

EDL-Generation Public Company

The First Quarter Report

31 March 2015



Mittaplab lao-thai Road, Thongkang village, Sisatanark district, PO Box 2392 Vientiane Lao PDR.

Tel: (856-21) 316141. Fax: (856-21) 316142, E-mail: edlgenhq@edlgen.com.la Website: www.edlgen.com.la

Table of Content

	Page
1. The EDL-Generation Public Company	1
2. The Core Business Operation	1
3. Organization	2-4
4. Internal Committee	5
4.1 Internal Audit Committee (IAC)	5
4.2 The Committee on Negotiation of Concession Agreement, Shareholder Agreement, and Power Purchasing Agreement (CASAPPAC)	5
4.3 Procurement and Equipment's Supply Committee (PESC)	5
4.4 Honor Policy and Discipline Committee (HPDC)	6
5. Business Operation and Productivity	6
5.1 Generation	6
5.2 Revenue	7
5.3 Expenses	7
5.4 Net Profits	7
5.5 Tax	8
The First Quarter Financial Report March 31, 2015	9

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:

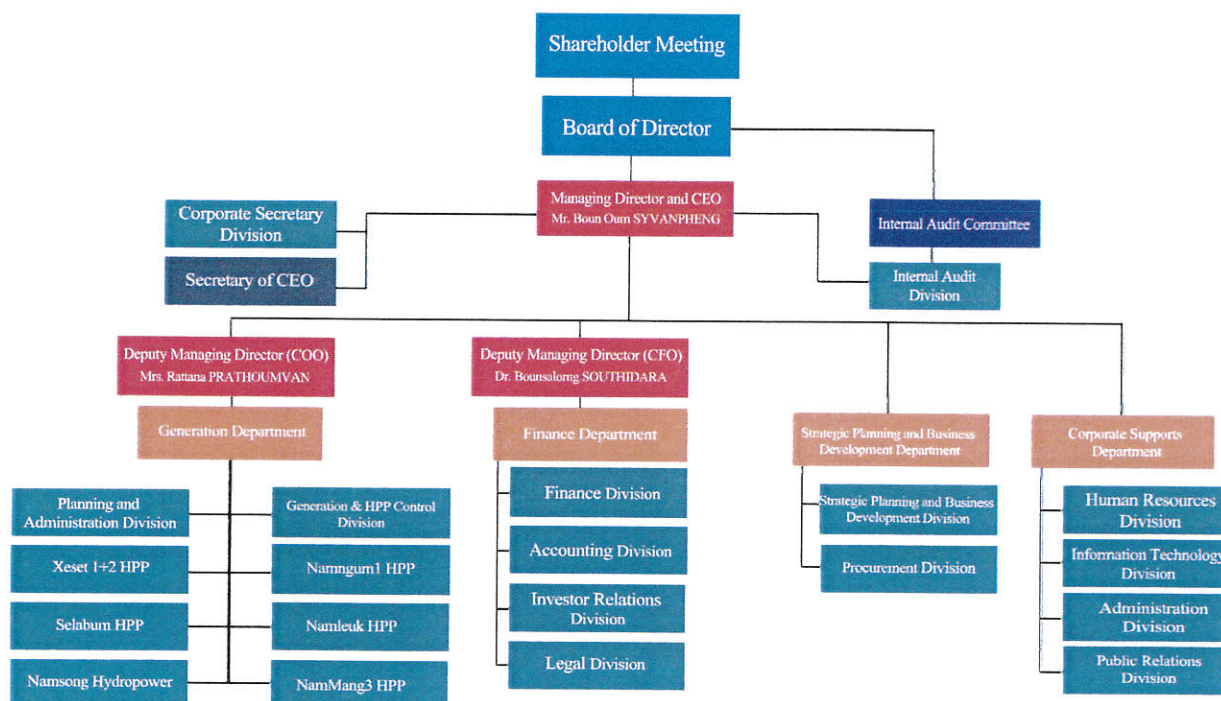
1. To be a number one leading company in electricity generating business to provide Lao PDR and neighboring nations, with sustainable power at a reasonable prices and to create the shareholder's value.
2. To stand side by side with EDL and coordinate closely with EDL in order to maintain power reliability 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.

