



**LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY**

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Lao Securities and Exchange Commission

Ref. No. 014/SEC
Vientiane capital, dated: 19 May 2011

**Decision
on the Promulgation of Regulation on Information Disclosure**

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

**The Chairman of the Lao Securities and Exchange Commission hereby
issues the following Decision:**

**Section I
General Provisions**

Article 1 Objectives

This Decision prescribes Part VI, Article 59 of the Decree on Securities and Securities Exchange Ref. No. 255/PM, dated 24 May 2010 in order to set forth additional principles 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 which operate businesses in the 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 3 General principles

The information disclosure shall pursue the following principles:

1. Correctness, completeness and promptness;
2. Simultaneous reporting to the Lao Securities and Exchange Commission 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 shall have obligations to disclose their 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 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 five working days from the date of changing or appointing additional person.

Article 6 Information Disclosure

Information disclosure consists of three forms namely: periodic information disclosure, urgent information disclosure and information disclosure by request.

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

In the 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 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 shall maintain records of disclosed information for at least ten years.

Section II

Information Disclosure of Securities Issuance Companies

Article 8 Periodic 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 fifteen days from the last day of the quarter. In cases where securities issuance companies are groups of companies, information shall be disclosed within thirty days after the last day of the quarter.

The information to be disclosed quarterly shall include financial statements which consist of:

1. A balance sheet;
2. An income statement;
3. A consolidated cash flow statement;
4. 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 forty-five days from the last day of second quarter. In cases where the securities issuance companies are groups of companies, information shall be disclosed within sixty days after the last day of second quarter.

The information to be disclosed semi-annually shall include financial statements that are reviewed and given opinions 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. An income statement;
3. A consolidated cash flow statement;
4. A statement of changes in equity;
5. An explanation of accounting principles, methods used and other relevant information.

3. Information Disclosure on an Annual Basis

Securities issuance companies shall disclose information annually within one hundred and twenty 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 report of business operation;
2. A balance sheet;
3. An income statement;
4. A consolidated cash flow statement;
5. A statement of changes in equity;

6. An explanation of accounting principles, methods used and other relevant information.

Article 9 Urgent Information Disclosure

Securities issuance companies shall disclose information urgently within twenty-four hours starting from where there is an occurrence of any event as follows:

1. Deposit accounts of the securities issuance companies in the bank 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 board of directors to buy back stocks of their companies or sell some stocks that are bought back;
5. Members of the board of directors, executives, chief of accounting and chief of finance are disciplined or prosecuted because of breaching laws and regulations;
6. Resolutions of shareholders' meetings regarding dividend payments;
7. Changing of the board of directors, audit committee, executives, chief of accounting, chief of finance and major shareholders;
8. Buying-selling stocks of members of the board of directors, audit committee, executives, chief of accounting and chief of finance;
9. Securities issuance companies are in bankruptcy or declared bankrupt by the court;
10. Resolutions of shareholders' meetings as set out in Article 144 of the Law on Enterprises.

Securities issuance companies shall disclose information urgently within seventy-two hours where there is an occurrence of any event as follows:

1. Resolution on loan valuing 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 principles and methods used.
3. Resolution concerning an establishment or dissolution of branches.

Article 10 Information Disclosure by Request

Securities issuance companies shall disclose information as requested by the Lao Securities and Exchange Commission in cases where any event affects or may affect benefits of investors, securities prices or stability of the capital market.

Section III

Information Disclosure of Securities Companies

Article 11 Periodic Information Disclosure

Securities Companies shall disclose information annually within one hundred and twenty days after the end of the accounting year.

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

1. A report on business operations;
2. A balance sheet;
3. An income statement;
4. A consolidated cash flow statement;
5. A statement of changes in equity;
6. An explanation of accounting principles, methods used and other relevant information.

Article 12 Urgent Information Disclosure

Securities companies shall disclose information urgently within twenty-four hours when there is an occurrence of any event as follows:

1. Members of the board of directors, executives, chief of accounting, chief of finance and securities professional are disciplined or prosecuted;
2. Deposit account of securities 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' meetings to merge business with other enterprises;
7. Changing members of the board of directors, executives, chief of accounting, chief of finance, chief of branches, deputy chief of branches and chief of service units;
8. Changing and adding companies' regulations;
9. Resolutions concerning an establishment or dissolution of branches or changing location of the headquarter, branches and securities buying-selling service units;
10. Any staff having their securities professional license withdrawn.

Article 13 Information Disclosure by Request

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

Section IV

Information Disclosure of the Securities Exchange

Article 14 Periodic Information Disclosure

The securities exchange shall disclose information periodically as follows:

1. Securities trading information

- 1) Name, category and numbers of securities of each company allowing to be trade in the Securities Exchange including fluctuation symbol of the securities;
- 2) Closing price of the previous day, opening price and closing price of each trading period including volume, trading value and market capitalization in each trading period. In case of using continuous matching system, securities prices' volatility within the trading operation shall be illustrated together with volume, value and market capitalization;
- 3) Index of the previous day, opening-closing index in each trading period including the change and percentage of changing. In case of using continuous matching system, the index' volatility within trading operation shall be illustrated;
- 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 having price fluctuating significantly compared to the previous day;
- 7) Details of securities with the highest registered price and the three securities having the highest market price;
- 8) Name lists of members of the securities exchange and the securities depository center;
- 9) The change of trading hours;
- 10) The stop of receiving trading order and cancelation the trading order within trading period;
- 11) The stop of any securities trading temporarily, closing service providing partly or closing the securities exchange with any reason.

2. Information about listed companies

Securities exchange shall disclose information of the listed companies as set out in Section II of this Decision and shall disclose additional information as follows:

- 1) Listing;
- 2) Changing, cancellation and renewal of listing;
- 3) Measures executed by the securities exchange toward listed companies.

3. Information about the securities companies which are members of the securities exchange

The securities exchange shall disclose information on the securities companies as set out in Section III of this Decision and shall disclose additional information as follows:

- 1) Acceptance of members;
- 2) Measures executed by the securities exchange toward members;

- 3) Cancellation of membership.

Article 15 Urgent Information Disclosure

The securities exchange shall disclose information immediately in case that there is an occurrence of any event as follows:

1. Suspending or allowing any securities to be re-traded;
2. Securities that are warned or are canceled the warning;
3. The percentage of securities held by foreign investors and the remaining percentage of securities that may be bought by foreign investors;
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 listed companies and securities companies which are members of the securities exchange.

The securities exchange shall disclose information urgently within twenty-four hours in case of an occurrence of any event as follows:

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

Article 16 Information Disclosures by Request

Where necessary the Lao Securities and Exchange Commission shall request the securities exchange to disclose any 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, the securities exchange and other related parties shall acknowledge and strictly implement this Decision within its own scope of rights and duties.

Article 18 Effectiveness

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

Chairman of the Lao Securities and Exchange Commission

(Signed and sealed)

Somsavat Lengsavat