

LAO PEOPLE'S DEMOCRATIC REPUBLIC PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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Lao Securities Commission

No. 0003/LSC Vientiane Capital, dated 02 February 2017

Notification

To: Securities Companies that established and operated in the Lao PDR.

Re: The Operation of Securities Company.

- Pursuant to the Law on Securities No. 21/NA, dated 10 December 2012;
- Pursuant to the Decision on Establishment and Operation of Securities Company No. 002/LSC, dated 24 July 2013.

The Lao Securities Commission (LSC) is pleased to notify the securities companies authorized by the LSC to establish and operate in accordance with the legislation of the Lao PDR that, in the previous years, securities companies have actively performed their business operations and strictly implement in compliance with legislation, which generally contribute to social and economic development of the Lao PDR, particularly for capital market development in the Lao PDR.

However, since the current situation of the capital market development in the Lao PDR is in its initial stage, companies have less qualifications on issuing and listing conditions, including the limitation of social understanding and awareness in securities frameworks, especially the business units.

Therefore, to guarantee the effectiveness in selecting target companies for issuing and listing in the securities exchange and to ensure the readiness preparation of enterprises, which aims

¹ Although every effort has been made to convey the meaning and effect of each provision of the original Lao language version as accurately as possible, this English translation does not carry any legal authority. Only the original Lao text has legal force; this English translation is strictly for reference.

(Unofficial Translation)

to sustainable development in the Lao capital market, the Lao Securities Commission hereby

notifies all securities companies to pay more attention to the following issues:

1) Securities companies must carefully and ensurely access and select the potential listed

companies by carefully study their capabilities and readiness before meeting. In the case

that the customer has insufficient qualifications, the preparation time should be extended

for improvement.

2) Prier signing a financial assistance contract with the target company, securities companies

should review it carefully and consult with the LSCO regularly (at least 3-6 months before

signing the contract).

3) Introducing and providing information on financial assistance services to customers must

be detailed and clear, including mechanisms, procedures, and all duties of both parties,

especially consulting fees and other expenses that may arise in relation to the preparation

of the company to issue securities, and be listed on the securities exchange.

4) The comprehensive preparation for the companies that wish to issue securities and be listed

on the securities exchange must ensure that all conditions are in accordance with the

regulations, and relevant issues must be resolved (if have) before submitting the application

and related supporting documents for the issuance of securities.

5) The preparation of information and documents related to the company for securities

offering and list on the securities exchange shall ensure accuracy, completeness, and

reference databases can be checked, such as forecasting financial data must be consistent

with the exact capacities of the potential company, industry, business sector, and macro

development.

Therefore, the Lao Securities Commission is pleased to notify all securities companies to

acknowledge and comply with the content in this notification.

Chairman of the Lao Securities Commission

(Seal and Signature)

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