

(Unofficial Translation)

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Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity
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Lao Securities Commission and Stock Exchange Market

No. 014/SEC
Vientiane, Date: 19 May 2011

**Decision
on Information Disclosure Regulation**

- Pursuant to the Decree on Securities and Securities Exchange Market No. 225/PM, dated 24 May 2010;
- Pursuant to the proposal of the Office of the Lao Securities Commission and Securities Exchange Market to the 8th Meeting of the Lao Securities Commission, dated 29 April 2011.

**The President of Lao Securities and Securities Exchange Market
Commission issues a Decision:**

**Section I
General Provision**

Article 1 Objectives

This decision is derived from Part VI, Article 59 of Decree on Securities and Securities Exchange Market No. 255/PM, dated 24 May 2010 to set forth an additional principle in order to ensure accuracy, completeness, and promptness of the information disclosure.

Article 2 Scope of Application

This decision is applicable to Securities Issuance Companies, Securities Companies and the Securities Exchange Market who have businesses operating in the Lao PDR.

Article 3 General principles

The information disclosure shall pursue the following principles:

1. Correctness, completeness and promptness;
2. Collective reporting to the LSEC in writing;
3. Ensure equal access to information of the general public;
4. Information disclosure shall be in Lao language.

Article 4 Obligations of information disclosure

Securities issuance companies, Securities Companies and the Securities Exchange Market have an obligation to disclose their own information to the public as prescribed in Sections II, III and IV of this Decision, and shall be responsible for the content of information being disclosed.

Article 5 Persons in charge of information disclosure

Securities Issuance Companies, Securities Companies and the Securities Exchange Market shall assign any person to be in charge of information disclosure to the general public and shall notify that person's name to the Lao Securities and Exchange Commission in writing within 5 working days from the date of appointment.

In instances where the appointee has been changed or an additional appointee is nominated, the Lao Securities and Exchange Commission shall be informed in writing within 5 working days from the date of changing or appointing additional person.

Article 6 Information Disclosure

Information disclosure consists of 3 forms namely: Regular information disclosure, Urgent information disclosure and information disclosure, as required.

Information disclosure shall be done through Securities Exchange's website, Lao Securities and Exchange Commission's website and other publication.

In case that the information is disclosed through publication it shall be approved by the Lao Securities and Exchange Commission.

Securities Issuance Companies and Securities Companies shall provide information as set out in Sections II and III of this decision to the Securities Exchange Market and the Lao Securities and Exchange Commission for further disclosure to the general public.

Article 7 Maintaining Information

Securities Issuance Companies, Securities Companies and the Securities Exchange Market shall maintain records of disclosed information at least for ten years.

Section II
Information Disclosure of Securities Issuance Companies

Article 8 Regular Information Disclosure

Securities issuance companies shall disclose information quarterly, semi-annually, and annually.

1. Information Disclosure on a Quarterly Basis

Securities Issuance Companies shall disclose information quarterly within 45 days from the last day of the quarter. In cases where Securities issuance Companies are groups of companies, information shall be disclosed within 30 days after the last day of the quarter for which the information is being disclosed.

The information to be included is quarterly disclosures of financial statements which shall consist of:

- 1) A balance sheet;
- 2) A statement of income;
- 3) A statement of cash flows;
- 4) A statement of changes in equity;
- 5) An explanation of accounting principles, methods used and other relevant information.

2. Information Disclosure on a semi-annual Basis

Securities Issuance Companies shall disclose information semi-annually within 45 days from the last day of second quarter. In cases that the Securities Issuance Companies are groups of companies, they shall disclose information within 60 days after the last day of second quarter.

The information to be disclosed semi-annually shall include financial statements that are reviewed and audited by external auditors. These statements shall also be approved by the Lao Securities and Exchange Commission, and shall consist of:

1. A balance sheet;
2. A statement of income;
3. A statement of cash flows;
4. A statement of changes in equity;
5. An explanation of accounting principles, method used and other.

3. Information Disclosure Annually

Securities Issuance Companies shall disclose information annually within 120 days after the end of the accounting year.

The information to be disclosed annually is financial statements that are audited by external auditors. These statements shall be approved by the Lao Securities and Exchange Commission and shall consist of:

1. A business operation's report;
2. A balance sheet;
3. A statement of income;
4. A statement of cash flows;
5. A statement of changes in equity;
6. An explanation of accounting principle, methods used and other relevant information.

Article 9 Urgent Information Disclosure

Securities Issuance Companies shall disclose information urgently within 24 hours starting from when there is an occurrence of any event as follows:

1. Deposit accounts of the securities issuance companies is temporarily suspended or after the deposit account is approved to re-operate;
2. suspending or ceasing business operations partially or wholly;
3. business registration or establishment and operation license is withdrawn;
4. Resolution of the executive board to buy back stocks of the companies or sell some stocks that are bought back;
5. Members of executive board, directors, chief of accounting and chief of finance are disciplined or prosecuted because of breaching law and regulation;
6. Resolutions of shareholders' meetings regarding dividing dividends;
7. Changing of executive board, inspection committee, directors, chief of accounting, chief of finance and major shareholder;
8. buying-selling stocks of executive board members, inspection committee, directors, chief of accounting and chief of finance;
9. Securities issuance companies are in bankruptcy or judged by the court to be bankrupt;
10. Resolution of shareholders' meetings as set out in Article 144 of the Law on enterprise.

