PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
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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 2024 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 2024;
- 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 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 may differ from International Financial Reporting Standards (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. 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 Refer to Note 2.14 'Accounting policies – Revenue recognition' and Note 18 'Sales' to the consolidated financial statements. The Group's revenue comprises both wholesale and retail fuel 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 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.

Our opinion on the consolidated financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we required to report that fact. We have nothing to report in this regard.

Responsibilities of the 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose 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 Pongphan Domerongphanudom
Partner

Vientiane Capital, Lao PDR
Date: 13 May 2025

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
Assets			
Current assets			
Cash and cash equivalents	4	41,063,160,077	23,211,106,583
Trade accounts receivable, net	5	184,166,074,495	187,520,217,255
Inventories, net	6	85,110,678,000	41,969,814,376
Short-term loan to related parties	25.5	403,062,115,650	328,092,964,732
Other current assets	7	1,369,953,243,156	832,748,989,269
Total current assets		**2,083,355,271,378**	**1,413,543,092,215**
Non-current assets			
Property, plant and equipment, net	8	614,446,182,732	572,767,202,769
Intangible assets, net	9	1,657,375,595	2,351,417,542
Investment properties, net	10	537,179,487,215	199,477,136,681
Other non-current assets	11	331,561,554,970	54,373,288,412
Total non-current assets		**1,484,844,600,512**	**828,969,045,404**
Total assets		**3,568,199,871,890**	**2,242,512,137,619**

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

The accompanying notes on pages 12 to 33 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 2024

	Notes	2024 LAK	2023 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade accounts payable	12	207,616,915,665	376,382,644,137
Tax payables	13	58,198,496,283	51,291,295,251
Short-term borrowings	14	179,390,548,031	321,327,703,715
Other current liabilities	15	131,444,280,636	169,916,729,920
Total current liabilities		**576,650,240,615**	**918,918,373,023**
Non-current liabilities			
Long-term borrowings	14	2,083,637,697,036	754,197,374,250
Total non-current liabilities		**2,083,637,697,036**	**754,197,374,250**
Total liabilities		**2,660,287,937,651**	**1,673,115,747,273**
Equity			
Share capital	16	470,000,000,000	470,000,000,000
Share premium	16	27,638,932,340	27,638,932,340
Revaluation surplus		560,019,738,105	385,238,515,697
Retaining earnings/(Deficits)			
Appropriated-legal reserve	17	34,764,644,805	19,366,778,467
Other reserve		1,977,267,979	1,977,267,979
Unappropriated		(190,637,386,812)	(337,572,749,860)
Equity attributes to owners of the parent		**903,763,196,417**	**566,648,744,623**
Non-controlling interest		4,148,737,822	2,747,645,723
Total equity		**907,911,934,239**	**569,396,390,346**
Total liabilities and equity		**3,568,199,871,890**	**2,242,512,137,619**

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
Sales	18	4,810,295,618,721	3,848,663,401,378
Cost of sales		(4,482,659,488,767)	(3,547,245,072,599)
Gross profit		**327,636,129,954**	**301,418,328,779**
Other incomes	19	298,578,694,051	29,145,018,730
Foreign exchange loss	21	(93,712,113,099)	(84,440,172,961)
Selling expenses		(23,930,378,505)	(21,159,961,994)
Administrative expenses		(160,704,892,143)	(122,327,084,516)
Operating profit		**347,867,440,258**	**102,636,128,038**
Finance expense	22	(158,254,206,249)	(73,693,351,799)
Profit before income tax expenses		**189,613,234,009**	**28,942,776,239**
Income tax expenses	23	(12,020,832,820)	(16,536,395,110)
Net profit for the year		**177,592,401,189**	**12,406,381,129**
Profit attributable to:			
Owners of the parent		176,052,728,293	11,858,664,868
Non-controlling interest		1,539,672,896	547,716,261
		177,592,401,189	**12,406,381,129**
Earnings per share			
Basic earnings per share	24	749	50

