

Petroleum Trading Lao Public Company

Interim Separate Financial Information
(Unaudited)
For the Three-month period ended 30 March 2019

PETROLEUM TRADING LAO PUBLIC COMPANY

INTERIM SEPARATE FINANCIAL INFORMATION
(UNAUDITED)

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2019

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Petroleum Trading Lao Public Company
Interim separate statement of financial position
As at 31 March 2019

	Notes	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Assets			
Current assets			
Cash and cash equivalents	4	1,851,546,623	8,060,819,014
Trade receivables, net	5	66,289,921,247	95,773,893,593
Inventories, net	6	810,923,838	1,002,171,434
Short-term loan to related parties	19.5	24,691,340,471	19,094,118,588
Other current assets	7	87,198,181,752	91,887,290,405
Total current assets		**180,841,913,931**	**215,818,293,034**
Non-current assets			
Property, plant and equipment, net	8	172,810,059,822	173,748,976,617
Intangible assets, net	9	5,709,319,928	5,888,935,042
Investment properties, net	10	87,291,147,287	87,547,072,916
Long-term loans to related parties	19.5	14,221,460,441	19,692,739,383
Investment in subsidiaries		209,970,113,505	209,970,113,505
Other non-current assets	12	42,719,451,427	43,823,990,861
Total non-current assets		**532,721,552,410**	**540,671,828,324**
Total assets		**713,563,466,341**	**756,490,121,358**

Chanthone Sitthixay
Chief Executive Officer

Date: 17 May 2019

Chanthadom Meksavanh
Acting Chief Finance Officer

Date: 17 May 2019

The accompanying notes on page 9 to 17 are an integral part of these interim separate financial statements.

Petroleum Trading Lao Public Company
Interim separate statement of financial position
As at 31 December 2018

	Notes	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade accounts payable	12	10,755,395,375	59,798,320,095
Tax payables	13	1,450,771,714	2,787,753,671
Short-term borrowings	14	246,929,073,905	272,970,740,000
Other current liabilities	15	80,182,807,086	62,043,761,195
Total current liabilities		**339,318,048,080**	**397,600,574,961**
Non-current liabilities			
Long-term borrowings	14	64,420,746,095	33,480,000,000
Total non-current liabilities		**64,420,746,095**	**33,480,000,000**
Total liabilities		**403,738,794,175**	**431,080,574,961**
Equity			
Share capital	16	470,000,000,000	470,000,000,000
Share premium		27,638,932,340	27,638,932,340
Accumulated loss			
Appropriated-legal reserve		3,708,530,711	3,708,530,711
Other reserve		1,977,267,979	1,977,267,979
Unappropriated		(193,500,058,864)	(177,915,184,633)
Total equity		**309,824,672,166**	**325,409,546,397**
Total liabilities and equity		**713,563,466,341**	**756,490,121,358**

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Petroleum Trading Lao Public Company
Interim separate statement of income
For the three- month period ended 31 March 2019

	Notes	Unaudited 31 March 2019 LAK	Unaudited 31 March 2018 LAK
Sales		723,715,418	297,718,250,011
Cost of sales		(778,222,487)	(285,578,979,203)
Gross profit		**(54,507,069)**	**12,139,270,808**
Other income		1,839,540,243	2,328,167,451
Other gain(loss), net		(5,782,598,497)	(7,968,562,427)
Selling expenses		(8,349,072)	(6,092,456,582)
Administrative expenses		(5,071,744,556)	(13,601,136,470)
Operating loss		**(9,077,658,951)**	**(13,194,717,220)**
Finance expense		(6,507,215,280)	(6,714,250,593)
Net loss before income tax expenses		**(15,584,874,231)**	**(19,908,967,813)**
Income tax expense	17	-	-
Net loss for the period		**(15,584,874,231)**	**(19,908,867,813)**
Earnings (loss) per share			
Basic earnings (loss) per share	18	(66)	(85)

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Petroleum Trading Lao Public Company
Interim separate statement of changes in equity
For the three-month period ended 31 March 2019

