Weaknesses**

- LCS lacks Mobile Trading System, which will provide a more convenient access to securities trading for investors.
- LCS also faces insufficient personnel for operational requirements for being a listed company. The Company needs to relocate employees and targeted recruitment of new employees to effectively manage the increased workload and compliance demands associated with being a listed company status.
- LCS has a relatively small client base compared to the two securities companies established in 2010 as the Company began operations in 2014.

- **Opportunities**

- The changing landscape of global economic policies such as shifts in U.S. Federal Reserve interest rate (Quantitative Easing: QE) is an opportunity for investors' investments from debt instruments to equity (stocks).
- The government's focused efforts on addressing inflation have contributed to positive economic recovery trends, creating favorable conditions for investment in high-performing stocks and diversification risks in investment portfolios.
- There is an increasing trend among companies and enterprises showing greater interest in raising capital through the capital market.
- The government and LSX plan to encourage state enterprises to list on LSX through tax incentive policies and more flexible listing requirements. These initiatives are expected to increase the number of listed companies, thereby expanding investment options for investors.
- The government plans to establish a Secondary Board for small and medium-sized enterprises, showing a significant expansion opportunity for the Company's service offering.
- The LSCO, as the securities business regulator, plans to promote the introduction of new capital market products, including Private Equity (PE), Venture Capital (VC), Green Bond, etc.
- LSX plans to modernize the trading system infrastructure, particularly the development of a Mobile Trading System (MTS).
- Currently, the number of securities accounts are relatively small compared to the total population, which is an opportunity for LCS to expand its client base.

- **Challenges**

- Despite The economic recovery, currently, the depreciation of the Lao Kip and high inflation rates continue to be challenging for investors.
- Increasing the policy interest rate of the Bank of Lao PDR poses a particular challenge for equity investments. Higher interest rates encourage investors to shift their assets toward bank deposits and debt instruments.
- Economic situation which remains experiencing the impacts from the COVID-19 pandemic, natural disasters, currency depreciation, and elevated inflation have led many enterprises to postpone their funds raising plans through the Lao capital market.
- The Lao capital market faces structural challenges related to its size and limited investor base, resulting in low trading liquidity. Moreover, the basic trading infrastructure and limited product offerings restrict investment options.

In Conclusion, the LSC's operational performance processes a positive trend for the growth prospects, favorable conditions for expanding and diversifying its product and service opportunities, potential capacity for domestic and international client base expansion, resulting in improving operational performance trajectory.

4.6. Type of services

The LCS operates as a comprehensive securities firm, offering five service categories: securities brokerage, financial advisory, securities underwriting, investment consulting regarding securities, and private fund management. The details are as follows:

4.6.1. Securities Brokerage

The LCS provides securities brokerage services to investors, including individuals, institutional, and organizations from both domestic and foreign markets. The scope of services encompasses securities account opening (for stocks, corporate bonds, and government bonds), processing Securities trading orders, providing guidance on trading procedures, facilitating trading system usage, executing transactions, and providing information about securities listed on LSX. Additionally, the Company conducts outreach activities to promote securities market awareness through off-site educational programs in Vientiane Capital and various provinces, targeted both public and private sectors, including companies, commercial banks, state-owned enterprises, and other relevant stakeholders, with the objective of enhancing understanding of securities market mechanisms.

The LCS offers two primary trading channels such as:

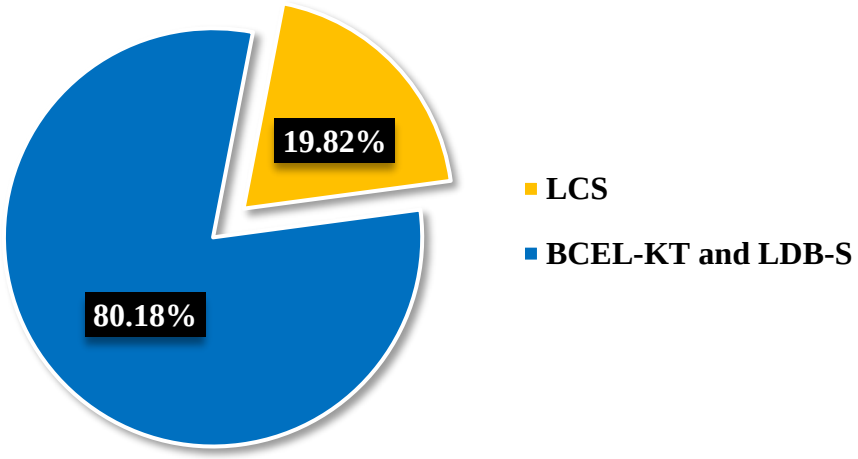
- Broker-Assisted Trading: Investors can execute securities transactions through direct visits to the Company office, email, and telephone orders, with brokers executing trades according to client specifications. The trading commission fee for this service is 0.34% of the transaction value.
- Internet Trading: Investors can place orders themself through the Home Trading System (HTS), which provides access to real-time market data for LSX-listed securities and investment information. Moreover, investors can monitor their securities portfolio holding and account balance. The trading commission fee for this service is 0.306% of the transaction value.

Currently, LCS has a total of 3,797 securities accounts, which can be categorized by account type and investor classification as follows:

- The total number of stock trading accounts is 3,166 accounts, in which 2,640 accounts are domestic individual investors, 519 accounts are foreign individual investors, 5 accounts are domestic institutional investors, and 2 accounts are foreign institutional investors.
- The total number of bond trading accounts is 631 accounts, of which 590 accounts are domestic individual investors, 32 accounts are foreign individual investors, 9 accounts are domestic institutional investors, and 0 accounts for foreign institutional investors.

According to LSX performance reports for 2024, the total number of stock and bond accounts in the market reached 19,153 accounts, compared to the total number of stocks and bonds trading accounts of LCS which is 3,797 accounts in 2024, represented an 19.82% market share of total securities accounts on LSX.

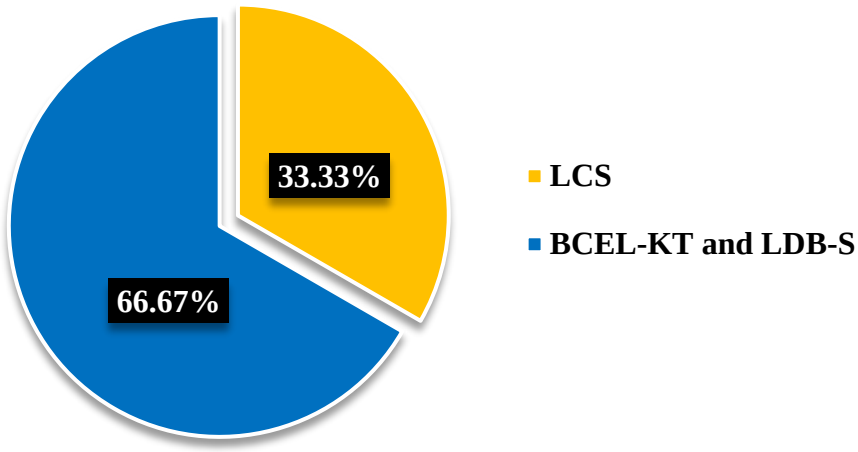
Figure 9 The market share of LCS by trading accounts



Source: LCS and LSX Performance Report 2024

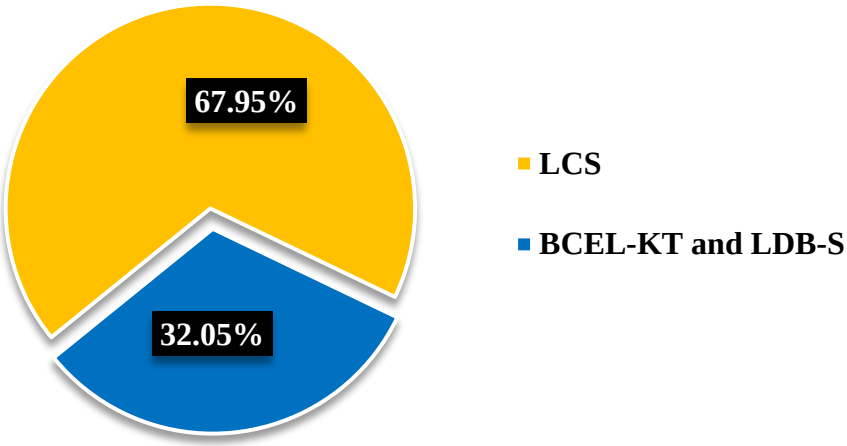
Furthermore, in 2024, the total number of new securities accounts opened at LSX consisted of 870 stock accounts and 259 bond accounts. In comparison, the number of new accounts opened at LCS was 290 stock accounts and 176 bond accounts, respectively. The proportion of new stock and bond accounts opened at LCS covered 33.33% and 67.95% of the stock and bond accounts at LSX.

Figure 10 The proportion of new stock accounts opened at LCS



Source: LCS and LSX Performance Report 2024

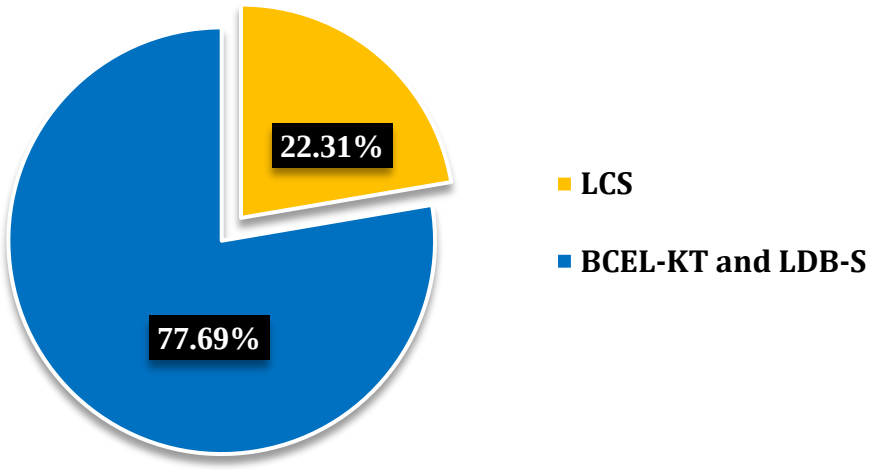
Figure 11 The proportion of new bond accounts opened at LCS



Source: LCS and LSX Performance Report 2024

The total trading volume of stocks in 2024 amounted to LAK32.68 billion, with an average daily trading value of approximately LAK131.81 million, in which LCS's trading value was LAK7.29 billion, accounting for 22.31% of the total share trading value on LSX.

Figure 12 The market share of trading volume of stocks of LCS



Source: LCS and LSX Performance Report 2024

Furthermore, the Company operates as a bondholders' representative for corporate and government bond, serving both issuers and bondholders of corporate and government bonds, in order to safeguard and protect the assets of corporate and government bondholders, while also acting as a representative to protect the rights and interests of such securities-holders in accordance with LSC regulations.

4.6.2. Financial advisory

LCS is a renowned securities firm in financial advisory services, financial advisors have professional securities specialized in financial advisory with over 10 years of experience in the securities business. Throughout our history, the Company has successfully provided financial advisory services to various enterprises and state-owned enterprises, notably the Banque Pour Le Commerce Exterieur Lao Public (BCEL), Lao Culture Tourism Public Group Company, Vientiane Center Lao Public Company, Lao Post Company Limited (Enterprise des Postes Lao), Lao Airlines State Enterprise, and Lao Telecommunications Public Company. LCS's financial advisory services involve providing guidance and assistance to clients through various financial instruments to achieve their financial objectives, offering consulting services in areas such as:

- Initial Public Offering (IPO) of common shares and preparation for stock market listing;
- Rights Offering (RO) of common shares to existing shareholders;
- Public Offering (PO) of common shares and corporate bond;
- Private Placement (PP) of common shares and corporate bond;
- Government bond issuance;
- Financial advisory services for share (business) valuation;
- Business restructuring and debt restructuring;
- Mergers & Acquisitions (M&A);
- Independent financial advisory services.

4.6.3. Underwriting

LCS enters into securities underwriting agreements with the issuer company by collecting fundamental information about the issuer company to analyze and study investment feasibility, develop securities issuance plans including: issuance policies, shares pricing, investor allocation ratios, and marketing promotion plans. The financial advisor will create a company disclosure plan for inclusion in the prospectus and other related work, and present the securities issuance plan to relevant parties, preparing complete documentation for underwriting approval from regulatory authorities and implementing the securities issuance plan as scheduled. LCS offers two types of securities underwriting: **Firm Commitment** where the underwriter must purchase all remaining unsold shares, and **Best Efforts** where the underwriter aims to sell as many shares as possible but has no obligation to purchase unsold shares.

4.6.4. Investment advisory

LCS provides investment advisory services and guidance regarding securities products, specifically in planning and developing investment strategies, managing investment portfolios to align with the financial goals of individuals, institutional, and both domestic and foreign organizations interested in investing. This is done within acceptable risk levels for individual fund investors and based on clear information provision regarding investment policies, risks, returns, related fees, and other expenses to investors prior to making investment decisions. The service includes complete and accurate information, continuous monitoring and adjustment, and can be modified according to needs to generate returns and diversify risks as desired by investors. In the previous period, LCS has served as an investment advisor to numerous state-owned enterprises and large and medium-sized enterprises in the Lao PDR.

4.6.5. Private fund management

According to the Strategic Development Plan for the Lao Capital Market in creating diverse securities products, LCS has expanded business scope to include private fund management. These funds are established through capital mobilization from individuals, institutional, and organizations, both domestic and foreign, with a maximum of 35 participants as prescribed by the LSC's regulations. The Company is entrusted with investment management within risk parameters acceptable to private fund investors, aiming to meet demands and maximize benefits for private fund investors according to fund contract conditions. Currently, LCS has signed a private fund custodian agreement with Bank of China (Hong Kong) Vientiane Capital Branch, an asset custodian bank approved by the LSC, to safeguard and protect private fund assets.

- Investment targets for private fund products may include one or all of the following:

1) Money market products, primarily savings deposits, fixed deposits, and certificates of deposit;
2) Stocks listed on the Securities Exchange;
3) Corporate bonds;
4) Government bonds;
5) Infrastructure development projects with financial returns;
6) Other targets as specified and approved by the LSCO.

4.7. Business strategy

4.7.1. Potential from founding shareholders

LCS's headquarters is located in Vientiane Capital, providing securities account opening services (for stocks and bonds) to investors. For investors from other provinces, securities accounts can be opened at any APB branch nationwide, where APB maintains dedicated service counters for securities account opening and provides information about securities to those interested in investing in stocks and bonds.

4.7.2. Financial advisory development

The Company plans to expand its financial advisory services to provide appropriate services to customers, including: Initial Public Offerings (IPO), Rights Offerings (RO), Public Offerings (PO), Private Placements (PP), PO and PP of corporate and government bonds. Additionally, the Company provides advisory services in various areas such as: corporate restructuring, mergers and acquisitions, and business valuation. Furthermore, the Company conducts meetings with enterprises to provide basic knowledge about fundraising and initial guidance on standardizing corporate structure and ensuring transparent information disclosure.

4.7.3. Personnel development

The Company prioritizes personnel development as employees are the most crucial factor in securities business operations. Therefore, the Company has established employee welfare policies and continuously supports staff participation in training to enhance knowledge and capabilities for effective practical work implementation.

4.7.4. Promotional and educational activities

Being listed on the Lao Securities Exchange represents a significant step in LCS's marketing development to increase investor awareness about the Company. The Company has planned diverse and extensive marketing strategies through various company media channels such as: email, website, Facebook, Line, WhatsApp, and WeChat. Furthermore, the Company collaborates with strategic partners including: securities companies, LNCCI, LSC, and LSX in promoting securities activities in both Vientiane Capital and provinces to investors, company owners, educational institutions, public organizations, ministries, and various departments, and also conducted through mass media such as newspapers, radio, and national television. Additionally, LCS promotes our products to clients at community venues and various institutions such as: financial institutions, the National University of Laos, department stores, and That Luang Lake, which has resulted in continuous expansion of the Company's client base.

5. Future plan

According to future plans of LCS's business operations and the overall capital market conditions in Lao PDR, for the next 3 years, LCS will focus on 4 main areas of work to achieve our goals and generate continuous profits for all shareholders as follows:

5.1. Financial advisory services

LCS will continue to serve as financial advisor to Yodngeum Power Public Company and facilitate companies that have signed MOU with LCS to prepare for share issuance and listing on LSX. Additionally, the LCS will encourage companies who are interested in issuing shares and listing on LSX.

The Company also plans to collaborate with the Ministry of Finance and the State-Owned Enterprise Reform Department in restructuring state-owned enterprises, assisting with share valuation, and providing investment advisory services to investors interested in further joint ventures with state-owned enterprises.

5.2. Securities brokerage Services

Since 2018, LCS has collaborated with two other securities companies in providing financial advisory services and acting as selling agents for government bonds to both domestic and foreign investors. These government bond's issuance represents a stable channel, the government issued in multiple foreign currency denominations and increasing issuance amounts according to market demand. Currently, there are six banks serving as government bond selling agents.

Furthermore, the Company has an agreement with our shareholder, APB, regarding the sharing of costs and fees for securities trading settlement services, enabling multiple banks-linked for clearing between LCS and APB in securities trading accounts at LSX or BOL.

5.3. Securities dealing

After the completion of Lao Culture Tourism Public Group Company's share sale at the end of 2024, from 2025 onwards, securities dealing operations will focus on resolving the sale of company-held shares in Vientiane Center Lao Public Company. This will increase LCS's cash flow and enhance business liquidity.

5.4. Fund management

In October 2022, after LCS received the license to operate a private fund management business, and following two years of preparation, the Company completed initial setup work for operation including: staff team, business procedures, fund management regulatory framework, custodian bank cooperation, and other requirements. These ensure the establishment of basic conditions for private fund management operations. Initial preparations for establishing a company's subsidiary as an investment fund management company have begun, including drafting company regulations, departmental rules, business operation manuals, and other related documents. The establishment of the investment fund management company is expected to be completed in the first 6 months of 2025, with mutual fund management license approval from LSC anticipated in the latter half of 2025.

The Company will promote deep development with Laos-China Bank Limited, leveraging their advantage in Yuan-Kip currency exchange, collaborating to establish and issue Yuan funds in the Boten Special Economic Zone, targeted to establish fund business operations.

LCS consults with LSCO high level management to continue promoting positive development in LSX's secondary board (SMEs board) and providing liquidity in the secondary market, as the Ministry of Finance and BOL will establish an SMEs support fund that may potentially be managed by LCS.

With LSC's assistance, the Company will continue exploring possibilities for connecting with Malaysian PE and VC Funds to pursue international cooperation in fund management business.

6. Business operating assets

Lao-China Securities Public Company, operating as a financial institution in the securities sector, primarily utilizes current assets in business operations. The Company's assets can be categorized into four components: cash, current accounts receivable, short-term investments and other current assets. Non-current assets consist of two main categories: fixed assets and long-term investments. The detailed breakdown of each asset category is presented as below:

Table 2 Business Operating Asset

Unit: LAK

Assets	2022	2023	2024
A. Current Assets	**63,708,955,603**	**72,043,682,777**	**71,466,398,822**
I. Cash	**8,665,682,729**	**10,753,400,152**	**5,789,133,108**
1. Cash on hand	2,478	2,981	-
2. Cash at bank	6,346,739,834	6,274,963,269	1,592,743,476
3. Customers' deposits	2,318,940,417	4,478,433,902	4,196,389,632
II. Current accounts receivable	**15,524,271,192**	**15,159,194,503**	**23,837,214,674**
1. Trade receiveables	12,286,000,420	12,102,683,747	20,918,894,065
2. Other receiveables	2,520,000,000	2,520,000,000	1,680,000,000
3. Interest receiveables	718,270,772	536,510,756	1,238,320,609
4. Advance payment to suppliers	-	-	-
III. Short-term investments	**38,605,244,550**	**45,774,253,370**	**40,694,899,300**
1. Investment Securities	25,688,916,550	23,950,293,370	28,421,563,300
2. Short term deposit	5,000,000,000	20,000,000,000	10,000,000,000
3. Held to maturity	7,916,328,000	1,823,960,000	2,273,336,000
IV. Other current assets	**913,757,132**	**356,834,752**	**1,145,151,740**
1. Short-term prepaid expenses	765,377,340	138,609,788	-
2. Other current assets	148,379,792	218,224,964	1,145,151,740
B. Non-current assets	**67,966,169,797**	**60,566,238,049**	**93,594,903,560**
I. Fixed assets	**315,602,797**	**146,355,049**	**2,343,726,160**
1. Tangible fixed assets	299,308,276	142,858,386	2,341,132,363
2. Intangible fixed assets	16,294,521	3,496,663	2,593,797
II. Long-term investments	**67,650,567,000**	**60,419,883,000**	**91,251,177,400**
1. Long-term deposits	15,000,000,000	8,000,000,000	15,000,000,000
2. Available for sale investment	51,245,460,000	49,803,810,000	63,560,640,000
3. Held to maturity investment	1,405,107,000	2,616,073,000	12,690,537,400
Total Assets	**131,675,125,400**	**132,609,920,826**	**165,061,302,382**

6.1. Investment securities

6.1.1. Investment securities - held for Trading

The Company has allocated investments across various securities to generate revenue and mitigate operational risks. Currently, the Company's investment portfolio primarily consists of common stocks listed on LSX, focusing on market-demanded securities. The portfolio also includes government bonds and fixed-term deposits with commercial banks, specifically short-term investments with maturity periods within one year. These investments are classified as held for trading Securities, with details as follows:

Table 3 The Current holding of listed companies' stocks on LSX (Trading Securities) of LCS

No.	Stock of Listed Companies on LSX	No. of Shares	Shareholding Proportions
1	Banque Pour Le Commerce Exterieur Lao Public (BCEL)	3,460,200	1.67%
2	EDL-Generation Public Company (EDL-Gen)	142,053	0.01%
3	Lao Culture Tourism Public Group Company (LCTC)	7,547,800	18.87%

Note: Reference from LCS's Financial Report for 2024

6.1.2. Investment securities – available for Sale

Currently, the Company invests in common stocks of companies listed on LSX without a specified holding period. These investments may be sold in the future to maintain liquidity or in response to interest rate fluctuations. These holdings are classified as available-for-sale securities, with details as follows:

