PETROLEUM TRADING LAO PUBLIC COMPANY



INTERIM SEPARATE FINANCIAL INFORMATION (UNAUDITED)

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

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

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

We have reviewed the interim separate financial information of Petroleum Trading LaoPublic Company (the Company). These comprises the separate statement of financial position as at 30 June 2017, and the related separate statements of income, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim separate financial information. Management is responsible for the preparation and presentation of this interim separate financial information in accordance with the Company's accounting of principles as described in Note 2 in the annual financial statements. Our responsibility is to express a conclusion on this interim separate financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2400, "Engagements to review financial statements". This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free material misstatements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit. Accordingly, we 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 separate financial information is not prepared, in all material respects, in accordance with the significant accounting principles described in Note 2 to this interim separate financial information.

For PricewaterhouseCoopers (Lao) Sole Company Limited

Apisit Thiengtrongpinyo
Partner
Vientiane, Lao PDR
Date: 28 August 2017

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Assets			
Current assets			
Cash and cash equivalents	5	8,354	77,430
Trade receivables, net	6	86,151	124,876
Inventories, net	7	30,228	73,652
Short-term loan to related parties	12	9,725	5,977
Other current assets	8	60,369	64,631
Total current assets		**194,827**	**346,566**
Non-current assets			
Property, plant and equipment, net	9	295,158	287,763
Intangible assets, net	10	7,023	5,368
Investment properties, net	11	154,540	156,087
Long-term loans to related parties	12	30,898	32,123
Investment in subsidiary, net	13	11,970	3,011
Other non-current assets	14	44,671	50,303
Total non-current assets		**544,260**	**534,655**
Total assets		**739,087**	**881,221**

Chanthone Sitthixay
Chief Executive Officer
Date: 28 August 2017

Chanthadom Meksavanh
Acting Chief Finance Officer
Date: 28 August 2017

The notes to the interim separate financial information on pages 9 to 17 form an integral part of these interim separate financial information.

PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM SEPARATE STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Liabilities and shareholder's equity			
Liabilities			
Current liabilities			
Trade payables	15	20,454	125,765
Tax payables	16	1,460	3,046
Short-term borrowings	17	135,361	123,598
Other current liabilities	18	3,167	2,178
Total current liabilities		**160,442**	**254,587**
Non-current liabilities			
Long-term borrowings	17	158,881	162,026
Total non-current liabilities		**158,881**	**162,026**
Total liabilities		**319,323**	**416,613**
Shareholders' equity			
Share capital	19	470,000	470,000
Share premium		27,639	27,639
Retained earnings			
Appropriated-legal reserve		5,686	5,686
Un-appropriated		(83,561)	(38,717)
Total shareholders' equity		**419,764**	**464,608**
Total liabilities and shareholders' equity		**739,087**	**881,221**

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PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM SEPARATE STATEMENTS OF INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	Notes	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Sales		449,813	386,894
Cost of sales		(426,511)	(344,109)
Gross profit		**23,302**	**42,785**
Other incomes		943	359
Selling expenses		(10,858)	(12,132)
Administrative expenses		(36,406)	(24,042)
Other expenses		(5)	(95)
Operating profit(loss)		**(23,024)**	**6,875**
Finance incomes		6,087	3,975
Finance expenses		(27,907)	(10,457)
Profit(loss) before income tax		**(44,844)**	**393**
Income tax expenses	20	-	(145)
Profit(loss) for the period		**(44,844)**	**248**
Earnings per share			
Basic earnings per share	21	(191)	1

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PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	Notes	Share capital Million LAK	Share premium Million LAK	Appropriated Legal reserves Million LAK	Unappropriated retained earnings Million LAK	Total Million LAK
Opening balance 1 January 2017 - Audited	19	**470,000**	**27,639**	**5,686**	**(38,717)**	**464,608**
Loss for the period		-	-	-	(44,844)	(44,844)
Closing balance as at 30 June 2017 - Unaudited		**470,000**	**27,639**	**5,686**	**(83,561)**	**419,764**

