

Petroleum Trading Lao Public Company

Interim Consolidated financial statements **(Unaudited)**
As at and for the nine-months period ended 30 September 2017

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Petroleum Trading Lao Public Company

GENERAL INFORMATION

THE COMPANY

Petroleum Trading Lao Public Company ("the Company"), formerly known as Petroleum Trading Lao Company Limited, is a company incorporated in Lao PDR in accordance with the Enterprise Registration No. 0458 issued by the Enterprise Registration Office, Domestic Trade Department of the Ministry of Industry and Commerce on 3 October 2008 and the subsequent amendments, with the latest is the Registration No. 508 dated 5 December 2014 issued by the Enterprise Registration Office, Department of Enterprise Registration and Management of the Ministry of Industry and Commerce.

The Company's head office is located at KamphaengMueang Street, Phonthanvillage, Xaysetthadistrict, Vientiane capital, Lao PDR.

The Company also has 5 depot branches which are located in Vientiane Capital, Bolikhamxay province, Savanakhet province, Sayyabouly province and Champasack province, Lao PDR.

The principal activities of the Company are to distribute fuel and petroleum products.

BOARD OF DIRECTORS

Members of the Board of Directors during the period and at the date of this report are:

Mr. VangRattanavong	**Chairman (*)**
Mrs. SavanhthongPhongsavanh	**Vice Chairman**
Mr. Chanthone Sitthixay	**Vice Chairman**
Mrs. Daly Pholsena	**Director (*)**
Mr. NouphanMahaphone	**Director (*)**
Mrs. Chanthadom Meksavanh	**Director**
Mr. Bounthanh Chittavong	**Director**
Mr. Phoxay Chanthavongsa	**Director**
Mr. Viengkhone Sitthixay	**Director**

(*) Independent Directors.

MANAGEMENT

Members of the management of the Company during the period and at the date of this report are:

Mr. Chanthone Sitthixay	**Chief Executive Officer**
Mrs. Chanthadom Meksavanh	**Acting Chief Financial Officer**
Mr. Phoxay Chanthavongsa	**Internal Auditor**
Mr. Bounthanh Chittavong	**Acting Chief Operating Officer**
Mr. Takounsin Xaphackdy	**Director of Commercial**
Mr. BounyuenDuangsone	**Director of Administration**
Mrs. SengdueanKiosouvath	**Director of Accounting**

GENERAL INFORMATION (continued)

AUDIT COMMITTEE

Members of the audit committee during the period and at the date of this report are:

Mr. VangRattanavong	**Chairman**
Mrs. Daly Pholsena	**Vice Chairman**
Mr. NouphanMahaphone	**Member**

LEGAL REPRESENTATIVE

The legal representative of the Company during the period and at the date of this report is Mr. Chanthone Sitthixay, Vice Chairman and Chief Executive Officer.

The management of Petroleum Trading Lao Public Company ("the Company") presents its report and the Company's interim consolidated financial statements for the nine-month period ended 30 September 2017.

STATEMENT OF THE MANAGEMENT'S RESPONSIBILITY IN RESPECT OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The Company's management is responsible for the preparation of the interim consolidatedfinancial statements which have been prepared in accordance with the accounting policies as described to the interim consolidated financial statements. These accounting policies are not intended to present the interim consolidated financial position, the interim consolidated results of operations and the interim consolidated cash flows of the Company in accordance with international generally accepted accounting principles. In preparing those interim consolidated financial statements, the Company's management is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the interim consolidated financial statements; and
- Prepare the interim consolidated financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue its business.

The Company's management is responsible for ensuring that proper accounting records are kept which disclose, with reasonable accuracy at any time, the interim consolidated financial position of the Company and for ensuring that the interim consolidated financial statements comply with the selected accounting policies. It is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Company's management has confirmed that the Company has complied with the above requirements in preparing the accompanying interim separate financial statements.

APPROVAL OF THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

We hereby approve the accompanying interim consolidated financial statements for the nine-month period ended 30 September 2017 which are prepared in accordance with the accounting policies as described the interim separate financial statements.

