Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity

ຕະຫຼາດຫຼັກຊັບລາວ
LAO SECURITIES EXCHANGE

No 002 /26 /LSX
Vientiane Capital, Date 19 OCT 2026

Guideline on Liquidity Provision

- Pursuant to the Law on Securities (Amended), No. 79/NA, dated 03 December 2019;
- Pursuant to the Decision on Lao Securities Exchange Supervision (Amended) No. 30/LSC, dated 03 December 2019;
- Pursuant to the Decision on Market Making in Lao Securities Exchange, No. 05/LSC, dated 09 April 2025;
- Pursuant to the Market Operation regulation (Amended), No. 010/LSX, dated 19 December 2018.

Chief Executive Officer of Lao Securities Exchange hereby issues the guideline:

Section1
General Provisions

Article 1 Purpose

The purpose of this guideline is to stipulate principles, methods, and procedures for performing the duties as a Liquidity Provider for stocks listed on Lao Securities Exchange, to establish a common understanding among members, listed companies, investors, and other relevant parties, ensuring transparent and effective performance of the Liquidity Provider duties.

Article 2 Liquidity Provision

Liquidity Provision refers to the activities performed by members using funds provided by listed companies to conduct stock trading on Lao Securities Exchange, with the purpose of enhancing the liquidity of such stocks and facilitating investors to trade more easily.

Article 3 Definitions

The terms used in this guideline shall have the following meanings:

1. **Liquidity Providing Issue** means the shares of a listed company for which the Liquidity Provider performs liquidity provision activities in accordance with the terms, conditions, and duration agreed between the Liquidity Provider and the listed company.
2. **Liquidity Provision Account** means a securities account designated exclusively for the Liquidity Provider to perform liquidity provision activities on Lao Securities Exchange.
3. **Liquidity Provision Agreement** means an agreement between a member and Lao Securities Exchange specifying the obligations relating to quotation maintenance, the term of the agreement, the bid-ask spread, and other conditions governing liquidity provision activities.
4. **Liquidity Provider Service Agreement** means an agreement between a member and a listed company specifying the terms relating to funding, the term of the agreement, the bid-ask spread, and other conditions governing liquidity provision activities.
5. **Bid Ask Spread** means the gap between the bids-ask quotations that the Liquidity Provider is required to maintain within the spread specified in the Liquidity Provider Service Agreement.
6. **Quotation Maintenance** means the submission of both bid and ask quotations for a Liquidity Provision Issue within the bid-ask spread and other conditions specified in the Liquidity Provider Service Agreement.

Article 4 Scope of Application

This guideline shall apply to members of the Lao Securities Exchange, particularly securities companies that provide securities brokerage services and other parties involved in liquidity provision for shares listed on Lao Securities Exchange.

Section 2
Liquidity Provider

Article 5 Liquidity Provider

Liquidity Provider is a member of Lao Securities Exchange that has obtained approval from the Lao Securities Commission Office and Lao Securities Exchange to perform liquidity provision for shares listed on Lao Securities Exchange.

Article 6 Qualifications of an Applicant for Liquidity Provider

Qualifications of an applicant for Liquidity Provider are as follow:

- Shall obtain an approval from the Lao Securities Commission Office to perform the functions of a Liquidity Provider;
- Shall be a member of the Lao Securities Exchange;

- Shall appoint a personnel holding a Securities Dealer License to perform liquidity provision activities, and such functions being clearly segregated from securities brokerage activities;
- Shall have a Liquidity Provision Account;
- Other qualifications specified by Lao Securities Exchange.

Article 7 Application Dossiers

Documents required for an application for approval to become a Liquidity Provider are as follows:

- A copy of the Liquidity Provider Approval issued by the Lao Securities Commission Office;
- A copy of the Securities Dealer License of the personnel designated to perform liquidity provision activities;
- A request letter for application for approval as a Liquidity Provider for shares listed on Lao Securities Exchange;
- A document reporting details of the securities account to be used for liquidity provision activities;
- A document appointing the employee designated to perform liquidity provision activities;
- A copy of the Liquidity Provider Agreement entered into between the Member and the listed company; and
- Other documents specified by the Lao Securities Exchange.

Article 8 Consideration of the Application

A member applying to become a Liquidity Provider for shares listed on Lao Securities Exchange shall first enter into a Liquidity Provider Service Agreement with a listed company. Thereafter, the member shall submit the documents specified in Article 7 of this guideline to Lao Securities Exchange for consideration within 10 business days from the date on which Lao Securities Exchange receives complete and accurate documents. In the event that the submitted documents are incomplete, Lao Securities Exchange shall have the right to request additional documents and information from the member.

