

# 2024

# ANNUAL REPORT

## LAO AGROTECH PUBLIC COMPANY

+856 30 9882809
Ban Nongkanku
Naxaythong
Vientiane Capital
LAO PDR.

ບໍລິສັດ ລາວອາໂກຣເທັກ ມະຫາຊົນ
LAO AGROTECH PUBLIC COMPANY

# Annual Report_2024

## LAO AGROTECH PUBLIC COMPANY (LAT)

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## Management's Comments

the year 2023, Lao Agrotech Public Company has fulfilled its mission. The Company has procured, improved machinery, equipment, tools, technology adoption, as well as human resource development that is necessary to operate the business in order to maximize the efficiency of work.

The 2024 Annual Report is divided into 7 sections as follows:

**Part I** **General Information of the Company**

It is a report on the history, vision, mission, personnel and location of Lao Agrotech Public Company.

**Part II** **Performance Report**

The 2023 Operating Results Report provides a brief summary of the Company's key financial statements. Lao Agotech Public Company.

**Part III** **Information about securities and shareholder structure**

It is a section that reports on securities information and shareholder structure, total registered capital. Proportion of shareholders and proportion of shares issued to the company's masses Lao Agrotech Public Company.

**Part IV** **Executive Council and Committee**

It is a section that reports on the structure of the executive council, the history of the members of the executive council. Number of meetings of the Executive Council in 2023 of the Company Lao Agrotech Public Company.

**Part V** **Audit report of external audit company (with attachments)**

It is a section that reports on the confirmation of management's responsibility for accounting information, the auditor's opinion on financial statements, the independence of the auditor, and so on in 2023

**Part VI** **Remuneration rates of auditing companies**

It is a section that reports on the company's remuneration rate results. Lao Agrotech Public Company From auditing by 2024

**Part VII** **Business plan year 2025**

Lao Agrotech Public Company (LAT)

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## Part I General Information of the 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.

1. Production and supply of palm seeds and seedlings




2. Integrated management of oil palm;





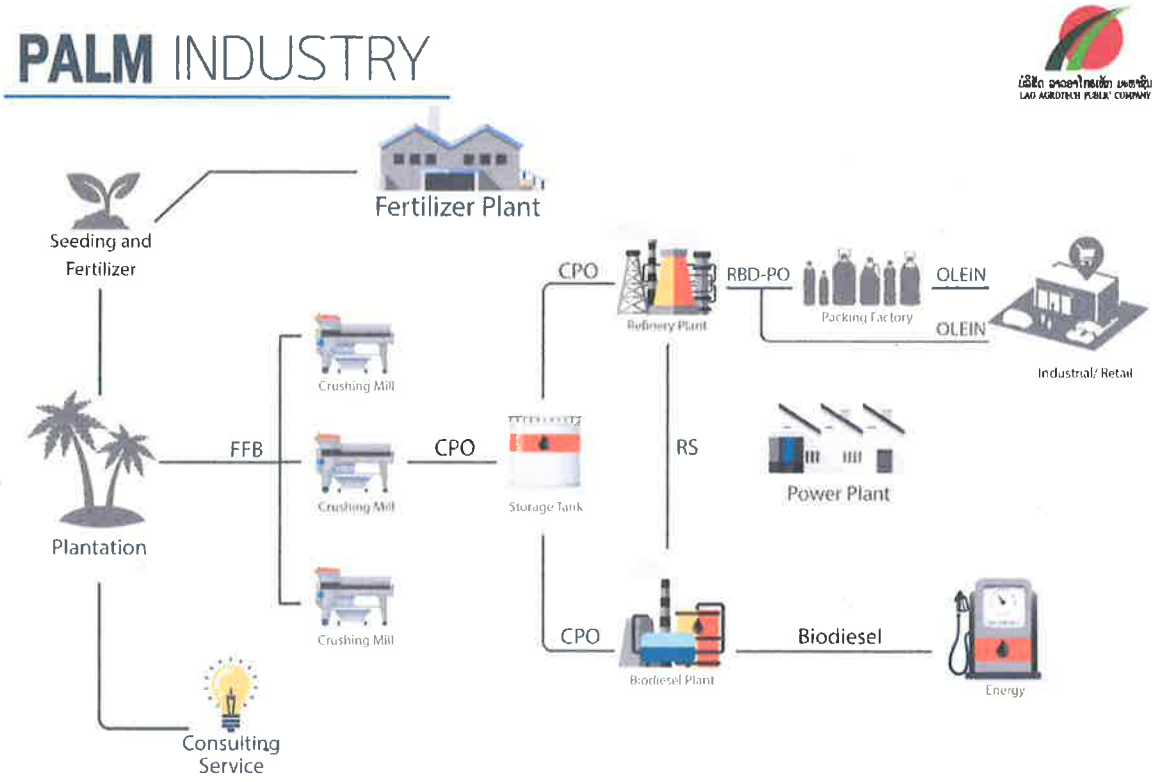
3. Production and supply of crude palm oil.




4. Production and supply of biodiesel



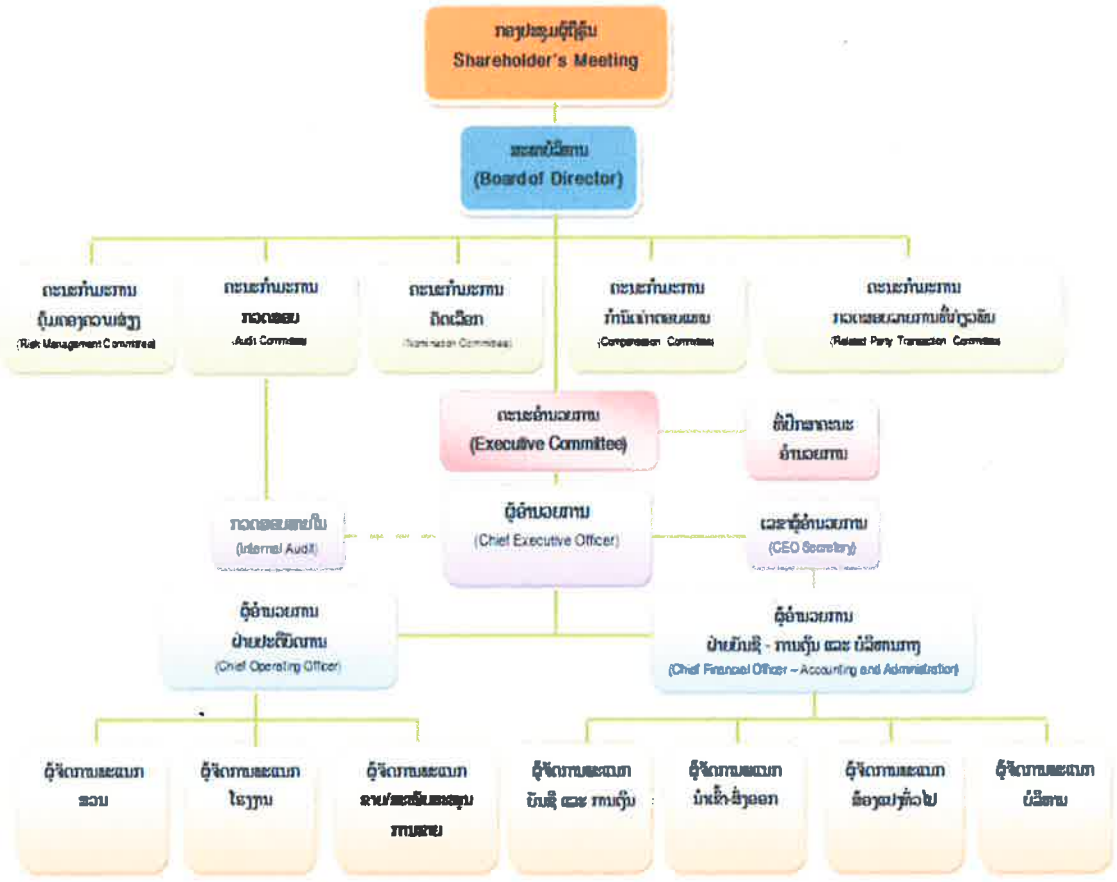

**Vision:** Palm oil industry leader in Lao PDR for sustainable energy and food production.




**Mission:**

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

## Organization Chart and Management:




**Staffs :** LAT consists of 48 staffs, of whom 13 are females

| | | | |
|---|---|---|---|
| Head office and Nongkhunkhu | 35 | staff | |
| Keooudom | | 7 | staff |
| Sanakharm | | 2 | staff |
| Salavanh | | 2 | staff |
| Ad Chang | | 2 | staff |

