

**PETROLEUM TRADING LAO PUBLIC
COMPANY AND ITS SUBSIDIARIES**



**INTERIM CONSOLIDATED FINANCIAL INFORMATION
(UNAUDITED)**

FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021





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

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

We have reviewed the interim consolidated financial information of Petroleum Trading Lao Public Company and its subsidiaries (the Group). These comprise the consolidated of financial position as at 30 June 2021, the related consolidated statements of income, changes in equity, and cash flows for the six-month period then ended, and the condensed notes to the interim consolidated financial information. Management is responsible for the preparation and presentation of this interim consolidated financial information in accordance with the Group's accounting of principles as described in Note 2 to the interim consolidated financial information. Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated financial information is not prepared, in all material respects, in accordance with the accounting policies as described in Note 2 to the interim consolidated financial information.

For PricewaterhouseCoopers (Lao) Sole Company Limited



By Apisit Thiengtrongpinyo
Partner

Vientiane Capital, Lao PDR
Date: 27 August 2021

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

		Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
	Notes		
Assets			
Current assets			
Cash and cash equivalents	5	6,390,612,911	5,972,282,724
Trade accounts receivable, net	6	119,227,442,087	116,034,897,876
Inventories, net	7	31,301,147,180	24,330,263,991
Short-term loan to related parties	21.5	39,554,987,710	39,538,507,710
Other current assets	8	198,188,673,650	130,475,900,447
Total current assets		394,662,863,538	316,351,852,748
Non-current assets			
Property, plant and equipment, net	9	318,281,347,451	317,103,566,523
Intangible assets, net	10	4,585,793,459	5,173,795,545
Investment properties, net	11	84,090,831,113	84,474,039,871
Other non-current assets	12	53,194,508,924	58,053,667,095
Total non-current assets		460,152,480,947	464,805,069,034
Total assets		854,815,344,485	781,156,921,782



Khamsone Sitthixay
Vice Chief Executive Officer

Date: 27 August 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 27 August 2021

The accompanying notes on pages 8 to 19 are an integral part of these interim consolidated financial information.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Notes	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Liabilities and equity			
Liabilities			
Current liabilities			
Trade accounts payable	13	146,250,066,918	82,421,760,886
Tax payables	14	13,692,778,607	17,553,668,359
Short-term borrowings	15	66,324,000,000	67,706,597,421
Other current liabilities	16	66,376,066,108	36,932,327,169
Total current liabilities		292,642,911,633	204,614,353,835
Non-current liabilities			
Long-term borrowings	15	376,396,481,421	366,396,420,000
Total non-current liabilities		376,396,481,421	366,396,420,000
Total liabilities		669,039,393,054	571,010,773,835
Equity			
Share capital	17	470,000,000,000	470,000,000,000
Share premium	17	27,638,932,340	27,638,932,340
Accumulated loss			
Appropriated-legal reserve	18	5,292,232,229	5,292,232,229
Other reserve		1,977,267,979	1,977,267,979
Unappropriated		(321,277,162,852)	(296,854,914,742)
Equity attributable to owners of the parent		183,631,269,696	208,053,517,806
Non-controlling interest		2,144,681,735	2,092,630,141
Total equity		185,775,951,431	210,146,147,947
Total liabilities and equity		854,815,344,485	781,156,921,782



Khamsone Sitthixay
Vice Chief Executive Officer

Date: 27 August 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 27 August 2021

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021

		Unaudited 30 June 2021	Unaudited 30 June 2020 Restated
	Notes	LAK	LAK
Sales		862,865,288,132	567,595,698,163
Cost of sales		(817,617,337,304)	(522,361,090,658)
Gross profit		45,247,950,828	45,234,607,505
Other income		2,723,285,622	5,711,877,075
Other gain(loss), net		(16,234,427,292)	(2,780,026,395)
Selling expenses		(6,261,859,026)	(11,628,976,398)
Administrative expenses		(31,570,155,797)	(29,480,096,957)
Operating loss		(6,095,205,665)	7,057,384,830
Finance expense		(18,274,990,851)	(16,479,199,292)
Net loss before income tax expenses		(24,370,196,516)	(9,421,814,462)
Income tax expenses	19	-	(2,415,658,689)
Net loss for the period		(24,370,196,516)	(11,837,473,151)
Loss attributable to :			
Owners of the parent		(24,422,248,110)	(11,887,149,209)
Non- Controlling interest		52,051,594	49,676,058
		(24,370,196,516)	(11,837,473,151)
Earnings (loss) per share			
Basic earnings (loss) per share	20	(104)	(51)



