

EDL-GENERATION PUBLIC COMPANY



**FINANCIAL STATEMENTS
31 DECEMBER 2015**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of EDL-Generation Public Company

We have audited the accompanying financial statements of EDL-Generation Public Company ("the Company"), which comprise the statement of financial position as at 31 December 2015 and the related statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information. The financial statements have been prepared by management of EDL-Generation Public Company in accordance with the accounting policies described in Note 2 to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation of these financial statements in accordance with accounting policies described in Note 2 to the financial statements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Opinion

In our opinion, the financial statements of EDL-Generation Public Company for the year ended 31 December 2015 are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

Basis of accounting

Without qualifying our opinion, we draw attention to Note 2 to the financial statements, which describe the basis of accounting. The accounting basis used in the preparation of these financial statements may differ from generally accepted accounting principles adopted in other countries and jurisdictions. The readers should therefore be aware that the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with jurisdictions other than Lao PDR.

For PricewaterhouseCoopers (Lao) Co., Ltd.

The image shows a handwritten signature in blue ink that reads "Paiboon Tunkoon". To the right of the signature is a blue circular stamp. The stamp contains the following text in Lao and English: "ບໍລິສັດ ພຣິວອາຕ໌ເວີ ເຮົາສ໌ກຸບເບີສ (ລາວ) ຈຳກັດ" (PricewaterhouseCoopers (Lao) Co., Ltd.), "PricewaterhouseCoopers (Lao) Co., Ltd.", and "ພຣິວອາຕ໌ເວີ ເຮົາສ໌ກຸບເບີສ" (PricewaterhouseCoopers (Lao) Co., Ltd.).

By Paiboon Tunkoon
Partner

Vientiane, Lao PDR
Date: 28 March 2016

EDL-Generation Public Company
Statement of financial position
As at 31 December 2015

	Notes	31 December 2015 Million Kip	31 December 2014 Million Kip
Assets			
Non-current assets			
Investments in associates	5	710,598	610,357
Interests in joint ventures	5	1,558,324	1,498,609
Advance payment for investment	6	3,690,647	779,005
Assets under concession, net	7	4,342,731	4,145,851
Intangible assets	8	787	-
Deposits at financial institution pledged as collateral	14	38,704	-
Other non-current assets		7,953	1,885
Total non-current assets		10,349,744	7,035,707
Current assets			
Cash and cash equivalents	9	1,213,770	1,251,534
Short-term investments	10	20,000	20,000
Trade and other receivables	11	373,684	502,382
Spare parts and supplies, net		4,088	4,043
Other current assets		7,086	7,595
Total current assets		1,618,628	1,785,554
Total assets		11,968,372	8,821,261



Boun Oum SYVANPHENG

Chief Executive Officer

Date: 28 MAR 2016

Bounsalong SOUTHIDARA

Chief Financial Officer

Date: 28 MAR 2016

EDL-Generation Public Company
Statement of financial position
As at 31 December 2015

		31 December 2015 Million Kip	31 December 2014 Million Kip
	Notes		
Equity			
Shareholders' equity			
Share capital	12	6,717,215	4,904,867
Share premium	12	985,621	142,229
Legal reserve	13	361,294	297,210
Translation adjustments		(2,119)	(1,476)
Retained earnings		1,042,217	978,811
Total equity		9,104,228	6,321,641
Liabilities			
Non-current liabilities			
Long - term borrowings, net	14	841,457	499,263
Debentures, net	15	1,452,163	1,575,862
Swap contract payables, net	16	161,397	11,105
Total non-current liabilities		2,455,017	2,086,230
Current liabilities			
Trade and other payables		130,940	174,589
Current portion of long-term borrowings	14	178,007	99,519
Accrued expenses	17	91,818	134,936
Accrued income tax	18	8,200	4,306
Other current liabilities		162	40
Total current liabilities		409,127	413,390
Total liabilities		2,864,144	2,499,620
Total equity and liabilities		11,968,372	8,821,261

Boun Oum SYVANPHENG

Chief Executive Officer

Date: 28 MAR 2016

Bounsalong SOUTHIDARA

Chief Financial Officer

Date: 28 MAR 2016

EDL-Generation Public Company
Statement of income
For the year ended 31 December 2015

		31 December 2015 Million Kip	31 December 2014 Million Kip
	Notes		
Sales		847,759	839,193
Cost of sales	19	(276,443)	(215,613)
Gross profit		571,316	623,580
Other income		16,198	5,680
Operating and administrative expenses	19	(121,027)	(123,528)
Foreign exchange gain/(loss), net		(9,975)	(18,098)
Interest expense	20	(61,937)	(31,722)
Share of profit of associates and joints ventures	5	286,218	474,467
Profit before income tax expense		680,793	930,379
Income tax expense	21	(39,954)	(22,695)
Net profit for the year		640,839	907,684
Earnings per share			
Basic earnings per share	22	456.44	740.36

Earnings per share

Basic earnings per share

Boun Oum SYVANPHENG

Chief Executive Officer

Date: 28 MAR 2016

Bounsalong SOUTHIDARA

Chief Financial Officer

Date: 28 MAR 2016

EDL-Generation Public Company
Statement of changes in shareholder's equity
For the year ended 31 December 2015

For the year ended 31 December 2015						
Note	Issued and paid-up ordinary shares (Note 12) Million Kip	Share premium (Note 12) Million Kip	Legal reserve (Note 13) Million Kip	Translation adjustments Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
As at 1 January 2015	4,904,867	142,229	297,210	(1,476)	978,811	6,321,641
Net profit for the year	-	-	-	-	640,839	640,839
Increase share	1,812,348	843,392	-	-	-	2,655,740
Translation adjustments	-	-	-	(643)	-	(643)
Dividend paid	-	-	-	-	(513,349)	(513,349)
Appropriation	-	-	64,084	-	(64,084)	-
As at 31 December 2015	6,717,215	985,621	361,294	(2,119)	1,042,217	9,104,228

For the year ended 31 December 2014						
Note	Issued and paid-up ordinary shares (Note 12) Million Kip	Share premium (Note 12) Million Kip	Legal reserve (Note 13) Million Kip	Translation adjustments Million Kip	Unappropriated retained earnings Million Kip	Total Million Kip
As at 1 January 2014	4,904,867	142,229	206,442	7,001	744,348	6,004,887
Net profit for the year	-	-	-	-	907,684	907,684
Translation adjustments	-	-	-	(8,477)	-	(8,477)
Dividend paid	-	-	-	-	(582,453)	(582,453)
Appropriation	-	-	90,768	-	(90,768)	-
As at 31 December 2014	4,904,867	142,229	297,210	(1,476)	978,811	6,321,641

As at 1 January 2014
Net profit for the year
Translation adjustments
Dividend paid
Appropriation

As at 31 December 2014
EDL-Generation Public Company

Boun Oum SYVANPHENG
Chief Executive Officer

Date: 28 MAR 2016

Bounsalong SOUTHDARA
Chief Financial Officer
Date: 28 MAR 2016

EDL-Generation Public Company
Statement of cash flows
For the year ended 31 December 2015

		31 December 2015 Million Kip	31 December 2014 Million Kip
	Notes		
Cash flow from operating activities:			
Net profit before income tax for the year		680,793	930,379
Adjustments to reconcile net profit to net cash			
Amortisation of debenture issuance costs		3,943	222
Depreciation	7	225,442	181,555
Foreign exchange (gain)/ loss		26,973	(11,555)
Share of profit of associates and joint ventures	5	(286,218)	(474,467)
Finance costs	20	61,937	31,722
Operating cashflow change in working capital changes		712,870	657,856
Changes in working capital			
- Trade and other receivables		131,953	16,973
- Spare part and supplies		(45)	(1,021)
- Other current assets		509	(1,691)
- Other non-current assets		(6,068)	1,579
- Trade and other payables		32,891	(30,373)
- Other current liabilities		122	(18,767)
- Accrued expenses		(34,218)	50,934
Cash generated from operations		838,014	675,490
Income tax paid	18	(36,060)	(27,668)
Net cash generate from operating activities		801,954	647,822
Cash flows from investing activities :			
Advance payment for investment	6	(2,991,664)	(304,594)
Cash received from interests in joint ventures	5	13,021	-
Purchases of assets under concession		(498,862)	(142,162)
Purchases of intangible assets	8	(787)	-
Purchases of short-term investments	10	(20,000)	(20,000)
Proceeds from short-term investment	10	20,000	20,000
Dividends received	5	189,366	227,016
Net cash generate from investing activities		(3,288,926)	(219,740)

