

**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

**Lao Securities Commission**

**No.: 04/LSC**  
**Vientiane Capital, dated 28 January 2019**

## **Decision on Reporting and Disclosure of Information (Amended)**

- Pursuant to the Law on Securities No.21/NA, dated 10 December 2012;
- Pursuant to the Decree on the Organization and Activities of the Lao Securities Commission No. 195/PM, dated 12 July 2017;
- Pursuant to the Proposed Letter of the Lao Securities Commission Office.

**The President of Lao Securities Commission hereby issues a Decision:**

### **Chapter 1** **General Provisions**

#### **Article 1. (Amended) Objectives**

This Decision defines principles and regulations on reporting and disclosure of information by securities issuance companies and listed companies to ensure that the reporting and disclosure of information is carried out in an accurate, complete and timely manner aiming at insuring seemliness in the implementation of activities involving securities.

#### **Article 2. (Amended) Reporting and Disclosure of Information**

Reporting is the act of submitting information as defined in this Decision to the securities management authority for acknowledgement and monitoring and inspection.

Disclosure is the act of disclosing information as defined in this Decision to the public.

Contents of the report and disclosure include business operations, financial statement and important information of the company in certain a period and through a channel as specified in this Decision.

Financial statement consists of:

1. Financial position statement;
2. Profit and loss/income statement;
3. Cash flow statement;
4. Change in equity statement;
5. Statement on principle and policy applied.

### **Article 3. (Amended) Principle on Reporting and Disclosure of Information**

Reporting and disclosure of information shall comply with the following main principles:

1. [Ensuring] accuracy, completeness and timeliness;
2. Ensuring public equality in accessing to information;
3. Report and disclosure of information shall be in Lao and English and Lao.

### **Article 4. (Amended) Scope of Application**

This Decision applies to securities issuance companies, listed companies, Lao Securities Exchange, individuals, legal entities, organizations and other concerned parties involved in securities in Lao PDR and oversea.

## **Chapter 2**

### **Reporting of Securities Issuance Companies and Listed Companies**

#### **Article 5. (Amended) Reporting Obligations**

The securities issuance companies and listed companies are obliged to report [information] as defined in this Decision and specific regulations as established by the Lao Securities Exchange and shall be responsible for the information provided in such report.

#### **Article 6. Appointment of Reporting Persons**

Each securities issuance company and listed company shall appoint at least 2 persons for reporting purposes. These include a deputy general manager in charge of financial activities.

After the appointment, names of persons in charge of reporting activities shall be submitted in writing to the Lao Securities Commission Office within 5 working days from the date of appointment. In case such appointed persons fail to perform their duties due to any reason, the securities issuance company and listed company shall appoint new person/s and notify in writing of such name/s to the Lao Securities Commission Office within 5 working day from the appointment.

Each report shall be signed by such reporters for certification.

#### **Article 7. Reporting Methods**

There are 4 forms of reporting methods, including regular, urgent, upon request and voluntary.

## **Article 8. (Amended) Regular Report**

Regular report is the act of reporting according to specified time period which consists of quarterly, semi-annual and annual report.

### **1. Quarterly report**

Quarterly report includes 1<sup>st</sup> quarter and 3<sup>rd</sup> quarter.

The securities issuance company and listed company shall report on the 1<sup>st</sup> and the 3<sup>rd</sup> quarter within 45 days from the end of the 1<sup>st</sup> and the 3<sup>rd</sup> quarters respectively.

The information that is required to report in a quarter is the financial statement approved by the accounting department, internal audit department and the director of such company.

In case the securities issuance company and listed company is a group of companies, the financial statement must show financial information both for separate activities and consolidated activities.

### **2. First semi-annual report**

The securities issuance company and listed company shall file the first semi-annual report within 60 days from the end of the 2<sup>nd</sup> quarter.

The information that shall be included in the first semi-annual report is the financial statement that must be audited by the external auditor as authorized by the Lao Securities Commission Office and shall be approved by the Board of Directors of such company.

In case the securities issuance company and listed company is a group of companies, the financial statement must present financial information both for separate activities and consolidated activities.

