PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES



CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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INDEPENDENT AUDITOR'S REPORT

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

Our opinion

In our opinion, the consolidated financial statements of Petroleum Trading Lao Public Company and its subsidiaries (the Group) for the year ended 31 December 2020 are prepared, in all material respects, in accordance with accounting policies described in Note 2 to the consolidated financial statements.

What we have audited

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of 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 consolidated 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 Group 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 consolidated financial statements, which describes the basis of accounting. The consolidated financial statements have been prepared in accordance with the Group's accounting policies which the accounting basis used in the preparation of these consolidated financial statements may differ from International Financial Reporting Standard (IFRS). The readers should therefore be aware that the accompanying consolidated financial statements are not intended to present the consolidated financial position and its consolidated financial performance and its consolidated cash flows in accordance with IFRS. 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 consolidated financial statements of the current period. We determine one key audit matter: Revenue recognition for wholesale income. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition for wholesale income Refer to Note 2.14 'Accounting policies – Revenue recognition' and Note 19 'Sales' to the consolidated financial statements. The Group's revenue comprises both wholesale and retail fuel and lubricant revenue with wholesale revenue representing the majority. Various lead times and conditions of the Groups wholesale business directly affects the correctness of revenue recognition due to timing differences. Time gaps in billing and delivery processes led to high risk for recognition completeness and cut-off, particularly for wholesale petroleum for which recording and actual delivery impacts revenue recognition timing. We focused on this area as billing cycle periods may not necessarily coincide with year-end closing, so revenue recognition requires Group management estimation.	We performed the following procedures: • Evaluated and tested the relevant controls over the revenue and receivables processes to ensure billing and other relevant supporting systems were reliable and change control procedures were in place around those systems. • Tested samples of individual and corporate customer invoices to the authorisation of review and approval prior to record in the general ledger. • Tested end-to-end reconciliations of the sales report and the general ledger, including testing adjustment transaction records against the underlying documents related to revenue. • Performed substantive testing on revenue cut-off testing by selected revenue samples prior to and after year end to test whether they are completely recorded in appropriate timing, based on terms and conditions set out in sales invoices and delivery documents. • Tested samples of revenue transactions for each type of income incurred during the year by agreeing the revenue transactions with invoices and other related supporting documents. From these procedures, we found that Group management estimation regarding revenue recognition was in line with the accounting policy and 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 consolidated 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 consolidated 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 consolidated 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 consolidated 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 board of directors for the consolidated financial statements

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

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

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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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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 consolidated 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: 29 April 2021

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 LAK	2019 Restated LAK
Assets			
Current assets			
Cash and cash equivalents	5	5,972,282,724	7,436,128,462
Trade accounts receivable, net	6	116,034,897,876	124,854,782,269
Inventories, net	7	24,330,263,991	24,695,863,078
Short-term loan to related parties	24.5	39,538,507,710	34,433,275,626
Other current assets	8	130,475,900,447	94,485,911,699
Total current assets		**316,351,852,748**	**285,905,961,134**
Non-current assets			
Property, plant and equipment, net	9	317,103,566,523	327,777,992,137
Intangible assets, net	10	5,173,795,545	6,258,728,410
Investment properties, net	11	84,474,039,871	86,509,152,307
Other non-current assets	12	58,053,667,095	46,916,366,910
Total non-current assets		**464,805,069,034**	**467,462,239,764**
Total assets		**781,156,921,782**	**753,368,200,898**

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

The accompanying notes on pages 12 to 34 are an integral part of these consolidated financial statements

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 LAK	2019 Restated LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade accounts payable	13	82,421,760,886	116,317,493,425
Tax payables	14	17,553,668,359	16,605,309,860
Short-term borrowings	15	67,706,597,421	34,700,000,000
Other current liabilities	16	36,932,327,169	26,912,463,758
Total current liabilities		**204,614,353,835**	**194,535,267,043**
Non-current liabilities			
Long-term borrowings	15	366,396,420,000	326,255,600,000
Total non-current liabilities		**366,396,420,000**	**326,255,600,000**
Total liabilities		**571,010,773,835**	**520,790,867,043**
Equity			
Share capital	17	470,000,000,000	470,000,000,000
Share premium	17	27,638,932,340	27,638,932,340
Common control reserve		-	(898,908,935)
Accumulated loss			
Appropriated-legal reserve	18	5,292,232,229	4,172,052,092
Other reserve		1,977,267,979	1,977,267,979
Unappropriated		(296,854,914,742)	(272,300,958,170)
Equity attributble to owners of the parent		**208,053,517,806**	**230,588,385,306**
Non-controlling interest		2,092,630,141	1,988,948,549
Total equity		**210,146,147,947**	**232,577,333,855**
Total liabilities and equity		**781,156,921,782**	**753,368,200,898**

