

**PETROLIMEX (LAO) SOLE COMPANY
LIMITED**

**Consolidated Financial Statements
For the Year ended 31 December 2023
And
Independent Auditors' Report**



PETROLIMEX (LAO) SOLE COMPANY LIMITED

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PETROLIMEX (LAO) SOLE COMPANY LIMITED

Corporate information

Company Name	PETROLIMEX (LAO) SOLE COMPANY LIMITED	
Enterprise Register Certificate No.	0767/ERO	
	Dated 20 May 2019	
Business License No.	0054/DIT.MIC	
	Dated 31 May 2019	
Shareholder	Vietnam National Petroleum Corporation owned 100% of shareholder	
Board of Director	Mr. VU NGOC TU	General Director
	Mr. DANG DINH LAM	Chief Financial Officer
Registered Office	PETROLIMEX (LAO) SOLE COMPANY LIMITED Sikhai Village, Sikhottabong District Vientiane capital, Lao PDR	
Auditor	PST Accounting Consultant and Audit Co., Ltd Dongkhamxang Village, Hadxayfong District Vientiane Capital, Lao PDR	

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors of Petrolimex (Lao) Sole Company Limited (“The Company”) are responsible ensuring that the consolidated financial statements are properly drawn up so as to present fairly, in all material respects, the consolidated financial position of company as at 31 December 2023 and consolidated statement of its financial performance, consolidated statement of change in equity and other reserve for the Year ended in accordance with the Company’s accounting policy as the described in Note 2 to the financial statements. In preparing the financial statements, the directors are required to:

- i. Adopt appropriate accounting policies which are support by reasonable and prudent judgments and estimate and then apply them consistently.
- ii. Comply with the Company’s account policies as described in Note 2 or if there have been any departures in the interest of true and fair presentation, ensure that these have been appropriately disclosed, explained and quantified in the financial statements;
- iii. Maintain adequate accounting records and effective system internal controls;
- iv. Take reasonable steps for safeguarding the assets of the Company and for preventing and detecting fraud, error and other irregularities;
- v. Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Company will continue operations in the foreseeable future; and
- vi. Effectively controls and direct the company and be involved in all material decisions affecting are operations and performance have been properly reflected in financial statements.

The directors confirm the company has complied with the above requirements in preparing the financial statements.

APPROVAL OF THE FINANCIAL STATEMENT

I, Mr. VU NGOC TU on behalf of Board of Director, do hereby state that the accompanying consolidated financial statements set out page 5 to 23 are prepared and give a true and fair view of consolidated financial position of the Company as at 31 December 2023 and consolidated statement of its financial performance, consolidated statement of change in equity and other reserve for the Year ended in accordance with basis accounting described in the Note 2 to the consolidated financial statements.

On behalf of the Directors



Mr. VU NGOC TU
General Director
Date:

INDEPENDENT AUDITORS' REPORT

To: THE SHAREHOLDERS OF PETROLIMEX (LAO) SOLE COMPANY LIMITED

Opinion

We have audited the accompanying consolidated financial statements of Petrolimex (Lao) Sole Company Limited ("The Company"), which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income and consolidated statement of change in equity and other reserve for year then ended and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position as at 31 December 2023, the consolidated statement of income and consolidated statement of change in equity and other reserve for year then ended in accordance with the Company's accounting policies as described in Note 2 to the consolidated financial statements.

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 Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics for Professional Accountants that is relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Basis of Accounting and Restriction of use

Without modifying our opinion, we draw attention to Note 2 in the consolidated financial statements, which describe the basis of accounting policy and accounting rules. The consolidated financial statements are prepared to provide information to the company's shareholders purposes For the Year ended 31 December 2023. As a result, the consolidated financial statements may not be suitable for other purposes.

The report is intended solely for the company's shareholders and management of Petrolimex (Lao) Sole Company Limited and should not be distributed to or used by parties other than the aforementioned parties.

