

Translation



EDL-Generation Public Company

The Third Quarter Report of 2014
Ending 30 September 2014

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1. The EDL-Generation Public Company

The EDL-Generation Public Company (EDL-GEN) was incorporated as a public company with limited liability on 15 December 2010 through a spin off from EDL (Electricité Du Laos) where EDL's generation assets were transferred to the company including Nam Ngum 1, Nam Mang 3, Nam Leuk, Nam Song, Xeset 1, Xeset 2, and Selabam hydropower plants, with a installed capacity of 387 MW. The technical staffs, who are working for the hydropower plants and some employees at EDL headquarter, have been transferred to EDL-GEN.

In the beginning, EDL-GEN has a registered capital with the total of 2,605,792,200,000 Kip or 651,448,050 in shares (4,000 Kip per share). EDL-GEN has approved the increase of its capital to 217,149,000 shares for the initial public offering (IPO). On 7 January 2011, the company had the registered capital with the total of 3,474,388,200,000 Kip, which amounts to 868,597,050 shares. On 11 January 2011, EDL-GEN was officially listed on the Lao Securities Exchange (LSX).

On August 2012, EDL-GEN has successfully purchased shares of four Independence Power Producer (IPPs) from EDL. The four IPPs are 60% of shares in Theun Hinboun, 25% of shares in Nam Ngum 2, 20% of shares in Houay Ho and 10% of shares in Nam Lik 1-2 hydro power plants. The total installed capacity of these four IPPs amount 494 MW, increasing EDL-GEN's installed capacity of 881 MW. At the end of 2012, EDL-GEN has registered capital of 4,904,867,060,000 kip and 1,226,216,765 shares.

2. The Core Business Operation.

1. To generate and sell (wholesale) electricity to EDL as well as construct the transmission lines and substations as necessary.
2. To invest in the generation assets, which are constructed and planned by EDL or the shares wholly owned or partially owned by EDL in the EDL's IPPs.
3. To provide operation and maintenance services to other power generation projects in Lao PDR.

❖ **Vision:**

EDL-Gen has strong desire: (1) to be a number one leading company in Lao PDR in ensuring a reliable electric power supplier for the socio-economic development of Lao PDR. (2) To be a company which strongly contributes to the realization of Lao PDR's vision of being a battery of ASEAN in order to contribute and ensure sustainable and reliable power supplier to ASEAN community.

❖ **Mission:**

1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability and effectively respond to the needs of the social and economic development of Lao PDR as well as the ASEAN nations.
3. To upgrade and train its staff, so that they can actively participate in the development of the company with pride, responsibility and ownership.

❖ Organization;

