PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES



INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

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AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM CONSOLIDATED FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Petroleum Trading Lao Public Company

We have reviewed the interim consolidated financial information of Petroleum Trading Lao Public Company (the Company) and its subsidiary (the Group). These comprises the consolidated statements of financial position as at 30 June 2018, and the related consolidated statements of income, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim consolidated financial information. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with the Company's accounting of principles as described in Note 2 to the interim consolidated financial information. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the significant accounting principles described in Note 2 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with the significant accounting principles described in Note 2 to this interim consolidated financial information.

For PricewaterhouseCoopers (Lao) Sole Company Limited



Apisit Thiengtrongpinyo
Partner

Vientiane, Lao PDR
Date: 28 August 2018

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Assets			
Current assets			
Cash and cash equivalents	4	3,328,324,600	8,281,373,673
Trade accounts receivable, net	5	104,374,772,968	104,404,189,804
Inventories, net	6	14,035,096,272	10,096,414,860
Short-term loan to related parties	19 v)	19,015,704,269	16,337,608,447
Other current assets	7	57,727,750,783	57,805,442,022
Total current assets		198,481,648,892	196,925,028,806
Non-current assets			
Property, plant and equipment, net	8	263,762,750,579	269,317,540,947
Intangible assets, net	9	7,334,453,323	7,804,109,546
Investment properties, net	10	178,067,685,114	180,903,625,951
Long-term loans to related parties	19 v)	21,864,219,002	24,471,734,824
Other non-current assets	11	50,149,437,028	43,945,103,950
Total non-current assets		521,178,545,046	526,442,115,218
Total assets		**719,660,193,938**	**723,367,144,024**

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

Chanthadom Meksavanh
Acting Chief Finance Officer

Date: 28 August 2018

The notes to the interim consolidated financial information on pages 8 to 17 form an integral part of these interim consolidated financial information.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2018

	Notes	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade accounts payable	12	65,032,400,522	30,593,750,899
Tax payables	13	2,615,596,845	3,050,165,848
Short-term borrowings	14	280,234,828,571	274,031,960,000
Other current liabilities	15	6,172,853,265	7,465,924,644
Total current liabilities		354,055,679,203	315,141,801,391
Non-current liabilities			
Long-term borrowings	14	21,698,571,429	32,600,000,000
Total non-current liabilities		21,698,571,429	32,600,000,000
Total liabilities		375,754,250,632	347,741,801,391
Equity			
Share capital	16	470,000,000,000	470,000,000,000
Share premium		27,638,932,340	27,638,932,340
Common control reserve		(898,908,935)	(898,908,935)
Translation		214,720,406	114,046,477
Retained earnings			
Appropriated-legal reserve		3,708,530,711	3,708,530,711
Other reserve		1,977,267,979	1,977,267,979
Unappropriated		(158,734,509,173)	(126,914,435,917)
Equity attributble to owners of the parent		**343,906,033,328**	**375,625,432,655**
Non-controlling interest		(90,022)	(90,022)
Total equity		**343,905,943,306**	**375,625,342,633**
Total liabilities and equity		**719,660,193,938**	**723,367,144,024**

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

Chanthadom Meksavanh
Acting Chief Finance Officer

Date: 28 August 2018

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	Notes	Unaudited 30 June 2018 LAK	Unaudited 30 June 2017 LAK
Sales		588,177,355,305	449,753,107,184
Cost of sales		(566,816,207,326)	(421,525,426,037)
Gross profit		21,361,147,979	28,227,681,147
Other income		11,727,636,351	3,464,044,097
Selling expenses		(11,135,743,827)	(10,857,663,155)
Administrative expenses		(28,990,830,684)	(50,418,108,383)
Operating loss		(7,037,790,181)	(29,584,046,294)
Finance expenses		(24,782,283,075)	(12,435,102,118)
Net loss before income tax expenses		(31,820,073,256)	(42,019,148,412)
Income tax expenses	17	-	-
Net loss for the period		**(31,820,073,256)**	**(42,019,148,412)**
Loss attributable to			
Owners of the parent		(31,820,073,256)	(42,014,664,022)
Non- Controlling interest		-	(4,484,390)
		(31,820,073,256)	**(42,019,148,412)**
Earnings (loss) per share			
Basic earnings (loss) per share	18	(135)	(179)