Directors' responsibility for the financial statements

Directors are responsible for preparation and fair presentation of these consolidated financial statements in accordance with the basis of accounting principle and accounting rule of Lao P.D.R described in Note 2 to the financial statements and such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

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 auditors' 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

PST Accounting Consultant and Audit Co., Ltd



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Kongkeo BOUNYAVONG

By: Kongkeo Bounyavong
Director
Date: 29 MAR 2024

PETROLIMEX (LAO) SOLE COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT
For the Year ended 31 December 2023

Items	Code	Note	31 December 2023 LAK	31 December 2022 LAK
Assets				
Current asset				
Cash and equivalent	110	3	18,021,743,495	9,127,751,541
Short-term Receivable	130	4	28,324,629,848	40,339,348,000
Trade Debtor	131		33,204,784,517	45,170,057,615
Advance for supplier	132		1,873,159,785	1,907,779,934
Other receivables	136		682,564,734	713,379,639
Provision for doubtful debt	137		(7,435,879,188)	(7,451,869,188)
Inventory	140	5	7,544,078,037	14,684,612,568
Inventory	141		7,544,078,037	14,684,612,568
Other short-term assets	150	6	729,314,304	912,401,908
Other installment and paid in advance	151		25,925,005	81,534,543
Other tax can claim from Tax authority	153		75,375,699	52,546,774
Other short-term Assets	155		628,013,600	778,320,591
Total current asset (100 = 110+130+140+150)	100		54,619,765,685	65,064,114,017
Non-current asset				
Long-term Receivable	210	4	-	-
Trade Debtor	211		-	-
Provision for allowance for doubtful debt	219		-	-
Fixed Asset	220	7	27,405,968,415	30,900,857,081
Historical cost	222		72,503,299,465	72,894,204,250
Accumulated depreciation	223		(45,097,331,050)	(41,993,347,169)
Financial Investment	250		-	-
Other long-term assets	260	8	24,216,747,222	26,214,502,783
Prepayment & Accrual	261		23,845,698,855	25,843,454,416
Deferred tax asset	262		371,048,367	371,048,367
Total non-current asset (200=210+220+250+260)	200		51,622,715,638	57,115,359,864
Total Asset (270=100+200)	270		106,242,481,322	122,179,473,881

PETROLIMEX (LAO) SOLE COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT
For the Year ended 31 December 2023

Items	Code	Note	31 December 2023 LAK	31 December 2022 LAK
Liability and Owner's equity				
Current liabilities				
Short-term Payable	310	9	331,808,161,730	308,798,018,692
Trade creditor	311		317,644,509,225	294,487,340,619
Advance for customer	312		607,929,063	170,190,360
Payable to Tax authority.	313		1,116,472,014	4,316,554,200
Payable to staff	314		5,305,485,517	3,762,544,054
Other payable	319		7,133,765,910	6,061,389,459
Short-term loan and borrowing	320	10	-	-
Total Current liabilities (300=310+320)	300		<u>331,808,161,730</u>	<u>308,798,018,692</u>
Non-current liabilities				
Long-term payable	330	10	-	-
Long-term loan	338		-	-
Total non-current liabilities	330		<u>-</u>	<u>-</u>
Total liabilities (350=300+330)	300		<u>331,808,161,730</u>	<u>308,798,018,692</u>
Owner equity				
Paid-up capital	411		14,017,380,000	14,017,380,000
Statutory reserve	418		1,886,544,747	1,886,544,747
Other reserve	420		5,532,461,705	5,532,461,705
Retained earnings	421		(247,002,066,860)	(208,054,931,263)
Total equity (400=411+418+420+421)	400	11	<u>(225,565,680,408)</u>	<u>(186,618,544,811)</u>
Liability and Owner's equity (440=300+400)	440		<u>106,242,481,322</u>	<u>122,179,473,881</u>



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 Mr. VU NGOC TU
 General Director
 Date:

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 Mr. DANG DINH LAM
 Chief Financial Officer
 Date:

PETROLIMEX (LAO) SOLE COMPANY LIMITED
CONSOLIDATED INCOME STATEMENT
For the Year ended 31 December 2023

Items	Code	Note	31 December 2023 LAK	31 December 2022 LAK
Revenue	10	12	603,891,239,938	327,600,257,048
Sale	1		604,025,205,796	327,846,934,060
Discount	2		(133,965,858)	(246,677,012)
Cost of sale	11	13	(576,442,316,538)	(309,004,645,089)
Gross Profit (20=10+11)	20		27,448,923,400	18,595,611,959
Other income	31		17,116,500	534,230,337
Other expense	32		(568,760,840)	(1,316,104,690)
Total Other income (30=31+32)	30		(551,644,340)	(781,874,353)
Selling and administration expense	25	14	(21,608,966,560)	(16,189,184,598)
Finance income	21		37,499,155,355	3,159,186,969
Finance expense	22		(81,734,603,458)	(112,265,363,226)
Interest expense	23		-	-
Profit before tax (50=20+21+22+25+30)	50		(38,947,135,602)	(107,481,623,249)
Current income tax expense	51			
Loss / profit for the year (60=50+51)	60		(38,947,135,602)	(107,481,623,249)