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 LAK	2019 Restated LAK
Sales	19	1,129,053,574,486	1,271,935,934,055
Cost of sales	21	(1,045,295,168,102)	(1,191,165,594,523)
Gross profit		**83,758,406,384**	**80,770,339,532**
Other income	20	17,222,545,168	6,443,866,820
Other gain(loss), net		1,617,661,352	(28,188,873,733)
Selling expenses	21	(21,815,903,744)	(21,989,410,267)
Administrative expenses	21	(65,224,469,710)	(86,731,055,712)
Operating profit/(loss)		**15,558,239,450**	**(49,695,133,360)**
Finance expense		(34,810,350,996)	(29,106,991,445)
Net loss before income tax expenses		**(19,252,111,546)**	**(78,802,124,805)**
Income tax expenses	22	(3,179,074,362)	(1,435,841,860)
Net loss for the year		**(22,431,185,908)**	**(80,237,966,665)**
Loss attributable to :			
Owners of the parent		(22,534,867,500)	(80,282,505,228)
Non-Controlling interest		103,681,592	44,538,563
		(22,431,185,908)	**(80,237,966,665)**
Earnings (loss) per share			
Basic earnings (loss) per share	23	(96)	(342)

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

					Accumulated loss				
	Share capital (Note 17) LAK	Share premium (Note 17) LAK	Common control reserve LAK	Translation LAK	Appropriated legal reserve LAK	Other reserve LAK	Unappropriated Restated (Note 3) LAK	Non-controlling Interest LAK	Total LAK
Opening balance at 1 January 2019	470,000,000,000	27,638,932,340	(898,908,935)	544,522,558	3,708,530,711	1,977,267,979	(192,505,936,248)	2,027,020,407	312,491,428,812
Retrospective adjustment from changes in accounting policy	-	-	-	-	-	-	951,004,687	(459,145)	950,545,542
Opening balance at 1 January 2019 (restated)	470,000,000,000	27,638,932,340	(898,908,935)	544,522,558	3,708,530,711	1,977,267,979	(191,554,931,561)	2,026,561,262	313,441,974,354
Opening balance at 1 January 2019 (restated)	470,000,000,000	27,638,932,340	(898,908,935)	544,522,558	3,708,530,711	1,977,267,979	(191,554,931,561)	2,026,561,262	313,441,974,354
Translation of foreign operation	-	-	-	(544,522,558)	-	-	-	-	(544,522,558)
Liquidation of subsidiary	-	-	-	-	-	-	-	(82,151,276)	(82,151,276)
Approriated-legal reserve	-	-	-	-	463,521,381	-	(463,521,381)	-	-
Net loss for the year (restated)	-	-	-	-	-	-	(80,282,505,228)	44,538,563	(80,237,966,665)
Closing balance at 31 December 2019 (restated)	470,000,000,000	27,638,932,340	(898,908,935)	-	4,172,052,092	1,977,267,979	(272,300,958,170)	1,988,948,549	232,577,333,855
Opening balance at 1 January 2020 (restated)	470,000,000,000	27,638,932,340	(898,908,935)	-	4,172,052,092	1,977,267,979	(272,300,958,170)	1,988,948,549	232,577,333,855
Reclassify control reserve	-	-	898,908,935	-	-	-	(898,908,935)	-	-
Approriated-legal reserve	-	-	-	-	1,120,180,137	-	(1,120,180,137)	-	-
Net loss for the year	-	-	-	-	-	-	(22,534,867,500)	103,681,592	(22,431,185,908)
Closing balance at 31 December 2020	470,000,000,000	27,638,932,340	-	-	5,292,232,229	1,977,267,979	(296,854,914,742)	2,092,630,141	210,146,147,947

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

The accompanying notes on pages 12 to 34 are an integral part of these consolidated financial statements

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 LAK	2019 Restated LAK
Cash flow from operating activities:			
Net loss before income tax for the year		(19,252,111,546)	(78,802,124,805)
Adjustments to reconcile net profit to net cash			
Depreciation and amortisation	9,10,11	18,757,397,571	20,893,340,015
Reversal provision for inventory		-	(72,830,568)
Reversal provision for doubtful debts		(876,624,181)	(370,950,000)
Provision for doubtful debts		-	1,059,150,006
(Gain)/Loss on disposal fixed assets	9	(365,907)	254,780
Written-off fixed assets		-	2,088,246,741
Loss on disposal other investment		-	1,739,914,514
Interest income		(1,229,078,125)	(2,482,177,537)
Interest expenses		34,810,350,996	29,106,991,445
Income tax expenses		(3,179,074,362)	(1,435,841,860)
Operating gain/(loss) before working capital changes		**29,030,494,446**	**(28,276,027,269)**
Changes in working capital:			
Trade accounts receivable		9,832,062,917	(11,170,115,828)
Inventories		365,599,087	(8,100,417,656)
Trade accounts payable		(34,157,324,560)	48,446,650,298
Tax payables		502,739,108,484	516,104,930,572
Other current asset		(45,665,931,098)	(9,953,751,335)
Other current liabilities		17,376,088,462	(6,367,509,891)
Cash generated from operation		**479,520,097,738**	**500,683,758,891**
Interest received		163,045,921	148,132,852
Interest paid		(15,292,054,428)	(29,297,265,666)
Other tax and statutory tax paid		(501,790,749,985)	(504,571,030,034)
Net cash generated from/(used in) operating activities		**(37,399,660,754)**	**(33,036,403,957)**
Cash flows from investing activities:			
Acquisitions of fixed assets	9,11	(4,903,676,437)	(2,526,259,889)
Decrease in non-controling interest		-	(626,673,834)
Disposal of fixed asset	9	2,090,090	
Loans paid during the year	24.5	(5,339,105,284)	(1,305,862,565)
Loans received durig the year	24.5	744,273,200	3,417,940,000
Net cash from/(used in) investing activities		**(9,496,418,431)**	**(1,040,856,288)**