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

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Acting Chief Finance Officer

Date: 28 August 2018

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	Share capital (Note 16) LAK	Share premium LAK	Common control reserve LAK	Appropriated legal reserve LAK	Translation LAK	Other reserve LAK	Unappropriated retained earnings LAK	Non-controlling Interest LAK	Total LAK
Opening balance at 1 January 2018 - Audited	**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**3,708,530,711**	**114,046,477**	**1,977,267,979**	**(126,914,435,917)**	**(90,022)**	**375,625,342,633**
Translation of foreign operation	-	-	-	-	100,673,929	-	-	-	100,673,929
Net loss for the period	-	-	-	-	-	-	(31,820,073,256)	-	(31,820,073,256)
Closing balance at 30 June 2018 - Unaudited	**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**3,708,530,711**	**214,720,406**	**1,977,267,979**	**(158,734,509,173)**	**(90,022)**	**343,905,943,306**
Opening balance at 1 January 2017 - Audited	**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**3,708,530,711**	**32,603,350**	**1,977,267,979**	**(47,576,373,943)**	**(90,022)**	**454,882,051,502**
Translation of foreign operation	-	-	-	-	1,000,000	-	-	-	1,000,000
Net loss for the period	-	-	-	-	-	-	(42,014,664,022)	(4,484,390)	(42,019,148,412)
Closing balance at 30 June 2017 - Unaudited	**470,000,000,000**	**27,638,932,340**	**(898,908,935)**	**3,708,530,711**	**33,603,350**	**1,977,267,979**	**(89,591,037,965)**	**(4,574,412)**	**412,863,903,090**

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

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Acting Chief Finance Officer

Date: 28 August 2018

The notes to the interim consolidated financial information on pages 8 to 17 form an integral part of these interim consolidated financial information.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	Notes	Unaudited 30 June 2018 LAK	Unaudited 30 June 2017 LAK
Cash flow from operating activities:			
Net loss before income tax for the period		(31,820,073,256)	(42,014,664,022)
Adjustments to reconcile net profit to net cash			
Depreciation and amortisation	8, 9,10	11,411,336,048	11,373,859,454
Reversal provision for inventory		(156,790,254)	(896,395,292)
Allowance for doubtful		2,518,454,974	(718,066,073)
Interest received from loan to related parties		1,317,785,186	-
Interest paid		(14,663,247,627)	(12,435,102,118)
Unrealized from exchanged (gain) loss		3,114,706,509	94,745,604
Other tax and statutory tax paid		(1,190,311,288)	(1,994,560,000)
Operating profit before working capital changes		(29,468,139,709)	(46,590,182,447)
Changes in operating assets and liabilities			
Trade accounts receivable		(2,489,038,138)	39,443,687,408
Inventories		(3,781,891,158)	44,320,500,802
Other assets		(7,444,427,025)	(182,702,592)
Trade accounts payble		34,705,477,044	(96,831,033,592)
Accured tax payables		755,742,285	422,239,922
Other payables		13,370,176,248	946,111,543
Net cash generate from (used in) operating activities		5,647,899,547	(58,471,378,956)
Cash flows from investing activities:			
Acquisitions of fixed assets	8	(2,550,948,620)	(16,889,743,735)
Loans to related parties	19	-	(2,618,000,000)
Net cash (used in) /from investing activities		(2,550,948,620)	(19,507,743,735)