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 Mr. VU NGOC TU
 General Director
 Date:

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 Mr. DANG DINH LAM
 Chief Financial Officer
 Date:

PETROLIMEX (LAO) SOLE COMPANY LIMITED
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY AND OTHER RESERVE
For the Year ended 31 December 2023

	Paid-up capital LAK	Statutory reserve LAK	Other reserve LAK	Retained earnings LAK	Total LAK
As at 31 December 2021	14,017,380,000	1,886,544,747	5,532,461,705	(100,573,308,009)	(79,136,921,557)
Net profit for the year	-	-	-	(107,481,623,254)	(107,481,623,254)
As at 31 December 2022	14,017,380,000	1,886,544,747	5,532,461,705	(208,054,931,263)	(186,618,544,811)
Net profit for the year				(38,947,135,602)	(38,947,135,602)
As at 31 December 2023	14,017,380,000	1,886,544,747	5,532,461,705	(247,002,066,860)	(225,565,680,408)



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Mr. VU NGOC TU
 General Director
 Date:

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Mr. DANG DINH LAM
 Chief Financial Officer
 Date:

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

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PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

1. General Information

Petrolimex (Lao) Sole Company Limited (“the Company”) is a limited company incorporated under the Law of Lao PDR. The Company has issued the capital amount LAK 150 billion of authorized share capital and paid-up capital in the beginning amount LAK 14,017,380,000 pursuant to the Enterprise Registration Certificate No. 0767/ERO (Enterprise Register Officer) dated 20 May 2019 and Business License No. 0054/DIT.MIC dated 31 May 2019 issued by Department of Internal Trade, Ministry of Industry and Commerce.

In 2011, Chevron (Thailand) Limited transferred its 100% ownership amount USD 1,890,000 of the Company to Vietnam National Petroleum Corporation under Share capital Certificate No. 001/09/CLL.

The principal activities of the company are importing and distributing of petroleum and related products in Lao PDR under the Business Licenses.

Its registered office at Sikhai Village, Sikhottabong District and Vientiane capital, Lao PDR.

As at 31 December 2023, the company had 64 (2022: 70) employees.

2. Basis of financial statement preparation

(a) General of basis accounting policies

(i) Basis of preparation

The accompanying financial statements are expressed in Lao Kip (“LAK”), which is the functional currency of the company’s transactions are denominated and settled in accordance with Accounting Law (Revised) No. 47/NA by Nationality Assembly of Lao P.D.R dated 26 December 2013 and Enterprise Law of Lao P.D.R. The financial statements have been prepared in accordance with the Company’s accounting policies as set out in Note 2. The accounting principle applied may differ from the generally accepted accounting principle adopted in other countries and jurisdictions. The accompanying financial statements are not intended to present the financial position and financial performance, change in equity and other reserve, cash flow and notes in accordance with other jurisdictions.

Consequently, these financial statements are addressed only to those who are informed about the company’s accounting principles, products and practices.

(ii) Basis of measurement

The financial statements are prepared on accruals under the historical cost convention basis as stated in accounting policies and are consistent with those used in the previous year.

(iii) Use of accounting estimates and judgments

The preparation of the Company’s financial statements requires management to make judgments, estimates and assumptions based on the management’s best knowledge of current events and actions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses, and the disclosures of contingent liabilities at the reporting date.

Estimates and underlying assumptions are reviewed on an ongoing basis. Actual outcomes may differ from management’s assessment and such differences could require revisions that are recognized in the period in which the estimates are revised and in any future periods affected.

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

(b) Fiscal year

The Company reporting period starts on 1 January and ends on 31 December 2023

(c) Foreign currencies transactions

Transaction in currencies included in financial statements are measured using Lao Kip (“LAK”), Thai Baht (“THB”) and US dollar (“USD”). Transactions are translated into LAK by using the exchange rates ruling at the date of transactions and translated into LAK For the Year ended 31 December 2023 used the exchange rate from the Banque Pour Le Exterieur (“BCEL”) which approximating those ruling at the transaction date, as below:

1 USD	20,466.00 LAK
1 THB	635.46 LAK

Monetary assets and liabilities denominated in foreign currencies at the report date are translated into LAK at the foreign exchange rate ruling at that date. Foreign exchange different arising gains and losses resulting settlement of foreign currency transactions are recognized in income statement.

