Lao-China Securities Public Company

Interim Financial Statements

For the six-month period ended 30 June 2025



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 public 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 and the latest amended Business Registration Certificate No. 0010/BLO was issued by Special Economic Zone Management Board on 22 April 2025 and Business License No.06/LSCO was issued by Lao Securities Commission Office ("LSCO") on 4 July 2025. On 17 March 2025, the Company received the Certificate of Initial Public Offering ("IPO") completion issued by Lao Securities Commission Office, according to which the Company has completed IPO process where 11,111,200 shares with par value of LAK 100 per share and selling prices of LAK 130 per share were issued.

As at 30 June 2025, The Company was established by four 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, (iv) Public investor with their ownership at the Company of 36.90%, 18%, 35.10% and 10% respectively.

The registered charter capital of the Company is LAK 111,111,120,000 for the period ended 30 June 2025. 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 services, securities trading, corporate finance, securities investment advisory service, securities underwriting service, and private fund management.

The head office of the company located at Thatluang Lake Special Economic Zone, Ban Phonthan, Xaysettha District, Vientiane Capital, Lao PDR.

BOARD OF DIRECTORS

The members of the Board of Directors during the six-month period ended 30 June 2025 and as at the date of this report are:

Name	*Title*	*Date of appointment*
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
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 (continued)

BOARD OF MANAGEMENT

The members of the Board of Management during the six-month period ended 30 June 2025 and at the date of this report are:

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 six-month period ended 30 June 2025 and 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 Company's interim financial statements for the six-month period ended 30 June 2025.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM FINANCIAL STATEMENTS

The Company's management is responsible for the interim financial statements which have been prepared in accordance with the accounting policies as described in Note 3 to the interim financial statements. These accounting policies are not intended to present the interim financial position, the interim results of operations and interim cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those interim financial statements, management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgement 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 interim financial statements; and
- prepare the interim financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

Management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim financial position of the Company and to ensure that the interim financial statements comply with an appropriate accounting framework. It 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 interim financial statements.

STATEMENT BY MANAGEMENT

Management does hereby state that, in its opinion, the accompanying interim financial statements are prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the interim financial statements.

On behalf of Board of Management:

ບໍລິສັດ ຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

Mr. Li Lin
General Director

Vientiane, Lao PDR

29 August 2025

Building a better working world

Ernst & Young Lao Co., Ltd
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Reference: 11486915/E-69131003 - LR

REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To: The shareholders of Lao - China Securities Public Company

We have reviewed accompanying the interim financial statements of Lao-China Securities Public Company ("the Company") as at 30 June 2025 which comprise the interim statement of financial position as at 30 June 2025 and the related interim income statement, interim statement of changes in equity and interim statement of cash flows for the six-months period then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 6 to 26. Management is responsible for the preparation and presentation of this interim financial information in accordance with the accounting policies as described in Note 3 to the interim financial statements. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standards on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting policies as described in Note 3 to the interim financial statements.

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Emphasis of matter

We draw attention to Note 3 to the interim financial statements which describes the accounting policies adopted by the Company. These accounting policies are not intended to present the interim financial position, the interim results of operations and the interim cash flows of the Company in accordance with international generally accepted accounting principles.

Our conclusion is not modified in respect of this matter.

For and on behalf of Ernst & Young Lao Co., Ltd

Van Le
Partner

Audit Practicing Registration
Certificate No. 018/LCPAA_APT-2019

Vientiane, Lao PDR

29 August 2025

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Lao-China Securities Public Company