	Share capital (Note 16) LAK	Share premium LAK	Accumulated loss			Total LAK
			Appropriated legal reserve LAK	Other reserve LAK	Unappropriated LAK	
Opening balance at 1 January 2019 - Audited	**470,000,000,000**	**27,638,932,340**	**3,708,530,711**	**1,977,267,979**	**(177,915,184,633)**	**325,409,546,397**
Net loss for the period	-	-	-	-	(15,584,874,231)	(15,584,874,231)
Closing balance at 31 March 2019 - Unaudited	**470,000,000,000**	**27,638,932,340**	**3,708,530,711**	**1,977,267,979**	**(193,500,058,864)**	**309,824,672,166**
Opening balance at 1 January 2018 - Audited	**470,000,000,000**	**27,638,932,340**	**3,708,530,711**	**1,977,267,979**	**(119,556,626,019)**	**383,768,105,011**
Net loss for the period	-	-	-	-	(19,908,867,813)	(19,908,867,813)
Closing balance at 31 March 2018 - Unaudited	**470,000,000,000**	**27,638,932,340**	**3,708,530,711**	**1,977,267,979**	**(139,465,493,832)**	**363,859,237,198**

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Petroleum Trading Lao Public Company
Interim separate statement of cash flows
For the three-month period ended 31 March 2019

	Notes	Unaudited 31 March 2019 LAK	Unaudited 31 March 2018 LAK
Cash flow from operating activities:			
Net loss before income tax for the period		(15,584,874,231)	(19,908,867,813)
Adjustments to reconcile net profit to net cash			
Depreciation and amortization		1,374,457,537	30,173,436,775
Allowance for doubtful debts		304,541,931	-
Interest received from loan to related parties		(655,252,303)	(864,864,999)
Interest expenses		6,507,215,280	6,714,250,593
Unrealized from exchanged (gain) loss		5,528,231,501	(401,108,298)
Operating profit (loss) before working capital changes		**(2,525,680,285)**	**15,712,846,258**
Changes in operating assets and liabilities			
Trade receivables		29,179,430,415	(5,418,141,280)
Inventories		191,247,596	(1,813,151,923)
Trade accounts payble		(49,042,924,720)	20,059,390,678
Accured tax payables		62,426,309	1,547,564,389
Other receivables		6,448,900,390	1,224,344,714
Other payables		17,054,814,434	5,004,432,746
Cash generated (paid) from operation		1,368,214,139	36,317,285,582
Interest paid		(5,422,983,822)	(9,535,709,883)
Other tax and statutory tax paid		(1,399,408,266)	-
Net cash generate from (used in) operating activities		**(5,454,177,949)**	**26,781,575,699**
Cash flows from investing activities:			
Acquisitions of fixed assets		-	(27,178,006,319)
Loans to related parties		(3,625,901,537)	(188,800,000)
Loans paid from related parties		3,635,758,196	
Net cash (used in) /from investing activities		9,856,659	(27,366,806,319)

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Petroleum Trading Lao Public Company
Interim separate statement of cash flows
For the three-month period ended 31 March 2019

	Unaudited 31 March 2019 LAK	Unaudited 31 March 2018 LAK
Cash flows from financing activities:		
Proceeds from borrowings	-	864,683,318
Repayment of borrowings	(760,000,000)	(3,150,000,000)
Net cash from (used in) financing activities	(760,000,000)	(2,285,316,682)
Net decrease in cash and cash equivalents	(6,204,321,290)	(2,870,547,302)
Cash and cash equivalents at the beginning of the period	8,060,819,014	6,141,225,204
Exchange gains/(losses) on cash and cash equivalents	(4,951,101)	-
Cash and cash equivalents at the end of the period	1,851,546,623	3,270,677,902

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1. General information

The Company invested 99.99% of interest in Petroleum Trading Lao Company Limited which is incorporated in Thailand in June 2016 and invested 99% of interest in Petrotrade Puma Energy Import and Export Co., Ltd and Petrotrade Puma Energy Distribution Co., Ltd which respectively.

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

The Company also has 5 depot branches which are located in Vientiane capital, Bolikhamxay, Savannakhet, Sayyabouly and Champasack provinces, Lao PDR.

This interim separate financial information was authorised for issue by the Board of Directors on 17 May 2019.

