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Lao-China Securities Public Company

The Business Performance Report of LCS for the First Six Months of 2026

Lao-China Securities Public Company (LCS), 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 a registered capital of LAK 100 billion, comprising 10,000,000 shares with a par value of LAK10,000 per share. The Company operates as a full-service securities firm, providing ❶ financial advisory service, ❷ securities brokerage service, and ❸ securities underwriting service.

LCS transformed from a limited company to a public company with a registered capital of LAK100 billion, now structured as 1,000,000,000 shares with a par value of 100 kip per share. The Company's ownership is distributed among three shareholders:

- Agricultural Promotion Bank (APB) holds 410,000,000 shares equivalent to 41%, with a value of LAK41 billion.
- Pacific Securities Company Limited (The Pacific Securities) holds 390,000,000 shares equivalent to 39% (thirty-nine percent), with a value of LAK39 billion.
- Lao Information Industry Company Limited (LII) holds 200,000,000 shares equivalent to 20%, with a value of LAK20 billion.

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.

LCS successfully completed an initial public offering (IPO) and was officially listed on the Lao Securities Exchange on April 25th, 2025, with a total of 111,111,200 shares, raising total capital of LAK 14.44 billion. The total number of LCS shares currently is 1,111,111,200 shares, with a total registered capital of LAK111.11 billion. The shareholding structure consists of 3 promoters and public investors, as detailed below:

- APB holds 410,000,000 shares equivalent to 36.90%, with a value of LAK 41 billion;
- The Pacific Securities holds 390,000,000 shares equivalent to 35.10%, with a value of LAK 39 billion;
- LII holds 200,000,000 shares equivalent to 18%, with a value of LAK 20 billion;
- Public investors hold 111,111,200 shares equivalent to 10%, with a value of LAK 11,111,120,000 billion.

LCS recorded the following business performance for the first six months of 2026, with notable highlights as follows:

1. **Dividend Payment to Shareholders**

LCS successfully convened the Board of Directors Meeting and the Annual General Meeting of Shareholders for the year 2025 in April 2026. The Annual General Meeting of Shareholders approved the 2025 annual dividend distribution plan (paying cash dividends at LAK 14 per share. totaling of LAK 15.55 billion). The dividend payment to shareholders was completed on 15th May 2026.

2. **Amendment of the Capital Utilization Plan for Funds Raised**

LCS's 1st Extraordinary General Meeting of Shareholders for the year 2026 approved the amendment of the capital utilization plan for funds raised from the IPO of LAK 10 billion redirected from the establishment of an asset management company to boosting LCS operational cash flow. This amendment was reported to the Lao Securities Commission Office (LSCO) and disclosed publicly through the LSX.

LCS plans to allocate these funds toward covering the software and hardware infrastructure for the development of a Mobile Trading System (MTS), enabling the brokerage department to facilitate securities trading for clients, attract new investors, and generate higher brokerage income. The remaining capital will be placed in commercial bank deposits.

This General Meeting of Shareholders authorized LCS to draft the detailed software and hardware budget plan for the MTS development for submission to the Board of Directors for approval. To optimize fund efficiency during the interim period, the entire LAK 10 billion will be held in commercial bank deposits until the Board of Directors formally approves the budget plan for the MTS development.

3. Business Performance Overview for the First 6 Months of 2026 (Reviewed)

As of 30th June 2026, LCS had total assets of LAK 243.96 billion, with net assets of LAK 147.85 billion. Total operating revenue for the reporting period reached LAK 20.27 billion, with a net profit of LAK 13.94 billion. Key financial data is highlighted as follows:

Item	First 6 Months of 2025 (LAK) *Reviewed*	First 6 Months of 2026 (LAK) *Reviewed*	Change
Operating Revenue	16,280,454,968	20,265,975,294	24.48%
Operating Expenses	381,225,025*	6,327,168,910	1,559.69%
Profit Before Tax	15,899,299,943	13,938,806,384	-12.33%
Net Profit	15,899,229,943	13,938,806,384	-12.33%
Total Assets	237,556,384,797	243,957,549,664	2.69%
Total Liabilities	72,654,704,485	96,111,701,768	32.29%
Total Owner's Equity	164,901,680,312	147,845,847,896	-10.34%
Net Profit Margin	97.66%	68.78%	-28.88%
Return on Equity (ROE)	9.64%	9.43%	-0.21%

*Remark: The increase in operating expenses for the first six months of 2026 compared to the previous year resulted from the payment of the 2025 annual dividend, allowances, and bonuses to the Board of Directors and LCS staff on 15th May 2026, whereas in 2025 the 2024 annual dividend, allowances, and bonuses to the Board of Directors and staff were paid on 12th September 2025.

4. LCS Core Business Operations

1) Financial Advisory and Securities Underwriting Service

LCS's financial advisory and securities underwriting business generated operating revenue of LAK 3.83 billion, primarily derived from a lead financial advisor and a lead government bond selling agent across four currencies.

Key financial advisory projects continuing preparation in 2026 include the IPO of BIC Bank, Yod Ngum Power Company Limited, and a joint financial advisory project with two other securities companies for the green bond issuance of LOCA Company Limited (a private placement successfully completed with a total offering of USD 850,000). In addition, as lead

selling agent for government bonds, LCS has proposed expanding the issuance offering for new government bonds targeting THB 10 billion and RMB 1.5 billion.

Furthermore, LCS collaborated with three other securities companies to engage target state-owned enterprises to gather preliminary information and conduct feasibility studies for readiness to raise capital in the Lao capital market. These companies include Assurances General Laos Sole Company Limited (AGL), State Enterprise Pharmaceutical Factory No. 3, and State Enterprise Electrical Construction and Installation Enterprise.

2) Securities Dealing Service

During the first six months of 2026, securities dealing service recorded LAK 2.70 billion in revenue from dividend income from investment in securities. Currently, LCS holds shares in four listed companies with a total value of LAK 92.68 billion, detailed as follows:

No.	Listed Company	Value (LAK)
1	BCEL	30,579,250,000
2	EDL-GEN	336,665,610
3	LCTC	8,227,102,000
4	VCL	53,541,018,000
Total		**92,684,035,610**

3) Securities Brokerage Service

LCS's securities brokerage activity generated actual revenue of LAK 9.59 billion, comprising LAK 783.16 million from securities brokerage fees and LAK 9.59 billion from government bond selling agent fees. LCS's government bond sales volume across four currencies totaled LAK 1,270.70 billion, USD 32.86 million, THB 6.70 billion, and CNY 959.49 million.

4) Information Technology

LCS continues to collaborate with HITHINK to accelerate the development and testing of the mobile securities trading system, aiming for rapid rollout to further enhance customer service quality.

Managing Director

WANG WEI