



LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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Lao Securities Commission

No. 007/LSC
Vientiane Capital, 3/4/2014

**Regulation
On
Reporting and Disclosure**

- Pursuant to the Law on Securities No. 21/NA, dated 10 December 2012;
- Pursuant to the Decree on Organization and Operations of Lao Securities Commission No.188/PM, dated 24 July 2013;
- Pursuant to Decision on Organization and Operations of Lao Securities Commission Office No.188/LSC, dated 17 December 2013;

The Chairman of Lao Securities Commission regulates:

**Part I
General Provision**

Article 1: Objective

This Regulation interprets the Law on Securities, Part VI, in order to define principles, methodologies and procedures concerning accurate, comprehensive, clear and timely reporting and disclosure of securities issuance companies and listed companies, aimed to guarantee the order in securities operations, to provide information to general public and to contribute to development of securities exchange of Lao PDR.

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.

Article 2: Reporting and Disclosure

Reporting is to inform the securities regulatory authority for information and monitoring. Disclosure is to reveal information to general public.

The contents of reporting and disclosure are consisted of business operations, financial statements and other significant information of the company on timely basis and through defined channel as stipulated in this Regulation.

Financial statements consist of:

1. Balance sheet;
2. Income statement;
3. Cash-flow statement;
4. Statement of change in equity;
5. Explanatory note on accounting principles and methods applied.

Article 3: Scope of Application

This Regulation is applied to securities issuance companies, listed companies, persons, legal entities, organizations and other relevant parties operating securities business in Lao PDR and abroad.

Article 4: Reporting and Disclosure Principles

Reporting and disclosure shall follow the following principles:

1. Correctness, completeness, clarity and timeliness;
2. Assurance of equal access to information disclosure by general public;
3. Information reporting and disclosure must be the Lao language and additional foreign languages as defined by LSCO.

Article 5: Reporting and Disclosure Obligations

Securities issuance companies and listed companies are obliged to report on and disclose information as required in this Regulation, and take responsibility for contents of that report and disclosure.

The information disclosure of listed companies is responsibility of Securities Exchange to monitor after listed companies disclosed their information to the general public. In case of discovery the disclosure of wrong information, Securities Exchange shall inform the listed company to improve or clarify before opening of next securities trading, as well as report to LSECO on the incident. If the listed company is unable to improve or clarify, the Securities Exchange shall postpone securities trading of this listed company until the improvement or clarification of company are made.

Article 6: Assignment of Responsible Persons in Charge of Reporting and Disclosure

Securities issuance companies and listed companies shall assign persons in charge of reporting and disclosure for their companies. One of persons who are responsible for reporting and disclosure of information must be a deputy executive manager of finance.

After completing the assignment of persons in charge of reporting and disclosure, companies shall inform LSCO in written form within 5 working days since the assignment is completed. In case of assigned persons for reporting and disclosure cannot fulfill their duty for any reason, securities issuance company and listed companies must assign others to replace and inform LSCO in written form within 5 working days since the replacement.

Each reporting and disclosure shall be signed by the responsible persons in charge for reporting and disclosure.

Article 7: Reporting and Disclosure Format

Reporting and disclosure format consists of 4 forms: regular, urgent, requested and voluntarily reporting and disclosure.

Article 8: Reporting and Disclosure Channel

Securities issuance companies and listed companies shall report on information through hard-copy format and electronically to LSCO and disclose information through information disclosure system of Securities Exchange. In addition, information could be appropriately disclosed through their websites or other mass media, but the information disclosure must be done after the information is disclosed through information disclosure system of Securities Exchange.

Article 9: Confidentiality

Securities issuance companies and listed companies shall keep information and relevant documents to the reporting and disclosure at least for 10 years.

Part II
Reporting and Disclosure
of Securities Issuance Companies and Listed Companies

Article 10: Regular Reporting and Disclosure

Regular reporting and disclosure is a periodic information reporting and disclosure such as quarterly, first-six monthly and annually.

