



LAO CAPITAL MARKET

LANEXANG SECURITIES PUBLIC COMPANY

LAO INVESTMENT GUIDE

October 2013

TALBE OF CONTENTS

INTRODUCTION

- I. COMPANY INTRODUCTION
- II. STOCK MARKET OVERVIEW
- III. STOCK TRADING GUIDE
- IV. OPPORTUNITY TO INVEST TO LAO SECURITIES MARKET

GLOSSARY

LSX	Lao Securities Exchange
IPO	Initial Public Offering
LO	Limit Order
LXS	Lanexang Securities Public Company.
BOL	Bank of Lao
USD	US Dollar

I. COMPANY INTRODUCTION

Introducing Lanexang Securities Public Company

Lanexang Securities Public Company (LXS) is a joint stock company between Sacombank Securities Joint Stock Company (Sacombank-SBS) and Lao Development Bank (LDB). It was officially established with an initial chartered capital of 100 billion KIP (approximately 12.50 million USD) licensed by Lao Ministry of Planning and Investment with the license No. 166-10 and by Lao Ministry of Commerce No. 4343 dated November, 17 2010. Moreover, LXS is licensed by Lao Securities Exchange and Commission No. 001 dated 01/12/2010 to provide full services to local and foreign investors in Lao securities market.

LXS business model is currently structured into three core areas: Brokerage, Corporate Finance Advisory, Private Equity and Research. LXS was the first securities company operating in Laos.

The co-founder Sacombank-SBS is a wholly-owned subsidiary of Sacombank Group. It was established in September 2006 with the initial chartered capital of 300 billion VND (approximately 16.67 million USD), undertaking brokerage, stock depositary, underwriting and investment business. LDB was established on the 9th of April, 2003 by consolidating 2 previous state owned commercial banks namely Lao May Bank and Lane Xang Bank. The Ministry of Finance of Laos currently owns 100 percent of LDB.

As the first securities company in Laos, Lanexang Securities Public Company has introduced various brokerage activities to this newly-born market. Our brokerage department commits to provide existing and potential clients possible financial services with the most satisfaction.

With the diversified, advanced brokerage products & services as well as all system , LXS has been well performing its role as a key securities brokerage house for all investors with differences in investment need, geographic location and client classification (individual vs. institution, domestic vs. overseas).

Our services include:

① Brokerage:

Lanexang Securities Public Company commits to prove itself to be an outstanding name in the securities industry with the innovative ways that initiated the Lao Financial Market. With the diversified, advanced brokerage products & services, Lanexang Securities Public Company will perform its role as a key securities brokerage house for all investors with differences in investment need, geographic location and client classification (individual vs. institution, domestic vs. overseas).

Overseas Brokerage Services

Our Overseas Brokerage services, possessing a team of professionally trained staffs, will provide the best services to any investor who wishes to trade in English, Chinese, or Vietnamese.

② Corporate Advisory

It is our mission to accompany Laotian enterprises to their developmental turning-points, and to help them carry out the most successful and effective business operations. Understanding the market and customer insight, LXS is the leader in the field of Corporate Financial Advisory. With professional staffs and variety of services, we will help our customers deploy their envisioned strategic and financial projects and achieve success in the future.

- ▶ **Equitization Advisory:** We provide corporate restructuring consulting services for businesses wishing to equitize their firms, in accordance with the requirements of the Lao Securities and Exchange Commission.
- ▶ **Listing and Issuing additional shares:** We are capable of serving both local and cross-border markets.
- ▶ **Corporate Finance Advisory:** We offer independent evaluation of companies, industry securities, projects, and assets, as well as other corporate restructuring activities.
- ▶ **M & A Advisory:** We identify the potential merging partners, then develop strategies, and accompany the related parties through the entire Mergers and Acquisition (M&A) process.
- ▶ **Corporate Restructuring Advisory (including Financial Restructuring):** We will provide clients, with utmost confidence, the most professional, creative, and practical strategies to resolve any financial challenge.
- ▶ **Standard Corporate Governance Advisory to Joint-stock Corporations:** Providing professional advices on Corporate Governance, assisting the board of directors and supervisors in assessing their existing governance practices.
- ▶ **Advisory for Strategic Development Plans:** Assisting companies in identifying and implementing effective growth strategies in order for them to ensure their future viability.
- ▶ **Providing Investor Relations Services (IR) to Public Companies:** Meshing the links between the investors and companies via their websites and/or other related documents.

③ Research

Always based on the most reliable sources, our analysis can provide investors with desirable insights to the macro-economy, related industries and the securities market. This is also the foundation of our advisory services.

The competitive advantage of our Research Department is its abilities to draw up expert reports with utmost accuracy and reliability, including macro-economic reports, industry reports, corporate reports and special reports.

Research Department of Lanexang Securities is organized into 4 specialized fields:

- ▶ **Macro-economics**
- ▶ **Fundamental Analysis**
- ▶ **Technical Analysis**
- ▶ **Data Support**

Objective:

- To generate maximum profit to our shareholders and customers,
- To provide financial services such as, among others, brokerage service and corporate advisory services to any business in the Lao PDR, including both local and foreign investors.
- To continuously develop Lao financial markets in order to improve the economic relations between Laos and Vietnam.

Mission:

It is the mission of Lanexang Securities Public Company is to create values for investors via our professional financial network, and to provide our clients with the most comprehensive financial services available. We will devote ourselves to the constant evolution of our products mix and business model in accordance to the dynamic financial world to ensure investors' trust and confidence.

Three years business plan

- *General Target:* Lanexang Securities Public Companies has the upper hand compared to other competitors for joining the Lao stock market from the beginning. While the market is still in the developing phase, our brokers and financial analyst team will have the chance to accumulate experience and apply the acquired knowledge to the Lao emerging market. LXS is aiming to be the leading securities firm in Laos within the next 3 years.
- *Strategy:*
 - Develop a modern IT system incorporated with stable operating infrastructure, gaining the customer’s trust. While the pie is big enough for every player, LXS can occupy 20 to 40 percent of the market shares.
 - Backed by the financial strength of the LDB, Sacombank-SBS, and the Sacombank Group, Lanexang Securities can provide suitable financial products, as well as the money market and capital instruments, based on the market risk.
 - We have recruited a team of analysts, investment advisors with keen intelligence, graduated from Laos, Vietnam, the United States, Australia, and other foreign countries and extensive knowledge gained in Lao and foreign companies. We constantly provide trainings, either local or international; to continuously improve the quality and competency of our financial team.
 - Lanexang Securities research team will release reliable periodic reports, undertaking the path to become the most reliable information sources for any investor. Lanexang Securities, with much experience obtained in Vietnam, simultaneously improves and expands consulting and brokerage services for financial institutions. LXS ambitiously aims to provide the best consulting services for Vietnamese firms operating in Laos. At the same time, it will link the SBS investment flows network from Vietnam, Cambodia and Singapore to Laos.

