LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

ບໍລິສັດຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

No. 360 /LCS
Vientiane Capital, dated 19 August 2025

Invitation Letter

To: All valued shareholders of Lao-China Securities Public Company.
Subject: Invitation to attend the 2024 Annual General Meeting of LCS.

- Pursuant to the resolution on the Ordinary Board of Directors Meeting of Lao-China Securities Public Company (LCS) No. I/2025, No. 003/LCS, dated July 24, 2025

Lao-China Securities Public Company (LCS) respectfully requests the honor of inviting LCS's shareholders to attend the LCS's Annual General Meeting of Shareholders for the year 2024, which will be held on Friday, September 5, 2025 at 9:00 AM (registration begins at 8:30 AM) in the Main Conference Room on the 8th Floor of the Lao Securities Exchange Building, Phonthan Village, Saysettha District, Vientiane Capital, Lao PDR, for the purpose of considering and approving various issues as specified in the attachments.

Furthermore, LCS has announced that the proposed agenda of 2024 Annual General Meeting of Shareholders, along with all accompanying documents for consideration and voting, has been disclosed by LCS through the LCS website (www.lcs.com.la) and the Lao Securities Exchange disclosure platform (www.lsx.com.la). Additionally, the record date has been set for August 8, 2025, to determine shareholders' rights to participate in the 2024 Annual General Meeting of Shareholders, which has been prior disclosed.

We sincerely hope that you will allocate your valuable time to attend the meeting.

Board of Directors
Chairman

Mr. Nooxay PHOOMSUWAN

Attachments

1. Attachment 1: Proposed Agenda of 2024 Annual General Meeting of LCS's Shareholders;
2. Attachment 2: Agenda 1 To consider and approve the business performance of LCS for the year 2024 and business plan for the year 2025;
3. Attachment 3: Agenda 2 To consider and approve the Financial Statement of LCS for the year 2024;
4. Attachment 4: Agenda 3 To consider and approve the proposed amendments to the Articles of Association of LCS;
5. Attachment 5: Agenda 4 To consider and approve the 2024 dividend payment plan of LSC;
6. Attachment 6: Agenda 5 To consider and approve employee bonus payment plan for LCS;
7. Attachment 7: Agenda 6 To consider and approve the salary adjustment plan for LCS's employees;
8. Attachment 8: Agenda 7 To consider and approve the board of directors' remuneration plan;
9. Attachment 9: The Proxy Form;
10. Attachment 10: The instruction on voting procedures;
11. Attachment 11: The recommendation on the documents and evidence that shall be presented when attending the meeting;
12. Attachment 12: Map of the meeting venue.

Remarks:

1. Each shareholder can download the invitation letter and the attached files on the website of BCEL: www.bcel.com.la and on the Lao Securities Exchange's website www.lsx.com.la or to get the invitation letter stipulated your right to attend the meeting (with barcode) at the Lao Securities Exchange at the Level 4, Settlement and Securities Deposit Division at Phonthan Nue Village, T4 Road, Saysettha, Vientiane Capital. Tel: +85621 454361-4 from August 18, 2025.
2. For the shareholders who shall attend and to assign the proxy, please bring ID Card or Family Book or Passport (For Foreign shareholders) on the meeting day to inform when registering to the meeting. All the references are defined in the guideline to the meeting regarding the references and evidence to prove the right ofthe shareholders to the meeting (The documents are attached herewith)
3. For the shareholder that shall assign proxy to attend the meeting and voting. Please fill the information and sign on the Proxy Form, which attached herewith with full and complete information.

Contact Person:
Mr. Anouyouth Latsasap, Tel: 020 7779 2828

Agenda

Annual General Shareholders' Meeting of LCS for 2024

Date of Meeting: September 5, 2025 from 9:00-11:00 AM

Meeting Venue: The Main Conference Room on the 8th Floor at LSX Building, Hybrid Meeting.

Meeting Convener: Mr. Nooxay Phoomsuwan, Chaiman of the Board of Directors

Chairperson of the Meeting: Mr. Nooxay Phoomsuwan

Attendees: Shareholders of LCS

Agenda

Annual General Shareholders' Meeting of LCS for 2024

Time	Content of Agenda	Reporter/Responsible Party
08:30-09:00 AM	Register	Secretariat
09:00-09:10 AM	The chairman of the meeting delivers an opening remark	Mr. Nooxay Phoomsuwan
09:10-09:30 AM	Agenda 1: To consider and approve the business performance of LCS for the year 2024 and business plan for the year 2025;	Presented by: Mr. Lin Li, Managing Director Consider and approve by: The shareholders' meeting through a voting process.
09:30-09:40 AM	Agenda 2: To consider and approve the Financial Statement of LCS for the year 2024;	
09:40-09:50 AM	Agenda 3: To consider and approve the proposed amendments to the Articles of Association of LCS;	
09:50-10:05 AM	Agenda 4: To consider and approve the 2024 dividend payment plan of LSC;	
10:05-10:20 AM	Agenda 5: To consider and approve employee bonus payment plan for LCS;	
10:20-10:35 AM	Agenda 6: To consider and approve the salary adjustment plan for LCS's employees;	
10:35-10:50 AM	Agenda 7: To consider and approve the board of directors' remuneration plan.	
10:50-11:00 AM	The chairman of the meeting delivers a closing speech of the meeting	Mr. Nooxay Phoomsuwan

Agenda

Annual General Shareholders' Meeting of LCS for 2024

No.	Content of Agenda
1	Agenda 1: To consider and approve the business performance of LCS for the year 2024 and business plan for the year 2025;
2	Agenda 2: To consider and approve the Financial Statement of LCS for the year 2024;
3	Agenda 3: To consider and approve the proposed amendments to the Articles of Association of LCS;
4	Agenda 4: To consider and approve the 2024 dividend payment plan of LSC;
5	Agenda 5: To consider and approve employee bonus payment plan for LCS;
6	Agenda 6: To consider and approve the salary adjustment plan for LCS's employees;
7	Agenda 7: To consider and approve the board of directors' remuneration plan.

***Note:** Regarding the LCS's Articles of Association, Article 25 Special resolutions of the shareholders' meeting. Agenda 3, To consider and approve the proposed amendments to LCS's Articles of Association, constitutes a special resolution. According to Article 24 of LCS's Articles of Association, Special resolutions require approval from at least 70% of attending shareholders or representing and no less than 80% of the total distributed shares. All other Agenda items are classified as general resolutions which require approval by a simple majority of shareholders attending the meeting.