1. Quarterly Reporting and Disclosure

Securities issuance companies and listed companies shall report and disclose information for quarter 1 and quarter 3 within 45 days since the last day of quarter 1 and quarter 3.

The information to be reported and disclosed quarterly consists of report on business operations of securities issuance companies and listed companies as defined by LSECO and financial statements approved by the accountant, internal auditors and executives of the companies.

In case of securities issuance companies and listed companies are belonged to groups of companies, the financial statements must be reported as individual company and consolidated for the whole group.

2. The First-six Month Reporting and Disclosure

Securities issuance companies and listed companies shall report and disclose information for the first six months within 60 days after the last day of quarter 2.

The information to be reported and disclosed for the first six months consists of report on business operations of securities issuance companies and listed companies as defined by LSECO. The financial statements for the first six months must be reviewed by the audit firm and approved by LSCO and Executive Board of the companies.

The contents of financial statements for the first six months must reflect the information for quarter 2.

In case of securities issuance companies and listed companies are belonged to groups of companies, the financial statements must be reported in individual company and consolidated for the whole group.

3. Annual Reporting and Disclosure

Securities issuance companies and listed companies shall report and disclose information for a year within 120 days after the ending of accounting period.

The information to be reported and disclosed annually consists of report on annual business operations of securities issuance companies and listed companies as defined by LSECO. The annually financial statements of securities issuance companies and listed companies must be audited by the audit firm and approved by LSCO and Executive Board of the companies.

The contents of annually financial statements must reflect the information for quarter 4.

In case of securities issuance companies and listed companies are belonged to groups of companies, the financial statements must be reported in individual company and consolidated for the whole group.

Article 11: Urgent Reporting and Disclosure

Urgent reporting and disclosure is the report and disclosure on an incident.

Securities issuance companies and listed companies shall report and disclose information within 24 hours on working days in case of any event, affecting rights and interests of investors, investment decisions, changing in prices of securities and business operations as follows:

1. Date of shareholders' meeting and closing date of shareholder book;
2. Asset acquisition and disposal with value of more than 50% of total assets of the company and related items, including financial assistance to other persons or legal entities;
3. Investing in or cancelling joint venture, merger, dissolution, sale or transfer partly or wholly of securities issuance companies or listed companies;
4. Introduction of new significant products, technology development or important discovery of natural resources;
5. Additional issuance of securities or securities re-buying;
6. Resolutions of shareholders' meetings such as endorsement of annual business plan, mid-term and long-term business expansion plan and strategy of securities issuance companies or listed companies, changes in accounting principles and methods and financial reporting standards, and high-valued loans, effecting financial position and business operations;
7. Major change in investment expenditures;
8. Proposal to buy securities by other companies;
9. Paying or not paying money or share dividends;
10. Changes of Executive Board of Directors, Internal Inspection Committee, Directors, Chief of Accountant, Chief of Finance, and shareholders with up to 5% share holding;
11. Failure to repay debts on due dates as defined in contracts;
12. Temporary freezing of bank accounts or termination of temporary freezing of bank accounts;
13. Suspension or ceasing partly or wholly of business operations;
14. Change or revocation of business license or establishment and business operation license;

15. President, Deputy President and members of Executive Board of Directors, members of Internal Inspection Committee, directors, Chief of Accountant and Chief of Finance are sanctioned or sued on the charge of law and regulation violation;
16. Securities issuance companies and listed companies are in status of bankruptcy or bankruptcy by Decision of People's Court;
17. Severe damages by force majeure, socio-economic situations and others;
18. Change in objectives or nature of business operations partly and wholly;
19. Signing a contract to hire others to manage partly or wholly securities issuance companies and listed companies;
20. Any event arisen or might arise affecting rights and interests of investors or investment decisions or changing in prices of securities of securities issuance companies and listed companies;
21. Other events as defined by LSCO.

In addition, there shall be reported on and disclosed of, within 72 hours in working days, if in case of any event arisen, not affecting directly securities prices and investment decisions such as:

1. Resolution on establishment or dissolution of branches;
2. Relocation of Head Office;
3. Change of auditor, including auditors in subsidiary companies;
4. Securities trading by President, Deputy President and members of Executive Board of Directors, members of Internal Inspection Committee, directors, Chief of Accountant and Chief of Finance.

