

EDL-GENERATION PUBLIC COMPANY

**2nd QUARTER FINANCIAL INFORMATION
(UNAUDITED)**

30 JUNE 2013

EDL-Generation Public Company
Statements of financial position
As at 30 June 2013

		30 June 2013	30 June 2012
	Notes	Million Kip	Million Kip
Assets			
Non-current assets			
Pre-operating expenses, net		-	948.00
Interests in associates	5	556,927	-
Interests in joint ventures	5	1,329,400	-
Advance payment for investment	4	377,590	541,989
Assets under concession, net	6	4,035,882	3,910,477
Other non-current assets		4,331	-
Total non-current assets		<u>6,304,130</u>	<u>4,453,414</u>
Current assets			
Cash and cash equivalents		62,025	107,339
Short-term investments		20,000	100,000
Trade and other receivables	9	325,248	391,897
Spare parts and supplies, net		3,107	3,818
Other current assets		18,257	20,041
Total current assets		<u>428,637</u>	<u>623,095</u>
Total assets		<u><u>6,732,767</u></u>	<u><u>5,076,509</u></u>



Boun Oum SYVANPHENG
Chief Executive Officer
30 July 2013

Bounsalong Southidara
Chief Financial Office
30 July 2013

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Statements of financial position
As at 30 June 2013

		30 June 2013	30 June 2012
	Notes	Million Kip	Million Kip
Equity			
Shareholder's equity			
Share capital		4,904,867	3,474,388
Share premium		142,229	15,577
Legal reserve		109,268	58,408
Translating financial statements		(1,767)	-
Retained earnings		509,815	297,300
Total equity		<u>5,664,412</u>	<u>3,845,673</u>
Liabilities			
Non-current liabilities			
Long - term borrowings, net	7	<u>849,025</u>	<u>980,244</u>
Total non-current liabilities		<u>849,025</u>	<u>980,244</u>
Current liabilities			
Accounts payable		29,575	1,043
Current portion of long-term borrowings	7	153,255	211,817
Accrued expenses		17,436	-
Accrued income tax		11,385	13,249
Other current liabilities		<u>7,679</u>	<u>24,483</u>
Total current liabilities		<u>219,330</u>	<u>250,592</u>
Total liabilities		<u>1,068,355</u>	<u>1,230,836</u>
Total equity and liabilities		<u>6,732,767</u>	<u>5,076,509</u>

Boun Oum SYVANPHENG

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30 July 2013

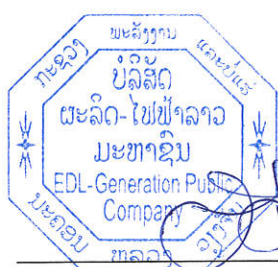
Bounsalong Southidara

Chief Financial Office

30 July 2013

EDL-Generation Public Company
Statements of Income
For the Quarter 2 period ended 30 June 2013

		30 June 2013	30 June 2012
	Notes	Million Kip	Million Kip
Sales	9	173,220	173,740
Cost of sales		(50,437)	(38,182)
Gross profit		122,783	135,558
Other income		2,067	2,450
Administrative expenses		(20,287)	(16,835)
Foreign exchange gain/ (loss), net		342	(12,824)
Interest expense		(6,939)	(8,174)
Share of profit of associates and joints ventures	5	151,338	-
Profit before income tax expense		249,304	100,175
Income tax expense		(4,555)	(5,099)
Net profit		244,749	95,076



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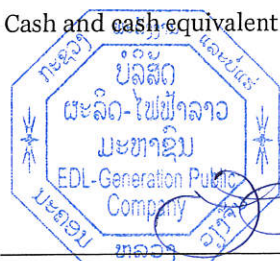

 Bounsalong Southidara
 Chief Financial Office
 30 July 2013

EDL-Generation Public Company
Statements of cash flows
For the Quarter 2 period ended 30 June 2013