3. Organization;

3.1 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, 14 offices, and 7 hydropower plants.

Organization Chart of EDL - Generation Public Company



EDL-Gen Staffs

EDL-GEN consists of 651 staffs, of whom 124 are females:

Details	Permanent staff					Temporary staff				
Head office	75	staff	Female	24	staff	6	staff	Female	1	staff
Nam Ngum 1	123	staff	Female	28	staff	51	staff	Female	13	staff
Num Leuk	43	staff	Female	4	staff	26	staff	Female	8	staff
Num Mung 3	55	staff	Female	5	staff	18	staff	Female	6	staff
Xe set 1-2	77	staff	Female	15	staff	65	staff	Female	9	staff
Selabam	41	staff	Female	4	staff	21	staff	Female	3	staff
Nam Song	20	staff	Female	1	staff	7	staff	Female	2	staff
Nam Sana	18	staff	Female	0	staff	5	staff	Female	1	staff
Total	452	staff	Female	81	staff	199	staff	Female	43	staff

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
SENGMAHY**
Independent Member



**Prof. Dr. Khamlusa
NOUNSAVAN**
Independent Member



**Assoc. Prof. Khamphuei
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)

4. Internal Committee

Apart from operating based on the managerial management, the company has also appointed several committees including:

4.1 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 25/05/2013. IAC's role is to inspect and monitor the incomes and expenses, analyse business risks and suggests alternative solutions and reports to the Board of Directors to facilitate decision making. IAC work collaboration with the Internal Audit Division of EDL-GEN.

The meeting of IAC had been held for 1 time in the first quarter 2015 in 20/03/2015. The main issue of the meeting was discussing on the working in the future and an annual financial statement year 2014 which the external auditing company (PWC) verified.

4.2 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 of Concession Agreement, Shareholder Agreement, and Power Purchasing. In the first quarter 2015, the committee has been working as detail below:

1. For preparing Concession Agreement on Nam Khan 2 and Houay Lamphan Ngai hydropower project, the committee surveyed project area with land administration department in order to issue a written deed and to be used in land lease agreement on 23-25/02/2015 and 9-16/02/2015 respectively.
2. Prepared a draft of Power Purchase Agreement of Nam Sana Hydropower Project, Nam Khan 2 and Houay Lamphan Ngai Hydropower Project. The preparation had been under the process of tariff and sale point negotiation with EDL.

4.3 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, procurement documents and ensures it abide by the regulations of the company. In the first quarter 2015, the PESC has been working as following: held 3 meetings on 23/01/2015, 25/03/2015 and 20/04/2015. The main issues of the meetings can be summarized as follows:

1. External auditor selection of year 2015
The issue was discussed and proposed to the shareholder meeting 2014
2. Extra work for external auditor of year 2014
Proposed the finance department to submit a report for requesting CEO's comment.

Moreover PESC negotiated with suppliers and signed several contracts as follows:

1. 03 contracts of electrical and mechanical equipments
2. 01 contract of electrical and mechanical overhaul
3. 03 contract of construction and renovation of building and irrigation

4.4 Honor Policy and Discipline Committee (HPDC)

HPDC has 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, consider the requirements requested by employees, the retirement and commendation policies and others.

In the first quarter 2015, the HPDC held 2 meetings. The main issues of the meetings can be summarized as follows:

1. The meeting on 19/03/2015

- reviewed a draft of EDL-Gen obligation on KPI evaluation
- reviewed a draft of EDL-Gen obligation on policies and regulation of EDL-Gen employee who work in companies that EDL-Gen partly invested.
- Reviewed employee's day off policy
- Adjusted EDL-Gen obligation on regulation and policies of employee (revision 1)
- Acknowledged a report of regulation implementation of Nam Song Hydropower plant

2. The meeting on 26/03/2015

- Continued reviewing a draft of EDL-Gen obligation on policies and regulation of EDL-Gen employee who work in associates and joint ventures.
- reviewed a report of regulation implementation of Nam Song Hydropower plant.