2. Basis of preparation and accounting policies

The condensed interim separate 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 2018. 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 separate financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2018.

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 interim separate financial 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 separate financial 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 2018.

4. Cash and cash equivalents

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Cash on hand	51,138,910	88,212,000
Cash at bank	1,800,407,713	7,972,607,014
	1,851,546,623	**8,060,819,014**

5. Trade receivables, net

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Trade receivables - related parties (Note 19.3)	33,980,545,915	82,068,518,290
Trade receivables - third parties	40,214,694,933	21,306,152,973
	74,195,240,848	**103,374,671,263**
Less: Allowance doubtful accounts	(7,905,319,601)	(7,600,777,670)
Trade receivables, net	**66,289,921,247**	**95,773,893,593**

6. Inventories, net

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Fuel	398,155,660	427,481,471
Lubricant	95,285,591	95,285,591
Office supply	184,505,228	313,111,083
Plus Card	155,432,382	188,748,312
	833,378,861	**1,024,626,457**
Less: Allowance for impairment based on net realisable value	(22,455,023)	(22,455,023)
Inventories, net	**810,923,838**	**1,002,171,434**

7. Other current assets

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Other receivables*	22,497,682,340	22,497,682,340
Advance to suppliers	12,088,924,213	12,368,240,780
Deposit to suppliers	862,311,353	5,897,585,861
Advance to employees	35,750,000	65,519,880
Advance profit tax payment	1,146,854,492	1,146,854,492
Advance to investment	62,954,175	62,954,175
Interest receivables	12,260,756,627	11,605,504,325
Share subscription receivables	38,242,948,552	38,242,948,552
	87,198,181,752	**91,887,290,405**

*This mainly consist of receivables from management amount of LAK 22,497,682,340 (2018: LAK 22,497,682,340) (Note 19.3).

8. Property, plant and equipment, net

	LAK
Opening net book value as at 1 January 2019 - Audited	173,748,976,617
Less: Depreciation charge	(938,916,795)
Closing net book value as at 31 March 2019 - Unaudited	**172,810,059,822**

9. Intangible assets, net

	LAK
Opening net book value as at 1 January 2019 - Audited	5,888,935,042
Less: Amortisation charge	(179,615,114)
Closing net book value as at 31 March 2019 - Unaudited	**5,709,319,928**

10. Investment properties, net

	LAK
Opening net book value as at 1 January 2019 - Audited	87,547,072,916
Less: Depreciation charge	(255,925,629)
Closing net book value as at 31 March 2019 - Unaudited	**87,291,147,287**

11. Other non-current assets

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Prepaid land rental*	36,152,213,427	36,806,752,861
Advance for gas stations and others	6,567,238,000	7,017,238,000
	42,719,451,427	**43,823,990,861**

*This mainly represents outstanding prepayment of land rental from related parties amount to LAK 34,419,839,505 (Note 19.3)

12. Trade accounts payable

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Trade payables – third parties	10,755,395,375	59,798,320,095
	10,755,395,375	**59,798,320,095**

13. Tax payables

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Value Added Tax payables	1,398,101,483	2,724,353,008
Personnel Income Tax payables	52,670,231	63,400,663
	1,450,771,714	**2,787,753,671**

14. Borrowings

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Current		
Current portion of long-term borrowings from banks	47,770,000,000	15,050,000,000
Borrowing from related parties (Note 19.4)	199,159,073,905	257,920,740,000
Total short - term borrowings	**246,929,073,905**	**272,970,740,000**
Non-current		
Borrowings from banks	-	33,480,000,000
Borrowing from related parties (Note 19.4)	64,420,746,095	-
Total long - term borrowings	**64,420,746,095**	**33,480,000,000**
Total borrowings	**311,349,820,000**	**306,450,740,000**

After the reporting period, the Company has roll over obligations under the borrowing agreements with the Phongsavanh bank, the repayment term extended from 2019 to 2020 with borrowing amount of LAK 257,920,740,000.

