LAO AGROTECH PUBLIC COMPANY

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FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



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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 financial statements of Lao Agrotech Public Company (the Company) for the year ended 31 December 2021 are prepared, in all material respects, in accordance with accounting policies described in Note 2 to the financial statements.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the 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 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 Company 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 financial statements, which describes the basis of accounting. The financial statements have been prepared in accordance with the Company's accounting policies which the accounting basis used in the preparation of these financial statements may differ from International Financial Reporting Standards (IFRSs). The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and its financial performance and cash flows in accordance with IFRSs. 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 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 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 **Refer to Note 2.10 'Accounting policies – Revenue recognition' and Note 17 'Sale and service revenue to the financial statements.** Revenue from sale of goods is recognised when goods was delivered to customer. However, most of revenue from goods sold for the year was recognised once the goods delivery note was signed as received from customer which this lead to a high consideration in the completeness and cut-off for revenue recognition. We focussed on this area as certain customers located in the province where the delivery takes about 3 to 5 days. 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. Moreover, the balance and transaction of sale volumes at the yearend period are materially high.	We performed the following procedures: • Assessing and testing the designed and operating effectiveness of controls for revenue recognition, particularly focus on controls around the timely and complete recording of sales transactions. • 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. • 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. • 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. • Challenging management how they ensure the completeness and cut off for revenue recognition. 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 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 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 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 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 and audit committee for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the Company'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 Company 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 Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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Auditor's responsibilities for the audit of the financial statements (continued)

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 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 Company'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 Company'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 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 Company to cease to continue as a going concern.

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.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo
Partner

Vientiane Capital, Lao PDR
Date: 30 March 2022

LAO AGROTECH PUBLIC COMPANY

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021 LAK	2020 LAK
ASSET			
Current assets			
Cash and cash equivalents	4	1,542,250,698	601,410,714
Trade and other receivables, net	5	11,459,399,240	12,885,125,000
Inventories, net	6	560,320,621	549,561,067
Factory supplies, net	7	362,722,901	1,277,912,121
Deferred plantation costs - Palm sapling for sale	8	1,303,830,486	1,727,220,633
Other current assets		1,649,211,702	1,354,380,792
Total current assets		**16,877,735,648**	**18,395,610,327**
Non-current assets			
Property, plants and equipment, net	9	18,415,510,911	20,690,003,300
Deferred plantation costs - palm, net	10	23,942,392,478	25,104,577,522
Total non-current assets		**42,357,903,389**	**45,794,580,822**
TOTAL ASSETS		**59,235,639,037**	**64,190,191,149**
LIABILITY AND EQUITY			
Liability			
Current Liabilities			
Trade and other payable	11	631,955,692	2,335,178,099
Other current liabilities	12	15,084,938	16,035,245
Borrowings	13	3,487,516,800	3,446,800,000
Finance leases liability-current portion	14	728,710,009	587,576,060
Total current liabilities		**4,863,267,439**	**6,385,589,404**
Non-Current Liabilities			
Finance leases	14	268,410,810	851,426,087
Total non-current liabilities		**268,410,810**	**851,426,087**
Total liabilities		**5,131,678,249**	**7,237,015,491**
Equity			
Share capital	15	50,000,000,000	50,000,000,000
Share premium	15	3,269,466,406	3,269,466,406
Retained earnings			
Appropriated - legal reserved	16	907,166,353	907,166,353
Un-appropriated		(72,671,971)	2,776,542,899
Total equity		**54,103,960,788**	**56,953,175,658**
TOTAL LIABILITIES AND EQUITY		**59,235,639,037**	**64,190,191,149**

Mr. Oudom Keothavong
Managing Director
Date: 30 March 2022

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 30 March 2022

The accompanying notes on page 10 to 23 are an integral part of this financial statement.