Table 4 The current holding of listed companies' stocks on LSX (Available for Sale securities) of LCS

No.	Stock of Listed Companies on LSX	No. of Shares	Shareholding Proportions
1	Vientiane Center Lao Public Company (VCL)	48,152,000	32.27%

Note: Reference from LCS's Financial Report for 2024

6.1.3. Investment securities – held to maturity

The Company has invested in government bonds issued by the Ministry of Finance, which are classified as held-to-maturity securities. The income generated from these investments serves as working capital for business operations. The details are as follows:

Table 5 Current holdings of government bonds USD-Denominated of LCS

No.	ISIN Code	Amount (USD)	Issue Term	Maturity Date	Coupon Rate (per year)
1	LA100122ABB9	23,000	5 Year	29 Nov 2026	7.00%
2	LA10012229D8	50,000	2 Year	12 Sep 2025	5.50%
3	LA10012226D4	34,000	2 Year	06 Jun 2025	5.50%
4	LA1001222BD0	20,000	2 Year	13 Nov 2025	5.50%
5	LA10012297E3	180,000	3 Year	18 Jul 2027	6.00%
6	LA10012239E5	20,000	3 Year	05 Sep 2027	6.00%
7	LA10012299E9	42,000	3 Year	19 Sep 2027	6.00%
Total		**369,000**			

Table 6 Current holdings of government bonds THB-Denominated of LCS

No.	ISIN Code	Amount (THB)	Issue Term	Maturity Date	Coupon Rate (per year)
1	LA10011297E4	3,880,000	3 Year	18 Jul 2027	6.00%
2	LA10011239E6	2,626,000	3 Year	05 Sep 2027	6.00%
3	LA100112DEB8	4,350,000	3 Year	21 Nov 2027	6.00%
Total		**10,856,000**			

Note: Reference from LCS's Financial Report for 2024

6.2. Term Deposits

The Company has opened term deposit accounts with Lao-Viet Bank Limited and Laos-China Bank Limited. The interest income generated from these term deposits is utilized as working capital for business operations. The current term deposits are detailed as follows:

Table 7 Term Deposit Amounts

No.	Term Deposit Amount (LAK)	Term	Maturity Date	Coupon Rate (per year)
1	15,000,000,000	24 Month	03 Apr 2026	6.32%
2	4,000,000,000	24 Month	16 Mar 2025	6.30%
3	4,000,000,000	24 Month	19 May 2025	6.30%
4	2,000,000,000	3 Month	21 Feb 2025	9.00%
Total	**25,000,000,000**			

Note: Reference from LCS's Financial Report for 2024

6.3. Operating fixed assets

The Company's current operating fixed assets utilized in business operations are detailed as follows:

Table 8 Operating Fixed Assets

List	List of items	Cost	Accumulated Depreciation	Net Book Value
I	**Tangible Fixed Assets**	**8,729,184,117**	**6,388,051,754**	**2,341,132,363**
1	Improvement and Decorations	3,025,263,669	1,067,175,316	1,958,088,353
2	Office Equipment and Furniture	4,447,531,448	4,064,487,438	383,044,010
3	Motor Vehicle	1,256,389,000	1,256,389,000	-
II	**Intangible Fixed Assetes**	**392,024,300**	**389,430,503**	**2,593,797**
1	Software	392,024,300	389,430,503	2,593,797
Total		**9,121,208,417**	**6,777,482,257**	**2,343,726,160**

Note: Reference from LCS's Financial Report for 2024

6.3.1. Office Lease Agreement

Table 9 Office Rental Contract

Contract Parties	1. Lao That Luang Investment Development Co., Ltd. (Landlord) 2. Lao-China Securities Co., Ltd. (Tenant)
Contract date	Dated on May 09, 2024
Contract duration:	10 years term, commencing on 01 October 2024 to 30 September 2035
Property description	The Tenant shall have full ownership rights, usage rights, and leasing rights for a two-floor office building designated as Office A6 in Building 1, situated within That Luang Lake Special Economic Zone, Phonthan Village, Xaysettha District, Vientiane Capital. - First Floor: Total area of 174 m^2 - Second Floor: Total area of 106 m^2 Total area: 280 m^2
Rental terms and payment	Rental rates (inclusive of VAT): - Year 1-6: First floor, USD 6/m^2/month and Second floor, 5 USD/m^2/month - Year 7-10: First floor, USD 7/m^2/month and Second floor, USD 6/m^2/month The Tenant shall be paid in 2 time per year: - Year 1-6: USD 37,700/2 year - Year 7-10: USD 44,400/2 year For payments made in Lao Kip, the conversion rate shall be calculated based on the mutually agreed market exchange rate effective on the date of payment.

Related costs	During the rental period, the Landlord waives the water bill for the Tenant. The Tenant is responsible for the daily operating costs of the Tenant, including central administration, garbage collection, cleaning, electricity, internet, security, and other expenses. The central administration, garbage collection, and cleaning of public areas (including taxes) are USD 240/month.
Security deposit	USD 2,000 during the lease term.
Termination	- If the Tenant wishes to terminate the lease before its expiration, the Landlord will not refund any remaining prepaid rent to the Tenant. - During the lease term, if the Tenant intends to sublease the premises to a third party, they shall obtain written consent from the Landlord's, on the basis that does not cause any reasonable negative impact on benefits. - Any office renovations shall be received prior to the approval from the landlord. Any structural changes and use of the office without the landlord's approval, whether intentional or unintentional, that result in damage to the office and equipment, shall be restored to original condition or compensated for economic damages to the Landlord. - In the event that the Landlord needs to reclaim the leased premises during the lease term, the Landlord shall provide written notice to the Tenant 3 months (90 days) in advance and pay the remaining rent and a renovation compensation of USD 200,000 to the Tenant.

6.3.2. Vehicle Insurance Contract

The Company has 4 vehicles used for business operations, each of which has an insurance contract with MSIG Sokxay Insurance Company Limited. The insurance coverage period is 1 year, with contracts renewed annually. The details are as follows:

Table 10 Vehicle Insurance Contracts

Contract Parties	1. MSIG Sokxay Insurance Co., Ltd (Insurer) 2. Lao-China Securities Co., Ltd (Insured)		
Coverage Amount	LAK156,870,000 to LAK355,781,160		
Coverage Term	1 year		
Vehicle Types	Brand	Model	License Plate No.
1. Mini Van	Toyota	Avanza	ภฑ 8118
2. Sedan	Toyota	Camry	ภม 1819
3. SUV	Toyota	Fortuner	ภด 1314
4. Sedan	Toyota	Camry	ภล 1717
Insurance Type	- Third-party civil liability - SAFTY 1 Insurance		
Usage Type	Personal		
Coverage Area	Lao PDR		
License Plate Color/Text	White-Black		
Coverage	- Third-party civil liability - Rights protection and compensation claims - Driver and passenger - Coverage for all vehicle damage from accidents		
Termination	The contract will automatically terminate after the coverage period expires		

7. Capital structure of the Company

The Company has a registered and paid-up capital of LAK100,000,000,000. After the IPO, the Company will have a registered and paid-up capital of LAK111,111,120,000, comprising 1,111,111,200 ordinary shares, with a par value of LAK100 per share.

7.1. Shareholder Structure

Table 11 The Company's Shareholders Structure Before and After IPO.

No.	Shareholders	Before IPO		After IPO	
		Number of shares	%	Number of shares	%
1	Agricultural Promotion Bank	410,000,000	41.00%	410,000,000	36.90%
2	Pacific Securities Company Limited	390,000,000	39.00%	390,000,000	35.10%
3	Lao Information Industry Company Limited	200,000,000	20.00%	200,000,000	18.00%
4	General Investors	-	-	111,111,200	10.00%
Total		**1,000,000,000**	**100.00%**	**1,111,111,200**	**100.00%**

As at the date specified in this prospectus, the 3 current shareholders of the Company will be managements of the Company's interests, holding 100% of the total number of contributed shares amounting to 1,000,000,000 shares.

Following the completion of the Company's Initial Public Offering (IPO), the Company's shareholding structure will be modified as follows:

- Founding shareholders will retain ownership of 90% of the shares;
- Public investors will hold the remaining 10% of shares.

7.2. Dividend policy

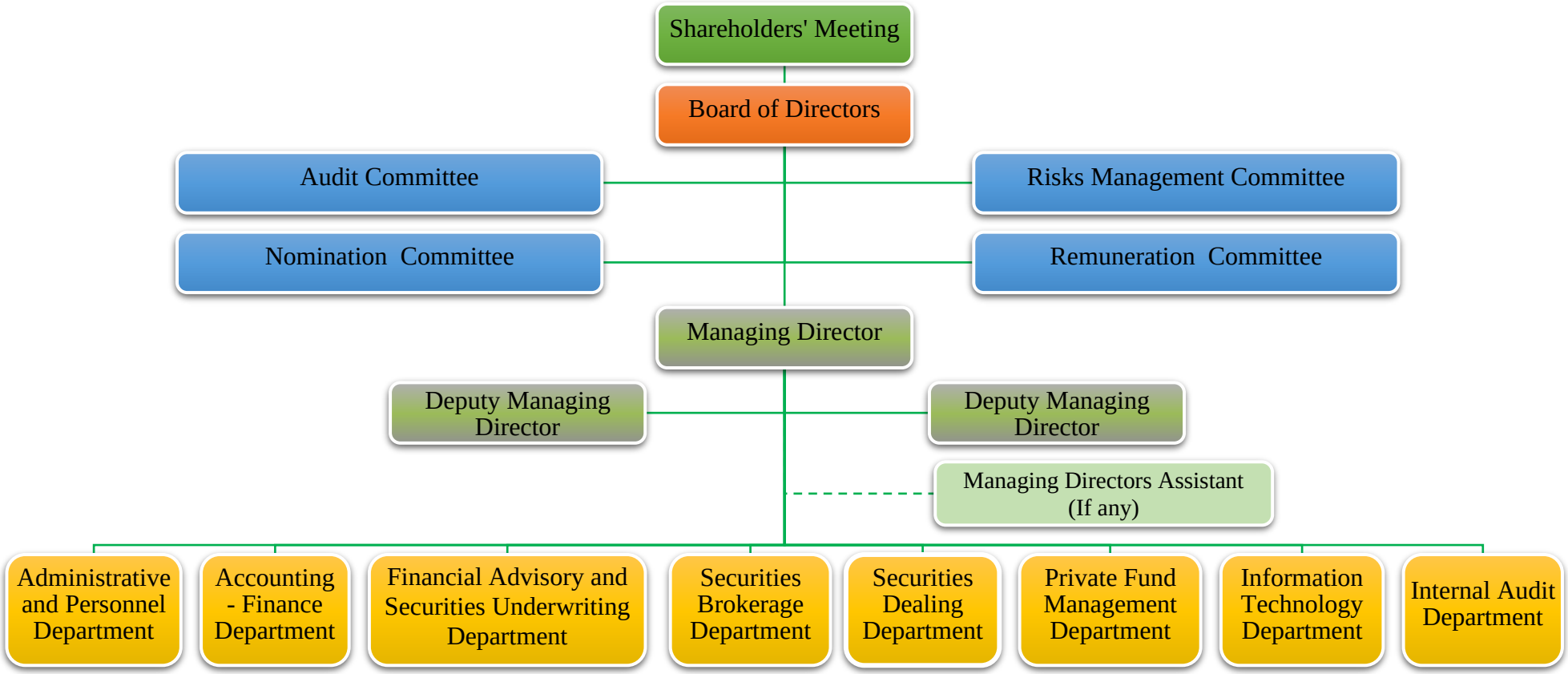
The Company has a dividend policy to distribute no less than 50% of the net profit, as reported in the Company's financial statements, after allocating to statutory reserves. However, such dividend distribution will rely on future investment plans, operational needs and other relevant considerations. The Board of Directors shall recommend the annual dividend payment for shareholders' consideration and approval at the shareholders' meeting. An exception exists for interim dividend payments, whereby if the shareholders' meeting has granted payment authorization to the Board of Directors. In such cases, the Board must report these interim dividend payments to shareholders for acknowledgment and approval at the subsequent shareholders' meeting.

8. Corporate governance and business management

8.1. Organization structure

The Company's organizational structure has been adjusted to align with business growth and to and to facilitate its full transformation into a public company. The structure consists of the board of directors, board of directors' committees, executive managing directors and various departments, as detailed below:

Figure 13 The organization structure of the Company



8.2. The annual meeting of shareholders

8.2.1. Shareholders’ meeting

The Shareholders' Ordinary Meeting is the highest administrative decision-making of the Company. There are two types of shareholders' meetings: Annual Ordinary Meetings and Extraordinary Meetings.

1) The Annual Ordinary Meeting shall be held at least once per year, no later than the end of April of the following year. This meeting requires a minimum attendance of two shareholders representing more than 70% of the total shares. The Board of Directors is responsible for convening the Annual Ordinary Meeting;

2) Extraordinary Meetings may be convened at any time whenever necessary based on operational requirements. Such meetings also require a minimum attendance of two shareholders representing more than 70% of the total shares, in accordance with the Enterprise Law (Amended) No. 33/NA, dated December 29, 2022.

3) The Board of Directors shall convene Extraordinary Meetings and must distribute meeting documents to shareholders at least five business days prior to the meeting date. An Extraordinary Meeting shall be convened under any of the following cases:

3.1 When more than 50% of the boards have agreed to convene a shareholders' meeting;

3.2 When shareholders petition the Court and the latter orders the Company to hold the shareholders' meeting;

3.3 When shareholders holding more than 20% of the total shares request a meeting.

In the case of an Extraordinary Meeting requested under Article 3.3 above, the shareholders above mentioned must submit a request letter to the Board of Directors by specifying the purpose of the proposed meeting. The Board of Directors must then convene the Extraordinary Meeting within 30 days of receiving the requested letter.

8.2.2. Quorum of ordinary shareholders' meetings

A shareholders' meeting shall be held when there is a minimum of two shareholders or their proxies attending the meeting with collectively holding more than 70% of the total ordinary shares.

In the event that the required quorum is insufficient, a subsequent meeting may be reconvened within 15 business days following the date of the initially scheduled meeting. This reconvened meeting shall be convened only if the quorum holding more than 70% of the total ordinary shares.

8.2.3. Rights and Duties of the shareholders' meeting

The rights and duties of a shareholders' general meeting are as following:

1) Adopt contract of incorporation of the Company, the Articles of Association, and other significant corporate agreements as proposed by the Board of Directors;

2) Elect or dismiss the Chairman, Vice Chairman, and Board members, subject to subsequent approval from the LSC;

3) Approve annual budgets, meeting remuneration (allowance), including welfares and policies for board members, executive directors, securities professionals, and employees;

4) Approve list of the executive managing directors based on the board of directors' recommendations;
5) Endorse the summaries, reports, business plans and investment strategies, accounting plans, and annual audit reports as proposed by the board of directors;
6) Approve modification of the Company's business operational scope, increase or reduction of shareholding proportions or registered capital, and the Company restructuring as proposed by the board of directors.
7) Approve business operations management, mergers or spilt out of the Company, branch establishment, investments, establishments, acquisitions, joint ventures, assets disposal, and company dissolution or liquidation as proposed by the board of directors.
8) Approval of revenue allocation, dividend distribution, and establishment of related reserve capital as proposed by the board of directors.
9) Approve the selection of external auditors as proposed by the board of directors.
10) Any other rights and duties as prescribed by applicable laws and regulations.

8.2.4. Voting Rights

Shareholders generally have the right to vote on 1 share equal to 1 vote principle. General resolutions require approval by a simple majority of shareholders attending the meeting. However, special resolutions require approval from at least 70% of attending shareholders or representing and no less than 80% of the total distributed shares. Special resolutions are required for the following significant matters:

- Voting on matters stipulated in the Enterprise Law;
- Amendments to the Articles of Association, or contract of incorporation of the Company;
- Increase or decrease in registered capital;
- Merger or dissolution of the Company;
- Sale or transfer of substantial business operations;
- Acquisition or acceptance of the transfer of other enterprises,
- Purchase, sale, or transfer transactions of 50% or more of total assets.

In accordance with the Enterprise Law, shareholders shall be restricted from voting on matters where they have direct involvement or interests. The determination of such conflicts and subsequent voting restrictions is subject to the meeting's collective decision, allowing the assembly to evaluate and decide whether a shareholder falls within this restricted scope.

8.3. Board of directors

8.3.1. Board of directors' members

Table 12 Board of Directors

No.	Name and Surname	Designation
1	Mr. Nooxay Phoomsuwan	Chairman
2	Mr. Li Changwei	Vice Chairman
3	Mr. Zhou Kun	Member
4	Mr. Zhang Hongbin	Member
5	Mr. Somphong Bolibouth	Member
6	Mr. Li Lin	Member
7	Assoc. Prof. Dr. Piya Vongphit	Member / Independent
8	Mr. Wang Wei	Member / Independent
9	Mr. Nah Chantalivong	Member / Independent

8.3.2. Requirements of the board members

Board members of the Company shall meet the following requirements:

1) Have knowledge, capabilities, and experience appropriate to the requirements of financial duties;
2) Hold a minimum of a bachelor's degree and have at least 3 years of experiences in finance-banking, securities business, or business administration;
3) The Chairman and Vice Chairman of the board must not be the Company's executive managing directors;
4) Have never been dismissed from a board member in other companies;
5) Have never been declared bankrupt by a court, nor been convicted of theft, fraud, embezzlement, document forgery, accepting or giving bribes, corruption, or money laundering, and must not be under criminal prosecution;
6) Board members who are executive managing directors must not be board member in more than 2 other companies;
7) Shall not be board member in more than 4 other companies;
8) Shall be a person with full capacity to act and not be insane;
9) Other requirements as stipulated by the Laws of the Lao PDR.

Independent Board Members, in addition to meet requirements 1 to 9 (except article 7) above, shall meet these additional requirements:

1) Shall not hold more than 1% of the total shares of the Company or its related parties;
2) Shall not be an employee of the Company, group of companies, or its subsidiaries where the board have been an independent member during the past 3 years;
3) Shall not be a family member, including parent, mother, child, or spouse of executive board members, directors, head of compliance, chief accountant, chief financial officer, or controlling shareholders;
4) Shall not hold positions as board members, directors, or major shareholders in companies providing professional accounting, financial, investment, and legal services that affect the Company;

5) Shall not be a major customer or major supplier of the Company and other companies in which the Company holds 50% or more of total shares;

6) Shall not be a related person or legal entity;

7) Other requirements as stipulated by the laws and regulations of the Lao PDR.

8.3.3. Rights and duties of the board of directors

The rights and duties of the Board of Directors are as following:

1) Approve the Company's corporate governance code as proposed by the executive directors before reporting to the LSC for review;

2) Appoint, transfer, or dismiss members of the executive directors based on shareholders' meeting resolutions and report to the LSC;

3) Appoint, transfer, or dismiss specialized committees of the Board of Directors;

4) Establish policies, strategic plans, mechanisms, and principles to guide the executive directors implemented;

5) Implement shareholders' meeting resolutions, monitor the executive directors' implementation of Board meeting resolutions;

6) Coordinate and adjust the work performance of the executive directors;

7) Cooperate, provide information and documents, and clarify issues to auditor, inspection committees, investigators, and related parties;

8) Report activities and create annual business plans of the securities company for shareholders' meeting consideration;

9) Propose business management, mergers or split out, establishment of group companies, investments, establishment and control of business entities, disposal of assets, dissolution, or company liquidation to shareholders' meetings for consideration;

10) Supervise the work of specialized committees of the Board of Directors;

11) Propose the establishment and amendment of regulations and incorporation contract of the Company for shareholders' meeting consideration;

12) Consider and approve meeting allowances for Board meetings, salaries, bonuses, and various policies for Executive Committee, branch management, department heads, service unit heads, securities professionals, and technical staff for shareholders' meeting consideration;

13) Consider and approve revenue distribution, dividends, and establishment of various funds for shareholders' meeting consideration;

14) Clarify, answer questions, and provide details about securities company operations to shareholders' meetings;

15) Make decisions on major and important issues related to legal compliance, internal administration, and risk prevention;

16) Other rights and duties as specified in relevant regulations and laws.

8.4. Audit committee

8.4.1. Audit committee members

Table 13 Audit Committee

No.	Name and Surname	Designation
1	Mr. Wang Wei	Chairman
2	Mr. Zhou Kun	Member
3	Assoc. Prof. Piya Vongphit, PhD	Member

8.4.2. Rights and duties of the audit committee

The audit committee shall have the following rights and duties:

1) Financial statements and information disclosure

- Review financial statements of the Company to ensure that the contents are, accuracy, and compliance with financial reporting standards;
- Enquire the audit firm or auditors regarding significant issues that may affect the credibility of the Company's financial statements;
- Review related party transactions or transactions that may have conflicts of interest to ensure such reports are implemented in accordance with relevant regulations;
- Enquire about the report and information disclosure of the Company to ensure compliance with relevant regulations.

2) Internal control

- Ensure an effective internal control system is in place, with internal auditor undertakes the assessment of the whole internal control system at least once a year.

3) External auditor

- Ensure the independence of the external auditor, quality, independence, and comprehensive relationships with external auditor who will provide services to the Company;
- Research and determine the audit scope, consider the selection of external auditor, audit cost, and propose termination of contracts with external auditor for the Board of Directors to submit to the Shareholders' Meeting for approval;
- Monitor and examine the progress in dealing with shortcomings specified in previous audit reports;
- Enquire the scope of work between external auditors and internal auditors to prevent duplication of work.

4) Internal auditor

- Ensure the independence of the internal auditor;
- Directly supervise the internal audit unit;
- Enquire and review the internal audit mechanisms and systems regularly;
- Enquire about the internal audit report and hold confidential meeting with those in charge of internal auditing to investigate about the interference of the executive directors and related departments which may affect the independence and the decision making of the internal auditor;
- Enquire and consider the major shortcomings found and solutions, jointly with the executive directors and the management of relevant departments;
- Evaluate the performance of the Head of Internal Audit department;
- Enquire the Head of Internal Audit department regarding the efficiency of the Company asset utilization in accordance with the by-laws of the Company, board of directors' resolutions, and shareholders' meeting resolutions.

5) Legal compliance

- Monitor the implementation of the securities law, related laws, and other relevant legislation;
- Enquire the board of directors and executive managing directors of the Company regarding consideration of major risks and operational-related risks.