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

				Retaining earnings/(Deficits)				
	Share capital (Note 16) LAK	Share premium (Note 16) LAK	Revaluation Surplus LAK	Appropriated legal reserve (Note 17) LAK	Other reserve LAK	Unappropriated LAK	Non-Controlling Interest LAK	Total LAK
Balance at 1 January 2023	470,000,000,000	27,638,932,340	385,238,515,697	13,933,663,310	1,977,267,979	(339,157,393,967)	2,248,827,499	561,879,812,858
Transfer to reserve	-	-	-	5,433,115,157	-	(5,433,115,157)	-	-
Tax on dividend	-	-	-	-	-	(4,840,905,604)	(48,898,037)	(4,889,803,641)
Net profit for the year	-	-	-	-	-	11,858,664,868	547,716,261	12,406381,129
Balance at 31 December 2023	**470,000,000,000**	**27,638,932,340**	**385,238,515,697**	**19,366,778,467**	**1,977,267,979**	**(337,572,749,860)**	**2,747,645,723**	**569,396,390,346**
Balance at 1 January 2024	470,000,000,000	27,638,932,340	385,238,515,697	19,366,778,467	1,977,267,979	(337,572,749,860)	2,747,645,723	569,396,390,346
Revaluation surplus	-	-	174,781,222,408	-	-	-	-	174,781,222,408
Transfer to reserve	-	-	-	15,397,866,338	-	(15,397,866,338)	-	-
Tax on dividend	-	-	-	-	-	(13,719,498,907)	(138,580,797)	(13,858,079,704)
Net profit for the year	-	-	-	-	-	176,052,728,293	1,539,672,896	177,592,401,189
Balance at 31 December 2024	**470,000,000,000**	**27,638,932,340**	**560,019,738,105**	**34,764,644,805**	**1,977,267,979**	**(190,637,386,812)**	**4,148,737,822**	**907,911,934,239**

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 LAK	2023 LAK
Cash flows from operating activities:			
Net Profit before income tax for the year		189,613,234,009	28,942,776,239
Adjustments to reconcile net gain to net cash			
Depreciation and amortisation	20	14,578,894,981	12,923,424,498
Provision for doubtful debts		13,719,529,514	9,343,069,464
Fair value gain on investment properties	19	(214,360,931,794)	-
Interest incomes	19	(68,513,727,411)	(22,541,955,174)
Interest expenses		158,254,206,249	73,693,351,799
Changes in working capital:			
Trade accounts receivables		(3,337,631,038)	73,045,665,570
Inventories		(43,140,863,624)	7,535,635,315
Trade accounts payables		(178,805,316,430)	(21,203,117,104)
Tax payables		(11,071,711,491)	18,922,588,111
Other non-current assets		(32,823,918,868)	967,406,967
Other current assets		(414,097,063,507)	(299,395,088,769)
Other current liabilities		(60,684,546,711)	174,996,204,567
Cash (used in)/generated from operation		**(650,669,846,121)**	**57,229,961,483**
Interest received		-	647,322,182
Interest paid		(146,629,940,258)	(73,693,351,799)
Income tax paid		(7,900,000,000)	(3,940,633,880)
Net cash used in operating activities		**(805,199,786,379)**	**(19,756,702,014)**
Cash flows from investing activities:			
Acquisitions of property, plant and equipment and intangible assets	8,9	(4,124,029,331)	(9,668,218,301)
Advanced payment for investments		(244,364,347,690)	-
Loans paid during the year	25.5	(286,011,057,100)	(103,395,758,272)
Loans received during the year	25.5	216,012,172,000	51,841,508,000
Net cash used in investing activities		**(318,487,262,121)**	**(61,222,468,573)**

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

The accompanying notes on pages 12 to 33 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 2024

	Notes	2024 LAK	2023 LAK
Cash flows from financing activities:			
Proceeds from borrowings	14	2,038,158,259,907	1,337,276,777,992
Repayment of borrowings	14	(896,987,392,816)	(1,272,813,304,944)
Net cash generated from financing activities		**1,141,170,867,091**	**64,463,473,048**
Net increase/(decrease) in cash and cash equivalents		17,483,818,591	(16,515,697,539)
Cash and cash equivalents at the beginning of the year	4	23,211,106,583	39,158,104,505
Exchange gain on cash and cash equivalents		368,234,903	568,699,617
Cash and cash equivalents at the end of the year	4	**41,063,160,077**	**23,211,106,583**

Khamsone Sitthixay
Chief Executive Officer

Date: 13 May 2025

Chanthadom Meksavanh
Chief Finance Officer

Date: 13 May 2025

The accompanying notes on pages 12 to 33 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 Import-Export Company Limited, Petrotrade Distribution Company Limited 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 both subsidiaries as the same. The principal 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 13 May 2025.

