Lao-China Securities Public Company

Financial Statements

For the year ended 31 December 2025



Lao-China Securities Public Company

CONTENTS

	Pages
General information	1 - 2
Report of management	3
Independent auditors' report	4 - 6
Statement of financial position	7 - 8
Income statement	9
Statement of changes in equity	10
Statement of cash flows	11 - 12
Notes to the financial statements	13 - 26

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 111,111,200 shares with par value of LAK 100 per share and selling prices of LAK 130 per share were issued.

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.

As at 31 December 2025, the contributed capital of the Company is LAK 111,111,120,000. As at 31 December 2024, the contributed capital of the Company is LAK 100,000,000,000.

The principal activities of the Company are to provide brokerage 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 for the year ended 31 December 2025 as at the date of this report as follow:

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 (continue)

BOARD OF MANAGEMENT

The members of the Board of Management for the year ended 31 December 2025 as at the date of this report as follows:

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

LEGAL REPRESENTATIVE

The legal representative of the Company during the year ended 31 December 2025 as at the date of this report is Mr. Li Lin, General Director.

AUDITOR

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

Lao-China Securities Public Company

REPORT OF MANAGEMENT

Management of Lao-China Securities Public Company ("the Company") is pleased to present its report and the financial statements of the Company as at and for the year then ended 31 December 2025.

MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

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

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

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

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

APPROVAL OF THE FINANCIAL STATEMENTS

We hereby approve the accompanying financial statements at 31 December 2025 and for the year then ended which are prepared in accordance with the accounting policies as described in Note 3 to the financial statements.

On behalf of Board of Management:

Mr. Li Lin
General Director

Vientiane, Lao PDR

31 March 2026

Reference: 11486915/69131003

INDEPENDENT AUDITORS' REPORT

To: The Owners of Lao-China Securities Public Company

We have audited the financial statements of Lao-China Securities Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2025, and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Emphasis of matter

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. We have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Audit's Responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key Audit Matter	How Our Audit Addressed the Key Audit Matter
Recoverability of receivable from brokerage fee As at 31 December 2025, the Company has recorded a brokerage receivable amounting to LAK 10,292,557,470. This receivable relates to a service/brokerage fee for assisting in the transfer of a 35.69% shares of the target company. This was considered a key audit matter due to the significance of the balance and subjective assessment required to evaluate the collectability of this receivable. As of the date, 35.69% of the shares are registered under the name of Chinese investor which the transfer was completed on 29-Nov-2022; However, the Chinese investor has not made any payment yet. Although the original settlement deadline of September 2024 has passed, management received a partial payment in October 2024 and has extended the final deadline to no later than June 2026. Management has not recorded any doubtful accounts provision.	Our audit procedures included evaluating and understanding the contractual arrangements to verify the terms related to the service fee and the conditions for payment based on the required shareholding threshold. Reviewing meeting minutes to confirm agreements on the postponement the settlement date and associated penalties for non-performance. In addition, we inquired with LCS management to confirm the status of the share transfer process, ensuring that a specific share block remained pending transfer. Finally, we evaluated management's assessment regarding the absence of a provision by challenging the feasibility of the revised deadline and assessing the adequacy of related disclosures.

Responsibilities of the Company's Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

31 March 2026

Lao – China Securities Public Company

STATEMENT OF FINANCIAL POSITION
as at 31 December 2025

Currency: LAK

ASSETS	*Notes*	*31 December 2025*	*31 December 2024*
A. CURRENT ASSETS		**120,834,456,650**	**71,466,398,822**
I. Cash	***4***	***58,241,775,838***	***5,789,133,108***
1. Cash on hand		4,110,000	-
2. Cash at banks		31,187,797,392	1,592,743,476
3. Cash of investors		27,049,868,446	4,196,389,632
II. Current accounts receivable		***29,191,094,372***	**23,837,214,674**
1. Trade receivables	5	28,706,575,151	20,918,894,065
2. Other receivables		-	1,680,000,000
3. Interest receivables		484,519,221	1,238,320,609
III. Short term investments		***32,097,964,630***	***40,694,899,300***
1. Investment securities	6	31,098,657,630	28,421,563,300
2. Short-term deposit	7	500,000,000	10,000,000,000
3. Short -term held-to-maturity	13	499,307,000	2,273,336,000
IV. Other current assets		***1,303,621,810***	***1,145,151,740***
1. Other current assets	8	1,303,621,810	1,145,151,740
B. NON-CURRENT ASSETS		**116,721,928,147**	**93,594,903,560**
I. Fixed assets		***2,323,576,947***	***2,343,726,160***
1. Tangible fixed assets	9	2,173,352,411	2,341,132,363
2. Intangible fixed assets	10	1,742,488	2,593,797
3. Construction in progress	11	148,482,048	-
II. Long-term investments		***114,398,351,200***	***91,251,177,400***
1. Long-term deposits	7	23,000,000,000	15,000,000,000
2. Available-for-sale investment	12	69,615,560,000	63,560,640,000
3. Long-term held-to-maturity	13	21,782,791,200	12,690,537,400
TOTAL ASSETS		**237,556,384,797**	**165,061,302,382**