Khamsone Sitthixay
Vice Chief Executive Officer

Date: 27 August 2021

Chanthadom Meksavanh
Chief Finance Officer

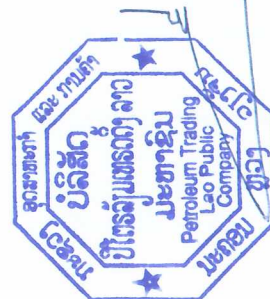
Date: 27 August 2021

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021

	Share capital (Note 17) LAK	Share premium (Note 17) LAK	Common control reserve LAK	Accumulated loss			Non-controlling Interest LAK	Total LAK
				Appropriated legal reserve LAK	Other reserve LAK	Unappropriated LAK		
Opening balance at 1 January 2020 (restated) - Audited	470,000,000,000	27,638,932,340	(898,908,935)	4,172,052,092	1,977,267,979	(272,300,958,170)	1,988,948,549	232,577,333,855
Recalculate control reserve	-	-	898,908,935	-	-	(898,908,935)	-	-
Net loss for the period (restated)	-	-	-	-	-	(11,887,149,209)	49,676,058	(11,837,473,151)
Closing balance at 30 June 2020 (restated)- Unaudited	470,000,000,000	27,638,932,340	-	4,172,052,092	1,977,267,979	(285,087,016,314)	2,038,624,607	220,739,860,704
Opening balance at 1 January 2021 - Audited	470,000,000,000	27,638,932,340	-	5,292,232,229	1,977,267,979	(296,854,914,742)	2,092,630,141	210,146,147,947
Net loss for the period	-	-	-	-	-	(24,422,248,110)	52,051,594	(24,370,196,516)
Closing balance at 30 June 2021 - Unaudited	470,000,000,000	27,638,932,340	-	5,292,232,229	1,977,267,979	(321,277,162,852)	2,144,681,735	185,775,951,431



Khamstone Sithixay
Vice Chief Executive Officer

Date: 27 August 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 27 August 2021

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021

		Unaudited 30 June 2021	Unaudited 30 June 2020 Restated
	Notes	LAK	LAK
Cash flow from operating activities:			
Net loss before income tax for the period		(24,370,196,516)	(9,421,814,462)
Adjustments to reconcile net profit to net cash			
Depreciation and amortisation	9,10,11	8,972,494,489	8,729,701,109
Reversal provision for doubtful debts		(274,022,378)	-
Provision for doubtful debts		-	140,321,104
(Gain)/Loss on disposal fixed assets		-	(365,907)
Interest income		(631,095,574)	(779,448,679)
Interest expenses		18,274,990,851	16,479,199,292
Income tax expenses		-	(2,415,658,689)
Operating loss before working capital changes		1,972,170,872	12,731,933,768
Changes in working capital:			
Trade accounts receivable		(629,420,416)	(10,092,028,673)
Inventories		(6,970,883,189)	2,866,928,916
Trade accounts payable		59,794,301,012	(18,056,977,498)
Tax payables		20,679,986,226	244,399,929,598
Other current asset		(64,587,476,990)	(13,322,524,925)
Other current liabilities		20,111,635,589	(11,334,363,173)
Cash generated from operation		30,370,313,104	207,192,898,013
Interest received		103,904,784	75,057,694
Interest paid		(3,890,096,632)	(4,400,880,877)
Other tax and statutory tax paid		(24,540,875,978)	(236,318,748,299)
Net cash generated from/(used in) operating activities		2,043,245,278	(33,451,673,469)
Cash flows from investing activities:			
Acquisitions of fixed assets	9	(6,580,386,423)	(1,623,824,526)
Disposal of fixed asset		-	2,090,090
Loans paid during the period	21.5	-	2,943,522,761
Loans received during the period	21.5	-	(2,513,392,162)
Net cash from/(used in) investing activities		(6,580,386,423)	(1,191,603,837)



Khamsone Sitthixay
Vice Chief Executive Officer

Date: 27 August 2021


Chanthadom Meksavanh
Chief Finance Officer

Date: 27 August 2021

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PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTHS PERIOD ENDED 30 JUNE 2021