On behalf of the Company's management:

Petroleum Trading Lao Public Company

Chanthone Sitthixay
Chief Executive Officer

Vientiane Capital, Lao PDR

9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

Currency: LAK

	Notes	Unaudited 30 September 2017	Audited 31 December 2016
Assets			
Current assets			
Cash and cash equivalents	5	3,465,079,970	77,887,019,913
Trade receivables,net	6	95,123,607,174	124,876,369,782
Inventories,net	7	12,772,594,351	73,651,625,172
Short-term loan to related parties	12	9,744,123,271	5,976,877,700
Other current assets	8	74,101,865,787	64,805,011,025
Total current assets		**195,207,270,553**	**347,196,903,592**
Non-current assets			
Property, plant and equipment,net	9	299,976,663,581	289,109,846,501
Intangible assets,net	10	6,733,990,098	5,368,265,352
Investment properties,net	11	154,693,992,217	156,087,051,056
Long-term loans to related parties	12	30,983,871,084	32,123,065,571
Other non-current assets	13	43,211,981,860	50,302,864,594
Total non-current assets		**535,600,498,840**	**532,991,093,074**
Total assets		**730,807,769,393**	**880,187,996,666**

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2017

Currency: LAK

	Notes	Unaudited 30 September 2017	Audited 31 December 2016
Liabilities and shareholder's equity			
Liabilities			
Current liabilities			
Trade payables	14	32,274,674,702	133,984,146,982
Tax payable	15	1,535,421,889	3,046,094,593
Short-term borrowings	16	160,438,571,221	123,598,400,000
Other current liabilities	17	4,869,578,301	2,652,553,609
Total current liabilities		**199,118,246,113**	**263,280,195,184**
Non-current liabilities			
Long-term borrowings	16	135,217,752,125	162,024,840,000
Total non-current liabilities		**135,217,752,125**	**162,024,840,000**
Total liabilities		**334,335,998,238**	**425,306,035,282**
Shareholders' equity			
Share capital	18	470,000,829,167	470,000,829,167
Share premium		27,638,932,340	27,638,932,340
Common control reserve		(898,908,935)	(898,908,935)
Translation		(45,002,560)	(32,603,350)
Retained earnings		(105,915,712,088)	(47,515,505,448)
Appropriated - legal reserve		3,708,530,712	3,708,530,712
Other reserve fund		1,977,267,979	1,977,267,979
Equity attributable to owners of the parent		**396,465,936,614**	**454,877,759,582**
Non-controlling interests		5,834,539	4,201,900
Total shareholders' equity		**396,471,771,153**	**454,881,961,482**
Total shareholders' equity and liabilities		**730,807,769,393**	**880,187,996,666**

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2017

Currency: LAK

	Notes	*Unaudited For the three – month 30 September 2017*	*Unaudited For the nine – month 30 September 2017*
Sales		190,023,132,336	639,776,132,336
Cost of sales		(174,975,759,652)	(596,500,759,652)
Gross profit		**15,047,372,684**	**43,275,372,684**
Other incomes		4,607,474	948,607,474
Selling expenses		(5,501,110,463)	(16,359,110,463)
Administrative expenses		(16,763,379,315)	(54,926,379,315)
Other expenses		6,753,630	(5,246,370)
Operating profit (loss)		**(22,253,128,674)**	**(70,342,128,674)**
Finance incomes		2,805,454,852	8,554,454,852
Finance expenses		(11,926,090,079)	(39,833,090,079)
Profit (loss) before income tax		**(31,373,763,901)**	**(58,345,391,217)**
Income tax expenses	19		-
Profit/loss for the period		**(16,326,391,217)**	**(58,345,391,217)**
Loss attributable to			
Owners of the parent		(16,324,758,578)	(58,339,556,678)
Non-Controlling interests		(1,632,639)	(5,834,539)
Earnings per share			
Basic earnings per share	20	(69)	(248)

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2017

Currency: LAK

		Attributable to owners of the parent							
	Note	Share capital	Share premium	Common control reserve	Legal reserves	Translation of financial statements	Unappropriated retain earnings	Non-controlling interests	Total
Opening balance at 1 July 2017-audited	18	**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**5,685,798,691**	**(33,781,468)**	**(89,591,320,440)**	**(5,470,056)**	**412,862,813,068**
Translation of foreign operation		-	-	-	-	-	-	-	-
Loss for the period		-	-	-	-	-	-	-	-
Closing balance at 30 September 2017-unaudited		**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**5,685,798,691**	**(33,781,468)**	**(89,591,320,440)**	**(5,470,056)**	**412,862,813,068**