For further information of our services and offers, please contact with our dedicates members:

<p>LANEXANG SECURITIES PUBLIC COMPANY (LXS) – HEAD OFFICE 5th Floor, LSX Building, Ban Phonthan Neua, Saysettha District, Vientiane Capital, Lao P.D.R Phone: (+856)-21 265 463 Fax: (+856)-21 265 466 or (+856)-21 265 465 Email: lanexang@lxs.com.la or lxs_info@lxs.com.la Brokerage: lxs-brokerage@lxs.com.la Customer Services Unit: customerservices@lxs.com.la</p>		
<p>Brokerage Manager Huynh Tan Cao (Mr.) Email: cao.ht@lxs.com.la</p>	<p>Corporate Advisory Manager Tran Hai Anh (Mr.) Email: anh.tran@lxs.com.la</p>	<p>Customer Services Manager. Anoukone Southammavong (Mr.) Email: anoukone@lxs.com.la</p>

II. STOCK MARKET OVERVIEW

1. Lao Stock Market Overview

The Lao economy has expanded rapidly in the last 5 years, urging a large amount of capital to meet the needs of investment and business expansion. The ability to mobilize funds in Lao is limited because the country did not have a sustainable capital market. Realizing the lack of long-term capital mobilizing instruments, the government of Lao collaborated with the Korea Exchange (KRX), the fourth largest market operator in Asia, in a joint venture worth \$20 million to create the first stock market in Laos.

The Lao Securities Exchange was established on 10/10/2010 as an attempt to provide a new capital channel to the Lao economy, and to eventually eradicate poverty in this country. The stock market commencement is expected to take place in 11/01/2011, creating a golden opportunity for the public sectors as well as the private sectors to mobilize funds from investors and expand their businesses. The most distinguished companies, among others, are Lao Airlines, Electricity du Laos, Banque Pour Le Commerce Extérieur Lao, Lao Brewery Company, and Lao Telecom. The Securities and Exchange Commission is currently considering the foreign participation in the Lao stock market. Some of the foreign institutions particularly interested in this emerging market include private banks from neighboring countries and companies developing hydropower projects in Thailand, China, and Myanmar. Foreign investments' inflows to the Lao economy, especially to the natural resource sector, has been and will still be the main driving force behind Lao economic developments and their participation is essential to the Lao economic blossom.

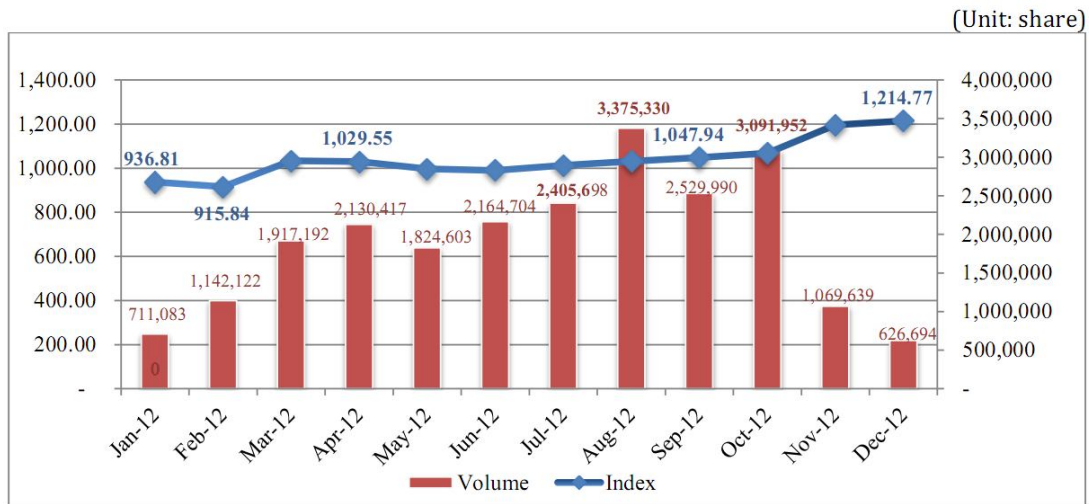
2. Market Overview in 2012

There are 02 former state enterprises, EDL-Generation (EDL-Gen) and BCEL that are listed on the stock exchange. EDL-Gen share accounts for 78% Market Capital of the Market and BCEL share accounts for 12% Market Capital of the Market. Stock market investment was likely to show a confident positive trend in 2012 in tandem with the economic growth and strong operating performance of listed firms. We are expecting for more new shares will be listed on Lao Securities Market in the near future.

* Lao Composite Index Chart:



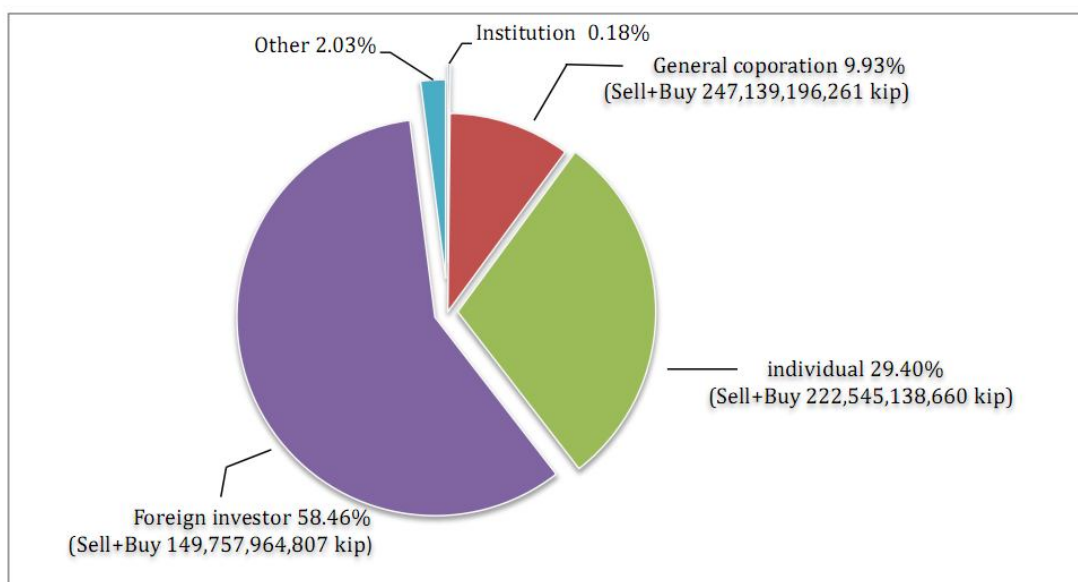
➤ **Index & Volume**



➤ **Market Capitalization**



➤ **Total Transaction by investors type**



* **Some of Economic Indicators**

Index/Year	2009	2010	2011
CPI	116.52	123.49	107.58
Inflation (%)	0.03	5.98	7.58
USD/Lak	8,487	8,048	8,038
GDP per capita (USD)	907	1,088	1,146

III. STOCK TRADING GUIDE

1. General information about Lao Securities Market

Lao Securities Exchange	
Start Operation	11-Jan-2011
Listed stocks	02 stocks (BCEL & EDL-Gen)
Market Capital	approximately US\$ 698.46 Mil
Market Liquidity	The average of 06 months 2013: Volume: 68,732 share/day Value: US\$ 61,121/day
Composition by Market Cap	87.78%% Energy (Electricity) & 12.22% Financial (Banking)
The highest Index	1,864.98 (2011)
The Lowest Index	877.44 (2012)
Opening 2011	1000 as date of 11 Jan 2011
Ending 2012	1,214.77 as date of 26 Dec 2012
Current Index	1,290.06 as of 21 October 2013

Index	Regulation
Foreign Ownership Limit	- Depend on the regulation of each stock
Settlement	T+2 for Normal trading. Block trading is not available
Trading Currency	Lao Kip (LAK)
Multiple Custodian Account	Not Allowed
Product	- Only straight equity - No Short Sell - No derivatives
Information Disclosure	- Shareholder meeting - Information about dividend, right offering and related others

Name	Explanation
Stock Exchanges	Matching orders from Brokers Publish news from listed company
- Depository Centre (under control of LSX)	Actually hold the securities of all investors Settlement center for cash and securities
Broker	Executing buy and sell orders; pushing order to the stock exchange Trading confirmation to investors and custodian bank Other brokerage services including market. Intelligence, investment advice etc.

2. Listed stock trading regulations

Lao Securities Exchange	
Information	Lao Composite Index - [www.lsx.com.la]
Trading days and currency	Monday to Friday (Except public holidays of Laos, Last 3 business day of each year and when a sudden change in economic condition). All transactions are in Lao Kip (LAK)
Holidays	1 Jan - 8 March - Lao New year - International Labour day - BOL established date - National date
Boards	One Main Board (LSX)
Electronic system access	Via Floor Broker Only
Sessions	Six Session with Periodic Order Matching. [9:00 - 9:30 - 10:00 - 10:30 - 11:00 - 11:30]
Order	Limit order only
Open/Close	Open: Previous day's closing price is the reference price for the first matching session Close: The last session's matching price
Market Division	Stock Bond (Not Yet)

	+ Single match price										
	Investors are allowed to trade the same securities in different session on the same day										
Trading method and rule	+ Order priority <ul style="list-style-type: none"> o Price: lower offers and higher bids o Time: Order made earlier with the same bid/ask price. o Volume: Higher volume order 										
Price Fluctuation Range	+ -/+5% of the base price, + The first trading price of initially listed issues shall be within 90/100 and 200/100 of the public offering price.										
Tick size	<table border="0"> <tr> <td>Price Per Share (PPS)</td> <td>Tick Size</td> </tr> <tr> <td>PPS <= 10,000 kip</td> <td>50 kip</td> </tr> <tr> <td>10,000 kip <= PPS < 50,000 kip</td> <td>100 kip</td> </tr> <tr> <td>50,000 kip <= PPS < 100,000 kip</td> <td>200 kip</td> </tr> <tr> <td>PPS =>100,000 kip</td> <td>500 kip</td> </tr> </table>	Price Per Share (PPS)	Tick Size	PPS <= 10,000 kip	50 kip	10,000 kip <= PPS < 50,000 kip	100 kip	50,000 kip <= PPS < 100,000 kip	200 kip	PPS =>100,000 kip	500 kip
Price Per Share (PPS)	Tick Size										
PPS <= 10,000 kip	50 kip										
10,000 kip <= PPS < 50,000 kip	100 kip										
50,000 kip <= PPS < 100,000 kip	200 kip										
PPS =>100,000 kip	500 kip										
Settlement Method	Order matching transaction: Clearing payment T+2										
Trading Unit	1 share										

3. Listing requirement on the Lao Securities Exchange

Before a company can begin trading on an exchange, it must meet certain initial requirements or "listing standards." The exchanges or the Lao Securities Exchange set their own standards for listing and continuing to trade. Most importantly, the company should have been governed effectively, transparently managed and reliable. Listing requirements are as follow:

3.1 Numerical requirements:

Criteria		Requirement
Operation History		At least 03 or more years
Size of company	No. of shares	At least 100,000 shares
	Capital size	More than 10 billion kip in capital
Stock Distribution	Minority shareholders	More than 100 shareholders
	Shares of minority shareholders	More than 10% of outstanding shares
Business performance/ Financial status	Sales	At least 30 billion kip
	Income	Net income in the latest 02 consecutive years
	Equity Capital	No impairment of capital stock in recent years

3.2 Non-numerical requirements:

Criteria	Requirement
Auditor's opinion	Unqualified/qualified for the latest 03 fiscal year
Restriction on transfer of shares	No restriction on the transfer of shares
Depository service contract	Contract with LSX for depository service
Issurance of uniform stock certificate	Uniform stock certificate to be submitted
Pending law suit, etc	No dispute that may materially affect management of the company

