PetroTrade

Half Year Reports of 2016

As of 30th June 2016

PetroTrade
ບໍລິສັດ ປີໂຕຣລັ້ມເທຣດດິ້ງລາວ ມະຫາຊົນ
ຖະໜົນກຳແພງເມືອງ, ບ້ານໂພນທັນ,ເມືອງໄຊເສດຖາ,ນະຄອນຫຼວງວຽງຈັນ
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ວິໄສທັດ/ Vision

ເປັນບໍລິສັດຊັ້ນນຳ ທາງດ້ານພະລັງງານເຊື້ອໄຟ ທີ່ຄົບວົງຈອນດ້ານຜະລິດຕະພັນປິໂຕຣລ້ຽມ ໃນສປປ ລາວ ແລະ ເຊື່ອມໂຍງການຄ້າໃນລະດັບອາຊຽນ ພາຍໃນ 5 ປີ.

Be a leader of Petroleum business in Lao PDR andlink the commcercialwith ASEAN within 5 years.

ພາລະກິດ / Mission

ສ້າງທຸລະກິດພະລັງງານເຊື້ອໄຟຂອງເອກະຊົນລາວທີ່ຄົບວົງຈອນເປັນທີ່ຍອມຮັບແລະເຊື່ອໝັ້ນຂອງສັງຄົມ ສາມາດເຊື່ອມໂຍງການຄ້າໃນລະດັບພູມມິພາກ, ສ້າງ ແລະ ແບ່ງປັນຜົນປະໂຫຍດຕໍ່ຜູ້ທີ່ມີສ່ວນກ່ຽວພັນ ແລະ ສັງຄົມ.

Create Lao private sector's petroleum business fully integration with accpepted and confidence for the end users, linked commercial in the region, create and sharing profitibilities of those involved and to the societies.





Petroleum Trading Lao Public Company in Brief

Petroleum Trading Lao Public Company ("Company" or "PTL"), was established by Mr. ChanthoneSitthixay and his wife Mrs. SavanhthongPhongsavanh whose are well-known businessperson in Lao PDR. They both have high experiences in many kinds of business, such as import/export business of various products in Lao PDR.

They have been to many area of the country, both urban area and remote area. Therefore, they have found the obstacle to access the source of energy or petroleum, especially in remote area. And the petroleum sold in the remote area would often be more expensive than the price that was set by government's organization causing them to realize the great level of consumption needed parallel with the growth of the economy which petroleum is an important factor in the country's development. With an intention of creating a gas station where it offers a good quality at a fair price, hence, PTL was founded by Mr. Chanthone on 3rd October 2008 with registered capital of LAK 28.8 billion to operate the business of importing petroleum and sell it through retail gas station, construction project, and Infrastructure project with head office at Ban Soununtha, Kaisonepomvihan district, Savannakhet province.

The Company has been importing the petroleum from well-known suppliers, such as, Chevron (Thailand) Limited (Chevron), ESSO (Thailand) Public Company Limited (ESSO), IRPC Public Company Limited (IRPC) and The Shell Company of Thailand Limited (Shell).