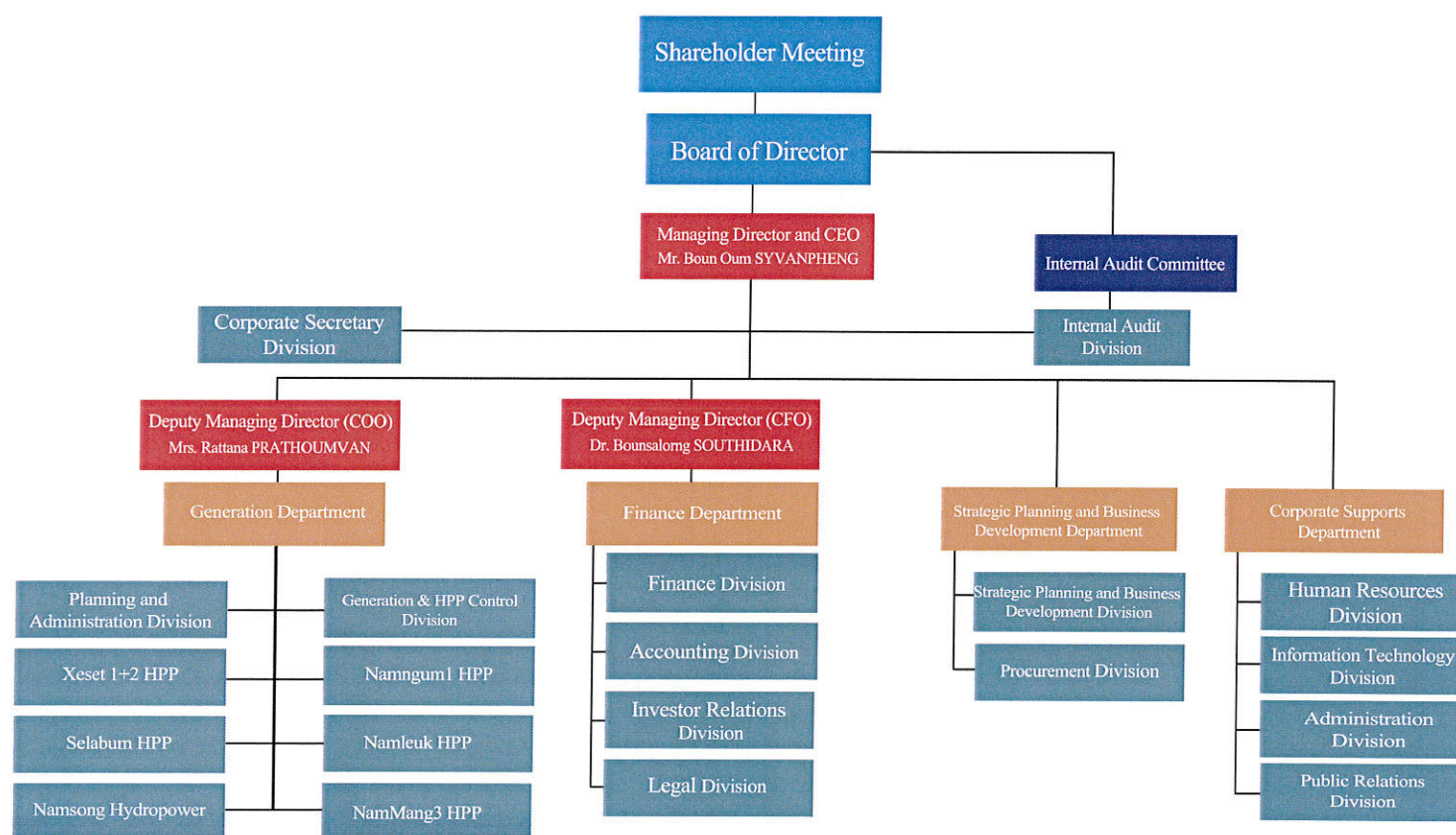
1. Organization Chart.

The organization chart of EDL-GEN consists of general meeting of shareholders, the board of directors consist of 10 directors (herein are 3 independent directors), 3 managing directors, 4 departments, 12 offices, and 7 hydropower plants.

❖ EDL-GEN Staffs

EDL-GEN consists of 636 staffs, 123 of whom are females. This number is including 450 officers, 79 of whom are females and 186 temporary workers, 44 of whom are females.

Organization Chart of EDL - Generation Public Company



Location	Total	Female
Head office	78	25
Nam Ngum 1 HPP	165	40
Nam Mang 3 HPP	74	11
Nam Leuk HPP	69	12
Xeset 1-2 HPP	142	24
Selabum HPP	54	08
Namsong HPP	27	03
Tadsaland HPP	09	00
Namsana HPP	18	00

Board of Directors



Dr. Khammany Inthirath
Chairman



Sisavath Thiravong
Vice Chairman



Boun Oum SYVANPHENG
Member



Rattana PRATHOUMVAN
Member



Bounma MANIVONG
Member



Vanida SAVADDY
Member



Sychath BOUTSAKITIRATH
Member



Assoc. Prof. Dr. Kongsy SENGMAN
Independent Member



Prof. Khamlusa NOUNSAVAN
Independent Member



Assoc. Prof. Khampheui PHOMMACHANH
Independent Member

Managing Directors of EDL-GEN



Boun Oum SYVANPHENG
Managing Director & CEO



Rattana PRATHOUMVAN
Deputy Managing Director, COO



Dr. Bounsalong SOUTHIDARA
Deputy Managing Director, CFO

2. Internal Committee

EDL-GEN Company focuses on the quality and organization of its operating business, therefore the company appointed several committees as detailed below:

2.1 Internal Audit Committee (IAC)

IAC has been established by Managing Directors of EDL-GEN, according to the Board of Directors of EDL-GEN approval letter, No. 005/EDL-GEN dated 27/05/2013. IAC's role is to inspect and monitor the incomes and expenses, analyse business risks and suggests alternative solutions and report to the Board of Directors to facilitate decision making. IAC work collaboration with the Internal Audit Division of EDL-GEN.