To consider and approve the business performance of LCS for the year 2024 and business plan for the year 2025

In 2024, Lao-China Securities Public Company (hereinafter referred to "LCS") will focus on issuance of Initial Public Offering (IPO) share and listing on Lao Securities Exchange (LSX). The main focus is to continue providing financial advisory services and selling agent for government bonds, promoting the issuance of yuan-denominated government bonds, concentrating on the Lao Airlines valuation project, paying attention to backup projects of the financial advisory and underwriting department, preparing to initiate private fund management, reducing operating costs by relocation of the company's address and others. At the same time, LCS also actively expanded various business activities to increase revenue and decrease expenses. Therefore, LCS would like to present the LCS's key business performance for the year 2024 to the Board of Director as follows:

I. Relevant Macroeconomic Situation

In 2024, following the end of the U.S. Federal Reserve's interest rate and market expectation of reduction of U.S. dollar interest rate, the depreciation of Lao kip was brought under control. The Lao Government announced the closure of currency exchange institutions, established an online foreign exchange market, and set up the Lao Bullion Bank, along with other measures to stabilize the exchange rate which yielded positive results. At the same time, the tourism and trade sectors of the Lao PDR gradually recovered, foreign exchange earnings also increased and the government's foreign currency reserves also increased. By the end of December 2024, Lao foreign currency reserves reached USD 2.10 billion, which is the highest in history, increased of USD 1.30 billion compared to 2023. This became a positive factor in maintaining exchange rate stability. Considering the trend of the exchange rate in 2024, the kip appreciated back to a stable level against both the U.S. dollar and the Chinese yuan during the first six months of the year and by December had essentially returned to its early-year levels. According to the exchange rates of the Banque pour le Commerce Exterieur Lao (BCEL) on December 31, 2023, 1 USD = 20,599 LAK and 1 CNY = 2,981 LAK. On December 30 2024, 1 USD = 21,859 LAK and 1 CNY = 2,946 LAK

The growth of commercial banks and financial institutions' profit positively impacted LCS's core businesses, such as providing financial advisory and selling agent for government bonds, investing in BCEL shares and IPO issuance project of two potential commercial banks.

II. Activities Related to Shareholders' Meetings and Board of Director

LCS have successfully held the 1st Board of Directors Meeting of the year 2024 and the Annual General Shareholders' Meeting of the year 2023, two Extraordinary Board of Director Meetings of LCS and two Extraordinary Shareholders' Meetings of LCS with circular resolutions. The meetings have considered and resolved several important resolutions, such as: approving the relocation of LCS's office to the Thatluang Lake Special Economic Zone, appointing the Secretariat Committee of the Board of Directors of LCS, changing the company's legal status

from Lao-China Securities Company Limited to Lao-China Securities Public Company, approving the Articles of Association of Lao-China Securities Public Company, appointing members of the Board of Directors of Lao-China Securities Public Company and appointing the Executive Committee of Lao-China Securities Public Company.

On October 25th, Lao-China Securities Company Limited had successfully transformed into Lao-China Securities Public Company. By the end of November, the company had also completed the 1st Extraordinary Board of Directors Meeting for the year of 2024 and the 1st Extraordinary General Shareholders' Meeting for the year 2024 by circular voting. The meetings considered and approved the establishment of Board of Directors' committees, endorsed the IPO plan of LCS and approved the LCS's listing on the main board of Lao Securities Exchange (LSX). All corporate restructuring works was successfully completed and have been initially met the IPO requirements.

III. Annual Business Performance

As of December 31st 2023, LCS had total assets of approximately 165.06 billion LAK and net assets of approximately 125.28 billion LAK. The actual operating income for the reporting period was about 15.81 billion LAK with net profit of about 11.32 billion LAK.

Table of Profit and Loss related to changes in accounting items

Items	31 December 2023 (LAK)	31 December 2024 (LAK)	Changing %
Operating income	12,206,286,750	15,805,189,364	29.48%
Operating expenses	10,677,705,768	4,484,391,136	-58.00%
Profit before tax	1,528,580,982	11,320,798,228	640.61%
Net profit	1,528,580,982	11,320,798,228	640.61%
Net Profit Margin	12.52%	71.63%	472.12%
ROE	1.51%	9.04%	498.68%

IV. Overview of LCS's Core Business Operations in 2024

1. Financial Advisory and Securities Underwriting Services

In 2024, the financial advisory and securities underwriting services of LCS generated the total revenue of 3,688,433,540 LAK. This revenue was primarily from collaborating with BCEL-KT Securities Co., Ltd. On providing financial advisory service to Lao Airlines which was successfully completed.

2. Securities Dealing Business

In 2024, the securities dealing business recorded a profit of 5,749,466,430 LAK from fair value adjustments.

3. Securities Brokerage Service

In 2023, LCS's securities brokerage service realized actual revenue of 7,976,422,645 LAK. This included commission income from brokerage services of 11,145,524 LAK and selling agent service revenue from Government Bonds of 7,965,277,121 LAK.

All three securities companies had signed the Sub Selling Agent Agreements with Bank of China (Hong Kong) Limited, Vientiane Branch. This partnership increased the number of Sub Selling Agent for Government Bonds to 6 agents. In terms of business innovation, LCS was appointed being the main financial advisor and selling agent for the Government Bond. In addition, by collaborating with BCEL-KT Securities Co., Ltd. and LDB Securities Sole Ltd., LCS had successfully facilitate the issuance of Government Bond denominated in CNY valued at 500 million CNY by the end of December. Furthermore, LCS had successfully completed 275 million CNY. These funds were officially deposited into the foreign currency reserve of the Ministry of Finance of the Lao PDR.

4. Private Fund Management

Regarding Professional Certification: The managing director has successfully passed the qualification of securities business professionals for the foreign fund managers and received the official certification for private fund management professionals issued by Lao Securities Commission Office (LSCO). All three securities companies and LSX have successfully organized the 1st training for the fund manager (weekend course) at the LSX from December 21th 2024 to January 26th 2025 to prepare for new fund managers for LCS.

Supportive Activities: In 2024, LCS has frequently consulted on private fund business operations with government-related sectors and other institutions such as LSCO, SOE Management, Development and Insurance Department of Ministry of Finance, BCEL, cross-border investment funds of CNY, EY Vietnam, Vientiane Insurance and Lao Financial Holdings.