3.3 Qualitative requirements:

Criteria	Requirement
Going concern and profitability	Operational stability
	Financial stability
	Business environment and risk
Soundness of corporate governance	Internal control system
	Appropriate transaction with its major shareholders or management
	Transparency of management
Appropriateness and accuracy of corporate disclosure	Efficient disclosure system
	Appointment of disclosure officer and relating staffs
Others	Other necessary things to protect investor and public interests

4. Listing Procedure Detail

No.	Classification	Period	Contents
1	Preparation	At least 06 months before application	Previous contact with the LSX
			Appointment of lead underwriter to conduct due diligence by lead manager
2	Listing Eligibility	Notify applicant with 02 months for listing review result	Application for listing eligibility review
			Review of the application by the LSX
3	Public Offering	Being notified within 45 working days from SECO	Filling of the registration statement with SECO and getting approval from them
		Within 60 days from approval	Public Announcement
		Witin 90 days from approval	IR activities and book building, pricing finished subscription
		Witin 30 days from approval	Finished allotment and report to SECO within 10 days from allotment
4	Listing	Within 6 months from notfication	Application for the initial listing on the LSX
		Within 7 days from application	Listing approval by the LSX and trading

5. IPO (Initial Public Offering)

For the first IPO in Lao, BCEL carried out in form of Auction and EDL-Gen carried out in form of allotment in which companies sell a part of vendor shares or issue new shares to public. But IPO now is required to apply in one method "Allotment" only.

Please note that in Lao after IPO, the company shall be listed on Lao Stock Market within 90 days.

Both domestic and foreign investors can participate in the IPO process (provided that investors meet all conditions for auction at that time)

For foreign investor, after getting Investment ID from Lao Securities Exchange, it is not required to be presented in Lao to join IPO.

In order to get Investment ID, the foreign investor can contact to Lanexang Securities Public Company for supporting.

Lanexang Securities Public Company (Lao P.D.R)

Customer Services Unit

Address: 5th floor, LSX building, Ban Phonthan Neua, Saysetha District, Vientiane Capital, The Lao. P.D.R

Phone: +856 21 265 463

Fax: +856 21 265 466

Email: customerservices@lxs.com.la

6. Opening Trading Account.

For trading at Lao Stock Market, investors have to open 02 accounts [01 Bank Account and 01 Securities Account]. At Lanexang Securities Public Company, Bank Account will be opened at Lao Development Bank and Securities Account will be opened at Lanexang Securities Public Company.

Bank Account:

- . Bank Account will manage the capital of Investor.
- . Bank Account is also the place for investor to deposit money in & withdraw money out of account.
- . Bank Account will be controlled by Lao Development Bank.

Securities Account:

- . Investor will transfer money from Bank Account to Securities Account before Buying shares.
- . Securities Account will manage the share of investor.
- . Securities Account is the place for investor to make trading transaction [Buying IPO, Buying, Selling, Receive Dividend, ...].
- . Securities Account will be controlled by the system of Lao Securities Exchange.

In order to buy share at the market, after depositing fund to the Bank Account, the investor has to transfer money to Securities Account with the amount of buying share sufficiently.

The detail documents for opening trading account are required:

*** For opening Bank Account At Lao Development Bank.**

Individual

1. Copy of ID card (1 copy)
2. Form of opening Bank Account (1 copy)
(For these forms, the clients can get at Lanexang Securities Company)

Institution

1. Copy of ID card of Representative Person(1 copy)
2. Business license (1 copy)
3. Tax Certificate (1 copy)
4. Form of opening Bank Account (1 copy)
(For these forms, the clients can get at Lanexang Securities Company)

*** For Opening Securities Account at Lanexang Securities Company.**

Individual

1. ID Card/Passport (1 copy)
2. Current Account/saving account statement issued by LDB (1 copy)
3. Broker appointment agreement (by LXS) (2 copy)
4. Power of attorney for fund transfer (if any)
5. Power of attorney for transaction (if any)
6. Foreign investment ID register Form – (ID code)(1 Copy) –**required on foreign investor**
7. Representative Application (1 copy) – **required on foreign investor**

Institution

1. Photocopy of ID card/Passport of legal representative and authorized persons (3 copies)
2. Internal Regulation of the company (3 copies) “Stamped by company’s seal and signature”
3. Copy of Business License (3 copies) “Stamped by company’s seal and signature”
4. Tax Payment Certificate (3 copies) “Stamped by company’s seal and signature”
5. Current bank account statement issued by LDB (1 copy)
6. Broker appointment agreement (by LXS) (2 copies)
7. Power of attorney for fund transfer (if any)
8. Power of attorney for transaction (if any)
8. Foreign investment register Form (ID code) (1 copy) - **required on foreign investor**
9. Representative Application (by LXS) (1 copy) - **required on foreign investor**

Note: All documents are required by original copy.

Please contact to LXS Customer Services to get the forms of application.

Lanexang Securities Public Company (Lao P.D.R)

Customer Services Unit

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Fax: +856 21 265 466

Email: customerservices@lxs.com.la

7. Money transfer

7.1. Inflow.

For all investor: Since it requires that sufficient amount of money have to be placed in cash account prior to the order placing (pre-funding trading), investors have to wire money in advance to their trade. The money, investors have to transfer or deposit to Bank Account at Lao Development Bank then transfer to Securities Account LXS before trading.

(Note: For transferring money from Bank Account to Securities Account, investor can send the request to Securities Company for support by Authorization Form)

For foreign investor: Foreign investor can transfer fund from your country into the Bank Account at Lao Development Bank. The Lao Development Bank charges “no fee” on money transfer in.

7.2. Outflow.

For all investor: After selling the share, the investor can transfer money from Securities Account to Bank Account. Then, the investor can withdraw or transfer the money at any branches of Lao Development Bank.