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

The accompanying notes on pages 12 to 34 are an integral part of these consolidated financial statements

Petroleum Trading Lao Public Company and its subsidiaries

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 LAK	2019 Restated LAK
Cash flows from financing activities:			
Proceeds from borrowings	15	165,064,067,218	558,201,182,000
Repayment of borrowings	15	(118,590,553,797)	(529,190,265,000)
Net cash from (used in) financing activities		**46,473,513,421**	**29,010,917,000**
Net (decrease)/increase in cash and cash equivalents		(422,565,764)	(5,066,343,245)
Cash and cash equivalents at the beginning of the year	5	7,436,128,462	12,515,355,962
Exchange gains/(losses) on cash and cash equivalents		(1,041,279,974)	(12,884,255)
Cash and cash equivalents at the end of the year		**5,972,282,724**	**7,436,128,462**
Significant non cash items;			
Accounts payable for fixed assets	9	60,974,402	510,757,306

Chanthone Sitthixay
Chief Executive Officer

Date: 29 April 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 29 April 2021

The accompanying notes on pages 12 to 34 are an integral part of these consolidated financial statements

1 General information

Petroleum Trading Lao Public Company (the Company) and its subsidiaries which are Petrotrade Puma Energy Import and Export Co., Ltd, Petrotrade Puma Energy Distribution Co., Ltd incorporated and resident in Lao PDR (together, "the Group") are respectively listed and limited companies. The Company was incorporated and registered with the Ministry of Industry and Commerce on 3 October 2008.

The Group's head office is located at Kamphaeng Mueang Street, Phonthan village, Xaysettha district, Vientiane capital, Lao PDR.

The Group invested 99% interest in of both subsidiaries as the same. The principle activities of the Group are to import and export and to distribute fuel and petroleum products.

These consolidated financial statements were authorised by the board of directors on 29 April 2021.

2 Accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below:

2.1 Basis of preparation

The accompanying consolidated financial statements have been prepared in accordance with the Group'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 IFRS. 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 IFRS within four-year period. The management is presently preparing action plan for implementation IFRS in accordance with the announcement.

The accounting principles applied may materially differ from International Financial Reporting Standards (IFRS). These areas of significant differences are, for example, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument and pre-operation cost.

2. Accounting policies (continued)

2.1 Basis of preparation (continued)

The preparation of consolidated 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.

The Group has applied the accounting policy for business combinations under common control from the 2013, therefore, all subsidiaries are fully consolidated from the date on which control is transferred to the Group. The assets and liabilities of subsidiaries are recognised at the carrying amounts. The excess/under amount between the consideration paid and their carrying amounts are treated as a separate item in shareholders' equity which is "Reserve from business combination under common control".

2.2 Group accounting - investments in subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns though its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

2.3 Foreign currency translation

Items included in the consolidated financial statements are presented in Lao Kip (LAK).

Foreign currency transactions are translated into LAK using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currency are translated into LAK at the prevailing at the reporting dates. All resulting foreign exchange gains and losses differences unrealised from the translation of monetary assets and liabilities denominated in foreign currency are recognised in the consolidated statements of financial position and will be reversed in the next fiscal year.

The realised gains and losses from the settlement of foreign currency transaction is recognised into the statement of income when payment.

Group companies, the subsidiaries, the result and financial position of subsidiary that have a currency difference from the presentation currency of the Company are translated into the presentation currency as following:

2. Accounting policies (continued)

2.3 Foreign currency translation (continued)

- Assets and liabilities for each statement of financial position presented are translated at the closing rate on the date of the statement of financial position; except share capital, which is presented at history cost.
- Income and expenses for statement of income is translated at the average exchange rate of the year.
- All resulting exchange differences are recognised and presented under translation adjustments in the equity.

The exchange rated used are from local reputation bank in Lao PDR.

2.4 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks or other short-term highly liquid investments with original maturities of three months or less.

2.5 Trade receivable

Trade receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. 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 profit or loss within administrative expenses.

The following policy on the allowance for receivables impairment from third parties are applied as follow:

From 6 months to 1 year	30%
From 1 to 2 years	50%
Above 2 years	100%

No provision made on outstanding balances of loan to related parties, trade receivables and other receivables from related parties.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. 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. The cost of finished goods comprises design costs, raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity. It excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

The Group changes the accounting policy on the inventory cost method from the first in, first-out to the weighted average methods. The effect from the changes policy was immaterial.

2. Accounting policies (continued)

2.7 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at its cost, including related transaction costs

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

After initial recognition, investment property is carried at cost less any accumulated depreciation and any accumulated impairment losses.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvement	7 - 10 years

2.8 Property, plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the 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 Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred. Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings and improvement	5 - 30 years
Machinery and equipment	2 - 10 years
Vehicle	5 years
Office equipment	2-10 years

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other gains/(losses) – net' in the statement of income.

2. Accounting policies (continued)

2.9 Intangible assets

Intangible assets consist of computer software. Acquired computer software licenses are capitalised in the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful life, which does not exceed 2-10 years. Cost associated with remaining computer software programs are recognised as expense as incurred.