V. Personnel and Control System Development

1. **Personnel**
    1) **Personnel Loss:** To save costs and ensure listing on the Lao Securities Exchange, after currency depreciation of nearly 70%, the management committee still maintained the pressure without increasing employee salaries, which made the salary of LCS's employees very low compared to the salary of other securities companies and financial institutions. As a result, Mr. Kiettisack Thongsangone, Financial Advisory Department officer and Ms. Boutsaba Sivongkham, from the Accounting-Finance Department resigned accordingly. In addition, Ms. Boupphathip Vongdouangchan, Head of Accounting-Finance Department had also proposed her resignation. After the consultation of the management committee, it was agreed that she will be continuing works with LCS until the end of June 2025 and assist in training personnel to be qualified for the position of Head of the Accounting-Finance Department.
    2) **Succession personnel:** Allow students from relevant faculties of the National University of Laos and banking institute, as well as recent graduates from China, to come for internships at LCS. Additionally, added 1 financial advisory officer according to job necessity. Preparation for succession personnel recruitment for funds management and accounting-finance.
    3) **Personnel Trainings:** Staffs were sent to participate in various training courses organized by LSCO, LSX and the Ministry of Finance including training on law and

regulations for securities professionals which were co-organized by LSCO and LSX, the annual refreshment and evaluation for securities professionals held by LSCO, the training on year-end accounting-finance training was conducted by PWC Laos. LSCO, the training for sustainable financial reporting conducted by LSCO on behalf of the Chair of ASEAN Capital Markets Forum (ACMF) together with international accounting standards, training for fund professionals organized by LSX, training on "Financial Modeling" conducted by STP consultant company and training on enhanced valuation practices arranged by the Ministry of Finance.

2. Establishing Regulatory Framework

The Article of Association of Lao-China Securities Company Public Company is completed. Instruct each department to prepare for the amendment of internal regulations, working manuals, guidelines and other documents of Lao-China Securities Public Company. In particular, the private fund management department was assigned to prepare the regulations, department rules, and business process guidelines of the fund management company comprehensively.

Furthermore, the Board of Directors convened meetings with the internal audit department, brokerage department, financial advisory and underwriting department, IT department and other relevant departments to draft guidelines regarding the channels for receiving complaints from investors, in accordance with the requirements of LSCO and to continuously report to LSCO.

VI. Developing Information Systems

LCS and LDB-S Securities company was unanimously agreed on hiring Zhejiang Tonghuashun Intelligent Technology Co., Ltd. to authorized its subsidiary which is HITHINK INTERNATIONAL (SINGAPORE) PTE. LTD., to develop a mobile trading system.

On December 18th, the online signing ceremony of the development of mobile trading system contract with HITHINK INTERNATIONAL was conducted and successfully assisted HITHINK INTERNATIONAL in testing the connection system with the Lao Securities Exchange.

VII. Other Related Works

1. Office Relocation

The relocation of LCS's office to the Thatluang Lake Special Economic Zone has been completed on 20th of June with the concerted efforts of appointed committee responsible for the relocation and multiple departments.

The total relocation cost and office setup was planned around 120,000 USD. However, according to the actual implementation, interior design fees, office furnishing and backup power systems was in total of 95,000 USD, which was 25,000 USD lower than the expected cost.

Following the negotiations with the Bank of the Lao PDR regarding rental fee reductions, a discount of 26,750 USD was obtained. The actual rental expenses at LSX building incurred in 2024 were 34,500 USD. During the office setup period in the Special Economic Zone, a rent waiver of 4 months was granted. Therefore, LCS paid the rent in 2024 only for 3 months with the total amount of 4,712.50 USD. The total office rent for 2024 compared to the previous year allowed a cost reduction of 65,787.50 USD.

Regarding profit tax, in 2024, the company's net profit was 11.32 billion LAK. With a 20% profit tax rate, the total tax amounted to 2,264,159,646 kip, which could be exempted based on the tax policy of the Lao Tax Department.

2. Work Related to the Divestment from the Lao Culture Tourism Public Group Company (LCTC)

The company cooperated with Yunnan Hengshi Chengrui Holdings Co., Ltd. (abbreviated as "Yunnan Hengshi Chengrui" formerly known as Yunnan Quianhan Network Technology Co., Ltd.) to amend the agreement on transferring shares of the Lao Culture Tourism Public Group Company (LCTC). The total value of the share transfer was 18,871,712,100 LAK to purchase shares of LCTC held by LCS. The ownership was reduced from 18.8676% to 15.8676%, leaving 3% as the LCS's cost. The share transfer fee of 0.68% totaling 128,327,643 LAK was the responsibility of Yunnan Hengshi Chengrui

Based on the abovementioned, LCS had requested Yunnan Hengshi Chengrui to issue a certification letter regarding the payment of share and guarantee the successful transfer of money by September 30. However, since Yunnan Hengshi Chengrui could not fulfill the payment obligation as agreed, LCS had requested the major shareholder of Yunnan Hengshi Chengrui, Mr. Neua Leu, to issue a deposit confirmation letter from the bank. Regarding this share purchase, LCS agreed on separate payments according to the actual situation. However, LCS must wait until the full payment as agreed in the contract before proceeding the transfer of shares and changing the shareholder's name. In November, LCS received the first payment from Yunnan Hengshi Chengrui amounting to 1 billion LAK. This matter is currently under monitoring and processing.

3. Work Related to Divestment of Vientiane Center Lao Public Company share

Consultations were held with Mr. Xay Huathong, a key representative of the major shareholder of Hua Suan Investment company. Provided advices regarding listing process of Lao PDR and Singapore. Encouraged the company to begin the inspection of Vientiane Center Lao Public Company's status before entering into business acquisition. Furthermore, consulted with the director of Vientiane Center, Mr. Hoang Hew Khun, regarding plans to sell assets to use the proceeds as dividends and reduce the number of Vientiane Center shares.

4. Backup Projects in Financial Advisory

Follow up the progress of financial advisory service of IPO share issuance of BIC Bank, including sending financial advisory contracts and quotation letter for BIC's consideration and financial advisory service of IPO share issuance of JDB bank. These two commercial banks already agreed to cooperate with LCS. Financial advisory service for corporate bond issuance was successfully the initial planning.

VIII. Collaboration with External Parties

1. Cooperation with LSCO and LSX

Following the invitation from the Securities Commission Office (LSCO) of to participate in online seminar, organized by LSCO and the International Cooperation Department of the Securities Regulatory Committee of China, under the topics of "Green Bonds, Society, and Sustainability" and "Corporate Bond Issuance and Capital Market Participation", LCS had contributed by translating materials for the seminar. The Deputy Head of the International Cooperation Department of the China Securities Regulatory Commission, Mr. Tu Xianchun, and the Vice Head of LSCO, Ms. Alouna Sivanthong, jointly chaired and opened the meeting.

Participated in campaigns, activities and various seminars hosted by LSCO and LSX such as: the ASEAN Capital Market Development Committee chaired by LSCO, cooperating with the ASEAN Development Bank to organize the event celebrating the 20th anniversary of the ASEAN Capital Market Development Committee. The seminar under the topic of "Sustainable Green Capital Market Development in Lao PDR" aimed at disseminating work on anti-money laundering and counter-terrorism financing hosted by the collaboration with the ASEAN Development Bank, Trust Funds of the Asian Development Bank and ASEAN Secretariat to launch bond issuance and bond listing for state enterprises in Laos, provided trainings to university students and investors nationwide to improve knowledge on investment. Additionally, LCS had participated in investor meetings of listed companies organized by LSX and attended seminars on capital market knowledge at the Ministry of Education, Banking Institute, Savannakhet Province and Champasak Province. LCS also joined in securities trading competitions to celebrate the 14th anniversary of the Lao Securities Exchange establishment at various venues such as the Thatluang Lake Special Economic Zone and Vientiane Center. Furthermore, LCS had participated in a seminar on "Local Currency Utilization" and "Solving Local Currency Capital Accumulation Issues" organized by Lao Securities Exchange and the ASEAN Development Bank.