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 of 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, the 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 until 31 December 2025 and 1 January 2026 onward, all listed companies must fully adopt IFRS.

The management is presently preparing an action plan for implementation of IFRS in accordance with the announcement. Therefore, the accounting principles applied may materially differ from International Financial Reporting Standards (IFRS).

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 consolidated 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.

2. Accounting policies (continued)

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.

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 receivables 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:

2. Accounting policies (continued)

2.5 Trade accounts receivable (continued)

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, other receivables from related parties.

On 30 Jun 2024, management has decided to update the accounting policy of allowance for doubtful accounts regarding to the receivable from the company/service provider to the government's project as described in Note 3.1.

2.6 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the moving 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.'

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 properties, Investment property also includes properties that are under construction or development 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 except land. Land categories as investment property is recognised using the revaluation method (Note 2.8)

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 (Note 2.8). 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:

2. Accounting policies (continued)

2.7 Investment properties (continued)

Building	7 - 10 years

From 31 December 2024 onward, property that is held for long-term rental income, capital appreciation, or both, and is not occupied by the Group, and asset items at third-party gas stations, which generate embedded rental element through fuel purchase agreements is classified as investment property. The investment property "Building" is measured at fair value. Subsequently, they are carried at fair value. Changes in fair values are presented in profit or loss. The fair value is determined annually based on valuations by external independent valuers. Refer to Note 3.2

2.8 Property, plant and equipment

All property, plant and equipment, excepted land*, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

*Land is recognised at revaluation method based on periodic, but at least 2 years, valuations by external independent valuers. Increases/decreases in the carrying amounts arising on revaluation of land is recognised in 'revaluation surplus' in shareholders' equity. The Group transfers any amounts included in revaluation surplus in respect of disposed asset to retained earnings when the revalued assets are sold.

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.

2.9 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. Accounting policies (continued)

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.

Leases - where the Group is the lessor

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

2. Accounting policies (continued)

2.12 Taxation

The Group records 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 23).

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 is recognised 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.

2.14 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 providing services is recognised in the accounting period in which the services are rendered.

Revenue from rental 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 is 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. Changes in accounting policy

3.1 Trade accounts receivable

On 30 June 2024, management approved a change in the accounting policy over the allowance for receivables for the companies or service providers providing services to the government's projects. The allowance for receivables for these companies or service providers are set at 5% per annum for the outstanding balance that above 2 years (Note 2.5).

The changes in this policy are accounted for on a prospective basis.

3.2 Investment properties, net

On 31 December 2024, The management decided and approved the change in the accounting policy over the building under investment properties, net (Note 2.7) from cost to fair value method which management believe that this change arises from a desire to present more appropriate and relevant representation of the company's financial position, reflecting the current market conditions and true value of its investment properties from the date of changes onward, they are carried at fair value. The fair value is determined annually based on valuations by external independent valuers. Changes in fair value are presented in the statement of income as "Other income" (Note 19).

4. Cash and cash equivalents

	2024 LAK	2023 LAK
Cash on hand	111,509,511	354,855,710
Cash at banks	40,951,650,566	22,856,250,873
	41,063,160,077	**23,211,106,583**

5. Trade accounts receivable, net

	2024 LAK	2023 LAK
Trade accounts receivable - related parties (Note 25.3)	36,635,703,971	26,364,428,435
Trade accounts receivable - third parties	181,097,431,817	181,003,320,599
	217,733,135,788	**207,367,749,034**
Less: Allowance for doubtful accounts	(33,567,061,293)	(19,847,531,779)
Trade accounts receivable - net	**184,166,074,495**	**187,520,217,255**

All trade accounts receivable from subsidiaries are pledged as collateral for the Group's borrowings (Note 14).

6. Inventories, net

	2024 LAK	2023 LAK
Fuel	83,087,915,957	40,208,477,387
Office supply and spare part	1,656,820,031	1,417,303,524
Plus card	147,067,126	193,588,586
Oil color	218,874,886	150,444,879
	85,110,678,000	**41,969,814,376**
Less: Allowance for impairment based on net realisable value	-	-
Inventories - Net	**85,110,678,000**	**41,969,814,376**

All inventories from subsidiaries are pledged as collateral for the Group's borrowings (Note 14).