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PETROLEUM TRADING LAO PUBLIC COMPANY
INTERIM SEPARATE STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2017

	Notes	Share capital Million LAK	Share premium Million LAK	Appropriated Legal reserves Million LAK	Unappropriated retained earnings Million LAK	Total Million LAK
Opening balance at 1 January 2016 - Audited	19	**470,000**	**27,639**	**3,955**	**12,377**	**513,971**
Profit for the period		-	-	-	248	248
Appropriation		-	-	4,529	(4,529)	-
Dividend paid		-	-	-	(7,285)	(7,285)
Closing balance as at 30 June 2016- Unaudited		**470,000**	**27,639**	**8,484**	**811**	**506,934**

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

	Notes	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Cash flow from operating activities:			
Net profit (loss) before income tax for the period		(44,844)	392
Adjustments to reconcile net profit (loss) to net cash			
Depreciation and amortisation	9,10, 11	11,183	8,881
Reversal provision for inventories	7	(897)	-
Allowance for doubtful	6	(720)	369
Interest received from loan to related parties		-	(1,305)
Interest expenses		(12,435)	8,578
Unrealised from exchanged (gain) loss		95	-
Other tax and statutory tax paid		(1,995)	(800)
Operating profit (loss) before working capital changes		(49,613)	16,115
Changes in operating assets and liabilities			
Trade receivables		39,445	(78,827)
Inventories		44,321	(111,317)
Other assets		9,894	(2,885)
Trade payable and other payables		(93,637)	115,744
Net cash generated from operating activities		(49,590)	(61,170)
Cash flows from investing activities:			
Acquisitions of fixed assets	9,10, 11	(16,527)	(24,606)
Loans to other companies		(2,618)	(3,646)
Payments for investment in subsidiary	13	(8,959)	(694)
Net cash (used in) /from investing activities		(28,104)	(28,946)

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

	Notes	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Cash flows from financing activities:			
Proceeds from borrowings	17	31,355	200,152
Repayment of borrowings	17	(22,737)	(161,788)
Dividends paid		-	(7,285)
Net cash from (used in) financing activities		8,618	31,079
Net increase/(decrease) in cash and cash equivalents		(69,076)	(59,037)
Cash and cash equivalent at the beginning of the period		77,430	74,657
Cash and cash equivalent at the end of the period		8,354	15,620
Significant non-cash items			
Account payables for fixed asset		2,159	341

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1. General information

Petroleum Trading Lao Public Company (the Company) is a listed company in the Lao Securities Exchange and incorporated and resident in Lao PDR. The Company was incorporated and registered with the Ministry of Industry and Commerce on 3 October 2008.

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

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

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

This interim separate financial information was authorised for issue by the Board of Directors on 28 August 2017.

This interimseparate financial information has been reviewed, not audited.

2. Basis of preparation and accounting policies

Thecondensed interimseparate financial information was prepared in accordance with the Company's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2016. The primary financial information (i.e. separate statements of financial position, separate statements of income, separate statements of changes in shareholder's equity and separate 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 Company's' own accounting policies and the IFRSs, in many areas such as property, plant and equipment, leases, employee benefit, borrowing, current and deferred income tax, financial instruments, consolidated and separate 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 separatefinancial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

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

3. Estimates

The preparation of condensed interimseparatefinancial 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 separatefinancial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2016.

4. Reclassification

During the six-month period ended 30 June 2017, the managementreconsidered the nature of accountsand revisedthe grouping in the interim separate financial information, since the financial information will present more properly. Therefore, the comparative figures were reclassified for comparative purpose.