LCS was strong enthusiastic in joining the leadership committee for capital market work chaired by the Bank of the Lao PDR. LCS joined research committees and multiple meetings related to the establishment of alternative board under the leadership of the Bank of Lao PDR and also attended to carbon credit work organized by the Bank of the Lao PDR and GGGI Laos.

2. Cooperation with Other Securities Companies

LCS collaborated with the BCEL-KT securities company and Lao Airlines State Enterprise held meetings with strategic investors from China to consult and exchange information regarding price ranges of Lao Airlines valuation.

BCEL-KT securities company invited LCS to visit Pretrolimix Company to consult on share valuation and provide financial advisory service.

Business Plan for 2025

The business plan of Lao-China Securities Public Company for the year 2025 will focus on following key tasks:

I. Complete IPO Issuance and Listing on the Lao Securities Exchange

In the first quarter of 2025, LCS will complete the approval of IPO issuance and conduct publicity and marketing campaigns in April to complete the share subscription in May and be able to list on the Lao Securities Exchange.

II. Establish a Fund Management Company

By the third quarter, LCS will utilize proceeds from IPO issuance to establish a fund management company and receive business license from LSCO to start operation by collaboration with the Department of State Enterprise Investment Supervision and Insurance to make feasibility study of setting up an insurance fund.

III. Carry Out Important Projects

Sign financial advisory contracts with JDB Bank and BIC Bank in the first half of the year and be able to complete the financial advisor and underwriting for IPO of 1 to 2 projects in 2025 and cooperate with other securities company to provide financial advisory service for corporate bond issuance to LOCA company. In addition, by the third quarter, LCS will complete the divestment of shares from the Laos Tourism and Culture company.

IV. Support and Collaborate with the Securities Commission Office and Lao Securities Exchange

LCS will Support LSCO to be a member of the International Organization of Securities Commissions (IOSCO) and support LCSO to establish the Lao Securities Association and encourage participation in the association. Therefore, LCS will also support the preparation of the alternative board of Lao Securities Exchange, support the Green Finance initiatives led by LSCO and assist the Lao Securities Exchange and Shenzhen Securities Market in signing a Memorandum of Understanding (MOU)

V. Financial Advisor and Selling Agent for Government Bond in CNY Currency

By being the financial advisor and selling agent for Government Bonds denominated in CNY currency issued by the Ministry of Finance, LCS will collaborate with the Bank of China (Hong Kong), Vientiane Branch, to encourage the Lao Government to issue panda bonds or one belt one road bonds.

VI. Continue to Explore Opportunities to Establish LCS Branch in Boten Special Economic Zone

Arrange a suitable time to invite the Agriculture Promotion Bank and LCS to visit the Boten Special Economic Zone to assess the investment situation and discuss on cooperation with the Agriculture Promotion Bank to establish a branch or service unit there.

VII. Challenges and Observed Issues

1. **Uncertainty in implementing the tax policy in Special Economic Zone**

Before deciding to relocate the office to the That Luang Lake Special Economic Zone, LCS previously submitted a letter to the Special Economic Zone Management Committee of Vientiane Capital on August 9 2021 to inquire and confirm whether, if LCS relocates to That Luang Lake Special Economic Zone, what would be an exemption policy on tax that LCS will receive. According to the Prime Minister's decree on promoting investment in special economic zones, especially That Luang Lake Special Economic Zone and Special Economic Zone nationwide, No. 73/PM dated September 28th 2015 (attached document 1). Then, LCS received an official reply letter (attached document 2) on September 2nd 2021, confirming that per the Prime Minister's decree, LCS can be granted the tax exemption policy as follows: "In Article 4 regarding income tax: service activities are exempted from income tax for 2 years. After this exemption period ends, they must comply with tax laws accordingly". In LCS's 2024 audit report by EY Lao, this exemption letter was cited and the final profit aligned accordingly.

However, in practice, the Department of tax under the Ministry of Finance had issued a reply letter to BCEL-KT securities company concerning the non-approval of the special economic zone tax policy. This resulted two securities companies relocating from the Laos Securities Exchange building the That Luang Lake Special Economic Zone had conflict information from Special Economic Zone Management Committee and tax department of Ministry of Finance. Therefore, LCS acted as the representative of the two securities companies to propose to the Special Economic Zone Management Committee to convene a meeting with relevant departments to consult on implementing the tax policy for the special economic zone. Currently, the Special Economic Zone Management Committee of Vientiane Capital has reported this matter to the Special Economic Zone Promotion and Management Office.

2. **Employee salaries are low and unable to retain knowledgeable and skilled staffs**

Currently, the salary level of LCS's employee remains lower than the average salary of employees in the banking sector. In the long term, it will be difficult to attract and retain employees who have knowledge and skills. According to the plan, this problem will be addressed based on business development. After LCS completes the IPO issuance and list on Lao Securities Exchange, LCS will propose to Board of Directors meeting and shareholders' meeting to consider and approve the adjustment of salary policies and employee benefits plan accordingly to increase income and profit for LCS.

Propose to shareholders' meeting to approve the 2024 business performance and the 2025 business plan.

Note: The exchange rate used is based on BCEL's exchange rate on December 31th 2024 = 1 Yuan = 2,946 LAK and 1 US Dollar = 21,859 LAK.

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. Soutthideth 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. Li Lin
General Director

Vientiane, Lao PDR

28 February 2025

Ernst & Young Lao Co., Ltd
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Building a better working world

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. Li Lin
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. Li Lin
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**

Lao – China Securities Public Company

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. Li 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

To Consider and Approve the Proposed Amendments to the Articles of Association of Lao-China Securities Public Company

- Pursuant to the notification letter verifying the results of the initial public offering of shares, No. 73/LSCO, dated April 8, 2025, issued by the Lao Securities Commission Office;
- Pursuant to the Enterprise Registration No. 0010/ERO, dated April 22, 2025, issued by the Management Committee of Vientiane Capital Special Economic Zone.