7. Other current assets

	2024 LAK	2023 LAK
Receivables - related parties (Note 25.3)	767,011,971,151	239,625,406,410
Advances to suppliers	55,055,810,961	18,306,108,421
Prepayments	41,210,036,769	22,554,798,826
Deposits to suppliers	9,319,799,096	9,189,431,004
Advances to employees	114,500,000	65,000,000
Advance profit tax payment	1,146,854,492	1,555,210,789
VAT receivables	1,589,719,081	1,160,182,627
Other receivables	1,272,878,645	1,448,993,317
Deferred loss from un-realisation	493,231,672,961	538,843,857,875
	1,369,953,243,156	**832,748,989,269**

8. Property, plant and equipment, net

	Land	Building and improvement	Machinery and equipment	Office equipment	Vehicle	Construction in progress	Total
	LAK	LAK	LAK	LAK	LAK	LAK	LAK
As at 31 December 2023							
Cost	442,458,350,747	173,178,396,766	29,296,661,013	23,403,445,719	8,908,144,243	10,401,274,175	687,646,272,663
Less: Accumulated depreciation	-	(64,350,425,084)	(25,121,654,269)	(20,146,646,214)	(5,260,344,327)	-	(114,879,069,894)
Net book amount	**442,458,350,747**	**108,827,971,682**	**4,175,006,744**	**3,256,799,505**	**3,647,799,916**	**10,401,274,175**	**572,767,202,769**
Opening net book amount	442,458,350,747	108,827,971,682	4,175,006,744	3,256,799,505	3,647,799,916	10,401,274,175	572,767,202,769
Additions	-	459,957,226	334,995,232	1,017,231,503	-	2,113,328,864	3,925,512,825
Depreciation charge (Note 20)	-	(9,011,524,320)	(2,368,262,164)	(1,202,395,387)	(372,679,654)	-	(12,954,861,525)
Reclassification (i)	-	(47,310,570,765)	(999,001)	(314,209)	-	-	(47,311,883,975)
Revaluation surplus	98,020,212,638	-	-	-	-	-	98,020,212,638
Closing net book amount	**540,478,563,385**	**52,965,833,823**	**2,140,740,811**	**3,071,321,412**	**3,275,120,262**	**12,514,603,039**	**614,446,182,732**
As at 31 December 2024							
Cost	540,478,563,385	107,592,168,436	20,016,797,578	24,392,481,071	8,908,144,243	12,514,603,039	713,902,757,752
Less: Accumulated depreciation	-	(54,626,334,613)	(17,876,056,767)	(21,321,159,659)	(5,633,023,981)	-	(99,456,575,020)
Net book amount	**540,478,563,385**	**52,965,833,823**	**2,140,740,811**	**3,071,321,412**	**3,275,120,262**	**12,514,603,039**	**614,446,182,732**

Certain property, plant and equipment are pledged as collaterals for the Group's borrowings (Note 14).

(i) On 31 December 2024, the management reclassified the office building and gas stations which is in Property, plant, and equipment (PPE) with net book value LAK 47,311,883,975 to Investment Properties as these items are met the condition of investment property classification.

9. Intangible assets, net

	Computer software LAK
As at 1 January 2024	
Cost	10,376,412,840
Less: Accumulated amortisation	(8,024,995,298)
Net book amount	**2,351,417,542**
Opening net book amount	2,351,417,542
Addition	198,516,505
Amortisation charge (Note 20)	(892,558,452)
Closing net book amount	**1,657,375,595**
As at 31 December 2024	
Cost	10,574,929,344
Less: Accumulated amortisation	(8,917,553,749)
Net book amount	**1,657,375,595**

10. Investment properties, net

	Land LAK	Building LAK	Total LAK
As at 1 January 2024			
Cost	194,059,035,920	10,639,511,056	204,698,546,976
Less: Accumulated depreciation	-	(5,221,410,295)	(5,221,410,295)
Net book amount	**194,059,035,920**	**5,418,100,761**	**199,477,136,681**
Opening net book amount	194,059,035,920	5,418,100,761	199,477,136,681
Depreciation charge (Note 20)	-	(731,475,004)	(731,475,004)
Reclassification(i)	-	47,311,883,976	47,311,883,975
Revaluation surplus	76,761,009,769	-	76,761,009,769
Net gain from fair value adjustment (Note 19)	-	214,360,931,794	214,360,931,794
Closing balance at 31 December 2024	**270,820,045,689**	**266,359,441,526**	**537,179,487,215**

Investment properties represent the land, buildings in Vientiane Capital, Lao PDR and gas station which are leased to the Group's related parties.