(Note: For transferring money from Securities Account to Bank Account, investor can send the request to Securities Company for support by Authorization Form)

For foreign investor: Finishing trading the share, the Investor could transfer money out of Lao after purchasing foreign currency. However, due to the foreign currency is controlled in Lao, foreign investors have to provide proof that the source of capital outflow is legal if the amount of money is over 10,000 USD/day - *It is depended on the policy of BOL at each period of time.*

+ Transferring money fee [According to Lao Development Bank]

0.1% of total money + 20 USD Swift

But: Minimum is 5 USD or 300 THB, Maximum is 800 USD or 30,000 THB

(Note: For transferring abroad, foreign investor can send the request to Securities Company for support by Outward remittance Forms and Authorization Form)

For further information and supporting, please contact to the company:

Lanexang Securities Public Company (Lao P.D.R)

Customer Services Unit

Address: 5th floor, LSX building, Ban Phonthan Neua,
Saysetha Disrtrict, Vientiane Capital, The Lao. P.D.R

Phone: +856 21 265 463

Fax: +856 21 265 466

Email: customerservices@lxs.com.la

8. Placing the order

Investors may choose to place orders through different methods offered by its brokers.

LXS offers our clients to place orders by **Paper Note, Telephone, Email**.

Lanexang Securities Public Company (Lao P.D.R)

Brokerage Department

Address: 5th floor, LSX building, Ban Phonthan Neua,
Saysetha Disrtrict, Vientiane Capital, The Lao. P.D.R

Phone: +856 21 265 463

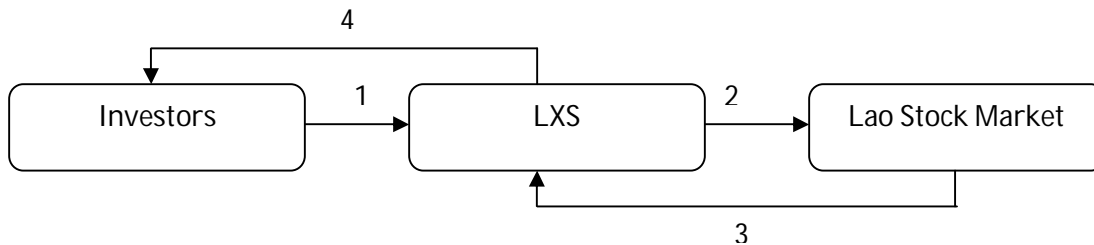
Fax: +856 21 265 466

Email: lxs-brokerage@lxs.com.la

The methods that investors wish to use need to be registered in advance base on which LXS may verify that the orders are valid.

LXS provides the highest confidentiality mechanism in its client's trading. Client information is controlled under different authority level.

Orders from investors are processed as follow:



Explain:

1. Investors place order through registered method
2. Broker of LXS checking the account and put the order to Lao Stock Market System
3. Broker LXS receives the result trading from LSX system.
4. Broker LXS informs the trading result to investors.

The information are required for the order:

Account Name	Share:
Account Number:	Amount:
Pin:	Price:
BUY/SELL:	Valid Date:

9. Table of transaction fee

Items	Buy	Sell
Brokerage Fee	0.34%	0.34%
Lao Securities Exchange Fee	0.35%	0.35%
SECO Fee	0.20%	0.20%
Compensation Fund's Fee	0.01%	0.01%
Government's Tax	0.00%	0.30%
Total	0.90%	1.20%

(This fee will be updated by period of time)

10. LXS Web Price Board

LXS Web Price Board displays an Live Stock Trading of Lao Securities Market online on our company website. After opening trading account, each investor will be provided a User & Pass to login LXS Web Price Board.

LXS Web Price Board facilitates investors to catch up with the market and make decision to trade on time.

Link of Web Price Board: www.priceboard.lxs.com.la/



Instructions

- Please enter username and password.
- Please enter the words you see in the box, in order and separated by a space. Doing so helps prevent automated programs from abusing this service.
- If you are not sure what the words are, either enter your best guess or click the reload button next to the distorted words.
- Visually impaired users can click the audio button to hear a set of words that can be entered instead of the visual challenge.

Login

Username

Password

After log in by USER + PASS:

LANEXANG Securities Public Company

LIVE STOCK QUOTES LSX 11/07/2012 09:55

(1.1)(1.2) (2) (3) (4) (5) (6)

(1) LSX Composite Index 995.48 ■ 0 0% Total Volume: 0 Total Value: 0 LAK ▲ 0 (0) ■ 0 ▼ 0 (0) Options

(8) (9) Sess 1: 995.48 ■ 0 0% Sess 2: 995.48 ■ 0 0% Sess 3: 0 0 0% (7) Sess 4: 0 0 0% Sess 5: 0 0 0% Sess 6: 0 0 0%

Vol: 0 (7.1) Val: 0 7.2 Vol: 0 (7.1) Val: 0 (7.2) Vol: 0 (7.1) Val: 0 (7.2) Vol: 0 (7.1) Val: 0 (7.2) Vol: 0 (7.1) Val: 0 (7.2) Vol: 0 (7.1) Val: 0 (7.2)

Tkr ▲	Ref	Ceil	Floor	Best Bid (13)					Continuous Matching (14)			Best Ask (15)						Price history (16)		Ses 1	Ses 2	Ses 3	Ses 4	Ses 5	Ses 6									
				B6	B5	B4	B3	B2	B1	(14.1) Pri.	(14.2) +/-	(14.3) Total Volume	A1	A2	A3	A4	A5	A6	(16.1) High							(16.2) Low								
BCEL	7.05	7.4	6.7			6.8	6.85	7	7.05																			(17)						
						60,000	2,000	22,207	15,000																			(18)						
EDLG	4.65	4.85	4.45				4.5	4.6	4.65																									
							1,000	2,579	4,480																									

PRICE UNIT: 1,000 LAK - VOLUME UNIT: 1 SHARES

Explanation:

- | | |
|---|---|
| <p>(1) The Lao Composite Index
 (1.1) Index
 (1.2) Value change
 (1.3) Percentage change</p> <p>(2) Total volume of transaction in day
 (3) Total value of transaction in day
 (4) Number of increase price stocks
 (5) Number of unchanged price stocks
 (6) Number of decrease price stocks
 (7) The information's of stock market in Session 1-6