Lao-China Securities Public Company (referred to as: "LCS") has completed its Initial Public Offering (IPO) on April 3, 2025, whereby the results of the public share offering have been verified by the LSCO, and the company has received a new enterprise registration document issued by the National Committee of Special Economic Zone in Vientiane Capital. Therefore, LSC is required to amend the relevant provisions of the company's Articles of Association to ensure consistency as follows:

I. The proposed amendments to related information of the Company's Articles of Association

1. Registered Capital: Increased from 100,000,000,000 Kip to 111,111,120,000 Kip;
2. Total Number of Shares: Number of shares issued to general investors 111,111,200 shares, whereby the total number of shares increased from 1,000,000,000 shares to 1,111,111,200 shares;
1. Shareholders Composition:

   Existing shareholder composition:
   1) Agricultural Promotion Bank Limited, holding 4,100,000 shares, representing 41%;
   2) Pacific Securities Company Limited, holding 3,900,000 shares, representing 39%;
   3) Lao Information Industry Company Limited, holding 2,000,000 shares, representing 20%.

   Proposed shareholders composition:
   1) Agricultural Promotion Bank Limited, holding 410,000,000 shares, representing 36.90%;
   2) Pacific Securities Company Limited, holding 390,000,000 shares, representing 35.10%;
   3) Lao Information Industry Company Limited, holding 200,000,000 shares, representing 18.00%;
   4) General investors, holding 111,111,200 shares, representing 10.00%.

II. The proposed amendments to related article of the Company's Articles of Association

Article 8 Registered Capital (Existing)

LSC has a registered capital with a total value of 100,000,000,000 Kip (One hundred billion Kip). The registered capital is derived from the capital contributions of shareholders that have been fully paid up. The details are as follows:

1. Capital in cash: 100,000,000,000 Kip (One hundred billion Kip);
2. Capital in kind: None.

Article 8 Registered Capital (Proposed Amendment)

LSCO has a registered capital with a total value of 111,111,120,000 Kip (One hundred eleven billion one hundred eleven million one hundred twenty thousand Kip). The registered capital is derived from the capital contributions of shareholders that have been fully paid up. The details are as follows:

1. Capital in cash: 111,111,120,000 Kip (One hundred eleven billion one hundred eleven million one hundred twenty thousand Kip);
2. Capital in kind: None.

Article 10 Share (Existing)

LSC has the following details of all shares:

1. Total number of shares: 1,000,000,000 shares (One billion shares);
2. Par value : 100 Kip/share (One hundred Kip per share);
3. Ordinary shares : 1,000,000,000 shares (One billion shares);
4. Preference shares : None.

Article 10 Share (Proposed Amendment)

LSC has the following details of all shares:

1. Total number of shares: 1,111,111,200 shares (One billion shares);
2. Par value : 100 Kip/share (One hundred Kip per share);
3. Ordinary shares : 1,111,111,200 shares (One billion shares);
4. Preference shares : None.

Article 13 Shareholder Composition (Existing)

LCS has three shareholders as follows:

No.	Shareholders	Number of Share	%
1	Agricultural Promotion Bank Limited	410,000,000	41
2	Pacific Securities Company Limited	390,000,000	39
3	Lao Information Industry Company Limited	200,000,000	20

Article 13 Shareholder Composition (Proposed Amendment)

The shareholder composition of LCS is as follows:

No.	Shareholders	Number of Share	%
1	Agricultural Promotion Bank Limited	410,000,000	36.90
2	Pacific Securities Company Limited	390,000,000	35.10
3	Lao Information Industry Company Limited	200,000,000	18.00
4	General Investors	111,111,200	10.00

Therefore, the company respectfully submit to the Shareholders' Meeting for consideration and approval to proceed with the amendments to Article 8 Registered Capital,

Article 10 Shares, and Article 13 Shareholder Composition of the LCS's Articles of Association in accordance with the aforementioned plan, and to authorize the Board of Directors to submit a proposal letter to the National Committee of Special Economic Zone in Vientiane Capital for the amendment of the above-mentioned articles of the company's Articles of Association.

To Consider and Approve the 2024 Dividend Payment Plan of Lao-China Securities Public Company

For the year 2024, Lao-China Securities Public Company Limited (Abbreviation: "LCS") reported net profit of 11,320,798,228 Kip. After deducting 10% for statutory reserves, was able to pay dividends totaling 10,188,718,405 Kip. According to the LCS's Articles of Association dated October 14, 2024, as stipulated in Article 61 regarding dividends payment and profits allocation, Section 1 mentioned that LCS shall not pay dividends when the company has accumulated losses; and prior to any dividend distribution, accumulated losses (if any) must be eliminated in accordance with the provisions set forth in the Enterprise Law (Amended) No. 33/NA, dated December 29, 2022, and Section 2 mentioned that upon fulfillment of conditions in Section 1 of this article, LCS's dividend payout shall not be less than 50% (fifty percent) of net profit after tax deduction in each year.

As of December 31, 2024, LCS had no accumulated losses and had payable profits of 10,188,718,405 Kip. On April 3, 2025, after LCS completed Initial Public Offering (IPO), the total number of the company's shares was 1,111,111,200 shares. Therefore, the company propose to distribute dividend payout of approximately 54.53% of the payable profit, with the following details:

Dividend payment plan: 5 Kip/share

Total dividend amount: 5,555,556,000 Kip

Record date for determining eligibility to attend the shareholders' meeting and receive dividends: August 8, 2025

Payment date: September 12, 2025

Table of Profit Allocation Detailed

No.	Items	Amount (Kip)
1	Net Profit in 2024	11,320,798,228
2	Regulatory Reserve 10%	1,132,079,823
3	Payable Profit	10,188,718,405
4	Dividend Amount	5,555,556,000
5	Remaining Balance	4,633,162,405

For the year 2024, after arranging the dividend payment of 5,555,556,000 Kip, there remains a payable profit balance of 4,633,162,405 Kip. The dividend amounts for each shareholder are as follows:

Table of Dividend Payment to Shareholders

No.	Shareholders	%	Number of shares (Share)	Amount of dividend payment (Kip)
1	Agricultural Promotion Bank	36.90	410,000,000	2,050,000,000
2	Pacific Securities Company Limited	35.10	390,000,000	1,950,000,000
3	Lao Information Industry Company Limited	18.00	200,000,000	1,000,000,000

4	General investors	10.00	111,111,200	555,556,000
Total		**100.00**	**1,111,111,200**	**5,555,556,000**

*Note: Following the successful listing of Lao-China Securities Public Company on the Lao Securities Exchange, the company will benefit from a dividend tax exemption policy of 10%.

Therefore, the company respectfully submit to the Shareholders' Meeting for consideration and approval the following matters:

1. The 2024 dividend payment plan of LSC provides for cash dividend payments of 5 Kip per share, representing a total dividend amount of 5,555,556,000 Kip.
2. The determination of the record date for shareholders right to receive dividends and the actual dividend payment date shall be delegated to the Board of Directors for implementation in accordance with the guidance and notifications issued by the Lao Securities Exchange.

Note: Exchange rate is refered to the official exchange rate of BCEL as of 30 April 2025, 1 Yuan = 2,957 Kip.

