ບໍລິສັດຫຼັກຊັບ ລາວ-ຈີນ ມະຫາຊົນ
Lao-China Securities Public Company

The business performance of LCS for the year 2024 and business plan for the year 2025

I. Company Background

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

LCS has three shareholders as follows:

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

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

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

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

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

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

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

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

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

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

In 2024, pursuant to the resolution of the First LCS Extraordinary Shareholders' Meeting for the year 2024, No. 002/LCS, dated May 10, 2024, LCS relocated its office to the Thatluang Lake Special Economic Zone. Following the relocation, LCS received a new Enterprise Registration No. 0010/ERO issued by the Enterprise Registration Office, Vientiane Special

Economic Zone Management Committee, dated June 25, 2024. The new office is located at: Thatluang Lake Special Economic Zone, Phonthan Village, Saysettha District, Vientiane Capital.

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

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

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

II. Current business operations

1. Organizational culture and business operation policies

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

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

2. Type of services

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

2.1 Securities Brokerage

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

2.2 Financial advisory

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

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

2.3 Underwriting

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

2.4 Investment advisory

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

2.5 Private fund management

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

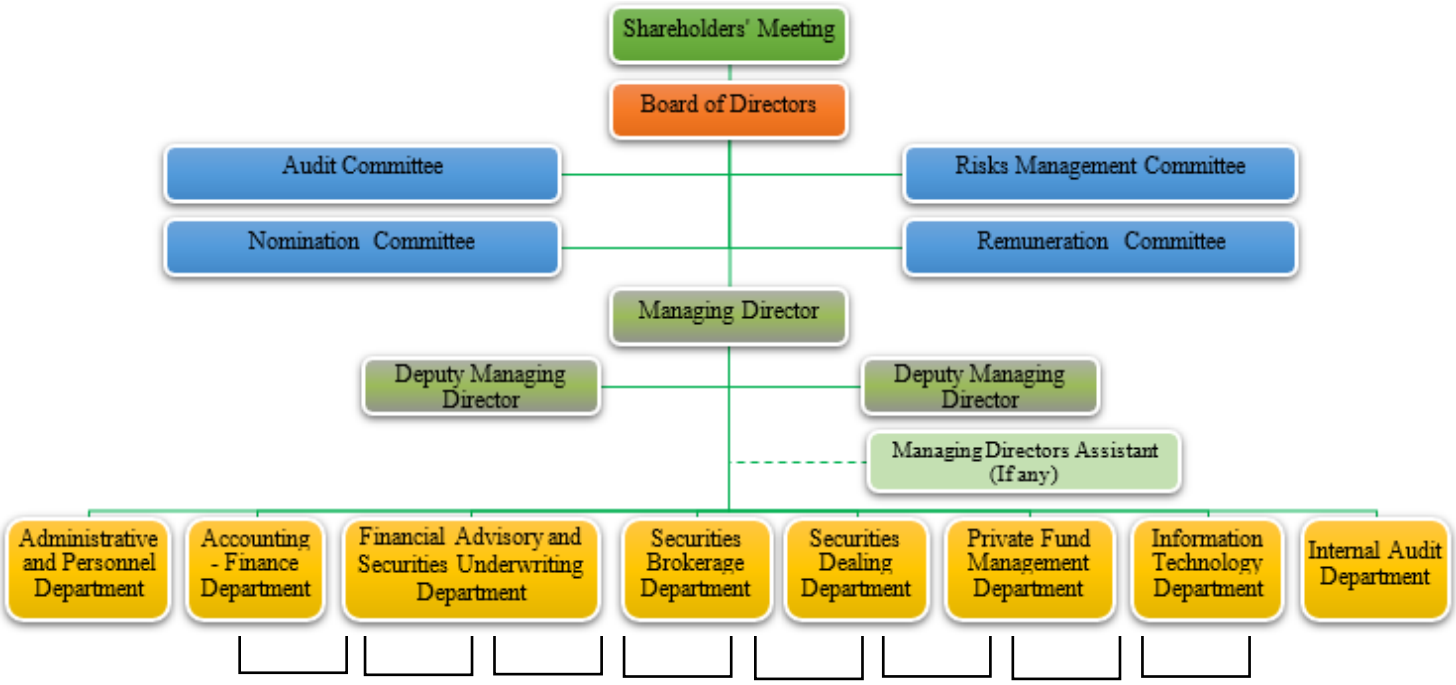
- Investment targets for private fund products may include one or all of the following:

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

3. Shareholding Structure

No.	Shareholders	Number of shares	%
1	Agricultural Promotion Bank	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%
Total		**1,111,111,200**	**100.00%**

4. Organization structure



5. Board of directors' members

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

6. Audit committee members

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

7. Risk management committee members

No.	Name and Surname	Designation
1	Mr. Somphong Bolibouth	Chairman

2	Mr. Li Lin	Member
3	Assoc. Prof. Piya Vongphit, PhD	Member / Independent

8. Remuneration Committee Members

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

9. Nominating Committee Members

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

10. Executive director members

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

11. Personnel

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

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

12. Biography of the Company's board of directors



Mr. Nooxay Phoomsuwan

Curriculum Vitae:
Date of birth: 08 January 1977
Nationality: Lao
Designation: Chairman
Educational Background:
1996-2000: Bachelor of Arts in Economics, Thammasat University, Thailand
2007-2008: Master of Applied Economics, The University of Adelaide
Work Experiences:
2003-2004: Officer, Organization and Personnel Department, BOL
2005-2006: Officer, Bank Supervision Department, BOL
01/2009: Officer, Monetary Policy Department, BOL
06/2009: Deputy Head of Division, Monetary Policy Department, BOL
05/2010: Acting Head of Division, Banking Operation Department, BOL

02/2013: Head of Division, Banking Operation Department, BOL
02/2017: Deputy Director General of Banking Operation Department, BOL
02/2022: Deputy Director General of Monetary Policy Department, BOL
09/2022: Deputy Director General of Banking Operation Department, BOL
03/2023-Present: Deputy Managing Director, Supervise Treasury Management Department, Branch Management Department, and Risks Management Department, APB



Mr. Li Changwei

Curriculum Vitae:
Date of Birth: 03 December 1964
Nationality: Chinese
Designation: Vice Chairman
Educational Background:
1981-1985: Bachelor in Political Economics, Peking University
1987-1990: Master in Economics, Peking University, China
2004-2006: Master in Business Administration, China Europe International Business School (CEIBS)
Work Experiences:
1985-1987: Officer, Henan Provincial Economic Research Center
1990-1993: Teacher, Central Party School of the Communist Party of China
1993-1998: Chief Executive Officer, Shenyin & Wanguo Securities Co., Ltd. Haikou Branch
1998-1999: Deputy Managing Director, Manager of Sales Department, Shenyin & Wanguo Securities Co., Ltd. Beijing Headquarters
1999-2012: Deputy Managing Director, Head of Inspection Department, Fuguo Fund Management Co., Ltd.
2019-2020: Member of Audit Committee, China Securities Inter-Agency Quotation System Co., Ltd
2012-Present: Chief Executive Officer, THE PACIFIC SECURITIES CO.,LTD



Mr. Zhou Kun

Curriculum Vitae:

Date of Birth: 03 August 1971

Nationality: Chinese

Designation: Member

Educational Background:

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

Work Experiences:

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

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



Mr. Zhang Hongbin

Curriculum Vitae:

Date of Birth: 11 July 1966

Nationality: Chinese

Designation: Member

Educational Background:

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

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

Work Experiences:

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

1995-1999: CFO, TEMAX GMBH (Germany)

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

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

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

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



Mr. Somephong Bolibouth

Curriculum Vitae:

Date of Birth: 10 September 1990

Nationality: Lao

Designation: Member

Educational Background:

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

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

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

Work Experiences:

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

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

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

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

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

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

2023-Present: Head of Treasury Management Department, APB



Mr. Li Lin

Curriculum Vitae:
Date of Birth: 2 December 1976
Nationality: Chinese
Designation: Member
Educational Background:
1995-1999: Bachelor degree in Lao Language and Literature, Foreign Languages University, Luoyang, Henan
Work Experiences:
1999-2005: Intermediate translator, Yunnan Province Translation Association
2005-2012: Officer, Yunnan Provincial Foreign Affairs Office Neighboring Countries Department
2009-2011: Third Secretary, Trade and Fair Events, Economic-Trade Consulting Office, Chinese Embassy in Lao PDR
2012-Present: Officer, Strategic Development Department/International Business Department, The Pacific Securities Co., Ltd.
2013-Present: General Managing Director, Laos-China Securities Co., Ltd.