The meeting of IAC was held once in the third quarter 2014 on 12/08/2014. The main discussed issue of the meeting was on financial statement of the first semi-annual 2014. PricewaterhouseCoopers (PwC), an external auditing company, verified and provided recommendation on the financial statement and made a report in order to be verified in BoD meeting before the report would be published.

2.2 The Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing Agreement (CASAPPAC)

CASAPPAC had been established by Managing Directors of EDL-GEN, according to the Board of Directors of EDL-GEN approval letter, No. 002/EDL-GEN dated 21/01/2011. CASAPPAC's works collaboration with the Legal Division of EDL-GEN and Independent Legal Consultant in preparation and negotiation on various Concession Agreements, Shareholder Agreement, and Power Purchasing. In the third quarter 2014, the Committee set 1 meeting to purpose a Concession Agreement on Namsana Hydro Power Project to the authorities of Vientiane Province in 24/09/2014.

2.3 Procurement and Equipment's Supply Committee (PESC).

PESC had been established by CEO of EDL-GEN, according to the letter no. 011/EDL-GEN approval letter, dated 7 January 2011. PESC's works collaboration with Procurement and Equipment Division of EDL-GEN, to inspect and approve the bid documents, procured documents and ensures the processes abide by the regulations of the company. In the third quarter 2014, the PESC has held 2 meeting for 12 projects and negotiated 5 signed contracts with suppliers including 8 projects between EDL-Gen and 4 suppliers. The projects can be summarized as follow:

1. Agreement on IT Network Linkage between Head Office and HPP via Fiber Optic.
2. Agreement on the Improvement for Circuits of DC Control Source in Nam Ngum 1 HPP.
3. Agreement on Channel Fence Construction of Namsong HPP.
4. Agreement on Supply and Installation of CCTV for HPPs and Head Office.
5. Agreement on Procurement of Electrical and Mechanical Parts Displacement for Powerhouse Number 2 in Xeset 1-2 HPP.
6. Agreement on Repairing of Governor Control Unit 5 in Nam Ngum 1 HPP.
7. Agreement on Financial Programming of EDL-Gen.
8. Agreement on Procurement of Feedback Sensor, Combination Valve & Air Filter Dejection of Nam Mung 3 HPP.

2.4 Honor Policy and Discipline Committee (HPDC)

HPDC had been established by Managing Directors of EDL-GEN, according to the CEO of EDL-GEN approval letter, No. 402/EDL-GEN dated 19/04/2011. HPDC's role is to improve the rules and regulations of EDL-GEN, considers the requirements requested by employees, the retirements and commendation policies and others.

In the third quarter 2014 the HPDC reviewed EDL-Gen obligations on policies and rules for injured and dead staff and regulations on monthly evaluation in order to be discussed in the upcoming fourth quarter 2014.

II. Business Operation and Productivity.

It has been the fourth year since the company established in December 2010 to operate and wholesale the generating electricity to EDL. Meanwhile, the company has to improve the overall management to suit the laws and regulations of a public company set by the Lao Securities Exchange to ensure a healthy development of EDL-Gen and build trust amongst shareholders and international investors. The outcomes of our business operation in the third quarter 2014 are as followed:

Power Generation Third Quarter 2014 (Unit: GWh)								
Details	Hydro Power Plant	Hydro Power Plant	Hydro Power Plant	Hydro Power Plant	Hydro Power Plant	Hydro Power Plant	Hydro Power Plant	Total
	Nam Ngum-1	Xe Set-2	Nam Leuk	Nam Mang-3	Xe Set-1	Nam Song	Se Labum	
Third Quarter Plan	326.33	139.78	122.00	81.50	85.79	4.32	9.61	769.32
Actual	338.12	153.97	126.99	87.70	97.68	5.87	9.97	820.30
Compare Third Quarter Plan (%)	103.61%	110.15%	104.09%	107.61%	113.87%	135.83%	103.69%	106.63%

1. Generation

The company currently owns seven hydropower plants, with a combined installed capacity of 387 MW. Since the weather in 2014 was supportive and the management was well organised, enabling company's generation reached 820.30 GWh (6.63% surpasses the plan).

2. Revenue

In the third quarter 2014, the total revenue of EDL-Generation was 354.77 billion Kip, which exceeds the plan by 9.21 %. EDL-Generation revenue has mainly come from the sales from electricity, which was 345.45 billion Kip, which equal to 97.37% of the total revenue, and other revenue which was accounted for 2.63%.