		Unaudited 30 June 2021	Unaudited 30 June 2020 Restated
	Notes	LAK	LAK
Cash flows from financing activities:			
Proceeds from borrowings	15	5,000,000,000	34,849,513,421
Net cash from (used in) financing activities		<u>5,000,000,000</u>	<u>34,849,513,421</u>
Net (decrease)/increase in cash and cash equivalents		462,858,855	206,236,115
Cash and cash equivalents at the beginning of the period	5	5,972,282,724	7,436,128,462
Exchange gains/(losses) on cash and cash equivalents		(44,528,668)	(391,240,128)
Cash and cash equivalents at the end of the period		<u><u>6,390,612,911</u></u>	<u><u>7,251,124,449</u></u>
Significant non cash items;			
Accounts payable for fixed assets	9	2,598,678,151	1,990,000



Khamstone Sitthixay
Vice Chief Executive Officer

Date: 27 August 2021

Chanthadom Meksavanh
Chief Finance Officer

Date: 27 August 2021

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

1 General information

Petroleum Trading Lao Public Company (the Company) and its subsidiaries which are Petrotrade Import and 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 of both subsidiaries as the same. The principle activities of the Group are to import and export and to distribute fuel and petroleum products.

These interim consolidated financial information were authorised for issue by the Board of Directors on 27 August 2021.

2 Basis of preparation and accounting policies

The condensed interim consolidated financial information has been prepared in accordance with the Group's accounting policies as described in more details in the annual financial statements for the year ended 31 December 2020. The primary financial information (i.e. statement of financial position, statement of income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office.

The interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

3 Significant events during the current period

The COVID-19 infections in Laos increased significantly during April 2021 leading to the lockdown of Vientiane Capital and some provinces of Laos from 21 April 2021. The government has issued stricter measures to control the second wave of this pandemic which affects economic activity in all businesses.

Management reviewed the effect from this pandemic to their business. According to the nature of the product of the group which is necessary for business and the petroleum and transportation business are flexible from the lock down policy on above, the group operation is continuing as the reporting date. Management considered that according to Lao environment which number of inflections is limited and can controlled then this issue has no effect to their business.

Management considered that there is no significant effect from Covid-19 for the period.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

**CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

4 Estimates

The preparation of condensed interim consolidated 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 consolidated financial information, the significant judgements made by management in applying the group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2020.

5 Cash and cash equivalents

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Cash on hand	210,839,289	397,036,263
Cash at banks	6,179,773,622	5,575,246,461
	6,390,612,911	5,972,282,724

6 Trade accounts receivable, net

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Trade accounts receivable - related parties (Note 21.3)	17,115,115,338	16,563,640,168
Trade accounts receivable - third parties	110,251,836,153	107,884,789,489
	127,366,951,491	124,448,429,657
<u>Less: Allowance for doubtful accounts</u>	<u>(8,139,509,404)</u>	<u>(8,413,531,781)</u>
Trade accounts receivable - Net	119,227,442,087	116,034,897,876

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

7 Inventories, net

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Fuel	21,519,659,492	22,122,950,459
Lubricant	1,014,457,363	1,119,980,991
Office supply	1,082,095,241	905,782,513
Plus card	106,918,133	112,375,154
Oil color	290,229,563	69,174,874
Goods in transit	7,287,787,388	-
	31,301,147,180	24,330,263,991
Less: Allowance for impairment based on net realisable value	-	-
Inventories - Net	31,301,147,180	24,330,263,991

8 Other current assets

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Other receivables - related parties*	128,875,079,350	72,921,519,008
Advances to suppliers	9,664,965,764	6,945,932,782
Deposit with suppliers	4,317,183,076	4,216,164,602
Advances to employees	80,000,000	47,000,000
Advance profit tax payment	2,119,460,468	2,119,460,468
VAT receivable	399,906,386	184,889,808
Other receivable	1,833,048,634	933,388,510
Interest receivable from related parties (Note 21.3)	15,454,290,348	14,927,099,558
Prepayment warehouse rental	8,484,359	37,361,774
Deferred loss from un-realisation	35,436,255,265	28,143,083,937
	198,188,673,650	130,475,900,447

*This mainly consist of receivables from management amount of LAK 99,591,925,745 (2020: LAK 46,946,068,616) (Note 21.3).