5. Business Operation and Productivity.

It has been the fifth year since the company established in December 2010 to operate and wholesale the generating electricity to EDL. Meanwhile, the company had 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 first quarter 2015 are as followed:

5.1 Generation

In the first quarter 2015, the company owned seven hydropower plants, with a combined installed capacity of 387 MW. Since the weather condition in 2015 was supportive, enabling company's generation reached 335.49 GWh (108.69% of the plan).

Power Generation First Quarter 2015								(Unit: GWh)
Details	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
Plan	218.60	13.44	37.00	3.48	32.00	2.45	1.71	308.68
Actual	233.70	14.59	43.76	5.32	34.09	2.27	1.76	335.49
Compared to the Plan (%)	106.91%	108.56%	118.27%	152.98%	106.53%	92.81%	102.76%	108.69%

5.2 Revenue

In the first quarter 2015, the total revenue of EDL-Generation mainly came from electricity sale and equaled to 144,772 million Kip, which exceeds the plan by 8.83 % (the plan was 133,026 million Kip) including revenue from electricity sale totally 142,282 million Kip, equaled to 98.28% of total revenue and other revenue equaled to 1.72% of total revenue.

Revenue Generated from selling electricity First Quarter 2015								(Unit:Million Kip)
Detail	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	93,587	5,558	15,702	1,410	13,494	1,008	707	131,464
Actual	99,725	6,141	18,201	2,133	14,416	936	731	142,282
Compare Third Quarter Plan (%)	106.56%	110.49%	115.92%	151.30%	106.83%	92.90%	103.41%	108.23%

5.3 Expenses

In the first quarter 2015, EDL-Generation has the total expenses in the amount of 118,349 million Kip, equivalent to 81.75% of total revenue.

Total Expenses			
No.	Details	Million Kip	% of revenue
1	Cost of Sales	63,332	43.75%
2	Operating Cost	21,680	14.98%
3	Interest	18,772	12.97%
4	Foreign Exchange loss, net	11,531	7.96%
5	Corporate Tax	3,034	2.10%
	Total	118,349	81.75%

5.4 Net Profits

The total Net Profits of EDL-GEN for the first quarter 2015 came from 2 main sources as follows:

1. Profit from business operation of EDL-Gen, amounted to 26,423 million Kip.
2. Profit from share of associates and joint ventures, amounted to 42,148 million Kip

The total Net Profits of EDL-GEN for the first quarter 2015 was 68,571 million Kip.

5.5 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 for the first quarter 2015 was 78,335 million kip and represents as below:

Tax		
No.	Details	Million Kip
1	Advance Income Tax	62,346
2	Income Tax	13,365
3	Royalty fee	1,861
4	Pesonal income tax- salary	733
5	Meeting Premium Tax	30
Total		78,335

The First Quarter Financial Report

March 31, 2015

EDL-GENERATION PUBLIC COMPANY

**1st QUARTER FINANCIAL INFORMATION
(UNAUDITED)**

31 March 2015

EDL-Generation Public Company
Statements of financial position
As at 31 March 2015

		Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
	Notes		
Assets			
Non-current assets			
Interests in associates	4	628,413	610,357
Interests in joint ventures	4	1,465,356	1,498,609
Advance payment for investment	5	1,214,431	779,005
Assets under concession, net	6	4,098,966	4,145,851
Swap contract assets, net	10	5,396	-
Other non-current assets		28,064	1,885
Total non-current assets		7,440,626	7,035,707
Current assets			
Cash and cash equivalents		520,906	1,251,534
Short-term investment	7	424,800	20,000
Trade and other receivables		389,033	502,382
Spare parts and supplies, net		3,806	4,043
Other current assets		14,031	7,595
Total current assets		1,352,576	1,785,554
Total assets		8,793,202	8,821,261