INTERIM STATEMENT OF FINANCIAL POSITION
as at 30 June 2025

Currency: LAK

ASSETS	*Notes*	*30 June 2025*	*31 December 2024*
A. CURRENT ASSETS		**118,666,755,901**	**71,466,398,822**
I. Cash	***4***	**55,873,108,146**	**5,789,133,108**
1. Cash on hand		42,486,000	-
2. Cash at banks		32,162,885,645	1,592,743,476
3. Cash at MOF		116,375,378	
4. Customers' deposits		8,957,078,365	4,196,389,632
5. Cash on IPO's account		14,444,945,500	-
6. Cash handle for the bond dealer leader		149,337,258	-
II. Current accounts receivable		**20,699,564,553**	**23,837,214,674**
1. Trade receivables	5	20,422,648,798	20,918,894,065
2. Other receivables		-	1,680,000,000
3. Interest receivables		276,915,755	1,238,320,609
III. Short term investments		**40,980,864,750**	**40,694,899,300**
1. Investment securities	6	23,963,474,750	28,421,563,300
2. Short-term deposit	7	15,500,000,000	10,000,000,000
3. Short -term held-to-maturity	13	1,517,390,000	2,273,336,000
IV. Other current assets		**1,113,218,452**	**1,145,151,740**
1. Other current assets	8	1,113,218,452	1,145,151,740
B. NON-CURRENT ASSETS		**80,648,781,256**	**93,594,903,560**
I. Fixed assets		**2,451,946,256**	**2,343,726,160**
1. Tangible fixed assets	9	2,301,294,893	2,341,132,363
2. Intangible fixed assets	10	2,169,315	2,593,797
3. Construction in progress	11	148,482,048	-
II. Long-term investments		**78,196,835,000**	**91,251,177,400**
1. Long-term deposit	7	-	15,000,000,000
2. Available-for-sale investment	12	65,230,476,000	63,560,640,000
3. Long-term held-to-maturity	13	12,966,359,000	12,690,537,400
TOTAL ASSETS		**199,315,537,157**	**165,061,302,382**

Lao-China Securities Public Company

INTERIM STATEMENT OF FINANCIAL POSITION (continued)
as at 30 June 2025

Currency: LAK

LIABILITIES AND OWNERS' EQUITY	*Notes*	*30 June 2025*	*31 December 2024*
A. LIABILITIES		**44,667,392,010**	**39,781,466,697**
I. Current liabilities		**44,667,392,010**	**39,781,466,697**
1. Short-term borrowing	14	26,246,727,190	26,248,421,223
2. Deferred revenue	15	8,635,769,765	8,635,769,765
3. Payable to customers	16	8,957,078,365	4,196,389,632
4. Payable to securities Companies		263,959,065	-
5. Payable to Bond customers		59,231,200	-
6. Other payables		136,135,242	332,120,467
7. Employee benefits	17	368,491,183	368,765,610
B. OWNERS' EQUITY		**154,648,145,147**	**125,279,835,685**
I. Capital		**154,648,145,147**	**125,279,835,685**
1. Contributed charter capital	18	111,111,120,000	100,000,000,000
2. Share premium	18.2	2,360,038,519	-
3. Retained earnings		24,516,085,568	10,206,778,619
4. Legal reserves		3,697,423,512	2,107,500,518
5. Available-for-sale reserve	12	11,936,406,000	11,938,485,000
6. Business expansion reserve		1,027,071,548	1,027,071,548
TOTAL LIABILITIES AND OWNERS' EQUITY		**199,315,537,157**	**165,061,302,382**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

ບໍລິສັດ ຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

Mr. Li Lin
General Director

Vientiane, Lao PDR

29 August 2025

Lao-China Securities Public Company

INTERIM INCOME STATEMENT
for the six-month period ended 30 June 2025

Currency: LAK

ITEMS	*Notes*	*For the six-month period ended 30 June 2025*	*For the six-month period ended 30 June 2024*
1. Revenue		**16,280,454,968**	**6,378,119,312**
In which:			
- Commission and fee income	20	7,972,948,392	3,887,118,742
- Interest income		1,152,069,644	574,979,918
- Dividend income from investment in securities		1,975,160,320	1,274,985,500
- Net gain from sales of investment in securities		4,561,677,250	3,001,000
- Other operating income		618,599,362	638,034,152
2. Expenses		**(381,225,025)**	**(4,799,117,491)**
In which:			
- Commission and fee expenses	20	(898,125,179)	(414,765,243)
- Gain/ (Loss) in fair value of short-term investments in securities		4,970,076,200	(560,225,370)
- Staff cost		(2,488,165,149)	(1,858,173,453)
- Depreciation and amortization	9,10	(172,150,853)	(50,101,329)
- Interest expenses		(125,194,500)	(125,127,500)
- Other operating expenses	21	(1,667,665,544)	(1,790,724,596)
3. Profit/(loss) before tax		**15,899,229,943**	**1,579,001,821**
4. Profit tax expense	22	-	-
5. Net profit/(loss) after tax		**15,899,229,943**	**1,579,001,821**
Earnings per share		**14.31**	**1.58**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