Assoc. Prof. Piya Wongpit, PhD

Curriculum Vitae:

Date of Birth: 23 October 1979

Nationality: Lao

Designation: Member

Educational Background:

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

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

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

Work Experiences:

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



Mr. Wang Wei

Curriculum Vitae:
Date of Birth: 25 October 1972
Nationality: Chinese
Designation: Member
Educational Background:
1992-1994: Associate degree in Archives Science (Administrative Information), Yunnan University
Work Experiences:
1994-2014: Department Manager, Party Committee Work, Yunnan International Company
2014-Present: Department General Manager Working in Laos Representative Office, The Pacific Securities Co.,Ltd



Mr. Nah Chantalivong

Curriculum Vitae:
Date of Birth: 9 June 1957
Nationality: Lao
Designation: Member

Educational Background:
1980-1985: Associate degree in Accounting, Banking institution, Dongda, Hanoi, Vietnam
2003-2007: Master of Business Administration, National Economics University, Hanoi, Vietnam

Work Experiences:
1991-1995: CEO, ARounMay Bank, Xiengkhouang Province
1996-1997: Deputy Director General, Bank Supervision Department, BOL
1998-1999: Deputy Director General of Internal Audit Department
2000-2002: Director General of Banking Operations Department
2003-2005: General Managing Director, Lao Development Bank
2006-2010: Director General of Accounting and Finance Department
2010-2016: Director General, BOL Champasak Branch
2017-2018: Governor Assistant, Accounting and Finance, BOL
2019-Present: Advisor, Phongsupthavy Group Company



Mr. Southideth Bounluxay, PhD

Curriculum Vitae:
Date of Birth: 7 July 1978
Nationality: Lao
Designation: Deputy Managing Director

Educational Background:
1998-2002: Bachelor degree in International Finance, Jilin University, Changchun City, Jilin Province
2002-2005: Master in Finance, Jilin University, Changchun City, Jilin Province
2005-2009: Doctor of World Economics, Jilin University, Changchun City, Jilin Province

Work Experiences:
2009-2010: Internship, Lao Securities Commission Office, BOL
2010-2013: Officer, Lao Securities Commission Office, BOL
2014-2018: Deputy Head of Division, Lao Securities Commission Office, BOL
2018-2019: Acting Head of Division, Lao Securities Commission Office, BOL
2019-2020: Head of Division, Lao Securities Commission Office, BOL
2020-Present: Deputy Managing Director, Supervise Brokerage Department, Securities Dealing Department, Administrative and Personnel Department, and Internal Audit Department, Lao-China Securities Public Company



Phongsavath Leuname

Curriculum Vitae:
Date of Birth: 27 February 1985
Nationality: Lao
Designation: Deputy Managing Director

Educational Background:
2005-2009: bachelor of Communication Process, Beijing University of Posts and Telecommunications, Beijing, China
2009-2012: Master of Management Science and Engineering, Beijing University of Posts and Telecommunications, Beijing, China

Work Experiences:
2012-2014: Broker, BCEL-KT Securities Company Limited
2014-2023: Head of Financial Advisory and Underwriting Department, Lao-China Securities Public Company
2022-2023: Deputy Head of the Secretariat, Lao-China Securities Public Company
2022-2023: Assistant of Managing Director, Lao-China Securities Public Company
2023-2024: Assistant of Managing Director, Lao Development Bank
2024-Present: Deputy Managing Director, Lao-China Securities Public Company

The business performance of LCS for the year 2024

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.

Managing Director

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

ລິນລີ
Lin Li