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

Chanthadom Meksavanh
Acting Chief Finance Officer

Date: 28 August 2018

The notes to the interim consolidated financial information on pages 8 to 17 form an integral part of these interim consolidated financial information.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2018

	Unaudited 30 June 2018 LAK	Unaudited 30 June 2017 LAK
Cash flows from financing activities:		
Proceeds from borrowings	-	31,355,000,000
Repayment of borrowings	(8,050,000,000)	(22,737,000,000)
Net cash from (used in) financing activities	(8,050,000,000)	8,618,000,000
Net decrease in cash and cash equivalents	(4,953,049,073)	(69,361,122,691)
Cash and cash equivalents at the beginning of the year	8,281,373,673	77,887,019,913
Exchange gains/(losses) on cash and cash equivalents		
Cash and cash equivalents at the ending of the period	3,328,324,600	8,525,897,222
Significant non cash items		
Accounts payable for fixed assets	2,658,452,807	2,159,060,533

Chanthone Sitthixay
Chief Executive Officer

Date: 28 August 2018

Chanthadom Meksavanh
Acting Chief Finance Officer

Date: 28 August 2018

The notes to the interim consolidated financial information on pages 8 to 17 form an integral part of these interim consolidated financial information.

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 Kamphaeng Mueang 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.

As at the reporting date, the Group has restructuring the Company in accordance with the Decree on Petroleum Business no. 331/PM, dated 27 Oct 2017, issued by Ministry of Industry and Commerce (Note 22)

This interim consolidated financial information was authorised for issue by the Board of Directors on 28 August 2018.

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

2. Basis of preparation and accounting policies

The condensed 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 2017. 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 2017.

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 interim consolidated 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 interim consolidated 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 2017.

4. Cash and cash equivalents

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Cash on hand	82,595,187	161,258,860
Cash at bank	3,245,729,413	8,120,114,813
	3,328,324,600	**8,281,373,673**

5. Trade accounts receivable, net

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Trade receivables from related parties (Note 19,iii)	46,440,635,949	43,502,729,774
Trade receivables	64,055,530,478	66,257,025,619
	110,496,166,427	109,759,755,393
Less: Allowance doubtful accounts	(6,121,393,459)	(5,355,565,589)
	104,374,772,968	**104,404,189,804**

Outstanding trade receivables as at 30 June 2018 can be analysed as follow:

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Up to 5 months	78,047,081,457	74,295,804,595
6 months - 1 year	1,509,457,503	1,654,779,095
1 - 2 years	2,119,358,092	6,068,649,842
Over 2 years	28,820,269,375	27,740,521,861
	110,496,166,427	109,759,755,393
Less: Allowance doubtful accounts	(6,121,393,459)	(5,355,565,589)
	104,374,772,968	**104,404,189,804**

6. Inventories, net

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Fuel	11,269,621,119	7,442,665,919
Lubricant	1,168,718,428	1,351,643,042
Office supply	1,619,211,748	1,481,351,176
Less: Allowance for impairment based on net realisable value	(22,455,023)	(179,245,277)
	14,035,096,272	**10,096,414,860**

During the six-month period ended 30 June 2018, the provision of the allowance for impairment of inventories (lubricant) at Savannakhet warehouse amount to LAK156,790,254 were reversed since those inventories were sold out during the period.

7. Other current assets

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Other receivables - Related party*	39,958,367,347	36,631,272,841
Advance to suppliers	4,605,345,076	12,483,871,506
Deposits to suppliers	10,491,836,687	7,163,417,449
Advance to employees	60,866,992	88,436,702
Advance profit tax payment	1,146,878,179	937,673,311
Value Added Tax receivable**	308,139,002	500,770,213
Advance for investment***	1,156,317,500	-
	57,727,750,783	**57,805,442,022**

*Mainly consist of receivable from key management amount to LAK 22,497,682,340, advance to related parties amount to LAK 500,736,556 (Note 19, iii). The remaining represents interest receivables loan to related parties.

