LAO AGROTECH PUBLIC COMPANY

CONDENSED INTERIM FINANCIAL INFORMATION

(UNAUDITED)

FOR THE 01ST QUARTER OF 2021

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LAO AGROTECH PUBLIC COMPANY
STATEMENT OF FINANCIAL POSITION
As at 31 MARCH 2021

	Note	Un-reivewed 31 March 2021 LAK	Reviewed 31 December 2020 LAK
ASSET			
Current assets			
Cash and cash equivalents		480,429,093	601,410,714
Trade and other receivables, net		12,919,456,376	12,885,125,000
Inventories, net		336,190,247	549,561,067
Factory supplies, net		557,173,824	1,277,912,121
Deferred Plantation costs - Palm sapling for sale		1,827,786,225	1,727,220,633
Other current asset		1,780,567,781	1,354,380,792
Total current assets		17,901,603,545	18,395,610,327
Non - Current assets			
Propert, Plants and Equipment, net	5	20,124,405,809	20,690,003,300
Deferred Plantation costs - Palm, net	6	25,084,734,073	25,104,577,522
Total non - Current assets		45,209,139,882	45,794,580,822
TOTAL ASSETS		63,110,743,427	64,190,191,149
LIABILIES AND EQUITY			
Liability			
Current Liabilities			
Trade and other payable		1,907,020,639	2,335,178,099
Short - term borrowings	7	3,479,280,000	3,446,800,000
Current portion of finance leases		665,229,149	587,576,060
Other current liabilities		15,970,313	16,035,245
Total current liabilies		6,067,500,101	6,385,589,404
Non-Current Liability			
Finance leases		801,542,002	851,426,087
Total Non-Current Liability		801,542,002	851,426,087
Total Liabilities		6,869,042,103	7,237,015,491
Equity			
Share capital		50,000,000,000	50,000,000,000
Share premium		3,269,466,406	3,269,466,406
Retain earning			
Appropriated - Legal reserved		907,166,353	907,166,353
Un-appropriated		2,065,068,565	2,776,542,899
Total equity		56,241,701,324	56,953,175,658
TOTAL LIABILITY AND EQUITY		63,110,743,427	64,190,191,149

Mr.Oudom Keothavong
Managing Director
Date : 14 May 2021

Mr.Vanhsalerm Sisukhammang
Chief Accountant
Date : 14 May 2021

The accompanying notes on page 5 - 12 are an intergral part of this financial information.

LAO AGRO TECH PUBLIC COMPANY

STATEMENT OF INCOME

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Note	Un-reivewed 31 March 2021 LAK	Un-reivewed 31 March 2020 LAK
Revenue from sales and Services		6,831,502,056	11,303,111,392
Cost of sale		(5,672,092,679)	(10,329,634,294)
Gross profit		1,159,409,377	973,477,099
Selling and administrative expenses		(1,701,499,325)	(1,961,971,216)
Other income		57,023,912	292,579,101
Gain/(Loss) on exchange rate		(130,980,851)	(33,773,421)
Operating profit/loss		(616,046,887)	(729,688,437)
Finnance cost		(95,427,447)	(106,196,108)
Profit/(Loss) before income tax		(711,474,334)	(835,884,545)
Income tax expenses		-	-
Profit/(Loss) for the Period		(711,474,334)	(835,884,545)
Earnings per share			
Basic earnings per share	8	(7.11)	(8.36)

Mr.Oudom Keothavong
Managing Director
Date : 14 May 2021

Mr.Vanhsalerm Sisukhammang
Chief Accountant
Date : 14 May 2021

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LAO AGROTECH PUBLIC COMPANY
STATEMENT OF CHANGES IN QUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

			Retained earnings		
	Paid up shaer capital	Premium on Share Capital	Legal Reserve	Un-approprited	Total
	LAK	LAK	LAK	LAK	LAK
Opening balance					
01 Janaury 2021	50,000,000,000	3,269,466,406	907,166,353	2,776,542,899	56,953,175,658
Paid up share capital	-	-	-	-	-
Premium on Share Capital	-	-	-	-	-
Profit/(Loss) for the Period	-	-	-	(711,474,334)	(711,474,334)
Legal Reserve	-	-	-	-	-
Closing balance 31-03-2021	50,000,000,000	3,269,466,406	907,166,353	2,065,068,565	56,241,701,324

Mr.Oudom Keothavong
Managing Director
Date : 14 May 2021

Mr.Vanhsalerm Sisukhammang
Chief Accountant
Date : 14 May 2021

The accompanying notes on page 5 - 12 are an intergral part of this financial information.