LAO AGROTECH PUBLIC COMPANY

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 LAK	2020 LAK
Revenue from sales and services	17	17,470,921,233	31,497,030,222
Cost of sale and services		(13,228,544,036)	(28,018,691,360)
Gross profit		**4,242,377,197**	**3,478,338,862**
Selling and administrative expenses		(7,013,271,473)	(6,771,972,058)
Other income		808,445,020	1,255,474,568
Loss on exchange rate		(469,579,683)	(550,823,658)
Operating Loss		**(2,432,028,939)**	**(2,588,982,286)**
Finance costs		(417,185,931)	(396,260,384)
Loss before income tax		**(2,849,214,870)**	**(2,985,242,670)**
Income tax expenses	19	-	-
Loss for the year		**(2,849,214,870)**	**(2,985,242,670)**
Earnings per share			
Basic earnings/(loss) per share	20	(28)	(30)

Mr. Oudom Keothavong
Managing Director
Date: 30 March 2022

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 30 March 2022

The accompanying notes on page 10 to 23 are an integral part of this financial statement.

LAO AGROTECH PUBLIC COMPANY

STATEMENT OF CHANGE IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

			Retained earnings		
	Paid-up share capital LAK	Share Premium LAK	Legal reserved LAK	Un-appropriated LAK	Total LAK
Opening balance on 1 January 2020	50,000,000,000	3,269,466,406	907,166,353	5,761,785,569	59,938,418,328
Loss for the year	-	-	-	(2,985,242,670)	(2,985,242,670)
Closing balance 31 December 2020	**50,000,000,000**	**3,269,466,406**	**907,166,353**	**2,776,542,899**	**59,953,175,658**
Opening balance on 1 January 2021	**50,000,000,000**	**3,269,466,406**	**907,166,353**	**2,776,542,899**	**56,953,175,658**
Loss for the year	-	-	-	(2,849,214,870)	(2,849,214,870)
Closing balance 31 December 2021	**50,000,000,000**	**3,269,466,406**	**907,166,353**	**(72,671,971)**	**54,103,960,788**

Mr. Oudom Keothavong
Managing Director
Date: 30 March 2022

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 30 March 2022

The accompanying notes on page 10 to 23 are an integral part of this financial statement.

LAO AGROTECH PUBLIC COMPANY

STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 LAK	2020 LAK
Loss before income tax		**(2,849,214,870)**	**(2,985,242,670)**
Adjustments for:			
Depreciation charge	9	2,285,070,839	2,395,506,293
Amortization charge	10	912,156,452	834,357,053
Provision expense of inventory		-	238,809,907
Write-off deferred plantation costs	10	905,305,699	-
Foreign exchange loss/gain		83,833,295	(66,152,270)
Interest expenses		417,185,931	396,260,382
Changes in working capital:			
Trade and other receivables		1,425,725,760	(568,902,520)
Inventories, net		(10,759,552)	1,985,149,061
Factory supplies, net		915,189,220	438,724,633
Deferred Plantation costs - Palm sapling for sale		423,390,147	(130,095,755)
Other current assets		(294,830,910)	(27,781,292)
Trade and other payables		(1,746,069,900)	855,460,068
Other current liabilities		67,989,315	(223,494,595
Cash flows from operating activities		**2,534,971,426**	**3,142,598,295**
Interest paid		(417,185,931)	(396,260,382)
Income Tax paid		-	(135,620,263)
Net cash generated /used in operating activities		**2,117,785,495**	**2,610,717,650**
Cash flows from investing activities			
Purchases of property, plant and equipment		(10,578,449)	(47,993,745)
Plantation costs paid		(655,277,109)	(2,882,594,423)
Net cash used in investing activities		**(665,855,558)**	**(2,930,588,168)**
Cash flow from financing activities			
Proceeds from borrowings	13	6,968,780,000	5,133,600,000
Repayments of borrowings	13	(6,928,063,200)	(5,185,066,000)
Finance leases principal repayments		(563,372,440)	(694,865,226)
Net cash used in/ generated from financing activities		**(522,655,640)**	**(746,331,226)**
Net increase/(decrease) in cash and cash equivalents		**929,274,297**	**(1,066,201,744)**
Cash and cash equivalents at the beginning of the year		601,410,714	1,642,354,110
Exchange losses on cash and cash equivalents		11,565,687	25,258,348
Cash and cash equivalents at the end of the year		**1,542,250,698**	**601,410,714**
Significant non-cash items:			
Acquisitions of plant and equipment which have not been paid		1,042,508,419	1,485,409,593