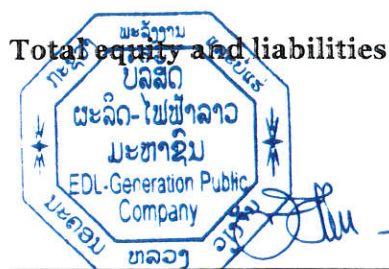


Boun Oum SYVANPHENG
Chief Executive Officer
14 May 2015

Bounsalong SOUTHIDARA
Chief Financial Officer
14 May 2015

EDL-Generation Public Company
Statements of financial position
As at 31 March 2015

	Notes	Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Equity			
Share capital		4,904,867	4,904,867
Share premium		142,229	142,229
Legal reserve		297,210	297,210
Translating financial statements		(1,361)	(1,476)
Retained earnings		1,047,382	978,811
Total equity		6,390,327	6,321,641
Liabilities			
Non-current liabilities			
Long - term borrowings, net	8	457,477	499,263
Debentures, net	9	1,603,889	1,575,862
Swap contract payables, net		-	11,105
Total non-current liabilities		2,061,366	2,086,230
Current liabilities			
Accounts payable		153,753	174,589
Current portion of long-term borrowings	8	99,764	99,519
Accrued expenses		87,956	134,936
Accrued income tax		-	4,306
Other current liabilities		36	40
Total current liabilities		341,509	413,390
Total liabilities		2,402,875	2,499,620
Total equity and liabilities		8,793,202	8,821,261



Boun Oum SYVANPHENG
 Chief Executive Officer
 14 May 2015


 Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 May 2015

EDL-Generation Public Company
Statements of Income
For the three-month period ended 31 March 2015

	Notes	Unaudited 31 March 2015 Million Kip	Unaudited 31 March 2014 Million Kip
Sales	12	142,282	147,543
Cost of sales		(63,332)	(44,069)
Gross profit		78,950	103,474
Other income		2,490	872
Operating and administrative expenses		(21,680)	(19,192)
Foreign exchange (loss)/gain, net		(11,531)	(2,157)
Interest expenses		(18,772)	(8,251)
Share of profit of associates and joint ventures	4	42,148	68,632
Profit before corporate income tax		71,605	143,378
Income tax expense		(3,034)	(3,755)
Net profit for the period		68,571	139,623



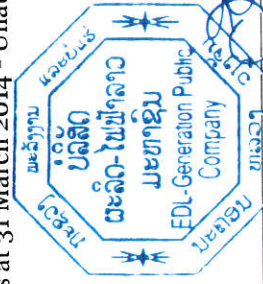
Boun Oum SYVANPHENG
 Chief Executive Officer
 14 May 2015

Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 May 2015

EDL-Generation Public Company
Statement of changes in shareholder's equity
For the three-month period ended 31 March 2015

	Note	Issued and paid-up ordinary shares		Share premium	Legal reserve	Translating financial statements	Unappropriated retained earnings	Total
		Million Kip	Million Kip	Million Kip	Million Kip	Million Kip	Million Kip	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 period		-		-	-	-	68,571	68,571
Translation adjustments	4	-		-	-	115	-	115
Dividend paid		-		-	-	-	-	-
Appropriation		-		-	-	-	-	-
As at 31 March 2015 - Unaudited		4,904,867		142,229	297,210	(1,361)	1,047,382	6,390,327

	Note	Issued and paid-up ordinary shares		Share premium	Legal reserve	Translating financial statements	Unappropriated retained earnings	Total
		Million Kip	Million Kip	Million Kip	Million Kip	Million Kip	Million Kip	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 period		-		-	-	-	139,623	139,623
Translation adjustments		-		-	-	108	-	108
Dividend paid		-		-	-	-	-	-
Appropriation		-		-	-	-	-	-
As at 31 March 2014 - Unaudited		4,904,867		142,229	206,442	7,109	883,971	6,144,618