 (7.1) Volume of transactions in Session 1-6
 (7.2) Value of transactions in Session 1-6</p> <p>(8) The languages</p> | <p>(9) Stock code
 (10) Reference price
 (11) The ceiling price
 (12) The floor price
 (13) The five best available bid prices
 (14) The result of transaction of each stock in day
 (14.1) Price
 (14.2) Change
 (14.3) Total volume</p> <p>(15) The five best available offer prices
 (16) The information's of highest and lowest price of each stock in day
 (16.1) The highest price
 (16.2) The lowest price</p> <p>(17) The price each stock in session 1-6
 (18) the Volume each stock in session 1-6
 (19) Contact information</p> |
|---|---|

IV. OPPORTUNITY TO INVEST TO LAO SECURITIES MARKET

1. Current listed share

1.1 BCEL

BCEL	
Name	BANQUE POUR LE COMMERCE EXTERIEUR LAO PUBLIC
Sector	BANKING
Ticker	BCEL
Number of listed share	136,577,600
	<i>(Equivalent to 85.36 Mill USD)</i>
From January 2013 to June 2013	
Highest (kip/share)	8,200
Lowest (kip/share)	6,800
Average Volume (share/day)	15,193
Room for foreign investor (%)	10 %
Remain room for foreign investor (%)	3,913,461 (~2.86%) as of date 15 August 2013
Dividend	
2011 (Kip/share)	698.4 <i>(after tax)</i>
Ending Price of 2011 (Kip/share)	7,250.0
2012 (kip/share)	791.1 <i>(after tax)</i>
Ending Price of 2012 (kip/share)	7,950.0
2013 (Kip/share) First 06 months	405
Current Price (kip/share)	8,500 as of date 21 October 2013

* Main business

- **Deposit account:** Saving Deposit, Current Deposit, Fixed Deposit, Special Fixed Deposit
- **Loan services:** Promise note, Term Loan, Revolving Loan, Overdraft facilities
- **Import services:** issue LC, Import Bills for collection, Outward Remittance for LMP
- **Export Service:** Advise of letter of credit, purchase of EXP documents, export bill for collection, Inward Remittance for EXP, Packing Credit
- **Payment Services:** Payment via counter, payment via E-Banking.
- **Letter of Quarantee:** Loan quarantee, payment quarantee, Bid bond quarantee, Performance quarantee, Advance reimbursement quarantee, shipping quarantee.
- **Domestic Funds Transfer:** Transfer other account, Branch transfer, Interbank transfer, Transfer via internet banking

- **International transfer:** Outward remittance, Inward remittance

- **E-banking:** Internet banking

* **Shareholder structure:** (as at 20 August 2013)

Shareholders	% Shares	Shares	Notes
The State owner	70%	95,604,320	
Local Investors	12.58%	20,486,640	5% owned by staff
Strategic partner (CofiBred)	10%	13,657,760	Buy at price 11.000 LAK in 2011
Foreign Investor	7.42%	6,828,880	Room for foreign investor is 10%
Total	100%	136,577,600	

* **Main business income**

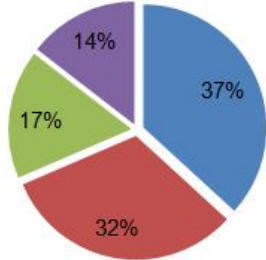
- **Interest and Similar Income:** including all interest income received from lending, deposits and investment securities. This is always the main resource of income of BCEL, accounted for more than 40% total income 2012.

- **Fees and commission income:** from all traditional banking services, such as settlement services, guarantee activities, treasury activities, agency services, advisory services...

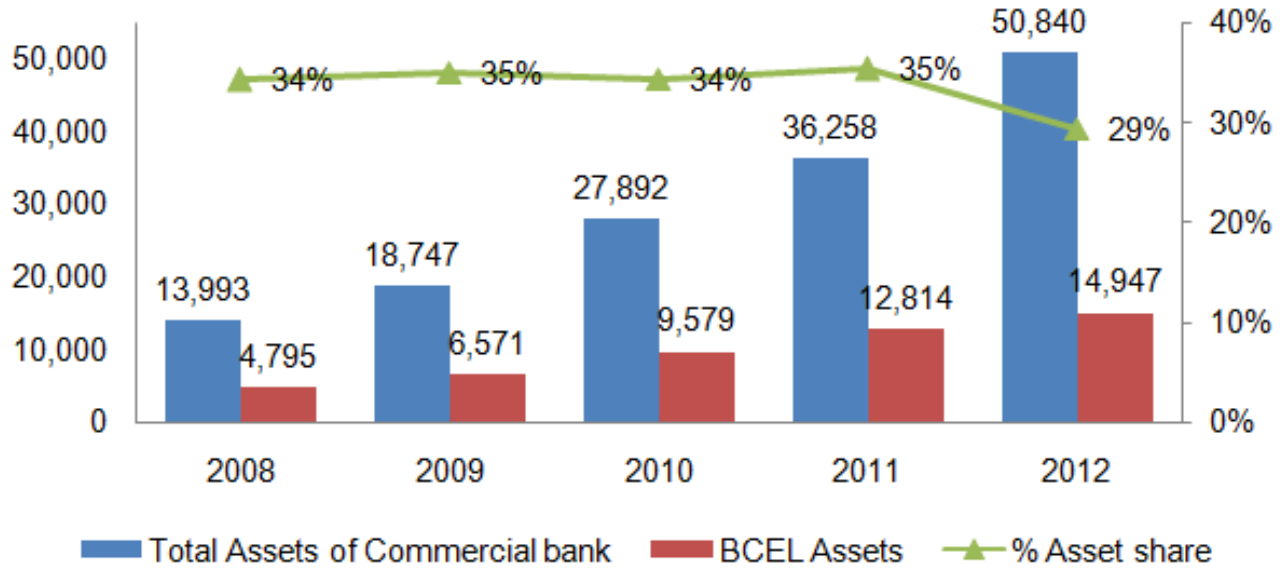
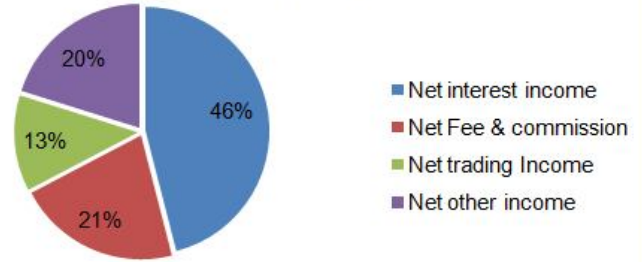
- **Trading income (mostly Forex trading):** BCEL has strong position in Forex trading, with diversified basket of foreign currencies. BCEL consistently make profits from Forex trading in the last 5 years.