Certain land is pledged as collateral for the Group's borrowings (Note 14).

10. Investment properties, net (continued)

(i) On 31 December 2024, the management reclassified the office building and gas stations which is in Property, plant, and equipment (PPE) with net book value LAK 47,311,883,975 to Investment properties as these items are met the condition of investment property classification.

11. Other non-current assets

	2024 LAK	2023 LAK
Prepayments*	81,085,176,577	52,633,057,709
Advances payment for investment**	244,364,347,690	-
Advances to purchase assets	4,371,800,000	-
Advances for gas stations and others	1,740,230,703	1,740,230,703
	331,561,554,970	**54,373,288,412**

* This mainly represents advanced prepayments to related parties' amount to LAK 34,419,839,505 (2023: LAK 34,419,839,505) (Note 25.3), loan approval fees for amortised amount to LAK 24,696,505,634 and other prepayments.

**During the year, the Group paid external advisors and the government for advance for investments in the following projects as below:

- The Vientiane-Vung Ang railway project: this project is currently in the research and development phase and the outstanding of advance for investment as at 31 December 2024 is LAK 87,385,820,185.

- The Fuel Tank farm in Laos project: this project is a joint investment between the Group and Muhibbar Engineering Co., Ltd, currently in the research and development and the outstanding of advance for investment as at 31 December 2024 is LAK 90,741,572,100.

- The Fuel Tank farm in Vietnam project: this project is is currently in the research and development and the outstanding of advance for investment as at 31 December 2024 is LAK 66,236,955,405.

12. Trade accounts payable

	2024 LAK	2023 LAK
Trade payables - third parties	196,784,699,267	351,984,593,751
Trade payables - related parties (Note 25.3)	10,832,216,398	24,398,050,386
	207,616,915,665	**376,382,644,137**

13. Tax payables

	2024 LAK	2023 LAK
Value Added Tax payables	18,854,060,408	8,299,827,433
Import duties payables	58,345,293	5,886,622,340
Personnel income tax payables	289,335,609	155,579,535
Income tax payables	20,248,871,632	27,941,621,754
Dividend tax payable*	18,747,883,344	5,417,217,871
Other taxes and statutory payables**	-	3,590,426,318
	58,198,496,283	**51,291,295,251**

*This represents the accrued dividend tax payables of the subsidiaries of LAK 18,747,883,344 (2023: LAK 5,417,217,871) in accordance with Lao on Income Tax and guidance of Law on Income Tax Law, Article 41 Filling Income Tax from Dividend. As at reporting date, the shareholders of subsidiaries have not made a resolution to approve for the dividend sharing payment.

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

Tax Authorities have 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 recorded tax expenses amount of LAK 20,835,576,105 to the financial statements of the year ended 31 December 2019, and the outstanding payables as at 31 December 2024 is nil (2023: LAK 3.5 billion). During the period, the outstanding has been paid LAK 3.5 billion.

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 2024, 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 (2023: LAK 6,452,725,282)

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 (2023: LAK 6,452,725,282) to the financial statements.

14. Borrowings

	2024 LAK	2023 LAK
Current		
Current portion of long-term borrowing from related party (Note 25.4)	61,962,857,743	181,128,945,600
Short-term borrowing from Banks	23,792,107,441	49,593,335,650
Short-term borrowing from related parties (Note 25.4)	93,635,582,847	90,605,422,465
	179,390,548,031	**321,327,703,715**
Non-current		
Borrowing from banks	1,308,486,417,362	33,297,256,734
Borrowing from related parties (Note 25.4)	775,151,279,674	720,900,117,516
	2,083,637,697,036	**754,197,374,250**
	2,263,028,245,067	**1,075,525,077,965**

The movement of borrowing can be analysed are as follows:

	2024 LAK	2023 LAK
At 1 January	1,075,525,077,965	834,314,266,444
Borrowings received during the year	2,038,158,259,907	1,337,276,777,992
Borrowings repayment during the year	(896,987,392,816)	(1,272,813,304,944)
Un-realisation loss on exchange	46,332,300,011	176,747,338,473
At 31 December	**2,263,028,245,067**	**1,075,525,077,965**