6) Evaluation of performances

- Disclose information in the annual report relating to names, number of meetings, attendance record of each member, evaluation results, and a summary activity of the audit committee.

7) Evaluate the annual performance of the audit committee's duties

8) Other rights and duties

- Consider and provide opinions on the appointment and dismissal of the Head of Internal Audit department before the Chief Executive Director consider to appoint and dismiss such a person;
- Enquire significant risk levels and internal auditors' risk assessment methods compared to external auditors' principles;
- Report performance results to the Board of Directors and Shareholders' Meeting;
- Attend all Board of Directors meetings to give opinions on related party transactions, acquisition or disposal of asset, nomination and determination of external auditor’s service charge;
- Develop budget plans related to financial issues and other matters as proposed by the board members or executive managing directors;
- Execute other rights and duties as assigned by the Board of Directors;
- Provide opinions on financial-accounting and other related issues as proposed by the board members or executive managing directors.

8.5. Risk management committee

8.5.1. Risk management committee members

Table 14 Risk management committee

No.	Name and Surname	Designation
1	Mr. Somphong Bolibouth	Chairman
2	Mr. Li Lin	Member
3	Assoc. Prof. Piya Vongphit, PhD	Member / Independent

8.5.2. Rights and duties of the risks management committee

The risks management committee shall have the following rights and duties:

1) Research on the risks management policy, particularly control on risks relating to economic-financial, marketing, capital, liquidity, operational risks and other risks that may directly or indirectly affect the Company for proposing to the board of directors for consideration;
2) Review risk management policies and risk control of business group, including the control, monitoring, and assessment of business group risks;
3) Develop operational work plans in line with the risk management policies to ensure the execution of the control, monitoring, and evaluation maintain risk management at appropriate levels;
1) Review, modify, or improve risk management policies periodically to ensure efficiency in reducing risks that may occur to the Company;
2) Request information relating to risk management and conduct meetings with relevant internal departments of the Company;
3) Summarize and report performance results to the Board of Directors monthly, quarterly basis, or as necessary;
4) Disclose information in the Annual Report relating to the Risk Management Committee, including the names of members, number of meetings held, attendance record of each member, evaluation results, and a summary activity;
5) Exercise other rights and duties as assigned by the Board of Directors.

8.6. Remuneration Committee

8.6.1. Remuneration Committee Members

Table 15 Remuneration Committee

No.	Name and Surname	Designation
1	Mr. Nah Chantalivong	Chairman
2	Mr. Zhou Kun	Member
3	Mr. Wang Wei	Member

8.6.2. Rights and Duties of the Remuneration Committee

The remuneration committee shall have the following rights and duties:

1) Set out remuneration principles and payment structures;
2) Research remuneration for the board of directors and executive directors for proposal to the shareholders' meeting for approval;
3) Research remuneration for heads and deputy head of departments for proposal to the board of directors for consideration;
4) Report their performances to the board of directors and shareholders' meeting;
5) Disclose information in the annual report relating to the remuneration committee, including the name of members, number of meetings held, attendance record of each member, evaluation results, and a summary activity;
6) Execute other rights and duties as assigned by the board of directors.

8.7. Nominating Committee

8.7.1. Nominating Committee Members

Table 16 Nominating Committee

No.	Name and Surname	Designation
1	Mr. Zhang Hongbin	Chairman
2	Mr. Li Lin	Member
3	Assoc. Prof. Dr. Piya Vongphit	Member

8.7.2. Rights and Duties of the Nominating Committee

The nominating committee shall have the following rights and duties:

1) Set out principles and procedures relating to the nomination of personnel for positions on the board of directors and executive directors, as well as department-management level or equivalent positions within the Company. These principles and procedures must be transparent and examinable;
2) Review qualifications, knowledge, experience, and suitability according to the requirements specified in the Company's regulations;
3) Propose names of selected candidates for the board of directors' consideration and subsequent proposing to the shareholders' meeting;
4) Report their performances to the board of directors and shareholders' meeting;

5) Disclose information in the annual report relating to the nomination committee, including the name of members, number of meetings held, attendance record of each member, evaluation results, and a summary activity;

6) Execute other rights and duties as assigned by the board of directors.

8.8. Executive managing directors

8.8.1. Executive director members

Table 17 Executive managing directors

No.	Name and Surname	Designation
1	Mr. Li Lin	General Managing Director
2	Mr. Soutthideth Bounluxay, PhD	Deputy Managing Director
3	Mr. Phongsavath Leuname	Deputy Managing Director

8.8.2. Rights and Duties of the General Director

The general directors shall have the following rights and duties:

1) Manage the daily operations of the Company within the scope of the rights and duties as specified in the Company's by-law or as delegated by the board of directors;

2) Research and propose amendments to the annual business plan for the board of directors' approval, and implement accordingly;

3) Research and propose plans for the appointment and dismissal of deputy directors and department management levels, as well as plans for organization administrative bodies in the Company, for the board of directors' consideration;

4) Research, develop, and amend the Company's operational regulations for submission to the board of directors' meeting for consideration;

5) Research and determine management direction and plans for the Company to propose to the board of directors' meeting for consideration and subsequent proposing to the shareholders' meeting;

6) Strictly implement the Company's regulations and relevant laws;

7) Summarize operational and business reports for the board of directors' meeting and develop the Company's annual business plan for submission to the board of directors' meeting for consideration.

8) Implement resolutions from shareholders' meetings and Board of Directors' meetings;

9) Research income distribution, dividends, and the establishment of various reserves for the board of directors' consideration;

10) Clarify, answer questions, and provide details about company operations to the board of directors;

11) Responsible for all company operations, including damages to the Company and clients resulting from their errors;

12) Serve as signatory representative for contracts and official company documents according to delegated authority;

13) Be appointed or dismissed according to the Company's by-law or board of directors' delegation;
14) Appoint and dismiss staff at department level and below within the Company;
15) Research business mergers, establishment of group companies, investments, assets disposal, or company dissolution for board of directors' approval;
16) Make decisions on the implementation policies relating to staff rewards or disciplinary actions according to company regulations and related laws;
17) Cooperate, provide information and documents, and clarify issues to the internal audit committee, auditors, inspection committees, investigators, and relevant parties;
18) Purchase-sale of assets or investments, borrowing, related-party transactions, and guarantees with the value not exceeding 5% of net assets. Except for investments in government bonds in the central bank and central bank deposits in commercial banks, through collective decision-making of the executive directors;
19) Report company operations to the board of directors and internal audit committee;
20) Exercise other rights and duties as assigned by the board of directors and shareholders' meeting.

8.8.3. Rights and duties of the deputy managing directors

The deputy managing directors shall have the following rights and duties:

1) Responsible for any specific professional tasks as assigned by the general director;
2) Research and propose the business plan within the scope of the rights and duties for the general director's approval, and implement accordingly;
3) Exercise other rights and duties as specified in the Company's by-law.

8.9. Personnel

The Company has a total of 22 employees, including 10 females. The Company comprises 8 departments:

1) Administrative and Personnel Department;
2) Accounting - Finance Department;
3) Internal Audit Department;
4) Securities Brokerage Department;
5) Financial Advisory and Securities Underwriting Department;
6) Securities Dealing Department;
7) Private Fund Management Department;
8) Information Technology Department.

Employee policies and benefits

The Executive directors will develop personnel development plans to support and enhance employee capabilities, such as training programs, salary and welfare, policy-based benefits, retirement allowances policy, rewards, and etc.

Sanctions policy

The Company implements sanction measures, in accordance with relevant regulatory, to board members, executive managing directors, and employees who violate company regulations. These violations, particularly, may have a negative impact on the Company's reputation and operations, which are subject to sanction procedures as specified in applicable regulations, with the audit committee considering each case based on its severity and determining appropriate actions accordingly.

8.10. Biography of the Company's board of directors

Table 18 Biography of Board of Directors



Mr. Nooxay Phoomsuwan

Curriculum Vitae:

Date of birth: 08 January 1977

Nationality: Lao

Designation: Chairman

Educational Background:

1996-2000: Bachelor of Arts in Economics, Thammasat University, Thailand

2007-2008: Master of Applied Economics, The University of Adelaide

Work Experiences:

2003-2004: Officer, Organization and Personnel Department, BOL

2005-2006: Officer, Bank Supervision Department, BOL

01/2009: Officer, Monetary Policy Department, BOL

06/2009: Deputy Head of Division, Monetary Policy Department, BOL

05/2010: Acting Head of Division, Banking Operation Department, BOL

02/2013: Head of Division, Banking Operation Department, BOL

02/2017: Deputy Director General of Banking Operation Department, BOL

02/2022: Deputy Director General of Monetary Policy Department, BOL

09/2022: Deputy Director General of Banking Operation Department, BOL

03/2023-Present: Deputy Managing Director, Supervise Treasury Management Department, Branch Management Department, and Risks Management Department, APB



Mr. Li Changwei

Curriculum Vitae:

Date of Birth: 03 December 1964

Nationality: Chinese

Designation: Vice Chairman

Educational Background:

1981-1985: Bachelor in Political Economics, Peking University

1987-1990: Master in Economics, Peking University, China

2004-2006: Master in Business Administration, China Europe International Business School (CEIBS)

Work Experiences:

1985-1987: Officer, Henan Provincial Economic Research Center

1990-1993: Teacher, Central Party School of the Communist Party of China

1993-1998: Chief Executive Officer, Shenyin & Wanguo Securities Co., Ltd. Haikou Branch

1998-1999: Deputy Managing Director, Manager of Sales Department, Shenyin & Wanguo Securities Co., Ltd. Beijing Headquarters

1999-2012: Deputy Managing Director, Head of Inspection Department, Fuguo Fund Management Co., Ltd.

2019-2020: Member of Audit Committee, China Securities Inter-Agency Quotation System Co., Ltd

2012-Present: Chief Executive Officer, THE PACIFIC SECURITIES CO.,LTD



Mr. Zhou Kun

Curriculum Vitae:

Date of Birth: 03 August 1971

Nationality: Chinese

Designation: Member

Educational Background:

1989-1993: Bachelor in Agricultural Economics, Yunnan Agricultural University

Work Experiences:

2006-Present: Chairman of Yunnan Haicheng Industrial Group Co., Ltd.

2012-Present: Chairman of Laos Modding Economic Zone Development Group Co., Ltd.



Mr. Zhang Hongbin

Curriculum Vitae:

Date of Birth: 11 July 1966

Nationality: Chinese

Designation: Member

Educational Background:

1982-1986: Bachelor in Finance, Beijing Technology and Business University, Haidian, Beijing

2001-2003: Master in Finance, Peking University, Haidian, Beijing

Work Experiences:

1986-1995: Deputy Head of Department, China National Technical Import & Export Corporation

1995-1999: CFO, TEMAX GMBH (Germany)

1999-2001: Head of Department, China National Technical Import & Export Corporation

2001-2003: Head of Accounting Department, China National Chemical Engineering Corporation

2003-2008: Deputy Managing Director, New Era Securities Co., Ltd.

2008-Present: Deputy Managing Director, THE PACIFIC SECURITIES CO.,LTD



Mr. Somephong Bolibouth

Curriculum Vitae:

Date of Birth: 10 September 1990

Nationality: Lao

Designation: Member

Educational Background:

2007-2010: Associate Degree in Finance-Banking, College of Economics and Business Administration

2008-2013: Bachelor of Arts in Economics, and Bachelor of Education in English, National University of Laos

2016-2018: Master in Accounting, National University of Laos

Work Experiences:

2012-2013: Officer, Cash Department, ST Bank Limited

2013-2015: Officer, Treasury Management Department, ST Bank Limited

2015-2018: Head of Unit, Treasury Management Department, ST Bank Limited

2018-2020: Deputy Head of Division, Treasury Management Department, ST Bank Limited

2020-2022: Head of Division, Treasury Management Department, ST Bank Limited

2022-2023: Deputy Head of Treasury Management Department, ST Bank Limited

2023-Present: Head of Treasury Management Department, APB



Mr. Li Lin

Curriculum Vitae:

Date of Birth: 2 December 1976

Nationality: Chinese

Designation: Member

Educational Background:

1995-1999: Bachelor degree in Lao Language and Literature, Foreign Languages University, Luoyang, Henan

Work Experiences:

1999-2005: Intermediate translator, Yunnan Province Translation Association

2005-2012: Officer, Yunnan Provincial Foreign Affairs Office Neighboring Countries Department

2009-2011: Third Secretary, Trade and Fair Events, Economic-Trade Consulting Office, Chinese Embassy in Lao PDR

2012-Present: Officer, Strategic Development Department/International Business Department, The Pacific Securities Co., Ltd.

2013-Present: General Managing Director, Laos-China Securities Co., Ltd.



Assoc. Prof. Piya Wongpit, PhD

Curriculum Vitae:

Date of Birth: 23 October 1979

Nationality: Lao

Designation: Member

Educational Background:

1998-2002: Bachelor of Business Administration in Finance, University of the Thai Chamber of Commerce, Thailand

2004-2006: Master of Economics, Kobe University, Japan

2011-2014: Doctor of Economics, Kobe University, Japan

Work Experiences:

2009-Present: Head of Finance and Banking Department, Faculty of Economics and Business Management, National University of Laos



Mr. Wang Wei

Curriculum Vitae:

Date of Birth: 25 October 1972

Nationality: Chinese

Designation: Member

Educational Background:

1992-1994: Associate degree in Archives Science (Administrative Information), Yunnan University

Work Experiences:

1994-2014: Department Manager, Party Committee Work, Yunnan International Company

2014-Present: Department General Manager Working in Laos Representative Office, The Pacific Securities Co.,Ltd



Mr. Nah Chantalivong

Curriculum Vitae:

Date of Birth: 9 June 1957

Nationality: Lao

Designation: Member

Educational Background:

1980-1985: Associate degree in Accounting, Banking institution, Dongda, Hanoi, Vietnam

2003-2007: Master of Business Administration, National Economics University, Hanoi, Vietnam

Work Experiences:

1991-1995: CEO, ARounMay Bank, Xiengkhouang Province

1996-1997: Deputy Director General, Bank Supervision Department, BOL

1998-1999: Deputy Director General of Internal Audit Department

2000-2002: Director General of Banking Operations Department

2003-2005: General Managing Director, Lao Development Bank

2006-2010: Director General of Accounting and Finance Department

2010-2016: Director General, BOL Champasak Branch

2017-2018: Governor Assistant, Accounting and Finance, BOL

2019-Present: Advisor, Phongsupthavy Group Company



Mr. Southideth Bounluxay, PhD

Curriculum Vitae:

Date of Birth: 7 July 1978

Nationality: Lao

Designation: Deputy Managing Director

Educational Background:

1998-2002: Bachelor degree in International Finance, Jilin University, Changchun City, Jilin Province

2002-2005: Master in Finance, Jilin University, Changchun City, Jilin Province

2005-2009: Doctor of World Economics, Jilin University, Changchun City, Jilin Province

Work Experiences:

2009-2010: Internship, Lao Securities Commission Office, BOL

2010-2013: Officer, Lao Securities Commission Office, BOL

2014-2018: Deputy Head of Division, Lao Securities Commission Office, BOL

2018-2019: Acting Head of Division, Lao Securities Commission Office, BOL

2019-2020: Head of Division, Lao Securities Commission Office, BOL

2020-Present: Deputy Managing Director, Supervise Brokerage Department, Securities Dealing Department, Administrative and Personnel Department, and Internal Audit Department, Lao-China Securities Public Company



Phongsavath Leuname

Curriculum Vitae:

Date of Birth: 27 February 1985

Nationality: Lao

Designation: Deputy Managing Director

Educational Background:

2005-2009: bachelor of Communication Process, Beijing University of Posts and Telecommunications, Beijing, China

2009-2012: Master of Management Science and Engineering, Beijing University of Posts and Telecommunications, Beijing, China

Work Experiences:

2012-2014: Broker, BCEL-KT Securities Company Limited

2014-2023: Head of Financial Advisory and Underwriting Department, Lao-China Securities Public Company

2022-2023: Deputy Head of the Secretariat, Lao-China Securities Public Company

2022-2023: Assistant of Managing Director, Lao-China Securities Public Company

2023-2024: Assistant of Managing Director, Lao Development Bank

2024-Present: Deputy Managing Director, Lao-China Securities Public Company

9. Internal audit

Internal audit plays crucial roles in the Company, in establishing trust and confidence for investors. The Company consists of an Audit Committee and an Internal Audit Department to oversee internal audit operations, ensuring the Company has the necessary structure to be able to check internal working to ensure effective management and control mechanisms.

The Audit Committee is one of the board of directors subcommittee, responsible for researching, establishing policies, and supervising the Company's internal audit activities by monitoring and ensuring that the Company has a robust internal controls system to verify the accuracy of financial reporting and sufficiently disclosure of essential information; ensure compliance with securities laws, regulations, and other relevant legislation; consider the selection and appropriate service charge of external auditors; examine potential conflicts of interest in related-party transactions; and report audit activities to the board of directors and shareholders' meetings. In addition, the Audit Committee shall conduct both regular and ad-hoc meetings as operational requirements dictate to fulfill their internal audit rights and duties.

The Company’s Internal Audit Department is responsible for ensuring compliance with objectives, policies, and consistently implemented systems under the Audit Committee's supervision. The internal audit department is direct oversight of routine business activities and sources of information. They will report their findings according to their work plan to the Audit Committee, who then reviews the information and provides recommendations to the board of directors for improvements.

In summary, the Company has established the necessary organizational structure and internal support systems for effective internal auditing, facilitating sound internal governance as both a securities company and a listed company. This framework ensures compliance with LSCO requirements, relevant regulations and laws, in order to ensuring confidence for both domestic and international investors interested in investing in the Company's shares.

10. Related parties' transactions

The Company has transactions with related parties who may have interest in a transaction. These related party transactions encompass business transactions between the Company, board members who are the Company's shareholders, and/or related persons and related entities which potentially have conflict of interests in such transactions. These transactions are disclosed in the appendices of the audited financial statements, with oversight from both external auditors and the Audit Committee, who have expressed an opinion on the appropriateness of such transactions align with normal the Company's business operations or reasonable in terms of pricing and/or other conditions as compared to market rates, as well as fair pricing comparable to transactions with unrelated parties, to preventing any improper transfer of benefits between the Company, affiliated companies, and person that may have interest in a transaction.

According to Decision No. 0023/LSCO dated October 26, 2016, Article 3 defines related parties as follows:

1. Related Person refers to

1.1 A person holding at least 5% of the Company's total number of shares;

1.2 A management of the Company.

2. Related Juristic Person refer to

2.1 An entity holding the shares of the Company, or an entity which its shares is held by the Company, of at least five percent of the total number of shares;

2.2 An entity that the related person, prescribed in Clause 1.1 or the management of the Company prescribed in Clause 1.2 above, is the executive directors or holds the shares of at least 10% of the total number of shares.

Detailed information regarding specific related party transactions can be found in the financial statement appendices.

Table 19 Summary of relationships between related juristic person

Related party transaction	**Relationship**	**Related Transaction (Yes or No)**	**Related Transaction (Yes or No)**
		2023	**2024**
Agriculture Promotion Bank	Shareholder	Yes	Yes

- **Procedures for related party transactions**

The Company prioritizes transparent inspection of all transactions, and shall be beneficial to the Company. To prevent conflicts of interest, the Company has established critical criteria for approving related party transactions as follows:

1) Avoid business transactions related to board members, board committee members, executive directors, and shareholders that may create conflicts of interest with that of the Company.

2) In the event of business transactions with related persons or entities, they must be conducted under the same conditions as those with external parties and in compliance with LSCO regulations regarding related party transactions. This ensures that board members, board committee members, executive directors, and other individuals do not derive benefits from such transactions.

3) In the event of conducting related party transactions, there must strictly adhere to relevant laws, regulations, and decrees concerning related parties' transactions and information disclosure for listed companies set forth by the LSCO or relevant regulators, in order to ensure transparency and strictly considering all requirements to prevent potential conflicts of interest, comparing them with market standards to ensure transparency and gaps preventing in conducting related transactions.

- **Approval process for related party transactions**

- For Board of Directors approval, the Related Parties Transaction Committee must first review and provide opinions on related party transactions before submission to the Board of Directors. In addition, board meetings discussing such transactions require attendance by more than half of the board members who are non-related people. In the case where the board members who are related persons constitute more than half of the total board members; the transaction must be submitted to shareholders' meeting for approval. The related board members are prohibited from voting on such agenda items.
- For shareholders' meeting approval, the Related Parties Transaction Committee must submit the transaction to the Board of Directors for providing opinions before submitting to the shareholders' meeting approval. Related shareholders or entities are restricted from voting and cannot delegate voting rights to others.
- Following transaction approval, the Company must include a summary of approved related party transactions in its annual financial statements and disclose this information and report to the LSCO.
- The Company must prepare detailed reports on all related party transactions for quarterly board meetings to verify their alignment with corporate objectives.

Table 20 The summary of related parties' transactions.

Related Parties	**Related Transactions**	**Value of Related Transactions (LAK)**		**Necessity and Reasonableness**
		As at 31 December 2023	**As at 31 December 2024**	
Agriculture Promotion Bank	Current account deposit	2,339,233	7,525,992	These transactions are reasonable as they follow normal business operating conditions, with deposit interest rates being the same as those offered to general corporate customers of the bank.
	Saving account deposit	169,415,240	393,791,338	

- **Policy on related party transactions in the future**

The Company may engage in related party transactions that may occur as part of business operations and has established clear policies to govern such transactions, with policies ensuring that all related party transactions are conducted at market prices and under conditions consistent with those applied to external parties and/or unaffiliated companies. These related party transactions are necessary for the Company's business operations and are conducted in the Company's best interest. Additionally, the Related Party Transaction Committee will examine compliance with regulations and principles, and provide opinions on the reasonableness of these transactions on a quarterly basis.

In cases where there is need to use funds or there are mutual benefits in securities business corporations, the Company shall implement specific policies governing related party transactions that occur in the future, by setting terms and conditions aligned with normal business operations and market pricing, ensuring comparability with rates offered to external parties. The Company's Audit Committee or auditor will consider and provide opinion on the appropriateness of pricing and the rational basis for such transactions.

For any related parties' transaction that may occur in the future, the Audit Committee must comply with the relevant regulations and shall not approve any transactions where they or related parties may have conflicts of interest with the Company are involved, and such transactions must be disclosed to the Company's Audit Committee must ensure compliance with relevant conditions, regulations, and laws.