**Location of headquarters and factories:** Ban Nongkanku, Naxaithong District, Vientiane Capital, Lao PDR Tel: 030-988-2809

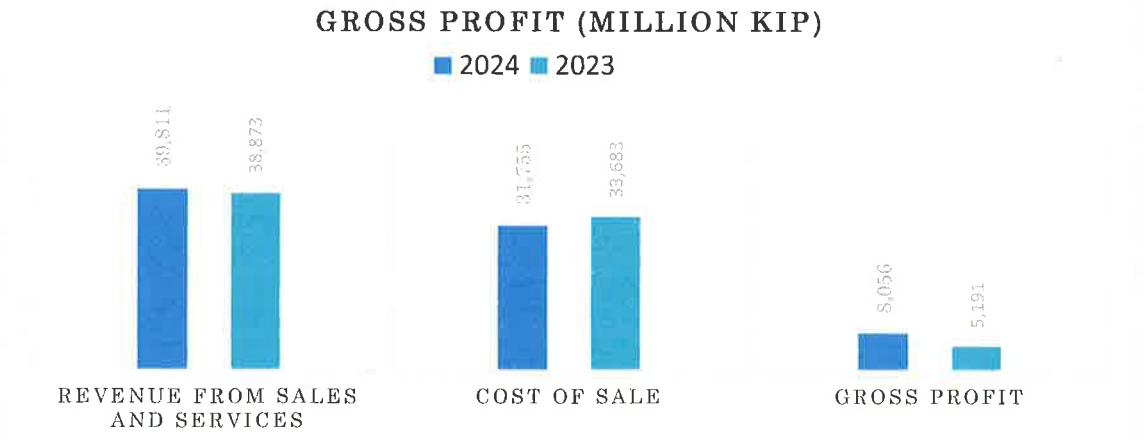
## Part II Report on the results of the work

In 2024, the price of crude palm oil will increase. However, the company must adjust its business strategy in 2025 to reflect the situation at that time, which is reported as follows:

### Income - Expenditure Report for the year 2024

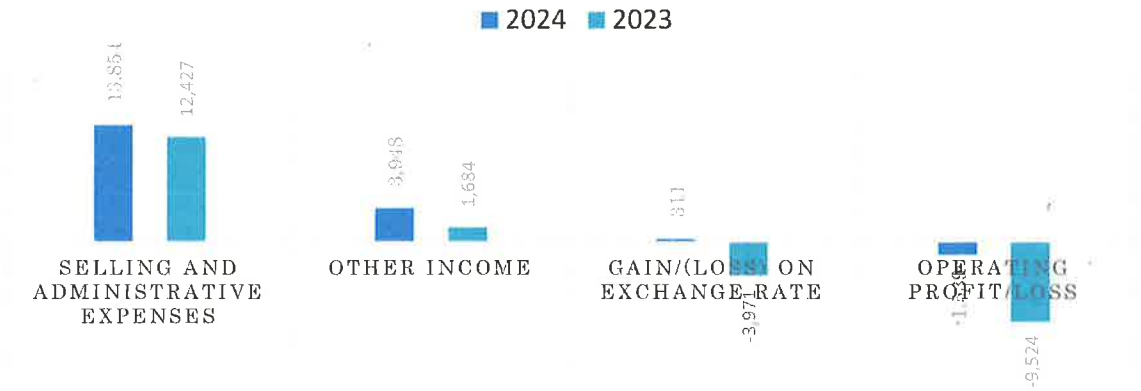
Unit: Million kip

| Item | 2024 | 2023 | Amount Add (Drop) | Percent Add (Drop) |
|---|---|---|---|---|
| Revenue from sales and Services | 39,811 | 38,873 | 937 | 2 |
| Cost of sale | (31,755) | (33,683) | (1,928) | (6) |
| **Gross profit** | **8,056** | **5,191** | 2,865 | 55 |
| Selling and administrative expenses | (13,854) | (12,427) | 1,426 | 11 |
| Other income | 3,948 | 1,684 | 2,264 | 134 |
| **Gain/(Loss) on exchange rate** | **311** | **(3,971)** | (4,282) | (108) |
| Operating profit/loss | (1,539) | **(9,524)** | 7,985 | 84 |
| Finnance cost | (217) | (215) | 2 | 1 |
| **Profit/(Loss) before income tax** | **(1,756)** | **(9,739)** | 7,983 | 82 |
| Income tax expenses | | | | |
| **Profit/(Loss) for the Period** | **(1,756)** | **(9,739)** | 7,983 | 82 |




The company has sales and service revenue in 2023 of 38,873 million kip and in 2024 of 39,811 million kip. Sales and service revenue increased in 2024 by 937 million kip, a decrease of 2%. The company has cost of sales in 2023 of 33,683 million kip and in 2024 of 31,755 million kip. Cost of sales decreased in 2024 by 1,928 million kip, a decrease of 6%, resulting in the company's gross profit increasing in 2024 by 2,865 million kip, a decrease of 55%.

## OPERATING PROFIT/LOSS (MILLION KIP)




The company has selling and administrative expenses in 2023 amounting to 12,427 million kip and in 2024 amounting to 13,854 million kip. The company has selling and administrative expenses increasing in 2024 amounting to 1,426 million kip, a percentage of 11%. The company has other income in 2023 amounting to 1,684 million kip and in 2024 amounting to 3,498 million kip. The company has other income increasing in 2024 amounting to 2,264 million kip, a percentage of 134%. The company has a loss from exchange rate in 2023 amounting to 3,971 million kip and in 2024 has a profit from exchange rate of 311 million kip. The company has a loss from exchange rate decreasing in 2024 amounting to 4,282 million kip, a percentage of 108%. As a result, the company Increased business profits in 2024 to 7,983 million kip, a percentage of 82%.

## PROFIT/(LOSS) FOR THE PERIOD(MILLION KIP)

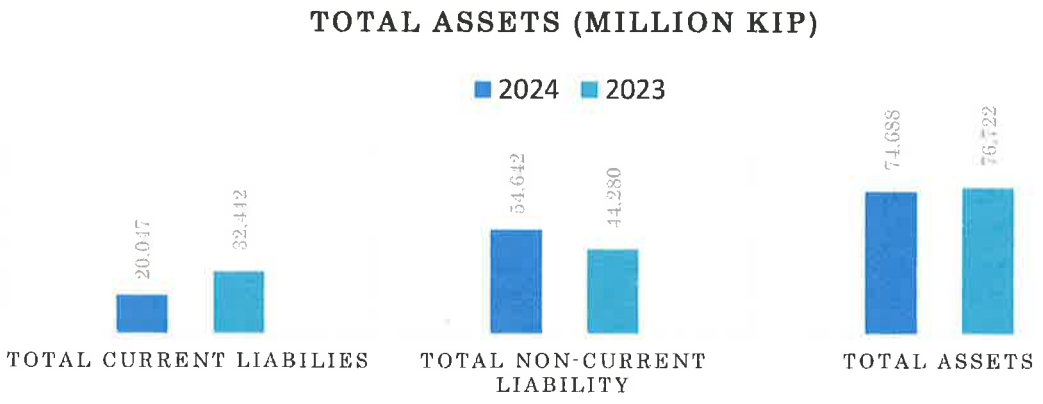



The company has financial expenses in 2023 amounting to 215 million kip and in 2024 amounting to 217 million kip. The company has financial expenses increasing in 2024 amounting to 2 million kip, or 1%. The company does not pay profit tax in 2023 and 2024, resulting in the company's net profit increasing in 2024 amounting to 7,983 million kip, or 82%.