Revenue Generated from selling electricity Third Quarter 2014 (Unit:Million Kip)

Detail	Hydro Power Plant Nam Ngum-1	Hydro Power Plant Xe Set-2	Hydro Power Plant Nam Leuk	Hydro Power Plant Nam Mang-3	Hydro Power Plant Xe Set-1	Hydro Power Plant Nam Song	Hydro Power Plant Se Labum	Total
Third Quarter Plan	138,294	58,798	51,491	34,071	35,951	1,768	4,016	324,389
Actual	142,922	64,803	53,364	36,704	41,037	2,458	4,165	345,453
Compare Third Quarter Plan (%)	103.35%	110.21%	103.64%	107.73%	114.15%	139.03%	103.71%	106.49%

3. Expenses

In the third quarter 2014, EDL-Generation has the total expenses 112.82 billion Kip, equivalent to 31.80% of total revenue.

- Cost of Sales: 57.22 billion Kip equivalent to 50.72% of the total expenses.
- O&M and Administrative Expenses: 36.44 billion Kip equivalent to 32.30% of the total expenses
- Interest Expenses: 6.47 billion Kip equivalent to 5.74% of the total expenses.
- Income Tax Expenses: 12.69 billion Kip equivalent to 11.25% of the total expenses.

4. Net Profit

The total Net Profits of EDL-GEN for the third quarter 2014 was 241.93 billion Kip which exceeded the plan by 2.17% (plan 236.79 billion Kip). If the net profit combines with profit made from investment, the number increased to 374.83 billion Kip.

5. Tax

EDL-GEN is the public company and lists in LSX, and operates its business under Lao PDR Law. EDL-GEN obligates to pay tax to the Government of Laos including Advance Income Tax, Royalty Fee (1% of energy production's revenue), Income Tax, Value Added Tax (5% only the first 4 year, then increase to 10%), Incentive Tax and Meeting Premium Tax. The total amount of tax paid for the third quarter 2014 was 28,472 million kip and represents as below:

1. Advance Income Tax	13,540	Million Kip
2. Royalty fee	1,761	Million Kip
3. Income Tax	3,328	Million Kip
4. Value Added Tax	9,142	Million Kip
5. Incentive Tax	684	Million Kip
6. Meeting Premium Tax	15	Million Kip

Total: 28,472 Million Kip

Third Quarter Financial Report

September 30, 2014

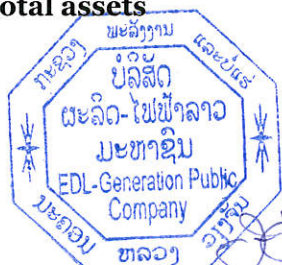
EDL-GENERATION PUBLIC COMPANY

**3rd QUARTER FINANCIAL INFORMATION
(UNAUDITED)**

30 September 2014

EDL-Generation Public Company
Statements of financial position
As at 30 September 2014

		Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
	Notes		
Assets			
Non-current assets			
Interests in associates	4	591,908	593,205
Interests in joint ventures	4	1,376,478	1,185,865
Advance payment for investment	5	779,005	377,590
Assets under concession, net	6	3,943,417	4,001,149
Other non-current assets		2,577	3,898
Total non-current assets		<u>6,693,385</u>	<u>6,161,707</u>
Current assets			
Cash and cash equivalents		190,428	273,987
Short-term investment		20,000	20,000
Trade and other receivables	11	583,294	443,704
Spare parts and supplies, net		3,368	3,307
Other current assets		4,542	6,886
Total current assets		<u>801,632</u>	<u>747,884</u>
Total assets		<u>7,495,017</u>	<u>6,909,591</u>

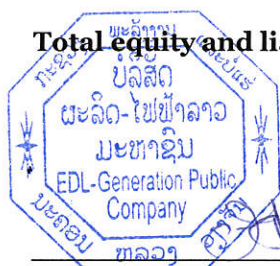


Boun Oum SYVANPHENG
 Chief Executive Officer
 14 November 2014

Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 November 2014

EDL-Generation Public Company
Statements of financial position
As at 30 September 2014

		Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
	Notes		
Equity			
Share capital		4,904,867	4,904,867
Share premium		142,229	142,229
Legal reserve		206,442	109,268
Translating financial statements		7,216	1,740
Retained earnings		863,711	653,353
Total equity		6,124,465	5,811,457
Liabilities			
Non-current liabilities			
Long - term borrowings, net	8	691,642	814,149
Total non-current liabilities		691,642	814,149
Current liabilities			
Accounts payable		40,548	-
Short-term borrowings	7	160,000	-
Current portion of long-term borrowings	8	131,834	130,270
Accrued expenses		117,972	41,090
Accrued income tax		1,604	4,862
Dividend payable	9	223,171	80,000
Other current liabilities		3,781	27,763
Total current liabilities		678,910	283,985
Total liabilities		1,370,552	1,098,134
Total equity and liabilities		7,495,017	6,909,591

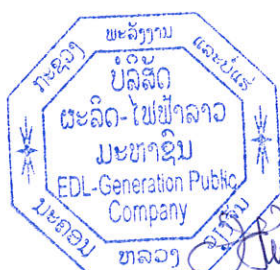


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 Chief Financial Officer
 14 November 2014

EDL-Generation Public Company
Statements of Income
For the three-month period ended 30 September 2014

		Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
	Notes		
Sales	11	345,452	333,858
Cost of sales		(57,225)	(48,916)
Gross profit		288,227	284,942
Other income		2,118	1,847
Operating and administrative expenses		(36,445)	(17,311)
Foreign exchange gain, net		7,205	(12,170)
Interest expenses		(6,472)	(9,541)
Share of profit of associates and joint ventures	4	132,901	141,452
Profit before corporate income tax		387,534	389,219
Income tax expense	10	(12,698)	(12,314)
Net profit for the period		374,836	376,905



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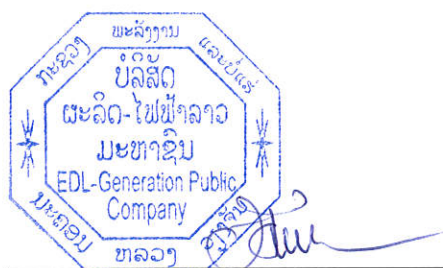
Bounsalong SOUTHIDARA
Chief Financial Officer
14 November 2014

EDL-Generation Public Company
Statements of Cash Flows
For the three-month period ended 30 September 2014

		Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
	Notes		
Cash flow from operating activities :			
Net profit before income tax for the period		387,534	389,219
Adjustments to reconcile net profit to net cash			
Amortisation of pre-operating expenses		-	-
Depreciation	6	41,850	39,651
Foreign exchange (gain)/ loss		(7,158)	12,238
Share of profit from investment	4	(132,901)	(141,452)
Operating profit before working capital changes		289,325	299,656
Changes in operating assets and liabilities			
- Trade and other receivables		(171,062)	(118,456)
- Spare part and supplies		532	(201)
- Other current assets		(1,515)	51
- Accounts payable		(17,247)	(453)
- Other non-current assets		433	434
- Other current liabilities		3	19,502
- Accrued expenses		35,933	70,961
Cash generated from operations		136,402	271,494
Income tax paid		(13,541)	(13,560)
Net cash receipts from operating activities		122,861	257,934
Cash flows from investing activities :			
Advance payment for investment	5	(304,594)	-
Investment in Joint Ventures and Associates		-	-
Purchases of assets under concession	6	5,059	(4,918)
Dividends received	4	193,735	252,217
Purchase of short-term investments		-	-
Proceeds from short term investment		-	-
Net cash used in investing activities		(105,800)	247,299

EDL-Generation Public Company
Statements of Cash Flows
For the three-month period ended 30 September 2014

		Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
	Notes		
Cash flows from financing activities :			
Proceeds from issue of ordinary shares		-	-
Proceeds from short-term borrowings	7	160,000	
Proceeds from long-term borrowings		-	-
Repayment on borrowings	8	(46,714)	(70,100)
Dividends paid to shareholders		-	(223,171)
Net cash used in financing activities		113,286	(293,271)
Net increase in cash and cash equivalents		130,347	211,962
Cash and cash equivalent beginning of the period		60,081	62,025
Cash and cash equivalent ending of the period		190,428	273,987
Non cash item			
Dividends payable		223,171	-



Boun Oum SYVANPHENG
 Chief Executive Officer
 14 November 2014


 Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 November 2014

EDL-Generation Public Company
Statement of changes in shareholder's equity
For the three-month period ended 30 September 2014