EDL-Generation Public Company
Statement of cash flows (continued)
For the year ended 31 December 2015

		31 December 2015 Million Kip	31 December 2014 Million Kip
	Notes		
Cash flows from financing activities :			
Proceeds from long-term borrowings	14	555,198	-
Repayment on long-term borrowings	14	(138,365)	(333,145)
Proceeds from short-term borrowing		-	160,000
Repayment on short-term borrowing		-	(160,000)
Proceeds from debentures issuance		-	1,616,810
Transaction cost paid for debentures issuance		(16,936)	(17,734)
Dividends paid to shareholders	23	(385,012)	(436,840)
Dividends paid to non-controlling interests	23	(128,337)	(145,613)
Cash received from issuance of ordinary share	12	2,655,740	-
Cash pledged as collateral	14	(38,704)	-
Interest payment		(53,901)	(30,733)
Net cash generate from financing activities		<u>2,449,683</u>	<u>652,745</u>
Net decrease in cash and cash equivalents			
		(37,289)	1,080,827
Cash and cash equivalent beginning of the year		1,251,534	159,914
Effect of exchange rate changes on cash and cash equivalent		(475)	10,793
Cash and cash equivalent ending of the year	9	<u>1,213,770</u>	<u>1,251,534</u>

Significant non cash items

Other payables for purchases of assets under construction	7	97,595	174,135
Other payables for transaction costs of issuance debenture issuance		-	16,936

Boun Oum SYVANPHENG

Chief Executive Officer

Date: 28 MAR 2016

Bounsalong SOUTHIDARA

Chief Financial Officer

Date: 28 MAR 2016

EDL- Generation Public Company
Notes to financial statements
For the year ended 31 December 2015

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 the Ministry of Industry and Commerce on 15 December 2010 ("Incorporation Date").

On 15 December 2010, it was also the date that EDL GEN commenced its commercial business as it entered into related Assets and liability transfer arrangement, Concession Agreement ("CA") and Power Purchase Agreement ("PPA") with Electricite Du Laos ("EDL" or "the parent company"). The Company is engaged in the electricity generation business from the transferred assets from EDL in which the electricity generated is sold back to EDL at agreed terms and conditions. Key assets transferred mainly represent 7 hydropower dams under a 30 years concession. These 7 hydropower dams include Nam Ngum 1, Nam Leuk, Nam Mang 3, Nam Song, Xeset1, Xeset 2, and Xelabam.

Further, the Company has continued acquiring more power projects and establishing new joint venture with counterparties concerned including 4 more Independent Power Plants ("IPP") from EDL as disclosed in Note 5 and certain projects under MoU with EDL as disclosed in Note 6.

The address of the Company's registered office is as follows:

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

These financial statements were authorised for issue by the Board of Directors on 28 March 2016.

a) The Company's incorporation

The incorporation of the Company was initiated by Electricite Du Laos ("EDL") in connection with the restructuring of the energy business of EDL by transferring the Existing Generation Assets and certain rights and obligations to the Company according to the Prime Minister's Office ("PMO") Decision No. 180 dated 13 December 2010. The PMO approved EDL to sell its shares in the Independent Power Plants ("IPP") projects to the Company.

b) Transferred Existing Generation Assets, other assets and related liabilities and nature of the business

On 15 December 2010, Incorporation Date, EDL transferred the Existing Generation Assets and related liabilities of 7 hydropower dams, based on the net book value as at 20 October 2010, to the Company of Kip 2,605,792 million. EDL will continue its activities on the transmission and distribution of electricity generated by the Existing Generation Assets to end-users. Since 15 December 2010, the Company has commenced its electricity generation operation mainly based on such transferred assets to supply the electricity generated back to EDL.

1. General information (continued)

c) Significant agreements and arrangements

Significant agreements and arrangements affecting the business of the Company can be summarised below:

i) Concession Agreement ("CA")

On 15 December 2010, the Company entered into the Concession Agreement ("CA") which was subsequently revised on 24 July 2013, with Government of Lao People's Democratic Republic ("GOL") represented by Ministry of Planning and Investment ("MPI"). The CA provides for a term of 30 years, together with a renewal period of 10 years for the Power Plant projects as described in Note 1 (b). At the end of the concession period, the Company must transfer to the GOL or its nominee, free of charge and encumbrances, all the Company's right, title and interest in the projects and all assets held by the Company for operating the projects as agreed under this CA.

Under the CA, the GOL grants to the Company the exclusive rights, during the concession period. Significant exclusive rights under the CA include 1) right to own, operate and maintain the project facilities and any other property or assets which the Company procures 2) right to use dam, divert and river 3) right to sell electricity to EDL 4) corporate income tax of 10% and 5) royalty fee payable at 1% of sale of electricity.

In addition, the Company is required to comply with several terms and conditions which include but not limited to constructions, financing arrangement, royalty fee, health and safety, tax and land rental, Value Added Tax ("VAT") in respect of supplies of electricity it makes to EDL.

ii) Purchase Power Agreement ("PPA")

On 15 December 2010 and revised on 9 December 2011, the Company entered into the Purchase Power Agreement ("PPA") with EDL. The PPA provides for a term of 30 years, together with a renewal period of 10 years which is the same period as the CA.

The main source of the Company's revenue is the sales of electricity to EDL pursuant to the PPA of the electricity produced by the Existing Generation Assets. The electricity sales are based on the tariffs as agreed with EDL which are set out in related PPA for each Existing Generation Asset.

Under the PPA, the Company is required to comply with several terms and conditions include 1) responsibilities in the operation and maintenance of the capacity under normal operation throughout the PPA period 2) prohibits to grant any third party any right to supply or use of electrical energy generated by the facility during the PPA period 3) obligation to agree the planned outages from the facilities or EDL grid system with EDL before each PPA year and 4) collect money from EDL for net electrical output 5) EDL can make partial payment and off-set unpaid balance with dividend payable announced by the Company in each year 6) Facility shall be made available to supply to EDL not less than 90% of its declared availability taking into consideration all outages, force majeure, dispatch failures and the like and EDL agree to purchase from the Company not less than 90% of the net available output 7) Amendment conditions on tariffs including when there are fluctuations of exchange rates as stipulated in the agreement.

1. General information (continued)

c) Significant agreements and arrangements (continued)

iii) Debt Repayment Agreement

The Company entered into the Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010. EDL is a borrower pursuant to several borrowing agreements with the Government of the 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. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

On 28 February 2013, the Company entered into the additional Debt Repayment Agreement ("the Agreement") with the EDL. EDL is a borrower pursuant to Nam Song Hydro Power Project under Sub-Loan Agreement No. 0229/EDL, dated 21 January 2013 with the Government of Lao PDR ("GOL") in which the original fund is provided from Export-Import Bank of India (the lender) and made through the GOL. In addition to the assets transfer, both parties agreed that the Company will make payments to EDL equal to payments due by EDL to the GOL, for the GOL's further repayments to the lender pursuant to the original borrowing agreements. These borrowings are unsecured and no other obligations other than the repayments required as per agreed schedules.

iv) Employees transferred from EDL

After the Incorporation Date, certain EDL's employees who mainly operate existing generation assets will be transferred and work for the Company. On 28 February 2011, the transferred employees have signed new employment contracts with the Company and all obligations from EDL to staff were transferred to the Company and the benefits to be provided by the Company are still the same as those provided by EDL.

v) Land lease agreement

According to Prime Minister's Office Instruction No.180 on 13 December 2010, the Company has the right to use related land for electricity generation operation. Ministry of Natural Resources and Environment and the Company are in process of survey and preparation of land lease agreement. Rental fee will be recorded when both party can agree related terms and conditions in the land lease agreement.

Subsequently, Ministry of Natural Resources and Environment and the Company signed the land lease agreement (the Agreement) on 30 January 2014. According to the Agreement, the Company has right to use related land over 30 years for its business, commencing from the Agreement date. Obligations for land lease fees were disclosed in Note 25.