Boun Oum SYVANPHENG
 Chief Executive Officer
 14 May 2015


Bounsalong SOUTHDARA
 Chief Financial Officer
 14 May 2015

EDL-Generation Public Company
Statements of Cash Flows
For the three-month period ended 31 March 2015

		Unaudited 31 March 2015 Million Kip	Unaudited 31 March 2014 Million Kip
	Notes		
Cash flow from operating activities :			
Net profit before income tax for the period		71,605	143,378
Adjustments to reconcile net profit to net cash			
Amortisation of cost of issuance debenture	9	922	-
Depreciation	6	47,389	41,881
Foreign exchange (gain)/ loss		10,947	4,881
Share of profit from investment	4	(42,148)	(68,632)
Finance cost		29,325	-
Operating profit before working capital changes		118,040	121,508
Changes in operating assets and liabilities			
- Trade and other receivables		113,348	(85,759)
- Spare part and supplies		237	(1,097)
- Other current assets		(6,436)	451
- Accounts payable		(20,836)	(21,230)
- Other assets		(8,835)	433
- Other current liabilities		(4)	3
- Accrued expenses		(65,475)	37,448
Cash generated from operations		130,039	51,757
Income tax paid		(13,367)	(6,781)
Net cash generate from operating activities		116,672	44,976
Cash flows from investing activities :			
Advance payment for investments	5	(435,426)	-
Purchases of assets under concession		(504)	(37,763)
Purchase of short-term investments		-	-
Proceeds from short term investment		(404,800)	-
Dividends received	4	57,460	24,075
Net cash from (used in) investing activities		(783,270)	(13,688)

EDL-Generation Public Company
Statements of Cash Flows (continued)
For the three-month period ended 31 March 2015

		Unaudited 31 March 2015 Million Kip	Unaudited 31 March 2014 Million Kip
	Notes		
Cash flows from financing activities :			
Proceeds from issue of ordinary shares		-	-
Proceeds from long-term borrowings		-	-
Repayment on borrowings	8	(42,822)	(46,635)
Proceeds from debentures issuance		-	-
Transaction cost paid for debentures issuance		(17,340)	-
Dividends paid to shareholders		-	-
Dividends paid to non-controlling interests		-	-
Interest paid		(5,059)	-
Net cash used by financing activities		(65,221)	(46,635)
Net increase/(decrease) in cash and cash equivalents		(731,819)	(15,347)
Cash and cash equivalent at the beginning of the year		1,251,534	159,914
Effect of exchange rate changes on cash and cash equivalent		1,191	-
Cash and cash equivalent ending of the period		520,906	144,567



Boun Oum SYVANPHENG
 Chief Executive Officer
 14 May 2015


 Bounsalong SOUTHIDARA
 Chief Financial Officer
 14 May 2015

1. General information

EDL- Generation Public Company (the “Company” or “EDL GEN”) is a public company which is listed in 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 1st quarter financial information was authorised for issue by the Board of Directors on 14 May 2015.

This 1st 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 2014. 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 2014.

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 Lao 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 31 March 2015

3. New significant agreement during the 3-month period ended 31 March 2015

- i) *Memorandum of Understanding (MOU) for share transfer of the project assets of Nam Ou Power Company Limited*

During the three-month period ended 31 March 2015, the Company and EDL signed an MOU for the transfer of equity shareholding in Nam Ou Power Company Limited on 19 January 2015, this included the project assets of Nam Ou 2, 5 and 6.

- ii) *Short-term Lending Agreement*

During the three-month period ended 31 March 2015, the company signed a short-term lending agreement with EDL on 19 March 2015 for an amount USD 50 million at an interest rate of 9% per annum. EDL will repay this loan to the Company within 60 days after the agreement date (Note 7).

- iii) *Long-term Borrowing Agreement with Thai Military Bank (TMB)*

During the three-month period ended 31 March 2015; on 17 March 2015, the Company signed an agreement with TMB, which allows the Company to access Facility I of the borrowing which amounts to USD 30.64 Million by 2 April 2015 (the first drawdown date). 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 drawdown date (note 13 (i)).

