PetroTrade

Semi-Annual Reports of 2018

As of 30th June 2018

ວິໄສທັດ/ Vision

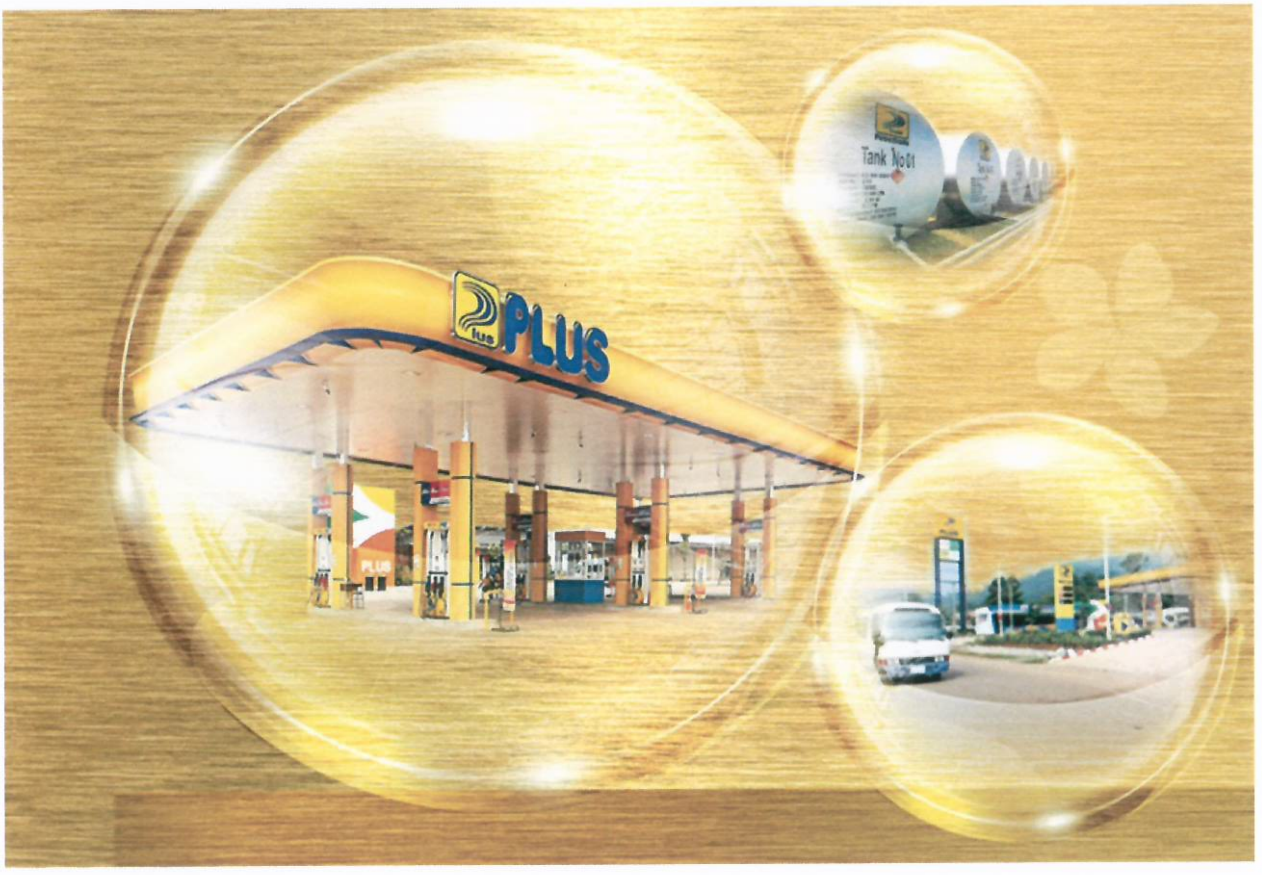
ເປັນບໍລິສັດຊັ້ນນຳ ທາງດ້ານພະລັງງານເຊື້ອໄຟ ທີ່ຄົບວົງຈອນດ້ານຜະລິດຕະພັນປິໂຕຣລ້ຽມ ໃນສປປ ລາວ ແລະ ເຊື່ອມໂຍງການຄ້າໃນລະດັບອາຊຽນ ພາຍໃນ 5 ປີ.

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

ພາລະກິດ / Mission

ສ້າງທຸລະກິດພະລັງງານເຊື້ອໄຟຂອງເອກະຊົນລາວທີ່ຄົບວົງຈອນເປັນທີ່ຍອມຮັບແລະເຊື່ອໝັ້ນຂອງສັງຄົມ ສາມາດເຊື່ອມໂຍງການຄ້າໃນລະດັບພູມມິພາກ, ສ້າງ ແລະ ແບ່ງປັນຜົນປະໂຫຍດຕໍ່ຜູ້ທີ່ມີສ່ວນກ່ຽວພັນ ແລະ ສັງຄົມ.