2.10 Borrowings

Borrowings are recognised initially at the drawdown value. Borrowing cost consist of interest and other cost that the Group incurs in connection with the borrowing of funds. Borrowing cost for general purpose are recorded as expenses during the year in which they are incurred.

Borrowing cost that are directly attributable to the acquisition, construction or production of asset that necessarily take a substantial period of time to get ready for its intended use or sale are capitalised as cost of respective of asset.

Borrowing arrangement fee are recognise as prepaid expenses and amortised into statements of income over the borrowing period.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.11 Lease

Leases - where the Group 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 consolidated statement of 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.

Leases of property, plant or equipment where the lessee has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the book value of the leased property.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term

2. Accounting policies (continued)

2.11 Lease (continued)

Leases - where the Group is the lessor

Assets leased out under operating leases are included in property, plant and equipment in the consolidated statement of financial position. They are depreciated over their expected useful lives. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.12 Taxation

The Group records profit income tax on an accrual basis base on the Local Tax Law. The Group does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognised based on the operating result for the year after adjusted non-deductible expenses and other transactions under the related Lao Tax Law and tax rate. Under Lao Tax Law, Lao Accounting Law and related privileges as a listed Company, tax expenses for the year are determined on the basis of the profit the Group calculated (Note 22).

In Lao PDR, income tax returns are regularly reviewed in detail by the relevant authorities. In addition, tax issues raised in the reviews may require substantive judgements and interpretation by the parties concerned. The reviews could therefore potentially result in additional tax payments or refunds being necessary which may be significant. This would result in the payment or refund being recognised as income tax expense in the year in which the reviews are completed.

2.13 Share capital

Ordinary shares and non-redeemable preference shares with discretionary dividends are classified as equity.

The share premium us recognise upon issuance od addition shares, at a surplus between the offering price of additional share issuance and the par value, after deduction of share issuance cost (such as underwriting fees and other relevant valuation, consulting costs).

In accordance with guidance under the Letter No.056/LSCO issued by LSCO on 28 April 2015, the Company was allowed to distribute 75% of share premium from the Company's initial offering after deduction of relevant share issuance costs, to the founding shareholders of the Company.

2. Accounting policies (continued)

2.14 Revenue recognition

Revenue comprises the invoice value of goods sold net of rebates and discounts. Revenue from the sales of goods is recognised when the significant risks and rewards of ownership of the goods are transferred or delivered to the buyer.

Revenue from rental services is recognised on a straight-line basis over the lease term.

Other income is recognised on the following basis:

- Interest income is recognised on a time-proportion basis, taking into account the principal outstanding and interest rate over the period to maturity, when it determined that such income will be accrued to maturity, when it is determined that such income will be accrued to the Group.
- Other income is recognised on an accrual basis.

3. Change in accounting policy

The Group received the approval from Lao Securities Commission Office (LSCO), No. 040/LSCO, dated 4 March 2021, and the acknowledgement letter from Accounting Department, No. 302/AC dated 24 February 2021, to recognise the unrealised gain or loss on the exchange rate from translation the monetary assets and liabilities denominated in foreign currency into the consolidated statement of financial position. The realised gain or loss on the exchange rate is recognised into the consolidated statement of income (Note. 2.3).

Therefore, the Group's management decided to change its accounting policy on recognising unrealise such gain/(loss) in 2020 (Note 2.3). The Group's Management have made retrospective adjustments against the brought forward balance of LAK 1,492,334,945.

The effect of the above change in accounting policy to the statement of financial statements of the Group as at 31 December 2019 is as follow:

	31 December 2019		
	Originally stated LAK	**Adjustments LAK**	**Restated LAK**
Current asset			
Other current assets (Note 8)	92,766,304,739	1,719,606,960	94,485,911,699
Current liabilities			
Other current liabilities (Note 16)	(26,685,191,743)	(227,272,015)	(26,912,463,758)
Equity			
Unappropriated	(273,795,565,835)	1,494,607,665	(272,300,958,170)
Non-controlling interest	1,991,221,269	(2,272,720)	1,988,948,549

3. Change in accounting policy (continued)

The effect to the statement of income for the year ended 31 December 2019 is as below:

	Originally stated LAK	Adjustments LAK	Restated LAK
Other gain(loss), net	(28,730,663,136)	541,789,403	(28,188,873,733)
Net loss for the year	(80,779,756,068)	541,789,403	(80,237,966,665)
Loss attributable to:			
Owners of the parent	(80,826,108,206)	543,602,978	(80,282,505,228)
Non- Controlling interest	46,352,138	(1,813,575)	44,538,563
Earnings (loss) per share			
Basic earnings (loss) per share (Note 23)	(344)	2	(342)

4. Significant events during the current period

The COVID-19 pandemic developed rapidly in 2020, with a significant number of infections worldwide. Measures taken by various governments to contain the virus have affected economic activity in Lao PDR, while the level of infection within Laos has remained extremely low.

The Group is continuing to operate the business and having implemented a robust set of protocols to monitor and prevent the possible spread of the COVID-19 virus in the Group. The Group will continue to follow the various national policies and advice and maintain the COVID-19 protocols put in place in December 2020 for the foreseeable future.