ບໍລິສັດ ລາວ ອາໂກຣເທັກ ມະຫາຊົນ Lao Agro Tech Public Company

Mr. Oudom Keothavong
Managing Director
Date: 30 March 2022

Mr. Vanhsalerm Sisukhammang
Chief Accountant
Date: 30 March 2022

The accompanying notes on page 10 to 23 are an integral part of this financial statement.

1 General information

LAO AGROTECH PUBLIC COMPANY (the Company) is a listed 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 Company's shares were firstly traded at Lao Securities Exchange on 25 September 2017.

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 farmers for planting and buyback the palm seed. In addition, the Company also imported finish goods (palm oil product for cooking) from Thailand to sale in Lao PDR.

The financial statements were authorised for issued by the director on 30 March 2022.

2 Significant accounting policies

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

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company'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 Financial Reporting Standards (IFRSs). 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 IFRSs within four-year period. The management is presently preparing action plan for implementation IFRSs in accordance with the announcement.

Therefore, the accounting principles applied may materially differ from IFRSs.

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 events and actions, actual results may materially differ from those estimates.

2 Significant accounting policies (Continued)

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 LAK are translated into LAK at the exchange rate prevailing at the statement of financial position date.

2.3 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 marketing costs.

2.4 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. 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. 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.

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 recognised 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 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.

2 Significant accounting policies (Continued)

2.6 Property, Plant and Equipment (Continued)

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 disposals 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 amortised 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 Leases

Leases – where a Company 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 comprehensive 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.

2 Significant accounting policies (Continued)

2.9 Leases (Continued)

Leases – where a Company is the lessee (Continued)

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.

2.10 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 Company delivers products to its customers based on agreed trading and delivery terms and conditions.

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

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 terms

2.11 Income tax

The Company 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 Company settles income taxes payable by offsetting prepaid taxes with its tax liabilities (if any).

3 Significant events during the current period

The outbreak of Coronavirus Disease 2019 ("COVID-19") in early 2021 has adverse effects on operating results for the year ended 31 December 2021 particularly on trading businesses.

On 21 April 2021, Government of Lao (GoL) has issued an order letter No.15/PM to lockdown the country and all cities in Laos in order to prevent the increasing number of COVID-19 patient, the order including stop operation of all business and lockdown between each province and other parties which has more than twelve people, the order was effective from 22 April 2021 onward.

The series of precautionary measures that continues to be implemented across regions including restrictions and controls. However, most operations have returned to normally in June 2021 onward.

Management reviewed the effect from those events to their business, accordingly to Lao environment which number of infections is limited and can be controlled then this issue has effect to their business in short-term. Management considered that there is no significant effect from Covid-19.

4 Cash and cash equivalents

	2021 LAK	2020 LAK
Cash on hand	10,428,032	73,134,405
Deposits held at call with bank[(i)]	1,531,822,666	528,276,309
	1,542,250,698	**601,410,714**

(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.

5 Trade and other receivables, net

	2021 LAK	2020 LAK
Trade receivable[(i)]	10,949,446,772	12,421,531,000
Other receivable	509,952,468	463,594,000
Less: Allowance doubtful debts	(-)	(-)
	11,459,399,240	**12,885,125,000**

(i) Trade receivables mainly consist of receivables from sales of palm sapling, biodiesel, and sale of finish goods during the year.

6 Inventories, net

	2021 LAK	2020 LAK
Finished goods[(i)]	560,320,621	549,561,067
	560,320,621	**549,561,067**

(i) Finish goods mainly represent the palm waste.

7 Factory supplies, net

	2021 LAK	2020 LAK
Fertilizer	20,712,517	52,295,063
Crude palm oil (CPO)	38,441,585	894,556,162
Diesel	63,310,806	86,546,351
Other factory supplies	240,257,993	244,514,545
Less: Allowance for obsolete and slow moving factory supplies	(-)	(-)
	362,722,901	**1,277,912,121**

8 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.