14. Borrowings (continued)

Lenders	Repayment terms	Terms	Credit limits	Interest rate per annum	Collaterals	Outstanding balances as 31 December 2024
Burapha Co.,Ltd	Principal and Interest are repayable at lender's demand	29 December 2019 onwards	USD 4,398,535	0%	- None	USD 3,324,369 (Equivalent to LAK 72,667,382,847)
Banque Pour Le Commerce Exterieur Lao Public	Principal: are repayable at maturity date Interest: are repayable on monthly	11 April 2023 – 11 April 2026	LAK 150,000,000,000	9%	- 18 Lands and buildings.	LAK 33,297,256,733
Vietin Bank Lao Limited	Principal: are repayable at lender's demand Interest: are repayable on monthly	30 November 2024 – 30 November 2025	LAK 80,000,000,000 (can drawdown in USD)	9.5%	- 2 Lands and buildings.	USD 1,088,435 (Equivalent to LAK 23,792,107,441)
Phongsavanh Bank	Principal: are repayable 4 instalments per year as "Loan Repayment Schedule" Interest: are repayable on monthly	25 December 2023 - 25 December 2028	USD 588,000 THB 70,000,000 LAK 22,000,000,000	10%, 9%,11% 9%	- 11 Lands and buildings. - Supply of goods agreement to Phubia Mining Limited, Yunnan Construction and Investment Holding (Lao) Sole Co., Ltd. - 7 Land and fuel station rental contracts of Petrotrade Distribution Company Limited. - 9 Land and fuel station rental contracts of Petroleum Trading Lao Public Company.	USD 7,476,122 THB 55,739,300 LAK 16,398,233,000 (Equivalent to LAK 215,235,525,619)
Phongsavanh Bank	Principal: are repayable on monthly as "Loan Repayment Schedule" Interest: are repayable on monthly	26 December 2024 - 26 December 2029	THB 752,900,000	11%		THB 751,667,000 (Equivalent to LAK 477,609,211,798)
Phongsavanh Bank	Principal: are repayable at maturity date Interest: are repayable on monthly	27 December 2024 - 27 December 2027	USD 6,600,000	11%		USD 6,600,000 (Equivalent to LAK 144,269,400,000)
Phongsavanh Bank	Principal: are repayable at maturity date Interest: are repayable on monthly	26 February 2024 - 26 February 2025	THB 33,000,000	10%	- None (secured by Mr. Khamsone Sitthixay - CEO)	THB 33,000,000 (Equivalent to LAK 20,968,200,000)

14. Borrowings (continued)

Lenders	Payment terms	Terms	Credit limits	Interest rate per annum	Collaterals	Outstanding balances as 31 December 2024
Banque Pour Le Commerce Exterieur Lao Public	Principal: are repayable at maturity date Interest: are repayable on monthly	3 April 2024 – 4 April 2027	USD 50,000,000	8.25%	- None (secured by Ministry of Finance)	USD 50,000,000 (Equivalent LAK 1,092,950,000,000)
Lao Development bank	Principal: are repayable at maturity date Interest: are repayable on monthly	9 December 2024 – 9 December 2029	USD 65,000,000	7%	- Inventories and account receivables of Petrotrade Import-Export Company Limited	USD 8,337,031 (Equivalent LAK 182,239,160,629)
Lao Development bank	Principal: are repayable at maturity date Interest: are repayable on monthly	27 November 2024 – 27 November 2029	USD 8,500,000	7%	- Inventories and account receivables of Petrotrade Distribution Company Limited	USD nil (Equivalent LAK nil)
					Total	**USD 76,825,957 THB 840,406,300 LAK 49,695,489,733 (Equivalent to 2,263,028,245,067)**

14. Borrowings (continued)

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

	2024 LAK	2023 LAK
Borrowings - at fixed rates	2,263,028,245,067	1,075,525,077,965
Total borrowings	**2,263,028,245,067**	**1,075,525,077,965**

Maturity of borrowings is as follows:

	2024 LAK	2023 LAK
Between 1 and 2 years	117,427,690,288	140,198,758,115
Between 2 years and 5 years	2,145,600,554,779	935,326,319,850
	2,263,028,245,067	**1,075,525,077,965**