In addition, securities issuance companies and listed companies shall report and disclose the Minutes of shareholders' meeting within 14 days since the opening day of the meeting.

Article 12: Requested Reporting and Disclosure

Requested reporting and disclosure is to report and disclose information of securities issuance companies and listed companies as requested by LSCO.

Securities issuance companies and listed companies shall report or disclose information by request of LSCO in case of an event arisen, affecting or might affect the rights and interests of investors, securities prices and stability of Securities Exchange.

Article 13: Voluntarily Reporting and Disclosure

Voluntarily reporting and disclosure is to report and disclose information of securities issuance companies and listed companies that the regulatory body and investors must be aware of the views to spread information.

Article 14: Clarification of Rumors and Information

Securities issuance companies and listed companies shall clarify and certify with regard to rumors and information that investors received from any channel such as articles and columns in mass media, reports on business operations of securities issuance companies and listed companies. They have to clarify whether the rumor or information is true or false, whether or not affecting the rights and interests of investors, securities prices or decision of investors.

Securities exchange must take initiative to monitor rumors and information and notify securities issuance companies and listed companies by telephone, email, fax or formal letter, and those companies shall explain to public or report to the regulatory body through channel for

reporting and disclosure as defined in Article 8 of this Regulation before the next opening of Securities exchange trading.

Part III

Prohibitions, Policy towards Outstanding Performers and Measures against Violators

Article 15: Prohibitions

Securities issuance companies and listed companies are prohibited to:

1. Report or disclose wrong, incomplete, unclear information and information not on a timely manner;
2. Report or disclose distorted information, which leads to misunderstanding;
3. Report or disclose information to conceal some facts;
4. Disclose information only for selected groups of people;
5. Disclose confidential information or non-public information;
6. Disclose information through other channels of information before disclosing information through the information disclosure system of Securities Exchange.
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Article 16: Policy towards Outstanding Performers

Securities issuance companies and listed companies with outstanding performances compliance with this Regulation shall receive rewards or other policies according to specific regulations.

Article 17: Measures Against Violators

Persons, legal entities, organizations and concerned parties, violating this Regulation, resulting in damages to the State, society, persons or legal entities shall be educated, sanctioned, fined and shall compensate for the damages according to Civil Law or criminalized based on severity offences as stated in Articles 165, 166, 167, 168, 169, 170 and 171 of the Law on Securities and other relevant laws and regulations of Lao PDR.

In addition, securities issuance companies and listed companies shall be additionally fined as follows:

1. Report or disclose wrong information shall be fined LAK 30 million;
2. Report or disclose incomplete information shall be fined LAK 20 million;
3. Report or disclose unclear information shall be fined LAK 20 million;
4. Report or disclose information not on a timely manner shall be fined LAK 1 million per day;
5. Report or disclose distorted information, which leads to misunderstanding, shall be fined LAK 20 million;
6. Report or disclose information to conceal some facts shall be fined LAK 30 million;
7. Disclose information only for selected groups of people shall be fined LAK 20 million;
8. Disclose confidential information or non-public information shall be fined LAK 50 million;
9. Disclose through other disclosure channels before disclosing through the information disclosure system of Securities Exchange shall be fined LAK 25 million per time.

Part IV Final Provisions

Article 18. Implementation

LSECO, securities issuance companies, listed companies, Securities Exchange, persons, legal entities, organizations and other relevant parties must be aware off and implement this Regulation strictly within their rights and duties.

Article 19: Effectiveness

This Regulation replaces the Part IV: Reporting of Securities Issuance Companies of Regulation on Reporting No. 373/LSC, date 24 February 2012, and Part II: Disclosure of Securities Issuance Companies of Decision on Disclosure, No. 014/LSC, dated 19 May 2011.

This Regulation is effective since the date of signature, all requirements and provisions that are in conflict with this Regulation are revoked.

**Chairman of Lao Securities Commission
Somesavath Lengsavath**