Securities Issuance Companies shall disclose information urgently within 72 hours when there is an occurrence of any event as follows:

1. Resolution on loan valued at ten percent of the registered capital of the company;
2. Resolution of shareholders' meetings to adopt annual business plan, medium and long-term business expansion plan and strategy of the company and the change in accounting principle, method used.
3. Resolution concerned an establishment or dissolution branches.

Article 10 Information Disclosure as required

Securities Issuance Companies shall disclose information as required and requested by the Lao Securities and Exchange Commission in case of any event which affects or may affect benefits of investors, securities prices or stability of capital market.

Section III Information Disclosure of Securities Company

Article 11 Regular Information Disclosure

Securities Companies shall disclose information annually within 120 days after the end of the accounting year.

The information which shall be annually disclosed is financial statements and shall be audited by external auditors and approved by the Lao Securities and Exchange Commission as follow:

1. A Report on business operations of the companies;
2. A balance sheet;
3. A statement of income;
4. A statement of cash flows;
5. A statement of changes in equity; and
6. An explanation of accounting principle, method used and other.

Article 12 Urgent Information Disclosure

Securities Companies shall disclose information urgently within 24 hours when there is an occurrence of any event as follows:

1. Members of executive board, directors, chief of accounting, chief of finance and securities professional are disciplined or prosecuted;
2. Deposit account of securities issuance companies at the bank is temporarily suspended or after the deposit account is allowed to re-operate;
3. Suspension or ceasing of business operations partially or wholly;
4. The companies are in bankruptcy or declared bankrupt by the court;
5. Revocation of business establishment and business operation license;
6. Resolution of shareholders' meeting to merge business with other enterprises;
7. Changing of executive board, directors, chief of accounting, chief of finance, chief of branches, deputy chief of branch and chief of services unit;
8. Changing and adding companies' regulations;
9. Resolution concerning an establishment or dissolution of branches, securities buying-selling service unit or changing location of head quarter, branches and securities buying-selling service unit; and
10. Any staff having their securities business professional license withdrawn.

Article 13 Information Disclosures as required

Securities Companies shall disclose information as required and requested by the Lao Securities and Exchange Commission in instances where information related to the companies affect investors' benefits.

Section IV Information Disclosure of Securities Exchange Market

Article 14 Regular Information Disclosure

Securities Exchange Market shall disclose information regularly as follows:

1. Securities trading information

- 1) Name, category and numbers of securities of each company allowed to trade in the Securities Exchange Market including fluctuation symbol of the securities;
- 2) Closing price of previous day, opening price and closing price of each period including volume, trading volume and market value in each period. In case of using continued matching system it shall illustrate securities prices' volatility together with volume, value and market value within the trading operation;

- 3) Index of previous day, opening-closing index in each trading period including the change and percentage of changing. In case of using continued matching system it shall illustrate the securities prices' volatility together with volume, value and market value within trading operation;
- 4) The best three levels of price and volume of trading securities, volume and price being matched, the highest and lowest price;
- 5) Status of each registered securities;
- 6) Details of securities having the most trading volume and the securities price fluctuating significantly compared to the previous day;
- 7) Details of securities with the highest registered price and the three highest market price;
- 8) Name lists of members of the Securities Exchange Market and the Securities Depository Center;
- 9) The change of trading hour;
- 10) Stop receiving trading order and cancel the trading order within trading period;
- 11) Stop securities trading temporarily, closing service providing partly or closing Securities Exchange Market with any reason.

2. Information about registered companies

Securities Exchange Market shall disclose information of the registered companies as set out in Section II of this Decision and shall disclose additional information as follows:

- 1) Registration;
- 2) Change, cancellation and renewal of registration;
- 3) Measures executed by the Securities Exchange market toward registered companies.

3. Information about the securities companies who are members of the Securities Exchange Market

The Securities Exchange Market shall disclose information on the Securities Companies as set out in Section III of this Decision and shall disclose additional information as follows:

- 1) Accepting members;
- 2) Measures executed by Securities Exchange toward members;
- 3) Canceling membership.

Article 15 Urgent Information Disclosure

The Securities Exchange Market shall disclose information urgently in case of an occurrence of any event as follows:

- 1) Suspending or allowing any securities companies to resume trading;
- 2) Securities that are warned or are canceled the warning;
- 3) The percentage of securities held by foreign investor and percentage of remaining securities that may be bought by foreign investor;
- 4) Trading price of any or all stocks that increases to the highest ceiling or decreases to the lowest ceiling in three consecutive days;
- 5) Violation of information disclosure of registered companies and Securities Companies who are members of the Securities Exchange Market.

Securities Exchange Market shall disclose information urgently within 24 hours in case of an occurrence of any event as follows:

- 1) Issuance of additional shares of any registered company;
- 2) Changing percentage of shareholding of shareholders who hold shares in excess of one hundred percent of the total shares of any registered company;
- 3) Shares trading of executive board, internal inspection committee, directors, chief of accounting or chief of finance;
- 4) Measures imposed on those who violate regulations relating to securities activities.

Article 16 Information Disclosures as required

Where necessary the Lao Securities and Exchange Commission shall require the Securities Exchange Market to disclose additional information apart from those set out in Articles 14 and 15 of this Decision in order to protect investors' benefits and maintain the stability of the capital market.

**Section V
Final Provisions**

Article 17 Implementation

The Lao Securities and Exchange Commission, Securities Issuance Companies, Securities Companies, Securities Exchange Market and other related parties shall acknowledge and implement this decision strictly within its own scope of rights and duties.

Article 18 Effectiveness

This decision shall enter into force on the date of signing.

**President of Lao Securities and Exchange Commission
(signed and sealed)**

Somsavath Lengsavath