After obtaining approval, Lao Securities Exchange and the member shall enter into a Liquidity Provision Agreement as a basis for implementation and officially register the member as a Liquidity Provider. In the event that the requirements are not satisfied, Lao Securities Exchange shall have the right to reject the application and provide written notification to the member together with the reasons for such rejection.

Article 9 Termination of Liquidity Provision Obligations

Liquidity provision activities shall be terminated in any of the following cases:

1. The Liquidity Provider Service Agreement and the Liquidity Provision Agreement expire upon reaching the end of their respective terms.

2. The Liquidity Provision Issue is subject to delisting.

3. The Liquidity Provider submits a request to terminate liquidity provision obligations in the event that any of the following circumstances occur with respect to the listed company:

- A resolution of the shareholders' meeting, including circumstances such as bankruptcy, delisting, merger, dissolution, sale or transfer of part or all of the listed company, or other events arising from changes affecting the business operations of the listed company;
- A material change to the key terms of the Liquidity Provider Service Agreement;
- Other circumstances specified by the Lao Securities Exchange.

For a request to terminate liquidity provision activities pursuant to Paragraph 3 of this article, the Liquidity Provider shall provide a written notice to Lao Securities Exchange stating the reasons for such termination within 5 business days. Thereafter, Lao Securities Exchange will consider the matter and formally notify the effective date of the termination of the liquidity provider's activities.

Article 10 Cancellation of Liquidity Provision Agreement

The Liquidity Provision Agreement shall be canceled in any of the following cases:

1. The Liquidity Provider is unable to perform liquidity provision obligations due to the listed company's bankruptcy, suspension or cessation of part or all of its business operations, revocation of authorization, withdrawal from membership of Lao Securities Exchange, and other similar circumstances.

2. The Liquidity Provider engages in any of the following conduct:

2.1. Purchasing or selling securities other than Liquidity Provision Issues through the Liquidity Provision Account;

2.2. Failing to perform liquidity provision duties as prescribed in Articles 13 and 14 of this guideline;

2.3. Conducting unfair securities trading activities or engaging in market manipulation activities;

2.4. Refusing to provide reports, submitting reports late, or providing unfaithful reports upon request by Lao Securities Exchange as prescribed in Article 16 of this guideline;

2.5. Violating relevant laws and regulations;

2.6. Other circumstances that Lao Securities Exchage deemed to be inappropriate for performing liquidity provision activities.

In the event of termination of the Liquidity Provision Agreement pursuant to Paragraphs 1 and 2 of this Article, Lao Securities Exchange shall provide written notice to the Liquidity Provider stating the reasons for termination, the effective date, and other relevant matters at least 5 business days prior to the termination date.

Article 11 Settlement of Funds and Securities

Upon the expiration of the liquidity provision agreement, termination of liquidity provision obligations or cancellation of liquidity provision agreement, the Liquidity provider shall settle and return all funds and securities to the listed company, in accordance with the liquidity provider service agreement, and close the liquidity provision account within 20 business days from the date of termination of liquidity provision obligations. Upon completion thereof, the member shall submit a written report to Lao Securities Exchange within 3 business days.

Article 12 Liquidity Provider Application Fee

A Member shall pay an application fee of LAK 10,000,000 per application per year. The application fee shall be paid within 10 business days from the date on which the liquidity provision agreement is executed.

Chapter 3

Rights and Obligations of Liquidity Provider

Article 13 Rights and Obligations

Liquidity Provider shall have the rights and obligations as prescribed in Decision on Market Making. In addition, the Liquidity Provider shall have the following rights and obligations:

1. To use the liquidity provision account to perform liquidity provision obligations in Lao Securities Exchange.
2. To report Lao Securities Exchange in writing of the opening, changing, or closure of the liquidity provision account within 5 business days.
3. To report Lao Securities Exchange in writing of the appointment or replacement of the personnel responsible for performing liquidity provision obligations within 5 business days.
4. To report Lao Securities Exchange in writing of any amendment, addition, partial termination, or full termination of the liquidity provider service agreement within 3 business days.
5. To continuously submit and maintain bid and ask quotations for liquidity providing issues in accordance with the term and conditions specified in the Liquidity Provision agreement;
6. Avoid any activities or actions that may result in fraud, misleading information regarding market prices or trading transactions, artificial price formation, and market manipulation, or other inappropriate activities.
7. To cooperate with Lao Securities Exchange in the inspection, supervision, monitoring, and evaluation of its performance.
8. To exercise rights and perform other obligations as prescribed by laws, and other relevant regulations.