We are confident that we will be able to ensure the sustained financial viability of the Group during these difficult times. Management also ensures that there is no significant impact to the financial statements of the Group for the year ended 31 December 2020.

5. Cash and cash equivalents

	2020 LAK	2019 LAK
Cash on hand	397,036,263	1,394,978,528
Cash at banks	5,575,246,461	6,041,149,934
	5,972,282,724	**7,436,128,462**

6. Trade accounts receivable, net

	2020 LAK	2019 LAK
Trade accounts receivable - related parties (Note 24.3)	16,563,640,168	13,258,851,920
Trade accounts receivable - third parties	107,884,789,489	120,484,948,933
	124,448,429,657	**133,743,800,853**
Less: Allowance for doubtful accounts	(8,413,531,781)	(8,889,018,584)
Trade accounts receivable – Net	**116,034,897,876**	**124,854,782,269**

7. Inventories, net

	2020 LAK	2019 LAK
Fuel	22,122,950,459	22,557,622,553
Lubricant	1,119,980,991	1,150,725,521
Office supply and spare part	905,782,513	893,727,019
Plus card	112,375,154	101,595,496
Oil color	69,174,874	87,478,080
	24,330,263,991	**24,791,148,669**
Less: Allowance for impairment based on net realisable value	-	(95,285,591)
Inventories - Net	**24,330,263,991**	**24,695,863,078**

8. Other current assets

	2020 LAK	2019 Restated LAK
Other receivables - related parties*	72,921,519,008	60,005,594,663
Advance to suppliers	6,945,932,782	13,108,227,243
Deposit to suppliers	4,216,164,602	1,531,483,451
Advance to employees	47,000,000	30,000,000
Advance profit tax payment	2,119,460,468	2,127,538,318
VAT receivable	184,889,808	154,800,014
Other receivable	933,388,510	576,371,922
Interest receivable from related parties (Note 24.3)	14,927,099,558	13,861,067,354
Prepayment warehouse rental	37,361,774	1,371,221,774
Deferred loss from un-realisation (Note 3)	28,143,083,937	1,719,606,960
	130,475,900,447	**94,485,911,699**

*This consists of receivables from key management amount of LAK 46,946,068,616 (2019: LAK 40,583,324,823). Outstanding advance to related parties amount to LAK 14,642,026,686 (2019: LAK 9,224,341,291) and other receivables from related parties amount of LAK 11,333,423,706 (2019: LAK 10,197,928,549) (Note 24.3).

9. Property, plant and equipment, net

	Land LAK	Buildings and improvement LAK	Machinery and equipment LAK	Office equipment LAK	Vehicle LAK	Construction in progress LAK	Total LAK
As at 1 January 2020							
Cost	174,687,386,841	176,502,998,626	57,227,034,476	20,402,569,684	11,336,500,648	7,088,409,220	447,244,899,495
Less: Accumulated depreciation	-	(53,271,055,205)	(38,500,743,599)	(16,677,807,095)	(11,017,301,459)	-	(119,466,907,358)
Net book amount	**174,687,386,841**	**123,231,943,421**	**18,726,290,877**	**3,724,762,589**	**319,199,189**	**7,088,409,220**	**327,777,992,137**
For the year ended 31 December 2020							
Opening net book amount	174,687,386,841	123,231,943,421	18,726,290,877	3,724,762,589	319,199,189	7,088,409,220	327,777,992,137
Additions	-	1,284,658,737	112,754,300	786,840,201	-	2,909,833,451	5,094,086,689
Disposal	-	-	-	-	(1,724,183)	-	(1,724,183)
Depreciation charge (Note 21)	-	(10,662,606,607)	(4,310,165,884)	(1,387,813,322)	(534,816,690)	-	(16,895,402,503)
Transferred from investment properties (Note 11)	-	1,258,050,233	-	-	-	-	1,258,050,233
Transferred in (out)	-	2,075,674,754	507,594,848	(397,561,225)	550,134,646	(2,865,278,873)	(129,435,850)
Closing net book amount	**174,687,386,841**	**117,187,720,538**	**15,036,474,141**	**2,726,228,243**	**332,792,962**	**7,132,963,798**	**317,103,566,523**
As at 31 December 2020							
Cost	174,687,386,841	181,861,471,444	57,847,383,624	20,791,848,659	11,875,144,294	7,132,963,798	453,811,169,322
Less: Accumulated depreciation	-	(64,673,750,906)	(42,810,909,483)	(18,065,620,416)	(11,542,351,332)	-	(136,707,602,799)
Net book amount	**174,687,386,841**	**117,187,720,538**	**15,036,474,141**	**2,726,228,243**	**332,792,962**	**7,132,963,798**	**317,103,566,523**

Certain property, plant and equipment are pledged as collaterals for the Group's borrowings (Note 15).