### **3. Annual report**

The securities issuance company and listed company shall file annual report within 120 days from the end of accounting year.

The information that shall be reported annually is the annual report and the financial statement that are audited by external auditor and approved by the Lao Securities Commission Office and the shareholders' meeting of such company.

In case the securities issuance company and listed company is a group of companies, the financial statement must present financial information both for separate activities and consolidated activities.

The annual financial statement shall present details related to items such as contractual obligations, asset or services to be transacted [or] loaned; characteristics, value of transaction, potential benefits from such transaction and details on all disputes related to the benefits.

The quarterly, semi-annual and annual financial statements shall comply with annex attached to this Decision.

#### **Article 9. (Amended) Urgent Report**

Urgent report is an act of reporting specific event that has occurred.

The securities issuance company and listed company shall submit a report within 24 hours in any working day when any of the following events has occurred:

1. Resolution of board of directors meeting such as the approval of the date of shareholders meeting and the closing date of shareholder registration book;
2. Acquisition and distribution of assets worth more than 5% of total assets of the company and financial support to other individual and legal entity;
3. Joining or canceling joint venture, merging, dissolution, selling or transfer of business activity partly or wholly of securities issuance company and listed company;
4. Issuance of additional securities or repurchase of securities;
5. Resolution of shareholders meeting such as the approval of annual business plan, medium to long-term business expansion plan of the securities issuance company and listed company, change in accounting principles, policy and the applied financial reporting standards and change in loan in the amount that affects financial position and business operations;
6. Significant change in investment expenses;
7. An offer by other company to buy securities;
8. Payment or nonpayment of money or shares or dividend;
9. Any change in members of board of directors, committees of board of directors, directors, a director of internal audit, accounting and finance department;
10. Change in any movement and position of members of the board of directors in other company;
11. Failing to pay debt by the due date as specified in the contract;
12. The bank account has been temporarily suspended or after the bank account resuming active;
13. Suspending or terminating business operations partially or wholly;
14. Change or revocation of enterprise registration or business establishment and operating license;
15. Chief Executive Officer, deputy chief executive officer and member of board of directors, committee of board of directors, director, director of internal audit, accounting and finance departments is taken disciplined action or prosecuted for the violation of the law;
16. The securities issuance company and listed company is in bankruptcy or people's court has decided as bankrupt;
17. Causing severe damages as a result of force majeure, socio-economic conditions and etc.;
18. Change in objective or nature of business activity partially or wholly;

19. Making an agreement to allow other individual to manage the securities issuance company partially or wholly;
20. Any event has happened or may happen that affects the rights and benefits of shareholders or decision making of investors or change of securities price of securities issuance company and listed company;
21. Other events as defined by the Lao Securities Commission Office.

In addition, when any event occurs shall be reported within 72 hours in working day such as:

1. Resolution on the establishment or dissolution of a branch;
2. Relocation of headquarters/office;
3. Change of auditor, including auditor of affiliate company in the group of companies;
4. There is a trading of securities of the CEO, Deputy CEO, member of board of directors, committee of board of directors, general director, director of internal audit, accounting and finance departments;
5. Details on related items such as contractual obligations, asset or services to be transacted, loaned; characteristics, value of transaction, benefits from such transaction and details related to all disputes involving the mentioned benefits.

#### **Article 10. (Amended) Report upon Request**

Report upon request is a report by the Securities Issuance Company and listed company upon request of the Lao Securities Commission Office.

The Securities Issuance Company and listed company shall submit a report according to the request from the Lao Securities Commission Office in case any event occurs that the Lao Securities Commission Office considers that it has affected or may affect rights and benefits of investor, securities price or financial market stability.

#### **Article 11. (Amended) Voluntary Report**

Voluntary report is a report submitted by the securities issuance company and listed company to the securities management authority and investors for acknowledgement as additional information.

#### **Article 12. Reporting Channels**

The securities issuance companies and listed companies shall submit their reports through two (2) channels which include in hard copy/printed paper and electronic format to the Lao Securities Commission Office.