15. Other current liabilities

	2024 LAK	2023 LAK
Advances from customers	18,666,784,824	21,130,985,760
Other accrued and payables	21,001,963,551	25,440,674,699
Payables - related parties (Note 25.3)	4,803,247,598	9,814,309,516
Deferred gain from un-realisation	86,972,284,663	113,530,759,945
	131,444,280,636	**169,916,729,920**

16. Share capital and premium on share capital

	Number of Shares (Shares)	Ordinary Shares (LAK)	Share Premium (LAK)	Total (LAK)
At 1 January 2023	235,000,000	470,000,000,000	27,638,932,340	497,638,932,340
Issue of shares	-	-	-	-
At 31 December 2023	**235,000,000**	**470,000,000,000**	**27,638,932,340**	**497,638,932,340**
At 1 January 2024	235,000,000	470,000,000,000	27,638,932,340	497,638,932,340
Issue of shares	-	-	-	-
At 31 December 2024	**235,000,000**	**470,000,000,000**	**27,638,932,340**	**497,638,932,340**

17. Legal reserve

	2024 LAK	2023 LAK
At 1 January	19,366,778,467	13,933,663,310
Appropriation during the year	15,397,866,338	5,433,115,157
At 31 December	**34,764,644,805**	**19,366,778,467**

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 net profit, after deducted accumulated losses (if any) until such reserve reaches 50% of authorised share capital.

18. Sales

	2024 LAK	2023 LAK
Sales of fuel	4,807,996,784,330	3,846,613,265,976
Revenue from plus card	2,298,834,391	2,050,135,402
	4,810,295,618,721	**3,848,663,401,378**

19. Other income

	2024 LAK	2023 LAK
Rental incomes (Note 25.1)	15,228,087,840	4,642,993,069
Interest incomes	68,513,727,411	22,541,955,174
Fair value gain on investment properties (Note 10)	214,360,931,794	-
IT services (Note 25.1)	-	704,882,893
Other incomes	475,947,006	1,255,187,594
	298,578,694,051	**29,145,018,730**

20. Significant expenses by nature

	2024 LAK	2023 LAK
Finished goods - fuel sold and service	4,482,572,881,386	3,547,245,072,599
Labor costs	45,456,331,823	30,090,536,332
Depreciation and amortisation expenses (Note 8,9,10)	14,578,894,981	12,923,424,498
Bank charges	28,352,747,009	19,155,107,052
Professional fees	8,164,228,051	10,698,651,702
Operating costs for representative offices	29,332,341,661	16,727,100,609
Rental expenses	6,689,100,886	6,177,427,842
Repair and maintenance expenses	5,103,178,682	5,112,044,595
Advertising expenses	7,780,589,287	8,014,257,029
Transportation expenses (Note 25.2)	16,157,215,996	15,108,019,081
Commission fees	7,041,707,933	9,124,126,610

21. Foreign exchange loss

This mainly consist of net realisation of loss from exchanges rate of the subsidiaries amount of LAK 86,965,295,672 (2023: LAK 76,001,592,945)

22. Finance expenses

This is consisted of interest expenses of borrowing from related parties amounting to LAK 94,712,181,874 (2023: LAK 65,350,305,867) (Note 25.2) and from local commercial bank amounting to LAK 63,542,024,375 (2023: LAK 8,343,045,932)

23. Income tax expenses

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% (2023: 20%) after considering the non-deductible income and expenses was in accordance with the Lao Tax Law.

The income tax expenses for the year ended 31 December 2024 is LAK 12,020,832,820 (2023: LAK 16,536,395,110)

24. Basic earnings per share

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

	2024	2023
Net profit attributable to ordinary shareholders (LAK)	176,052,728,293	11,858,664,868
Weighted average number of ordinary shares in issue (shares)	235,000,000	235,000,000
Basic earnings per share (LAK)	749	50

Basic earnings per share of non-controlling interest which is 1% was immateriality therefore did not present in these consolidated financial statements.