If the Company engages in related party transactions with related parties who may be involved in potential conflicts of interest in the Company, the Audit Committee will provide opinions regarding pricing, rates of return, as well as the necessity and appropriateness of such transactions. In cases where the Audit Committee lacks expertise in considering potential related party transactions, the Company's auditors will provide opinions on these transactions to inform decision-making by the Board and/or shareholders, as applicable. The Company will disclose all related party transactions in the notes to the financial statements that have been audited by the Company's auditors.

11. Legal disputes

In the normal course of the Company’s business operations, litigations or disputes may arise that may result in court cases or legal proceedings. Currently, the Company's executive managing directors and shareholders are not involved in any cases related to dispute resolution, litigation, court proceedings or criminal proceedings, or any other disputes that have actually or potentially occurred, whether as plaintiffs, defendants, third parties, or witnesses. Following a legal dispute verification specifically in Vientiane Capital, where the Company is domiciled, no legal cases or pending legal matters were found. According to certificates from the Vientiane Capital People's Court, no cases were found involving the Company regarding violations of laws and relevant regulations, confirming the Company's litigation-free status. The Company has received the following court certifications:

1. Certify letter from the Vientiane Capital People's Court area 4, No. 181/SPC, dated 12 November 2024;
2. Certify letter from the Vientiane Capital People's Court, No. 39/SPC.VC, dated 19 November 2024.

12. Financial position and operating performance

12.1. Financial statement

12.1.1. Statement of financial position

Table 21 Statement of financial position 2022-2024 (audited by E&Y)

Unit: LAK

	2022	2023	2024
Assets			
Cash and cash equivalent	**8,665,682,729**	**10,753,400,152**	**5,789,133,108**
Cash on hand	2,478	2,981	-
Cash at bank	6,346,739,834	6,274,963,269	1,592,743,476
Customers' deposits	2,318,940,417	4,478,433,902	4,196,389,632
Current accounts receivable	**15,524,271,192**	**15,159,194,503**	**23,837,214,674**
Trade receiveables	12,286,000,420	12,102,683,747	20,918,894,065
Other receiveables	2,520,000,000	2,520,000,000	1,680,000,000
Interest receiveables	718,270,772	536,510,756	1,238,320,609
Advance payment to suppliers	-	-	-
Short-term investments	**38,605,244,550**	**45,774,253,370**	**40,694,899,300**
Investment Securities	25,688,916,550	23,950,293,370	28,421,563,300
Short term deposit	5,000,000,000	20,000,000,000	10,000,000,000
Held to maturity	7,916,328,000	1,823,960,000	2,273,336,000
Other current assets	**913,757,132**	**356,834,752**	**1,145,151,740**
Short-term prepaid expenses	765,377,340	138,609,788	-
Other current asset	148,379,792	218,224,964	1,145,151,740
Total current assets	**63,708,955,603**	**72,043,682,777**	**71,466,398,822**
Fixed assets	**315,602,797**	**146,355,049**	**2,343,726,160**
Tangible fixed assets	299,308,276	142,858,386	2,341,132,363
Intangible fixed assets	16,294,521	3,496,663	2,593,797
Long-term investments	**67,650,567,000**	**60,419,883,000**	**91,251,177,400**
Long-term deposits	15,000,000,000	8,000,000,000	15,000,000,000
Available for sale investment	51,245,460,000	49,803,810,000	63,560,640,000
Held to maturity investment	1,405,107,000	2,616,073,000	12,690,537,400
Total non-current assets	**67,966,169,797**	**60,566,238,049**	**93,594,903,560**
Total Assets	**131,675,125,400**	**132,609,920,826**	**165,061,302,382**
Liabilities			
Short-term borrowings	26,349,120,000	26,330,955,000	26,248,421,223
Deferred revenue	-	-	8,635,769,765
Payables to customers	4,032,691,611	4,478,433,902	4,196,389,632
Other payables	116,998,638	522,251,432	332,120,467
Employee benefits	378,613,676	375,483,035	368,765,610
Total Liabilities	**30,877,423,925**	**31,707,123,369**	**39,781,466,697**
Owners' Equity			
Contributed charter capital	100,000,000,000	100,000,000,000	100,000,000,000
Accumulated losses	(3,409,711,304)	18,060,214	10,206,778,619
Legal reserves	975,420,695	975,420,695	2,107,500,518
Available for sale reserve	305,730,000	(1,117,755,000)	11,938,485,000
Business expansion reserve	2,926,262,084	1,027,071,548	1,027,071,548
Total Owners' Equity	**100,797,701,475**	**100,902,797,457**	**125,279,835,685**
Total Liabilities and Owners' Equity	**131,675,125,400**	**132,609,920,826**	**165,061,302,382**

12.1.2. Income Statement

Table 22 Income Statement 2022-2024 (audited E&Y)

Unit: LAK

	2022	2023	2024
Commission and fee income	12,403,960,652	8,770,203,555	11,664,856,185
Interest income	2,636,338,694	2,005,254,502	2,115,627,559
Dividend income from investment in Securities	481,814,700	590,343,700	1,274,985,500
Net gain from sales of investment in Securities	1,718,000	695,347	3,211,000
Net gain in fair value of short-term investment in Securities	-	-	-
Other operating income	689,793,993	839,789,646	746,509,120
Total Revenue	**16,213,626,039**	**12,206,286,750**	**15,805,189,364**
Commission and fee expenses	(128,491,352)	(572,505,312)	(1,154,240,357)
Loss in fair value of short-term investment in Securities	(2,676,310,120)	(1,738,623,180)	4,471,269,930
Staff cost	(4,293,974,963)	(4,027,239,721)	(3,884,638,107)
Depreciation and amortization	(178,399,054)	(175,290,070)	(139,406,119)
Interest expense	(252,877,000)	(126,117,000)	(128,128,500)
Other operating expenses	(3,039,577,528)	(4,037,930,485)	(3,649,247,983)
Total Expense	**(10,569,630,017)**	**(10,677,705,768)**	**(4,484,391,136)**
Profit Before Tax	**5,643,996,022**	**1,528,580,982**	**11,320,798,228**
Profit Tax Expense	-	-	-
Net profit after tax	**5,643,996,022**	**1,528,580,982**	**11,320,798,228**

12.1.3. Statement of cash flows

Table 23 Statement of cash flows 2022-2024 (audited by E&Y)

Unit: LAK

	2022	2023	2024
Operating Activities			
Profit before tax	**5,643,996,022**	**1,528,580,982**	**11,320,798,228**
Adjustments for:			
Depreciation and amortization	178,399,054	175,290,070	139,406,120
Interest expense	252,877,000	126,117,000	125,127,500
Changes in fair value of short-term investment in Securities	7,860,465,490	1,738,623,180	(4,471,269,930)
Net losses on disposal of fixed assets	18,052,006	(45,704,144)	(1,469,899)
Interest income	(2,636,338,694)	(2,005,254,502)	(2,115,627,559)
Dividend income from investment in Securities	(481,814,700)	(590,343,700)	(1,274,985,500)
Working capital adjustment:			
Net changes in receivables	(10,463,432,121)	183,316,673	(7,976,210,318)
Net changes in investment in Securities	(5,184,155,370)	-	-
Net changes in other current assets	(284,624,014)	(4,443,077,620)	9,211,683,012
Net changes in payables	(1,981,374,141)	850,995,085	(472,175,235)
Net change in deferred revenue	-	-	8,635,769,765
Net changes in employee benefits	6,477,857	(3,130,641)	(6,717,425)
Interest received	2,085,230,744	2,187,014,518	1,413,817,706
Tax paid	-	-	-
Dividend received	481,814,700	-	-
Net cash flows from operating activities	**(4,504,426,167)**	**(297,573,099)**	**14,528,146,465**
Investment Activities			
Puechase of fixed assets	(43,047,170)	(18,179,300)	(2,349,206,632)
Proceed on disposal fixed assets	-	57,841,122	13,899,300
Placement of long-term deposits	(10,000,000,000)	(23,000,000,000)	(15,000,000,000)
Proceeds on redemption of long-term deposits	25,000,000,000	20,000,000,000	8,000,000,000
Acquition of held to maturity Securities	(8,413,749,000)	4,881,402,000	(700,590,000)
Proceed from sale of available for sale Securities	22,575,000	18,165,000	(10,523,840,400)
Dividend received from investment in Securities	-	590,343,700	1,274,985,500
Net cash flows from investing activities	**6,565,778,830**	**2,529,572,522**	**(19,284,752,232)**
Financing Activities			
Repayment of borrowing	(22,575,000)	(18,165,000)	(82,533,777)
Interest paid	(252,877,000)	(126,117,000)	(125,127,500)
Net cash flows used in financing activities	(275,452,000)	(144,282,000)	(207,661,277)
Net decrease in cash	1,785,900,663	2,087,717,423	(4,964,267,044)
Cash at the beginning of the year	6,879,782,066	8,665,682,729	10,753,400,152
Cash at the end of the year	**8,665,682,729**	**10,753,400,152**	**5,789,133,108**

12.2. Financial Statement 2024

Auditor and audit report summary

The Financial Statements for the years 2022, 2023, and 2024 have been audited by external auditors. These statements have been prepared specifically for comparative purposes in the prospectus and should not be used for other purposes.

In accordance with Article 8 of the Decision on Issuance of Shares No. 13/LSC, dated December 11, 2024 (Amended) issued by the LSC, states that companies seeking to issue shares shall submit audited financial statements covering one year prior to the application date. Furthermore, if the application for public offering is submitted after June 30 of the year, companies must also submit financial statements for the first six months of the current year, reviewed by an external auditor. In compliance with these requirements, the financial statements of 2024 have been audited and certified by external auditors, The detailed information is as below:

Financial Statements:	For the year 2024, as at 31 December 2024
Auditor:	Ernst & Young Lao Co., Ltd, authorized by the LSCO
Auditor's Opinion:	The auditor issued an unqualified opinion, stating that the 2024 financial statements have been prepared in accordance with the accounting policies outlined in Note 3 to the Financial Statements.

12.3. Financial statement analysis

12.3.1. Vertical analysis

Table 24 The vertical analysis of the statement of financial position

Unit: %

Vertical Analysis of the Balance Sheet	2022	2023	2024
Current assets			
Cash and cash equivalent	**6.58**	**8.11**	**3.51**
Cash on hand	0.00	0.00	-
Cash at bank	4.82	4.73	0.96
Customers' deposits	1.76	3.38	2.54
Current accounts receivable	**11.79**	**11.43**	**14.44**
Trade receiveables	9.33	9.13	12.67
Other receiveables	1.91	1.9	1.02
Interest receiveables	0.55	0.4	0.75
Advance payment to suppliers	0.00	0.00	-
Short-term investments	**29.32**	**34.52**	**24.65**
Investment Securities	19.51	18.06	17.22
Short term deposit	3.8	15.08	6.06
Held to maturity	6.01	1.38	1.38
Other current assets	**0.69**	**0.27**	**0.69**
Short-term prepaid expenses	0.58	0.1	-
Other current asset	0.11	0.16	0.69
Total current assets	**48.38**	**54.33**	**43.30**
Fixed assets	**0.24**	**0.11**	**1.42**
Tangible fixed assets	0.23	0.11	1.42
Intangible fixed assets	0.01	0.00	0.00
Long-term investments	**51.38**	**45.56**	**55.28**
Long-term deposits	11.39	6.03	9.09
Available for sale investment	38.92	37.56	38.51
Held to maturity investment	1.07	1.97	7.69
Total non-current assets	**51.62**	**45.67**	**56.70**
Total Assets	**100**	**100**	**100**
Liabilities			
Short-term borrowings	20.01	19.86	15.90
Deferred revenue			5.23
Payables to customers	3.06	3.38	2.54
Other payables	0.09	0.39	0.20
Employee benefits	0.29	0.28	0.22
Total Liabilities	**23.45**	**23.91**	**24.10**
Owners' Equity			
Contributed charter capital	75.94	75.41	60.58
Accumulated losses	-2.59	0.01	6.18
Legal reserves	0.74	0.74	1.28
Available for sale reserve	0.23	-0.84	7.23
Business expansion reserve	2.22	0.77	0.62
Total Owners' Equity	**76.55**	**76.09**	**75.90**
Total Liabilities and Owners' Equity	**100**	**100**	**100**

Table 25 The vertical analysis of the income statement

Unit: %

The Vertical Analysis of the Income Statement	2022	2023	2024
Commission and fee income	76.50	71.85	73.80
Interest income	16.26	16.43	13.39
Dividend income from investment in Securities	2.97	4.84	8.07
Net gain from sales of investment in Securities	0.01	0.01	0.02
Other operating income	4.25	6.88	4.72
Total Revenue	**100**	**100**	**100**
Commission and fee expenses	(0.79)	(4.69)	(7.30)
Loss in fair value of short-term investment in Securities	(16.51)	(14.24)	28.29
Staff cost	(26.48)	(32.99)	(24.58)
Depreciation and amortization	(1.10)	(1.44)	(0.88)
Interest expense	(1.56)	(1.03)	(0.81)
Other operating expenses	(18.75)	(33.08)	(23.09)
Total Expense	**(65.19)**	**(87.48)**	**(28.37)**
Profit Before Tax	**34.81**	**12.52**	**71.63**
Profit Tax Expense	**-**	**-**	
Net profit after tax	**34.81**	**12.52**	**71.63**

12.3.2. Horizon Analysis

Table 26 The horizon analysis of the statement of financial position

The Horizon Analysis of the Statement of Financial Position	2023	2024
Cash and cash equivalent	24.09	(46.16)
Current accounts receivable	(2.35)	57.25
Short-term investments	18.57	(11.10)
Other current assets	(60.95)	220.92
Total current assets	**13.08**	**(0.80)**
Fixed assets	(53.63)	1,501.40
Long-term investments	(10.69)	51.03
Total non-current assets	**(10.89)**	**54.53**
Total Assets	**0.71**	**24.47**
Current liabilities	2.69	24.47
Total Liabilities	**2.69**	**25.47**
Owners' Equity	0.10	24.16
Total Owners' Equity	**0.10**	**24.16**
Total Liabilities and Owners' Equity	**0.71**	**24.47**

Table 27 The horizon analysis of the income statement

Unit: %

The Horizon Analysis of the Income Statement	2023	2024
Commission and fee income	(29.30)	33.01
Interest income	(23.94)	5.50
Dividend income from investment in Securities	22.53	115.97
Net gain from sales of investment in Securities	(59.53)	361.78
Other operating income	21.74	(11.11)
Total Revenue	**(24.72)**	**29.48**
Commission and fee expenses	345.56	101.61
Loss in fair value of short-term investment in Securities	(35.04)	(357.17)
Staff cost	(6.21)	(3.54)
Depreciation and amortization	(1.74)	(20.47)
Interest expense	(50.13)	1.59
Other operating expenses	32.85	(9.63)
Total Expense	**1.02**	**(58.00)**
Profit Before Tax	**(72.92)**	**640.61**
Profit Tax Expense	-	-
Net profit after tax	**(72.92)**	**640.61**

12.3.3. Key Financial Ratio

Table 28 The Company's key financial ratios

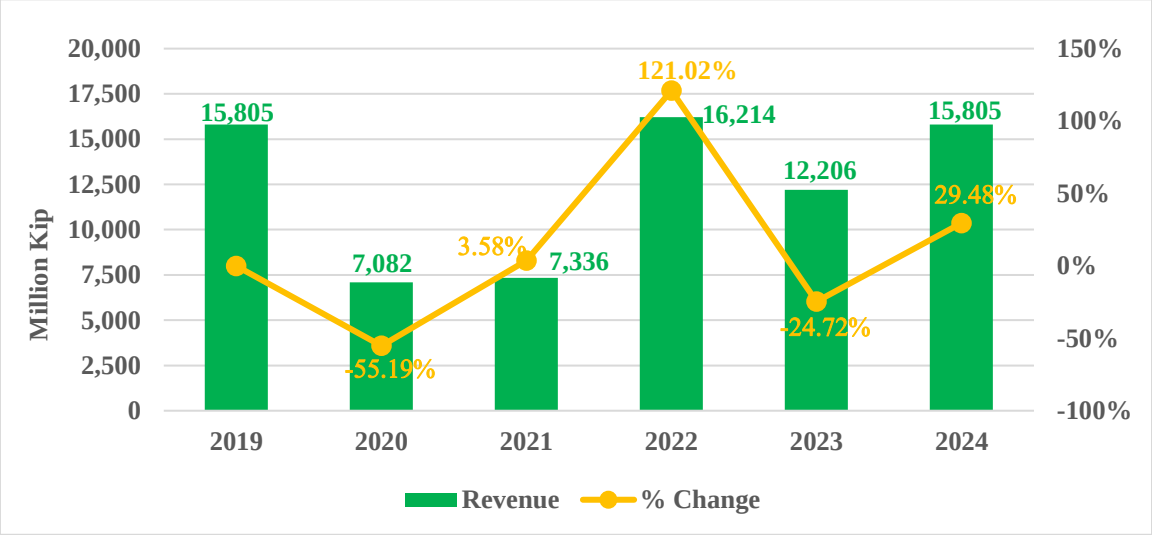
		2022	2023	2024
Profitability Ratios				
Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)	(%)	37.47	14.99	73.32
Earnings Before Interest and Tax (EBIT)	(%)	36.37	13.56	72.44
Net profit margin	(%)	34.81	12.52	71.63
Return on Equity (ROE)	(%)	5.60	1.52	10.01
Return on Asset (ROA)	(%)	4.25	1.16	7.61
Liquidity Ratio				
Current ratio	(X)	2.06	2.27	1.80
Assets Efficiency Ratios				
Total assets turnover ratio	(X)	0.12	0.09	0.11
Fixed asset turnover ratio	(X)	43.12	52.85	12.69
Capital Structure Ratios				
Debt to equity ratio	(X)	0.31	0.31	0.32
Debt to total assets ratio	(X)	0.23	0.24	0.24
Debt to EBITDA ratio	(X)	5.08	17.33	3.43
Interest coverage ratio	(X)	24.02	14.51	90.44
Interest-bearing debt to EBITDA ratio	(X)	4.34	14.39	2.27

12.4. Clarification of analysis of operations and financial position

12.4.1. Operating results

1) Revenue

Figure 14 Trend of the Company's revenue 2019-2024



Revenue of the Company from 2019 to 2024, in general has a tendency to increase, especially in the last three years. The Company reported its revenue at LAK16,213,626,039 in 2022, LAK12,206,286,750 in 2023, and LAK15,805,189,364 in 2024. Even though revenue of the Company reduced by 24.72%, in 2024, LCS's revenue increased to 29.48%, thanks to a more contribution from revenue from commission and fee income which is the main source of the Company's revenue.

Table 29 Total revenue 2022-2024

Unit: LAK

	2022		2023		2024	
	Value	%	Value	%	Value	%
Commission and fee income	12,403,960,652	76.50%	8,770,203,555	71.85%	11,664,856,185	73.80%
Interest income	2,636,338,694	16.26%	2,005,254,502	16.43%	2,115,627,559	13.39%
Dividend income from investment in Securities	481,814,700	2.97%	590,343,700	4.84%	1,274,985,500	8.07%
Net gain from sales of investment in Securities	1,718,000	0.01%	695,347	0.01%	3,211,000	0.02%
Other operating income	689,793,993	4.25%	839,789,646	6.88%	746,509,120	4.72%
Total Revenue	**16,213,626,039**	**100%**	**12,206,286,750**	**100%**	**15,805,189,364**	**100%**

In 2022, commission and fee incomes were reported at LAK12,403,960,652 as the Company had the revenue from the commission from the sale of LCTC share. In 2023, the Company reported its commission and fee income at LAK8,770,203,555, decreased around 29.30% from 2022. However, the Company was able to generate more income from financial advisory service and selling agent service of government bonds valued TBH 3,000 million. In 2024, such income was reported at LAK11,664,856,185, increased by 33.01% from the year earlier.

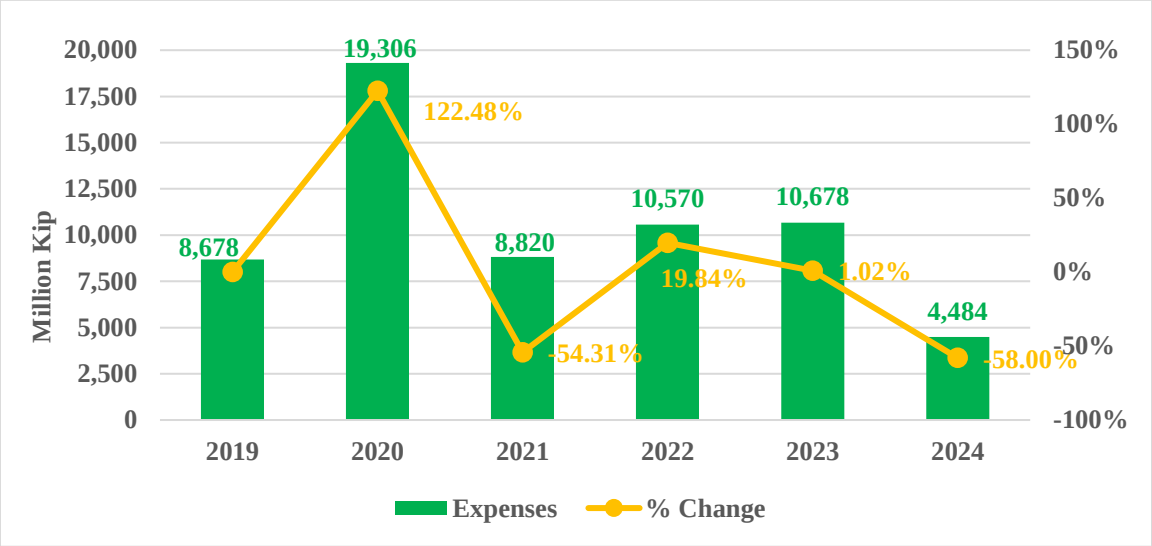
Interest income of the Company, in general, had a constant proportion of contribution from 2022 to 2024, valued LAK2,636,338,694 in 2022, LAK2,005,254,502 in 2023, and 2,115,627,559 in 2024 or 16.26%, 16.43% and 13.39% of total revenue, respectively.

From 2022, 2023 and 2024, dividend income of the Company was reported at LAK 481,814,700, LAK590,343,700, and LAK1,274,985,500; or 4.25%, 4.72% and 8.07%, respectively.

