



ຕະຫຼາດຫຼັກຊັບລາວ
LAO SECURITIES EXCHANGE

Lao Securities Exchange

30 October 2013

ຕະຫຼາດຫຼັກຊັບລາວ
LAO SECURITIES EXCHANGE

I. LAO PDR Overview

1. Overview on Lao PDR
2. Some Economic indicators and Potentials

II. Regulatory framework

1. The structure of regulatory system
2. Law and regulation

III. Introduction of LSX

1. Brief history of LSX
2. LSX member firm & listed companies
3. Major market mechanism
4. Market performance
5. LSX IT system

IV. LSX Future Road

1. LSX vision
2. Tasks to be implemented



I. LAO PDR Overview

1. Overview on Lao PDR



Median age	19 years (Lao) : 28 (the world)
Population growth	2.1 % (Lao) : 1.88% (the world)
Birth rate	34.46/1,000 (Lao) : 20.18/1,000 (the world)
life expectancy	67 (Lao) : 66.26 (the world)
Literacy (age 15+)	68.7% (Lao) : 82% (the world)
Diplomatic relation	relationship with 135 countries (2013)

Location	Land-locked within Indochina Peninsula (Bordered with 5 countries : Thailand, Vietnam, China, Myanmar and Cambodia)
Population	6.51 million (GDP Per capita 1,400 US\$) (9.1 bil US\$)
Ethnicity	Lao Loum(67%), Lao Theung(22%), Lao Soung(9%) and 49 others
Religion	Theravada Buddhism(65.4%), Animism(33.1%), Christianity and others(1.3%)
Climate	Tropical Monsoon – Ave. Temp. 26.5°C
Area	236,800 Km ² (1.1 times of South and North Korea)

I. LAO PDR Overview

2. Some Economic Indicators

(Source : BOL & MPI) (unit: mil USD)

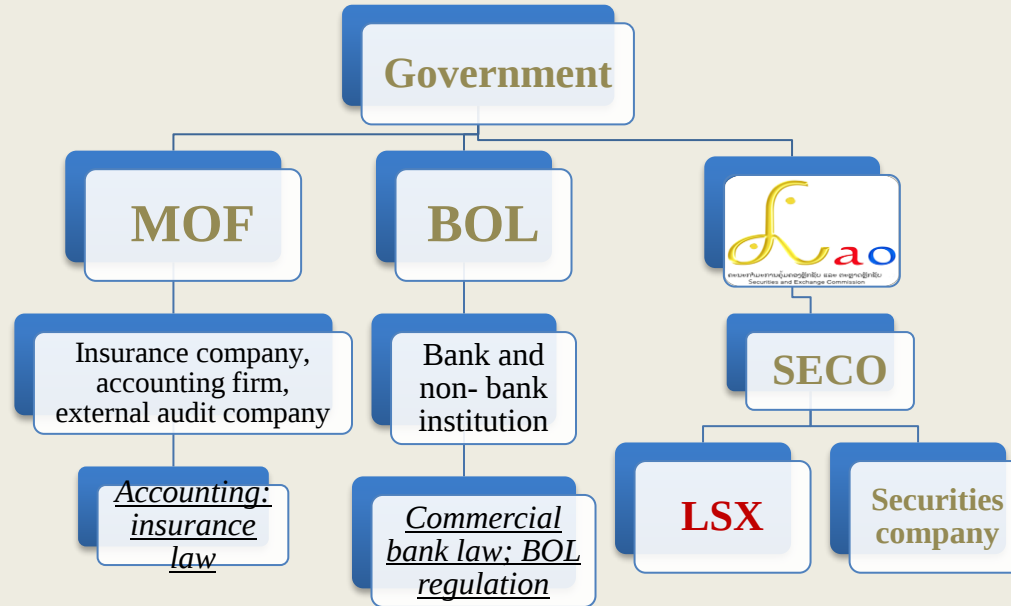
Classification	2008	2009	2010	2011	2012
Nominal GDP	5,285.67	5,585.18	6,845.27	8,060.04	9,082.63
Real GDP growth (%)	7.78	7.50	8.13	8.04	7.93
Inflation (%)	7.63	0.03	5.98	7.58	4.26
Exchange rate (Kip/USD)	8,743.39	8,515.8	8,257.16	8,030.61	8,077.31
Kip deposit rate (1 year)	7.00-12.00	5.00-12.00	5.00-12.00	5.00-12.00	5.00-10.25