- **Other Operating Income:** including Dividend Income, profit from investment in joint ventures, other income from financial services, sale of tangible fixed assets, disposal of equity investment, Recovery of customers' debts written off and others. However mainly other operating income is from recovery of the customer debts

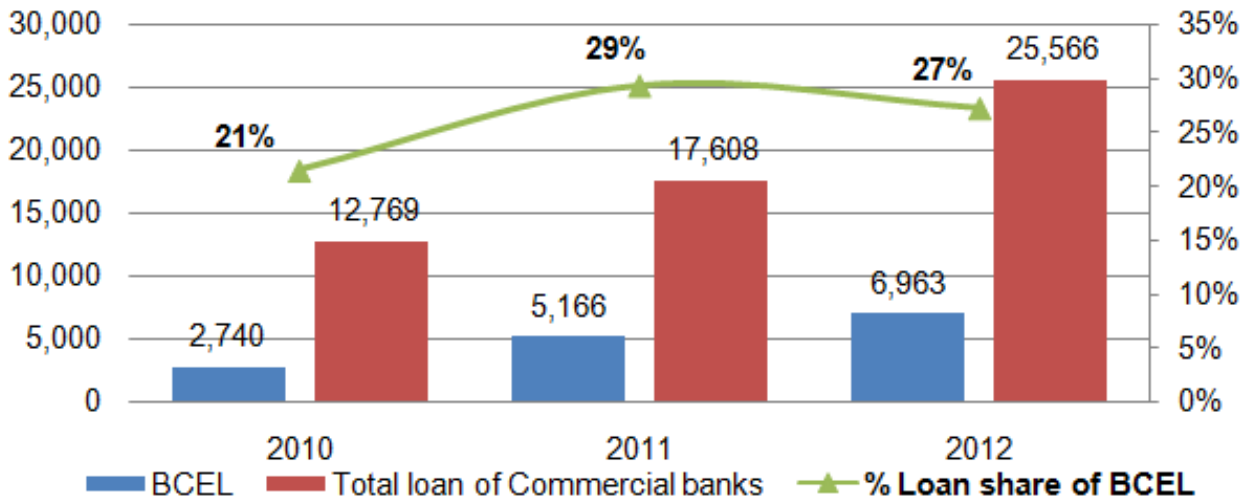
Income structure (2011)

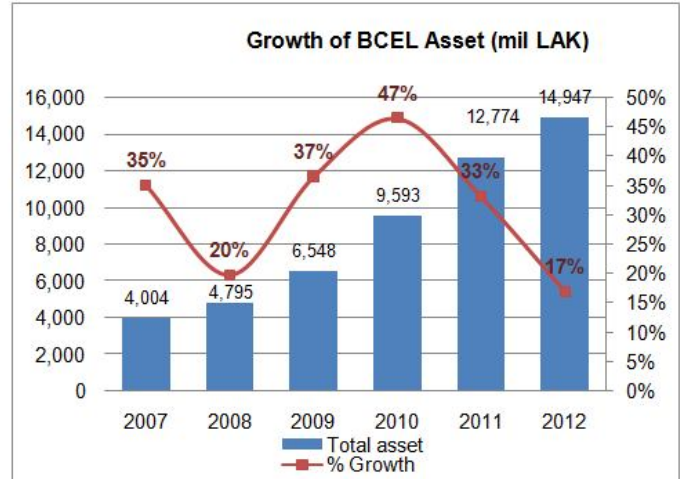
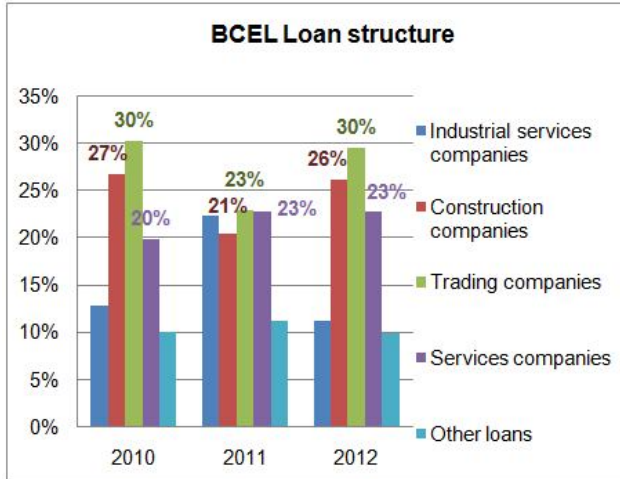


Income structure (2012)



Laos bank loan VS BCEL loan

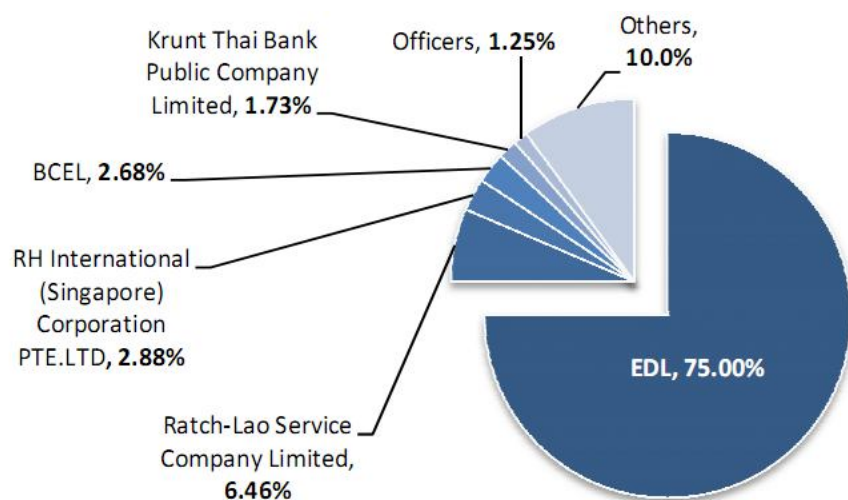




1.2 EDL-Gen

EDL-GEN	
Name	EDL GENERATION PUBLIC COMPANYY
Sector	ELECTRICITY
Ticker	EDL-Gen
Number of listed share	1,226,216,765
	(Equivalent to 613.1 Mill USD)
From January 2013 to June 2013	
Highest (kip/share)	7,000
Lowest (kip/share)	5,800
Average Volume (share/day)	54,732
Room for foreign investor (%)	20%
Remain room for foreign investor (share)	74,532,816 (~6.041%) as of date 15 August 2013
Dividend	
2011 (Kip/share)	448.3 (after tax)
Ending Price of 2011 (Kip/share)	4,200.0
2012 (kip/share)	405 (after tax)
Ending Price of 2012 (kip/share)	5,750.0
2013 (kip/share) first 06 months	182
Current Price (Kip/share)	6,100 as of date 21 October 2013

