

ບໍລິສັດ ລາວອາໂກຣເທັກ ມະຫາຊົນ
LAO AGROTECH PUBLIC COMPANY

Annual Report 2019

BAN VATTAINOYTHONG, SIKHOTTHABONG DISTRICT, VIENTIANE CAPITAL.
TEL: (856-21)520715, FAX: (856-21)256259

1. Lao Agrotech Public Company

Lao Agrotech Public Company ("Company") was established as a sole-proprietor limited Company on 29 July 2008, referring to Internal Investment License No 077/PIC.VTE. Originally fully owned by a Lao citizen, it had a registered capital of USD 100,000 and operated the businesses of providing integrated cultivation consultancy services, building farms and plantation and providing seedlings and crops.

Subsequently, on 4 May 2012, its registered capital stood at LAK 5,000,000,000. It was permitted to conduct integrated palm oil industry processing activities, e.g. construction of palm produce processing plants, bio-fertilizer production plants, vegetable oil filling plants, etc. Refer to Enterprise Registration Certificate No 0932/ERO.

On 28 August 2013, the company raised its registered capital to LAK 40,000,000,000 and was converted from a sole-proprietor Limited Company into a Limited Company. It was licensed to import-export and sell seeds, seedlings and produce of all descriptions, as well as Import-export and sell food products and drinks and import construction materials for construction of industrial and agricultural plants, vegetable oil filling machinery, machinery for extraction of sunflower oil and palm oil and other biodiesel-related machinery for use in chemical fertilizer production plants and materials for production of fertilizer. During a period of time, oil palm business started to be recognized and responded well to the people in the Company's Palm plantation project, which has palm plantation area more than 120 (one hundred and twenty thousand) ha in Eak Xang province, Phonhong district, Vientiane province.

On 12 November 2014, its share structure was changed it was 10% owned by Mr. Bounma Chanthavong (Lao), 5% owned by Mr. Oudom Keothavong (Lao) and 85% was owned by Mr. Zait Pattanamas(Thai). It introduced "2+3 project", which involved palm plantation activities in Xayabury province, and developed the second breeds that were suitable for cultivation in Laos.

On 17 May 2017 ("conversion Date"), it was converted into a Public Company under Lao laws. Refer to Enterprise Registration Certificate No 0424/ERO. Its principal office remained located in Wattainoithong village, Sikhottabong district, Vientiane Capital, Lao PDR. On the conversion Date, its registered capital stood at LAK 40,000,000,000. The Company was licensed by the Ministry of Industry and Commerce to import fuels and market biodiesel at the wholesale and retail levels, as well as import diesel oil for production of biodiesel only.

The Company operates a wide range of agro-processing businesses, focusing on oil crops that can be processed to produce food and fuel. Its main oil crop is oil palm. Its revenue-generating businesses that are connected with oil palm include.

- Production and supply of palm seeds and seedlings;
- Integrated management of oil palm;
- Production and supply of crude palm oil;
- Production and supply of biodiesel;
- Import of finished products for sale.

2. Vision

Palm oil industry leader in Lao PDR for sustainable energy and food production.

3. Mission

- Providing good quality palm oil to farmers or cultivators.
- Encourage people to involve palm-oil planting in order to earn a stable income.
- Produce and supply biofuels as green-energy or renewable energy and reach the standardized quality in order to supply it to consumers.
- Protect the interests of the stockholders on equity in order to receive the highest return.

4. Business Operation Result

1. Revenue

The Revenue of the Company in 2019 is 125,140.43 million LAK and when comparing to the Business Plan, it increases 112.84%. Most revenues received from Biodiesel Distribution which covers 90.03% of the total revenue.

2. Profit-Loss

In 2018, the net overturn of the company is 613.97 million LAK, which has the rate of net-profit is equaled to 1.32% and in 2019, the overturn decreases or equal to 196.69 million LAK and the rate of net-profit is equaled to 0.16%.