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE NINE-MONTHS PERIOD ENDED 30 SEPTEMBER 2017

Currency: LAK

		Attributable to owners of the parent							
	Note	Share capital	Share premium	Common control reserve	Legal reserves	Translation of financial statements	Unappropriated retain earnings	Non-controlling interests	Total
Opening balance at 1 January 2017- Audited	18	**470,000,829,167**	**27,638,932,340**	**(898,908,935)**	**5,685,798,691**	**34,000,000**	**(47,576,000,000)**		**454,816,495,852**
Loss for the period		-	-	-	-	**(11,002,560)**	(58,339,556,678)	(5,834,539)	(58,344,724,699)
Appropriation		-	-	-	-	-	-	-	-
Dividend paid		-	-	-	-	-	-	-	-
Translation		-	-	-	-	-	-	-	-
Business combination involving entries under common control		-	-	-	-	-	-	-	-
Closing balance at 30 September 2017- Unaudited		**470,000,829,167**	**27,638,932,340**	**(898,908,935)**	**5,685,798,691**	**(45,002,560)**	**(105,915,712,088)**	**(5,834,539)**	**396,471,771,153**

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED 30 JUNE 2017

Currency: LAK

	Notes	*Unaudited* *For the three – month 30 September 2017*	*Unaudited* *For the Nine – month 30 September 2017*
Cash flow from operating activities:			
Net loss before income tax for the period		(16,326,391,217)	(58,345,391,217)
Adjustments to reconcile net profit (loss) to net cash			
Depreciation and amortisation	9,10, 11	5,454,205,069	17,423,049,300
Reversal provision for inventories		-	897,000,000
Allowance for doubtful		-	718,066,075
Interest received from loan to related parties		-	-
Unrealized from exchanged (gain) loss		(264,464,514)	(192,064,216)
Other tax and statutory tax paid		-	-
Operating profit (loss) before working capital changes		**(11,136,650,662)**	**(39,499,340,058)**
Changes in operating assets and liabilities			
Trade receivables		(8,972,858,727)	29,034,696,533
Inventories		17,454,925,312	59,982,030,821
Increase in other current assets		(3,482,254,222)	(9,296,854,762)
Increase in other noncurrent assets		1,458,984,788	7,090,882,734
Corporate income tax paid		-	(1,509,495,365)
Interest expenses		62,824,713	
Other current liabilities		1,269,735,710	2,215,847,255
Increase in trade and other payables		5,397,602,897	(103,948,135,266)
Net cash generated from operating activities		**2,052,309,809**	**(66,539,788,103)**
Cash flows from investing activities :			
Acquisitions of fixed assets	9,10, 11	(8,620,189,761)	(26,029,836,610)
Loans to other companies	23	(105,541,084)	(2,628,051,084)
Net cash (used in) /from investing activities		(8,725,730,845)	(28,657,887,694)

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE NINE-MONTH PERIOD ENDED 30 JUNE 2017

Currency: LAK

	Notes	Unaudited *For the three – month 30 September 2017*	Unaudited *For the Nine – month 30 September 2017*
Cash flows from financing activities :			
Proceeds from borrowings	16	1,325,816,245	36,777,983,721
Repayment of borrowings	16	-	(26,807,087,875)
Dividends paid		-	-
Net cash from (used in) financing activities		**1,325,816,245**	**9,970,895,846**
Net increase/(decrease) in cash and cash equivalents		(5,347,604,792)	(74,617,359,956)
Cash and cash equivalent at the beginning of the period		8,525,614,748	77,887,019,913
Exchange gains/(losses) on cash and cash equivalents		287,070,000	195,420,000
Cash and cash equivalent at the end of the period		3,465,079,956	3,465,079,957
Significant non-cash items			
Account payables for fixed assets		**2,238,662,986**	**2,238,662,986**

Chanthone Sitthixay
Chief Executive Officer
Date: 9 November 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 9 November 2017

1. General information

Petroleum Trading Lao Public Company (the Company) and its subsidiary which are Petroleum Trading Lao Company (together, the Group)is a listed company in the Lao Securities Exchange and limited companies incorporated and resident in Lao PDR. The Company was incorporated and registered with the Ministry of Industry and Commerce on 3 October 2008.