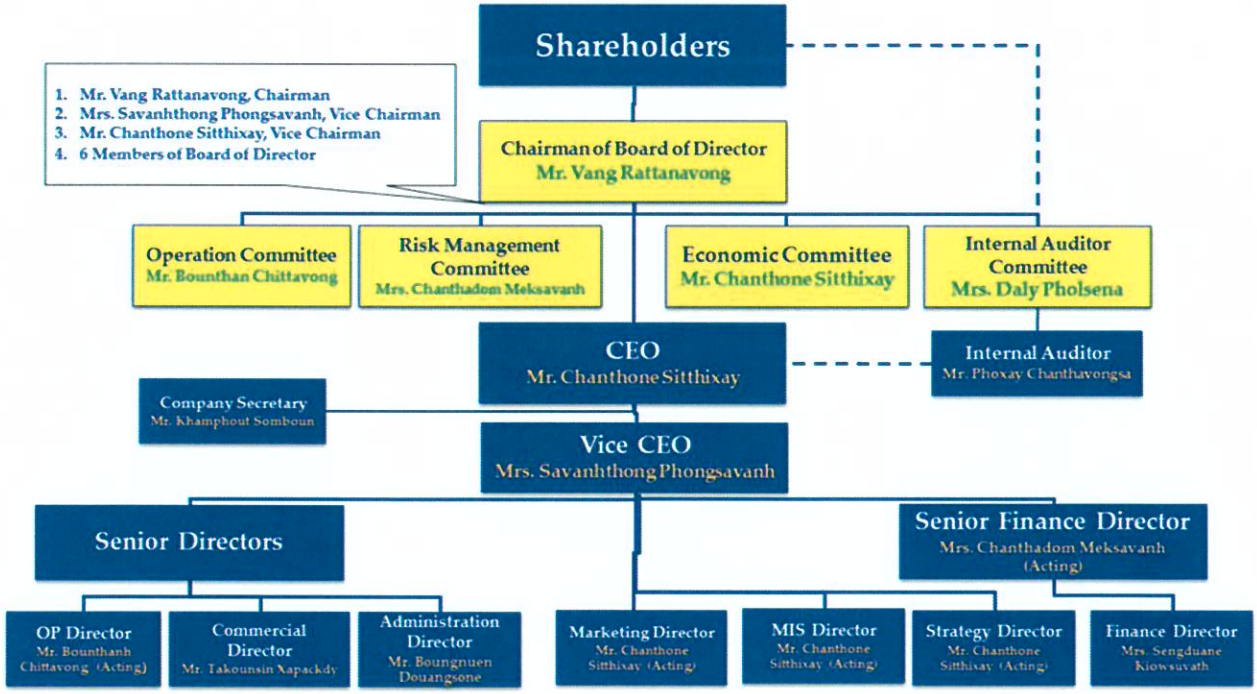
Year		Summary of highlighted events
2008	:	➢ Petroleum Trading Lao Public Company Limited (PTL) was established with registered capital: LAK 28.80 billion, 75% of shares were held by Mr. ChanthoneSitthixay and 25% were held by his wife Mrs. SavanhthongPhongsavanh. The business objectives are import and distribute petroleum products through the gas stations in Lao PDR.
2009	:	➢ Launched the first high standard gas station at Phon Than that is called the gas station "PLUS 1" ➢ Launched the first depotwhich is able to store the oil up to 700,000 liters in Savannakhet province
2010	:	➢ The Company has received the certificates of the international standard from United Kingdom Accreditation Service (UKAS), three types: ISO 9001:2008 Quality Management System,ISO 14001:2004Environmental Management Systems,and OHSAS 18001:2007Occupational Health and Safety Management Systems. ➢ Launched a depot at Vientiane Capital City, oil capacity: 1,120,000 liters and another depot at MeungNgeun, Sayaboury Province, and oil capacity: 700,000 liters.
2011	:	➢ The Company has increased registered capital to LAK 75.60 billion in order to support the expansion of gas station coverall area of Lao PDR ➢ Launched the first PLUS Gold Gas Stationin Vientiane Capital city ➢ Launched the Paksan depot in Bolikhamxay province, oil capacity: 350,000 liters. ➢ The Company took the position into the second largest fuel distributor in Lao PDR by market share
2012	:	➢ Launched the first PLUS Platinum Gas Station (PTN) in Vientiane Capital city, namely: PLUS Done Koy gas station at Done Koy village, Sisattanak District,Vientiane Capital city. ➢ The Company can maintain the position of the second largest fuel distributor in the Lao PDR by market shares. ➢ The Company applied the modern technology to enhance and manage the sale division by using Electronic Data Capture (EDC) and store data from the center to every branches throughout the country by developing ERP System. ➢ The Company invested in developing fuel sale system by using electronic card instead of cash payment (Fleet Card) which became the first company in Lao PDR that initiated to bring the high technology to control and manage the cost in business operation. The card is able to use for gas paymentin the Company stations.
2013	:	➢ The Company has increased the registered capital to LAK 350.00 billion in order to support the Company's growth, and the expansion of investment