4. Investments in associates and interests in joint ventures

	Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Beginning balance	2,108,966	1,869,992
Share of profit of associates	18,042	75,550
Share of profit of interest in joint ventures	24,106	398,917
Dividend received	(57,460)	(227,016)
Exchange differences	115	(8,477)
Ending balance	<u>2,093,769</u>	<u>2,108,966</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

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

4.1 Associates

The associate entities are:

						Unaudited 31 March 2015 (Million Kip)
<u>Name</u>	<u>Country of Incorporation</u>	<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method</u>	<u>Equity Method</u>	<u>Dividend</u>
Nam Ngum 2 Power Company Limited	Lao PDR	Electricity generation	25	454,742	564,026	-
NamLik 1-2 Power Company Limited	Lao PDR	Electricity generation	10	32,240	64,387	-
Total investment in associates				486,982	628,413	-

4.2 Interests in joint ventures

The jointly controlled entities are:

						Unaudited 31 March 2015 (Million Kip)
<u>Name</u>	<u>Country of Incorporation</u>	<u>Business</u>	<u>Portion of Investment (%)</u>	<u>Cost Method</u>	<u>Equity Method</u>	<u>Dividend</u>
Theun-Hinboun Power Company Limited	Lao PDR	Electricity generation	60	1,120,696	1,437,449	(48,853)
Houay Ho Power Company Limited	Lao PDR	Electricity generation	20	17,447	24,526	(8,607)
Lower HouayLamphanh Company Limited	Lao PDR	Electricity generation	60	3,381	3,381	-
Total investment in joint ventures				1,141,524	1,465,356	(57,460)

On 16 March 2015, management of Theun-Hinboun Power Company Limited agreed to pay dividend to shareholders totalling USD 10.02 million. The company received the dividend on 31 March 2015 based on its % of interest totalling USD 6.01 million, equivalent to Kip 48,853 million.

On 20 February 2015, management of Houay Ho Power Company Limited agreed to pay dividend to shareholders totalling USD 5.3 million. The company received the dividend on 26 February 2015 based on its % of interest totalling USD 1.06 million, equivalent to Kip 8,607 million.

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

5. Advance payment for investments

	Million Kip
Opening net book amount as at 1 January 2015 – audited	779,005
Additions	429,653
Finance cost of investment	<u>5,773</u>
Closing net book value as at 31 March 2015 - Unaudited	<u>1,214,431</u>

During the three-month period ended 31 March 2015, the Company made an additional advance payment totalling Kip 429,653 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 53,510 million; project assets of Nam Sana, under the MOU signed on 12 February 2014, amounting to Kip 577 million; project assets of Nam Khan 3, under the MOU signed on 17 February 2014, amounting to Kip 13,683 million; project assets of Nam Ngum 5, under the MOU signed on 20 February 2012, amounting to Kip 37,923 million; and project assets of Nam Ou 2, 5 and 6, under the MOU signed on 19 January 2015, amounting to Kip 323,960 million.

6. Assets under concession, net

	Million Kip
Opening net book amount as at 1 January 2015 - audited	4,145,851
Addition	504
Depreciation charge	<u>(47,389)</u>
Closing net book value as at 31 March 2015 - Unaudited	<u>4,098,966</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

7. Short-term investment

During the three-month period ended 31 March 2015, the company signed a short-term lending agreement with EDL on 19 March 2015 amounting to USD 50 million at an interest rate of 9% per annum. EDL will repay this loan to the company with 60 days after the agreement date (Note 3(ii)).

	Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Opening amount as at 1 January 2015	20,000	20,000
Addition	404,500	-
Gain/(loss) on exchange rate	300	-
Closing amount as at 31 March 2015	<u>424,800</u>	<u>20,000</u>

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 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Current	99,764	99,519
Non-current	457,477	499,263
	<u>557,241</u>	<u>598,782</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

8. Long-term borrowings, net (continued)

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

	<u>Million Kip</u>
As at 1 January 2015 - audited	598,782
Additions	-
Repayments	(42,822)
(Gain)/ loss on exchange rate	1,281
As at 31 March 2015 - Unaudited	<u>557,241</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 2.75% per annum.