LAO AGRO TECH PUBLIC COMPANY
STATEMENT OF CASH FLOW
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2021

	Note	Un-reivewed 31 March 2021 LAK	Un-reivewed 31 March 2020 LAK
Profit/loss before income tax		(711,474,334)	(835,884,545)
Adjustment for:		-	-
Depreciation		568,697,491	634,986,591
Amortization		224,175,957	207,449,431
Disposal			
Write off of inventory			
Foreign exchange losses		(4,811,388)	(1,618,349)
Interest expenses		-	17,933,964
Changes in working capital:		-	-
Trade and other receivables		(34,331,376)	247,124,168
Inventories, net		213,370,820	1,915,199,808
Factory supplies, net		720,738,297	(274,472,892)
Deferred Plantation costs - Palm sapling for sale		(100,565,592)	(140,369,597)
Other current assets		(426,186,989)	(182,255,399)
Other non-current assets		-	-
Trade and other payables		(234,081,170)	25,065,048
Other current liabilities		75,948,932	(401,657,129)
Current portion of long term leasing- liabilities			
Long-term leasing		-	-
Cash generated from operating		291,480,650	1,211,501,099
Interest paid		(95,427,447)	(88,262,144)
Income Tax paid		-	-
Net cash generated from operating activities		196,053,203	1,123,238,955
Cash flows from investing activities			
Purchases of property, plant and Equipment		(3,100,000)	(23,707,525)
Payment for plantation costs		(204,332,508)	(734,627,157)
Net cash received/(used) in investing activities		(207,432,508)	(758,334,682)
Cash flow from financing activities			
Proceeds from issuance of ordinary share		-	-
Proceeds from borrowings	7	2,710,980,000	-
Repayment of borrowings	7	(2,678,500,000)	-
Finance leases principle repayment		(143,931,653)	-
Net cash used in financing activities		(111,451,653)	-
Net increase/(decrease) in cash and cash equivalents		(122,830,958)	364,904,273
Cash and cash equivalents at the beginning of the year		601,410,714	1,642,354,110
Exchange losses on cash and cash equivalents		1,849,336	1,618,349
Cash and cash equivalents at the end of the period ended:		480,429,093	2,008,876,732
Acquisition of plant and equipment which have not been paid		1,513,178,598	568,236,106

Lao Agro Tech Public Company

Mr.Oudom Keothavong
Managing Director
Date : 14 May 2021

Mr.Vanhsalerm Sisukhammang
Chief Accountant
Date : 14 May 2021

The accompanying notes on page 5 - 12 are an intergral part of this financial information.

LAO AGROTECH PUBLIC COMPANY

CONDENSE NOTES TO THE INTERIM FINANCIAL INFORMATION (UN-REVIEWED)
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2020

1 General information

LAO AGROTECH PUBLIC COMPANY (the Company) is a private company incorporated and domiciled in the Lao PDR.

The address of its registered office is wattay noiy thong village, Sikhottabong district, Vientiane, Lao People Democratic Republic.

The principal activity is to carry on the palm oil industry which starting from palm sapling cultivation, palm plantation, palm product processing and sale by the Company itself. The Company also provide the financial supports and palm saplings to the farmer for planting and buyback the palm seed.

In addition, the Company also imported finish goods such cooking oil and coconut drink from Thailand to sale in Lao PDR.

This interim financial information ware authorized for issued by the director on 13 May 2021.

2 Significant accounting policies

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

2.1 Basic of preparation

According to the accounting Law No.47/NA date 26 December 2013, non-public interest enterprises should apply Lao Financial Reporting Standards (LFRS) for Non-Public Interest Enterprises. The standards to be applied depend on the entity's size, which could either be large-sized enterprises or small and medium-sized enterprises. LFRS are effective for annual periods beginning one or after 1 January 2017 as announced thru the Ministerial Decision on the Adoption of Financial Reporting Standards for Non-Public Interest Entities No.530/MOF issued on 26 February 2016.

The Ministry of Finance has been lenient towards the enterprises in fully adopting the LFRS during 2017, since 2019 is still a transition period. The tax authority is flexible to maintain prior year practice for tax filing purposes.