10. Intangible assets, net

	Computer software LAK
As at 1 January 2020	
Cost	10,077,231,628
Less: Accumulated amortisation	(3,818,503,218)
Net book amount	**6,258,728,410**
For the year ended 31 December 2020	
Opening net book amount	6,258,728,410
Amortisation charge (Note 21)	(1,084,932,865)
Closing net book amount	**5,173,795,545**
As at 31 December 2020	
Cost	10,077,231,628
Less: Accumulated amortisation	(4,903,436,083)
Net book amount	**5,173,795,545**

11. Investment properties, net

	Land LAK	Building LAK	Total LAK
As at 1 January 2020			
Cost	77,052,474,129	22,454,878,484	99,507,352,613
Less: Accumulated depreciation	-	(12,998,200,306)	(12,998,200,306)
Net book amount	**77,052,474,129**	**9,456,678,178**	**86,509,152,307**
For the year ended 31 December 2020			
Opening net book amount	77,052,474,129	9,456,678,178	86,509,152,307
Depreciation (Note 21)	-	(777,062,203)	(777,062,203)
Transferred to property, plant and equipment (Note 9)	-	(1,258,050,233)	(1,258,050,233)
Closing net book amount	**77,052,474,129**	**7,421,565,742**	**84,474,039,871**
As at 31 December 2020			
Cost	77,052,474,129	10,637,379,752	87,689,853,881
Less: Accumulated depreciation	-	(3,215,814,010)	(3,215,814,010)
Net book amount	**77,052,474,129**	**7,421,565,742**	**84,474,039,871**

Investment properties represent the lands, buildings and gas stations in Vientiane Capital, Lao PDR which are leased to the Group's related parties and other land lots in Savannakhet province

Certain land in Vientiane, and Savannakhet provinces are pledged as collaterals for the Group's borrowings (Note 15).

12. Other non-current assets

	2020 LAK	2019 LAK
Prepaid land rental*	51,486,429,095	40,349,128,910
Advance for gas stations and others	6,567,238,000	6,567,238,000
	58,053,667,095	**46,916,366,910**

*This mainly represents the outstanding prepayment of land rental from related parties amount to LAK 34,419,839,505 (2019: LAK 34,419,839,505) (Note 24.3).

13. Trade accounts payable

	2020 LAK	2019 LAK
Trade payables - third parties	69,641,822,303	109,333,108,117
Trade payables - related parties (Note 24.3)	12,779,938,583	6,984,385,308
	82,421,760,886	**116,317,493,425**

14. Tax payables

	2020 LAK	2019 LAK
Value Added Tax payables	5,190,956,799	4,482,816,490
Personnel income tax payables	70,289,703	108,764,761
Income tax payables	1,468,437,944	1,193,820,793
Other taxes and statutory payables*	10,823,983,913	10,819,907,816
	17,553,668,359	**16,605,309,860**

*This represents the outstanding accrual of tax payables according to the tax assessment by the Tax Authorities dated 27 December 2019.

Tax Authorities has reviewed and issued the memo on obligation of tax expenses for the year 2014 to 2017 amount of LAK 20,835,576,105. In addition, Tax Authorities mentioned in the memo that the Group may have obligation for penalty payables for the year 2014 to 2017 amount to LAK 7,417,484,961 which is not yet finalised and need to seek a final opinion from the Ministry of Finance.

Management considered to record tax expenses amount of LAK 20,835,576,105 to the financial statements for the year ended 31 December 2019.

During the year, the Group received the memo from the Tax Authorities per reference no.0210 dated 28 January 2020, a portion of obligation for the penalty payables for the year 2014 to 2017 amount of LAK 964,759,679 allowed for exemption. Thus, as of 31 December 2020, the Group has such obligation for penalty payables which is not yet finalised and need to seek a final opinion from the Ministry of Finance amount of LAK 6,452,725,282 (2019: LAK 7,417,484,961)

In the meantime, management is requesting for the exemption on the penalty from Tax Authorities. Because of uncertainty of the amount of penalty, management considered not to record penalty payables amount to LAK 6,452,725,282 (2019: LAK7,417,484,961) to the financial statements.

For the year 2018, 2019 and 2020 is in the process of reviewing by Tax Authorities.

15. Borrowings

	2020 LAK	2019 LAK
Current		
Current portion of long-term borrowings from banks	6,632,400,000	34,700,000,000
Borrowings from related parties (Note 24.4)	61,074,197,421	-
	67,706,597,421	**34,700,000,000**
Non-current		
Borrowings from banks	59,691,600,000	-
Borrowings from related parties (Note 24.4)	306,704,820,000	326,255,600,000
	366,396,420,000	**326,255,600,000**
	434,103,017,421	**360,955,600,000**

	2020 LAK	2019 LAK
At 1 January	360,955,600,000	306,450,740,000
Borrowings received during the year	165,064,067,218	558,201,182,000
Borrowings repayment during the year	(118,590,553,797)	(529,190,265,000)
Un-realisation loss on exchange	26,673,904,000	25,493,943,000
At 31 December	**434,103,017,421**	**360,955,600,000**

During the year, the Group signed a borrowing agreement with 2 local banks as below:

Outstanding balance	Maturity and repayment term	Interest rate per annum	Collaterals
LAK 66,324,000,000	60 months, principal and interest are payable on monthly basis. The last instalment is due on 23 March 2023.	10.13%	Land lots, houses, buildings and petroleum tanks in Savannakhet, Champasack and Vientiane provinces along with two bank account balances
USD 4,972,000 or equivalent to LAK 46,224,684,000	33 months, principal and interest are payable on monthly basis. The last instalment is due on 26 July 2023.	8%	Land lots in Vientiane, Pakse, Bolikhamxay and Champasack provinces.
USD 2,500,000 equivalent to LAK 23,242,500,000	33 months, principal and interest are payable on monthly basis. The last instalment is due on 26 July 2023.	8%	Land lots in Vientiane, Pakse, Bolikhamxay and Champasack provinces.
LAK 14,849,513,421	12 months, principal and interest are payable on monthly basis. The last instalment is due on 26 December 2020.	10%	Right of use in operation of three gas station (COCO pump) at Vientiane Capital and Bolikhamxay province.