**Outstanding VAT receivable of subsidiary, Petroleum Trading Lao Company Limited, collecting from purchasing product and service for its Group.

***This represents the advance payment for consultancy fees, in which the Group paid in advance for the two new subsidiaries, Petrotrade (Lao) Company Limited and Petrotrade Retail (Lao) Company Limited.

8. Property, plant and equipment, net

	LAK
Opening net book value as at 1 January 2018 - Audited	269,317,540,947
Additions	2,550,948,620
Disposals	-
Transfer in (out)	(2,537,415,280)
Depreciation charge	(5,568,323,708)
Closing net book value as at 30 June 2018 - Unaudited	**263,762,750,579**

9. Intangible assets, net

	LAK
Opening net book value as at 1 January 2018 - Audited	7,804,109,546
Additions	-
Amortisation charge	(469,656,223)
Closing net book value as at 30 June 2018 - Unaudited	**7,334,453,323**

10. Investment properties, net

	LAK
Opening net book value as at 1 January 2018 - Audited	180,903,625,951
Transfer in (out)	2,537,415,280
Depreciation charge	(5,373,356,117)
Closing net book value as at 30 June 2018 - Unaudited	**178,067,685,114**

11. Other non-current assets

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Prepaid land rental*	43,572,199,028	37,263,028,090
Advance for gas stations	6,577,238,000	6,682,075,860
	50,149,437,028	**43,945,103,950**

*This mainly represents outstanding prepayment of land rental from related parties amount to LAK 11,238,174,346 (2017: LAK 11,238,174,346) (Note 19, iii)

12. Trade accounts payable

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Trade payables	55,683,839,933	23,498,501,881
Trade payables – related parties (Note 19,iii)	9,348,560,589	7,095,249,018
	65,032,400,522	**30,593,750,899**

13. Tax payables

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Value Added Tax payable	2,443,422,960	2,815,382,720
Personnel Income Tax payable	112,028,080	-
Other taxes and statutory payables*	60,145,805	234,783,128
	2,615,596,845	**3,050,165,848**

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

14. Borrowings

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Current		
Borrowings from financial institutions	280,234,828,571	274,031,960,000
Non-current		
Borrowings from financial institutions	21,698,571,429	32,600,000,000
	301,933,400,000	**306,631,960,000**

The current portion of borrowings included loan from related parties amount to LAK 251,303,400,000 (Note 19, iv).

15. Other current liabilities

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Advance from customers	2,096,195,102	2,317,457,896
Other accrued and payables	4,076,658,163	5,148,466,748
	6,172,853,265	**7,465,924,644**

16. 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 total shares as of 30 June 2018 is 235,000,000 shares with the par value of LAK 2,000 per share.

There were no additional share issued or decreased during the six-month period ended 30 June 2018.

17. 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.

18. Basic earnings (loss) per share

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

	Unaudited 30 June 2018 LAK	Unaudited 30 June 2017 LAK
Net loss attributable to ordinary share (LAK)	(31,820,073,256)	(42,014,664,022)
Weighted average number of ordinary share in issue (share)	235,000,000	235,000,000
Basic earnings (loss) per share (LAK)	(135)	(179)

19. 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 June 2018 LAK	Unaudited 30 June 2017 LAK
Sales of goods to:		
Other related parties	143,731,885,690	171,304,470,000

ii) Purchases of goods and services

	Unaudited 30 June 2018 LAK	Unaudited 30 June 2017 LAK
Purchase of services from:		
Other related parties	9,084,131,885	2,937,287,089

19. Related party transactions (continued)

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

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Receivables from:		
Key management (Note 7)	22,497,682,340	22,497,682,340
Other related parties*	63,901,320,955	70,065,957,430
	86,399,003,295	**92,563,639,770**

*This mainly consists of outstanding prepayment of land rental from related parties amount to LAK 11,238,174,346 (2017: LAK 11,238,174,346) (Note 11), trade receivable from related parties amount to LAK 46,440,635,949 (2017: LAK 43,502,729,774) (Note 5), advance to related parties amount to LAK 500,736,556 (2017:nil) (Note 7).