The Company's head office is located at KamphaengMueang Street, Phonthan village, Xaysettha district, Vientiane capital, Lao PDR. The Company also has 5 depot branches which are located in Vientiane capital, Bolikhamxay, Savannakhet, Sayyabouly and Champasack provinces, Lao PDR.

The Company acquired 99.99% of interest in Petroleum Trading Lao Company Limited which is incorporated in Thailand in June 2016.

The principle activities of the Group are to distribute fuel, petroleum products and provide warehouse services.

This interim consolidated financial information was authorised for issue by the Board of Directors on 30 December 2017.

This interim consolidated financial information has been reviewed, not audited.

2. Basis of preparation and accounting policies

Thecondensed interim consolidated financial information was prepared in accordance with the Group's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2016. The primary financial information (i.e. consolidated statements of financial position, consolidated statements of income, consolidated statements of changes in shareholder's equity and consolidate statements of cash flows) are in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

According to the Accounting Law and Regulation on accounting and auditing in securities sector under Securities Commission Office in Lao P.D.R., all listed companies are required to prepare its financial statements in accordance with International Financial Reporting Standards (IFRSs) as generally accepted accounting principles. At present, Securities Commission Office is still flexible and allows listed companies to apply their own significant accounting policies, but they also encourage listed companies to fully adopt the IFRSs as it will be enforced in the future. In Lao PDR, there are significant differences between the companies' own accounting policies and the IFRSs, in many areas such as property, borrowing, plant and equipment, leases, employee benefit, current and deferred income tax, financial instruments, consolidated financial statements, business combinations and pre-operation costs. Hence, users of the financial statements should therefore be aware and understand these differences and how these will affect their interpretation and decision making.

The interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

3. Estimates

The preparation of condensed interimconsolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this interimconsolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

4. Reclassification

During nine-month period ended 30 September 2017, the management reconsiderdthe nature of accounts and revised the grouping in the interim consolidated financial information since the financial information will present more properly. Therefore the comparative figures were reclassified for comparative purpose.

The reclassification is as below:

Statements of financial position:

Currency: LAK

	31 December 2016 – as previous report	Reclassification	31 December 2016- revised
Cash and cash equivalents	77,903,746,736	(16,716,823)	77,887,019,913
Trade receivables, net	124,189,805,181	686,564,601	124,876,369,782
Short-term loan to related parties	-	5,976,877,700	5,976,877,700
Other current assets	24,266,232,405	40,538,778,620	64,805,011,025
Property plant and equipment, net	139,532,482,781	149,577,363,720	289,109,846,501
Intangible assets, net	130,020,912,193	(124,652,746,841)	5,368,165,352
Other non-current assets	13,219,008,804	37,083,855,790	50,302,864,594
Trade payables	125,724,235,612	8,259,911,370	133,984,146,982
Tax payables	3,044,584,590	1,510,003	3,046,094,593
Others current liabilities	1,977,996,301	674,557,397	2,652,553,707

5. Cash and cash equivalents

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Cash on hand	157,958,040	66,213,269
Cash at bank *	3,307,121,930	77,820,806,644
	3,465,079,970	**77,887,019,913**

6. Trade receivables, net

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Trade receivables from related parties (Note 21,iii)	8,402,279,692	14,229,983,180
Trade receivables – third parties	92,076,893,070	115,283,886,118
Less: Allowance doubtful account	(5,355,565,589)	(4,637,499,516)
	95,123,607,173	**124,876,369,782**

7. Inventories, net

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Fuel	10,638,455,385	72,598,960,929
Lubricant	1,472,127,639	1,208,535,095
Office supply	662,011,327	740,524,440
Less: Allowance for impairment based on net realisable value	-	(896,395,292)
	12,772,594,351	**73,651,625,172**