3. Asset

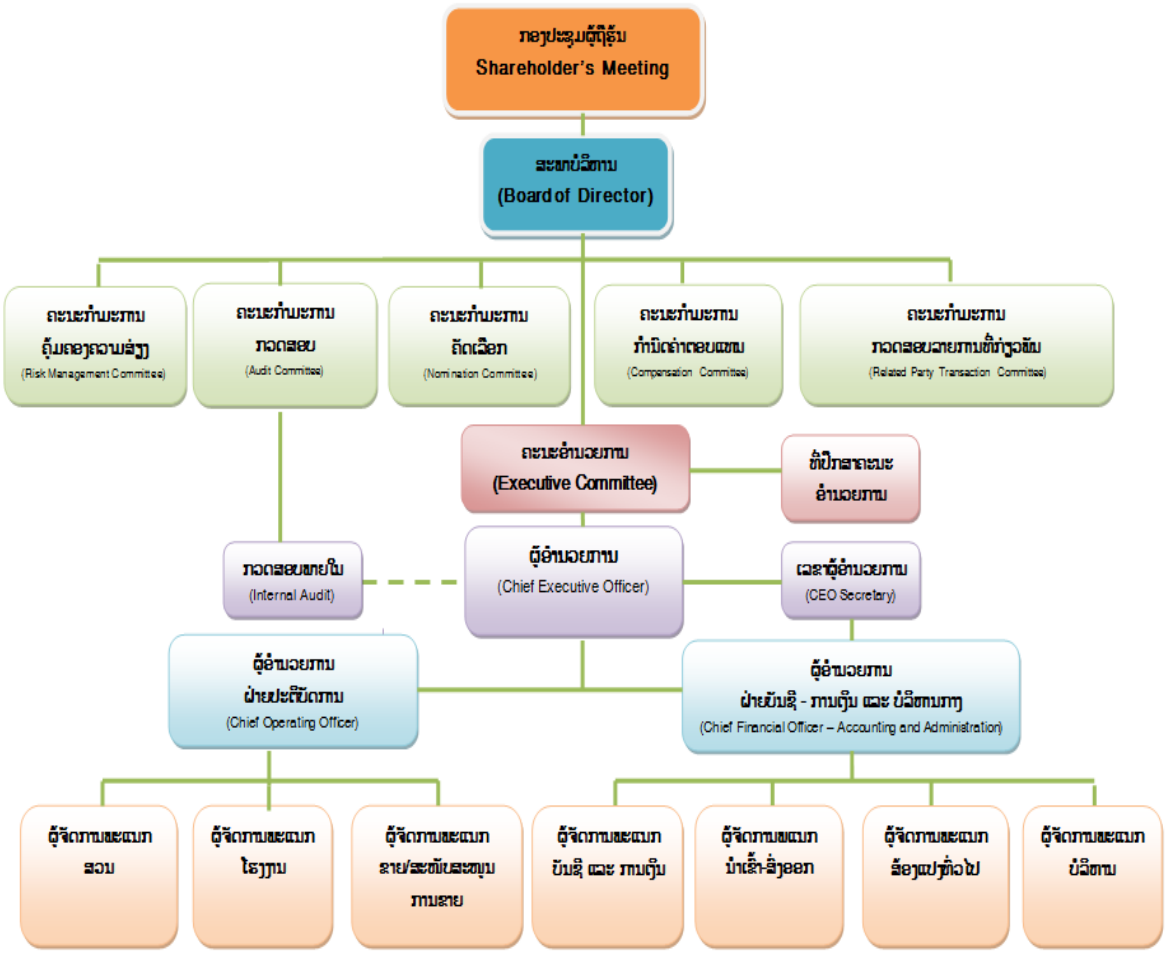
On 31 December 2019, the total asset of the company is 67,466.31 million LAK and 69,754.34 million LAK in 2018, which could be seen that the asset value is decreased 3.28% for 2019 compared to 2018.

4. Liability

In 2019, the liability of the company is 7,527.89 million LAK and it was decreased 24.82% from 2018, which the amount of the liability equaled to 10,012.62 million LAK by loaning for company business operation.

5. Organization

The organization chart of Lao Agrotech Public Company.



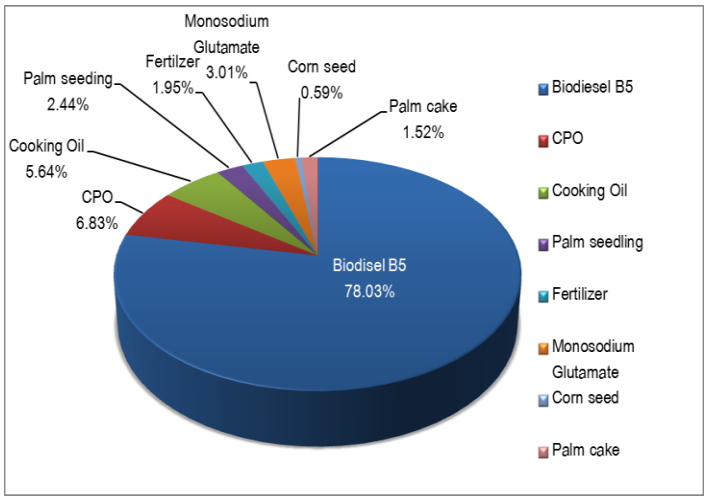
- ❖ The board of directors consists of 5 directors (herein are 2 independent directors)
- ❖ LAT consists of 72 staffs, of whom 18 are females
  - Head office 13 staff
  - Nongkhunkhu 34 staff
  - Eak Xang 6 staff

- Keooudom 10 staff
- Sanakharm 4 staff
- Salavanh 5 staff

Board of Directors

Rank	Picture	Board of Directors	Position
1		Mr. Apisut Rujikeatkamjorn	Chairman
2		Ms. Khampheng Phathadavong	Deputy Chairman (Independent Member)
3		Mr. Zait Pattanamas	Member
4		Mr. Oudom Keothavong	Member / Chief Executive Office
5		Ms. Douangsamay Laofoung	Member (Independent Member)

6. Business plan of the company for the year 2020.



Product	Plan 2020	
	Million LAK	(%)
Biodiesel B5	96,000.00	78.03
CPO	8,400.00	6.83
Cooking Oil	6,935.00	5.64
Palm seedling	3,000.00	2.44
Fertilizer	2,400.00	1.95
Monosodium Glutamate	3,700.00	3.01
Corn seed	720.00	0.59
Palm cake	1,872.00	1.52
Total	**123,027.00**	**100.00**

- Continue to promote the use of biodiesel by targeting the consumers of biodiesel user customer groups such as: Projects, transporting companies, shipping companies, and others. The product distribution shall include a biodiesel pump and filter installation for the customers.
- To expand the palm fertilizers more, access and reach to the palm planters.
- The companies that are expanding and increasing the fertilizer market such as: Farming fertilizers, rubber fertilizers, etc.
- Regarding the readymade products, the company pays close attention and focuses on increasing the customer base across nationwide.
- Increase and expand the products receiving from the palm oil process such as: Palm cake and palm fruit empty branches.
- Continue to push forwards the government to issue the standards and structure of the biodiesel for distributing in general diesel pumps.
- Continue to promote palm planting with the people in the form of 2+3 and agricultural group as much as possible.
- The total area of the Salavan Province is 5,287 hectares that to concede such a land plot from the government and MOU has been signed with the government. Currently, the land is being surveyed and installed in the landmark in order to plant the industrial plants.