#### **Article 13. (Amended) Data Storage**

The securities issuance company and listed company shall store data and documents related to reports at least 10 years from the date of reporting to the Lao Securities Commission Office.

**Article 14. (New) Reporting of Minutes of Shareholder Meeting**

The securities issuance companies and listed companies shall report their minutes of shareholder meeting within 14 days from the date of opening the shareholder meeting.

**Article 15. (New) Annual Report**

Detailed information on annual report of the securities issuance company and listed company shall comply with annex as attached to this Decision.

**Chapter 3**  
**Disclosure of Information of Securities Issuance Companies and Listed Companies**

**Article 16. (New) Disclosure Obligation**

The securities issuance companies and listed companies are obliged to disclose information as defined in this Decision and specific regulations of the Lao Securities Exchange as well as shall be responsible for contents of the disclosed information.

**Article 17. (New) Information Requiring Disclosure**

1. General disclosure of information includes:
  - 1.1 1<sup>st</sup> and 3<sup>rd</sup> quarter disclosure as defined in item 1, Article 8 of this Decision.
  - 1.2 Semi-annual disclosure as defined in item 2, Article 8 of this Decision.
  - 1.3 Annual disclosure as defined in item 3, Article 8 of this Decision.
2. Urgent disclosure as defined in Article 9 of this Decision.
3. Upon request disclosure as defined in Article 10 of this Decision.
4. Voluntary disclosure as defined in Article 11 of this Decision.
5. Information related to preparation of shareholder meeting such as invitation to attend shareholder meeting.

**Article 18 (New) Monitoring of Information Disclosure**

The Lao Securities Exchange is designed to monitor the disclosure of information by securities issuance companies and listed companies. In case the Lao Security Exchange discovered inconsistent disclosure of information, it shall notify securities issuance companies and listed companies for correction.

#### **Article 19 (New). Disclosure Channels**

The securities issuance and listed companies shall disclose information via disclosure system of the Lao Securities Exchange. In addition, the disclosure may also be disclosed through the company's website or other social media platforms as appropriate, however, such disclosures are allowed only after disclosure through the disclosure system of the Lao Securities Exchange.

The information required to be disclosed through the company's website include annual report, financial statement, invitation to attend shareholder meeting, minutes of shareholder meeting, name/s, phone number/s, e-mail/s and other information of person/s who liaison with investors and visions, goals and missions of the company.

#### **Article 20 (New). Application of Reporting Provisions**

In addition to the provisions as defined in this Chapter, the disclosure of information related to the appointment of person in charge, data storage, minutes of shareholder meeting and annual report shall comply with the provisions under Chapter 2 of report by securities issuance and listed companies.

### **Chapter 4**

#### **Clarification to Rumors or Scandals and Prohibitions**

#### **Article 21 (Amended). Clarification to Rumors or Scandals**

The Lao Securities Exchange shall actively monitor [and] inspect rumors or scandals and notify the securities issuance and listed companies via phone, e-mail, fax or official letter. In addition, the securities issuance and listed companies shall explain to the public or report to the management authority through reporting channels as defined in Article 12 and disclosure channels as defined in Article 19 of this Decision before opening next round of securities trading.

The issuance and listed companies shall clarify and certify about the rumors or scandals received that investor has sent through any of the following channels, including an article published on mass media, business report of issuance and listed company and other information that are rumors, whether such rumors or scandals are true or not, affecting the rights and benefits of investors, securities prices or decision making of investors or not.

## **Article 22 (Amended) Prohibitions**

The securities issuance company and listed companies are prohibited from the following acts:

1. Reporting or disclosing information that misleads the facts to recipients of such information;
2. Disclosing [information] for certain group [of recipients];
3. Disclosing of confidential information or information that is not allowed to disclose;
4. Disclosing [information] through other channels before it is disclosed through disclosure channels of the Lao Securities Exchange;
5. Other prohibitions as defined by the Lao Securities Commission Office.

## **Chapter 5 Incentives towards Outstanding Performers and Measures against Violators**

### **Article 23. (Amended) Incentives towards Outstanding Performers**

The securities issuance companies, listed companies, Lao Securities Exchange, individuals, legal entities, organizations and other stakeholders who have outstanding performances in the implementation of this Decision shall be compliment or received other benefits according to specific regulations.