8. Other current assets

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Other receivables - related parties (Note 21,iii)	35,590,158,361	32,185,512,042
Advance to suppliers	10,808,815,146	13,837,175,130
Advance to related parties	-	111,615,011
Deposits to suppliers	23,232,852,942	15,728,279,610
Advance to employees	2,879,293,574	2,126,449,912
Value Added Tax Receivables	463,646,787	15,979,321
Advance profit tax payment	1,127,098,976	800,000,000
	74,101,865,786	**64,805,011,026**

9. Property, plant and equipment, net

Currency: LAK

	30 September 2017
Opening net book value	296,504,360,478
Additions	9,866,807,052
Disposals	-
Transfer-out	-
Depreciation charge	(6,394,503,949)
Closing net book value	**299,976,663,581**

During nine-month period ended 30September 2017, the land use rights have been reclassified from intangible asset to property, plant and equipments, since landownership were formally transferred to the Company.

10. Intangible assets, net

Currency: LAK

	30 September 2017
Opening net book value	7,023,341,845
Additions	-
Amortisation charge	(289,351,747)
Closing net book value	**6,733,990,098**

11. Investment properties, net

Currency: LAK

	30 September 2017
Opening net book value	154,540,000,000
Additions	154,097,529
Depreciation charge	(105,312)
Closing net book value	**154,693,992,217**

12. Loans to related parties

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Current		
Short-term loan to related parties (Note 21, v)	9,744,123,271	5,976,877,700
Non-current		
Long term loan to related parties (Note 21, v)	30,983,871,084	32,123,065,571
	40,727,994,355	**38,099,943,271**

13. Other non-current assets

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Prepaid land rental	27,919,743,860	39,957,864,594
Advance for gas stations	15,292,238,000	10,345,000,000
	43,211,981,860	**50,302,864,594**

14. Trade payables

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Trade payables	(32,274,674,702)	(133,984,146,982)
Trade payables – related parties (Note 21,iii)	-	-
	(32,274,674,702)	**(133,984,146,982)**

15. Tax payables

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Value Added Tax payables	(1,292,824,795)	(879,520,492)
Personnel income tax payables	(106,065,760)	(93,348,552)
Other taxes and statutory payables *	(136,531,335)	(2,073,225,549)
	(1,535,421,890)	**(3,046,094,593)**

(*) Other taxes and statutory payables mainly consist of road tax, excise tax, import tax, statutory fuel-price stabilizing reserve fund.

16. Borrowings

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Current		
Borrowings from financial institutions	(160,438,571,221)	(123,598,400,000)
Non-current		
Borrowings from financial institutions	(135,217,752,125)	(162,024,840,000)
	(295,656,323,346)	**(285,623,240,000)**

17. Other current liabilities

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Accural and others provision expense	(1,382,137,911)	(1,090,308,894)
Advance from customers	(2,251,361,306)	(886,279,419)
Other accrued and payables	(1,236,079,084)	(675,965,296)
	(4,869,578,301)	**(2,652,553,609)**

18. Share capital

Shares of the Company (under the ticker "PTL") have been officially listed in Lao Securities Exchange since 10 December 2014, in accordance with Listing License No. 005 dated 26 November 2014. The par value of the share is LAK 2,000.

There were no additional share issued or decreased during the period nine-months 30 September 2017.

19. Income taxes

The tax privileges given to LSX listed companies mean the Company is entitle to a further reduction to the rate of 5% during the initial 4 years from the date of Company's registration in Lao Securities Exchange (commencing from the year 2014 to 2017) in accordance with the Enactment of the President of Lao PDR regarding Income Tax and Fee for Securities and Exchange, No. 1/ President, date 28 December 2010 and the Tax Law issued on 15 December 2015.

20. Basic earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to shareholder by the weight average number of ordinary share in issue during the period.

Currency: LAK

	Unaudited For the three –month 30 September 2017	*Unaudited For the Nine –month 30 September 2017*
Profit attributable to ordinary share (LAK)	**(16,326,391,217)**	**(58,345,391,217)**
Weighted average number of ordinary share in issue (share)	235.000.000	235.000.000
Basic earnings per share (LAK)	**(69)**	**(248)**

21. Related party transactions

Enterprise 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. Related parties also include (a) associates and individuals owning,directly or indirectly, a voting interest in the Company that gives them significant influence over the enterprise, (b) key management personnel, including directors and officers of the Company and their close family members, and (c) companies associated with those under (a) and (b).In considering each possible related party relationship, attentions is directed to the substance of the relationship, and not merely the legal form.