**Assets and shareholders' equity**

Unit: Million kip

| Item | 2024 | 2023 | Amount Add (Drop) | Percent Add (Drop) |
|---|---|---|---|---|
| Total current assets | 20,047 | 32,442 | (12,395) | (38) |
| Total non - Current assets | 54,642 | 44,280 | 10,361 | 23 |
| **TOTAL ASSETS** | **74,688** | **76,722** | **(2,033)** | **(3)** |
| Total current liabilities | 13,607 | 13,884 | (277) | (2) |
| Total Non-Current Liability | 18,223 | 18,223 | 0 | 0 |
| **Total Liabilities** | **31,830** | **32,107** | **(277)** | **(1)** |
| Share capital | 50,000 | 50,000 | 0 | 0 |
| Share premium | 3,269 | 3,269 | 0 | 0 |
| **Appropriated - Legal reserved** | **932** | **932** | **0** | **0** |
| Un-appropriated | (11,343) | (9,587) | (1,756) | 18 |
| **Total equity** | **42,858** | **44,614** | **(1,756)** | **(4)** |
| **TOTAL LIABILITY AND EQUITY** | **74,688** | **76,722** | **(2,033)** | **(3)** |



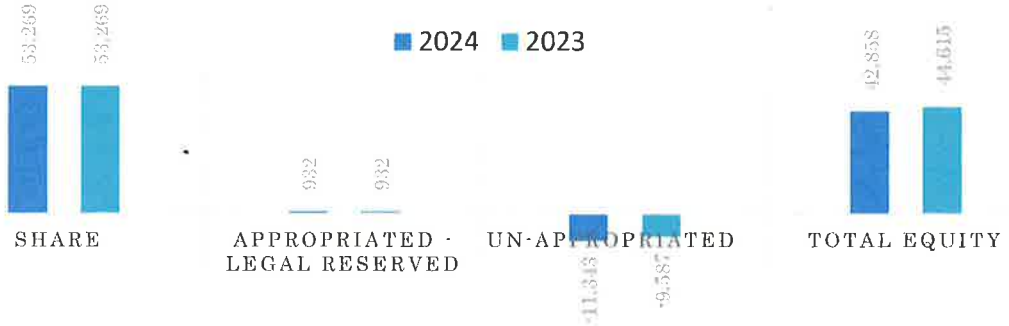

The company has total current assets in 2023 of 32,441 million kip and in 2024 of 20,047 million kip. The company has a decrease in current assets in 2024 of 12,395 million kip, or 38%. The company has total non-current assets in 2023 of 44,280 million kip and in 2024 of 54,642 million kip. The company has an increase in non-current assets in 2024 of 10,361 million kip, or 23%. Therefore, the company has a decrease in total assets in 2024 of 2,033 million kip, or 3%.

## TOTAL LIABILITIES (MILLION KIP)




The company has total current liabilities in 2023 amounting to 13,884 million kip and in 2024 amounting to 13,607 million kip. The company has total current liabilities decreasing by 277 million kip, or 2%, and the company has total non-current liabilities in 2023 and 2024 amounting to 18,223 million kip. The company has total non-current liabilities the same as last year. Therefore, the company has total liabilities decreasing by 277 million kip, or 1%

## TOTAL EQUITY (MILLION KIP)




The company has statutory reserves in 2023 and 2024 amounting to 932 million kip. The company has statutory reserves. As in the previous year, the company has retained earnings (losses) in 2023 amounting to (9,587) million kip and in 2024 amounting to (11,343) million kip. The company has retained earnings (losses) in 2024 amounting to (1,756) million kip, representing a percentage of 18%. Therefore, the company has a decrease in shareholders' equity in 2024 amounting to 1,756 million kip, representing a percentage of 4%.

| List | Unit | 2024 | 2023 |
|---|---|---|---|
| Gross Profit Margin | % | 20 | 13 |
| Net Profit Margin | % | (4) | (25) |
| Return On Equity | % | (4) | (22) |
| Return On Equity | % | (2) | (13) |
| Debt to Equity Ratio | Times | 1 | 1 |
| Debt To Assets Ratio | Times | 0 | 0 |
| Basic earnings per share | LAK/share | (18) | (97) |

In 2024, the company has a gross profit margin of 20%, a net profit margin of (4%), a return on equity of (4%), a return on assets of (2%), a debt-to-equity ratio of 1, a debt-to-asset ratio of - times, and an earnings per share of (18) kip per share.

## Part III Information about securities and shareholder structure

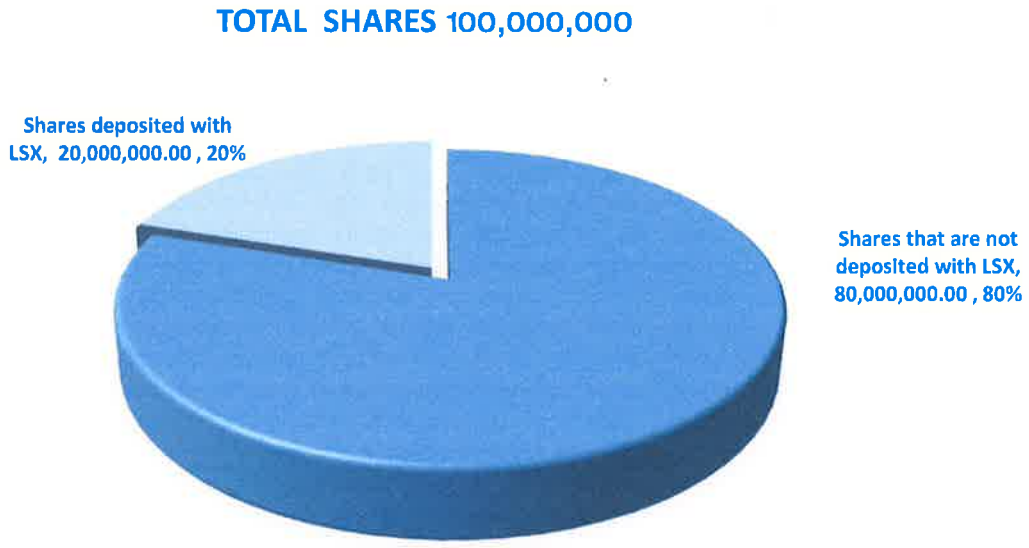
**Information about securities :**

The registered capital is 50,000,000,000 kip.

Total 100,000,000 shares

Number of shares not deposited with LSX 80,000,000 shares

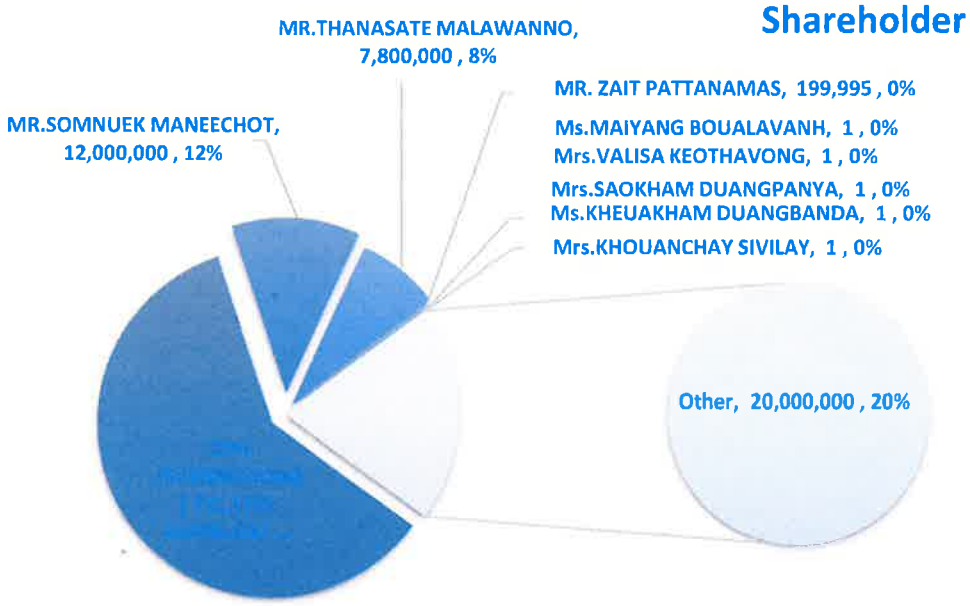
Number of shares deposited with LSX 20,000,000 shares




**Structure of Shareholders:**

**Shareholders Who hold more than 5%**

1. OPG INTERNATIONAL CO.,LTD. Holds 60,000,000 Shares and Holds 60% of LAT Shares
2. MR. SOMNUEK MANEECHOT Holds 12,000.000 Shares and Holds 12% of LAT Shares
3. MR. THANASATE MALAWANNO Holds 7,800,000 Shares and Holds 8% of LAT Shares



## Part IV Executive Council and Committee

Structure of the Executive Council of the Company Lao Agrotech Public Company consists of: 3 members of the Executive Council and 3 members of the Independent Executive Council with a brief history and management positions as follows:

**CV of Board of Directors:**



Name – Surname : Mr. Apisit Rujikeatkamjorn

Date of birth : 20 August 1945

Nationality : Thai

Language : Thai / English

Position : Chairman (Independent Member)