### **Article 24. (Amended) Measures against Violators**

Individuals, legal entities, organizations and other stakeholders violating this Decision that cause damages to the State, society, individuals or legal entities shall be educated, taken disciplinary actions, fined, pay civil compensation or taken criminal action depending on severity as defined in Articles 165, 166, 167, 168, 169, 170 and 171 of the Law on Securities and other related laws and regulations of the Lao PDR.

In addition, the securities issuance companies and listed companies shall also be fined as the followings:

1. Failing to store information and documents related to reporting and disclosure of information as defined in Articles 8, 9, 10, 11 and 17 of this Decision shall be fined 30,000,000 Kip;
2. Failing to submit annual report as defined in Article 15 of this Decision shall be fined 10,000,000 Kip;
3. The Lao Securities Exchange has failed to monitor or carelessly monitor the disclosure of information by the securities issuance company and listed company shall be fined 20,000,000 Kip;
4. Disclosing information through other channels before disclosure through channel of the Lao Securities Exchange shall be fined 25,000,000 per time;
5. Failing to disclose minutes of shareholder meeting shall be fined 20,000,000 Kip;



6. The Lao Securities Exchange has failed to follow up rumors or scandals of securities issuance company and listed company shall be fined 20,000,000 Kip;
7. The securities issuance company and listed company have failed to clarify or certify rumors and scandals that investors have received shall be fined 30,000,000 Kip;
8. Reporting or disclosing incorrect information shall be fined 30,000,000 Kip;
9. Reporting or disclosing incomplete information shall be fined 20,000,000 Kip;
10. Failing to report or disclose information on time shall be fined 10,000,000 Kip per day. In case of failing to disclose information on time from day 1 to day 5 may not be fined, but the securities issuance company and listed company shall notify the Lao Securities Commission Office in writing explaining such delay. If it is over the specified time period, the Lao Securities Commission Office shall fine the company according to the regulations;
11. Reporting or disclosing information that misleads the facts to the recipients shall be fined 20,000,000 Kip;
12. Disclosing information to certain group shall be fined 20,000,000 Kip;
13. Disclosing confidential or prohibited information shall be fined 50,000,000 Kip.

The amount received from such fines shall be deemed as revenue of the Lao Securities Commission Office and shall be used in training and dissemination activities regarding to securities.

## **Chapter 6**

### **Final Provisions**

#### **Article 25. Implementation**

The Lao Securities Commission Office, securities issuance companies, listed companies, Lao Securities Exchange, individuals, legal entities, organizations and other stakeholders shall be acknowledged and strictly implement this Decision according to their rights and obligations.

#### **Article 26. (Amended) Effectiveness**

This Decision shall enter into force from the date of its signing.

This Decision superseded Regulation on Reporting and Disclosure of Information No. 007/LSC, dated 03 April 2014.

Chairman of Lao Securities Exchange Commission

[signed and stamped]

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## **Annex**

### **“Annual Report of Securities Issuance Company and Listed Company”**

Annual report of securities issuance company and listed company shall consist of at least the following contents:

1. Overview of the business:
  - Vision, objectives, goals or strategic plan of the company or group of companies;
  - Comments of the CEO, board members;
  - Any change or important event has occurred within the year (If any);
  - A company has invested 25 percent and above in other company, must show information of company structure and percentage of shareholding in such other company, including the indication of proportion of shareholding and list of other shareholders in such company (if any);
  - A group of companies that has invested in its affiliate company shall present information on the company structure and proportion of shareholding in such company, including the proportion and list of other shareholders in such company (if any);
2. Financial position and business operations
  - The global, domestic and company economic situations by highlighting opportunities, challenges and potentials;
  - A brief summary on important financial information of the company;
  - A summary of annual business performances of the company (compared to previous year);
3. General and other important information of the company:
  - General information: name, address of head office, business type, business registration number, telephone number, fax, website etc.;
  - Other important information: other important information that may affect the investor's decision.
4. Information related to securities and shareholders:
  - Information on securities: total registered capital and paid-up registered capital, quantity, value, rights and conditions of common and other types of shares (if applicable);
  - Information on shareholders: list of shareholders either directly or indirectly from 5 percent and higher, including the latest number of shares held and percentage of shareholding. In case the shareholder is a legal entity, it must present a list of major shareholders and main business activities of such legal entity.
5. The board of directors and directors
  - The board of directors:
    - ✓ Organizational structure of the board of directors and brief biography of the members, including indicating non-standing members and/or members of other board of the company;