To Consider and Approve Employee Bonus Payment Plan for Lao-China Securities Public Company

To safeguard the interests of shareholders and ensure that LCS achieves its goals of listing on the Lao Securities Exchange, our employees have demonstrated exceptional dedication over the past four years, prioritizing company's performance and benefits over their personal interests in order to secure our successfully listing on the Lao Securities Exchange. To recognize, appreciate, and express gratitude for the sacrifices of all employees, and to serve as an incentive to retain skilled personnel, the company proposes to implement a comprehensive reward for all company employees. The detailed is as follows:

The proposed bonus plan has been structured considering the regulatory uncertainty regarding whether the Ministry of Finance will approve the 20% corporate income tax exemption under the Special Economic Zone policy for 2024. Given the actual implementation of the exemption during tax audit submission process, the company has developed the employee bonus plan based on the scenario requiring payment of 20% corporate income tax rate. In 2024, LCS achieved pre-tax profit of 11,320,798,228 Kip. Assuming the 20% corporate income tax applied, the net profit would remain 9,056,638,582 Kip. After deduction of 10% for the regulatory reserve requirement, distributable profit would amount to 8,150,974,724 Kip.

After deducting dividends of 5,555,556,000 Kip, the remaining net profit available for allocation would be 2,595,418,724 Kip. In 2023, net profit reached 1,528,580,982 Kip, and after offsetting accumulated losses, a surplus of 18,060,214 Kip remained. Therefore, there are no accumulated losses requiring offset in 2024.

According to the resolution of the 2018 Annual General Meeting of Shareholders of the company, Agenda Item 3 approved and endorsed the establishment of various reserve funds for Lao-China Securities Company. These reserves were established in addition to the existing 10% regulatory reserve requirement, specifically approval for the creation of a 30% business expansion reserve and a 10% employee welfare reserve in accordance with the Board of Directors' resolution. (supporting document is attached)

In actual implementation, the employee welfare reserve for 2018 was duly deducted but was not distributed to employees. Due to the impact of COVID-19 during 2020-2021, LCS experienced operational losses. To ensure LCS could comply with the conditions required for the listing on securities exchange, the Company did not propose the deduction of employee welfare reserves to the shareholders' meetings in 2019 and 2022-2023. The detailed is as follows:

Year	Net Profit	Employee Welfare Reserve 10% (Kip)	Remark
2018	Net profit: 5,848,297,029 Retained earning: 3,423,571,828	342,357,183	Deducted but not distributed
Based on 2018 shareholders' meeting resolution, proposed for shareholder consideration to deduct 10% employee welfare reserve			
2019	6,330,635,121	633,063,512	Not proposed for deduction
2020	（12,223,599,759）		

2021	（1,484,381,597）		
2022	5,643,996,022		Accumulated losses, not deducted
2023	1,528,580,982		Offsetting accumulated losses, not deducted
2024	9,056,638,582	905,663,858	Not deducted
Total		1,881,084,553	

In recognition and commend all employees who have dedicated their efforts and intellect, and have sacrificed personal benefits during the period 2018-2024 to facilitate the LCS's successful listing on the Lao Securities Exchange, the company hereby proposes to shareholders' meeting to consider the allocation of 1,880,000,000 Kip from previously undistributed employee welfare reserves that has not been allocated or distributed, to be deducted from the 2024 net profit and disbursed as cash bonuses to LCS employees. The detailed employee bonus allocation plan is as follows:

1. Executive Managing Directors: 880,000,000 Kip;
   Managing Director is 320,000,000 Kip;
   Deputy Managing Directors (2 people) is 280,000,000 Kip per each.
2. General employees are 1,000,000,000 Kip, the distribution shall be administered by the Executive Managing Directors based on performance criteria, including individual contribution to implementation initiatives, overall work performance, and proportionate workload responsibilities.

Following the allocation of dividend payments totaling 5,555,556,000 Kip and employee bonus disbursements of approximately Kip 1,880,000,000, the remaining retained earnings balance will amount to 715,418,724 Kip. The detailed is as follows:

Table of Net profit allocation breakdown.

No.	Items	Amount (Kip)
1	Net profit 2024 （assuming 20% income tax deducted）	9,056,638,582
2	Regulatory reserve 10%	905,663,858
3	Available for dividend distribution	8,150,974,724
4	Dividend payment amount	5,555,556,000
5	Remaining amount after dividend payment	2,595,418,724
6	Employee bonus allocation	1,880,000,000
7	Retained Earnings Balance	715,418,724

The company hereby formally submit this proposal to the Shareholders' Meeting to consider and endose the employees bonus payment plan as detailed herein, together with the delegation of authority to the Executive Managing Directors to implement the actual execution and report the implementation progress to the Board of Directors.

Note: Exchange rate is refered to the official exchange rate of BCEL as of 30 April 2025, 1 Yuan = 2,957 Kip

To Consideration and Approve the Salary Adjustment Plan for Lao-China Securities Public Company Employees

Since the establishment of LCS in June 2013 through the end of 2019, the exchange rates of the LAK to USD and CNY remained stable, and the inflation rate was within single digits. However, starting in 2020, the LAK began to depreciate sharply against both the USD and CNY, with the highest depreciation rates reaching 146.08% and 130.70%, respectively, over a five-year period. (Note: Based on the exchange rate from Banque Pour Le Commerce Exterieur Lao Public as of 31st December 2019: 1 USD = 21,859 LAK, 1 CNY = 2,946 LAK). According to data from the Bank of the Lao PDR, the annual inflation rates were 22.96% in 2022, 31.23% in 2023, and 23.13% in 2024. The rising prices of goods and services, driven by the weakening LAK and high inflation, have significantly affected the livelihoods of LCS's employees. LCS has prioritized maintaining shareholder rights and benefits and ensuring the successful listing on the Lao Securities Exchange. For example, in 2014, the total annual employee salary at LCS was 3,897,248,000 LAK, equivalent to USD 481,023. By 2024, it was 3,458,005,799 LAK, equivalent to only USD 158,196. The annual employee salary from LCS's founding in 2013 to 2024 is detailed in the table below:

The above table indicates that over the 12 years since its establishment, there has been no adjustment to employee salary or benefits. The current salary standards have caused LCS to face several difficulties, including:

Summary table of salaries of LCS employee from the years 2013-2024

No.	Year	Total (LAK)	Exchange Rates (ກີບ/ໂດລາ)	Total (USD)
1	2013	1,629,385,000	8,040	202,660
2	2014	3,897,248,000	8,102	481,023
3	2015	3,689,618,785	8,165	451,882
4	2016	3,546,342,293	8,205	432,217
5	2017	3,305,507,655	8,317	397,440
6	2018	3,500,009,259	8,549	409,406
7	2019	3,666,267,356	8,885	412,636
8	2020	3,937,652,182	9,297	423,540
9	2021	4,016,236,000	11,175	359,395
10	2022	3,865,670,099	17,351	222,792
11	2023	3,526,858,636	20,656	170,743
12	2024	3,458,005,799	21,859	158,196
Average		**3,503,233,422**	**11,550**	**343,494**

1. **The resignation of highly competent employee has disrupted the team's balance**

In the establishment phase of LCS, it had a total of 34 employees. Since the outbreak of the COVID-19 pandemic, to reduce costs, except for specialized professional positions, the number of employees has been continuously reduced. By the end of 2024, LCS had only 19 employees, including 1 cleaning staff member. Between 2021 and 2024, there were 9 employees resigned due to welfare issues, accounting for nearly 50% of the total employees. In 2022, it was the most challenging year due to the resignations of 4 staff members, all of whom were key personnel from the Department of Private Fund Management and Securities Brokerage.