1. General information (continued)

c) Significant agreements and arrangements (continued)

vi) Memorandum of Understanding (MOU) for the transfer of the project assets of Houay Lamphan Ngai and Nam Khan2 (the Project)

On 8 July 2011, the Company and EDL signed a MOU for the transfer of the project assets of Houay Lamphan Ngai and Nam Khan2. According to the conditions in this MOU, EDL wish to transfer all assets of those projects to the Company after the Commercial Operation Date (COD) or at any other date that each party agree, under the conditions that i) if it is successful, the Company shall agree to fully reimburse EDL for all costs incurred by EDL up to the completion date and, on a continuing or recurring basis, up to and through the time of completion of transfer of ownership of the respective projects and ii) the Company shall be responsible to repay to EDL or to advance to EDL, on a continuing or recurring basis as both parties agreed, all of EDL's further financial obligations with respect to the Project as may be contractually required. The Company expects to finalize these projects with key parties concerned by the early of 2016.

As at 31 December 2015, the Company had paid for necessary costs related to the above MOU amounting to Kip 664,720 million (2014: Kip 577,726 million) (Note 6).

vii) Memorandum of Understanding (MOU) for share transfer of the project asset of Nam Sana ("the Project")

On 12 February 2014, the Company and EDL signed a MOU for the transfer of the project assets of Nam Sana Hydro Project. According to the conditions in this MOU, EDL wish to transfer all assets of the project to the Company after the Commercial Operation Date (COD) or at any other date as each party agree, under the conditions that i) if it is successful, the Company shall agree to fully reimburse EDL for all costs incurred by EDL up to the completion date and, on a continuing or recurring basis, up to and through the time of completion of transfer of ownership of the respective projects and ii) the Company shall be responsible to repay to EDL or to advance to EDL, on a continuing or recurring basis as both parties agreed, all of EDL's further financial obligations with respect to the Project as may be contractually required iii) Both parties intend to finalise relating documents and negotiation within 31 October 2014 iv) the total consideration to be paid by the Company to EDL is not overpay than USD 2.4 million. If there will be additional payment more than above incurred by EDL, the Company will pay this additional amount to EDL with under condition mentioned in this MoU.

As at 31 December 2015, the Company had paid for necessary costs related to the above MOU amounting to Kip 19,830 million (2014: Kip 16,112 million) (Note 6).

1. General information (continued)

c) Significant agreements and arrangements (continued)

viii) Memorandum of Understanding (MOU) for share transfer of the project asset of Nam Khan 3 ("the Project")

On 17 February 2014, the Company and EDL signed a MOU for the transfer of the project assets of Nam Khan3 Hydro Project. According to the conditions in this MOU, EDL wish to transfer all assets of the project to the Company after the Commercial Operation Date (COD) or at any other date as each party agree, under the conditions that i) if it is successful, the Company shall agree to fully reimburse EDL for all costs incurred by EDL up to the completion date and, on a continuing or recurring basis, up to and through the time of completion of transfer of ownership of the respective projects and ii) the Company shall be responsible to repay to EDL or to advance to EDL, on a continuing or recurring basis as both parties agreed, all of EDL's further financial obligations with respect to the Project as may be contractually required iii) Both parties intend to finalise relating documents and negotiation within 31 December 2015 iv) the total consideration to be paid by the Company to EDL is not overpay than USD 18.13 million. If there will be additional payment more than above incurred by EDL, the Company will pay this additional amount to EDL with under condition mentioned in this MoU.

As at 31 December 2015, the Company had paid for necessary costs related to the above MOU amounting to Kip 223,251 million (2014: Kip 143,069 million) (Note 6).

ix) Memorandum of Understanding (MoU) for the share transfer of project assets of Nam Ou Power Company Limited

On 19 January 2015, the Company and EDL signed an MoU for the transfer of equity shareholding in Nam Ou Power Company Limited. This includes the project assets of Nam Ou 2, 5 and 6 as disclosed in Note 6.

Under this MoU, the Company agree to fully reimburse EDL for all costs incurred by EDL up to the completion date and, on a continuing or recurring basis, up to and through the time of completion of transfer of ownership of the respective projects. In addition, the Company is responsible to repay to EDL or to pay in advance to EDL, on a continuing or recurring basis as both parties agreed, all of EDL's further financial obligations with respect to the Project as may be contractually required. Both parties agree the selling price at the time of project transfer. The Company is required to pay the remaining balance after deduction of related advance to EDL.

As at 31 December 2015, the Company had paid for necessary costs related to the above MOU amounting to Kip 364,640 million (Note 6).

1. General information (continued)

c) Significant agreements and arrangements (continued)

x) Memorandum of Understanding (MoU) for transfer Assets and Shares of IPPs.

On 12 June 2015, the Company signed an MoU with EDL for the transferred assets and shares IPPs as summarised below:

No	Project name	Location	Stake	MW
Assets				
1	Nam Chiean 1	Xiengkouang	100%	104
2	Nam Hinboun	Khammouan	100%	30
3	Xeset 3	Champack	100%	24
4	Nam Ngum 1 Ext DFE	Vientiane	100%	80
5	Nam Ngum 1 Ext Unit 6	Vientiane	100%	40
	Total			278

No	Project name	Location	Stake	MW
Shares IPPs				
1	Nam Ngiep 2	Xiengkouang	10%	18
2	Nam Beng	Oudomxay	20%	6.8
3	Xekamam 3	Sekong	15%	37.5
4	Nam Lik 1	Vientiane	10%	6
5	Nam Mang 1	Bolikhamxay	10%	6.4
6	Nam Tha 1	Louangnamtha Bokeo	20%	33.6
	Total			108.3

Under this MoU, the Company agree to fully reimburse EDL for all costs incurred by EDL up to the completion date and, on a continuing or recurring basis, up to and through the time of completion of transfer of ownership of the respective projects. In addition, the Company is responsible to repay to EDL or to pay in advance to EDL, on a continuing or recurring basis as both parties agreed, all of EDL's further financial obligations with respect to the Project as may be contractually required. Both parties agree the selling price at the time of project transferred project transfer, the Company is required to pay the remaining balance after deduction of related advance to EDL.

xi) Corporate debenture issuance in Thailand

On 12 December 2014, the Company's unsubordinated unsecured debentures (debentures) THB 6,500 million (approximately Kip 1,616,810 million) were issued at the Stock Exchange of Thailand. The debentures are offered through Private Placement method to high network investors and institutional investors including banks, mutual funds, asset management funds and insurance company. According to this issuance, the Company is required to comply with several terms and conditions which include but not limited to the submission of financial statements to Stock Exchange of Thailand and the Securities and Exchange Commission of Thailand within the similar submission schedule to local regulators. Please see details in (Note 15).

1. General information (continued)

c) Significant agreements and arrangements (continued)

xii) Cross currency and interest rate swap contract (the Agreements)

On 14 December 2014, the Company entered into a cross currency swap for their debentures issued in Baht into USD and also swap related interest rate from fixed rates to floating rates with Thai financial institutions to protect the risk from fluctuations on exchange rates and interest rates as summary of key term and conditions is as below:

Series	Principal			Interest rate (per annum)		
	Issued amount (million Baht)	Swapped amount (million USD)	Term of payments	Original rate	Swap rate	Term of payments
1	1,500	45.59	12 December 2019	4.95%	Libor 6 months+ 3.36%	Semi-annually starting from 12 June 15 to 12 December 2019
2	2,000	60.79	12 December 2021	5.20%	Libor 6 months+ 3.61%	Semi-annually starting from 12 June 15 to 12 December 2021
3	3,000	91.18	12 December 2024	5.45%	Libor 6 months+ 3.795%	Semi-annually starting from 12 June 15 to 12 December 2024
Total	6,500	197.56				

xiii) Long-term borrowing agreement with Thai Military Bank Public Company Limited (TMB)

On 17 March 2015, the Company signed an agreement with TMB. This borrowing has a total amount of USD 68 Million. This borrowing has an interest rate of LIBOR 3 months + 3.50% and is payable on a quarterly basis. The Company will repay this borrowing within 7 years after the first drawn down date on 2 April 2015 the Company to access Facility I of the borrowing which amounts to USD 30.64 million and on 31 July 2015, the Company received the second drawn down for facility II and III totalling USD 37.36 million (Note 14).

In addition, the Company is required to comply with certain terms and conditions; for examples, debt service coverage ratio, gearing ratio, dividend payment and account receivable aging not excess 120 days.

1. General information (continued)

c) Significant agreements and arrangements (continued)

xiv) Memorandum of Understanding (MoU) for Investments in Solar Power Project

At the Board of Directors Extraordinary meeting No.4/2015 held on 21 September 2015, it approved the establishment of EDL-GEN Solar Power Company Limited between EDL-GEN and Pattana Energy Absolute Sole Co.,LTD.

xv) Joint Arrangement Agreement and Establishment of Nam Phoun Power Company Limited

At the Board of Directors Extraordinary meeting No.4/2015 held on 21 September 2015, it approved the establishment of Nam Phoun Power Company Limited between EDL-GEN and SOK Corporation Company Limited.

xvi) Joint Arrangement and Establishment of Nam Bi Power Company Limited

At the Board of Directors meeting No.4/2015 held on 13 November 2015, it approved the establishment of Nam Bi Power Company Limited between EDL-GEN and Chanthavone Road and Bridge Construction and Maintenance Company Limited.