(d) Cash and Cash equivalents

Cash and cash equivalents comprise cash on hand balances, cash deposits at banks and highly liquid investments which have insignificant risks of changes in value.

(e) Receivables and other short-term assets

The receivables comprise short-term receivables and long-term receivables. The items are considered as short-term receivables if the amount is overdue to pay from the trade debtors from 0 month to 12 months whilst the items are considered as long-term receivables to the business if the amount is overdue to pay from the trade debtor above 12 months. The receivables comprise of trade debtor, advance for supplier for purchases of goods. Construction and other receivables mainly comprise the interest receivables for the rate payment from the trade debtor under the contract between the company and trade customers.

Allowance for doubtful debt is estimated for doubtful receivables based on the aging report and expected uncollectible amounts of outstanding receivable at the balance sheet dates.

Other short-term assets comprise installment pay in advance or prepayment in short-term. Other tax that can be claimed from the tax authority and other short-term assets. The prepayment in the short-term that considered as other assets to business include goods transportation insurance, fire insurance and other insurance, the other tax that can claim from the Tax authority comprise the cash paid for Tax and customs when importing goods, whilst the amounts company staff of running the business work.

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

(f) Property, plant and equipment

(i) Cost

All Property, plant and equipment are state at historical cost less accumulated depreciation. The initial cost of an item of property, plant and equipment comprises its purchase price, including import duties and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

(ii) Depreciation

Depreciation is computed on a straight-line basis over the estimated useful lives of property, plant and equipment. The estimated useful lives are as follows:

Building	20 Years
Machinery & Equipment	5 Years
Automotive Equipment	5 Years
Furniture & Fixture and equipment	10 Years

During the acquisition process for certain assets, a work in process account is used to capture the related costs. These are assets where processed payments are required during their construction or acquisition. When the construction or acquisition completed and ready to go into services and acquisition cost finalized, it is capitalized and related to the asset are transferred to the asset register. The asset recording is created using the above categories, with asset commencing depreciation from the date of capitalization. During the period of the time the acquisition costs are collected, no depreciation is calculated or determined.

Fully depreciated Property, plant and equipment are retained on the statement of financial position until disposed of or written off.

(iii) Disposal

The property, plant and equipment are disposed of and retired if they are due to damages, in the bad condition and not in use.

The proceeds on sales of fixed assets are recognized in the income statement as incurred.

(g) Lease right to use

Intangible asset that is acquired by the company and has finite useful life is stated at cost less accumulated amortisation.

This represents the leasehold and land improvement. The cost was capitalised and is amortised on a straight-line basis over 20 years.

Payments made under operating leases are recognized as expenses in the statements of income on a straight-line basis over the term of the leases are classified into long-term leases and short-term leases.

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

(h) Inventories

Inventories are stated at a lower acquisition cost and net realizable value. Cost is determined using the First in First out (“FIFO”) method and comprise various import expenses in the incurred in bringing the products to their exiting condition.

Net resizable value is the estimated selling price in the ordinary business, less the completion and related selling expenses. Allowance is made, where necessary, obsolete, slowly moving, and defective inventories. Material and supplier are value at the weight average cost. Allowance is made in full for obsolete, deflected, and unserviceable items.

(i) Provision for Inventories

The provision for inventories is calculated and written off if goods or products are left and become obsolete products or goods. The provision calculation is based on the book value of unsold inventory; However, the provision rate is bases on physical verification judgment of the company management by offering to the accounting Law of Vietnam No. 228/2009/MOF.

(j) Other long-term assets

The items considered as other long-term assets to the business comprise the prepayment for leases and deferred tax with the leases term over one year.

(k) Payable and accrual

The payable comprises trade finance loans, payables to trade creditors, advance from customers, taxes payable to the tax authority, payables to staff, short and long-term loans and borrowings, accrual interest on loans and borrowings and others.

In compliance with the equipment of the company management, the company uses accrual accounting basis in the preparation of its account as such, accrual estimates are required to be included for the expenses from third party for the work undertake but not invoiced for at the Year ended, agreed payment term, as per the signed contract and other arrangement determine when as invoice should be paid.