9 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 2021							
Opening net book amount	5,688,542,900	2,880,690,262	8,227,051,007	2,564,648,439	234,559,130	1,094,511,561	20,690,003,300
Addition	-	-	4,000,000	-	6,578,451	-	10,578,451
Transfer In/(Out)	-	445,383,061	-	-	-	(445,383,061)	-
Depreciation charge	-	(288,265,848)	(1,065,990,937)	(809,090,102)	(121,723,952)	-	(2,285,070,839)
Closing net book amount	**5,688,542,900**	**3,037,807,475**	**7,165,060,070**	**1,755,558,337**	**119,413,629**	**649,128,500**	**18,415,510,911**
At 31 December 2021							
Cost	5,688,542,900	4,977,010,781	12,371,226,292	7,269,340,943	1,024,720,945	649,128,500	31,979,970,361
Less: Accumulated depreciation	-	(1,939,203,307)	(5,206,166,222)	(5,513,782,606)	(905,307,315)	-	(13,564,459,450)
Net book amount	**5,688,542,900**	**3,037,807,474**	**7,165,060,070**	**1,755,558,337**	**119,413,630**	**649,128,500**	**18,415,510,911**

* There are three land lots number 362, 473 and 474 are used as collaterals of the borrowing from the bank, amounting LAK2,437,804,900 (Note 13).

9 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 2020							
Opening net book amount	5,613,542,900	3,462,509,810	8,422,994,467	3,304,071,524	88,002,815	2,146,394,332	23,037,515,848
Addition	-	-	10,210,525	-	-	37,783,220	47,993,745
Transfer In/(Out)	-	-	1,014,665,991	-	-	(1,014,665,991)	-
Reclassified	75,000,000	(254,644,985)	(287,698,458)	234,570,867	307,772,575	(75,000,000)	-
Depreciation charge	-	(327,174,563)	(933,121,518)	(973,993,952)	(161,216,260)	-	(2,395,506,293)
Closing net book amount	**5,688,542,900**	**2,880,690,262**	**8,227,051,007**	**2,564,648,439**	**234,559,130**	**1,094,511,561**	**20,690,003,300**
At 31 December 2020							
Cost	5,688,542,900	4,531,627,720	12,367,226,292	7,269,340,943	1,018,142,494	1,094,511,561	31,969,391,911
Less: Accumulated depreciation	-	(1,650,937,458)	(4,140,175,285)	(4,704,692,504)	(783,583,364)	-	(11,279,388,611)
Net book amount	**5,688,542,900**	**2,880,690,262**	**8,227,051,007**	**2,564,648,439**	**234,559,130**	**1,094,511,561**	**20,690,003,300**

10 Deferred plantation costs - palm, net

	2021 LAK	2020 LAK
Opening balance	25,104,577,522	23,056,340,152
Addition	655,277,107	2,882,594,423
Write-off deferred plantation costs	(905,305,699)	-
Less: Amortization	(912,156,452)	(834,357,053)
Ending balance	**23,942,392,478**	**25,104,577,522**
As at 31 December		
Deferred plantation cost	27,800,770,978	28,050,799,570
Less: Accumulated amortization	(3,858,378,500)	(2,946,222,048)
	23,942,392,478	**25,104,577,522**

11 Trade and other payable

	2021 LAK	2020 LAK
Trade payable	-	1,705,485,150
Other payable(i)	631,955,692	629,692,949
	631,955,692	**2,335,178,099**

(i) Other payable mainly represented the professional fee and transportation fee. This amount consists of payable to OPG Tech amounted to LAK 45,387,600 (2020: LAK 46,407,447).

12 Other current liabilities

	2021 LAK	2020 LAK
Accrued payroll cost	15,084,938	16,035,245
	15,084,938	**16,035,245**

13 Borrowings

As at 31 December 2021, the Company has outstanding balance, short term borrowing from SAI GON - HA NOI BANK LAO LIMITED (SHB).