2 Significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

2.1 Basis of preparation

The accompanying financial statements have been prepared in accordance with the Company's principal accounting policies as described in Note 2 of these financial statements which have been prepared under the historical cost convention except investment in associates and interest in joint ventures (Note 2.2).

There are no comprehensive set of accounting standards in Laos ("LAS"). LAS is currently under development by the Accounting Department and Lao Chamber of Professional Accountants and Auditor ("LCPAA"). At the 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 difference between LAM and 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 instruments, consolidated and separate financial statements, associates, joint ventures, borrowing cost and pre-operation cost (Note 2.15). The accounting principles applied may materially differ from generally accepted accounting principles including International Financial Reporting Standards ("IFRS") adopted in certain countries and jurisdictions.

In Lao PDR, there are no accounting standards and guidelines applicable for certain areas such as investments in associates and interests in joint ventures. In the absence of the accounting standards concerned, the Company has decided to adopt certain accounting policies e.g. equity accounting method for its investments as described in Note 2.2 in which management believe it is in line with international practices.

2. Accounting policies (continued)

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The Company presents statements of income for the three-month periods ended 31 December 2015 and 2014 under Note 27 as supplementary information. This is in accordance with the reporting and disclosure regulation no.007/SECO, dated 3 April 2014 issued by Lao Securities and Exchange Commission Office.

2.2 Investments in associates and interests in joint ventures

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

The Company's share of its associates' post-acquisition profits or losses is recognised in the profit or loss. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

A list of the Company's principal associates is set out in Note 5.1

Joint ventures

Interests in jointly controlled entities are entities over which the Company jointly controls, but which it does not control. Interests in joint ventures are accounted for by the equity method of accounting in the financial statements. Under this method the Company's share of the post-acquisition profits and losses of joint ventures is recognised in the profit or loss. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Company's share of losses in an interest in a joint venture equals or exceeds its interest in the joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

Unrealised gains or losses on transactions between the Company and its joint ventures is eliminated to the extent of the Company's interests in the joint ventures, except that unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Company. Dilution gains and losses arising in investments in joint ventures are recognised in the profit or loss.

A list of the Company's principal joint ventures is set out in Note 5.2

2. Accounting policies (continued)

2.3 Foreign currency translation

Items included in the financial statements are measured using Lao Kip ("Kip").

Foreign currency transactions are translated into Kip using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated into Kip at the exchange rates prevailing at the reporting date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the statements of income.

For Associates and joint ventures, the results and financial position of associates and joint ventures entities (none of which has the currency of a hyper-inflationary economy) that have a presentation currency difference from the presentation currency of the Company are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for statement of comprehensive income are translated at average exchange rates of the year; and
- All resulting exchange differences are recognised as a separate component of equity.

2.4 Spare parts and supplies

Spare parts and supplies are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchases comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as transportation charges, less all distributable discounts, allowances or rebates. Net realisable value is the price at which the inventories can be realised in the normal course of business after allowing for the costs of realisation. Allowance is made, where necessary for obsolete, slow moving and defective spare parts and supplies.

2.5 Assets under concession

Assets under concession comprise mainly building, hydroelectric dams, plant and machines are initially shown at net book value as at the transfer date from EDL (Note 1 b) and historical cost for assets acquired after 15 December 2010. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

According to the concession agreement, the Company must transfer all assets for operating the projects as mentioned in the concession held by the Company to GOL at the end of concession period (Note 1 c i).

Subsequent costs are included in the carrying amount, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance expenses are charged to the income statement during the financial period in which they are incurred.

2. Accounting policies (continued)

2.5 Assets under concession (continued)

Assets under concession are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis over its expected useful life but not over than the concession period under related concession agreement which is 30 years. The annual rates used for this purpose by category of assets are set out below:

	<u>Years</u>
Buildings	4-30
Hydroelectric dams	20-30
Plant and machineries	10-30
Motor vehicles	6
Office equipment	9
Furniture and fixtures	10

The Company records depreciation as an expense for the period. When a long-term asset is retired, the Company will write-off both the asset and the related accumulated depreciation from the accounts and recognise any gain or loss from retirement of the asset in the statement of income.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.6).

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains – net' in profit or loss.

2.6 Impairment of assets

Assets that are subject to depreciation are reviewed for impairment. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Borrowings

Borrowings are recognised at the original value of proceeds received, net of transaction costs incurred, if any.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

2.8 Debentures

Debentures issued at face value and are recognised at the value of proceeds received, net of transaction costs incurred. Debentures are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

2. Accounting policies (continued)

2.8 Debentures (continued)

Transactions costs are direct cost on issuing debentures which mainly consist of financial advisor fees, lawyer fees and regulator fee. These costs were recorded as deferred assets and will be amortised to statement of income over the term of debentures.

Debentures are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

2.9 Leases - where a Company is the lessee

Leases not transferring a significant portion of the risks and rewards of ownership to the lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of income on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.10 Employee benefits

(i) Pension obligations

The Company operates certain pension schemes. These are a defined contribution scheme under which the Company contributes fixed contributions based on employee's basic salary, number of service years and level of education to eligible employees at the time of their resignation or retirement. Key terms and conditions of pension schemes are as below:

Resignation:

The Company provides for onetime payment to employees who resign and when length of year of service meets the Company's policies. Length of year of service depends on roles and responsibilities and position. The amount payable is calculated based on the salary of the last working month multiplied by the length of years of services plus any additional position allowance or special allowance as per the Company's policy.

Criteria for employee:

- Employee who work as expert or specialist should have lengths of years of services more than 5 years;
- Employee who does not meet the above criteria should have lengths of years of services more than 3 years.

Onetime payment paid to employees at resignation date is recognized when paid.

Retirement:

At retirement, the Company provides for onetime payment to employees who reach the retirement age and meets the below criteria. The amount payable is based on the onetime payment as described in the above resignation section plus three times of salary of the last working month multiplied by the lengths of years of services and any additional position allowance or special allowance as per the Company's policy.

2. Accounting policies (continued)

2.10 Employee benefits (continued)

Criteria for employee:

- Employee, both male and female who reaches 60 year-old and with more than 25 working years with the Company. However, for female who reaches 55 year-old and have lengths of years of services not less than 25 years, if requested, is also entitled to a retirement benefit;
- Length of year of service in each position meets the Company's policy.

Provisions for employee benefits are not accrued in each year. The liability recognised in the statement of financial position and related expenses recognised in the income statement are based on actual amount when it is due at the time of employees' resignation or retirement.

Other employee benefit obligations

The Company also offers other employee benefits such as social security fund as required by local law. The Company and employee are required to contribute at 5% and 4.5% of employee salary to the social security fund respectively. Basic monthly salary for calculation is at the maximum of Kip 1.5 million. The Company recognises related liabilities and expenses when paid.

2.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated, except provision for employee benefit which is described in Note 2.10.

2.12 Short-term investment

Short-term investment is classified as held to maturity and is carried at carrying value and interest income is recognised into statements of income based on the period as mention in related agreement.

2.13 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies 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.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks but do not include deposits with banks which are held to maturity, and other short-term highly liquid investments with maturities of three months or less from the date of acquisition.

2. Accounting policies (continued)

2.15 Revenue recognition

Revenues mainly comprise revenues from sales of electricity and services which include installation fees and dividend income.

(a) Sales of electricity, the Company account for sales when:

- Power Purchase Agreements ("PPA") exists;
- Delivery has taken place;
- A quantifiable price has been established or can be determined;
- Related receivables are likely to be recovered.

Delivery takes place when the risks and benefits associated with ownership are transferred to the buyer.

Generally, the sales of electricity are measured from the agreed meters at the point of delivery multiplied by the rates as agreed and stipulated in the PPA.

(b) Other services

Other services primarily include installation fee which is recognised at the time of delivery completion.

(c) Dividend income

Dividend income is recognised when the right to receive payment by the Company is established which is normally at the point where the shareholder's right to receive payment is established.

