

Executive Summary

The Lao Securities Exchange

The two listed companies engaged in their own price battle, and they both ended up with a tie no matter what strategy they used. Market's liquidity receded slightly; at least it was not as lopsided as yesterday. Market's sales split more evenly between the two companies: 37K shares (+48%) for BCEL and a 43K shares (-58%) for EDL-Gen. Their prices stayed the same, hence their turnovers changed accordingly to LAK 299 million and to LAK 223 million respectively for the public bank and for the generation company.

▶ Xepon rubber project gets green light

The Guangda-Lao Company this year plans to grow 800 hectares of rubber in Xepon district, Savannakhet province, after the government approved a 1,000 hectare land concession in 2010. The project has already cost about 24 billion kip (about US\$3 million) out of the projected 40 billion kip (US\$5 million). The company has begun to grow some rubber trees this wet season and plans to open the processing plant in the next six to seven years.

▶ Lao, Thai hydropower developers ink construction deal

Electricite du Laos (EDL) signed an engineering procurement and construction contract for the Nam Sana hydropower project with Nawarat Patanakarn Public Company Limited of Thailand. EDL's investment in the project is about 241 billion kip (US\$30 million). Commercial operation of the power station is expected to begin in early 2014. The plant will have a capacity of 14 megawatts (MW) with two turbines that will generate about 49.6GWh per year.

Exchange Rates: 23/06/2011

	Bid	Change	Ask	Change
USD	8,014.00	-	8,037.00	2.00
CAD	8,146.00	(8.00)	8,255.00	(8.00)
THB	262.36	0.36	263.00	0.30
EUR	11,459.00	(40.00)	11,502.00	(42.00)
GBP	12,719.00	(145.00)	12,888.00	(145.00)
CNY	1,214.00	-	1,231.00	1.00
JPY	98.42	(0.43)	99.74	(0.41)

Exchange rates, quoted for the Lao Kip by the Bank of Laos

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Issue Name	Current Price	Change (Kip)	Change (%)	52-week	
				High	Low
BCEL	8,150	-	-	15,500	7,900
EDL-Gen	5,200	-	-	8,850	4,550

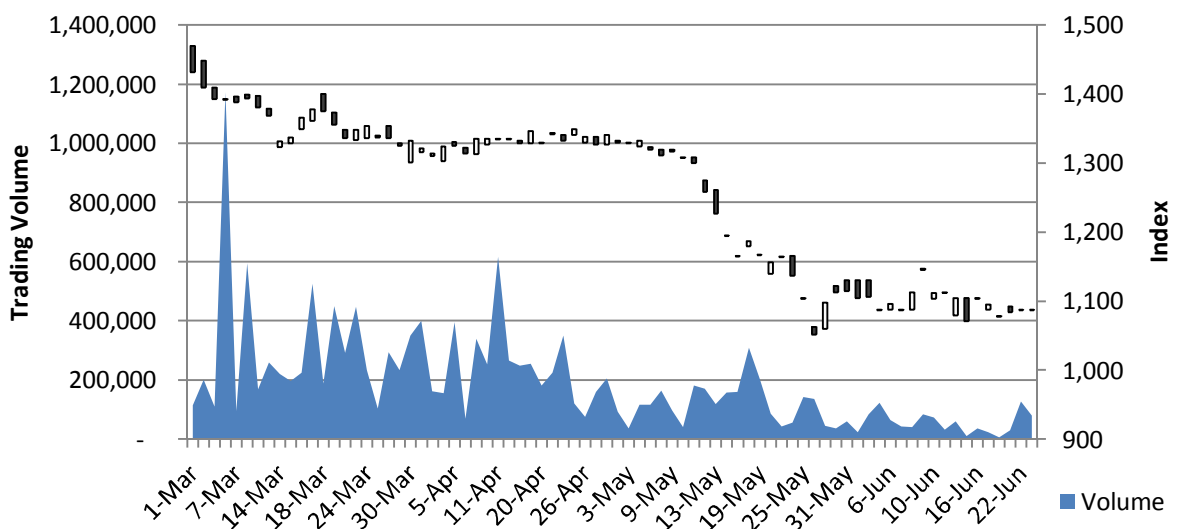
The Lao Securities Exchange

The Lao stock market

A relatively intense amount of demand infused the Lao stock market today, especially with the public bank. A total of 114K shares (+78%) were bidding for BCEL as the other company bathed in its 169K shares (+5%). The simmering demand emphasized a margin boost in confidence, even though most of the bidders were reluctant to raise the stakes. The foreign sentiment toward the generation company got somewhat emotional; actually, they were the main buying forces. Optimism seemed to start taking control. The suppliers of EDL-Gen cut their stocks down to 50K shares (-65%), while the BCEL's counterpart got a little more excited with 46K shares (+72%). In general, the suppliers had already stopped their haggle by yesterday, now they just tried to make ends meet without hampering too much with the current price. This is the chance for buyers to get their hands on the listed companies if they have not done so.