Other operating income in 2022, 2023, and 2024 amounted to LAK689,793,993, LAK839,789,646, and LAK746,509,120, or equivalent to 4.25%, 6.88% and 4.72% respectively.

2) Expenses

Figure 15 Trend of the Company's expenses 2019-2024



Except 2020 that the Company experienced losses in fair value of short-term investment securities, in general, LCS had low expenses with a downward trend. In 2023, 2022, and 2024, the Company reported its total expenses at LAK10,569,630,01, LAK10,677,705,768 and LAK4,484,391,136, respectively. When comparing year by year, from 2022 to 2023, total expenses increase by 1.02%, and from 2023 to 2024 decrease sharply by 58%.

The deep decrease in total expenses of 2024 was the result of recorded gains in fair value of short-term investment securities of LAK4,471,269,930 in the year after the revaluation of BCEL and EDL-Gen accordingly to the current market situation. Losses in fair value of the short-term investment in 2022, 2023, 2024 was reported at LAK 1,551,407,880, LAK2,676,310,120, and LAK1,738,623,180 or equal to 17.59%, 25.32%, and 16.28% of total expenses, respectively. If excluding such expense, total expense of LCS in 2024 was LAK8,955,661,066. Therefore, gains/losses in fair value of short-term investment securities were able to have a considerable effect to total investment of the Company.

Table 30 Total expenses from 2022-2024

Unit: LAK

	2022		2023		2024	
	Value	**%**	**Value**	**%**	**Value**	**%**
Commission and fee expenses	(128,491,352)	1.22%	(572,505,312)	5.36%	(1,154,240,357.00)	25.74%
Loss in fair value of short-term investment in Securities	(2,676,310,120)	25.32%	(1,738,623,180)	16.28%	4,471,269,930.00	-99.71%
Staff cost	(4,293,974,963)	40.63%	(4,027,239,721)	37.72%	(3,884,638,107.00)	86.63%
Depreciation and amortization	(178,399,054)	1.69%	(175,290,070)	1.64%	(139,406,119.00)	3.11%
Interest expense	(252,877,000)	2.39%	(126,117,000)	1.18%	(128,128,500.00)	2.86%
Other operating expenses	(3,039,577,528)	28.76%	(4,037,930,485)	37.82%	(3,649,247,983.00)	81.38%
Total Expenses	**(10,569,630,017)**	**100%**	**(10,677,705,768)**	**100%**	**(4,484,391,136)**	**100%**

Personnel expense and other operating expenses of LCS rarely fluctuated and had a tendency to reduce in general. Personnel expenses were around 4 billion kip. In 2022, 2023, and 2024, the Company recorded its personnel expenses at LAK4,293,974,963, LAK4,027,239,721, and LAK3,884,638,107, respectively. In 2022, 2023, and 2024, Other operating expenses of the Company were at LAK3,039,577,528, LAK4,037,930,485 and LAK3,649,247,983, respectively. Other operating expenses include rental fees, external services expenses, business entertainment expenses, travel expenses, utility expenses, insurance expenses, postal and telecommunications expenses, meeting and seminar expenses, taxes and duties, losses from foreign exchange rate, and others.

3) Net Profit

Figure 16 Trend of the Company's net profit 2019-2024

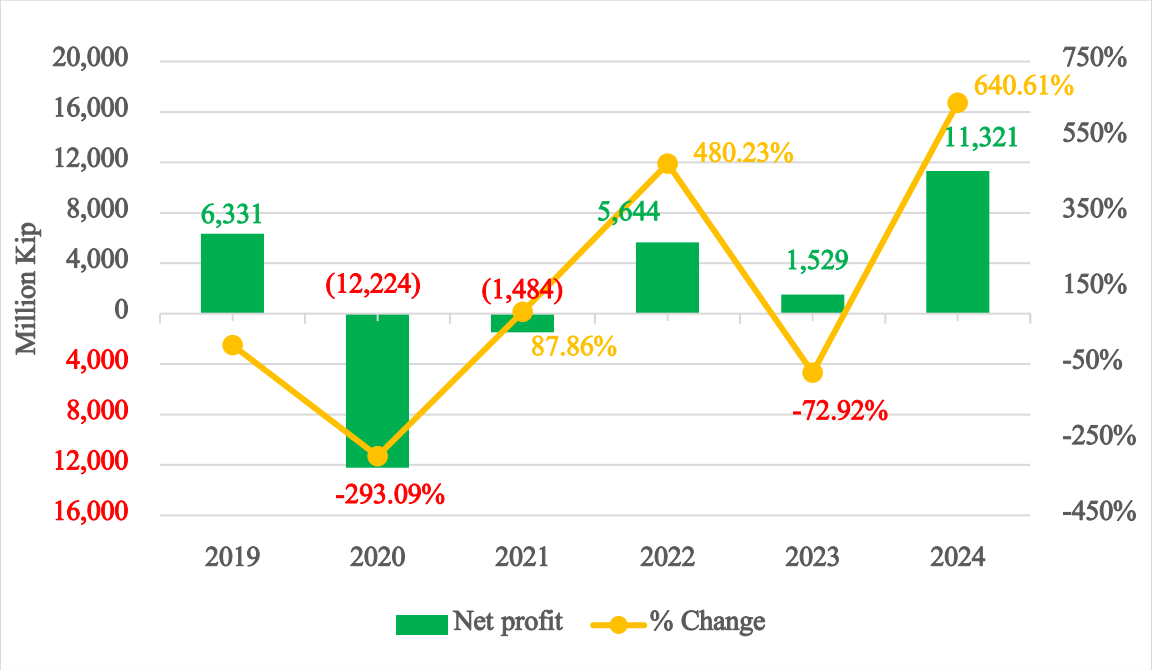


Table 31 Net profit and net profit margin 2022-2024

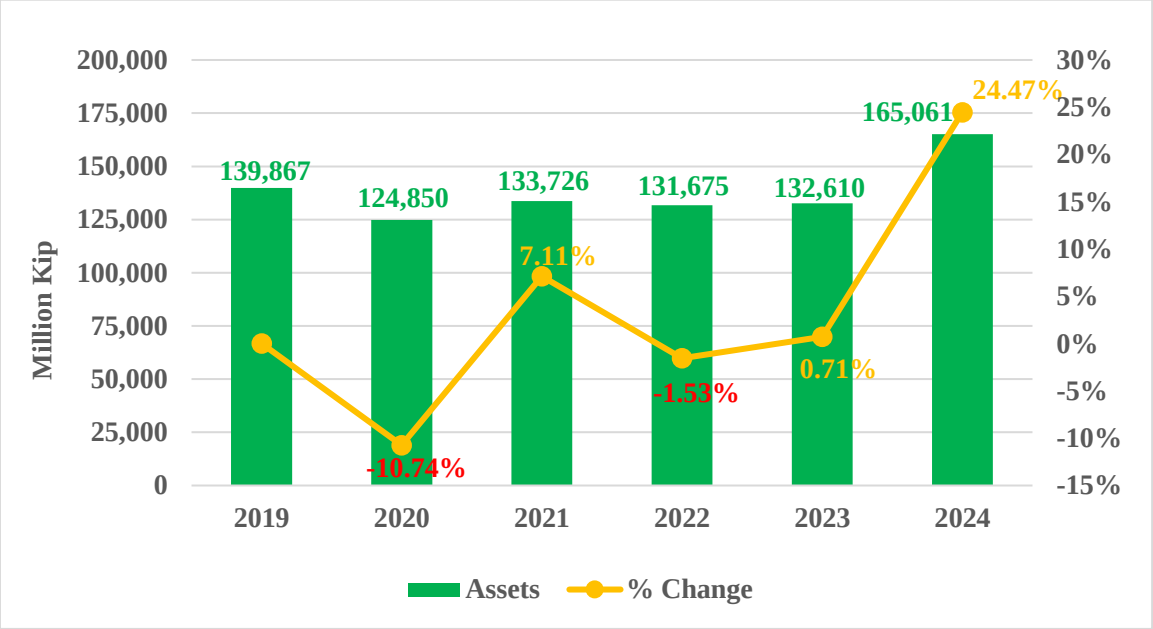
Unit: LAK

	2022	2023	2024
Total revenue	16,213,626,039	12,206,286,750	15,805,189,364
Total expenses	(10,569,630,017)	(10,677,705,768)	(4,484,391,136)
Profit before tax	5,643,996,022	1,528,580,982	11,320,798,228
Profit tax expense	-	-	-
Net profit after tax	**5,643,996,022**	**1,528,580,982**	**11,320,798,228**
Net profit margin	**34.81%**	**12.52%**	**71.63%**

In 2022, 2023, and 2024, the Company reported its net profit at LAK5,643,996,022, LAK1,528,580,982, and LAK11,320,798,228, respectively. Changes in net profit from 2022 to 2024 were in parallel with changes in commission and fee income which also in parallel with changes in other operating expenses. In 2022, 2023, and 2024, net profit margins were at 34.81%, 12.52% and 71.63%, respectively.

12.4.2. Asset analysis

Figure 17 Trend of total assets from 2019-2024



LCS had a big jump in its total assets value in 2024, increasing by 24.47% from the previous year. In 2022, 2023 and 2024, LCS recorded its total assets at LAK131,675,125,400, LAK132,609,920,826, and 165,061,302,382, respectively. In 2024, current assets of the Company covered 43.3%, and non-current assets covered 56.7% of total assets. Among non-current assets of the Company available-for-sale investment securities which represent long-term investments, constituted the largest component of total assets over the 3 consecutive years, accounting for 38.92% in 2022, and 37.56% in 2023, and 38.51% in 2024.

1) Current account receivables

Table 32 The current account receivables

Unit: LAK

Current account receivables	2022		2023		2024	
	Value	%	Value	%	Value	%
Trade receiveables	12,286,000,420	79.14%	12,102,683,747	79.84%	20,918,894,065	87.76%
Other receiveables	2,520,000,000	16.23%	2,520,000,000	16.62%	1,680,000,000	7.05%
Interest receiveables	718,270,772	4.63%	536,510,756	3.54%	1,238,320,609	5.19%
Advance payment to suppliers	-	0.00%	-	0.00%	-	0.00%
Total current account receivables	**15,524,271,192**	**100.00%**	**15,159,194,503**	**100.00%**	**23,837,214,674**	**100.00%**

In 2022, 2023, and 2024, account receivables of LCS amounted to LAK15,524,271,192, LAK15,159,194,503 and LAK23,837,214,674, respectively. It can be seen that accounts receivables mainly comprise trade receivables, covering 87.57% of total current accounts in 2024 and increasing by 72.85% from 2023.

Trade receivables of LCS included financial advisory fee, underwriting fee, selling agent fee, and brokerage fee. Among these, traded receivables from brokerage fee covered 85.04% in 2023 and 85.70% in 2024.

2) Short-term investments

Table 33 The short-term investments

Unit: LAK

Short-term investments	2022		2023		2024	
	Value	%	Value	%	Value	%
Investment Securities	25,688,916,550	66.54%	23,950,293,370	52.32%	28,421,563,300	69.84%
Short term deposit	5,000,000,000	12.95%	20,000,000,000	43.69%	10,000,000,000	24.57%
Held to maturity	7,916,328,000	20.51%	1,823,960,000	3.98%	2,273,336,000	5.59%
Total short-term investments	**38,605,244,550**	**100.00%**	**45,774,253,370**	**100.00%**	**40,694,899,300**	**100.00%**

LCS's short-term investments consist of investment Securities*, short-term deposits, and held-to-maturity Securities**, accounting for 29.32%, 34.52% and 24.65% of total assets in 2022, 2023 and 2024, respectively. For three consecutive years, short-term investments covered 66.54%, 52.32% and 69.84% of total short-term investment. However, investment securities tend to have depreciation in its value every year due to unrealize losses in fair value.

*For additional details, refer to Section 6.1.1 Trading Securities Investment in this prospectus
**For additional details, refer to Section 6.1.3 Held-to-Maturity Securities Investment in this prospectus

3) Long-term investment

Table 34 The long-term investments

Unit: LAK

Long-term investments	2022		2023		2024	
	Value	%	Value	%	Value	%
Long-term deposits	15,000,000,000	22.17%	8,000,000,000	13.24%	15,000,000,000	16.44%
Available for sale investment	51,245,460,000	75.75%	49,803,810,000	82.43%	63,560,640,000	69.65%
Held to maturity investment	1,405,107,000	2.08%	2,616,073,000	4.33%	12,690,537,400	13.91%
Total long-term investments	**67,650,567,000**	**100.00%**	**60,419,883,000**	**100.00%**	**91,251,177,400**	**100.00%**

The long-term investments of LCS consists of long-term deposits, available-for-sale investment***, and held-to-maturity Securities investing**. In 2022, 2023, and 2024, long-term investments were at LAK67,650,567,000, LAK60,419,883,000, and LAK91,251,177,400, respectively. It can be seen that long-term investments had the majority of attribution to LCS's total asset, covering 51.38%, 45.56% and 55.28% for three consecutive years. At the same time, assets under available for sale investment covered the majority of total assets with the proportion of 75.75% in 2022, 82.43% in 2023 and 69.65% in 2024. However, assets under available for sale investment tend to have depreciation in its value every year due to unrealize losses in fair value.

**For additional details, refer to Section 6.1.3 Held-to-Maturity Securities Investment in this prospectus
*** For additional details, refer to Section 6.1.2 Available-for-Sale Investment in this prospectus

4) Fixed assets

Table 35 Fixed assets

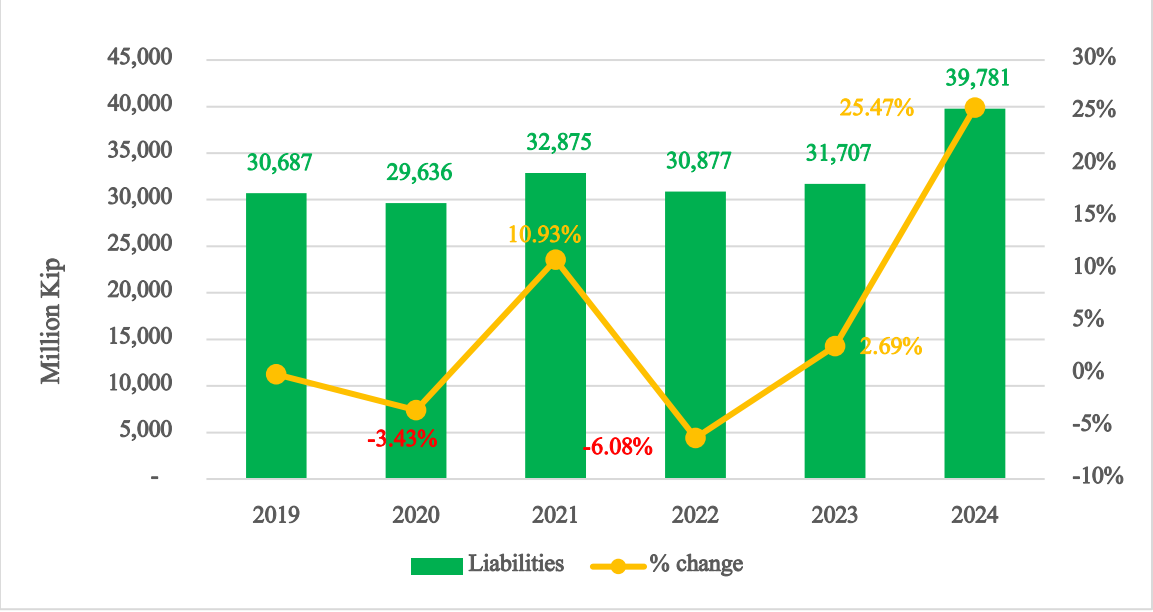
Unit: LAK

Fixed Assets	2022		2023		2024	
	Value	%	Value	%	Value	%
Tangible fixed assets	**299,308,276**	**94.84%**	**142,858,386**	**97.61%**	**2,341,132,363**	**99.89%**
Vehicles	-	0.00%	-	0.00%	-	0.00%
Machines	151,894,792	48.13%	103,661,327	70.83%	311,758,047	13.30%
Office equipments	15,953,716	5.05%	10,683,360	7.30%	71,285,963	3.04%
Installation and decoration	131,459,768	41.65%	28,513,699	19.48%	1,958,088,353	83.55%
Intangible fixed assets	**16,294,521**	**5.16%**	**3,496,663**	**2.39%**	**2,593,797**	**0.11%**
Pre-operation costs	-	0.00%	-	0.00%	-	0.00%
Software	16,294,521	5.16%	3,496,663	2.39%	2,593,797	0.11%
Total Fixed Assets	**315,602,797**	**100%**	**146,355,049**	**100%**	**2,343,726,160**	**100%**

In general, LCS has low level of fixed assets. In 2022, 2023, and 2024, fixed assets covered only 0.24%, 0.11% and 1.42% of total assets, respectively. LCS's fixed assets comprise tangible fixed assets and intangible fixed assets, in which tangible fixed assets took a majority proportion of 94.84% 97.61% and 99.89%, in 2022, 2023, and 2024, respectively. This is due to LCS continuing to maximize the utilization of existing fixed assets without plans for new fixed asset acquisitions.

12.4.3. Liabilities analysis

Figure 18 Trend of total liabilities from 2019-2024



LCS has a low level of liabilities and does not have long-term liabilities. Liabilities of the Company in majority are short-term borrowing. In 2022, 2023, and 2024, value of total liabilities was reported at LAK30,877,423,925, LAK31,707,123,369 and

LAK39,781,466,697, respectively. In which, short-term borrowing covered 85.33% in 2022, 83.04% in 2023, and 65.98% in 2024.

Besides, from 2023 to 2024, an increase of 25.47% in total liabilities was contributed by the recorded deferred revenue of LAK8,635,769,765 from the share sale of Lao Culture Tourism Public Group Company to Yunnan Qianhan Technology Company Limited

In 2022, 2023, and 2024, Debt to Equity ratio (D/E) was at 0.31x, 0.31x and 0.32x, respectively, and Return to Assets (ROA) was at 0.23x, 0.24x and 0.24x, respectively.

1) Short-term borrowings

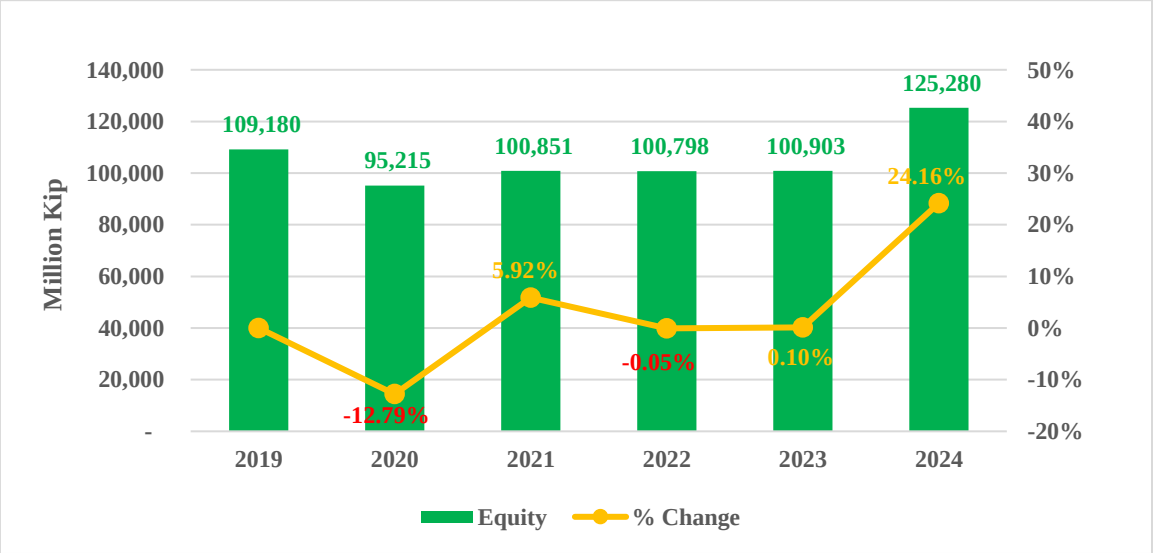
Over 3 consecutive years, LCS's short-term borrowings remained relatively stable. In 2022, 2023, and 2024, short-term borrowings were at LAK26,349,120,000, LAK26,330,955,000, and LAK26,248,421,223 respectively; or equivalent to 20.01%, 19.86% and 15.90% of total liabilities and owner's equity. The short-term borrowings were financially supported by North Nongchan Complex Development Co., Ltd. (the parent company of Vientiane Center Public Company) for the purchase of shares in Vientiane Center Lao Public Company, in accordance with the IPO underwriting service contract.

2) Payables to Customers

In 2022, 2023 and 2024, LCS's account payables covered 4.48%, 3.06% and 3.38% of total liabilities and owner's equity, respectively. Payables to customers were reported at around 4 billion kip of which are brokerage service-related transactions.

3) Owners' equity analysis

Figure 19 Trend of owners' equities from 2019-2024



Due to the impact of the COVID-19 pandemic since 2020, LCS's business operations faced significant challenges, resulting in accumulated losses from 2020 to 2022, before returning to accumulated operating profits in 2023. In 2021, 2022, and 2023, LCS's total owners' equity amounted to LAK100,850,870,453, LAK100,797,701,475, and LAK100,902,797,457, respectively. The return on equity (ROE) was -1.51% in 2021, increased to 5.60% in 2022, and decreased to 1.52% in 2023. Nevertheless, equity growth has remained stable over the 3 consecutive years and shows an upward trend based on future business plans, aimed at achieving sustainable business revenue targets and generating sustainable returns for investors.

In 2024, equity value of LCS increased to 24.16% to LAK125,279,835,685. The increase is contributed by a considerable increase in retained earnings of 56,415.27% from LAK18,060,214 in 2023 and LAK10,206,778,619 in 2024.

2. Financial ratio analysis

From **Table 28** regarding financial ratios, the summary is as follows:

1) **Profitability:** Overall, LCS's profitability from 2022 through 2024 has improved, as evidenced by higher ratios in EBIT margin, net profit margin, return on equity (ROE), and return on assets (ROA).
2) **Liquidity:** LCS maintains good liquidity, as demonstrated by current ratios exceeding 1 in each year.
3) **Asset utilization efficiency**: the LCS's total asset turnover ratio is not high, however it shows an improving trend. When considering fixed asset turnover, the utilization of fixed assets in business operations demonstrates reasonable efficiency.
4) **Debt coverage capability:** LCS's capital structure management is at a satisfactory level, as evidenced by low debt-to-equity and debt-to-total assets ratios. Additionally, the Company maintains a relatively high debt and interest coverage ratio.