2.16 Cross currency and interest rate swap

Cross currency swap contract transactions are recorded as swap contracts receivables using spot rate and swap contracts payables at the rate agreed in swap agreement. The difference will be presented as premium or discount in statements of financial position. Premiums or discounts is amortised in the statements of income on the straight-line method over the contract period.

2.17 Operating segments

Operating Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer and Chief Financial Officer that make strategic decisions.

According to this accounting policy the Company disclose information of operating segments in Note 4 to financial statements

2.18 Intangible assets

Intangible assets – Computer software Cost associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable.

Directly attributable cost that are capitalised as part of the software product include the software development employee costs and appropriate portion of relevant overheads. Other development expenditures that do not meet these criteria are recognise as an expense as incurred. Development cost previously recognised as an expenses are not recognised as an asset in a subsequent period.

Computer software development costs recognised as assets are amortised over their estimated useful life.

2. Accounting policies (continued)

2.19 Taxation

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 year after adjusted non-deductible expenses and others transaction under related Lao Tax Law and tax rate. Under Lao Tax Law and Accounting Law and related privileges as a listed company at LSX, tax expenses for the year are determined on the basis of the profit of the Company calculated.

In Lao PDR, income tax returns are reviewed in details by the relevant authorities on a regular basis. In addition, tax issues raised from the reviews may require judgments and interpretation by parties concerned in a number of areas. Such reviews could therefore potentially result in additional tax payments or refunds being necessary. This would result in the payment or refund being recognised as income tax expense in the year in which the reviews are completed.

3. Financial risk management

3.1 Financial risk factors

The Company's activities expose it to certain financial risks, which are primarily the effects of changes in foreign exchange rates, interest rates, credit risk and liquidity risk.

The Company's overall risk management focuses on how to minimise potential adverse effects on the financial performance of the Company on a cost effective manner.

Risk management is generally carried out by management under the supervision from the Board of Directors.

3.2 Foreign exchange risk

The Company operates domestically but is exposed to foreign exchange risk arising from certain currency exposures, primarily with respect to the US dollar and Japanese YEN and Baht. Foreign exchange risk arises from transferred borrowings and debentures denominated in foreign currencies and from purchases in foreign currencies such as machineries, equipment and parts.

The Company uses swap contracts to hedge their exposure to foreign currency risk in connection with the outstanding debentures of Baht 6,500 million (Note 15).

As at 31 December 2015, except for the above, management had no formal policies and had not used any financial instruments or derivatives to manage their foreign exchange risk from borrowings. However, management has monitored the movements of foreign exchange rates on a timely basis and may use financial instruments or derivatives to manage this risk if management sees that it is necessary. Consequently, significant fluctuations in exchange rates could have a material adverse effect on the Company's business, results of operations, financial conditions and prospects.

3.3 Interest rate risk

The interest risk mainly arises from borrowings and debentures.

Borrowings issued at variable rates expose the Company to interest risk. The Company analyses its interest rate exposure on a timely basis and does not yet decide to use any financial instruments or derivatives to manage this risk.

3. Financial risk management (continued)

Debentures issued in Baht with fixed interest rate. Interest rate swap contracts are entered into to manage related interest rates risk. The Company entered into interest rate swap contracts by converting fixed rates to floating rates for the total amount of interest arising from debentures.

3.4 Credit risk

The Company mainly sells its products to EDL, major shareholder, and EDL is a key state own enterprise operated under the Ministry of Finance ("MOF") and is only a key customer. Although the credit risk is considered as concentrate or dependent to one customer, management considers the credit risk as low and manageable.

Cash and cash equivalents are deposited with reputable banks which have a good credit history.

3.5 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and short term investments. Management plans to maintain its cash forecasts to aid in liquidity management and ensures the sufficiency of its liquid funds to meet short term operational needs including borrowing repayments and for its long term investment plan.

3.6 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern from the ongoing project on hand in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure to facilitate its operation and investment plan, the Company may borrow new funds, issue new shares, refinance existing borrowings and adjust the amount of dividends paid to shareholders in the future.

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For the year ended 31 December 2015

4. Segment information

Chief Executive Officer and Chief Financial Officer are the Company chief operating decision-maker. The Company has two segments report which are comprised of electricity generation and other business which included investment in other company. Electricity generation is to operate electricity for sales to the Electricite Du Laos (EDL). Investments in associates and interests in joint ventures are investment in electricity generation in Laos. The segment information is presented on the same basis that used for internal reporting purpose as provided to management for make decision.

	For the year ended 31 December 2015			
	Electricity generation Million LAK	Other businesses Million LAK	Adjustments Million LAK	Management Discussion and Analysis report Million LAK
Sale	847,759	-	-	847,759
Cost of sales	(276,443)	-	-	(276,443)
Segment results	571,316	-	-	571,316
Other income	16,198	-	-	16,198
Operating and administrative expenses	(121,027)	-	-	(121,027)
Foreign exchange (loss)/gain, net	(9,975)	-	-	(9,975)
Interest expenses	(61,937)	-	-	(61,937)
Share of profit of associates and joint ventures	-	286,218	-	286,218
Profit before income tax expense	394,575	286,218	-	680,793
Income tax expense	(39,954)	-	-	(39,954)
Net profit for the year ended	354,621	286,218	-	640,839
Segment fixed assets	4,337,962	-	-	4,337,962
Unallocated assets	4,769	-	-	4,769
Total assets	4,342,731	-	-	4,342,731

	For the year ended 31 December 2014			
	Electricity generation Million LAK	Other businesses Million LAK	Adjustments Million LAK	Management Discussion and Analysis report Million LAK
Sale	839,193	-	-	839,193
Cost of sales	(215,613)	-	-	(215,613)
Segment results	623,580	-	-	623,580
Other income	5,680	-	-	5,680
Operating and administrative expenses	(123,528)	-	-	(123,528)
Foreign exchange (loss)/gain, net	(18,098)	-	-	(18,098)
Interest expenses	(31,722)	-	-	(31,722)
Share of profit of associates and joint ventures	-	474,467	-	474,467
Profit before income tax expense	455,912	474,467	-	930,379
Income tax expense	(22,695)	-	-	(22,695)
Net profit for the year ended	433,217	474,467	-	907,684
Segment fixed assets	4,140,028	-	-	4,140,028
Unallocated assets	5,823	-	-	5,823
Total assets	4,145,851	-	-	4,145,851

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5 Investments in associates and interests in joint ventures

	2015 Million KIP	2014 Million KIP
Beginning balance	2,108,966	1,869,992
Additions (Note 6)	80,022	-
Share of profit of associates	48,763	75,550
Decrease on interest in joint ventures	(16,276)	-
Share of profit of interest in joint ventures	237,456	398,917
Dividend received	(189,366)	(227,016)
Translation adjustments	(643)	(8,477)
Ending balance	2,268,922	2,108,966

The ending balance consist of

	2015 Million KIP	2014 Million KIP
Investments in associates	710,598	610,357
Interests in joint ventures	1,558,324	1,498,609
Ending balance	2,268,922	2,108,966

2015:

Additions:

Refer to the MoU dated 20 February 2012 between EDL and the Company with respect to the transfer of the equity shareholdings of Nam Ngum 5 Power Company Limited ("NNG5"), The Company is required to pay i) an advance payment of USD 2,000,000 ii) the remaining balance of the total consideration, due additional advances or any adjustments to be made or paid in accordance with the Share Transfer Agreement between Company and EDL, dated 20 February 2012. As at 31 December 2014, the Company paid for necessary costs related MoU amount to USD 5,250,000 or equivalent to LAK 42,098 million.

On 10 February 2015, both parties agreed the selling price at USD 9,940,000 or equivalent LAK 80,022 million for the transfer of shareholdings interest of EDL in NNG5 to the Company. The Company paid additional cost for this investment at USD 4,690,000 or equivalent to LAK 37,924 million. The transfer process was completed on 11 May 2015.

Decrease in interest in joint ventures

On 10 December 2015, Houay Ho Power Company Limited, one of the joint venture, reduced its par value from USD 100 per share to USD 80 per share, while the shareholding structure will still remain unchanged. Houay Ho Power Company Limited already paid for some portion to EDL Gen and had remaining unpaid balance of USD 400,000 or equivalent to LAK 3,255 million (Note 11).