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





Petroleum Trading Lao Public Company in Brief

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

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

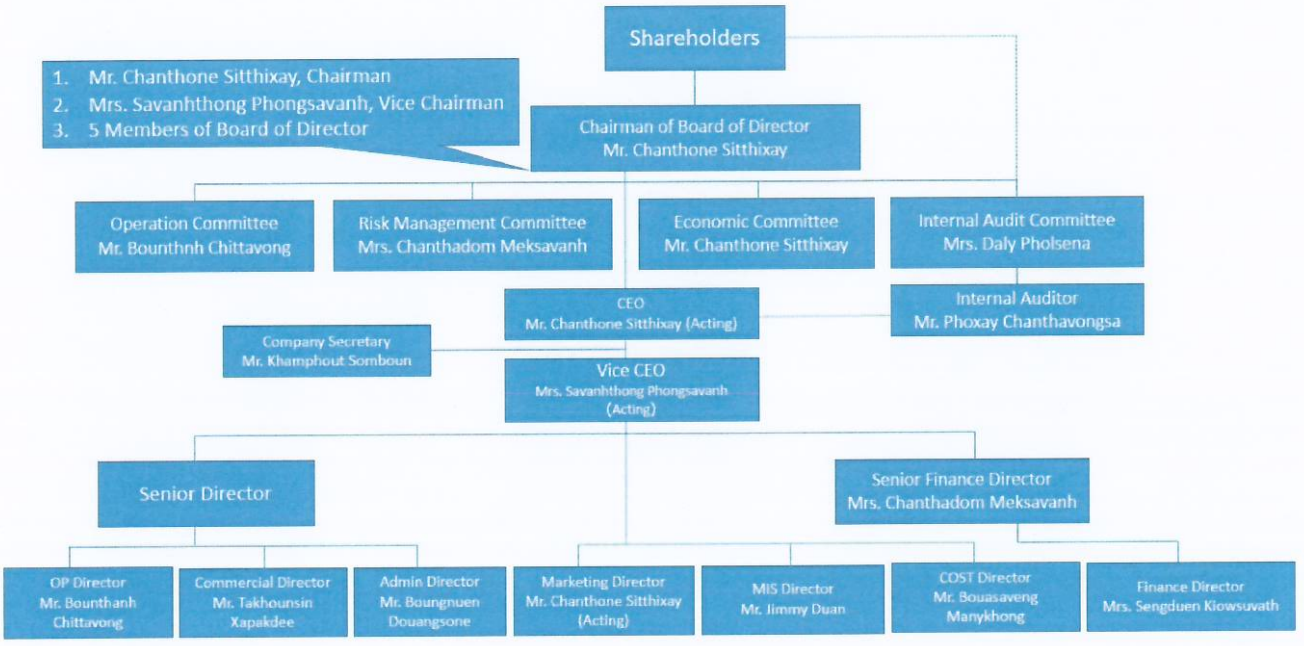
The Company has been importing the petroleum from well-known suppliers, such as, Chevron (Thailand) Limited (Chevron), ESSO (Thailand) Public Company Limited (ESSO), IRPC Public Company Limited (IRPC) and The Shell Company of Thailand Limited (Shell).

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

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



Organization Chart





PTL Board of Director



Mr. Chanthone Sitthixay / Chairman of Board of Director



Mrs. SavanhthongPhongsavanh
Vice Chairman



Mrs Daly Pholsena
Director



Mr. NoophanMahaphon
Director



Mr. Phoxay Chanthavong
Director



Mr. BounthanhChittavong
Director



Mrs. ChanthadomMeksavanh
Director

Sale

Summary of sales in the half year of 2018

No.	Type of Sales	Amount (Liters)	Remark
1	Gas Stations	39,970,000	
2	Project + Construction	10,928,000	
3	Ind + Tra	29,474,000	
4	Lubricants	34,041	
	Total	**80,406,041**	

Comparation of Sale Half Year 2017-2018

6 Months Target Sale of 2018	6 Months Actual Sale of 2018	Difference (+, -, %)	6 Months Actual Sale of 2017	Difference of 2017-2018 (+, -, %)
114,946,747	80,406,041	-30.51%	80,594,820	-0.05%

- Haft year of 2017 we've launched new 1 Standard service gas stations in the Vientiane capital area. Thus the company is pending on the having new gas station expanding due to the regulation of government that under implementing new law on the trading of petroleum products in Lao PDR.