The following table shows key financial ratios comparing LCS with the industry averages of securities companies listed on the Vietnamese and Thai stock exchanges in 2024.

Table 36 The comparison of key financial ratios in 2024

Key Financial Ratios		LCS	The Average of Industry	
			Vietnam	Thailand
		2024	2024	2024
Profitability Ratios				
Earnings Before Interest, Tax, Depreciation and Amortization margin (EBITDA margin)	(%)	73.32	-	30.13
Earnings Before Interest and Tax margin (EBIT margin)	(%)	72.44	30.95	24.67
Net profit margin	(%)	71.63	17.00	10.97
Return on Equity (ROE)	(%)	10.01	6.95	4.58
Return on Asset (ROA)	(%)	7.61	3.27	1.43
Liquidity Ratio				
Current ratio	(x)	1.80	-	8.06
Assets Efficiency Ratios				
Total assets turnover ratio	(x)	0.11	0.14	0.17
Fixed asset turnover ratio	(x)	12.69	59.23	18.22
Capital Structure Ratios				
Debt to equity ratio	(x)	0.32	1.03	1.07
Debt to total assets ratio	(x)	0.24	0.40	0.37
Debt to EBITDA ratio	(x)	3.43	-	(4.22)
Interest coverage ratio	(x)	90.44	6.77	17.30
Interest-bearing debt to EBITDA ratio	(x)	2.27	-	5.60

From **Table 36** above, the key points can be summarized as follows:

1) **Profitability:** LCS's profitability ratios are generally favorable when compared to the industry averages of securities companies in both countries. However, the return on equity is below industry average, primarily due to high administrative expenses and unrealized losses in the fair value of short-term securities investments.

2) **Liquidity:** LCS is able to maintain a good liquidity ratio between current assets and current liabilities, with a continuously upward trend.

3) **Asset Utilization Efficiency:** LCS's asset utilization for business profit generation is favorable when compared to the industry averages of securities companies in both countries, particularly in terms of efficient and effective utilization of existing fixed assets.

4) **Debt Coverage Capability:** LCS's capital structure management is well managed, as evidenced by debt-to-equity and debt-to-total assets ratios being lower than the securities industry averages. Additionally, LCS demonstrates capability to pay interest from EBITDA when compared to its existing debt and financial liabilities.

Part II
Information of Shares Issuance

1. Description of Share

This part presents information related to the Company's shares and shareholders' rights, in accordance with the Company's regulations and relevant laws of the Lao PDR.

1.1. General Information

The Company has transformed from a limited company into a public company with limited liability under the laws of Lao PDR. On the date of transformation, the Company had 3 shareholders who held 100 percent of the registered capital. Subsequently, according to the resolution of the Extraordinary General Meeting of Shareholders I/2024 of Lao-China Securities Public Company, it was resolved to increase the Company's registered capital by 111,111,200 shares with a par value of LAK100 per share, or an increase up to LAK11,111,120,000. This increased the registered capital from the original LAK 100,000,000,000 to an amount up to LAK111,111,120,000, and the number of shares from the original 1,000,000,000 shares up to 1,111,111,200 shares. The issuance of additional ordinary shares amounts to 111,111,200 shares, or approximately 10% of total shares after the capital increase, in accordance with the shareholders' meeting that approved the issuance of additional ordinary shares up to 111,111,200 shares.

In principle, the Company is governed by the Article of Association of the Company and relevant provisions of Enterprise Law.

1.2. Capital

The Company's registered capital as stipulated in this prospectus is LAK100,000,000,000, consisting of 1,000,000,000 shares, with each share having a par value at LAK100.

After the IPO, the underwriter shall propose to list all shares of the Company on LSX. The Company expects that this proposal will be approved for the implementation, and the qualification of the Company complies with LSX’s regulation.

1.3. Limitations for foreign shareholders

The law of Lao PDR imposes restrictions on the number of shares that foreign investors may acquire and hold. According to the Decision on the management of securities trading for foreign investors in Lao PDR (Amended) No. 13/LSC, dated 10 June 2021, mentioned that foreign investors can hold shares at ratios as specified in the LSC regulations as defined in Article 10 securities holding ratio, with details as follows:

1. As prescribed in the laws and regulations of other relevant sectors;
2. As determined by the resolution of shareholders' meeting of the issuer or listed company;
3. As determined by the LSCO on a case-by-case basis.

1.4. Shareholders' meeting

According to the Company's article of association, the Company must hold shareholders' meetings at least once per year. A quorum for any shareholders' meeting requires the presence of at least two shareholders or their proxies, holding more than 70% of the total ordinary shares. The timing of regular meetings follows the Company's article of association. After listing on LSX, the Company must comply with LSCO and LSX regulations, as well as other relevant laws.

The Company's Board of Directors may call an extraordinary general meeting of shareholders when it is necessary to obtain shareholders' resolutions, which can be requested by shareholders or more than half of the executive managing directors (as specified in the Enterprise Law) or organized by court order. Meeting invitation notices should be delivered directly or through other appropriate methods to all company shareholders at least 5 business days before the meeting date, or as required by relevant laws.

1.5. Voting rights

Generally, shareholders have voting rights based on the principle of one share, one vote. Shareholders' meeting resolutions are approved when they receive a majority vote from the shareholders' meeting. However, specific matters require approval by at least 70% of shareholders or their proxies attending the meeting and collectively holding more than 80% of the total paid-up shares. The specific matters requiring special shareholder resolutions are as follows:

- Voting on matters specified in the Enterprise Law;
- Amendments to the Company's article of association or articles of incorporation;
- Increase or decrease of the Company capital;
- Merger or dissolution of the Company;
- Sale or transfer of all or substantial parts of the Company's business to other persons;
- Purchase or acceptance of business transfer from other companies;
- Purchase, sale, or transfer of assets amounting to 50% or more of total assets.

According to the Enterprise Law, shareholders may be prohibited from voting on any matters in which they are directly or indirectly involved in benefits. The determination of whether a shareholder falls within this scope or is subject to such restrictions is decided by the participating members in the shareholders.

1.6. Dividend payment

The Company has a dividend policy to distribute no less than 50% of the net profit, as reported in the Company's financial statements, after allocating to statutory reserves. However, such dividend distribution will depend on future investment plans, necessities, and other relevant considerations. The Board of Directors shall recommend the annual dividend payment for shareholders' consideration and approval at the shareholders' meeting. An exception exists for interim dividend payments, whereby if the shareholders' meeting has granted authorization to the Board of Directors, the Board may approve interim dividend payments. In such cases, the Board must report these interim dividend payments to shareholders for acknowledgment and approval at the subsequent shareholders' meeting.

1.7. Pre-emptive rights and additional public offering of ordinary shares

The listed company on LSX will be exempt from its obligations under the Enterprise Law regarding shareholders' preemptive rights when selling additional shares for increase in the Company's registered capital.

According to the Enterprise Law, the Company must convene a shareholders' meeting to consider and approve any increase in the Company's registered capital. The capital increase must be registered with the Ministry of Industry and Commerce within 10 business days from the share subscription payment date. Furthermore, after registering the capital increase, the Company must notify the public within 10 business days from the date of capital increase registration.

1.8. Liquidation rights

In the event of liquidation, any remaining assets after complete settlement to creditors shall be distributed among shareholders in proportion to their shareholding.

1.9. Shareholder register book

The Company shall record the name and surname, address, and nationality of shareholders in the shareholder register book (hereinafter referred to as the "Shareholder Register Book"). However, after the Company is listed on LSX, the registration of shareholders will be conducted in accordance with the regulations of the LSC and/or relevant regulators.

1.10. Financial statements disclosure

The Enterprise Law requires the Board of Directors shall cooperate with external auditors by providing clarity regarding the sources, accuracy of figures, and information reported in the Company's financial statements before submitting to the shareholders' meeting for approval. The Company's financial statements must be certified by an auditor and approved by the shareholders' meeting.

In addition, according to the Decision on Reporting and Disclosure of Information of Securities Issuing Companies and Listed Companies (Amended) No. 15/LSC, dated 11 December 2024, defined that the Company shall prepare and submit audited annual financial statements and audited quarterly financial statements to the LSC. Additionally, the Company must comply with other requirements set by LSX.

Under the Decision on Reporting and Disclosure of Information of Securities Issuing Companies and Listed Companies (Amended Version) No. 15/LSC, dated December 11, 2024, defined that regular reporting and information disclosure are required on a quarterly, semi-annual, and annual basis as follows:

- Quarterly reporting and information disclosure for Q1 and Q3 to the LSC must be made within 45 days from the end of Q1 and Q3 respectively. The quarterly reports must include financial statements certified by the Company's accounting department, internal audit department, and the chief executive director.
- Semi-annual reporting and information disclosure for the first six months must be submitted to the LSC within 60 days from the end of Q2. The semi-annual report must include financial statements that have been reviewed by an auditing firm approved by the LSC and endorsed by the Company's Board of Directors.
- The report shall include the summary of the Company's business operation for the year and the financial statements which have been examined by an independent

auditor approved by the LSCO and have been accepted by the shareholders' meeting. Such annual financial statements shall also include the Company's information for the fourth quarter.

- Annual reporting and information disclosure must be submitted to the LSC within 120 days after the end of the fiscal year. The annual report must include the Company's annual report and financial statements that have been audited by an auditing firm approved by the LSC and endorsed by the Company's shareholders' meeting.

2. Shares transfer restrictions

According to the Enterprise Law (Amended) No. 33/NA, dated 29 December 2022, article 186 on Share Transfer stipulates that the promoters of public companies are prohibited from transferring all of their shares within 2 years from the date of enterprise registration as a public company.

Additionally, if the Company is listed on LSX, according to the Regulation on Share Listing on the Lao Securities Exchange No. 007/23/LSX, dated 12 September 2023, major shareholders and their related parties are restricted from transferring all of their shares within 6 months from LSX listing date.

3. Shares Offering price determination

From surveys and data collection of average Price-to-Earnings (P/E) ratios of securities companies in secondary markets of neighboring countries such as China, Thailand, and Vietnam, the ratios are 31.04, 22.66, and 17.81 times respectively.

According to the Decision on Share Price Determination for Companies Intending to Issue Shares (Amended) No. 28/LSC, dated 29 March 2022, which serves as a reference for calculation, the share price calculation method using the Price-to-Earnings (P/E) ratio should not exceed 16 times as shown in the table below:

Table 37 The determination of shares offering prices

Before IPO				
Net Profit 2024 (LAK)	**Par Value (100 LAK/Share)**	**Earning Per Share (LAK)**	**IPO Price (LAK)**	**P/E (x)**
11,320,798,228	No. of Share 1,000,000,000	11.32	130	11.48
After IPO				
Net Profit 2024 (LAK)	**Par Value (100 LAK/Share)**	**Earning Per Share (LAK)**	**IPO Price (LAK)**	**P/E (x)**
11,320,798,228	No. of Share 1,111,111,200	10.19	130	12.76

4. Initial public offering of shares

4.1. Public offering

The initial public offering of shares to both domestic and foreign public investors will be distributed through the underwriter and selling agent.

The initial public offering of ordinary shares amounts up to 111,111,200 shares in total, which will be offered to both domestic and foreign public investors with details as follows:

Table 38 Share Issuance Proportion for Investors

Investors	Proportion (%)	No. of Share	Condition
Public investors	10	111,111,200	Price LAK130 Subscription Period From 01 April to 03 April 2025

The issuance of IPO shares had already been registered with LSCO.

4.2. Information of Underwriter

4.2.1. Underwriter

BCEL-KT Securities Company Limited was established in 2010 and was one of the first companies to receive a license from the LSCO to operate all types of securities business operations in Lao PDR. Additionally, the Company was one of the first members of LSX and is recognized as a leading company in the securities business of Lao PDR.

BCEL-KT Securities Company Limited is a joint venture between Banque Pour Le Commerce Exterieur Lao Public (BCEL) and Krungthai XSpring Securities Company Limited (KTX). BCEL is the leading, trustworthy, and largest commercial bank in Lao PDR, which has been providing various banking services since 1975, including: deposits, loan, issuance of bank guarantees, and others. Currently, BCEL has 1 head office, 19 branches, 99 service units, and correspondent relationships with more than 100 banks worldwide. KTX is one of Thailand's leading securities companies with over 30 years of experience in providing services such as: brokerage, financial advisory, and securities underwriting services across various business sectors including banking, finance, manufacturing, insurance, telecommunications, electronics, mining, industrial and chemical, construction, and others.

BCEL-KT Securities Company Limited provides various securities-related services, including: financial advisory, securities underwriting, and brokerage. Currently, the Company holds the largest market share in terms of trading value and has the largest investor base in Lao PDR. Furthermore, the Company has a highly experienced team of brokers and a highly experienced financial advisory team that is recognized from both domestically and foreign customers.

Office Location:	That Luang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR
Tel:	(856-21) 265 477
Fax:	(856-21) 265 488
Website:	www.bcel-kt.com

4.2.2. Selling Agent

Details of selling agent are as below:

No	Name	Location	Contact
1	LDB Securities Sole Co., Ltd	Souphanouvong Road, Sihom Village Chanthabouly District, Vientiane Capital	Tel: (856-21) 54886648 Fax: (856-21) 224001-3 Website: www.ldb-s.com.la

4.2.3. Settlement Bank

Banque Pour Le Commerce Exterieur Lao Public (BCEL), as the representative bank for settlement of the Underwriter, investors in Lao PDR and overseas can open a bank account in Lao currency with the settlement bank to subscribe the ordinary shares for this offering. Please see the details below:

Table 39 Settlement bank

No	Name	Location	Contact
1	Banque Pour Le Commerce Exterieur Lao (Head Office)	No01, Pangkham Street, Ban Xiengnheun, Chanthabouly District, Vientiane Lao PDR	Tel: (85621) 213200-1, 223243-4, 217899, 222495 Fax: (85621) 213202, 223012, 214944 Email: bcelhovt@bcel.com.la, bcelhqv@bcel.com.la PO. Box: 2925 Swift Code: COEBLALA
2	Champasak Branch	No11 Phatthana Lakmeung Village, Pakse District Champasak Province.	Tel: (856-31) 213207 Fax: (856-31) 213206 PO. Box: 789 Swift Code: COEBLALA
3	Phongsaly Branch	Phoufa Street, Chommeuang Village, Phongsaly District, Phongsaly Province.	Tel: (856-88) 210224 Fax: (856-88) 210221 Email: bcelpsl@bcel.com.la Swift Code: COEBLALA
4	Luang Prabang Branch	Kaisone Road, PhonPheang Village, Laungprabang District, Laungprabang Province	Tel: (856-71) 252814 Fax: (856-71) 260598 Email: bcellpb@bcel.com.la PO. Box: 534 Swift Code: COEBLALA
5	Xaybuly Branch	Kaisone Rd, Simeuang Village, Sayyabouly District, Sayyabouly Province.	Tel: (856-74) 260038 Fax: (856-74) 211318 Email: bcelxyb@bcel.com.la Swift Code: COEBLALA
6	Khammouan Branch	Vientiane Road. Chomthong Village, Thakhek District Khammouane Province.	Tel: (856-51) 212689, 212688 Fax: (856-51) 211318, 211409 Email: bcelkmn@bcel.com.la Swift Code: COEBLALA

No	Name	Location	Contact
7	Xiangkhuang Branch	No.7 Rd, Phonesavanhtai Village, Paek District, Xiengkhuang Province.	Tel: (856-61) 213297 Fax: (856-61) 213293 Email: bcelxkh@bcel.com.la
8	Dongdok Branch	13 North Street, Khamhoung Village, Xaythany District, Vientiane Capital	Tel: (856-21) 771495 Fax: (856-21) 771496 Email: bcelddb@bcel.com.la
9	Vientiane Capital Branch	Route ASEAN, thongkhankham Village, Chanthabouly District, Vientiane Capital	Tel: (856-21) 21322025 Fax: (856-21) 219765 Email: bcelvtc@bcel.com.la Swift Code: COEBLALA
10	Bolikhamxay Branch	13 south Road,Phonxay Neua Village, Paksan District, Bolikhamxay Province	Tel: (856-54) 280112 Fax: (856-54) 790918 Email: bcelblx@bcel.com.la Swift Code: COEBLALA
11	Bokeo Branch	R3 Road, Oudom Village, Huaysay District, Borkeo Province	Tel: (856-84) 212162 Fax: (856-84) 212162 Email: bcelbok@bcel.com.la
12	Vang Vieng Branch	Kangmeuang Street, Sawang Village, Vangvieng District, Vientiane Province	Tel: (856-23) 511434 Fax: (856-23) 511433 Email: bcelvv@bcel.com.la Swift Code: COEBLALA
13	Savannakhet Branch	Latsavongseuk Road, Sunantha Village, Kaisonphomvihan District, Savannakhet Province.	Tel: (856-41) 212261 Fax: (856-41) 212723 Email: bcelsvn@bcel.com.la Swift Code: COEBLALA
14	Salavan Branch	No.15A Rd, NalekVillage, Salavan District, Salavan Province	Tel: (856-34) 212016 Fax: (856-34) 212037 Email: bcelslv@bcel.com.la Swift Code: COEBLALA
15	Houaphanh Branch	Phathee Street, Phanxay Village, Samneua District, Houaphanh Province.	Tel: (856-64) 312178 Fax: (856-64) 312090 Email: bcelhpn@bcel.com.la
16	Attapeu Branch	Road 16i, Phonsawang Village, Samakixay District, Attapue Province.	Tel: (856-36) 210062-0, 211929 Fax: (856-36) 211939, 210063 Email: bcelatp@bcel.com.la
17	Oudomxay Branch	North No13 Road, Navannoi Village, Xay District, Oudomxay Province.	Tel: (856-81) 211260 Fax: (856-81) 212234 Email: bcelodx@bcel.com.la Swift Code: COEBLALA

No	Name	Location	Contact
18	Sekong Branch	No.16 Rd, Maihuameuang Village, Lamam District, Sekong Province.	Tel: (856-38) 211689 Fax: (856-38) 211689 Email: bcelsek@bcel.com.la Swift Code: COEBLALA
19	Phonehong Branch	No 13 North Road, Phonehong Village, Phonehong District, Vientiane Province	Tel: (856-23) 212171 Fax: (856-23) 212173, 212178 Email: bcelhqv@bcel.com.la Swift Code: COEBLALA

The Underwriter may consider a change or increase in the number of selling agents according to the conditions and appropriateness.

4.2.4. Terms of Underwriting

The Company has appointed an underwriter to handle the share subscription and payment for a total of 111,111,200 (one hundred eleven million, one hundred eleven thousand, two hundred) shares, with each share having a par value of LAK100 (one hundred) per share, under a Best Effort Underwriting arrangement. The underwriting of the Company's share issuance must comply with the terms and conditions specified in the underwriting agreement.

4.3. Estimated Expenses

The Company will pay the underwriting fees directly to the underwriter, while the selling agents will receive partial commission from the underwriter. The total expenses, excluding the underwriting fees shall be paid mostly by the Company, is estimated to be approximately LAK661,800,445 (six hundred sixty-one million, eight hundred thousand, four hundred forty-five LAK).

5. Procedures and Methods of Share Subscription

5.1. Procedures for Obtaining the Prospectus and Share Subscription Forms

Investors can obtain the prospectus through the Company's website, securities companies, and LSX. The subscription forms are available at the office of BCEL-KT Securities Company Limited, Thatluang Lake Special Economic Zone, Phonethan Village, Saysettha District, Vientiane Capital, Lao PDR, and at each branch of the settlement bank or the selling agent between 8:00 AM and 3:00 PM from 01 April to 03 April 2025 (hereinafter referred to as the "Subscription Period").

5.2. Share Subscription Methods

Investors can obtain subscription forms from the underwriter and the selling agent during the subscription period specified in this prospectus. investors must fully and clearly fill the subscription form, with authorized signatures and company seal (if applicable), and must make payment according to the specified procedures.

Share subscriptions must be for a minimum of 100 shares and in multiples of 100 shares thereafter, such as: 100 shares, 200 shares, 300 shares, etc.

Investors must fully and clearly fill all information on the subscription form and submit all documents required by the underwriter or the selling agent, along with full payment of the total value of subscribed shares within one transaction during the subscription period, via bank transfer to the account specified in the subscription form, and

ensuring the underwriter or the selling agents can collect the funds within the last day of the subscription period.

The following documents must be submitted to BCEL-KT Securities Company Limited or the selling agent within the date and time specified in this prospectus: (1) Subscription form, (2) Identity verification documents, (3) Proof of fund transfer.

Required Document for Identity Verification:

- Domestic investors: Copy of ID card or family book
- Foreign investors: Copy of passport
- Letter of attorney from subscriber: in case there is a third person to be a subscriber's representative
- Entity or institutional investors: Copy of enterprise registration certificate and copy of ID card or passport of the authorized person

The underwriter or the selling agent receiving the share subscription shall issue a confirmation letter as evidence of the share subscription to subscribers and shall notify subscribers of share allocation results after the end of the subscription period.

5.3. Subscription Payment Methods

Each investor must pay the full subscription amount to the underwriter or the selling agent either through specified bank account in the subscription form.

Investors shall be responsible for any bank fees or expenses related to foreign currency exchange rates, which must be paid separately from the share subscription payment, and submit the proof of such payments to the underwriter or the selling agent on the day of share subscription confirmation. Once investors have paid for their share subscription, the subscription cannot be cancelled.

6. Shares Allotment

6.1. Share Allotment Principles

After the underwriter or the selling agent has already completed the share subscription process according to procedures and regulations, the allotment of shares to investors will proceed, which is expected to be completed within 10 business days after the end of the share issuance period. To ensure the rights and maximized benefits of both the Company and investors, the underwriter has the right to consider allocating shares to any or all investors using either the "first-come, first-served" method or "pro-rata basis" (in case of oversubscription). However, shares must be allocated in accordance with relevant regulations to meet the listing requirements of LSX. Nevertheless, the underwriter or the selling agent reserves the right to reject share subscriptions and the allocation of issued shares according to the subscription form in cases where the underwriter determines that such share subscriptions have problems, obstacles, or limitations in execution, in order to ensure the success of this share issuance. In the event that all offered shares are fully subscribed before the specified deadline, the underwriter may close the subscription period earlier than scheduled.