Note	Issued and paid-up ordinary shares Million Kip	Share premium Million Kip	Translation adjustments Million Kip	Legal reserve Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
As at 1 July 2014 - Unaudited	4,904,867	142,229	7,309	206,442	712,046	5,972,893
Net profit for the period	-	-	-	-	374,836	374,836
Translation adjustments	-	-	(93)	-	-	(93)
Dividend paid	-	-	-	-	(223,171)	(223,171)
As at 30 September 2014 - Unaudited	4,904,867	142,229	7,216	206,442	863,711	6,124,465

Note	Issued and paid-up ordinary shares Million Kip	Share premium Million Kip	Translation adjustments Million Kip	Legal reserve Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
As at 1 July 2013 - Unaudited	4,904,867	142,229	(1,768)	109,268	499,620	5,654,216
Net profit for the period	-	-	-	-	376,905	376,905
Translation adjustments	-	-	3,507	-	-	3,507
Dividend paid	-	-	-	-	(223,171)	(223,171)
As at 30 September 2013 - Unaudited	4,904,867	142,229	1,740	109,268	653,353	5,811,457



Boun Oum SYVANPHENG
 Chief Executive Officer
 14 November 2014

Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 November 2014

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2014

1. General information

EDL- Generation Public Company (the “Company” or “EDL GEN”) is a public company which is listed at the Lao Securities Exchange (“LSX”). The Company 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 Headquarters 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 on the same day.

This 3rd quarter financial information was authorised for issue by the Board of Directors on 14 November 2014.

This 3rd quarter financial information has been unaudited.

2. Basis of preparation

The interim 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 2013. The primary financial information (i.e. statement of financial position, statement of income, statement of cash flows and statement of changes in shareholders' equity) are prepared in the full format. The notes to the financial information are prepared in a condensed format.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2013.

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.

There is no comprehensive set of accounting standards in Laos (“LAS”). LAS is currently under development by the Accounting Department and Laos Institution of Certified Public Accountant (LICPA). At present, companies apply Laos Accounting Manual (LAM) issued by the Ministry of Finance. LAM is a set of instructions based on accrual basis of accounting. Accordingly, there are significant differences between LAM and the International Financial Reporting Standards (IFRS). These areas of significant differences are, for example, property, plant and equipment, leases, employee benefit, the effects of changes in foreign exchange rate, income tax and deferred income tax, financial instrument, consolidated and separate financial statements, associates, joint ventures and pre-operation cost. The accounting principles applied may materially differ from the generally accepted accounting principles including the International Financial Reporting Standards (“IFRS”) adopted in certain countries and jurisdictions.

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2014

3. New significant agreement during the 3-month period ended 30 September 2014

i) Short-term Borrowing Agreement

During the three-month period ended 30 September 2014, the Company has entered into a short-term borrowing agreement with Bank of the Lao PDR (BOL) on 25 September 2014, amounting to Kip 160,000 million at an interest rate of 7% per annum, to finance the purchase of project assets from EDL under the MOU for asset transfer between the Company and EDL. The Company will settle the full amount of this borrowing by 26 December 2014.

4. Investments in associates and interests in joint ventures

	30 September 2014 Million Kip	30 September 2013 Million Kip
Beginning balance	2,029,313	1,886,328
Share of profit of associates	18,076	35,176
Share of profit of interest in joint ventures	114,825	106,276
Dividend received	(193,735)	(252,217)
Exchange differences	(93)	3,507
Ending balance	<u>1,968,386</u>	<u>1,779,070</u>

4.1 Associates

The associate entities are:

					30 September 2014 (Million Kip)	
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Nam Ngum 2 Power Company Limited	Lao PDR	Electricity generation	25	454,742	523,381	(18,118)
NamLik 1-2 Power Company Limited	Lao PDR	Electricity generation	10	32,240	68,527	-
Total investment in associates				<u>486,982</u>	<u>591,908</u>	<u>(18,118)</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2014

5. Advance payment for investments

	<u>Million Kip</u>
Opening net book amount as at 1 July 2014 - Unaudited	474,411
Additions	<u>304,594</u>
Closing net book value as at 30 September 2014 - Unaudited	<u><u>779,005</u></u>

During the three-month period ended 30 September 2014, the Company made an additional advance payment totalling Kip 304,594 million to EDL, under the MOU for asset transfer between the Company and EDL. This payment relates to the costs occurred in project assets of Houay Lamphan Ngai and Nam Khan 2, under the MOU signed on 8 July 2011, amounting to Kip 145,413 million; project assets of Nam Sana, under the MOU signed on 12 February 2014, amounting to Kip 16,112 million; and project assets of Nam Khan 3, under the MOU signed on 17 February 2014, amounting to Kip 143,069 million.