Due to the depreciation of the LAK, the average salary and benefits at LCS were significantly lower compared to other financial institutions from China operating in the Lao PDR, such as Industrial and Commercial Bank of Laos Limited, Vientiane Capital Branch (ICBC); Bank of China (Hong Kong) Limited - Vientiane Capital Branch (BOC); and Lao China Bank Limited (LCNB). LCS salaries were less than one-third of the average in the banking sector. When compared to companies in the same industry, such as BCEL-KT Securities Co., Ltd. and LDB Securities Sole Co., Ltd., the salary of the Managing Director was less than one-third of their counterparts, and employee salaries were less than 50% of those in the same industry. For instance, the Managing Director of BCEL-KT earns USD 6,000 per month, which is more than the combined salaries of three Managing Directors at LCS. The lowest salary at BCEL-KT is 9,000,000 LAK per month, which is double that of the lowest-paid LCS staff member.

Specifically, employees with foreign language skills and specialized knowledge can easily transfer to other Chinese companies and financial institutions in the Lao PDR. Currently, the Head of the Accounting and Finance Department and the Head of the Information Technology Department, both of whom have many years of experience in their respective fields, have also submitted their resignations due to compensation issues.

2. **Difficulty in recruiting qualified employee and ineffective job recruitment channels**

Following the resignation of former employees in positions such as financial consultants and other specialized roles, the current salary levels at LCS have made it difficult to recruit qualified candidates. LCS has relied on promoting its ideology, mission, vision, and other morale-based incentives to temporarily retain talented personnel despite relatively low salaries at LCS. However, some new employees are receiving salaries close to those of department heads, highlighting an imbalance in compensation and creating a sense of injustice among long-serving employees.

For example, LCS is urgently seeking to recruit a Chinese national who graduated in the Lao PDR. The current labor market rate for this position is USD 1,500 per month after tax, including food and accommodation. This amount is higher than the salary of the Managing Directors. In addition, there is an urgent need to recruit a Head of the Accounting and Finance Department with experience at one of the Big Four auditing firms, as well as an IT technician with over five years of experience serving as Head of the Information Technology Department in a financial institution, whose salary is approximately USD 2,000/month.

3. Business Development is limited due to a lack of labor

Due to the resignation of key specialized personnel from the Department of Financial Advisory and the Department of Private Fund Management, LCS is unable to undertake and implement projects independently. For instance, in the case of the Lao Airlines State Enterprise share valuation project, although LCS secured the project through its own good network, it had to invite the more experienced BCEL-KT Securities Co., Ltd. to collaborate, in order to train new staff and strengthen the team as well.

After LCS was listed on the securities exchange, employee salary has become a critical issue that must be improved in line with market mechanisms. At the same time, LCS's financial position and business development are now ready to support salary adjustment, as evidenced by increased income and profits.

As of April 30th, 2025, LCS achieved a business revenue of 14,848,266,225.93 LAK, representing an increase of 191.95% compared to the same period last year. The LCS recorded a net profit of 10,379,893,571.59 LAK, an increase of 500.43% compared to the same period last year. Due to LCS being appointed as the lead financial advisor for the Government Bond project and has also receiving new projects this year as financial advisor and underwriter for the Initial Public Offering (IPO) of JDB and BIC. It is further expected to provide financial advisory services and act as underwriter for the securities issuance for the capital raise of Banque Pour Le Commerce Exterieur Lao Public, and to collaborate the green bonds issuance for LOCA in partnership with two other securities companies. Given these developments, LCS's financial advisory business income is projected to grow significantly compared to the previous year. Therefore, the growth of LCS's business can support and justify the proposed increase in employees' base salaries.

Based on the above rationale, we respectfully propose the Shareholders' Meeting for consideration and approval of the following LCS employee salary adjustment plan:

1. Increase the base salary of employees by 100%, effective from January 2025. After the salary adjustment, the total monthly base salary shall not exceed 720 million LAK per month. (Note: The current base salary is approximately 360 million LAK per month). To account for potential increase in the number of employees in the future,

the Directors shall control the total cost of base salaries to ensure the total monthly base salary does not exceed 800 million LAK per month.

2. 50% of the current base salary is considered as performance-based salary, with the following reference plan: Authorize the right to the Managing Directors after ensuring performance-based disbursement, under the condition that LCS's ROE is not lower than 9% and that it can be issued after the annual audit report has been approved by the Board of Directors. (Note: As of 2024, LCS's ROE is 9.03%.).
3. In the event that LCS sustains continuous financial losses, the salary system will be reviewed and adjusted accordingly.
4. Authorize the right to the Managing Directors shall implement this plan in accordance with the resolutions of the Board of Directors' meeting.

Note: The exchange rate used is based on the official rate of the Banque Pour Le Commerce Exterieur Lao Public as of April 30th, 2025: 1 CNY = 2,957 LAK.

To Consider and Approve the Board of Directors' Remuneration Plan

Mr. LI XIAOMING, a general shareholder with securities account number: 003263, holds 38,739,600 shares, which equivalent to 3.49% of the total shares of LCS. According to the Article of Association of Lao-China Securities Public Company No. 003/LCS, dated October 14, 2024, Article 20 regarding Proposal of Meeting agenda and invitation to Shareholders' Meetings, stipulated that when convening a shareholders' meeting, the Board of Directors, a shareholder or shareholders collectively holding 3% or more of the shares shall have the right to propose additional items to meeting agenda. Such shareholders may submit proposals to the company at least 10 days prior to the meeting. The company should send the notice to announce the newly proposed meeting agenda within 2 days after receiving the proposal. The aforementioned shareholder has submitted the following agenda item to the shareholders' meeting on August 2, 2024 as follows:

LCS, as a publicly listed company, should determine remuneration for members of the Board of Directors based on the company's size, operational performance, and accountability of Board members. Given that Board members must invest considerable time and intellectual capacity in fulfilling their duties and bear decision-making risks, LCS should determine remuneration for Board members according to the principle of equal rights and obligations to ensure their active participation. Determining remuneration for Board members serves to incentivize them to perform their duties more effectively and participate more actively in the company's management and decision-making processes. Such remuneration arrangements can motivate Board members to dedicate themselves to LCS's development. Board member remuneration constitute an essential component of LCS's governance structure. Further, reasonable Board member remuneration standards will enhance LCS's management efficiency and promote sustainable growth.