2014: nil

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For the year ended 31 December 2015

5. Investments in associates and interests in joint ventures (continued)

5.1 Associates

The Company's share of the result of its associates, all of which are unlisted, and its share of the dividend are as follows:

						2015
						(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	563,000	(19,940)
NamLik 1-2 Power Company Limited	Lao PDR	Electricity generation	10	32,240	63,210	(7,820)
Nam Ngum 5 Power Company Limited	Lao PDR	Electricity generation	15	80,022	84,388	-
Total investment in associates				<u>567,004</u>	<u>710,598</u>	<u>(27,760)</u>

						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	547,777	(18,118)
NamLik 1-2 Power Company Limited	Lao PDR	Electricity generation	10	32,240	62,580	(9,205)
Total investment in associates				<u>486,982</u>	<u>610,357</u>	<u>(27,323)</u>

With respect to NamLik 1-2, the Company has obtained voting rights and Board of Directors' seats and has abilities to make certain key decisions in finance and operations (but not as much as a joint controlled party) as stipulated in related shareholders' agreements concerned. Management therefore concludes this investment as an associate.

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5. Investments in associates and interests in joint ventures (continued)

5.2 Interests in joint ventures

The Company's share of the result of interest in joint ventures, all of which are unlisted, and its share of the dividend are as follows:

						2015
						(Million Kip)
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Theun-Hinboun Power Company Limited (THPC)	Lao PDR	Electricity generation	60	1,120,696	1,548,741	(146,484)
Houay Ho Power Company Limited	Lao PDR	Electricity generation	20	1,171	6,742	(15,122)
Lower Houay Lamphanh Company Limited (LHPC)	Lao PDR	Electricity generation	60	3,381	2,841	-
Total interest in joint ventures				<u>1,125,248</u>	<u>1,558,324</u>	<u>(161,606)</u>

						2014
						(Million Kip)
Name	Country of Incorporation	Business	Portion of Investment (%)	Cost Method	Equity Method	Dividend
Theun-Hinboun Power Company Limited (THPC)	Lao PDR	Electricity generation	60	1,120,696	1,463,621	(192,789)
Houay Ho Power Company Limited	Lao PDR	Electricity generation	20	17,447	31,607	(6,904)
Lower Houay Lamphanh Company Limited (LHPC)	Lao PDR	Electricity generation	60	3,381	3,381	-
Total interest in joint ventures				<u>1,141,524</u>	<u>1,498,609</u>	<u>(199,693)</u>

With respect to THPC and LHPC, although the Company has its interest in those companies more than 50% but according to the conditions in joint venture agreements the Company has obtained voting rights and Board of Directors' seats and has abilities to make only certain key decisions in finance and operations (but not as much as a controlling party). Management therefore concludes these are interest in joint venture.

6. Advance payments for investments

Advance payments for investments consist of:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Advance payments under the projects transfer	3,690,647	779,005
	3,690,647	779,005

These relate to the advance payments paid to EDL for the costs occurred from the project assets under related MOU as disclosed in note 1 c); vi) to x) The Company has made advanced payments under the MOU as summarized below:

Project's name	Type	Note	31 December 2015 Million Kip	31 December 2014 Million Kip
Nam Khan2	Assets	1 c) vi)	373,203	335,556
Houay Lamphan Ngai	Assets	1 c) vi)	291,517	242,170
Nam Sana	Assets	1 c) vii)	19,830	16,112
Nam Khan 3	Assets	1 c) viii)	223,251	143,069
Nam Chiean 1	Assets	1 c) x)	671,647	-
Nam Hinboun	Assets	1 c) x)	204,583	-
Xeset 3	Assets	1 c) x)	148,504	-
Nam Ngum 1 Ext DFE	Assets	1 c) x)	467,921	-
Nam Ngum 1 Ext Unit 6	Assets	1 c) x)	226,230	-
Nam Ngum 5 (Note 5)*	IPP	1 c) x)	-	42,098
Nam Ou 2,5,6	IPP	1 c) ix)	364,640	-
Nam Ngiep 2	IPP	1 c) x)	111,470	-
Nam Beng	IPP	1 c) x)	42,138	-
Xekamam 3	IPP	1 c) x)	232,163	-
Nam Lik 1	IPP	1 c) x)	33,309	-
Nam Mang 1	IPP	1 c) x)	35,767	-
Nam Tha 1	IPP	1 c) x)	244,474	-
Total			3,690,647	779,005

*Refer to the MoU dated 20 February 2012 between EDL and the Company with respect to the transfer of the equity shareholdings of Nam Ngum 5 Power Company Limited ("NNG5"), The Company is required to pay i) an advance payment of USD 2,000,000 ii) the remaining balance of the total consideration, due additional advances or any adjustments to be made or paid in accordance with the Share Transfer Agreement between Company and EDL, dated 20 February 2012. As at 31 December 2014, the Company paid for necessary costs related MoU amount to USD 9,940,000 or equivalent to LAK 80,022 million and transferred related amount to record as investment in associates upon completion in 2015 (Note 5).

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7. Assets under concession, net

At 31 December 2014

	Buildings Million Kip	Hydroelectric dams Million Kip	Plant and machineries Million Kip	Motor vehicles Million Kip	Office equipment Million Kip	Furniture and fixture Million Kip	Construction in progress Million Kip	Total Million Kip
Cost	357,443	2,457,596	1,972,923	10,398	2,630	6,452	-	4,807,442
Accumulated depreciation	(69,721)	(329,586)	(253,835)	(4,350)	(1,187)	(2,912)	-	(661,591)
Net book amount	287,722	2,128,010	1,719,088	6,048	1,443	3,540	-	4,145,851
Open net book amount								
At 1 January 2015	287,722	2,128,010	1,719,088	6,048	1,443	3,540	-	4,145,851
Additions	10,738	1,664	389,811	4,297	1,871	1,731	12,210	422,322
Charge for the year	(20,856)	(84,245)	(115,948)	(2,282)	(650)	(1,461)	-	(225,442)
Net book amount	277,604	2,045,429	1,992,951	8,063	2,664	3,810	12,210	4,342,731

At 31 December 2015

Cost	368,181	2,459,260	2,362,735	14,695	4,501	8,183	12,210	5,229,765
Accumulated depreciation	(90,577)	(413,831)	(369,784)	(6,632)	(1,837)	(4,373)	-	(887,034)
Net book amount	277,604	2,045,429	1,992,951	8,063	2,664	3,810	12,210	4,342,731

In 2015, total additions of Kip 422,322 million consisted of cash transactions of Kip 324,726 million and non-cash transactions of Kip 97,595 million. All construction in progress consist of new machines at Xeset 1-2 Dam and expect to be completed within 2017.

8. Intangible assets

	Software
	Million Kip
Open net book amount	
At 1 January 2015	-
Additions under installation	787
Amortisation charge	-
Closing net book amount	787
At 31 December 2015	
Cost	787
Accumulated amortisation	-
Net book amount	787

During 2015, the Company implemented a new accounting software and expected to be completed in 2016.

9. Cash and cash equivalents

	31 December 2015 Million KIP	31 December 2014 Million KIP
Cash on hand	96	88
Cash at banks - current account	1,213,674	1,251,446
	1,213,770	1,251,534

Cash on hand represents petty cash being used for general purpose.

Cash at banks represent cash deposited with local reputable banks in 3 currencies being USD, THB and LAK in current accounts with interest at 0%-1% per annum.

10. Short-term investments

The Company invested in 12 months short-term deposits of Kip 20,000 million (2014: Kip 20,000 million), with a local financial institution, commencing from 18 November 2015 to 18 November 2016 (2014: commencing from 18 November 2014 to 18 November 2015), these deposits bear interest rate at 6% per annum (2014: 10% per annum).

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11. Trade and other receivables

	31 December 2015 Million KIP	31 December 2014 Million KIP
Trade receivable – parent company (Note 24 d) (i)	293,385	436,120
Receivable – parent company (Note 24 d)(ii)	65,944	65,944
Receivables – capital reduction (Note 5.2) (iii)	3,255	-
Receivables – others (iv)	11,100	318
	373,684	502,382

- i) Aging of trade account receivables can be analysed as follows:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Current	114,687	112,851
Overdue but less than 3 months	178,698	323,269
Overdue 3 - 6 months	-	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	293,385	436,120
<u>Less</u> Allowance for doubtful accounts Receivables	-	-
Trade account receivables, net	293,385	436,120

- ii) Receivable from parent company is expected to be settled in 2016. Discussions with EDL are underway. This receivable arises at the time of the transfer of Existing Generation Assets in December 2010 as disclosed in Note 1 b).
- iii) On 10 December 2015, Houay Ho Power Company Limited (HHPC), a joint venture (Note 5), reduced its par value of shares from USD 100 per share to USD 80 share. According HHPC already returned part of the capital reduction of USD 2,000,000 to the Company and still has the unpaid balance of USD 400,000 or equivalent to LAK 3,255 million.
- iv) Receivable others mainly include interest receivable from EDL LAK 10,125 million and other services provided to third parties LAK 975 million.