		to be the top of gas station service in Lao PDR. And to support the growth in demand for fuel consumption in Laos and the ASEAN Economic Community (AEC). ➢ The Company has received the extension of certificates of the international standard from United Kingdom Accreditation Service (UKAS), three types are: ISO 9001:2008,ISO 14001:2004, OHSAS 18001:2007. ➢ The Company has clearly restructured the Company and the related companies in order to meet the growth in long term. ➢ The Company can maintain the position of the second largest fuel distributor in the Lao PDR by market shares.
2014	:	➢ The Company became a member of Lao Petroleum and Gas Association ➢ According to Annual General Shareholders' Meeting in 2014 on18th June 2014 has agreed in the important issues such as: – Reduce par value per that is stated fromLAK 350,000,000 per share to LAK 2,000 per share that is made the number of share increasefrom 1,000 shares to 175,000,000 shares. – The shares are distributed from two shareholders to 9 shareholders to meet the requirements of public company establishment. ➢ According to Extraordinary General Shareholders' Meeting 1/2014, on 9th October 2014,the shareholders have agreed on the issues as follows: – Approved to increase registered capital LAK 470 billion by issuing common shares: 60,000,000 shares, par: LAK 2,000, distribution: Initial Public Offering (IPO). – To establish Petroleum Trading Lao Public Company and submitting to be listed in the Lao Securities Exchange



Business Operation and Reports of as of 30th June 2016

Organization Chart







PTL Board of Director



Mr. VangRattanavongChairman of Board of Director



Mr. ChanthoneSitthixay,
Vice Chairman/CEO



Mrs. SavanhthongPhongsavanh
Vice Chairman



Mrs Daly Pholsena
Director



Mr. NoophanMahaphon
Director



Mr. Phoxay Chanthavong
Director



Mr. BounthanhChittavong
Director



Mrs. ChanthadomMeksavanh
Director



Mr. ViengkhoneSitthixay
Director

Sales

Due to volatility of the global oil and gas market siking down the halft year of 2016 was impacted to the company and the total of target sale revenus was not reached the plan according to the overall of slowdown economic which net profilt per liter was sinking down lowest in the company history.

Summary of sales in the half year of 2016

No	Type of Sales	Total Sales (Liter)	Remark
1	Gas Stations	35,571,500	
2	Project + Construction	8,501,000	
3	Industry + Transport	22,978,000	
4	Other	5,820,000	
5	Other Oil Products	-	
6	Re-export	12,668,000	
7	Lubricants	40,228	
	Total (Liter)	**85,578,728**	

Comparation of Sale Half Year 2015- 2016

6 Months Target Sale of 2016	6 Months Actual Sale of 2016	Difference (+, -, %)	6 Months Actual Sale of 2015	Difference of 2015-2016 (+, -, %)
93,403,900	**85,578,728**	**-8.38%**	**51,708,437**	**+60.42%**

- From 6 months of 2016 we've opened new 10 gas stations there are: 1 Platinum Gas Station, 1 Gold Gas Station, 1 Standard Gas Station and 7 Thongthinpatthana Gas Stations according to the plan and the sales revenue of new opening gas stations are well achieved the target.
- Our sale project is growing with new customers base across the country and there are new 8 projects has been signed contract with 5 construction projects and industried– transportation 3 customers with likely consuming of the diesel 500,000 liters per month.

Marketing & Activity.

The 6 months our marketing team has focus on the customer service at the bigger type of gas station in the main cities. We've direct marketing activities in the Plus gas stations such as: smile member card, promotion Lao New Year refill oil get premium, and big promotion "Plus Lucky Code" with total value more than 3 billion Kip and all of our marketing activities get well feedback from our customers, it's approch and increasing customers in the Plus gas station.



Lao New Year Promotion



Plus Lucky Code Promotion





Plus Lucky Code Promotion



Opening New Gas Station Promotion

PTL's CEO Mr. Chanthone Sitthixay has been awarded the Best Businessman in the 40th Anniversay of Lao National Chamber of Commerce event.