**Education:**

Year 1969 : Bachelor Degree in Civil Engineering, Khonkaen University

Year 1975 : Master Degree in Civil Engineering, Lamar University, Texas, USA

**Experience:**

Year 2008-Now : Chief of the board Siam Global House Public Company Limited

Year 2011-Now : Chief of the board Sea Oil Public Company Limited

Year 2014-Now : Chief of the board Asia Biomass Public Company Limited

Year 2014-Now : Chief of the board Asia Green Energy Public Company Limited

Year 2018-Now : Chief of the board DTC Enterprise Company Limited

**CV of Board of Directors:**



Name – Surname : Ms. Khampheng Phathavong

Date of birth : 27 September 1979

Nationality : Lao

Language : Lao / English

Position : Deputy Chairman (Independent Member)

**Education:**

Year 2002 : Bachelor Degree in Business Administration

Year 2010 : Master of Business Administration, Financial institution National Guard

Year 2019 : Doctoral Degree from Burapha University

**Experience:**

Year 1998-2001 : Secretary Lao Toyota Company Limited

Year 2001-2005 : Project Coordinator ASEAN E-Learning Network

Year 2007-2013 : Consultants TMC-Lao Hydraulic Manufacturing

Year 2013-2016 : Consultants TMC-Lao Hydraulic Manufacturing

Year 2010-Now : Vice Chairman Committee Saengsavan Education Group

Year 2010-Now : Independent Appraisers Education Quality Insurance, Ministry of Education and Sports

**CV of Board of Directors:**



Name – Surname : Mr. Zait Pattanamas
Date of birth : 16 May1973
Nationality : Thai
Language : Thai / Lao
Position : Member / Chief Executive Officer

**Education:**

Year 1991-1993 : Diploma in Electrical Engineering, Pathumthani Technical College.

Year 1993-1995 : Bachelor Degree in Electrical Communication, Pathumthani Technical College.

Year 2011-2013 : Master Degree in Business Administration, Burapha University.

Year 2017-2020 : Doctoral Degree from in OD & HR from Burapha University.

**Experience:**

Year 1995 - 2002 : Teacher Kanchanaburi University.

Year 2005 - 2006 : Committee Zemasch Corporation Company Limited

Year 2005 - Now : Committee OPG Tech Company Limited

Year 2022 - Now : CEO, Lao Agrotech Public Company

**CV of Board of Directors:**



Name – Surname : Mr. Thanasate Malawanno

Date of birth : 05 August 1977

Nationality : Thai

Language : Thai / Lao

Position : Member

**Education:**

Year 1999 : Bachelor of Engineering control system engineering King Mongkut's Institute of Technology Ladkrabang

**Experience:**

Year 2010-Now : Bachelor of Engineering control system engineering King Mongkut's Institute of Technology Ladkrabang

**CV of Board of Directors:**



Name – Surname : Ms. Douangsamay Laofoung
Date of birth : 14 July 1960
Nationality : Lao

Language : Lao / English/ Russia

Position : Member (Independent Member)

**Education:**

Year 1983 : Bachelor Degree in National Economics Planning Britain and USSR

Year 1983 : Master Degree in National Economics Planning Britain and USSR

**Experience:**

Year 1984 – 1992 : Academic Staff Ministry of Economy and Investment

Year 1992 – 2009 : Academic Staff Lao Commercial Bank

Year 2009 – 2014 : Branch Deputy Manager Lao Commercial Bank

Year 2009 – 2014 : Deputy Manager Accounting Division Lao Commercial Bank

**CV of Board of Directors:**



Name – Surname : Mr. Phongtarn Picjumnong
Date of birth : 19 January 1973
Nationality : Thai
Language : Thai / Lao
Position : Member

**Education:**

Year 1993 : Diploma in Electrical Engineering, Pathumthani Technical College.

Year 1995 : Bachelor Degree in Electrical Communication, Pathumthani Technical College

Year 2011 : Business Administration, Nida Thailand.

**Experience:**

Year 1996 - 1998 : Engineer, Telecom Asia PLC.

Year 1998 - 2003 : Manager of Zemasch corp., Ltd.

Year 2004 - 2013 : Manager Director, Borland technology Ltd.

Year 2005 - Now : Member of Director, OPG Tech Company Limited

Year 2022 - Now : Deputy Director, Lao Agrotech Public Company

## Part V Audit report of external audit company (with attachments)

LAO AGROTECH PUBLIC COMPANY
AND ITS SUBSIDIARY

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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



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**INDEPENDENT AUDITOR'S REPORT**

**TO THE SHAREHOLDERS AND BOARD OF DIRECTORS OF LAO AGROTECH PUBLIC COMPANY**

## Our opinion

In our opinion, the consolidated financial statements of Lao Agrotech Public Company (the Company) and its subsidiary (the Group) for the year ended 31 December 2024 are prepared, in all material respects, in accordance with accounting policies described in Note 2 to the consolidated financial statements.

## What we have audited

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

## Emphasis of matter - Basis of accounting

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements have been prepared in accordance with the Group's accounting policies which the accounting basis used in the preparation of these consolidated financial statements may differ from International Financial Reporting Standards (IFRS). The readers should therefore be aware that the accompanying consolidated financial statements are not intended to present the consolidated financial position and its consolidated financial performance and its consolidated cash flows in accordance with IFRS. Our opinion is not modified in respect to this matter.

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**Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. We determine one key audit matter: Revenues recognition. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the key audit matter |
|---|---|
| **Revenues recognition**<br><br>**Refer to Note 2.15 'Significant accounting policies – Revenue recognition' and Note 19 'Revenue from sales' to the consolidated financial statements.**<br><br>Revenue from sales of goods is typically recognized upon the delivery of goods to customers. However, there is a concern that revenue could be prematurely recognized if invoices and delivery notes are issued at or near year-end without the actual delivery of goods to the customer. This risk is heightened when goods are destined for customers located at significant distances or when customers temporarily halt operations, such as during holiday shutdowns.<br><br>Thus, there is a likelihood of a risk of misstatement of the financial statements related to transactions occurring close to the year end, as transactions could be recorded in the wrong financial period. | We performed the following procedures:<br><br>• Assessing and testing the design and operating effectiveness of controls for revenue recognition, particularly focus on controls around the timely and complete recording of sales transactions.<br><br>• Testing end-to-end reconciliations from sale report to the general ledger of revenue account, including testing adjustment transaction records against the underlying documents related to revenue.<br><br>• Selecting revenue samples prior to and after year end to test whether they are recorded in appropriate timing, based on terms and conditions set out in sales invoices.<br><br>• Examining the revenue transactions for goods sold during the period on a sample basis by agreeing the revenue transactions with goods delivery note which signed by customer.<br><br>• Challenging management how they ensure the completeness and cut off for revenue recognition.<br><br>From these procedures performed, we found that revenue recognition was in accordance with the accounting policy and the available evidence. |

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the audit committee.

**Responsibilities of the directors for the consolidated financial statements**

The directors are responsible for the preparation of the consolidated financial statements in accordance with accounting policies described in Note 2 to the consolidated financial statements, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

**Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

*PricewaterhouseCoopers (Lao) Sole Company Limited, 4th Floor, Allianz Building, 33 Lane Xang Avenue, PO Box 7003, Vientiane Capital, Lao PDR, Telephone: +856 21 222718-9, Facsimile: +856 21 222723, www.pwc.com/la*

**LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Notes | 2024 LAK | 2023 LAK |
|---|---|---|---|
| Revenue from sales | 19 | 39,810,705,595 | 38,873,413,574 |
| Cost of sale | 20 | (31,755,152,281) | (33,682,887,363) |
| **Gross profit** | | **8,055,553,314** | **5,190,526,211** |
| Selling and administrative expenses | | (13,853,798,285) | (12,427,484,337) |
| Other income | | 3,947,894,712 | 1,683,977,206 |
| Gain/(Loss) on exchange rate | | 311,249,455 | (3,970,935,681) |
| **Operating Loss** | | **(1,539,100,804)** | **(9,523,916,601)** |
| Finance costs | | (217,300,153) | (215,351,966) |
| **Loss before income tax expense** | | **(1,756,400,957)** | **(9,739,268,567)** |
| Income tax expense | 21 | (-) | (-) |
| **Loss for the year** | | (1,756,400,957) | (9,739,268,567) |
| **Loss per share** | | | |
| Basic loss per share | 22 | (17.56) | (97.39) |

Mr. Phongtarn Pichjumnong
Deputy Director
Date: 20 March 2025

Mr. Vanhsaierm Sisukhammang
Chief Accountant
Date: 20 March 2025

The accompanying notes on page 11 to 27 are an integral part of these consolidated financial statement.

## LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 DECEMBER 2024

| | Note | Paid-up share capital LAK | Share Premium LAK | Retained earnings/(Deficits) Legal reserved LAK | Retained earnings/(Deficits) Un-appropriated LAK | Total LAK |
|---|---|---|---|---|---|---|
| **Opening balance at 1 January 2023** | 17 | **50,000,000,000** | **3,269,466,406** | **932,158,245** | **152,255,059** | **54,353,879,710** |
| Loss for the year | | (-) | (-) | (-) | (9,739,268,567) | (9,739,268,567) |
| **Closing balance at 31 December 2023** | | **50,000,000,000** | **3,269,466,406** | **932,158,245** | **(9,587,013,508)** | **44,614,611,143** |
| **Opening balance at 1 January 2024** | 17 | **50,000,000,000** | **3,269,466,406** | **932,158,245** | **(9,587,013,508)** | **44,614,611,143** |
| Loss for the year | | (-) | (-) | (-) | (1,756,325,484) | (1,756,325,484) |
| **Closing balance at 31 December 2024** | | **50,000,000,000** | **3,269,466,406** | **932,158,245** | **(11,343,338,992)** | **42,858,285,659** |

Mr. Phongtarn Pichjumnong
Deputy Director
Date: 20 March 2025

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 20 March 2025

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**LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Notes | 2024 LAK | 2023 LAK |
|---|---|---|---|
| **Loss before income tax** | | **(1,756,400,957)** | **(9,739,268,567)** |
| Adjustments for: | | | |
| Depreciation charge | 8 | 2,120,109,270 | 2,255,283,839 |
| Amortization charge | 9 | 942,879,795 | 937,425,364 |
| Write-off inventories and factory supplies | 5,6 | 77,184 | 7,254,292 |
| Write-off deferred plantation costs | 7 | 236,706,224 | 741,876,968 |
| Foreign exchange loss | | 75,667,878 | 1,858,708,663 |
| Interest expenses | | 217,300,153 | 215,351,966 |
| Allowance for doubtful debts | 4 | 675,211,200 | 1,676,229,397 |
| Reversed for allowance for doubtful debts | 4 | (467,270,746) | (-) |
| **Changes in working capital:** | | | |
| Trade and other receivables | | 936,023,054 | 137,632,470 |
| Inventories, net | | 1,370,974,688 | (923,946,307) |
| Factory supplies, net | | 1,346,449,111 | 360,936,509 |
| Deferred Plantation costs - Palm sapling for sale | | (286,116,002) | (132,731,745) |
| Other current assets | | (2,247,016,782) | (2,863,049,381) |
| Trade and other payables | | (1,200,248,466) | 3,812,446,021 |
| Other current liabilities | | (20,235,592) | 71,982,322 |
| Other non-current liabilities | 16 | (-) | 18,223,424,449 |
| **Cash flows from operating activities** | | **1,944,110,012** | **16,639,556,260** |
| Interest paid | | (217,300,153) | (215,351,966) |
| Income tax paid | | (-) | (224,270,984) |
| **Net cash generated from operating activities** | | **1,726,809,859** | **16,199,933,310** |
| **Cash flows from investing activities** | | | |
| Purchases of property, plant and equipment | 8 | (4,098,493,646) | (1,684,832,534) |
| Plantation costs paid – Palm tree | 9 | (594,286,195) | (566,731,330) |
| Plantation costs paid - Pongamia trees | 10 | (6,620,389,346) | (1,967,158,504) |
| Purchases of deferred plantation costs – Acacia trees | 11 | (1,540,625,985) | (1,319,982,827) |
| **Net cash used in investing activities** | | **(12,853,795,172)** | **(5,538,705,195)** |

Mr. Phongtarn Pichjumnong
Deputy Director
Date: 20 March 2025

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 20 March 2025

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**LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | | | |
|---|---|---|---|
| **Cash flow from financing activities** | | | |
| Proceeds from borrowings | 14 | 4,000,000,000 | 7,762,756,000 |
| Repayments of borrowings | 14 | (4,000,000,000) | (8,396,172,800) |
| Finance leases principal repayments | | (246,819,682) | (308,375,836) |
| **Net cash used in financing activities** | | **(246,819,682)** | **(941,792,636)** |
| **Net (decrease)/increase in cash and cash equivalents** | | **(11,373,804,995)** | **9,719,435,479** |
| Cash and cash equivalents at the beginning of the year | 3 | 14,386,401,761 | 4,619,541,579 |
| Effect of exchange rate changes on cash and cash equivalents | | 544,025,986 | 47,424,703 |
| **Cash and cash equivalents at the end of the year** | **3** | **3,556,622,752** | **14,386,401,761** |
| **Significant non-cash items:** | | | |
| Outstanding lease liability for previously acquired vehicle and palm machine | | 1,687,516,530 | 1,944,528,964 |
| Acquisitions of Pongamia tree which have not been paid | 10 | 570,589,200 | (-) |

Mr. Phongtarn Pichjumnong
Deputy Director
Date: 20 March 2025

Mr. Vanhsaierm Sisukhammang
Chief Accountant
Date: 20 March 2025

The accompanying notes on page 11 to 27 are an integral part of these consolidated financial statement.

**LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

## 1 General information

LAO AGROTECH PUBLIC COMPANY (the Company) and its subsidiary which is Lao Dee Green Sole Co.,Ltd (together, "the Group") are respectively listed and limited companies incorporated and domiciled in the Lao PDR. The address of its registered office is Nongkhankhu village, Naxaythong district, Vientiane Lao People Democratic Republic.

The Parent's shares were firstly traded at Lao Securities Exchange on 25 September 2017.

The principal activity of the group is to carry on the palm oil industry which starting from palm sapling cultivation, palm plantation, palm product processing and sell by the Group itself. The Group also provides the financial supports and palm saplings to the farmers for planting and buyback the palm seed.

In addition, the Group also imports finished goods such as cooking oil and monosodium glutamate from Thailand to sell in Lao PDR.

The Group invested 100% in Lao Dee Green Sole Co.,Ltd, which total share capital of amount LAK 240,422,000,000. As at 31 December 2024, The Group was paid up share at 5% of total share capital in subsidiary or equivalent to LAK 10,944,555,481 (the value of paid are classify to in kind is LAK 5,143,106,482 and in cash is LAK 5,801,448,999).

Regarding to share certificate number 00001/LDG, dated 31 December 2023, as of the date of this certificate, the registered capital of the Company is LAK 240,422,000,000, the value of paid is LAK 6,978,718,091 (the value of paid are classify to in kind is LAK 5,143,106,482 and in cash is LAK 1,835,611,609).

The principal activity of the subsidiary is to establish high quality tree plantations, primarily of acacia, and to process this wood, together with sustainably produced plantation acacia, into high value ready-made products for the export market.

The Company's project located at Taoi and Samoi district, Salavan province, Lao PDR.

The consolidated financial statements were authorised for issued by the director on 20 March 2025.

LAO AGROTECH PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

## 2 Significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below:

### 2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with the Group's principal accounting policies as described below and have been prepared generally under the historical cost convention.

According to the Accounting Law no. 47/NA issued on 26 December 2013, Public Interest Enterprises (PIEs) are required to apply IFRS. However, Ministry of Finance has issued announcement No. 1137/MoF issued on 27 April 2020 and from Lao Securities and Exchange Commission Office (LSCO) dated 25 May 2020, which provided options for PIEs to prepare action plan for adoption IFRS until 31 December 2025 and 1 January 2026 onward, all listed companies must fully adopt IFRS.

The management is presently preparing action plan for implementation of IFRS in accordance with the announcement. Therefore, the accounting principles applied may materially differ from International Financial Reporting Standards (IFRS).

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current events and actions, actual results may materially differ from those estimates.

### 2.2 Group accounting - investments in a subsidiary

Subsidiary is an entity (including structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiary is fully consolidated from the date on which control is transferred to the Group. It is deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2 Significant accounting policies (Continued)

### 2.3 Foreign currency translation

Transactions denominated in currencies other than Lao Kip (LAK) are translated into LAK at the rates of exchange prevailing on the transaction dates.

Monetary assets and liabilities at the statement of financial position date denominated in currencies other than LAK are translated into LAK at the exchange rate prevailing at the statement of financial position date.

Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income.

### 2.4 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less. In the statement of financial position, bank overdrafts are shown within borrowings in current liabilities, if any.