The LSX Index 1,087.88 — 0.00 [0.00%]

The stagnant prices have cut all vitality flows and paralyzed the Lao index at the yesterday's 1,087 points. Trading volume plunged 38% to almost 80K shares, slashing market's turnover by 29% to LAK 523 million.



The Lao Economy

Sectors Watch & Business News

Xepon rubber project gets green light

The Guangda-Lao Company this year plans to grow 800 hectares of rubber in Xepon district, Savannakhet province, after the government approved a 1,000 hectare land concession in 2010. Government and company representatives met on Tuesday to sign an agreement to establish the plantation on suitable land and to build a rubber processing facility in the province. Guangda-Lao Company General Manager Zhong Wen Zhuo and Deputy Minister of Planning and Investment Thongmy Phomvixay signed the contract at a ceremony in Vientiane on Tuesday. The company's Assistant Manager Prasith Nouboulaphanh, Ministry of Agriculture and Forestry Office Deputy Head Khamphan Meuansithida, and officials from Guangda-Lao and the government attended the event.

The project has already cost about 24 billion kip (about US\$3 million) out of the projected 40 billion kip (US\$5 million). The company has begun to grow some rubber trees this wet season and plans to open the processing plant in the next six to seven years. Initially, provincial authorities approved only 100 hectares of land for the company's use - 20 hectares for a rubber sapling nursery, 80 hectares for growing the trees, and 2,000 square meters for an office. "Eventually, we plan to grow about 1,000 hectares of rubber, which will provide income for about 500 farming families in the district and promote local economic development," Mr Wen Zhuo said. "The company has already invested about 900 million kip to install electricity for local residents, provide clean water, build a school and a police station, and repair roads. Importantly, we are committed to continuing to provide assistance and improving living conditions in the community."

Mr. Wen Zhuo also said "Beyond investing in the country, we try to instill in our Chinese employees a respect for Lao culture and promote the development of close relationships with local workers that reflects the deep friendship that exists between our two nations." He believes that under the guidance of high-ranking officials, and with cooperation between the two nations, the project will have wide ranging benefits for socio-economic development. According to a report from the Forestry Department, domestic and international investors have already planted more than 300,000 hectares of rubber trees throughout Laos. However, Luang Namtha and Phongsaly provinces are no longer allowing rubber plantations to be established because of a lack of available land. *[Sources: The Vientiane Times]*

Automated customs system set to pilot

The Lao-Thai Friendship Bridge in Vientiane will adopt the Automated System Customs Data (ASYCUDA) by 1st July. The project will last about 8 months as a parallel system to the old one. The old system will continue its operations to ensure effectiveness and to iron out any technicalities before introducing the new system throughout the country. Operations are unlikely to be smooth at the beginning because of legal issues related to the use of ICT. The ASYCUDA system will lay the foundations for the establishment of the National Single Window, leading to the implementation of the ASEAN single window. The five year customs and trade facilitation project began in 2008 with a US\$6 million grant from the World Bank.

Laos selected the ASYCUDA system following the United Nations Conference on Trade and Development for the computerisation of customs revenue collection and statistics gathering, to be implemented in three phases. The first phase began last year when testing began on a prototype, which lasted around eight months. The pilot project at Thanaleng is the second phase of the project and is expected to last 8–10 months, while the third

phase will see the rolling out of the ASYCUDA system at 10 border crossings around the country, and will last a further 12 months. ASEAN member countries agreed in 2005 to set up an ASEAN Single Window to ease cross border trade and travel. The single window system allows a single submission of data and information and results in a single decision before customs release and clearance. ASEAN member countries are expected to develop and implement their national single windows in a timely manner before the establishment of the ASEAN Single Window. [Sources: *The Vientiane Times*]

Lao, Thai hydropower developers ink construction deal

Electricite du Laos (EDL) on Monday signed an engineering procurement and construction contract for the Nam Sana hydropower project with Nawarat Patanakarn Public Company Limited of Thailand. The agreement gives Nawarat the green light to build the hydropower plant after completing a feasibility study, including design and social and environmental impact assessments, which began in 2009. Construction is expected to be completed within the next 32 months. EDL's investment in the project will be about 241 billion kip (US\$30 million). A Thai bank approved to finance the project, and EDL will have 10 years to repay the loan.