		30 June 2013	30 June 2012
	Notes	Million Kip	Million Kip
Cash flow from operating activities:			
Net profit before income tax for the year		249,304	100,174
Adjustments to reconcile net profit to net cash			
Amortisation of pre-operation		-	517
Depreciation	6	42,759	30,730
(Profit) on sale of assets under concession		-	-
Foreign exchange (gain)/ loss		(342)	12,824
Share profit From investment	5	(151,338)	-
Finance cost		-	-
Operating profit before working capital changes		140,383	144,245
Changes in operating assets and liabilities			
- Trade and other receivables		21,480	120,464
- Pre-operating expenses		-	-
- Spare part and supplies		297	(345)
- Other current assets		(14,729)	(5,508)
- Accounts payable		25,871	6,030
- Other assets		866	-
- Other current liabilities		2,853	-
- Accrued expenses		10,322	-
Cash generated from operations		187,343	264,886
Income tax paid		(7,985)	(7,526)
Net cash receipts from operating activities		179,358	257,360
Cash flows from investing activities :			
Advance payment for investment		1,411	(91,046)
Advance payment for acquisition of associates and joint ventures		-	-
Cash received from advance payment for acquisition of associates and joint ventures		-	-
Acquisition of associates and interests in joint ventures	5	6,520	-
Short-term loan to parent company		-	-
Loan repaid from parent company		-	-
Purchases of assets under concession	6	(74,710)	(23,688)
Purchases of short-term investments, net		20,000	-
Proceeds from short-term investment, net		-	-
Proceeds from sale of assets under concession		-	-
Net cash used by investing activities		(46,779)	(114,734)

EDL-Generation Public Company
Statements of cash flows (continued)
For the Quarter 2 period ended 30 June 2013

		30 June 2013	30 June 2012
	Notes	Million Kip	Million Kip
Cash flows from financing activities :			
Proceeds from issuance of ordinary share and right to purchase the ordinary shares		-	-
Cash received from issuance of ordinary shares		-	-
Proceeds from long-term borrowings		-	-
Repayment on borrowings	7	(24,770)	(21,936)
Dividends paid to shareholders		(343,341)	(277,951)
Dividends paid to non-controlling interests		-	-
Interest payment		-	-
Net cash used by financing activities		(368,111)	(299,887)
Net decrease in Cash and cash equivalents		(235,532)	(157,261)
Cash and cash equivalent beginning of the year		297,557	264,600
Cash and cash equivalent ending of the year		62,025	107,339



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EDL-Generation Public Company
Unaudited condensed notes to the 2nd quarter financial information
For the three-month period ended 30 June 2013

1. General information

EDL- Generation Public Company (the “Company” or “EDL-GEN”) is a public company which is listed on the Lao Securities Exchange (“LSX”) and is incorporated and domiciled in the Lao Peoples' Democratic Republic (“Lao PDR”). The Company was incorporated and registered with Ministry of Industry and Commerce on 15 December 2010 (“Incorporation Date”).

The Company's registered office address is:

7th Floor, EDL Headquarter Building,
Lao-Thai Friendship Road, Thongkang Village, Sisattanak District,
Vientiane Capital, P.O.Box 2392, Lao PDR

The Company was listed on the LSX on 11 January 2011 and its first day of trading shares was the same day.

This 2nd quarter financial information was approved by Internal Audit Committee on 29 July 2013 and was authorised for issue by the Managing Director on 30 July 2013.

This 2nd quarter financial information has been not audited.

2. Basis of preparation

The 2nd quarter financial information was prepared in accordance with the Company's accounting policies as described in more detail in the annual financial statements for the year ended 31 December 2012. The primary financial information (i.e. statement of financial position, statement of income and cash flows) are prepared in the full format. The notes to the financial information are prepared in a condensed format.

The 2nd quarter financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the 2nd quarter report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

The 2nd quarter financial information is the result from the Company's operation and also included the result from investments in associates and interests in joint ventures before audited.

EDL-Generation Public Company
Unaudited condensed notes to the 2nd quarter financial information
For the three-month period ended 30 June 2013

3. New significant agreement during the 3-month period ended 30 June 2013

As at 20 February 2012, the Company and EDL signed an MOU for the transfer of the equity shareholdings in Nam Ngum 5 Power Company Limited ("NNG5").

Both parties intend to finalise the transfer of EDL's interests in NNG5 no later than 31 December 2012. The Company is required to pay i) an advance payment of USD 2,000,000 ii) the remaining balance of the total consideration, additional advance, or any adjustment to be made or paid in accordance with the Share Transfer Agreement.

During the three-month period ended 30 June 2013, the Company did not paid for any necessary costs related to the above MOU (Note 4).