### 2.5 Trade and other receivables

Trade and other receivables are carried at original invoice amount and subsequently measured at the remaining amount less allowance for impairment based on a review of all outstanding amounts at year end, except receivable from contract farming. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written off during the year in which they are identified and recognised in the statement of income within selling and administrative costs. Allowance for doubtful account and reversal of doubtful account are recognised as a separate line in selling and administrative expenses and other income in the statement of income respectively.

Management consider provision for allowance for doubtful account when the outstanding balance is over 3 years.

### 2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by actual average cost of production incurred in each production year using first in-first out (FIFO) method and weighted average cost method. The cost of finished goods comprises with direct raw material, direct labour cost and other direct production overheads. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, allowances or rebates.

## 2 Significant accounting policies (Continued)

### 2.6 Inventories (Continued)

Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. Write-off of inventories was recognised in statement of income.

### 2.7 Factory supplies

Factory supplies are stated at the cost and determined by weighted average cost method. The factory supplies mainly comprise CPO, chemical, bio-diesel B100, fertilizer, potassium nitrate and palm seeds. These factory supplies are also be able to be sold to customers as revenue of The Group. The costs of purchase comprise both the purchase price and costs directly attributable to the acquisition of the supplies, such as import duties and transportation charges, less all attributable discounts, allowances or rebates. Allowance is made, where necessary, for obsolete, slow-moving and defective items. Write-off of factory supplies was recognised in statement of income.

### 2.8 Deferred plantation costs – Acacia trees

Deferred plantation cost - acacia is an accumulated cost of palm plantation which covers cost of land clearance, fertilizer, labor and other expenses which are directly related. Acacia which are ready for harvested normally is 5- 6 years from planting. All revenues related to acacia harvesting are taken to statement of income when sold and the related capitalised costs written off to statement of income when harvest is sold or depleted.

### 2.9 Property, Plant and Equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the property, plant and equipment items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Land is not depreciated. Depreciation on other assets is calculated so as to write off the cost less residual value of each item of plant and equipment on a straight-line basis over their expected useful life.

The estimated useful life for each category of property and equipment is as follows:

| | Years |
|---|---|
| Buildings and infrastructure | 5 - 40 |
| Furniture and equipment | 3 - 5 |
| Machinery and equipment | 5 - 20 |
| Vehicles | 3 - 5 |

## 2 Significant accounting policies (Continued)

### 2.9 Property, Plant and Equipment (Continued)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repairs and maintenance are charged to the statement of income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of income.

### 2.10 Deferred plantation costs – Palms

Deferred plantation cost - palms is an accumulated cost of palm plantation which covers cost of land clearance, fertilizer, labor and other expenses which are directly related. All are measured at cost less accumulated amortization and allowance for impairment. Palms, which are ready for harvested (generally 4 years from planting), will be amortised to be cost of raw materials over the period 26 years of its expected economic useful life.

### 2.11 Deferred plantation costs – Saplings

Deferred plantation cost - Saplings is presented in the statement of financial position at cost deducted accumulated allowance for impairment. The costs comprise both direct purchase price of sapling and costs directly attributable to the acquisition of the palm saplings such as import duties and transportation charges.

### 2.12 Deferred plantation costs – Pongamia tree

Pongamia costs comprise both direct purchase price of Pongamia trees and costs directly attributable to the acquisition of the Pongamia trees such as labor cost and fertilizer, labor and other expenses which are directly related. Pongamia which are ready for harvested normally is 5- 6 years from planting.

### 2.13 Trade and other account payables

Trade and other account payables are carried at the original invoice amount and subsequently measured at the remaining amount less any.

## 2 Significant accounting policies (Continued)

### 2.14 Leases

**Leases – where the Group is the lessee**

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Leases of property, plant or equipment (PPE) which has lease agreement with leasing company are classified as finance leases. The cost of PPEs is consisted of purchase, and installation and other direct cost relating to those PPE. Lease payable is included cost of PPE and deferred interest expenses. Deferred interest expense is recorded as asset and will recognise in statement of income on a straight-line basis over the period of lease agreement.

### 2.15 Revenue recognition

Revenue from sales of goods is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer which is generally at the time that the Group delivers products to its customers based on agreed trading and delivery terms and conditions.

Other revenues are recognised on the following basis:

- Revenue from sales of palm residue is recognized when palm residue is transfer to buyer based on agreed trading and delivery term

### 2.16 Income tax

The Group is subject to income taxes in the Lao PDR. The taxation system in the Lao PDR is still relatively new and is characterised by numerous taxes and changing legislation, which is always subject to interpretation. Often, differing interpretations exist among the numerous taxation authorities and jurisdictions. Taxes are subject to review and investigation by a number of authorities, who have the power by law to impose severe fines, penalties and interest charges. These facts may create more substantial tax risks in Lao PDR than in other countries. Management believes that it has adequately provided for its tax liabilities based on its interpretation of existing tax legislation. However, the relevant authorities may have differing interpretations and the effects could be significant.

Income tax payable to the tax authorities is recognised as an expense in the statement of income. The Group settles income taxes payable by offsetting prepaid taxes with its tax liabilities (if any).

## 3 Cash and cash equivalents

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Cash on hand | 5,248,000 | 9,147,024 |
| Deposits held at call with bank[(i)] | 3,551,374,752 | 14,377,254,737 |
| | **3,556,622,752** | **14,386,401,761** |

(i) Deposits held at call with banks represent cash deposited in three different currencies being LAK, US Dollar, and Thai Baht in current accounts with local reputable banks and foreign bank branches.

## 4 Trade and other receivables, net

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Trade receivable[(i)] | 9,289,757,366 | 10,225,780,420 |
| Other receivable | 339,600,000 | 339,600,000 |
| Less: Allowance doubtful debts[(ii)] | (1,884,169,851) | (1,676,229,397) |
| | **7,745,187,515** | **8,889,151,023** |

(i) Trade receivables mainly consist of receivables from sales of palm sapling, biodiesel, and crude palm oil during the year

(ii) The movement for allowance doubtful debts are summarised below:

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Opening balance | 1,676,229,397 | (-) |
| Addition | 675,211,200 | 1,676,229,397 |
| Reversed for allowance doubtful[(i)] | (467,270,746) | (-) |
| **Ending balance** | **1,884,169,851** | **1,676,229,397** |

(i) The Company successfully collected amounts previously deemed doubtful, leading to a reversal of the allowance for doubtful accounts.

## 5 Inventories, net

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Finished goods[i] | 155,623,245 | 1,581,590,036 |
| Work in progress (WIP) | 54,914,919 | (-) |
| Less: Allowance for obsolete and slow moving inventories | (-) | (-) |
| | **210,538,164** | **1,581,590,036** |

(i) Finished goods mainly consist of cooking oil, waste products or products recovered from the conversion of crude palm oil into diesel and biodiesel B5. During the year 2024, The Group has no write-off of inventory while the fiscal year 2023 The Group has write-off of inventory amounting of LAK 7,151,380 and recognised in the statement of income.

## 6 Factory supplies, net

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Fertilizer | 520,696,279 | 290,965,629 |
| Crude palm oil (CPO) | 474,693,590 | 2,006,662,740 |
| Diesel | 100,955,542 | 21,367,134 |
| Other factory supplies[i] | 225,547,973 | 349,346,992 |
| Less: Allowance for obsolete and slow moving factory supplies | (-) | (-) |
| | **1,321,893,384** | **2,668,342,495** |

(i) Other factory supplies mainly represented of Potassium nitrate, biodiesel B100 and palm seeds. During the year The Group has write-off factory supplies amounting of LAK 77,184 (2023: LAK 102,912) and recognised in the statement of income.

## 7 Deferred plantation costs – palm sapling for sale

Palm sapling costs comprise both direct purchase price of palm seed and costs directly attributable to the acquisition of the palm saplings such as labor cost and fertilizer. As at 31 December 2024, The Group has write-off deferred plantation costs since the death of palm trees of amount LAK 236,706,224 was recognised to statement of income.