Payables to:		
Other related parties (Note 12)	9,348,560,589	7,095,249,018
	9,348,560,589	**7,095,249,018**

iv) Borrowing from related parties

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Affiliate:		
Phongsavanh Bank		
i) Short-term borrowings (Note 14)	251,303,400,000	247,951,960,000
ii) Long-term borrowings	-	-
	251,303,400,000	**247,951,960,000**

v) Loan to related parties

	2018 LAK	2017 LAK
As at 1 January - Audited	40,809,343,271	38,099,943,271
Addition	-	2,709,400,000
Translation	70,580,000	-
As at 30 June - Unaudited	**40,879,923,271**	**40,809,343,271**

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

vi) Key management compensation

The compensations paid to key management are as follows:

	Unaudited 30 June 2018 Million LAK	Unaudited 30 June 2017 Million LAK
Salaries and others	1,156	179

20. Commitments and contingencies

Operating lease commitments – where the Company is the lessee

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:

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Less than 1 year	9,763,286,440	9,698,040,000
From 1-5 years	5,197,056,420	5,170,324,420
More than 5 years	21,757,543,708	21,598,107,708
	36,717,886,568	**36,466,472,128**

Operating lease commitment where the Company is the lessor

The Group leases 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:

	Unaudited 30 June 2018 LAK	Audited 31 December 2017 LAK
Less than 1 year	1,968,000,000	1,968,000,000
From 1-5 years	9,840,000,000	9,840,000,000
More than 5 years	699,000,000	699,000,000
	12,507,000,000	**12,507,000,000**

21. Supplementary information

The figure shown in related condensed consolidated financial information below are only additional information particularly for comparative balance of 30 June 2018 and 30 June 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 2018 and 2017;

	Unaudited 30 June 2018 Million LAK	Unaudited 30 June 2017 Million LAK
Sales	290,459	212,439
Cost of sales	(281,237)	(189,488)
Gross profit	**9,222**	**22,951**
Other income	8,548	2,263
Selling expenses	(5,043)	(5,083)
Administrative expenses	(14,767)	(29,082)
Operating loss	**(2,040)**	**(8,951)**
Finance expenses	(9,248)	(6,198)
Net loss before income tax expenses	**(11,288)**	**(15,149)**
Income tax expenses	-	-
Net loss for the period	**(11,288)**	**(15,149)**

22. Events occurring after the reporting date

Investment in new subsidiaries

During the period, the Group invested 100% in two new subsidiaries, the purpose of investing is to restructure the Company in accordance to the Decree on Petroleum Business no. 331/PM, dated 27 Oct 2017, issued by Ministry of Industry and Commerce, mentioned in Article 10 the petroleum import and export company is to operate business on importation for wholesale to the domestic company and export to other countries; and Article 19 domestic distribution company is the company purchases petroleum from import and export companies, domestic production and processing company to distribute to the fuel station and customer.

Management understand the requirement of the Decree on the Petroleum Business, which would change in the business structure. The Company is now in processing of getting approval from the Lao Securities Commission Committee and Laos Securities Exchange, and management trusts that the authorities will approve the requested.

The Group estimated to contribute some of non-current assets (property, plant and equipment, intangible assets, and investment properties) to the new subsidiaries represented about 45% of its total balance for the six-month period ended 30 June 2018.

The Company's revenue from wholesale and retail fuel and lubricant distribution represented 100% of total revenue for the six-month period ended 30 June 2018. As at 30 June 2018, the consolidated financial statement is included significant item which may transfer to the two new subsidiaries in the future as below:

	Unaudited 30 June 2018 LAK
Trade accounts receivable, net	69,894,656,502
Inventories, net	13,593,586,366