- ✓ The number of times of board of director meetings and meetings of committees of board of directors and list of attendance of previous board of director meetings.
  - Directors: names and positions of directors of the company, including internal structure of the company;
  - Proportion of shareholding in the company by board members and directors;
  - Compensation such as salary, meeting allowances and other compensations of individual board members and directors receive within a year.
6. Audit report by the external auditor and attached documents;
  7. Compensation paid to external auditor that shows compensation for services, including audit and other services within the year, types of other services.
  8. Implementation of corporate governance.
  9. [Implementation of] social liability.
  10. Internal control policy.
  11. Risk management policy.

**Table: Comparison of figures in the quarterly, semi-annual and annual financial statements**

<b>First quarter (1-3)</b>	<b>Third quarter (7-9)</b>	<b>Semi-annual</b>	<b>Annual</b>
<p><b><u>Financial position statement</u></b></p> <p>Presents figures of the first quarter of current year compared to figures of previous year such as 31/03/2018 with 31/12/2017</p> <p><b><u>Profit and loss statement</u></b></p> <p>Presents 3-month figures of current first quarter compared to 3-month figures of previous year first quarter such as 31/03/2018 with 31/03/2017</p> <p><b><u>Consolidated cash flow statement</u></b></p> <p>Presents 3-month figures of the first quarter of current year compared to 3-month figures of the first quarter of previous year such as 31/03/2018 with 31/03/2017</p> <p><b><u>Statement of change in equity</u></b></p> <p>Presents 3-month figures of the first quarter of current year (certified by the accounting department, internal audit department and the director of the company)</p>	<p><b><u>Financial position statement</u></b></p> <p>Presents figures of the third quarter of current year compared to figures of previous year such as 31/09/2018 with 31/12/2017</p> <p><b><u>Profit and loss statement</u></b></p> <p>Presents 3-month figures of current year third quarter compared to 3-month figures of previous year third quarter such as 01/07-30/09/2018 with 01/07-30/09/2017</p> <p><b><u>Consolidated cash flow statement</u></b></p> <p>Presents 3-month figures of the third quarter of current year compared to 3-month figures of the third quarter of previous year such as 01/07-30/09/2018 with 01/07-30/09/2017</p> <p><b><u>Statement of change in equity</u></b></p> <p>Presents 3-month figures of the third quarter of current year (certified by the accounting department, internal audit department and the director of the company)</p>	<p><b><u>Financial position statement</u></b></p> <p>Presents figures of the first six months of current year compared to figures of previous year such as 30/06/2018 with 31/12/2017</p> <p><b><u>Profit and loss statement</u></b></p> <p>Presents the first six months of current year compared to the first six months of previous year such as 30/06/2018 with 30/06/2017</p> <p><b><u>Consolidated cash flow statement</u></b></p> <p>Presents the first six months of current year compared to the first six months of previous year such as 30/06/2018 with 30/06/2017</p> <p><b><u>Statement of change in equity</u></b></p> <p>Presents the first six months of the current year (reviewed by external auditor and approved by the board of directors of the company)</p>	<p><b><u>Financial position statement</u></b></p> <p>Presents current annual figures compared to annual figures of previous year</p> <p><b><u>Profit and loss statement</u></b></p> <p>Presents current annual figures compared to previous year annual figures</p> <p><b><u>Consolidated cash flow statement</u></b></p> <p>Presents annual figures of current year compared to annual figures of previous year</p> <p><b><u>Statement of changes in equity</u></b></p> <p>Presents annual figures of the current year. (verified by external auditor and approved by shareholder meeting of the company)</p>