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Lao-China Securities Public Company

Mr. Li Lin
General Director

Vientiane, Lao PDR

29 August 2025

Lao-China Securities Public Company

INTERIM STATEMENT OF CHANGES IN EQUITY
for the six-month period ended 30 June 2025

Currency: LAK

	Contributed charter capital	*Share premium*	*Legal reserves*	*Business Expansion reserve*	*Available-for-sale reserve*	*Retained earnings / (Accumulated losses)*	*Total*
Balance as at 1 January 2024	**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	-	-	-	-	-	1,579,001,821	1,579,001,821
Balances as at 30 June 2024	**100,000,000,000**	**-**	**975,420,695**	**1,027,071,548**	**(1,117,755,000)**	**1,597,062,035**	**102,481,799,278**
Balance as at 1 January 2025	**100,000,000,000**	**-**	**2,107,500,518**	**1,027,071,548**	**11,938,485,000**	**10,206,778,619**	**125,279,835,685**
Net profit for the year 2025	-	-	-	-	-	15,899,229,943	15,899,229,943
Legal reserve	-	-	1,589,922,994	-	-	(1,589,922,994)	-
Gain in fair value of available for sale investment	-	-	-	-	(2,079,000)	-	(2,079,000)
Capital contribution	11,111,120,000	2,360,038,519	-	-	-	-	13,471,158,519
Balances as at 30 June 2025	**111,111,120,000**	**2,360,038,519**	**3,697,423,512**	**1,027,071,548**	**11,936,406,000**	**24,516,085,568**	**154,648,145,147**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Vientiane, Lao PDR

29 August 2025

Approved by:

ບໍລິສັດ ຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

Mr. Li Lin
General Director

Lao-China Securities Public Company

INTERIM STATEMENT OF CASH FLOWS
for the six-month period ended 30 June 2025

Currency: LAK

ITEMS	*Notes*	*For the six-month period ended 30 June 2025*	*For the six-month period ended 30 June 2024*
I. OPERATING ACTIVITIES			
Profit before tax		***15,899,229,943***	***1,579,001,821***
Adjustments for:			
Depreciation and amortization	9,10	172,150,852	50,101,329
Interest expense		125,194,500	125,127,500
Changes in fair value of investment in securities		4,970,076,200	560,225,370
Net gain on disposal of fixed assets		-	(1,469,899)
Interest income		(1,152,069,644)	(574,979,918)
Dividend from investment in securities		(1,975,160,320)	(1,274,985,500)
Working capital adjustment:			
Net change in receivables		2,176,245,267	(20,100,692)
Net change in investment in securities		(511,987,650)	-
Net change in other current assets		31,933,288	8,032,622,198
Net change in payables		4,887,893,773	52,392,187,207
Net change in deferred revenue		-	-
Net change in employee benefits		(274,427)	(6,991,852)
Interest received		2,113,474,498	750,290,674
Tax paid	22	-	-
Net cash flows from operating activities		**26,736,706,280**	**61,611,028,238**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	9,10	(131,888,900)	(30,174,000)
Proceed on disposal fix assets		-	13,899,300
Placement of long-term deposits		(5,500,000,000)	(15,000,000,000)
Proceeds on redemption of long-term deposits		15,000,000,000	8,000,000,000
Proceed from sale of available-for-sale Securities		(1,671,915,000)	82,530,000
Acquisition of held-to-maturity securities		480,124,400	742,653,000
Share premium		2,360,038,519	-
Dividend received from investment in securities		1,975,160,320	1,274,985,500
Construction in progress	11	(148,482,048)	(1,193,021,150)
Net cash flows from/(used in) investing activities		**12,363,037,291**	**(6,109,127,350)**

Lao-China Securities Public Company

INTERIM STATEMENT OF CASH FLOWS (continued)
for the six-month period ended 30 June 2025

Currency: LAK

ITEMS	*Notes*	*For the six-month period ended 30 June 2025*	*For the six-month period ended 30 June 2024*
III. FINANCING ACTIVITIES			
Repayment of borrowing		(1,694,033)	(171,063)
Interest paid		(125,194,500)	(125,127,500)
Capital contribution	18	11,111,120,000	-
Net cash flows used in financing activities		**10,984,231,467**	**(125,298,563)**
Net increase in cash		**50,083,975,038**	**55,376,602,325**
Cash at the beginning of the year		**5,789,133,108**	**10,753,400,152**
Cash at the end of the year	4	**55,873,108,146**	**66,130,002,477**