The reclassification is as below:

Statements of financial position:

	31December 2016 -as previous report	Reclassification	31 December2016- revised
	Million LAK	Million LAK	Million LAK
Cash and cash equivalents	77,446	(16)	77,430
Trade receivables, net	123,926	950	124,876
Short-term loan to related parties	-	5,977	5,977
Other current assets	32,444	32,187	64,631
Property plant and equipment, net	138,667	149,096	287,763
Intangible assets, net	130,020	(124,652)	5,368
Other non-current assets	12,634	37,669	50,303
Trade payables	125,512	253	125,765
Tax payables	3,044	2	3,046
Others current liabilities	1,480	698	2,178

Statements of income:

	30 June 2016- as previous report	Reclassification	30 June 2016 -revised
	Million LAK	Million LAK	Million LAK
Selling expenses	(15,273)	3,141	(12,132)
Administrative expenses	(20,901)	(3,141)	(24,042)
Finance incomes	3,468	507	3,975
Finance expenses	(9,950)	(507)	(10,457)

5. Cash and cash equivalents

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Cash on hand	374	66
Cash at bank *	7,980	77,364
	8,354	**77,430**

* This included cash restricted which are pledged as collaterals for the Company's borrowings LAK 1,350 million (31 December 2016: LAK 2,950 million) (Note 17).

6. Trade receivables, net

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Trade receivables from related parties (Note 22,iii)	25,513	14,230
Trade receivables-third parties	65,995	115,283
Less: Allowance doubtful account	(5,357)	(4,637)
	86,151	**124,876**

7. Inventories, net

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Fuel	28,121	72,599
Lubricant	1,091	1,209
Office supply	1,016	741
Less: Allowance for impairment based on net realisable value	-	(897)
	30,228	**73,652**

During the six-month period ended 30 June 2017, the provision of the allowance for impairment of inventories at Phetburi warehouse set in 2016 were reversed since those inventories sold during this period.

8. Other current assets

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Other receivables - related parties (Note 22,iii)	34,160	32,169
Advance to suppliers	10,101	13,837
Deposits to suppliers	12,566	15,682
Advance to employees	2,395	2,143
Advance profit tax payment	1,147	800
	60,369	**64,631**

9. Property, plant and equipment, net

	Million LAK
Opening net book valueas at 1 January 2017 - Audited	287,763
Additions	18,692
Disposals	(6)
Transfer-out	(2,217)
Depreciation charge	(9,074)
Closing net book value as at 30 June 2017 - Unaudited	**295,158**

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

10. Intangible assets, net

	Million LAK
Opening net book valueas at 1 January 2017 – Audited	5,368
Additions	2,217
Amortisation charge	(562)
Closing net book value as at 30 June 2017 - Unaudited	**7,023**

During the six- month period ended 30 June 2017, there wasa new accounting software (Microsoft Dynamics AX 2013 R3) amounting to LAK 2,217million which have beentransferred from construction in progress to intangible assets in January 2017.

11. Investment properties, net

	Million LAK
Opening net book value as at 1 January 2017 - Audited	156,087
Depreciation charge	(1,547)
Closing net book value as at 30 June 2017 - Unaudited	**154,540**

12. Loans to related parties

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Current		
Short-term loan to related party (Note 22, v)	9,725	5,977
Non-current		
Long term loan to related party (Note 22, v)	30,898	32,123
	40,623	**38,100**

During six-month period ended 30 June 2017, there were additional loans to staff amounting to LAK 2,218million with the same term and condition asthe year ended 31 December 2016.

13. Investment in subsidiary, net

	Million LAK
Opening net book value as at 1 January 2017-Audited	3,011
Additions	8,959
Closing net book value as at 30 June 2017 - Unaudited	**11,970**

During six-month period ended 30 June 2017, the subsidiary increased the share capital. Therefore, the Company paid up the share capital on their proportion totalling LAK 8,959 million.