The movement for deferred plantation costs – Acacia trees are summarised below:

| | 2024 LAK | 2023 LAK |
|---|---|---|
| **Opening** | **750,013,038** | **1,248,693,549** |
| Addition | 286,116,001 | 243,196,457 |
| Write-off | (236,706,224) | (741,876,968) |
| **Ending balance** | **799,422,815** | **750,013,038** |

## 8. Property, Plants and Equipment, net

| | Land LAK | Buildings LAK | Machineries and equipment LAK | Vehicles LAK | Furniture and office equipment LAK | Asset under construction and installation LAK | Total LAK |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2024** | | | | | | | |
| Opening net book amount | 6,233,000,900 | 2,704,179,898 | 5,701,319,359 | 1,329,522,370 | 79,752,001 | 1,794,599,167 | 17,842,373,695 |
| Addition | (-) | 294,893,728 | 110,922,546 | 1,885,439,529 | 398,486,992 | 2,327,251,098 | 5,016,993,893 |
| Transfer out to Deferred Plantation costs - Pongamia tree (Note 11) | (-) | (-) | (-) | (-) | (-) | (918,500,247) | (918,500,247) |
| Transferred in/(out) to buildings | (-) | 461,158,785 | (-) | (-) | (-) | (461,158,785) | (-) |
| Depreciation charge | (-) | (241,051,467) | (1,048,575,590) | (752,379,718) | (78,102,495) | (-) | (2,120,109,270) |
| **Closing net book amount** | **6,233,000,900** | **3,219,180,944** | **4,763,666,315** | **2,462,582,181** | **400,136,498** | **2,742,191,233** | **19,820,758,071** |
| **At 31 December 2024** | | | | | | | |
| Cost | 6,233,000,900 | 5,870,367,868 | 13,102,709,488 | 10,393,738,717 | 1,491,224,345 | 2,742,191,233 | 39,833,232,551 |
| Less: Accumulated depreciation | (-) | (2,651,186,924) | (8,339,043,173) | (7,931,156,536) | (1,091,087,847) | (-) | (20,012,474,480) |
| **Net book amount** | **6,233,000,900** | **3,219,180,944** | **4,763,666,315** | **2,462,582,181** | **400,136,498** | **2,742,191,233** | **19,820,758,071** |

The Group brought its four land deeds title no. 362, 473, 427 and 474 to guarantee the loan from the bank, the value of the land taken as guarantee is 2,712,654,900 kip (Note 14).

## 8. Property, Plants and Equipment, net (continued)

| | Land LAK | Buildings LAK | Machineries and equipment LAK | Vehicles LAK | Furniture and office equipment LAK | Asset under construction and installation LAK | Total LAK |
|---|---|---|---|---|---|---|---|
| **Year ended 31 December 2023** | | | | | | | |
| Opening net book amount | 6,233,000,900 | 2,804,071,813 | 6,578,944,796 | 1,553,591,257 | 101,154,369 | 1,251,358,300 | 18,522,121,435 |
| Addition | (-) | 137,304,574 | 196,643,750 | 675,049,247 | 23,297,661 | 652,537,302 | 1,684,832,534 |
| Transferred out to deferred plantation costs - palm sapling for sale | (-) | (-) | (-) | (-) | (-) | (25,404,761) | (25,404,761) |
| Transferred out to deferred plantation costs - Palm, net | (-) | (-) | (-) | (-) | (-) | (83,891,674) | (83,891,674) |
| Depreciation charge | (-) | (237,196,489) | (1,074,269,187) | (899,118,134) | (44,700,029) | (-) | (2,255,283,839) |
| **Closing net book amount** | **6,233,000,900** | **2,704,179,898** | **5,701,319,359** | **1,329,522,370** | **79,752,001** | **1,794,599,167** | **17,842,373,695** |
| **At 31 December 2023** | | | | | | | |
| Cost | 6,233,000,900 | 5,114,315,355 | 12,991,786,942 | 8,508,299,188 | 1,092,737,353 | 1,794,599,167 | 35,734,738,905 |
| Less: Accumulated depreciation | (-) | (2,410,135,457) | (7,290,467,583) | (7,178,776,818) | (1,012,985,352) | (-) | (17,892,365,210) |
| **Net book amount** | **6,233,000,900** | **2,704,179,898** | **5,701,319,359** | **1,329,522,370** | **79,752,001** | **1,794,599,167** | **17,842,373,695** |

The Group brought its four land deeds title no. 362, 473, 427 and 474 to guarantee the loan from the bank, the value of the land taken as guarantee is 2,712,654,900 kip.

## 9 Deferred plantation costs - palm, net

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Opening balance | 23,150,662,402 | 23,522,524,712 |
| Addition | 594,286,195 | 566,731,330 |
| Transferred in from property, plants and equipment | (-) | 83,891,674 |
| Transferred out to deferred plantation costs - Palm sapling for sale | (-) | (85,059,950) |
| Less: Amortization | (942,879,795) | (937,425,364) |
| **Ending balance** | **22,802,068,802** | **23,150,662,402** |
| **As at 31 December** | | |
| Deferred plantation cost | 29,453,890,209 | 28,859,604,014 |
| Less: Accumulated amortization | (6,651,821,407) | (5,708,941,612) |
| | **22,802,068,802** | **23,150,662,402** |

## 10 Deferred Plantation costs - Pongamia tree

Pongamia costs comprise both direct purchase price of Pongamia trees and costs directly attributable to the acquisition of the Pongamia trees such as labor cost and fertilizer.

Below are the movement for deferred Plantation costs - Pongamia tree:

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Opening balance | **1,967,158,504** | (-) |
| Addition | 6,272,478,299 | 1,967,158,504 |
| Transferred in from Property, plants and Equipment (Note 8) | 918,500,247 | (-) |
| **Ending balance** | **9,158,137,050** | **1,967,158,504** |

## 11 Deferred plantation costs – Acacia trees

Deferred plantation costs – Acacia trees represented the cost of land clearance, nursery costs, plant preparation costs, an appropriate portion of relevant overheads.

The balance amount at LAK 2,860,608,812 is an additional amount incurred in LDG plantation cost as at 31 December 2024 (2023: LAK 1,319,982,827).

## 11 Deferred plantation costs – Acacia trees (continued)

The movement for deferred plantation costs – Acacia trees are summarised below:

| | 2024<br>LAK | 2023<br>LAK |
|---|---|---|
| Opening balance | 1,319,982,827 | (-) |
| Addition incurred in LDG | 1,540,625,985 | 1,319,982,827 |
| **Ending balance** | **2,860,608,812** | **1,319,982,827** |

## 12 Trade and other payable

| | 2024<br>LAK | 2023<br>LAK |
|---|---|---|
| Trade payable(i) | 9,398,887,632 | 9,504,743,997 |
| Other payable(ii) | 1,311,676,477 | 1,269,554,487 |
| | **10,710,564,109** | **10,774,298,484** |

(i) Trade payable mainly consist of payable to purchase of crude palm oil, cooking oil and Pongamia tree from overseas during the year.

(ii) Other payable mainly represented the professional fee and unpaid of purchasing palm fruit machine.

## 13 Other current liabilities

| | 2024<br>LAK | 2023<br>LAK |
|---|---|---|
| Accrued payroll cost | 55,847,258 | 20,743,266 |
| | **55,847,258** | **20,743,266** |

## 14 Borrowings

As at 31 December 2024, The Group has outstanding balance, short term borrowing from SAI GON - HA NOI BANK LAO LIMITED (SHB).

As at 31 December 2024, the outstanding balance of borrowings is listed in table below:

| Carrying amount (LAK) | Drawdown (LAK) | Repayment (LAK) | Outstanding balance (LAK) | Maturity and repayment term | interest rat per annum | Collaterals |
|---|---|---|---|---|---|---|
| 2,000,000,000 | 4,00,000,000 | (4,000,000,000) | 2,000,000,000 | 12 Months, principal and interest are payable on monthly basis. | 9.5% | 1. Land lots no. 474, amount LAK 971,520,000.<br>2. Land lots no. 473, amount LAK 1,140,301,400.<br>3. Land lots no. 362, amount LAK 325,983,500.<br>4. Land lots no. 427, amount LAK 274,850,000. |

## 15 Finance leases liability

| | 2024 LAK | 2023 LAK |
|---|---|---|
| **Current** | | |
| Current portion of finance leases | 840,316,500 | 1,088,782,267 |
| | **840,316,500** | **1,088,782,267** |

The Group signed two leasing agreements in Baht and LAK currency for lease vehicles.

## 16 Other non-current liabilities

Regarding to the Agreement for pilot plantation of Pongamia trees for the carbon oxygen project dated 16 October 2023, by and between FOUR PRIDE PTE. LTD or (FP) and LAO AGROTECH PUBLIC COMPANY or (LAT) are stated the term and condition as followings:

- Period of the project: 4 years from the date of plantation commencement which is November 2023.
- Location of plantation: In Vientiane and Salavan Province, Lao PDR
- Land Area for Plantation: 300 hectares
- Number of Pongamia trees per hectares: 160-220 trees per hectare once agreed with FP and LAT
- The cost of plantation service: USD 2,946.20 per hectare for four years, total cost amount of USD 883,859.95 or equivalent to LAK 18,223,424,449.