Prepared by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Approved by:

Mr. Li Lin
General Director

Vientiane, Lao PDR

29 August 2025

1. CORPORATE INFORMATION

Lao-China Securities Public Company ("the Company") previously known as Lao-China Securities Company Limited is a public 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 the latest amended Business Registration Certificate No. 0010/BLO was issued by Special Economic Zone Management Board on 22 April 2025 and Business License No.06/LSCO was issued by Lao Securities Commission Office ("LSCO") on 4 July 2025. On 17 March 2025, the Company received the Certificate of Initial Public Offering ("IPO") completion issued by Lao Securities Commission Office, according to which the Company has completed IPO process where 11,111,200 shares with par value of LAK 100 per share and selling prices of LAK 130 per share were issued.

As at 30 June 2025, The Company was established by four 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, (iv) Public investor with their ownership at the Company of 36.90%, 18% , 35.10% and 10% respectively.

The registered charter capital of the Company is LAK 111,111,120,000 for the period ended 30 June 2025. 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 head office of the company located at Thatluang Lake Special Economic Zone, Ban Phonthan, Xaysettha District, Vientiane Capital, Lao PDR.

The Company's total number of employees as at 30 June 2025 is 22 (31 December 2024: 21).

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 at 31 December 2024, the cumulative inflation rate in Lao PDR 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). As at 30 June 2025, the cumulative inflation rate in Lao P.D.R. over the past 36 months declined to 74%, however, to determine whether a currency ceases to be hyperinflationary required trends and subsequent review up to the end of 2025. As a consequence , the Company has not implemented any accounting policies to address the effects of hyperinflation due to absence of specific guidance from Lao Financial Reporting Standards ("FRS") and the Ministry of Finance ("MOF") on this matter.

For the period ended 30 June 2025, 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.

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 interim financial statements are prepared to assist the Company in meeting the reporting requirements of its owners. As a result, the interim 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 interim financial statements are consistent with those used in preparation of the Company's interim financial statements for the six-month period ended 30 June 2024.

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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2. Tangible and intangible fixed assets

Tangible fixed assets consist of installations, 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 interim financial position and any gains or losses resulting from their disposal are posted to the interim 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:

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

3.4. Construction in progress

Construction in progress represents the costs of acquiring new assets that have not yet been fully installed or the costs of construction that have not yet been fully completed. Construction in progress is stated at cost, which includes all necessary costs to construct, repair, renovate, expand, or re-equip the projects with technologies, such as construction costs, tools and equipment costs, project management costs, construction consulting costs, and borrowing costs that are eligible for capitalization.

Construction in progress will be transferred to the appropriate fixed asset account when these assets are fully installed or the construction project is fully completed, and depreciation of these assets will commence when they are ready for their intended use.

Construction costs are recognized as expenses when such costs do not meet the conditions to be recognized as fixed assets.

3.5. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6. 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.

3.7. 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 interim income statement.

3.8. 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 interim income statement as 'Dividend income from investment in securities' when the right of the payment has been established.

3.9. 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 interim income statement as "Interest income" on accrual basis (taking into account the effective yield on the asset) unless collectability is in doubt.

3.10. 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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.10. Revenue recognition (continued)

(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.

3.11. 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 interim financial statements could be changed at a later date upon final determination by the tax authorities.

3.12. 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.

3.13. Earnings per share

Basic Earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

4. CASH AND CASH EQUIVALENT

	30 June 2025 LAK	*31 December 2024 LAK*
Cash on hand	42,486,000	-
Cash at Bank of Lao PDR	1,000,000	1,000,000
Cash at MOF	116,375,378	-
Cash at banks	55,713,246,768	5,788,133,108
In which:		
- *Cash of the company*	*32,161,885,645*	*1,591,743,476*
- *Cash of investors (*)*	*8,957,078,365*	*4,196,389,632*
- *Cash from IPO's transaction (**)*	*14,444,945,500*	-
- *Cash handle for bond dealer leader*	*149,337,258*	-
	55,873,108,146	**5,789,133,108**

(*) The company recognised a respective amount of payable to investors as presented in Note 16 to the interim financial statements.