PTL is official sponsor of the Lanxang United Football Club season 2016-2017



"Giving Green Back to Nature"the 5th years carry on social responsibilities program of Petrotrade. This year 2016 PTL have plant young Ptercarpus Indicus, Afzelia Xylocarpa, Tectona Grandis of total 6,000 young seeding in the Phuphanang protection forest area with cooperation of the department of agriculture and forest and the Vientiane Administration office.



In the occasion of the 35th Anniversary of the Foundation fo Phongsavanh Group (18/1/1980-18/1/2015) PTL has been awarded the 1st Labor Medial and with management and employee who has been contributed to the company also has been awarded.



Depots and Engineering

Depot Operation

- Received **55,102,455** Liters;
- Withdrawal **54,721,113** Liters;
- Average volatility of Gasoline Super 95 in the depot is **- 1,624** liters of all received **488,958** liters;
- Average volatility ofGasoline 91 in depot is **-18,443** liters, of all revived **13,521,021** liters;
- Average volatility ofDiesel in depot is **-17,254** liters of all received **40,711,134** liters.

- Lubricants sales

- Total loading of **40,228 Liters**.

Engineering and Construction

- Designed and follow up construction of 1 Platinum gas stations;
- Designed and follow up construction of 2 Gold gas stations;
- Designed and follow up construction of 5 Standard gas stations;
- Designed and follow up construction of 28 ThongthinPatthana gas stations;
- Follow up gas stations renovating and other construction works.

Human Resource

In the past 6 months of 2015, our employees were growthing up as the movment of company business strategies. We've organized effcicience training for our staff, recure staff wanted staff, support employee giving birth and organize staff event.

Staff Training Summary 6 Month of 2016

No	Training Topic	Total Hrs	Total Attendence	Event month	Venue
1	AI Program	12	11	1	PTL Head office
2	PMP Progarm	5	43	1	PTL Head office
3	Company P&P	3	12	1	PTL Head office
4	Company P&P	3	1	2	PTL Head office
5	Cyber Security Briefings 27001	5	1	3	PTL Head office
6	Helth+Safty+Environment	16	5	3	Minister of Labor and Weathfare
7	Company P&P	4	5	3	PTL Head office
8	Company P&P	4	2	4	PTL Head office
9	Building Safty	3	11	4	PTL Head office
10	Company P&P (new staff)	4	5	5	PTL Head office
11	ISO training (ISO9001:2015; 14001:2015; OHSAS18001:2007)	24	23	5	PTL Head office
12	Supervisor Safty	16	4	5	PTL Head office
13	Company P&P (new staff)	3	10	6	PTL Head office
14	Building Saftey System	1	9	6	PTL Head office

Total of Employee in the half year of 2016

Description	Permanance			Contractor		
	Female	Male	Female	Male	Female	Male
Head Quarter	68	87	155	8	4	12
Vientiane Depot	6	12	18	1		1
Savannakhet Branch	2	8	10	1		1
Muang-Gnuen Branch	1	5	6			0
Paksan Branch	1	5	6			0
Total	68	87	155	8	4	12

PTL has contribute and sharing our knowledge to the young and talent fresh graduate student, we've successfully total 22 students with from Thailand 10 students?

PTL has been contribute to the social in the event of giving warm to society, donated book to rural school, contribute fuel to the emergency associations, donation to authistic association and ect with total more than 500 billion Kip.

Summary of Tax Piad to the Tax Authority in the 6 months of 2016

- Import Tax 14,092,243,300 KIP
- Excise Tax 28,464,683,900 KIP
- Value Added Tax 22,196,201,809 KIP
- Road Tax 35,276,480,000 KIP
- Statutory Feul-price Stabilizing Reserve Fund Fee 18,640,537,591 KIP
- Value Added Tax During a Year 3,523,381,320 KIP
- Corporate Income Tax 800,000,000 KIP
- Income Tax 528,730,965 KIP

Grand Total: 126,522,258,885 KIP

* ***The Audited Financial Report separated from this report.***

Chairman of Board's Director

Petroleum Trading Lao Public Company

Chanthone SITTHIXAY