6.2. Refund of Subscription Money Settlement in Case of Non-Allotment of Shares

According to the Decision on Share Issuance (Revised) No. 13/LSC, dated 11 December 2024, Article 22 regarding Refund of deposits, indicated that in cases where investors do not receive all or part of their share subscription allotment, the underwriter or the selling agent shall refund the entire money settlement or remaining portion to the investors who subscribed the shares within 5 working days from the end of the share issuance period.

In the event of an overdue refund period, the underwriter shall pay interest to the share subscribers at the savings deposit interest rate of the underwriter's correspondent bank during that period until the refund amount is fully paid to the share subscribers.

7. Share Delivery

The registrar shall deposit the newly issued shares into the securities accounts of subscribers at the Securities companies that are members of LSX Securities Depository Center, as notified by subscribers in their subscription forms. The shares will be registered and deposited with LSX Securities Depository Center.

8. Share Distribution Plan and Use of Proceed from IPOs

The underwriter or the selling agent has entered into an underwriting agreement where the Company has agreed to procure subscribers to register and purchase 111,111,200 shares (one hundred eleven million, one hundred eleven thousand, two hundred) with a par value of LAK100 per share (one hundred). The underwriter or the selling agent shall underwrite the issuance of the offered shares according to the terms and conditions of the share underwriting agreement.

The underwriter or the selling agent will cooperate with selling agents to distribute newly issued shares amounting to 111,111,200 shares (one hundred eleven million, one hundred eleven thousand, two hundred) to both domestic and foreign general investors, in accordance with their respective countries' laws, without requiring any additional document submissions.

The underwriter is responsible for distributing the newly shares that are issued and listed on LSX, subject to legal conditions including share validation and other conditions specified in the share underwriting agreement, such as document verification by the underwriter's staff. The underwriter reserves the right to withdraw, cancel, or modify their share offering and reject all or part of share subscriptions within the scope permissible under the Law on Securities and other relevant laws of Lao PDR.

Part III
Certification of Information Accuracy

1. Certification of information accuracy by the Company

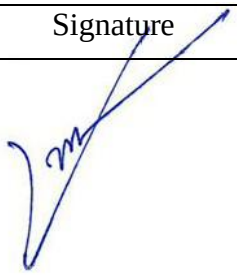
I have carefully reviewed the information in the Lao language prospectus in my capacity as chairman of the board of directors. I hereby certify that such information is accurate and complete.

In this regard, as evidence that all documents are the same set that I have certified, I have authorized Mr. Li Lin, as General Director, to sign every page of this prospectus. If any document does not bear the signature of Mr. Li Lin, I shall consider that document as not having been certified by me for accuracy.

Signed by the Chairman of the Board of Directors of Lao-China Securities Public Company

No	Name and Surname	Designation	Signature
1	Mr. Nooxay Poomsuwan	Chairman	

Signed by the Internal Audit Department

No	Name and Surname	Designation	Signature
1	Mr. Viengsavanh Xaygnaraj	Chief of Internal Audit Department	

Signed by the accounting and finance department

No	Name and Surname	Designation	Signature
1	Ms. Boubphathip Vongdoaungchanh	Chief of accounting and finance department	

Authorized person

No	Name and Surname	Designation	Signature
1	Mr. Li Lin	General Director	

2. Certification of information accuracy by the financial advisor

This prospectus is a part of Initial Public Offering application documents of Lao-China Securities Public Company submitted to LSCO. This prospectus has been jointly prepared by the Lao-China Securities Public Company and BCEL-KT Securities Company Limited, under the financial advisory contract for the Initial Public Offering and listing on the Lao Securities Exchange.

I hereby certify that the analysis, interpretation, and words definition in this prospectus are accurate and complete based on the information provided by Lao-China Securities Public Company.

Signed by BCEL-KT Securities Company Limited

No	Name and Surname	Designation	Signature
1	Mr. Thepsavanh Kitignavong	Managing Director	

3. Certification of information accuracy by the underwriter

This prospectus is a part of Initial Public Offering application documents of Lao-China Securities Public Company submitted to LSCO. This prospectus has been jointly prepared by the Lao-China Securities Public Company and BCEL-KT Securities Company Limited, under the underwriting contract for the Initial Public Offering and listing on the Lao Securities Exchange.

I hereby certify that the analysis, interpretation, and words definition in this prospectus are accurate and complete based on the information provided by Lao-China Securities Public Company.

Signed by BCEL-KT Securities Company Limited

No	Name and Surname	Designation	Signature
1	Mr. Thepsavanh Kitignavong	Managing Director	

Subscription Form for the Initial Public Offering (IPO) of Lao-China Securities Public Company

Initial Public Offering for 111,111,200 shares with a par value of LAK100 at the offering price of LAK130 per share
(Each subscriber must subscribe in a minimum of 100 shares and in multiples of 100 shares)

Subscription Date: _____ /_____/ 2025 **Subscription No:**_____

Subscriber please clearly fill in the spaces below

Full Name (In English) _____ Securities A/C No. _____

Document Required ( ) ID Card ( ) Alien Card ( ) Passport ( ) Company Registered No. _____

Nationality_____ Date of Birth _____ Occupation _____

address _____ Country _____

Telephone _____ Mobile Phone _____ Email _____

I/We hereby subscribe for and request allotment of new ordinary shares of Lao-China Securities Public Company as follows:

No. of share subscribed (share)	Offering Price (LAK/share)	Amount Due (LAK)	Amount in Words (LAK)
	130		

Money settlement to: Banque Pour Le Commerce Exterieur Lao (BCEL) as the following bank accounts:

Acc. Name: **BCEL-KT SECURITIES COMPANY LIMITED FOR LCS IPO** Acc. No: **0101100443664** Currency: LAK, Value: _____ LAK

BCEL Address: No. 1, Pangkham Street, VTE, LAO PDR. **SWIFT Code: COEBLALA**

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a share certificate in the name of "Settlement and Depository Department" for the allotted shares and arrange further to _____to deposit the said Shares with Securities Depository Center for my/our Securities

Securities A/C name:_____(Must be the same as Securities account name), Securities A/C No: _____

If I/we have not been allotted the Share or have been allotted lower than the subscribed amount, I/we agree to have the payment or excess payment returned to me/us by deposit into my/our account as the following information:

□ Deposit to my/our account at Bank: _____, Branch:_____, A/C No:_____.

(**Note**: Bank charges or any other expense will be deducted from the refund amount to the subscriber).

I/We hereby undertake to subscribe the above ordinary shares as allotted to me/us and shall not cancel this offering subscription including acceptance of fund return in the case that my/our subscription is to be refused because of incompletion of documents as required by the Company or any other reasons.

Signature of Subscriber _____

Full Name _____

** Please be aware that there is risks involved in stock investment and make sure you have thoroughly studied all information before deciding on the share subscription*

>>> For staff use only>>>	Checker: _____ Date _____ /_____ /_____	Input: _____ Date _____ /_____/_____

✂----------

Subscription Receipt of the IPO of Lao-China Securities Public Company (Subscriber please also fill out this portion)

Subscription Date: _____/_____ / 2025 Subscription No:_____
Evidence of subscription payment from (Full name of subscriber) _____ for the subscription of IPO of

Lao-China Securities Public Company Amount _____share, Offering Price: **LAK130**/share, Total value:_____LAK,

Amount in words: _____, Money settlement date _____/_____/ 2025 has been submitted and duly received.

If the shares are allotted to me/us, I/we hereby agree to the underwriter to issue a shareholding certificate in the name of "Lao Securities Depository Center" for the allotted shares and arrange further to_____, my/our Securities account no.: _____

Authorized by: _____

Full Name: _____

Lao-China Securities Public Company

Financial Statements

For the year ended 31 December 2024



Lao-China Securities Public Company

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Lao-China Securities Public Company

GENERAL INFORMATION

THE COMPANY

Lao-China Securities Public Company ("the Company") previously known as Lao-China Securities Company Limited is a limited company incorporated under the Law on Enterprises of Lao PDR and pursuant to Business Registration Certificate No. 0631 issued by the Ministry of Planning and Investment on 21 June 2013 and Business License No.010 issued by the Securities and Exchange Commission of Lao People's Democratic Republic (SECO) on 16 November 2013. The latest amended Business Registration Certificate No. 0010/BLO was issued by Special Economic Zone Management Board on 25 October 2024 and Business License No.043/LSCO was issued by Lao Securities Commission Office (LSCO) on 5 December 2024.

The Company was established by three shareholders: (i) Agricultural Promotion Bank and (ii) Lao Information Industry Company Limited, which were both established in Lao PDR; and (iii) Pacific Securities Company Limited which was established in the People's Republic of China, with their ownership at the Company of 41%, 20% and 39%, respectively.

The registered charter capital of the Company is LAK 100,000,000,000. As at 31 December 2024, the contributed capital of the Company is LAK 100,000,000,000.

The principal activities of the Company are to provide brokerage service, securities trading, corporate finance, securities investment advisory service, securities underwriting service, and private fund management.

The company obtained the lasted Business Registration Certificate from No. 0010/BLO, dated 25 June 2024 and amended on 25 October 2024 issue by from Special Economic Zone Management Board, in which the Company's name was changed from Lao-China Securities Company Limited to Lao-China Securities Public Company and the Company's location was changed from Lao Securities Exchange Building, 6th floor, Ban Phonthan Nuea, Kamphaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR to Thatluang Lake Special Economic Zone, Ban Phonthan, Xaysettha District, Vientiane Capital, Lao PDR.

BOARD OF DIRECTORS

The members of the Board of Directors for the year ended 31 December 2024 as at the date of this report as follow:

Name	*Title*	*Date of appointment/ resignation*
Mr. Philavanh Sophabmixay	Chairman	Appointed on 03 May 2023 Resigned on 10 May 2024
Mr. Nooxay Phoomsuwan	Chairman	Appointed on 10 May 2024
Mr. Li Changwei	Vice Chairman	Appointed on 22 Sep 2017
Mr. Zhou Kun	Director	Appointed on 05 May 2023
Mr. Zhang Hongbin	Director	Appointed on 19 Jul 2013
Mr. Somphong Bolibouth	Director	Appointed on 14 Oct 2024
Mr. Li Lin	Executive Director	Appointed on 14 Oct 2024
Dr. Southtideth Bounluxay, PhD	Director	Appointed on 27 Jan 2021 Resigned on 14 Oct 2024
Mr. Wang Wei	Independent Director	Appointed on 19 Jul 2013
Assoc. Prof. Dr. Piya Vongphit, PhD	Independent Director	Appointed on 23 May 2023
Mr. Na Chantalivong	Independent Director	Appointed on 14 Oct 2024

GENERAL INFORMATION (continue)

BOARD OF MANAGEMENT

The members of the Board of Management for the year ended 31 December 2024 as at the date of this report as follows:

Name	*Title*	*Date of appointment*
Mr. Li Lin	General Director	Appointed on 19 Jul 2013
Dr. Soutthideth Bounluxay, PhD	Deputy General Director	Appointed on 25 Feb 2020
Mr. Phongsavath Leuname	Deputy General Director	Appointed on 14 Oct 2024

LEGAL REPRESENTATIVE

The legal representative of the Company during the year ended 31 December 2024 as at the date of this report is Mr. Li Lin, General Director.

AUDITOR

The auditor of the Company is Ernst & Young Lao Co., Ltd.

Lao-China Securities Public Company

REPORT OF MANAGEMENT

Management of Lao-China Securities Public Company ("the Company") is pleased to present its report and the financial statements of the Company as at and for the year then ended 31 December 2024.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Company's management is responsible for preparing the financial statements in accordance with the accounting policies as described in Note 3 to the financial statements. In preparing the financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to assume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclosed, with reasonable accuracy at any time, the financial position of the Company and to ensure that the financial statements comply with an appropriate accounting framework. Management is also responsible for safeguarding the assets of the Company and thus taking reasonable steps for the prevention and detection of fraud and other irregularities.

Management confirmed that it has complied with the above requirements in preparing the accompanying financial statements.

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements as 31 December 2024 and for the year then ended which are prepared in accordance with the accounting policies as described in Note 3 to the financial statements.

On behalf of management:

Mr. Linh
General Director

Vientiane, Lao PDR

28 February 2025

Building a better working world

Ernst & Young Lao Co., Ltd
6th floor, Kolao Tower I, 23 Singha Road
Nongbone Village, Saysettha District
Vientiane Capital, Lao P.D.R.

Tel: +856 21 455 077
Fax: +856 21 455 078
ey.com

Reference: 11486915/68446806

INDEPENDENT AUDITORS' REPORT

To: The Owners of Lao-China Securities Public Company

We have audited the financial statements of Lao-China Securities Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2024, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements of the Company are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the financial statements in Lao PDR, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Note 3 to the financial statements which describes the accounting policies adopted by the Company. These accounting policies are not intended to present the financial position, the results of operations and cash flows of the Company in accordance with international generally accepted accounting principles. As also disclosed in Note 2 to the financial statements, the financial statements are prepared to assist the Company's management in meeting the reporting requirements of its owners. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the information and use of the Company's management and its owners and regulators should not be distributed to or used by other parties. Our opinion is not modified in respect of this matter.

Responsibilities of the Company's Management for the Financial Statements

The Company's management is responsible for the preparation of the financial statements in accordance with the accounting policies as described in Note 3 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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Auditors' Responsibilities for the Audit of the Financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young Lao Co.,Ltd

Vientiane, Lao PDR

28 February 2025

A member firm of Ernst & Young Global Limited

Lao – China Securities Public Company

STATEMENT OF FINANCIAL POSITION
as at 31 December 2024

Currency: LAK

ASSETS	*Notes*	*31 December 2024*	*31 December 2023*
A. CURRENT ASSETS		**71,466,398,822**	**72,043,682,777**
I. Cash	***4***	***5,789,133,108***	***10,753,400,152***
1. Cash on hand		-	2,981
2. Cash at bank		1,592,743,476	6,274,963,269
3. Customers' deposits		4,196,389,632	4,478,433,902
II. Current accounts receivable		***23,837,214,674***	***15,159,194,503***
1. Trade receivables	5	20,918,894,065	12,102,683,747
2. Other receivables		1,680,000,000	2,520,000,000
3. Interest receivables		1,238,320,609	536,510,756
III. Short term investments		***40,694,899,300***	***45,774,253,370***
1. Investment securities	6	28,421,563,300	23,950,293,370
2. Short Term Deposit	7	10,000,000,000	20,000,000,000
3. Held-to-maturity	12	2,273,336,000	1,823,960,000
IV. Other current assets		***1,145,151,740***	***356,834,752***
1. Other current assets	8	1,145,151,740	356,834,752
B. NON-CURRENT ASSETS		**93,594,903,560**	**60,566,238,049**
I. Fixed assets		***2,343,726,160***	***146,355,049***
1. Tangible fixed assets	9	2,341,132,363	142,858,386
2. Intangible fixed assets	10	2,593,797	3,496,663
II. Long-term investments		***91,251,177,400***	***60,419,883,000***
1. Long-term deposits	7	15,000,000,000	8,000,000,000
2. Available for sale investment	11	63,560,640,000	49,803,810,000
3. Held-to-maturity investment	12	12,690,537,400	2,616,073,000
TOTAL ASSETS		**165,061,302,382**	**132,609,920,826**

Lao – China Securities Public Company

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2024

Currency: LAK

LIABILITIES AND OWNERS	*Notes*	*31 December 2024*	*31 December 2023*
A. LIABILITIES		**39,781,466,697**	**31,707,123,369**
I. Current liabilities		***39,781,466,697***	***31,707,123,369***
1. Short-term borrowings	13	26,248,421,223	26,330,955,000
2. Deferred revenue	14	8,635,769,765	-
3. Payables to customers	15	4,196,389,632	4,478,433,902
4. Other payables		332,120,467	522,251,432
5. Employee benefits	16	368,765,610	375,483,035
B. OWNERS' EQUITY		**125,279,835,685**	**100,902,797,457**
I. Capital		***125,279,835,685***	***100,902,797,457***
1. Contributed charter capital	17	100,000,000,000	100,000,000,000
2. Retained earning		10,206,778,619	18,060,214
3. Legal reserves		2,107,500,518	975,420,695
4. Available-for-sale reserve	11	11,938,485,000	(1,117,755,000)
5. Business expansion reserve		1,027,071,548	1,027,071,548
TOTAL LIABILITIES AND OWNERS' EQUITY		**165,061,302,382**	**132,609,920,826**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

Mr. LiLin
General Director

Vientiane, Lao PDR

28 February 2025

Lao – China Securities Public Company

INCOME STATEMENT
as at 31 December 2024

Currency: LAK

ITEMS	*Notes*	*2024*	*2023*
1. Revenue		**15,805,189,364**	**12,206,286,750**
In which:			
- Commission and fee income	18	11,664,856,185	8,770,203,555
- Interest income		2,115,627,559	2,005,254,502
- Dividend income from investment in securities		1,274,985,500	590,343,700
- Net gain from sales of investment in securities		3,211,000	695,347
- Other operating income		746,509,120	839,789,646
2. Expenses		**(4,484,391,136)**	**(10,677,705,768)**
In which:			
- Commission and fee expenses	18	(1,154,240,357)	(572,505,312)
- Gain/loss in fair value of short-term investments in securities		4,471,269,930	(1,738,623,180)
- Staff cost		(3,884,638,107)	(4,027,239,721)
- Depreciation and amortization		(139,406,119)	(175,290,070)
- Interest expense		(128,128,500)	(126,117,000)
- Other operating expenses	19	(3,649,247,983)	(4,037,930,485)
3. Profit before tax		**11,320,798,228**	**1,528,580,982**
4. Profit tax expense	20	-	-
5. Net profit after tax		**11,320,798,228**	**1,528,580,982**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

Mr. L Public
General Director

Vientiane, Lao PDR

28 February 2025

Lao-China Securities Public Company

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2024

Currency: LAK

	Contributed charter capital	*Legal reserves*	*Business Expansion reserve*	*Available-for-sale reserve*	*Retained earnings / (Accumulated losses)*	*Total*
Balance as at 1 January 2023	**100,000,000,000**	**975,420,695**	**2,926,262,084**	**305,730,000**	**(3,409,711,304)**	**100,797,701,475**
Net profit for the year 2023	-	-	-	-	1,528,580,982	1,528,580,982
Utilize business expansion reserve	-	-	(1,899,190,536)	-	1,899,190,536	-
Gain in fair value of available-for-sale investment	-	-	-	(1,423,485,000)	-	(1,423,485,000)
Balances as at 31 December 2023	**100,000,000,000**	**975,420,695**	**1,027,071,548**	**(1,117,755,000)**	**18,060,214**	**100,902,797,457**
Net profit for the year 2024	-	-	-	-	11,320,798,228	11,320,798,228
Legal reserve	-	1,132,079,823	-	-	(1,132,079,823)	-
Gain in fair value of available-for-sale investment	-	-	-	13,056,240,000		13,056,240,000
Balances as at 31 December 2024	**100,000,000,000**	**2,107,500,518**	**1,027,071,548**	**11,938,485,000**	**10,206,778,619**	**125,279,835,685**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Vientiane, Lao PDR

28 February 2025

Approved by:

Mr. Li Lin
General Director

Lao – China Securities Public Company

STATEMENT OF CASH FLOWS
for the year ended 31 December 2024

Currency: LAK

ITEMS	*Notes*	*2024*	*2023*
I. OPERATING ACTIVITIES			
Profit before tax		**11,320,798,228**	**1,528,580,982**
Adjustments for:		-	
Depreciation and amortization	9,10	139,406,120	175,290,070
Interest expense		125,127,500	126,117,000
Changes in fair value of investment in securities		(4,471,269,930)	1,738,623,180
Net losses on disposal of fixed assets		(1,469,899)	(45,704,144)
Interest income		(2,115,627,559)	(2,005,254,502)
Dividend from investment in securities		(1,274,985,500)	(590,343,700)
Working capital adjustment:		-	
Net change in receivables		(7,976,210,318)	183,316,673
Net change in investment in securities		-	-
Net change in other current assets		9,211,683,012	(4,443,077,620)
Net change in payables		(472,175,235)	850,995,085
Net change in deferred revenue	14	8,635,769,765	-
Net change in employee benefits		(6,717,425)	(3,130,641)
Interest received		1,413,817,706	2,187,014,518
Tax paid	19	-	-
Net cash flows from operating activities		**14,528,146,465**	**(297,573,099)**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	9,10	(2,349,206,632)	(18,179,300)
Proceed on write off fix assets		13,899,300	57,841,122
Placements of long-term deposits		(15,000,000,000)	(23,000,000,000)
Proceeds on redemption of long-term deposit		8,000,000,000	20,000,000,000
Proceed from sale of available-for-sale investment		(700,590,000)	18,165,000
Acquisition/(Payment received) of/(from) held-to-maturity		(10,523,840,400)	4,881,402,000
Dividend received from investment in securities		1,274,985,500	590,343,700
Net cash flows from investing activities		**(19,284,752,232)**	**2,529,572,522**

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2024

Currency: LAK

ITEMS	*Notes*	*2024*	*2023*
III. FINANCING ACTIVITIES			
Repayment of borrowing		(82,533,777)	(18,165,000)
Interest paid		(125,127,500)	(126,117,000)
Net cash flows used in financing activities		**(207,661,277)**	**(144,282,000)**
Net (decrease)/increase in cash		**(4,964,267,044)**	**2,087,717,423**
Cash at beginning of year		**10,753,400,152**	**8,665,682,729**
Cash at end of year	4	**5,789,133,108**	**10,753,400,152**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

Mr. Lei Lin
General Director

Vientiane, Lao PDR

28 February 2025

1. CORPORATE INFORMATION

Lao-China Securities Public Company ("the Company") previously known as Lao-China Securities Company Limited is a limited company incorporated under the Law on Enterprises of Lao PDR and pursuant to Business Registration Certificate No. 0631 issued by the Ministry of Planning and Investment on 21 June 2013 and Business License No.010 issued by the Securities and Exchange Commission of Lao People's Democratic Republic (SECO) on 16 November 2013. The latest amended Business Registration Certificate No. 0010/BLO was issued by Special Economic Zone Management Board on 25 October 2024 and Business License No.043/LSCO was issued by Lao Securities Commission Office (LSCO) on 5 December 2024.