4. Advance payment for investments

	<u>Million Kip</u>
Opening net book amount as at 1 April 2013	379,001
Additions	-
Transfer to Investment in Joint-Venture	-
Loss on exchange rate	(1,411)
	<u>377,590</u>
Closing net book value as at 30 June 2013 - Unaudited	<u>377,590</u>

During the three-month period ended 30 June 2013, the Company did not paid any additional to EDL but just only loss on exchange rate.

5. Investments in associates and interests in joint ventures

	<u>2013</u> <u>Million KIP</u>	<u>2012</u> <u>Million KIP</u>
Beginning balance as at 1 April	1,742,915	-
Addition	-	-
Share of profit of associates	1,466	-
Share of profit of interest in joint ventures	149,870	-
Dividend receive	(6,520)	-
Exchange differences	(1,404)	-
	<u>1,886,327</u>	<u>-</u>
Ending balance as at 30 June	<u>1,886,327</u>	<u>-</u>

EDL-Generation Public Company
Unaudited condensed notes to the 2nd quarter financial information
For the three-month period ended 30 June 2013

6. Assets under concession, net

	<u>Million Kip</u>
Opening net book amount as at 1 April 2013	4,003,931
Additions	74,710
Depreciation charge	<u>(42,759)</u>
Closing net book value as at 30 June 2013 - Unaudited	<u>4,035,882</u>

Additions during the three-month period ended 30 June 2013 mainly consisted of the new completion of construction and repairing on the Hydropower Plant Project.

7. Long-term borrowings, net

The Company entered into the Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010. EDL is a borrower pursuant to several unsecured borrowing agreements with the Government of Lao PDR ("GOL") in which the original funds were provided from various lenders and made through the GOL. In addition to the asset transfer, the Company has agreed with EDL that the Company will make payments on the outstanding debts to EDL and EDL will make such payments to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

	<u>Unaudited 30 June 2013 Million KIP</u>	<u>Unaudited 30 June 2012 Million KIP</u>
Current	153,255	211,817
Non-current	<u>849,025</u>	<u>980,244</u>
	<u>1,002,280</u>	<u>1,192,061</u>

The movements in the borrowings can be analysed as follows:

	<u>Million Kip</u>
As at 1 April 2013	1,027,050
Additions	-
Repayment of borrowings	(19,293)
Gain on exchange rate	<u>(5,477)</u>
As at 30 June 2013 - Unaudited	<u>1,002,280</u>

EDL-Generation Public Company
Unaudited condensed notes to the 2nd quarter financial information
For the three-month period ended 30 June 2013

7. Long-term borrowings, net (continued)

Borrowings mainly represent unsecured borrowings denominated in US dollars and Japanese Yen which are due over 1 - 10 years. Borrowings generally carry interest rates at 2.0 % to 6.5% per annum (31 December 2011: 2.0% to 7.3% per annum). The Additions on this period is from the Loan on Nam Song Hydropower Plant Project.

8. Income tax expenses

The Company has an obligation to pay Corporate Income Tax of either Tax on Profit at the rate of 5% (which is the reduced rate as applicable for listed companies on the LSX) on taxable profit.

The Company records corporate income tax on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences. Income tax expense is recognised based on the operating result for the period and tax rate.

9. Related party transactions

Significant related party transactions during the period can be summarised as follows.

a) Sales of goods

	Unaudited 30 June 2013 Million Kip	Unaudited 30 June 2012 Million Kip
For the three-month periods		
Sales of electricity to EDL	<u>173,220</u>	<u>173,740</u>

Sales of electricity to EDL are based on agreed terms and conditions in the Power Purchase Agreement ("PPA") – dated 9 December 2011.

b) Trade and other receivables

	30 June 2013 Million KIP	30 June 2012 Million KIP
Trade receivable – parent company	214,836	279,150
Receivable - parent company	<u>110,412</u>	<u>112,747</u>
	<u>325,248</u>	<u>391,897</u>

EDL-Generation Public Company
Unaudited condensed notes to the 2nd quarter financial information
For the three-month period ended 30 June 2013

13. Related party transactions (continued)

Trade account receivables can be analysed as follows.

	Unaudited 30 June 2013 Million KIP	Unaudited 30 June 2012 Million KIP
Not overdue	122,645	173,740
Overdue less than 3 months	92,191	105,410
Overdue 3 - 6 months	-	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	214,836	279,150
<u>Less</u> Allowance for doubtful receivables	-	-
Trade account receivables, net	214,836	279,150