I. LAO PDR Overview

Lao PDR Potentials

- Natural resources(mineral, hydropower, timber etc.)
- Sustainable GDP growth
- Political stability
- Competitive labor cost
- Geography: bordering with Vietnam, China, Myanmar
Thailand, Cambodia.
- ASEAN member
- WTO member

2. The structure of regulatory system



2. Law and Regulations

LOGO



Law on Securities

- Regulation on IPO
- Regulation on Securities Company Establishment
- Regulation on Securities Exchange Supervision
- Regulation on Professional Accountants and Auditors regarding to Securities Industry
- Regulation on Practitioners
- Regulation on Foreign Investor
- Regulation on Disclosure



Regulations relating to market

- Listing Regulation
- Disclosure Regulation
- Deposit Regulation
- Market Operation Regulation
- Market Surveillance Regulation
- Membership Regulation
- Clearing & settlement Regulation
- Transfer Agent Regulation



III. Introduction of LSX

1. Brief History of LSX

❑ September 2007:

- ✓ MOU between KRX(Korea) and BOL(Lao) to establish Lao Securities Market



❑ July 2009: Joint Venture Agreement between KRX and BOL

- ✓ BOL 51% ownership: land & building
- ✓ KRX 49% ownership: IT & Education



❑ 10.10.10: Market Launching

❑ 11.1.11: Starting Trading



III. Introduction of LSX

2. LSX listed company & member firm

Member firm of LSX

Classification	Lane-Xang	BCEL-KT	Lao-China
Promoter:	JVC: between LDB (Lao) + Sacombank (Vietnamese)	JVC: between BCEL (Lao) + KT-Zmico (Thai)	JVC: APB(Lao) + Pacific (China)
Establishment date	December 2010	December 2010	July 2013
Total Capital	100 bill kip	100 bill kip	100 bill Kip
Register capital	30 bill kip	30 bill kip	30 bill Kip
Total number of share	100 mil shrs	1 mil shrs	10 mil shrs
Number of branch & employee	1 head quarter & 30 persons	1 head quarter, 1 branch & 20 persons	1 head quarter & 30 persons
Major shareholder	- Sacom bank: 50.5% - LDB: 48.5% - Other: 1.5%	- BCEL: 70% - KT-Zmico: 30%	- APB: 41 % - Pacific: 39% - Lao Info Industry: 20%

III. Introduction of LSX

2. LSX listed company & member firm

Listed Company of Lao stock market



Classification		EDL-Gen	BCEL
Establishment date		December 2010	December 1975
No. of employee		434	1,247
Business		Electricity	Bank
Major shareholder		• EDL (75%)	• MOF (70%) • COFI BRED (10%)
Register capital (Mil US)		626	87
B/S(Mil US)	Asset	853	1,910
	Liability	138	1,781
	Equity	714	129
P/L (Mil US)	Sale	99	90
	Net profit	77	27

III. Introduction of LSX

2. LSX listed company & member firm

Introduction of Listed Company

Information on IPO

(Base date: Jan 2012)

Classification		EDL-Gen	BCEL
IPO method		General competition	Auction
No. of offering share		217,149,000	27,315,520
Amount of offering		933,740 mil kip	161,430 mil kip
Offering price		4,300 kip	5,910 kip
Par value		4,000 kip	5,000 kip
Total number of listed shares		1,226,216,765	136,577,600
Financial ratio 2012	EPS	491.32 kip	1,541.92 kip
	PER	11.7	5.15
	Debt ratio	19.3%	1,376.4%



III. Introduction of LSX

2. LSX listed company & member firm

Introduction of Listed Company

Information on dividend

Listed company	Return on dividend		
	2011	2012	2013.6
BCEL	776 Kip (9.34%)	879 Kip (9.08 %)	405 Kip (5.47%)
EDL-Gen	498 Kip (8,43%)	450Kip (12.7%)	182 Kip (2.80%)

III. Introduction of LSX

3. Major market mechanism

Types of Securities	Stock and Bond
Market Indices	LSX Composite index Calculated by : Market cap weighted on number of shares Based date : January 11, 2011= 1000p
Trading Hour	8:30 - 11:30, executed 6 times a day at 9:00, 9:30, 10:00, 10:30, 11:00 and 11:30 (auction)
Daily Price Change Limit	$\pm$ 5% of the close price
Transaction fee	Buyer: 0.90%, Seller: 1.2%
Depository	LSX Securities Depository Center provides a safe keeping in form of scripless as well as book-entry system
Settlement Cycle	T+2