*** Shareholder structure**



Source: EDL-Gen 2011

*** The core business operation**

On its incorporation date, the company has received transferred ownerships of the previously deployed 7 hydropower projects from EDL. Currently, revenues are generated exclusively through sales of produced electricity to EDL under the Power Purchase Agreement (CA) with the GOL for each of its generating asset, both of which provide a usage term of 30 years, which is annexed with a negotiable renewal period of 10 years.

*** The company's currently operational hydropower projects**

Capacity/Dam	Nam Ngum 1	Nam Leuk	Nam Mang 3	Xeset 1	Xeset 2	Selabam	Nam Xong
Total installed capacity (MWe)	155	50	40	45	76	5.04	6
Average energy production (GWh/year)	1,025	218	180	180	309	21	13.5

*** Income Statement**

Income Statement (Kip Mil)			
as the end of the year	2010	2011	2012
Net sales	758,671	881,748	779,887
Cost of sales	(288,595)	(204,671)	(185,990)
Gross profit/ (loss)	470,076	677,077	593,897
Other incomes	69,433	9,781	4,613
Profit before expense	539,509	686,858	598,510
SG&A	(37,118)	(51,908)	66,757
Earning before financial costs and tax	502,391	634,950	665,267
Finance costs	(51,710)	(41,278)	(35,680)
Earnings before tax	450,681	593,672	629,587
Income tax	(157,738)	(30,104)	(27,118)
Net profit	292,943	563,568	602,469

2. Potential Listed Company

LIG General Information	
LIG	Lao Indochina Group Public Company
Sector	Agricultural Production
Ticker	LIG
Status	To be listed on Lao Stock Market
Financial Advisory Organization	Under-writer Organization
Legal Advisory Organization	Lao Law Consultant (LLC)
Under-writer Organization	Lanexang Securities Public Company (LXS)
Expected IPO price	3,200 LAK ~ USD 0.4
Valuation: 3~6 month basis	5,111 LAK ~ USD 0.64
Outstanding share (current)	30,434,500
No. of shares (after IPO)	40,434,500
Par	USD 0.25
Market Cap (current)	USD million 12.17
Market Cap (after IPO)	USD million 16.17
Foreign-owned limit	49%
% foreign holding (current)	3.70%

Impressive historical growth and a promising expansion opportunity to serve the demand from the World's largest market

* The biggest industry player in Lao PDR: The company's production capacity is currently 320 tons of tapioca starch per day or 115,000 tons per year and collect its material from 7,689 hectares of cassava plantation, including about 70% under its contract farming scheme and the rest from local farmers. The second largest producer in the country makes up to 100 tons of finished products per day.

* Impressive growth in revenue and profit: Over the past 04 years, the company has maintained striking growth rates of sales and profit in the setting up period, over the next 05 years, we also forecast a sustainable average growth rate of over 20% in sales and profit. Its net margin ratio is also expected to be from 20% to 25%.

* Possibility to expand plantation area and enhance production capability: With population density of only about 25 people per square km, Laos had a extensive area of natural land suitable for growing cassava and with the governments agriculture promotion, the company is able to acquire a large land base for plantation expansion. The company can easily double or triple its plantation area in the next 5 years.

* A typical business model that takes advantages of local resources to produce for sale in the world's biggest market: The company's material are 100% in local market while almost all of its products are exported to China. While local expenses such as land clearance, wages for plantation, exploitation, production, electricity, transportation,...are still very low, among the lowest in the region, its output market is the biggest in the world. The company is currently unable to meet the demand from its customers in China.

Website for reference	
www.lxs.com.la	Lanexang Securities Public Company
www.lsx.com.la	Lao Securities Exchange
www.bol.gov.la	Bank of Lao
www.mof.gov.la	Ministry of Finance of Lao
www.ldb.org.la	Lao Development Bank
www.bcel.com.la	Banque Pour Commerce Exterieur Lao Public
www.edlgen.com.la	EDL Generation Public Company
www.vientianetimes.org.la	Vientiane Times Newspaper

INFORMING

From 21 October 2013,

For placing order, checking account balance	For opening account, transferring money between securities account & bank account and other services	For transferring money abroad
Contact to: Phone: (+856) 21 265 463 Email: lxs-brokerage@lxs.com.la	Contact to: Phone: (+856) 21 265 463 Email: customerservices@lxs.com.la	Contact to: Phone: (+856) 21 265 463 Email: customerservices@lxs.com.la
Required information for placing order: + Account Name: + Account Number: + Trading Pin: + Order: BUY or SELL + Name of share: + Quantity: + Price: + Valid date	Required information for transferring money: + Transfer from LDB to LXS or from LXS to LDB + Account Name: + Securities Account No.: + Bank Account No.: + Transfer money Pin: + Amount: + Valid date:	Required document for transferring money abroad: + Power of Attorney (register in advance) + Outward Remittance Request Form (Original) + For more detail, please reference to Investment Guide

Note: All emails for requesting services are only valid by sending to brokerage email "lxs-brokerage@lxs.com.la" or customer service email customerservices@lxs.com.la from the registered email of client.

Disclaimers

The Investment Guide has been prepared and issued by Brokerage Department of Lanexang Securities Public Company ("LXS"). The information contained herein, including any expression of opinion, are based upon believable source.

This Investment Guide is just for reference only. LXS's Brokerage department will not share any profit and take any responsibilities for damage of any investment made by according to this Investment Guide.



LANEXANG SECURITIES PUBLIC COMPANY

LAO INVESTMENT GUIDE

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