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

	<u>Unaudited 31 March 2015</u>	<u>Audited 31 December 2014</u>
USD (million)	58	64
Yen (million)	1,221	1,221

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

	<u>Unaudited 31 March 2015 Million Kip</u>	<u>Audited 31 December 2014 Million Kip</u>
Less than one year	99,764	99,519
One year but not over 5 years	399,054	398,074
Over 5 years	58,423	101,189
	<u>557,241</u>	<u>598,782</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

9. Debentures, net

	Unaudited 31 March 2015 Million KIP	Audited 31 December 2014 Million KIP
Debenutres	1,637,415	1,610,310
Less: transaction costs	(33,526)	(34,448)
	1,603,889	1,575,862
Less: current portion of debenture	-	-
	<u>1,603,889</u>	<u>1,575,862</u>

Movements in debentures for the years ended 31 December are as follows:

	Unaudited 31 March 2015 Million KIP	Audited 31 December 2014 Million KIP
Opening balance	1,575,862	-
Additions	-	1,616,810
Transaction cost	-	(34,670)
Amortised deferred financing fee	922	222
(Gain)/loss on exchange rate	27,105	(6,500)
	<u>1,603,889</u>	<u>1,575,862</u>

10. Swap contract, net

	Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Payables-swap contract	(1,605,243)	(1,601,884)
Receivables- swap contract	1,629,550	1,610,310
Deferred gain on swap contract	(18,911)	(19,531)
Receivables/(payables)-swap contract	<u>5,396</u>	<u>(11,105)</u>

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

11. Income tax expenses

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 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 the 1st quarter period ended 31 March 2015 onwards, the Company records corporate income tax at the current rate of 10% 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.

12. Related party transactions

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

a) Sales of goods

	Unaudited 31 March 2015 Million Kip	Unaudited 31 March 2014 Million Kip
For the 1st quarter period		
Sales of electricity to EDL	142,282	147,543

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 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Advance payments for investment (Note 5)	1,214,431	779,005
Accounts receivable-others	65,944	65,944
Trade account receivable – EDL (i)	321,888	436,120
Long-term borrowings (Note 8)	557,241	598,782

EDL-Generation Public Company
Unaudited condensed notes to the quarterly financial information
For the three-month period ended 31 March 2015

12. Related party transaction (continued)

b) Outstanding balances from related party transactions (continued)

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

	Unaudited 31 March 2015 Million Kip	Audited 31 December 2014 Million Kip
Not yet due	156,510	112,851
Overdue less than 3 months	112,851	323,269
Overdue 3 - 6 months	52,527	-
Overdue 6 - 12 months	-	-
Overdue over 12 months	-	-
	<u>321,888</u>	<u>436,120</u>
<u>Less</u> Allowance for doubtful receivables	-	-
Trade accounts receivable, net	<u>321,888</u>	<u>436,120</u>

13. Post statement of financial position event

i. Long-term Borrowing Agreement with Thai Military Bank (TMB)

During the three-month period ended 31 March 2015; on 17 March 2015, the Company signed an agreement with TMB, which allows the Company to access Facility I of the borrowing which amounts to USD 30.64 Million by 2 April 2015 (the first drawdown date). 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 drawdown date.

The company recognised Facility I of this borrowing on the statement of financial position on 2 April 2015 which is the first drawdown date.

ii. 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 amounting to a total of Kip 328,625 million.

This dividend payment was also approved in the Shareholder's Annual General Meeting for the year 2014 on 28 April 2015 and this approved dividend will be paid on 5 May 2015.

Managing Director: (Signature) Boun Oum SYVANPHENG

Accounting Division Director: (Signature) Vanhseng VANNAVONG

Internal Audit Division Director: (Signature) Manivanh NHOTKONGMY