Throughout the four-year period under this agreement, LAT shall provide and be responsible for all required services related to the ordinary course of the Pongamia plantation business. This includes, but is not limited to, creating afforestation land, irrigation systems, supplying and inspecting seedlings, afforestation, plantation management, beekeeping, pruning, harvesting, maintenance of the plantation, labor arrangement, and other related activities. LAT shall be responsible for the preparation of devices, equipment, tools, instruments, or other necessities required for the provision of these services.

During the year ending 31 December 2024, there were no changes in the terms or conditions stated above. LAT recognized this balance as an advance payment from FP, categorized as non-current liabilities, which will be settled after receiving income from the carbon-oxygen project upon the completion of the four-year term.

## 17 Share capital

| | Number of Shares Shares | Ordinary Shares LAK | Share premium LAK | Total LAK |
|---|---|---|---|---|
| At 1 January 2023 | 100,000,000 | 50,000,000,000 | 3,269,466,406 | 53,269,466,406 |
| **As at 31 December 2023** | **100,000,000** | **50,000,000,000** | **3,269,466,406** | **53,269,466,406** |
| At 1 January 2024 | 100,000,000 | 50,000,000,000 | 3,269,466,406 | 53,269,466,406 |
| **As at 31 December 2024** | **100,000,000** | **50,000,000,000** | **3,269,466,406** | **53,269,466,406** |

As at 31 December 2024, the total number of authorised ordinary shares is 100,000,000 shares with a par value of LAK 500 per share (2023: 100,000,000 shares with a par value of LAK 500 per share). All issued shares are paid.

## 18 Legal reserve

| | 2024 LAK | 2023 LAK |
|---|---|---|
| At 1 January | 932,158,245 | 932,158,245 |
| **At 31 December** | **932,158,245** | **932,158,245** |

Legal reserve is set-up in accordance with the Enterprise Law of the Lao PDR which requires the appropriation of profit as a legal reserve of at least 10% of the annual profit until such reserve reaches 50% of authorised share capital.

## 19 Revenue from sales

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Sale revenue - Trading[i] | 37,939,829,555 | 37,517,784,074 |
| Sale revenue - Palm sapling | 567,355,040 | 955,129,500 |
| Sale revenue - Fertilizer | 1,303,521,000 | 400,500,000 |
| | **39,810,705,595** | **38,873,413,574** |

(i) The sale revenue-trading are mainly from sale of palm oil product, biodiesel B5 and cooking oil.

## 20 Expenses by natures

The following expenditures are mainly items which have been charged to statement of income for the year:

| | 2024 LAK | 2023 LAK |
|---|---|---|
| Cost of finished goods sold | 31,755,152,281 | 33,682,887,363 |
| Salaries/Payroll expenses | 4,303,727,226 | 2,192,570,739 |
| Depreciation and amortization charges (Note 8 and 9) | 3,062,989,065 | 3,192,709,203 |
| Administration expenses | 5,514,563,899 | 7,074,443,137 |
| Professional fees | 743,093,100 | 579,603,000 |

## 21 Income tax expense

In accordance with Lao tax laws, the Group has an obligation to pay income tax in the form of Tax on Profit at the rate of 20% on taxable profit.

During the year ended 31 December 2024, The Group did not recognise income tax expense in statement of income due to the operation loss. (2023: the Company did not recognise income tax expense in statement of income due to the operation loss).

## 22 Loss per share

Basic loss per share are calculated by dividing the loss attributable to shareholders by the weighted average number of ordinary shares.

| | 2024 | 2023 |
|---|---|---|
| Loss attributable to ordinary shareholders (LAK) | (1,756,400,957) | (9,739,268,567) |
| Weighted average number of ordinary shares outstanding (Shares) | 100,000,000 | 100,000,000 |
| Basic loss per share (LAK per share) | (17.56) | (97.39) |

## 23 Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, including holding companies, subsidiary and fellow subsidiary are related parties of the Group. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Group that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Group and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the year there is no any outstanding balances arising from purchases of goods and other transactions.

## 24 Commitments

As at 31 December, The Group had significant operating lease commitments for the land concession at Vientiane and Salavan provinces for 30 years and house rental contract for 10 years.

| | 2024<br>LAK | 2023<br>LAK |
|---|---|---|
| Less than one year | 59,743,256 | 56,299,526 |
| More than one year and less than five years | 306,263,612 | 259,652,746 |
| More than five years | 2,557,795,700 | 2,464,717,023 |
| | **2,923,802,568** | **2,780,669,295** |

## 25 Events after the reporting date

There are no significant events occurring after the balance sheet date which required adjustments to or disclosure to be made in the consolidated financial statements for the year ended 31 December 2024.

## Part VI Remuneration rates of auditing companies

Refer to the resolutions of the Division of Shareholders' Meeting for the year 2023 No. 064/LAT. The Resolution dated April 26, 2025 approved PricewaterhouseCoopers (Lao) Sole Company Limited. as an external auditor and the determination of the wages of external auditors for the year 2025 with a remuneration rate of USD 18,000

## Part VII Business plan year 2025

Crude palm oil CPO sales plan: The company estimates sales based on the company's production plus consumer demand. The company has a policy to expand its customer base in 2024.

Palm sales plan: The company estimates sales based on current consumer demand. The company has a policy to expand its customer base in 2025.

Fertilizer sales plan for 2019-2021 Due to the Covid-19 epidemic, the company lacked support for farmers, causing palm oil production to decrease significantly last year. In 20025, the company encouraged farmers to grow other crops such as rice, cassava, rubber, etc. to add palm oil fertilizer.

Palm oil sales plan: The company has planned to apply for certification of Lao Vieng palm oil varieties. To export and estimate sales according to the company's volume, it will be produced in 2025.

The company's fuel oil sales plan will be reviewed and submitted to the Ministry of Industry and Trade. To request oil import quotas

| ITEM | ACTUAL 2023 | | ACTUAL 2024 | | 2024 BUDGET | | 2025 BUDGET | |
|---|---|---|---|---|---|---|---|---|
| | LDG | LAT | LDG | LAT | LDG | LAT | LDG | LAT |
| **Sale volume** | | | | | | | | |
| CPO (Ton) | | 2,246 | | 1,557 | - | 2,400 | - | 3,000 |
| OPM (Ton) | | 424 | | 859 | - | 800 | - | 1,500 |
| Fertilizer (Ton) | | 29 | | 88 | - | 240 | - | 240 |
| PS (Plant) | | 29,872 | | 17,876 | - | 250,000 | - | 50,000 |
| B5 (Liter) | | 11,995 | | - | - | - | - | - |
| **Sale Price** | | | | | | | | |
| CPO (Kip/Kg) | | 16,569 | | 23,259 | - | 25,000 | - | 20,000 |
| OPM (Kip/Kg) | | 3,338 | | 3,930 | - | 3,500 | - | 4,000 |
| Fertilizer (Kip/Kg) | | 14,430 | | 14,873 | - | 14,000 | - | 15,000 |
| PS (Kip/Plant) | | 31,974 | | 31,743 | - | 17,500 | - | 35,000 |
| B5 (Kip/Liter) | | 16,609 | | - | | - | | - |
| **Revenue (M Kip)** | | | | | | | | |
| CPO | | 37,211 | | 36,223 | - | 60,000 | - | 60,000 |
| OPM | | 1,416 | | 3,375 | - | 2,800 | - | 6,000 |
| Fertilizer | | 421 | | 1,311 | - | 3,360 | - | 3,600 |
| PS | | 955 | | 567 | - | 4,375 | - | 1,750 |
| B5 | | 199 | | - | - | | - | |
| Other | | 354 | | 1,709 | - | | - | |
| **Total** | | 40,556 | | **43,185** | - | 70,535 | - | **71,350** |
| **Gross Profit (M Kip)** | | | | | | | | |
| All Product | (563) | (49,732) | (1,432.21) | (44,061.71) | (1,000) | (66,317) | (1,500) | (63,910) |
| income tax Expenses | | - | | 0 | | (844) | | (1,488) |
| **Net Profit (M Kip)** | (563) | (9,176) | **(1,432)** | **(876)** | (1,000) | 3,374 | (1,500) | 5,952 |
| **% NP** | | (0) | | **-2%** | | 3% | | 6% |