Lao – China Securities Public Company

STATEMENT OF FINANCIAL POSITION (continued)
as at 31 December 2025

Currency: LAK

LIABILITIES AND OWNERS' EQUITY	*Notes*	*31 December 2025*	*31 December 2024*
A. LIABILITIES		**72,654,704,485**	**39,781,466,697**
I. Current liabilities		***72,654,704,485***	***39,781,466,697***
1. Short-term borrowing	14	26,246,681,488	26,248,421,223
2. Deferred revenue	15	8,635,769,765	8,635,769,765
3. Payable to customers	16	27,049,868,446	4,196,389,632
4. Payable to securities Companies	17	10,335,366,020	-
5. Other payables		360,884,766	332,120,467
6. Employee benefits	18	26,134,000	368,765,610
B. OWNERS' EQUITY		**164,901,680,312**	**125,279,835,685**
I. Capital		***164,901,680,312***	***125,279,835,685***
1. Contributed charter capital	19	111,111,120,000	100,000,000,000
2. Share premium	19.2	2,360,038,519	-
3. Retained earnings		29,224,275,516	10,206,778,619
4. Legal reserves		4,837,839,729	2,107,500,518
5. Available-for-sale reserve	12	16,341,335,000	11,938,485,000
6. Business expansion reserve		1,027,071,548	1,027,071,548
TOTAL LIABILITIES AND OWNERS' EQUITY		**237,556,384,797**	**165,061,302,382**

Prepared by:

Ms. Ouphet Luanglath
Chief Accountant

Approved by:

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

Mr. Li Lin
General Director

Vientiane, Lao PDR

31 March 2026

Lao – China Securities Public Company

INCOME STATEMENT
as at 31 December 2025

Currency: LAK

ITEMS	*Notes*	*2025*	*2024*
1. Revenue		**43,824,002,467**	**15,805,189,364**
In which:			
- Commission and fee income	21	33,017,959,190	11,664,856,185
- Interest income		2,420,506,451	2,115,627,559
- Dividend income from investment in securities		1,975,160,320	1,274,985,500
- Net gain from sales of investment in securities		4,791,454,057	3,211,000
- Other operating income		1,618,922,449	746,509,120
2. Expenses		**(16,520,610,359)**	**(4,484,391,136)**
In which:			
- Commission and fee expenses	21	(8,514,831,429)	(1,154,240,357)
- Gain in fair value of short-term investments in securities		6,156,313,273	4,471,269,930
- Staff cost		(9,411,922,731)	(3,884,638,107)
- Depreciation and amortization	9,10	(348,753,557)	(139,406,119)
- Interest expense		(125,194,500)	(128,128,500)
- Other operating expenses	22	(4,276,221,415)	(3,649,247,983)
3. Profit before tax		**27,303,392,108**	**11,320,798,228**
4. Profit tax expense	23	-	-
5. Net profit after tax		**27,303,392,108**	**11,320,798,228**
Earnings per share		24.57	11.32

Prepared by:

Ms. Ouphet Luanglath
Chief Accountant

Approved by:

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Lao-China Securities Public Company