The appropriate remuneration payment method for LCS's Board members is semi-annual disbursement based on LCS's business performance, following these payment basis:

1. Chairman of the Board of Directors: 35,000,000 Kip;
2. Vice Chairman of the Board of Directors: 30,000,000 Kip;
3. Board Members (6 persons): 25,000,000 Kip per person.

*Notes:

1. Since the Managing Director and Excutive Board members already receive executive bonuses, they will not receive additional remunerations as Board members.
2. After ensuring Board member remuneration payments, disbursements will be made on LCS's ROE being no less than 9% annually. In cases where annual ROE from operational results falls below 9%, no remuneration will be paid to Board members.
3. After this agenda item was approved, Board members' remuneration will be calculated from January 1, 2025 onward.

Therefore, the company hereby formally submit to the shareholders' meeting for consideration and approval of the aforementioned agenda item, together with the delegation of authority to the Executive Managing Directors to implement the actual execution.

Note: Exchange rate is refered to the official exchange rate of BCEL as of 30 April 2025, 1 Yuan = 2,957 Kip

Proxy

(1) I/We.....Nationality.....

ID card number.....

or ID passport.....

Current residing at.....Village.....District.....

Province.....

Telephone No.....Email.....

Being a shareholder of Lao-China Securities Public Company (LCS)

Holding a total number of .....shares which are equivalent to the same number of votes.

(2) Hereby assign Mr./Ms.....Age.....

Nationality.....ID card number.....

or ID passport.....

Current residing at.....Village.....District.....

Province.....

Telephone No.....Email.....

To be my/our proxy to attend and vote on my/our behalf in the Shareholders' Meeting of the LCS which will be held at 9:00 AM of 3 September 2025.

(3) I/We authorize the proxy to vote on my/our behalf in the Meeting as follows (choose one from the two following options):

3.1 ☐ To grant the proxy to consider and vote in all agendas on my/our behalf as the proxy may deem appropriate; or

3.2 ☐ To grant the proxy to vote as per my/our intention indicated in the followings (If you select this option, please choose to vote **either approve or disapprove** in every agenda):

Agenda 1: To consider and approve the business performance of LCS for the year 2024 and business plan for the year 2025;

☐ Approve ☐ Disapprove

Agenda 2: To consider and approve the Financial Statement of LCS for the year 2024;

☐ Approve ☐ Disapprove

Agenda 3: To consider and approve the proposed amendments to the Articles of Association of LCS;

☐ Approve ☐ Disapprove

Agenda 4: To consider and approve the 2024 dividend payment plan of LSC;

☐ Approve ☐ Disapprove

Agenda 5: To consider and approve employee bonus payment plan for LCS;

☐ Approve ☐ Disapprove

Agenda 6: To consider and approve the salary adjustment plan for LCS's employees;

☐ Approve ☐ Disapprove

Agenda 7: To consider and approve the board of directors' remuneration plan.

☐ Approve ☐ Disapprove

(4) Any votes made by the proxy contradicting to this Proxy shall be considered as invalid and shall not constitute my/our votes as the shareholder.

(5) In case I/we have failed to specify my/our voting intention in any agenda or not clearly specified, my/our vote in such agenda shall be deemed approved.

(6) Any action made by the proxy in the meeting in accordance with this Proxy, shall be deemed as having been performed by myself/ourselves in all respects.

Wrote at.....date.....

Signed by the shareholder Signed by the proxy

Remark:

1) The shareholder appointing the proxy must authorize only one proxy to attend and vote at the meeting and may not split the number of shares to several proxies for splitting votes;
2) This Proxy must be certified by your most convenient Court Notary Office to ensure its legal validity. LCS may reject any Proxies or proxy authorizations without endorsement of the Court Notary Office;
3) The proxy must present to the officers at registration desk his/her valid ID Card, or family book or passport (in case of foreign investor) together with the copies of the same documents of the shareholder, this Proxy, and the Invitation to the Meeting.

Vote Instruction

1. The attendees will be given a ballot for voting in each agenda requiring a vote at the time of registration. For the case of proxy in which the voting in each agenda has been clearly specified by the shareholder in the Proxy, LCS will record such votes at the time of the registration and the proxy will not be required to vote.

2. Only the shareholders who DO NOT AGREE with the matters proposed by the meeting are invited to vote (meaning that for those who agree with such appointment are not necessary to make any vote).

3. To vote, kindly fill in the distributed ballot in which you must specify clearly about your name and surname, and the total number of LCS shares you are holding (if such information is not available in the ballot) and mark a cross in the Disapprove box.

4. After you have clearly casted your vote, kindly raise your hand with the ballot, so the organizers can take the ballot and count the votes.

5. You will be informed about the voting result right in the meeting with one share equals one vote.

6. A dissenting vote will be effective as follows:
   - For Agenda 3, which is a special resolution is required to have more than 20% of the total number of shares of LCS at the meeting.
   - For other agenda, which are general resolutions are required more than half of the votes of all shares of LCS at the meeting.

Remark:

1. Any attendees who failed to make registration will not be eligible to votes;
2. All disapprove votes in any Agenda which is submitted to the Meeting after the Meeting has announced the voting result of such Agenda shall be deemed invalid.

Instruction about the documents and evidence to be presented prior to attending the meeting

For convenience in registration process to attend the Shareholders ' Meeting of Lao-China Securities Public Company, the shareholders or the proxies who will attend the Meeting are required to bring the Invitation to the Meeting, the Letter for attending the meeting issued by the Lao Securities Exchange and the Proxy (applicable for the proxy only) together with the documents for proof of identity as indicated for each circumstance below:

1. Attendees who are natural persons

Shall present one of the following documents of their own at the time of registration:

1.1 Identification Card

1.2 Family book

1.3 Passport (for foreign investors)

2. Attendees who are legal persons

Shall present one of the documents as given in 1. above plus one of the following documents at the time of registration:

2.1 Investment License

2.2 Certificate of Enterprise Registration (Affidavit)

2.3 Most recent Tax Certificate

For attendee who is not the authorized director shall have the Proxy as attached hereto signed by the authorized director.

All documents and evidence in a foreign language which are required to present prior to attending the Meeting must be translated into Lao language and the translation shall be certified by an acceptable translation company. The foreign language is permitted only for English. LCS has the right to reject any documents contradicting this provision.

LCS Shareholder Meeting

- LCS shareholder's Meeting 2024 date 17 July 2025, 9:00 at 8th floor of Lao Securities Exchange.