The following material transactions were carried out related parties.

i) Sales of goods and services

	Unaudited 30 September 2017	Unaudited 31 December 2016
Sales of goods to:		
Other related parties	**234,069,780,487**	**67,979,779,999**

ii) Purchases of goods and services

	Unaudited 30 September 2017	Unaudited 31 December 2016
Purchase of services from:	6,795,691,980	3,141,389,234
Other related parties	4,718,225,101	9,440,028,709
	11,513,917,081	**12,581,417,943**

iii) Outstanding balances arising from sales/purchases of goods/services

	Unaudited 30 September 2017	Audited 31 December 2016
Receivables from:		
Key management	22,497,682,340	22,497,682,340
Other related parties	38,588,555,377	38,588,555,377
Total receivable from related parties, net	**61,086,237,717**	**22,497,727,702**
Payables to:	856,903,080	117,835,877
Key management	166,912,193	186,115,193
Other related parties	3,518,624,263	2,155,323,039
	4,542,439,536	**2,459,274,109**

21. Related party transactions (continued)

iv) Borrowing from related parties

	Unaudited 30 September 2017	Audited 31 December 2016
Affiliate:		
Phongsavanh Bank		
i) Short-term borrowings	119,400,000,000	109,598,400,000
ii) Long-term borrowings	103,007,000,000	99,144,840,000
	222,407,000,000	**208,743,240,000**

v) Loan to related parties

	Unaudited 30 September 2017	Audited 31 December 2016
Loan to		
Key management	9,744,123,271	5,976,877,700
Other related parties	30,983,871,084	32,123,065,571
	40,727,994,355	**38,099,943,271**

Loan to key management and other related parties has no interest fee but with a specified repayment date.

22. Commitments and contingencies

Operating lease commitments – where the Company is the lease.

The Group lease land under non-cancellable operating lease agreements. The minimum lease commitment as at the balance sheet dates under the operating lease agreements is as follows:

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Less than 1 year	-	27,508,833,968
From 1-5 years	3,785,520,420	5,995,796,000
More than 5 years	12,699,491,242	20,631,927,000
	16,485,011,662	**54,136,556,968**

Operating lease commitment where the Company is the lessor

The Group lets out gas stations and office under operating lease arrangements. The minimum future rental receivables as at the balance sheet dates under these operating lease agreements are as below:

Currency: LAK

	Unaudited 30 September 2017	Audited 31 December 2016
Less than 1 year	1,589,400,000	2,684,374,656
From 1-5 years	7,947,000,000	9,175,200,000
More than 5 years	3,490,810,000	5,221,600,000
	13,027,210,000	**17,081,174,656**

Capital expenditure commitments

As at 30 September 2017, the Group has outstanding contractual commitment for the construction of gas stations amount to approximately LAK 833,021,384 million.

23. Supplementary information

The figure shown in related condensed consolidated financial information below are only additional information particularly for comparative balance for the three-month 30 September 2017 and nine-month 30 September 2017 of the Group's financial information. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

Consolidated statement of income for the three-month period 30 June 2017 and 2016;

Currency: LAK

	Unaudited For the three – month 30 September 2017	*Unaudited For the nine – month 30 September 2017*
Sales	190,023,132,336	639,776,132,336
Cost of sales	(174,975,759,652)	(596,500,759,652)
Gross profit	**15,047,372,684**	**43,275,372,684**

23. Supplementary information (continued)

Other incomes	4,607,474	948,607,474
Selling expenses	(5,501,110,463)	(16,359,110,463)
Administrative expenses	(16,763,379,315)	(54,926,379,315)
Other expenses	6,753,630	(5,246,370)
Operating profit (loss)	**(22,253,128,674)**	**(70,342,128,674)**
Finance income	2,805,454,852	8,554,454,852
Finance expenses	(11,926,090,079)	(39,833,090,079)
Profit(loss) before incomes tax	**(16,326,391,217)**	**(58,345,391,217)**
Income tax expenses	-	-
Profit for the period	**(16,326,391,217)**	**(58,345,391,217)**

24. Events occurring after the reporting date

There is no any significant subsequent event the would impact the financial statements.