- Our sale project is not growing according to the plan due to some of the signed contract projects were on hold from the investor, within this half year we have 8 new projects and 6 new industried – transportation customers.

Marketing

In the priod 6 month of 2018, we've implement on the renovation of the branding and image of the Plus gas stations especially changing the signs and re-imamge of the gas stations together with providing new services such as cleaning windshield during customer refilling gas, smile member card reward cliam, having promotion with our café and restuant partners for our member card holder which very postitive feedback from our customers.







"Giving Green Back to Nature" the 7th years carry on social responsibilities program of Petrotrade. This year 2018 PTL have plant young Ptercarpus Indicus, Afzelia Xylocarpa, Tectona Grandis of total 5,000 young seeding in 5 hectars the forest protection area which located in Nakha village, Naxaythong district, Vientiane capital with cooperation of the department of agriculture and forest and the Ministry of Aggriulture and Forest.



Depot Operattion

- Received **78,625,867** Liters;
- Withdrawal **77,424,029** Liters;

- Average volatility of Gasoline Super 95 in the depots are -3,596 Liters, of all received 606,074 Liters and it's beyond our lose control @0.25%;
- Average volatility of Gasoline Super 91 in the depots are -25,960 Liters, of all received 13,866,487 Liters and it's beyond our lose control @0.20%;
- Average volatility of Diesel in the depots are +11,896 Liters of all reeived 64,153,306 Liters and it's beyond our lose control @0.15%;
- Lublicants received & withdrawal total of 34,041 Liters.

Human Resource

In the past 6 months of 2018, our Human resource department were growthing up as the movment of company business strategies. We've organized effecicience training and recure staff with support employee wealthfare according to the labor law and ompany policy.

We've organized training for our employee as below:

- Training on the ISO procedure and update regulation;
- Training on the updated company procedure and policy;
- Training on the Safety and Green Environment;
- Work permitted training;
- Training on the energy saving project;
- Training on the professional accounting Lao CPAs;
- Microsoft Dynamic AX Software Training.

Total Employee of PTL in the half year 2017

Location	Permanance Staff			Contractor		
	Female	Male	Total	Female	Male	Total
Head Quarter	62	79	141	8	4	12
Savanhnakhet Office	10	4	14	1	1	2
MuengNgen (Xayyabury) Office	2	8	10	1	-	1
Bolikhamxay Office	-	6	6	2	-	2
Pakse Office	-	4	4	1	-	1
Grand Total	**74**	**101**	**175**	**13**	**5**	**18**

Contributed to Social Charities and Donation

No	Date	Donated to	Purposed	Cash/Value (KIP)
1	25/01/2018	Lao Youth Union	Road Safty Champenge	2,000,000
2	29/03/2018	Muenggnuen Administration Office	Sport Activity	500,000
3	10/04/2018	Tax Reoginal 5	Sport Activity	500,000
4	10/04/2018	Bolikhamxay Border	Sport Activity	500,000
5	10/04/2018	Bolikhamxay Administration office	Sport Activity	1,000,000
6	10/04/2018	Pakse Department of Industry & Commerc	Sport Activity	300,000
7	03/05/2018	Pakse Border	Buddhism activity	300,000
8	11/05/2018	Phonthan village authority	Sport Activity	500,000
9	17/05/2018	Champasak Administration office	Annoucing Champasak Capital ever	1,000,000
10	17/05/2018	Lao Redcross	World Blood Dornor Day	3,000,000
11	22/05/2018	Department of Forest & Aggriculture	Plantation Day 2018	16,740,000
12	01/01/2018	Lao Redcross	Fuel for Ambulance	24,000,000
13	01/01/2018	Emergency Rescure 1623	Fuel for Ambulance	24,000,000
14	01/01/2018	Emergency Rescure 1624	Fuel for Ambulance	24,000,000
15	20/06/2018	Lao Petroleum & Gas Association	Billboard	500,000
			Total	**98,840,000**

Summary of Tax Piad to the Tax Authority and other in the 6 months of 2017

- Import Tax 24,842,601,200 KIP
- Excise Tax 99,529,850,700 KIP
- Value Added Tax 48,735,020,203 KIP
- Road Tax 41,909,400,000 KIP
- Statutory Feul-price Stabilizing Reserve Fund Fee 20,672,250,000 KIP
- E-Meter 1,629,480,000 KIP
- Quality Fee 2,579,040,000 KIP
- Value Added During A Year 8,716,714,606 KIP
- Income Tax 661,951,418 KIP

Grand Total: **249,276,308,127** KIP

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

Chairman of Board's Director

Petroleum Trading Lao Public Company

Chanthone SITTHIXAY