Mr. Li Lin
General Director

Vientiane, Lao PDR

31 March 2026

Lao-China Securities Public Company

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 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	-	-	-	-	-	11,320,798,228	11,320,798,228
Appropriation of Legal reserves	-	-	1,132,079,823	-	-	(1,132,079,823)	-
Gain in fair value of available-for-sale investment	-	-	-	-	13,056,240,000		13,056,240,000
Balances as at 31 Dec 2024	**100,000,000,000**	**-**	**2,107,500,518**	**1,027,071,548**	**11,938,485,000**	**10,206,778,619**	**125,279,835,685**
Net profit for the year 2025	-	-	-	-	-	27,303,392,108	27,303,392,108
Dividends paid (*)	-	-	-	-	-	(5,555,556,000)	(5,555,556,000)
Appropriation of Legal reserves	-	-	2,730,339,211	-	-	(2,730,339,211)	-
Gain in fair value of available for sale investment	-	-	-	-	4,402,850,000	-	4,402,850,000
Capital contribution	11,111,120,000	2,360,038,519	-	-	-	-	13,471,158,519
Balances as at 31 Dec 2025	**111,111,120,000**	**2,360,038,519**	**4,837,839,729**	**1,027,071,548**	**16,341,335,000**	**29,224,275,516**	**164,901,680,312**

(*): Pursuant to the Board of Directors' resolution no. 006/LCS dated 12 September 2025, the Company distributed a dividend of LAK 5 per share, totaling LAK 5,555 million.

Prepared by:

Ms. Ouphet Luanglath
Chief Accountant

Approved by:

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

Mr. Li Lin
General Director

Vientiane, Lao PDR

31 March 2026

Lao – China Securities Public Company

STATEMENT OF CASH FLOWS
for the year ended 31 December 2025

Currency: LAK

ITEMS	*Notes*	*2025*	*2024*
I. OPERATING ACTIVITIES			
Profit before tax		**27,303,392,108**	**11,320,798,228**
Adjustments for:		-	-
Depreciation and amortization	9,10	348,753,557	139,406,119
Interest expense		125,194,500	125,127,500
Changes in fair value of investment in securities		6,156,313,273	(4,471,269,930)
Net losses on disposal of fixed assets		-	(1,469,899)
Interest income		(2,420,506,451)	(2,115,627,559)
Dividend from investment in securities		(1,975,160,320)	(1,274,985,500)
Working capital adjustment:			
Net change in receivables		(6,107,681,086)	(7,976,210,318)
Net change in investment in securities		(8,833,407,603)	-
Net change in other current assets		(158,470,070)	9,211,683,012
Net change in payables		33,217,609,134	(472,175,235)
Net change in deferred revenue		-	8,635,769,766
Net change in employee benefits		(342,631,610)	(6,717,425)
Interest received		3,174,307,838	1,413,817,706
Tax paid	23	-	-
Net cash flows from operating activities		**50,487,713,270**	**14,528,146,465**
II. CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets	9,10	(180,122,296)	(2,349,206,632)
Proceed on write off fix assets		-	13,899,300
Placements of long-term deposits		9,500,000,000	(15,000,000,000)
Proceeds on redemption of long-term deposit		(8,000,000,000)	8,000,000,000
Proceed from sale of available-for-sale investment		(1,652,070,000)	(700,590,000)
Acquisition of held-to-maturity securities		(7,318,224,800)	(10,523,840,400)
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)	-
Net cash flows from investing activities		**(3,463,700,305)**	**(19,284,752,232)**

Lao – China Securities Public Company

STATEMENT OF CASH FLOWS (continued)
for the year ended 31 December 2025

Currency: LAK

ITEMS	*Notes*	*2025*	*2024*
III. FINANCING ACTIVITIES			
Repayment of borrowing		(1,739,735)	(82,533,777)
Interest paid		(125,194,500)	(125,127,500)
Dividend paid		(5,555,556,000)	-
Capital contribution	19	11,111,120,000	-
Net cash flows used in financing activities		**5,428,629,765**	**(207,661,277)**
Net increase in cash		**52,452,642,730**	**(4,964,267,044)**
Cash at the beginning of the year		**5,789,133,108**	**10,753,400,152**
Cash at the end of the year	**4**	**58,241,775,838**	**5,789,133,108**

Prepared by:

Ms. Ouphet Luanglath
Chief Accountant

Approved by:

Mr. Li Lin
General Director

Vientiane, Lao PDR

31 March 2026

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 111,111,200 shares with par value of LAK 100 per share and selling prices of LAK 130 per share were issued.