Commercial operation of the power station is expected to begin in early 2014 in Kasy district, Vientiane province. The plant will have a capacity of 14 megawatts (MW) with two turbines that will generate about 49.6GWh per year. The electricity generated will be carried on EDL's grid of 22KV voltage transmission lines and will supply Kasy district. The project is very important for Vientiane province, which is experiencing fast and widespread economic growth. It is one of the smaller sized power plants the government is promoting to provide local energy supplies and reduce the country's reliance on imported electricity. These plants have capacities that range from 2 to 100MW.

Since early this year, EDL has signed a number of agreements on energy projects. EDL signed a shareholders' agreement with a Chinese company for the Nam Ngiep 2 hydropower development project, based in Xieng Khuang province, for a 2.8 trillion kip (US\$345 million) investment. The company also entered into a power purchase agreement with a joint venture hydropower company for the Nam Sim hydropower plant in Huaphan province, and a separate power purchase agreement with Hongsa Power Co Ltd to purchase 100MW of electricity from the lignite-fired power plant that is currently being built in Hongsa district, Xayaboury province.

EDL has collaborated with another Chinese company and secured a loan from a Chinese bank for the seven hydropower plants to be built on the Nam Ou River in Phongsaly and Luang Prabang provinces, at an estimated cost of more than 16 trillion kip (US\$2 billion). In addition, Electricite du Laos has teamed up with a local company and signed a concession agreement with the Lao government to develop the Nam Long hydropower plant in Luang Namtha province, for over 110 billion kip (US\$13.7 million). [Sources: *The Vientiane Times*]

Stock Boards

▶ Second session: 10:00 – 11:30, Closing

BCEL

Current	8,150
Volume	36,723
Previous Day Closing Price	8,150
Change	0
Turnover	299,292,450

Sell Remaining Qty	11:30:00	Buy Remaining Qty
5,000	8,550	
4,397	8,150	
Exp exe Price	8,100	5,590
	8,050	69,620
Exp exe Qty	8,000	2,459
9,397	Total	77,669

Opening Price	8,150
High Price	8,150
Low Price	8,150
Price Limit	8,550 / 7,750

EDL-GEN

Current	5,200
Volume	42,983
Previous Day Closing Price	5,200
Change	0
Turnover	223,511,600

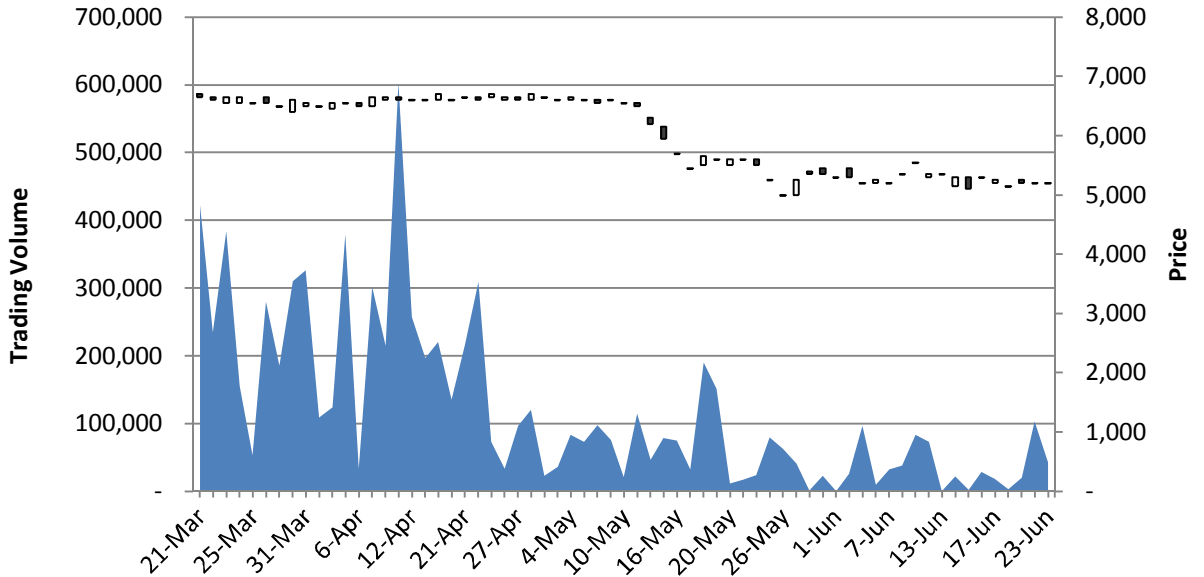
Sell Remaining Qty	11:30:00	Buy Remaining Qty
1,000	5,450	
1,000	5,350	
5,000	5,250	
Exp exe Price	5,200	9,026
	5,150	64,909
Exp exe Qty	5,100	49,021
	5,000	3,300
7,000	Total	126,256