15. Borrowings (continued)

The interest rate exposure on the borrowings of the Group is as follows:

	2020 LAK	2019 LAK
Borrowings		
- at fixed rates	434,103,017,421	360,955,600,000
Total borrowings	**434,103,017,421**	**360,955,600,000**

Maturity of long-term borrowings from banks is as follows:

	2020 LAK	2019 LAK
Between 1 and 2 years	366,396,420,000	44,166,276,000
Between 2 years and 5 years	-	282,089,324,000
	366,396,420,000	**326,255,600,000**

16. Other current liabilities

	2020 LAK	2019 Restated LAK
Advance from customers	4,366,650,358	4,838,206,836
Other accrued and payables	9,888,974,112	8,863,161,978
Other payables - related parties (Note 24.3)*	21,610,390,903	12,983,822,929
Deferred gain from realisation (Note 3)	1,066,311,796	227,272,015
	36,932,327,169	**26,912,463,758**

This consists of payables from key management amount of LAK 526,285,059 (2019: LAK 3,622,653,284) and other related parties amount of LAK 21,084,105,844 (2019: LAK 9,361,169,645)

17. Share capital and premium on share capital

	Number of Shares (Shares)	Ordinary Shares (LAK)	Share Premium (LAK)	Total (LAK)
At 1 January 2019	235,000,000	470,000,000,000	27,638,932,340	497,638,932,340
Issue of shares	-	-	-	-
At 31 December 2019	**235,000,000**	**470,000,000,000**	**27,638,932,340**	**497,638,932,340**
Issue of shares	-	-	-	-
At 31 December 2020	**235,000,000**	**470,000,000,000**	**27,638,932,340**	**497,638,932,340**

18. Legal reserve

	2020 LAK	2019 LAK
At 1 January	4,172,052,092	3,708,530,711
Appropriation during the year	1,120,180,137	463,521,381
At 31 December	**5,292,232,229**	**4,172,052,092**

Legal reserve is set-up in accordance with the Enterprise Law of 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.

19. Sales

	2020 LAK	2019 LAK
Sales of fuel	999,308,877,236	1,270,480,106,102
Sales of lubricant	217,421,378	240,153,636
Sale of plus card	936,691,121	1,215,674,317
Sales refined bitumen and heavy oil	128,590,584,751	-
	1,129,053,574,486	**1,271,935,934,055**

20. Other income

	2020 LAK	2019 LAK
Rental income	2,074,372,797	2,492,792,904
Interest income	1,066,490,620	2,256,025,528
Gain on disposals of fixed assets	74,225,881	393,094,241
IT services	166,203,284	-
Service fees from asphalt mixer	12,552,879,672	-
Other income	1,288,372,914	1,695,048,388
	17,222,545,168	**6,443,866,820**

21. Significant expenses by nature

	2020 LAK	2019 LAK
Finish goods - fuel sold and service	938,470,379,021	1,190,962,816,101
Finish goods - lubricant sold	223,774,758	202,778,422
Finish goods - refined bitumen and heavy fuel	106,601,014,323	-
Labor costs	20,179,324,778	19,527,655,148
Depreciation and amortisation expenses (Note 9, 10, 11)	18,757,397,571	20,893,340,015
Bank charges	4,057,984,928	2,916,634,846
Professional fees	3,881,420,941	3,766,021,530
Operating costs for representative offices	9,285,185,045	7,679,449,803
Provision for doubtful debt	401,137,377	1,590,162,392
Rental expenses	5,654,679,988	3,623,761,676
Repair and maintenance expenses	1,476,312,330	3,439,006,614
Advertising expenses	1,598,797,312	1,755,455,331
Transportation expenses	12,606,160,217	17,472,733,430
Commission fees	8,360,437,555	3,548,413,636
Tax expenses	781,535,412	22,507,831,558
	1,132,335,541,556	**1,299,886,060,502**

22. Income tax expenses

According to the tax privileges given to the listed companies, The Company is entitled to a further reduction profit tax from 24% to 19% during the initial four years period. This rate is to be applied from 2015 to 2018. For 2019 accordance to Tax Law, the Company applied profit tax rate 24%.

According to the Tax Law No. 259 effective on 1 January 2020, the Group calculated Profit Tax on its net taxable income at the rate of 20% (2019: 24%) after considering the non-deductible income and expenses was in accordance with the Lao Tax Law.

23. Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2020	2019 Restated
Net profit/(loss) attributable to ordinary shareholders (LAK)	(22,534,867,500)	(80,282,505,228)
Weighted average number of ordinary shares in issue (shares)	235,000,000	235,000,000
Basic earnings (loss) per share (LAK)	(96)	(342)

Basic earnings (loss) per share of non-controlling interest which is 0.1% was immateriality therefore did not present in these consolidated financial statements.