(l) Equity

The owner’s equity comprises the registered capital, statutory reserve, other reserve and retained earnings. The statutory reserve 10 % and other reserve 10% are set under the article of associate of the company in accordance with the Law on Enterprise (Revision) No.33/NA dated 29 December 2022 is require providing the legal reserve at 10% of profit after deducting retained loss and the company can stop reserving when the legal reserve has reached up to 50% of register capital.

(m) Revenue Recognition

Revenues mainly comprise revenues from sales which are recognized when under significant risks and rewards transfer to customers. Revenues are recognized on an accrual basis.

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

(n) Taxation

Tax expense comprises Personal income, Current and deferred tax. Current tax and deferred tax are recognized in profit or loss.

The company also comprise the Import-taxes incur when the company imports its goods, fixed assets and consumables which include Customs tax, Excise tax, maintenance road fund and reserve fund which all are referred to as “Import taxes” recognizes as the cost of inventory goods.

Current tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations is subject to interpretation and establishes provisions of amounts payable to the tax authorities.

Taxation based on the current year’s total revenue as per the laws governing taxation within the Lao P.D.R. For each profitable year, the company is subject to the current tax rate of 20% on total taxable income.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Personal Income Tax

The Company comprises the Tax law No. 67/NA, date 18 June 2019 for both of local and foreigner employees.

Tax duties

The Company comprise the Notification of Ministry of Industry and Commerce as following:

Type of Tax	Super Gasoline	Regular Gasoline	Diesel
Customs Tax	20%	15%	5%
Excise tax	40%	16%	0%
Value Added Tax (VAT)	7%	7%	7%

(o) Related parties

Parties are considered to be related to the Company if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, or where the Company and the other party are subject to common control or significant influence. Related parties may be individuals or corporate entities.

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

3. Cash and cash equivalent

	31 December 2023	31 December 2022
	LAK	LAK
Cash on hand in LAK	77,093,286	292,559,171
Cash on hand in USD	-	-
Cash deposit at banks in LAK	12,779,448,889	5,891,572,242
Cash deposit at banks in other currencies	-	2,831,611,128
Cash deposit at bank on transferring	5,165,201,320	112,009,000
Total	18,021,743,495	9,127,751,541

4. Receivables

(a) Short – term receivables

	31 December 2023	31 December 2022
	LAK	LAK
Trade Debtor	33,204,784,517	45,170,057,615
Advance for supplier	1,873,159,785	1,907,779,934
Other receivables	682,564,734	713,379,639
Provision for doubtful debt	(7,435,879,188)	(7,451,869,188)
Total	28,324,629,848	40,339,347,800

(b) Long – Term receivables

	31 December 2023	31 December 2022
	LAK	LAK
Trade Debtor	-	-
Provision for doubtful debt	-	-
Total	-	-

PETROLIMEX (LAO) SOLE COMPANY LIMITED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the Year ended 31 December 2023

5. Inventory

	31 December 2023	31 December 2022
	LAK	LAK
Goods for stocking		
ULG 91	3,857,003,431	4,865,364,297
Diesel	2,796,352,766	8,908,999,272
Lubricant	890,721,840	910,249,000
Total	7,544,078,037	14,684,612,568
Goods in transit	-	-
Consumable material and suppliers	-	-
Other	-	-
Provision for inventory	-	-
Total	7,544,078,037	14,684,612,568

6. Other short-term assets

	31 December 2023	31 December 2022
	LAK	LAK
Other instalment and paid in advance	25,925,005	81,534,543
Other Tax and claim from Tax Authority	75,375,699	52,546,774
Other short-term Assets	628,013,600	778,320,591
Total	729,314,304	912,401,908

Prepaid comprise the prepayment for insurance, and prepayment for internet and others.

Other Tax can claim from tax Authority is the advance paid for import-taxes for importing Goods.

Other short-term asset is the advance paid to company staff for running the business works.