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12. Share capital and share premium

	Number of Shares	Share (Million Kip)	Share premium (Million Kip)	Total (Million Kip)
	(Shares)			
At 1 January 2014	1,226,216,765	4,904,867	142,229	5,047,096
Issue of shares	-	-	-	-
At 31 December 2014	1,226,216,765	4,904,867	142,229	5,047,096
At 1 January 2015	1,226,216,765	4,904,867	142,229	5,047,096
Issue of shares	453,086,932	1,812,348	843,392	2,655,740
At 31 December 2015	1,679,303,697	6,717,215	985,621	7,702,836

2015:

In 2015, the Company offered 453,086,932 ordinary shares with par value of LAK 4,000 per share totalling LAK 1,812,347 million to investors inside and outside of the Lao PDR. The 408,738,922 shares were offered to existing shareholders under rights offering (RO) with selling price of LAK 6,000 per share and another 44,348,010 shares were offered to the public through public offering (PO) with selling price of LAK 6,800 per share.

The Company incurs premium on share capital totalling LAK 941,652 million and related issuance share costs of LAK 98,260 million which is charged against the premium on share capital. Then, the net premium on share capital is LAK 843,392 million

2014: nil

As at 31 December 2015 total authorised number of ordinary shares is 1,679,303,697 shares (31 December 2014: 1,226,216,765 shares) with a par value of Kip 4,000 per share (31 December 2014: Kip 4,000 per share). All issued shares are fully paid.

13. Legal reserve

	31 December 2015 Million KIP	31 December 2014 Million KIP
At 1 January	297,210	206,442
Appropriation made during the year	64,084	90,768
At 31 December	361,294	297,210

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

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14. Long-term borrowings

	31 December 2015 Million KIP	31 December 2014 Million KIP
Total long-term borrowings	1,019,464	598,782
Less: current portion for long-term borrowings	(178,007)	(99,519)
Long-term borrowings, net	<u>841,457</u>	<u>499,263</u>

Movement of long-term borrowing can be analysed as below:

	31 December 2015 Million KIP	31 December 2014 Million KIP
As at 1 January	598,782	937,298
Additions during the year	555,198	-
Less: repayments made during the year	(138,365)	(333,145)
(Gain)/loss on exchange rate	3,849	(5,371)
As at 31 December	<u>1,019,464</u>	<u>598,782</u>

The Company entered into a Debt Repayment Agreement ("the Agreement") with the EDL on 15 December 2010 (Note 1 c iii). 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 further over the period from 10 January 2010 to 15 July 2022, for the GOL's further repayments to the lenders pursuant to the original borrowing agreements.

2015:

On 17 March 2015, the Company signed a borrowing agreement with Thai Military Bank Public Company Limited (TMB), for credit facility totalling USD 68 million or equivalent to Kip 249,042. The Company already drawn down USD 30.64 million on 2 April 2015 with interest rate of LIBOR 3 months plus 3.50% per annum. The Company is required to repay principal within 7 years after the first drawdown on semi-annually basis emceeding from 29 September 2015 to 24 February 2022 and interest is payable on quarterly basis start from 1 July 2015 to 24 February 2022.

This borrowing is required to place cash deposit guarantee with 7% of principal by the Company. As at 31 December 2015, the Company placed cash deposit guarantee USD 4.75 million or equivalent to LAK 38,704 million.

In addition, the Company is required to comply with certain terms and conditions; for examples, debt service coverage ratio, gearing ratio, dividend payment and account receivable aging not excess 120 days.

2014: nil

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14. Long-term borrowings (Continued)

Borrowings are denominated in the following currencies:

	31 December 2015	31 December 2014
US dollar (million)	116	64
Yen (million)	1,017	1,221

The aging analysis of these borrowings is as follows:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Less than one year	178,007	99,519
More than one year but not over 5 years	671,780	398,074
Over 5 years	169,677	101,189
	<u>1,019,464</u>	<u>598,782</u>

15. Debentures, net

	31 December 2015 Million KIP	31 December 2014 Million KIP
Debenutres	1,480,050	1,610,310
Less: transaction costs	(27,887)	(34,448)
	<u>1,452,163</u>	<u>1,575,862</u>
Less: current portion of debenture		-
	<u>1,452,163</u>	<u>1,575,862</u>

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15. Debentures, net (continued)

Movements in debentures are as follows:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Opening balance	1,575,862	-
Additions	-	1,616,810
Transaction cost	-	(34,670)
Amortised deferred financing fee	6,561	222
Gain(loss) on exchange rate	(130,260)	(6,500)
	<u>1,452,163</u>	<u>1,575,862</u>

On 21 December 2014, the Company issued its 5-10 years fixed rate unsubordinated and unsecured debentures, at Thai Baht 1,000 face value per unit totaling 6.5 million units with a total value of Baht 6,500 million (equivalent to Kip 1,616,810 million). The debentures are issued at par value and thus no discount or premium arising from the issuance of debentures. The stated interest rates or coupon rates are fixed and are ranging from 4.95% to 5.45% per annum. Interest is payable semi-annually in June and December and the first interest payment will be due on 12 June 2015. The debentures were offered through private placement method at the Stock Exchange of Thailand (SET) to a high network investors and institutional investors including banks, mutual funds, asset management funds and insurance companies. These debentures have received BBB+ risk rating from TRIS Rating Co., Ltd, Thailand.

Debenture issuing costs approximately of Kip 34,670 million were incurred in preparing and selling the debentures issued. These costs mainly consist of the fees for professional advisors, lawyers and regulators concerned. The issuing costs are being deferred and amortised on a straight -line basis over the term of the debentures. In addition, these deferred costs are presented as a netted amount against the outstanding amount of debentures (Note 2.16)

Summary of key terms and conditions of the debentures issued is outlined in the below table:

Description	Series 1	Series 2	Series 3
Type	Unsubordinated unsecured debentures.	Unsubordinated unsecured debentures.	Unsubordinated unsecured debentures.
Repayment	Principal repayment at the maturity date.	Principal repayment at the maturity date.	Principal repayment at the maturity date.
Total offering price	Baht 1,500 million	Baht 2,000 million	Baht 3,000 million
Issued amount	1,500,000 units	2,000,000 units	3,000,000 units
Interest rate	Fixed rate 4.95% per annum	Fixed rate 5.20% per annum	Fixed rate 5.45% per annum
Effective interest rate	5.26% per annum	5.54% per annum	5.62% per annum
Interest due	Semi- annually, 12 June and 12 December	Semi- annually, 12 June and 12 December	Semi- annually, 12 June and 12 December
Period	5 years	7 years	10 years
Maturity date	12 December 2019	12 December 2021	12 December 2024

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16. Payable – swap contracts, net

	31 December 2015 Million KIP	31 December 2014 Million KIP
Payables-swap contract	1,613,738	1,601,884
Receivables-swap contract	(1,469,390)	(1,610,310)
Deferred gain on swap contract	17,049	19,531
	<u>161,397</u>	<u>11,105</u>

The Company entered into currency swap contracts from Baht to USD to hedge their exposure from foreign currency risk in connection with their issuance of Baht debentures and also swap their interest rates from fixed rates to floating rate with Thai financial institutions (Note 1c xii).

17. Accrued expenses

Accrued interest expenses comprise:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Accrued interest expense	7,633	8,936
Accrued royalty fee and others tax	73,337	103,950
Accrued debenture issuance costs	-	16,935
Others	10,848	5,115
	<u>91,818</u>	<u>134,936</u>

18. Accrued income tax

	31 December 2015 Million KIP	31 December 2014 Million KIP
Beginning balance	4,306	9,279
Payments during the year	(36,060)	(27,668)
Income tax expense for the year (Note 21)	39,954	22,695
	<u>8,200</u>	<u>4,306</u>

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19. Expenses by nature

The following significant expenditures, classified by nature, have been charged in arriving at operating profit:

	31 December 2015 Million KIP	31 December 2014 Million KIP
Staff costs	54,554	40,112
Repair and maintenance expenses	26,541	21,623
Depreciation on assets under concession (Note 7)	225,442	181,555
Dividend tax expense	18,936	22,702
Fuel	4,781	5,507
Others	67,216	67,642
	<u>397,470</u>	<u>339,141</u>

20. Interest expense

	31 December 2015 Million KIP	31 December 2014 Million KIP
Interest expense from borrowings	<u>61,937</u>	<u>31,722</u>

Interest expense is mainly relevant to transferred borrowings from EDL amounting to Kip 11,509 million (Note 1 c iii and Note 24 c).