Opening Price	5,200
High Price	5,200
Low Price	5,200
Price Limit	5,450 / 4,950

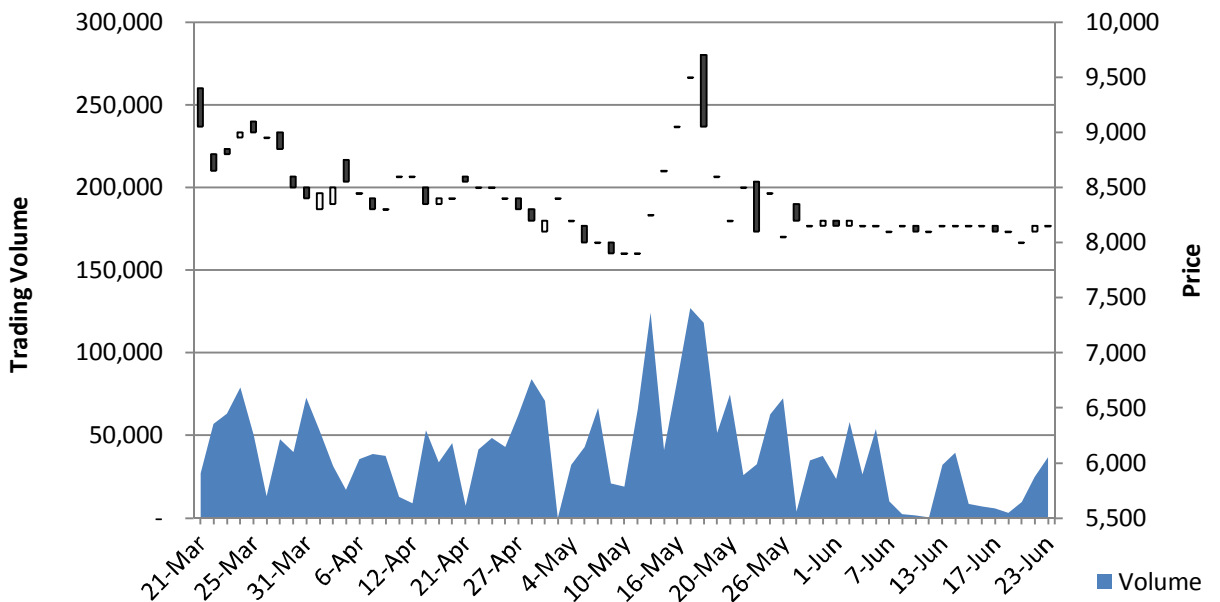
Appendix

▸ Securities Charts

EDL-Gen



BCEL



Appendix

▶ Daily Market Data

LSX Index

Date	Current Index	Change (Points)	Change (%)	Trading Vol. (Share)	Trading Value (Kip)	High	Low
2011/06/22	1,087.88	↑3.96	0.37	128,169	739,401,700	1,087.88	1,086.56
2011/06/21	1,083.92	↑5.75	0.53	29,602	181,086,000	1,092.31	1,083.92
2011/06/20	1,078.17	↓16.78	1.53	6,100	40,855,000	1,078.17	1,078.17
2011/06/17	1,094.95	↓9.71	0.88	23,930	142,643,000	1,094.95	1,087.88

EDL-Gen

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/06/22	5,200	-	103,368	537,513,600	4,516,705	5,200	5,200
2011/06/21	5,200	↑50	19,960	103,950,000	4,516,705	5,250	5,200
2011/06/20	5,150	↓100	2,900	14,935,000	4,473,275	5,150	5,150
2011/06/17	5,250	↓50	18,000	94,350,000	4,560,135	5,250	5,200

BCEL

Date	Closing Price	Change (Kip)	Trading Vol. (Share)	Trading Value (Kip)	Market Cap. (mil. Kip)	High	Low
2011/06/22	8,150	↑150	24,801	201,888,100	1,113,107	8,150	8,100
2011/06/21	8,000	↓100	9,642	77,136,000	1,092,621	8,000	8,000
2011/06/20	8,100	-	3,200	25,920,000	1,106,279	8,100	8,100
2011/06/17	8,100	↓50	5,930	48,293,000	1,106,279	8,150	8,100

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