III. Introduction of LSX

3. Major market mechanism

Currency (ISO)	Lao Kips (LAK)
Market Participants	Securities and Exchange Commission, Lao Securities Exchange, Bank of Lao PDR (as Settlement Bank), LSX Securities Depository Center, Brokers, Commercial Bank (as Correspondent Bank)
Taxed and Duties	- Income corporate tax : 19% (5% exception) - No capital gain tax - No Dividend tax
Foreign Ownership Restrictions	EDL-Gen: total 20% (individual 1%) BCEL: total:10% (individual 1%)
Central Counter Party (CCP)	LSX acts as clearing house which refer to Securities Depository Center's roles as Central Counterparty

III. Introduction of LSX

4. Market performance

Major market indicator:

(Base date: 14 Oct 2013)

Class (KIP)	Opening (1/11)	2011.12	2012.12	2013.10	Highest	Lowest	No of shares (Thousand)	Market cap (mil Kip) (mil \$)
BCEL	8,000	7,250	7,950	8,500	15,400 (‘11.2.1)	6,000 (‘12.2.20)	136,577	1,160,910 (145)
EDL-Gen	4,700	4,200	5,750	6,200	8,800 (‘11.2.2)	4,000 (‘11.10.28)	1,226,216	7,602,544 (950)
Composite	1,000P	899.46P	1,214.77p	1,308.36 p (14.10.13)	1,864.98P (‘11.2.2)	877.44P (‘12.1.5)	1,362,793	8,763,453 (1,095)

III. Introduction of LSX

4. Market performance

Average trading volume & value:

Classification	2011				2012				2013		
	1/4	2/4	3/4	4/4	1/4	2/4	3/4	4/4	1/4	2/4	3/4
Trading volume (thousand shrs)	407.8	134.6	50.6	89.8	59.8	100.3	128.4	84	85.3	51.8	127.7
Trading value (thousand \$)	419.9	116.9	38.0	71.0	36.2	67.3	90.5	56.2	77.8	44.1	128.2
Market Cap. (million \$)	917.1	779.9	661.9	592.1	592.4	620.9	878.3	1,032.4	1,178.8	1,122.6	1,095.4

III. Introduction of LSX

5. LSX IT system

IT Platform

Classification	Product
Main Server	HP rx6600, rx3600
O/S	HP-UX
Database	Oracle10g
Middle Ware(OLTP)	TMAX, Rendezvous
Network Protocol	TCP/IP



III. Introduction of LSX

5. LSX IT system

Capacity and Performance

Classification

Capacity

Value

100,000 per day

Performance

Response Time

0.010 sec per order

Matched Trade
Latency

0.001 per trade (1,000 trades per second)
/ issue

Fail-Over time

Within 5 min



III. Introduction of LSX

5. LSX IT system explanation

- **Newly updated IT system**
 - State-of-art IT facilities are functioning well since starting LSX.
 - No trivial mistakes have been occurred
 - With the help of KRX, IT provider and system developer can detect any mistake shortly
- **DMA (Direct Market Access)**
 - LSX system can support any kind of system attachment when other country's system needed to attach to LSX system.
 - With relevant specification, any exchanges can access to our LSX transaction system
- **Algorithmic executive system**
 - Enough capacity of allowing algorithmic orders
 - Split orders can be executed easily
 - IT platform and System performance is perfect

IV. LSX Future Road

1. LSX vision

**Investor
protection**

- Transparent market

**International
standard**

- Easy access market

**Abundant
liquidity**

- Effective
market



IV. LSX Future Road

2. Tasks to be implemented

Listing Promotion



SOE Privatization & Listing facilitation

Friendly policy for listed company

Establishing efficient accounting system

IV. LSX Future Road

Potential listing company in 3 year

2015

2014

2013

Khamphaysana Group : Construction
BMC Transportation : Logistics
Lao Cement Industry : Cement

Petroleum trading : Energy
Lao Cement Company: Cement
Lao Indochina Group : Agriculture