As at 31 Dec 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.

As at 31 December 2025, the contributed capital of the Company is LAK 111,111,120,000. As at 31 December 2024, the contributed capital of the Company is LAK 100,000,000,000.

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

The 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 31 December 2025 is 23 (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.

In 2024 the economy of Lao People's Democratic Republic (Laos) was recognised as hyperinflationary since meeting of criteria, stipulated in IAS 29 "Financial Reporting in Hyperinflationary Economies". However, the Company has not implemented any accounting policies to address the effects of hyperinflation due to the absence of specific guidance from Lao Financial Reporting Standards (FRS) and the Ministry of Finance (MOF) on this matter. From 1 January 2025 the economy of Laos has been no more considered as hyperinflationary. For the year ended 31 December 2025, the Company has prepared its annual financial statements in accordance with the accounting policies as set out in Note 3 for the special purpose of meeting the reporting requirements of its owners, instead of Lao FRS, and has elected not to apply IAS 29.

For the year ended 31 December 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.

2. BASIS OF PREPARATION (Continued)

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

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

Fiscal year

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

3.2. Tangible and intangible fixed assets

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

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

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

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

3.3. Depreciation and amortization

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.3. *Depreciation and amortization (continued)*

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

3.4. *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.

3.6. *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 income statement.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 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.

(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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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

	31 December 2025 LAK	*31 December 2024 LAK*
Cash on Hand	4,110,000	-
Cash at banks	31,187,797,392	1,592,743,476
- *Cash from IPO's transaction (**)*	*14,444,924,500*	-
- *Cash at MOF*	*3,826,005,721*	-
- *Cash handle for bond dealer leader*	*212,524,370*	-
- *Cash at Bank of Lao PDR*	*1,000,000*	*1,000,000*
- *Cash of the Company*	*12,703,342,801*	*1,591,743,476*
Cash of investors (*)	27,049,868,446	4,196,389,632
	58,241,775,838	**5,789,133,108**

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

	31 December 2025 LAK	*31 December 2024 LAK*
Receivable for financial advisory fee	806,382,347	631,974,181
Receivable for underwriting fee	8,624,622,944	1,386,012,669
Receivable for agency fee	1,347,242,625	972,579,980
Receivable for brokerage fee	17,928,327,235	17,928,327,235
	28,706,575,151	**20,918,894,065**

6. INVESTMENT SECURITIES

	31 December 2025 LAK	*31 December 2024 LAK*
Held for trading		
Cost	34,600,356,578	38,079,575,521
Net unrealised fair value (loss)	(3,501,698,948)	(9,658,012,221)
Net book value	**31,098,657,630**	**28,421,563,300**

7. TERM DEPOSITS

	31 December 2025 LAK	*31 December 2024 LAK*
Term deposits		
Short-term deposit	500,000,000	10,000,000,000
Long-term deposits	23,000,000,000	15,000,000,000
	23,500,000,000	**25,000,000,000**

Details of term deposits of the Company as at 31 December 2025 are as follows:

	Principal LAK	*Term*	*Maturity Date*	*Interest rate (% p.a)*
Lao - Viet Bank Bank Co., Ltd	15,000,000,000	24 Months	3-Apr-26	6.32
Lao - Viet Bank Bank Co., Ltd	8,000,000,000	24 Months	2-Oct-27	9.35
Joint Development Bank Co.,Ltd	500,000,000	12 Months	21-Mar-26	10.25
	23,500,000,000			

8. OTHER CURRENT ASSETS

	31 December 2025 LAK	*31 December 2024 LAK*
Prepaid rental expense	469,434,775	780,390,981
Prepaid insurance	110,415,925	97,973,409
Joint compensation fund	145,569,801	136,817,050
Others	578,201,309	129,970,300
	1,303,621,810	**1,145,151,740**

9. TANGIBLE FIXED ASSETS

Movements of tangible fixed assets for the ended 31 December 2025 are as follows:

	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	180,122,296	-	-	180,122,296
Write-off	(588,042,403)	(1,823,167,305)	-	(2,411,209,708)
As at 31 December 2025	**2,617,343,562**	**2,624,364,143**	**1,256,389,000**	**6,498,096,705**
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	109,627,262	238,274,986	-	347,902,248
Write-off	(588,042,403)	(1,823,167,305)	-	(2,411,209,708)
As at 31 December 2025	**588,760,175**	**2,479,595,119**	**1,256,389,000**	**4,324,744,294**
Net book value				
As at 1 January 2025	1,958,088,353	383,044,010	-	2,341,132,363
As at 31 December 2025	2,028,583,387	144,769,024	-	2,173,352,411

10. INTANGIBLE FIXED ASSETS

Movements of intangible fixed assets for the ended 31 December 2025 are as follows:

	Software LAK
Cost	
As at 1 January 2025	392,024,300
Addition	-
As at 31 December 2025	392,024,300
Accumulated amortization	
As at 1 January 2025	389,430,503
Charge for the year	851,309
As at 31 December 2025	390,281,812
Net book value	
As at 1 January 2025	2,593,797
As at 31 December 2025	1,742,488

11. CONSTRUCTION IN PROGRESS

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

12. AVAILABLE-FOR-SALE INVESTMENT

	31 December 2025 LAK	*31 December 2024 LAK*
Shares issued by Vientiane Center Lao Public Company		
Cost (*)	53,274,225,000	51,622,155,000
Net unrealised fair value gain/(loss)	16,341,335,000	11,938,485,000
Net book value	**69,615,560,000**	**63,560,640,000**

(*) The amount of LAK 53,274,225,000 as at 31 December 2025 comprises of:

(i) The unsold portion of 24,970,300 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 31 December 2025, total cost of shares investment is LAK 26,218,815,000. During the year end, the company sold 26,600 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 31 December 2025, total cost of the shares investment is LAK 27,055,410,000.

13. HELD TO MATURITY INVESTMENT

	31 December 2025 LAK	*31 December 2024 LAK*
Short-term investment		
Government bonds issued by MOF	499,307,000	2,273,336,000
	499,307,000	**2,273,336,000**
Long-term investment		
Government bonds issued by MOF	21,782,791,200	12,690,537,400
	21,782,791,200	**12,690,537,400**

13. HELD TO MATURITY INVESTMENT (continued)

Details of government bonds issued by MOF as 31 December 2025 are as follows:

		Principal				Interest rate
	Currency	Original	LAK equivalent	Term	Maturity Date	(% p.a)
Short term investment						
LA100122ABB9	USD	23,000	499,307,000	5 years	29-Nov-26	7.00
			499,307,000			
Long term investment						
LA10012239E5	USD	20,000	434,180,000	3 years	5-Sep-27	6.00
LA10012239E5	USD	42,000	911,778,000	3 years	19-Sep-27	6.00
LA10012297E3	USD	180,000	3,907,620,000	3 years	18-Jul-27	6.00
LA100112DEB8	THB	4,350,000	2,994,757,500	3 years	21-Nov-27	6.00
LA10011297E4	THB	3,880,000	2,671,186,000	3 years	18-Jul-27	6.00
LA10011239E6	THB	2,626,000	1,807,869,700	3 years	5-Sep-27	6.00
LA10012229D8	USD	100,000	2,170,900,000	2 years	25-Nov-27	5.50
LA10012229D8	THB	10,000,000	6,884,500,000	2 years	25-Nov-27	5.50
			21,782,791,200			

14. SHORT-TERM BORROWINGS

	31 December 2025 LAK	31 December 2024 LAK
North Nongchan Complex Development Co., Ltd.	26,246,681,488	26,248,421,223
	26,246,681,488	**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

	31 December 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 2026.

16. PAYABLES TO CUSTOMERS

	31 December 2025 LAK	*31 December 2024 LAK*
Customers' settlement account - brokerage	27,049,868,446	4,196,389,632
	27,049,868,446	**4,196,389,632**

17. PAYABLE TO SECURITIES COMPANIES

	31 December 2025 LAK	*31 December 2024 LAK*
Brokerage fee payable	5,418,494,985	-
Financial advisory fee payable	1,917,434,490	-
Underwriting fee payable	2,786,912,175	-
Handle for the bond dealer leader	212,524,370	-
	10,335,366,020	**-**

18. EMPLOYEE BENEFITS

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

19. CONTRIBUTED CHARTER CAPITAL

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

19. CONTRIBUTED CHARTER CAPITAL (continued)

19.1 Ordinary shares

	31 December 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.

19.2 Share premium

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

20. 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:

	31 December 2025	*31 December 2024*
	LAK	*LAK*
Profit attributable to ordinary equity holders of the Company	27,303,392,108	11,320,798,228
Weighted average number of ordinary shares	1,111,111,200	1,000,000,000
Earnings per share	24.57	11.32

21. NET COMMISSON AND FEE INCOME

	2025 LAK	2024 LAK
Income		
Securities brokerage	102,262,352	11,145,524
Financial advisory	11,408,907,055	3,688,433,540
Selling agent	10,496,084,208	7,965,277,121
Underwriting	11,010,705,575	-
	33,017,959,190	**11,664,856,185**
Expense		
Financial advisory	(7,577,744,425)	(39,722,250)
Securities underwriting	(161,568,000)	(260,337,600)
Selling agent	(717,932,059)	(849,942,586)
Other commissions from securities	(57,586,945)	(4,237,921)
	(8,514,831,429)	**(1,154,240,357)**
Commission and fee income, net	**24,503,127,761**	**10,510,615,828**

22. OTHER OPERATING EXPENSES

	2025 LAK	2024 LAK
Rental fees	878,418,862	1,121,070,924
Travel expenses	708,824,290	319,470,057
Loss from foreign exchange rate	546,883,399	680,173,736
Meeting and seminar expenses	503,450,000	349,846,112
Audit fees	237,683,600	153,013,000
Office supplies	202,745,482	179,338,894
Insurance expenses	198,765,764	169,826,386
Business entertainment expenses	178,749,968	123,911,000
Repair and maintenance	150,757,609	145,599,459
External services	109,009,188	104,035,970
Utility expenses	102,288,000	88,595,005
Postal and telecommunication expenses	46,694,412	37,740,629
Taxes and duties	45,325,000	9,443,000
Others	366,625,841	167,183,811
	4,276,221,415	**3,649,247,983**

23. PROFIT TAX

In accordance with the Law on Profit Tax No.67/NA dated 18 June 2019, which is effective for the periods from 1 January 2020. The Company has listed with in Lao Stock Exchange since 17 March 2025, profit tax ("PT") rate at 13% applies to the listed companies in LSX for a period of four years commencing from listed date and at 20% for the subsequent years. According to the tax rate applicable for the year ending 31 December 2025 is 13% and for the year ended 31 December 2024 is 20%.

As the Company has moved location to the Special Economic Zone, it is eligible for 2 years exemption of Corporate Income Tax (CIT), from 25 June 2024 to 25 June 2026, following the issuance of the updated business registration Certificate No. 0010/LRO dated 25 June 2024.

Details of profit tax ("PT") provision for the years 2025 are as follows:

	2025 LAK	*2024 LAK*
Profit before tax for the year	**27,303,392,108**	**11,320,798,228**
Less:		
Non-taxable income	*(10,360,099,812)*	*(7,304,991,772)*
Income exception from CIT	*(2,989,678,189)*	*(3,393,824,059)*
Add:		
Non-deductible expense	*3,318,497,457*	*2,736,329,908*
Net taxable income	**17,272,111,564**	**3,358,312,305**
Tax loss utilized	*(1,271,090,653)*	*(3,358,312,305)*
Unutilized loss carried forward	**16,001,020,911**	**(1,271,090,653)**
Estimated current PT expenses at rate 0% (2024: 0% tax exempt)	-	-
Profit tax payable at the beginning of the year	-	-
Profit tax paid during the year	-	-
Profit tax payable at the end of the year	-	-

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

24. RELATED PARTY TRANSACTIONS

Significant balances with related parties are as follows:

Related party	*Relationship*	*Transactions*	*31 December 2025*	*31 December 2024*
Agricultural Promotion Bank	Owner	Current Account	7,368,626	7,525,992
	Owner	Saving Account	3,239,720,146	393,791,338
			3,247,088,772	**401,317,330**

25. SUBSEQUENT EVENTS

There is no matter or circumstance that has arisen since 31 December 2025 that requires adjustment or disclosure to be made in the financial statements.

Prepared by:

Ms. Ouphet Luanglath
Chief Accountant

Vientiane, Lao PDR

31 March 2026

Approved by:

Mr. Li Lin
General Director