21. Income tax expense

According to the Concession Agreement with GoL, the Company shall pay taxes on its net taxable income at a 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 2011 to 2014 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.

From 2015 onwards, the Company is subjected to the corporate income tax at the current rate of 10% of net profit after the adjustments for non-deductible expenses and others according to the 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 related period and the applicable tax rate.

	31 December 2015 Million KIP	31 December 2014 Million KIP
<i>Reconciliation between income tax expense and accounting profit:</i>		
Accounting profit before income tax	680,794	930,379
Non-deductible and reversal items for tax purpose	4,962	(2,000)
Share of profit of associates and joint ventures under equity accounting method (Note 5)	(286,218)	(474,467)
Taxable income	<u>399,538</u>	<u>453,912</u>
Tax calculated at the tax rate of 10% (2014: 5%)	<u>39,954</u>	<u>22,695</u>

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22. Basic earnings per share

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

	31 December 2015	31 December 2014
Net profit attributable to ordinary shareholders (Million Kip)	640,839	907,684
Weighted average number of ordinary shares in issue (Million shares)	1,404	1,226
Basic earnings per share (Kip)	456.44	740.36

23. Dividend

The Company may distribute dividends at no less than 50 percent of the available net profits of the Company after deducting for taxes, statutory/legal reserve fund and other reserve funds (if any). Dividend allocation may depend on economic situation and the Company's investment plans. Annual dividends payable are not accounted for until they have been approved at the Annual General Meeting.

Summary of dividend payments are described below:

Description	Approval date/by	Dividend per share (Kip/share)	Amount Million Kip	Payment date
2015:				
Interim dividend from the operating result of 6 months period from 1 July to 31 December 2014	29 April 2015 by the Shareholders	268	328,626	In April 2015
Interim dividend from the operating result of 6 months period from 1 January to 30 June 2015	21 September 2015 by the Board of Directors	110	184,723	In October 2015
		Total	513,349	
2014:				
Interim dividend from the operating result of 6 months period from 1 July to 31 December 2013	24 April 2014 by the shareholders	293	359,282	In April 2014
Interim dividend from the operating result of 6 months period from 1 January to 30 June 2014	14 August 2014 by the Board of Directors	182	223,171	In October 2014
		Total	582,453	

24. Related party transactions

The major shareholders of the Company are the Electricite Du Laos, which hold at 75% of total shares. The remaining shares in the Company are widely held.

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

a) Sales of goods

	31 December 2015 Million KIP	31 December 2014 Million KIP
Sales of electricity to EDL	847,759	839,193

Sales of electricity to EDL are based on agreed terms and conditions in the Power Purchase Agreement ("PPA") dated 15 December 2010 and were revised in 9 December 2011 (Note 1 c ii).

b) Dividend paid

	31 December 2015 Million KIP	31 December 2014 Million KIP
Dividend paid to EDL	385,012	436,840

c) Interest expense

	31 December 2015 Million KIP	31 December 2014 Million KIP
Interest expense - EDL (Note 20)	11,509	30,273

According to Debt Repayment Agreement between the Company and EDL (Note 1 c iii), the Company 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.

d) Outstanding balances with related party

<u>EDL</u>	31 December 2015 Million KIP	31 December 2014 Million KIP
Trade account receivable (Note 11)	293,385	436,120
Accounts receivable-others (Note 11)	65,944	65,944
Advance payments for investments (Note 6)	3,690,647	779,005
Long-term borrowings (Note 14)	502,919	598,782

24. Related party transactions (continued)

e) Directors and managements remuneration

For the years ended 31 December	31 December 2015 Million KIP	31 December 2014 Million KIP
Key management compensation	1,750	1,819

Key management compensation mainly includes salary, meeting allowances and other benefits for the members of the Board and key management.

f) Significant agreements with EDL

The Company entered into certain significant agreements with EDL as explained in Note 1c.

25. Commitments and significant transactions

Capital commitments

Significant commitments mainly are from various maintenance service agreements with third parties in respect of the maintenance of hydropower dams with suppliers ongoing installation of generation equipments are as below:

Year	Amount (Million Kip)	Period
2015	294,582	1-5 years
2014	68,273	1-5 years

Operating lease commitments – where the Company is the lessee.

The Company leases land being used for their hydropower dams under non-cancellable operating lease agreements with. The lease term is generally for 30 years.

For the year ended 31 December	31 December 2015 USD	31 December 2014 USD
Not later than 1 year	31,241	28,637
Later than 1 year but not later than 5 years	127,957	126,395
More than 5 year	843,411	876,214
	1,002,609	1,031,246

26. Post statement of financial position event

2015:

Dividend payment approval

At the Board of Directors' meeting No.1/2016 held on 28 March 2016, the Board of Directors approved a dividend payment in respect of net profit for the 2nd half of the year or for the six-month period from 1 July to 31 December 2015 of Kip 150 per share (31 December 2014: Kip 268 per share) amounting to a total of Kip 251,890 million (31 December 2014: Kip 328,625 million).

This approved dividend will be paid on 6 May 2016. This recent approved dividend payment is in addition to the dividend payment for the 1st half of the year as disclosed in Note 23.

Memorandum of Understanding (MOU) for the transfer of the project assets of Houay Lamphan Ngai, Nam Khan2, and Nam Sana (the Project)

The Company and EDL signed MOU for the transfer of the project assets of Houay Lamphan Ngai and Nam Khan2 (Note 1 c vi) and Nam Sana Hydro Project (Note 1 c vii). Subsequently, both party signed Project Assets Transfer Agreement on date 24 December 2015 and Memorandum of Power Purchase Agreement (PPA) on date 2 February 2016 then right on those assets are transfer to the Company.

2014:

At the Board of Directors' meeting No.1/2015 held on 23 March 2015, the Board of Directors approved significant transactions as below:

Dividend payment approval

The Board of Directors approved a dividend payment in respect of net profit for the 2nd half of the year or for the six-month period from 1 July to 31 December 2014 of Kip 268 per share (31 December 2013: Kip 293 per share) amounting to a total of Kip 328,625 million (31 December 2013: Kip 359,281 million).

This approved dividend will be paid on 5 May 2016. This recent approved dividend payment is in addition to the dividend payment for the 1st half of the year as disclosed in Note 23.

Acquisition of Independent Power Plants (IPPs) from EDL

The Board of Directors approved the Transfer of the purchase asset of Nam Khan2 Hydropower Plant Project and Houay Lamphan Gnai Hydropower Plant project from EDL. Nonetheless, the Transfer of 2 Hydropower Plant Projects by EDL and the acceptance of the transfer of asset by the company will take place only after both parties have completely fulfilled the conditions which were specified by both parties in the Memorandum of Understanding (MOU) for the Transfer of the Project Asset.

Increased of registered share capital

The Board of Directors approved the increase of the Company's registered capital by issuing not exceeding 464,783,334 new ordinary shares at the par value of 4,000 Kip each and shall be offered for sale to the existing shareholders and/or the specific shareholders and/or public offering. Accordingly, the shares of the Company will be increased from 1,226,216,765 shares to 1,690,985,099 shares.

All above transactions will be proposed to the Annual General Meeting of the Shareholders for final approval after the Board of Director's approval.

27. Supplementary information

The Company presents the unaudited statement of income for the three-month period ended 31 December 2015 under this note to the unaudited financial statements. This is in accordance with the reporting and disclosure regulation issued by Lao Securities and Exchange Commission Office (Note 2.1).

Summary of statement of income
For the three-month periods ended 31 December 2015 and 2014

	Unaudited 2015 Million Kip	Unaudited 2014 Million Kip
Sales	222,655	186,079
Cost of sales	(74,476)	(47,844)
Gross profit	148,179	138,235
Other income	1,587	1,076
Operating and administrative expenses	(38,042)	(74,107)
Foreign exchange gain/ (loss), net	194	(12,467)
Interest expense	(16,870)	(7,302)
Share of profit of associates and joints ventures	22,858	106,557
Profit before income tax expense	117,906	151,992
Income tax expense	(9,787)	(15,401)
Net profit for the period	108,119	136,591