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements
For the Year ended 31 December 2023

7. Leasehold improvement, property, and equipment

	Building		Plant, machinery & equipment		Vehicle		Office equipment, furniture & fixture		Business Start-up		Total amount LAK
	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	LAK	
Net book value as at 31 December 2022	45,074,590,332	-	20,485,923,556	3,947,588,800	3,221,839,162	164,262,400	72,894,204,250	-	-	-	-
Additional	-	-	-	-	-	-	-	-	-	-	-
Disposal and sale fix assets	(162,418,316)	-	-	(148,010,000)	(80,476,469)	-	(390,904,785)	-	-	-	-
Other	685,531,285	-	(685,531,285)	-	-	-	-	-	-	-	-
Net book value as at 31 December 2023	45,597,703,301	-	19,800,392,271	3,799,578,800	3,141,362,693	164,262,400	72,503,299,465	-	-	-	-
Less (-)											
Accumulate depreciation											
As at 31 December 2022	(15,750,290,318)	-	(20,209,226,318)	(3,620,322,240)	(2,249,245,894)	(164,262,400)	(41,993,347,168)	-	-	-	-
Depreciation for the year	(2,820,866,770)	-	(163,314,738)	(120,820,000)	(283,681,725)	-	(3,388,683,232)	-	-	-	-
Disposal	69,427,834	-	-	148,010,000	67,261,518	-	284,699,352	-	-	-	-
Other	(685,531,285)	-	685,531,285	-	-	-	-	-	-	-	-
As at 31 December 2023	(19,187,260,539)	-	(19,687,009,771)	(3,593,132,240)	(2,465,666,101)	(164,262,400)	(45,097,331,050)	-	-	-	-
Carrying amounts											
As at 31 December 2022	29,324,300,015	-	276,697,239	327,266,560	972,593,269	-	30,900,857,081	-	-	-	-
As at 31 December 2023	26,410,442,762	-	113,382,501	206,446,560	675,696,594	-	27,405,968,415	-	-	-	-

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements

For the Year ended 31 December 2023

8. Other long-term assets

	<u>31 December 2023</u> LAK	<u>31 December 2022</u> LAK
Prepayment & Accrual	23,845,698,855	25,843,454,416
Deferred tax asset	371,048,367	371,048,367
Total	<u>24,216,747,222</u>	<u>26,214,502,783</u>

The other long-term assets mainly comprise of the long-term prepayment for leasehold in different location for servicing stations, houses rental and other prepayments that carried forward in the book from previous investor (Chevron Thailand Limited).

9. Short-term payable

	<u>31 December 2023</u> LAK	<u>31 December 2022</u> LAK
Trade creditors	317,644,509,225	294,487,340,619
Advance for customers	607,929,063	170,190,361
Payable to Tax authority.	1,116,472,014	4,316,554,200
Payable to staffs	5,305,485,517	3,762,544,054
Other payable	7,133,765,910	6,061,389,459
Total	<u>331,808,161,730</u>	<u>308,798,018,692</u>

Payable for trade creditors mainly consist of payables to Petrolimex Vietnam amount LAK 315,533 million, Petrolimex Construction JS Company 1 (PCC1) amount LAK 1,371 million and payables to general foreign suppliers LAK 18 million and local suppliers LAK 722 million.

Advance from customers comprise the advance deposit under the sales contract from general local customers.

Payable to Tax authority consist of Personal Income Tax (PIT) relate to personnel and Value added Tax (VAT) amount LAK 968,1 million, corporate income tax LAK 11,9 million and tax "10 Kip" is 17 million and other LAK 119 million.

Payable to staff comprise the provision for retirement LAK 601 million, salary and other allowances for staff LAK 4,704 million.

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements

For the Year ended 31 December 2023

10. Loan

	31 December 2023	31 December 2022
	LAK	LAK
Short-term loan	-	-
Long-term loan	-	-
Total	-	-

The loan balance as at 31 December 2023 is Nil (0)

11. Equity

	31 December 2023	31 December 2022
	LAK	LAK
Paid-up capital	14,017,380,000	14,017,380,000
Statutory reserve	1,886,544,747	1,886,544,747
Other funds	5,532,461,705	5,532,461,705
Retained earnings (*)	(247,002,066,860)	(208,054,931,263)
Total	(225,565,680,408)	(186,618,544,811)

(*) Retained earnings comprise the retrained earnings accumulated from previous investor (Chevron Thailand Limited) which has carried forward in the book and retained earnings from their starting operation up to date.

The Company's paid-up capital of amount USD 1,890,000 which is separated into capital in kind of USD 1,590,000 and capital in cash of USD 300,000 and divided to 189,000 common registered shares with a value of USD 10 per share.