25. 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:

25.1 Sales of goods and services

	2024 LAK	2023 LAK
Sales of goods to:		
Other related parties		
Fuel	19,223,279,252	12,832,709,960
Sales services to:		
Other related parties		
Interest incomes	67,627,983,868	22,539,480,024
Rental fees (Note 19)	15,228,087,840	4,642,993,069
IT services (Note 19)	-	704,882,893
	82,856,071,708	**27,887,355,986**

25. Related-party transactions (continued)

25.2 Purchases of goods and services

	2024 LAK	2023 LAK
Purchases of services from:		
Other related parties		
Interest expenses (Note 22)	99,193,124,132	65,350,305,867
Transportation expenses (Note 20)	16,157,215,996	15,108,019,081
	115,350,340,128	**80,458,324,948**

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

	2024 LAK	2023 LAK
Receivables from:		
Trade account receivable (Note 5)		
Other related parties		
Trade receivable	36,635,703,971	26,364,428,435
	36,635,703,971	**26,364,428,435**
Other current assets (Note 7)		
Key management		
Other receivable from share premium	22,497,682,340	22,497,682,340
Other receivable from sale vehicle	16,149,973,862	16,149,973,862
Share subscription	2,000,000,000	2,000,000,000
Advance to key management	74,236,566,354	8,780,669,991
Interest receivables	35,392,406,567	21,250,004,771
	150,276,629,123	**70,678,330,964**
Other related parties		
Interest receivables	80,197,364,718	36,139,508,536
Other receivables from rental service	35,797,499,949	18,968,787,119
Advance to related parties	500,740,477,361	113,838,779,791
	616,735,342,028	**168,947,075,446**
Total receivable (Note 7)	**767,011,971,151**	**239,625,406,410**
Other non-current assets (Note 11)		
Key management		
Prepayment	34,419,839,505	34,419,839,505
	34,419,839,505	**34,419,839,505**

25. Related-party transactions (continued)

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

	2024 LAK	2023 LAK
Payable to:		
Trade accounts payable (Note 12)		
Other related parties	10,832,216,398	24,398,050,386
	10,832,216,398	**24,398,050,386**
Other current liabilities		
Other related parties		
Accrued interest expenses	651,967,812	617,961,630
Other payables	4,151,279,786	9,196,347,886
Total payable (Note 15)	**4,803,247,598**	**9,814,309,516**

25.4 Borrowings from related parties

	2024 LAK	2023 LAK
At 1 January	992,634,485,582	735,018,894,609
Borrowings received during the year	642,859,681,710	902,496,252,956
Borrowings repayment during the year	(729,751,404,292)	(814,863,550,421)
Un-realisation loss on exchange	25,006,957,264	169,982,888,437
At 31 December	**930,749,720,264**	**992,634,485,581**

The loans from related parties were provided with specified repayment term and interest rate at 0%, 9%,10%,11%, (2023: 0%, 9%,10%) per annum (Note 14).

25.5 Loans to related parties

	2024 LAK	2023 LAK
At 1 January	328,092,964,732	257,955,822,779
Loans paid during the year	286,011,057,100	103,395,758,272
Loans received during the year	(216,012,172,000)	(51,841,508,000)
Un-realisation gains on exchange	4,970,265,818	18,582,891,681
At 31 December	**403,062,115,650**	**328,092,964,732**

The loans to related parties were provided with specified repayment terms and interest rates at 0%, 6.5%,9%,11%,12%,14% (2023: 0%, 6.5%,9%,10%, 12%) per annum.

25. Related-party transactions (continued)

25.6 Key management compensation

Compensation paid to key management is as follows:

	2024 LAK	2023 LAK
Salaries and others	9,895,492,157	5,069,019,742

26. Commitments

a) 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:

	2024 LAK	2023 LAK
Not later than 1 year	18,038,886,750	13,803,810,750
Later than 1 year but not later than 5 years	24,986,350,300	26,177,551,000
Later than 5 years	18,590,445,358	30,212,721,538
	61,615,682,408	**70,194,083,288**

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

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

	2024 LAK	2023 LAK
Not later than 1 year	641,695,925	636,559,060
Later than 1 year but not later than 5 years	846,297,625	1,338,477,625
Later than 5 years	-	149,515,560
	1,487,993,550	**2,124,552,245**

27. Events after the reporting period

On 18 February 2025, Mr. Chanthone Sitthixay – Chief Executive Officer and the largest shareholder has agreed to appoint Mr. Khamsone Sitthixay – Vice Chief Executive Officer to be the Chief Executive Officer which effectively from 1 March 2025 onwards.