Lao world : Convention

IV. LSX Future Road

2. Tasks to be implemented

**Boosting market
liquidity**

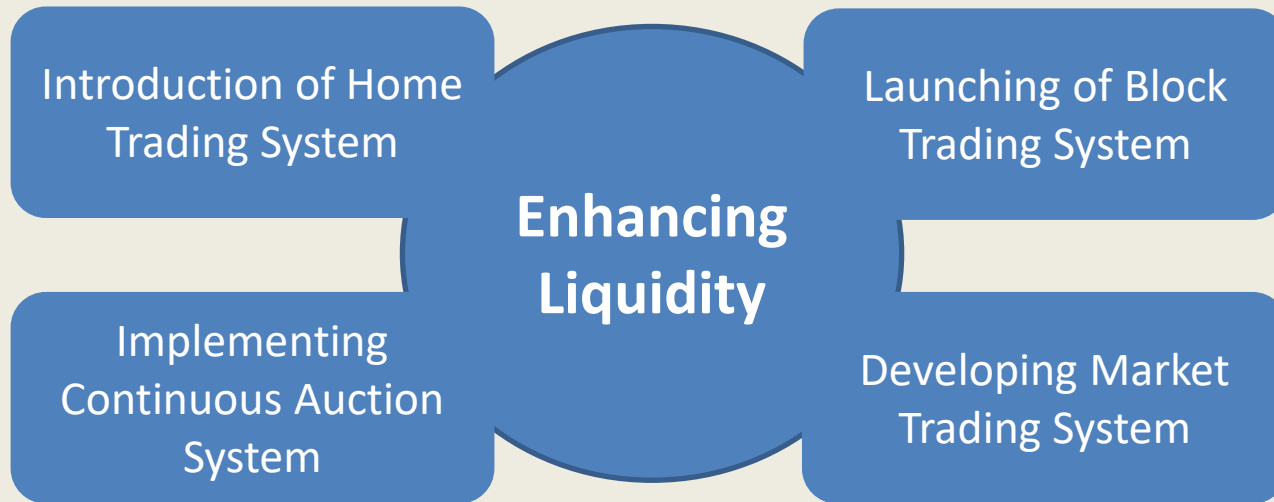
Development
of market
trading
system

Active
participation
of institution
& foreign
investor

Improvement
of market
operation
regulations

IV. LSX Future Road

2. Tasks to be implemented



VI. LSX Future Road

2. Tasks to be implemented

**Strengthening
market infra**

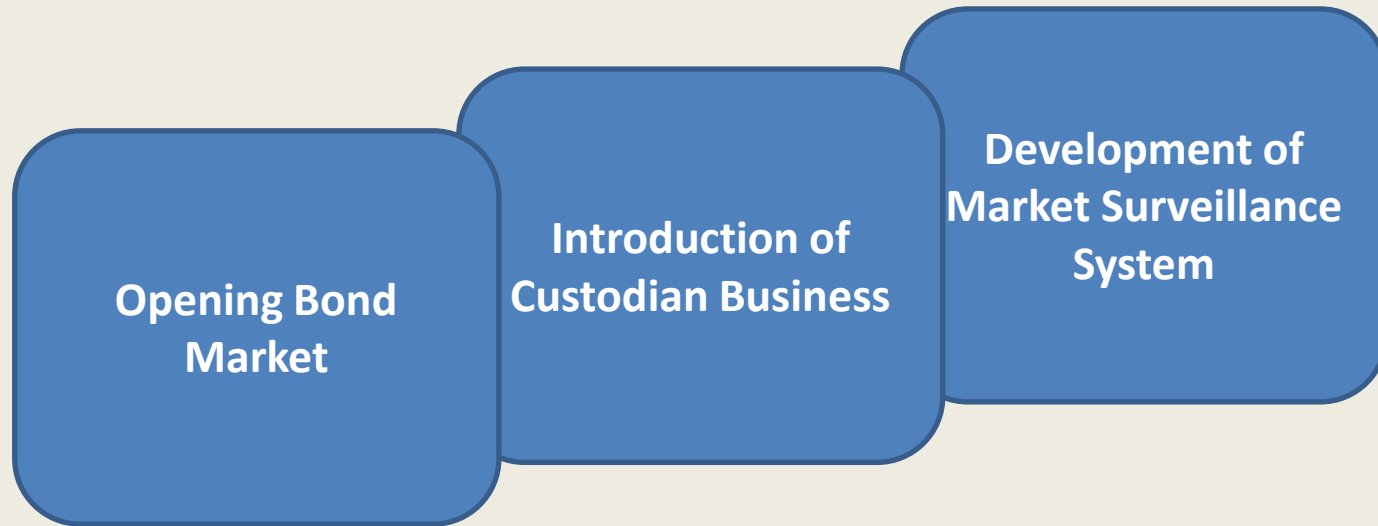
**Establishment of new
member firm & branch**

**Education &
advertisement, IR**

**Supplement legal frame
work & bond market**

IV. LSX Future Road

2. Tasks to be implemented



Lao Securities Exchange (LSX)



Thank you