(**) According to the agreement for the IPO issuance No. 13/LSCO dated 11 December 2024, all IPO transactions must be deposited by the company into a Commercial bank in Laos. Access to this bank account will be restricted by LSCO, preventing the company from utilizing these cash until plans for business expansion or other approved activities are in place.

5. TRADE RECEIVABLES

	30 June 2025 LAK	*31 December 2024 LAK*
Receivable for financial advisory fee	17,928,327,235	17,928,327,235
Receivable for underwriting fee	605,394,684	631,974,181
Receivable for agency fee	1,386,012,669	1,386,012,669
Receivable for brokerage fee	502,914,210	972,579,980
	20,422,648,798	**20,918,894,065**

6. INVESTMENT SECURITIES

	30 June 2025 LAK	*31 December 2024 LAK*
Held for trading		
Cost	28,651,410,771	38,079,575,521
Net unrealised fair value (loss)	(4,687,936,021)	(9,658,012,221)
Net book value	**23,963,474,750**	**28,421,563,300**

7. TERM DEPOSITS

	30 June 2025 LAK	*31 December 2024 LAK*
Term deposits		
Short-term deposit	15,500,000,000	10,000,000,000
Long-term deposit	-	15,000,000,000
	15,500,000,000	**25,000,000,000**

7. TERM DEPOSITS (continued)

Details of term deposits of the Company as at 30 June 2025 are as follows:

	Principal LAK	*Term*	*Maturity Date*	*Interest rate (% p.a)*
Lao - Viet Bank Co., Ltd	15,000,000,000	24 months	3 Apr 2026	6.32
Joint Development Bank Co.,LTD	500,000,000	12 months	21 Mar 2026	10.25
	15,500,000,000			

8. OTHER CURRENT ASSETS

	30 June 2025 LAK	*31 December 2024 LAK*
Prepaid rental expense	609,913,755	780,390,981
Prepaid insurance	11,122,543	97,973,409
Joint compensation fund	140,289,384	136,817,050
Others	351,892,770	129,970,300
	1,113,218,452	**1,145,151,740**

9. TANGIBLE FIXED ASSETS

	Improvements and decorations LAK	*Office equipment and furniture LAK*	*Motor vehicles LAK*	*Total LAK*
Cost				
As at 1 January 2025	3,025,263,669	4,447,531,448	1,256,389,000	8,729,184,117
Addition	131,888,900	-	-	131,888,900
Disposal	(588,042,403)	(1,823,167,305)	-	(2,411,209,708)
As at 30 June 2025	2,569,110,166	2,624,364,143	1,256,389,000	6,449,863,309
Accumulated depreciation				
As at 1 January 2025	1,067,175,316	4,064,487,438	1,256,389,000	6,388,051,754
Charge for the year	51,134,081	120,592,289	-	171,726,370
Disposal	(588,042,403)	(1,823,167,305)	-	(2,411,209,708)
As at 30 June 2025	530,266,994	2,361,912,422	1,256,389,000	4,148,568,416
Net book value				
As at 1 January 2025	1,958,088,353	383,044,010	-	2,341,132,363
As at 30 June 2025	2,038,843,172	262,451,721	-	2,301,294,893

10. INTANGIBLE FIXED ASSETS

	Software LAK
Cost	
As at 1 January 2025	392,024,300
Addition	-
Disposal for the period	-
As at 30 June 2025	392,024,300
Accumulated depreciation	
As at 1 January 2025	389,430,503
Charge for the year	424,482
As at 30 June 2025	389,854,985
Net book value	
As at 1 January 2025	2,593,797
As at 30 June 2025	2,169,315

11. CONSTRUCTION IN PROGRESS

	30 June 2025 LAK	*31 December 2024 LAK*
Trading System	148,482,048	-
	148,482,048	**-**

12. AVAILABLE-FOR-SALE INVESTMENT

	30 June 2025 LAK	*31 December 2024 LAK*
Shares issued by Vientiane Center Lao Public Company		
Cost (*)	53,294,070,000	51,622,155,000
Net unrealised fair value gain	11,936,406,000	11,938,485,000
Net book value	**65,230,476,000**	**63,560,640,000**

(*) The amount of LAK 53,294,070,000 as at 30 June 2025 comprises of:

(i) The unsold portion of 24,989,200 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 Center Lao Public Company (*Note 14*). As at 30 June 2025, total cost of shares investment is LAK 26,246,727,190. During the six-month period, the company sold 8,500 shares with LAK 8,067,190 after deducting fees. According to contract no. 003/LCS dated 20 May 2019, Article 3 states that if any shares are sold, the company must repay NNCD closed six months, unless the selling value exceeds LAK 400,000,000, the Company has to repayment is due within 10 days.