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

9 Property, plant and equipment, net

	LAK
As at 1 January 2021 - Audited	317,103,566,523
Additions	9,179,064,574
<u>Less: depreciation</u>	<u>(8,001,283,646)</u>
Net book amount as at 30 June 2021 - Unaudited	<u>318,281,347,451</u>

10 Intangible assets, net

	LAK
As at 1 January 2021 - Audited	5,173,795,545
<u>Less: amortisation</u>	<u>(588,002,086)</u>
Net book amount as at 30 June 2021 - Unaudited	<u>4,585,793,459</u>

11 Investment properties, net

	LAK
As at 1 January 2021 - Audited	84,474,039,871
<u>Less: depreciation</u>	<u>(383,208,758)</u>
Net book amount as at 30 June 2021 - Unaudited	<u>84,090,831,113</u>

12 Other non-current assets

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Prepaid land rental*	46,627,270,924	51,486,429,095
Advances for gas stations and others	6,567,238,000	6,567,238,000
	<u>53,194,508,924</u>	<u>58,053,667,095</u>

*This mainly represents outstanding prepayment of land rental from related parties amount to LAK 34,419,839,505 (2020: LAK 34,419,839,505) (Note 21.3).

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

**CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

13 Trade accounts payable

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Trade payables - third parties	130,553,645,309	69,641,822,303
Trade payables - related parties (Note 21.3)	15,696,421,609	12,779,938,583
	<u>146,250,066,918</u>	<u>82,421,760,886</u>

14 Tax payables

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Value Added Tax payables	3,605,284,798	5,190,956,799
Personnel income tax payables	54,545,975	70,289,703
Income tax payables	1,160,081,648	1,468,437,944
Other taxes and statutory payables*	8,872,866,186	10,823,983,913
	<u>13,692,778,607</u>	<u>17,553,668,359</u>

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

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

Management 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 30 June 2021 is LAK 8,400,000,000 (2020: LAK 10,819,907,816).

In 2020, 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. As at 30 June 2021, 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 (2020: LAK 6,452,725,282).

In the meantime, management is requesting for the exemption on the remaining 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 (2020: LAK 6,452,725,282) to the financial statements.

As at the reporting date, it is in the process of reviewing by the Tax Authorities.

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

15 Borrowings

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Current		
Current portion of long-term borrowings from banks	66,324,000,000	6,632,400,000
Borrowings from related parties (Note 21.4)	-	61,074,197,421
	66,324,000,000	67,706,597,421
Non-current		
Borrowings from banks	-	59,691,600,000
Borrowings from related parties (Note 21.4)	376,396,481,421	306,704,820,000
	376,396,481,421	366,396,420,000
	442,720,481,421	434,103,017,421

The movements borrowings for the six-month period ended 30 June 2021 as follows:

	LAK
At 1 January 2021 - Audited	434,103,017,421
Borrowings received during the period	5,000,000,000
Un-realisation loss on exchange	3,617,464,000
At 30 June 2021 - Unaudited	442,720,481,421

16 Other current liabilities

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Advances from customers	15,385,893,020	4,366,650,358
Other accrued and payables	10,036,194,080	9,888,974,112
Other payables - related parties*	36,181,076,346	21,610,390,903
Deferred gain from un-realisation	4,772,902,662	1,066,311,796
	66,376,066,108	36,932,327,169

*This mainly consist of other payables from management amount of LAK 527,925,639 (2020: LAK 526,285,059) (Note 21.3) and accrued interest expense to related parties amount of LAK 35,077,098,297 (2020: LAK 20,627,434,345) (Note 21.3).

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021

17 Share capital and premium on 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 the Listing License No. 005 dated 26 November 2014. The total share as of 30 June 2021 is 235,000,000 shares with the par value of LAK 2,000 per share.

There was no additional share issued or decreased during the six-month period ended 30 June 2021.

18 Legal reserve

Legal reserve is set-up in accordance with the Enterprise Law of Lao PDR which requires the appropriation of profit as a legal reserve of at least 10% of the annual profit until such reserve reaches 50% of authorised share capital.

During the period there is no movement, the balance as of 30 June 2021 is LAK 5,292,232,229 (2020: LAK 5,292,232,229).

19 Income tax expenses

According to the tax law no. 259 effective on 1 January 2020, the Group calculated Profit taxes on its net taxable income at the rate of 20% after considering the non-deductible income and expenses was in accordance with the Lao Tax Law.

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 additional tax payments or refunds being necessary which may be significant. This would result in the payment or refund being recognised as income tax adjustment in the year in which the reviews are completed.