2.1 Basic of preparation (Continue)

Accordingly, the Company has maintained and kept its own accounting policies as last year, which can be significantly different from LFRS. These differences may include many areas, such as revenue recognition, property, plant and equipment, income tax, provision for employee benefit and agriculture. Therefore, users of the financial statements should be aware and be able to understand these differences and how these will affect their interpretation of the financial statements and their decision making.

The preparation of 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 financial statements and the revenues and expenses in the reported periods. Although these estimates are based on management's knowledge of current event and actions, actual results may materially differ from those estimates.

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

2.2 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 Lao Kip are translation into Lao Kip at the exchange rate prevailing at the statement of financial position date.

2.3 Trade and other receivable

Trade and other receivables are carried at original invoice amount and subsequently measured at the remaining amount less allowance for receivables impairment based on a review of all outstanding amounts at the 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 recognized in the statement of income within selling and administrative expenses.

2.4 Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by actual average cost of production incurred in each production year using first in-first out (FIFO) 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 purchases 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. Net realizable value is the estimate of the selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.5 Factory supplies

Factory supplies are stated at the cost and determined by weighted average cost method. The costs of purchase comprises 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.

2.6 Property, Plant and Equipment

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

2.6 Property, Plant and Equipment (Continue)

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

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 Company. Major renovations are depreciated over the remaining useful life of the related asset.

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

2.7 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 amortized to be cost of raw materials over the period 26 years of its expected economic useful life.

2.8 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.

2.9 Revenue recognition

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

Revenue from providing services are recognized when services have been rendered, which is generally upon acceptance of delivery.

Other revenue are recognized 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 terms

2.10 Income tax

Income tax represents profit tax (corporate income tax) for the year concerned as determined in accordance with the Lao Tax Law.

3 Financial risk management

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risk such the effects of foreign currency exchange rates, credit risk and liquidity risk. Management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

3.1.1 Foreign exchange risk

The Company mainly purchase from suppliers in foreign countries and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to Thai Bath and the US Dollar (USD). As at 31 March 2021, management did not use any financial instrument since it considers that the anticipated cost using financial instruments would exceed the foreseeable benefits.

3.1.2 Credit risk

The Company has no significant concentrations of credit risk as sales are normally made in short credit terms with various number and types of retail customers and thus credit risk is diversified. Cash and bank transactions are only made with high credit quality financial institutions.

3.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to support ongoing business and future investment for expansion. Management maintains its broad cash forecasts to aid in cash and liquidity management and ensure it has sufficient cash to meet short term operation needs and long-term investment plans.

4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern from the ongoing project on hand in order to provide reasonable returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Company may borrow new funds from shareholders and lenders, issue new shares and adjust the amount of dividends paid to shareholders in the future.

5 Property, plant and equipment, net

	Un - reviewed For the three-Month period Ended 31 March 2021 LAK
Opening net book amount at 1 Janaury 2021 (Unaudited)	20,690,003,300
Additions	3,100,000
Transfer In/(out)	
Depreciation charges	(568,697,491)
Closing net book amount at 31 March 2021 (Un-reviewed)	**20,124,405,809**

6 Deffered plantation costs

	Un - reviewed For the three-Month period Ended 31 March 2021 LAK
Opening net book amount at 1 Janaury 2021 (Unaudited)	25,104,577,522
Additions	204,332,508
Transfer In/(out)	
Depreciation charges	(224,175,957)
Closing net book amount at 31 March 2021 (Un-reviewed)	**25,084,734,073**

7 Short – term borrowings

	Un - reviewed For the three-Month period Ended 31 March 2021 LAK
Opening balance amount at 1 Janaury 2021 (Unaudited)	3,446,800,000
Additions	2,710,980,000
Repayment	(2,678,500,000)
Ending balance at 31 March 2021 (Un-reviewed)	**3,479,280,000**

The company has entered to short-term borrowing agreement with SAIGON – HA NOI BANK LAO LIMITED (SHB) with interest rate at 9,10% per annual

8 Earnings per share

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

	Un - reviewed For the three-Month period Ended 31 March 2021 LAK
Profit/Loss attributable to ordinary shareholders (LAK)	(711,474,334)
Weighted average number of ordinary Share outstanding (Shares)	100,000,000
Basic earnings per share (LAK per share)	(7,11)