24. Related-party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Group, including investment entities and individuals or entities having significant influence over the Group, key management personnel, including directors and officers of the Group and close members of the family of these individuals and entities 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 were carried out with related parties:

24.1 Sales of goods and services

	2020 LAK	2019 LAK
Sales of goods to:		
Other related parties		
Fuel	231,618,046,503	267,662,374,359
Sales of services to:		
Other related parties		
Interest income	1,066,032,204	1,973,097,184
Rental fees	2,074,372,797	1,866,452,904
Other services	168,294,193	188,550,330
	3,308,699,194	**4,028,100,418**

24. Related-party transactions (continued)

24.2 Purchases of goods and services

	2020 LAK	2019 LAK
Purchases of services from:		
Other related parties		
Finance expenses	28,080,551,342	24,100,134,298
Transportation expenses	11,849,032,511	16,558,771,207
Others	1,498,420,884	1,767,331,950
	41,428,004,737	**42,426,237,455**

24.3 Outstanding balances arising from sales/purchases of goods/services

	2020 LAK	2019 LAK
Receivables from:		
Trade account receivable		
Other related parties (Note 6)	16,563,640,168	13,258,851,920
	16,563,640,168	**13,258,851,920**
Other current assets		
Key management (Note 8)		
Other receivable from share premium	22,497,682,340	22,497,682,340
Other receivable from sale vehicle	16,085,642,483	16,085,642,483
Advance from key management	8,362,743,793	2,000,000,000
	46,946,068,616	**40,583,324,823**
Other related parties (Note 8)		
Interest receivable	14,927,099,558	13,861,067,354
Advance to related parties	14,642,026,686	9,224,341,291
Other receivables from rental service	11,333,423,706	10,197,928,549
	40,902,549,950	**33,283,337,194**
	87,848,618,566	**73,866,662,017**
Other non-current assets		
Key management (Note 12)		
Prepayment of land rental	34,419,839,505	34,419,839,505
	34,419,839,505	**34,419,839,505**
Total receivable	**138,832,098,239**	**121,545,353,442**

24. Related-party transactions (continued)

24.3 Outstanding balances arising from sales/purchases of goods/services (continued)

	2020 LAK	2019 LAK
Payable to:		
Trade accounts payable		
Other related parties (Note 13)	12,779,938,583	6,984,385,308
	12,779,938,583	**6,984,385,308**
Other current liabilities		
Key management (Note 16)		
Advance from key management	526,285,059	3,622,653,284
	526,285,059	**3,622,653,284**
Other related parties (Note 16)		
Accrued interest expenses	20,627,434,345	643,670,958
Accrued expenses	456,671,499	-
Advance from related party	-	8,717,498,687
	21,084,105,844	**9,361,169,645**
	21,610,390,903	**12,983,822,929**
Total payable	**34,390,329,486**	**19,968,208,237**

24.4 Borrowings from related parties

	2020 LAK	2019 LAK
At 1 January	326,255,600,000	257,920,740,000
Loans received during the year	60,746,045,421	558,201,182,000
Loans repayment during the year	(45,896,532,000)	(515,360,265,000)
Un-realisation loss on exchange	26,673,904,000	25,493,943,000
At 31 December	**367,779,017,421**	**326,255,600,000**

The loans from related parties were provided with specified repayment term and interest rate at 8% (2019: 8%) per annum (Note 15).

24.5 Loans to related parties

	2020 LAK	2019 LAK
At 1 January	34,433,275,626	36,406,683,271
Loans paid during the year	5,339,105,284	1,305,862,565
Loans received during the year	(744,273,200)	(3,417,940,000)
Un-realisation loss on exchange	510,400,000	138,669,790
At 31 December	**39,538,507,710**	**34,433,275,626**

24. Related-party transactions (continued)

24.6 Key management compensation

Compensation paid to key management are as follow:

	2020 Million LAK	2019 Million LAK
Salaries and others	2,418	2,541

25. Commitments

a) Capital expenditure commitment

As at 31 December 2020, the Group had capital commitment for construction the gas station amount of LAK 1,192 million.

b) Operating lease commitments - where a Group is the lessee

The Group leases land under non-cancellable operating lease agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2020 LAK	2019 LAK
Not later than 1 year	420,000,000	16,521,767,840
Later than 1 year but not later than 5 years	6,733,950,000	14,369,255,308
Later than 5 years	27,059,227,673	38,904,540,379
	34,213,177,673	**69,795,563,527**

c) Operating lease commitments - where a Group is the lessor

The Group let out gas stations and office under operating lease agreement. The minimum future rental receivable as at 31 December under these operating lease agreements are as below:

	2020 LAK	2019 LAK
Not later than 1 year	1,628,748,000	3,447,424,000
Later than 1 year but not later than 5 years	6,339,792,000	13,680,163,000
Later than 5 years	5,073,590,100	7,012,111,600
	13,042,130,100	**24,139,698,600**

26. Events after the reporting period

After reporting date, the Group subsequently received the letter from the Authorities regarded to the change in accounting policy on the unrealised foreign exchange gains and losses from the translation of monetary assets and liabilities denominated in foreign currency recognised to the statement of financial position (Note 2.3 and 3).