15. Other current liabilities

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Advance from customers	2,743,649,388	2,955,405,635
Other accrued and payables	2,653,156,219	1,230,509,577
Other payables – related parties	74,786,001,479	57,857,845,983
	80,182,807,086	**62,043,761,195**

16. 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 date 26 November 2014. The total share as of 31 March 2019 is 235,000,000 shares with the par value of LAK 2,000 per share.

There were no additional share issued or decreased during the three-month period ended 31 March 2019.

17. Income taxes

According to the tax privileges given to LSX listed companies, The Company is entitled to a further reduction profit tax from 24% to 19% during the initial four years period. This rate is to be applied from 2015 to 2018. This is in accordance with the Enactment of the President of Lao PDR regarding Corporate Income Tax and Fee for Securities and Exchange, No. 1/ President, dated 28 December 2010 and the Tax Law issued on 15 December 2015.

As a result, the statutory applicable Profit Tax rate for the Company during the year is 19% of taxable profit.

18. Basic earnings (loss) per share

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

	31 March 2019 LAK	31 March 2018 LAK
Net profit (loss) attributable to ordinary share (LAK)	(15,584,874,231)	(19,908,867,813)
Weighted average number of ordinary share in issue (share)	235,000,000	235,000,000
Basic earnings (loss) per share (LAK)	(66)	(85)

19. Related party transactions

Individuals and entities that directly or indirectly control or are controlled by or are under common control with the Company, including investment entities and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company 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:

19.1 Sales of goods and services

	Unaudited 31 March 2019 LAK	Unaudited 31 March 2018 LAK
Sales of goods to:		
Subsidiaries	743,644,172	-
Other related parties	-	29,848,890,909
Sales of services to:		
Subsidiaries	614,939,478	-
Other related parties	88,780,719	1,233,093,484
	703,720,197	1,233,093,484

19. 2 Purchases of goods and services

	Unaudited 31 March 2019 LAK	Unaudited 31 March 2018 LAK
Purchase of services from:		
Other related parties	750,000	4,698,873,462

19. Related party transactions (continued)

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

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Receivables from:		
Key management (Note 7)	22,497,682,340	22,497,682,340
Other related parties*	118,904,090,599	145,296,070,425
	141,401,772,939	**167,793,752,765**

*This mainly consists of outstanding prepayment of land rental from related parties amount to LAK 34,419,839,505 (2018: LAK 34,419,839,505) (Note 11), trade receivable from related parties amount to LAK 33,980,545,915 (2018: LAK 82,068,518,290) (Note 5) and others.

	Unaudited 31 March 2019 LAK	Audited 31 December 2018 LAK
Payables to:		
Subsidiaries (Note 15)	74,786,001,479	57,857,845,983

19.4 Borrowing from related parties

	2019 LAK
Opening balance at 1 January – Audited	257,920,740,000
Unrealisation	5,659,080,000
As at 31 March – Unaudited	**263,579,820,000**

19. 5 Loan to related parties

	2019 LAK
Opening balance at 1 January – Audited	38,786,857,971
Loans paid during the period	3,625,901,537
Loans repayment during the period	(3,635,758,196)
Unrealisation	135,799,600
As at 31 March – Unaudited	**38,912,800,912**

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

19.6 Key management compensation

The compensations paid to key management are as follows:

	Unaudited 31 March 2019 Million LAK	Unaudited 31 March 2018 Million LAK
Salaries and others	513	89

20. Commitments and contingencies

Operating lease commitments – where the Company is the lessee.

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 31 March 2019 LAK	Audited 31 December 2018 LAK
Not later than 1 year	12,495,120,000	13,037,280,000
Later than 1 year but not later than 5 years	5,390,868,420	7,441,366,420
Later than 5 years	24,166,849,708	23,919,348,708
	42,052,838,128	**44,397,995,128**

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 31 March 2019 LAK	Audited 31 December 2018 LAK
Not later than 1 year	1,886,736,000	1,886,736,000
Later than 1 year but not later than 5 years	9,433,680,000	9,433,680,000
Later than 5 years	1,186,584,000	1,186,584,000
	12,507,000,000	**12,507,000,000**

21. Events occurring after the reporting date

After the reporting period, the Company has roll over obligations under the borrowing agreements with the Phongsavanh bank please see in Note 14.