	31 December 2023	31 December 2022
	LAK	LAK
Shareholder:		
Vietnam International Corporation	14,017,380,000	14,017,380,000
Total	14,017,380,000	14,017,380,000

12. Revenue

	31 December 2023	31 December 2022
	LAK	LAK
Selling of goods		
Service	120,000,000	-
ULG 91	271,104,614,721	110,703,297,509
Diesel	329,614,429,841	213,241,346,157
Lubricant	40,602,617	605,589,282
Discount	(133,965,858)	(246,677,012)
Total	600,745,681,321	324,303,555,936
Rental income	3,145,558,617	3,296,701,112
Total	603,891,239,938	327,600,257,048

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements For the Year ended 31 December 2023

13. Cost of sale

	<u>31 December 2023</u> LAK	<u>31 December 2022</u> LAK
Cost of sale		
ULG 91	264,528,784,796	107,805,406,794
Diesel	311,874,670,009	200,625,069,626
Lubricant	38,861,733	574,168,669
Other – Exclusion for consolidation reporting	-	-
Total	<u>576,442,316,538</u>	<u>309,004,645,089</u>

Cost of sale comprises of the purchase costs of ULG 91, Diesel, Lubricant, and related expense to the purchases of goods which mainly included excise taxes, transport cost and insurance costs, meter Fee, quality checking fee and shipping fee.

14. Selling and Administration expense

	<u>31 December 2023</u> LAK	<u>31 December 2022</u> LAK
Personnel expenses	8,781,635,778	6,073,780,237
Depreciation expenses	3,494,888,665	3,149,445,863
Fees and commission expenses	1,083,391,532	683,878,894
Administrative expenses	3,064,377,126	1,885,046,098
Rental expenses	1,909,758,507	1,930,154,814
Transportation	1,069,329,233	1,022,433,290
VAT and customs	1,959,839,929	1,188,982,793
Other expenses	261,735,790	255,462,610
Allowance provision for doubtful debt	(15,990,000)	-
Total	<u>21,608,966,560</u>	<u>16,189,184,599</u>

15. Related party transactions and balances

(a) Identify of related parties

The Company has related party relationship with its Shareholder and the entities owned by major shareholders.

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements

For the Year ended 31 December 2023

(b) Significant balance with related parties

Significant balance between the Company and its shareholder and follow subsidiaries of Petrolimex (Lao) Sole Company Limited at the end of financial Year ended consisted of:

		<u>31 December 2023</u>	<u>31 December 2022</u>
		LAK	LAK
Accounts payable (Note 9)			
Vietnam National Petroleum Group (Petrolimex Vietnam) Co., Ltd	Parent Company	315,532,657,188	292,473,642,229
Petrolimex Nghetinh Transportation and Services Joint Stock Co., Ltd	Subsidiary of Parents company	-	57,888,121
Petrolimex Dan Nang Transportation and Joint Stock Co., Ltd	Subsidiary of Parents company	-	-
Petrolimex Thua Thien Hue Transportation and Services Joint Stock Co., Ltd	Subsidiary of Parents company	-	-
Petrolimex Ha Tay Transportation and Service Joint Stock Co., Ltd	Subsidiary of Parents company	-	-
Petrolimex Petrochemical Coporation - JSC (PLC) Co., Ltd	Subsidiary of Parents company	-	-
Petrolimex Equipment Joint Stock Company - PECO	Subsidiary of Parents company	-	-
Petrolimex Construction JS Company 1 (PCC1)	Subsidiary of Parents company	1,370,733,271	1,153,194,834

PETROLIMEX (LAO) SOLE COMPANY LIMITED

Notes to Consolidated Financial Statements For the Year ended 31 December 2023

16. Commitment

(a) Reserve Fund

The Company is obligation to pay the reserve fund in accordance with the Laos Government Office Notification for every import of petroleum upon arrival at the checkpoint at the different rate on each type of petroleum and distribution location. The rate is subject to change in a month depending on the government determination, however, the reserves to review and change the rate depending on the government determination.

(b) Maintenance Road Fund

The Company is obligate by Laos Government to pay the maintenance road fund at LAK 520 per liter according to the Lao Government Office notification for every import of the petroleum at the checkpoint and the cost is recognized as the cost of good inventory.

17. Events after the reporting date

There is no matter or circumstance that has arisen since the reporting date that requires adjustment or disclosure on the financial statements of the Company.