LAO PEOPLE DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

ບໍລິສັດ ລາວອາໂກຣເທັກ ມະຫາຊົນ
LAO AGROTECH PUBLIC COMPANY
Ban Nonngkunku, Naxaythong District,
Vientaine Capital, Laos PDR
Tel: 030-988-2809

NO: 083 /LAT
Vientiane Capital, Date 16 JUN 2025

Plan to improve business loss

Dear : The Secretary General of the Lao Securities Commission.
The CEO of Lao Securities Exchange
Shareholders of Lao Agro tech Public Company
Subject : Notify the improvement plan to solve business loss of the lao Agro Tech Public Compana for the year 2025

- According to: Regulation on the registration of shares (revised version) No. 007/23, dated September 12, 2023, Article 26.
- According to: Following Notification No. 639/TLC dated May 6, 2025

Lao Agro Tech Public Company (LAT) hereby acknowledges receipt of the notice issued by the Lao Securities Exchange regarding the requirement to maintain listed company status by addressing ongoing business losses, as referenced in official letter No. 639/TLC dated May 6, 2025. In response, the company is pleased to submit the following clarification and outline of its strategic plan to rectify the current financial performance to both the Lao Securities Commission and the Lao Securities Exchange.

I. Causes and Effects of the Business Loss

In 2024, Lao Agro Tech Public Company faced significant operational disruptions due to severe climate conditions, particularly prolonged drought, and volatility in global raw material prices. These external factors caused a sharp decline in production output, resulting in an inability to meet domestic market demand. Consequently, the company was compelled to import raw materials to support production, leading to increased operational costs and financial losses.

Additionally, adverse exchange rate fluctuations and reduced crop yields further impacted the company's profitability. Palm oil farmers experienced challenges including water shortages, limited crop maintenance, and reduced fertilizer usage—factors that collectively hindered palm tree development and decreased overall yield compared to previous years.

II. Strategic Measures to Address Business Losses

Lao Agro Tech Public Company has proactively responded to these challenges by engaging relevant stakeholders and experts to develop effective recovery strategies. Key measures include:

- Promotion of Domestic Oil Palm Cultivation: The company is actively promoting oil palm farming within Lao PDR, with increased emphasis on proper agronomic practices and long-term farm maintenance. These efforts are expected to improve yields and support future export opportunities.
- Enhanced Internal Controls: LAT has implemented stricter internal production controls, including the rigorous selection of high-quality raw materials to ensure manufacturing standards are upheld.

The company remains committed to restoring its financial performance and sincerely hopes that the Lao Securities Exchange acknowledges its ongoing efforts and gains a clear understanding of the underlying challenges and remedial actions being taken.

➢ Sales Projections year 2025

Product	Estimated Revenue (Million LAK)
- Crude Palm Oil:	60,000
- Palm Kernel Meal:	6,000
- Fertilizer:	3,600
- Palm Seedlings:	1,750

❖ Business Plan

- Crude Palm Oil (CPO): Sales projections are based on current production capacity and anticipated market demand. A primary focus for 2025 is the expansion of the company's customer base.
- Palm Kernel Meal: The company projects continued demand and aims to diversify its clientele as part of its 2025 growth strategy.
- Fertilizer: LAT is promoting crop diversification (e.g., rice, cassava, and rubber) among farmers to drive fertilizer sales.
- Palm Seedlings: The company is working toward certification of its Lao Vieng palm varieties for future export opportunities. Sales forecasts are based on projected production volumes.
- Fuel Sales: The fuel sales plan is currently under review and will be submitted to the Ministry of Industry and Trade to request import quotas.
- Research and Development: LAT is investing in R&D initiatives focused on improving production technologies and reducing long-term operational costs.

The company respectfully submits this report for your consideration and remains committed to transparency, sustainability, and continued improvement.

We submit this report for your information.

Sincerely,
Lao Agro Tech Public Company
Chief Executive Officer



Mr. Zait Pattanamas Ph.D.