(ii) 24,755,100 shares under available for sale account. As at 30 June 2025, total cost of the shares investment is LAK 27,055,410,000.

13. HELD TO MATURITY INVESTMENTS

	30 June 2025 LAK	*31 December 2024 LAK*
Short-term investments		
Government bonds issued by MOF	1,517,390,000	2,273,336,000
	1,517,390,000	**2,273,336,000**
Long-term investment		
Government bonds issued by MOF	12,966,359,000	12,690,537,400
	12,966,359,000	**12,690,537,400**

Details of government bonds issued by MOF as at 30 June 2025 are as follows:

		Principal			*Maturity Date*	Interest rate *(% p.a)*
	Currency	*Original*	*LAK equivalent*	*Term*		
Short term investment						
LA10012229D8	USD	50,000	1,083,850,000	2 years	12 Sep 25	5.50
LA1001222BD0	USD	20,000	433,540,000	2 years	13 Nov 25	5.50
			1,517,390,000			
Long-term investment						
LA100122ABB9	USD	23,000	498,571,000	5 years	29 Nov 26	7.00
LA10012239E5	USD	20,000	433,540,000	3 years	05 Sep 27	6.00
LA10012239E5	USD	42,000	910,434,000	3 years	19 Sep 27	6.00
LA10012297E3	USD	180,000	3,901,860,000	3 years	18 Jul 27	6.00
LA100112DEB8	THB	4,350,000	2,893,837,500	3 years	21 Nov-27	6.00
LA10011297E4	THB	3,880,000	2,581,170,000	3 years	18 Jul-27	6.00
LA10011239E6	THB	2,626,000	1,746,946,500	3 years	05 Sep 27	6.00
			12,966,359,000			

14. SHORT TERM BORROWING

	30 June 2025 LAK	*31 December 2024 LAK*
North Nongchan Complex Development Co., Ltd.	26,246,727,190	26,248,421,223
	26,246,727,190	**26,248,421,223**

This is an interest-bearing borrowing to finance the shares purchased as disclosed in Note 12, with repayment based on the sale 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.

15. DEFERED REVENUE

	30 June 2025 LAK	*31 December 2024 LAK*
Deferred revenue from share selling (*)	8,635,769,765	8,635,769,765
	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 LAK 8,635,769,765. To comply with regulatory requirements and facilitate the completion of the shares transfer, Hengshi Chengrui Holding Yunnan Company Limited was required to provide the necessary foreign investment documentation within 2025.

16. PAYABLE TO CUSTOMERS

	30 June 2025 LAK	*31 December 2024 LAK*
Customers' settlement account - Borkerage	8,957,078,365	4,196,389,632
	8,957,078,365	**4,196,389,632**

17. EMPLOYEE BENEFITS

	30 June 2025 LAK	*31 December 2024 LAK*
Bonus and welfare fund (*)	342,357,183	342,357,183
Payroll liabilities	26,134,000	26,408,427
	368,491,183	**368,765,610**

(*) 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 from the shareholders' meeting.

18. CONTRIBUTED CHARTER CAPITAL

	30 June 2025		*31 December 2024*	
Shareholders	*% ownership*	*LAK*	*% ownership*	*LAK*
Agricultural Promotion Bank	36.90%	41,000,000,000	41.00%	41,000,000,000
Lao Information Industry Company Limited	18.00%	39,000,000,000	20.00%	20,000,000,000
Pacific Securities Company Limited	35.10%	20,000,000,000	39.00%	39,000,000,000
Other public investor	10.00%	11,111,120,000	-	-
	100%	**111,111,120,000**	**100%**	**100,000,000,000**

18.1 Ordinary shares

	30 June 2025	
	Quantity	*Amount (LAK)*
Authorized shares		
Issued and paid-up shares		
Ordinary shares	1,111,111,200	111,111,120,000
Closing balance	**1,111,111,200**	**111,111,120,000**

On 17 March 2025, the Company received the Certificate of Initial Public Offering ("IPO") completion issued by Lao Securities Commission Office, according to which the Company has completed IPO process where 111,111,200 shares with par value of LAK 100 per share and selling prices of LAK 130 per share were issued.