6. Assets under concession, net

	<u>Million Kip</u>
Opening net book amount as at 1 July 2014 - Unaudited	3,990,326
Disposal	(5,059)
Depreciation charge	<u>(41,850)</u>
Closing net book value as at 30 September 2014 - Unaudited	<u><u>3,943,417</u></u>

7. Short-term borrowings

During the three-month period ended 30 September 2014, the company has entered into a Short-term borrowing Agreement with Bank of the Lao PDR (BOL) amounting to Kip 160,000 million at an interest rate of 7% per annum. The company will settle the full amount of this borrowing by 26 December 2014 (Note 3(i)).

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2014

8. Long-term borrowings, net

The Company entered into the Debt Repayment Agreement ("the Agreement") with EDL on 15 December 2010 and also on 28 February 2013. 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 then make such payments due to the GOL, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

	Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
Current	131,834	130,270
Non-current	691,642	814,149
	<u>823,476</u>	<u>944,419</u>

	Million Kip
As at 1 July 2014 - Unaudited	877,349
Additions	-
Repayments	(46,714)
Gain on exchange rate	(7,159)
As at 30 September 2014 - Unaudited	<u>823,476</u>

Borrowings mainly represent unsecured borrowings denominated in US dollars and Japanese Yen which are due over 1 - 20 years. Borrowings generally carry interest rates at 1.75% to 6.5% per annum (31 December 2013: 2.0 % to 6.5% per annum).

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 30 September 2014

8. Long-term borrowings, net (continued)

The carrying amounts of the Company's borrowings are denominated in the following:

	Unaudited 30 September 2014	Unaudited 30 September 2013
USD (million)	90	105
Yen (million)	1,322	1,526

The aging analysis on maturity of these borrowings is as follows:

	Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
Less than one year	131,834	130,270
One year but not over 5 years	523,592	518,343
Over 5 years	168,050	295,806
	<u>823,476</u>	<u>944,419</u>

9. Dividend payable

At the Board of Directors' meeting No.3/2014 held on 15 August 2014, the Board of Directors approved an interim dividend payment from the net profit of the six-month period from 1 January to 30 June 2014 at Kip 182 per share, totalling Kip 223,171 million. This dividend will be paid to the shareholders whose names shown in the shareholders' registration on 29 September 2014 and the dividend will be paid on 10 October 2014.

10. Income tax expenses

According to the Concession Agreement with GoL, the Company shall pay taxes on its net taxable income at the rate of ten percent (10%) in accordance with applicable Laws, subject to further reduction to the rate of five percent (5%) during an initial period of four (4) years from the date of Company registration in accordance with the Enactment of the President of Lao PDR regarding Corporate Income Tax and Fee for Securities and Exchange, No. 1/ President, date 28 December 2010.

The Company records corporate income tax at the current rate of 5% on net profit after adjusted for non-deductible expenses and others according to Tax Law effective on 1 October 2012 on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods in respect of temporary difference. Income tax expense is recognised based on the operating result for the period and tax rate.

11. Related party transactions

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

a) Sales of goods

For the 3rd quarter period	Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
Sales of electricity to EDL	345,452	333,858

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

b) Outstanding balances from related party transactions

	Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
Advance payments for investment (Note 5)	779,005	377,590
Accounts receivable-others	65,891	66,466
Trade account receivable – EDL (i)	498,846	377,238
Long-term borrowings (Note 7)	823,476	944,419
Accounts payable-others	167,378	80,000

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11. Related party transactions (continued)

i) Trade accounts receivable - EDL can be analysed as follows.

	Unaudited 30 September 2014 Million Kip	Unaudited 30 September 2013 Million Kip
Not yet due	379,998	259,331
Overdue less than 3 months	118,848	117,907
Overdue 3 - 6 months	-	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	498,846	377,238
<u>Less</u> Allowance for doubtful receivables	-	-
Trade accounts receivable, net	498,846	377,238

Managing Director: _____ (Signature) Bounoum SYVANPHENG

Accounting Division Director: _____ (Signature) Vanhseng VANNAVONG

Internal Audit Division Director: _____ (Signature) Maneevanh YORDKORNGMI