As at 31 December 2021, the outstanding balance of borrowings is listed in table below:

Total facility (LAK)	Drawdown (LAK)	Repayment (LAK)	Outstanding balance (LAK)	Maturity and repayment term	interest rate per annum	Collaterals
3,446,800,000	6,968,780,000	(6,928,063,200)	3,487,516,800	12 Months, principal and interest are payable on monthly basis.	9%	1. Land lots no. 474, amount LAK 971,520,000 2. Land lots no. 473, amount LAK 1,140,301,400 3. Land lots no. 362, amount LAK 325,983,500

14 Finance leases liability

	2021 LAK	2020 LAK
Current		
Current portion of finance leases	728,710,009	587,576,060
Non-current		
Finance leases	268,410,810	851,426,087
	997,120,819	**1,439,002,147**

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

15 Share capital

	Number of Shares Shares	Ordinary Shares LAK	Share premium LAK	Total LAK
At 1 January 2020	100,000,000	50,000,000,000	3,269,466,406	53,269,466,406
New shares issued	-	-	-	-
As at 31 December 2020	**100,000,000**	**50,000,000,000**	**3,269,466,406**	**53,269,466,406**
At 1 January 2021	100,000,000	50,000,000,000	3,269,466,406	53,269,466,406
New shares issued	-	-	-	-
As at 31 December 2021	**100,000,000**	**50,000,000,000**	**3,269,466,406**	**53,269,466,406**

As at 31 December 2021, the total number of authorised ordinary shares is 100,000,000 shares with a par value of LAK 500 per share (2020: 100,000,000 shares with a par value of LAK 500 per share). All issued shares are paid.

16 Legal reserve

	2021 LAK	2020 LAK
At 1 January	907,166,353	907,166,353
Appropriation during the year	-	-
At 31 December	**907,166,353**	**907,166,353**

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.

17 Revenue from sales and services

	2021 LAK	2020 LAK
Sale revenue - Trading[(i)]	17,383,046,233	31,184,610,222
Sale revenue - Palm sapling	87,875,000	312,420,000
	17,470,921,233	**31,497,030,222**

(i) The sale revenue-trading is mainly from sale of palm oil product, biodiesel and monosodium glutamates.

18 Expenses by natures

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

	2021 LAK	2020 LAK
Cost of finished goods sold	12,047,994,992	27,710,611,752
Salaries/Payroll expenses	1,834,025,345	1,858,007,250
Depreciation and amortization expenses (Note 9 and 10)	3,197,227,290	3,229,863,347

19 Income tax expense

In accordance with Lao tax laws, the Company 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 2021, the Company recognised income tax expense in statement of income is nil (2020: nil).

20 Earnings per share

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

	2021	2020
Loss attributable to ordinary shareholders (LAK)	(2,849,214,870)	(2,985,242,670)
Weighted average number of ordinary shares outstanding (Shares)	100,000,000	100,000,000
Basic earnings per share (LAK per share)	(28)	(30)

21 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 Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company 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.

The following significant transactions during the year were carried out with related parties.

21.1 Purchases of goods

	2021 LAK	2020 LAK
Purchases of goods and others from:		
OPG Tech	-	7,653,474,287

21.2 Outstanding balances arising from purchases of goods and other transactions

	2021 LAK	2020 LAK
Payable related to :		
OPG Tech	45,387,600	1,539,643,347

As at 31 December 2021, payable to OPG Tech mainly represents the unpaid balance for purchase palm crusher from OPG Tech in the prior year.

22 Commitment

As at 31 December 2021, the Company had significant operating lease commitments for the land concession at Vientiane and Salavan provinces for 30 years and house rental contract for 10 years.

	2021 LAK	2020 LAK
Less than one year	137,933,607	114,661,011
More than one year and less than five years	247,376,612	294,889,645
More than five years	1,352,947,532	1,124,673,928
	1,738,257,751	**1,534,224,584**

23 Events after the reporting date

There are no events after the reporting date that require disclosure or adjustment in the financial statements of the Company.