18.2 Share premium

Share premium resulted from the IPO amounting to LAK 2,360,038,519 is the difference between the issue price (LAK11,111,120,000) and the par value of the shares (LAK14,444,456,000) after deducting share issuing cost (LAK 973,297,481).

19. EARNINGS PER SHARE

Basic Earnings per share ("EPS") is calculated by dividing the profit for the year attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

The following table reflects the income and share data used in the basic EPS calculations:

	For the six-month period ended 30 June 2025 LAK	*For the six-month period ended 30 June 2024 LAK*
Profit attributable to ordinary equity holders of the Company	15,899,229,943	1,579,001,821
Weighted average number of ordinary shares	1,111,111,200	1,000,000,000
Earnings per share	14.31	1.58

20. NET COMMISSION AND FEE INCOME

	For the six-month period ended 30 June 2025 LAK	*For the six-month Period ended 30 June 2024 LAK*
Income		
Securities brokerage	27,291,429	4,032,714
Financial advisory	4,831,706,771	1,385,558,314
Selling agent	3,113,950,192	2,497,527,714
	7,972,948,392	**3,887,118,742**
Expenses		
Financial advisory	(724,980,000)	(10,414,500)
Securities underwriting	-	(127,401,600)
Selling agent	(136,666,339)	(276,949,143)
Other commissions from securities	(36,478,840)	-
	(898,125,179)	**(414,765,243)**
Commission and fee income, net	**7,074,823,213**	**3,472,353,499**

21. OTHER OPERATING EXPENSES

	For the six-month period ended 30 June 2025 LAK	*For the six-month Period ended 30 June 2024 LAK*
Rental fees	400,578,077	1,316,026,426
External services	51,067,825	50,490,675
Business entertainment expenses	70,300,780	34,081,500
Travel expenses	360,909,379	65,514,000
Utility expenses	38,104,000	44,924,593
Insurance expenses	99,036,866	85,710,569
Postal and telecommunication expenses	20,735,581	13,380,523
Meeting and seminar expenses	249,118,000	4,000,000
Taxes and duties	3,540,000	1,545,000
Loss from foreign exchange rate	142,448,194	10,147,857
Others	231,826,842	164,903,453
	1,667,665,544	**1,790,724,596**

22. 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 six-month period ended as 30 June 2025 are as follows:

	For the six-month period ended 30 June 2025 LAK	*For the six-month Period ended 30 June 2024 LAK*
Profit before tax for the year	**15,899,229,943**	**1,579,001,821**
Less:		
Non-taxable income	*(6,912,552,897)*	*(1,783,782,610)*
Incomes exempted from CIT	*(6,981,886,366)*	*(1,367,442,550)*
Add:		
Non-deductible expense	*1,664,487,831*	*1,790,747,547*
	3,669,278,511	**218,524,208**
Tax loss carried forward utilized	(1,271,090,653)	(218,524,208)
Estimated current taxable profit/(loss)	**2,398,187,858**	-
Estimated current PT expenses at rate 20% (2025: 20%)	-	-
Profit tax payable at the beginning of the year	-	-
Profit tax paid during the year	-	-
Profit tax payable at the end of the year	-	-

22. PROFIT TAX (continued)

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 interim financial statements could be changed at a later date upon final determination by the tax authorities.

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 30 June 2025 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)
2025	2030	-	1,271,090,653	-
		(9,573,467,601)	**9,573,467,601**	**-**

23. RELATED PARTY TRANSACTIONS

Significant balances with related parties during the year were as follows:

Related party	*Relationship*	*Transactions*	*30 June 2025*	*31 December 2024*
Agricultural Promotion Bank	Owner	Current Account	7,786,968	7,525,992
	Owner	Saving Account	1,328,252,583	393,791,338
			1,336,039,551	**401,317,330**

24. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 30 June 2025 that requires adjustment or disclosure to be made in the interim financial statements of the Company.

Prepared by:

Approved by:

Ms. Boubphathip Vongdoaungchanh
Chief Accountant

Mr. Li Lin
General Director

Vientiane, Lao PDR

29 August 2025