14. Other non-current assets

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Prepaid land rental	29,566	39,958
Advance for gas stations	15,105	10,345
	44,671	**50,303**

15. Trade payables

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Trade payables	18,655	123,610
Trade payables – related parties (Note 22, iii)	1,799	2,155
	20,454	**125,765**

16. Tax payables

	Unaudited 30 June 2017 MillionLAK	Audited 31 December 2016 Million LAK
Value Added Tax payables	1,227	880
Personnel income tax payables	107	93
Other taxes and statutory payables (*)	126	2,073
	1,460	**3,046**

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

17. Borrowings

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Current		
Borrowings from financial institutions	135,361	123,598
Non-current		
Borrowings from financial institutions	158,881	162,026
	294,242	**285,624**

During six-month period ended 30 June 2017, the Company had additional drawn down from ANZ Bank (Lao) Limited amount of LAK 31,355 million.In addition, during the period the Company made a repayment to Lao Development Bank amount of LAK 22,737 million.

18. Other current liabilities

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Advance from customers	1,869	886
Other accrued and payables	1,298	1,292
	3,167	**2,178**

19. Share capital

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

There were no additional share issued or decreasedduring the six-month period ended 30 June 2017.

20. 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.

21. Basic earnings per share

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

	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Profit attributable to ordinary share (LAK)	(44,844)	248
Weighted average number of ordinary share in issue (share)	235	235
Basic earnings per share (LAK)	(191)	1

22. 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 between related parties.

22. Related party transactions (continued)

i) Sales of goods and services

	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Sales of goods to:		
Other related parties	171,304	67,980

ii) Purchases of goods and services

	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 MillionLAK
Purchase of services from:		
Subsidiaries	5,037	3,141
Other related parties	2,937	9,440
	7,974	**12,581**

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

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Receivables from:		
Key management	22,497	22,497
Other related parties	37,176	45,362
	59,673	**67,859**

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Payables to:		
Subsidiaries	857	118
Key management	167	186
Other related parties	1,799	2,155
	2,823	**2,459**

iv) Borrowing from related parties

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Affiliate:		
Phongsavanh Bank		
i) Short-term borrowings	117,355	109,598
ii) Long-term borrowings	102,320	99,145
	219,675	**208,743**

22. Related party transactions (continued)

v) Loan to related parties

	Unaudited 30 June 2017 Million LAK	Audited 31 December 2016 Million LAK
Loan to:		
Key management	8,263	5,977
Other related parties	32,360	32,123
	40,623	**38,100**

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

vi) Key management compensation

The compensations paid to key management are as follows:

	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Salaries and others	179	174

23. Commitments and contingencies

Operating lease commitments – where the Company is the lease.

The Company 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 2017 Million LAK	Audited 31 December 2016 Million LAK
Less than 1 year	-	27,509
From 1-5 years	3,786	5,996
More than 5 years	12,699	20,632
	16,485	**54,137**

Operating lease commitment where the Company is the lessor

The Company 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 2017 Million LAK	Audited 31 December 2016 Million LAK
Less than 1 year	1,589	2,684
From 1-5 years	7,947	9,175
More than 5 years	3,491	5,222
	13,027	**17,081**

23. Commitments and contingencies (continued)

Capital expenditure commitments

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

24. Supplementary information

The figuresshown in related condensed financial information below are only additional information particularly for comparative balance of 30 June 2017 and 30 June 2016 of the Company's financial information. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

Statement of income for thethree-month period 30 June 2017 and 2016;

	Unaudited 30 June 2017 Million LAK	Unaudited 30 June 2016 Million LAK
Sales	212,360	185,198
Cost of sales	(198,488)	(158,611)
Gross profit	**13,872**	**26,587**
Other incomes	918	-
Selling expenses	(5,083)	(6,240)
Administrative expenses	(20,600)	(10,859)
Other expenses	(7,476)	(4)
Profit(loss) before income tax	**(18,369)**	**9,484**
Finance incomes	1,344	1,513
Finance expenses	(6,198)	(5,328)
Profit(loss) before income tax	**(23,223)**	**5,669**
Income tax expenses	-	(1,280)
Profit(loss) for the period	**(23,223)**	**4,389**

25. Events occurring after the reporting date

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