The Company was established by three shareholders: (i) Agricultural Promotion Bank and (ii) Lao Information Industry Company Limited, which were both established in Lao People's Democratic Republic ("Lao PDR"); and (iii) Pacific Securities Company Limited which was established in the People's Republic of China, with their ownership at the Company of 41%, 20% and 39%, respectively.

The registered charter capital of the Company is LAK 100,000,000,000. As at 31 December 2024, the contributed capital of the Company is LAK 100,000,000,000.

The principal activities of the Company are to provide brokerage service, securities trading, corporate finance, securities investment advisory service and securities underwriting-service and private fund management.

The company obtained the lasted Business Registration Certificate from No. 0010/BLO, dated 25 June 2024 and amended on 25 October 2024 issue by from Special Economic Zone Management Board, in which the Company's name was changed from Lao-China Securities Company Limited to Lao-China Securities Public Company and the Company's location was changed from Lao Securities Exchange Building, 6th floor, Ban Phonthan Nuea, Kamphaengmouang Road, Xaysettha District, Vientiane Capital, Lao PDR to Thatluang Lake Special Economic Zone, Ban Phonthan, Xaysettha District, Vientiane Capital, Lao PDR.

The Company's total number of employees as at 31 December 2024 is 21 (31 December 2023: 20).

2. BASIS OF PREPARATION

According to the Accounting Law No.46/NA dated 20 November 2023, public interest entities, including listed companies should apply International Financial Reporting Standards ('IFRS") in preparing their annual financial statements. In accordance with the Official Letter dated 27 April 2020, by the Ministry of Finance, public interest entities are allowed to delay the application of IFRS until 1 January 2026. The management is presently preparing action plan for implementation IFRSs in accordance with announcement.

As of December 31, 2024, the cumulative inflation rate in Lao P.D.R. over the past 36 months has exceeded 100%, categorizing the country as a hyperinflationary economy, according to the BOL report (https://www.bol.gov.la/en/inflation). However, the Company has not implemented any accounting policies to address the effects of hyperinflation due to the absence of specific guidance from Ministry of Finance (MOF) on this matter.

For the year ended 31 December 2024, the Company has prepared its financial statements in accordance with the accounting policies as set out in Note 3 to the financial statement. The financial statements are expressed in Lao Kip ("LAK") as it is the currency in which majority of the Company's transactions are denominated and settled.

2. BASIS OF PREPARATION (Continued)

Accompanying balance sheet, income statement, cash flow statement and their utilization are not designed for those who are not informed about accounting principles, procedures and practices described below and furthermore are not intended to present the financial position and results of operation and cash flows of the Company in accordance with international generally accepted accounting principles.

The financial statements are prepared to assist the Company in meeting the reporting requirements of its owners. As a result, the financial statements may not be suitable for another purpose and should not be distributed to or used by other parties.

Fiscal year

The fiscal year of the Company starts on 1 January and ends on 31 December.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Company in preparation of these financial statements are consistent with those used in preparation of the Company's financial statements for the year ended 31 December 2023.

3.1. Cash

Cash comprises cash on hand and cash at bank, including customers' deposits.

Cash on hand and cash at bank are highly liquid in nature and are used by the Company in the management of its short-term commitments.

Customers' deposits comprise deposits by investors for securities trading activities. The Company also recognises respective amounts payable to customers in payables to customers.

3.2. Tangible and intangible fixed assets

Tangible fixed assets consist of improvements and decorations, office equipment and furniture and motor vehicles. Intangible fixed assets consist of pre-operation costs and software. Fixed assets are stated at cost less accumulated depreciation, if any.

The cost of an asset comprises its purchase price plus any directly attributable costs of bringing the asset to working condition for its intended use.

Expenditures for additions, improvements and renewals are capitalized and expenditures for maintenance and repairs are charged to profit or loss, if any.

When assets are sold or liquidated, their cost and accumulated depreciation are removed from the statement of financial position and any gains or losses resulting from their disposal are posted to the income statement.

3.3. Depreciation and amortization

Depreciation of fixed assets are provided on the straight-line basis at prescribed rates over their estimated useful life in accordance with the Law on Income Tax No.67/NA dated 18 June 2019 stipulated by the President of the National Assembly. The following are the annual rates used:

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3. Depreciation and amortization (continued)

Improvements and decorations	10%
Office equipment and furniture	20%
Motor vehicles	20%
Software	50%

3.4. Foreign currency transactions

Transactions in currencies other than the Company's reporting currency of (LAK) are recorded at the exchange rates ruling at the date of the transaction. At the year end, monetary assets and liabilities denominated in foreign currencies are translated at inter-bank exchange rates ruling at the reporting date. All realised and unrealised foreign exchange differences are recognized to the income statement.

3.5. Trade receivables

Trade receivables are recorded at cost. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original term of the receivables. The amount of the provision is the difference between the carrying amount and the recoverable amount, being the management's best estimates of the amount to be recovered.

3.6. Held-for-trading securities

Held-for-trading securities are mainly investments in listed shares. All listed shares are initially recognized at cost and subsequently presented at market value. Any changes in market value of listed shares are recognized to the income statement.

3.7. Available-for-sale securities

Available for sale investments include equity securities which are not classified or designated as held-for-trading.

After initial measurement, available for sale financial investments are subsequently measured at fair value.

Unrealised gains and losses are recognized directly in the "Available-for-sale reserve" in equity. When the investment is disposed of, the cumulative gain or loss previously recognized in "Available-for-sale reserve" is transferred to retained earnings. Dividends earned while holding available-for-sale financial investments are recognized in the income statement as 'Dividend income from investment in securities' when the right of the payment has been established.

3.8. Held-to-maturity investments

Held-to-maturity investments include debt instrument which held within a business model whose objective is to hold assets to collect contractual cash flows.

All debt instruments are initially measured at fair value plus incremental direct transaction costs, and subsequently at their amortised cost using the effective interest method. Interests earned while holding held-to-maturity investments are recognized in the income statement as "Interest income" on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9. Revenue recognition

(i) Commission and fee income

(a) Revenue from securities brokerage services is recognized on the date of the transaction;

(b) Consultancy and advisory fee income is recognized when the relevant transactions have been arranged or the relevant services have been rendered;

(c) Underwriting fees are recognized as income when the right to receive payment is established in accordance with the terms of the placement and/or underwriting agreements.

(ii) Interest income from term deposits

Interest income from term deposits is recognized on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

(iii) Dividend income from investment in securities

Dividend income from investment in securities are recognized when the Company's right to receive payment is established, except when there is substantial uncertainty over the recoverability of income so recognized. In such instances, dividend income is recognized on a cash basis.

3.10. Profit tax

Provision is made for profit tax on the current year's profits, based on the Tax Law governing taxation within Lao PDR. The Company is obliged to pay 20% of total profit before tax in accordance with the new Law on Income Tax No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020. The Company's tax returns are subject to examination by the tax authorities. Because the application of tax laws and regulations to many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

3.11. Reserves

Legal reserve

In accordance with Article 154, Enterprise Law dated 29 December 2022, the Company is required to appropriate 10% of profit after tax each year, after deducting accumulated losses (if any) into legal reserve fund. When this reserve fund reaches 50% of the registered capital, the Company may suspend such provision, unless otherwise provided by the bylaws of the Company. This reserve fund shall only be used to recover from the losses of the Company, unless otherwise provided law.

Business expansion reserve

Business expansion reserve is created each year based on the decision of the Board of Directors.

4. CASH

	31 December 2024 LAK	*31 December 2023 LAK*
Cash on Hand	-	2,981
Cash at Bank of Lao PDR	1,000,000	1,000,000
Cash in banks	5,788,133,108	10,752,397,171
In which:		
- *Cash of the Company*	*1,591,743,476*	*6,273,963,269*
- *Cash of investors (*)*	*4,196,389,632*	*4,478,433,902*
	5,789,133,108	**10,753,400,152**

(*) the Company recognized the related of payable to investors as disclosed in Note 15.

5. TRADE RECEIVABLES

	31 December 2024 LAK	*31 December 2023 LAK*
Receivable for financial advisory fee	631,974,181	359,564,679
Receivable for underwriting fee	1,386,012,669	1,386,012,669
Receivable for agency fee	972,579,980	64,548,929
Receivable for brokerage fee	17,928,327,235	10,292,557,470
	20,918,894,065	**12,102,683,747**

6. INVESTMENT SECURITIES

	31 December 2024 LAK	*31 December 2023 LAK*
Held for trading		
Cost	38,079,575,521	38,079,575,521
Net unrealised fair value (loss)	(9,658,012,221)	(14,129,282,151)
Net book value	**28,421,563,300**	**23,950,293,370**

7. TERM DEPOSITS

	31 December 2024 LAK	*31 December 2023 LAK*
Term deposits		
Short-term deposit	10,000,000,000	20,000,000,000
Long-term deposits	15,000,000,000	8,000,000,000
	25,000,000,000	**28,000,000,000**

7. TERM DEPOSITS (continued)

Details of term deposits of the Company as at 31 December 2024 are as follows:

	Principal LAK	*Term*	*Maturity Date*	*Interest rate (% p.a)*
Lao - Viet Bank Co., Ltd	15,000,000,000	24 months	03 Apr 2026	6.32
Lao - Viet Bank Co., Ltd	2,000,000,000	3 months	21 Feb 2025	9.00
Lao China Bank Co., Ltd	4,000,000,000	24 Months	16 Mar 2025	6.30
Lao China Bank Co., Ltd	4,000,000,000	24 Months	19 May 2025	6.30
	25,000,000,000			

8. OTHER CURRENT ASSETS

	31 December 2024 LAK	*31 December 2023 LAK*
Prepaid rental expense	780,390,981	36,201,540
Prepaid insurance	97,973,409	89,772,613
Join compensation fund	136,817,050	135,920,334
Others	129,970,300	94,940,265
	1,145,151,740	**356,834,752**

9. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets for the ended 31 December 2024 are as follows:

	Improvements and decorations LAK	*Office equipment and furniture LAK*	*Motor vehicles LAK*	*Total LAK*
Cost				
As at 1 January 2024	1,029,460,690	4,108,027,095	1,256,389,000	6,393,876,785
Addition	1,995,802,979	353,403,653	-	2,349,206,632
Disposal	-	(13,899,300)	-	(13,899,300)
As at 31 December 2024	3,025,263,669	4,447,531,448	1,256,389,000	8,729,184,117
Accumulated depreciation				
As at 1 January 2024	1,000,946,991	3,993,682,408	1,256,389,000	6,251,018,399
Charge for the year	66,228,325	72,274,929	-	138,503,254
Disposal	-	(1,469,899)	-	(1,469,899)
As at 31 December 2024	1,067,175,316	4,064,487,438	1,256,389,000	6,388,051,754
Net book value				
As at 1 January 2024	28,513,699	114,344,687	-	142,858,386
As at 31 December 2024	1,958,088,353	383,044,010	-	2,341,132,363

9. TANGIBLE FIXED ASSETS *(continued)*

Movements of tangible fixed assets for the ended 31 December 2023 are as follows:

	Improvements and decorations LAK	*Office equipment and furniture LAK*	*Motor vehicles LAK*	*Total LAK*
Cost				
As at 1 January 2023	1,029,460,690	4,120,340,795	1,650,139,000	6,799,940,485
Addition	-	13,899,300	-	13,899,300
Disposal	-	(26,213,000)	(393,750,000)	(419,963,000)
As at 31 December 2023	1,029,460,690	4,108,027,095	1,256,389,000	6,393,876,785
Accumulated depreciation				
As at 1 January 2023	898,000,922	3,952,492,287	1,650,139,000	6,500,632,209
Charge for the year	102,946,069	55,266,143	-	158,212,212
Disposal	-	(14,076,022)	(393,750,000)	(407,826,022)
As at 31 December 2023	1,000,946,991	3,993,682,408	1,256,389,000	6,251,018,399
Net book value				
As at 1 January 2023	131,459,768	167,848,508	-	299,308,276
As at 31 December 2023	28,513,699	114,344,687	-	142,858,386

10. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets for the ended 31 December 2024 are as follows:

	Software LAK
Cost	
As at 1 January 2024	392,024,300
Addition	-
Disposal for the period	-
As at 31 December 2024	392,024,300
Accumulated depreciation	
As at 1 January 2024	388,527,637
Charge for the year	902,866
Disposal	-
As at 31 December 2024	389,430,503
Net book value	
As at 1 January 2024	3,496,663
As at 31 December 2024	2,593,797

10. TANGIBLE FIXED ASSETS *(continued)*

Movements of intangible fixed assets for the ended 31 December 2023 are as follows:

	Software LAK
Cost	
As at 1 January 2023	387,744,300
Addition	4,280,000
Disposal for the period	-
As at 31 December 2023	392,024,300
Accumulated depreciation	
As at 1 January 2023	371,449,779
Charge for the year	17,077,858
Disposal	-
As at 31 December 2023	388,527,637
Net book value	
As at 1 January 2023	16,294,521
As at 31 December 2023	3,496,663

11. AVAILABLE-FOR-SALE INVESTMENT

	31 December 2024 LAK	*31 December 2023 LAK*
Shares issued by Vientiane Center Lao Public Company		
Cost (*)	51,622,155,000	50,921,565,000
Net unrealised fair value gain/(loss)	11,938,485,000	(1,117,755,000)
Net book value	**63,560,640,000**	**49,803,810,000**

(*) The amount of LAK 51,622,155,000 as at 31 December 2024 comprises of:

(i) The unsold portion of 24,996,900 shares offer during the IPO of Vientiane Center Lao Public Company that the Company has purchased as part of the underwriting service agreement for the IPO. The purchase is financed by the borrowing from North Nongchan Complex Development Company Limited – the parent company of Vientiane Centre Lao Public Company (*Note 13*). As at 31 December 2024, total value the shares is LAK 26,248,421,223.

(ii) 23,155,100 shares under available for sale account. As at 31 December 2024, total value of the shares is LAK 25,373,733,777.

12. HELD TO MATURITY INVESTMENT

	31 December 2024 LAK	*31 December 2023 LAK*
Short-term investment		
Government bonds issued by MOF	2,273,336,000	823,960,000
Government bonds issued by BOL	-	1,000,000,000
	2,273,336,000	**1,823,960,000**
Long-term investment		
Government bonds issued by MOF	12,690,537,400	2,616,073,000
	12,690,537,400	**2,616,073,000**

Details of government bonds issued by MOF as 31 December 2024 are as follows:

	Principal				*Interest rate*
	Currency	*Original*	*LAK equivalent*	*Term*	*Maturity Date*	*(% p.a)*
LA100122ABB9	USD	23,000	502,757,000	5 years	29 Nov 26	7.00
LA10012226D4	USD	34,000	743,206,000	2 years	6 Jun 25	5.50
LA10012229D8	USD	50,000	1,092,950,000	2 years	12 Sep 25	5.50
LA1001222BD0	USD	20,000	437,180,000	2 years	13 Nov 25	5.50
LA10012239E5	USD	20,000	437,180,000	3 years	05 Sep 27	6.00
LA10012239E5	USD	42,000	918,078,000	3 years	19 Sep 27	6.00
LA10012297E3	USD	180,000	3,934,620,000	3 years	18 Jul 27	6.00
LA100112DEB8	THB	4,350,000	2,763,990,000	3 years	21 Nov-27	6.00
LA10011297E4	THB	3,880,000	2,465,352,000	3 years	18 Jul-27	6.00
LA10011239E6	THB	2,626,000	1,668,560,400	3 years	05 Sep 27	6.00
			14,963,873,400			

13. SHORT-TERM BORROWINGS

	31 December 2024 LAK	*31 December 2023 LAK*
North Nongchan Complex Development Co., Ltd.	26,248,421,223	26,330,955,000
	26,248,421,223	**26,330,955,000**

This is an interest-bearing borrowing to finance the shares purchased as disclosed in Note 11, with repayment based on the sales proceeds of the shares. Dividend contributed to the holding of the shares and capital gain/loss derived from the sale of the shares shall be paid as interest to lender.

14. DEFERRED REVENUE

	31 December 2024 LAK	*31 December 2023 LAK*
Deferred revenue from shares selling (*)	8,635,769,765	-
	8,635,769,765	-

(*) On 2 August 2024, the Company entered into a contract with Hengshi Chengrui Holding Yunnan Company Limited for the sale of shares in Lao Culture Tourism Public Group Company. The transaction involves a total of 6,347,700 shares, valued at 8,635,769,765 LAK. To comply with regulatory requirements and facilitate the completion of the shares transfer, Hengshi Chengrui Holding Yunnan Company Limited is required to provide the necessary foreign investment documentation by 31 March 2025.

15. PAYABLES TO CUSTOMERS

	31 December 2024 LAK	*31 December 2023 LAK*
Customers' settlement account - brokerage	4,196,389,632	4,478,433,902
	4,196,389,632	**4,478,433,902**

16. EMPLOYEE BENEFITS

	31 December 2024 LAK	*31 December 2023 LAK*
Bonus and welfare fund (*)	342,357,183	342,357,183
Payroll liabilities	26,408,427	33,125,852
	368,765,610	**375,483,035**

(*) Bonus and welfare fund was created according to the resolution of the Annual General Meeting for the year 2018 dated 16 May 2019. The appropriation to this reserve and its usage shall be based on the decision of the Board of Directors and approval of the shareholders'.

17. CONTRIBUTED CHARTER CAPITAL

	31 December 2024		*31 December 2023*	
Shareholders	*% ownership*	*LAK*	*% ownership*	*LAK*
Agricultural Promotion Bank	41%	41,000,000,000	41%	41,000,000,000
Lao Information Industry Company Limited	20%	20,000,000,000	20%	20,000,000,000
Pacific Securities Company Limited	39%	39,000,000,000	39%	39,000,000,000
	100%	**100,000,000,000**	**100%**	**100,000,000,000**

18. NET COMMISSON AND FEE INCOME

	2024 LAK	2023 LAK
Income		
Securities brokerage	11,145,524	50,408,538
Financial advisory	3,688,433,540	2,195,674,463
Selling agent	7,965,277,121	6,524,120,554
	11,664,856,185	**8,770,203,555**
Expense		
Financial Advisory	(39,722,250)	(21,781,000)
Securities underwriting	(260,337,600)	(71,594,400)
Selling agent	(849,942,586)	(479,129,912)
Other commissions from securities	(4,237,921)	-
	(1,154,240,357)	**(572,505,312)**
Commission and fee income, net	**10,510,615,828**	**8,197,698,243**

19. OTHER OPERATING EXPENSES

	2024 LAK	2023 LAK
Rental fees	1,121,070,924	2,595,768,049
External services	238,157,475	302,751,077
Business entertainment expenses	123,911,000	89,479,750
Travel expenses	319,470,056	166,137,264
Utility expenses	88,595,005	75,286,474
Insurance expenses	169,826,385	115,656,925
Postal and telecommunication expenses	37,740,629	32,491,040
Meeting and seminar expenses	349,846,112	263,776,360
Taxes and duties	9,443,000	7,146,352
Loss from foreign exchange rate	680,173,736	111,655,349
Others	511,013,661	277,781,845
	3,649,247,983	**4,037,930,485**

20. PROFIT TAX

Provision is made for profit tax on the current year's profits, based on the Tax Law governing taxation within Lao PDR. The Company is obliged to pay tax at rate of 20% on total profit before tax in accordance with the new Law on Income Tax No.67/NA dated 18 June 2019 which is effective on or after 1 January 2020.

As the Company has moved location to the Special Economic Zone, it is eligible for 2 years exemption from Corporate Income Tax (CIT) following the issuance of the updated business registration Certificate No. 0631 dated 25 June 2024.

Details of profit tax ("PT") provision for the years 2024 are as follows:

	2024 LAK	*2023 LAK*
Profit before tax for the year	**11,320,798,228**	**1,528,580,982**
Less:		
Non-taxable income	*(7,304,991,771)*	*(2,520,625,619)*
Incomes exempted from CIT	*(3,393,824,059)*	*(2,596,293,549)*
Add:		
Non-deductible expense	*2,736,329,907*	3,893,209,195
Net taxable income	**3,358,312,305**	**304,871,009**
Tax loss utilized	*(3,358,312,305)*	*(304,871,009)*
Unutilized loss carried forward	**(1,271,090,653)**	**(4,629,402,958)**
Current PT expense, at the statutory rate of 20%	-	-
Total profit tax during the year	**-**	**-**
Profit tax payable at the beginning of the year	-	-
Profit tax paid during the year	**-**	**-**
Profit tax payable at the end of the year	**-**	**-**

The Company tax payables are subject to examination by the tax authorities. Because the application of tax laws and regulations in many types of transactions is susceptible to varying interpretations, amounts reported in the financial statements could be changed at a later date upon final determination by the tax authorities.

20. PROFIT TAX *(continuous)*

Tax losses carried forward

Under the current Tax Law No.67/NA dated 18 June 2019, which is effective from 1 January 2020, the Company is entitled to carry each individual tax loss forward to offset against taxable profits arising within five years subsequent to the year in which the loss is incurred. Upon expiration of this period, any remaining losses may not be further carried forward to be deducted from profit. The detailed tax losses carried forward as at 31 December 2024 were as follows:

Originating year	*Can be utilized up to LAK*	*Tax loss amount LAK*	*Utilized in the year LAK*	*Unutilized as at the reporting date LAK*
2020	2025	(4,991,141,258)	-	(4,991,141,258)
2021	2026	(4,582,326,343)	-	(9,573,467,601)
2022	2027	-	4,639,193,634	(4,934,273,967)
2023	2028	-	304,871,009	(4,629,402,958)
2024	2029		3,358,312,305	(1,271,090,653)
		(9,573,467,601)	**8,302,376,948**	**(1,271,090,653)**

21. RELATED PARTY TRANSACTIONS

Significant balances with related parties are as follows:

Related party	*Relationship*	*Transactions*	*31 December 2024*	*31 December 2023*
Agricultural Promotion Bank	Owner	Current Account	7,525,992	2,339,233
	Owner	Saving Account	393,791,338	169,415,240
			401,317,330	**171,754,473**

22. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 December 2024 that requires adjustment or disclosure to be made in the financial statements.

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

Mr. Li Lin
General Director

Vientiane, Lao PDR

28 February 2025

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