Article 14 Quotation Maintenance Obligations of Liquidity Provider

A liquidity provider shall maintain quotations for liquidity providing issues in accordance with the following requirements:

1. Shall maintain bid and ask quotations for liquidity providing issues with a minimum quoted quantity of 1,000 shares per quotation.
2. Submit bid and ask quotations for liquidity provision issues within 5 minutes, at least once during a trading day, when the spread between the best bid and best ask quotations exceeds the bid-ask spread specified in the liquidity provision agreement.
3. A Liquidity Provider shall not be required to submit bid and ask quotations in the following circumstances:

3.1. Where the spread between the best bid price and the best ask price is equal to or less than the bid-ask spread prescribed in the liquidity provision agreement;

3.2. During a call auction and 5 minutes thereafter, in accordance with Article 5 of the Market Operation regulation (Amended);

3.3. When the trading board shows only buy orders at the upper price limit or only sell orders at the lower price limit;

3.4. The liquidity provision issue has disclosed a delisting plan on the Lao Securities Exchange;

3.5. Where the issuer of the liquidity providing issue has disclosed a business rehabilitation plan until the relevant issue has been resolved; and

3.6. Where trading of all securities or the liquidity providing issue has been suspended pursuant to Article 7 of the Market Operation regulation (Amended).

Article 15 Exemptions from Quotation Maintenance Obligations

The Liquidity Provider shall be exempted from quotation maintenance obligations under the following circumstances:

1. Exemption from submitting bid quotations shall apply in any of the following cases:

1.1. The available funds are insufficient to purchase shares in the minimum quotation volume prescribed under Article 14 of this guideline;

1.2. The difference between the lower price limit and the best ask quotation is less than or equal to the specified bid-ask spread;

1.3. Other conditions as specified by Lao Securities Exchange.

2. Exemption from submitting ask quotations shall apply in any of the following cases:

2.1. The number of shares held is less than the minimum quotation quantity prescribed under Article 14 of this guideline;

2.2. The difference between the upper price limit and the best bid price is less than or equal to the specified bid-ask spread;

2.3. Other conditions as specified by Lao Securities Exchange.

Chapter 4

Reporting, Monitoring and Evaluation

Article 16 Reporting

The Liquidity Provider shall submit reports to Lao Securities Exchange on its Liquidity Provision activities and transactions. Such reports shall include, bid prices, offer prices, bid quotation values and volumes, offer quotation values and volumes, transaction time, matched trading values and volumes and total securities holdings. The Liquidity Provider shall submit the above information to the Lao Securities Exchange in writing which includes monthly report, within 10 business days of the next month and annual report, within 120 business days after the end of the financial year. In the event of an emergency or any occurrence affecting the performance of liquidity provision obligations, the liquidity provider shall immediately report the relevant information to Lao Securities Exchange within the same day.

Article 17 Monitoring and Evaluation of Market Makers

Lao Securities Exchange shall monitor and evaluate performance of liquidity providers as follow:

1. Lao Securities Exchange may access the transaction records and account activity of the liquidity providing account without prior notice for the purpose of monitoring and evaluating liquidity provider performance on a quarterly basis.
2. Lao Securities Exchange shall evaluate Liquidity Providers based on various criteria, including the submission of bid and ask quotations within the specified bid-ask spread, performance of liquidity provision obligations, quotation submission time, and other conditions specified by Lao Securities Exchange. Lao Securities Exchange shall notify liquidity providers of the evaluation results once every quarter. However, liquidity providers that has performed their obligations less than 10 trading days shall not be subject to such evaluation.
3. Lao Securities Exchange shall officially notify the temporary suspend of liquidity provider from performing liquidity provision obligations when such liquidity providers have failed to perform its obligations for 30 consecutive days, in accordance with the terms and conditions specified in the liquidity provision agreement.

Chapter 5

Final Provisions

Article 18 Implementation

Lao Securities Exchange, members and all relevant parties involved in liquidity providing and liquidity provision in Lao Securities Exchange shall acknowledge and strictly comply with this guideline in accordance with the scope of their respective rights and responsibilities

Article 19 Effectiveness

This guideline shall enter into force on the date of signature onwards.

Chief Executive Officer



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