LAO PEOPLE DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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ບໍລິສັດ ລາວອາໂກຣເທັກ ມະຫາຊົນ
LAO AGROTECH PUBLIC COMPANY

Ban Nongkunku, Naxaythong District,
Vientiane Capital, Laos PDR
Tel: 030 9882809, Fax: (856-21)

No. ....074...../LAT

Vientiane Capital, Date....19.MAY..2024

Plan to improve business loss

To: **Director of the Lao Securities Exchange (LSX)**

Subject: **Notify the improvement plan to solve business loss of the Lao Agro Tech Public Company for the year 2024**

- According to: Regulation on the registration of shares (revised version) No. 007/23, dated September 12, 2023, Article 26.
- According to: Notice on maintaining status as a listed company in the Lao Securities Exchange 575/tlc, dated May 6, 2024

As Lao Agro Tech Public Company. (LAT) has received the notice to maintain its status as a listed company in the Lao Securities Exchange (Making a business plan to solve the company's loss) No. 575/TLC dated May 6, 2024. The company is pleased to clarify the company's plan to improve the company's loss to the Lao Securities Commision.

I. The causes and effects of the company's business loss

In 2023, Lao Agro Tech Public Company, which was affected by the increase in the price of crude palm oil, the company encountered a drought that reduced the yield of palm trees by more than 60% of the normal output and encountered the problem of a depressed economy resulting in global inflation. The company did not receive the promotion of biodiesel production from the Ministry of Industry, so production decreased and the company needed to bring raw materials from the outside to meet domestic needs. Because of that, it affects the company's business loss.

Lao Agro Tech Public Company has been affected by inflation, loss from the exchange rate, production decreased because in the past years palm farmers lacked care, maintenance, fertilization and dry weather caused a lack of water. thus resulting in a lower yield than the previous year

II. Solutions of the company's business loss

The director of Lao Agro Tech Public Company is not complacent about the problem at all. In order to resolve the situation, the company encouraged the palm farmers to pay attention to the care and maintenance of the palm trees for the next year's yield.

The company will also be strict with the control of internal production, such as selecting the quality of raw materials used in the industry to reduce the rate of loss and improve the quality of production. Therefore, the company hopes that the Lao Securities Exchange will be acknowledge about the plan to solve the company's business loss and understand the problems that the company is facing. The company has a budget plan for 2024 as follows:

➢ Sales volume on Year 2024

	List of Products	Unit	Selling price (kip)		Amount	
-	Crude palm oil:	2,400 Ton	25,000	kip	60,000,000,000	kip
-	Palm oil meal :	800 Ton	3,500	kip	2,800,000,000	kip
-	Fertilizer :	14,000 Ton	3,360	kip	3,360,000,000	kip
-	Palm trees :	250,000 Plant	17,500	kip	4,375,000,000	kip
	Total revenue			=	70,535,000,000	kip
	Total cost			=	(66,317,000,000)	kip
	Total income tax expense			=	(844,000,000)	kip
	net profit			=	3,374,000,000	kip
	% net profit			=	5%	

➢ The company will continue business plan as below

- CPO Crude Palm Oil Sales Plan: The company estimates sales based on the company's production. In addition to the needs of consumers, the company is looking for more customer in 2024.
- Palm Sales Plan: The company estimates sales based on current consumer purchasing needs. The company has a policy to expand its customer base in 2024.
- Fertilizer sales plan during the period 2019-2021. Due to the covid-19 epidemic, the company lacked support for farmers, causing the production of palm trees in the previous year to decrease significantly. In February, reservations from farmers accounted for 33 percent of the estimated sales volume.
- Plan to sell palm seedlings: The company plans to request certification of Lao Vieng palm varieties. To export and estimate sales according to the company's volume it will be produced in 2024.
- The company's fuel sales plan will be reviewed and presented to the Ministry of Industry and Trade. To request an oil import quota

Therefore, please kindly be informed accordingly

Sincerely yours

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Lao Agro Tech Public Company

(Mr. Zait Pattanamas, Ph.D.)

Chief Executive Officer