20 Basic earnings (loss) per share

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

	Unaudited 30 June 2021	Unaudited 30 June 2020 Restated
Net profit/(loss) attributable to ordinary shareholders (LAK)	(24,422,248,110)	(11,887,149,209)
Weighted average number of ordinary shares in issue (shares)	235,000,000	235,000,000
Basic earnings (loss) per share (LAK)	(104)	(51)

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

PETROLEUM TRADING LAO PUBLIC COMPANY AND ITS SUBSIDIARIES

**CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2021**

21 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:

21.1 Sales of goods and services

	Unaudited 30 June 2021 LAK	Unaudited 30 June 2020 LAK
Sales of goods to:		
Other related parties	148,803,853,124	121,728,796,536
Sales of services to:		
Other related parties	1,326,079,991	1,823,120,202

21.2 Purchases of goods and services

	Unaudited 30 June 2021 LAK	Unaudited 30 June 2020 LAK
Purchases of services from:		
Other related parties	4,862,532,164	23,805,977,929

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21. Related-party transactions (continued)

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

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Receivables from:		
Trade account receivable		
Other related parties (Note 6)	17,115,115,338	16,563,640,168
	17,115,115,338	16,563,640,168
 Other current assets		
Key management (Note 8)		
Other receivable from share premium	22,497,682,340	22,497,682,340
Other receivable from sale vehicle	16,149,973,862	16,085,642,483
Advance from key management	60,944,269,543	8,362,743,793
	99,591,925,745	46,946,068,616
Other related parties		
Interest receivable	15,454,290,348	14,927,099,558
Advance to related parties	12,136,937,242	14,642,026,686
Other receivable from rental service	17,210,547,723	11,333,423,706
	44,801,775,313	40,902,549,950
	161,508,816,396	87,848,618,566
 Other non-current assets		
Key management		
Prepayment of land rental (Note 12)	34,419,839,505	34,419,839,505
	34,419,839,505	34,419,839,505
 Total receivable	195,928,655,901	138,832,098,239

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21. Related-party transactions (continued)

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

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Payable to:		
Trade accounts payable		
Other related parties (Note 13)	15,696,421,609	12,779,938,583
	15,696,421,609	12,779,938,583
Other current liabilities		
Key management (Note 16)	527,925,639	526,285,059
Advance from key management	527,925,639	526,285,059
Other related parties		
Accrued interest expenses (Note 16)	35,077,098,297	20,627,434,345
Accrued expenses	526,152,009	456,671,499
	35,603,250,306	21,084,105,844
	36,131,175,945	21,610,390,903
Total payable	51,827,597,554	34,390,329,486

21.4 Borrowings from related parties

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
At 1 January	367,779,017,421	326,255,600,000
Loans received during the period	5,000,000,000	60,746,045,421
Loans repayments during the period	-	(45,896,532,000)
Un-realisation loss on exchange	3,617,464,000	26,673,904,000
	376,396,481,421	367,779,017,421

The loans from related parties were provided with specified repayment term and interest rate at 8% (2020: 8%) per annum (Note 15).

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21. Related-party transactions (continued)

21.5 Short-term loans to related parties

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
At 1 January	39,538,507,710	34,433,275,626
Loans paid during the period	-	5,339,105,284
Loans received during the period	-	(744,273,200)
Un-realisation loss on exchange	16,480,000	510,400,000
	39,554,987,710	39,538,507,710

21.6 Key management compensation

Compensation paid to key management are as follow:

	Unaudited 30 June 2021 Million LAK	Unaudited 30 June 2020 Million LAK
Salaries and others	1,518	1,354

22 Commitments

a) Capital expenditure commitment

As at 30 June 2021 the Group had no significant capital expenditure commitment.

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

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

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

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Not later than 1 year	2,007,276,243	420,000,000
Later than 1 year but not later than 5 years	14,534,735,771	6,733,950,000
Later than 5 years	44,705,402,334	27,059,227,673
	61,247,414,348	34,213,177,673

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**CONDENSED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL INFORMATION
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22. Commitments (continued)

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

The Group let out gas stations and office under operating lease agreement. The minimum future rental receivable as at 30 June 2021 and 31 December 2020 under these operating lease agreements are as below:

	Unaudited 30 June 2021 LAK	Audited 31 December 2020 LAK
Not later than 1 year	1,627,188,000	1,628,748,000
Later than 1 year but not later than 5 years	6,353,752,000	6,339,792,000
Later than 5 years	4,770,310,100	5,073,590,100
	<u>12,751,250,100</u>	<u>13,042,130,100</u>

23 Events after the reporting period

There have been no significant post balance sheet events that would significantly impact the figures in the Group's interim consolidated financial information.